Motilal Oswal Financial Services

19 August 2026

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	77,235	-0.6	-9.4
Nifty-50	24,155	-0.5	-7.6
Nifty-M 100	63,539	-0.4	5.1
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,692	-0.7	12.4
Nasdaq	26,290	-1.3	13.1
FTSE 100	10,728	0.1	8.0
DAX	26,128	-0.8	6.7
Hang Seng	8,453	0.2	-5.2
Nikkei 225	67,461	-2.5	34.0
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	93	3.2	48.7
Gold ($/OZ)	4,335	-1.8	0.4
Cu (US$/MT)	14,235	-2.5	14.3
Almn (US$/MT)	3,207	-1.7	8.0
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	95.7	0.1	6.5
USD/EUR	1.2	0.0	-1.4
USD/JPY	159.6	0.1	1.9
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.8	0.02	0.2
Flows (USD b)	**18-Aug**	**MTD**	**CYTD**
FIIs	0.17	2.17	-24.5
DIIs	0.27	2.86	56.3
Volumes (INRb)	**18-Aug**	**MTD***	**YTD***
Cash	1,204	1309	1357
F&O	4,44,265	2,06,412	2,59,428

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Aequs: Engineering growth across aerospace and beyond

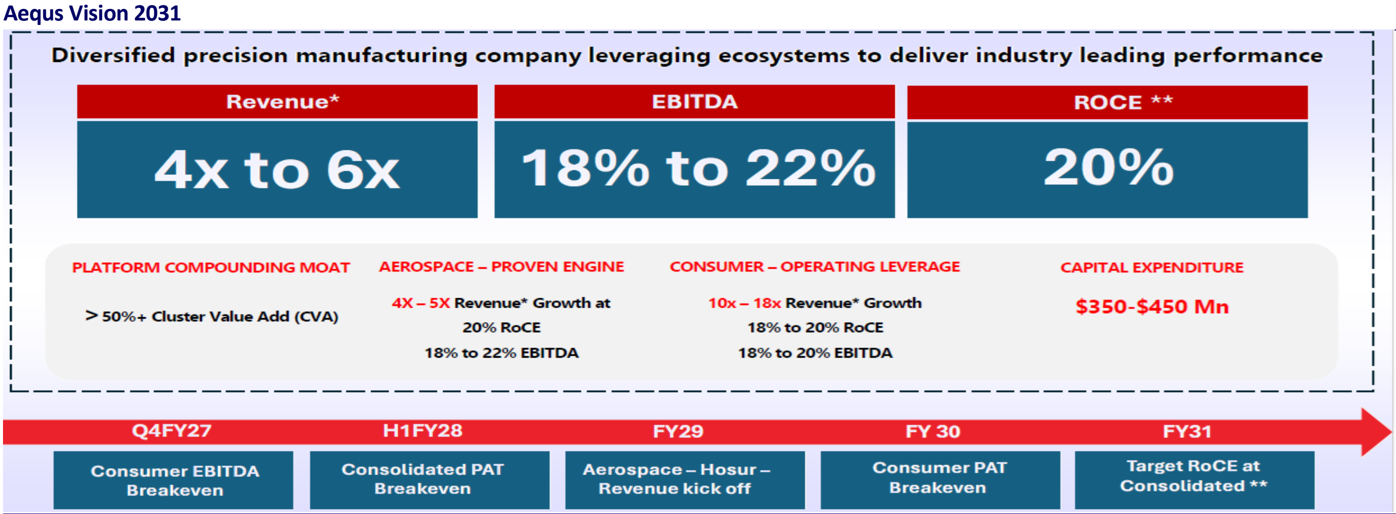
- Aequs specialises in precision machining for AeroSystems, Aerostructures, landing gear and engine components, forging, surface treatment, aerostructure assembly, testing and prototyping of components.\
- The MD reiterated robust growth guidance across its aerospace and consumer segments. For FY27, aerospace revenue growth is pegged at 25-30% with its EBITDA margin sustaining above 20% (vs. 40% revenue growth and 23% EBITDA margin reported in 1QFY27).
- A strong USD1b+ order book (up 13% QoQ) in the Aerospace segment supports 25-30% revenue CAGR potential for the next 5 years. Moreover, management expects regular addition to the order book. Consumer segment is expected to see an exponential growth and narrowing EBITDA loss.
- Management sees the segment revenue to grow 10-18x over next 5 years driven by volume ramp up.
- It expects EBITDA breakeven by 4QFY27 on ramp-up in capacity utilization to 40-50%, and a positive PAT in FY28/FY29.

Research covered

Cos/Sector	Key Highlights
22nd Annual Global Investor Conference 2026	CEO Track from the conference
ONGC	Value play with growth optionality
ICICI Prudential AMC	In-line earnings despite margin miss

Chart of the Day: Aequs (Engineering growth across aerospace and beyond)

Aequs Vision 2031



Source: Company, MOFSL

Research Team

In the news today

Kindly click on textbox for the detailed news link

1

Top 10 private banks cut over 10,000 jobs in FY26 as AI reshapes hiring

India's top private banks are reducing their employee numbers significantly. This workforce contraction occurred after substantial hiring in the previous fiscal year. Technology-led efficiencies are enabling banks to expand operations without increasing staff.

2

Mahanagar Gas eyes 1 million new PNG connections in FY27, capex raised

Mahanagar Gas Ltd is increasing capital expenditure by twenty percent this financial year. The company plans to triple daily piped natural gas connections to three thousand. They are targeting one million new piped natural gas connections driven by government policies.

3

Small developers turn to insolvency courts as land costs push distressed real estate into focus

Small and mid-sized developers are increasingly using insolvency proceedings to acquire distressed real estate companies as land prices soar in major cities.

4

Indian refiners face crude cost surge as Gulf premiums rise, Russian oil discounts vanish

Indian refiners are facing a sharp rise in crude procurement costs as tightening physical supplies push Gulf and West African grades to higher premiums. Russian oil discounts have largely disappeared, while Venezuelan discounts have narrowed.

5

Wipro Consumer Care to acquire 60% stake in Dermatouch for Rs 387.5 crore

Wipro Consumer Care and Lighting will acquire a 60% stake in premium skincare brand Dermatouch at an enterprise value of ₹387.5 crore, marking its entry into digital-first brands. The remaining 40% will be acquired over three years. Dermatouch, founded by Anish Nagpal and Amit Purswani, reported ₹131 crore revenue in FY26.

6

Indian Railways eyes cheaper green hydrogen to expand train operations

Indian Railways seeks to expand green hydrogen suppliers and reduce procurement costs. Hydrogen trains have already completed over 2,500 kilometers of commercial operations. The government offers incentives for electrolyzer manufacturing and green hydrogen production.

7

Dabur, Ferns N Petals, Lotte India rectify labelling, advertising lapses after FSSAI notices

Food regulator FSSAI said Dabur India, Ferns N Petals, Lotte India and other food businesses have taken corrective measures after being flagged over labelling, product classification and advertising violations.

AEQUS ecosystems of efficiency

Mr. Rajeev Kaul

CO-Founder & Managing Director,
Aequs Ltd

Engineering growth across aerospace and beyond

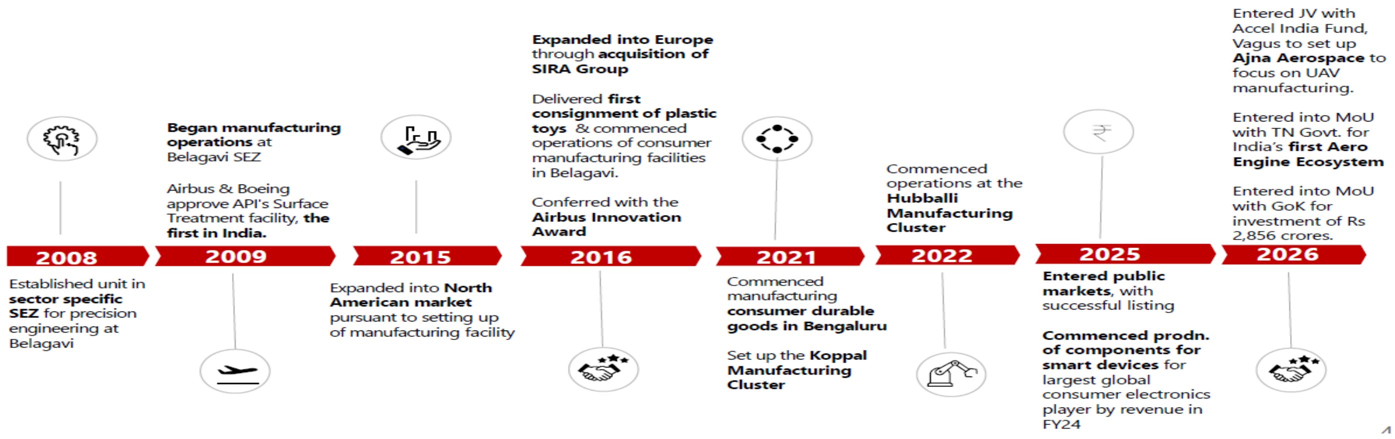
Financials & Valuations (INR b)			
Y/E March	**FY24**	**FY25**	**FY26**
Sales	9.7	9.2	12.3
EBITDA	1.2	0.7	0.9
Adj. PAT	-0.3	-0.5	-1.1
EPS (INR)	-0.4	-0.8	-1.6
EPS Gr. (%)	NA	NA	NA
BV/Sh. (INR)	12.2	10.7	22.2
Ratios			
RoE (%)	-3.6	-7.5	-7.1
RoCE (%)	3.1	0.3	0.9
Payout (%)	-	-	-
Valuations			
P/E (x)	-591	-322	-165
P/BV (x)	21	24	12
EV/EBITDA (x)	146	246	199
Div Yield (%)	-	-	-

We hosted Mr. Rajeev Kaul, Co-founder & MD of Aequs, as part of our CEO Track session at AGIC 2026. Here are the key takeaways of the session:

- **About Aequs:** In 2006-07, Mr. Aravind Melligeri entered the manufacturing segment in aerospace ecosystem and started QuEST Global Manufacturing (QGM) in Bengaluru. In 2014, QGM was rebranded as 'Aequs'. Aequs is a diversified contract manufacturing company, operating manufacturing facilities in India, France, and the US. **The company provides vertically integrated product solutions for aerospace, toys and consumer durables industries.** It specializes in precision machining for aerosystems, aerostructures, landing gear and engine components, forging, surface treatment, aerostructure assembly, testing and prototyping of components at its Belagavi unit. Apart from this, the company has also set up consumer durable and toy manufacturing clusters in Hubbali and Koppal, Karnataka.
- **Portfolio expansion:** Aequs added 86 new parts in 1QFY27 to take the total portfolio SKU count to 5,740 parts.
- **The MD reiterated robust growth guidance across its aerospace and consumer segments.** For FY27, aerospace revenue growth is pegged at 25-30% with its EBITDA margin sustaining above 20% (vs. 40% revenue growth and 23% EBITDA margin reported in 1QFY27).
- **Aerospace** revenue growth will be driven by higher customer build rates as more parts move into serial production. **A strong USD1b+ order book** (up 13% QoQ) in the aerospace segment **supports 25-30% revenue CAGR** potential for the next five years. Moreover, management expects regular additions to the order book.
- Aequs **bagged a landmark contract from Safran Landing Systems to supply fully integrated wheels for Airbus A320.** It is a fully indigenous manufactured product, for which Aequs is a single source supplier with a 15-year contract, the longest in the company's history.
- **Consumer segment is expected to see an exponential growth and narrow its EBITDA loss.** Management sees segment revenue to grow 10-18x over the next five years, driven by volume ramp-up. It expects EBITDA breakeven by 4QFY27 on ramp-up in capacity utilization to 40-50%, and a positive PAT in FY28/FY29.
- **Capex:** A USD350-400m capex is planned in the next five years to set up a mega integrated greenfield plant in Hosur for the aerospace segment and capacity augmentation in the consumer segment. Management **considers accelerating aerospace capex** due to the scale and timelines of new wins.

