

Market snapshot

Equities - India	Close	Chg. %	CYTD.%
Sensex	77,764	0.3	-8.7
Nifty-50	24,271	0.4	-7.1
Nifty-M 100	62,190	-0.2	2.8
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	7,483	0.0	9.3
Nasdaq	25,833	0.0	11.1
FTSE 100	10,679	0.2	7.5
DAX	25,779	0.8	5.3
Hang Seng	7,700	1.1	-13.6
Nikkei 225	69,744	1.5	38.5
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	69	1.7	10.9
Gold (\$/OZ)	4,177	1.3	-3.3
Cu (US\$/MT)	13,317	0.2	6.9
Almn (US\$/MT)	3,083	0.0	3.9
Currency	Close	Chg. %	CYTD.%
USD/INR	95.2	-0.2	5.9
USD/EUR	1.1	0.0	-2.6
USD/JPY	161.3	0.1	3.0
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.7	-0.01	0.1
Flows (USD b)	3-Jul	MTD	CYTD
FII	0.14	0.40	-29.0
DII	-0.21	0.11	50.1
Volumes (INRb)	3-Jul	MTD*	YTD*
Cash	1,422	1411	1372
F&O	1,47,941	2,55,964	2,69,218

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research theme

India Strategy | 1QFY27E Preview: Beyond the AI Rally: The Great Rotation!

- ❖ We estimate the MOFSL Universe earnings to decline 3% YoY and Nifty-50 to grow 10% YoY in 1QFY27E. However, Ex-OMCs MOFSL earnings to rise 14% YoY during the quarter. Ex-Financials, we expect MOFSL Universe earnings to decline 12% YoY and Nifty-50 earnings to increase 12% YoY, whereas ex-Metals and O&G, we project it to rise 11%/6% YoY for the quarter.
- ❖ The overall earnings growth is anticipated to be anchored by Financials – led by NBFC-Lending (+27% YoY) and both Private Banks (+10% YoY) & PSU Banks (+9% YoY), Metals (+31% YoY), Telecom (3.3x YoY jump in profit), Technology (+14% YoY), Capital Goods (+10%), Retail (+27%), Consumer Durables (27%), and Consumer (+6%). In contrast, O&G is expected to report a 94% YoY decline in profits, led by OMCs.
- ❖ Further, we expect FY27 earnings to grow 11% YoY and 14% YoY for the MOFSL Universe and Nifty-50, respectively.
- ❖ We reduce our FY27E/FY28E Nifty EPS by 0.8% each and expect the same to grow 15%/16% YoY to INR1,225/INR1,422.



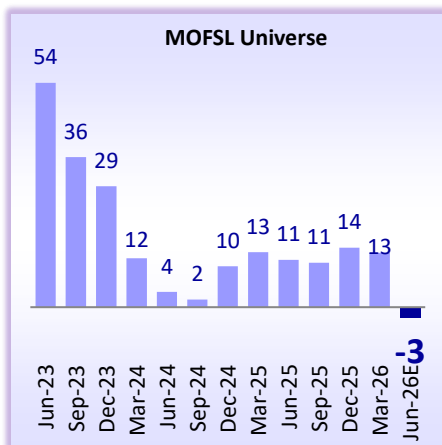
Research covered

Cos/Sector	Key Highlights
India Strategy 1QFY27E Preview	Beyond the AI Rally: The Great Rotation!
ONGC	An energy security play with rising volumes and a solid dividend yield; Upgrade to Buy
The Eagle Eye	Geopolitical easing strengthens India's market stability
1QFY27 Preview	Financials - NBFCs Capital Goods & Defense Automobiles Healthcare
Other Updates	Financials - Banks Defense HDFC Bank Axis Bank Kotak Mahindra Bank Godrej Consumer L&T Finance AU Small Finance Bank Dabur IndusInd Bank IDFC First Bank RBL Bank Angel One Bandhan Bank CreditAccess Grameen Senco Gold

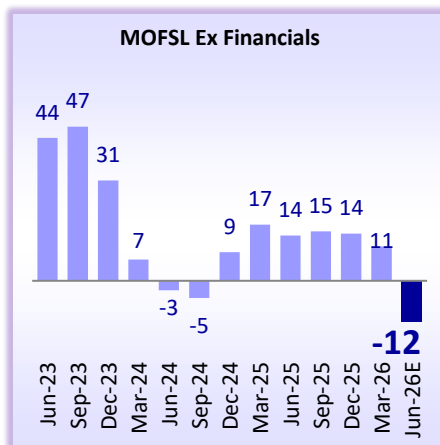


Chart of the Day: India Strategy | 1QFY27E Preview (Beyond the AI Rally: The Great Rotation!)

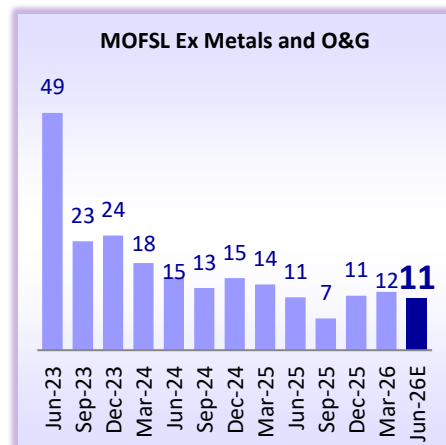
PAT expected to decline 3% YoY for the MOFSL Universe



PAT likely to fall 12% YoY for the MOFSL Universe, excluding Financials



PAT to grow 11% YoY for the MOFSL Universe, sans Metals and O&G



Research Team

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

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



Kindly click on textbox for the detailed news link

1

Nykaa expects nearly 30% net revenue growth in Q1 on strong fashion sales

The company is also planning to launch the world's first CNG bike, which will halve the commuting expenses

2

IHH bets on tech-led healthcare expansion in India through Fortis

Malaysia-headquartered healthcare major IHH Healthcare will step up technology investments in India through its hospital chain Fortis Healthcare, IHH Group chief corporate officer Ashok Pandit told Business Standard in an interaction.

3

Colgate India to strengthening leadership, improve operational efficiency

Colgate-Palmolive India will sharpen leadership, improve operational efficiency and expand digital capabilities as it targets sustainable growth and wider market reach by 2030

4

CM Yadav, Scindia lay foundation for Adani defence manufacturing unit in MP

Madhya Pradesh Chief Minister Mohan Yadav and Union minister Jyotiraditya Scindia on Sunday laid the foundation stone for a defence manufacturing plant in Shivpuri district.

5

Coal India's Q1 output falls 7.5% as supplies rise, stocks decline

Coal India's (CIL's) coal production fell 7.5 per cent year-on-year (Y-o-Y) during the quarter ended June, marking one of the steepest quarterly declines for the state-owned miner, as the company accelerated its transition from a production-led growth strategy to a demand-driven model aimed at reducing excess inventories and improving supply-chain efficiency.

6

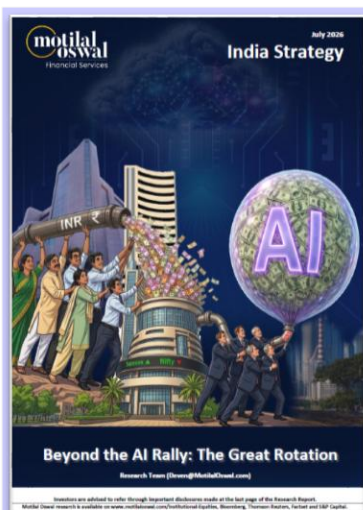
Prestige Estates to invest ₹15K cr in FY27 in housing, commercial projects

Realty firm Prestige Estates Projects will invest around Rs 15,000 crore this fiscal in the construction of residential and commercial projects across South India, Mumbai Metropolitan Region and Delhi-NCR.

7

Radico Khaitan eyes 20% volume growth in premium portfolio in FY27

Home-grown liquor major Radico Khaitan expects 20 per cent growth in its premium-and-above segment in the current financial year, expansion in white spirits and a margin rise of 120 basis points despite the short-term volatility in the raw material costs,...



Beyond the AI Rally: The Great Rotation

Over the past two years, the Indian market has experienced a phase of heightened volatility, prolonged consolidation, and time correction, driven by uncertainties related to the US trade tariff war, evolving domestic policy dynamics, energy price shocks, and supply disruptions stemming from the West Asia conflict. India has largely borne the brunt of these geopolitical shocks. It initially faced a higher US tariff burden and subsequently grappled with elevated energy prices, which weighed on key macroeconomic indicators. Meanwhile, corporate earnings growth moderated sharply in FY26, with the Nifty-50 registering a modest 5% EPS growth (following a 16%+ CAGR during FY20-25) after a period of significant market rerating that left broader market valuations stretched. The combination of geopolitical uncertainties, moderating earnings growth, and elevated valuations kept FII sentiment toward India firmly negative, resulting in cumulative outflows of USD60b over the past 21 months since the Indian market peak in Sep'24. However, record DII inflows (USD162b over the same period) and resilient retail participation (average monthly SIP inflows of ~USD3b) emerged as a powerful counterbalance, comfortably absorbing foreign selling. As a result, despite sustained FII outflows and multiple external shocks, the Nifty's peak-to-trough correction remained limited to ~15% during the past two years.

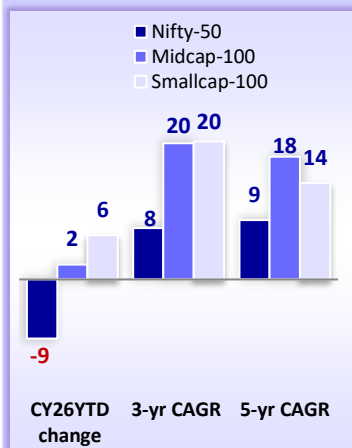
Sharp underperformance and valuations favor mean reversion

- Nearly two years of range-bound performance in Indian equities and a strong rally in global markets have widened the performance gap to near-historic levels. India's cumulative outperformance compared to the MSCI EM Index of +10% (between Jun'21 and the Sep'24 peak) has swung to an underperformance of -40% (between the Sep'24 peak and Jun'26). Simultaneously, India's valuation premium over EM has compressed to a historic low of 18% in Jun'26, significantly below its long-term average of 73% and CY22 peak of 147%.
- India's underperformance, following its status as one of the world's best-performing equity markets between 2020 and 2024, has been difficult to reconcile with its strong underlying fundamentals. A key factor has been the sharp global capital rotation toward a narrow group of AI-driven Big Tech companies and related technology beneficiaries, which has left non-AI markets, such as India, bearing the brunt of this shift.
- While the AI-driven rally may persist, the unprecedented concentration of capital among a limited set of beneficiaries over a short period appears to present greater risks than opportunities. In contrast, India's prolonged period of relative underperformance has led to more attractive valuations and positioning. Any broadening of global market leadership or rotation away from AI-centric trades toward a wider range of sectors and markets is likely to serve as a meaningful tailwind for Indian equities.

Constructive macro; selective opportunities

- Today, the backdrop has turned considerably more constructive. Geopolitical concerns have mellowed, energy prices have eased from their peaks, and global oil trade has largely normalized. The earnings outlook has strengthened meaningfully, with corporate earnings expected to clock ~15% CAGR over FY26–28, despite temporary pressure in 1QFY27. Meanwhile, valuations have corrected

CY26YTD returns significantly below their LPAs- CAGR (%)



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across indices and sectors, with large caps and several heavyweight sectors now trading below their historical averages. Additionally, India's valuation premium compared to global peers has compressed to near historical lows. After nearly two years of consolidation and underperforming most global markets over the past year, Indian equities appear to have largely priced in the key downside risks.

- Despite an improving macroeconomic backdrop, the market remains fundamentally bottom-up, with growth-oriented themes and companies scaling up expected to be the key beneficiaries. As leadership becomes increasingly stock-specific, company rankings are likely to evolve meaningfully over the next 3–5 years.
- Companies that successfully gain scale and strengthen their competitive positioning are expected to command larger market caps and, in turn, higher portfolio weights. Accordingly, our portfolio reflects this divergence in growth prospects, remaining underweight in sectors with a muted earnings outlook while overweight in businesses and themes where the growth trajectory continues to strengthen. We expect the market to disproportionately reward superior growth.

Two key factors to monitor

As the 1QFY27 earnings season begins, we expect two key themes to dominate investor attention:

- 1) **FII flow dynamics:** Foreign selling has been the primary factor constraining India's market performance over the past two years. However, even a transition from aggressive selling to a neutral stance, or merely a moderation in outflows, could provide a significant tailwind for equities, supported by resilient domestic institutional and retail inflows.
- 2) **Primary market supply:** A robust pipeline of large IPOs and capital-raising activities, including Jio Platforms, NSE, SBI Funds Management, Zepto, PhonePe, and Oyo, is likely to test market liquidity. The market's ability to absorb this supply without disrupting secondary-market flows will be an important indicator of underlying liquidity conditions.

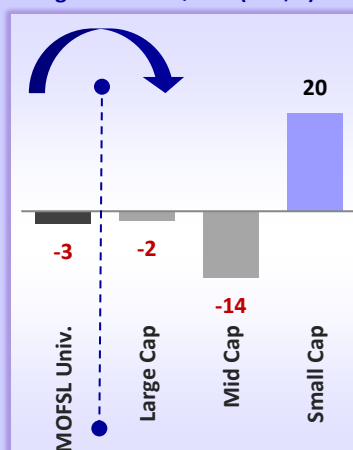
OMC weakness offsets strength in Financials and Metals

- Against this backdrop, we present our views on the upcoming 1QFY27 earnings season, which will reflect the anticipated impact of the West Asia crisis and higher energy prices. We expect a modest 3% decline in earnings across the MOFSL universe, primarily weighed down by OMCs affected by elevated crude prices.
- Excluding OMCs, PAT growth is projected at 14% YoY. The MOFSL large- and mid-cap universes are expected to report PAT declines of 2% YoY and 14% YoY, respectively, primarily due to losses in the OMC segment within the O&G sector. Conversely, the MOFSL small-cap universe is expected to post a healthy 20% YoY earnings growth, supported by a favorable base (vs. a 1% YoY decline in 1QFY26) and driven largely by Financials.

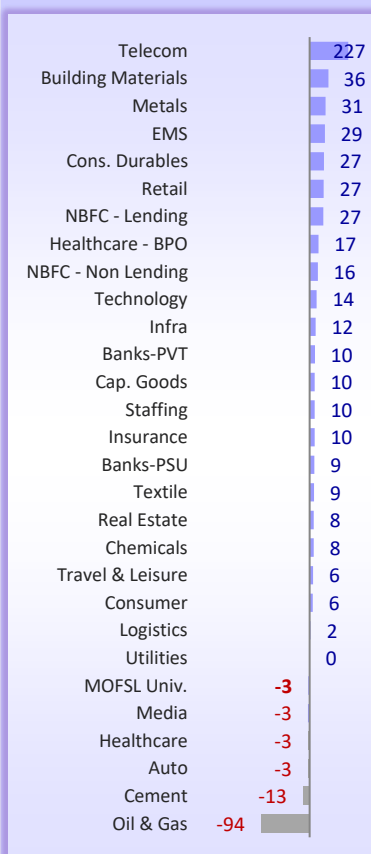
Earnings highlights in 1QFY27 | Financials and Metals to drive earnings

- We expect earnings for the **MOFSL Universe to decline by 3% YoY** (the lowest growth since Sep'20) and **Nifty to grow 10% YoY** (the highest in four quarters) in 1QFY27. Excluding financials, their earnings are expected to **decline 12% YoY** and

MOFSL: Large-/Mid-/Small-cap PAT growth in 1QFY27 (YoY,%)



Sectoral PAT growth for the quarter-ended Jun'26 (YoY %)



grow 12% YoY, respectively. Barring global commodities (Metals and O&G), the MOFSL Universe and Nifty are likely to report 11% and 6% YoY earnings growth, respectively, for the quarter.

- In 1QFY27, the **MOFSL large-cap and mid-cap** universes are likely to register **PAT declines** of 2% and 14% YoY, respectively. However, the **MOFSL small-cap** universe is expected to report 20% YoY **growth** in PAT. Moreover, sales across large-/mid-/small-caps are likely to remain robust and grow 17%/15%/16% YoY, and their EBITDA is likely to be -2%/-7%/+12% YoY for the quarter.
- Sales of MOFSL Universe are projected to rise 17% YoY (the highest growth in 14 quarters), and their EBITDA is projected to decline 2% YoY (the first time since Sep'20). Sales/EBITDA are anticipated to rise 16%/8% YoY for the Nifty-50. Barring Commodities, EBITDA for the MOFSL Universe is projected to increase 7% YoY, and the same for Nifty is expected to grow 3% YoY.
- The overall earnings growth is anticipated to be healthy. It will be anchored by Financials – led by NBFC-Lending (+27% YoY) and both Pvt. Banks (+10% YoY) & PSU Banks (+9% YoY) – Metals (+31% YoY), Telecom (3.3x YoY jump in profit, driven by Bharti Airtel and reduction in losses of Vodafone Idea), Technology (+14% YoY), Capital Goods (+10%), Retail (+27%), Consumer Durables (27%), and Consumer (+6%). Building Materials (36%) and EMS (+29%) were among the other sectors that are expected to contribute positively to earnings.
- In contrast, Oil and Gas is expected to report a 94% YoY decline in profits, led by OMCs, which are expected to post a loss of INR364b, dragging down the 1QFY27 MOFSL aggregate earnings. Further, Automobile (-3%), Healthcare (-3%), and Cement (-13%) are anticipated to hurt earnings moderately.
- We expect **the EBITDA margin** (ex-Financials) to dip 330bp to 14.2% for the MOFSL Universe (the lowest in 15 quarters). Conversely, for the Nifty-50, EBITDA margin is likely to contract 90bp to 20.5% (ex-Financials) for the quarter.
- **Sales/EBITDA/PAT of the MOFSL Universe** are expected to report a two-year CAGR of 13%/6%/4% over 1QFY25-1QFY27.

FY27E earnings highlights | FY27/28E Nifty EPS cut by 0.8% each

- Further, we expect FY27/FY28 earnings to grow 11%/19% YoY for the MOFSL Universe and 14%/15% for Nifty-50. The FY27/FY28 earnings (ex-Financials) are projected to rise 8%/19% YoY for the MOFSL Universe. Barring Metals and O&G, FY27/FY28 MOFSL Universe earnings are projected to increase 17%/19% YoY.
- **FY27E earnings highlights:** The MOFSL Universe is likely to deliver sales/EBITDA/PAT growth of 12%/9%/11% YoY. The Private Banks (+20% YoY), NBFC-Lending (+21%), Metals (+16%), and Auto (+16%) sectors are likely to be the key earnings drivers in FY27E. These four sectors are projected to contribute 61% to the incremental earnings of the MOFSL Universe in FY27.
- **Nifty EPS cut for FY27E/FY28E:** We reduce our FY27E/FY28E Nifty EPS by 0.8% each and expect the same to grow 15%/16% YoY to INR1,225/INR1,422. The Telecom, Logistics, Healthcare, BFSI, and Consumer sectors have contributed to the majority of the reduction in our FY27 earnings estimate.
- **Top Nifty-50 Ideas:** Bharti Airtel, SBI, ICICI Bank, M&M, Titan, Eternal, Shriram Finance, Interglobe Aviation, HDFC AMC, and BSE
- **Top Non-Nifty-50 Ideas:** TVS Motors, Radico Khaitan, Indian Hotels, RBL Bank, Dixon Tech, Coforge, KOEL, Arvind, and Delhivery.



Model portfolio 1QFY27: Key changes

- The MOFSL model portfolio broadly reflects our preference for growth visibility, structural domestic growth plays, and select global value names. We firmly believe that this is a bottom-up market, despite India experiencing both time and price corrections relative to EM peers. We have reallocated 700bp of weight from the Large- to the Mid- and Small-caps in our model portfolio. Below, we discuss the key changes in our model portfolio:
- We are OW on Diversified Financials, Automobiles, New Age Tech Platforms, Manufacturing & Industrials, and Consumer Discretionary sectors. In contrast, we are UW on Private Banks, Consumer Staples, Energy/Telecom, Commodities, Utilities, and Renewables. We maintain a neutral stance on Healthcare. We have also made numerous additions from a bottom-up perspective across sectors.
- **FINANCIALS:** We continue to have a layered bottom-up stance on the BFSI complex. We are UW on Private banks and OW on Diversified Financials and PSU Banks. Within Banks, **RBL Bank** is added to the model portfolio, as with the consummation of the ENBD deal, the bank is well-positioned to sustain strong growth momentum (we estimate a 23% loan CAGR over FY26-28). The stock currently trades at 1.2x FY28E ABV, while its estimated earnings will expand at >100% CAGR over FY26-28.
- Within Diversified Financials, we have added **BSE, HDFC AMC, and L&T Finance**. **BSE** is expected to witness market share gains in the cash segment from the implementation of smart order routing and steady improvement in F&O as it continues to add colocation racks. **HDFC AMC** is trading at a 15%+ discount to peers such as ICICI Pru AMC and Nippon Life India AMC. Fundamentally, the company continues to hold its equity market share and will achieve growth from its investments in alternative products. We are also incorporating **L&T Finance** into the model portfolio, led by the acceleration in its loan growth and profitability trajectory. We expect LTF to deliver an AUM CAGR of 23% and a PAT CAGR of 28% over FY26-28. Its RoA/RoE will expand to 2.6%/15.0% by FY28E, aided by a structural moderation in credit costs. We maintain our weights in AU SFB and Shriram Finance.
- **IT + NEW AGE PLATFORMS:** We retain our OW stance on New-age platforms, driven by our high-conviction calls on new-age companies. We maintain our weights in Eternal, Lenskart, and Coforge.
- **MANUFACTURING & INDUSTRIALS:** We view this as a core long-term theme, and among the sub-segments, we are OW on Defense and EMS names. We add **GE Vernova T&D** as we remain positive on transmission-related spending domestically as well as internationally. The company has a strong order book, and hence, we expect execution and margin performance to remain healthy. We also add **KOEL** to the model portfolio as we expect it to benefit from healthy growth in the Powergen market, further supported by the recent wins in the data center space. The stock has the potential to re-rate from the current levels as it scales up across segments.
- **CONSUMPTION:** Our positioning on consumption remains unchanged, with disproportionate OW on Discretionary Consumption and zero allocation to FMCG and Staples.
- **AUTOMOBILES:** We are OW on the sector and add Gabriel to the model portfolio. We retain our positions on M&M, TVS, and Happy Forgings. **Gabriel** is

emerging as Anand Group's primary growth vehicle, with restructuring benefits expected to flow through earnings from this quarter, while potential further restructuring remains a positive catalyst.

- **COMMODITIES/UTILITIES/RENEWABLES:** We have been underweight in these combined segments and continue to maintain this position. However, within Metals, we have added **Hindalco** to the portfolio in addition to our earlier position in Waaree Energies. Hindalco is likely to be supported by a robust growth outlook for its India business, ongoing capacity expansion at Novelis, and a strategic shift toward higher value-added products.
- **HEALTHCARE:** We retain our Neutral stance on the sector. We continue to hold Mankind Pharma and add **Apollo Hospitals** as we expect sharp execution across existing and new hospitals, narrowing losses at Apollo 24/7, and improving profitability at Healthco (digital health and pharmacy distribution). We are incorporating **Rubicon Research** on the prospect of steady earnings compounding over the next 4–5 years, driven by R&D productivity. The recent USFDA outcome at Pithampur exceeded our expectations regarding the compliance timeline and is anticipated to enhance profitability by reducing outsourcing.
- **MID and SMALL CAPS:** With strong earnings and the growing importance of newer, less prominent themes, we maintain our overweight stance on the SMID segment and have added 400bp, funded by reallocation from other sectors. We have added **Arvind, TBO Tek, and Time Technoplast**, and maintain our weights in Delhivery and Inventurus Knowledge.
 - **Arvind** is expected to be led by garment forward integration (15% revenue growth, +200bp margin expansion to ~8%) and accelerating AMD growth driven by M&A (40% revenue CAGR, +200bp margin expansion toward ~17%). We model revenue, EBITDA, and PAT CAGR of 15%, 23%, and 31%, respectively, over FY26-28.
 - **TBO TEK** is a technology-driven global B2B travel platform that offers travel buyers worldwide real-time access to a global inventory of over 750 airlines and more than 1 million hotels. The platform has increasingly focused on high-margin, niche luxury and ultra-luxury premium properties. We expect TBO to deliver a revenue/EBITDA/PAT CAGR of ~32%/41%/47% over FY26-28.
 - We are adding **Time Techno** as we find its valuations quite attractive at 12x FY28E P/E for 20%+ earnings growth, 20%+ RoCE, healthy cash flows, and a debt-free balance sheet. We also expect positive announcements with respect to LPG orders and expansion in VAP segments in the coming months.

