

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	83,978	0.0	7.5
Nifty-50	25,763	0.2	9.0
Nifty-M 100	60,287	0.8	5.4
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	6,852	0.2	16.5
Nasdaq	23,835	0.5	23.4
FTSE 100	9,701	-0.2	18.7
DAX	24,132	0.7	21.2
Hang Seng	9,259	1.0	27.0
Nikkei 225	52,411	0.0	31.4
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	66	1.0	-11.1
Gold (\$/OZ)	4,001	0.0	52.5
Cu (US\$/MT)	10,829	-0.4	25.2
Almn (US\$/MT)	2,898	0.7	14.7
Currency	Close	Chg .%	CYTD.%
USD/INR	88.8	0.0	3.7
USD/EUR	1.2	-0.1	11.3
USD/JPY	154.2	0.1	-1.9
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.5	0.00	-0.2
10 Yrs AAA Corp	7.2	-0.05	0.0
Flows (USD b)	3-Nov	MTD	CYTD
FII's	-0.21	1.04	-16.2
DII's	0.40	6.24	72.6
Volumes (INRb)	3-Nov	MTD*	YTD*
Cash	1,067	1067	1067
F&O	2,59,623	2,59,623	2,29,204

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Technology | Internet: Eternal & Swiggy: Deja Vu?

- ❖ We believe that the food delivery (FD) business will remain a balanced duopoly between Eternal and Swiggy, with 20-22% GOV growth over FY26–27. We value the FD business at 30x FY27E EBITDA.
- ❖ In QC, the setup looks similar to the prior cycle, though with lower burn intensity and faster margin normalization as dark-store throughput improves. Swiggy remains our preferred pick on relative valuation comfort as its 0.5x FY27E EV/GMV multiple still trades at a ~60% discount to Eternal's 1.2x.
- ❖ We reiterate BUY on Swiggy with a TP of INR550 (36% upside) and Eternal with a TP of INR410 (27% upside).

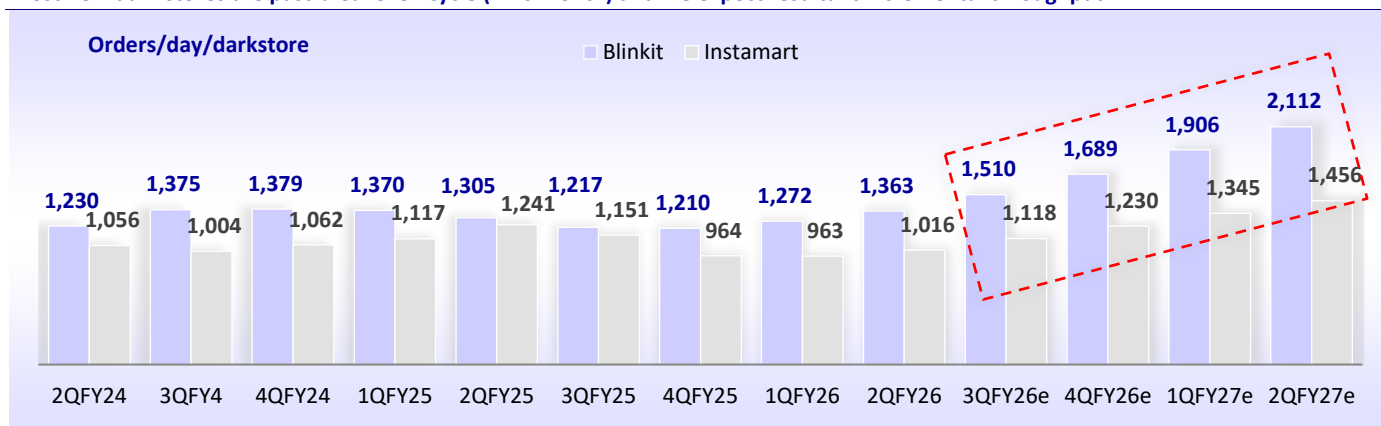


Research covered

Cos/Sector	Key Highlights
Technology Internet	Eternal & Swiggy: Deja Vu?
Bulls and Bears	Market stages a smart comeback in Oct'25; FIIs turn buyers after three months
Ambuja Cements	Beat earnings; resilient EBITDA/t led by operational efficiency
Tata Consumer Products	Healthy revenue growth across segments
Other Updates	CDSL Gland Pharma Ajanta Pharma Tata Chemicals Blue Dart Express R R Kabel Niva Bupa Health Westlife Food Mahindra Life. NOCIL Bharti Airtel Titan Company Power Grid Company Bharti Hexacom Hitachi Energy Acme Solar Hold. VRL Logistics

Chart of the Day: Technology | Internet (Eternal & Swiggy: Deja Vu?)

Most new dark stores are past breakeven cycle (~4-6 month) and we expect resultant incremental throughput



Source: MOFSL, Company

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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

Info Edge India to invest ₹100 crore in Redstart Labs

Info Edge Ltd said its board has approved an investment of about ₹100 crore in its wholly owned subsidiary, Redstart Labs. The investment will be made through the acquisition of 10 crore equity shares at a face value of ₹10 each.

2

RITES bags ₹373 crore project management contract from NIMHANS for new OPD building

RITES Ltd announced that it has received a Letter of Award from the National Institute of Mental Health & Neuro Sciences (NIMHANS) for project management consultancy (PMC) services

3

ED attaches RCom's land worth over ₹4,462 crore in money laundering case

The enforcement directorate (ED) has provisionally attached over 132 acres of land in Dhirubhai Ambani Knowledge City (DAKC), Navi Mumbai, Maharashtra, valued at approximately ₹4,463 crore under the Prevention of Money Laundering Act.

4

OpenAI signs \$38-bn multi-year cloud partnership with Amazon Web Services

OpenAI announced that it has entered into a multi-year strategic partnership worth \$38 billion with Amazon Web Services (AWS), aimed at providing the ChatGPT maker with access to AWS's advanced cloud infrastructure to support its growing artificial intelligence (AI) workloads.

5

Hinduja Group to invest Rs 20,000 cr in Andhra across energy, EV sectors

Hinduja Group has agreed to invest Rs 20,000 crore in Andhra Pradesh in phases, following a meeting with Chief Minister N Chandrababu Naidu in London. As part of the pact, the Hinduja Group will enhance the capacity of the Visakhapatnam power plant by 1,600 MW and set up solar and wind energy projects in the Rayalaseema region.

6

CtrlS Datacenters, NTPC Green ink pact for 2 GW+ renewable power projects

As part of the MoU, CtrlS and NGEL aim to jointly establish grid-connected renewable energy projects/assets with a capacity of up to 2 GW or more through greenfield development and/or acquisitions, for the supply of renewable power to CtrlS for its captive consumption

7

Kimberley-Clark to acquire Kenvue for over \$40 billion as Tylenol

Consumer goods and personal care giant Kimberley-Clark is buying Tylenol-maker Kenvue in a \$40 billion deal involving stock and cash, in what can be called a mammoth merger of two consumer health goods companies.

Internet: Eternal & Swiggy

motilal oswal | **MORNING INDIA**
Financial Services

Swiggy

2025E Results Update | Sector: Internet

Swiggy

Key Metrics

Metric	2025E	2024E	2023E
Revenue (₹ Cr)	1,100	1,000	900
EBITDA (₹ Cr)	150	100	50
EBITDA Margin (%)	13.6	10.0	5.6
Operating Profit (₹ Cr)	100	50	0
Operating Profit Margin (%)	9.1	5.0	0.0
Net Profit (₹ Cr)	50	25	0
Net Profit Margin (%)	4.5	2.5	0.0
EPS (₹)	50	25	0
Price/Bonus	100/10	50/5	0/0

Key Highlights

- Swiggy's revenue grew by 10% in 2025E (up 12.5% in 2024E) vs. our estimate of 10%. The food delivery (FD) business's 2025E grew by 10% vs. our estimate of 10%, while the contribution margin (CM) remained stable at 15% vs. our estimate of 15%.
- Swiggy's revenue grew by 10% in 2025E (up 12.5% in 2024E) vs. our estimate of 10%. The food delivery (FD) business's 2025E grew by 10% vs. our estimate of 10%, while the contribution margin (CM) remained stable at 15% vs. our estimate of 15%.

Eternal & Swiggy: Deja Vu?

Another round of competition looms, but this time could be different

Both Eternal and Swiggy have seen improvements in their profitability on the back of reduced competitive intensity and slower dark store rollouts over the past couple of quarters. Commentary in 2QFY26 earnings calls, however, indicated that this trend could see a pause. Swiggy, armed with a potential INR100b in fresh funds, Zepto's recent fundraise, and Eternal's strong balance sheet could set off another land-grab phase in quick commerce (QC).

This resembles the setup seen last year (see Exhibit 5). Nov'24 saw the beginning of a competitively intense phase in QC, as both listed and unlisted players ramped up dark store expansions and marketing expenses, leading to steep cuts in margin expectations.

We argue, however, that this time is slightly different. Dark store additions will be lower for both platforms, particularly Swiggy, which is moderating new launches by ~90% after last year's aggressive buildout. In the past cycle, Swiggy's throughput (orders per day per dark store) declined by 25%; we expect its throughput to improve by 30% over the next four quarters. This is a key margin lever, in our view. For Eternal, the network remains efficient and its QC business is near the breakeven – the losses were entirely driven by discretionary marketing spends. Thus, while competitive intensity may come back, operating leverage could still play out, especially for Swiggy, which has low dark store utilization.

In summary, we believe that the food delivery (FD) business will remain a balanced duopoly between Eternal and Swiggy, with 20-22% GOV growth over FY26–27. We value the FD business at 30x FY27E EBITDA. In QC, the setup looks similar to the prior cycle, though with lower burn intensity and faster margin normalization as dark-store throughput improves. Swiggy remains our preferred pick on relative valuation comfort as its 0.5x FY27E EV/GMV multiple still trades at a ~60% discount to Eternal's 1.2x. We reiterate **BUY** on **Swiggy** with a **TP of INR550 (36% upside)** and **Eternal** with a **TP of INR410 (27% upside)**.

2QFY26: Competitive intensity to be cranked up again

- After a couple of quarters of low competition, all players have shifted their focus back to growth. This feels familiar to the high competitive intensity seen between Sep'24 and Apr'25, when expectations for QC profitability were downgraded.
- **What changed this quarter:**
- 1. **1QFY26 commentary:**
 - Market expectations and guidance for improvement in profitability on the back of easing competitive intensity.

2. 2QFY26 commentary:

- The tone turned more aggressive, with renewed push for discounts and brand marketing.
- Swiggy launched its 'Quick India' campaign, undertook a brand refresh, and rolled out reactivation drives (Exhibit 2).
- Eternal reintroduced free Zomato Gold promos and large-scale food offers.
- Both **Swiggy and Zepto also launched 'No Fee' campaigns (removing delivery, handling, and surge fees, see Exhibits 1 & 2).**
- **As a result**, we are back where we were in Nov'24: all the top players are expected to increase competitive intensity on the back of fresh capital raises.

Parallels to 2024: Cash burn back on the table? Partially

- The current setup mirrors FY25's growth pivot, but the underlying context this time is different.
- Nov'24 saw the beginning of a land-grab phase in QC (see Exhibit 5), as both listed and unlisted players ramped up dark store expansions and marketing expenses, leading to steep cuts in margin expectations.
- This reflected in stock prices: Eternal and Swiggy corrected 21% and 27%, respectively, between November '24 and Mar'25. Prices have since rebounded handsomely, reflecting improved profitability in 1Q and 2QFY26 for both players.
- Fundraising and high discounting intensity cloud the outlook for margin expansion again.

This time is different: Operating leverage from increasing throughput

- Despite signs of rising competition, this cycle is structurally more measured.
- Dark store additions will be lower for both platforms, particularly Swiggy, which is moderating new launches after last year's aggressive buildout. **In the past cycle, Swiggy's throughput (orders per day per dark store) declined by 25%. We expect its throughput to improve by 30% over the next four quarters. This is a key margin lever, in our view.**
- Most newly opened dark stores are already past the 4-6 month breakeven window, allowing incremental operating leverage.
- For Eternal, the network remains efficient and its QC business is near the breakeven; the losses are entirely driven by discretionary marketing expenses.

Valuation and view

- **We continue to view FD as a stable duopoly** with balanced market shares between Eternal and Swiggy. We model 20-22% GOV growth over FY26-27 and assign a **30x EV/EBITDA multiple** to the FD business, reflecting its steady margin trajectory and high user stickiness.
- In QC, the setup looks similar to the prior cycle, though the burn intensity is lower and incremental margins should normalize faster as dark-store throughput improves. At the current juncture, we **prefer Swiggy** on relative valuation comfort — our implied **EV/GMV multiple of 0.5x FY27E** for QC represents a **~60% discount to Eternal's 1.2x**, and expect this discount to

narrow. Sustained improvement in Swiggy's AOVs, dark store throughput, and take rates could drive a meaningful profitability re-rating ahead.

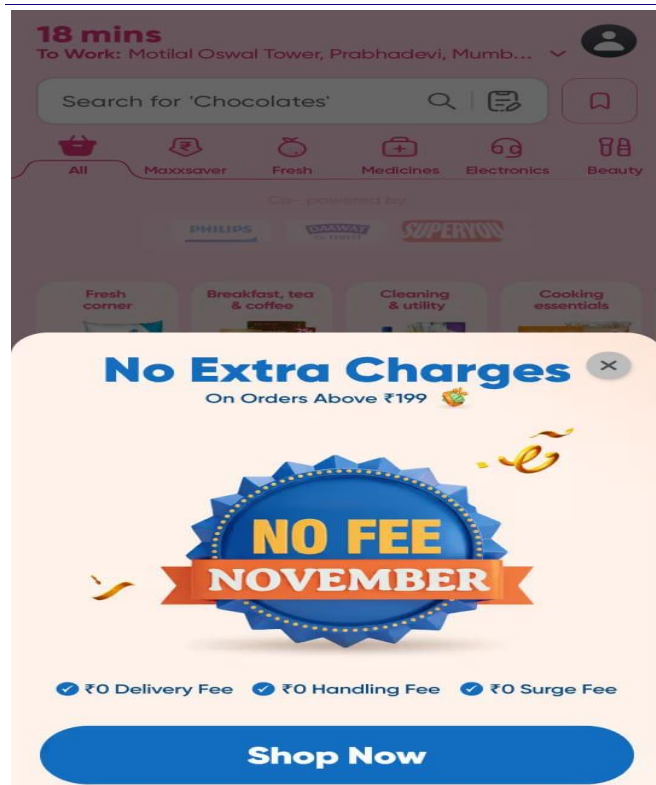
- We reiterate our BUY rating on Swiggy with a TP of INR550, implying a potential upside of 36%, supported by steady FD growth and improving QC unit economics. We also maintain our BUY rating on Eternal (Zomato) with a TP of INR410 (27% upside), as we continue to see structural tailwinds in QC expansion, and execution scale.

Zepto's 'no extra fees' campaign banner



Source: MOFSL

Swiggy 'No Fee November' campaign and 'Quick India Movement' campaign



Source: MOFSL

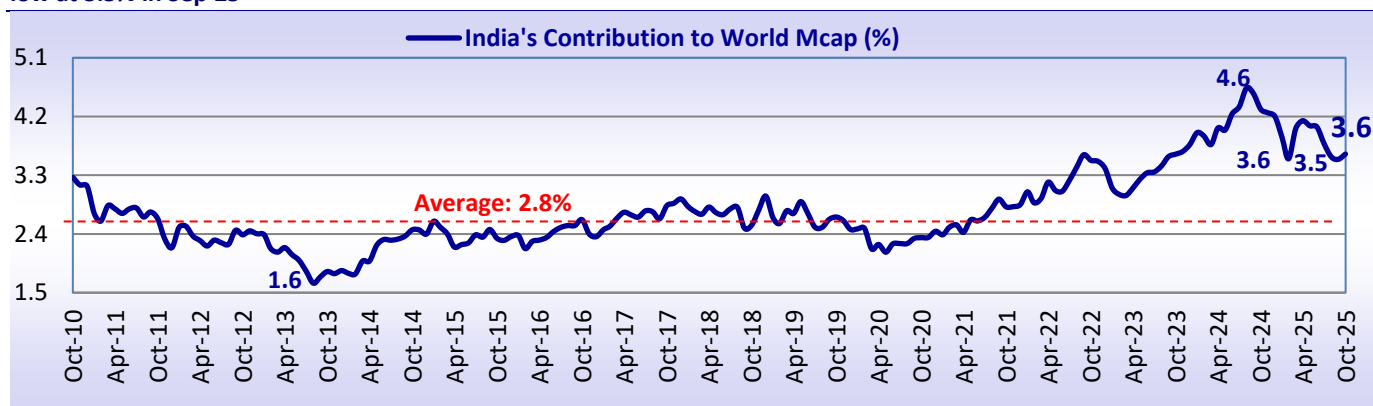
Bulls & Bears

India Valuations Handbook

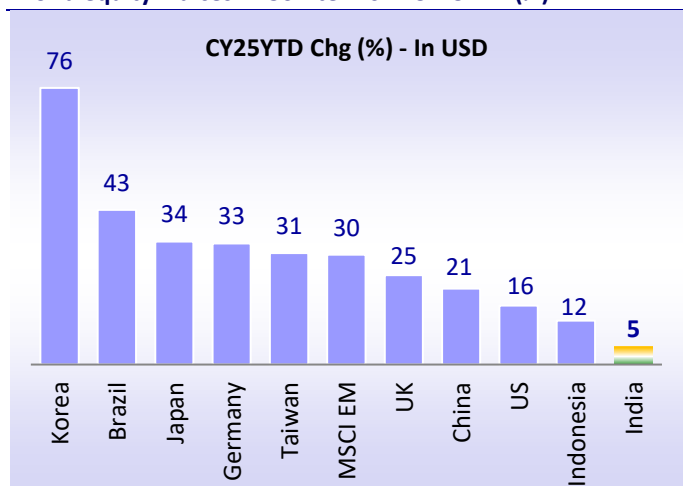
India Valuations Handbook — Market stages a smart comeback in Oct'25; FIIs turn buyers after three months

- **Market clocks the highest MoM return since Apr'25:** The Nifty touched ~26k before ending 4.5% up MoM at 25,722 in Oct'25. Markets staged a smart comeback in Oct'25 and recorded the best MoM returns in the last seven months. Notably, with extreme volatility, the index hovered around ~1,498 points before closing 1,111 points higher. The Nifty is up 8.8% in CY25YTD. The Nifty Midcap 100 (+5.8% MoM) and Nifty Smallcap 100 (+4.7% MoM) outperformed the Nifty-50 during the month. Over the last 12 months, largecaps, midcaps, and smallcaps are up 6.3%, 6.6%, and -1.2%, respectively. Over the last five years, midcaps (CAGR: 28.5%) have significantly outperformed largecaps (CAGR: 17.2%) by 130%, while smallcaps (CAGR: 25.9%) have markedly outperformed largecaps by 95%.
- **FIIs record inflows after three months of outflows:** In Oct'25, FIIs recorded inflows of USD1.3b, after three consecutive months of outflows. FII equity outflows stood at USD16.2b in CY25YTD vs. outflows of USD0.8b in CY24. DII inflows moderated in Oct'25 at USD5.8b in Oct'25. DII equity inflows were at a record high of USD72.6b in CY25YTD vs. USD62.9b in CY24.
- **All major sectors end higher in Oct'25:** Among the sectors, Real Estate (+9%), PSU Banks (+9%), Telecom (+7%), Infrastructure (+6%), and Technology (+6%) were the top gainers MoM, while Media (-0.3%) was the only laggard. The breadth was positive in Oct'25, with 39 Nifty stocks ending higher. Shriram Finance (+22%), HCL Tech (+11%), Titan (+11%), Hindalco (+11%), and Nestle (+10%) were the top performers, while HDFC Life Insurance (-3%), Eternal (-2%), Ultratech (-2%), Dr Reddy's (-2%), and HUL (-2%) were the key laggards.
- **Major economies end higher in Oct'25:** Among the key global markets, Korea (+20%), Japan (+17%), Taiwan (+9%), India (+5%), MSCI EM (+4%), the UK (+4%), the US (+2%), Brazil (+2%), China (+2%), Indonesia (+1%), and Germany (+0%) ended higher in local currency terms on a MoM basis in Oct'25. During the last 12 months in USD terms, the MSCI India Index (+1%) underperformed the MSCI EM Index (+25%). Over the last 10 years, the MSCI India Index notably outperformed the MSCI EM Index by 58%. In P/E terms, the MSCI India Index is trading at a 52% premium to the MSCI EM Index, below its historical average premium of 78%.
- **Earnings review – 2QFY26: A beat driven by commodities:** As of 31st Oct'25, 151/27 companies within the MOFSL Universe/Nifty have announced their 2QFY26 results. The earnings of the aforesaid 151 MOFSL Universe companies grew 14% YoY (in line with our estimate of 9% YoY) in 2QFY26. Overall earnings growth was driven by O&G (OMC's profit up 9x YoY), which grew 79% YoY, Technology (8% YoY), Cement (147% YoY), Capital Goods (17% YoY), and Metals (7% YoY). These five sectors contributed 86% of the incremental YoY accretion in earnings so far. Barring global commodities (i.e., Metals and O&G), the MOFSL Universe posted a 6% YoY earnings growth vs. our estimate of 2%. In contrast, ex-Financials, the earnings for the MOFSL Universe grew 25% YoY (vs. an est. of +18% YoY).
- **Our view:** While Indian equities have registered lackluster performance in the past one year, we continue to highlight that the Indian markets now appear to be in a healthy state vs. last year, and the platform is set for Indian equities to mean-revert and post an uptick going forward. Valuations are reasonable, with Nifty trading at 21.4x, marginally above its LPA of 20.8x, and any evidence of earnings growth pickup should help valuations expand. We believe that the cavalry of measures by the government will help to reset the trajectory of corporate earnings as domestic reforms are expected to continue, while any resolution of the tariff stalemate will be a key external catalyst in our opinion. Our model portfolio is more aligned towards domestic names, driven by expectations of a domestic economic rebound. While SMIDs trade at expensive valuations, we continue to focus on this segment, selectively picking high-conviction SMID names in our portfolio.
- **Top ideas: Largecaps –** Bharti Airtel, ICICI Bank, SBI, Larsen & Toubro, Mahindra & Mahindra, Ultratech Cement, Titan Company, Max Healthcare, Bharat Electronics, Tech Mahindra, Indigo, TVS Motors, Tata Steel and Indian Hotels. **Midcaps and Smallcaps –** Dixon Technologies, Swiggy, Delhivery, Suzlon Energy, Jindal Stainless, Coforge, Page Industries, Kaynes Tech, Radico Khaitan, VIP Industries, and V-Mart Retail.

