

**Market snapshot**

| Equities - India | Close    | Chg .%   | CYTD.%   |
|------------------|----------|----------|----------|
| Sensex           | 82,184   | -0.7     | 5.2      |
| Nifty-50         | 25,062   | -0.6     | 6.0      |
| Nifty-M 100      | 58,961   | -0.6     | 3.1      |
| Equities-Global  | Close    | Chg .%   | CYTD.%   |
| S&P 500          | 6,363    | 0.07     | 8.2      |
| Nasdaq           | 21,058   | 0.18     | 9.0      |
| FTSE 100         | 9,138    | 0.8      | 11.8     |
| DAX              | 24,296   | 0.2      | 22.0     |
| Hang Seng        | 9,258    | 0.2      | 27.0     |
| Nikkei 225       | 41,826   | 1.6      | 4.8      |
| Commodities      | Close    | Chg .%   | CYTD.%   |
| Brent (US\$/Bbl) | 70       | 0.0      | -5.9     |
| Gold (\$/OZ)     | 3,365    | -0.6     | 28.2     |
| Cu (US\$/MT)     | 9,877    | 0.0      | 14.1     |
| Almn (US\$/MT)   | 2,647    | -0.1     | 4.8      |
| Currency         | Close    | Chg .%   | CYTD.%   |
| USD/INR          | 86.4     | 0.0      | 0.9      |
| USD/EUR          | 1.2      | -0.2     | 13.5     |
| USD/JPY          | 146.6    | 0.0      | -6.8     |
| YIELD (%)        | Close    | 1MChg    | CYTD chg |
| 10 Yrs G-Sec     | 6.3      | 0.02     | -0.4     |
| 10 Yrs AAA Corp  | 7.2      | 0.00     | -0.1     |
| Flows (USD b)    | 24-Jul   | MTD      | CYTD     |
| FII              | -0.5     | -0.73    | -8.4     |
| DII              | 0.50     | 4.58     | 45.6     |
| Volumes (INRb)   | 24-Jul   | MTD*     | YTD*     |
| Cash             | 1,034    | 1016     | 1075     |
| F&O              | 1,92,447 | 1,96,394 | 2,09,073 |

Note: Flows, MTD includes provisional numbers.

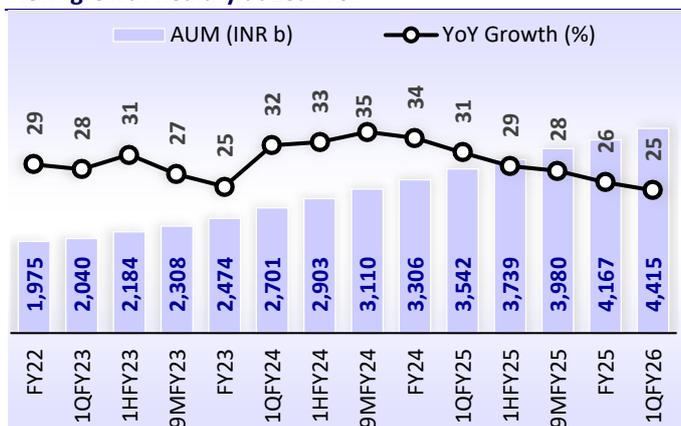
\*Average


**Today's top research idea**
**Bajaj Finance: Stable core amid MSME headwinds; caution to rule the roost**

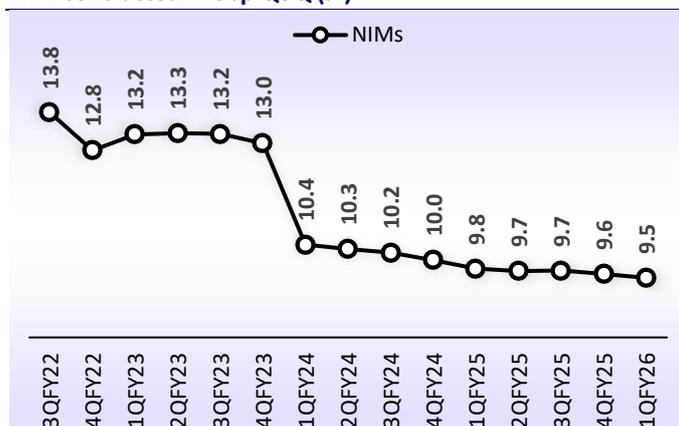
- ❖ BAF reported a healthy quarter driven by strong AUM growth. While credit costs rose sequentially primarily due to stress in the MSME and auto loan segments, asset quality witnessed only a marginal deterioration.
- ❖ Looking ahead, growth in the MSME segment is expected to remain subdued in FY26 due to ongoing macro headwinds. Management highlighted that consumer leverage remains a key area of concern, prompting the company to implement corrective measures across few product lines to limit exposure to borrowers with multiple active loans.
- ❖ We see limited upside catalysts given the rich valuations of 4.4x FY27E P/BV and lack of near-term re-rating triggers. Reiterate our Neutral rating on the stock with a TP of INR1,000 (premised on 4.5x Mar'27E BVPS).


**Research covered**

| Cos/Sector                | Key Highlights  |
|---------------------------|---|
| <b>Bajaj Finance</b>      | <b>Stable core amid MSME headwinds; caution to rule the roost</b>   |
| <b>HDFC Bank</b>          | <b>Annual Report Update   Coming out of consolidation!</b>  |
| <b>Nestlé India</b>       | <b>Similar revenue print; miss on margin</b>  |
| <b>SBI Life Insurance</b> | <b>Product mix shift drives VNB margin expansion</b>  |
| <b>Canara Bank</b>        | <b>NII in line; PAT beat led by higher treasury income</b>  |
| <b>SRF</b>                | <b>Chemicals and packaging segments aid operating performance</b>   |
| <b>Other Updates</b>      | <b>Indian Bank   Coforge   Supreme Industries   Phoenix Mills   APL Apollo Tubes   ACC - Downgrade to Neutral   Aditya Birla Sun Life AMC   UTI AMC   Cyient   Syrma SGS Technology   MAS Financial Services   Airtel Africa   Rural Electrification Corp   Coromandel International   KFin Technologies   Anant Raj   LT Foods   IEX   V-Mart Retail</b> |


**Chart of the Day: Bajaj Finance (Stable core amid MSME headwinds; caution to rule the roost)**
**AUM growth healthy at 25% YoY**


Source: MOFSL, Company

**NIM contracted ~10bp 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

**Magnet mayhem could halt Bajaj Auto's August EV output**

Bajaj Auto may face a production halt for its Chetak and GoGo electric vehicles in August. This is due to a shortage of rare earth magnets. China's export restrictions on this key component are the reason. Rajiv Bajaj urges government clarity on the situation.

2

**India-UK deal shields mass market segment, a boost for luxury cars**

India's new free trade agreement with the UK will slash duties on high-end cars, benefiting luxury brands like Aston Martin and Rolls-Royce.

3

**Govt gets investment proposal worth Rs 16,000 cr under electronic component scheme**

The government has received investment proposals worth Rs 16,000 crore under the Electronics Component Manufacturing Scheme. The scheme aims to reduce the demand-supply gap in the electronics component sector.

4

**Jewellers set to strike gold with UK trade deal**

The India-UK Comprehensive Economic and Trade Agreement (CETA) is poised to significantly boost India's gold and diamond jewellery exports by granting zero-duty access to the UK market, leveling the playing field against local competitors.

5

**Torrent likely in talks to buy L&T's power unit for \$1 Bn**

Torrent Power Ltd. is reportedly in discussions to acquire Larsen & Toubro Ltd.'s thermal business unit for approximately \$1 billion, including debt. L&T aims to reduce its debt by divesting the unit and concentrating on its core engineering and construction operations. While talks are ongoing, the deal's details could change, and other potential bidders may emerge

6

**JSW Energy signs electricity supply pact with BESCOM for solar project with battery storage**

JSW Energy's subsidiary, JSW Renew Energy Forty Five, has secured a 25-year power purchase agreement with BESCOM for a 100 MW solar project coupled with a 100 MWh Battery Energy Storage System (BESS) at a tariff of Rs 4.31 per...

7

**In earnings season, it's AI good, everything else, not so much**

The AI spending surge is providing a big boost for semiconductor and software giants like Google parent Alphabet, while companies from airlines to restaurants and food manufacturers are struggling to navigate an erratic U.S. trade policy which is boosting costs...

# Bajaj Finance

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

**CMP: INR959**      **TP: INR1000 (+4%)**      **Neutral**

## Stable core amid MSME headwinds; caution to rule the roost

### NIMs (calc.) contracted ~10bp QoQ; minor deterioration in asset quality

|                       |             |
|-----------------------|-------------|
| Bloomberg             | BAF IN      |
| Equity Shares (m)     | 6214        |
| M.Cap.(INRb)/(USD\$)  | 5959.2 / 69 |
| 52-Week Range (INR)   | 979 / 642   |
| 1, 6, 12 Rel. Per (%) | 5/21/43     |
| 12M Avg Val (INR M)   | 9227        |

### Financials & Valuations (INR b)

| Y/E March    | FY25 | FY26E | FY27E |
|--------------|------|-------|-------|
| Net Income   | 450  | 542   | 677   |
| PPP          | 300  | 364   | 459   |
| PAT          | 168  | 205   | 263   |
| EPS (INR)    | 27   | 33    | 42    |
| EPS Gr. (%)  | 16   | 22    | 28    |
| BV/Sh. (INR) | 156  | 184   | 220   |

### Ratios

|               |      |      |      |
|---------------|------|------|------|
| NIM (%)       | 9.9  | 9.7  | 9.8  |
| C/I ratio (%) | 33.2 | 33.0 | 32.3 |
| RoA (%)       | 4.0  | 4.0  | 4.1  |
| RoE (%)       | 19.3 | 19.5 | 21.0 |
| Payout (%)    | 20.7 | 16.0 | 15.1 |

### Valuations

|                |      |      |      |
|----------------|------|------|------|
| P/E (x)        | 35.5 | 29.0 | 22.6 |
| P/BV (x)       | 6.2  | 5.2  | 4.4  |
| Div. Yield (%) | 0.6  | 0.5  | 0.7  |

### Shareholding Pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 54.7   | 54.7   | 54.7   |
| DII      | 14.6   | 14.9   | 14.3   |
| FII      | 21.7   | 21.6   | 21.2   |
| Others   | 8.9    | 8.8    | 9.8    |

FII includes depository receipts

- Bajaj Finance's (BAF) PAT grew 22% YoY to ~INR47.6b in 1QFY26 (in line). The company's 1QFY26 NII grew 22% YoY to ~INR102.2b (in line). Non-interest income stood at ~INR23.8b (up 16% YoY), aided by higher income from investments in mutual funds.
- Opex grew ~19% YoY to ~INR41.2b (in line). PPOp stood at INR84.9b (in line) and grew 22% YoY. 1QFY26 RoA/RoE stood at 4.5%/19%.
- BAF's 1QFY26 NIM contracted ~10bp QoQ to ~9.53%. Management highlighted that the CoF declined ~20bp QoQ to ~7.8%. Looking ahead, it expects a further reduction of 15-20bp, with CoF likely to settle at around ~7.6-7.65% by the end of FY26, without factoring in any additional rate cuts. This moderation in funding cost could support a slight positive bias to margins, with management guiding for ~10bp expansion in NIMs. We estimate NIM of ~9.7%/9.8% in FY26/FY27.
- Management highlighted that consumer leverage remains a key area of concern, prompting the company to implement corrective measures across certain product lines to limit exposure to borrowers with multiple active loans.
- Credit costs were notably higher in the 2W/3W and MSME segments, with stress in the MSME portfolio becoming evident since Feb'25. Given these headwinds, the company expects growth in both segments to moderate significantly from 2Q onwards. BAF guided for credit costs of ~1.85-1.95% in FY26. We model credit costs (as a % of loans) of 1.9%/1.85% in FY26/FY27E.
- The company further shared that the MSME segment is expected to exhibit the slowest growth in FY26. Disbursements in the MSME segment are projected to remain flat or even decline over the course of this fiscal year.
- Our FY26/FY27 PAT estimates remain broadly unchanged, and we believe that credit costs have now peaked and will remain below the upper end of the guided range. We estimate a CAGR of ~24%/25% for AUM/PAT over FY25-FY27 and expect BAF to deliver an RoA/RoE of ~4.1%/21% in FY27.
- The stock trades at 4.4x FY27E P/BV and ~23x FY27E P/E. Despite a healthy PAT CAGR of ~25% over FY25-FY27E and an RoA/RoE of 4.1%/21% in FY27E, we see limited upside catalysts given the rich valuations and a lack of near-term re-rating triggers. **Reiterate our Neutral rating on the stock with a TP of INR1,000 (premised on 4.5x Mar'27E BVPS).**

### AUM grows ~25% YoY; auto loans portfolio continues to decline

- Total customer franchise rose to 106.5m (up 21% YOY/5% QoQ). New customer acquisitions stood at ~4.69m (vs. ~4.47m YoY and ~4.7m QoQ). New loans booked rose 23% YoY to 13.5m.
- Total AUM grew 25% YoY and ~6% QoQ to INR4.41t. QoQ AUM growth was driven by Gold Loans (+20%), SME Finance (+4%), Urban Sales Finance (+13%), Rural Sales Finance (+11%), and Commercial Loans excluding LAS (+18%). Auto Finance declined ~9% QoQ.

### Minor deterioration in asset quality; MSME exhibiting stress

- Asset quality exhibited minor seasonal deterioration, with GNPA rising ~7bp QoQ to ~1.03% and NS3 rising ~6bp QoQ to ~0.5%. PCR declined ~170bp QoQ to ~52%.
- Credit costs stood at ~INR21.2b (vs. MOFSLe of INR22b). Annualized credit costs stood at ~2.02% (PQ: ~2.33% and PY: ~2%). Management highlighted that the macro environment remains challenging. Of the 17 key MSME-linked industries tracked by BAF, 13 are showing signs of a slowdown, while three are in outright contraction. This weakness is largely attributed to the broader economic deceleration and subdued credit demand across segments.

### Highlights from the management commentary

- Karnataka, which accounts for 11% of the total balance sheet, has exhibited vulnerabilities. The company acknowledged that recent developments in the state have had an unintended impact on portfolio performance. In response, it has scaled back disbursements by 35-40% across the urban, rural, and 2W/3W segments in the state.
- The next leadership transition is expected to take place only closer to Mar'28, indicating that succession planning will remain internal and is unlikely to be disclosed until closer to the MD/CEO change. Rajeev Jain (MD) has been asked to present a management succession plan to the Board and NRC within six months.
- The company extended restructuring support to loans worth ~INR2.2b (primarily in the MSME segment) despite these accounts being standard. Management further guided that an additional INR1.5b in loan restructuring in the MSME segment may be undertaken in 2QFY26.

### Valuation and view

- BAF reported a healthy performance for the quarter, driven by strong AUM growth. While credit costs rose sequentially primarily due to stress in the MSME and Auto Loan segments, asset quality witnessed only a marginal deterioration. Looking ahead, growth in the MSME segment is expected to remain subdued in FY26 due to ongoing macro headwinds.
- The stock trades at 4.4x FY27E P/BV. Despite a healthy PAT CAGR of ~25% over FY25-FY27E and RoA/RoE of 4.1%/21% in FY27E, we see limited upside catalysts due to rich valuations and a lack of near-term re-rating triggers. Consequently, we reiterate **our Neutral rating on the stock with a TP of INR1,000 (premised on 4.5x Mar'27E BVPS).**

**Quarterly Performance**

(INR m)

| Y/E March                           | FY25            |                 |                 |                 | FY26E           |                 |                 |                 | FY25            | FY26E           | 1Q Act V/s      |     |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----|
|                                     | 1Q              | 2Q              | 3Q              | 4Q              | 1Q              | 2Q              | 3Q              | 4Q              |                 |                 | FY26E           | Est |
| Interest Income                     | 1,40,492        | 1,49,870        | 1,57,682        | 1,63,591        | 1,71,447        | 1,79,504        | 1,88,480        | 1,98,093        | 6,11,636        | 7,37,524        | 1,71,117        | 0   |
| Interest expenses                   | 56,839          | 61,493          | 63,856          | 65,520          | 69,177          | 71,806          | 74,965          | 77,975          | 2,47,708        | 2,93,923        | 68,599          | 1   |
| <b>Net Interest Income</b>          | <b>83,653</b>   | <b>88,377</b>   | <b>93,826</b>   | <b>98,072</b>   | <b>1,02,270</b> | <b>1,07,699</b> | <b>1,13,515</b> | <b>1,20,118</b> | <b>3,63,928</b> | <b>4,43,601</b> | <b>1,02,517</b> | 0   |
| YoY Growth (%)                      | 24.5            | 22.8            | 22.6            | 22.4            | 22.3            | 21.9            | 21.0            | 22.5            | 23.0            | 21.9            | 22.6            |     |
| Other Operating Income              | 20,531          | 21,084          | 22,901          | 21,096          | 23,831          | 23,246          | 25,553          | 26,230          | 85,612          | 98,860          | 23,053          | 3   |
| <b>Net Income</b>                   | <b>1,04,185</b> | <b>1,09,461</b> | <b>1,16,727</b> | <b>1,19,168</b> | <b>1,26,101</b> | <b>1,30,945</b> | <b>1,39,067</b> | <b>1,46,348</b> | <b>4,49,540</b> | <b>5,42,461</b> | <b>1,25,570</b> | 0   |
| YoY Growth (%)                      | 24.1            | 23.8            | 25.5            | 22.7            | 21.0            | 19.6            | 19.1            | 22.8            | 24.0            | 20.7            | 20.5            |     |
| Operating Expenses                  | 34,709          | 36,390          | 38,670          | 39,493          | 41,230          | 43,209          | 45,931          | 48,550          | 1,49,261        | 1,78,920        | 41,270          | 0   |
| <b>Operating Profit</b>             | <b>69,475</b>   | <b>73,071</b>   | <b>78,057</b>   | <b>79,675</b>   | <b>84,871</b>   | <b>87,736</b>   | <b>93,136</b>   | <b>97,798</b>   | <b>3,00,279</b> | <b>3,63,541</b> | <b>84,300</b>   | 1   |
| YoY Growth (%)                      | 25.3            | 25.2            | 27.1            | 24.3            | 22.2            | 20.1            | 19.3            | 22.7            | 25.5            | 21.1            | 21.3            |     |
| Provisions and Cont.                | 16,847          | 19,091          | 20,433          | 23,289          | 21,202          | 22,136          | 22,768          | 22,024          | 79,660          | 88,130          | 21,988          | -4  |
| <b>Profit before Tax</b>            | <b>52,654</b>   | <b>54,015</b>   | <b>57,624</b>   | <b>56,474</b>   | <b>63,676</b>   | <b>65,600</b>   | <b>70,368</b>   | <b>75,775</b>   | <b>2,20,796</b> | <b>2,75,411</b> | <b>62,313</b>   | 2   |
| Tax Provisions                      | 13,534          | 13,877          | 14,572          | 11,018          | 16,023          | 16,990          | 18,225          | 18,991          | 53,002          | 70,230          | 16,014          | 0   |
| <b>Net Profit</b>                   | <b>39,120</b>   | <b>40,137</b>   | <b>43,052</b>   | <b>45,456</b>   | <b>47,653</b>   | <b>48,610</b>   | <b>52,142</b>   | <b>56,783</b>   | <b>1,67,795</b> | <b>2,05,181</b> | <b>46,298</b>   | 3   |
| YoY Growth (%)                      | 13.8            | 13.0            | 18.3            | 18.9            | 21.8            | 21.1            | 21.1            | 24.9            | 16.0            | 22.4            | 18.3            |     |
| <b>Key Operating Parameters (%)</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |     |
| Fees to Net Income Ratio            | 19.7            | 19.3            | 19.6            | 17.7            | 18.9            | 17.8            | 18.4            | 17.9            |                 |                 |                 |     |
| Credit Cost                         | 1.99            | 2.13            | 2.16            | 2.33            | 2.02            | 2.00            | 1.95            | 1.78            |                 |                 |                 |     |
| Cost to Income Ratio                | 33.3            | 33.2            | 33.1            | 33.1            | 32.7            | 33.0            | 33.0            | 33.2            |                 |                 |                 |     |
| Tax Rate                            | 25.7            | 25.7            | 25.3            | 19.5            | 25.2            | 25.9            | 25.9            | 25.1            |                 |                 |                 |     |
| <b>Balance Sheet Parameters</b>     |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |     |
| AUM (INR B)                         | 3,542           | 3,739           | 3,980           | 4,167           | 4,415           | 4,618           | 4,899           | 5,167           |                 |                 |                 |     |
| Change YoY (%)                      | 31.1            | 28.8            | 28.0            | 26.0            | 24.6            | 23.5            | 23.1            | 24.0            |                 |                 |                 |     |
| Loans (INR B)                       | 3,497           | 3,675           | 3,902           | 4,078           | 4,325           | 4,530           | 4,811           | 5,078           |                 |                 |                 |     |
| Change YoY (%)                      | 31.8            | 28.6            | 27.4            | 25.0            | 23.7            | 23.3            | 23.3            | 24.5            |                 |                 |                 |     |
| Borrowings (INR B)                  | 3,048           | 3,192           | 3,349           | 3,573           | 3,718           | 3,948           | 4,164           | 4,473           |                 |                 |                 |     |
| Change YoY (%)                      | 29.6            | 25.5            | 26.9            | 23.4            | 22.0            | 23.7            | 24.3            | 25.2            |                 |                 |                 |     |
| Loans/Borrowings (%)                | 114.7           | 115.1           | 116.5           | 114.1           | 116.3           | 114.7           | 115.5           | 113.5           |                 |                 |                 |     |
| <b>Asset Quality Parameters (%)</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |     |
| GS 3 (INR B)                        | 30.5            | 39.5            | 44.6            | 39.7            | 45.2            |                 |                 |                 |                 |                 |                 |     |
| Gross Stage 3 (% on Assets)         | 0.86            | 1.06            | 1.12            | 0.96            | 1.03            |                 |                 |                 |                 |                 |                 |     |
| NS 3 (INR B)                        | 13.4            | 17.0            | 19.1            | 18.4            | 21.8            |                 |                 |                 |                 |                 |                 |     |
| Net Stage 3 (% on Assets)           | 0.38            | 0.46            | 0.48            | 0.44            | 0.50            |                 |                 |                 |                 |                 |                 |     |
| PCR (%)                             | 85.5            | 57.1            | 57.2            | 53.7            | -48.3           |                 |                 |                 |                 |                 |                 |     |
| <b>Return Ratios (%)</b>            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |     |
| ROAA (Rep)                          | 4.63            | 4.48            | 4.5             | 4.6             | 4.5             |                 |                 |                 |                 |                 |                 |     |
| ROAE (Rep)                          | 19.86           | 19.08           | 19.08           | 19.1            | 19.0            |                 |                 |                 |                 |                 |                 |     |

E: MOSL Estimates

BSE SENSEX  
82,184

S&P CNX  
25,062

**CMP: INR2,014**

**TP: INR2,300 (+14%)**

**Buy**



### Stock Info

|                       |                 |
|-----------------------|-----------------|
| Bloomberg             | HDFCB IN        |
| Equity Shares (m)     | 7668            |
| M.Cap.(INRb)/(USD\$)  | 15444.7 / 178.7 |
| 52-Week Range (INR)   | 2038 / 1588     |
| 1, 6, 12 Rel. Per (%) | 3/14/23         |
| 12M Avg Val (INR M)   | 26127           |
| Free float (%)        | 100.0           |

### Financials Snapshot (INR b)

| March Y/E     | FY25  | FY26E | FY27E |
|---------------|-------|-------|-------|
| NII           | 1,227 | 1,307 | 1,571 |
| OP            | 1,001 | 1,181 | 1,323 |
| NP            | 673   | 721   | 872   |
| NIM (%)       | 3.5   | 3.4   | 3.7   |
| EPS (INR)     | 88.0  | 94.3  | 113.9 |
| EPS Gr. (%)   | 9.9   | 7.1   | 20.8  |
| BV/Sh. (INR)  | 655   | 717   | 810   |
| ABV/Sh. (INR) | 627   | 686   | 776   |

### Ratios

|         |      |      |      |
|---------|------|------|------|
| RoA (%) | 1.8  | 1.8  | 1.9  |
| RoE (%) | 14.5 | 13.7 | 14.9 |

### Valuations

|            |      |      |      |
|------------|------|------|------|
| P/E(X)     | 22.9 | 21.3 | 17.7 |
| P/E(X)*    | 19.6 | 18.3 | 15.2 |
| P/BV (X)   | 3.1  | 2.8  | 2.5  |
| P/ABV (X)* | 2.8  | 2.5  | 2.2  |

\*adj for subs

### Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 0.0    | 0.0    | 0.0    |
| DII      | 31.1   | 31.0   | 30.7   |
| FII      | 55.7   | 55.3   | 54.3   |
| Others   | 13.2   | 13.7   | 15.0   |

FII Includes depository receipts

## Coming out of consolidation!

### Asset quality robust; RoA expected to recover to 2% by FY28E

- HDFC Bank's (HDFCB) annual report highlights the bank's focus on sustainable growth over the medium term as it continues to invest in strengthening its physical infrastructure and digital capabilities.
- The bank highlighted that it focused on taking singles in FY25 with aim to reduce CD ratio as per the regulatory guidance, and it is now well positioned to go for boundaries. After 5% YoY growth in FY25, the bank has suggested to grow inline with the system in current fiscal and higher than the system in FY27E. We estimate HDFCB to deliver loan growth of 10.7%/12.5% in FY26/FY27E.
- The bank has become a net seller of PSLCs (INR2.54t sold in FY25 vs. INR1.11t purchased in FY25), though there is a minor gap in sub-categories like SMF and other weaker sections. The borrowing mix has declined 17% YoY in FY25 and 15% YoY in 1QFY26 with share of borrowings in total B/S standing at 13% in 1QFY26 and we estimate the mix to reach to pre-merger levels of ~7-8% by FY28E.
- Asset quality remains healthy with GNPA/NNPA ratios at 1.4%/0.5%. The bank's prudent provisioning strategy, including a floating provision buffer of INR214b and a contingency buffer of INR152b, provides comfort.
- We believe margins are likely to remain soft in the near term due to continued loan repricing, though they would recover gradually from 2H onward. Accordingly, a recovery in margins and loan growth should drive healthy earnings. We estimate HDFCB to deliver FY27E RoA/RoE of 1.9%/14.9%. Reiterate BUY with a TP of INR2,300 (2.6x FY27E ABV + INR283 for subsidiaries).

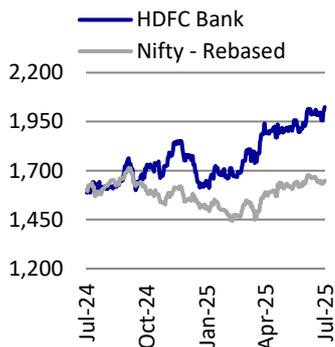
### Loan mix to gain traction; estimate 12% CAGR over FY25-27E

HDFCB's loan growth was modest at 5.4% YoY in FY25, helping to ease the CD ratio by 840bp to 95.1%. The bank aims for a balanced, profitable expansion by focusing on the Commercial and Rural Banking (CRB) segments while upholding strong underwriting standards. The bank has indicated that it took singles in FY25 and focused on bringing down the CD ratio due to regulatory guidance, and it is now positioned to go for boundaries. With a continued thrust on technology, which supports business expansion, and a stronger push from branches to drive asset growth, we estimate HDFCB's loan growth to recover to 10.7%/12.5% over FY26/27E. Management has guided to deliver FY26 credit growth in line with the industry and surpass industry growth in FY27.

### Liability momentum strong; moderation in rates to aid CASA growth

HDFCB's deposit growth (14% YoY) outpaced system growth (10.3%) in FY25. The bank's incremental deposit market share stood at 18% vs. outstanding market share of 12%. In 1QFY26, the bank further delivered healthy 16% YoY growth, led by its focus on building a granular, high-quality liability base through enhanced customer engagement rather than aggressive rate competition. While CASA ratio declined to 35% in FY25 and 33.9% in 1QFY26, management expects a revival as the rate cycle has turned and TD rates have declined. The borrowing mix declined 17% YoY in FY25. We expect its liability profile to continue to strengthen as the deposit mix improves, helping to bring down the CD ratio to 90.2% by FY28E.

**Stock Performance (1-year)**



**NIMs to see gradual recovery; SA/TD rate cuts to ease margin pressure**

The bank is strategically shifting its portfolio toward higher-yielding retail assets and replacing costly borrowings (borrowings as a % of total B/S stood at 13% in 1QFY26 vs 8% in FY23 pre-merger) with deposits to improve margins, which stand at 3.35% due to loan repricing, high funding costs and a declining CASA mix. The recent 100bp policy rate cuts have resulted in near-term NIM compression, which is expected to be offset by SA and TD rate cuts in FY26. With only ~45% of loans linked to the repo rate and the ongoing reductions in expensive borrowings, HDFCB is well positioned to manage the margin impact in the medium term. Its continued focus on enhancing CASA ratio and asset mix should support margin recovery to ~3.66% by FY27E.

**PSL compliance improves; minor gaps remain in SMF & weaker sections**

HDFCB has made significant progress in complying with the priority sector lending (PSL) requirements, as PSL lending comprises 40.4% of the bank’s total book net of PSLC and 41.7% of its organic book, driven largely by the CRB segments, which account for ~65% of the PSL portfolio. The bank’s PSL strategy focuses on organic growth in agriculture, MSMEs, and financial inclusion. HDFCB is also expanding into green finance by raising PSL limits for renewable energy and launching climate-risk initiatives. The bank has become a net seller of PSLCs (INR2.54t sold in FY25 vs. INR1.11t purchased), though there is a minor gap in sub-categories like SMF and other weaker sections, which the bank is aiming to plug by targeting 9-10% penetration through deeper rural and district-level efforts.

**Operating leverage to improve as growth normalizes**

HDFCB’s opex strategy centers on boosting operating efficiency and leveraging digital technology to enhance branch and employee productivity. Its business per branch grew to INR5.6b and deposits per branch increased to INR2,871m in FY25. Despite adding ~717 branches during the year, its cost ratios remain under control, with C/I ratio at ~40.5% and cost/asset at 1.74% in FY25. The bank’s large customer base of over 97m supports strong fee income growth, particularly from bancassurance, which grew 23% YoY to INR79.4b in FY25. While cost ratios may stay flat in the near term due to margin/CASA pressures, a subsequent recovery in growth and margins should drive improvement in C/I and cost/asset ratios to ~38% and 1.7%, respectively, by FY27E.

**Digital leadership continues with AI-driven, customer-centric innovations**

HDFCB fortified its digital leadership with a 22% share in O/S cards and 23.8 million credit cards, sourced by its “Digital First, Customer Always” strategy. Key innovations like the Xpress Car Loan platform, XPRESSWAY DIY portal, and the AI-powered HDFC Bank One chatbot enhanced customer experience and improves operational efficiency. The bank’s apps, including PayZapp 2.0 (16m users) and SmartHub Vyapar (1.93m merchants), have expanded its digital payments and SME lending. Supported by advanced analytics, cloud-ready systems, and strong partnerships, HDFCB processed 97% of transactions digitally last year, and the bank is well prepared to support higher throughputs on its digital channels, thereby improving business productivity.

### **Asset quality steady; robust provisioning provides comfort**

The bank has maintained strong asset quality with GNPA/NNPA ratios of 1.3%/0.4% in FY25 and 1.4%/0.5% in 1QFY26, supported by robust underwriting and a risk-calibrated lending approach. The bank holds substantial provisions, including INR214b in floating provisions and INR152b in contingent provisions, as it prudentially deployed the gains from the HDB Financial stake sale to further fortify its balance sheet. HDFCB has total contingent + floating provisions of 1.4% of loans, the highest among private banks. Despite challenges in unsecured lending, the retail GNPA ratio remains under control at ~0.8%, reflecting robust underwriting and monitoring abilities. Asset quality remains healthy across the Corporate, Rural, and Agriculture segments, enabling the bank to keep credit costs at ~50bp over the medium term.

### **Valuation and view**

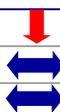
HDFCB deftly maneuvered its business growth in FY25 while maintaining a healthy pace of liability accretion amid a challenging environment. Business growth aligns with the bank's strategy of reducing the C/D ratio consistently, though the bank indicated it would improve its credit growth trajectory moving forward. It has been delivering a resilient performance on asset quality, supported by its robust underwriting and strong understanding of market cycles. In FY25, margins stood in a narrow range, aided by improving asset mix and retirement of high-cost borrowings, though the CASA mix remained under pressure. While margins are likely to remain soft in the near term due to continued loan repricing, we expect NIMs to recover gradually from 2H onward. Accordingly, a recovery in NIM and loan growth would drive healthy earnings. The bank holds a healthy pool of provisions (floating + contingent) at INR366b or 1.4% of loans. **We estimate HDFCB to deliver FY27E RoA/RoE of 1.9%/14.9%. Reiterate BUY with a TP of INR2,300 (2.6x FY27E ABV + INR283 for subsidiaries).**

# Nestlé India

Estimate changes

TP change

Rating change



**CMP: INR2,322**

**TP: INR2,400 (+3%)**

**Neutral**

## Similar revenue print; miss on margin

| Bloomberg             | NEST IN       |
|-----------------------|---------------|
| Equity Shares (m)     | 964           |
| M.Cap.(INRb)/(USD\$b) | 2238.9 / 25.9 |
| 52-Week Range (INR)   | 2778 / 2110   |
| 1, 6, 12 Rel. Per (%) | -2/-3/-11     |
| 12M Avg Val (INR M)   | 2277          |

### Financials & Valuations (INR b)

| Y/E Dec        | FY26E | FY27E | FY28E |
|----------------|-------|-------|-------|
| Sales          | 218.0 | 237.6 | 259.0 |
| Sales Gr. (%)  | 7.9   | 9.0   | 9.0   |
| EBITDA         | 51.4  | 58.1  | 64.1  |
| Margin (%)     | 23.6  | 24.5  | 24.8  |
| Adj. PAT       | 32.5  | 37.4  | 41.4  |
| Adj. EPS (INR) | 33.7  | 38.8  | 42.9  |
| EPS Gr. (%)    | 5.5   | 14.9  | 10.7  |
| BV/Sh.(INR)    | 46.8  | 52.9  | 59.5  |

### Ratios

|            |      |      |      |
|------------|------|------|------|
| RoE (%)    | 76.3 | 77.8 | 76.4 |
| RoCE (%)   | 67.5 | 69.3 | 68.7 |
| Payout (%) | 84.4 | 84.4 | 84.4 |

### Valuations

|                |      |      |      |
|----------------|------|------|------|
| P/E (x)        | 68.6 | 59.7 | 54.0 |
| P/BV (x)       | 49.4 | 43.8 | 38.9 |
| EV/EBITDA (x)  | 43.4 | 38.3 | 34.6 |
| Div. Yield (%) | 1.2  | 1.4  | 1.6  |

### Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 62.8   | 62.8   | 62.8   |
| DII      | 11.2   | 11.3   | 9.2    |
| FII      | 10.3   | 10.0   | 11.9   |
| Others   | 15.8   | 15.9   | 16.1   |

FII Includes depository receipts

- Nestle India (Nestle) reported a 5.9% YoY revenue growth in 1QFY26, in line with our expectations. Domestic sales grew 5.5% YoY. We believe volume growth was in the low single digits. Nestle highlighted that, except for the Milk Products and Nutrition category, all other categories recorded volume-led growth. Export revenue grew 16% YoY, driven by strong performance in Foods, Coffee, Instant Tea, and Breakfast Cereals.

- GM contracted 250bp YoY/100bp QoQ to 55.2% (est. 57%), given the inflationary commodity prices. Management indicated that Coffee, Cocoa, and Edible Oil prices are expected to remain range-bound, while milk prices will likely cool off. EBITDA margin contracted 130bp YoY to 21.9%, the lowest in the past 12 quarters, due to elevated operating costs. We model an EBITDA margin of 23.6% for FY26 and 24.5% for FY27.

- In 1QFY26, the Powdered and Liquid Beverages category remained one of the key growth drivers, delivering strong double-digit growth. Confectionery also recorded high double-digit growth. The Prepared Dishes and Cooking Aids category returned to volume growth, led by double-digit growth in Maggi noodles. The Pet Food business witnessed a strong performance, primarily driven by the Cat portfolio. The Milk Products and Nutrition category delivered a mixed performance, with certain segments growing while others remaining muted.

- Mr Manish Tiwary will assume the role of Chairman and Managing Director of Nestlé India from 1st August, 2025.

- Nestle had a weak start to FY26 on the profitability front due to RM inflation and higher operating costs, driven by investments in manufacturing capabilities. While the enhanced capacity is expected to support long-term demands, it will weigh on margins and return ratios in the near term. Moreover, moderating urban consumption and high food inflation continue to pose risks to near-term recovery. The stock is trading at 69x/60x FY26/FY27 EPS. **Given its expensive valuation, we reiterate our Neutral rating with a TP of INR2,400 (based on 60x P/E Jun'27E).**

## In-line revenue; margins lower than expected

- In-line sales:** Nestle's total revenue rose 5.9% YoY to INR51b (est. INR50.9b) in 1QFY26. Domestic sales witnessed 5.5% YoY growth to INR48.6b, while exports posted 16% YoY growth to INR2.1b, driven by Foods, Coffee, Instant Tea, and Breakfast Cereals, despite commodity headwinds.

- Witnessed volume-led growth in most categories:** Nestle indicated that the Prepared Dishes and Cooking Aids, Powdered and Liquid Beverages, and Confectionery categories have returned to volume-led growth, with seven of its top 12 brands recording double-digit growth.

- **Commodity weighs on margin:** The company mentioned that 1QFY26 was impacted by elevated consumption prices across the commodity portfolio. This resulted in gross margin contracting 250bp YoY to 55.2% (est. 57%). Management indicated that Coffee prices are expected to remain range-bound at current lower levels, while Cocoa and Edible Oil prices have stabilized and are likely to remain range-bound. Milk prices are anticipated to decrease with the onset of a favorable monsoon and flush season.
- **Miss on profitability:** Employee and other expenses rose 2% YoY each. EBITDA margin contracted 130bp YoY to 21.9%, the lowest in the last 12 quarters (est. 23.3%, 25.6% in 4QFY25). EBITDA remained flat YoY at INR11.1b (est. INR 11.8b). The company incurred higher operational costs due to significant manufacturing expansion over the past seven to eight months. Moreover, borrowings to fund temporary operational cash-flow requirements resulted in higher finance costs during the quarter. Thus, higher depreciation (+39% YoY) and interest (+48% YoY), coupled with lower other income (-90% YoY), hurt profitability. PBT declined 10% YoY to INR9.2b (est. INR10.2b) and Adj. PAT declined 13% YoY to INR6.5b (est. INR7.5b).

#### Valuation and view

- We cut our EPS estimates for FY26 and FY27 by 4% and 1%, respectively.
- The company's focus on its RURBAN strategy drove stronger growth in RURBAN markets, with most categories benefiting from improved distribution penetration. Packaged food adoption has increased in tier-2 and rural markets. The company continues to enhance its portfolio through ongoing innovation and premiumization initiatives.
- Nestle's portfolio remains relatively safe from local competition, requiring limited overhead costs to protect market share. The company has invested ~INR39b in strengthening its manufacturing capabilities to cater to anticipated future demand. However, this will weigh on margins and return ratios in the near term. We model 23.6%/24.5% EBITDA margins for FY26/FY27.
- **The stock is trading at 69x/60x FY26/FY27 EPS. Given its expensive valuation, we reiterate our Neutral rating with a TP of INR2,400 (based on 60x P/E Jun'27E).**

**Quarterly performance**
**(INR b)**

| Y/E December            | FY25        |             |             |             | FY26E       |             |             |             | FY25         | FY26E        | FY26E       | Var.          |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|---------------|
|                         | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              | 1QE          |             |               |
| <b>Domestic Sales</b>   | <b>46.1</b> | <b>48.8</b> | <b>45.7</b> | <b>52.3</b> | <b>48.6</b> | <b>52.2</b> | <b>49.8</b> | <b>57.3</b> | <b>192.9</b> | <b>208.0</b> | <b>48.6</b> | <b>0.0%</b>   |
| YoY Change (%)          | 4.2         | 1.2         | 3.3         | 4.2         | 5.5         | 7.0         | 9.0         | 9.5         | 3.5          | 7.8          | 5.5         |               |
| <b>Exports</b>          | <b>1.8</b>  | <b>1.9</b>  | <b>2.0</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.3</b>  | <b>7.8</b>   | <b>8.6</b>   | <b>2.0</b>  | <b>5.4%</b>   |
| YoY Change (%)          | (7.2)       | 3.1         | 21.2        | (8.7)       | 16.0        | 10.0        | 8.0         | 6.7         | -19.5        | 10.0         | 10.0        |               |
| <b>Sale of Products</b> | <b>47.9</b> | <b>50.7</b> | <b>47.6</b> | <b>54.5</b> | <b>50.7</b> | <b>54.4</b> | <b>51.9</b> | <b>59.6</b> | <b>200.8</b> | <b>216.6</b> | <b>50.6</b> | <b>0.2%</b>   |
| YoY Change (%)          | 3.8         | 1.3         | 3.9         | 3.7         | 5.9         | 7.1         | 9.0         | 9.4         | -17.3        | 7.9          | 5.7         |               |
| Other Operating Income  | 0.2         | 0.3         | 0.2         | 0.6         | 0.2         | 0.4         | 0.2         | 0.6         | 1.2          | 1.4          | 0           |               |
| <b>Net Sales</b>        | <b>48.1</b> | <b>51.0</b> | <b>47.8</b> | <b>55.0</b> | <b>51.0</b> | <b>54.7</b> | <b>52.1</b> | <b>60.2</b> | <b>202.0</b> | <b>218.0</b> | <b>50.9</b> | <b>0.1%</b>   |
| YoY Change (%)          | 3.3         | 1.3         | 3.9         | 4.5         | 5.9         | 7.2         | 9.0         | 9.5         | 3.5          | 7.9          | 5.7         |               |
| <b>Gross Profit</b>     | <b>27.8</b> | <b>28.9</b> | <b>27.0</b> | <b>30.9</b> | <b>28.1</b> | <b>30.5</b> | <b>29.3</b> | <b>34.1</b> | <b>114.5</b> | <b>122.1</b> | <b>29.0</b> |               |
| Margin (%)              | 57.6        | 56.6        | 56.4        | 56.2        | 55.2        | 55.8        | 56.3        | 56.6        | 56.7         | 56.0         | 57.0        |               |
| <b>EBITDA</b>           | <b>11.2</b> | <b>11.9</b> | <b>11.2</b> | <b>14.1</b> | <b>11.2</b> | <b>12.4</b> | <b>12.2</b> | <b>15.6</b> | <b>48.5</b>  | <b>51.4</b>  | <b>11.8</b> | <b>-5.6%</b>  |
| Margins (%)             | 23.3        | 23.3        | 23.5        | 25.7        | 21.9        | 22.6        | 23.4        | 25.9        | 24.0         | 23.6         | 23.3        |               |
| YoY Growth (%)          | 5.4         | (4.4)       | (0.6)       | 5.2         | (0.5)       | 3.8         | 8.7         | 10.5        | 2.6          | 5.9          | 5.4         |               |
| Depreciation            | 1.1         | 1.2         | 1.5         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         | 5.4          | 6.3          | 1.6         |               |
| Interest                | 0.3         | 0.3         | 0.3         | 0.4         | 0.5         | 0.3         | 0.3         | 0.1         | 1.4          | 1.2          | 0.3         |               |
| Other income            | 0.4         | 0.1         | 0.0         | 0.1         | 0.0         | 0.3         | 0.3         | 0.5         | 0.6          | 1.1          | 0.3         |               |
| <b>PBT</b>              | <b>10.2</b> | <b>10.4</b> | <b>9.4</b>  | <b>12.3</b> | <b>9.2</b>  | <b>10.8</b> | <b>10.6</b> | <b>14.4</b> | <b>42.3</b>  | <b>45.0</b>  | <b>10.2</b> | <b>-10.3%</b> |
| Tax                     | 2.6         | 3.0         | 2.3         | 3.2         | 2.4         | 2.8         | 2.8         | 3.8         | 11.1         | 11.9         | 2.7         |               |
| Rate (%)                | 25.8        | 28.8        | 24.0        | 26.0        | 26.3        | 26.4        | 26.5        | 26.7        | 26.2         | 26.5         | 26.2        |               |
| <b>Adjusted PAT</b>     | <b>7.5</b>  | <b>7.8</b>  | <b>6.8</b>  | <b>8.7</b>  | <b>6.5</b>  | <b>7.8</b>  | <b>7.7</b>  | <b>10.5</b> | <b>30.8</b>  | <b>32.5</b>  | <b>7.5</b>  | <b>-13.3%</b> |
| YoY Change (%)          | 6.4         | (3.3)       | (12.4)      | (4.5)       | (13.4)      | (0.2)       | 12.7        | 19.9        | -2.6         | 5.5          | (0.2)       |               |

E: MOFSL Estimates

# SBI Life Insurance

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

**CMP: INR1,794      TP: INR2,140 (+19%)      Buy**

## Product mix shift drives VNB margin expansion

|                       |               |
|-----------------------|---------------|
| Bloomberg             | SBILIFE IN    |
| Equity Shares (m)     | 1002          |
| M.Cap.(INRb)/(USD\$)  | 1797.8 / 20.8 |
| 52-Week Range (INR)   | 1936 / 1373   |
| 1, 6, 12 Rel. Per (%) | -3/16/7       |
| 12M Avg Val (INR M)   | 2391          |

### Financials & Valuations (INR b)

| Y/E MARCH         | FY25  | FY26E | FY27E   |
|-------------------|-------|-------|---------|
| Net Premiums      | 840.6 | 974.1 | 1,128.9 |
| Surplus / Deficit | 29.9  | 35.2  | 41.5    |
| Sh.PAT            | 24.1  | 27.6  | 32.1    |
| NBP gr- APE (%)   | 7.4   | 16.0  | 16.2    |
| Premium gr (%)    | 4.4   | 15.9  | 15.9    |
| VNB margin (%)    | 27.8  | 28.5  | 29.0    |
| RoE (%)           | 15.1  | 15.2  | 15.4    |
| RoIC (%)          | 15.4  | 15.3  | 15.5    |
| RoEV (%)          | 20.6  | 19.4  | 19.0    |
| Total AUMs (INRt) | 4.5   | 5.4   | 6.4     |
| VNB               | 59.5  | 70.8  | 83.7    |
| EV per share      | 701   | 839   | 999     |

### Valuations

|            |      |      |      |
|------------|------|------|------|
| P/EV (x)   | 2.3  | 2.2  | 1.8  |
| P/EVOP (x) | 13.7 | 13.3 | 11.3 |

\*VNB, VNB margins based on ETR

### Shareholding Pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 55.4   | 55.4   | 55.4   |
| DII      | 18.2   | 18.7   | 15.9   |
| FII      | 22.3   | 21.9   | 24.7   |
| Others   | 4.1    | 4.1    | 4.0    |

FII includes depository receipts

- SBI Life Insurance (SBILIFE) reported 9% YoY growth in new business APE to INR39.7b (in line).
- VNB margin for the quarter stood at 27.4% vs our estimate of 28.5% (26.8% in 1QFY25). Absolute VNB grew 12% YoY to INR10.9b (in-line), driven by the product mix shift toward non-linked products.
- Shareholder PAT grew 14% YoY to INR5.9b (in-line) in 1QFY26.
- The company reaffirmed its full-year guidance of mid-teen APE growth, supported by new non-par and protection product launches. Apart from the focus on product mix shift toward non-linked products, higher sales of products with larger sum assured and improved rider attachment are expected to drive VNB margin expansion to 26-28% for FY26, according to management.
- We expect SBILIFE to clock a CAGR of 16%/19% in APE/VNB over FY25-27, while RoEV is likely to remain at ~19% over FY27. We maintain our estimates and **reiterate our BUY rating on the stock with a TP of INR2,140 (premised on 2.2x FY27E EV).**

## Distribution shifting gradually toward non-linked across channels

- SBILIFE reported 3% YoY growth in new business premium (NBP) to INR72.7b. Gross premium stood at INR178.1b (in-line), reflecting 14% YoY growth. This was driven by 24%/12% YoY growth in renewal premium/first year premium, which was offset by a 4% YoY decline in single premium.
- The total cost ratio was 10.8% vs. 9.8% in 1QFY25. The commission ratio was stable at 3.7%. The operating expense ratio stood at 7% vs. 6.1% in 1QFY25, owing to investments toward branch expansion, employee addition, and digital infrastructure during the quarter. The company expects the opex ratio to remain in the range of 6-6.5%.
- On the product front, ULIP APE grew 3% YoY, contributing 57% to total APE (61% in 1QFY25). Increasing focus on non-linked products resulted in 10%/29% YoY growth in the non-par/par savings segment. Strong growth in group protection (+100% YoY) was fueled by both the credit life and GPI businesses. Consequently, the protection business grew 53% YoY, with its contribution increasing to 11.6% from 8.2% in 1QFY24.
- On the distribution front, SBILIFE added 36,000 agents on a gross basis during the quarter and continues to focus on productivity enhancement, along with a shift toward margin-accretive product mix for each channel. While the agency channel witnessed a 15% YoY decline with respect to ULIP APE, the par and non-par segments witnessed 29%/37% YoY growth, leading to channel growth of 1% YoY (after 49% YoY growth in 1QFY25). Individual APE in the bancassurance channel grew 9% YoY, with 13%/60% YoY growth in ULIP/Par, while non-par APE declined 4% YoY. Other channel partners (brokers, digital, etc.) witnessed 6% YoY growth in individual APE, with 25%/9% YoY growth in ULIP/Non-par segments.