MOFSL: Model Portfolio

SECTOR WEIGHT / PORTFOLIO PICKS	BSE 100	MOFSL WEIGHT	WEIGHT RELATIVE TO BSE100	EFFECTIVE SECTOR STANCE	PAT YoY / CAGR (%)			
					FY26	FY27E	FY28E	FY26-FY28
Financials	35.2	35.0	-0.2	Neutral				
Private Banks	23.1	19.0	-4.1	Underweight				
ICICI Bank	7.3	8.0	0.7	Buy	6	14	16	15
HDFC Bank	8.8	5.0	-3.8	Buy	11	13	17	15
AU Small Finance	0.4	3.0	2.6	Buy	25	39	30	34
RBL Bank	0.0	3.0	3.0	Buy	18	169	63	110
PSU Bank	4.0	5.0	1.0	Neutral				
SBI	3.1	5.0	1.9	Buy	7	5	14	9
Diversified Financials	8.1	11.0	2.9	Overweight				
Shriram Finance	1.3	3.0	1.7	Buy	21	33	25	29
BSE	0.0	3.0	3.0	Neutral	87	52	15	33
HDFC AMC	0.4	3.0	2.6	Buy	16	12	15	13
L&T Finance	0.0	2.0	2.0	Buy	13	32	27	29
IT & New Age Platforms	9.2	12.0	2.8	Overweight				
Infosys	2.6	4.0	1.4	Buy	14	6	4	5
Eternal	1.5	4.0	2.5	Buy	-31	509	89	240
Lenskart Solutions	0.0	2.0	2.0	Buy	143	55	41	48
Coforge	0.4	2.0	1.6	Buy	76	25	19	22
Manufacturing & Industrials	10.1	12.0	1.9	Overweight				
Larsen & Toubro	3.4	3.0	-0.4	Buy	16	17	24	20
Dixon Tech.	0.4	3.0	2.6	Buy	20	17	57	36
Bharat Electronics	1.1	2.0	0.9	Buy	14	16	17	17
GE Vernova T&D	0.0	2.0	2.0	Buy	111	31	32	31
Kirloskar Oil	0.0	2.0	2.0	Buy	24	39	43	41
Consumption - FMCG & Discretionary	11.9	9.0	-2.9	Underweight				
FMCG	7.4	0.0	-7.4	Underweight				
Discretionary	4.6	9.0	4.4	Overweight				
Titan Company	1.3	3.0	1.7	Buy	37	22	24	23
Interglobe Aviation	0.9	2.0	1.1	Buy	PL	LP	3	LP
Radico Khaitan	0.0	2.0	2.0	Buy	76	34	25	29
Indian Hotels	0.5	2.0	1.5	Buy	12	18	24	21
Automobiles	7.8	9.0	1.2	Overweight				
Mahindra & Mahindra	2.0	4.0	2.0	Buy	33	7	18	12
TVS Motor	0.6	3.0	2.4	Buy	35	14	28	21
Happy Forgings	0.0	2.0	2.0	Buy	13	36	34	35
Energy/Telecom	12.7	8.0	-4.7	Underweight				
Reliance Industries	6.4	4.0	-2.4	Buy	3	5	13	9
Bharti Airtel	4.2	4.0	-0.2	Buy	53	39	38	39
Commodities, Utilities and Renewables	8.1	4.0	-4.1	Underweight				
Hindalco	1.0	2.0	1.0	Buy	12	12	-5	3
Waaree Energies	0.0	2.0	2.0	Buy	111	18	22	20
Healthcare	5.0	4.0	-1.0	Neutral				
Mankind Pharma	0.0	2.0	2.0	Buy	5	28	15	21
Apollo Hospitals	0.7	2.0	1.3	Buy	35	24	15	20
Mid & Small-Caps	0.0	7.0	7.0	Overweight				
Delhivery	0.0	1.0	1.0	Buy	8	134	37	79
Inventus Knowledge	0.0	1.0	1.0	Buy	48	22	19	21
Rubicon Research	0.0	1.0	1.0	Buy	84	28	32	30
Arvind	0.0	1.0	1.0	Buy	16	40	20	29
TBO Tek	0.0	1.0	1.0	Buy	6	37	58	47
Time Technoplast	0.0	1.0	1.0	Buy	21	24	19	21
Gabriel India	0.0	1.0	1.0	Buy	8	93	25	55
TOTAL	100	100			11	16	17	16

PL: Profit to Loss; LP: Loss to Profit

BSE SENSEX 77,764 S&P CNX 24,271



Stock Info

Bloomberg	ONGC IN
Equity Shares (m)	12580
M.Cap.(INRb)/(USD b)	2992.1 / 31.4
52-Week Range (INR)	308 / 228
1, 6, 12 Rel. Per (%)	-15/6/2
12M Avg Val (INR M)	3936
Free float (%)	41.1

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	6,622	6,867	6,600
EBITDA	1,133	1,068	1,197
Adj. PAT	501	485	532
Adj. EPS (INR)	39.8	38.6	42.3
EPS Gr. (%)	30.4	(3.1)	9.7
BV/Sh.(INR)	289.7	313.1	338.7

Ratios

Net D:E	0.3	0.2	0.2
RoE (%)	14.0	12.5	12.7
RoCE (%)	15.4	13.8	15.7
Payout (%)	33.5	38.1	38.4

Valuations

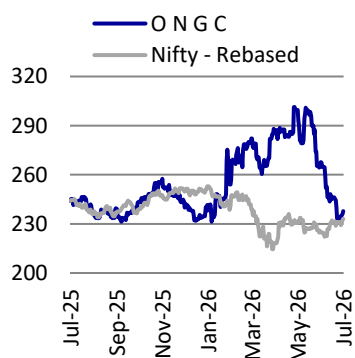
P/E (x)	5.9	6.1	5.6
P/BV (x)	0.8	0.8	0.7
EV/EBITDA (x)	3.6	3.6	3.1
Div. Yield (%)	5.6	6.2	6.9
FCF Yield (%)	20.1	18.9	19.8

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	58.9	58.9	58.9
DII	29.6	30.0	30.2
FII	8.0	7.4	7.1
Others	3.5	3.7	3.8

FII includes depository receipts

Stock performance (one-year)



CMP: INR235 TP: INR288 (+22%) Upgrade to Buy

An energy security play with rising volumes and a solid dividend yield

- Upgrade ONGC to BUY...:** Our upgrade is premised upon a combination of inexpensive valuations, decent volume growth pick-up, and ONGC being a beneficiary of a multi-year government focus to turn around the sector. While a peace MOU has been reached in West Asia, according to forecasts by the US EIA and our view, OECD commercial inventories of crude oil and liquid products are unlikely to normalize for CY26 and 1HCY27. This is likely to keep crude prices elevated, and we raise our Brent price assumptions to USD84.2/USD75 per bbl for FY27/FY28 from USD75/USD65 per bbl earlier.
- ...with a TP of INR288:** This revision leads to a 9%/18% rise in ONGC's FY27/FY28 Consol PAT. We model ~2.6% volume growth overall (Oil: 1.6%, Gas: 3.7%) and value the standalone business at 6.5x Dec'27 EPS, investments at a 25% discount to CMP, and OVL stake at 0.5x FY25 BVPS to arrive at our TP of INR288.

After a 10-year hiatus, upstream back in favor for capital allocation

- Globally, capital allocation is shifting toward upstream oil & gas after a decade of underinvestment amid declining oil & gas production and elevated crude prices over several years. Further, notwithstanding the recent weakness in Brent prices, the recent West Asia crisis has brought to the fore the need for countries to 1) refill depleted inventories and 2) expand strategic crude reserves.
- Domestically, for both ONGC and Oil India, there has been an increased focus on 1) finding new reserves and 2) monetizing existing discoveries on a fast-track basis (e.g., the Daman Upside Development Project (DUDP) for ONGC). Exploration and development efforts in overseas assets have also received a renewed lease on life and can unlock value due to elevated crude prices.

Energy security could be a decade-long theme with multiple facets:

- We believe that energy security as a theme will remain a key focus for many years due to the following reasons: 1) India's crude oil imports at ~90% of total demand are unsustainably high (vs. Gas: ~50%; LPG: 60% fare only slightly better), and 2) India has under-invested in the upstream sector over the past decade, but the government now aims for domestic companies to take the lead with new initiatives such as Samudra Manthan.
- The focus on energy security is also evident from: 1) the recently announced coal gasification policy ([link](#)), which aims to gradually reduce dependence on imported natural gas; 2) reports that a similar policy for compressed bio-gas (CBG) may be in development; and 3) the gov't's plans to expand strategic crude and petroleum reserve capacity, with ONGC tasked to invest INR150b ([link](#)).

Modeling 2.6% volume growth; ~6% dividend yield

- Our rating upgrade is premised upon a combination of inexpensive valuations, a modest pick-up in volume growth, and greater operational freedom amid multi-year government focuses on energy security (e.g., following the technical services provider (TSP-1) contract for Mumbai High, ONGC and BP have signed a new contract for fields in the Western Offshore Basin).
- We are modeling only a 2.6% volume CAGR for ONGC, aided by the start of DUDP, KG-98/2, and Samudra Manthan.
- We are building in ~40% dividend payout in FY27, which implies a ~6% dividend yield at CMP. ONGC's gas price realization (unlike Oil India's) will continue to see an uptick as ~7-8% of volumes every year qualify for higher new-well gas prices. With HPCL's capex cycle nearly over and gross marketing margins normalizing higher, we see limited investor concerns on that front.

Standalone EBITDAX estimates up 13%/15% for FY27/28

- **Over 16%/22% increase in FY27/FY28E standalone PAT:** Our Brent crude assumptions of USD84.2/75 per bbl for FY27/28 imply a materially stronger earnings outlook for ONGC. Earnings are further boosted by higher New Well (NW) gas realization, as ~20%/27.5% of gas production qualifies as NWG in FY27/28. The revised Brent price translates into a ~13%/15% increase in EBITDAX and a ~16%/22% increase in Standalone PAT for FY27/FY28.
- **We raise our Brent assumption by USD10/bbl for FY28:** Crude oil prices are likely to remain supported over the near term despite the reopening of the Strait of Hormuz. We expect Brent to average ~USD84.2/75 per bbl in FY27/28 (vs. USD75/65 per bbl earlier), as the normalization of trade flows, supply chains, and production levels is likely to be gradual rather than immediate.
- **Brent to average USD80/bbl in 2HFY27:** In addition, inventory replenishment after the recent drawdowns, coupled with a renewed focus on energy security and higher strategic storage requirements across consuming nations, should sustain demand for crude. Any residual disruption to upstream assets and uncertainty around the extent of damage to oil and gas fields could further delay the return of supply to pre-conflict levels, keeping the oil market relatively tight in the near term.

Production visibility improves as key offshore projects reach completion

- **Expect 2.6% volume CAGR over FY26-28:** We expect ONGC's domestic oil/gas production to reach 21.2mmt/21.5bcm by FY28, implying a CAGR of 1.6%/3.7% over FY26-FY28. Management has guided a production CAGR of 5%+ during the same period, led by a sharp ramp-up in gas output from the Daman and KG-98/2 fields. With plans to drill more than 500 wells annually, including over 100 exploratory wells, ONGC continues to invest aggressively in arresting production decline and sustaining production growth, providing confidence in our volume assumptions while strengthening the long-term reserve and production pipeline.
- **About 3-4mmscmd of gas volumes to flow from DUDP in 2HFY27:** The Daman Upside Development (DUDP) has recently commenced operations and is expected to be a key contributor to ONGC's near-term gas production growth. All wells under the project are targeted to be commissioned by Sep'26, with gas

output expected to ramp up progressively towards peak production of ~5mmscmd (in 2 years). In parallel, DSF blocks remain under development and are targeted for commissioning by the end of FY27.

- **KG-98/2: Volumes expected to recover to 25-30kbd oil and 3-4mmscmd gas over the next year:** In KG-98/2, execution remains on track with all 26 wells drilled, subsea infrastructure substantially completed, and key offshore facilities installed. Current production stands at ~24kbd of oil and 2.3mmscmd of gas, with management expecting volumes to increase to 25-30kbd and 3-4mmscmd, respectively, over the next year. The field retains significant upside, with peak potential of 35-40kbd of oil and 7-8mmscmd of gas.
- **Western Offshore investments and exploration intensity strengthen medium-term growth visibility:** ONGC is also executing a large-scale offshore investment program, with INR331b of projects underway in the Western Offshore. The appointment of BP as technical service provider across the entire Western Offshore region, following the successful Mumbai High intervention program, is expected to support production optimization. Combined with an annual drilling program of 500+ wells, including 100+ exploratory wells, and intensified exploration under Project DeepX and Samudra Manthan, ONGC has strengthened its medium-term production and reserve growth outlook.
- We believe that the timely start-up/ramp-up of the Daman Upside Development project and KG-98/2 could boost ONGC's earnings, given the strong price realization outlook.

Key risks: Soft crude price and a lag in execution

- Key risks to our thesis include: 1) lower-than-expected crude oil and domestic gas realizations arising from a weaker commodity price environment.; 2) delays in ramp-up or underperformance of key growth projects such as DUDP, KG-98/2, DSF blocks, and Mumbai High; and 3) adverse regulatory or fiscal changes, including higher government levies or changes in gas pricing mechanisms.

Valuation and view

- ONGC currently trades at 5.6x FY28E P/E, below its long-term average one-year forward P/E of 6.5x. Adjusting for the value of listed investments (INR65/share) and our valuation of OVL (INR23/share), the implied valuation of the core business suggests that the market is effectively discounting a Brent crude price of only ~USD65/bbl over 2QFY27-FY28, which we believe is overly conservative given the current industry backdrop.
- We derive our SoTP-based TP of INR288, underpinned by an FY26-FY28 production CAGR of 1.6%/3.7% in oil/gas. With a stronger commodity price outlook and increasing contribution from higher-realization New-Well gas, we raise our FY27/FY28 Consol PAT estimates by 9%/18% and **upgrade the stock to BUY.**

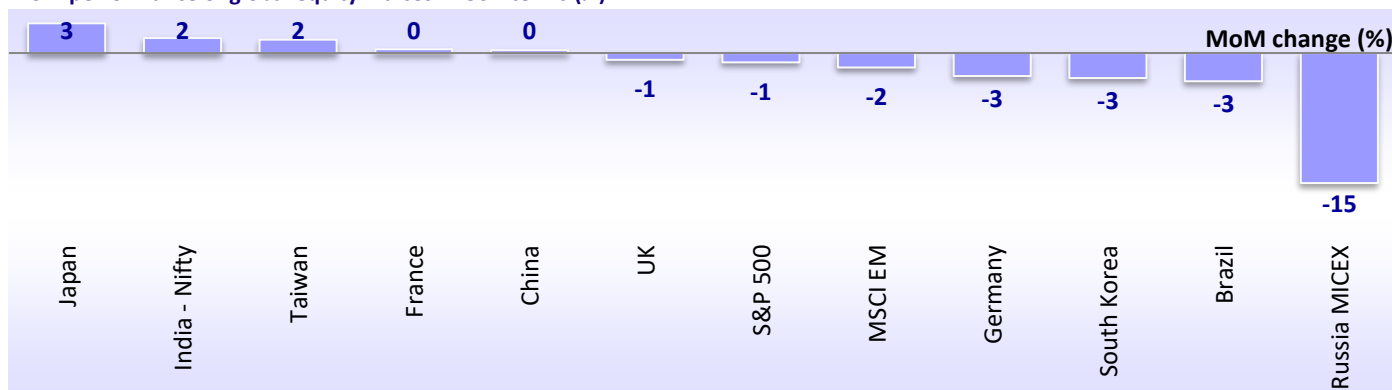
Strategy

INDIA STRATEGY – July'26 (The Eagle Eye): Geopolitical easing strengthens India's market stability

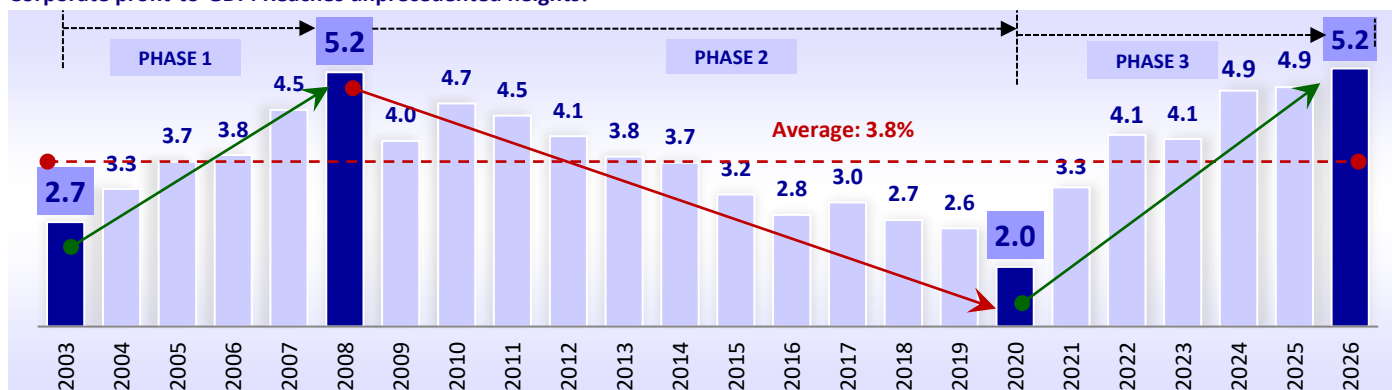
The key highlights of the 'The Eagle Eye' are as follows:

- a) India stabilizes after three months of volatility; South Korea, Taiwan, and Japan continue to lead in CY26YTD;
- b) 'Big Tech' stocks and tech-heavy markets overshadow India and other key EMs in both size and growth; c) INR rebounds as global risks ease; d) AI reshapes Indian IT: Breaking point or turning point; e) Strong AI demand to sustain elevated memory pricing; f) SMIDs' share of the profit pool continues to expand; g) Small caps lead market gains; Private Banks and Real Estate outperform during the month; h) DII momentum remains strong, FII selling persists however narrowed to a 3 month low; i) Corporate profit-to-GDP reaches unprecedented heights!; j) Crude oil prices significantly cool off from the recent highs; k) Valuations correct broadly; mid-caps remain firm on earnings strength.
- Notable Published reports during the month: 1) Initiating coverages on - a) Textile, b) Travel & Leisure, c) Tata Capital, d) Gabriel India; 2) India Strategy | Corporate profit-to-GDP: Reaches unprecedented heights!

MoM performance of global equity indices in USD terms (%)



Corporate profit-to-GDP: Reaches unprecedented heights!



Financials - NBFCs



Company

Aavas Financiers
Bajaj Finance
Bajaj Housing
Can Fin Homes
Chola Inv. & Fin.
CreditAccess Grameen
Five Star Business Finance
Fusion Microfinance
HomeFirst
HDB Financial
IIFL Finance
Jio financial services Limited
L&T Finance Holdings
LIC Housing Finance
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
Northern Arc Capital Limited
PNB Housing Finance
Poonawalla Fincorp
Power finance Corporation
Repco Home Finance
Rural Electrification Corporation
Shriram Finance
Spandana Sphoorty
Tata Capital

Strength beyond seasonality: A strong start to FY27

Asset quality and demand trends robust; NIM trends mixed

- Demand trends remain strong:** We expect ~11% YoY growth in AUM for our coverage HFCs, including both affordable and large HFCs. Vehicle financiers are projected to report ~17% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~47% YoY growth. NBFC-MFIs are estimated to post AUM growth of 11% YoY, while diversified lenders are expected to deliver ~26% YoY growth in AUM. For our NBFC coverage universe, we estimate loan growth of ~16.0% YoY/3.8% QoQ as of Jun'26.
- A strong start to FY27, supported by healthy growth and broadly stable asset quality:** We expect NBFCs to deliver a healthy operating performance in 1QFY27, driven by strong loan growth and stable asset quality. Growth momentum remained broad-based across most lending segments (excluding power finance), supported by healthy demand in housing finance, vehicle finance, microfinance, diversified retail lending, and unsecured retail segment. However, lenders remained selective in used CV and unsecured MSME lending amid elevated crude oil prices and geopolitical uncertainty arising from the West Asia conflict. Gold loan growth remained healthy, although it moderated from the strong momentum seen in the last two quarters. Meanwhile, the MFI segment witnessed an improvement in disbursement trends, reflecting a strong recovery in business momentum.
- Incremental CoF higher; NIM under modest pressure:** Debt market interest rates remained elevated through most of 1QFY27, resulting in a higher incremental cost of funds (CoF) for NBFCs, particularly those with greater reliance on market borrowings. While bond yields softened following the US-Iran ceasefire, the moderation was largely confined to the final few weeks of the quarter. Consequently, we expect a modest impact on NIMs, especially for lenders with a relatively higher share of bond market funding.
- Asset quality broadly stable; no visible impact from West Asia conflict:** Asset quality trends remained broadly stable for most lending segments even in a seasonally weaker first quarter. The marginal increase in delinquencies observed in housing finance and vehicle finance was largely seasonal and remained within expected levels. Importantly, high crude oil prices and the West Asia conflict did not result in any meaningful deterioration in portfolio performance during the quarter. In the MFI segment, asset quality continued to improve, supported by a sustained decline in GNPA levels and well-contained forward flows.
- Earnings to remain healthy; diversified lenders continue to be preferred:** We estimate ~20%/23% YoY growth in NII/PPoP in 1QFY27 for our NBFC coverage universe and ~26% YoY growth in PAT. Excluding NBFC-MFIs, we estimate ~22% YoY growth in PAT for our coverage universe. Our preference is for diversified lenders and our top picks in the sector are SHFL, LTF, ABCL and PNBHF.

HFCs: Healthy disbursement and AUM growth; NIM pressure for large HFCs

- Disbursement momentum remained healthy for both large HFCs and affordable HFCs during the quarter. However, large HFCs continued to face heightened competitive intensity from banks, although BT-outs declined as lending rates have stabilized. Margins for large HFCs are likely to remain under pressure owing to the transmission of lower PLR rates and a marginal increase in the incremental CoF. In contrast, affordable HFCs are expected to report stable to marginally lower margins during the quarter.
- Asset quality witnessed marginal seasonal weakness across both large HFCs and AHFCs; however, credit costs are expected to remain benign during the quarter.
- For LICHF, we expect credit costs at ~17bp (vs. ~10bp in 4QFY26). Margins are expected to decline ~10bp QoQ. We expect LICHF to report 4% YoY growth in loans. BHFL reported AUM growth of 24% YoY. We expect margins for BHFL to decline ~10bp QoQ.
- We forecast HomeFirst to report ~29% YoY growth in disbursements, leading to AUM growth of ~25% YoY. Asset quality is expected to remain broadly stable for both HomeFirst and Aavas. Aavas is expected to report disbursement and AUM growth of 44% and 16% YoY, respectively.
- We estimate PNBHF to deliver 15.5% YoY growth in total loan book as of Jun'26. For PNBHF, we expect NIM to contract ~10bp QoQ. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could again result in provision write-backs (like in the prior quarters).
- For Five Star, loan growth and disbursements are expected to pick up. We expect disbursements to grow 14% YoY and 21% QoQ, translating into ~11% YoY growth in AUM. We expect credit costs to remain broadly stable at ~1.85%.

Vehicle finance: Demand momentum stable; minor seasonal deterioration in asset quality

- MMFS reported disbursements of ~INR156b in 1QFY27 (up ~21% YoY), leading to ~12.5% YoY in business assets. We expect credit costs for MMFS to be at ~2.1% in 1QFY27 (vs. 2.2% in 1QFY26).
- For CIFIC and SHTF, we expect disbursement growth of 19% YoY each, which should translate into ~21%/15% YoY growth in AUM in 1QFY27.
- Disbursement momentum in the vehicle finance segment remained healthy and maintained its strong trajectory in 1QFY27. Demand was robust across all key segments, including PVs, CVs, tractors, and 2Ws. However, a few lenders adopted a relatively cautious stance toward the CV segment amid high crude oil prices and geopolitical uncertainty due to the West Asia conflict.
- Asset quality witnessed seasonal deterioration during the quarter; however, it remained well within expected levels, with no material stress observed across any segment. Additionally, lenders did not witness any adverse impact of the West Asia conflict on asset quality or collections during the quarter.
- Margin trends were divergent across vehicle financiers, with SHFL expected to report margin expansion, while MMFS is likely to report margin contraction due to higher incremental CoF during the quarter.

Gold finance: Strong growth continues, albeit at a slower pace than FY26; competitive intensity remains high

- Gold lenders are expected to deliver healthy growth in 1QFY27; however, the pace is likely to moderate from the exceptionally strong growth witnessed in FY26 and also on a sequential basis. The moderation is primarily attributable to a correction in gold prices over the past few months, effectively lower LTVs following the transition to the revised RBI regulations effective 1st Apr'26, and the requirement for credit appraisal of higher-ticket loans, which also constrained growth.
- We expect MGFL in its standalone entity to deliver strong gold loan growth. Further, MFI book is also expected to grow, driven by pickup in disbursements.
- MGFL is expected to report margin expansion as yields have bottomed out and are likely to improve marginally from current levels. In contrast, MUTH is expected to witness a contraction in margins during the quarter. We expect margins to contract ~50bp YoY for MUTH and expand ~10-15bp QoQ for MGFL.
- Business momentum and asset quality continue to improve across the MFI businesses of Asirvad and Belstar, which should support higher disbursements and moderation in credit costs during the quarter.