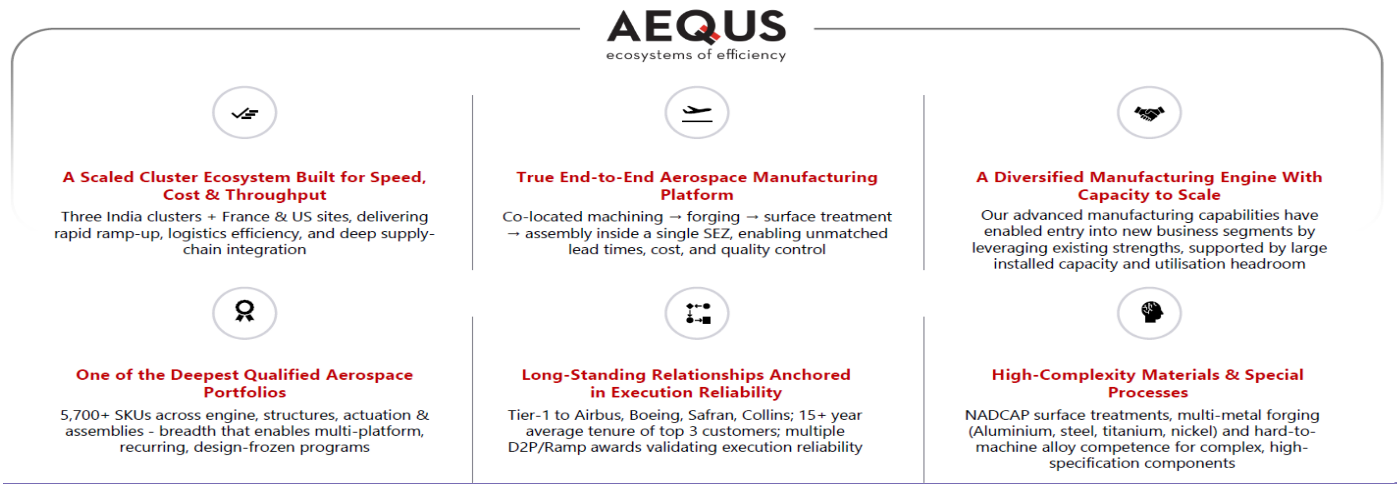
- By 2031, Aequs **aims to become a co-development partner** for its customers from being a build-to-print manufacturer currently.

History and evolution of Aequs



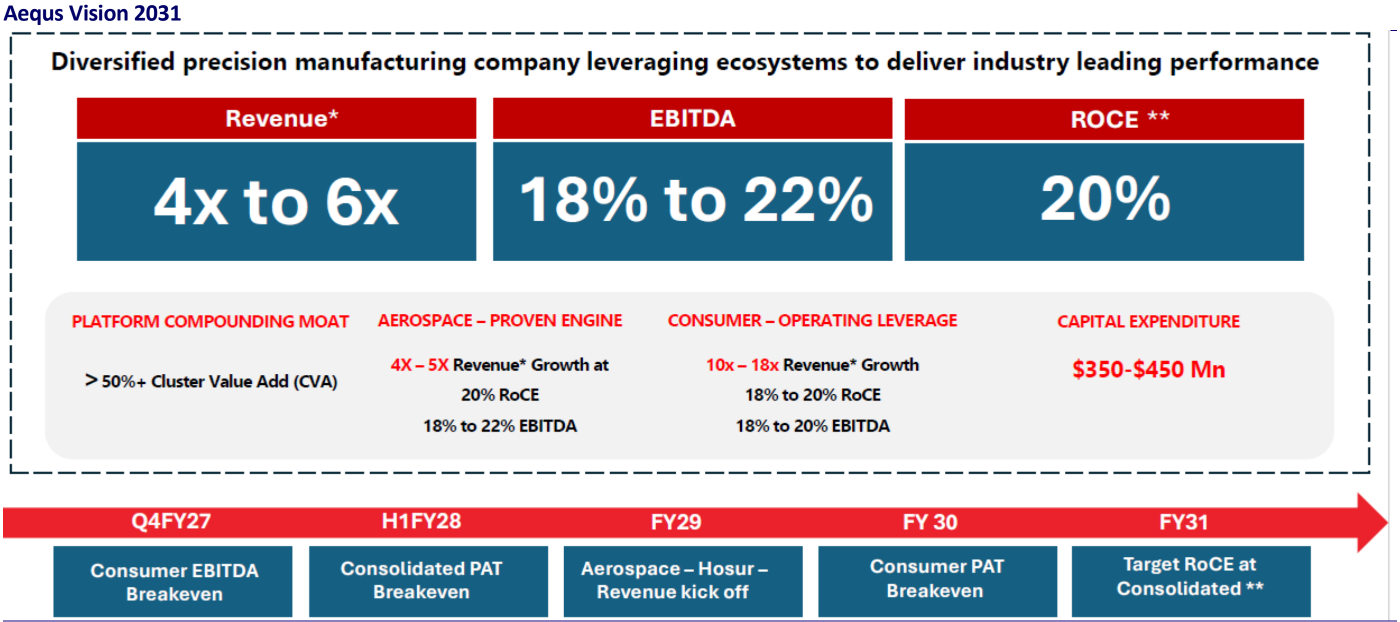
Source: Company, MOFSL

The Aequs edge



Source: Company, MOFSL

Aequs Vision 2031



Source: Company, MOFSL

TATA CONSUMER PRODUCTS

Mr. Sunil A. D'Souza
Managing Director & CEO,
Tata Consumer Products Ltd

Focusing on innovation, digital channels, premiumization

Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	200	224	243
EBITDA	27	33	37
Adj. PAT	15	19	22
EBITDA Margin (%)	14	15	15
Adj. EPS (INR)*	15	19	23
EPS Gr. (%)	18	27	16
BV/Sh. (INR)	236	250	268
Ratios			
Net D:E	0	0	0
RoE (%)	7	9	9
RoCE (%)	9	11	11
Payout (%)	43	34	29
Valuations			
P/E (x)	70	55	48
EV/EBITDA (x)	35	29	25
Div. Yield (%)	1	1	1
FCF Yield (%)	2	1	2

* Cons.

We hosted Mr. Sunil A. D'Souza, MD and CEO of Tata Consumer Products, as part of our CEO Track session at AGIC 2026. Here are the key takeaways of the session:

Strategic transformation: Building a strong FMCG platform

- After CY20, the company focused on building a strong FMCG engine anchored around quality products, wider availability, strong brands and innovation.
- The company also developed a robust product funnel and scalable distribution network to efficiently launch and scale up new products.
- **Innovation emerged as a key strategic priority, with significant investments in R&D driving up the innovation-to-sales ratio from 0.8% to 4.5% in FY26.**
- The transformation was driven by a strong senior management team with capabilities comparable to leading FMCG players.

Health & Wellness: From natural products to science-led nutrition

- Health & wellness is expected to remain a structural growth opportunity, as consumers increasingly seek natural and organic products.
- Emerging areas include protein, fiber, prebiotics and probiotics.
- The company is looking to build two broad platforms:
  - Expansion into nutraceuticals
  - Science-led products supported by stronger R&D and evidence-based claims
- TATACONS is also evaluating opportunities around the GLP-1 trend, which could create demand for healthier, higher-protein and lower-calorie products.
- India presents significant white spaces as many existing protein products are relatively calorie-dense.

Transition in channel mix towards quick commerce

- Consumer media consumption is shifting rapidly from traditional television toward social and digital media, requiring brands to evolve their marketing strategies.
- GT's contribution to the portfolio has declined from around 90% in FY22 to 56% in FY26. Further, quick commerce has emerged as a major growth channel, with the company citing 61% growth in the latest quarter.
- Quick commerce also enables the company to test products quickly, gather consumer response and subsequently scale up products successfully.

- General Trade (GT) is expected to decline in relative importance over time but remain an important channel. However, GT retains an important role because of the trust and relationships built with consumers and retailers.
- Quick commerce and e-commerce economics work best in densely populated markets; they may be less viable in lower-density cities.

Tata Starbucks: Reworking the store model

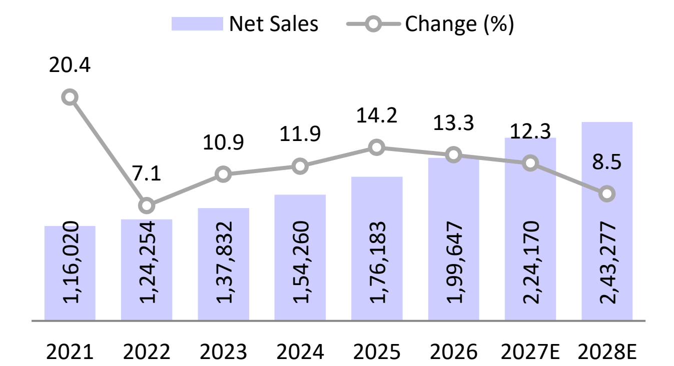
- Store openings have been moderated temporarily to rework and optimize the business model. The company is evaluating a more differentiated Starbucks format, including different store sizes and pricing.
- The objective is to develop a more flexible Starbucks model suited to different locations and consumer cohorts.

International: Focusing on profitable and accretive markets

- The international portfolio is structured to balance revenue growth and margins.
- Tata Consumer has progressively reduced and cleaned up its international exposure, focusing on markets with a strong Indian diaspora.
- Key markets are the UK, the US, Canada and Australia.
- Capital Foods and Organic India provide attractive international growth opportunities, with international contribution currently around 20% for Capital Foods and 40% for Organic India.
- The company is now focused on profitable international markets, with the principle that the base portfolio should be margin-accretive to India business.
- Tata Sampann has entered Walmart stores in Texas, demonstrating the potential to scale up Indian brands internationally.
- Canada remains attractive given that around 7% of Canadians are South Asian, while ethnic-focused chains such as Chalo provide a relevant distribution opportunity.

