



Company

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

Transition quarter with mixed signals

US softness and margin pressure offset by DF momentum and capacity-led hospital growth

Our healthcare coverage universe (ex-hospitals) is anticipated to keep slowing down. While revenue, EBITDA, and PAT grew 11%, 19%, and 21% YoY in FY25, 9MFY26 saw growth rates of 10%, 8%, and 9%, respectively. For 4QFY26, we expect revenue and EBITDA to grow 9% and 5.4% YoY, respectively, with a slight YoY dip in PAT for the quarter. Aggregate PAT is expected to decline marginally after 11 quarters of YoY growth, largely due to the YoY reduction in aggregate US generics revenue. Increased competition in some high-margin products may weigh on EBITDA and earnings in 4Q. This would be offset to some extent by currency benefit (INR depreciated ~6% YoY vs USD). Moreover, the domestic formulation (DF) segment growth is likely to be supported by demand revival in acute therapies and steady momentum in chronic therapies. The much-anticipated generic version of the diabetes/weight loss drug (semaglutide) was launched in India after patent expiry in Mar'26. The marketing/promotional spending would have some impact on 4Q performance, given that such activities are front-loaded and sales realization would happen in 1HFY27. USFDA ANDA approvals slowed in 4Q. The pace of USFDA regulatory inspections remained intact in 4Q.

Hospitals are expected to post ~15% YoY revenue growth, supported by capacity expansion and ARPOB improvement, though margins may remain under pressure due to ramp-up costs of new facilities. Overall, while near-term profitability across pharma and hospitals may be constrained by mix and cost pressure, strong volume drivers and capacity-led growth provide healthy medium-term visibility.

DF: Expect steady thrust in chronic; acute to witness uptick in YoY growth Coverage companies to sustain DF segment growth momentum

For companies under our coverage, we expect aggregate DF segment sales to grow by 13% YoY to INR248b in 4QFY26. After a modest 4% YoY growth in 2QFY26, we expect an uptrend in YoY growth for the second consecutive quarter, supported by recovery in acute and strong momentum in chronic therapies. One key event in 4Q was the launch of the branded generic version of semaglutide in DF. Since it was launched almost at the end of 4Q, sales traction would be witnessed in the coming quarters. However, this is likely to result in high incremental marketing/promotional costs in 4Q. It would be interesting to watch out for the focus on base brands after the semaglutide launch, given strong demand tailwinds. That said, our coverage companies are expected to track industry growth, supported by continued product launches and an increasing focus on chronic therapy portfolios.

Chronic therapy growth remains resilient, acute recovery picks up

In the first two months of 4QFY26 (Jan'26/Feb'26), chronic therapies recorded strong growth of 16.5% YoY, in line with 16.7% YoY growth in 3QFY26 and strongly outperforming the 11.2% YoY growth seen in 1HFY26. Acute therapies witnessed strong momentum, with growth of 9.5% YoY in Jan'26/Feb'26 vs. 8.7%/6.3% YoY in 3QFY26/1HFY26. Robust traction in cardiac/anti-diabetic/VMN therapies supported outperformance vs. IPM in Jan'26/Feb'26. However, overall IPM growth was partially constrained by weaker trends in anti-infective, gastro, derma, and respiratory.

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

ERIS/DRRD to record strong YoY DF sales in 4QFY26

We expect ERIS/DRRD to report sales growth of 18%/16% YoY, driven primarily by price increases, new product launches and improved productivity of the medical representative (MR) force. ERIS is likely to deliver double-digit growth across its key therapies, with particularly strong momentum in derma, cardiac, and anti-diabetic therapies, as indicated by IQVIA data for the three months ending Feb'26. DRRD is expected to witness broad-based growth across therapies, led by stronger performance in pain/gastro. We also expect ZYDUSLIF to report 15% YoY growth, driven by robust expansion in its chronic therapies portfolio.

US sales: YoY growth trajectory to decelerate

Cipla/DRRD/ZYDUSLIF to drag down overall YoY growth

For our coverage universe, US revenue is expected to decline 6.2% YoY to USD2.3b in 4Q, driven largely by a sharp 28%/24% YoY decline in CIPLA/DRRD sales to USD168m/USD300m. **We expect favorable forex tailwinds from INR depreciation to support sales growth of 3.5% YoY (in INR terms). Due to the ongoing US-Iran conflict, the freight cost has increased considerably in the second half of Mar'26. This might have some impact on profitability in 4Q.** Excluding CIPLA/DRRD, US revenue is expected to grow 1% YoY. CIPLA/DRRD/ZYDUS are expected to post a decline in US sales due to lower sales of g-Revlimid.

LPC/GNP to be outperformers for the quarter

The overall decline in aggregate US sales would be mitigated by robust growth in LPC/GNP. LPC is likely to deliver strong US growth of 37% YoY, supported by g-Risperdal consta CGT exclusivity and continued traction in g-Tolvaptan/g-Mirabegron/g-Spiriva, offset by price erosion in the base portfolio and competition in g-Albuterol. Delayed competitor approval of g-Tolvaptan would extend the low-competition window, supporting continued growth. However, we expect GNP to deliver 31% YoY growth, primarily driven by milestone income from AbbVie. Notably, we expect RUBICON to deliver 25% YoY growth due to new launches and continued market share gains in the base portfolio, aided by the specialty/differentiated portfolio. TRP/ALPM should grow 24%/17% YoY in 4Q, aided by contributions from new product launches and improving base portfolio traction.

Pace of approval momentum expected to normalize across coverage universe

During the quarter, 11 facilities belonging to our coverage companies were inspected by the USFDA. **At the industry level, final approvals stood at 184 in 4QFY26 (vs. 154 approvals in 3QFY26).** For companies under our coverage, there were 49 final approvals in 4QFY26. The recovery from 2QFY26 lows and subsequent stabilization suggest gradual normalization in approval conversion and review momentum.

Hospitals: Capacity-driven growth is expected to support 4Q performance

For the hospital companies under our coverage, revenue is expected to grow 15% YoY to INR101.7b in 4QFY26, driven by consistent operational execution, significant expansion of bed capacities, and development of new facilities, collectively strengthening operating metrics. In 4Q, we expect EBITDA margins of our coverage companies to be ~18% and aggregate EBITDA to grow by 13% YoY.

Aggregate occupancy is expected to decline by ~70bp YoY, while ARPOB is likely to witness a modest uptick. Hospitals remain on a strong growth trajectory, driven by

aggressive capacity additions, doctor onboarding, and steady demand momentum, supporting volume growth and gradual improvements in utilization. However, near-term margins are likely to remain under pressure due to high ramp-up costs related to new facilities, while profitability and return ratios are expected to improve over the medium term as occupancy stabilizes. Growth visibility remains strong, though medical tourism has seen a marginal impact amid geopolitical disruptions.

MAXHEALTH plans to add ~500 beds in FY27 at Sec-56 Gurugram through greenfield expansion. In FY27, APHS is set to commission four new hospitals in Hyderabad, Kolkata, Bangalore and Gurgaon, reinforcing its presence in high-potential metro markets. Alongside the ramp-up of the recently launched Pune facility, this expansion is expected to add ~1,500 beds, marking a meaningful scale-up in capacity and providing a strong growth runway over the medium term. Notably, ~50% of this capacity is likely to be operationalized in FY27. Medanta is adding 2,300 beds in Delhi/Mumbai/Guwahati.

We expect APHS to post 14%/19%/20% YoY growth in sales/EBITDA/PAT in 4QFY26. MEDANTA is expected to deliver sales growth of 21% and EBITDA/PAT decline of 1%/2% YoY. Profitability is likely to remain subdued as opex related to the recently commissioned Noida hospital continues to weigh on margins. MAXHEALTH is likely to deliver sales /EBITDA/PAT growth of 16%/11%/7% YoY. The strong revenue growth is supported by normalization of cashless insurance disruption and ramp-up of recently commissioned brownfield bed additions at Nanavati Max/Max Mohali. However, MAXHEALTH's profitability shall be impacted by pre-commissioning expenses related to brownfield bed additions for the quarter.

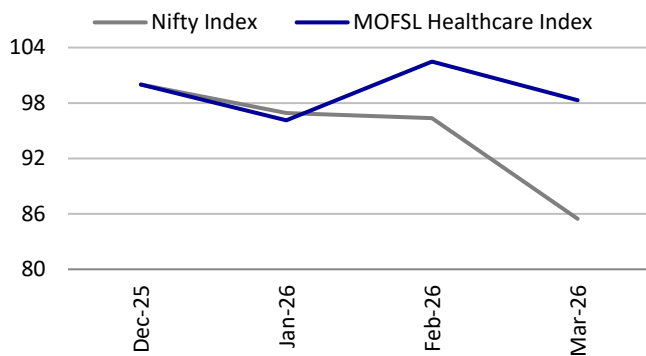
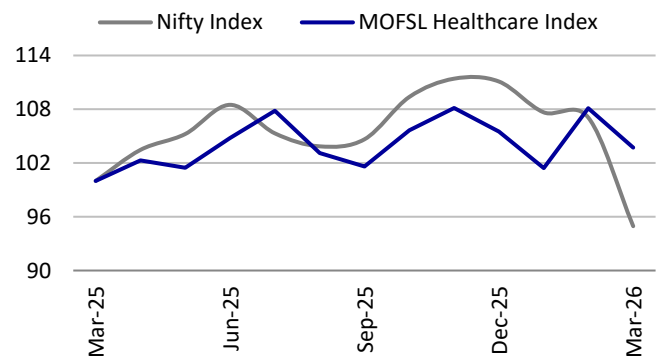
LPC/GNP/RUBICON to outperform within the healthcare pack

- In 4QFY26, we expect LPC/GNP/RUBICON to deliver 51%/47%/47% YoY growth in EBITDA. Steady approvals in the US and the focus on chronic therapies in DF will support a superior show for LPC in 4QFY26.
- For GNP, income from the ISB2001 deal, along with continued scale-up of DF business, to drive financial performance. New launches and continued market share gains in the base portfolio, supported by an increasing contribution from specialty and differentiated products, should drive EBITDA growth for RUBICON in 4QFY26.
- DRRD/CIPLA/ZYDUS are expected to report a YoY decline of 26%/24%/15% in EBITDA for the quarter. Increased competition, leading to heightened pricing pressure on products, including g-Revlimid, may weigh on EBITDA performance.
- We have reduced our estimates for GNP/BIOS by 8.5%/8.1% for FY26, MAX/DRRD by 7%/5.3% for FY27 and APHS by 6.4% for FY28, reflecting our expectations of only a gradual recovery across its segments over the medium term.
- **Our top ideas:** Laurus Labs (superior execution), Apollo Hospitals (robust penetration), Medanta (maturing facilities), and Rubicon (differentiated US play).