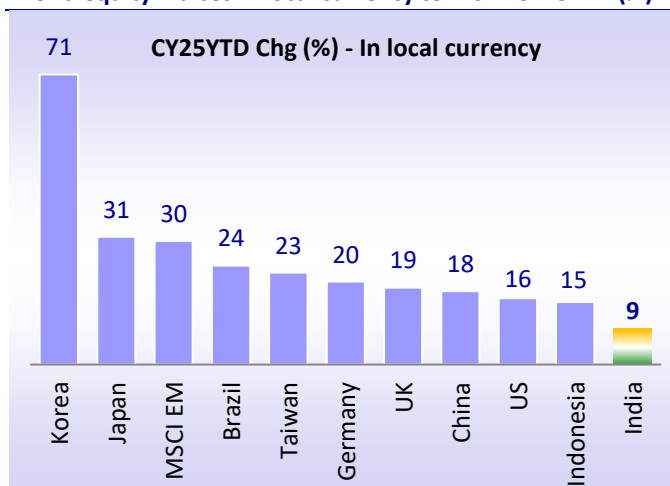
Trend in India's contribution to the global market cap (%) – contribution inches up in Oct'25 to 3.6% after a dip to a two-year low at 3.5% in Sep'25



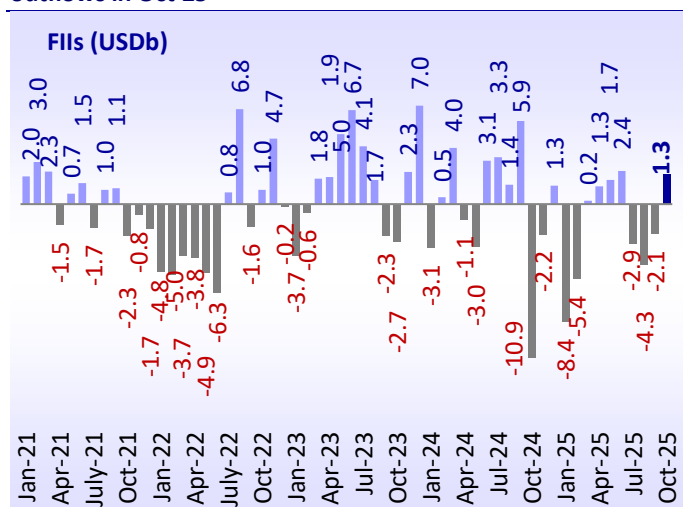
World equity indices in USD terms in CY25YTD (%)



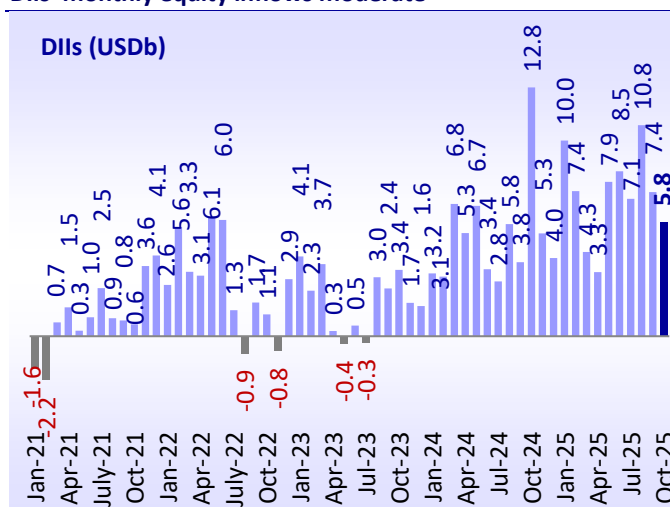
World equity indices in local currency terms in CY25YTD (%)



FII's record equity inflows after three straight months of outflows in Oct'25



DII's monthly equity inflows moderate



Ambuja Cements

Estimate change



TP change



Rating change


CMP: INR577
TP: INR740 (+28%)
Buy
Beat earnings; resilient EBITDA/t led by operational efficiency
Debottlenecking to unlock 15mtpa capacity at lower capex

- Ambuja Cements (ACEM) reported strong growth of ~81% YoY in EBITDA to INR17.6b (~28% beat, led by lower-than-estimated opex/t). EBITDA/t grew ~52% YoY to INR1,042 (vs. estimate INR847) and OPM was up 6pp at ~19% (+3.7pp vs. our estimates). Adjusted profit (after MI) was up ~14% YoY at INR5.6b (+35% vs. our estimate).
- Management highlighted that ongoing efficiency measures and group synergies have helped it to lower total opex/t. It targets to bring costs down from INR4,200/t currently to INR3,650/t by FY28 through optimized fuel mix, higher green power use, and logistics improvements. Further, it announced debottlenecking initiatives across plants with grinding capacity addition of 15mtpa at a capex of USD48/t. It also clarified that the capex cost under this new initiative is on an integrated plant basis. Hence, the company has raised its capacity target to 155mtpa by FY28 (vs. 140mtpa earlier).
- We raise our EBITDA estimate by 10% for FY26, considering outperformance in 2Q, and ~3% for FY27/28E (each). The stock is currently trading at 16x/14x FY27E/FY28E EV/EBITDA. We value the stock at 20x Sep'27E EV/EBITDA to arrive at our TP of INR740. **Reiterate BUY.**

Consolidated volume up ~19% YoY; blended realization/t up ~5% YoY

- Consol. revenue/EBITDA/adj. PAT stood at INR91.7b/INR17.6b/INR5.6b (up 24%/81%/14% YoY, and +4%/+28%/+35% vs. estimates) in 2QFY26. Consol. volume rose ~19% YoY to 16.9mt (+4% vs. estimate). Blended realization/t increased ~5% YoY but declined ~1% QoQ (~1% below estimates).
- Opex/t was down ~2% YoY/1% QoQ (~5% below our estimate), led by ~7%/5% decline in variable/freight cost/t. Other expenses/t increased ~15% YoY partly due to the integration of recently acquired assets. EBITDA/t grew ~52% YoY to INR1,042, and OPM surged 6pp YoY to ~19%. Depreciation increased ~70% YoY, driven by inorganic expansion. Other income declined ~31% YoY. ETR stood at 29.3% vs. 33.3% in 2QFY25.
- In 1HFY26, revenue/EBITDA/adj. PAT stood at INR194.6b/INR37.2b/INR13.4b (up ~23%/65%/18% YoY). OPM surged 4.8pp YoY to ~19%. OCF at INR14.4b vs. operating cash outflow of INR18.8b in 1HFY25. Capex stood at INR35.6b vs. INR45.5b in 1HFY25. Net cash outflow stood at INR21.2b vs. INR64.3b in 1HFY25.

Highlights from the management commentary

- Cement demand** was tepid at ~4% YoY in 2Q due to early monsoon, though management remains **bullish with ~7-8% demand growth** guidance in FY26, supported by **GST cuts** and higher rural/infra project demand.
- Share of premium products increased to ~35% vs. ~33% in 1QFY26, driven by strong consumer acceptance of Adani Cement branding and the introduction of value-added variants across key markets.
- Green power contributed to ~33% of total power requirement vs. ~16%/28% in 2QFY25/1QFY26. ACEM is targeting to increase this to ~60% by FY28.

Bloomberg	ACEM IN
Equity Shares (m)	2472
M.Cap.(INRb)/(USDb)	1426.7 / 16.1
52-Week Range (INR)	625 / 453
1, 6, 12 Rel. Per (%)	-3/3/-7
12M Avg Val (INR M)	1612
Free float (%)	32.4

Consol. Financial Snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	404.4	455.3	513.6
EBITDA	77.6	94.5	110.9
Adj. PAT	28.2	36.9	44.2
EBITDA Margin (%)	19.2	20.7	21.6
Adj. EPS (INR)	11.4	14.9	17.9
EPS Gr. (%)	41.2	30.9	19.8
BV/Sh. (INR)	231	243	258

Ratios

Net D:E	0.0	-0.0	-0.0
RoE (%)	5.1	6.3	7.1
RoCE (%)	8.3	7.0	8.1
Payout (%)	17.5	20.1	22.4

Valuations

P/E (x)	43.9	33.6	28.0
P/BV (x)	2.2	2.1	1.9
EV/EBITDA(x)	19.6	16.1	13.6
EV/ton (USD)	154	138	128
Div. Yield (%)	0.3	0.5	0.7
FCF Yield (%)	-0.3	1.3	1.8

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	67.6	67.5	67.5
DII	19.6	18.7	15.2
FII	6.0	7.5	10.7
Others	6.8	6.3	6.6

FII includes depository receipts

Valuation and view

- ACEM has reported steady improvements in profitability, with EBITDA/t of +INR1,000/t in the third consecutive quarter. Resilient performance was led by steady realization and QoQ reduction in opex/t. Further, the integration of Orient Cement/Penna/Sanghi brands with ACC and ACEM was encouraging. The company raised its capacity target to 155mtpa by FY28, as it is adding additional 15mtpa through debottlenecking at various plants. Execution remains a key thing to watch out for given the delay in few ongoing projects.
- We estimate a CAGR of ~14%/29%/30% in consolidated revenue/EBITDA/PAT over FY25-28E, led by volume growth of ~11% and profitability improvement. We estimate its EBITDA/t to increase to INR1,154/INR1,230 in FY27/FY28 vs. INR1,043 in FY26E. ACEM (consol.) trades at 16x/14x FY27E/FY28E EV/EBITDA and USD138/USD128 EV/t. We value the stock at 20x Sep'27E EV/EBITDA to arrive at our TP of INR740. **Reiterate BUY.**

Consolidated quarterly performance

	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	83.9	73.8	85.0	99.8	102.9	91.7	101.1	108.7	342.5	404.4	88.6	(1)
YoY Change (%)	-3.7	-0.6	4.6	12.2	22.6	24.3	18.9	8.9	10.0	18.1	20.1	
EBITDA	12.8	9.7	8.9	18.7	19.6	17.6	18.9	21.6	50.1	77.6	13.7	28
YoY Change (%)	-23.2	-25.2	-48.9	9.9	53.2	80.9	112.9	15.5	73.0	55.1	53.2	
Margins (%)	15.3	13.2	10.4	18.7	19.1	19.2	18.7	19.8	14.6	19.2	15.5	372
Depreciation	4.8	5.2	6.6	7.9	8.0	8.9	8.9	9.4	24.5	35.1	8.7	2
Interest	0.7	0.7	0.7	0.1	0.7	0.8	0.8	0.8	2.2	3.0	0.8	2
Other Income	3.5	3.7	2.4	2.7	2.6	2.6	2.5	2.6	12.4	10.2	2.7	(3)
PBT before EO Item	10.9	7.6	4.0	13.4	13.5	10.6	11.7	14.0	35.9	49.7	6.9	52
Share of profit of JVs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	-
Extraordinary Inc/(Exp)	0.0	-0.2	19.4	4.4	0.4	-2.2	0.0	0.0	23.5	-1.8	0.0	
PBT after EO Exp/(Inc)	10.9	7.4	23.4	17.8	14.0	8.4	11.7	14.0	59.5	48.0	7.0	20
Tax	3.1	2.5	5.2	4.6	4.0	2.5	2.9	3.5	15.4	12.9	1.7	
Prior period tax adj.	0.0	0.0	-8.1	0.4	-0.3	-17.1	0.0	0.0	-7.7	-17.4	0.0	
Rate (%)	28.4	33.3	22.3	26.0	29.0	29.3	24.9	25.0	25.9	-9.3	23.9	
Reported Profit	7.8	5.0	26.2	12.8	10.2	23.0	8.8	10.5	51.8	52.5	5.3	334
Adj PAT (before MI)	7.8	5.1	3.0	7.3	9.6	7.6	8.8	10.5	41.9	40.8	5.3	43
Minority Interest	1.4	0.2	5.0	3.3	1.8	5.4	2.1	2.4	9.9	11.7	1.2	-
Adj PAT (after MI)	6.4	4.9	4.1	4.4	7.8	5.6	6.6	8.1	19.9	28.2	4.1	35
YoY Change (%)	(29.3)	(38.0)	(49.7)	(17.0)	22.0	13.6	60.5	83.9	(29.6)	41.7	(9.5)	

Note: Adj. PAT (after MI) of 2QFY26 is also adjusted for ACC's tax reversal impact

Per ton analysis

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Volume	15.3	14.2	16.5	18.2	18.8	16.9	18.8	20.0	64.2	74.5	16.2	4
Change (YoY %)	(1)	9	17	10	23	19	14	10	16	16	14	
Blended Realization	5,485	5,181	5,153	5,484	5,473	5,429	5,389	5,435	5,332	5,431	5,472	(1)
Change (YoY %)	-3.1	-8.6	-10.6	2.2	-0.2	4.8	4.6	-0.9	-5.4	1.9	5.6	
Raw Material	963	997	1,082	1,004	811	774	830	901	1,013	832	932	(17)
Staff Cost	207	245	232	195	222	240	219	239	218	230	263	(9)
Power and fuel	1,419	1,276	1,262	1,263	1,337	1,349	1,329	1,323	1,303	1,334	1,300	4
Freight	1,370	1,282	1,239	1,284	1,289	1,221	1,255	1,287	1,352	1,264	1,310	(7)
Other expenditure	689	697	802	712	771	803	750	606	726	729	820	(2)
Total cost	4,649	4,498	4,616	4,458	4,430	4,387	4,384	4,356	4,613	4,389	4,625	(5)
EBITDA	836	684	537	1,026	1,043	1,042	1,005	1,079	719	1,043	847	23
Change (YoY %)	(23)	(31)	(56)	0	25	52	87	5	(3)	45	24	

Tata Consumer Products

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	TATACONS IN
Equity Shares (m)	990
M.Cap.(INRb)/(USDb)	1185 / 13.3
52-Week Range (INR)	1203 / 883
1, 6, 12 Rel. Per (%)	2/-2/13
12M Avg Val (INR M)	1531
Free float (%)	66.2

Financials & valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	197	213	230
EBITDA	28	32	35
Adj. PAT	17	20	22
EBITDA Margin (%)	14	15	15
Cons. Adj. EPS (INR)	17	20	22
EPS Gr. (%)	21	19	9
BV/Sh. (INR)	228	242	258

Ratios

Net D:E	0	0	0
RoE (%)	8	9	9
RoCE (%)	10	11	12
Payout (%)	38	32	29

Valuations

P/E (x)	71	60	54
EV/EBITDA (x)	39	33	30
Div. Yield (%)	1	1	1
FCF Yield (%)	1	2	2

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	33.8	33.8	33.8
DII	22.2	22.0	18.8
FII	22.1	22.0	24.4
Others	21.9	22.2	23.0

Note: FII includes depository receipts

CMP: INR1,198 **TP: INR1,450 (+21%)** **Buy**

Healthy revenue growth across segments

Operating performance beats estimates

- Tata Consumer Products (TATACONS) reported ~8% YoY growth in EBIT, marking a recovery after three consecutive quarters of decline. The improvement was driven by strong performance in the India Branded business, which reported 47% YoY growth in EBIT. It was partially offset by a decline of 12% and 28% YoY in the International Beverages and Non-Branded businesses, respectively.
- The core India business witnessed the second consecutive quarter of double-digit growth in both tea and salt. Tea business revenue grew 12% with 5% volume growth, while salt revenue grew 16% YoY with 6% volume growth.
- We expect margins to expand in 2HFY26, led by softening tea prices, improving product mix in the tea business (higher sales of premium tea); and the scale-up of the growth business (includes RTD, Tata Sampann, Capital and Organic India; 30% of revenue contribution in 2Q).
- We maintain our FY26/FY27/FY28 earnings estimates and **reiterate BUY with an SoTP-based TP of INR1,450.**

Resilient performance driven by branded and growth portfolios

- Consolidated revenue in 2Q grew 18% YoY to ~INR50b (est. INR48b). EBITDA margin contracted 130bp YoY to 13.5% (est. 13.2%) due to volatility in coffee prices and tariffs, leading to pressure on the international market. EBITDA grew 7% YoY to INR6.7b (est. INR6.3b). Adj. PAT grew 5% YoY to INR4b (est. INR3.7b).
- Indian branded business revenue grew 18% YoY to INR31.2b, led by revenue growth of 15%/20% YoY in the Indian branded beverage/Indian food businesses to INR15.8b/INR15.4b. EBIT grew ~9% YoY to INR5.1b.
- RTD segment (NourishCo) revenue rose ~25% YoY to ~INR1.9b, while volumes recorded a moderate growth of 31%, despite headwinds from unseasonal rains and heightened competitive intensity.
- Growth businesses (including RTD, Capital Foods, and Organic India) reported strong growth this quarter (27% YoY), led by robust growth in RTD (up 25%). Organic India and Capital Foods grew 16% YoY on a combined basis.
- International branded beverages revenue grew 15% YoY to ~INR12.9b, EBIT declined 12% YoY to ~INR1.5b, and EBIT margins stood at 11.5% (down 350bp YoY). Non-branded business revenue increased 28% YoY to ~INR5.9b, while EBIT declined 28% YoY to INR760m.
- In 1HFY26, revenue/adj PAT grew 14%/7% YoY to INR97.4b/INR7.4b, while EBITDA declined by 1% to INR12.8b.
- Gross debt stood at INR5.8b as of Sep'25 vs. INR5.4b as of Mar'25. Further, CFO stood at ~INR2b as of Sep'25 vs. INR2.9b as of Sept'24.

Highlights from the management commentary

- **International Business:** The international segment grew 9% YoY but margins were impacted by coffee price volatility and Brazil tariffs. Management expects normalization in coffee costs and benefits from upcoming price hikes to support gradual margin recovery over the next 1-2 quarters.
- **Core India business:** The India branded portfolio maintained strong momentum, delivering double-digit growth in tea and salt for the second consecutive quarter. Softening tea prices, improved product mix in premium tea, and enhanced distribution reach should drive margin expansion in 2H.
- **RTD:** Despite headwinds from unseasonal rains and heightened competitive intensity, the segment reported a strong performance. Sales growth is expected to pick up in 2H, in line with the anticipated volume growth.

Valuation and view

- We expect TATACONS to maintain its growth momentum, aided by growth in the core India business on the back of new product launches and volume growth in the tea business. Tea gross margins are expected to remain stable at 34-36%. Growth businesses are expected to maintain their strong momentum after the temporary headwinds caused by the GST rate cuts are normalized in 2HFY26.
- We expect TATACONS to clock a CAGR of 9%/12%/16% in revenue/EBITDA/PAT during FY25-28. **Reiterate BUY with an SoTP-based TP of INR1,450.**

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY25	FY26E	FY25E	Var 2Q (%)
Gross Sales	43,521	42,145	44,436	46,082	47,789	49,659	49,265	50,653	1,76,183	1,97,367	47,886	4
YoY Change (%)	16.3	12.9	16.8	17.3	9.8	17.8	10.9	9.9	15.9	12.0	13.6	
Total Expenditure	36,847	35,882	38,788	39,873	41,720	42,941	41,958	42,944	1,51,390	1,69,563	41,551	
EBITDA	6,674	6,263	5,647	6,210	6,069	6,718	7,307	7,709	24,794	27,804	6,335	6
Margins (%)	15.3	14.9	12.7	13.5	12.7	13.5	14.8	15.2	14.1	14.1	13.2	
Depreciation	1,480	1,493	1,503	1,531	1,489	1,533	1,540	1,550	6,007	6,112	1,520	
Interest	936	987	579	400	338	332	345	350	2,902	1,365	340	
Other Income	392	460	516	565	412	380	600	635	1,933	2,027	575	
PBT before EO expense	4,650	4,242	4,081	4,844	4,654	5,233	6,022	6,444	17,817	22,353	5,050	
Extra-Ord expense	-171	-272	-62	453	0	0	0	0	-51	0	0	
PBT	4,479	3,971	4,019	5,297	4,654	5,233	6,022	6,444	17,766	22,353	5,050	
Tax	1,337	377	1,022	1,226	1,190	1,262	1,516	1,603	3,962	5,571	1,271	
Rate (%)	29.9	9.5	25.4	23.2	25.6	24.1	25.2	24.9	22.3	24.9	25.2	
Minority Interest	-11	28	30	39	-24	21	33	43	86	73	30.7	
Profit/Loss of Asso. Cos.	-249	79	-178	-584	-147	95	-150	-530	-932	-732	-15	
Reported PAT	2,903	3,644	2,789	3,449	3,342	4,045	4,323	4,268	12,785	15,977	3,734	
Adj PAT	3,031	3,848	2,835	3,109	3,342	4,045	4,323	4,268	12,823	15,977	3,734	8
YoY Change (%)	-5.4	10.2	-18.4	-17.9	10.2	5.1	52.5	37.3	-8.1	24.6	-3.0	
Margins (%)	7.0	9.1	6.4	6.7	7.0	8.1	8.8	8.4	7.3	8.1	7.8	

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	CDSL IN
Equity Shares (m)	209
M.Cap.(INRb)/(USDb)	333 / 3.8
52-Week Range (INR)	1990 / 1047
1, 6, 12 Rel. Per (%)	3/14/-4
12M Avg Val (INR M)	5754

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Revenue	11.9	13.7	15.7
EBITDA	6.3	7.4	8.6
EBITDA Margin (%)	53.0	53.9	54.8
PAT	5.1	6.0	7.0
PAT Margin (%)	42.7	44.0	44.8
EPS	24.3	28.8	33.7
EPS Grw. (%)	-3.2	18.6	17.2
BVPS	96.0	108.8	126.5
RoE (%)	26.9	28.1	28.7
Div. Payout (%)	51.5	55.6	47.4

Valuations

P/E (x)	65.7	55.4	47.2
P/BV (x)	16.6	14.6	12.6
Div. Yield (%)	0.8	1.0	1.0

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	15.0	15.0	15.0
DII	14.2	14.2	21.6
FII	11.5	12.9	13.8
Others	59.3	57.9	49.7

FII includes depository receipts

CMP: INR1,593 TP: INR1,520 (-5%) Neutral

Strong revenue traction; opex elevated

- CDSL's operating revenue declined 1% YoY but grew 23% QoQ to INR3.2b (7% beat) in 2QFY26. The sequential growth was propelled by a 195% growth in IPO & corporate action charges and 28% growth in online data charges. For 1HFY26, its revenue remained flat YoY at INR5.8b.
- EBITDA declined 11% YoY but rose 36% QoQ to INR1.8b, resulting in an EBITDA margin of 55.7% (vs. 62% in 2QFY25 and 50.4% in 1QFY26). For 1HFY26, EBITDA declined 13% YoY to INR3.1b. Operating expenses grew 15% YoY to INR1.4b, driven by a 32%/10% YoY increase in employee costs/other expenses.
- CDSL's PAT declined 14% YoY but rose 37% QoQ to ~INR1.4b in 2Q (18% beat led by strong revenue growth). PAT margin stood at 43.9% vs. 50.3% in 2QFY25 and 39.6% in 1QFY26. For 1HFY26, the company's PAT declined 18% YoY.
- Technology and employee costs continue to rise, driven by ongoing investments in infrastructure and regulatory initiatives; management expects continued proactive investment in these areas to support future growth and innovation.
- We raise our FY26E earnings by 11% to reflect the strong quarterly performance, while retaining our FY27 and FY28 estimates to incorporate higher cost expectations. We project CDSL to post a revenue/EBITDA/PAT CAGR of 13%/11%/ 10% over FY25-28. We reiterate our Neutral rating on the stock with a one-year TP of INR1,520 (premised on a P/E multiple of 45x on FY28E earnings).

IPO & corporate action and online data charges drive strong revenue growth

- On the revenue front, transaction revenue declined 29% YoY/5% QoQ to INR590m on account of lower cash delivery volumes during the quarter. Within transaction revenue, pledge income stood at INR 50.9m in 2QFY26 vs INR 50.5m in 1QFY26.
- Annual issuer charges rose 42% YoY to INR 1.2b, driven by a sharp increase in the number of unlisted companies issued (3,593 in 2QFY26). The total includes a one-time application fee of INR53.9m and unlisted issuer charges of INR35.3m. The market share stood at 30-32%.
- Revenue from IPOs and corporate actions grew 19% YoY/195% QoQ on account of a spike in the number of IPOs during the quarter.
- Online data charges declined 30% YoY but grew 28% QoQ. The sequential rise was attributed to higher fetch volumes across AMCs and mutual funds, reflecting stronger transaction activity.
- The total income of its subsidiary, CVL, dipped 36% YoY to INR928.4b, while total expenses were INR570m in 1HFY26. PAT dipped 59% YoY to INR270m.
- The insurance repository business showed 30% growth YoY in account openings, with LIC integration expected to go live in Nov'25, which should materially boost account additions; future growth is anticipated from the broking channel and online portal initiatives.
- Total expenses surged 15% YoY to INR1.4b, led by a 32%/10% YoY increase in employee and other expenses. CIR stood at 44.3% vs 38% in 2QFY25 and 49.6% in 1QFY26.

