## Market snapshot

| Equities - India | Close | Chg .% | CYTD.% |
|---|---|---|---|
| Sensex | 76,918 | 1.6 | -9.7 |
| Nifty-50 | 23,811 | 1.6 | -8.9 |
| Nifty-M 100 | 58,596 | 1.1 | -3.1 |
| **Equities-Global** | **Close** | **Chg .%** | **CYTD.%** |
| S&P 500 | 7,569 | 0.4 | 10.6 |
| Nasdaq | 25,372 | 0.8 | 9.2 |
| FTSE 100 | 10,638 | -1.1 | 7.1 |
| DAX | 25,865 | -0.4 | 5.6 |
| Hang Seng | 7,943 | 0.5 | -10.9 |
| Nikkei 225 | 63,082 | 0.0 | 25.3 |
| **Commodities** | **Close** | **Chg .%** | **CYTD.%** |
| Brent (US$/Bbl) | 105 | -2.9 | 68.4 |
| Gold ($/OZ) | 3,930 | -0.4 | -9.0 |
| Cu (US$/MT) | 14,154 | -2.4 | 13.7 |
| Almn (US$/MT) | 3,089 | -1.4 | 4.1 |
| **Currency** | **Close** | **Chg .%** | **CYTD.%** |
| USD/INR | 94.7 | -0.2 | 5.4 |
| USD/EUR | 1.1 | 0.1 | -4.7 |
| USD/JPY | 158.7 | 0.5 | 1.3 |
| **YIELD (%)** | **Close** | **1MChg** | **CYTD chg** |
| 10 Yrs G-Sec | 7.3 | -0.01 | 0.7 |
| **Flows (USD b)** | **3-Nov** | **MTD** | **CYTD** |
| FIIs | 0.72 | -1.45 | -30.1 |
| DIIs | -0.39 | 5.95 | 74.1 |
| **Volumes (INRb)** | **3-Nov** | **MTD*** | **YTD*** |
| Cash | 1,374 | 1314 | 1333 |
| F&O | 6,06,632 | 4,50,094 | 2,54,470 |

lote: Flows, MTD includes provisional numbers.
Average

## Today's top research idea

### State Bank of India: NII growth healthy; core PPoP up 16% YoY

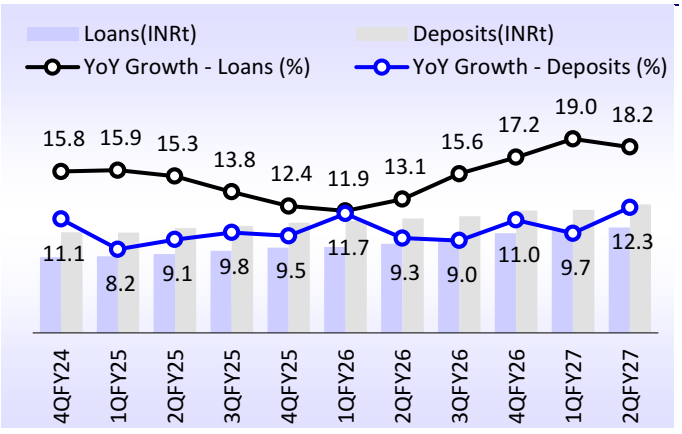
- State Bank of India (SBIN) reported 2QFY27 PAT of INR230.4b (up 14.3% YoY/9% QoQ,), led by strong NII and one-off gain from SBI MF divestment of INR73b.
- NII grew 14% YoY/4.6% QoQ to INR491.4b (3% beat). NIMs expanded 8bp QoQ to 2.94% vs. est. of 2.83%. The bank has maintained its domestic NIM guidance of 3%+ in FY27.
- Loan book grew 18% YoY/3% QoQ, while deposits grew 12% YoY/4.5% QoQ, aided by FCNR(B) deposits of USD10.9b and leverage of USD8.8b against the same. Domestic CD ratio declined to 73% and continues to provide adequate headroom to support growth. SBIN guided for FY27E loan growth of 14-15%.
- Fresh slippages declined to INR52.3b from INR70.5b in 1QFY27. GNPA/NNPA ratios declined 8bp/2bp QoQ to 1.39%/0.36%. PCR ratio, thus, stood largely stable at 74.4%. Credit costs remained benign at 0.22%.
- We tweak our earnings estimates for FY27/FY28 and estimate FY28 RoA/RoE of 1.03%/15.2%. Reiterate BUY with a revised TP of INR1,225 (1.3x Mar'28E ABV + INR281 for subs).

## Research covered

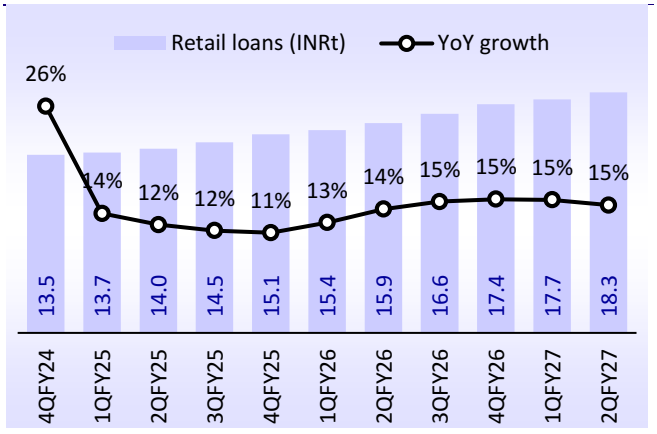
| Cos/Sector | Key Highlights |
|---|---|
| State Bank of India | NII growth healthy; core PPoP up 16% YoY |
| The Eagle Eye | Indian markets regain ground amid global market weakness |
| Other Updates | Bharat Ele. \|Bajaj Finserv \| Power Grid Corpn \| Max Healthcare \| Natl. Aluminium \| Petronet LNG \| Aegis Logistics \| Emcure Pharma Container Corpn. \| Indraprastha Gas \| TBO Tek \| Fine Organic \| Zydus Wellness \| Amara Raja Ener. \| Ventive Hospital \| KEC International \| Alkyl Amines \| GNG Electronics \| Arvind Fas. \| Northern Arc \| Kolte Patil Dev. \| Gopal Snacks \| Prataap Snacks \| FLASH (Solar Inds. \| Lupin \| MCX. \| Glax. Pharma \| Global Health \| Endurance Tech. \| Mahanagar Gas \| Jain Res. \| Bata India \| V2 Retail \| V-Mart Retail \| Prince Pipes \| Laxmi Dental) |

## Chart of the Day: State Bank of India (NII growth healthy; core PPoP up 16% YoY)

**Loans grew 18.2% YoY; deposits rose 12.3% YoY**




**Retail loans rose ~14.5% YoY/2.9% QoQ**




**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

## Johnnie Walker launches first India-inspired Blue Label festive blend in its 200-year history

The Johnnie Walker Blue Label Festive Blend, crafted by the brand's Master Blender Dr Emma Walker, draws on the country's rich culinary heritage and flavour traditions, the company said in a statement.

2

## Road ministry signs MoU with Bihar to use river silt for national highways construction

The ministry of road transport and highways signed an MoU with the Bihar government for river desilting.

3

## Soket Labs, ZenteiQ launch indigenous foundation models under IndiaAI Mission

Soket Labs and ZenteiQ introduced new artificial intelligence foundation models under the IndiaAI Mission initiative.

4

## Airbus wants more 'Made in India' aircraft parts: From titanium to complex assemblies, here's what company plans to source next

Airbus plans to increase its annual sourcing of components and services from India to USD 2 billion before 2030, up from the current USD 1.6 billion.

5

## Gulf Oil eyes market leadership in India, global expansion to drive next growth phase

Gulf Oil aims to surpass its rival and achieve the market leader status in India's lubricants sector.

6

## India's solar manufacturing industry can generate 32 lakh jobs, attract $89 billion investment by 2047: ISMA

Titled Vision 2047: Solar Manufacturing from Polysilicon to Power Plant, the report presents a pathway for India to move beyond module assembly and set up manufacturing capabilities across the entire solar value chain -- from polysilicon and ingots to wafers

7

## Tata-Iveco combine eyes significant growth in volumes, revenues over next 5 years: Chandrasekaran

Tata Motors and Iveco Group expect significant growth in vehicle volumes, revenues and margins over the next five years following their combination, Tata Sons Chairman N Chandrasekaran said.

# State Bank of India

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↓ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | SBIN IN |
| Equity Shares (m) | 9231 |
| M.Cap.(INRb)/(USDb) | 8949.7 / 94.5 |
| 52-Week Range (INR) | 1235 / 934 |
| 1, 6, 12 Rel. Per (%) | -5/-8/10 |
| 12M Avg Val (INR M) | 13735 |

**Financials & Valuations (INR b)**

| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| NII | 1,731 | 1,988 | 2,329 |
| OP | 1,184 | 1,273 | 1,531 |
| NP | 800 | 870 | 934 |
| NIM (%) | 2.7 | 2.7 | 2.9 |
| EPS (INR) | 88.2 | 94.3 | 101.2 |
| EPS Gr. (%) | 11.0 | 6.9 | 7.3 |
| ABV (INR) | 542 | 616 | 695 |
| Cons. BV (INR) | 625 | 677 | 781 |
| **Ratios** | | | |
| RoA (%) | 1.1 | 1.1 | 1.0 |
| RoE (%) | 17.3 | 16.0 | 15.2 |
| **Valuations** | | | |
| P/BV (x) (Cons.) | 1.6 | 1.4 | 1.2 |
| P/ABV (x)* | 1.3 | 1.1 | 1.0 |
| P/E (x) | 10.6 | 9.8 | 9.0 |
| P/E (x)* | 7.8 | 7.3 | 6.8 |

*Adjusted for subsidiaries

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 55.0 | 55.0 | 55.0 |
| DII | 26.1 | 26.5 | 27.6 |
| FII | 11.8 | 11.5 | 10.3 |
| Others | 7.1 | 7.0 | 7.1 |

FII includes depository receipts

**CMP: INR970** **TP: INR1,225 (+26%)** **Buy**

## NII growth healthy; core PPoP up 16% YoY

### Reiterates loan growth guidance of 14-15%

- State Bank of India (SBIN) reported 2QFY27 PAT of INR230.4b (up 14.3% YoY/9% QoQ,), led by strong NII and one-off gain from SBI MF divestment of INR73b.
- NII grew 14% YoY/4.6% QoQ to INR491.4b (3% beat). NIMs expanded 8bp QoQ to 2.94% vs. est. of 2.83%. The bank has maintained its domestic NIM guidance of 3%+ in FY27.
- Loan book grew 18% YoY/3% QoQ, while deposits grew 12% YoY/4.5% QoQ, aided by FCNR(B) deposits of USD10.9b and leverage of USD8.8b against the same. Domestic CD ratio declined to 73% and continues to provide adequate headroom to support growth. SBIN guided for FY27E loan growth of 14-15%.
- Fresh slippages declined to INR52.3b from INR70.5b in 1QFY27. GNPA/NNPA ratios declined 8bp/2bp QoQ to 1.39%/0.36%. PCR ratio, thus, stood largely stable at 74.4%. Credit costs remained benign at 0.22%.
- **We tweak our earnings estimates for FY27/FY28 and estimate FY28 RoA/RoE of 1.03%/15.2%. Reiterate BUY with a revised TP of INR1,225 (1.3x Mar'28E ABV + INR281 for subs).**

### Domestic NIM guidance of 3%+; asset quality robust

- SBIN reported 2QFY27 PAT of INR230.4b (up 14.3% YoY, 9% miss), aided by healthy NII and one-off gain from SBI MF divestment of INR73b.
- NII grew 14.3% YoY/4.6% QoQ to INR491.4b (3% beat). NIM expanded 8bp QoQ to 2.94%, while domestic NIMs expanded 11bp QoQ to 3.11%. SBIN expects to sustain FY27 domestic NIMs at least at 3%.
- Other income (excl. NSE divestment) declined 23.2% YoY/26% QoQ to INR117.8 amid treasury loss of INR12.8b (vs. INR43.2b gain in 1Q). Total revenue, thus, grew 4.5% YoY/fell 3.2% QoQ to INR609.2b.
- Opex rose 9.6% YoY/15.6% QoQ to INR339.8b (5% above est.). PPoP fell 1.4% YoY/20% QoQ to INR269.4b. However, core PPoP grew 16% YoY.
- Advances grew 18.2% YoY/3.3% QoQ, within which retail grew 14.5% YoY/2.9% QoQ, Agri grew 22.6% YoY/3.3% QoQ, and SME grew 22% YoY/2.4% QoQ, while corporate was up 16.1% YoY/ 1.3% QoQ. Within retail, gold loan continued to grow faster at 89.3% YoY/9.5% QoQ.
- Provisions came in lower at INR42.2b (down 22% YoY/16.4% QoQ; 28% lower than MOFSLe). Deposits grew 12.3% YoY/4.5% QoQ. CASA ratio declined 92bp QoQ to 38.3%. Global CD ratio declined to 82.1% vs. 83.1% in 1QFY27 aided by surplus inflow of FCNR(B) deposits.
- Fresh slippages normalized at INR52.3b in 2Q from high levels in 1Q (INR70.5b) due to seasonality. GNPA/NNPA ratios improved 8bp/2bp QoQ to 1.39%/0.36%. PCR ratio stood flat at 74.4%. SMA book stood at 9bp of loans (8bp in 1QFY27).
- **Subsidiaries:** SBICARD clocked a PAT of INR7.8b (up 74.8% YoY/17.2% QoQ). SBILIFE's PAT grew 10.9% YoY/declined 24.3% QoQ to INR5.49b. AMC business PAT declined 6.5% YoY/20.6% QoQ to INR6.9b.

## Highlights from the management commentary

- Reiterated FY27 credit growth guidance of 14-15%, supported by healthy 1HFY27 growth and expectations of stronger disbursements in 2H.
- Revaluation gains on SBI's NSE holding have been recognized through the AFS reserve rather than P&L. MTM gains of ~INR110b on the remaining holding have augmented AFS reserve and capital.
- SBI has front-loaded ~INR8.5b of expenses during 2Q, including IT services (~INR2.5b), vendor payments (~INR1.5b) and MAP-related payments (~INR4.5b).
- Mobilized USD10.9b of FCNR(B) deposits, with leverage of USD8.83b. These inflows have primarily been utilized to substitute high-cost wholesale deposits.
- Loan pricing mix: EBLR-linked loans account for ~32% of the portfolio, followed by MCLR (~27%), T-bill-linked (~17%) and fixed-rate loans (~21%).

## Valuation and view: Reiterate BUY with a revised TP of INR1,225

SBIN delivered a steady quarter, supported by healthy NII growth, while earnings were boosted by one-off gains from the SBI MF stake sale. NIM expanded 8bp QoQ, aided by improved yields following the deployment of surplus FCNR(B) liquidity toward retiring high-cost liabilities. The bank reiterated its domestic NIM guidance of >3% for FY27, supported by improving yields, expectations of a rate hike, and a healthy credit growth outlook. Treasury performance was muted, although one-off gains supported profitability. Operating expenses remained slightly high due to the front-loading of expenses to ensure a more balanced cost trajectory through the year, resulting in steady PPoP performance. Management remains constructive on business momentum and reiterates its credit growth guidance of 14-15% for FY27. Asset quality was resilient, with sequential moderation in slippages as seasonal pressure seen in 1Q subsided. **We tweak our earnings estimates for FY27/FY28 and estimate FY28 RoA/RoE of 1.03%/15.2%. Reiterate BUY with a revised TP of INR1,225 (1.3x Mar'28E ABV + INR281 for subs).**

**Quarterly performance** (INR b)

| Y/E March (INR b) | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | V/s |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | Est |
| **Net Interest Income** | **410.7** | **429.8** | **449.9** | **443.8** | **469.9** | **491.4** | **503.0** | **523.8** | **1,731.2** | **1,988.2** | **478.5** | **3%** |
| % Change (YoY) | -0.1 | 3.3 | 8.5 | 4.1 | 14.4 | 14.3 | 11.8 | 18.0 | 4.1 | 14.8 | 11.3 | |
| Other Income | 173.5 | 153.3 | 185.6 | 173.1 | 159.2 | 117.8 | 144.6 | 191.2 | 688.5 | 612.8 | 220.6 | -47% |
| **Total Income** | **584.2** | **583.1** | **635.5** | **616.9** | **629.2** | **609.2** | **647.6** | **715.0** | **2,419.7** | **2,600.9** | **699.1** | **-13%** |
| Operating Expenses | 278.7 | 310.0 | 306.9 | 339.9 | 293.9 | 339.8 | 334.6 | 359.4 | 1,235.5 | 1,327.7 | 322.6 | 5% |
| **Operating Profit** | **305.4** | **273.1** | **328.6** | **277.0** | **335.3** | **269.4** | **313.0** | **355.5** | **1,184.2** | **1,273.2** | **376.5** | **-28%** |
| % Change (YoY) | 15.5 | -6.8 | 39.5 | -11.4 | 9.8 | -1.4 | -4.7 | 28.3 | 7.1 | 7.5 | 37.9 | |
| Provisions | 47.6 | 54.0 | 45.1 | 28.7 | 50.5 | 42.2 | 49.0 | 53.7 | 175.4 | 195.3 | 58.9 | -28% |
| Exceptional items (exp) | 0.0 | 45.9 | 0.0 | 0.0 | 0.0 | 72.9 | 0.0 | 0.0 | 45.9 | 72.9 | 0.0 | |
| **Profit before Tax** | **257.9** | **265.0** | **283.6** | **248.3** | **284.8** | **300.1** | **264.0** | **301.9** | **1,054.8** | **1,150.8** | **317.6** | **-6%** |
| Tax Provisions | 66.2 | 63.4 | 73.3 | 51.5 | 73.6 | 69.7 | 63.6 | 73.8 | 254.4 | 280.8 | 65.1 | 7% |
| **Net Profit** | **191.6** | **201.6** | **210.3** | **196.8** | **211.2** | **230.4** | **200.4** | **228.0** | **800.3** | **870.0** | **252.5** | **-9%** |
| % Change (YoY) | 12.5 | 10.0 | 24.5 | 5.6 | 10.2 | 14.3 | -4.7 | 15.8 | 12.9 | 8.7 | 25.2 | |
| Adj. Net profit | 191.6 | 167.7 | 210.3 | 196.8 | 211.2 | 166.6 | 200.4 | 228.0 | 766.5 | 806.2 | 252.5 | |
| **Operating Parameters** | | | | | | | | | | | | |
| Deposits (INR t) | 54.7 | 55.9 | 57.0 | 59.8 | 60.1 | 62.8 | 64.5 | 67.0 | 59.8 | 67.0 | 62.7 | |
| Loans (INR t) | 42.0 | 43.6 | 46.3 | 48.8 | 49.9 | 51.5 | 53.5 | 55.8 | 48.8 | 55.8 | 51.8 | |
| Deposit Growth (%) | 11.7 | 9.3 | 9.0 | 11.0 | 9.7 | 12.3 | 13.2 | 12.1 | 11.0 | 12.1 | 12.1 | |
| Loan Growth (%) | 11.9 | 13.1 | 15.6 | 17.2 | 19.0 | 18.2 | 15.6 | 14.4 | 17.2 | 14.4 | 18.9 | |
| **Asset Quality** | | | | | | | | | | | | |
| Gross NPA (%) | 1.8 | 1.7 | 1.6 | 1.5 | 1.5 | 1.4 | 1.4 | 1.3 | 1.5 | 1.3 | 1.4 | |
| Net NPA (%) | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.3 | 0.4 | |
| PCR (%) | 74.5 | 75.8 | 75.5 | 74.4 | 74.2 | 74.4 | 74.5 | 74.4 | 74.1 | 74.4 | 74.3 | |

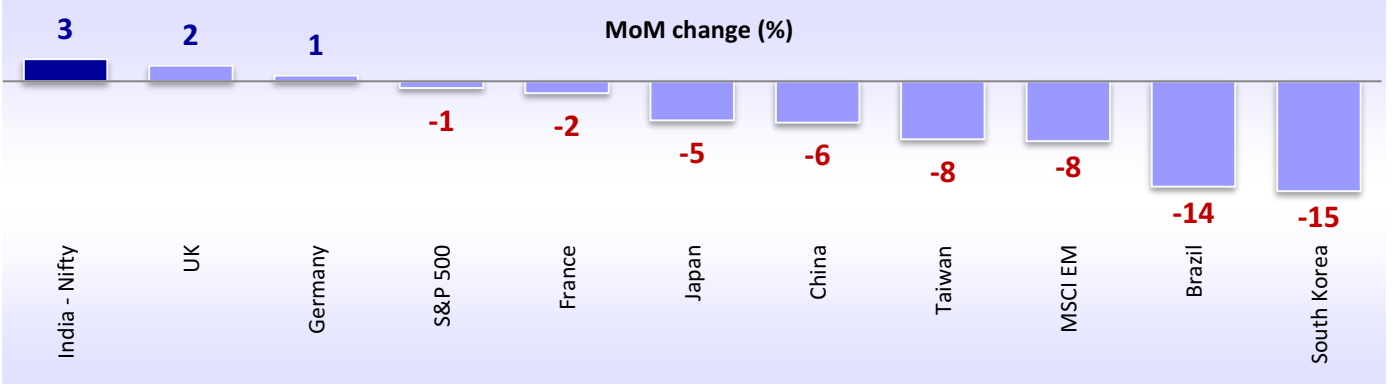
E: MOFSL Estimates

## INDIA STRATEGY – Nov'26 (The Eagle Eye): Indian markets regain ground amid global market weakness

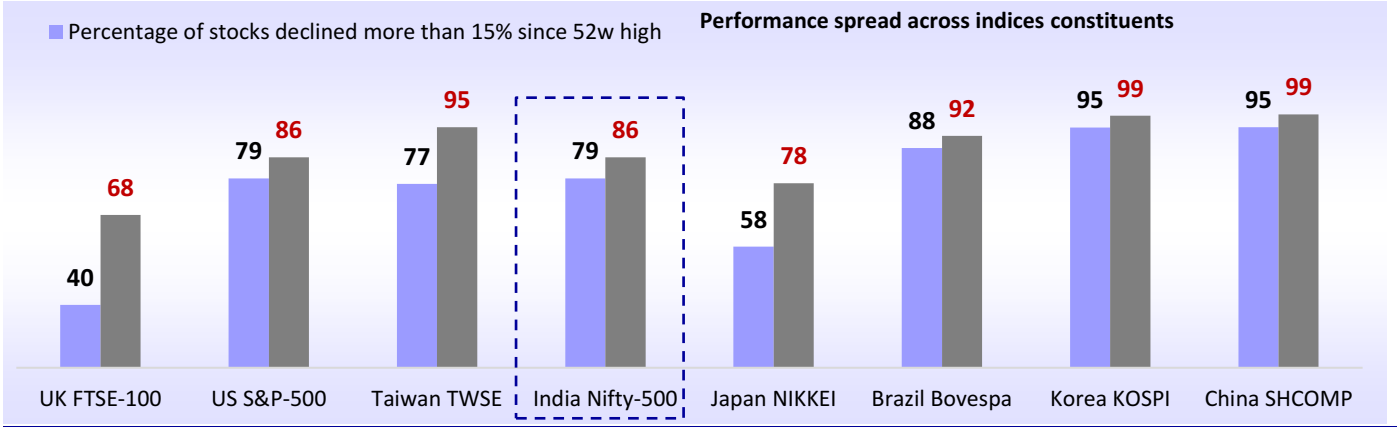
**The key highlights of the 'The Eagle Eye' are as follows:**

- a) India rebounds as global markets weaken MoM, b) Focused global market leadership masks widespread stock-level weakness, c) Developed market yields ease MoM, while India's yields rise to a near four-year high, d) Benchmark indices understate the severity of the broader market sell-off, e) Large-caps rebound, led by a surge in technology, f) Domestic activity remains resilient amid global headwinds, g) DII inflows remain resilient amid moderating but persistent FII selling, h) Institutional holdings: DIIs hold the fort; FIIs' holdings at a multi-year low, i) Cash volumes slip to a 10-month low, while F&O volumes surge to a four-month high, j) Nifty's valuations dip to multi-year lows and trade at steep discounts to the LPA.
- Notable reports published during the month: 1) Initiating coverage report on: Jio Platforms, Molbio Diagnostics, Symbiotec Pharmalab; 2) MOSL Interim earnings review 1QFY27.

**India rebounds as global markets weaken MoM (in USD)**




**Weakness remains widespread across key global markets, with index leadership concentrated in a handful of stocks**



# Bharat Electronics

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↑ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | BHE IN |
| Equity Shares (m) | 7310 |
| M.Cap.(INRb)/(USDb) | 2776.3 / 29.3 |
| 52-Week Range (INR) | 473 / 355 |
| 1, 6, 12 Rel. Per (%) | -7/-11/-2 |
| 12M Avg Val (INR M) | 6418 |

**Financials Snapshot (INR b)**

| Y/E March | 2027E | 2028E | 2029E |
|---|---|---|---|
| Sales | 319.2 | 375.8 | 414.8 |
| EBITDA | 92.9 | 107.3 | 118.6 |
| EBITDA Margin | 29.1 | 28.6 | 28.6 |
| Adj. PAT | 70.1 | 81.7 | 92.0 |
| Adj. EPS (INR) | 9.6 | 11.2 | 12.6 |
| EPS Gr. (%) | 15.8 | 16.6 | 12.6 |
| BV/Sh.(INR) | 41.4 | 51.9 | 63.6 |
| **Ratios** | | | |
| RoE (%) | 23.1 | 21.5 | 19.8 |
| RoCE (%) | 25.9 | 24.0 | 21.8 |
| Payout (%) | 6.6 | 6.6 | 6.6 |
| **Valuations** | | | |
| P/E (x) | 39.5 | 33.9 | 30.1 |
| P/BV (x) | 9.1 | 7.3 | 6.0 |
| EV/EBITDA (x) | 28.3 | 24.0 | 21.1 |
| Div. Yield (%) | 0.2 | 0.2 | 0.2 |

**Shareholding pattern (%)**

| As of | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 51.1 | 51.1 | 51.1 |
| DII | 21.9 | 21.0 | 20.9 |
| FII | 17.0 | 18.0 | 18.2 |
| Others | 10.0 | 9.8 | 9.8 |

FII includes depository receipts

## CMP: INR380 TP: INR540 (+42%) Buy

## A strong performance, QRSAM awaited

**Bharat Electronics (BHE)'s 2QFY27 revenue/EBITDA/PAT came in above our estimates. EBITDA margin also remained strong led by project mix. Base order inflows fell 31% YoY as ordering is yet to ramp up meaningfully from the Ministry of Defence (MoD). A large order such as QRSAM, worth INR300b, is delayed and company is hoping to receive it at the next CCS meeting. BHE is also hopeful of a large order worth INR200b from next-generation corvettes. There have been certain delays by the MoD in finalizing projects, but we expect inflows to ramp up in the coming quarters. We maintain our estimates and expect a revenue/EBITDA/PAT CAGR of 15%/14%/15% over FY26-29. We reiterate our BUY rating with a revised TP of INR540 on a roll-forward to 45x Dec'28 estimates (vs. INR530 earlier).**

### A strong set of results

BHE posted a strong set of results beating our revenue, EBITDA and PAT estimates. Revenue in 2QFY27 grew 26% YoY to INR73b. Gross margin during the quarter contracted to 45.8% vs 51% in 2QFY26. Absolute EBITDA increased 20% YoY to INR20.4b, while margin contracted 140bp YoY to 28%. PAT increased 20% YoY to INR15.4b. Order book at the end of 2QFY27 stood at INR687b, with an order inflow of ~INR38b during the quarter. OCF for 1HFY27 stood at INR14.7b vs. an outflow of INR8.8b in 1HFY26 and FCF for 1HFY27 stood at INR9.4b vs. a negative FCF of INR13.3b in 1HFY26.

### Execution visibility remains strong

BHE's order book stood at INR687b as of 1st Oct'26, with ~90% comprising defense programs and the balance from non-defense businesses. The order book comprises 300+ projects including electronic fuzes (INR42b), LCA Mk1 (INR32b), LRSAM (INR29b), BMP-2 upgrade (INR26b), Ashwini radar (INR25b), EW suite for Mi-17 (INR22b) and an export order (INR17b)., with these seven programs together accounting for ~INR193b of the order book. Apart from fuzes, which have 6-7 years of execution left, most of the orders will be executed over the next 3-3.5 years. During 2HFY27, we expect revenue to be driven by these projects and other major programs in the order book.

### Near-to-medium-term inflow prospect pipeline

BHE saw an order inflow of INR73b in 1HFY27. The QRSAM project worth INR300b is expected to receive CCS approval at the next CCS meeting by 4QFY27. Recently, the CCS approved the next-gen corvettes (INR530b) program, which has been awarded to GRSE and GSL. Orders worth INR200b are expected to flow from NGC to BHE by Mar'27 with some spillover to 1QFY28. We expect base order inflow for BHE to grow in line with defense capex spending. Excluding QRSAM and NGC, key expected inflows include Project Shatrughat and Samaghat EW orders, the HAMMER weapon integration program, the P75I-related orders (expected in FY28) and the AMCA project for which BHE has submitted a bid in consortium with L&T. We expect a steady order inflow, combining base orders coupled with these large project orders, which are staggered over the next few years.

## Missile electronics to scale up

The company sees growth opportunities in the missile market. BHE is the DcPP partner for the LRLACM and Pralay missiles, expecting orders for both in future, and is engaged in 3-4 more strategic missile programs. Electronics for missiles account for 60-70% of missile cost and seekers make up 20-30% of the missile cost. BHE makes both RF and IR seekers (for Akash and Astra, but not for BrahMos, for which it is developing one). BHE has a combined capacity of 1,000+ seekers a year that can be scaled up 2-3x, and it has set up an IR seeker facility near Machilipatnam. Tamil Nadu Explosives, which has been with BHE for 30 years, is being used for warhead integration, while ammunition will be sourced from MIL and private players. We expect missiles to act as a long-term growth lever for the company.

## Targeting to grow in drones and counter drones too

Drones and counter drones are the second-most-focused area after missiles. BHE is working with 6-8 startups and has won orders of INR0.5-1b this year, and expects one or two big drone orders next year. In counter-drone, it supplies high-end systems with hard-kill options and is adding microwave-based directed-energy weapons. It develops both laser and microwave DEW using DRDO technology, in-house R&D and startups. Successful demonstrations abroad give it hope of export orders soon, and new products may be launched at Aero India. We expect the drones and counter drones segment, with DEW, to help build order inflow in the long term.

## Guidance maintained for FY27

BHE reiterated its FY27 guidance, expecting revenue growth of ~15%, an EBITDA margin of ~28%, and order inflows of over INR550b, including the QRSAM program. The company also plans to invest over INR22b in R&D and INR12b in capex during the year, while maintaining a business mix of 90% defense and 10% non-defense.

## Financial outlook and valuation

We maintain our estimates for FY27/FY28/FY29 and expect a CAGR of 15%/14%/15% in sales/ EBITDA/PAT over FY26-29. The NWC days in 1HFY27 were lower than those of Mar'26, with inventory and receivable days declining, thereby bolstering operating cash flows. We expect OCF/FCF to remain strong, led by control over working capital. BHE is currently trading at 40x/34x/30x P/E on FY27E/FY28E/FY29E EPS. We arrive at our revised TP of INR540, based on a roll-forward to 45x Dec'28E earnings. **Reiterate BUY.**

## Key risks and concerns

A slowdown in order inflows from the defense and non-defense segments, intensified competition, further delays in the finalization of large tenders, a sharp rise in commodity prices, and delays in payments from the MoD can adversely impact our estimates on revenue, margins, and cash flows.

**Standalone - Quarterly Earnings Model** (INR M)

| Y/E December | FY26 | | | | FY27 | | | | FY26 | FY27E | FY27E | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | Var (%) |
| **Net Sales** | **44,168** | **57,637** | **71,220** | **1,01,772** | **55,331** | **72,909** | **82,992** | **1,07,968** | **2,74,796** | **3,19,199** | **67,032** | **9** |
| YoY Change (%) | 5.2 | 25.8 | 23.7 | 11.6 | 25.3 | 26.5 | 16.5 | 6.1 | 16.2 | 16.2 | 16.3 | |
| Total Expenditure | 31,769 | 40,683 | 50,043 | 72,148 | 41,439 | 52,514 | 58,758 | 73,639 | 1,94,643 | 2,26,349 | 48,464 | |
| **EBITDA** | **12,399** | **16,953** | **21,176** | **29,624** | **13,892** | **20,395** | **24,234** | **34,330** | **80,153** | **92,850** | **18,568** | **10** |
| YoY Change (%) | 32.4 | 22.1 | 28.1 | 6.2 | 12.0 | 20.3 | 14.4 | 15.9 | 18.4 | 15.8 | 9.5 | |
| Margins (%) | 28.1 | 29.4 | 29.7 | 29.1 | 25.1 | 28.0 | 29.2 | 31.8 | 29.2 | 29.1 | 27.7 | |
| Depreciation | 1,129 | 1,185 | 1,275 | 1,651 | 1,526 | 1,633 | 1,512 | 1,377 | 5,239 | 6,048 | 1,475 | 11 |
| Interest | 14 | 17 | 20 | 16 | 12 | 26 | 17 | 13 | 67 | 67 | 16 | 58 |
| Other Income | 1,636 | 1,591 | 1,595 | 1,082 | 1,674 | 1,904 | 1,700 | 1,523 | 5,904 | 6,801 | 1,659 | 15 |
| **PBT before EO expense** | **12,892** | **17,343** | **21,477** | **29,038** | **14,028** | **20,640** | **24,405** | **34,462** | **80,750** | **93,536** | **18,735** | **10** |
| EO item | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **PBT** | **12,892** | **17,343** | **21,477** | **29,038** | **14,028** | **20,640** | **24,405** | **34,462** | **80,750** | **93,536** | **18,735** | **10** |
| Tax | 3,201 | 4,482 | 5,576 | 7,007 | 3,545 | 5,233 | 6,125 | 8,571 | 20,266 | 23,474 | 4,702 | |
| Rate (%) | 24.8 | 25.8 | 26.0 | 24.1 | 25.3 | 25.4 | 25.1 | 24.9 | 25.1 | 25.1 | 25.1 | |
| **Reported PAT** | **9,691** | **12,861** | **15,901** | **22,032** | **10,483** | **15,407** | **18,280** | **25,891** | **60,485** | **70,062** | **14,033** | **10** |
| **Adj PAT** | **9,691** | **12,861** | **15,901** | **22,032** | **10,483** | **15,407** | **18,280** | **25,891** | **60,485** | **70,062** | **14,033** | **10** |
| YoY Change (%) | 24.9 | 17.9 | 20.8 | 4.7 | 8.2 | 19.8 | 15.0 | 17.5 | 14.4 | 15.8 | 9.1 | |
| Margins (%) | 21.9 | 22.3 | 22.3 | 21.6 | 18.9 | 21.1 | 22.0 | 24.0 | 22.0 | 21.9 | 20.9 | |

# Bajaj Finserv

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | BJFIN IN |
| Equity Shares (m) | 1602 |
| M.Cap.(INRb)/(USDb) | 2753.9 / 29.1 |
| 52-Week Range (INR) | 2127 / 1597 |
| 1, 6, 12 Rel. Per (%) | -7/-1/-10 |
| 12M Avg Val (INR M) | 2373 |

**Financials & Valuations (INR b)**

| Y/E March | 2026 | 2027E | 2028E |
|---|---|---|---|
| **Consol.** | | | |
| Revenue | 1,505 | 1,798 | 2,104 |
| Adj. PAT | 98 | 125 | 153 |
| **BAF** | | | |
| NII | 441 | 550 | 689 |
| PAT | 193 | 267 | 329 |
| **BLife** | | | |
| APE | 85 | 98 | 113 |
| VNB margin (%) | 19.2 | 21.9 | 22.5 |
| EV | 253 | 288 | 330 |
| **BGen** | | | |
| NEP | 95 | 109 | 121 |
| CoR (%) | 102.8 | 101.5 | 101.1 |
| PAT | 19 | 18 | 25 |
| **Valuation** | | | |
| Adj. EPS (INR) | 61 | 78 | 96 |
| EPS growth (%) | 10.3 | 27.6 | 22.6 |
| P/E (x) | 28.0 | 22.0 | 17.9 |
| BVPS (INR) | 325 | 376 | 439 |
| P/B (x) | 5.3 | 4.6 | 3.9 |
| RoE (%) | 13.0 | 14.9 | 15.7 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 58.7 | 58.7 | 58.8 |
| DII | 11.2 | 12.1 | 10.9 |
| FII | 8.2 | 7.0 | 7.8 |
| Others | 22.0 | 22.2 | 22.5 |

FII includes depository receipts

**CMP: INR1,719 TP: INR2,370 (+38%) BUY**

## Underwriting miss for BGen; beat in BLife VNB margin

- Bajaj Finserv (BJFIN) reported consolidated revenue of INR434.2b (+16% YoY) and PAT of INR27.6b (+23% YoY) in 2QFY27. For 1HFY27, revenue grew 17% YoY and PAT rose 18% YoY.
- Bajaj General (BGen) reported 16% YoY growth in GWP to INR70.6b (in line). NEP grew 23% YoY to INR29.5b (in line). For 1HFY27, NEP grew 21% YoY. 2Q PAT declined 19% YoY to INR4.2b (24% beat due to higher investment income).
- Bajaj Life (BLife) reported 10% YoY growth in APE to INR23.6b (in line). VNB witnessed strong growth of 40% YoY to INR5.1b (14% beat), resulting in VNB margin of 21.7%, up 460bp YoY (est. 18.5%).
- The insurance sector should emerge stronger in the medium term, as seen during previous regulatory changes. BLife targets to build further on the 12-month rolling VNB margin of 20.8%, although the strong pace of expansion is unlikely to sustain.
- In BGen, we have largely maintained NEP estimates but slightly cut our underwriting profit estimates considering 2QFY27 performance. In BLife, we have increased our VNB margin estimates by 140bp/150bp for FY27/28. On a consolidated basis, we have increased BJFIN's EPS estimates by 6%/9% for FY27/28, given BAF's strong performance.
- **We reiterate our BUY rating on the stock with a TP of INR2,370 (based on SoTP).**

## BGen – Health segment maintains double-digit growth trajectory

- 2Q GWP rose 10% YoY, with the motor segment growing 18% YoY. Retail health/group health maintained their double-digit growth trajectory, with GWP growing 32%/31% YoY.
- Motor continued to contribute the highest to the GWP mix at 29% in 2QFY27 (27% in 2QFY26), followed by the group health segment at 25% (21% in 2QFY26). Health (retail + group + govt) contributed 38% to the mix, compared to 39% in 2QFY26.
- Elevated motor claims were partly driven by catastrophe-related events, intensity of which is not expected to sustain at the current level.
- Brokers remained the largest contributor to GWP (39% in 1QFY27 from 35% in 2QFY26), followed by direct channel at 34% (40% in 2QFY26). Banca channel contributed 8% (7% in 2QFY26), aided by new partnerships.
- The loss ratio increased YoY to 83.7% (vs. 75.8% in 2QFY26) and was higher than our estimates (75.5%). Excluding tender driven businesses, loss ratio was at 74.2% in 2QFY27 (73.9% in 2QFY26).
- Combined ratio at 104.5% increased 220bp YoY (vs. our estimates of 100.5%). Excluding NATCAT impact, combined ratio was at 102%.