Exhibit 1: Summary of quarterly performance

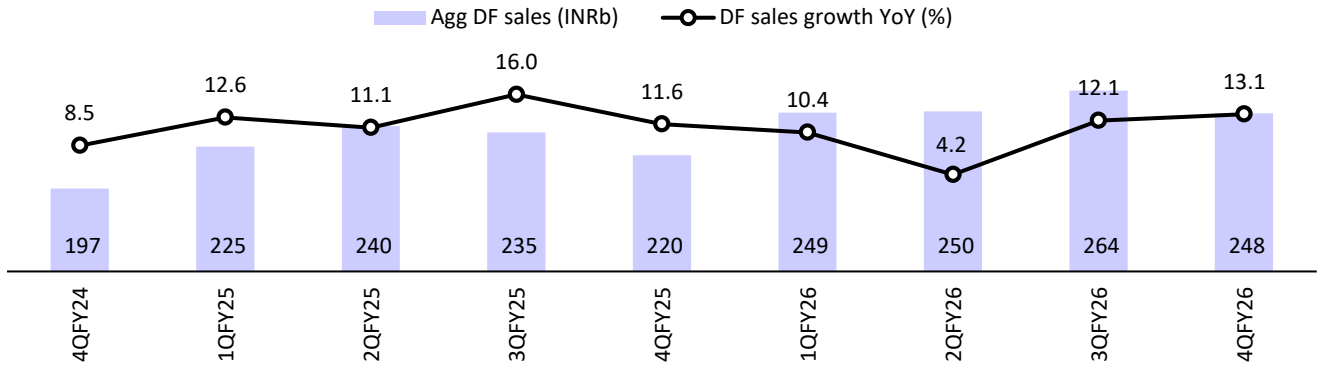
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-26	Var % YoY	Var % QoQ	Mar-26	Var % YoY	Var % QoQ	Mar-26	Var % YoY	Var % QoQ
Ajanta Pharma	2795	Buy	12,873	10.0	-6.4	3,205	7.9	-17.6	2,194	0.0	-19.5
Alembic Pharma	656	Neutral	18,923	6.9	0.9	3,217	18.3	9.6	2,035	29.7	21.4
Alkem Lab	5257	Neutral	34,769	10.6	-7.0	4,902	25.3	-40.8	3,923	28.3	-42.3
Apollo Hospitals	7316	Buy	63,823	14.1	-1.5	9,191	19.4	-4.8	4,680	20.1	-9.4
Aurobindo Pharma	1336	Buy	86,782	3.5	0.4	18,311	-1.7	3.3	10,125	7.3	8.6
Biocon	353	Buy	44,377	0.5	6.3	9,053	-16.0	8.5	1,822	-44.0	47.0
Blue Jet Healthcare	357	Buy	1,959	-42.5	1.8	476	-66.0	1.5	419	-61.9	4.4
Cipla	1193	Neutral	67,086	-0.3	-5.2	11,673	-24.1	-7.0	8,201	-32.9	-6.6
Divis Labs	5857	Neutral	26,778	3.6	2.8	9,051	2.2	1.7	6,505	-0.6	4.2
Dr Agarwals Health.	418	Buy	5,497	19.5	3.8	1,496	12.5	3.8	359	0.3	6.5
Dr Reddy's Labs	1218	Neutral	83,332	-2.0	-4.5	17,416	-15.1	-13.5	11,540	-24.9	-12.6
Eris Lifescience	1330	Neutral	8,327	18.1	3.1	2,889	14.5	2.6	1,163	24.0	3.3
Gland Pharma	1690	Buy	16,167	13.5	-4.6	4,090	17.7	-5.9	2,630	41.0	-5.8
Glenmark Pharma	2094	Buy	38,108	17.0	-2.3	8,231	46.7	-5.4	5,421	84.9	-0.1
Global Health	1001	Buy	11,298	21.3	0.8	2,226	-0.9	2.4	1,362	-2.3	9.8
Granules India	614	Buy	14,469	20.8	4.2	3,313	31.3	7.5	1,780	38.6	18.5
GSK Pharma	2310	Neutral	10,950	12.4	5.2	3,942	18.3	2.9	3,156	20.1	9.0
IPCA Labs.	1486	Buy	23,582	5.0	-1.4	4,622	7.8	-13.3	2,835	17.2	-9.1
Laurus Labs	1044	Buy	18,284	6.3	2.8	4,900	16.5	0.3	2,421	28.9	-6.3
Laxmi Dental	180	Buy	712	17.4	7.8	119	25.2	71.2	96	137.1	104.4
Lupin	2277	Neutral	70,084	23.7	-2.2	19,554	51.3	-11.5	12,675	69.6	-13.5
Mankind Pharma	1997	Buy	34,334	11.5	-3.8	8,343	17.8	-9.6	4,451	38.6	-11.7
Max Healthcare	945	Buy	26,625	15.7	7.9	6,710	10.5	6.2	4,169	6.7	3.4
Piramal Pharma	142	Buy	27,027	-1.9	26.3	5,027	-10.4	156.8	1,360	-11.4	LP
Rubicon Research	774	Buy	4,933	37.7	3.7	1,067	47.3	-1.3	670	84.8	-8.0
Sun Pharma	1695	Buy	1,44,977	13.1	-3.2	40,159	22.4	-5.6	29,758	3.0	-2.2
Torrent Pharma	3989	Neutral	42,055	42.1	27.3	13,289	35.5	22.1	4,649	-12.1	-27.7
Zydus Lifesciences	864	Neutral	69,276	6.1	0.9	16,003	-26.1	-3.1	9,643	-29.3	-2.1
Healthcare			10,07,409	9.4	0.2	2,32,477	6.1	-3.2	1,40,042	1.0	-4.6

Source: Company, MOFSL

Exhibit 2: Relative performance – three months (%)

Exhibit 3: Relative performance – one year (%)


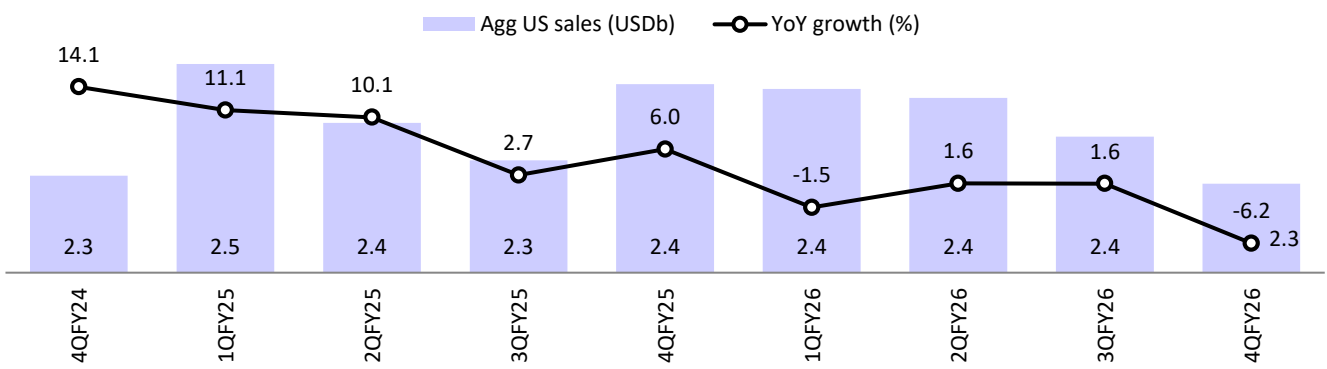
Source: Bloomberg, MOFSL

Exhibit 4: DF sales to grow 13.1% YoY in 4QFY26



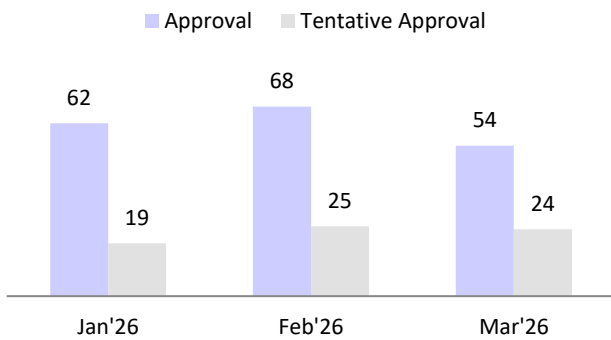
Note: Source: MOFSL, Company

Exhibit 5: US sales to decline 6.2% YoY in 4QFY26



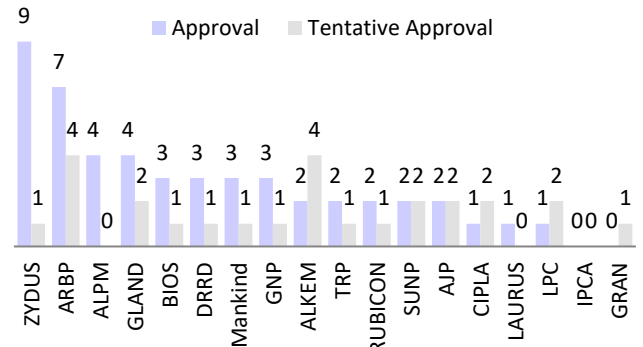
Source: MOFSL, Company

Exhibit 6: 184 approvals in 4Q for the industry



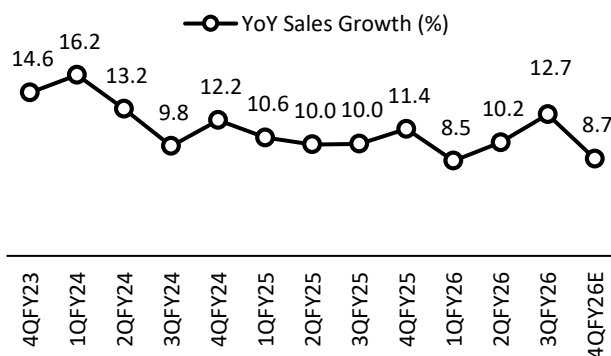
Source: MOFSL, Company

Exhibit 7: 49 ANDAs approved on an aggregate basis for our coverage universe in 4QFY26



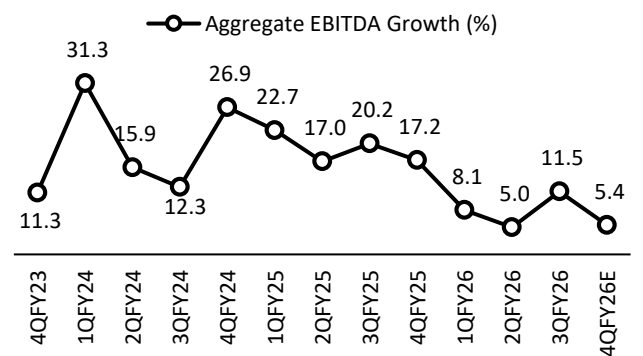
Source: MOFSL, Company

Exhibit 8: Expect sales to grow 8.7% YoY in 4QFY26

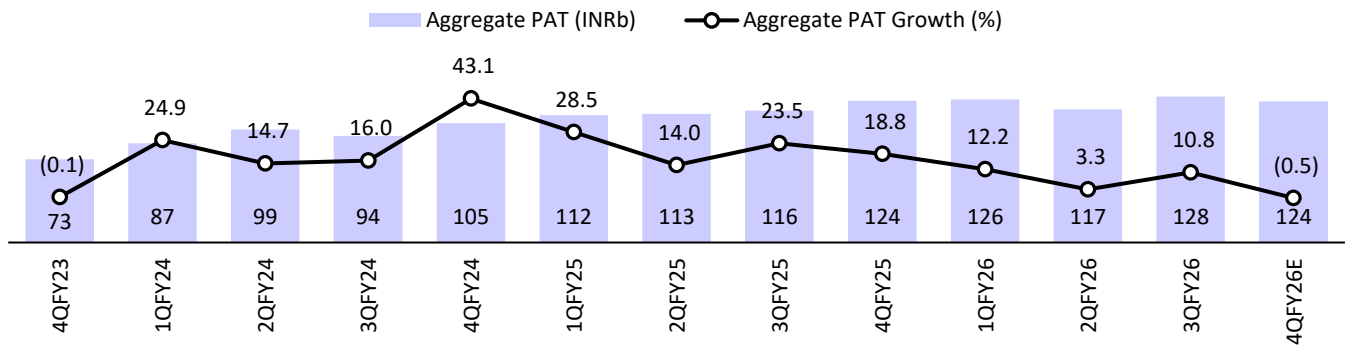


Source: MOFSL, Company

Exhibit 9: EBITDA to grow 5.4% YoY



Source: MOFSL, Company

Exhibit 10: PAT to be stable in 4QFY26


Source: MOFSL, Company

Exhibit 11: USFDA inspection history of our coverage companies for the quarter

Company	Inspection Date	Inspection Facility	Outcome	Observations
Alembic	Feb-26	F-3 Injectable facility, Karakhadi	Form 483	2
Alkem	Feb-26	Enzene Biosciences, Chakan, Pune	Form 483	6
Aurobindo	Feb-26	Unit III, Eugia Pharma, Sangareddy	Form 483	11
	Feb-26	Unit VII, Jedchelra, Telangana	Form 483	9
	Feb-26	Unit I, Eugia Pharma, Rangareddy	Form 483	4
Cipla	Feb-26	InvaGen, New York, USA	Form 483	2
Lupin	Mar-26	Ankleshwar	Form 483	2
Piramal	Feb-26	Digwal, Telangana	Form 483	4
Torrent	Jan-26	Dahej	Form 483	0
Zydus	Jan-26	Unit-2, Ankleshwar, Gujarat	Form 483	3
	Feb-26	Unit-9, Injectable Medical device, Ahmedabad	Form 483	0