- The company witnessed continued improvement in the 13th and 61st month persistency (based on premium) in 1QFY26, increasing ~60bp and ~500bp YoY, respectively. The 49th month persistency declined 430bp YoY due to a particular cohort that could not be revived.
- AUM grew 15% YoY to INR4.8t (in line). Solvency ratio was stable at 1.96x.

### Highlights from the management commentary

- SBILIFE continues to pivot toward a margin-accretive product mix, with the agency channel already achieving this shift. Similar progress is visible in the bancassurance segment, where ULIP contribution declined 2%, and the company remains focused on further increasing the non-par share.
- Group protection reported robust growth, led by credit life (up 25% YoY), while GPI growth was also in double digits. Management expects credit life to maintain 20-25% YoY growth, backed by 10-15% YoY growth in home loans and better attachment rates. However, GPI growth may moderate due to its inherently lumpy nature.
- SBILIFE currently works with 14,000+ branches of partner banks, of which 10-20% are active monthly. The company aims to improve activation levels to unlock higher growth.

### Valuation and view

- SBILIFE continued to report improvement in the VNB performance in 1QFY26, aided by a shift in the product mix toward traditional products, strong growth in the protection segment, and rising attachment rates. Going forward, sustained traction in non-linked products and further improvement in rider attachment are expected to drive VNB margin expansion. Continued investments in agency and digital channels are expected to drive overall growth, supported by a recovery in the bancassurance channel.
- We expect SBILIFE to clock a CAGR of 16%/19% in APE/VNB over FY25-27, while RoEV is likely to remain at ~19% over FY27. We maintain our estimates and **reiterate our BUY rating on the stock with a TP of INR2,140 (premised on 2.2x FY27E EV).**

### Quarterly Performance

|                             | INRM         |              |              |              |              |              |              |              |              |              |           |         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|---------|
| Policy holder's A/c (INRb)  | FY25         |              |              |              | FY26         |              |              |              | FY25         | FY26E        | FY26E 1QE | V/s est |
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3QE          | 4QE          |              |              |           |         |
| First year premium          | 31.5         | 49.2         | 64.5         | 48.6         | 35.4         | 56.2         | 75.3         | 57.9         | 193.7        | 224.9        | 34.0      | 4.2     |
| Growth (%)                  | 19%          | 6%           | 14%          | 7%           | 12%          | 14%          | 17%          | 19%          | 11%          | 16%          | 8%        |         |
| Renewal premium             | 85.4         | 117.2        | 144.7        | 146.8        | 105.5        | 137.8        | 166.5        | 164.3        | 494.1        | 574.0        | 97.6      | 8.1     |
| Growth (%)                  | 16%          | 16%          | 14%          | 13%          | 24%          | 18%          | 15%          | 12%          | 14%          | 16%          | 14%       |         |
| Single premium              | 38.9         | 37.8         | 40.8         | 44.6         | 37.3         | 44.6         | 48.3         | 55.6         | 162.1        | 185.9        | 44.6      | (16.4)  |
| Growth (%)                  | 9%           | -30%         | 0%           | -42%         | -4%          | 18%          | 18%          | 25%          | -22%         | 15%          | 15%       |         |
| <b>Gross premium income</b> | <b>155.7</b> | <b>204.1</b> | <b>250.0</b> | <b>240.0</b> | <b>178.1</b> | <b>238.6</b> | <b>290.1</b> | <b>277.9</b> | <b>849.8</b> | <b>984.8</b> | 176.2     | 1.1     |
| Growth (%)                  | 15%          | 1%           | 11%          | -5%          | 14%          | 17%          | 16%          | 16%          | 4%           | 16%          | 13%       |         |
| <b>PAT</b>                  | <b>5.2</b>   | <b>5.3</b>   | <b>5.5</b>   | <b>8.1</b>   | <b>5.9</b>   | <b>6.1</b>   | <b>6.3</b>   | <b>9.3</b>   | <b>24.1</b>  | <b>27.6</b>  | 5.9       | 0.2     |
| Growth (%)                  | 36%          | 39%          | 71%          | 0%           | 14%          | 14%          | 15%          | 14%          | 27%          | 14%          | 14%       |         |
| <b>Key metrics (INRb)</b>   |              |              |              |              |              |              |              |              |              |              |           |         |
| New Business APE            | 36.4         | 53.9         | 69.4         | 54.5         | 39.7         | 61.9         | 81.8         | 65.1         | 214.2        | 248.5        | 39.2      | 1.3     |
| Growth (%)                  | 20%          | 3%           | 13%          | 2%           | 9%           | 15%          | 18%          | 19%          | 8%           | 16%          | 8%        |         |
| VNB                         | 9.7          | 14.5         | 18.7         | 16.6         | 10.9         | 17.3         | 23.3         | 19.3         | 59.5         | 70.8         | 11.2      | (2.4)   |
| Growth (%)                  | 11%          | -3%          | 11%          | 10%          | 12%          | 20%          | 25%          | 16%          | 7%           | 19%          | 15%       |         |
| AUM                         | 4,148        | 4,390        | 4,417        | 4,480        | 4,758        | 4,948        | 5,146        | 5,378        | 4,480        | 5,378        | 4,794     | (0.7)   |
| Growth (%)                  | 26%          | 27%          | 19%          | 15%          | 15%          | 13%          | 17%          | 20%          | 15%          | 20%          | 16%       |         |
| <b>Key Ratios (%)</b>       |              |              |              |              |              |              |              |              |              |              |           |         |
| VNB margin (%)              | 26.8         | 26.9         | 26.9         | 30.5         | 27.4         | 28.0         | 28.5         | 29.6         | 27.8         | 28.5         | 28.5      | (110)   |

# Canara Bank

|                 |   |
|-----------------|---|
| Estimate change | ↑ |
| TP change       | ↑ |
| Rating change   | ↔ |

|                       |               |
|-----------------------|---------------|
| Bloomberg             | CBK IN        |
| Equity Shares (m)     | 9071          |
| M.Cap.(INRb)/(USDb)   | 1029.5 / 11.9 |
| 52-Week Range (INR)   | 119 / 79      |
| 1, 6, 12 Rel. Per (%) | 3/9/-2        |
| 12M Avg Val (INR M)   | 2801          |

## Financials & Valuations (INR b)

| Y/E March     | FY25  | FY26E | FY27E |
|---------------|-------|-------|-------|
| NII           | 370.7 | 382.8 | 438.0 |
| OP            | 313.9 | 348.1 | 383.3 |
| NP            | 170.3 | 190.7 | 212.3 |
| NIM (%)       | 2.4   | 2.2   | 2.4   |
| EPS (INR)     | 18.8  | 21.0  | 23.4  |
| EPS Gr. (%)   | 17.0  | 12.0  | 11.3  |
| BV/Sh. (INR)  | 106   | 119   | 133   |
| ABV/Sh. (INR) | 99    | 112   | 125   |
| RoA (%)       | 1.1   | 1.1   | 1.1   |
| RoE (%)       | 19.9  | 19.2  | 19.0  |

## Valuations

|           |     |     |     |
|-----------|-----|-----|-----|
| P/E (x)   | 6.1 | 5.4 | 4.9 |
| P/BV (x)  | 1.1 | 1.0 | 0.9 |
| P/ABV (x) | 1.2 | 1.0 | 0.9 |

## Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 62.9   | 62.9   | 62.9   |
| DII      | 11.4   | 11.9   | 11.2   |
| FII      | 11.4   | 10.6   | 11.9   |
| Others   | 14.3   | 14.7   | 14.0   |

**CMP: INR114**

**TP: INR135 (+19%)**

**Buy**

## NII in line; PAT beat led by higher treasury income

### RoA outlook steady; NIMs decline 18bp QoQ

- CBK reported 1QFY26 standalone PAT of INR47.5b (15% beat), up 21.7% YoY/down 5% QoQ, aided by a healthy beat in other income.
- NII declined by 1.7% YoY/4.6% QoQ to INR90b (in line). NIMs declined by 18bp QoQ/35bp YoY to 2.55%.
- Loan book grew 13.4% YoY/2.3% QoQ to INR10.7t, while deposits increased by 9.9% YoY/0.7% QoQ. CASA deposits declined by 4.6% QoQ (up 3.7% YoY). As a result, CASA ratio declined 161bp QoQ to 29.6%.
- Slippages fell 19.8% QoQ and 35.1% YoY to INR21.7b. As a result, GNPA/NNPA ratios improved by 25bp/7bp QoQ to 2.69%/0.63%. PCR increased by 608bp YoY/40bp QoQ to 77.1%.
- We increase our earnings estimates by 11-13%, factoring in better other income and lower provisions. We estimate CBK to deliver FY27E RoA/ RoE of 1.1%/19%. **Reiterate BUY with a revised TP of INR135 (based on 1.0x FY27E ABV).**

### Business growth/NIM guidance maintained; asset quality improves

- 1Q PAT rose 21.7% YoY to INR47.5b (15% beat), led by healthy treasury income and in-line NII. For FY26, we expect earnings to grow by 12% YoY to INR190.7b.
- NII fell 1.7% YoY/4.6% QoQ to INR90b (in line). NIMs contracted 35bp YoY and 18bp QoQ to 2.55%. Other income grew 32.7% YoY/11.2% QoQ to INR70.6b (20% beat), aided by healthy treasury income of INR16.2b (up 127% QoQ). Total revenue grew 10.9% YoY/1.8% QoQ to INR160.7b (7% beat).
- Operating expenses stood flat QoQ at INR75.2b (5% higher than est.). Thus, C/I ratio declined to 46.8% from 47.5% as on 4QFY25. PPOp grew 12.3% YoY/3.3% QoQ to INR 85.5b (~8% beat). Core PPOp declined by 4.5% YoY/8.4% QoQ to INR69.4b. Provisions stood at INR23.5b (up 3% YoY/28% QoQ), in line with MOFSLe.
- Loan book grew by a healthy 13.4% YoY/2.3% QoQ, led by robust growth in retail segment by 34% YoY/5.4% QoQ. Within this, housing grew 13.9% YoY/3% QoQ. Deposits grew 9.9% YoY/0.7% QoQ, led by growth in TDs at 11% YoY/2.9% QoQ. CASA deposits fell by 4.6% QoQ (up 3.7% YoY). Thus, CASA ratio declined to 29.6% (down 161bp QoQ). CD ratio rose to 73.1%.
- GNPA/NNPA ratios improved 25bp/7bp QoQ to 2.69%/0.63%. PCR improved to 77.1%. Total slippages declined to INR21.7b (down 35.1% YoY and 19.8% QoQ). Reported credit cost stood at 0.72% vs. the bank's guidance of a credit cost of 0.9% for FY26. The bank expects the slippage ratio to remain benign at 0.9% for FY26.
- SMA book moderated to 0.8% in 1QFY26 from 0.96% in 4QFY25. While the bank expects no relapse from this book, it also maintains sufficient provisions against the same.

### Highlights from the management commentary

- 2Q will fully reflect the impact of the repo rate cut. The bank aims to maintain NIMs at 2.5%. In the absence of further rate cuts, NIMs could improve in 3Q and 4Q. If two additional repo rate cuts of 25bp each are implemented, achieving the NIM guidance of 2.75-2.8% will be challenging.
- Yield compression began in Mar'25, and with 45% of its book linked to RRLR, the bank passed on a 100bp reduction in yields during 1Q. However, it did not reduce deposit rates.
- The bank maintains that the CASA ratio should remain above 30%. With term deposit rates declining, there is a growing tendency among customers to move funds into savings accounts over fixed deposits.
- The credit cost guidance has been set conservatively, but the bank expects to outperform its asset quality guidance in 2Q/3Q.
- **Guidance:** Business growth at 10.5% YoY; advances at 10-11% YoY; deposits at 9-10% YoY. NIMs (global) guidance maintained at 2.75-2.8%.

### Valuation and view

CBK reported a healthy quarter, with earnings beat driven by treasury income, in-line NII, and contained opex. NIM contraction is attributed to yield repricing due to repo cuts, while the cost of funds was largely stable. CBK expects NIMs to recover gradually to 2.75-2.8%, aided by a reduction in the cost of funds and an improving outlook in 2HFY26. Loan growth was steady and driven by robust growth in the retail segment, while deposit growth was marginal amid outflow of the seasonal CA growth of 4Q. Asset quality improved, with slippages too witnessing a steady reduction, leading to a controlled credit cost for the bank. CBK maintains healthy provisions for the SMA book, though it does not expect any material relapse from the SMA pool. We increase our earnings estimates by 11-13%, factoring in better other income and lower provisions. We estimate CBK to deliver FY27E RoA/ RoE of 1.1%/19%. **Reiterate BUY with a revised TP of INR135 (based on 1.0x FY27E ABV).**

### Quarterly Performance

|                             | FY25         |              |              |              | FY26E        |              |              |              | FY25         | FY26E        | FY26E        | (INR b)         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1QA          | 2QE          | 3QE          | 4QE          |              |              | 1QE          | V/S our Est (%) |
| <b>Net Interest Income</b>  | <b>91.7</b>  | <b>93.2</b>  | <b>91.5</b>  | <b>94.4</b>  | <b>90.1</b>  | <b>90.2</b>  | <b>97.9</b>  | <b>104.6</b> | <b>370.7</b> | <b>382.8</b> | <b>91.4</b>  | <b>(1)</b>      |
| % Change (Y-o-Y)            | 5.8          | 4.6          | -2.9         | -1.4         | -1.7         | -3.2         | 7.0          | 10.8         | 1.4          | 3.3          | -0.2         |                 |
| Other Income                | 53.2         | 49.8         | 58.0         | 63.5         | 70.6         | 63.0         | 65.5         | 70.3         | 224.5        | 269.4        | 58.8         | 20              |
| <b>Total Income</b>         | <b>144.9</b> | <b>143.0</b> | <b>149.5</b> | <b>157.9</b> | <b>160.7</b> | <b>153.2</b> | <b>163.4</b> | <b>175.0</b> | <b>595.2</b> | <b>652.2</b> | <b>150.3</b> | <b>7</b>        |
| Operating Expenses          | 68.7         | 66.4         | 71.1         | 75.1         | 75.2         | 73.6         | 76.4         | 79.0         | 281.3        | 304.2        | 71.3         | 5               |
| <b>Operating Profit</b>     | <b>76.2</b>  | <b>76.5</b>  | <b>78.4</b>  | <b>82.8</b>  | <b>85.5</b>  | <b>79.6</b>  | <b>87.0</b>  | <b>96.0</b>  | <b>313.9</b> | <b>348.1</b> | <b>79.0</b>  | <b>8</b>        |
| % Change (Y-o-Y)            | 0.2          | 0.5          | 15.2         | 12.1         | 12.3         | 4.0          | 11.0         | 15.8         | 6.7          | 10.9         | 3.8          |                 |
| Other Provisions            | 22.8         | 22.5         | 24.0         | 18.3         | 23.5         | 22.6         | 23.2         | 23.1         | 87.6         | 92.4         | 23.4         | 1               |
| <b>Profit before Tax</b>    | <b>53.3</b>  | <b>54.0</b>  | <b>54.4</b>  | <b>64.5</b>  | <b>62.0</b>  | <b>57.0</b>  | <b>63.8</b>  | <b>72.9</b>  | <b>226.3</b> | <b>255.6</b> | <b>55.6</b>  | <b>11</b>       |
| Tax                         | 14.3         | 13.9         | 13.3         | 14.5         | 14.5         | 14.5         | 16.3         | 19.6         | 56.0         | 64.9         | 14.2         | 2               |
| <b>Net Profit</b>           | <b>39.1</b>  | <b>40.1</b>  | <b>41.0</b>  | <b>50.0</b>  | <b>47.5</b>  | <b>42.4</b>  | <b>47.5</b>  | <b>53.2</b>  | <b>170.3</b> | <b>190.7</b> | <b>41.4</b>  | <b>15</b>       |
| % Change (Y-o-Y)            | 10.5         | 11.3         | 12.3         | 33.1         | 21.7         | 5.7          | 15.7         | 6.4          | 17.0         | 12.0         | 6.1          |                 |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |              |              |              |                 |
| Deposit (INR b)             | 13,352       | 13,473       | 13,695       | 14,569       | 14,677       | 15,133       | 15,458       | 15,822       | 14,569       | 15,822       | 14,768       |                 |
| Loan ( INR b)               | 9,464        | 9,840        | 10,237       | 10,492       | 10,736       | 10,953       | 11,276       | 11,646       | 10,492       | 11,646       | 10,659       |                 |
| Deposit Growth (%)          | 12.0         | 9.3          | 8.4          | 11.0         | 9.9          | 12.3         | 12.9         | 8.6          | 11.0         | 8.6          | 10.6         |                 |
| Loan Growth (%)             | 10.7         | 10.3         | 11.2         | 12.6         | 13.4         | 11.3         | 10.1         | 11.0         | 12.6         | 11.0         | 12.6         |                 |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |              |              |              |                 |
| Gross NPA (%)               | 4.1          | 3.7          | 3.3          | 2.9          | 2.7          | 2.7          | 2.6          | 2.7          | 2.9          | 2.7          | 2.9          |                 |
| Net NPA (%)                 | 1.2          | 1.0          | 0.9          | 0.7          | 0.6          | 0.6          | 0.6          | 0.6          | 0.7          | 0.6          | 0.7          |                 |
| PCR (%)                     | 71.0         | 74.1         | 74.1         | 76.7         | 77.1         | 76.8         | 77.2         | 77.3         | 76.6         | 77.3         | 76.4         |                 |

E: MOFSL Estimates

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

**CMP: INR3,144      TP: INR3,650 (+16%)      Buy**

## Chemicals and packaging segments aid operating performance

### Operating performance in line

- SRF delivered a strong start to FY26, with EBIT surging 41% YoY in 1QFY26. This growth in EBIT was driven by a robust growth of 64%/62% YoY in the chemicals/packaging films businesses, despite a weak summer and ongoing global uncertainties. The technical textiles business declined 44% YoY in 1Q.
- We expect this momentum to continue, with the agrochemicals segment likely to pick up, fueled by a robust product pipeline and volume growth in key intermediates. Further, the Fluorochemicals business is anticipated to see increased traction in PTFE sales and stable global demand for refrigerant gases.
- We broadly maintain our FY26/FY27 EBITDA estimates and **reiterate our BUY rating**. We value the stock on an SoTP basis to arrive at our **TP of INR3,650**.

### Chemicals segment continues as a key driver of revenue growth

- SRF reported an overall revenue of INR38.2b (est. INR41.6b) in 1QFY26, up ~10% YoY. EBITDA margin expanded 360bp YoY to 21.5% (est. of 20%). EBITDA stood at INR8.2b (est. in line), up 32% YoY. Adj. PAT grew 57% YoY to INR4.2b (est. in line), adjusted for a forex gain of INR87m in 1QFY26.
- **Chemicals segment's** revenue (48%/72% of total sales/EBIT in 1QFY26) grew 24% YoY to INR18.3b, while EBIT grew 64% YoY to INR5b. EBIT margin expanded 670bp YoY to 27.3%. The specialty chemicals business demonstrated strong performance, driven by rising agrochemical intermediate demand, strategic pricing, and export strength. The fluorochemicals business also reported a robust performance, aided by higher refrigerant gas prices and increased exports, offsetting domestic market weakness.
- **Packaging film's** revenue (37%/20% of total sales/EBIT in 1QFY26) grew 6% YoY to INR14.2b, while EBIT grew ~62% YoY to INR1.4b. Margin expanded 340bp YoY to 9.9% during the quarter. The packaging films business achieved a record production, supported by better efficiency and focus on high-impact value-added products.
- **Technical textiles'** revenue (12%/5% of total sales/EBIT in 1QFY26) was down 11% YoY to INR4.7b. EBIT dipped 44% YoY to INR376m. EBIT margin contracted 480bp YoY to 8.1%. The technical textiles business underperformed because of continued weak domestic demand for nylon tyre cord fabric, and the belting fabrics segment faced pricing pressure from the continued Chinese dumping.

### Highlights from the management commentary

- **Guidance:** Management retains its target of 20% revenue growth for the chemicals business while aiming for an RoCE of over 25% in FY26.
- **Packaging film business:** BOPP faced a supply shortage in the Indian market, leading to price increases and higher capacity utilization. Management expects this pricing environment to remain favorable given the current market developments.

|                       |              |
|-----------------------|--------------|
| Bloomberg             | SRF IN       |
| Equity Shares (m)     | 296          |
| M.Cap.(INRb)/(USD\$)  | 932.1 / 10.8 |
| 52-Week Range (INR)   | 3325 / 2127  |
| 1, 6, 12 Rel. Per (%) | 3/13/30      |
| 12M Avg Val (INR M)   | 1843         |

### Financials & Valuations (INR b)

| Y/E Mar      | 2025  | 2026E | 2027E |
|--------------|-------|-------|-------|
| Sales        | 146.9 | 165.7 | 196.5 |
| EBITDA       | 28.4  | 37.7  | 48.0  |
| PAT          | 13.7  | 20.4  | 27.5  |
| EBITDA (%)   | 19.3  | 22.8  | 24.4  |
| EPS (INR)    | 46.1  | 68.7  | 92.6  |
| EPS Gr. (%)  | (3.0) | 49.2  | 34.7  |
| BV/Sh. (INR) | 424   | 477   | 552   |

### Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D/E    | 0.3  | 0.3  | 0.2  |
| RoE (%)    | 11.4 | 15.3 | 18.0 |
| RoCE (%)   | 9.6  | 12.7 | 14.9 |
| Payout (%) | 35.7 | 24.6 | 18.4 |

### Valuations

|               |      |      |      |
|---------------|------|------|------|
| P/E (x)       | 68.3 | 45.7 | 33.9 |
| EV/EBITDA (x) | 34.2 | 25.8 | 20.3 |
| Div Yield (%) | 0.5  | 0.5  | 0.5  |
| FCF Yield (%) | 1.3  | 0.6  | 0.7  |

### Shareholding Pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 50.3   | 50.3   | 50.3   |
| DII      | 18.9   | 18.5   | 16.6   |
| FII      | 18.2   | 18.3   | 18.7   |
| Others   | 12.6   | 13.0   | 14.4   |

Note: FII includes depository receipts

- **Capacity expansion:** To support future growth, the Board of Directors has approved two new projects: 1) a BOPP film manufacturing facility in Indore, Madhya Pradesh, with a capex of INR4.9b, and 2) an agrochemical production facility in Dahej, Gujarat, at a capex of INR2.5b.

#### Valuation and view

- The chemicals business (fluorochemicals and specialty chemicals) is expected to continue its growth momentum in FY26, fueled by 1) the ramp-up of recently commissioned plants, 2) a strong order book, 3) stable demand for refrigerant gases, and 4) improved sales of PTFE. The packaging business is likely to report better margins driven by higher realizations of BOPP and a strong portfolio of high-impact, value-added products.
- We build in a revenue/EBITDA/Adj. PAT CAGR of 16%/30%/42% over FY25-27E. We broadly maintain our FY26/FY27 EBITDA estimates and **reiterate our BUY rating**. We value the stock on an SoTP basis to arrive at our **TP of INR3,650**.

#### Consolidated - Quarterly Earnings Model

(INR m)

| Y/E March                    | FY25          |               |               |               | FY26          | FY25           | FY26E          | FY25E         | Var %     |
|------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|-----------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            |                | 1Q             |               |           |
| <b>Net Sales</b>             | <b>34,641</b> | <b>34,243</b> | <b>34,913</b> | <b>43,133</b> | <b>38,186</b> | <b>146,931</b> | <b>165,673</b> | <b>41,618</b> | <b>-8</b> |
| YoY Change (%)               | 3.8           | 7.8           | 14.4          | 20.8          | 10.2          | 11.8           | 12.8           | 20.1          |           |
| Total Expenditure            | 28,435        | 28,637        | 28,375        | 33,108        | 29,975        | 118,555        | 127,971        | 33,298        |           |
| <b>EBITDA</b>                | <b>6,207</b>  | <b>5,606</b>  | <b>6,538</b>  | <b>10,025</b> | <b>8,212</b>  | <b>28,376</b>  | <b>37,701</b>  | <b>8,319</b>  | <b>-1</b> |
| Margins (%)                  | 17.9          | 16.4          | 18.7          | 23.2          | 21.5          | 19.3           | 22.8           | 20.0          |           |
| Depreciation                 | 1,882         | 1,939         | 1,943         | 1,952         | 2,032         | 7,715          | 8,565          | 1,950         |           |
| Interest                     | 965           | 938           | 963           | 894           | 799           | 3,760          | 3,465          | 890           |           |
| Other Income                 | 253           | 333           | 396           | 345           | 291           | 1,327          | 1,467          | 350           |           |
| <b>PBT before EO expense</b> | <b>3,612</b>  | <b>3,063</b>  | <b>4,029</b>  | <b>7,525</b>  | <b>5,671</b>  | <b>18,229</b>  | <b>27,139</b>  | <b>5,829</b>  |           |
| Extra-Ord expense & DO       | 172           | 226           | 342           | 451           | -87           | 1,192          | -87            | 0             |           |
| <b>PBT</b>                   | <b>3,440</b>  | <b>2,837</b>  | <b>3,687</b>  | <b>7,074</b>  | <b>5,758</b>  | <b>17,037</b>  | <b>27,226</b>  | <b>5,829</b>  |           |
| Tax                          | 918           | 822           | 976           | 1,813         | 1,435         | 4,529          | 6,695          | 1,428         |           |
| Rate (%)                     | 25.4          | 26.9          | 24.2          | 24.1          | 25.3          | 24.8           | 24.7           | 24.5          |           |
| <b>Reported PAT</b>          | <b>2,522</b>  | <b>2,014</b>  | <b>2,711</b>  | <b>5,261</b>  | <b>4,323</b>  | <b>12,508</b>  | <b>20,531</b>  | <b>4,401</b>  |           |
| <b>Adj PAT</b>               | <b>2,695</b>  | <b>2,240</b>  | <b>3,053</b>  | <b>5,712</b>  | <b>4,236</b>  | <b>13,700</b>  | <b>20,444</b>  | <b>4,401</b>  | <b>-4</b> |
| YoY Change (%)               | -29.6         | -30.0         | 12.4          | 30.4          | 57.2          | -3.0           | 49.2           | 63            |           |
| Margins (%)                  | 7.8           | 6.5           | 8.7           | 13.2          | 11.1          | 9.3            | 12.3           | 10.6          |           |

# Indian Bank

Estimate change 

TP change 

Rating change 

|                       |              |
|-----------------------|--------------|
| Bloomberg             | INBK IN      |
| Equity Shares (m)     | 1347         |
| M.Cap.(INRb)/(USD\$b) | 878.6 / 10.2 |
| 52-Week Range (INR)   | 659 / 474    |
| 1, 6, 12 Rel. Per (%) | 5/22/12      |
| 12M Avg Val (INR M)   | 1084         |

## Financials & Valuations (INR b)

| Y/E March     | FY25  | FY26E | FY27E |
|---------------|-------|-------|-------|
| NII           | 251.8 | 259.9 | 287.3 |
| OP            | 190.0 | 196.2 | 216.0 |
| NP            | 109.2 | 118.5 | 127.8 |
| NIM (%)       | 3.1   | 2.9   | 3.0   |
| EPS (INR)     | 81.1  | 87.9  | 94.9  |
| EPS Gr. (%)   | 30.3  | 8.5   | 7.9   |
| BV/Sh. (INR)  | 490   | 545   | 619   |
| ABV/Sh. (INR) | 477   | 537   | 610   |

## Ratios

|         |      |      |      |
|---------|------|------|------|
| RoA (%) | 1.3  | 1.3  | 1.3  |
| RoE (%) | 18.9 | 17.7 | 16.9 |

## Valuations

|           |     |     |     |
|-----------|-----|-----|-----|
| P/E(X)    | 8.1 | 7.5 | 6.9 |
| P/BV (X)  | 1.3 | 1.2 | 1.1 |
| P/ABV (X) | 1.4 | 1.2 | 1.1 |

## Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 73.8   | 73.8   | 73.8   |
| DII      | 18.1   | 17.8   | 16.9   |
| FII      | 4.6    | 4.7    | 5.4    |
| Others   | 3.6    | 3.7    | 3.9    |

**CMP: INR652**

**TP: INR750 (+15%)**

**Buy**

## Steady quarter; lower provisions aid earnings

### Asset quality ratio improves

- Indian Bank (INBK) reported 1QFY26 PAT of INR29.7b (up 23.7% YoY/flat QoQ, 5% beat), driven by lower provisions.
- NII was up 2.9% YoY/flat QoQ at INR63.6b (inline). NIM dipped 14bp QoQ to 3.23%.
- Net advances grew 12% YoY/2.3% QoQ, while deposits grew 9.3% YoY/1.0% QoQ. Consequently, the C/D ratio increased 100bp QoQ to 78.5%. CASA ratio moderated to 37.2%, with domestic CASA ratio at 39%.
- Fresh slippages improved to INR13.7b vs. INR14.3b in 4QFY25. GNPA/NNPA ratios continued to improve by 8bp/1bp QoQ to 3.01%/0.18%. PCR stood at 94.3%.
- We increase our earnings estimates by 6%/4% for FY26/FY27 and anticipate the bank to deliver FY27E RoA/RoE of 1.29%/16.9%. **Reiterate BUY with a TP of INR750 (premised on 1.2x FY27E BV).**

### Credit growth guidance maintained at 10-12% ; NIM moderated 14bp QoQ

- INBK's reported 1QFY26 PAT of INR29.7b (23.7% YoY/ flat QoQ, 5% beat), driven by lower provisions.
- NII was up 2.9% YoY/flat QoQ at INR63.6b (in line). NIM dipped 14bp QoQ to 3.23% during the quarter. The bank continues to guide for FY26 NIMs in the range of ~3.15%-3.30%.
- Other income grew 28% YoY (down 11% QoQ) to INR24.4b (in line), resulting in 9% YoY growth (3.7% QoQ drop) in total revenue (in line). Treasury income stood at INR3.8b vs. INR1.9b in 4QFY25.
- Opex grew 12.4% YoY (down 2.1% QoQ, 4% above est.). As a result, C/I ratio slightly increased to 45.8% from 45% in 4QFY25. PPop grew ~6% YoY (down 4.9% QoQ) to INR47.7b (6% miss).
- Advances grew 12.1% YoY/2.3% QoQ to ~INR5.8t, led by retail and agri. Retail loans grew 16.6% YoY/3.8% QoQ. Within retail, housing grew 2.3% QoQ and VF rose 7.3% QoQ. Agri advances grew 4.7% QoQ.
- Deposits grew 9.3% YoY (1% QoQ), with CASA ratio moderating 114bp QoQ to 37.2% and domestic CASA ratio standing at 39%. C/D ratio increased by 100bp QoQ to 78.5%.
- Fresh slippages improved to INR13.7b vs. INR14.3b in 4QFY25. GNPA/NNPA ratios continued to improve by 8bp/1bp QoQ to 3.01%/0.18%. PCR stood at 94.3%.
- SMA-2 book rose to INR45.9b due to two large PSU accounts, which the bank did not expect to slip. The restructured portfolio fell to INR45.6b or 0.78% of loans (vs. 0.85% in 4QFY25).

### Highlights from the management commentary

- **FY26 guidance:** Deposit growth guidance is maintained at ~8-10%. GNPA ratio is expected to be below 3% (likely 2.5%). The bank plans to open 119 branches in FY26.
- The quantum of margin decline will reduce from 2Q onward as bulk deposits will also start repricing and retail term deposits and SA deposits will also reprice.
- MCLR book is 52%, out of which one year linked is 41%. On 40% of book which is EBLR linked, rate cut impact has already been passed on.

### Valuation and view

INBK reported healthy earnings, as provisions were significantly lower than expected. However, margins contracted 14bp QoQ and are expected to moderate further due to rate cuts. Advances growth was higher than deposit growth; hence, the CD ratio inched up. Management expects margins to be in the range of 3.15-3.3%, while the growth outlook remains healthy. The bank guides for a healthy asset quality outlook. The asset quality ratio improved, with INBK maintaining the best-in-class coverage ratio and lower slippages, which provides comfort on incremental credit costs. SMA-2 has seen an increase; however, the bank does not anticipate any slippages from these accounts. We increase our earnings estimates by 6%/4% for FY26/FY27 and anticipate the bank to deliver FY27E RoA/RoE of 1.29%/16.9%.

**Reiterate BUY with a TP of INR750 (premised on 1.2x FY27E BV).**

### Quarterly performance

| Y/E March                  |             |             |             |             |             |             |             |             | (INR b)      |              |             |            |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|------------|
|                            | FY25        |             |             |             | FY26E       |             |             |             | FY25         | FY26E        | FY25E       | v/s our    |
|                            | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              | 1QE         | Est        |
| <b>Net Interest Income</b> | <b>61.8</b> | <b>61.9</b> | <b>65.1</b> | <b>63.9</b> | <b>63.6</b> | <b>62.0</b> | <b>65.1</b> | <b>69.2</b> | <b>251.8</b> | <b>259.9</b> | <b>64.2</b> | <b>-1%</b> |
| % Change (YoY)             | 8.3         | 7.9         | 12.0        | 6.2         | 2.9         | 0.1         | 0.0         | 8.4         | 8.2          | 3.2          | 3.9         |            |
| Other Income               | 19.1        | 24.2        | 25.0        | 27.4        | 24.4        | 25.7        | 25.0        | 29.1        | 92.2         | 104.2        | 25.3        | -3%        |
| <b>Total Income</b>        | <b>80.8</b> | <b>86.2</b> | <b>90.1</b> | <b>91.3</b> | <b>88.0</b> | <b>87.7</b> | <b>90.1</b> | <b>98.3</b> | <b>344.0</b> | <b>364.2</b> | <b>89.5</b> | <b>-2%</b> |
| Operating Expenses         | 35.8        | 38.9        | 41.1        | 41.1        | 40.3        | 41.5        | 41.1        | 45.0        | 154.0        | 167.9        | 38.8        | 4%         |
| <b>Operating Profit</b>    | <b>45.0</b> | <b>47.3</b> | <b>49.0</b> | <b>50.2</b> | <b>47.7</b> | <b>46.2</b> | <b>49.0</b> | <b>53.3</b> | <b>190.0</b> | <b>196.2</b> | <b>50.6</b> | <b>-6%</b> |
| % Change (YoY)             | 8.9         | 9.9         | 19.6        | 16.6        | 6.0         | -2.2        | 0.0         | 6.2         | 12.8         | 3.3          | 12.5        |            |
| Provisions                 | 12.6        | 11.0        | 10.3        | 7.9         | 6.9         | 9.1         | 10.3        | 11.5        | 42.1         | 37.9         | 12.7        | -45%       |
| <b>Profit before Tax</b>   | <b>32.4</b> | <b>36.3</b> | <b>38.7</b> | <b>42.2</b> | <b>40.8</b> | <b>37.1</b> | <b>38.7</b> | <b>41.8</b> | <b>147.9</b> | <b>158.4</b> | <b>38.0</b> | <b>7%</b>  |
| Tax                        | 8.4         | 9.2         | 9.8         | 12.7        | 11.1        | 9.4         | 9.8         | 9.7         | 38.7         | 39.9         | 9.6         |            |
| <b>Net Profit</b>          | <b>24.0</b> | <b>27.1</b> | <b>28.9</b> | <b>29.6</b> | <b>29.7</b> | <b>27.8</b> | <b>28.9</b> | <b>32.0</b> | <b>109.2</b> | <b>118.5</b> | <b>28.4</b> | <b>5%</b>  |
| % Change (YoY)             | 40.6        | 36.2        | 36.6        | 31.6        | 23.7        | 2.6         | 0.0         | 8.3         | 35.4         | 8.5          | 18.1        |            |

### Operating Parameters

|                    |       |       |       |       |       |       |       |       |       |       |       |     |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| Deposits (INR b)   | 6,812 | 6,931 | 7,791 | 7,372 | 7,443 | 7,628 | 7,791 | 7,998 | 7,372 | 7,998 | 7,484 | -1% |
| Loans (INR b)      | 5,208 | 5,329 | 6,082 | 5,711 | 5,841 | 5,938 | 6,082 | 6,265 | 5,711 | 6,265 | 5,819 | 0%  |
| Deposit Growth (%) | 9.6   | 8.2   | 19.1  | 7.1   | 9.3   | 10.1  | 0.0   | 8.5   | 7.1   | 8.5   | 9.9   |     |
| Loan Growth (%)    | 14.1  | 13.2  | 24.2  | 10.9  | 12.1  | 11.4  | 0.0   | 9.7   | 10.9  | 9.7   | 11.7  |     |

### Asset Quality

|               |      |      |      |      |      |      |      |      |      |      |      |  |
|---------------|------|------|------|------|------|------|------|------|------|------|------|--|
| Gross NPA (%) | 3.8  | 3.5  | 3.0  | 3.1  | 3.0  | 3.0  | 3.0  | 2.8  | 4.0  | 2.8  | 3.1  |  |
| Net NPA (%)   | 0.4  | 0.3  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.2  | 0.4  | 0.2  | 0.2  |  |
| PCR (%)       | 90.0 | 92.5 | 94.1 | 93.9 | 94.3 | 94.0 | 94.1 | 94.2 | 89.5 | 94.2 | 93.1 |  |

E: MOFSL Estimates

|                 |   |
|-----------------|---|
| Estimate change | ↓ |
| TP change       | ↓ |
| Rating change   | ↔ |

**CMP: INR1676**      **TP: INR2,240 (34%)**      **BUY**

## Consistent growth delivery

### Cash flow conversion a key monitorable

|                       |             |
|-----------------------|-------------|
| Bloomberg             | COFORGE IN  |
| Equity Shares (m)     | 334         |
| M.Cap.(INRb)/(USDb)   | 560.7 / 6.5 |
| 52-Week Range (INR)   | 2005 / 1120 |
| 1, 6, 12 Rel. Per (%) | -10/-18/30  |
| 12M Avg Val (INR M)   | 4182        |

- COFORGE reported strong 1QFY26 revenue growth of 8.0% QoQ in CC terms, above our estimate of 7.0% QoQ CC. The company reported an order intake of USD507m( +61% YoY) in 1Q with five large deals, resulting in a robust 12-month executable order book of USD1.55b. EBIT margin stood at 13.2%, below our estimate of 14%. PAT stood at INR3.1b (up 21.2%/142% QoQ/YoY). M&A expenses stood at INR19m compared to INR148m in 4QFY25.
- The company's revenue/EBIT/adj. PAT grew 8.2%/35.7%/138% YoY. We expect revenue/EBIT/adj. PAT to grow 33.1%/54.1%/61.8% YoY in 2QFY26.
- COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. That said, softer cash flow performance during the quarter may exert pressure on the return profile. We now value COFORGE at 38x (vs 40x earlier) FY7 EPS, arriving at a TP of INR 2,240, implying 34% potential upside.

### Financials & Valuations (INR b)

| Y/E Mar          | FY25  | FY26E | FY27E |
|------------------|-------|-------|-------|
| Sales            | 120.5 | 165.4 | 200.9 |
| EBIT Margin (%)  | 13.0  | 13.5  | 14.0  |
| PAT              | 8.4   | 15.0  | 19.9  |
| EPS (INR)        | 30.2  | 46.4  | 58.9  |
| Adj. PAT         | 10.0  | 15.7  | 19.9  |
| Adj. EPS (INR)   | 25.2  | 44.2  | 58.9  |
| Adj. EPS Gr. (%) | -8.7  | 75.5  | 33.3  |
| BV/Sh. (INR)     | 193.4 | 214.5 | 243.8 |

### Ratios

|            |      |      |      |
|------------|------|------|------|
| RoE (%)    | 13.9 | 17.1 | 20.7 |
| RoCE (%)   | 16.3 | 16.7 | 17.9 |
| Payout (%) | 60.3 | 50.0 | 50.0 |

### Valuations

|               |      |      |      |
|---------------|------|------|------|
| P/E (x)       | 66.5 | 37.9 | 28.4 |
| P/BV (x)      | 8.7  | 7.8  | 6.9  |
| EV/EBITDA (x) | 27.2 | 18.6 | 14.9 |
| Div Yield (%) | 0.9  | 1.3  | 1.8  |

### Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 0.0    | 0.0    | 0.0    |
| DII      | 52.3   | 49.9   | 47.3   |
| FII      | 37.4   | 40.2   | 41.4   |
| Others   | 10.3   | 9.9    | 11.3   |

FII Includes depository receipts

### Our view: TTH momentum to sustain on continued Sabre ramp-up

- **Consistent revenue traction; Sabre ramp-up gives TTH a solid lift:** COFORGE reported yet another quarter of high single-digit (8%) sequential CC growth. The TTH vertical accounted for ~62% of incremental growth, led by the ongoing ramp-up of the Sabre deal, with further acceleration expected in 2Q. BFSI is also set for a growth rebound next quarter, with the large-deal pipeline remaining robust.
- **Deal TCV funnel remains firm:** COFORGE's executable order book for the next 12 months rose 46% YoY to USD1.55b. While deal TCV (ex-Sabre) has remained range-bound at ~USD500m in recent quarters, cross-sell initiatives with Cigniti are beginning to yield results, enabling COFORGE to win large deals. Management aims to close 20 large deals in FY26 (vs. 14 in FY25).
- **EBIT margin (ex one-offs) was flat QoQ:** EBIT margins were maintained in 1Q despite ramp-up costs, higher depreciation (AI data centers), and visa costs typically incurred in 1Q. Third party costs( sub-con costs) were 10.5% in 1QFY26 (vs 9.4% in 4QFY25) as deals ramped-up. We expect margins to improve sequentially, driven by the unwinding of ESOP costs. However, we do note that large deal ramp-ups could lead to a flatter margin recovery curve. We estimate FY26 EBIT margin at 13.5% (vs the company's guidance of 14%).
- **Free cash flow conversion:** Management reiterated its OCF/EBITDA conversion guidance of 65-70%; we believe this is par for a high-growth IT services company. However, FCF was **negative** this quarter, primarily due to elevated capex related to AI data center investments tied to a large deal. Owning an AI data center asset outright may provide long-term value to COFORGE; however, continued elevated capex could hurt the company's return profile. That said, management expects capex to normalize going forward, with major investments now largely behind.

## Valuation and changes to our estimates

- We believe COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. Cross-sell opportunities in Cigniti remain highly synergistic for the company. That said, softer cash flow performance during the quarter may exert pressure on the return profile. We have cut our EPS estimates for FY26 by 5%, while largely maintaining our FY27 EPS estimates. We value COFORGE at 38x (earlier 40x) FY27E EPS with a TP of INR2,240, **implying a 34% potential upside. We reiterate our BUY rating on the stock.**

## Beat on revenues and miss on margins; TTH leads growth; deal TCV up 61% YoY

- COFORGE's revenue grew 8.0% QoQ CC (est. 7.0% CC). Reported USD growth was 9.6% QoQ.
- Growth was led by the TTH vertical (+31.2% QoQ), followed by Others (Healthcare, Retail, and Hi-Tech), which rose 12.8% QoQ.
- Order intake stood at USD507m (up 61% YoY). The company signed five large deals during the quarter. The 12-month executable order book rose 46.9% YoY to USD1.55b. The company added six new logos during the quarter.
- EBIT margin stood at 13.2%, below our estimate of 14%.
- Adj. EBITDA (pre-RSU) rose 10.5%QoQ/63.8% YoY to INR7.0b.
- Utilization grew 10bp QoQ to 82.1%. Net employee addition stood at 1,164, up 3.5% QoQ. Attrition was up 40bp QoQ at 11.3%.
- PAT stood at INR3.1b (up 21.2%/142% QoQ/YoY). M&A expenses stood at INR19m compared to INR148m in 4QFY25.

## Key highlights from the management commentary

- Budget continues to remain similar to last quarter, given the overhang of discussions around macro and tariffs.
- The discretionary nature of spending for the firm remains abated.
- Execution intensity remains a key differentiator, evident across every aspect, including sales, solutions, and M&A, with execution-led metrics becoming central.
- 1) Sustained large deal proposal submissions by the sales team are seen as a better approach with TCV/ACV already signed.
- 2) Execution spans across geo play, vertical play, and partnership scale.
- 3) Hyper-specialization in a few select verticals is essential to create differentiation. AI budgets are increasing at a double-digit rate; industry specialization will remain a key metric in the AI era.
- Real-world AI implementation demands robust infrastructure, data foundation, and AI Ops processors, enabling clients to scale effectively.
- The Sabre deal will continue to ramp up in 2Q; 3Q is expected to witness headcount stabilization. Sales execution rewards are credited only to net-new deals; renewals are excluded from incentive metrics.
- EBIT margin was impacted by amortisation from recent acquisitions and higher depreciation due to AI-powered team investments, large deal ramp-up, and visa costs (typically 1Q-loaded).