MFIs: Strong business momentum; fresh PAR accretion moderates

- Business momentum across MFI lenders continues to strengthen, with disbursement growth remaining stronger than anticipated, resulting in healthy sequential AUM growth. We expect QoQ AUM growth of ~4.0%/8.7% for Fusion/Spandana while CREDAG reported 2.5% QoQ AUM growth in 1QFY27.
- Asset quality in the segment continued to improve during the quarter, aided by a decline in PAR levels and moderation in fresh flow forwards. Fresh PAR accretion remained in the range of 15-20bp for most lenders, indicating strong collection efficiency. Further, there was no seasonal deterioration or any adverse impact from the West Asia conflict on asset quality during the quarter.
- We expect sequential decline in credit costs for MFI companies. We estimate annualized credit costs of ~3.0%/2.4%/-0.4% for CREDAG/Fusion/Spandana in this quarter.

Diversified financiers: Healthy growth with unsecured loans regaining momentum; asset quality broadly stable

- BAF delivered AUM growth of ~24% YoY/7.2% QoQ. We estimate margins to decline 5bp QoQ for BAF with credit costs at ~170bp (vs. 165bp in 4QFY26).
- For HDBFIN, we expect disbursements to grow ~23% YoY and expect loan growth of 12% YoY. We expect NIM to remain stable QoQ. Credit cost is likely to increase 10bp QoQ to 2.4% (compared to 2.3% in 4QFY26).
- LTF reported loan growth of ~28% YoY/6.6% QoQ in retail loans. We estimate credit costs to decline ~10bp QoQ to 2.45%.
- Poonawalla is expected to report AUM growth of ~59% YoY/8.7% QoQ with total AUM at INR656b. We expect credit costs to decline ~20bp QoQ to ~2.4% (vs. 2.6% in 4QFY26).
- For IIFL Finance, we expect strong growth in gold loan AUM to remain intact in 1QFY27. We expect consolidated AUM growth of 35% YoY and PAT (post MI) of ~INR5.9b in 1Q (vs. INR5.9b in 4QFY26).

- Northern Arc is expected to report AUM growth of ~27% YoY/2.5% QoQ with total AUM at INR170b. We expect credit costs to increase ~40bp QoQ to ~2.6% (vs. 2.2% in 4QFY26).
- For Tata Capital, we expect ~22% YoY consolidated AUM growth (including Motor finance) in 1QFY27. We expect margins to decline ~5bp QoQ and expect credit costs at 1% (PY: 1.6%).

Power financiers: Muted loan growth continues; asset quality to improve further driven by stressed asset resolutions

- Disbursements and AUM growth among power financiers were muted during the quarter. REC's disbursements are expected to decline 9% YoY, leading to muted AUM growth of 2% YoY. Asset quality is expected to improve, driven by the resolution of stressed assets (i.e. Hiranmaye) during the quarter.
- For PFC, we expect disbursements to grow 10% YoY, leading to loan book growth of ~7% YoY.

Quarterly performance

Name	CMP (INR)	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
			Jun-26	Variance YoY (%)	Variance QoQ (%)	Jun -26	Variance YoY (%)	Variance QoQ (%)	Jun -26	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	1,514	Neutral	3,248	17.0	1.5	2,303	21.0	-3.0	1,714	23.1	-5.7
Bajaj Finance	1,015	Neutral	1,24,653	21.9	5.8	1,00,181	18.0	6.5	58,412	22.6	5.2
Bajaj Housing	88	Neutral	9,738	9.8	3.0	9,311	16.7	1.1	6,807	16.7	1.7
Can Fin Homes	882	Neutral	4,310	18.8	2.0	3,547	16.7	0.3	2,642	18.0	-23.6
Chola. Inv & Fin.	1,804	Buy	39,987	25.6	3.7	29,498	22.3	-1.1	14,526	27.9	-11.5
CreditAccess	1,501	Buy	11,258	24.3	7.5	8,193	25.5	5.0	4,461	641.2	31.4
Five-Star Business	518	Buy	6,263	8.5	2.0	4,233	5.1	1.4	2,720	2.1	1.0
Fusion Finance	204	Buy	2,419	-11.4	5.0	1,088	25.7	17.0	699	-175.8	-38.8
HDB Financial	752	Neutral	24,621	17.7	2.6	17,217	22.8	1.5	7,497	32.1	-0.1
Home First Fin.	1,202	Buy	2,488	28.2	5.2	2,152	27.9	2.0	1,551	30.5	3.8
IIFL Finance	496	Buy	17,526	35.4	1.9	11,840	36.3	2.2	5,936	154.4	1.1
Jio Financial Services	240	Buy	3,961	50.0	15.0	4,117	12.5	25.9	3,345	13.0	22.9
L&T Finance	313	Buy	28,239	23.9	5.5	19,118	21.4	4.9	8,712	24.3	7.7
LIC Housing Fin	555	Neutral	21,677	4.9	-2.4	19,798	4.6	-1.4	14,537	6.9	-2.9
M & M Financial	315	Buy	24,306	20.8	1.6	17,211	27.2	-0.0	7,489	41.4	-14.2
Manappuram Finance	317	Neutral	16,305	18.1	16.2	9,299	40.7	19.3	4,650	251.1	14.9
MAS Financial	310	Buy	2,131	31.1	5.3	1,990	28.5	4.4	1,036	23.4	3.8
Muthoot Finance	2,916	Neutral	54,005	55.5	4.0	45,611	63.6	3.5	31,754	55.2	2.9
Northern Arc	304	Buy	4,438	29.9	0.6	2,463	19.1	-8.4	1,029	31.4	-22.5
PFC	442	Buy	56,472	3.3	2.3	53,884	11.5	-15.6	45,005	-0.0	-28.8
PNB Housing	1,052	Buy	8,186	9.7	1.3	6,906	9.3	1.8	5,784	8.4	-11.8
Poonawalla Fincorp	431	Buy	11,555	80.8	10.1	8,120	150.2	16.9	3,305	428.0	29.7
REC	370	Buy	52,165	-6.3	0.9	53,054	5.5	6.8	43,243	-2.8	28.6
Repco Home Fin	425	Neutral	1,993	9.7	1.0	1,444	0.5	5.4	1,086	0.6	-15.9
Shriram Finance	1,047	Buy	72,278	25.2	7.1	58,914	40.5	10.6	32,827	52.3	8.9
Spandana Sphoorty	278	Neutral	1,255	-3.4	18.6	126	-121.4	-225.3	166	-104.6	214.7
Tata Capital	362	Neutral	36,208	26.3	4.1	27,089	18.2	5.8	14,936	43.5	1.9
NBFC			6,41,684	19.7	4.3	5,18,708	23.0	2.7	3,10,933	26.0	-1.4

Capital Goods & Defense



Companies

ABB India
Atlanta Electricals
Astra Microwave Products
Bharat Dynamics
Bharat Electronics
CG Power and Industrial Solutions
Cummins India
GE Vernova T&D India
Hindustan Aeronautics
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
Siemens
Siemens Energy
Thermax
Triveni Turbine
Zen Technologies
Amber Enterprises
Dixon Technologies

Headwinds receding

We expect 1QFY27 performance to have some impact of slower execution due to West Asia crisis as well as labor unavailability due to election schedule in few states. Ordering momentum was also weak during 1QFY27. Government related ordering was also weak but initiatives such as fast tracking of defense procurement, faster DAC approvals, easing of norms for Chinese players to ease supply chain issues in transmission and tax holiday for data centres announced in budget seem to indicate focus on these sectors. In coming quarters, we expect the industrial sector to benefit from 1) improved ordering, 2) easing off of commodity prices and 3) normalization of labor availability and execution. Going ahead, we remain positive on areas where spending is happening such as transmission, data centre, defense and companies positioned in these segments. For 1QFY27, we estimate our coverage companies to report a revenue/EBITDA/PAT growth of ~5%/6%/10% YoY, with a broadly flat EBITDA margin. We reiterate our positive stance on LT/Cummins India/ GE Vernova T&D in the large-cap space, and Kirloskar Oil Engines/Kalpataru Projects International in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics remains our top pick. We remain positive on Dixon too with expectations of mobile volumes ramping up in coming quarters.

Ordering activity was weak during 1QFY27 but is now building up

Ordering activity during the quarter was weak and was seen primarily across power T&D (domestic and international), metals, B&F, hydrocarbon and selectively for defense. Government sector ordering was weak, while private sector ordering has maintained the traction seen over last few quarters. Domestic tendering on large transmission projects was weaker, but bid submission is likely to improve from 2QFY27 for both state and central utilities. Among companies, LT's announced inflows stood at ~INR252b with one mega order received from JSW Steel. KEC secured inflows worth INR66b and KPIL secured inflows worth INR50b diversified across domestic and international. Among product companies, KOEL recently announced a large data center-related order from HyperNext. Overall TAM continues to remain strong for product companies focusing on data center-related orders.

Defense: Pipeline remains healthy with large orders expected to finalize in near-to-medium term

Defense sector remains attractive as AoNs worth INR6-6.5t announced in FY26 are expected to get converted into orders FY27 onwards. DAC also approved another round of AoNs worth INR520b recently, including 'Akash Tarang' EW system, MRSAM, VSHORADS, MP-ATGM, etc. Also, under the revised Delegation of Financial Powers for the Defense Services (DFPDS) rules, the MoD has increased financial autonomy to fast-track more than INR1.3t worth central defense revenue procurement annually. This is likely to accelerate order inflows and execution for defense companies, as a larger share of procurement contracts can now be approved directly by the armed forces. During the quarter, BHE announced order inflows worth INR35b, including an order for ground-based mobile ELINT system (GBMES) for the Indian Army. BDL recently announced orders worth INR14b related to Helina launchers and CMDS LRUs. Key things to watch out are updates on orders for QRSAM, P75I submarine, next-generation corvettes, and delivery status of Tejas Mk1A aircrafts.

Correction in commodity prices is a key positive

Though commodity prices are still high on a YoY basis, the recent correction seen in key commodities is positive for companies focused on short-cycle or fixed-price contracts. On YoY basis, prices of aluminum/copper/zinc/HRC are still up nearly 23%/39%/34%/11%. Sharp spike in RM prices in Mar'26 will get reflected in lower margins in 1QFY27. Various companies had already taken price hikes to pass on the YoY increase in RM prices and we expect to see the partial impact of these in 1Q/2QFY27. However, sequentially, prices have now started correcting, which will be reflected from 3QFY27 onward in margins. On a blended basis, we expect EBITDA margin to remain broadly flat YoY but decline QoQ by 250bp in 1QFY27.

Export momentum to improve in coming quarters

Export or international execution for most players was affected by higher freight costs, and hence companies had selectively taken a stance on exports during 1QFY27. With the West Asia crisis easing out now and the reopening of channels, we expect exports to start witnessing improvement. Ordering activity from international markets too remained limited during the quarter. However, for EPC names, such as LT, KPIL and KECI, inflows are picking up now. For product companies, the US, Europe, the Middle East, and South Africa regions remain key export markets, and we expect opportunities to come from renewables, transformers and data centers, where companies are eyeing bigger orders. For defense players, exports are largely led by private defense players like Solar Industries, Astra Microwave, Data Patterns, etc. Pipeline and offerings for DPSUs for export markets remain healthy, though we are yet to see a meaningful pickup.

Sector View: Prefer sector and companies where macro drivers are intact

We remain positive on select themes where there is comfort on the visibility of multi-year capex such as transmission and distribution, data center and defense. Going ahead, we expect ordering and execution to improve as earlier issues related to supply and labor availability are getting addressed. We also expect the sector to benefit from a decline in commodity prices as well as freight rates. We would keep a continuous watch on government and private capex spending. Most companies have indicated that private capex has started reviving in select pockets of metals and mining, thermal, buildings, cement, etc.

Our top picks

We reiterate our positive stance on LT/Cummins India/GE Vernova T&D India in the large-cap space, and Kirloskar Oil Engines/Kalpataru Projects International in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics remains our top pick. We remain positive on Dixon too, with expectations of mobile volumes ramping up in the coming quarters.

Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ
ABB India	6,940	Neutral	30,261	-4.7	-5.0	4,059	-2.0	-0.6	3,518	-0.1	2.9
Astra Microwave	1,753	Buy	2,252	12.8	-53.9	450	10.0	-72.3	262	60.7	-75.3
Atlanta Electricals	1,794	Buy	4,102	30.2	-45.1	677	38.8	-54.7	349	12.1	-65.9
Bharat Dynamics	1,379	Neutral	3,176	28.1	-33.9	476	LP	-13.8	832	353.4	-26.5
Bharat Electronics	416	Buy	51,072	15.6	-49.8	14,811	19.4	-50	11,247	16.1	-49.0
CG Power & Inds.	977	Buy	34,578	20.1	0.5	4,561	19.7	-3	3,382	25.6	-7.0
Cummins India	5,664	Buy	32,142	10.6	6.7	6,846	9.8	6.6	6,244	12.4	-0.2
GE Vernova T&D	4,892	Buy	16,680	25.4	1.9	4,337	11.9	-2.5	3,281	12.7	-5.6
Hind.Aeronautics	4,433	Buy	52,714	9.4	-62.2	13,706	6.9	-72.9	15,276	10.4	-63.6
Hitachi Energy	34,239	Neutral	19,721	33.3	-28.4	3,254	98.1	-27.3	2,724	93.3	-24.7
Kalpataru Proj.	1,358	Buy	53,063	5.3	-23.8	4,510	5.3	-32.9	1,926	-4.1	-47.6
KEC International	521	Buy	50,236	0.0	-21.4	3,265	-6.7	-27.1	743	-40.4	-61.1
Kirloskar Oil	2,341	Buy	15,095	18.7	-1.6	1,887	9.9	-2.1	1,201	9.7	1.5
Larsen & Toubro	4,092	Buy	6,43,345	1.0	-22.3	62,500	-1.1	-27.4	38,353	6.0	-28.5
Siemens	3,561	Neutral	46,320	12.8	0.3	4,627	-10.6	4.2	3,965	-6.3	7.1
Siemens Energy	3,633	Buy	23,737	33.0	-0.9	4,724	38.8	-5.2	3,541	34.8	-5.5
Thermax	5,104	Sell	24,361	12.9	-28.9	2,051	-8.9	-45.2	1,131	-25.3	-53.3
Triveni Turbine	677	Buy	4,223	13.7	-37.9	697	-5.3	-45.6	608	-5.6	-40.5
Zen Technologies	1,762	Neutral	1,091	-1.8	51.7	311	-18.3	766.8	333	-10.3	125.7
Capital Goods			11,08,170	5.2	-25.5	1,37,750	6.0	-37.9	98,915	9.7	-37.8

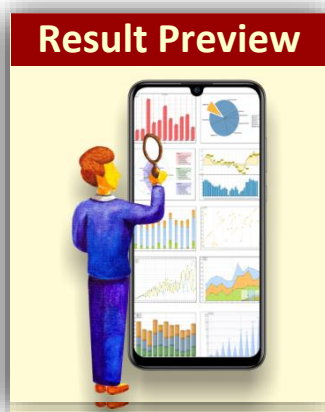
ABB: December ending; SIEM: Shifted to March ending 18MFY26 onwards; Siemens Energy: September ending

Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Capital Goods						40.3	43.5	34.9	7.5	8.0	6.8	18.7	18.4	19.6
ABB India	6,940	Neutral	81.1	83.6	101.6	73.2	83.0	68.3	16.1	14.5	13.1	23.1	19.7	20.1
Astra Microwave	1,753	Buy	20.3	26.3	34.6	41.8	66.6	50.7	6.1	10.6	8.8	16.0	17.4	19.0
Atlanta Electricals	1,794	Buy	26.4	36.9	56.0	45.6	48.6	32.0	10.0	11.4	8.4	21.8	23.4	26.2
Bharat Dynamics	1,379	Neutral	11.5	18.2	26.7	95.7	75.7	51.7	9.5	10.9	9.5	9.9	14.3	18.3
Bharat Electronics	416	Buy	8.3	9.6	11.3	48.4	43.3	36.9	12.3	10.0	8.0	27.8	26.0	24.1
CG Power & Inds.	977	Buy	7.9	10.2	13.7	83.3	95.7	71.4	13.0	16.5	13.8	21.0	18.6	21.1
Cummins India	5,664	Buy	87.8	106.8	129.1	51.3	53.0	43.9	15.8	17.3	15.0	32.6	34.9	36.6
GE Vernova T&D	4,892	Buy	50.0	65.5	86.3	72.8	74.7	56.7	34.7	31.2	21.7	57.4	50.0	45.2
Hind.Aeronautics	4,433	Buy	136.3	149.9	179.6	25.6	29.6	24.7	5.7	6.2	5.2	22.2	20.9	21.1
Hitachi Energy	34,239	Neutral	234.6	327.7	480.0	103.2	104.5	71.3	19.8	21.9	16.6	20.2	22.1	24.5
Kalpataru Proj.	1,358	Buy	58.6	65.5	79.4	18.0	20.7	17.1	2.2	2.5	2.2	13.0	12.9	13.9
KEC International	521	Buy	24.4	28.3	34.8	20.9	18.4	15.0	2.2	2.1	1.9	11.3	11.7	13.1
Kirloskar Oil	2,341	Buy	31.9	44.3	63.4	41.6	52.8	36.9	5.7	8.8	7.4	14.6	17.8	21.8
Larsen & Toubro	4,092	Buy	123.7	144.5	179.1	28.3	28.3	22.9	4.4	4.6	4.0	16.4	17.1	18.7
Siemens	3,561	Neutral	79.4	58.2	72.4	37.0	61.1	49.2	7.5	8.0	6.9	20.4	13.0	13.9
Siemens Energy	3,633	Buy	30.9	42.5	61.5	83.2	85.5	59.0	20.9	22.1	16.1	25.1	25.9	27.3
Thermax	5,104	Sell	60.1	71.2	91.4	54.8	71.7	55.8	6.7	9.3	8.2	12.9	13.7	15.6
Triveni Turbine	677	Buy	11.4	12.9	16.2	38.7	52.4	41.9	9.7	12.4	10.2	27.1	25.8	26.7
Zen Technologies	1,762	Neutral	16.2	33.6	47.0	79.1	52.5	37.5	6.3	7.5	6.2	8.3	15.4	18.2
Amber Enterprises	7,445	Buy	61.7	124.2	187.1	106.1	59.9	39.8	5.3	5.4	4.8	6.5	9.5	12.8
Dixon Technologies	11,954	Buy	139.7	163.5	256.6	69.2	73.1	46.6	12.6	13.0	10.2	22.1	19.3	11,954

For ABB, FY26/FY27E/FY28E indicate CY25/CY26E/CY27E data; For SIEM: FY26/FY27E/FY28E indicate 18MFY26/12MFY27E/12MFY28E data; For Siemens Energy, FY26/FY27E/FY28E indicate Sep'25/Sep'26E/Sep'27E Y/E data.

Automobiles



Company

Amara Raja Energy Mobility

Ashok Leyland

Apollo Tyres

Bajaj Auto

Balkrishna Industries

Bharat Forge

BOSCH

Ceat

CIE Automotive

Craftsman Automation

Eicher Motors

Endurance Technologies

Escorts

Exide Industries

Gabriel

Happy Forgings

Hero MotoCorp

Hyundai Motor

Mahindra & Mahindra

Maruti Suzuki

Samvardhana Motherson

Motherson Wiring

MRF

Sona BLW Precision

Tata Motors CV

TVS Motor Company

Tata Motors PV

Tube Investments

Earnings outlook materially improves for the sector...

...although concerns remain around potential El Nino impact

- Aggregate auto demand for all OEMs under our coverage universe grew 24.5% YoY in 1QFY27. Segmental trends: 2W up 26%, PVs up 24%, CVs up 20%, and tractors up 18%.
- However, due to a surge in RM prices in 4Q and the better part of 1Q and losses in TMPV due to headwinds at JLR, we expect our OEM coverage to post a 11% YoY earnings decline in 1Q.
- Auto ancillaries within our coverage universe are likely to post ~15% revenue growth and a much lower PAT growth of 10% due to margin pressure.
- Earnings outperformers among OEMs include BJAUT (+31%) and TVSL (+30%). HMIL is likely to underperform with a PAT decline of 40%. We expect TMPV to post a loss in 1Q, given headwinds at JLR.
- In auto ancillaries, key outperformers in 1Q include Gabriel (63%), SAMIL (+48%), SONACOMS (+36%), HAPPY (+37%), Craftsman (24%), and BKT (29%). Key underperformers include CEAT (-56%) and Bosch (-23%).
- Given the easing input cost pressure, price hikes taken by OEMs to partially offset the commodity hikes, and stable demand across segments, we expect renewed investor interest in the sector in coming quarters.
- Our top OEM picks are MSIL, TVSL, and MM. Top auto ancillary picks are MSWIL, ENDU, and SAMIL.

Demand remains healthy in 1Q across segments

Demand has continued to be encouraging across segments in 1Q, as reflected in strong retail growth reported in Vahan. As a result, the overall auto industry volume growth for 1Q stood at 24.5% YoY. More importantly, growth was driven by all segments: 2W up 26%, PVs up 24%, CVs up 20%, and tractors up 18%. In 2Ws, all OEMs delivered over 20% growth in 1Q. In PVs, TMPV and MSIL outperformed the industry, while HMIL was the only one to witness a volume decline in 1Q on account of supply challenges led by the fire incident at Hyundai Mobis. MM underperformed the industry on account of supply challenges from Tier 2 suppliers, which were resolved in June. Within CVs, TMCV outperformed with 26% growth in 1Q, while VECV and AL posted 10% and 15% growth, respectively. Further, within tractors, MM posted 18% YoY growth and Escorts' volumes grew 21% YoY.

Severe impact on margins likely in Q1; recovery expected in coming quarters

- On the back of a healthy recovery in volumes, auto OEM companies under our coverage are expected to post a strong 17% revenue growth. Within this, we expect 2W OEMs to post 32% revenue growth, followed by PV OEMs at 15% and CV OEMs at 18%. However, prices of key inputs have been on an uptrend since 3Q, and despite the price hikes taken, there is likely to be some under-recovery due to the sharp increase in a short span. As a result, aggregate EBITDA margin for our OEM coverage universe is estimated to decline 190bp YoY to 9.6%. In PVs, while most OEMs are expected to witness a 100-150bp margin impact in 1Q, HMIL is likely to be the most affected, with a 430bp impact on a YoY basis, also over a high base and TMPV is expected to see a 300bp YoY impact, given the headwinds at JLR. Similarly, in CVs, we expect CV OEMs to witness a 100-200bp margin contraction on a YoY basis.

- Two-wheeler OEMs with meaningful export exposure are likely to be the least impacted. For instance, we expect BJAUT, RE, and TVSL to see a marginal margin impact on a YoY basis. On the other hand, HMCL is likely to witness a 160bp margin pressure on a YoY basis.
- Overall, given the sharp surge in input costs and headwinds at JLR, we expect OEM companies under our coverage to report a flat EBITDA quarter and an 11% decline in PAT.
- Given the strong OE growth, auto ancillaries in our coverage are expected to post ~15% revenue growth. However, the surge in commodity prices and the lag mechanism for cost pass-through are expected to result in relatively lower EBITDA/PAT growth of 9%/10% for auto ancillaries. Mass-market tyre companies are likely to witness the sharpest margin contraction in 1Q.

Estimated hits and misses in 1QFY27

- We expect our auto OEM coverage universe to post 11% YoY decline in earnings. Within 2Ws, BJAUT (+31%) and TVSL (+30%) are expected to post healthy earnings growth and minimal margin impact. All PV and CV OEMs are expected to post much weaker earnings growth, given the expected margin contraction. Within OEMs, HMIL is likely to be the worst impacted, with earnings expected to decline 40% in 1Q. We also expect TMPV to post a loss in 1Q, largely due to headwinds at JLR.
- As highlighted above, our ancillary coverage universe is expected to deliver a 10% YoY growth in earnings. Key outperformers in 1Q are likely to be Gabriel (63%), SAMIL (+48%), SONACOMS (+36%), HAPPY (+37%), Craftsman (24%), and BKT (29%). Key underperformers include CEAT (-56%) and Bosch (-23%).

