

## Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	81,463	-0.9	4.3
Nifty-50	24,837	-0.9	5.0
Nifty-M 100	58,009	-1.6	1.4
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	6,389	0.40	8.6
Nasdaq	21,108	0.24	9.3
FTSE 100	9,120	-0.2	11.6
DAX	24,218	-0.3	21.6
Hang Seng	9,150	-1.2	25.5
Nikkei 225	41,456	-0.9	3.9
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	71	0.0	-4.6
Gold (\$/OZ)	3,343	-0.7	27.4
Cu (US\$/MT)	9,770	-0.6	12.9
Almn (US\$/MT)	2,636	-0.5	4.3
Currency	Close	Chg .%	CYTD.%
USD/INR	86.5	0.1	1.1
USD/EUR	1.2	-0.2	13.4
USD/JPY	147.8	0.6	-6.1
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.4	0.03	-0.4
10 Yrs AAA Corp	7.2	0.00	0.0
Flows (USD b)	25-Jul	MTD	CYTD
FII's	-0.2	-1.08	-9.0
DII's	0.25	4.87	46.1
Volumes (INRb)	25-Jul	MTD*	YTD*
Cash	1,041	1020	1074
F&O	1,31,697	2,09,502	2,10,648

Note: Flows, MTD includes provisional numbers.

\*Average



## Today's top research idea

### Shriram Finance: Elevated surplus liquidity impacts NIM again; credit costs benign

- ❖ SHFL reported an operationally weak quarter, with disbursement volumes weaker than expected. NIM continued to contract due to elevated surplus liquidity, while the increase in Stage 2 (despite stable Stage 3) suggests ongoing forward flows. However, a key positive was the benign credit costs (which were at an eight-quarter low). Though currently weighed down by surplus liquidity, NIM is expected to revert to previous levels and expand further as liquidity normalizes over the coming quarters.
- ❖ Management indicated that demand in rural areas remains healthy, with segments such as used CVs and MSME continuing to perform well and showing no significant stress, particularly in rural and semi-urban regions
- ❖ The current valuation of ~1.6x FY27E P/BV is attractive for ~17% PAT CAGR over FY25-27E and RoA/RoE of ~3.2%/ 16% in FY27E. Reiterate BUY with a TP of INR780 (based on 2x FY27E BVPS).



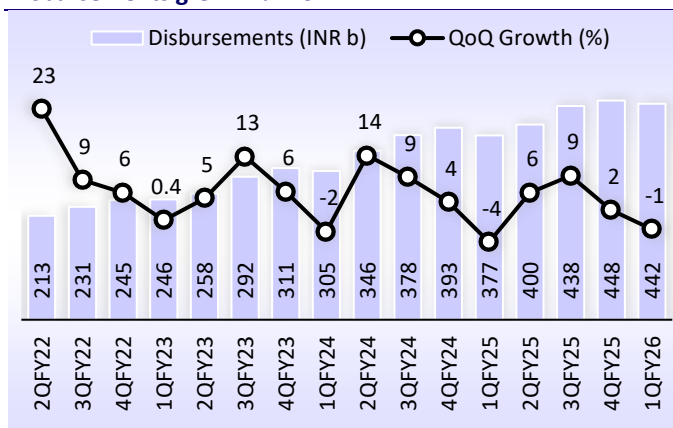
## Research covered

Cos/Sector	Key Highlights
Shriram Finance	Elevated surplus liquidity impacts NIM again; credit costs benign
V-Mart Retail	Strong beat on profitability; Upgrade to Buy
Kotak Mahindra Bank	Asset quality stress dents earnings
Other Updates	Titan Company   Bank of Baroda   Cipla   SBI Cards   Coromandel Inter   IDFC First Bank   Hexaware Tech.   Mphasis   Laurus Labs   Poonawalla Fin   Tata Chemicals   KFin Technolog.   Sobha   Indian Energy Exchange   Automobiles   Lodha Developers   SAIL   Balkrishna Industries   Petronet LNG   C D S L   ACME Solar Holdings   Zen Technologies   HomeFirst Finance   Mahindra Lifespace



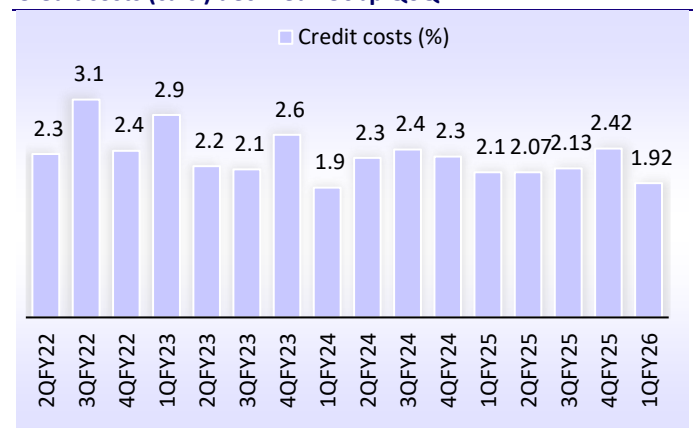
## Chart of the Day: Shriram Finance (Elevated surplus liquidity impacts NIM again)

### Disbursements grew 11% YoY...



Source: MOFSL, Company

### Credit costs (calc.) declined ~50bp QoQ



Source: MOFSL, Company

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

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



Kindly click on textbox for the detailed news link

**1**

**With new energy, JSW Group gets ready to disrupt EV market**

JSW Group is entering the passenger car market with JSW Motors, investing up to \$3 billion in new energy vehicles over five years. CEO Ranjan Nayak revealed plans for electric, hybrid, and plug-in hybrid vehicles under the JSW brand, launching in FY26.

**2**

**Adani Energy eyes 10x rise in commercial, industrial biz**

Adani Energy Solutions (AESL) aims to aggressively scale its commercial and industrial (C&I) segment tenfold over the next five years, targeting 7,000 MW aggregate load demand by offering customized green energy and reliable power solutions.

**3**

**Bank of Baroda, Canara Bank let go of ₹54,000 crore loans for margin safety**

Bank of Baroda and Canara Bank reduced their corporate loan portfolios by ₹54,000 crore in the June quarter to protect net interest margins amidst repo rate cuts. Public sector undertakings sought further rate revisions, prompting the banks to prioritize profitability over retaining these loans.

**4**

**IndiGo's insurance premium likely to rise, in single digits**

IndiGo Airlines may see a rise in aviation insurance costs. This follows a recent Air India accident and a tougher reinsurance market. SpiceJet's policy renewal is also coming up. Reinsurers are increasing prices due to global aviation losses. London reinsurers are reducing capacity and raising rates.

**5**

**Amid FDI slump, focus turns on chemical, leather and electronics**

The government is actively working to attract more foreign direct investment (FDI) into sectors like chemicals, ESDM, leather, and footwear, collaborating with states to diversify supply chains. This push comes amid a drop in FDI equity inflows, with a focus on achieving an annual target of \$100 billion.

**6**

**Supreme Infrastructure sets Rs 2,200 crore debt resolution in motion**

Supreme Infrastructure India (SIIL) has successfully executed a court-approved resolution plan, settling ₹2,200 crore debt with 13 lenders. The company repaid ₹387.92 crore through asset monetization and equity issuance, as per the NCLT-approved scheme.

**7**

**Supertech homebuyers seek CJI, PM intervention to let NBCC complete projects**

Homebuyers of 16 stalled Supertech projects have appealed to the Chief Justice of India and Prime Minister Modi, urging them to assign the projects to NBCC instead of Apex Group. They seek the removal of a stay on an NCLAT order that favored NBCC, citing concerns...

# Shriram Finance

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	SHFL IN
Equity Shares (m)	1881
M.Cap.(INRb)/(USD\$)	1158.3 / 13.4
52-Week Range (INR)	730 / 493
1, 6, 12 Rel. Per (%)	-7/10/15
12M Avg Val (INR M)	4307

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	234	270	318
PPOP	163	186	222
PAT	82.7	93.8	112.7
EPS (INR)	44	50	60
EPS Gr. (%)	15	13	20
Standalone BV (INR)	299	341	389

## Valuations

NIM on AUM (%)	8.2	8.0	8.4
C/I ratio (%)	30.5	31.1	30.2
RoAA (%)	3.1	3.0	3.2
RoE (%)	15.8	15.6	16.4
Div. Payout (%)	22.5	22.7	22.5

## Valuations

P/E (x)	14.0	12.3	10.3
P/BV (x)	2.1	1.8	1.6
Div. Yield (%)	1.6	1.8	2.2

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	25.4	25.4	25.4
DII	16.3	15.3	15.2
FII	52.6	53.6	54.3
Others	5.7	5.7	5.1

FII Includes depository receipts

**CMP: INR616 TP: INR780 (+27%) Buy**

## Elevated surplus liquidity impacts NIM again; credit costs benign

### Earnings in line; NIM contracted ~15bp QoQ; increased slippages into Stage 2

- Shriram Finance's (SHFL) 1QFY26 PAT rose ~9% YoY to ~INR21.6b (in line). NII in 1QFY26 grew ~10% YoY to INR57.7b (in line). Credit costs were benign at ~INR12.9b (~18% lower than MOFSLe) and translated into annualized credit costs of ~1.9% (PQ: 2.4% and PY: 2.1%). PPOP grew ~9% YoY to ~INR41.9b (in line).
- Other income grew ~57% YoY to INR3.7b, driven by higher investment income of INR1.3b. Opex rose ~21% YoY to INR19.5b (~5% higher than MOFSLe), due to higher employee expenses driven by annual increments and incentives.
- Yields (calc.) were stable QoQ at 16.7%, while CoB declined ~8bp QoQ to 9.05%, resulting in spreads increasing by ~10bp QoQ to ~7.65%. Reported NIM contracted ~15bp QoQ to ~8.1%, primarily due to elevated surplus liquidity on the balance sheet, driven by strong mobilization of retail deposits during the quarter. Current surplus liquidity stood at ~INR280b (five months of debt repayments); however, it is expected to gradually reduce and normalize to ~INR18b (three months of debt repayments) over the next two to three quarters.
- AUM stood at INR2.63t, growing 16.6% YoY/3.4% QoQ. **Management indicated that demand in rural areas remains healthy, with segments such as used CVs and MSME continuing to perform well and showing no significant stress, particularly in rural and semi-urban regions.** Although demand was slightly soft during the quarter due to seasonal factors (such as early monsoons), it is expected to improve going forward, driven by a recovery in rural markets.
- Asset quality (GS3) remained broadly stable during the quarter, with net slippages well contained and credit costs exhibiting sequential moderation. While there was a slight increase (of ~40bp QoQ) in Stage 2, management attributed it to seasonality and the early onset of monsoon and was confident of rolling them back in the next quarter.
- SHFL has positioned itself to capitalize on its diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. The company has yet to fully utilize its distribution network for non-vehicle products. SHFL is our [Top Idea \(refer to the report\)](#) in the NBFC sector for CY25, as we find its valuations of 1.6x FY27E P/BV attractive, given its strong franchise and the potential to deliver a ~16%/~17% AUM/PAT CAGR over FY25-27E, along with an RoA/RoE of ~3.2%/16% by FY27. **Reiterate BUY with a TP of INR780 (premised on 2x FY27E BVPS).**

### Asset quality broadly stable; stage 2 rises ~40bp QoQ

- GS3 was largely stable QoQ at 4.55%, while NS3 improved 5bp QoQ to 2.6%. Net slippages were higher YoY and stood at INR9b (PY: INR8b and PQ: INR14b). PCR on Stage 3 rose ~1pp QoQ to ~44%. (PQ: ~43%). PCR on Stage 1 was stable QoQ at 3.5%, while on Stage 2, it rose 30bp QoQ to ~8.3%.
- Stage 2 assets rose ~40bp QoQ to 7.3%. (PQ: 6.9% and PY: 6.7%).
- Management guided for credit costs (as % of assets) of <2% for FY26, and we estimate credit costs of ~1.95%/2.0% (as % of assets) in FY26/FY27.

### Potential NIM expansion on liquidity normalization and lower CoB

- Management indicated that it plans to reduce ~INR100b of excess liquidity on its balance sheet over the next 2 to 3 quarters. Normalization in surplus liquidity and a decline in the overall cost of borrowings (where incremental CoF was down ~40bp QoQ) are expected to result in NIM expansion in subsequent quarters.
- SHFL is well-positioned to benefit from a declining interest rate environment, and we model NIMs of 8.0%/8.4% (as % of total assets) in FY26/FY27

### Highlights from the management commentary

- MSME loans are now offered across two-thirds of the branch network, with plans to extend coverage to the remaining branches over time. Within the MSME segment, lending is primarily focused on trading and services businesses such as wholesalers and shopkeepers. Notably, the company does not have any exposure to the manufacturing segment within MSME. SHFL's MSME asset quality remains strong with no visible signs of stress.
- Management highlighted that LCVs, which underperformed last year amid a weak rural economy, are expected to witness stronger growth than SCVs going forward, driven by an improvement in rural activity. Meanwhile, trucking activity continues to remain healthy, supported by stable freight rates and no excess capacity in the market.

### Valuation and view

- SHFL reported an operationally weak quarter, with disbursement volumes weaker than expected. NIM continued to contract due to elevated surplus liquidity, while the increase in Stage 2 (despite stable Stage 3) suggests ongoing forward flows. However, a key positive was the benign credit costs (which were at an eight-quarter low). Though currently weighed down by surplus liquidity, NIM is expected to revert to previous levels and expand further as liquidity normalizes over the coming quarters.
- SHFL is effectively leveraging cross-selling opportunities to reach new customers and introduce new products, which will lead to improved operating metrics and a solid foundation for sustainable growth. The current valuation of ~1.6x FY27E P/BV is attractive for ~17% PAT CAGR over FY25-27E and RoA/RoE of ~3.2%/16% in FY27E. **Reiterate BUY with a TP of INR780 (based on 2x FY27E BVPS).**

## Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26	1Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	93,628	98,145	1,03,408	1,07,895	1,11,732	1,15,643	1,20,153	1,24,515	4,03,076	4,72,043	1,11,617	0
Interest Expenses	41,289	43,504	47,513	52,240	54,008	55,034	55,749	56,276	1,84,546	2,21,066	53,389	1
<b>Net Interest Income</b>	<b>52,339</b>	<b>54,641</b>	<b>55,896</b>	<b>55,655</b>	<b>57,725</b>	<b>60,609</b>	<b>64,404</b>	<b>68,240</b>	<b>2,18,531</b>	<b>2,50,977</b>	<b>58,228</b>	-1
YoY Growth (%)	24.6	18.9	13.8	9.4	10.3	10.9	15.2	22.6	16.3	14.8	11.3	
Other Income	2,343	2,805	3,646	6,707	3,685	4,011	4,436	6,923	15,518	19,056	3,721	-1
<b>Total Income</b>	<b>54,682</b>	<b>57,446</b>	<b>59,542</b>	<b>62,363</b>	<b>61,410</b>	<b>64,620</b>	<b>68,840</b>	<b>75,163</b>	<b>2,34,049</b>	<b>2,70,033</b>	<b>61,949</b>	-1
YoY Growth (%)	21.1	16.2	14.1	13.2	12.3	12.5	15.6	20.5	15.9	15.4	13.3	
Operating Expenses	16,140	17,597	18,692	19,010	19,486	20,413	21,496	22,501	71,440	83,896	18,561	5
<b>Operating Profit</b>	<b>38,541</b>	<b>39,848</b>	<b>40,850</b>	<b>43,353</b>	<b>41,924</b>	<b>44,207</b>	<b>47,344</b>	<b>52,662</b>	<b>1,62,609</b>	<b>1,86,137</b>	<b>43,388</b>	-3
YoY Growth (%)	23.3	14.5	10.7	11.0	8.8	10.9	15.9	21.5	14.5	14.5	12.6	
Provisions & Loan Losses	11,876	12,350	13,258	15,633	12,857	14,761	16,157	17,022	53,117	60,797	15,740	-18
<b>Profit before Tax</b>	<b>26,666</b>	<b>27,498</b>	<b>27,592</b>	<b>27,720</b>	<b>29,067</b>	<b>29,446</b>	<b>31,187</b>	<b>35,639</b>	<b>1,09,493</b>	<b>1,25,340</b>	<b>27,648</b>	5
Tax Provisions	6,860	6,803	6,788	6,326	7,510	7,303	7,797	8,976	26,776	31,586	6,967	8
<b>Net Profit</b>	<b>19,806</b>	<b>20,696</b>	<b>20,804</b>	<b>21,394</b>	<b>21,557</b>	<b>22,144</b>	<b>23,390</b>	<b>26,663</b>	<b>82,716</b>	<b>93,754</b>	<b>20,681</b>	4
YoY Growth (%)	18.2	18.2	14.4	9.9	8.8	7.0	12.4	24.6	15.0	13.3	4.4	
Exceptional gain (Post tax)			14,894						14,894			
<b>PAT (including exceptional gains/loss)</b>			<b>35,698</b>						<b>97,610</b>			
<b>Key Parameters (Calc., %)</b>												
Yield on loans	16.3	16.5	16.6	16.7	16.7	16.7	16.7	16.6				
Cost of funds	8.7	8.7	8.8	9.1	9.06	9.0	8.8	8.7				
Spread	7.6	7.8	7.8	7.5	7.6	7.7	7.8	7.9				
NIM	9.1	9.2	9.0	8.60	8.62	8.7	8.9	9.1				
C/I ratio	29.5	30.6	31.4	30.5	31.7	31.6	31.2	29.9				
Credit cost	2.1	2.1	2.1	2.4	1.9	2.1	2.2	2.3				
Tax rate	25.7	24.7	24.6	22.8	25.8	24.8	25.0	25.2				
<b>Balance Sheet Parameters</b>												
<b>Disbursements (INR b)</b>	<b>377</b>	<b>400</b>	<b>438</b>	<b>448</b>	<b>418</b>	<b>456</b>	<b>500</b>	<b>512</b>				
Growth (%)	23.8	15.5	15.8	14.0	10.9	14.0	14.2	14.1				
<b>AUM (INR b)</b>	<b>2,334</b>	<b>2,430</b>	<b>2,545</b>	<b>2,632</b>	<b>2,722</b>	<b>2,822</b>	<b>2,949</b>	<b>3,053</b>				
Growth (%)	20.8	19.9	18.8	17.0	16.6	16.1	15.9	16.0				
<b>Borrowings (INR b)</b>	<b>1,917</b>	<b>2,078</b>	<b>2,235</b>	<b>2,342</b>	<b>2,429</b>	<b>2,483</b>	<b>2,566</b>	<b>2,626</b>				
Growth (%)	18.4	25.7	25.9	26.0	26.7	19.5	14.8	12.1				
<b>Asset Quality Parameters</b>												
GS 3 (INR B)	124.1	127.6	135.2	118.4	122.0							
GS 3 (%)	5.4	5.3	5.4	4.55	4.53							
NS 3 (INR B)	60.6	61.7	65.4	67.14	67.93							
NS 3 (%)	2.7	2.6	2.7	2.64	2.57							
PCR (%)	51.1	51.7	51.6	43.28	44.31							

E: MOFSL estimates



# V-Mart Retail

Estimate change



TP change



Rating change



Bloomberg	VMART IN
Equity Shares (m)	79
M.Cap.(INRb)/(USD\$)	63.8 / 0.7
52-Week Range (INR)	1130 / 675
1, 6, 12 Rel. Per (%)	-7/0/-7
12M Avg Val (INR M)	156

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	37.9	44.1	51.1
EBITDA	4.9	6.1	7.4
NP	1.1	1.8	2.6
EBITDA Margin (%)	13.0	13.8	14.5
Adj. EPS (INR)	13.4	22.5	32.6
EPS Gr. (%)	NM	NM	NM
BV/Sh. (INR)	115.5	137.9	170.6

## Ratios

Net D:E	0.8	0.5	0.3
RoE (%)	12.3	17.7	21.2
RoCE (%)	10.2	13.5	16.0
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	60.0	35.7	24.6
EV/EBITDA (x)	14.4	11.4	9.1
EV/Sales (x)	1.7	1.4	1.2
Div. Yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	44.2	44.3	44.3
DII	31.5	32.9	32.6
FII	18.3	17.5	15.5
Others	6.0	5.3	7.6

FII Includes depository receipts

**CMP: INR804**
**TP: INR1,035 (+29%)**
**Upgrade to Buy**

## Strong beat on profitability

- V-Mart Retail's (VMART) revenue grew 13% YoY in 1QFY26, led by 14% store additions as SSSG was muted at 1% due to the shift of Eid to 4QFY25.
- EBITDA rose ~28% YoY (15% beat), driven by lower inventory provisioning and reduced A&P spends. EBITDA margins jumped to 14.3% (up 165bp).
- Management continues to target 12-15% net store additions and mid-to-high single-digit SSSG, with consistent improvement in profitability driven by disciplined cost controls across segments.
- We raise our FY26/27E EBITDA by ~2% each, driven by stronger margin performance in the core VMART format. We model a CAGR of 16%/25% in revenue/EBITDA over FY25-28E, driven by ~12% CAGR in store additions, mid-single-digit SSSG, and further reduction in LR losses.
- The recent correction (VMART -9% in the last 1M, -20% YTD), along with improved profitability, makes its valuations attractive (~19x Sep'27 pre-INDAS 116 EBITDA). **We upgrade VMART to BUY** with unchanged ~13x Sep'27E EV/EBITDA (implies 25x pre-IND AS 116 EBITDA) to arrive at our **revised TP of INR1,035**.

## EBITDA +28% YoY; big beat on margins due to lower LR losses

- Revenue grew 13% YoY to INR8.9b, driven by 1% blended SSSG and ~14% YoY store additions.
- VMART opened 15 new stores (10 in VMART and five in Unlimited) and closed two stores (one each in VMART and Unlimited), taking the total store count to 510 stores (VMART 421 and Unlimited 89).
- Blended SSSG moderation was driven by the shift of Eid to 4QFY25. Normalized for the same, SSSG would have been ~5%.
- Gross profit grew 13% YoY at INR3.1b (2% above), as gross margin expanded 10bp YoY to 35.3% (55bp beat).
- Other expenses declined 3% YoY to INR912m (10% below our estimate), driven by ~100bp YoY decline in A&P spends and reduction in LR losses.
- Reported EBITDA stood at INR1.3m (+28% YoY, 15% beat) with margins improving 165bp YoY to 14.3% (185bp beat). **Pre-IND AS EBITDA grew 40% YoY to INR0.6b, with margin expanding 130bp YoY to 6.9%.**
- Depreciation increased 20% due to a change in lease accounting, while interest cost declined ~51% YoY.
- VMART reported PAT of INR336m (vs. our estimate of INR257m), led by higher EBITDA and lower finance costs.

## Segmental performance

- VMART (core):** Revenue **grew 14% YoY** to INR7.4b, driven by nine net store additions (up 14% YoY) and ~1% SSSG. Reported monthly SPSF was stable YoY at INR748. EBITDA **grew 22% YoY** to INR1.06b, as margin expanded ~100bp YoY to 14.4%, driven by gross margin expansion of 90bp.

- **Unlimited:** Revenue grew **11% YoY** to INR1.4b, driven by four net store additions (up 14% YoY) and ~1% SSSG. Reported monthly SPSF grew ~5% YoY to INR603. EBITDA **rose 9% YoY to INR245m**, despite margins contracting ~30bp YoY to 17.7% due to gross margin contraction of ~70bp.
- **LimeRoad (LR):** Commission income declined ~47% YoY to INR62m, while operating loss reduced ~55% YoY to INR46m (vs. INR68m QoQ, INR103m YoY), driven by a further reduction in advertisement spends.

#### Higher footfalls and volume drive growth as ASP moderates in Unlimited

- Overall footfalls grew ~11% YoY to 20m, with conversions improving ~100bp YoY to 48%.
- Report monthly SPSF stood at INR716 vs INR711 in 1QFY25.
- Blended ASP declined ~1% YoY to INR218, driven by pricing rejig in Unlimited (-6% YoY to INR396). Overall sales volume grew ~14% YoY.
- Blended ATV declined ~3% YoY to INR1,004, driven by 3%/5% YoY decline for VMART/Unlimited. Overall transactions grew ~16% YoY.

#### Highlights from the management commentary

- **Demand trends:** Demand was slightly impacted by the shift of Eid to 4QFY25, border tensions in the Northern region, and early monsoon. Overall, demand sentiment is mildly positive, but few headwinds persist in East India, where cross-border demand from Bangladesh has weakened. In contrast, North India (states such as Rajasthan and Uttarakhand) saw robust growth.
- **Demand outlook:** Demand was slightly soft in July but is likely to pick up with the onset of the festive season from August. Additionally, with inflation in check and better monsoons, rural consumption should pick up. Competition from national as well as regional value retailers is rising, driven by higher store openings. However, this is also leading to higher footfalls for organized value retailers. VMART continues to focus on driving profitable growth.
- **Guidance:** Management reiterated its target of 12-15% net store area additions (~65 stores) and mid-to-high single-digit SSSG in FY26. Emphasis remains on increasing fashion content, maintaining tight inventory control, and adopting selective marketing to improve overall profitability.
- **Margins:** Margins in 1QFY26 were impacted by lower SSSG, which is likely to see a pick-up in 2Q-3Q. Overall, VMART is targeting a higher absolute margin, driven by volume-led growth for FY26.

#### Valuation and view

- The improved productivity of VMART/Unlimited stores, the closure of non-performing stores, and lower losses in the online segment have led to an improvement in VMART's overall profitability.
- VMART remains a key beneficiary of the unorganized-to-organized retail shift and the massive growth opportunity in value fashion.
- However, with aggressive store expansion by many value retailers, rising competition in value retail remains a key watch.
- We raise our FY26/27E EBITDA by ~2% each, driven by stronger margin performance in the core VMART format. We model a CAGR of 16%/25% in revenue/EBITDA over FY25-28E, driven by ~12% CAGR in store additions, mid-single-digit SSSG, and further reduction in LR losses.
- Recent correction (VMART -9% in the last 1M, -20% YTD), along with improved profitability, makes its valuations attractive (~19x Sep'27 pre-INDAS 116 EBITDA). **We upgrade VMART to BUY** with unchanged ~13x Sep'27E EV/EBITDA (implies 25x pre-IND AS 116 EBITDA) to arrive at our **revised TP of INR1,035**.

## Consol. Quarterly Earning Model

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY25	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
<b>Revenue</b>	<b>7,861</b>	<b>6,610</b>	<b>10,267</b>	<b>7,801</b>	<b>8,852</b>	<b>7,805</b>	<b>12,132</b>	<b>9,235</b>	<b>32,539</b>	<b>37,949</b>	<b>8,850</b>	<b>0</b>
YoY Change (%)	15.9	20.3	15.5	16.7	12.6	18.1	18.2	18.4	16.8	16.6	-46.9	
Total Expenditure	6,871	6,224	8,554	7,119	7,591	7,184	9,968	8,289	28,768	33,024	7,751	-2
<b>EBITDA</b>	<b>990</b>	<b>386</b>	<b>1,714</b>	<b>681</b>	<b>1,262</b>	<b>622</b>	<b>2,164</b>	<b>946</b>	<b>3,771</b>	<b>4,925</b>	<b>1,099</b>	<b>15</b>
EBITDA Margin (%)	12.6	5.8	16.7	8.7	14.3	8.0	17.8	10.2	11.6	13.0	12.4	
Depreciation	568	592	626	544	679	700	700	-79	2,330	2,837	489	39
Interest	375	391	424	174	182	333	361	498	1,365	818	319	-43
Other Income	46	18	34	23	29	23	45	63	121	150	51	-43
<b>PBT</b>	<b>93</b>	<b>-580</b>	<b>697</b>	<b>-13</b>	<b>429</b>	<b>-387</b>	<b>1,149</b>	<b>590</b>	<b>198</b>	<b>1,419</b>	<b>343</b>	<b>25</b>
Tax	<b>93</b>	<b>-580</b>	<b>697</b>	<b>229</b>	<b>429</b>	<b>-387</b>	<b>1,149</b>	<b>590</b>	<b>198</b>	<b>1,419</b>	<b>343</b>	<b>25</b>
Rate (%)	-28	-15	-19	44	93	-97	287	161	-18	357	86	
<b>Reported PAT</b>	<b>-30.3</b>	<b>2.6</b>	<b>-2.7</b>	<b>19.1</b>	<b>21.8</b>	<b>25.0</b>	<b>25.0</b>	<b>27.4</b>	<b>-9.2</b>	<b>129.3</b>	<b>25.0</b>	
<b>Adj PAT</b>	<b>121</b>	<b>-565</b>	<b>716</b>	<b>185</b>	<b>336</b>	<b>-290</b>	<b>862</b>	<b>429</b>	<b>458</b>	<b>1,062</b>	<b>257</b>	<b>31</b>
YoY Change (%)	<b>121</b>	<b>-565</b>	<b>716</b>	<b>-57</b>	<b>336</b>	<b>-290</b>	<b>862</b>	<b>429</b>	<b>216</b>	<b>1,062</b>	<b>257</b>	<b>31</b>

E: MOFSL Estimates

## Valuation based on Sep'27E EBITDA

	Methodology	Driver (INR m)	Multiple	Fair Value (INR m)	Value/sh (INR)
EBITDA	Sep'27 EV/EBITDA	6,745	13	88,432	1,114
Less net debt				6,299	79
<b>Total Value</b>				<b>82,133</b>	<b>1,035</b>
Shares o/s (m)				79.4	
CMP (INR)					803
<b>Upside (%)</b>					<b>28.9</b>

Source: MOFSL, Company

## Quarterly performance

P&L (INR m)	1QFY25	4QFY25	1QFY26	YoY%	QoQ%	1QFY26E	v/s est (%)
<b>Revenue</b>	<b>7,861</b>	<b>7,801</b>	<b>8,852</b>	<b>12.6</b>	<b>13.5</b>	<b>8,850</b>	<b>0.0</b>
Raw Material cost	5,094	5,219	5,729	12.5	9.8	5,776	-0.8
<b>Gross Profit</b>	<b>2,767</b>	<b>2,582</b>	<b>3,124</b>	<b>12.9</b>	<b>21.0</b>	<b>3,074</b>	<b>1.6</b>
<b>Gross Margin (%)</b>	<b>35.2</b>	<b>33.1</b>	<b>35.3</b>	<b>9bps</b>	<b>219bps</b>	<b>34.7</b>	<b>55bps</b>
Employee Costs	841	974	950	13.0	-2.5	963	-1.3
Other Expenses	937	926	912	-2.6	-1.5	1,012	-9.9
<b>EBITDA</b>	<b>990</b>	<b>681</b>	<b>1,262</b>	<b>27.5</b>	<b>85.2</b>	<b>1,099</b>	<b>14.8</b>
<b>EBITDA margin (%)</b>	<b>12.6</b>	<b>8.7</b>	<b>14.3</b>	<b>166bps</b>	<b>552bps</b>	<b>12.4</b>	<b>183bps</b>
Depreciation and amortization	568	544	679	19.6	24.9	489	38.8
EBIT	422	138	583	38.1	NM	610	4.5
<b>EBIT margin (%)</b>	<b>5.4</b>	<b>1.8</b>	<b>6.6</b>	<b>122bps</b>	<b>481bps</b>	<b>6.9</b>	<b>-32bps</b>
Finance Costs	375	174	182	-51.3	4.8	319	-42.8
Other income	46	23	29	-36.9	25.8	51	-42.6
Exceptional item	0	-242	0	0.0	0.0	0	NM
<b>Profit before Tax</b>	<b>93</b>	<b>229</b>	<b>429</b>	<b>360.7</b>	<b>87.6</b>	<b>343</b>	<b>25.3</b>
Tax	-28	44	93	-431.2	113.2	86	
<b>Tax rate (%)</b>	<b>-30.3</b>	<b>19.1</b>	<b>21.8</b>	<b>5201bps</b>	<b>262bps</b>	<b>25.0</b>	
<b>Profit after Tax</b>	<b>121</b>	<b>185</b>	<b>336</b>	<b>176.8</b>	<b>81.5</b>	<b>257</b>	<b>30.8</b>

Source: MOFSL, Company



# Kotak Mahindra Bank

Estimate change

TP change

Rating change



Bloomberg	KMB IN
Equity Shares (m)	1988
M.Cap.(INRb)/(USDb)	4224.5 / 48.8
52-Week Range (INR)	2302 / 1679
1, 6, 12 Rel. Per (%)	-2/5/18
12M Avg Val (INR M)	8270

## Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	283.4	309.5	367.8
OP	245.3	227.5	272.7
NP	164.5	147.8	177.9
Cons. NP	221.3	209.3	252.9
NIM (%)	4.8	4.6	4.7
EPS (INR)	82.7	74.3	89.5
EPS Gr. (%)	19.3	(10.2)	20.4
ABV. (INR)	568	602	686
Cons. BV. (INR)	792	869	995

## Ratios

RoA (%)	2.5	2.0	2.1
RoE (%)	15.4	12.2	13.4
Cons. RoE (%)	14.1	12.1	12.8

## Valuations

P/BV (X) (Cons.)	2.7	2.4	2.1
P/ABV (X) (Adj)	2.4	2.3	2.0
P/E(X) (Adj)	16.4	18.3	15.2

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	25.9	25.9	25.9
DII	31.3	30.8	29.4
FII	30.7	31.0	31.5
Others	12.2	12.3	13.2

FII includes depository receipts

**CMP: INR2,125**

**TP: INR2,400 (+13%)**

**Buy**

## Asset quality stress dents earnings

### Advances growth healthy; NIM moderates sharply by 32bp QoQ

- Kotak Mahindra Bank (KMB) reported a standalone 1QFY26 PAT of ~INR32.8b (6% miss), due to elevated provisions amid a 22% QoQ increase in slippages. Consol. PAT stood at INR44.7b (down 9% QoQ) in 1QFY26.
- NII grew 6.1% YoY but was flat QoQ at INR72.6b (in line). NIM contracted sharply by 32bp QoQ to 4.65% (vs. our estimate of 4.8%).
- Advances growth was strong at 14.1% YoY/4.2% QoQ to ~INR4.45t, driven by faster growth in corporate advances (up 10% YoY/11% QoQ), as well as SME. Deposits grew 14.6% YoY/2.8% QoQ, while the CASA ratio declined to 40.9%.
- Slippages jumped 33% YoY/22% QoQ to INR18.1b (INR14.9b in 4Q/INR16.6b in 3QFY25). KMB's GNPA ratio thus increased 6bp QoQ to 1.48%, while NNPA rose 3bp QoQ to 0.34%. PCR declined 116bp QoQ to 76.9% for the quarter.
- **We cut our earnings by 3.5%/1.4% for FY26E/FY27E amid NIM moderation and slightly elevated provisions. We estimate KMB's RoA/RoE at 2.1%/13.4% by FY27. Reiterate BUY with a TP of INR2,400 (based on 2.4x FY27E ABV).**

### Slippages remain elevated due to stress from MFI, retail CV, and Agri

- KMB reported a standalone PAT of INR32.8b (6% miss; down 6.8% YoY and 7.6% QoQ) led by higher-than-expected provisions because of elevated slippages. Consol. PAT stood at INR44.7b (down 9% QoQ) in 1QFY26.
- NII grew 6.1% YoY but was flat QoQ at INR72.6b (broadly in line). NIM contracted 32bp QoQ to 4.65% amid a decline in yields as well as due to a reversal in interest from elevated slippages. Other income declined 3% QoQ (up 5% YoY; 6% lower than MOFSLe), owing to a decline in fee income.
- Opex was down 4.4% QoQ (up 5.7% YoY) to INR47.8b. KMB's C/I ratio thus contracted 153bp QoQ to 46.2%. PPOP rose 6% YoY/1.7% QoQ to INR55.6b (4% beat).
- Loan growth was healthy at 14.1% YoY/ 4.2% QoQ, fueled by strong growth in corporate banking (up 10% YoY/11% QoQ) and healthy growth in home loans (up 18.7% YoY/3.6% QoQ). BB growth too was healthy at 18.3% YoY/3.9% QoQ.
- Deposit growth was also healthy at 14.6% YoY/2.8% QoQ. CASA deposits dipped 2.2% QoQ (up 8% YoY); as a result, the CASA ratio declined to 40.9% (down 210bp QoQ). TD growth was faster at 19.7% YoY/6.5% QoQ.
- Fresh slippages were elevated at INR18.1b (up 33% YoY/22% QoQ), amid stress from MFI, CV, and agri. Hence, the GNPA ratio rose 6bp QoQ to 1.48%, and the NNPA ratio rose 3bp QoQ to 0.34%. PCR dipped 116bp QoQ to 76.9%. SMA-2 loans rose to INR3.4b/8bp of loans. The CAR/CET-1 ratio stood at 21.8%/ 23.0%.
- **Performance of subsidiaries:** Kotak Prime's net earnings grew 17% YoY, while Kotak Life reported an 88% YoY jump in PAT at INR3.3b. Kotak Securities' reported PAT grew 16% YoY to INR4.7b, while Kotak AMC reported an 86% YoY increase in PAT to INR3.3b.

### Highlights from the management commentary

- The bank aims to increase its unsecured retail mix to 15% of the total book. Once credit filters improve, disbursements in MFI will resume.
- Three main reasons for NIM contraction are 1) repo rate cuts, 2) higher unsecured mix, and 3) retail interest recognition based on days (4Q usually benefits from this).
- The JLG model has been replaced with an individual lending model, which has been back-tested with satisfactory loss estimates.
- MFI is expected to recover gradually through FY26, with growth picking up in 2H and credit costs declining; early signs of improving delinquencies are encouraging.
- The full impact of the 50bp repo cut will be visible in 2Q; 1Q reflected only 15 days' effect. Deposit repricing will play out over 3–4 quarters.