Source: MOFSL, Company

Exhibit 12: Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Healthcare						34.4	29.9	25.8	4.5	4.0	3.5	13.2	13.5	13.8
Ajanta Pharma	2,795	Buy	81.4	99.1	111.5	34.3	28.2	25.1	7.7	6.4	5.4	24.5	24.8	23.4
Alembic Pharma	656	Neutral	35.5	43.5	52.9	18.5	15.1	12.4	2.2	2.0	1.7	12.8	13.9	14.9
Alkem Lab	5,257	Neutral	208.3	181.1	199.7	25.2	29.0	26.3	4.6	4.2	3.8	19.4	15.0	15.0
Apollo Hospitals	7,316	Buy	131.8	159.9	181.3	55.5	45.7	40.4	10.2	8.3	6.9	20.8	20.7	19.3
Aurobindo Pharma	1,336	Buy	62.2	76.5	88.8	21.5	17.5	15.1	2.2	1.9	1.7	10.5	11.6	12.1
Biocon	353	Buy	2.6	6.8	8.9	134.8	51.8	39.6	1.9	1.8	1.7	2.0	4.9	6.1
Blue Jet Healthcare	357	Buy	13.0	14.2	17.0	27.5	25.1	21.0	4.6	3.9	3.3	18.2	16.9	17.3
Cipla	1,193	Neutral	53.9	53.5	61.4	22.2	22.3	19.4	2.8	2.5	2.2	12.4	11.1	11.4
Divis Labs	5,857	Neutral	91.6	112.3	133.7	63.9	52.1	43.8	9.3	8.3	7.3	15.4	16.8	17.8
Dr Agarwals Health.	418	Buy	4.1	5.4	8.1	101.2	77.6	51.7	6.6	6.1	5.4	6.7	8.1	11.1
Dr Reddy's Labs	1,218	Neutral	65.3	62.6	68.5	18.7	19.5	17.8	2.6	2.3	2.1	15.1	12.7	12.4
Eris Lifescience	1,330	Neutral	33.9	47.4	57.5	39.2	28.1	23.1	5.7	4.8	4.0	15.3	18.5	19.0
Gland Pharma	1,690	Buy	57.1	70.9	82.7	29.6	23.8	20.4	2.8	2.5	2.2	9.8	11.0	11.4
Glenmark Pharma	2,094	Buy	18.5	75.7	88.5	113.4	27.7	23.7	6.4	5.2	4.3	5.8	20.8	20.0
Global Health	1,001	Buy	20.5	29.6	35.2	48.9	33.8	28.4	7.0	6.0	5.1	15.2	19.1	19.4
Granules India	614	Buy	23.9	32.0	39.0	25.7	19.2	15.7	3.6	3.0	2.5	14.8	17.1	17.6
GSK Pharma	2,310	Neutral	62.9	70.9	80.5	36.8	32.6	28.7	15.4	11.9	9.4	41.8	36.6	32.6
IPCA Labs.	1,486	Buy	45.5	52.0	61.6	32.7	28.6	24.1	4.8	4.2	3.6	15.5	15.6	16.1
Laurus Labs	1,044	Buy	15.9	17.8	21.3	65.8	58.8	49.1	10.6	9.2	7.9	17.2	16.7	17.3
Laxmi Dental	180	Buy	5.7	9.0	11.3	31.7	19.9	15.9	4.2	3.4	2.8	14.0	19.0	19.5
Lupin	2,277	Neutral	114.5	106.4	111.8	19.9	21.4	20.4	4.5	3.7	3.2	25.9	19.1	16.9
Mankind Pharma	1,997	Buy	45.8	64.4	74.3	43.6	31.0	26.9	5.2	4.7	4.1	12.6	15.9	16.3
Max Healthcare	945	Buy	16.7	21.6	24.1	56.7	43.8	39.2	7.6	6.6	5.6	14.3	16.2	15.5
Piramal Pharma	142	Buy	-1.2	1.3	3.2	-116.4	110.7	45.0	2.1	2.1	2.0	-2.0	2.1	5.0
Rubicon Research	774	Buy	14.4	19.0	25.3	53.7	40.8	30.6	10.4	8.5	6.8	26.9	23.0	24.8
Sun Pharma	1,695	Buy	49.2	56.3	65.3	34.4	30.1	26.0	5.0	4.4	3.9	15.4	15.6	16.0
Torrent Pharma	3,989	Neutral	59.6	67.0	97.3	66.9	59.5	41.0	2.8	2.6	2.4	14.3	10.2	13.8
Zydus Lifesciences	864	Neutral	43.6	44.2	48.7	19.8	19.5	17.8	3.1	2.7	2.3	16.7	14.6	14.1

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Ajanta Pharma

Buy
CMP: INR2,795 | TP: INR3,350 (20%)
EPS CHANGE (%): FY26|27|28: (3.6)|(1.4)|(1.5)

- Expect sales to grow 10% YoY to INR12.9b, driven by momentum in Africa/US/DF.
- India business is projected to grow 13% YoY, led by strong performance in Ophthal/Anti-diabetic/Derma.
- Expect US sales to grow by 15% YoY. Transport disruption may impact Asia sales for 4QFY26.
- Africa to deliver robust growth of 52% YoY, driven by strong execution and expansion into new markets.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	11,449	11,866	11,461	11,704	13,027	13,537	13,748	12,873	46,481	53,186
YoY Change (%)	12.1	15.4	3.7	11.0	13.8	14.1	20.0	10.0	10.4	14.4
EBITDA	3,604	3,368	3,208	2,972	3,765	3,688	3,892	3,205	13,152	14,551
YoY Change (%)	28.1	15.9	-0.3	6.8	4.5	9.5	21.3	7.9	12.2	10.6
Margins (%)	31.5	28.4	28.0	25.4	28.9	27.2	28.3	24.9	28.3	27.4
Depreciation	340	344	360	398	413	430	435	436	1,441	1,714
Interest	7	60	79	61	53	34	51	66	207	203
Other Income	182	195	129	111	170	197	164	176	616	707
PBT before EO expense	3,439	3,159	2,898	2,624	3,469	3,421	3,571	2,879	12,119	13,340
Extra-Ord expense	-217	-257	176	71	-158	-13	16	0	-227	-155
PBT	3,221	2,902	3,074	2,694	3,311	3,408	3,586	2,879	11,892	13,185
Tax	764	738	745	442	758	806	848	685	2,688	3,098
Effective Rate (%)	23.7	25.4	24.2	16.4	22.9	23.7	23.7	23.8	22.6	23.5
Reported PAT	2,458	2,165	2,329	2,253	2,553	2,602	2,738	2,194	9,204	10,087
Adj PAT	2,624	2,356	2,196	2,194	2,675	2,612	2,726	2,194	9,369	10,206
YoY Change (%)	30.8	26.5	3.3	16.4	2.0	10.9	24.2	0.0	18.9	8.9
Margins (%)	22.6	19.5	18.9	18.6	20.3	19.0	19.6	16.8	19.9	18.9

Alembic Pharma

Neutral
CMP: INR656 | TP: INR720 (10%)
EPS CHANGE (%): FY26|27|28: 1.1|0|0

- Expect sales to grow by a moderate 7% YoY in 4Q, driven by growth in the formulations segment, partially offset by decline in the API business.
- EBITDA margins are expected to improve by 160bp YoY.
- DF sales are expected to grow 8.8% YoY in 4Q, driven by vet segment. Human Rx growth to remain in check in 4Q.
- US generics are projected to grow 17% YoY to USD70m, led by launch momentum and a strong product pipeline.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	15,617	16,480	16,927	17,696	17,107	19,102	18,763	18,923	66,721	73,895
YoY Change (%)	5.1	3.3	3.8	16.7	9.5	15.9	10.8	6.9	7.1	10.8
Total Expenditure	13,249	14,087	14,325	14,977	14,294	15,945	15,828	15,706	56,639	61,773
EBITDA	2,368	2,393	2,602	2,719	2,813	3,157	2,935	3,217	10,082	12,122
YoY Change (%)	19.2	14.9	-2.4	4.6	18.8	31.9	12.8	18.3	8.1	20.2
Margins (%)	15.2	14.5	15.4	15.4	16.4	16.5	15.6	17.0	15.1	16.4
Depreciation	690	705	700	690	738	761	801	812	2,786	3,112
EBIT	1,678	1,688	1,902	2,029	2,075	2,396	2,134	2,405	7,297	9,010
YoY Change (%)	26.6	19.9	-3.6	6.5	23.7	42.0	12.2	18.5	10.5	23.5
Interest	132	188	223	245	235	242	233	131	788	841
Other Income	21	167	95	142	65	69	155	221	425	510
PBT before EO expense	1,567	1,667	1,774	1,926	1,905	2,223	2,056	2,495	6,934	8,679
Extra-Ord expense	0	-129	0	0	0	0	422	0	129	-422
PBT	1,567	1,796	1,774	1,926	1,905	2,223	1,633	2,495	7,063	8,257
Tax	225	273	401	353	365	532	295	449	1,252	1,641
Rate (%)	14.4	15.2	22.6	18.3	19.1	23.9	18.1	18.0	17.7	19.9
MI & P/L of Asso. Cos.	-5	-11	-11	4	-3	-24	8	11	-23	-8
Reported PAT	1,347	1,534	1,384	1,569	1,544	1,715	1,330	2,035	5,834	6,624
Adj PAT	1,347	1,425	1,384	1,569	1,544	1,715	1,676	2,035	5,725	6,970
YoY Change (%)	11.6	3.6	-23.5	-12.3	14.6	20.4	21.1	29.7	-7.2	21.7
Margins (%)	8.6	8.6	8.2	8.9	9.0	9.0	8.9	10.8	8.6	9.4
EPS	6.9	7.2	7.0	8.0	7.9	8.7	8.5	10.4	29.1	35.5

Alkem Labs

Neutral
CMP: INR5,257 | TP: INR5,540 (5%)
EPS CHANGE (%): FY26|27|28: 0.3|0.2|0.3

- Muted performance in anti-infectives to impact DF segment (+11% YoY growth) in 4Q.
- Margins are expected to be impacted by higher RM and opex related to med-tech and CDMO.
- US sales are projected to grow 17% YoY to INR7.1b, driven by new launches and volume expansion.
- Ex-US sales are expected to grow 8% YoY, impacted by a higher base.

Quarterly Earning Model (INR m)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	30,318	34,147	33,743	31,438	33,711	40,010	37,368	34,769	129,645	145,858
YoY Change (%)	2.2	-0.7	1.5	7.1	11.2	17.2	10.7	10.6	2.3	12.5
EBITDA	6,086	7,528	7,594	3,913	7,391	9,208	8,280	4,902	25,121	29,781
YoY Change (%)	56.4	0.8	7.3	-2.7	21.4	22.3	9.0	25.3	11.9	18.5
Margins (%)	20.1	22.0	22.5	12.4	21.9	23.0	22.2	14.1	19.4	20.4
Depreciation	805	789	853	1,125	877	936	950	938	3,572	3,701
EBIT	5,282	6,739	6,741	2,788	6,514	8,272	7,330	3,965	21,550	26,080
YoY Change (%)	66.7	0.2	5.7	-12.5	23.3	22.7	8.7	42.2	57.4	34.0
Margins (%)	17.4	19.7	20.0	8.9	19.3	20.7	19.6	11.4	16.6	17.9
Interest	291	281	360	284	298	350	421	320	1,217	1,389
Other Income	1,203	1,345	930	1,460	1,365	1,037	1,431	1,200	4,937	5,033
PBT before EO Exp	6,194	7,803	7,311	3,963	7,581	8,958	8,340	4,845	25,270	29,724
EO Exp/(Inc)	0	0	0	0	-129	0	528	0	0	399
Rate (%)	11.2	10.0	12.3	18.5	13.3	13.0	16.3	15.0	12.3	14.1
PAT (pre-Minority Interest)	5,502	7,020	6,408	3,230	6,683	7,796	6,535	4,118	22,160	25,133
Minority Interest	51	133	150	172	41	145	175	195	505	556
Reported PAT	5,452	6,886	6,258	3,059	6,643	7,651	6,360	3,923	21,655	24,577
Adj Net Profit	5,452	6,886	6,258	3,059	6,531	7,651	6,802	3,923	21,655	24,906
YoY Change (%)	90.1	2.0	-2.6	0.6	19.8	11.1	8.7	28.3	13.5	15.0

Apollo Hospitals

Buy
CMP: INR7,316 | TP: INR8,768 (20%)
EPS CHANGE (%): FY26|27|28: 0.7|2.3|(6.4)

- Sales/EBITDA are expected to grow 14%/19% YoY to INR64b/INR9b, aided by steady growth across segments.
- EBITDA losses for Apollo 24/7 are expected to narrow in 4Q, supporting margin improvement going forward.
- Expect hospital EBITDA to grow by 7% YoY, impacted by losses from new hospitals.
- GMV build-up and profitability improvement of Healthco would be key monitorable.