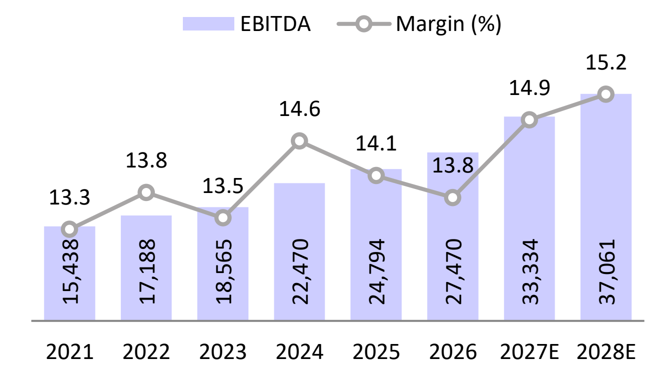
Story in charts

We expect TATACONS to clock a 10% Revenue CAGR over FY26-28



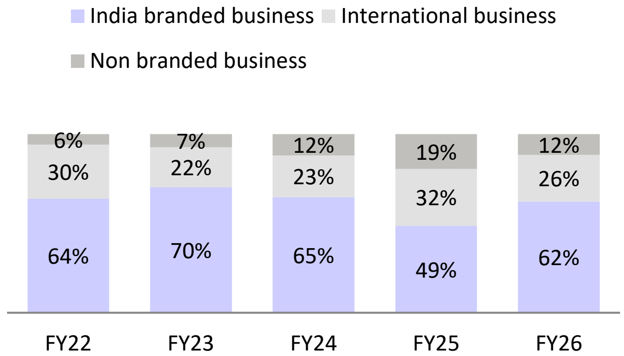
Source: Company, MOFSL

We expect TATACONS to clock a 16% EBITDA CAGR over FY26-28



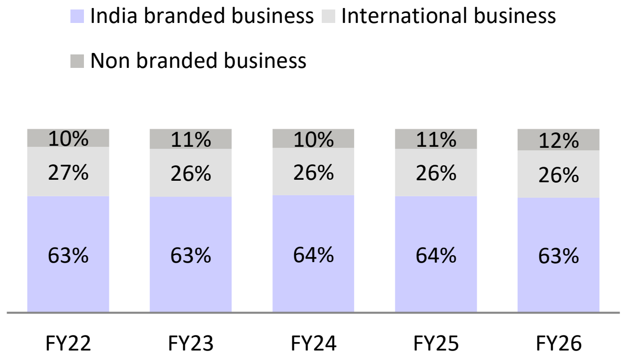
Source: Company, MOFSL

EBIT Mix



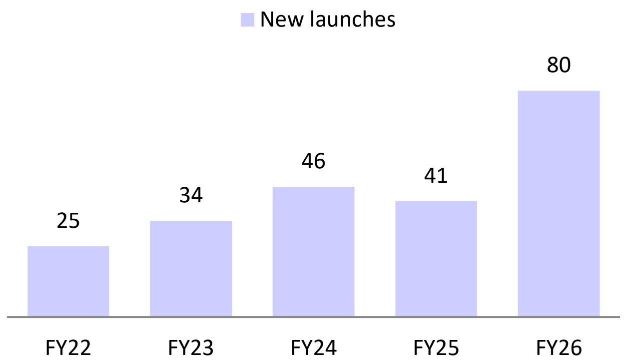
Source: Company, MOFSL

Revenue mix



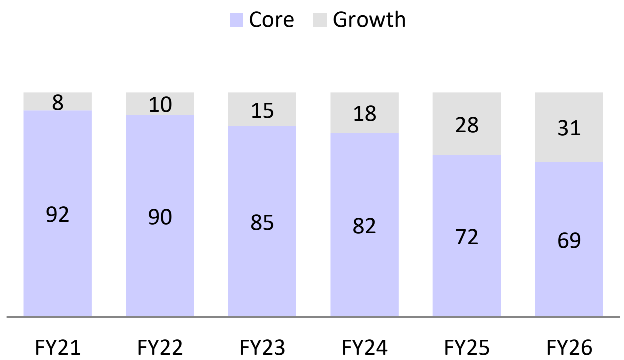
Source: Company, MOFSL

New product launches over the years



Source: Company, MOFSL

Share of Growth business increasing over the years



Source: Company, MOFSL

Mr. Vikram Vuppala
Founder Chairman & Managing Director, Nephrocare Health Services Ltd

Dr. Arun Singhvi
Co-Founder, Chairman & Managing Director, ASG Eye Hospital

Redefining healthcare, one specialty at a time

We hosted Mr. Vikram Vuppala, Founder Chairman & Managing Director, Nephrocare Health Services, and Dr. Arun Singhvi, Co-Founder, Chairman & Managing Director, ASG Eye Hospital, for a panel discussion as part of our CEO track session at AGIC 2025. Here are the key takeaways of the session:

Industry perspective: Long runway driven by low organized penetration

Organized single-specialty healthcare remains underpenetrated, providing multi-year structural growth opportunities.

NephroPlus: Dialysis remains one of the most underpenetrated chronic-care segments, with only ~15% of patients requiring dialysis currently receiving treatment. Organized penetration stands at ~20%, with NephroPlus accounting for majority of the overall market. The significant unmet demand provides a multi-decade growth runway, while GLP-1 therapies are unlikely to materially impact demand, given the large untreated patient pool. Mr. Vikram also indicated that the company does not foresee any meaningful macroeconomic challenges across its operating geographies.

ASG Eye Hospitals: Organized eye care in India remains at an early stage, comparable to China's market in the mid-2000s. Rising insurance penetration, improving healthcare awareness, favorable demographics, and increasing government support through schemes such as Ayushman Bharat are expected to accelerate the shift toward organized providers. Dr. Arun also noted that increasing screen time and changing lifestyles are expected to drive a meaningful rise in myopia over the coming decades. While refractive procedures currently contribute less than 5% of revenues, they are expected to become an important long-term growth driver.

Competitive advantage: Scale and specialization

NephroPlus: Dialysis is a scale-driven business where profitability requires both large network size and complete operational focus. Dialysis contributes less than 1% of revenues for most multispecialty hospitals, limiting their incentive to optimize the business as hospitals primarily derive value from downstream referrals rather than dialysis itself. Dedicated chains benefit from superior procurement, technician training, equipment management, and lean operating structures that hospitals find difficult to replicate. Medical consumables remain the single largest cost component in dialysis, making procurement scale a key competitive advantage.

ASG Eye Hospitals: Eye care has transitioned from an inpatient service to a predominantly day-care specialty due to technological advancements. Dedicated eye hospitals benefit from lower capex, lower operating costs, no dependence on bed occupancy, and better infection control. Specialized infrastructure and workflow create meaningful advantages for focused single-specialty providers over multi-specialty hospitals.

Focused approach: Disciplined expansion backed by superior execution

NephroPlus: International revenue contribution has increased from ~10% historically to ~45% currently. Overseas expansion began six years ago with the company's first acquisition in the Philippines following nearly two years of market evaluation. The company follows a dual acquisition strategy comprising standalone clinics and regional chains, with the first acquisition in a new country requiring the greatest legal and operational effort before subsequent expansion becomes more efficient.

ASG Eye Hospitals: The Vasan acquisition was completed following extensive due diligence across almost every clinic. Infrastructure upgrades, equipment replacement, and organizational restructuring were completed over 6-9 months. Monthly revenues have increased nearly five-fold, from approximately INR100m at acquisition to around INR500m currently.

Margin expansion is driven by scale, procurement efficiencies, and premiumization rather than pricing alone.

Dialysis: Volume (domestic/international) leads growth; Eyecare: Volume and premiumization lead growth

NephroPlus: Dialysis volumes are growing at approximately 15%, while blended pricing growth is around 10%, supporting overall industry growth of 20-25%. Domestic dialysis pricing remains relatively stable with underlying inflation of only 2-3%, with ARPP expansion primarily driven by increasing international revenue contribution.

ASG Eye Hospitals: Industry growth stands at 13-14%, supported by approximately 7% volume growth and another ~7% increase in realizations. ARPP growth is increasingly driven by premiumization through higher adoption of premium lenses, advanced procedures, and growing consumer preference for spectacle-free vision rather than broad-based price inflation. Same-store sales growth (SSG) remains the most important operating metric for assessing the business.

Dialysis: Scale through adding machines; Eyecare: Scale through same facility sales growth/new facility additions

NephroPlus: Each dialysis machine can perform a maximum of three sessions per day, with the first two shifts operating at high utilization, while the third shift typically runs at only 50-55%. Network utilization currently stands at 70-75%, with future growth expected to come primarily from adding new clinics, expanding machine capacity, and increasing international presence rather than improving utilization.

ASG Eye Hospitals: Expansion continues to be driven by improving productivity across existing centers alongside selective network additions. Dr. Arun indicated that scaling an eye-care network in India requires a more calibrated approach than China, given the regional diversity and execution complexity.

RoCE discipline remains strong

NephroPlus: PPP contracts contribute around 30% of revenues. The company has declined nearly eight out of every ten PPP opportunities to maintain healthy RoCE

and intends to keep government business within a 30-40% revenue range. Capital allocation continues to be driven by RoCE considerations.
ASG Eye Hospitals: Government payment cycles have improved materially over the past decade. Government business is expected to remain below 25% of revenues over the longer term, supporting a balanced payer mix, while schemes such as Ayushman Bharat continue to bring incremental patient inflows to organized providers.

Capacity additions and disciplined M&A are expected to remain the primary growth drivers for both platforms.

Localization to remain a long-term opportunity

NephroPlus: Nearly all dialysis machines continue to be imported, with equipment reliability, durability, and maintenance taking priority over lower acquisition costs. Indigenous machines remain under evaluation, while consumables continue to be sourced directly from manufacturers.

ASG Eye Hospitals: Domestic manufacturing is gradually improving for ophthalmic consumables, while localization of high-end ophthalmic equipment is expected to take considerably longer.

AI to drive operational efficiency and enhance patient health data access

NephroPlus: AI is currently being deployed primarily for backend process automation, workflow optimization, and operating efficiency, with predictive AI representing a longer-term opportunity for clinical applications.

ASG Eye Hospitals: AI is currently being used to improve access to specialist care through tele-ophthalmology, enabling patient data from remote centers to be reviewed by ophthalmologists at centralized locations. Predictive AI applications remain at an early stage.

Patient-first approach remains the key motto

NephroPlus: Patient outcomes remain the primary focus, with financial performance viewed as a by-product of sustainable execution.

ASG Eye Hospitals: The company follows a doctor-centric operating model, with physicians provided significant clinical autonomy and treated as long-term partners. Discussions remain focused on clinical outcomes, patient care, and infrastructure rather than commercial targets, supporting strong doctor retention.