### Valuation and view: Reiterate BUY with a revised TP of INR2,400

KMB reported a weak quarter, with NII broadly in line, but NIM contracted sharply by 32bp QoQ to 4.65%, hit by the steep policy rate cuts. Provisions were higher than expected due to elevated slippages, leading to a 116bp QoQ decline in PCR to 76.9%. Management expects NIM to bottom out by 2QFY26, supported by the full transmission of rate cuts, deposit repricing, and CRR benefits, with a recovery likely from 2H. Growth in the unsecured segment is expected to pick up gradually as the lending environment improves, aiding both growth and margin trajectory. Overall loan growth is guided at 1.5–2x nominal GDP, driven by strong momentum in retail and unsecured lending. Deposit growth remains robust, led by healthy traction in term deposits, resulting in a CD ratio of 86.7%. **We cut our earnings by 3.5%/1.4% for FY26E/27E amid NIM moderation and slightly elevated provisions. We estimate KMB's RoA/RoE at 2.1%/13.4% by FY27. We reiterate our BUY rating with a revised TP of INR2,400 (premised on 2.4x FY27E ABV, SoTP of INR762).**

## Quarterly performance

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Our Est
<b>Net Interest Income</b>	<b>68.4</b>	<b>70.2</b>	<b>72.0</b>	<b>72.8</b>	<b>72.6</b>	<b>72.7</b>	<b>78.5</b>	<b>85.7</b>	<b>283.4</b>	<b>309.5</b>	<b>72.2</b>	<b>0%</b>
% Change (Y-o-Y)	9.8	11.5	9.8	5.4	6.1	3.6	9.0	17.7	9.0	9.2	5.6	
Other Income	29.3	26.8	26.2	31.8	30.8	31.8	32.0	36.6	149.6	131.2	32.7	-6%
<b>Total Income</b>	<b>97.7</b>	<b>97.0</b>	<b>98.2</b>	<b>104.7</b>	<b>103.4</b>	<b>104.5</b>	<b>110.5</b>	<b>122.4</b>	<b>433.0</b>	<b>440.7</b>	<b>104.9</b>	<b>-1%</b>
Operating Expenses	45.2	46.0	46.4	49.9	47.8	52.2	53.7	59.5	187.8	213.3	51.2	-7%
<b>Operating Profit</b>	<b>52.5</b>	<b>51.0</b>	<b>51.8</b>	<b>54.7</b>	<b>55.6</b>	<b>52.2</b>	<b>56.7</b>	<b>62.9</b>	<b>245.3</b>	<b>227.5</b>	<b>53.7</b>	<b>4%</b>
% Change (Y-o-Y)	6.2	10.6	13.5	0.2	5.9	2.4	9.5	14.9	25.2	-7.2	2.2	
Provisions	5.8	6.6	7.9	9.1	12.1	7.8	8.2	4.4	29.4	32.5	7.6	60%
<b>Profit before Tax</b>	<b>46.8</b>	<b>44.4</b>	<b>43.9</b>	<b>45.6</b>	<b>43.6</b>	<b>44.4</b>	<b>48.5</b>	<b>58.5</b>	<b>215.8</b>	<b>195.0</b>	<b>46.1</b>	<b>-6%</b>
Tax	11.6	11.0	10.8	10.1	10.7	10.9	11.9	13.6	51.3	47.2	11.3	-5%
<b>Net Profit</b>	<b>35.2</b>	<b>33.4</b>	<b>33.0</b>	<b>35.5</b>	<b>32.8</b>	<b>33.5</b>	<b>36.6</b>	<b>44.9</b>	<b>164.5</b>	<b>147.8</b>	<b>34.8</b>	<b>-6%</b>
% Change (Y-o-Y)	2.0	4.8	10.0	-14.1	-6.8	0.1	10.8	26.4	19.4	-10.2	-1.2	
Exceptional item	27.3				0.0				27.3	0.0	0.0	
<b>PAT including exceptionals</b>	<b>62.5</b>	<b>33.4</b>	<b>33.0</b>	<b>35.5</b>	<b>32.8</b>	<b>33.5</b>	<b>36.6</b>	<b>44.9</b>	<b>164.5</b>	<b>147.8</b>	<b>35</b>	
% Change (Y-o-Y)	2.0	4.8	10.0	-14.1	-6.8	0.1	10.8	26.4	19.4	-10.2	-1.2	
Deposits (INRb)	4,474	4,615	4,735	4,991	5,128	5,266	5,445	5,679	4,991	5,679	5,115	
Loans (INRb)	3,900	3,995	4,138	4,269	4,448	4,537	4,727	4,973	4,269	4,973	4,382	
Deposit growth (%)	15.8	15.1	15.9	11.2	14.6	14.1	15.0	13.8	11.2	13.8	14.3	
Loan growth (%)	18.7	14.7	15.1	13.5	14.1	13.6	14.2	16.5	13.5	16.5	12.4	
<b>Asset Quality</b>												
Gross NPA (%)	1.39	1.49	1.50	1.42	1.48	1.45	1.45	1.44	1.42	1.44	1.44	
Net NPA (%)	0.35	0.43	0.41	0.31	0.34	0.33	0.33	0.32	0.31	0.32	0.33	
PCR (%)	74.9	71.4	73.2	78.1	76.9	77.4	77.2	77.9	78.1	77.9	77.6	

# Titan Company

BSE SENSEX  
81,463

S&P CNX  
24,837


## Damas Valuation

Particulars (CY24)	(INR b)
Stake purchase	67%
EV	24.4
Sales	34.3
EBITDA	3.6
EV/EBITDA (x)	6.9
EV/Sales (x)	0.7

## Stock Info

Bloomberg	TTAN IN
Equity Shares (m)	888
M.Cap.(INRb)/(USDb)	3074.2 / 35.5
52-Week Range (INR)	3867 / 2925
1, 6, 12 Rel. Per (%)	-3/-5/0
12M Avg Val (INR M)	3731
Free float (%)	47.1

## Financials Snapshot (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	710.6	817.6	936.9
Sales Gr. (%)	17.5	15.1	14.6
EBITDA	75.4	87.2	100.1
Margins (%)	10.6	10.7	10.7
Adj. PAT	48.0	56.3	66.6
Adj. EPS (INR)	53.9	63.3	74.9
EPS Gr. (%)	27.5	17.4	18.3
BV/Sh.(INR)	168.3	212.6	265.0

## Ratios

RoE (%)	36.1	33.2	31.3
RoCE (%)	16.7	17.4	17.9
Payout (%)	30.0	30.0	30.0

## Valuations

P/E (x)	64.2	54.7	46.2
P/BV (x)	20.6	16.3	13.1
EV/EBITDA (x)	40.4	35.7	30.0
Div. Yield (%)	0.5	0.5	0.6

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	52.9	52.9	52.9
DII	12.8	12.2	10.9
FII	17.6	17.9	18.3
Others	16.7	17.0	17.9

FII Includes depository receipts

**CMP: INR3,463**
**TP: INR4,250 (+23%)**
**Buy**

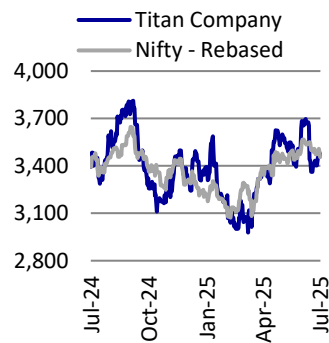
## Expanding ME footprint with Damas Jewelry acquisition

- Titan has announced the acquisition of a 67% stake in Damas Jewelry (excl. luxury brand Graff), a renowned Middle Eastern jeweler, at an EV of INR24.4b (AED1.04b), implying 6.9x EV/EBITDA and 0.7x EV/sales for CY24. Over CY22-24, Damas delivered revenue/EBITDA CAGR of 13%/14%. With 146 stores across the GCC, Damas has a strong brand equity in the region and a premium market positioning defined by its high studded jewelry share and design offerings that resonate well with Arab consumers. The acquisition marks Titan's shift from catering predominantly to the Indian diaspora to a more diverse, international clientele. The acquisition will be funded through a combination of debt, internal accruals, and cash reserves. A majority of the funding will come from debt raised by Titan's overseas subsidiary at an expected interest rate of ~6%, with an initial borrowing of AED500-550m (~INR12b). The deal also includes an option for Titan to acquire full ownership after Dec'29, providing long-term strategic flexibility.
- We believe that given Damas' established retail footprint in the GCC, the transaction offers Titan long-term growth potential in the region. The company plans to enhance product innovation and elevate customer experience while retaining Damas' core brand values. Titan aspires that the Damas acquisition will be incremental to its USD500m international revenue target, underscoring its ambition to scale up its global jewelry operations through both organic and inorganic growth. Management expects this acquisition to be EPS-dilutive in CY26, neutral in CY27, and EPS-accretive from CY28 onward. Given Titan's large size, we believe the deal would have a relatively marginal impact on its earnings, rather it will boost Titan's global footprint. We reiterate BUY with a TP of INR4,250.

## About Damas Jewelry:

- Established in 1907 and currently owned by Mannai Corporation, Damas operates 146 stores across all six GCC countries—UAE, Saudi Arabia, Qatar, Oman, Kuwait, and Bahrain. It maintains a strong presence in the premium jewelry segment. Damas is positioned to target the upper-middle class or affluent aspirational segment. The brand has built deep trust and affinity among local Arab consumers with its heritage-inspired collections. It has a high studded jewelry mix compared to Titan's India jewelry business. The share of studded jewelry in Damas' sales is ~50%, as Arab consumers prefer diamond-heavy, premium designs.
- The business witnessed flat growth during 2019-2024 due to network downsizing and weakness in the South Asian-focused business. However, the Signature segment, catering to Arab consumers, has delivered at a healthy 12-14% CAGR in the last few years. Over CY22-24, Damas delivered revenue/EBITDA CAGR of 13%/14% and sales of AED1.45b (INR34b) in CY24. Given its high studded share, gross margin is in the range of 20-24%, better than most listed Indian jewelers. EBITDA margins are in the 10-11% range, while pre-IFRS EBITDA margin is ~2-3%, resulting in PBT margin of ~1% (see exhibit 2 for detailed financials).

#### Stock's performance (one-year)



#### Synergy benefits for Titan:

- The jewelry retail market in the UAE is largely organized (~60%), while in Saudi Arabia, it is still fragmented (~60% unorganized). Titan sees significant headroom for organized retail penetration in SAUDI ARABIA, with opportunities for market share gains.
- Damas' premium positioning and strong, long-standing brand equity with local Arab consumers, coupled with a higher studded share than Tanishq, can be leveraged by Titan.
- Titan aims to enhance Damas' operational efficiency by implementing the best practices in sourcing, inventory planning, pricing, etc. Cost savings are expected through consolidated sourcing, leveraging Titan's own factories, and improved vendor negotiations. Additionally, Titan plans to optimize finance costs by improving the capital structure and inventory management.
- The company expects to benefit from design and product innovations through deeper immersion into Arab consumer preferences, including exposure to Italian, Turkish, and other international jewelry styles.
- It will operate in a dual-brand model in the GCC, as Tanishq will cater to the South Asian clientele, while Damas will continue to serve Arab consumers.



# Bank of Baroda

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1259 / 14.6
52-Week Range (INR)	267 / 191
1, 6, 12 Rel. Per (%)	3/4/1
12M Avg Val (INR M)	3052

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	456.6	468.3	553.8
OP	324.3	325.6	393.9
NP	195.8	189.0	235.9
NIM (%)	2.8	2.6	2.8
EPS (INR)	37.8	36.5	45.6
EPS Gr. (%)	10.1	-3.5	24.8
BV/Sh. (INR)	254	272	307
ABV/Sh. (INR)	235	253	286

## Ratios

RoA (%)	1.2	1.0	1.1
RoE (%)	16.7	14.3	16.2

## Valuations

P/E(X)	6.4	6.6	5.3
P/BV (X)	1.0	0.9	0.8
P/ABV (X)	1.0	1.0	0.8

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	64.0	64.0	64.0
DII	18.8	18.2	16.0
FII	8.3	9.0	11.5
Others	8.9	8.8	8.6

**CMP: INR243**
**TP: INR260 (+7%)**
**Neutral**

## Healthy NII, Other income drives earnings

### Slippages increase QoQ

- Bank of Baroda (BOB) reported 1QFY26 PAT of INR45.4b (1.9% YoY growth, 9% beat), amid NII beat and higher than expected other income which offsets higher provisions.
- NII declined 1.4% YoY/remained flat QoQ to INR114.3b (6% beat) due to the impact of reclassification of interest in IT refund. Margins contracted 7bp QoQ to 2.91%. Provisions were elevated at INR19.7b (27% higher than MOFSLe), up 27% QoQ.
- Business growth was modest, with advances growing at 13.2% YoY/declining 1.9% QoQ, while deposits grew 9.1% YoY/declined 2.5% QoQ. CD ratio stood at 82.7% (up 48bp QoQ).
- Slippages increased to INR36.9b vs INR31.6b in 4QFY25, due to one international account that slipped this quarter. GNPA/NNPA ratios increased 2bp QoQ each to 2.28%/0.6%, respectively. PCR declined to ~74% vs 75% in 4QFY25.
- We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. **Reiterate Neutral with a TP of INR260 (0.9x FY27E ABV).**

### Business growth soft; margin decline contained at 7bp QoQ

- BOB reported 1QFY26 PAT of INR45.4b (1.9% YoY growth, 9% beat). NII declined 1.4% YoY/remained flat QoQ to INR114.3b (6% beat). Margins contracted 7bp QoQ to 2.91%. The bank expects margins to remain within the 2.85-3.0% range for FY26.
- Other income grew 88% YoY/declined 1.3% QoQ to INR46.7b (17% beat). Total income, thus, increased 14.4% YoY/remained flat QoQ to INR161b (9% beat).
- Opex grew 14% YoY/declined 3% QoQ (broadly in-line). PPoP grew 15% YoY/declined 1.3% QoQ to INR82.4b (15% beat). Provisions increased 27% QoQ to INR19.7b (27% higher than MOFSLe).
- Advances grew at 13.2% YoY (declined 1.9% QoQ). Among segments, retail book grew at 1.9% QoQ, while corporate book declined 10.2% QoQ. In retail, home loans grew 1.9% QoQ, auto loans grew 1.9% QoQ, and gold loans grew 3.5% QoQ.
- Deposits grew 9.1% YoY/declined 2.5% QoQ. The domestic CASA mix moderated 64bp QoQ to ~39.3%.
- For asset quality, slippages increased to INR36.9b vs INR31.6b in 4QFY25, due to one international account that moved into the resolution account. GNPA/NNPA ratios increased 2bp QoQ each to 2.28%/0.6%, respectively. PCR declined to ~74% vs 75% in 4QFY25.
- SMA 1&2 stood at 0.4% vs 0.33% in 4QFY25.

### Highlights from the management commentary

- The bank has given an NIM guidance of ~2.85-3.0% for FY26.
- Recovery target for FY26 is >100b.
- The bank plans to add another 300 branches in FY26.
- Its slippages rose this quarter, primarily due to one large international account slipping into NPA and stress from the legacy personal loan book.
- This international account was restructured during COVID-19 and later upgraded. However, it has now moved to the resolution category in the international portfolio. The bank expects to recover the dues and has made a 40% provision against them.

### Valuation and view: Reiterate Neutral with a TP of INR260

BOB reported an earnings beat, supported by higher-than-expected other income, while provisions remained elevated. NIM contracted to 2.91% (a controlled moderation of 7bp QoQ), with management guiding for further moderation in 2Q and expecting FY26 NIM to remain in the ~2.85-3.0% range. Business growth was modest, with advances rising 13.2% YoY/declining 1.9% QoQ. Slippages remained elevated, led by an international account that the bank expects to recover, while PCR declined to 74% vs 75% in 4QFY25. We fine-tune our earnings estimates and project FY27E RoA/RoE at 1.14%/16.2%. **Reiterate Neutral with a TP of INR260 (0.9x FY27E ABV).**

### Quarterly Performance

Quarterly Performance											(INR b)	
	FY25				FY26E				FY25	FY26E	FY26E	V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	116.0	116.2	114.2	114.9	114.3	110.5	117.3	126.1	456.6	468.3	107.9	6%
% Change (YoY)	5.5	7.3	2.8	-2.5	-1.4	-4.9	2.7	9.7	2.1	2.6	-7.0	
Other Income	24.9	51.8	37.7	47.4	46.7	45.4	40.3	50.7	166.5	183.1	40.0	17%
Total Income	140.9	168.0	151.9	162.3	161.1	155.9	157.6	176.8	623.1	651.4	147.9	9%
Operating Expenses	69.3	73.3	75.2	81.0	78.7	79.5	81.1	86.4	298.7	325.8	76.6	3%
Operating Profit	71.6	94.8	76.6	81.3	82.4	76.4	76.5	90.4	324.3	325.6	71.3	15%
% Change (YoY)	-8.5	18.2	9.3	0.3	15.0	-19.4	-0.2	11.1	4.7	0.4	-0.4	
Provisions	10.1	23.4	10.8	15.5	19.7	16.5	17.5	17.9	59.8	71.5	15.5	27%
Profit before Tax	61.5	71.4	65.8	65.8	62.7	60.0	58.9	72.5	264.5	254.1	55.8	12%
Tax	16.9	19.0	17.4	15.3	17.3	15.1	14.9	17.8	68.7	65.0	14.1	23%
Net Profit	44.6	52.4	48.4	50.5	45.4	44.8	44.1	54.7	195.8	189.0	41.7	9%
% Change (YoY)	9.5	23.2	5.6	3.3	1.9	-14.4	-8.8	8.3	10.1	-3.5	-6.4	

### Operating Parameters

Deposit (INR b)	13,156	13,635	13,925	14,720	14,356	15,070	15,674	16,310	14,720	16,310	14,631	-2%
Loan (INR b)	10,479	11,212	11,513	12,096	11,866	12,394	12,908	13,450	12,096	13,450	12,175	-3%
Deposit Growth (%)	9.6	9.1	11.8	10.9	9.1	10.5	12.6	10.8	10.3	10.8	11.9	
Loan Growth (%)	8.8	12.3	12.4	13.5	13.2	10.5	12.1	11.2	13.5	11.2	16.2	

### Asset Quality

Gross NPA (%)	2.9	2.5	2.4	2.3	2.3	2.2	2.1	2.1	2.3	2.1	2.3	
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.5	0.5	
PCR (%)	76.6	76.3	76.0	74.9	74.0	77.0	77.1	75.6	73.1	75.6	76.9	

E: MOFSL Estimates

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	CIPLA IN
Equity Shares (m)	808
M.Cap.(INRb)/(USDb)	1237.9 / 14.3
52-Week Range (INR)	1699 / 1307
1, 6, 12 Rel. Per (%)	4/2/2
12M Avg Val (INR m)	2767

## Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	275.5	285.6	313.3
EBITDA	71.3	69.2	75.8
Adj. PAT	50.7	49.8	53.1
EBIT Margin (%)	21.9	20.1	20.0
Cons. Adj. EPS (INR)	62.8	61.8	65.8
EPS Gr. (%)	19.6	-1.6	6.6
BV/Sh. (INR)	386.5	444.1	504.0

## Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	16.2	13.9	13.1
RoCE (%)	18.3	15.0	14.1
Payout (%)	9.2	9.7	9.1

## Valuations

P/E (x)	24.4	24.8	23.3
EV/EBITDA (x)	17.1	17.1	15.3
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	2.6	3.3	2.3
EV/Sales (x)	4.4	4.1	3.7

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	29.1	29.1	30.9
DII	29.2	28.1	24.9
FII	25.4	26.4	27.9
Others	16.3	16.3	16.3

FII Includes depository receipts

**CMP: INR1,533**      **TP: INR1,580 (+3%)**      **Neutral**

## Product mix/cost control drives earnings beat

### Stable earnings as pipeline scale-up offsets g-Revlimid erosion

- Cipla delivered revenue in line with estimates for 1QFY26. There was a 9%/7.5% beat on EBITDA/PAT for the quarter, led by an improved product mix and controlled opex.
- YoY growth in North America (NA) sales decelerated for the third consecutive quarter due to rising competition in g-Revlimid. However, new launches (g-Abraxane/Nilotinib) and the scale-up of g-Lanreotide contributed to incremental sales during the quarter.
- In One-India, consumer health and trade generics posted healthy YoY growth during the quarter. However, muted YoY growth in the prescription (Rx) segment impacted the overall India business performance.
- Cipla sustained its industry outperformance in the One-Africa business during the quarter, led by a scale-up in key therapies, tender wins, and new launches.
- Cipla's first biosimilar is set to launch soon in the US market, with the company implementing an in-licensing strategy in this segment over the medium term.
- We largely maintain our estimates for FY26/FY27. We value Cipla at 24x 12M forward earnings to arrive at a TP of INR1,580. We expect stable earnings over FY25-27. The reduced business contribution from g-Revlimid is expected to be offset by incremental gains from Cipla's product pipeline in the NA market. Cipla is also focusing on adding differentiated products to its Rx portfolio in India while improving its outlook in the consumer health segment.
- Given the gestation period required to translate these efforts into commercial success across key markets of NA/India, we reiterate our Neutral stance on the stock.

### Modest revenue growth; cost pressures offset gross margin gains

- Cipla's 1QFY26 revenue increased 4% YoY to INR69.5b (in line).
- DF sales (44% of sales) grew 6% YoY to INR30.7b. SAGA sales (13% of sales) grew 25% YoY to INR8.7b.
- EM sales (12% of sales) were steady YoY at INR8.6b. API sales (1% of sales) grew 4% YoY to INR1b.
- US sales (28% of sales) declined 7% YoY to INR19b (USD226m, down 10% in CC terms).
- Gross margin expanded 160bp YoY to 68.8% (our est: 66.7%).
- However, EBITDA margin was stable YoY at 25.6% (our est: 25.4%), as gains from improved gross profit were offset by higher employee/R&D expenses (up 100bp/90bp YoY as a % of sales).
- EBITDA increased 4% YoY to INR17.8b (above our est. INR16.3b).
- PAT grew 10% YoY to INR13b (our est: INR12b).
- R&D spending for the quarter stood at INR4.2b (6.3% of sales).
- Net cash at the end of Jun'25 was INR108b.

### Highlights from the management commentary

- Cipla maintained its EBITDA margin guidance of 23.5-24.5% for FY26.
- G-Revlimid sales in 1Q were similar to 4QFY25. In the short- to medium-term, the loss of business from g-Revlimid is expected to be more than offset by new product launches.
- Cipla aims to achieve revenue of USD1b in FY27.
- While YoY growth in the Rx segment in India was muted in 1QFY26, Cipla remains confident of delivering stronger growth over the next three quarters.
- Cipla recorded sales of g-Abraxane and Nilotinib for part of 1QFY26, with their full-scale launches expected soon.
- Cipla is not part of the first wave of sema launches in Canada.

### Quarterly Performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	Est. 1QE	% Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Net Revenues</b>	<b>66.9</b>	<b>70.5</b>	<b>70.7</b>	<b>67.3</b>	<b>69.6</b>	<b>73.6</b>	<b>71.8</b>	<b>70.6</b>	<b>275.5</b>	<b>285.6</b>	<b>69.3</b>	<b>0.3</b>
YoY Change (%)	5.8	5.6	7.1	9.2	3.9	4.4	1.4	5.0	6.9	3.7	3.6	
Total Expenditure	49.8	51.7	50.8	51.9	51.8	55.3	55.4	53.9	204.2	216.4	53.0	
<b>EBITDA</b>	<b>17.2</b>	<b>18.9</b>	<b>19.9</b>	<b>15.4</b>	<b>17.8</b>	<b>18.3</b>	<b>16.4</b>	<b>16.7</b>	<b>71.3</b>	<b>69.2</b>	<b>16.3</b>	<b>9.1</b>
YoY Change (%)	14.9	8.8	13.8	16.9	3.6	-2.7	-17.7	8.9	13.3	-2.9	-5.0	
Margins (%)	25.6	26.7	28.1	22.8	25.6	24.9	22.8	23.7	25.9	24.2	23.5	
Depreciation	2.5	2.7	2.8	3.1	2.5	3.2	3.1	3.0	11.1	11.8	3.0	
<b>EBIT</b>	<b>14.7</b>	<b>16.1</b>	<b>17.1</b>	<b>12.3</b>	<b>15.3</b>	<b>15.2</b>	<b>13.3</b>	<b>13.7</b>	<b>60.2</b>	<b>57.4</b>	<b>13.3</b>	
YoY Change (%)	17.1	8.5	12.9	19.6	3.8	-6.0	-22.4	11.5	14.0	-4.7	-9.3	
Margins (%)	21.9	22.9	24.2	18.3	21.9	20.6	18.5	19.4	21.9	20.1	19.2	
Interest	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.5	0.1	
Other Income	1.6	1.9	1.5	2.9	2.6	2.3	2.3	2.4	7.9	9.5	1.8	
<b>Profit before Tax</b>	<b>16.1</b>	<b>17.9</b>	<b>18.5</b>	<b>15.0</b>	<b>17.7</b>	<b>17.3</b>	<b>15.5</b>	<b>16.0</b>	<b>67.5</b>	<b>66.5</b>	<b>14.9</b>	
One-time (expense)/income	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	
<b>PBT after EO expense</b>	<b>16.1</b>	<b>17.9</b>	<b>19.2</b>	<b>15.0</b>	<b>17.7</b>	<b>17.3</b>	<b>15.5</b>	<b>16.0</b>	<b>68.2</b>	<b>66.5</b>	<b>14.9</b>	<b>18.5</b>
Tax	4.4	4.8	3.3	2.8	4.8	4.2	3.9	4.1	15.3	16.9	2.8	
Rate (%)	27.0	27.0	18.0	18.6	27.0	24.0	25.0	25.5	22.7	25.4	19.0	
Minority Interest	0.0	0.0	0.1	0.0	-0.1	0.0	-0.1	-0.1	0.2	-0.3	0.0	
<b>Reported PAT</b>	<b>11.8</b>	<b>13.0</b>	<b>15.7</b>	<b>12.2</b>	<b>13.0</b>	<b>13.2</b>	<b>11.7</b>	<b>12.1</b>	<b>52.7</b>	<b>49.8</b>	<b>12.1</b>	<b>7.5</b>
<b>Adj PAT</b>	<b>11.8</b>	<b>13.0</b>	<b>13.6</b>	<b>12.2</b>	<b>13.0</b>	<b>13.2</b>	<b>11.7</b>	<b>12.1</b>	<b>50.7</b>	<b>49.8</b>	<b>12.1</b>	<b>7.5</b>
YoY Change (%)	18.3	10.9	14.0	40.6	10.2	1.0	-14.6	-1.3	19.6	-1.6	2.5	

E: MOFSL Estimates

### Key performance Indicators (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	Est. FY26
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
<b>INRm</b>											
Domestic formulation	29.0	29.5	31.5	26.2	30.7	32.1	33.7	28.6	116.1	125.1	26.3
YoY Change (%)	4.5	4.7	10.0	8.5	5.9	9.0	7.0	9.0	6.9	7.7	9.0
North America	20.9	19.9	19.1	19.2	19.3	17.9	15.6	18.1	79.0	71.1	18.4
YoY Change (%)	14.5	5.2	-0.5	2.3	-7.4	-9.7	-17.9	-5.4	5.3	-10.0	-1.8
South Africa	7.0	10.7	9.8	10.2	8.7	12.0	10.8	11.4	37.6	42.9	9.3
YoY Change (%)	-7.1	7.6	18.0	20.3	25.3	12.0	11.0	12.0	22.9	14.2	22.4
Emerging market	8.5	8.1	8.2	9.0	8.6	9.2	9.2	10.0	33.7	37.0	8.6
YoY Change (%)	9.0	9.8	10.5	20.6	1.4	14.6	11.4	11.3	9.3	9.6	3.9
API	1.0	1.6	1.3	1.8	1.0	1.5	1.6	1.7	5.7	5.8	1.4
YoY Change (%)	-27.9	8.8	18.0	-3.7	4.1	-5.0	25.0	-9.0	-2.6	2.0	-26.5
<b>Cost Break-up</b>											
RM Cost (% of Sales)	32.8	32.4	32.0	32.5	31.2	33.2	34.5	34.0	32.4	33.2	33.3
Staff Cost (% of Sales)	17.8	17.1	16.9	18.3	18.9	17.8	18.1	18.2	17.5	18.2	17.3
R&D Expenses(% of Sales)	5.3	5.5	5.1	6.3	6.2	6.1	5.8	5.7	5.3	6.3	5.4
Other Cost (% of Sales)	18.5	18.3	17.8	20.0	18.2	18.0	18.0	18.8	18.6	18.3	18.6
Gross Margins(%)	67.2	67.6	68.0	67.5	68.8	66.8	65.5	66.0	67.6	66.8	66.7
EBITDA Margins(%)	25.6	26.7	28.1	22.8	25.6	24.9	22.8	23.7	25.9	24.2	25.4
EBIT Margins(%)	21.9	22.9	24.2	18.3	21.9	20.6	18.5	19.4	21.9	20.1	21.3

E: MOFSL Estimates

# SBI Cards

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	SBICARD IN
Equity Shares (m)	952
M.Cap.(INRb)/(USDb)	845.4 / 9.8
52-Week Range (INR)	1027 / 660
1, 6, 12 Rel. Per (%)	-7/10/20
12M Avg Val (INR M)	1311

## Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	59.8	68.7	80.1
OP	74.5	85.6	100.3
NP	19.2	26.5	36.1
NIM (%)	11.2	11.6	11.9
EPS (INR)	20.2	27.8	37.9
EPS Gr. (%)	(20.5)	37.8	36.3
BV/Sh. (INR)	145	170	205
ABV/Sh. (INR)	139	164	200

## Ratios

RoA (%)	3.1	3.8	4.4
RoE (%)	14.8	17.7	20.2

## Valuations

P/E(X)	44.1	32.0	23.5
P/BV (X)	6.2	5.2	4.3
P/ABV (X)	6.4	5.4	4.4

## Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	68.6	68.6	68.6
DII	17.5	17.2	16.5
FII	10.2	9.9	8.7
Others	3.7	4.3	6.1

FII includes depository receipts

**CMP: INR889** **TP: INR950 (+7%)** **Neutral**

## In-line quarter; asset quality stress continues

### Adjusted margins improve 10bp QoQ

- SBI Cards (SBICARD) reported an in-line quarter, with PAT growth of 4% QoQ (down 6.5% YoY) at INR5.6b (in line).
- Revolved mix stood flat at 24%, with EMI share increasing marginally to 36%. NIMs were stable at 11.2% (improved 10bp QoQ, adjusting for 4Q one-offs). The company expects NIMs to stay healthy as decline in repo rates will bring down the cost of funds (CoF).
- Spends grew at a healthy 21% YoY/5.5% QoQ, led by a revival in corporate spends (up 25% QoQ). Retail growth was up 14.6% YoY/3.4% QoQ. It expects receivable spending growth to sustain at 10-12% (vs. 12-14% earlier).
- GNPA ratio stood at 3.07%, while NNPA ratio improved by 4bp QoQ to 1.42%. ECL increased by 10bp QoQ to 3.5% (based on new classification), while PCR rose 84bp QoQ to 54.3%.
- We largely maintain our earnings estimates and expect SBICARD to post RoA/RoE of 4.4%/20.2% by FY27E. **Reiterate Neutral with a revised TP of INR950 (25x FY27E EPS).**

### Margin outlook positive; estimate calibrated NIM recovery

- 1Q PAT was down 6.5% YoY/up 4.1% QoQ at INR5.6b (in line), aided by in-line NII, contained opex and in-line provisions.
- NII grew 14% YoY/3.7% QoQ to INR16.8b (in line). NIMs stood flat QoQ at 11.2% (adj for 4Q one-offs, NIMs improved 10bp QoQ). NIMs are expected to benefit from cost reductions and stable yields going forward. CoF declined 10bp QoQ to 7.1%.
- Revolver mix stood at 24%, while EMI mix improved to 36%. Revolver mix is expected to remain sticky at the same level in the near term, as the new vintages are tilting toward the transacting customers.
- Fee income as a proportion of total income was stable at 52%. Opex was largely contained at 17% YoY/2.4% QoQ due to the reduction in total marketing-related expenses in 1Q. C/I ratio, thus, decreased to 50.3% from 51.4% in 4QFY25.
- Cards-in-force grew 10% YoY/2% QoQ to 21.2m. New card sourcing declined by 21% QoQ to 0.9m, as the company remains cautious here. About 56% of new card sourcing comes from banca.
- Spends grew strongly by 21% YoY/5.5% QoQ, as corporate growth returned (up 107% YoY/25% QoQ), while retail growth remained stable at 15% YoY/3% QoQ. SBICARD expects corporate spend growth to continue over the next few quarters.
- GNPA ratio decreased 1bp QoQ to 3.07%, while NNPA ratio declined by 4bp QoQ to 1.42%. ECL increased to 3.5% (amid ECL reset). As a result, PCR stood at 54.3% (up 84bp QoQ) (based on new classification).



### Highlights from the management commentary

- With repo rates easing, CoF has declined to 7.1% and is expected to fall further, supporting margins.
- Receivables growth guidance is lowered to 10-12% (from 12–14%) but may improve during the festive season.
- Credit costs are expected to remain within the 9.0-9.6% range, reflecting the updated ECL framework.
- Spending per card is INR17k. On RuPay cards, the average spending is higher at INR3-3.5k per card, above the normal card. RuPay cards' profitability is largely similar. There is a lower interchange in RuPay cards. For example, the normal card has an interchange of INR100 and the Rupar card has INR70-75. The lower interchange in RuPay is offset by higher-than-average spending in RuPay.

### Valuation and view

SBICARD reported a broadly in-line quarter. Provisions were in line with estimates, though they are expected to remain higher in the near term and may ease gradually. Revolver mix should remain steady, with new vintage expected to tilt toward transacting customers. Spends are expected to grow steadily, with a gradual improvement in corporate mix and steady trends in retail spends. Receivables are expected to grow 10-12% YoY (previous guidance 12-14%). Asset quality is expected to improve amid a reduction in forward flows. NIMs may benefit from the declining interest rate cycle, resulting in a decline in CoF. Yields are expected to remain stable. We largely maintain our earnings estimates and expect SBICARD to post RoA/RoE of 4.4%/20.2% by FY27E. **Reiterate Neutral with a revised TP of INR950 (25x FY27E EPS).**

### Quarterly performance

(INR b)

	FY25				FY26E				FY25	FY26E	FY26E	V/s our
	1Q	2Q	3Q	4Q	1QA	2QE	3QE	4QE			1QE	Est
<b>Net Interest Income</b>	<b>14.8</b>	<b>15.0</b>	<b>15.7</b>	<b>16.2</b>	<b>16.8</b>	<b>16.9</b>	<b>17.4</b>	<b>17.6</b>	<b>59.8</b>	<b>68.7</b>	<b>16.7</b>	<b>1%</b>
% Change (Y-o-Y)	19.7	15.8	13.2	14.5	13.8	12.5	10.7	8.7	16.1	14.9	13.1	
Other Income	22.4	22.7	23.7	24.2	25.4	26.4	27.7	27.1	94.8	106.6	26.0	-2%
<b>Total Income</b>	<b>37.2</b>	<b>37.7</b>	<b>39.4</b>	<b>40.4</b>	<b>42.2</b>	<b>43.3</b>	<b>45.0</b>	<b>44.7</b>	<b>154.6</b>	<b>175.3</b>	<b>42.7</b>	<b>-1%</b>
Operating Expenses	18.2	20.1	21.1	20.7	21.2	22.4	23.0	23.2	80.1	89.7	21.8	-3%
<b>Operating Profit</b>	<b>19.0</b>	<b>17.6</b>	<b>18.3</b>	<b>19.6</b>	<b>21.0</b>	<b>21.0</b>	<b>22.1</b>	<b>21.6</b>	<b>74.5</b>	<b>85.6</b>	<b>20.9</b>	<b>0%</b>
% Change (Y-o-Y)	25.4	13.3	13.0	7.2	10.5	19.2	20.5	9.8	14.3	14.8	10.1	
Provisions	11.0	12.1	13.1	12.5	13.5	12.8	12.5	11.2	48.7	50.0	13.2	2%
<b>Profit before Tax</b>	<b>8.0</b>	<b>5.5</b>	<b>5.2</b>	<b>7.2</b>	<b>7.5</b>	<b>8.1</b>	<b>9.5</b>	<b>10.4</b>	<b>25.8</b>	<b>35.5</b>	<b>7.7</b>	<b>-3%</b>
Tax	2.0	1.4	1.3	1.8	1.9	2.1	2.4	2.6	6.6	9.1	2.0	-2%
<b>Net Profit</b>	<b>5.9</b>	<b>4.0</b>	<b>3.8</b>	<b>5.3</b>	<b>5.6</b>	<b>6.1</b>	<b>7.1</b>	<b>7.7</b>	<b>19.2</b>	<b>26.5</b>	<b>5.7</b>	<b>-3%</b>
% Change (Y-o-Y)	0.2	-32.9	-30.2	-19.4	-6.5	50.1	85.0	45.0	-20.2	37.8	-3.4	
<b>Operating Parameters</b>												
Loan (INRb)	508.1	536.0	528.1	539.3	546.3	573.0	585.9	604.1	539.3	604.1	556.8	
Loan Growth (%)	21.5	23.0	12.0	9.9	7.5	6.9	11.0	12.0	9.9	12.0	9.6	
Borrowings (INRb)	408.7	432.2	439.1	449.5	461.8	461.7	473.7	490.4	430.7	490.4	450.2	
Borrowing Growth (%)	24.0	26.8	15.5	12.7	13.0	6.8	7.9	9.1	8.0	13.9	10	
<b>Asset Quality</b>												
Gross NPA (%)	3.1	3.3	3.2	3.1	3.1	3.1	3.1	3.0	3.1	3.0	3.2	
Net NPA (%)	1.1	1.2	1.2	1.5	1.4	1.4	1.3	1.3	1.5	1.3	1.4	
PCR (%)	64.4	64.4	64.4	53.5	54.3	56.4	57.6	57.5	53.5	57.5	55.5	

Source: Company, MOFSL

# Coromandel International

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	CRIN IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	720.2 / 8.3
52-Week Range (INR)	2647 / 1544
1, 6, 12 Rel. Per (%)	6/28/50
12M Avg Val (INR M)	1257

## Financials & Valuations (INR b)

Y/E Mar	2025	2026E	2027E
Sales	240.9	297.1	324.9
EBITDA	26.3	32.6	39.8
PAT	18.0	22.4	28.7
EBITDA (%)	10.9	11.0	12.3
EPS (INR)	61.3	76.2	97.4
EPS Gr. (%)	9.8	24.4	27.8
BV/Sh. (INR)	376.6	438.8	522.2

## Ratios

Net D/E	-0.3	-0.2	-0.4
RoE (%)	17.6	18.7	20.3
RoCE (%)	19.7	19.8	20.9
Payout (%)	19.9	18.4	14.4

## Valuations

P/E (x)	39.8	32.0	25.1
EV/EBITDA (x)	26.1	21.1	16.6
Div Yield (%)	0.6	0.6	0.6
FCF Yield (%)	2.8	-0.1	4.1

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	56.9	57.0	57.3
DII	15.9	19.0	20.8
FII	14.4	10.6	7.5
Others	12.9	13.5	14.4

**CMP: INR2,443 TP: INR2,930 (+20%) Buy**

## Strong 1QFY26 lays solid foundation for FY26

### Operating performance in line with estimates

- Coromandel International (CRIN) continued to deliver strong operating performance in 1QFY26 (EBIT up 50% YoY), supported by continued traction in crop protection (EBIT up 77% YoY) and nutrients and allied (EBIT up 46% YoY). Margin expansion was driven by higher manufactured volumes (up 12% YoY), procurement efficiencies, operating leverage, and effective marketing initiatives.
- We expect this momentum to sustain, driven by a favorable agricultural scenario with above-normal monsoon. Moreover, rising demand for crop protection, along with easing global agrochemical channel inventories, is expected to support segment growth. Management's focus on capacity expansion and the introduction of new molecules in the crop protection segment is expected to reinforce growth going forward.
- We largely maintain our FY26 earnings estimates but raise our FY27 estimates by 6%, driven by enhanced backward integration through an increase in phosphoric acid capacity in FY27. We value the company at ~30x FY27E EPS to arrive at a **TP of INR2,930. Reiterate BUY**

### Strong performance across each segment drives profitability

- CRIN reported total revenue of INR70.4b (est. INR62b) in 1QFY26, up 49% YoY, led by higher sales volume. Total manufacturing fertilizer volumes (NPK+DAP) grew 10% YoY to ~0.9mmt and total phosphate fertilizer manufacturing volumes (including SSP) rose 12% YoY to 1.08mmt.
- Nutrient & other allied business revenue rose 51% YoY to INR63.5b, while crop protection business revenue grew 31% YoY to INR7.2b.
- EBITDA surged 55% YoY to INR7.8b (est. in-line). According to our calculations, manufacturing EBITDA/mt (including SSP) stood at INR5,118 (up 20% YoY), while EBITDA/mt for phosphate fertilizers (DAP and NPK) stood at INR5,937 (up 23% YoY).
- EBIT margin for the nutrient & other allied business contracted 30bp YoY to 9.9%, while EBIT margin for the crop protection business expanded ~400bp YoY to 15.3%.
- Adjusted PAT stood at INR5b (est. in line), up 62% YoY.