## Valuation and view

- We believe COFORGE's strong executable order book and resilient client spending across verticals bode well for its organic business. Cross-sell opportunities in Cigniti remain highly synergistic for the company. However, slightly poor cash flow metrics during the quarter weigh on margins due to higher amortization. We have cut our EPS estimates for FY26 by 5%, while largely maintaining our FY27 EPS estimates. We value COFORGE at 38x (earlier 40x) FY27E EPS with a TP of INR2,240, **implying a 34% potential upside. We reiterate our BUY rating on the stock.**

## Quarterly Performance (IND-AS)

(INR Million)

| Y/E March<br>(Consolidated) | FY25   |        |        |        | FY26E  |        |        |        | FY25     | FY26E    | Est.    | Var.   |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|---------|--------|
|                             | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |          | 1QFY26  | (%/bp) |
| Rev. (USD m)                | 286    | 369    | 391    | 404    | 442    | 470    | 494    | 518    | 1,445    | 1,924    | 438     | 1.1    |
| QoQ (%)                     | 2.0    | 29.0   | 5.7    | 3.3    | 9.6    | 6.2    | 5.0    | 5.0    | 31.5     | 33.1     | 8.5     | 116bp  |
| Revenue (INR m)             | 23,751 | 30,623 | 32,581 | 34,099 | 36,886 | 40,762 | 42,801 | 44,941 | 1,20,507 | 1,65,390 | 37,450  | -1.5   |
| YoY (%)                     | 6.9    | 34.5   | 40.2   | 47.1   | 55.3   | 33.1   | 31.4   | 31.8   | 33.8     | 37.2     | 56.0    | -69bp  |
| GPM (%)                     | 32.2   | 32.4   | 33.4   | 34.1   | 34.1   | 34.2   | 33.5   | 34.2   | 33.6     | 34.0     | 35.0    | -90bp  |
| SGA (%)                     | 13.4   | 15.9   | 15.7   | 15.4   | 15.0   | 15.1   | 15.3   | 15.3   | 15.6     | 15.2     | 15.3    | -30bp  |
| EBITDA (INRm)               | 4,275  | 4,840  | 5,072  | 5,761  | 6,451  | 7,256  | 7,362  | 8,044  | 19,960   | 29,113   | 6,741   | -4.3   |
| EBITDA Margin (%)           | 18.0   | 15.8   | 15.6   | 16.9   | 17.5   | 17.8   | 17.2   | 17.9   | 16.6     | 17.6     | 18.0    | -51bp  |
| EBIT (INRm)                 | 3,558  | 3,597  | 3,907  | 4,507  | 4,859  | 5,544  | 5,650  | 6,269  | 15,684   | 22,322   | 5,243   | -7.3   |
| EBIT Margin (%)             | 15.0   | 11.7   | 12.0   | 13.2   | 13.2   | 13.6   | 13.2   | 14.0   | 13.0     | 13.5     | 14.0    | -83bp  |
| Other income                | -516   | -173   | -329   | -300   | 246    | -122   | -128   | -135   | -1,080   | -140     | -112    | -319.0 |
| ETR (%)                     | 34.4   | 25.5   | 25.5   | 22.2   | 18.2   | 23.0   | 23.0   | 24.0   | 25.7     | 22.3     | 24.5    | -25.8  |
| Minority Interest           | -61.0  | -314.0 | -404.0 | -461.0 | -390.0 | -433.6 | -433.6 | -433.6 | -1,240.0 | -1,690.8 | -25.7   | 1419.4 |
| Reported PAT                | 1,310  | 2,021  | 2,142  | 2,611  | 3,174  | 3,741  | 3,818  | 4,229  | 8,372    | 14,962   | 3,848   | -17.5  |
| QoQ (%)                     | -41.6  | 54.3   | 6.0    | 21.9   | 21.6   | 17.8   | 2.1    | 10.8   |          |          | 47.4    |        |
| YoY (%)                     | -21.4  | 11.7   | -10.0  | 16.3   | 142.3  | 85.1   | 78.2   | 62.0   | 0.9      | 78.7     | 186.4   |        |
| Extra-ordinary items        | 953    | 290    | 162    | 261    | 749    | 0      | 0      | 0      | 1,666    | 1,462    | 0.0     |        |
| Adj. PAT                    | 2,263  | 2,311  | 2,304  | 2,872  | 3,923  | 3,741  | 3,818  | 4,229  | 9,750    | 15,711   | 3,848.0 |        |
| EPS (INR)                   | 4.2    | 6.0    | 6.3    | 7.7    | 9.4    | 11.1   | 11.3   | 12.5   | 25.2     | 44.2     | 11.3    | -17.3  |

## Key Performance Indicators

| Y/E March                          | FY25   |        |        |        | FY26E  |  | FY25   |
|------------------------------------|--------|--------|--------|--------|--------|--|--------|
|                                    | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     |  |        |
| Revenue (QoQ CC %)                 | 1.6    | 26.3   | 8.4    | 3.4    | 8.0    |  |        |
| <b>Margins</b>                     |        |        |        |        |        |  |        |
| Gross Margin                       | 32.2   | 32.4   | 33.4   | 34.1   | 34.1   |  | 33.6   |
| EBIT Margin                        | 15.0   | 11.7   | 12.0   | 13.2   | 13.2   |  | 13.0   |
| Net Margin                         | 5.5    | 6.6    | 6.6    | 7.7    | 8.6    |  | 6.9    |
| <b>Operating metrics</b>           |        |        |        |        |        |  |        |
| Headcount                          | 26,612 | 32,483 | 33,094 | 33,497 | 34,187 |  | 33,497 |
| Attrition (%)                      | 11.4   | 11.7   | 11.9   | 10.9   | 11.3   |  | 10.9   |
| Deal Win TCV (USD b)               | 314    | 516    | 501    | 2,126  | 507    |  | 3,457  |
| <b>Key Verticals (YoY USD %)</b>   |        |        |        |        |        |  |        |
| BFS                                | 11.3   | 23.6   | 18.3   | 30.9   | 30.2   |  | 21.3   |
| Insurance                          | (5.1)  | 12.3   | 18.3   | 11.7   | 17.7   |  | 9.3    |
| Travel and Transport               | 6.6    | 30.0   | 40.8   | 55.9   | 88.9   |  | 33.2   |
| <b>Key Geographies (YoY USD %)</b> |        |        |        |        |        |  |        |
| North America                      | 9.6    | 48.2   | 66.4   | 64.7   | 69.5   |  | 47.1   |
| Europe                             | 4.2    | 15.7   | 18.4   | 15.3   | 20.6   |  | 13.5   |

# Supreme Industries

 Estimate change 

 TP change 

 Rating change 
**CMP: INR4,243**
**TP: INR5,350 (+26%)**
**Buy**

## Muted performance; forward-looking guidance remains positive

### Earnings below our estimate

- Supreme Industries (SI) reported a muted quarter amid the ongoing challenges of volatile pricing and the early onset of monsoon, affecting demand. The company reported flat revenue YoY with volume growth of only 6% YoY to 184k MT. EBITDA margin contracted 250bp YoY to 12.2%, mainly affected by inventory losses.
- However, management guided strong volume growth in the plastic piping system for FY26 (15-17%) despite muted growth in 1Q. This was led by a positive demand outlook amid stabilizing prices at affordable levels and the likely addition of Wavin capacity (~75,000MTPA) in 2QFY26. The overall EBITDA margin was guided to be ~14.5-15.5% in FY26, supported by the absence of inventory losses, a higher share of VAP, and an expected improvement in capacity utilization.
- Factoring in its weak 1Q operating performance but strong guidance, we cut our FY26E earnings by only 8% (despite a miss of 24% in 1Q) while maintaining our FY27 estimate. We value the stock at 45x FY27E EPS to arrive at our TP of INR5,350. **Reiterate BUY.**

### Margin contraction due to muted volumes and inventory losses

- Consolidated revenue was largely flat (-1%) YoY at INR26.1b (est. INR28.3b) while the volume grew 6% YoY to 183.8k MT, which was offset by a decline in realization (down 6% YoY, to INR142/Kg).
- Consolidated EBITDA declined -18% YoY to INR3.2b (est. INR3.9b) with an EBITDA margin of 12.2% (est. 14.0%), which contracted -250bp YoY. The EBITDA/Kg for the quarter was INR17.3/kg (-22% YoY). Adj. PAT declined 26% YoY to INR2b (est. INR2.6b).
- Plastic piping products reported a volume of 149k MT (+6% YoY) with revenue at INR17.9b (-4% YoY). EBIT stood at INR1.6b (-32% YoY), resulting in an EBIT margin of 8.8% (-370bp YoY). Realization came in at INR121/kg (-9% YoY), while EBIT per kg stood at INR10.6/kg (-36% YoY).
- For Industrial products, revenue stood at INR3b (-4% YoY), EBIT at INR176m (-10% YoY), and EBIT margin at 5.8% (-50bp YoY); for Packaging products, revenue was INR4b (+9% YoY), EBIT INR457m (+9% YoY), with an EBIT margin of 11.4% (flat YoY); and for Consumer products, revenue came in at INR984m (+1% YoY), EBIT at INR138m (-14% YoY), and EBIT margin at 14.0% (-250bp YoY).

### Highlights from the management commentary

- **Guidance:** Management guided a strong recovery in demand from 2QFY26 onwards, with channel restocking as inventory levels are below normal levels; normalization is expected by Sep'25. The company expects FY26 total volume growth of 14-15%, with plastic piping systems growing at a higher 15-17%. The EBITDA margin is projected to be 14.5–15.5%, and effective capacity utilization is likely to be 65-70% by year-end.

|                       |             |
|-----------------------|-------------|
| Bloomberg             | SI IN       |
| Equity Shares (m)     | 127         |
| M.Cap.(INRb)/(USDb)   | 538.9 / 6.2 |
| 52-Week Range (INR)   | 5725 / 3020 |
| 1, 6, 12 Rel. Per (%) | -5/3/-23    |
| 12M Avg Val (INR M)   | 994         |

### Financials & Valuations (INR b)

| Y/E Mar      | 2025   | 2026E | 2027E |
|--------------|--------|-------|-------|
| Sales        | 104.5  | 114.6 | 135.5 |
| EBITDA       | 14.3   | 16.1  | 22.1  |
| PAT          | 9.6    | 10.8  | 15.2  |
| EBITDA (%)   | 13.7   | 14.0  | 16.3  |
| EPS (INR)    | 75.6   | 85.0  | 119.6 |
| EPS Gr. (%)  | (10.2) | 12.4  | 40.7  |
| BV/Sh. (INR) | 445.5  | 496.5 | 582.1 |

### Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D/E    | -0.3 | -0.2 | -0.3 |
| RoE (%)    | 17.8 | 18.0 | 22.2 |
| RoCE (%)   | 15.8 | 16.1 | 20.2 |
| Payout (%) | 45.0 | 40.0 | 28.4 |

### Valuations

|               |      |      |      |
|---------------|------|------|------|
| P/E (x)       | 56.1 | 49.9 | 35.5 |
| EV/EBITDA (x) | 37.0 | 33.1 | 23.8 |
| Div Yield (%) | 0.8  | 0.8  | 0.8  |
| FCF Yield (%) | 0.2  | -0.3 | 2.0  |

### Shareholding Pattern (%)

| As on    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 48.9   | 48.9   | 48.9   |
| DII      | 14.6   | 13.3   | 11.5   |
| FII      | 22.0   | 22.9   | 25.1   |
| Others   | 14.6   | 15.0   | 14.6   |

Note: FII includes depository receipts

- **Capex:** The company expects cash outflow of ~INR13.5b in FY26, including INR3.1b for the Wavin acquisition. The balance will be invested for capacity addition across business verticals to drive product diversification. The company aims to expand plastic piping capacity to 1MMTPA by Mar'26. SI is also setting up a 5KMT window profile line in Kanpur.
- **Outlook:** SI remains optimistic about industry growth of ~9-10%. The overall business environment is improving, with a recovery expected in rural demand and sustained momentum in urban housing, infrastructure, and real estate segments. Moreover, supply-side volatility has reduced, with PVC prices stabilizing, but uncertainties remain around delayed government payments and the outcome of the ADD on PVC imports.

### Valuation and view

- Macro headwinds have hit the industry, including SI, over the last few quarters; however, with PVC prices expected to stabilize around this level and demand likely to improve, we anticipate the growth momentum to pick up going forward.
- With strong guidance of a 14-15% volume growth and a healthy EBITDA margin of 14.5-15.5% in FY26 backed by capacity additions, better utilization, higher VAP mix, and no inventory losses, we expect SI to clock 13%/22%/24% CAGR in revenue/EBITDA/PAT over FY25-28E. We value the stock at 45x FY27 EPS to arrive at a TP of INR5,350. **Reiterate BUY.**

### Consolidated - Quarterly Earnings Model

(INR m)

| Y/E March                                     | FY25         |              |              |              | FY26         |              |              |              | FY25          | FY26E         | FY26E        | Var        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|------------|
|   | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3QE          | 4QE          |               |               |              |            |
| Gross Sales                                   | 26,364       | 22,730       | 25,099       | 30,271       | 26,092       | 25,859       | 28,063       | 34,633       | 1,04,463      | 1,14,647      | 28,266       | -8         |
| YoY Change (%)                                | 11.3         | -1.5         | 2.5          | 0.6          | -1.0         | 13.8         | 11.8         | 14.4         | 3.1           | 9.7           | 7.2          |            |
| Total Expenditure                             | 22,490       | 19,537       | 22,011       | 26,108       | 22,903       | 22,399       | 24,115       | 29,131       | 90,146        | 98,548        | 24,314       |            |
| <b>EBITDA</b>                                 | <b>3,873</b> | <b>3,192</b> | <b>3,088</b> | <b>4,163</b> | <b>3,189</b> | <b>3,460</b> | <b>3,948</b> | <b>5,502</b> | <b>14,317</b> | <b>16,098</b> | <b>3,952</b> | <b>-19</b> |
| Margins (%)                                   | 14.7         | 14.0         | 12.3         | 13.8         | 12.2         | 13.4         | 14.1         | 15.9         | 13.7          | 14.0          | 14.0         |            |
| Depreciation                                  | 860          | 899          | 913          | 914          | 930          | 1,000        | 1,100        | 1,066        | 3,586         | 4,096         | 980          |            |
| Interest                                      | 33           | 26           | 30           | 30           | 28           | 30           | 30           | 30           | 119           | 118           | 35           |            |
| Other Income                                  | 214          | 151          | 89           | 125          | 169          | 200          | 250          | 303          | 578           | 922           | 180          |            |
| <b>PBT before EO expense</b>                  | <b>3,194</b> | <b>2,417</b> | <b>2,235</b> | <b>3,344</b> | <b>2,400</b> | <b>2,630</b> | <b>3,068</b> | <b>4,709</b> | <b>11,190</b> | <b>12,807</b> | <b>3,117</b> |            |
| <b>PBT</b>                                    | <b>3,194</b> | <b>2,417</b> | <b>2,235</b> | <b>3,344</b> | <b>2,400</b> | <b>2,630</b> | <b>3,068</b> | <b>4,709</b> | <b>11,190</b> | <b>12,807</b> | <b>3,117</b> |            |
| Tax   | 836          | 629          | 584          | 732          | 629          | 663          | 773          | 1,187        | 2,782         | 3,251         | 781          |            |
| Rate (%)                                      | 26.2         | 26.0         | 26.2         | 21.9         | 26.2         | 25.2         | 25.2         | 25.2         | 24.9          | 25.4          | 25.1         |            |
| Minority Interest & Profit/Loss of Asso. Cos. | 375          | 278          | 220          | 328          | 252          | 300          | 350          | 344          | 1,201         | 1,246         | 309          |            |
| <b>Reported PAT</b>                           | <b>2,734</b> | <b>2,066</b> | <b>1,870</b> | <b>2,939</b> | <b>2,023</b> | <b>2,267</b> | <b>2,645</b> | <b>3,866</b> | <b>9,609</b>  | <b>10,801</b> | <b>2,646</b> |            |
| <b>Adj PAT</b>                                | <b>2,734</b> | <b>2,066</b> | <b>1,870</b> | <b>2,939</b> | <b>2,023</b> | <b>2,267</b> | <b>2,645</b> | <b>3,866</b> | <b>9,609</b>  | <b>10,801</b> | <b>2,646</b> | <b>-24</b> |
| YoY Change (%)                                | 26.8         | -15.0        | -27.0        | -17.2        | -26.0        | 9.7          | 41.5         | 31.5         | -10.2         | 12.4          | -3.2         |            |
| Margins (%)                                   | 10.4         | 9.1          | 7.4          | 9.7          | 7.8          | 8.8          | 9.4          | 11.2         | 9.2           | 9.4           | 9.4          |            |

# Phoenix Mills

Estimate change 

TP change 

Rating change 

|                       |             |
|-----------------------|-------------|
| Bloomberg             | PHNX IN     |
| Equity Shares (m)     | 358         |
| M.Cap.(INRb)/(USD\$b) | 517.7 / 6   |
| 52-Week Range (INR)   | 1968 / 1338 |
| 1, 6, 12 Rel. Per (%) | -10/-13/-21 |
| 12M Avg Val (INR M)   | 1275        |

## Financials & Valuations (INR b)

| Y/E Mar      | FY25  | FY26E | FY27E |
|--------------|-------|-------|-------|
| Sales        | 38.1  | 46.7  | 52.1  |
| EBITDA       | 21.6  | 28.9  | 35.0  |
| EBITDA (%)   | 56.7  | 61.8  | 67.2  |
| PAT          | 9.8   | 17.8  | 22.2  |
| EPS (INR)    | 27.5  | 49.7  | 62.1  |
| EPS Gr. (%)  | -10.6 | 80.6  | 24.8  |
| BV/Sh. (INR) | 292.2 | 338.9 | 398.0 |

## Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D/E    | 0.4  | 0.4  | 0.2  |
| RoE (%)    | 9.9  | 15.8 | 16.8 |
| RoCE (%)   | 11.1 | 13.3 | 14.3 |
| Payout (%) | 9.1  | 6.0  | 4.8  |

## Valuations

|               |      |      |      |
|---------------|------|------|------|
| P/E (x)       | 52.6 | 29.1 | 23.3 |
| P/BV (x)      | 5.0  | 4.3  | 3.6  |
| EV/EBITDA (x) | 25.9 | 19.6 | 15.8 |
| Div Yield (%) | 0.2  | 0.2  | 0.2  |

## Shareholding Pattern (%)

| As on        | Jun-25 | Mar-25 | Jun-24 |
|--------------|--------|--------|--------|
| Promoter (%) | 47.3   | 47.3   | 47.3   |
| DII (%)      | 12.7   | 12.6   | 13.3   |
| FII (%)      | 36.3   | 36.2   | 35.4   |
| Others (%)   | 3.7    | 4.0    | 4.0    |

**CMP: INR1,448**

**TP: 1,646 (+14%)**

**Neutral**

## ISMDPL stake buyout to unlock value across key assets

### Consumption grows 12% in 1QFY26

- Phoenix Mills (PHNX) reported 1QFY26 revenue of INR9.5b, up 5% YoY/down 6% QoQ (15% below estimate), while EBITDA came in at INR5.6b, up 6% YoY/1% QoQ (19% below estimate). Margin stood at 59.2%, up 48bp YoY/415bp QoQ (259bp below our estimate).
- Adj. PAT stood at INR2.4b, up 3% YoY/down 11% QoQ (36% miss). PAT margin was 25.3%, down 47bp YoY/124bp QoQ (822bp below estimate).
- In 1QFY26, group net debt stood at INR26.6b, down INR0.5b from 4QFY25.

### Retail witnesses strong consumption

- Total consumption stood at ~INR35.9b, up 12% YoY, driven primarily by Phoenix Ahmedabad and the continued ramp-up of Phoenix Mall of the Millennium and Phoenix Mall of Asia.
- Fashion/jewelry/multiplex outperformed with 14%/15%/26% YoY growth, while electronics grew 1% YoY and F&B rose to 2% YoY.
- Gross retail collections at INR8.5b were up 7% YoY. The company reported rental income of INR5.1b, up 4% YoY.
- Retail EBITDA stood at INR5.4b, up 4% YoY.
- The weighted average trading occupancy stood at 89% (91% in 4QFY25). However, leased occupancy stood at 95%+. The gap is strategic and is because of initiatives taken to churn, resize and relocate to establish premium positioning for the mall and boost footfall.
- Trading occupancy was flat QoQ at 95% for Palladium Ahmedabad and 92% for Mall of the Millennium, Pune; however, it increased for Mall of Asia, Bengaluru, to 88% from 83% in 4QFY25.

### Office occupancy rises, while Hospitality occupancy declines

- Hospitality:** Occupancy was at 83% in St. Regis in 1QFY26 (vs. 92% in 4QFY25) and 71% for Marriott Agra (vs. 87% in 4QFY25). St. Regis/Marriott Agra reported ARR of INR16,425/INR4,166, up 13%/5% YoY.
- Total income for St. Regis/Marriott Agra was INR1.2b/INR110m, up 10%/24% YoY. EBITDA stood at INR570m for St. Regis and INR16m for Marriott Agra, up 19% each YoY, with margins of 47% and 15%, respectively.
- Commercial performance:** Occupancy in the office portfolio increased by 3% to 70%. Gross leasing stood at 0.41msf.
- Income from commercial offices stood at INR520m, up 4% YoY, and EBITDA came in at INR340m, up 8% YoY.
- EBITDA margin stood at 65% in 1QFY26 vs. 63% in 1QFY25.

### Residential portfolio to expand by 1msf

- In 1QFY26, the company achieved gross sales of INR1.7b, while collections stood at INR1b. ASP was at INR27,000psf.
- The company plans to expand its residential portfolio by 1msf by FY27.

### Acquisition of 49% stake of ISMDPL

- PHNX board has approved the acquisition of the remaining 49% stake in Island Star Mall Developers Pvt. Ltd. (ISMDPL) from CPP Investments, increasing its ownership to 100%, pending shareholder and regulatory approvals. The deal consideration of ~INR54.5b will be paid over 36 months in four tranches via buyback, capital reduction, dividend payout, and/or secondary purchase. This move strengthens PHNX's high-quality retail asset portfolio, unlocking long-term value. The transaction is expected to be earnings-accretive from year one, with a significant upside when rental income stabilizes and the 2.71msf incremental FSI potential is developed over the medium term.

### Valuation and view

- While new malls continue to ramp up well, PHNX is implementing measures to accelerate consumption at mature malls. These initiatives, along with a further increase in trading occupancy, will help to sustain healthy traction in consumption.
- The acquisition of the remaining 49% stake in ISMDPL strengthens its high-quality retail asset portfolio, unlocking long-term value. The transaction is expected to be earnings-accretive from year one, with a significant upside when rental income stabilizes and the 2.71msf incremental FSI potential is developed over the medium-term post FY27. Staggered payments over three years takes net debt-to-equity to 0.2x for the FY27 which was expected to net cash earlier.
- We retain our rating to Neutral with a revised TP of INR1,646/share (earlier INR1673/share), implying upside potential of 14%.**

### Financial Performance

| Y/E March                    | FY25         |              |              |               | FY26E        |               |               |               | FY25          | FY26E         | FY26E<br>1Q est | Var. %  |
|------------------------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------|
|                              | 1Q           | 2Q           | 3Q           | 4Q            | 1Q           | 2Q            | 3Q            | 4Q            |               |               |                 |         |
| <b>Gross Sales</b>           | <b>9,041</b> | <b>9,180</b> | <b>9,751</b> | <b>10,163</b> | <b>9,530</b> | <b>10,747</b> | <b>12,149</b> | <b>14,301</b> | <b>38,136</b> | <b>46,726</b> | <b>11,214</b>   | -15%    |
| YoY Change (%)               | 11.5         | 4.9          | -1.1         | -22.2         | 5.4          | 17.1          | 24.6          | 40.7          | -4.1          | 22.5          | 24.0            |         |
| Total Expenditure            | 3,731        | 4,003        | 4,223        | 4,567         | 3,887        | 4,105         | 4,641         | 5,216         | 16,524        | 17,848        | 4,284           |         |
| <b>EBITDA</b>                | <b>5,310</b> | <b>5,177</b> | <b>5,528</b> | <b>5,597</b>  | <b>5,643</b> | <b>6,642</b>  | <b>7,508</b>  | <b>9,085</b>  | <b>21,612</b> | <b>28,878</b> | <b>6,931</b>    | -19%    |
| Margins (%)                  | 58.7         | 56.4         | 56.7         | 55.1          | 59.2         | 61.8          | 61.8          | 63.5          | 56.7          | 61.8          | 61.8            | -259bps |
| Depreciation                 | 775          | 775          | 813          | 902           | 934          | 812           | 918           | 866           | 3,265         | 3,531         | 835             |         |
| Interest                     | 1,031        | 1,031        | 1,029        | 941           | 951          | 1,032         | 1,166         | 1,336         | 4,032         | 4,485         | 973             |         |
| Other Income                 | 383          | 371          | 304          | 451           | 315          | 339           | 384           | 437           | 1,509         | 1,476         | 386             |         |
| <b>PBT before EO expense</b> | <b>3,887</b> | <b>3,741</b> | <b>3,991</b> | <b>4,204</b>  | <b>4,072</b> | <b>5,138</b>  | <b>5,808</b>  | <b>7,320</b>  | <b>15,824</b> | <b>22,338</b> | <b>5,509</b>    | -26%    |
| Extra-Ord expense            | -5           | 0            | 160          | -27           | 0            | 0             | 0             | 0             | 127           | 0             | 0               |         |
| <b>PBT</b>                   | <b>3,882</b> | <b>3,741</b> | <b>4,151</b> | <b>4,177</b>  | <b>4,072</b> | <b>5,138</b>  | <b>5,808</b>  | <b>7,320</b>  | <b>15,951</b> | <b>22,338</b> | <b>5,509</b>    | -26%    |
| Tax                          | 747          | 835          | 641          | 712           | 873          | 946           | 1,069         | 1,224         | 2,936         | 4,111         | 1,014           |         |
| Rate (%)                     | 19.3         | 22.3         | 15.4         | 16.9          | 21.4         | 18.4          | 18.4          | 16.7          | 18.4          | 18.4          | 18.4            |         |
| MI & P/L of Asso. Cos.       | 809          | 725          | 862          | 777           | 792          | 105           | 118           | -560          | 3,173         | 456           | 741             |         |
| <b>Reported PAT</b>          | <b>2,326</b> | <b>2,181</b> | <b>2,648</b> | <b>2,688</b>  | <b>2,407</b> | <b>4,087</b>  | <b>4,620</b>  | <b>6,656</b>  | <b>9,842</b>  | <b>17,771</b> | <b>3,754</b>    | -36%    |
| <b>Adj PAT</b>               | <b>2,326</b> | <b>2,181</b> | <b>2,648</b> | <b>2,693</b>  | <b>2,407</b> | <b>4,087</b>  | <b>4,620</b>  | <b>6,656</b>  | <b>9,842</b>  | <b>17,771</b> | <b>3,754</b>    | -36%    |
| YoY Change (%)               | -3.3         | -13.7        | -5.2         | -17.6         | 3.5          | 87.4          | 74.5          | 147.2         | -10.5         | 80.6          | 61.4            |         |
| Margins (%)                  | 25.7         | 23.8         | 27.2         | 26.5          | 25.3         | 38.0          | 38.0          | 46.5          | 25.8          | 38.0          | 33.5            | -822bps |

Source: Company, MOFSL

# APL Apollo Tubes

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

**CMP: INR1,686**      **TP: INR2,000 (+19%)**      **Buy**

## Margin recovery on track

### Operating performance in line with our estimates

- APL Apollo Tubes (APAT) showed a healthy recovery in operating performance in 1QFY26 despite weaker macroeconomic conditions, higher employee costs (incl. one-off ESOP cost) and geopolitical headwinds. EBITDA grew 23% YoY, led by volume growth of 10% YoY and EBITDA/MT of INR4,683 (up 12% YoY).
- We expect the growth momentum to improve ahead, led by capacity expansion and demand recovery from railways, aviation and real estate infra projects. For FY26, management has guided for volume growth of 10-15% and EBITDA/MT of INR4,600-5,000.
- We largely maintain our FY26E/FY27E earnings and value the stock at 35x FY27E EPS to arrive at our TP of INR2,000. **Reiterate BUY.**

| Bloomberg             | APAT IN     |
|-----------------------|-------------|
| Equity Shares (m)     | 278         |
| M.Cap.(INRb)/(USD\$b) | 468 / 5.4   |
| 52-Week Range (INR)   | 1936 / 1253 |
| 1, 6, 12 Rel. Per (%) | -6/-1/11    |
| 12M Avg Val (INR M)   | 958         |

### Financials & Valuations (INR b)

| Y/E Mar      | FY25  | FY26E | FY27E |
|--------------|-------|-------|-------|
| Sales        | 206.9 | 246.1 | 294.0 |
| EBITDA       | 12.0  | 17.5  | 22.6  |
| PAT          | 7.6   | 11.6  | 15.7  |
| EBITDA (%)   | 5.8   | 7.1   | 7.7   |
| EPS (INR)    | 27.3  | 41.9  | 56.6  |
| EPS Gr. (%)  | 3.4   | 53.5  | 35.0  |
| BV/Sh. (INR) | 151.7 | 187.7 | 238.2 |

### Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D/E    | 0.0  | 0.0  | -0.1 |
| RoE (%)    | 19.4 | 24.7 | 26.6 |
| RoCE (%)   | 18.0 | 23.9 | 26.7 |
| Payout (%) | 21.1 | 14.3 | 10.6 |

### Valuations

|               |      |      |      |
|---------------|------|------|------|
| P/E (x)       | 61.9 | 40.3 | 29.8 |
| EV/EBITDA (x) | 39.1 | 26.7 | 20.4 |
| Div Yield (%) | 0.3  | 0.4  | 0.4  |
| FCF Yield (%) | 1.2  | 0.3  | 2.0  |

### Shareholding Pattern (%)

| As on    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 28.3   | 28.3   | 28.3   |
| DII      | 16.8   | 16.8   | 14.9   |
| FII      | 33.1   | 31.8   | 31.6   |
| Others   | 21.8   | 23.2   | 25.2   |

Note: FII includes depository receipts

### Healthy volume and better margins boost EBITDA

- Consol. revenue grew 4% YoY (down 6% QoQ) to INR51.7b (in line), led by sales volume growth of 10% YoY (down 7% QoQ) to ~794KMT. VAP mix stood at 61% in 1QFY26 vs. 60%/58% in 1QFY25/4QFY25.
- Gross profit/MT was up 2% YoY/4% QoQ at INR9,938. EBITDA/MT rose 12% YoY (down 4% QoQ) to INR4,683 (est. INR4,837). EBITDA grew 23% YoY (down 10% QoQ) to INR3.7b (in line).
- Adj. PAT jumped 23% YoY but declined 19% QoQ to INR2.4b (in line).

### Highlights from the management commentary

- **Outlook:** APAT has lowered its FY26 volume growth guidance to 10-15% from 15-20% earlier. It has revised its EBITDA/MT range to INR4,600-5,000 per ton vs. ~INR5000/MT previously.
- **Divestment in Shankara:** In the last 3-3.5 years, Shankara has quadrupled and the company now does not see any point in holding its investment in it. APAT divested its complete stake in the same.
- **Expansion plans:** APAT plans to expand via four key levers: expansions in key markets (East India, South India, and Dubai), new product segments, exports, and sustaining its brand premium. APAT expects capex of INR15b in the next three years to raise capacity from 4.5MT to 6.8MT by FY28.

### Valuation and view

- We expect volume growth to improve further, led by capacity expansion in key markets, new product additions, and higher exports. Margin will also improve, driven by cost optimization, increased automation, and a rising mix of value-added products, driving steady growth in EBITDA/MT.
- We expect the growth momentum to further improve, led by demand recovery from railways, aviation and real estate infra projects and capacity expansion.
- We expect a CAGR of 19%/37%/44% in revenue/EBITDA/PAT over FY25-27E. We value the stock at 35x FY27 EPS to arrive at a TP of INR2,000. **Reiterate BUY.**

**Consolidated - Quarterly Earning Model**
**(INRm)**

| Y/E March                    | FY25          |               |               |               | FY26          |               |               |               | FY25            | FY26E           | FY26E<br>1E   | Var<br>%  |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|-----------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |                 |                 |               |           |
| <b>Gross Sales</b>           | <b>49,743</b> | <b>47,739</b> | <b>54,327</b> | <b>55,086</b> | <b>51,698</b> | <b>60,133</b> | <b>65,812</b> | <b>68,477</b> | <b>2,06,895</b> | <b>2,46,120</b> | <b>52,607</b> | <b>-2</b> |
| YoY Change (%)               | 9.4           | 3.1           | 30.0          | 15.6          | 3.9           | 26.0          | 21.1          | 24.3          | 14.2            | 19.0            | 5.8           |           |
| Total Expenditure            | 46,727        | 46,359        | 50,872        | 50,949        | 47,978        | 55,880        | 61,165        | 63,575        | 1,94,906        | 2,28,598        | 48,765        |           |
| <b>EBITDA</b>                | <b>3,016</b>  | <b>1,381</b>  | <b>3,456</b>  | <b>4,137</b>  | <b>3,720</b>  | <b>4,253</b>  | <b>4,648</b>  | <b>4,901</b>  | <b>11,990</b>   | <b>17,522</b>   | <b>3,842</b>  | <b>-3</b> |
| Margins (%)                  | 6.1           | 2.9           | 6.4           | 7.5           | 7.2           | 7.1           | 7.1           | 7.2           | 5.8             | 7.1             | 7.3           |           |
| Depreciation                 | 465           | 469           | 503           | 576           | 544           | 580           | 585           | 596           | 2,013           | 2,305           | 580           |           |
| Interest                     | 278           | 364           | 368           | 323           | 333           | 250           | 150           | 117           | 1,333           | 850             | 200           |           |
| Other Income                 | 247           | 148           | 217           | 349           | 256           | 270           | 300           | 340           | 961             | 1,166           | 273           |           |
| <b>PBT before EO expense</b> | <b>2,520</b>  | <b>696</b>    | <b>2,801</b>  | <b>3,587</b>  | <b>3,099</b>  | <b>3,693</b>  | <b>4,213</b>  | <b>4,528</b>  | <b>9,604</b>    | <b>15,532</b>   | <b>3,335</b>  |           |
| <b>PBT</b>                   | <b>2,520</b>  | <b>696</b>    | <b>2,801</b>  | <b>3,587</b>  | <b>3,099</b>  | <b>3,693</b>  | <b>4,213</b>  | <b>4,528</b>  | <b>9,604</b>    | <b>15,532</b>   | <b>3,335</b>  |           |
| Tax                          | 589           | 158           | 631           | 656           | 728           | 929           | 1,060         | 1,192         | 2,034           | 3,910           | 840           |           |
| Rate (%)                     | 23.4          | 22.7          | 22.5          | 18.3          | 23.5          | 25.2          | 25.2          | 26.3          | 21.2            | 25.2            | 25.2          |           |
| <b>Reported PAT</b>          | <b>1,932</b>  | <b>538</b>    | <b>2,170</b>  | <b>2,931</b>  | <b>2,372</b>  | <b>2,763</b>  | <b>3,152</b>  | <b>3,336</b>  | <b>7,571</b>    | <b>11,623</b>   | <b>2,496</b>  |           |
| <b>Adj PAT</b>               | <b>1,932</b>  | <b>538</b>    | <b>2,170</b>  | <b>2,931</b>  | <b>2,372</b>  | <b>2,763</b>  | <b>3,152</b>  | <b>3,336</b>  | <b>7,571</b>    | <b>11,623</b>   | <b>2,496</b>  | <b>-5</b> |
| YoY Change (%)               | -0.2          | -73.5         | 31.1          | 72.0          | 22.8          | 413.5         | 45.3          | 13.8          | 3.4             | 53.5            | 12.7          |           |
| Margins (%)                  | 3.9           | 1.1           | 4.0           | 5.3           | 4.6           | 4.6           | 4.8           | 4.9           | 3.7             | 4.7             | 4.7           |           |

**Key performance indicators**

| Y/E March                         | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | YOY     | QOQ    |
|-----------------------------------|--------|--------|--------|--------|--------|---------|--------|
| <b>Segment Volumes ('000 MT)</b>  |        |        |        |        |        |         |        |
| <b>Apollo Structural</b>          |        |        |        |        |        |         |        |
| Big Section                       | 58     | 52     | 67     | 70     | 59     | 2%      | -15%   |
| Super Heavy Section               | 11     | 11     | 13     | 12     | 12     | 15%     | 4%     |
| Light Structures                  | 110    | 127    | 143    | 143    | 129    | 18%     | -10%   |
| General Structures                | 288    | 338    | 360    | 353    | 308    | 7%      | -13%   |
| Apollo Z - Rust-proof structures  | 168    | 150    | 166    | 185    | 191    | 13%     | 3%     |
| Apollo Z- Coated Products         | 52     | 51     | 46     | 55     | 63     | 23%     | 15%    |
| Apollo Galv - Agri/Industrial     | 34     | 29     | 34     | 33     | 31     | -9%     | -6%    |
| TOTAL                             | 721    | 758    | 828    | 850    | 794    | 10%     | -7%    |
| Value-added Products              | 433    | 420    | 468    | 497    | 486    | 12%     | -2%    |
| <b>Segment EBITDA/MT (INR/MT)</b> | 60%    | 55%    | 56%    | 58%    | 61%    | 2%      | 5%     |
| <b>Apollo Structural</b>          |        |        |        |        |        |         |        |
| Big Section                       | 7,901  | 5,541  | 8,179  | 8,482  | 8,691  | 10%     | 2%     |
| Super Heavy Section               | 9,425  | 7,069  | 9,553  | 9,958  | 10,368 | 10%     | 4%     |
| Light Structures                  | 5,169  | 2,899  | 5,226  | 5,752  | 5,996  | 16%     | 4%     |
| General Structures                | 1,944  | -24    | 1,970  | 2,897  | 2,527  | 30%     | -13%   |
| Apollo Z - Rust-proof structures  | 4,958  | 2,567  | 5,199  | 5,715  | 5,553  | 12%     | -3%    |
| Apollo Z- Coated Products         | 5,757  | 3,395  | 5,921  | 6,312  | 6,333  | 10%     | 0%     |
| Apollo Galv - Agri/Industrial     | 5,698  | 3,340  | 5,805  | 5,423  | 5,869  | 3%      | 8%     |
| <b>Cost Break-up</b>              |        |        |        |        |        |         |        |
| RM Cost (% of sales)              | 86%    | 89%    | 86%    | 85%    | 85%    | -111bps | -53bps |
| Employee Cost (% of sales)        | 2%     | 2%     | 2%     | 1%     | 2%     | 19bps   | 43bps  |
| Other Cost (% of sales)           | 6%     | 6%     | 6%     | 6%     | 6%     | -21bps  | 41bps  |
| Gross Margins (%)                 | 14%    | 11%    | 14%    | 15%    | 15%    | 111bps  | 53bps  |
| EBITDA Margins (%)                | 6.1%   | 2.9%   | 6.4%   | 7.5%   | 7.2%   | 113bps  | -31bps |

Estimate change   
TP change   
Rating change 

**CMP: INR1,890 TP: INR2,040 (+8%) Downgrade to Neutral**  
**EBITDA below est.; realization gains offset by higher costs**

**Management estimates cement demand to grow ~6-7% YoY in FY26**

| Bloomberg             | ACC IN      |
|-----------------------|-------------|
| Equity Shares (m)     | 188         |
| M.Cap.(INRb)/(USD\$b) | 354.9 / 4.1 |
| 52-Week Range (INR)   | 2692 / 1775 |
| 1, 6, 12 Rel. Per (%) | 2/-17/-31   |
| 12M Avg Val (INR M)   | 802         |

**Financials & Valuations (INR b)**

| Y/E Dec           | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Sales             | 244.7 | 275.5 | 305.6 |
| EBITDA            | 30.8  | 37.9  | 44.9  |
| Adj. PAT          | 17.2  | 21.8  | 26.2  |
| EBITDA Margin (%) | 12.6  | 13.7  | 14.7  |
| Adj. EPS (INR)    | 91.3  | 116.2 | 139.5 |
| EPS Gr. (%)       | 28.3  | 27.2  | 20.1  |
| BV/Sh. (INR)      | 1,056 | 1,164 | 1,294 |

**Ratios**

|            |      |      |      |
|------------|------|------|------|
| Net D:E    | -0.2 | -0.2 | -0.3 |
| RoE (%)    | 9.0  | 10.5 | 11.4 |
| RoCE (%)   | 9.3  | 10.7 | 11.6 |
| Payout (%) | 8.8  | 7.7  | 7.2  |

**Valuations**

|                |      |      |      |
|----------------|------|------|------|
| P/E (x)        | 20.7 | 16.3 | 13.6 |
| P/BV (x)       | 1.8  | 1.6  | 1.5  |
| EV/EBITDA(x)   | 10.0 | 7.8  | 6.1  |
| EV/ton (USD)   | 82   | 78   | 73   |
| Div. Yield (%) | 0.4  | 0.5  | 0.5  |
| FCF Yield (%)  | 1.3  | 4.6  | 6.0  |

**Shareholding Pattern (%)**

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 56.7   | 56.7   | 56.7   |
| DII      | 24.3   | 25.1   | 25.0   |
| FII      | 4.7    | 4.8    | 5.6    |
| Others   | 14.4   | 13.4   | 12.7   |

FII includes depository receipts

- ACC's 1QFY26 EBITDA missed our estimate due to lower blended realization/t and higher opex/t. EBITDA increased ~14% YoY to INR7.7b (10% miss). EBITDA/t inched up ~2% YoY (flat QoQ) to INR675 (est. INR794). OPM contracted 30bp YoY to ~13% (est. ~15%). Adj. PAT increased ~5% YoY to INR3.8b (24% miss led by higher finance cost and effective tax rate).
- Management indicated that cement demand grew ~4% YoY in 1QFY26, and the outlook remains positive in 2Q. ACC believes demand will grow ~6-7% YoY in FY26, fueled by affordable housing and increased spending on the infrastructure and commercial segments. In Jul'25, ACC commissioned a 1.5mtpa grinding capacity through brownfield expansion at Sindri, Jharkhand. It is also setting up a greenfield GU at Salai Banwa, Uttar Pradesh, having a capacity of 2.4mtpa. The company also added 12 RMC plants during the quarter, taking the total RMC plant count to 114. The company's premium product share increased to 41% of trade sales.
- We cut our EBITDA estimates by 7%/2% for FY26/FY27, factoring in ACC's weak 1QFY26 performance. We also introduce our FY28 estimates with this note. We believe that the Adani group will have a single listed cement entity eventually leading to the merger of ACC and ACEM. Hence, the consolidated financials of ACEM reflect a clear picture of the group's cement business performance.
- Due to these reasons, we believe ACC will continue to underperform, despite trading at an inexpensive valuation of 10x/8x FY26E/FY27E EV/EBITDA and USD82/USD78 EV/t. **Accordingly, we downgrade ACC to Neutral and value it at 8x Jun'27E EV/EBITDA to arrive at our TP of INR2,040 (vs. INR2,400 valued at 10x FY27E EV/EBITDA).**

**Sales volume up ~12% YoY; EBITDA/t at INR675 (est. INR794)**

- ACC's revenue/EBITDA/PAT stood at INR60.7b/INR7.7b/INR3.8b (+17%/+14%/+5% YoY and +4%/-10%/-24% vs. estimates) in 1QFY26. Sales volumes were up 12% YoY at 11.5mt (+6% vs. our estimate). Cement realization rose 3% YoY (up 4% QoQ; in line with estimate) at INR4,934/t. Blended realization improved ~4% YoY/QoQ to INR5,298 (~1 below our estimate).
- Opex/t rose 4% YoY to INR4,623 (up 5% QoQ; 1% above our estimate), led by a 7%/9% YoY rise in variable costs/other expenses per tonne. Employee costs increased 27%/17% YoY, while freight cost/t declined ~6% YoY. OPM contracted 30bp YoY to ~13%, and EBITDA/t inched up 2% YoY to INR675.
- Depreciation increased ~7% YoY, whereas finance cost declined ~9% YoY. The effective tax rate was ~33% (est. 25%) vs. 25.6% in 1QFY25.

**Key highlights from the management commentary**

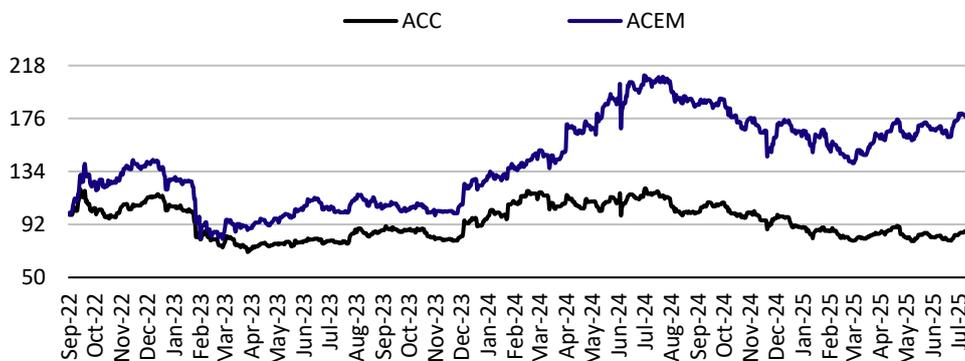
- Fuel consumption cost was INR1.56/Kcal vs INR1.73/INR1.47 in 1Q/4QFY25. The WHRS share was 13.9% vs. 9.9%/13.5% in 1QFY25/4QFY25. Its overall green power share surged to 26.2% vs. 14.3%/22.5% in 1QFY25/4QFY25. The target is to increase the green power share to ~60% by FY28.

- ACC expects thermal energy consumption to decline in the coming quarters, driven by capex-based efficiency improvement projects (currently at 738 Kcal/t of clinker).
- Logistics cost reduction was led by lead distance optimization, an increase in road direct dispatch (up 2pp to 69%), and freight price negotiations (road PTPK dipped 1% YoY to INR4.15).

### Valuation and view

- ACC reported a weak performance in 1QFY26 as the gain of higher realization was offset by higher opex/t. Volume growth has also been higher, aided by MSA through group companies. Further, the benefits of the company’s initiatives towards sustainable cost reduction, product premiumization, and group-level synergies are yet to reflect in the profitability. We estimate a CAGR of 13%/24%/25% for revenue/EBITDA/PAT over FY25-28. We estimate a volume CAGR of ~11% over FY25-28 and EBITDA/t at INR660/INR730/INR790 in FY26/FY27/FY28 vs INR565 in FY25.
- ACC has underperformed ACEM in the last two years (Exhibit 1), and we believe that the underperformance will continue due to expectations of its merger with ACEM. Our channel checks indicate that the Adani group has started rebranding their non-trade products as Adani Cement and will remove the Ambuja and ACC names from the cement bags w.e.f. 1st Aug’25. Hence, we downgrade our rating on ACC to Neutral. We value ACC at 8.0x Jun’27E EV/EBITDA to arrive at our revised TP of INR2,040 (vs. INR2,400 valued at 10x FY27E EV/EBITDA).

### ACC underperforms ACEM since Adani’s acquisition of Holcim’s stake in ACC and ACEM



Source: MOFSL, Bloomberg; Note Chart is based on the market capitalization and rebased to 100

### Standalone quarterly performance

(INR b)

| Y/E March                 | FY25        |             |             |             | FY26E       |             |             |             | FY25         | FY26E        | FY26<br>1QE | Var.<br>(%) |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|
|                           | 1Q          | 2Q          | 3Q          | 4Q          | 1Q          | 2QE         | 3QE         | 4QE         |              |              |             |             |
| Cement Sales (mt)         | 10.20       | 9.30        | 10.70       | 11.90       | 11.45       | 10.23       | 11.77       | 13.28       | 42.1         | 46.7         | 10.8        | 6           |
| Change (YoY %)            | 8.5         | 14.8        | 20.5        | 14.0        | 12.3        | 10.0        | 10.0        | 11.6        | 36.4         | 11.0         | 6.0         |             |
| <b>Net Sales</b>          | <b>52.0</b> | <b>46.1</b> | <b>52.6</b> | <b>60.6</b> | <b>60.7</b> | <b>53.9</b> | <b>61.7</b> | <b>68.4</b> | <b>210.3</b> | <b>244.7</b> | <b>58.1</b> | <b>4</b>    |
| Change (YoY %)            | (0.0)       | 3.9         | 6.9         | 12.2        | 16.7        | 17.0        | 17.3        | 12.9        | (5.3)        | 16.3         | 12.7        |             |
| <b>EBITDA</b>             | <b>6.8</b>  | <b>4.3</b>  | <b>4.7</b>  | <b>8.0</b>  | <b>7.7</b>  | <b>6.0</b>  | <b>7.6</b>  | <b>9.5</b>  | <b>22.9</b>  | <b>30.8</b>  | <b>8.6</b>  | <b>(10)</b> |
| Margin (%)                | 13.0        | 9.3         | 9.0         | 13.2        | 12.7        | 11.1        | 12.3        | 13.9        | 10.9         | 12.6         | 14.8        | (203)       |
| Change (YoY %)            | (11.9)      | (21.7)      | (47.7)      | (4.4)       | 14.1        | 39.5        | 60.1        | 18.7        | 140.5        | 34.6         | 26.7        |             |
| Depreciation              | 2.2         | 2.3         | 2.5         | 2.5         | 2.4         | 2.5         | 2.5         | 2.5         | 9.6          | 9.8          | 2.3         | 4           |
| Interest                  | 0.3         | 0.3         | 0.3         | 0.1         | 0.3         | 0.3         | 0.3         | 0.3         | 1.1          | 1.3          | 0.2         | 68          |
| Other Income              | 0.7         | 1.5         | 1.1         | 0.6         | 0.7         | 0.8         | 0.9         | 1.0         | 4.0          | 3.4          | 0.7         | 6           |
| <b>PBT before EO Item</b> | <b>4.9</b>  | <b>3.2</b>  | <b>3.1</b>  | <b>6.0</b>  | <b>5.7</b>  | <b>4.1</b>  | <b>5.7</b>  | <b>7.7</b>  | <b>16.2</b>  | <b>23.2</b>  | <b>6.8</b>  | <b>(15)</b> |
| EO Income/(Expense)       | 0.0         | 0.0         | 11.7        | 2.6         | 0.0         | 0.0         | 0.0         | 0.0         | 14.3         | 0.0          | 0.0         |             |
| <b>PBT after EO Item</b>  | <b>4.9</b>  | <b>3.2</b>  | <b>14.8</b> | <b>8.6</b>  | <b>5.7</b>  | <b>4.1</b>  | <b>5.7</b>  | <b>7.7</b>  | <b>30.5</b>  | <b>23.2</b>  | <b>6.8</b>  | <b>(15)</b> |
| Tax                       | 1.3         | 0.8         | 3.9         | 1.2         | 1.9         | 0.9         | 1.2         | 1.9         | 7.2          | 6.0          | 1.7         |             |
| Rate (%)                  | 25.6        | 26.5        | 26.2        | 14.4        | 33.0        | 23.0        | 22.0        | 25.0        | 23.6         | 25.9         | 25.0        |             |
| <b>Reported PAT</b>       | <b>3.7</b>  | <b>2.3</b>  | <b>10.9</b> | <b>7.4</b>  | <b>3.8</b>  | <b>3.1</b>  | <b>4.4</b>  | <b>5.8</b>  | <b>23.3</b>  | <b>17.2</b>  | <b>5.1</b>  | <b>(24)</b> |
| <b>Adjusted PAT</b>       | <b>3.7</b>  | <b>2.3</b>  | <b>2.3</b>  | <b>5.1</b>  | <b>3.8</b>  | <b>3.1</b>  | <b>4.4</b>  | <b>5.8</b>  | <b>13.4</b>  | <b>17.2</b>  | <b>5.1</b>  | <b>(24)</b> |
| Margin (%)                | 7.0         | 5.1         | 4.3         | 8.5         | 6.3         | 5.8         | 7.2         | 8.4         | 6.4          | 7.0          | 8.7         |             |
| Change (YoY %)            | (21.1)      | (39.1)      | (57.3)      | 4.5         | 5.0         | 33.5        | 96.4        | 12.6        | 35.3         | 28.3         | 38.5        |             |

Source: MOSFL, Company

### Per ton analysis, including RMC (INR/t)

| Y/E March           | FY25         |              |              |              | FY26E        |              |              |              | FY25         | FY26E        | FY26<br>1QE  | Var.<br>(%) |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3QE          | 4QE          |              |              |              |             |
| Blended Realization | <b>5,098</b> | <b>4,955</b> | <b>4,915</b> | <b>5,090</b> | <b>5,298</b> | <b>5,270</b> | <b>5,242</b> | <b>5,149</b> | <b>4,995</b> | <b>5,235</b> | <b>5,374</b> | (1)         |
| Change (YoY %)      | (7.9)        | (9.5)        | (11.2)       | (1.6)        | 3.9          | 6.4          | 6.7          | 1.2          | (13.2)       | 4.8          | 6.3          |             |
| Raw Material        | 1,730        | 1,942        | 2,043        | 2,095        | 2,149        | 2,090        | 2,125        | 2,065        | 1,933        | 2,159        | 2,040        | 5           |
| Staff Cost          | 157          | 192          | 182          | 145          | 177          | 200          | 169          | 145          | 168          | 171          | 171          | 3           |
| Power and fuel      | 970          | 830          | 786          | 720          | 740          | 780          | 790          | 923          | 822          | 813          | 870          | (15)        |
| Freight             | 1,075        | 1,020        | 971          | 970          | 1,012        | 1,000        | 990          | 988          | 1,007        | 997          | 1,010        | 0           |
| Other expenditure   | 501          | 508          | 491          | 487          | 545          | 615          | 526          | 312          | 474          | 489          | 489          | 11          |
| Total Expenditure   | <b>4,434</b> | <b>4,493</b> | <b>4,474</b> | <b>4,417</b> | <b>4,623</b> | <b>4,685</b> | <b>4,600</b> | <b>4,434</b> | <b>4,404</b> | <b>4,629</b> | <b>4,580</b> | 1           |
| EBITDA              | <b>664</b>   | <b>462</b>   | <b>442</b>   | <b>673</b>   | <b>675</b>   | <b>585</b>   | <b>643</b>   | <b>715</b>   | <b>591</b>   | <b>606</b>   | <b>794</b>   | (15)        |

Source: MOSFL, Company

# Aditya Birla Sun Life AMC

|                 |   |
|-----------------|---|
| Estimate change |  |
| TP change       |  |
| Rating change   |  |

|                       |             |
|-----------------------|-------------|
| Bloomberg             | ABSLAMC IN  |
| Equity Shares (m)     | 289         |
| M.Cap.(INRb)/(USD\$b) | 252.8 / 2.9 |
| 52-Week Range (INR)   | 912 / 556   |
| 1, 6, 12 Rel. Per (%) | 14/15/22    |
| 12M Avg Val (INR M)   | 338         |

## Financials & Valuations (INR b)

| Y/E Mar           | FY25  | FY26E | FY27E |
|-------------------|-------|-------|-------|
| AAUM              | 3,754 | 4,095 | 4,721 |
| MF Yield (bps)    | 42.7  | 42.0  | 41.0  |
| Rev from Ops      | 16.8  | 18.1  | 20.4  |
| Core PAT          | 7.1   | 7.6   | 8.6   |
| PAT               | 9.3   | 10.2  | 11.3  |
| PAT (bps as AAUM) | 25    | 25    | 24    |
| Core EPS          | 24    | 26    | 30    |
| EPS               | 32    | 35    | 39    |
| EPS Grw. (%)      | 19    | 10    | 10    |
| BVPS              | 129   | 145   | 159   |
| RoE (%)           | 27    | 26    | 26    |
| Div. Payout (%)   | 74    | 56    | 64    |

## Valuations

|                |      |      |      |
|----------------|------|------|------|
| M cap/AUM (%)  | 6.7  | 6.2  | 5.3  |
| P/E (x)        | 27.1 | 24.7 | 22.4 |
| P/BV (x)       | 6.8  | 6.0  | 5.5  |
| Div. Yield (%) | 2.7  | 2.3  | 2.9  |

## Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 74.9   | 74.9   | 75.0   |
| DII      | 10.8   | 10.9   | 11.6   |
| FII      | 5.5    | 5.3    | 4.6    |
| Others   | 8.8    | 8.8    | 8.8    |

FII Includes depository receipts

**CMP: INR876**      **TP: INR1,050 (+20%)**      **Buy**

## PAT beat led by higher other income and lower employee expenses

- Aditya Birla Sun Life AMC's (ABSLAMC) 1QFY26 operating revenue grew 16% YoY to ~INR4.5b (in line), leading to YoY improvement in yields to 44.4bp from 43.9bp in 1QFY25 (vs. our est. of 44.7bp).
- Total opex grew 9% YoY to INR1.8b (in line), with a cost-to-income ratio of 40.5% (vs. 43% in 1QFY25). EBITDA rose 21% YoY to INR2.7b (in line), with margins at 59.5% (vs. 57% in 1QFY25 and our est. 58.2%).
- Higher other income and lower employee costs led to a 7% beat on PAT to INR2.8b, up 18% YoY/22% QoQ.
- 1Q net sales witnessed strong growth, surpassing full-year sales of FY25, driven by improved fund performance across categories and strategic initiatives. Equity schemes continued to deliver consistent and strong returns, supported by process enhancements. Fixed income performance also remained solid across segments, with plans to expand the product suite through one or two new fund launches to meet the evolving needs of investors.
- We have kept our estimates largely unchanged, factoring in favorable market conditions, improved fund performance across categories, stable AUM growth leading to improvement in yields, and strong traction in the passives segment. Reiterate a BUY rating with a TP of INR1,050, based on 35x Mar'27E core EPS.

