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## Power sector can fetch USD 450bn investment by 2032

Power minister Manohar Lal says investment potential in India's power sector is around USD 450bn by 2032, driven by large-scale expansion in electricity generation, transmission, distribution and energy storage, as per ET. Speaking at the curtain raiser event for the Bharat Electricity Summit, Lal said the country has moved decisively from a power-deficit phase to a surplus regime, allowing policymakers to plan

for long-term growth, reliability and clean energy integration. This transition will boost electricity generation, transmission, distribution, and energy storage. The focus is on long-term growth, grid resilience, and clean energy integration. This marks a significant shift for India's energy future. "India is no longer addressing shortages. We are managing surplus power, strengthening grid resilience and preparing for rapidly

rising demand. This transition will require sustained investments across generation, transmission, distribution and energy storage," the minister said. Over USD 345.97bn in electricity generation is expected in the next seven years. The transmission and distribution sector has an additional potential of USD 68.2bn.

## SECTOR

### Loan-deposit ratio to stay high

Credit growth is expected to continue outpacing deposit mobilization in the current financial year and the next, prompting banks to bridge the funding gap through increased issuance of certificate of deposits, analysts at India Ratings said, as per ET. The pace of rise in bank profitability is likely to bottom out this fiscal year, and gradually improve in FY27 as funding pressures

ease and net interest margins (NIM) stabilise, the agency said in its outlook on the financial sector for FY27. The rating agency expects advances growth to remain at 13% for FY27, unchanged from FY26. That would outpace deposit growth, which is expected at 11.4% in FY27, from 10.7% in FY 26. The loan to deposit ratio is expected to rise to 83.2% in FY27 from 81.9% in FY 26 and 80.3% in FY25, potentially constraining incremental growth.

### Oil refiners to report strong Q3 performance

Indian oil refining and marketing companies are likely to report strong performance in the third quarter of financial year 2025-26 (Q3FY26) amid significant improvement in gross refining margins (GRM) and healthy marketing gains due to benign crude oil prices, as per Business Standard. Marketing margin refers to the profit booked on sale of refined products such

## Market Monitor

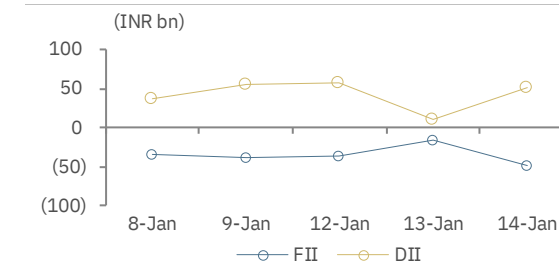
### Global Indices

	Value	% change	PE
Sensex	83,383	(0.3)	23.8
Nifty	25,666	(0.3)	23.5
S&P 500	6,944	0.3	26.0
FTSE 100	10,239	0.5	15.2
HangSeng	26,940	0.1	13.1
Nikkei 225	53,857	(0.5)	21.5

16 January 2026 8:10 AM

Source: Bloomberg

### FII & DII activities



Source: NSE

### Currency/Commodities/Metals (USD)

	Value	Change	% change
USD-INR	90.300	0.113	(0.125)
Oil (NYMEX)	59.120	(0.070)	(0.118)
Gold	4,594.950	(21.201)	(0.459)
Natural Gas	3.147	0.019	0.607

Source: Bloomberg

## SECTOR

as petrol and diesel, while gross refining margin (GRM) reflects profit booked on turning a barrel of crude oil into refined products. Major state-run refiners include Indian Oil Corporation (IOCL), Bharat Petroleum (BPCL), Hindustan Petroleum (HPCL) and private player Reliance Industries (RIL).

### Chemical sector facing risk from China overcapacity

The chemical sector in the country is facing multiple structural and macroeconomic risks, with challenges ranging from China's persistent overcapacities to elevated crude oil prices and weak demand in key western markets, according to a report by a brokerage company. The report highlighted that one of the biggest structural risks for Indian chemical manufacturers comes from China's dominance in global commodity chemical capacities. China holds significant global capacity across products such as soda ash, caustic soda, phenol, PVC, polycarbonates, epoxy resins, TDI, phthalic anhydride and acetic acid.

### Agri sector pitches for tech push

Ahead of the Budget 2026, agriculture industry leaders and experts are making a strong pitch for increased

investments in digital infrastructure, climate-resilient farming practices, and technology adoption to transform a sector that employs nearly half the country's workforce but contributes less than a fifth to national output, as per ET. With agriculture and allied sectors supporting 45% of India's workforce while contributing only 18% to the gross value added, industry voices say Budget 2026-27 presents a critical opportunity to reposition the sector as an engine of economic growth rather than just a welfare concern. "Agriculture is increasingly being recognized not merely as a welfare sector, but as a credible engine of economic growth -- one that can drive productivity, employment, rural demand and resilience," said Amit Vatsyayan, Leader, GPS-Agriculture, Livelihood, Social and Skills at EY India.

### Hotel industry sees room for deals, investments this year

Hotel transactions in India rose to USD 397mn (INR 36bn) in 2025 from USD 340mn the year before, according to data shared by real estate consultancy JLL with ET. The growth underscores rising demand for business and leisure travel in the world's fastest growing major economy. Transactions spanned operational properties, non-

operational assets, and under-construction developments, the data showed. Beyond traditional asset deals, hotel companies actively pursued strategic investments to acquire stakes in other entities last year, enabling market expansion into previously untapped regions.

### Tier 2 & 3 cities drive 64% of home loan volume in 2025

Home loan demand is moving away from core metropolitan markets, with Tier-2 and Tier-3 cities emerging as the dominant contributors to growth in 2025, a report said, as per Business Standard. Tier-2 and Tier-3 cities recorded 81% YoY growth in home loan volumes in 2025, significantly higher than the 52% growth seen in Tier-1 cities, fintech-led mortgage distribution platforms Urban Money said in a report. Improving infrastructure connectivity, expansion of employment hubs and sustained availability of mid-income housing are driving stronger homeownership demand across emerging cities, it said. "This sharp expansion has increased the contribution of Tier-2 and Tier-3 markets to 64% of total home loan volume in 2025, compared to 60% in 2024, highlighting a structurally broader and more distributed housing finance cycle," it said.

## POLITICS & POLICY

### Centre urges PPP model to boost healthcare services in AP

The Centre urged the Andhra Pradesh government to adopt a public-private partnership model to modernize its healthcare system, as per Business Standard. In a letter to State Health Minister Satya Kumar Yadav, the Ministry of Elara Securities (India) Private Limited

Health highlighted that collaborating with the private sector is the fastest way to bridge gaps in medical demand and expand service delivery across the state. The Centre urged Andhra Pradesh to extensively adopt the PPP model to accelerate healthcare expansion and improve availability, quality, and efficiency of services, said an

official release on Wednesday. The Ministry suggested implementing PPP in rural and semi-urban areas, focusing on nuclear medicine, mobile units, dental clinics, radiology services, and cancer day care centers. It proposed an approach where private partners are engaged for 5 to 10 years.

## POLITICS & POLICY

### India's exports rise 1.8% to USD 38.5bn in Dec

India exported goods worth USD 38.5bn in December, up 1.8% from the previous year despite geopolitical challenges,

data released by the commerce department showed, as per Business Standard. Inbound shipments increased 8.7% to USD 63.55bn resulting in a trade deficit of USD 25bn compared to USD 20.63bn in December 2024. Exports are in

positive territory despite challenges, Commerce Secretary Rajesh Agrawal said. Goods and services exports are expected to cross USD 850bn in FY26.

## INTERNATIONAL

### Dr Reddy's launches generic eye drops in the US

Dr Reddy's Laboratories launched over-the-counter (OTC) Opatadine Hydrochloride Ophthalmic Solution, the generic equivalent of Extra Strength Pataday Once-Daily Relief, in the US market, as approved by the US Food and Drug Administration (USFDA), as per Business Line. Dr Reddy's Opatadine Hydrochloride Ophthalmic Solution is an antihistamine eye-drop, indicated for the temporary relief of itchy eyes due to pollen, ragweed, grass, animal hair and dander. "This launch adds to our current portfolio in the OTC eye-care space, which includes Opatadine Hydrochloride Ophthalmic Solution," Milan Kalawadia, CEO - North America Generics, said in a release.

### IOCL-BPCL JV makes second oil discovery in Abu Dhabi

Indian Oil Corporation (IOC) and Bharat Petroleum Corporation (BPCL) announced oil discoveries in an onshore block in Abu Dhabi, strengthening their overseas upstream portfolio and India's energy security efforts, as per Financial Express. Urja Bharat (UBPL), a 50:50 special purpose vehicle of IOC and BPCL's exploration and production arm Bharat

PetroResources (BPRL), made its first oil discovery in XN-76 exploration well in early 2024, IOC said in a statement. The company has now made another oil discovery during the drilling of exploratory well XN-79 02S in the block. UBPL was awarded the Onshore Block 1 exploration concession in March 2019.

### Tesla's India letdown spurs discounts

Tesla Inc. is struggling to offload about a third of the initial vehicles it imported to India last year, as some prospective buyers who made early bookings have backed out, according to people familiar with the matter, as per Business Line. Sluggish demand has left roughly 100 vehicles in search of buyers four months after the Elon Musk-led company shipped in a batch of about 300 Model Y sport utility vehicles, said the people, who didn't want to identify because the information isn't public. To clear out unsold stock, Tesla is offering discounts of as much as INR 200,000 (USD 2,200) on certain variants of the SUV, they said. It's an early sign of challenges as Tesla attempts to crack the world's third-largest passenger-vehicle market with one of its cheaper entry-level models. The carmaker, which debuted in India in July, was relying on its brand

power to drive sales despite local levies touching 110% for imported cars.

### US auto firms hesitant to buy India auto parts

Automakers in the US and its neighboring countries are showing hesitation in discussions on import supply contracts with Indian auto component manufacturers for new projects due to recent high tariffs imposed by President Donald Trump's administration, the Automotive Component Manufacturers Association of India (ACMA) said, as per Business Standard. The Association said exports from India to the US remained flat YoY at USD 3.64bn in H1FY26, adding that the impact of tariffs is expected to become evident from H2FY26. The US, which is India's auto component industry's largest export market, imposed a 25% tariff on India last year.

### India's Russia oil trade may dip again

India's buying of Russian crude is likely to stabilize or even decline this month, leaving more cargoes from the OPEC+ producer stranded and pushing the world's third-largest oil importer to look to pricier alternatives, as per ET. Ship-

## INTERNATIONAL

tracking data and people familiar with the matter point to a dip that would come after imports fell in December to a three-year low. That was a third below their peak in June. The Trump administration has attacked India for months

over purchases of oil that Washington says are supporting President Vladimir Putin's war in Ukraine, and imposed punitive 50% tariffs. Trade talks between the two sides have yet to result in a deal, and the US is now considering a

sanctions bill that would slap penalties on countries buying Russian hydrocarbons.

## ECONOMY

### Macro and Market update

#### India's merchandise trade deficit widens to USD 25bn in December

This is amid a recovery in import demand. Goods exports rose 1.87% year-on-year to USD 38.5bn, indicating resilience despite global uncertainties. Imports increased 8.75% to USD 63.6bn, driven by higher demand for crude oil, electronics, and capital goods. December data suggest exports have stabilised after a sharp mid-year slowdown, with the trough likely reached in September. Exports to the U.S. were most affected by tariff uncertainty and weaker demand, falling through Q3 before rebounding sequentially in Q4. Exports to the U.S. are up 9.75% during April–December this year. Non-U.S. markets remained more resilient, cushioning overall export performance. While tariff-related headwinds persist, the rebound points to an improving export cycle and a gradual improvement in the trade balance.

#### India's exports to China bucks the broader slowdown, rising by USD 5.5bn YoY

This is even as the trade deficit widened to a record USD 116.1bn. According to Chinese customs data, bilateral trade surged to an all-time high of USD 155.6bn in 2025,

underscoring resilient commercial ties despite global headwinds.

#### India's crude oil sourcing is entering a phase of adjustment

This is with purchases of Russian oil likely to stabilise or even decline this month. Ship-tracking data suggest the drop follows December imports falling to a three-year low nearly one-third below their June peak, the world's third-largest oil importer, towards costlier alternatives.

#### India and the EU appear close to sealing a long-awaited free trade agreement

With senior EU leaders set to visit New Delhi later this month for Republic Day and the 16th India-EU Summit on January 27, Trade Secretary Rajesh Agrawal said negotiations were "very close" to completion. Around 20 of the 24 FTA chapters have already been finalised, with talks continuing.

#### Domestic labour market indicators remain broadly stable

India's unemployment rate edged up marginally to 4.8% in December from 4.7% in November, still the second-lowest level in nine months. Notably, labour force and workforce participation rose to their highest levels in FY26 so far,

pointing to increased labour market entry alongside steady job absorption.

#### India WPI climbing to an eight-month high of 0.83% in December

This snaps a two-month deflationary streak. The uptick was driven by a reversal in food prices, as food inflation stabilised at 0% compared with a contraction of 2.6% in November.

#### Trade tensions resurface as EU Parliament delays trade deal implementation with US

This is while citing protests over former President Donald Trump's threats to seize Greenland. Lawmakers are debating whether to postpone votes scheduled for January 26–27 on proposals to remove several EU import duties on U.S. goods.

#### US says it is securing significantly higher prices for Venezuelan crude

Energy Secretary Chris Wright noted prices are around 30% higher than before US forces captured President Nicolas Maduro earlier this month. The first tranche of oil sales under USD 2bn US–Venezuela deal has been completed,

## ECONOMY

with USD 500mn already realised and more sales expected soon.

### **US and Taiwan reach trade agreement to build chips and chip factories on US soil**

This is as per the Department of Commerce. As part of the agreement, Taiwanese chip and technology companies will invest at least USD 250bn in production capacity in the U.S. In exchange, the U.S. will limit “reciprocal” tariffs on Taiwan to 15%, down from 20%, and commit to zero reciprocal tariffs on generic pharmaceuticals, their ingredients, aircraft components and some natural resources.

### **US economic conditions show modest improvement**

This is while tariff-related cost pressures are increasingly filtering through corporate balance sheets, according to the

Federal Reserve’s Beige Book. Several firms have begun passing on higher costs to consumers, highlighting emerging inflationary risks.

### **Labour market data in the US send mixed signals**

Initial jobless claims fell by 9,000 to 198,000 for the week ended January 10, below estimates, though unadjusted claims rose sharply, reflecting seasonal adjustment challenges typical for this time of year.

### **China moves to shore up growth momentum**

The People’s Bank of China announced an 25bp cut in rates on its structural policy tools effective January 19, alongside a reduction in the minimum down-payment ratio for commercial properties to 30%, signalling targeted monetary support for key sectors early in 2026.

### **Asia markets**

Asian markets opened mixed on 16 January, breaking ranks with a rally on Wall Street, fuelled by chip and bank stocks. Overnight in the US, three major indices closed on higher end as investors bought the recent dip in chip stocks sparking a boarder tech revival. Investors in Asia are watching chip-related stocks after the U.S. reached a trade deal with Taiwan. Brent is at USD 63.87/bbl, DXY at 98.38, and GIFTNIFTY at 0.02%.

*Source: Garima Kapoor, Economist, Elara Securities Research*

### **SEBI weighs oversight of unlisted share market**

The Securities and Exchange Board of India (SEBI) is examining whether it should step in to regulate the fast-growing unlisted share market, which currently operates largely outside its direct oversight, Chairman Tuhin Kanta

Pandey said, as per Business Line. Speaking on the sidelines of the Association of Investment Bankers of India’s (AIBI) annual convention, Pandey said SEBI is discussing the issue with the Ministry of Corporate Affairs to assess whether the regulator has the legal authority to oversee companies that are not listed on stock exchanges, and if so, how far such regulation can extend. “SEBI first

needs to examine whether it has the legal authority to regulate companies that are not listed on stock exchanges and how far such regulation can extend,” he said.

## CORPORATE

### TCS targets AI Scale-Up

Tata Consultancy Services has partnered with the US-based semiconductor chip manufacturer AMD to integrate Ryzen CPU-powered client solutions to deliver workplace transformation. This partnership leverages AMD's GPUs and CPUs, such as AMD EPYC and AMD Instinct, to modernize hybrid cloud and high-performance computing environments, as per Financial Express. In an exchange filing, TCS stated that the strategic partnership will help enterprises scale AI adoption from pilots to production, modernize legacy environments, and build secure, high-performance digital workplaces. The company added that the AMD embedded computing portfolio will help its customers drive edge innovation, inference, and industrial digitalisation through adaptive System-on-Chips and Field Programmable Gate Arrays.

### L&T receives 'large' order from Torrent Energy

Larsen & Toubro (L&T) heavy civil infrastructure business vertical has secured a 'large' order from Torrent Energy Storage Solutions for the construction of 3,000MW Saidongar-1 Pumped Storage Project (PSP) in Maharashtra, as per ET. The company termed the project as India's biggest pumped storage project with ten units of 300 MW each. L&T classified an order ranging between INR 25bn and INR 50bn as 'large'. The project spans design, engineering and execution of all civil and hydromechanical jobs associated with the pumped storage construction. This project is expected to enhance grid reliability and energy security for Maharashtra and beyond.

### Airtel, Tata firms may seek Vodafone Idea-like AGR relief

Telecom operators including Bharti Airtel and two Tata group units are considering a collective representation to the government seeking equitable treatment on adjusted gross revenue (AGR) liabilities, after the government granted a 10-year debt holiday to Vodafone Idea (Vi), said people with knowledge of the matter, as per ET. Relief to one company has prompted operators to explore coordinated engagement with the government, with legal options also under review, they said. "We are evaluating multiple routes, including a collective approach to the government, but payments will not commence unless there is uniform treatment across companies," said one of the executives cited.

### BHEL supplies transformers for Vande Bharat trains

State-owned engineering firm Bharat Heavy Electricals (BHEL) has started the supply of semi-high-speed underslung traction transformers for the Vande Bharat sleeper train project from its Jhansi plant, as per ET. BHEL, in a statement, said the supply of underslung traction transformers for the prestigious Vande Bharat Sleeper Train project is a significant milestone in its 'Make in India' initiatives. Vande Bharat Sleeper Train project is being executed by a BHEL-led consortium with TRSL.

### NTPC Green Energy to form 50:50 JV with GAIL

State-owned NTPC Green Energy on Thursday said its board has given a go-ahead for the formation of 50:50 joint

venture with GAIL (India) for development of renewable energy projects, as per ET. "Board of Directors of the Company in their meeting held on 15 January 2026, has inter-alia approved the Joint Venture Agreement for incorporation of a 50:50 Joint Venture Company (JVC) with GAIL (India) for undertaking Renewable Energy Projects, subject to approval of Ministry of Power, DIPAM and/or other statutory authorities as applicable," a regulatory filing said. In other news, state-run power giant NTPC step-down arm NTPC Renewable Energy has begun commercial supply of 300 MW of electricity from its 500 MW Bhadla solar project in Rajasthan from January 13, as per ET. With this, the total installed and commercial capacity of NTPC group will become 87,287 MW and 86,207 MW, respectively, a regulatory filing stated. According to a filing, NTPC informed the bourses about declaration of the COD (commercial operation date) for the first part capacity of 300 MW out of the 500 MW Bhadla Solar PV Project in Rajasthan.

### Biocon raises INR 41.5bn via QIP issue

Biotech firm Biocon has raised INR 41.5bn through a Qualified Institutions Placement (QIP) process, as per Business Line. The initiative saw issuance of 1,12,664,585 equity shares of face value INR 5 each to eligible qualified institutional buyers at the issue price of INR 368.35 per share, the Bengaluru-based firm said in a regulatory filing. The QIP, which opened on January 12 and closed on January 14, attracted strong investor interest from a broad mix of domestic and international participants, reflecting robust confidence in the company's growth prospects, it added.

## CORPORATE

### PFC launches third public NCD issue

Power Finance Corporation (PFC) has launched its third public issue of secured, redeemable non-convertible debentures, with Chairperson and MD Parminder Chopra calling the strong investor response to its earlier bond offerings a “clear vote of confidence” in the power sector, as per Business Line. Chopra said the sector remains a “fundamental pillar” of India’s growth and self-reliance, with PFC acting as the key financial enabler of the transition. The company plans to raise up to INR 50bn through the public NCD issue, which comes after nearly 30 months, with a base issue size of INR 5bn and a green-shoe option to accept oversubscriptions up to the full amount.

### Zydus Lifesciences gets nod for blood disorder drug

Zydus Lifesciences has received final approval from the US health regulator for its generic version of Eltrombopag tablets, indicated for the treatment of thrombocytopenia (low platelet count) in specific blood disorders, as per ET. The final approval granted by the US Food and Drug Administration (USFDA) is for Eltrombopag tablets in strengths 12.5 mg, 25 mg, 50 mg, and 75 mg, Zydus Lifesciences said in a regulatory filing. Eltrombopag tablets will be produced at the group’s formulation manufacturing facility at SEZ, Ahmedabad, it added.

### Alstom wins EUR 62mn contract from Railways

Alstom, through its joint venture with Indian Railways (IR), Madhepura Electric Locomotive (MELPL), has secured a contract to deliver maintenance activities for WAG-12B locomotives at IR’s Sabarmati locomotive depot, as per Business Line. Valued at EUR 62mn, this contract is Elara Securities (India) Private Limited

awarded by the railways to cover the maintenance of the balance of 300 electric locomotives that are yet to be delivered as part of the 800-unit contract awarded to Alstom in 2015, stated a release. The contract encompasses all activities required during scheduled and unscheduled maintenance to ensure that strict availability and reliability targets are met, until February 2031. It includes material supply, locomotive washing, logistics, and remote diagnostics.

### JK Tyre inaugurates Phase III expansion of Banmore plant

JK Tyre & Industries has inaugurated the Phase III of capacity expansion and modernization at its state-of-the-art Passenger Car Radial (PCR) manufacturing facility at Banmore, Madhya Pradesh, as per Business Line. With the commissioning of Phase III, as part of JK Tyre’s multi-phase investment strategy of INR 10bn at the Banmore facility, the plant’s production capacity has increased to 30,000 passenger car radial tyres per day. This translates to about 10.5mn tyres annually. This milestone underscores the company’s long-term commitment to domestic manufacturing and India’s growing passenger vehicle ecosystem.

### Indian Hotels acquires 51% in Brij Hotels

Indian Hotels Company (IHCL) has acquired a 51% stake in Brij Hospitality, which operates boutique luxury hotels and resorts under the Brij brand, for up to INR 2.3bn, as per Business Line. “India’s hospitality sector is witnessing sustained demand growth led by rising disposable income and discretionary spends with a growing preference for experiential leisure. We are delighted to extend our partnership with the Clarks Group by furthering the

marketing and distribution alliance to a majority shareholding in Brij Hotels, one of the country’s early entrants in the boutique leisure segment,” IHCL’s Managing Director and CEO, Puneet Chhatwal, said. Brij Hospitality has a portfolio of 22 hotels, including 11 operational properties. These had a turnover of INR 623mn in FY25.

### Prestige Estates posts pre-sales of INR 223bn in 9MFY26

Prestige Estates Projects reported its strongest-ever operational performance for the quarter and nine months ended December 31, 2025, with record-breaking sales and collections driven by robust housing demand, diversified launches and sustained execution momentum, as per ET. The Bengaluru-based real estate developer clocked pre-sales of INR 42bn in the third quarter of FY26, marking a 39% YoY growth. For the nine-month period, pre-sales surged to INR 223bn, up 122% YoY, surpassing the company’s previous full-year peak within just nine months – a milestone that underscores the scale of demand across its key markets.

### Juniper Green commissions 72 MWp solar capacity

Juniper Green Energy has begun power generation at a 72-MWp solar component of its 133-MWp hybrid power project in Solapur district of Maharashtra, as per Business Line. The additional capacity was commissioned on January 10, Juniper Green Energy said in a statement. The capacity developed by subsidiary Juniper Green Spark Ten Private Ltd was completed 10 months ahead of schedule, it said, adding that in the first phase, around 36 MWp of solar capacity was commissioned on September 25 last year.

# Strategy - FY27 Outlook

## India's pro-growth pivot takes hold

As we write our outlook for India's economy into 2026, our market call sees Nifty at 30,000 by Mar-27, yielding 15% return vs. 10.1% in CY25, despite global headwinds. This is premised on earnings rebound (14-15% growth in FY27E; 3-5% in FY26E), led by acceleration in sales growth from 6.9% in FY26E to 10.9% in FY27E, and PAT growth from 10.9% in FY26E to 13.3% in FY27E. The earnings uptick will be led by a rebound in nominal GDP growth (earnings sensitivity to GDP growth is ~0.6) and built on a durable foundation of higher incremental free cash flow and improving balance sheet optionality. Expect nominal GDP to grow 10.5% YoY in FY27E from 8.5% YoY in FY26E.

**EM assets have higher tailwinds in CY26 than DMs:** EM assets have higher tailwinds versus DMs – easy financial conditions, moderate inflation, soft DXY and valuation comfort. The asset class leadership is also shifting. The **AI theme is past its easy beta phase** (selective gains from uniform winners, announcement-led rally to proof of revenue and ROI) and dominance of the US market is dissipating, providing space for under-owned markets and contra-AI trade. India's relative valuation premium to its EM peers is closer to historical inflection point (1.6x), and an uptick in nominal GDP growth should aid FPI inflows. In past 25 years, peak-to-trough (drawdown) cycles of net FPI equity inflows have been strongly correlated with nominal GDP growth. We see conditions in India being prime for return of FPI inflows.

### INDIA PLAY BOOK:

- 1. India's consumption story holds strong; prefer urban over rural play:** Contrary to skeptics questioning the durability of India's consumption uptick, we believe the consumption theme has more legs, led by compressing spread between income tax growth and revenue expenditure growth, upcoming Eighth Pay Commission Awards (0.6-0.8% of FY27E GDP), and soft inflation. We recommend urban-focused portfolio as real salary growth in corporate India rebounds (average ~7% in H1FY26 from ~3% in Q4FY25), GCC hiring stays strong and exports show resilience. The slowdown in flow of resources to rural India amid slowdown in rural spending and collapse of key *Kharif* crop prices below MSP do not bode well for rural incomes.

- 2. Power and data center capex, a decadal theme:** With teething issues regarding the availability of power in the US, the hyperscalers are looking to diversify the data center infrastructure into India – the latter offers lower power costs (~8 cents per kWh versus 18 per kWh cents in the US), low construction cost (USD 6.8-7.2mn/MW versus USD 9.5mn/MW in the US) and benefits from abundant renewable energy and subsea connectivity (thus, attractive for AI operations). Policies such as data localization, Digital Data Protection Act and data usage boom are additional enablers.
- 3. Government's policy pivot to reshuffle India Inc's earnings hierarchy:** With a clear shift in the government's policy focus from a capex spender to a capex enabler, policy decisions are centered around 'ease of doing business', consumption boost, de-regulation, trade liberalization and factor reforms. This pivot will shape sectoral dynamics and shift the earnings hierarchy in favor of companies that depend less on direct government spending and government policy stimulus.
- 4. Rising bond yields could compress P/E for new-age stocks:** Historical analysis shows a negative correlation between the 10-year treasury yield and P/E, especially for growth-heavy indices – To illustrate, in 2022, as US 10-year yield rose from 1.78% in Jan-22 to a peak of 4.05% in Oct-22, Nasdaq 100 trailing P/E compressed to 23.72 by Dec-22 from a 12 month peak of ~30. In India, among the companies that raised money in CY24-25, 45 are still trading at >50 P/E.

**Introducing Elara Model Portfolio:** We are Overweight (OW) Consumption and prefer premiumization theme via discretionary plays (Autos, Jewelry, Beauty & Personal Care, Hotels). Continued benign interest rate environment keeps us positive on rate sensitives – BFSI and Real Estate. We are OW NBFCs and Private Banks in BFSI. We are also OW OMCs amid soft crude oil price and expansion in refining margin (diesel cracks). We are Neutral on IT Services but tactically view it as a deep value play. We reduce exposure to Pharma, Staples, and Cement, as stretched valuation and muted demand dynamics continue to skew risk-reward unfavorably.

[Read more](#)

## Strategy

FY27 Outlook

### India's pro-growth pivot takes hold

As we write our outlook for India's economy into 2026, our market call sees Nifty at 30,000 by Mar-27, yielding 15% return vs. 10.1% in CY25, despite global headwinds. This is premised on earnings rebound (14-15% growth in FY27E; 3-5% in FY26E), led by acceleration in sales growth from 6.9% in FY26E to 10.9% in FY27E, and PAT growth from 10.9% in FY26E to 13.3% in FY27E. The earnings uptick will be led by a rebound in nominal GDP growth (earnings sensitivity to GDP growth is ~0.6) and built on a durable foundation of higher incremental free cash flow and improving balance sheet optionality. Expect nominal GDP to grow 10.5% YoY in FY27E from 8.5% YoY in FY26E.

**EM assets have higher tailwinds in CY26 than DMs:** EM assets have higher tailwinds versus DMs – easy financial conditions, moderate inflation, soft DXY and valuation comfort. The asset class leadership is also shifting. The **AI theme is past its easy beta phase** (selective gains from uniform winners, announcement-led rally to proof of revenue and ROI) and dominance of the US market is dissipating, providing space for under-owned markets and contra-AI trade. India's relative valuation premium to its EM peers is closer to historical inflection point (1.6x), and an uptick in nominal GDP growth should aid FPI inflows. In past 25 years, peak-to-trough (drawdown) cycles of net FPI equity inflows have been strongly correlated with nominal GDP growth. We see conditions in India being prime for return of FPI inflows.

### INDIA PLAY BOOK:

- 1. India's consumption story holds strong; prefer urban over rural play:** Contrary to skeptics questioning the durability of India's consumption uptick, we believe the consumption theme has more legs, led by compressing spread between income tax growth and revenue expenditure growth, upcoming Eighth Pay Commission Awards (0.6-0.8% of FY27E GDP), and soft inflation. We recommend urban-focused portfolio as real salary growth in corporate India rebounds (average ~7% in H1FY26 from ~3% in Q4FY25), GCC hiring stays strong and exports show resilience. The slowdown in flow of resources to rural India amid slowdown in rural spending and collapse of key *Kharif* crop prices below MSP do not bode well for rural incomes.
- 2. Power and data center capex, a decadal theme:** With teething issues regarding the availability of power in the US, the hyperscalers are looking to diversify the data center infrastructure into India – the latter offers lower power costs (~8 cents per kWh versus 18 per kWh cents in the US), low construction cost (USD 6.8-7.2mn/MW versus USD 9.5mn/MW in the US) and benefits from abundant renewable energy and subsea connectivity (thus, attractive for AI operations). Policies such as data localization, Digital Data Protection Act and data usage boom are additional enablers.
- 3. Government's policy pivot to reshuffle India Inc's earnings hierarchy:** With a clear shift in the government's policy focus from a capex spender to a capex enabler, policy decisions are centered around 'ease of doing business', consumption boost, de-regulation, trade liberalization and factor reforms. This pivot will shape sectoral dynamics and shift the earnings hierarchy in favor of companies that depend less on direct government spending and government policy stimulus.
- 4. Rising bond yields could compress P/E for new-age stocks:** Historical analysis shows a negative correlation between the 10-year treasury yield and P/E, especially for growth-heavy indices – To illustrate, in 2022, as US 10-year yield rose from 1.78% in Jan-22 to a peak of 4.05% in Oct-22, Nasdaq 100 trailing P/E compressed to 23.72 by Dec-22 from a 12 month peak of ~30. In India, among the companies that raised money in CY24-25, 45 are still trading at >50 P/E.

**Introducing Elara Model Portfolio:** We are Overweight (OW) Consumption and prefer premiumization theme via discretionary plays (Autos, Jewelry, Beauty & Personal Care, Hotels). Continued benign interest rate environment keeps us positive on rate sensitives – BFSI and Real Estate. We are OW NBFCs and Private Banks in BFSI. We are also OW OMCs amid soft crude oil price and expansion in refining margin (diesel cracks). We are Neutral on IT Services but tactically view it as a deep value play. We reduce exposure to Pharma, Staples, and Cement, as stretched valuation and muted demand dynamics continue to skew risk-reward unfavorably.

ElaraCapital

14 January 2026

Nominal GDP set to recover in FY27E-28E



Source: CIBC, Elara Securities Research

Nifty - EPS growth set to rebound



Source: Bloomberg, Elara Securities Research

Rise in US 10 yr yield drove NASDAQ P/E decline



Source: Bloomberg, Elara Securities Research

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# Lemon Tree Hotels

India | Hotels | Company Update | Rating Downgrade



15 January 2026

## Restructuring unlikely to create value

Lemon Tree Hotels (LEMONTRE IN) has announced a composite reorganization, wherein the group would be split into an asset-light, fee platform – Lemon Tree Hotels and an asset-heavy ownership platform – Fleur Hotels. As part of the transaction, Warburg Pincus has acquired APG's entire 41% stake in Fleur and committed up to INR 9.6bn of primary equity in Fleur to fund growth. The transaction is aimed at creating separate platforms for pure play asset light (LEMONTREE) and asset heavy growth-oriented (Fleur Hotels) companies. Fleur is expected to be listed within 12-15 months. While the restructuring has created separate platforms and provided an exit to APG, it does not create material value for LEMONTRE's shareholders. Post completion of the deal and listing of Fleur, LEMONTREE will get a holding company discount for its holding in Fleur. We have valued LEMONTREE on SoTP, factoring in the current restructuring and have lowered our TP to INR 157 (INR 210 earlier). We revise rating to **Accumulate** from Buy.