### Highlights from the management commentary

- **Baobab Mining and Chemicals Corporation SA, Senegal (BMCC):** The Board of Directors approved the acquisition of an additional 17.69% stake, increasing overall shareholding in BMCC to 71.51% through its wholly-owned subsidiary. This strategic move is aimed at further strengthening backward integration in the phosphates value chain. BMCC, based in Senegal, is primarily engaged in the mining and production of rock phosphate
- **Subsidy:** During the quarter, CRIN received INR13b in subsidy claims, compared to INR9.87b in 1QFY25. As of Jun'25, outstanding subsidies stood at ~INR29.1b compared to INR19.7b as of Jun'24.

- **Capacity expansion:** Backward integration projects for the phosphoric and sulphuric acid plants at Kakinada are progressing well, with commissioning expected by 4QFY26. Additionally, the company has initiated preliminary work on a 750,000-ton fertilizer granulation facility at Kakinada, targeted to commence operations by CY28.

#### Valuation and view

- We believe the company is well-positioned to sustain its growth momentum in FY26, supported by favorable market dynamics, a continued decline in global agrochemical channel inventory, and an increasing shift toward NPK fertilizers.
- CRIN's longer-term outlook is further backed by: 1) continuous backward integration for the fertilizer business; 2) product innovation and diversification; 3) differentiated and unique grades; and 4) expansion into new geographies.
- We largely maintain our FY26 earnings estimates but raise our FY27 estimates by 6%. We expect a CAGR of ~16%/23%/26% in revenue/EBITDA/adj. PAT over FY25-27. We value CRIN at ~30x FY27E EPS to arrive at our TP of INR2,930. **Reiterate BUY.**

#### Quarterly Performance

												(INR m)
Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var
Consolidated	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1E	%
Net Sales	47,288	74,328	69,352	49,884	70,423	86,090	82,083	58,478	240,852	297,074	61,910	14
YoY Change (%)	-16.9	6.4	26.9	27.5	48.9	15.8	18.4	17.2	9.2	23.3	30.9	
Total Expenditure	42,231	64,581	62,134	45,624	62,602	74,784	73,851	53,228	214,569	264,465	54,270	
EBITDA	5,058	9,748	7,218	4,260	7,821	11,306	8,233	5,249	26,283	32,609	7,641	2
Margins (%)	10.7	13.1	10.4	8.5	11.1	13.1	10.0	9.0	10.9	11.0	12.3	
Depreciation	653	690	708	854	1,206	1,100	1,210	1,220	2,904	4,736	760	
Interest	574	661	731	659	680	660	550	450	2,624	2,340	600	
Other Income	541	650	1,137	1,260	837	900	1,307	1,389	3,587	4,433	649	
PBT before EO expense	4,372	9,047	6,916	4,007	6,773	10,446	7,780	4,968	24,342	29,967	6,930	
Extra-Ord expense	0	0	0	-3,468	0	0	0	0	-3,468	0	0	
PBT	4,372	9,047	6,916	7,475	6,773	10,446	7,780	4,968	27,810	29,967	6,930	
Tax	1,125	2,328	1,752	1,524	1,757	2,629	1,958	1,250	6,728	7,595	1,744	
Rate (%)	25.7	25.7	25.3	20.4	25.9	25.2	25.2	25.2	24.2	25.3	25.2	
Minority Interest & P/L of Asso. Cos.	137	79	46	154	-34	-50	-80	100	417	-64	144	
Reported PAT	3,110	6,641	5,118	5,797	5,050	7,867	5,902	3,618	20,665	22,436	5,042	
Adj PAT	3,110	6,641	5,118	3,036	5,050	7,867	5,902	3,618	18,036	22,436	5,042	0
YoY Change (%)	-37.1	-12.3	121.6	89.4	62.4	18.5	15.3	19.2	9.8	24.4	62.1	
Margins (%)	6.6	8.9	7.4	6.1	7.2	9.1	7.2	6.2	7.5	7.6	8.1	

#### Key Performance Indicators

Y/E March	FY25				FY26	FY25	FY26E
Consolidated	1Q	2Q	3Q	4Q	1Q		
Volume Growth (%)	-3.4	24.6	14.6	23.6	28.2	14.9	11.6
Manufacturing (%)	3.3	6.3	7.6	22.8	11.8	8.7	9.0
Trading (%)	-22.4	116.1	28.3	24.8	89.9	30.6	89.9
Mfg EBITDA/MT (INR)	4,261	5,435	4,609	4,177	5,118	4,150	4,605
Cost Break-up							
RM Cost (% of sales)	73.6	74.9	76.4	70.3	74.4	74.1	73.9
Staff Cost (% of sales)	3.9	2.5	3.0	4.2	3.2	3.3	3.1
Freight Cost (% of sales)	6.0	5.0	5.4	6.4	5.4	5.6	5.4
Other Cost (% of sales)	5.8	4.5	4.9	10.6	5.9	6.1	6.5
Gross Margins (%)	26.4	25.1	23.6	29.7	25.6	25.9	26.1
EBITDA Margins (%)	10.7	13.1	10.4	8.5	11.1	10.9	11.0
EBIT Margins (%)	9.3	12.2	9.4	6.8	9.4	9.7	9.4

# IDFC First Bank

Estimate change



TP change



Rating change



Bloomberg	IDFCFB IN
Equity Shares (m)	7335
M.Cap.(INRb)/(USDb)	518.6 / 6
52-Week Range (INR)	79 / 52
1, 6, 12 Rel. Per (%)	0/6/-7
12M Avg Val (INR M)	2347

## Financial and Valuation (INR b)

Y/E March	FY25	FY26E	FY27E
NII	192.9	220.2	267.9
OP	74.1	93.1	122.2
NP	15.2	26.6	47.5
NIM (%)	6.0	5.9	6.0
EPS (INR)	2.1	3.3	5.5
BV/Sh. (INR)	52	46	51
ABV/Sh. (INR)	50	45	49

## Ratios

RoA (%)	0.5	0.7	1.1
RoE (%)	4.4	6.8	11.4

## Valuations

P/E(X)	33.5	21.2	12.8
P/BV (X)	1.4	1.5	1.4
P/ABV (X)	1.4	1.6	1.5

## Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	37.4
DII	32.6	28.5	11.7
FII	23.8	25.7	21.0
Others	43.7	45.9	30.0

**CMP: INR71**
**TP: INR80 (+13%)**
**Neutral**

## Other income drive earnings

### Asset quality stress persists; Business growth robust

- IDFC First Bank (IDFCFB) reported a 1QFY26 PAT of INR4.6b (-32% YoY), a significant beat driven by one-off bond gains.
- NII was up 5% YoY/ flat QoQ at INR49.3b (in line). NIM moderated 24bp QoQ to 5.71% (in line), largely due to the repo impact, asset mix change (including a sharp dip in the MFI business), and decline in investment yields.
- Other income grew 37.5% YoY/17.5% QoQ to INR22.3b (20% beat). Opex was up 11% YoY/down 1.4% QoQ to INR49.2b (in line). The C/I ratio dipped to 68.7% due to higher treasury gains, though it remains elevated.
- Loan book grew 20.3% YoY (4.5% QoQ), while deposits continue to grow at a faster pace at 26.4% YoY/5.1% QoQ. IDFCFB's CD ratio thus declined to 92.0% from 92.5% in 4QFY25.
- The bank's GNPA/NNPA ratio increased 10bp/2bp QoQ to 1.97%/0.55%. The PCR ratio was stable at 72.3% for the quarter.
- We raise our earnings by 11% for FY26E and estimate FY27 RoA/RoE at 1.2%/14.4%. We reiterate our Neutral rating with a TP of INR80 (premised on 1.7x FY27E ABV).**

### CD ratio eases to 92%; margin moderates 24bp QoQ

- IDFCFB reported a 1QFY26 PAT of INR4.6b (32% YoY decline), a significant beat due to one-off bond gains.
- NII was up 5% YoY/flat QoQ at INR49.3b (in line). NIM moderated 24bp QoQ to 5.71% (in line). The bank's provisions were elevated, up 14% QoQ to INR16.6b (9% higher than MOFSLe).
- Other income rose 37.5% YoY/17.5% QoQ to INR22.3b (20% beat). Opex was up 11% YoY/down 1.4% QoQ to INR49.2b (inline). The C/I ratio dipped to 68.7%, though it remains elevated. Treasury income was INR4.9b vs INR1.9b in 4QFY25. PPOp thus grew 19% YoY/24% QoQ to INR22.4b (22% beat). Management expects opex growth to be ~11–12% YoY.
- On the business front, net advances grew 20.3% YoY/4.5% QoQ, led by 4.3% QoQ growth in retail finance and 8% QoQ growth in business finance. Within retail, growth was led by LAP (8% QoQ) and credit cards (7.4% QoQ). The share of consumer & rural finance was ~67.7% as of 1QFY26.
- Deposit growth was robust at 26.4% YoY/5.1% QoQ, with the CASA mix increasing 110bp QoQ to 48%. The CD ratio dipped 52bp QoQ to 92%.
- The GNPA/NNPA ratio increased 10bp/2bp QoQ to 1.97%/0.55%. The PCR ratio was stable at 72.3%. Gross slippages increased to INR24.9b from INR21.8b in 4QFY25. SMA book stood at 1.01% vs. 1.07% in 4QFY25.
- Excluding MFI and one legacy infrastructure toll account, credit costs increased to 2.0% in 1QFY26 from 1.8% in FY25 on account of seasonality. Management expects FY26 credit costs to be ~2.0-2.05%.

### Highlights from the management commentary

- NII grew 5.1% YoY because the repo rate cut was passed on to eligible customers, and the asset mix changed, including a reduction of MFI.
- On the other hand, term deposit repricing takes ~9 to 12 months to take effect. NII growth is expected to improve in 2HFY26.
- Gross slippages increased due to slippages of INR1.08b of an ATM service provider company in 1QFY26, which has been fully provided for.
- Management expects margins to be ~5.8% in 4QFY26.

### Valuation and view: Reiterate Neutral with a TP of INR80

IDFCFB reported an earnings beat driven by healthy other income (due to one-off bond gains). However, NIM moderated 24bp QoQ due to repo cut and asset mix change, and the bank expects this to further go down in 2Q but remain ~5.8% in 4QFY26. On the business front, deposit traction continued to remain robust, with the CASA mix increasing to 48%. The growth in advances also remained healthy, led by steady traction across retail and business finance. Asset quality deteriorated while the SMA book was under control at 1.01%. We estimate the C/I ratio will remain at 69.6% by FY26 and at 66.4% by FY27, primarily as the bank will continue to mobilize deposits at a healthy run rate. **We raise our earnings estimate by 11% for FY26E and estimate FY27 RoA/RoE at 1.2%/14.4%. Reiterate Neutral with a TP of INR80 (premised on 1.7x FY27E ABV).**

### Quarterly performance

									(INRb)		
	FY25				FY26E				FY25	FY26E	FY25E V/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	Est
<b>Net Interest Income</b>	<b>46.9</b>	<b>47.9</b>	<b>49.0</b>	<b>49.1</b>	<b>49.3</b>	<b>50.9</b>	<b>56.4</b>	<b>63.6</b>	<b>192.9</b>	<b>220.2</b>	<b>49.1 0%</b>
% Change (Y-o-Y)	25.4	21.2	14.4	9.8	5.1	6.2	15.0	29.6	17.3	14.1	4.6
Other Income	16.2	17.3	17.8	19.0	22.3	21.2	21.8	20.7	70.2	86.0	18.6 20%
<b>Total Income</b>	<b>63.1</b>	<b>65.2</b>	<b>66.8</b>	<b>68.0</b>	<b>71.6</b>	<b>72.1</b>	<b>78.1</b>	<b>84.4</b>	<b>263.1</b>	<b>306.2</b>	<b>67.7 6%</b>
Operating Expenses	44.3	45.5	49.2	49.9	49.2	51.6	55.0	57.3	189.0	213.1	49.3 0%
<b>Operating Profit</b>	<b>18.8</b>	<b>19.6</b>	<b>17.6</b>	<b>18.1</b>	<b>22.4</b>	<b>20.5</b>	<b>23.2</b>	<b>27.0</b>	<b>74.1</b>	<b>93.1</b>	<b>18.4 22%</b>
% Change (Y-o-Y)	25.5	29.9	12.6	8.9	19.0	4.7	31.6	49.2	18.9	25.6	-2.2
Provisions	9.9	17.3	13.4	14.5	16.6	14.0	13.5	14.2	55.1	58.4	15.2 9%
<b>Profit before Tax</b>	<b>8.9</b>	<b>2.3</b>	<b>4.2</b>	<b>3.6</b>	<b>5.8</b>	<b>6.5</b>	<b>9.6</b>	<b>12.8</b>	<b>19.0</b>	<b>34.7</b>	<b>3.2 81%</b>
Tax	2.1	0.3	0.8	0.6	1.2	1.6	2.4	2.9	3.8	8.1	0.8 47%
<b>Net Profit</b>	<b>6.8</b>	<b>2.0</b>	<b>3.4</b>	<b>3.0</b>	<b>4.6</b>	<b>4.9</b>	<b>7.2</b>	<b>9.9</b>	<b>15.2</b>	<b>26.6</b>	<b>2.4 92%</b>
% Change (Y-o-Y)	-11.0	-73.3	-52.6	-58.0	-32.0	143.5	113.2	224.4	-48.4	74.5	-64.6
<b>Operating Parameters</b>											
Deposit (INR b)	2,097	2,236	2,369	2,521	2,650	2,755	2,905	3,078	2,521	3,078	2,618 1%
Deposit Growth (%)	35.8	30.6	29.8	25.7	26.4	23.2	22.6	22.1	25.7	22.1	24.9
Loan (INR b)	2,026	2,151	2,231	2,331	2,437	2,529	2,676	2,853	2,331	2,809	2,422 1%
Loan Growth (%)	21.0	20.7	20.3	19.8	20.3	17.6	19.9	22.4	19.8	20.5	19.6
<b>Asset Quality</b>											
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	1.9	1.9	1.8	1.9	1.9	1.9
Net NPA (%)	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.4	0.5	0.4	0.5
PCR (%)	69.4	75.3	73.6	72.3	72.3	72.8	73.1	76.3	72.3	76.3	72.6

Source: MOFSL, Company



# Hexaware Technologies

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR739 TP: INR930(+26%) Buy**

## Uncertain macros lead to a soft quarter

### Margins hit by one offs

Bloomberg	HEXT IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	450.1 / 5.2
52-Week Range (INR)	900 / 590
1, 6, 12 Rel. Per (%)	-11/-/-
12M Avg Val (INR m)	1095
Free float (%)	25.4

### Financials & Valuations (INR b)

Y/E Mar	CY25E	CY26E	CY27E
Sales	134.3	151.3	171.2
EBIT Margin (%)	13.4	15.0	15.3
PAT	14.5	17.0	19.6
EPS (INR)	23.5	27.5	31.8
EPS Gr. (%)	22.0	16.9	15.4
BV/Sh. (INR)	100.1	114.0	130.2

### Ratios

RoE (%)	25.4	26.1	26.4
RoCE (%)	20.2	25.0	29.0
Payout (%)	50.0	50.0	50.0

### Valuations

P/E (x)	31.4	26.9	23.3
P/BV (x)	7.4	6.5	5.7
EV/EBITDA (x)	20.0	15.8	13.3
Div Yield (%)	1.6	1.9	2.1

### Shareholding pattern (%)

As On	Jun-25	Mar-25
Promoter	74.6	74.7
DII	9.9	9.1
FII	9.9	10.6
Others	5.6	5.7

FII Includes depository receipts

- Hexaware Technologies (HEXT) reported revenue of USD382m in 2QCY25, up 1.3% QoQ in CC terms vs. our estimate of 2.2% QoQ CC. Growth was led by Banking (up 13.5% QoQ), followed by Travel and Transportation (up 7.2% QoQ). Adj. EBIT margin at 14.1% (down 10bp QoQ) was broadly in line with our estimate of 14.3%. PAT rose 16.1%/38.3% QoQ/YoY to INR3.8b (above our est. of INR3.5b).
- For 2QCY25, HEXT's revenue/adj. EBIT/PAT grew 11.1%/26.8%/38.3% YoY in INR terms. We expect its revenue/EBIT/PAT to grow 9.7%/19.5%/22.2% YoY in 3QCY25.
- Amid a cautious demand environment, HEXT is gaining share through consolidation deals; also, pressures in large accounts appear to be tapering. Further, its improving margin trajectory bodes a good return profile for the company amongst peers. **We reiterate our BUY rating with a TP of INR930 (based on 32x Mar27E EPS), implying a 26% potential upside.**

### Our view: Growth expectation lowered

- **Below-par performance amid elongated decision cycles:** HEXT delivered a modest 1.3% QoQ CC growth in what is typically its seasonally strongest quarter. While management expects 3Q to outpace 2Q, the impact of large deal wins is likely to be reflected with a lag. Macro softness persists, evident in slower client decision-making. Though growth expectations for the remainder of the year have been slightly moderated, HEXT continues to demonstrate strong execution capabilities. We forecast YoY CC growth of 8.2%/11.6% for CY25/CY26E.
- **Financial Services & Travel to lead growth ahead:** Banking and Travel & Transportation led growth in 2Q. While banking growth benefited from a benign 1Q base, the vertical is expected to grow in line with the company's average going forward. Notably, Financial Services (~30% of revenues), which had seen a slowdown over the past few quarters, is now poised to lead growth through the remainder of the year. In contrast, Manufacturing and Consumer are likely to remain muted due to macro pressures.
- **Deal pipeline velocity intact...:** HEXT continues to actively chase large consolidation opportunities, though conversion timelines are slightly stretched due to elongated decision-making cycles. That said, commentary around the steady progress in small- and mid-sized deals was encouraging.
- **...margin, however, takes a hit due to one-offs:** The reported EBITDA margin improved by 50bp QoQ, supported by a 100bp operational uptick (driven by better utilization and a favorable offshore mix), partially offset by currency headwinds and one-offs. The one-offs included headwinds such as restructuring costs (100bp), acquisition costs (40bp), provision for customer (240bp), and impairment on account of acquisition (120bp). Combined, the reported EBIT margin stood at 10.1%.
- ERP implementation costs, originally slated to end in 2QCY26, are ongoing but tapering. We also note that the offshore mix is improving and will be a key margin lever going forward. Management's reaffirmation of its EBITDA margin guidance at 17.1-17.4%, despite continued ERP costs, is encouraging.

### Valuation and changes to our estimates

- Amid a cautious demand environment, HEXT is gaining share through consolidation deals; also, pressures in large accounts appear to be tapering. Further, its improving margin trajectory bodes a good return profile for the company amongst peers. Our estimates are broadly unchanged. We expect a PAT CAGR of 16.1% over CY25-27E. **We reiterate our BUY rating with a TP of INR930 (based on 32x Mar27E EPS), implying a 26% potential upside.**

### Miss on revenue but in-line margins; EBITDA guidance intact

- HEXT's USD revenue came in at USD382.1m; up 1.3% QoQ in CC terms vs. our estimates of an increase of 2.2% QoQ CC.
- Growth was led by Banking (up 13.5% QoQ), followed by Travel and Transportation (up 7.2% YoY). Healthcare & Insurance/Hi-tech & Professional services were up 2.1%/2.9% QoQ in USD terms.
- In terms of geographies, Europe was up 7.9% QoQ, and Asia Pacific grew 2.2% QoQ in USD terms.
- The reported EBIT margin stood at 10.1%. However, after adjusting for one-offs, including acquisition-related costs (INR128m), specific customer provisions (INR782m), and impairment of an earlier acquisition-linked customer contract (INR394m), the normalized EBIT margin was 14.1%, broadly in line with our estimate of 14.3%.
- The company maintains its EBITDA outlook of 17.1% - 17.4% given earlier, even with ERP costs continuing.
- PAT was up 16.1%/38.3% QoQ/YoY to INR3.8b (above our est. of INR3.5b).
- The headcount rose to 32,410 (up 2.6% QoQ) in 2QCY25. Attrition (LTM) decreased by 10bp QoQ to 11.1%. Utilization was up 160bp QoQ to 83.7%.

### Key highlights from the management commentary

- Macro softness continues; the slowdown is seen as cyclical rather than AI-driven. While AI is creating a different impact, it hasn't yet become material.
- Decision-making has slowed, leading to lowered expectations for the rest of the year. If trade deals materialize in the next few weeks, it may lift some of the uncertainty.
- The acquisition of SMC was a key business development. The GCC model represents a significant growth opportunity, and SMC provides access to GCC-led spending.
- There is substantial demand for cloud services, including both migration and operations.
- Management expects 3Q to deliver stronger QoQ CC growth than 2Q. However, large deal wins will not reflect in 3Q results.
- The CY29 revenue ambition of USD3b remains unchanged.
- Financial Services (FS) and Travel & Transportation (T&T) are expected to drive growth.

### Valuation and view

- Amid a cautious demand environment, HEXT is gaining share through consolidation deals; also, pressures in large accounts appear to be tapering. Further, its improving margin trajectory bodes a good return profile for the company amongst peers. Our estimates are broadly unchanged. We expect a PAT CAGR of 16.1% over CY25-27E. **We reiterate our BUY rating with a TP of INR930 (based on 32x Mar27E EPS), implying a 26% potential upside.**

## Quarterly Performance

(INR m)

Y/E March	CY24				CY25E				CY24	CY25E	Est. 2QCY25	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	331	352	374	372	372	382	397	407	1,429	1,557	384	-0.6
QoQ (%)	5.3	6.4	6.4	-0.5	-0.2	2.9	3.8	2.5			3.5	-65bp
Revenue (INR m)	27,488	29,355	31,357	31,544	32,079	32,607	34,401	35,261	1,19,744	1,34,347	32,898	-0.9
YoY (%)	9.6	12.7	18.3	20.6	16.7	11.1	9.7	11.8		12.2	12.1	-99bp
GPM (%)	41.4	41.2	42.3	42.3	41.9	41.5	42.0	42.0	41.8	41.9	42.0	-51bp
Other (%)	26.2	26.6	26.6	26.8	25.5	29.1	25.2	25.0	26.6	26.2	25.5	359bp
EBITDA	4,176	4,311	4,911	4,904	5,278	4,044	5,779	5,994	18,302	21,096	5,428	-25.5
EBITDA Margin (%)	15.2	14.7	15.7	15.5	16.5	12.4	16.8	17.0	15.3	15.7	16.5	-410bp
EBIT	3,576	3,624	4,173	4,141	4,543	3,292	4,988	5,183	15,514	18,006	4,704	-30.0
EBIT Margin (%)	13.0	12.3	13.3	13.1	14.2	10.1	14.5	14.7	13.0	13.4	14.3	-420bp
Other income	2	172	-114	29	-180	1,391	-103	-106	89	1,002	33	4128.3
PBT	3,578	3,796	4,059	4,170	4,363	4,683	4,885	5,078	15,603	19,008	4,737	
ETR (%)	22.0	27.7	26.2	23.1	25.0	18.9	25.0	25.0	24.8	23.5	25.0	-608bp
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0	
Reported PAT	2,790	2,746	2,997	3,207	3,271	3,797	3,664	3,808	11,740	14,540	3,553	6.9
QoQ (%)	45.8	-1.6	9.1	7.0	2.0	16.1	-3.5	3.9			8.6	
YoY (%)	NA	NA	NA	67.6	17.2	38.3	22.2	18.7	17.7	23.8	NA	
Extra-ordinary items	0	0	0	0	0	0	0	0	0	0	0	
Adj. PAT	2,790	2,746	2,997	3,207	3,271	3,797	3,664	3,808	11,740	14,540	3,553	
EPS (INR)	4.6	4.5	5.0	5.2	5.3	6.2	5.9	6.2	19.3	23.5	5.7	7.0

## Banking and T&T led growth in 2Q

Verticals (QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25
Financial Services	8.6	5.2	5.8	3.4	4.6	1.2
Healthcare and Insurance	3.1	6.3	8.5	-2.3	-1.5	2.2
Manufacturing and Consumer	4.0	7.2	-4.4	-6.9	0.2	-0.7
Hi-Tech and Professional Services	7.9	9.2	15.9	1.3	-5.4	2.7
Banking	3.7	4.2	0.0	6.5	-11.4	13.5
Travel and Transportation	-0.9	6.3	14.2	-7.5	9.2	7.1

Source: Company, MOFSL

## Europe showed improvement in 2Q

Geography (QoQ, %)	1QCY24	2QCY24	3QCY24	4QCY24	1QCY25	2QCY25
America	5.4	9.1	5.5	2.3	0.5	1.7
Europe	4.8	-4.2	13.3	-9.6	-2.2	8.0
APAC	5.1	11.4	-3.7	-4.0	-2.9	2.1

Source: Company, MOFSL

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR2,625      TP: INR2,900 (+10%)      Neutral**

## Record deal TCV sets up a healthy FY26

### Logistics revenue to grow too

- Mphasis (MPHL)'s 1QFY26 gross revenue inched up 1.0% QoQ in Constant Currency (CC), below our estimate of 1.5% QoQ CC. Direct business rose 1.6%/8.1% QoQ/YoY in CC, fueled by BFS and Insurance. TCV was up 95% QoQ to USD760m. EBIT margin stood at 15.3%, in line with our estimate of 15.3%. PAT came in at INR4.4b (down 1.1%/up 9.2% QoQ/YoY), in line with our estimate of INR4.5b.
- For 1QFY26, net revenue/EBIT/PAT grew 9.1%/11.2%/9.2% YoY in INR terms. We expect revenue/EBIT/PAT to grow 10.3%/10.7%/13.0% YoY in 2QFY26. MPHL targets a sustainable operating (EBIT) margin within the band of 14.75-15.75%. While deal wins have been consistent and execution is encouraging, the broader demand environment remains uneven, with an elongated decision cycle. We reiterate our **Neutral** rating on the stock.

### Our view: Record TCV offsets mixed demand cues

- **Strong start to FY26 with healthy execution and deal ramp-ups:** MPHL posted 3.2% QoQ CC growth in Direct, driven by steady ramp-up of large deals in BFS and Insurance. This quarter benefited from momentum carried over from 4Q, with continued traction in BFSI/TMT and early signs of recovery in logistics. Excluding logistics, growth was healthy at 7.4% QoQ/16.4% YoY in USD terms. While management remains optimistic about sustaining momentum into upcoming quarters, we believe broader demand continues to be uneven, with client decision cycles elongated and pockets of hesitation still there in some segments.
- **Logistics recovery underway but still remains a monitorable:** While client-specific issues in logistics have largely been resolved, revenue contribution from the segment remains volatile. MPHL indicated that recovery is anticipated in the coming quarters, with some large deals in ramp-up mode. We believe a more sustained improvement over the next couple of quarters would add comfort on broader vertical health and help us turn more constructive on the name.
- **Record TCV wins:** TCV for the quarter came in at USD760m – the highest-ever for MPHL – with four large deal wins, including three USD100m+ deals. Steady TCV-to-revenue conversion will remain key to tracking execution from hereon.
- **EBIT margin remains within the guided band:** MPHL's EBIT margin stood within the guided band (14.75-15.75%) as the company continues to balance growth investments with operational levers like utilization and delivery transformation. Management commentary indicates margins may hover near the midpoint of the range. With elevated utilization and a fixed-price mix rising, the margin trajectory should remain stable in the near term. We estimate a 15.2%/15.5% EBIT margin for FY26/FY27.

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	499.4 / 5.8
52-Week Range (INR)	3240 / 2025
1, 6, 12 Rel. Per (%)	-1/-19/-8
12M Avg Val (INR M)	1820

### Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	142.3	157.7	175.4
EBIT Margin	15.3	15.2	15.5
PAT	17.0	19.0	21.3
EPS (INR)	89.3	99.8	111.8
EPS Gr. (%)	9.2	11.8	12.1
BV/Sh. (INR)	508.3	546.2	591.1

### Ratios

RoE (%)	18.5	19.0	19.7
RoCE (%)	16.0	16.5	17.6
Payout (%)	60.4	60.2	60.2

### Valuations

P/E (x)	29.4	26.3	23.5
P/BV (x)	5.2	4.8	4.4
EV/EBITDA (x)	17.9	16.1	14.2
Div Yield (%)	2.1	2.3	2.6

### Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	40.1	40.1	40.4
DII	36.5	34.9	35.9
FII	19.0	20.6	18.3
Others	4.4	4.3	5.4

FII includes depository receipts

### Valuation and changes to our estimates

- **We remain positive on the BFSI exposure, as it remains relatively resilient amid the current uncertainty. That said, broader demand visibility is still evolving, and** the pace and consistency of TCV-to-revenue conversion remain a key monitorable. **We broadly retain** our estimates. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~12.0%. We value the stock at 27x FY27E EPS with a TP of INR2,900. **Reiterate Neutral.**

### Miss on revenue but in-line margins; big beat on deal TCV (up 95% QoQ)

- MPHL's gross revenue of USD 437m grew 1.0% QoQ CC, up 6.5% YoY CC, below our estimate of 1.5% QoQ CC growth.
- Direct revenue was up 1.6% QoQ CC and 8.1% YoY CC.
- Insurance & BFS led the growth, with a 21.9%/7.6% QoQ increase, while logistics declined 46% QoQ in USD terms.
- EBIT margin stood at 15.3% vs. our estimate of 15.3% QoQ.
- PAT was at INR4.4b (down 1.1% QoQ) vs. our estimate of INR 4.5b.
- TCV stood at USD 769m (up 95% QoQ/138% YoY). About 82% of the deal wins were in NextGen Services.
- Offshore utilization (excl. trainees) increased 600 bps QoQ at 84%. Net headcount declined 1.2% QoQ in 1QFY26 to 31,063.
- A sustainable EBIT margin target range has been maintained at 14.75%-15.75%.

### Key highlights from the management commentary

- Continued volatility and lack of tailwinds; decision cycles remain elongated due to persistent uncertainty.
- Geopolitics and cyber remain dominant themes in client conversations. Tech spending is being funded at the program level rather than top-down.
- AI investments are being carved out from existing budgets. GCC remains an evolving theme, with models ranging from carve-outs and build-outs to managed captives.
- Demand saw some resilience, but only in selected pockets.
- Growth momentum was sustained through deal wins and underlying business resilience. Growth was led by BFS, Insurance, and the ramp-up of recent large deals.
- Expecting to clock ~2x industry growth on the back of strong Q1 performance and steady TCV-to-revenue conversion.
- MPHL witnessed the largest-ever pipeline, led by Mphasis AI platforms. It also recorded the highest-ever TCV wins, driven by large deals.
- BFS pipeline was up 47% YoY; Non-BFS rose 108% YoY. Strong traction was seen in AI archetypes such as AI Ops, Data, and AI Modernization.
- TCV for the quarter stood at USD760m — the highest in company history. Secured four large deals: three worth USD100m+ and one worth USD50m+.
- TCV wins were primarily led by BFS, Insurance, and TMT. Spending themes focused on cost takeout, efficiency, and vendor consolidation.
- Targeting operating (EBIT) margin in the 14.75%–15.75% range. Expecting margins to hover around the midpoint of the guidance band.
- Headcount has stabilized; utilization improved in this quarter. Going forward, expect divergence between headcount growth and revenue growth.

### Valuation and view

- **We remain positive on the BFSI exposure, as it remains relatively resilient amid the current uncertainty. That said, broader demand visibility is still evolving, and** the pace and consistency of TCV-to-revenue conversion remain a key monitorable. **We broadly retain** our estimates. Over FY25-27, we expect a USD revenue CAGR of ~9.7% and an INR PAT CAGR of ~12.0%. We value the stock at 27x FY27E EPS with a TP of INR2,900. **Reiterate Neutral.**



## Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	Est. 1QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Revenue (USD m)	410	421	419	430	437	449	462	478	1,680	1,826	440	-0.7
QoQ (%)	-0.2	2.7	-0.5	2.7	1.6	2.6	3.0	3.5	4.4	8.7	2.3	-72bp
Revenue (INR m)	34,225	35,362	35,613	37,101	37,324	38,888	40,055	41,458	1,42,301	1,57,726	37,607	-0.8
YoY (%)	5.2	7.9	6.7	8.7	9.1	10.0	12.5	11.7	7.2	10.8	9.9	-83bp
GPM (%)	30.8	31.3	31.7	31.8	31.9	31.5	31.0	31.0	31.4	31.3	31.4	51bp
SGA (%)	12.7	12.9	12.7	12.9	13.1	12.5	12.5	12.5	12.8	12.6	12.6	48bp
EBITDA	6,185	6,480	6,781	7,026	7,028	7,389	7,410	7,670	26,472	29,497	7,070	-0.6
EBITDA Margin (%)	18.1	18.3	19.0	18.9	18.8	19.0	18.5	18.5	18.6	18.7	18.8	3bp
EBIT	5,135	5,444	5,458	5,673	5,709	6,028	6,008	6,219	21,710	23,964	5,754	-0.8
EBIT Margin (%)	15.0	15.4	15.3	15.3	15.3	15.5	15.0	15.0	15.3	15.2	15.3	0bp
Other income	238	182	235	239	392	389	401	415	894	1,596	263	48.9
ETR (%)	24.7	24.7	24.8	24.5	27.6	25.4	24.5	24.5	24.7	25.5	24.5	314bp
PAT	4,045	4,234	4,279	4,466	4,417	4,786	4,839	5,008	17,024	19,050	4,545	-2.8
QoQ (%)	2.9	4.7	1.1	4.4	-1.1	8.4	1.1	3.5			1.8	-161.7
YoY (%)	2.1	8.0	14.5	13.6	9.2	13.0	13.1	12.1	9.5	11.9	12.4	-25.7
EPS (INR)	21.3	22.2	22.4	23.4	23.1	25.1	25.3	26.2	89.3	99.8	23.8	-2.9

## Key Performance Indicators

Y/E March	FY25				FY26E	FY25
	1Q	2Q	3Q	4Q	1Q	
<b>Margins</b>						
Gross Margin	30.8	31.3	31.7	31.8	31.9	31.4
EBIT Margin	15.0	15.4	15.3	15.3	15.3	15.3
Net Margin	11.8	12.0	12.0	12.0	11.8	12.0
<b>Operating metrics</b>						
Headcount	31,645	31,601	31,194	31,442	31,063	31,645
Deal Win TCV (USD m)	319	207	351	390	760	1,267
<b>Key Verticals (YoY%)</b>						
BFS	-0.4	7.3	8.4	11.3	17.9	6.6
Insurance	10.8	10.4	7.0	8.2	28.8	9.0
IT, Comm, Ent	9.8	0.7	13.5	16.6	20.3	10.0
<b>Key Geographies (YoY%)</b>						
North America	2.8	7.7	5.9	6.2	10.0	5.6
Europe	9.7	-2.9	-8.6	-5.7	-16.5	-2.2

# Laurus Labs

Estimate change



TP change



Rating change



Bloomberg	LAURUS IN
Equity Shares (m)	540
M.Cap.(INRb)/(USDb)	452 / 5.2
52-Week Range (INR)	846 / 390
1, 6, 12 Rel. Per (%)	27/32/92
12M Avg Val (INR M)	1502

## Financials & valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	55.5	66.4	75.7
EBITDA	10.6	15.4	17.8
Adj. PAT	3.1	6.6	8.3
EBIT Margin (%)	11.3	16.3	17.0
Cons. Adj. EPS (INR)	5.8	12.2	15.4
EPS Gr. (%)	92.4	109.8	26.6
BV/Sh. (INR)	85.4	95.7	108.7

## Ratios

Net D:E	0.5	0.5	0.4
RoE (%)	7.2	13.4	15.1
RoCE (%)	6.7	10.6	11.7
Payout (%)	15.6	15.6	15.6

## Valuations

P/E (x)	144.4	68.8	54.4
EV/EBITDA (x)	45.2	31.1	26.9
Div. Yield (%)	0.1	0.2	0.2
FCF Yield (%)	0.6	0.8	1.1
EV/Sales (x)	8.6	7.2	6.3

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	27.6	27.6	27.2
DII	11.9	11.8	13.6
FII	25.7	25.5	25.7
Others	34.8	35.1	33.6

FII includes depository receipts

**CMP: INR838**
**TP: INR970 (+16%)**
**Buy**

## Third consecutive earnings beat led by CDMO

### Healthy pipeline/margin gains/new facilities support earnings upgrades

- Laurus Lab (LAURUS) delivered better-than-expected revenue/EBITDA/PAT (5%/23%/30% beat) for the third subsequent quarter in 1QFY26.
- The beat was led by robust execution in CDMO (small molecules) segment. The pipeline remains healthy across human/animal/crop science segments. The projects involved complex chemistries/biocatalysis across applications.
- Formulation (FDF) segment also witnessed strong YoY growth (down QoQ), led by newer contracts and some benefits from US launches.
- ARV business has been volatile (up 17% YoY/down 19% QoQ in 1QFY26) on a quarterly basis, though it is stable on an annual basis.
- We raise our earnings estimates by 16%/7% for FY26/FY27, factoring in a) strong tailwinds in CDMO segment led by 110+ active pipeline projects/ramp-up from new manufacturing facilities, b) additional contracts in generic FDF segment, and c) margin expansion from scale.
- Considering a 63% earnings CAGR over FY25-27, we value LAURUS at 56x 12M forward earnings to arrive at a TP of INR970. Reiterate BUY.