## Strong fund performance across categories:

- Total MF AUM grew 14% YoY/6% QoQ to INR4t, led by 8%/20%/26%/19%/21% YoY growth in Equity/Debt/ETF/ Hybrid/Index funds. The market share stood at 6.24% as of Jun'25, largely stable.
- Overall average AUM increased 21% YoY to INR4.4t in 1QFY26, with the asset mix comprising Equity at 41%, Debt at 36%, Liquid at 14%, and Alternate Assets at 9%.
- Total Alternate AUM rose 67% QoQ to INR398b, led by a sharp 154% QoQ increase in AIF & PMS AUM to INR287b. Real estate AUM remained flat at INR5b, while offshore AUM declined 12% QoQ to INR106b.
- Revenue from the Alternate business came in at ~INR320m.
- Passive AUM grew 22% YoY and 5% QoQ to INR364b, driven by strong growth across categories—Index Funds rose 18% YoY to INR240b, ETFs grew 18% YoY to INR86b, and Fund of Funds (FoFs) surged 73% YoY to INR38b. The product suite expanded to 52 offerings from 44 as of Jun'24, spread across equity and fixed income segments.
- Under the GIFT City platform, fundraising is in progress for the ABSL Flexi Cap Fund (internal remittance) and ABSL Bluechip Fund (external remittance). Some large client withdrawals were observed due to portfolio restructuring.

- SIP contributions rose 4% YoY to INR11.4b, with SIP accounts increasing to 3.86m from 3.42m in Jun'24. Notably, 95% of total accounts are older than five years, and 90% are older than 10 years.
- The distribution mix remained largely stable in overall AUM. The direct channel continued to dominate the mix with a 42% share, followed by mutual fund distributors or MFDs (34%), national distributors (16%), and banks (8%). However, in equity AUM, MFDs contributed 54% to the distribution mix.
- Investor folios rose to 10.7m from 9.4m in 1QFY25, while the number of MFDs increased by ~2.2k to a total of 89k.
- Opex, as a percentage of QAAUM, stood at 18bp in 1QFY26 vs. 18.9bp in 1QFY25 (est. 18.7bp). Employee costs grew 4% YoY to INR926m (7% lower than estimate), while other expenses grew 13% YoY to INR753m (in line).
- ESOP expenses for the quarter stood at INR16m.
- Other income improved 24% YoY/64% QoQ, mainly due to MTM gains.

#### Key takeaways from the management commentary

- No near-term plans for rationalizing distribution commissions.
- On the SIF front, the board has approved the creation of a separate brand. Product opportunities have been identified across fixed income, credit, arbitrage, and long-short strategies.
- On the passives front, the company aims to build significant AUM by launching innovative products across ETFs, Index Funds, and FoFs. On the Alternatives side, it intends to hire leadership to drive accelerated growth.

#### Valuation and view

- ABSL AMC's mutual fund business is witnessing strong and broad-based growth, supported by improved fund performance across equity and fixed income segments, a steady rise in SIP traction, and continued expansion of its distribution network. Strategic initiatives to strengthen market share, along with enhanced product offerings and operational efficiencies, are driving business momentum.
- The company's focus on innovation, including the launch of a separate SIF platform and increasing focus on growth of non-MF segment via innovative product launches, positions it well for sustainable growth.
- We have kept our estimates largely unchanged, factoring in favorable market conditions, improved fund performance across categories, stable AUM growth leading to improvement in yields, and strong traction in the passives segment.
- **Reiterate a BUY rating with a TP of INR1,050, based on 35x Mar'27E core EPS.**

**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  | 3,866        | 4,242        | 4,451        | 4,288        | 4,474        | 4,561        | 4,650        | 4,423        | 16,848        | 18,108        | 4,473        | 0                | 15.7        | 4.3         |
| Change YoY (%)           | 24.3         | 26.6         | 30.4         | 17.3         | 15.7         | 7.5          | 4.5          | 3.1          | 24.5          | 7.5           | 15.7         |                  |             |             |
| Fees & Commission        | 105          | 121          | 124          | 122          | 135          | 139          | 143          | 111          | 471           | 527           | 125.2        | 7.5              | 28.8        | 10.8        |
| Employee Expenses        | 892          | 894          | 877          | 988          | 926          | 966          | 965          | 1,087        | 3,652         | 3,944         | 999          | -7.3             | 3.8         | (6.3)       |
| Other expenses           | 667          | 723          | 707          | 739          | 753          | 766          | 777          | 794          | 2,836         | 3,091         | 747          | 0.8              | 12.9        | 1.9         |
| Total Operating Expenses | 1,664        | 1,738        | 1,708        | 1,849        | 1,814        | 1,871        | 1,885        | 1,992        | 6,958         | 7,562         | 1,871        | -3               | 9.0         | (1.9)       |
| Change YoY (%)           | 18           | 21           | 16           | 15           | 9            | 8            | 10           | 8            | 17.5          | 8.7           | 12.5         |                  |             |             |
| EBITDA                   | 2,203        | 2,504        | 2,743        | 2,439        | 2,660        | 2,690        | 2,765        | 2,431        | 9,890         | 10,546        | 2,601.6      | 2                | 20.8        | 9.0         |
| EBITDA margin (%)        | 57.0         | 59.0         | 61.6         | 56.9         | 59.5         | 59.0         | 59.5         | 55.0         | 58.7          | 58.2          | 58.2         | 129bps           | 248bps      | 257bps      |
| Other Income             | 948          | 958          | 384          | 720          | 1,179        | 800          | 800          | 784          | 3,010         | 3,563         | 950          | 24               | 24.3        | 63.8        |
| Depreciation/Reversal    | 91           | 98           | 111          | 98           | 103          | 102          | 104          | 105          | 398           | 414           | 100          | 3                | 12.5        | 5.3         |
| Finance Cost             | 14           | 14           | 17           | 11           | 13           | 15           | 15           | 16           | 57            | 59            | 14           | -6               | (8.4)       | 19.1        |
| <b>PBT</b>               | <b>3,045</b> | <b>3,351</b> | <b>2,999</b> | <b>3,050</b> | <b>3,723</b> | <b>3,373</b> | <b>3,446</b> | <b>3,094</b> | <b>12,445</b> | <b>13,635</b> | <b>3,438</b> | <b>8</b>         | <b>22.3</b> | <b>22.0</b> |
| Tax Provisions           | 688          | 928          | 754          | 770          | 952          | 843          | 861          | 752          | 3,139         | 3,409         | 859          | 11               | 38.3        | 23.7        |
| <b>Net Profit</b>        | <b>2,357</b> | <b>2,423</b> | <b>2,245</b> | <b>2,281</b> | <b>2,771</b> | <b>2,530</b> | <b>2,584</b> | <b>2,341</b> | <b>9,306</b>  | <b>10,227</b> | <b>2,578</b> | <b>7</b>         | <b>17.6</b> | <b>21.5</b> |
| Change YoY (%)           | 27.7         | 36.1         | 7.2          | 9.5          | 17.6         | 4.4          | 15.1         | 2.6          | 19.2          | 9.9           | 9.4          |                  |             |             |
| <b>Core PAT</b>          | <b>1,623</b> | <b>1,730</b> | <b>1,957</b> | <b>1,743</b> | <b>1,894</b> | <b>1,930</b> | <b>1,984</b> | <b>1,748</b> | <b>7,055</b>  | <b>7,554</b>  | <b>1,866</b> | <b>1</b>         | <b>16.7</b> | <b>8.7</b>  |
| Change YoY (%)           | 30.0         | 27.0         | 33.9         | 15.9         | 16.7         | 11.5         | 1.4          | 0.3          | 26.5          | 7.1           | 14.9         |                  |             |             |

**Key Operating Parameters (%)**

|                          | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | FY25  | FY26  | 1Q FY26E | Act v/s Est. | YoY     | QoQ     |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|----------|--------------|---------|---------|
| Revenue / AUM (bps)      | 43.9   | 44.3   | 46.4   | 44.9   | 44.4   | 44.1   | 43.9   | 40.7   | 44.9  | 44.2  | 44.7     | -33 bps      | 49bps   | -58bps  |
| Opex / AUM (bps)         | 18.9   | 18.1   | 17.8   | 19.4   | 18.0   | 18.1   | 17.8   | 18.3   | 18.5  | 18.5  | 18.7     | -71 bps      | -89bps  | -139bps |
| PAT / AUM (bps)          | 26.7   | 25.3   | 23.4   | 23.9   | 27.5   | 24.5   | 24.4   | 21.5   | 24.8  | 25.0  | 25.8     | 171 bps      | 73bps   | 357bps  |
| Cost to Oper. Inc. Ratio | 43.0   | 41.0   | 38.4   | 43.1   | 40.5   | 41.0   | 40.5   | 45.0   | 41.30 | 41.76 | 41.8     | -129bps      | -248bps | -257bps |
| EBITDA Margin            | 57.0   | 59.0   | 61.6   | 56.9   | 59.5   | 59.0   | 59.5   | 55.0   | 58.7  | 58.2  | 58.2     | 129 bps      | 248bps  | 257bps  |
| Tax Rate                 | 22.6   | 27.7   | 25.2   | 25.2   | 25.6   | 25.0   | 25.0   | 24.3   | 25.2  | 25.0  | 25.0     | 56 bps       | 297bps  | 33bps   |
| PAT Margin               | 61.0   | 57.1   | 50.4   | 53.2   | 61.9   | 55.5   | 55.6   | 52.9   | 55.2  | 56.5  | 57.6     | 430 bps      | 97bps   | 875bps  |
| Core PAT Margin          | 42.0   | 40.8   | 44.0   | 40.6   | 42.3   | 42.3   | 42.7   | 39.5   | 41.9  | 41.7  | 41.7     | 62 bps       | 34bps   | 169bps  |

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↑ |
| Rating change   | ↔ |

**CMP: INR1,416      TP: INR1,650 (+17%)      Buy**

## Higher other income drives PAT beat

|                       |             |
|-----------------------|-------------|
| Bloomberg             | UTIAM IN    |
| Equity Shares (m)     | 128         |
| M.Cap.(INRb)/(USD\$b) | 181.3 / 2.1 |
| 52-Week Range (INR)   | 1495 / 905  |
| 1, 6, 12 Rel. Per (%) | 13/14/39    |
| 12M Avg Val (INR M)   | 363         |

### Financials & Valuations (INR b)

| Y/E Mar           | FY25  | FY26E | FY27E |
|-------------------|-------|-------|-------|
| AAUM              | 3,363 | 3,762 | 4,432 |
| MF Yield (bps)    | 34.2  | 33.4  | 32.6  |
| Rev from Ops      | 14.5  | 15.7  | 18.0  |
| Core PAT          | 4.9   | 5.2   | 6.5   |
| PAT               | 8.1   | 8.8   | 10.2  |
| PAT (bps as AAUM) | 24    | 23    | 23    |
| Core EPS          | 39    | 41    | 51    |
| EPS               | 64    | 69    | 80    |
| EPS Grw. (%)      | 1     | 8     | 16    |
| BVPS              | 405   | 426   | 450   |
| RoE (%)           | 16    | 17    | 18    |
| Div. Payout (%)   | 74    | 70    | 70    |

### Valuations

|                |      |      |      |
|----------------|------|------|------|
| Mcap/AUM (%)   | 5.3  | 4.8  | 4.1  |
| P/E (x)        | 22.2 | 20.6 | 17.7 |
| P/BV (x)       | 3.5  | 3.3  | 3.1  |
| Div. Yield (%) | 3.4  | 3.4  | 3.9  |

### Shareholding pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 0.0    | 0.0    | 0.0    |
| DII      | 59.5   | 59.7   | 60.7   |
| FII      | 7.7    | 7.9    | 6.3    |
| Others   | 32.8   | 32.4   | 33.1   |

FII Includes depository receipts

- UTI AMC's 1QFY26 operating revenue stood at INR3.8b (in line), up 13% YoY/6% QoQ. Yield on management fees stood at 42bp in 1QFY26 vs. 43.4bp in 1QFY25 and 42.4bp in 4QFY25.
- Total opex was up 16% YoY to INR2.1b. As bp of QAAUM, it remained flat YoY at 22.9bp in 1Q (vs. 24.3bp in 4QFY25). EBITDA was up 9% YoY/12% QoQ at INR1.7b (8% miss on account of higher employee costs). EBITDA margins stood at 45.4% vs. 47.1% in 1QFY25 and 42.6% in 4QFY25.
- PAT declined 8% YoY to INR2.5b (15% beat), driven by better-than-expected other income.
- Higher employee costs were offset by other income.
- FY26/FY27 earnings estimates remain broadly unchanged. We expect UTI to report a CAGR of 15%/12%/15% in AUM/revenue/core PAT over FY25-27E. The stock trades at FY27E P/E of 18x and core P/E of 28x. **We reiterate our BUY rating with a one-year TP of INR1,650 (based on 32x core FY27E EPS).**

## Steady growth in AUM led by SIP flows

- Total MF QAAUM was up 16% YoY/6% QoQ at INR3.6t, driven by 7%/18%/36%/21% YoY growth in Equity/ETFs/Index/Debt funds.
- Equity QAAUM contributed 26% to the mix in 1QFY26 vs. 29% in 1QFY25. Debt/Liquid schemes contributed 7%/14% to the mix in 1QFY26 (7%/15% in 1QFY25).
- Overall net inflows for UTI stood at INR99.2b vs. INR141.7b in 1QFY25 and INR6.7b in 4QFY25. Equity/ETFs & Index/Income/Liquid funds garnered inflows of INR5b/INR35b/INR36b/INR23b.
- Gross inflows mobilized through SIPs stood at INR22.6b in 1Q. SIP AUM stood at INR421.9b, up 17% YoY. Total live folios stood at 13.5m (as of Jun'25).
- The overall MF AAUM market share declined to 5% from 5.27% in Jun'24. UTI AMC's market share in Passive/NPS AUM stood at 13.18%/24.67%.
- The market share in Equity/Hybrid/Index & ETFs/Cash & Arbitrage/Debt Funds stood at 3.01%/4.2%/13.18%/4.24%/3.27% in Jun'25 vs. 3.45%/4.17%/13.31%/4.75%/3.22% in Jun'24.
- The distribution mix in QAAUM remained largely stable in 1Q, with direct channel dominating the mix with 71% share, followed by MFDs at 21% and BND at 8%. However, with respect to equity AUM, MFDs contributed 54% to the distribution mix.
- Total expenses grew 16% YoY (flat QoQ) to INR2.1b (7% above est.), with employee costs up 14% YoY at INR1.3b (10% above est.) and other expenses up 21% YoY at INR770m (in line with est.). As a result, CIR stood at 54.6% vs. 52.9% in 1QFY25 and 57.4% in 4QFY25.
- Other income declined 14% YoY to INR1.7b.

- The number of digital transactions grew 30% to 4.9m in 1Q, showing a strong focus on growing SIP book digitally. Capitalizing on cross-selling and upselling opportunities has supported growth in online gross sales at 89.9%.
- Total investments as of Jun'25 stood at INR43.3b, with 70%/15%/8%/7% being segregated into MFs/Offshore/Venture Funds/G-Sec/Bonds.

#### Growth across non-MF segments

- Total group AUM stood at INR21.9t, up 13% YoY, of which MF AUM stood at INR3.6t, up 16%. Non-MF AUM, comprising PMS/UTI RSL, grew 11%/20% YoY to INR14.2t/INR3.8t, while UTI Capital/UTI International declined 4%/7% YoY to INR28b/INR274b.
- Yields on MF/PMS/RSL/International businesses largely remained stable YoY, while yields on capital business improved to 0.75% from 0.57% in 1QFY25.
- In the UTI International segment, the UTI India Innovation Fund, domiciled in Ireland, has AUM of USD59.232m as of Jun'25.
- UTI Pension Fund has crossed the milestone of INR3.8t in AUM and manages 24.67% of the NPS industry AUM as of Jun'25.
- In the Alternatives business, UTI AMC has gross commitments of USD200m in the IFSC GIFT City as of Jun'25.

#### Valuation and view:

- UTI AMC continues to deliver a steady and broad-based performance across its mutual fund, pension, and international businesses. The core AMC operations have seen consistent growth in AUM, supported by a diversified product mix with a strong tilt toward equity, healthy SIP inflows, and robust retail traction.
- Despite macro challenges, the company has maintained its operational momentum through strong digital adoption, wide distribution reach—especially in B30 markets—and a growing presence in passive and alternate assets. Improving fund performance and scaling up the non-MF business will improve profitability over the medium term.
- Higher employee costs were offset by other income, leading to FY26/FY27 earnings estimates broadly remaining unchanged. We expect UTI to report a CAGR of 15%/12%/15% in AUM/revenue/core PAT over FY25-27E. The stock trades at FY27E P/E of 18x and core P/E of 28x. **We reiterate our BUY rating with a one-year TP of INR1,650 (based on 32x core FY27E EPS).**

**Quarterly Performance**
**(INR m)**

| Y/E March                | FY25         |              |              |              | FY26         |              |              |              | FY25          | FY26E         | 1Q FY26E     | Act v/s Est. (%) |         |        |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|------------------|---------|--------|
|                          | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3QE          | 4QE          |               |               |              |                  | YoY     | QoQ    |
| Revenue from Operations  | 3,368        | 3,730        | 3,754        | 3,602        | 3,793        | 3,867        | 3,957        | 4,043        | 14,453        | 15,660        | 3,803        | 0                | 12.6    | 5.3    |
| Change YoY (%)           | 19.1         | 27.9         | 29.4         | 13.4         | 12.6         | 3.7          | 5.4          | 12.3         | 22.3          | 8.3           | 12.9         |                  |         |        |
| Fees & Commission        | 6            | 6            | 7            | 8            | 8            | 9            | 10           | 11           | 26            | 38            | 9            | -14              | 30.5    | 2.7    |
| Employee Expenses        | 1,137        | 1,153        | 1,128        | 1,162        | 1,292        | 1,298        | 1,305        | 1,235        | 4,580         | 5,129         | 1,170        | 10               | 13.6    | 11.2   |
| Other expenses           | 638          | 742          | 714          | 899          | 770          | 801          | 833          | 775          | 2,992         | 3,178         | 750          | 3                | 20.6    | -14.3  |
| Total Operating Expenses | 1,781        | 1,901        | 1,848        | 2,068        | 2,069        | 2,108        | 2,147        | 2,020        | 7,598         | 8,345         | 1,929        | 7                | 16.2    | 0.1    |
| Change YoY (%)           | 6.0          | 10.2         | 4.9          | 10.2         | 16.2         | 10.9         | 16.2         | -2.3         | 7.9           | 9.8           | 8.3          |                  |         |        |
| <b>EBITDA</b>            | <b>1,587</b> | <b>1,829</b> | <b>1,906</b> | <b>1,534</b> | <b>1,724</b> | <b>1,759</b> | <b>1,809</b> | <b>2,023</b> | <b>6,856</b>  | <b>7,315</b>  | <b>1,874</b> | <b>-8</b>        | 8.6     | 12.4   |
| EBITDA margin (%)        | 47.1         | 49.0         | 50.8         | 42.6         | 45.4         | 45.5         | 45.7         | 50.0         | 47.4          | 46.7          | 49           | -384 bp          | -169 bp | 286 bp |
| Other Income             | 1,970        | 1,671        | 451          | 158          | 1,693        | 1,000        | 1,000        | 962          | 4,249         | 4,655         | 1,150        | 47.2             | -14.0   | 974.4  |
| Depreciation             | 112          | 112          | 113          | 118          | 123          | 125          | 130          | 132          | 455           | 510           | 120          | 2.3              | 9.7     | 3.9    |
| Finance Cost             | 32           | 31           | 32           | 33           | 34           | 34           | 34           | 26           | 127           | 127           | 33           | 2.4              | 7.0     | 2.4    |
| <b>PBT</b>               | <b>3,413</b> | <b>3,357</b> | <b>2,212</b> | <b>1,540</b> | <b>3,260</b> | <b>2,601</b> | <b>2,645</b> | <b>2,827</b> | <b>10,522</b> | <b>11,333</b> | <b>2,871</b> | <b>14</b>        | -4.5    | 111.7  |
| Tax Provisions           | 670          | 726          | 476          | 520          | 722          | 598          | 608          | 650          | 2,392         | 2,578         | 660          | 9                | 7.7     | 38.7   |
| <b>Net Profit</b>        | <b>2,743</b> | <b>2,631</b> | <b>1,736</b> | <b>1,020</b> | <b>2,539</b> | <b>2,002</b> | <b>2,037</b> | <b>2,177</b> | <b>8,130</b>  | <b>8,754</b>  | <b>2,211</b> | <b>15</b>        | -7.5    | 148.9  |
| Change YoY (%)           | 17.0         | 43.9         | -14.6        | -43.8        | -7.5         | -23.9        | 17.3         | 113.4        | 1.4           | 7.7           | -19.4        |                  |         |        |
| <b>Core PAT</b>          | <b>1,160</b> | <b>1,321</b> | <b>1,382</b> | <b>916</b>   | <b>1,220</b> | <b>1,232</b> | <b>1,267</b> | <b>1,436</b> | <b>4,779</b>  | <b>5,155</b>  | <b>1,325</b> | <b>-8</b>        | 5.2     | 33.3   |
| Change YoY (%)           | 39.1         | 50.1         | 76.3         | -4.6         | 5.2          | -6.7         | -8.3         | 56.8         | 38.2          | 7.9           | 14.2         |                  |         |        |

**Key Operating Parameters (%)**

|                                | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | FY25 | FY26E | 1Q FY26E | Act v/s Est. (%) | YoY     | QoQ     |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|------|-------|----------|------------------|---------|---------|
| Revenue / AUM (bps)            | 43.4   | 43.6   | 42.6   | 42.4   | 42.0   | 41.7   | 41.5   | 41.3   | 46.5 | 43.4  | 42       | -5bp             | -133bp  | -36bp   |
| Opex / AUM (bps)               | 22.9   | 22.2   | 21.0   | 24.3   | 22.9   | 22.7   | 22.5   | 20.6   | 24.5 | 23.1  | 21       | 159bp            | 1bp     | -141bp  |
| PAT / AUM (bps)                | 35.3   | 30.7   | 19.7   | 12.0   | 28.1   | 21.6   | 21.4   | 22.2   | 26.2 | 24.3  | 24       | 367bp            | -718bp  | 1613bp  |
| Cost to Operating Income Ratio | 52.9   | 51.0   | 49.2   | 57.4   | 54.6   | 54.5   | 54.3   | 50.0   | 52.6 | 53.3  | 50.7     | 384bp            | 169bp   | -286bp  |
| EBITDA Margin                  | 47.1   | 49.0   | 50.8   | 42.6   | 45.4   | 45.5   | 45.7   | 50.0   | 47.4 | 46.7  | 49.3     | -384bp           | -169bp  | 286bp   |
| Tax Rate                       | 19.6   | 21.6   | 21.5   | 33.8   | 22.1   | 23.0   | 23.0   | 23.0   | 22.7 | 22.8  | 23.0     | -87bp            | 250bp   | -1164bp |
| PAT Margin                     | 81.4   | 70.5   | 46.2   | 28.3   | 66.9   | 51.8   | 51.5   | 53.8   | 56.2 | 55.9  | 58.1     | 880bp            | -1452bp | 3861bp  |
| Core PAT Margin                | 34.4   | 35.4   | 36.8   | 25.4   | 32.2   | 31.9   | 32.0   | 35.5   | 33.1 | 32.9  | 34.8     | -268bp           | -228bp  | 675bp   |

**Financials & Valuation (INR b)**

| Y/E March         | New Estimates |       | Old Estimates |       | Change in estimates |       |
|-------------------|---------------|-------|---------------|-------|---------------------|-------|
|                   | 2026E         | 2027E | 2026E         | 2027E | 2026E               | 2027E |
| AAUM (INRb)       | 3,762         | 4,432 | 3,769         | 4,439 | 0%                  | 0%    |
| MF Yield (bps)    | 33.4          | 32.6  | 33.4          | 32.6  | 0bps                | 0bps  |
| Rev from Ops      | 15.7          | 18.0  | 15.7          | 18.1  | 0%                  | 0%    |
| Core PAT          | 5.2           | 6.5   | 5.5           | 6.9   | -5%                 | -5%   |
| PAT               | 8.8           | 10.2  | 8.7           | 10.3  | 1%                  | -1%   |
| PAT(bp as AAUM)   | 23            | 23    | 23            | 23    | 3bps                | -2bps |
| Core EPS          | 41            | 51    | 43            | 54    | -5%                 | -5%   |
| EPS               | 69            | 80    | 68            | 81    | 1.0%                | -1.1% |
| EPS Grw.          | 8             | 16    | 7             | 18    |                     |       |
| BVPS              | 426           | 450   | 426           | 450   | 0%                  | 0%    |
| RoE (%)           | 17            | 18    | 16            | 18    | 2bps                | -2bps |
| Div. Payout (%)   | 70            | 70    | 70            | 70    | 0bps                | 0bps  |
| <b>Valuations</b> |               |       |               |       |                     |       |
| Mcap/AUM (%)      | 4.8           | 4.1   | 4.8           | 4.1   |                     |       |
| P/E (x)           | 20.8          | 17.9  | 21.0          | 17.8  |                     |       |
| P/BV (x)          | 3.4           | 3.2   | 3.4           | 3.2   |                     |       |
| Div. Yield (%)    | 3.3           | 3.9   | 3.3           | 3.9   |                     |       |

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

**CMP: INR1,242      TP: INR1,120 (-10%)      Sell**

## Still in reset mode

### Soft DET performance and margin recalibration continue

|                       |             |
|-----------------------|-------------|
| Bloomberg             | CYL IN      |
| Equity Shares (m)     | 111         |
| M.Cap.(INRb)/(USDb)   | 137.9 / 1.6 |
| 52-Week Range (INR)   | 2157 / 1050 |
| 1, 6, 12 Rel. Per (%) | -5/-16/-37  |
| 12M Avg Val (INR M)   | 911         |

### Financials & Valuations (INR b)

| Y/E Mar         | FY25  | FY26E | FY27E |
|-----------------|-------|-------|-------|
| Sales           | 73.6  | 73.6  | 79.2  |
| EBIT Margin (%) | 12.0  | 12.1  | 14.2  |
| PAT             | 6.2   | 7.1   | 8.5   |
| EPS (INR)       | 55.4  | 63.6  | 76.1  |
| EPS Gr. (%)     | -17.2 | 14.9  | 19.6  |
| BV/Sh. (INR)    | 476.0 | 506.9 | 537.5 |

### Ratios

|            |      |      |      |
|------------|------|------|------|
| RoE (%)    | 12.1 | 12.0 | 13.6 |
| RoCE (%)   | 11.2 | 10.1 | 12.2 |
| Payout (%) | 46.9 | 60.0 | 60.0 |

### Valuations

|               |      |      |      |
|---------------|------|------|------|
| P/E (x)       | 22.4 | 19.5 | 16.3 |
| P/BV (x)      | 2.6  | 2.4  | 2.3  |
| EV/EBITDA (x) | 11.1 | 10.0 | 8.2  |
| Div Yield (%) | 2.1  | 3.1  | 3.7  |

### Shareholding Pattern (%)

| As On    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 23.3   | 23.3   | 23.2   |
| DII      | 35.6   | 34.1   | 27.1   |
| FII      | 22.1   | 24.7   | 30.3   |
| Others   | 19.0   | 17.9   | 19.4   |

FII includes depository receipts

- Cyient (CYL)'s DET business reported 1QFY26 revenue of USD162.7m, down 1.5% QoQ in constant currency (CC) terms. Transportation and Mobility (T&M) rose 1.2% QoQ in CC, while Network and Infrastructure (earlier connectivity vertical) dipped 5.2% QoQ in CC. The carve-out of Cyient Semiconductors, initiated in FY25, has been completed as planned and will now be reported as a separate segment.

- **On a like-for-like basis (DET + Semicon), revenue was USD168m, broadly in line with our estimate of USD170m. However, the EBIT margin at 10.3% missed our estimate of 12.9%.** DET PAT rose 7.4% QoQ/30% YoY to INR1,632m.

- For 1QFY25, DET reported a 3.6% YoY increase in revenue, flat EBIT, and a 30% YoY rise in PAT in INR terms. **We reiterate our SELL rating** with a SoTP-based TP of **INR1,120**, implying a 10% potential downside. This was due to recalibrated margin expectations and growth uncertainty in verticals such as Networks & Infrastructure and Energy, alongside delayed deal ramp-ups.

### Our view: Stabilization in progress

- **Too early to call a turnaround:** DET revenue declined 1.5% QoQ in CC, and deal ramp-ups remain staggered. While CYL highlighted early demand recovery with 14 new logos, we believe it is premature to extrapolate this into a sustained upcycle. Management continues to describe this phase as "business stabilization," with revenue predictability still a work in progress.

- **Margin reset continues:** EBIT margin contracted further to 12%, due to wage hikes and volume softness. While a cost optimization plan is underway, the medium-term 15% margin target appears challenging given ongoing investments and restructuring. We estimate a 12.8%/14.0% margin for FY26/FY27.

- **Vertical performance diverges; only Transportation holds up:** The carve-out of Cyient Semiconductors was completed during the quarter and will now be reported as a separate segment. Within DET, only T&M delivered sequential growth (+1.2% QoQ cc), driven by strong Aerospace momentum and increased defense-led outsourcing. N&I declined 5.2% QoQ cc amid portfolio restructuring, with management guiding for stabilization ahead. Semiconductor revenue remained soft, leading to margin pressure. While management expects a recovery from 3QFY26—targeting DET-like margins and a USD10m quarterly run-rate—we believe visibility remains limited in the near term.

- **Leadership changes encouraging:** Recent top-level additions in DET and continued tech investments suggest a sharper strategic focus, especially in newer verticals like semiconductors and connectivity. However, these bets are still in the early phase. With sustained growth uncertainty persisting and margin normalization deferred, we stay cautious.

### Valuation and changes to our estimates

- We **reiterate our SELL rating** on the stock, as we believe the seasonally weak 1H could lead to lower revenue growth for FY26E, and margins could be affected in a similar vein. We cut our estimates by ~4-5% for FY26/FY27, broadly on recalibration in margin expectations and continued growth uncertainty in key verticals such as Networks & Infrastructure and Energy, with some deal ramp-ups deferred during the quarter.
- Based on SoTP, we value the company's stake in DLM at a market valuation with a holding company discount of 20%. In our P/E-based valuation, we value the DET business at 17x FY27E EPS. Our SoTP-based TP of INR1,120 implies a 10% potential downside.

### In-line revenue but miss on margins; added 14 new logos in 1Q

- DET revenue stood at USD162.7m, down 1.5% QoQ CC vs. our estimate of a 2.0% QoQ CC decline. Consolidated revenue came in at USD200m, down 0.4% YoY CC.
- T&M rose 1.2% QoQ in CC, while Network and Infrastructure (earlier connectivity vertical) dipped 5.2% QoQ in CC.
- DET margins came in at 12% (est. 12.9%), down 63bp QoQ/61bp YoY.
- CYL added 14 new logos in 1QFY26.
- DET PAT was up 7.4% QoQ/30% YoY to INR1,632m.
- The carve-out of Cyient Semiconductors, initiated in FY25, has been completed as planned and will now be reported as a separate segment. Accordingly, DET business figures no longer include the semiconductor business and are therefore not directly comparable to our prior estimates.
- On a like-for-like basis (DET + Semicon), revenue stood at USD168m, broadly in line with our estimate of USD170m. However, the EBIT margin at 10.3% missed our estimate of 12.9%.

### Key highlights from the management commentary

- Global uncertainty has eased compared to Apr'25. Clients have adapted to the new environment and are no longer in a "freeze mode" as seen in March–April.
- Recent leadership changes in the DET segment have laid the foundation for stable and sustainable growth.
- Early signs of recovery are visible, supported by key deal wins and 14 new logo additions during the quarter.
- Non-renewal/new business bookings are witnessing healthy order intake and will remain a key monitorable.
- New deal wins typically start in project mode and gradually transition into annuity streams.
- The company views the current phase as a business stabilization period.
- Signs of recovery are visible, aided by 14 new logo additions in 1QFY26. Some deal ramp-ups were deferred during the quarter.
- Won a USD20m deal with a leading APAC-based CSP (Vodafone Idea) to expand their wireless infrastructure.
- A cost optimization program is underway to improve margins, with a medium-term target of achieving a 15% EBIT margin.

- Aerospace remains the primary driver, with opportunities across tech publications and documentation.
- Energy faced a headwind due to a one-off project completion, which may be a growth headwind for the next few quarters.

#### Valuation and view

- We **reiterate our SELL rating** on the stock, as we believe the seasonally weak 1H could lead to lower revenue growth for FY26E, and margins could be affected in a similar vein. We cut our estimates by ~4-5% for FY26/FY27, broadly on recalibration in margin expectations and continued growth uncertainty in key verticals such as Networks & Infrastructure and Energy, with some deal ramp-ups deferred during the quarter.
- Based on SoTP, we value the company's stake in DLM at a market valuation with a holding company discount of 20%. In our P/E-based valuation, we value the DET business at 17x FY27E EPS. Our SoTP-based TP of INR1,120 implies a 10% potential downside.

#### DET Quarterly Performance

| Y/E March         | FY25   |        |        |        | FY26E  |        |        |        | FY25   | FY26E  | Est.<br>1QFY26 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
|                   | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2QE    | 3QE    | 4QE    |        |        |                |
| Revenue (USD m)   | 161    | 173    | 175    | 161    | 163    | 164    | 166    | 169    | 671    | 661    | 170            |
| QoQ (%)           | -10.1  | 7.3    | 1.3    | -7.9   | 0.9    | 0.8    | 1.0    | 2.0    | -6.1   | -1.4   | -0.3           |
| Revenue (INR m)   | 13,442 | 14,496 | 14,799 | 13,967 | 13,925 | 14,224 | 14,366 | 14,653 | 56,704 | 57,167 | 14,507         |
| YoY (%)           | -7.6   | -1.8   | -0.8   | -6.2   | 3.6    | -1.9   | -2.9   | 4.9    | -4.1   | 0.8    | 2.6            |
| GPM (%)           | 39.1   | 39.7   | 38.9   | 39.0   | 37.4   | 38.0   | 38.5   | 38.5   | 39.2   | 38.1   | 38.3           |
| SGA (%)           | 22.3   | 21.5   | 21.6   | 22.4   | 21.5   | 21.5   | 21.5   | 21.0   | 21.9   | 21.4   | 21.5           |
| EBITDA            | 2,267  | 2,642  | 2,562  | 2,319  | 2,215  | 2,347  | 2,442  | 2,564  | 9,790  | 9,568  | 2,437          |
| EBITDA Margin (%) | 16.9   | 18.2   | 17.3   | 16.6   | 15.9   | 16.5   | 17.0   | 17.5   | 17.3   | 16.7   | 16.8           |
| EBIT              | 1,696  | 2,058  | 1,995  | 1,764  | 1,671  | 1,792  | 1,882  | 1,978  | 7,513  | 7,323  | 1,871          |
| EBIT Margin (%)   | 12.6   | 14.2   | 13.5   | 12.6   | 12.0   | 12.6   | 13.1   | 13.5   | 13.2   | 12.8   | 12.9           |
| Other income      | -54    | 282    | -338   | 271    | 522    | 142    | 144    | 147    | 161    | 954    | 145            |
| ETR (%)           | 23.5   | 24.5   | 25.3   | 25.4   | 25.6   | 25.7   | 25.7   | 25.7   | 24.7   | 25.7   | 25.0           |
| Adj. PAT          | 1,256  | 1,766  | 1,238  | 1,518  | 1,631  | 1,438  | 1,506  | 1,580  | 5,778  | 6,154  | 1,512          |
| QoQ (%)           | -27.6  | 40.6   | -29.9  | 22.6   | 7.4    | -11.8  | 4.7    | 4.9    |        |        | -7.2           |
| YoY (%)           | -26.2  | 2.2    | -28.3  | -12.5  | 29.9   | -18.6  | 21.6   | 4.1    | -16.2  | 6.5    | 7.0            |
| EPS (INR)         | 11     | 16     | 11     | 14     | 15     | 13     | 14     | 14     | 53     | 56     | 13.7           |

#### Key Performance Indicators (Consol)

| Y/E March                      | FY25   |        |        |        | FY26   |        | FY25   |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|
|                                | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     |        |        |
| <b>Margins (%)</b>             |        |        |        |        |        |        |        |
| Gross Margin                   | 35.7   | 34.2   | 34.4   | 36.1   | 35.1   | 35.1   | 35.1   |
| EBIT Margin                    | 11.9   | 12.5   | 11.4   | 12.3   | 9.5    | 12.0   | 12.0   |
| Net Margin                     | 8.6    | 9.7    | 6.6    | 8.9    | 9.0    | 8.4    | 8.4    |
| <b>Operating metrics</b>       |        |        |        |        |        |        |        |
| Headcount                      | 14,733 | 14,799 | 14,378 | 13,777 | 13,623 | 13,777 | 13,777 |
| Attrition (%)                  | 16.0   | 15.0   | 15.5   | 16.5   | 16.9   | 16.5   | 16.5   |
| <b>Key Geographies (YoY %)</b> |        |        |        |        |        |        |        |
| North America                  | -1.6%  | 8.9%   | 10.2%  | 4.6%   | 10.0%  | 5.6%   | 5.6%   |
| Europe                         | -13%   | -13%   | -20%   | -24%   | -14%   | -18%   | -18%   |

# Syrma SGS Technology

|                 |   |
|-----------------|---|
| Estimate change | ↑ |
| TP change       | ↑ |
| Rating change   | ↔ |

**CMP: INR706**      **TP: INR820 (+16%)**      **Buy**

## Business mix change fuels margin expansion

### Operating performance beats our estimates

- Syрма SGS Technology (SYRMA) reported a strong operating performance, with EBITDA up ~94% YoY in 1QFY26. EBITDA margins expanded 530bp YoY due to a favorable business mix (lower share of low-margin consumer business at 34% in 1QFY26 vs. 53% in 1QFY25). Revenue declined 19%, largely led by a decline in the Consumer/IT and Railways businesses by 49%/50% YoY.
- With the order book continuing to improve to INR54-55b as of 1QFY26 (up ~21% YoY) and margins expanding, we expect SYRMA to witness a stronger FY26. Management has guided for 30-35% revenue growth and ~8.5%-9% EBITDA margins for FY26 (vs 8-8.5% margin earlier).
- Factoring in strong operating performance and changing business mix to higher-margin segments, we raise our earnings estimate for FY26/FY27 by 7%/10%. We reiterate our **BUY** rating on the stock with a **TP of INR820 (35x FY27E EPS)**.

|                       |             |
|-----------------------|-------------|
| Bloomberg             | SYRMA IN    |
| Equity Shares (m)     | 178         |
| M.Cap.(INRb)/(USDb)   | 125.8 / 1.5 |
| 52-Week Range (INR)   | 737 / 355   |
| 1, 6, 12 Rel. Per (%) | 34/45/47    |
| 12M Avg Val (INR M)   | 796         |

### Financials & Valuations (INR b)

| Y/E Mar              | FY25 | FY26E | FY27E |
|----------------------|------|-------|-------|
| Sales                | 37.9 | 49.3  | 64.1  |
| EBITDA               | 3.0  | 4.4   | 6.0   |
| Adj. PAT             | 1.7  | 2.8   | 4.1   |
| EBITDA Margin (%)    | 8.0  | 9.0   | 9.3   |
| Cons. Adj. EPS (INR) | 9.7  | 15.7  | 23.3  |
| EPS Gr. (%)          | 57.6 | 63.0  | 47.9  |
| BV/Sh. (INR)         | 98.3 | 112.5 | 134.3 |

### Ratios

|          |      |      |      |
|----------|------|------|------|
| Net D:E  | 0.2  | 0.1  | 0.0  |
| RoE (%)  | 10.2 | 14.9 | 18.9 |
| RoCE (%) | 10.2 | 13.7 | 17.3 |

### Valuations

|               |    |    |    |
|---------------|----|----|----|
| P/E (x)       | 73 | 44 | 30 |
| EV/EBITDA (x) | 42 | 29 | 21 |

### Shareholding Pattern (%)

| As on    | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 46.4   | 46.5   | 46.9   |
| DII      | 9.2    | 7.7    | 6.5    |
| FII      | 6.4    | 6.3    | 10.4   |
| Others   | 38.0   | 39.5   | 36.2   |

Note: FII includes depository receipts

### Growth in Automotive and Industrial supports margin expansion

- Consol. revenue declined 19% YoY to INR9.4b (est. in line) owing to a decline in Consumer/IT and Railways by 49%/50% YoY. This was offset by an increase in the Automotive/Industrial business by 18%/54% YoY. The Healthcare business declined marginally (down 1% YoY).
- EBITDA margin expanded 530bp YoY to 9.2% (est. 8%), attributed to gross margin expansion of 970bp YoY to 24.7%, led by a favorable business mix (lower share of high volume-low margin business). EBITDA grew 94% YoY to INR866m (est. INR784m). Adj. PAT grew 2.6x YoY to INR497m (est. INR457m).
- The order book stood in the range of INR54-55b as of Jun'25 vs. INR45b as of Jun'24. The Consumer/Industrial/Automotive/Healthcare, IT, and Railways segments accounted for ~25-27%/25-27%/35-40%/remaining portion of total orders as of Jun'25
- Gross debt amounted to ~INR7.8b as of Jun'25 from INR6.1b as of Jun'24. Net debt was ~INR3.1b as of Jun'25 vs. INR1.2b as of Jun'24. Net working capital days stood at 69 days as of Jun'25, with management targeting to reduce it to below 65 days by the end of the year.

### Highlights from the management commentary

- **JV:** The company entered into a JV with Shinhyup Electronics to manufacture PCBs. The project entails a capex of ~USD90m over the next 3-5 years (phase 1 of capex amounts to USD35m; will be done over the next 12-18 months). Commercial production is expected to start from 4QFY27/1QFY28. Post stabilization, management expects to achieve an EBITDA margin of 15-18%, with potential to scale up to ~20%.
- **Exports:** Export revenue grew 27% YoY to INR2.4b. Management guides full-year FY26 exports to cross INR10b. However, tariff uncertainty is holding back customers from booking large orders; a more aggressive stance is expected from customers once tariff decisions are finalized.

- **Capex:** The company incurred a capex of ~INR350m in 1QFY26, with FY26 capex guidance of less than INR1b. With major new plants currently operating at less than 50% capacity, management expects significant revenue growth potential from existing plants. Annual capex for the EMS business is estimated at ~INR0.8-1b.

#### Valuation and view

- SYRMA continued its margin recovery, driven by a favorable shift in the business mix in 1QFY26. We expect this trend to continue through FY26, led by strong growth in higher-margin segments, such as automotive and industrial.
- We believe that the company's long-term trajectory will continue to remain strong, backed by: 1) its focus on low-volume, high-margin business; 2) an increase in exports; 3) increasing share of revenue in the industrial and automotive segments; and 4) a foray into bare PCB manufacturing through its JV.
- We estimate a revenue/EBITDA/adj. PAT CAGR of 30%/40%/55% over FY25-27, driven by strong revenue growth and margin expansion. We reiterate our BUY rating on the stock with a **TP of INR820 (premised on 35x FY27E EPS)**.