**LEMONTRE emerges as pure-play, asset-light platform:** Post-implementation, LTH will operate as a pure-play, debt-free, asset-light hotel management and brand platform, retaining its brand, management, loyalty program and distribution. The fee-based model will deliver ~70%+ EBITDA margin, with third-party pipeline exceeding ~9,400 rooms, positioning LTH as a high-growth, high-RoCE platform. While reported revenues will reduce following asset transfers, the proportion of management fees will rise, EBITDA margin will expand, and depreciation and interest costs will decline. LTH's shareholding structure will be unchanged.

**Fleur's portfolio post-implementation of scheme:** Fleur Hotels will own/lease 39 operational hotels (5,556 rooms) and two under-construction hotels (256 rooms) across 21 locations, positioning it as the largest hospitality asset owner among listed peers by room count. Its owned asset business grew at a CAGR of 26% while maintaining healthy margins of ~43-44% in FY23-25. Fleur will see higher revenue, increased cost, depreciation, and interest post-transfer of owned hotels. The platform benefits from in-house development capabilities and a strategic partnership with Warburg Pincus, enabling the acquisition and development of a significant hotel pipeline. Post-scheme, LEMONTRE shareholders will hold 73.99% of Fleur (32.96% directly, 41.03% indirectly via LTH), Warburg Pincus 26.01%, APG 4.94%, promoters 7.34%, and public shareholders 20.68%, with total shares increasing from 97.8mn to 154.6mn. Fleur will be separately listed on the stock exchanges.

**Revise to Accumulate with a lower TP of INR 157:** We have not factored in the impact of LEMONTRE's restructuring in our financials due to inadequate financial data. In addition, we are lowering our financials projections for LEMONTRE to factor in the impact of gratuity provisions, the negative impact of GST and realignment of growth assumptions. Hence, we lower our topline, EBITDA and APAT estimates by 4%, 11% and 18% for FY27E and by 6%, 13% and 19% for FY28E respectively. So, we revise LEMONTRE to **Accumulate** from Buy with a lower TP of INR 157 based on SoTP (Exhibit 1).

### Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	10,711	12,861	14,256	16,066	17,606
YoY (%)	16.9	21.2	8.2	18.0	13.7
EBITDA (INR mn)	5,232	6,341	6,862	8,095	9,208
EBITDA margin (%)	48.8	49.3	48.1	50.4	52.3
Adj PAT (INR mn)	1,485	1,968	2,322	3,212	4,010
YoY (%)	29.6	32.5	18.0	38.3	24.8
Fully DEPS (INR)	1.9	2.5	2.9	4.1	5.1
RoE (%)	10.0	11.8	11.8	13.4	13.7
RoCE (%)	12.5	14.3	15.4	17.7	18.9
P/E (x)	79.7	60.1	51.0	36.8	29.5
EV/EBITDA (x)	27.5	22.7	21.0	17.8	15.7

Note: Pricing as on 14 January 2026; Source: Company, Elara Securities Estimate

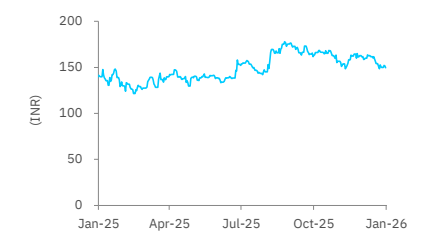
Rating: **Accumulate**  
 Target Price: **INR 157**  
 Upside: **5%**  
 CMP: **INR 149**  
 As on 14 January 2026

#### Key data

Bloomberg	LEMONTRE IN
Reuters Code	LEMO.NS
Shares outstanding (mn)	792
Market cap (INR bn/USD mn)	118/1,311
EV (INR bn/USD mn)	144/1,596
ADTV 3M (INR mn/USD mn)	441/5
52 week high/low	181/111
Free float (%)	63

Note: as on 14 January 2026; Source: Bloomberg

#### Price chart



Source: Bloomberg

	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Shareholding (%)				
Promoter	22.8	22.5	22.3	22.3
% Pledge	0.0	0.0	0.0	0.0
FII	35.1	36.0	21.3	21.5
DII	20.8	19.7	20.0	19.7
Others	21.3	21.8	36.4	36.5

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	0.3	1.8	10.1
Lemon Tree Hotels	(8.3)	(2.8)	5.7
NSE Mid-cap	0.2	0.7	9.3
NSE Small-cap	(4.9)	(9.5)	(2.5)

Source: Bloomberg

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## Financials (YE March)

<b>Income Statement (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Total Revenue	10,711	12,861	14,256	16,066	17,606
Gross Profit	10,083	12,099	13,404	15,087	16,524
EBITDA	5,232	6,341	6,862	8,095	9,208
EBIT	4,111	4,948	5,443	6,622	7,680
Interest expense	2,085	2,112	1,807	1,545	1,315
Other income	125	129	139	150	163
Exceptional/ Extra-ordinary items	-	-	-	-	-
PBT	2,151	2,965	3,776	5,227	6,528
Tax	341	529	954	1,320	1,648
Minority interest/Associates income	(325)	(468)	(500)	(695)	(870)
Reported PAT	1,485	1,968	2,322	3,212	4,010
Adjusted PAT	1,485	1,968	2,322	3,212	4,010
<b>Balance Sheet (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Shareholders' Equity	9,669	11,635	14,801	18,724	23,776
Minority Interest	5,795	6,261	6,771	7,476	8,356
Trade Payables	859	616	781	880	965
Provisions & Other Current Liabilities	608	773	855	958	1,045
Total Borrowings	18,891	16,986	14,434	12,434	10,434
Other long term liabilities	4,508	4,546	4,669	4,718	4,762
<b>Total liabilities &amp; equity</b>	<b>40,330</b>	<b>40,818</b>	<b>42,312</b>	<b>45,190</b>	<b>49,338</b>
Net Fixed Assets	35,298	34,731	35,408	35,934	36,207
Goodwill	951	951	951	951	951
Intangible assets	400	449	165	165	165
Business Investments / other NC assets	1,628	1,753	3,025	3,815	4,515
Cash, Bank Balances & treasury investments	618	1,192	788	2,104	4,658
Inventories	138	138	195	220	241
Sundry Debtors	715	786	898	1,012	1,109
Other Current Assets	582	817	881	989	1,492
<b>Total Assets</b>	<b>40,330</b>	<b>40,818</b>	<b>42,312</b>	<b>45,190</b>	<b>49,338</b>
<b>Cash Flow Statement (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Cashflow from Operations</b>	<b>4,650</b>	<b>5,416</b>	<b>5,852</b>	<b>6,710</b>	<b>7,506</b>
Capital expenditure	(3,305)	(932)	(2,046)	(2,000)	(1,800)
Acquisitions / divestitures	-	(58)	-	-	-
Other Business cashflow	(660)	(285)	139	150	163
<b>Free Cash Flow</b>	<b>685</b>	<b>4,141</b>	<b>3,945</b>	<b>4,860</b>	<b>5,869</b>
Cashflow from Financing	(351)	(3,567)	(4,349)	(3,545)	(3,315)
Net Change in Cash / treasury investments	334	574	(404)	1,315	2,554
<b>Key assumptions &amp; Ratios</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Dividend per share (INR)	-	-	-	-	-
Book value per share (INR)	12.2	14.7	18.7	23.7	30.0
RoCE (Pre-tax) (%)	12.5	14.3	15.4	17.7	18.9
ROIC (Pre-tax) (%)	12.6	14.7	15.8	18.5	20.6
ROE (%)	10.0	11.8	11.8	13.4	13.7
Asset Turnover (x)	0.3	0.4	0.4	0.5	0.5
Net Debt to Equity (x)	1.9	1.4	0.9	0.6	0.2
Net Debt to EBITDA (x)	3.5	2.5	2.0	1.3	0.6
Interest cover (x) (EBITDA/ int exp)	2.5	3.0	3.8	5.2	7.0
Total Working capital days (WC/rev)	22.0	47.9	30.3	59.9	119.0
<b>Valuation</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
P/E (x)	79.7	60.1	51.0	36.8	29.5
P/Sales (x)	11.1	9.2	8.3	7.4	6.7
EV/ EBITDA (x)	27.5	22.7	21.0	17.8	15.7
EV/ OCF (x)	31.0	26.6	24.6	21.5	19.2
FCF Yield	0.5	2.9	2.7	3.4	4.1
Price to BV (x)	12.2	10.2	8.0	6.3	5.0
Dividend yield (%)	-	-	-	-	-

Note: Pricing as on 14 January 2026; Source: Company, Elara Securities Estimate

## Strategic split: Management versus ownership platforms

The transaction will be implemented through a composite scheme of arrangement. Under Part A, LTH will transfer 359 operational keys across four hotels to Fleur in exchange for 5.8mn shares. Part B involves the transfer of 1,204 operational keys across 11 hotels, along with the under-construction Aurika, Shillong (165 keys) and Aurika, Shimla (91 keys), with LTH shareholders receiving 50.9mn Fleur shares. On completion, LTH shareholders will directly and indirectly own 73.99% of Fleur (32.96% directly and 41.03% via LTH).

## Warburg Pincus backs Fleur's expansion

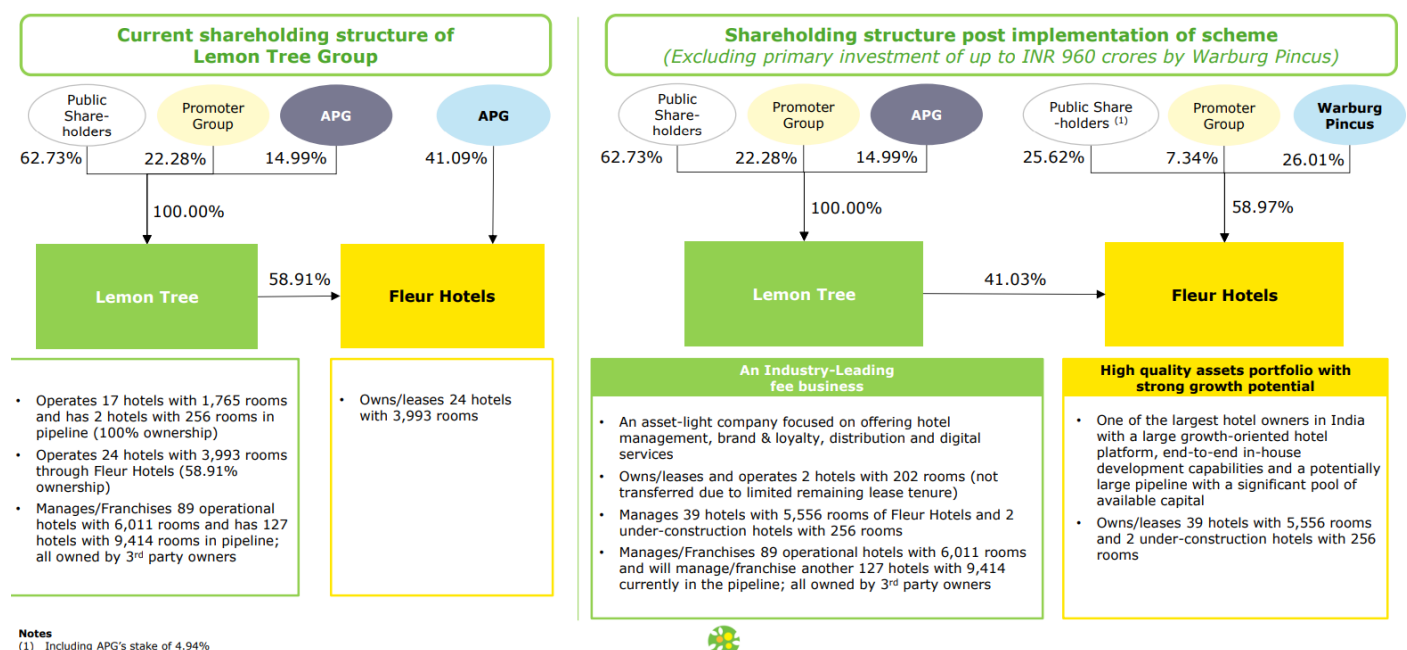
Warburg Pincus, through Coastal Cedar Investments BV, will acquire APG's entire 41.09% stake in Fleur Hotels and commit up to INR 9.6bn of primary equity, to be infused in tranches to support future growth. This marks Warburg Pincus' re-entry into LEMONTRE, following its 2006 investment in the company. The capital infusion will provide Fleur with the financial flexibility to acquire, develop, and expand its hotel ownership and leasing platform, enabling faster scaling and deployment of its pipeline. The transaction is part of a composite scheme of arrangement, under which 15 operational LEMONTRE hotels (1,563 rooms), two under-construction Aurika hotels in Shimla (91 keys) and Shillong (165 rooms), and the entire hotel development team and capability will be transferred to Fleur.

## Exhibit 1: Valuation

Particulars (INR mn)	FY26E	FY27E	FY28E
Topline from owned hotels in standalone entity	580	609	639
Management fees from third party (A)	803	1,083	1,279
Management fees from Fleur (B)	1,177	1,236	1,319
Total management fees (C= A+B)	1,980	2,318	2,597
Implied EBITDA From owned hotels	319	335	352
Implied EBITDA from managed hotels	1,584	1,855	2,078
Implied PAT from owned hotels	128	134	141
Implied PAT from management fee business	1,188	1,391	1,558
Indicative m. cap from owned hotels (D)	3,827	4,018	4,219
Indicative m. cap from management fee business (E)	59,403	69,547	77,924
Fleur Hotels EBITDA	5,440	5,801	6,330
Fleur Hotels EV @ 18x multiple (F)	97,917	104,420	113,942
Fleur Hotels: Debt (G)	16,000	16,000	16,000
Indicative m. cap of Fleur Hotels (H=I-J)	81,917	88,420	97,942
Direct value of LEMONTRE in Fleur @41.03%	33,611	36,279	40,186
Value after adjusting 20% holding company discount on above (K)	26,889	29,023	32,149
Indirect value of LEMONTRE in Fleur @25.62% (L)	8,611	9,295	10,296
SoTP of LEMONTREE (D+E+J+L)	98,729	111,883	124,587
O/S shares of LEMONTREE	791.6	791.6	791.6
<b>Target price (INR)</b>			<b>157</b>

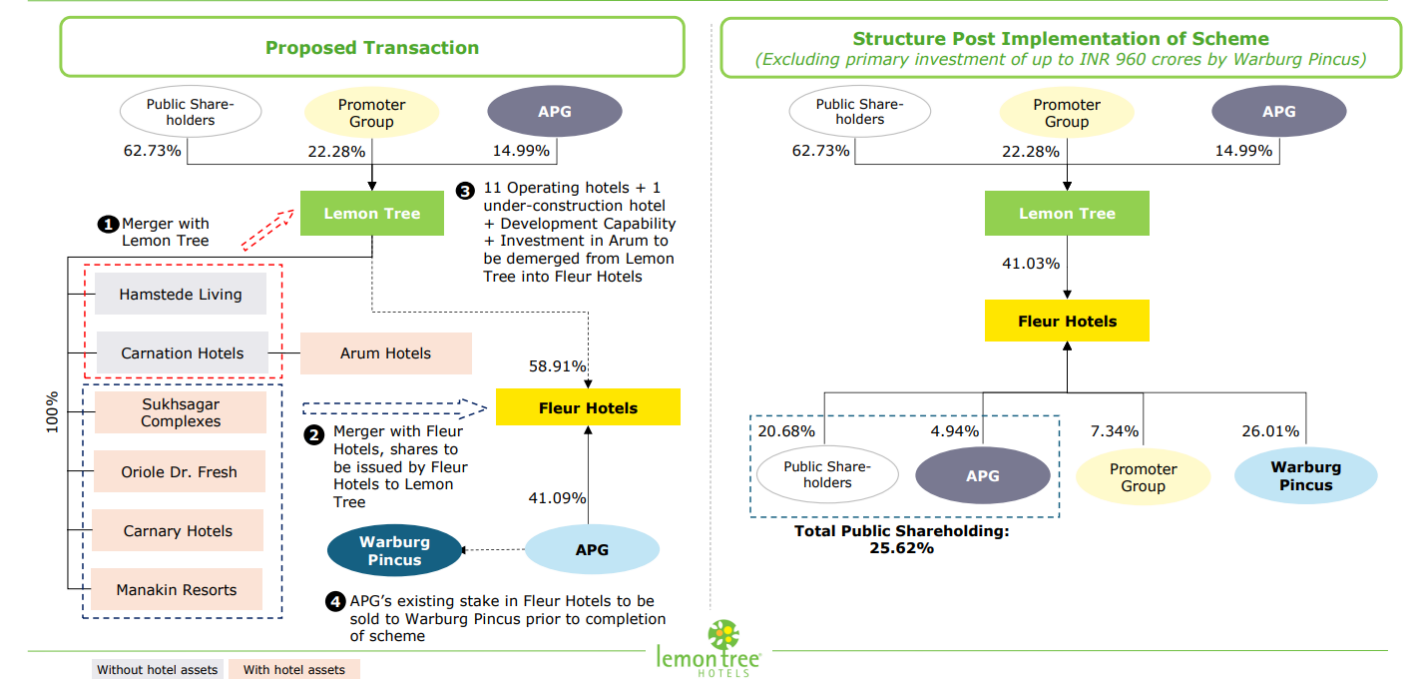
Source: Elara Securities Estimate

**Exhibit 2: Pre and post shareholding structure of the scheme**



Source: Company, Elara securities Research

**Exhibit 3: Transaction structure of the proposed demerger**



Source: Company, Elara Securities Research

## Exhibit 4: Proforma management fees for standalone LEMONTREE

Particulars (INR mn)	FY26E	FY27E	FY28E
Total management fees	1,980	2,318	2,597
Management fees from third party	803	1,083	1,279
Management fees from Fleur	1,177	1,236	1,319

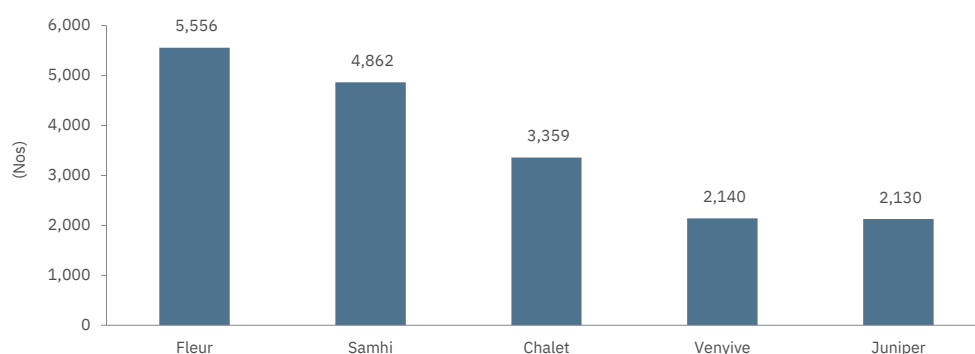
Source: Elara Securities Estimate

## Exhibit 5: Fleur Hotels – Indicative proforma

Particulars (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	8,100	9,910	11,890	13,077	13,730	14,653
YoY (%)		22.3	20.0	10.0	5.0	6.7
EBITDA	3,590	4,230	5,090	5,440	5,801	6,330
YoY (%)		17.8	20.3	6.9	6.6	9.1
EBITDA margin (%)	44.3	42.7	42.8	41.6	42.3	43.2

Source: Company, Elara Securities Estimate

## Exhibit 6: Fleur Hotels would have the largest owned portfolio of rooms among all asset owners



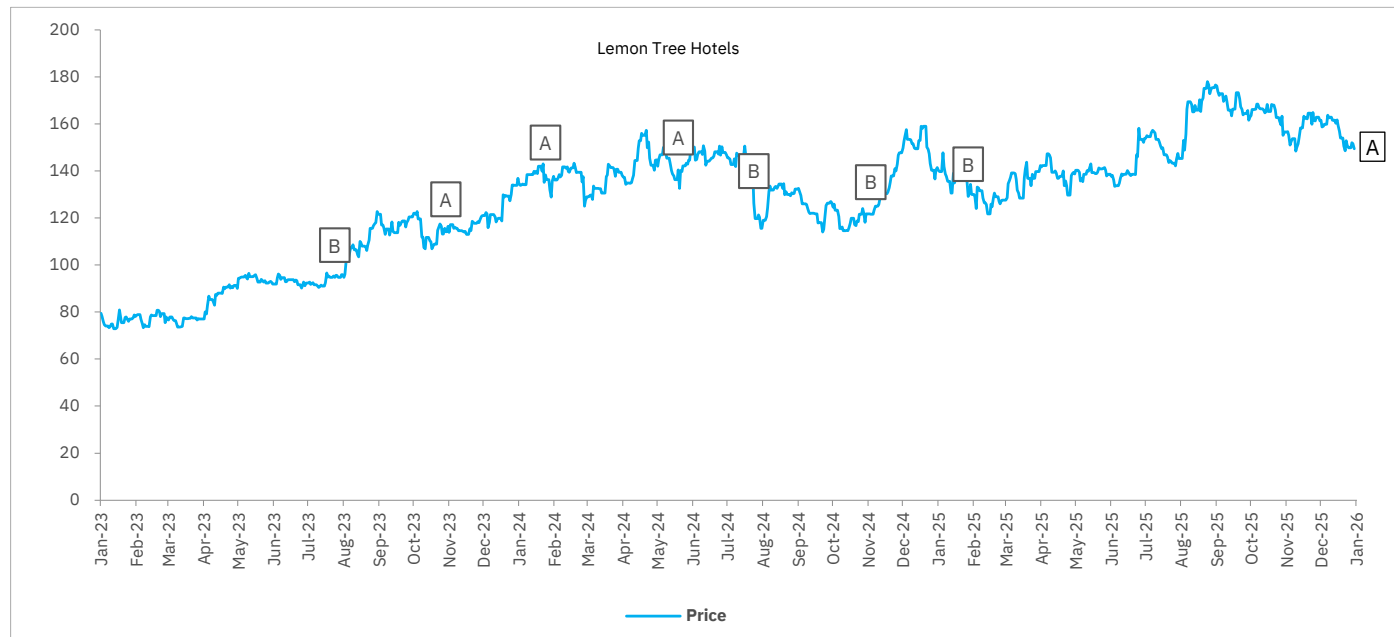
Source: Company, Elara Securities Research

## Exhibit 7: Change in estimates

(INR Mn)	Old estimates			Revised estimates			Change (%)		
	FY26E	FY27E	FY28	FY26E	FY27E	FY28	FY26E	FY27E	FY28E
Net sales	14,872	16,763	18,747	14,256	16,066	17,606	(4.1)	(4.2)	(6.1)
EBITDA	7,632	9,071	10,588	6,862	8,095	9,208	(10.1)	(10.8)	(13.0)
EBITDA margin (%)	51.3	54.1	56.5	48.1	50.4	52.3	(6.2)	(6.9)	(7.4)
Adjusted PAT	2,847	3,917	4,962	2,322	3,212	4,010	(18.4)	(18.0)	(19.2)
EPS (INR)	3.6	4.9	6.3	2.9	4.1	5.1	(17.8)	(17.2)	(19.6)
<b>Target Price (INR)</b>	<b>185</b>			<b>157</b>			<b>(14.9)</b>		
<b>Rating</b>	<b>Buy</b>			<b>Accumulate</b>					

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
08-Aug-2023	Buy	114	95
13-Nov-2023	Accumulate	121	114
08-Feb-2024	Accumulate	154	138
03-Jun-2024	Accumulate	160	140
08-Aug-2024	Buy	160	126
18-Nov-2024	Buy	152	122
11-Feb-2025	Buy	185	146
14-Jan-2026	Accumulate	157	149

## Guide to Research Rating

<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

## Strong demand; large players

14 January 2026

We visited five hospitals across North, Central and South Kerala during our three-day healthcare trip. These included Aster Medcity at Kochi, the flagship facility of Aster DM Healthcare (ASTERDM) and KIMSHEALTH Hospital at Thiruvananthapuram, part of Quality Care India (QCIL, merging with ASTERDM) network. We also visited two hospitals recently taken over by Krishna Institute of Medical Sciences (KIMS) and a hospital run by a charitable trust under the Christian Church (Rajagiri Hospital). We witnessed very strong demand with managements indicating that they are forced to turn away patients. The supply gap has attracted new players, including KIMS and KKR private equity (PE), both with aggressive expansion plans. We do see the risk of large bed supply, but given the long timelines involved, only after 2-3 years.

**Demand outpacing supply:** Demand for high-quality upscale hospital beds remains strong. Managements in the large established hospitals indicated that they turn away patients for want of beds. After the Covid pandemic, patient preference has shifted from lower-end hospitals and shared rooms / wards to high-end hospitals and individual rooms. However, there have not been large-scale additions in high-quality corporate hospital beds since then.

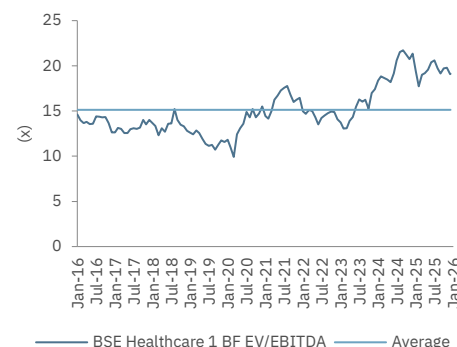
**Shift from charitable trusts to corporates:** Kerala's healthcare landscape has long been dominated by charitable-trust-run hospitals, with Christian Church being the largest player. While these hospitals do provide good clinical care, they typically do not match the service levels of corporate hospitals in patient experience and comfort. With increasing affluence, the population is shifting to corporate hospitals for better 'customer experience' with matching or better clinical care.

**Corporate and private equity (PE) players pitching in:** Strong demand and inadequate supply have already caught the attention of corporate groups and PE players. Krishna Institute of Medical Sciences (KIMS) has already entered the state with two facility takeovers and KKR PE has acquired two hospitals. Both are on the lookout for further expansion opportunities in the state.

**Watch out for oversupply risk in 3-4 years:** Given aggressive expansion plans by new entrants, we do see the risk of the market going into an oversupply mode regarding corporate beds. However, given the long timelines involved, that is unlikely in the next 2-3 years.

**ASTERDM – Estimates and rating unchanged:** We maintain our forward estimates for ASTERDM. We have an Accumulate rating with a TP of INR 733. Competitive pressure from large capacity additions and adverse government regulations are key risks for the stock and the sector.

BSE Healthcare: Trailing-12-month EV/EBITDA



Source: Bloomberg, Elara Securities Research

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### Elara Healthcare universe – Coverage matrix

Company	Ticker	Rating	Mcap	CMP	TP	Upside	P/E (x)				EV/EBITDA (x)				ROE (%)			
			(USD mn)	(INR)	(INR)	(%)	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Aster DM Healthcare	ASTERDM IN	ACCUMULATE	3,485	607	733	21	84.9	81.1	70.2	64.8	42.5	36.4	33.1	29.4	8.2	10.4	11.6	12.0
Apollo Hospitals Enterprise	APHS IN	ACCUMULATE	11,656	7,312	8,395	15	72.7	59.1	54.9	44.1	36.5	30.7	27.6	23.5	18.1	18.8	17.2	18.0
Fortis Healthcare	FORH IN	ACCUMULATE	7,601	908	927	3	79.4	63.1	49.5	41.8	45.1	33.7	29.0	25.8	8.7	11.2	12.7	14.0
Shalby	SHALBY IN	ACCUMULATE	217	182	219	21	984.0	51.7	23.6	19.0	18.0	14.5	12.5	10.9	0.2	3.7	7.7	8.0

Note: Pricing as on 14 January 2026; Source: Company, Elara Securities Estimate

### Kerala healthcare landscape

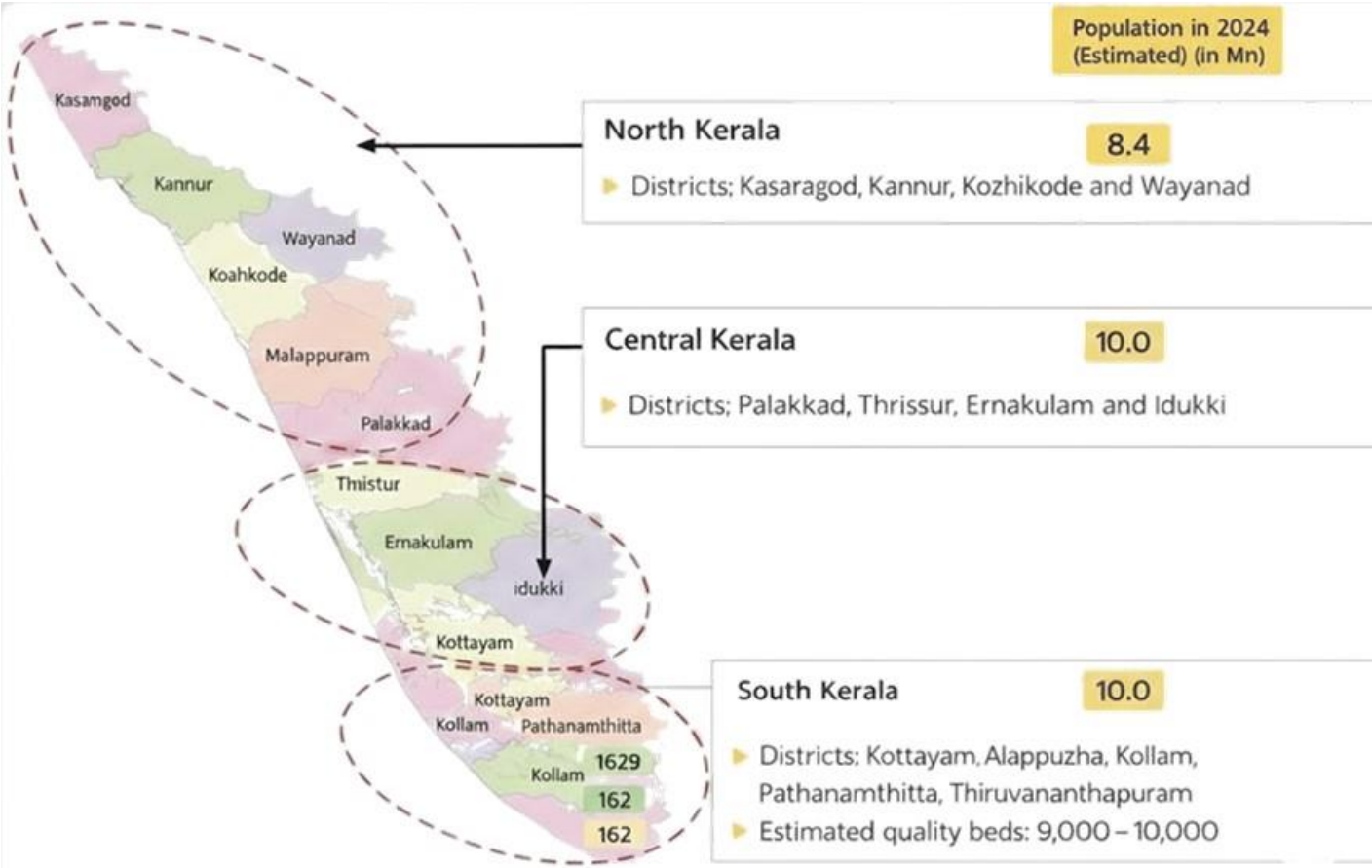
Kerala stands out as one of India's most healthcare-penetrated states, supported by high literacy, strong preventive health behaviour, and deep institutionalisation of care delivery. Demand visibility is strong, with patients displaying a higher propensity to seek organised, multi-specialty care, even for non-emergency procedures. However, this also translates into higher expectations as regards clinical outcomes, service quality, and infrastructure.

A defining characteristic of Kerala's healthcare market is the coexistence of strong public infrastructure alongside a large and competitive private sector. High bed density limits easy volume-led growth and caps pricing flexibility, pushing hospitals to differentiate through specialised programs such as oncology, transplants, cardiac sciences, and neurosciences. Ancillary streams such as pharmacy and diagnostics have therefore become critical to overall profitability.

From a payer perspective, insurance penetration has improved materially post COVID, though negotiations remain periodic and price sensitive. Star Health continues to be a dominant insurer in the state. At the same time, labour costs – particularly nursing wages – are structurally higher in Kerala, which compresses margins unless offset by operating leverage and higher-complexity case mix.

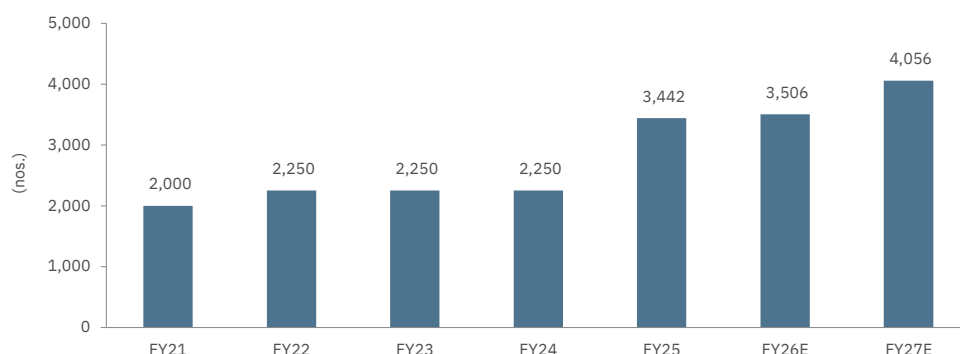
Medical value travel (MVT) offers incremental upside, especially in Kochi and Trivandrum, supported by GCC and Maldives-linked inflows. However, MVT outcomes vary meaningfully by connectivity, brand, and clinical depth, making it a selective rather than universal growth lever across hospitals in Kerala.