- Other operating income declined 38% YoY/QoQ each to INR225m. It comprised e-CAS/e-voting/investment income/other operating income of INR120m/ INR200m/INR214.6m/INR60m, for the quarter.
- Demat account additions during the quarter stood at 6.5m in 2QFY26 vs. 11.8m in 2QFY25 and 5.7m in 1QFY26.

Key takeaways from the management commentary

- The insurance repository business is set to gain a significant boost with the LIC integration expected to go live in Nov'25, which should materially accelerate account additions. Further growth is likely to be driven by the expansion of the broking channel and new online portal initiatives.
- The average tax rate remained in the 22–25% range (comprising a 22% base rate plus education surcharge and other cess), subject to variations arising from adjustments related to deferred tax assets (DTA) and deferred tax liabilities (DTL).

Valuation and view

- Though core business drivers, such as steady demat account additions (6.5m in 2QFY26), healthy unlisted company admissions, and growing KYC fetch activity, continue to support recurring revenue visibility, continued investments in human resources and technology for future growth could restrict gains from operating leverage.
- We raise our FY26 earnings estimate by 11% to reflect the strong quarterly performance, while maintaining our FY27 and FY28 estimates to incorporate higher cost expectations. We expect CDSL to post a revenue/EBITDA/PAT CAGR of 13%/11%/10% over FY25-28.
- **We reiterate our Neutral rating on the stock with a one-year TP of INR1,520 (premised on a P/E multiple of 45x on FY28E earnings).**

Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	2QFY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Revenue from Operations	2,574	3,223	2,781	2,244	2,588	3,189	3,280	2,824	10,822	11,881	2,983	6.9	-1%	23%
Change YoY (%)	72.0	55.4	29.7	-6.8	0.6	-1.0	17.9	25.8	33.2	9.8	-7.4			
Employee expenses	267	314	323	315	390	414	422	432	1,219	1,658	398	4.1	32%	6%
Other Expenses	762	910	852	836	894	999	1,004	1,026	3,360	3,923	1,026	-2.6	10%	12%
Total Operating Expenses	1,029	1,225	1,175	1,151	1,284	1,413	1,427	1,458	4,580	5,581	1,424	-0.8	15%	10%
Change YoY (%)	49	57	41	24	25	15	21	27	42	22	16			
EBITDA	1,544	1,998	1,606	1,094	1,305	1,776	1,854	1,366	6,242	6,300	1,559	13.9	-11%	36%
Other Income	295	362	200	313	364	225	234	470	1,171	1,292	378	-40.5	-38%	-38%
Depreciation	98	119	130	143	152	161	164	165	490	642	155	3.8	35%	6%
PBT	1,741	2,241	1,676	1,264	1,516	1,840	1,923	1,672	6,923	6,951	1,782	3.3	-18%	21%
Change YoY (%)	76	54	15	-24	-13	-18	15	32	24	0	-20			
Tax Provisions	405	627	386	268	488	427	508	452	1,686	1,875	595		-32%	-12%
P&L from associate	5	6	7	8	-4	-13	0	0	26	-17	0			
Net Profit	1,342	1,620	1,298	1,004	1,025	1,400	1,415	1,220	5,264	5,059	1,187	17.9	-14%	37%
Change YoY (%)	82	49	21	-22	-24	-14	9	21	25	-4	-27			
Key Operating Parameters (%)														
Cost to Operating Income Ratio	40.0	38.0	42.2	51.3	49.6	44.3	43.5	51.6	42.3	47.0	47.7	-343 bps	630bps	-529bps
EBITDA Margin	60.0	62.0	57.8	48.7	50.4	55.7	56.5	48.4	57.7	53.0	52.3	343 bps	-630bps	529bps
PBT Margin	67.7	69.5	60.3	56.3	58.6	57.7	58.6	59.2	64.0	58.5	59.7	-204 bps	-1184bps	-88bps
Tax Rate	23.2	28.0	23.0	21.2	32.2	23.2	26.4	27.0	24.3	27.0	33.4	-1018 bps	-478bps	-896bps
PAT Margin	52.1	50.3	46.7	44.8	39.6	43.9	43.1	43.2	48.6	42.6	39.8	410 bps	-637bps	431bps

Gland Pharma

Estimate change



TP change



Rating change



Bloomberg	GLAND IN
Equity Shares (m)	165
M.Cap.(INRb)/(USD\$)	324.9 / 3.7
52-Week Range (INR)	2131 / 1200
1, 6, 12 Rel. Per (%)	-2/35/14
12M Avg Val (INR M)	506

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	63.0	72.1	81.1
EBITDA	14.8	18.1	20.6
Adj. PAT	8.9	11.2	13.3
EBITDA Margin (%)	16.8	19.5	20.0
Cons. Adj. EPS (INR)	54.2	68.0	80.4
EPS Gr. (%)	27.8	25.5	18.3
BV/Sh. (INR)	609.6	677.6	758.0
Ratios			
Net D:E	-0.2	-0.3	-0.3
RoE (%)	9.3	10.6	11.2
RoCE (%)	9.2	10.4	11.0
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	36.4	29.0	24.5
EV/EBITDA (x)	20.6	16.4	13.9
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-1.2	1.8	2.4
EV/Sales (x)	4.8	4.1	3.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	51.8	51.8	51.8
DII	32.6	32.9	35.4
FII	7.9	7.4	4.5
Others	7.6	7.9	8.3

FII Includes depository receipts

CMP: INR1,972
TP: INR2,310 (+17%)
Buy

In-line revenue; margin miss transient

Niche approval – Near-term key to reviving growth/profitability

- Gland Pharma (GLAND) delivered in-line revenue in 2QFY26. However, EBITDA/PAT came in below our expectations by 9%/11%. A lower-than-expected share of milestone income and lower tech transfer/CMO business in ROW markets impacted 2QFY26 performance.
- Having said this, GLAND has limited competition products in the pipeline to drive growth in 2HFY26/FY27. The base business is also witnessing an uptick with steady traction in already commercialized products.
- GLAND's work on facility upgrade/modification and the addition of lyophilizers line at Cenexi facility is on track. It is expected to enhance the revenue run rate from 3QFY26 onward.
- GLAND is implementing a two-pronged strategy in GLP-1 opportunity. It is not only adding a customer base but also working on expanding the capacity to cater to future needs of the manufacturing of peptide products.
- We lower our FY26 estimate by 3% and largely maintain our FY27/FY28 estimates. We value GLAND at 33x 12M forward earnings to arrive at a TP of INR2,310.
- We expect a CAGR of 13%/18%/24% in sales/EBITDA/PAT over FY25-28 to INR81b/INR20.6b/INR13.5b, factoring a) a revival in US business on the back of product introduction, b) increased revenue growth prospects in Cenexi after infrastructure upgrade, and c) increasing capacity utilization of GLP-1 pens/cartridge for non-regulated markets in the initial phase of patent expiries in these markets. Maintain BUY.

Cenexi drives revenue; margins remain steady

- 2Q revenue grew 5.8% YoY to INR14.8b (our est: INR15.1b).
- The base business (ex-Cenexi) was stable YoY at INR10.8b. Sales in core markets grew 4% YoY to INR8.5b (57% of sales). RoW sales remained stable at INR1.6b (11% of sales). India sales decreased 24%YoY to INR665m (4% of sales).
- Cenexi sales grew 21% YoY to INR4.1b (28% of sales).
- Gross margin (GM) expanded 370bp YoY to 62.8% due to lower costs of raw materials. EBITDA margin remained stable at 21% (our estimate: 22.7%). Higher employee costs (+240bp YoY as % of sales) and higher other expenses (+130bp YoY as % of sales) were offset by lower raw material costs (down 370bp YoY as % of sales).
- Exl. Cenexi, EBITDA margin was 35% (up 70bp YoY).
- EBITDA grew 5.7% YoY to INR3.1b (our estimate: INR3.4b).
- Adj. PAT rose 12%YoY to INR1.8b (our estimate: INR2.1b).
- In 1HFY26, revenue/EBITDA/PAT grew 7%/21%/30%.

Highlights from the management commentary

- GLAND remains confident of achieving mid-teen (+2%) YoY growth in revenue in FY26. 1H revenue growth was 6.6% YoY.
- 2H YoY growth would be driven by few key launches, volume growth of existing products and better Cenexi performance.
- The milestone income/profit share for the quarter was 4%/13% as % of sales.
- The YoY growth in US base business was driven by 10% volume growth and 6-7% new launches. Lower milestone income dragged down YoY growth in 2Q.
- The goal date for Dalbavancin is in Nov'25. Another product opportunity (Congrelor) is subject to patent expiry/settlement of GLAND's partner with innovator.
- While GM of Cenexi was lower at 67%, GLAND remains confident of achieving GM of 74-75% in FY26.

Consol. - Quarterly perf.

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	Var (%)
Net Sales	14,017	14,058	13,841	14,249	15,056	14,869	16,065	17,055	56,165	63,045	15,159	-1.9
YoY Change (%)	16.0	2.4	-10.4	-7.3	7.4	5.8	16.1	19.7	-0.9	12.3	7.8	
Total Expenditure	11,373	11,088	10,241	10,774	11,378	11,730	12,258	12,910	43,476	48,276	11,718	
EBITDA	2,644	2,970	3,600	3,475	3,678	3,139	3,807	4,144	12,689	14,769	3,441	-8.8
YoY Change (%)	-10.1	-8.3	-3.8	-3.1	39.1	5.7	5.8	19.3	-6.1	16.4	15.9	
Margins (%)	18.9	21.1	26.0	24.4	24.4	21.1	23.7	24.3	22.6	23.4	22.7	
Depreciation	920	938	963	958	1,011	1,063	1,009	1,072	3,779	4,155	948	
Interest	56	61	228	75	115	78	68	59	420	320	76	
Other Income	514	597	585	440	575	842	623	647	2,136	2,687	599	
PBT before EO expense	2,182	2,567	2,993	2,883	3,128	2,839	3,353	3,661	10,626	12,981	3,016	-5.9
PBT	2,182	2,567	2,993	2,883	3,128	2,839	3,353	3,661	10,626	12,981	3,016	-5.9
Tax	745	932	946	1,018	973	1,002	1,006	1,073	3,641	4,054	947	
Rate (%)	34.1	36.3	31.6	35.3	31.1	35.3	30.0	29.3	34.3	31.2	31.4	
Reported PAT	1,438	1,635	2,047	1,865	2,155	1,837	2,347	2,588	6,985	8,928	2,069	-11.2
Adj PAT	1,438	1,635	2,047	1,865	2,155	1,837	2,347	2,588	6,985	8,928	2,069	-11.2
YoY Change (%)	-25.9	-15.8	0.4	-2.7	49.9	12.3	14.7	38.8	-10.9	27.8	26.5	
Margins (%)	10.3	11.6	14.8	13.1	14.3	12.4	14.6	15.2	12.4	14.2	13.6	
EPS	8.7	9.9	12.4	11.3	13.1	11.2	14.3	15.7	42.4	54.2	13	

E: MOFSL Estimates

Key performance Indicators (Consolidated)

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	Var (%)
Core Markets	10,641	10,521	10,398	11,320	11,484	11,614	11,077	12,674	42,880	46,848	10,857	7.0
YoY Growth (%)	24.3	3.2	-13.4	-6.0	7.9	10.4	6.5	12.0	0	9	3.2	
India	527	874	562	525	594	665	635	656	2,488	2,550	612	8.7
YoY Growth (%)	-18.5	-0.2	-26.1	-0.2	12.7	-23.9	13.0	25.0	-11	3	-30.0	
Rest of the world	2,734	2,663	2,881	2,404	2,978	2,590	4,353	3,725	10,682	13,646	3,690	-29.8
YoY Growth (%)	-4.9	0.1	1.4	-14.2	8.9	-2.7	51.1	54.9	-5	28	38.6	
Cost Break-up												
RM Cost (% of Sales)	40.3	40.9	33.4	34.2	34.6	37.2	35.1	34.8	37.2	35.4	36.0	3.5
Staff Cost (% of Sales)	25.4	23.5	24.8	26.2	27.1	25.9	26.1	25.2	25.0	26.0	26.5	-2.3
Other Cost (% of Sales)	15.5	14.5	15.8	15.2	13.9	15.7	15.1	15.7	15.2	15.1	14.8	6.4
Gross Margins (%)	59.7	59.1	66.6	65.8	65.4	62.8	64.9	65.2	62.8	64.6	64.0	-1.9
EBITDA Margins (%)	18.9	21.1	26.0	24.4	24.4	21.1	23.7	24.3	22.6	23.4	22.7	-7.0
EBIT Margins (%)	12.3	14.5	19.0	17.7	17.7	14.0	17.4	18.0	21.8	22.9	16.4	-15.1

Ajanta Pharma

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,539 TP: INR3,000 (+18%) Buy

In-line 2Q; growth led by DF/US generics

Efforts on track to sustain industry outperformance in branded generics

- Ajanta Pharma (AJP)'s 2QFY26 revenue was slightly above our expectation (3.5% beat). EBITDA and PAT were largely in line and grew at a lower rate compared to revenue growth for the quarter. Product mix across geographies and higher opex to enhance traction in newer therapies in the domestic formulation (DF) segment kept EBITDA/PAT growth under check.
- AJP is outperforming the industry in its core therapies (ophthalmology, dermatology, and pain therapies) within the DF segment. Additionally, it is improving traction in newer therapies like gynecology as well as nephrology.
- The company is deepening its presence through MRs in addition to a healthy pipeline of launches in branded generics (Asia/Africa).
- AJP delivered its third consecutive quarter of strong YoY growth in US generics, backed by launches and market share gains in existing products.
- We broadly retain our FY26/FY27/FY28 estimates. We expect 14% earnings CAGR over FY25-28, led by consistent industry-beating growth in branded generics markets of India/Asia/Africa and healthy traction in US generics.
- We value AJP at 30x 12M forward earnings to arrive at our TP of INR3,000. Considering superior execution across key markets supported by product launches as well as strengthening the field force, we expect AJP to deliver sustained growth over the next 3-5 years. **Reiterate BUY.**

Product mix drags profitability both YoY and QoQ

- AJP's 2QFY26 revenue grew 14% YoY to INR13.5b (our est: INR13.0b), led by growth in all its key business areas.
- India sales rose 12% YoY to INR4.3b (32% of sales). The US generic sales grew 48% YoY to INR3.4b (26% of sales). Branded generics Asia sales rose 5% YoY to INR3.1b (23% of sales).
- The branded generic sales in Africa grew 4% YoY to INR2.2b (17% of sales). Africa Institutional sales declined 25% to INR320m (2% of sales).
- Gross margin contracted 130bp YoY at 76.6%.
- EBITDA margin also contracted ~120bp YoY to 27% (our est. of 28%), majorly due to contraction in gross margin.
- EBITDA grew 9.5% YoY to INR3.7b (our est. INR3.7b).
- Adjusting for the Net Forex loss impact of INR13m, Adj. PAT grew by 10.9% YoY to INR2.6b (our est. INR2.6b).

Highlights from the management commentary

- Two ANDAs were filed in 1HFY26. AJP received approvals for two ANDAs and launched three ANDAs in 1HFY26.
- AJP intends to file 10-12 ANDAs in FY26.
- AJP remains confident in delivering low-teens YoY growth in the Asia branded generics segment in FY26.
- AJP expects to sustain the growth momentum in the US generics segment in FY26 and can grow at high teens in FY27 as well.
- It guided a 78% (+-1%) gross margin and 27% (+-1%) EBITDA margin for FY26.

Bloomberg	AJP IN
Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	317.3 / 3.6
52-Week Range (INR)	3148 / 2022
1, 6, 12 Rel. Per (%)	2/-8/-24
12M Avg Val (INR M)	365

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	52.7	59.9	65.0
EBITDA	14.7	17.8	19.2
Adj. PAT	10.4	12.4	13.9
EBIT Margin (%)	24.8	27.1	27.0
Cons. Adj. EPS (INR)	83.0	98.7	111.0
EPS Gr. (%)	11.1	18.9	12.5
BV/Sh. (INR)	365.5	439.0	521.8

Ratios

Net D:E	-0.2	-0.2	-0.3
RoE (%)	24.9	24.5	23.1
RoCE (%)	25.2	24.9	23.4
Payout (%)	26.3	25.5	25.5

Valuations

P/E (x)	30.6	25.7	22.9
EV/EBITDA (x)	21.7	17.6	15.9
Div. Yield (%)	0.8	1.0	1.1
FCF Yield (%)	0.8	2.7	3.4
EV/Sales (x)	6.0	5.2	4.7

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	66.3	66.3	66.3
DII	17.9	17.5	17.1
FII	8.5	8.9	9.1
Others	7.3	7.4	7.5

FII includes depository receipts

- A calibrated approach towards first-to-market launches may drive fewer such launches in the DF segment. Having said this, AJP remains confident to outperform the DF segment going forward as well. AJP is witnessing improved traction in newer therapies such as gynaecology/nephrology, and progress is as per expectation.

Consol. - Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	vs Est
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	(%)
Net Sales	11,449	11,866	11,461	11,704	13,027	13,537	13,155	13,012	46,481	52,731	13,078	3.5
YoY Change (%)	12.1	15.4	3.7	11.0	13.8	14.1	14.8	11.2	10.4	13.4	10.2	
Total Expenditure	7,846	8,498	8,253	8,733	9,262	9,850	9,511	9,434	33,330	38,056	9,364	
EBITDA	3,604	3,368	3,208	2,972	3,765	3,688	3,644	3,578	13,152	14,675	3,714	-0.7
YoY Change (%)	28.1	15.9	-0.3	6.8	4.5	9.5	13.6	20.4	12.2	11.6	10.3	
Margins (%)	31.5	28.4	28.0	25.4	28.9	27.2	27.7	27.5	28.3	27.8	28.4	
Depreciation	340	344	360	398	413	430	375	371	1,441	1,588	376	
EBIT	3,264	3,024	2,849	2,574	3,352	3,258	3,269	3,208	11,710	13,087	3,338	
YoY Change (%)	31.5	17.7	-0.9	5.4	2.7	7.7	14.8	24.6	13.0	11.8	10.4	
Margins (%)	28.5	25.5	24.9	22.0	25.7	24.1	24.9	24.7	25.2	24.8	25.5	
Interest	7	60	79	61	53	34	66	66	207	218	66	
Other Income	182	195	129	111	170	197	165	175	616	706	145	
PBT before EO expense	3,439	3,159	2,898	2,624	3,469	3,421	3,368	3,316	12,119	13,575	3,417	
Extra-Ord expense	-217	-257	176	71	-158	-13	0	0	-227	-171	0	
PBT	3,221	2,902	3,074	2,694	3,311	3,408	3,368	3,316	11,892	13,404	3,417	
Tax	764	738	745	442	758	806	775	789	2,688	3,128	776	
Effective Rate (%)	23.7	25.4	24.2	16.4	22.9	23.7	23.0	23.8	22.6	23.3	22.7	
MI & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	2,458	2,165	2,329	2,253	2,553	2,602	2,594	2,527	9,204	10,276	2,642	-1.5
Adj PAT	2,624	2,356	2,196	2,194	2,675	2,612	2,594	2,527	9,369	10,407	2,642	-1.1
YoY Change (%)	30.8	26.5	3.3	16.4	2.0	10.9	18.1	15.2	18.9	11.1	12.1	
Margins (%)	22.6	19.5	18.9	18.6	20.3	19.0	19.5	19.2	19.9	19.5	20.0	

Key Performance Indicators

Y/E March	FY25				FY26E				FY25	FY26E	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE
Domestic formulations	3,530	3,860	3,450	3,700	4,100	4,320	4,011	4,232	14,540	16,662	4,185
YoY Change (%)	10.7	8.7	12.0	13.5	16.1	11.9	16.2	14.4	11.2	14.6	8.4
Asia	2,770	2,960	3,160	3,030	3,040	3,100	3,350	3,363	11,944	12,853	3,315
YoY Change (%)	9.1	28.7	8.2	7.8	9.7	4.7	6.0	11.0	13.0	7.8	12.0
Africa (branded + Insti)	2,720	2,560	2,060	1,610	2,660	2,530	2,443	2,020	8,902	9,653	2,444
YoY Change (%)	21.4	31.5	(14.5)	(7.5)	(2.2)	(1.2)	18.6	25.5	6.7	7.9	(4.5)
US	2,280	2,320	2,630	3,250	3,100	3,440	3,235	3,315	10,205	13,090	3,016
YoY Change (%)	7.0	(2.1)	4.4	24.5	36.0	48.3	23.0	2.0	5.9	24.9	30.0
Cost Break-up											
RM Cost (% of Sales)	23.4	22.1	22.5	24.2	21.2	23.4	21.9	22.0	23.0	22.1	22.1
Staff Cost (% of Sales)	22.2	22.0	23.1	23.9	23.3	23.4	23.9	24.1	22.8	23.7	23.0
Other Cost (% of Sales)	18.5	22.8	21.8	21.1	22.4	21.3	22.1	22.2	21.1	22.0	22.0
Gross Margin (%)	76.6	77.9	77.5	75.8	78.8	76.6	78.1	78.0	77.0	77.9	77.9
EBITDA Margin (%)	31.5	28.4	28.0	25.4	28.9	27.2	27.7	27.5	28.3	27.8	28.4
EBIT Margin (%)	28.5	25.5	24.9	22.0	25.7	24.1	24.9	24.7	25.2	24.8	25.5
PBT Margin (%)	29.6	26.2	25.0	22.2	26.3	24.9	25.3	25.1	25.7	25.4	25.8
PAT Margin (%)	22.6	19.5	18.9	18.6	20.3	19.0	19.5	19.2	19.9	19.5	20.0

Tata Chemicals

Estimate change

TP change

Rating change



Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USD\$)	223 / 2.5
52-Week Range (INR)	1159 / 756
1, 6, 12 Rel. Per (%)	-9/-1/-30
12M Avg Val (INR M)	774

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2027E
Sales	151.2	161.0	171.4
EBITDA	23.8	28.4	33.6
PAT	7.4	11.3	15.3
EBITDA (%)	15.8	17.7	19.6
EPS (INR)	29.0	44.5	60.0
EPS Gr. (%)	75.9	53.4	34.9
BV/Sh. (INR)	862	891	936
Ratios			
Net D/E	0.2	0.1	0.0
RoE (%)	3.4	5.1	6.6
RoCE (%)	4.2	5.3	6.8
Valuations			
P/E (x)	30.2	19.7	14.6
EV/EBITDA (x)	11.5	9.1	7.2
Div Yield (%)	1.4	1.7	1.7
FCF Yield (%)	5.9	9.3	10.5

Shareholding Pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	38.0	38.0	38.0
DII	22.2	22.7	20.4
FII	13.7	12.8	13.6
Others	26.1	26.5	28.1

CMP: INR875
TP: INR900 (+3%)
Neutral

Unfavorable demand-supply dynamics hurt margins

Operating performance below our estimates

- Tata Chemicals (TTCH)'s 2QFY26 consolidated EBITDA declined 13% YoY, led by subdued performance in America (TCNA)/Africa (TCAHL)/Rallis, with EBITDA down 65%/58%/5% YoY due to a weak demand-supply scenario. India/Europe (TCEHL) delivered a healthy performance with EBITDA up 67%/50% YoY. India operations were better, led by an increase in capacity, operating leverage, and a lower base for the last year. Due to heavy rains in 2QFY25, TTCH had a total cost impact of ~INR400-440m with a production loss of ~30KMT/40KMT of soda ash/salt. However, TCEHL witnessed an improved performance due to a reduction in power and fuel costs (mainly due to the cessation of Lostock in the UK).
- The unfavorable demand-supply scenario of soda ash has led to lower prices globally. India and the US domestic market are witnessing a better demand scenario, while the US exports/Africa/EU are under pressure due to oversupply.
- Factoring in a weak macro environment, we cut our FY26/FY27 EBITDA estimates by 7%/11%. Lower FY26 estimates are on account of a one-off expense of INR1.1b in the UK (~INR650m)/US business (~USD5m) and a weak outlook for the soda ash pricing globally. However, we maintain our FY28 EBITDA estimates, anticipating an improving macro scenario. We **reiterate our Neutral rating with an SoTP-based TP of INR900.**

Earnings hurt by US and Kenyan operations; India and UK outperform

- TTCH reported total revenue of INR38.8b (est. INR41.9b) in 2QFY26, down 3% YoY, due to a slight decline in soda ash volumes (down 2%). Sodium bicarbonate/salt volumes grew 19%/12%. EBITDA margin contracted 160bp YoY to 13.9% (est. 14.9%), due to lower gross margin and higher employee and freight costs. EBITDA stood at INR5.4b (est. INR6.3b), down 13% YoY.
- It posted an adj. net profit of INR1.3b vs. INR1.9b in 2QFY25 (est. ~INR2.1b).
- **The Basic Chemistry Products** business was down 2% YoY to INR29.8b. EBIT is INR1.2b (down 53% YoY). EBIT margins stood at 4%.
- **The Specialty Products business** grew 2% YoY to INR9b. EBIT is INR 1.2b (up 2% YoY). EBIT margins stood at 13.7%.
- Indian standalone revenue rose ~19% YoY to INR12b, while TCNA/TCEHL/TCAHL/Rallis dipped 8%/25%/23%/5% YoY to INR12.3b/INR3.9b/INR1.3b/INR8.6b.
- EBITDA for India standalone/TCEHL grew 67%/50% to INR2.4b/INR390m, while the same for TCNA/TCAHL/Rallis declined 65%/58%/5% YoY to INR1.9b/INR1.7b/INR1.6b.
- EBITDA/MT of TCNA/TCAHL declined 65%/47% YoY to ~USD14.7/USD36. EBITDA margin for India standalone expanded 560bp YoY to 19.9%.
- For 1HFY26, Revenue/EBITDA declined 2%/1% to INR76b/INR12b, while adj. PAT grew 15% to INR3.8b
- Gross debt was INR67.2b as of Sep'25 vs. INR63.0b in Mar'25. Further, the CFO stood at INR5.4b as of Sep'25, as against INR6.7b in Sep'24.