Auto earnings outlook improves with the resolution of the West Asia crisis

- As highlighted in the previous section, the demand has held up well in 1Q, especially in PVs and tractors. The resolution of the West Asia crisis has resulted in a sharp decline in crude oil prices alongside a dip in commodity costs. Needless to say, both these factors augur well for the auto sector. The decline in input costs suggests that the margin pressure is unlikely to sustain beyond 1Q for the sector. Given the improving macro environment and strong 1Q performance, we have raised our estimates for a few companies: APTY (+11%/+8%), BJAUT (+6%/+5%), ENDU (+5%/+9%), EXID (+7%/+11%), HAPPYFOR (+6%/+5%), MSIL (+5%/+6%), MSWIL (+5%/+6%), SONACOMS (+5%/+7%) and TMPV (+10%/+4%). On the other hand, companies that witnessed earnings downgrades include CEAT (-9% for FY27E) and AL (-6% for FY27E).
- A decline in crude is clearly beneficial for the overall economy as well as the CV segment. Given easing input cost pressures, price hikes taken by OEMs, and stable demand across segments, we expect renewed investor interest in the sector in coming quarters. The only lingering concern remains the probable impact of El Nino expected in the current year. In this scenario, OEMs with a healthy launch pipeline are likely to be preferred over others. Our top OEM picks are MSIL, TVSL, and MM. Among auto ancillaries, our top picks are MSWIL, Endurance, and SAMIL.

Summary of 1QFY27 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBITDA (INR M)			NET PROFIT (INR M)		
			Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ
Amara Raja Energy	840	Neutral	35,844	7.0	3.6	3,979	2.9	5.5	1,913	-1.4	1.8
Apollo Tyres	432	Buy	75,469	15.0	2.9	8,777	1.1	-17.9	3,155	6.5	-29.5
Ashok Leyland	162	Buy	97,131	11.3	-31.4	8,839	-8.8	-57.2	5,454	-8.1	-61.2
Bajaj Auto	9842	Neutral	1,68,579	34.0	5.3	33,982	36.9	2.3	27,554	31.5	1.4
Balkrishna Inds	2170	Neutral	30,398	10.2	5.0	6,696	2.1	1.0	3,693	28.7	25.1
Bharat Forge	2107	Neutral	23,431	11.3	3.7	6,350	11.1	2.9	3,845	13.6	2.5
Bosch	40775	Neutral	53,153	11.0	-4.5	6,485	1.4	-19.2	5,327	-23.1	-8.6
CEAT	3635	Buy	40,588	15.0	-3.8	3,450	-11.0	-41.8	502	-56.3	-80.0
CIE Automotive	459	Buy	26,031	9.9	-0.3	3,942	17.1	-1.9	2,416	19.0	-2.6
Craftsman Auto	9270	Neutral	21,170	18.7	-4.9	3,147	18.8	-12.2	940	24.4	-19.6
Eicher Motors	7138	Neutral	63,370	25.7	4.2	14,837	23.4	-2.0	14,197	17.8	-6.6
Endurance Tech.	2594	Buy	40,650	22.5	-0.5	5,128	15.5	-10	2,582	14.1	-6.6
Escorts Kubota	2945	Neutral	31,269	25.9	6.0	3,502	7.8	-9.3	3,286	4.2	1.2
Exide Inds.	390	Neutral	48,706	8.0	7.0	5,552	1.3	4.7	3,269	2.0	4.6
Gabriel India	1245	Buy	14,651	33.4	21.1	1,084	3.0	-4.0	1,009	62.9	50.8
Happy Forgings	1531	Buy	4,458	26.0	5.2	1,351	33.5	1.3	897	36.5	7.3
Hero Motocorp	4835	Buy	1,23,403	28.8	-3.6	15,815	14.5	-14.8	12,661	12.5	-9.6
Hyundai Motor	1917	Buy	1,63,641	-0.3	-13.5	14,773	-32.4	-24.9	8,258	-39.7	-34.2
Mahindra & Mahindra	3130	Buy	4,06,062	19.1	2.7	50,758	3.9	-8.8	34,585	0.3	-7.5
Maruti Suzuki	14412	Buy	5,14,128	33.2	-2.0	49,913	23.5	-18.9	32,928	3.5	-8.3
Samvardhana Motherson	148	Buy	3,50,321	16.0	2.1	28,908	17.6	-23.7	8,998	48.3	-44.9
Motherson Wiring	41	Buy	31,924	28.0	-4.3	2,650	8.5	-3.3	1,501	4.9	-10.3
MRF	129322	Sell	83,163	10.0	5.2	10,479	1.3	-17.0	4,929	1.8	-26.3
Sona BLW Precis.	619	Neutral	12,776	50.1	0.4	2,926	44.4	-5.8	1,774	35.5	-5.1
Tata Motors CV	431	Neutral	1,93,854	23.6	-20.9	20,964	10.9	-38.4	13,466	-5.2	-38.4
Tata Motors PV	348	Sell	9,34,357	5.7	-12.3	52,864	-30.6	-61.3	-1,179	PL	PL
Tube Investments	3099	Buy	22,257	10.9	-2.3	2,469	-0.2	-1.7	1,652	-1.7	-42.3
TVS Motor	3495	Buy	1,34,495	33.4	5.0	16,408	29.9	-2.3	10,128	30.1	1.5
Automobiles			37,45,279	16.6	-5.6	3,86,027	2.3	-28.1	2,09,739	-6.9	-32.8



Company

Ajanta Pharma
Alembic Pharma.
Alkem Lab.
Apollo Hospitals
Aurobindo Pharma
Biocon
Cipla
Dr. Agarwal's Healthcare
Divi's Lab.
Dr. Reddy's Lab.
Eris Lifesciences
Fortis Healthcare
GSK Pharma
Gland Pharma
Glenmark Pharma.
Global Health
Granules India
IPCA Lab.
Laurus Labs
Laxmi Dental
Lupin
Mankind Pharma
Max Healthcare
Piramal Pharma
Rubicon Research
Sun Pharma
Torrent Pharma
Zydus Lifesciences

EBITDA growth to remain subdued

DF in recovery mode; hospitals show resilience

- After a subdued show in FY26 (revenue growth of 10.8% YoY excl. hospitals), we expect our coverage universe to deliver better growth in 1QFY27. Aggregate revenue is likely to rise 13.2% YoY. However, profitability is expected to remain under pressure, with EBITDA likely to grow by a modest 5% YoY and PAT estimated to decline 5% YoY, primarily due to pricing pressure in select high-margin niche products in the US and an unfavorable geopolitical environment. These headwinds are expected to be partly offset by currency tailwinds and robust growth in the domestic formulation (DF) segment.
- DF growth is expected to strengthen, supported by a healthy recovery in acute therapies alongside stable momentum in chronic therapies. The launch of generic semaglutide in India following patent expiry in Mar'26 marks a key development, and the initial impact on market expansion and competitive dynamics will be closely monitored during the quarter. In the US, while pricing pressure persists in the base business, several companies continue to focus on complex generics, specialty products, and limited-competition launches, supported by exclusivity opportunities, which should drive healthy outperformance for select players. USFDA ANDA approvals recovered during 1QFY27, while the pace of USFDA inspections remained healthy, providing incremental support to the regulatory outlook.
- Among healthcare services, hospitals are likely to maintain their outperformance, with ~16% YoY revenue growth, driven by ongoing capacity additions and healthy ARPOB improvement. However, margins may remain under pressure owing to the ramp-up of newly commissioned facilities. Overall, we believe near-term profitability across pharma and hospitals is likely to remain constrained by margin headwinds, though healthy domestic demand, regulatory normalization and capacity-led expansion support a constructive medium-term growth outlook.

DF: Growth momentum remains intact, led by acute recovery and resilient chronic demand

Coverage companies to sustain growth

For our coverage universe, we expect aggregate DF segment sales to grow 13.5% YoY to INR282b in 1QFY27. Following a modest 4% YoY growth in 2QFY26, the DF market has witnessed a steady improvement, and we expect YoY growth to accelerate for the third consecutive quarter, supported by a recovery in acute therapies and sustained strength in chronic segments. Our coverage companies are likely to broadly track industry growth, aided by continued product launches, pricing actions and an increasing portfolio mix toward high-growth chronic therapies.

Chronic therapies show resilient; acute recovery gains traction

During the first two months of 1QFY27 (Apr-May'26), chronic therapies delivered ~15.5% YoY growth, largely in line with 16% YoY growth recorded in 4QFY26 and well ahead of 13.6%/9.9% growth seen in FY26/FY25. Acute therapies also exhibited a meaningful recovery, with growth improving to 10% YoY in Apr-May'26 from

7.5%/7% in FY26/FY25. Robust momentum in cardiac, anti-diabetic, and vitamins, minerals & nutrients (VMN) continued to outperform the IPM, although overall IPM growth remained constrained partly by softer trends in anti-infectives and respiratory therapies.

TRP/LPC/DRRD to lead DF growth in 1QFY27

We expect TRP/LPC/DRRD to report DF sales growth of 43%/13%/13% YoY, driven by a combination of price hikes, new product launches and improving productivity of medical representatives (MRs). TRP's growth will be aided by the consolidation and integration of the acquired JB Pharma business, alongside broad-based double-digit growth in its key therapies, particularly chronic segments, supported by strong IQVIA market share trends for the three months ending in May'26. Meanwhile, LPC and DRRD are expected to post broad-based growth across most therapy areas. We also expect GNP to deliver 12.5% YoY DF growth, supported by continued strength in its anti-infectives and antineoplastic portfolios.

ALPM/GSK/ERIS expected to underperform in 1QFY27

We expect ALPM/GSK/ERIS to underperform peers in 1QFY27, with DF sales growth of 6%/8%/9% YoY owing to muted performance of key therapies in the acute and chronic segments.

US sales: YoY decline to continue amid g-Revlimid normalization

CIPLA/DRRD/ZYDUSLIF to drag down overall YoY growth

For our coverage universe, US revenue is expected to decline 5.4% YoY to USD2.3b in 1QFY27, primarily due to a steep 28%/30% YoY decline in US sales for CIPLA/DRRD to USD163m/USD327m. The decline reflects intensifying competition across several niche products, including g-Revlimid, resulting in price erosion and lower revenue contribution for domestic generic players, particularly CIPLA, DRRD and ZYDUSLIF. INR depreciation is, however, likely to provide a favorable forex tailwind, translating into 4.6% YoY growth in INR terms. Additionally, high freight costs amid ongoing geopolitical disruptions are expected to weigh on profitability during the quarter. Excluding CIPLA and DRRD, aggregate US revenue for the coverage universe is expected to grow 2.6% YoY, reflecting relatively resilient underlying demand and contribution from recent product launches.

RUBICON/LPC/GNP to outperform in the US market

The overall weakness in US sales is expected to be partially offset by robust growth from RUBICON, LPC and GNP. We expect RUBICON to report 32% YoY growth, supported by a healthy pipeline of new launches, continued market share gains in its base portfolio, increasing contribution from specialty and differentiated products, and expansion in the domestic business. LPC is likely to deliver 28% YoY US growth, driven by sustained product launch momentum, which should more than offset competitive pressure in Mirabegron and Tolvaptan. GNP is also expected to post healthy growth, supported by continued execution of its launch pipeline.

USFDA approval momentum to recover

USFDA regulatory activity remained healthy in 1Q. About 13 manufacturing facilities belonging to companies under our coverage were inspected during 1QFY27. At the industry level, 202 final approvals were granted during the quarter (vs. 184 in 4QFY26), while our coverage companies received 59 final approvals. The steady improvement from the lows witnessed in 2QFY26, followed by stabilization over subsequent quarters, indicates a gradual normalization in inspection activity, approval conversion and regulatory review timelines, which should support product launch momentum over the medium term.

Hospitals: Volume-driven growth is expected to support 1Q performance

Hospital growth momentum remains intact on capacity expansion

For the hospital companies under our coverage, revenue is expected to grow 16.1% YoY to INR133.4b in 1QFY27, driven by operational execution, significant expansion of bed capacities and development of new facilities, collectively strengthening operating metrics. In 1Q, we expect EBITDA margins of our coverage companies to be ~19% and aggregate EBITDA to grow by 15.6% YoY.

New facility ramp-up to dent near-term profitability

Aggregate occupancy is expected to decline by ~70bp YoY, while ARPOB is likely to see an uptick. Hospitals remain on a strong growth trajectory, aided by aggressive capacity additions, medical clinician onboarding supporting volume growth, and gradual improvements in utilization. However, near-term margin for some hospitals are likely to remain under pressure due to high ramp-up costs related to new facilities, while profitability and return ratios should improve in the medium term as occupancy stabilizes. International medical tourism is expected to face near-term geopolitical headwinds, driven by lower patient inflows from West Asia.

Robust expansion pipeline to support long-term growth

MAXHEALTH plans to add ~645 beds in FY27 in Sec-56 Gurugram/Lucknow via greenfield/brownfield expansion. In FY27, APHS is set to add ~1,000 beds in Hyderabad, Mumbai, Bangalore and Gurgaon, reinforcing its presence in high-potential metro markets via acquisitions/brownfield expansion. Alongside the ramp-up of the recently launched Pune facility, this expansion is expected to add ~1,500 beds. Notably, ~50% of this capacity is likely to be operationalized in FY27. Medanta is adding 490 beds in Indore/Lucknow/Noida/Patna by FY27. FORH has planned to add 472 beds by FY27 via brownfield bed expansion.

APHS to outperform peers in 1Q

We expect APHS to post 18%/21%/28% YoY growth in sales/EBITDA/PAT in 1QFY27. MEDANTA is expected to deliver sales growth of 13% and EBITDA/PAT growth of 12% YoY. Profitability is likely to remain subdued as opex related to the recently commissioned Noida hospital continues to weigh on margins. MAXHEALTH is likely to deliver sales/EBITDA/PAT growth of 11.5%/13%/16% YoY. Revenue growth is likely to be impacted by the stoppage of sales of certain chemotherapy drugs. Notably, MAXHEALTH's profitability should be supported by recent integration of brownfield beds. FORH is likely to post 11%/4.5% YoY growth in EBITDA/PAT due to temporary disruptions in international patient flows.

GNP/TRP/RUBICON/GRAN to outperform in the healthcare pack

- In 1QFY27, we expect GNP/TRP/RUBICON/GRAN to deliver EBITDA growth of 50%/46%/45%/33% YoY.
- For GNP and TRP, EBITDA growth is likely to be driven by continued strength in the DF business, supported by healthy growth across key therapies, particularly chronic segments. TRP would also benefit from the consolidation and integration of JB Pharma. For RUBICON, new product launches, continued market share gains in the base portfolio and increasing contribution from specialty and differentiated products are expected to support strong EBITDA growth. GRAN is likely to sustain healthy earnings momentum, driven by robust performance in its finished dosages (FD) business, particularly the ADHD portfolio.
- DRRD/CIPLA/ALKEM are likely to report a YoY EBITDA decline of 41%/35%/11%. Intensifying competition across niche products, including g-Revlimid, will result in increased pricing pressure and lower profitability, which is expected to weigh on earnings.
- Our top ideas: Apollo Hospitals (robust penetration), Mankind (solid domestic play), Medanta (maturing facilities), Rubicon (differentiated US play).

Exhibit 1: Summary of quarterly performance

Sector	CMP (INR)	RECO	SALES (INR m)			EBITDA (INR m)			NET PROFIT (INR m)		
			Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ
Ajanta Pharma	3347	Buy	15,151	16.3	6.6	4,182	11.1	11.5	2,882	7.7	8.9
Alembic Pharma	828	Neutral	19,138	11.9	3.6	2,794	-0.7	22.6	1,536	-0.5	32.3
Alkem Lab	5564	Neutral	37,140	10.2	3.1	6,611	-10.5	27.8	4,363	-33.2	-3.8
Apollo Hospitals	8617	Buy	69,174	18.4	4.7	10,307	21.0	1.9	5,534	27.9	4.5
Aurobindo Pharma	1553	Buy	91,634	16.5	3.5	18,235	13.7	1.3	9,776	18.5	2.3
Biocon	418	Buy	45,888	16.4	1.6	10,049	31.4	-1.5	2,017	572.2	12.7
Blue Jet Healthcare	549	Buy	2,829	-20.3	20.5	970	-19.8	36.1	771	-15.5	19.8
Cipla	1457	Neutral	69,979	0.6	7.0	11,617	-34.7	16.5	7,659	-41.0	35.2
Divis Labs	6543	Neutral	27,595	14.5	-2.5	8,941	22.6	-4.3	6,577	27.5	-3.4
Dr Agarwals Health.	469	Buy	5,923	21.5	5.0	1,581	23.7	-2.1	368	22.5	-5.2
Dr Reddy' s Labs	1339	Neutral	82,306	-3.7	3.3	12,757	-40.7	8.4	6,672	-52.9	2.3
Eris Lifescience	1445	Neutral	8,426	9.0	11.4	3,067	10.8	12.1	1,515	29.2	20.2
Fortis Healthcare	948	Buy	25,205	16.3	7.0	5,440	10.9	4.0	2,621	4.5	-2.5
Gland Pharma	2463	Buy	17,075	13.4	-2.0	4,491	22.1	-12.5	2,903	34.7	-20.8
Glenmark Pharma	2158	Buy	40,919	25.3	8.5	8,685	49.6	13.9	5,357	70.6	-9.4
Global Health	1328	Buy	11,661	13.1	0.6	2,542	12.0	4.3	1,619	12.4	12.4
Granules India	812	Buy	14,413	19.1	-2.0	3,286	33.2	-6.7	1,771	33.4	-6.4
GSK Pharma	2463	Neutral	8,788	9.1	-11.7	2,865	14.1	-18.4	2,295	12.0	-17.4
IPCA Labs.	1696	Buy	25,912	12.2	8.5	5,364	28.8	10.9	3,001	28.7	4.1
Laurus Labs	1494	Buy	17,765	13.2	-1.9	4,885	27.8	-6.9	2,404	49.9	-16.8
Laxmi Dental	223	Buy	761	16.0	2.9	129	8.6	-4.2	90	7.7	-10.6
Lupin	2397	Neutral	78,897	25.9	5.6	21,460	30.7	-1.2	13,626	19.0	-1.8
Mankind Pharma	2490	Buy	39,892	11.7	15.9	11,050	30.5	18.8	6,499	50.4	12.2
Max Healthcare	1140	Buy	27,328	11.5	7.8	6,996	13.4	3.3	4,308	16.2	14.6
Piramal Pharma	169	Buy	21,289	10.1	-22.6	1,384	29.7	-70.0	-1,176	Loss	PL
Rubicon Research	1367	Buy	5,128	45.5	-0.2	1,144	44.6	-3.7	730	68.7	-4.9
Sun Pharma	1866	Buy	1,52,791	10.8	4.9	40,031	-0.1	15.2	27,850	-7.0	16.7
Torrent Pharma	4642	Neutral	46,249	45.5	10.2	15,262	45.8	12.6	5,324	-4.8	17.7
Zydus Lifesciences	1109	Neutral	76,844	16.9	1.3	18,904	-6.9	-1.0	10,321	-27.5	-3.8
Healthcare			10,86,099	13.6	3.9	2,45,030	5.8	4.6	1,39,213	-3.1	2.7

Source: Company, MOFSL

Financials - Banks

Month	SCBs		
	WALR – O/s Loans	WALR – Fresh Loans	WATDR
Oct-24	9.88	9.54	7.04
Dec-24	9.86	9.25	7.08
Mar-25	9.75	9.35	7.11
Jun-25	9.44	8.62	7.00
Sep-25	9.26	8.39	6.82
Dec-25	9.06	8.28	6.68
Mar-26	8.99	8.40	6.62
Apr-26	8.98	8.50	6.59
May-26	8.97	8.51	6.57

Month	PSBs		
	WALR – O/s Loans	WALR – Fresh Loans	WATDR
Oct-24	9.19	8.71	7.08
Dec-24	9.18	8.54	7.12
Mar-25	9.09	8.66	7.16
Jun-25	8.76	7.82	7.07
Sep-25	8.63	7.80	6.91
Dec-25	8.43	7.61	6.78
Mar-26	8.38	7.84	6.68
Apr-26	8.36	7.87	6.64
May-26	8.36	7.93	6.62

Month	PVBs		
	WALR – O/s Loans	WALR – Fresh Loans	WATDR
Oct-24	10.83	10.35	7.13
Dec-24	10.82	10.16	7.15
Mar-25	10.71	10.32	7.16
Jun-25	10.43	9.74	7.10
Sep-25	10.17	9.14	6.91
Dec-25	10.00	9.14	6.74
Mar-26	9.90	9.12	6.71
Apr-26	9.91	9.19	6.70
May-26	9.87	9.12	6.68

Lending yields stable; pace of deposit repricing moderates

NIMs view divergent; bias negative for mid-size banks

- Yields on fresh loans rose 6bp for PSBs and declined 7bp for PVBs, resulting in a 1bp increase for the sector in May'26.
- WALR on O/S loans declined by 1bp MoM, with PSB remaining flat MoM and PVBs declining by 4bp MoM, indicating that bulk of the repo repricing has been largely done.
- The one-year MCLR for PVBs declined by 10-65bp over the past year, with HDFC and RBL witnessing maximum decline. For PSU banks, it has been calibrated at 5-30bp, as deposit rates have seen a minimal decline.
- The Weighted Average Term Deposit Rate (WATDR) for the system continued to decline at a calibrated pace, falling 2bp MoM in May'26 to 6.57%, with both PVBs and PSBs reporting a 2bp MoM decline each.
- Systemic credit growth improved to 17.7%, led by: i) stronger working capital loan demand amid rising input costs, ii) a regulatory shift in focus from LDR to the LCR/NSFR framework, and iii) a sharp increase in corporate borrowings following the rise in bond yields. We anticipate continued momentum, led by a pickup in corporate, steady retail growth, and sustained expansion in MSME and gold loans. Consequently, we expect credit growth to sustain at 14% over FY27.
- Top picks: ICICI Bank, HDFC Bank, SBI, and AUBANK.

Fresh loans flat MoM; O/S loan yields stable MoM

- Yields on fresh loans increased by 6bp for PSBs, while they declined 7bp for PVBs, resulting in a 1bp MoM increase in overall SCB yields in May'26. On a cumulative basis during 1QFY27, fresh loan yields have improved 9bp for PSBs and remained broadly flat for PVBs, translating into an overall sectoral improvement of 11bp.
- WALR on O/S loans declined 1bp MoM to 8.97% in May'26. O/S loan yields for PSBs remained flat MoM, while those for PVBs declined 4bp MoM. Over 1QFY27, WALR declined 2bp for PSBs, 3bp for PVBs, and 2bp at the sector level. With the bulk of repo-linked loan repricing now behind us, further pressure on lending yields is expected to remain limited.
- One-year MCLR declined for PVBs by 10-65bp over the past year, with HDFC and RBL witnessing a maximum decline of 65bp YoY, while ICICI witnessed the lowest decline at 10bp YoY. PSBs' MCLR rates have declined in a calibrated range of 5-30bp YoY, with Canara Bank remaining largely flat, recording a 5bp YoY decline.
- With the repo rate remaining stable at 5.25% since the last rate cut in Dec'25, loan repricing across most banks has largely been completed. Consequently, we do not expect any meaningful impact on asset yields from further rate repricing. Going forward, movements in yields are likely to be driven primarily by changes in the product mix and the residual repricing of TDs.

Calibrated decline in WATDR continues; TD rates remain sticky

- WATDR continues to decline, although at a calibrated pace, declining 2bp MoM in May'26. Both PSBs and PVBs witnessed a decline of 2bp MoM.
- TD repricing has been progressing gradually. The spread of WATDR over repo rate continues to remain high at ~1.4% for both PVBs and PSBs. While deposit competition remains intense, some banks have increased TD rates in select buckets.

Credit growth is estimated at 14% over FY27.

- Consequently, we believe WATDR is likely to remain elevated across banks over the near term, keeping the CoF sticky despite the completion of most loan repricing. While the pace of TD repricing should gradually moderate, the benefit is expected to accrue only with a lag, limiting any meaningful decline in funding costs in the near term.

Growth robust at 17%; estimate 14% loan growth for FY27

- Systemic credit growth accelerated to 17.7% as of 15th Jun'26, driven by: a) stronger working capital loan demand amid rising input costs, b) the regulatory shift in focus from LDR to the LCR/NSFR framework, and c) a sharp increase in corporate borrowings following the rise in bond yields during 1QFY27.
- RBI's measure on FCNR(B) deposits with a tenor of 3–5 years, providing exemption from CRR and SLR requirements, makes the scheme more attractive for banks. The measure alone is expected to generate USD40–50b of FX inflows in FY27 and should support overall business growth.
- We continue to believe that the CD ratio will remain on an upward trajectory across banks, led by PSU banks. Overall, we expect systemic credit growth to sustain at ~14% YoY in FY27.

NIM outlook mixed; negative bias for mid-sized banks

- With the repo rate remaining largely unchanged over the past six months, the impact of rate cuts on external benchmark-linked loans has been largely absorbed. Going forward, movements in asset yields are expected to be driven primarily by changes in the product mix and residual deposit repricing.
- During 1QFY27, some banks revised their deposit rates. Among private banks, HDFC Bank, ICICI Bank, and Axis Bank are likely to report a marginal contraction in NIMs, while Kotak Bank is expected to witness moderation.
- Among mid-sized private banks, we expect NIMs to contract by ~13bp QoQ for AU, ~10bp QoQ for Bandhan Bank, and ~14bp QoQ for Equitas SFB. In contrast, PSU banks are likely to report broadly stable margins, with NIMs remaining range-bound during the quarter.