Quarterly Earning Model

Y/E March (INRm)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	50,856	55,893	55,269	55,922	58,421	63,035	64,774	63,823	217,940	250,053
YoY Change (%)	15.1	15.3	13.9	13.1	14.9	12.8	17.2	14.1	14.3	14.7
Total Expenditure	44,105	47,738	47,654	48,225	49,902	53,624	55,121	54,633	187,722	213,280
EBITDA	6,751	8,155	7,615	7,697	8,519	9,411	9,653	9,191	30,218	36,774
YoY Change (%)	32.6	30.0	24.1	20.2	26.2	15.4	26.8	19.4	26.4	21.7
Margins (%)	13.3	14.6	13.8	13.8	14.6	14.9	14.9	14.4	13.9	14.7
Depreciation	1,774	1,845	1,846	2,110	2,147	2,178	2,192	2,176	7,575	8,693
Interest	1,164	1,175	1,098	1,148	1,083	1,096	1,126	1,161	4,585	4,466
Other Income	372	382	638	611	402	547	528	523	2,003	2,000
PBT before EO expense	4,185	5,517	5,309	5,050	5,691	6,684	6,863	6,377	20,061	25,615
Extra-Ord expense/(Income)	0	0	0	0	0	0	192	0	0	192
PBT	4,185	5,517	5,309	5,050	5,691	6,684	6,671	6,377	20,061	25,423
Tax	1,145	1,617	1,568	1,010	1,417	1,807	1,657	1,626	5,340	6,507
Rate (%)	27.4	29.3	29.5	20.0	24.9	27.0	24.8	25.5	26.6	25.6
MI & Profit/Loss of Asso. Cos.	-12	112	18	144	-54	105	-9	71	262	113
Reported PAT	3,052	3,788	3,723	3,896	4,328	4,772	5,023	4,680	14,459	18,803
Adj PAT	3,052	3,788	3,723	3,896	4,328	4,772	5,167	4,680	14,459	18,947
YoY Change (%)	83.2	63.5	51.8	53.5	41.8	26.0	38.8	20.1	61.1	31.0
Margins (%)	6.0	6.8	6.7	7.0	7.4	7.6	8.0	7.3	6.6	7.6

Aurobindo Pharma

Buy
CMP: INR1,336 | TP: INR1,510 (18%)
EPS CHANGE (%): FY26|27|28: 0|0|0

- Expect a 10% YoY decline in US sales to USD421m in 4Q, partly due to reduced g-Revlimid sales.
- With controlled cost, backward integration of PEN-G and currency benefit, we expect EBITDA to be stable YoY.
- Expect EU sales to grow 15.3% YoY to INR24.7b, driven by expanded offerings and increasing reach.
- Watch out for ramp-up of 6-APA plant and resolution of USFDA issues at Eugia III.

Quarterly Performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
INRm										
Net Sales	75,670	77,961	79,785	83,821	78,681	82,857	86,459	86,782	317,237	334,780
YoY Change (%)	10.5	8.0	8.5	10.6	4.0	6.3	8.4	3.5	9.4	5.5
EBITDA	16,947	15,661	16,278	18,619	16,034	16,781	17,733	18,311	67,505	68,860
YoY Change (%)	47.2	11.6	1.7	10.4	-5.4	7.1	8.9	-1.7	15.5	2.0
Margins (%)	22.4	20.1	20.4	22.2	20.4	20.3	20.5	21.1	21.3	20.6
Depreciation	4,042	3,823	4,185	4,444	4,057	4,292	4,647	4,691	16,494	17,688
Interest	1,110	1,127	1,185	1,150	978	952	928	906	4,572	3,764
Other Income	1,199	1,360	1,573	1,232	1,053	1,156	1,541	1,400	5,364	5,151
PBT before EO expense	12,994	12,072	12,481	14,257	12,053	12,693	13,700	14,113	51,804	52,559
Forex loss/(gain)	-10	0	498	-116	4	-50	-335	0	372	-381
Exceptional (expenses)/income	249	0	0	(700)	0	0	(653)	0	-451	-653
PBT	13,254	12,072	11,983	13,673	12,049	12,743	13,382	14,113	50,981	52,286
Rate (%)	30.6	32.3	29.6	31.6	31.8	33.6	32.0	33.4	31.0	32.7
Minority Interest	4	-7	-18	315	-25	-20	-9	111	294	58
Reported PAT	9,193	8,174	8,458	9,035	8,248	8,485	9,103	9,282	34,860	35,117
Adj PAT	9,013	8,174	8,809	9,434	8,250	8,451	9,319	10,125	35,430	36,146
YoY Change (%)	51.9	5.1	-2.4	-6.6	-8.5	3.4	5.8	7.3	7.9	2.0
Margins (%)	11.9	10.5	11.0	11.3	10.5	10.2	10.8	11.7	11.2	10.8

Biocon

Buy
CMP: INR353 | TP: INR450 (28%)
EPS CHANGE (%): FY26|27|28: -8.1|0|0

- Biologics sales are expected to grow 8% YoY to INR26.5b, as the company is working on capacity expansion.
- Generics segment to decline 17% YoY to INR8.7b, primarily due to a high base effect and intensified competition.
- CRDMO revenue is likely to remain broadly flat at INR10b, reflecting limited incremental demand from existing clients.
- EBITDA may decline 16% YoY to INR9b due to weak operating leverage, while overall revenue may remain largely stable.

Quarterly performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	34,329	35,904	38,214	44,170	39,420	42,960	41,730	44,377	1,52,617	1,68,487
YoY Change (%)	0.3	3.7	6.0	12.8	14.8	19.7	9.2	0.5	5.9	10.4
Total Expenditure	28,120	29,040	30,357	33,390	31,770	34,610	33,390	35,324	1,20,907	1,35,094
EBITDA	6,209	6,864	7,857	10,780	7,650	8,350	8,340	9,053	31,710	33,393
YoY Change (%)	-12.9	-7.4	36.2	17.7	23.2	21.6	6.1	-16.0	7.6	5.3
Margins (%)	18.1	19.1	20.6	24.4	19.4	19.4	20.0	20.4	20.8	19.8
Depreciation	4,050	4,200	4,250	4,360	4,550	4,730	5,150	5,183	16,860	19,613
EBIT	2,159	2,664	3,607	6,420	3,100	3,620	3,190	3,870	14,850	13,780
YoY Change (%)	-39.2	-24.4	123.1	26.1	43.6	35.9	-11.6	-39.7	7.8	-7.2
Interest	2,360	2,260	2,230	2,120	2,770	2,720	2,100	2,100	8,970	9,690
Other Income	767	330	350	370	800	930	1,170	980	1,817	3,880
Extraordinary Income	10,893	260	-163	210	-170	-120	-2,930	0	11,200	-3,220
PBT	11,459	994	1,564	4,880	960	1,710	-670	2,750	18,897	4,750
Tax	2,840	710	750	280	80	390	-160	577	4,580	887
Rate (%)	24.8	71.4	47.9	5.7	8.3	22.8	23.9	21.0	24.2	18.7
Minority Interest	2,030	430	560	1,150	580	480	-1,960	350	4,170	-550
PAT	6,589	-146	254	3,450	300	840	1,450	1,822	10,147	4,412
Adj PAT	-1,604	365	439	3,252	300	910	1,240	1,822	2,452	4,272
YoY Change (%)	-260.4	-74.7	-125.8	128.4	-118.7	149.2	182.3	-44.0	13.2	74.2
Margins (%)	19.2	-0.4	0.7	7.8	0.8	2.0	3.5	4.1	6.6	2.6

Cipla

Neutral
CMP: INR1,193 | TP: INR1,307 (9%)
EPS CHANGE (%): FY26|27|28: (0.2)|(0.3)|(0.3)

- US sales to decline 24% YoY to USD168m in 4Q, driven by higher competition in g-Revlimid.
- Expect DF sales growth of 11% YoY, led by momentum in Respiratory/Anti-Diabetic, offset by subdued performance in Pain.
- Progress on the deal with Eli Lilly to distribute and promote Terzapatide in India.
- Respiratory launches to be a key monitorable in near term

Quarterly Earning Model (INR m)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	66,939	70,510	70,730	67,297	69,575	75,894	70,745	67,086	275,476	283,299
YoY Change (%)	5.8	5.6	7.1	9.2	3.9	7.6	0.0	-0.3	6.9	2.8
Total Expenditure	49,781	51,654	50,841	51,921	51,793	56,947	58,194	55,413	204,197	222,347
EBITDA	17,158	18,856	19,889	15,376	17,781	18,948	12,551	11,673	71,279	60,952
YoY Change (%)	14.9	8.8	13.8	16.9	3.6	0.5	-36.9	-24.1	13.3	-14.5
Margins (%)	25.6	26.7	28.1	22.8	25.6	25.0	17.7	17.4	25.9	21.5
Depreciation	2,467	2,717	2,798	3,087	2,527	2,970	2,784	2,791	11,070	11,072
Interest	180	154	146	140	141	132	140	100	620	513
Other Income	1,602	1,906	1,546	2,895	2,586	2,690	2,063	2,100	7,949	9,439
Profit before Tax	16,114	17,891	18,491	15,043	17,699	18,535	11,690	10,882	67,538	58,806
One-time (expense)/income	0	0	670	0	0	0	-2,759	0	670	-2,759
PBT after EO expense	16,114	17,891	19,161	15,043	17,699	18,535	8,931	10,882	68,208	56,047
Rate (%)	27.0	27.0	18.0	18.6	27.0	27.0	18.7	25.0	22.7	25.0
Minority Interest	-13.5	34.9	132.1	31.8	-55.7	19.0	-12.4	-40.0	185.3	-89.1
Reported PAT	11,776	13,025	15,705	12,218	12,976	13,512	6,758	8,201	52,725	41,447
Adj PAT	11,776	13,025	13,644	12,218	12,976	13,512	8,780	8,201	50,664	43,469
YoY Change (%)	18.3	10.9	14.0	40.6	10.2	3.7	-35.6	-32.9	19.6	-14.2

Dr Agarwal's Healthcare

Buy
CMP: INR418 | TP: INR567 (36%)
EPS CHANGE (%): FY26|27|28: 3.1|0.7|0.6

- Expect sales growth of 20%, largely led by the number of patients being treated.
- Expect healthy 14% YoY growth in surgery volume for the quarter.
- Progress on volume growth, network expansion and increase in share of specialized treatment.
- Progress on the merger of Dr. Agarwal's Eye Hospital with Dr. Agarwal's Healthcare.

Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	4,035	4,166	4,307	4,602	4,874	4,987	5,299	5,497	17,110	20,657
YoY Change (%)			29.5	31.9	20.8	19.7	23.0	19.5	28.4	20.7
Total Expenditure	2,998	3,096	3,211	3,272	3,596	3,626	3,858	4,001	12,578	15,080
EBITDA	1,037	1,070	1,096	1,330	1,279	1,361	1,441	1,496	4,532	5,577
YoY Change (%)			23.2	24.2	23.3	27.3	31.5	12.5	25.1	23.1
Margins (%)	25.7	25.7	25.4	28.9	26.2	27.3	27.2	27.2	26.5	27.0
Depreciation	555	572	582	604	630	679	688	716	2,313	2,712
EBIT	482	498	514	726	649	683	754	780	2,220	265
YoY Change (%)			10.7	18.4	34.7	37.2	46.6	7.4	15.7	29.1
Interest	270	284	284	250	247	226	211	213	1,088	897
Other Income	60	119	127	154	134	79	105	95	460	413
PBT	272	333	409	585	536	537	648	662	1,599	2,382
Rate (%)	32.6	35.9	31.2	27.3	29.0	32.0	32.6	30.2	31.0	31.0
MI & P/L of Asso. Cos.	62	48	59	100	80	68	99	102	269	349
Reported PAT	121	165	223	326	301	297	337	359	835	1,294
Adj PAT	121	165	187	358	301	297	337	359	832	1,294
YoY Change (%)			-5.6	-7.4	148.3	79.5	80.3	0.3	0.2	55.6
Margins (%)	3.0	4.0	4.3	7.8	6.2	6.0	6.4	6.5	4.9	6.3
EPS	0.4	0.5	0.6	1.1	1.0	0.9	1.1	1.1	2.7	4.1

Divis Labs

Neutral
CMP: INR5,857 | TP: INR6,605 (13%)
EPS CHANGE (%): FY26 | 27 | 28: (0.1)|(0.1)|(0.1)

- DIVI is expected to deliver 3.6% YoY growth in sales on account of growth across CS/Nutraceuticals.
- Expect 4% YoY decline in generics sales for the quarter.
- Watch out for pricing play of API and freight cost impact in near term.
- Progress on iodine-based/gadolinium-based contrast media-related projects.

Quarterly Performance

Y/E March (INRm)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	21,180	23,380	23,190	25,850	24,100	27,150	26,040	26,778	93,600	104,068
YoY Change (%)	19.1	22.5	25.0	12.2	13.8	16.1	12.3	3.6	19.3	11.2
Total Expenditure	14,960	16,220	15,760	16,990	16,810	18,270	17,140	17,727	63,930	69,947
EBITDA	6,220	7,160	7,430	8,860	7,290	8,880	8,900	9,051	29,670	34,121
YoY Change (%)	23.4	43.5	51.9	21.2	17.2	24.0	19.8	2.2	33.5	15.0
Margins (%)	29.4	30.6	32.0	34.3	30.2	32.7	34.2	33.8	31.7	32.8
Depreciation	970	990	990	1,070	1,120	1,130	1,180	1,173	4,020	4,603
YoY Change (%)	27.7	52.7	63.5	22.5	17.5	25.6	19.9	1.1	39.0	15.1
Interest	0	0	0	10	30	80	60	0	10	170
Other Income	780	770	720	760	800	820	690	795	3,030	3,105
PBT before EO Income	6,030	6,940	7,160	8,540	6,940	8,490	8,350	8,674	28,670	32,454
EO and Forex Gain/(Loss)	10	290	100	100	390	630	-550	0	500	470
PBT	6,040	7,230	7,260	8,640	7,330	9,120	7,800	8,674	29,170	32,924
Rate (%)	28.8	29.3	18.9	23.4	25.6	24.5	25.3	25.0	24.9	25.1
PAT	4,300	5,110	5,890	6,620	5,450	6,890	5,830	6,505	21,920	24,675
Adj. PAT	4,293	4,905	5,809	6,543	5,160	6,414	6,241	6,505	21,550	24,321
YoY Change (%)	20.3	38.3	68.5	22.0	20.2	30.8	7.4	-0.6	35.3	12.9
Margins (%)	20.3	21.9	25.4	25.6	22.6	25.4	22.4	24.3	23.4	23.7

Dr Reddy's Labs

Neutral
CMP: INR1,218 | TP: INR1,235 (1%)
EPS CHANGE (%): FY26 | 27 | 28: (1.4)|(5.3)|0

- Expect NA sales to decline 20% YoY to USD300m, led by reduced business of g-Revlimid.
- Expect India business to grow 17% YoY, led by robust traction in the pain/respiratory/gastro segments.
- Progress on semaglutide approval for the Canadian market.
- Update on brand-related litigation with Novo Nordisk for semaglutide products in India market.

Consolidated Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	76,727	80,162	82,320	85,060	85,452	88,051	87,268	83,332	324,269	344,103
YoY Change (%)	13.9	16.5	14.1	20.1	11.4	9.8	6.0	-2.0	16.2	6.1
EBITDA	21,275	22,028	21,730	20,505	21,501	21,253	20,124	17,416	85,538	80,294
YoY Change (%)	4.0	10.3	7.1	16.1	1.1	-3.5	-7.4	-15.1	9.1	-6.1
Margins (%)	27.7	27.5	26.4	24.1	25.2	24.1	23.1	20.9	26.4	23.3
Amortization	3,815	3,975	4,719	4,555	4,765	5,051	5,215	5,050	17,064	20,081
Other Income	1,366	2,600	461	3,374	2,311	3,510	1,961	2,334	7,801	10,116
PBT before EO expenses	18,826	20,653	17,472	19,324	19,047	19,712	16,870	14,700	76,275	70,329
One-off income/(expense)	-5	-1,486	1,270	730	0	-1,362	-1,441	0	509	-2,803
Profit before Tax	18,821	19,167	18,742	20,054	19,047	18,350	15,429	14,700	76,784	67,526
Rate (%)	26.0	30.0	25.1	20.8	26.0	22.2	22.9	23.2	25.4	23.7
PAT	13,920	13,415	14,038	15,873	14,096	14,268	11,896	11,290	57,246	51,550
Minority Interest	0	862	-95	-66	-82	-104	-202	-250	701	-638
Reported Profit	13,920	12,553	14,133	15,939	14,178	14,372	12,098	11,540	56,545	52,188
Adjusted PAT	13,924	13,593	13,182	15,361	14,178	15,431	13,209	11,540	56,060	54,358
YoY Change (%)	2.0	2.4	-4.3	26.7	1.8	13.5	0.2	-24.9	6.1	-3.0
Margins (%)	18.1	17.0	16.0	18.1	16.6	17.5	15.1	13.8	17.3	15.8

Eris Lifesciences

Neutral
CMP: INR1,330 | TP: INR1,405 (6%)
EPS CHANGE (%): FY26|27|28: (0.3)|0.0|0.0

- Eris Lifesciences is expected to deliver 18% YoY growth in sales.
- DF segment is likely to witness healthy growth, driven by strong traction across key therapies.
- Key monitorables include the build-up of its diabetes franchise and the ramp-up of the international business.
- Watch for potential upside from the GLP-1 product launch in India, to be driven by competitive pricing.

Consolidated - Quarterly Earning Model

Y/E March	(INR m)									
	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	7,197	7,412	7,275	7,053	7,730	7,924	8,075	8,327	28,936	32,055
YoY Change (%)	54.2	46.7	49.6	28.0	7.4	6.9	11.0	18.1	44.0	10.8
Total Expenditure	4,697	4,767	4,771	4,529	4,963	5,042	5,258	5,437	18,764	20,701
EBITDA	2,500	2,645	2,503	2,524	2,767	2,882	2,816	2,889	10,172	11,354
Margins (%)	34.7	35.7	34.4	35.8	35.8	36.4	34.9	34.7	35.2	35.4
Depreciation	759	805	812	773	705	691	703	735	3,149	2,835
Interest	604	595	572	543	487	496	488	508	2,313	1,978
Other Income	16	46	42	80	27	28	0	33	184	89
PBT before EO expense	1,153	1,291	1,162	1,288	1,602	1,724	1,625	1,680	4,894	6,630
Extra-Ord expense	0	0	0	-1	-9	-3	172	0	-1	161
PBT	1,153	1,291	1,162	1,289	1,611	1,727	1,452	1,680	4,895	6,470
Tax	259	328	292	265	360	382	365	388	1,144	1,495
Rate (%)	22.5	25.4	25.2	20.6	22.3	22.1	25.1	23.1	23.4	23.1
Minority Interest & Profit/Loss of Asso. Cos.	62	48	33	85	71	143	90	129	228	432
Reported PAT	832	916	836	938	1,180	1,202	997	1,163	3,522	4,542
Adj PAT	832	916	836	938	1,173	1,200	1,126	1,163	3,522	4,666
YoY Change (%)	-12.3	-25.8	-18.6	15.0	41.0	31.0	34.7	24.0	-12.4	32.5
Margins (%)	11.6	12.4	11.5	13.3	15.2	15.1	13.9	14.0	12.2	14.6

GSK Pharma

Neutral
CMP: INR,2,310 | TP: INR2,410 (4%)
EPS CHANGE (%): FY26|27|28: 0.3|0.1|0.1

- Expect sales growth of 12% YoY for the quarter, led by scale-up of products launched in recent past and healthy traction in legacy brands.
- Watch out for supply disruption caused by the CMO fire returning to normal levels from 4QFY26 onward.
- Progress on building the adult immunization category with Shingrix via digital screening and clinic initiatives.
- Progress in improving patient access across endometrial and recurrent ovarian cancer segments.

Qtr Perf. (Consol.)

Y/E March	(INRM)									
	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	8,147	10,107	9,494	9,743	8,052	9,799	10,413	10,950	37,491	39,214
YoY Change (%)	7.0	5.6	17.9	4.8	-1.2	-3.0	9.7	12.4	8.6	4.6
EBITDA	2,305	3,216	2,829	3,332	2,511	3,357	3,832	3,942	11,682	13,642
YoY Change (%)	60.2	11.1	29.7	29.5	8.9	4.4	35.4	18.3	28.6	16.8
Margins (%)	28.3	31.8	29.8	34.2	31.2	34.3	36.8	36.0	31.2	34.8
Depreciation	164	169	188	147	155	174	203	207	668	740
EBIT	2,141	3,048	2,641	3,184	2,356	3,183	3,628	3,735	11,014	12,902
YoY Change (%)	67.9	12.3	31.4	33.1	10.0	4.4	37.4	17.3	31.3	17.1
Margins (%)	26.3	30.2	27.8	32.7	29.3	32.5	34.8	34.1	29.4	32.9
Interest	4	3	1	6	4	5	12	-9	13	12
Other Income	356	345	351	407	437	336	321	550	1,459	1,644
PBT before EO Expense	2,494	3,391	2,991	3,585	2,789	3,514	3,938	4,294	12,461	14,534
Tax	671	913	782	957	740	965	1,043	1,138	3,323	3,886
Rate (%)	26.9	26.9	26.2	26.7	26.5	27.5	26.5	26.5	26.7	26.7
Adjusted PAT	1,823	2,477	2,209	2,628	2,049	2,549	2,895	3,156	9,138	10,648
YoY Change (%)	58.6	13.9	5.7	36.8	12.4	2.9	31.1	20.1	24.6	16.5
Margins (%)	22.4	24.5	23.3	27.0	25.5	26.0	27.8	28.8	24.4	27.2
One-off Expense/(Income)	0	-47	-90	0	0	-26	-62	0	-137	-88
Reported PAT	1,823	2,524	2,299	2,628	2,049	2,575	2,956	3,156	9,275	10,736
Reported PAT incl disc operations	1,823	2,477	2,209	2,628	2,049	2,575	2,956	3,156	9,138	10,736

Gland Pharma

Buy
CMP: INR1,690 | TP: INR2,030 (20%)
EPS CHANGE (%): FY26|27|28: 2.7|3.7|1.9

- Expect sales growth of 13% YoY, led by strong growth in India/ROW segment and moderate Cenexi performance.
- Progress in scaling up capacity utilization for GLP-1 pens/cartridges in non-regulated markets.
- Expect core markets (Non-Cenexi) to witness healthy growth on increased off-take of products.
- Progress on utilization of manufacturing capacity and upgrades at Cenexi.

Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
INRm										
Net Sales	14,017	14,058	13,841	14,249	15,056	14,869	16,954	16,167	56,165	63,046
YoY Change (%)	16.0	2.4	-10.4	-7.3	7.4	5.8	22.5	13.5	-0.9	12.3
Total Expenditure	11,373	11,088	10,241	10,774	11,378	11,730	12,605	12,077	43,476	47,790
EBITDA	2,644	2,970	3,600	3,475	3,678	3,139	4,349	4,090	12,689	15,256
YoY Change (%)	-10.1	-8.3	-3.8	-3.1	39.1	5.7	20.8	17.7	-6.1	20.2
Margins (%)	18.9	21.1	26.0	24.4	24.4	21.1	25.7	25.3	22.6	24.2
Depreciation	920	938	963	958	1,011	1,063	1,076	1,016	3,779	4,166
Interest	56	61	228	75	115	78	39	59	420	291
Other Income	514	597	585	440	575	842	632	647	2,136	2,696
PBT before EO expense	2,182	2,567	2,993	2,883	3,128	2,839	3,865	3,663	10,626	13,495
One-off income/(expense)	0	0	0	0	0	0	243	0	0	243
PBT	2,182	2,567	2,993	2,883	3,128	2,839	3,621	3,663	10,626	13,251
Tax	745	932	946	1,018	973	1,002	1,007	1,033	3,641	4,014
Rate (%)	34.1	36.3	31.6	35.3	31.1	35.3	27.8	28.2	34.3	30.3
Reported PAT	1,438	1,635	2,047	1,865	2,155	1,837	2,615	2,630	6,985	9,237
Adj PAT	1,438	1,635	2,047	1,865	2,155	1,837	2,791	2,630	6,985	9,412
YoY Change (%)	-25.9	-15.8	0.4	-2.7	49.9	12.3	36.3	41.0	-10.9	34.8
Margins (%)	10.3	11.6	14.8	13.1	14.3	12.4	16.5	16.3	12.4	14.9
EPS	8.7	9.9	12.4	11.3	13.1	11.2	16.9	16.0	42.4	57.1

Glenmark Pharma

Buy
CMP: INR2,094 | TP: INR2,495 (19%)
EPS CHANGE (%): FY26|27|28: (8.5)|(0.3)|1.6

- DF is expected to grow 14.2% YoY, driven by healthy uptake in Oncology (Tevimbra/Brukisna) and chronic respiratory.
- EU sales to grow 10% YoY, supported by Ryaltris/Winlevi.
- Progress on scale-up of g-Flovent sales in US after approval.
- Cardiac/respiratory/anti-infective to drive growth in 4Q based on IQVIA data.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
INRm										
Net Revenues (Core)	32,442	34,338	33,876	32,562	32,644	23,769	39,006	38,108	133,217	133,528
YoY Change (%)	6.9	7.1	35.1	6.3	0.6	-30.8	15.1	17.0	12.8	0.2
EBITDA	6,102	6,019	6,002	5,610	5,805	-8,704	8,697	8,231	23,734	14,030
YoY Change (%)	39.5	19.1	-515.5	11.2	-4.9	-244.6	44.9	46.7	82.2	-40.9
Margins (%)	18.8	17.5	17.7	17.2	17.8	-36.6	22.3	21.6	17.8	10.5
Depreciation	1,178	1,203	1,227	1,252	1,299	1,412	1,544	1,405	4,860	5,661
Interest	396	485	523	667	582	665	414	208	2,071	1,869
Other Income	315	324	311	117	264	2,006	445	465	1,067	3,180
PBT before EO Exp.	4,843	4,656	4,563	3,808	4,188	-8,775	7,183	7,084	17,870	9,680
One-off loss/(gain)	220	-70	0	3,728	3,232	-18,449	1,843	0	3,878	-13,373
PBT after EO Exp.	4,623	4,726	4,563	80	956	9,674	5,340	7,084	13,992	23,053
Tax	1,221	1,181	1,083	36	486	3,570	1,308	1,665	3,521	7,028
Rate (%)	26.4	25.0	23.7	45.0	50.9	36.9	24.5	23.5	25.2	30.5
Rep.PAT	3,402	3,545	3,480	44	470	6,104	4,032	5,419	10,471	16,025
Minority Interest	0	3	1	-3	1	1	0	-2	0	0
Rep. PAT after Minority Int.	3,403	3,542	3,480	47	469	6,104	4,032	5,421	10,471	16,025
Adj PAT	3,565	3,490	3,480	2,932	3,140	-8,776	5,424	5,421	13,466	5,209
YoY Change (%)	220.9	149.8	-199.8	74.6	-11.9	NA	55.9	84.9	1,821.0	-61.3
Margins (%)	11.0	10.2	10.3	9.0	9.6	-36.9	13.9	14.2	10.1	3.9
Overall Adj. PAT	3,565	3,490	3,480	2,932	3,140	(8,776)	5,424	5,421	13,466	5,209

Global Health

Buy
CMP: INR1,001 | TP: INR1,400 (40%)
EPS CHANGE (%): FY26|27|28: 2.2|4.6|1.8

- ARPOB is expected to grow 6% YoY in mature hospitals, while developing hospitals may see 3% YoY growth.
- Watch out for the progress on project pipeline execution in Mumbai/Delhi/Guwahati.
- Expect 8% YoY growth in EBITDA for matured & developing hospitals (Ex-Noida) for 4QFY26.
- Opex related to Noida ramp-up shall continue to pressure margins in the near term.

Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	8,611	9,566	9,434	9,312	10,308	10,992	11,210	11,298	36,923	43,809
YoY Change (%)	11.4	13.3	12.8	15.2	19.7	14.9	18.8	21.3	12.7	18.6
EBITDA	1,912	2,344	2,412	2,247	2,270	2,309	2,173	2,226	8,915	8,978
YoY Change (%)	3.7	7.3	8.9	17.6	18.7	-1.5	-9.9	-0.9	7.6	0.7
Margins (%)	22.2	24.5	25.6	24.1	22.0	21.0	19.4	19.7	24.1	20.5
Depreciation	515	555	519	493	451	497	612	665	2,082	2,226
Interest	180	160	163	150	138	171	215	189	653	713
Other Income	219	182	160	229	205	197	218	342	791	962
PBT before EO expense	1,437	1,811	1,891	1,833	1,886	1,838	1,564	1,713	6,972	7,000
Extra-Ord expense/(Income)	0	0	0	-499	196	160	-366	0	-499	-10
PBT	1,437	1,811	1,891	1,334	2,081	1,998	1,198	1,713	6,473	6,990
Tax	374	503	462	321	492	414	248	351	1,659	1,504
Rate (%)	26.0	27.8	24.4	24.0	23.6	20.7	20.7	20.5	25.6	21.5
Reported PAT	1,063	1,308	1,429	1,014	1,590	1,584	950	1,362	4,813	5,486
Adj PAT	1,063	1,308	1,429	1,393	1,440	1,458	1,241	1,362	5,193	5,494
YoY Change (%)	4.2	4.5	15.6	9.4	35.6	11.4	-13.2	-2.3	8.6	5.8
Margins (%)	12.3	13.7	15.1	15.0	14.0	13.3	11.1	12.1	14.1	12.5

Granules India

Buy
CMP: INR614 | TP: INR730 (19%)
EPS CHANGE (%): FY26|27|28: 0|0|0

- Overall sales are expected to grow 21% YoY in 4Q, indicating sustained growth momentum.
- Finished dosage business is expected to maintain strong double-digit growth, rising 18% YoY to INR11b.
- Update on KSMs availability/pricing for overall portfolio.
- Continued ramp-up at the genome site should aid scale-up of operations.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	11,799	9,666	11,377	11,974	12,101	12,970	13,879	14,469	44,816	53,419
YoY Change (%)	19.7	-18.7	-1.5	1.8	2.6	34.2	22.0	20.8	-0.5	19.2
Total Expenditure	9,206	7,633	9,074	9,451	9,634	10,188	10,799	11,155	35,364	41,775
EBITDA	2,593	2,033	2,303	2,524	2,467	2,782	3,081	3,313	9,452	11,644
YoY Change (%)	64.2	-4.5	-8.1	-1.3	-4.8	36.8	33.8	31.3	7.8	23.2
Margins (%)	22.0	21.0	20.2	21.1	20.4	21.5	22.2	22.9	21.1	21.8
Depreciation	529	525	566	635	688	720	735	740	2,255	2,884
EBIT	2,064	1,508	1,737	1,889	1,779	2,062	2,346	2,573	7,197	8,759
YoY Change (%)	90.0	-6.0	-12.3	-6.7	-13.8	36.7	35.1	36.2	7.5	21.7
Margins (%)	17.5	15.6	15.3	15.8	14.7	15.9	16.9	17.8	16.1	16.4
Interest	270	257	266	240	238	292	287	283	1,032	1,100
Other Income	21	32	57	19	163	-11	-36	36	129	152
PBT before EO expense	1,814	1,284	1,528	1,668	1,704	1,759	2,022	2,326	6,294	7,812
Extra-Ord expense	0	0	0	-308	259	0	0	0	-308	259
PBT	1,814	1,284	1,528	1,976	1,445	1,759	2,022	2,326	6,601	7,552
Tax	468	311	352	455	319	453	520	547	1,587	1,838
Rate (%)	25.8	24.3	23.0	23.0	22.1	25.7	25.7	23.5	24.0	24.3
(Profit)/Loss of JV/Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,346	972	1,176	1,520	1,126	1,306	1,502	1,780	5,015	5,714
Adjusted PAT	1,346	972	1,176	1,284	1,328	1,306	1,502	1,780	4,778	5,916
YoY Change (%)	112.7	-4.8	-6.4	-1.0	-1.4	34.3	27.7	38.6	13.6	23.8
Margins (%)	11.4	10.1	10.3	10.7	11.0	10.1	10.8	12.3	10.7	11.1

Ipca Laboratories

Buy
CMP: INR1,486 | TP: INR1,820 (22%)
EPS CHANGE (%): FY26|27|28: 0|0|0

- Overall sales are expected to grow by a modest 5% YoY, reflecting subdued performance in international formulations and API segments.
- Weakness in Unichem Laboratories is likely to weigh on overall YoY growth.
- DF to grow 11.5% YoY, supported by strong traction in the pain, cardiac, and antineoplastic therapies.
- Growth across both chronic and acute therapies to help sustain DF performance, with the chronic segment delivering strong double-digit growth.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues (Core)	20,926	23,549	22,454	22,467	23,089	25,565	23,925	23,582	89,396	96,161
YoY Change (%)	31.8	15.8	9.4	10.5	10.3	8.6	6.6	5.0	16.0	7.6
EBITDA	3,927	4,425	4,631	4,289	4,164	5,449	5,334	4,622	17,271	19,569
YoY Change (%)	33.5	22.7	39.9	33.2	6.0	23.2	15.2	7.8	32.1	13.3
Margins (%)	18.8	18.8	20.6	19.1	18.0	21.3	22.3	19.6	19.3	20.4
Depreciation	989	1,004	985	1,001	1,001	1,033	1,076	1,008	3,978	4,118
EBIT	2,938	3,421	3,646	3,287	3,164	4,416	4,258	3,614	13,293	15,451
YoY Change (%)	30.7	26.6	57.5	46.9	7.7	29.1	16.8	9.9	39.9	16.2
Margins (%)	14.0	14.5	16.2	14.6	13.7	17.3	17.8	15.3	14.9	16.1
Interest	241	226	168	215	185	196	176	171	849	728
Other Income	206	263	201	258	327	279	202	310	928	1,117
PBT before EO Expense	2,904	3,458	3,679	3,331	3,305	4,498	4,283	3,753	13,372	15,840
One-off (gain)/ Expense	0	0	0	2,051	0	583	-177	0	2,051	406
PBT after EO Expense	2,904	3,458	3,679	1,280	3,305	3,916	4,460	3,753	11,321	15,434
Rate (%)	31.5	28.7	24.6	48.6	29.1	27.6	18.4	25.0	25.7	24.0
Reported PAT	1,990	2,464	2,773	658	2,344	2,835	3,641	2,815	7,885	11,634
Minority Interest	-67	-160	-292	20	-12	-9	-378	20	-499	-379
Adj PAT after Minority Int	1,922	2,305	2,481	2,418	2,332	3,247	3,119	2,835	9,127	11,533
YoY Change (%)	24.9	36.4	122.5	23.4	21.3	40.9	25.7	17.2	44.8	26.4
Margins (%)	9.2	9.8	11.1	10.8	10.1	12.7	13.0	12.0	10.2	12.0

Laurus Labs

Buy
CMP: INR1,044 | TP: INR1,270 (22%)
EPS CHANGE (%): FY26|27|28: (0.2)|(0.2)|(0.2)

- Expect 6.3% YoY growth in revenue with sequential run-rate softening vs. last five-quarter trends.
- EBITDA margins are projected to expand by 240bp YoY, driven by an improved CDMO mix.
- FDf/Custom synthesis businesses expected to deliver low/mid-teen growth in 4Q.
- Progress on scale-up of contracts in CDMO segment for human health as well as animal health.