BALAJI WAFERS

Mr. Chandubhai Virani
Co-Founder & Managing Director,
Balaji Wafers Pvt Ltd

Founder’s Journey & Growth Philosophy

Building the Indian snacking brand

We hosted Mr. Chandubhai Virani, MD of Balaji Wafers, as part of our CEO track session at AGIC 2026. Here are the key takeaways of the session:

Humble beginnings and entrepreneurial DNA

Balaji Wafers’ journey is rooted in the humble beginnings of its founders, Chandubhai and his elder brother, who moved to Rajkot in search of livelihood. While working at a canteen, they identified a simple opportunity as quality chips were not readily available, prompting them to start making chips at home. The founders initially managed every aspect of the business themselves, from production and sales to distribution and customer servicing, which helped them develop a deep understanding of consumer preferences and build a strong customer connect. This entrepreneurial DNA continues to remain an important part of Balaji’s culture, even as the business has scaled significantly.

Scale-up, capacity expansion, and geographic growth

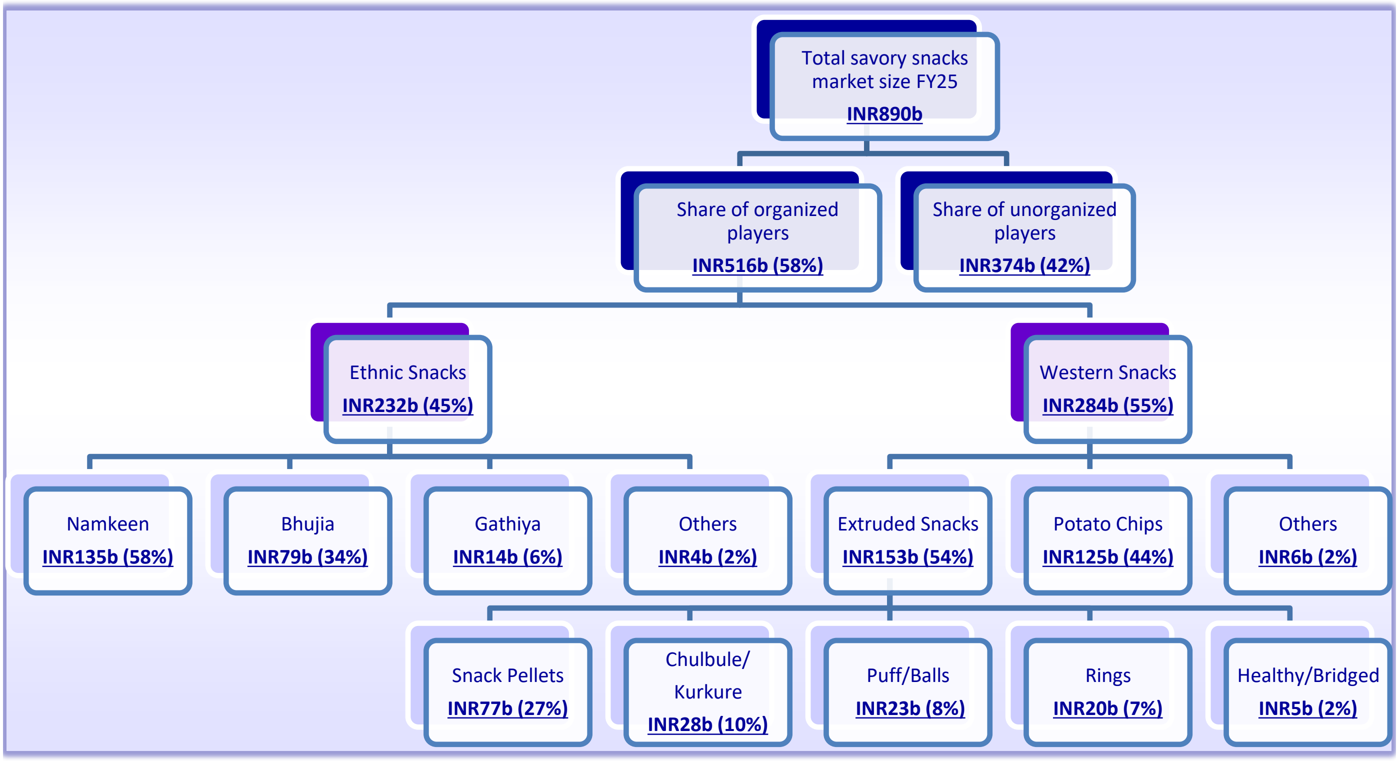
From its modest beginnings, Balaji has invested nearly INR30b into the business and has built a strong manufacturing footprint, with four operational factories across Rajkot, Valsad, Madhya Pradesh, and Uttar Pradesh, and another three facilities currently under development. Strong demand visibility is encouraging the company to continue investing ahead of demand and expand its manufacturing capacity. The company is also focused on expanding into South India, while its international footprint has grown to 25+ countries. From an initial portfolio of just four products, Balaji has progressively built a broad snacks portfolio catering to diverse regional tastes.

Consumer-led brand building and next-generation transformation

Balaji follows a relatively frugal approach to brand building, spending less than INR500m on advertising and relying largely on word-of-mouth and pull-based marketing, supported by strong product acceptance. The entry of the next generation has brought professional education, technology, and modern manufacturing practices into the business while retaining the founder-led entrepreneurial culture. The company continues to benchmark itself against leading MNC players and adopt relevant best practices across technology, packaging, and product development. Management remains focused on adapting products to regional preferences, with consumers in the North preferring spicier offerings, while Gujarat has a relatively higher preference for sweeter flavors, reinforcing Balaji’s consumer-centric approach.

Story in charts

Savory snacks market (INR b)



Source: Company, MOFSL

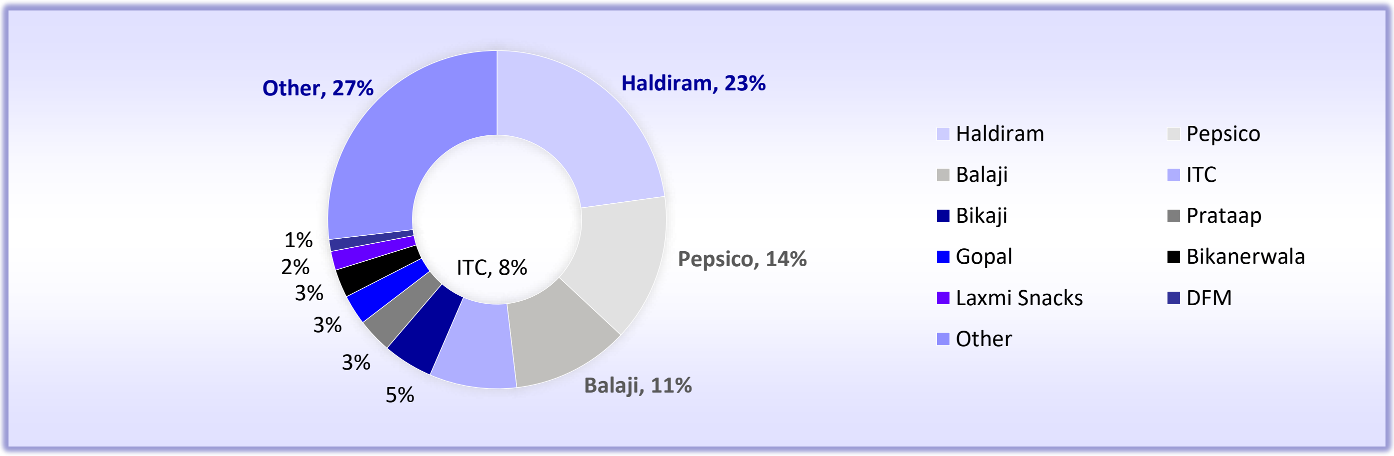
Balaji Wafers Consolidated income statement

INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**12,457**	**14,055**	**16,130**	**18,400**	**19,723**	**23,360**	**29,386**	**40,029**	**49,249**	**54,537**
Change (%)		12.8	14.8	14.1	7.2	18.4	25.8	36.2	23.0	10.7
Gross Profit	**2,584**	**4,043**	**3,943**	**4,958**	**4,386**	**4,951**	**4,488**	**5,092**	**9,960**	**12,839**
Gross Margin (%)	20.7	28.8	24.4	26.9	22.2	21.2	15.3	12.7	20.2	23.5
EBITDA	**1,495**	**2,862**	**2,418**	**3,289**	**2,512**	**2,402**	**1,480**	**1,512**	**6,500**	**8,544**
EBITDA Margin (%)	12.0	20.4	15.0	17.9	12.7	10.3	5.0	3.8	13.2	15.7
Reported PAT	**761**	**1,818**	**1,455**	**1,931**	**1,277**	**1,320**	**254**	**73**	**4,094**	**5,788**
PAT Margin (%)	6.1	12.9	9.0	10.5	6.5	5.7	0.9	0.2	8.3	10.6

Source: MCA, MOFSL

Organized savory snacks market share



Source: Frost & Sullivan Analysis, MCA, MOFSL

HDFC MUTUAL FUND

Mr. Navneet Munot
Managing Director,
HDFC Asset Management Company Ltd

Entering a multi-decadal financialization cycle

Large and under-penetrated opportunity across asset classes

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
AAUM	8,906	10,097	11,774
MF Yield (bps)	46.1	46.7	45.7
Rev from Ops	41.2	47.3	54.1
Core PAT	24.7	27.8	32.4
PAT	28.6	33.2	38.0
PAT (bps)	32	33	32
Core EPS	58	65	76
EPS	67	78	89
EPS Grw. (%)	16	16	14
BVPS	215	235	257
RoE (%)	33	34	36
Div. Payout (%)	81	75	75
Valuations			
Mcap/AUM (%)	12.1	10.7	9.2
P/E (x)	37.8	32.5	28.5
P/BV (x)	11.7	10.7	9.8
Div. Yield (%)	2.1	2.3	2.6

We hosted Mr. Navneet Munot, MD and CEO of HDFC AMC, as part of our CEO Track session at AGIC 2026. Here are the key takeaways of the session:

Opportunity beyond MFs

India is at the beginning of a structural shift similar to the US in the 1980s, driven by stable inflation, rising confidence in long-term economic growth, favorable demographics and increasing formalization of the economy. This should create a multi-decade runway for the asset-management industry as the financialization of savings and assets gathers pace. The opportunity extends well beyond mutual funds, with equities, passive products, PMS, private equity, private credit and other alternatives all likely to scale up as India's wealth pool deepens.

Retailization of investment assets

India is transitioning from a "nation of savers to a nation of investors", with household savings increasingly moving toward financial assets. SIPs are increasingly becoming the backbone of retail investing, while participation is broadening beyond metros as digitalization improves access. Alongside investment performance, the company sees investor education, service and trust as critical differentiators, particularly as digitalization makes investing easier but can also encourage short-term behavior.

Building a full-spectrum investment platform

HDFC AMC intends to leverage its investment track record, brand and distribution ecosystem to evolve from a mutual-fund franchise into a broader investment platform. The company is expanding across active and passive products, PMS and alternatives, including private equity and private credit, with the objective of offering solutions across investor segments and investment needs. Having said that, the company's core moat will remain investment capability, risk management, product manufacturing and service, rather than distribution alone.