Highlights from the management commentary

- **European business:** Margin improvement was led by a better product mix. Going forward, the pharma salt business and in-house manufacturing of CO₂ are expected to be the key growth drivers. The company expects the business to turn profitable in 3QFY26.
- **Capex:** TTCH has guided for an annual maintenance capex of INR10b for FY26. The company plans to expand its Indian capacity by 50% in two phases (i.e., 15% + 35%). Further, it plans to add silicate capacity of ~42k tons in Cuddalore and 60k tons in Mithapur. The company is planning to raise INR15b through NCDs for funding these initiatives.
- **Africa:** Pending litigation concerning land rates has been ruled in the company's favor. The company will wait to check if the local body takes this matter to the Supreme Court. However, other matters regarding taxes have been completely resolved.

Valuation and view

- Global demand for soda ash is expected to be muted in the near term as the soda ash market is currently oversupplied with high inventory levels, particularly in China (1.65m tons). This is putting pressure on soda ash prices.
- However, the soda ash demand supply scenario is likely to be favorable in the medium term due to better demand from solar glass and electric vehicles. The company is in a good position to capitalize on the demand with capacity expansion in India.
- **We expect TTCH to record a revenue/EBITDA/adj. PAT CAGR of 5%/17%/54% over FY25-28. Reiterate Neutral with an SoTP-based TP of INR900.**

Consolidated - Quarterly Earnings Model

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	%
Net Sales	37,890	39,990	35,900	35,090	37,190	38,770	37,316	37,906	1,48,870	1,51,182	41,974	-8
YoY Change (%)	-10.2	0.0	-3.8	1.0	-1.8	-3.1	3.9	8.0	-3.5	1.6	5.0	
Total Expenditure	32,150	33,810	31,560	31,820	30,700	33,400	31,604	31,660	1,29,340	1,27,364	35,723	
EBITDA	5,740	6,180	4,340	3,270	6,490	5,370	5,712	6,246	19,530	23,818	6,250	-14
Margins (%)	15.1	15.5	12.1	9.3	17.5	13.9	15.3	16.5	13.1	15.8	14.9	
Depreciation	2,730	2,770	2,800	2,930	2,800	2,850	2,950	3,050	11,230	11,650	2,850	
Interest	1,330	1,450	1,480	1,370	1,470	1,440	1,150	1,000	5,630	5,060	1,200	
Other Income	470	1,080	280	420	960	1,380	350	550	2,250	3,240	1,000	
PBT before EO expense	2,150	3,040	340	-610	3,180	2,460	1,962	2,746	4,920	10,348	3,200	
Extra-Ord expense	0	0	700	550	0	650	0	0	1,250	650	0	
PBT	2,150	3,040	-360	-1,160	3,180	1,810	1,962	2,746	3,670	9,698	3,200	
Tax	940	810	170	-250	440	820	481	680	1,670	2,421	784	
Rate (%)	43.7	26.6	-47.2	21.6	13.8	45.3	24.5	24.8	45.5	25.0	24.5	
MI & Profit/Loss of Asso. Cos.	-140	290	0	-170	220	220	0	-64	-20	376	319	
Reported PAT	1,350	1,940	-530	-740	2,520	770	1,481	2,130	2,020	6,901	2,097	
Adj PAT	1,350	1,940	-5	-328	2,520	1,258	1,481	2,130	2,958	7,388	2,097	-40
YoY Change (%)	-73.8	-44.8	-100.3	-68.7	86.7	-35.2	NA	NA	-67.9	149.8	8.1	
Margins (%)	3.6	4.9	0.0	-0.9	6.8	3.2	4.0	5.6	2.0	4.9	5.0	

E: MOFSL Estimates

Blue Dart Express

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	BDE IN
Equity Shares (m)	24
M.Cap.(INRb)/(USDb)	151.2 / 1.7
52-Week Range (INR)	8200 / 5365
1, 6, 12 Rel. Per (%)	9/-4/-27
12M Avg Val (INR M)	367

Financial Snapshot (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	63.3	72.4	80.6
EBITDA	6.0	8.1	8.7
Adj. PAT	3.3	4.7	4.9
EBITDA Margin (%)	9.5	11.2	10.7
Adj. EPS (INR)	139.6	197.1	204.9
EPS Gr. (%)	35.4	41.2	3.9
BV/Sh. (INR)	798.7	970.7	1150.6

Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	18.8	22.3	19.3
RoCE (%)	20.7	23.8	20.5
Payout (%)	17.9	12.7	12.2

Valuations

P/E (x)	45.7	32.4	31.1
P/BV (x)	8.0	6.6	5.5
EV/EBITDA(x)	23.7	17.3	15.8
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	1.1	2.0	2.4

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	75.0	75.0	75.0
DII	13.1	13.0	12.9
FII	5.0	5.5	5.5
Others	6.8	6.4	6.6

FII includes depository receipts

CMP: INR6,371 **TP: INR7,900 (+24%)** **Buy**

Strong margin expansion driven by higher volumes and cost optimization

- Blue Dart Express's (BDE) revenue grew ~7% YoY to INR15.5b in 2QFY26 (in line). The company handled 0.36m tons of cargo volumes (+6% YoY) in 2QFY26. Realization rose ~1% YoY to INR42.6/kg. It carried 106.3m shipments in 2Q.
- EBITDA margin came in at 10.1% in 2QFY26 (up 170bp YoY and 320bp QoQ) vs. our estimate of 8.7%.
- EBITDA grew ~29% YoY to INR1.57b (13% above our estimate). The company reported a profit of INR795m vs. INR608m in 2QFY25 (6% above our estimate).
- In 2QFY26, BDE reported a steady improvement in revenue, with APAT increasing 31% YoY due to higher EBITDA margins, which were driven by a higher number of shipments and cost optimization initiatives. The ground express segment continued to experience healthy traction, driven by B2C growth and e-commerce volumes. Management expects EBITDA margins to remain strong going forward, driven by yield improvement, cost rationalization, product mix optimization, and network efficiencies. We largely maintain our estimates for FY26/27. **We reiterate our BUY rating with a revised TP of INR7,900 (based on 20x FY28 EV/EBITDA).**

Utilization levels improve in newly added aircraft; B2B:B2C revenue mix at 70:30, with B2C growing at robust pace

- In 2QFY26, BDE reported shipment volume of 106.3m (+10% YoY) and tonnage of 0.36mt (+6% YoY). Margins have substantially expanded due to the increasing number of shipments and cost optimization.
- The company's revenue mix remained stable, with Air Express contributing ~70% and Surface Express ~30% of total revenue, while the B2B and B2C segments accounted for 70% and 30%, respectively.
- During the quarter, B2C revenue grew ~18% YoY on strong e-commerce demand, while B2B revenue rose ~3% YoY, respectively.

Highlights from the management commentary

- EBITDA margins increased 170bp YoY on account of improvement in the number of shipments and cost controls, which led to margin expansion.
- BDE announced a General Price Increase (GPI) effective 1st Jan'26, with average shipment prices set to rise 9-12%.
- During the quarter, B2C revenue grew ~18% YoY on strong e-commerce demand, while B2B revenue rose ~3% YoY.
- Management mentioned that margins are expected to sustain in the near term and, going forward, margin expansion will be driven by yield improvement, cost rationalization, product mix optimization, and network efficiencies.

Valuation and view

- The ground express segment continues to experience healthy traction, driven by B2C growth and e-commerce volumes. Despite competition, the company has been able to maintain market share through its premium offerings.
- Management expects EBITDA margin to expand going forward. We largely maintain our estimates for FY26/27. **We reiterate our BUY rating with a revised TP of INR7,900 (based on 20x FY28 EV/EBITDA).**

Quarterly snapshot - Standalone

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	vs Est
Net Sales	13,427	14,485	15,117	14,173	14,419	15,493	16,785	16,624	57,202	63,322	15,968	(3)
YoY Change (%)	8.5	9.4	9.3	7.1	7.4	7.0	11.0	17.3	8.6	10.7	10.2	
EBITDA	1,094	1,219	1,462	1,181	1,002	1,572	1,712	1,746	4,956	6,032	1,389	13
Margins (%)	8.1	8.4	9.7	8.3	6.9	10.1	10.2	10.5	8.7	9.5	8.7	
YoY Change (%)	-3.4	-6.6	8.9	-15.3	-8.5	29.0	17.1	47.9	-4.2	21.7	14.0	
Depreciation	523	519	522	529	505	594	550	484	2,092	2,132	520	
Interest	70	70	73	75	72	105	88	63	288	328	85	
Other Income	191	190	196	206	207	194	215	246	783	861	220	
PBT before EO expense	693	819	1,064	782	632	1,066	1,289	1,446	3,359	4,433	1,004	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	693	819	1,064	782	632	1,066	1,289	1,446	3,359	4,433	1,004	
Tax	178	212	273	250	163	271	325	362	912	1,120	253	
Rate (%)	25.7	25.9	25.6	32.0	25.7	25.4	25.2	25.0	27.2	25.3	25.2	
Reported PAT	515	608	791	532	469	795	964	1,084	2,446	3,312	751	
Adj PAT	515	608	791	532	469	795	964	1,084	2,446	3,312	751	6
YoY Change (%)	-13.8	-14.8	-3.0	-30.0	-8.9	30.8	21.9	103.7	-15.2	35.4	23.6	
Margins (%)	3.8	4.2	5.2	3.8	3.3	5.1	5.7	6.5	4.3	5.2	4.7	

RR Kabel

Estimate change



TP change



Rating change



Bloomberg	RRKABEL IN
Equity Shares (m)	113
M.Cap.(INRb)/(USDb)	157.3 / 1.8
52-Week Range (INR)	1612 / 751
1, 6, 12 Rel. Per (%)	7/30/-15
12M Avg Val (INR M)	374
Free float (%)	38.2

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	89.2	100.1	113.7
EBITDA	7.0	8.2	9.7
Adj. PAT	4.5	4.9	5.8
EBITDA Margin (%)	7.9	8.2	8.6
Cons. Adj. EPS (INR)	39.7	43.2	50.9
EPS Gr. (%)	44.2	8.6	17.9
BV/Sh. (INR)	223.1	259.3	302.2

Ratios

Net D:E	0.1	0.1	0.1
RoE (%)	19.2	17.9	18.1
RoCE (%)	17.7	16.4	16.7
Payout (%)	17.6	16.2	15.7

Valuations

P/E (x)	35.0	32.2	27.3
P/BV (x)	6.2	5.4	4.6
EV/EBITDA (x)	22.9	19.6	16.5
Div Yield (%)	0.5	0.5	0.6
FCF Yield (%)	(2.1)	1.0	1.5

Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	61.8	61.8	61.8
DII	13.9	13.6	14.3
FII	8.2	8.6	7.4
Others	16.2	16.0	16.5

FII includes depository receipts

CMP: INR1,391
TP: INR1,470 (+6%)
Neutral
Earnings above estimate; FMEG breakeven in 4QFY26E
Aiming ~18% volume CAGR in C&W over FY26-28E

- RRKABEL's 2QFY26 earnings were above our estimates, led by a higher-than-estimated margin in C&W. Revenue grew ~20% YoY to INR21.6b (in line), driven by robust growth of ~22% in the C&W segment. EBITDA grew ~105% YoY at INR1.8b (~14% beat). OPM expanded 3.4pp YoY to ~8% (80bp above estimate). Adj. PAT grew 135% YoY to INR1.2b (~20% beat).
- Management highlighted that the underlying demand environment continues to be favorable, led by infrastructure investments, formalization of the electrical sector, and rising consumer preference for branded and energy-efficient products. Margin expansion during the quarter was driven by positive operating leverage, better cost absorption, and sustained efficiency initiatives across the procurement and production chains. In C&W, the company targets ~18% volume CAGR, 10.5-11% EBIT margin (through better capacity utilization and product mix), and over 20% ROE over the next 2-3 years.
- We increase our EPS estimates ~6%-8% for FY26-FY28E (each) by increasing margins in the C&W segment (8.4%/8.6%/8.8% for FY26E/FY27E/FY28E). The stock is trading reasonably at 32x/27x FY27E/FY28E EPS. We value RRKABEL at 30x Dec'27E EPS to arrive at our revised TP of INR1,470. **Reiterate Neutral.**

C&W revenue rises ~22% YoY and margin surges 4.1pp YoY to 9.2%

- Consolidated revenue/EBITDA/PAT stood at INR21.6b/INR1.8b/INR1.2b (up 20%/105%/135% YoY and +3%/+14%/+20% vs. our estimates). Gross margin expanded 3.0pp YoY to ~19%. Employee cost increased ~13% YoY (stood at 4.7% of revenue vs. 4.9% in 2QFY25). Other expenses increased ~16% YoY (stood at 6.1% of revenue vs. 6.2% in 2QFY25). Depreciation/interest cost increased ~25%/4% YoY, while other income increased ~134% YoY.
- Segmental highlights: **a) C&W:** Revenue increased ~22% YoY to INR19.7b, and EBIT increased ~120% YoY to INR1.8b. EBIT margin surged 4.1pp YoY to 9.2%. **b) FMEG:** Revenue declined marginally ~3% YoY at INR1.9b. The company reported a segment loss of INR117m vs. INR117m/INR71m in 2QFY25/1QFY26.
- In 1HFY26, Revenue/EBITDA/PAT stood at INR42.2b/INR3.2b/INR2.1b (up 17%/76%/81% YoY). OPM expanded 2.5pp YoY to ~8%. Operating cash outflow stood at INR1.3b vs OCF of INR338m in 1HFY25, mainly due to an increase in working capital. Capex stood at INR1.7b vs INR1.6b. Free cash outflow stood at INR3b vs INR1.3b in 1HFY25.

Key highlights from the management commentary

- Capacity utilization stood at ~70% in wires and ~90% in cables. Demand visibility remains strong across both domestic and export markets, and the company expects 2HFY26 to be better than 1HFY26, supported by sustained infrastructure activity and retail traction.
- Management reiterated its guidance to achieve FMEG breakeven by 4QFY26, expecting overall losses for FY26 to be negligible.

- The company's **INR12b capex plan** is progressing as per schedule, with **~80% allocated to the cables business**. Net working capital stood at 57 days vs. 56 in Mar'25 and 64/75 days in Mar'24/ Mar'23.

Valuation and view

- RRKABEL's **2QFY26 earnings were above expectations**, driven by higher-than-estimated margins in the **C&W segment**. It targeted a 100bp margin expansion in FY26 and, so far, is in line with its guidance. Since 2H remains better in terms of demand and industry trend, it estimates margins to sustain/expand in 2H. The FMEG segment is still facing challenges due to adverse market conditions. Its efforts towards product rationalization, operational efficiency, and cost control helped keep losses largely stable.
- We estimate RRKABEL's revenue/EBITDA/PAT CAGR at 14%/26%/23% over FY25-28E. We estimate the company's C&W segment margin at 8.6%/8.8% in FY27/FY28 vs. 8.4%/7.4% in FY26E/FY25. We project the company's net debt (excluding acceptances) to increase INR5.6b by FY27 vs. INR3.1b in Sep'25 due to aggressive capex plans. The stock is trading fairly at 32x/27x FY27E/28E EPS. We value RRKABEL at 30x Dec'27E EPS to arrive at our revised TP of INR1,470 (earlier INR1,340). **Reiterate Neutral.**

Quarterly performance

	(INR m)											
	FY25				FY26E				FY25	FY26E	MOFSL	Var.
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales	18,081	18,101	17,822	22,178	20,586	21,638	20,649	26,311	76,182	89,183	21,063	3
YoY Change (%)	13.2	12.5	9.1	26.4	13.9	19.5	15.9	18.6	15.5	17.1	16.4	
EBITDA	949	858	1,105	1,944	1,421	1,758	1,482	2,361	4,856	7,022	1,548	14
YoY Change (%)	(15.9)	(29.1)	(1.8)	68.6	49.6	104.9	34.1	30.6	5.2	44.6	80.5	
Adj EBITDA margin (%)	5.3	4.7	6.2	8.8	6.9	8.1	7.2	9.0	6.4	7.9	7.4	77
Depreciation	162	175	178	190	203	219	229	246	705	897	207	5
Interest	116	156	162	155	151	162	175	179	589	668	160	1
Other Income	185	72	134	119	124	169	120	124	511	537	120	41
PBT	857	599	900	1,718	1,190	1,546	1,197	2,060	4,074	5,993	1,301	19
Tax	218	101	219	441	303	386	307	539	978	1,534	344	
Effective Tax Rate (%)	25.4	16.9	24.3	25.6	25.4	25.0	25.6	26.2	24.0	25.6	26.5	
JV share	5	(2)	4	14	10	3	8	14	21	35	8	
Reported PAT	644	495	686	1,291	898	1,163	899	1,535	3,116	4,494	965	20
Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	81.5	34.8	4.5	598.1	95	
Adj PAT	644	495	686	1,291	898	1,163	899	1,535	3,116	4,494	965	20
YoY Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	31.1	34.8	4.5	598.1	94.8	
Margins (%)	3.6	2.7	3.8	5.8	4.4	5.4	4.4	5.8	4.1	5.0	4.6	

Segmental performance (INR m)

	FY25				FY26E				FY25	FY26E	MOFSL	Var.
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales												
Cables & Wires	15,782	16,118	15,425	19,562	18,335	19,712	17,893	23,252	66,888	79,192	19,020	3.6
FMEG	2,300	1,984	2,396	2,616	2,251	1,926	2,756	3,059	9,296	9,991	2,043	(5.7)
Growth YoY (%)												
Cables & Wires	10.9	11.1	7.6	28.4	16.2	22.3	16.0	18.9	14.7	18.4	18.0	
FMEG	24.2	24.1	19.5	13.3	(2.1)	(2.9)	15.0	16.9	19.7	7.5	3.0	
EBIT												
Cables & Wires	1,130	818	1,075	1,941	1,391	1,804	1,431	1,951	4,965	6,578	1,503	20.1
FMEG	(207)	(117)	(44)	(91)	(71)	(117)	(55)	23	(459)	(220)	(92)	27.0
EBIT Margin (%)												
Cables & Wires	7.2	5.1	7.0	9.9	7.6	9.2	8.0	8.4	7.4	8.3	7.9	125
FMEG	(9.0)	(5.9)	(1.8)	(3.5)	(3.2)	(6.1)	(2.0)	0.8	(4.9)	(2.2)	(4.5)	(156)

Niva Bupa

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	NIVABUPA IN
Equity Shares (m)	1846
M.Cap.(INRb)/(USDb)	136.7 / 1.5
52-Week Range (INR)	109 / 61
1, 6, 12 Rel. Per (%)	-12/-16/-
12M Avg Val (INR M)	505

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
GWP	67.6	84.9	114.8
NEP	48.9	60.3	78.6
U/W Profit	-2.5	-4.6	-3.4
PBT	2.1	1.3	3.6
PAT	2.1	0.7	2.7

Ratios (%)

Claims	61.2	67.0	65.2
Commission	19.8	19.5	19.3
Expense	20.2	17.1	14.7
Combined	101.2	103.6	99.2
RoE	7.8	2.0	6.7
EPS (INR)	1.2	0.4	1.5
EPS Growth (%)	142.7	-68.2	293.3

Valuations

P/E (x)	64.3	201.9	51.3
P/BV (x)	4.5	3.6	3.3

Shareholding pattern (%)

As of	Sep-25	Jun-25
Promoter	55.4	55.4
DII	15.3	15.1
FII	10.7	10.8
Others	18.6	18.8

FII includes depository receipts

CMP: INR74
TP: INR92 (+24%)
Buy

Combined ratio hit by higher opex and claims

- Niva Bupa (Niva) reported 17% YoY growth in NEP to INR14.2b (in-line) in 2QFY26. For 1HFY25, NEP grew 18% YoY to INR26.4b.
- The loss ratio at 71.2% (our est. of 66.9%) jumped 1,000bp YoY. The ratio was hit by 1/n accounting, as well as a higher group health loss ratio due to 50% URR accounting. An opex ratio of 21.2% (vs. our est. of 18.9%) and the commission ratio of 19.3% (vs. our est. of 20.2%) resulted in a combined ratio of 111.7% (vs. our est. of 106%), up 1,040bp YoY.
- The loss for 2QFY26 was INR353m vs. a PAT of INR130m in 2QFY25 (vs. our est. of PAT of INR381m). For 1HFY26, loss was INR1.3b vs. a loss of INR58m in 1HFY25.
- After the GST exemption, customer behavior has shifted toward higher coverage, reflected in the rise in ticket sizes for both new and renewal policies. Importantly, Niva has passed the entire GST impact to distributors. Management reaffirmed its medium-to-long-term RoE guidance in the mid-to-high teens.
- We cut our PAT estimates for FY26/27/28 by 49%/14%/9%, considering the performance in 1HFY26. However, this impact was largely due to 1/n accounting and the elevated group health loss ratio due to 50% URR accounting. Hence, we broadly retain our IFRS estimates. We value the stock at 32x Sep'27E IFRS PAT to arrive at a fair value of INR92. **Reiterate BUY.**

IFRS PAT experiences ~2x jump in 1HFY26

- GWP grew 4% YoY to INR18.4b, driven by 6%/3% YoY growth in retail health/group health, while the PA business declined 39% YoY. On a pre-1/n basis, GWP grew 19% YoY, with retail health growing 24.5% YoY.
- The underwriting loss for 2QFY26 came in at INR1.8b vs. the underwriting loss of INR881m in 2QFY25 (est. loss of INR1b), with net incurred claims growing 36% YoY to INR10.1b (5% above estimates) and 10% YoY growth in operating expenses to INR3.1b.
- The commission ratio was at 19.3% (vs. our est. of 20.2%) with net commission flattish YoY at INR2.8b (6% below estimates).
- Without considering the impact of 1/n, the claims ratio for 1HFY26 increased to 69.1%, while the expense ratio (including commission) improved to 37.1%, leading to a combined ratio of 106.2% (103.5% in 1HFY25). With the impact of 1/n, the claims/expenses/combined ratios were 74.3%/39.9%/114.1% for 1HFY26.
- Investment assets stood at INR84.8b at the end of 2QFY26, with investment yield at 7.3%. The solvency ratio was 2.85x in 2QFY26.
- The average ticket size per policy (without 1/n) increased to INR31,037 in 1HFY26 from INR30,839 in 1HFY25, while GWP contribution from >INR1m sum insured increased to 83.8% in 1HFY26 from 74.1% in 1HFY25. With the GST exemption announced, the contribution from the higher sum insured is increasing, as witnessed in Oct'25.