Consolidated- Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	11,949	12,237	14,151	17,203	15,696	16,535	17,783	18,284	55,540	68,298
YoY Change (%)	1.1	-0.1	18.4	19.5	31.4	35.1	25.7	6.3	10.2	23.0
EBITDA	1,712	1,783	2,852	4,206	3,821	4,033	4,885	4,900	10,553	17,639
YoY Change (%)	2.7	-5.1	57.2	74.2	123.2	126.1	71.3	16.5	35.7	67.2
Margins (%)	14.3	14.6	20.2	24.4	24.3	24.4	27.5	26.8	19.0	25.8
Depreciation	1,061	1,075	1,061	1,104	1,168	1,205	1,206	1,265	4,301	4,845
Interest	492	526	578	564	515	400	388	417	2,160	1,720
Other Income	25	46	94	-3	104	270	58	53	163	485
PBT before EO expense	185	228	1,307	2,535	2,242	2,697	3,349	3,271	4,254	11,560
Extra-Ord expense	0	0	0	-589	0	0	83	0	-589	83
PBT	185	228	1,307	3,123	2,242	2,697	3,266	3,271	4,843	11,477
Tax	63	51	401	785	631	760	735	834	1,299	2,960
Rate (%)	33.9	22.3	30.7	25.1	28.2	28.2	22.5	25.5	26.8	25.8
Minority Interest & Profit/Loss of Asso. Cos.	-5	-21	-17	20	7	-3	10	16	8	31
Reported PAT	127	198	923	2,319	1,603	1,940	2,521	2,421	3,536	8,486
Adj PAT	127	198	923	1,878	1,603	1,940	2,585	2,421	3,126	8,550
YoY Change (%)	-52.7	-46.3	298.9	148.4	1,164.5	877.9	180.1	28.9	92.4	173.5
Margins (%)	1.1	1.6	6.5	10.9	10.2	11.7	14.5	13.2	5.6	12.5

Laxmi Dental

Buy
CMP: INR180 | TP: INR260 (45%)
EPS CHANGE (%): FY26|27|28: 3.1|0|0

- Revenue is expected to recover in 4Q, supported by more favourable trade policies in key markets.
- Update on competition for aligners business and scale-up of business after scanners' installation at clinics.
- EBITDA is likely to see a significant YoY improvement, driven by stronger operating leverage.
- The evolving geopolitical landscape remains a key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	597	571	617	607	656	723	660	712	2,391	2,751
YoY Change (%)	N/A	N/A	29.0	10.2	9.9	26.5	7.1	17.4	23.5	15.1
Total Expenditure	457	484	520	511	537	612	591	593	1,972	2,333
EBITDA	140	87	96	95	119	110	70	119	419	418
YoY Change (%)	N/A	N/A	144.7	-18.5	-15.0	26.3	-27.6	25.2	76.1	-0.1
Margins (%)	23.5	15.3	15.6	15.7	18.2	15.3	10.5	16.7	17.5	15.2
Depreciation	34	34	40	43	36	37	42	42	150	156
EBIT	106	53	57	52	83	73	28	78	269	262
YoY Change (%)	N/A	N/A	728.8	-38.0	-21.7	36.6	-50.6	48.8	126.7	-2.5
Interest	14	12	15	13	5	2	3	0	54	10
Other Income	4	7	6	16	17	24	21	14	33	76
PBT before EO expense	96	49	47	56	96	94	46	91	248	327
Extra-Ord expense	-59	0	0	-4	0	0	58	0	-70	58
PBT	155	49	47	60	96	94	-12	91	318	269
Tax	18	11	11	25	23	19	-22	20	65	40
Rate (%)	11.4	23.3	22.7	41.2	23.8	19.8	175.6	22.4	20.3	15.0
MI & P/L of Asso. Cos.	-20	-22	-12	-8	10	10	10	25	64	55
Reported PAT	157	59	48	43	83	85	19	96	318	284
Adj PAT	105	59	48	40	83	85	47	96	262	312
YoY Change (%)	N/A	N/A	133.2	-51.0	-21.3	44.8	-2.3	137.1	4.9	19.2
Margins (%)	17.6	10.3	7.8	6.7	12.6	11.8	7.1	13.5	10.9	11.3

Lupin

Neutral
CMP: INR2,277 | TP: INR2,465 (8%)
EPS CHANGE (%): FY26|27|28: 5|3.2|3.1

- US growth is expected to remain strong, supported by g-Risperdal consta CGT exclusivity and continued traction in Tolvaptan, Mirabegron and g-Spiriva.
- Emerging markets, including Brazil and South Africa, are expected to drive growth.
- DF growth in 4Q to improve, driven by higher focus on chronic therapies (cardiac/respiratory).
- Monitor steady uptake of JABYRUS, supported by rising dermatologist preference due to its oral formulation and differentiated efficacy in atopic dermatitis.

Quarterly Earnings Model

Y/E March	FY25				FY26E				FY25	FY26E
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	56,003	55,427	56,927	56,671	62,684	70,475	71,675	70,084	225,028	274,918
YoY Change (%)	21.5	10.0	9.5	14.2	11.9	27.1	25.9	23.7	13.6	22.2
Total Expenditure	42,389	43,059	43,162	43,750	46,269	49,099	49,580	50,531	172,361	195,479
EBITDA	13,614	12,368	13,765	12,921	16,415	21,376	22,095	19,554	52,668	79,440
YoY Change (%)	109.0	34.0	34.7	29.6	20.6	72.8	60.5	51.3	46.6	50.8
Margins (%)	24.3	22.3	24.2	22.8	26.2	30.3	30.8	27.9	23.4	28.9
Depreciation	2,477	2,569	2,715	3,932	2,990	3,168	3,130	3,559	11,693	12,846
Interest	680	709	669	891	918	1,076	1,150	224	2,949	3,367
Other Income	678	423	537	570	790	900	1,147	613	2,207	3,450
EO Exp/(Inc)	1,204	-1,036	956	-291	-859	-2,037	3,742	0	834	846
PBT	9,930	10,549	9,963	8,958	14,156	20,070	15,220	16,383	39,401	65,831
Tax	1,875	1,954	2,124	1,135	1,941	5,221	3,415	3,637	7,087	14,215
Rate (%)	18.9	18.5	21.3	12.7	13.7	26.0	22.4	22.2	18.0	21.6
Minority Interest	-42	-69	-37	-99	-24	-69	-50	-72	-246	-215
Reported PAT	8,013	8,526	7,802	7,726	12,191	14,779	11,756	12,675	32,067	51,400
Adj PAT	8,990	7,682	8,554	7,472	11,450	13,272	14,658	12,675	32,698	52,054
YoY Change (%)	214.9	55.5	42.6	47.0	27.4	72.8	71.4	69.6	73.2	59.2
Margins (%)	16.1	13.9	15.0	13.2	18.3	18.8	20.5	18.1	14.5	18.9

Mankind Pharma

Buy
CMP: INR1,997 | TP: INR2,488 (25%)
EPS CHANGE (%): FY26|27|28: (0.6)|0.4|0.4

- Expect to drive 11.5% YoY growth in sales, driven by growth in base business and BSV consolidation.
- Expect OTC business to show growth uptick despite softness in trade channel segment.
- Progress on results after corrective measures taken in Rx segment.
- Update on GLP-1 launch in India.

Consolidated - Quarterly Earning Model

Y/E March (INR m)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1QE	2Q	3Q	4QE		
Gross Sales	28,934	30,765	31,988	30,794	35,704	36,972	35,672	34,334	122,481	142,681
YoY Change (%)	12.2	13.6	22.7	26.1	23.4	20.2	11.5	11.5	18.5	16.5
Total Expenditure	21,697	22,265	23,828	23,712	27,236	27,758	26,442	25,991	91,698	107,427
EBITDA	7,238	8,500	8,160	7,082	8,468	9,213	9,230	8,343	30,783	35,254
YoY growth %	10.5	24.5	34.5	19.8	17.0	8.4	13.1	17.8	21.4	14.5
Margins (%)	25.0	27.6	25.5	23.0	23.7	24.9	25.9	24.3	25.1	24.7
Depreciation	1,077	1,056	1,872	2,309	2,187	2,218	2,226	2,318	6,212	8,949
Interest	109	71	2,209	1,905	1,707	1,697	1,572	1,350	4,294	6,325
Other Income	1,006	1,094	770	1,013	799	919	728	797	5,368	3,242
PBT before EO expense	7,057	8,468	4,849	3,881	5,373	6,217	6,160	5,472	25,645	23,222
Extra-Ord expense	420	0	0	-1,250	0	0	1,066	0	-830	1,066
PBT	6,637	8,468	4,849	5,131	5,373	6,217	5,094	5,472	26,475	22,156
Tax	1,246	1,904	1,105	864	958	1,038	951	974	5,097	3,922
Rate (%)	18.8	22.5	22.8	16.8	17.8	16.7	18.7	17.8	19.3	17.7
Minority Interest & Profit/Loss of Asso. Cos.	26.7	28.4	8.5	15.6	94.7	109.9	-32.1	46.6	79.2	219.1
Reported PAT	5,365	6,535	3,736	4,251	4,320	5,069	4,175	4,451	21,298	18,015
Adj PAT	5,706	6,535	3,736	3,212	4,320	5,069	5,042	4,451	19,188	18,882
YoY Change (%)	17.2	30.4	-17.7	-31.8	-24.3	-22.4	35.0	38.6	0.3	-1.6
Margins (%)	19.7	21.2	11.7	10.4	12.1	13.7	14.1	13.0	15.7	13.2
EPS	14.2	16.3	9.3	8.0	10.8	12.7	12.6	11.1	46.5	45.8

Max Healthcare

Buy
CMP: INR945 | TP: INR1,238 (31%)
EPS CHANGE (%): FY26|27|28: (0.1)|(0.5)|(4.4)

- ARPOB is expected to remain stable at INR77.8k, impacted by the addition of institutional and insurance patients.
- Expect sales growth of 16% YoY, led by normalization of cashless insurance disruption and ramp-up of recently commissioned brownfield bed addition.
- 10% YoY growth in test volumes and 7% YoY improvement in realizations to drive 17% YoY growth in Maxlab revenue.
- MaxHome is expected to deliver 25% YoY growth.

Consolidated - Quarterly Earning Model

Y/E March INRm	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	19,310	21,190	22,690	23,020	24,510	25,720	24,680	26,625	86,210	101,535
YoY Change (%)	19.1	23.3	34.9	28.5	26.9	21.4	8.8	15.7	26.5	17.8
Total Expenditure	14,370	15,520	16,520	16,950	18,340	18,850	18,360	19,916	63,360	75,466
EBITDA	4,940	5,670	6,170	6,070	6,170	6,870	6,320	6,710	22,850	26,070
Margins (%)	25.6	26.8	27.2	26.4	25.2	26.7	25.6	25.2	26.5	25.7
Depreciation	900	970	1,060	1,140	1,170	1,220	1,230	1,269	4,070	4,889
Interest	80	50	350	360	340	410	410	443	840	1,603
Other Income	40	60	110	240	80	80	160	130	450	450
PBT before EO expense	4,000	4,710	4,870	4,810	4,740	5,320	4,840	5,128	18,390	20,028
Extra-Ord expense	190	270	1,000	180	330	180	700	0	1,640	1,210
PBT	3,810	4,440	3,870	4,630	4,410	5,140	4,140	5,128	16,750	18,818
Tax	870	950	710	870	960	-410	690	959	3,400	2,199
Rate (%)	22.8	21.4	18.3	18.8	21.8	-8.0	16.7	18.7	20.3	11.7
Reported PAT	2,940	3,490	3,160	3,760	3,450	5,550	3,450	4,169	13,350	16,619
Adj PAT	3,087	3,702	3,977	3,906	3,708	4,254	4,033	4,169	14,672	16,165
YoY Change (%)	1.0	4.9	16.5	17.7	20.1	14.9	1.4	6.7	10.2	10.2
Margins (%)	16.0	17.5	17.5	17.0	15.1	16.5	16.3	15.7	17.0	15.9
EPS	3.2	3.8	4.1	4.0	3.8	4.4	4.2	4.3	15.1	16.7

Piramal Pharma

Buy
CMP: INR142 | TP: INR190 (34%)
EPS CHANGE (%): FY26|27|28: 11.9|(4.5)|3.1

- Expect sales to decline 2% YoY to INR27b, driven by YoY growth across CHG/ICP, offset by decline in CDMO.
- CHG sales are expected to grow 6% YoY, aided by improved visibility on the resolution of supply-chain issues.
- EBITDA margins are expected to improve QoQ, supported by better operating leverage.
- Scale-up of the CDMO business following the receipt of RFPs will be a key monitorable.