## BLife – Margin expansion led by a product mix shift

- BLife's APE growth of 10% YoY in 2QFY27 was on the back of 5% YoY growth in individual APE and 41% YoY growth in group APE.
- Within individual APE, annuity (10% of APE) was the fastest-growing segment, with APE increasing 57% YoY. Protection (12% of APE) witnessed 44% YoY growth, with stable YoY APE in ULIP (34% of APE), 5% YoY growth in Par (17% of APE). Non-par savings (12% of APE) declined 27% YoY.
- The rising share of annuity and protection resulted in VNB margin of 21.7%, up 460bp YoY (est. 18.5%).
- Channel contribution for agency/banca/direct channels stood at 33%/55%/12%.

## Emerging subsidiaries

- BFD reported revenue of INR1.2b (up 37% YoY), maintaining its sequential growth trajectory following the completion of the platform migration. The loss stood at INR280m compared to INR450m in 2QFY26.
- BFH reported revenue of INR1.9b (down 5% YoY), with over 5.6m transactions completed on the platform. The loss stood at INR580m compared to INR320m in 2QFY26.
- Bajaj Finserv AMC (BFAMC) reported revenue of INR242m and loss of INR451m, with AUM at INR357.7b by the end of 2QFY27.

## Key highlights from the management commentary

- Elevated motor claims were partly driven by catastrophe-related events, intensity of which is not expected to sustain at the current level.
- Bajaj Direct intends to expand into lending, insurance and investment marketplaces, which could necessitate additional capital as the business scales.
- Bajaj Finserv Health is targeting breakeven by 4QFY28, while AMC needs INR3b capital before achieving breakeven.

## Valuation and view

- BJFIN is operating in a phase where growth is increasingly broad-based, with BAF providing earnings stability, insurance businesses transitioning into margin-led, value-accretive growth, and new digital platforms moving closer to scale and breakeven.
- Improved execution across life and general insurance, alongside disciplined capital allocation in emerging subsidiaries, is expected to enhance visibility on consolidated value creation over the medium term.
- In BGen, we have largely maintained NEP estimates but slightly cut our underwriting profit estimates considering 2QFY27 performance. In BLife, we have increased our VNB margin estimate by 140bp/150bp for FY27/28. On a consolidated basis, we have increased BJFIN's EPS estimates by 6%/9% for FY27/28, given BAF's strong performance.
- **We reiterate our BUY rating on the stock with a TP of INR2,370 (based on SoTP).**

## SoTP valuation

| | Value (INRb) | Basis |
|---|---|---|
| Bajaj Finance | 7,775 | 4x Sep'28E P/B |
| Stake | 51.3% | |
| **BAF value** | **3,989** | |
| Bajaj General | 560 | 22x FY28E PAT |
| Stake | 77.3% | |
| **BGen value** | 433 | |
| Bajaj Life | 396 | 1.2x FY28E EV |
| Stake | 77.3% | |
| **BLife value** | 306 | |
| **Emerging businesses value** | 17 | 2x FY26 P/B |
| **Total value** | **4,746** | |
| Holdco discount | 20% | |
| **BJFIN Value** | **3,797** | |
| No. of shares | 1600.2 | |
| **TP** | 2,370 | |

## Financial Highlights

| INRb | FY26 | | | | FY27 | | | | FY26 | FY27E | 2QFY27E | act v/s Est. (%) | YoY | QoQ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | | | |
| **Consolidated** | | | | | | | | | | | | | | |
| Total Income | 355 | 374 | 395 | 385 | 420 | 434 | 462 | 482 | 1,505 | 1,798 | 427 | 2% | 16% | 3% |
| Adj PAT | 28 | 22 | 20 | 25 | 31 | 27.6 | 33 | 33 | 98 | 125 | 27 | 2% | 23% | -12% |
| **BGen** | | | | | | | | | | | | | | |
| GWP | 52.0 | 64.1 | 73.9 | 43.2 | 57.9 | 70.6 | 80.5 | 49.7 | 233.3 | 258.7 | 71.2 | -1% | 10% | 22% |
| NEP | 22.3 | 24.0 | 24.6 | 24.3 | 26.7 | 29.5 | 25.9 | 26.7 | 95.2 | 108.8 | 28.4 | 4% | 23% | 10% |
| Underwriting Profit | -1.2 | -0.9 | -1.4 | -1.0 | -1.3 | -1.2 | -2.6 | 0.8 | -4.4 | -5.7 | -0.5 | | | |
| PAT | 6.6 | 5.2 | 4.0 | 3.7 | 4.8 | 4.2 | 4.1 | 8.2 | 19.4 | 18.1 | 3.4 | 24% | -19% | -12% |
| Loss Ratio (%) | 71.1 | 75.8 | 75.1 | 68.1 | 74.3 | 83.7 | 77.0 | 63.4 | 72.6 | 72.5 | 75.5 | 820 | 793 | 942 |
| Combined Ratio (%) | 103.6 | 102.3 | 97.9 | 113.6 | 104.7 | 104.5 | 100.0 | 107.3 | 102.8 | 101.5 | 100.5 | 400 | 217 | -16 |
| **BLife** | | | | | | | | | | | | | | |
| APE | 13.1 | 21.5 | 21.3 | 29.0 | 17.1 | 23.6 | 24.1 | 33.4 | 84.9 | 98.2 | 24.3 | -3% | 10% | 39% |
| VNB | 1.5 | 3.7 | 4.1 | 7.1 | 2.7 | 5.1 | 5.3 | 8.4 | 16.3 | 21.5 | 4.5 | 14% | 40% | 89% |
| VNB Margin (%) | 11.1 | 17.1 | 19.0 | 24.5 | 15.9 | 21.7 | 22.0 | 25.1 | 19.2 | 21.9 | 18.5 | 316 | 458 | 577 |

## Change in estimates

| | New | | Old | | Change in estimates | |
|---|---|---|---|---|---|---|
| **INRb** | **FY27E** | **FY28E** | **FY27E** | **FY28E** | **FY27E** | **FY28E** |
| **Consol.** | | | | | | |
| Revenue | 1,798 | 2,104 | 1,772 | 2,058 | 1.5 | 2.2 |
| Adj. PAT | 125 | 153 | 118 | 141 | 6.1 | 9.2 |
| **BAF** | | | | | | |
| NII | 550 | 689 | 541 | 664 | 1.8 | 3.7 |
| PAT | 267 | 329 | 263 | 324 | 1.4 | 1.7 |
| **BLife** | | | | | | |
| APE | 98 | 113 | 99 | 116 | -1.0 | -1.9 |
| VNB margin (%) | 21.9 | 22.5 | 20.5 | 21.0 | 140.0 | 150.0 |
| EV | 288 | 330 | 287 | 328 | 0.4 | 0.8 |
| **BGen** | | | | | | |
| NEP | 109 | 121 | 109 | 121 | 0.0 | 0.0 |
| Combined ratio (%) | 101.5 | 101.1 | 101.5 | 101.0 | -2.7 | 12.8 |
| PAT | 18 | 25 | 20 | 26 | -7.8 | -0.2 |
| **Valuation** | | | | | | |
| Adj. EPS (INR) | 78 | 96 | 74 | 88 | 6.1 | 9.2 |

# Power Grid Corporation of India

| | |
|---|---|
| Estimate change | ↓ |
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | PWGR IN |
| Equity Shares (m) | 9301 |
| M.Cap.(INRb)/(USDb) | 2417.2 / 25.5 |
| 52-Week Range (INR) | 325 / 242 |
| 1, 6, 12 Rel. Per (%) | -4/-18/-2 |
| 12M Avg Val (INR M) | 3609 |

**Financials & Valuations (INRb)**

| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 439.6 | 512.5 | 533.3 |
| EBITDA | 352.0 | 415.5 | 425.7 |
| Adj. PAT | 159.3 | 156.8 | 166.5 |
| Adj. EPS (INR) | 17.1 | 16.9 | 17.9 |
| EPS Gr. (%) | 2.6 | -1.6 | 6.2 |
| BV/Sh.(INR) | 108.1 | 115.0 | 122.9 |
| **Ratios** | | | |
| Net D:E | 1.5 | 1.5 | 1.6 |
| RoE (%) | 16.5 | 15.1 | 15.1 |
| RoCE (%) | 10.0 | 8.4 | 7.9 |
| Payout (%) | 52.6 | 56.4 | 53.1 |
| **Valuations** | | | |
| P/E (x) | 15.2 | 15.4 | 14.5 |
| P/BV (x) | 2.4 | 2.3 | 2.1 |
| EV/EBITDA (x) | 10.8 | 9.3 | 9.7 |
| Div. Yield (%) | 3.5 | 3.7 | 3.7 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 51.3 | 51.3 | 51.3 |
| DII | 20.9 | 20.7 | 19.4 |
| FII | 24.0 | 24.3 | 25.7 |
| Others | 3.7 | 3.6 | 3.6 |

FII Includes depository receipts

**CMP: INR260 TP: INR289 (+11%) Neutral**

## Capitalization guidance slightly moderated for FY27

- Power Grid Corporation (PWGR) reported a standalone revenue of INR100.5b, 8% below our est. EBITDA came in 9% below our estimate at INR82.4b. APAT, however, was 4% above our estimate at INR37.4b, supported by other income, which was 52% ahead of our estimates.
- **Key things we liked about the result:** 1) Strong growth visibility, supported by works-in-hand of ~INR2.2t (TBCB: ~INR1.95t), a bidding pipeline of INR672b and ~INR1.3t of projects envisaged under GEC III. Intrastate transmission and HVDC are expected to drive incremental opportunities, supported by rising RE penetration; 2) Integrated BESS development under Section 62 through the RTM route could open up a new growth avenue for PWGR; 3) PWGR is exploring another data center opportunity in southern India, with land already secured; and 4) Supply-chain constraints have eased, with equipment availability no longer posing a key challenge.
- **Key monitorables:** 1) FY27 capitalization guidance has been revised downward to INR250–300b from INR300b earlier; 2) order inflows and bid outcomes from the INR672b bidding pipeline and ~INR1.3t of projects envisaged under GEC III; and 3) intensifying competition in TBCB projects, which could result in yield compression as more players compete for the expanding opportunity.
- **Valuation and view: We reiterate our Neutral rating** and derive our TP of INR289 based on FY28 BVPS and a P/B multiple of 2.4x.

## In-line 2Q; PAT boosted by other income

**Standalone (SA) performance:**

- PWGR reported an SA revenue of INR100.5b (flat YoY, +3% QoQ), 8% below our estimate.
- EBITDA came in at INR82.4b (+3% YoY, +2% QoQ), 9% below our estimate, with EBITDA margin of 82.0%.
- Adjusted PAT came in at INR37.4b (+20% YoY, +7% QoQ), 4% above our estimate, supported by higher-than-expected other income.
- Net positive movement in regulatory deferral balances stood at INR0.9b during the quarter.

**Consolidated performance:**

- Consolidated revenue stood at INR119.1b (-1% YoY, +5% QoQ) vs. consensus est. of INR123b.
- Reported PAT came in at INR38.7b (+8% YoY, +7% QoQ) vs. consensus est. of INR37b.

**Other matters:**

- The Board approved an interim dividend of INR3/share, against INR4.5/share in 1HFY26.

## Highlights of the 2QFY27 performance

- Capex stood at INR90.9b in 2QFY27 and INR168.6b in 1HFY27, against FY27 guidance of INR370-400b.
- Capitalization was INR40.2b and INR93b, respectively, with FY27 guidance revised downward to INR250-300b.
- Works-in-hand stood at ~INR2.2t, including ~INR1.95t of TBCB and ~INR250b of RTM projects.
- PWGR won 11 TBCB projects in 1HFY27 (9 ISTS and 2 InSTS), with aggregate annual tariffs of INR76.64b and INR4.43b, respectively.
- PWGR commissioned 981ckm of transmission lines and 14,600MVA of transformation capacity in 2QFY27.
- It is collaborating with MeitY and the Ministry of Power to develop indigenous SiC-based VSC-HVDC modules, targeting ~13,000 modules by 2030–31.
- Management sees opportunities in integrated BESS under Section 62 through the RTM route, which could provide an additional growth avenue.
- Telecom and consultancy revenues stood at INR2.8b and INR3.9b, respectively.
- Revised RoW guidelines provide for market-linked land compensation, with state-level adoption and fund availability remaining key to implementation.

## Valuation and view

**We reiterate our Neutral rating** and derive our TP of INR289 based on FY28 BVPS and a P/B multiple of 2.4x.

**Standalone Quarterly Performance** **(INR b)**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 2QE | Var. % | YoY % | QoQ % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | | | |
| **Sales** | **99.3** | **100.0** | **110.1** | **99.7** | **98.0** | **100.5** | **121.4** | **141.1** | **409.0** | **461.0** | 108.8 | -8% | 0% | 3% |
| YoY Change (%) | -1.4 | -2.5 | 8.7 | -9.2 | -1.3 | 0.5 | 10.4 | 41.5 | -1.3 | 12.7 | | | | |
| **EBITDA** | **81.2** | **80.1** | **94.2** | **75.0** | **81.1** | **82.4** | **99.6** | **115.9** | **330.5** | **379.0** | 90.8 | -9% | 3% | 2% |
| YoY Change (%) | -7.2 | -8.8 | 10.5 | -18.7 | -0.1 | 2.8 | 5.7 | 54.5 | -6.3 | 14.7 | | | | |
| As of % Sales | 81.8 | 80.1 | 85.6 | 75.2 | 82.8 | 82.0 | 82.0 | 82.1 | 80.8 | 82.2 | | | | |
| Depreciation | 29.7 | 30.6 | 32.1 | 31.0 | 29.2 | 29.9 | 32.3 | 36.7 | 123.3 | 128.1 | 31.8 | -6% | -2% | 2% |
| Interest | 23.0 | 25.6 | 25.7 | 26.1 | 25.1 | 27.3 | 26.9 | 25.6 | 100.5 | 105.0 | 26.7 | 2% | 7% | 9% |
| Other Income | 13.3 | 13.5 | 14.3 | 19.8 | 15.7 | 18.5 | 12.2 | 2.3 | 60.9 | 48.7 | 12.2 | 52% | 37% | 18% |
| Regulatory/Extraordinary items | 2.1 | 5.2 | 2.6 | 14.7 | -1.1 | 0.9 | 0.0 | 0.0 | 24.6 | -0.1 | 0.0 | | | |
| **PBT** | **43.9** | **42.6** | **53.3** | **52.4** | **41.4** | **44.6** | **52.5** | **55.9** | **192.2** | **194.5** | 44.5 | 0% | 5% | 8% |
| Tax | 7.3 | 7.1 | 11.7 | 6.9 | 7.3 | 6.4 | 11.6 | 12.3 | 33.0 | 37.6 | 8.6 | -25% | -9% | -12% |
| Effective Tax Rate (%) | 16.7 | 16.6 | 21.9 | 13.1 | 17.6 | 14.4 | 22.0 | 22.1 | 17.2 | 19.4 | | | | |
| **Reported PAT** | **36.5** | **35.5** | **41.6** | **45.5** | **34.1** | **38.2** | **41.0** | **43.6** | **159.2** | **156.8** | 35.9 | 6% | 7% | 12% |
| YoY Change (%) | 7.1 | -4.2 | 6.8 | 5.0 | -6.6 | 7.4 | -1.5 | -4.3 | 3.7 | -1.5 | | | | |
| **Adjusted PAT** | **34.7** | **31.2** | **39.6** | **32.8** | **35.0** | **37.4** | **41.0** | **43.6** | **138.3** | **156.9** | 35.9 | 4% | 20% | 7% |
| YoY Change (%) | 0.4 | -10.9 | 2.5 | -23.6 | 0.7 | 19.8 | 3.6 | 32.8 | -8.5 | 13.4 | | | | |

# Max Healthcare

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↓ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | MAXHEALT IN |
| Equity Shares (m) | 973 |
| M.Cap.(INRb)/(USDb) | 870.2 / 9.2 |
| 52-Week Range (INR) | 1187 / 797 |
| 1, 6, 12 Rel. Per (%) | -11/-9/-15 |
| 12M Avg Val (INR M) | 3042 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 100.3 | 121.3 | 136.0 |
| EBITDA | 26.1 | 30.9 | 34.8 |
| Adj. PAT | 15.8 | 17.7 | 21.3 |
| EBIT Margin (%) | 21.1 | 20.3 | 21.2 |
| Cons. Adj. EPS (INR) | 16.3 | 18.3 | 22.0 |
| EPS Gr. (%) | 7.4 | 12.4 | 20.4 |
| BV/Sh. (INR) | 124.7 | 140.6 | 160.6 |
| **Ratios** | | | |
| Net D:E | 0.1 | 0.1 | 0.0 |
| RoE (%) | 13.9 | 13.8 | 14.6 |
| RoCE (%) | 13.3 | 12.2 | 12.8 |
| Payout (%) | 11.9 | 11.2 | 9.1 |
| **Valuations** | | | |
| P/E (x) | 55.0 | 48.9 | 40.7 |
| EV/EBITDA (x) | 33.9 | 28.6 | 25.1 |
| Div. Yield (%) | 0.2 | 0.2 | 0.2 |
| FCF Yield (%) | (0.2) | 0.4 | 1.7 |
| EV/Sales (x) | 8.8 | 7.3 | 6.4 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 23.7 | 23.7 | 23.7 |
| DII | 31.0 | 30.0 | 20.0 |
| FII | 40.5 | 41.8 | 51.8 |
| Others | 4.8 | 4.6 | 4.4 |

FII Includes depository receipts

**CMP: INR894** **TP: INR1,085 (+21%)** **Buy**

## Volume and ARPP drive an operational beat

### Strong operating momentum; expansion pipeline strengthens outlook

- Max Healthcare (MAXH) delivered 18.4% YoY growth in network revenue to INR30.5b in 2QFY27, beating our estimate by 4.1%. EBITDA grew 17.9% to INR8b (6.4% beat), while adjusted PAT rose 9.2% to INR4.6b (4.9% beat).
- Inpatient volumes grew 12.1% YoY in 2QFY27, marking a healthy recovery to double-digit growth after three consecutive quarters of single-digit growth. Occupied beds/day increased 13% to 4,189, while ARPP grew 8% to INR2.31 lakh. Occupancy remained healthy at 77%, despite a 16% increase in operational beds to 5,518.
- MAXH added 758 operational beds over the past 12 months, with further capacity additions planned through brownfield projects and acquisitions. The INR4.2b capex for 209 beds across Noida, Vaishali and BLK-Max, along with the proposed 450-bed Pune hospital, aids long-term growth visibility.
- Adjacent businesses also reported healthy growth, with Max Lab and Max@Home revenue increasing 24% and 34% YoY, respectively, in 2QFY27.
- We broadly retain our estimates, factoring in the healthy operating performance and continued ramp-up of recently commissioned hospitals. We continue to value MAXH on an SoTP basis (28x 12-month forward EV/EBITDA for the hospital business, 25x 12-month forward EV/EBITDA for the lab business and 10x EV/sales for Max@Home) to arrive at our TP of INR1,085.
- With strong operating metrics at existing hospitals and a robust capacity expansion pipeline, we believe MAXH is well positioned to sustain its long-term growth trajectory. **Reiterate BUY.**

### Strong operating performance with margin expansion

- In 2QFY27, Max network revenue (including the trust business) grew 18.4% YoY to INR30.5b (beat of 4.1%).
- Gross margin expanded 180bp YoY to 76.3%.
- EBITDA margin remained largely stable YoY at 26.6% (our est. 26%). This was due to an increase in other expenses (up 190bp as a % of sales).
- EBITDA grew 17.9% YoY to INR8b (beat of 6.4%).
- Adj. PAT grew at lower rate than EBITDA at 9.2% YoY to INR4.6b (beat of 4.9%), due to higher depreciation and tax outgo.
- For 1HFY27, MAXH's revenue/EBITDA/PAT grew 17%/15%/5% to INR58.7b/ INR15.1b/INR8.4b.

## Highlights from the management commentary

- Excluding the temporary ramp-up drag from newly commissioned beds at Max Smart (Saket Complex), network revenue grew 20% YoY and operating EBITDA grew 25% YoY
- Excluding oncology, which was hit by CGHS chemotherapy drug discontinuations, gross revenue grew 25% YoY and ARPP grew 11% YoY
- Management expects network top-line growth to accelerate in 3Q/4QFY27 as the institutional chemotherapy drug discontinuation base effect normalizes and new operational beds ramp up
- The 500-bed Sector 56 Gurgaon greenfield project will begin phased commissioning by the end of FY27, with an initial 150–200 beds and an estimated peak cumulative operating loss of INR400m–INR500m.
- MAXH commenced services at the new oncology block at Max Dwarka, enabling the addition of approximately 20 operational beds in 3QFY27.

**Consolidated - Quarterly Earnings Model**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | % var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INRm | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | |
| **Net Sales** | **24,510** | **25,720** | **24,680** | **25,360** | **28,270** | **30,460** | **30,585** | **31,965** | **1,00,270** | **1,21,279** | **29,272** | **4.1** |
| YoY Change (%) | 26.9 | 21.4 | 8.8 | 10.2 | 15.3 | 18.4 | 23.9 | 26.0 | 16.3 | 21.0 | 13.8 | |
| Total Expenditure | 18,340 | 18,850 | 18,360 | 18,590 | 21,310 | 22,360 | 22,663 | 24,005 | 74,140 | 90,339 | 21,662 | |
| **EBITDA** | **6,170** | **6,870** | **6,320** | **6,770** | **6,960** | **8,100** | **7,921** | **7,959** | **26,130** | **30,941** | **7,611** | **6.4** |
| Margins (%) | 25.2 | 26.7 | 25.6 | 26.7 | 24.6 | 26.6 | 25.9 | 24.9 | 26.1 | 25.5 | 26.0 | |
| Depreciation | 1,170 | 1,220 | 1,230 | 1,360 | 1,500 | 1,620 | 1,604 | 1,643 | 4,980 | 6,367 | 1,510 | |
| Interest | 340 | 410 | 410 | 470 | 610 | 560 | 418 | 418 | 1,630 | 2,006 | 442 | |
| Other Income | 80 | 80 | 160 | 60 | 80 | 100 | 100 | 106 | 380 | 386 | 94 | |
| **PBT before EO expense** | **4,740** | **5,320** | **4,840** | **5,000** | **4,930** | **6,020** | **5,999** | **6,004** | **19,900** | **22,954** | **5,752** | |
| Extra-Ord expense | 330 | 180 | 700 | -160 | 220 | 230 | 0 | 0 | 1,050 | 450 | 0 | |
| **PBT** | **4,410** | **5,140** | **4,140** | **5,160** | **4,710** | **5,790** | **5,999** | **6,004** | **18,850** | **22,504** | **5,752** | |
| Tax | 960 | -410 | 690 | 1,280 | 1,150 | 1,320 | 1,320 | 1,351 | 2,520 | 5,141 | 1,323 | |
| Rate (%) | 21.8 | -8.0 | 16.7 | 24.8 | 24.4 | 22.8 | 22.0 | 22.5 | 13.4 | 22.8 | 23.0 | |
| **Reported PAT** | **3,450** | **5,550** | **3,450** | **3,880** | **3,560** | **4,470** | **4,679** | **4,653** | **16,330** | **17,363** | **4,429** | |
| **Adj PAT** | **3,708** | **4,254** | **4,033** | **3,760** | **3,726** | **4,648** | **4,679** | **4,653** | **15,756** | **17,707** | **4,429** | **4.9** |
| YoY Change (%) | 20.1 | 14.9 | 1.4 | -3.8 | 0.5 | 9.2 | 16.0 | 23.8 | 7.4 | 12.4 | 4.1 | |
| Margins (%) | 15.1 | 16.5 | 16.3 | 14.8 | 13.2 | 15.3 | 15.3 | 14.6 | 15.7 | 14.6 | 15.1 | |
| **EPS** | **3.8** | **4.4** | **4.2** | **3.9** | **3.8** | **4.8** | **4.8** | **4.8** | **16.3** | **18.3** | **4.6** | |

# NALCO

| | |
|---|---|
| Estimate changes | ↑ |
| TP change | ↔ |
| Rating change | ↔ |

**CMP: INR318 TP: INR350 (+10%) Neutral**

| | |
|---|---|
| Bloomberg | NACL IN |
| Equity Shares (m) | 1837 |
| M.Cap.(INRb)/(USDb) | 583.9 / 6.2 |
| 52-Week Range (INR) | 445 / 228 |
| 1, 6, 12 Rel. Per (%) | -11/-20/41 |
| 12M Avg Val (INR M) | 4427 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 178 | 216 | 209 |
| EBITDA | 79 | 104 | 93 |
| Adj. PAT | 58 | 75 | 66 |
| EBITDA Margin (%) | 45 | 48 | 45 |
| Cons. Adj. EPS (INR) | 31.6 | 40.9 | 36.0 |
| EPS Gr. (%) | 10.0 | 29.4 | -12.0 |
| BV/Sh. (INR) | 118 | 155 | 187 |
| **Ratios** | | | |
| Net D:E | -0.4 | -0.5 | -0.5 |
| RoE (%) | 29.4 | 30.0 | 21.1 |
| RoCE (%) | 38.3 | 39.8 | 28.1 |
| Payout (%) | 36.4 | 9.8 | 11.1 |
| **Valuations** | | | |
| P/E (x) | 10.1 | 7.8 | 8.8 |
| P/BV (x) | 2.7 | 2.1 | 1.7 |
| EV/EBITDA(x) | 6.2 | 4.2 | 4.3 |
| Div. Yield (%) | 3.6 | 1.3 | 1.3 |
| FCF Yield (%) | 11.4 | 11.4 | 6.5 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 51.3 | 51.3 | 51.3 |
| DII | 11.7 | 11.2 | 15.4 |
| FII | 22.0 | 22.0 | 16.2 |
| Others | 15.0 | 15.5 | 17.1 |

FII includes depository receipts

## In-line earnings; healthy alumina NSR and volume growth to support near-term earnings

### Consolidated performance

- Revenue came in at INR54b in 2QFY27, up 26% YoY and 2% QoQ (vs. our estimate of INR50b), mainly driven by favorable alumina prices, offsetting the muted aluminum prices.
- Consol EBITDA was in line at INR24b (+25% YoY) but declined 11% QoQ on account of higher energy costs. EBITDA margin softened to 44.5% in 2QFY27 vs. 51.1% in 1QFY27 and 44.1% in 2QFY26.
- Power and fuel costs increased in 1HFY27 due to an increase in refinery fuel oil consumption and higher grid power purchases. Lower coal availability due to railway rake constraints, heavy rainfall and higher moisture content in coal led to higher HFO/LDO consumption and power procurement.
- Adj. 2Q PAT was in line with our est. at INR18b (+28% YoY and -8% QoQ), supported by healthy operating performance.

### Aluminum business

- 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 by 73% YoY but fell 12% QoQ over higher energy costs.
- Metal production stood at 120kt, up 1% YoY and 3% QoQ. Sales volume stood at 121kt, grew 7% YoY and QoQ.
- ASP stood at USD3,640/t (13% premium over 2Q average LME), up 23% YoY but down 7% QoQ, led by the recent correction in LME prices.

### Chemical (Alumina) business

- Revenue from the chemical business fell 8% YoY but grew 8% QoQ to INR16.9b, mainly driven by a surge in global alumina prices.
- EBIT came in at INR2.8b, down 55% YoY but up 4% QoQ as prices improved sequentially during the quarter.
- Alumina hydrate production fell 2% YoY and QoQ to 566kt, whereas sales volume fell 14% YoY and 2% QoQ to 340kt.
- Alumina hydrate ASP stood at USD380/t (11% premium over 2Q price average), down 6% YoY but up 16% QoQ as global alumina prices surged, led by supply constraint during the quarter.

### Key highlights from the management commentary

- Management expects FY27 alumina production of ~2.45mt (vs. earlier guidance of 2.5mt), with ~0.15mt incremental production expected from the fifth stream refinery following its commissioning in Jan'27.
- Alumina exports were impacted in Oct'26 by restrictions on vessel movement in the Middle East, with only one vessel dispatched during the month compared with the normal run rate of four vessels/month. However, export dispatches are showing signs of normalization, with six vessels targeted for Nov'26, before stabilizing at four vessels/month.

- Management expects alumina realizations to remain at ~USD370-380/t over the near term, with potential upside toward USD400/t if Middle East geopolitical conditions improve and smelter ramp-ups accelerate.
- Management's aluminum price assumption for FY27 remains at ~USD2,900–3,000/t, with confidence that LME prices will remain around USD3,000/t.
- Alumina CoP is expected to remain broadly at 1HFY27 levels, with caustic soda prices increasing from ~INR42,000/t in FY26 to ~INR47,000/t in 1HFY27 and expected to reach ~INR49,000/t in 3QFY27, which could be partly offset by lower specific consumption during the dry season.
- CP coke prices increased from ~INR44,600/t in FY26 to ~INR63,700/t in 1HFY27, with a further increase expected to ~INR70,600/t in 3QFY27. Higher HFO and LDO prices have also contributed to cost inflation, with LDO prices increasing from ~INR60,000/t to ~INR84,000/t and subsequently to ~INR115,000/t.

## Valuation and view

- NACL posted strong earnings in 2Q as anticipated, as favorable prices and volume offset the cost inflation impact.
- In its next phase of growth, alumina volume will start contributing to earnings from 4Q onward, while smelter capacity expansion is on track to be commissioned by FY31.
- We increase our FY28E revenue/EBITDA/PAT by 7%/13%/15% to incorporate the incremental volume from fifth stream refinery and improved outlook on alumina prices.
- Despite strong fundamentals, zero debt, favorable LME prices, and a robust demand outlook for aluminum in India, the near-term upside is capped by limited production headroom, aluminum price correction, geopolitical tension, execution challenges, and regulatory risks.
- **At CMP, NACL trades at 4.3x on FY28E EV/EBITDA. We reiterate our Neutral rating on the stock with a TP of INR350, valuing the stock at 5x EV/EBITDA on FY28 estimates.**

**Consolidated Quarterly Performance (INR m)**

| Y/E March | FY26 | | | | FY27 | | | | FY26 | FY27E | FY27 | Vs |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | Est % |
| **Net Sales** | **38,069** | **42,923** | **47,310** | **50,128** | **53,024** | **54,194** | **51,180** | **57,474** | **1,78,431** | **2,15,872** | **49,816** | **8.8** |
| Change (YoY %) | 33.3 | 7.3 | 1.5 | (4.8) | 39.3 | 26.3 | 8.2 | 14.7 | 6.3 | 21.0 | | |
| Change (QoQ %) | (27.7) | 12.8 | 10.2 | 6.0 | 5.8 | 2.2 | (5.6) | 12.3 | | | | |
| Total Expenditure | 23,148 | 23,665 | 25,517 | 26,633 | 25,949 | 30,089 | 27,265 | 28,496 | 98,963 | 1,11,798 | | |
| **EBITDA** | **14,921** | **19,259** | **21,793** | **23,495** | **27,075** | **24,106** | **23,915** | **28,977** | **79,468** | **1,04,073** | **24,403** | **(1.2)** |
| Change (YoY %) | 59.7 | 24.3 | (6.4) | (14.7) | 81.5 | 25.2 | 9.7 | 23.3 | 5.1 | 31.0 | | |
| Change (QoQ %) | (45.8) | 29.1 | 13.2 | 7.8 | 15.2 | (11.0) | (0.8) | 21.2 | | | | |
| Interest | 80 | 84 | 596 | 238 | 96 | 96 | | (96) | 998 | 96 | | |
| Depreciation | 1,783 | 1,738 | 1,821 | 2,112 | 1,824 | 1,777 | 2,300 | 3,195 | 7,454 | 9,096 | | |
| Other Income | 1,235 | 1,515 | 1,941 | 1,968 | 1,733 | 2,481 | 1,650 | 1,636 | 6,658 | 7,500 | | |
| **PBT (after EO)** | **14,293** | **18,952** | **21,316** | **23,113** | **26,889** | **24,713** | **23,265** | **27,514** | **77,675** | **1,02,382** | | |
| Total Tax | 3,654 | 4,621 | 5,306 | 5,936 | 6,865 | 6,363 | 6,165 | 7,738 | 19,517 | 27,131 | | |
| % Tax | 25.6 | 24.4 | 24.9 | 25.7 | 25.5 | 25.7 | 26.5 | 28.1 | 25.1 | 26.5 | | |
| **PAT before MI and Asso.** | **10,639** | **14,332** | **16,010** | **17,177** | **20,024** | **18,351** | **17,100** | **19,776** | **58,158** | **75,251** | | |
| Sh. of Associate | (144) | (32) | (59) | 47 | 8 | (0) | (102) | (121) | (188) | (216) | | |
| **Reported PAT after MI/Asso.** | **10,495** | **14,299** | **15,952** | **17,224** | **20,031** | **18,351** | **16,998** | **19,655** | **57,970** | **75,035** | | |
| **Adjusted PAT** | **10,495** | **14,299** | **15,952** | **17,224** | **20,031** | **18,351** | **16,998** | **19,655** | **57,970** | **75,035** | **17,396** | **5.5** |
| Change (YoY %) | 78.4 | 36.7 | 1.8 | (16.7) | 90.9 | 28.3 | 6.6 | 14.1 | 10.0 | 29.4 | | |
| Change (QoQ %) | (49.2) | 36.3 | 11.6 | 8.0 | 16.3 | (8.4) | (7.4) | 15.6 | | | | |

E: MOFSL Estimates

# Petronet LNG

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↔ |
| Rating change | ↔ |

**CMP: INR303** **TP: INR355 (+17%)** **Buy**

## Dahej holds steady as gas demand remains resilient

- Petronet LNG's (PLNG) reported EBITDA came in at INR16.6b, 31% above our estimate (+49% YoY); adjusted for UoP-related provision reversal/waiver of INR1.2b/INR2.5b during the quarter, EBITDA would have been 42% above our estimate. Reported PAT stood at INR12.4b, 47% above our estimate (+53% YoY); adjusted for UoP provisioning, waivers, and recovery impact, PAT would have been 59% above. Total volumes came in 8% above our estimate at 231tbtu.
- **Things we liked about the result:** 1) A strong marketing performance, with operational and commercial efficiency gains (largely trading and inventory gains) rising to INR6.7b in 2QFY27 from INR4.9b in 1QFY27 and INR0.4b in 2QFY26; 2) Dahej utilization held up at a healthy 76% despite the Qatar force majeure, as strong service volumes offset softer long-term volumes, and management expects this trend to sustain; 3) Indian LNG demand remains resilient despite elevated prices of USD20-25/mmbtu over Mar'26-Sep'26: imports stood at 20.15mmt in 9MCY26 (annualized run rate of ~27mmt vs. 25.3mmt in CY25), with management seeing no major slowdown through Oct'26, supported by CGD, fertilizer, and power demand; 4) Diversified sourcing from the US, Oman, Nigeria, Angola, Trinidad, and Australia has offset lower Qatari and UAE supplies, while key customers (GAIL, IOC, BPCL, and GSCTC) continue to lift volumes above contractual commitments.
- **Key monitorables:** 1) ~7.5mmtpa of Qatari volumes are expected to remain unavailable as long as the conflict continues, raising concerns over a sharp decline in utilization; 2) Capex stood at INR16.3b in 1HFY27 (INR36b incurred on petchem project till date), and the pace of spending needs to step up sharply to meet the FY27/28 guidance of INR90b p.a.; 3) UoP dues of INR4.1b (net of provision: INR1.8b) remain in trade receivables as of Sep'26, and some customers have not provided balance confirmations; 4) Kochi utilization remained weak at 24% (76bp below our estimate); 5) Gorgon volumes processed at Dahej fell to 2tbtu in 2QFY27 from 10tbtu in 1QFY27; 6) The outcome of ongoing discussions with existing capacity holders and new entrants on long-term capacity tie-ups.
- **Valuation and view:** Our **DCF-based TP of INR355** (WACC: 11.5%, TG = 2%) assumes a 5% tariff cut at the Dahej terminal in FY28, followed by a 4% rise for both the terminals. While we have incorporated the full capex for the petchem plant, we value the stock conservatively at 0.5x FY29E P/B and discount this back to FY27.

| | |
|---|---|
| Bloomberg | PLNG IN |
| Equity Shares (m) | 1500 |
| M.Cap.(INRb)/(USDb) | 455.2 / 4.8 |
| 52-Week Range (INR) | 326 / 235 |
| 1, 6, 12 Rel. Per (%) | 0/10/14 |
| 12M Avg Val (INR M) | 890 |

**Financials & Valuations (INR b)**

| Y/E March | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 379.2 | 611.9 | 654.5 |
| EBITDA | 55.4 | 58.4 | 64.8 |
| Adj. PAT | 38.8 | 38.6 | 38.9 |
| Adj. EPS (INR) | 25.9 | 25.7 | 25.9 |
| EPS Gr. (%) | 0.6 | -0.7 | 0.8 |
| BV/Sh.(INR) | 160.6 | 176.3 | 192.1 |
| **Ratios** | | | |
| Net D:E | -0.2 | 0.0 | 0.1 |
| RoE (%) | 17.0 | 15.3 | 14.1 |
| RoCE (%) | 17.3 | 15.0 | 13.6 |
| Payout (%) | 39.0 | 39.0 | 39.0 |
| **Valuation** | | | |
| P/E (x) | 11.7 | 11.8 | 11.7 |
| P/BV (x) | 1.9 | 1.7 | 1.6 |
| EV/EBITDA (x) | 7.2 | 7.8 | 7.4 |
| Div. Yield (%) | 3.3 | 3.3 | 3.3 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 50.0 | 50.0 | 50.0 |
| DII | 14.2 | 13.7 | 11.7 |
| FII | 26.0 | 26.3 | 28.0 |
| Others | 9.8 | 10.0 | 10.3 |

FII includes depository receipts

## 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 estimates 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 some customers to recover UoP charges. While some customers have not given balance confirmations toward these dues, management is confident of recovering such charges.

## Valuation and view

- At 11.8x FY28E P/E and ~3.3% dividend yield, we believe valuations are inexpensive. Our **DCF-based TP of INR355** (WACC: 11.5%, TG = 2%) assumes a 5% tariff cut at the Dahej terminal in FY28, followed by a 4% rise for both the terminals. While we have incorporated the full capex for the petchem plant, we value the stock conservatively at 0.5x FY29E P/B and discount this back to FY27.