Exhibit 1: Kerala's regional population split and key healthcare catchments



Source: Company, Elara Securities Research

**Exhibit 2: Cumulative bed-count of listed hospital companies\* in Kerala**



Note: \*Apollo Hospital, Aster DM Healthcare, & KIMS; Source: Companies, Elara Securities Estimate

## Aster Medcity, Kochi

Aster Medcity, Kochi, commissioned in 2014, is the flagship quaternary care hospital of Aster DM in Kerala. The facility operates with >700 census beds and has a larger installed capacity, supported by a multi-tower campus. Occupancy levels are healthy, with strong OPD and IP volumes, underpinned by a wide range of centres of excellence.

Clinically, Aster Medcity is among the most advanced hospitals in the state, with deep capabilities in robotics, oncology, cardiac sciences, neurosciences, and transplants. The hospital is one of the leading centres for robotic surgeries in India, reinforcing its premium positioning and ability to attract complex cases.

From a financial standpoint, the hospital delivers superior monetisation, aided by a meaningful contribution from international patients and high-value procedures. Ancillary revenues from outpatient pharmacy and diagnostics further strengthen the revenue mix and margin profile.

While competition in Kochi remains high, particularly from other large private hospitals, Aster Medcity's scale, clinical depth, and brand equity positions it well to sustain leadership in complex care. Continued focus on MVT execution and operating efficiency should remain key drivers, going forward.

ASTERDM is in the process of merging with QCIL which operates in Kerala under the brand KIMSHealth. With the merger, ASTERDM will become the largest player in the Kerala healthcare market, among the corporate players. Being the undisputed leader in the market will continue to help ASTERDM attract and retain clinical talent, which is the most important success factor in healthcare delivery business.

**Exhibit 3: Aster Medcity, Kochi – Flagship Tertiary Care Facility**



Source: ASTER DM, Elara Securities Research

**Exhibit 4: Radiology Equipment – Aster Medcity, Kochi**



Source: ASTER DM, Elara Securities Research

**Exhibit 5: Aster Medcity, Kochi**



Source: ASTER DM, Elara Securities Research

## **KIMSHEALTH, Trivandrum**

KIMSHEALTH (Kerala Institute of medical science), Trivandrum, is one of the largest and most established tertiary care hospitals in Kerala. Commissioned in 2002, the facility has expanded significantly over time and now operates with a large bed base, supported by multiple specialized blocks. The hospital handles very high OPD and IP volumes and operates at healthy occupancy levels.

Clinical depth is a key differentiator, with strong capabilities across cardiac sciences, neurosciences, oncology, and transplants. The hospital is equipped with advanced oncology and imaging infrastructure and performs all major genomic and high-end diagnostic testing in-house.

From a financial perspective, KIMSHEALTH is a high-quality cash flow generator, with strong ARPOB, a favorable cash-insurance mix, and a significant contribution from pharmacy and diagnostics. Margin profile remains among the best in the state, reflecting operating discipline and scale benefits.

Looking ahead, competitive intensity in Trivandrum is set to rise with multiple new bed additions planned in the region. However, KIMSHEALTH's brand, academic programs, clinical outcomes, and entrenched referral network position it well to defend share and sustain leadership in South Kerala.

**Exhibit 6: KIMSHEALTH, Trivandrum – Anchor asset in KIMSHEALTH network**



Source: KIMSHEALTH, Elara Securities Research

**Exhibit 7: Catheterization Lab at KIMSHEALTH, Trivandrum**



Source: KIMSHEALTH, Elara Securities Research

**Exhibit 8: Radiology equipment at KIMSHEALTH, Trivandrum**



Source: KIMSHEALTH, Elara Securities Research

## KIMS Sreechand Hospital, Kannur

KIMS Sreechand Hospital (Kannur) was set up in 2022 and was taken over by KIMS in Oct '24. It is currently a 200-bed multi-specialty facility (six-floor campus) and operates near full capacity, with ~600 OPD/day and 40 ICU beds. Clinically, cardiac/neurology/general surgeries contribute ~38-40% to revenues, with Cath lab throughput of ~180 procedures/month.

The ramp-up strategy is clearly capacity + complexity-led. Management guided for 54 bed addition in the next ~six months and another ~50 oncology beds over the next 12-18 months (total ~100 incremental beds). In addition, the facility has already initiated transplants (recent renal transplant) with liver transplant planned to be executed in CY26, supported by a dedicated 18-bed transplant unit.

The Kannur opportunity is underpinned by a large and economically resilient catchment: ~4.1-4.2mn population across Kannur and Kasaragod, high literacy (~96%) and strong NRI/remittance-linked affluence, supporting higher propensity to seek tertiary care. A key demand driver is limited tertiary capacity in parts of Kasaragod, resulting in referral inflows into Kannur.

Competitive intensity remains high, but KIMS is targeting defensible differentiation. Key competitors include MIMS Kannur (359 beds) and Baby Memorial (275 beds). Importantly, the absence/limited presence of oncology capability at some competing hospitals in the micro-market creates a clear edge for KIMS post the planned oncology bed additions.

### Exhibit 9: KIMS Sreechand Hospital –Flagship asset in North Kerala



Source: KIMS Investor presentation, Elara Securities Research

## KIMS Valiyath Hospital, Karunagappally

KIMS (Krishna Institute of Medical Science) Valiyath Hospital is a turnaround asset acquired by KIMS in June 2024. The facility is ~15 years old and is undergoing a phased renovation and capacity ramp-up. Phase 1 of refurbishment has been completed, with Phase 2 focused on rehabilitation services and upgrading premium room inventory.

Although the hospital has a large installed capacity, only a portion of beds are currently operational. Management's strategy is to scale operational beds gradually, in line with demand visibility and staffing availability. Early post-acquisition trends show a sharp improvement in occupancy and OPD volumes.

Financially, the hospital has turned EBITDA positive within a short span post-acquisition, supported by improvement in ARPOB and better utilisation. Medium-term targets include a meaningful step-up in monthly revenue and margin expansion as scale benefits kick in.

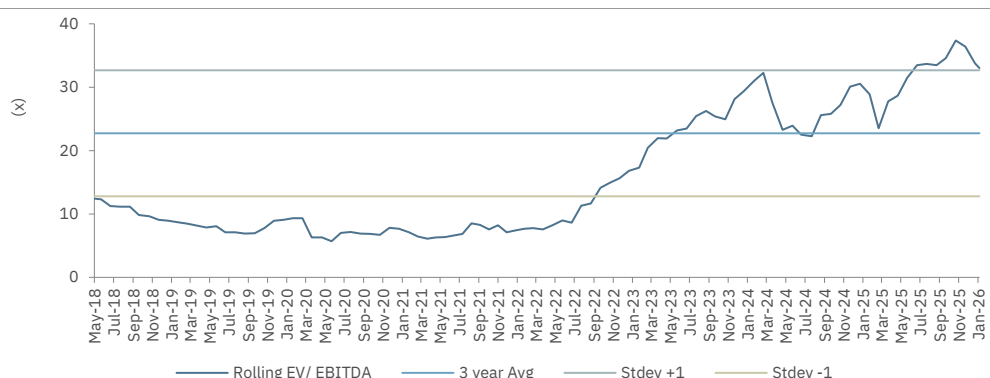
The catchment is supported by strong NRI-linked income, though higher-end patients often travel to Kochi or Trivandrum for tertiary care. Management's focus on building cardiac, GI, and oncology capabilities is aimed at reducing patient outflow and strengthening the hospital's regional relevance.

### Exhibit 10: KIMS Valiyath – Turnaround and expansion platform in Kerala



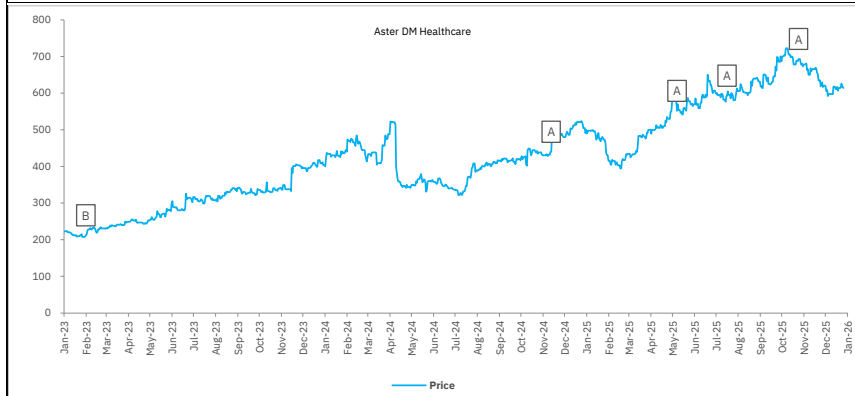
Source: KIMS Investor presentation, Elara Securities Research

### Exhibit 11: Aster DM Healthcare – One-year forward EV/EBITDA trading at 32.8x

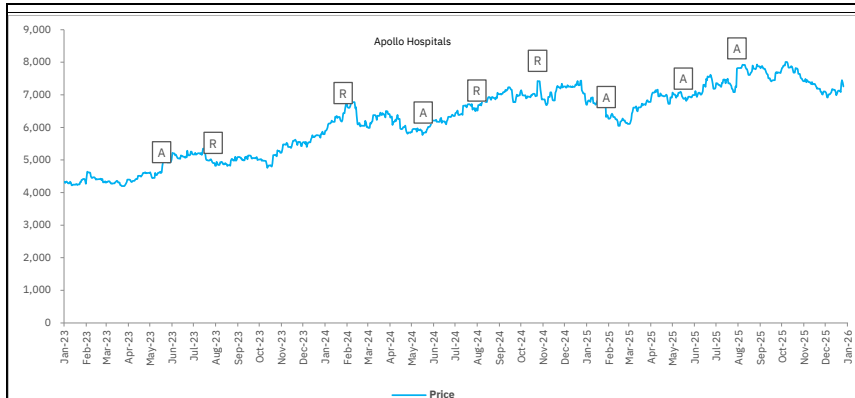


Source: Elara Securities Estimate

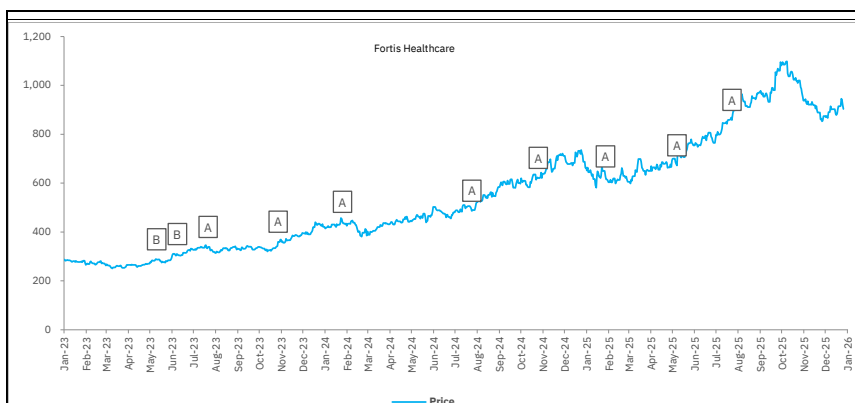
## Coverage History



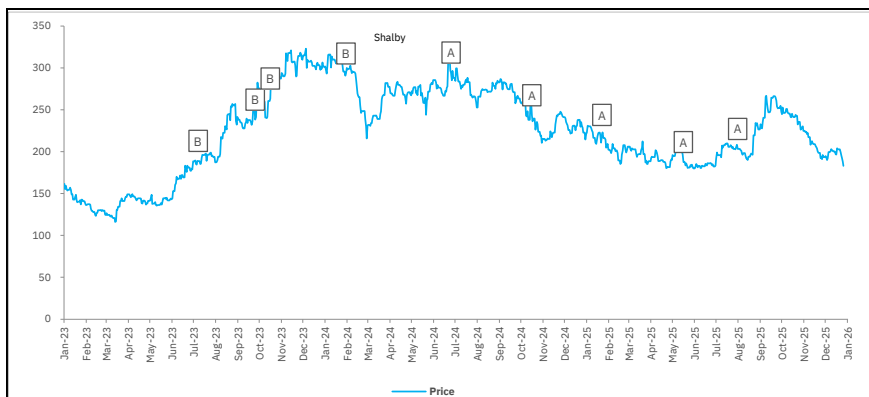
Date	Rating	Target Price (INR)	Closing Price (INR)
01-Jan-2021	Buy	240	167
12-Nov-2021	Buy	285	208
16-Aug-2022	Buy	260	203
11-Nov-2022	Accumulate	280	249
14-Feb-2023	Buy	280	212
26-Nov-2024	Accumulate	521	439
21-May-2025	Accumulate	582	551
30-Jul-2025	Accumulate	636	593
07-Nov-2025	Accumulate	733	693



Date	Rating	Target Price (INR)	Closing Price (INR)
25-Nov-2022	Accumulate	5,150	4,789
31-May-2023	Accumulate	5,001	4,622
11-Aug-2023	Reduce	5,001	4,906
09-Feb-2024	Reduce	6,183	6,437
31-May-2024	Accumulate	6,183	5,839
14-Aug-2024	Reduce	6,457	6,516
07-Nov-2024	Reduce	7,271	7,410
11-Feb-2025	Accumulate	6,979	6,317
30-May-2025	Accumulate	7,479	6,881
13-Aug-2025	Accumulate	8,395	7,809



Date	Rating	Target Price (INR)	Closing Price (INR)
24-May-2023	Buy	349	288
22-Jun-2023	Buy	372	309
04-Aug-2023	Accumulate	372	339
10-Nov-2023	Accumulate	390	359
08-Feb-2024	Accumulate	488	441
07-Aug-2024	Accumulate	541	486
08-Nov-2024	Accumulate	661	621
10-Feb-2025	Accumulate	686	627
21-May-2025	Accumulate	749	672
06-Aug-2025	Accumulate	927	858



Date	Rating	Target Price (INR)	Closing Price (INR)
27-Oct-2022	Buy	185	143
21-Jul-2023	Buy	234	189
09-Oct-2023	Buy	301	237
30-Oct-2023	Buy	321	263
13-Feb-2024	Buy	364	293
09-Jul-2024	Accumulate	335	294
30-Oct-2024	Accumulate	270	243
05-Feb-2025	Accumulate	252	220
30-May-2025	Accumulate	207	188
14-Aug-2025	Accumulate	219	203

### Guide to Research Rating

<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

## Steel finds a floor; aluminium holds its gains

14 January 2026

HRC prices, after touching a five-year low in early December, appear to be approaching a near-term cyclical bottom. Seasonal demand recovery, coupled with the recently announced safeguard duty, suggests that a near-term price trough is likely to form in Q3FY26. That said, excess domestic supply may cap pricing power for steel producers, limiting the extent of any major earnings upgrades. In contrast, aluminium fundamentals remain stronger, supported by the limited scope for incremental production in China and firm copper prices.

**China-led decline weighs on global steel production:** As per World Steel Association, global crude steel production declined ~5% YoY to ~140.1mn tonnes, primarily led by a sharp ~11% YoY contraction in China, while production in the rest of the world increased ~3% YoY. MoM, global output fell ~3%, with both China and ROW recording declines of ~3% and ~2%, respectively.

**India steel exports surge amid CBAM-led pre-buying:** India's crude steel production rose ~11% YoY to ~13.7mn tonnes in November, with provisional December data indicating a further ~5% YoY and ~3% MoM increase. On the trade front, imports declined sharply by ~45% YoY to ~0.46mn tonnes, while exports increased ~38% YoY to ~0.62mn tonnes. For April-November 2025, India's steel exports (including stainless steel) grew ~31% YoY to 5.77mn tonnes, driven by pre-emptive restocking by EU buyers ahead of the phased implementation of the Carbon Border Adjustment Mechanism (CBAM). Finished flat exports to the EU surged ~45% YoY to 2.46mn tonnes during the period. Notably, India fully utilized its HRC safeguard quota for Q4CY25 by end-November, well ahead of the 31 December 2025 expiry.

**Domestic steel prices recover, while global trends mixed:** After declining ~4% MoM for two months, China's HRC export prices rebounded ~1% MoM in December. Global HRC price trends remained mixed, with prices in the US rising ~6% MoM and in North Europe up ~3% MoM, while Japan witnessed a ~2% MoM decline. In India, primary rebar prices recovered ~3% MoM in December after remaining flat for two months, while domestic HRC prices increased ~2% MoM following mill announcements of HRC and CRC price hikes in the range of ~INR 750-1,000/tonne in late December. The recovery was further supported by firm domestic iron ore prices and higher imported coking coal costs due to INR depreciation.

Steel mills have also announced another INR 1,000-2,000/tonne price hikes in early January. This is expected to help support steelmakers' margins amid rising coking coal prices and steel prices hovering at multi-year lows in early December. On the raw material front, iron ore prices rose ~1% MoM in China and ~2% MoM in Australia in December, after a decline in the previous month.

Indonesia supply cut leads to 20% uptake in Nickel prices

Particulars	Current	As on	% change	
			One-month	Two-month
Raw material prices (USD/tonne)				
China iron ore	110	9-Jan	3.6	5.1
Australia iron ore	108	9-Jan	5.1	7.8
China coking coal	214	9-Jan	(2.2)	(4.4)
Australia coking coal	221	12-Jan	5.2	13.3
South Africa thermal coal	91	12-Jan	2.8	4.0
China thermal coal	98	5-Jan	(12.1)	(10.2)
Global steel prices (USD/tonne)				
China HRC export	455	9-Jan	2.2	3.4
North Europe HRC	721	9-Jan	(1.0)	3.8
Japan HRC	500	9-Jan	1.0	0.0
US HRC	930	9-Jan	2.5	10.1
Domestic steel prices (INR/tonne)				
India HRC (Mumbai)	50,900	5-Jan	11.0	7.3
India primary rebar (Mumbai)	52,500	5-Jan	10.5	9.8
Non-ferrous prices (USD/tonne)				
Aluminium	3,144	9-Jan	11.3	10.2
China alumina	380	9-Jan	(2.1)	(3.8)
Copper	13,040	9-Jan	13.5	21.0
Zinc	3,110	9-Jan	(4.4)	(4.5)
Lead	2,005	9-Jan	4.0	(2.0)
Nickel	17,507	9-Jan	20.4	17.4

Source: Bloomberg, SteelMint, Elara Securities Research

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## Non-ferrous metals extend their rally in December

Major non-ferrous metal prices, except LME lead, extended their upward momentum for another month. LME copper recorded the sharpest rise, up ~9% MoM, driven by expectations of fresh US tariffs on refined metals and supply disruptions across key mining regions such as Chile, Peru and Indonesia. LME aluminium prices increased ~2% MoM, while LME nickel rose ~1% MoM. In contrast, LME lead reversed its earlier gains and declined ~3% MoM, while LME zinc remained broadly flat.

January-to-date, LME aluminium prices have moved up further by ~7% MoM, with average prices reaching ~USD 3,076/tonne, supported by declining inventory. Rising production costs in China, driven by energy curtailments for the ongoing winter and environmental compliance challenges across upstream and downstream operations, have continued to support prices. In the near term, aluminium prices are expected to remain firm, aided by lower inventories and production disruptions in China.

Meanwhile, alumina prices in China continued their downtrend, declining ~2% MoM. The correction reflects expectations of a tightening aluminium supply environment in the coming months, as China operates close to its annual output cap, which could reduce incremental demand for alumina going forward.

In the non-ferrous space, outperformance in January has come from LME Nickel, up 17% MoM on expectations of supply cut in Indonesia.

## Coal prices witness divergent trends

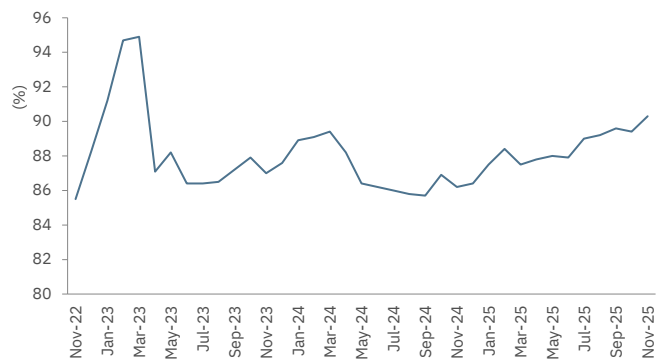
After a sustained uptrend from July to November 2025, coal prices in China showed signs of softening in December, while prices in other markets continued to move higher. Coking coal prices in China declined ~4% MoM in December, whereas prices in Australia rose ~8% MoM. Similarly, thermal coal prices in China fell ~7% MoM during the month, in contrast to a ~2% MoM rise in South Africa. January-to-date trends remain mixed, with coking coal prices down ~3% MoM in China but up ~4% MoM in Australia. Thermal coal prices in China have declined further by ~8% MoM, while South African prices have increased ~2% MoM for the second month.

## Exhibit 1: After two quarters of weakness , domestic steel prices show an uptick

Particulars	Units	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Current	As on	Variance (%)
<b>Raw material prices</b>									
China iron ore	USD/tonne	105	105	99	104	107	110	9-Jan	6.0
Australia iron ore	USD/tonne	101	102	96	100	104	108	9-Jan	8.2
China coking coal	USD/tonne	228	187	173	192	221	214	9-Jan	11.7
Australia coking coal	USD/tonne	202	184	185	184	201	221	12-Jan	20.3
South Africa thermal coal	USD/tonne	102	93	87	85	86	91	12-Jan	7.0
China thermal coal	USD/tonne	115	100	87	93	108	98	5-Jan	4.4
<b>Global steel prices</b>									
China HRC export	USD/tonne	504	474	458	473	451	455	9-Jan	(3.8)
North Europe HRC	USD/tonne	598	636	725	660	705	721	9-Jan	9.3
Japan HRC	USD/tonne	532	512	508	509	498	500	9-Jan	(1.7)
US HRC	USD/tonne	695	794	922	868	872	930	9-Jan	7.1
<b>Domestic steel prices</b>									
India HRC (Mumbai)	INR/tonne	47,677	48,877	51,581	49,379	47,317	50,900	5-Jan	3.1
India primary rebar (Mumbai)	INR/tonne	53,717	53,615	54,815	47,769	47,615	52,500	5-Jan	9.9
<b>Non-ferrous prices</b>									
Aluminium	USD/tonne	2,574	2,626	2,450	2,620	2,828	3,144	9-Jan	20.0
China Alumina	USD/tonne	729	517	422	444	395	380	9-Jan	(14.4)
Copper	USD/tonne	9,175	9,353	9,514	9,812	11,112	13,040	9-Jan	32.9
Zinc	USD/tonne	3,048	2,835	2,639	2,829	3,166	3,110	9-Jan	9.9
Lead	USD/tonne	2,004	1,970	1,946	1,965	1,969	2,005	9-Jan	2.1
Nickel	USD/tonne	15,978	15,576	15,156	15,029	14,882	17,507	9-Jan	16.5

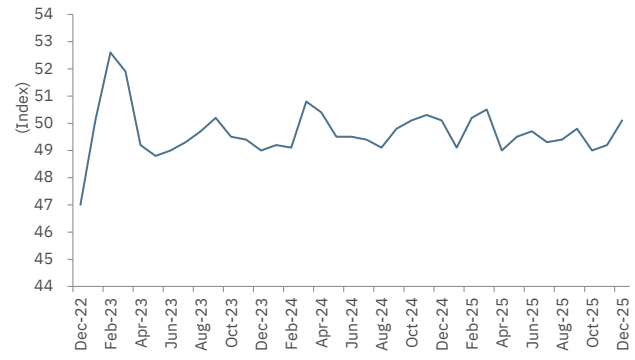
Note: Variance between current and Q3FY26 average prices; Source: Bloomberg, SteelMint, Elara Securities Research

**Exhibit 2: China Consumer Confidence Index up ~5% YoY in November**



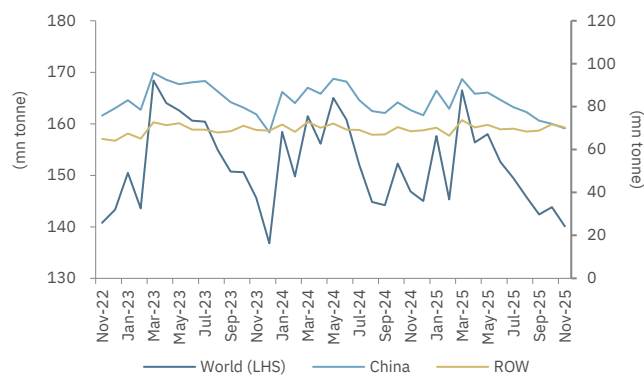
Source: CEIC, Elara Securities Research

**Exhibit 3: China manufacturing PMI up ~2% MoM but flat YoY in December**



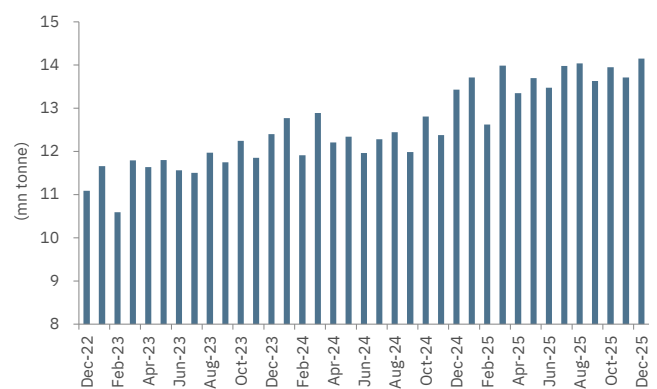
Source: Bloomberg, Elara Securities Research

**Exhibit 4: Global crude steel production down ~5% YoY in November**



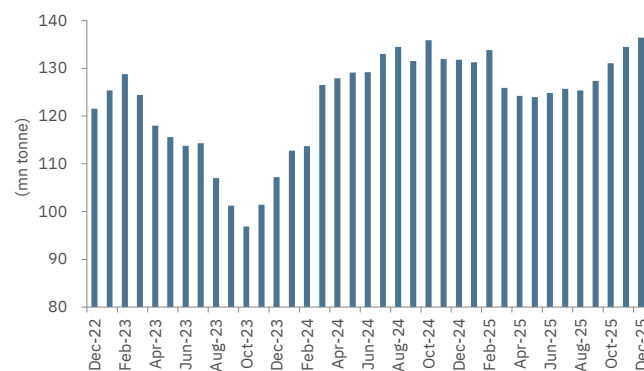
Source: World Steel Association, Elara Securities Research

**Exhibit 5: India crude steel production up ~5% YoY and ~3% MoM in December**



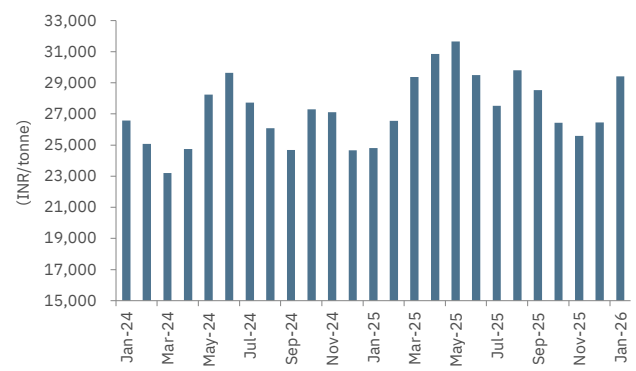
Source: CMIE, Elara Securities Research

**Exhibit 6: China weekly iron ore inventory up ~4% YoY and ~1% MoM in December**



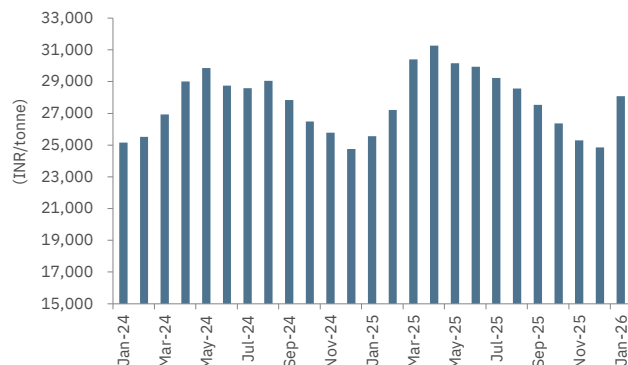
Note: Bloomberg, Elara Securities Research

**Exhibit 7: Lag spread sees an uptick of ~INR 2,950/tonne on rising steel prices in January**



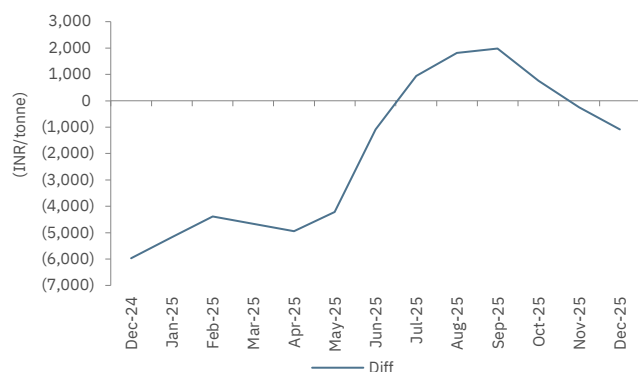
Note: Two month/one month lag considered for coking coal/iron ore; Source: SteelMint, Company, Elara Securities Research

**Exhibit 8: Spot spread recovers INR 3,240/tonne in January after hitting one-year low in December**



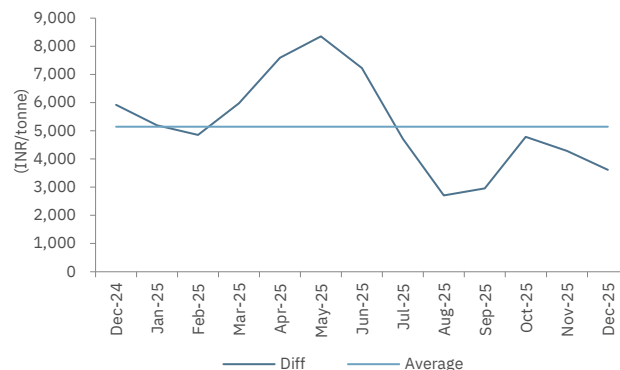
Source: SteelMint, Company, Elara Securities Research

**Exhibit 10: HRC prices at ~INR 1,090/tonne discount versus primary rebar prices in December**



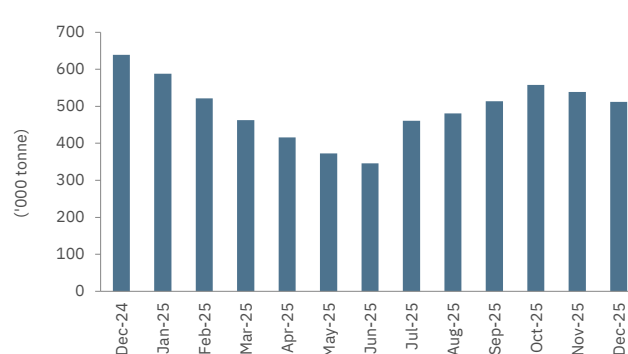
Note: Straight line indicates average difference between HRC and primary rebar prices in past two years; Source: SteelMint, Elara Securities Research

**Exhibit 9: Primary rebar prices at ~INR 3,615/tonne premium versus secondary rebar prices in December**



Note: Straight line indicates average difference between primary and secondary rebar prices in past two years; Source: SteelMint, Elara Securities Research

**Exhibit 11: LME Aluminium Inventory continues to slide, down ~20% YoY in December**



Source: Bloomberg, Elara Securities Research

# HDFC Life Insurance

India | Insurance | Result Update | Rating Upgrade



15 January 2026

## Soft quarter as margins contract

HDFC Life Insurance (HDFCLIFE IN) posted Q3FY26 results with APE growth of ~11% YoY (versus industry ~10%), led by strong protection volume momentum post GST exemption and sustained ULIP demand amid favorable equities. Bancassurance, however, remained softer (9M growth ~2%), hit by rising competitive intensity and aggressive open-architecture pricing in the multi-insurer banca channel. Management sees this as temporary (HDFC Bank's wallet share is maintained). VNB margin contracted to 24.0% in Q3, mainly due to ongoing GST headwind, while better product mix offset some impact. EV stood at INR 615bn with operating RoEV of 15.6%, impacted by negative operating variance (~INR 700mn, largely persistency-driven). Further negative EV variance is expected from cohort-specific 13th-month persistency stress (down 200bps; early-bucket non-par impact). **We upgrade to BUY.**

**GST impact expected to reduce going forward:** HDFCLIFE is confident of neutralizing GST headwinds, having cut the impact to <200bps in Q3 (from ~300bps initially) through distributor negotiations, a shift to higher-margin protection, and product-level margin expansion. Further mitigation is expected in Q4 (targeting ~100bps impact) via operating leverage and sustained mix tailwinds, with VNB margin seen normalizing to mid-25% by FY27E. Though the protection segment has seen tailwinds and pent-up demand due to the addition of new customers, the durability of protection growth will be contingent on: a) pricing by reinsurance amidst a sharp rise in underwriting by the industry; and b) pricing and competitive intensity pressures among peers.

**Margin protection preferred over aggressive volume:** Management remains focused on underwriting discipline and profitable growth over chasing volumes, especially in multi-insurer bancassurance, where HDFCLIFE has tactically avoided irrational pricing and lower-quality business amid rising open-architecture competition. While this calibrated approach supports margin protection and long-term value creation (rising VNB wallet share at key partners), it may lead to slightly lower topline growth in the near-to medium-term. We expect an APE CAGR of ~14.2% in FY26E-28E.