- The IFRS claims ratio for 1HFY26 rose to 65.9% (from 64.7% in 1HFY25), with the retail health loss ratio broadly stable YoY at 68.1%. However, the group health loss ratio was elevated. The expense ratio improved to 37.2% in 1HFY26 (39.5% in 1HFY25), resulting in an improvement in the combined ratio to 103.1% (104.2% in 1HFY25).
- IFRS PAT grew ~2x to INR1.3b (from INR0.6b in 1HFY25).
- The company's hospital network was at 10,507 (10,488 at the end of 1QFY26), while the preferred partner network increased to 855 for 1HFY26 (681 at the end of 1QFY26).
- The channel mix remained largely stable, with 30.6%/19.8%/10.5%/28.0%/10.5%/0.6% of the business being contributed by agents/banks/other corporate agents/brokers/ direct/ others. Strong growth is being witnessed in the agency, direct channel, and digital partner channels post-GST exemption.

Key takeaways from the management commentary

- The newly launched ReAssure 3.0 has received strong traction since its rollout during the quarter, helping enhance product differentiation. The launch led to a temporary increase in advertising expenses during the quarter.
- The GST exemption on health insurance has significantly boosted demand and customer affordability. In October 2025, despite the festive season, the retail health business grew over 50% YoY, with a surge in web traffic, query volumes, and conversions — consistent with broad industry trends.
- The EoM ratio improved to 35.5% in 1HFY26, aided by lower gross commission (as a % of GWP) and stronger scale efficiencies. Management expressed confidence in bringing the EoM ratio within the regulatory threshold by the end of FY26.

Valuation and view

- Niva witnessed the impact of 1/n accounting as well as an elevated group health loss ratio on its profitability, while the retail health loss ratio remained largely stable. While opex witnessed an increase due to a new product launch during the quarter, the EoM ratio declined in 1HFY26 and is expected to achieve the regulatory limit of 35% by FY26.
- We believe Niva has a strong position to harness the growth opportunity, with a strategic global partner, a growing customer base, a diversified channel mix, and innovative product offerings. Measures taken to mitigate claim inflation will continue to aid loss ratios, while operational efficiency will lead to expense ratio improvement going forward.
- We cut our PAT estimates for FY26/27/28 by 49%/14%/9%, considering the performance in 1HFY26. However, this impact was largely due to 1/n accounting and the elevated group health loss ratio due to 50% URR accounting. Hence, we broadly retain our IFRS estimates. We value the stock at 32x Sep'27E IFRS PAT to arrive at a fair value of INR92. Reiterate BUY.

Quarterly Performance

INR m

Y/E March	FY25				FY26				FY25	FY26E	2QFY26E	Act v/s Est. (%)	YoY QoQ	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Gross premium	14,642	17,773	14,421	20,787	16,319	18,431	21,503	28,682	67,622	84,935	18,480	-0.3	4%	13%
Net written premium	11,516	13,933	11,524	16,721	12,879	14,501	16,918	22,566	53,694	66,863	14,784	-1.9	4%	13%
Net earned premium	10,180	12,132	11,358	15,274	12,200	14,221	14,221	19,644	48,945	60,285	14,372	-1.1	17%	17%
Investment Income	575	682	679	938	868	981	1,006	1,036	2,874	3,892	974	0.7	44%	13%
Total Income	11,593	13,597	12,405	15,647	13,084	15,381	15,482	21,017	53,243	64,965	15,625	-1.6	13%	18%
Change YoY (%)	36.2	37.1	20.1	18.7	12.9	13.1	24.8	34.3	26.9	22.0	14.9			
Incurred claims	6,518	7,419	7,398	8,616	9,499	10,126	9,971	10,818	29,950	40,414	9,616	5.3	36%	7%
Net commission	2,280	2,803	2,608	2,955	2,598	2,798	3,265	4,355	10,646	13,016	2,982	-6.2	0%	8%
Operating expenses	2,563	2,791	2,365	3,127	2,439	3,077	2,554	3,377	10,846	11,448	2,791	10.2	10%	26%
Total operating expenses	4,843	5,594	4,973	6,082	5,037	5,875	5,819	7,732	21,492	24,464	5,774			
Change YoY (%)	28.2	37.3	14.2	13.5	4.0	5.0	17.0	27.1	7.5	5.5	3.2			
Underwriting profit	-1,180	-881	-1,013	576	-2,336	-1,780	-1,569	1,094	-2,498	-4,592	-1,018			
Operating profit	232	585	34	949	-1,452	-620	-308	2,467	1,801	87	235			
Shareholder's P/L														
Transfer from Policyholder's	232	585	34	949	-1,452	-620	-308	2,467	1,801	87	235			
Investment income	494	401	544	615	642	539	552	569	2,054	2,302	620	-13.1	34%	-16%
Total Income	726	986	578	1,564	-810	-81	244	3,036	3,855	2,389	855			
Provisions other than taxation	8	3	8	-13	20	24	-	-	6.3	45	-		800%	20%
Other expenses	906	853	438	-484	84	247	324	406	1,713	1,061	348	-28.8	-71%	194%
Total Expenses	915	856	446	-497	105	272	324	406	1,720	1,106	348	-21.8	-68%	160%
PBT	-188	130	132	2,061	-914	-353	-80	2,630	2,135	1,283	508			
Change YoY (%)	NA	NA	NA	31.2	NA	NA	NA	27.6	160.9	-39.9	NA			
Tax Provisions	-	-	-	-	-	-	-	657.44	-	657	127			
Net Profit	-188	130	132	2,061	-914	-353	-80	1,972	2,135	626	381			
Change YoY (%)	NA	NA	NA	31.2	NA	NA	NA	-4.3	160.9	-70.7	NA			
Key Parameters (%)														
Claims ratio	64.0	61.1	65.1	56.4	77.9	71.2	70.1	55.1	61.2	67.0	66.9	430	1006	-666
Commission ratio	19.8	20.1	22.6	17.7	20.2	19.3	19.3	19.3	19.8	19.5	20.2	-87	-82	-87
Expense ratio	22.3	20.0	20.5	18.7	18.9	21.2	15.1	15.0	20.2	17.1	18.9	234	118	228
Combined ratio	106.1	101.3	108.3	92.8	117.0	111.7	104.5	89.3	101.2	103.6	106.0	576	1042	-525
Solvency	2.4	2.3	3.0	3.0	2.9	2.9	0.0	0.0	3.0	2.6	0.0			

bp

Westlife Foodworld

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	WESTLIFE IN
Equity Shares (m)	156
M.Cap.(INRb)/(USDb)	91.7 / 1
52-Week Range (INR)	893 / 570
1, 6, 12 Rel. Per (%)	-16/-18/-30
12M Avg Val (INR M)	125

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	26.7	30.5	34.4
Sales growth (%)	7.2	14.2	12.8
EBITDA	3.4	4.1	4.9
Margins (%)	12.8	13.6	14.3
Adj. PAT	0.0	0.3	0.8
Adj. EPS (INR)	-0.2	2.0	5.4
EPS Growth (%)	P/L	L/P	165.1
BV/Sh.(INR)	39.7	41.7	47.1

Ratios

RoE (%)	-0.6	5.0	12.1
RoCE (%)	NA	6.0	7.9

Valuations

P/E (x)	N/M	290.0	109.4
P/BV (x)	14.9	14.1	12.5
EV/Sales (x)	3.4	3.0	2.6
EV/EBITDA (x)	46.1	34.7	28.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.3	56.3	56.3
DII	24.8	24.0	21.3
FII	10.8	11.6	14.1
Others	8.2	8.1	8.4

FII Includes depository receipts

CMP: INR588 TP: INR675 (+15%) Neutral

Weak print continues

- Westlife Foodworld (WESTLIFE) reported revenue growth of 4% YoY to INR6.4b in 2QFY26. Same-store sales growth (SSSG) declined 2.8% YoY (estimate -1.5%) even on a favorable base (-6.5% in 2QFY25), with demand remaining muted in August and September. Average sales per store declined 2% YoY to INR62m (annually) in 2QFY26. On-premise sales grew 5% YoY, while off-premise sales held steady.
- The operating environment remained challenging for most part of 2Q, with industry-wide out-of-home food consumption frequency declining ~4-6% YoY. The decline in Western fast-food consumption was even more pronounced. That said, the company noted encouraging signs of recovery in October and expects eat-out frequency to gradually pick up in 2HFY26, supported by improving macros. Moreover, the company has passed on the benefit of the GST rate cut to consumers through price reductions.
- The company added net six new stores (+10% YoY) in 2Q. It plans to maintain its store expansion pace, targeting 45-50 new stores annually. It aims to grow its network to 580-630 restaurants by 2027.
- GM expanded 270bp YoY to 72.4% (est. 71%). EBITDA margin contracted 90bp YoY to 11.8%, while EBITDA margin (pre IND AS) contracted 150bp YoY to 6.2% (RBA was at 5%), primarily due to operating deleverage. ROM pre-IND AS rose 10bp YoY to 13.6%.
- WESTLIFE has faced strong demand pressure in the Southern region, leading to relatively weaker numbers than peers. We believe regional demand will see a gradual improvement and, therefore, do not expect a faster ADS recovery in 2HFY26. **We reiterate our Neutral rating with a TP of INR675, based on 35x Sep'27E EV/EBITDA (pre-IND AS).**

Weak performance; SSSG declines 2.8%

- SSSG declined 3%:** Sales grew 4% YoY to INR6.4b (est. INR6.6b), led by store additions of 10% YoY. SSSG declined 2.8% YoY in 2QFY26 (est. -1.5%, 0.5% in 1QFY26, -6.5% in 2QFY25). WESTLIFE opened net six stores (opened eight stores, closed two stores), bringing the total count to 450 stores in 72 cities. Average sales per store declined 2% YoY to INR62m (annually) in 2QFY26.
- Broadly in-line margins:** Gross margin expanded 270bp YoY and 80bp QoQ to 72.4% (est. 71%), driven by sustained supply chain efficiencies. EBITDA declined 4% YoY to INR759m (est. INR826m), primarily due to operating deleverage. EBITDA margin contracted 90bp YoY to 11.8%. (est. 12.5%), while EBITDA margin (pre-IND AS) declined 150bp YoY to 6.2% and EBITDA (pre-IND AS) declined 16% YoY. ROM pre-IND AS rose 10bp YoY to 13.6% (est. 13.3%).
- APAT witnessed a loss:** APAT recorded a loss of INR180m (estimated profit of INR8m) vs INR4m profit in 2QFY25.

Key takeaways from the management commentary

- Regionally, South India, particularly Bengaluru (its second-largest city with ~65–70 restaurants), acted as a drag on overall performance due to muted consumer sentiment and negative growth trends in the region.
- July witnessed a decent performance. However, the operating environment remained challenging through August and September. October showed MoM improvement.
- Most new stores opened in the last six months are performing ahead of expectations, with several operating above system averages.
- Strategic investments in AI-based location intelligence software are helping the company identify optimal store locations for future expansion.
- The royalty rate stands at 5% (excluding GST), with no anticipated changes in the near term.

Valuation and view

- We cut our EBITDA (pre-IND AS) estimates for FY26 and FY27 by 5-6%.
- Demand was impacted in 2Q, with SSSG declining YoY even on a low base. WESTLIFE has been aggressive in store additions, which was not the case historically. However, the current demand environment is not conducive to such rapid expansion, and performance in South India remains a challenge. Therefore, the benefits of its various initiatives may take longer to materialize than initially expected.
- The revenue gap between dine-in and delivery has narrowed, supported by improved dine-in footfalls. However, weak underlying growth, coupled with rising costs related to strategic initiatives, could weigh on the operating margin, exerting pressure on restaurant margins and EBITDA margins.
- We reiterate our Neutral rating with a TP of INR675, based on 35x Sep'27E EV/EBITDA (pre-IND AS).**

Consolidated quarterly performance

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
SSSG %	(6.7)	(6.5)	2.8	0.7	0.5	(2.8)	1.0	1.3	-2.9	0.0	-1.5	
No. of McDonald's restaurants	403	408	421	438	444	450	465	478	438	478	454	
Net Sales	6,163	6,180	6,537	6,031	6,576	6,419	7,081	6,637	24,912	26,713	6,610	-2.9
YoY Change (%)	0.3	0.5	8.9	7.3	6.7	3.9	8.3	10.0	4.2	7.2	7.0	
Gross profit	4,351	4,306	4,581	4,221	4,709	4,647	5,042	4,702	17,459	19,100	4,693	-1.0
Margin (%)	70.6	69.7	70.1	70.0	71.6	72.4	71.2	70.8	70.1	71.5	71.0	
EBITDA	799	786	914	794	855	759	976	821	3,293	3,410	826	-8.2
YoY Change (%)	-24.1	-21.1	-4.8	3.0	6.9	-3.5	6.8	3.4	-12.9	3.5	5.1	
Margins (%)	13.0	12.7	14.0	13.2	13.0	11.8	13.8	12.4	13.2	12.8	12.5	
Depreciation	506	528	549	550	553	574	580	584	2,133	2,385	576	
Interest	298	316	330	328	354	363	360	374	1,272	1,451	345	
Other Income	51	65	29	98	68	91	50	169	242	378	105	
PBT	45	7	65	13	16	-88	86	33	131	-48	11	
Extra-Ord expense	0	0	0	0	0	-455	0	0	0	0	0	
PBT after EO expense	45	7	65	13	16	367	86	33	131	-48	11	
Tax	13	3	-5	-2	4	92	22	-130	9	-12	3	
Rate (%)	27.9	48.1	-8.0	-13.9	27.4	-105.2	25.0	-394.9	6.9	25.0	25.0	
Reported PAT	33	4	71	15	11	275	65	163	122	-36	8	
Adj PAT	33	4	71	15	11	-180	65	163	122	-36	8	
YoY Change (%)	-88.7	-98.3	-59.1	96.5	-64.8	NA	-8.5	971.7	-82.4	-129.3	116.1	
Margins (%)	0.5	0.1	1.1	0.3	0.2	-2.8	0.9	2.5	0.5	-0.1	0.1	

E: MOFSL Estimates

Mahindra Lifespaces

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR405 TP: INR447 (+10%) Neutral

Strong operations with muted financial performance

No competitions in 1HFY25

- Mahindra Lifespaces (MLDL) achieved bookings of INR7.5b, rising 89% YoY and 67% QoQ (in line with estimates). In 1HFY26, presales stood at INR12b, declining 15% YoY.
- Sales volume in 2QFY26 stood at 1.2msf, rising 121% YoY and 102% QoQ. In 1HFY26, the booking area stood at 1.8msf, rising 3% YoY.
- Blended realization in 2QFY26 declined 14% YoY and 17% QoQ to ~INR6,427psf.
- Quarterly collections rose 24% YoY and 10% QoQ to INR5.7b.
- In 2QFY26, MLDL added projects with a GDV of INR17b, rising 2.6x YoY. In 1HFY26, the company added projects with a GDV of INR52b, rising 2.5x YoY.
- Revenue from the IC&IC business stood at INR990m, declining 11% YoY. Total leased area stood at 16.9 acres.
- MLDL is a net cash company, and the net cash-to-equity ratio stands at 0.17x.
- **P&L performance:** Revenue came in at INR176m, rising 131% YoY but declining 45% QoQ (80% below estimate). In 1HFY26, revenue came in at INR495m, declining 75% YoY.
- In 2QFY26, operating loss was INR525m vs. a loss of INR478m in 2QFY25. In 1HFY26, operating loss came in at INR1.1b vs. a loss of INR893m YoY.
- PAT stood at INR479m (4x above the estimate), against a loss of INR141m YoY due to a higher share of profit realization from its JV's at IC & IC business. In 1HFY26, PAT came in at INR991m vs. a loss of INR13m YoY.

Bloomberg	MAHLIFE IN
Equity Shares (m)	213
M.Cap.(INRb)/(USDb)	86.4 / 1
52-Week Range (INR)	487 / 254
1, 6, 12 Rel. Per (%)	7/20/-18
12M Avg Val (INR M)	129

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	4.9	8.2	10.7
EBITDA	-0.9	-0.1	0.5
EBITDA (%)	NM	NM	NM
Net profit	0.6	2.7	3.2
EPS (INR)	2.7	12.8	15.1
EPS Growth (%)	-32.4	380.6	17.6
BV/Share (INR)	158.9	168.9	181.2

Ratios

Net D/E	-0.2	-0.3	-0.2
RoE (%)	2.2	7.8	8.6
RoCE (%)	-2.8	-0.2	1.3
Payout (%)	104.8	21.8	18.5

Valuations

P/E (x)	151.6	31.5	26.8
P/BV (x)	2.5	2.4	2.2
EV/EBITDA (x)	NM	NM	NM
Div Yield (%)	0.7	0.7	0.7

Shareholding Pattern (%)

As On	Sep-25	Mar-25	Sep-24
Promoter	52.4	51.1	51.2
DII	22.5	20.1	20.9
FII	8.1	9.6	9.8
Others	17.0	19.2	18.1

Key highlights from the management commentary

- MLDL is strengthening its presence in MMR, Pune, and Bengaluru with a focus on large-scale, high-impact projects like Bhandup.
- The company is pursuing outright land buys, JDAs, and redevelopment while enhancing brand positioning and execution capacity.
- In 1QFY26, the company launched New Haven (Bengaluru) and Citadel (Pune) with a combined GDV of INR4.5b, both ~80% sold.
- In 2QFY26, the company successfully launched Marina64 (MMR, 50% sold) and Lakewoods (Chennai, 100% sold).
- Upcoming launches include Hopefarm (Bengaluru, INR18b), Mahalaxmi (INR16.5b), Citadel Phase 3 (INR9.8b), and Bhandup Phase 1 (~INR25-30b).
- The Saibaba Nagar redevelopment project in Borivali (INR18b) is facing a road alignment issue and is now expected to be launched by 2HFY27.
- MLDL added six new projects in FY26 with a total GDV of INR95b, bringing its total pipeline to INR463b as of Oct'25.
- Of this, INR200b relates to Bhandup/Thane, INR145b to redevelopment, INR35b to Rajasthan and Murud, and ~INR83b to outright projects.

- The company remains net cash positive with a cash/equity ratio of 0.17x, OCF of INR4.3b, and land spends of INR3.8b in 1HFY26.
- The balance sheet remains healthy post the rights issue, and MLDL is targeting cumulative sales of INR95b over the next five years.

Valuation and view

- MLDL posted strong booking growth and is well-positioned to improve this momentum, given the healthy project pipeline across its key markets.
- We have incorporated the recent rights issue proceeds of INR15b and accordingly adjusted the equity, debt, and cash components.
- We value the residential business on a DCF basis, with a WACC of ~14%, translating into INR66b. The valuation reflects recent BD additions and lower-than-expected cash deployment toward land.
- We reiterate our **Neutral** rating on the stock with a TP of INR447, reflecting a 10% upside.

Quarterly performance

Y/E March	FY25				FY26E				(INRm)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26E	FY26E 2Q Est.	2QE Var (%/bp)
Income from Operations	1,881	76	1,673	92	320	176	1,360	3,060	3,723	4,915	857	-80
YoY Change (%)	91.9	-57.2	104.0	-35.3	-83.0	130.7	-18.7	3,211.2	75.5	32.0	1,026.8	
Total Expenditure	2,297	554	1,927	644	870	700	1,617	2,658	5,422	5,845	1,020	
EBITDA	-416	-478	-254	-552	-550	-525	-258	402	-1,699	-931	-162	N/A
Margins (%)	-22.1	-627.5	-15.2	-597.2	-172.1	-298.8	-18.9	13.1	-45.6	-18.9	-18.9	
Depreciation	43	40	40	55	61	65	63	39	178	228	40	
Interest	60	70	42	21	40	19	50	74	194	182	32	
Other Income	186	84	185	462	86	155	54	-99	916	197	34	
PBT before EO expense	-334	-504	-151	-166	-564	-453	-317	190	-1,155	-1,145	-200	N/A
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	-334	-504	-151	-166	-564	-453	-317	190	-1,155	-1,145	-200	N/A
Tax	-97	0	173	15	-97	28	25	134	92	91	16	
Rate (%)	28.9	0.0	-114.6	-8.9	17.1	-6.2	-7.9	70.6	-7.9	-7.9	-7.9	
Minority Interest & Profit/Loss of Asso. Cos.	365	364	99	1,032	980	961	499	-635	1,859	1,805	315	
Reported PAT	127	-141	-225	851	512	479	158	-579	613	570	99	382
Adj PAT	127	-141	-225	851	512	479	158	-579	613	570	99	382
YoY Change (%)	NM	NM	NM	19.0	NM	NM	NM	-168.1	-37.6	-7.0	NM	
Margins (%)	6.8	-184.6	-13.4	920.8	160.3	272.8	11.6	-18.9	16.5	11.6	11.6	
Operational Performance												
Area sold (msf)	1.2	0.5	0.5	1.0	0.6	1.2	0.7	0.8	3.2	3.2	0.7	67
Booking value (INR b)	10.2	4.0	3.3	10.5	4.5	7.5	7.4	14.6	28	34	7.4	2
Avg Realization (INR)	8718	7491	7422	10223	7741	6427	10500	19131	8,818	10,566	10566	-39

Estimate changes

TP change

Rating change



Bloomberg	NOCIL IN
Equity Shares (m)	167
M.Cap.(INRb)/(USD\$)	30.2 / 0.3
52-Week Range (INR)	294 / 155
1, 6, 12 Rel. Per (%)	-3/-2/-43
12M Avg Val (INR M)	101

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	13.2	14.8	15.9
EBITDA	1.0	1.3	1.6
PAT	0.6	0.8	1.0
EPS (INR)	3.7	4.9	6.1
EPS Gr. (%)	-42.3	31.8	24.8
BV/Sh.(INR)	107.5	110.9	115.2

Ratios

Net D:E	0.0	0.0	0.0
RoE (%)	3.5	4.5	5.4
RoCE (%)	3.3	4.1	4.9
Payout (%)	31.0	31.0	31.0

Valuations

P/E (x)	48.7	36.9	29.6
P/BV (x)	1.7	1.6	1.6
EV/EBITDA (x)	31.5	24.2	19.3
Div. Yield (%)	0.6	0.8	1.0
FCF Yield (%)	0.2	0.1	3.3

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	33.8	33.8	33.8
DII	6.6	5.2	6.2
FII	5.2	6.7	7.9
Others	54.5	54.4	52.2

FII includes depository receipts

CMP: INR181

TP: INR170 (-6%)

Neutral

Challenging operating environment hurts 2Q performance

Operating performance below our estimates

- NOCIL's 2QFY26 was weak, with revenue declining 12% YoY to INR3.2b. EBITDA also declined 44% due to continued pricing pressure in the domestic market.
- Domestic volumes witnessed a positive traction in the quarter; however, the volumes in international markets were subdued due to global uncertainties and US tariff issues. Volumes in 1HFY26 declined in both the domestic and the international markets.
- We cut our FY26/FY27/FY28 earnings estimates by 28%/25%/19% due to sustained pricing pressure, rising competitive intensity, a global slowdown in rubber chemicals, and a slowdown in the US market. Exports are likely to be subdued in the near term. **We reiterate our Neutral rating on the stock** with a TP of INR170, based on 30x Dec'27 EPS.