Consolidated - Quarterly Earning Model

PPL income statement (INRm)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenues	19,511	22,418	22,042	27,541	19,337	20,437	21,399	27,027	91,511	88,200
<i>growth YoY(%)</i>	11.6	17.3	12.5	7.9	-0.9	-8.8	-2.9	-1.9	12.0	-3.6
CDMO	10,570	13,240	12,780	17,880	9,970	10,440	11,660	16,450	54,470	48,520
CHG	6,310	6,430	6,540	7,050	6,370	6,440	6,680	7,508	26,330	26,998
ICH	2,640	2,770	2,780	2,740	3,020	3,190	3,340	3,069	10,930	12,619
EBITDA*	2,044	3,416	3,377	5,610	1,067	1,587	1,957	5,027	14,447	9,638
<i>margin (%)</i>	10.5	15.2	15.3	20.4	5.5	7.8	9.1	18.6	15.8	10.9
<i>growth YoY(%)</i>	54.5	28.6	25.8	5.9	-47.8	-53.5	-42.0	-10.4	20.8	-33.3
Depreciation	1,846	1,922	1,968	2,428	1,973	2,028	2,127	2,350	8,163	8,479
EBIT	198	1,494	1,409	3,182	-906	-441	-170	2,677	6,284	1,160
Other income	195	611	121	420	584	656	432	440	1,348	2,112
Interest expense	1,070	1,076	1,033	1,037	862	824	892	855	4,216	3,433
Share from Asso. Co	224	173	171	162	186	148	103	210	729	646
PBT	-452	1,201	668	2,728	-998	-462	-527	2,472	4,145	485
EO Expenses/(gain)	-	-	-	-	(207)	-	411	-	-	204
Taxes	436	975	631	1,193	27	530	423	1,112	3,235	2,093
<i>Tax Rate (%)</i>	-96.4	81.2	94.5	43.7	-3.4	-114.9	-45.1	45.0	78.0	743.9
Reported PAT	-888	226	37	1,535	-817	-992	-1,362	1,360	910	-1,812
Adj. PAT	-888	226	37	1,535	-1,031	-992	-950	1,360	910	-1,614
<i>Change (%)</i>	NA	348.2	-89.5	34.0	NA	NA	NA	-11.4	62.5	NA

Rubicon Research

Buy
CMP: INR774 | TP: INR905 (17%)
EPS CHANGE (%): FY26|27|28: 0|0|0

- Revenue is expected to grow 38% YoY, supported by strong commercialization rate, continued traction in approved products and currency benefits.
- Progress on Pithampur facility ramp-up.
- R&D spend to remains high at 11% of sales to build potential product pipeline.
- Update on measures taken to maintain a) availability of raw materials and b) logistics for finished goods amid global conflicts.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	3,167	2,960	3,134	3,581	3,525	4,120	4,755	4,933	12,843	17,333
<i>YoY Change (%)</i>	NA	NA	NA	NA	11.3	39.2	51.7	37.7	50.4	35.0
EBITDA	602	617	699	725	791	943	1,081	1,067	2,643	3,883
<i>YoY Change (%)</i>	NA	NA	NA	NA	31.4	52.9	54.7	47.3	NA	46.9
<i>Margins (%)</i>	19.0	20.8	22.3	20.2	22.4	22.9	22.7	21.6	20.6	22.4
Depreciation	94	81	94	97	96	119	116	136	366	466
Interest	101	70	78	119	106	114	98	30	368	348
Other Income	4	27	5	1	6	7	38	18	36	69
PBT	412	492	532	511	596	717	906	920	1,945	3,138
Tax	156	147	151	148	163	179	178	250	602	769
<i>Rate (%)</i>	37.9	29.9	28.4	29.0	27.3	24.9	19.6	27.2	30.9	24.5
Reported PAT	256	345	381	362	433	539	728	670	1,344	2,369
Adj PAT	256	345	381	362	433	539	728	670	1,344	2,369
<i>YoY Change (%)</i>	NA	NA	NA	NA	69.4	56.2	91.2	84.8	47.6	76.3
<i>Margins (%)</i>	8.1	11.6	12.1	10.1	12.3	13.1	15.3	13.6	10.5	13.7
EPS (INR)	1.6	2.1	2.3	2.2	2.6	3.3	4.4	4.1	8.2	14.4

Sun Pharma

Buy
CMP: INR1,695 | TP: INR1,945 (15%)
EPS CHANGE (%): FY26|27|28: 1.6|0.2|0.2

- Expect 13% YoY growth in 4Q, driven by strong performance in domestic/EM/ROW market, along with incremental growth in US market.
- Recent launch of Unloxcyt is expected to provide support to growth in the US market.
- Expect to sustain outperformance vs. the industry, with DF sales growth of 14% YoY during the quarter, led by new product launches; Ilumya.
- EM/RoW expected to deliver healthy growth of 20%/17% YoY, driven by branded generics/innovative products.

Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
INRm										
Net Sales	125,245	132,642	130,569	128,156	137,861	144,052	149,790	144,977	516,612	576,680
YoY Change (%)	6.3	10.5	7.4	8.5	10.1	8.6	14.7	13.1	8.2	11.6
EBITDA	35,298	37,837	35,738	32,816	40,073	40,235	42,530	40,159	141,689	162,996
Margins (%)	28.2	28.5	27.4	25.6	29.1	27.9	28.4	27.7	27.4	28.3
Depreciation	6,551	6,259	6,306	6,638	7,006	7,295	7,323	7,271	25,754	28,895
Interest	615	692	515	491	748	999	784	702	2,314	3,232
Other Income	6,608	3,811	7,041	7,561	5,298	5,430	6,303	6,383	25,022	23,414
PBT before EO expense	34,740	34,697	35,959	33,248	37,617	37,371	40,726	38,569	138,644	154,284
Extra-Ord expense	505	-1,281	1,195	705	5,890	-4,305	-1,545	0	1,123	39
PBT	34,235	35,978	34,764	32,543	31,728	41,676	42,272	38,569	137,520	154,244
Rate (%)	16.1	15.8	16.1	33.6	27.4	24.7	19.5	22.5	20.2	23.3
Minority Interest & P/L of Asso. Co.	356	-95	142	108	240	191	323	133	511	887
Adj PAT	27,494	29,052	27,637	28,891	29,961	27,939	30,425	29,758	113,075	118,083
YoY Change (%)	20.4	20.8	11.6	3.0	9.0	-3.8	10.1	7.7	13.4	4.4
Margins (%)	22.0	21.9	21.2	22.5	21.7	19.4	20.3	20.5	21.9	20.5

Torrent Pharmaceuticals

Neutral
CMP: INR3,989 | TP: INR4,090 (3%)
EPS CHANGE (%): FY26|27|28: 0|0|0

- DF is expected to sustain healthy YoY growth of ~12%, driven by continued focus on chronic therapies and field-force expansion.
- Progress on JB chemical acquisition while setting the stage for synergy realization.
- US sales are expected to deliver healthy YoY growth of ~24.3%, supported by new product launches and improving base portfolio traction.
- Progress on Germany to be monitored where supply disruptions impact growth visibility.

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
INRm										
Net Revenues	28,590	28,890	28,090	29,590	31,780	33,020	33,030	42,055	115,160	139,885
YoY Change (%)	10.3	8.6	2.8	7.8	11.2	14.3	17.6	42.1	7.3	21.5
EBITDA	9,240	9,390	9,140	9,810	10,470	10,830	10,880	13,289	37,580	45,469
YoY Change (%)	16.8	13.8	5.2	11.1	13.3	15.3	19.0	35.5	11.6	21.0
Margins (%)	32.3	32.5	32.5	33.2	32.9	32.8	32.9	31.6	32.6	32.5
Depreciation	1,970	1,980	1,990	2,010	2,010	2,040	2,060	5,012	7,950	11,122
Interest	750	640	570	560	560	480	450	2,410	2,520	3,900
Other Income	240	-160	330	-180	-370	-270	-130	171	230	-599
PBT after EO Expense	6,560	6,610	6,910	6,650	7,380	7,910	8,140	6,038	26,730	29,468
Rate (%)	29.4	31.5	27.2	23.7	25.2	24.9	21.7	23.0	27.9	23.7
Reported PAT	4,570	4,530	5,030	4,980	5,480	5,910	6,350	4,649	19,110	22,389
Adj PAT	4,709	4,530	5,030	5,287	5,591	6,007	6,428	4,649	19,556	22,676
YoY Change (%)	24.6	17.4	31.9	17.8	18.7	32.6	27.8	-12.1	22.7	16.0
Margins (%)	16.5	15.7	17.9	17.9	17.6	18.2	19.5	11.1	17.0	16.2

Zydu Lifesciences

Neutral
CMP: INR864 | TP: INR935 (8%)
EPS CHANGE (%): FY26|27|28: (0.8)|(0.8)|(0.7)

- Expect revenue to grow 6% YoY. The YoY growth may taper due to competition in g-Revlimid and reducing base effects of acquisitions.
- Expect 23% EBITDA margin despite minimal contribution from g-Revlimid.
- DF growth is expected at ~15% YoY, primarily driven by chronic therapies, including cardiac and respiratory therapies.
- Progress on scaling Comfort Click franchise/amplitude will be a key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
INRm										
Net Revenues	62,075	52,370	52,691	65,279	65,737	61,232	68,645	69,276	232,415	264,890
YoY Change (%)	20.8	19.9	17.0	18.0	5.9	16.9	30.3	6.1	18.9	14.0
Total Expenditure	40,983	38,210	39,691	43,630	45,423	45,215	52,125	53,273	162,514	196,036
EBITDA	21,092	14,160	13,000	21,649	20,314	16,017	16,520	16,003	69,901	68,854
YoY Change (%)	37.6	33.1	20.2	33.2	-3.7	13.1	27.1	-26.1	31.8	-1.5
Margins (%)	34.0	27.0	24.7	33.2	30.9	26.2	24.1	23.1	30.1	26.0
Depreciation	2,153	2,336	2,290	2,379	2,381	3,019	3,596	3,575	9,158	12,571
EBIT	18,939	11,824	10,710	19,270	17,933	12,998	12,924	12,428	60,743	56,283
YoY Change (%)	40.0	34.4	20.7	35.7	-5.3	9.9	20.7	-35.5	33.8	-7.3
Margins (%)	30.5	22.6	20.3	29.5	27.3	21.2	18.8	17.9	26.1	21.2
Interest	322	251	320	766	847	1,013	1,299	1,310	1,659	4,469
Other Income	632	682	575	806	1,549	1,090	1,114	1,250	2,695	5,003
PBT before EO Income	19,249	12,255	10,965	19,310	18,635	13,075	12,739	12,368	61,779	56,817
EO Exp/(Inc)	252	-454	-876	2,590	-571	-4,141	-795	0	1,512	-5,507
PBT after EO Income	18,997	12,709	11,841	16,720	19,206	17,216	13,534	12,368	60,267	62,324
Tax	4,361	3,731	1,795	4,232	4,340	4,540	3,883	3,525	14,119	16,288
Rate (%)	23.0	29.4	15.2	25.3	22.6	26.4	28.7	28.5	23.4	26.1
Min. Int/Adj on Consol	-437	131	192	-779	-198	252	770	800	-893	1,624
Reported PAT	14,199	9,109	10,238	11,709	14,668	12,928	10,421	9,643	45,255	47,660
Adj PAT	14,393	8,788	9,495	13,643	14,226	10,150	9,854	9,643	46,320	43,873
YoY Change (%)	28.2	19.1	26.3	16.1	-1.2	15.5	3.8	-29.3	22.3	-5.3
Margins (%)	23.2	16.8	18.0	20.9	21.6	16.6	14.4	13.9	19.9	16.6

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