### Segmental mix/scale-up of revenues drives margin expansion

- 1Q revenue grew 31.4% YoY to INR15.7b (our est. INR15b). Synthesis business (31% of sales, small molecules) was up 2.3x YoY to INR4.9b, led by improved deliveries of projects.
- FDF sales rose 50% YoY to INR4.1b (26% of sales). API sales (41% of sales) fell 4.1% YoY to INR6.4b. Bio division sales (2% of sales) fell 33% YoY to INR290m.
- Gross margin expanded 430bp YoY to 59.4% due to change in segmental mix.
- EBITDA margin expanded by ~1,000bp YoY to 24.3% (our est: 20.8%) due to better operating leverage (other expenses/employee expense down 480bp/90bp YoY as % of sales).
- EBITDA jumped 123% YoY to INR3.8b (our est. INR3.1b).
- Adj. PAT increased to INR1.6b (est. INR1.2b) vs. INR127m in 1QFY25.
- Net debt reduced from INR26b to INR23b QoQ.

### Highlights from the management commentary

- LAURUS expects healthy YoY growth in CDMO segment in FY26.
- As contribution from CDMO segment rises, gross margin is expected to be at 55-60% vs. earlier guidance of 50-55%.
- Customer-specific challenges affected its bio business, though it is expected to be back on track in the coming quarters.
- ARV business grew 17% YoY, though LAURUS has maintained stable sales guidance for FY26.
- LAURUS commenced the construction of its new Gene/ADC facility in Hyderabad, and Microbial fermentation facility in Vizag.
- Its overall capex is expected to be INR50b over the next five years. Net debt-to-EBITDA ratio is expected to be in the range of 2.2x-2.5x.

### Consolidated- Quarterly Earning Model

(INRm)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
<b>Net Sales</b>	<b>11,949</b>	<b>12,237</b>	<b>14,151</b>	<b>17,203</b>	<b>15,696</b>	<b>15,843</b>	<b>16,634</b>	<b>18,225</b>	<b>55,540</b>	<b>66,398</b>	<b>14,952</b>	<b>5.0</b>
YoY Change (%)	1.1	-0.1	18.4	19.5	31.4	29.5	17.6	5.9	10.2	19.6	25.1	
<b>EBITDA</b>	<b>1,712</b>	<b>1,783</b>	<b>2,852</b>	<b>4,206</b>	<b>3,821</b>	<b>3,470</b>	<b>3,693</b>	<b>4,374</b>	<b>10,553</b>	<b>15,358</b>	<b>3,110</b>	<b>22.9</b>
YoY Change (%)	2.7	-5.1	57.2	74.2	123.2	94.6	29.5	4.0	35.7	45.5	81.7	
Margins (%)	14.3	14.6	20.2	24.4	24.3	21.9	22.2	24.0	19.0	23.1	20.8	
Depreciation	1,061	1,075	1,061	1,104	1,168	1,046	1,099	1,204	4,301	4,518	950	
<b>EBIT</b>	<b>651</b>	<b>708</b>	<b>1,791</b>	<b>3,102</b>	<b>2,653</b>	<b>2,423</b>	<b>2,594</b>	<b>3,170</b>	<b>6,252</b>	<b>10,840</b>	<b>2,160</b>	
YoY Change (%)	-14.5	-25.1	115.7	122.8	307.3	242.1	44.9	2.2	59.1	73.4	231.5	
Margins (%)	5.5	5.8	12.7	18.0	16.9	15.3	15.6	17.4	11.3	16.3	14.4	
Interest	492	526	578	564	515	521	521	521	2,160	2,079	521	
Other Income	25	46	94	-3	104	49	49	49	163	250	50	
<b>PBT before EO expense</b>	<b>185</b>	<b>228</b>	<b>1,307</b>	<b>2,535</b>	<b>2,242</b>	<b>1,950</b>	<b>2,121</b>	<b>2,697</b>	<b>4,254</b>	<b>9,011</b>	<b>1,688</b>	
Extra-Ord expense	0	0	0	-589	0	0	0	0	-589	0	0	
<b>PBT</b>	<b>185</b>	<b>228</b>	<b>1,307</b>	<b>3,123</b>	<b>2,242</b>	<b>1,950</b>	<b>2,121</b>	<b>2,697</b>	<b>4,843</b>	<b>9,011</b>	<b>1,688</b>	
Tax	63	51	401	785	631	507	552	715	1,299	2,405	439	
Rate (%)	33.9	22.3	30.7	25.1	28.2	26.0	26.0	26.5	26.8	26.7	26.0	
Minority Interest & Profit/Loss of Asso. Cos.	-5	-21	-17	20	7	15	15	16	30	53	15	
<b>Reported PAT</b>	<b>127</b>	<b>198</b>	<b>923</b>	<b>2,319</b>	<b>1,603</b>	<b>1,428</b>	<b>1,555</b>	<b>1,967</b>	<b>3,514</b>	<b>6,553</b>	<b>1,234</b>	<b>29.9</b>
<b>Adj PAT</b>	<b>127</b>	<b>198</b>	<b>923</b>	<b>1,878</b>	<b>1,603</b>	<b>1,428</b>	<b>1,555</b>	<b>1,967</b>	<b>3,126</b>	<b>6,553</b>	<b>1,234</b>	<b>29.9</b>
YoY Change (%)	-52.7	-46.3	298.9	148.4	1,165	619.9	68.4	4.7	92.4	109.6	873.4	
Margins (%)	1.1	1.6	6.5	10.9	10.2	9.0	9.3	10.8	5.6	9.9	8.3	

### Key performance Indicators (Consolidated)

(INRb)

Y/E March	FY25				FY26E				FY25	FY26E	FY26
INRb	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
API	6.6	5.6	5.3	6.9	6.4	6.4	6.4	6.6	22.2	25.8	6.6
YoY Change (%)	11.2	(11.4)	(7.5)	(7.9)	(4.1)	15.0	21.2	(4.0)	(12.6)	24.2	0.0
Custom Synthesis	2.1	3.0	4.0	4.6	4.9	5.1	5.5	6.7	13.7	22.2	3.9
YoY Change (%)	(14.4)	33.5	88.7	95.3	130.4	70.0	37.0	45.0	49.0	61.4	80.0
Formulation	2.7	3.3	4.4	5.4	4.1	4.6	4.8	5.7	15.8	19.2	4.1
YoY Change (%)	(3.9)	(1.2)	18.8	26.5	50.0	40.0	10.0	5.1	11.9	21.4	50.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	44.9	44.8	43.1	45.5	40.6	45.1	44.9	44.3	44.6	43.8	45.5
Staff Cost (% of Sales)	14.6	14.6	13.4	10.3	13.7	11.5	11.4	11.2	13.0	11.9	11.7
R&D Expenses(% of Sales)	5.4	5.5	4.2	3.8	4.1	3.9	3.8	3.3	3.1	2.5	4.3
Other Cost (% of Sales)	26.2	26.0	23.4	19.7	21.4	23.0	24.0	23.5	23.4	23.0	22.0
Gross Margins (%)	55.1	55.2	56.9	54.5	59.4	54.9	55.1	55.7	55.4	56.2	54.5
EBITDA Margins (%)	14.3	14.6	20.2	24.4	24.3	20.4	19.7	21.0	19.0	21.3	20.8
EBIT Margins (%)	5.5	5.8	12.7	18.0	16.9	14.1	13.4	14.7	11.3	14.7	14.4

# Poonawalla Fincorp

Estimate change

TP change

Rating change



Bloomberg	POONAWAL IN
Equity Shares (m)	779
M.Cap.(INRb)/(USD\$)	321.9 / 3.7
52-Week Range (INR)	483 / 267
1, 6, 12 Rel. Per (%)	-4/23/11
12M Avg Val (INR M)	882

## Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Total Income	26.9	37.9	60.1
PPOP	13.2	19.2	35.1
PAT	-1	7.7	18
EPS (INR)	-1.3	9.6	22.4
EPS Gr. (%)	-110	-	133.8
Standalone BV (INR)	105	129	149

## Ratios

NIM on AUM (%)	7.8	7.2	7.9
C/I ratio (%)	50.9	49.3	41.6
RoAA (%)	-0.3	1.8	2.8
RoE (%)	-1.2	8.3	16.1
Payout (%)	0	20.9	13.4

## Valuations

P/E (x)	-	43.1	18.5
P/BV (x)	3.9	3.2	2.8
Div. Yield (%)	0	0.5	0.7

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	62.5	62.5	62.1
DII	12.3	11.1	6.8
FII	11.4	10.6	8.5
Others	13.9	15.7	22.6

FII Includes depository receipts

**CMP: INR413**
**TP: INR520 (+26%)**
**Buy**

## Good traction in newer businesses; asset quality stable

### NIM declined ~80bp QoQ; opex ratios and credit costs remain elevated

- Poonawalla Fincorp's (PFL) 1QFY26 PAT declined ~79% YoY to ~INR626m (~40% miss). NII in 1QY26 grew ~11% YoY to ~INR6.4b (~6% miss). Other income rose ~29% YoY and ~23% QoQ to ~INR1.3b. Higher non-interest income was due to higher fee income and gain on assignments during the quarter.
- Opex rose 82% YoY to ~INR4.4b, with the C/I ratio rising QoQ to ~58% (PQ: 53% and PY: ~36%). PPOP declined ~25% YoY to ~INR3.2b (~16% beat). Provisions stood at INR2.4b (~70% higher than MOFSLe), translating into annualized credit costs of ~2.7% (PQ: ~3.2% and PY: 0.7%).
- The Board of Directors approved a primary equity infusion of INR15b through preferential allotment to the promoter at a price of INR452.5 per share.**
- Management indicated that over the next 3 to 4 quarters, the company aims to scale up its AUM through calibrated credit growth, particularly across newly launched products that are witnessing promising early traction.
- Management highlighted that the erstwhile STPL book has declined to just 4% of the AUM as of Jun'25 (from ~8% in Mar'25). Notably, ~80% of the STPL book is now Odpd, and the company does not anticipate any further stress from this segment. Meanwhile, the remaining ~20% is adequately provided, which will mitigate any potential impact on credit costs.
- PFL further shared that the newly originated STPL portfolio is scaling up well and is delivering encouraging early outcomes. Cheque bounce rates have declined by 70%, while collection efficiency has improved by 40%, reflecting better borrower quality and enhanced underwriting.
- Management guided for healthy AUM growth in FY26, likely exceeding its previous guidance of 35-40%. We model AUM growth of ~53%/45% in FY26/FY27.
- We cut our FY26E PAT estimate by ~22% to factor in higher credit costs and keep our FY27 estimates broadly unchanged. We model a CAGR of ~50% in AUM over FY25-FY27E and expect PFL to deliver RoA/RoE of ~2.8%/~16% in FY27. **Reiterate BUY with a TP of INR520 (premised on 3.5x Mar'27E BVPS).**

### AUM grows ~53% YoY; healthy early traction in newer businesses

- AUM grew ~53% YoY and ~15% QoQ to ~INR413b. The AUM mix consisted of ~36% in MSME finance, ~23% in personal and consumer finance, ~25% in LAP, and ~13% in pre-owned cars. Disbursements grew ~44% YoY to ~INR107b in 1QFY26.
- The company reported strong momentum across key segments, with LAP growing 128% YoY and business loans rising 57% YoY. Prime personal loan disbursements reached INR3b in Jun'25, with significantly better asset quality than the legacy STPL book. The 24x7 Digital PL platform, driven by fintech partnerships, continues to gain traction and is expected to scale meaningfully over the next 4 to 6 quarters.

### NIM (calc.) contracts ~80bp QoQ; share of NCD rises significantly

- NIM (calc.) contracted ~80bp QoQ to ~7.2%, driven by a decline in yields by ~65bp QoQ to ~13.4%. CoB (calc.) was largely stable QoQ at ~7.75%.
- The company significantly increased the proportion of NCD borrowings in its liability mix to optimize funding costs. NCD share rose from ~6% in Mar'25 to ~23% in Jun'25. It plans to further increase this proportion to ~35% over the next couple of years as part of its long-term liability strategy.
- Management shared that NIMs are expected to reach ~9% over the next 3-4 quarters as the newer, high-quality STPL and other product portfolios scale and the old STPL book runs down. We model an NIM of ~7.2%/7.9% in FY26/FY27 (vs. ~7.8% in FY25).

### Asset quality stable; credit costs excluding STPL decline

- GS3 was largely stable QoQ at ~1.85%, while NS3 was also stable QoQ at ~0.85%. PCR on S3 loans declined ~50bp QoQ to ~54% (PQ: ~54.5% and PY: ~52.4%).
- Management remains confident of a sustained decline in credit costs, driven by its robust underwriting practices and portfolio diversification. The company further shared that excluding the STPL portfolio, credit costs for the remaining 12 products (which comprise ~80% of the AUM) stood at 1.43% (compared to overall reported credit costs of ~2.6%). **PFL guided for steady state credit costs of ~1.5%-2%, and we model credit costs of ~2.1%/1.7% (as a % of loans) in FY26/FY27 (vs. ~5.1% in FY25).**

### Highlights from the management commentary

- Management shared that credit costs from the erstwhile STPL book have reduced to INR640m in 1QFY26 from INR1.37b in 4QFY25.
- In the MSME segment, the company maintains a strong focus on borrower-level risk assessment, actively avoiding customers with multiple credit inquiries. This disciplined approach has helped preserve overall portfolio quality. MSME's portfolio is ~60-70% secured, well-calibrated, and does not show any major early warning signals.
- The company targets to reach 400 branches by Mar'26. It has already opened 80 gold loan branches across GJ, HR, RJ, and MH.

### Valuation and view

- PFL reported healthy AUM and disbursements growth during the quarter, even as the earnings missed expectations due to higher credit costs, partially offset by lower-than-expected operating expenses. We believe that FY26 will be a crucial year for the company to demonstrate its ability to achieve guided loan growth while sustaining asset quality and keeping credit costs contained. We remain watchful and will closely monitor the on-ground execution of the company's stated strategy. **Reiterate BUY with a TP of INR520 (premised on 3.5x Mar'27E BVPS).**
- **Key downside risks:** a) inability to execute its articulated strategy despite a new management team and investments in technology, distribution, and collections; and b) aggressive competitive landscape leading to pressure on spreads and margins and/or deterioration in asset quality.

# Quarterly Performance (Standalone)

(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	1Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	8,962	9,107	9,991	10,685	11,853	13,631	15,267	17,015	38,745	57,767	12,181	-3
Interest Expenses	3,201	3,516	3,850	4,584	5,461	6,144	6,696	7,206	15,151	25,507	5,363	2
<b>Net Interest Income</b>	<b>5,761</b>	<b>5,592</b>	<b>6,141</b>	<b>6,101</b>	<b>6,393</b>	<b>7,488</b>	<b>8,571</b>	<b>9,810</b>	<b>23,594</b>	<b>32,261</b>	<b>6,818</b>	<b>-6</b>
YoY Growth (%)	36.8	17.8	25.1	8.5	11.0	33.9	39.6	60.8	20.6	36.7	18.3	
Other Income	997	858	581	1,048	1,287	1,325	1,352	1,659	3,346	5,623	1,134	13
<b>Total Income</b>	<b>6,758</b>	<b>6,449</b>	<b>6,722</b>	<b>7,149</b>	<b>7,679</b>	<b>8,813</b>	<b>9,923</b>	<b>11,469</b>	<b>26,940</b>	<b>37,884</b>	<b>7,951</b>	<b>-3</b>
YoY Growth (%)	35.1	22.0	22.2	11.6	30.4	36.7	47.6	60.4	22.3	40.6	35.8	
Operating Expenses	2,436	3,610	2,908	3,821	4,434	4,678	4,804	4,757	13,713	18,673	5,147	-14
<b>Operating Profit</b>	<b>4,321</b>	<b>2,839</b>	<b>3,814</b>	<b>3,328</b>	<b>3,245</b>	<b>4,135</b>	<b>5,119</b>	<b>6,712</b>	<b>13,228</b>	<b>19,211</b>	<b>2,805</b>	<b>16</b>
YoY Growth (%)	46.92	-15.4	8.9	-18.7	-24.90	45.6	34.2	101.7	-5.3	45.2	-35.1	
Provisions & Loan Losses	425	9,144	3,562	2,526	2,411	2,290	2,176	2,048	14,582	8,924	1,392	73
<b>Profit before Tax</b>	<b>3,897</b>	<b>-6,305</b>	<b>252</b>	<b>802</b>	<b>834</b>	<b>1,845</b>	<b>2,943</b>	<b>4,665</b>	<b>-1,354</b>	<b>10,287</b>	<b>1,413</b>	<b>-41</b>
Exceptional items		0				0			0	0		
Tax Provisions	980	-1,594	65	179	208	472	753	1,138	-371	2,572	362	-42
<b>PAT (excl. exceptional)</b>	<b>2,916</b>	<b>-4,710</b>	<b>187</b>	<b>623</b>	<b>626</b>	<b>1,373</b>	<b>2,189</b>	<b>3,527</b>	<b>-983</b>	<b>7,715</b>	<b>1,051</b>	<b>-40</b>
<b>PAT (incl. exceptional)</b>	<b>2,916</b>	<b>-4,710</b>	<b>187</b>	<b>623</b>	<b>626</b>	<b>1,373</b>	<b>2,189</b>	<b>3,527</b>	<b>-983</b>	<b>7,715</b>	<b>1,051</b>	<b>-40</b>
YoY Growth (%)	46	-	-93	-81	-79	-	1,069	466	-110	-885	-64	
<b>Key Parameters (Calc., %)</b>												
Yield on loans	15.5	15.0	15.2	14.1	13.4	13.5	13.7	14.0				
Cost of funds	8.0	8.0	7.8	7.8	7.7	7.6	7.4	7.3				
Spread	7.6	7.0	7.4	6.3	5.7	6.0	6.2	6.7				
NIM on loans	10.0	9.2	9.3	8.0	7.2	7.4	7.7	8.1				
C/I ratio	36.1	56.0	43.3	53.4	57.7	53.1	48.4	41.5				
Credit cost	0.7	13.2	4.8	3.03	2.51	2.1	1.8	1.6				
Tax rate	25.2	25.3	25.6	22.3	25.0	25.6	25.6	24.4				
<b>Balance Sheet Parameters</b>												
<b>Disbursements (INR b)</b>	<b>74.0</b>	<b>63.1</b>	<b>71.5</b>	<b>93.8</b>	<b>106.5</b>	<b>110.5</b>	<b>113.0</b>	<b>117.6</b>				
Growth (%)	-10.6	-19.1	-18.1	-3.2	43.9	75.0	58.0	25.4				
<b>AUM (INR b)</b>	<b>270</b>	<b>284</b>	<b>310</b>	<b>356</b>	<b>413</b>	<b>463</b>	<b>504</b>	<b>544</b>				
Growth (%)	51.7	40.5	41.2	42.5	53.0	63.2	62.8	52.6				
<b>AUM mix (%)</b>												
Focused	96.0	97.0	98.0	98.0	99.0							
Discontinued (Legacy and DA)	4.0	3.0	2.0	2.0	1.0							
<b>Asset Quality Parameters</b>												
GS 3 (INR m)	1,660	5,470	5,390	6,190	7,120							
GS 3 (%)	0.67	2.1	1.85	1.84	1.84							
NS 3 (INR m)	790	850	2,330	2,820	3,280							
NS 3 (%)	0.32	0.33	0.81	0.85	0.85							
PCR (%)	52.4	84.5	56.8	54.5	53.9							

E: MOFSL estimates



# Tata Chemicals

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR941 TP: INR970 (+3%) Neutral**

## India/UK basic chemistry and specialty products drive operating performance

### Operating performance beats our expectations

- Tata Chemicals' (TTCH) 1QFY26 consolidated EBITDA grew 13% YoY, led by lower power and fuel costs (reduction in coal prices) and cost rationalization initiatives. India/UK/Rallis delivered a healthy performance (EBITDA up 15%/78%/56%), while US/TCAHL showed a subdued performance (EBITDA down 5%/32%). Revenue declined marginally by 2% YoY due to flat volume (higher volume in India offset by lower volume in the US/UK/Kenya).
- The soda ash demand-supply balance continues to be soft in the short-term owing to tariff changes and excess supply across regions. However, we believe the company will see a gradual improvement on the back of cost rationalization initiatives, soft input prices and capacity additions.
- We largely maintain our FY26/FY27 EBITDA estimates despite increasing Rallis India and UK estimates which largely offsets the reduction in estimates of Africa and US business. **Reiterate Neutral with an SoTP-based TP of INR970.**

### Operating performance - a mixed bag

- TTCH reported total revenue of INR37.2b (est. INR39.8b) in 1QFY26, down 2% YoY, due to a slight decline in soda ash volumes (down 3%). Sodium bicarbonate/salt volumes grew 8%/1%. EBITDA margin expanded 230bp YoY to 17.5% (est. 14.3%), led by lower variable costs and favorable operating leverage. EBITDA stood at INR6.5b (est. INR5.7b), up 13% YoY.
- TTCH reported an adj. net profit of INR2.5b vs. ~INR1.4b in 1QFY25 (est. ~INR1.8b)
- Basic Chemistry Products** business was down 8% YoY at INR27.2b. EBIT was flat YoY at INR3b. EBIT margins stood at 11%.
- Specialty Products** business grew 22% YoY to INR10b. EBIT was up 85% YoY at INR3b. EBIT margins stood at 11%.
- India standalone/Rallis revenue grew ~12%/22% YoY to INR11.7b/INR9.6b. TCNA/TCEHL/TCAHL fell 6%/28%/9% YoY to INR12.1b/INR3.8b/INR1.3b.
- EBITDA for India standalone/TCEHL/Rallis grew 15%/78%/56% to INR2.7b/INR320m/INR1.5b, while the same for TCNA/TCAHL declined 5%/32% YoY to INR1.9b/INR1.7b.
- EBITDA/MT of TCNA remained flat YoY at ~USD40.6, while for TCAHL it declined 26% YoY to USD32. EBITDA margin for India standalone expanded 70bp YoY to 23.1%.

### Highlights from the management commentary

- Demand-supply scenario:** The demand-supply balance continues to be soft, coupled with uncertainties in soda ash trade due to tariff changes. Demand is not a concern, excess supply of unviable capacities remains a major concern. A large unit in China may begin a long-term maintenance haul – if this happens, the dynamics will turn favorable.

Bloomberg	TTCH IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	239.8 / 2.8
52-Week Range (INR)	1247 / 756
1, 6, 12 Rel. Per (%)	2/-8/-11
12M Avg Val (INR M)	1157

### Financials & Valuations (INR b)

Y/E Mar	2025	2026E	2027E
Sales	150.1	156.6	167.7
EBITDA	20.8	25.9	31.9
PAT	4.2	9.1	14.0
EBITDA (%)	13.8	16.5	19.1
EPS (INR)	16.5	35.8	54.8
EPS Gr. (%)	(54.4)	117.4	53.0
BV/Sh. (INR)	847	871	911

### Ratios

Net D/E	0.2	0.2	0.1
RoE (%)	1.9	4.2	6.2
RoCE (%)	2.8	4.8	6.2

### Valuations

P/E (x)	57.1	26.3	17.2
EV/EBITDA (x)	14.3	11.2	8.5
Div Yield (%)	1.2	1.3	1.6
FCF Yield (%)	(1.5)	6.0	10.2

### Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	38.0	38.0	38.0
DII	22.7	22.0	20.0
FII	12.8	13.3	13.8
Others	26.5	26.7	28.3

- **European business:** Margin improvement was led by a better product mix. Going forward, the pharma salt business and inhouse manufacturing of CO2 would be the key growth drivers. The company expects the bicarb business to break even this year, as TTCH has to recalibrate the business after the cessation of soda ash capacity. Additionally, the cessation of the Lostock business led to a decrease in costs.
- **Capex:** TTCH has guided for an annual maintenance capex of INR10b for FY26. No major expansion is expected after the expansion in Kenya (~50kpta capacity). Trial runs of the said capacity are going on, and it is expected to be commissioned in 2HFY26.

#### Valuation and view

- TTCH is expected to benefit from near-term tailwinds of a reduction in coal prices, capacity additions in Kenya, and growth drivers from the European business. Further, its strategic focus on specialty products positions TTCH well for long-term growth once global demand recovers.
- We expect the company will see a gradual improvement on the back of cost rationalization initiatives, soft input prices and capacity additions.
- **We largely maintain our FY26/FY27 EBITDA estimates despite increasing Rallis India and UK estimates which largely offsets the reduction in estimates of Africa and US business. Reiterate Neutral with an SoTP-based TP of INR970.**

#### Consolidated - Quarterly Earning Model

Consolidated - Quarterly Earning Model											(INRm)	
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	%
Net Sales	37,890	39,990	35,900	35,090	37,190	42,987	37,847	38,604	1,48,870	1,56,628	39,856	-7
YoY Change (%)	-10.2	0.0	-3.8	1.0	-1.8	7.5	5.4	10.0	-3.5	5.2	5.2	
Total Expenditure	32,150	33,810	31,560	31,820	30,700	36,485	31,642	31,913	1,29,340	1,30,740	34,143	
EBITDA	5,740	6,180	4,340	3,270	6,490	6,502	6,205	6,691	19,530	25,888	5,713	14
Margins (%)	15.1	15.5	12.1	9.3	17.5	15.1	16.4	17.3	13.1	16.5	14.3	
Depreciation	2,730	2,770	2,800	2,930	2,800	2,850	2,950	3,050	11,230	11,650	2,940	
Interest	1,330	1,450	1,480	1,370	1,470	1,200	1,100	950	5,630	4,720	1,150	
Other Income	470	1,080	280	420	960	1,000	311	484	2,250	2,755	522	
PBT before EO expense	2,150	3,040	340	-610	3,180	3,452	2,466	3,175	4,920	12,273	2,145	
Extra-Ord expense	0	0	700	550	0	0	0	0	1,250	0	0	
PBT	2,150	3,040	-360	-1,160	3,180	3,452	2,466	3,175	3,670	12,273	2,145	
Tax	940	810	170	-250	440	846	604	778	1,670	2,668	525	
Rate (%)	43.7	26.6	-47.2	21.6	13.8	24.5	24.5	24.5	45.5	21.7	24.5	
MI & Profit/Loss of Asso. Cos.	-140	290	0	-170	220	319	0	-64	-20	475	-208	
Reported PAT	1,350	1,940	-530	-740	2,520	2,287	1,862	2,461	2,020	9,130	1,827	
Adj PAT	1,350	1,940	-5	-328	2,520	2,287	1,862	2,461	2,958	9,130	1,827	38
YoY Change (%)	-73.8	-44.8	-100.3	-68.7	86.7	17.9	-37,336.5	-851.5	-67.9	208.7	35.4	
Margins (%)	3.6	4.9	0.0	-0.9	6.8	5.3	4.9	6.4	2.0	5.8	4.6	

# KFin Technologies

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	KFINTECH IN
Equity Shares (m)	172
M.Cap.(INRb)/(USD\$)	200.5 / 2.3
52-Week Range (INR)	1641 / 728
1, 6, 12 Rel. Per (%)	-11/-8/51
12M Avg Val (INR M)	1923

## Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Revenue	10.9	12.2	14.5
EBITDA	4.8	5.2	6.4
PAT	3.3	3.7	4.6
EPS	19.5	21.4	26.8
EPS Grw. (%)	33.9	9.9	25.0
BVPS	76.7	83.8	96.5
RoE (%)	28.3	26.7	29.7
Div. Pay out (%)	45.0	60.0	60.0

## Valuations

P/E (x)	60.0	54.5	43.6
P/BV (x)	15.2	13.9	12.1
Div. Yield (%)	0.8	1.1	1.4

## Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	22.9	32.9	33.1
DII	23.7	20.4	21.5
FII	27.8	22.6	22.8
Others	25.6	24.2	22.7

FII includes depository receipts

**CMP: INR1,165 TP: INR1,200 (+3%) Neutral**

## PAT below est. due to lower-than-expected revenue

- KFin Technologies (KFin) reported a 15% YoY growth in operating revenue to INR2.7b in 1QFY26 (9% miss), led by 17%/24%/34% YoY growth in domestic MF solutions/issuer solutions/international solutions segments.
- Total operating expenses grew 16% YoY to INR1.6b (8% lower than expectations), with employee expenses growing 17% YoY to INR1.1b (in-line) and other expenses rising 15% YoY to INR485m (22% below expectations). The cost-to-income ratio was at 58.5% (58% in 1QFY25).
- KFin's EBITDA grew 14% YoY to INR1.1b (10% miss), with EBITDA margin at 41.5% (42% in 1QFY25). It posted a net profit of INR773m, up 14% YoY (13% miss) in 1Q.
- Management expects yield compression to normalize to 3–3.5% YoY going forward and maintain a consistent sequential trend for the next three quarters. The non-mutual fund business (ex-global business) is anticipated to sustain a growth trajectory of 30-35%.
- We cut our earnings estimates for FY26/FY27 by 2% each, considering the decline in MF yields and lower revenue from issuer solutions and international business in 1QFY26. We expect KFin's revenue/PAT to post a CAGR of 15%/17% over FY25-27. We reiterate our Neutral rating on the stock with a one-year TP of INR1,200, premised on a P/E multiple of 45x on FY27E earnings.

## Equity AAUM share stable; yields dip

- KFin's total MF AAUM serviced during the quarter rose 23% YoY to INR23.4t. Equity AAUM, at 58% of total MF AAUM, grew 22% YoY to INR13.6t, reflecting a market share of 33% (33.4% in 1QFY25).
- Strong net flows with stable market share offset by a slight decline in yield to 3.5bp in 1QFY26 resulted in a 17% YoY growth in revenue from the domestic MF business to INR2b (in-line). This segment contributed 75% to the overall revenue in 1QFY26 (73% in 1QFY25).
- In the issuer services business, the main board IPO market share (concerning issue size) declined YoY to 18% in 1QFY26 (from 26.3% in 1QFY25). KFin handled six IPOs during the quarter (five in 1QFY25), resulting in a 24% YoY revenue growth from issuer solutions to INR330m (29% miss). The segment contributed 12% to the overall revenue (11% in 1QFY25).
- In the international investor solutions business, the number of clients reached 82, taking the total AUM serviced to INR864b. Revenue from this segment grew 34% YoY to INR366m, contributing 13% to overall revenue (11% in 1QFY25).
- In the alternates and wealth business, KFin's market share stood at 37% with an AUM of INR1.6t. NPS market share continues to rise and was at 9.9% in 1QFY26 (8.4% in 1QFY25), with an AUM of INR582b.
- The non-domestic mutual fund revenue contributed 26.5% to the overall revenue, down from 27.7% in 1QFY25. The value-added services contributed ~7% to its revenue.
- Other income grew 24% YoY to INR100m (in line).

### Key takeaways from the management commentary

- KFin launched its KRA platform during the quarter and signed up five clients within just two weeks, marking a swift go-to-market execution.
- Yields declined ~5% YoY (vs. an average of 3–4%), driven by telescopic pricing and volume-linked discounts to fast-growing AMCs. Additionally, the growing share of passive products contributed ~20% to the dip.
- Ascent's EBITDA margin remained subdued due to continued investments in senior hiring across global markets. However, profitability is expected to improve meaningfully with future large contract wins. Post-integration, Ascent's margin profile is expected to be similar to or better than KFin's, leveraging the latter's strong productivity and execution capabilities.

### Valuation and view

- Structural tailwinds in the MF industry are expected to drive absolute growth in KFin's MF revenue. With its differentiated 'platform-as-a-service' model offering comprehensive, end-to-end solutions powered by proprietary technology, KFin is well-positioned to capitalize on strong growth opportunities in both Indian and global markets.
- We cut our earnings estimates for FY26/FY27 by 2% each, considering the decline in MF yield and lower revenue from issuer solutions and international business in 1QFY26. We expect revenue/PAT to post a CAGR of 15%/17% over FY25-27E. **We reiterate our Neutral rating on the stock** with a one-year TP of INR1,200, premised at a P/E multiple of 45x on FY27E earnings.

### Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26	1Q FY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE						
Revenue from Operations	2,376	2,805	2,900	2,827	2,741	3,041	3,161	3,294	10,908	12,237	2,998	-8.6	15%	-3%
Change YoY (%)	30.9	34.2	32.6	23.8	15.4	8.4	9.0	16.5	30.2	12.2	26.2			
Employee expenses	958	1,018	1,040	1,017	1,117	1,186	1,233	1,303	4,033	4,839	1,109	0.7	17%	10%
Other Expenses	421	522	555	588	485	547	569	588	2,085	2,189	624	-22.3	15%	-17%
Total Operating Expenses	1,379	1,539	1,595	1,604	1,602	1,733	1,802	1,891	6,118	7,028	1,733	-7.6	16%	0%
Change YoY (%)	24.1	33.5	32.0	29.7	16.2	12.6	13.0	17.9			25.7			
<b>EBITDA</b>	<b>997</b>	<b>1,265</b>	<b>1,306</b>	<b>1,223</b>	<b>1,139</b>	<b>1,308</b>	<b>1,359</b>	<b>1,403</b>	<b>4,790</b>	<b>5,208</b>	<b>1,265</b>	<b>-10.0</b>	<b>14%</b>	<b>-7%</b>
Other Income	81	105	91	100	100	110	110	114	377	434	105	-4.5	24%	0%
Depreciation	148	165	164	167	176	180	182	171	645	709	172	2.8	19%	5%
<b>PBT</b>	<b>918</b>	<b>1,195</b>	<b>1,221</b>	<b>1,142</b>	<b>1,052</b>	<b>1,225</b>	<b>1,275</b>	<b>1,332</b>	<b>4,476</b>	<b>4,883</b>	<b>1,186</b>	<b>-11.3</b>	<b>15%</b>	<b>-8%</b>
Change YoY (%)	52.1	41.9	36.0	19.6	14.5	2.5	4.4	16.6	35.7	9.1	29.2			
Tax Provisions	237	301	319	292	276	306	319	331	1,150	1,232	296	-6.7	16%	-5%
<b>Net Profit</b>	<b>681</b>	<b>893</b>	<b>902</b>	<b>851</b>	<b>773</b>	<b>919</b>	<b>956</b>	<b>1,001</b>	<b>3,326</b>	<b>3,651</b>	<b>889</b>	<b>-13.1</b>	<b>13%</b>	<b>-9%</b>
Change YoY (%)	56.9	45.5	34.9	14.2	13.5	2.8	6.0	17.7	35.2	9.8	30.6			

### Key Operating Parameters (%)

Revenue / AUM (bp)	5.0	5.2	5.2	5.2	4.7	5.0	5.0	5.1	5.2	5.0	5.2	-48bp	-31bp	-50bp
Opex / AUM (bp)	2.9	2.9	2.9	2.9	2.7	2.9	2.9	2.9	2.9	2.8	3.0	-25bp	-16bp	-20bp
PAT / AUM (bp)	1.4	1.7	1.6	1.6	1.3	1.5	1.5	1.6	1.6	1.5	1.5	-21bp	-11bp	-24bp
Cost to Operating Income Ratio	58.0	54.9	55.0	56.8	58.5	57.0	57.0	57.4	56.1	57.4	57.8	65bp	41bp	170bp
EBITDA Margin	42.0	45.1	45.0	43.2	41.5	43.0	43.0	42.6	43.9	42.6	42.2	-65bp	-41bp	-170bp
PAT Margin	28.7	31.8	31.1	30.1	28.2	30.2	30.2	30.4	30.5	29.8	29.7	-147bp	-46bp	-190bp

### Opex Mix (%)

Employee expenses	69.5	66.1	65.2	63.4	69.7	68.4	68.4	68.9	65.9	68.9	64.0	573bp	24bp	636bp
Other Expenses	30.5	33.9	34.8	36.6	30.3	31.6	31.6	31.1	34.1	31.1	36.0	-573bp	-24bp	-636bp

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	SOBHA IN
Equity Shares (m)	107
M.Cap.(INRb)/(USD\$)	172.6 / 2
52-Week Range (INR)	2070 / 1075
1, 6, 12 Rel. Per (%)	8/35/-15
12M Avg Val (INR M)	505

## Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	40.4	50.3	58.1
EBITDA	2.9	6.3	8.5
EBITDA (%)	7.3	12.5	14.6
PAT	0.9	3.6	5.4
EPS (INR)	8.9	33.7	50.6
EPS Gr. (%)	71.0	281.0	49.9
BV/Sh. (INR)	426.5	457.2	504.8

## Ratios

Net D/E	(0.1)	(0.5)	(0.2)
RoE (%)	2.7	7.6	10.5
RoCE (%)	4.6	7.8	10.2
Payout (%)	33.9	8.9	5.9

## Valuations

P/E (x)	182	48	32
P/BV (x)	4	4	3
EV/EBITDA (x)	57	24	19
Div Yield (%)	0.2	0.2	0.2

## Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	52.9	52.9	52.3
DII	24.6	24.0	18.6
FII	8.1	8.9	11.5
Others	14.4	14.2	17.7

**CMP: INR1,614 TP: INR1,935 (+20%) Buy**

## Weak performance; gross margins hint at a turnaround

### Strong YoY performance in Gurugram and Tamil Nadu

- Total bookings were up 11% YoY/13% QoQ at INR20.8b (31% miss) in 1QFY26. SOBHA's share of bookings rose 26% YoY/25% QoQ to INR17.2b.
- In 1Q, 57% of sales were led by NCR, as Gurugram sales jumped 2x QoQ to INR3.5b, led by Sobha Aranya and Sobha Altus. The newly launched project, Sobha Aurum, marked the company's entry into Greater Noida, contributing INR8.3b in sales. About 29% of sales were led by Bangalore, with healthy contributions from Sobha Town Park, Sobha Ayana, and Sobha Neopolis. Kerala sales were up 64% QoQ at INR2.1b, led by the launch of four towers of Marina One, Kochi. Tamil Nadu sales jumped 2x YoY/59% QoQ at INR587m, maintaining steady volumes. Hyderabad and Pune witnessed muted sales due to limited inventory.
- Volumes were up 22% YoY at 1.4msf (48% below our estimate). Average realization was at 14,395psf, down 9% YoY and up 22% QoQ.
- Completions stood at 594 homes, comprising 1.07msf of saleable area.
- The company's project pipeline is at ~30msf (vs. 31msf in 4QFY25), including 18msf of new projects, with ~8msf located in Bengaluru.
- Real estate collections increased 15% YoY to INR16b. Total cash inflow (incl. contractual business) stood at INR17.8b, up 15% YoY.
- Net operating cash flows (before interest and taxes) rose 22% YoY to INR3.95b.
- In line with its growth strategy, SOBHA increased its land-related investment to ~INR2.8b in 1Q, up 75% YoY. During the quarter, the company generated a cash surplus of INR568m.
- Net cash position stood at INR6.9b vs. INR6.3b in 4QFY25. The cost of borrowings reduced to 8.86% (vs. 9.12% in 4QFY25).
- **P&L performance:** In 1Q, revenue was up 33% YoY/down 31% QoQ at INR8.5b (18% below estimate). Real estate revenue was up 45% YoY at INR6.9b.
- Gross margin has been improving sequentially for the last two quarters and stood at 36% in 1Q. EBITDA was down 57% YoY/75% QoQ at INR238m (82% below estimate) and margin was down 594bp YoY and 479bp QoQ at 3% (971bp below estimate) due to low revenue recognition and high other expenses.
- Adj. PAT was up 125% YoY/down 67% QoQ at INR136m (83% miss). PAT margin stood at 1.6%, up 65bp YoY/down 170bp QoQ.