#### Consolidated - Quarterly Earning Model

| Y/E March                                     | FY25          |              |              |              | FY26E        |               |               |               | FY25          | FY26E         | FY25E        | Var %     |
|---|---------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|-----------|
|   | 1Q            | 2Q           | 3Q           | 4Q           | 1Q           | 2QE           | 3QE           | 4QE           |               | 1QE           |              |           |
| <b>Gross Sales</b>                            | <b>11,599</b> | <b>8,327</b> | <b>8,692</b> | <b>9,244</b> | <b>9,440</b> | <b>12,491</b> | <b>13,038</b> | <b>14,328</b> | <b>37,862</b> | <b>49,296</b> | <b>9,743</b> | <b>-3</b> |
| YoY Change (%)                                | 92.9          | 17.0         | 23.0         | -18.5        | -18.6        | 50.0          | 50.0          | 55.0          | 20.1          | 30.2          | -16.0        |           |
| Total Expenditure                             | 11,153        | 7,618        | 7,901        | 8,169        | 8,574        | 11,417        | 11,868        | 12,992        | 34,841        | 44,851        | 8,959        |           |
| <b>EBITDA</b>                                 | <b>446</b>    | <b>710</b>   | <b>791</b>   | <b>1,075</b> | <b>866</b>   | <b>1,074</b>  | <b>1,170</b>  | <b>1,336</b>  | <b>3,021</b>  | <b>4,445</b>  | <b>784</b>   | <b>10</b> |
| Margins (%)                                   | 3.8           | 8.5          | 9.1          | 11.6         | 9.2          | 8.6           | 9.0           | 9.3           | 8.0           | 9.0           | 8.0          |           |
| Depreciation                                  | 174           | 167          | 202          | 208          | 206          | 206           | 206           | 207           | 751           | 825           | 204          |           |
| Interest                                      | 130           | 136          | 154          | 156          | 149          | 120           | 109           | 99            | 577           | 477           | 150          |           |
| Other Income                                  | 153           | 100          | 223          | 223          | 160          | 230           | 250           | 223           | 699           | 863           | 200          |           |
| <b>PBT before EO expense</b>                  | <b>295</b>    | <b>507</b>   | <b>657</b>   | <b>934</b>   | <b>672</b>   | <b>978</b>    | <b>1,105</b>  | <b>1,252</b>  | <b>2,392</b>  | <b>4,006</b>  | <b>630</b>   |           |
| Extra-Ord expense                             | 0             | 0            | 21           | 0            | 0            | 0             | 0             | 0             | 21            | 0             | 0            |           |
| <b>PBT</b>                                    | <b>295</b>    | <b>507</b>   | <b>635</b>   | <b>934</b>   | <b>672</b>   | <b>978</b>    | <b>1,105</b>  | <b>1,252</b>  | <b>2,371</b>  | <b>4,006</b>  | <b>630</b>   |           |
| Tax   | 91            | 110          | 105          | 219          | 172          | 246           | 278           | 315           | 526           | 1,012         | 159          |           |
| Rate (%)                                      | 31.0          | 21.8         | 16.6         | 23.5         | 25.7         | 25.2          | 25.2          | 25.2          | 22.2          | 25.2          | 25.2         |           |
| Minority Interest & Profit/Loss of Asso. Cos. | 10            | 34           | 42           | 60           | 2            | 48            | 59            | 84            | 147           | 193           | 15           |           |
| <b>Reported PAT</b>                           | <b>193</b>    | <b>362</b>   | <b>488</b>   | <b>654</b>   | <b>497</b>   | <b>684</b>    | <b>768</b>    | <b>853</b>    | <b>1,698</b>  | <b>2,802</b>  | <b>457</b>   |           |
| <b>Adj PAT</b>                                | <b>193</b>    | <b>362</b>   | <b>509</b>   | <b>654</b>   | <b>497</b>   | <b>684</b>    | <b>768</b>    | <b>853</b>    | <b>1,719</b>  | <b>2,802</b>  | <b>457</b>   | <b>9</b>  |
| YoY Change (%)                                | -32.3         | 22.0         | 228.2        | 87.3         | 157.8        | 88.8          | 50.7          | 30.3          | 58.2          | 63.0          | 136.7        |           |
| Margins (%)                                   | 1.7           | 4.4          | 5.9          | 7.1          | 5.3          | 5.5           | 5.9           | 6.0           | 4.5           | 5.7           | 4.7          |           |

# MAS Financial Services

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↑ |
| Rating change   | ↔ |

**CMP: INR333 TP: INR400 (+20%) Buy**

## Strategic focus on organic retail with a risk-calibrated approach

### NIM improves ~10bp QoQ; asset quality broadly stable

- MAS Financial Services (MASFIN)'s 1QFY26 PAT grew ~19% YoY to INR839m (in line). Fee income rose ~55% YoY to ~INR300m. Net total income was up 36% YoY to INR2.4b (in line), while opex at INR827m grew ~46% YoY (8% higher than MOFSLe). PPop was INR1.5b (in line) and grew 31% YoY.
  - Management indicated that the macroeconomic environment has not fully stabilized, which led to AUM growth coming in at the lower end of the guided range. However, it expects the momentum to improve in 2H, aided by a pickup in economic activity and the upcoming festive season.
  - The company reiterated its guidance of ~20-25% AUM growth, with the organic retail business likely to outpace its partnership business. This will be driven by continued branch expansion and a strategic focus on the SME business, which is expected to be its key growth driver. We estimate a ~24% PAT CAGR over FY25-27, with RoA/RoE of ~2.9%/15% in FY27E.
- Reiterate BUY with a TP of INR400 (based on 2.2x Mar'27E BV).**

### AUM grows ~20% YoY; strong growth in salaried personal loans

- MASFIN's standalone AUM stood at ~INR125b and rose ~20% YoY/3% QoQ. Within this, AUM of micro-enterprise/SME/2W/CV loans rose 11%/20%/30%/18% YoY. Salaried personal loans grew ~90% YoY to ~INR11.3b.
- About 35% of the underlying assets in the standalone AUM were sourced through partner NBFCs. The MSME segment contributed ~60% to the incremental AUM growth during the last one year.
- Management reiterated its target to scale AUM to INR200b over the next three years. The company also shared that its Organic Retail segment is expected to account for ~70-75% of the overall AUM within the next 6-12 quarters. We model an AUM CAGR of ~21% over FY25-27E.

### NIM rises ~10bp QoQ; expect CoB to dip ~25-35bp in FY26

- Yields (calc.) were largely stable QoQ at ~14.85%, while CoF (calc.) rose ~20bp QoQ to 9.3%. This resulted in ~20bp QoQ contraction in spreads to ~5.5%. Management expects a decline of ~25-35bp in its cost of borrowings in FY26, driven by a gradual reduction in MCLR by banks.
- NIM (calc.) expanded ~10bp QoQ to ~7.7%, while reported CoF was stable QoQ at ~9.8%. We model NIM (as % of AUM) of ~5.1/5.4% in FY26/FY27 (vs. ~5.1% in FY25).

### Asset quality broadly stable; GS3 rises ~5bp sequentially

- The 1+dpd declined ~10bp QoQ to 6.6% in 1QFY26. Credit costs were at similar levels as the last quarter and stood at INR424m, translating into annualized credit costs of 1.4% (PQ: 1.4% and PY: 0.9%).
- GNPA (basis AUM) rose ~5bp QoQ to 2.5%, while NNPA was stable at 1.6%. PCR on Stage 3 assets rose ~1pp QoQ to ~41%.

| Bloomberg             | MASFIN IN  |
|-----------------------|------------|
| Equity Shares (m)     | 181        |
| M.Cap.(INRb)/(USDb)   | 60.4 / 0.7 |
| 52-Week Range (INR)   | 350 / 220  |
| 1, 6, 12 Rel. Per (%) | 11/29/12   |
| 12M Avg Val (INR M)   | 64         |

### Financials & Valuations (INR b)

| Y/E March    | FY25 | FY26E | FY27E |
|--------------|------|-------|-------|
| Total income | 8.0  | 10.0  | 12.7  |
| PPP          | 5.4  | 6.5   | 8.4   |
| PAT          | 3.1  | 3.6   | 4.7   |
| EPS (INR)    | 16.9 | 20.1  | 25.9  |
| EPS Gr. (%)  | 11.6 | 19.0  | 29.0  |
| BVPS (INR)   | 140  | 158   | 182   |

### Ratios (%)

|           |      |      |      |
|-----------|------|------|------|
| NIM       | 7.1  | 6.8  | 6.9  |
| C/I ratio | 32.8 | 35.2 | 33.8 |
| RoA       | 2.9  | 2.8  | 2.9  |
| RoE       | 14.4 | 13.5 | 15.2 |
| Payout    | 10.0 | 9.2  | 9.1  |

### Valuations

|                |     |     |      |
|----------------|-----|-----|------|
| P/E (x)        | 20  | 17  | 12.9 |
| P/BV (x)       | 2.4 | 2.1 | 1.8  |
| Div. yield (%) | 0.5 | 0.6 | 0.7  |

### Shareholding pattern (%)

| As on        | Jun-25 | Mar-25 | Jun-24 |
|--------------|--------|--------|--------|
| Promoter (%) | 66.6   | 66.6   | 66.6   |
| DII (%)      | 20.0   | 20.1   | 20.4   |
| FII (%)      | 3.1    | 3.1    | 3.6    |
| Others (%)   | 10.3   | 10.1   | 9.4    |

FII Includes depository receipts

### Other highlights

- The average ticket size of micro-enterprise loans rose to ~INR66k (PQ: ~INR63k).
- The RoTA was largely stable QoQ at ~2.85% in 1QFY26.
- MASFIN Insurance Broking Pvt Ltd, a subsidiary of MAS Financial, has received in-principle approval from IRDAI to operate as a Direct Insurance Broker (Life & General), subject to compliance with IRDAI regulations and final conditions.
- CRAR stood at ~25.2%, with Tier 1 at ~23.2%.

### HFC subsidiary

- MAS Housing reported an AUM of ~INR7.7b, rising ~27% YoY.
- GS3 in the HFC subsidiary declined ~2bp QoQ to ~0.92%.
- Management has guided that AUM would reach INR10b by the end of the year while continuing to uphold strong asset quality.

### Key highlights from the management commentary

- While branch expansion has been temporarily moderated due to the macro environment, management expects to resume its branch expansion trajectory from 3QFY26 onwards.
- Management highlighted elevated slippages in the CV portfolio, which resulted in sequentially flat disbursements for the segment. Further, the company has initiated a pilot in the used car segment, though volumes remain modest.
- MASFIN shared that it may take another 1-2 quarters for eligible demand to rebound and for portfolio quality to strengthen meaningfully.

### Valuation and view

- MASFIN reported in-line earnings for 1QFY26. The earnings were supported by strong disbursement growth of ~17% YoY, which led to an AUM growth of ~20% YoY. Asset quality remained largely stable, while credit costs continued to remain elevated at 1.4%. The company has a niche expertise in the SME segment, and its asset quality is perhaps the best among its MSME lending peers.
- Going forward, the organic retail mix is expected to continue rising, supporting further yield enhancement and margin expansion. Although operating expenses will remain elevated due to sustained investments in distribution and technology, it will still be able to deliver healthy return ratios.
- We model a CAGR of 21%/24% standalone AUM/PAT over FY25-FY27E, with RoA/RoE of 2.9%/15% in FY27E. The company has maintained high earnings quality, backed by its risk-calibrated AUM growth. **Reiterate BUY with a TP of INR400 (premised on 2.2x Mar'27E BV). Key risk:** Slowdown in the economic environment leading to sluggish loan growth and deterioration in asset quality.

**Quarterly Performance**

(INR M)

| Y/E March                      | FY25         |              |              |              | FY26E        |              |              |              | FY25          | FY26E         | 1Q FY26E     | Act. v/s Est. (%) |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|-------------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3QE          | 4QE          |               |               |              |                   |
| <b>Revenue from Operations</b> | <b>3,465</b> | <b>3,670</b> | <b>3,901</b> | <b>4,169</b> | <b>4,438</b> | <b>4,604</b> | <b>4,809</b> | <b>5,043</b> | <b>15,205</b> | <b>18,894</b> | <b>4,312</b> | <b>3</b>          |
| Interest Income                | 2,952        | 3,078        | 3,332        | 3,535        | 3,687        | 3,827        | 4,000        | 4,197        | 12,896        | 15,711        | 3,641        | 1                 |
| Gain on assignments            | 304          | 375          | 356          | 396          | 430          | 447          | 470          | 513          | 1,431         | 1,860         | 416          | 3                 |
| Other Operating Income         | 210          | 217          | 213          | 239          | 320          | 329          | 340          | 333          | 877           | 1,323         | 256          | 25                |
| Interest expenses              | 1,714        | 1,754        | 1,845        | 1,910        | 2,062        | 2,148        | 2,299        | 2,402        | 7,224         | 8,911         | 2,006        | 3                 |
| <b>Total income</b>            | <b>1,751</b> | <b>1,916</b> | <b>2,056</b> | <b>2,259</b> | <b>2,376</b> | <b>2,456</b> | <b>2,511</b> | <b>2,640</b> | <b>7,981</b>  | <b>9,982</b>  | <b>2,307</b> | <b>3</b>          |
| <i>Growth Y-o-Y (%)</i>        | 27           | 26           | 31           | 34           | 36           | 28           | 22           | 17           | 31            | 25            | 32           |                   |
| Operating Expenses             | 567          | 632          | 673          | 744          | 827          | 860          | 886          | 941          | 2,615         | 3,515         | 766          | 8                 |
| <b>Operating Profits</b>       | <b>1,183</b> | <b>1,284</b> | <b>1,383</b> | <b>1,516</b> | <b>1,549</b> | <b>1,595</b> | <b>1,624</b> | <b>1,699</b> | <b>5,366</b>  | <b>6,467</b>  | <b>1,541</b> | <b>1</b>          |
| <i>Growth Y-o-Y (%)</i>        | 25           | 24           | 25           | 35           | 31           | 24           | 17           | 12           | 27            | 21            | 30           |                   |
| Provisions                     | 239          | 263          | 332          | 427          | 424          | 412          | 395          | 367          | 1,261         | 1,598         | 431          | -2                |
| <b>Profit before tax</b>       | <b>944</b>   | <b>1,021</b> | <b>1,051</b> | <b>1,089</b> | <b>1,124</b> | <b>1,184</b> | <b>1,229</b> | <b>1,332</b> | <b>4,104</b>  | <b>4,869</b>  | <b>1,110</b> | <b>1</b>          |
| <i>Growth Y-o-Y (%)</i>        | 25           | 28           | 24           | 20           | 19           | 16           | 17           | 22           | 24            | 19            | 18           |                   |
| Tax Provisions                 | 240          | 255          | 270          | 281          | 285          | 296          | 307          | 338          | 1,045         | 1,227         | 277          | 3                 |
| <b>Net Profit</b>              | <b>704</b>   | <b>766</b>   | <b>781</b>   | <b>808</b>   | <b>839</b>   | <b>888</b>   | <b>922</b>   | <b>993</b>   | <b>3,059</b>  | <b>3,642</b>  | <b>832</b>   | <b>1</b>          |
| <i>Growth Y-o-Y (%)</i>        | 23           | 28           | 25           | 19           | 19           | 16           | 18           | 23           | 23            | 19            | 18           |                   |

**Key Operating Parameters (%)**

|                      |       |      |      |       |       |  |  |  |  |  |  |  |
|----------------------|-------|------|------|-------|-------|--|--|--|--|--|--|--|
| Yield on loans (Cal) | 14.76 | 14.7 | 14.8 | 14.82 | 14.85 |  |  |  |  |  |  |  |
| Cost of funds (Cal)  | 9.61  | 9.37 | 9.31 | 9.12  | 9.32  |  |  |  |  |  |  |  |
| Spreads (Cal)        | 5.1   | 5.3  | 5.5  | 5.7   | 5.5   |  |  |  |  |  |  |  |
| NIM on AUM (Cal)     | 6.83  | 7.2  | 7.2  | 7.60  | 7.73  |  |  |  |  |  |  |  |
| Credit Cost (%)      | 0.9   | 1.0  | 1.2  | 1.4   | 1.4   |  |  |  |  |  |  |  |
| Cost to Income Ratio | 32.4  | 33.0 | 32.7 | 32.9  | 34.8  |  |  |  |  |  |  |  |
| Tax Rate             | 25.4  | 25.0 | 25.0 | 25.8  | 25.4  |  |  |  |  |  |  |  |

**Balance Sheet Parameters**

|                               |              |              |              |              |              |              |              |              |  |  |  |  |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|--|--|
| <b>Standalone AUM (INR B)</b> | <b>103.8</b> | <b>110.2</b> | <b>116.8</b> | <b>121.0</b> | <b>125.0</b> | <b>131.3</b> | <b>138.3</b> | <b>145.4</b> |  |  |  |  |
| Change YoY (%)                | 23.4         | 21.8         | 20.7         | 19.5         | 20.4         | 19.2         | 18.4         | 20.2         |  |  |  |  |
| <b>Disbursements (INR B)</b>  | <b>27.3</b>  | <b>30.2</b>  | <b>31.6</b>  | <b>30.9</b>  | <b>31.9</b>  | <b>35.1</b>  | <b>36.6</b>  | <b>38.7</b>  |  |  |  |  |
| Change YoY (%)                | 19.5         | 21.0         | 18.6         | 10.7         | 17.1         | 16.0         | 16.0         | 25.5         |  |  |  |  |
| <b>Borrowings (INR B)</b>     | <b>71.9</b>  | <b>77.9</b>  | <b>80.6</b>  | <b>87.0</b>  | <b>89.9</b>  | <b>97.2</b>  | <b>105.1</b> | <b>113.2</b> |  |  |  |  |
| Change YoY (%)                | 20.1         | 16.1         | 18.6         | 22.9         | 25.1         | 24.7         | 30.4         | 30.1         |  |  |  |  |
| Debt/Equity (x)               |              |              |              |              |              |              |              |              |  |  |  |  |

**Asset liability Mix**

|                           |      |      |      |      |      |  |  |  |  |  |  |  |
|---------------------------|------|------|------|------|------|--|--|--|--|--|--|--|
| <b>AUM Mix (%)</b>        |      |      |      |      |      |  |  |  |  |  |  |  |
| Micro Enterprises         | 43.6 | 43.1 | 40.3 | 39.6 | 40.1 |  |  |  |  |  |  |  |
| SME loans                 | 36.4 | 36.1 | 36.6 | 37.2 | 36.2 |  |  |  |  |  |  |  |
| 2W loans                  | 6.4  | 6.5  | 6.9  | 6.5  | 7.0  |  |  |  |  |  |  |  |
| CV loans                  | 7.9  | 8.2  | 8.3  | 8.1  | 7.7  |  |  |  |  |  |  |  |
| <b>Borrowings Mix (%)</b> |      |      |      |      |      |  |  |  |  |  |  |  |
| Direct Assignment         | 24.4 | 22.9 | 22.1 | 21.3 | 21.2 |  |  |  |  |  |  |  |
| Cash Credit               | 11.3 | 14.6 | 13.2 | 11.6 | 10.1 |  |  |  |  |  |  |  |
| Term Loan                 | 52.9 | 50.6 | 50.4 | 51.1 | 51.6 |  |  |  |  |  |  |  |
| NCD                       | 8.1  | 8.9  | 11.3 | 13.3 | 14.4 |  |  |  |  |  |  |  |
| Sub Debt                  | 3.3  | 3.1  | 3.0  | 2.8  | 2.7  |  |  |  |  |  |  |  |

**Asset Quality Parameters (%)**

|                          |            |       |       |       |            |  |  |  |  |  |  |  |
|--------------------------|------------|-------|-------|-------|------------|--|--|--|--|--|--|--|
| GS 3 (INR m)             | 2,043      | 2,235 | 2,423 | 2,480 | 2,620      |  |  |  |  |  |  |  |
| GS 3 (%)                 | 2.29       | 2.36  | 2.41  | 2.44  | 2.49       |  |  |  |  |  |  |  |
| NS 3 (INR m)             | 1,243      | 1,361 | 1,505 | 1,483 | 1,541      |  |  |  |  |  |  |  |
| NS 3 (%)                 | 1.52       | 1.57  | 1.62  | 1.62  | 1.63       |  |  |  |  |  |  |  |
| PCR (%)                  | 39.1       | 39.1  | 37.9  | 40.2  | 41.2       |  |  |  |  |  |  |  |
| <b>Return Ratios (%)</b> | <b>0.2</b> |       |       |       | <b>1.0</b> |  |  |  |  |  |  |  |
| ROA                      | 3.0        | 3.0   | 2.9   | 2.9   | 2.8        |  |  |  |  |  |  |  |
| Tier I ratio             | 25.4       | 23.8  | 23.1  | 22.6  | 23.2       |  |  |  |  |  |  |  |

**E: MOFSL estimates**

# Airtel Africa

BSE SENSEX  
82,184

S&P CNX  
25,062



## Strong quarter; 5% beat on both revenue and EBITDA

### Healthy double-digit growth continues across segments and geographies

- Airtel Africa (AAF)'s constant currency (CC) revenue at USD1.4b continued to grow in healthy double digits (+25% YoY vs. +23% YoY in 4Q), driven by acceleration in data (+38% YoY) boosted by tariff hike flow through in Nigeria, and robust growth in Mobile Money revenue (+30% YoY).
- The company's reported revenue came in at USD1.42b (+7% QoQ), ~5% ahead of our estimate, driven by better performance in Francophone Africa (8% beat) and Nigeria (2% beat).
- AAF's CC EBITDA at USD674m also continued double-digit growth (+33% YoY vs. 26% YoY in 4QFY25). Reported EBITDA at USD673m (+12% QoQ, +31% YoY) came in ~5% ahead of our estimate.
- Reported EBITDA margin expanded ~190bp QoQ to 47.6% (+300bp YoY) and was 20bp above our estimate, driven by a sharp margin expansion in Nigeria.
- With capex declining ~18% YoY to USD121m, 1QFY26 operating FCF improved 53% YoY to USD553m in CC terms.
- Net debt increased further to USD5.5b (from USD5.36b at the end of FY25). Excluding leases, net debt inched up to USD1.72b (from USD1.7b QoQ).
- Reported leverage moderated to 2.2x (vs. 2.3x QoQ). Excluding leases, net debt to EBITDAaL stood at ~0.9x (vs. 1x QoQ).

### Robust double-digit YoY growth in CC terms across offerings

- Mobile services revenue at USD1.2b (+7% QoQ) continued to report double-digit YoY CC growth (+24% YoY, versus 22% YoY in 4Q), with robust growth across both voice (+14% YoY) and data (+38% YoY).
- Mobile services EBITDA at USD558m (+8% QoQ) was up 31% YoY (vs. 24% YoY in 4Q), in CC, as margins expanded 50bp QoQ to 46.8%.
- Mobile Money revenue at USD290m (+10% QoQ) rose 30% CC YoY (vs. 30% YoY in 4Q), led by 16% YoY subscriber growth, and an 11% YoY CC rise in ARPU.
- Mobile money EBITDA at USD153m (+12% QoQ) grew +28% CC YoY (vs. 29% YoY in 4Q) with EBITDA margin expanding 60bp QoQ to 52.7%.

### Growth accelerates in Nigeria and Francophone Africa

- **Nigeria:** Nigeria CC revenue growth accelerated to 49% YoY (vs. 40% YoY in 4Q), driven by the benefits of the tariff hike. Data revenue grew 60% YoY (vs. 45% YoY in 4QFY25), and voice revenue growth accelerated to ~37% YoY (from ~31% YoY in 4QFY25). Reported revenue grew 30% YoY (2% ahead). CC EBITDA was up 73% YoY as margin expanded 300bp QoQ to 55.6% (up 780bp YoY, 280bp ahead of our estimate).
- **East Africa:** East Africa CC revenue growth remained robust at 20% YoY (vs. 21% YoY in 4Q) on account of strong 21% YoY growth in data and 30% YoY growth in Mobile Money. Reported revenue grew 21% YoY (~4% ahead). EBITDA was up ~19% YoY in CC as margin contracted 80bp QoQ to 51.9% (-30bp YoY, 80bp below).

- **Francophone Africa:** Growth improved further in Francophone Africa with CC revenue up 16% YoY (vs. 14% YoY in 4Q), driven by 42% YoY CC data revenue growth (+35% YoY in 4Q). Reported revenue grew 19% YoY (8% ahead). EBITDA was up 23% YoY (vs. ~17% YoY increase in 4Q) in CC terms as margin improved ~240bp YoY to 44.2% (albeit 20bp lower QoQ, 30bp miss).

#### **Robust operating performance underpinned by strong ARPU growth, data consumption, and steady net adds**

- The subscriber base inched up 3.3m QoQ (vs. 3m net adds in 4Q) to 169.4m (+9% YoY).
- Data subs rose by 2.2m QoQ (vs. 2m net adds in 4Q) to 735.6m (+17% YoY, 44.6% of subs now opting for data).
- Mobile money subs grew by 1.2m QoQ (vs. 0.3m in 4Q) to 45.8m (16% YoY).
- Blended ARPU was up 4.4% QoQ at USD2.4 (+14.5% YoY CC growth), driven by a robust ~19% YoY CC growth in Data ARPU and ~11% YoY CC growth in Mobile Money ARPU.
- Data usage per sub grew ~8% QoQ to 7.8GB/month (up ~27% YoY vs. 6.2GB/month YoY). Voice usage per customer declined ~1% QoQ to 294min/month (up ~1% YoY vs. 290 min YoY).

#### **Consistent performance and a long runway for growth to drive further re-rating**

- AAF continues to deliver double-digit CC revenue and EBITDA growth for the past several years. Despite ~70% run-up in CY25TD, AAF trades at a modest ~4.5x Sep'27E EV/EBITDA. We ascribe just ~INR62/share valuation to Bharti's stake in AAF in our TP of INR2,200 (<3% contribution), based on CMP. We believe that with continued strong performance and a long runway for growth, there is a case for further re-rating of AAF, which in turn should benefit Bharti Airtel's shareholders.

# Rural Electrification Corp

**BSE SENSEX**  
82,184

**S&P CNX**  
25,603

**CMP: INR405**

**Buy**

## Conference Call Details



**Date:** Not announced

**Time:**

**Dial-in details:**

### Financials & Valuations (INR b)

| Y/E March        | FY25 | FY26E | FY27E |
|------------------|------|-------|-------|
| NII              | 209  | 225   | 255   |
| PPP              | 209  | 225   | 254   |
| PAT              | 157  | 174   | 193   |
| EPS (INR)        | 59.7 | 66.2  | 73.2  |
| EPS Gr. (%)      | 12   | 11    | 11    |
| BV/Shr (INR)     | 295  | 343   | 396   |
| ABV/Shr (INR)    | 293  | 342   | 395   |
| RoAA (%)         | 2.7  | 2.7   | 2.6   |
| RoE (%)          | 21.5 | 20.8  | 19.8  |
| Div. Payout (%)  | 30.1 | 30.2  | 30.2  |
| <b>Valuation</b> |      |       |       |
| P/E (x)          | 6.8  | 6.1   | 5.5   |
| P/BV (x)         | 1.4  | 1.2   | 1.0   |
| Div. Yield (%)   | 4.4  | 4.9   | 5.5   |

## Earnings beat aided by provision write-backs

### Reported NIMs rose ~10bp QoQ; asset quality improved

- RECL's 1QFY26 PAT grew ~29% YoY to INR44.5b (~8% beat). 1Q NII grew ~19% YoY to ~INR55.7b (~in line). Other income stood at -INR3.4b (PY: INR3.5b) due to a net **loss** on fair value changes at INR5.8b.
- Opex declined ~12% YoY to ~INR1.9b and the cost-income ratio stood at ~2.5% (PQ: 3.1% and PY: ~3.4%). The decline in opex was driven by lower CSR and employee expenses during the quarter. PPop grew ~5% YoY to INR50.3b (~5% miss), primarily because of higher currency translation losses.
- Yields (calc.) rose ~20bp YoY to ~10%, while CoB rose ~5bp QoQ to ~7.2%, resulting in spreads (calc.) rising by ~15bp QoQ to ~2.8%. Previous quarter's number on yield is not comparable as it included one-off interest income from recovery in KSK Mahanadi.
- Reported NIM for 1QFY26 rose ~10bp QoQ to ~3.74% (PQ: 3.63%).**
- Standard asset (Stage 1 and 2) provisions declined ~8bp QoQ to 0.87%. Provisions write-backs stood at INR6.2b (vs. MOFSLe provision of INR1.1b). This translated into annualized credit costs of -11bp (PY: 9bp and PQ: 14bp). Provision write-backs were also driven by the restructuring of TRN Energy and the rating upgrade of three distribution companies (which were downgraded in 4Q) after they submitted their audited annual financial statements.
- During the quarter, TRN Energy, with an outstanding loan amount of ~INR15.1b, was restructured. As part of the resolution, REC wrote off INR3.92b, accompanied by a corresponding reversal in ECL of INR2.7b.
- REC declared an interim dividend of ~INR4.6/share.

### Disbursements grew ~36% YoY; loan book grew ~10% YoY

- AUM stood at INR5.85t, up 10.4% YoY and ~3% QoQ. Repayments during the quarter stood at ~29.5% (PQ: 31.3% and PY: ~18%). Disbursements grew ~36% YoY to INR595b.
- Sanctions stood at ~INR1t. Share of renewable in the sanction mix was ~20% and share of infrastructure in the sanction mix was only ~1%.

### Asset quality improves; standard asset provisioning declines QoQ

- GS3 improved ~30bp QoQ to ~1.05%, while NS3 improved ~15bp QoQ to ~0.25%. PCR on Stage 3 rose ~5pp QoQ to ~77%. Standard asset (Stage 1 and 2) provisions declined ~8bp QoQ to 0.87%.
- The company has ~11 projects (PQ: 12 projects) that are classified as NPAs. Resolutions for all the ~11 NPA projects (PCR: 77%) are being pursued under NCLT.
- CRAR stood at ~24% as of Jun'25.

## Valuation and view

- RECL delivered a healthy performance, driven by strong disbursements. However, as per management guidance, overall loan growth remained modest at ~10%. Asset quality continued to improve, aided by the resolution of a stressed account (TRN Energy) during the quarter. Notably, the company reported a ~10bp expansion in NIMs, which came as a positive surprise.
- Key monitorables:** 1) management's outlook on loan growth, 2) progress on assets that are in advanced stages of resolution, 3) the NIM trajectory, given the product mix and competitive intensity, and 4) the proportion of sanctions for infrastructure and private players. We will revisit our estimates after the earnings call.

## Quarterly Performance

| Y/E March                        | INR m         |               |               |               |               |               |               |               |                 |                 |               |            |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|------------|
|                                  | FY25          |               |               |               | FY26E         |               |               |               | FY25            | FY26E           | 1QFY26E       | v/s Est.   |
|                                  | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3Q            | 4Q            |                 |                 |               |            |
| Interest Income                  | 1,26,904      | 1,34,744      | 1,39,704      | 1,49,350      | 1,45,022      | 1,47,923      | 1,52,065      | 1,53,433      | 5,50,701        | 5,98,442        | 1,43,559      | 1          |
| Interest Expenses                | 80,212        | 85,065        | 88,373        | 87,699        | 89,351        | 91,585        | 93,874        | 98,345        | 3,41,350        | 3,73,155        | 89,453        | 0          |
| <b>Net Interest Income</b>       | <b>46,692</b> | <b>49,678</b> | <b>51,331</b> | <b>61,651</b> | <b>55,671</b> | <b>56,338</b> | <b>58,190</b> | <b>55,088</b> | <b>2,09,351</b> | <b>2,25,287</b> | <b>54,106</b> | <b>3</b>   |
| YoY Gr (%)                       | 28.3          | 22.9          | 19.6          | 37.4          | 19.2          | 13.4          | 13.4          | -10.6         | 27              | 8               | 15.9          |            |
| Other Operational Income         | 469           | 483           | 757           | 2,228         | 1,442         | 0             | 0             | 0             | 8,410           | 9,672           | 0             |            |
| <b>Net Operational Income</b>    | <b>47,161</b> | <b>50,161</b> | <b>52,088</b> | <b>63,879</b> | <b>57,113</b> | <b>56,338</b> | <b>58,190</b> | <b>55,088</b> | <b>2,15,680</b> | <b>2,33,459</b> | <b>54,106</b> | <b>6</b>   |
| YoY Gr (%)                       | 28.9          | 22.4          | 19.9          | 39.5          | 21.1          | 12.3          | 11.7          | -13.8         | 27              | 8               | 14.7          |            |
| Other Income                     | 2,998         | 731           | 1,266         | 163           | -4,891        | 2,500         | 2,700         | 10,116        | 685             | 754             | 1,000         | -589       |
| <b>Total Net Income</b>          | <b>50,159</b> | <b>50,892</b> | <b>53,354</b> | <b>64,042</b> | <b>52,222</b> | <b>58,838</b> | <b>60,890</b> | <b>65,204</b> | <b>2,16,365</b> | <b>2,34,212</b> | <b>55,106</b> | <b>-5</b>  |
| YoY Gr (%)                       | 28.1          | 20.0          | 22.7          | 34.9          | 4.1           | 15.6          | 14.1          | 1.8           | 27              | 8               | 9.9           |            |
| <b>Operating Expenses</b>        | <b>2,175</b>  | <b>1,936</b>  | <b>3,147</b>  | <b>2,396</b>  | <b>1,919</b>  | <b>2,337</b>  | <b>2,702</b>  | <b>3,375</b>  | <b>7,436</b>    | <b>8,833</b>    | <b>2,447</b>  | <b>-22</b> |
| YoY Gr (%)                       | 50.6          | -0.1          | 78.2          | -23.1         | -11.8         | 20.7          | -14.2         | 40.9          | 13              | 19              | 12.5          |            |
| % to Income                      | 4.3           | 3.8           | 5.9           | 3.7           | 3.7           | 4.0           | 4.4           | 5.2           | 3               | 4               | 4.4           |            |
| <b>Operating Profit</b>          | <b>47,984</b> | <b>48,955</b> | <b>50,206</b> | <b>61,646</b> | <b>50,303</b> | <b>56,501</b> | <b>58,189</b> | <b>61,829</b> | <b>2,08,929</b> | <b>2,25,380</b> | <b>52,658</b> | <b>-4</b>  |
| YoY Gr %                         | 27.3          | 21.0          | 20.4          | 39.0          | 4.8           | 15.4          | 15.9          | 0.3           | 27              | 8               | 9.7           |            |
| Provisions                       | 4,726         | -1,441        | -890          | 7,800         | -6,166        | 1,357         | 1,456         | 8,596         | 10,194          | 5,243           | 1,078         | -672       |
| <b>PBT</b>                       | <b>43,258</b> | <b>50,396</b> | <b>51,097</b> | <b>53,847</b> | <b>56,469</b> | <b>55,144</b> | <b>56,733</b> | <b>53,233</b> | <b>1,98,734</b> | <b>2,20,137</b> | <b>51,580</b> | <b>9</b>   |
| YoY Gr (%)                       | 16.5          | 4.8           | 24.2          | 4.6           | 30.5          | 9.4           | 11.0          | -1.1          | 12              | 11              | 19.2          |            |
| <b>Tax</b>                       | <b>8,834</b>  | <b>10,342</b> | <b>10,806</b> | <b>11,485</b> | <b>11,959</b> | <b>11,304</b> | <b>12,198</b> | <b>10,328</b> | <b>41,466</b>   | <b>45,788</b>   | <b>10,316</b> | <b>16</b>  |
| Tax Rate (%)                     | 20.4          | 20.5          | 21.1          | 21.3          | 21.2          | 20.5          | 21.5          | 19.4          | 21              | 21              | 16.8          |            |
| <b>PAT</b>                       | <b>34,425</b> | <b>40,055</b> | <b>40,291</b> | <b>42,362</b> | <b>44,510</b> | <b>43,839</b> | <b>44,535</b> | <b>42,906</b> | <b>1,57,269</b> | <b>1,74,348</b> | <b>41,264</b> | <b>8</b>   |
| YoY Gr (%)                       | 16.3          | 6.2           | 23.2          | 5.5           | 29.3          | 9.4           | 10.5          | 1.3           | 12.2            | 10.9            | 19.9          |            |
| <b>Key Parameters (Calc., %)</b> |               |               |               |               |               |               |               |               |                 |                 |               |            |
| Yield on loans                   | 9.81          | 9.99          | 10.01         | 10.49         | 9.99          | 10.12         | 10.06         | 9.85          |                 |                 |               |            |
| Cost of funds                    | 7.16          | 7.28          | 7.32          | 7.17          | 7.17          | 7.12          | 7.08          | 7.21          |                 |                 |               |            |
| Spread                           | 2.65          | 2.7           | 2.7           | 3.3           | 2.82          | 3.0           | 3.0           | 2.6           |                 |                 |               |            |
| NIM                              | 3.5           | 3.7           | 3.7           | 4.3           | 3.8           | 3.8           | 3.8           | 3.5           |                 |                 |               |            |
| C/l ratio                        | 3.4           | 3.1           | 5.0           | 3.1           | 2.5           | 3.5           | 4.0           | 5.6           |                 |                 |               |            |
| Credit cost                      | 0.09          | 0.0           | -0.02         | 0.14          | -0.11         | 0.0           | 0.02          | 0.14          |                 |                 |               |            |
| <b>Balance Sheet Parameters</b>  |               |               |               |               |               |               |               |               |                 |                 |               |            |
| <b>Disbursements (INR b)</b>     | <b>437</b>    | <b>473</b>    | <b>547</b>    | <b>455</b>    | <b>595</b>    | <b>491</b>    | <b>601</b>    | <b>454</b>    |                 |                 |               |            |
| Growth (%)                       | 27.9          | 13.7          | 18.0          | 15.7          | 36.3          | 3.8           | 9.9           | -0.2          |                 |                 |               |            |
| <b>AUM (INR b)</b>               | <b>5,297</b>  | <b>5,461</b>  | <b>5,656</b>  | <b>5,669</b>  | <b>5,846</b>  | <b>5,986</b>  | <b>6,243</b>  | <b>6,393</b>  |                 |                 |               |            |
| Growth (%)                       | 16.6          | 15.1          | 13.7          | 11.3          | 10.4          | 9.6           | 10.4          | 12.8          |                 |                 |               |            |
| <b>Asset Quality Parameters</b>  |               |               |               |               |               |               |               |               |                 |                 |               |            |
| <b>GS 3 (INR B)</b>              | 138.1         | 138.2         | 110.5         | 76.5          | 61.5          |               |               |               |                 |                 |               |            |
| GS 3 (%)                         | 2.6           | 2.5           | 2.0           | 1.4           | 1.05          |               |               |               |                 |                 |               |            |
| <b>NS 3 (INR B)</b>              | 43.5          | 48.2          | 42.1          | 21.6          | 14.11         |               |               |               |                 |                 |               |            |
| NS 3 (%)                         | 0.82          | 0.9           | 0.7           | 0.4           | 0.24          |               |               |               |                 |                 |               |            |
| PCR (%)                          | 68.5          | 65.1          | 61.9          | 71.7          | 77.05         |               |               |               |                 |                 |               |            |

E: MOFSL Estimates

# Coromandel International

BSE SENSEX  
82,184

S&P CNX  
25,062

**CMP: INR2,428**

**Buy**

## Conference Call Details



**Date:** 25<sup>th</sup> Jul, 2025

**Time:** 02:30 pm IST

**Concall link:**

[Click here](#)

## Operating performance in line

- CRIN reported an overall revenue of INR70.4b (est. INR61.9b) in 1QFY26, up ~49% YoY. Nutrient & other allied business revenue grew 51% YoY to INR63.5b, while crop protection business revenue grew 31% YoY to ~INR7.2b.
- EBITDA margin expanded 40bp YoY to 11.1% (est. 12.3%); RM cost as a % of sales was 74.1% in 1QFY26 vs. 73.6% in 1QFY25. Employee costs stood at 3.2% vs. 3.9%, freight costs were 5.4% vs. 6.0%, and other expenses came in at 5.9% vs. 5.9%. EBITDA surged 55% YoY to INR7.8b (in line).
- EBIT margin for the Nutrient & other allied business contracted 30bp YoY to 9.9%, while for the crop protection business it expanded ~400bp YoY to 15.3%.
- Adj. PAT stood at ~INR5b (in line), up 62% YoY.

## Quarterly Performance

(INR m)

| Y/E March                             | FY25          |               |               |               | FY26E         |               |               |               | FY25           | FY26E          | FY26          | Var       |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|-----------|
| Consolidated                          | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |                |                | 1E            | %         |
| <b>Net Sales</b>                      | <b>47,288</b> | <b>74,328</b> | <b>69,352</b> | <b>49,884</b> | <b>70,423</b> | <b>85,715</b> | <b>82,058</b> | <b>58,536</b> | <b>240,852</b> | <b>296,732</b> | <b>61,910</b> | <b>14</b> |
| YoY Change (%)                        | -16.9         | 6.4           | 26.9          | 27.5          | 48.9          | 15.3          | 18.3          | 17.3          | 9.2            | 23.2           | 30.9          |           |
| Total Expenditure                     | 42,231        | 64,581        | 62,134        | 45,624        | 62,602        | 74,214        | 73,936        | 53,364        | 214,569        | 264,116        | 54,270        |           |
| <b>EBITDA</b>                         | <b>5,058</b>  | <b>9,748</b>  | <b>7,218</b>  | <b>4,260</b>  | <b>7,821</b>  | <b>11,500</b> | <b>8,122</b>  | <b>5,172</b>  | <b>26,283</b>  | <b>32,616</b>  | <b>7,641</b>  | <b>2</b>  |
| Margins (%)                           | 10.7          | 13.1          | 10.4          | 8.5           | 11.1          | 13.4          | 9.9           | 8.8           | 10.9           | 11.0           | 12.3          |           |
| Depreciation                          | 653           | 690           | 708           | 854           | 1,206         | 775           | 780           | 797           | 2,904          | 3,558          | 760           |           |
| Interest                              | 574           | 661           | 731           | 659           | 680           | 550           | 450           | 400           | 2,624          | 2,080          | 600           |           |
| Other Income                          | 541           | 650           | 1,137         | 1,260         | 837           | 780           | 1,307         | 1,389         | 3,587          | 4,313          | 649           |           |
| <b>PBT before EO expense</b>          | <b>4,372</b>  | <b>9,047</b>  | <b>6,916</b>  | <b>4,007</b>  | <b>6,773</b>  | <b>10,955</b> | <b>8,199</b>  | <b>5,364</b>  | <b>24,342</b>  | <b>31,291</b>  | <b>6,930</b>  |           |
| Extra-Ord expense                     | 0             | 0             | 0             | -3,468        | 0             | 0             | 0             | 0             | -3,468         | 0              | 0             |           |
| <b>PBT</b>                            | <b>4,372</b>  | <b>9,047</b>  | <b>6,916</b>  | <b>7,475</b>  | <b>6,773</b>  | <b>10,955</b> | <b>8,199</b>  | <b>5,364</b>  | <b>27,810</b>  | <b>31,291</b>  | <b>6,930</b>  |           |
| Tax                                   | 1,125         | 2,328         | 1,752         | 1,524         | 1,757         | 2,757         | 2,064         | 1,350         | 6,728          | 7,928          | 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           | 120           | 70            | 227           | 417            | 383            | 144           |           |
| <b>Reported PAT</b>                   | <b>3,110</b>  | <b>6,641</b>  | <b>5,118</b>  | <b>5,797</b>  | <b>5,050</b>  | <b>8,078</b>  | <b>6,065</b>  | <b>3,787</b>  | <b>20,665</b>  | <b>22,980</b>  | <b>5,042</b>  |           |
| <b>Adj PAT</b>                        | <b>3,110</b>  | <b>6,641</b>  | <b>5,118</b>  | <b>3,036</b>  | <b>5,050</b>  | <b>8,078</b>  | <b>6,065</b>  | <b>3,787</b>  | <b>18,036</b>  | <b>22,980</b>  | <b>5,042</b>  | <b>0</b>  |
| YoY Change (%)                        | -37.1         | -12.3         | 121.6         | 89.4          | 62.4          | 21.6          | 18.5          | 24.7          | 9.8            | 27.4           | 62.1          |           |
| Margins (%)                           | 6.6           | 8.9           | 7.4           | 6.1           | 7.2           | 9.4           | 7.4           | 6.5           | 7.5            | 7.7            | 8.1           |           |

# KFin Technologies

**BSE Sensex**  
82,184

**S&P CNX**  
25,062

**CMP: INR1,233**

**Neutral**

## Conference Call Details



**Date:** 25<sup>th</sup> July 2025

**Time:** 11:00 AM IST

[Link for the call](#)

### Financials & Valuations (INR b)

| Y/E March         | 2025 | 2026E | 2027E |
|-------------------|------|-------|-------|
| Revenue           | 10.9 | 12.5  | 14.9  |
| EBITDA            | 4.8  | 5.3   | 6.5   |
| PAT               | 3.3  | 3.7   | 4.7   |
| EPS               | 19.5 | 21.9  | 27.4  |
| EPS Grw. (%)      | 33.9 | 12.2  | 25.2  |
| BVPS              | 76.7 | 84.2  | 97.6  |
| RoE (%)           | 28.3 | 27.2  | 30.1  |
| Div. Payout (%)   | 45.0 | 60.0  | 60.0  |
| <b>Valuations</b> |      |       |       |
| P/E (x)           | 68.2 | 57.6  | 46.0  |
| P/BV (x)          | 17.3 | 15.0  | 12.9  |
| Div. Yield (%)    | 0.7  | 1.0   | 1.3   |

## Non-MF revenue miss leads to a 13% miss on PAT

- KFin Technologies (Kfin) reported a 15% YoY growth in operating revenue to INR2.7b in 1QFY26 (9% miss), driven by 17%/24%/34% YoY growth in domestic MF solutions/issuer solutions/international solutions segments.
- Total MF AAUM serviced during the quarter grew 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).
- In the issuer services business, the main board IPO market share (concerning issue size) declined YoY to 18% in 1QFY26 (26.3% in 1QFY25). In the international investor solutions business, the number of clients reached 82, taking the total AUM serviced to INR864b. In the alternates and wealth business, the 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.
- 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).
- EBITDA grew 14% YoY to INR1.1b (10% miss) with EBITDA margin at 41.5% (42% in 1QFY25).
- KFin reported a net profit of INR773m, up 14% YoY (13% miss) in 1QFY26.

### Valuation and view

- Structural tailwinds in the MF industry will drive absolute growth in MF revenue. With its unique 'platform-as-a-service' business model that provides comprehensive end-to-end solutions enabled by proprietary technology solutions, KFIN is well-positioned to benefit from strong growth across large markets in India and across the world.
- **We have a Neutral rating on the stock with a TP of INR1,230 (based on 45x Mar'27E EPS).** We will update our estimates after the conference call scheduled for 25<sup>th</sup> Jul'25.