Weak quarter hit by lower realizations and softer export demand

- NOCIL posted revenue of INR3.2b (est. of INR3.4b; down 12% YoY), due to a 3% YoY dip in sales volume to 13.8tmt. This was because volumes in international markets were dampened due to global uncertainties and the US tariff issues.
- Gross margin at 41.3% dipped 190bp YoY, while EBITDA margin contracted 370bp YoY to 6.5%. This was due to a 9% YoY dip in realization to INR232.3/kg (INR254.1/kg in 2QFY25), led by dumping pressure in the domestic market. EBITDA/kg also declined 42% YoY to INR15.2.
- Employee costs as a % of sales were flat YoY at ~7%, while other expenses as a % of sales stood at ~28% vs. ~27% in 2QFY25.
- EBITDA stood at INR209m (est. of INR310m), down 44% YoY, and PAT dipped 58% YoY to INR173m in 1QFY26 (est. INR245m).
- In 1HFY26, revenue /EBITDA/Adj. PAT declined 11%/34%/51% to INR6.6b/INR505m/INR338m
- CFO stood at INR1.3b as of Sep '25 compared to INR567m in Sep'24.

Highlights from the management commentary

- **Anti-dumping duty:** In order to mitigate the impact of dumping in the domestic market, the company has filed anti-dumping petitions with the Indian government. These petitions are currently under investigation, with outcomes anticipated over the coming months.
- **Brownfield expansion:** The Brownfield expansion in Dahej is poised to commence from 1HCY26 onwards. This involves capex of INR2.5b, with 75-80% of the work already completed.
- **Strategic initiatives:** The company is introducing various cost savings and efficiency improvement initiatives to reduce conversion costs from 4QFY26 onwards and focusing on geographies other than the US.

Valuation and view

- NOCIL is focused on expanding its capacity, with the Dahej plant expected to start trial production by Jan'26. To mitigate the slowdown of the US market due to the tariff-related uncertainties, the management plans to increase its market share in other geographies.
- Despite the management's focus on cost optimization and efficiency improvement, the continued pricing pressure in the global market – due to heightened competitive intensity – and the slowdown in the global market are expected to weigh on NOCIL's operating performance in the near term.
- Consequently, we cut our FY26/FY27/FY28 earnings estimates by 28%/25%/19%. We reiterate our Neutral rating on the stock with a TP of INR170, based on 30x Dec'27 EPS.

Standalone - Quarterly Earnings Model

Standalone - Quarterly Earnings Model											(INR m)	
Y/E March	FY25					FY26			FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	(%)
Gross Sales	3,722	3,627	3,181	3,397	3,362	3,206	3,264	3,388	13,927	13,220	3,448	-7%
YoY Change (%)	-6.2	3.4	-6.6	-4.7	-9.7	-11.6	2.6	-0.3	-3.6	-5.1	-4.9	
Total Expenditure	3,324	3,256	2,943	3,062	3,066	2,996	3,042	3,135	12,585	12,240	3,137	
Gross Margin (%)	41.7%	43.3%	44.4%	41.6%	42.5%	41.3%	41.0%	41.5%	42.7%	41.6%	41.7%	
EBITDA	398	371	238	335	296	209	222	253	1,342	980	310	-33%
Margin (%)	10.7	10.2	7.5	9.9	8.8	6.5	6.8	7.5	9.6	7.4	9.0	
Depreciation	128	130	132	132	133	133	140	169	523	575	135	
Interest	5	5	4	4	4	4	6	10	18	23	5	
Other Income	100	88	148	54	64	160	111	116	389	451	91	
PBT before EO expense	364	324	249	254	222	233	187	191	1,191	833	261	-11%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	364	324	249	254	222	233	187	191	1,191	833	261	-11%
Tax	92	-91	64	50	57	60	47	48	115	212	66	
Rate (%)	25.3	-28.0	25.7	19.7	25.4	25.9	25.2	25.1	9.7	25.4	25.2	
Reported PAT	272	415	185	204	166	173	140	143	1,076	621	195	-12%
Adj PAT	272	415	185	204	166	173	140	143	1,076	621	195	-12%
YoY Change (%)	-18.9	54.3	-37.8	-50.4	-39.1	-58.4	-24.3	-29.9	-18.1	-42.3	-52.9	
Margin (%)	7.3	11.4	5.8	6.0	4.9	5.4	4.3	4.2	7.7	4.7	5.7	

BSE SENSEX

83,978

S&P CNX

25,763

Conference Call Details



Date: 04th November 2025

Time: 13:00 hours IST

Financial Valuations (INR b)

INRb	FY26E	FY27E	FY28E
Net Sales	2,087	2,360	2,658
EBITDA	1,201	1,367	1,547
Adj. PAT	297	418	545
EBITDA Margin (%)	57.5	57.9	58.2
Adj. EPS (INR)	51.2	68.6	89.5
EPS Gr. (%)	69	34	30
BV/Sh. (INR)	239	313	366

Ratios

Net D:E	1.4	0.5	0.2
RoE (%)	24.0	27.1	28.7
RoCE (%)	16.0	18.6	21.2
Div. Payout (%)	54.5	58.3	67.1

Valuations

EV/EBITDA (x)	11.3	10.0	8.4
P/E (x)	41	30	23
P/BV (x)	8.7	6.6	5.7

CMP: INR2,074

Buy

Bharti Airtel's 2QFY26 consolidated financials are not strictly comparable on a YoY basis, as the company consolidated Indus Towers (Indus) from mid-November 2024.

Overall, Bharti reported a strong 2QFY26, with better-than-expected performance across key segments. India wireless revenue grew 3% QoQ (higher ARPU offset by muted net adds), but EBITDA grew ~4% QoQ (2% above our estimate), driven by continued margin expansion (94% incremental margins QoQ). The Homes segment continues to benefit from an acceleration in subscriber additions. Meanwhile, the Enterprise segment's revenue grew (after the exit of low-margin business) and margins remained elevated (though 100bp lower QoQ). Airtel Africa continued to post strong double-digit CC revenue and EBITDA growth, with a further boost from favorable FX movements. After low capex in 1Q, it picked up in 2Q (with India wireless capex up 7% YoY). FCF remained robust at INR142b (~INR285b in 1HFY26), though net debt (excl. leases) inched up marginally ~INR12b QoQ on account of dividend payments.

Good 2Q; Strong margin performance across key segments

- Consolidated revenue at INR521b (+26% YoY, our est. INR510b) rose 5% QoQ, driven by robust growth in Africa (+13% QoQ) and Home broadband business (+8.5% QoQ).
- India revenue (including Indus) grew 3% QoQ to INR387b (+11% YoY) and was slightly above our estimate, largely driven by better India Wireless (+2.6% QoQ) and Enterprise (+4% QoQ).
- Consolidated EBITDA at INR296b (35% YoY, 3% above) increased 6% QoQ, driven by robust performance in Airtel Africa (+15.5% QoQ), Home Broadband (+9% QoQ), and India Wireless (+4% QoQ).
- India EBITDA (including Indus) at INR232b (+3.8% QoQ, 12% YoY) was ~3% above our estimate, driven by improved performance in India Wireless (2% above) and Airtel Business (7% above) as well as the reversal of bad debt provisions for Indus Towers.
- Reported EBITDA margin expanded ~40bp QoQ to 56.7% (+400bp YoY) and was ~50bp ahead of our estimate, driven by better margins in India wireless, Enterprise, and Airtel Africa.
- Reported PBT (before share of JVs) at INR122b (+18% QoQ, +2.16x YoY) was 9% ahead of our estimate, driven by better EBITDA and lower net finance cost (-16% QoQ, likely on favorable FX movement in Africa).
- Reported attributable PAT at INR67.9b (5% beat) grew 14% QoQ (+89% YoY on a low base) due to higher EBITDA and lower interest expenses.
- Adjusted for exceptional items in the past quarters, PAT at INR67.9b grew 74% YoY.

FCF generation healthy at INR146b; net debt marginally higher QoQ due to dividend payouts

- After lower capex in 1Q, consolidated capex at INR114b **(+37% QoQ, +26% YoY)** picked up pace. India capex (ex-Indus) at INR71b rose ~33% QoQ (+16% YoY), but was ~4% below our estimate.
- Bharti Airtel's consolidated free cash flow (after leases and interest payments) was stable QoQ at INR146b (vs. ~INR143b **QoQ**), driven by better operational performance (OCF pre-WC changes rose 6% QoQ) and lower interest outgo (-22% QoQ).
- Bharti Airtel's consolidated net debt (ex-leases) inched up **~INR12b QoQ to INR1.267t (vs. INR1.255t QoQ)** as robust FCF was utilized in dividend payments. Including the impact of leases, Bharti Airtel's consolidated net debt increased ~INR31b QoQ to INR1.95t (vs. INR1.92t QoQ).
- The company's consolidated net debt (including leases) to EBITDA (annualized) declined to 1.63x (vs. 1.7x QoQ). India SA's net debt to EBITDA moderated to 1.57x (vs. 1.62x QoQ).
- Excluding the lease impact, the company's net debt to EBITDAaL **dipped to 1.19x** (vs. 1.26x QoQ) for the consolidated business and **1.32x** (vs. 1.35x QoQ) for India SA.

India Wireless: Strong show with continued benefits of premiumization, margin expansion continues with 94% incremental EBITDA margins

- Bharti's India Wireless ARPU at **INR256 (+10% YoY, our est. INR253)** rose **2.2% QoQ** (vs. +1.3% QoQ for RJio at INR211), driven by subscriber mix improvement and one extra day QoQ.
- However, the company's subscriber net adds remained subdued at 1.4m, with paying net adds (vs. 1.2m net adds QoQ, ~5.3m wireless net adds for RJio), and was **weaker than our estimate of ~3m**.
- The subscriber mix continues to improve as **Bharti added further ~0.95m** postpaid net adds (+3.6% QoQ, 12% YoY). Further, the company's 4G/5G net additions remained resilient at 5.1m (improvement on ~3.9m 4G net adds QoQ).
- Bharti's India Wireless revenue rose **2.6% QoQ** (vs. 3.2% QoQ for RJio, including FTTH) to INR281b (+11% YoY, our est. INR279b).
- India Wireless EBITDA rose **4.2% QoQ** (vs. 3.5% QoQ for RJio including FTTH) to INR169.5b (**20% YoY**, our est. INR166b).
- Reported wireless EBITDA margin **further expanded ~90bp** QoQ to 60.3% (+325bp YoY, vs. +20bp QoQ for RJio to 54.2%) and was **90bp ahead** of our estimate.
- Incremental margin **came in at ~94%** (vs. ~67% in 1QFY26 and ~60% for RJio and our estimate).
- India wireless **capex increased ~33% QoQ (on a low base) to INR43b** (+27% YoY), but was ~7% below our estimate.

Homes: In-line results; robust net adds partly offset by continued ARPU declines

- Bharti's Homes BB net adds accelerated further to ~950k (vs. ~940k QoQ, our estimate of ~975k net adds) to reach ~11.9m subs (+40% YoY), likely due to the ramp up of FWA services.

- Reported ARPU decline continued with further ~1% QoQ dip to INR534/month (-6% YoY, though better than our est. INR530).
- **Homes revenue rose 8.5% QoQ** to INR18.6b (+30% YoY, **inline**). Homes EBITDA at INR9.3b (**+9% QoQ**, 30% YoY) was also **in line** with our estimate.
- EBITDA margin expanded ~5bp QoQ to 50.1% (-25bp YoY) and was **~25bp below** our estimate.
- Capex in the Homes Business remained elevated and increased ~2x YoY to INR18.6b (+28% QoQ, 26% higher than our estimate), likely on the ramp up of FWA offerings.

Enterprise: Revenue growth picks up, 7% EBITDA beat as margins remain elevated

- **Airtel Business (Enterprise)** revenue **grew ~4% QoQ** to INR52.8b (-7% YoY due to the exit of lower-margin business, vs. our est. INR51b).
- EBITDA at INR21.9b rose ~2% QoQ (+9% YoY) and was **~7% above** our estimate, as EBITDA margins contracted ~100bp QoQ to 41.6% (but remained above our estimate of 40%, and 36.3% YoY).
- Capex for the Airtel business stood at INR7.7b (+5% QoQ, -15% YoY).

Other businesses: Sustained strong growth in Africa, DTH continued to face headwinds

- **Airtel DTH's** revenue at INR7.5b declined ~1% QoQ (-1% YoY) as subscriber trends were weaker with **341k net declines** (vs. 204k QoQ net declines in 1QFY26, our est. 200k net declines). **ARPU rose ~1% QoQ** at INR163 (+3% YoY, our est. INR162). DTH EBITDA at INR3.7b (-6% QoQ, -14% YoY) was **~5% below** as margins contracted ~225bp QoQ to 48.6% (-730bp YoY and ~205bp below our estimate).
- **Airtel Africa (AAF)** continued to report strong double-digit YoY CC growth. AAF's reported revenue (in rupee terms) rose ~13% QoQ (+35% YoY, 4% ahead), while EBITDA increased ~16% QoQ (42% YoY, **~7% beat**), driven by the flow-through of tariff hikes in Nigeria and favorable FX movements.

Other highlights: Data volume surge on IPL boost; tower additions moderate further

- Data volume for the India Wireless business rose ~7% QoQ (vs. 8% QoQ in 1QFY26, +7% QoQ for RJio, including FTTH), while data usage per sub improved to 28.3GB/month (vs. 26.9GB QoQ, 38.8GB/month reported by RJio, including FTTH).
- Voice usage on network in India Wireless rose ~1% QoQ (vs. -1% QoQ in 1QFY26 and similar to RJio), with minute of usage (MoU) per subscriber marginally rising to 1,145mins (vs. 1,143min QoQ and 996mins for RJio).
- Bharti's tower additions improved to ~3.5k towers QoQ (vs. 1.8k in 1QFY26), bringing the total tower count to ~343k. Meanwhile, revenue per site inched up 2% QoQ to INR272.5k/month (+9% YoY)

Consolidated results

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est
Revenue	4,14,733	4,94,626	5,21,454	25.7	5.4	5,10,584	2.1
Access charges	18,211	12,571	13,215	(27.4)	5.1	16,529	(20.1)
License and spectrum fee	34,658	37,200	38,249	10.4	2.8	40,807	(6.3)
Network operating costs	80,115	95,456	1,01,178	26.3	6.0	95,043	6.5
Employee costs	14,966	17,380	18,571	24.1	6.9	18,322	1.4
SG&A expenses	48,321	53,632	54,627	13.1	1.9	53,049	3.0
Total costs	1,96,271	2,16,239	2,25,840	15.1	4.4	2,23,750	0.9
EBITDA	2,18,462	2,78,387	2,95,614	35.3	6.2	2,86,834	3.1
EBITDA margin (%)	52.7	56.3	56.7	402 bps	41 bps	56.2	51 bps
Depreciation and amortization	1,10,000	1,24,651	1,31,821	19.8	5.8	1,25,628	4.9
EBIT	1,08,462	1,53,736	1,63,793	51.0	6.5	1,61,205	1.6
EBIT margin (%)	26.2	31.1	31.4	526 bps	33 bps	31.6	(16)bps
Net finance cost	51,690	49,520	41,380	(19.9)	(16.4)	49,127	(15.8)
PBT	56,772	1,04,216	1,22,413	115.6	17.5	1,12,078	9.2
Tax provision	17,440	30,826	36,715	110.5	19.1	32,459	13.1
PAT before minority interest	39,332	73,390	85,698	117.9	16.8	79,619	7.6
Share of associates / JVs	10,739	828	810	(92.5)	(2.2)	625	29.6
Minority interest	5,602	14,739	18,591		26.1	15,292	21.6
Extraordinary items	8,537	-	-			-	
Reported net income	35,932	59,479	67,917	89.0	14.2	64,952	4.6
Adjusted net income	39,115	59,479	67,917	73.6	14.2	64,952	4.6
Reported EPS (Rs)	6.2	10.3	11.7	88.7	14.2	11.2	4.6
Adjusted EPS (Rs)	6.8	10.3	11.7	73.4	14.2	11.2	4.6

Exhibit 1: Net debt trends

	Mar-23	Sep-23	Mar-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Debt and cash trends								
Reported gross debt	1,655	1,578	1,520	1,465	1,418	1,484	1,374	1,401
LT debt	401	333	276	197	208	202	208	202
ST debt (inc. current maturities)	135	162	204	291	265	376	258	264
Deferred payment liabilities	1,119	1,084	1,040	977	944	906	908	935
Cash and Cash Equivalents	128	103	110	54	81	99	119	134
Net Debt excluding Lease Obligations	1,527	1,475	1,410	1,410	1,337	1,385	1,255	1,267
Lease Obligation	605	596	637	792	629	653	661	681
Net Debt including Lease Obligations	2,131	2,070	2,046	2,202	1,966	2,038	1,916	1,947
Net debt (including leases) to EBITDA	2.83	2.63	2.61	2.50	1.69	1.86	1.70	1.63
Net debt (excluding leases) to EBITDAaL	2.35		1.85	1.60	1.28	1.42	1.26	1.19

Exhibit 2: FCF (post interest and leases) trends

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	FY25	FY24
CFO post tax before WC changes	186	192	197	189	194	214	236	255	267	283		
WC changes	22	-1	17	-14	24	35	21	3	40	19		
Cashflow from operations	208	191	214	175	218	249	257	259	307	302	983	789
Lease payments	-20	-21	-20	-18	-18	-20	-16	-17	-17	-16	-72	-79
Capex in tangible assets	-91	-97	-99	-94	-99	-96	-84	-98	-111	-108	-376	-381
Capex in intangible assets	-13	-44	-4	-80	-71	-57	-35	-69	-2	-6	-231	-140
Paid finance cost	-23	-55	-23	-39	-42	-64	-33	-38	-33	-26	-175	-140
FCF, post lease and interest payment	62	-25	69	-56	-12	14	90	37	143	146	129	49
Spectrum prepayments	-	80	-	83	79	85	36	60	-	-	260	163
Adjusted FCF post leases and interest	62	55	69	27	68	98	126	97	143	146	389	213

Exhibit 3: Segmental performance

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est
Segmental revenue (INR b)							
India (incl. Indus)	350	376	387	10.6	2.9	383	1.1
Wireless	248	274	281	13.2	2.6	279	0.8
Homes	14.3	17.2	18.6	30.2	8.5	18.5	0.7
DTH	7.6	7.6	7.5	(0.7)	(1.3)	7.6	(1.0)
Airtel Business	57	51	53	(6.7)	4.3	51	2.5
Passive infra	75	81	82	9.7	1.6	82	0.3
Africa	102	121	137	34.6	13.2	131	4.2
Consolidated	449	495	521	16.1	5.4	511	2.1
Eliminations	(54)	(56)	(57)			(59)	
Segmental EBITDA (INR b)							
India (incl. Indus)	208	224	232	11.6	3.8	226	2.7
Wireless	142	163	170	19.6	4.2	166	2.3
Homes	7.2	8.6	9.3	29.6	8.7	9.3	0.2
DTH	4.2	3.9	3.7	(13.7)	(5.6)	3.9	(5.0)
Airtel Business	20	22	22	8.6	1.9	21	6.6
Passive infra	50	45	47	(6.5)	5.1	44	5.9
Africa	47	58	67	42.1	15.5	63	6.7
Consolidated	255	278	296	15.9	6.2	287	3.1
Eliminations	(16)	(21)	(23)			(20)	
Segmental EBITDA margin (%)							
India (incl. Indus)	59.4	59.5	60.0	55.6	50.4	59.0	94.3
Wireless	57.1	59.4	60.3	323.4	88.7	59.4	88.2
Homes	50.3	50.0	50.1	(23.2)	6.7	50.3	(26.8)
DTH	55.9	50.9	48.6	(729.9)	(225.9)	50.7	(205.7)
Airtel Business	35.7	42.6	41.6	585.9	(99.3)	40.0	160.5
Passive infra	67.3	55.4	57.3	(991.6)	189.8	54.3	300.1
Africa	46.5	48.1	49.1	258.8	95.9	47.9	115.2
Consolidated	56.8	56.3	56.7	(13.5)	40.8	56.2	51.3
Segmental capex (INR b)							
India (incl. Indus)	76	73	96	27.1	32.6	90	7.7
Wireless	40	30	43	7.1	44.3	46	(7.2)
Homes	9.5	14.6	18.6	96.7	27.7	14.8	25.7
DTH	4.3	3.1	3.1	(28.0)	0.2	3.4	(10.5)
Airtel Business	9	7	8	(14.9)	4.8	9	(17.3)
Passive infra	15	20	26		32.4	16	61.3
Africa	14	10	17	21.5	66.4	13	31.4
Consolidated	90	83	114	26.2	36.8	103	10.7

Exhibit 4: Key performance indicators

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est.
Operating metrics							
India wireless							
Wireless ARPU	233	250	256	9.8	2.2	253	0.9
EoP reported subs (m)	351.6	362.8	364.2	3.6	0.4	365.8	(0.4)
Net adds (m)	(2.9)	1.2	1.4			3.0	
EoP prepaid subs	327.0	336.2	336.7	3.0	0.1	338.5	(0.5)
EoP post paid subs	24.7	26.6	27.5	11.6	3.6	27.3	0.9
EoP data subs (m)	271.2	284.8	289.4	6.7	1.6	290	(0.20)
Data net adds (m)	4.0	3.5	4.7			5.3	
Data subs proportion (%)	77.1	78.5	79.5	236 bps	98 bps	79.3	19 bps
EoP 4G subs (m)	263.6	280.7	285.8	8.4	1.8	287	(0.30)
4G net adds (m)	4.2	3.9	5.1			6.0	
Data volume (b MBs)	19,775	23,388	25,033	26.6	7.0	23,927	4.6
Data usage per data sub (GB/month)	23.9	26.9	28.3	18.6	5.3	27.1	4.6
Average data realization (INR/GB)	12.8	11.9	11.4	(10.6)	(4.1)	11.9	(3.8)
Voice usage on network (b mins)	1,200	1,242	1,249	4.1	0.6	1,254	(0.4)
Minute of usage per sub (min/month)	1,135	1,143	1,145	0.9	0.2	1,147	(0.2)
Network towers ('000)	329.5	339.9	342.3	3.9	0.7	343.5	(0.3)
MBB sites ('000)	962.6	999.9	1,154.8	20.0	15.5	1,009.0	14.4
Revenue per tower (INR/month)	2,51,029	2,67,276	2,72,510	8.6	2.0	2,70,225	0.8
Homes							
Cities covered (#)	1,345	1,512	1,551	15.3	2.6		
Reported ARPU (INR/month)	566	537	534	(5.7)	(0.6)	530	0.7
Calculated ARPU (INR/month)	578	545	543	(6.1)	(0.4)	538	0.8
EoP reported subs (m)	8.6	11.0	11.9	39.5	8.7	12.0	(0.2)
Net adds ('000)	583	938	951			974	
DTH*							
ARPU (Rs/month)	158	161	163	3.4	1.5	162	0.9
EoP active DTH subs (m)	15.8	15.7	15.4	(2.8)	(2.2)	15.5	(0.9)
Net adds ('000)	(546.3)	(203.5)	(341.1)			(200.0)	
Airtel Business							
M2M subs (m)	28.4	44.7	56.3	98.0	26.1		
Net adds ('000)	155	9,852	11,657				
Airtel Africa							
Reported ARPU (US\$)	2.3	2.4	2.6	9.9	6.1	2.9	(12.1)
EoP subscriber base (m)	156.6	169.4	173.8	11.0	2.6	171.9	1.1
Net adds (m)	1.2	3.3	4.4			2.5	
EoP data subscriber base (m)	66.0	75.6	78.1	18.4	3.4		
Net adds (m)	1.6	2.2	2.5				
Data subs proportion (%)	42.1	44.6	45.0	281 bps	32 bps		
EoP mobile money subs base (m)	41.5	45.8	49.8	20.0	8.6		
Net adds (m)	2.0	1.3	3.9				

BSE SENSEX
83,978

S&P CNX
25,763

Conference Call Details


Date: 4th Nov 2025

Time: 8:00am IST

Dial-in details:
[Diamond Pass](#)
[Registration](#)

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	701.2	809.5	930.8
Sales Gr. (%)	16.0	15.4	15.0
EBITDA	76.8	89.8	103.4
EBITDA Margin (%)	11.0	11.1	11.1
Adj. PAT	49.1	58.3	69.1
Adj. EPS (INR)	55.1	65.5	77.7
EPS Gr. (%)	30.4	18.8	18.6
BV/Sh.(INR)	169.2	215.0	269.4

Ratios

RoE (%)	36.8	34.1	32.1
RoCE (%)	17.1	17.9	18.4
Payout (%)	30.0	30.0	30.0

Valuations

P/E (x)	64.4	54.2	45.7
P/BV (x)	21.0	16.5	13.2
EV/EBITDA (x)	40.7	35.6	29.8
Div. Yield (%)	0.5	0.6	0.7

CMP: INR3,731
Buy

Festive and Caratlane positive; contraction in standalone jewelry EBIT margin

- TTAN's consolidated revenue grew 29% YoY to INR187.3b (est. INR163.6b). The beat was largely driven by high bullion revenue.
- Gross margin contracted 130bp YoY to 21.4% (est. 23%).
- EBITDA margin contracted 50bp YoY to 10% (est. 11.2%).
- Ad spends increased by 25% YoY, other expenses rose 20% YoY and employee costs were up 19% YoY.
- EBITDA grew by 23% YoY to INR18.8b (INR18.3b).
- PBT was up 23% YoY at INR15.2b (est. INR15.4b).
- Adj. PAT grew 20% YoY to INR11.2b (est. INR11.5b).
- In 1HFY26, nest sales, EBITDA and APAT grew by 27%, 34% and 34%, respectively.