**Presence deepening in tier-3 markets:** HDFCLIFE is strengthening its long-term growth engine through investments in proprietary channels and deeper reach in tier-3 markets, driving broad-based expansion across cities. The agency channel grew in double-digits with >80,000 agent additions, and the branch network crossed 700 outlets. As this infrastructure matures, it should lift productivity and profitability, offset near-term banca softness, and support a more diversified and resilient growth profile.

**Upgrade to Buy; TP maintained at INR 890:** We upgrade HDFCLIFE to BUY (from Accumulate), as valuations now appear reasonable given that the stock has remained range bound, while franchise value and business economics appear unchanged. We maintain our TP at INR 890, as we roll forward by a quarter. Our TP is based on 2.4x Dec-27E P/EV (12.5% cost of capital, 5% terminal growth) and an EV per share of INR 380. Our estimates are broadly unchanged.

### Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
APE (INR mn)	132,910	154,790	170,937	196,242	222,808
YoY (%)	(0.3)	16.5	10.4	14.8	13.5
VNB (INR mn)	35,010	39,620	41,601	49,439	57,452
VNB margin (%)	26.3	25.6	24.3	25.2	25.8
VNB per share (INR)	16.3	18.4	19.3	23.0	26.7
EVOP per share (INR)	32.2	36.8	39.0	46.4	53.8
EV per share (INR)	220.7	257.3	293.1	339.2	393.5
Operating RoEV (%)	17.5	16.7	15.2	15.8	15.9
P/VNB (x)	38.9	37.7	38.5	32.4	27.9
P/EVOP (x)	19.7	18.8	19.1	16.0	13.8
P/EV (x)	2.9	2.7	2.5	2.2	1.9

Note: Pricing as on 15 January 2026; Source: Company, Elara Securities Estimate

Rating: Buy

Target Price: INR 890

Upside: 20%

CMP: INR 743

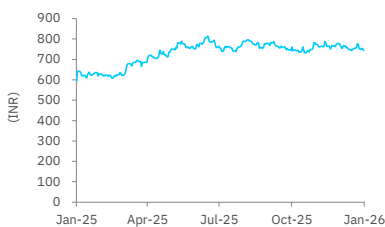
As on 15 January 2026

#### Key data

Bloomberg	HDFCLIFE IN
Reuters Code	HDFLNS
Shares outstanding (mn)	2,158
Market cap (INR bn/USD mn)	1,604/17,759
EV (INR bn/USD mn)	1,621/17,948
ADTV 3M (INR mn/USD mn)	2,080/23
52 week high/low	821/584
Free float (%)	50

Note: as on 15 January 2026; Source: Bloomberg

#### Price chart



Source: Bloomberg

	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Shareholding (%)				
Promoter	50.3	50.3	50.3	50.3
% Pledge	0.0	0.0	0.0	0.0
FII	25.1	24.9	24.8	24.8
DII	13.8	14.1	14.6	14.6
Others	10.8	10.7	10.4	10.3

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	0.3	1.8	10.1
HDFC Life Insurance	(2.4)	(1.8)	25.1
NSE Mid-cap	0.2	0.7	9.3
NSE Small-cap	(4.9)	(9.5)	(2.5)

Source: Bloomberg

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## Financials (YE March)

<b>Movement in EV (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Opening EV	395,260	474,670	554,220	631,159	730,426
Assumption changes	350	-	-	-	-
Value of New Business	35,010	39,620	41,601	49,439	57,452
Discount unwind	32,360	38,450	43,229	49,230	56,973
Operating Variance	1,510	1,150	(831)	1,262	1,461
Operating EV Earnings	69,230	79,220	83,999	99,931	115,886
Economic Variance	13,530	3,570	-	-	-
Total EV Earnings	82,760	82,790	83,999	99,931	115,886
Closing EV	474,670	554,220	631,159	730,426	847,400
<b>RoEV Tree</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Unwind as % of opening EV	8.2	8.1	7.8	7.8	7.8
VNB as % of opening EV	8.9	8.3	7.5	7.8	7.9
Operating variances as % of opening EV	0.4	0.2	(0.2)	0.2	0.2
Assumption changes as % of opening EV	0.1	-	-	-	-
Operating RoEV (%)	17.5	16.7	15.2	15.8	15.9
<b>Margin Profile</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
VNB (INR mn)	35,010	39,620	41,601	49,439	57,452
YoY %	(4.7)	13.2	5.0	18.8	16.2
APE (INR mn)	132,910	154,790	170,937	196,242	222,808
YoY %	(0.3)	16.5	10.4	14.8	13.5
<b>VNB margin (%)</b>	<b>26.3</b>	<b>25.6</b>	<b>24.3</b>	<b>25.2</b>	<b>25.8</b>
<b>APE by segment - mix (%)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Savings					
Non-Linked	46.0	45.0	38.0	40.1	41.4
Unit Linked	31.0	34.0	39.4	37.8	36.6
Annuity	6.0	5.0	5.1	5.1	5.1
Group Savings	3.7	4.6	4.2	3.8	3.5
Savings APE	86.7	88.6	86.8	86.8	86.6
Protection					
Retail	4.4	4.8	6.0	6.2	6.4
Group	8.9	6.6	7.2	7.0	7.0
Protection APE	13.3	11.4	13.2	13.2	13.4
<b>Profit &amp; Loss Account (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Gross Premium Written</b>	<b>630,765</b>	<b>710,647</b>	<b>814,901</b>	<b>930,306</b>	<b>1,057,986</b>
Investment income	394,456	269,899	462,675	455,659	506,656
Commission paid	52,563	78,445	68,838	78,947	89,662
Expenses	74,339	69,502	79,282	90,944	104,171
Claims/benefits paid	396,965	394,977	591,236	667,879	763,138
Change in actuarial liability	483,954	416,008	517,723	532,836	598,568
Profit after tax	15,688	18,108	9,042	2,656	(4,353)
<b>Balance Sheet (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Sources of funds					
Shareholder's equity	146,517	161,256	168,782	171,270	168,467
Borrowings	9,500	29,500	29,500	29,500	29,500
Fair value change - Policyholders	60,257	67,950	74,498	82,545	91,909
Revaluation Reserves	-	-	-	-	-
Policyholder's liabilities	2,708,904	3,124,060	3,627,977	4,159,065	4,780,336
Funds for Future Appropriation	12,115	12,576	15,836	19,557	23,789
Current Liabilities & Provisions	87,777	95,992	159,611	182,913	210,165
Total Liabilities & Equity	3,025,071	3,491,334	4,076,204	4,644,850	5,304,167
Application of capital					
Shareholder's investments	148,819	183,863	122,415	114,090	99,125
Policyholder's investments	1,817,966	2,162,671	2,657,343	3,092,621	3,592,111
Linked investments	955,416	1,016,282	1,155,736	1,277,709	1,429,644
Other Assets	102,870	128,518	140,711	160,430	183,287
Total Assets	3,025,071	3,491,334	4,076,204	4,644,850	5,304,167
<b>Valuations</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
P/EV (x)	2.9	2.7	2.5	2.2	1.9
P/VNB (x)	38.9	37.7	38.5	32.4	27.9
P/EVOP (x)	19.7	18.8	19.1	16.0	13.8
VNB multiple (x)	25.4	23.7	23.3	17.6	13.1

Note: Pricing as on 15 January 2026; Source: Company, Elara Securities Estimate

**Exhibit 1: Quarterly financials**

YE March (INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
<b>Annual premium equivalent (APE)</b>	<b>39,770</b>	<b>35,690</b>	<b>11.4</b>	<b>41,880</b>	<b>(5.0)</b>	<b>113,900</b>	<b>102,930</b>	<b>10.7</b>
<b>Savings</b>	<b>34,202</b>	<b>31,498</b>	<b>8.6</b>	<b>36,339</b>	<b>(5.9)</b>	<b>97,954</b>	<b>90,064</b>	<b>8.8</b>
ULIP	15,854	11,064	43.3	16,786	(5.6)	43,282	31,908	35.6
Par	7,665	7,055	8.6	9,825	(22.0)	26,197	16,469	59.1
Non-Par (ex-Annuity)	6,363	9,719	(34.5)	6,378	(0.2)	18,224	31,908	(42.9)
Annuity - Retail	1,408	1,561	(9.8)	1,200	17.3	3,996	4,493	(11.1)
Annuity - group	581	224	159.9	894	(35.0)	1,699	654	160.0
Group retiral	2,332	1,875	24.4	1,256	85.6	4,556	4,632	(1.6)
<b>Protection</b>	<b>5,568</b>	<b>4,192</b>	<b>32.8</b>	<b>5,541</b>	<b>0.5</b>	<b>15,946</b>	<b>12,866</b>	<b>23.9</b>
Retail	2,463	1,780	38.4	2,864	(14.0)	6,993	5,122	36.5
Group	3,105	2,413	28.7	2,677	16.0	8,953	7,744	15.6
<b>Business mix -APE basis (%)</b>								
<b>Savings</b>	<b>86.0</b>	<b>88.3</b>	<b>(2.3)</b>	<b>86.8</b>	<b>(0.8)</b>	<b>86.0</b>	<b>87.5</b>	<b>(1.5)</b>
ULIP	39.9	31.0	8.9	40.1	(0.2)	38.0	31.0	7.0
Par	19.3	19.8	(0.5)	23.5	(4.2)	23.0	16.0	7.0
Non-Par (ex-Annuity)	16.0	27.2	(11.2)	15.2	0.8	16.0	31.0	(15.0)
Annuity - Retail	3.5	4.4	(0.8)	2.9	0.7	3.5	4.4	(0.9)
Annuity - group	1.5	0.6	0.8	2.1	(0.7)	1.5	0.6	0.9
Group retiral	5.9	5.3	0.6	3.0	2.9	4.0	4.5	(0.5)
<b>Protection</b>	<b>14.0</b>	<b>11.7</b>	<b>2.3</b>	<b>13.2</b>	<b>0.8</b>	<b>14.0</b>	<b>12.5</b>	<b>1.5</b>
Retail	6.2	5.0	1.2	6.8	(0.6)	6.1	5.0	1.2
Group	7.8	6.8	1.0	6.4	1.4	7.9	7.5	0.3
<b>Profitability (INR mn)</b>								
Value of new business (VNB)	9,550	9,340	2.2	10,090	(5.4)	27,730	25,900	7.1
VNB margin (%)	24.0	26.2	(2.2)	24.1	(0.1)	24.3	25.2	(0.8)
<b>Distribution mix -APE basis (%)</b>								
Bancassurance	59.0	65.0	(6.0)	58.2	0.8	59.0	65.0	(6.0)
Agency	18.0	17.0	1.0	19.5	(1.5)	18.0	17.0	1.0
Direct	6.2	11.0	(4.8)	9.0	(2.8)	8.0	11.0	(3.0)
Broker	16.8	7.0	9.8	13.2	3.6	15.0	7.0	8.0
<b>Other paraments (INR mn)</b>								
Embedded value	615,650	532,460	15.6	595,400	3.4	615,650	532,460	15.6

Source: Company, Elara Securities Research

## Exhibit 2: Quarterly summary

YE March	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Premium (INR mn)</b>											
Gross written premium (GWP)	155,259	209,376	128,109	169,275	172,822	240,442	148,751	192,865	188,034	8.8	(2.5)
New business premium (NBP)	71,297	95,316	64,003	80,964	79,056	109,797	72,721	89,494	83,289	5.4	(6.9)
<b>Annual premium equivalent (APE)</b>	<b>31,940</b>	<b>47,270</b>	<b>28,660</b>	<b>38,580</b>	<b>35,690</b>	<b>51,860</b>	<b>32,250</b>	<b>41,880</b>	<b>39,770</b>	<b>11.4</b>	<b>(5.0)</b>
<b>Savings</b>	<b>27,990</b>	<b>42,473</b>	<b>24,533</b>	<b>34,033</b>	<b>31,498</b>	<b>47,080</b>	<b>27,413</b>	<b>36,339</b>	<b>34,202</b>	<b>8.6</b>	<b>(5.9)</b>
ULIP	10,235	18,079	9,171	11,673	11,064	20,720	10,643	16,786	15,854	43.3	(5.6)
Par	7,129	6,028	4,012	5,401	7,055	9,846	8,708	9,825	7,665	8.6	(22.0)
Non-Par (ex-Annuity)	7,666	14,003	8,598	13,591	9,719	11,433	5,483	6,378	6,363	(34.5)	(0.2)
Annuity - Retail	1,507	1,931	1,234	1,699	1,561	2,317	1,389	1,200	1,408	(9.8)	17.3
Annuity - group	192	49	200	231	224	277	224	894	581	159.9	(35.0)
Group retiral	1,262	2,382	1,318	1,438	1,875	2,488	968	1,256	2,332	24.4	85.6
<b>Protection</b>	<b>3,950</b>	<b>4,797</b>	<b>4,127</b>	<b>4,547</b>	<b>4,192</b>	<b>4,780</b>	<b>4,838</b>	<b>5,541</b>	<b>5,568</b>	<b>32.8</b>	<b>0.5</b>
Retail	1,357	1,871	1,480	1,862	1,780	2,232	1,666	2,864	2,463	38.4	(14.0)
Group	2,593	2,926	2,647	2,685	2,413	2,548	3,171	2,677	3,105	28.7	16.0
<b>Expenses (INR mn)</b>											
Commission	12,457	21,621	14,703	18,512	19,341	25,839	17,492	23,209	22,717	17.5	(2.1)
Operating expenses	17,741	17,605	12,672	16,814	15,617	17,270	15,099	17,800	22,610	44.8	27.0
Management Expenses	30,197	39,225	27,375	35,325	34,958	43,109	32,591	41,008	45,327	29.7	10.5
Commission ratio (%)	8.0	10.3	11.5	10.9	11.2	10.7	11.8	12.0	12.1	0.9	0.0
Operating expense ratio (%)	11.4	8.4	9.9	9.9	9.0	7.2	10.2	9.2	12.0	3.0	2.8
<b>Business mix -APE basis (%)</b>											
<b>Savings</b>	<b>91.9</b>	<b>93.8</b>	<b>90.8</b>	<b>93.0</b>	<b>93.2</b>	<b>95.1</b>	<b>90.2</b>	<b>93.6</b>	<b>92.2</b>	<b>(1.0)</b>	<b>(1.4)</b>
ULIP	32.0	38.2	32.0	30.3	31.0	40.0	33.0	40.1	39.9	8.9	(0.2)
Par	22.3	12.8	14.0	14.0	19.8	19.0	27.0	23.5	19.3	(0.5)	(4.2)
Non-Par (ex-Annuity)	24.0	29.6	30.0	35.2	27.2	22.0	17.0	15.2	16.0	(11.2)	0.8
Annuity - Retail	4.7	4.1	4.3	4.4	4.4	4.5	4.3	2.9	3.5	(0.8)	0.7
Annuity - group	0.6	0.1	0.7	0.6	0.6	0.5	0.7	2.1	1.5	0.8	(0.7)
Group retiral	4.0	5.0	4.6	3.7	5.3	4.8	3.0	3.0	5.9	0.6	2.9
<b>Protection</b>	<b>12.4</b>	<b>10.1</b>	<b>14.4</b>	<b>11.8</b>	<b>11.7</b>	<b>9.2</b>	<b>15.0</b>	<b>13.2</b>	<b>14.0</b>	<b>2.3</b>	<b>0.8</b>
Retail	4.2	4.0	5.2	4.8	5.0	4.3	5.2	6.8	6.2	1.2	(0.6)
Group	8.1	6.2	9.2	7.0	6.8	4.9	9.8	6.4	7.8	1.0	1.4
<b>Profitability (INR mn)</b>											
PAT	3,651	4,117	4,777	4,330	4,213	4,754	5,465	4,472	4,207	(0.1)	(5.9)
Value of new business (VNB)	8,600	12,310	7,180	9,380	9,340	13,720	8,090	10,090	9,550	2.2	(5.4)
VNB margin (%)	26.9	26.0	25.1	24.3	26.2	26.5	25.1	24.1	24.0	(2.2)	(0.1)
<b>Distribution mix -APE basis (%)</b>											
Bancassurance	62.4	66.7	65.0	65.0	65.0	65.0	60.0	58.2	59.0	(6.0)	0.8
Agency	18.0	18.0	17.0	17.0	17.0	19.9	16.0	19.5	18.0	1.0	(1.5)
Direct	15.2	9.3	11.0	11.0	11.0	11.0	9.0	9.0	6.2	(4.8)	(2.8)
Broker	4.4	6.0	7.0	7.0	7.0	4.1	15.0	13.2	16.8	9.8	3.6
<b>Other paraments (INR mn)</b>											
Embedded Value	451,700	474,680	496,110	521,100	532,460	554,230	583,600	595,400	615,650	15.6	3.4
Assets under management	2,797,070	2,922,200	3,102,440	3,294,400	3,286,840	3,362,820	3,558,970	3,600,000	3,776,500	14.9	4.9
Solvency ratio (%)	190.0	187.0	186.0	181.0	188.0	194.0	192.0	175.0	180.0	(8.0)	5.0

Source: Company, Elara Securities Research

## Conference call: Key takeaways

### Growth momentum and market share

- ▶ HDFCLIFE delivered 11% YoY growth in individual APE through 9MFY26, translating into a healthy two-year CAGR of ~17%, with growth accelerating in Q3 versus H1.
- ▶ Market share based on individual WRP expanded by ~20bps to 10.9%, indicating steady share gains despite elevated competitive intensity.
- ▶ Growth was broad-based across geographies, with continued traction across tier 1, tier 2 and tier 3 markets.
- ▶ Customer acquisition quality remained strong, with ~70% of customers acquired during the period being first-time buyers, underscoring structural expansion of the franchise.

### Product mix and business composition

- ▶ Product mix continued to evolve in line with customer preferences, with ULIPs at 43%, participating products at 27%, non-par savings at 19%, term at 7% and annuities at 4% for 9M FY26.
- ▶ ULIPs remained resilient, supported by favourable equity sentiment and increasing adoption of higher sum assured ULIPs, which carry superior margins and stronger persistency.
- ▶ Participating products saw steady demand, while non-par savings showed sequential improvement in Q3, aided by a supportive yield curve and new product launches, though competitive pricing pressure remains.
- ▶ Management reiterated its willingness to forgo growth where pricing discipline is compromised, particularly in banca-led non-par savings.

### Protection franchise: Structural acceleration

- ▶ Protection continued to materially outperform the core business, with individual protection APE up 42% YoY in 9MFY26 and ~70% YoY in Q3, significantly ahead of overall company growth.
- ▶ Protection mix improved sharply post GST exemption, with protection share rising from ~7% in H1 to ~9% in Q3, and ~11% contribution to retail business including riders.
- ▶ First-time buyers accounted for >80% of protection customers, with a clear shift toward higher sum assured covers, particularly among self-employed and underinsured cohorts.
- ▶ Management expects protection to continue growing faster than the company average, even as growth normalises from current elevated levels.

### Margins, VNB and profitability

- ▶ VNB margin stood at 24.4% for 9MFY26, with an underlying 110bps margin expansion from product mix, partly offset by GST impact.
- ▶ Reported VNB grew 7% YoY for 9MFY26, while two-year CAGR stood at ~11%, reflecting resilience despite regulatory headwinds.
- ▶ On an adjusted basis, VNB growth would have been ~13% (9M) and ~11% (Q3) excluding GST and surrender regulation impacts.
- ▶ The GST impact was contained to <200bps in Q3, significantly better than the initial estimate of ~300bps, aided by distributor renegotiations, pricing actions and mix optimisation.
- ▶ Management reiterated confidence in largely neutralising the GST impact in the next few quarters, targeting a clean run-rate by early FY27.

- ▶ PAT grew 7% YoY to INR 141.4mn, while underlying PAT growth would have been ~15%, excluding the one-time labour code impact.

## Labour Code and regulatory impacts

- ▶ A one-time labour code impact of ~INR 9.8mn was recognised in embedded value, relating to past service costs, with no material ongoing impact expected.
- ▶ Management highlighted a strong track record of absorbing regulatory changes (GST, surrender norms, labour codes) through recalibration of pricing, product design and distribution economics.
- ▶ Recent policy signals, including higher FDI limits and consultative distribution reforms, were viewed as structurally positive for long-term sector sustainability.

## Embedded value, capital and solvency

- ▶ Embedded value stood at INR 6,156.5mn, with a 15.6% operating RoEV on a rolling 12-month basis, reflecting healthy value creation.
- ▶ Solvency ratio was comfortable at 180%, supported by INR 74.9mn of subordinated debt raised in Q3.
- ▶ Management does not expect any incremental capital requirement to support organic growth, even under the upcoming risk-based solvency regime.

## Persistency and operating variances

- ▶ Thirteenth-month persistency declined by ~200bps, driven by cohort-specific stress linked to lower ticket size policies, rather than any structural deterioration in portfolio quality.
- ▶ Sixty-first month persistency improved by ~200bps YoY to 63%, reinforcing the long-term quality of the book.
- ▶ Negative operating variance was largely attributed to near-term persistency softness, which the management expects to be transient, with corrective actions already implemented.
- ▶ Importantly, management clarified that surrender value regulation changes have not yet materially impacted persistency, with most deviations linked to pre-October cohorts.

## Distribution performance and strategy

- ▶ Growth remained diversified across channels, with agency delivering double-digit growth and over 80,000 gross agent additions in 9MFY26.
- ▶ The branch network crossed 700 branches, marking the end of an expansion phase and a shift toward productivity and profitability optimisation.
- ▶ Bancassurance growth moderated in the period due to heightened competition and selective participation, but management emphasised two-year CAGR and VNB wallet share as more relevant metrics.
- ▶ HDFCLIFE continues to maintain a top-two position across most partner banks, with counter-share of VNB steadily improving.

## Strategic initiatives and technology

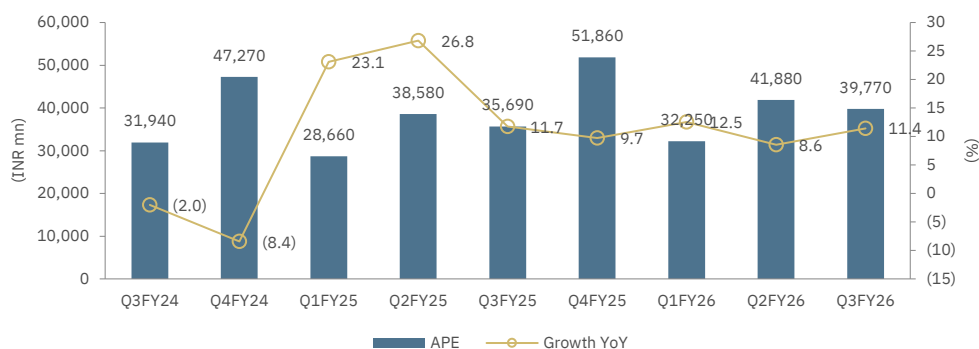
- ▶ Project Inspire has begun delivering benefits in group business, with improvements in straight-through processing and claims efficiency, while retail benefits are expected in the next few quarters.

- ▶ Product innovation remains active, with launches across protection, non-par savings and upcoming variable annuity products, aimed at addressing evolving customer needs.

### Management outlook

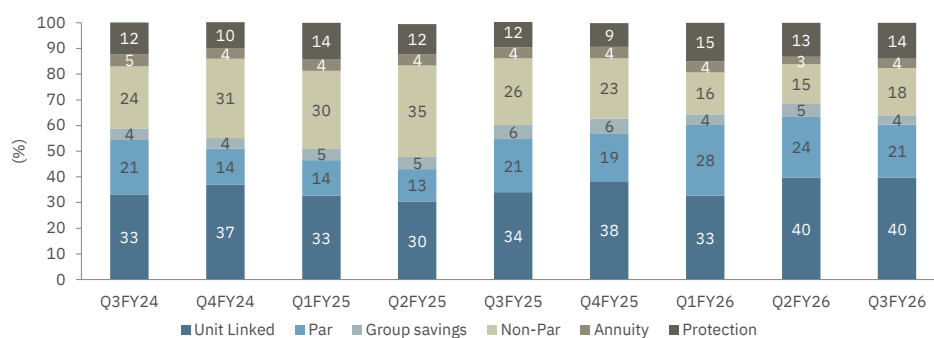
- ▶ Management expects Q4 to build on the momentum in Q3, with FY27 growth supported by protection strength, improving non-par traction and stabilisation in banca channels.
- ▶ The medium-term aspiration to double VNB every 4-4.5 years remains intact, notwithstanding recent regulatory disruptions.
- ▶ Overall, HDFCLIFE reiterated its commitment to balancing growth, margins and quality, prioritising durable value creation over short-term volume expansion.

**Exhibit 3: APE stood at INR 39.7bn, up 11.4% YoY**

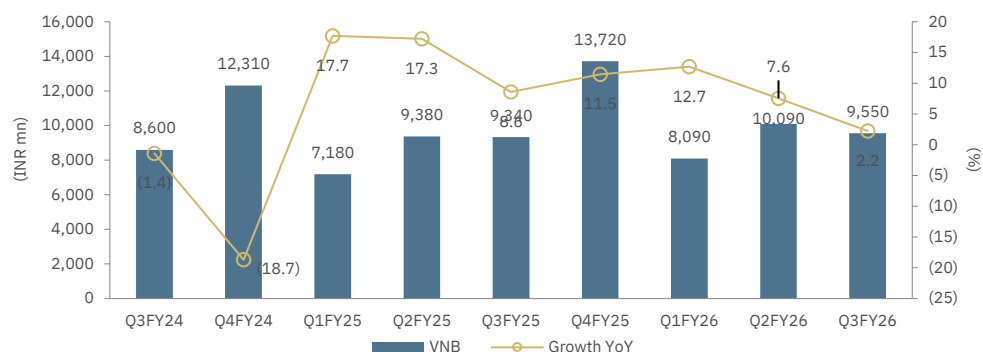


Source: Company, Elara Securities Research

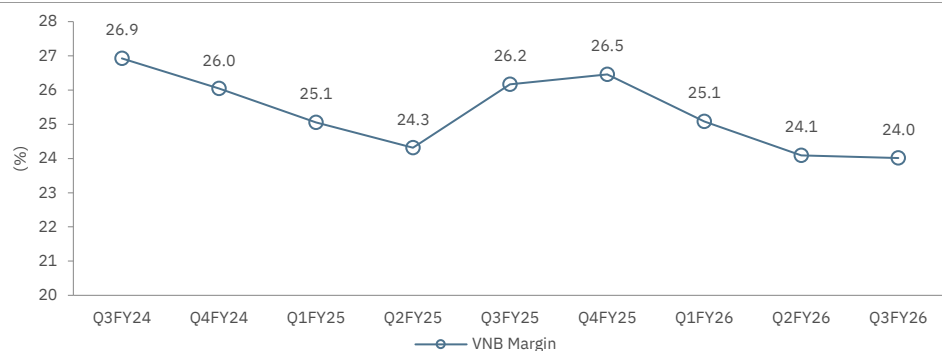
**Exhibit 4: ULIP gains share YoY, now up to 40%; non Par down to 18%**



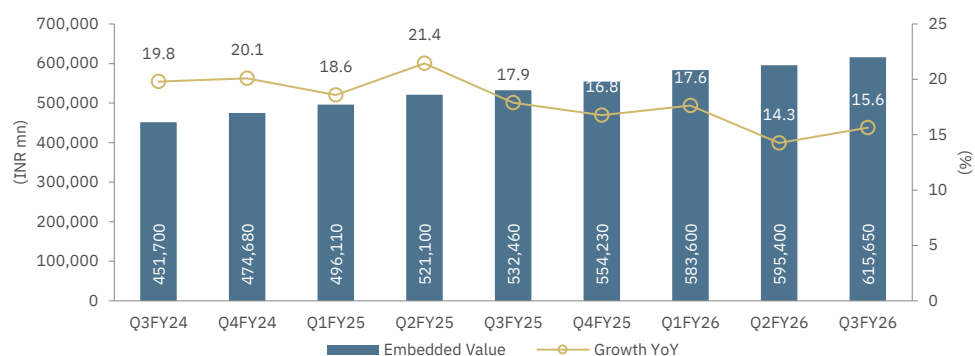
Source: Company, Elara Securities Research

**Exhibit 5: Hit by GST impact, VNB grew only 2.2% YoY in Q3FY26**


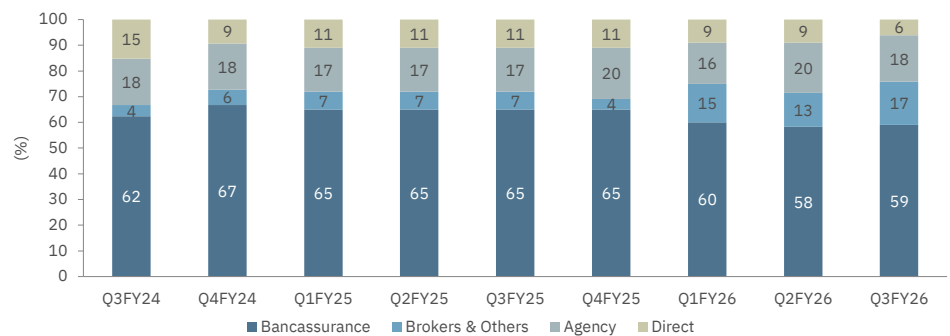
Source: Company, Elara Securities Research

**Exhibit 6: VNB margin down YoY to 24.0%**


Source: Company, Elara Securities Research

**Exhibit 7: Embedded value grew 15.6% YoY**


Source: Company, Elara Securities Research

**Exhibit 8: Bancassurance share drops further**


Source: Company, Elara Securities Research

**Exhibit 9: Valuations**

<b>Required return (%)</b>	<b>12.0</b>
Terminal growth (%)	5.0
FY28E ROEV (%)	15.9
FY27E VPS (INR)	339
FY28E VPS (INR)	393
Weighted EV (INR)	380
P/EV (x)	2.4
<b>TP (INR)</b>	<b>890</b>

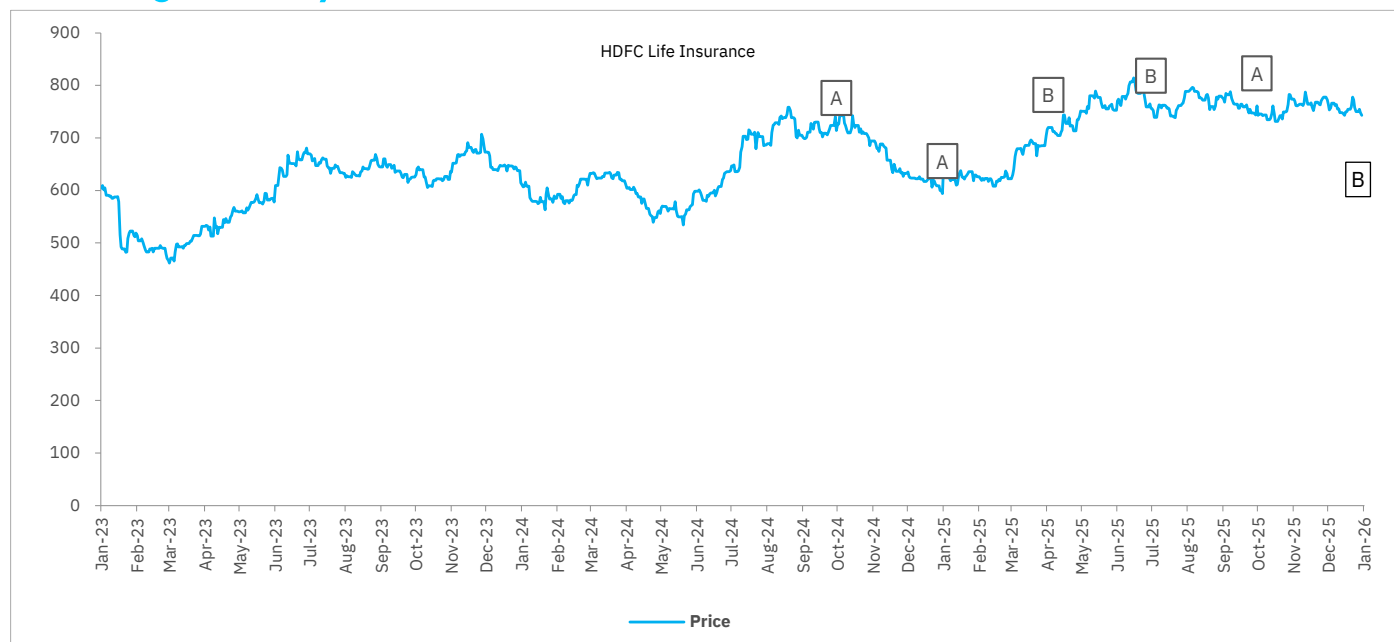
Source: Company, Elara Securities Estimates

**Exhibit 10: Change in estimates**

	Old estimates			New estimates			Change (%/bps)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
APE (INR mn)	174,063	200,101	227,056	170,937	196,242	222,808	(1.8)	(1.9)	(1.9)
VNB (INR mn)	42,649	50,036	57,815	41,601	49,439	57,452	(2.5)	(1.2)	(0.6)
VNB margin (%)	24.5	25.0	25.5	24.3	25.2	25.8	0.0	0.0	0.0
EV per share (INR)	296	342	395	293	339	393	(1.0)	(0.8)	(0.4)
RoEV (%)	15.7	15.8	15.9	15.2	15.8	15.9	(1.0)	0.0	0.0
<b>Rating</b>	<b>Accumulate</b>			<b>Buy</b>					

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
26-Apr-2021	Accumulate	800	704
22-Oct-2021	Accumulate	820	691
21-Jan-2022	Buy	880	641
26-Apr-2022	Buy	700	550
19-Jul-2022	Buy	740	536
15-Oct-2024	Accumulate	810	714
15-Jan-2025	Accumulate	700	594
17-Apr-2025	Buy	870	720
15-Jul-2025	Buy	890	757
15-Oct-2025	Accumulate	890	761
15-Jan-2026	Buy	890	743

## Guide to Research Rating

<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

# HDFC Asset Management

India | Non-Lending Financials | Result Update | Rating Upgrade



15 January 2026

## Core performance in-line, strong other income

HDFC Asset Management Company (HDFCAMC IN) reported a strong set of results in Q3FY26, with PAT rising ~20% YoY to INR 7,694mn, driven by robust growth in assets under management (AUM) and healthy revenue expansion. Operating revenue grew ~15% YoY to INR 10,751mn, supported by a quarterly average AUM (QAAUM) of INR 9,249bn (up ~18% YoY), with equity-oriented AUM crossing INR 5,661bn and comprising 61% of the mix, reflecting sustained investor preference for equities amid market volatility. Revenue came in at INR 10,751mn, up 15% YoY/ 4.6% QoQ and in line with our expectation (Elara estimates: INR 10,778mn), with revenue yield reported at 45.8bps (45.9 bps in Q2FY26). Operating EBITDA stood at INR 8,764mn, aided by controlled expenses (down QoQ due to lower CSR and marketing spends), while other income of INR 1,589mn further added to the profitability. Core PAT came in at INR 6,485mn (up ~14%) with core PAT yield at 27.8bps (26.9bps in Q2FY26), also in line with our expectation (Elara estimates: INR 6,339mn). **We upgrade to BUY.**

**Systematic investment plans (SIPs) continued to serve as a pivotal structural driver:** HDFCAMC witnessed systematic transactions (encompassing SIPs and STPs) rise ~24% YoY to INR 47.3bn in December, supported by strong additions in new accounts, folios, and investors. The company's SIP AUM reached INR 2,212bn as of December, reflecting a ~13% market share and positioning it favorably for sustained AUM growth and greater revenue predictability. This sticky SIP book should drive stronger inflows, thereby adding directly to the AUM and serving as a cushion against market volatility.