**Quarterly Performance**
**(INR m)**

| Y/E March                             | FY25       |              |              |              | FY26         |              | FY25         | FY26         | 1QFY26E | Act v/s Est. (%) | YoY    | QoQ |
|---------------------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|------------------|--------|-----|
|                                       | 1Q         | 2Q           | 3Q           | 4Q           | 1Q           |              |              |              |         |                  |        |     |
| Revenue from Operations               | 2,376      | 2,805        | 2,900        | 2,827        | 2,741        | 10,908       | 12,541       | 2,998        | -8.6    | 15%              | -3%    |     |
| Change YoY (%)                        | 30.9       | 34.2         | 32.6         | 23.8         | 15.4         | 30.2         | 15.0         | 26.2         |         |                  |        |     |
| Employee expenses                     | 958        | 1,018        | 1,040        | 1,017        | 1,117        | 4,033        | 4,638        | 1,109        | 0.7     | 17%              | 10%    |     |
| Operating expenses                    |            |              |              |              |              |              |              |              |         |                  |        |     |
| Other Expenses                        | 421        | 522          | 555          | 588          | 485          | 2,085        | 2,606        | 624          | -22.3   | 15%              | -17%   |     |
| Total Operating Expenses              | 1,379      | 1,539        | 1,595        | 1,604        | 1,602        | 6,118        | 7,244        | 1,733        | -7.6    | 16%              | 0%     |     |
| Change YoY (%)                        | 24.1       | 33.5         | 32.0         | 29.7         | 16.2         |              |              | 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>4,790</b> | <b>5,297</b> | <b>1,265</b> | -10.0   | 14%              | -7%    |     |
| Other Income                          | 81         | 105          | 91           | 100          | 100          | 377          | 434          | 105          | -4.5    | 24%              | 0%     |     |
| Depreciation                          | 148        | 165          | 164          | 167          | 176          | 645          | 709          | 172          | 2.8     | 19%              | 5%     |     |
| Finance Cost                          | 12         | 11           | 11           | 13           | 11           | 47           | 50           | 13           | -15.5   | -6%              | -15%   |     |
| <b>PBT</b>                            | <b>918</b> | <b>1,195</b> | <b>1,221</b> | <b>1,142</b> | <b>1,052</b> | <b>4,476</b> | <b>4,972</b> | <b>1,186</b> | -11.3   | 15%              | -8%    |     |
| Change YoY (%)                        | 52.1       | 41.9         | 36.0         | 19.6         | 14.5         | 35.7         | 11.1         | 29.2         |         |                  |        |     |
| Tax Provisions                        | 237        | 301          | 319          | 292          | 276          | 1,150        | 1,244        | 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>3,326</b> | <b>3,727</b> | <b>889</b>   | -13.1   | 13%              | -9%    |     |
| Change YoY (%)                        | 56.9       | 45.5         | 34.9         | 14.2         | 13.5         | 35.2         | 12.1         | 30.6         |         |                  |        |     |
| <b>Key Operating Parameters (%)</b>   |            |              |              |              |              |              |              |              |         |                  |        |     |
| Revenue / AUM (bp)                    | 5.0        | 5.2          | 5.2          | 5.2          | 4.7          | 5.2          | 5.1          | 5.2          | -48bp   | -31bp            | -50bp  |     |
| Opex / AUM (bp)                       | 2.9        | 2.9          | 2.9          | 2.9          | 2.7          | 2.9          | 3.0          | 3.0          | -25bp   | -16bp            | -20bp  |     |
| PBT / AUM (bp)                        | 1.9        | 2.2          | 2.2          | 2.1          | 1.8          | 2.1          | 2.0          | 2.0          | -24bp   | -13bp            | -30bp  |     |
| PAT / AUM (bp)                        | 1.4        | 1.7          | 1.6          | 1.6          | 1.3          | 1.6          | 1.5          | 1.5          | -21bp   | -11bp            | -24bp  |     |
| Cost to Operating Income Ratio        | 58.0       | 54.9         | 55.0         | 56.8         | 58.5         | 56.1         | 57.8         | 57.8         | 65bp    | 41bp             | 170bp  |     |
| EBITDA Margin                         | 42.0       | 45.1         | 45.0         | 43.2         | 41.5         | 43.9         | 42.2         | 42.2         | -65bp   | -41bp            | -170bp |     |
| PBT Margin                            | 38.6       | 42.6         | 42.1         | 40.4         | 38.4         | 41.0         | 39.6         | 39.5         | -118bp  | -27bp            | -203bp |     |
| Tax Rate                              | 25.9       | 25.2         | 26.1         | 25.5         | 26.3         | 25.7         | 25.0         | 25.0         | 129bp   | 44bp             | 75bp   |     |
| PAT Margin                            | 28.7       | 31.8         | 31.1         | 30.1         | 28.2         | 30.5         | 29.7         | 29.7         | -147bp  | -46bp            | -190bp |     |
| <b>Opex Mix (%)</b>                   |            |              |              |              |              |              |              |              |         |                  |        |     |
| Employee expenses                     | 69.5       | 66.1         | 65.2         | 63.4         | 69.7         | 65.9         | 64.0         | 64.0         | 573bp   | 24bp             | 636bp  |     |
| Other Expenses                        | 30.5       | 33.9         | 34.8         | 36.6         | 30.3         | 34.1         | 36.0         | 36.0         | -573bp  | -24bp            | -636bp |     |
| <b>Key Parameters</b>                 |            |              |              |              |              |              |              |              |         |                  |        |     |
| <b>MF services</b>                    |            |              |              |              |              |              |              |              |         |                  |        |     |
| QAUM (INR b)                          | 19,073     | 21,443       | 22,345       | 21,853       | 23,453       | 21,178       | 24,355       | 23,274       | 0.8     | 23%              | 7%     |     |
| Share of Equity AUM (%)               | 58.6%      | 59.9%        | 59.3%        | 58.0%        | 58.0%        |              |              | 0.0%         |         |                  |        |     |
| Domestic MF Revenue - bp as % of AAUM | 3.66       | 3.70         | 3.73         | 3.64         | 3.49         |              |              | 3.61         | -3.4    |                  |        |     |
| SIP Book AAUM (INR b)                 | 3,733      | 4,299        | 4,328        | 4,122        | 4,691        |              |              | 0            |         | 26%              | 14%    |     |
| EOP SIP live folios (m)               | 39.1       | 42.5         | 44.0         | 43.4         | 35.4         |              |              | 0.0          |         | -9%              | -18%   |     |
| Avg Live Investor Folio (m)           | 84.7       | 92.9         | 99.6         | 103.9        | 106.4        |              |              | 0.0          |         | 26%              | 2%     |     |

**BSE SENSEX**  
82,184

**S&P CNX**  
25,062

**CMP: INR562**

**Buy**

## Beats estimates, DC business scaling up

### Operational highlights

#### Financials & Valuations (INR b)

| Y/E Mar           | FY25  | FY26E | FY27E |
|-------------------|-------|-------|-------|
| Sales             | 20.6  | 21.7  | 27.3  |
| EBITDA            | 4.9   | 7.7   | 8.7   |
| EBITDA Margin (%) | 23.9  | 35.6  | 31.7  |
| PAT               | 4.3   | 5.0   | 4.5   |
| EPS (INR)         | 12.4  | 14.7  | 13.0  |
| EPS Gr. (%)       | 59.4  | 18.2  | -11.5 |
| BV/Sh. (INR)      | 121.2 | 135.4 | 147.9 |
| <b>Ratios</b>     |       |       |       |
| RoE (%)           | 10.2  | 10.8  | 8.8   |
| RoCE (%)          | 10.0  | 11.4  | 7.6   |
| Payout (%)        | 5.9   | 3.4   | 3.9   |
| <b>Valuations</b> |       |       |       |
| P/E (x)           | 45.3  | 38.3  | 43.3  |
| P/BV (x)          | 4.6   | 4.2   | 3.8   |
| EV/EBITDA (x)     | 38.8  | 25.7  | 25.4  |
| Div yld (%)       | 0.1   | 0.1   | 0.1   |

- **Real Estate:** Anant Raj launched a new version of independent floors under the brand "The Estate Apartments" at Anant Raj Estate, Sector 63A, Gurugram. The offering received a strong customer response, reaffirming market confidence in the brand and its product.
- The company secured approvals and commenced development of a Community Center and Commercial Tower at its "Ashok Estate" project in Sector 63A, Gurugram, with total area of 0.16msf.
- Preparations for the Group Housing-2 project at Anant Raj Estate, Sector 63A, Gurugram, with a planned area of 1.09msf are in advanced stages and the project is expected to launch soon.
- **Data centers:** The second data center facility at Panchkula is being operationalized, with a special event titled "BHARAT BUILT: Soil to Server" scheduled for 1st-2nd Aug'25, to showcase the expanded capacities at both Manesar and Panchkula.
- This development enhances the company's presence in the data center space, with both sites capable of functioning as data center and disaster recovery units for each other.
- Integration of cloud services across the Panchkula and Manesar facilities has commenced, in collaboration with Orange Business as the technical partner.
- The company has secured a major private sector client for colocation and cloud services at its Manesar facility, with an estimated IT load capacity of ~3 MW, supplementing its existing client base

### Performance highlights

- In 1QFY26, revenue came in at INR5.9b, up 26% YoY/10% QoQ (35% above our estimate).
- EBITDA was at INR1.5b, up 46% YoY/6% QoQ (in line with est.). EBITDA margin stood at 25.4%, up 3.6pp YoY.
- Adj PAT was at INR1.3b, up 38% YoY/6% QoQ (23% above estimate). PAT margin was at 21%, up 2pp YoY.

### Quarterly performance

| Y/E March                             | FY25         |              |              |              | FY26E        |              |              |              | FY25          | FY26          | FY26E        | 1QE                |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------------|
|                                       | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           |               |               | 1Q Est.      | Variance<br>(%/bp) |
| <b>Net Sales</b>                      | <b>4,718</b> | <b>5,129</b> | <b>5,346</b> | <b>5,407</b> | <b>5,924</b> | <b>5,324</b> | <b>5,800</b> | <b>4,656</b> | <b>20,600</b> | <b>21,704</b> | <b>4,404</b> | 35%                |
| YoY Change (%)                        | 49.2         | 54.3         | 36.3         | 22.2         | 25.6         | 3.8          | 8.5          | -13.9        | 38.9          | 5.4           | -6.7         |                    |
| Total Expenditure                     | 3,689        | 4,001        | 4,011        | 3,983        | 4,418        | 3,428        | 3,735        | 2,395        | 15,683        | 13,976        | 2,836        |                    |
| <b>EBITDA</b>                         | <b>1,030</b> | <b>1,128</b> | <b>1,336</b> | <b>1,424</b> | <b>1,507</b> | <b>1,896</b> | <b>2,065</b> | <b>2,260</b> | <b>4,917</b>  | <b>7,728</b>  | <b>1,568</b> | -4%                |
| Margins (%)                           | 21.8         | 22.0         | 25.0         | 26.3         | 25.4         | 35.6         | 35.6         | 48.6         | 23.9          | 35.6          | 35.6         | -1017bp            |
| Depreciation                          | 55           | 81           | 82           | 87           | 79           | 285          | 310          | 487          | 305           | 1,162         | 236          |                    |
| Interest                              | 36           | 15           | 29           | 30           | 24           | 65           | 70           | 104          | 110           | 263           | 53           |                    |
| Other Income                          | 98           | 109          | 93           | 103          | 100          | 104          | 113          | 106          | 403           | 423           | 86           |                    |
| <b>PBT before EO expense</b>          | <b>1,037</b> | <b>1,141</b> | <b>1,318</b> | <b>1,409</b> | <b>1,504</b> | <b>1,650</b> | <b>1,798</b> | <b>1,775</b> | <b>4,905</b>  | <b>6,726</b>  | <b>1,365</b> |                    |
| Extra-Ord expense                     | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0            |                    |
| <b>PBT</b>                            | <b>1,037</b> | <b>1,141</b> | <b>1,318</b> | <b>1,409</b> | <b>1,504</b> | <b>1,650</b> | <b>1,798</b> | <b>1,775</b> | <b>4,905</b>  | <b>6,726</b>  | <b>1,365</b> | 10%                |
| Tax                                   | 142          | 97           | 223          | 228          | 257          | 415          | 452          | 568          | 690           | 1,693         | 344          |                    |
| Rate (%)                              | 13.7         | 8.5          | 16.9         | 16.2         | 17.1         | 25.2         | 25.2         | 32.0         | 14.1          | 25.2          | 25.2         |                    |
| Minority Interest & P/L of Asso. Cos. | 15           | 11           | 10           | 5            | 12           | 0            | 0            | -12          | 41            | 0             | 0            |                    |
| <b>Reported PAT</b>                   | <b>895</b>   | <b>1,044</b> | <b>1,094</b> | <b>1,181</b> | <b>1,247</b> | <b>1,235</b> | <b>1,345</b> | <b>1,207</b> | <b>4,215</b>  | <b>5,033</b>  | <b>1,021</b> |                    |
| <b>Adj PAT</b>                        | <b>910</b>   | <b>1,056</b> | <b>1,104</b> | <b>1,186</b> | <b>1,259</b> | <b>1,235</b> | <b>1,345</b> | <b>1,195</b> | <b>4,257</b>  | <b>5,033</b>  | <b>1,021</b> | 23%                |
| YoY Change (%)                        | 79.7         | 75.7         | 53.7         | 38.2         | 38.3         | 16.9         | 21.8         | 0.7          | 60.1          | 18.2          | 12.2         |                    |
| Margins (%)                           | 19.3         | 20.6         | 20.7         | 21.9         | 21.2         | 23.2         | 23.2         | 25.7         | 20.7          | 23.2          | 23.2         | -194bp             |

We currently have a 'BUY' rating for Anant Raj. However, estimates are under review and we will revise them after the earnings call

Source: Company, MOFSL

## LT Foods

BSE SENSEX  
82,184

S&P CNX  
25,062

**CMP: INR491**

**BUY**

### Conference Call Details



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

**Time:** 16:00 hrs IST

**Concall link:**

[Click here](#)

### Operating performance in line

- LT Foods reported revenue of INR24.6b (est. INR23.5b) in 1QFY26, up ~19% YoY and 11% QoQ.
- **Consolidated EBITDA** stood at INR2.7b (+17% YoY, +8% QoQ) (est. INR2.8b). EBITDA margin contracted 90bp YoY/80bp QoQ to 10.8% (est 11.3%).
- Adj. PAT grew 10%/5% YoY/QoQ to INR1.6b vs. the estimate of INR1.7b.

### Segmental performance in 1QFY26

- The Basmati & Other Specialty Rice segment's revenue grew 22% YoY to INR21.2b, and EBITDA stood at INR2.7b (up 22%). Gross/EBITDA margin stood at 34%/10%, up 160/10bp YoY, while volumes grew 20% YoY.
- The Organic Foods segment's revenue grew 32% YoY to INR2.9b, and EBITDA stood at INR293m. Gross/EBITDA margins contracted 680/170bp YoY to 35%/10%.
- The Convenience & Health segment's revenue declined 16% YoY to INR470m. Gross margin expanded 10bp to 37% and operating loss stood at INR24m.
- In terms of geography, India/North America/EU grew 10%/32%/57%, while the Middle East declined 33%.

### Consolidated - Quarterly Earning Model

(INRM)

| Y/E March                             | FY25          |               |               |               | FY26E         |               |               |               | FY25          | FY26E          | FY2           | Var        |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|------------|
|                                       | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |               |                | 1QE           |            |
| <b>Gross Sales</b>                    | <b>20,705</b> | <b>21,078</b> | <b>22,748</b> | <b>22,284</b> | <b>24,639</b> | <b>25,780</b> | <b>27,480</b> | <b>27,510</b> | <b>86,815</b> | <b>105,410</b> | <b>23,505</b> | <b>5%</b>  |
| YoY Change (%)                        | 16.4          | 6.6           | 17.2          | 7.4           | 19.0          | 22.3          | 20.8          | 23.5          | 11.7          | 21.4           | 13.5          |            |
| Total Expenditure                     | 18,296        | 18,785        | 20,250        | 19,701        | 21,985        | 22,663        | 24,099        | 24,072        | 77,032        | 92,820         | 20,707        |            |
| <b>EBITDA</b>                         | <b>2,409</b>  | <b>2,293</b>  | <b>2,498</b>  | <b>2,583</b>  | <b>2,654</b>  | <b>3,117</b>  | <b>3,381</b>  | <b>3,437</b>  | <b>9,783</b>  | <b>12,590</b>  | <b>2,798</b>  | <b>-5%</b> |
| Margins (%)                           | 11.6          | 10.9          | 11.0          | 11.6          | 10.8          | 12.1          | 12.3          | 12.5          | 11.3          | 11.9           | 11.9          |            |
| Depreciation                          | 420           | 448           | 458           | 531           | 523           | 495           | 483           | 505           | 1,857         | 2,006          | 489           |            |
| Interest                              | 187           | 196           | 236           | 257           | 280           | 190           | 150           | 113           | 877           | 733            | 200           |            |
| Other Income                          | 175           | 263           | 134           | 313           | 371           | 100           | 250           | 230           | 885           | 951            | 150           |            |
| <b>PBT before EO expense</b>          | <b>1,977</b>  | <b>1,911</b>  | <b>1,938</b>  | <b>2,107</b>  | <b>2,221</b>  | <b>2,532</b>  | <b>2,998</b>  | <b>3,049</b>  | <b>7,934</b>  | <b>10,801</b>  | <b>2,259</b>  |            |
| Extra-Ord expense                     | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             |            |
| <b>PBT</b>                            | <b>1,977</b>  | <b>1,911</b>  | <b>1,938</b>  | <b>2,107</b>  | <b>2,221</b>  | <b>2,532</b>  | <b>2,998</b>  | <b>3,049</b>  | <b>7,934</b>  | <b>10,801</b>  | <b>2,259</b>  |            |
| Tax                                   | 530           | 494           | 525           | 554           | 598           | 637           | 755           | 768           | 2,102         | 2,757          | 569           |            |
| Rate (%)                              | 26.8          | 25.8          | 27.1          | 26.3          | 26.9          | 25.2          | 25.2          | 25.2          | 26.5          | 25.5           | 25.2          |            |
| Minority Interest & P/L of Asso. Cos. | -84           | -66           | -19           | -52           | -62           | 0             | 0             | 0             | -222          | -62            | -26           |            |
| <b>Reported PAT</b>                   | <b>1,532</b>  | <b>1,484</b>  | <b>1,433</b>  | <b>1,605</b>  | <b>1,685</b>  | <b>1,895</b>  | <b>2,244</b>  | <b>2,282</b>  | <b>6,053</b>  | <b>8,105</b>   | <b>1,716</b>  |            |
| <b>Adj PAT</b>                        | <b>1,532</b>  | <b>1,484</b>  | <b>1,433</b>  | <b>1,605</b>  | <b>1,685</b>  | <b>1,895</b>  | <b>2,244</b>  | <b>2,282</b>  | <b>6,053</b>  | <b>8,105</b>   | <b>1,716</b>  | <b>-2%</b> |
| YoY Change (%)                        | 11.4          | -7.2          | -5.2          | 7.9           | 10.0          | 27.7          | 56.6          | 42.2          | 1.3           | 33.9           | 12.1          |            |
| Margins (%)                           | 7.4           | 7.0           | 6.3           | 7.2           | 6.8           | 7.3           | 8.2           | 8.3           | 7.0           | 7.7            | 7.3           |            |

**BSE SENSEX**  
82,184

**S&P CNX**  
25,062

**CMP: INR132**

**Neutral**

## Conference Call Details



**Date:** 25 July 2025  
**Time:** 14:30 HRS IST  
**Dial in:**  
+91 22 6280 1145  
+91 22 7115 8046

### Financials & Valuations (INR b)

| Y/E March        | FY25  | FY26E | FY27E |
|------------------|-------|-------|-------|
| Sales            | 5.4   | 6.0   | 6.9   |
| EBITDA           | 4.6   | 5.2   | 5.9   |
| Adj. PAT         | 4.1   | 4.6   | 5.3   |
| EPS (INR)        | 4.7   | 5.1   | 5.9   |
| EPS Gr.%         | 21.4  | 10.1  | 15.1  |
| BV/Sh. (INR)     | 12.3  | 14.4  | 16.7  |
| <b>Ratios</b>    |       |       |       |
| Net D:E          | (0.1) | (0.2) | (0.3) |
| RoE (%)          | 40.5  | 38.4  | 37.9  |
| RoCE (%)         | 39.5  | 37.5  | 37.2  |
| Payout (%)       | 64.5  | 60.0  | 60.0  |
| <b>Valuation</b> |       |       |       |
| P/E (x)          | 28.4  | 25.8  | 22.4  |
| P/B (x)          | 10.7  | 9.2   | 7.9   |
| EV/EBITDA (x)    | 25.6  | 22.2  | 19.0  |
| Div. yield (%)   | 2.3   | 2.3   | 2.7   |

## 1Q broadly in line; PAT beats on stronger Other Income

- IEX reported standalone revenue of INR1.4b in 1QFY26, reflecting a 13.3% YoY increase, in line with our estimates.
- EBITDA came in at INR1.1b, up 13.9% YoY, 3% below our estimates.
- Standalone PAT stood at INR1.1b in 1QFY26, up 21% YoY and 5% above our estimates, 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, day ahead market (DAM) volumes fell 7% YoY, whereas real time market (RTM)/term ahead market (TAM) volumes registered a growth of 41%/11% YoY in 1QFY26.
  - Renewable energy certificate (REC) volumes saw a surge in 1QFY26, rising 149.3% YoY to 5.3MUs. The Green Market segment also delivered strong volumes of 2.7BUs (50% YoY).
  - In 1QFY26, higher hydro & wind and sustained coal-based generation improved supply liquidity on power exchanges. DAM liquidity rose 45.2% YoY, reducing prices by 16% to INR4.41/unit, while RTM prices fell 20% YoY to INR3.91/unit.
  - On the gas market front, 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.

### Standalone Quarterly performance

| Y/E March                  | FY25         |              |              |              | FY26E        |              |              |              | FY25         | FY26E        | FY26E | Var. % | YoY % | QoQ % |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|--------|-------|-------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2QE          | 3QE          | 4QE          |              |              |       |        |       |       |
| <b>Net Sales</b>           | <b>1,236</b> | <b>1,392</b> | <b>1,313</b> | <b>1,413</b> | <b>1,400</b> | <b>1,452</b> | <b>1,542</b> | <b>1,614</b> | <b>5,354</b> | <b>6,008</b> | 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  |        |       |       |
| <b>EBITDA</b>              | <b>1,000</b> | <b>1,203</b> | <b>1,128</b> | <b>1,220</b> | <b>1,139</b> | <b>1,244</b> | <b>1,342</b> | <b>1,431</b> | <b>4,551</b> | <b>5,157</b> | 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  |
| <b>PBT before EO items</b> | <b>1,249</b> | <b>1,429</b> | <b>1,353</b> | <b>1,471</b> | <b>1,504</b> | <b>1,459</b> | <b>1,555</b> | <b>1,541</b> | <b>5,502</b> | <b>6,059</b> | 1,407 |        |       |       |
| <b>PBT</b>                 | <b>1,249</b> | <b>1,429</b> | <b>1,353</b> | <b>1,471</b> | <b>1,504</b> | <b>1,459</b> | <b>1,555</b> | <b>1,541</b> | <b>5,502</b> | <b>6,059</b> | 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  |        |       |       |
| <b>Reported PAT</b>        | <b>934</b>   | <b>1,061</b> | <b>1,031</b> | <b>1,120</b> | <b>1,130</b> | <b>1,053</b> | <b>1,201</b> | <b>1,182</b> | <b>4,146</b> | <b>4,566</b> | 1,072 | 5%     | 21.0  | 0.9   |
| <b>Adj PAT</b>             | <b>934</b>   | <b>1,061</b> | <b>1,031</b> | <b>1,120</b> | <b>1,130</b> | <b>1,053</b> | <b>1,201</b> | <b>1,182</b> | <b>4,146</b> | <b>4,566</b> | 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  |        |       |       |

# Indian Energy Exchange

## CERC directs market coupling for DAM segment by Jan'26

- Event:** On 24<sup>th</sup> July, CERC formally announced the phased implementation of market coupling (MC) in India, starting with the day-ahead market (DAM) (~45% of IEX volumes) by Jan'26. This will be under a 'round-robin' mode, where the three exchanges will act as market coupling operators (MCO) on a rotational basis, with Grid-India serving as the fourth MCO for backup and audit purposes. Market coupling will shift price discovery from individual exchanges to a central clearing mechanism, creating a uniform electricity price across exchanges and undermining IEX's dominance.
- Timeline:** Coupling of the Real-Time Market (RTM) will be considered at a later stage after gaining operational experience from the coupling of the DAM segment. A shadow pilot will be launched for the Term-Ahead Market (TAM), with Grid-India developing coupling software, conducting a three-month pilot, and submitting feedback.
- Impact:** This is a **materially negative development for IEX**, as it erodes its historical liquidity and pricing advantage. We identify three key sources of uncertainty for the stock: 1) uncertainty related to volume/market share as MC is rolled out across segments; 2) impact on pricing (transaction fees), which we believe could adopt a more central role post MC implementation; 3) uncertainty related to valuation multiples, given the ongoing volatility and business transition in a post MC landscape.

## DAM accounts for ~44% of total volume traded in FY25

- In FY25, IEX recorded total traded volumes of ~138 BUs, comprising ~61 BUs from DAM and ~38 BUs from RTM.
- DAM and RTM together accounted for ~72% of total volumes (44% from DAM and 28% from RTM).
- IEX maintained a dominant market share of ~99.8% in these segments during the year.

## Estimate ~35% negative PAT impact amid lower volumes and transaction fee

- Assuming a 30% decline in DAM and RTM volumes for FY27, coupled with a 20% moderation in transaction fees, our revenue/EBITDA/PAT estimates for FY27 are likely to decline 36%/41%/35%.

## Key issues where investors will seek clarity in coming weeks

- Potential legal recourse available to the company, including the possibility of appealing to the relevant regulatory authorities.
- Transaction fee structures across exchanges and the company's likely pricing strategy in response to market coupling.
- Possibility of delayed implementation timelines for market coupling in the DAM segment.
- Operational and regulatory challenges associated with implementing market coupling for the RTM segment.

# V-Mart Retail

**BSE SENSEX**  
82,184

**S&P CNX**  
25,062

**CMP: INR815**

**Neutral**

## Conference Call Details



**Date:** 25<sup>th</sup> Jul 2025

**Time:** 11:00am IST

### Financials & Valuations (INR b)

| INR million       | FY25  | FY26E | FY27E |
|-------------------|-------|-------|-------|
| Sales             | 32.5  | 38.1  | 44.1  |
| EBITDA            | 3.8   | 4.8   | 5.9   |
| NP                | 0.2   | 1.2   | 1.7   |
| EBITDA Margin (%) | 11.6  | 12.7  | 13.5  |
| Adj. EPS (INR)    | 2.6   | 15.7  | 21.9  |
| BV/Sh. (INR)      | NM    | NM    | NM    |
| <b>Ratios</b>     |       |       |       |
| Net D:E           | 0.9   | 0.8   | 0.6   |
| RoE (%)           | 2.6   | 14.2  | 17.0  |
| RoCE (%)          | 8.7   | 13.0  | 14.4  |
| Payout (%)        | 0.0   | 0.0   | 0.0   |
| <b>Valuations</b> |       |       |       |
| P/E (x)           | 313.8 | 52.1  | 37.2  |
| EV/EBITDA (x)     | 19.1  | 14.9  | 12.0  |
| EV/Sales (x)      | 0.5   | 1.7   | 1.4   |

## Big beat on margins due to lower LR losses; EBITDA up 28% YoY

- Revenue grew 13% YoY to INR8.9b, driven by 1% blended SSSG and ~14% YoY store additions.
- V-Mart opened 15 new stores (10 in V-Mart and five in Unlimited) and closed two stores (one each in V-Mart and Unlimited), taking the total store count to 510 stores (V-Mart 421 and Unlimited 89).
- Blended SSSG moderation was driven by the shift in Eid dates to 4QFY25. Normalized for the same, SSSG would have been ~5%.
- Gross profit grew 13% YoY at INR3.1b (2% above), as gross margins expanded 10bp YoY to 35.3% (55bp beat).
- Employee expenses grew 13% YoY to INR950m.
- Other expenses declined 3% YoY to INR912m (10% below our estimate), driven by: i) 100bp decline in inventory provisions and ii) 100bp decline in A&P spends.
- Resultantly, **EBITDA stood at INR1.3m** (+28% YoY, 15% beat) with margins improving 165bp YoY to **14.3% (185bp beat)**.
- Depreciation increased 20% due to a change in lease accounting, while interest cost declined ~51% YoY.
- V-Mart reported PAT of INR336m (vs. our estimate of INR257m), led by higher EBITDA and lower finance costs.
- Pre-IND AS EBITDA grew 40% YoY to INR0.6b, with margin at 6.9% (up 130bp YoY).

## Segmental performance

- V-Mart (core):** Revenue grew **14% YoY** to INR7.4b, driven by nine net store additions (up 14% YoY) and ~1% SSSG. V-Mart's reported monthly SPSF was stable YoY at INR748. V-Mart format's EBITDA grew **22% YoY** to INR1.06b, as margin expanded ~100bp YoY to 14.4% driven by 90bp gross margin expansion.
- Unlimited:** Revenue grew **11% YoY** to INR1.4b, driven by four net store additions (up 14% YoY) and ~1% SSSG. Unlimited's reported monthly SPSF grew ~5% YoY to INR603. Unlimited's EBITDA grew **9% YoY to INR245m**, as margin contracted ~30bp YoY to 17.7% due to ~70bp gross margin contraction.
- 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.

## Operational highlights

- Footfalls grew ~11% YoY to 20m, with conversions improving ~100bp YoY to 48%.
- Report monthly SPSF stood at INR 716 vs INR 711 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 V-Mart/Unlimited. Overall transactions grew ~16% YoY.
- Inventory position remained healthy at 93 days (vs. 99 days YoY), led by a sharp reduction in non-apparel inventory (98 days vs. 124 YoY).

**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>  |
| Gross Margin (%)              | 35.2         | 33.1         | 35.3         | 9bps         | 219bps      | 34.7         | 55bps       |
| 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> |
| EBITDA margin (%)             | 12.6         | 8.7          | 14.3         | 166bps       | 552bps      | 12.4         | 183bps      |
| Depreciation and amortization | 568          | 544          | 679          | 19.6         | 24.9        | 489          | 38.8        |
| EBIT                          | 422          | 138          | 583          | 38.1         | NM          | 610          | 4.5         |
| EBIT margin (%)               | 5.4          | 1.8          | 6.6          | 122bps       | 481bps      | 6.9          | -32bps      |
| 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           |             |
| Tax rate (%)                  | -30.3        | 19.1         | 21.8         |              |             | 25.0         |             |
| <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> |

| <b>Segment wise breakup (INR m)</b> | 1QFY25       | 4QFY25       | 1QFY26       | YoY%          | QoQ%          | 1QFY26E      | v/s est (%)   |
|-------------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|---------------|
| <b>Segmental Revenue</b>            |              |              |              |               |               |              |               |
| Vmart standalone                    | 6,500        | 6,556        | 7,407        | 14.0          | 13.0          | 7,528        | -1.6          |
| Unlimited                           | 1,245        | 1,164        | 1,383        | 11.1          | 18.8          | 1,346        | 2.8           |
| Limeroad                            | 116          | 105          | 62           | -46.6         | -41.0         | 97           | -35.8         |
| <b>Total revenue</b>                | <b>7,861</b> | <b>7,825</b> | <b>8,852</b> | <b>12.6</b>   | <b>13.1</b>   | <b>8,971</b> | <b>-1.3</b>   |
| <b>Segmental EBITDA</b>             |              |              |              |               |               |              |               |
| Vmart standalone EBITDA             | 869          | 623          | 1,063        | 22.3          | 70.6          | 980          | 8.5           |
| Unlimited EBITDA                    | 224          | 126          | 245          | 9.4           | 94.4          | 238          | 2.9           |
| Limeroad EBITDA                     | -103         | -68          | -46          | -55.3         | -32.4         | -43          | 5.9           |
| <b>Total EBITDA</b>                 | <b>990</b>   | <b>681</b>   | <b>1,262</b> | <b>27.5</b>   | <b>85.3</b>   | <b>1,174</b> | <b>7.5</b>    |
| <b>Segmental EBITDA margins</b>     |              |              |              |               |               |              |               |
| Vmart standalone EBITDAM            | 13.4%        | 9.5%         | 14.4%        | 98bps         | 485bps        | 13.0%        | 134bps        |
| Unlimited EBITDAM                   | 18.0%        | 10.8%        | 17.7%        | -28bps        | 689bps        | 17.7%        | 2bps          |
| Limeroad EBITDAM                    | -88.8%       | -64.8%       | -74.2%       | 1460bps       | -943bps       | -45.0%       | -2919bps      |
| <b>Total EBITDAM</b>                | <b>12.6%</b> | <b>8.7%</b>  | <b>14.3%</b> | <b>166bps</b> | <b>555bps</b> | <b>13.1%</b> | <b>116bps</b> |
| <b>Segment wise breakup</b>         |              |              |              |               |               |              |               |
| Vmart stores                        | 370          | 412          | 421          | 13.8          | 2.2           | 417          | 1.0           |
| Unlimited stores                    | 78           | 85           | 89           | 14.1          | 4.7           | 86           | 3.5           |
| <b>Total stores</b>                 | <b>448</b>   | <b>497</b>   | <b>510</b>   | <b>13.8</b>   | <b>2.6</b>    | <b>503</b>   | <b>1.4</b>    |
| <b>Monthly SPSF (INR)</b>           |              |              |              |               |               |              |               |
| Vmart standalone revenue per sqft   | 699          | 624          | 686          | -1.9          | 9.8           | 709          | -3.3          |
| Unlimited revenue per sqft          | 519          | 485          | 576          | 11.1          | 18.8          | 557          | 3.5           |

| <b>ASP (INR)</b>                 | <b>1QFY25</b> | <b>4QFY25</b> | <b>1QFY26</b> | <b>YoY%</b> | <b>QoQ%</b> |
|----------------------------------|---------------|---------------|---------------|-------------|-------------|
| Vmart standalone                 | 202           | 213           | 201           | -0.5        | -5.6        |
| Unlimited                        | 421           | 401           | 396           | -5.9        | -1.2        |
| <b>Total</b>                     | <b>220</b>    | <b>228</b>    | <b>218</b>    | <b>-0.9</b> | <b>-4.4</b> |
| <b>Total Volumes (in m)</b>      |               |               |               |             |             |
| Vmart standalone                 | 32.2          | 30.8          | 36.9          | 14.5        | 19.7        |
| Unlimited                        | 3.0           | 2.9           | 3.5           | 18.1        | 20.3        |
| <b>Total</b>                     | <b>35.7</b>   | <b>34.2</b>   | <b>40.6</b>   | <b>13.6</b> | <b>18.7</b> |
| <b>ATV (INR)</b>                 |               |               |               |             |             |
|                                  | <b>1QFY25</b> | <b>4QFY25</b> | <b>1QFY26</b> | <b>YoY%</b> | <b>QoQ%</b> |
| Vmart standalone                 | 961           | 965           | 932           | -3.0        | -3.4        |
| Unlimited                        | 1,816         | 1,594         | 1,716         | -5.5        | 7.6         |
| <b>Total</b>                     | <b>1,036</b>  | <b>1,006</b>  | <b>1,004</b>  | <b>-3.1</b> | <b>-0.2</b> |
| <b>Total Transactions (in m)</b> |               |               |               |             |             |
| Vmart standalone                 | 6.8           | 6.8           | 7.9           | 17.5        | 16.9        |
| Unlimited                        | 0.7           | 0.7           | 0.8           | 17.6        | 10.4        |
| <b>Total</b>                     | <b>7.6</b>    | <b>7.8</b>    | <b>8.8</b>    | <b>16.2</b> | <b>13.7</b> |



### **Supreme Industries : Maintain Margin Guidance At 14.5-15.5% & Revenue Guidance Of ₹12,000 Cr For FY26; MP Taparia, MD**

- Maintain Margin Guidance at 14.5-15.5% in FY26
- Maintains FY26 Revenue Guidance of Rs12,000cr
- Expect Ministry of Finance to Announce Anti- Dumping Duties in coming Months
- Q2 Seems more stronger than Q1

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### **Persistent system : Aim To Improve EBIT Margin By 100-300 Bps Going Ahead; Sandeep Kalra, CEO**

- Uncertain Macros Remain but, Orderbook and pipeline is healthy
- \$2Bn Revenue Aspiration may include some Acquisition
- Our Geographic expansion aspiration is to first grow Europe & then Japan
- Aim To Improve EBIT Margin By 100-300 Bps Going Ahead

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### **Coforge: Capex Will Be Used For Acquisitions & Not For Setting Up Data Centers; Sudhir Singh, CEO**

- FY26 EBIT Margin will be at 14%
- Organic Growth in Q2 To be equally Robust
- Margin Accretion to become extremely visible by Q2
- Aims to hit \$2Bn Run Rate Before FY27

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### **Borosil : India Is At The Start Of Solarisation, So We See Don't See Any Challenge In Terms Of Demand; Shreevar Kheruka, MD & CEO**

- 60% More capacity will be added by FY27
- Majority Growth will be driven by price reversion
- India Is At The Start Of Solarisation, So We See Don't See Any Challenge In Terms Of Demand

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### **Bikaji Foods: Exports Will Contribute Approximately 4% To Revenue, Could Be ₹125-130 Cr This Year; Manoj Verma, Chief Operating Officer**

- Hazelnut co revenue would be at Rs100 crs this year
- Bhujilalji Revenue will be between 40-50 crs with focus on margin
- Hiring Done at all levels
- Full year volume growth is expected to be around 12%

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| Company                | Reco    | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |         |         | EPS Gr. YoY (%) |            |             | P/E (x)     |             | P/B (x)    |            | ROE (%)     |             |
|------------------------|---------|-----------|----------|-------------------|-----------|---------|---------|-----------------|------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
|                        |         |           |          |                   | FY25      | FY26E   | FY27E   | FY25            | FY26E      | FY27E       | FY26E       | FY27E       | FY26E      | FY27E      | FY26E       | FY27E       |
| <b>Automobiles</b>     |         |           |          |                   |           |         |         |                 |            |             |             |             |            |            |             |             |
| Amara Raja Ener.       | Neutral | 1010      | 1049     | 4                 | 48.2      | 49.4    | 56.8    | -2.7            | 2.6        | 15.0        | 20.4        | 17.8        | 2.3        | 2.1        | 12.5        | 12.8        |
| Apollo Tyres           | Buy     | 459       | 547      | 19                | 19.6      | 25.5    | 30.4    | -33.2           | 30.5       | 19.0        | 18.0        | 15.1        | 1.5        | 1.3        | 10.6        | 11.6        |
| Ashok Ley.             | Buy     | 125       | 145      | 16                | 5.5       | 5.7     | 7.0     | 20.2            | 3.8        | 22.5        | 21.9        | 17.9        | 5.7        | 4.9        | 27.4        | 29.5        |
| Bajaj Auto             | Neutral | 8288      | 8671     | 5                 | 299.5     | 319.4   | 361.1   | 11.8            | 6.6        | 13.1        | 26.0        | 23.0        | 6.7        | 6.2        | 26.7        | 28.1        |
| Balkrishna Inds        | Neutral | 2727      | 2525     | -7                | 85.6      | 92.9    | 111.4   | 11.9            | 8.5        | 20.0        | 29.4        | 24.5        | 4.5        | 3.9        | 16.2        | 17.1        |
| Bharat Forge           | Neutral | 1216      | 1230     | 1                 | 21.4      | 29.4    | 38.9    | 8.5             | 37.4       | 32.4        | 41.3        | 31.2        | 5.7        | 5.0        | 14.4        | 17.0        |
| Bosch                  | Neutral | 37874     | 29657    | -22               | 682.4     | 760.9   | 901.5   | 10.0            | 11.5       | 18.5        | 49.8        | 42.0        | 7.5        | 7.0        | 15.7        | 17.3        |
| CEAT                   | Buy     | 3345      | 4393     | 31                | 122.1     | 169.3   | 229.8   | -27.9           | 38.6       | 35.8        | 19.8        | 14.6        | 2.8        | 2.4        | 14.8        | 17.6        |
| Craftsman Auto         | Neutral | 6330      | 5197     | -18               | 92.1      | 150.7   | 221.0   | -36.1           | 63.5       | 46.7        | 42.0        | 28.6        | 4.7        | 4.1        | 11.9        | 15.3        |
| Eicher Mot.            | Sell    | 5473      | 4772     | -13               | 172.7     | 172.4   | 195.9   | 18.0            | -0.1       | 13.6        | 31.7        | 27.9        | 6.2        | 5.5        | 20.9        | 21.0        |
| Endurance Tech.        | Buy     | 2637      | 3275     | 24                | 58.8      | 73.4    | 87.0    | 21.5            | 24.8       | 18.6        | 35.9        | 30.3        | 5.7        | 4.9        | 16.8        | 17.4        |
| Escorts Kubota         | Neutral | 3447      | 3327     | -3                | 100.6     | 101.0   | 115.2   | 17.9            | 0.4        | 14.1        | 34.1        | 29.9        | 3.7        | 3.4        | 11.4        | 11.9        |
| Exide Ind              | Neutral | 391       | 374      | -4                | 12.7      | 14.3    | 15.6    | 2.3             | 13.1       | 8.7         | 27.3        | 25.1        | 2.2        | 2.0        | 7.9         | 8.1         |
| Happy Forgings         | Buy     | 973       | 1095     | 13                | 28.4      | 30.7    | 37.9    | 10.1            | 8.0        | 23.6        | 31.7        | 25.7        | 4.4        | 3.8        | 14.6        | 15.8        |
| Hero Moto              | Buy     | 4302      | 4839     | 12                | 230.3     | 239.1   | 263.2   | 12.6            | 3.8        | 10.1        | 18.0        | 16.3        | 4.1        | 3.8        | 23.4        | 24.1        |
| Hyundai Motor          | Buy     | 2095      | 2544     | 21                | 69.4      | 66.7    | 85.7    | -6.9            | -3.9       | 28.5        | 31.4        | 24.4        | 8.5        | 6.8        | 29.8        | 30.8        |
| M&M                    | Buy     | 3261      | 3643     | 12                | 98.7      | 118.9   | 133.0   | 11.3            | 20.5       | 11.8        | 27.4        | 24.5        | 5.4        | 4.6        | 21.3        | 20.2        |
| CIE Automotive         | Buy     | 424       | 502      | 18                | 21.7      | 21.4    | 22.6    | 2.8             | -1.2       | 5.3         | 19.8        | 18.8        | 2.2        | 2.0        | 11.8        | 11.4        |
| Maruti Suzuki          | Buy     | 12554     | 14429    | 15                | 443.9     | 483.5   | 538.5   | 5.6             | 8.9        | 11.4        | 26.0        | 23.3        | 3.8        | 3.4        | 14.5        | 14.5        |
| MRF                    | Sell    | 150876    | 113397   | -25               | 4,408.7   | 4,949.5 | 5,558.7 | -11.7           | 12.3       | 12.3        | 30.5        | 27.1        | 3.1        | 2.8        | 10.8        | 10.9        |
| Samvardh. Motherson    | Buy     | 103       | 116      | 13                | 3.6       | 3.7     | 4.7     | 51.5            | 2.5        | 28.5        | 28.2        | 22.0        | 2.9        | 2.7        | 10.8        | 12.7        |
| Motherson Wiring       | Buy     | 41        | 46       | 11                | 0.9       | 1.1     | 1.3     | -5.1            | 19.9       | 22.4        | 37.8        | 30.9        | 13.4       | 11.0       | 38.8        | 39.1        |
| Sona BLW Precis.       | Neutral | 490       | 470      | -4                | 9.9       | 7.9     | 10.1    | 10.5            | -19.7      | 27.9        | 61.8        | 48.4        | 5.2        | 4.9        | 8.6         | 10.5        |
| Tata Motors            | Neutral | 701       | 668      | -5                | 63.2      | 46.0    | 51.9    | 7.7             | -27.3      | 12.9        | 15.2        | 13.5        | 2.0        | 1.7        | 13.7        | 13.7        |
| TVS Motor              | Neutral | 2797      | 2814     | 1                 | 57.1      | 66.7    | 78.9    | 30.1            | 16.9       | 18.2        | 41.9        | 35.5        | 10.6       | 8.5        | 28.2        | 26.6        |
| Tube Investments       | Buy     | 2933      | 3658     | 25                | 38.6      | 41.8    | 47.1    | 1.6             | 8.2        | 12.8        | 70.2        | 62.2        | 9.6        | 8.4        | 14.5        | 14.4        |
| <b>Aggregate</b>       |         |           |          |                   |           |         |         | <b>6.9</b>      | <b>0.7</b> | <b>15.6</b> | <b>26.9</b> | <b>26.7</b> | <b>4.8</b> | <b>4.2</b> | <b>17.7</b> | <b>15.9</b> |
| <b>Banks - Private</b> |         |           |          |                   |           |         |         |                 |            |             |             |             |            |            |             |             |
| AU Small Finance       | Buy     | 746       | 875      | 17                | 29.8      | 35.5    | 48.3    | 33.9            | 19         | 35.9        | 21.0        | 15.5        | 3.1        | 2.6        | 15.0        | 18.3        |
| Axis Bank              | Neutral | 1095      | 1250     | 14                | 85.3      | 80.5    | 101.3   | 5.7             | -5.7       | 25.9        | 13.6        | 10.8        | 1.7        | 1.5        | 13.1        | 14.6        |
| Bandhan Bank           | Neutral | 184       | 185      | 0                 | 17.0      | 16.4    | 22.8    | 23.1            | -4         | 39.1        | 11.2        | 8.1         | 1.2        | 1.1        | 10.6        | 13.9        |
| DCB Bank               | Buy     | 141       | 175      | 24                | 19.6      | 24.9    | 33.1    | 14.3            | 27.0       | 33.2        | 5.7         | 4.2         | 0.7        | 0.6        | 13.7        | 16.0        |
| Equitas Small Fin.     | Buy     | 62        | 80       | 29                | 1.3       | 3.2     | 7.8     | -81.8           | 143.3      | 148.6       | 19.7        | 7.9         | 1.1        | 1.0        | 5.9         | 13.7        |
| Federal Bank           | Buy     | 212       | 250      | 18                | 16.6      | 17.0    | 21.5    | 1.8             | 2.4        | 26.2        | 12.5        | 9.9         | 1.4        | 1.2        | 11.9        | 13.4        |
| HDFC Bank              | Buy     | 2014      | 2300     | 14                | 88.0      | 94.3    | 113.9   | 9.9             | 7.1        | 20.8        | 21.3        | 17.7        | 2.8        | 2.5        | 13.7        | 14.9        |
| ICICI Bank             | Buy     | 1483      | 1670     | 13                | 66.8      | 72.6    | 84.4    | 14.4            | 8.7        | 16.3        | 20.4        | 17.6        | 3.3        | 2.8        | 17.0        | 17.3        |
| IDFC First Bk          | Neutral | 73        | 80       | 10                | 2.1       | 3.1     | 5.6     | -50.9           | 44.4       | 82.2        | 23.8        | 13.1        | 1.3        | 1.2        | 5.7         | 9.7         |
| IndusInd               | Neutral | 847       | 800      | -6                | 33.1      | 39.5    | 55.8    | -71.4           | 19.6       | 41.2        | 21.4        | 15.2        | 1.0        | 0.9        | 4.7         | 6.3         |
| Kotak Mah. Bk          | Buy     | 2141      | 2500     | 17                | 110.4     | 109.4   | 130.2   | 20.5            | -0.9       | 19.0        | 19.6        | 16.4        | 2.5        | 2.1        | 12.7        | 13.5        |
| RBL Bank               | Buy     | 256       | 290      | 13                | 11.5      | 17.1    | 31.3    | -40.5           | 48.4       | 83.5        | 15.0        | 8.2         | 1.0        | 0.9        | 6.5         | 11.4        |
| <b>Aggregate</b>       |         |           |          |                   |           |         |         | <b>6.4</b>      | <b>5.8</b> | <b>22.6</b> | <b>20.7</b> | <b>19.6</b> | <b>2.8</b> | <b>2.6</b> | <b>13.7</b> | <b>13.2</b> |
| <b>Banks - PSU</b>     |         |           |          |                   |           |         |         |                 |            |             |             |             |            |            |             |             |
| BOB                    | Neutral | 247       | 250      | 1                 | 37.8      | 35.6    | 45.1    | 10.1            | -5.9       | 26.7        | 6.9         | 5.5         | 0.9        | 0.8        | 14.0        | 16.1        |
| Canara Bank            | Buy     | 114       | 135      | 19                | 18.8      | 21.0    | 23.4    | 17.0            | 11.9       | 11.4        | 5.4         | 4.9         | 1.0        | 0.9        | 19.2        | 19.0        |
| Indian Bank            | Buy     | 652       | 750      | 15                | 81.1      | 87.9    | 94.9    | 30.3            | 8.4        | 8.0         | 7.5         | 6.9         | 1.2        | 1.1        | 17.7        | 16.9        |
| Punjab Natl.Bank       | Buy     | 111       | 125      | 13                | 14.8      | 15.4    | 18.4    | 97.4            | 3.9        | 20.0        | 7.2         | 6.0         | 0.9        | 0.8        | 14.0        | 14.9        |
| SBI                    | Buy     | 816       | 925      | 13                | 86.9      | 88.6    | 101.5   | 15.6            | 2          | 14.5        | 9.2         | 8.0         | 1.4        | 1.2        | 15.8        | 15.6        |
| Union Bank (I)         | Neutral | 145       | 155      | 7                 | 23.6      | 21.7    | 24.7    | 24.9            | -8         | 14.2        | 6.7         | 5.9         | 0.9        | 0.8        | 14.6        | 14.8        |
| <b>Aggregate</b>       |         |           |          |                   |           |         |         | <b>23.4</b>     | <b>0</b>   | <b>16</b>   | <b>8</b>    | <b>8.0</b>  | <b>1.3</b> | <b>1.2</b> | <b>16.2</b> | <b>14.6</b> |
| <b>NBFCs</b>           |         |           |          |                   |           |         |         |                 |            |             |             |             |            |            |             |             |
| AAVAS Financiers       | Neutral | 1869      | 2065     | 10                | 72.5      | 85.2    | 101.0   | 17.0            | 17.5       | 18.5        | 21.9        | 18.5        | 2.9        | 2.5        | 14.4        | 14.7        |
| Aditya Birla Cap       | Buy     | 271       | 250      | -8                | 12.8      | 14.9    | 18.5    | 14.5            | 16.6       | 24.3        | 18.2        | 14.6        | 2.1        | 1.9        | 12.1        | 13.6        |
| Bajaj Fin.             | Neutral | 959       | 1000     | 4                 | 27.0      | 33.4    | 42.4    | 15.5            | 23.7       | 26.9        | 29.0        | 22.6        | 5.2        | 4.4        | 19.5        | 21.0        |
| Can Fin Homes          | Neutral | 773       | 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 (INR) | TP (INR) | % Upside Downside | EPS (INR) |        |       | EPS Gr. YoY (%) |             |             | P/E (x)     |             | P/B (x)     |             | ROE (%)     |             |
|-------------------------|---------|-----------|----------|-------------------|-----------|--------|-------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                         |         |           |          |                   | FY25      | FY26E  | FY27E | FY25            | FY26E       | FY27E       | FY26E       | FY27E       | FY26E       | FY27E       | FY26E       | FY27E       |
| Cholaman.Inv.&Fn        | Buy     | 1551      | 1770     | 14                | 50.6      | 63.7   | 81.6  | 24.3            | 25.9        | 28.0        | 24.4        | 19.0        | 4.3         | 3.5         | 20.0        | 20.4        |
| CreditAccess            | Buy     | 1365      | 1500     | 10                | 33.3      | 56.7   | 106.1 | -63.3           | 70.4        | 87.2        | 24.1        | 12.9        | 2.8         | 2.3         | 12.2        | 19.5        |
| Fusion Finance          | Neutral | 178       | 210      | 18                | -121.7    | 3.8    | 18.3  | -342.3          | LP          | 379.2       | 46.5        | 9.7         | 1.4         | 1.0         | 2.7         | 12.1        |
| Five-Star Business      | Buy     | 722       | 892      | 24                | 36.4      | 41.3   | 46.9  | 27.4            | 13.3        | 13.6        | 17.5        | 15.4        | 2.8         | 2.4         | 17.7        | 17.0        |
| IIFL Finance            | Buy     | 529       | 550      | 4                 | 8.9       | 40.8   | 54.2  | -80.7           | 356.7       | 32.9        | 13.0        | 9.8         | 1.6         | 1.4         | 13.1        | 15.3        |
| Home First Finan        | Buy     | 1415      | 1560     | 10                | 42.4      | 50.7   | 64.4  | 22.8            | 19.4        | 27.1        | 27.9        | 22.0        | 3.4         | 3.0         | 15.4        | 14.5        |
| IndoStar                | Buy     | 303       | 360      | 19                | 3.9       | 8.0    | 13.5  | -26.6           | 107.3       | 68.3        | 37.9        | 22.5        | 0.9         | 0.9         | 2.9         | 4.1         |
| L&T Finance             | Buy     | 210       | 250      | 19                | 10.6      | 12.5   | 16.5  | 13.8            | 17.7        | 32.4        | 16.9        | 12.7        | 1.9         | 1.7         | 11.6        | 13.9        |
| LIC Hsg Fin             | Neutral | 614       | 670      | 9                 | 98.6      | 95.7   | 102.7 | 13.9            | -3.0        | 7.3         | 6.4         | 6.0         | 0.8         | 0.8         | 13.7        | 13.3        |
| Manappuram Fin.         | Neutral | 273       | 290      | 6                 | 14.2      | 12.6   | 23.8  | -45.2           | -11.4       | 89.0        | 21.6        | 11.4        | 1.6         | 1.4         | 8.3         | 13.8        |
| MAS Financial           | Buy     | 333       | 400      | 20                | 16.9      | 20.1   | 25.9  | 11.6            | 19.2        | 28.9        | 17.0        | 12.9        | 2.1         | 1.8         | 13.5        | 15.2        |
| M&M Fin.                | Buy     | 259       | 310      | 20                | 19.0      | 19.1   | 24.8  | 33.2            | 0.6         | 29.7        | 13.6        | 10.5        | 1.5         | 1.3         | 11.9        | 13.3        |
| Muthoot Fin             | Neutral | 2661      | 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 | 1306      | 1250     | -4                | 21.5      | 61.1   | 106.3 | -306.2          | 184.1       | 74.0        | 21.4        | 12.3        | 1.0         | 1.0         | 5.0         | 8.2         |
| PNB Housing             | Buy     | 1049      | 1300     | 24                | 74.5      | 88.6   | 102.1 | 28.3            | 18.9        | 15.3        | 11.8        | 10.3        | 1.4         | 1.3         | 12.8        | 13.2        |
| Poonawalla Fincorp      | Buy     | 432       | 550      | 27                | -1.3      | 12.8   | 22.7  | -109.5          | LP          | 77.1        | 33.7        | 19.0        | 3.7         | 3.1         | 11.5        | 17.7        |
| PFC                     | Buy     | 422       | 490      | 16                | 52.6      | 56.9   | 60.1  | 20.8            | 8.3         | 5.6         | 7.4         | 7.0         | 1.3         | 1.2         | 19.3        | 17.9        |
| REC                     | Buy     | 405       | -        |                   | 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 | 435       | 475      | 9                 | 70.2      | 67.5   | 73.9  | 11.3            | -3.9        | 9.5         | 6.4         | 5.9         | 0.7         | 0.7         | 12.0        | 11.8        |
| Spandana Sphoorty       | Buy     | 286       | 330      | 15                | -145.2    | -116.7 | 23.3  | -306.7          | Loss        | LP          | NM          | 12.3        | 1.1         | 1.0         | -37.5       | 8.8         |
| Shriram Finance         | Buy     | 633       | 800      | 26                | 44.0      | 51.2   | 61.0  | 14.9            | 16.5        | 19.0        | 12.4        | 10.4        | 1.8         | 1.6         | 16.0        | 16.6        |
| <b>Aggregate</b>        |         |           |          |                   |           |        |       | <b>6.9</b>      | <b>21.8</b> | <b>21.8</b> | <b>18.9</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     | 1118      | 1450     | 30                | 25.8      | 32.3   | 37.1  | 15.3            | 25.1        | 15.0        | 34.6        | 30.1        | 5.5         | 4.6         | 17.1        | 17.1        |
| Aditya Birla AMC        | Buy     | 875       | 1050     | 20                | 32.3      | 35.0   | 39.0  | 19.3            | 8.4         | 11.4        | 24.7        | 22.4        | 6.0         | 5.5         | 26.0        | 26.0        |
| Anand Rathi Wealth      | Neutral | 2630      | 2100     | -20               | 36.2      | 46.2   | 59.2  | 33.7            | 27.6        | 28.2        | 57.0        | 44.4        | 22.5        | 15.9        | 46.5        | 41.8        |
| Angel One               | Buy     | 2796      | 3200     | 14                | 129.8     | 98.4   | 156.8 | -3.1            | -24.2       | 59.2        | 28.4        | 17.8        | 3.7         | 3.3         | 15.0        | 21.3        |
| BSE                     | Neutral | 2548      | 2400     | -6                | 32.4      | 46.7   | 53.9  | 67.2            | 43.9        | 15.4        | 54.6        | 47.3        | 17.6        | 13.7        | 32.2        | 29.0        |
| Cams Services           | Buy     | 4199      | 5000     | 19                | 94.8      | 103.0  | 119.8 | 32.4            | 8.6         | 16.3        | 40.8        | 35.1        | 15.6        | 13.2        | 41.4        | 40.8        |
| CDSL                    | Neutral | 1679      | 1570     | -7                | 25.1      | 31.3   | 34.9  | 24.8            | 25.0        | 11.2        | 53.6        | 48.2        | 16.3        | 13.8        | 33.5        | 31.0        |
| HDFC AMC                | Buy     | 5559      | 6400     | 15                | 115.2     | 133.8  | 152.3 | 26.6            | 16.1        | 13.8        | 41.5        | 36.5        | 13.4        | 12.3        | 33.7        | 35.1        |
| KFin Technologies       | Neutral | 1233      | -        |                   | 19.5      | 21.9   | 27.4  | 33.9            | 12.2        | 25.2        | 56.4        | 45.0        | 14.6        | 12.6        | 27.2        | 30.1        |
| MCX                     | Neutral | 8240      | 8500     | 3                 | 110.1     | 174.2  | 212.3 | 573.8           | 58.3        | 21.8        | 47.3        | 38.8        | 20.3        | 18.4        | 44.9        | 49.8        |
| Nippon Life AMC         | Buy     | 830       | 940      | 13                | 20.4      | 23.5   | 27.2  | 16.2            | 15.2        | 15.8        | 35.3        | 30.5        | 12.2        | 12.0        | 34.9        | 39.6        |
| Nuvama Wealth           | Buy     | 7760      | 9600     | 24                | 276.9     | 340.0  | 401.4 | 64.5            | 22.8        | 18.1        | 22.8        | 19.3        | 6.7         | 5.7         | 31.9        | 32.0        |
| Prudent Corp.           | Neutral | 2976      | 2300     | -23               | 47.3      | 53.7   | 69.7  | 41.1            | 13.6        | 29.8        | 55.4        | 42.7        | 71.2        | 55.2        | 29.0        | 29.1        |
| UTI AMC                 | Buy     | 1415      | 1650     | 17                | 63.9      | 69.0   | 80.0  | 1.4             | 8.0         | 15.9        | 20.6        | 17.7        | 3.3         | 3.1         | 17.0        | 18.0        |
| <b>Aggregate</b>        |         |           |          |                   |           |        |       | <b>31.3</b>     | <b>17.1</b> | <b>19.6</b> | <b>46.4</b> | <b>39.6</b> | <b>11.6</b> | <b>10.2</b> | <b>25.1</b> | <b>25.9</b> |
| <b>Insurance</b>        |         |           |          |                   |           |        |       |                 |             |             |             |             |             |             |             |             |
| HDFC Life Insur.        | Buy     | 757       | 910      | 20                | 8.4       | 9.8    | 11.4  | 14.9            | 17.1        | 16.7        | 77.2        | 66.1        | 2.5         | 2.2         | 16.3        | 16.5        |
| ICICI Lombard           | Buy     | 1906      | 2400     | 26                | 50.9      | 62.7   | 71.9  | 30.7            | 23.2        | 14.6        | 30.4        | 26.5        | 5.7         | 4.9         | 20.0        | 19.7        |
| ICICI Pru Life          | Buy     | 624       | 780      | 25                | 8.2       | 9.9    | 11.1  | 38.6            | 20.4        | 12.7        | 63.1        | 56.0        | 1.7         | 1.5         | 12.9        | 13.2        |
| Life Insurance Corp.    | Buy     | 918       | 1150     | 25                | 76.1      | 82.5   | 93.4  | 18.8            | 8.3         | 13.3        | 11.1        | 9.8         | 0.7         | 0.6         | 11.7        | 11.5        |
| Max Financial           | Neutral | 1526      | 1750     | 15                | 9.4       | 11.4   | 13.9  | 24.7            | 21.0        | 21.7        | 133.8       | 109.9       | 2.2         | 1.8         | 19.6        | 19.6        |
| Niva Bupa Health        | Buy     | 87        | 100      | 15                | 1.2       | 0.7    | 1.4   | 142.7           | -44.0       | 119.6       | 132.3       | 60.2        | 4.1         | 3.8         | 3.4         | 6.5         |
| SBI Life Insurance      | Buy     | 1798      | 2140     | 19                | 24.1      | 27.6   | 32.1  | 27.4            | 14.5        | 16.2        | 65.6        | 56.5        | 2.1         | 1.8         | 19.4        | 19.0        |
| Star Health Insu        | Buy     | 431       | 500      | 16                | 11.0      | 13.4   | 17.9  | -23.9           | 21.6        | 33.9        | 32.2        | 24.1        | 3.2         | 2.9         | 10.6        | 12.6        |
| <b>Chemicals</b>        |         |           |          |                   |           |        |       |                 |             |             |             |             |             |             |             |             |
| Alkyl Amines            | Neutral | 2252      | 2285     | 1                 | 36.3      | 44.7   | 50.8  | 24.8            | 23.1        | 13.4        | 50.3        | 44.4        | 7.3         | 6.6         | 15.4        | 15.6        |
| Atul                    | Buy     | 6604      | 8975     | 36                | 169.3     | 233.9  | 256.4 | 53.9            | 38.2        | 9.6         | 28.2        | 25.8        | 3.1         | 2.8         | 11.7        | 11.6        |
| Clean Science           | Neutral | 1282      | 1350     | 5                 | 24.9      | 31.8   | 40.1  | 8.3             | 28.0        | 25.9        | 40.3        | 32.0        | 8.0         | 6.6         | 21.7        | 22.7        |
| Deepak Nitrite          | Sell    | 1922      | 1660     | -14               | 51.1      | 61.9   | 66.4  | -7.3            | 21.1        | 7.3         | 31.1        | 28.9        | 4.3         | 3.8         | 14.7        | 13.9        |
| Fine Organic            | Sell    | 5378      | 3640     | -32               | 127.1     | 119.3  | 121.4 | 5.9             | -6.1        | 1.7         | 45.1        | 44.3        | 6.5         | 5.7         | 15.3        | 13.7        |
| Galaxy Surfact.         | Buy     | 2617      | 3155     | 21                | 86.0      | 92.0   | 105.1 | 1.1             | 7.0         | 14.3        | 28.5        | 24.9        | 3.6         | 3.2         | 13.1        | 13.6        |
| Navin Fluorine          | Neutral | 5074      | 5185     | 2                 | 58.2      | 88.7   | 115.2 | 26.2            | 52.5        | 29.9        | 57.2        | 44.0        | 8.5         | 7.3         | 15.7        | 17.8        |



