

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	81,927	0.2	4.8
Nifty-50	25,108	0.1	6.2
Nifty-M 100	58,289	0.5	1.9
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	6,715	-0.4	14.2
Nasdaq	22,788	-0.7	18.0
FTSE 100	9,484	0.0	16.0
DAX	24,386	0.0	22.5
Hang Seng	9,573	0.0	31.3
Nikkei 225	47,951	0.0	20.2
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	67	-0.3	-9.7
Gold (\$/OZ)	3,985	0.6	51.8
Cu (US\$/MT)	10,724	1.0	23.9
Almn (US\$/MT)	2,739	0.7	8.4
Currency	Close	Chg .%	CYTD.%
USD/INR	88.8	0.0	3.7
USD/EUR	1.2	-0.5	12.6
USD/JPY	151.9	1.0	-3.4
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.5	-0.01	-0.3
10 Yrs AAA Corp	7.1	-0.02	-0.1
Flows (USD b)	7-Oct	MTD	CYTD
FII	0.16	-0.16	-17.8
DII	0.05	1.05	67.7
Volumes (INRb)	7-Oct	MTD*	YTD*
Cash	1,067	1099	1068
F&O	6,62,454	3,16,319	2,24,701

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

The Corner Office - Global Health: Scaling capacity, specialties, and profitability

We met with the senior management team of Global Health (Medanta), represented by Mr. Pankaj Sahni, Group CEO, to discuss the company's business outlook as well as the broader industry landscape.

- ❖ Medanta has been making inroads into a new territory and establishing healthcare ecosystem in that territory. This is not only beneficial to patients (as they get enhanced healthcare services), but also enables Medanta to build a sustainable brand franchise in the long term.
- ❖ We expect a CAGR of 15%/18%/25% in revenue/EBITDA/PAT over FY25-27, largely driven by the number of patients being treated. The implementation of high-end technology and the optimization of case mix/payor mix should drive ARPOB, reduce ALOS, and thereby improve overall profitability for MEDANTA going forward. Further, the addition of beds at the existing sites and the construction at new sites provide pathway for sustainable bed addition-led growth over the next 6-7 years.
- ❖ We value Medanta at 30x 12M forward EV/EBITDA to arrive at our TP of INR1,590. Maintain BUY.



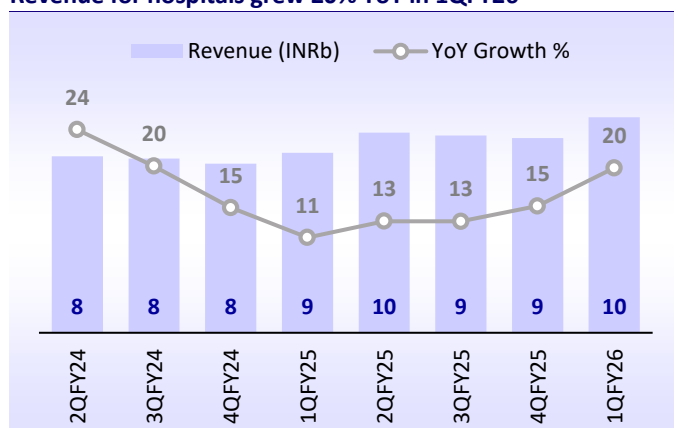
Research covered

Cos/Sector	Key Highlights
The Corner Office	Global Health: Scaling capacity, specialties, and profitability
Financials - Banks	RBI releases draft guidelines for ECL transition and revised risk weight for MSME and Retail segments
SBI Cards	Spends growth recovering; Asset quality to improve gradually
Indraprastha Gas	Tax tweak could deliver margin bonanza
Other Updates	Titan Company Godrej Consumer Products Dabur CreditAccess Grameen