Expanding beyond India through alternatives and global capital

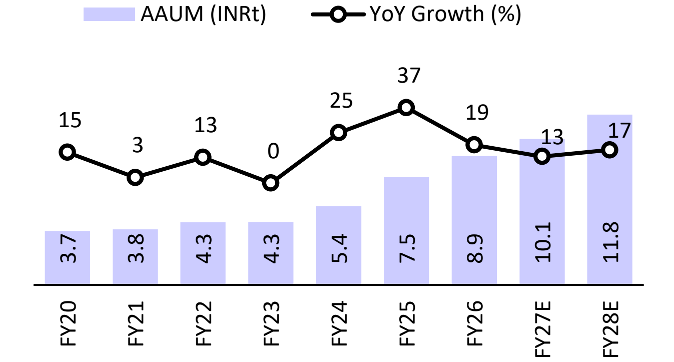
There exists a significant headroom to build presence in alternatives and attract global capital into India. Deep understanding of Indian businesses, local networks and long investment track record provide a competitive advantage to HDFC AMC in managing India-focused capital for global investors. The company has already begun partnering with global institutions across private equity and private credit and sees this as an important long-term growth opportunity.

Technology and AI to drive scale, personalization and productivity

HDFC AMC plans to use technology and AI across the organization to improve employee productivity, investor servicing, distributor engagement, research and product personalization. AI is an underlying infrastructure layer rather than a standalone initiative, and the company is emphasizing strong controls around investor data, UPSI and cybersecurity. The company intends to combine digital scale with its physical distribution and human-led service model, particularly as investing penetrates smaller cities.

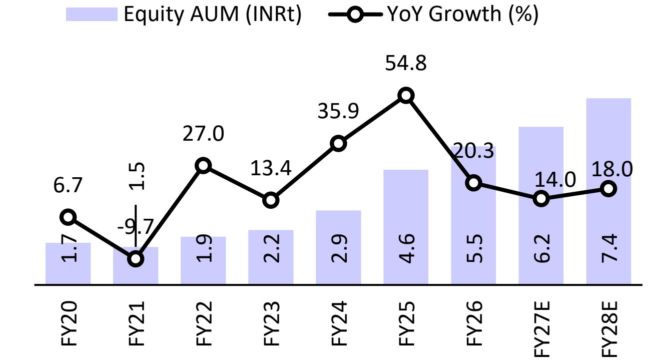
Story in charts

AAUM expected to grow at 15% FY26-28 CAGR…



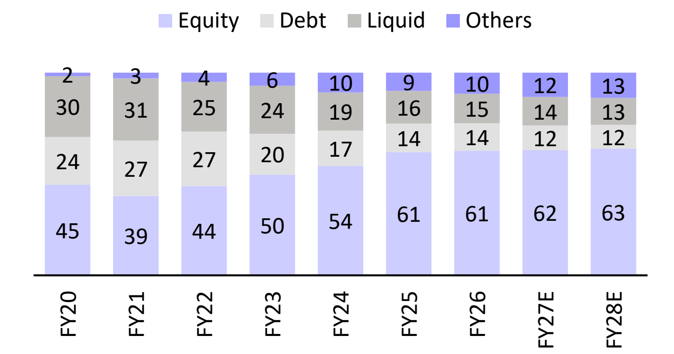
Source: Company, MOFSL

…supported by 16% CAGR for equity AUM



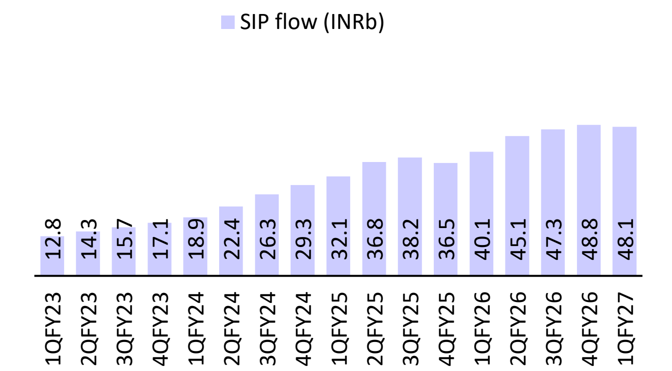
Source: Company, MOFSL

Equity contribution to increase in the AUM mix



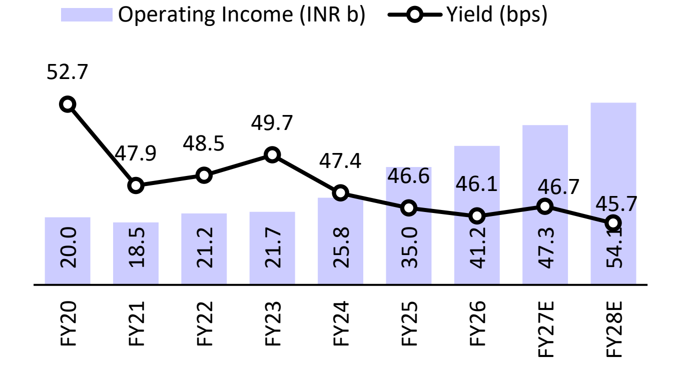
Source: Company, MOFSL

SIP flow grown ~4x from 1QFY23 to 1QFY27



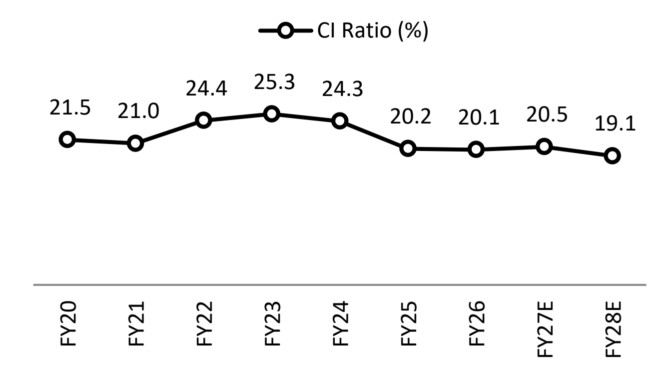
Source: Company, MOFSL

Yields to improve in FY27 with equity AUM rising



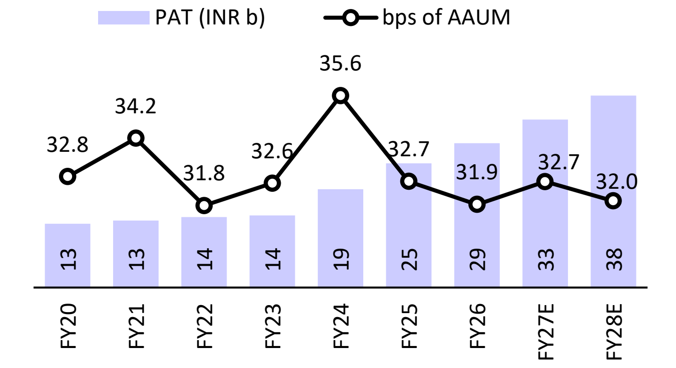
Source: Company, MOFSL

CI ratio trends



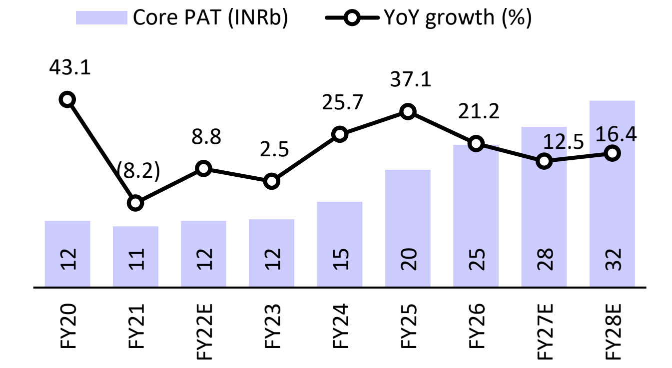
Source: Company, MOFSL

PAT to clock 15% CAGR over FY26-28E



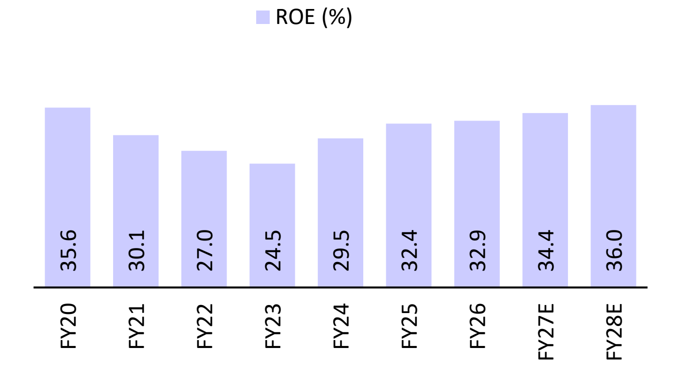
Source: Company, MOFSL

Core PAT trends



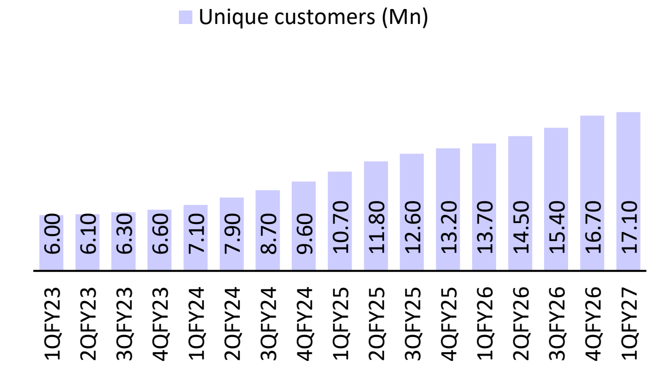
Source: Company, MOFSL

RoE trends



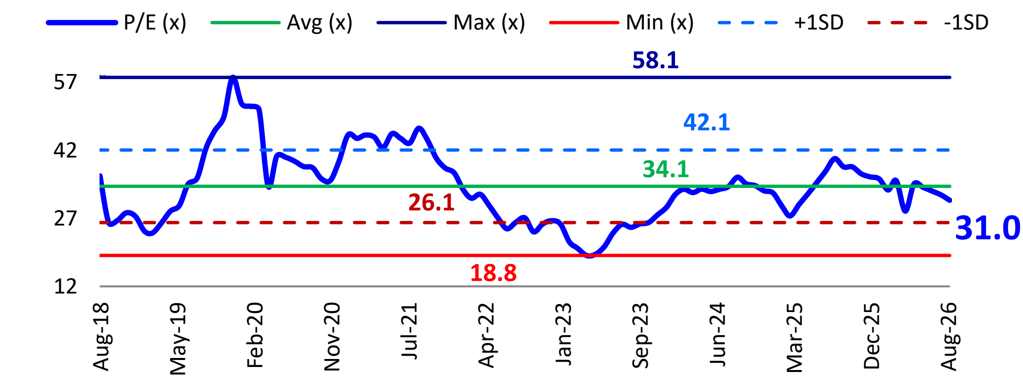
Source: Company, MOFSL

Unique customer count has reached 17.1m



Source: MOFSL

1 yr forward P/E trends



SHRIRAM Finance

Mr. Umesh G. Revankar
Executive Vice Chairman,
Shriram Finance Ltd

The Shriram Playbook: Scaling profitably across credit cycles

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	267	344	402
PPOP	186	254	298
PAT	100.0	141.4	167.2
EPS (INR)	53.1	60.1	71.1
EPS Gr. (%)	21	13	18
Standalone BV (INR)	349	497	554
Valuations			
NIM on assets (%)	8.2	9.2	9.1
C/I ratio (%)	30.1	26.3	25.8
RoAA (%)	3.3	4.0	4.0
RoE (%)	16.4	15.5	13.5
Div. Payout (%)	22.5	22.7	22.5
Valuations			
P/E (x)	20.8	18.4	15.6
P/BV (x)	3.2	2.2	2.0
Div. Yield (%)	1.1	1.2	1.4

We hosted Mr. Umesh Revankar, Executive Vice Chairman of Shriram Finance (SHFL), as part of our CEO track session at AGIC 2026.