**Standalone - Quarterly Earning Model** (INR b)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 2QE | Var. (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| **Net Sales** | **118.8** | **110.1** | **111.6** | **94.4** | **55.5** | **72.0** | **133.7** | **138.3** | **434.9** | **399.5** | **52.5** | **37%** |
| *YoY Change (%)* | *-11.4* | *-15.5* | *-8.7* | *-23.3* | *-53.2* | *-34.6* | *19.7* | *46.4* | *-14.7* | *-8.2* | *-52.3* | |
| **EBITDA** | **11.6** | **11.2** | **12.2** | **18.6** | **15.3** | **16.6** | **13.6** | **15.0** | **53.6** | **60.6** | **12.7** | **31%** |
| *Margin (%)* | *9.8* | *10.1* | *11.0* | *19.7* | *27.6* | *23.1* | *10.2* | *10.9* | *12.3* | *15.2* | *24.1* | |
| Depreciation | 2.1 | 2.1 | 2.1 | 2.1 | 2.0 | 1.9 | 2.2 | 2.5 | 8.4 | 8.6 | 2.3 | |
| Interest | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 | 0.5 | 0.6 | 0.9 | 2.4 | 2.5 | 0.7 | |
| Other Income | 2.4 | 2.4 | 2.2 | 2.0 | 2.3 | 2.3 | 1.9 | 1.2 | 9.0 | 7.8 | 1.5 | |
| **PBT** | **11.4** | **10.8** | **11.4** | **17.9** | **15.1** | **16.6** | **12.7** | **12.9** | **51.6** | **57.4** | **11.2** | **48%** |
| *Rate (%)* | *25.1* | *25.6* | *25.8* | *25.5* | *25.2* | *25.5* | *25.2* | *25.2* | *25.5* | *25.3* | *25.2* | |
| **Reported PAT** | **8.5** | **8.1** | **8.5** | **13.4** | **11.3** | **12.4** | **9.5** | **9.7** | **38.4** | **42.9** | **8.4** | **47%** |
| **Adj PAT** | **8.5** | **8.1** | **8.7** | **13.4** | **11.3** | **12.4** | **9.5** | **9.7** | **38.6** | **42.9** | **8.4** | **47%** |
| *YoY Change (%)* | *-25.5* | *-4.9* | *0.0* | *25.0* | *33.2* | *53.3* | *9.8* | *-27.7* | *-1.6* | *11.0* | *4.3* | |
| *Margin (%)* | *7.2* | *7.3* | *7.8* | *14.2* | *20.4* | *17.2* | *7.1* | *7.0* | *8.9* | *10.7* | *16.0* | |
| **Key Assumptions** | | | | | | | | | | | | |
| Total Volumes (TBtu) | 220.0 | 228.0 | 233.0 | 219.0 | 207.0 | 231.0 | 217.0 | 213.1 | 900.0 | 868.2 | 204.5 | 13% |
| *Dahej utilization (%)* | *94%* | *92%* | *94%* | *90%* | *68%* | *76%* | *71%* | *70%* | *94%* | *71%* | *70%* | *9%* |
| *Kochi utilization (%)* | *21%* | *27%* | *29%* | *28%* | *24%* | *24%* | *24%* | *25%* | *27%* | *24%* | *25%* | *-3%* |

# Aegis Logistics

| | |
|---|---|
| Estimate Change | ↓ |
| TP change | ↔ |
| Rating change | ↔ |

**CMP: INR1177** **TP: INR1300(+10%)** **Neutral**

## Earnings miss on gas logistics; liquids and gas distribution margins hold firm

- Aegis Logistics' 2QFY27 revenue came in 18% below our estimate at INR22.1b, while EBITDA was 12% below our estimate at INR4.3b, with EBITDA margin expanding to 19.6% (vs. 12.7% in 2QFY26). PAT came in 16% below our estimate at INR2.6b, as higher-than-estimated interest cost more than offset lower depreciation. Segment-wise, Liquids division's revenue/EBIT grew 21%/31% YoY to INR1.9b/INR1.2b, while Gas division revenue declined 5% YoY to INR20.3b, with EBIT up 42% YoY at INR2.8b.
- **Key things we liked about the result:** 1) LPG distribution EBITDA/mt held slightly above INR7,000 in 2QFY27, which management views as a normalized quarter, while distribution volumes grew 25% YoY to 241,000mt; management targets 1mmt of distribution volumes in FY27; 2) LPG logistics throughput recovered 19% QoQ to 1.34mmt after a disruption-hit 1QFY27; 3) Liquids revenue realization stood above INR3,600/cbm, and management now expects EBITDA realization to reach ~INR3,000/cbm in FY27, aided by capacity additions at high-realization locations (JNPA and Mumbai); 4) At JNPA, the 35,000mtpa LPG bottling plant was commissioned on 15 Oct'26, with the first ~100,000cbm phase of liquid expansion slated for 3QFY27; 5) The Kandla-Gorakhpur LPG pipeline is ~96% physically complete, with the Kandla-Lucknow section already charged with LPG.
- **Key monitorables:** 1) Government initiatives promoting PNG adoption and reducing LPG dependence could potentially moderate long-term LPG demand growth; 2) Sourcing volumes moderated to 90,000mt in 2QFY27 due to the expiry of certain contracts, while LPG logistics throughput remained 5% lower YoY; 3) Ramp-up of the ammonia sourcing and distribution business, where management expects margins of ~INR7,000/mt vs. ~INR2,750/mt for storage; 4) With cumulative capex expected to reach ~USD1.2b by next year and an aggregate pipeline of ~USD5b through CY31, project execution and the funding mix remain key, given management's gearing cap of 0.6x.
- **Valuation and view:** The stock has run up significantly in recent months, primarily driven by the strength in the LPG distribution segment margin. While we remain constructive on growth led by capacity addition and higher utilization, valuations are not inexpensive. We maintain our LPG distribution EBITDA/mt margin assumption to INR6,500/5,000 for FY27/28 (below management guidance of INR7,000/mt) and **reiterate our Neutral rating on the stock** with a TP of INR1,300, as we value the company at 36x Dec'27E EPS of INR36.3.

### Miss led by weaker-than-expected gas division performance

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

**Stock Info**

| | |
|---|---|
| Bloomberg | AEGISLOG IN |
| Equity Shares (m) | 351 |
| M.Cap.(INRb)/(USDb) | 413.2 / 4.4 |
| 52-Week Range (INR) | 1529 / 576 |
| 1, 6, 12 Rel. Per (%) | -22/69/61 |
| 12M Avg Val (INR M) | 1469 |
| Free float (%) | 41.9 |

**Financials Snapshot (INR b)**

| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 83.3 | 91.0 | 136.4 |
| EBITDA | 14.5 | 19.1 | 19.5 |
| Adj. PAT | 9.0 | 11.7 | 12.7 |
| Adj. EPS (INR) | 25.6 | 33.2 | 36.3 |
| EPS Gr.% | 35.4 | 29.9 | 9.1 |
| BV/Sh.INR | 172.5 | 194.1 | 217.7 |
| **Ratios** | | | |
| Net D:E | -0.3 | -0.2 | -0.2 |
| RoE (%) | 16.8 | 18.1 | 17.6 |
| RoCE (%) | 15.3 | 17.0 | 16.7 |
| Payout (%) | 34.0 | 35.0 | 35.0 |
| **Valuation** | | | |
| P/E (x) | 46.0 | 35.4 | 32.5 |
| P/BV (x) | 6.8 | 6.1 | 5.4 |
| EV/EBITDA (x) | 27.2 | 21.0 | 20.3 |
| Div. Yld (%) | 0.7 | 1.0 | 1.1 |
| FCF Yld (%) | 2.9 | -0.3 | 2.4 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 58.1 | 58.1 | 58.1 |
| DII | 4.0 | 3.6 | 6.3 |
| FII | 19.1 | 19.5 | 16.9 |
| Others | 18.8 | 18.8 | 18.8 |

FII Includes depository receipts

- **Segmental performance during the quarter:**
  - The Liquids division revenue was INR1.9b (+21% YoY), and EBIT was INR1.2b (+31% YoY).
  - The Gas division revenue stood at INR20.3b (-5% YoY), and EBIT was INR2.8b (+42% YoY).

## Valuation and view: Reiterate Neutral

- The stock has run up significantly in recent months, primarily driven by strength in LPG distribution segment margins. While we remain constructive on growth driven by capacity addition and higher utilization, valuations are not inexpensive.
- We estimate a 19% CAGR in PAT over FY26-28; however, we believe current valuations at 33x FY28E EPS already factor in the strong expansion in capacity and earnings. We maintain our LPG distribution EBITDA/mt margin assumption to INR6,500/5,000 for FY27/28 (below management guidance of INR7,000/mt) and reiterate our Neutral rating on the stock with a TP of INR1,300, as we value the company at 36x Dec'27E EPS of INR36.3.

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

| Y/E March | FY26 | | | | FY27 | | | | FY26 | FY27E | FY27 2QE | Var. (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| **Net Sales** | **17,194** | **22,940** | **17,254** | **25,944** | **23,569** | **22,133** | **26,946** | **18,376** | **83,332** | **91,024** | **26,945** | **-18%** |
| *YoY Change (%)* | *7.4* | *31.1* | *1.1* | *52.2* | *37.1* | *-3.5* | *56.2* | *-29.2* | *23.2* | *9.2* | *17.5* | |
| **EBITDA** | **2,399** | **2,907** | **2,971** | **6,242** | **7,136** | **4,343** | **4,421** | **3,213** | **14,519** | **19,113** | **4,917** | **-12%** |
| *Margin (%)* | *14.0* | *12.7* | *17.2* | *24.1* | *30.3* | *19.6* | *16.4* | *17.5* | *17.4* | *21.0* | *18.2* | *0.1* |
| Depreciation | 417 | 522 | 528 | 527 | 529 | 553 | 560 | 597 | 1,993 | 2,238 | 638 | -13% |
| Interest | 328 | 243 | 257 | 631 | 477 | 572 | 519 | 507 | 1,459 | 2,075 | 380 | 50% |
| Other Income | 625 | 960 | 807 | 873 | 1,063 | 984 | 1,001 | 956 | 3,266 | 4,005 | 1,060 | -7% |
| **PBT** | **2,279** | **3,102** | **2,994** | **5,958** | **7,193** | **4,203** | **4,344** | **3,065** | **14,332** | **18,805** | **4,958** | **-15%** |
| Tax | 525 | 662 | 668 | 1,411 | 1,744 | 998 | 1,095 | 902 | 3,266 | 4,739 | 1,249 | |
| *Rate (%)* | *23.1* | *21.3* | *22.3* | *23.7* | *24.3* | *23.7* | *25.2* | *29.4* | *22.8* | *25.2* | *25.2* | |
| MI & P/L of Asso. Cos. | 440 | 644 | 558 | 443 | 604 | 599 | 599 | 595 | 2,085 | 2,398 | 599 | 0% |
| **Reported PAT** | **1,313** | **1,796** | **1,768** | **4,104** | **4,844** | **2,606** | **2,650** | **1,568** | **8,982** | **11,668** | **3,109** | **-16%** |
| **Adj PAT** | **1,313** | **1,796** | **1,768** | **4,104** | **4,844** | **2,606** | **2,650** | **1,568** | **8,982** | **11,668** | **3,109** | **-16%** |
| *YoY Change (%)* | *-0.1* | *42.6* | *42.3* | *45.7* | *268.9* | *45.1* | *49.8* | *-61.8* | *35.4* | *29.9* | *73.1* | |
| *Margin (%)* | *7.6* | *7.8* | *10.2* | *15.8* | *20.6* | *11.8* | *9.8* | *8.5* | *10.8* | *12.8* | *11.5* | *0.0* |

# Emcure

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | EMCURE IN |
| Equity Shares (m) | 190 |
| M.Cap.(INRb)/(USDb) | 373.1 / 3.9 |
| 52-Week Range (INR) | 2101 / 1307 |
| 1, 6, 12 Rel. Per (%) | -5/18/56 |
| 12M Avg Val (INR M) | 427 |

**Financials & Valuations (INR b)**

| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 92.0 | 110.6 | 126.3 |
| EBITDA | 17.9 | 22.6 | 27.0 |
| Adj. PAT | 9.8 | 12.6 | 15.4 |
| EBIT Margin (%) | 14.9 | 16.4 | 17.7 |
| Cons. Adj. EPS (INR) | 54.3 | 69.9 | 85.3 |
| EPS Gr. (%) | 43.4 | 28.7 | 22.0 |
| BV/Sh. (INR) | 261.1 | 324.0 | 405.4 |
| **Ratios** | | | |
| Net D:E | 0.3 | 0.1 | 0.0 |
| RoE (%) | 20.9 | 22.8 | 22.3 |
| RoCE (%) | 17.0 | 19.2 | 20.5 |
| Payout (%) | 0.0 | 0.0 | 0.0 |
| **Valuations** | | | |
| P/E (x) | 36.5 | 28.4 | 23.2 |
| EV/EBITDA (x) | 21.8 | 17.0 | 13.8 |
| Div. Yield (%) | 0.0 | 0.0 | 0.0 |
| FCF Yield (%) | 1.1 | 1.9 | 3.0 |
| EV/Sales (x) | 4.2 | 3.5 | 3.0 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 77.8 | 77.8 | 77.9 |
| DII | 8.5 | 8.5 | 4.4 |
| FII | 4.9 | 4.9 | 3.3 |
| Others | 8.8 | 8.8 | 14.5 |

FII includes depository receipts

**CMP: INR1,967** **TP: INR2,480 (+26%)** **Buy**

## Broad-based beat; international segment drives earnings

### Complex injectables/domestic reset underpin improved outlook

- Emcure Pharma delivered a better-than-expected financial performance in 2QFY27, with 7%/8%/14% beat on revenue/EBITDA/PAT. The performance surprise was driven by better-than-expected revenue across segments, offset partly by a higher tax rate.
- Europe business sustained its growth momentum, driven by robust base business execution and continued scale-up of Liposomal Amphotericin B.
- Canada business was supported by increased traction in base portfolio and new launches.
- In domestic formulation (DF), Emcure delivered 12% YoY growth in 2QFY27 (vs. 10% in FY26), led by strategic reset efforts at portfolio level and field force effectiveness.
- We raise our earnings estimates by 5%/3% for FY27/FY28, factoring in a) strong order book in ROW markets, b) scale-up of the EU business led by geographic expansion of Liposomal Amphotericin-B and the emerging Treprostinil opportunity, and c) improving MR productivity in DF segment.
- With niche products in the portfolio and efficient commercial channel network across focus markets of DF, EU, Canada and ROW, we expect 17%/23%/25% CAGR in revenue/EBITDA/PAT over FY26-28. We value Emcure at 27x 12-month forward earnings to arrive at a TP of INR2,480. **Reiterate BUY.**

### Operating leverage offsets the impact of product mix for the quarter

- 2QFY27 revenue grew 24.3% YoY to INR28.2b (beat of 7%).
- Gross margin (GM) contracted 130bp YoY to 59.5%.
- Notably, EBITDA margin expanded 100bp to 20.4% (est: 20.1%); employee expenses/other expense fell 150bp/80bp YoY as % of sales.
- R&D expense stood at INR1.1b (4% of revenue).
- EBITDA grew 31% YoY to INR5.7b (beat of 8%).
- 2Q included a one-time net gain of INR131m on a forex transaction.
- Adj. for the same, PAT came in at INR3.2b, up 29% YoY (14% beat).
- For 1HFY27, revenue/EBITDA/PAT grew 24%/28%/31% YoY to INR54b/ INR10.8b/INR6.2b.

### ROW/Europe/Canada outshine; DF picks up pace

- ROW segment (22% of sales), up 41% YoY to INR6.3b.
- Europe segment (21% of sales), up 36% YoY to INR6b.
- Canada segment (15% of sales), up 24% YoY to INR4.3b.
- India segment (41% of sales), up 12% YoY to INR11.5b

## Highlights from the management commentary

- Full-year FY27 revenue growth outlook is raised to over 20% YoY from the previously guided mid-teen rate, driven by accelerating domestic momentum and outperformance across international markets.
- Full-year FY27 EBITDA margin improvement is now projected to track near the upper end of the 75-100bp guidance range on the back of operational leverage and productivity improvements.
- Treprostinil identified as a major near-term growth driver for the European portfolio over the next 12 months, positioned as an attractive high-value and high-margin product with limited competition.
- Net debt increased by INR2.6b during 1HFY27 to INR13b as of Sep'26, primarily due to INR5.5b deployed toward strategic acquisition payouts across Canada, Gennova Biopharmaceuticals, and the UK product portfolio
- The company reiterated its firm commitment to achieving net cash status by the end of FY28 through internal cash generation.
- Domestic medical representative field force remained stable at 4,100 to 4,200, with management achieving sequential productivity gains without near-term headcount additions.

**Consolidated - Quarterly**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | vs Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 2QE | (%) |
| **Gross Sales** | **21,005** | **22,698** | **23,635** | **24,697** | **25,804** | **28,205** | **28,132** | **28,421** | **92,035** | **110,562** | **26,398** | **7%** |
| YoY Change (%) | 15.7 | 13.4 | 20.4 | 16.7 | 22.8 | 24.3 | 19.0 | 15.1 | 16.6 | 20.1 | 16.3 | |
| Total Expenditure | 16,967 | 18,307 | 19,034 | 19,842 | 20,725 | 22,457 | 22,337 | 22,481 | 74,149 | 88,000 | 21,092 | |
| **EBITDA** | **4,039** | **4,391** | **4,601** | **4,855** | **5,080** | **5,748** | **5,795** | **5,940** | **17,886** | **22,563** | **5,306** | **8%** |
| Margins (%) | 19.2 | 19.3 | 19.5 | 19.7 | 19.7 | 20.4 | 20.6 | 20.9 | 19.4 | 20.4 | 20.1 | |
| Depreciation | 995 | 1,046 | 1,047 | 1,063 | 1,095 | 1,097 | 1,100 | 1,111 | 4,150 | 4,402 | 1,067 | |
| Interest | 268 | 325 | 380 | 464 | 315 | 356 | 405 | 384 | 1,437 | 1,460 | 405 | |
| Other Income | 37 | 31 | 19 | 40 | 21 | 33 | 38 | 38 | 127 | 129 | 37 | |
| **PBT before EO expense** | **2,813** | **3,051** | **3,193** | **3,368** | **3,690** | **4,328** | **4,329** | **4,483** | **12,425** | **16,830** | **3,871** | |
| Extra-Ord expense | -94 | -363 | 55 | -44 | -245 | -131 | 0 | 0 | 445 | -376 | 0 | |
| **PBT after EO exp** | **2,907** | **3,414** | **3,138** | **3,412** | **3,935** | **4,459** | **4,329** | **4,483** | **12,870** | **17,205** | **3,871** | |
| Tax | 760 | 900 | 824 | 974 | 1,010 | 1,208 | 1,139 | 1,188 | 3,459 | 4,545 | 1,010 | |
| Rate (%) | 26.1 | 26.4 | 26.3 | 28.6 | 25.7 | 27.1 | 26.3 | 26.5 | 26.9 | 26.4 | 26.1 | |
| MI & Profit/Loss of Asso. Cos. | 78 | 79 | 8 | 3 | -15 | -5 | 0 | 0 | 169 | -20 | 0 | |
| **Reported PAT** | **2,069** | **2,434** | **2,305** | **2,434** | **2,940** | **3,256** | **3,190** | **3,295** | **9,243** | **12,681** | **2,861** | |
| **Adj PAT** | **2,174** | **2,514** | **2,346** | **2,790** | **2,909** | **3,251** | **3,190** | **3,295** | **9,824** | **12,645** | **2,861** | **14%** |
| YoY Change (%) | 50.9 | 29.1 | 55.2 | 48.9 | 33.8 | 29.3 | 36.0 | 18.1 | 43.4 | 28.7 | 32.0 | |
| Margins (%) | 10.3 | 11.1 | 9.9 | 11.3 | 11.3 | 11.5 | 11.3 | 11.6 | 10.7 | 11.4 | 10.8 | |

## Key Performance Indicators

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 2QE |
| **India** | **9,950** | **10,310** | **10,250** | **9,770** | **10,953** | **11,553** | **11,562** | **11,060** | **40,280** | **45,128** | **11496** |
| YoY Change (%) | 9.5 | 10.5 | 15.4 | 5.2 | 10.1 | 12.1 | 12.8 | 13.2 | 10.1 | 12.0 | 11.5 |
| **Europe** | **4,030** | **4,440** | **4,640** | **5,380** | **5,367** | **6,043** | **5,876** | **6,189** | **18,490** | **23,475** | **5,150** |
| YoY Change (%) | 12.6 | 22.7 | 29.6 | 35.9 | 33.2 | 36.1 | 26.6 | 15.0 | 25.4 | 27.0 | 16.0 |
| **Canada** | **3,421** | **3,480** | **3,970** | **3,990** | **4,266** | **4,312** | **4,392** | **4,389** | **14,861** | **17,359** | **4,104** |
| YoY Change (%) | 16.3 | 17.6 | 12.8 | 28.7 | 24.7 | 23.9 | 10.6 | 10.0 | 18.7 | 16.8 | 17.9 |
| **ROW** | **3600** | **4470** | **4770** | **5560** | **5218** | **6297** | **6302** | **6783** | **18400** | **24600** | **5649** |
| YoY Change (%) | 41.7 | 8.8 | 30.7 | 15.6 | 44.9 | 40.9 | 32.1 | 22.0 | 21.8 | 33.7 | 26.4 |
| **Cost Break-up** | | | | | | | | | | | |
| RM Cost (% of Sales) | 38.2 | 39.2 | 40.7 | 40.6 | 41.6 | 40.5 | 40.4 | 40.2 | 39.7 | 40.7 | 40.6 |
| Staff Cost (% of Sales) | 18.7 | 16.9 | 16.4 | 15.7 | 15.9 | 15.4 | 15.9 | 15.8 | 16.9 | 15.7 | 16.1 |
| Other Cost (% of Sales) | 23.9 | 24.5 | 23.4 | 24.1 | 22.9 | 23.7 | 23.1 | 23.1 | 24.0 | 23.2 | 23.2 |
| Gross Margins(%) | 61.8 | 60.8 | 59.3 | 59.4 | 58.4 | 59.5 | 59.6 | 59.8 | 60.3 | 59.3 | 59.4 |
| EBITDA Margins(%) | 19.2 | 19.3 | 19.5 | 19.7 | 19.7 | 20.4 | 20.6 | 20.9 | 19.4 | 20.4 | 20.1 |
| EBIT Margins(%) | 10.3 | 11.1 | 9.9 | 11.3 | 11.3 | 11.5 | 11.3 | 11.6 | 10.7 | 11.4 | 10.8 |

# Container Corporation

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | CCRI IN |
| Equity Shares (m) | 762 |
| M.Cap.(INRb)/(USDb) | 319.1 / 3.4 |
| 52-Week Range (INR) | 553 / 404 |
| 1, 6, 12 Rel. Per (%) | -11/-17/-16 |
| 12M Avg Val (INR M) | 943 |

**Financial Snapshot (INR b)**

| Y/E MARCH | 2026 | 2027E | 2028E |
|---|---|---|---|
| Sales | 90.6 | 93.3 | 110.7 |
| EBITDA | 19.2 | 20.0 | 24.7 |
| Adj. PAT | 12.2 | 12.8 | 15.9 |
| EBITDA Margin (%) | 21.2 | 21.5 | 22.3 |
| Adj. EPS (INR) | 16.0 | 16.8 | 20.9 |
| EPS Gr. (%) | (5.8) | 4.4 | 24.9 |
| BV/Sh. (INR) | 169.2 | 177.0 | 186.7 |
| **Ratios** | | | |
| Net D:E | (0.3) | (0.3) | (0.3) |
| RoE (%) | 9.7 | 9.7 | 11.5 |
| RoCE (%) | 10.1 | 10.1 | 11.8 |
| Payout (%) | 53.6 | 53.6 | 53.6 |
| **Valuations** | | | |
| P/E (x) | 26.1 | 25.0 | 20.0 |
| P/BV (x) | 2.5 | 2.4 | 2.2 |
| EV/EBITDA(x) | 14.2 | 13.5 | 10.7 |
| Div. Yield (%) | 2.1 | 2.1 | 2.7 |
| FCF Yield (%) | 1.1 | 1.8 | 3.7 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 54.8 | 54.8 | 54.8 |
| DII | 30.0 | 29.9 | 25.8 |
| FII | 8.1 | 7.9 | 12.4 |
| Others | 7.1 | 7.5 | 7.0 |

FII includes depository receipts

**CMP: INR419** **TP: INR530 (+27%)** **Buy**

## Muted quarter amid geopolitical challenges; DFC to support long-term growth

- Container Corporation's (CCRI) revenue was flat YoY at INR23.7b in 2QFY27 (in line). Total volumes were 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 estimate of 21.3%). EBITDA fell by ~5% YoY to INR5.4b (6% above our estimate). APAT dipped 8% YoY to INR3.47b (7% above our estimate).
- Land license fee for 1HFY27 stood at INR2.17b.
- In 1HFY27, its revenue/EBITDA/APAT were 1%/-2%/-2%.
- CCRI reported another muted operating performance in 2QFY27, impacted by a) geopolitical uncertainties that disrupted container traffic and b) an increased share of transshipment volumes at Indian ports, which weighed on railway tonnage. While 2QFY27 and 1HFY27 remained challenging, management expects performance to improve in 2HFY27, supported by encouraging volume trends in October. We largely retain our FY27/FY28 estimates and will closely monitor the volume recovery going forward following the full commissioning of WDFC. We expect revenue/EBITDA to register a CAGR of 7%/9% over FY26–28. **We reiterate our BUY rating with a TP of INR530, based on 15x FY28E EV/EBITDA.**

## Key highlights from the management commentary

- Volumes were affected this quarter by higher transshipment volumes, as the collapse of the Gulf ceasefire and the practical closure of the Strait of Hormuz severely disrupted container traffic.
- Food grain traffic was hit by a 10% tariff differential between containerized movement and conventional BCN wagons during July-September.
- Domestic EBIT margins declined due to the loss of high-volume traffic, competitive pricing pressures and an increase in fuel, handling, staff and land-related expenses.
- CONCOR has reduced upper-deck rates for 40-ft containers at Dadri by 10% to 20% and handling charges at TKD by 10% to 20%. Initial traction is encouraging, with Dadri witnessing higher volumes and revenue despite the tariff reductions.
- The 2QFY27 originating volumes for EXIM/Domestic stood at 0.575m/ 0.143m TEUs.

## Valuation and view

- CCRI's performance in 2QFY27 and 1HFY27 remained challenging, with management refraining from providing guidance amid geopolitical uncertainties. However, volume trends in October have been encouraging, while the long-term outlook remains healthy, supported by the recent commissioning of the DFC. The company expects the rail coefficient at JNPT to improve gradually following the commissioning of DFC connectivity.
- We largely retain our FY27/FY28 estimates and will closely monitor the volume recovery following the commissioning of DFC connectivity.
- We expect its revenue/EBITDA to register a CAGR of 7%/9% over FY26–28. **We reiterate our BUY rating with a TP of INR530, based on 15x FY28E EV/EBITDA.**

**Standalone quarterly snapshot** **(INR m)**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | |
| **Net Sales** | **21,495** | **23,514** | **23,017** | **22,568** | **21,540** | **23,732** | **23,704** | **24,281** | **90,595** | **93,258** | **23,972** | **(1)** |
| YoY Change (%) | 2.5 | 3.0 | 4.5 | -1.1 | 0.2 | 0.9 | 3.0 | 7.6 | 2.2 | 2.9 | 2.0 | |
| **EBITDA** | **4,265** | **5,688** | **5,059** | **4,203** | **4,361** | **5,427** | **5,049** | **5,210** | **19,215** | **20,046** | **5,106** | **6** |
| Margins (%) | 19.8 | 24.2 | 22.0 | 18.6 | 20.2 | 22.9 | 21.3 | 21.5 | 21.2 | 21.5 | 21.3 | |
| YoY Change (%) | -1.3 | -1.1 | 10.4 | -3.0 | 2.3 | -4.6 | -0.2 | 24.0 | 1.2 | 4.3 | -10.2 | |
| Depreciation | 1,570 | 1,427 | 1,490 | 1,488 | 1,463 | 1,531 | 1,535 | 1,539 | 5,976 | 6,068 | 1,510 | |
| Interest | 164 | 177 | 196 | 206 | 191 | 213 | 200 | 196 | 744 | 800 | 195 | |
| Other Income | 935 | 959 | 953 | 891 | 939 | 937 | 970 | 942 | 3,738 | 3,788 | 940 | |
| **PBT before EO expense** | **3,465** | **5,043** | **4,325** | **3,400** | **3,646** | **4,619** | **4,284** | **4,417** | **16,233** | **16,966** | **4,341** | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **PBT** | **3,465** | **5,043** | **4,325** | **3,400** | **3,646** | **4,619** | **4,284** | **4,417** | **16,233** | **16,966** | **4,341** | |
| Tax | 888 | 1,275 | 1,034 | 818 | 870 | 1,148 | 1,077 | 1,113 | 4,015 | 4,208 | 1,092 | |
| Rate (%) | 25.6 | 25.3 | 23.9 | 24.0 | 23.9 | 24.8 | 25.2 | 25.2 | 24.7 | 24.8 | 25.2 | |
| **Reported PAT** | **2,577** | **3,768** | **3,291** | **2,582** | **2,777** | **3,472** | **3,207** | **3,304** | **12,218** | **12,759** | **3,249** | **7** |
| **Adj PAT** | **2,577** | **3,768** | **3,291** | **2,582** | **2,777** | **3,472** | **3,207** | **3,304** | **12,218** | **12,759** | **3,249** | **7** |
| YoY Change (%) | 0.9 | -4.9 | -4.2 | -14.5 | 7.7 | -7.9 | -2.6 | 28.0 | -5.8 | 4.4 | -13.8 | |
| Margins (%) | 12.0 | 16.0 | 14.3 | 11.4 | 12.9 | 14.6 | 13.5 | 13.6 | 13.5 | 13.7 | 13.6 | |

# Indraprastha Gas

| | |
|---|---|
| Estimate change | ↓ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | IGL IN |
| Equity Shares (m) | 1400 |
| M.Cap.(INRb)/(USDb) | 186.3 / 2 |
| 52-Week Range (INR) | 219 / 126 |
| 1, 6, 12 Rel. Per (%) | -13/-19/-31 |
| 12M Avg Val (INR M) | 531 |

**Financials & Valuations (INR b)**

| Y/E March | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 199.9 | 213.4 | 228.0 |
| EBITDA | 7.8 | 22.9 | 23.2 |
| Adj. PAT | 5.5 | 16.8 | 17.0 |
| Adj. EPS (INR) | 4.0 | 12.0 | 12.2 |
| EPS Gr. (%) | -60.0 | 202.4 | 1.7 |
| BV/Sh.(INR) | 73.6 | 80.6 | 87.6 |
| **Ratios** | | | |
| Net D:E | -0.3 | -0.3 | -0.3 |
| RoE (%) | 5.5 | 15.5 | 14.5 |
| RoCE (%) | 5.3 | 14.9 | 13.9 |
| Payout (%) | 42.0 | 42.0 | 42.0 |
| **Valuation** | | | |
| P/E - SA (x) | 33.6 | 11.1 | 10.9 |
| P/BV (x) | 1.8 | 1.7 | 1.5 |
| EV/EBITDA (x) | 20.2 | 6.8 | 6.5 |
| Div. Yield (%) | 1.3 | 3.8 | 3.8 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 45.0 | 45.0 | 45.0 |
| DII | 35.1 | 35.0 | 29.1 |
| FII | 9.7 | 10.2 | 17.2 |
| Others | 10.2 | 9.8 | 8.7 |

FII includes depository receipts

**CMP: INR133** **TP: INR170 (+28%)** **Buy**

## Elevated sourcing costs weigh on margins; volume momentum holds

- Indraprastha Gas (IGL)'s 2QFY27 EBITDA/scm came at INR(0.3)/scm (vs. our est. of INR4.5/scm). Realization improved ~INR3.1/scm QoQ and **gas costs increased ~INR6.9 per scm QoQ.** Resulting operating loss stood at INR0.3b (vs. EBITDA est.: INR4.1b, PL YoY). Total volumes were in line at 10.1mmscmd, up 8% YoY. IGL's PAT was significantly below our est. at INR0.2b (vs. our est. of INR3.1b, -93% YoY) with other income above our estimate.
- **Things we liked about the result:** 1) CNG volumes ex-DTC/DIMTS in Delhi NCR grew 10.2% YoY, while newer geographical areas grew 34% YoY; with DTC volumes now near nil and DIMTS at only ~2% of CNG volumes, the drag on headline growth is largely behind; 2) CNG vehicle additions/conversions improved to ~27k/month in 2QFY27 from ~25k/month in 1QFY27, and average daily gas sales crossed 10mmscmd for the first time; 3) HPHT allocation has moved to a consumption-based mechanism effective Oct'26, with phased implementation scaling IGL's HPHT volumes from ~0.4mmscmd to ~1mmscmd by Sep'27 at ~USD9.8/mmbtu. Management expects this to cut the spot LNG share from ~15% in 2QFY27 to ~11-12% QoQ.
- **Key investor concerns:** 1) Sourcing costs remain elevated: the spot LNG share rose to ~15% (~1.5mmscmd vs. ~0.3mmscmd in 1QFY27) on a ~1.2mmscmd cut in pooled gas allocation and continued curtailment of term LNG, including Qatar's ~0.6mmscmd under force majeure. Spot LNG prices rose from USD22/mmbtu in 2Q to >USD30/mmbtu currently, keeping near-term margins under pressure; 2) Under the Delhi EV policy, new CNG 3W registrations are expected to be restricted from Jan'27, alongside the N1 vehicle transition and 30% of school buses moving to EVs by FY30. Management estimates a cumulative volume impact of ~0.2m kg/day by FY30, with ~5-6k CNG vehicles exiting annually.
- **Valuation and view:** Given continued curtailment of long-term contracted LNG volumes and the spot LNG share expected to stay at ~10-12% of the sourcing mix in the near-term, we cut our 2HFY27 EBITDA/scm estimate for IGL to INR2.8/scm from INR6.8/scm. We expect EBITDA/scm to normalize to ~INR6/scm in FY28 (INR2.1/scm in FY27). We value IGL at 13x Dec'27E SA P/E and add INR46/sh as the value of JVs to arrive at our TP of INR170/sh. At a 3.8% FY28E dividend yield and 10% EPS CAGR over FY26-28, we believe the valuation is inexpensive. **Reiterate BUY.**

### Miss due to an increase in input gas costs

- Total volumes were in line with our estimate at 10.1mmscmd (our est.: 9.8mmscmd), up 8% YoY.
  - CNG/D-PNG/I&C PNG volumes came in line with our estimate at 7.6/1.3/1.2mmscmd.

- EBITDA/scm stood below our estimate at INR(0.3)/scm. (our est. INR4.5/scm).
  - Realization improved ~INR3.1/scm QoQ and **gas costs increased ~INR6.9 per scm QoQ.**
  - IGL reported an operating loss of INR0.3b (vs. EBITDA est.:INR4.1b ,PL YoY).
- IGL's PAT was significantly below our est. at INR0.2b (vs. our est.:INR3.1b, -93% YoY).
- Other income stood above our estimate.

## Valuation and view

- IGL currently trades at 11.1x FY28 standalone EPS, below its mean – 1 S.D. P/E. Given continued curtailment of long-term contracted LNG volumes and the spot LNG share expected to remain at ~10-12% of the sourcing mix in the near term, we cut our 2HFY27 EBITDA/scm estimate for IGL to INR2.8/scm from INR6.8/scm.
- We expect EBITDA/scm to normalize to ~INR6/scm in FY28 (INR2.1/scm in FY27). We value IGL at 13x Dec'27E SA P/E and add INR46/sh as the value of JVs to arrive at our TP of INR170/sh. At a 3.8% FY28E dividend yield and 10% EPS CAGR over FY26-28, we believe the valuation is inexpensive. **Reiterate BUY.**

**Standalone Quarterly performance** (INR m)

| Y/E March | FY26 | | | | FY27 | | | | FY26 | FY27E | FY27E 2QE | Var. (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| **Net Sales** | **39,139** | **40,233** | **40,672** | **41,626** | **45,834** | **51,162** | **51,318** | **51,537** | **1,61,670** | **1,99,852** | **48,265** | **6%** |
| Change (%) | 11.2 | 8.8 | 8.2 | 5.4 | 17.1 | 27.2 | 26.2 | 23.8 | 8.3 | 23.6 | 20.0 | |
| **EBITDA** | **5,118** | **4,428** | **5,008** | **4,229** | **2,955** | **-311** | **1,863** | **3,336** | **18,783** | **7,842** | **4,080** | **-108%** |
| EBITDA (INR/scm) | 6.2 | 5.2 | 5.8 | 4.8 | 3.4 | -0.3 | 2.0 | 3.5 | 5.5 | 2.1 | 4.5 | **-107%** |
| Change (%) | -12.0 | -17.4 | 37.7 | -14.9 | -42.3 | -107.0 | -62.8 | -21.1 | -5.1 | -58.2 | -7.9 | |
| Depreciation | 1,238 | 1,279 | 1,311 | 1,319 | 1,364 | 1,429 | 1,411 | 1,441 | 5,146 | 5,644 | 1,391 | **3%** |
| Interest | 22 | 22 | 21 | 74 | 24 | 23 | 36 | 52 | 139 | 134 | 32 | **-26%** |
| Other Income | 901 | 1,626 | 1,301 | 1,012 | 1,031 | 1,859 | 1,377 | 960 | 4,840 | 5,227 | 1,457 | **28%** |
| **PBT before EO** | **4,758** | **4,754** | **4,978** | **3,849** | **2,599** | **96** | **1,793** | **2,803** | **18,338** | **7,291** | **4,114** | **-98%** |
| EO | 0 | 0 | -283 | 0 | 0 | 0 | 0 | 0 | -283 | 0 | 0 | |
| **PBT after EO** | **4,758** | **4,754** | **4,695** | **3,849** | **2,599** | **96** | **1,793** | **2,803** | **18,056** | **7,291** | **4,114** | **-98%** |
| Tax | 1,199 | 1,029 | 1,109 | 1,078 | 737 | -148 | 452 | 706 | 4,415 | 1,748 | 1,037 | |
| Rate (%) | 25.2 | 21.6 | 23.6 | 28.0 | 28.4 | -154.2 | 25.2 | 25.2 | 24.4 | 24.0 | 25.2 | |
| **PAT** | **3,559** | **3,725** | **3,586** | **2,771** | **1,862** | **244** | **1,341** | **2,097** | **13,641** | **5,543** | **3,077** | **-92%** |
| **Adj. PAT** | **3,559** | **3,725** | **3,802** | **2,771** | **1,862** | **244** | **1,341** | **2,097** | **13,857** | **5,543** | **3,077** | **-92%** |
| PAT (INR/scm) | 4.3 | 4.3 | 4.1 | 3.2 | 2.1 | 0.3 | 1.4 | 2.2 | 3.1 | 2.9 | 3.4 | |
| Change (%) | -11.3 | -13.6 | 25.5 | -20.7 | -47.7 | -93.5 | -62.6 | -24.3 | -7.1 | -59.4 | -17.4 | |
| **EPS (INR)** | **2.5** | **2.7** | **2.7** | **2.0** | **1.3** | **0.2** | **1.0** | **1.5** | **9.9** | **4.0** | **2.2** | **-92%** |
| **Gas volumes (mmscmd)** | | | | | | | | | | | | |
| CNG | 6.8 | 7.0 | 6.9 | 7.1 | 7.2 | 7.6 | 7.3 | 7.5 | 6.9 | 7.0 | 7.4 | 3% |
| PNG - Domestic | 1.2 | 1.2 | 1.3 | 1.4 | 1.3 | 1.3 | 1.4 | 1.5 | 1.3 | 1.3 | 1.3 | 3% |
| PNG - I&C | 1.1 | 1.2 | 1.2 | 1.3 | 1.1 | 1.2 | 1.3 | 1.4 | 1.2 | 1.2 | 1.2 | 0% |
| **Total** | **9.1** | **9.3** | **9.4** | **9.7** | **9.7** | **10.1** | **10.1** | **10.4** | **9.4** | **9.5** | **9.8** | **2%** |

# TBO Tek

| | |
|---|---|
| Estimate changes | ↓ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | TBOTEK IN |
| Equity Shares (m) | 109 |
| M.Cap.(INRb)/(USDb) | 173.1 / 1.8 |
| 52-Week Range (INR) | 1773 / 1004 |
| 1, 6, 12 Rel. Per (%) | -11/28/14 |
| 12M Avg Val (INR M) | 367 |

**Financials Snapshot (INR m)**

| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 26,775 | 36,537 | 44,626 |
| Sales Gr. (%) | 54.1 | 36.5 | 22.1 |
| EBITDA | 3,785 | 6,028 | 7,603 |
| EBITDA Margin (%) | 14.1 | 16.5 | 17.0 |
| PAT | 2,443 | 3,517 | 5,414 |
| EPS (Rs) | 22.7 | 32.7 | 50.3 |
| EPS Gr. (%) | 5.7 | 44.0 | 53.9 |
| BV/Share | 144 | 177 | 227 |
| **Ratios** | | | |
| RoE | 17.8 | 20.4 | 24.9 |
| RoCE | 13.8 | 16.7 | 20.5 |
| RoIC | 13.0 | 15.8 | 19.6 |
| **Valuations** | | | |
| EV/Sales | 6.1 | 4.5 | 3.7 |
| EV/EBITDA | 43.1 | 27.0 | 21.4 |
| P/E (X) | 71.0 | 49.3 | 32.0 |
| P/BV (X) | 11.1 | 9.0 | 7.0 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 44.4 | 44.4 | 44.4 |
| FII | 27.2 | 21.1 | 18.9 |
| DII | 23.9 | 30.5 | 32.7 |
| Others | 4.4 | 4.0 | 4.0 |

## CMP: INR1,594 TP: INR1,912 (+20%) 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.
- TBO Tek reported resilient organic revenue at INR6,500m, with 14% YoY growth and 7% CC growth (MOFSLe: INR6,550m; in line).
- Overall revenue at INR8,656m grew 53% YoY, with CC growth at 45% (MOFSLe: INR9,266m), missing estimate due to lower QoQ contribution from CVs and a challenging environment.
- EBITDA stood at INR1,446m, and margin stood at 16.7% (MOFSLe: INR1,465m, Margin: 15.8%; beat). 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 (in CC terms 25% YoY).
- 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.
- 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 29%/50%/49% 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 INR1,912 valued at 38x P/E on FY28E EPS.