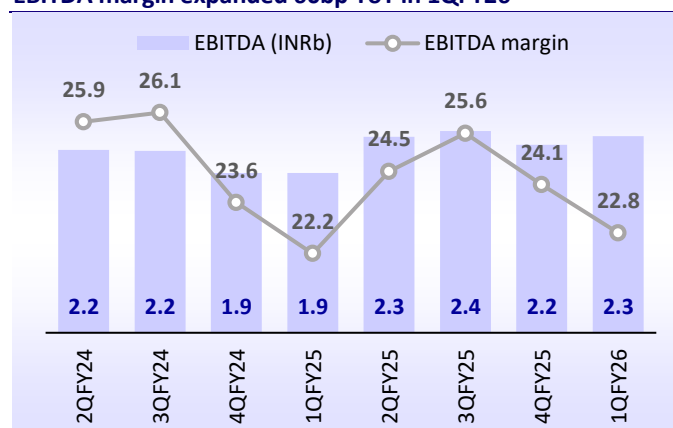


Chart of the Day: The Corner Office - Global Health (Scaling capacity, specialties, and profitability)

Revenue for hospitals grew 20% YoY in 1QFY26



EBITDA margin expanded 60bp YoY in 1QFY26



Research Team (Gautam.Duggad@MotilalOswal.com)

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

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



In the news today



Kindly click on textbox for the detailed news link

1

GST cuts, festive cheer drive India's auto sales to record high during Navratri

Automobile retail sales surged to a record this Navratri, driven by unprecedented tax cuts and festive offers. Vehicle registrations climbed 34% to 1.16 million units, with significant growth across passenger vehicles, two-wheelers, commercial vehicles, and tractors.

2

IDBI Capital, Northern Arc invest Rs 60 crore in Satin Finserv

IDBI Capital and Northern Arc Capital have jointly invested Rs 60 crore in Satin Finserv, the MSME lending arm of Satin Creditcare Network. Each firm contributed Rs 30 crore via listed, secured, and rated non-convertible debentures at a 10.95% annual coupon.

3

AWL Agri aims over 10 pc revenue growth this fiscal on better demand for food items

AWL Agri Business Ltd expects over 10 percent revenue growth this fiscal. The company projects increased sales for its edible oil and food segments. Food business growth continues, supported by recent brand acquisitions.

4

Aster DM Healthcare commissions 264-bed hospital in Kerala's Kasaragod

Aster DM Healthcare has inaugurated its eighth hospital in Kerala, a new 264-bed facility in Kasaragod. The Aster MIMS Kasaragod, built with an investment of Rs 190 crore, offers 31 medical specialities and aims to provide advanced medical and surgical interventions to residents

5

Losses@₹17k crore, Tata group keeps faith in e comm with fresh ₹4k crore bet

Despite accumulated losses of ₹16,958.3 crore, the Tata group injected ₹4,000 crore into its e-commerce arm, Tata Digital, in FY25. This fresh equity signals continued investor confidence, even as primary businesses like Croma, Big Basket, and Tata 1MG remain loss-making.

6

Year-end travel boom: The early bird gets the suite

Hotel rates are already rising for the festive season. Advance bookings are up, with some luxury stays costing over one lakh rupees. Popular destinations like Goa and Udaipur are seeing high demand. Experts predict strong performance for India's hospitality sector.

7

Tesla expected to unveil lower-cost Model Y in push to reignite sales

Tesla posted two clips on X over the weekend, igniting excitement among Tesla fans. One video shows headlights peering out of the dark and another shows what looks like a wheel spinning for a few seconds, followed by "10/7", the U.S. format for the date October 7.

Scaling capacity, specialties, and profitability

We met with the senior management team of Global Health (Medanta), represented by Mr. Pankaj Sahni, Group CEO, to discuss the company's business outlook as well as the broader industry landscape. Below are the key takeaways from the interaction.