### Highlights from the management commentary

- In 1QFY26, SOBHA launched Sobha Aurum in Greater Noida (0.7msf; 80% sold, INR8.3b) and the final four towers of Marina One in Kochi (0.9msf).
- FY26 launch pipeline includes 6-8msf (~INR100b GDV), with 3-3.5msf targeted in 1HFY26; 45% of this will be from NCR.
- Key 2QFY26 launches include two Bengaluru projects (~1.1msf) and a commercial development in Gurgaon.



- MMR project (Phase 1 of 0.15msf) is likely to launch in 3QFY26.
- Delay in OCs for five Bengaluru projects led to INR6.5b in revenue deferment, compressing EBITDA margin by 9%.
- Target EBITDA margin stands at 33% for the remaining INR172b in revenue to be recognized.
- Upcoming pipeline includes 17.67msf residential and 0.71msf commercial area across nine cities.
- Land outflow rose 75% YoY to INR2.8b in 1Q; operating cash flow is guided to grow 10% in FY26.

#### Valuation and view

- SOBHA continues to provide strong growth visibility by unlocking its vast land reserves. Additionally, the recent fundraise and strong cash flows will enable the company to focus on new land acquisitions, which will further enhance its growth pipeline.
- We have incorporated the updated launch pipeline and newly acquired projects during the year. Ongoing and upcoming projects are likely to generate ~INR124b of gross cash flows, which we value at around INR74b.
- We value SOBHA's land reserve of 154msf at INR86b, assuming 25-75 years of monetization.
- **We reiterate our BUY rating on the stock with a revised TP of INR1,935 (earlier 1,778), indicating a 20% upside potential.**

#### Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1Q	
<b>Net Sales</b>	<b>6,404</b>	<b>9,336</b>	<b>12,241</b>	<b>12,406</b>	<b>8,519</b>	<b>11,679</b>	<b>13,073</b>	<b>17,062</b>	<b>40,387</b>	<b>50,333</b>	<b>10,430</b>	<b>-18%</b>
YoY Change (%)	-29.5	25.9	78.7	62.6	33.0	25.1	6.8	37.5			62.9	
Total Expenditure	5,845	8,565	11,569	11,466	8,281	10,218	11,438	14,101	37,444	44,038	9,125	
<b>EBITDA</b>	<b>559</b>	<b>771</b>	<b>672</b>	<b>941</b>	<b>238</b>	<b>1,461</b>	<b>1,635</b>	<b>2,962</b>	<b>2,943</b>	<b>6,296</b>	<b>1,305</b>	<b>-82%</b>
Margins (%)	8.7	8.3	5.5	7.6	2.8	12.5	12.5	17.4	7.3	12.5	12.5	-971.3
Depreciation	204	232	233	230	237	221	247	246	898	950	197	
Interest	539	494	473	450	310	308	344	364	1,956	1,326	275	
Other Income	295	317	328	301	495	300	336	163	1,241	1,295	268	
<b>PBT before EO expense</b>	<b>111</b>	<b>362</b>	<b>295</b>	<b>562</b>	<b>187</b>	<b>1,233</b>	<b>1,380</b>	<b>2,514</b>	<b>1,330</b>	<b>5,314</b>	<b>1,101</b>	<b>-83%</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>111</b>	<b>362</b>	<b>295</b>	<b>562</b>	<b>187</b>	<b>1,233</b>	<b>1,380</b>	<b>2,514</b>	<b>1,330</b>	<b>5,314</b>	<b>1,101</b>	<b>-83%</b>
Tax	50	101	78	154	50	355	398	904	383	1,707	317	
Rate (%)	45.4	28.0	26.4	27.3	27.0	28.8	28.8	35.9	28.8	32.1	28.8	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>61</b>	<b>261</b>	<b>217</b>	<b>409</b>	<b>136</b>	<b>878</b>	<b>983</b>	<b>1,611</b>	<b>947</b>	<b>3,608</b>	<b>784</b>	<b>-83%</b>
<b>Adj PAT</b>	<b>61</b>	<b>261</b>	<b>217</b>	<b>409</b>	<b>136</b>	<b>878</b>	<b>983</b>	<b>1,611</b>	<b>947</b>	<b>3,608</b>	<b>784</b>	<b>-83%</b>
YoY Change (%)	-49.8	74.6	43.8	481.1	124.9	236.5	353.1	294.3	92.8	281.0	1,194.5	
Margins (%)	0.9	2.8	1.8	3.3	1.6	7.5	7.5	9.4	2.3	7.2	7.5	
<b>Key metrics</b>												
Sale Volume (msf)	1.2	0.9	1.0	1.6	1.4	1.3	1.6	5.0	4.7	9.4	2.8	-48%
Sale Value (INRb)	18.7	11.8	13.9	18.4	20.8	19.1	22.4	39.2	62.8	101.5	30.3	-31%
Collections (INRb)	13.9	12.8	13.2	15.8	16.0	16.0	16.6	21.4	55.7	70.0	17.5	-9%
Realization (INR/sft)	15,879	12,673	13,662	11,781	14,395	14,395	14,395	7,772	13,399	10,831	10,831	33%

Source: MOFSL, Company

# Indian Energy Exchange

Estimate change	↔
TP change	↓
Rating change	↓

Bloomberg	IEX IN
Equity Shares (m)	892
M.Cap.(INRb)/(USDb)	129.3 / 1.5
52-Week Range (INR)	244 / 132
1, 6, 12 Rel. Per (%)	-22/-21/-18
12M Avg Val (INR M)	2044

Financials & Valuations (INR b)			
Y/E March	FY25	FY26E	FY27E
Sales	5.4	6.0	5.7
EBITDA	4.6	5.2	4.8
Adj. PAT	4.1	4.6	4.4
EPS (INR)	4.7	5.1	4.9
EPS Gr.%	21.4	10.1	(4.1)
BV/Sh. (INR)	12.3	14.4	16.3
<b>Ratios</b>			
Net D:E	(0.1)	(0.2)	(0.3)
RoE (%)	40.5	38.4	32.0
RoCE (%)	39.5	37.5	31.4
Payout (%)	64.5	60.0	60.0
<b>Valuation</b>			
P/E (x)	31.1	28.3	29.5
P/B (x)	11.8	10.1	8.9
EV/EBITDA (x)	28.1	24.4	26.1
Div. yield (%)	2.1	2.1	2.0

## Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	0.0
DII	34.1	34.2	31.3
FII	18.8	16.4	12.0
Others	47.1	49.5	56.8

FII includes depository receipts

**CMP: INR145 TP: INR135 (-7%) Neutral**

## Remain cautious as regulatory risk unfolds

- Indian Energy Exchange (IEX) reported 1QFY26 standalone revenue of INR1.4b, in line with our estimate. Standalone PAT was 5% above our est. at INR1.1b, primarily due to higher other income. IEX's electricity volumes increased 15% YoY and renewable (RE) volumes surged 149% YoY.
- Following a sharp 29% decline in its stock price over the past five trading sessions, the stock now trades close to its long-term average P/E of 28x. In light of the Central Electricity Regulatory Commission's (CERC) announcement of the phased implementation of market coupling in India, starting with the day-ahead market (DAM) (~45% of IEX volumes in FY25) by Jan'26, we have lowered our FY27 earnings estimates by 17%, factoring in a 30% volume decline and a 10% fall in transaction fee in the DAM segment.
- While valuation has corrected sharply, overall the energy exchange space remains in a flux as the implementation of market coupling for DAM and other segments unfolds in the next few quarters, and this drives our cautious view on the space. We continue to like IEX for its competitive technological platform, robust new product leadership and strong management. We think near-term stock performance is likely to remain under pressure as competitive dynamics (fight for market share, re-defining of transaction fee) unfold in the sector.
- Key areas to monitor in the coming months include: 1) any legal recourse initiated by IEX, 2) practical challenges in operationalizing market coupling in DAM, 3) whether timeline for market coupling in DAM goes beyond Jan'26, and 4) roadmap for market coupling implementation in the RTM segment.
- We value IEX at a 28x FY27E EPS, in line with its long-term average, and reiterate our Neutral rating on the stock with a target price of INR135.

## 1Q broadly in line; PAT beats on stronger other income

- Financial performance:**
  - IEX reported standalone revenue of INR1.4b in 1QFY26, up 13.3% YoY and in line with our estimate.
  - EBITDA came in at INR1.1b, up 13.9% YoY and 3% below our estimate.
  - Standalone PAT stood at INR1.1b, up 21% YoY and 5% above our estimate, mainly on account of higher-than-expected other income.
- Operational performance:**
  - Electricity volumes rose ~15% YoY to 32.4BUs in 1QFY26.
  - In the electricity segment, DAM volumes fell 7% YoY, whereas real-time market (RTM)/term-ahead market (TAM) volumes grew 41%/11% YoY.
  - Renewable energy certificate (REC) volumes surged 149.3% YoY to 5.3MUs. Green Market segment also delivered strong volumes of 2.7BUs (50% YoY).
  - In 1Q, higher hydro & wind and steady coal-based generation improved the supply liquidity on power exchanges. DAM liquidity rose 45.2% YoY, reducing prices by 16% to INR4.41/unit. RTM prices fell 20% YoY to INR3.91/unit.

- In the gas market, the Indian Gas Exchange (IGX) achieved record-high gas volumes of 24.6m MMBtu in 1QFY26 (+109% YoY), driven by increased demand from oil marketing companies and city gas distribution firms. Reported PAT for 1QFY26 grew 86.7% YoY to INR141m.
- International Carbon Exchange (ICX) issued over 4.4m I-RECs in 1QFY26, compared to 5.9m issued in FY25, and reported revenue of INR17.9m.

### Highlights of IEX's 1QFY26 performance

#### ■ Performance highlights

- IEX recorded electricity trading volume of 32.4BUs in 1QFY26, up 15% YoY, while PAT rose 21% YoY to INR1.1b.
- The exchange traded 5.3m RECs, achieved RTM volumes of ~13 BUs, and saw GDAM volumes grow 51% YoY to 2.7BUs in the quarter.
- In 1QFY26, IEX's 74% of revenue came from transaction fees, 23% from other income, and the remaining 3% from admission and annual fees.
- DAM liquidity improved by 45.2% YoY, leading to a 16% decline in prices to INR4.41/unit, while RTM prices fell 20% YoY to INR 3.91/unit.

#### Other highlights:

- CERC issued an order on 23rd Jul'25 to initiate market coupling in the DAM by Feb'26, with GDAM inclusion remaining unclear.
- RTM coupling will be considered later due to operational complexities.
- Implementation will require extensive preparatory work, including software development, IT infrastructure setup, settlement mechanism design, and the formulation of market coupling regulations, which may take time.
- The company is still evaluating its options regarding the order, including proceeding with the implementation, seeking a review by CERC, or appealing to the Appellate Tribunal.

### Valuation and view

- Our TP of INR135 for IEX is based on the following:
- We value the business at 28x FY27E EPS of INR4.9 in line with long-term average P/E of 28x.
- We have not assumed any value for IGX's stake in our valuation.

### Standalone quarterly performance

Standalone quarterly performance														(INR m)
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%	%	%
Net Sales	1,236	1,392	1,313	1,413	1,400	1,452	1,542	1,614	5,354	6,008	1,409	-1%	13.3	-0.9
YoY Change (%)	18.8	28.3	13.9	16.5	13.3	4.3	17.5	14.3	19.2	12.2	14.0			
EBITDA	1,000	1,203	1,128	1,220	1,139	1,244	1,342	1,431	4,551	5,157	1,171	-3%	13.9	-6.6
Margin (%)	81.0	86.4	85.9	86.3	81.4	85.7	87.0	88.7	85.0	85.8	83.1			
Depreciation	52	53	54	53	54	54	55	53	212	217	53	2%	3.9	3.3
Interest	7	7	7	6	6	7	7	7	26	26	7	-14%	-13.8	-5.4
Other Income	308	286	285	310	425	276	275	170	1,189	1,146	297	43%	38.1	37.2
PBT before EO items	1,249	1,429	1,353	1,471	1,504	1,459	1,555	1,541	5,502	6,059	1,407			
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0	0			
PBT	1,249	1,429	1,353	1,471	1,504	1,459	1,555	1,541	5,502	6,059	1,407	7%	20.4	2.3
Tax	315	368	322	351	374	406	354	359	1,356	1,493	336	11%	18.7	6.6
Rate (%)	25.2	25.8	23.8	23.8	24.8	27.8	22.8	23.3	24.6	24.6	23.8			
JV and Associates	0	0	0	0	0	0	0	0	0	0	0			
Reported PAT	934	1,061	1,031	1,120	1,130	1,053	1,201	1,182	4,146	4,566	1,072	5%	21.0	0.9
Adj PAT	934	1,061	1,031	1,120	1,130	1,053	1,201	1,182	4,146	4,566	1,072	5%	21.0	0.9
YoY Change (%)	26.0	28.0	15.5	17.8	21.0	-0.7	16.4	5.5	21.4	10.1	14.7			
Margin (%)	75.6	76.2	78.6	79.3	80.8	72.5	77.9	73.2	77.5	76.0	76.1			

# Automobiles

Tractor sales in India likely to see 4-7% growth in FY26, as per ICRA...

## Tractor industry up 9.2% in Q1; outlook remains positive

### Mahindra & Mahindra (MM) continues to outperform across key segments

- The Indian tractor industry recorded a **9.2% YoY volume growth** in Q1FY26, delivering **286k units**. Growth was led by strong demand in the **41-50HP segment, which posted a 13.5% YoY increase, contributing ~65% to industry volumes**. The **sub-30HP segment** outperformed with a **21.3% YoY growth in Q1**.
- West and North India's contribution to the tractor industry has increased over the years, and together, they now account for 75% of the industry in FY25.
- **MM** continues to outperform the industry, posting **10.5% YoY growth in Q1**. Its market share improved 50bp YoY to 45% in Q1.
- TAFE and John Deere (JD) are other peers that have outperformed the industry with 12%/14% growth, respectively, in Q1.
- The 9.2% growth in Q1 indicates a **stronger-than-expected start to FY26**, supported by a favorable Rabi harvest realization and pre-season inventory stocking ahead of Kharif. However, the monsoon performance and rural liquidity will remain key variables to watch in the coming quarters. Our preferred pick in tractors is MM.

### Segmental trends: Shifting preference toward higher HP

- The Indian tractor industry recorded a **9.2% YoY volume growth** in Q1FY26, delivering **286k units**. Growth was led by strong demand in the **41-50HP segment, which posted a 13.5% YoY increase and contributed ~65% to industry volumes in Q1 (up from 62.6% YoY)**.
- The **sub-30HP segment** also saw robust growth of **21.3% YoY**, likely driven by demand from marginal landholders and increased preference for compact tractors in horticulture.
- In contrast, the **31-40HP segment** underperformed, marking a **4.2% YoY decline** in Q1, reflecting a shift in preference toward higher horsepower tractors.
- **MM** continues to outperform the industry, **posting 10.5% YoY growth in Q1**. Its market share improved 50bp YoY to 45% for Q1.
- TAFE is another player that outperformed the industry in Q1, posting 12% YoY growth. It is the second-largest player in the segment with a market share of 17.6%, marking ~50bp YoY increase.
- ITL is the third-largest player in the industry and has held a fairly stable market share of around 13% over the years. In Q1, ITL underperformed the industry with just 4% growth.
- Among the top four players, Escorts Kubota was the only player to post a 2% YoY decline in volumes in Q1. As a result, it lost about 110bp market share to 10%.
- JD posted a 14% growth in Q1 and enjoys a fairly stable market share of 8.4%. It is a market leader in the >51HP segment in India.
- The 9.2% growth in Q1 indicates a **stronger-than-expected start to FY26**, supported by a favorable Rabi harvest realization and pre-season inventory stocking ahead of Kharif. Sustained momentum in higher HP categories suggests continued mechanization trends and demand for heavier-duty operations. However, monsoon performance and rural liquidity will remain key variables to watch in the coming quarters.

### Segmental trends: Shifting consumer preference towards higher HP tractors <30HP segment (0.7% CAGR over FY19-25):

- The segment's contribution to total industry volume hovered between 8.3% and 10.6% from FY19 to Q1FY26. After peaking at over 100,000 units in FY23, sales volumes moderated to 78,438 units in FY25.
- **MM** has continued to consolidate its leadership position in this segment over the years, with its market share rising from 44% in FY19 to a commanding 54.2% in Q1FY26.
- **TAFE** remains the second-largest player in this segment. However, its market share has declined over the years and currently stands at 14.2% (17% in FY19).
- **Escorts Kubota** holds the third position with a share of 12.3%, but has lost some share after peaking at 15.5% in this segment in FY23.
- A notable trend is the significant decline in share of **VST** in this segment, whose market share eroded from nearly 10% in FY19 to just over 3% by Q1FY26.

### 31-40HP segment (-3% CAGR over FY19-25):

- This category saw the most significant erosion in its market position. Its share in the industry steadily declined from 35.6% in FY19 to 25% in FY25, and further to 23.9% in Q1FY26.
- Even in this segment, **MM** has successfully expanded its leadership, growing its market share from 38.6% in FY19 to 45.9% in Q1FY26.
- **ITL** is another outperformer in this segment. Its market share rose from 12.5% in FY19 to 17.4% in FY25, gradually closing in with the second-largest player, **TAFE**.
- **TAFE** has maintained its position as the second-largest player in this segment with a share of 20.9% in Q1.
- **Escorts Kubota** lost significant ground in this segment, with its share falling from 16.5% in FY19 to 8.7% in Q1FY26.

### 41-50HP segment (8.4% CAGR over FY19-25):

- This is the largest, fastest-growing, and most critical segment, now accounting for the majority of tractor sales in India. Its contribution to the market has surged from 47.3% in FY19 to an overwhelming 65.2% in Q1FY26. This segment is the primary driver of overall industry volumes, having posted an 8.4% volume CAGR over FY19-25.
- While **MM** remains a strong player even in this segment, its market share gains here have been modest compared to other segments. Its share has improved to 43.8% as of Q1FY26 from 42.9% in FY19.
- **TAFE** is the consistent number two player, although its market share has slightly decreased over time, standing at 17.3% in Q1.
- **ITL** and **Escorts Kubota** have long been locked in a close contest for the third position, with **ITL** losing by a slim margin in each of the past six years. However, **ITL** is now the third largest player in this segment, holding a 12.1% share, ahead of **Escorts Kubota**, which saw its share fall 200bp from FY25 levels to 10.5% in Q1FY26.
- **JD** has maintained a stable share in this segment over the years in the range of 9-10%.



#### >51HP segment (-15.5% CAGR over FY19-25):

- This high-power segment, which caters to large-scale farming and commercial applications, has seen a significant decline in industry share—falling to 1.6% of total industry sales as of Q1FY26 from 7.5% in FY19.
- This is the only segment where MM has faced significant competition from JD over the years.
- While MM took the leadership position from JD in this segment in FY23, JD regained the top spot in Q1FY26 with a 40.2% share (up from 39.3% in FY25), ahead of MM, which stood at 39.3% (down from 40.8% in FY25).
- **ITL** and **Escorts Kubota**, once major players with shares of 20.6% and 9.4% in FY19, saw their market shares drop to 6.1% and 1.6% in Q1FY26.

#### Regional trends: Notable transformation in the geographic landscape

Over the years, West and North India's contribution to the tractor industry has increased, and together, they now account for 75% of the industry in FY25. West India has emerged as the largest contributor to the country's tractor sales, with contribution rising to 37.9% in FY25 (further to 38.6% in Q1, from 28.9% in FY19). North India's contribution has largely remained stable over the years at the 34% mark. South India's contribution to tractor sales has declined to 14.9% in FY25 (further down to 13.7% for Q1, from 19% in FY19), while East India's contribution dipped to 10.3% in FY25 (from 17.5% in FY19, but up to 13.8% in Q1).

#### West India:

- West India's contribution to the total market has steadily increased from 28.9% in FY19 to become the largest region with a 37.9% share in FY25 and further to 38.6% in Q1FY26.
- **MM**, while already the market leader, has seen steady gains in this segment over the years, with regional market share rising from 39.1% in FY19 to a formidable 46% in Q1FY26.
- TAFE holds the second position with a fairly stable market share, which stood at 16.5% in Q1FY26.
- **ITL** has shown steady upward momentum, emerging as the third-largest player in the industry after displacing Escorts Kubota. Its market share improved to 12.4% in Q1FY26 (from 10.9% in FY19), while Escorts Kubota's share declined to 10.6% (from 13.3% in FY19).
- **JD** maintains a consistent but smaller presence with a market share of around 8-9%.

#### North India:

- As a traditional tractor stronghold, North India remains a vast and critically important market for all players, characterized by established competition. Its contribution has remained relatively stable, fluctuating between 34% to 38% over the years.
- **MM** leads the region, steadily increasing its share from 35.3% in FY19 to nearly 39% by FY25. However, its market share remains below the pan-India average in this region.

- Despite being a South-based player, TAFE has maintained a strong and steady hold in this region. It remains the second-largest player in this region, holding a 23.2% share in Q1FY26.
- **ITL (Sonalika)** and **Escorts Kubota** once again remain locked in a close battle for the third spot, with both players holding shares in the 13-14% range. In Q1, ITL pipped Escorts Kubota for the third spot with a 13.1% share, slightly ahead of Escorts' 12.7%.

#### South India:

- South India is the only region with a significant and continuous decline in the national tractor market share. Its industry share has declined from 19.0% in FY19 to just 13.7% in Q1FY26.
- Similar to other regions, MM is a dominant player in this region, holding a 46.6% share in Q1FY26.
- Both ITL and JD have improved their regional shares, with ITL rising to 11.7% in Q1 (from 7.9% in FY19) and JD to 19.7% (from 15.9% in FY19).
- **TAFE**, traditionally strong in the South, has lost substantial ground, with its share falling from 16.8% in FY19 to around 13% in Q1.

#### East India:

- From a high of 17.5% in FY19, East India's contribution to domestic tractor sales declined to a low of 9.8% in FY23. However, it has gradually recovered, reaching 13.8% in Q1FY26.
- MM has maintained a strong presence in this region and has further strengthened it over the years. Its share rose to an all-time high of 56.3% in Q1FY26 from 46.8% in FY19.
- ITL is the second-largest player in this region, with a 14.7% share in Q1, which has largely remained stable over the years.
- The third-largest player in this region, TAFE, saw a slight decline in its market share to 11.8% in Q1 from 13.2% in FY19.
- **Escorts Kubota** witnessed a significant market share erosion in the region, falling from 13.2% in FY19 to an all-time low of 7.2% in Q1.

#### Tractor volumes grew 9% YoY in 1QFY26

Tractor Volumes	Q1FY26	YoY (%)	FY25	YoY (%)
<30HP	26,597	21.29	78,438	-9.4
31-40HP	68,465	-4.17	2,35,356	-2.2
41-50HP	1,86,432	13.55	6,04,527	14.8
>51HP	4,522	5.09	21,492	-1.7
<b>Total</b>	<b>2,86,016</b>	<b>9.2</b>	<b>9,39,713</b>	<b>7.3</b>

Source: SIAM, MOFSL

#### 41-50HP contributes 65% share to the industry

Mix (%)	Q1FY26	YOY (bps)	FY25	YoY (bps)
<30HP	9.3	92	8.3	-154
31-40HP	23.9	-334	25.0	-244
41-50HP	65.2	248	64.3	419
>51HP	1.6	-6	2.3	-21

Source: SIAM, MOFSL

# Lodha Developers

BSE SENSEX

81,463

S&amp;P CNX

24,837

**CMP: INR1,279**
**Buy**

## Conference Call Details


**Date:** 28 July 2025

**Time:** 14:00 IST

**Dial-in details:**

+91-22 22 6280 1197/ +91 22 7115 8098

## Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	137.8	181.1	189.3
EBITDA	39.9	51.6	53.9
EBITDA Margin (%)	28.9	28.5	28.5
PAT	27.6	36.5	38.7
EPS (INR)	28.7	37.9	40.2
EPS Gr. (%)	70.4	32.1	6.2
BV/Sh. (INR)	209.5	243.0	278.8

### Ratios

RoE (%)	14.6	16.7	15.4
RoCE (%)	12.1	13.8	13.3
Payout (%)	15.3	11.6	10.9

### Valuations

P/E (x)	44.6	33.8	31.8
P/BV (x)	6.1	5.3	4.6
EV/EBITDA (x)	32.2	24.7	23.2
Div yld (%)	0.3	0.3	0.3

## Below estimates but steady presales and strong BD

### Operational performance

- In 1QFY26, presales were up 10% YoY at INR44.5b (12% miss).
- Collections were up 7% YoY at INR28.8b (34% below our estimate).
- OCF rose 44% YoY to INR9.5b.
- Five new projects were added in MMR, Pune, and Bengaluru, with a total GDV of INR227b, achieving 91% of its FY6 business development guidance in 1Q.
- Launched 3.9msf with GDV of INR83b.
- Net debt increased by INR11b to INR51b in 1QFY26 due to investment in business development, yet net debt/equity was below the ceiling of 0.5x.

### Financial performance

- Revenue stood at INR34.9b, +23% YoY/-17% QoQ (12% below estimate).
- EBITDA (excl. other income) came in at INR9.8b, +30% YoY/-19% QoQ, (13% below our estimate). Reported EBITDA margin stood at 28%. According to management, the embedded EBITDA margin for pre-sales stood at ~33%. Adjusted EBITDA (excluding interest charge-off and capitalized interest) stood at INR12b, with a margin of 34.4%.
- Adjusted PAT came in at INR6.7b, up 42% YoY and down 27% QoQ (16% below estimates), with a margin of 19.5%.

## Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26	FY26E 1Q Est.	1QE Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Gross Sales	28,465	26,257	40,830	42,243	34,917	32,597	50,707	62,875	1,37,795	1,81,097	39,841	-12
YoY Change (%)	76	50	39	5	23	24	24	49	33.6	31.4	40.0	
Total Expenditure	20,897	19,211	27,771	30,036	25,073	23,307	36,256	44,849	97,915	1,29,484	28,487	
EBITDA	7,568	7,046	13,059	12,207	9,844	9,290	14,452	18,027	39,880	51,613	11,355	-13
Margins (%)	26.6	26.8	32.0	28.9	28.2	28.5	28.5	28.7	28.9	28.5	28.5	
Adj. EBITDA (as per co.)	9,600	9,600	15,900	14,600	12,000	9,290	14,452	15,871	49,700	52,100	11,355	6
Margins (%)	33.7	36.6	38.9	34.6	34.4	28.5	28.5	25.2	36.1	28.8	28.5	
Depreciation	604	665	672	778	659	579	901	1,078	2,719	3,216	708	
Interest	1,172	1,365	1,441	1,517	1,478	593	923	302	5,495	3,297	725	
Other Income	718	589	636	1,960	1,330	326	507	-352	3,903	1,811	398	
PBT before EO expense	6,510	5,605	11,582	11,872	9,037	8,444	13,135	16,294	35,569	46,910	10,320	-12
PBT	6,510	5,605	11,582	11,872	9,037	8,444	13,135	16,294	35,569	46,910	10,320	-12
Tax	1,747	1,368	2,137	2,637	2,284	1,873	2,913	3,334	7,889	10,404	2,289	
Rate (%)	26.8	24.4	18.5	22.2	25.3	22.2	22.2	20.5	0.2	0.2	22.2	
MI & Profit/Loss of Asso. Cos.	10	8	1	18	6	7	10	14	37	37	8	
Reported PAT	4,753	4,229	9,444	9,217	6,747	6,564	10,211	12,946	27,643	36,469	8,023	-16
Adj PAT (as per co.)	4,800	4,200	9,400	9,200	6,800	6,564	10,211	12,893	27,600	36,469	8,023	-15
YoY Change (%)	182	100	65	37	42	56	9	40	70.4	32.1	67.1	
Margins (%)	16.9	16.0	23.0	21.8	19.5	20.1	20.1	20.5	20.0	20.1	20.1	-66bp

Source: Company, MOFSL

## Quarterly Performance

Key metrics	FY25E								FY25	FY26	FY26E 1Q Est.	1QE Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sale Volume (msf)	2.4	2.4	3.0	3.4	3.1	3.3	3.8	4.8	11	15	4	-11.9
Sale Value (INRb)	40.3	42.9	45.1	48.1	44.5	46.7	54.0	68.0	176	213	51	-11.9
Collections (INRb)	26.9	30.7	42.9	44.4	28.8	40.1	46.3	67.7	145	183	43	-33.5
Realization (INR/sft)	14,708	17,716	15,011	13,971	14,226	14,226	14,226	14,226	15,654	14,226	14,226	

Source: Company, MOFSL

# SAIL

BSE SENSEX  
81,463

S&P CNX  
24,837

**CMP: INR130**
**Neutral**

## Conference Call Details


**Date:** 28 July 2025

**Time:** 12:00 pm IST

**Registration:**
[Diamond Pass](#)
**Dial in:**

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## Weak sales volume dents earnings

- In 1QFY26, SAIL received a one-time revenue gain of INR1.7b related to rail price revisions for FY24. For a like-for-like comparison, we have adjusted its 1QFY26 financials by excluding this one-time gain.
- SAIL reported revenue of INR258b (+7% YoY and -12% QoQ) against our estimate of INR276b, primarily driven by a decline in volumes during the quarter.
- Crude steel production stood at 4.85mt (+4% YoY and -5% QoQ), while sales volume stood at 4.55mt (+14% YoY and -15% QoQ) in 1QFY26. The ASP for the quarter stood at INR56,600/t (-5% YoY and +3% QoQ).
- EBITDA stood at INR26b (+17% YoY and -26% QoQ) against our estimate of INR33.4b during the quarter. EBITDA/t stood at INR5,704 (vs. our est. of INR6,967/t), marking a 3% YoY rise but 12% QoQ decline, led by lower volumes.
- Adj PAT came in at INR5.7b (vs our est. INR11.5b), marking a 78% YoY rise but 55% QoQ decline in 1QFY26.

### SAIL Consolidated Quarterly Performance (INR b)

Y/E March	FY25				FY26	FY25	FY26E	FY26	vs Est
	1Q	2Q	3Q	4Q	1Q			1QE	(%)
<b>Sales (m tons)</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>5.3</b>	<b>4.6</b>	<b>17.9</b>	<b>19.1</b>	<b>4.8</b>	<b>(5.0)</b>
Change (YoY %)	3.4	(14.6)	16.6	16.9	13.5	4.9	7.0		
<b>Realization (INR per ton)</b>	<b>59,845</b>	<b>56,191</b>	<b>55,282</b>	<b>55,002</b>	<b>56,590</b>	<b>56,431</b>	<b>57,465</b>	<b>57,549</b>	<b>(1.7)</b>
Change (YoY %)	(4.7)	(3.5)	(10.0)	(4.4)	(5.4)	(5.6)	1.8		
<b>Net Sales</b>	<b>240.0</b>	<b>230.4</b>	<b>244.9</b>	<b>293.2</b>	<b>257.5</b>	<b>1,008.4</b>	<b>1,098.7</b>	<b>275.5</b>	<b>(6.6)</b>
Change (YoY %)	(1.5)	(17.6)	4.9	11.7	7.3	(1.1)	9.0		
Change (QoQ %)	(8.6)	(4.0)	6.3	19.7	(12.2)				
<b>Total Expenditure</b>	<b>217.8</b>	<b>217.6</b>	<b>224.6</b>	<b>258.3</b>	<b>231.5</b>	<b>918.3</b>	<b>987.1</b>		
<b>EBITDA</b>	<b>22.2</b>	<b>12.8</b>	<b>20.3</b>	<b>34.8</b>	<b>26.0</b>	<b>90.1</b>	<b>111.6</b>	<b>33.4</b>	<b>(22.2)</b>
Change (YoY %)	34.6	(40.0)	(5.3)	97.0	16.9	17.2	23.9		
Change (QoQ %)	25.5	(42.5)	59.1	71.6	(25.5)				
<b>EBITDA per ton (INR)</b>	<b>5,536</b>	<b>3,111</b>	<b>4,582</b>	<b>6,536</b>	<b>5,704</b>	<b>5,042</b>	<b>5,838</b>	<b>6,967</b>	<b>(18.1)</b>
Interest	6.9	7.6	6.8	6.6	5.9	27.9	28.5		
Depreciation	14.0	13.0	14.2	15.2	14.4	56.5	59.4		
Other Income	1.8	1.7	2.3	3.0	1.6	8.8	9.6		
Share of Asso/JV/investments	1.1	1.6	1.3	0.9	0.7	4.9	6.0		
<b>PBT (before EO Inc.)</b>	<b>4.1</b>	<b>(4.6)</b>	<b>2.9</b>	<b>16.9</b>	<b>7.9</b>	<b>19.3</b>	<b>39.3</b>		
EO Income(exp)	(3.1)	16.4	0.3	(0.3)	1.7	13.2	-		
<b>PBT (after EO Inc.)</b>	<b>1.0</b>	<b>11.7</b>	<b>3.2</b>	<b>16.6</b>	<b>9.7</b>	<b>32.5</b>	<b>39.3</b>		
Total Tax	0.2	2.8	1.8	4.1	2.2	8.8	9.8		
% Tax	16.6	23.5	56.1	24.5	23.1	27.1	25.0		
<b>Reported PAT</b>	<b>0.8</b>	<b>9.0</b>	<b>1.4</b>	<b>12.5</b>	<b>7.4</b>	<b>23.7</b>	<b>29.5</b>		
<b>Adjusted PAT</b>	<b>3.2</b>	<b>(3.8)</b>	<b>1.1</b>	<b>12.8</b>	<b>5.7</b>	<b>13.4</b>	<b>29.5</b>	<b>11.5</b>	<b>(50.2)</b>
Change (YoY %)	52.9	(219.3)	(69.1)	609.1	75.7	24.3	120.3		
Change (QoQ %)	80.0	(216.9)	(129.9)	1,029.5	(55.4)				



# Balkrishna Industries

**BSE SENSEX** 81,463  
**S&P CNX** 24,837

## Conference Call Details



**Date:** 29<sup>th</sup> July 2025

**Time:** 11 AM IST

**Dial-in details:** [\[Link\]](#)

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## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	106.5	113.4	128.5
EBITDA	26.6	28.5	33.2
Adj. PAT	18.6	17.6	21.0
EPS (INR)	96.4	90.8	108.8
EPS Growth (%)	26.0	-5.8	19.7
BV/Share (INR)	537.4	608.2	692.0

## Ratios

RoE (%)	19.4	15.9	16.7
RoCE (%)	15.3	12.8	13.8
Payout (%)	16.6	22.0	23.0

## Valuations

P/E (x)	27.9	29.6	24.7
P/BV (x)	5.0	4.4	3.9
Div. yield (%)	0.6	0.7	0.9
FCF yield (%)	0.6	-0.1	1.3

**CMP: INR2686**

**Neutral**

## Weak 1Q; hit by low demand and the tariff impact

- **BKT's volume declined 3.5% YoY to 80,664 MT** (in line), impacted by weak global demand.
- **Revenue was marginally up 1% YoY to INR 27.6b** (in line) despite the weak volumes due to favorable forex movement, which led to 4.3% YoY growth in blended avg ASP.
- **Gross profit margin** was impacted by a lower share of exports (the India mix now at 35% of total volumes).
- **EBITDA margin contracted 220bp YoY (-100bp QoQ) to 23.8% (below our estimate of 25%)**. Apart from the adverse mix, margin was hit by: 1) the impact of tariffs on sales to the US (the Americas now at 17% of the mix), and 2) lower sales volume.
- **As a result, EBITDA dipped 8% YoY to INR 6.56b** (vs. est. 7.05b).
- There was an **MTM loss of INR 1.54b** in 1QFY26 (vs. gains of INR0.06b in 1QFY25), which also hurt profitability.
- **Overall, PAT declined 40% YoY to INR 2.87bn** (vs. est. INR 4.3bn), with **PAT margins shrinking to 10.4%** (vs. 17.4% in 1QFY25).
- The Board declared an **INR4/share interim dividend**, maintaining its payout despite the PAT decline.
- **Outlook:**
  - BKT retains ambitious growth plans with a revenue target of ~INR230bn by FY30, implying a 17% CAGR over five years.
  - BKT is leveraging brand investments, manufacturing integration, and deep distribution to gain share in global OHT and Indian PCR/CV segments. The vision includes achieving 8% global OHT share in the medium term, with a longer-term aspiration of 10%
  - Entry into new domestic tire categories (CV radial by Q4FY26, PCR by Q3FY27) to unlock ~20% of incremental revenues by FY30.
- **Valuation view:** The stock currently trades at 29.6x FY26E and 24.7x FY27E.