## Our view: As geopolitical uncertainties ease, recovery in premium travel demand, along with operating leverage, likely to drive growth and earnings momentum

- Geography-wise, Europe and APAC delivered robust growth of over 30% YoY, while the Middle East grew 10% YoY in CC terms despite geopolitical disruptions, reflecting resilient demand and market share gains.
- Europe contributed ~36% of Hotels GTV, supported by deeper market penetration and strong growth in newer geographies.
- Existing market investments and improving agent productivity provide significant growth headroom without substantial incremental spending.
- Classic Vacations integration remains on track, with platform rollout beginning in Nov-26, supporting inventory sharing, cross-selling, and revenue synergies.
- AI-led automation and productivity improvements are expected to sustain operating leverage and drive margin expansion.
- Europe, APAC, and North America remain key growth drivers, while Middle East recovery offers incremental upside, despite near-term

## 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 29%/50%/49% 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 INR1,912 valued at 38x P/E on FY28E EPS.

**Consolidated – Quarterly** **(INR m)**

| Y/E March | FY26E | | | | 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** | **9,005** | **9,619** | **26,775** | **36,537** | **9,266** | **-6.6** |
| YoY Change (%) | *22.2* | 25.9 | *8.6* | *82.6* | *81.1* | 52.5 | *14.8* | *18.1* | *54.1* | 36.5 | | |
| Service Fees | 1,780 | 2,042 | 3,011 | 3,202 | 3,734 | 3,046 | 3,168 | 3,384 | 10,035 | 13,332 | 3,706 | |
| **Gross Profit** | **3,333** | **3,633** | **4,832** | **4,941** | **5,524** | **5,611** | **5,836** | **6,235** | **16,740** | **23,205** | **5,559** | **0.9** |
| Employee Benefit Expenses | 960 | 1,051 | 1,590 | 1,648 | 1,730 | 1,829 | 1,891 | 2,020 | 5,249 | 7,470 | 1,760 | **3.9** |
| Other Expenses | 1,593 | 1,702 | 2,171 | 2,240 | 2,359 | 2,336 | 2,427 | 2,587 | 7,706 | 9,708 | 2334 | **0.1** |
| **Total Expenditure** | **2,553** | **2,753** | **3,760** | **3,888** | **4,089** | **4,165** | **4,318** | **4,607** | **12,955** | **17,178** | **4,095** | **1.7** |
| **EBITDA** | **779** | **881** | **1,072** | **1,053** | **1,435** | **1,446** | **1,519** | **1,628** | **3,785** | **6,028** | **1,465** | **-1.3** |
| Margins (%) | 15.2 | 15.5 | 13.7 | 12.9 | 15.5 | 16.7 | 16.9 | 16.9 | 14.1 | 16.5 | 15.8 | **90bp** |
| Depreciation | 140 | 161 | 264 | 299 | 330 | 338 | 338 | 338 | 864 | 1345 | 330 | |
| **EBIT** | **639** | **719** | **808** | **754** | **1,105** | **1,107** | **1,181** | **1,290** | **2,921** | **4,682** | **1,134** | **-2.4** |
| Margins (%) | 12.5 | 12.7 | 10.3 | 9.3 | 11.9 | 12.8 | 13.1 | 13.4 | 10.9 | 12.8 | 12.2 | **60bp** |
| Interest | 53 | 89 | 149 | 146 | 146 | 170 | 170 | 170 | 436 | 655 | 146 | |
| Other Income | 89 | 152 | 55 | 128 | 74 | 59 | 90 | 96 | 424 | 319 | 93 | |
| **PBT before Exceptional item** | **676** | **782** | **714** | **737** | **1,033** | **997** | **1,101** | **1,216** | **2,909** | **4,347** | **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** | **1,101** | **1,216** | **2,933** | **4,265** | **1,081** | |
| Tax | 123 | 107 | 124 | 136 | 199 | 155 | 187 | 207 | 490 | 748 | 209 | |
| Rate (%) | 16.4 | 13.7 | 18.8 | 18.4 | 19.3 | 16.9 | 17 | 17 | 16.7 | 17.5 | 19.3 | |
| **PAT** | **630** | **675** | **537** | **601** | **834** | **760** | **914** | **1,010** | **2,443** | **3,517** | **873** | |
| **Adj. PAT** | **552** | **675** | **590** | **601** | **834** | **841** | **914** | **1,010** | **2,419** | **3,517** | **873** | **-3.6** |
| YoY Change (%) | *3.4* | 12.4 | *7.4* | 2 | 32.4 | 12.5 | 70.2 | 68 | *6.3* | 44 | | |
| Margins (%) | 12.3 | 11.9 | 6.8 | 7.4 | 9 | 8.8 | 10.2 | 10.5 | 9.1 | 9.6 | 9.4 | |
| **EPS (INR)** | **5.9** | **6.3** | **5** | **5.6** | **7.8** | **7.1** | **8.5** | **9.4** | **22.7** | **32.7** | **8.2** | |

# Zydus Wellness

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↓ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | ZYWL IN |
| Equity Shares (m) | 318 |
| M.Cap.(INRb)/(USDb) | 157 / 1.7 |
| 52-Week Range (INR) | 612 / 358 |
| 1, 6, 12 Rel. Per (%) | -6/-2/10 |
| 12M Avg Val (INR M) | 534 |

**Financials & Valuations (INR b)**

| Y/E March | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 54.7 | 62.4 | 70.4 |
| Sales Gr. (%) | 38 | 14 | 13 |
| EBITDA | 7.6 | 8.9 | 10.3 |
| Margins (%) | 13.8 | 14.3 | 14.6 |
| Adj. PAT | 5.1 | 6.2 | 7.4 |
| Adj. EPS (INR) | 16.1 | 19.5 | 23.2 |
| EPS Gr. (%) | 44 | 21 | 19 |
| BV/Sh. (INR) | 190.9 | 201.7 | 216.1 |
| **Ratios** | | | |
| RoE (%) | 8.6 | 9.9 | 11.1 |
| RoCE (%) | 5.8 | 7.0 | 8.2 |
| Payout (%) | 13.7 | 12.6 | 11.6 |
| **Valuation** | | | |
| P/E (x) | 30.8 | 25.4 | 21.3 |
| P/BV (x) | 2.6 | 2.4 | 2.3 |
| EV/EBITDA (x) | 24.3 | 20.2 | 17.0 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 69.6 | 69.6 | 69.6 |
| DII | 19.4 | 19.1 | 18.8 |
| FII | 3.6 | 3.3 | 3.4 |
| Others | 7.4 | 7.9 | 8.2 |

FII includes depository receipts

**CMP: INR493** **TP: INR600 (+22%)** **Buy**

## Beat in domestic front; muted international

- Zydus Wellness' (Zydus) consolidated sales registered growth of 73% YoY to INR11.3b in 2QFY27 (in line). Domestic business revenue grew 29% YoY (est. 14%), led by a strong recovery across brands. Domestic business delivered 13% growth in 1HFY27 despite a 9% decline in seasonal brands, indicating improving resilience and lower dependence on seasonal demand.
- International business saw a sharp deceleration, registered weak 12% growth post clocking 25% growth in 1Q. International markets encountered minor disruptions from temporary events, including the shift of Amazon Prime Day from July to June, a country-specific website transition. Management is positive on growth recovery in 2HFY27 (1HFY27 was 18%).
- Skin & Hair Care revenue rose ~38% YoY; Everyuth sustained strong momentum, growing well ahead of category growth of 6%.
- Food & Nutrition rose ~25% YoY, Complan recorded double-digit growth for the third consecutive quarter despite a 10% decline in the nutrition drinks category. Sugar Free and Nutralite sustained healthy growth. Rite Bite Max Protein sustained robust growth, outperforming the company's internal growth expectations, supported by innovation-led portfolio expansion.
- Seasonal portfolio clocked 124% growth albeit on a low base. Glucon-D and Nycil benefited from improved seasonal demand and delayed monsoons.
- Zydus registered consolidated EBITDA of INR855m (est. INR888m), a growth of 270% YoY (cc acquisition impact). EBITDA margin expanded 410bp YoY to 7.6%. We model domestic EBITDA margin of 13.8% for FY27 and 14.3% for FY28. International EBITDA margin is expected to remain at 14-15%.
- The stock is at 20x FY28 and 17x FY29 EV/EBITDA. We model ~14% domestic revenue CAGR and 17% EBITDA CAGR over FY26-29E. On a consolidated basis, we model 21% revenue CAGR and ~26% EBITDA CAGR FY26-FY29E.
- Based on SoTP, we value India at 27x Sep'28E EV/EBITDA and International (Comfort Click) at 18x Sep'28E EV/EBITDA to arrive at a TP of INR600 (implied consolidated 23x EV/EBITDA and 28x P/E at Sep'28). Reiterate BUY.

## Strong India portfolio growth; International miss

- **Domestic revenue up 29%; broad-based growth:** Consol. sales grew 73% YoY to INR11.3b (est. INR11.1b). Domestic revenue up 29% in 2Q (est. 14%), led by broad-based growth across brands. Domestic business delivered 13% growth in 1HFY27 despite a 9% decline in seasonal brands.
- **In-line EBITDA:** Zydus registered consolidated EBITDA of INR855m (est. INR888m), a growth of 270% YoY. EBITDA margin expanded 410bp YoY to 7.6% (est. 8%).

- **Acquisition-led growth drives sharp improvement in profitability:** Despite elevated employee expenses (+34%), advertising spends (+111%), and other expenses (+97%), EBITDA grew 270% YoY to INR855m in 2QFY27 (est. INR888mn). Adjusted PAT (excluding amortization impact) increased to INR545m from INR41m in the base quarter (est. INR551m).

## Highlights from the management commentary

- Management highlighted that consumption trends remained positive across categories despite high commodity-led inflation, supported by a steady urban recovery and improving rural offtake.
- It flagged sustained inflation as the key risk, as it could weaken consumer confidence and reduce consumption.
- The company has taken calibrated price increases of less than 2% on a blended basis, limited to SKUs directly affected by input cost inflation. Commodity inflation remained in single digits.
- Further price increases in 2HFY27 will be selective and commodity-specific. Palm oil has stabilized, while milk and packaging are being monitored.
- Despite new and larger players entering protein snacking, the company is focused on fundamentals like avoiding discounting, targeted omnichannel distribution, and continuous portfolio additions based on consumer demand.

## Valuation and view

- We largely maintain our EPS estimates for FY27 and FY28.
- We remain constructive on Zydus, as improving traction across the non-seasonal portfolio and market-share gains in key categories strengthen confidence in its underlying domestic growth prospects. That said, volatile commodity prices and sustainability of underlying demand trends remain key monitorables.
- The stock is at 20x FY28 and 17x FY29 EV/EBITDA. We model ~14% domestic revenue CAGR and 17% EBITDA CAGR over FY26-29E. On a consolidated basis, we model 21% revenue CAGR and ~26% EBITDA CAGR FY26-FY29E.
- Based on SoTP, we value India at 27x Sep'28E EV/EBITDA and International (Comfort Click) at 18x Sep'28E EV/EBITDA to arrive at a TP of INR600 (implied consolidated 23x EV/EBITDA and 28x P/E at Sep'28). Reiterate BUY.

**Quarterly Performance (Consolidated)** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| **Total revenues** | **8,609** | **6,505** | **9,649** | **14,847** | **14,370** | **11,266** | **11,195** | **17,899** | **39,610** | **54,730** | **11,137** | 1.2% |
| YoY change (%) | 2.4 | 32.0 | 108.9 | 62.6 | 66.9 | 73.2 | 16.0 | 20.6 | 46.2 | 38.2 | 71.2 | |
| **Gross Profit** | **4,731** | **3,442** | **6,118** | **9,650** | **9,436** | **6,894** | **7,277** | **11,786** | **23,941** | **35,392** | 7,351 | -6.2% |
| *Margin (%)* | *55.0* | *52.9* | *63.4* | *65.0* | *65.7* | *61.2* | *65.0* | *65.8* | *60.4* | *64.7* | *66.0* | |
| **EBITDA** | **1,556** | **230** | **610** | **2,701** | **2,417** | **855** | **972** | **3,315** | **5,097** | **7,559** | **888** | -3.7% |
| *Margins (%)* | *18.1* | *3.5* | *6.3* | *18.2* | *16.8* | *7.6* | *8.7* | *18.5* | *12.9* | *13.8* | *8.0* | |
| *EBITDA growth (%)* | *0.2* | *17.3* | *312.2* | *42.2* | *55.3* | *271.7* | *59.3* | *22.7* | *34.2* | *48.3* | *286.1* | |
| Depreciation | 108 | 24 | 75 | 86 | 81 | 77 | 82 | 93 | 293 | 333 | 82 | |
| Amortisation | 0 | 227 | 480 | 467 | 490 | 494 | 494 | 482 | 1,174 | 1,960 | 490 | |
| Interest | 25 | 157 | 412 | 387 | 263 | 272 | 275 | 325 | 981 | 1,135 | 265 | |
| Other income | 30 | 14 | 8 | 12 | 38 | 64 | 30 | 18 | 64 | 150 | 30 | |
| **PBT** | **1,453** | **-164** | **-349** | **1,773** | **1,621** | **76** | **151** | **2,432** | **2,713** | **4,280** | **81** | -6.1% |
| Tax | 174 | 22 | -16 | 153 | 432 | 25 | 38 | 638 | 333 | 1,132 | 20 | |
| Rate (%) | 12.0 | -13.4 | 4.6 | 8.6 | 26.7 | 32.9 | 25.0 | 26.2 | 12.3 | 26.5 | 25.0 | |
| **Adj. PAT** | **1,279** | **41** | **147** | **2,087** | **1,679** | **545** | **607** | **2,277** | **3,554** | **5,108** | **551** | -1.1% |
| YoY change (%) | -13.4 | -72.7 | 129.7 | 17.0 | 31.3 | 1,229.3 | 313.0 | 9.1 | 2.3 | 43.7 | 944.4 | |
| Extraordinary inc/(Exp) | 0 | 569 | 546 | 467 | 490 | 494 | 494 | 482 | 1,582 | 1,960 | 368 | |
| **Reported PAT** | **1,279** | **-528** | **-399** | **1,620** | **1,189** | **51** | **113** | **1,795** | **1,972** | **3,148** | **61** | -16.0% |

*E: MOFSL Estimate*

# Amara Raja

| | |
|---|---|
| Estimate changes | ↓ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | ARENM IN |
| Equity Shares (m) | 183 |
| M.Cap.(INRb)/(USDb) | 127.8 / 1.3 |
| 52-Week Range (INR) | 1017 / 670 |
| 1, 6, 12 Rel. Per (%) | -13/-19/-23 |
| 12M Avg Val (INR M) | 789 |

**Financials & Valuations (INR b)**

| Y/E March | 2026 | 2027E | 2028E |
|---|---|---|---|
| Sales | 135.5 | 153.0 | 165.4 |
| EBITDA | 15.4 | 15.6 | 18.5 |
| Adj. PAT | 7.8 | 6.8 | 8.6 |
| EPS (INR) | 42.5 | 36.9 | 46.9 |
| EPS Gr. (%) | -11.7 | -13.2 | 27.2 |
| BV/Sh. (INR) | 446 | 474 | 513 |
| **Ratios** | | | |
| RoE (%) | 10.0 | 8.0 | 9.5 |
| RoCE (%) | 9.9 | 8.0 | 8.9 |
| Payout (%) | 20.0 | 23.0 | 18.1 |
| **Valuations** | | | |
| P/E (x) | 16.4 | 18.9 | 14.9 |
| P/BV (x) | 1.6 | 1.5 | 1.4 |
| Div. Yield (%) | 1.5 | 1.2 | 1.2 |
| FCF yield (%) | 3.5 | 4.2 | 6.5 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 32.9 | 32.9 | 32.9 |
| DII | 15.0 | 15.3 | 16.2 |
| FII | 17.2 | 17.3 | 18.0 |
| Others | 35.0 | 34.5 | 32.9 |

FII includes depository receipts

**CMP: INR698 TP: INR740 (+6%) Neutral**

## Stable margin performance in 2Q

### Approved capex of INR23.2b in New Energy Business

- Amara Raja's (AMRJ) 2QFY27 PAT of INR1.8b came in 13% higher than our estimates. The company implemented a 2% price hike during the quarter, taking the cumulative hike in 1HFY27 to 5%. As a result, EBITDA margin remained stable QoQ at 10.1% despite commodity pressures.
- Higher procurement costs of alloys, sulphuric acid, and polypropylene, coupled with rising interest expenses from debt-funded investments in the new energy business, are expected to weigh on profitability. Additionally, a large portion of the increased capex for the new energy business would be funded via debt, leading to higher interest costs going forward. Accordingly, we have cut our earnings estimates by 6%/9% for FY27/FY28, respectively.
- We believe the stock, trading at around 18.9x/14.9x FY27E/FY28E EPS, appears fairly valued. **We reiterate our Neutral rating with a TP of INR740, based on 12x standalone FY28E EPS and INR172/sh value of the investment in the new energy business.**

### Earnings beat driven by 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 the OEM segment across 2W and 4Ws was sustained, while domestic aftermarket volumes registered modest growth during the quarter. The Industrial UPS segment continued to deliver steady growth, driven by demand from data centers. Exports, however, continued to face headwinds due to geopolitical uncertainties.
- 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.

## Highlights from the management commentary

- The lead-acid business is expected to sustain 8–10% medium-term growth, supported by 6–8% growth in the automotive aftermarket, ~10% growth in home energy, and a potential recovery in international markets.
- The Board approved an additional capex of INR23.2b toward a 5GWh LFP prismatic cell gigafactory and enhanced pack assembly capacity, with completion targeted over the next 30 months. The cell facility will initially cater to stationary storage applications before expanding into mobility applications.
- The BESS facility has completed acceptance-related requirements, with trial runs expected to commence in Dec'26 and commercial operations likely in Jan-Feb'27. Management expects capacity utilization to reach 50-60% in FY28 and potentially 100% by FY29, supported by demand from domestic grid-scale storage, commercial and industrial applications, and export markets.
- Near-term margins remain under pressure from elevated lead, sulphuric acid, and polypropylene costs, with price hikes of ~5% implemented in 1HFY27, providing only partial pass-through. However, management expects 1.5-2% of margin expansion from current levels over time, driven by raw material cost normalization, international volume recovery, recycling efficiencies, and operating leverage, partly offset by continued investments in new energy.
- The company plans FY27 capex of INR22b, including ~INR16b toward new energy, alongside an additional Board-approved investment of INR23.2b for a 5GWh LFP cell gigafactory and enhanced pack assembly capacity over the next 30 months. While these investments will initially weigh on return ratios, management expects meaningful improvement over the next 2-3 years as cell manufacturing scales toward 8-10GWh and new energy capacities ramp up.

## Valuation and view

- AMRJ's venture into the lithium-ion business appears strategically sound, given the opportunities in the segment and the evolving risks in its core business. However, there are notable challenges: 1) market opportunities are limited by existing OEM partnerships; 2) the low-margin nature of the lithium-ion business is likely to dilute returns; and 3) the long-term viability of the technology remains uncertain despite the large capital investment.
- Higher procurement costs of alloys, sulphuric acid, and polypropylene, coupled with rising interest expenses from debt-funded investments in the new energy business, are expected to weigh on profitability. Additionally, a large portion of increased capex for the new energy business would be funded via debt, leading to higher interest cost going forward. Accordingly, we have cut our earnings estimates by 6%/9% for FY27/FY28, respectively.
- We believe the stock, trading at around 18.9x/14.9x FY27E/FY28E EPS, appears fairly valued. **We reiterate our Neutral rating with a TP of INR740, based on 12x standalone FY28E EPS and INR172/sh value of the investment in the new energy business.**

## 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** | **38,367** | **35,833** | **1,35,489** | **1,53,047** | **38,964** | **-1.4** |
| YoY Change (%) | 7.0 | 8.0 | 5.9 | 16.3 | 20.6 | 13.4 | 14.5 | 3.6 | 9.2 | 13.0 | 15.0 | |
| RM Cost (% of sales) | 70.5 | 67.2 | 68.2 | 70.2 | 71.5 | 70.2 | 70.2 | 70.0 | 69.1 | 70.5 | 71.5 | -130bp |
| Staff Cost (% of sales) | 5.9 | 6.6 | 6.1 | 6.2 | 5.6 | 5.9 | 6.0 | 5.9 | 6.2 | 5.9 | 5.8 | 10bp |
| Other Exp (% of sales) | 12.0 | 14.2 | 14.5 | 12.7 | 12.9 | 13.8 | 13.5 | 13.6 | 13.3 | 13.4 | 13.5 | 30bp |
| **EBITDA** | **3,867** | **4,059** | **3,745** | **3,771** | **4,074** | **3,863** | **3,952** | **3,738** | **15,442** | **15,626** | **3,585** | **7.7** |
| Margins (%) | 11.5 | 12.0 | 11.2 | 10.9 | 10.1 | 10.1 | 10.3 | 10.4 | 11.4 | 10.2 | 9.2 | 90bp |
| YoY Change (%) | -10.2 | -7.9 | -9.9 | 10.2 | 5.4 | -4.9 | 5.5 | -0.9 | -5.2 | 1.2 | -11.7 | |
| Depreciation | 1,292 | 1,380 | 1,409 | 1,396 | 1,403 | 1,405 | 1,510 | 1,706 | 5,477 | 6,024 | 1,450 | |
| Interest | 104 | 83 | 87 | 134 | 107 | 133 | 300 | 460 | 407 | 1,000 | 110 | |
| Other Income | 139 | 241 | 263 | 276 | 159 | 182 | 70 | 48 | 919 | 460 | 220 | |
| **PBT before EO expense** | **2,610** | **2,838** | **2,513** | **2,517** | **2,723** | **2,507** | **2,212** | **1,620** | **10,478** | **9,062** | **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** | **2,212** | **1,620** | **13,069** | **9,062** | **2,245** | **11.7** |
| Tax | 670 | 1,032 | 558 | 1,106 | 695 | 624 | 575 | 417 | 3,365 | 2,311 | 579 | |
| Tax Rate (%) | 25.7 | 25.4 | 26.9 | 25.5 | 25.5 | 24.9 | 26.0 | 25.7 | 25.7 | 25.5 | 25.8 | |
| **Adj PAT** | **1,940** | **2,120** | **1,842** | **1,874** | **2,028** | **1,883** | **1,637** | **1,204** | **7,780** | **6,751** | **1,666** | **13.1** |
| YoY Change (%) | -20.7 | -11.9 | -19.8 | 12.4 | 4.5 | -11.2 | -11.1 | -35.8 | -11.7 | -13.2 | -21.4 | |

# Ventive Hospitality

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↓ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | VENTIVE IN |
| Equity Shares (m) | 234 |
| M.Cap.(INRb)/(USDb) | 123.6 / 1.3 |
| 52-Week Range (INR) | 798 / 523 |
| 1, 6, 12 Rel. Per (%) | -11/-13/-21 |
| 12M Avg Val (INR M) | 47 |

**Financials & Valuations (INR b)**

| Y/E Mar | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 24.6 | 27.2 | 32.5 |
| EBITDA | 10.9 | 11.8 | 14.3 |
| PAT | 4.3 | 4.4 | 5.7 |
| EBITDA % | 44.4 | 43.5 | 43.9 |
| EPS (INR) | 18.6 | 18.8 | 24.6 |
| EPS Gr. (%) | 243.1 | 1.5 | 30.4 |
| BV/Sh.(INR) | 235.8 | 254.6 | 279.2 |
| **Ratios** | | | |
| Net D:E | 0.3 | (0.0) | (0.1) |
| RoE (%) | 8.4 | 7.7 | 9.2 |
| RoCE (%) | 9.1 | 9.2 | 10.3 |
| **Valuations** | | | |
| P/E (x) | 28.5 | 28.0 | 21.5 |
| P/BV (x) | 2.2 | 2.1 | 1.9 |
| EV/EBITDA (x) | 13.9 | 11.5 | 9.0 |
| FCF per share | 32.3 | 76.6 | 40.1 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 89.0 | 89.0 | 89.0 |
| DII | 5.2 | 5.2 | 5.2 |
| FII | 1.2 | 1.2 | 1.7 |
| Others | 4.7 | 4.6 | 4.1 |

Note: FII includes depository receipts

**CMP: INR529 TP: INR700 (+32%) Buy**

## International business to recover in 2HFY27

**Operating performance beats estimates**

- Ventive Hospitality reported EBITDA growth of 11% YoY to INR2.1b in 2QFY27, led by 5%/22% YoY growth in India/International business EBITDA. Annuity business EBITDA grew 5% to INR1.2b.
- India hospitality business is expected to be driven by steady MICE activity, global capability center-led office expansions, and limited new luxury hotel supply in Pune. As per management guidance, Maldives business is likely to witness mid-teen growth in revenue and EBITDA in 2H as high diesel prices ease, led by resilient international demand and global connectivity.
- The company's ongoing transition toward renewable energy, including increased solar adoption across its resorts and Raaya's target of ~80% solar utilization (by Jan'27), is expected to reduce fuel cost volatility and promote sustainable profitability of its international portfolio.
- Factoring in the expected recovery in international business in 2HFY27, we largely maintain our FY27/28 EBITDA estimates. **We reiterate our BUY rating with a TP of INR700 (based on FY28E SoTP).**

## Healthy hospitality performance drives revenue growth and margin gain

- Consol. revenue grew 13% YoY to INR5.5b (est. in line), led by 10%/19% YoY growth in India/International Hospitality businesses to INR2.1b/INR2.1b. Annuity business revenue grew 5% to INR1.3b.
- India business ARR grew 10% to INR12,629, with occupancy increasing 2pp to 68%. International business TrevPAR grew 20% to INR45,040, with occupancy expanding 3pp to 57%.
- EBITDA grew 11% YoY to INR2.1b (est. INR1.9b). EBITDA margin contracted 60bp YoY to 38.2% (est. 36.1%), led by higher other expenses (up 70bp) and RM expenses (up 10bp).
- India/International business EBITDA grew 5%/22% YoY to INR827m/INR1.1b. Annuity business EBITDA grew 5% to INR1.2b.
- Adj. PAT declined 55% YoY to INR233m (est. INR392m), largely led by higher depreciation due to the 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.

## Highlights from the management commentary

- **MICE:** The company continues to strengthen its MICE and events business, with marquee corporate, government and medical events driving room nights, banquet and F&B revenue. During 2QFY27, JW Marriott Pune hosted the 12th BRICS Communications Ministers Meeting (~5,000 delegates over 11 days; ~300 room nights) and IDEC 2026 medical conference (~2,500 delegates over six days; ~200 room nights), while The Ritz-Carlton Pune hosted NXP Tech Days 2026 (~800 delegates; ~130 room nights).

- **Maldives:** Diesel prices in the Maldives have declined ~31% from their April–May peak, although they remain ~1.5x higher YoY. To mitigate the impact of elevated diesel costs, the company is undertaking a solar power installation at Raaya, which is expected to be commissioned in Jan'27. Following installation, Raaya is expected to operate without diesel generators for ~17 hours a day, with solar power meeting over 80% of its energy requirements, making it the first resort in the Maldives to achieve this.
- **Ritz Carlton, Pune:** Ventive has launched YA:LA, a new Mediterranean restaurant at The Ritz-Carlton, Pune, adding to its award-winning F&B portfolio. The restaurant follows a Levantine social dining concept and is positioned as a destination offering to attract both hotel guests and local diners. Management expects the restaurant to generate monthly revenue of INR15–20m, with over 100 covers, providing an additional revenue stream beyond room bookings and strengthening the hotel's F&B offerings.

## Valuation and view

- VENTIVE's growth is expected to be driven by rapid multi-city expansion, infrastructure-led demand, limited supply conditions in key markets such as Pune, and diversification into membership-led hospitality through Soho House. Additionally, high-ADR Maldives assets and a strong pipeline of 1800+ keys bolster the growth outlook.
- **Based on pro forma financials, we model a CAGR of 15%/14%/15% in revenue/ EBITDA/adj. PAT over FY26-28E. We largely retain our FY27/28 EBITDA estimates and reiterate our BUY rating with a TP of INR700 (based on FY28E SOTP).**

**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** | **7,560** | **8,695** | **24,610** | **27,195** | **5,373** | **3** |
| YoY Change (%) | 341.7 | 89.7 | 28.4 | 11.6 | 7.0 | 12.6 | 10.3 | 11.7 | 53.4 | 10.5 | 9.8 | |
| Total Expenditure | 2,997 | 2,997 | 3,745 | 3,935 | 3,498 | 3,405 | 4,100 | 4,366 | 13,674 | 15,368 | 3,435 | |
| **EBITDA** | **2,078** | **1,896** | **3,110** | **3,852** | **1,930** | **2,107** | **3,461** | **4,329** | **10,937** | **11,827** | **1,938** | **9** |
| Margins (%) | 40.9 | 38.8 | 45.4 | 49.5 | 35.6 | 38.2 | 45.8 | 49.8 | 44.4 | 43.5 | 36.1 | |
| Depreciation | 798 | 789 | 843 | 843 | 897 | 1,022 | 1,050 | 1,100 | 3,274 | 4,069 | 900 | |
| Interest | 601 | 559 | 601 | 534 | 522 | 566 | 520 | 475 | 2,295 | 2,083 | 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** | **2,041** | **2,954** | **7,418** | **6,452** | **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** | **2,041** | **2,954** | **7,337** | **6,452** | **658** | |
| Tax | 424 | 557 | 597 | 745 | -629 | 470 | 514 | 744 | 2,323 | 1,098 | 166 | |
| Rate (%) | 52.8 | 46.5 | 29.8 | 22.4 | -100.3 | 56.6 | 25.2 | 25.2 | 31.7 | 17.0 | 25.2 | |
| Minority Interest & Profit/Loss of Asso. Cos. | 110 | 117 | 239 | 293 | 449 | 127 | 150 | 227 | 758 | 952 | 100 | |
| **Reported PAT** | **269** | **526** | **1,166** | **2,295** | **807** | **233** | **1,377** | **1,984** | **4,256** | **4,401** | **392** | |
| **Adj PAT** | **269** | **526** | **1,187** | **2,335** | **807** | **233** | **1,377** | **1,984** | **4,311** | **4,401** | **392** | **-41** |
| YoY Change (%) | 2.0 | -193.4 | 367.0 | 82.6 | 199.8 | -55.7 | 16.0 | -15.0 | 248.1 | 2.1 | -25.4 | |
| Margins (%) | 5.3 | 10.7 | 17.3 | 30.0 | 14.9 | 4.2 | 18.2 | 22.8 | 17.5 | 16.2 | 7.3 | |

# KEC International

| | |
|---|---|
| Estimate changes | ↓ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | KECI IN |
| Equity Shares (m) | 266 |
| M.Cap.(INRb)/(USDb) | 84.2 / 0.9 |
| 52-Week Range (INR) | 821 / 311 |
| 1, 6, 12 Rel. Per (%) | -21/-43/-53 |
| 12M Avg Val (INR M) | 742 |

**Financials Snapshot (INR b)**

| Y/E MARCH | FY27E | FY28E | FY29E |
|---|---|---|---|
| Net Sales | 240.0 | 271.2 | 311.3 |
| EBITDA | 14.3 | 17.6 | 20.9 |
| PAT | 4.0 | 5.7 | 7.5 |
| EPS (INR) | 15.0 | 21.6 | 28.0 |
| GR. (%) | -38.6 | 43.8 | 30.1 |
| BV/Sh (INR) | 238.9 | 252.5 | 272.5 |
| **Ratios** | | | |
| ROE (%) | 6.4 | 8.8 | 10.7 |
| RoCE (%) | 8.0 | 8.9 | 9.9 |
| **Valuations** | | | |
| P/E (X) | 21.1 | 14.7 | 11.3 |
| P/BV (X) | 1.3 | 1.3 | 1.2 |
| EV/EBITDA (X) | 10.2 | 8.7 | 7.6 |
| Div Yield (%) | 2.4 | 2.5 | 2.5 |

**Shareholding pattern (%)**

| As of | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 50.1 | 50.1 | 50.1 |
| DII | 20.7 | 23.3 | 22.5 |
| FII | 8.7 | 9.9 | 15.9 |
| Others | 20.4 | 16.6 | 11.4 |

FII includes depository receipts

## CMP: INR316 TP: INR365 (+15%) Buy

## Performance significantly below our estimates

**KEC International (KEC)'s results were sharply lower than our estimates due to supply chain disruptions in the Middle East & RoW and land acquisition-related challenges across segments. We cut our estimates by 28%/29%/25% for FY27/FY28/FY29 to factor in higher costs associated with civil projects as well as higher debt. We arrive at a revised TP of INR365 based on 14x two-year forward earnings, at a 20% discount to KPIL. The current stock price has already corrected by 39% since Apr'26, while our earnings are cut by 47%/40% for FY27/28, over the same period. Maintain BUY rating as we expect KEC's margins and NWC to improve from FY28. However, in the near term, we expect its performance to remain affected by legacy projects, the Middle East-related disruptions, and higher debt.**

### Weak 2Q performance

KEC's 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% (our est. 21.5%). While gross margin was broadly in line, EBITDA margin came in 100bp below our estimate at 5%, mainly due to higher-than-expected employee costs and other expenses as a 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), mainly due to weaker execution, lower-than-expected margins, and higher-than-expected interest costs and tax rate. Order inflow for 2QFY27 stood at INR72.3b, taking the closing order book to INR400b. For 1HFY27, revenue/EBITDA/PAT declined 6%/28%/64% YoY, while the margin contracted 160bp YoY to 5.4%. For 1HFY27, the company reported a net operating cash outflow of INR4b, vs. an outflow of INR9.2b last year. Net debt, including acceptances, stood at INR80b as of 30th Sep'26 (vs. INR65b last year). NWC stood at 155 days as of 30th Sep'26, vs. 138 days last year.

### Middle East and legacy costs weigh on 2Q

KEC's 2QFY27 performance remained under pressure from Middle East disruptions, Right of Way (RoW) and land acquisition issues in India T&D, and closure costs on legacy projects, resulting in a 10% YoY dip in revenue. Disruptions in the Middle East, the region which accounts for ~22% of the order book (~INR90b), resulted in a revenue impact of INR3.0-3.5b and a margin impact of ~1.25-1.5% during the quarter. This is because high freight & fuel costs and supply delays led the company to defer certain supplies until commercial alignment with clients. In India, three substation projects remained stalled as developers had not secured land, while a construction-heavy mix further diluted standalone profitability. We believe the timing of cost recovery from clients and normalization of logistics will remain the key swing factors in the near term.

## T&D to lead the recovery as PGCIL orders resume

Total order inflows remained strong at over INR135b YTD, of which 70% came from T&D, taking the order book to ~INR400b and ~INR435b including L1 (~65% T&D). Orders from T&D stood at INR95b across India, the Middle East, Africa, SAARC and the Americas, while SAE Towers' inflows rose ~2.5x YoY to over INR19b, taking its order book plus L1 to INR37b. After the quarter, KEC secured INR30b+ of PGCIL orders after a 15-month gap, with execution starting in Dec'26. Management guided a revenue growth of 8-10% for FY27, citing that ~INR6b of revenue lost to the Middle East disruption may not be recovered in near term, and expects a strong 4Q uptick led by India T&D. We believe the return of PGCIL ordering and Ministry of Power's RoW reforms, should improve India T&D execution from 4Q and partly offset the softer Middle East. We expect T&D to account for 67% of overall revenue.

## Margins likely bottoming out

The company is consciously scaling down civil and transportation businesses, which together contributed only 11% of YTD order intake against a 23% revenue share. Civil execution was affected by delayed work fronts, labor shortages, and costs associated with fast-tracking. Legacy project closures and dispute settlements have hit margins by 2-3% every quarter. However, management expects 2Q to be the lowest point, with all loss-making legacy projects expected to be closed by 2QFY28, only 2–3 railway projects remaining to be closed by Mar'27, and 15–20 civil projects to be closed this year. We believe the shift in mix toward T&D and manufactured products, along with the exit from legacy projects, should drive a gradual margin recovery from FY28, although the near term remains vulnerable to the Middle East situation. We build in EBITDA margins of 6%/6.5%/6.7% over FY27/FY28/FY29E.

## Debt elevated; collections to help deleverage

Net debt, including acceptances, rose to INR80b at the end of Sep'26 from INR65b last year, as ~INR6b of collections slipped into October, along with lower water and metro collections. Management guided an FY27-end net debt target of ~INR60b. The company expects the reduction to come from a further INR1–1.5b in collections of Afghanistan dues, INR5–6b in advances on new orders, INR5–7b in net retention releases from Saudi projects nearing completion, over INR1.5b from closed PGCIL projects, and positive railway cash flows, while JJM collections continue to be slow. We build in net debt of INR62b by FY27E.

## Financial outlook and view

We cut our estimates by 28%/29/25%% for FY27/28/29E to factor in higher costs associated with civil projects as well as higher debt. We arrive at a revised TP of INR365 based on 14x two-year forward earnings, at a 20% discount to KPIL. The current stock price has already corrected by 37% since Apri'26, while our earnings are cut by 47%/40% for FY27/28 over the same period. Maintain BUY as we expect KEC's margins and NWC to improve from FY28. However, in the near term, we expect its performance to remain affected by legacy projects, the Middle East-related disruptions, and higher debt.