| Company              | Reco    | CMP (INR) | TP (INR) | % Upside<br>Downside | EPS (INR) |       |       | EPS Gr. YoY (%) |             |             | P/E (x)     |             | P/B (x)    |            | ROE (%)     |             |
|----------------------|---------|-----------|----------|----------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
|                      |         |           |          |                      | FY25      | FY26E | FY27E | FY25            | FY26E       | FY27E       | FY26E       | FY27E       | FY26E      | FY27E      | FY26E       | FY27E       |
| NOCIL                | Neutral | 190       | 210      | 10                   | 6.4       | 6.4   | 8.5   | -18.3           | -0.8        | 32.7        | 29.8        | 22.5        | 1.7        | 1.7        | 6.0         | 7.5         |
| PI Inds.             | Buy     | 4114      | 4830     | 17                   | 109.2     | 108.5 | 130.5 | -1.3            | -0.6        | 20.2        | 37.9        | 31.5        | 5.4        | 4.7        | 15.2        | 16.0        |
| SRF                  | Buy     | 3144      | 3650     | 16                   | 46.1      | 68.7  | 92.6  | -3.0            | 49.2        | 34.8        | 46.0        | 34.0        | 6.6        | 5.7        | 15.3        | 18.0        |
| Tata Chemicals       | Neutral | 947       | 950      | 0                    | 11.6      | 36.7  | 56.6  | -67.9           | 216.0       | 54.4        | 25.8        | 16.7        | 1.1        | 1.0        | 4.2         | 6.2         |
| Vinati Organics      | Buy     | 1901      | 2505     | 32                   | 40.0      | 53.6  | 62.6  | 28.4            | 33.9        | 16.8        | 35.5        | 30.4        | 6.1        | 5.2        | 18.3        | 18.4        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>9.6</b>      | <b>22.0</b> | <b>13.9</b> | <b>45.7</b> | <b>37.5</b> | <b>5.5</b> | <b>4.9</b> | <b>12.0</b> | <b>13.1</b> |
| <b>Capital Goods</b> |         |           |          |                      |           |       |       |                 |             |             |             |             |            |            |             |             |
| ABB India            | Buy     | 5701      | 6700     | 18                   | 88.5      | 94.4  | 103.6 | 50.2            | 6.7         | 9.7         | 60.4        | 55.0        | 15.0       | 13.3       | 26.4        | 25.6        |
| Bharat Electronics   | Buy     | 398       | 490      | 23                   | 7.2       | 8.2   | 9.9   | 31.5            | 13.6        | 20.8        | 48.5        | 40.1        | 11.6       | 9.3        | 24.0        | 23.1        |
| Bharat Dynamics      | Buy     | 1698      | 1900     | 12                   | 15.0      | 28.2  | 37.8  | -10.3           | 88.4        | 34.0        | 60.1        | 44.9        | 12.9       | 10.5       | 21.5        | 23.3        |
| Cummins India        | Buy     | 3562      | 4200     | 18                   | 71.7      | 83.3  | 97.9  | 16.6            | 16.2        | 17.6        | 42.8        | 36.4        | 12.5       | 11.0       | 30.9        | 32.1        |
| Hind.Aeronautics     | Buy     | 4680      | 5750     | 23                   | 125.0     | 141.2 | 161.2 | 38.4            | 13.0        | 14.2        | 33.1        | 29.0        | 7.5        | 6.3        | 22.6        | 21.8        |
| Hitachi Energy       | Sell    | 19787     | 14200    | -28                  | 77.5      | 170.1 | 250.0 | 100.5           | 119.6       | 47.0        | 116.3       | 79.1        | 16.9       | 13.8       | 15.3        | 18.3        |
| Kalpataru Proj.      | Buy     | 1195      | 1450     | 21                   | 39.3      | 55.4  | 74.1  | 20.3            | 40.8        | 33.9        | 21.6        | 16.1        | 2.5        | 2.2        | 12.4        | 14.7        |
| KEC International    | Neutral | 876       | 980      | 12                   | 21.4      | 35.1  | 44.4  | 64.6            | 63.5        | 26.8        | 25.0        | 19.7        | 4.2        | 4.1        | 17.2        | 21.0        |
| Kirloskar Oil        | Buy     | 940       | 1150     | 22                   | 28.8      | 33.6  | 40.9  | 15.1            | 16.7        | 21.8        | 28.0        | 23.0        | 4.0        | 3.5        | 15.3        | 16.4        |
| Larsen & Toubro      | Buy     | 3478      | 4100     | 18                   | 106.8     | 129.4 | 153.6 | 13.0            | 21.2        | 18.7        | 26.9        | 22.6        | 4.4        | 3.8        | 17.1        | 18.0        |
| Siemens              | Neutral | 3128      | 3450     | 10                   | 56.8      | 52.1  | 66.1  | 3.0             | -8.2        | 26.9        | 60.0        | 47.3        | 6.5        | 5.7        | 10.8        | 12.0        |
| Siemens Energy       | Buy     | 3005      | 3300     | 10                   | 19.6      | 32.8  | 38.9  |                 | 67.3        | 18.8        | 91.7        | 77.2        | 24.4       | 18.5       | 26.6        | 24.0        |
| Thermax              | Sell    | 3844      | 3250     | -15                  | 56.4      | 65.7  | 77.8  | 8.1             | 16.5        | 18.4        | 58.5        | 49.4        | 7.9        | 7.0        | 14.2        | 14.9        |
| Triveni Turbine      | Buy     | 624       | 700      | 12                   | 11.3      | 12.8  | 16.0  | 33.2            | 13.8        | 25.0        | 48.6        | 38.9        | 13.1       | 10.6       | 29.9        | 30.1        |
| Zen Technologies     | Neutral | 1866      | 1850     | -1                   | 29.1      | 37.9  | 57.1  | 107.3           | 30.3        | 50.5        | 49.2        | 32.7        | 8.3        | 6.6        | 18.4        | 22.5        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>24.9</b>     | <b>19.4</b> | <b>19.5</b> | <b>46.7</b> | <b>39.2</b> | <b>8.4</b> | <b>7.2</b> | <b>17.9</b> | <b>18.5</b> |
| <b>Cement</b>        |         |           |          |                      |           |       |       |                 |             |             |             |             |            |            |             |             |
| Ambuja Cem.          | Buy     | 620       | 700      | 13                   | 8.0       | 10.2  | 14.3  | -42.6           | 28.5        | 39.4        | 60.5        | 43.4        | 2.7        | 2.6        | 4.6         | 6.2         |
| ACC                  | Neutral | 1891      | 2040     | 8                    | 71.2      | 91.3  | 116.2 | -28.3           | 28.2        | 27.3        | 20.7        | 16.3        | 1.8        | 1.6        | 9.0         | 10.5        |
| Birla Corp.          | Buy     | 1449      | 1650     | 14                   | 42.2      | 74.7  | 82.4  | -21.8           | 76.9        | 10.2        | 19.4        | 17.6        | 1.5        | 1.4        | 7.9         | 8.1         |
| Dalmia Bhar.         | Buy     | 2275      | 2660     | 17                   | 37.1      | 73.2  | 69.6  | -9.0            | 97.4        | -4.9        | 31.1        | 32.7        | 2.3        | 2.2        | 7.6         | 6.9         |
| Grasim Inds.         | Buy     | 2733      | 3280     | 20                   | 74.1      | 85.4  | 106.6 | -22.5           | 15.2        | 24.9        | 32.0        | 25.6        | 3.3        | 3.2        | -4.6        | -1.4        |
| India Cem            | Sell    | 360       | 280      | -22                  | -24.0     | -1.4  | 3.8   | 216.9           | Loss        | LP          | NM          | 95.5        | 1.2        | 1.2        | -0.5        | 1.2         |
| J K Cements          | Buy     | 6617      | 7300     | 10                   | 103.5     | 160.4 | 199.8 | 0.8             | 55.0        | 24.6        | 41.3        | 33.1        | 7.1        | 6.0        | 18.7        | 19.7        |
| JK Lakshmi Ce        | Buy     | 983       | 1150     | 17                   | 26.3      | 45.2  | 48.3  | -33.2           | 72.0        | 6.9         | 21.7        | 20.3        | 2.9        | 2.6        | 14.4        | 13.6        |
| Ramco Cem            | Neutral | 1178      | 1050     | -11                  | 3.9       | 22.3  | 30.8  | -76.6           | 469.4       | 38.2        | 52.8        | 38.2        | 3.5        | 3.3        | 6.8         | 8.8         |
| Shree Cem            | Neutral | 31718     | 32400    | 2                    | 337.9     | 407.5 | 552.4 | -50.6           | 20.6        | 35.6        | 77.8        | 57.4        | 5.1        | 4.8        | 6.8         | 8.7         |
| Ultratech            | Buy     | 12298     | 14600    | 19                   | 207.6     | 305.6 | 382.8 | -15.1           | 47.2        | 25.3        | 40.2        | 32.1        | 4.7        | 4.3        | 12.2        | 14.0        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>-27.2</b>    | <b>45.5</b> | <b>25.2</b> | <b>58.4</b> | <b>40.1</b> | <b>3.7</b> | <b>3.5</b> | <b>6.4</b>  | <b>8.7</b>  |
| <b>Consumer</b>      |         |           |          |                      |           |       |       |                 |             |             |             |             |            |            |             |             |
| Asian Paints         | Neutral | 2352      | 2500     | 6                    | 42.5      | 45.6  | 54.5  | -26.7           | 7.5         | 19.5        | 51.6        | 43.1        | 11.4       | 10.8       | 22.4        | 25.7        |
| Britannia            | Neutral | 5676      | 5900     | 4                    | 91.9      | 102.8 | 117.8 | 3.6             | 11.9        | 14.6        | 55.2        | 48.2        | 27.5       | 23.2       | 53.1        | 52.3        |
| Colgate              | Neutral | 2260      | 2550     | 13                   | 51.4      | 51.8  | 56.7  | 4.4             | 0.8         | 9.4         | 43.6        | 39.9        | 39.0       | 39.9       | 86.9        | 98.9        |
| Dabur                | Buy     | 513       | 575      | 12                   | 10.2      | 11.0  | 12.3  | -4.0            | 7.8         | 12.5        | 46.8        | 41.6        | 7.8        | 7.6        | 17.3        | 18.5        |
| Emami                | Buy     | 579       | 700      | 21                   | 20.3      | 21.1  | 23.0  | 12.4            | 3.9         | 8.9         | 27.5        | 25.2        | 8.3        | 7.5        | 32.1        | 31.2        |
| Godrej Cons.         | Buy     | 1224      | 1450     | 18                   | 18.5      | 23.0  | 26.9  | -4.3            | 24.1        | 17.0        | 53.2        | 45.5        | 9.9        | 9.5        | 19.0        | 21.2        |
| HUL                  | Buy     | 2437      | 3000     | 23                   | 44.3      | 46.6  | 51.5  | 1.4             | 5.2         | 10.5        | 52.3        | 47.3        | 11.3       | 11.0       | 21.9        | 23.6        |
| ITC                  | Buy     | 410       | 515      | 26                   | 16.0      | 17.0  | 18.4  | -2.5            | 6.7         | 7.9         | 24.1        | 22.3        | 7.1        | 6.8        | 29.9        | 31.1        |
| Indigo Paints        | Buy     | 1179      | 1350     | 14                   | 29.8      | 34.0  | 39.5  | -3.8            | 13.9        | 16.2        | 34.7        | 29.9        | 4.9        | 4.2        | 14.8        | 15.0        |
| Jyothy Lab           | Neutral | 342       | 375      | 10                   | 10.2      | 10.9  | 12.1  | 4.0             | 7.3         | 10.9        | 31.2        | 28.1        | 5.9        | 5.4        | 19.3        | 20.0        |
| L T Foods            | Buy     | 491       | -        |                      | 17.4      | 23.4  | 27.9  | 2.0             | 34.4        | 19.2        | 21.0        | 17.6        | 3.8        | 3.2        | 19.5        | 19.8        |
| Marico               | Buy     | 706       | 825      | 17                   | 12.4      | 14.4  | 15.7  | 7.9             | 16.0        | 9.0         | 49.1        | 45.1        | 21.6       | 20.3       | 45.2        | 46.4        |
| Nestle               | Neutral | 2320      | 2400     | 3                    | 32.0      | 33.7  | 38.8  | -22.1           | 5.4         | 15.1        | 68.6        | 59.7        | 49.4       | 43.8       | 76.3        | 77.8        |
| Page Inds            | Buy     | 47040     | 57500    | 22                   | 652.9     | 749.1 | 877.2 | 27.9            | 14.7        | 17.1        | 62.8        | 53.6        | 30.7       | 25.5       | 48.9        | 47.5        |
| Pidilite Ind.        | Neutral | 2907      | 3000     | 3                    | 41.3      | 46.9  | 53.8  | 16.7            | 13.5        | 14.7        | 62.0        | 54.1        | 13.5       | 12.0       | 23.0        | 23.5        |
| P&G Hygiene          | Neutral | 12983     | 15000    | 16                   | 241.3     | 268.6 | 294.1 | 9.6             | 11.3        | 9.5         | 48.3        | 44.1        | 38.1       | 32.5       | 85.7        | 79.5        |
| Radico Khaitan       | Buy     | 2723      | 3000     | 10                   | 25.8      | 36.6  | 47.2  | 34.9            | 41.9        | 28.9        | 74.4        | 57.7        | 11.8       | 10.2       | 15.9        | 17.6        |
| Tata Consumer        | Buy     | 1074      | 1270     | 18                   | 14.0      | 16.8  | 19.8  | -2.4            | 20.2        | 17.4        | 63.8        | 54.3        | 4.7        | 4.5        | 8.1         | 9.1         |



| Company                  | Reco    | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | EPS Gr. YoY (%) |             |             | P/E (x)      |             | P/B (x)     |             | ROE (%)     |             |
|--------------------------|---------|-----------|----------|-------------------|-----------|-------|-------|-----------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
|                          |         |           |          |                   | FY25      | FY26E | FY27E | FY25            | FY26E       | FY27E       | FY26E        | FY27E       | FY26E       | FY27E       | FY26E       | FY27E       |
| United Brew              | Neutral | 2018      | 2000     | -1                | 17.7      | 23.8  | 33.4  | 13.6            | 34.6        | 40.4        | 84.9         | 60.5        | 11.4        | 10.3        | 13.9        | 17.9        |
| United Spirits           | Neutral | 1335      | 1500     | 12                | 19.8      | 21.7  | 24.4  | 25.8            | 9.6         | 12.4        | 61.6         | 54.8        | 10.3        | 8.6         | 16.6        | 15.7        |
| Varun Beverages          | Buy     | 486       | 620      | 28                | 7.7       | 9.5   | 11.5  | 26.2            | 23.6        | 21.6        | 51.2         | 42.1        | 8.7         | 7.5         | 18.0        | 19.0        |
| <b>Aggregate</b>         |         |           |          |                   |           |       |       | <b>-1.6</b>     | <b>9.8</b>  | <b>12.3</b> | <b>48.6</b>  | <b>44.2</b> | <b>11.4</b> | <b>10.7</b> | <b>23.4</b> | <b>24.2</b> |
| <b>Consumer Durables</b> |         |           |          |                   |           |       |       |                 |             |             |              |             |             |             |             |             |
| Havells India            | Neutral | 1552      | 1680     | 8                 | 23.5      | 25.6  | 31.9  | 15.7            | 9.1         | 24.8        | 60.6         | 48.6        | 10.4        | 9.1         | 17.1        | 18.8        |
| KEI Industries           | Neutral | 3905      | 4200     | 8                 | 72.9      | 90.1  | 106.3 | 13.2            | 23.6        | 18.0        | 43.3         | 36.7        | 5.7         | 4.9         | 13.9        | 14.4        |
| Polycab India            | Buy     | 6837      | 8130     | 19                | 134.3     | 169.6 | 193.6 | 13.1            | 26.3        | 14.1        | 40.3         | 35.3        | 8.7         | 7.3         | 21.5        | 20.8        |
| R R Kabel                | Neutral | 1445      | 1450     | 0                 | 27.6      | 34.9  | 41.3  | 4.5             | 26.8        | 18.3        | 41.4         | 35.0        | 6.7         | 5.8         | 17.2        | 17.8        |
| Voltas                   | Neutral | 1344      | 1350     | 0                 | 25.4      | 25.8  | 33.5  | 251.5           | 1.6         | 29.6        | 52.0         | 40.2        | 6.2         | 5.5         | 11.9        | 13.8        |
| <b>Aggregate</b>         |         |           |          |                   |           |       |       | <b>27.9</b>     | <b>17.4</b> | <b>19.8</b> | <b>56.5</b>  | <b>48.1</b> | <b>9.3</b>  | <b>8.1</b>  | <b>16.4</b> | <b>16.8</b> |
| <b>EMS</b>               |         |           |          |                   |           |       |       |                 |             |             |              |             |             |             |             |             |
| Amber Enterp.            | Buy     | 7370      | 7700     | 4                 | 72.0      | 105.3 | 162.6 | 82.6            | 46.2        | 54.4        | 70.0         | 45.3        | 9.4         | 7.8         | 14.5        | 18.9        |
| Avalon Tech              | Buy     | 838       | 1030     | 23                | 9.6       | 14.9  | 22.9  | 125.2           | 55.1        | 54.1        | 56.3         | 36.6        | 7.8         | 6.4         | 14.9        | 19.3        |
| Cyient DLM               | Buy     | 468       | 600      | 28                | 9.3       | 13.2  | 20.3  | 20.8            | 41.9        | 53.2        | 35.4         | 23.1        | 3.5         | 3.1         | 10.5        | 14.2        |
| Data Pattern             | Neutral | 2778      | 2700     | -3                | 39.6      | 49.7  | 64.5  | 22.1            | 25.5        | 29.7        | 55.9         | 43.1        | 8.7         | 7.3         | 16.9        | 18.4        |
| Dixon Tech.              | Buy     | 16768     | 22100    | 32                | 117.2     | 169.3 | 265.1 | 90.5            | 44.5        | 56.6        | 99.0         | 63.2        | 25.4        | 18.3        | 29.2        | 33.6        |
| Kaynes Tech              | Buy     | 5662      | 7300     | 29                | 45.8      | 84.3  | 132.4 | 59.6            | 84.2        | 57.0        | 67.1         | 42.8        | 10.7        | 8.6         | 17.4        | 22.3        |
| Syrma SGS Tech.          | Buy     | 706       | 820      | 16                | 9.7       | 15.7  | 23.3  | 57.6            | 62.6        | 48.4        | 44.5         | 30.1        | 6.2         | 5.2         | 14.9        | 18.9        |
| <b>Aggregate</b>         |         |           |          |                   |           |       |       | <b>66.8</b>     | <b>50.0</b> | <b>52.1</b> | <b>112.0</b> | <b>74.7</b> | <b>15.3</b> | <b>12.8</b> | <b>13.7</b> | <b>17.1</b> |
| <b>Healthcare</b>        |         |           |          |                   |           |       |       |                 |             |             |              |             |             |             |             |             |
| Alembic Phar             | Neutral | 1018      | 970      | -5                | 29.1      | 35.5  | 44.0  | -7.4            | 21.7        | 24.2        | 28.7         | 23.1        | 3.5         | 3.1         | 12.6        | 13.9        |
| Alkem Lab                | Neutral | 4998      | 4930     | -1                | 181.1     | 188.3 | 189.4 | 13.4            | 4.0         | 0.6         | 26.5         | 26.4        | 4.4         | 4.0         | 17.7        | 15.9        |
| Ajanta Pharma            | Buy     | 2795      | 3070     | 10                | 74.1      | 81.5  | 95.9  | 18.9            | 10.0        | 17.7        | 34.3         | 29.1        | 7.8         | 6.5         | 24.5        | 24.2        |
| Apollo Hospitals         | Buy     | 7365      | 8720     | 18                | 100.6     | 120.5 | 153.8 | 61.1            | 19.8        | 27.7        | 61.1         | 47.9        | 10.4        | 8.5         | 19.2        | 20.2        |
| Aurobindo                | Buy     | 1113      | 1365     | 23                | 61.0      | 69.1  | 83.3  | 7.9             | 13.2        | 20.6        | 16.1         | 13.4        | 1.8         | 1.6         | 11.6        | 12.5        |
| Biocon                   | Buy     | 398       | 430      | 8                 | 2.0       | 4.4   | 9.3   | 13.2            | 116.6       | 109.5       | 89.9         | 42.9        | 2.2         | 2.1         | 2.4         | 4.9         |
| Blue Jet Health          | Buy     | 813       | 1100     | 35                | 17.6      | 26.1  | 33.4  | 78.5            | 48.5        | 28.0        | 31.1         | 24.3        | 9.1         | 6.7         | 33.7        | 31.8        |
| Cipla                    | Neutral | 1487      | 1500     | 1                 | 62.8      | 64.1  | 65.3  | 19.6            | 2.1         | 1.9         | 23.2         | 22.8        | 3.3         | 2.9         | 14.4        | 12.9        |
| 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 | 1265      | 1190     | -6                | 67.3      | 66.9  | 63.1  | 6.1             | -0.6        | -5.7        | 18.9         | 20.1        | 2.7         | 2.4         | 15.3        | 12.7        |
| Dr Agarwal's Hea         | Buy     | 453       | 510      | 13                | 2.6       | 3.8   | 5.1   | 0.0             | 44.2        | 34.0        | 118.6        | 88.5        | 7.1         | 6.6         | 6.2         | 7.8         |
| ERIS Lifescience         | Neutral | 1781      | 1520     | -15               | 25.6      | 38.1  | 54.5  | -12.4           | 48.8        | 43.0        | 46.7         | 32.7        | 7.4         | 6.2         | 17.0        | 20.6        |
| Gland Pharma             | Buy     | 2017      | 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 | 3160      | 3150     | 0                 | 54.7      | 61.8  | 69.8  | 26.4            | 12.9        | 12.9        | 51.1         | 45.3        | 21.2        | 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     | 476       | 570      | 20                | 19.7      | 23.8  | 31.0  | 13.6            | 20.7        | 30.3        | 20.0         | 15.4        | 2.7         | 2.3         | 14.5        | 16.3        |
| IPCA Labs                | Buy     | 1542      | 1710     | 11                | 36.0      | 44.1  | 54.2  | 44.8            | 22.7        | 22.9        | 34.9         | 28.4        | 5.0         | 4.3         | 15.1        | 16.2        |
| Laxmi Dental             | Buy     | 460       | 540      | 17                | 4.8       | 9.0   | 12.5  | 4.9             | 88.9        | 38.6        | 51.2         | 36.9        | 9.8         | 7.7         | 21.2        | 23.4        |
| Laurus Labs              | Buy     | 836       | 860      | 3                 | 5.8       | 10.5  | 14.4  | 92.4            | 81.3        | 36.7        | 79.4         | 58.1        | 8.9         | 7.9         | 11.7        | 14.3        |
| Lupin                    | Neutral | 1943      | 2140     | 10                | 71.6      | 89.2  | 95.0  | 72.4            | 24.6        | 6.4         | 21.8         | 20.5        | 4.1         | 3.4         | 20.9        | 18.2        |
| Mankind Pharma           | Buy     | 2588      | 2870     | 11                | 49.2      | 47.6  | 64.8  | 2.9             | -3.2        | 36.3        | 54.4         | 39.9        | 6.7         | 6.0         | 13.0        | 15.9        |
| Max Healthcare           | Buy     | 1267      | 1380     | 9                 | 15.1      | 21.0  | 25.0  | 10.0            | 38.7        | 19.4        | 60.5         | 50.6        | 9.9         | 8.4         | 17.7        | 18.0        |
| Piramal Pharma           | Buy     | 203       | 240      | 18                | 0.7       | 1.1   | 2.5   | 62.5            | 58.7        | 131.0       | 186.2        | 80.6        | 2.9         | 2.8         | 1.8         | 4.0         |
| Sun Pharma               | Buy     | 1692      | 1960     | 16                | 47.1      | 54.0  | 63.3  | 13.4            | 14.5        | 17.4        | 31.4         | 26.7        | 4.9         | 4.3         | 16.8        | 17.2        |
| Torrent Pharma           | Neutral | 3516      | 3600     | 2                 | 57.8      | 70.3  | 87.4  | 22.7            | 21.6        | 24.3        | 50.0         | 40.2        | 6.5         | 5.4         | 28.5        | 29.4        |
| Zydus Lifesciences       | Neutral | 971       | 990      | 2                 | 46.0      | 43.6  | 41.3  | 22.3            | -5.3        | -5.4        | 22.3         | 23.5        | 3.5         | 3.1         | 16.9        | 14.0        |
| <b>Aggregate</b>         |         |           |          |                   |           |       |       | <b>21.1</b>     | <b>12.7</b> | <b>15.1</b> | <b>38.6</b>  | <b>34.3</b> | <b>5.6</b>  | <b>4.9</b>  | <b>14.5</b> | <b>14.3</b> |
| <b>Infrastructure</b>    |         |           |          |                   |           |       |       |                 |             |             |              |             |             |             |             |             |
| G R Infraproject         | Buy     | 1278      | 1520     | 19                | 74.7      | 78.0  | 107.3 | 2.4             | 4.5         | 37.5        | 16.4         | 11.9        | 1.4         | 1.3         | 9.1         | 11.3        |
| IRB Infra                | Neutral | 47        | 50       | 5                 | 1.1       | 2.0   | 2.8   | 11.7            | 77.9        | 38.3        | 23.8         | 17.2        | 1.4         | 1.3         | 5.9         | 7.7         |
| KNR Constructions        | Neutral | 224       | 220      | -2                | 14.0      | 10.8  | 14.2  | -8.1            | -22.7       | 30.9        | 20.7         | 15.8        | 1.5         | 1.4         | 7.4         | 9.0         |
| <b>Aggregate</b>         |         |           |          |                   |           |       |       |                 |             |             | <b>26.7</b>  | <b>21.1</b> | <b>1.5</b>  | <b>1.4</b>  | <b>5.7</b>  | <b>6.7</b>  |
| <b>Logistics</b>         |         |           |          |                   |           |       |       |                 |             |             |              |             |             |             |             |             |



| Company              | Reco    | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | EPS Gr. YoY (%) |             |             | P/E (x)     |             | P/B (x)     |             | ROE (%)     |             |             |             |
|----------------------|---------|-----------|----------|-------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                      |         |           |          |                   | FY25      | FY26E | FY27E | FY25            | FY26E       | FY27E       | FY26E       | FY27E       | FY26E       | FY27E       | FY26E       | FY27E       |             |             |
| Adani Ports          | Buy     | 1411      | 1700     | 20                | 50.2      | 63.2  | 73.4  | 21.6            | 26.0        | 16.1        | 22.3        | 19.2        | 4.1         | 3.5         | 20.0        | 19.6        |             |             |
| Blue Dart Express    | Buy     | 6907      | 7900     | 14                | 103.1     | 145.7 | 191.0 | -15.2           | 41.4        | 31.1        | 47.4        | 36.2        | 8.6         | 7.1         | 19.6        | 21.5        |             |             |
| Concor               | Buy     | 606       | 760      | 25                | 17.0      | 19.7  | 23.7  | 4.9             | 15.7        | 20.1        | 30.8        | 25.6        | 3.5         | 3.2         | 11.7        | 13.1        |             |             |
| Delhivery            | Buy     | 438       | 480      | 10                | 2.2       | 3.8   | 5.5   | -173.1          | 69.7        | 43.1        | 115.0       | 80.4        | 3.4         | 3.2         | 3.0         | 4.1         |             |             |
| JSW Infra            | Buy     | 321       | 380      | 18                | 7.0       | 7.9   | 9.4   | 20.5            | 13.2        | 19.3        | 40.6        | 34.0        | 6.1         | 5.2         | 16.1        | 16.5        |             |             |
| Mahindra Logistics   | Neutral | 358       | 400      | 12                | -5.0      | 5.6   | 23.1  | -38.8           | LP          | 310.9       | 63.6        | 15.5        | 5.6         | 4.2         | 8.7         | 30.1        |             |             |
| Transport Corp.      | Buy     | 1225      | 1420     | 16                | 53.5      | 57.5  | 66.6  | 16.8            | 7.4         | 15.9        | 21.3        | 18.4        | 3.7         | 3.2         | 18.6        | 18.4        |             |             |
| TCI Express          | Neutral | 723       | 750      | 4                 | 22.4      | 28.2  | 34.2  | -34.8           | 26.0        | 21.3        | 25.6        | 21.1        | 3.3         | 2.9         | 13.5        | 14.7        |             |             |
| VRL Logistics        | Buy     | 634       | 700      | 10                | 20.9      | 26.5  | 29.2  | 106.5           | 26.9        | 10.0        | 23.9        | 21.7        | 4.7         | 4.3         | 20.5        | 20.6        |             |             |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       |                 |             |             |             |             | <b>33.5</b> | <b>26.8</b> | <b>4.9</b>  | <b>4.3</b>  | <b>14.6</b> | <b>15.9</b> |
| <b>Media</b>         |         |           |          |                   |           |       |       |                 |             |             |             |             |             |             |             |             |             |             |
| PVR Inox             | Neutral | 1010      | 1080     | 7                 | -15.4     | 12.9  | 24.0  | -232.4          | LP          | 85.4        | 78.2        | 42.1        | 1.4         | 1.3         | 1.8         | 3.2         |             |             |
| Sun TV               | Neutral | 586       | 625      | 7                 | 43.4      | 45.2  | 47.6  | -8.8            | 4.0         | 5.5         | 13.0        | 12.3        | 1.8         | 1.7         | 14.2        | 13.7        |             |             |
| Zee Ent.             | Neutral | 129       | 135      | 4                 | 8.2       | 8.6   | 10.2  | 80.8            | 5.5         | 18.1        | 15.0        | 12.7        | 1.0         | 1.0         | 7.0         | 7.8         |             |             |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>-3.3</b>     | <b>16.6</b> | <b>13.0</b> | <b>19.5</b> | <b>16.7</b> | <b>1.5</b>  | <b>1.4</b>  | <b>7.8</b>  | <b>8.6</b>  |             |             |
| <b>Metals</b>        |         |           |          |                   |           |       |       |                 |             |             |             |             |             |             |             |             |             |             |
| Coal India           | Buy     | 385       | 470      | 22                | 57.4      | 57.8  | 66.4  | -5.5            | 0.8         | 14.8        | 6.7         | 5.8         | 2.0         | 1.7         | 30.6        | 30.0        |             |             |
| Hindalco             | Buy     | 697       | 800      | 15                | 74.8      | 69.6  | 73.7  | 63.9            | -6.9        | 5.9         | 10.0        | 9.4         | 1.4         | 1.2         | 14.9        | 13.8        |             |             |
| Hind. Zinc           | Neutral | 446       | 465      | 4                 | 24.7      | 28.8  | 31.0  | 34.5            | 16.5        | 7.8         | 15.5        | 14.4        | 9.2         | 6.6         | 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     | 1034      | 1200     | 16                | 15.6      | 49.0  | 75.0  | -57.7           | 214.6       | 53.3        | 21.1        | 13.8        | 2.8         | 2.3         | 14.0        | 18.4        |             |             |
| Jindal Stainless     | Buy     | 665       | 810      | 22                | 30.5      | 36.2  | 44.5  | -3.9            | 18.7        | 22.8        | 18.3        | 14.9        | 2.8         | 2.4         | 15.4        | 16.1        |             |             |
| Nalco                | Neutral | 199       | 190      | -4                | 28.7      | 17.9  | 20.4  | 215.8           | -37.7       | 14.1        | 11.1        | 9.8         | 1.8         | 1.6         | 17.2        | 17.0        |             |             |
| NMDC                 | Buy     | 73        | 83       | 14                | 7.4       | 8.3   | 9.3   | 13.3            | 11.6        | 12.0        | 8.8         | 7.8         | 1.9         | 1.6         | 22.7        | 21.9        |             |             |
| SAIL                 | Neutral | 136       | 145      | 7                 | 3.2       | 7.1   | 13.5  | 24.3            | 120         | 89.6        | 19.1        | 10.0        | 0.9         | 0.9         | 4.9         | 8.8         |             |             |
| Tata Steel           | Neutral | 163       | 155      | -5                | 3.4       | 8.7   | 13.0  | 41.5            | 160         | 48.6        | 18.7        | 12.6        | 2.3         | 2.1         | 12.6        | 17.8        |             |             |
| Vedanta              | Neutral | 451       | 490      | 9                 | 34.8      | 40.3  | 47.3  | 162.2           | 16          | 17.5        | 11.2        | 9.5         | 3.6         | 3.0         | 35.1        | 34.5        |             |             |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>16.4</b>     | <b>19.3</b> | <b>24.4</b> | <b>14.7</b> | <b>12.3</b> | <b>2.5</b>  | <b>2.2</b>  | <b>16.8</b> | <b>17.8</b> |             |             |
| <b>Oil &amp; Gas</b> |         |           |          |                   |           |       |       |                 |             |             |             |             |             |             |             |             |             |             |
| Aegis Logistics      | Neutral | 752       | 807      | 7                 | 18.9      | 20.9  | 23.0  | 16.5            | 10.7        | 10.1        | 35.9        | 32.6        | 5.2         | 4.7         | 15.1        | 15.1        |             |             |
| BPCL                 | Neutral | 342       | 300      | -12               | 31.8      | 36.5  | 27.5  | -49.7           | 14.6        | -24.6       | 9.4         | 12.4        | 1.6         | 1.4         | 17.9        | 12.1        |             |             |
| Castrol India        | Buy     | 228       | 258      | 13                | 9.4       | 9.6   | 9.9   | 7.3             | 2.0         | 3.8         | 23.8        | 23.0        | 9.1         | 8.5         | 39.8        | 38.3        |             |             |
| GAIL                 | Buy     | 188       | 215      | 14                | 14.4      | 14.2  | 15.5  | 4.8             | -1.1        | 8.7         | 13.2        | 12.2        | 1.5         | 1.4         | 12.7        | 12.6        |             |             |
| Gujarat Gas          | Buy     | 475       | 555      | 17                | 16.6      | 18.3  | 21.3  | 4.0             | 10.2        | 16.2        | 25.9        | 22.3        | 3.5         | 3.2         | 14.2        | 15.0        |             |             |
| Gujarat St. Pet.     | Neutral | 333       | 356      | 7                 | 14.3      | 12.6  | 13.6  | -37.1           | -12.0       | 7.8         | 26.4        | 24.5        | 1.7         | 1.6         | 6.4         | 6.6         |             |             |
| HPCL                 | Buy     | 435       | 505      | 16                | 31.6      | 57.0  | 44.1  | -57.9           | 80.0        | -22.6       | 7.6         | 9.9         | 1.6         | 1.4         | 22.0        | 15.2        |             |             |
| IOC                  | Buy     | 151       | 167      | 10                | 7.8       | 13.6  | 11.1  | -73.6           | 75.8        | -18.4       | 11.1        | 13.6        | 1.0         | 1.0         | 9.7         | 7.5         |             |             |
| IGL                  | Buy     | 207       | 250      | 21                | 10.5      | 11.3  | 12.7  | -16.0           | 7.6         | 12.4        | 18.4        | 16.3        | 2.8         | 2.6         | 16.2        | 16.5        |             |             |
| Mahanagar Gas        | Buy     | 1428      | 1700     | 19                | 105.8     | 108.9 | 111.9 | -18.9           | 3.0         | 2.8         | 13.1        | 12.8        | 2.2         | 2.0         | 17.3        | 16.1        |             |             |
| MRPL                 | Sell    | 151       | 100      | -34               | 0.3       | 6.5   | 11.0  | -98.6           | 2,150.7     | 70.0        | 23.3        | 13.7        | 1.9         | 1.7         | 8.5         | 13.2        |             |             |
| Oil India            | Buy     | 447       | 521      | 17                | 37.6      | 34.3  | 36.6  | -22.7           | -8.8        | 6.7         | 13.0        | 12.2        | 1.5         | 1.4         | 11.8        | 11.6        |             |             |
| ONGC                 | Buy     | 245       | 275      | 12                | 30.6      | 31.4  | 33.5  | -31.9           | 2.8         | 6.6         | 7.8         | 7.3         | 0.8         | 0.8         | 11.1        | 11.0        |             |             |
| PLNG                 | Buy     | 308       | 410      | 33                | 26.2      | 26.6  | 31.0  | 11.0            | 1.6         | 16.7        | 11.6        | 9.9         | 2.1         | 1.9         | 19.4        | 20.0        |             |             |
| Reliance Ind.        | Buy     | 1403      | 1700     | 21                | 51.5      | 57.7  | 63.5  | 0.0             | 12.1        | 10.0        | 24.3        | 22.1        | 2.1         | 1.9         | 8.9         | 9.0         |             |             |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>-31.7</b>    | <b>15.7</b> | <b>1.9</b>  | <b>18.8</b> | <b>16.3</b> | <b>1.8</b>  | <b>1.7</b>  | <b>9.7</b>  | <b>10.3</b> |             |             |
| <b>Real Estate</b>   |         |           |          |                   |           |       |       |                 |             |             |             |             |             |             |             |             |             |             |
| Anant Raj            | Buy     | 562       | -        |                   | 12.4      | 14.7  | 13.0  | 59.4            | 18.2        | -11.5       | 38.4        | 43.3        | 4.2         | 3.8         | 10.8        | 8.8         |             |             |
| Brigade Enterpr.     | Buy     | 1061      | 1580     | 49                | 33.6      | 44.9  | 64.2  | 51.9            | 34.0        | 42.7        | 23.6        | 16.5        | 3.3         | 2.8         | 15.1        | 18.3        |             |             |
| DLF                  | Buy     | 829       | 1005     | 21                | 17.6      | 19.1  | 15.6  | 60.3            | 8.2         | -18.5       | 43.4        | 53.3        | 3.2         | 3.0         | 10.6        | 8.0         |             |             |
| Godrej Propert.      | Buy     | 2312      | 2843     | 23                | 50.0      | 89.2  | 86.7  | 86.0            | 78.4        | -2.8        | 25.9        | 26.7        | 3.2         | 2.9         | 13.4        | 11.5        |             |             |
| Kolte Patil Dev.     | Buy     | 446       | 571      | 28                | 14.1      | 48.7  | 45.2  | -253.7          | 246.1       | -7.2        | 9.2         | 9.9         | 2.8         | 2.2         | 36.4        | 25.0        |             |             |
| Oberoi Realty        | Neutral | 1747      | 1878     | 8                 | 61.2      | 79.9  | 101.4 | 15.5            | 30.5        | 26.9        | 21.9        | 17.2        | 3.5         | 2.9         | 17.1        | 18.4        |             |             |
| Lodha Developers     | Buy     | 1326      | 1870     | 41                | 28.7      | 37.9  | 40.2  | 70.4            | 32.1        | 6.2         | 35.0        | 33.0        | 5.5         | 4.8         | 16.7        | 15.4        |             |             |
| Mahindra Lifespace   | Neutral | 379       | 382      | 1                 | 4.0       | 3.3   | 16.8  | -37.7           | -17.6       | 417.3       | 116.4       | 22.5        | 3.1         | 2.8         | 2.7         | 13.0        |             |             |
| SignatureGlobal      | Buy     | 1194      | 1760     | 47                | 7.2       | 55.7  | 125.3 | 511.9           | 674.8       | 124.7       | 21.4        | 9.5         | 11.1        | 5.1         | 70.0        | 73.6        |             |             |