Our view: Prefer ICICIBC, HDFCB, SBI, and AUBANK

- Growth across the banking sector continues to remain healthy, with systemic credit growth sustaining above 17% over the past two fortnights. We expect the momentum to continue, supported by a pickup in corporate lending, steady retail growth, and sustained traction in MSME and gold loans. Accordingly, we expect systemic credit growth at ~14% in FY27.
- Asset quality remains healthy across most segments. Our channel checks indicate no immediate impact from the West Asia conflict so far, although a rise in input costs and some pressure on operating margins could weigh on the profitability of underlying borrowers. We continue to closely monitor the business banking and CV segments given the evolving situation.
- **We estimate our coverage universe earnings to expand at a 15% CAGR over FY26-28, with PVBs expected at 20% CAGR and PSU banks at 9.6% CAGR over the same period.**
- **Top picks: ICICI Bank, HDFC Bank, SBI, and AUBANK.**

BHE - Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	274.8	319.2	378.2
EBITDA	80.2	92.9	108.2
Adj PAT	60.5	70.2	82.5
EPS (INR)	8.3	9.6	11.3
EPS Gr. (%)	14.4	16.1	17.4
BV/Sh (INR)	32.5	41.5	52.0

Ratios

RoE (%)	27.8	26.0	24.1
RoCE (%)	27.8	26.0	24.2
Payout (%)	6.6	6.6	6.6

Valuations

P/E (x)	50.5	43.5	37.0
P/BV (x)	12.9	10.1	8.0
EV/EBITDA (x)	37.1	31.3	26.4
Div Yield (%)	0.1	0.2	0.2

HAL - Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	330.9	376.5	472.9
EBITDA	97.7	110.7	136.6
Adj PAT	91.2	100.2	120.1
EPS (INR)	136.3	149.9	179.6
EPS Gr. (%)	9.1	10.0	19.8
BV/Sh (INR)	613.7	718.6	853.2

Ratios

RoE (%)	22.2	20.9	21.1
RoCE (%)	22.7	21.3	21.4
Payout (%)	36.7	30.0	25.1

Valuations

P/E (x)	32.5	29.5	24.7
P/BV (x)	7.2	6.2	5.2
EV/EBITDA (x)	25.6	22.2	17.2
Div Yield (%)	1.1	1.0	1.0

BDL - Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	24.4	42.3	61.2
EBITDA	2.2	6.3	9.8
Adj PAT	4.2	6.7	9.8
EPS (INR)	11.5	18.2	26.7
EPS Gr. (%)	(23.5)	58.8	46.5
BV/Sh (INR)	115.7	127.0	145.6

Ratios

RoE (%)	9.9	14.3	18.3
RoCE (%)	10.2	14.7	18.7
Payout (%)	45.3	38.2	30.0

Valuations

P/E (x)	121.2	76.3	52.1
P/BV (x)	12.0	10.9	9.5
EV/EBITDA (x)	206.9	71.5	44.6
Div Yield (%)	0.4	0.5	0.6

Another round of DAC approval

India's Defense Acquisition Council (DAC) has further given approvals for Acceptance of Necessity (AoNs) worth INR520b across the Army, Navy, and Air Force. The approvals focus on modernizing armed forces against modern drone and anti-tank threats, while also enhancing high-altitude intelligence-gathering capabilities. We expect these AoN approvals, coupled with those granted over the last two years, to increase the overall addressable market for domestic players and enhance order inflow visibility. Along with this, the fast-track procurement procedure facilitates procurements exceeding INR1.3t across drones, EW systems, and SDRs, with decisions to be made in 6-12 months. We expect the defense sector to benefit from these opportunities. Defense companies already have strong order books and can benefit incrementally from export opportunities too. We maintain our positive stance on the defense sector and, within our coverage universe, Bharat Electronics remains our top pick.

DAC approval positive for indigenization too

On 3rd July 2026, the DAC granted AoN for capital procurement proposals worth around INR520b across the Indian Army, Navy, and Air Force. The **Army's** approvals include the AKASH TARANG Anti-UAV Electronic Warfare System for protection against enemy drones, Man Portable Anti-Tank Guided Missiles (MPATGM) to counter mechanized threats, the Medium Range Surface-to-Air Missile (MRSAM) system for stand-off aerial defence, the Very Short Range Air Defence System (V-SHORADS) with multi-spectral sensing, Active Protection Systems (APS) for tanks to improve survivability, and Jet-Based Kamikaze Drone Systems offering enhanced electronic warfare capability and cost-effective lethality. For the **Navy**, clearances cover the Multi Influence Ground Mine (MIGM) to restrict adversary naval manoeuvre, the Naval Shipborne Unmanned Aerial System (NSUAS) for maritime surveillance and situational awareness, and a Land-Based Testing Facility (LBTF) for electric propulsion systems to validate motors for naval platforms. The **Air Force's** approval centers on the Fixed-Wing High Altitude Pseudo Satellite (FW-HAPS), enabling persistent ISR, telecommunications, and remote sensing capability (refer to **Exhibit 1** for key beneficiaries).

Fast-track procurement to enhance procurement powers

The Ministry of Defence has recently enhanced the financial powers of the Indian Armed Forces by increasing procurement and expenditure limits at multiple levels, enabling faster acquisition of critical equipment, infrastructure, and services without prolonged approval processes. The revised framework empowers commanders with greater decision-making authority, promotes joint procurement across the Army, Navy, and Air Force, strengthens funding for indigenous defence manufacturing and research, and is expected to facilitate procurements exceeding INR1.3t through the revenue budget. A dedicated fast-track evaluation mechanism could enable contract awards within 90 days of proposal submission, with demonstration contracts issued within three months and decisions made within 6-12 months. It would focus on drones, autonomous systems, AI-enabled intelligence platforms, electronic warfare tools, software-defined weapons, and low-cost precision strike systems. The move aims to improve operational readiness, reduce bureaucratic delays, and enhance efficiency in defence spending.

ASTM- Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	11.6	14.1	16.8
EBITDA	3.3	3.8	4.5
Adj PAT	1.9	2.5	3.3
EPS (INR)	20.3	26.3	34.6
EPS Gr. (%)	25.7	29.6	31.2
BV/Sh (INR)	138.5	164.8	199.4
Ratios			
RoE (%)	16.0	17.4	19.0
RoCE (%)	14.5	15.2	16.4
Valuations			
P/E (x)	91.0	70.2	53.5
P/BV (x)	13.4	11.2	9.3
EV/EBITDA (x)	52.7	46.1	38.4

ZEN - Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	4.2	9.9	13.8
EBITDA	1.4	3.6	5.0
Adj PAT	1.5	3.0	4.2
EPS (INR)	16.2	33.6	47.0
EPS Gr. (%)	-44.5	107.8	40.1
BV/Sh (INR)	201.8	235.4	282.4
Ratios			
RoE (%)	8.3	15.4	18.2
RoCE (%)	8.3	15.5	18.3
Valuations			
P/E (x)	108.2	52.1	37.2
P/BV (x)	8.7	7.4	6.2
EV/EBITDA (x)	114.4	41.4	29.2

Key orders expected to be announced over the next year

- BHE expects to receive ~INR300b QRSAM order over the next few weeks. Subsequent orders related to QRSAM will be awarded thereafter. These include BDL for missiles, Astra Microwave Products for TR modules and EW subsystems, and Apollo Microsystem for on-board computers and navigation systems, etc.
- The INR900b P75I submarine deal is in the final stages of negotiation, with contract signing expected by Sep'26. The submarines will be constructed by Mazagon Dock in partnership with ThyssenKrupp. BHE anticipates the electronics portion to account for ~25-30% of the total project cost and expects to cater to 50-60% of it.
- Price negotiation for next-generation corvette orders has been completed, and the project is on the cusp of receiving final approvals from CCS. The order size is ~INR400b, and GRSE, which was declared as L1, will build five of these ships (~INR250b).
- The defence shipbuilding industry is expecting a few large-sized orders to reach the RFP stage by FY27. These include seven P17 Bravo ships (INR700b), 12 Mine Countermeasure Vessels (INR320b), and four Landing Platform Docks (INR350b).

Valuation and recommendation

- **BHE** is currently trading at 43.5x/37.0x on FY27E/FY28E EPS. **We maintain our estimates and reiterate our BUY rating on the stock** with an unchanged TP of INR510, based on the 45x two-year forward earnings.
- **HAL** is currently trading at 29.5x/24.7x on FY27E/FY28E EPS. **We maintain our estimates and reiterate our BUY rating on the stock** with an unchanged TP of INR5,500, based on the average of DCF and 30x two-year forward earnings.
- **BDL** is currently trading at 76.3x/52.1x on FY27E/FY28E EPS. **We maintain our estimates and reiterate our Neutral rating on the stock** with an unchanged TP of INR1,250, based on the 42x two-year forward earnings.
- **AMPL** is currently trading at 70.2x/53.5x on FY27E/FY28E EPS. **We maintain our estimates and reiterate our BUY rating on the stock** with an unchanged TP of INR1,715, based on the 42x two-year forward earnings.
- **ZEN** is currently trading at 52.1x/37.2x on FY27E/FY28E EPS. **We maintain our estimates and reiterate our Neutral rating on the stock** with an unchanged TP of INR1,600, based on the 30x two-year forward earnings.

HDFC Bank

BSE SENSEX
77,764

S&P CNX
24,271

CMP: INR801

Buy

Financials Snapshot (INR b)

Y/E	FY26	FY27E	FY28E
NII	1,287	1,456	1,708
OP	1,186	1,242	1,471
NP	747	842	982
NIM (%)	3.3	3.4	3.5
EPS (INR)	48.6	54.7	63.8
EPS Gr. (%)	10.6	12.5	16.6
BV/Sh. (INR)	366	402	456
ABV/Sh. (INR)	351	387	438

Ratios

RoA (%)	1.8	1.8	1.9
RoE (%)	14.0	14.2	14.9

Valuations

P/E(X)	16.5	14.6	12.6
P/E(X)*	13.7	12.2	10.4
P/BV (X)	2.2	2.0	1.8
P/ABV (X)	1.9	1.7	1.5

* adj. for subs

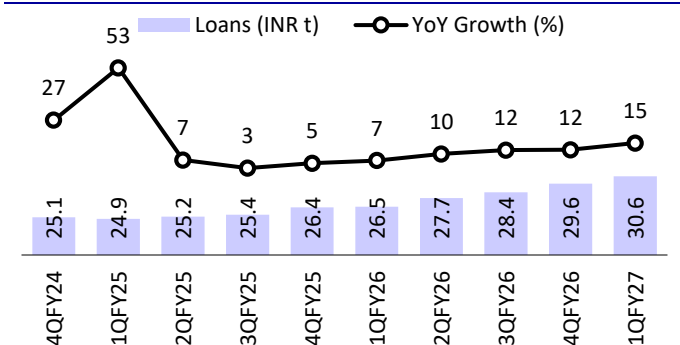
Loan growth healthy; CASA mix declines on period-end basis

CASA ratio stood at 32.3%

HDFCB released its 1QFY27 business update. Following are the key takeaways:

- Gross advances grew by 15.4% YoY/3.4% QoQ to INR30.6t (the bank added INR1.0t of abs. loan in 1QFY27, vs INR0.9t in 1QFY26). Advances growth marginally beat MOFSLe of 14.5% YoY/2.4% QoQ for net advances
- The bank's period-end AUM (grossing up for inter-bank, bills rediscounting, and securitization) grew 12.4% YoY/2.3% QoQ, and average AUM grew 10.8% YoY/2.5% QoQ.
- Deposits (period-end) grew 14.7% YoY/2.1% QoQ to INR31.7t (the bank added ~INR0.65t of abs. deposits in 1QFY27 vs INR0.49t in 1QFY26 and INR2.45t deposits in 4QFY26. Deposit growth was in line with MOFSLe of 14.5% YoY/1.9% QoQ.
- CASA deposits (period-end) grew by 9.4% YoY/declined 3.3% QoQ, while term deposits grew by 17.4% YoY/4.9% QoQ.
- Average deposits grew 13.3% YoY/5.6% QoQ, while average CASA deposits grew 11.2% YoY/4.2% QoQ. Average TD grew by 14.3% YoY/6.3% QoQ. CASA mix declined by ~180bp QoQ to ~32.3%.
- HDFCB reported robust loan growth, marginally ahead of estimates, while deposit growth was in line. Consequently, the CD ratio inched up to 95.8% (vs. 94.6% in 4QFY26). We expect margins to contract slightly this quarter and, in our recent preview note, estimated a 2bp QoQ margin contraction.

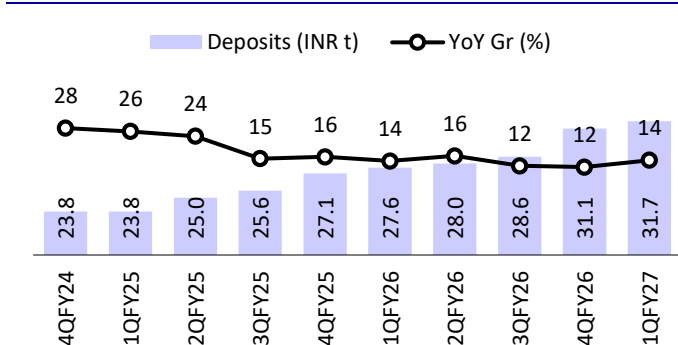
Loans grew at 15.4% YoY/3.4% QoQ



*merged nos

Source: MOFSL, Company

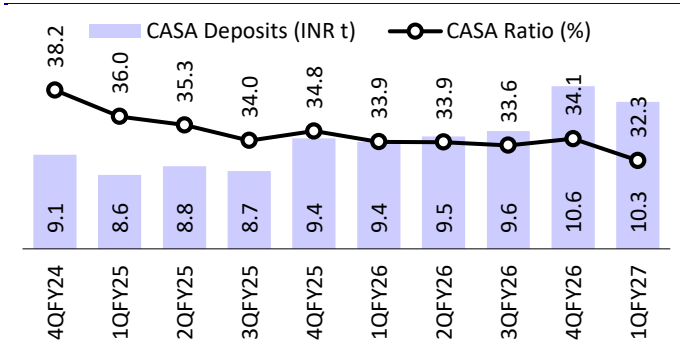
Deposits grew at 14.7% YoY/2.1% QoQ



*merged nos

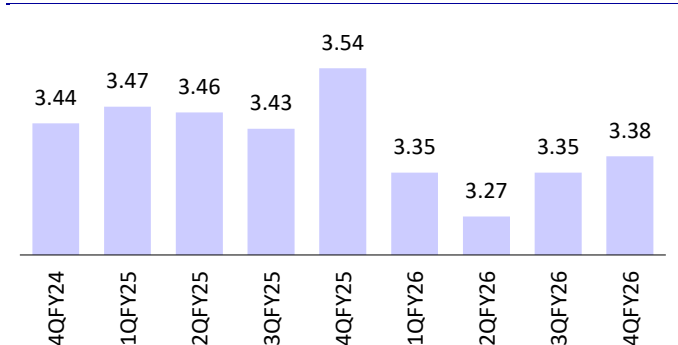
Source: MOFSL, Company

CASA deposits down 3.3% QoQ (up 9.4% YoY)



Source: MOFSL, Company

Margins stood at 3.38% in 4QFY26



Source: MOFSL, Company

Axis Bank

BSE SENSEX	S&P CNX
77,764	24,271

CMP: INR1,342

Neutral

Deposit growth in line; marginal miss on advances; CASA mix declines to 38.0%

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	560.5	646.3	770.3
OP	428.2	506.5	618.4
NP	244.6	306.5	383.3
NIM (%)	3.4	3.4	3.5
EPS (INR)	78.8	98.6	123.3
EPS Gr. (%)	-7.6	25.1	25.1
BV/Sh. (INR)	657	729	847
ABV/Sh. (INR)	635	707	824

Ratios

RoA (%)	1.4	1.5	1.6
RoE (%)	12.7	14.2	15.6

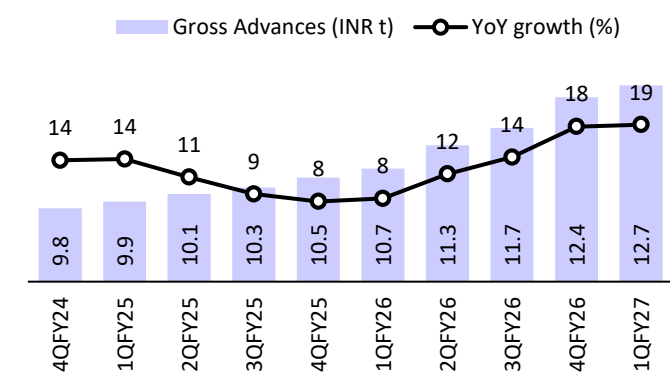
Valuations

P/E(X)	17.0	13.6	10.9
P/E(X)*	15.1	12.1	9.7
P/BV (X)	1.8	1.6	1.4

Axis Bank released its 1QFY27 business update. Following are the key takeaways:

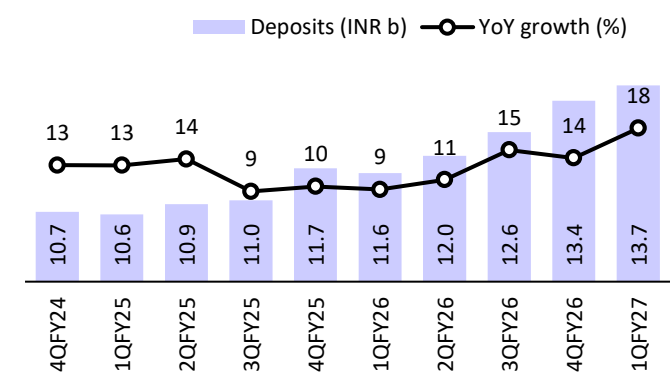
- Gross advances grew 18.8% YoY/2.3% QoQ to INR12.73t (slightly below our MOFSLe of net advances growth at 20.1% YoY/3.1% QoQ).
- Deposits grew 18.2% YoY/2.8% QoQ to INR13.73t (in line with our MOFSLe of 18.4% YoY/3% QoQ growth).
- CASA deposits (end-period) grew 11.4% YoY/declined 1.4% QoQ, while term deposits grew 22.8% YoY/5.5% QoQ. Consequently, the CASA mix dipped ~160bp to 38.0%.
- Average deposits grew 18.1% YoY/6.4% QoQ, while average CASA grew 13.5% YoY/5.1% QoQ, and average TD grew 21% YoY/7.2% QoQ.
- Overall, business growth was slightly below our estimates, with deposits coming in line with our expectation. Consequently, the CD ratio (on gross advances) improved to 92.27% from 93.1% in 4QFY26.

Gross advances grew 18.8% YoY (up 2.3% QoQ)



Source: MOFSL, Company

Deposits grew 18.2% YoY (up 2.8% QoQ)



Source: MOFSL, Company

Kotak Mahindra Bank

BSE SENSEX 77,764
S&P CNX 24,271

CMP: INR397

Buy

Advances growth in line; deposits growth disappoints (flat QoQ) | CD ratio inches up

Financials Snapshot (INR b)

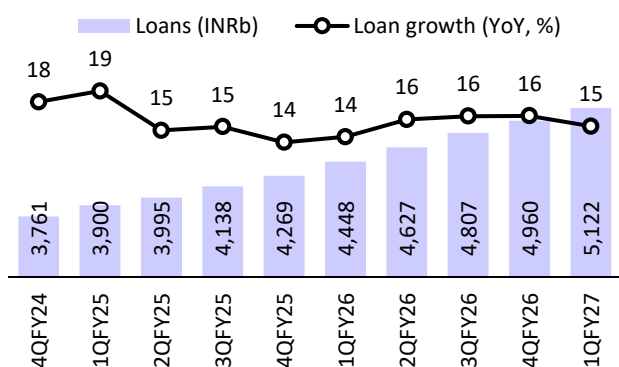
Y/E MARCH	FY26	FY27E	FY28E
NII	300.1	337.3	402.1
OP	220.7	252.7	310.7
NP	140.1	168.2	204.0
Cons. NP	192.9	232.6	282.8
NIM (%)	4.5	4.5	4.6
EPS (INR)	14.1	16.9	20.5
EPS Gr. (%)	19.3	(17.9)	18.5
ABV. (INR)	132	133	152
Cons. BV. (INR)	182	192	221
Ratios			
RoA (%)	1.9	2.0	2.1
RoE (%)	11.1	12.4	13.9
Cons. RoE (%)	10.6	12.2	12.9
Valuations			
P/BV (X) (Cons.)	2.2	2.1	1.8
P/ABV (X) (Adj)	1.8	1.8	1.6
P/E(X) (Adj)	17.0	14.2	11.7

CASA ratio declined to 40.3%

Kotak Mahindra Bank (KMB) released its 1QFY27 business update. Following are the key takeaways:

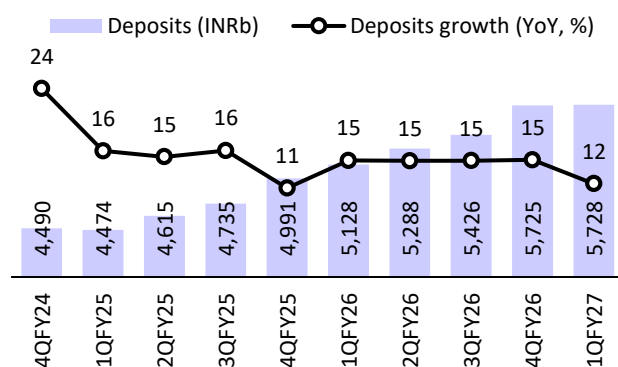
- Net advances reported growth of 15.1% YoY/3.2% QoQ to INR5.12t. (in line with MOFSLe of 15.4% YoY/3.5% QoQ).
- Average net advances grew 15% YoY/2.7% QoQ.
- Deposits (period-end) grew 11.7% YoY/0.1% QoQ to INR5.7t. CASA deposits (period-end) declined sharply by 6.7% QoQ (up 10.2% YoY). CASA ratio, thus, declined to 40.3% vs 43.3% in 4QFY26 (miss on MOFSLe of 14.8% YoY/2.9% QoQ).
- Average deposits grew 13.6% YoY/3.8% QoQ, while average CASA grew 13% YoY/2.4% QoQ.
- KMB's loan growth remained largely in line with MOFSLe, while deposits surprised negatively amid a sharp decline in CASA. As a result, the bank's CD ratio increased to 89.4% vs 86.6% in 4QFY26.

Loans grew 15.1% YoY/3.2% QoQ



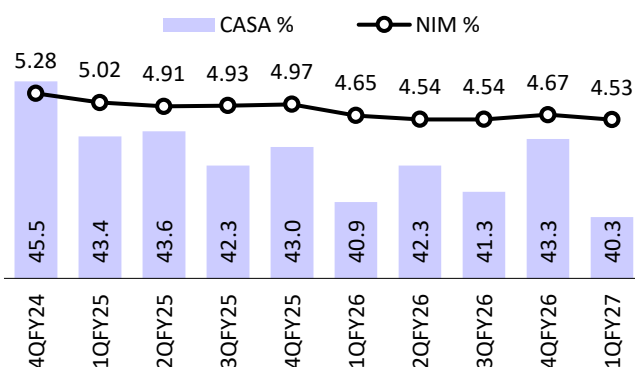
Source: MOFSL, Company

Deposits grew at 11.7% YoY/0.1% QoQ



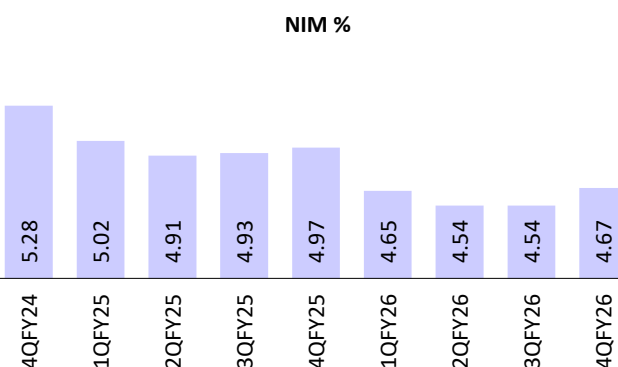
Source: MOFSL, Company

CASA deposits declined 6.7% QoQ (up 10.2% YoY)



Source: MOFSL, Company

Margins stood at 4.67% in 4QFY26



Source: MOFSL, Company

Godrej Consumer Products

BSE SENSEX	S&P CNX
77,764	24,271

CMP: INR1,040 TP: INR1,300 (+25%) BUY

Financials Snapshot (INR b)

Y/E March	2026	2027E	2028E
Sales	151.8	175.2	193.7
Sales Gr. (%)	8.4	15.4	10.6
EBITDA	31.5	36.1	40.9
EBITDA Margins (%)	20.8	20.6	21.1
Adj. PAT	20.2	24.7	29.1
Adj. EPS (INR)	19.7	24.2	28.4
EPS Gr. (%)	6.6	22.3	17.6
BV/Sh. (INR)	123.7	125.8	130.3
Ratios			
RoE (%)	16.4	19.4	22.2
RoCE (%)	14.2	16.1	19.2
Payout (%)	101.3	91.1	84.5
Valuations			
P/E (x)	52.7	43.1	36.6
P/BV (x)	8.4	8.3	8.0
EV/EBITDA (x)	34.5	29.9	26.2
Div. Yield (%)	1.9	2.1	2.3

Consol. sales to grow in high teens in 1Q

Godrej Consumer Products (GCPL) released its pre-quarter update for 1QFY27. Following are the key takeaways:

India Business

- India's standalone business is expected to deliver double-digit revenue growth (10% in 4QFY26), led by high-single-digit UVG (8% in 4QFY26).
- Growth was broad-based across categories, while overall demand remained stable despite inflationary pressures.