## Quarterly Earnings Model (Standalone)

Y/E March	FY25				FY26E				(INR m)		
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY25	FY26E	FY26E
<b>Volumes (Ton)</b>	<b>83,570</b>	<b>73,298</b>	<b>76,343</b>	<b>82,062</b>	<b>80,664</b>	<b>76,963</b>	<b>80,160</b>	<b>86,950</b>	<b>315,273</b>	<b>324,737</b>	<b>81,063</b>
YoY Change (%)	24.3	3.8	4.9	0.0	-3.5	5.0	5.0	6.0	7.7	3.0	-3.0
<b>Realizations (INR '000/ton)</b>	<b>328.1</b>	<b>336.3</b>	<b>336.8</b>	<b>345.8</b>	<b>342.1</b>	<b>346.4</b>	<b>348.0</b>	<b>356.0</b>	<b>336.7</b>	<b>348.3</b>	<b>346.4</b>
YoY Change (%)	4.2	5.6	5.8	5.2	4.3	3.0	3.3	3.0	5.1	3.4	5.6
<b>Net Revenues</b>	<b>27,415</b>	<b>24,648</b>	<b>25,716</b>	<b>28,376</b>	<b>27,595</b>	<b>26,657</b>	<b>27,893</b>	<b>30,956</b>	<b>106,150</b>	<b>113,100</b>	<b>28,082</b>
YoY Change (%)	29.6	9.7	11.0	5.2	0.7	8.2	8.5	9.1	13.2	6.5	2.4
<b>EBITDA</b>	<b>7,137</b>	<b>6,185</b>	<b>6,391</b>	<b>7,035</b>	<b>6,560</b>	<b>6,797</b>	<b>7,168</b>	<b>7,984</b>	<b>26,813</b>	<b>28,679</b>	<b>7,049</b>
Margins (%)	26.0	25.1	24.9	24.8	23.8	25.5	25.7	25.8	25.3	25.4	25.1
Depreciation	1,617	1,647	1,708	1,760	1,862	1,809	1,821	1,791	6,735	7,282	1,794
Interest	143	404	150	490	290	251	190	218	1,252	949	350
Forex loss/(gain)	-60	530	-1,120	580	1,540	0	0	-1,540	-68	0	0
Other Income	830	1,048	240	550	1,042	950	200	-1,934	2,668	-1,934	750
<b>PBT before EI</b>	<b>6,267</b>	<b>4,653</b>	<b>5,894</b>	<b>4,755</b>	<b>3,910</b>	<b>5,687</b>	<b>5,358</b>	<b>5,581</b>	<b>21,562</b>	<b>20,705</b>	<b>5,655</b>
<b>PBT</b>	<b>6,267</b>	<b>4,653</b>	<b>5,894</b>	<b>4,755</b>	<b>3,910</b>	<b>5,687</b>	<b>5,358</b>	<b>5,581</b>	<b>21,562</b>	<b>20,705</b>	<b>5,655</b>
Rate (%)	23.8	24.9	25.4	23.8	14.2	21.3	19.2	18.0	24.5	18.3	20.1
<b>Reported PAT</b>	<b>4,773</b>	<b>3,496</b>	<b>4,398</b>	<b>3,622</b>	<b>2,869</b>	<b>4,322</b>	<b>4,072</b>	<b>3,773</b>	<b>16,283</b>		
<b>Adj PAT</b>	<b>4,773</b>	<b>3,496</b>	<b>4,398</b>	<b>3,622</b>	<b>2,869</b>	<b>4,322</b>	<b>4,072</b>	<b>3,773</b>	<b>16,283</b>	<b>15,205</b>	<b>4,286</b>
YoY Change (%)	52.7	4.3	42.6	-25.8	-39.9	23.7	-7.4	4.1	12.6	-6.6	-10.2

E: MOFSL Estimates

# Petronet LNG

BSE SENSEX  
81,463

S&P CNX  
24,837

CMP: INR303

Buy

## Conference Call Details



**Date:** 28<sup>th</sup> Jul'25

**Time:** 1100 hours IST

**Dial In details:**

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## Beat on volumes; performance largely in line

- PLNG's 1QFY26 revenue was in line with our estimate at INR119b.
- EBITDA fell 26% YoY to INR11.6b (5% below our estimate).
- The company booked additional provisions of INR1.4b against UoP dues during the quarter. No UoP trade receivables were waived off during 1Q.
- Reported PAT was in line with our estimate at INR8.5b, down 25% YoY, supported by higher-than-expected other income. EBITDA/PAT adj. for UoP provisioning (INR1.4b) stood 6%/20% above our estimates.
- Spot LNG prices fell QoQ in 1Q, averaging USD12.4/mmbtu (USD14 in 4Q).
- **Operational performance:**
  - Total volumes came in **6% above** our estimates, primarily due to higher long-term and service volumes. No spot volumes were recorded during the quarter, mainly due to subdued power demand.
  - Dahej utilization was **8% above estimates**, while Kochi utilization stood 18% below est.
- **As of Jun'25**, provisions on UoP dues stood at INR6.1b.
- UoP dues of INR14.2b (net provision INR8.1b) were included in trade receivables as of Jun'25. PLNG has obtained bank guarantees from customers to recover UoP charges. While some customers have not given balance confirmations toward these dues, management is confident of recovering such charges.

The board has approved an additional investment for setting up a **5mmtpa land-based LNG terminal** at Gopalpur, Odisha, replacing the earlier approved **4mmtpa FSRU-based terminal**. The revised project entails an overall investment of **INR64b**, including taxes and duties, with an incremental cost of **INR40b** over the previous plan, which will be financed through debt and equity. It is expected to be commissioned in the next three years.

## Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE			1QE	(%)
<b>Net Sales</b>	<b>134.2</b>	<b>130.2</b>	<b>122.3</b>	<b>123.2</b>	<b>118.8</b>	<b>124.0</b>	<b>121.8</b>	<b>143.3</b>	<b>509.8</b>	<b>507.9</b>	<b>121.6</b>	<b>-2%</b>
YoY Change (%)	15.1	3.9	-17.1	-10.7	-11.4	-4.8	-0.4	16.3	-3.3	-0.4	-9.4	
<b>EBITDA</b>	<b>15.6</b>	<b>12.0</b>	<b>12.5</b>	<b>15.1</b>	<b>11.6</b>	<b>14.6</b>	<b>14.4</b>	<b>18.7</b>	<b>55.2</b>	<b>59.3</b>	<b>12.2</b>	<b>-5%</b>
Margin (%)	11.7	9.2	10.2	12.3	9.8	11.8	11.8	13.0	10.8	11.7	10.0	
Depreciation	1.9	2.0	2.1	2.1	2.1	2.2	2.4	2.5	8.1	9.2	2.2	
Interest	0.7	0.7	0.7	0.6	0.6	0.7	0.7	0.9	2.6	2.9	0.8	
Other Income	2.2	2.0	2.0	2.0	2.4	1.6	1.6	0.9	8.2	6.6	1.8	
<b>PBT</b>	<b>15.2</b>	<b>11.4</b>	<b>11.7</b>	<b>14.5</b>	<b>11.4</b>	<b>13.3</b>	<b>12.8</b>	<b>16.2</b>	<b>52.8</b>	<b>53.7</b>	<b>11.0</b>	<b>3%</b>
Tax	3.8	2.9	3.0	3.8	2.9	3.3	3.2	4.0	13.5	13.7	2.8	
Rate (%)	24.9	25.7	25.8	26.0	25.1	25.2	25.2	24.5	25.6	25.5	25.2	
<b>Reported PAT</b>	<b>11.4</b>	<b>8.5</b>	<b>8.7</b>	<b>10.7</b>	<b>8.5</b>	<b>9.9</b>	<b>9.6</b>	<b>12.2</b>	<b>39.3</b>	<b>40.0</b>	<b>8.2</b>	<b>4%</b>
YoY Change (%)	44.5	3.6	-27.2	45.1	-25.5	17.2	10.6	14.4	11.0	1.8	-28.1	
Margin (%)	8.5	6.5	7.1	8.7	7.2	8.0	7.9	8.5	7.7	7.9	6.8	
<b>Key Assumptions</b>												
Total Volumes (TBtu)	262.0	239.0	228.0	205.0	220.0	237.0	237.0	243.8	934.0	937.7	207.1	6%
Dahej utilization (%)	112%	102%	96%	85%	94%	100%	100%	75%	99%	92%	87%	8%
Kochi utilization (%)	22%	22%	24%	25%	21%	25%	25%	29%	23%	25%	25%	-18%

**BSE SENSEX**  
81,463

**S&P CNX**  
24,837

## Conference Call Details



**Date:** 28<sup>th</sup> July 2023

**Time:** 12 PM IST

**Dial-in details:**

[Link for the call](#)

## Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Revenue	10.8	13.0	15.0
EBITDA	6.2	7.6	8.8
EBITDA Margin (%)	57.7	58.3	58.9
PAT	5.2	6.5	7.3
PAT Margin (%)	48.4	50.3	48.7
EPS	25.1	31.3	34.9
EPS Grw. (%)	24.8	25.0	11.2
BVPS	84.2	103.1	121.9
RoE (%)	32.5	33.5	31.0
Div. Payout (%)	49.9	39.9	45.9
<b>Valuations</b>			
P/E (x)	64.5	53.6	48.2
P/BV (x)	19.2	16.3	13.8
Div. Yield (%)	0.8	0.7	1.0

**CMP: INR1,615**

**Neutral**

## PAT miss led by operational inefficiencies

- CDSL's operating revenue grew 1% YoY and 15% QoQ to INR2.6b (8% miss), primarily due to 49%/31% YoY decline in IPO & corporate action charges/online data charges.
- EBITDA declined 16% YoY (up 19% QoQ) to INR1.3b, resulting in EBITDA margin of 50.4% (vs. 60% in 1QFY25 and 48.7% in 4QFY25).
- Operating expenses rose 25% YoY to INR1.3b, driven by 46%/17% YoY increase in employee costs/other expenses.
- Other income increased by 23% YoY and 16% QoQ to INR364m.
- Tax provisions were 48% higher than estimates at INR488m, leading to a higher tax rate of 32% in 1QFY26 vs. 23% in 1QFY25 and 21% in 4QFY25.
- PAT declined 24% YoY (up 2% QoQ) to ~INR1b (28% miss due to operational inefficiencies). PAT margins came in at 39.6% vs. 52.1% in 1QFY25 and 44.8% in 4QFY25.

## Valuation and view

- Continued investments in human resources and technology for future growth could restrict gains from operating leverage, though we still expect EBITDA margins to expand to ~58.9% in FY27E from 57.7% in FY25.
- We estimate a CAGR of 18%/19%/18% in revenue/EBITDA/PAT for CDSL over FY25-27E. **We reiterate our Neutral rating on CDSL** with a one-year TP of INR1,570 (based on a P/E multiple of 45x FY27E).

## Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	1QFY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q									
Revenue from Operations	2,574	3,223	2,781	2,244	2,588	10,822	12,824	2,810	-7.9				1%	15%
Change YoY (%)	72.0	55.4	29.7	-6.8	0.6	33.2	18.5	9.2						
Employee expenses	267	314	323	315	390	1,219	1,463	348	12.2				46%	24%
Other Expenses	762	910	852	836	894	3,360	3,966	895	-0.2				17%	7%
Total Operating Expenses	1,029	1,225	1,175	1,151	1,284	4,580	5,429	1,243	3.3				25%	12%
Change YoY (%)	49	57	41	24	25	42	19	21						
<b>EBITDA</b>	<b>1,544</b>	<b>1,998</b>	<b>1,606</b>	<b>1,094</b>	<b>1,305</b>	<b>6,242</b>	<b>7,395</b>	<b>1,567</b>	<b>-16.8</b>				-16%	19%
Other Income	295	362	200	313	364	1,171	1,376	326	11.6				23%	16%
Depreciation	98	119	130	143	152	490	612	146	4.3				55%	6%
<b>PBT</b>	<b>1,741</b>	<b>2,241</b>	<b>1,676</b>	<b>1,264</b>	<b>1,516</b>	<b>6,923</b>	<b>8,159</b>	<b>1,748</b>	<b>-13.2</b>				-13%	20%
Change YoY (%)	76	54	15	-24	-13	24	18	0						
Tax Provisions	405	627	386	268	488	1,686	1,794	330	<b>47.9</b>				21%	82%
P&L from associate	5	6	7	8	-4	26	-4	0						
<b>Net Profit</b>	<b>1,342</b>	<b>1,620</b>	<b>1,298</b>	<b>1,004</b>	<b>1,025</b>	<b>5,264</b>	<b>6,361</b>	<b>1,418</b>	<b>-27.7</b>				-24%	2%
Change YoY (%)	82	49	21	-22	-24	25	21	6						
<b>Key Operating Parameters (%)</b>														
Cost to Operating Income Ratio	40.0	38.0	42.2	51.3	49.6	42.3	42.3	44.2	537 bps				960bps	735bps
EBITDA Margin	60.0	62.0	57.8	48.7	50.4	57.7	57.7	55.8	-537 bps				-960bps	-735bps
PBT Margin	67.7	69.5	60.3	56.3	58.6	64.0	63.6	62.2	-361 bps				-908bps	-171bps
Tax Rate	23.2	28.0	23.0	21.2	32.2	24.3	22.0	18.9	1330 bps				894bps	917bps
PAT Margin	52.1	50.3	46.7	44.8	39.6	48.6	49.6	50.5	-1087 bps				-1255bps	-709bps

# ACME Solar Holdings

**BSE SENSEX** 81,463  
**S&P CNX** 24,837

## Conference Call Details



**Date:** 28 July 2025  
**Time:** 11:00 HRS IST

### Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	14.1	22.4	39.3
EBITDA	12.4	19.5	34.8
Adj. PAT	2.7	4.5	6.2
EPS (INR)	4.5	7.5	10.3
EPS Gr.%	-563.2	65.5	37.2
BV/Sh. (INR)	74.6	82.0	92.3

### Ratios

Net D:E	1.7	4.1	6.6
RoE (%)	6.1	10.5	10.5
RoCE (%)	7.7	9.5	11.8
Payout (%)	6.2	5.7	5.7

### Valuation

P/E (x)	60.2	36.4	26.5
EV/EBITDA (x)	20.2	19.5	15.6

**CMP: INR272**

**Buy**

## Strong PAT beat; revenue in line

- ACME's consol. revenue was in line with our est. at INR5.1b (+65% YoY, +5% QoQ), driven by capacity additions and improved capacity utilization factor (CUF).
- EBITDA came in 3% higher than our est. at INR4.6b (+68% YoY, +5% QoQ), with an EBITDA margin of 90% vs. our est. of 86%, supported by favorable operating leverage and operational efficiency.
- Adj PAT was 27% higher than est. at INR1.5b (vs. INR14m in 1QFY25), on account of higher-than-expected other income. An exceptional loss of INR159m included ancillary costs of INR180.4m incurred on the prepayment of borrowings by subsidiaries and contingent consideration received related to investments disposed of in the earlier year, amounting to INR39.6m.
- Net debt stood at INR78b. The net debt-to-net worth ratio remained at 1.7x, while net debt-to-EBITDA improved to 4.2x (4QFY25: 4.4x).

## Operational Highlights

- Generation stood at 1,636MUs in 1QFY26 (+107% YoY). The company recorded a CUF of 28.5% (27% in 1QFY25).
- Operational capacity reached 2,890MW as the company commissioned 300MW solar and 50 MW wind projects, reflecting a 115.7% rise from 1QFY25.
- Secured 550 MWh of standalone BESS projects contracted with NHPC at a weighted average tariff of INR2.20 lakhs/MW/month.
- PPAs have been signed for 250 MW of FDRE, 300 MW of solar, and 550 MWh of standalone battery projects, covering over 55% of the under-construction capacity.
- The company tied up INR10.7b in refinancing at a fixed interest rate of ~8.5% p.a. for five years for its 250 MW operational project in Rajasthan, resulting in a ~95bp reduction in interest cost. Standard Chartered Bank, Bank of America, and India Infradebt Limited have been added as new lenders to the debt portfolio.
- ACME's recently commissioned 4x300 MW SECI ISTS solar projects have received a CRISIL AA-/Stable rating, while the 250 MW Acme Aklera project (SECI offtake) has been upgraded to ICRA A+/Stable.



## Consolidated performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%	(%)	(%)
<b>Net Sales</b>	<b>3,096</b>	<b>2,596</b>	<b>3,490</b>	<b>4,869</b>	<b>5,110</b>	<b>5,449</b>	<b>5,556</b>	<b>6,256</b>	<b>14,051</b>	<b>22,371</b>	5,160	-1%	65%	5%
YoY Change (%)	-0.2	-20%	5%	65%	65%	110%	59%	28%	7%	59%	67%			
Total Expenditure	379	388	418	511	532	719	731	911	1,697	2,892	700		40%	4%
<b>EBITDA</b>	<b>2,717</b>	<b>2,208</b>	<b>3,072</b>	<b>4,357</b>	<b>4,578</b>	<b>4,730</b>	<b>4,825</b>	<b>5,345</b>	<b>12,354</b>	<b>19,478</b>	4,460	3%	68%	5%
Margin (%)	88%	85%	88%	89%	90%	87%	87%	85%	88%	87%	86%			
Depreciation	556	599	697	1,022	1,076	1,181	1,234	1,234	2,873	4,725	1,063	1%	94%	5%
Interest	1,963	1,783	1,791	2,055	2,330	2,371	2,428	2,968	7,592	10,097	2,219	5%	19%	13%
Other Income	304	356	518	524	730	254	116	116	1,701	1,215	317	130%	140%	39%
<b>PBT before EO expense</b>	<b>503</b>	<b>181</b>	<b>1,103</b>	<b>1,803</b>	<b>1,903</b>	<b>1,431</b>	<b>1,278</b>	<b>1,259</b>	<b>3,590</b>	<b>5,871</b>	1,495			
Extra-Ord income/(exp.)	0	0	-69	-141	-159	0	0	159	-210	0	-			
<b>PBT</b>	<b>503</b>	<b>181</b>	<b>1,034</b>	<b>1,663</b>	<b>1,744</b>	<b>1,431</b>	<b>1,278</b>	<b>1,418</b>	<b>3,380</b>	<b>5,871</b>	1,495	17%	247%	5%
Tax	489	28	-87	442	436	357	319	238	872	1,350	344	27%		
Tax rate	97%	16%	-8%	27%	25%	25%	25%	17%	26%	23%	23%			
Minority Interest	0.0	0.0	0.0	-12.9	-0.1	0.0	0.0	0.0	-12.9	0.0	-			
<b>Reported PAT</b>	<b>14</b>	<b>153</b>	<b>1,121</b>	<b>1,234</b>	<b>1,308</b>	<b>1,073</b>	<b>959</b>	<b>1,180</b>	<b>2,521</b>	<b>4,520</b>	1,151	14%	9319%	6%
<b>Adj PAT</b>	<b>14</b>	<b>153</b>	<b>1,190</b>	<b>1,374</b>	<b>1,467</b>	<b>1,073</b>	<b>959</b>	<b>1,021</b>	<b>2,731</b>	<b>4,520</b>	1,151	27%	10465%	7%
YoY Change (%)	-1.0	LP	206%	LP	10465%	602%	-19%	-26%	LP	66%	82			
Margin (%)	0%	6%	34%	28%	29%	20%	17%	16%	19%	20%	22%			

# Zen Technologies

**BSE SENSEX**  
81,463

**S&P CNX**  
24,837

**CMP: INR1,795**
**Neutral**

## Conference Call Details


**Date:** 28th July 2025

**Time:** 9:30am IST

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

### Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	9.3	10.8	16.7
EBITDA	3.1	4.0	6.2
EBITDA Margin (%)	33.7	37.0	37.0
PAT	2.6	3.4	5.2
EPS (INR)	29.1	37.9	57.1
EPS Growth (%)	107.3	30.3	50.5
BV/Share (INR)	187.1	225.0	282.1

### Ratios

Net D/E	-0.6	-0.6	-0.5
RoE (%)	24.6	18.4	22.5
RoCE (%)	24.6	18.3	22.4

### Valuations

P/E (x)	61.0	46.8	31.1
P/BV (x)	9.5	7.9	6.3
EV/EBITDA (x)	48.6	37.7	24.1

## Weak set of results

- Company reported a weak set of numbers in 1QFY26.
- Revenue decreased 56% YoY to INR1.1b, missing our estimate by 57%.
- Gross margins were 90bp below our expectation at 55.1% vs our estimate of 56%.
- Absolute EBITDA fell by 63% YoY to INR380m indicating a miss on our estimates by 59%.
- Company's PAT miss our estimates by 54% at INR371m vs our estimate of INR814m (-50% YoY) due to lower top-line. However, Pat margin expanded 420bp YoY to 33.4% vs our estimate of 31.4%.
- The standalone order book as on June'25 is about INR6.06b.
- During the quarter, the company acquired shares representing 76% of the total paid up share capital of TISA Aerospace Private Limited for a consideration of INR65.6m.

### Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY25				FY26E				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
<b>Net Sales</b>	<b>2,540</b>	<b>2,417</b>	<b>1,415</b>	<b>2,935</b>	<b>1,111</b>	<b>2,697</b>	<b>2,481</b>	<b>4,500</b>	<b>9,307</b>	<b>10,789</b>	<b>2,589</b>	<b>(57)</b>
YoY Change (%)	91.7	277.4	44.3	116.3	(56.3)	11.6	75.3	53.3	116.3	15.9	(39.8)	
Total Expenditure	1,508	1,623	1,048	1,991	730	1,672	1,514	2,881	6,169	6,797	1,657	(56)
<b>EBITDA</b>	<b>1,032</b>	<b>794</b>	<b>367</b>	<b>944</b>	<b>380</b>	<b>1,025</b>	<b>968</b>	<b>1,619</b>	<b>3,137</b>	<b>3,992</b>	<b>932</b>	<b>(59)</b>
Margins (%)	40.6	32.9	26.0	32.2	34.3	38.0	39.0	36.0	33.7	37.0	36.0	
Depreciation	22	23	26	29	31	32	32	35	101	130	31	(1)
Interest	10	21	27	36	14	25	26	39	94	104	25	(44)
Other Income	30	84	220	244	199	212	212	224	578	846	217	(8)
<b>PBT</b>	<b>1,030</b>	<b>835</b>	<b>534</b>	<b>1,122</b>	<b>535</b>	<b>1,180</b>	<b>1,121</b>	<b>1,769</b>	<b>3,520</b>	<b>4,605</b>	<b>1,094</b>	<b>(51)</b>
Tax	288	182	147	273	164	302	287	426	890	1,179	280	(42)
Rate (%)	28.0	21.8	27.6	24.3	30.6	25.6	25.6	24.1	25.3	25.6	25.6	
<b>Reported PAT</b>	<b>742</b>	<b>652</b>	<b>386</b>	<b>849</b>	<b>371</b>	<b>878</b>	<b>834</b>	<b>1,343</b>	<b>2,630</b>	<b>3,426</b>	<b>814</b>	<b>(54)</b>
<b>Adj PAT</b>	<b>742</b>	<b>652</b>	<b>386</b>	<b>849</b>	<b>371</b>	<b>878</b>	<b>834</b>	<b>1,343</b>	<b>2,630</b>	<b>3,426</b>	<b>814</b>	<b>(54)</b>
YoY Change (%)	57.4	276.1	21.9	177.3	(50.0)	34.5	116.0	58.2	107.3	30.3	(35.8)	
Margins (%)	29.2	27.0	27.3	28.9	33.4	32.5	33.6	29.8	28.3	31.8	31.4	

# HomeFirst Finance

BSE SENSEX 81,463  
S&P CNX 24,837

## Conference Call Details



**Date:** 28<sup>th</sup> July 2025

**Link for the call**

**Time:** 04:00 pm IST

**Dial-in details:**

**+91 22 6280 1382**

### Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	6.4	8.8	11.2
PPoP	5.3	7.3	9.2
PAT	3.8	5.2	6.6
EPS (INR)	42.4	50.7	64.4
EPS Gr. (%)	22.8	19.4	27.1
BV/Sh. (INR)	280	412	472
ABV/Sh. (INR)	269	401	459
<b>Ratios</b>			
NIM (%)	5.7	6.1	6.1
C/I ratio (%)	35.6	33.6	32.5
RoAA (%)	3.5	3.8	3.9
RoAE (%)	16.5	15.4	14.5
<b>Valuations</b>			
P/E (x)	34.7	29.1	22.9
P/BV (x)	5.3	3.6	3.1
P/ABV (x)	5.5	3.7	3.2
Div. yield (%)	0.3	0.3	0.3

**CMP: INR1,473**

**Buy**

## Earnings in line; seasonal deterioration in asset quality

### NIM improves ~5bp; disbursements dip for the first quarter since Covid-19

- HomeFirst's 1QFY26 PAT grew 35% YoY to INR1.2b (in line). NII in 1QFY26 grew 33% YoY to INR1.9b (in line). Other income grew 60% YoY to INR609m (vs. MOFSLe of INR395m). This was aided by higher assignment income for the quarter, which stood at INR247m (PY: ~INR195), higher fee income, and investment income from proceeds of the equity raise in Apr'25.
- Opex grew 33% YoY to INR868m (~8% higher than MOFSLe). PPoP rose ~41% YoY to INR1.7b (~5% beat). Credit costs stood at INR177m (vs. MOSLe of INR90m) and translated into an annualized credit cost of ~36bp (PQ: ~25bp and PY: ~22bp).
- In Apr'25, HomeFirst successfully raised INR12.5b through QIP. Post-capital raise, the CRAR of the company stood at ~49.6%, and the credit rating of HomeFirst was upgraded to AA (Stable) by ICRA, India Ratings, and CARE.

### Healthy ~29% YoY AUM growth; BT-OUT rate dips YoY

- Disbursements grew 7% YoY to ~INR12.4b, and this led to an AUM growth of 29% YoY to ~INR135b. 1QFY26 was the first quarter, post-Covid, wherein the disbursements exhibited a minor sequential decline.
- BT-OUT (annualized) in 1QFY26 declined to ~6% (PY ~6.3% and PQ: 7.5%).

### Reported NIM improves ~10bp QoQ; yields stable sequentially

- Reported yield was stable QoQ at 13.5%, and the reported CoF was also stable QoQ at 8.4%. Reported spreads (excl. co-lending) were stable QoQ at 5.1%.
- Reported NIM rose ~10bp QoQ to 5.2%. NIM (calc.) rose ~30bp QoQ to ~5.9%. Incremental CoF and origination yield in 1QFY26 stood at 8.5% and 13.4%, respectively.

### 1+dpd rises ~90bp QoQ; minor increase in bounce rates

- GS3 rose ~15bp QoQ to 1.85%, and NS3 rose ~17bp QoQ to 1.4%. PCR declined ~310bp QoQ to ~22%. GS2 rose ~30bp QoQ to 1.6%.
- HomeFirst's 1+dpd rose ~90bp QoQ to 5.4%. Bounce rates increased ~40bp QoQ to ~16.8% in 1QFY26 (v/s ~16.4% in 4QFY25). However, in Jul'25, bounce rates declined to 15.8%.

### Valuation and View

- HomeFirst's performance during the quarter was a mixed bag. While the AUM growth continues to remain healthy, there was a seasonal deterioration in asset quality (with 1+ dpd rising ~90p QoQ) and an increase in the overall credit costs. In our view, this was primarily because of a weak macro and slow economic activity. Despite rising competition in a declining rate environment, reported yields have remained stable, reflecting a balanced pricing strategy. Additionally, the company experienced ~5bp sequential improvement in NIM.

- HomeFirst has made strategic investments in establishing a franchise, positioning the company effectively to capitalize on the strong growth potential of affordable housing finance. The company continues to expand its distribution network in a contiguous manner across Tier I, II, and III cities within its existing states.
- We expect cost efficiencies to kick in and drive a sustained improvement in its operating cost ratios over the medium term. We expect credit costs to remain benign at ~28-30bp in the foreseeable future. We might revise our estimates after the earnings call on 28<sup>th</sup> Jul'25.

#### Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	1QFY26E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	3,032	3,322	3,558	3,629	3,944	4,193	4,384	4,551	13,540	17,047	3,986	-1
Interest expenses	1,568	1,756	1,926	1,903	2,003	2,069	2,116	2,037	7,153	8,225	1,977	1
<b>Net Interest Income</b>	<b>1,464</b>	<b>1,566</b>	<b>1,631</b>	<b>1,726</b>	<b>1,941</b>	<b>2,124</b>	<b>2,267</b>	<b>2,514</b>	<b>6,388</b>	<b>8,822</b>	<b>2,009</b>	-3
YoY Growth (%)	17.5	18.6	21.4	26.2	32.6	35.6	39.0	45.7	21.0	38.1	37.2	
Other Income	382	421	517	533	609	485	580	482	1,852	2,156	395	54
					33							
<b>Net Income</b>	<b>1,846</b>	<b>1,987</b>	<b>2,148</b>	<b>2,259</b>	<b>2,550</b>	<b>2,609</b>	<b>2,847</b>	<b>2,997</b>	<b>8,239</b>	<b>10,978</b>	<b>2,404</b>	<b>6</b>
YoY Growth (%)	20.6	23.4	25.8	31.4	38.2	31.3	32.5	32.7	25.5	33.2	30.2	
Operating Expenses	655	726	752	803	868	905	970	946	2,936	3,689	807	8
<b>Operating Profit</b>	<b>1,191</b>	<b>1,261</b>	<b>1,396</b>	<b>1,456</b>	<b>1,682</b>	<b>1,703</b>	<b>1,877</b>	<b>2,051</b>	<b>5,304</b>	<b>7,288</b>	<b>1,596</b>	<b>5</b>
YoY Growth (%)	21.9	20.7	27.2	28.3	41.2	35.1	34.4	40.9	24.7	37.4	34.1	
Provisions and Cont.	56	57	98	77	117	95	110	91	288	412	90	30
<b>Profit before Tax</b>	<b>1,135</b>	<b>1,204</b>	<b>1,298</b>	<b>1,379</b>	<b>1,565</b>	<b>1,608</b>	<b>1,767</b>	<b>1,960</b>	<b>5,016</b>	<b>6,876</b>	<b>1,506</b>	<b>4</b>
Tax Provisions	258	281	324	332	376	359	424	492	1,195	1,650	354	6
<b>Net Profit</b>	<b>878</b>	<b>922</b>	<b>974</b>	<b>1,047</b>	<b>1,189</b>	<b>1,250</b>	<b>1,343</b>	<b>1,469</b>	<b>3,821</b>	<b>5,226</b>	<b>1,152</b>	<b>3</b>
YoY Growth (%)	27.0	24.1	23.5	25.4	35.46	35.5	37.9	40.3	25.0	36.8	31.3	
<b>Key Operating Parameters (%)</b>												
Other income to Net Income Ratio	20.7	21.2	24.1	23.6	23.9	18.6	20.4	16.1				
Credit Cost	0.22	0.21	0.34	0.25	0.36	0.27	0.30	0.23				
Cost to Income Ratio	35.5	36.5	35.0	35.5	34.0	34.7	34.1	31.6				
Tax Rate	22.7	23.4	25.0	24.1	24.0	22.3	24.0	25.1				
<b>Balance Sheet Parameters</b>												
AUM (INR m)	1,04,781	1,12,294	1,19,494	1,27,127	1,34,787							
Change YoY (%)	34.7	34.2	32.6	31.1	28.6							
Loans (INR m)	87,940	94,465	1,00,649	1,06,487	1,12,505							
Change YoY (%)	34.9	34.5	33.3	30.8	27.9							
Borrowings (INR m)	95,120	1,05,869	1,10,391	1,15,592	1,18,474							
Change YoY (%)	39.4	45.4	33.8	31.4	24.6							
Loans/Borrowings (%)	92.5	89.2	91.2	92.1	95.0							
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	1,540	1,640	1,770	1,808	2,082							
Gross Stage 3 (% on Assets)	1.74	1.7	1.7	1.68	1.84							
NS 3 (INR m)	1,116	1,202	1,319	1,353	1,623							
Net Stage 3 (% on Assets)	1.26	1.26	1.30	1.26	1.43							
PCR (%)	27.5	26.7	25.5	25.2	22.0							
ECL (%)	0.83	0.80	0.80	0.77	0.77							
<b>Return Ratios (%)</b>												
ROAA (Rep)	3.6	3.4	3.4	3.9	3.6							
ROAE (Rep)	16.3	16.5	16.6	18.7	14.6							

E: MOFSL Estimates

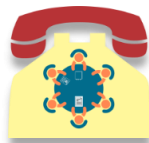
# Mahindra Lifespace

**BSE SENSEX** 81,463  
**S&P CNX** 24,837

**CMP: INR365**

**Neutral**

## Conference Call Details



**Date:** 28 July 2025  
**Time:** 17:30 – 18:30 IST  
**Webcast details:**  
<https://rmgwebcast.com/mahindralifespaces/280725/>

### Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	3.7	4.9	8.2
EBITDA	-1.7	-0.9	-0.1
EBITDA Margin (%)	NM	NM	NM
PAT	0.6	0.5	2.6
EPS (INR)	4.0	3.3	16.8
EPS Gr. (%)	-37.7	-17.6	417.3
BV/Sh. (INR)	122.3	122.7	136.8

### Ratios

RoE (%)	3.3	2.7	13.0
RoCE (%)	-3.4	-3.1	-0.2
Payout (%)	70.6	85.7	16.6

### Valuations

P/E (x)	92.4	112.2	21.7
P/BV (x)	3.0	3.0	2.7
EV/EBITDA (x)	NM	NM	NM
Div yld (%)	0.8	0.8	0.8

## Muted launches dent performance

**Net cash boosted by timely proceeds realization**

### Operational performance

- MLDL achieved bookings of INR4.5b, down 56% YoY and 57% QoQ (35% below estimate), due to muted launches during the quarter.
- Sales volume in 1QFY26 stood at 0.6msf, down 50% YoY and 44% QoQ (11% below estimate).
- Blended realization in 1QFY26 was down 11% YoY and 24% QoQ to ~INR7,741 psf (27% below estimates).
- The company achieved quarterly collections of INR5.2b, down 4% YoY and up 11% QoQ.
- In 1QFY26, MLDL added a project with INR35b GDV, up 2.5x YoY.
- Revenue from the IC&IC business stood at INR1.2b, up 17% YoY. Total leased area stood at 18.7 acres.
- The company completed its rights issue of INR15b, approved in 4QFY25, during 1QFY26, moving to a net cash position with a net cash to equity ratio of 0.23x.

### Financial performance

- MLDL's revenue came in at INR320m, down 83% YoY and up ~3.5x QoQ (77% below estimate).
- For 1QFY26, MLDL reported an operating loss of INR550m against a loss of INR416m for 1QFY25.
- PAT was up 4x YoY at INR512m (3.5x above estimates) due to a higher share of profit realization from minority interest as compared to our estimates.



## Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 1Q Est.	1QE Var (%/bp)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Income from Operations	1,881	76	1,673	92	320	857	1,360	2,378	3,723	4,915	1,418	-77
YoY Change (%)	91.9	-57.2	104.0	-35.3	-83.0	1,026.8	-18.7	2,473.2	75.5	32.0	-24.6	
Total Expenditure	2,297	554	1,927	644	870	1,020	1,617	2,338	5,422	5,845	1,687	
EBITDA	-416	-478	-254	-552	-550	-162	-258	39	-1,699	-931	-269	N/A
Margins (%)	-22.1	-627.5	-15.2	-597.2	-172.1	-18.9	-18.9	1.7	-45.6	-18.9	-18.9	
Depreciation	43	40	40	55	61	40	63	64	178	228	66	
Interest	60	70	42	21	40	42	67	94	194	243	70	
Other Income	186	84	185	462	86	34	54	21	916	197	57	
PBT before EO expense	-334	-504	-151	-166	-564	-210	-333	-97	-1,155	-1,205	-348	N/A
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	-334	-504	-151	-166	-564	-210	-333	-97	-1,155	-1,205	-348	N/A
Tax	-97	0	173	15	-97	17	26	149	92	95	28	
Rate (%)	28.9	0.0	-114.6	-8.9	17.1	-7.9	-7.9	-153.4	-7.9	-7.9	-7.9	
Minority Interest & Profit/Loss of Asso. Cos.	365	364	99	1,032	980	315	499	11	1,859	1,805	521	
Reported PAT	127	-141	-225	851	512	88	140	-235	613	505	146	252
Adj PAT	127	-141	-225	851	512	88	140	-235	613	505	146	252
YoY Change (%)	NM	NM	NM	19.0	NM	NM	NM	-127.7	-37.6	-17.6	NM	
Margins (%)	6.8	-184.6	-13.4	920.8	160.3	10.3	10.3	-9.9	16.5	10.3	10.3	
E: MOFSL Estimates												
Operational Performance												
Area sold (msf)	1.2	0.5	0.5	1.0	0.6	0.5	0.9	1.3	3.2	3.2	0.7	-11
Booking value (INR b)	10.2	4.0	3.3	10.5	4.5	3.5	7.0	19.0	28	34	6.9	-35
Avg Realization (INR)	8718	7491	7422	10223	7741	7741	7741	14819	8,818	10,566	10566	-27

Source: MOFSL, Company; Note: We will revisit our estimates after the concall



### **SBI Life : Higher Rider Attachment Will Improve Margin Going Forward; Amit Jhingran, MD & CEO**

- Product Mix is going as per Expectations
- Expect VNB Growth in FY26 To be between 13-14%
- Should see APE Growth in Mid-Teens (13-14%) in FY26
- Higher Rider Attachment Will Improve Margin Going Forward

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### **KFIN Tech : Compression In MF Yields Due To Telescopic Pricing; Sreekanth Nadella, MD & CEO**

- Headwinds are witnessed in April, Markets are doing good thereafter
- Q1 Is usually weak, Growth will be seen in upcoming QTRs
- Compression In MF Yields Due To Telescopic Pricing

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### **VMART: Need 2-3 % Of Same-store-sales Growth To Beat Inflation; Anand Agarwal, CFO**

- Pressing Pedals on Expansion
- SSSG Growth for the year expected mid – high single digit for the year
- Revenue Growth High Teens, Optimistic to improve Margin
- Improvements done on Pricing/ Product Mix / Supply Chain levels
- Vmart Moat: Conservative on Cost Structures + Store Profits on Day (90% Profitable in 1st month Itself)

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### **Sambhav Steel: Debt Will Be Limited To Working Capital Only, No Long-Term Debt; Vikas Kumar, MD & CEO**

- Stainless steel business segment has helped the QTR, Along with product mix
- 80% Value Added in Mix, EBITDA/Tonne at Rs8,000/Tonne
- 300crs of term loan has been repaid + Rs8-10Cr/Otr Savings of Int Cost

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		CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
Company	Reco	(INR)	(INR)	Downside	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Automobiles																
Amara Raja Ener.	Neutral	994	1049	5	48.2	49.4	56.8	-2.7	2.6	15.0	20.1	17.5	2.2	2.0	12.5	12.8
Apollo Tyres	Buy	455	547	20	19.6	25.5	30.4	-33.2	30.5	19.0	17.8	15.0	1.5	1.3	10.6	11.6
Ashok Ley.	Buy	122	145	19	5.5	5.7	7.0	20.2	3.8	22.5	21.4	17.5	5.5	4.8	27.4	29.5
Bajaj Auto	Neutral	8064	8671	8	299.5	319.4	361.1	11.8	6.6	13.1	25.2	22.3	6.5	6.1	26.7	28.1
Balkrishna Inds	Neutral	2686	-		85.6	92.9	111.4	11.9	8.5	20.0	28.9	24.1	4.4	3.9	16.2	17.1
Bharat Forge	Neutral	1203	1230	2	21.4	29.4	38.9	8.5	37.4	32.4	40.9	30.9	5.6	4.9	14.4	17.0
Bosch	Neutral	37819	29657	-22	682.4	760.9	901.5	10.0	11.5	18.5	49.7	42.0	7.5	7.0	15.7	17.3
CEAT	Buy	3381	4393	30	122.1	169.3	229.8	-27.9	38.6	35.8	20.0	14.7	2.8	2.4	14.8	17.6
Craftsman Auto	Neutral	6273	5197	-17	92.1	150.7	221.0	-36.1	63.5	46.7	41.6	28.4	4.7	4.1	11.9	15.3
Eicher Mot.	Sell	5430	4772	-12	172.7	172.4	195.9	18.0	-0.1	13.6	31.5	27.7	6.2	5.5	20.9	21.0
Endurance Tech.	Buy	2581	3275	27	58.8	73.4	87.0	21.5	24.8	18.6	35.2	29.7	5.5	4.8	16.8	17.4
Escorts Kubota	Neutral	3412	3327	-2	100.6	101.0	115.2	17.9	0.4	14.1	33.8	29.6	3.7	3.4	11.4	11.9
Exide Ind	Neutral	381	374	-2	12.7	14.3	15.6	2.3	13.1	8.7	26.6	24.4	2.1	2.0	7.9	8.1
Happy Forgings	Buy	961	1095	14	28.4	30.7	37.9	10.1	8.0	23.6	31.3	25.3	4.3	3.8	14.6	15.8
Hero Moto	Buy	4229	4839	14	230.3	239.1	263.2	12.6	3.8	10.1	17.7	16.1	4.0	3.8	23.4	24.1
Hyundai Motor	Buy	2098	2544	21	69.4	66.7	85.7	-6.9	-3.9	28.5	31.5	24.5	8.5	6.8	29.8	30.8
M&M	Buy	3247	3643	12	98.7	118.9	133.0	11.3	20.5	11.8	27.3	24.4	5.4	4.6	21.3	20.2
CIE Automotive	Buy	414	502	21	21.7	21.4	22.6	2.8	-1.2	5.3	19.3	18.3	2.2	2.0	11.8	11.4
Maruti Suzuki	Buy	12400	14429	16	443.9	483.5	538.5	5.6	8.9	11.4	25.6	23.0	3.7	3.3	14.5	14.5
MRF	Sell	149139	113397	-24	4,408.7	4,949.5	5,558.7	-11.7	12.3	12.3	30.1	26.8	3.1	2.8	10.8	10.9
Samvardh. Motherson	Buy	100	116	16	3.6	3.7	4.7	51.5	2.5	28.5	27.5	21.4	2.8	2.6	10.8	12.7
Motherson Wiring	Buy	40	46	14	0.9	1.1	1.3	-5.1	19.9	22.4	36.9	30.2	13.1	10.8	38.8	39.1
Sona BLW Precis.	Neutral	469	470	0	9.9	7.9	10.1	10.5	-19.7	27.9	59.2	46.3	5.0	4.7	8.6	10.5
Tata Motors	Neutral	687	668	-3	63.2	46.0	51.9	7.7	-27.3	12.9	15.0	13.2	1.9	1.7	13.7	13.7
TVS Motor	Neutral	2775	2814	1	57.1	66.7	78.9	30.1	16.9	18.2	41.6	35.2	10.5	8.4	28.2	26.6
Tube Investments	Buy	2882	3658	27	38.6	41.8	47.1	1.6	8.2	12.8	69.0	61.1	9.4	8.2	14.5	14.4
Aggregate								6.9	0.7	15.6	26.9	26.7	4.8	4.2	17.7	15.9
Banks - Private																
AU Small Finance	Buy	733	875	19	29.8	35.5	48.3	33.9	19	35.9	20.6	15.2	3.0	2.6	15.0	18.3
Axis Bank	Neutral	1087	1250	15	85.3	80.5	101.3	5.7	-5.7	25.9	13.5	10.7	1.7	1.5	13.1	14.6
Bandhan Bank	Neutral	178	185	4	17.0	16.4	22.8	23.1	-4	39.1	10.9	7.8	1.1	1.0	10.6	13.9
DCB Bank	Buy	138	175	27	19.6	24.9	33.1	14.3	27.0	33.2	5.5	4.2	0.7	0.6	13.7	16.0
Equitas Small Fin.	Buy	61	80	31	1.3	3.2	7.8	-81.8	143.3	148.6	19.4	7.8	1.1	1.0	5.9	13.7
Federal Bank	Buy	208	250	20	16.6	17.0	21.5	1.8	2.4	26.2	12.2	9.7	1.4	1.2	11.9	13.4
HDFC Bank	Buy	2005	2300	15	88.0	94.3	113.9	9.9	7.1	20.8	21.3	17.6	2.8	2.5	13.7	14.9
ICICI Bank	Buy	1477	1670	13	66.8	72.6	84.4	14.4	8.7	16.3	20.3	17.5	3.3	2.8	17.0	17.3
IDFC First Bk	Neutral	71	80	13	2.1	3.3	5.5	-50.9	55.7	66.7	21.2	12.8	1.5	1.4	6.8	11.4
IndusInd	Neutral	824	800	-3	33.1	39.5	55.8	-71.4	19.6	41.2	20.8	14.8	1.0	0.9	4.7	6.3
Kotak Mah. Bk	Buy	2125	2400	13	111.3	105.2	127.2	21.5	-5.5	20.9	20.2	16.7	2.2	1.9	12.1	12.8
RBL Bank	Buy	255	290	14	11.5	17.1	31.3	-40.5	48.4	83.5	14.9	8.1	1.0	0.9	6.5	11.4
Aggregate								6.4	5.8	22.6	20.6	19.5	2.8	2.6	13.7	13.2
Banks - PSU																
BOB	Neutral	243	260	7	37.8	36.5	45.6	10.1	-3.5	24.9	6.6	5.3	0.9	0.8	14.3	16.2
Canara Bank	Buy	111	135	22	18.8	21.0	23.4	17.0	12.0	11.3	5.3	4.7	0.9	0.8	19.2	19.0
Indian Bank	Buy	636	750	18	81.1	87.9	94.9	30.3	8.5	7.9	7.2	6.7	1.2	1.0	17.7	16.9
Punjab Natl.Bank	Buy	108	125	15	14.8	15.4	18.4	97.4	3.9	20.0	7.1	5.9	0.9	0.8	14.0	14.9
SBI	Buy	807	925	15	86.9	88.6	101.5	15.6	2	14.5	9.1	7.9	1.3	1.2	15.8	15.6
Union Bank (I)	Neutral	136	155	14	23.6	21.7	24.7	24.9	-8	14.2	6.3	5.5	0.9	0.8	14.6	14.8
Aggregate								23.4	2	16	8	7.9	1.3	1.2	16.2	14.8
NBFCs																
AAVAS Financiers	Neutral	1846	2065	12	72.5	85.2	101.0	17.0	17.5	18.5	21.7	18.3	2.9	2.5	14.4	14.7
Aditya Birla Cap	Buy	260	250	-4	12.8	14.9	18.5	14.5	16.6	24.3	17.5	14.1	2.0	1.8	12.1	13.6
Bajaj Fin.	Neutral	914	1000	9	27.0	33.0	42.4	15.5	22.4	28.2	27.6	21.6	5.0	4.2	19.5	21.0
Can Fin Homes	Neutral	775	900	16	64.4	71.1	77.5	14.2	10.5	9.0	10.9	10.0	1.8	1.5	17.4	16.5



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Cholaman.Inv.&Fn	Buy	1504	1770	18	50.6	63.7	81.6	24.3	25.9	28.0	23.6	18.4	4.2	3.4	20.0	20.4
CreditAccess	Buy	1308	1500	15	33.3	56.7	106.1	-63.3	70.4	87.2	23.1	12.3	2.7	2.2	12.2	19.5
Fusion Finance	Neutral	170	210	23	-121.7	3.8	18.3	-342.3	LP	379.2	44.5	9.3	1.3	1.0	2.7	12.1
Five-Star Business	Buy	690	892	29	36.4	41.3	46.9	27.4	13.3	13.6	16.7	14.7	2.7	2.3	17.7	17.0
IIFL Finance	Buy	516	550	7	8.9	40.8	54.2	-80.7	356.7	32.9	12.7	9.5	1.6	1.4	13.1	15.3
Home First Finan	Buy	1473	-		42.4	50.7	64.4	22.8	19.4	27.1	29.1	22.9	3.6	3.1	15.4	14.5
IndoStar	Buy	293	360	23	3.9	8.0	13.5	-26.6	107.3	68.3	36.5	21.7	0.9	0.9	2.9	4.1
L&T Finance	Buy	205	250	22	10.6	12.5	16.5	13.8	17.7	32.4	16.4	12.4	1.8	1.6	11.6	13.9
LIC Hsg Fin	Neutral	607	670	10	98.6	95.7	102.7	13.9	-3.0	7.3	6.3	5.9	0.8	0.7	13.7	13.3
Manappuram Fin.	Neutral	266	290	9	14.2	12.6	23.8	-45.2	-11.4	89.0	21.1	11.1	1.6	1.4	8.3	13.8
MAS Financial	Buy	321	400	25	16.9	20.1	25.9	11.6	19.0	29.0	16.0	12.4	2.0	1.8	13.5	15.2
M&M Fin.	Buy	253	310	22	19.0	19.1	24.8	33.2	0.6	29.7	13.3	10.2	1.4	1.3	11.9	13.3
Muthoot Fin	Neutral	2660	2790	5	129.5	177.9	211.0	28.4	37.3	18.6	15.0	12.6	3.1	2.6	22.7	22.3
Piramal Enterp.	Neutral	1279	1250	-2	21.5	61.1	106.3	-306.2	184.1	74.0	20.9	12.0	1.0	1.0	5.0	8.2
PNB Housing	Buy	1010	1300	29	74.5	88.6	102.1	28.3	18.9	15.3	11.4	9.9	1.4	1.2	12.8	13.2
Poonawalla Fincorp	Buy	414	520	26	-1.3	9.6	22.4	-109.5	LP	133.3	43.1	18.5	3.2	2.8	8.3	16.1
PFC	Buy	415	490	18	52.6	56.9	60.1	20.8	8.3	5.6	7.3	6.9	1.3	1.2	19.3	17.9
REC	Buy	401	460	15	59.7	66.2	73.2	12.2	10.9	10.6	6.1	5.5	1.2	1.0	20.8	19.8
Repco Home Fin	Neutral	429	475	11	70.2	67.5	73.9	11.3	-3.9	9.5	6.3	5.8	0.7	0.6	12.0	11.8
Spandana Sphoorty	Buy	274	330	20	-145.2	-116.7	23.3	-306.7	Loss	LP	NM	11.8	1.1	1.0	-37.5	8.8
Shriram Finance	Buy	615	780	27	44.0	50.0	60.0	14.9	13.7	20.0	12.3	10.3	1.8	1.6	15.6	16.4
<b>Aggregate</b>								<b>6.9</b>	<b>21.5</b>	<b>22.1</b>	<b>18.8</b>	<b>15.5</b>	<b>2.7</b>	<b>2.3</b>	<b>14.4</b>	<b>15.1</b>
<b>NBFC-Non Lending</b>																
360 ONE WAM	Buy	1079	1450	34	25.8	32.3	37.1	15.3	25.1	15.0	33.4	29.0	5.3	4.4	17.1	17.1
Aditya Birla AMC	Buy	851	1050	23	32.3	35.5	39.1	19.3	9.9	10.2	24.0	21.8	5.9	5.4	25.9	25.8
Anand Rathi Wealth	Neutral	2597	2100	-19	36.2	46.2	59.2	33.7	27.6	28.2	56.3	43.9	22.2	15.7	46.5	41.8
Angel One	Buy	2720	3200	18	129.8	98.4	156.8	-3.1	-24.2	59.2	27.6	17.4	3.6	3.2	15.0	21.3
BSE	Neutral	2454	2400	-2	32.4	46.7	53.9	67.2	43.9	15.4	52.6	45.6	17.0	13.2	32.2	29.0
Cams Services	Buy	4033	5000	24	94.8	103.0	119.8	32.4	8.6	16.3	39.1	33.7	15.0	12.7	41.4	40.8
CDSL	Neutral	1615	-		25.1	31.3	34.9	24.8	25.0	11.2	51.5	46.3	15.7	13.2	33.5	31.0
HDFC AMC	Buy	5544	6400	15	115.2	133.8	152.3	26.6	16.1	13.8	41.4	36.4	13.4	12.3	33.7	35.1
KFin Technologies	Neutral	1164	1200	3	19.5	21.4	26.8	33.9	9.8	25.2	54.5	43.6	13.9	12.1	26.7	29.7
MCX	Neutral	8038	8500	6	110.1	174.2	212.3	573.8	58.3	21.8	46.1	37.9	19.8	18.0	44.9	49.8
Nippon Life AMC	Buy	810	940	16	20.4	23.5	27.2	16.2	15.2	15.8	34.5	29.8	11.9	11.7	34.9	39.6
Nuvama Wealth	Buy	7346	9600	31	276.9	340.0	401.4	64.5	22.8	18.1	21.6	18.3	6.3	5.4	31.9	32.0
Prudent Corp.	Neutral	2899	2300	-21	47.3	53.7	69.7	41.1	13.6	29.8	54.0	41.6	69.4	53.8	29.0	29.1
UTI AMC	Buy	1356	1650	22	63.9	68.8	79.8	1.4	7.7	16.1	19.7	17.0	3.2	3.0	16.5	18.2
<b>Aggregate</b>								<b>31.3</b>	<b>17.2</b>	<b>19.3</b>	<b>46.0</b>	<b>39.2</b>	<b>11.5</b>	<b>10.2</b>	<b>25.1</b>	<b>25.9</b>
<b>Insurance</b>																
HDFC Life Insur.	Buy	762	910	19	8.4	9.8	11.4	14.9	17.1	16.7	77.7	66.6	2.5	2.2	16.3	16.5
ICICI Lombard	Buy	1921	2400	25	50.9	62.7	71.9	30.7	23.2	14.6	30.6	26.7	5.7	4.9	20.0	19.7
ICICI Pru Life	Buy	619	780	26	8.2	9.9	11.1	38.6	20.4	12.7	62.6	55.6	1.7	1.5	12.9	13.2
Life Insurance Corp.	Buy	887	1150	30	76.1	82.5	93.4	18.8	8.3	13.3	10.7	9.5	0.6	0.6	11.7	11.5
Max Financial	Neutral	1527	1750	15	9.4	11.4	13.9	24.7	21.0	21.7	133.9	110.0	2.2	1.8	19.6	19.6
Niva Bupa Health	Buy	84	100	19	1.2	0.7	1.4	142.7	-44.0	119.6	128.2	58.4	3.9	3.7	3.4	6.5
SBI Life Insurance	Buy	1833	2140	17	24.1	27.6	32.1	27.4	14.5	16.2	66.3	57.1	2.2	1.8	19.4	19.0
Star Health Insu	Buy	425	500	18	11.0	13.4	17.9	-23.9	21.6	33.9	31.8	23.8	3.2	2.8	10.6	12.6
<b>Chemicals</b>																
Alkyl Amines	Neutral	2195	2285	4	36.3	44.7	50.8	24.8	23.1	13.4	49.0	43.2	7.2	6.4	15.4	15.6
Atul	Buy	6655	8975	35	169.3	233.9	256.4	53.9	38.2	9.6	28.4	26.0	3.2	2.9	11.7	11.6
Clean Science	Neutral	1243	1350	9	24.9	31.8	40.1	8.3	28.0	25.9	39.0	31.0	7.8	6.4	21.7	22.7
Deepak Nitrite	Sell	1903	1660	-13	51.1	61.9	66.4	-7.3	21.1	7.3	30.7	28.6	4.2	3.8	14.7	13.9
Fine Organic	Sell	5193	3640	-30	127.1	119.3	121.4	5.9	-6.1	1.7	43.5	42.8	6.2	5.5	15.3	13.7
Galaxy Surfact.	Buy	2595	3155	22	86.0	92.0	105.1	1.1	7.0	14.3	28.2	24.7	3.5	3.2	13.1	13.6
Navin Fluorine	Neutral	5005	5185	4	58.2	88.7	115.2	26.2	52.5	29.9	56.4	43.4	8.3	7.2	15.7	17.8



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
NOCIL	Neutral	185	210	14	6.4	6.4	8.5	-18.3	-0.8	32.7	28.9	21.8	1.7	1.6	6.0	7.5
PI Inds.	Buy	4094	4830	18	109.2	108.5	130.5	-1.3	-0.6	20.2	37.7	31.4	5.4	4.7	15.2	16.0
SRF	Buy	3040	3650	20	46.1	68.7	92.6	-3.0	49.2	34.7	44.2	32.8	6.4	5.5	15.3	18.0
Tata Chemicals	Neutral	942	970	3	16.5	35.8	54.8	-54.3	117.0	53.1	26.3	17.2	1.1	1.0	4.2	6.2
Vinati Organics	Buy	1868	2505	34	40.0	53.6	62.6	28.4	33.9	16.8	34.8	29.8	5.9	5.1	18.3	18.4
<b>Aggregate</b>								<b>9.6</b>	<b>22.0</b>	<b>13.9</b>	<b>45.7</b>	<b>37.4</b>	<b>5.5</b>	<b>4.9</b>	<b>12.0</b>	<b>13.1</b>
<b>Capital Goods</b>																
ABB India	Buy	5646	6700	19	88.5	94.4	103.6	50.2	6.7	9.7	59.8	54.5	14.8	13.2	26.4	25.6
Bharat Electronics	Buy	395	490	24	7.2	8.2	9.9	31.5	13.6	20.8	48.1	39.8	11.5	9.2	24.0	23.1
Bharat Dynamics	Buy	1658	1900	15	15.0	28.2	37.8	-10.3	88.4	34.0	58.7	43.8	12.6	10.2	21.5	23.3
Cummins India	Buy	3534	4200	19	71.7	83.3	97.9	16.6	16.2	17.6	42.4	36.1	12.4	10.9	30.9	32.1
Hind.Aeronautics	Buy	4553	5750	26	125.0	141.2	161.2	38.4	13.0	14.2	32.2	28.2	7.3	6.1	22.6	21.8
Hitachi Energy	Sell	19324	14200	-27	77.5	170.1	250.0	100.5	119.6	47.0	113.6	77.3	16.5	13.5	15.3	18.3
Kalpataru Proj.	Buy	1151	1450	26	39.3	55.4	74.1	20.3	40.8	33.9	20.8	15.5	2.5	2.1	12.4	14.7
KEC International	Neutral	860	980	14	21.4	35.1	44.4	64.6	63.5	26.8	24.5	19.4	4.1	4.0	17.2	21.0
Kirloskar Oil	Buy	916	1150	26	28.8	33.6	40.9	15.1	16.7	21.8	27.3	22.4	3.9	3.5	15.3	16.4
Larsen & Toubro	Buy	3443	4100	19	106.8	129.4	153.6	13.0	21.2	18.7	26.6	22.4	4.3	3.8	17.1	18.0
Siemens	Neutral	3038	3450	14	56.8	52.1	66.1	3.0	-8.2	26.9	58.3	45.9	6.3	5.5	10.8	12.0
Siemens Energy	Buy	2982	3300	11	19.6	32.8	38.9		67.3	18.8	91.0	76.6	24.2	18.4	26.6	24.0
Thermax	Sell	3738	3250	-13	56.4	65.7	77.8	8.1	16.5	18.4	56.9	48.1	7.6	6.8	14.2	14.9
Triveni Turbine	Buy	616	700	14	11.3	12.8	16.0	33.2	13.8	25.0	48.0	38.4	13.0	10.4	29.9	30.1
Zen Technologies	Neutral	1777	-		29.1	37.9	57.1	107.3	30.3	50.5	46.8	31.1	7.9	6.3	18.4	22.5
<b>Aggregate</b>								<b>24.9</b>	<b>19.4</b>	<b>19.5</b>	<b>46.6</b>	<b>39.0</b>	<b>8.3</b>	<b>7.2</b>	<b>17.9</b>	<b>18.5</b>
<b>Cement</b>																
Ambuja Cem.	Buy	613	700	14	8.0	10.2	14.3	-42.6	28.5	39.4	59.9	42.9	2.7	2.6	4.6	6.2
ACC	Neutral	1848	2040	10	71.2	91.3	116.2	-28.3	28.3	27.2	20.2	15.9	1.8	1.6	9.0	10.5
Birla Corp.	Buy	1422	1650	16	42.2	74.7	82.4	-21.8	76.9	10.2	19.0	17.3	1.5	1.4	7.9	8.1
Dalmia Bhar.	Buy	2231	2660	19	37.1	73.2	69.6	-9.0	97.4	-4.9	30.5	32.1	2.3	2.1	7.6	6.9
Grasim Inds.	Buy	2708	3280	21	74.1	85.4	106.6	-22.5	15.2	24.9	31.7	25.4	3.2	3.1	-4.6	-1.4
India Cem	Sell	359	280	-22	-24.0	-1.4	3.8	216.9	Loss	LP	NM	95.2	1.2	1.1	-0.5	1.2
J K Cements	Buy	6484	7300	13	103.5	160.4	199.8	0.8	55.0	24.6	40.4	32.5	7.0	5.9	18.7	19.7
JK Lakshmi Ce	Buy	944	1150	22	26.3	45.2	48.3	-33.2	72.0	6.9	20.9	19.5	2.8	2.5	14.4	13.6
Ramco Cem	Neutral	1146	1050	-8	3.9	22.3	30.8	-76.6	469.4	38.2	51.4	37.2	3.4	3.2	6.8	8.8
Shree Cem	Neutral	30933	32400	5	337.9	407.5	552.4	-50.6	20.6	35.6	75.9	56.0	5.0	4.7	6.8	8.7
Ultratech	Buy	12254	14600	19	207.6	305.6	382.8	-15.1	47.2	25.3	40.1	32.0	4.7	4.3	12.2	14.0
<b>Aggregate</b>								<b>-27.2</b>	<b>44.4</b>	<b>25.9</b>	<b>58.2</b>	<b>40.3</b>	<b>3.7</b>	<b>3.5</b>	<b>6.4</b>	<b>8.6</b>
<b>Consumer</b>																
Asian Paints	Neutral	2336	2500	7	42.5	45.6	54.5	-26.7	7.5	19.5	51.2	42.8	11.3	10.7	22.4	25.7
Britannia	Neutral	5593	5900	5	91.9	102.8	117.8	3.6	11.9	14.6	54.4	47.5	27.1	22.9	53.1	52.3
Colgate	Neutral	2215	2550	15	51.4	51.8	56.7	4.4	0.8	9.4	42.8	39.1	38.2	39.1	86.9	98.9
Dabur	Buy	511	575	12	10.2	11.0	12.3	-4.0	7.8	12.5	46.7	41.5	7.8	7.6	17.3	18.5
Emami	Buy	575	700	22	20.3	21.1	23.0	12.4	3.9	8.9	27.3	25.1	8.3	7.4	32.1	31.2
Godrej Cons.	Buy	1218	1450	19	18.5	23.0	26.9	-4.3	24.1	17.0	53.0	45.3	9.8	9.4	19.0	21.2
HUL	Buy	2415	3000	24	44.3	46.6	51.5	1.4	5.2	10.5	51.8	46.9	11.2	10.9	21.9	23.6
ITC	Buy	409	515	26	16.0	17.0	18.4	-2.5	6.7	7.9	24.0	22.3	7.0	6.8	29.9	31.1
Indigo Paints	Buy	1141	1350	18	29.8	34.0	39.5	-3.8	13.9	16.2	33.6	28.9	4.7	4.0	14.8	15.0
Jyothy Lab	Neutral	338	375	11	10.2	10.9	12.1	4.0	7.3	10.9	30.9	27.9	5.8	5.3	19.3	20.0
L T Foods	Buy	489	600	23	17.4	23.5	27.9	2.0	35.0	18.7	20.8	17.5	3.8	3.2	19.6	19.8
Marico	Buy	694	825	19	12.4	14.4	15.7	7.9	16.0	9.0	48.3	44.3	21.2	19.9	45.2	46.4
Nestle	Neutral	2275	2400	5	32.0	33.7	38.8	-22.1	5.5	14.9	67.4	58.7	48.6	43.0	76.3	77.8
Page Inds	Buy	46374	57500	24	652.9	749.1	877.2	27.9	14.7	17.1	61.9	52.9	30.3	25.1	48.9	47.5
Pidilite Ind.	Neutral	2886	3000	4	41.3	46.9	53.8	16.7	13.5	14.7	61.6	53.7	13.4	11.9	23.0	23.5
P&G Hygiene	Neutral	12997	15000	15	241.3	268.6	294.1	9.6	11.3	9.5	48.4	44.2	38.1	32.5	85.7	79.5
Radico Khaitan	Buy	2702	3000	11	25.8	36.6	47.2	34.9	41.9	28.9	73.8	57.2	11.7	10.1	15.9	17.6
Tata Consumer	Buy	1055	1270	20	14.0	16.8	19.8	-2.4	20.2	17.4	62.7	53.4	4.6	4.4	8.1	9.1





Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
United Brew	Neutral	2033	2000	-2	17.7	23.8	33.4	13.6	34.6	40.4	85.5	60.9	11.4	10.4	13.9	17.9
United Spirits	Neutral	1309	1500	15	19.8	21.7	24.4	25.8	9.6	12.4	60.4	53.8	10.1	8.5	16.6	15.7
Varun Beverages	Buy	477	620	30	7.7	9.5	11.5	26.2	23.6	21.6	50.3	41.4	8.5	7.3	18.0	19.0
<b>Aggregate</b>								<b>-1.6</b>	<b>9.6</b>	<b>12.4</b>	<b>48.0</b>	<b>43.8</b>	<b>11.3</b>	<b>10.6</b>	<b>23.4</b>	<b>24.2</b>
<b>Consumer Durables</b>																
Havells India	Neutral	1524	1680	10	23.5	25.6	31.9	15.7	9.1	24.8	59.5	47.7	10.2	9.0	17.1	18.8
KEI Industries	Neutral	3876	4200	8	72.9	90.1	106.3	13.2	23.6	18.0	43.0	36.5	5.6	4.9	13.9	14.4
Polycab India	Buy	6736	8130	21	134.3	169.6	193.6	13.1	26.3	14.1	39.7	34.8	8.6	7.2	21.5	20.8
R R Kabel	Neutral	1396	1450	4	27.6	34.9	41.3	4.5	26.8	18.3	40.0	33.8	6.5	5.6	17.2	17.8
Voltas	Neutral	1315	1350	3	25.4	25.8	33.5	251.5	1.6	29.6	50.9	39.3	6.1	5.4	11.9	13.8
<b>Aggregate</b>								<b>27.9</b>	<b>17.4</b>	<b>19.8</b>	<b>55.8</b>	<b>47.6</b>	<b>9.1</b>	<b>8.0</b>	<b>16.4</b>	<b>16.8</b>
<b>EMS</b>																
Amber Enterp.	Buy	7266	7700	6	72.0	105.3	162.6	82.6	46.2	54.4	69.0	44.7	9.3	7.7	14.5	18.9
Avalon Tech	Buy	822	1030	25	9.6	14.9	22.9	125.2	55.1	54.1	55.3	35.9	7.7	6.3	14.9	19.3
Cyient DLM	Buy	460	600	30	9.3	13.2	20.3	20.8	41.9	53.2	34.8	22.7	3.5	3.0	10.5	14.2
Data Pattern	Neutral	2678	2700	1	39.6	49.7	64.5	22.1	25.5	29.7	53.9	41.5	8.4	7.0	16.9	18.4
Dixon Tech.	Buy	16698	22100	32	117.2	169.3	265.1	90.5	44.5	56.6	98.6	63.0	25.3	18.2	29.2	33.6
Kaynes Tech	Buy	5687	7300	28	45.8	84.3	132.4	59.6	84.2	57.0	67.4	43.0	10.8	8.6	17.4	22.3
Syrma SGS Tech.	Buy	728	820	13	9.7	15.7	23.3	57.6	63.0	47.9	46.3	31.3	6.5	5.4	14.9	18.9
<b>Aggregate</b>								<b>66.8</b>	<b>51.0</b>	<b>52.4</b>	<b>112.5</b>	<b>74.5</b>	<b>15.4</b>	<b>12.8</b>	<b>13.7</b>	<b>17.2</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	998	970	-3	29.1	35.5	44.0	-7.4	21.7	24.2	28.2	22.7	3.4	3.0	12.6	13.9
Alkem Lab	Neutral	5018	4930	-2	181.1	188.3	189.4	13.4	4.0	0.6	26.6	26.5	4.4	4.0	17.7	15.9
Ajanta Pharma	Buy	2781	3070	10	74.1	81.5	95.9	18.9	10.0	17.7	34.1	29.0	7.7	6.4	24.5	24.2
Apollo Hospitals	Buy	7469	8720	17	100.6	120.5	153.8	61.1	19.8	27.7	62.0	48.6	10.5	8.7	19.2	20.2
Aurobindo	Buy	1122	1365	22	61.0	69.1	83.3	7.9	13.2	20.6	16.2	13.5	1.8	1.6	11.6	12.5
Biocon	Buy	394	430	9	2.0	4.4	9.3	13.2	116.6	109.5	89.1	42.5	2.1	2.0	2.4	4.9
Blue Jet Health	Buy	789	1100	39	17.6	25.3	32.2	78.5	43.6	27.2	31.2	24.5	8.9	6.6	32.8	31.0
Cipla	Neutral	1531	1580	3	62.8	61.8	65.8	19.7	-1.6	6.5	24.8	23.3	3.4	3.0	13.9	13.1
Divis Lab	Neutral	6619	7045	6	81.2	101.1	124.3	35.3	24.6	22.9	65.4	53.3	10.4	9.2	16.9	18.4
Dr Reddy's	Neutral	1278	1190	-7	67.3	66.9	63.1	6.1	-0.6	-5.7	19.1	20.3	2.7	2.4	15.3	12.7
Dr Agarwal's Hea	Buy	458	510	11	2.6	3.8	5.1	0.0	44.2	34.0	120.1	89.6	7.2	6.7	6.2	7.8
ERIS Lifescience	Neutral	1794	1520	-15	25.6	38.1	54.5	-12.4	48.8	43.0	47.1	32.9	7.5	6.2	17.0	20.6
Gland Pharma	Buy	2015	2215	10	42.4	50.9	66.5	-10.9	20.2	30.5	39.6	30.3	3.3	3.0	8.8	10.4
Glenmark	Buy	2144	2430	13	47.7	57.9	72.6	1,821.0	21.3	25.5	37.0	29.5	5.8	4.9	17.0	18.1
GSK Pharma	Neutral	3155	3150	0	54.7	61.8	69.8	26.4	12.9	12.9	51.0	45.2	21.1	16.5	41.4	36.4
Global Health	Buy	1323	1380	4	19.8	22.4	31.2	11.1	13.3	39.0	59.0	42.4	9.1	7.8	16.6	19.8
Granules India	Buy	469	570	22	19.7	23.8	31.0	13.6	20.7	30.3	19.7	15.1	2.7	2.3	14.5	16.3
IPCA Labs	Buy	1512	1710	13	36.0	44.1	54.2	44.8	22.7	22.9	34.3	27.9	4.9	4.2	15.1	16.2
Laxmi Dental	Buy	458	540	18	4.8	9.0	12.5	4.9	88.9	38.6	50.9	36.7	9.8	7.7	21.2	23.4
Laurus Labs	Buy	838	970	16	5.8	12.2	15.4	92.4	110.2	26.2	68.8	54.4	8.9	7.9	13.4	15.1
Lupin	Neutral	1951	2140	10	71.6	89.2	95.0	72.4	24.6	6.4	21.9	20.5	4.1	3.4	20.9	18.2
Mankind Pharma	Buy	2601	2870	10	49.2	47.6	64.8	2.9	-3.2	36.3	54.7	40.1	6.8	6.0	13.0	15.9
Max Healthcare	Buy	1280	1380	8	15.1	21.0	25.0	10.0	38.7	19.4	61.0	51.1	10.0	8.5	17.7	18.0
Piramal Pharma	Buy	202	240	19	0.7	1.1	2.5	62.5	58.7	131.0	185.1	80.1	2.9	2.8	1.8	4.0
Sun Pharma	Buy	1699	1960	15	47.1	54.0	63.3	13.4	14.5	17.4	31.5	26.8	5.0	4.3	16.8	17.2
Torrent Pharma	Neutral	3603	3600	0	57.8	70.3	87.4	22.7	21.6	24.3	51.3	41.2	6.7	5.5	28.5	29.4
Zydus Lifesciences	Neutral	977	990	1	46.0	43.6	41.3	22.3	-5.3	-5.4	22.4	23.7	3.5	3.1	16.9	14.0
<b>Aggregate</b>								<b>21.1</b>	<b>12.7</b>	<b>15.0</b>	<b>38.8</b>	<b>34.5</b>	<b>5.6</b>	<b>4.9</b>	<b>14.5</b>	<b>14.3</b>
<b>Infrastructure</b>																
G R Infraproject	Buy	1234	1520	23	74.7	78.0	107.3	2.4	4.5	37.5	15.8	11.5	1.4	1.2	9.1	11.3
IRB Infra	Neutral	46	50	8	1.1	2.0	2.8	11.7	77.9	38.3	23.3	16.9	1.3	1.3	5.9	7.7
KNR Constructions	Neutral	217	220	1	14.0	10.8	14.2	-8.1	-22.7	30.9	20.1	15.3	1.4	1.3	7.4	9.0
<b>Aggregate</b>											<b>26.4</b>	<b>20.9</b>	<b>1.5</b>	<b>1.4</b>	<b>5.7</b>	<b>6.7</b>
<b>Logistics</b>																



		CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)				
Company	Reco	(INR)	(INR)	Downside	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E			
Adani Ports	Buy	1394	1700	22	50.2	63.2	73.4	21.6	26.0	16.1	22.1	19.0	4.1	3.4	20.0	19.6			
Blue Dart Express	Buy	6746	7900	17	103.1	145.7	191.0	-15.2	41.4	31.1	46.3	35.3	8.4	6.9	19.6	21.5			
Concor	Buy	598	760	27	17.0	19.7	23.7	4.9	15.7	20.1	30.3	25.3	3.4	3.2	11.7	13.1			
Delhivery	Buy	425	480	13	2.2	3.8	5.5	-173.1	69.7	43.1	111.6	78.0	3.3	3.1	3.0	4.1			
JSW Infra	Buy	314	380	21	7.0	7.9	9.4	20.5	13.2	19.3	39.8	33.3	6.0	5.1	16.1	16.5			
Mahindra Logistics	Neutral	350	400	14	-5.0	5.6	23.1	-38.8	LP	310.9	62.3	15.2	5.4	4.1	8.7	30.1			
Transport Corp.	Buy	1204	1420	18	53.5	57.5	66.6	16.8	7.4	15.9	20.9	18.1	3.7	3.1	18.6	18.4			
TCI Express	Neutral	703	750	7	22.4	28.2	34.2	-34.8	26.0	21.3	24.9	20.5	3.2	2.9	13.5	14.7			
VRL Logistics	Buy	623	700	12	20.9	26.5	29.2	106.5	26.9	10.0	23.4	21.3	4.6	4.2	20.5	20.6			
Aggregate											33.3	26.6	4.9	4.2	14.6	15.9			
Media																			
PVR Inox	Neutral	998	1080	8	-15.4	12.9	24.0	-232.4	LP	85.4	77.3	41.7	1.4	1.3	1.8	3.2			
Sun TV	Neutral	576	625	8	43.4	45.2	47.6	-8.8	4.0	5.5	12.8	12.1	1.8	1.7	14.2	13.7			
Zee Ent.	Neutral	124	135	9	8.2	8.6	10.2	80.8	5.5	18.1	14.3	12.1	1.0	0.9	7.0	7.8			
Aggregate											-3.3	16.6	13.0	19.4	16.6	1.5	1.4	7.8	8.6
Metals																			
Coal India	Buy	381	470	23	57.4	57.8	66.4	-5.5	0.8	14.8	6.6	5.7	2.0	1.7	30.6	30.0			
Hindalco	Buy	693	800	15	74.8	69.6	73.7	63.9	-6.9	5.9	9.9	9.4	1.4	1.2	14.9	13.8			
Hind. Zinc	Neutral	439	465	6	24.7	28.8	31.0	34.5	16.5	7.8	15.3	14.2	9.1	6.5	72.1	53.6			
JSPL	Buy	1000	1090	9	41.4	54.4	93.1	-29.1	31.3	71.2	18.4	10.7	1.9	1.7	11.1	16.7			
JSW Steel	Buy	1027	1200	17	15.6	49.0	75.0	-57.7	214.6	53.3	21.0	13.7	2.8	2.3	14.0	18.4			
Jindal Stainless	Buy	656	810	24	30.5	36.2	44.5	-3.9	18.7	22.8	18.1	14.7	2.8	2.4	15.4	16.1			
Nalco	Neutral	194	190	-2	28.7	17.9	20.4	215.8	-37.7	14.1	10.8	9.5	1.7	1.5	17.2	17.0			
NMDC	Buy	72	83	16	7.4	8.3	9.3	13.3	11.6	12.0	8.6	7.7	1.8	1.6	22.7	21.9			
SAIL	Neutral	131	-		3.2	7.1	13.5	24.3	120	89.6	18.3	9.6	0.9	0.8	4.9	8.8			
Tata Steel	Neutral	161	155	-4	3.4	8.7	13.0	41.5	160	48.6	18.5	12.4	2.3	2.1	12.6	17.8			
Vedanta	Neutral	443	490	10	34.8	40.3	47.3	162.2	16	17.5	11.0	9.4	3.6	3.0	35.1	34.5			
Aggregate											16.4	19.3	24.4	14.7	12.3	2.5	2.2	16.8	17.8
Oil & Gas																			
Aegis Logistics	Neutral	737	807	10	18.9	20.9	23.0	16.5	10.7	10.1	35.2	32.0	5.1	4.6	15.1	15.1			
BPCL	Neutral	333	300	-10	31.8	36.5	27.5	-49.7	14.6	-24.6	9.1	12.1	1.5	1.4	17.9	12.1			
Castrol India	Buy	222	258	16	9.4	9.6	9.9	7.3	2.0	3.8	23.2	22.4	8.9	8.2	39.8	38.3			
GAIL	Buy	184	215	17	14.4	14.2	15.5	4.8	-1.1	8.7	12.9	11.9	1.5	1.4	12.7	12.6			
Gujarat Gas	Buy	462	555	20	16.6	18.3	21.3	4.0	10.2	16.2	25.2	21.7	3.4	3.1	14.2	15.0			
Gujarat St. Pet.	Neutral	323	356	10	14.3	12.6	13.6	-37.1	-12.0	7.8	25.7	23.8	1.6	1.5	6.4	6.6			
HPCL	Buy	422	505	20	31.6	57.0	44.1	-57.9	80.0	-22.6	7.4	9.6	1.5	1.4	22.0	15.2			
IOC	Buy	147	167	14	7.8	13.6	11.1	-73.6	75.8	-18.4	10.8	13.2	1.0	1.0	9.7	7.5			
IGL	Buy	201	250	24	10.5	11.3	12.7	-16.0	7.6	12.4	17.8	15.9	2.8	2.5	16.2	16.5			
Mahanagar Gas	Buy	1379	1700	23	105.8	108.9	111.9	-18.9	3.0	2.8	12.7	12.3	2.1	1.9	17.3	16.1			
MRPL	Sell	141	100	-29	0.3	6.5	11.0	-98.6	2,150.7	70.0	21.7	12.7	1.8	1.6	8.5	13.2			
Oil India	Buy	435	521	20	37.6	34.3	36.6	-22.7	-8.8	6.7	12.7	11.9	1.4	1.3	11.8	11.6			
ONGC	Buy	240	275	14	30.6	31.4	33.5	-31.9	2.8	6.6	7.6	7.2	0.8	0.8	11.1	11.0			
PLNG	Buy	302	-		26.2	26.6	31.0	11.0	1.6	16.7	11.4	9.7	2.1	1.8	19.4	20.0			
Reliance Ind.	Buy	1392	1700	22	51.5	57.7	63.5	0.0	12.1	10.0	24.1	21.9	2.1	1.9	8.9	9.0			
Aggregate											-31.7	15.7	1.9	18.6	16.1	1.8	1.7	9.7	10.3
Real Estate																			
Anant Raj	Buy	573	784	37	12.4	14.7	13.0	59.4	18.2	-11.5	39.1	44.2	4.2	3.9	10.8	8.8			
Brigade Enterpr.	Buy	1057	1580	49	33.6	44.9	64.2	51.9	34.0	42.7	23.5	16.5	3.3	2.8	15.1	18.3			
DLF	Buy	826	1005	22	17.6	19.1	15.6	60.3	8.2	-18.5	43.3	53.1	3.2	3.0	10.6	8.0			
Godrej Propert.	Buy	2234	2843	27	50.0	89.2	86.7	86.0	78.4	-2.8	25.1	25.8	3.1	2.8	13.4	11.5			
Kolte Patil Dev.	Buy	445	571	28	14.1	48.7	45.2	-253.7	246.1	-7.2	9.1	9.8	2.8	2.2	36.4	25.0			
Oberoi Realty	Neutral	1696	1878	11	61.2	79.9	101.4	15.5	30.5	26.9	21.2	16.7	3.4	2.8	17.1	18.4			
Lodha Developers	Buy	1279	-		28.7	37.9	40.2	70.4	32.1	6.2	33.8	31.8	5.3	4.6	16.7	15.4			
Mahindra Lifespace	Neutral	369	-		4.0	3.3	16.8	-37.7	-17.6	417.3	113.3	21.9	3.0	2.7	2.7	13.0			
SignatureGlobal	Buy	1185	1760	48	7.2	55.7	125.3	511.9	674.8	124.7	21.3	9.5	11.0	5.1	70.0	73.6			



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Sunteck Realty	Buy	420	540	29	10.3	12.2	26.1	111.9	18.4	114.8	34.6	16.1	1.8	1.6	5.3	10.6
Sobha	Buy	1613	1935	20	8.9	33.7	50.6	71.0	281.0	49.9	47.8	31.9	3.5	3.2	7.6	10.5
Prestige Estates	Buy	1668	2000	20	13.6	22.6	25.9	-28.2	65.7	14.7	74.0	64.5	3.9	3.7	5.3	5.8
Phoenix Mills	Neutral	1527	1646	8	27.5	49.7	62.1	-10.6	80.6	24.8	30.7	24.6	4.5	3.8	15.8	16.8
<b>Aggregate</b>								<b>42.8</b>	<b>41.0</b>	<b>12.9</b>	<b>49.8</b>	<b>35.3</b>	<b>4.8</b>	<b>4.3</b>	<b>9.7</b>	<b>12.2</b>
<b>Retail</b>																
Aditya Birla Fashion	Neutral	74	85	15	-6.1	-4.5	-3.4	-18.5	Loss	Loss	NM	NM	1.2	1.3	-8.4	-6.8
Aditya Birla Lifestyle	Neutral	146	170	17	1.3	2.1	3.0	-7.5	62.3	41.6	69.4	49.0	11.6	9.4	18.2	21.2
Avenue Supermarts	Buy	3994	4500	13	41.6	45.2	53.2	6.7	8.5	17.9	88.5	75.0	10.7	9.3	12.8	13.3
Barbeque-Nation	Neutral	306	325	6	-6.9	-5.5	-4.8	142.4	Loss	Loss	NM	NM	3.5	3.7	-6.3	-5.8
Bata India	Neutral	1204	1150	-4	19.4	23.7	27.6	-14.7	21.8	16.5	50.9	43.7	9.0	8.1	18.4	19.5
Campus Activewe.	Buy	280	325	16	4.0	5.1	6.7	35.5	29.2	31.5	54.7	41.6	9.4	7.7	17.1	18.4
Devyani Intl.	Buy	172	210	22	0.2	0.5	1.3	-75.7	158.4	170.0	355.8	131.8	30.9	39.4	6.6	26.3
Go Fashion (I)	Buy	859	1077	25	17.3	19.1	23.9	13.0	10.5	25.3	45.0	35.9	8.7	7.7	13.2	14.7
Jubilant Food.	Neutral	649	750	16	3.6	6.1	9.2	-9.6	71.5	50.3	106.1	70.6	20.2	19.3	19.0	27.3
Kalyan Jewellers	Buy	594	660	11	7.8	10.7	13.0	34.9	37.4	20.8	55.2	45.7	10.9	9.5	21.3	22.3
Metro Brands	Buy	1220	1375	13	13.9	16.2	19.7	9.4	16.1	21.4	75.4	62.1	16.3	13.8	23.8	24.7
P N Gadgil Jewellers	Buy	582	825	42	17.4	21.4	27.5	32.5	22.7	28.6	27.3	21.2	4.3	3.6	17.1	18.4
Raymond Lifestyle	Buy	1096	1500	37	16.5	48.8	68.7	-79.4	195.7	40.8	22.5	16.0	0.7	0.6	6.6	8.7
Restaurant Brand	Buy	82	135	65	-4.0	-2.4	-0.4	-6.7	Loss	Loss	NM	NM	6.3	6.5	-16.7	-3.3
Relaxo Footwear	Sell	482	385	-20	6.8	7.9	9.3	-15.0	16.0	17.6	60.7	51.6	5.3	5.0	9.1	10.0
Sapphire Foods	Buy	330	400	21	1.0	1.2	2.8	-38.9	20.6	136.4	274.4	116.1	7.4	6.9	2.7	6.2
Senco Gold	Neutral	340	400	18	12.4	14.2	16.7	6.2	14.6	18.0	24.0	20.3	2.6	2.3	11.2	11.9
Shoppers Stop	Neutral	530	510	-4	0.6	1.1	1.9	-88.9	85.1	66.9	467.9	280.3	12.6	11.9	3.6	5.7
Titan Company	Buy	3460	4250	23	42.3	53.9	63.3	7.6	27.5	17.4	64.2	54.7	20.6	16.3	36.1	33.2
Trent	Buy	5041	6650	32	43.2	53.2	65.0	47.7	23.3	22.1	94.7	77.5	23.4	18.1	30.0	28.2
Vedant Fashions	Neutral	787	775	-2	16.0	17.4	18.9	-6.2	8.5	9.0	45.4	41.6	9.8	8.7	20.9	20.3
Vishal Mega Mart	Buy	140	165	18	1.4	1.7	2.1	34.2	23.8	25.6	82.2	65.4	9.0	7.9	11.5	12.8
V-Mart Retail	Buy	803	1035	29	2.6	13.4	22.5	-121.3	415.3	67.9	60.0	35.7	7.0	5.8	12.3	17.7
Westlife Foodworld	Neutral	768	750	-2	0.8	1.9	4.6	-82.4	136.9	149.6	414.0	165.9	18.4	16.6	4.6	10.5
<b>Aggregate</b>								<b>15.4</b>	<b>30.5</b>	<b>25.2</b>	<b>102.2</b>	<b>79.7</b>	<b>12.7</b>	<b>11.5</b>	<b>12.5</b>	<b>14.5</b>
<b>Technology</b>																
Cyient	Sell	1244	1120	-10	55.4	63.6	76.1	-17.2	14.9	19.6	19.5	16.3	2.5	2.3	12.0	13.6
HCL Tech.	Buy	1490	2000	34	63.9	67.0	75.9	10.3	4.9	13.2	22.2	19.6	5.9	6.0	26.4	30.1
Hexaware Tech.	Buy	738	930	26	19.3	23.5	27.5	17.6	21.8	17.0	31.4	26.9	7.4	6.5	25.4	26.1
Infosys	Neutral	1516	1750	15	63.8	68.6	72.6	0.8	7.5	5.8	22.1	20.9	6.5	6.5	29.7	31.3
LTI Mindtree	Buy	5101	6000	18	155.3	174.4	200.1	0.3	12.3	14.7	29.3	25.5	5.9	5.2	21.3	21.6
L&T Technology	Neutral	4227	4300	2	119.0	129.8	155.8	-3.2	9.0	20.1	32.6	27.1	6.4	5.6	21.0	22.0
Mphasis	Neutral	2620	2900	11	89.3	99.8	111.8	9.2	11.8	12.0	26.3	23.5	4.8	4.4	19.0	19.7
Coforge	Buy	1689	2240	33	25.2	46.4	58.9	-8.7	84.3	26.9	36.4	28.7	7.9	6.9	17.1	20.7
Persistent Sys	Buy	5149	6800	32	90.2	114.5	140.1	20.2	26.9	22.3	45.0	36.8	10.8	9.2	26.1	27.2
TCS	Buy	3134	3850	23	134.2	142.7	152.6	6.3	6.3	6.9	22.0	20.5	11.5	11.0	53.4	54.9
Tech Mah	Buy	1462	2000	37	47.9	61.3	78.3	17.1	27.9	27.7	23.8	18.7	4.6	4.4	19.6	24.2
Wipro	Sell	259	230	-11	12.5	12.6	13.1	22.8	1.0	3.9	20.5	19.7	3.2	3.2	15.9	16.2
Zensar Tech	Neutral	795	750	-6	28.4	32.3	34.6	-2.5	13.8	7.2	24.6	23.0	4.1	3.8	17.4	17.2
<b>Aggregate</b>								<b>8.7</b>	<b>7.8</b>	<b>9.2</b>	<b>25.2</b>	<b>23.4</b>	<b>7.1</b>	<b>6.9</b>	<b>28.1</b>	<b>29.4</b>
<b>Telecom</b>																
Bharti Airtel	Buy	1938	2200	14	30.3	48.1	63.7	54.2	58.7	32.4	40.3	30.4	8.2	6.4	22.7	25.7
Bharti Hexacom	Neutral	1779	1950	10	25.6	38.3	55.5	58.7	49.4	44.8	46.5	32.1	12.1	9.8	28.8	33.7
Indus Towers	Neutral	393	400	2	18.4	26.0	29.1	-18.0	41.7	11.9	15.1	13.5	2.7	3.0	19.1	20.7
Vodafone Idea	Sell	7	7	-10	-3.8	-2.9	-2.9	-39.9	Loss	Loss	NM	NM	-0.4	-0.2	NM	NM
Tata Comm	Neutral	1730	1675	-3	28.7	46.9	63.7	-32.0	63.3	35.7	36.9	27.2	13.8	10.5	40.6	44
<b>Aggregate</b>								<b>Loss</b>	<b>LP</b>	<b>216.5</b>	<b>-525</b>	<b>237</b>	<b>17.7</b>	<b>12.8</b>	<b>-3.4</b>	<b>5.4</b>
<b>Utilities</b>																
Acme Solar	Buy	270	-		4.5	7.5	10.3	-563.2	65.5	37.2	36.2	26.4	3.3	2.9	9.5	11.8



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Indian Energy Exchange	Neutral	145	135	-7	4.7	5.1	4.9	21.4	10.1	-4.4	28.3	29.5	10.1	8.9	38.4	32.0
Inox Wind	Buy	159	210	32	3.5	5.8	8.4	-2,530.3	66.8	44.3	27.2	18.8	3.6	3.0	14.0	17.3
JSW Energy	Buy	518	620	20	10.7	12.6	16.9	1.6	18.4	33.9	41.0	30.6	3.1	2.8	7.8	9.6
NTPC	Neutral	333	380	14	20.3	25.8	28.0	6.2	26.7	8.8	12.9	11.9	1.7	1.5	13.6	13.6
Power Grid Corpn	Buy	292	370	27	16.7	19.0	19.9	-0.3	13.7	5.1	15.4	14.6	2.7	2.5	18.4	17.9
Suzlon Energy	Buy	64	82	29	1.1	1.7	2.3	105.5	55.0	40.2	38.1	27.2	10.4	7.5	31.5	32.0
Tata Power Co.	Buy	395	476	20	12.3	15.0	17.1	11.7	22.4	13.8	26.4	23.2	3.1	2.7	12.6	13
<b>Aggregate</b>								<b>8.1</b>	<b>22.8</b>	<b>11.2</b>	<b>22</b>	<b>18</b>	<b>2.8</b>	<b>2.5</b>	<b>12.5</b>	<b>14.0</b>
<b>Others</b>																
APL Apollo Tubes	Buy	1541	2000	30	27.3	41.9	56.6	3.4	53.5	35.0	36.8	27.2	8.2	6.5	24.7	26.6
Astral	Buy	1440	1800	25	19.5	23.8	30.4	-4.1	22.2	27.6	60.5	47.4	7.0	6.0	16.5	18.3
Cello World	Buy	596	720	21	15.3	16.5	21.9	-1.7	7.5	32.6	36.1	27.3	5.0	4.4	14.5	17.6
Coromandel Intl	Buy	2440	2930	20	61.3	76.2	97.4	9.8	24.4	27.8	32.0	25.1	5.6	4.7	18.7	20.3
Dreamfolks Services	Buy	147	280	91	11.9	15.2	19.0	-5.0	28.0	24.8	9.6	7.7	2.0	1.6	24.3	23.8
EPL	Buy	226	290	28	11.3	14.1	16.7	39.9	24.3	18.5	16.1	13.6	2.7	2.4	18.0	18.8
Eternal	Buy	311	330	6	0.6	1.2	3.9	44.2	101.5	228.6	262.1	79.8	8.9	8.0	3.4	10.5
Godrej Agrovet	Buy	839	980	17	22.4	29.7	36.7	19.5	32.6	23.8	28.3	22.8	8.9	6.9	27.1	34.1
Gravita India	Buy	1883	2290	22	42.3	58.8	73.0	22.2	39.0	24.1	32.0	25.8	5.6	4.6	19.0	19.5
Indiamart Inter.	Buy	2561	3050	19	91.7	84.2	95.1	66.1	-8.2	12.9	30.4	26.9	5.9	5.1	21.0	20.3
Indian Hotels	Buy	746	900	21	11.8	13.4	16.1	33.4	13.0	20.8	55.8	46.2	8.2	7.0	15.7	16.3
Info Edge	Neutral	1439	1350	-6	11.9	16.8	20.2	-7.4	40.9	20.3	85.7	71.2	3.3	3.2	3.9	4.5
Interglobe	Buy	5800	6900	19	188.1	280.0	259.9	-11.2	48.8	-7.2	20.7	22.3	11.4	7.7	75.0	41.3
Kajaria Ceramics	Buy	1167	1430	22	21.8	30.4	34.9	-21.9	39.3	14.7	38.4	33.5	6.1	5.5	16.6	17.2
Lemon Tree Hotel	Buy	153	185	21	2.5	3.7	4.5	32.4	46.4	22.1	41.6	34.1	8.3	6.6	22.0	21.6
MTAR Tech	Buy	1504	1900	26	17.2	32.7	53.7	-5.8	90.3	64.2	46.0	28.0	5.6	4.6	12.9	18.1
One 97	Neutral	1067	1025	-4	-10.4	6.1	14.8	-53.1	LP	141.8	174.6	72.2	4.6	4.6	2.6	6.4
Prince Pipes	Buy	329	500	52	3.9	9.6	15.8	-73.8	144.7	64.6	34.3	20.8	0.9	0.8	6.5	10.0
Qness Corp	Neutral	303	340	12	15.2	15.2	17.6	63.3	0.4	15.8	19.9	17.2	3.7	4.3	22.5	30.5
SBI Cards	Neutral	889	950	7	20.2	27.8	37.9	-20.5	37.7	36.3	32.0	23.5	5.2	4.3	17.7	20.2
SIS	Buy	381	430	13	22.0	32.2	38.9	69.7	46.1	21.0	11.8	9.8	0.9	0.8	17.6	17.8
Supreme Inds.	Buy	4318	5350	24	75.6	85.0	119.6	-10.2	12.4	40.7	50.8	36.1	8.7	7.4	18.0	22.2
Swiggy	Neutral	408	350	-14	-13.6	-19.0	-12.3	27.4	Loss	Loss	NM	NM	15.9	30.5	-54.0	-63.1
Team Lease Serv.	Buy	1925	2400	25	64.9	100.4	119.4	0.1	54.8	18.9	19.2	16.1	3.0	2.5	16.8	16.9
Time Technoplast	Buy	448	578	29	17.1	21.4	26.3	25.0	25.2	22.7	20.9	17.1	3.1	2.7	15.7	16.8
Updater Services	Buy	281	370	31	17.7	21.0	24.8	56.2	18.4	17.9	13.4	11.4	1.7	1.5	13.6	13.9
UPL	Neutral	722	700	-3	25.0	39.7	57.5	583.6	58.5	44.9	18.2	12.6	1.2	1.1	10.1	13.4
VA Tech Wabag	Buy	1622	1900	17	47.6	60.0	73.2	20.2	26.0	22.0	27.0	22.1	4.1	3.5	15.0	15.8



Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	-0.9	-1.6	1.8
<b>Nifty-50</b>	-0.9	-1.6	1.8
<b>Nifty Next 50</b>	-1.6	-0.8	-7.0
<b>Nifty 100</b>	-1.0	-1.5	0.1
<b>Nifty 200</b>	-1.1	-1.5	0.5
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	-1.3	-0.2	-7.2
Amara Raja Ener.	-1.5	2.6	-36.2
Apollo Tyres	-0.9	2.0	-14.4
Ashok Leyland	-2.3	-0.3	7.8
Bajaj Auto	-2.6	-3.7	-10.8
Balkrishna Inds	-2.3	11.3	-15.2
Bharat Forge	-1.1	-5.1	-23.9
Bosch	-0.2	19.1	8.9
CEAT	0.9	-7.4	31.5
Craftsman Auto	-0.9	14.9	20.6
Eicher Motors	-0.7	-2.6	12.1
Endurance Tech.	-2.3	-6.4	1.0
Escorts Kubota	-1.0	3.8	-15.2
Exide Inds.	-2.7	-0.8	-29.1
Happy Forgings	-1.4	-0.6	-21.9
Hero Motocorp	-1.7	-0.1	-17.9
Hyundai Motor	0.2	-1.3	
M & M	-0.4	1.8	16.4
CIE Automotive	-2.3	-8.2	-28.0
Maruti Suzuki	-1.2	-2.8	0.1
MRF	-1.4	7.0	8.3
Sona BLW Precis.	-4.4	-2.0	-32.3
Motherson Sumi	-2.6	-1.9	-20.5
Motherson Wiring	-2.2	1.6	-15.9
Tata Motors	-1.9	1.9	-36.4
TVS Motor Co.	-0.8	-4.9	13.7
Tube Investments	-1.5	1.2	-28.2
<b>Banks-Private</b>	-1.0	-1.9	8.8
AU Small Fin. Bank	-1.6	-9.0	16.3
Axis Bank	-0.8	-10.4	-7.6
Bandhan Bank	-3.2	-2.1	-3.4
DCB Bank	-1.8	-2.8	9.5
Equitas Sma. Fin	-1.4	-9.7	-30.0
Federal Bank	-2.1	-1.1	2.3
HDFC Bank	-0.2	2.6	25.7
ICICI Bank	-0.4	3.6	24.4
IDFC First Bank	-3.0	-1.6	-5.0
Indusind Bank	-2.9	-0.7	-40.3
Kotak Mah. Bank	-0.8	-3.2	19.8
RBL Bank	-0.7	8.0	11.3
SBI Cards	0.3	-8.4	22.0
<b>Banks-PSU</b>	-1.7	0.7	-2.1
BOB	-1.4	1.8	2.6
Canara Bank	-2.4	0.0	2.5
Indian Bank	-2.2	2.7	15.2
Punjab Natl.Bank	-2.0	2.3	-5.2
St Bk of India	-1.1	0.8	-3.0

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	-1.2	-1.2	0.4
<b>Nifty Midcap 100</b>	-1.6	-1.5	2.2
<b>Nifty Smallcap 100</b>	-2.1	-2.3	-2.0
<b>Nifty Midcap 150</b>	-1.6	-0.6	2.0
<b>Nifty Smallcap 250</b>	-2.0	-0.4	-0.6
Union Bank (I)	-2.9	-2.4	6.7
<b>NBFCs</b>	-0.9	-0.2	16.3
Aditya Birla Capital Ltd	0.1	-0.7	-5.2
AAVAS Financiers	-1.2	-1.8	3.5
Bajaj Fin.	-4.2	8.8	3.7
Cholaman.Inv.&Fn	4.5	7.3	44.0
Can Fin Homes	-4.1	-18.9	-59.9
CreditAcc. Gram.	-2.3	7.3	14.1
Fusion Microfin.	-3.1	-15.8	17.0
Five-Star Bus.Fi	-2.5	1.7	19.8
Home First Finan	-1.3	-0.5	-19.8
Indostar Capital	-2.5	-2.7	32.2
IIFL Finance	-2.2	-2.5	-7.9
L&T Finance	-3.6	3.8	11.1
LIC Housing Fin.	-0.1	3.4	54.6
MCX	-0.9	-6.8	-21.0
M & M Fin. Serv.	-3.8	-6.7	29.3
Muthoot Finance	-1.0	0.6	-31.9
Manappuram Fin.	-4.4	-5.8	13.0
MAS Financial Serv.	-1.7	0.5	-17.6
PNB Housing	-1.8	-4.0	-19.4
Power Fin.Corp.	-4.4	3.3	-58.7
REC Ltd	-3.6	-9.4	8.9
Repco Home Fin	-2.7	12.5	28.0
Shriram Finance	-1.3	25.4	40.9
Spandana Sphoort	-2.7	-4.9	30.1
Nippon Life Ind.	-3.8	-7.4	33.7
UTI AMC	-0.2	9.0	39.4
Nuvama Wealth	-5.5	-12.9	52.5
Prudent Corp.	-2.5	-7.2	92.4
<b>NBFC-Non Lending</b>			
360 One	-3.9	-4.4	19.6
Aditya AMC	-3.9	-4.1	1.7
Anand Rath Wea.	-2.3	3.4	29.7
Angel One	-3.1	-6.5	10.4
BSE	-0.8	-5.2	-6.4
C D S L	-5.4	-2.1	36.7
Cams Services	-4.4	-8.4	-4.7
HDFC AMC	-3.7	-12.0	199.2
KFin Technolog.	-4.7	-1.5	38.3
MCX	-0.9	-6.8	-21.0
Nippon Life Ind.	-3.8	-7.4	33.7
Nuvama Wealth	-5.5	-12.9	52.5
Prudent Corp.	-2.5	-7.2	92.4
UTI AMC	-0.2	9.0	39.4
<b>Insurance</b>			
HDFC Life Insur.	0.7	-2.9	11.9
ICICI Pru Life	-0.7	-2.5	-11.7





Company	1 Day (%)	1M (%)	12M (%)
ICICI Lombard	0.8	-4.5	-1.4
Life Insurance	-2.0	-5.5	-22.6
Max Financial	0.4	-5.9	39.6
Niva Bupa Health	-3.0	2.3	
SBI Life Insuran	2.1	-0.6	8.3
Star Health Insu	-1.2	-1.2	-30.7
<b>Chemicals</b>			
Alkyl Amines	-2.8	-6.0	9.5
Atul	1.0	-9.1	-8.4
Clean Science	-3.1	-17.3	-18.0
Deepak Nitrite	-1.1	-2.2	-35.4
Fine Organic	-3.4	4.3	-0.4
Galaxy Surfact.	-1.1	-1.9	-8.0
Navin Fluor. Intl.	-1.2	6.8	43.2
NOCIL	-3.1	-2.5	-38.7
P I Inds.	-0.5	-1.8	2.5
SRF	-3.5	-1.3	27.0
Tata Chemicals	-0.5	0.2	-9.1
Vinati Organics	-1.7	-5.3	-9.0
<b>Capital Goods</b>			
A B B	-1.0	-5.4	-25.4
Bharat Dynamics	-2.3	-8.7	18.3
Bharat Electron	-0.8	-2.7	32.2
Cummins India	-0.8	7.5	-0.5
Hind. Aeronautics	-2.7	-5.0	-4.8
Hitachi Energy	-2.3	-1.6	64.6
K E C Intl.	-1.2	-6.6	-1.5
Kalpataru Proj.	-3.6	-6.3	-12.1
Kirloskar Oil	-2.6	7.2	-24.2
Larsen & Toubro	-1.0	-4.9	-4.0
Siemens	-2.9	-3.5	-10.4
Siemens Ener	-0.9	6.3	
Thermax	-2.9	9.0	-24.0
Triveni Turbine	-1.3	0.7	2.1
Zen Technologies	-4.7	-6.1	22.0
<b>Cement</b>			
Ambuja Cem.	-1.2	9.6	-9.0
ACC	-2.2	-0.4	-28.1
Birla Corp.	-1.8	8.5	-4.4
Dalmia Bhar.	-1.7	6.5	26.5
Grasim Inds.	-1.0	-4.4	-2.8
India Cem	-0.3	7.4	-0.7
J K Cements	-2.2	7.7	47.5
JK Lakshmi Cem.	-3.9	13.1	13.8
The Ramco Cement	-2.9	9.7	43.3
Shree Cement	-2.5	6.7	13.1
UltraTech Cem.	0.2	5.1	8.4
<b>Consumer</b>			
Asian Paints	-0.7	2.5	-18.6
Britannia Inds.	-1.4	-2.0	-2.8
Colgate-Palm.	-1.9	-8.4	-28.4
Dabur India	-0.2	7.5	-17.8
Emami	-0.8	0.5	-27.5

Company	1 Day (%)	1M (%)	12M (%)
Godrej Consumer	-0.6	2.7	-16.5
Hind. Unilever	-0.9	6.0	-8.8
ITC	-0.1	-1.7	-8.6
Indigo Paints	-3.4	-3.0	-22.6
Jyothy Lab.	-1.0	0.3	-38.2
L T Foods	-0.5	8.8	69.5
Marico	-1.8	-1.6	3.4
Nestle India	-2.0	-5.0	-7.3
Page Industries	-1.3	-3.7	14.9
Pidilite Inds.	-0.6	-3.2	-6.4
P & G Hygiene	-0.1	-3.9	-23.9
Radico Khaitan	-1.0	0.5	55.4
Tata Consumer	-1.7	-6.4	-12.1
United Breweries	0.7	5.0	-3.6
United Spirits	-1.9	-10.0	-9.0
Varun Beverages	-1.8	3.7	-27.6
<b>Consumer Durables</b>			
Polycab India	-1.8	-2.9	-16.1
R R Kabel	-0.6	2.0	-8.2
Havells	-1.6	4.6	5.4
Voltas	-3.5	3.8	-19.1
KEI Industries	-2.1	0.4	-9.5
<b>EMS</b>			
Amber Enterp.	-1.4	6.4	65.9
Avalon Tech	-1.6	-2.9	58.8
Cyient DLM	-1.9	-3.0	-40.4
Data Pattern	-3.7	-4.1	-21.1
Dixon Technolog.	-0.4	17.9	53.1
Kaynes Tech	0.6	-2.7	36.4
Syrma SGS Tech.	3.1	35.1	55.5
<b>Healthcare</b>			
Ajanta Pharma	-0.4	7.7	17.1
Alembic Pharma	-2.1	2.6	-16.9
Alkem Lab	0.3	3.3	-2.4
Apollo Hospitals	1.4	6.1	17.3
Aurobindo	0.8	0.2	-17.6
Biocon	-0.9	12.3	9.1
Blue Jet Health	-2.8	-10.4	77.1
Cipla	3.0	2.6	4.1
Divis Lab	0.4	0.9	47.1
Dr Agarwal's Health	1.1	14.1	
Dr Reddy's	1.0	-4.1	-6.2
ERIS Lifescience	0.7	10.4	69.0
Gland Pharma	0.0	13.4	1.7
Glenmark	-0.2	17.4	9.8
Global Health	-1.6	-5.0	-14.6
Granules	-0.6	-3.5	19.5
GSK Pharma	0.1	24.9	50.8
IPCA Labs	-2.1	11.1	20.2
Laurus Labs	0.1	25.0	93.5
Laxmi Dental	-0.2	7.0	
Lupin	1.1	1.4	9.0
Mankind Pharma	1.0	3.5	38.6



Company	1 Day (%)	1M (%)	12M (%)
Max Healthcare	0.5	12.8	21.4
Piramal Pharma	-0.5	0.2	21.7
Sun Pharma	0.4	2.1	2.9
Torrent Pharma	2.4	11.7	17.9
Zydus Lifesci.	1.7	1.3	-17.9
<b>Infrastructure</b>	<b>-1.0</b>	<b>-1.5</b>	<b>-1.3</b>
G R Infraproject	-2.9	-3.6	-26.0
IRB Infra.Devl.	-2.0	-6.6	-29.4
KNR Construct.	-3.1	-5.9	-41.6
<b>Logistics</b>			
Adani Ports	-1.1	0.2	-5.6
Blue Dart Exp.	-2.6	6.9	-13.4
Delhivery	-2.9	9.6	12.0
Container Corpn.	-1.2	-1.0	-25.0
JSW Infrast	-1.9	1.1	-9.5
Mahindra Logis.	-2.1	14.2	-25.0
Transport Corp.	-1.3	6.2	26.6
TCI Express	-2.8	-5.9	-41.0
VRL Logistics	-1.9	9.9	10.2
<b>Media</b>	<b>-2.6</b>	<b>-5.3</b>	<b>-18.2</b>
PVR INOX	-1.1	3.5	-33.2
Sun TV	-1.8	-3.0	-27.9
Zee Ent.	-4.4	-15.5	-10.9
<b>Metals</b>	<b>-1.6</b>	<b>1.0</b>	<b>3.0</b>
Hindalco	-0.3	3.1	7.9
Hind. Zinc	-1.5	-0.7	-24.0
JSPL	0.0	8.7	6.9
JSW Steel	-0.7	0.5	17.7
Jindal Stainless	-1.2	-2.6	-12.0
Nalco	-2.6	3.0	10.4
NMDC	-1.5	3.8	-2.6
SAIL	-4.0	1.9	-7.6
Tata Steel	-1.3	3.2	5.0
Vedanta	-1.7	0.4	12.3
<b>Oil &amp; Gas</b>	<b>-2.1</b>	<b>-0.2</b>	<b>-15.0</b>
Aegis Logistics	-2.1	7.7	29.6
BPCL	-4.2	9.7	36.4
Castrol India	-2.1	-6.8	-16.0
GAIL	-2.5	4.2	7.4
Gujarat Gas	-2.4	-0.3	-16.6
Gujarat St. Pet.	-2.5	5.2	-13.3
HPCL	-3.0	0.7	-28.5
IOCL	-2.7	1.1	-0.3
IGL	-3.0	3.3	16.1
Mahanagar Gas	-2.8	3.5	-16.9
MRPL	-3.0	-3.9	-23.2
Oil India	-7.0	-0.3	-34.3
ONGC	-3.4	-4.5	-19.8
PLNG	-2.7	-1.4	-21.2
Reliance Ind.	-1.9	-0.7	-24.6
<b>Real Estate</b>	<b>-1.0</b>	<b>-6.8</b>	<b>-10.8</b>
Anant Raj	2.0	1.4	11.6
Brigade Enterpr.	-0.3	-8.7	-13.1

Company	1 Day (%)	1M (%)	12M (%)
DLF	-0.3	-3.3	2.4
Godrej Propert.	-3.4	-7.1	-27.9
Kolte Patil Dev.	-0.4	-3.8	9.6
Mahindra Life.	-2.3	1.4	-33.0
Macrotech Devel.	-3.5	-12.2	-8.1
Oberoi Realty Ltd	-2.8	-14.5	-1.2
SignatureGlobal	-0.7	-5.3	-19.8
Sobha	-0.9	6.0	-13.0
Sunteck Realty	-2.5	-6.1	-28.4
Phoenix Mills	5.4	-5.8	-12.7
Prestige Estates	-1.7	-4.5	-9.7
<b>Retail</b>			
Aditya Bir. Fas.	-2.5	-1.4	-37.8
A B Lifestyle	-2.7	-5.7	
Avenue Super.	-0.6	-6.5	-22.7
Barbeque-Nation	-2.7	-8.1	-43.2
Bata India	-0.5	-0.8	-23.5
Campus Activewe.	-3.2	-1.8	-9.3
Devyani Intl.	-1.6	-0.3	-4.2
Go Fashion (I)	-0.7	-3.0	-23.7
Jubilant Food	-0.9	-8.7	12.6
Kalyan Jewellers	-3.1	9.9	3.8
Metro Brands	1.0	6.8	-4.4
P N Gadgil Jewe.	-2.5	-0.7	
Raymond Lifestyl	-2.9	0.8	
Relaxo Footwear	-3.0	14.8	-44.3
Restaurant Brand	-2.8	-0.7	-23.5
Sapphire Foods	-3.2	0.8	4.8
Senco Gold	-1.7	-2.0	-27.4
Shoppers St.	0.2	6.0	-30.2
Titan Co.	-0.6	-4.9	2.0
Trent	-2.2	-17.7	-4.9
Vedant Fashions	-0.8	-1.5	-25.8
V-Mart Retail	-0.4	-8.5	-4.8
Vishal Mega Mart	-0.1	4.8	
Westlife Food	-1.8	1.1	-9.1
<b>Technology</b>	<b>-1.4</b>	<b>-8.8</b>	<b>-11.1</b>
Cyient	0.1	-3.1	-33.2
HCL Tech.	-1.1	-12.5	-2.7
Hexaware	-10.6	-12.6	
Infosys	-2.4	-6.1	-14.8
LTIMindtree	-2.1	-6.3	-7.8
L&T Technology	-1.8	-3.2	-17.8
Mphasis	-1.1	-2.7	-5.9
Coforge	0.8	-10.2	34.9
Persistent Sys	-0.5	-15.5	9.8
TCS	-0.4	-8.7	-25.0
Tech Mah	-2.4	-12.7	-1.8
Wipro	-1.0	-3.8	4.3
Zensar Tech	-3.4	-5.3	4.6



<b>Telecom</b>	<b>-1.3</b>	<b>-4.0</b>	<b>-5.2</b>
Bharti Airtel	0.1	-0.6	35.6
Indus Towers	-2.0	-5.3	-7.4
Idea Cellular	-2.3	1.0	-52.6
Tata Comm	0.0	3.4	-4.2
<b>Utilities</b>	<b>-2.4</b>	<b>-1.0</b>	<b>-16.2</b>
ACME Solar Hold.	-3.4	9.0	
Coal India	-1.2	-2.8	-18.1
Indian Energy Ex	9.6	-23.3	-16.3
Inox Wind	-2.0	-9.6	-3.6
JSW Energy	-2.7	2.0	-22.2
NTPC	-1.7	0.7	-13.2
Power Grid Corp	-2.4	0.6	-11.0
Suzlon Energy	-2.6	-1.1	3.5
Tata Power Co.	-1.3	-1.9	-6.1
<b>Others</b>			
APL Apollo Tubes	-1.9	2.8	-14.9
Astral	-2.2	-4.3	-33.6
Cello World	-8.5	-14.1	6.1
Coromandel Intl	-0.2	0.8	7.0
Dreamfolks Servi	-0.5	-1.5	-33.0
EPL Ltd	-2.3	-2.0	1.7
Eternal Ltd	-0.8	20.0	41.6
Godrej Agrovet	-2.6	-5.6	2.8
Gravita India	-1.7	9.6	0.2
Havells	-1.6	4.6	5.4
Indiamart Inter.	4.1	6.9	14.2
Indian Hotels	-2.3	-3.8	-12.6
Info Edge	-1.0	-4.3	20.0
Interglobe	-1.2	-4.6	3.0
Kajaria Ceramics	-0.7	2.9	30.9
Lemon Tree Hotel	-0.1	-6.1	248.6
MTAR Technologie	-1.7	10.6	4.5
One 97	-3.5	19.3	130.7
Piramal Enterp.	-2.2	13.4	37.5
Prince Pipes	-4.2	-4.0	-50.8
Qess Corp	-2.3	1.0	-12.1
SIS	-0.8	2.2	-10.7
Supreme Inds.	1.6	-2.3	-17.6
Swiggy	-2.7	2.0	
Time Technoplast	-2.9	-1.2	37.2
Team Lease Serv.	-0.3	-5.2	-41.7
Updater Services	-2.1	-3.0	-10.9
UPL	-0.6	12.0	43.8
Voltas	-3.5	3.8	-19.1
Va Tech Wab.	-1.1	8.6	21.8

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

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

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

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