Expanding capacity to strengthen long-term growth

- Medanta aims to add 1,000 beds by FY27 to support medium-term growth. Its current bed capacity is 3,042 (FY25). In Lucknow, it plans to add 200 beds, half of which are expected to be operational in 2HFY26.
- In Patna, 20 beds have already been added in 1QFY26, with another 160 beds in the pipeline, including 100 scheduled for commissioning by 4QFY26.
- Medanta's Gurgaon facility is India's largest single-location private hospital with operational capacity of 1440 beds. Though no fresh bed additions are planned there in the near term, growth will be driven by capacity enhancements, such as the commissioning of a fifth LINAC, four new OTs and addition of two clinical teams.
- These initiatives would not only expand the bed base but also strengthen the group's ability to handle higher patient volumes, deepen specialty offerings and enhance revenue growth visibility going forward.

Global Health



Dr. Pankaj Sahni,
Group CEO

Dr. Sahni has over 25 years of experience, with 15 years at Medanta. He oversees hospital operations across locations and leads the overall strategy and growth of the organization.

Expanding regional footprint with specialized modalities

- Medanta has continued to expand its network strategically, with significant progress in Noida and Ranchi.
- In Jul'25, the group operationalized a new 110-bed hospital in Ranchi under a long-term lease, strengthening its presence in the eastern region and improving access to quality healthcare in an unexplored market.
- Medanta is working on adding niche clinical modalities like endobronchial ultrasound, endovascular neurosurgery, and electrophysiology to existing services (cardiac sciences, neurosciences, gastroenterology, critical care, respiratory medicine and diagnostic services).
- Looking ahead, the 550-bed Noida facility has just commenced operations with an initial capacity of 300 beds, which will be scaled up to 550 beds as demand grows.
- More than 60 doctors have been onboarded. Overall 230 employees have been onboarded and are undergoing comprehensive training programs. Additionally, interior fit-out and commissioning are underway for Tower B in Patna and two floors in Lucknow, further expanding capacity in these key locations.
- These initiatives collectively strengthen Medanta's ability to serve broader patient communities, enhance network reach in high-demand regions and support future revenue growth.

Beyond FY27: To prioritize Delhi NCR for high-value healthcare expansion

- Medanta has outlined significant capacity expansion in strategic markets beyond FY27 as well.
- In Delhi, a total of 1,150 beds are planned, including 750 beds in Pitampura and 400 beds in South Delhi. In Mumbai, a 500-bed super-specialty hospital is under construction in Oshiwara, while in Guwahati, a 400-bed super-specialty facility is planned to serve the entire Northeast region.
- These initiatives are aimed at strengthening regional presence, expanding high-value specialty care and driving long-term revenue growth.

Selective tariff revision/operational efficiency to drive medium-term growth

- Fundamentally, a hospital's revenue is primarily driven by the interplay of average revenue per occupied bed (ARPOB) and patient volumes across inpatient (IPD) and outpatient (OPD) services.
- In FY25, ARPOB grew modestly by 1.3% YoY to INR62K, largely driven by mature hospitals, which reported a 4.6% increase in ARPOB, reflecting the impact of targeted price revisions at the Gurugram unit. In contrast, developing hospitals' ARPOB declined by 4.3%, primarily due to a surge in PPP patient volumes at the Patna facility compared to the previous year.
- Looking ahead, Medanta has the potential to improve ARPOB through selective tariff revisions. Gurugram enters the second year after its last tariff revision, with insurance contract renewals potentially enabling targeted price hikes.
- Hospitals in Lucknow/Patna could consider selective price adjustments across certain specialties. This targeted approach could meaningfully enhance ARPOB in the medium term.
- ARPOB growth is further supported by the specialty mix and procedural complexity at mature hospitals. The ongoing shift toward oncology and other complex interventions across key specialties continues to expand ARPOB. In Gurgaon, higher realizations are driven by the reduction in ALOS and operational efficiencies.
- Strong volume growth has complemented ARPOB gains, reinforcing overall revenue momentum.
- Over FY21-25, IPD/OPD volumes increased at a CAGR of 23%/28%, with the IPD/OPD revenue mix remaining stable at 84%/16%. Alongside strong volume growth, Medanta has sustained one of the most efficient ALOS metrics among multi-specialty hospitals, improving to 3.17 days in FY25, thereby supporting both patient volume and ARPOB growth.
- Early trends in 1QFY26 indicate operational gains at Patna with declining ALOS and rising ARPOB, while Lucknow is seeing a shift in patient mix as the number of scheme-based patients increases, temporarily increasing ALOS and reducing ARPOB. Both hospitals' performance is expected to normalize over time as capacity expands and specialty offerings are broadened, supporting stable volume and revenue growth.