International Business

- Indonesia posted mid-teen revenue growth (-2% in FY26) with double-digit volume growth, aided by easing competition and sustained market share gains.
- GAUM continues to deliver strong double-digit sales growth (23% in FY26) and teen volume growth, supported by broad-based traction across markets and categories.

Consolidated Business

- **Consolidated revenue growth is expected in high teens (8.5% in FY26, 11% in 4QFY26), ahead of the full-year double-digit guidance.**
- Growth was supported by strong high-single-digit UVG and sequential improvement across most business metrics.

Costs and Margins

- The company witnessed elevated crude-linked input costs, raw material volatility, and some sourcing challenges in 1QFY27.
- Consolidated EBITDA growth is likely to remain healthy in double digits. However, margins are expected to be lower due to cost pressures.
- The company mitigated inflationary pressures through pricing, cost savings, and media optimization, while input costs started easing toward the end of the quarter.

Outlook

- Management remains confident of delivering FY27 guidance, with potential to outperform on select metrics.
- Margin recovery is expected to be gradual through the year as cost pressures moderate.
- Stable demand in India, improving performance in Indonesia, and strong GAUM performance support a constructive overall growth outlook.
- Meanwhile, El Niño conditions could increase weather-related volatility across key markets and potentially affect agricultural output and rural demand. The company does not expect any material impact, supported by its geographically diversified sourcing network and portfolio.

Quarterly Performance (Consolidated)
(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Domestic volume Growth (%)	5	3	9	8	8	8	9	10	6	9
Net Sales (including OOI)	35,710	37,086	39,980	39,004	41,552	43,274	46,251	44,121	1,51,780	1,75,197
YoY change (%)	9.7	3.9	9.3	11.0	16.4	16.7	15.7	13.1	8.4	15.4
Gross Profit	18,096	18,766	20,661	20,312	20,163	21,332	23,358	22,133	77,836	86,987
Margin (%)	50.7	50.6	51.7	52.1	48.5	49.3	50.5	50.2	51.3	49.7
Other Operating Exp.	11,151	11,433	11,857	11,898	12,211	12,864	13,341	12,487	46,338	50,904
EBITDA	6,946	7,333	8,804	8,414	7,952	8,468	10,017	9,646	31,497	36,083
Margins (%)	19.5	19.8	22.0	21.6	19.1	19.6	21.7	21.9	20.8	20.6
YoY growth (%)	-4.4	-3.7	16.5	10.8	14.5	15.5	13.8	14.6	4.9	14.6
Depreciation	594	656	664	761	680	710	740	759	2,675	2,889
Interest	865	759	789	903	720	735	750	761	3,316	2,966
Other Income	780	629	559	694	670	675	680	692	2,662	2,717
PBT	6,267	6,547	7,910	7,444	7,222	7,698	9,207	8,818	28,168	32,945
Tax	1,613	1,657	2,021	1,997	1,806	1,924	2,302	2,205	7,287	8,236
Rate (%)	25.7	25.3	25.5	26.8	25.0	25.0	25.0	25.0	25.9	25.0
Adj PAT	4,603	4,811	5,626	5,162	5,417	5,773	6,905	6,614	20,203	24,709
YoY change (%)	-1.0	-2.9	12.0	19.5	17.7	20.0	22.7	28.1	6.6	22.3
Extraordinaries	-144	-218	-647	-645	0	0	0	0	-1,653	0
Reported PAT	4,459	4,593	4,979	4,518	5,417	5,773	6,905	6,614	18,550	24,709

E: MOFSL Estimate

L&T Finance

BSE SENSEX 77,764
S&P CNX 24,271

CMP: INR327

Buy

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Net Income	99.0	122.1	146.1
PPP	67.4	83.9	100.6
PAT	29.8	39.0	49.1
EPS (INR)	11.9	15.6	19.6
EPS Gr. (%)	12.4	30.7	25.9
BV/Sh. (INR)	112	125	140

Ratios

NIM (%)	9.4	9.4	9.4
C/I ratio (%)	39.8	38.9	38.6
RoA (%)	2.3	2.5	2.6
RoE (%)	11.1	13.2	14.8
Payout (%)	23.1	25.0	25.0

Valuations

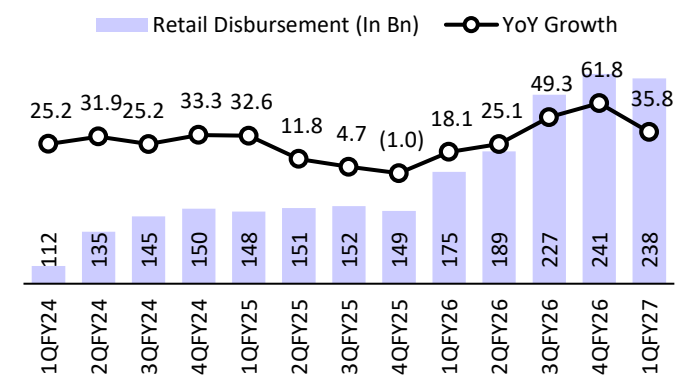
P/E (x)	27.5	21.0	16.7
P/BV (x)	2.9	2.6	2.3
Div. Yield (%)	0.8	1.2	1.5

Strong retail loan growth of ~28% YoY; healthy disbursements

Robust growth in rural business finance, urban finance and farmer finance

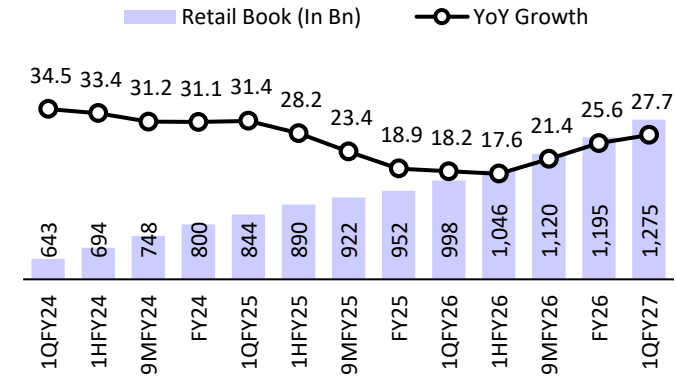
- 1QFY27 retail disbursements grew ~36% YoY and declined ~1% QoQ to INR238b (PQ: INR241b).
- Rural business disbursements grew 24% YoY. Farmer finance disbursements grew 11% YoY, urban finance disbursements grew 57% YoY, and SME disbursements grew ~23% YoY. Gold loan disbursements stood at INR19b (PQ: 28b) in 1QFY27.
- Retail loan book grew 28% YoY and 6.6% QoQ to INR1.27t.
- Retail loan mix was stable QoQ at ~98%.

Retail disbursements grew ~36% YoY



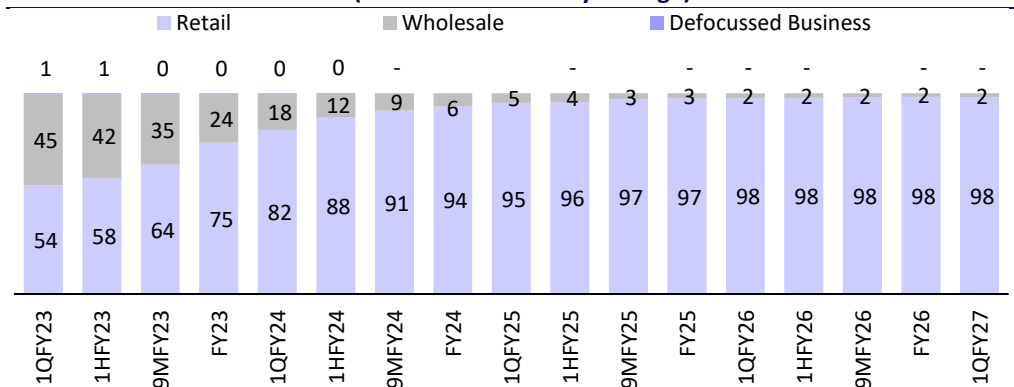
Source: MOFSL, Company

Retail loans grew ~28% YoY



Source: MOFSL, Company

Wholesale mix declined to ~2% (vs. 12% around two years ago)



Source: MOFSL, Company

AU Small Finance Bank

BSE SENSEX	S&P CNX
77,764	24,271

CMP: INR1057

Buy

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	91.1	118.4	147.0
PPoP	50.9	64.3	80.4
PAT	26.4	36.6	47.7
NIM (%)	5.2	5.5	5.6
EPS (INR)	35.4	48.9	63.5
EPS Gr. (%)	18.8	38.1	29.9
BV/Sh. (INR)	264	309	371
ABV/Sh. (INR)	258	303	363
Ratios			
RoA (%)	1.5	1.7	1.8
RoE (%)	14.4	17.1	18.7
Valuations			
P/E(X)	29.9	21.6	16.6
P/BV (X)	4.0	3.4	2.9
P/ABV (X)	4.1	3.5	2.9

Healthy business growth; CASA ratio improves QoQ to 28.8%

AUBANK released its business update for 1QFY27. Here are the key highlights:

- AUBANK reported 3.2% QoQ (+25.8% YoY) growth in gross advances to ~INR1.40t. Including the securitized/assigned + IBPC loan portfolio, the total loan portfolio grew 2.8% QoQ (22.6% YoY). Growth stood slightly lower than our estimated net advances growth of 28.9% YoY/5.4% QoQ.
- The bank securitized its asset portfolio of INR37.9b in 1QFY27 and INR42.9b in 4QFY26.
- Deposit growth was strong at 23.5% YoY/3.3% QoQ to reach INR1.58t (lower than our estimated growth of 25.7% YoY/5.1% QoQ).
- CASA deposit growth was higher than overall deposit growth QoQ at 4.7% (21.9% YoY) to INR454b. As a result, CASA ratio improved to 28.8% from 28.4% as of 4QFY26.
- Overall, business growth was healthy with a marginal miss to our expectations on both advances as well as deposit growth. **AU Bank remains our top pick in the mid-sized private bank space.**

Key business trends

INR b	1QFY26	4QFY26	1QFY27	YoY (%)	QoQ (%)
Total Deposits	1,277.0	1,526.6	1,577.3	23.5%	3.3%
CASA Deposits	372.4	433.6	454.0	21.9%	4.7%
CASA Ratio (%)	29.2%	28.4%	29%	NA	NA
Gross Advances	1,116.1	1,360.4	1,404.6	25.8%	3.2%
Securitized/assigned loan portfolio + IBPC	60.1	42.9	37.9	NA	NA
Gross Loan Portfolio	1,176.2	1,403.3	1,442.5	22.6%	2.8%

Source: MOFSL, Company

BSE SENSEX	S&P CNX
77,764	24,271

CMP: INR430 TP: INR475(+10%) Neutral

Consol. sales and PAT to grow in double digits

DABUR released its business update for 1QFY27. Here are the key highlights:

Financials Snapshot (INR b)

Y/E Mar	2026	2027E	2028E
Sales	131.9	145.1	156.1
Sales Gr. (%)	5.0	10.0	7.6
EBITDA	24.5	27.4	30.2
EBITDA Margins (%)	18.6	18.9	19.4
Adj. PAT	19.4	21.1	23.4
Adj. EPS (INR)	10.9	11.9	13.2
EPS Gr. (%)	7.6	8.9	10.7
BV/Sh.(INR)	64.4	65.9	67.2
Ratios			
RoE (%)	17.5	18.3	19.8
RoCE (%)	16.1	16.5	17.7
Payout (%)	86.9	92.3	94.8
Valuations			
P/E (x)	39.3	36.1	32.6
P/BV (x)	6.7	6.5	6.4
EV/EBITDA (x)	27.6	24.6	22.1
Div. Yield (%)	2.2	2.6	2.9

Demand trends

- Consumer sentiment remained resilient despite geopolitical tensions in the Middle East and hyperinflationary pressures in some international markets.
- Business performance improved sequentially, indicating a recovery in demand as the quarter progressed.
- In India, both urban and rural demand remained healthy, with rural continuing to grow faster than urban.
- Additionally, General Trade improved sequentially, reflecting robust traction across both rural and urban markets.
- Emerging channels such as E-commerce, Quick Commerce, and Modern Trade continued to witness strong double-digit growth.
- In the international business, despite temporary disruptions in the Middle East, consumption trends remained resilient in several key markets.
- Management expects improved consumption in international markets in the coming quarters, especially if the Middle East situation stabilizes.

India business performance

- The Indian FMCG business witnessed a sequential recovery in demand and is likely to record double-digit growth.
- Growth was broad-based, supported by healthy demand, strong execution, and continued investments in brands.

Segmental performance

- **Home & Personal Care (HPC):** The HPC business is expected to post near-teen growth. Hair oils and shampoos are likely to deliver high-teen growth, driven by strong performance in perfumed hair oils, continued traction in coconut hair oils, and healthy consumer demand supported by strong brand equity in the haircare portfolio. Oral care is expected to report near double-digit growth. The herbal franchise posted strong double-digit growth, with Meswak delivering strong double-digit growth. Red Toothpaste and Lal Dant Manjan continued to grow well.
- **Healthcare** is expected to show sequential improvement, with mid-single-digit growth. Key brands such as Hajmola, Pudín Hara, Health Juices, Dabur Honitus, and Isabgol are expected to deliver robust double-digit growth. Dabur Glucose, which saw some weakness in the early part of the quarter, recovered sequentially later in the quarter.
- **Foods and Beverages:** The Foods business continued to deliver strong performance and is expected to post high double-digit growth. Badshah is expected to deliver high-teen growth. The beverages portfolio witnessed a sequential recovery during the quarter, driven by strong double-digit growth in Real Activ juices and coconut water.

International business

- The international business is expected to report high-teen growth in INR terms, despite severe headwinds in the Middle East.
- Key international markets such as Egypt, Turkey, Bangladesh, and the UK are each expected to deliver strong double-digit growth in INR terms.
- The business remained resilient despite geopolitical disruptions in the Middle East and hyperinflationary conditions in some overseas markets.
- Management remains optimistic about a further improvement in consumption across international markets in the coming quarters, particularly if the conditions in the Middle East normalize.

Cost and margins

- The quarter witnessed elevated inflation, especially in the haircare segment.
- The company offset inflationary pressure through calibrated price hikes.
- Operating margins are expected to remain stable despite raw material cost pressures.
- The company indicated that pricing and cost management supported profitability during the quarter.

Consolidated performance & outlook

- Consolidated revenue is expected to deliver double-digit growth.
- PAT is also expected to grow at a double-digit rate, reflecting stable profitability despite cost pressures.

Quarterly Performance (Consolidated)

Y/E March	FY26				FY27E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY26	FY27E
Domestic FMCG vol. growth (%)	-1.0	2.0	3.0	6.0	8.0	6.0	5.0	5.0	2.5	6.0
Net sales	34,046	31,913	35,587	30,380	38,416	34,966	38,798	32,877	1,31,926	1,45,058
YoY change (%)	1.7	5.4	6.1	7.3	12.8	9.6	9.0	8.2	5.0	10.0
Gross profit	16,013	15,778	17,218	14,679	18,132	17,134	18,895	15,902	63,688	70,063
Margin (%)	47.0	49.4	48.4	48.3	47.2	49.0	48.7	48.4	48.3	48.3
EBITDA	6,678	5,881	7,341	4,618	7,617	6,465	8,178	5,116	24,518	27,376
Margins (%)	19.6	18.4	20.6	15.2	19.8	18.5	21.1	15.6	18.6	18.9
YoY growth (%)	2.0	6.4	7.7	8.2	14.1	9.9	11.4	10.8	5.8	11.7
Depreciation	1,141	1,154	1,172	1,222	1,245	1,269	1,278	1,346	4,689	5,137
Interest	346	397	311	400	300	350	280	370	1,454	1,300
Other income	1,440	1,401	1,406	1,750	1,512	1,471	1,477	1,843	5,998	6,303
PBT	6,630	5,731	7,265	4,747	7,584	6,318	8,097	5,244	24,373	27,242
Tax	1,543	1,282	1,575	1,117	1,896	1,579	2,024	1,310	5,517	6,809
Rate (%)	23.3	22.4	21.7	23.5	25.0	25.0	25.0	25.0	22.6	25.0
Adjusted PAT	5,222	4,608	5,795	3,769	5,860	4,910	6,244	4,114	19,393	21,128
YoY change (%)	2.7	6.4	9.2	14.8	12.2	6.6	7.8	9.2	7.7	8.9

E: MOFSL Estimates

IndusInd Bank

BSE SENSEX 77,764
S&P CNX 24,271

CMP: INR977

Neutral

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
NII	179.8	186.5	218.5
OP	91.8	95.0	118.8
NP	8.9	32.4	54.4
NIM (%)	3.3	3.3	3.4
EPS (INR)	11.4	41.6	69.8
EPS Gr. (%)	-65.5	264.7	67.7
BV/Sh. (INR)	842	863	922
ABV/Sh. (INR)	813	833	888

Ratios

RoA (%)	0.2	0.6	0.9
RoE (%)	1.4	4.9	7.8

Valuations

P/E (X)	85.6	23.5	14.0
P/BV (X)	1.2	1.1	1.1
P/ABV (X)	1.2	1.2	1.1

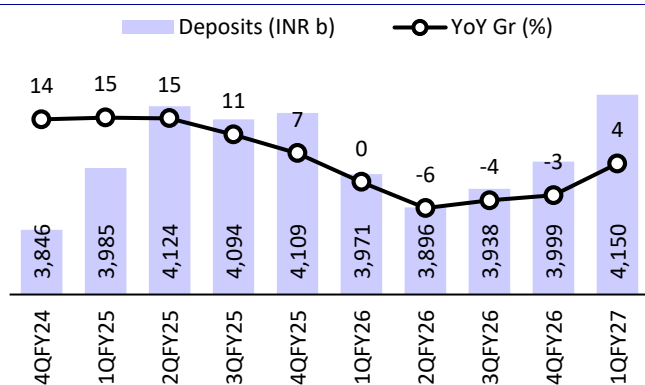
Pickup in business momentum; CASA ratio declines to 29.5%

IndusInd Bank (IIB) released its business update for 1QFY27. Following are the

key takeaways:

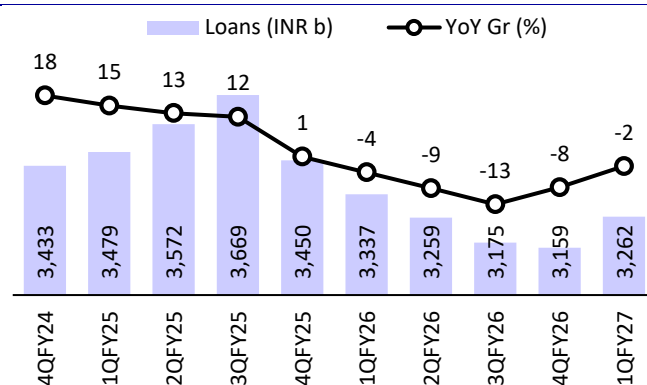
- Net advances grew 3.3% QoQ (down 2.3% YoY) to INR3.26t (beating our estimates of +1.2% QoQ/ 4.2% YoY decline).
- Deposits grew by 3.8% QoQ/4.5% YoY to INR4.14t, above our estimated growth of 0.5% QoQ/1.2% YoY. CASA declined to 29.5% from 31.2% as of 4QFY26.
- Retail deposits and deposits from small business customers amounted to INR1.93t vs. INR1.91t as of 4QFY26.

Deposits grew 3.8% QoQ/4.5% YoY



Source: MOSL, Company

Loans grew 3.3% QoQ (down 2.3% YoY)



Source: MOSL, Company

IDFC First Bank

BSE Sensex 77,764 S&P CNX 24,271

CMP: INR81

Neutral

Financials & Valuations (INR b)

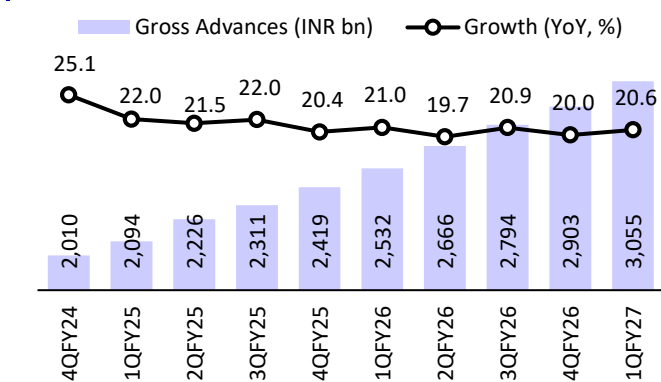
Y/E March	FY26	FY27E	FY28E
NII	212.2	250.8	298.5
OP	72.1	103.5	135.6
NP	16.4	35.9	53.5
NIM (%)	5.7	5.7	5.6
EPS (INR)	2.1	4.2	6.2
BV/Sh. (INR)	55	58	63
ABV/Sh. (INR)	53	56	60
Ratios			
RoA (%)	0.4	0.8	1.0
RoE (%)	3.9	7.4	10.3
Valuations			
P/E(X)	39.4	19.4	13.0
P/BV (X)	1.5	1.4	1.3
P/ABV (X)	1.5	1.5	1.3

Healthy business growth; CD ratio declines ~90bp QoQ

IDFCFB released its business update for 1QFY27. Here are the key highlights:

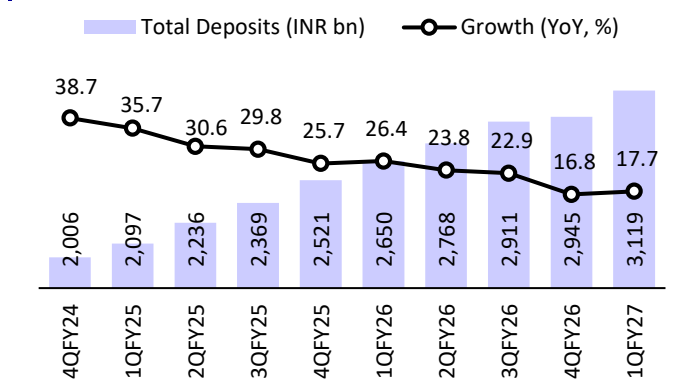
- IDFCFB reported 20.6% YoY (+5.2% QoQ) growth in loans and advances to INR3.05t in 1QFY27. Loan growth beat our estimate of net advances growth of 19.6% YoY/3.9% QoQ.
- Total deposits grew 17.7% YoY/5.9% QoQ to INR3.11t. Deposit growth was healthy and in line with our estimate of 16.7% YoY/5.0% QoQ.
- CASA ratio improved to 50.8% in 1QFY27 from 49.8% in 4QFY26.
- Healthy deposit growth resulted in improvement in CD ratio to 95.5% from 96.4% in 4QFY26.