## Key risks and concerns

A slowdown in order inflows, higher commodity prices, an increase in receivables and working capital, and heightened competition are some of the key risks that could potentially affect our estimates.

**Consolidated - Quarterly Earnings 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** | **62,401** | **72,690** | **2,35,055** | **2,40,003** | **59,152** | **(8)** |
| YoY Change (%) | 11.3 | 19.1 | 12.2 | (7.0) | 0.0 | (10.2) | 4.0 | 13.8 | 7.6 | 2.1 | (2.9) | |
| Total Expenditure | 46,728 | 56,612 | 55,714 | 59,417 | 47,327 | 51,964 | 58,657 | 67,754 | 2,18,470 | 2,25,702 | 55,603 | (7) |
| **EBITDA** | **3,501** | **4,304** | **4,300** | **4,481** | **2,908** | **2,713** | **3,744** | **4,936** | **16,586** | **14,301** | **3,549** | **(24)** |
| YoY Change (%) | 29.5 | 34.4 | 14.8 | (16.8) | (16.9) | (37.0) | (12.9) | 10.2 | 10.3 | (13.8) | (17.5) | |
| Margins (%) | 7.0 | 7.1 | 7.2 | 7.0 | 5.8 | 5.0 | 6.0 | 6.8 | 7.1 | 6.0 | 6.0 | |
| Depreciation | 459 | 506 | 504 | 506 | 508 | 530 | 556 | 612 | 1,974 | 2,207 | 538 | (2) |
| Interest | 1,511 | 1,715 | 1,711 | 1,699 | 1,640 | 1,907 | 1,986 | 1,787 | 6,636 | 7,319 | 1,675 | 14 |
| Other Income | 54 | 46 | 102 | 301 | 139 | 133 | 50 | 55 | 503 | 376 | 125 | 6 |
| **PBT before EO expense** | **1,585** | **2,130** | **2,187** | **2,577** | **899** | **409** | **1,252** | **2,592** | **8,479** | **5,152** | **1,461** | **(72)** |
| Extra-Ord expense | | | 588 | 0 | | | | | 588 | 0 | | |
| **PBT** | **1,585** | **2,130** | **1,599** | **2,577** | **899** | **409** | **1,252** | **2,592** | **7,891** | **5,152** | **1,461** | **(72)** |
| Tax | 339 | 522 | 325 | 649 | 173 | 111 | 282 | 593 | 1,836 | 1,159 | 329 | |
| Rate (%) | 21.4 | 24.5 | 20.3 | 25.2 | 19.2 | 27.3 | 22.5 | 22.9 | 23.3 | 22.5 | 22.5 | |
| **Reported PAT** | **1,246** | **1,608** | **1,275** | **1,928** | **726** | **297** | **970** | **1,999** | **6,056** | **3,992** | **1,132** | **(74)** |
| **Adj PAT** | **1,246** | **1,608** | **1,743** | **1,910** | **726** | **297** | **970** | **1,999** | **6,507** | **3,992** | **1,132** | **(74)** |
| YoY Change (%) | 42.3 | 88.2 | 34.5 | (28.8) | (41.7) | (81.5) | (44.3) | 4.6 | 14.0 | (38.6) | (29.6) | |
| Margins (%) | 2.5 | 2.6 | 2.9 | 3.0 | 1.4 | 0.5 | 1.6 | 2.7 | 2.8 | 1.7 | 1.9 | |

**Segmental revenue**

| INR m | FY26 | | | | FY27 | | FY26 | FY27E | YoY (%) |
|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | | |
| T&D (domestic + SAE) | 31,570 | 40,800 | 41,610 | 44,850 | 32,170 | 36,860 | 1,58,830 | 1,62,023 | (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 | 11,267 | (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) | (7,617) | (19.7) |
| **Grand total** | **50,230** | **60,920** | **60,010** | **63,890** | **50,240** | **54,670** | **2,35,050** | **2,40,003** | **(10.3)** |

# Alkyl Amines Chemicals

| | |
|---|---|
| Estimate changes | |
| TP change | |
| Rating change | |

**CMP: INR1,665** **TP: INR1,690 (+2%)** **Neutral**

| | |
|---|---|
| Bloomberg | AACL IN |
| Equity Shares (m) | 51 |
| M.Cap.(INRb)/(USDb) | 85.2 / 0.9 |
| 52-Week Range (INR) | 2115 / 1212 |
| 1, 6, 12 Rel. Per (%) | -11/11/-4 |
| 12M Avg Val (INR M) | 267 |

**Financials & Valuations (INR b)**

| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 15.4 | 18.7 | 20.6 |
| EBITDA | 2.8 | 4.0 | 4.3 |
| PAT | 1.8 | 2.7 | 2.9 |
| EPS (INR) | 35.2 | 52.8 | 56.4 |
| EPS Gr. (%) | -3.3 | 50.2 | 6.9 |
| BV/Sh.(INR) | 299.5 | 337.8 | 378.7 |
| **Ratios** | | | |
| Net D:E | -0.1 | -0.2 | -0.3 |
| RoE (%) | 12.3 | 16.6 | 15.8 |
| RoCE (%) | 11.6 | 15.6 | 15.0 |
| Payout (%) | 27.5 | 27.5 | 27.5 |
| **Valuations** | | | |
| P/E (x) | 47.4 | 31.5 | 29.5 |
| P/BV (x) | 5.6 | 4.9 | 4.4 |
| EV/EBITDA (x) | 29.2 | 20.4 | 18.6 |
| Div. Yield (%) | 0.6 | 0.9 | 0.9 |
| FCF Yield (%) | 1.3 | 2.5 | 3.0 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 72.0 | 72.0 | 72.0 |
| DII | 3.2 | 3.1 | 2.9 |
| FII | 3.5 | 3.5 | 3.4 |
| Others | 21.2 | 21.4 | 21.7 |

FII includes depository receipts

## Operating leverage and product diversification to support growth

### Operating performance above our estimate

- Alkyl Amines Chemicals (AACL) reported a strong operating performance in 2QFY27, with EBITDA increasing 39% YoY. Effective pass-through of raw material costs, coupled with higher operating leverage, led to a 190bp YoY expansion in EBITDA margin to 20%.
- We expect growth momentum to improve steadily, driven by rising demand from the pharma segment, particularly peptides, alongside healthy demand from agrochemicals and rubber chemicals. Growth is further expected to be supported by the company's focus on gaining market share in existing products and expanding its portfolio into new product categories.
- Driven by the robust operating performance in 1H, we raise our FY27/FY28 earnings estimates by 9%/15% and value the stock at 30x FY28E EPS to arrive at a TP of INR1,690. **Reiterate Neutral.**

### Healthy earnings growth, aided by operating cost efficiencies

- Revenue grew 26% YoY and declined 7% QoQ to INR5b (est. INR4.5b), while gross margin contracted 210bp YoY and 410bp QoQ to 45.2%.
- EBITDA margin expanded 190bp YoY but contracted 540bp QoQ to 20% (est. 18.5%). Employee costs as a percentage of sales stood broadly flat at 6.9% (vs. 7.0% in 2QFY26), while other expenses were 18.4% vs. 22.2% in 2QFY26.
- EBITDA was INR977m (est. INR828m), up 39% YoY but down 27% QoQ.
- Adjusted PAT stood at INR652m (est. INR541m), up 52% YoY but declining 31% QoQ.
- In 1HFY27 Revenue/EBITDA/Adj. PAT grew 28%/58%/73% to INR10.2b/INR2.3b/INR1.6b
- CFO stood at INR483m in Sep'26 vs. INR755m in Sep'25, led by higher trade receivables and an increase in inventory compared with the previous year.

### Valuation and view

- We expect AACL's growth to be aided by: i) the planned commercialization of a new product at the Kurkumbh facility , ii) additional products in the R&D pipeline, iii) the anti-dumping duty on acetonitrile, iv) scope for higher capacity utilization, driving operating leverage, v) rising demand from the pharma segment, and 6) the continued development of high-quality products through the in-house R&D facility.
- We estimate a CAGR of 16%/23%/27% in revenue/EBITDA/PAT over FY26-28 and raise our FY27/FY28 earnings estimates by 9%/15%. We value the stock at 30x FY28E EPS to arrive at a TP of INR1,690. **Reiterate Neutral.**

**Standalone - Quarterly Snapshot** (INR m)

| Y/E March | FY26 | | | | FY27 | | | | FY26 | FY27E | FY27 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| **Gross Sales** | **4,055** | **3,894** | **3,540** | **3,869** | **5,280** | **4,910** | **4,071** | **4,449** | **15,359** | **18,710** | **4,478** | **10%** |
| YoY Change (%) | 1.5 | -6.1 | -4.6 | 0.2 | 30.2 | 26.1 | 15.0 | 15.0 | -2.3 | 21.8 | 15.0 | |
| Total Expenditure | 3,290 | 3,192 | 2,868 | 3,162 | 3,944 | 3,933 | 3,257 | 3,560 | 12,512 | 14,693 | 3,650 | |
| Gross Margin (%) | 45.8% | 47.3% | 47.9% | 45.8% | 49.2% | 45.2% | 50.0% | 49.5% | 46.7% | 48.4% | 49.0% | |
| **EBITDA** | **766** | **702** | **672** | **707** | **1,336** | **977** | **814** | **890** | **2,846** | **4,017** | **828** | **18%** |
| Margin (%) | 18.9 | 18.0 | 19.0 | 18.3 | 25.3 | 19.9 | 20.0 | 20.0 | 18.5 | 21.5 | 18.5 | |
| Depreciation | 179 | 182 | 177 | 179 | 178 | 179 | 195 | 199 | 717 | 752 | 190 | |
| Interest | 3 | 3 | 2 | 3 | 4 | 4 | 3 | 3 | 12 | 14 | 1 | |
| Other Income | 80 | 74 | 80 | 83 | 93 | 108 | 85 | 87 | 317 | 373 | 85 | |
| **PBT before EO expense** | **663** | **591** | **572** | **608** | **1,247** | **901** | **701** | **775** | **2,435** | **3,624** | **722** | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **PBT** | **663** | **591** | **572** | **608** | **1,247** | **901** | **701** | **775** | **2,435** | **3,624** | **722** | |
| Tax | 169 | 162 | 150 | 154 | 300 | 249 | 176 | 194 | 635 | 920 | 182 | |
| Rate (%) | 25.5 | 27.4 | 26.2 | 25.4 | 24.1 | 27.7 | 25.2 | 25.0 | 26.1 | 25.4 | 25.2 | |
| **Adj PAT** | **494** | **429** | **423** | **454** | **946** | **652** | **525** | **581** | **1,800** | **2,704** | **541** | **21%** |
| YoY Change (%) | 1.2 | -9.5 | -3.4 | -1.5 | 91.4 | 51.8 | 24.2 | 28.1 | -3.3 | 50.2 | 25.9 | |
| Margin (%) | 12.2 | 11.0 | 11.9 | 11.7 | 17.9 | 13.3 | 12.9 | 13.1 | 11.7 | 14.5 | 12.1 | |

# GNG Electronics

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | EBGNG IN |
| Equity Shares (m) | 114 |
| M.Cap.(INRb)/(USDb) | 78.8 / 0.8 |
| 52-Week Range (INR) | 741 / 239 |
| 1, 6, 12 Rel. Per (%) | -8/64/113 |
| 12M Avg Val (INR M) | 288 |

**Financials & Valuations Consol (INR b)**

| Y/E March | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 26.2 | 35.0 | 45.4 |
| EBITDA | 3.3 | 4.7 | 6.2 |
| Adj. PAT | 2.2 | 3.1 | 4.4 |
| EBITDA Margin (%) | 12.7 | 13.4 | 13.7 |
| Adj. EPS (INR) | 19.2 | 27.4 | 38.7 |
| EPS Gr. (%) | 65.7 | 42.9 | 41.0 |
| BV/Sh. (INR) | 85.8 | 113.3 | 152.0 |
| **Ratios** | | | |
| Net D:E | 0.4 | 0.4 | 0.3 |
| RoE (%) | 25.2 | 27.5 | 29.2 |
| RoCE (%) | 22.3 | 23.7 | 25.3 |
| **Valuations** | | | |
| P/E (x) | 35.8 | 25.1 | 17.8 |
| EV/EBITDA (x) | 24.8 | 17.8 | 13.4 |
| EV/Sales (X) | 3.2 | 2.4 | 1.8 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 71.8 | 74.8 | 78.7 |
| DII | 5.2 | 6.8 | 4.6 |
| FII | 5.5 | 5.3 | 3.4 |
| Others | 17.6 | 13.1 | 13.3 |

FII includes depository receipts

**CMP: INR691 TP: INR840 (+22%) Buy**

## Riding the price gap; margin expansion supports earnings upgrade

- GNG delivered a strong performance in 2QFY27, with 42% revenue growth and 73% PAT growth, driven by strong volume growth (~31%) and higher laptop ASPs (~11%).
- Gross margin expanded ~515bp YoY to 25.1%, largely driven by brand-led pricing, with only ~150bp contribution from inventory gains. Refurbished devices remain attractively priced at ~30% of new-device prices.
- India business outgrew international, with revenue up 45% YoY and EBITDA rising 2.9x, contributing 65% of consolidated EBITDA growth. Faster-than-expected ramp-up of recent partnerships drove the acceleration.
- Distribution expanded to 55 countries (from 49 in 1Q), alongside deeper Tier 2/3 penetration in India through 70+ town engagements and 152 loyalty partners. Dedicated US/Europe teams and APAC expansion should support geographic diversification.
- Memory shortages drove ~60-80% YoY increase in new laptop prices in India, widening the affordability gap. This supports structural demand for refurbished devices across enterprise, SMB and education segments.
- **We raise our gross/EBITDA margin estimates by ~160bp/90bp, resulting in ~16-24% higher EBITDA estimates over FY27–29E. We now build in ~330bp EBITDA margin expansion over FY26–29E, driving 34%/47%/49% CAGR in revenue/EBITDA/PAT.**
- We expect net debt to remain steady at ~INR4.5b in FY27E, as WC absorbs cash flows. FCF should turn positive from FY29E as inventory normalizes, with a net debt-to-EBITDA ratio declining to ~0.7x by FY29E from the ~1.6x peak. Cash conversion remains the key re-rating trigger.
- **Reiterate BUY rating with a TP of INR840 at 30x FY28E EPS.**

## Strong revenue and GM expansion drive beat; higher employee and interest costs dent PAT

- Revenue grew 42% YoY to INR6.2b (accelerating from 32% in 1QFY27), 8% ahead of our estimate.
- Standalone (India) revenue grew 45% YoY (+32% QoQ) to INR3.2b.
- Subsidiaries (Dubai) revenue grew 40% YoY (+78% QoQ) to INR3.1b, driving most of the sequential jump.
- Gross profit increased 79% YoY to INR1.6b, with gross margin expanding ~515bp YoY (+43bp QoQ) to 25.1%, ahead of our estimate of 21.8%.
- Employee costs (up 74% YoY, 30% above our est.) continued to run ahead of revenue, partly on ESOP charges (INR60m in 1HFY27). Other expenses rose 32% YoY.
- EBITDA doubled YoY to INR931m, with EBITDA margin expanding ~430bp YoY to 14.9% (vs. est. 12.3%). India accounted for ~65% of EBITDA growth.
- PBT grew 88% YoY to INR681m. PAT rose 73% YoY to INR564m (13% beat).
- PAT beat was lower than EBITDA beat due to higher finance costs (up 161% YoY; 46% above est.) and a higher tax rate of 17.2% (vs. 9.7% in 2QFY26).

## Standalone and subsidiaries

**Standalone (India business)**

- Revenue **grew 45% YoY (+32% QoQ)** to INR3.2b.
- **Gross margin expanded 910bp YoY (+179bp QoQ)** to 23.0%.
- EBITDA grew 2.9x YoY to INR465m, with EBITDA margin expanding 730bp YoY to 14.7%.
- PAT grew 216% YoY to INR246m, despite finance costs rising 162% YoY.

**Subsidiaries (consol - stand)**

- Revenue grew 40% YoY (+78% QoQ) to INR3.1b.
- Gross margin expanded 131bp YoY (-222bp QoQ) to 27.2%.
- EBITDA grew 53% YoY to INR467m, with EBITDA margin expanding 138bp YoY to 15.1%.
- PAT grew 28% YoY to INR318m, held back by finance costs (up 159% YoY) and a higher tax rate (8.9% vs. 4.8%).

## Highlights from the management commentary

- **Demand** remained healthy across key markets, with memory-led cost inflation driving mainstream new-laptop prices in India by ~80% YoY, widening savings on refurbished devices. **Volumes grew ~25% YoY in 1H to** ~374k units (2Q: ~225k), with laptops at 78-80% of volumes. Laptop ASP increased ~11% YoY to ~INR31k (others: ~INR19.5k vs. ~INR18k), reflecting higher realizations.
- **Working capital** rose, with inventory at ~INR9.1b (vs. ~INR7.4b at FY26-end) on strategic bulk procurement from global banks and corporates. Inventory should remain elevated for at least two more quarters before normalizing to ~90 days in about two years. Receivables rose with channel expansion, as credit terms match new-PC distribution norms (60–90 days).
- **Net debt** increased to ~INR4.3b (vs. ~INR4.1b at 1Q-end and ~INR2.9b at FY26-end) and should remain broadly flat through FY27-end, with further inventory build funded from accruals. Capacity utilization stands at ~40–50%, so no significant capex is required.
- **FY27 guidance** was upgraded again, with revenue growth raised to 40% (from 30%) and PAT margin expansion to ~150bp (from 75-100bp). The implied ~8.5% net margin is below 2Q's ~9%, suggesting room for further upgrades. There is no FY28 guidance yet.

## Valuation and view

- GNG's edge is shifting from scale to brand, with enterprise sourcing securing supply and warranty-backed products supporting pricing power. Refurbished devices at ~30% of new-device prices offer further pricing headroom.
- Global reach across 55 countries and deeper domestic distribution strengthen sourcing and inventory rotation. With 40-50% capacity utilization, growth over the next 2-3 years requires limited capex, supporting operating leverage.
- Memory shortages have lifted new-PC prices by ~80% and reduced global shipments ~20%, strengthening refurbished demand. However, GNG's pre-cycle growth of 30%+ indicates structural demand beyond current industry tailwinds.
- Working capital remains the key constraint, absorbing nearly all cash profits over FY27–29E. Incremental WC intensity should decline from ~60% of incremental revenue in FY27E to ~20% by FY29E, enabling the business to become self-funding.

- **We raise our gross/EBITDA margin estimates by ~160bp/90bp, resulting in ~16-24% higher EBITDA estimates over FY27–29E. We now build in ~330bp EBITDA margin expansion over FY26–29E, driving 34%/47%/49% CAGR in revenue/EBITDA/PAT.**
- ***Reiterate BUY rating with a TP of INR840 set at 30x FY28 P/E.***

**Quarterly performance (INR m)**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 2QE | Var (%) |
| **Revenue** | **3,123** | **4,399** | **4,872** | **6,517** | **4,125** | **6,248** | **6,821** | **9,000** | **18,911** | **26,194** | **5,807** | **7.6** |
| YoY Change (%) | 22.3 | 24.7 | 40.3 | 43.0 | 32.1 | 42.0 | 40.0 | 38.1 | 34.0 | 38.5 | 86.0 | |
| **Gross profit** | **667** | **877** | **1,013** | **1,253** | **1,017** | **1,567** | **1,681** | **1,935** | **3,809** | **6,199** | **1,263** | **24.0** |
| % Margin | 21.4 | 19.9 | 20.8 | 19.2 | 24.6 | 25.1 | 24.7 | 21.5 | 20.1 | 23.7 | 21.8 | 332.5 |
| Total Opex | 344 | 411 | 474 | 619 | 523 | 636 | 753 | 954 | 1,848 | 2,865 | 551 | 15.4 |
| **EBITDA** | **323** | **465** | **540** | **634** | **494** | **931** | **929** | **981** | **1,962** | **3,334** | **712** | **30.7** |
| **EBITDA Margin** | **10.3** | **10.6** | **11.1** | **9.7** | **12.0** | **14.9** | **13.6** | **10.9** | **10.4** | **12.7** | **12.3** | **21.5** |
| Change YoY (%) | 26.7 | 41.7 | 75.9 | 127.5 | 52.8 | 100.1 | 72.1 | 54.8 | 67.8 | 70.0 | 120.4 | |
| Depreciation | 20 | 22 | 28 | 32 | 33 | 38 | 69 | 69 | 104 | 209 | 36 | 5.3 |
| Interest | 107 | 84 | 90 | 144 | 139 | 220 | 195 | 111 | 424 | 664 | 151 | 46.3 |
| Other Income | 29 | 2 | 6 | 6 | 35 | 8 | 29 | 36 | 43 | 108 | 23 | -66.3 |
| **PBT before EO expense** | **225** | **361** | **428** | **464** | **357** | **681** | **694** | **837** | **1,477** | **2,569** | **549** | **24.0** |
| **PBT** | **225** | **361** | **428** | **464** | **357** | **681** | **694** | **837** | **1,477** | **2,569** | **549** | **24.0** |
| Tax | 40 | 35 | 41 | 42 | 68 | 117 | 83 | 112 | 157 | 381 | 52 | |
| Rate (%) | 17.6 | 9.6 | 9.6 | 9.1 | 19.1 | 17.2 | 12.0 | 13.4 | 10.6 | 14.8 | 9.5 | |
| **Reported PAT** | **185** | **327** | **387** | **421** | **289** | **564** | **611** | **724** | **1,320** | **2,188** | **497** | **13.5** |
| **Adj PAT** | **185** | **327** | **387** | **421** | **289** | **564** | **611** | **724** | **1,320** | **2,188** | **497** | **13.5** |
| YoY Change (%) | 52.4 | 41.6 | 102.8 | 185.8 | 56.2 | 72.5 | 57.9 | 71.8 | 100 | 65.7 | 168.2 | |

# Arvind Fashions

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ↓ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | ARVINDFA IN |
| Equity Shares (m) | 134 |
| M.Cap.(INRb)/(USDb) | 47.2 / 0.5 |
| 52-Week Range (INR) | 572 / 347 |
| 1, 6, 12 Rel. Per (%) | -14/-20/-29 |
| 12M Avg Val (INR M) | 136 |

**Financials & Valuations Consol (INR b)**

| Y/E March | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 58.7 | 65.7 | 73.2 |
| EBITDA | 5.1 | 6.0 | 6.9 |
| Adj. PAT | 1.6 | 2.2 | 2.9 |
| EBITDA Margin (%) | 8.6 | 9.1 | 9.5 |
| Adj. EPS (INR) | 11.9 | 16.7 | 21.7 |
| EPS Gr. (%) | 7.7 | 41.2 | 29.8 |
| BV/Sh. (INR) | 102.7 | 118.5 | 139.4 |
| **Ratios** | | | |
| Net D:E | 0.3 | 0.2 | -0.1 |
| RoE (%) | 12.5 | 15.2 | 16.9 |
| RoCE (%) | 18.6 | 21.0 | 22.5 |
| **Valuations** | | | |
| P/E (x) | 30.0 | 21.2 | 16.3 |
| EV/EBITDA (x) | 12.9 | 10.3 | 8.7 |
| EV/Sales (X) | 0.9 | 0.8 | 0.7 |
| Div. Yield (%) | 0.5 | 0.7 | 0.9 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 35.1 | 35.1 | 35.1 |
| DII | 26.8 | 25.0 | 22.8 |
| FII | 11.9 | 12.2 | 12.0 |
| Others | 26.3 | 27.8 | 30.1 |

FII includes depository receipts

**CMP: INR352** **TP: INR500 (+42%)** **Buy**

## Festive shift weighs on growth; profitability continues to improve

- AFL sustained double-digit growth in 2QFY27, with revenue up 10% YoY (~15% adjusted for festive), supported by strong retail execution, lower discounting and broad-based brand performance.
- Retail LTL grew 7.3% (~10% adjusted), driving 15.4% retail growth, while online B2C grew 28%. Direct channels contributed 53% of revenue (+380bp YoY), supporting the shift toward a higher-margin D2C model.
- Gross margin expanded 135bp YoY to 53.9%, driven by lower discounting and COGS benefits. Pre-IND AS EBITDA grew 18% to INR1.4b, with 65bp margin expansion to 9.2%, despite higher marketing investments.
- Brands witnessed broad-based growth momentum, with US Polo sustaining strong growth, PVH brands recovering from GST disruption, and Arrow and Flying Machine progressing through repositioning. Investments in product innovation, consumer analytics and retail productivity are driving market share gains.
- We expect AFL to deliver ~12% revenue CAGR and ~15% pre-Ind AS EBITDA CAGR over FY26–29E, with EBITDA margins expanding ~90bp to ~9.5%. PAT is estimated to clock ~25% CAGR, supported by operating leverage, margin expansion and continued deleveraging.
- Valuation are attractive following a 20% correction in the past six months, with the stock trading at 13x TTM pre-Ind AS EV/EBITDA despite healthy operating performance. Improving working capital and cash generation are expected to drive cumulative FCFF of ~INR6.2b over FY26–29E, supporting a potential re-rating.
- **We reiterate our BUY rating with SoTP-based TP of INR500.**

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

- 2Q revenue grew 10% YoY 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 its FY27 guidance of 12-15%.
- 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 stores, 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 in 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, with share improving ~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 grew 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 rose 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 rose 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), leading to FCFF outflow of INR922m (vs. INR1.1b outflow in 1HFY26).
- Together with the INR1.35b paid in Dec'25 for the Flying Machine stake buyout, net borrowings rose to INR5.8b (vs. INR3.9b YoY and INR4.7b at FY26-end).

## Highlights from the management commentary

- **Demand** remained healthy despite the shift in festive season and online sale event, with revenue growth of 10% YoY (~15% adjusted). Retail LTL grew 7.3% (~10% adjusted), while online B2C grew 28% (~45% adjusted). **Festive demand remained strong, with high-double-digit LTL growth across the portfolio.**
- **Gross margin** expanded 135bp YoY, driven by lower discounting, improving channel mix and product premiumization. Nearly half the improvement came from COGS benefits. Input costs are expected to rise 5-6% from SS27, partly offset by 1.5–2% MRP increases.
- **Manufacturing** investment of INR400m in an MP shirt factory will add 300k units/month capacity, meeting 25-30% of requirements, reducing Bangladesh dependence and shortening lead times. The facility has a 3–3.5-year payback, with further investments contingent on its success.

- **Cash flow** is expected to strengthen in 2HFY27, **with INR1.5-1.75b FCF generation supported by seasonal working-capital unwinding.** Most of the cash generated will be used for debt reduction.
- AFL expects to sustain **mid-double-digit revenue growth** and **30-40bp EBITDA margin expansion**, supported by D2C scale-up, brand premiumization, retail expansion and improving execution while remaining watchful of geopolitical developments, input-cost inflation and forex volatility.

## Valuation and view

- AFL continues to strengthen its competitive positioning through sharper brand architecture, D2C scale-up, category expansion and disciplined retail execution, reinforcing confidence in its medium-term growth trajectory.
- We expect AFL to deliver ~12% revenue CAGR and ~15% pre-Ind AS EBITDA CAGR over FY26–29E, with EBITDA margins expanding ~90bp to ~9.5%. PAT is estimated to clock ~25% CAGR, supported by operating leverage, margin expansion and continued deleveraging.
- Valuation are attractive following a 20% correction in the past six months, with the stock trading at 13x TTM pre-Ind AS EV/EBITDA despite healthy operating performance. Improving working capital and cash generation are expected to drive cumulative FCFF of ~INR6.2b over FY26–29E, supporting a potential re-rating.
- **We reiterate our BUY rating with an SoTP-based TP of INR500.**

**Quarterly performance (INR m)**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 | Est. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 2QE | Var (%) |
| **Revenue** | **11,073** | **14,175** | **13,766** | **13,648** | **12,785** | **15,588** | **15,386** | **14,974** | **52,662** | **58,733** | **15,666** | **0** |
| YoY Change (%) | 16.0 | 11.3 | 14.5 | 14.8 | 15.5 | 10.0 | 11.8 | 9.7 | 14.0 | 11.5 | | |
| Total Expenditure | 9,740 | 12,302 | 11,818 | 11,757 | 11,190 | 13,424 | 13,145 | 12,895 | 45,616 | 50,654 | 13,554 | -1 |
| **EBITDA** | **1,334** | **1,873** | **1,948** | **1,891** | **1,595** | **2,165** | **2,241** | **2,078** | **7,046** | **8,079** | **2,112** | **2** |
| EBITDA Margin (%) | 12.0 | 13.2 | 14.2 | 13.9 | 12.5 | 13.9 | 14.6 | 13.9 | 13.4 | 13.8 | 13.5 | |
| Depreciation | 685 | 713 | 748 | 751 | 788 | 828 | 868 | 925 | 2,897 | 3,409 | 819 | 1 |
| Interest | 406 | 416 | 434 | 449 | 477 | 492 | 488 | 519 | 1,705 | 1,977 | 499 | -1 |
| Other Income | 146 | 130 | 59 | 73 | 70 | 70 | 84 | 97 | 408 | 321 | 67 | 5 |
| **PBT before EO expense** | **388** | **874** | **825** | **764** | **400** | **915** | **969** | **730** | **2,852** | **3,014** | **861** | **6** |
| **PBT** | **388** | **874** | **1,116** | **707** | **404** | **915** | **969** | **730** | **3,085** | **3,018** | **861** | **6** |
| Tax | 137 | 308 | 172 | 154 | 120 | 238 | 244 | 184 | 770 | 786 | 217 | |
| Rate (%) | 35.3 | 35.2 | 15.4 | 21.7 | 29.7 | 26.0 | 25.2 | 25.2 | 25.0 | 26.0 | 25.2 | |
| **Reported PAT** | **251** | **566** | **364** | **667** | **276** | **677** | **725** | **546** | **1,849** | **2,224** | **644** | **5** |
| **Attributable PAT** | **128** | **377** | **548** | **417** | **100** | **489** | **565** | **434** | **1,471** | **1,588** | **454** | **8** |
| YoY Change (%) | 994.0 | 38.6 | 89.7 | 250.8 | -22.3 | 29.8 | 2.9 | 4.1 | 112.7 | 8.0 | -17.1 | |

# Northern Arc Capital

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ⟷ |
| Rating change | ⟷ |

**Stock Info**

| | |
|---|---|
| Bloomberg | NORTHARC IN |
| Equity Shares (m) | 162 |
| M.Cap.(INRb)/(USDb) | 42.2 / 0.4 |
| 52-Week Range (INR) | 334 / 206 |
| 1, 6, 12 Rel. Per (%) | -16/0/-1 |
| 12M Avg Val (INR M) | 266 |
| Free float (%) | 100.0 |

**Financials Snapshot (INR b)**

| INR b | FY26 | FY27E | FY28E |
|---|---|---|---|
| NII | 15.4 | 22.5 | 27.3 |
| PPP | 9.6 | 12.6 | 15.7 |
| PAT | 4.0 | 5.7 | 7.2 |
| EPS (INR) | 25.0 | 35.1 | 44.8 |
| EPS Gr. (%) | 34 | 41 | 28 |
| BV/Sh. (INR) | 241 | 277 | 321 |
| **Ratios (%)** | | | |
| NIM | 10.7 | 12.3 | 12.0 |
| C/I ratio | 47.0 | 48.5 | 47.2 |
| RoA | 2.7 | 3.0 | 3.1 |
| RoE | 11.0 | 13.6 | 15.0 |
| **Valuation** | | | |
| P/E (x) | 10.4 | 7.4 | 5.8 |
| P/BV (x) | 1.1 | 0.9 | 0.8 |
| Div. Yield (%) | 0.0 | 0.0 | 0.0 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 0.0 | 0.0 | 0.0 |
| DII | 5.1 | 9.4 | 7.5 |
| FII | 13.0 | 4.9 | 7.6 |
| Others | 81.9 | 85.7 | 85.0 |

FII includes depository receipts

**CMP: INR261** **TP: INR360 (+38%)** **Buy**

## Sustained growth momentum amid a cautious operating environment

**Operating leverage and stable credit costs to drive RoA accretion**

- Northern Arc's (NACL) 2QFY27 PAT grew ~42% YoY to ~INR1.3b (in line). NII in 2QFY27 rose ~53% YoY to ~INR5.5b (~9% beat). Other income declined ~24% YoY to ~INR479m (PQ: ~INR287m).
- Opex rose ~50% YoY to ~INR3.1b (14% higher than est). PPOP grew ~32% YoY to INR2.9b (in line). Credit costs stood at ~INR1.2b (inline). This translated to annualized credit costs of ~2.7% for 2QFY27 (PY:2.8%, PQ: 2.8%).
- NACL expects asset quality to remain resilient, with FY27 credit costs guided at ~2.6-2.8%, supported by healthy collection efficiency, tighter underwriting standards, and a calibrated approach to growth. While management remains watchful of rural stress arising from rainfall deficiencies, exposure to vulnerable geographies remains limited, with no MFI exposure in Maharashtra, and Karnataka accounting for only ~2% of NACL's overall AUM. Further, ~50-55% of rural finance AUM is covered under credit guarantee schemes like CGFMU, while strengthened borrower assessment and additional provisioning provide further downside protection.
- NACL is well-positioned to sustain healthy growth, supported by traction across its lending businesses and improving MFI trends. While higher funding costs may pose near-term pressure, portfolio repricing and a rising D2C mix are expected to support margins. Strong underwriting and collections should keep asset quality stable, enabling the company to deliver improving profitability.
- NACL trades at 0.8x FY28E P/BV. We model an AUM/ PAT CAGR of ~24%/34% over FY26-28E, with RoA/RoE of ~3.1%/15% in FY28E. Reiterate our BUY rating with a TP of INR360, based on 1x Sep'28E P/BV.

## Strong AUM growth, backed by broad-based lending momentum

- Lending AUM grew 34% YoY/13% QoQ to INR190b. The D2C AUM in the mix improved to ~66% in Sep'26 (vs ~64% in Jun'26). MSME AUM rose ~38% YoY, Consumer AUM grew ~89% YoY and Rural AUM grew ~48% YoY. Fund AUM declined 13% YoY/7% QoQ to ~INR27.9b, while the placement volumes for 1HFY27 increased to INR57b (1QFY27: INR16b).
- NACL is well-positioned to sustain healthy growth, with management guiding for FY27 AUM growth of ~23-25%, with potential to exceed ~25% on the back of strong 1HFY27 momentum. Growth will be broad-based, driven by improving traction across MSME, consumer, and rural finance, alongside a gradual recovery in MFI. MSME growth will be supported by higher-ticket LAP products and geographical expansion, while sustained consumption demand and improving borrower repayment behavior will support consumer and MFI businesses. The credit solutions business and fund management segment provide additional growth avenues, supported by expanding partner networks and rising AUM, respectively.

## Levers to sustain NIM despite rising borrowing costs

- NIM (calc.) in 2QFY27 expanded ~30bp QoQ to ~12.6%. CoB (calc.) increased ~3bp QoQ to ~8.45% and yields improved ~30bp QoQ to ~19.1%.
- NACL expects to sustain its NIM despite an anticipated increase in borrowing costs, supported by a favorable asset-liability mix and its ability to pass on higher funding costs through loan repricing. The rising contribution of D2C lending, targeted to increase from ~66% to ~70%, should further support portfolio yields, while the fixed-rate borrowing book provides a natural cushion against near-term funding cost pressures.
- Cost of borrowings (CoB) is expected to rise to ~8.65% in 3QFY27 and ~8.85% in 4QFY27, taking the FY27 average to ~8.75%. ~37% of borrowings are at fixed rates, while ~25% of loan assets comprise variable-rate intermediate retail loans, allowing periodic yield resets. The company has already increased its PLR by ~30bp and with ~INR85b of loans due for maturity over the next six months, it will provide an opportunity for further repricing. We expect NACL to deliver an NIM of 12.3%/12% for FY27/FY28.

## Minor deterioration in asset quality; underwriting standards strengthened

- GNPA increased ~30bp QoQ to ~1.3%, while NNPA remained stable QoQ at 0.5% (PQ: 1%/0.5%). NNPA in Intermediate Retail stood at 0.3%, MSME at 1.7%, Consumer at 0.1%, and Rural at 0.01%.
- The company continues to leverage its proprietary machine-learning-based NuScore scorecards to underwrite 20k-25k loans daily, enabling risk-based borrower selection. Underwriting standards have also been tightened through enhanced borrower-level indebtedness checks, while incremental provisions and management overlays were created during the quarter, particularly in MSME and rural finance, as a prudent measure against potential stress. We model credit costs of ~2.7%/2.6% for FY27E/FY28E.

## Highlights from management commentary

- While less than ~2% of NACL's portfolio is directly or indirectly exposed to segments impacted by elevated crude oil prices, the company remains vigilant about potential second-order effects.
- NACL has launched two funds in the fund management business and expects the segment's AUM to exceed INR40b by end-FY27.

## Valuation and view

- 2QFY27 reflected sustained business momentum for NACL, driven by healthy disbursement growth, robust collection efficiency, and continued traction across key lending segments. While the company remains cautious amid macroeconomic uncertainties, improving portfolio trends, a rising D2C mix, and the scaling up of its fund management business are expected to support growth and profitability over the coming quarters.
- NACL trades at 0.8x FY28E P/BV. We model an AUM/ PAT CAGR of ~24%/34% over FY26-28E, with RoA/RoE of ~3.1%/15% in FY28E. Reiterate our BUY rating with a TP of INR360, based on 1x Sep'28E P/BV.