Segmental performance

Jewelry Segment:

- **Standalone sales (ex-bullion) grew 19% to INR127.9b (est. INR122.7b). Bullion sales jumped 122% YoY to INR19.6b.**
- The domestic business witnessed a strong recovery in consumer momentum during the Navratri festive period.
- Tanishq's attractive gold exchange offer helped to sustain sales despite elevated gold prices.
- The Tanishq, Mia & Zoya portfolio delivered ~18% YoY growth. Within the mix, gold jewelry grew 13% YoY and coins grew 65% YoY.
- Studded jewelry grew 16% YoY. Studded ratio stood at 34% of domestic jewelry (incl. Caratlane).
- Caratlane revenue surged 29% (beat) and EBIT margin expanded by 320bp to 10.2%.
- **Standalone EBIT (ex-bullion) rose 13% YoY to INR13.8b and EBIT margin contracted 60bp YoY to 10.8% (est. 11.6%, 1QFY26 at 11.5%).**
- **EBIT margin impacted by a skewed product mix due to (a) higher gold coin sales, (b) reduced studded margins on account of high gold price, and (c) investments in exchange offers and campaigns to drive growth.**
- Consolidated jewelry sales grew 29% YoY to INR165.2b (est. INR142.7b) (ex-bullion sales grew 22% to INR143.3b).
- Consolidated EBIT margin contracted 80bp YoY to 9.1% (est. 10.4%).
- Growth was primarily driven by higher average ticket sizes, while the number of buyers saw a marginal decline YoY.

Watches:

- Watch sales grew 13% YoY to INR14.8b (est. INR15.6b).
- EBIT margin was up 110bp YoY at 16.1% (est. 16%).

Eye Care:

- Eye Care sales grew 9% YoY to INR2.2b (est. INR2.3b).
- EBIT margin was down 540bp YoY at 5.5% (est. 11%).

Consolidated Quarterly Performance

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Sales	132.7	145.3	177.4	149.2	165.2	187.3	208.2	141.2	604.6	701.2	163.6	14.4
YoY change (%)	11.5	16.0	25.2	19.4	24.6	28.8	17.4	-5.4	18.3	16.0	12.6	
Gross Profit	29.3	33.0	39.1	34.0	37.1	40.2	48.9	38.6	135.4	164.8	37.6	
Margin (%)	22.1	22.7	22.0	22.8	22.5	21.4	23.5	27.3	22.4	23.5	23.0	
EBITDA	12.5	15.3	19.3	15.4	18.3	18.8	23.0	17.5	62.4	76.8	18.3	2.4
EBITDA growth %	10.8	8.2	23.1	29.1	46.8	22.9	19.6	14.1	17.9	23.2	20.0	
Margin (%)	9.4	10.5	10.9	10.3	11.1	10.0	11.1	12.4	10.3	11.0	11.2	
Depreciation	1.6	1.7	1.8	1.8	1.8	1.9	1.9	1.7	6.9	7.3	1.8	
Interest	2.3	2.4	2.3	2.5	2.7	2.8	2.4	1.3	9.5	9.2	2.4	
Other Income	1.2	1.2	1.3	1.2	1.1	1.1	1.4	2.0	4.9	5.6	1.4	
PBT	9.7	12.4	16.5	12.2	14.8	15.2	20.1	16.5	50.8	65.9	15.4	-1.5
Tax	2.6	3.1	4.0	3.5	3.9	4.0	5.1	3.7	13.1	16.8	3.9	
Rate (%)	26.5	24.8	24.5	28.5	26.3	26.4	25.5	22.7	25.9	25.5	25.5	
Adjusted PAT	7.2	9.3	12.5	8.7	10.9	11.2	15.0	12.8	37.6	49.1	11.5	-2.7
YoY change (%)	-5.4	1.7	18.3	13.0	52.6	20.2	20.4	46.7	7.6	30.4	23.6	
Extraordinary	0.0	2.3	2.0	0.0	0.0	0.0	0.0	0.0	4.3	0.0	0.0	0.0
Reported PAT	7.2	7.0	10.5	8.7	10.9	11.2	15.0	12.8	33.4	49.1	11.5	-2.7

E: MOFSL Estimates

Sales (Standalone) (INRb)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Jewelry	100.1	103.3	118.3	101.3	107.9	116.5	147.0	121.0	130.0	147.4
-YoY growth (%)	26%	34%	20%	17%	8%	13%	24%	19%	21%	27%
Bullion	9.4	17.6	1.2	11.3	9.1	8.8	0.0	8.6	14.8	19.6
-YoY growth (%)	163%	264%	-62%	7%	-3%	-50%	-100%	-23%	63%	122%
% of Jewelry	9%	17%	1%	11%	8%	8%	0%	7%	11%	13%
Jewelry (ex-bullion)	90.7	85.8	117.1	90.0	98.8	107.6	147.0	112.3	115.2	127.9
-YoY growth (%)	19%	19%	23%	19%	9%	26%	26%	25%	17%	19%
Jewelry EBIT (INR m) (ex-bullion)	10.0	12.1	14.3	10.9	11.0	12.2	16.5	13.3	13.2	13.8
-YoY growth (%)	-3%	9%	16%	9%	10%	1%	15%	22%	20%	13%
EBIT margin (%)	11.0%	14.1%	12.2%	12.1%	11.2%	11.4%	11.2%	11.9%	11.5%	10.8%
Caratlane										
Sales (INR m)	6.4	6.5	8.9	7.5	7.4	8.3	11.2	8.8	10.3	10.7
-YoY growth (%)	33%	45%	32%	29%	15%	28%	25%	18%	39%	29%
EBIT (INR m)	0.4	0.3	0.8	0.5	0.4	0.6	1.3	0.7	0.7	1.1
EBIT margin (%)	5.5%	4.0%	9.2%	7.0%	5.7%	7.0%	11.7%	7.9%	6.6%	10.2%

Consolidated (INR b)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Total Sales	120.1	126.5	143.0	126.5	133.9	146.6	178.7	150.3	166.3	188.4
Watches sales (INR b)	9.1	10.9	9.9	9.4	10.2	13.0	11.4	11.3	12.7	14.8
YoY Growth	16%	32%	22%	6%	12%	19%	15%	21%	24%	13%
Jewelry sales (INR b)	107.0	110.8	127.4	110.1	118.1	127.7	161.3	132.5	146.5	165.2
YoY Growth	28%	39%	22%	21%	10%	15%	27%	20%	24%	29%
Jewelry (excluding gold ingots)	97.6	92.7	125.6	98.2	108.1	117.8	159.9	122.7	129.9	143.3
YoY Growth	22%	23%	24%	22%	11%	27%	27%	25%	20%	22%
Eyewear sales (INR b)	2.0	1.9	1.7	1.7	2.1	2.0	2.0	1.9	2.4	2.2
YoY Growth	11%	13%	-3%	1%	3%	7%	17%	16%	13%	9%
Others	2.0	2.9	4.0	5.4	3.5	3.8	4.0	4.5	4.7	6.2
YoY Growth	19%	27%	51%	77%	73%	30%	-1%	-17%	36%	63%
Total EBIT	11.1	13.9	15.5	11.9	12.0	14.8	18.7	14.7	17.5	18.0
Watches	1.0	1.6	0.6	0.8	1.1	2.0	1.1	1.3	2.9	2.4
YoY Growth	3%	31%	-32%	-28%	10%	23%	93%	75%	159%	21%
EBIT Margin	11.1%	14.7%	5.7%	8.1%	10.9%	15.0%	9.5%	11.7%	22.5%	16.1%
Jewelry EBIT (INR b)	10.2	12.2	14.8	10.9	11.0	12.6	17.4	13.3	14.1	15.1
YoY Growth	-3%	12%	19%	9%	8%	4%	18%	22%	28%	19%
EBIT Margin	9.6%	11.0%	11.6%	9.9%	9.3%	9.9%	10.8%	10.1%	9.6%	9.1%
Eyewear EBIT (INR b)	0.4	0.3	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1
YoY Growth	-3%	-11%	-59%	250%	-46%	-12%	54%	171%	5%	-45%
EBIT Margin	17.2%	13.2%	7.7%	4.2%	9.0%	10.9%	10.2%	9.8%	8.4%	5.5%
Others EBIT (INR b)	(0.5)	(0.1)	(0.0)	0.2	(0.3)	(0.0)	0.0	(0.2)	0.4	0.4

Jewelry	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Studded share	26	33	24	33	30	34	23	30	29	34
Jewelry Secondary USP growth (%)										
LTL growth (%)					3	15	22	15	11	14
Sales growth					9	21	28	20	17	19
Tansihq										
LTL growth (%)	16	22	10	14	3					
Sales growth	21	27	16	19	9					
Caratlane										
LTL growth (%)	8	10	2	3	8	28	15	14	20	15
Sales growth	44	47	37	31	18	43	25	22	32	25

*include international Store	Q1FY24	Q2FY24	Q3FY24	Q4FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Watches										
World of Titan	636	646	655	665	670	688	700	720	724	729
Fastrack	188	193	198	218	225	227	228	239	239	242
Helios	207	212	223	237	242	256	266	276	277	283
Helios Luxe									4	5
Jewelry										
Tanishq	433	445	466	479	491	502	515	522	526	533
Zoya	7	8	8	8	11	12	12	12	12	12
Mia	119	145	162	178	197	209	222	234	240	258
Carat Lane	233	246	262	272	275	286	306	323	332	342
Eye Wear										
Titan Eye+	901	905	913	902	905	908	905	897	878	878
Fastrack (Eyewear)	7	8	8	3	3	2	2	0	1	6
Others										
Taneira	47	51	62	73	77	81	82	81	81	79
IRTH							2	6	7	9
SKINN								1	1	1
Total	2,778	2,859	2,957	3,035	3,096	3,171	3,240	3,311	3,322	3,377

Power Grid

BSE SENSEX
83,978

S&P CNX
17,892

CMP: INR288
Buy
Financials & Valuations (INRb)

Y/E March	FY26E	FY27E	FY28E
Sales	497.8	528.5	553.2
EBITDA	424.8	445.3	459.2
Adj. PAT	169.6	183.9	192.9
Adj. EPS (INR)	18.2	19.8	20.7
EPS Gr. (%)	9.3	8.4	4.9
BV/Sh.(INR)	107.3	115.5	124.5
Ratios			
Net D:E	1.3	1.2	1.0
RoE (%)	17.6	17.8	17.3
RoCE (%)	9.8	10.1	10.2
Payout (%)	52.6	50.6	48.2
Valuations			
P/E (x)	15.8	14.6	13.9
P/BV (x)	2.7	2.5	2.3
EV/EBITDA (x)	9.0	8.3	7.7
Div. Yield (%)	3.3	3.5	3.5
FCF Yield (%)	10.7	11.6	11.1

Earnings miss estimates due to higher other expenses

Standalone (SA) Performance:

- In 2QFY26, Power Grid (PWGR) reported SA revenue of INR100b (-3% YoY,+1% QoQ), missing our estimate by 6%. EBITDA was 13% below our estimate at INR80.1b (-9% YoY, -1% QoQ), hit by a 55% YoY growth in other expenses.
- Reported PAT came in 4% below our estimate at INR35.5b (-4% YoY, -3% QoQ), supported by higher-than-expected other income, lower-than-expected depreciation (likely due to lower capitalization), and positive net movement in regulatory deferral account balances of INR5.2b.
- Adj. PAT was 16% below our estimate at INR.31.2b (-11%YoY,-10% QoQ), mainly due to a miss at the EBITDA level.

Consolidated Performance:

- Consolidated operating revenue came in at INR114.76b, improving 2% YoY, while reported PAT declined ~6% YoY to INR35.7b.
- The transmission segment remained the primary revenue driver, contributing 92% of total income (INR116.7b).
- In 2QFY26, its JVs reported a loss of INR0.6b (vs. a loss of INR1b/INR0.4b in 2QFY25/1QFY26).

Other Matters:

- The Board of Directors approved the payment of the first interim dividend of INR4.5/share.
- The Board further approved raising of funds through an unsecured rupee term loan/line of credit up to INR60b from SBI.

Standalone Quarterly Performance
(INRb)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Sales	100.7	102.6	101.2	109.8	99.3	100.0	104.3	123.3	414.3	426.9	106.9	-6%	-3%	1%
YoY Change (%)	-1.7	5.3	-5.2	-0.6	-1.4	-2.5	3.0	12.3	-0.9	3.0	4.2			
EBITDA	87.4	87.9	85.2	92.2	81.2	80.1	88.4	115.6	352.8	365.3	92.2	-13%	-9%	-1%
YoY Change (%)	-2.9	3.0	-9.3	0.9	-7.2	-8.8	3.8	25.4	-2.5	3.6	4.9			
As of % Sales	86.8	85.6	84.2	84.0	81.8	80.1	84.8	93.8	85.1	85.6	86.2			
Depreciation	30.7	31.6	30.7	30.4	29.7	30.6	32.7	38.4	123.5	131.4	33.6	-9%	-3%	3%
Interest	21.6	26.0	21.3	25.9	23.0	25.6	21.1	24.3	94.8	94.0	25.8	-1%	-2%	11%
Other Income	7.8	11.2	14.9	15.0	13.3	13.5	15.2	8.1	48.9	50.1	11.5	17%	20%	2%
Regulatory/Extraordinary Items	-0.6	2.5	0.4	0.5	2.1	5.2	0.0	0.0	2.8	7.3	0.0			
PBT	42.3	43.9	48.5	51.4	43.9	42.6	49.9	61.0	186.2	197.4	44.2	-4%	-3%	-3%
Tax	8.2	6.8	9.6	8.1	7.3	7.1	10.1	9.8	32.7	34.4	7.0	1%	4%	-3%
Effective Tax Rate (%)	19.4	15.5	19.8	15.7	16.7	16.6	20.3	16.1	17.5	17.4	15.9			
Reported PAT	34.1	37.1	38.9	43.4	36.5	35.5	39.8	51.2	153.5	163.0	37.2	-4%	-4%	-3%
YoY Change (%)	-3.7	-3.2	-1.9	5.0	7.1	-4.2	2.1	18.0	-0.8	6.2	0.2			
Adjusted PAT	34.6	35.0	38.6	42.9	34.7	31.2	39.8	51.2	151.2	156.9	37	-16%	-11%	-10%
YoY Change (%)	-8.7	4.8	-0.4	0.5	0.4	-10.9	3.1	19.2	-1.1	3.8	6.2			

Bharti Hexacom

BSE SENSEX
83,978

S&P CNX
25,763

Conference Call Details



Date: 4th November 2025
Time: 13:00 hours IST

Financial Valuations (INR b)

INRb	FY26E	FY27E	FY28E
Net Sales	94.3	106.1	119.5
EBITDA	50.9	61.0	71.9
Adj. PAT	18.8	26.9	35.4
Adj. EPS (INR)	37.6	53.8	70.8
EPS Gr. (%)	46.9%	42.9%	31.6%
BV/Sh. (INR)	146.3	180.0	220.8

Ratios

RoE (%)	28.4	33.0	35.3
RoCE (%)	17.2	24.5	32.5

Valuations

P/E (x)	49.6	34.7	26.4
P/BV (x)	12.8	10.4	8.5
EV/EBITDA (x)	19.3	15.7	13.0

CMP: INR1,870

Neutral

Slightly weaker 2Q (vs. Airtel) as wireless subscriber base declines and network opex remains elevated

- Overall 2Q reported revenue of INR23.2b (+11% YoY, vs. our est. INR23b) grew 2.4% QoQ. Excluding ICR revenue from inroamers, customer revenue grew 2% QoQ to ~INR22b.
- Overall 2Q EBITDA grew ~4% QoQ to INR12.1b (+21% YoY) but was 2% below our estimate due to higher network opex (+11% YoY, 9% ahead).
- Reported EBITDA margin expanded ~85bp QoQ to 52.1% (+435bp YoY, 140bp below our estimate), and remained significantly below 58.5% (up 40bp QoQ) for Bharti's India operations (ex-Indus).
- Depreciation and amortization rose 5% QoQ to INR5.5b (3% higher), while net finance cost fell ~16% QoQ (-29% YoY) to INR0.9b (11% lower).
- Reported PAT came in at INR4.2b (up 8% QoQ, 66% YoY), 5% below our estimate due to lower EBITDA and higher D&A.

Capex picks up, FCF moderates QoQ; net debt broadly stable QoQ

- After low capex in 1Q, capex surged 62% QoQ to INR3.7b (still -18% YoY).
- Hexacom's overall net debt (ex-leases) was broadly stable QoQ at INR28.2b (vs. INR28.1b QoQ). Including the impact of leases, Hexacom's consolidated net debt stood at INR63b (vs. INR63.1b QoQ).
- Net debt (ex-leases)-to-EBITDAaL declined to 0.64x (vs. 0.65x QoQ, 1.32x for Bharti's India SA business).
- Hexacom's consolidated free cash flow (after leases and interest payments) moderated QoQ to INR4.4b (vs. INR8.9b QoQ), due to higher capex and actual interest outgo.

Wireless: Subscriber base declines; elevated network opex leads to weaker performance vs. Airtel

- Wireless ARPU grew 1.8% QoQ (vs. 2.3% QoQ for Airtel) to INR251 (10% YoY, vs. our est. of INR250), driven by subscriber mix improvements and one extra day QoQ.
- Paying subscriber base declined by 110k (vs. 17k net adds QoQ and our est. 140k net adds). As a result, its share of Airtel's paying subs fell ~10bp QoQ to ~7.6%.
- However, the subscriber mix continued to improve as Hexacom added 193k smartphones net adds QoQ. Hexacom's share of Bharti's 4G/5G net adds moderated to ~3.2% (vs. 7.2% QoQ and ~7.7% share of Airtel's 4G subscriber base). The share of data subs in Hexacom's mix improved ~95bp QoQ to 78.6%, but remained below Airtel's at 79.3% (+80bp QoQ).
- Reported wireless revenue grew 2.1% QoQ (vs. ~3% QoQ for RJio, including FTTH and Airtel's India wireless) to INR22.4b (+10% YoY, vs. our est. INR22.3b) due to weaker net adds.

- Customer revenue grew ~1.7% QoQ (vs. ~3% QoQ for RJio, including FTTH and Airtel's India wireless) to INR21.1b (+13% YoY, in line).
- Wireless EBITDA at INR12.3b (+20% YoY, 2% below our estimate) was up ~3% QoQ (vs. 3.5%/4.2% QoQ RJio, including FTTH/Airtel) due to high network opex.
- Wireless EBITDA margins improved ~40bp QoQ to 54.8% (+450bp YoY, vs. +20bp QoQ to 54.2% for RJio), vs. 90bp QoQ improvement for Airtel's India wireless business to 60.3%.
- Incremental margins were robust at ~73% (vs. 60%/94% for RJio/Bharti).
- Similar to Bharti's India wireless segment, Hexacom's wireless capex also surged ~94% QoQ to INR2.4b (though down 37% YoY).

Homes and Offices: Net subscriber additions remain elevated; margins contract (vs. expansion for Bharti)

- Homes BB subs base reached ~0.56m (+60% YoY) as net adds accelerated to 60k (vs. 54k QoQ, in line). Hexacom accounted for ~6.1% of Airtel's Homes BB net adds (vs. ~4.7% share in Airtel's Homes BB subscriber base).
- Reported Homes ARPU was stable QoQ at INR484/month (-5% YoY, vs. ~1% QoQ dip for Airtel to INR534/month).
- Homes and Offices revenue was up ~12% QoQ at INR0.88b (+47% YoY, 2% above) and was better than ~9% QoQ growth for Airtel.
- Homes and Offices EBITDA at INR0.3b (8% below) was up ~19% QoQ (+58% YoY, vs. 9% QoQ growth for Airtel), as margins expanded ~200bp QoQ to 33.7% (+235bp YoY). Comparatively, Airtel's Home BB margins were largely stable QoQ at 50.1%.
- Capex in Homes Business rose ~23% QoQ to INR1.25b (up ~2x YoY).