Oncology supporting high-value case mix

- Over the years, Medanta has developed strong capabilities in managing complex and high-risk cases, reflected in a well-diversified revenue mix.
- In FY25, the top five specialties, cardiac/oncology/ gastro/ neuro/renal collectively, contributed over 66% of healthcare services revenue. Over FY21-FY25, oncology/neuro/cardiac delivered the highest CAGR of 28%/27%/26%, outperforming the total revenue CAGR of 24% with oncology accounting for the largest increase in share.
- In FY25, while the growing contribution from PPP and scheme-based patients exerted a dilutive ARPOB effect, this was offset by a favorable case mix and a rising share of high-value oncology procedures, supporting revenue growth and profitability.
- Going forward, oncology is expected to contribute meaningfully to revenue, potentially boosting ARPOB across the network.

Expanding clinical depth to drive high-value care

- Over the past 12 months, more than 120 doctors were onboarded across the network, including over 55 senior clinicians, strengthening the medical department and enhancing the ability to deliver complex, multidisciplinary care.
- The majority of these doctors were hired for the existing units, including Gurgaon/Lucknow/Patna units, and select additions in Indore/Ranchi. The new Ranchi facility accounted for a negligible portion, while the Noida unit saw the addition of only 15-20 doctors.
- Looking ahead, the group expects to hire additional doctors for the upcoming Noida facility and the new Ranchi unit, targeting a bed-to-doctor ratio of 1.5.

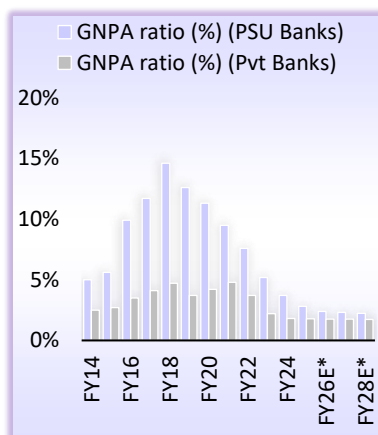
Leadership with clinical milestones/recognition

- Medanta continues to demonstrate clinical leadership, achieving key milestones. The group has performed its first CAR-T cell therapy, completed over 250 kidney transplants since inception, and executed 100+ robotic surgeries within the first six months.
- For the sixth consecutive year, Medanta Gurugram was recognized as India's best private hospital in Newsweek's World's Best Hospitals 2025 ranking, underscoring its strong position as a global healthcare leader with a focus on clinical excellence, research and patient-centric care.

Valuation and view

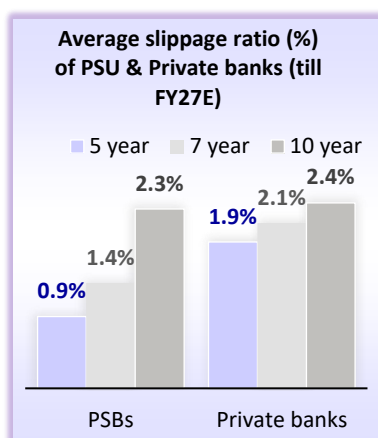
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Asset quality has improved considerably across both PSU and Pvt banks



*based on MOFSL coverage estimates, Source: MOFSL, RBI

Average slippage ratio for PSBs has improved steadily over the years



based on our coverage banks, Source: MOFSL, RBI

RBI releases draft guidelines for ECL transition and revised risk weight for MSME and Retail segments