Gross advances grew 20.6% YoY/5.2% QOQ



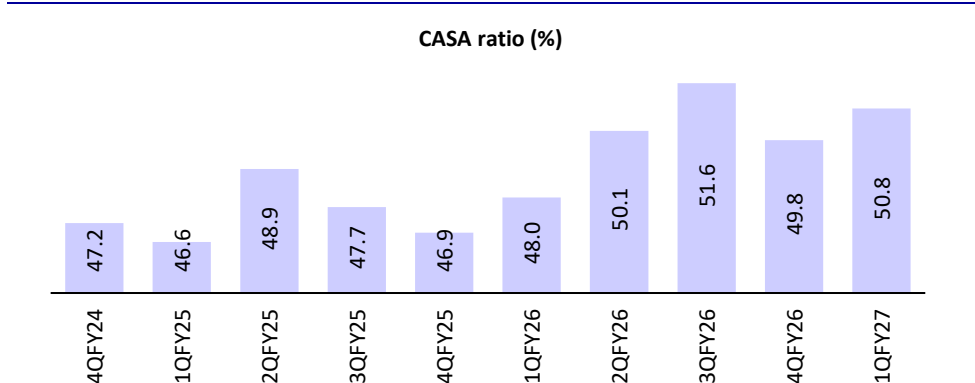
Source: MOFSL, Company

Total deposits grew 17.7% YoY (5.9% QoQ)



Source: MOFSL, Company

CASA ratio (%) improved to 95.5% in 1QFY27



Source: MOFSL, Company

RBL Bank

BSE SENSEX 77,764
S&P CNX 24,271

CMP: INR359

Buy

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY27E
NII	63.6	87.5	112.1
OP	33.0	51.9	72.1
NP	8.2	22.1	36.1
NIM (%)	4.2	4.6	4.9
EPS (INR)	13.3	14.3	23.3
EPS Gr. (%)	16.3	7.3	63.4
BV/Sh. (INR)	269	280	296
ABV/Sh. (INR)	264	278	293
Ratios			
RoA (%)	0.5	1.1	1.5
RoE (%)	5.2	7.4	8.1
Payout (%)	30.0	30.0	30.0
Valuations			
P/E(X)	27.0	25.1	15.4
P/BV (X)	1.3	1.3	1.2

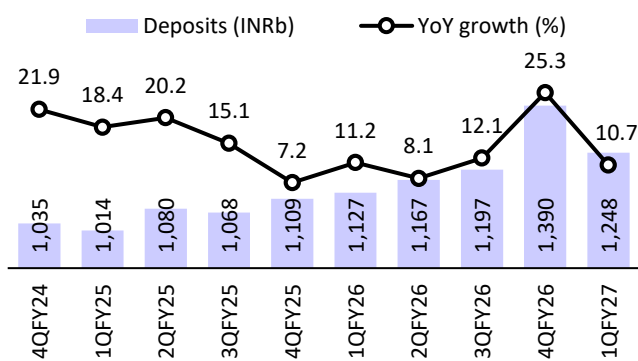
Healthy loan growth; shedding wholesale deposits; CASA ratio declines to 29.2%

Retail-to-wholesale mix stood at 55:45

RBL Bank (RBK) released its quarterly business update for 1QFY27. Here are the key highlights:

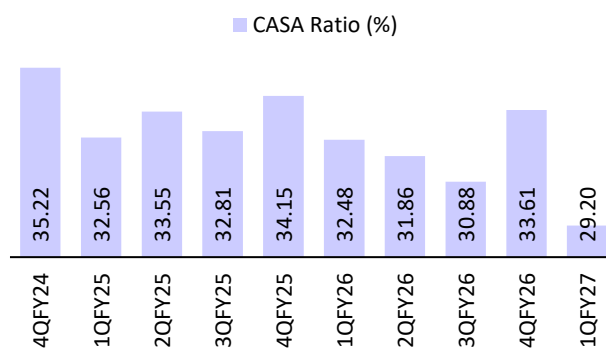
- RBK reported steady growth of 21% YoY/2% QoQ in gross advances to INR1.17t, in line with our estimated growth of 23% YoY/1.6% QoQ. Wholesale advances grew by 37% YoY/10% QoQ.
- In wholesale, commercial banking advances grew 34% YoY/10% QoQ. In retail, secured retail advances grew 18% YoY. The mix of retail:wholesale advances was 55:45 compared to 59:41 in 4QFY26.
- Deposits growth was sluggish at 11% YoY (down 10% QoQ) to INR1.25t (below our estimate of +21.9% YoY growth/1.2% QoQ decline). RBK chose not to renew certain wholesale deposits in 1QFY27, given excess liquidity after the completion of Emirates NBD P.J.S.C. transaction on 18th Jun'26.
- CASA deposits were flat YoY/declined 22% QoQ. As a result, CASA ratio declined to 29.2% (vs. 33.6% in 4QFY26). That said, deposits <INR30m saw a decent growth of 13% YoY/2% QoQ.
- The CD ratio shot up to 94.0% from 83.1% as of Mar'26 (on gross advances), as the bank chose to shed wholesale deposits while growing at a healthy pace. The LCR stood at 133% vs. 130% in 4QFY26.

Deposits grew 11% YoY (down 10% QoQ)



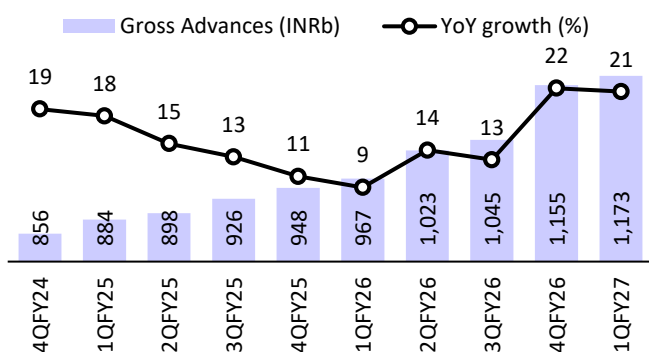
Source: MOSL, Company

CASA ratio declined to 39.2%



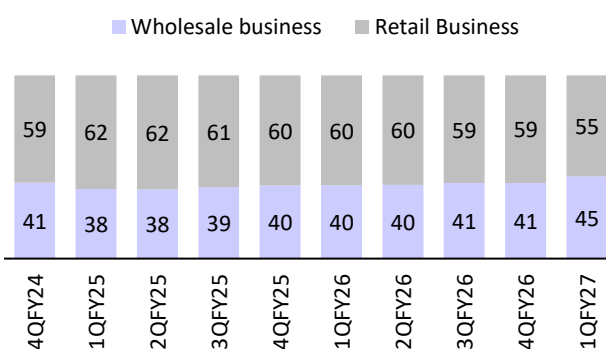
Source: MOSL, Company

Gross advances grew 21% YoY (up 2% QoQ)



Source: MOSL, Company

Retail: Wholesale mix stood at 55:45



Source: MOSL, Company

Angel One

BSE SENSEX
77,764

S&P CNX
24,271

CMP: INR352

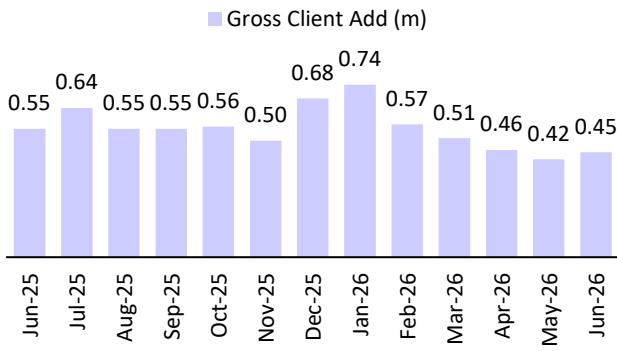
Order run-rate declines; MTF book continues to scale new heights, and commodity turnover soars

Angel One (ANGELONE) released its key business numbers for Jun'26. Here are the key takeaways:

- ANGELONE's gross client acquisition was 0.45m MoM in Jun'26 (-18%/+7% YoY/MoM), taking the total client base to ~38.6m.
- The average MTF book grew 8% MoM to ~INR67.8b (+44% YoY) in Jun'26.
- The number of orders increased 7% MoM to 140.0m for Jun'26 (up 21% YoY), and the order run rate declined 3% MoM to 6.7m (+21% YoY).
- The overall ADTO was flat MoM, with flat MoM growth in F&O ADTO and a 10% MoM dip in cash ADTO, while the commodity ADTO surged 32% MoM. The overall premium ADTO rose 28% MoM, while F&O premium ADTO declined 10% MoM.
- Based on the option premium turnover, the overall market share dipped 50bp MoM to 19.8%. The F&O premium based market share was down 30bp MoM to 22.1%. Market share for the cash segment dipped 60bp MoM to 16.9%, while the commodity segment's market share rose 340bp MoM to 52.0%.
- The number of registered unique MF SIPs was down MoM to ~0.56m in Jun'26 (down 23% YoY).

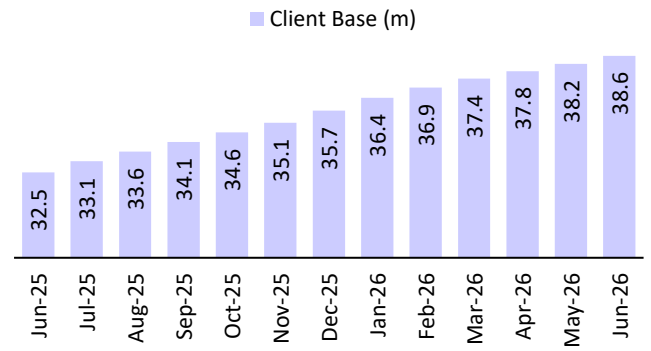
Key Metrics	Jun-25	Aug-25	Nov-25	Feb-26	Mar-26	Apr-26	May-26	Jun-26	% YoY	% MoM
No of Days	21	19	19	21	19	20	19	21		
Client Base (m)	32.5	33.6	35.1	36.9	37.4	37.8	38.2	38.6	18.8	1.1
Gross Client Add (m)	0.55	0.55	0.50	0.57	0.51	0.46	0.42	0.45	-18.2	7.1
Avg MTF book (INR b)	47.1	52.9	59.5	59.3	55.1	53.1	63.1	67.8	44.1	7.5
Orders (m)	115.0	109.9	117.3	144.0	140.0	135.8	130.4	140.0	21.8	7.4
Per day orders (m)	5.5	5.8	6.2	6.9	7.4	6.8	6.9	6.7	21.9	-2.8
Unique MF SIPs registered (ln m)	0.74	0.71	0.74	0.67	0.59	0.58	0.58	0.56	-23.3	-3.4
Angel's ADTO (INR b)										
Overall	34,995	45,841	53,486	55,743	49,957	52,210	52,006	52,943	51.3	1.8
F&O	34,020	44,511	51,752	54,130	48,032	49,917	49,814	50,086	47.2	0.5
Cash	85	69	73	78	69	94	95	86	1.2	-9.5
Commodity	890	1,261	1,661	1,535	1,855	2,199	2,097	2,771	211.3	32.1
Angel's Premium T/O (INR b)										
Overall	1,102	1,455	1,874	1,777	2,109	2,459	2,355	3,004	172.6	27.6
F&O	126	125	140	164	184	166	163	147	16.7	-9.8
Retail T/o Market Share									bps YoY	bps MoM
Overall Equity - based on option premium T/O	19.6	20.7	20.3	20.8	19.7	20.5	20.3	19.8	20	-50
F&O - based on option premium T/O	20.8	22.1	21.5	22.6	21.6	22.3	22.4	22.1	130	-30
Cash	18.0	18.6	18.3	17.8	16.0	17.9	17.5	16.9	-110	-60
Commodity	58.3	67.6	52.5	57.0	57.2	56.7	48.6	52.0	-630	340

Client addition run-rate grew MoM in Jun'26



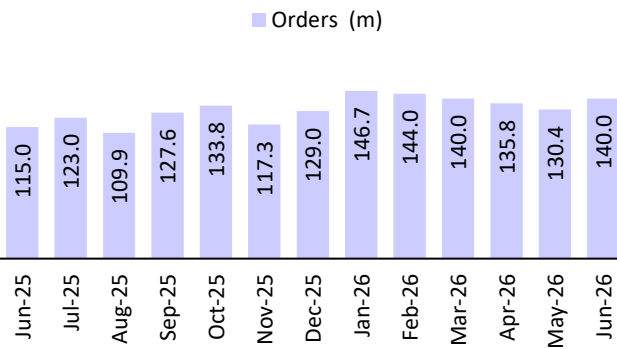
Source: MOFSL, Company

Total client base reached 38.6m in Jun'26



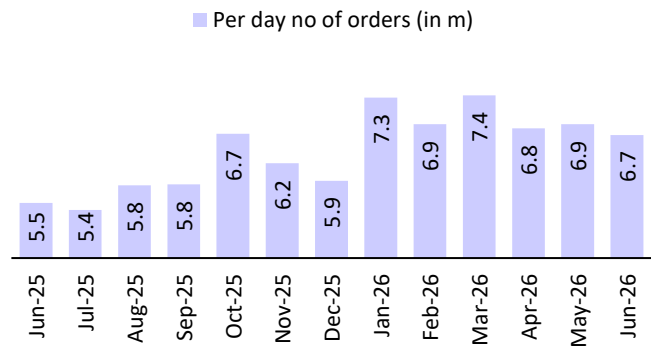
Source: MOFSL, Company

Total orders trend saw a sequential rise in Jun'26



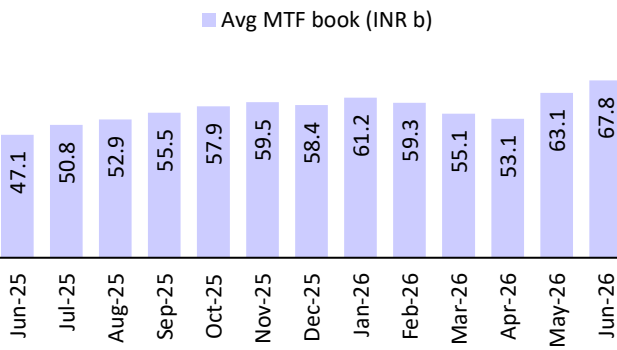
Source: MOFSL, Company

Order run-rate declined in Jun'26



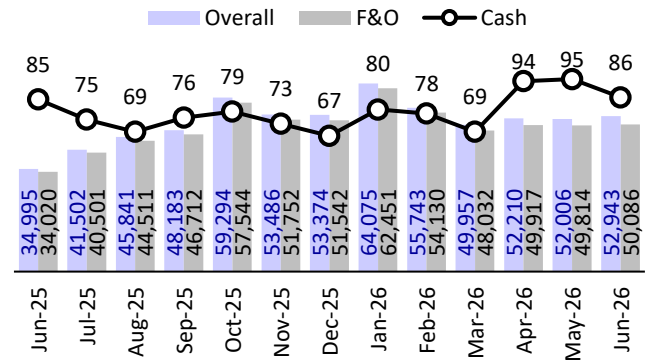
Source: MOFSL, Company

Client funding book reached all-time high



Source: MOFSL, Company

ADTO trends (INR b)



Source: MOFSL, Company

Bandhan Bank

BSE SENSEX
77,764

S&P CNX
24,271

CMP: INR199

Buy

Tepid business growth; CASA ratio remains steady at 29.4%

Bandhan Bank (BANDHAN) released its quarterly business update, highlighting the key trends for 1QFY27:

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	108.3	124.6	145.3
OP	58.6	66.2	79.8
NP	12.2	27.2	37.2
NIM (%)	5.8	5.9	5.9
EPS (INR)	7.6	16.9	23.1
EPS Gr. (%)	-55.4	122.6	36.7
BV/Sh. (INR)	157	168	185
ABV/Sh. (INR)	150	162	178

Ratios

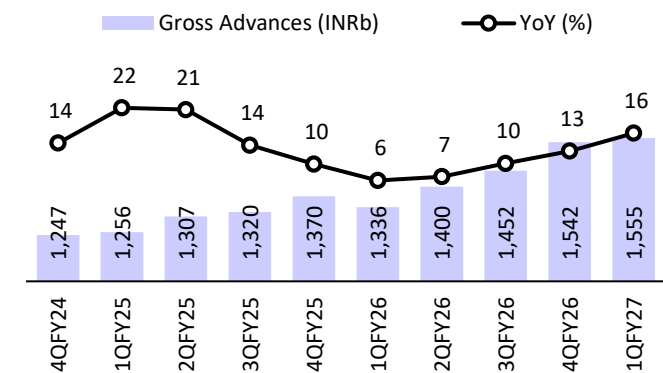
RoA (%)	0.6	1.2	1.4
RoE (%)	4.9	10.4	13.1

Valuations

P/E(X)	26.2	11.8	8.6
P/BV (X)	1.3	1.2	1.1
P/ABV (X)	1.3	1.2	1.1

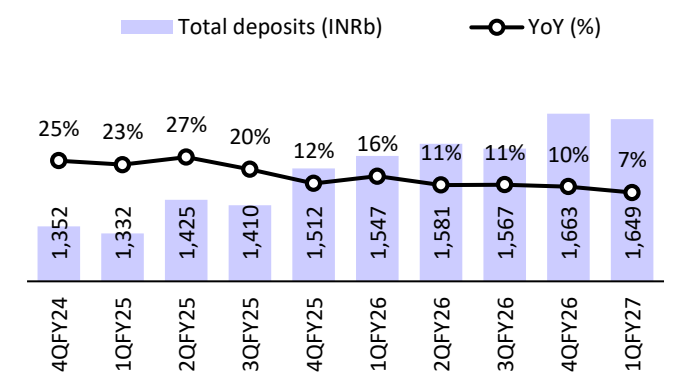
- Gross advances (on-book + PTC) grew 0.8% QoQ (up 16.4% YoY) to ~INR1.56t, lower than our estimated net advances growth of 20.2% YoY/2.9% QoQ.
- Deposits grew 6.6% YoY/declined 0.9% QoQ to INR1.65t, missing our estimates of 10.4% YoY/2.7% QoQ. The bank has reduced its reliance on bulk deposits, which declined 12.7% YoY (down 2% QoQ).
- CASA deposits posted muted growth of 0.6% QoQ (up 15.8% YoY). As a result, CASA ratio stood steady at 29.4% (vs 29.3% in 4QFY26).
- Retail deposits (including CASA) grew 15.6% YoY/declined 0.5% QoQ. The proportion of retail deposits marginally increased to 73.96% (vs 73.67% in 4QFY26). LCR for the bank stands at 146.65%.
- On the asset quality front, overall CE remains consistent at 98.9%, with collection efficiency in EEB at 98.5% and non-EEB at 99.4%.

Gross advances grew 0.8% QoQ (up 16.4% YoY)



Source: MOFSL, Company

Deposits declined 0.9% QoQ (up 6.6% YoY)



Source: MOFSL, Company

CreditAccess Grameen

BSE SENSEX	S&P CNX
77,764	24,271

CMP: INR1,557

Buy

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	38.6	47.0	55.9
Total Income	41.6	49.2	57.7
PPoP	28.1	33.6	39.5
PAT	7.8	17.6	20.7
EPS (INR)	48.5	109.7	129
EPS Gr. (%)	46	126	18
BV (INR)	490	599	729

Ratios (%)

NIM	14.8	15.1	14.8
C/I ratio	32.5	31.7	31.5
Credit cost	6.5	3.1	3.0
RoA	2.6	5.0	4.9
RoE	10.5	20.2	19.5

Valuations

P/E (x)	32.1	14.2	12.0
P/BV (x)	3.2	2.6	2.1

AUM rises ~16% YoY; asset quality continues to improve

PAR accretion declines significantly

Loan Growth

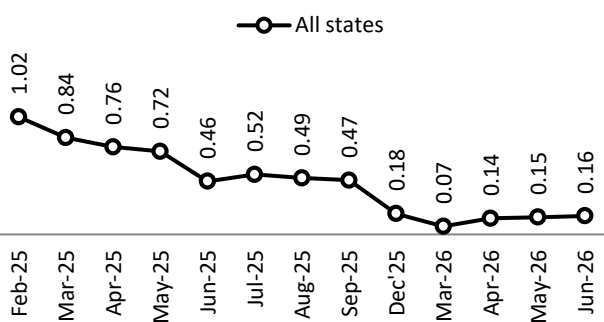
- CREDAG's AUM grew ~16% YoY and ~2.5% QoQ to INR303b as of Jun'26 (in line with our estimates).
- Disbursements grew 12% YoY and declined ~27% QoQ to INR61b in 1QFY27.
- The company added 250K+ new borrowers during 1QFY27.
- It opened 40 new branches in 1QFY27.
- Retail finance share stood at 21% in Jun'26 vs. 18% in Mar'26 and 7% in Jun'25.

Asset quality

- Monthly PAR 15+ accretion/AUM rate stood at 0.16% in Jun'26 vs. 0.46% in Jun'25 and 0.07% in Mar'26.
- Asset quality completely normalized across all geographies, with overall X-Bucket CE of 99.68% in Jun'26.
- PAR buckets exhibited a meaningful improvement QoQ, led by lower new PAR accretion.
- Improvement in asset quality was witnessed across all operating geographies.

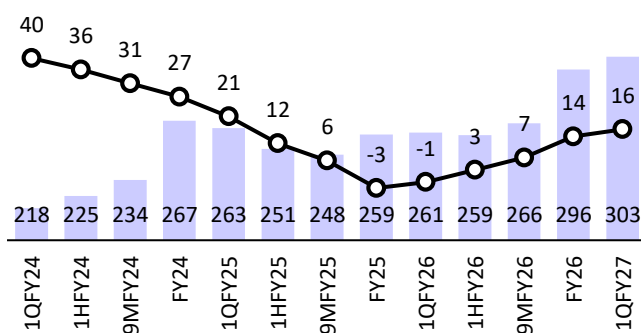
Monthly PAR 15+ (all states) has broadly normalized

Monthly PAR 15+ Accretion/AUM Rate (%)



AUM grew 16% YoY and 2.5% QoQ

GLP (INR b) YoY Growth (%)



Trends in asset quality for the last 10 quarters

Particulars (%)	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	Q1 2027
PAR 0+	1.7	2.5	4.9	6.8	6.9	5.9	4.7	4.4	3.0	2.2
PAR 30+	1.4	1.8	3.3	5.1	5.5	4.9	3.7	3.8	2.7	1.9
PAR 60+	1.2	1.4	2.4	3.8	4.3	4.1	3.1	3.4	2.5	1.6
PAR 90+	0.9	1.1	1.7	2.6	3.3	3.3	2.5	2.9	2.3	1.5

Senco Gold

BSE SENSEX 77,764
S&P CNX 24,271

CMP: INR326 TP: INR375 (+14%) Neutral

Financials Snapshot (INR b)

Y/E March	2026	2027E	2028E
Sales	84.3	104.5	118.8
Sales growth (%)	33.2	23.9	13.7
EBITDA	9.8	7.9	8.9
EBITDA Margin (%)	11.6	7.6	7.5
Adj. PAT	5.8	3.8	4.2
EPS (INR)	35.3	23.1	25.6
EPS Gr. (%)	185.8	-34.7	11.0
BV/Sh. (INR)	153.5	174.2	196.9
Ratios			
Debt/Equity	0.7	1.2	1.0
RoE (%)	25.8	14.1	13.8
RoIC (%)	18.2	10.3	9.6
Valuations			
P/E (x)	9.2	14.1	12.7
EV/EBITDA (x)	3.8	5.1	4.5

Strong topline growth supported by healthy SSSG

Senco Gold (SENCO) released its pre-quarter update for 1QFY27. Here are the key takeaways:

Gold price trends

- Gold prices remained elevated, rising over 62% YoY (+1% QoQ) amid geopolitical situations. Indian gold prices now reflect the 9% increase in customs duty (from 6% to 15%). The benefits of the higher customs duty are likely to accrue over 1Q and 2Q, net of any impact from a decline in prices, given the current hedging level of 50%.
- However, given the heavy discounting of gold prices during the quarter, 1Q margins are likely to remain under pressure despite the customs duty increase.

Financial and operational performance

- 1QFY27 delivered robust revenue and SSSG growth, supported by a favorable festive calendar, including Akshaya Tritiya, Poila Baisakh, Baishaki, Bihu, and the onset of the summer wedding season. Performance remained resilient despite Adhik Maas and the increase in customs duty.
- In 1QFY27, SENCO's revenue grew 60% YoY and 53% QoQ (45% YoY in 4QFY26; 30% in 1QFY26), while retail sales grew 48% YoY and 51% QoQ.
- SSSG in 1Q stood at 38% YoY (34% QoQ) vs 35% in 4QFY26 and 20% in 1QFY26.
- Diamond jewelry (value) growth stood at 40% YoY, while volume growth was 15% YoY. This growth was driven by volume expansion, a richer product mix, traction in lower-priced products below the INR50,000 range under the Everlite segment, and new design launches. The stud ratio stood at 11%.
- Old gold exchange contributed to ~43% of total sales in 1QFY27. SENCO launched an attractive '0% deduction' campaign in line with the appeal of the Honourable Prime Minister.

Store expansion and network growth

- SENCO launched eight new showrooms (four Franchisee, three COCO, and one Sennes) in 1Q, reaching a total of 208 showrooms (net of one store closure).

Outlook

- 2QFY27 is expected to be seasonally softer, while consumer demand is likely to be driven by the monsoon and festivals, with gold bookings expected to pick up for 3Q.
- The company will focus on inventory optimization, lightweight and 9K collections, and margin protection.
- The company is on track to open 12-15 showrooms over the next three quarters, with a greater focus on franchise stores.