Shriram Finance is entering a structurally stronger phase, with MUFG providing the balance-sheet capacity and funding advantage to unlock growth across vehicle finance, MSME, gold loans, and emerging segments, while its relationship-led credit model remains the core competitive moat.

50+ years of relationship-led lending has created a differentiated credit franchise. Shriram's evolution from a South India-based chit business in 1973 to India's leading used commercial-vehicle financier was built around deep borrower relationships, local knowledge, and cash-flow-based underwriting. Management believes this relationship orientation remains the most important differentiator even as technology and AI increasingly permeate lending.

The business is increasingly moving beyond its traditional used-CV stronghold. Shriram commands a dominant position in used commercial-vehicle financing, but management sees significant headroom in new CVs, passenger vehicles, MSME, and gold loans.

MUFG is more than a capital infusion. The ~INR400b investment for a 20% stake has materially strengthened capitalization and triggered a series of credit-rating upgrades, including upgrades to AAA by CRISIL, ICRA, and India Ratings. The resulting improvement in funding access and borrowing costs can structurally enhance Shriram's competitiveness.

The next leg of growth could come from the combination of capital, distribution, and cross-selling. Management continues to target 18–20% annual AUM growth, with the opportunity to use the strengthened balance sheet to expand in new vehicles and adjacent asset classes while retaining its retail and relationship-led focus.

MSME lending represents a particularly attractive opportunity. Shriram believes the key unmet need is not merely availability of credit, but the speed at which credit is delivered. Its cash-flow-based underwriting and local relationships can provide funding at the speed of the underlying business cycle, creating a differentiated proposition versus collateral-driven bank lending.

MUFG partnership to improve funding economics and unlock new opportunities

MUFG's ~20% stake in SHFL provides the company with a stronger capital position, but the strategic benefits could be more significant. Management indicated that the existing capital could support growth for the next ~4-5 years, reducing the immediate need for another large primary capital raise. The partnership is also helping the company improve its cost of funds. Historically, higher funding costs limited the company's ability to compete aggressively in new-vehicle financing. With a more competitive funding profile, SHFL is now increasing lending to new vehicles, enabling customers to graduate from used to new vehicles within the Shriram ecosystem. Beyond funding, MUFG could provide access to Japanese corporates such as Suzuki, Toyota, Honda, Yamaha, Denso, and Hitachi. The potential opportunity extends beyond vehicle financing into supply chains, equipment financing, manufacturing, and rural/semi-urban ecosystems. MUFG's long-term orientation toward India provides an opportunity for SHFL to participate in a wider Japanese corporate ecosystem.

Strong core franchise provides runway for MSME, gold, and EV

Used CV remains the key franchise, with ~25% market share in used CVs and ~5% in new vehicles. SHFL also has a strong position in used cars with ~78% market share and around 10% share in two-wheeler financing. The company's strong presence in used vehicles provides a natural funnel for customers upgrading to new vehicles.
MSME remains a significant structural opportunity, with management highlighting an estimated ~INR30t credit gap. SHFL's cash-flow-based approach to MSME lending, supplemented by collateral where available, should allow it to address customers who may not be adequately served by traditional lenders.
Gold loans offer another avenue for diversification. Management sees increasing acceptance of gold-backed borrowing, particularly as customers increasingly view gold loans as an attractive alternative to unsecured personal loans. The company, therefore, intends to increase its presence in this segment.
EV financing could become an increasingly important growth vertical given the company's existing expertise in commercial vehicles. The sharp increase in monthly EV disbursements indicates that the business is already gaining scale rather than remaining a nascent product.

Sustained AUM growth over the next few years

Despite the additional capital, SHFL is not targeting a sharp acceleration in growth and expects growth to remain at ~18-20%. The 2022 merger has created a broader platform to increase customer wallet share. A truck customer can be offered MSME financing, an MSME borrower can require vehicle financing, and a two-wheeler customer can eventually upgrade to a passenger vehicle. This creates an opportunity to grow through existing customers rather than relying entirely on new customer acquisition. The company is simultaneously moving towards higher-ticket products. New vehicles can have ticket sizes of up to ~INR6m, while construction equipment/machinery can reach ~INR20m. EV financing is scaling rapidly, with monthly disbursements increasing from ~INR500m a year ago to ~INR3b currently, including related businesses such as charging infrastructure.

Diversified funding profile remains a key competitive advantage

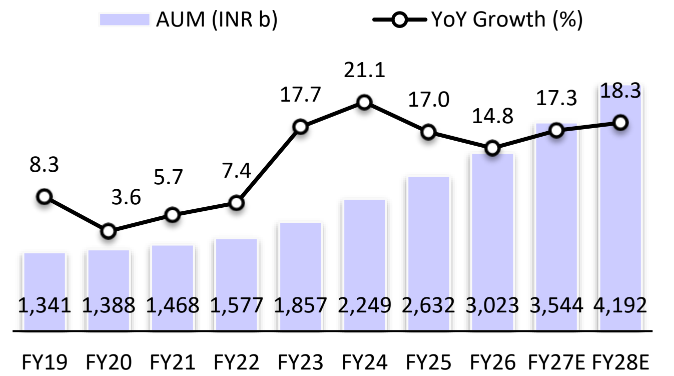
SHFL has progressively diversified its funding sources from deposits to NCDs, bank funding, securitization, ECBs, international bonds, and development institutions. The company has historically focused on ensuring that growth is not dependent on any single funding source. The company was an early entrant into international funding markets and has built a sizeable ECB and bond franchise. Management indicated that ECBs and bonds account for nearly 20% of liabilities, with the combined book at around INR500b. It has also raised longer-tenure funding from international development institutions.

Digitalization to improve scalability while retaining relationship-led model

SHFL is investing in digital capabilities to improve customer experience and prepare for changing customer behavior. Its super app provides digital journeys across two-wheelers, loans, insurance, and deposits, while two-wheeler financing can now be completed through a largely digital process with doorstep delivery. However, the company does not intend to replace its relationship-based model with a completely digital approach. Customer relationships remain central to the company's franchise, particularly given its focus on small businesses, self-employed borrowers, and vehicle operators. The company is also taking a measured approach to building its workforce. Rather than acquiring complete teams from competitors to rapidly enter new businesses, the company prefers to recruit and train employees internally, while selectively hiring specialists. This approach should help preserve underwriting discipline and organizational culture as the company scales.

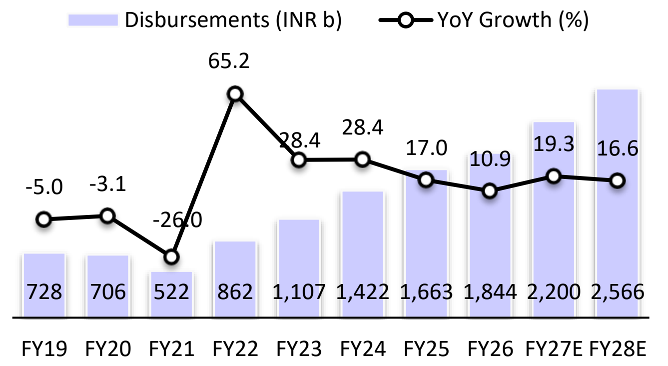
Story in charts

Expect AUM CAGR of ~18% over FY26-FY28E



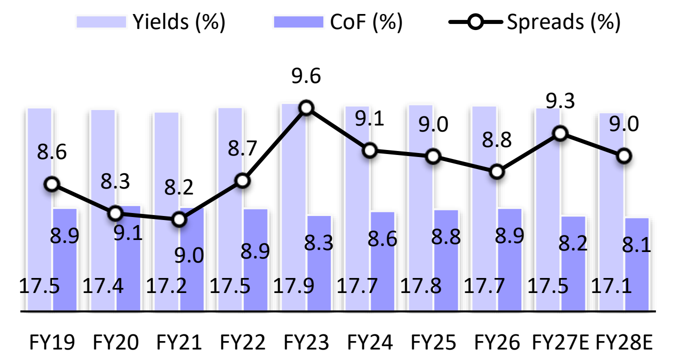
Source: Company, MOFSL

Expect disbursements CAGR of 18% over FY26-FY28E



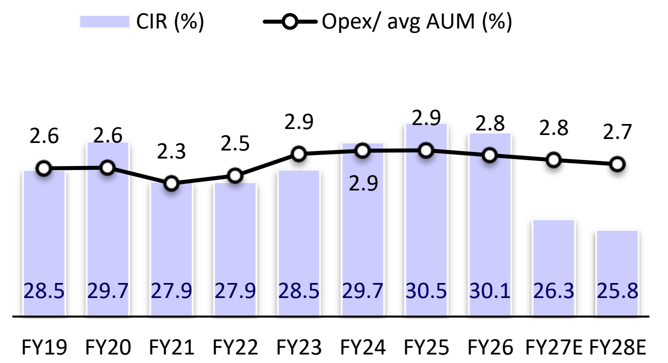
Source: Company, MOFSL

Expect spreads to expand in FY27E



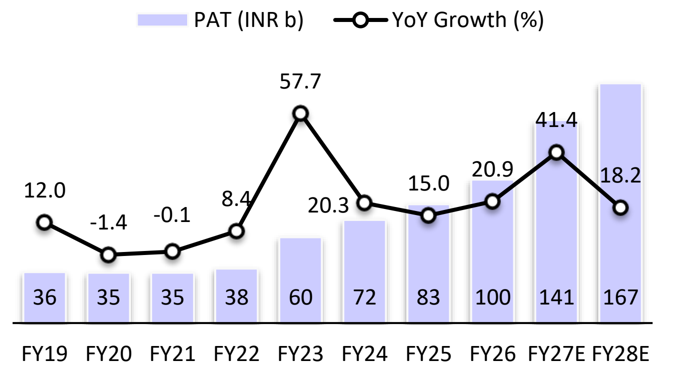
Source: Company, MOFSL

Expect operating efficiency over the next two years



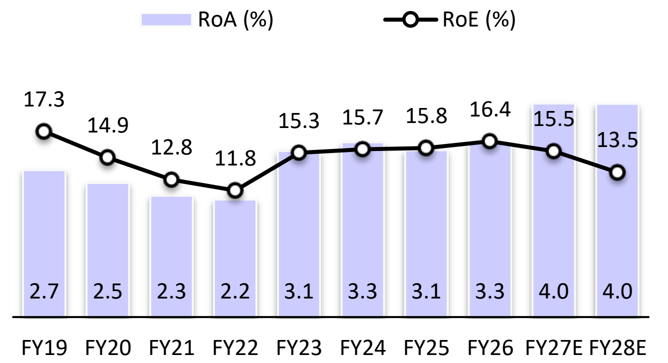
Source: Company, MOFSL

PAT CAGR of ~29% over FY26-FY28E



Source: Company, MOFSL

Expect RoA/RoE of 4%/13.5% in FY28E



Source: Company, MOFSL

ONGC

BSE SENSEX	S&P CNX
77,235	24,155

Stock Info

Bloomberg	ONGC IN
Equity Shares (m)	12580
M.Cap.(INRb)/(USDb)	3016.4 / 31.5
52-Week Range (INR)	308 / 228
1, 6, 12 Rel. Per (%)	-2/-3/3
12M Avg Val (INR M)	4092
Free float (%)	41.1