Focus remains on operational resilience while ensuring prudent risk management

The RBI has issued draft guidelines for two important measures that it announced in the recent monetary policy:

- **Transition to the expected credit loss (ECL) framework** for all scheduled commercial banks (excluding SFBs, PBs, and RRBs) and AIFIs from 1st Apr'27, with a glide path till FY32 to absorb the one-time impact of higher provisions. The RBI has proposed retaining the existing 90+ DPD NPA definition and introduced Stage 1/2/3 classification based on credit risk (with ≥60 DPD as the Stage-2 backstop). It has also introduced model-based provisioning ($PD \times LGD \times EAD$) anchored by regulatory floors to ensure adequate provisioning.
- Additionally, the RBI has also announced the draft guidelines for the credit risk capital framework to enhance the risk sensitivity of the banking system and align it with the revised Basel III standards. The new guidelines, effective 1st Apr'27, aim to bring greater granularity and consistency in computing risk-weighted assets (RWA) by refining sectoral risk weights and linking them to borrower ratings, project stages, and loan-to-value (LTV) ratios, ensuring a more accurate reflection of underlying credit risk across asset classes.

ECL framework

The draft framework introduces a forward-looking ECL model with a three-stage classification: Stage 1 (performing), Stage 2 (SICR > 60 DPD or other risk triggers) and Stage 3 (credit-impaired/NPA). Banks must develop internal PD-LGD-EAD models incorporating macro-economic forecasts and maintaining rigorous model governance with independent validation and board oversight. To prevent under-provisioning, the RBI has proposed regulatory floors, e.g., Stage 1 (0.25-1.25%), Stage 2 (1.5-5%), and Stage 3 (25-100% based on aging and collateral). The norms extend to off-balance-sheet exposures, reinforce cash-basis interest recognition on NPAs, and mandate granular stage-wise disclosures and reconciliations.

Overall, the draft aligns India's banking regulations with IFRS 9, enhancing early loss recognition, transparency, and resilience, though near-term provisioning and CET-1 ratios may face pressure, particularly for PSBs and lenders with high exposure to unsecured/MSME segments.

Key components of RBI draft ECL guidelines

- **Stage classification:** All financial assets will be classified into three stages based on credit risk—Stage 1 (performing), Stage 2 (significant increase in credit risk or SICR), and Stage 3 (credit-impaired/NPA). The RBI has set a >60-day past-due threshold as the backstop for Stage 2, along with other triggers like rating downgrades or restructuring, requiring banks to apply lifetime expected-loss provisioning while retaining the 90-day NPA norm for Stage 3.
- **ECL computation:** Banks are required to build ECL models using a minimum of five years of historical data (ideally covering a full credit cycle) to estimate Probability of Default (PD) and Loss Given Default (LGD). These models must

also include forward-looking macroeconomic variables, stress scenarios, and borrower-level risk indicators.

- **Provisioning floors:** To prevent under-provisioning under ECL models, **1) Stage 1 (12-month ECL):** Minimum 0.40% for most standard loans; 0.25% for farm/MSME loans; 1.0-1.25% for unsecured retail and project finance (construction phase). **2) Stage 2 (Lifetime ECL):** Minimum 5% for most deteriorated loans, but lower 1.5% for secured retail (home/gold loans) and 0.75-1.0% for operational project loans. **3) Stage 3 (Credit-impaired):** Aging-based floors – 25-40% in the first year (secured/unsecured), up to 75-100% beyond 3-4 years; unsecured retail must be fully provided (100%) after 1 year.
- **Income recognition and interest reversals:** Interest income on Stage 3 loans will be recognized only on a cash basis, mirroring current NPA norms. Stage 1 and 2 loans will continue on an accrual basis.
- **Disclosure requirements:** Banks must report exposures across Stages 1-3, movement between stages, and corresponding ECL allowances. They must also disclose key modeling assumptions, including SICR criteria, macro variables, and methodology changes.