**Strong uptick in non-MF segment:** HDFCAMC continued to scale its Portfolio Management Services (PMS) and Alternative Investment Funds (AIF) segments as part of its diversification strategy, with PMS AUM crossing INR 50bn in Q3, supported by new account additions in both discretionary and non-discretionary segments and strategic EPFO/SPF mandates. In alternatives, the company achieved the first close of its structured credit fund, raising ~INR 13bn in commitments (anchored by IFC up to INR 2.2bn). Alternatives AUM stood at INR 84bn, reflecting steady progress in private markets, with the team actively developing a second fund. These higher-yielding segments contribute meaningfully to revenue diversification and support enhanced profitability over the long term.

**Regulatory refinements may have limited impact:** Recent regulatory changes may adversely affect larger schemes. However, smaller schemes stand to benefit from redefined AUM slabs that could allow higher TER, potentially offsetting the impact. Overall, the impact is expected to be fairly limited.

**Upgrade to Buy; TP raised to INR 3,100:** We upgrade HDFCAMC to **BUY** (from Accumulate), as valuations now appear reasonable given the stock has corrected ~9% since we initiated coverage while franchise value and business economics appear unchanged. We raise our TP to INR 3,100 (from INR 3,015), as we roll forward by a quarter. Our TP implies 40x Dec-27E core PAT (36x consolidated PAT). Our earlier estimates are broadly unchanged.

### Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	25,844	34,984	41,771	48,133	54,469
YoY (%)	49.1	35.4	19.4	15.2	13.2
EBITDA (INR mn)	19,574	27,919	33,414	38,525	43,423
EBITDA margin (%)	75.7	79.8	80.0	80.0	79.7
Adj PAT (INR mn)	19,427	24,602	29,401	33,451	37,632
YoY (%)	70.6	26.6	19.5	13.8	12.5
RoE (%)	29.5	32.4	34.0	34.7	35.2
RoCE (%)	28.9	36.0	37.8	39.1	39.8
P/E (x)	56.1	44.4	37.2	32.7	29.1
EV/EBITDA (x)	55.9	39.2	32.7	28.4	25.2

Note: Pricing as on 14 January 2026; Source: Company, Elara Securities Estimate

Rating: Buy

Target Price: INR 3,100

Upside/Downside: 21%

CMP: INR 2,554

As on 14 January 2026

#### Key data

Bloomberg	HDFCAMC IN
Reuters Code	HDFA.BO
Shares outstanding (mn)	428
Market cap (INR bn/USD mn)	1,094/12,115
EV (INR bn/USD mn)	1,094/12,110
ADTV 3M (INR mn/USD mn)	2,564/28
52 week high/low	2,967/1,763
Free float (%)	47

Note: as on 14 January 2026; Source: Bloomberg

#### Price chart



Source: Bloomberg

Shareholding (%)	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Promoter	52.5	52.5	52.4	52.4
% Pledge	0.0	0.0	0.0	0.0
FII	21.3	20.5	22.0	24.5
DII	17.0	18.0	16.7	14.4
Others	9.2	9.0	8.9	8.7

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	2.1	2.3	10.7
HDFC Asset Management	(8.7)	0.3	32.2
NSE Mid-cap	1.8	1.5	10.6
NSE Small-cap	(3.7)	(8.6)	(0.8)

Source: Bloomberg

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## Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Income					
- Revenue From Operations	25,844	34,984	41,771	48,133	54,469
-Other Income	5,790	5,617	6,637	7,001	7,759
<b>Total income</b>	<b>31,634</b>	<b>40,601</b>	<b>48,408</b>	<b>55,133</b>	<b>62,228</b>
Growth %	27.4	28.3	19.2	13.9	12.9
-Employee Benefits Expense	3,541	3,894	4,867	5,597	6,436
-Depreciation and amortisation	523	585	720	792	871
-Fee and Commission expenses	25	41	45	49	54
-Others	2,795	3,226	3,575	4,094	4,691
<b>Total Expense</b>	<b>6,884</b>	<b>7,745</b>	<b>9,206</b>	<b>10,532</b>	<b>12,053</b>
Growth %	12.4	12.5	18.9	14.4	14.4
<b>PBT</b>	<b>24,750</b>	<b>32,856</b>	<b>39,202</b>	<b>44,601</b>	<b>50,175</b>
Growth %	32.3	34.2	17.9	12.1	13.4
Tax	5,323	8,254	9,800	11,150	12,544
<b>PAT</b>	<b>19,427</b>	<b>24,602</b>	<b>29,401</b>	<b>33,451</b>	<b>37,632</b>
Growth %	36.5	26.6	19.5	13.8	12.5
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Financial Liabilities	2,458	2,852	3,138	3,451	3,797
Total Non-Financial Liabilities	2,330	3,354	3,690	4,059	4,465
-Equity Share Capital	1,067	1,069	1,069	1,069	1,069
-Other Equity	69,683	80,231	90,443	100,373	111,243
Total Equity	70,750	81,300	91,512	101,442	112,312
<b>Total Liabilities</b>	<b>75,539</b>	<b>87,507</b>	<b>98,339</b>	<b>108,952</b>	<b>120,574</b>
-Cash and Cash Equivalents	71,961	82,966	93,345	103,458	114,531
-Receivables	1,065	1,455	1,601	1,761	1,937
Total Financial Assets	1,521	1,948	2,143	2,357	2,593
Non-Financial Assets	2,057	2,592	2,851	3,136	3,450
<b>Total Assets</b>	<b>75,539</b>	<b>87,507</b>	<b>98,339</b>	<b>108,952</b>	<b>120,574</b>
ROE Tree - On AAUM basis (bps)	FY24	FY25	FY26E	FY27E	FY28E
Revenue yield	47.4	46.5	45.9	44.7	43.5
Opex to avg AUM	12.6	10.3	10.1	9.8	9.6
Core PBT yield	34.7	36.2	35.8	35.0	33.9
Other Income % AAUM	10.6	7.5	7.3	6.5	6.2
PBT % AAUM	45.4	43.7	43.0	41.5	40.1
PAT yield	35.6	32.7	32.3	31.1	30.1
Core PAT yield	27.3	27.1	26.8	26.2	25.4
Product mix - AAUM (%)	FY24	FY25	FY26E	FY27E	FY28E
AAUM (Rs bn)	5,456	7,521	9,107	10,757	12,514
Income/Debt	24.8	20.6	20.1	19.5	18.8
Liquid	12.7	10.6	8.7	7.6	6.6
Equity and Equity oriented	55.9	60.6	61.2	62.1	63.0
Arbitrage	1.4	2.1	2.5	2.4	2.3
Passives	5.0	6.0	7.4	8.2	9.1
FoF	0.2	0.2	0.2	0.1	0.1
Growth (%)	FY24	FY25	FY26E	FY27E	FY28E
CL AUM	24.1	37.8	21.1	18.1	16.3
Revenue from operations	19.3	35.4	19.4	15.2	13.2
PBT	32.3	32.7	19.3	13.8	12.5
PAT	36.5	26.6	19.5	13.8	12.5
Profitability ratios (%)					
EBITDA Margin	75.7	79.8	80.0	80.0	79.7
PAT margin	75.2	70.3	70.4	69.5	69.1
RoE	29.5	32.4	34.0	34.7	35.2
Valuations ratios (x)					
EPS (INR)	45.5	58	69	78	88
P/E	54.8	43.3	36.2	31.8	28.3
BVPS (INR)	165.7	190	214	237	262
P/B	15.0	13.1	11.6	10.5	9.5

Note: Pricing as on 14 January 2026; Source: Company, Elara Securities Estimate

## Exhibit 1: Quarterly financials

YE March	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
<b>Particular (INR mn)</b>								
<b>MF QAAUM (INR bn)</b>	<b>9,249</b>	<b>7,874</b>	<b>17.5</b>	<b>8,814</b>	<b>4.9</b>	<b>8,783</b>	<b>7,393</b>	<b>18.8</b>
Revenue from operations	10,751	9,346	15.0	10,274	4.6	30,707	25,971	18.2
Other income	1,593	931	71.1	962	65.6	4,885	4,375	<b>11.6</b>
<b>Total revenue</b>	<b>12,344</b>	<b>10,277</b>	<b>20.1</b>	<b>11,236</b>	<b>9.9</b>	<b>35,591</b>	<b>30,346</b>	<b>17.3</b>
Operating expenses	1,987	1,708	16.4	2,266	(12.3)	6,205	5,354	15.9
Operating EBITDA	8,764	7,639	14.7	8,008	9.4	24,502	20,617	18.8
PBT	10,139	8,399	20.7	8,760	15.8	28,756	24,505	17.3
<b>PAT</b>	<b>7,694</b>	<b>6,414</b>	<b>20.0</b>	<b>6,716</b>	<b>14.6</b>	<b>21,885</b>	<b>18,915</b>	<b>15.7</b>
<b>Core PAT</b>	<b>6,485</b>	<b>5,703</b>	<b>13.7</b>	<b>5,978</b>	<b>8.5</b>	<b>18,172</b>	<b>15,525</b>	<b>17.1</b>
<b>Yields (bps)</b>								
Revenue	46.1	47.2	(1.1)	46.3	(0.2)	46.3	46.6	(0.6)
Operating cost	9.5	9.5	(0.0)	11.2	(1.7)	10.3	10.5	(2.1)
PAT	33.0	32.4	0.6	30.3	2.8	33.0	34.0	(2.9)
Core PAT	27.8	28.8	(1.0)	26.9	0.9	27.4	27.8	(1.6)
Cost to income (%)	17.9	18.3	(0.4)	22.0	(4.2)	19.3	19.3	(0.0)
<b>QAAUM mix (%)</b>								
Income/debt	20.1	20.2	(0.0)	21.1	(0.9)	20.6	20.6	<b>(0.0)</b>
Liquid	8.3	10.7	(2.4)	8.9	(0.5)	9.1	10.4	(1.3)
Equity and Equity oriented	61.2	60.7	0.5	60.6	0.6	60.6	61.0	(0.4)
Arbitrage	2.5	2.1	0.4	2.4	0.1	2.5	2.0	0.5
Passives	7.6	6.1	1.5	6.9	0.8	7.1	5.8	1.3
FoF	0.2	0.2	(0.0)	0.2	0.0	0.2	0.2	(0.0)
<b>Distribution mix (%)</b>								
Direct	43.7	41.4	2.3	43.0	0.7	43.0	40.1	<b>2.9</b>
Banks	9.9	10.6	(0.7)	10.2	(0.3)	10.2	11.0	(0.8)
MFDs	24.4	26.6	(2.2)	25.2	(0.8)	25.1	27.6	(2.5)
National distributors	22.1	21.3	0.8	21.7	0.4	21.9	21.3	0.5
<b>Ratios (%)</b>								
PAT margin	71.6	68.6	2.9	65.4	6.2	71.3	75.4	(5.4)
EPS (INR)	18.0	15.0	20.0	15.7	14.6	33	29	4.0

Source: Company, Elara Securities Research

## Exhibit 2: Quarterly summary

YE March	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Particular (INR mn)</b>											
<b>QAAUM (INR bn)</b>	<b>5,515</b>	<b>6,129</b>	<b>6,716</b>	<b>7,588</b>	<b>7,874</b>	<b>7,740</b>	<b>8,286</b>	<b>8,814</b>	<b>9,249</b>	<b>17.5</b>	<b>4.9</b>
Revenue from operations	6,713	6,954	7,752	8,872	9,346	9,014	9,682	10,274	10,751	15.0	4.6
Other income	1,429	1,558	1,735	1,710	931	1,241	2,330	962	1,593	71.1	65.6
<b>Total revenue</b>	<b>8,142</b>	<b>8,513</b>	<b>9,487</b>	<b>10,582</b>	<b>10,277</b>	<b>10,255</b>	<b>12,012</b>	<b>11,236</b>	<b>12,344</b>	<b>20.1</b>	<b>9.9</b>
Operating expenses	1,621	1,568	1,809	1,838	1,708	1,712	1,951	2,266	1,987	16.4	(12.3)
Operating profit	5,092	5,387	5,944	7,034	7,639	7,302	7,730	8,008	8,764	14.7	9.4
PBT	6,368	6,788	7,523	8,584	8,399	8,351	9,857	8,760	10,139	20.7	15.8
<b>PAT</b>	<b>4,879</b>	<b>5,408</b>	<b>6,038</b>	<b>6,464</b>	<b>6,414</b>	<b>6,385</b>	<b>7,476</b>	<b>6,716</b>	<b>7,694</b>	<b>20.0</b>	<b>14.6</b>
<b>Core PAT</b>	<b>3,785</b>	<b>4,167</b>	<b>4,645</b>	<b>5,177</b>	<b>5,703</b>	<b>5,436</b>	<b>5,708</b>	<b>5,978</b>	<b>6,485</b>	<b>13.7</b>	<b>8.5</b>
<b>Yields (bps)</b>											
Revenue	48.5	45.2	46.0	46.5	47.2	46.3	46.4	46.3	46.1	(1.1)	(0.2)
Operating cost	12.8	11.2	11.7	10.5	9.5	9.8	10.3	11.2	9.5	(0.0)	(1.7)
PAT	35.3	35.2	35.8	33.9	32.4	32.8	35.8	30.3	33.0	0.6	2.8
Core PAT	27.4	27.1	27.6	27.2	28.8	27.9	27.4	26.9	27.8	(1.0)	0.9
Cost to income (%)	21.8	20.3	20.7	18.9	18.3	18.6	17.9	22.0	17.9	(0.4)	(4.2)
<b>QAAUM mix (%)</b>											
Income/debt	24.5	22.3	21.3	20.4	20.2	20.5	20.5	21.1	20.1	(0.0)	(0.9)
Liquid	11.3	11.0	10.6	9.9	10.7	11.0	10.2	8.9	8.3	(2.4)	(0.5)
Equity and Equity oriented	57.4	59.6	60.6	61.6	60.7	59.5	59.9	60.6	61.2	0.5	0.6
Arbitrage	1.4	1.7	1.8	2.0	2.1	2.3	2.4	2.4	2.5	0.4	0.1
Passives	5.1	5.2	5.5	5.9	6.1	6.5	6.8	6.9	7.6	1.5	0.8
FoF	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(0.0)	0.0
<b>Distribution mix (%)</b>											
Direct	38.8	38.4	39.0	39.8	41.4	40.9	42.3	43.0	43.7	2.3	0.7
Banks	11.0	11.2	11.2	11.1	10.6	10.7	10.4	10.2	9.9	(0.7)	(0.3)
MFDs	29.3	29.1	28.4	27.8	26.6	26.5	25.6	25.2	24.4	(2.2)	(0.8)
National distributors	20.9	21.3	21.4	21.3	21.3	21.9	21.8	21.7	22.1	0.8	0.4
<b>Ratios (%)</b>											
PAT margin	72.7	77.8	77.9	72.9	68.6	70.8	77.2	65.4	71.6	2.9	6.2
EPS (INR)	11.4	12.7	14.1	15.1	15.0	14.9	17.5	15.7	18.0	20.0	14.6

Source: Company, Elara Securities Research

**Conference call: Key takeaways****Yields**

- ▶ HDFCAMC reported resilient yields across asset classes in Q3FY26, with equity yields at 56-57bps, including index funds. Debt yields stood at 27-28bps, and liquid yields were at 12-13bps.
- ▶ Management highlighted that yields have remained stable in the past six quarters due to a focus on balancing scale, quality, and profitability, offsetting the impact of telescopic pricing through adjustments on new flows and disciplined cost management.
- ▶ However, some compression is expected over time due to sliding scale TER structures, though the company aims to maintain operating margins in the 33-36bps range by growing absolute profits sustainably.

**Business strategy**

- ▶ In PMS, AUM surpassed INR 50bn, with growth in both discretionary and non-discretionary segments, including securing large mandates such as EPFO and SPFO, viewed as strategic for capability building despite tight economics.
- ▶ On alternatives, the first closure of the structured credit fund raised INR 13bn in commitments, with IFC as an anchor investor contributing up to INR 2,200mn, focusing on financing mid-sized enterprises for manufacturing, employment, and regional development; plans include a second PE/VC fund of funds.
- ▶ Management remains optimistic about industry growth, driven by SIP momentum, adding 2.8mn unique investors to reach 15.4mn, and participating across channels, geographies, and asset classes.
- ▶ Passive segment growth is attributed to institutional mandates such as EPFO, insurance companies, and gold/silver ETFs, with higher market share in passive equity than active.

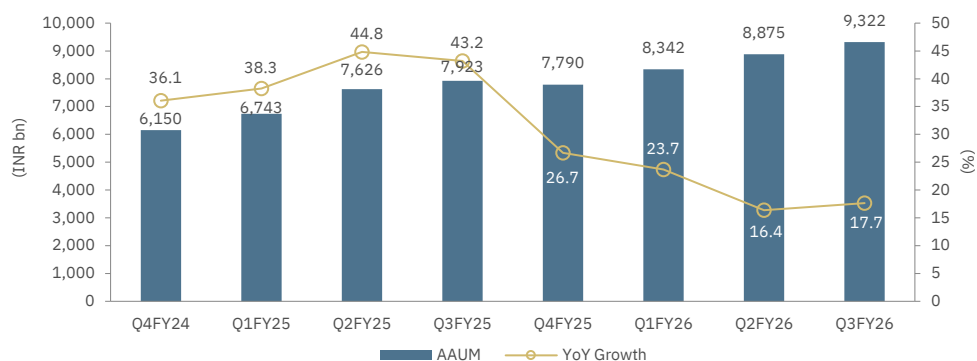
**Distribution**

- ▶ Fintechs have emerged as a vital channel, registering 25mn SIPs industry-wide in nine months, with HDFCAMC securing notable shares in new flows and registrations through strong relationships with leading and emerging platforms; direct channel share is increasing within equity AUM.

**Cost**

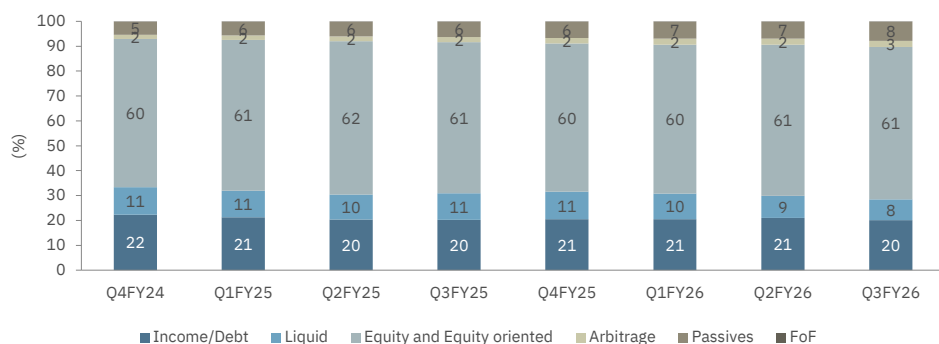
- ▶ Total expenses for the quarter were INR 2,186mn, with operating margins improving driven by lower other expenses compared with the prior quarter, which had higher CSR and marketing/business promotion expenses.
- ▶ ESOP costs are projected at INR 680mn for the full year.
- ▶ Regarding regulatory changes, the removal of 5bps additional TER (in lieu of exit load) impacts larger schemes, but smaller ones may see increased TER due to redefined slabs offsetting losses.

**Exhibit 3: AAUM stood at INR 9,322bn with YoY growth normalizing at ~17.7%**



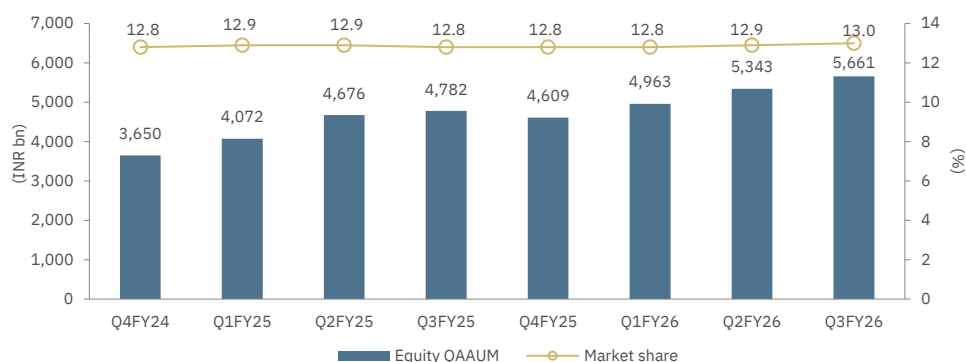
Source: Company, Elara Securities Research

**Exhibit 4: Share of passive improved to 8% while share liquid and debt AAUM remained lower**



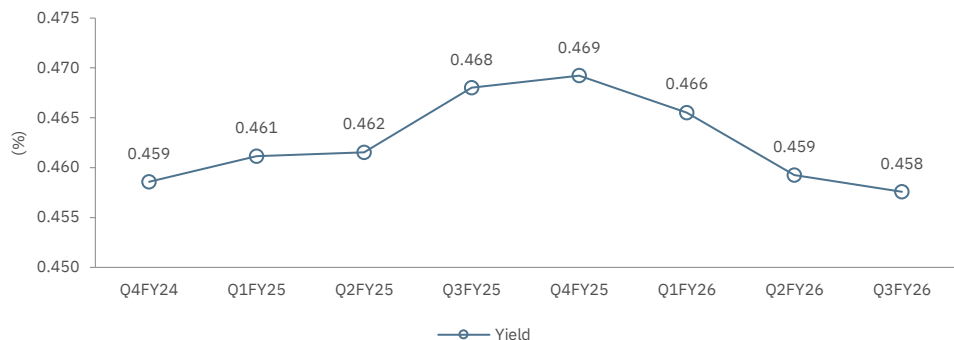
Source: Company, Elara Securities Research

**Exhibit 5: Equity QAAUM market share stable**



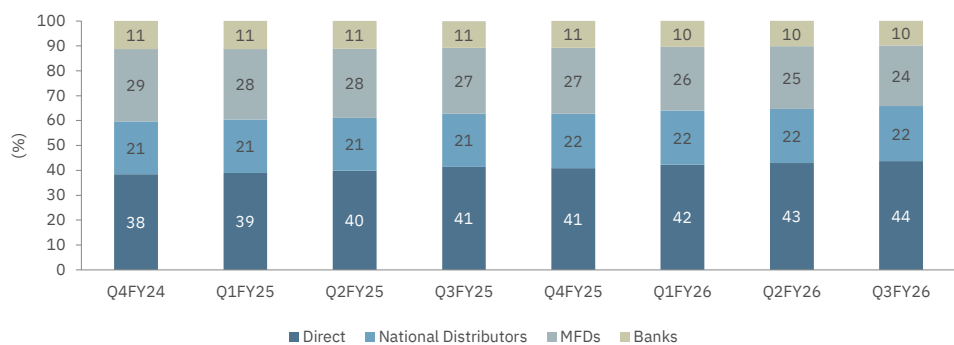
Source: Company, Elara Securities Research

**Exhibit 6: Telescopic pricing led to yield dilution**



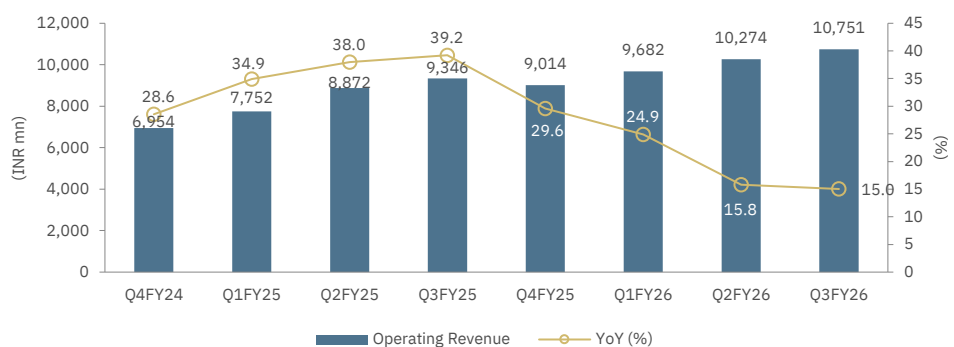
Source: Company, Elara Securities Research

**Exhibit 7: Q3FY26 witnessed improved share of direct channel**

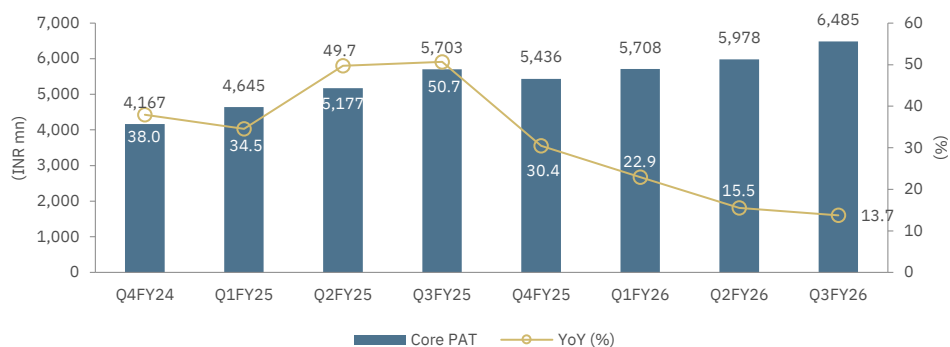


Source: Company, Elara Securities Research

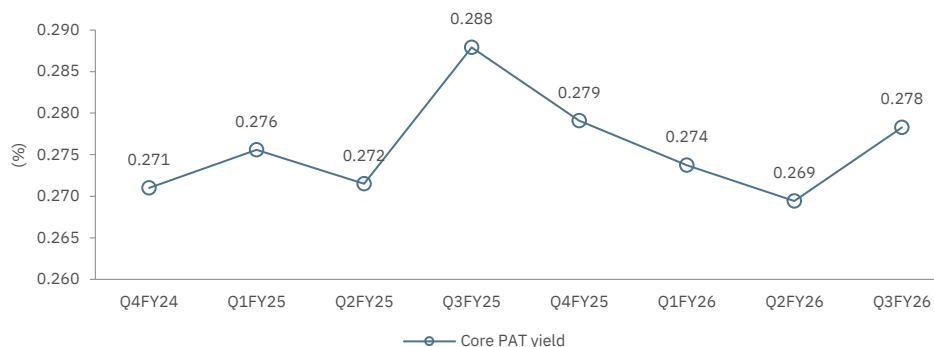
**Exhibit 8: Revenue grew at 15.9% to INR 10,751mn**



Source: Company, Elara Securities Research

**Exhibit 9: Core PAT grew at 13.7%**


Source: Company, Elara Securities Research

**Exhibit 10: Core PAT yield improved due to lower other cost**


Source: Company, Elara Securities Research

**Exhibit 11: Valuation**

<b>Target price (INR)</b>	
Core PAT EPS - Mar 27E (INR)	65.8
Core PAT EPS - Mar 28E (INR)	74.3
Weighted EPS (INR)	72.2
Target Core P/E (x)	40
Core price (INR per share)	2,887
Number of shares (mn)	428
Core value (INR mn)	1,236,365
Cash and investments (INR mn) – FY26E	93,345
Total value (INR mn)	1,329,710
<b>Target price</b>	<b>3,100</b>
CMP	2,554
% upside	21.4

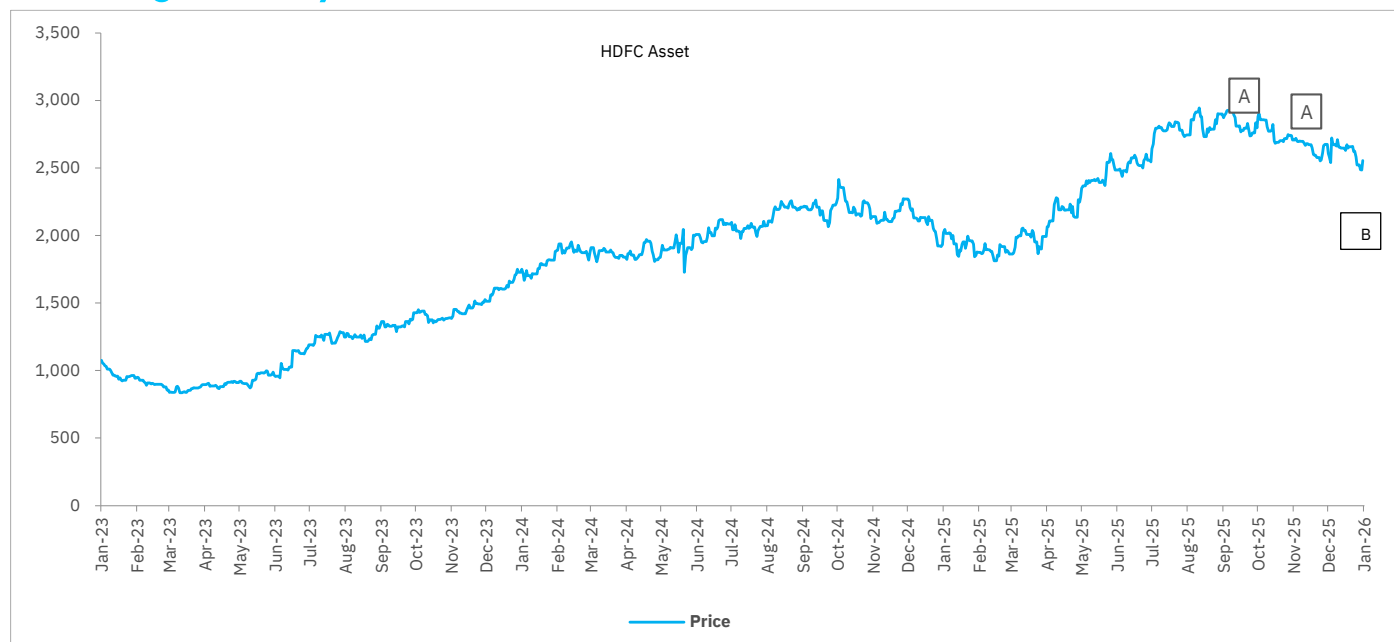
Source: Elara Securities Estimate

## Exhibit 12: Change in estimates

(INR mn)	Old estimates			New estimates			Variance (%)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
AAUM (INR tn)	8.9	10.5	12.1	9.1	10.8	12.5	2.3	2.4	3.4
Revenue	42,139	48,024	54,608	41,771	48,133	54,469	(0.9)	0.2	(0.3)
EBITDA	34,015	38,685	43,870	33,414	38,525	43,423	(1.8)	(0.4)	(1.0)
EBITDA margin (%)	80.7	80.6	80.3	80.0	80.0	79.7	(0.7)	(0.5)	(0.6)
Core PAT	24,893	28,340	32,170	24,423	28,200	31,812	(1.9)	(0.5)	(1.1)
PAT	29,560	33,600	37,999	29,401	33,451	37,632	(0.5)	(0.4)	(1.0)
EPS (INR)	68.9	78.4	88.6	68.6	78.0	87.8	(0.5)	(0.4)	(1.0)
<b>TP (INR)</b>	<b>3,015</b>			<b>3,100</b>			<b>3</b>		
<b>Rating</b>	<b>Accumulate</b>			<b>Buy</b>					

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
03-Oct-2025	Accumulate	6,030	5,591
26-Nov-2025	Accumulate	3,015	2,679
14-Feb-2026	Buy	3,100	2,554

## Guide to Research Rating

<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

15 January 2026

## Guidance raised

Infosys' (INFO IN) Q3 revenue was better than our expectation, also helped by the NHS deal while margins were also better than expectations. Based on strong 9MFY26 and robust deal wins, INFO increased its revenue growth guidance for FY26 to 3-3.5% from 2-3%. The ask rate for Q4 for lower / higher end of FY26 revenue growth guidance is -1.7% to +0.2%, which should not be a tall task. INFO is seeing an increase in discretionary demand in BFSI (across sub verticals of payments, mortgages and asset management) as well as in energy (low carbon solutions), which should help accelerate growth next year. The recovery in other verticals still appears distant. INFO has maintained its margin guidance of 20-22%. We maintain Accumulate with TP raised to INR 1,770.