Consolidated Quarterly Performance
(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Stores	186	192	196	201	208	213	218	221	201	221
Net Sales	18,263	15,361	30,710	19,967	28,855	19,201	35,009	21,389	84,300	1,04,455
Change (%)	30.1	2.4	50.1	44.9	58.0	25.0	14.0	7.1	33.2	23.9
Gross Profit	3,489	2,616	6,107	4,468	4,617	2,784	5,251	3,780	16,680	16,432
Gross Margin (%)	19.1	17.0	19.9	22.4	16.0	14.5	15.0	17.7	19.8	15.7
Operating Expenses	1,653	1,551	1,999	1,724	2,106	1,536	2,626	2,219	6,928	8,487
% of Sales	9.1	10.1	6.5	8.6	7.3	8.0	7.5	10.4	8.2	8.1
EBITDA	1,836	1,065	4,108	2,744	2,510	1,248	2,626	1,561	9,752	7,945
Margin (%)	10.1	6.9	13.4	13.7	8.7	6.5	7.5	7.3	11.6	7.6
Change (%)	68.8	30.3	281.8	116.0	36.7	17.2	-36.1	-43.1	129.4	-18.5
Interest	430	462	590	561	550	550	475	1,059	2,042	2,634
Depreciation	187	190	211	232	235	245	250	256	820	986
Other Income	186	178	301	134	190	185	170	174	799	719
PBT	1,406	591	3,608	2,085	1,915	638	2,071	420	7,689	5,044
Tax	359	103	922	516	479	160	518	110	1,900	1,266
Effective Tax Rate (%)	25.6	17.4	25.5	24.7	25.0	25.0	25.0	26.2	24.7	25.1
Adjusted PAT	1,047	488	2,687	1,569	1,437	479	1,553	310	5,790	3,778
Change (%)	104.1	41.4	395.7	151.3	37.3	-1.9	-42.2	-80.2	186.0	-34.7
PAT	1,047	488	2,640	1,569	1,437	479	1,553	310	5,743	3,778

E: MOFSL Estimates



Corona Remedies : Guide For 15% Organic Revenue Growth & 20% Profit Growth In FY27; Bhavin Bhagat, CFO

- Expect organic revenue growth of 15% & profit growth of 20% in FY27
- No further indications that the PE investors are looking to sell their stake
- **Growth Drivers:** The India business is powered by 32 "engine" brands—which contribute 76% of total revenue and are growing 2x faster than the Indian Pharma Market (IPM)

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Aeroflex's : Data Centre Bet Takes Off! Capacity Expansion Signals Big Growth; Asad Dawood, Chairman & Managing Director

- **Capacity Expansion:** Aeroflex has successfully ramped up manufacturing capacity for SFN skids from 6,000 to 9,000 units, with plans to reach 21,000 units by the end of the year
- **Long-term Outlook:** Over the next two to three years, management expects this specific business segment to account for 30% to 35% of the company's total revenue
- **Strong Core Demand:** Beyond data centers, the company is seeing a recovery in demand for its core hose assembly products, particularly from the US and European markets following the easing of tariffs in February

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Borosil : Borosil's Capacity Expansion Begins!; Shreevar Kheruka, MD

- **Rajasthan Flask Plant:** Commercial production has commenced at the new Rajasthan facility with two lines operational; a third line is expected to go live in the second quarter
- **Aggressive Capex Strategy:** Borosil continues its expansion spree with planned capital expenditure of 150-200 crore rupees for this year, covering the Bouch plant, Jaipur furnace expansion, and additional flask production lines
- **Margin Outlook:** While short-term margins were pressured by operating leverage and external crises, the company expects to reach 20% plus EBITDA margins by FY 2028-29, driven by increased in-house manufacturing

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V2 Retail : Raises Store Expansion Target To 200+ Stores; Akash Agarwal, WTD

- **Aggressive Expansion:** V2 Retail has raised its store expansion target, planning to open over 200 new stores this year, up from its earlier guidance of 170-180
- **Healthy Store Productivity:** The company maintains a strong 7.5% Same-Store Sales Growth (SSSG), with a target of 8-10% for the full year, supported by positive response in new geographies
- **Long-Term Market Opportunity:** Management remains optimistic about the next decade for organized value fashion retail, citing significant white-space opportunities as unorganized players still hold over 60% of the market share in this segment

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Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.3	4.6	-6.6
Nifty-50	0.4	3.7	-4.5
Nifty Next 50	-0.2	3.5	5.7
Nifty 100	0.3	3.7	-2.7
Nifty 200	0.2	3.4	-1.4
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-0.4	3.4	12.4
Amara Raja Ener.	-0.9	-0.5	-10.8
Apollo Tyres	-1.8	14.7	-3.0
Ashok Leyland	-0.2	12.7	31.2
Bajaj Auto	-0.7	-4.6	16.7
Balkrishna Inds	-0.4	0.9	-12.9
Bharat Forge	-0.6	10.3	64.5
Bosch	0.9	11.0	21.8
CEAT	-0.2	19.3	3.2
CIE Automotive	-0.7	4.2	4.7
Craftsman Auto	-1.7	2.5	58.5
Eicher Motors	1.2	2.9	28.4
Endurance Tech.	-0.8	0.2	-5.0
Escorts Kubota	0.7	7.5	-11.7
Exide Inds.	-0.7	4.4	8.8
Gabriel India	-0.8	16.6	29.7
Happy Forgings	-2.8	6.8	52.7
Hero Motocorp	-0.3	0.2	12.6
Hyundai Motor	2.2	6.8	-4.7
M & M	-1.2	4.2	-1.2
Maruti Suzuki	0.1	10.1	12.7
Motherson Sumi	-0.9	0.5	42.2
Motherson Wiring	-0.4	8.2	2.6
MRF	2.0	7.9	-7.1
Sona BLW Precis.	-0.3	9.4	37.7
Tata Motors CV	-1.9	15.5	
Tata Motors PV	-0.5	-13.6	-50.2
Tube Investments	-3.7	-3.1	0.8
TVS Motor Co.	0.0	9.4	25.1
Banks-Private	0.0	7.7	0.9
AU Small Fin. Bank	0.1	9.0	30.4
Axis Bank	-1.5	6.9	14.6
Bandhan Bank	-2.2	-3.4	9.1
DCB Bank	-2.2	8.4	31.1
Equitas Sma. Fin	-1.5	7.6	11.8
Federal Bank	-1.1	8.8	50.9
HDFC Bank	0.6	6.3	-19.4
ICICI Bank	0.8	13.6	-1.0
IDFC First Bank	1.2	12.1	3.6
IndusInd Bank	3.3	8.3	13.0
Kotak Mah. Bank	-0.6	4.1	-6.7
RBL Bank	1.6	3.7	42.9
Banks-PSU	-1.5	2.7	17.9
BOB	-3.1	-6.2	4.1
Canara Bank	0.4	-3.5	11.4
Indian Bank	-2.0	-5.8	23.7
Punjab Natl.Bank	-1.5	-0.4	-4.4

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	0.2	3.8	-0.9
Nifty Midcap 100	-0.2	2.5	4.2
Nifty Smallcap 100	0.0	6.3	0.8
Nifty Midcap 150	-0.2	3.0	4.1
Nifty Smallcap 250	0.1	6.1	1.3
St Bk of India	-1.1	7.2	28.9
Union Bank (I)	-6.5	-2.2	7.6
NBFCs	0.0	7.7	0.5
AAVAS Financiers	0.1	14.8	-22.4
Aditya Birla Capital Ltd	2.1	15.1	47.2
Bajaj Fin.	1.3	17.6	13.3
Bajaj Finserv	2.2	9.3	-4.3
Bajaj Housing	3.0	9.2	-24.6
Can Fin Homes	2.0	10.0	10.4
Cholaman.Inv.&Fn	0.1	21.7	17.2
CreditAcc. Gram.	0.9	22.7	25.5
Five-Star Bus.Fi	1.2	26.6	-28.6
Fusion Microfin.	7.8	35.2	23.5
HDB FINANC SER	0.9	15.2	-13.5
Home First Finan	0.0	12.8	-11.8
IIFL Finance	0.2	4.2	12.1
Indostar Capital	-1.8	12.9	-26.7
Jio Financial	-0.2	1.8	-26.4
L&T Finance	3.7	22.1	60.9
LIC Housing Fin.	0.1	2.3	-9.1
M & M Fin. Serv.	5.0	15.0	25.3
Manappuram Fin.	1.6	5.2	19.4
MAS Financial Serv.	0.6	4.5	4.3
Muthoot Finance	3.6	-5.1	15.9
Northern ARC	-1.0	4.8	28.0
Piramal Finance	-2.0	10.8	
PNB Housing	0.8	7.2	-1.8
Poonawalla Fin	0.9	15.4	-1.2
Power Fin.Corpn.	-1.0	2.2	2.5
REC Ltd	-1.2	12.1	-7.1
Repcos Home Fin	1.9	17.4	0.4
Shriram Finance	-0.3	16.5	57.5
Spandana Sphoort	6.4	17.5	14.5
Tata Capital	-1.9	13.0	
NBFC-Non Lending			
360 One	3.7	3.4	-9.5
Aditya AMC	-1.1	14.0	44.2
Anand Rathi Wea.	3.6	15.5	96.2
Angel One	1.8	5.2	19.4
Billionbrains	0.2	9.3	
BSE	-0.5	-3.8	35.3
C D S L	0.0	10.9	-25.2
Cams Services	0.0	6.1	-6.3
HDFC AMC	1.5	11.6	11.0
ICICI AMC	-0.8	-0.2	
KFin Technolog.	1.3	5.1	-33.8
MCX	-3.7	-0.7	56.3
N S D L	0.3	6.0	



Company	1 Day (%)	1M (%)	12M (%)
Nippon Life Ind.	0.4	13.0	51.6
Nuvama Wealth	3.8	21.1	15.4
PB Fintech	-5.4	0.8	-12.0
Prudent Corp.	0.0	13.3	12.0
UTI AMC	3.3	5.6	-24.1
Insurance			
Canara HSBC	0.3	5.3	
HDFC Life Insur.	-0.6	-1.2	-27.8
ICICI Lombard	0.7	1.8	-12.8
ICICI Pru Life	-2.2	1.8	-24.2
Life Insurance	-0.4	6.8	-9.0
Max Financial	-1.3	2.4	-1.4
Niva Bupa Health	0.4	3.1	5.7
SBI Life Insuran	0.2	0.3	-1.2
Star Health Insu	-1.4	9.5	38.5
Chemicals			
Alkyl Amines	0.0	-0.5	-22.0
Atul	1.3	-1.5	-13.2
Clean Science	-0.5	-2.5	-47.9
Deepak Nitrite	-0.9	-8.3	-21.0
Ellen.Indl.Gas	-0.4	3.9	-54.7
Fine Organic	0.3	12.4	-1.3
Galaxy Surfact.	3.5	17.4	-21.4
Navin Fluor.Intl.	-1.2	7.3	54.9
P I Inds.	1.4	-3.4	-37.6
Privi Speci.	-1.5	13.4	46.6
SRF	-0.2	2.8	-13.5
Tata Chemicals	0.6	-3.7	-26.7
Vinati Organics	1.8	1.5	-32.5
Capital Goods	-2.3	-0.8	9.2
A B B	1.3	-3.4	18.4
Astra Microwave	2.9	39.6	74.7
Atlanta Electric	-4.4	-17.6	
Bharat Dynamics	0.2	13.1	-29.4
Bharat Electron	0.7	2.8	-1.9
CG Power & Ind	-7.0	-1.6	33.7
Cummins India	-1.8	-3.8	64.4
GE Vernova T&D	-8.7	-11.3	87.1
Hind.Aeronautics	-0.1	3.9	-10.2
Hitachi Energy	-8.1	-11.8	57.1
K E C Intl.	-0.8	2.6	-43.2
Kalpataru Proj.	1.0	7.5	15.5
Kirloskar Oil	-3.9	18.0	163.1
Larsen & Toubro	-0.8	1.9	12.4
Siemens	-1.2	-4.7	6.8
Siemens Ener	-7.6	-11.0	12.3
Thermax	-6.3	-3.7	32.3
Triveni Turbine	-1.0	-1.6	3.3
Zen Technologies	-1.5	3.5	-9.3
Cement			
ACC	3.2	3.2	-28.8
Ambuja Cem.	3.4	3.9	-24.7
Birla Corp.	-0.1	0.6	-28.1

Company	1 Day (%)	1M (%)	12M (%)
Dalmia Bharat	1.0	2.4	-20.1
Grasim Inds.	0.4	2.6	12.9
India Cem	0.6	0.5	12.3
J K Cements	-0.7	12.7	-13.4
JK Lakshmi Cem.	1.4	-4.6	-41.5
JSW Cement	0.2	6.0	
Shree Cement	2.1	8.0	-14.8
The Ramco Cement	0.5	10.2	-11.9
UltraTech Cem.	1.6	5.6	-5.4
Consumer	0.0	4.1	-8.1
Asian Paints	-0.2	2.8	12.6
Bikaji Foods	1.1	2.0	-10.1
Britannia Inds.	0.1	6.2	-7.2
Colgate-Palm.	-0.7	1.4	-16.3
Dabur India	-0.6	6.3	-9.6
Emami	0.8	7.5	-24.8
Godrej Consumer	0.0	9.2	-8.1
Gopal Snacks	-0.4	-5.6	-21.7
Hind. Unilever	-0.4	5.3	-4.9
Indigo Paints	-1.0	10.5	-11.3
ITC	0.0	4.7	-29.9
Jyothy Lab.	-0.9	-3.9	-43.6
L T Foods	-0.1	-0.5	-24.1
Marico	-2.0	3.4	17.6
Mrs Bectors	-2.0	3.3	-34.6
Nestle India	0.9	4.9	22.2
P & G Hygiene	0.2	-4.3	-33.2
Page Industries	-0.2	13.9	-11.1
Pidilite Inds.	-0.5	8.8	2.6
Prataap Snacks	1.0	1.5	17.1
Radico Khaitan	-2.0	12.4	50.8
Tata Consumer	0.9	-2.4	2.5
United Breweries	-0.9	0.4	-32.2
United Spirits	1.4	10.3	0.8
Varun Beverages	1.0	-3.3	14.4
Zydus Wellness	0.6	19.0	51.1
Consumer Durables	-0.3	6.0	-0.6
Blue Star	-1.0	0.2	-14.1
Crompton Gr. Con	-1.2	-0.7	-22.7
Havells	-0.5	2.1	-24.9
KEI Industries	-0.1	0.9	37.2
LG Electronics	-1.3	1.9	
Polycab India	-0.9	-0.2	40.3
R R Kabel	-2.1	8.7	68.2
Voltas	-0.8	3.7	-6.3
EMS			
Amber Enterp.	1.1	-0.3	1.9
Avalon Tech	-0.6	18.0	113.3
Cyient DLM	8.0	13.3	6.1
Data Pattern	-3.2	12.9	51.9
Dixon Technolog.	0.7	10.9	-17.4
Kaynes Tech	5.6	3.7	-46.0
Syrma SGS Tech.	-1.6	15.1	126.7



Company	1 Day (%)	1M (%)	12M (%)
Healthcare	1.7	6.9	15.9
Ajanta Pharma	-0.7	13.4	26.2
Alembic Pharma	0.7	13.8	-18.2
Alkem Lab	1.4	5.7	15.7
Apollo Hospitals	2.3	7.3	17.6
Aurobindo	3.8	12.5	40.2
Biocon	2.0	3.5	14.0
Blue Jet Health	-2.1	24.4	-36.0
Cipla	0.2	6.0	-3.3
Divis Lab	1.1	2.7	-1.7
Dr Agarwals Health	0.0	2.6	15.7
Dr Reddy's	2.1	8.8	6.4
ERIS Lifescience	-1.2	2.4	-16.7
Fortis Health	0.0	4.8	22.7
Gland Pharma	0.7	10.3	31.4
Glenmark	0.7	1.7	24.0
Global Health	0.4	12.4	13.4
Granules	1.0	5.0	70.1
GSK Pharma	-0.8	9.8	-27.5
IPCA Labs	3.5	14.4	25.7
Laurus Labs	0.9	10.6	103.3
Laxmi Dental	1.4	-2.6	-48.3
Lupin	3.2	9.5	26.7
Mankind Pharma	1.7	6.7	7.1
Max Healthcare	2.3	19.5	-11.4
Piramal Pharma	4.6	5.4	-13.1
Rubicon Research	-4.9	2.8	
Sun Pharma	1.8	6.5	13.4
Torrent Pharma	2.3	9.2	43.0
Zydus Lifesci.	3.7	5.9	14.1
Oil & Gas	0.0	-1.2	-6.4
Aegis Logistics	0.3	74.3	77.3
BPCL	-0.7	5.5	-7.0
Castrol India	0.0	0.5	-16.9
GAIL	-0.1	6.3	-9.6
Gujarat Gas			
HPCL	-0.1	3.9	-8.6
IGL	-1.2	-4.6	-29.8
IOCL	0.0	3.0	-4.3
Mahanagar Gas	-1.1	4.6	-25.0
Oil India	0.5	-14.0	-6.8
ONGC	0.8	-11.2	-2.5
PLNG	0.3	2.2	-8.3
Reliance Ind.	0.0	-0.7	-14.1
Infrastructure	0.2	2.8	0.8
G R Infraproject	-1.8	3.7	-29.6
IRB Infra.Devl.	-0.6	0.1	-13.9
KNR Construct.	-0.6	0.8	-41.2
Logistics			
Adani Ports	-0.5	3.9	31.0
Blue Dart Exp.	-1.0	3.4	-29.1
Container Corpn.	2.3	8.0	-18.1
Delhivery	-2.0	17.6	-9.2

Company	1 Day (%)	1M (%)	12M (%)
JSW Infrast	-0.4	20.6	5.9
Mahindra Logis.	2.1	12.6	24.5
TCI Express	-0.6	-1.7	-32.5
Transport Corp.	-0.1	0.5	-16.8
VRL Logistics	-0.6	0.8	-20.2
Media	-0.5	6.4	-13.6
PVR Inox	1.6	2.3	2.4
Sun TV	0.1	0.0	-12.7
Zee Ent.	-1.9	11.2	-27.0
Metals	0.8	-6.9	30.9
Hind. Zinc	1.5	-12.1	20.4
Hindalco	0.4	-16.3	37.6
Jindal Stainless	1.0	2.4	0.0
JSPL	1.0	-12.9	10.3
JSW Steel	0.5	-6.3	17.6
Midwest	-1.3	4.3	
Nalco	4.6	-20.4	80.8
NMDC	-0.2	-11.1	23.7
SAIL	1.0	-16.7	24.5
Tata Steel	1.1	-10.4	14.4
Vedanta	1.6	-14.6	63.5
Real Estate	2.2	16.8	-7.5
A B Real Estate	-1.3	12.0	-40.6
Anant Raj	3.2	1.2	1.7
Brigade Enterpr.	2.5	4.7	-34.8
DLF	2.7	16.2	-18.5
Godrej Propert.	1.4	17.1	-11.9
Kolte Patil Dev.	-1.3	0.1	-23.5
Macrotech Devel.	5.0	20.2	-22.8
Mahindra Life.	-0.7	10.4	2.6
Oberoi Realty Ltd	3.7	18.1	3.4
Phoenix Mills	1.7	19.7	35.4
Prestige Estates	-0.3	24.0	4.2
SignatureGlobal	-0.8	-7.5	-38.7
Sobha	0.6	4.4	-4.6
Sri Lotus	-0.9	8.4	
Sunteck Realty	0.1	17.5	-25.1
Retail			
A B Lifestyle	-0.2	-0.2	-37.0
Aditya Bir. Fas.	1.0	3.2	-18.4
Arvind Fashions	-0.9	-1.5	2.7
Avenue Super.	-4.6	-4.2	-8.1
Bata India	-0.3	4.6	-43.4
Campus Activewe.	0.4	-7.5	-13.2
Devyani Intl.	-0.1	0.7	-31.7
Go Fashion (I)	-0.1	-4.5	-60.0
Jubilant Food	-0.5	-0.6	-39.2
Kalyan Jewellers	-1.6	8.2	-34.5
Lenskart Solut.	0.5	3.3	
Metro Brands	1.2	0.2	-8.7
P N Gadgil Jewe.	1.6	3.1	-4.8
Raymond Lifestyl	-0.9	4.7	-37.6
Relaxo Footwear	-1.4	4.5	-12.9



Company	1 Day (%)	1M (%)	12M (%)
Restaurant Brand	-2.4	11.3	-8.2
Sapphire Foods	0.7	5.6	-41.9
Senco Gold	-1.7	-5.1	-4.8
Shoppers St.	-1.1	-4.0	-30.8
Titan Co.	-0.4	9.1	21.3
Trent	0.7	17.7	-19.1
United Foodbrands	5.0	48.8	124.0
Vedant Fashions	-1.8	0.5	-50.0
Vishal Mega Mart	-0.7	0.2	-7.1
V-Mart Retail	1.0	16.5	0.1
Westlife Food	0.0	18.3	-33.2
Technology	1.8	-6.6	-29.4
Coforge	1.5	3.0	-24.5
Cyient	1.2	-1.8	-31.4
HCL Tech.	5.6	-3.4	-33.5
Hexaware Tech.	-1.5	1.7	-37.1
Infosys	0.6	-14.3	-35.3
KPIT Technologi.	0.0	-27.8	-55.7
L&T Technology	1.5	-2.6	-25.8
LTM	2.1	-7.3	-29.4
Mphasis	2.3	0.4	-20.3
Persistent Sys	2.2	-8.1	-21.3
Tata Elxsi	0.2	-15.4	-40.8
Tata Technolog.	0.4	-2.1	1.3
TCS	1.2	-6.6	-38.4
Tech Mah	-0.8	-4.2	-15.7
Wipro	1.2	-13.7	-34.1
Zensar Tech	10.4	1.2	-39.5
Telecom	0.8	-0.7	14.5
Bharti Airtel	1.9	4.7	-5.4
Bharti Hexacom	0.9	-2.8	-24.6
Idea Cellular	-1.6	-4.0	90.3
Indus Towers	-0.1	-10.7	-10.0
Tata Comm	-1.6	-1.4	7.2
Textiles			
Arvind Ltd	0.2	17.3	63.3
Gokaldas Exports	-2.0	21.9	-7.2
Indo Count Inds.	-3.3	23.7	46.9
K P R Mill Ltd	0.3	9.1	3.0
Pearl Global Ind	-2.9	23.2	31.2
Trident	-0.3	10.7	-13.3
Vardhman Textile	1.3	7.4	33.5
Welspun Living	2.5	17.4	20.7
Utilities	-2.4	-3.2	14.6
ACME Solar Hold.	-2.5	16.5	53.5
Coal India	0.0	-7.1	13.5
Indian Energy Ex	0.4	0.5	-37.3
Inox Wind	-2.2	6.0	-49.5
JSW Energy	-2.7	-5.2	7.8
NTPC	-0.5	-2.8	6.5
Power Grid Corpn	-0.1	1.0	-2.0
Premier Energies	-0.3	-3.9	-0.6
Suzlon Energy	-1.4	4.5	-12.9

Company	1 Day (%)	1M (%)	12M (%)
Tata Power Co.	-0.3	-8.9	-6.2
Waaree Energies	-0.7	-7.3	-4.5
Others			
APL Apollo Tubes	0.0	-1.0	3.4
Astral	1.6	-9.9	-7.2
Cello World	-0.6	-3.5	-40.9
Century Plyboard	3.6	4.0	6.4
Cera Sanitary.	-0.2	15.8	-4.5
Coromandel Intl	1.3	16.5	-9.0
EPL Ltd	2.7	12.4	-1.5
Eternal Ltd	0.7	14.0	8.0
FSN E-Commerce	-1.2	15.2	53.4
Fujiyama Power	-1.5	2.1	
GNG Electronics	-5.0	45.6	
Godrej Agrovet	0.9	-3.0	-29.0
Gravita India	2.2	6.1	-6.5
Indegene	-1.2	-2.2	-10.2
Indiamart Inter.	-0.9	-5.1	-27.2
Indian Hotels	1.1	11.0	-2.6
Info Edge	0.8	2.8	-28.4
Interglobe	-0.3	20.3	-5.9
Inventurus Knowl	1.3	9.1	13.5
Jain Resource	1.7	2.6	
Kajaria Ceramics	-0.1	8.3	5.4
Le Travenues	2.4	44.9	29.9
Lemon Tree Hotel	0.0	7.6	-13.8
MTAR Tech	-5.0	-5.8	343.9
One 97	0.7	14.9	32.0
Prince Pipes	-0.6	2.0	-23.9
Quess Corp	1.9	36.9	-8.0
Safari Inds.	-0.9	3.2	-25.3
Sagility	-0.7	2.1	-3.3
SBI Cards	-0.1	1.2	-33.8
Shaily Engineer.	-1.3	-5.5	76.5
SIS	0.3	1.8	15.6
Supreme Inds.	-1.4	-9.6	-24.2
Swiggy	-0.3	-1.4	-35.7
TBO Tek	-0.3	27.5	7.5
Team Lease Serv.	-3.1	3.2	-29.9
Time Technoplast	-1.4	5.7	-18.8
Updater Services	2.6	7.3	-32.9
UPL	3.2	-6.0	-11.2
Urban Company	0.0	6.7	
V I P Inds.	-1.8	-7.2	-25.3
Va Tech Wabag	-5.0	33.6	46.3
Ventive Hospitality	0.0	-1.3	-7.8
Yatra Online	0.6	21.3	37.8

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

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