**Quarterly performance** INR m

| Particulars | FY26 | | | | FY27E | | | | FY26 | FY27E | 2QFY27E | v/s Est. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Interest Income | 5,580 | 5,656 | 6,287 | 6,802 | 7,541 | 8,260 | 9,044 | 9,656 | 24,326 | 34,501 | 7,843 | 5 |
| Interest expense | 2,163 | 2,082 | 2,312 | 2,391 | 2,598 | 2,804 | 3,169 | 3,432 | 8,948 | 12,003 | 2,819 | -1 |
| **Net interest income** | **3,417** | **3,574** | **3,975** | **4,411** | **4,943** | **5,456** | **5,876** | **6,224** | **15,377** | **22,498** | **5,024** | **9** |
| Growth YoY (%) | 0.6 | 2.8 | 28.4 | 25.8 | 44.7 | 52.6 | 47.8 | 41.1 | 14.1 | 46.3 | 40.6 | |
| Other operating income | 497 | 631 | 956 | 649 | 287 | 479 | 584 | 695 | 1,703 | 998 | 439 | 9 |
| **Net total income** | **3,914** | **4,205** | **4,931** | **5,060** | **5,230** | **5,934** | **6,460** | **6,920** | **18,055** | **24,543** | **5,463** | **9** |
| Growth YoY (%) | 4.9 | 10.5 | 34.4 | 24.4 | 33.6 | 41.1 | 31.0 | 36.7 | 18.2 | 35.9 | 29.9 | |
| Operating expenses | 1,845 | 2,042 | 2,291 | 2,371 | 2,601 | 3,073 | 3,187 | 3,216 | 8,495 | 11,900 | 2,694 | 14 |
| **Operating profits** | **2,068** | **2,163** | **2,640** | **2,690** | **2,629** | **2,861** | **3,273** | **3,703** | **9,560** | **12,643** | **2,770** | **3** |
| Growth YoY (%) | 18.0 | 1.8 | 50.0 | 17.4 | 27.1 | 32.3 | 24.0 | 37.7 | 20.6 | 32.2 | 28.1 | |
| Provisions | 1,022 | 924 | 1,300 | 872 | 1,103 | 1,170 | 1,335 | 1,517 | 4,119 | 5,125 | 1,123 | 4 |
| Share of loss from associates | -3 | -28 | 7 | -62 | 3 | 42 | 0 | 0 | | | 0 | |
| **Profit before tax** | **1,044** | **1,210** | **1,347** | **1,756** | **1,529** | **1,734** | **1,938** | **2,186** | **5,356** | **7,518** | **1,647** | **5** |
| Tax expenses | 261 | 300 | 330 | 429 | 388 | 439 | 475 | 540 | 1,320 | 1,842 | 403 | 9 |
| **Net profit** | **782** | **910** | **1,017** | **1,327** | **1,141** | **1,295** | **1,463** | **1,646** | **4,036** | **5,676** | **1,243** | **4** |
| Growth YoY (%) | -16.4 | -5.4 | 39.0 | 245.7 | 45.8 | 42.3 | 43.9 | 24.1 | 33.9 | 40.6 | 36.6 | |
| **Key Parameters (%)** | | | | | | | | | | | | |
| Yields on on-book AUM | 17.5 | 17.3 | 18.0 | 18.0 | 18.8 | 19.1 | 19.1 | 19.2 | | | | |
| Cost of funds | 9.0 | 8.4 | 8.6 | 8.2 | 8.4 | 8.5 | 8.6 | 8.8 | | | | |
| Spread | 8.6 | 8.9 | 9.4 | 9.9 | 10.4 | 10.7 | 10.4 | 10.4 | | | | |
| NIMs | 10.7 | 11.0 | 11.4 | 11.7 | 12.3 | 12.6 | 12.4 | 12.4 | | | | |
| Credit cost on loans | 3.2 | 2.8 | 3.7 | 2.3 | 2.8 | 2.7 | 2.8 | 3.0 | | | | |
| Cost to Income Ratio (%) | 47.1 | 48.6 | 46.5 | 46.8 | 49.7 | 51.8 | 49.3 | 46.5 | | | | |
| Tax Rate (%) | 25.0 | 24.8 | 24.5 | 24.4 | 25.4 | 25.3 | 24.5 | 24.7 | | | | |
| **Balance Sheet Parameters** | | | | | | | | | | | | |
| **AUM (INR B)** | **134** | **142** | **151** | **166** | **169** | **190** | **203** | **212** | | | | |
| Change YoY (%) | 12.5 | 15.1 | 23.4 | 21.7 | 26.2 | 34.1 | 34.0 | 28.0 | | | | |
| **Loans (INR B)** | **126** | **136** | **144** | **159** | **162** | **183** | **196** | **206** | | | | |
| % of AUM | 94.0 | 95.7 | 95.0 | 95.5 | 96.1 | 96.5 | 96.8 | 97.0 | | | | |
| **Asset Quality (%)** | | | | | | | | | | | | |
| **GS 3 (INR M)** | **1,510** | **1,630** | **2,050** | **1,940** | **1,620** | **2,380** | | | | | | |
| G3 % | 1.1 | 1.2 | 1.4 | 1.2 | 1.0 | 1.3 | | | | | | |
| **NS 3 (INR M)** | **752** | 784 | **1,049** | **1,077** | **832** | 981 | | | | | | |
| NS3 % | 0.6 | 0.6 | 0.7 | 0.6 | 0.5 | 0.5 | | | | | | |
| PCR (%) | 50.2 | **51.9** | 48.8 | 44.5 | 48.6 | **58.8** | | | | | | |
| ECL (%) | 3.3 | 3.1 | 3.0 | 2.5 | 2.7 | 2.8 | | | | | | |
| **Return Ratios - YTD (%)** | | | | | | | | | | | | |
| ROA (Rep) | 2.4 | 2.6 | 2.7 | 3.3 | 2.7 | 2.8 | | | | | | |
| ROE (Rep) | 9.3 | 10.1 | 10.7 | 14.0 | 11.5 | 12.4 | | | | | | |

E: MOFSL Estimates

# Kolte Patil Developers

| | |
|---|---|
| Estimate change | ↑ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | KPDL IN |
| Equity Shares (m) | 89 |
| M.Cap.(INRb)/(USDb) | 39.5 / 0.4 |
| 52-Week Range (INR) | 557 / 292 |
| 1, 6, 12 Rel. Per (%) | 0/17/8 |
| 12M Avg Val (INR M) | 84 |

**Financials & Valuations (INR b)**

| Y/E Mar | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 7.3 | 18.0 | 20.3 |
| EBITDA | -0.6 | 1.9 | 2.6 |
| EBITDA (%) | -8.3 | 10.5 | 12.6 |
| PAT | -0.4 | 1.7 | 2.1 |
| EPS (INR) | -4.4 | 18.8 | 23.7 |
| EPS Gr. (%) | -136.3 | -530.3 | 26.3 |
| BV/Sh. (INR) | 136.1 | 150.0 | 169.7 |
| **Ratios** | | | |
| Net D/E | 0.1 | 0.1 | 0.1 |
| RoE (%) | -3.8 | 13.1 | 14.8 |
| RoCE (%) | -0.6 | 7.2 | 8.7 |
| Payout (%) | -91.5 | 22.4 | 16.9 |
| **Valuations** | | | |
| P/E (x) | -102.1 | 23.7 | 18.8 |
| P/BV (x) | 3.3 | 3.0 | 2.6 |
| EV/EBITDA (x) | -74.9 | 24.1 | 17.7 |

**Shareholding Pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 73.8 | 73.8 | 73.8 |
| DII | 3.3 | 3.3 | 3.7 |
| FII | 11.3 | 10.6 | 8.8 |
| Others | 11.6 | 12.3 | 13.7 |

## CMP: INR445 TP: INR580 (+30%) Buy

## Emerging from stagnation; poised for sustained growth revival

### New launch drives robust pre-sales growth

In 2QFY27, Kolte-Patil Developers (KPDL) reported its highest quarterly pre-sales of ~INR10.2b, up 52% YoY and 11% above our expectations. This was mainly led by the newly launched project – Vyana at the Reserve in Pune, which contributed INR6.2b (61% share). The Life Republic contributed ~17% to pre-sales. MMR accounted for ~5% of bookings. Vyana marks the launch of the first phase of The Reserve, a 5msf development with an estimated GDV of INR40b. Amid the transition phase post the Blackstone deal, pre-sales were stagnant in the INR26-28b range during FY24-26. However, with the transition now complete, new a CEO onboarded, healthy BD, and sustained demand momentum, we expect KPDL to deliver a pre-sales CAGR of 17%, reaching INR36b over FY26-28E.

### Strong BD in MMR enhances growth visibility vis-à-vis diversification

On the BD front, KPDL acquired six redevelopment projects across MMR with an aggregate GDV of INR60b (~2msf saleable area) in 2QFY27. These were across several micro-markets, including Santacruz, Andheri, Oshiwara, Versova, Ghatkopar and Vashi. Overall, it has 5.3msf of ongoing and unsold projects and 5.7msf is under approval across various projects (~85% of this is in Pune). It also has an additional land bank of ~24.4msf in Pune and Mumbai, building a strong launch pipeline. The aggregate development potential of 35msf offers an estimated GDV of ~INR321b, which provides comfortable visibility on pre-sales growth over the medium term. The recent new project acquisitions in MMR would provide avenues for diversification in the coming years.

### Strong collections; healthy balance sheet

During the quarter, collections grew 33% YoY to ~INR8.0b. In 2QFY27, KPDL generated NOCF of INR2.2b with an NOCF-to-collections ratio of ~28%, which is broadly in line with the FY26 performance. Further, it has net cash of INR4.7b (including zero coupon bonds net cash stands at INR0.3b). Against the backdrop of pre-sales growth and project execution in the next two years, we expect collections to clock an 18% CAGR to INR38b over FY26-28. We expect net debt at INR1.6b/INR1.3b in FY27/FY28.

### P&L highlights

- In 2QFY27, revenue stood at INR3.3b, up 141% YoY. Operating loss stood at INR3m vs. an operating loss of INR372m YoY. PAT stood at INR52m vs. a loss of INR104m YoY. PAT margin stood at 1.6% for the quarter.

### Valuation and view

- Pre-sales have been sluggish over the last three years but are well on track to revive in FY27-28, as new launches are expected to generate the growth delta. Further, the transition following the Blackstone deal is largely complete, and the recent appointment of a new CEO is expected to position KPDL well to execute its well-charted growth strategy.

- Collections have remained strong and hence, we expect the balance sheet to remain sturdy as progress in execution remains healthy.
- We value the company at its NAV. We have incorporated incremental value from the new projects in MMR, as well as a slight increase in WACC.
- We arrive at a gross asset value of INR53.1b. After adjusting for net debt, we arrive at a NAV of INR51.5b. Overall**, our TP has increased to INR580, indicating a potential upside of 30%. We reiterate our BUY rating on KPDL.**

**Quarterly performance**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27 | FY27 2Q Est. | 2QE Variance (%/bp) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| **Net Sales** | **824** | **1,387** | **2,653** | **2,486** | **9,195** | **3,344** | **2,707** | **2,800** | **7,350** | **18,047** | **2,384** | **40** |
| YoY Change (%) | -76 | -55 | -24 | -65 | 1,016 | 141 | 2 | 13 | -57.2 | 145.5 | 72.0 | |
| Total Expenditure | 1,083 | 1,759 | 2,573 | 2,546 | 7,300 | 3,347 | 2,661 | 2,765 | 7,961 | 16,152 | 2,466 | |
| **EBITDA** | **-260** | **-372** | **81** | **-60** | **1,895** | **-3** | **46** | **35** | **-611** | **1,895** | **-81** | **-96** |
| Margins (%) | -31.5 | -26.8 | 3.0 | -2.4 | 20.6 | -0.1 | 1.7 | 1.2 | -8.3 | 10.5 | -3.4 | |
| Depreciation | 42 | 42 | 40 | 36 | 46 | 48 | 50 | 53 | 160 | 197 | 52 | |
| Interest | 67 | 33 | 105 | 61 | 23 | 33 | 105 | 115 | 267 | 276 | 24 | |
| Other Income | 145 | 231 | 165 | 136 | 171 | 171 | 189 | 211 | 675 | 743 | 104 | |
| **PBT before EO expense** | **-225** | **-216** | **100** | **-22** | **1,998** | **87** | **80** | **78** | **-362** | **2,164** | **-53** | **-266** |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **PBT** | **-225** | **-216** | **100** | **-22** | **1,998** | **87** | **80** | **78** | **-362** | **2,164** | **-53** | **-266** |
| Tax | -53 | -29 | 60 | 124 | 528 | 33 | 22 | 20 | 101 | 604 | -15 | |
| Rate (%) | 23.7 | 13.4 | 59.4 | -574.9 | 26.4 | 37.6 | 27.9 | 26.3 | -0.3 | 0.3 | 27.9 | |
| MI & P/L of Asso. Cos. | -2 | -83 | -5 | 12 | 7 | 2 | -11 | -22 | -76 | -25 | -11 | |
| **Reported PAT** | **-170** | **-104** | **45** | **-158** | **1,463** | **52** | **69** | **79** | **-387** | **1,585** | **-27** | **-293** |
| **Adj PAT** | **-170** | **-104** | **45** | **-158** | **1,463** | **52** | **69** | **79** | **-387** | **1,663** | **-27** | **-293** |
| YoY Change (%) | -373 | -207 | -82 | -124 | -961 | -150 | 52 | -150 | -136.3 | -530.3 | -74.0 | |
| Margins (%) | -20.6 | -7.5 | 1.7 | -6.3 | 15.9 | 1.6 | 2.5 | 2.8 | -5.3 | 9.2 | -1.1 | 271bp |

# Gopal Snacks

| | |
|---|---|
| Estimate change | ⬇ |
| TP change | ⬇ |
| Rating change | ⟷ |

**CMP: INR253** **TP: INR375 (+48%)** **Buy**

## Revenue growth and margin expansion continue

Gopal Snacks' (GSL) 2QFY27 revenue grew 23% YoY to INR4.6b, led by wafers (+40.0% YoY), along with distribution expansion. Gross margins grew 70bp YoY to 27.1%, while EBITDA margins grew 260bp YoY to 9%, driven by operating leverage. Focus states and other states grew by a robust 34.7% and 94.0% YoY, respectively, while core state grew 15.5% YoY. Gathiya continued to gain share in focus and other markets. Distribution expansion continued, with GSL adding 50 distributors, with 49 added in focus states. The company has added a besan manufacturing unit at Nagpur, which is expected to reduce transporting costs, as dependence on Rajkot facility for besan, a key raw material, has been eliminated. Ramp-up of Rajkot and the besan unit at Nagpur are expected to aid further margin expansion, with EBITDA margin expected to reach 9.7% by FY28. The board has declared its first interim dividend of INR0.5/share.

### Wafers drive revenue growth, distribution expansion continues

2Q revenue grew 23% YoY to INR4.6b, led by a robust 40% YoY growth in wafers, while gathiya and pellets & extruded snacks followed with 25.6% and 23.0% YoY growth, respectively. Namkeen also maintained its growth momentum, up 14.5% YoY. Wafers category volumes grew by a robust 39.7% YoY, while gathiya, pellets and extruded snacks, papad, spices and besan volumes grew 9-11% YoY. GSL's core product, gathiya, continued to grow in focus states, with their contribution in gathiya sales rising from 22.7% in FY24 to 25.8% in 1HFY27. Core state grew 15.5% YoY, while focus and other states grew by a robust 34.7% and 94.0% YoY, respectively. Growth was driven by wider distribution coverage helping product availability across markets and supported by the recommencement of operations at the Rajkot main facility. GSL added 50 distributors in 2Q, out of which 49 were added in focus states. Capacity utilization at primary facilities was ~32% and is expected to go up as the Rajkot main facility ramps up.

### Rajkot plant ramp-up, Nagpur besan unit to drive margin improvement

Gross margins expanded 70bp YoY to 27.1%, despite raw material inflation. EBITDA grew 72.3% YoY, settling EBITDA margins at 9%, a robust 260bp gain, in spite of employee expenses and other expenses growing 5.7% and 14.9% YoY, respectively. The margin improvement was driven by the recommencement of its Rajkot facility, leading to consolidation of production from Gondal to Rajkot, which lowered operating, transportation and power costs. As the facility ramps up, operating leverage is expected to boost EBITDA margins. The commissioning of a besan manufacturing unit at Nagpur should further save transportation costs, as dependence on Rajkot has been eliminated.

| | |
|---|---|
| Bloomberg | GOPAL IN |
| Equity Shares (m) | 125 |
| M.Cap.(INRb)/(USDb) | 31.5 / 0.3 |
| 52-Week Range (INR) | 369 / 238 |
| 1, 6, 12 Rel. Per (%) | -7/-6/-21 |
| 12M Avg Val (INR M) | 39 |
| Free float (%) | 18.5 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 15.1 | 18.6 | 21.4 |
| Adj. EBITDA | 1.0 | 1.6 | 2.1 |
| Adj. EBITDA (%) | 6.7 | 8.7 | 9.7 |
| Adj. PAT | 0.3 | 0.7 | 1.2 |
| Adj. EPS (INR) | 2.8 | 5.9 | 9.4 |
| Adj. EPS Gr. (%) | -48.1 | 113.1 | 59.7 |
| BV/Sh. (INR) | 38.4 | 42.8 | 49.8 |
| **Ratios** | | | |
| Net D:E | 0.3 | 0.2 | 0.2 |
| RoE (%) | 7.8 | 14.5 | 20.2 |
| RoCE (%) | 6.5 | 11.9 | 16.4 |
| Payout (%) | 36.3 | 25.0 | 25.0 |
| **Valuations** | | | |
| P/E (x) | 91.3 | 42.8 | 26.8 |
| P/B (x) | 6.5 | 5.9 | 5.0 |
| EV/EBITDA (x) | 32.5 | 20.2 | 15.7 |
| Div. yield (%) | 0.4 | 0.6 | 0.9 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 81.5 | 81.5 | 81.5 |
| DII | 5.1 | 5.7 | 6.7 |
| FII | 1.0 | 0.8 | 0.9 |
| Others | 12.5 | 12.1 | 10.9 |

## Valuation and view: Reiterate BUY

We expect GSL to benefit from better product availability through distribution expansion and the Rajkot facility ramp-up, supporting revenue growth. We forecast a revenue/EBITDA/APAT CAGR of 19%/43%/84% over FY26-28. We have trimmed our earnings estimates and reiterate our BUY rating with a revised DCF-based TP of INR375 (based on an implied P/E of 40x on FY28E). Key risks: geographical concentration risk due to heavy reliance on Gujarat and potential supply chain disruptions, affecting market share and margins.

**Consolidated - Quarterly performance** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | 2Q FY27E | Var. (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| **Net Sales** | **3,222** | **3,757** | **4,008** | **4,096** | **4,223** | **4,615** | **4,977** | **4,736** | **15,082** | **18,551** | 4,543 | *1.6* |
| *YoY Change (%)* | *-9.1* | *-6.7* | *1.8* | *29.0* | *31.1* | *22.9* | *24.2* | *15.6* | *2.7* | *23.0* | 20.9 | |
| ***Gross Profit*** | **837** | **992** | **1,106** | **1,134** | **1,136** | **1,250** | **1,354** | **1,288** | **4,069** | **5,027** | 1,245 | |
| Total Expenditure | 3,070 | 3,515 | 3,704 | 3,781 | 3,909 | 4,199 | 4,523 | 4,306 | 14,070 | 16,937 | 4,170 | |
| **EBITDA** | **152** | **241** | **304** | **315** | **315** | **416** | **454** | **430** | **1,013** | **1,614** | 372 | *11.7* |
| *Margin (%)* | *4.7* | *6.4* | *7.6* | *7.7* | *7.4* | *9.0* | *9.1* | *9.1* | *6.7* | *8.7* | 8.2 | |
| Depreciation | 82 | 90 | 104 | 111 | 106 | 123 | 125 | 114 | 387 | 468 | 111 | *10.6* |
| Interest | 20 | 19 | 11 | 18 | 29 | 35 | 30 | 25 | 69 | 119 | 26 | *35.6* |
| Other Income | 3.3 | 2.4 | 1.0 | 37.8 | 6.8 | 1.1 | 15.0 | 43.8 | 44 | 67 | 12 | *-91.0* |
| **PBT before EO items** | **53** | **134** | **190** | **224** | **186** | **259** | **314** | **334** | **601** | **1,093** | 247 | |
| Extraordinary Loss | 2 | 215 | 1 | 175 | 0 | 353 | 0 | 0 | 393 | 353 | 0 | |
| **PBT** | **55** | **350** | **191** | **399** | **186** | **612** | **314** | **334** | **994** | **1,446** | 247 | *147.4* |
| Tax | 30 | 93 | 36 | 99 | 58 | 154 | 31 | 118 | 258 | 362 | 62 | *148.4* |
| *Rate (%)* | *54.2* | *26.5* | *18.8* | *24.9* | *31.3* | *25.1* | *10.0* | *35.4* | *25.9* | *25.0* | 25.0 | |
| JV and Associates | | | | | | | | | | | | |
| **Reported PAT** | **25** | **257** | **155** | **299** | **128** | **459** | **282** | **216** | **737** | **1,085** | 186 | *147.0* |
| **Adj PAT** | **23** | **42** | **154** | **125** | **128** | **105** | **282** | **216** | **343** | **732** | 186 | *-43.2* |
| *YoY Change (%)* | *-90.5* | *-85.6* | *189.8* | *62.3* | *456.1* | *153.2* | *83.2* | *73.4* | *-48.1* | *113.1* | 346.0 | |
| *Margin (%)* | *0.7* | *1.1* | *3.8* | *3.0* | *3.0* | *2.3* | *5.7* | *4.6* | *2.3* | *3.9* | 4.1 | |

# Prataap Snacks

| | |
|---|---|
| Estimate change | ↓ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | DIAMOND IN |
| Equity Shares (m) | 24 |
| M.Cap.(INRb)/(USDb) | 25.7 / 0.3 |
| 52-Week Range (INR) | 1245 / 859 |
| 1, 6, 12 Rel. Per (%) | -6/8/5 |
| 12M Avg Val (INR M) | 59 |
| Free float (%) | 41.2 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 17.2 | 21.2 | 25.2 |
| EBITDA | 0.8 | 0.9 | 1.8 |
| EBITDA (%) | 4.9 | 4.0 | 7.1 |
| Adj. PAT | 0.1 | 0.1 | 0.7 |
| EPS (INR) | 4.8 | 3.4 | 28.1 |
| EPS Gr.% | -228.4 | -29.4 | 735.5 |
| BV/Sh. (INR) | 292.7 | 296.1 | 324.2 |
| **Ratios** | | | |
| Net D/E | 0.0 | 0.3 | 0.4 |
| RoE (%) | 1.6 | 1.1 | 9.1 |
| RoCE (%) | 1.2 | 1.9 | 8.3 |
| Payout (%) | 10.5 | 0.0 | 0.0 |
| **Valuations** | | | |
| P/E (x) | 223.9 | 317.4 | 38.0 |
| P/B (x) | 3.6 | 3.6 | 3.3 |
| EV/EBITDA (x) | 30.4 | 32.7 | 15.9 |
| Div. yield (%) | 0.0 | 0.0 | 0.0 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 58.8 | 56.8 | 54.9 |
| DII | 8.1 | 7.4 | 7.2 |
| FII | 4.2 | 4.4 | 5.6 |
| Others | 28.9 | 31.5 | 32.3 |

**CMP: INR1,073** **TP: INR1,265 (+18%)** **Buy**

## Strong growth; lower RM costs to drive up margins

Prataap Snacks' (PSL) revenue grew 26% YoY to INR5.4b in 2QFY27, led by namkeen and potato chips. Management expects double-digit revenue growth in FY27, backed by higher growth in core categories, including namkeen, potato chips, and extruded snacks and namkeen. Gross margin contracted 430bp YoY to 25.5% for 2QFY27, due to the higher cost of raw materials, including palm oil and laminates, which rose ~21-23% YoY. EBITDA margin settled at 2.2% (-320bp YoY). We expect PSL to maintain revenue growth at 21%, led by core categories, distribution expansion and growth in new channels, and expect margins to expand to ~7.1% by FY28E, led by cost optimization and calibrated price hikes. During the quarter, PSL acquired 100% of the equity share capital of RLOP Food Processing for a consideration of INR154m. PSL will set up a greenfield plant at the leasehold land held by RLOP. The project is expected to require an investment of ~INR4.2b, to be funded through ~INR2.5b of term debt and the balance through internal accruals, expected to start in Jan'28.

### Namkeen and potato chips led revenue growth

2Q revenue grew by a robust 26% YoY to INR5.4b, led by healthy momentum in namkeen and potato chips portfolio, supported by improving traction in recently launched products, deeper market penetration, better product availability at existing distribution points, growing modern trade, and quick commerce, all leading to volume growth. Management expects to deliver strong double-digit growth in revenue in FY27, led by stable momentum in core categories, product innovation, distribution expansion and growth in new channels, along with capacity expansion through the upcoming new greenfield facility, which is expected to be completed by Jan'28, with a capacity of ~65k-70k MT.

### Margins contract on account of higher raw material costs

In 2Q, gross margins declined by 430bp YoY to 25.5% due to high raw material costs, particularly palm oil and packaging laminates. Palm oil prices rose 22.5% YoY, while laminate prices rose 21% YoY. EBITDA declined 49% YoY, settling EBITDA margin at 2.2% (-320bp YoY), as fuel and logistics costs continued to exert pressure. PSL has taken grammage reduction, adjustments to channel margins and trade schemes. Going forward, we expect gross margins to expand to 27.3% and EBITDA margins to expand to 7.1% by FY28, led by cost optimization and calibrated price hikes.

### Valuation and view: Reiterate BUY

PSL is expected to deliver a strong financial performance, with revenue growth driven by the namkeen segment and potato chips. Margin improvement will be driven by plant consolidation and cost-optimization initiatives. We estimate a revenue/EBITDA/APAT CAGR of 21%/46%/162% over FY26-28, driven by volume growth and significant margin expansion. We have trimmed our earnings estimates and reiterate our BUY rating with a revised DCF-based TP of INR1,265 (based on an implied P/E of 45x on Mar'28E). Key risks: potential supply chain disruptions impacting production and execution risks related to plant consolidation (refer to our IC note dated Sep'25).

## Quarterly performance

(INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | 2Q FY27E | Var. % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| **Net Sales** | **4,110** | **4,319** | **4,616** | **4,202** | **4,925** | **5,439** | **5,677** | **5,192** | **17,247** | **21,234** | ***4,967*** | *9.5* |
| *YoY Change (%)* | *-2.5* | *-2.1* | *3.8* | *4.9* | *19.8* | *25.9* | *23.0* | *23.6* | *1.0* | *23.1* | *15.0* | |
| **Gross Profit** | 1,174 | 1,288 | 1,306 | 1,204 | 1,339 | 1,387 | 1,476 | 1,408 | 4,972 | 5,696 | *1,416* | |
| Total Expenditure | 3,926 | 4,086 | 4,408 | 3,987 | 4,722 | 5,320 | 5,495 | 4,927 | 16,407 | 20,379 | *4,713* | |
| **EBITDA** | **184** | **233** | **208** | **215** | **203** | **119** | **182** | **265** | **839** | **855** | ***253*** | *-53.0* |
| *Margin (%)* | *4.5* | *5.4* | *4.5* | *5.1* | *4.1* | *2.2* | *3.2* | *5.1* | *4.9* | *4.0* | *5.1* | |
| Depreciation | 175 | 170 | 168 | 177 | 176 | 156 | 165 | 173 | 690 | 669 | *196* | *-20.6* |
| Interest | 22 | 18 | 13 | 12 | 10 | 12 | 13 | 159 | 65 | 195 | *12* | *2.5* |
| Other Income | 24 | 19 | 28 | 13 | 16 | 11 | 24 | 58 | 85 | 109 | *23* | *-51.4* |
| **PBT before EO items** | **10** | **64** | **55** | **38** | **34** | **-38** | **28** | **-9** | **169** | **100** | ***68*** | |
| Extraordinary Inc / (Exp) | 0 | -8 | 24 | 0 | 0 | 0 | 0 | 0 | -16 | 0 | *0* | |
| **PBT** | **10** | **72** | **31** | **38** | **34** | **-38** | **28** | **-9** | **184** | **100** | ***68*** | *-155.0* |
| Tax | 3 | 26 | -1 | 27 | 9 | -10 | 6 | 15 | 55 | 20 | *17* | *-159.0* |
| *Rate (%)* | *33.6* | *35.5* | *-3.8* | *70.2* | *26.3* | *26.8* | *23.0* | *-159.3* | *29.6* | *20.0* | *25.0* | |
| JV and Associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | *0* | |
| **Reported PAT** | **7** | **46** | **32** | **11** | **25** | **-28** | **22** | **-24** | **130** | **80** | ***51*** | *-153.7* |
| **Adj PAT** | **7** | **39** | **56** | **11** | **25** | **-28** | **22** | **-24** | **114** | **80** | ***51*** | *-153.7* |
| *YoY Change (%)* | *-92.7* | *244.6* | *255.9* | *109.6* | *257.6* | *-171.2* | *-61.5* | *-313.2* | *-228.5* | *-29.4* | *32.5* | |
| *Margin (%)* | *0.2* | *0.9* | *1.2* | *0.3* | *0.5* | *-0.5* | *0.4* | *-0.5* | *0.7* | *0.4* | *1.0* | |

# Solar Industries India

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## CMP: INR19,620 — Buy

## Conference Call Details



**Date:** 4th November 2026
**Time:** 11:00am IST
**Dial-in details:**
Diamond pass

**Financials & Valuations (INR b)**

| Y/E March | 2027E | 2028E | 2029E |
|---|---|---|---|
| Sales | 141.2 | 318.3 | 362.0 |
| EBITDA | 39.7 | 65.7 | 78.4 |
| Adj. PAT | 25.8 | 34.2 | 43.6 |
| Adj. EPS (INR) | 284.9 | 378.3 | 481.5 |
| EPS Gr. (%) | 53.7 | 32.8 | 27.3 |
| BV/Sh.(INR) | 969 | 1,337 | 1,808 |
| **Ratios** | | | |
| RoE (%) | 29.4 | 28.3 | 26.6 |
| RoCE (%) | 25.7 | 15.7 | 17.7 |
| Payout (%) | 3.5 | 2.6 | 2.1 |
| **Valuations** | | | |
| P/E (x) | 68.9 | 51.9 | 40.8 |
| P/BV (x) | 20.3 | 14.7 | 10.8 |
| EV/EBITDA (x) | 45.0 | 29.2 | 24.2 |
| Div. Yield (%) | 0.1 | 0.1 | 0.1 |

## A strong set of results

- SOIL reported a strong set of results with beats across revenue, EBITDA and PAT.
- Revenue increased 69% YoY to INR35.2b in 2QFY27, 14% above our estimate. Revenue growth was broad-based across segments, with domestic explosives/international explosives/defense growing 61%/57%/98% YoY.
- Gross margin expanded 120bp YoY to 52.4% (vs. our est. of 50.5%).
- Absolute EBITDA increased 82% YoY to INR10b, while EBITDA margin expanded 210bp YoY to 28.6% (vs. our est. of 27.5%).
- Supported by strong execution and margin expansion, PAT increased 79% YoY to INR6.2b (14% above our estimate).
- Order book as of Sep'26 increased 18% YoY to INR202b with the defense share at 87% and the non-defense share at 13%.
- For 1HFY27, revenue/EBITDA/PAT grew 70%/86%/86% YoY to INR72b/ INR20b/INR13b, while margin expanded 240bp YoY to 28.1%.
- For 1HFY27, OCF increased sharply by 848% YoY to INR9b (vs. INR959m last year) supported by higher profitability, while the company reported a FCF inflow of INR300m (vs. an outflow of INR6b last year).

**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** | **21,545** | **20,822** | **25,483** | **30,528** | **36,682** | **35,189** | **35,709** | **33,593** | **98,377** | **1,41,17** | **30,832** | **14** |
| Change (%) | 27.9 | 21.4 | 29.2 | 40.9 | 70.3 | 69.0 | 40.1 | 10.0 | 30.5 | 43.5 | 48.1 | |
| Expenses | 16,196 | 15,294 | 18,401 | 22,268 | 26,530 | 25,131 | 25,532 | 24,269 | 72,159 | 1,01,46 | 22,353 | 12 |
| **EBITDA** | **5,349** | **5,528** | **7,082** | **8,260** | **10,152** | **10,058** | **10,177** | **9,324** | **26,218** | **39,710** | **8,479** | **19** |
| Change (%) | 19.0 | 24.3 | 34.5 | 53.1 | 89.8 | 81.9 | 43.7 | 12.9 | 33.7 | 51.5 | 53.4 | |
| As of % Sales | 24.8 | 26.5 | 27.8 | 27.1 | 27.7 | 28.6 | 28.5 | 27.8 | 26.7 | 28.1 | 27.5 | |
| Depreciation | 560 | 606 | 629 | 714 | 797 | 880 | 908 | 999 | 2,509 | 3,584 | 871 | 1 |
| Interest | 274 | 309 | 344 | 413 | 413 | 554 | 178 | 196 | 1,340 | 1,340 | 290 | 91 |
| Other Income | 293 | 292 | 251 | 445 | 85 | 154 | 328 | 361 | 1,280 | 927 | 263 | (42) |
| **PBT** | **4,807** | **4,905** | **6,360** | **7,578** | **9,027** | **8,778** | **9,419** | **8,490** | **23,650** | **35,714** | **7,581** | **16** |
| Tax | 1,281 | 1,281 | 1,694 | 2,030 | 2,451 | 2,275 | 2,439 | 2,122 | 6,286 | 9,286 | 1,964 | 16 |
| Effective Tax Rate (%) | 26.7 | 26.1 | 26.6 | 26.8 | 27.2 | 25.9 | 25.9 | 25.0 | 26.6 | 26.0 | 25.9 | |
| MI & P/L Share of JV | (139) | (174) | (204) | (71) | (51) | (334) | (125) | (137) | (588) | (647) | (186) | |
| **Reported PAT** | **3,387** | **3,450** | **4,463** | **5,476** | **6,526** | **6,170** | **6,855** | **6,230** | **16,776** | **25,781** | **5,431** | **14** |
| **Adj PAT** | **3,387** | **3,450** | **4,463** | **5,476** | **6,526** | **6,170** | **6,855** | **6,230** | **16,776** | **25,781** | **5,431** | **14** |
| Change (%) | 18.2 | 20.7 | 41.7 | 70.0 | 92.7 | 78.9 | 53.6 | 13.8 | 38.7 | 53.7 | 57.4 | |
| Margin (%) | 15.7 | 16.6 | 17.5 | 17.9 | 17.8 | 17.5 | 19.2 | 18.5 | 17.1 | 18.3 | 17.6 | |

| Revenue breakup | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INR m | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | Var % |
| Domestic Explosives | 8,980 | 5,980 | 8,150 | 10,320 | 13,610 | 9,630 | 10,188 | 10,723 | 33,430 | 44,150 | 8,073 | 19.3 |
| Change (%) | -0.6 | 2.4 | 2.6 | 8.1 | 51.6 | 61.0 | 25.0 | 3.9 | 3.3 | 32.1 | 35.0 | |
| International Explosives | 8,260 | 9,630 | 10,200 | 10,060 | 13,640 | 15,150 | 12,750 | 9,963 | 38,150 | 51,503 | 12,519 | 21.0 |
| Change (%) | 42.7 | 20.5 | 34.6 | 31.7 | 65.1 | 57.3 | 25.0 | -1.0 | 31.6 | 35.0 | 30.0 | |
| Defence | 4,180 | 5,060 | 7,020 | 10,080 | 9,330 | 10,020 | 12,636 | 13,034 | 26,340 | 45,020 | 10,120 | -1.0 |
| Change (%) | 115.5 | 57.1 | 71.6 | 134.4 | 123.2 | 98.0 | 80.0 | 29.3 | 94.4 | 70.9 | 100.0 | |
| Others | 120 | 150 | 110 | 80 | 100 | 390 | 135 | -125 | 460 | 500 | 120 | 225.0 |
| Change (%) | 33.3 | 36.4 | -8.3 | -52.9 | -16.7 | 160.0 | 22.7 | -256.3 | -6.1 | 8.7 | -20.0 | |
| **Total** | **21,545** | **20,822** | **25,483** | **30,528** | **36,682** | **35,189** | **35,709** | **33,593** | **98,377** | **1,41,17** | **30,832** | **14.1** |
| Change (%) | 27.9 | 21.4 | 29.2 | 40.9 | 70.3 | 69.0 | 40.1 | 10.0 | 30.5 | 43.5 | 48.1 | |

# Lupin

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 4th November 2026
**Time:** 18:00 IST
**Dial-in details:**
Zoom Link

**Financials & Valuations (INR b)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 279.6 | 314.9 | 339.2 |
| EBITDA | 81.6 | 78.4 | 80.1 |
| Adj. PAT | 53.3 | 44.8 | 49.4 |
| EBIT Margin (%) | 24.6 | 19.2 | 18.5 |
| Cons. Adj. EPS (INR) | 116.5 | 98.1 | 108.0 |
| EPS Gr. (%) | 62.9 | -15.8 | 10.1 |
| BV/Sh. (INR) | 491.0 | 604.9 | 710.0 |
| **Ratios** | | | |
| Net D:E | 0.0 | -0.1 | -0.2 |
| RoE (%) | 26.9 | 17.9 | 16.6 |
| RoCE (%) | 21.7 | 15.3 | 14.8 |
| Payout (%) | 2.5 | 2.9 | 2.7 |
| **Valuations** | | | |
| P/E (x) | 17.3 | 20.5 | 18.5 |
| EV/EBITDA (x) | 13.6 | 13.6 | 12.7 |
| Div. Yield (%) | 0.1 | 0.1 | 0.1 |
| FCF Yield (%) | 4.1 | 2.5 | 5.2 |
| EV/Sales (x) | 4.0 | 3.4 | 3.0 |

## CMP: INR2,012

## Largely in line

- Lupin's (LPC) 2QFY27 revenue grew 11.1% YoY to INR78.3b. (in-line).
- Other Developed market sales grew 45.7% YoY to INR11.8b (15% of sales).
- Domestic formulation (DF) sales grew 14.7% YoY to INR23.8b (30% of sales).
- US sales grew 9.3% YoY to INR30.2b (flat YoY in CC to USD317m; 39% of sales).
- API sales increased 20.2% YoY to INR3.1b (4% of sales).
- Emerging market sales decreased 3.5% YoY to INR 8.9b (11% of sales)
- Gross Margin (GM) expanded 25bp YoY to 74.3%.
- EBITDA Margin contracted 530bp YoY to 25% (our est: 24.5%) since employee expenses/other expense/R&D cost increased (up 250bps/ up 240bps/70bps as % of sales)
- As a result, EBITDA decreased 8.4% YoY to INR19.6b (in-line).
- Adj. PAT decreased 17.7% YoY to INR10.9b (in-line).
- For 1HFY27, Revenue/EBITDA/PAT grew by 21%/17%/2% YoY to INR161b/INR44.2b/INR25.2b.
- Revenue/EBITDA beat Bloomberg Consensus estimate by 2%/2% and PAT missed BBG estimate by 4% respectively..