**TCV growth of 92% YoY, led by vendor consolidation:** INFO's revenue came in at 0.5% QoQ and 3.2% YoY in USD terms. In CC terms, it was up 0.6% QoQ and 1.7% YoY. In INR terms, revenue grew by 2.2% QoQ and 8.9% YoY, supported by INR depreciation. Volumes remained soft, with growth led by value-based selling and productivity realization. In Q3, growth was led by Europe, up 7.2% YoY CC, and RoW, up 2.5% YoY CC, while North American market declined 1% YoY CC. Revenue growth was led by Communication and Manufacturing, up 9.9% and 6.6% YoY CC, respectively in Q3, followed by BFSI and Energy. Retail CPG and Hi-Tech declined on a YoY CC basis on the back of tariff uncertainties and cost pressures. Q3 TCV was USD 4.8bn, +57% QoQ/+92% YoY, 57% net new with 26 large deals, including two mega deals. INFO continues to benefit from vendor consolidation, resulting in increasing market share.

**Margin expanded 20bps QoQ:** Reported EBIT margin expanded 20bps QoQ to 21.2%, supported by tailwind of 40bps from currency and 40bps gains from Project Maximus (value-based pricing, automation). About 70bps headwinds from furloughs, fewer working days, and higher variable pay were partially offset by a one-off benefit in Q3. PAT for Q3 was impacted by INR 12.89bn related to the new Labor Code-related impact. Recurring impact of the labor code changes is expected at ~15bps. FY26 operating margin guidance was maintained at 20-22% for FY26 (excludes the impact of labor code), supported by continued pricing improvements via Project Maximus.

**Maintain Accumulate; TP raised to INR 1,770:** INFO is seeing a recovery in BFSI and Energy, while other verticals may take some time to recover. INFO also mentioned that it is a preferred AI partner for top-15 out of top-25 banking clients. It continues to benefit from vendor consolidation deals and deal TCV continues to see an upward trajectory, which should provide growth visibility in the medium term. The company is working on 4.6K AI projects and have identified 6 AI led value pools where they can drive faster growth going forward. They re-iterated that impact of H-1B visa constraints has been minimal.

We raise our estimates by incorporating revenue from the mega deal (USD 1.6bn, 15 years with UK NHS) won in Q3 as well as small tuck-in acquisitions. So, we raise FY27/28E revenue estimates by 2-3%. We thus raise our TP to INR 1,770 from INR 1,700 (target multiple unchanged at 22x). **Maintain Accumulate.**

### Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	1,536,710	1,629,900	1,771,965	1,911,063	2,041,545
YoY (%)	4.7	6.1	8.7	7.8	6.8
EBITDA (INR mn)	377,460	408,860	411,400	454,906	490,291
EBITDA margin (%)	24.6	25.1	23.2	23.8	24.0
Adj PAT (INR mn)	275,530	283,640	291,546	331,875	353,572
YoY (%)	10.5	2.9	2.8	8.0	7.8
Fully DEPS (INR)	66.8	68.8	70.7	80.5	85.8
RoE (%)	33.5	30.7	32.1	37.1	35.8
RoCE (%)	40.3	39.1	40.3	45.2	44.3
P/E (x)	23.5	22.9	22.2	19.5	18.3
EV/EBITDA (x)	16.7	15.4	15.3	13.8	12.8

Note: Pricing as on 14 January 2026; Source: Company, Elara Securities Estimate

Rating: [Accumulate](#)  
 Target Price: [INR 1,770](#)  
 Upside: [11%](#)  
 CMP: [INR 1,600](#)  
 As on 14 January 2026

#### Key data

Bloomberg	INFO IN
Reuters Code	INFY. NS
Shares outstanding (mn)	4,155
Market cap (INR bn/USD mn)	6,647/73,610
EV (INR bn/USD mn)	6,294/69,704
ADTV 3M (INR mn/USD mn)	13,201/146
52 week high/low	1,972/1,307
Free float (%)	86

Note: as on 14 January 2026; Source: Bloomberg

#### Price chart



Source: Bloomberg

	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Shareholding (%)				
Promoter	13.1	13.1	14.6	14.3
% Pledge	0.0	0.0	0.0	0.0
FII	30.1	29.4	28.5	30.1
DII	34.7	34.5	35.4	41.7
Others	22.1	23.0	21.5	14.0

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	2.1	2.3	10.7
Infosys	7.4	1.9	(17.5)
NSE Mid-cap	1.8	1.5	10.6
NSE Small-cap	(3.7)	(8.6)	(0.8)

Source: Bloomberg

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## Financials (YE March)

<b>Income Statement (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Total Revenue	1,536,710	1,629,900	1,771,965	1,911,063	2,041,545
Gross Profit	509,350	544,550	585,816	635,696	679,100
EBITDA	377,460	408,860	411,400	454,906	490,291
EBIT	330,680	360,750	365,169	404,481	437,574
Interest expense	4,690	4,160	4,153	4,353	4,637
Other income	47,110	35,990	40,528	36,866	38,812
Exceptional/ Extra-ordinary items	-	-	(12,890)	-	-
PBT	373,100	392,580	388,655	436,994	471,749
Tax	97,410	108,570	106,499	104,878	117,937
Minority interest/Associates income	(160)	(370)	(320)	(240)	(240)
Reported PAT	275,530	283,640	281,836	331,875	353,572
Adjusted PAT	275,530	283,640	291,546	331,875	353,572
<b>Balance Sheet (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Shareholders' Equity	881,160	958,180	848,429	931,638	1,037,949
Minority Interest	3,450	3,850	3,850	3,850	3,850
Trade Payables	39,560	41,640	48,547	52,358	55,933
Provisions & Other Current Liabilities	348,380	386,860	406,236	422,232	437,238
Total Borrowings	-	-	-	-	-
Other long term liabilities	493,530	527,000	553,283	573,090	591,670
<b>Total liabilities &amp; equity</b>	<b>1,378,140</b>	<b>1,489,030</b>	<b>1,405,562</b>	<b>1,508,578</b>	<b>1,633,470</b>
Net Fixed Assets	193,700	191,110	169,199	145,003	120,304
Goodwill	73,030	101,060	101,060	101,060	101,060
Intangible assets	13,970	27,660	27,660	27,660	27,660
Business Investments / other NC assets	203,120	198,210	198,210	198,210	198,210
Cash, Bank Balances & treasury investments	277,010	369,370	251,114	329,135	432,581
Inventories	-	-	-	-	-
Sundry Debtors	301,930	311,580	339,829	366,505	391,529
Other Current Assets	315,380	290,040	318,490	341,005	362,125
<b>Total Assets</b>	<b>1,378,140</b>	<b>1,489,030</b>	<b>1,405,562</b>	<b>1,508,578</b>	<b>1,633,470</b>
<b>Cash Flow Statement (INR mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Cashflow from Operations</b>	<b>260,660</b>	<b>367,860</b>	<b>297,971</b>	<b>353,157</b>	<b>378,965</b>
Capital expenditure	(22,010)	(22,370)	(24,320)	(26,229)	(28,020)
Acquisitions / divestitures	(1,010)	(31,550)	-	-	-
Other Business cashflow	(35,630)	23,540	-	-	-
<b>Free Cash Flow</b>	<b>202,010</b>	<b>337,480</b>	<b>273,651</b>	<b>326,928</b>	<b>350,945</b>
Cashflow from Financing	(175,040)	(241,610)	(391,907)	(248,906)	(247,500)
Net Change in Cash / treasury investments	26,970	95,870	(118,256)	78,021	103,445
<b>Key assumptions &amp; Ratios</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Dividend per share (INR)	38.0	43.0	51.3	60.4	60.0
Book value per share (INR)	213.7	232.4	205.8	226.0	251.7
RoCE (Pre-tax) (%)	40.3	39.1	40.3	45.2	44.3
ROIC (Pre-tax) (%)	56.3	60.1	61.2	67.0	72.0
ROE (%)	33.5	30.7	32.1	37.1	35.8
Asset Turnover (x)	7.7	8.5	9.8	12.2	15.4
Net Debt to Equity (x)	(0.3)	(0.4)	(0.3)	(0.4)	(0.4)
Net Debt to EBITDA (x)	(0.7)	(0.9)	(0.6)	(0.7)	(0.9)
Interest cover (x) (EBITDA/ int exp)	80.5	98.3	99.1	104.5	105.7
Total Working capital days (WC/rev)	60.6	59.1	59.2	59.1	58.7
<b>Valuation</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
P/E (x)	23.5	22.9	22.2	19.5	18.3
P/Sales (x)	4.3	4.1	3.8	3.5	3.3
EV/ EBITDA (x)	16.7	15.4	15.3	13.8	12.8
EV/ OCF (x)	24.1	17.1	21.1	17.8	16.6
FCF Yield	3.4	5.8	5.1	5.5	5.7
Price to BV (x)	7.5	6.9	7.8	7.1	6.4
Dividend yield (%)	2.4	2.7	3.2	3.8	3.8

Note: Pricing as on 14 January 2026; Source: Company, Elara Securities Estimate

**Exhibit 1: Quarterly financials**

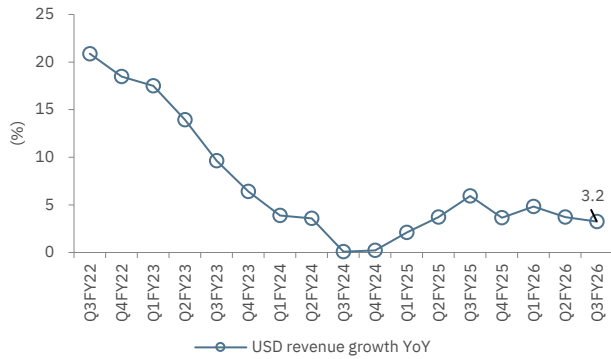
INR mn	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Q3FY26E	Variance (%)
Revenues (USD mn)	5,099	4,730	7.8	5,076	0.5	5,050	1.0
Revenue (INR mn)	4,54,790	4,09,250	11.1	4,44,900	2.2	4,49,475	1.2
Operating expenditure	3,46,800	3,10,510	11.7	3,39,550	2.1	3,43,681	0.9
Cost of revenues	3,02,080	2,72,760	10.7	2,96,180	2.0	2,99,586	0.8
SG&A expenses	44,720	37,750	18.5	43,370	3.1	44,095	1.4
EBITDA	1,07,990	98,740	9.4	1,05,350	2.5	1,05,794	2.1
Depreciation	11,550	12,990	(11.1)	11,820	(2.3)	12,893	
EBIT	96,440	85,750	12.5	93,530	3.1	92,901	3.8
Other income	8,740	11,900		9,820		9,543	
Exceptional items	(12,890)						
PBT	92,290	96,630	(4.5)	1,02,290	(9.8)	1,01,374	-9.0
Total tax	25,630	26,250	(2.4)	28,540	(10.2)	28,385	
Adjusted PAT	66,540	70,330	(5.4)	73,640	(9.6)	72,930	-8.8
Reported EPS (INR)	18.4	17.1	7.8	17.9	3.0	17.6	-8.8

Source: Company, Elara Securities Estimate

**Conference call highlights**

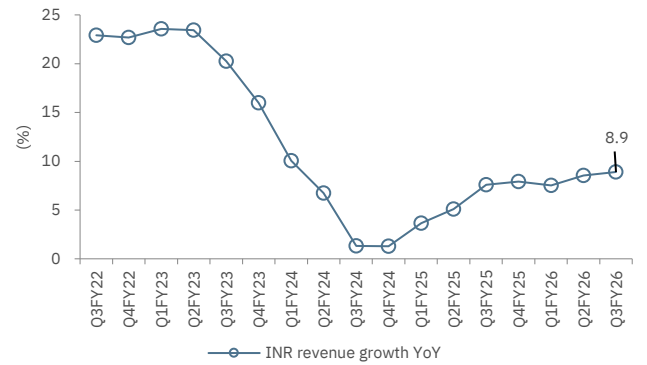
- ▶ INFO noted that the macro environment remains uncertain, but discretionary spending is gradually improving in select verticals. Clients are increasingly prioritizing vendor consolidation, shifting from compliance-driven projects to core transformation and cost optimization, creating strong long-term pipelines. Clients are also moving toward outcome-based engagement models over traditional effort-based pricing, driven by AI adoption and productivity expectations.
- ▶ **BFSI and energy.** BFSI growth was driven by AI-led transformation, platform modernization, and vendor consolidation. INFO highlighted an uptick in discretionary spending across sub-verticals such as banking payments, mortgages, and asset & wealth management. It is now the preferred AI partner for 15 of its top-25 banking clients. In Energy, Utilities and resources vertical (**EURS**), discretionary demand is rising, supported by investments in AI infrastructure, decarbonization, and cost optimization, positioning these verticals for stronger growth in FY27.
- ▶ **Manufacturing** growth was driven by industrial and aerospace segments, despite weakness in the auto sector due to tariff uncertainties and restrained discretionary spending. **Retail and CPG** were restrained amid tariff and geopolitical uncertainties, focusing on AI-driven cost takeouts. **Communications and telecom** faced geopolitical challenges, but growth in Q3 was driven by ramp-up of prior wins. **Hi-Tech** saw budget cuts as cost optimization dominated, but GenAI-led opportunities in semiconductors are emerging.
- ▶ **AI strategy:** INFO's AI strategy continues to scale rapidly, with adoption across ~90% of its top 200 clients, encompassing > 4,600 AI projects, 28mn lines of AI-generated code, and >500 AI agents deployed. INFO addresses six core AI value pools: 1) AI engineering services, 2) data for AI, 3) agents for operations, 4) AI-led software development and legacy modernization, 5) AI for physical devices, and 6) AI-enabled services. It also launched Topaz Fabric, an enterprise-grade platform for orchestrating and deploying AI agents at scale. In terms of productization, INFO is developing four small language models (SLMs) within its platforms, such as Finacle, and creating AI orchestration capabilities to enable switching between foundation models and agents, rather than large-scale foundational model work.
- ▶ **Cognition partnership** integrates Cognition's Devin AI software agent with INFO's knowledge of the client landscape and industry expertise to accelerate legacy modernization and other AI-driven initiative, so as to make large, long-term client commitments more manageable. It is already active across multiple clients.

**Exhibit 2: YoY USD revenue growth steady**



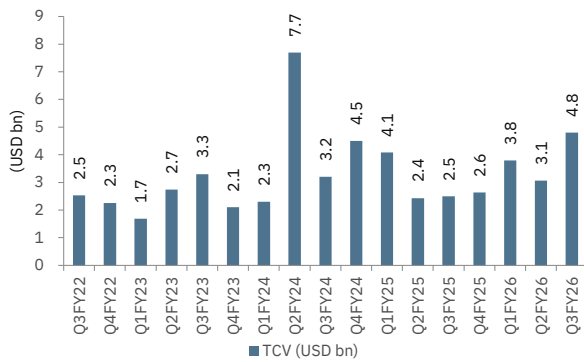
Source: Company, Elara Securities Research

**Exhibit 3: YoY INR revenue growth continues to improve**



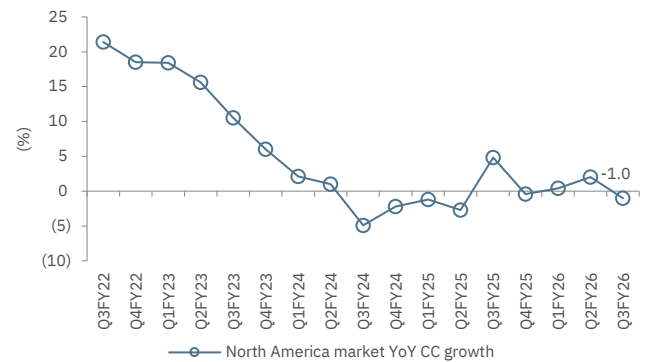
Source: Company, Elara Securities Research

**Exhibit 4: Large deal TCV has seen a rise**



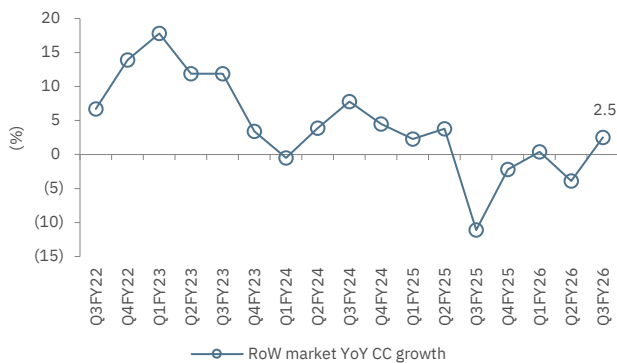
Source: Company, Elara Securities Research

**Exhibit 5: North America declined on a YoY CC basis**



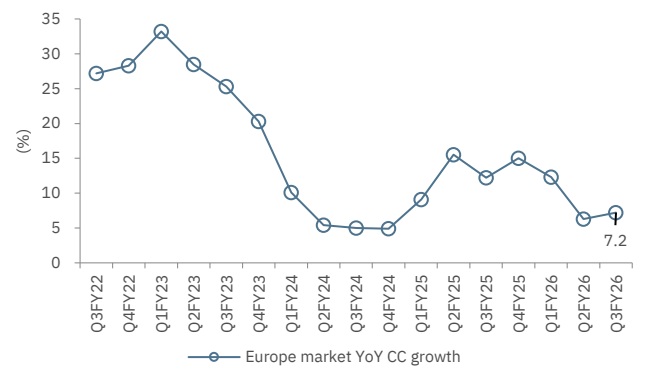
Source: Company, Elara Securities Research

**Exhibit 6: RoW market growing on a YoY CC basis**



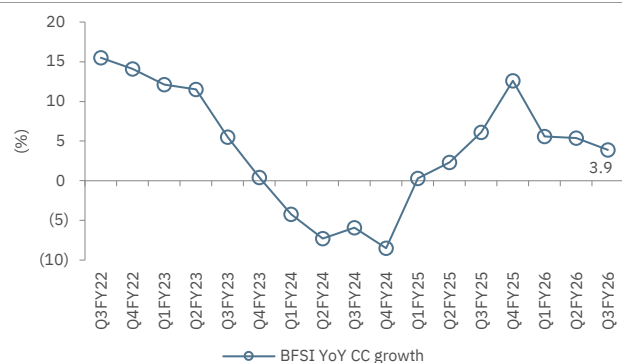
Source: Company, Elara Securities Research

**Exhibit 7: Europe market remains steady**



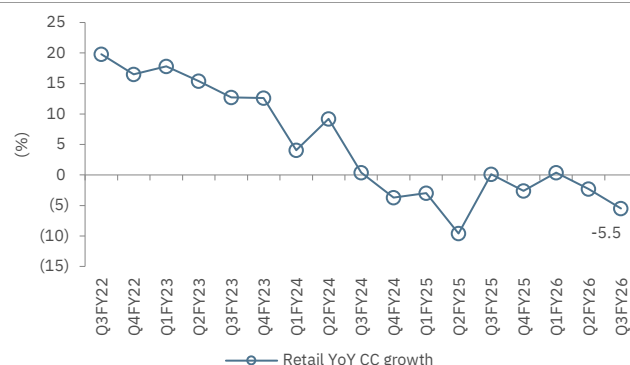
Source: Company, Elara Securities Research

**Exhibit 8: BFSI growth steady**



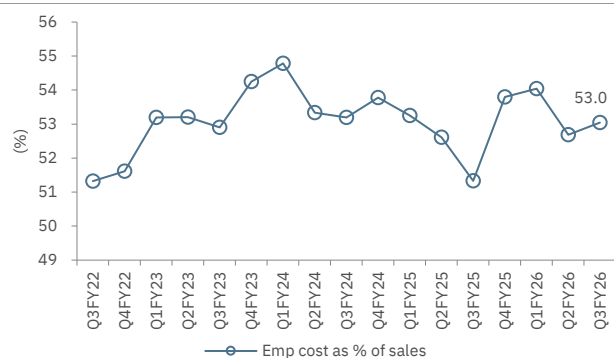
Source: Company, Elara Securities Research

**Exhibit 9: Retail weak due to uncertainty around tariffs**



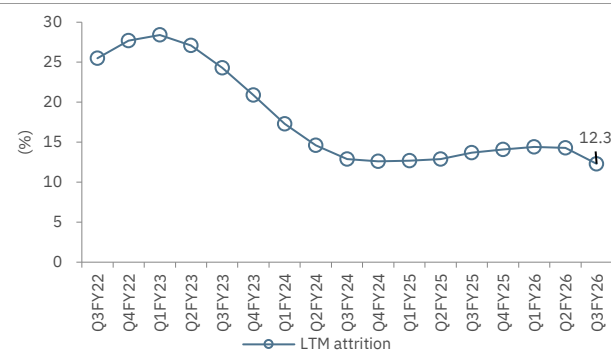
Source: Company, Elara Securities Research

**Exhibit 10: Employee costs increasing**



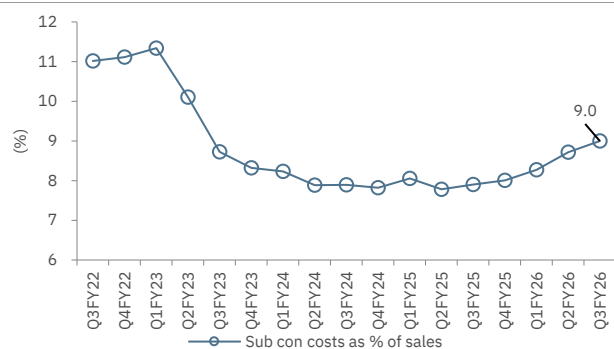
Source: Company, Elara Securities Research

**Exhibit 11: Attrition down 200bps sequentially**



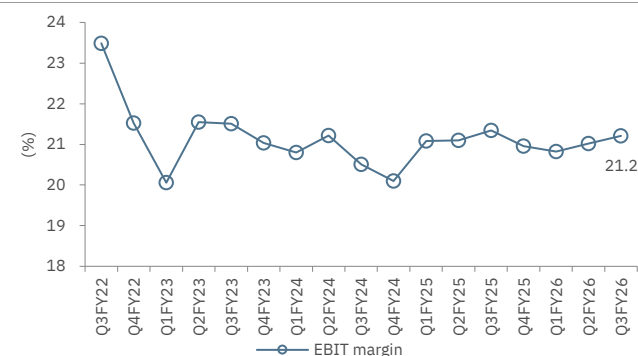
Source: Company, Elara Securities Research

**Exhibit 12: Sub con costs up 30bps QoQ in Q3**



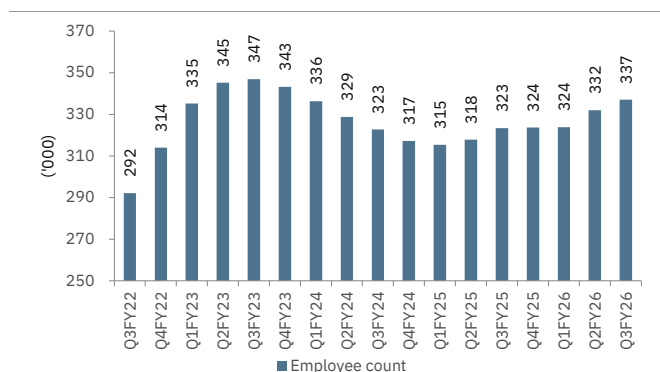
Source: Company, Elara Securities Research

**Exhibit 13: EBIT margin expanded 20bps QoQ**



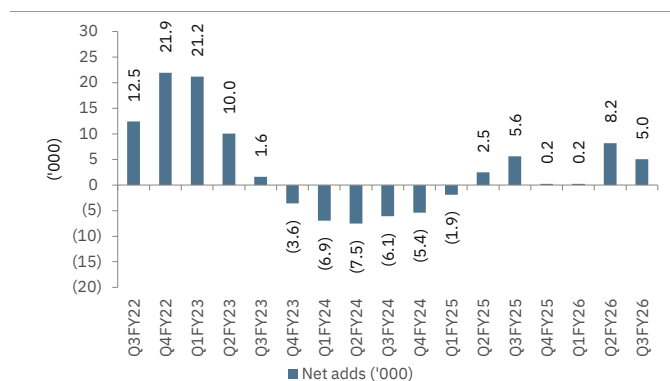
Source: Company, Elara Securities Research

Exhibit 14: Employee count trending upwards



Source: Company, Elara Securities Research

Exhibit 15: Strong net adds of 5K employees in Q3



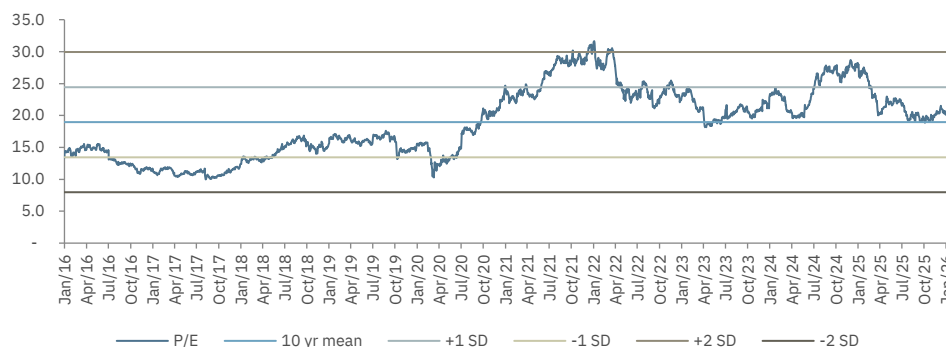
Source: Company, Elara Securities Research

Exhibit 16: Valuation (FY27E)

<b>(INR)</b>	
Current 12-months (TTM) EPS	67.8
Current market price (CMP)	1,600
Target EPS (INR)	80.5
Target multiple (x)	22
<b>Target price (per share)</b>	<b>1,770</b>
Upside (%)	11

Note: Pricing as on 14 January 2026; Source: Elara Securities Estimate

Exhibit 17: At 20.0x, INFO is trading above its 10-year mean of 18.9x



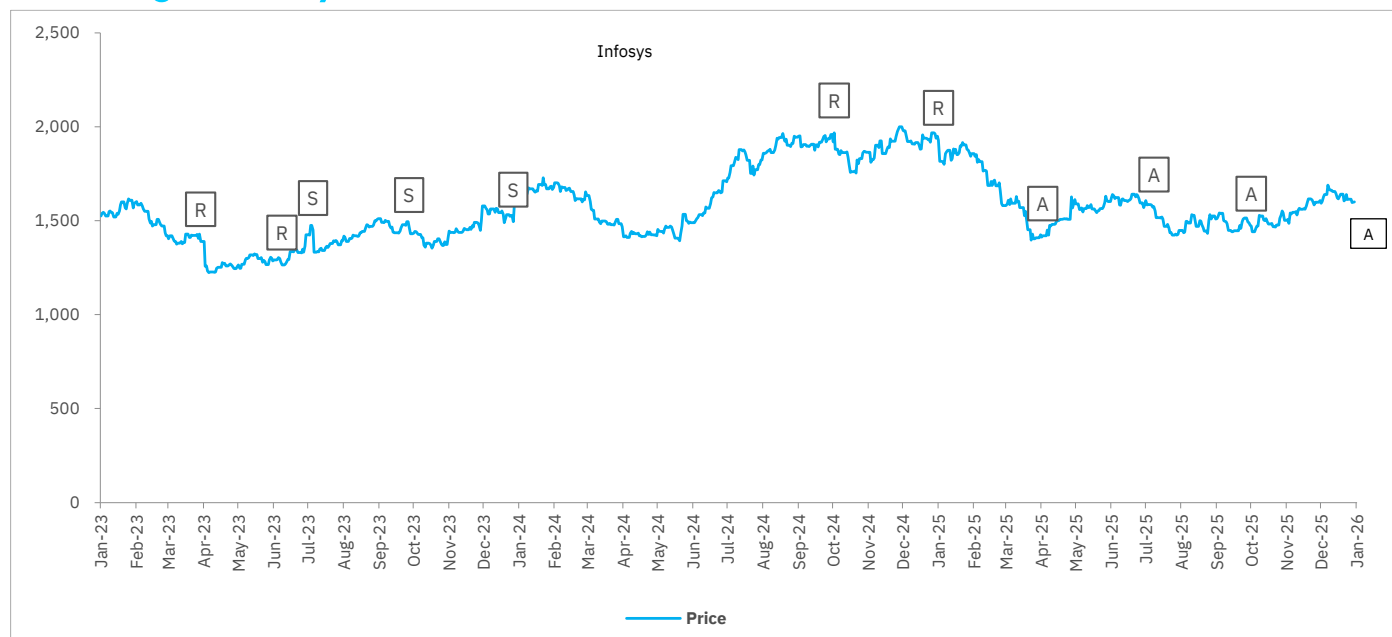
Note: Pricing as on 14 January 2026; Source: NSE, Elara Securities Estimate

Exhibit 18: Change in estimates

	Earlier estimates			Revised estimates			% change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue (USD mn)	20,135	21,127	22,380	20,156	21,426	22,889	0.1	1.4	2.3
Revenue (INR mn)	17,54,469	18,51,764	19,61,565	17,71,965	19,11,063	20,41,545	1.0	3.2	4.1
EBIT (INR mn)	3,70,193	3,92,579	4,25,807	3,65,169	4,04,481	4,37,573	(1.4)	3.0	2.8
EBIT margin (%)	21.1	21.2	21.7	20.6	21.2	21.4	-50 bps	0 bps	-30 bps
PAT (INR mn)	2,92,214	3,20,279	3,43,337	2,81,836	3,31,875	3,53,572	(3.6)	3.6	3.0
EPS (INR)	70.9	77.7	83.3	68.4	80.5	85.8	(3.6)	3.6	3.0
<b>TP (INR)</b>	<b>1,700</b>			<b>1,770</b>			<b>4.1</b>		

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
13-Apr-2023	Reduce	1,340	1,389
23-Jun-2023	Reduce	1,350	1,265
20-Jul-2023	Sell	1,230	1,450
12-Oct-2023	Sell	1,210	1,466
11-Jan-2024	Sell	1,260	1,494
17-Oct-2024	Reduce	1,880	1,968
16-Jan-2025	Reduce	1,830	1,928
17-Apr-2025	Accumulate	1,530	1,420
23-Jul-2025	Accumulate	1,650	1,575
16-Oct-2025	Accumulate	1,700	1,472

## Guide to Research Rating

<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

## Event Calendar: January 2026

Monday		Tuesday		Wednesday		Thursday		Friday	
12	<b>India CPI</b> for Dec (0.71% YoY) HCL Technologies, Tata Consultancy Services	13	<b>US CPI</b> for Dec (2.7% YoY) ICICI Lombard GIC, ICICI Pru Life Insurance , Tata Elxsi	14	<b>India WIP</b> for Dec (-0.32% YoY) <b>India Exports</b> for Dec (19.4%) <b>India Imports</b> for Dec (-1.9%) HDFC AMC, Infosys, MRPL	15	<b>UK IIP</b> for Nov (-0.8% YoY) <b>US:</b> Initial Jobless Claims DB Corp, HDFC Life Insurance, Nuvoco Vistas Corporation	16	<b>UK IIP</b> for Dec (0.2% MoM) Federal Bank, JB Chemicals & Pharmaceuticals, JSW Infrastructure, L&T Finance, Leela Palaces Hotels & Resorts, Polycab India, Reliance Industries, Sobha, Tata Technologies, Tech Mahindra, Wipro  Can Fin Homes, HDFC Bank, ICICI Bank, JK Cement, RBL Bank (17 Jan)
19	CEAT, Havells India, LTIMindtree, Oberoi Realty, Punjab National Bank	20	AU Small Finance Bank, CreditAccess Grameen, Gujarat Gas, ITC Hotels, Persistent Systems, Rallis India, SRF, United Spirits	21	<b>UK CPI</b> for Dec (3.2% YoY) Bajaj Consumer Care, Dalmia Bharat, Dr. Reddy's, Hindustan Petroleum, Jindal Stainless, KEI Industries, Supreme Industries, UTI AMC	22	<b>US:</b> Initial Jobless Claims Adani Energy Solutions, Aditya Birla Sun Life AMC, Bandhan Bank, CAMS, Coforge, Gujarat State Petronet, Indian Bank, Mphasis, Radico Khaitan, Ujjivan Small Finance Bank, Zee Entertainment	23	Atul, Cipla, DCB Bank, Godrej Consumer, India Cements, IndusInd Bank, JSW Steel, MCX, Sona BLW Precision Forgings  Kotak Mahindra Bank, UltraTech Cement (24 Jan)
26	<b>India Market Closed</b> Axis Bank	27	Asian Paints, Mahindra Logistics, Marico, Sumitomo Chemical	28	<b>India IIP</b> for Dec ACC, Bharat Electronics, Garden Reach Shipbuilders, Gland Pharma , M&M Financial Serv, Star Health & Allied , TVS Motors, V-Guard Industries	29	<b>US:</b> Initial Jobless Claims ACME Solar Holdings, Container Corporation of India, Dabur India, Equitas Small Finance Bank, KPIT Technologies, Nippon Life India AMC, Orient Cement, Tata Motors	30	<b>India Fiscal Deficit</b> Ajanta Pharma, Ambuja Cements, Bajaj Auto, Cholamandalam Investment, Dr Lal PathLabs, Exide Industries, Insecticides India, Motherson Sumi Wiring India, Nestle, PSP Projects  IDFC First Bank (31 Jan)