Financials Snapshot (INR b)

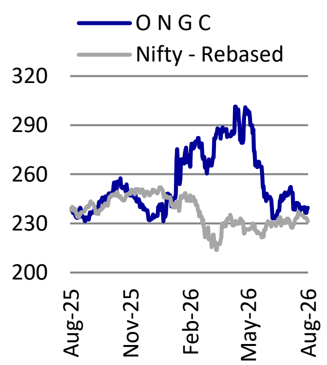
Y/E March	FY26	FY27E	FY28E
Sales	6,622	6,933	6,619
EBITDA	1,133	1,122	1,201
Adj. PAT	501	523	530
Adj. EPS (INR)	39.8	41.6	42.1
EPS Gr. (%)	30.4	4.4	1.3
BV/Sh.(INR)	289.7	315.1	340.7
Ratios			
Net D:E	0.3	0.2	0.2
RoE (%)	14.0	13.5	12.6
RoCE (%)	15.4	15.0	15.7
Payout (%)	33.5	37.6	38.0
Valuations			
P/E (x)	5.9	5.7	5.6
P/BV (x)	0.8	0.7	0.7
EV/EBITDA (x)	3.6	3.4	3.0
Div. Yield (%)	5.6	6.6	6.8
FCF Yield (%)	20.0	20.7	19.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	58.9	58.9	58.9
DII	29.6	29.6	30.1
FII	8.0	8.0	7.1
Others	3.5	3.5	3.9

FII includes depository receipts

Stock performance (one-year)



CMP: INR240 TP: INR290 (+21%) Buy

Value play with growth optionality

- We recently upgraded ONGC on inexpensive valuations, modest production growth (1% FY26-28E CAGR) and greater operational freedom amid multi-year government focus on energy security. In this note, we highlight three reasons the risk-reward stays attractive: 1) ONGC's 1Y-fwd. dividend yield of 6.9% is at 3-year high – a level breached only twice in the last decade, both times during crises (Covid-19, windfall tax), not structural payout shifts; 2) global agencies have turned more constructive on crude: US EIA raised its CY26/27 Brent forecast by 6% to USD87/USD69 per bbl, while IEA's CY26 deficit estimate has widened to 2.7mb/d. We believe crude prices could stay firm even if the Strait of Hormuz reopens, as global inventory levels remain low (-410mb since the war began); 3) OVL's turnaround over the last two quarters, coupled with multiple assets moving into development, could add ~INR15/sh to our TP if the run-rate sustains (valued at 8x P/E).
- **TP of INR290:** We model ~1% volume growth overall (Oil: -0.3%, Gas: +2.1%) and value the standalone business at 6.5x Dec'27E EPS, investments at a 25% discount to CMP, and OVL stake at 0.5x FY25 BVPS to arrive at a TP of INR290.

7%+ div. yield is rare: only Covid and windfall tax got ONGC here before

- ONGC's 1y-forward dividend yield now stands at an attractive **6.9%, a three-year high**, per Bloomberg consensus estimates. This assumes a ~40% dividend payout ratio, broadly in line with the average payout over the last four years. Notably, the yield has crossed the 7% mark only twice in the last decade – during the Covid-19 pandemic (Aug'19-Apr'20) and application of the windfall tax (Aug'22-Sep'23) – both periods marked by sharp de-rating in the stock rather than a structural improvement in payouts.
- We build in average crude oil prices at USD80/bbl over the remaining three quarters of FY27 and USD75/bbl in FY28, suggesting upside risks to our dividend estimates if prices hold up.

Medium-term crude outlook stays constructive

- **3QCY26 deficit widens to 1.8mb/d as Hormuz closure keeps 8.3mb/d Gulf output offline:** The near-term oil balance has tightened sharply on renewed supply disruptions. As per International Energy Agency (IEA), the 3QCY26 deficit has more than doubled to ~1.8mb/d (vs. ~0.8mb/d estimated in July), as the prolonged Strait of Hormuz closure keeps ~8.3mb/d of Gulf output shut in and cuts regional exports by 2.1mb/d. Global inventories fell 69mb in Jul'26 (-**410mb since the war began**).
- **CY26 demand cut to -1.6mb/d still trails supply decline of 4.3mb/d:** IEA cut its CY26 demand forecast by 510kb/d to a decline of ~1.6mb/d, as Hormuz-driven fuel price spikes weigh on consumption, though it expects demand to grow 2.4mb/d in CY27. Supply is seen falling 4.3mb/d in CY26 before rebounding 8.3mb/d in CY27 as disruptions ease. IEA expects the market to swing back to a surplus by year-end, though it flags that depleting inventories could raise the urgency of Hormuz reopening.

- **EIA's 6% Brent upgrade (USD87/USD69 for CY26/27) reinforces constructive upstream stance:** US Energy Information Administration (EIA) raised its CY26/27 Brent forecast by 6% to USD87/ USD69 per bbl, factoring in larger Middle East crude shut-ins – supportive of our constructive stance on the upstream sector.

OVL's improved run-rate could lift fair value to INR38/sh, INR15/sh above current SoTP

- OVL's performance has strengthened meaningfully over the last six months, with the subsidiary reporting cumulative EBITDA/PAT of INR47.2b/INR29.5b. Annualizing this run-rate into FY27 and valuing OVL at 8x P/E imply a fair value of INR38/sh – up from the INR23/sh currently baked into our SoTP.

Modeling ~1% volume CAGR over FY26-28; ~6.5% FY27 dividend yield

- Our recent rating upgrade was premised upon a combination of inexpensive valuations, a modest pickup in volume growth, and greater operational freedom amid multi-year government focus on energy security (e.g., following the technical services provider (TSP-1) contract for Mumbai High, ONGC and BP have signed a new contract for fields in the Western Offshore Basin).
- We are modeling only a modest 1% volume CAGR for ONGC, aided by the start of DUDP, KG-98/2, and Samudra Manthan.
- We are building in ~38% dividend payout in FY27, which implies a ~6.5% dividend yield at CMP. ONGC's gas price realization (unlike Oil India's) will continue to see an uptick as ~7-8% of volumes every year qualify for higher new-well gas prices. With HPCL's capex cycle nearly over and gross marketing margins normalizing higher, we see limited investor concerns on that front.

Valuation and view

- ONGC currently trades at 5.7x FY28E consol. P/E, below its long-term average one-year forward P/E of 6.5x. Adjusting for the value of listed investments (INR65/share) and our valuation of OVL (INR23/share), the implied valuation of the core business suggests that the market is effectively discounting a Brent crude price of only ~USD65/bbl over 2QFY27-FY28, which we believe is overly conservative given the current industry backdrop.
- We derive our SoTP-based TP of INR290, underpinned by FY26-FY28 production CAGR of -0.3%/+2.1% in oil/gas. **Reiterate BUY.**

Exhibit 1: Valuation of ONGC

Standalone adj EPS (INR)	31.3
PE (x)	6.5
Valuation of ONGC stand (INR/share)	203
Listed investments	
Indian Oil Corporation	17
Petronet LNG	3
GAIL	3
MRPL	13
HPCL	28
Total valuation	**267**
Book value of OVL (INR b)	588
Book value per share of ONGC (INR)	47
Valuation for ONGC at 0.5x BV (INR)	23
Valuation of ONGC (INR/share)	**290**

ICICI Prudential AMC

BSE SENSEX	S&P CNX
77,235	24,155

Stock Info

Bloomberg	ICICIAMC IN
Equity Shares (m)	494
M.Cap.(INRb)/(USDb)	1528.2 / 16
52-Week Range (INR)	3611 / 2529
1, 6, 12 Rel. Per (%)	-2/7/-
12M Avg Val (INR M)	2337
Free float (%)	12.4

Financials Snapshot (INR b)

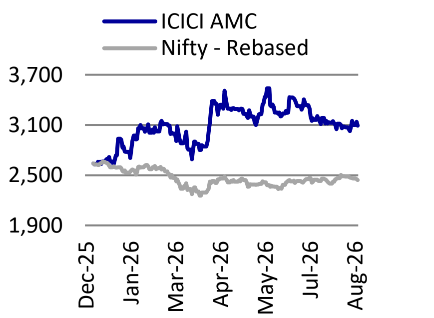
Y/E March	2026	2027E	2028E
AAUM	10,348	11,693	13,718
MF Yield (bps)	46.8	45.8	45.3
Rev from Ops	57.6	64.9	75.4
Core PAT	31.2	34.1	39.9
PAT	33.0	37.7	43.9
PAT (bps as AAUM)	32	32	32
Core EPS	63	69	81
EPS	67	76	89
EPS Grw. (%)	24	14	16
BVPS	84	100	117
RoE (%)	86	83	82
Div. Payout (%)	80	80	80
Valuations			
M cap/AUM (%)	14.8	13.1	11.2
P/E (x)	46.5	40.7	35.0
P/BV (x)	36.8	31.2	26.4
Div. Yield (%)	1.7	2.0	2.3

Shareholding Pattern (%)

As On	Jun-26	Mar-26
Promoter	87.6	87.6
DII	6.8	7.2
FII	3.0	2.4
Others	2.7	2.8

FII includes depository receipts

Stock Performance (9-month)