## Other key highlights

- LPC received 4/1 ANDA/NDA 505(b)(2) approvals and launched 1 products in 2QFY27.
- LPC launched 5 brands across therapies in India during the quarter.
- R&D expenditure stood at INR6.1b (7.9% of sales) in 2QFY27.
- Capex stood at INR2.2b in 2QFY27

## Quarterly Performance

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | % Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INRm | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 2QE | |
| **Net Sales** | **62,684** | **70,475** | **71,675** | **74,747** | **82,769** | **78,273** | **78,228** | **76,634** | **279,580** | **315,904** | **77,248** | 1.3 |
| YoY Change (%) | 11.9 | 27.1 | 25.9 | 31.9 | 32.0 | 11.1 | 9.1 | 2.5 | 24.2 | 13.0 | 9.6 | |
| Total Expenditure | 46,269 | 49,099 | 49,580 | 53,036 | 58,134 | 58,699 | 60,157 | 59,851 | 197,984 | 236,842 | 58,322 | |
| **EBITDA** | **16,415** | **21,376** | **22,095** | **21,711** | **24,635** | **19,574** | **18,071** | **16,783** | **81,597** | **79,062** | **18,926** | 3.4 |
| YoY Change (%) | 20.6 | 72.8 | 60.5 | 68.0 | 50.1 | -8.4 | -18.2 | -22.7 | 54.9 | -3.1 | -11.5 | |
| Margins (%) | 26.2 | 30.3 | 30.8 | 29.0 | 29.8 | 25.0 | 23.1 | 21.9 | 29.2 | 25.0 | 24.5 | |
| Depreciation | 2,990 | 3,168 | 3,130 | 3,589 | 4,529 | 4,859 | 4,507 | 4,415 | 12,876 | 18,309 | 4,459 | |
| **EBIT** | **13,425** | **18,208** | **18,965** | **18,122** | **20,106** | **14,715** | **13,564** | **12,368** | **68,721** | **60,753** | **14,467** | |
| YoY Change (%) | 20.5 | 85.8 | 71.6 | 101.6 | 49.8 | -19.2 | -28.5 | -31.8 | 67.7 | -11.6 | -20.5 | |
| Margins (%) | 21.4 | 25.8 | 26.5 | 24.2 | 24.3 | 18.8 | 17.3 | 16.1 | 24.6 | 19.2 | 18.7 | |
| Interest | 918 | 1,076 | 1,150 | 1,202 | 1,096 | 1,057 | 981 | 932 | 3,851 | 4,067 | 1,001 | |
| Other Income | 790 | 900 | 1,147 | 1,407 | 1,303 | 1,268 | 1,299 | 1,273 | 3,450 | 5,143 | 1,285 | |
| EO Exp/(Inc) | -859 | -2,037 | 3,742 | -953 | 139 | -870 | 0 | 0 | -106 | -731 | 0 | |
| **PBT** | **14,156** | **20,070** | **15,220** | **19,280** | **20,174** | **15,796** | **13,882** | **12,708** | **68,427** | **62,560** | **14,751** | |
| Tax | 1,941 | 5,221 | 3,415 | 4,593 | 6,004 | 4,243 | 3,679 | 3,114 | 15,171 | 17,039 | 3,776 | |
| Rate (%) | 13.7 | 26.0 | 22.4 | 23.8 | 29.8 | 26.9 | 26.5 | 24.5 | 22.2 | 27.2 | 25.6 | |
| Minority Interest | -24 | -69 | -50 | -83 | -20 | 0 | -55 | -55 | -226 | -130 | -55 | |
| **Reported PAT** | **12,191** | **14,779** | **11,756** | **14,604** | **14,150** | **11,553** | **10,148** | **9,541** | **53,329** | **45,391** | **10,920** | |
| **Adj PAT** | **11,450** | **13,272** | **14,658** | **13,879** | **14,248** | **10,916** | **10,148** | **9,541** | **53,258** | **44,852** | **10,920** | 0.0 |
| YoY Change (%) | 27.4 | 72.8 | 71.4 | 85.7 | 24.4 | -17.7 | -30.8 | -31.3 | 62.9 | -15.8 | -17.7 | |
| Margins (%) | 18.3 | 18.8 | 20.5 | 18.6 | 17.2 | 13.9 | 13.0 | 12.4 | 19.0 | 14.2 | 14.1 | |

# MCX

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 4th November 2026
**Time:** 04:00pm IST
**Dial In :** Link

**Financial snapshot**

| Year End | 2026 | 2027E | 2028E |
|---|---|---|---|
| Sales | 23.0 | 32.6 | 38.5 |
| EBIT margin (%) | 68.1 | 76.0 | 70.1 |
| PAT | 13.3 | 20.9 | 23.1 |
| EPS (INR) | 52.2 | 82.1 | 90.5 |
| EPS Gr. (%) | 137.8 | 57.3 | 10.2 |
| BV/Sh. (INR) | 111.7 | 177.4 | 249.8 |
| **Ratio** | | | |
| RoE (%) | 56.3 | 56.8 | 42.4 |
| **Valuations** | | | |
| P/E (x) | 66.8 | 42.5 | 38.6 |
| P/BV (x) | 31.2 | 19.7 | 14.0 |
| Div Yld (%) | 0.2 | 0.2 | 0.2 |

**CMP: INR3,493** — **Neutral**

## PAT miss due to higher SGF and tax rate

- MCX's operating revenue came in at INR8b (in line) in 2QFY7, up 114% YoY/14% QoQ. For 1HFY27, revenue doubled YoY.
- Staff cost grew 25% YoY to INR562m (in line). Other expenses rose 54% YoY to INR1.3b (33% higher than estimates largely due to SGF contribution of INR248m vs. our expectations of nil).
- EBITDA came in at ~INR6.1b (6% miss), reflecting ~151% growth YoY. EBITDA margins came in at 76.4% vs. 65.1% in 2QFY26 (est. 80.4%).
- Other income came in at INR516m (in line).
- PAT stood at ~INR4.5b (14% miss due to higher opex and tax rate), growing 130% YoY. For 1HFY27, PAT grew 117% YoY.

## Valuation and view

- MCX continues to strengthen its product pipeline across metals, energy, and commodity indices. The near-term focus is on stabilizing recently launched contracts, with future launches to be timed based on internal readiness, market appetite, and regulatory processes.
- We expect revenue/EBITDA/PAT to clock a CAGR of 29%/30%/32% over FY26-28. We will revisit our estimates after the conference call scheduled for 4th Nov'26.

**Quarterly Performance** — INRm

| | FY26 | | | | FY27 | | FY26 | FY27E | Est. | Var. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | | 2QFY27E | (%/bp) | YoY (%) | QoQ (%) |
| **Sales** | **3,732** | **3,742** | **6,656** | **8,889** | **7,020** | **7,997** | **23,020** | **32,597** | **8,059** | **(0.8)** | **113.7** | **13.9** |
| Yo-Y Gr. (%) | 59.2 | 31.0 | 120.9 | 205.1 | 88.1 | 113.7 | 106.9 | 41.6 | 115.4 | | | |
| Staff Costs | 448 | 448 | 444 | 461 | 575 | 562 | 1,801 | 2,359 | 582 | (3.5) | 25.4 | (2.2) |
| Other expenses | 867 | 858 | 1,260 | 1,768 | 1,506 | 1,323 | 4,753 | 4,595 | 995 | 32.9 | 54.1 | (12.2) |
| **EBITDA** | **2,417** | **2,436** | **4,952** | **6,661** | **4,940** | **6,112** | **16,466** | **25,643** | **6,482** | **(5.7)** | **150.9** | **23.7** |
| Margins (%) | 64.8 | 65.1 | 74.4 | 74.9 | 70.4 | 76.4 | 71.5 | 78.7 | 80.4 | | | |
| Depreciation | 173 | 198 | 219 | 191 | 207 | 225 | 780 | 869 | 213 | 5.7 | 14.1 | 8.8 |
| **EBIT** | **2,244** | **2,239** | **4,733** | **6,471** | **4,733** | **5,887** | **15,685** | **24,775** | **6,269** | **(6.1)** | **163.0** | **24.4** |
| Interest Costs | 1 | 1 | 0 | 2 | 2 | 4 | 4 | 4 | 1 | 310.0 | 583.3 | 156.3 |
| Other Income | 326 | 266 | 315 | 364 | 498 | 516 | 1,271 | 2,073 | 513 | 0.7 | 94.4 | 3.7 |
| **PBT bef. Exceptional items** | **2,569** | **2,504** | **5,047** | **6,832** | **5,229** | **6,399** | **16,952** | **26,844** | **6,781** | **(5.6)** | **155.6** | **22.4** |
| Tax | 532 | 514 | 1,021 | 1,520 | 1,097 | 1,847 | 3,588 | 5,906 | 1,492 | 23.8 | 259.2 | 68.4 |
| Rate (%) | 20.7 | 20.5 | 20.2 | 22.3 | 21.0 | 28.9 | 21.2 | 22.0 | 22.0 | | | |
| Profit from associate | -5 | -15 | -15 | -14 | 2 | -7 | 49 | 0 | 0.0 | | | |
| **PAT** | **2,032** | **1,975** | **4,011** | **5,298** | **4,134** | **4,546** | **13,316** | **20,939** | **5,289** | **(14.1)** | **130.2** | **9.9** |
| Y-o-Y Gr. (%) | 83.2 | 28.5 | 150.6 | 291.1 | 103.5 | 130.2 | 137.8 | 57.3 | 168 | | | |
| **EPS (INR)** | **8.0** | **7.7** | **15.7** | **20.8** | **16.2** | **17.8** | **52.2** | **82.1** | **20.7** | **(14.1)** | **130.2** | **9.9** |
| **Total volumes (INR t)** | **198.9** | **267.3** | **480.1** | **426.0** | **671.6** | **833.5** | **1,372.3** | **3,283.2** | **833.5** | **-** | **211.8** | **24.1** |
| Q-o-Q Gr. (%) | 24.1 | 34.4 | 79.6 | -11.3 | 57.7 | 24.1 | | | 24.1 | | | |
| Y-o-Y Gr. (%) | 77.1 | 86.7 | 223.6 | 165.9 | 237.6 | 211.8 | 143.3 | 139.3 | 211.8 | | | |
| **Key Operating Parameters** | | | | | | | | | | | | |
| Futures vol (INR t) | 26.0 | 27.1 | 54.1 | 57.7 | 38.2 | 41.5 | 164.9 | 167.0 | | | 52.7 | 8.7 |
| Options premium vol (INR t) | 2.7 | 2.7 | 4.5 | 6.8 | 5.8 | 6.8 | 16.8 | 27.8 | | | 155.1 | 16.8 |

# GlaxoSmithKline Pharma

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## CMP: INR2,575

## Broadly in line with estimates

- Revenue increased 20.8% YoY to INR11.8b (beat by 5%).
- Gross margin (GM) contracted 130bp YoY to 62.4%.
- EBITDA margin contracted 30bp YoY to 34% (miss by 150bp).
- EBITDA grew 19.8% YoY to INR4b (in line).
- Other income for the quarter included income tax refund of INR421m.
- Adjusted for above, PAT grew 21% YoY to INR3.4b for the quarter (in line).
- For 1HFY27, revenue/EBITDA/PAT grew by 19%/19%/19% to INR21.2b/ INR7b/INR5.5b.

## Conference Call Details



**Date:** **4th** Nov 2026
**Time:** **3**:30 pm IST
**Dial-in details:**
Zoom: Link

**Financials & Valuations (INRb)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 38.2 | 44.2 | 50.1 |
| EBITDA | 13.2 | 15.1 | 18.5 |
| Adj. PAT | 10.3 | 11.8 | 14.3 |
| EBIT Margin (%) | 32.8 | 32.6 | 35.3 |
| Cons. Adj. EPS (INR) | 60.6 | 69.6 | 84.6 |
| EPS Gr. (%) | 12.4 | 14.9 | 21.5 |
| BV/Sh. (INR) | 133.8 | 175.9 | 232.9 |
| **Ratios** | | | |
| Net D:E | -0.6 | -0.4 | -0.6 |
| RoE (%) | 45.3 | 39.6 | 36.3 |
| RoCE (%) | 48.8 | 44.5 | 41.4 |
| Payout (%) | 47.6 | 41.5 | 34.1 |
| **Valuations** | | | |
| P/E (x) | 42.4 | 36.9 | 30.4 |
| EV/EBITDA (x) | 33.9 | 29.7 | 23.8 |
| Div. Yield (%) | 0.9 | 0.9 | 0.9 |
| FCF Yield (%) | 2.0 | 0.6 | 3.1 |
| EV/Sales (x) | 11.7 | 10.2 | 8.8 |

**Qtr Perf. (Consol.)** (INRm)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | Chg. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| **Net Sales** | **8,052** | **9,799** | **10,413** | **9,953** | **9,384** | **11,836** | **11,749** | **11,273** | **38,217** | **44,242** | **11,275** | **5%** |
| YoY Change (%) | -1.2 | -3.0 | 9.7 | 2.2 | 16.5 | 20.8 | 12.8 | 13.3 | 1.9 | 15.8 | 15.1 | |
| Total Expenditure | 5,541 | 6,442 | 6,581 | 6,444 | 6,429 | 7,815 | 7,472 | 7,395 | 25,008 | 29,112 | 7,273 | |
| **EBITDA** | **2,511** | **3,357** | **3,832** | **3,509** | **2,955** | **4,021** | **4,277** | **3,878** | **13,209** | **15,130** | **4,003** | **0%** |
| YoY Change (%) | 8.9 | 4.4 | 35.4 | 5.3 | 17.7 | 19.8 | 11.6 | 10.5 | 13.1 | 14.5 | 19.2 | |
| Margins (%) | 31.2 | 34.3 | 36.8 | 35.3 | 31.5 | 34.0 | 36.4 | 34.4 | 34.6 | 34.2 | 35.5 | |
| Depreciation | 155 | 174 | 203 | 132 | 158 | 150 | 205 | 197 | 664 | 710 | 199 | |
| **EBIT** | **2,356** | **3,183** | **3,628** | **3,378** | **2,797** | **3,871** | **4,072** | **3,681** | **12,545** | **14,420** | **3,804** | |
| YoY Change (%) | 10.0 | 4.4 | 37.4 | 6.1 | 18.7 | 21.6 | 12.2 | 9.0 | 13.9 | 14.9 | 19.5 | |
| Margins (%) | 29.3 | 32.5 | 34.8 | 33.9 | 29.8 | 32.7 | 34.7 | 32.7 | 32.8 | 32.6 | 33.7 | |
| Interest | 4 | 5 | 12 | 6 | 10 | 5 | 3 | 3 | 27 | 20 | 3 | |
| Other Income | 437 | 336 | 321 | 360 | 438 | 307 | 380 | 380 | 1,453 | 1,505 | 380 | |
| **PBT before EO Expense** | **2,789** | **3,514** | **3,938** | **3,731** | **3,225** | **4,173** | **4,449** | **4,058** | **13,971** | **15,904** | **4,181** | |
| Tax | 740 | 965 | 1,043 | 952 | 853 | 1,235 | 1,135 | 1,035 | 3,700 | 4,257 | 1,066 | |
| Rate (%) | 26.5 | 27.5 | 26.5 | 25.5 | 26.4 | 29.6 | 25.5 | 25.5 | 26.5 | 26.8 | 25.5 | |
| **Adjusted PAT** | **2,049** | **2,549** | **2,895** | **2,779** | **2,372** | **3,088** | **3,315** | **3,023** | **10,271** | **11,798** | **3,115** | **-1%** |
| YoY Change (%) | 12.4 | 2.9 | 31.1 | 5.7 | 15.7 | 21.2 | 14.5 | 8.8 | 12.4 | 14.9 | 22.2 | |
| Margins (%) | 25.5 | 26.0 | 27.8 | 27.9 | 25.3 | 26.1 | 28.2 | 26.8 | 26.9 | 26.7 | 27.6 | |
| One-off Expense/(Income) | 0 | -26 | -62 | 0 | 0 | -421 | 0 | 0 | -88 | -421 | 0 | |
| **Reported PAT** | **2,049** | **2,575** | **2,956** | **2,779** | **2,372** | **3,359** | **3,315** | **3,023** | **10,359** | **12,069** | **3,115** | |

# Global Health

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** **4th** Nov 2026
**Time:** **2**:00 pm IST
**Dial-in details:**
Zoom: Link

**Financials & Valuations (INRb)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 44.1 | 59.0 | 63.6 |
| EBITDA | 9.2 | 14.4 | 16.4 |
| Adj. PAT | 5.6 | 9.0 | 11.1 |
| EBIT Margin (%) | 15.8 | 19.5 | 21.3 |
| Cons. Adj. EPS (INR) | 20.8 | 33.7 | 41.4 |
| EPS Gr. (%) | 7.4 | 62.0 | 23.0 |
| BV/Sh. (INR) | 147.5 | 175.3 | 209.4 |
| **Ratios** | | | |
| Net D:E | 0.3 | 0.1 | 0.0 |
| RoE (%) | 15.2 | 20.9 | 21.5 |
| RoCE (%) | 13.3 | 17.9 | 18.9 |
| Payout (%) | 17.6 | 17.6 | 17.6 |
| **Valuations** | | | |
| P/E (x) | 63.9 | 39.4 | 32.0 |
| EV/EBITDA (x) | 39.9 | 25.1 | 21.8 |
| Div. Yield (%) | 8.3 | 6.1 | 5.6 |
| FCF Yield (%) | 0.2 | 0.4 | 0.5 |
| EV/Sales (x) | (0.7) | 1.7 | 1.5 |

## CMP: INR1,325

## Strong beat on our estimates

- In 2QFY27, sales grew 33.6% YoY to INR14.7b (beat by 14%).
- EBITDA margin expanded 420bp YoY to 25.2% YoY (beat by 190bps).
- Medanta's EBITDA grew 60.3% YoY to INR3.7b (beat by 23%).
- Adjusted PAT grew 50.3% YoY to INR2.2b (beat by 20%).
- For 1HFY27, Revenue/EBITDA/PAT grew by 30%/43%/30% YoY to INR27.7b/6.6b/3.8b.

### Key Operating Metrics

- Revenue from mature hospitals (61% of total revenue) grew 17.8% YoY to INR8.2b. EBITDA stood at INR1.8b and margin was 22% (+190bp YoY).
- Developing hospitals' revenue (39% of total revenue) grew 63.2%YoY to INR5.8b. EBITDA stood at INR1.8b for the quarter, and margin was 31.7% (+700bp YoY).
- Ex-Noida, developing hospitals revenue/EBITDA was INR4.7b/INR1.8b, with 37% EBITDA margin.
- Noida hospital had a revenue of INR1.1b, with EBITDA of INR86m in 2QFY27 ( vs loss of INR49m/INR236m in 1QFY27/4QFY26)
- Overall ARPP grew by 2.7% YoY to INR206k in 2QFY27.
- Both IPD/OPD volumes increased 29.5%/37.9% YoY for the quarter.
- Occupancy levels stood at 67% in 2QFY27 vs 63%/64% in 1QFY27/2QFY26 (up 300bp YoY).
- ALOS stood at 2.89 days (down 5.5% YoY).
- OPD Pharmacy (Hospital & Retail) revenue increased 52.9% YoY to INR699m.
- International Patients revenue increased 30.3% YoY to INR993m.
- Heart/Cancer/Digestive/Neuro/Urology contributed ~64.7% of revenue in 2QFY27 (down 90bp YoY).

### Capex

- Medanta secured a 2.6-acre land parcel in Ghaziabad through an e-auction for INR1.7b, with plans to develop a 500-bed super-specialty hospital.
- The company incurred INR3.3b of capex in 1HFY27 with plans additional capex of INR6b in 2HFY27.
- Maintenance capex is estimated at INR11b to be incurred over the next five years.
- Total project capex estimated at INR62.4b for the next five years, and will be funded by a combination of debt funding and internal accruals.
- Medanta has added 146 beds in 1HFY27 and plans to add another 334 beds by the end of FY27.
- Net cash surplus stood at INR7.8b at the end of Sep'26.

## Consolidated - Quarterly Earning Model

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | vs Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INRm | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| **Gross Sales** | **10,308** | **10,992** | **11,210** | **11,590** | **13,041** | **14,690** | **15,500** | **15,816** | **44,101** | **59,047** | **12,915** | 14% |
| YoY Change (%) | 19.7 | 14.9 | 18.8 | 24.5 | 26.5 | 33.6 | 38.3 | 36.5 | 19.4 | 33.9 | 17.5 | |
| **EBITDA** | **2,270** | **2,309** | **2,173** | **2,438** | **2,868** | **3,701** | **3,782** | **4,065** | **9,190** | **14,415** | **3,009** | 23% |
| YoY Change (%) | 18.7 | -1.5 | -9.9 | 8.5 | 26.3 | 60.3 | 74.0 | 66.7 | 3.1 | 56.9 | 30.3 | |
| Margins (%) | 22.0 | 21.0 | 19.4 | 21.0 | 22.0 | 25.2 | 24.4 | 25.7 | 20.8 | 24.4 | 23.3 | |
| Depreciation | 451 | 497 | 612 | 665 | 690 | 708 | 734 | 749 | 2,225 | 2,881 | 693 | |
| Interest | 138 | 171 | 215 | 267 | 267 | 281 | 239 | 208 | 791 | 995 | 250 | |
| Other Income | 205 | 197 | 218 | 367 | 222 | 236 | 465 | 441 | 987 | 1,364 | 387 | |
| **PBT before EO expense** | **1,886** | **1,838** | **1,564** | **1,873** | **2,133** | **2,948** | **3,274** | **3,549** | **7,160** | **11,903** | **2,454** | |
| Extra-Ord expense/(Income) | 196 | 160 | -366 | 0 | 0 | 0 | 0 | 0 | -10 | 0 | 0 | |
| **PBT** | **2,081** | **1,998** | **1,198** | **1,873** | **2,133** | **2,948** | **3,274** | **3,549** | **7,150** | **11,903** | **2,454** | |
| Tax | 492 | 414 | 248 | 456 | 560 | 757 | 766 | 781 | 1,609 | 2,864 | 626 | |
| Rate (%) | 23.6 | 20.7 | 20.7 | 24.4 | 26.3 | 25.7 | 23.4 | 22.0 | 22.5 | 24.1 | 25.5 | |
| **Reported PAT** | **1,590** | **1,584** | **950** | **1,440** | **1,573** | **2,191** | **2,508** | **2,768** | **5,565** | **9,039** | **1,828** | |
| **Adj PAT** | **1,440** | **1,458** | **1,241** | **1,440** | **1,573** | **2,191** | **2,508** | **2,768** | **5,579** | **9,039** | **1,828** | 20% |
| YoY Change (%) | 35.6 | 11.4 | -13.2 | 3.4 | 9.2 | 50.3 | 102.1 | 92.2 | 7.4 | 62.0 | 25.4 | |
| Margins (%) | 14.0 | 13.3 | 11.1 | 12.4 | 12.1 | 14.9 | 16.2 | 17.5 | 12.6 | 15.3 | 14.2 | |

# Endurance Technologies

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 4th November 2026
**Time:** 11.00am IST
**Dial-in details:**
https://shorturl.at/whXRH

**Financials & Valuations (INR b)**

| INR Billion | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 146.0 | 177.0 | 205.3 |
| EBITDA | 19.7 | 22.5 | 28.2 |
| Adj. PAT | 9.7 | 10.5 | 14.4 |
| EPS (INR) | 68.8 | 74.6 | 102.2 |
| EPS Growth (%) | 17.0 | 8.5 | 36.9 |
| BV/Share (INR) | 486.3 | 548.0 | 634.6 |
| **Ratios** | | | |
| Net Debt/Equity | -0.1 | -0.1 | -0.1 |
| RoE (%) | 15.4 | 14.4 | 17.3 |
| RoCE (%) | 13.6 | 12.8 | 15.5 |
| Payout (%) | 17.0 | 17.4 | 15.2 |
| **Valuations** | | | |
| P/E (x) | 35.0 | 32.3 | 23.6 |
| P/BV (x) | 5.0 | 4.4 | 3.8 |
| Div. Yield (%) | 0.5 | 0.5 | 0.6 |
| FCF Yield (%) | 1.8 | -0.2 | 2.8 |

## CMP: INR2,413 — Buy

### Revenues beat expectations, while earnings come in line

- Consolidated revenue grew 34% YoY to INR47.9b (beating estimate of INR44.1b), led by 40% YoY growth in the Indian business.
- European revenue (in INR terms) grew 13% YoY to INR10.3b. In EUR terms, revenues posted a ~6% YoY growth.
- Consolidated EBITDA saw a healthy 17.2% YoY growth to INR5.6b, coming in line with our expectations. However, EBITDA margins contracted ~170bp YoY to 11.7% and was below our estimate of 12.3%, primarily due to higher commodity and energy prices.
- Standalone margins contracted 170bp YoY to 10.3% (est. of 10.9%) impacted by higher input costs. Europe margins were stable YoY at 17.8%.
- New plant ramp-up led to higher depreciation expenses, up 33% YoY to INR2.4b.
- As a result, consolidated PAT grew 9% YoY to INR2.5b, coming in line with our estimates.
- Consolidated CFO stood at INR8b, while FCF came in positive at INR3.1b.

### From the investor presentation

**India**

- Business wins in India stood at INR8.01b in 1HFY27 (excluding Bajaj Auto), including INR530m of orders for Maxwell's embedded electronics business. During 2QFY27, key order wins included INR660m of machined aluminum castings from Tata Motors, INR1.85b of front and rear suspension from HMSI, and INR530m of front fork business from HMCL.
- The order book is expected to be further supported by INR36.5b of RFQs under discussion with various customers, excluding Bajaj Auto.
- Business worth INR5.32b was won from HMSI in 1HFY27. Additionally, INR300m of suspension orders were secured from Ather and Ultraviolette.
- Brakes business was won from TVS in 1HFY27, taking the annual brakes business potential from the customer to over INR2.5b.
- Business was secured from a leading US OEM, taking the annual business potential for the Shendra plant to INR2.23b.
- Cumulative EV orders (excluding Bajaj Auto) reached INR15.3b, comprising ~INR6b in castings, ~INR4b in brakes, INR1.5b in suspension, INR3b in battery packs, and INR310m in alloy wheels. Including Bajaj Auto, cumulative EV orders stood at INR18.4b.
- Production commenced at the AURIC Shendra facility in Sept'26 to cater to 4W EV OEMs and exports. The company is also expanding machined aluminum casting capacities across Chennai, Vallam, and Chakan to increase penetration with Indian and Korean OEMs.

- Production at the Pune battery pack plant commenced in 1QFY27, with full ramp-up of the 2W battery pack business expected in 3QFY27. The company has also received nominations from two 4W OEM for battery packs, with SOP expected in 1HFY28.
- Supplies of dual-channel ABS commenced in Oct'26, with additional ABS capacity being established. Further, additional disc brake capacity is being set up in Chennai, with SOP expected in 4QFY27.
- The second SMT line for electronics has been installed to cater to in-house ABS ECU requirements and higher BMS volumes. Maxwell secured INR530m of orders in 1HFY27, taking cumulative orders to a peak annual potential of INR2.6b, with an additional pipeline of over INR4b across BMS, TPMS, and DC-DC converters.
- A new infrastructure facility is being established at Sanand, Gujarat, to cater to large-volume solar damper and actuator orders. Solar damper SOP commenced in 2QFY27, while actuator SOP is expected in 4QFY27.
- A new plant is under construction to cater to growing aluminum forging requirements, with SOP expected in 4QFY27

**Europe**

- Business wins in Europe stood at EUR28m in 1HFY27, taking cumulative order wins over the last five years to EUR199m. The order book includes EUR167m of new orders and EUR46m of replacement orders, with peak annual invoicing expected to reach EUR105m.
- Of the EUR199m cumulative orders won over the last five years, EUR87m (44%) are for EV applications and EUR87m (44%) are for hybrid applications, indicating a rising share of electrified powertrain-related business.
- During 1HFY27, 72% of new order wins were for hybrid applications and 28% for ICE application.
- ICE end-use currently accounts for ~30% of Endurance Europe's revenue and is expected to decline to 25% in FY28, reflecting the increasing contribution from EV and hybrid applications.
- 2QFY27 order wins included two order of machined aluminum die-casting business from Mercedes worth EUR6.5m and EUR7.6m.
- Capacity expansion is underway in Europe to cater to new orders from customers including Stellantis, Daimler, and the VW Group (including Porsche and Audi). The company invested EUR24.24m in 1HFY27 to acquire the remaining stake in Stöferle, taking its ownership to 100%, and also acquired 100% of Fondalpress SpA, Italy, which specializes in aluminum die-casting and machining.

**Valuation view:** The stock trades at ~32.3x/23.6x FY27E/28E consol. EPS.

**Consolidated - Quarterly** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INR m | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| **Net Sales** | **33,189** | **35,828** | **36,082** | **40,860** | **43,149** | **47,862** | **43,278** | **42,728** | **145,959** | **177,017** | **44,134** | **8.4** |
| YoY Change (%) | 17.5 | 23.0 | 26.2 | 37.9 | 30.0 | 33.6 | 19.9 | 4.6 | 26.3 | 21.3 | 23.2 | |
| **EBITDA** | **4,439** | **4,768** | **4,771** | **5,678** | **5,358** | **5,590** | **5,516** | **6,028** | **19,656** | **22,493** | **5,450** | **2.6** |
| Margins (%) | 13.4 | 13.3 | 13.2 | 13.9 | 12.4 | 11.7 | 12.7 | 14.1 | 13.5 | 12.7 | 12.3 | |
| YoY Change (%) | 18.7 | 24.8 | 28.1 | 34.4 | 20.7 | 17.2 | 15.6 | 6.2 | 26.7 | 14.4 | 14.3 | |
| Depreciation | 1,644 | 1,800 | 1,779 | 2,119 | 2,219 | 2,385 | 2,330 | 2,235 | 7,342 | 9,169 | 2,260 | |
| Interest | 135 | 137 | 150 | 152 | 172 | 249 | 160 | 69 | 574 | 651 | 155 | |
| Other Income | 356 | 210 | 374 | 300 | 334 | 249 | 370 | 439 | 1,240 | 1,392 | 250 | |
| **PBT before EO expense** | **3,016** | **3,041** | **3,216** | **3,707** | **3,301** | **3,206** | **3,396** | **4,163** | **12,980** | **14,065** | **3,285** | |
| Exceptional Item | 0 | 0 | 210 | 0 | 0 | -356 | 0 | 0 | 210 | -356 | 0 | |
| **PBT after EO** | **3,016** | **3,041** | **3,007** | **3,707** | **3,301** | **3,562** | **3,396** | **4,163** | **12,771** | **14,421** | **3,285** | |
| Eff. Tax Rate (%) | 24.9 | 25.3 | 26.3 | 25.4 | 25.9 | 23.0 | 25.2 | 24.9 | 25.5 | 24.7 | 25.3 | |
| **Adj. PAT** | **2,264** | **2,273** | **2,373** | **2,765** | **2,445** | **2,477** | **2,541** | **3,125** | **9,673** | **10,586** | **2,454** | **1.0** |
| YoY Change (%) | 11.0 | 12.0 | 28.7 | 17.2 | 8.0 | 9.0 | 7.1 | 13.1 | 17.0 | 9.4 | 8.0 | |

**Standalone Performance** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY26 | FY27E | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INR m | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| **Net Sales** | **23,346** | **26,782** | **26,694** | **29,580** | **31,827** | **37,527** | **32,033** | **29,254** | **106,402** | **130,641** | **33,478** | **12.1** |
| YoY Change (%) | 10.1 | 16.5 | 22.6 | 31.5 | 36.3 | 40.1 | 20.0 | -1.1 | 20.3 | 22.8 | 25.0 | |
| RM Cost (% of sales) | 65.2 | 66.0 | 65.5 | 67.3 | 68.6 | 70.3 | 67.4 | 62.8 | 66.1 | 67.5 | 67.9 | |
| Staff Cost (% of sales) | 5.2 | 4.9 | 4.9 | 4.1 | 4.6 | 4.0 | 4.6 | 5.2 | 4.7 | 4.6 | 4.4 | |
| Other Expenses (% of sales) | 17.1 | 17.2 | 17.2 | 16.6 | 15.9 | 15.4 | 16.7 | 19.2 | 17.0 | 16.7 | 16.8 | |
| **EBITDA** | **2,895** | **3,219** | **3,302** | **3,538** | **3,463** | **3,862** | **3,616** | **3,743** | **12,953** | **14,685** | **3,660** | **5.5** |
| Margins (%) | 12.4 | 12.0 | 12.4 | 12.0 | 10.9 | 10.3 | 11.3 | 12.8 | 12.2 | 11.2 | 10.9 | |
| Depreciation | 814 | 819 | 860 | 901 | 929 | 994 | 1,000 | 958 | 3,394 | 3,880 | 950 | |
| Interest | 15 | 23 | 31 | 31 | 46 | 75 | 20 | -30 | 101 | 111 | 25 | |
| Other Income | 161 | 140 | 90 | 167 | 114 | 85 | 170 | 235 | 558 | 605 | 150 | |
| **PBT before EO expense** | **2,227** | **2,518** | **2,499** | **2,773** | **2,604** | **2,878** | **2,766** | **3,051** | **10,017** | **11,299** | **2,835** | |
| Extra-Ord expense | 0 | 0 | 206 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Tax Rate (%) | 25.5 | 25.5 | 25.6 | 24.4 | 25.2 | 25.8 | 25.2 | 24.6 | 24.7 | 25.2 | 25.2 | |
| **Adj. PAT** | **1,658** | **1,876** | **1,862** | **2,098** | **1,946** | **2,135** | **2,069** | **2,301** | **7,545** | **8,451** | **2,121** | **0.7** |
| YoY Change (%) | 1.8 | 1.5 | 18.7 | 12.1 | 17.4 | 13.8 | 11.1 | 9.7 | 8.4 | 12.0 | 13.1 | |

**Maxwell**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY26 | FY27E | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INR m | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 1QE | (%) |
| **Net Sales** | **310** | **440** | **400** | **470** | **570** | **850** | **600** | **364** | **1,610** | **2,384** | **419** | **103.1** |
| YoY Change (%) | 811.8 | 131.6 | 53.3 | 123.8 | 83.9 | 93.2 | 50.0 | -22.6 | 131.7 | 48.1 | 35.0 | |
| **EBITDA** | **10.0** | **19.0** | **23.0** | **-40.0** | **40.0** | **59.0** | **51.0** | **40.7** | **10.0** | **190.7** | **21** | **182.0** |
| Margins (%) | 3.2 | 4.3 | 5.8 | -8.5 | 7.0 | 6.9 | 8.5 | 11.2 | 0.6 | 8.0 | 5.0 | |

# Mahanagar Gas

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 04 Nov''26
**Time:** 4:00pm IST
**Dial-in details:**
+91 22 6280 1143
+91 22 7115 8044

## CMP: INR1,020 — Buy

## Miss led by higher-than-estimated increase in gas cost

- **Total volumes were in line with our estimate at 4.9mmscmd** (+6% YoY).
  - CNG/D-PNG volumes clocked 9%/10% YoY growth, whereas I&C PNG declined 8% YoY.
- **EBITDA/scm came in 9% below our estimate at INR6.8/scm.**
  - On a QoQ basis, EBITDA/scm decreased by INR1.1/scm as the INR1.7/scm increase in realization was offset by higher gas cost/opex of INR2.5/INR0.3 per scm.
  - Reported EBITDA was 10% below our est. at INR3b (-10% YoY).
- MAHGL's reported PAT also stood 28% below our est. at INR1.4b (-29% YoY). Adjusted PAT stood 22% below estimates at INR1.5b.
  - During the quarter, the company recognized an impairment loss of INR173.3m on its INR845m investment in 3EV Industries (EV manufacturing/ retrofitment) as an exceptional item, following a fair value assessment.
  - Depreciation/interest came above our estimate, while other income was below.

**Standalone - Quarterly Earning Model** (INR m)

| Y/E March | FY26 | | | | FY27 | | FY26 | FY27E | FY27 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | | 2QE | (%) |
| **Net Sales** | **20,814** | **20,493** | **20,583** | **20,512** | **23,717** | **25,371** | **82,402** | **97,974** | **25,275** | **0%** |
| YoY Change (%) | 25.0 | 14.7 | 11.5 | 4.5 | 13.9 | 23.8 | 13.5 | 18.9 | 23.3 | |
| **EBITDA** | **5,007** | **3,380** | **3,521** | **2,603** | **3,430** | **3,048** | **14,511** | **14,827** | **3,388** | **-10%** |
| EBITDA/SCM | 12.4 | 8.0 | 8.3 | 6.2 | 7.9 | 6.8 | 8.7 | 8.2 | 7.5 | |
| Margins (%) | 24.1 | 16.5 | 17.1 | 12.7 | 14.5 | 12.0 | 17.6 | 15.1 | 13.4 | |
| Depreciation | 959 | 1,038 | 1,034 | 1,061 | 1,086 | 1,163 | 4,092 | 4,430 | 1,108 | |
| Interest | 45 | 50 | 63 | 48 | 57 | 76 | 206 | 257 | 64 | |
| Other Income | 319 | 289 | 294 | 290 | 304 | 235 | 1,192 | 1,371 | 339 | |
| **PBT before EO expense** | **4,322** | **2,580** | **2,718** | **1,785** | **2,591** | **2,044** | **11,405** | **11,511** | **2,555** | **-20%** |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | -173 | 0 | -173 | 0 | |
| **PBT** | **4,322** | **2,580** | **2,718** | **1,785** | **2,591** | **1,871** | **11,405** | **11,337** | **2,555** | **-27%** |
| Rate (%) | 26.1 | 25.1 | 25.7 | 26.1 | 25.2 | 26.7 | 25.8 | 25.2 | 25.2 | |
| **Reported PAT** | **3,196** | **1,934** | **2,020** | **1,319** | **1,937** | **1,370** | **8,468** | **8,484** | **1,912** | **-28%** |
| **Adj PAT** | **3,196** | **1,934** | **2,020** | **1,319** | **1,937** | **1,497** | **8,468** | **8,613** | **1,912** | **-22%** |
| YoY Change (%) | 10.5 | -32.6 | -9.4 | -45.6 | -39.4 | -22.6 | -18.7 | 1.7 | -1.1 | |
| Margins (%) | 15.4 | 9.4 | 9.8 | 6.4 | 8.2 | 5.9 | 10.3 | 8.8 | 7.6 | |
| **Sales Volumes (mmscmd)** | | | | | | | | | | |
| CNG | 3.2 | 3.3 | 3.3 | 3.3 | 3.5 | 3.6 | 3.3 | 3.6 | 3.5 | 0% |
| PNG - Domestic | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 2% |
| PNG - Industrial/ Commercial | 0.7 | 0.8 | 0.7 | 0.7 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | -8% |
| PNG - Total | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | -3% |
| **Total Volumes** | **4.5** | **4.6** | **4.6** | **4.7** | **4.8** | **4.9** | **4.6** | **5.0** | **4.9** | **-1%** |

# Jain Resource Recycling

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 4th Oct 26
**Time:** 12:30 PM IST
**Dial-in details:**
click here

**CMP: INR270** **BUY**

## Operating performance in line

- Consol. revenue grew 58% YoY to INR33.4b (est. INR30.1b)
- Gross margin contracted 470bp YoY to 6.4% (est. 9%)
- EBITDA declined 13% YoY to INR1.4b (est. in line)
- EBITDA margin contracted ~340bp YoY to 4.2% (est. 4.7%)
- Adj. PAT declined 6.5% YoY to INR928m (est. INR1b)
- PAT was adjusted for INR23.3m, related to an incident at the manufacturing facility affecting property, plant, and equipment (~INR18.56m), as well as Inventory (~INR4.7m)
- For 1HFY26, its revenue/adj. PAT grew 65%/4% YoY to INR60.6b/ INR2.5b, while the EBITDA declined 1% YoY to INR2.5b.

### Segmental performance

- Lead business declined 20% YoY to INR8.1b. Volume stood at 34.8KMT (down 22% YoY) and EBITDA/MT stood at INR19,311 (-13% YoY) for the quarter.
- Copper business revenue grew 2x YoY to INR20.2b, volume stood at 14.7KMT (up 56% YoY) and EBITDA/MT stood at INR41,613 (-33% YoY).
- Aluminum business revenue grew 26% YoY to INR827m. Volumes stood at 2.4KMT, up 78% YoY. EBITDA/MT stood flat at INR21,260.