Company	Rating	Mkt Cap (INR bn)	CMP (INR)	TP (INR)	Upside/ Downside (%)	Net Sales (INR bn)				EBIDTA (INR bn)				Adj PAT (INR bn)				BVPS (INR)				ROE (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Fertilizers & Agricultural Chemicals																									
UPL	Buy	658	780	980	25.6	466.4	503.6	548.7	598.1	76.0	94.2	115.2	134.6	13.1	29.6	48.4	63.2	405	383	412	447	3.7	7.9	12.6	15.0
PI Industries	Accumulate	499	3,288	4,023	22.4	79.8	84.5	91.2	98.5	21.8	23.2	25.8	28.3	16.6	17.8	19.8	22.1	668	739	853	981	17.6	16.6	16.4	15.8
Bayer CropScience	Accumulate	198	4,412	5,167	17.1	54.7	58.0	62.7	67.7	6.9	8.1	8.9	9.8	5.7	6.3	6.9	7.6	634	644	671	724	19.9	21.8	23.4	24.3
Coromandel International	Buy	685	2,321	2,601	12.1	240.9	321.4	331.7	357.7	26.3	33.6	41.7	45.5	17.2	22.9	28.9	32.4	376	413	492	582	16.6	19.4	21.4	20.2
Rallis India	Accumulate	48	248	313	26.3	26.6	28.6	31.2	34.0	2.9	3.5	4.4	5.2	1.2	2.0	2.6	3.3	100	107	116	130	6.6	10.0	12.4	14.2
Dhanuka Agritech	Accumulate	49	1,088	1,628	49.7	20.4	21.0	25.0	29.7	4.2	4.4	5.3	6.6	3.0	3.0	3.8	4.8	311	362	424	504	22.3	20.1	21.6	23.0
Insecticides India	Accumulate	19	642	726	13.2	20.0	21.2	24.4	26.8	2.2	2.4	3.0	3.2	1.4	1.5	1.9	2.0	366	422	459	520	13.5	13.2	14.5	13.9
Chambal Fertilisers	Accumulate	179	446	544	21.9	166.5	167.0	176.0	180.6	24.8	27.9	31.2	27.1	16.5	20.0	22.6	19.8	218	246	292	331	20.7	21.6	21.0	15.9
Sumitomo Chemical	Buy	215	430	633	47.1	31.5	34.3	39.0	43.1	6.3	7.2	8.5	9.7	5.1	5.8	7.0	8.1	58	66	78	91	18.9	18.7	19.4	19.1
Paradeep Phosphates	Buy	153	148	238	61.2	138.2	219.3	224.5	230.1	12.6	25.6	23.5	26.7	5.5	14.8	13.2	15.8	50	68	85	105	14.4	26.4	16.6	16.1
Automobiles																									
Maruti Suzuki	Accumulate	5,078	16,152	19,560	21.1	1,519.0	1,878.5	2,161.6	2,396.5	176.5	218.0	274.4	308.8	139.6	167.7	196.5	219.6	2,991	3,365	3,802	4,291	15.7	16.8	17.4	17.3
Bajaj Auto	Accumulate	2,677	9,580	10,657	11.2	500.1	577.0	649.9	710.7	101.0	117.3	133.1	146.9	81.5	96.7	108.3	119.0	1151	1255	1371	1499	28.6	28.8	29.9	30.3
Eicher Motors	Buy	2,018	7,358	9,000	22.3	188.7	237.1	278.3	313.5	47.1	58.3	69.6	79.0	47.3	55.4	64.1	71.6	777	898	1,038	1,195	24.1	24.1	24.1	23.4
Mahindra & Mahindra	Buy	4,538	3,650	4,747	30.1	1,164.8	1,454.6	1,614.7	1,746.1	171.2	213.5	243.8	268.9	118.6	157.8	176.5	191.3	513	605	708	820	20.8	23.5	22.4	20.9
Hero Motocorp	Accumulate	1,136	5,677	6,355	12.0	407.6	453.5	495.2	540.6	58.7	68.0	75.8	84.8	46.1	53.2	58.7	65.1	992	1,072	1,160	1,258	24.4	25.8	26.4	27.0
Tata Motors	Accumulate	1,597	434	493	13.7	694.2	784.2	855.0	903.5	80.1	101.3	117.1	125.6	59.4	69.1	77.8	84.2	-	42	57	73	-	53.3	38.4	32.1
Tata Motors PV	Reduce	1,288	350	363	3.8	3,660.9	3,362.7	3,982.5	4,214.7	480.8	217.0	424.8	528.1	195.9	12.4	141.4	203.8	304	301	333	383	-	1.9	10.9	13.9
TVS Motors	Accumulate	1,753	3,690	4,486	21.6	362.5	463.5	535.6	612.0	44.5	59.8	74.4	88.1	27.1	37.6	48.3	57.9	209	273	354	451	30.7	31.2	31.7	29.5
Ashok Leyland	Sell	1,098	187	171	(8.5)	387.5	438.8	470.3	499.9	49.3	57.9	63.0	68.5	32.0	39.0	42.7	46.6	39	23	28	33	31.5	31.0	28.7	26.4
Auto Ancillaries																									
Samvardhana Motherson	Sell	1,198	114	90	(20.7)	1136.6	1219.0	1253.1	1287.4	105.5	110.9	125.6	130.1	36.2	36.8	51.0	53.2	33	37	42	47	11.1	9.3	11.5	10.7
MRF	Sell	618	145,665	118,582	(18.6)	276.7	299.7	320.0	340.0	39.6	47.4	52.2	54.7	18.2	23.7	26.8	28.3	42,856	48,186	54,209	60,585	10.5	12.3	12.4	11.6
Exide Industries	Accumulate	294	345	400	15.8	172.4	185.0	197.9	210.3	18.0	20.7	23.4	25.2	8.0	10.4	12.1	13.1	164	173	184	195	6.0	7.2	8.0	8.1
Amara Raja Energy & Mot	Accumulate	160	874	1,078	23.3	128.5	138.3	150.4	162.2	16.2	16.7	18.9	20.9	8.3	8.7	10.1	11.2	404	444	491	543	11.8	11.2	11.8	11.9
Apollo Tyres	Reduce	335	528	496	(6.1)	261.2	275.7	289.8	300.0	35.7	41.2	44.2	46.1	12.9	17.2	20.9	23.0	233	253	278	305	9.0	11.1	12.4	12.5
CEAT	Reduce	155	3,829	3,522	(8.0)	131.7	142.4	152.6	161.2	14.9	18.1	20.0	21.8	5.1	7.2	8.4	9.4	1,060	1,203	1,370	1,558	12.4	15.8	16.1	15.9
UNO Minda	Accumulate	688	1,192	1,405	17.8	167.7	193.7	224.3	253.8	18.7	21.9	26.0	30.5	9.3	11.8	15.1	18.8	100	117	140	168	16.4	17.8	19.2	20.0
Endurance Technologies	Accumulate	355	2,520	2,945	16.8	115.6	131.7	144.1	157.4	15.5	18.3	19.8	21.8	8.2	10.3	11.1	12.5	407	471	541	619	15.4	16.7	15.7	15.4
Bharat Forge	Sell	692	1,447	1,172	(19.0)	151.2	157.3	175.9	194.2	26.9	27.9	31.1	34.6	11.0	12.0	14.7	17.7	194	214	238	268	13.4	12.4	13.7	14.7
Minda Corporation	Buy	136	569	746	31.1	50.6	58.7	66.3	74.1	5.7	6.8	8.1	9.2	2.6	3.2	4.6	5.5	92	104	135	156	12.2	13.6	15.7	15.3
Motherson Sumi Wiring I	Sell	306	46	38	(17.5)	93.2	107.0	122.1	132.4	10.0	11.1	14.3	16.2	6.1	6.8	9.0	10.3	3	3	4	4	35.9	36.9	41.8	40.7
Sona BLW Precision Forg	Buy	287	462	565	22.4	35.5	44.0	51.0	59.4	9.8	10.8	12.7	15.1	6.2	6.4	7.6	9.2	88	96	104	114	14.7	10.8	11.9	13.2
Gabriel India	Buy	134	933	1,470	57.6	40.6	47.3	55.1	60.4	3.9	4.5	5.5	6.5	2.5	2.8	3.4	4.1	82	96	112	132	22.4	21.7	22.6	23.2
SJS Enterprises	Buy	54	1,685	2,090	24.1	7.6	9.2	10.9	12.7	2.0	2.5	3.0	3.5	1.2	1.6	1.9	2.3	220	261	318	384	19	20.6	21	20.7
Aviation																									
InterGlobe Aviation	Buy	1,830	4,733	6,020	27.2	808.0	854.6	960.3	1,098.8	196.8	216.9	243.5	276.2	88.8	91.5	99.4	112.4	243	330	556	812	156.2	82.8	58.2	42.6
SpiceJet	Accumulate	37	26	39	49.5	52.8	54.5	93.7	111.8	(3.5)	(2.1)	10.9	13.6	1.7	(11.4)	0.6	2.0	5	(3)	(3)	(1)	(18.2)	(983.1)	(13.4)	(66.8)
Banking																									
Net interest income										Pre-provisioning operating profit				Profit after tax								ROAE			
HDFC Bank	Accumulate	14,238	925	1,147	23.9	1,226.7	1,359.1	1,507.3	1,727.6	1,001.3	1,248.1	1,316.0	1,512.2	673.5	743.8	827.2	920.2	655	360	399	443	14.3	14.1	14.2	14.2
Federal Bank	Buy	608	247	250	1.3	94.7	100.8	114.6	131.2	61.0	65.2	73.7	86.1	40.5	39.2	44.0	50.3	136	151	169	188	13.0	11.1	11.2	11.5
AU Small Finance Bank	Reduce	730	976	786	(19.5)	80.1	89.6	111.8	134.2	45.8	52.1	62.3	74.6	21.1	25.6	33.8	42.1	231	264	308	363	14.2	13.9	15.9	16.8
IndusInd Bank	Sell	736	945	720	(23.8)	190.3	181.5	196.9	226.1	106.4	91.2	100.1	120.6	26.4	14.4	40.4	56.0	814	827	870	931	4.2	2.3	6.1	8.0
Axis Bank	Accumulate	4,033	1,299	1,365	5.1	543.5	557.3	621.1	713.7	421.0	433.4	499.6	591.3	263.7	239.8	295.6	354.5	580	657	751	864	15.9	12.5	13.6	14.2
ICICI Bank	Buy	10,143	1,418	1,707	20.3	811.6	879.4	992.8	1,110.9	673.0	723.2	823.4	924.3	472.3	486.9	534.8	579.0	406	461	524	592	18.0	15.8	15.2	14.6
Kotak Mahindra Bank	Accumulate	4,187	421	2,481	489.3	283.4	307.8	355.4	409.2	210.1	227.7	266.2	309.0	164.5	142.0	168.0	195.4	590	660	743	840	12.1	11.4	12.1	12.4
Bandhan Bank	Accumulate	234	145	186	28.0	114.9	114.2	122.0	137.3	73.9	61.5	61.2	68.0	27.5	15.3	26.4	35.2	153	161	176	196	11.9	6.0	9.7	11.7
Punjab National Bank	Accumulate	1,479	129	122	(5.2)	427.8	445.4	516.9	580.0	268.3	273.2	296.6	326.7	166.3	141.										

Coverage  
Universe

Company	Rating	Mkt Cap (INR bn)	CMP (INR)	TP (INR)	Upside/ Downside (%)	Net Sales (INR bn)				EBIDTA (INR bn)				Adj PAT (INR bn)				BVPS (INR)				ROE (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Ujjivan Small Finance Bank	Buy	114	59	60	1.7	36.4	38.6	46.8	55.6	16.9	17.2	20.8	24.2	7.3	6.6	9.5	11.6	31	35	39	43	12.4	10.3	13.4	14.6
Canara Bank	Reduce	1,396	154	130	(15.5)	370.7	365.8	414.6	460.7	313.9	313.5	322.4	347.2	170.3	168.4	167.6	177.9	100	114	127	142	20.2	17.4	15.4	14.6
Indian Bank	Reduce	1,140	846	730	(13.8)	251.8	262.6	288.9	321.1	190.0	197.0	217.6	239.1	109.2	111.2	120.5	124.1	470	533	603	676	18.9	16.5	15.8	14.4
One 97 Communications	Accumulate	840	1,313	1,282	(2.4)	47.8	59.6	73.8	88.7	-15.1	5.4	11.1	18.5	-6.6	7.0	11.9	19.1	236	258	292	296	(4.7)	4.4	6.8	10.2
BSE	Accumulate	1,157	2,837	2,202	(22.4)	32.4	41.4	50.9	59.1	15.9	22.6	29.2	34.3	13.3	19.0	24.2	28.5	81	109	133	160	34.2	38.6	40.8	40.3
MCX	Buy	616	2,417	1,952	(19.2)	12.1	17.7	22.0	24.9	7.6	11.8	14.8	16.8	5.6	8.7	11.1	12.6	370	454	563	686	34.3	41.3	42.6	39.4
Chemicals																									
Deepak Nitrite	Accumulate	213	1,564	1,853	18.5	82.8	75.7	85.0	95.8	10.9	8.7	11.4	13.5	7.0	5.1	7.0	8.2	398	431	477	530	13.6	9	11.2	11.9
Vinati Organics	Accumulate	165	1,596	1,997	25.1	22.5	25.6	30.1	34.1	5.8	6.5	7.7	9.2	4.1	4.3	5.1	6.2	269	298	333	374	15.4	14.8	15.7	16.9
Alkyl Amines	Reduce	84	1,643	1,825	11.1	15.7	16.8	18.4	20.3	2.9	3.3	3.8	4.3	1.9	2.2	2.5	2.9	275	307	346	393	13.9	14.6	15.0	15.4
Balaji Amines	Accumulate	41	1,265	1,568	24.0	14.0	15.4	18.0	21.1	2.3	2.9	3.7	4.7	1.6	2.0	2.6	3.3	569	625	696	788	8.1	9.5	11.1	12.8
Sudarshan Chemicals	Accumulate	72	912	1,275	39.8	33.5	105.2	112.1	119.6	3.8	6.3	8.5	11.3	1.6	658.0	2.5	4.3	514	527	558	608	6.1	1.6	5.9	9.4
SRF	Accumulate	899	3,032	3,423	12.9	146.9	164.9	197.4	223.6	27.2	37.4	48.0	53.9	12.5	21.3	29.2	33.9	426	490	580	686	10.4	15.7	18.4	18.1
Gujarat Fluorochemicals	Buy	373	3,398	5,083	49.6	47.4	60.4	76.7	96.8	11.6	15.9	21.9	28.8	5.5	8.1	12.1	17.0	664	699	804	951	8.3	10.8	14.6	17.7
Aarti Industries	Accumulate	131	362	438	21.0	72.7	81.2	89.9	99.4	10.0	10.9	12.9	15.1	3.3	3.2	4.0	5.0	155	163	173	181	6.0	5.6	6.6	7.8
Atul	Accumulate	177	6,020	7,026	16.7	55.8	64.1	71.6	79.9	9.1	11.0	12.0	13.1	4.8	6.2	7.0	7.8	1,902	2,071	2,261	2,473	8.9	10.5	10.8	11.0
Navin Fluorine International	Buy	309	6,032	6,340	5.1	23.5	32.4	37.8	43.3	5.3	9.9	11.7	13.7	2.9	6.1	7.2	8.5	530	628	745	882	11.5	21.2	21.2	21.1
Consumer Discretionary																									
United Spirits	Reduce	972	1,336	1,450	8.5	115.7	125.4	138.2	153.7	20.6	21.9	24.3	27.1	16.2	16.0	17.9	19.9	108	126	147	169	21.9	18.7	18.0	17.3
United Breweries	Reduce	402	1,520	1,800	18.5	89.1	97.3	108.3	120.5	8.4	9.2	12.3	14.5	4.7	5.3	7.8	9.2	165	175	194	219	10.9	11.8	16.0	16.9
Radico Khaitan	Accumulate	389	2,907	3,350	15.2	48.5	61.8	70.6	81.0	6.7	9.5	11.7	14.2	3.5	5.7	7.3	9.3	206	245	295	361	13.3	19.0	20.2	21.3
Sapphire Foods	Accumulate	72	224	330	47.3	28.8	30.5	34.6	38.8	4.8	4.6	5.6	6.6	0.3	0.1	0.4	0.8	44	44	45	47	2.3	0.5	2.6	5.7
Jubilant FoodWorks	Buy	349	529	780	47.4	61.0	70.7	79.3	88.7	11.8	13.8	16.0	18.8	2.2	3.2	4.2	5.4	34	38	43	50	9.8	13.5	15.8	17.7
Westlife Foodworld	Accumulate	77	496	640	28.9	24.9	27.3	30.1	33.2	3.2	3.4	3.9	4.5	0.1	0.0	0.4	0.8	39	39	39	41	2.0	0.6	7.2	12.6
FSN E-Commerce Ventures	Accumulate	730	255	260	2.0	79.5	101.7	130.9	167.0	4.7	7.0	11.1	15.0	0.7	2.4	5.5	8.2	5	5	7	10	5.5	16.1	29.6	32.3
Page Industries	Buy	383	34,320	49,482	44.2	49.3	52.4	57.4	64.0	10.6	11.6	12.8	13.5	7.3	8.0	8.6	9.1	1,262	1,526	1,801	2,069	48.5	51.3	46.6	42.3
Vedant Fashions	Buy	131	540	871	61.3	13.9	15.0	16.9	19.2	6.4	6.8	7.8	8.9	3.9	4.0	4.5	5.3	74	86	100	116	22.9	20.5	20.1	20.2
Go Fashion	Accumulate	22	401	722	79.9	8.5	9.3	10.5	12.0	2.7	2.8	3.2	3.8	0.9	0.9	1.0	1.3	129	146	165	189	14.4	12.1	12.5	13.6
Dollar Industries	Buy	19	335	565	68.6	17.1	19.3	21.8	25.2	1.8	2.4	2.7	3.2	0.9	1.3	1.6	2.0	151	169	191	218	11.2	14.5	16.1	17.1
Trent	Accumulate	1,398	3,932	5,500	39.9	171.3	206.1	249.5	303.6	27.6	33.2	40.5	49.9	15.3	18.4	23.6	30.3	154	200	251	316	31.7	28.8	29.1	29.7
Vishal Mega Mart	Buy	608	130	192	47.6	107.2	130.3	156.4	184.7	15.3	19.3	23.5	27.9	6.3	8.7	11.0	13.6	14	16	19	22	10.5	12.5	13.8	14.7
Titan Company	Buy	3,748	4,222	4,540	7.5	604.6	752.9	910.0	1,068.9	56.9	79.0	96.8	114.9	33.4	47.8	58.1	70.4	131	170	217	274	31.8	34.7	32.3	31.1
Safari Industries	Buy	102	2,080	3,111	49.6	17.7	20.7	24.1	27.8	2.3	3.0	3.5	4.2	1.4	1.9	2.3	2.8	195	231	275	327	16.1	18.2	18.8	18.9
VIP Industries	Buy	52	363	430	18.4	21.8	19.6	21.8	24.7	0.8	(1.0)	1.5	2.5	(0.8)	(2.5)	(0.2)	0.6	43	26	25	28	(11.8)	(51.7)	(4.4)	16.5
Diversified Financials						Net interest income				Pre-provisioning operating profit				Profit after tax											
M&M Financial Services	Accumulate	493	355	334	(5.9)	73.9	91.9	98.1	110.2	40.4	62.7	68.2	78.9	16.2	25.1	29.9	35.6	160	175	191	210	8.5	12.1	13.2	14.4
Cholamandalam Investments	Reduce	1,426	1,690	1,608	(4.8)	132.6	166.1	205.7	249.4	82.3	102.7	125.7	152.6	42.6	51.7	64.3	79.3	281	321	397	491	21.5	21.1	21.3	21.2
LIC Housing Finance	Accumulate	294	535	677	26.5	81.3	88.7	93.2	98.7	71.4	79.6	83.3	87.5	54.3	52.4	55.7	59.5	659	736	724	712	16.0	13.7	13.9	15.1
Bajaj Finance	Accumulate	5,886	946	1,129	19.4	331.1	408.9	514.3	651.3	270.1	343.1	410.5	482.9	166.6	185.6	236.3	284.8	142	172	210	256	20.8	19.1	20.0	19.7
Manappuram Finance	Accumulate	262	309	288	(6.8)	64.2	57.4	65.1	75.8	36.3	29.8	37.2	42.0	12.2	15.3	21.8	23.9	147	153	176	211	10.1	12.0	14.3	14.6
Muthoot Finance	Accumulate	1,581	3,938	2,916	(26.0)	104.5	124.5	140.3	162.7	78.4	94.4	108.3	129.8	52.0	65.5	75.0	90.7	708	832	988	1,175	18.3	19.0	18.3	18.4
Shriram Finance	Accumulate	1,846	981	801	(18.4)	228.4	268.6	312.6	362.1	162.6	189.8	219.7	253.1	97.6	96.7	114.3	133.1	299	349	399	458	18.6	15.9	16.3	16.5
SBI Cards and Payment Services	Accumulate	806	847	1,006	18.8	61.7	68.6	72.9	92.9	74.5	82.9	94.8	114.2	19.2	23.2	31.6	42.7	145	166	196	239	14.8	15.7	18.3	20.6
Aavas Financiers	Accumulate	114	1,444	1,832	26.9	12.2	14.5	17.5	20.7	7.6	9.1	10.8	12.9	5.7	6.7	8.0	9.5	551	636	736	857	14.1	14.4	14.7	15.1
L&T Finance	Buy	740	296	330	11.6	86.7	96.8	111.3	137.6	56.8	62.0	76.4	96.9	26.4	31.0	38.8	51.4	102	119	134	155	10.8	11.2	12.3	14.3
CreditAccess Grameen	Accumulate	206	1,284	1,590	23.8	36.0	37.9	45.1	51.1	26.4	27.9	35.1	38.5	5.3	8.2	15.5	18.7	436	487	584	701	7.9	11.2	18.1	18.2
Power Finance Corporation	Buy	1,227	372	508	36.6	193.4	223.8	244.0	275.7	216.3	238.1	267.1	295.3	173.5	184.8	196.7	216.7	276	332	391	45				

Coverage  
Universe

Company	Rating	Mkt Cap (INR bn)	CMP (INR)	TP (INR)	Upside/ Downside (%)	Net Sales (INR bn)				EBIDTA (INR bn)				Adj PAT (INR bn)				BVPS (INR)				ROE (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Building Materials																									
Astral	Accumulate	393	1,463	1,650	12.8	58.3	66.8	77.9	89.1	9.5	11.0	13.1	15.3	5.2	6.1	7.7	9.2	135	148	168	194	15.0	15.7	17.8	18.6
Supreme Industries	Accumulate	443	3,485	4,260	22.2	104.5	112.6	128.9	146.7	14.3	15.2	19.3	22.7	9.6	9.9	12.3	14.7	446	492	551	620	17.8	16.6	18.6	19.8
Century Plyboards	Buy	169	762	980	28.7	45.3	54.2	61.6	69.8	4.9	6.7	8.7	10.5	2.0	3.1	4.7	6.1	106	119	138	162	8.7	12.5	16.5	18.3
Kajaria Ceramics	Accumulate	159	996	1,380	38.6	46.4	48.7	53.4	58.3	6.3	8.5	9.2	10.1	3.4	5.0	5.5	6.0	173	203	225	251	12.5	16.4	15.8	15.6
Somany Ceramics	Accumulate	16	398	737	85.3	26.3	28.7	31.7		2.4	2.9	3.4		1.0	1.3	1.6		186	209	238		12.6	14.8	16.3	
Capital Goods																									
Siemens	Accumulate	1,058	2,971	3,550	19.5	173.6	195.5	229.1	277.0	20.1	25.6	30.9	37.8	16.9	21.3	25.3	30.5	372	512	563	624	11.8	13.5	13.2	14.4
ABB India (CY)	Reduce	1,046	4,935	5,030	1.9	130.8	149.4	171.7		19.4	22.4	26.1		15.7	18.0	21.0		376	428	494		22.3	22.4	22.6	
Cummins	Accumulate	1,117	4,029	4,780	18.6	103.4	122.5	144.2	169.3	20.7	26.3	30.6	35.7	19.1	24.1	27.9	32.3	257	322	400	493	28.5	30.0	27.9	26.1
Voltas	Accumulate	476	1,440	1,440	0.0	154.1	151.6	184.0	205.2	11.2	7.6	13.1	15.9	8.3	6.1	11.4	14.3	197	208	236	272	13.5	9.1	15.5	17.0
Thermax	Reduce	354	2,972	3,220	8.4	103.9	108.6	126.7	154.8	11.7	9.8	12.5	15.7	8.9	6.7	8.9	11.6	414	454	512	590	18.9	13	15.5	17.6
KEC International	Buy	186	699	930	33.0	218.5	248.7	287.3	324.1	15.0	18.5	25.4	29.3	5.7	8.5	13.8	17.1	201	227	274	332	12.1	14.9	20.7	21.2
BITES	Buy	111	232	320	38.1	22.2	24.4	33.1	49.9	5.2	5.7	6.8	10.1	3.8	4.4	5.1	7.3	53	55	55	56	15.1	17.0	19.7	27.5
BEML	Buy	151	1,812	2,700	49.0	40.2	44.5	54.6	68.7	5.1	5.8	7.7	9.8	2.9	3.7	4.9	6.5	691	349	364	399	10.5	12.6	16.3	20.5
KEI Industries	Accumulate	419	4,385	4,425	0.9	97.4	119.5	149.2	183.2	9.9	12.8	16.9	21.3	7.0	9.2	12.0	15.2	606	698	819	974	15.6	14.7	16.6	17.8
Bharat Electronics	Accumulate	3,053	418	470	12.5	237.7	286.6	347.0	406.6	68.3	80.6	96.8	112.7	52.5	61.7	75.0	87.2	27	32	40	48	28.9	28.2	28.5	27.3
Hindustan Aeronautics	Buy	2,984	4,461	5,680	27.3	309.8	332.0	386.1	449.9	104.5	91.8	107.8	124.0	88.7	81.8	93.9	106.0	523	579	671	782	27.7	22.2	22.5	21.8
Bharat Dynamics	Accumulate	555	1,514	1,625	7.4	33.5	46.1	64.3	90.5	6.1	8.1	12.4	18.4	6.9	8.7	12.3	17.4	109	123	151	192	18.1	20.3	24.5	27.7
Garden Reach Shipbuilders	Sell	278	2,431	2,200	(9.5)	50.8	68.6	78.8	73.8	4.2	7.7	9.8	8.8	5.3	8.5	10.9	9.5	182	245	327	397	28.1	34.8	33.2	22.8
Zen Technologies	Buy	111	1,228	2,120	72.6	9.7	7.9	15.0	19.9	3.7	2.9	5.2	6.9	3.0	2.6	4.4	5.7	189	218	266	329	27.9	14.4	20.0	21.3
Consumer Electricals																									
Havells India	Accumulate	901	1,437	1,580	9.9	217.8	239.1	281.9	325.6	21.3	24.6	31.8	38.3	14.7	17.3	22.2	27.2	133	144	161	186	18.6	19.9	23.2	25.0
Crompton Greaves Consumer Electricals	Buy	164	255	410	61.0	78.6	83.1	95.1	110.1	8.9	8.4	10.3	12.3	5.6	5.7	7.4	9.0	53	66	73	82	30.0	24.4	31.3	34.3
V-Guard Industries	Accumulate	132	303	430	42.0	55.8	60.0	68.2	75.5	5.1	5.5	6.9	8.1	3.1	3.3	4.5	5.3	48	59	68	72	17.1	17.1	19.2	19.3
Eureka Forbes	Buy	110	567	770	35.9	24.4	27.8	32.8	37.9	5.6	3.6	4.7	5.6	4.6	2.4	3.3	4.0	227	239	256	277	3.7	5.3	6.8	7.8
Polycab India	Accumulate	1,102	7,324	7,970	8.8	224.1	272.2	329.5	396.1	29.6	40.0	46.6	56.1	20.5	28.0	32.7	39.6	653	816	1,006	1,240	22.5	25.2	23.8	23.5
Consumer Electronics																									
Amber Enterprises	Buy	215	6,114	8,460	38.4	99.7	117.6	141.1	164.4	7.6	8.4	11.7	14.5	2.8	2.7	4.3	6.2	68	102	115	135	11.5	9.9	12.3	15.4
Dixon Technologies	Accumulate	674	11,103	18,300	64.8	388.6	555.2	694.5	808.6	15.1	21.1	25.7	32.3	7.2	11.9	14.5	19.0	514	734	1,009	1,365	27.9	28.9	26.1	25.7
Keynes Technology	Buy	247	3,681	5,365	45.8	27.2	42.6	62.2	85.7	4.1	6.8	10.2	14.9	2.9	4.8	6.7	9.7	443	905	1,036	1,186	11.0	11.0	10.7	13.6
Cement																									
UltraTech Cement	Accumulate	3,611	12,255	14,088	15.0	759.6	901.5	1,021.8	1,140.6	125.6	154.8	207.7	250.4	61.1	72.0	110.7	141.8	2,399	3,008	3,337	3,776	9.1	8.7	11.5	13.2
Shree Cement	Buy	994	27,550	35,695	29.6	193.3	214.0	236.6	259.8	39.6	48.2	57.6	64.1	11.5	19.5	24.1	28.5	5,969	6,161	6,652	7,254	5.4	8.9	10.4	11.3
Ambuja Cements	Accumulate	1,358	550	647	17.7	342.2	411.7	452.3	484.9	51.4	77.9	103.5	123.8	20.9	27.3	39.5	51.8	217	200	211	225	3.6	4.4	6.4	7.8
ACC	Accumulate	325	1,728	2,115	22.4	210.3	241.1	261.2	276.8	23.8	29.0	33.2	38.1	13.4	16.3	18.9	22.1	972	1,051	1,143	1,252	7.8	8.6	9.2	9.8
JK Cement	Accumulate	441	5,712	6,249	9.4	118.8	135.8	151.8	166.4	20.3	24.3	29.8	33.2	7.9	11.0	14.1	16.1	788	917	1085	1278	13.9	16.7	18.3	17.6
Prism Johnson	Accumulate	66	130	159	22.0	73.1	80.3	87.3	93.7	4.2	6.8	8.0	8.7	(1.6)	0.0	1.3	2.1	29	29	32	36	(9.5)	0.2	7.3	10.6
Star Cement	Buy	87	216	302	39.7	31.6	36.7	39.4	44.6	5.8	8.5	8.8	10.3	1.7	3.6	3.4	4.3	71	80	89	99	6.0	11.8	10.0	11.2
Birla Corporation	Accumulate	83	1,081	1,394	29.0	92.1	99.5	106.4	113.1	12.2	14.6	16.2	17.1	3.2	5.5	6.4	6.8	911	972	1,045	1,123	4.7	7.5	8.3	8.2
HeidelbergCement	Reduce	38	170	207	22.1	21.5	23.7	26.3	28.6	2.4	3.3	4.4	5.0	1.1	1.8	2.7	3.2	62	62	68	75	7.5	12.6	18.4	19.6
JK Lakshmi Cement	Accumulate	96	775	1,008	30.0	61.9	71.1	81.2	93.5	8.6	10.3	13.0	16.0	3.0	4.3	5.9	7.9	302	332	376	435	8.8	11.7	14.2	16.6
India Cements	Sell	147	474	333	(29.7)	41.5	47.2	53.8	61.0	(3.8)	4.7	8.6	12.4	-5.3	3.0	4.0	6.8	329	334	348	370	(6.7)	3.0	3.8	6.1
Orient Cement	Reduce	35	169	218	28.9	27.1	24.3	25.3	26.6	3.0	4.9	5.3	5.8	0.9	2.3	2.8	3.1	88	103	113	126	5.1	11.8	12.5	12.8
The Ramco Cements	Reduce	252	1,064	1,064	(0.0)	85.0	94.9	106.5	115.6	12.3	16.8	19.8	21.6	1.5	3.9	5.7	7.1	317	331	351	377	2.0	5.2	7.1	8.3
Nuvoco Vistas Corporation	Accumulate	127	354	438	23.7	103.6	114.9	128.5	144.3	13.7	17.2	19.9	22.5	0.2	2.8	4.2	5.0	252	260	272	286	0.2	3.1	4.4	5.0
Dalmia Bharat	Reduce	408	2,177	2,328	6.9	139.8	151.5	167.6	184.5	24.1	30.7	33.9	37.1	6.9	11.6	11.9	14.1	926	983	1,036	1,100	4.0	6.4	6.3	7.0
FMCG																									
Hindustan Unilever	Accumulate	5,530	2,354	2,780	18.1	631.2	662.7	709.1	758.8	148.5	153.1	168.6	181.8	103.4	105.9	117.8	127.6	210	212	214	216	20.5	21.3	23.4	25.1
Nestle	Reduce	2,520	1,307	1,262	(3.5)	200.8	219.6	240.4	262.6	46.5	49.0	55.8	61.5	30.2	31.6	36.5	40.6	43	24	28	34	81.1	71.9	72.2	67.5
Britannia Industries	Accumulate	1,423	5,907	6,975	18.1	179.4	198.7	218.7	237.6	31.9	37.2	40.7	44.5	22.0	25.8	28.4	31.3	181	246	318	397	52.8	50.0	41.6	36.1
Godrej Consumer	Accumulate																								