Other highlights: Data engagement remains ahead of Airtel's India wireless business

- Data volume for Hexacom rose 6% QoQ (vs. 8% QoQ in 1QFY26, +7% QoQ RJio including FTTH and Airtel India).
- Data usage per sub improved to 30.7GB/month (vs. 29.4GB QoQ, 38.8GB reported by RJio including FTTH and higher than 28.3GB for Airtel on pan-India basis).
- Voice usage on network remained flat QoQ (-2% QoQ in 1QFY26, +1% QoQ for RJio and Airtel), with minute of usage (MoU) per subscriber broadly stable at 1,111mins/month (vs. 1,107mins QoQ, ~996mins for RJio, and slightly lower vs. 1,145mins for Airtel on pan-India basis).
- Hexacom's tower count increased by 39 QoQ (vs. reduction by 7 in 1QFY26) to 26.5k towers. Revenue per site grew ~2% QoQ to INR281k/month (+8% YoY, vs. +2% QoQ to INR273k for Airtel).

Consolidated results

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est.
Bharti Hexacom							
Revenues	20,976	22,630	23,173	10.5	2.4	23,050	0.5
Access charges	2,238	1,630	1,675	(25.2)	2.8	1,603	4.5
License and spectrum fee	1,923	2,114	2,138	11.2	1.1	2,109	1.4
Network operating costs	4,764	5,219	5,303	11.3	1.6	4,867	9.0
Employee costs	322	210	320	(0.6)	52.4	348	(8.0)
SG&A expenses	1,710	1,850	1,656	(3.2)	(10.5)	1,778	(6.9)
Total costs	10,957	11,023	11,092	1.2	0.6	10,705	3.6
EBITDA	10,019	11,607	12,081	20.6	4.1	12,344	(2.1)
EBITDA margin (%)	47.8	51.3	52.1	437 bps	84 bps	53.6	(142)bps
Depreciation and amortization	5,361	5,273	5,543	3.4	5.1	5,405	2.6
EBIT	4,658	6,334	6,538	40.4	3.2	6,940	(5.8)
EBIT margin (%)	22.2	28.0	28.2	601 bps	22 bps	30.1	(189)bps
Net finance cost	1,263	1,066	897	(29.0)	(15.9)	1,010	(11.2)
PBT	3,395	5,268	5,641	66.2	7.1	5,929	(4.9)
Tax provision	864	1,352	1,429	65.4	5.7	1,492	(4.3)
Extraordinary items	-	-	-	-	-	-	-
Reported net income	2,531	3,916	4,212	66.4	7.6	4,437	(5.1)
Adjusted net income	2,531	3,916	4,212	66.4	7.6	4,437	(5.1)
Reported EPS (INR)	5.1	7.8	8.4	66.4	7.6	8.9	(5.1)
Adjusted EPS (INR)	5.1	7.8	8.4	66.4	7.6	8.9	(5.1)
Costs as % of revenue							
Access charges	(10.7)	(7.2)	(7.2)	344 bps	(3)bps	(7.0)	(27)bps
License and spectrum fee	(9.2)	(9.3)	(9.2)	(6)bps	12 bps	(9.2)	(8)bps
Network operating costs	(22.7)	(23.1)	(22.9)	(17)bps	18 bps	(21.1)	(177)bps
Employee costs	(1.5)	(0.9)	(1.4)	15 bps	(45)bps	(1.5)	13 bps
SG&A expenses	(8.2)	(8.2)	(7.1)	101 bps	103 bps	(7.7)	57 bps
Total costs	(52.2)	(48.7)	(47.9)	437 bps	84 bps	(46.4)	(142)bps

Exhibit 5: Net debt trends

Debt and cash trends	Mar-23	Sep-23	Mar-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Reported gross debt	62,693	62,353	48,347	48,901	43,033	37,800	29,155	31,264
LT debt	19,999							
ST debt (inc. current maturities)	15,001	35,013	20,001	11,907	6,040	8,746	9	2,522
Deferred payment liabilities	27,693	27,340	28,346	36,994	36,993	29,054	29,147	28,742
Cash and Cash Equivalents	11,015	15,775	2,774	340	187	910	1,091	3,081
Cash and Cash Equivalents	555	463	398	334	169	171	351	212
Investments & Receivables	10,460	15,312	2,376	6	18	739	740	2,869
Net Debt excluding Lease Obligations	51,678	46,578	45,573	48,561	42,846	36,890	28,064	28,183
Lease Obligation	29,343	30,968	32,700	36,229	36,054	35,729	35,096	34,806
Net Debt including Lease Obligations	81,021	77,546	78,273	84,790	78,900	72,619	63,160	62,989
Net debt (including leases) to EBITDA	2.63	2.35	2.23	2.12	1.71	1.55	1.36	1.30
Net debt (excluding leases) to EBITDAaL			1.46	1.35	1.03	0.87	0.65	0.64

Exhibit 6: FCF (post interest and leases) trends

FCF, after lease and interest payment	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	FY2024	FY2025
CF before WC changes	8,676	8,369	8,770	8,949	8,610	8,569	10,207	9,577	10,963	10,338	34,764	36,963
WC changes	305	2,537	646	(2,791)	4,475	1,826	631	1,932	2,474	937	697	8,864
Cashflow from operations	8,981	10,906	9,416	6,158	13,085	10,395	10,838	11,509	13,437	11,275	35,461	45,827
Lease payments	(666)	(826)	(736)	(702)	(755)	(750)	(1,004)	(953)	(914)	(966)	(2,930)	(3,462)
Capex in tangible assets	(4,999)	(5,593)	(5,334)	(4,902)	(4,728)	(5,252)	(4,025)	(11,167)	(2,956)	(4,220)	(20,829)	(25,172)
Paid finance cost	(1,771)	(1,531)	(739)	(1,315)	(1,728)	(1,661)	(671)	(1,335)	(625)	(1,647)	(5,356)	(5,395)
FCF, after lease and interest payment	1,545	2,956	2,607	(761)	5,874	2,732	5,138	(1,946)	8,942	4,442	6,346	11,798
Spectrum prepayments	-	-	-	-	-	-	-	8,576	-	-	-	8,576
Adjusted FCF after leases and interest	1,545	2,956	2,607	(761)	5,874	2,732	5,138	6,630	8,942	4,442	6,346	20,374

Exhibit 7: ICR Impact analysis: Customer revenue grew ~2% QoQ

Bharti Hexacom (INR m)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Reported wireless revenue	16,473	17,029	17,477	18,232	18,604	20,433	21,931	22,249	21,916	22,385
Service revenue based on reported ARPU	15,155	15,506	16,025	16,562	16,881	18,707	19,820	20,194	20,794	21,142
Revenue from inroamers	1,318	1,523	1,453	1,671	1,723	1,726	2,112	2,055	1,122	1,243
Implied ARPU (INR/month)	209	213	219	224	225	248	267	266	259	265
Reported ARPU (INR/month)	194	196	200	204	205	228	241	242	246	251
ARPU from inroamers (INR/month)	15	17	18	20	20	21	25	24	13	14
Access charges	1,641	1,856	1,897	2,067	2,209	2,238	2,304	2,468	1,630	1,675
Access charges per wireless sub (INR/month)	21	23	24	25	27	27	28	30	19	20
Net impact from ICR/IUC (INR/month)	(6)	(6)	(5)	(6)	(7)	(7)	(3)	(5)	(7)	(6)

Exhibit 8: Segment Performance

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs est
Segmental revenue (INR b)							
Wireless	20,433	21,916	22,385	9.6	2.1	22,260	0.6
Homes	599	784	880	46.9	12.3	861	2.3
Overall	20,976	22,630	23,173	10.5	2.4	23,050	0.5
Eliminations	(57)	(70)	(92)			(71)	
Segmental EBITDA (INR b)							
Wireless	10,276	11,923	12,266	19.4	2.9	12,521	(2.0)
Homes	188	249	297	58.0	19.3	324	(8.2)
Overall	10,019	11,607	12,081	20.6	4.1	12,344	(2.1)
Eliminations	(445)	(565)	(482)			(500)	
Segmental EBITDA margin (%)							
Wireless	50.3	54.4	54.8	451 bps	39 bps	56.2	(145)bps
Homes	31.4	31.8	33.7	236 bps	197 bps	37.6	(387)bps
Overall	47.8	51.3	52.1	437 bps	84 bps	53.6	(142)bps
Segmental Capex (INR b)							
Wireless	3,845	1,246	2,422	(37)	94	2,783	(13)
Homes	619	1,024	1,254	103	23	1,170	7
Overall	4,465	2,270	3,676	(17.7)	61.9	3953	(7.0)

Exhibit 9: Key performance indicators

	2QFY25	1QFY26	2QFY26	YoY	QoQ	2QFY26E	vs. est
Operating metrics							
India wireless							
Wireless ARPU	228	246	251	10.1	1.8	250	0.4
EoP reported subs (m)	27.1	28.1	28.0	3.4	(0.4)	28.3	(0.9)
Net adds ('000)	(473)	17	(110)			138	(180.2)
EoP data subs (m)	20.6	21.8	22.0	7.0	0.8	22.2	(0.7)
Data net adds ('000)	128	278	184			345	(46)
Data subs proportion (%)	75.9	77.6	78.6	266 bps	96 bps	78.4	12 bps
EoP 4G subs (m)	20.3	21.8	22.0	8.1	0.9	22.2	(0.9)
4G net adds ('000)	143	283	193			394	(51)
Data volume (b MBs)	1,636	1,958	2,077	27.0	6.1	1,978	5.0
Data usage per data sub (GB/month)	25.9	29.4	30.7	18.5	4.5	29.2	5.1
Average data realization (INR/GB)	12.8	11.4	11.0	(13.8)	(3.8)	-	
Voice usage on network (b mins)	89.9	93.4	93.7	4.2	0.3	94.0	(0.4)
Minute of usage per sub (min/month)	1,098	1,107	1,111	1.2	0.3	1,111	0.0
Network towers ('000)	26,172	26,490	26,529	1.4	0.1	26,562	(0.1)
MBB sites ('000)	80,907	81,874	92,455	14.3	12.9	82,057	12.7
Revenue per tower (INR/month)	2,60,768	2,75,054	2,80,610	7.6	2.0	-	
Homes							
Cities covered (#)	103	115	117	13.6	1.7	-	
Reported ARPU (INR/month)	509	485	484	(4.9)	(0.1)	482	0.5
Calculated ARPU (INR/month)	594	550	552	(7.1)	0.4	539	2.3
EoP reported subs (k)	351	502	561	59.8	11.9	562	(0.1)
Net adds ('000)	30	54	60			60	
Implied other revenue (INR m)	85	93	108	26.1	16.3	92	17.3

Hitachi Energy

BSE SENSEX

83,978

S&P CNX

25,763

Conference Call Details


Date: 07th November 2025

Time: 04:30pm IST

Dial-in details:
[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	86.0	115.2	142.1
EBITDA	11.2	16.2	21.5
Adj. PAT	7.9	10.6	14.3
Adj. EPS (INR)	177.4	238.4	319.9
EPS Gr. (%)	129.1	34.3	34.2
BV/Sh.(INR)	1,176.3	1,422.8	1,754.9
Ratios			
RoE (%)	15.9	17.6	19.2
RoCE (%)	16.8	18.4	19.8
Valuations			
P/E (x)	101.1	75.2	56.1
P/BV (x)	15.2	12.6	10.2
EV/EBITDA (x)	67.8	46.1	34.1

CMP: INR17,919
Sell

PAT boosted by better-than-expected other income and lower tax rate

- Hitachi Energy's revenue for 2QFY26 was 12% lower than our estimates as execution remained weaker-than-expected during the quarter. However, with a better-than-expected EBITDA margin of 16.3%, higher other income, and a lower tax rate, reported PAT came 42% ahead of our estimates.
- Revenue grew 18% YoY to INR18.3b (vs. our estimate of INR20.9b), led by effective order execution and improved operational efficiencies.
- EBITDA at INR3.0b (vs. our estimate of INR2.5b) grew 172% YoY. EBITDA margin at 16.3% was 430bp above our expectation of 12%, driven by lower-than-expected RM costs, employee costs, and other expenses.
- PAT increased 406% YoY to INR2.6b, which was above our estimate of INR1.9b.
- Order inflows grew 14% YoY to INR22.2b, taking the order book to INR294b. Growth in inflows was led by the large orders for gas-insulated switchgear (GIS) and air-insulated switchgear (AIS) stations and locomotive transformers. In terms of segment, industries and renewables were the key contributors to the order book, followed by transmission and transport.
- For 1HFY26, the company reported revenue/EBITDA/PAT growth of 15%/188%/531% YoY.
- Operating cash inflow came in at INR8.7b vs. an outflow of INR0.8b in 1HFY25. FCF stood at INR807m in 1HFY26 vs negative INR118.1m in 1HFY25.

Quarterly performance (Standalone)

(InR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Sales	13,272	15,537	16,203	18,837	14,789	18,326	21,827	31,071	63,849	86,012	20,931	(12)
Change (%)	27.6	26.5	27.2	11.1	11.4	17.9	34.7	64.9	21.9	34.7	34.7	
EBITDA	479	1,097	1,669	2,713	1,549	2,990	2,837	3,774	5,958	11,150	2,512	19
Change (%)	42.3	68.0	145.5	49.1	223.4	172.5	70.0	39.1	70.7	87.1	128.9	
As % of Sales	3.6	7.1	10.3	14.4	10.5	16.3	13.0	12.1	9.3	13.0	12.0	
Depreciation	221	228	230	235	250	258	282	336	914	1,126	282	(8)
Interest	109	164	120	60	40	29	116	268	452	452	113	(75)
Other Income	1	1	2	182	509	826	300	(259)	186	1,376	450	84
PBT	150	706	1,322	2,600	1,769	3,529	2,740	2,910	4,778	10,948	2,567	37
Tax	46	183	467	628	453	886	759	936	1,324	3,034	711	
Effective Tax Rate (%)	30.8	25.9	35.3	24.1	25.6	25.1	27.7	32.2	27.7	27.7	27.7	
Extra-ordinary Items			519	(134)					386			
Reported PAT	104	523	1,374	1,839	1,316	2,644	1,981	1,974	3,840	7,914	1,856	42
Change (%)	332.4	111.4	498.1	61.8	1,163.0	405.6	44.2	7.3	110.9	129.1	254.9	
Adj PAT	104	523	855	1,973	1,316	2,644	1,981	1,974	3,454	7,914	1,856	42
Change (%)	332.4	111.4	272.1	73.5	1,163.0	405.6	131.8	0.1	110.9	129.1	254.9	
As % of Sales	2.5	0.7	1.7	0.4	7.9	2.2	0.6	0.0	0.2	0.2	1.2	

ACME Solar Holdings

BSE SENSEX

83,978

S&P CNX

25,763

Conference Call Details


Date: 3 Nov 2025

Time: 12:00 HRS IST

Dial in:

+91 22 6280 114

+91 22 7115 8047

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	22.6	39.3	73.0
EBITDA	19.9	34.8	64.9
Adj. PAT	5.4	6.4	14.8
EPS (INR)	9.0	10.6	24.5
EPS Gr.%	99.5	18.0	130.7
BV/Sh. (INR)	83.4	94.0	118.5

Ratios

ND/Equity	4.0	6.4	5.7
ND/EBITDA	10.1	10.4	6.3
RoE (%)	11.4	12.0	23.1
RoIC (%)	5.8	5.7	7.9

Valuation

P/E (x)	30.4	25.8	11.2
EV/EBITDA (x)	18.9	15.4	9.0

CMP: INR274
Buy

EBITDA in line; APAT beat driven by higher other income

Financial Highlights

- ACME's consol. revenue beat our est. by 3% at INR4.7b (+80% YoY, -8% QoQ), driven by higher generation due to improved capacity utilization factor (CUF).
- EBITDA came in at INR4.0b (+81% YoY, -13% QoQ), in line with our estimate, with an EBITDA margin of 86%.
- Adj PAT was 13% higher than est. at INR1.1b (+624% YoY, -24% QoQ) on account of higher-than-expected other income.
- Net debt stood at INR89b. The net debt-to-TTM EBITDA ratio declined to 4.3x from 5x in 2QFY25.
- ACME secured INR70.5b debt for 680 MW FDRE projects.
- It received a ~75bp interest rate cut from the existing lender on INR20.8b debt tied to 600 MW SECI ISTS projects following a credit rating upgrade. Also, the rate was lowered to 8% p.a. on INR12.45b debt for a 300MW operational project.

Operational Highlights

- Generation stood at 1,539MUs in 2QFY26 (+133.8% YoY). The company recorded CUF of 24.1% (22.2% in 2QFY25).
- Operational capacity reached 2,918MW as the company commissioned 28MW wind capacity during 2QFY26.
- During 1HFY26, ACME won 720 MW/2,460 MWh (Solar + ESS and FDRE) and 550 MWh standalone BESS capacity.
- During 2QFY26, PPAs were signed for 50 MW/220 MWh and 550 MWh, taking cumulative PPA signings in 1HFY26 to 600 MW/1,350 MWh and 550 MWh.
- Total portfolio of the company now stands at 7,390 MW, including 13.5 GWh of BESS installation, with PPAs signed for 5,180 MW.
- A phased delivery of the 5.1 GWh BESS order is expected to start in Dec'25, with phased commissioning from 4QFY26 onward.

Consolidated performance

(INR m)

Y/E March	FY25				FY26E		FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q						
Net Sales	3,096	2,596	3,490	4,869	5,110	4,677	14,051	22,627	4,559	3%	80%	-8%
YoY Change (%)	-0.2	-20%	5%	65%	65%	80%	7%	61%	76%			
Total Expenditure	379	388	418	511	532	675	1,697	2,694	552	22%	74%	27%
EBITDA	2,717	2,208	3,072	4,357	4,578	4,002	12,354	19,933	4,007	0%	81%	-13%
Margin (%)	88%	85%	88%	89%	90%	86%	88%	88%	88%			
Depreciation	556	599	697	1,022	1,076	1,174	2,873	4,590	1,125	4%	96%	9%
Interest	1,963	1,783	1,791	2,055	2,330	2,645	7,592	10,097	2,371	12%	48%	14%
Other Income	304	356	518	524	730	1,336	1,701	2,018	796	68%	276%	83%
PBT before EO expense	503	181	1,103	1,803	1,903	1,519	3,590	7,263	1,306			
Extra-Ord income/(exp.)	0	0	-69	-141	-159	42	-210	-117	-			
PBT	503	181	1,034	1,663	1,744	1,562	3,380	7,146	1,306	20%	761%	-10%
Tax	489	28	-87	442	436	411	872	1,815	327	26%	1344%	-6%
Tax rate	97%	16%	-8%	27%	25%	26%	26%	25%	25%			
Minority Interest	0.0	0.0	0.0	-12.9	-0.1	-0.1	-12.9	-0.1	-			
Reported PAT	14	153	1,121	1,234	1,308	1,151	2,521	5,331	980	17%	652%	-12%
Adj PAT	14	153	1,190	1,374	1,467	1,108	2,731	5,448	980	13%	624%	-24%
YoY Change (%)	-1.0	LP	206%	LP	10465%	624%	LP	99%	540%			
Margin (%)	0%	6%	34%	28%	29%	24%	19%	24%	21%			

VRL Logistics

BSE SENSEX
83,978

S&P CNX
25,763

Conference Call Details


Date: 4th Nov 2025

Time: 10:30 AM IST

Dial-in details:
[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	32.6	35.8	39.8
EBITDA	6.2	6.9	7.5
Adj. PAT	2.2	2.6	2.9
EBITDA Margin (%)	19.1	19.3	18.9
Adj. EPS (INR)	12.6	14.8	16.5
EPS Gr. (%)	20.6	17.4	11.6
BV/Sh. (INR)	69.6	74.4	79.4

Ratios

Net D:E	0.2	0.1	0.0
RoE (%)	19.2	20.6	21.5
RoCE (%)	17.7	19.8	21.4
Payout (%)	39.6	67.5	69.6

Valuations

P/E (x)	22.4	19.0	17.1
P/BV (x)	4.1	3.8	3.5
EV/EBITDA(x)	8.4	7.3	6.6
Div. Yield (%)	1.8	3.5	4.1
FCF Yield (%)	6.5	7.6	6.4

CMP: INR281
Buy

In-line performance

Earnings snapshot – 2QFY26

- VRL's revenue was flat YoY at INR8.0b (+7% QoQ), in line with our estimate.
- Volume dipped 11% YoY to 0.97m tons, while realization grew by 12% YoY to INR 8,079/ton, driven by a price hike. Volume drop was mainly due to contract restructuring and the voluntary exit from certain low-margin contracts.
- EBITDA margins stood at 19% (+240bp YoY and -140bp QoQ), in line with our estimate. EBITDA margin continued to be robust despite volume pressure, driven by cost rationalization efforts. EBITDA grew ~14% YoY to INR1.5b (in line).
- Aided by strong operating performance, APAT increased 40% YoY to INR499m (in line).
- Fuel costs were ~25.6% of total income in 2QFY26. Lorry charges fell to 4.4% from ~5.7% of total income YoY.

Quarterly Earnings Model

Y/E March (INR m)	FY25				FY26E		FY25	FY26E	FY26 2QE	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q				
Net Sales	7,272	7,995	8,252	8,090	7,443	7,970	31,609	32,558	7,850	2
YoY Change (%)	7.9	12.7	12.0	5.3	2.4	-0.3	9.4	3.0	-1.8	
EBITDA	869	1,331	1,664	1,866	1,516	1,511	5,730	6,212	1,498	1
Margins (%)	11.9	16.6	20.2	23.1	20.4	19.0	18.1	19.1	19.1	
YoY Change (%)	-14.7	44.9	76.3	77.1	74.5	13.6	45.6	8.4	12.6	
Depreciation	615	638	646	638	647	648	2,536	2,672	665	
Interest	226	224	241	258	262	242	948	888	220	
Other Income	148	25	57	25	65	70	255	300	82	
PBT before EO expense	176	493	835	996	672	691	2,500	2,953	695	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	
PBT	176	493	835	996	672	691	2,500	2,953	695	
Tax	42	135	240	253	172	192	670	746	175	
Rate (%)	23.6	27.3	28.8	25.4	25.6	27.8	26.8	25.3	25.2	
Reported PAT	134	358	594	743	500	499	1,829	2,206	520	
Adj PAT	134	358	594	743	500	499	1,829	2,206	520	(4)
YoY Change (%)	-60.4	84.4	333.9	244.6	272.4	39.2	106.5	20.6	45.0	
Margins (%)	1.8	4.5	7.2	9.2	6.7	6.3	5.8	6.8	6.6	



Bank of Baroda : BoB surprises with higher than expected margins, NIMS to remain ranged with an upwards bias; Debadatta Chand, MD & CEO

- BoB had a good quarter, with asset quality among the best in many quarters
- Prudent asset & liability mgmt. is helping to improve asset quality and support growth
- BoB has been guiding to reduce dependency on bulk deposits, being a volatile component
- Full year overall growth guidance for loans is 11-13%

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United Breweries : The company has touched 20% market share in the premium segment; Vivek Gupta, MD & CEO

- Company is expecting positive action from regulators
- 1/3rd of biz grew >15% in Q2, another 1/3rd was hit by monsoons and regulatory issues
- Category recovery of 5-6% is still a quarter away, expects prem. Biz to bounce back over 30% in Q3
- It is confident that Q3 vol will remain positive; it is working towards managing bottle returns

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Azad Engineering : Confident of achieving 25-30% topline growth for next 5 years; Vishnu Malpani, Executive Director

- FY26 topline guidance maintained at 25-30%
- Company has signed MoU for expansion into Saudi Arabia
- Net profit was driven by energy and aerospace growth
- Aero and defence customers are ramping into production

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LG Balakrishnan : Steel industry has started doing well; Margin guidance given for FY26; B Vijayakumar, CMD

- Company will stick to revenue and margin guidance given for FY26
- Steel industry has started doing well and supported positively
- It is targeting to maintain margin at 17%
- It has set up a new manufacturing facility for industrial chains

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NOTES

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

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

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