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

| | FY26 | | | | FY27 | | | | FY26 | FY27E | FY27 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | Var |
| **Gross Sales** | **15,493** | **21,137** | **27,752** | **31,050** | **27,245** | **33,370** | **43,214** | **40,426** | **95,431** | **1,44,255** | **30,167** | **11%** |
| YoY Change (%) | 3.5 | 51.8 | 55.8 | 76.4 | 75.9 | 57.9 | 55.7 | 30.2 | 48.4 | 51.2 | 42.7 | |
| **Gross Profit** | 1,560.9 | 2,344.5 | 2,822.4 | 1,461.9 | 1,697.2 | 2,124.8 | 4,321.4 | 3,973.0 | 8,189.7 | 12,116.5 | 2,715.1 | |
| Total Expenditure | 14,592 | 19,537 | 25,763 | 29,950 | 26,149 | 31,982 | 40,957 | 38,270 | 89,842 | 1,37,358 | 28,744 | |
| **EBITDA** | **901** | **1,600** | **1,989** | **1,100** | **1,095** | **1,388** | **2,257** | **2,157** | **5,589** | **6,897** | **1,423** | **-2%** |
| Margins (%) | 5.8 | 7.6 | 7.2 | 3.5 | 4.0 | 4.2 | 5.2 | 5.3 | 5.9 | 4.8 | 4.7 | |
| Depreciation | 30 | 33 | 38 | 44 | 44 | 58 | 52 | 53 | 145 | 207 | 46 | |
| Interest | 162 | 275 | 258 | 262 | 189 | 208 | 320 | 388 | 957 | 1,105 | 240 | |
| Other Income | 72 | 61 | 54 | 97 | 91 | 129 | 175 | 190 | 284 | 585 | 128 | |
| **PBT before EO expense** | **780** | **1,353** | **1,747** | **890** | **954** | **1,252** | **2,060** | **1,905** | **4,770** | **6,171** | **1,265** | |
| Extra-Ord expense | 0 | 0 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 0 | 0 | |
| **PBT** | **780** | **1,353** | **1,747** | **890** | **954** | **1,228** | **2,060** | **1,905** | **4,770** | **6,171** | **1,265** | |
| Tax | 203 | 359 | 449 | 227 | 245 | 321 | 538 | 498 | 1,239 | 1,602 | 270 | |
| Rate (%) | 26.0 | 26.6 | 25.7 | 25.5 | 25.7 | 26.1 | 26.1 | 26.1 | 26.0 | 26.0 | 21.3 | |
| Minority Interest & Profit/Loss of Asso. Cos. | -2 | -2 | -3 | -3 | -13 | 3 | 25 | 34 | -9 | 50 | 20 | |
| **Reported PAT** | **575** | **992** | **1,295** | **660** | **696** | **911** | **1,547** | **1,441** | **3,522** | **4,618** | **1,015** | |
| **Adj PAT** | **575** | **992** | **1,295** | **660** | **696** | **928** | **1,547** | **1,441** | **3,522** | **4,618** | **1,015** | **-9%** |
| YoY Change (%) | -4.2 | 77.7 | 150.2 | 21.8 | 21.0 | -6.5 | 19.5 | 118.2 | 58.8 | 31.1 | 2.3 | |
| Margins (%) | 3.7 | 4.7 | 4.7 | 2.1 | 2.6 | 2.8 | 3.6 | 3.6 | 3.7 | 3.2 | 3.4 | |

# Bata India

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 4th Nov 2026
**Time:** 4:00PM IST

**Financials & Valuations (INR b)**

| Y/E March | FY27E | FY28E | FY29 |
|---|---|---|---|
| Sales | 36.3 | 38.7 | 41. |
| EBITDA | 7.7 | 8.4 | 9. |
| Adj. PAT | 2.1 | 2.6 | 3. |
| EBITDA Margin (%) | 21.3 | 21.8 | 22. |
| Adj. EPS (INR) | 16.6 | 20.1 | 25. |
| EPS Gr. (%) | 4.1 | 21.0 | 24. |
| BV/Sh. (INR) | 132.5 | 142.5 | 155. |
| **Ratios** | | | |
| Net D:E | 0.1 | 0.0 | -0. |
| RoE (%) | 13.0 | 14.6 | 16. |
| RoCE (%) | 10.4 | 11.4 | 12. |
| RoIC (%) | 12.0 | 15.1 | 18. |
| **Valuations** | | | |
| P/E (x) | 36.8 | 30.5 | 24. |
| EV/EBITDA (x) | 10.9 | 9.7 | 8. |
| EV/Sales (X) | 2.3 | 2.1 | 1. |
| Div. Yield (%) | 1.4 | 1.4 | 1. |

## CMP: INR650 — Neutral

### Revenue accelerates on distribution; inventory gains lift full-price sales, opex caps EBITDA

- Revenue grew 8% YoY to INR8.6b (5% ahead). Growth was led by double-digit growth in the distribution (I&D) channel, while e-commerce grew 5% YoY.
- Gross margin expanded 5bp YoY to 55.5% (45bp ahead), despite a 60bp drag from channel mix.
- Full-price sales rose to 86% (vs. 77% in 2QFY26) on fresher inventory. **Gross profit grew 8% YoY to INR4.8b (6% ahead).**
- Employee costs rose 9% YoY, reversing the declines of recent quarters. SG&A grew 13% YoY (10% above estimates) on campaign-led A&P and INR69m of one-offs (forex loss on license fees and a fixed-asset write-off). Excluding the one-offs, SG&A grew ~10% YoY.
- **EBITDA declined 1% YoY** to INR1.4b (2% ahead), with margin contracting 140bp YoY to 16.7% (55bp miss).
- Adjusted for the one-offs, EBITDA grew ~4% YoY at a ~17.5% margin (down ~60bp YoY).
- Depreciation was flat YoY at INR1.0b and finance costs declined 4% YoY. Other income fell 16% YoY on lower surplus cash.
- Adjusted PAT declined 18% YoY to INR181m (17% ahead). Underlying PBT (ex-one-offs) was up ~4% YoY.
- **Reported PAT grew 31% YoY, supported by an INR83m VRS charge in the base quarter.**
- 1HFY27 revenue grew 6% YoY to INR18.4b, with gross margin up 75bp YoY to 55.1%.
- EBITDA grew 1% YoY to INR3.5b, with margin down 80bp YoY to 18.9%.
- Pre-IND AS EBITDA stood at INR1b, down 20%, with margins at 5.7% (down 180bp YoY).
- Adjusted PAT grew 4% YoY to INR821m.

### Working capital and cash flow analysis

- Inventory days held at 73 (vs. 83 in 1HFY26), with absolute inventory down 7% YoY to INR7.2b. Stock turns improved to 2.6x (vs. 2.2x).
- Receivables grew 41% YoY, lifting receivable days to 23 (vs. 17), likely due to faster distribution growth. Payable days fell to 37 (vs. 40).
- Pre-Ind AS operating cash flow was INR248m in 1HFY27, weighed by a INR764m working capital outflow. After INR401m of capex, FCFF was negative at INR153m.

### Management commentary

- I&D revenue grew in double digits YoY, ahead of company growth of 8%, with KROs rising 2.6x YoY to ~3,900 (target: 5,000+ by 3QFY27) and MBO reach exceeding 17,000.
- ***Secondary sales grew in mid-20s, though lower channel margins and longer credit terms weighed on the mix and receivables.***
- E-commerce growth slowed to 5% YoY (from mid-20s in 4QFY26), contributing 13.3% of revenue, while Bata.com grew 26%.
- Zero Base Merchandising expanded to 850 stores (from 775 in 1Q), covering ~80% of contribution across the 2,043-store network.
- Campaign intensity remained high across festive, movie tie-in and kids' concert initiatives, contributing to elevated SG&A.

**Consol P&L (INR m)**

| | 2QFY26 | 1QFY26 | 2QFY27 | YoY% | QoQ% | 2QFY27E | v/s Est (%) |
|---|---|---|---|---|---|---|---|
| **Total Revenue** | **8,013** | **9,789** | **8,618** | **8** | **-12** | **8,174** | **5** |
| Raw Material cost | 3,574 | 4,429 | 3,837 | 7 | -13 | 3,678 | 4 |
| **Gross Profit** | **4,439** | **5,360** | **4,780** | **8** | **-11** | **4,495** | **6** |
| **Gross margin (%)** | **55.4** | **54.8** | **55.5** | **7.2** | **71.4** | **55.0** | **47.2** |
| Employee Costs | 1,114 | 1,136 | 1,217 | 9 | 7 | 1,152 | 6 |
| SGA Expenses | 1,876 | 2,185 | 2,125 | 13 | -3 | 1,933 | 10 |
| **EBITDA** | **1,449** | **2,039** | **1,439** | **-1** | **-29** | **1,410** | **2** |
| **EBITDA margin (%)** | **18.1** | **20.8** | **16.7** | **-139.2** | **-414.1** | **17.3** | **-55.8** |
| Depreciation and amortization | 1,050 | 1,034 | 1,048 | 0 | 1 | 1,082 | -3 |
| EBIT | 399 | 1,006 | 391 | -2 | -61 | 328 | 19 |
| EBIT margin (%) | 5.0 | 10.3 | 4.5 | -45.1 | -573.9 | 4.0 | 52.2 |
| Finance Costs | 338 | 327 | 324 | -4 | -1 | 349 | -7 |
| Other income | 214 | 180 | 181 | -16 | 0 | 228 | -21 |
| Exceptional item | 83 | 0 | 0 | | | 0 | NM |
| **Profit before Tax** | **193** | **859** | **247** | **28** | **-71** | **207** | **20** |
| Tax | 54 | 219 | 66 | 22 | -70 | 52 | 26 |
| Tax rate (%) | 28.0 | 25.5 | 26.6 | -4.9 | 111.7 | 25.2 | NM |
| **Profit after Tax** | **139** | **640** | **181** | **31** | **-72** | **155** | **17** |
| **Adj Profit after Tax** | **222** | **640** | **181** | **-18** | **-72** | **155** | **17** |

# V2 Retail

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 04th Nov 2026
**Time:** 12:00pm IST

**Financials & Valuations (INR b)**

| INR million | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 47.3 | 67.7 | 84.2 |
| EBITDA | 6.5 | 9.8 | 12.5 |
| NP | 1.6 | 2.6 | 3.6 |
| EBITDA Margin (%) | 13.8 | 14.5 | 14.8 |
| Adj. EPS (INR) | 4.3 | 7.1 | 10.0 |
| EPS Gr. (%) | 4.0 | 67.3 | 39.7 |
| BV/Sh. (INR) | | | |
| **Ratios** | | | |
| Net D:E | 1.7 | 1.8 | 1.5 |
| RoE (%) | 14.7 | 19.7 | 21.6 |
| RoCE (%) | 22.5 | 29.6 | 35.0 |
| **Valuations** | - | - | - |
| P/E (x) | | | |
| EV/EBITDA (x) | 47.4 | 28.3 | 20.3 |
| EV/Sales (x) | 14.1 | 9.9 | 7.9 |

## CMP: INR165 — Buy

### Gross margin leads to beat; Pre-Ind AS margin impacted by festive shift

- Revenue grew 28% YoY to INR9.1b (down 9.2% QoQ), driven by store expansion amid festive shift.
  - **V2 opened 49 stores and closed three during the quarter, taking the store count to 427 and retail area to 4.6m sqft (+65% YoY).**
  - Festival-normalized SSSG stood at just 0.5% (V-Mart: 11% adjusted), sharply lower vs. ~7–8% in the preceding quarters, impacted significantly due to the festive shift. Reported SSSG was -14.9% (vs. 7.5% in 1Q).
  - SPSF declined 25% YoY to INR700, as 106 of the 427 stores opened in 1HFY27 and are still ramping up.
  - Volume grew 31% YoY, while ASP fell ~3% to INR307 and full-price sales slipped to 91% (vs. 92%).
- Gross profit grew 42% YoY to INR2.8b (~6% beat), as **gross margin expanded ~310bp YoY (~180bp beat) to 31.1%,** led by lower discounting.
- Employee expenses rose 55% YoY (+11% QoQ) and other expenses 30% YoY (+10% QoQ), both slightly below our estimates.
- Reported EBITDA grew 41% YoY to INR1.2b (~20% beat), with margin up ~120bp YoY to 13.3% (~220bp ahead of our estimate), led by gross margin flowthrough.
  - **Pre-Ind AS EBITDA** rose only 20% YoY to INR534m, with **margin contracting ~40bp YoY to 5.9%** (vs. 8.0% in 1QFY27), as other expenses including rent rose 46% YoY.
  - **Pre-Ind AS PAT declined 4% YoY to INR242m.**
- Depreciation rose by ~82% YoY, while finance costs rose 6% YoY (+19% QoQ).
- **PAT was flat YoY at INR182m (vs. our estimated loss of INR68m).**

### 1HFY27 performance

- Revenue **grew 42% YoY to INR19.0b**, driven entirely by ~65% YoY store additions, **as blended SSSG stood at -3.7%.**
- Reported **EBITDA grew 50% YoY** to INR2.6b as **margin expanded ~70bp YoY** to 13.6%, led by ~110bp YoY gross margin expansion.
- Pre-INDAS EBITDA stood at INR1.3b (up 37% YoY), with margin contracting ~20bp YoY to 7.0%.
- Reported PAT grew 43% YoY to INR0.6b.

### Significant decline in payable leads to FCF outflow in 1H

- Core working capital days rose to 88 (vs. 81 in FY26 and 45 in 1HFY26), as inventory days increased to 146 (vs. 136/121 in FY26/1HFY27) on store expansion and the festive shift. Payable days stood at 58 (vs. 55 in FY26 and 80 in 1HFY26).
- **Operating cash flow** before WC grew 48% YoY to INR2.8b, but INR2.6b WC absorption (vs. INR0.8b) reduced CFO to INR180m (vs. INR1.1b).
  - Post-interest and lease **CFO turned negative at INR1.2b (vs. +INR362m),** while higher capex of INR1.4b widened **FCF outflow to INR2.6b (vs. INR0.5b).**
- Gross borrowings more than doubled to INR5.3b (vs. INR2.5b in FY26), with net debt at INR5.2b and net debt/TTM EBITDA of 1.6x.

**P&L (INR m)**

| P&L (INR m) | 2QFY26 | 1QFY27 | 2QFY27 | YoY% | QoQ% | 2QFY26E | v/s est (%) |
|---|---|---|---|---|---|---|---|
| **Revenue** | **7,049** | **9,972** | **9,056** | **28.5** | **-9.2** | **9,050** | **0.1** |
| Raw Material cost | 5,076 | 7,122 | 6,243 | 23.0 | -12.3 | 6,403 | -2.5 |
| **Gross Profit** | **1,973** | **2,850** | **2,813** | **42.6** | **-1.3** | **2,647** | **6.3** |
| **Gross Margin (%)** | **28.0** | **28.6** | **31.1** | **307bps** | **248bps** | **29.3** | **182bps** |
| Employee Costs | 572 | 803 | 892 | 55.9 | 11.1 | 923 | -3.4 |
| Other Expenses | 543 | 652 | 718 | 32.3 | 10.0 | 724 | -0.8 |
| **Total Expenses** | **1,143** | **1,484** | **1,641** | **43.6** | **10.6** | **1,676** | **-2.1** |
| **EBITDA** | **858** | **1,395** | **1,203** | **40.2** | **-13.7** | **1,000** | **20.3** |
| **EBITDA margin (%)** | **12.2** | **14.0** | **13.3** | **111bps** | **-70bps** | **11.1** | **224bps** |
| Depreciation and amortization | 373 | 639 | 683 | 83.1 | 6.9 | 734 | -6.9 |
| EBIT | 485 | 756 | 520 | 7.2 | NM | 266 | -95.6 |
| EBIT margin (%) | 6.9 | 7.6 | 5.7 | -114bps | -184bps | 2.9 | 281bps |
| Finance Costs | 279 | 250 | 297 | 6.2 | 18.7 | 372 | -20.2 |
| Other income | 5 | 10 | 25 | 431.9 | 151.3 | 15 | 62.2 |
| Exceptional item | 0 | 0 | 0 | 0.0 | 0.0 | 0 | NM |
| **Profit before Tax** | **211** | **516** | **249** | **17.8** | **-51.9** | **-91** | **-374.4** |
| Tax | 30 | 97 | 66 | **118.0** | **-32.5** | -23 | |
| Tax rate (%) | 14.3 | 18.9 | 26.4 | 1215bps | 758bps | 25.2 | |
| **Profit after Tax** | **181** | **419** | **183** | **1.1** | **-56.4** | **-68** | **-369.8** |

# V-Mart Retail

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 03rd Nov 2026
**Time:** 4:00pm IST

**Financials & Valuations (INR b)**

| INR million | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 45.7 | 53.6 | 62.3 |
| EBITDA | 6.3 | 7.8 | 9.3 |
| NP | 1.6 | 2.3 | 3.0 |
| EBITDA Margin (%) | 13.8 | 14.6 | 14.9 |
| Adj. EPS (INR) | 19.7 | 29.4 | 37.6 |
| EPS Gr. (%) | 25.1 | 49.2 | 28.1 |
| BV/Sh. (INR) | 139.5 | 168.9 | 206.5 |
| **Ratios** | | | |
| Net D:E | 0.8 | 0.5 | 0.3 |
| RoE (%) | 15.2 | 19.0 | 20.0 |
| RoCE (%) | 11.1 | 14.2 | 16.0 |
| **Valuations** | | | |
| P/E (x) | 37.4 | 25.0 | 19.5 |
| EV/EBITDA (x) | 10.6 | 8.3 | 6.7 |
| EV/Sales (x) | 1.3 | 1.1 | 0.9 |

## CMP: INR735 — Buy

### Resilient 2Q with EBITDA margin expansion despite festive shift

- 2Q revenue grew 18% YoY to INR9.5b, driven by 15% YoY store additions and robust blended SSSG of ~3% (11% adjusted for the festive shift).
  - SSSG for V-Mart (core) stood at 2% (vs. 8%/11% in 1QFY27/2QFY26, 10% adjusted for festive shift), while SSSG for Unlimited came in at 11% (vs. 13%/11% in 1QFY27/2QFY26, 12% adjusted for festive shift).
- V-Mart opened 23 new stores (20 in V-Mart and three in Unlimited) and closed one store (in V-Mart) during the quarter, bringing the total store count to 613.
- Gross profit grew ~18% YoY to INR3.2b (vs. our est. of INR3.1b), as gross margins contracted ~15bp YoY to 33.5% (~85bp beat). The provision for aged inventory moderated ~70bp YoY, cushioning the impact from RM inflation.
- Employee expenses grew 15% YoY to INR1.1b, while other expenses rose ~18% YoY to INR1.2b (5% higher than our estimate) as A&P spends rose ~35% YoY to ~2.6% of sales (+30bp YoY).
- Resultantly, reported EBITDA rose ~20% YoY to INR0.86b (our est. INR0.83b), with margins expanding ~15bp YoY to 9% (~35bp beat).
- **Pre-IND AS 116 EBITDA came in at INR59m (vs. INR44m YoY), with margins expanding ~5bp YoY to 0.6% (30bp beat).**
- Depreciation increased 25% YoY (in line), while interest cost rose ~19% YoY (8% above our estimate).
- V-Mart reported loss stood at INR163m (vs. our estimated loss of INR155m and INR89m loss YoY).

### Robust 1HFY27 performance, despite the adverse impact of festive shift

- Revenue **grew ~21% YoY** to INR20.4b, driven mainly by ~15% store additions and 6% blended SSSG.
- Reported EBITDA **grew 25% YoY** to INR2.47b as margin expanded ~40bp YoY to 12.1%, as operating leverage offsets ~50bp YoY gross margin contraction.
- **For 1HFY26, we estimate that V-Mart's pre-INDAS EBITDA stood at INR891m (up 36% YoY), with margin expanding ~50bp YoY to 4.4%.**
- Reported PAT **grew ~25% YoY** to INR0.31b.

### Significant decline in payable leads to FCF outflow in 1H

- Inventory days declined to ~105 (vs. 109 YoY), while payable days declined sharply to 53 (vs. 91 YoY). As a result, core working capital days stood at 52 (vs. 18 YoY). Core WC surged 3.4X YoY to INR5.9b (vs. ~21% YoY revenue growth).
- V-Mart's 1HFY27 OCF outflow (after leases and interest) stood at INR0.3b (vs. FCF generation of INR0.87b YoY) as ~36% YoY growth in pre-IND AS EBITDA was offset by WC build-up (INR0.94b vs. release of INR0.29b YoY).
- Driven by store additions, capex rose ~40% YoY to INR0.8b (vs. ~INR0.6b YoY), which, along with WC build-up, resulted in FCF outflow of INR1.1b (vs. generation of INR0.28b YoY).
- As a result, V-Mart's net debt (excluding leases) rose to ~INR1.7b (vs. INR0.6b YoY).

## Unlimited continues its strong outperformance

- **V-Mart (core):** 2Q revenue grew ~17% YoY to INR7.8b, supported by 19 net store additions (up 16% YoY) and ~2% YoY growth in monthly SPSF. Growth remained largely volume-led (up ~21% YoY), while ASP declined ~3% YoY. Reported EBITDA rose ~13% YoY to INR685m, as margins contracted ~30bp YoY to 8.8%.
- **Unlimited**: 2QFY27 revenue grew ~25% YoY to INR1.7b, supported by three net store additions (up ~9% YoY) and ~12% YoY growth in monthly SPSF. Growth remained largely volume-led (up ~25% YoY), while ASP increased ~1% YoY. Reported EBITDA surged ~38% YoY to INR199m, with margins expanding ~115bp YoY to 11.6%, reflecting strong operating leverage.
- **LimeRoad (LR):** Commission income rose ~68% YoY to INR143m, while operating losses narrowed ~32% YoY to INR23m (vs. INR34m loss in 2QFY26).

## Operational highlights

- 2QFY27 footfalls grew 36% YoY to 26m. However, conversions moderated to ~39% to 10m (still up ~15% YoY).
- Blended ASP declined ~2% YoY to INR209, driven by a ~3% YoY decline in V-Mart (core) ASP to INR190, while Unlimited ASP increased ~1% YoY to INR388. Blended ATV increased ~1% YoY to INR969.

**P&L (INR m)**

| P&L (INR m) | 2QFY26 | 1QFY27 | 2QFY27 | YoY% | QoQ% | 2QFY27E | vs. est (%) |
|---|---|---|---|---|---|---|---|
| **Revenue** | **8,069** | **10,888** | **9,530** | **18.1** | **-12.5** | **9,530** | **0.0** |
| Raw Material cost | 5,355 | 7,136 | 6,341 | 18.4 | -11.2 | 6,422 | -1.3 |
| **Gross Profit** | **2,714** | **3,752** | **3,189** | **17.5** | **-15.0** | **3,108** | **2.6** |
| **Gross Margin (%)** | **33.6** | **34.5** | **33.5** | -16bps | -99bps | **32.6** | 85bps |
| Employee Costs | 976 | 1,112 | 1,120 | 14.7 | 0.6 | 1,132 | -1.1 |
| Other Expenses | 1,022 | 1,033 | 1,209 | 18.3 | 17.1 | 1,149 | 5.3 |
| **EBITDA** | **715** | **1,606** | **861** | **20.3** | **-46.4** | **828** | **3.9** |
| **EBITDA margin (%)** | **8.9** | **14.8** | **9.0** | **17bps** | **-572bps** | **8.7** | **34bps** |
| IND AS Rent | 671 | 774 | 802 | 19.6 | 3.6 | 800 | 0.3 |
| **Pre-IND AS EBITDA** | **44** | **832** | **59** | **32.1** | **-92.9** | **28** | **106.5** |
| **EBITDA margin (%)** | **0.6** | **7.6** | **0.6** | 7bps | -703bps | **0.3** | 32bps |
| Depreciation and amortization | 711 | 840 | 888 | 24.8 | 5.7 | 889 | -0.1 |
| EBIT | 4 | 767 | -27 | -756.1 | NM | -61 | 55.6 |
| EBIT margin (%) | 0.1 | 7.0 | -0.3 | -33bps | -733bps | -0.6 | 35bps |
| Finance Costs | 175 | 198 | 207 | 18.6 | 4.4 | 192 | 7.8 |
| Other income | 34 | 27 | 27 | -21.9 | 1.1 | 45 | -40.8 |
| Exceptional item | 0 | 0 | 0 | 0.0 | 0.0 | 0 | NM |
| **Profit before Tax** | **-136** | **595** | **-207** | **52.1** | **-134.8** | **-207** | **-0.1** |
| Tax | -47 | 123 | -44 | **-8.0** | **-135.4** | -52 | |
| Tax rate (%) | 34.8 | 20.7 | 21.1 | -1376bps | 38bps | 25.2 | |
| **Profit after Tax** | **-89** | **472** | **-163** | **84.2** | **-134.6** | **-155** | **5.3** |

**Format wise breakup (INR m)**

| | 2QFY26 | 1QFY27 | 2QFY27 | YoY% | QoQ% | 2QFY27E | v/s est (%) |
|---|---|---|---|---|---|---|---|
| Vmart (core) | 6,624 | 8,163 | 7,750 | 17.0 | -5.1 | 7,732 | 0.2 |
| Unlimited | 1,380 | 1,842 | 1,721 | 24.7 | -6.6 | 1,727 | -0.4 |
| Limeroad | 66 | 104 | 143 | 116.7 | 37.5 | 71 | 102.7 |
| **Overall revenue** | **8,070** | **10,888** | **9,530** | **18.1** | **-12.5** | **9,530** | **0.0** |
| **Segmental EBITDA** | | | | | | | |
| Vmart (core) | 605 | 1,291 | 685 | 13.2 | -46.9 | 648 | 5.6 |
| Unlimited | 144 | 343 | 199 | 38.2 | -42.0 | 192 | 3.8 |
| Limeroad | -34 | -28 | -23 | 32.4 | 17.9 | -12 | -91.7 |
| **Overall EBITDA** | **715** | **1,606** | **861** | **20.4** | **-46.4** | **828** | **4.0** |
| **Segmental EBITDA margins** | | | | | | | |
| Vmart (core) | 9.1% | 15.8% | 8.8% | -29bp | -698bp | 8.4% | 45bp |
| Unlimited | 10.4% | 18.6% | 11.6% | 113bp | -706bp | 11.1% | 46bp |
| **EBITDAM** | **8.9%** | **14.8%** | **9.0%** | **17bp** | **-572bp** | **8.7%** | **34bp** |

**Format wise stores**

| | 2QFY26 | 1QFY27 | 2QFY27 | YoY% | QoQ% | | |
|---|---|---|---|---|---|---|---|
| Vmart (core) | 438 | 490 | 509 | 16.2 | 3.9 | | |
| Unlimited | 95 | 101 | 104 | 9.5 | 3.0 | | |
| **Total stores** | **533** | **591** | **613** | **15.0** | **3.7** | | |
| **Calculated monthly SPSF (INR/sqft)** | **598** | **724** | **618** | **3.4** | **-14.7** | | |
| Vmart (core) | 605 | 736 | 616 | 1.9 | -16.3 | | |
| Unlimited | 541 | 653 | 604 | 11.7 | -7.5 | | |

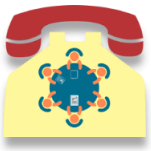
**ASP (INR)**

| | 2QFY26 | 1QFY27 | 2QFY27 | YoY% | QoQ% |
|---|---|---|---|---|---|
| Vmart (core) | 196 | 204 | 190 | -3.1 | -6.9 |
| Unlimited | 383 | 393 | 388 | 1.3 | -1.3 |
| **Blended ASP** | **214** | **223** | **209** | **-2.3** | **-6.3** |
| **Total Volume (in m)** | | | | | |
| Vmart (core) | 33.8 | 40.0 | 40.8 | 20.7 | 1.9 |
| Unlimited | 3.6 | 4.7 | 4.4 | 23.1 | -5.4 |
| **Total** | **37.7** | **48.8** | **45.6** | **20.9** | **-6.6** |
| **ATV (INR)** | **2QFY26** | **1QFY27** | **2QFY27** | **YoY%** | **QoQ%** |
| Vmart (core) | 887 | 955 | 894 | 0.9 | -6.3 |
| Unlimited | 1,576 | 1,715 | 1,558 | -1.1 | -9.1 |
| **Blended ATV** | **957** | **1,033** | **969** | **1.2** | **-6.2** |
| **Total bills (in m)** | | | | | |
| Vmart (core) | 7.5 | 8.5 | 8.7 | 16.0 | 1.4 |
| Unlimited | 0.9 | 1.1 | 1.1 | 26.1 | 2.8 |
| **Total** | **8.4** | **10.5** | **9.8** | **16.7** | **-6.7** |

# Prince Pipes & Fittings

| BSE Sensex | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 04 Nov 2026
**Time:** 11:30 IST
Diamond pass link

## CMP: INR276 — BUY

## A healthy quarter, ~10% beat

- Prince Pipes & Fittings (PRINCPIP) reported better-than-estimated results in 2QFY27.
- Volumes grew by a healthy 22% YoY (up 28% QoQ) to 52,080 mt.
- Consolidated revenue/EBITDA/PAT grew 38%/83%/226% YoY, beating our estimates by 10-13%.
- EBITDA margin stood at 12.2%. (in line).

### Management commentary

- The operating environment during the quarter showed encouraging signs of stabilization following the volatility in PVC prices, supported by the government's implementation of the minimum import price (MIP) on suspension-grade PVC.
- The company continues to strengthen portfolio through new product offerings, an increasing contribution from premium products and deeper market penetration.
- Looking ahead, focus remains on driving sustainable growth through volume expansion, a stronger product mix and increased penetration of value-added products.

**Quarterly performance** (INR m)

| | FY26 | | | | FY27 | | | | FY26 | FY27E | FY27E | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | % |
| **Net Sales** | **5,804** | **5,946** | **5,733** | **8,501** | **6,094** | **8,208** | **7,943** | **9,809** | **25,983** | **32,054** | **7,495** | **10** |
| YoY Change (%) | -4 | -4 | -1 | 18 | 5 | 38 | 39 | 15 | 2.9 | 23.4 | 26.1 | |
| Total Expenditure | 5,408 | 5,397 | 5,454 | 7,405 | 5,323 | 7,203 | 6,972 | 8,538 | 23,667 | 28,036 | 6,584 | |
| **EBITDA** | **396** | **549** | **279** | **1,096** | **772** | **1,005** | **971** | **1,271** | **2,316** | **4,019** | **911** | **10** |
| Margins (%) | 6.8 | 9.2 | 4.9 | 12.9 | 12.7 | 12.2 | 12.2 | 13.0 | 8.9 | 12.5 | 12.1 | |
| Depreciation | 307 | 325 | 336 | 343 | 350 | 355 | 360 | 365 | 1,311 | 1,429 | 355 | |
| Interest | 52 | 42 | -38 | 43 | 32 | 17 | 30 | 30 | 96 | 109 | 30 | |
| Other Income | 27 | 16 | 19 | 46 | 40 | 31 | 40 | 40 | 109 | 151 | 40 | |
| **PBT before EO expense** | **64** | **198** | **0** | **756** | **429** | **665** | **622** | **916** | **1,018** | **2,632** | **565** | |
| Extra-Ord expense | 0 | 0 | -20 | 0 | 0 | 0 | 0 | 0 | -20 | 0 | 0 | |
| **PBT** | **64** | **198** | **-20** | **756** | **429** | **665** | **622** | **916** | **1,038** | **2,632** | **565** | **18** |
| Tax | 15 | 51 | 4 | 195 | 91 | 187 | 155 | 229 | 266 | 663 | 141 | |
| Rate (%) | 24.2 | 26.0 | -18.2 | 25.8 | 21.3 | 28.2 | 25.0 | 25.0 | 25.6 | 25.2 | 25.0 | |
| **Reported PAT** | **48** | **146** | **-24** | **561** | **337** | **478** | **466** | **687** | **773** | **1,969** | **424** | **13** |
| **Adj PAT** | **48** | **146** | **-3** | **561** | **337** | **478** | **466** | **687** | **752** | **1,969** | **424** | **13** |
| YoY Change (%) | -80.5 | -0.5 | -98.4 | 132.1 | 600.2 | 226.4 | - | 22.5 | 74.4 | 161.7 | 189.8 | |
| Margins (%) | 0.8 | 2.5 | -0.1 | 6.6 | 5.5 | 5.8 | 5.9 | 7.0 | 2.9 | 6.1 | 5.7 | |

E: MOFSL Estimates

# Laxmi Dental

| BSE SENSEX | S&P CNX |
|---|---|
| 76,918 | 23,811 |

## Conference Call Details



**Date:** 04th Nov 2026
**Time:** 10:00 am IST
**Dial-in details:** Link

**Financials & Valuations (INRm)**

| Y/E MARCH | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 2,779 | 3,201 | 3,820 |
| EBITDA | 434 | 632 | 782 |
| Adj. PAT | 317 | 442 | 568 |
| EBITDA Margin (%) | 15.6 | 19.8 | 20.5 |
| Cons. Adj. EPS (INR) | 5.8 | 8.0 | 10.3 |
| EPS Gr. (%) | 21.1 | 39.6 | 28.4 |
| BV/Sh. (INR) | 44.3 | 52.3 | 62.7 |
| **Ratios** | | | |
| Net D:E | -0.1 | -0.2 | -0.2 |
| RoE (%) | 14.0 | 16.5 | 18.1 |
| RoCE (%) | 14.5 | 15.9 | 17.4 |
| Payout (%) | 0.0 | 0.0 | 0.0 |
| **Valuations** | | | |
| P/E (x) | 31.6 | 22.8 | 17.5 |
| EV/EBITDA (x) | 23.1 | 15.2 | 12.0 |
| EV/Sales (x) | 3.6 | 3.0 | 2.5 |
| Div. Yield (%) | 0.0 | 0.0 | 0.0 |
| FCF Yield (%) | -2.3 | 3.5 | 0.7 |

## CMP: INR182

## Operationally in-line performance

- Revenue grew 10% YoY to INR795m in 2QFY27 (broadly in line).
- Aligner business revenue grew 22% YoY to INR246m. Laboratory business grew 8% YoY to INR538m.
- Gross margins stood at 76.9% (up 840 bps) driven by a change in product mix
- EBITDA margin came in at 19.2% (our est: 20%), up 390bp YoY. This was due to an increase in employee/other expenses (up 350/100bps as a % of sales).
- EBITDA grew 38.5% YoY to INR153m (broadly in line).
- Adj. PAT grew 18% YoY to INR101m (a 4% miss).

### Other updates

- As of Sep'26, the shareholders approved the following changes to the utilization of IPO funds: INR481m unutilized proceeds will be redeployed, including INR269m towards land and building for a company-owned, integrated dental laboratory and aligner facility.

**Consolidated - Quarterly Earning Model**

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INRm | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 2QE | vs Est |
| **Net Sales** | **656** | **723** | **660** | **740** | **747** | **795** | **788** | **875** | **2,779** | **3,205** | **791** | **0.6%** |
| YoY Change (%) | 9.9 | 26.5 | 7.1 | 21.9 | 13.9 | 10.0 | 19.3 | 18.3 | 16.2 | 15.4 | 9 | |
| Total Expenditure | 537 | 612 | 591 | 605 | 603 | 643 | 633 | 696 | 2,345 | 2,575 | 636 | |
| **EBITDA** | **119** | **110** | **70** | **135** | **144** | **153** | **155** | **178** | **434** | **630** | **155** | **-1.5%** |
| YoY Change (%) | -15.0 | 26.3 | -27.6 | 41.8 | 20.6 | 38.5 | 122.9 | 32.2 | 3.6 | 45.2 | **41** | |
| Margins (%) | 18.2 | 15.3 | 10.5 | 18.3 | 19.2 | 19.2 | 19.7 | 20.4 | 15.6 | 19.7 | 20 | |
| Depreciation | 36 | 37 | 42 | 44 | 43 | 53 | 46 | 51 | 159 | 194 | **47** | |
| **EBIT** | **83** | **73** | **28** | **91** | **100** | **100** | **109** | **127** | **275** | **436** | **108** | |
| YoY Change (%) | -21.7 | 36.6 | -50.6 | 74.5 | 20.5 | 37.0 | 289.7 | 39.3 | 2.5 | 58.4 | **49** | |
| Interest | 5 | 2 | 3 | 3 | 3 | 4 | 1 | 1 | 14 | 9 | 1 | |
| Other Income | 17 | 24 | 21 | 24 | 23 | 22 | 24 | 26 | 85 | 95 | 24 | |
| **PBT before EO expense** | **96** | **94** | **46** | **111** | **120** | **117** | **132** | **152** | **347** | **522** | **131** | |
| Extra-Ord expense | 0 | 0 | 58 | 0 | 0 | 0 | 0 | 0 | 58 | 0 | 0 | |
| **PBT** | **96** | **94** | **-12** | **111** | **120** | **117** | **132** | **152** | **289** | **522** | **131** | |
| Tax | 23 | 19 | -22 | 5 | 25 | 22 | 27 | 31 | 25 | 105 | 26 | |
| Rate (%) | 23.8 | 19.8 | 175.6 | 4.5 | 20.7 | 19.0 | 20.2 | 20.2 | 8.6 | 20.0 | 20 | |
| MI & P/L of Asso. Cos. | 10 | 10 | 10 | -5 | 8 | 5 | 3 | 5 | 24 | 21 | 0 | |
| **Reported PAT** | **83** | **85** | **19** | **101** | **103** | **101** | **108** | **126** | **289** | **438** | **105** | |
| **Adj PAT** | **84** | **85** | **47** | **101** | **103** | **101** | **108** | **126** | **317** | **438** | **105** | **-4.2%** |
| YoY Change (%) | -20.1 | 44.8 | -2.3 | 150.2 | 22.7 | 17.8 | 130.2 | 25.1 | 21.1 | 38.1 | 22.9 | |
| Margins (%) | 12.8 | 11.8 | 7.1 | 13.7 | 13.8 | 12.6 | 13.7 | 14.5 | 11.4 | 13.7 | 13.3 | |

E: MOFSL Estimates

# In conversation



## Marico: Reaffirms Outlook Amid Innovative Segment Headwinds
## Saugata Gupta, MD & CEO

- Guidance raised above ₹15,000 crore for the year, targeting mid-teens international growth and mid-teens EBITDA growth.
- Management aims to achieve the ₹20,000 crore top-line milestone early by 2029, supported by high single-digit domestic growth.
- Digital and food brands (Beardo, Cosmix, Oats) are scaling profitably, slated to deliver double-digit EBITDA and contribute over 30% of domestic business.

Read More

## Quality Power: Order book mix likely to change in Q3 & Q4
## Bharanidharan Pandyan, Jt. MD

- Stick to current EBITDA margin guidance of around 20%, will revise in Q3
- Sangli and Turkey plants came online, with Sangli scaling capacity 9x alongside backward integration.
- Order visibility stands at 15–18 months; L1 in Power Grid tenders awaiting announcement.
- Expanding high-voltage transmission products across US/India, driven by surging data center demand.

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## CONCOR: Will Achieve 15% EXIM Volume Growth In H2
## Ajit Kumar Panda, CMD

- Muted Q2 volumes reflected ongoing West Asia geopolitical disruptions
- Full-year guidance revision will be evaluated post-November developments.
- Targetting 15% EXIM volume growth in H2, supported by domestic green shoots and complete JNPT DFC connectivity.
- Maintain 25%+ EBITDA margins for H2
- DFC integration enabled seamless double-stacking and Python trains, raising JNPT market share to 63%+.

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## Welspun Living: See FY27 Exit Margin Of Around 15%
## Dipali Goenka, Managing Director & CEO

- Strong H1 performance saw EBITDA double, driven by growth across exports, domestic retail, and flooring.
- Maintains ~18% revenue growth and targets exiting FY27 with EBITDA margins near 15%.
- Cash conversion cycle improved significantly, with 55–60 days targeted as a sustainable steady-state range.
- US pillow plants are ramping up utilization, tracking toward operational profitability by fiscal year-end.

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|---|---|
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|---|---|---|
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| Ms. Kumud Upadhyay | 022 40548082 | servicehead@motilaloswal.com |
| Mr. Ajay Menon | 022 40548083 | am@motilaloswal.com |
| Mr. Neeraj Agarwal | 022 40548085 | na@motilaloswal.com |
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