| Company                | Reco    | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | EPS Gr. YoY (%) |             |              | P/E (x)      |             | P/B (x)     |             | ROE (%)     |             |
|------------------------|---------|-----------|----------|-------------------|-----------|-------|-------|-----------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
|                        |         |           |          |                   | FY25      | FY26E | FY27E | FY25            | FY26E       | FY27E        | FY26E        | FY27E       | FY26E       | FY27E       | FY26E       | FY27E       |
| Sunteck Realty         | Buy     | 431       | 540      | 25                | 10.3      | 12.2  | 26.1  | 111.9           | 18.4        | 114.8        | 35.5         | 16.5        | 1.8         | 1.7         | 5.3         | 10.6        |
| Sobha                  | Buy     | 1630      | 1778     | 9                 | 8.9       | 33.7  | 50.6  | 71.0            | 281.0       | 49.9         | 48.3         | 32.2        | 3.6         | 3.2         | 7.6         | 10.5        |
| Prestige Estates       | Buy     | 1699      | 2000     | 18                | 13.6      | 22.6  | 25.9  | -28.2           | 65.7        | 14.7         | 75.3         | 65.7        | 3.9         | 3.7         | 5.3         | 5.8         |
| Phoenix Mills          | Neutral | 1448      | 1932     | 33                | 27.5      | 49.7  | 62.1  | -10.6           | 80.5        | 24.9         | 29.1         | 23.3        | 4.3         | 3.6         | 15.8        | 16.8        |
| <b>Aggregate</b>       |         |           |          |                   |           |       |       | <b>42.8</b>     | <b>39.4</b> | <b>13.5</b>  | <b>50.4</b>  | <b>36.1</b> | <b>4.9</b>  | <b>4.4</b>  | <b>9.7</b>  | <b>12.1</b> |
| <b>Retail</b>          |         |           |          |                   |           |       |       |                 |             |              |              |             |             |             |             |             |
| Aditya Birla Fashion   | Neutral | 76        | 85       | 12                | -6.1      | -4.5  | -3.4  | -18.5           | Loss        | Loss         | NM           | NM          | 1.2         | 1.3         | -8.4        | -6.8        |
| Aditya Birla Lifestyle | Neutral | 150       | 170      | 13                | 1.3       | 2.1   | 3.0   | -7.5            | 62.3        | 41.6         | 71.4         | 50.4        | 11.9        | 9.7         | 18.2        | 21.2        |
| Avenue Supermarts      | Buy     | 4020      | 4500     | 12                | 41.6      | 45.2  | 53.2  | 6.7             | 8.5         | 17.9         | 89.0         | 75.5        | 10.7        | 9.4         | 12.8        | 13.3        |
| Barbeque-Nation        | Neutral | 314       | 325      | 4                 | -6.9      | -5.5  | -4.8  | 142.4           | Loss        | Loss         | NM           | NM          | 3.6         | 3.8         | -6.3        | -5.8        |
| Bata India             | Neutral | 1211      | 1150     | -5                | 19.4      | 23.7  | 27.6  | -14.7           | 21.8        | 16.5         | 51.2         | 43.9        | 9.0         | 8.2         | 18.4        | 19.5        |
| Campus Activewe.       | Buy     | 288       | 325      | 13                | 4.0       | 5.1   | 6.7   | 35.5            | 29.2        | 31.5         | 56.4         | 42.8        | 9.7         | 7.9         | 17.1        | 18.4        |
| Devyani Intl.          | Buy     | 175       | 210      | 20                | 0.2       | 0.5   | 1.3   | -75.7           | 158.4       | 170.0        | 361.0        | 133.7       | 31.4        | 40.0        | 6.6         | 26.3        |
| Go Fashion (I)         | Buy     | 864       | 1077     | 25                | 17.3      | 19.1  | 23.9  | 13.0            | 10.5        | 25.3         | 45.2         | 36.1        | 8.7         | 7.7         | 13.2        | 14.7        |
| Jubilant Food.         | Neutral | 656       | 750      | 14                | 3.6       | 6.1   | 9.2   | -9.6            | 71.5        | 50.3         | 107.2        | 71.4        | 20.4        | 19.5        | 19.0        | 27.3        |
| Kalyan Jewellers       | Buy     | 613       | 660      | 8                 | 7.8       | 10.7  | 13.0  | 34.9            | 37.4        | 20.8         | 57.1         | 47.2        | 11.3        | 9.8         | 21.3        | 22.3        |
| Metro Brands           | Buy     | 1205      | 1375     | 14                | 13.9      | 16.2  | 19.7  | 9.4             | 16.1        | 21.4         | 74.4         | 61.3        | 16.1        | 13.7        | 23.8        | 24.7        |
| P N Gadgil Jewellers   | Buy     | 597       | 825      | 38                | 17.4      | 21.4  | 27.5  | 32.5            | 22.7        | 28.6         | 28.0         | 21.7        | 4.4         | 3.7         | 17.1        | 18.4        |
| Raymond Lifestyle      | Buy     | 1130      | 1500     | 33                | 16.5      | 48.8  | 68.7  | -79.4           | 195.7       | 40.8         | 23.2         | 16.5        | 0.7         | 0.7         | 6.6         | 8.7         |
| Restaurant Brand       | Buy     | 84        | 135      | 61                | -4.0      | -2.4  | -0.4  | -6.7            | Loss        | Loss         | NM           | NM          | 6.5         | 6.7         | -16.7       | -3.3        |
| Relaxo Footwear        | Sell    | 496       | 385      | -22               | 6.8       | 7.9   | 9.3   | -15.0           | 16.0        | 17.6         | 62.5         | 53.2        | 5.5         | 5.1         | 9.1         | 10.0        |
| Sapphire Foods         | Buy     | 341       | 400      | 17                | 1.0       | 1.2   | 2.8   | -38.9           | 20.6        | 136.4        | 284.2        | 120.2       | 7.6         | 7.2         | 2.7         | 6.2         |
| Senco Gold             | Neutral | 346       | 400      | 16                | 12.4      | 14.2  | 16.7  | 6.2             | 14.6        | 18.0         | 24.4         | 20.7        | 2.6         | 2.3         | 11.2        | 11.9        |
| Shoppers Stop          | Neutral | 531       | 510      | -4                | 0.6       | 1.1   | 1.9   | -88.9           | 85.1        | 66.9         | 469.2        | 281.1       | 12.6        | 11.9        | 3.6         | 5.7         |
| Titan Company          | Buy     | 3484      | 4250     | 22                | 42.3      | 53.9  | 63.3  | 7.6             | 27.5        | 17.4         | 64.6         | 55.1        | 20.7        | 16.4        | 36.1        | 33.2        |
| Trent                  | Buy     | 5153      | 6650     | 29                | 43.2      | 53.2  | 65.0  | 47.7            | 23.3        | 22.1         | 96.8         | 79.2        | 23.9        | 18.5        | 30.0        | 28.2        |
| Vedant Fashions        | Neutral | 794       | 775      | -2                | 16.0      | 17.4  | 18.9  | -6.2            | 8.5         | 9.0          | 45.8         | 42.0        | 9.9         | 8.8         | 20.9        | 20.3        |
| Vishal Mega Mart       | Buy     | 140       | 165      | 18                | 1.4       | 1.7   | 2.1   | 34.2            | 23.8        | 25.6         | 82.3         | 65.5        | 9.0         | 7.9         | 11.5        | 12.8        |
| V-Mart Retail          | Neutral | 807       | -        |                   | 2.6       | 15.7  | 21.9  | -121.3          | 501.9       | 40.0         | 51.6         | 36.8        | 6.8         | 5.8         | 14.2        | 17.0        |
| Westlife Foodworld     | Neutral | 771       | 750      | -3                | 0.8       | 1.9   | 4.6   | -82.4           | 136.9       | 149.6        | 415.5        | 166.5       | 18.5        | 16.6        | 4.6         | 10.5        |
| <b>Aggregate</b>       |         |           |          |                   |           |       |       | <b>15.4</b>     | <b>30.5</b> | <b>25.2</b>  | <b>103.0</b> | <b>80.3</b> | <b>12.8</b> | <b>11.6</b> | <b>12.5</b> | <b>14.5</b> |
| <b>Technology</b>      |         |           |          |                   |           |       |       |                 |             |              |              |             |             |             |             |             |
| Cyient                 | Sell    | 1242      | 1120     | -10               | 55.4      | 63.6  | 76.1  | -17.2           | 14.8        | 19.7         | 19.5         | 16.3        | 2.4         | 2.3         | 12.0        | 13.6        |
| HCL Tech.              | Buy     | 1507      | 2000     | 33                | 63.9      | 67.0  | 75.9  | 10.3            | 4.9         | 13.2         | 22.5         | 19.9        | 5.9         | 6.0         | 26.4        | 30.1        |
| Hexaware Tech.         | Buy     | 827       | 950      | 15                | 19.3      | 24.2  | 28.5  | 17.6            | 25.4        | 17.9         | 34.2         | 29.0        | 8.2         | 7.2         | 26.1        | 26.9        |
| Infosys                | Neutral | 1554      | 1750     | 13                | 63.8      | 68.6  | 72.6  | 0.8             | 7.5         | 5.8          | 22.7         | 21.4        | 6.7         | 6.7         | 29.7        | 31.3        |
| LTI Mindtree           | Buy     | 5203      | 6000     | 15                | 155.3     | 174.4 | 200.1 | 0.3             | 12.3        | 14.7         | 29.8         | 26.0        | 6.0         | 5.3         | 21.3        | 21.6        |
| L&T Technology         | Neutral | 4301      | 4300     | 0                 | 119.0     | 129.8 | 155.8 | -3.2            | 9.0         | 20.1         | 33.1         | 27.6        | 6.5         | 5.7         | 21.0        | 22.0        |
| Mphasis                | Neutral | 2655      | 3150     | 19                | 89.3      | 99.7  | 110.9 | 9.2             | 11.7        | 11.3         | 26.6         | 23.9        | 4.9         | 4.5         | 19.0        | 19.6        |
| Coforge                | Buy     | 1675      | 2240     | 34                | 25.2      | 44.2  | 58.9  | -8.7            | 75.4        | 33.3         | 37.9         | 28.4        | 7.8         | 6.9         | 17.1        | 20.7        |
| Persistent Sys         | Buy     | 5171      | 6800     | 31                | 90.2      | 114.5 | 140.1 | 20.2            | 26.9        | 22.3         | 45.2         | 36.9        | 10.8        | 9.2         | 26.1        | 27.2        |
| TCS                    | Buy     | 3150      | 3850     | 22                | 134.2     | 142.7 | 152.6 | 6.3             | 6.3         | 6.9          | 22.1         | 20.6        | 11.6        | 11.1        | 53.4        | 54.9        |
| Tech Mah               | Buy     | 1498      | 2000     | 33                | 47.9      | 61.3  | 78.3  | 17.1            | 27.9        | 27.7         | 24.4         | 19.1        | 4.7         | 4.6         | 19.6        | 24.2        |
| Wipro                  | Sell    | 262       | 230      | -12               | 12.5      | 12.6  | 13.1  | 22.8            | 1.0         | 3.9          | 20.7         | 19.9        | 3.3         | 3.2         | 15.9        | 16.2        |
| Zensar Tech            | Neutral | 826       | 750      | -9                | 28.4      | 32.3  | 34.6  | -2.5            | 13.8        | 7.2          | 25.6         | 23.9        | 4.2         | 3.9         | 17.4        | 17.2        |
| <b>Aggregate</b>       |         |           |          |                   |           |       |       | <b>8.7</b>      | <b>7.9</b>  | <b>9.2</b>   | <b>25.6</b>  | <b>23.7</b> | <b>7.2</b>  | <b>7.0</b>  | <b>28.1</b> | <b>29.4</b> |
| <b>Telecom</b>         |         |           |          |                   |           |       |       |                 |             |              |              |             |             |             |             |             |
| Bharti Airtel          | Buy     | 1937      | 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 | 1825      | 1950     | 7                 | 25.6      | 38.3  | 55.5  | 58.7            | 49.4        | 44.8         | 47.7         | 32.9        | 12.4        | 10.0        | 28.8        | 33.7        |
| Indus Towers           | Neutral | 401       | 400      | 0                 | 18.4      | 26.0  | 29.1  | -18.0           | 41.7        | 11.9         | 15.4         | 13.8        | 2.7         | 3.1         | 19.1        | 20.7        |
| Vodafone Idea          | Sell    | 7         | 7        | -12               | -3.8      | -2.9  | -2.9  | -39.9           | Loss        | Loss         | NM           | NM          | -0.4        | -0.2        | NM          | NM          |
| Tata Comm              | Neutral | 1727      | 1675     | -3                | 28.7      | 46.9  | 63.7  | -32.0           | 63.3        | 35.7         | 36.8         | 27.1        | 13.8        | 10.5        | 40.6        | 44          |
| <b>Aggregate</b>       |         |           |          |                   |           |       |       | <b>Loss</b>     | <b>LP</b>   | <b>216.5</b> | <b>-528</b>  | <b>238</b>  | <b>17.8</b> | <b>12.9</b> | <b>-3.4</b> | <b>5.4</b>  |
| <b>Utilities</b>       |         |           |          |                   |           |       |       |                 |             |              |              |             |             |             |             |             |
| Acme Solar             | Buy     | 280       | 347      | 24                | 4.5       | 7.5   | 10.3  | -563.2          | 65.5        | 37.2         | 37.5         | 27.3        | 3.4         | 3.0         | 9.5         | 11.8        |



| Company                | Reco    | CMP (INR) | TP (INR) | % Upside<br>Downside | EPS (INR) |       |       | EPS Gr. YoY (%) |             |             | P/E (x)   |           | P/B (x)    |            | ROE (%)     |             |
|------------------------|---------|-----------|----------|----------------------|-----------|-------|-------|-----------------|-------------|-------------|-----------|-----------|------------|------------|-------------|-------------|
|                        |         |           |          |                      | FY25      | FY26E | FY27E | FY25            | FY26E       | FY27E       | FY26E     | FY27E     | FY26E      | FY27E      | FY26E       | FY27E       |
| Indian Energy Exchange | Neutral | 132       | -        |                      | 4.7       | 5.1   | 5.9   | 21.4            | 10.1        | 15.1        | 25.8      | 22.4      | 9.2        | 7.9        | 38.4        | 37.9        |
| Inox Wind              | Buy     | 162       | 210      | 30                   | 3.5       | 5.8   | 8.4   | -               | 66.8        | 44.3        | 27.7      | 19.2      | 3.6        | 3.1        | 14.0        | 17.3        |
| JSW Energy             | Buy     | 532       | 620      | 17                   | 10.7      | 12.6  | 16.9  | 1.6             | 18.4        | 33.9        | 42.1      | 31.5      | 3.2        | 2.9        | 7.8         | 9.6         |
| NTPC                   | Neutral | 339       | 380      | 12                   | 20.3      | 25.8  | 28.0  | 6.2             | 26.7        | 8.8         | 13.1      | 12.1      | 1.7        | 1.6        | 13.6        | 13.6        |
| Power Grid Corpn       | Buy     | 299       | 370      | 24                   | 16.7      | 19.0  | 19.9  | -0.3            | 13.7        | 5.1         | 15.8      | 15.0      | 2.8        | 2.6        | 18.4        | 17.9        |
| Suzlon Energy          | Buy     | 65        | 82       | 26                   | 1.1       | 1.7   | 2.3   | 105.5           | 55.0        | 40.2        | 39.1      | 27.9      | 10.6       | 7.7        | 31.5        | 32.0        |
| Tata Power Co.         | Buy     | 401       | 476      | 19                   | 12.3      | 15.0  | 17.1  | 11.7            | 22.4        | 13.8        | 26.7      | 23.5      | 3.2        | 2.8        | 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>2.6</b> | <b>12.5</b> | <b>14.0</b> |
| <b>Others</b>          |         |           |          |                      |           |       |       |                 |             |             |           |           |            |            |             |             |
| APL Apollo Tubes       | Buy     | 1688      | 2000     | 18                   | 27.3      | 41.9  | 56.6  | 3.4             | 53.5        | 35.1        | 40.3      | 29.8      | 9.0        | 7.1        | 24.7        | 26.6        |
| Astral                 | Buy     | 1473      | 1800     | 22                   | 19.5      | 23.8  | 30.4  | -4.1            | 22.2        | 27.6        | 61.9      | 48.5      | 7.2        | 6.2        | 16.5        | 18.3        |
| Cello World            | Buy     | 609       | 720      | 18                   | 15.3      | 16.5  | 21.9  | -1.7            | 7.5         | 32.6        | 36.9      | 27.8      | 5.1        | 4.5        | 14.5        | 17.6        |
| Coromandel Intl        | Buy     | 2439      | -        |                      | 61.3      | 78.0  | 91.5  | 9.8             | 27.4        | 17.3        | 31.3      | 26.6      | 5.5        | 4.7        | 19.1        | 19.1        |
| 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     | 232       | 290      | 25                   | 11.3      | 14.1  | 16.7  | 39.9            | 24.3        | 18.5        | 16.5      | 13.9      | 2.8        | 2.5        | 18.0        | 18.8        |
| Eternal                | Buy     | 312       | 330      | 6                    | 0.6       | 1.2   | 3.9   | 44.2            | 101.5       | 228.6       | 263.6     | 80.2      | 8.9        | 8.0        | 3.4         | 10.5        |
| Godrej Agrovet         | Buy     | 854       | 980      | 15                   | 22.4      | 29.7  | 36.7  | 19.5            | 32.6        | 23.8        | 28.8      | 23.2      | 9.0        | 7.1        | 27.1        | 34.1        |
| Gravita India          | Buy     | 1814      | 2290     | 26                   | 42.3      | 58.8  | 73.0  | 22.2            | 39.0        | 24.1        | 30.8      | 24.8      | 5.4        | 4.4        | 19.0        | 19.5        |
| Indiamart Inter.       | Buy     | 2620      | 3050     | 16                   | 91.7      | 84.2  | 95.1  | 66.1            | -8.2        | 12.9        | 31.1      | 27.6      | 6.0        | 5.2        | 21.0        | 20.3        |
| Indian Hotels          | Buy     | 754       | 900      | 19                   | 11.8      | 13.4  | 16.1  | 33.4            | 13.0        | 20.8        | 56.4      | 46.7      | 8.3        | 7.1        | 15.7        | 16.3        |
| Info Edge              | Neutral | 1456      | 1350     | -7                   | 11.9      | 16.8  | 20.2  | -7.4            | 40.9        | 20.3        | 86.7      | 72.1      | 3.3        | 3.2        | 3.9         | 4.5         |
| Interglobe             | Buy     | 5849      | 6900     | 18                   | 188.1     | 280.0 | 259.9 | -11.2           | 48.8        | -7.2        | 20.9      | 22.5      | 11.5       | 7.7        | 75.0        | 41.3        |
| Kajaria Ceramics       | Buy     | 1179      | 1430     | 21                   | 21.8      | 30.4  | 34.9  | -21.9           | 39.3        | 14.7        | 38.8      | 33.8      | 6.2        | 5.6        | 16.6        | 17.2        |
| Lemon Tree Hotel       | Buy     | 156       | 185      | 19                   | 2.5       | 3.7   | 4.5   | 32.4            | 46.4        | 22.1        | 42.4      | 34.7      | 8.4        | 6.8        | 22.0        | 21.6        |
| MTAR Tech              | Buy     | 1517      | 1900     | 25                   | 17.2      | 32.7  | 53.7  | -5.8            | 90.3        | 64.2        | 46.4      | 28.2      | 5.6        | 4.7        | 12.9        | 18.1        |
| One 97                 | Neutral | 1106      | 1025     | -7                   | -10.4     | 6.1   | 14.8  | -53.1           | LP          | 141.8       | 181.0     | 74.8      | 4.7        | 4.7        | 2.6         | 6.4         |
| Prince Pipes           | Buy     | 344       | 500      | 45                   | 3.9       | 9.6   | 15.8  | -73.8           | 144.7       | 64.6        | 35.8      | 21.8      | 0.9        | 0.9        | 6.5         | 10.0        |
| Qess Corp              | Neutral | 309       | 340      | 10                   | 15.2      | 15.2  | 17.6  | 63.3            | 0.4         | 15.8        | 20.3      | 17.5      | 3.8        | 4.4        | 22.5        | 30.5        |
| SBI Cards              | Neutral | 886       | 975      | 10                   | 20.2      | 28.5  | 38.0  | -20.5           | 41.4        | 33.0        | 31.0      | 23.3      | 5.2        | 4.3        | 18.1        | 20.2        |
| SIS                    | Buy     | 384       | 430      | 12                   | 22.0      | 32.2  | 38.9  | 69.7            | 46.1        | 21.0        | 11.9      | 9.9       | 0.9        | 0.8        | 17.6        | 17.8        |
| Supreme Inds.          | Buy     | 4240      | 5350     | 26                   | 75.6      | 85.0  | 119.6 | -10.2           | 12.4        | 40.7        | 49.9      | 35.5      | 8.5        | 7.3        | 18.0        | 22.2        |
| Swiggy                 | Neutral | 419       | 350      | -16                  | -13.6     | -19.0 | -12.3 | 27.4            | Loss        | Loss        | NM        | NM        | 16.3       | 31.3       | -54.0       | -63.1       |
| Team Lease Serv.       | Buy     | 1926      | 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     | 462       | 578      | 25                   | 17.1      | 21.4  | 26.3  | 25.0            | 25.2        | 22.7        | 21.6      | 17.6      | 3.2        | 2.8        | 15.7        | 16.8        |
| Updater Services       | Buy     | 287       | 370      | 29                   | 17.7      | 21.0  | 24.8  | 56.2            | 18.4        | 17.9        | 13.7      | 11.6      | 1.7        | 1.5        | 13.6        | 13.9        |
| UPL                    | Neutral | 726       | 700      | -4                   | 25.0      | 39.7  | 57.5  | 583.6           | 58.5        | 44.9        | 18.3      | 12.6      | 1.2        | 1.1        | 10.1        | 13.4        |
| VA Tech Wabag          | Buy     | 1639      | 1900     | 16                   | 47.6      | 60.0  | 73.2  | 20.2            | 26.0        | 22.0        | 27.3      | 22.4      | 4.1        | 3.5        | 15.0        | 15.8        |



| Index                | 1 Day (%)   | 1M (%)      | 12M (%)     |
|----------------------|-------------|-------------|-------------|
| <b>Sensex</b>        | -0.7        | 0.2         | 2.5         |
| <b>Nifty-50</b>      | -0.6        | 0.1         | 2.7         |
| <b>Nifty Next 50</b> | -0.2        | 1.3         | -5.1        |
| <b>Nifty 100</b>     | -0.6        | 0.3         | 1.2         |
| <b>Nifty 200</b>     | -0.6        | 0.3         | 1.6         |
| Company              | 1 Day (%)   | 1M (%)      | 12M (%)     |
| <b>Automobiles</b>   | <b>0.0</b>  | <b>2.1</b>  | <b>-4.8</b> |
| Amara Raja Ener.     | -0.1        | 4.0         | -35.8       |
| Apollo Tyres         | 0.3         | 2.8         | -14.9       |
| Ashok Leyland        | 0.2         | 3.7         | 7.4         |
| Bajaj Auto           | -1.3        | -1.1        | -10.5       |
| Balkrishna Inds      | -0.4        | 14.0        | -13.0       |
| Bharat Forge         | -0.5        | -6.0        | -23.5       |
| Bosch                | -0.1        | 20.4        | 11.2        |
| CEAT                 | -4.0        | -6.0        | 27.0        |
| Craftsman Auto       | -1.1        | 20.8        | 19.2        |
| Eicher Motors        | 0.5         | -2.8        | 11.3        |
| Endurance Tech.      | 0.6         | 5.3         | 3.5         |
| Escorts Kubota       | -1.0        | 4.4         | -16.9       |
| Exide Inds.          | -0.1        | 1.7         | -27.5       |
| Happy Forgings       | 0.1         | 0.5         | -20.5       |
| Hero Motocorp        | -1.4        | 0.2         | -20.6       |
| Hyundai Motor        | -1.1        | 1.1         |             |
| M & M                | -0.2        | 3.5         | 16.2        |
| CIE Automotive       | 1.0         | -5.4        | -28.4       |
| Maruti Suzuki        | -0.6        | -0.4        | 0.6         |
| MRF                  | 0.6         | 10.4        | 9.9         |
| Sona BLW Precis.     | 0.4         | 1.9         | -28.6       |
| Motherson Sumi       | 4.3         | 2.1         | -18.6       |
| Motherson Wiring     | -0.4        | 5.0         | -14.9       |
| Tata Motors          | 1.5         | 4.0         | -31.8       |
| TVS Motor Co.        | -0.2        | -1.4        | 14.2        |
| Tube Investments     | -0.6        | 2.7         | -25.8       |
| <b>Banks-Private</b> | <b>-0.6</b> | <b>-0.9</b> | <b>8.9</b>  |
| AU Small Fin. Bank   | 1.2         | -6.9        | 13.0        |
| Axis Bank            | -0.9        | -10.3       | -11.6       |
| Bandhan Bank         | 1.5         | 2.2         | -2.1        |
| DCB Bank             | -1.0        | -1.2        | 5.3         |
| Equitas Sma. Fin     | -0.8        | -7.1        | -30.6       |
| Federal Bank         | -0.1        | 1.7         | 5.7         |
| HDFC Bank            | -0.5        | 2.7         | 25.6        |
| ICICI Bank           | -0.3        | 4.2         | 21.3        |
| IDFC First Bank      | 0.3         | 1.2         | -3.7        |
| Indusind Bank        | -0.4        | 1.9         | -39.3       |
| Kotak Mah. Bank      | -1.3        | -3.7        | 22.7        |
| RBL Bank             | -1.0        | 8.3         | 7.8         |
| SBI Cards            | -1.1        | -9.8        | 19.1        |
| <b>Banks-PSU</b>     | <b>1.2</b>  | <b>2.7</b>  | <b>-1.0</b> |
| BOB                  | 1.6         | 3.8         | -0.8        |
| Canara Bank          | 5.3         | 2.6         | 0.9         |
| Indian Bank          | 4.5         | 4.7         | 14.5        |
| Punjab Natl.Bank     | 0.7         | 5.2         | -5.0        |
| St Bk of India       | -0.6        | 2.6         | -4.3        |

| Index                     | 1 Day (%)   | 1M (%)     | 12M (%)     |
|---------------------------|-------------|------------|-------------|
| <b>Nifty 500</b>          | <b>-0.5</b> | <b>0.8</b> | <b>1.7</b>  |
| <b>Nifty Midcap 100</b>   | <b>-0.6</b> | <b>0.6</b> | <b>3.7</b>  |
| <b>Nifty Smallcap 100</b> | <b>-1.1</b> | <b>1.3</b> | <b>-0.2</b> |
| <b>Nifty Midcap 150</b>   | <b>-0.4</b> | <b>1.5</b> | <b>3.4</b>  |
| <b>Nifty Smallcap 250</b> | <b>-0.7</b> | <b>3.2</b> | <b>1.2</b>  |
| Union Bank (I)            | 1.1         | -1.4       | 7.8         |
| <b>NBFCs</b>              | <b>-0.6</b> | <b>1.1</b> | <b>16.8</b> |
| Aditya Birla Capital Ltd  | -1.9        | -2.1       | -9.2        |
| AAVAS Financiers          | -1.6        | -1.2       | 6.3         |
| Bajaj Fin.                | 0.8         | 17.5       | 5.1         |
| Cholaman.Inv.&Fn          | 0.6         | 5.6        | 35.9        |
| Can Fin Homes             | -1.7        | -13.3      | -57.7       |
| CreditAcc. Gram.          | -0.9        | 10.5       | 13.9        |
| Fusion Microfin.          | -0.9        | -11.0      | 20.8        |
| Five-Star Bus.Fi          | -1.6        | 5.0        | 20.2        |
| Home First Finan          | -0.8        | 1.9        | -21.4       |
| Indostar Capital          | -0.3        | 1.1        | 29.4        |
| IIFL Finance              | 0.0         | -3.7       | -10.8       |
| L&T Finance               | -0.3        | 10.7       | 14.6        |
| LIC Housing Fin.          | -0.9        | 3.9        | 52.9        |
| MCX                       | -0.6        | -7.0       | -19.2       |
| M & M Fin. Serv.          | -1.3        | -1.5       | 35.3        |
| Muthoot Finance           | 1.2         | 1.6        | -33.0       |
| Manappuram Fin.           | -3.1        | -2.6       | 13.6        |
| MAS Financial Serv.       | 0.7         | 2.0        | -19.6       |
| PNB Housing               | -0.7        | -1.1       | -19.0       |
| Power Fin.Corp.           | -1.8        | 9.6        | -57.7       |
| REC Ltd                   | -0.6        | -2.5       | 9.5         |
| Repco Home Fin            | -0.3        | 14.2       | 24.6        |
| Shriram Finance           | -2.1        | 26.4       | 38.6        |
| Spandana Sphoort          | -1.0        | -5.4       | 28.2        |
| Nippon Life Ind.          | -1.1        | -4.0       | 40.9        |
| UTI AMC                   | -0.6        | 9.9        | 37.0        |
| Nuvama Wealth             | -2.3        | -7.9       | 66.7        |
| Prudent Corp.             | -0.2        | 0.3        | 102.7       |
| <b>NBFC-Non Lending</b>   |             |            |             |
| 360 One                   | 0.9         | -0.1       | 25.7        |
| Aditya AMC                | -1.1        | -0.7       | 3.3         |
| Anand Rathi Wea.          | -2.0        | 5.9        | 31.0        |
| Angel One                 | -0.3        | -2.9       | 11.7        |
| BSE                       | -1.5        | -3.3       | -6.2        |
| C D S L                   | 0.4         | 8.6        | 47.6        |
| Cams Services             | -0.9        | -3.3       | -3.0        |
| HDFC AMC                  | -0.4        | -8.5       | 216.9       |
| KFin Technolog.           | -1.0        | 4.6        | 45.3        |
| MCX                       | -0.6        | -7.0       | -19.2       |
| Nippon Life Ind.          | -1.1        | -4.0       | 40.9        |
| Nuvama Wealth             | -2.3        | -7.9       | 66.7        |
| Prudent Corp.             | -0.2        | 0.3        | 102.7       |
| UTI AMC                   | -0.6        | 9.9        | 37.0        |
| <b>Insurance</b>          |             |            |             |
| HDFC Life Insur.          | -0.7        | -2.9       | 12.6        |
| ICICI Pru Life            | -1.0        | -1.9       | -10.3       |



| Company              | 1 Day (%)   | 1M (%)      | 12M (%)      |
|----------------------|-------------|-------------|--------------|
| ICICI Lombard        | -1.5        | -4.0        | -0.1         |
| Life Insurance       | -0.5        | -3.0        | -21.0        |
| Max Financial        | -1.5        | -5.7        | 39.5         |
| Niva Bupa Health     | -0.3        | 6.0         |              |
| SBI Life Insuran     | -0.9        | -2.7        | 9.8          |
| Star Health Insu     | -2.7        | 0.6         | -29.8        |
| <b>Chemicals</b>     |             |             |              |
| Alkyl Amines         | 1.1         | 2.7         | 11.9         |
| Atul                 | -1.4        | -5.3        | -9.7         |
| Clean Science        | -1.7        | -11.6       | -13.1        |
| Deepak Nitrite       | -0.2        | 1.3         | -33.7        |
| Fine Organic         | 0.7         | 12.7        | 2.0          |
| Galaxy Surfact.      | 0.0         | -1.1        | -8.0         |
| Navin Fluor.Intl.    | 0.5         | 10.1        | 43.8         |
| NOCIL                | -1.3        | 3.4         | -35.7        |
| P I Inds.            | 1.0         | -1.5        | 2.6          |
| SRF                  | -1.5        | 3.0         | 32.8         |
| Tata Chemicals       | -2.6        | 3.7         | -10.0        |
| Vinati Organics      | -1.6        | -2.4        | -3.7         |
| <b>Capital Goods</b> | <b>-0.5</b> | <b>-0.9</b> | <b>-1.6</b>  |
| A B B                | -0.2        | -5.1        | -24.2        |
| Bharat Dynamics      | -0.4        | -8.3        | 18.8         |
| Bharat Electron      | -0.5        | -4.8        | 32.7         |
| Cummins India        | -1.5        | 7.6         | 0.6          |
| Hind.Aeronautics     | -0.7        | -4.2        | -3.5         |
| Hitachi Energy       | -0.5        | 2.4         | 64.4         |
| K E C Intl.          | 2.3         | -1.3        | -0.9         |
| Kalpataru Proj.      | -0.3        | 1.2         | -10.1        |
| Kirloskar Oil        | 2.7         | 10.6        | -22.9        |
| Larsen & Toubro      | -0.2        | -3.5        | -1.2         |
| Siemens              | -0.4        | -1.0        | -7.0         |
| Siemens Ener         | -0.2        | 11.0        |              |
| Thermax              | -0.5        | 11.3        | -22.1        |
| Triveni Turbine      | -0.7        | 2.9         | 2.3          |
| Zen Technologies     | -1.8        | -3.6        | 28.8         |
| <b>Cement</b>        |             |             |              |
| Ambuja Cem.          | 0.0         | 11.9        | -9.1         |
| ACC                  | -3.1        | 2.3         | -27.8        |
| Birla Corp.          | -0.7        | 13.0        | -5.3         |
| Dalmia Bhar.         | 0.0         | 9.3         | 28.1         |
| Grasim Inds.         | 1.0         | -1.6        | -2.5         |
| India Cem            | -2.8        | 15.5        | 2.9          |
| J K Cements          | -0.2        | 13.2        | 48.0         |
| JK Lakshmi Cem.      | -1.3        | 19.2        | 15.9         |
| The Ramco Cement     | -1.3        | 15.0        | 48.9         |
| Shree Cement         | -1.2        | 11.4        | 15.2         |
| UltraTech Cem.       | -0.5        | 6.3         | 7.4          |
| <b>Consumer</b>      | <b>-1.1</b> | <b>1.4</b>  | <b>-11.4</b> |
| Asian Paints         | -1.0        | 3.4         | -19.2        |
| Britannia Inds.      | -0.8        | 1.0         | -2.7         |
| Colgate-Palm.        | -1.1        | -6.8        | -28.1        |
| Dabur India          | -0.3        | 7.9         | -19.2        |
| Emami                | -0.1        | 2.6         | -27.2        |

| Company                  | 1 Day (%)   | 1M (%)     | 12M (%)    |
|--------------------------|-------------|------------|------------|
| Godrej Consumer          | -0.7        | 4.3        | -16.1      |
| Hind. Unilever           | -0.5        | 7.7        | -9.9       |
| ITC                      | -1.2        | -1.1       | -12.3      |
| Indigo Paints            | -1.7        | 1.5        | -21.9      |
| Jyothy Lab.              | 0.5         | 6.4        | -32.8      |
| L T Foods                | 0.6         | 11.1       | 68.7       |
| Marico                   | -1.9        | 0.5        | 7.4        |
| Nestle India             | -5.3        | -1.8       | -8.6       |
| Page Industries          | -1.3        | 1.1        | 14.1       |
| Pidilite Inds.           | -0.4        | -3.1       | -6.5       |
| P & G Hygiene            | -0.7        | -3.5       | -24.1      |
| Radico Khaitan           | -1.3        | 1.6        | 58.5       |
| Tata Consumer            | 1.0         | -3.2       | -11.8      |
| United Breweries         | 0.1         | 4.7        | 0.0        |
| United Spirits           | -0.5        | -7.5       | -3.4       |
| Varun Beverages          | -0.4        | 5.0        | -24.6      |
| <b>Consumer Durables</b> | <b>-0.1</b> | <b>3.6</b> | <b>0.9</b> |
| Polycab India            | -1.3        | -1.3       | -13.4      |
| R R Kabel                | -1.6        | 1.7        | -6.5       |
| Havells                  | -0.6        | 7.8        | 8.2        |
| Voltas                   | -1.4        | 7.2        | -17.1      |
| KEI Industries           | -1.7        | 2.9        | -10.4      |
| <b>EMS</b>               |             |            |            |
| Amber Enterp.            | 0.9         | 9.6        | 71.0       |
| Avalon Tech              | -4.5        | 4.2        | 59.0       |
| Cyient DLM               | -0.4        | 0.9        | -39.7      |
| Data Pattern             | 0.1         | -5.2       | -9.9       |
| Dixon Technolog.         | 1.3         | 15.6       | 52.6       |
| Kaynes Tech              | -1.5        | -2.4       | 38.0       |
| Syrma SGS Tech.          | 1.0         | 33.8       | 49.3       |
| <b>Healthcare</b>        | <b>0.6</b>  | <b>4.0</b> | <b>7.8</b> |
| Ajanta Pharma            | 2.9         | 9.1        | 17.3       |
| Alembic Pharma           | -0.1        | 7.6        | -13.3      |
| Alkem Lab                | 0.5         | 3.9        | -3.7       |
| Apollo Hospitals         | -0.1        | 5.1        | 14.6       |
| Aurobindo                | -0.3        | 0.9        | -17.7      |
| Biocon                   | 0.2         | 13.9       | 14.3       |
| Blue Jet Health          | -0.6        | -6.3       | 84.4       |
| Cipla                    | 1.0         | -0.8       | -0.8       |
| Divis Lab                | -0.5        | 0.8        | 45.4       |
| Dr Agarwals Health       | 0.8         | 12.7       |            |
| Dr Reddy's               | 1.5         | -5.4       | -7.2       |
| ERIS Lifescience         | 0.7         | 11.0       | 69.8       |
| Gland Pharma             | -1.0        | 14.3       | -0.1       |
| Glenmark                 | 1.0         | 17.5       | 10.2       |
| Global Health            | 0.2         | -2.6       | -11.4      |
| Granules                 | 1.0         | -2.1       | 17.9       |
| GSK Pharma               | 0.3         | 27.4       | 50.4       |
| IPCA Labs                | 5.5         | 15.5       | 24.6       |
| Laurus Labs              | 1.7         | 24.9       | 92.5       |
| Laxmi Dental             | -2.9        | 7.4        |            |
| Lupin                    | 1.1         | 0.5        | 6.9        |
| Mankind Pharma           | 1.0         | 5.8        | 33.7       |



| Company               | 1 Day (%)   | 1M (%)      | 12M (%)      |
|-----------------------|-------------|-------------|--------------|
| Max Healthcare        | -0.4        | 12.2        | 23.1         |
| Piramal Pharma        | -0.9        | 1.6         | 22.0         |
| Sun Pharma            | 0.6         | 1.8         | 4.5          |
| Torrent Pharma        | -1.0        | 10.7        | 11.9         |
| Zydus Lifesci.        | 1.0         | 0.7         | -17.7        |
| <b>Infrastructure</b> | <b>-0.5</b> | <b>0.4</b>  | <b>0.5</b>   |
| G R Infraproject      | 1.3         | 2.7         | -24.6        |
| IRB Infra.Devl.       | -2.3        | -2.8        | -29.6        |
| KNR Construct.        | -0.3        | 5.5         | -40.4        |
| <b>Logistics</b>      |             |             |              |
| Adani Ports           | -0.6        | 1.6         | -4.9         |
| Blue Dart Exp.        | 0.1         | 10.1        | -12.9        |
| Delhivery             | -1.4        | 16.1        | 14.4         |
| Container Corpn.      | -0.5        | 1.7         | -26.0        |
| JSW Infrast           | -0.3        | 4.1         | -5.4         |
| Mahindra Logis.       | -0.1        | 19.0        | -24.2        |
| Transport Corp.       | -1.2        | 7.1         | 26.6         |
| TCI Express           | -1.2        | -4.3        | -40.1        |
| VRL Logistics         | 1.6         | 13.0        | 11.1         |
| <b>Media</b>          | <b>-0.2</b> | <b>-0.8</b> | <b>-15.3</b> |
| PVR INOX              | -0.9        | 4.9         | -32.1        |
| Sun TV                | -1.0        | -1.9        | -27.4        |
| Zee Ent.              | 0.6         | -9.9        | -5.3         |
| <b>Metals</b>         | <b>0.0</b>  | <b>3.1</b>  | <b>3.4</b>   |
| Hindalco              | 0.0         | 3.9         | 6.8          |
| Hind. Zinc            | -0.2        | 0.7         | -29.7        |
| JSPL                  | 2.4         | 8.3         | 2.9          |
| JSW Steel             | 0.0         | 2.7         | 17.3         |
| Jindal Stainless      | -1.7        | -2.0        | -11.7        |
| Nalco                 | 0.4         | 4.8         | 6.6          |
| NMDC                  | -0.3        | 4.7         | -6.2         |
| SAIL                  | 1.0         | 4.2         | -7.4         |
| Tata Steel            | 0.4         | 5.6         | 2.0          |
| Vedanta               | -0.9        | 1.2         | 4.3          |
| <b>Oil &amp; Gas</b>  | <b>-0.6</b> | <b>1.9</b>  | <b>-10.6</b> |
| Aegis Logistics       | 0.2         | 11.2        | 38.9         |
| BPCL                  | -2.2        | 13.4        | 41.4         |
| Castrol India         | -0.1        | -4.5        | -14.0        |
| GAIL                  | -0.9        | 6.9         | 8.4          |
| Gujarat Gas           | 0.8         | 1.3         | -16.0        |
| Gujarat St. Pet.      | -0.3        | 8.6         | -14.1        |
| HPCL                  | -0.5        | 5.4         | -27.0        |
| IOCL                  | 0.3         | 4.2         | 2.3          |
| IGL                   | 0.1         | 7.1         | 22.9         |
| Mahanagar Gas         | -0.7        | 5.9         | -10.4        |
| MRPL                  | -1.5        | 0.4         | -24.5        |
| Oil India             | -2.9        | 6.8         | -30.5        |
| ONGC                  | -3.7        | 1.1         | -18.5        |
| PLNG                  | -1.4        | 0.2         | -17.8        |
| Reliance Ind.         | -0.3        | 0.4         | -23.4        |
| <b>Real Estate</b>    | <b>-1.0</b> | <b>-5.3</b> | <b>-10.6</b> |
| Anant Raj             | -0.1        | 4.2         | 8.5          |
| Brigade Enterpr.      | 1.1         | -7.1        | -11.2        |

| Company           | 1 Day (%)   | 1M (%)      | 12M (%)     |
|-------------------|-------------|-------------|-------------|
| DLF               | -1.5        | -2.4        | 1.2         |
| Godrej Propert.   | -0.5        | -3.6        | -26.0       |
| Kolte Patil Dev.  | 0.1         | -0.9        | 6.0         |
| Mahindra Life.    | -0.5        | 4.9         | -34.1       |
| Macrotech Devel.  | -0.6        | -9.8        | -5.3        |
| Oberoi Realty Ltd | -1.2        | -12.0       | 0.3         |
| SignatureGlobal   | -2.3        | -3.9        | -19.6       |
| Sobha             | -1.6        | 8.2         | -10.8       |
| Sunteck Realty    | -1.6        | -2.6        | -27.2       |
| Phoenix Mills     | -0.4        | -9.6        | -18.8       |
| Prestige Estates  | -3.2        | -1.8        | -10.1       |
| <b>Retail</b>     |             |             |             |
| Aditya Bir. Fas.  | -0.1        | 2.2         | -35.5       |
| A B Lifestyle     | -1.2        | -2.2        |             |
| Avenue Super.     | -0.6        | -5.4        | -22.1       |
| Barbeque-Nation   | -0.4        | -0.9        | -40.0       |
| Bata India        | 0.5         | 0.8         | -24.4       |
| Campus Activewe.  | 0.1         | 1.5         | -5.0        |
| Devyani Intl.     | -0.1        | 3.3         | -3.6        |
| Go Fashion (I)    | -0.9        | 1.4         | -20.9       |
| Jubilant Food     | -0.5        | -5.8        | 12.6        |
| Kalyan Jewellers  | 0.2         | 17.7        | 4.4         |
| Metro Brands      | -0.7        | 5.7         | -7.1        |
| P N Gadgil Jewe.  | 0.0         | 2.8         |             |
| Raymond Lifestyl  | 1.2         | 7.0         |             |
| Relaxo Footwear   | 0.1         | 19.5        | -42.0       |
| Restaurant Brand  | -0.4        | 4.5         | -22.1       |
| Sapphire Foods    | -1.6        | 3.8         | 4.1         |
| Senco Gold        | -2.4        | 2.2         | -29.1       |
| Shoppers St.      | -2.0        | 7.7         | -31.6       |
| Titan Co.         | 0.4         | -1.2        | 0.2         |
| Trent             | -3.8        | -14.9       | -2.5        |
| Vedant Fashions   | 1.1         | -0.2        | -26.5       |
| V-Mart Retail     | 5.7         | -10.7       | -7.1        |
| Vishal Mega Mart  | -0.7        | 5.3         |             |
| Westlife Food     | -0.9        | 4.6         | -10.1       |
| <b>Technology</b> | <b>-2.2</b> | <b>-5.9</b> | <b>-9.9</b> |
| Cyient            | -3.0        | -5.1        | -34.2       |
| HCL Tech.         | -1.5        | -10.9       | -4.5        |
| Hexaware          | -4.0        | -1.4        |             |
| Infosys           | -1.4        | -1.8        | -15.3       |
| LTIMindtree       | -1.7        | -2.4        | -8.1        |
| L&T Technology    | -0.3        | -0.7        | -16.8       |
| Mphasis           | -3.0        | -1.1        | -7.5        |
| Coforge           | -9.4        | -10.0       | 32.3        |
| Persistent Sys    | -7.7        | -14.9       | 7.4         |
| TCS               | -1.0        | -7.1        | -25.7       |
| Tech Mah          | -3.1        | -10.6       | -2.3        |
| Wipro             | 0.2         | -1.2        | 4.7         |
| Zensar Tech       | 1.1         | -1.2        | 7.5         |



|                  |             |             |              |
|------------------|-------------|-------------|--------------|
| <b>Telecom</b>   | <b>-0.6</b> | <b>-1.4</b> | <b>-4.6</b>  |
| Bharti Airtel    | -0.4        | 0.1         | 33.0         |
| Indus Towers     | -0.9        | -3.3        | -5.8         |
| Idea Cellular    | -1.5        | 7.4         | -52.7        |
| Tata Comm        | -0.8        | 5.0         | -6.5         |
| <b>Utilities</b> | <b>-0.6</b> | <b>2.0</b>  | <b>-13.3</b> |
| ACME Solar Hold. | -2.1        | 12.4        |              |
| Coal India       | -1.3        | -1.8        | -21.9        |
| Indian Energy Ex | -29.6       | -29.5       | -24.1        |
| Inox Wind        | -2.4        | -7.0        | 1.1          |
| JSW Energy       | -0.2        | 5.5         | -22.0        |
| NTPC             | -1.2        | 2.7         | -13.7        |
| Power Grid Corpn | 0.0         | 4.7         | -11.2        |
| Suzlon Energy    | -1.0        | 1.4         | 7.6          |
| Tata Power Co.   | -0.4        | 0.6         | -4.6         |
| <b>Others</b>    |             |             |              |
| APL Apollo Tubes | 0.3         | 2.8         | -12.3        |
| Astral           | -0.7        | -1.9        | -33.0        |
| Cello World      | 0.4         | -6.0        | 13.4         |
| Coromandel Intl  | 2.2         | 1.6         | 6.4          |
| Dreamfolks Servi | -0.8        | 0.2         | -33.4        |
| EPL Ltd          | 0.2         | 3.5         | 3.3          |
| Eternal Ltd      | 3.7         | 22.8        | 40.1         |
| Godrej Agrovet   | 0.0         | -0.1        | 2.3          |
| Gravita India    | 0.6         | 13.7        | -0.8         |
| Havells          | -0.6        | 7.8         | 8.2          |
| Indiamart Inter. | 5.1         | 4.9         | 6.4          |
| Indian Hotels    | 1.2         | 5.1         | -12.1        |
| Info Edge        | -0.1        | -1.3        | 19.0         |
| Interglobe       | -1.2        | -3.2        | 4.9          |
| Kajaria Ceramics | -0.9        | 4.2         | 33.6         |
| Lemon Tree Hotel | -0.3        | -1.3        | 250.0        |
| MTAR Technologie | -0.5        | 14.0        | 5.8          |
| One 97           | 3.3         | 23.1        | 142.4        |
| Piramal Enterp.  | -0.1        | 15.9        | 40.2         |
| Prince Pipes     | -2.9        | 1.1         | -49.2        |
| Qess Corp        | -0.5        | 2.1         | -8.1         |
| SIS              | 0.2         | 3.6         | -12.5        |
| Supreme Inds.    | 2.6         | -5.1        | -20.8        |
| Swiggy           | 0.1         | 7.2         |              |
| Time Technoplast | -0.5        | 2.0         | 38.3         |
| Team Lease Serv. | 0.1         | -3.0        | -42.2        |
| Updater Services | 1.1         | 1.8         | -8.5         |
| UPL              | -0.1        | 12.7        | 41.0         |
| Voltas           | -1.4        | 7.2         | -17.1        |
| Va Tech Wab.     | 3.0         | 10.2        | 22.6         |

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| 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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