Coverage  
Universe



Company	Rating	Mkt Cap (INR bn)	CMP (INR)	TP (INR)	Upside/ Downside (%)	Net Sales (INR bn)				EBIDTA (INR bn)				Adj PAT (INR bn)				BVPS (INR)				ROE (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Jyothy Labs	Buy	94	257	390	52.0	28.5	29.1	31.3	33.6	5.0	4.8	5.3	5.8	3.7	3.7	4.0	4.4	56	62	68	76	19.4	17.1	16.8	16.7
Bajaj Consumer Care	Accumulate	37	283	313	10.7	9.6	10.8	11.6	12.5	1.3	1.9	2.1	2.3	1.2	1.7	1.9	2.1	57	67	76	85	15.8	20.5	19.9	19.5
ITC	UR	4,194	335	UR	NA	693.2	725.6	785.0	851.7	240.2	252.6	276.0	302.9	195.6	204.3	222.4	243.3	54	53	52	54	27.9	30.6	33.9	36.6
Tata Consumer Products	Accumulate	1,159	1,171	1,260	7.6	176.2	198.2	219.0	243.5	24.8	28.0	33.4	37.4	12.8	16.6	20.9	23.9	202	270	285	302	6.6	6.7	7.3	7.9
Mrs Bectors Food Specialities	Buy	71	232	314	35.6	18.7	20.7	24.1	28.0	2.5	2.6	3.4	4.1	1.4	1.4	1.9	2.4	38	43	49	56	15.7	11.4	13.4	14.6
Varun Beverages	Accumulate	1,699	502	587	16.8	200.1	215.7	246.7	276.5	47.1	50.8	58.0	65.1	25.9	31.1	36.1	41.6	49	53	58	64	21.8	17.9	19.2	20.1
Footwear																									
Relaxo Footwears	Reduce	98	393	423	7.6	27.9	26.2	28.0	30.6	3.8	3.7	4.1	4.6	1.7	1.8	2.0	2.3	84	81	82	84	8.3	8.6	9.8	11.3
Metro Brands	Buy	300	1,102	1,510	37.1	25.1	28.3	32.7	37.9	7.6	8.6	10.0	11.6	3.5	4.1	4.8	5.5	63	74	87	102	19.4	21.7	21.4	21.1
Bata India	Accumulate	116	906	1,158	27.9	34.9	35.7	38.0	40.8	7.4	7.4	8.4	9.2	2.1	1.9	2.6	3.2	123	121	123	127	13.4	12.1	16.4	19.7
Campus Activewear	Buy	76	250	353	41.2	15.9	17.9	20.2	22.4	2.4	2.8	3.4	3.9	1.2	1.4	1.7	2.0	25	28	33	38	17.2	17.1	18.1	18.2
Healthcare																									
Apollo Hospitals	Accumulate	1,046	7,273	8,395	15.4	217.9	247.7	282.6	320.2	30.2	35.9	40.0	47.0	14.5	17.8	19.2	23.8	557	658	767	906	18.1	18.8	17.2	18.4
Aster DM Healthcare	Accumulate	315	608	733	20.5	41.4	45.6	51.0	58.3	7.6	8.9	9.8	11.1	3.6	3.9	4.5	4.8	69	67	68	69	8.2	10.4	11.6	12.1
Fortis Healthcare	Accumulate	687	910	927	1.9	77.8	90.8	103.0	114.3	15.9	20.8	24.2	27.3	8.6	10.6	13.3	15.8	118	131	148	151	8.7	11.0	12.3	13.7
Shalby	Accumulate	20	182	219	20.4	10.9	12.0	13.6	15.5	1.3	1.6	1.9	2.3	0.0	0.5	0.9	1.2	92	96	105	115	0.2	4.8	8.0	9.7
Dr Lal PathLabs	Accumulate	236	1,410	1861	32.0	24.6	27.4	30.6	34.1	7.0	7.7	8.7	9.8	4.9	5.1	5.8	6.5	260	296	337	383	23.8	21.7	21.4	21.1
Thyrocare Technologies	Buy	74	465	625	34.5	6.9	8.1	9.3	10.6	2.1	2.7	3.2	3.6	1.1	1.8	2.0	2.3	102	112	126	146	20.9	31.0	32.0	32.0
Hotels																									
Indian Hotels Company	Buy	981	689	896	30.0	83.3	96.6	112.1	125.4	27.7	33.4	40.3	46.4	16.0	18.5	23.8	28.7	78	85	100	118	14.2	14.0	15.6	16.1
Chalet Hotels	Accumulate	193	882	1,081	22.6	17.2	21.2	23.9	26.9	7.4	9.3	10.5	12.0	1.4	3.6	4.5	5.9	139	167	201	236	5.8	10.6	11.3	12.4
Lemon Tree Hotels	Buy	118	149	185	23.8	12.9	14.9	16.8	18.7	6.3	7.6	9.1	10.6	2.0	2.8	3.9	5.0	15	20	26	34	11.8	14.1	15.4	15.6
Juniper Hotels	Buy	55	249	346	39.2	9.4	10.8	12.5	13.9	3.4	4.1	4.8	5.5	0.7	1.5	2.1	2.8	123	129	139	151	2.6	5.5	6.9	8.7
Samhi Hotels	Buy	42	189	291	53.9	11.2	12.9	14.0	15.8	4.1	4.8	5.3	6.4	1.1	1.7	2.2	3.3	52	88	101	119	10.3	10.8	10.0	13.1
ITC Hotels	Buy	400	192	266	38.6	35.6	46.2	51.3	57.8	12.1	17.3	19.6	22.5	6.3	10.9	12.6	15.2	51	57	62	70	6.6	9.7	10.1	11.0
Leela Palaces Hotels & Resorts	Buy	151	452	569	25.8	13.0	15.5	17.4	22.2	5.9	6.9	7.8	10.3	0.5	3.3	4.3	7.6	129	191	204	220	12.2	6.7	6.5	10.7
IT Services																									
Tata Consultancy Services	Accumulate	11,551	3,193	3,600	12.8	2,553.2	2,584.6	2,650.0	2,732.4	674.1	700.7	708.9	749.1	485.5	501.4	505.0	532.8	262	323	351	381	51.9	46.9	41.1	39.9
HCL Technologies	Sell	4,528	1,669	1,500	(10.1)	1,170.6	1,296.6	1,388.7	1,470.5	255.1	269.6	287.7	301.4	173.9	157.9	190.1	196.7	257	263	270	278	25.2	22.4	26.3	26.5
Infosys	Accumulate	6,647	1,600	1,770	10.6	1,629.9	1,772.0	1,911.1	2,041.5	408.9	411.4	454.9	490.3	283.6	291.5	331.9	353.6	232	206	226	252	30.7	32.1	37.1	35.8
Wipro	Sell	2,729	260	210	(19.3)	890.9	900.2	929.9	974.9	180.8	172.4	174.3	179.8	131.4	129.8	129.3	132.8	79	85	91	98	16.6	15.0	13.9	13.4
LTIMindtree	Accumulate	1,788	6,031	6,320	4.8	380.1	416.5	452.7	498.5	64.9	73.8	82.1	91.7	46.0	54.8	62.5	70.4	765	866	982	1,113	20.2	21.3	21.4	21.3
Tech Mahindra	Accumulate	1,556	1,589	1,640	3.2	529.9	553.8	574.9	596.9	69.9	84.8	103.7	112.3	42.5	51.7	69.4	73.6	308	311	315	332	15.5	18.5	24.6	25.2
Persistent Systems	Reduce	990	6,274	5,250	(16.3)	119.4	141.8	159.3	182.7	20.6	25.8	29.3	34.4	14.0	18.0	21.0	24.9	407	496	577	672	24.8	25.6	25.0	25.5
Coforge	Reduce	563	1,682	1,720	2.3	120.5	161.2	185.6	207.0	20.0	27.8	32.2	35.5	9.8	14.7	17.1	20.3	192	209	234	264	16.2	16.7	17.6	18.8
Mphasis	Buy	531	2,789	3,340	19.8	142.3	156.6	171.6	187.6	26.5	29.4	33.2	35.2	17.0	19.3	22.8	24.1	505	570	641	717	18.5	18.8	19.7	18.5
KPIT Technologies	Sell	323	1,179	995	(15.6)	58.4	63.9	70.8	79.3	12.3	12.7	14.4	16.7	8.4	7.7	9.3	10.9	107	117	149	175	28.8	22.4	22.9	22.7
Tata Elxsi	Sell	343	5,505	4,520	(17.9)	37.3	37.4	41.9	47.4	9.7	8.4	10.3	12.2	7.8	5.0	8.0	9.4	459	497	549	609	27.4	19.1	23.5	24.7
Tata Technologies	Sell	262	647	515	(20.4)	51.7	52.2	55.8	62.7	9.3	8.6	10.0	11.5	6.8	7.1	8.3	9.5	88	93	100	107	18.9	18.7	20.6	21.9
Genesys International	Buy	15	356	940	163.8	3.1	4.4	5.9	8.3	1.4	1.9	2.6	3.6	0.6	0.7	1.0	1.9	140	184	207	251	10.7	10.4	12.6	20.5
CE Info Systems	Buy	84	1,526	2,551	67.1	4.6	5.7	7.3	9.2	1.8	2.2	3.1	4.0	1.5	2.0	2.6	3.4	144	175	217	274	20.8	22.3	24.1	25.6
Industrials																									
Praj Industries	Sell	57	308	320	3.8	32.3	32.1	34.7	36.4	3.1	2.2	3.3	3.5	1.9	1.3	2.1	2.3	75	76	82	88	14.4	9.2	14.4	14.6
Internet																									
Affle 3i	Buy	244	1,734	2,300	32.6	22.7	27.3	33.3	40.4	4.8	6.2	7.7	9.5	3.8	5.0	6.3	7.9	210	246	291	345	14.0	15.7	16.8	17.7
ETERNAL	Buy	2,888	299	415	38.7	202.4	507.6	1,058.5	1,918.0	6.4	8.4	28.6	47.6	5.3	8.0	22.8	34.8	33	34	37	41	2.1	2.6	7.1	9.9
Devyani International	Accumulate	166	135	185	37.3	49.5	57.0	62.6	68.8	8.1	8.9	10.7	12.3	(0.1)	0.6	1.7	2.6	12	12	13	15	(0.5)	4.3	11.2	14.7
Restaurant Brands Asia	Buy	40	69	100	44.8	25.5	28.6	32.1	35.4	2.7	3.4	4.2	4.8	(2.3)	(1.6)	(1.6)	(1.6)	15	13	10	7	(30.6)	(20.0)	(24.8)	(32.1)
Swiggy	Accumulate	958	347	490	41.2	152.3	211.3	284.1	379.3	(27.9)	(28.7)	(3.3)	13.5	(31.1)	(32.7)	(9.9)	4.5	45	31	29	32	(34.5)	(36.4)	(13.1)	5.9
CarTrade Tech	Buy	129	2,707	3,840	41.9	6.4	8.4	10.6	13.1	1.5	2.3	3.2	4.2	1.5	1.9	2.5	3.1	468	507	559	624	6.5	7.6	9.3	10.5
Infrastructure																									
Larsen & Toubro	Accumulate	5,318	3,866	4,487	16.1	2,557.3	2,910.6	3,309.2	3,724.8	264.3	286.8	333.0	379.1	145.6	167.3	198.2	228.4	710	794	893	1,008	13.4	14.0	15.3	15.8
PNC Infratech	Buy	62	241	330	37.2	55.1	56.5	65.0	79.6	10.5	7.2														

Coverage  
Universe

Company	Rating	Mkt Cap (INR bn)	CMP (INR)	TP (INR)	Upside/ Downside (%)	Net Sales (INR bn)				EBIDTA (INR bn)				Adj PAT (INR bn)				BVPS (INR)				ROE (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
HG Infra Engineering	Buy	45	695	1,330	91.5	60.5	68.9	78.8	90.5	9.5	10.9	12.1	14.4	5.2	6.2	7.0	8.8	443	537	643	777	20.0	19.5	18.2	19.1
HCC	Buy	53	20	35	74.0	48.0	48.1	50.3	55.0	9.3	6.6	6.9	7.6	0.8	1.9	2.5	3.4	11	11	12	14	6.0	9.8	11.9	14.1
Afcons Infrastructure	Buy	132	358	567	58.5	125.5	138.9	160.7	179.1	13.6	16.0	19.0	21.7	4.9	6.1	7.7	9.0	143	160	181	205	11.0	11.0	12.3	12.6
NBCC India	Buy	284	105	165	56.9	120.4	152.7	186.8	227.9	6.2	7.9	10.1	13.8	6.4	7.4	8.9	11.8	9	12	14	17	25.1	24.6	24.1	26.4
GMR Airports	Buy	1,053	100	123	23.4	104.1	160.8	188.9	215.3	37.7	55.5	64.0	76.1	(10.0)	2.3	5.7	13.9	(2)	(2)	(2)	(0)	6.1	11.2	14.0	17.6
Insurance (*)						APE*				VNB*				Operating EV Earnings*				Embedded Vale (EV)*				Operating RoEV (%)*			
HDFC Life Insurance	Accumulate	1,604	743	890	19.8	154.8	174.1	200.1	227.1	39.6	42.6	50.0	57.8	79.2	87.0	101.1	116.7	554	638	736	851	16.7	15.7	15.8	15.9
ICICI Pru Life Insurance	Accumulate	969	669	730	9.1	104.1	105.9	117.6	130.9	23.7	26.0	29.4	33.5	55.3	62.5	72.1	81.6	480	539	608	686	13.1	13.0	13.4	13.4
Max Financial Services	Buy	569	1,649	1,350	(18.1)	93.5	108.2	124.6		20.8	25.9	30.4		36.5	44.3	52.3		236	281	333		18.7	18.8	18.6	
SBI Life Insurance	Buy	2,075	2,069	2,150	3.9	214.2	235.1	260.6	290.9	59.5	66.6	73.8	82.0	117.8	131.2	150.1	171.7	702	829	975	1,140	20.2	18.7	18.1	17.6
Life Insurance Corporation	Buy	5,229	827	1,200	45.2	568.3	625.2	681.9	745.4	100.1	112.4	124.7	140.4	826.2	810.3	874.0	966.0	7,769	8,579	9,453	10,419	11.4	10.4	10.2	10.2
General Insurance#						Gross Direct Premium Income (GDPI)#				Operating Profit #				PAT#				EPS (INR)#				ROE (%)#			
ICICI Lombard GIC	Buy	925	1,858	2,250	21.1	268.3	279.7	312.0	350.0	24.2	27.1	32.8	37.4	25.1	29.6	34.5	39.6	51	60	70	80	19.1	19.0	18.9	18.6
Star Health & Allied	Sell	262	445	380	(14.6)	167.8	187.0	214.3	245.6	9.0	11.9	14.3	16.1	6.5	8.5	10.4	11.7	11	14	17	20	9.7	11.5	12.4	12.3
Media & Entertainment																									
Zee Entertainment	Buy	87	90	150	66.1	82.9	82.7	86.6	90.6	12.0	9.1	11.7	13.2	7.7	5.8	7.9	9.2	120	126	134	144	6.9	4.9	6.3	6.9
Sun TV Network	Buy	218	554	730	31.9	38.8	41.3	41.2	42.7	20.9	22.2	22.4	23.4	17.3	15.9	16.9	17.8	290	309	327	347	15.9	13.5	13.4	13.4
PVR Inox	Accumulate	100	1,020	1,225	20.1	57.8	69.8	72.9	77.6	15.4	19.3	20.8	22.3	(2.8)	0.6	1.0	1.4	719	725	736	750	(3.9)	0.9	1.4	2.0
Entertainment Network India	Buy	6	120	220	82.9	5.3	5.6	6.0	6.2	0.7	0.8	0.9	1.1	0.1	0.2	0.3	0.5	162	165	170	178	1.5	2.8	4.1	5.9
TV Today Network	Accumulate	8	135	160	18.3	9.9	8.8	9.3	9.6	1.0	0.4	0.7	0.8	0.8	0.4	0.4	0.5	149	155	160	167	9.4	4.4	4	4.8
DB Corp	Buy	44	245	300	22.6	23.4	24.6	25.7	26.8	5.4	5.7	6.1	6.7	3.7	4.0	4.4	4.9	125	142	162	185	16.7	16.8	16.1	16.0
Metals & Minnings																									
Hindalco Industries	Accumulate	2,147	955	868	(9.1)	2,385.0	2,537.0	2,719.9	2,865.7	318.1	314.7	352.7	375.3	166.2	152.5	172.5	182.7	557	621	695	773	14.5	11.7	11.8	11.2
Ferrous Metals																									
NMDC	Accumulate	737	84	80	(4.6)	236.7	288.0	316.5	337.6	82.6	92.2	104.6	111.9	66.9	75.3	84.9	90.4	34	39	46	54	24.3	23.6	22.7	20.5
JSW Steel	Sell	2,890	1,182	994	(15.9)	1,688.2	1,828.4	2,045.9	2,278.5	229.0	297.8	348.3	385.7	38.5	79.8	115.8	139.9	326	395	450	515	4.8	8.8	11.0	11.6
Tata Steel	Accumulate	2,363	189	187	(1.2)	2,185.4	2,328.6	2,469.5	2,601.0	253.0	349.6	431.0	491.3	40.6	124.2	192.7	249.1	73	79	91	107	4.4	13.1	18.3	20.2
Jindal Steel	Accumulate	1,062	1,041	1,123	7.9	497.7	543.6	664.7	739.3	68.0	82.4	129.4	149.4	37.9	52.9	89.0	103.1	466	517	603	704	8.2	10.6	15.6	15.5
Steel Authority of India	Sell	630	152	129	(15.4)	1,024.8	1,068.7	1,147.9	1,236.8	106.3	118.6	130.6	140.7	23.7	35.4	42.8	47.9	135	141	148	155	4.3	6.2	7.2	7.6
Jindal Stainless	Accumulate	655	794	836	5.3	393.1	430.4	484.6	544.9	46.7	55.5	62.6	71.1	25.1	33.7	42.3	49.6	203	248	280	324	16.2	18.1	19.4	19.9
Non-Lending Financials						Total Income				PBT				PAT											
HDFC AMC	Buy	1,094	2,554	3,100	21.4	40.6	48.4	55.1	62.2	32.9	39.2	44.6	50.2	24.6	29.4	33.5	37.6	190	214	237	262	32.4	34.0	34.7	35.2
Nippon Life India AMC	Accumulate	550	864	930	7.6	25.2	29.6	33.5	38.2	16.9	20.2	23.1	26.8	12.9	14.8	17.2	20.0	67	67	69	70	31.4	34.8	39.7	45.2
Aditya Birla Sun Life AMC	Accumulate	234	810	940	16.0	19.9	22.3	23.9	26.4	12.4	14.1	14.9	16.4	9.3	10.5	11.2	12.3	129	136	144	153	27.1	27.5	27.6	28.8
UTI AMC	Accumulate	138	1,076	1,490	38.5	18.6	20.9	22.3	23.8	10.5	12.2	13.0	14.1	7.3	8.8	9.5	10.3	404	416	431	447	14.4	16.8	17.5	18.3
						Revenue				EBIDTA				Adj PAT											
KFIN Technologies	Buy	184	1,068	1,280	19.9	10.9	13.0	16.0	18.6	4.8	5.3	6.7	8.1	3.3	3.7	4.7	5.8	82	95	114	136	26.1	23.9	26.0	26.8
CAMS	Accumulate	179	721	880	22.0	14.2	15.5	17.9	20.7	6.5	6.8	7.9	9.2	4.7	4.8	5.6	6.4	226	254	286	323	46.2	40.6	41.3	42.2
Oil & Gas																									
Reliance Industries	Accumulate	19,742	1,459	1,636	12.1	9,646.9	9,810.9	10,554.5	11,416.3	1,654.4	1,878.5	2,054.0	2,255.3	696.5	904.9	1,048.3	1,177.3	623	690	762	842	7.2	8.6	9.1	9.4
ONGC	Buy	3,123	248	304	22.5	6,295.4	6,196.4	6,804.0	6,864.7	988.6	1,171.0	1,259.4	1,298.4	363.8	511.6	562.2	583.3	273	297	324	353	9.8	13.0	12.9	12.1
Indian Oil Corporation	Buy	2,248	159	202	26.9	7,581.1	7,420.9	7,884.5	8,204.3	359.9	664.4	727.2	730.0	117.6	309.6	347.8	344.7	132	148	167	185	6.2	15.3	15.3	13.6
Bharat Petroleum	Buy	1,548	357	457	28.0	4,402.7	4,415.4	4,466.7	4,588.1	254.0	424.0	367.9	387.9	123.9	249.8	207.2	216.1	188	226	258	292	15.8	27.9	19.7	18.1
GAIL	Accumulate	1,086	165	210	27.1	1,450.9	1,492.2	1,588.5	1,660.7	143.3	135.9	168.3	178.8	94.8	90.2	114.3	122.7	107	116	127	139	14.1	12.3	14.3	14.0
Hindustan Petroleum	Buy	937	440	627	42.5	4,337.3	4,365.5	4,855.7	4,865.1	166.1	340.9	359.5	363.3	73.6	204.4	215.5	218.5	216	280	347	415	16.9	38.8	32.3	27.0
Petronet LNG	Reduce	429	286	293	2.4	509.8	465.2	508.9	533.9	58.2	59.3	65.6	71.5	41.5	41.2	46.6	51.0	129	144	162	181	22.8	20.1	20.3	19.8
Indraprastha Gas	Accumulate	254	181	232	27.9	148.1	164.1	189.6	208.1	18.6	21.4	29.8	32.9	13.8	15.0	20.8	23.2	66	73	83	95	15.5	15.3	19	18.6
Oil India	Buy	745	458	536	17.0	361.6	421.6	540.4	719.9	112.2	119.9	151.1	190.3	70.4	72.7	97.0	127.5	306	329	369	421	13.1	12.8	15.5	18
Gujarat State Petronet	Accumulate	172	306	325	6.4	11.1	11.6	13.1	15.1	8.1	7.9	9.1	10.7	8.1	7.5	8.6	10.0	191	199	210	222	7.7	6.8	7.5	8.2

Company	Rating	Mkt Cap (INR bn)	CMP (INR)	TP (INR)	Upside/ Downside (%)	Net Sales (INR bn)				EBIDTA (INR bn)				Adj PAT (INR bn)				BVPS (INR)				ROE (%)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Pharmaceuticals																									
Sun Pharmaceuticals	Accumulate	4,080	1,701	1,968	15.7	525.8	569.4	622.8	681.1	150.9	158.7	177.1	196.4	119.8	113.4	126.1	140.4	301	329	365	408	17.2	14.9	15.1	15.1
Dr. Reddy's	Buy	990	1,187	1,588	33.8	325.5	343.1	363.1	398.6	86.2	77.9	76.6	87.3	57.5	49.2	46.5	54.2	397	450	498	555	18.6	13.7	11.6	12.2
Cipla	Accumulate	1,159	1,435	1,670	16.4	275.5	287.7	308.4	350.2	71.3	68.0	68.6	89.9	52.7	48.0	48.6	64.1	386	429	476	541	18.2	14.5	13.2	15.5
Torrent Pharma	Accumulate	1,355	4,004	4,137	3.3	115.2	130.4	191.5	210.8	37.2	42.7	60.6	66.9	19.4	24.1	25.3	30.1	224	264	274	322	26.8	29.2	26.3	26.7
Zydus Lifescience	Buy	889	884	1,311	48.3	232.4	264.4	278.4	330.6	69.0	70.4	65.2	75.3	47.5	47.5	43.6	51.0	238	273	303	339	19.6	16.9	13.8	14.6
Aurobindo Pharma	Buy	685	1,180	1,568	32.9	317.2	336.0	392.1	413.1	66.1	68.3	73.9	77.8	34.9	36.4	42.3	46.3	562	625	692	766	11.2	10.6	11.1	10.9
Lupin	Accumulate	1,003	2,196	2,239	2.0	227.1	263.2	265.2	276.7	52.8	68.9	60.2	59.8	32.8	45.6	41.0	40.2	376	463	543	621	20.7	23.6	17.7	15.0
Ajanta Pharma	Buy	338	2,706	3,115	15.1	46.5	53.0	58.8	65.1	12.7	14.4	16.1	17.8	9.2	10.0	11.1	12.3	303	353	409	471	25.0	24.3	23.3	22.3
JB Chemicals & Pharmaco	Accumulate	297	1,895	1,784	(5.9)	39.2	43.0	47.5	52.5	10.3	11.6	13.1	14.8	6.6	7.4	8.5	9.8	219	250	290	335	20.8	20.0	20.1	20.0
Gland Pharma	Accumulate	289	1,754	2,225	26.9	56.2	63.4	73.7	82.0	12.7	15.4	19.8	22.8	7.0	9.1	12.7	15.2	555	591	646	716	7.8	9.6	12.4	13.5
Divi's Laboratories	Sell	1,687	6,356	4,486	(29.4)	93.6	106.9	123.8	145.2	29.7	34.9	41.8	51.1	21.9	26.0	30.1	36.4	564	632	713	816	15.4	16.4	16.8	18.0
Pipes																									
APL Apollo Tubes	Accumulate	537	1,935	1,938	0.2	206.9	224.8	276.4	323.7	12.0	17.7	23.0	27.2	7.6	12.1	16.3	19.6	152	189	242	307	19.4	25.5	27.2	25.8
Ratnamani Metals & Tubes	Buy	152	2,172	3,420	57.5	51.9	56.5	67.0	80.6	8.2	9.8	11.4	13.6	5.4	6.9	8.6	10.6	519	606	716	856	15.8	17.3	18.3	18.9
Ports & Logistics																									
Adani Ports & SEZ	Buy	3,089	1,430	1,700	18.9	310.8	361.0	409.3	464.4	190.2	220.0	248.8	279.7	116.2	137.1	157.2	182.7	289	333	397	473	19.4	19.7	19.3	18.9
Container Corporation of India	Accumulate	396	520	631	21.5	88.6	99.8	112.2	125.8	19.0	20.4	22.5	27.1	13.1	13.6	14.6	17.5	162	175	187	201	10.8	10.6	10.6	11.8
Mahindra Logistics	Sell	30	305	325	6.5	61.0	70.6	80.5	92.0	2.8	3.6	4.4	5.1	(0.4)	0.2	1.0	1.4	61	124	132	145	(7.5)	2.9	7.6	10.1
VRL Logistics	Buy	44	250	366	46.6	31.6	32.4	35.0	38.2	5.7	5.6	5.9	6.4	1.8	1.7	2.0	2.3	62	75	85	97	18.0	14.0	14.1	14.4
Blue Dart Express	Accumulate	129	5,434	6,683	23.0	57.2	61.5	71.0	81.9	5.0	6.0	7.0	8.1	2.4	3.3	4.1	4.9	684	773	883	1,014	16.0	19.3	20.8	21.7
Allcargo GATI	Accumulate	NA	NA	110	NA	17.9	22.9	25.2		0.8	1.2	1.4		0.0	0.3	0.4		50	54	59		0.6	4.5	5.2	
Delhivery	Buy	302	404	593	46.9	89.3	105.6	119.1	134.5	3.8	6.8	9.2	11.9	1.7	4.3	5.6	7.6	127	133	140	151	1.8	4.5	5.5	7.0
JSW Infrastructure	Buy	553	263	362	37.5	44.8	54.5	67.1	96.6	22.6	24.7	29.7	48.6	15.0	13.5	15.3	27.3	47	53	59	72	16.1	12.1	12.2	18.8
Real Estate																									
Godrej Properties	Buy	564	1,871	3,700	97.7	49.2	98.4	129.9	187.0	0.4	28.1	42.0	67.3	14.0	28.4	38.9	58.7	575	669	799	994	10.3	15.2	17.6	21.8
DLF	Buy	1,612	651	1,050	61.3	79.9	119.8	157.1	179.6	21.1	45.9	61.2	70.6	46.7	59.7	73.6	81.7	159	172	188	208	11.4	13.4	15.0	15.1
Oberoi Realty	Buy	599	1,648	2,500	51.7	52.9	68.3	79.1	105.9	31.0	38.7	44.7	58.0	22.3	27.7	34.5	47.3	432	498	583	703	15.1	16.4	17.6	20.2
Prestige Estates Projects	Buy	646	1,500	2,300	53.3	73.5	161.1	214.5	257.7	25.6	55.7	82.6	103.7	4.7	21.3	35.1	44.7	358	406	486	589	3.5	13.0	18.3	19.3
Sobha	Buy	166	1,549	2,500	61.4	40.4	47.0	55.1	68.8	2.9	7.2	9.8	13.1	0.9	5.4	7.3	8.9	43	471	527	598	2.7	11.2	13.7	14.8
Brigade Enterprises	Accumulate	206	842	1,200	42.5	57.4	72.9	83.4		15.9	24.1	29.3		5.5	10.4	13.9		230	271	326		11.9	17.0	19.0	
Mahindra Lifespace Developers	Accumulate	80	376	585	55.5	10.5	18.8	23.3		(0.5)	2.8	5.7		0.7	3.5	6.4		123	143	181		3.5	17.0	25.3	
Lodha Developers	Accumulate	1,058	1,059	1,400	32.2	137.8	202.9	210.1	249.3	39.9	69.6	70.2	84.3	27.6	47.3	48.5	60.2	202	243	284	335	14.7	21.3	18.5	19.5
Sugar																									
Balrampur Chini Mills	Buy	86	425	584	37.3	54.2	59.9	70.0	82.3	7.0	8.5	9.4	16.0	4.4	4.8	4.6	9.4	188	215	236	273	12.1	11.8	10.1	18.3
Textile																									
Arvind	Buy	80	305	538	76.4	83.3	93.0	104.4	115.7	8.5	8.7	11.8	13.5	3.5	3.3	5.3	6.4	145	152	168	186	9.4	8.2	12.3	13.5
KPR Mill	Reduce	294	859	1,086	26.4	63.9	68.4	72.6	76.4	12.5	13.0	14.2	16.1	8.2	8.7	9.5	11.0	146	167	189	215	17.4	16.3	15.7	15.9
Vardhman Textiles	Accumulate	122	421	491	16.6	97.8	101.3	108.8	115.5	12.6	14.0	16.8	18.4	8.8	8.6	10.4	11.6	348	373	402	436	9.2	8.3	9.3	9.7
Utilities																									
NTPC	Buy	3,385	349	462	32.3	1,700.4	1,740.2	1,770.9	1,801.2	453.7	471.5	478.6	485.0	196.5	205.3	209.2	213.3	167	179	191	204	12.6	12.3	11.7	11.1
NHPC	Buy	817	81	105	29.2	89.9	103.8	118.3	123.9	45.5	58.5	72.1	76.8	30.8	34.5	39.4	42.2	38	40	41	43	8.2	8.8	9.7	10.0
Power Grid Corporation of India	Buy	2,403	258	356	37.8	457.9	496.5	536.0	553.4	390.7	433.8	472.0	488.0	155.2	152.9	173.2	175.1	100	105	110	116	17.3	16.1	17.4	16.7
PTC India	Buy	48	161	210	30.6	156.1	164.8	172.7	181.1	5.3	5.3	5.5	5.7	3.3	3.9	4.0	4.2	161	161	167	171	7.5	8.1	8.2	8.4
Tata Power	Buy	1,174	367	504	37.2	654.8	661.9	786.2	849.3	139.3	147.1	169.7	194.0	49.0	55.6	61.1	64.8	112	124	137	152	12.1	12.3	12.2	11.6
Torrent Power	Reduce	678	1,345	1,313	(2.4)	291.7	312.9	350.2	376.6	53.1	62.4	79.7	84.4	23.5	26.4	28.9	29.0	350	382	417	452	15.3	13.9	13.9	12.8
JSW Energy	Buy	865	495	648	31.0	117.5	219.3	254.3	278.6	52.2	112.0	138.7	157.2	19.8	27.3	36.7	46.0	157	168	185	207	7.9	9.1	11.3	12.8
CESC	Buy	208	157	228	45.2	170.0	185.7	193.9	207.1	26.9	32.2	34.6	41.4	15.0	16.7	18.0	21.2	90	97	104	112	12.2	12.8	12.8	14.0
Coal India	Accumulate	2,664	432	432	(0.0)	1,433.7	1,422.3	1,493.2	1,567.6	470.6	404.3	421.7	438.5	353.0	284.5	290.8	295.8	161	180	198	217	38.5	26.9	24.8	23.0
Indian Energy Exchange	Reduce	124	139	138	(1.0)	5.4	6.2	4.5	4.8	4.5	5.2	3.4	3.5	4.3	4.6	3.0	3.1	13	16	18	21	40.7	35.3	19.2	17.9
SJVN	Buy	309	79	131	66.4	30.7	33.5	57.8	60.2	22.2	25.6	46.1	47.6	8.2	9.4	21.8	22.4	36	38	42	46	5.8	6.5	13.9	13.1
NLC India	Buy	361	260	320	23.0	152.8	182.6	200.8	206.6	48.4	67.9	77.9	84.8	20.2	19.4	27.5	27.6	135	150	165	181	9.8	8.5	11.0	10.1
Adani Energy Solutions																									

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