CMP: INR3,092 TP: INR3,800 (+23%) BUY

Multiple long-term growth drivers support earnings compounding

- **ICICI Prudential AMC (IPRU AMC) is India's leading active asset manager, with MF QAAUM of INR11.2t. It commands the highest market share in active mutual funds (13.5%) and equity-oriented hybrids (26.6%) in the industry. Its equity QAAUM clocked a 33% CAGR over FY21-26 to INR6.1t, outpacing the industry growth of ~29%.**
- **Alternatives are emerging as a meaningful earnings driver, with QAAUM of INR794.5b, contributing ~10% of operating revenue. Higher-yield PMS & AIF businesses (~95bp net yields), aided by the ICICI Venture and ISEC's PMS business integration, should continue to diversify earnings and support long-term profitability.**
- **Multiple growth engines, including expansions across passives (INR1.9t QAAUM), SIFs, GIFT City and alternatives, aided by a robust product pipeline spanning Life Cycle Funds, Contra Funds, ETFs and private market strategies, position the company to benefit from evolving investor preferences beyond MF.**
- **Revenue yields remained best-in-class, supported by leadership in higher-yield active products and alternatives. TER-related regulatory changes have been largely passed through to distributors with minimal impact on profitability, while operating leverage is expected to improve as AUM continues to scale.**
- **Structural retailization of financial savings continues to provide strong flow visibility. IPRU AMC contributed ~70% of incremental industry customer additions during 1QFY27, taking its customer base to 17.3m. A resilient SIP franchise with ~15.4% market share in flows as of 1QFY27 (the highest) and an extensive distribution network continue to support long-term retail AUM growth.**
- **We estimate a revenue/EBITDA/PAT CAGR of 14%/13%/15% over FY26-28 and reiterate our BUY rating with a TP of INR3,800, based on 47x FY28E core EPS.**

MF: Market-leading active franchise backed by resilient retail flows

- IPRU AMC remains one of India's leading mutual fund franchises, with leadership across active equity, hybrid and retail assets. As of Jun'26, mutual fund QAAUM stood at **INR11.2t**, implying a **13.4%** industry market share, while the company retained the highest active mutual fund market share at **13.5%**.
- Equity continues to be the primary growth driver with a contribution of 59.4% vs. the industry contribution of 57%. Equity and equity-oriented AUM stood at **INR6.3t**, with an industry-leading **14%** market share. Strong fund performance, a broader product portfolio, and a deep distribution network will allow IPRU AMC to maintain momentum amidst strong industry tailwinds.
- **The company retains a differentiated leadership position in asset-allocation products**. It commands the highest market share of 26.6% in equity-oriented hybrid funds in the industry, while its diversified presence across equity, hybrid, debt, and passive products positions the franchise to capture investor flows across market cycles.

- **Revenue yields remain among the highest in the industry**, aided by a favorable mix of active equity and hybrid assets. The **revised TER framework** has been **fully passed** through to distributors, leaving profitability broadly unaffected.
- **Systematic flows continue to anchor the retail franchise.** SIP/STP inflows recovered in Jun’26 after a softer Apr–May’26 period, with further momentum in Jul’26 reinforcing retail stickiness and providing greater visibility of sustained equity inflows.
- **Customer acquisition continues to outpace peers.** The company now serves 17.3m unique investors and accounted for nearly 70% of the industry's incremental customer additions during the quarter, highlighting continued strength in distribution and franchise expansion.
- **We expect the mutual fund business to deliver a 13% CAGR over FY26-28**, underpinned by sustained equity net inflows, resilient SIP collections, continued expansion in equity-oriented AUM, and the company's leadership in active equity and hybrid funds.

Alternatives: Scaling a diversified high-yield platform

- **Alternatives contributed ~10% of operating revenue** in 1QFY27 and ~16% in FY26, with **PMS & AIF accounting for ~8.5%** and the **Advisory business contributing ~1.4%. These contributions** highlight the increasing diversification of the revenue mix.
- IPRU AMC continues to strengthen its alternatives platform across **PMS, AIFs, private credit, private equity, real estate and early-stage investing**, catering to the evolving needs of HNIs, UHNIs and institutional investors.
- Alternatives QAAUM stood at **INR794.5b** as of Jun'26 (~50% CAGR over FY23-26), comprising **PMS AUM of INR289.9b, AIF AUM of INR227.4b, and Advisory AUM of INR277.1b (~17% CAGR over FY23-26)**.
- The acquisition and integration of **ICICI Venture** has significantly expanded the company's alternatives platform by adding capabilities across **private equity, private credit, real estate, early-stage investing and offshore advisory**, creating a comprehensive private markets franchise.
- IPRU AMC recently approved the **acquisition of the PMS business of ICICI Securities** worth INR30.3b PMS AUM (Jun’26) at 1.2% of AUM. This deal is likely to broaden the company’s PMS offerings and strengthen its HNI/wealth-management franchise.
- The alternatives business continues to offer superior monetization, with **PMS & AIF gross yields of ~1.9% and net yields of ~95bp**, while the **Advisory business generates yields of ~30bp**.
- Higher fee profiles, coupled with continued platform expansion, are expected to drive **~20% CAGR in the alternatives business over FY26–28**, increasing its contribution to earnings over the medium term.

Expanding the product ecosystem

The company managed a diversified product suite of 146 mutual fund schemes as of FY26, comprising 45 equity schemes, 60 passive schemes, 20 debt schemes, 16 domestic FoFs, one liquid fund, one overnight fund, one arbitrage fund and two SIFs. The product portfolio continues to expand through a robust pipeline across active, passive and alternative investment solutions.

- **Passive Business**
  - Passive QAAUM grew **36.5% YoY/4.5% QoQ to INR1.9t in 1QFY27** comprising **~16%** of the QAAUM mix. This reflects healthy traction across ETFs and Index Funds, aided by rising investor preference for low-cost investment solutions.
  - Growth during recent times was aided by **strong industry inflows into Gold and Silver ETFs**, while the core passive franchise continued to expand broadly in line with industry trends across equity and fixed income products.
  - The company continues to broaden its passive product suite with multiple ETF launches in the pipeline, strengthening its positioning across retail and institutional segments.
  - While ETF flows remain influenced by institutional allocations, the gradual scaling of Index Funds and expanding passive product offerings are expected to support sustained AUM growth and improve participation across investor segments

- **Specialized Investment Funds (SIF)**
  - IPRU AMC has emerged as an early mover in the SIF segment under its **iSIF** brand, positioning the platform between traditional mutual funds and alternative investment products.
  - The company has launched **four SIF strategies out of the seven approved funds**—Equity Ex Top 100, Hybrid Long-Short, Active Asset Allocator, and Equity Long-Short—with SIF average AUM reaching **INR26.8b** in 1QFY27. This implies a **~20% share of the industry's INR135.8b SIF AUM.**
  - With the regulatory framework evolving (**simpler certification process**) and investor awareness increasing, product adoption is expected to accelerate. Combined with a healthy product pipeline, SIF is well-positioned to emerge as a meaningful long-term growth lever.

- **GIFT City**
  - IPRU AMC has **commenced** its GIFT City journey with the launch of the **ICICI Prudential Smart Navigator Fund, its first inbound fund**, which has witnessed encouraging investor traction.
  - The company continues to evaluate additional inbound and outbound investment strategies through the GIFT City platform, which is expected to broaden its offshore product suite and enhance long-term growth opportunities.

- **Product pipeline**
  - Product innovation remains a key strategic focus, with approvals received for a **Life Cycle Fund, a Contra Fund, multiple ETFs, and additional SIF strategies.**

- The proposed **Life Cycle Fund** is designed as a goal-based solution with a predefined maturity and dynamic asset allocation, gradually reducing equity exposure as the investment horizon approaches maturity.
- A robust product pipeline across **active, passive and alternative strategies, including commercial real estate, real estate, and alternative investment funds**, is expected to strengthen the company’s customer acquisition, improve wallet share, and diversify long-term revenue streams.

Distribution & Technology: Enhancing customer reach and operating efficiency

- **IPRU AMC has built a strong distribution franchise** with over **1.16L distributors**, supported by **286 offices** (including **Dubai and GIFT City**) and a workforce of **3,813** as of Jun'26.
- It continues to leverage its diversified distribution network, which comprised **mutual fund distributors (36.2% of equity QAAUM), direct (29.5%), national distributors (15.9%), other banks (10.7%), and ICICI Bank (7.7%)** as of Jun’26, providing balanced sourcing across retail and institutional channels.
- The company continued to strengthen its customer franchise, with **17.3m unique customers** as of Jun'26, accounting for nearly **70% of the industry's incremental customer additions** during the quarter, reflecting strong brand recall and distribution reach.
- **Technology** remains a key differentiator, with AI increasingly embedded across customer servicing, distributor engagement and investment processes to improve productivity and customer experience.
- AI-powered capabilities processed over **5m queries** on the company's website, while nearly **60% of customer email queries** are now automated, improving service turnaround and operational efficiency.
- **Hyper-personalized prompts** across investor and distributor platforms, **AI-enabled SIP renewal campaigns**, and **AI-assisted investment research** are expected to enhance customer engagement, improve distributor productivity and support scalable operating leverage.

Valuation and view

- IPRU AMC continues to strengthen its leadership position across active mutual funds while steadily expanding its presence in high-growth segments such as passives, SIFs, and alternatives. Strong customer acquisition, resilient retail flows, improving product diversification, and a scalable distribution platform are expected to support sustained AUM growth and earnings visibility. Continued investments in technology and AI, coupled with an expanding alternatives franchise and GIFT City initiatives, provide additional long-term growth levers beyond the core mutual fund business.
- With TER changes largely absorbed, revenue yields remaining resilient, and the operating base being predominantly fixed-cost in nature, incremental AUM growth is likely to translate into healthy operating leverage and cash generation.
- **We estimate a revenue/EBITDA/PAT CAGR of 14%/13%/15% over FY26-28 and reiterate our BUY rating with a TP of INR3,800, based on 47x FY28E core EPS.**

HealthCare Global: False Assumption That Private Equity Is In The Driver's Seat; B S Ajaikumar, CEO

- Denies private equity controls clinical operations; PE brings operational efficiency and scale while doctors retain autonomy
- Oncology outcomes match top global centers like MD Anderson at significantly lower costs
- Unconcerned by proposed hospital tariff caps due to strong structural demand for advanced oncology care
- Operating cash flows are continuously reinvested into medical research, advanced technology, and clinical talent

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Knowledge Marine: Guides for 35–40% Growth; Scope for Further Margin; Sujay Kewalramani, CEO

- Guides for 35–40% growth; baseline EBITDA margins at 35–40% with upside
- ₹1,600 crore order book + ₹3,000 crore pipeline; expects ₹1,000–1,500 crore inflows
- Revenue to surge from ₹25 crore to >₹100 crore in FY27; capacity rising to 16 vessels/year
- Completed ₹150 crore preferential issue for capex

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Electronics Mart: Target 20% Growth, 7% EBITDA Margin In FY27; Premchand Devarakonda, CFO

- Targeting ~20% revenue growth with ~7% EBITDA margin for FY27
- South clusters delivered ~30% SSG; NCR posted 18% SSG
- Adding 20+ stores in FY27 (10 in existing clusters, 10 entering Kolkata)
- Existing store breakeven in 3 months (Kolkata ~12 months); working capital guided at 60 days

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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