Direction on risk weights of MSME and retail

- **Real estate exposure:** The revised framework introduces LTV-based risk weights for housing loans, with a sharp reduction to 20-40% for individual borrowers, while tightening capital on commercial real estate to 150%. This targeted approach will free up capital for retail housing, particularly for the affordable segments, while restraining excessive credit flow to leveraged developers.
- **MSME exposure:** Risk weights for unrated MSMEs (non-retail) have been reduced from 100% to 85%, while that of the rated NBFCs too have seen reduction in the range of 10-50%, depending on the credit-rating, thus offering meaningful capital relief to banks and encouraging fresh lending to small enterprises. The move recognizes MSMEs' improving credit profiles and the growing use of credit guarantee mechanisms. It should aid credit expansion without materially increasing risk intensity.
- **Corporate and NBFC:** New norms lower risk weights for BBB and BB-rated corporates to 75% and 100%, respectively, from 100% and 150% earlier, while keeping higher capital for large unrated exposures (>INR2b). This rating-sensitive calibration will enhance capital efficiency for well-rated corporates and large NBFCs.
- **Personal loans and credit cards:** Unsecured personal loans and credit card revolvers continue with a 125% risk weight, while lower risk weight will apply to the transactor category of credit cards. **This measure would be a big positive for card players, as most of them have a higher base of transactors at ~55-65% of the overall receivables.** The stance underscores the RBI's caution amid fast-growing unsecured retail books. Banks with a higher unsecured mix may face marginally higher capital intensity, prompting tighter underwriting and pricing discipline.
- **Specialized lending:** Project finance exposures will now lower risk weight (80-100%) after commissioning, depending on operational quality. This creates a clear incentive to complete projects and maintain stable cash flows. It aims to strengthen system stability over the credit cycle.

Large private banks well positioned; PSBs to witness limited impact

Under the new ECL regime, the top private banks, such as HDFCB, ICICIBC and AXSB, are well positioned as their strong underwriting, secured retail-heavy portfolios, and high contingent provisions position them for a smooth transition with minimal capital or P&L impact. We estimate a limited impact for PSBs owing to their strong asset quality performance in the last few years, robust PCR, and low restructured exposure. Banks with elevated unsecured or MFI exposure and those having higher SMA accounts could see higher provisioning requirements.

View

- The transition to the ECL framework will increase provisioning requirements, as potential losses on standard and off-balance-sheet exposures get recognized earlier, creating near-term pressure on capital and profitability. Banks may see a temporary RoA drag due to higher credit costs, though the phased rollout by FY32 will cushion the initial hit. Private banks, supported by stronger capital buffers, advanced data systems, and mature risk models, are better positioned to manage the shift, whereas PSBs with negligible contingency buffers and higher MSME exposure could face some additional provisioning requirements. Over time, the ECL framework will enhance earnings stability, transparency, and comparability, strengthening the system's resilience.
- In parallel, the revised credit risk capital norms, linking risk weights to borrower ratings, project stages, and LTV ratios, will promote prudent lending and efficient capital use. While recalibrations may cause temporary differences in capital ratios, lower risk weights on housing, MSMEs, and rated corporates will support credit growth and boost capitalization ratios, making the overall impact neutral to positive for well-capitalized banks. **We maintain our positive view on the sector, with ICICIBC, HDFCB, SBIN and AUBANK as our preferred picks.**

SBI Cards

BSE SENSEX 81,927 S&P CNX 25,108



Bloomberg	SBICARD IN
Equity Shares (m)	952
M.Cap.(INRb)/(USD\$)	861.3 / 9.7
52-Week Range (INR)	1027 / 660
1, 6, 12 Rel. Per (%)	13/-2/23
12M Avg Val (INR M)	1134

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
NII	58.9	69.9	80.1
OP	74.5	86.0	102.4
NP	19.2	26.7	37.7
NIM (%)	11.0	11.8	11.9
EPS (INR)	20.1	28.1	39.6
EPS Gr. (%)	(20.6)	39.3	41.0
BV/Sh. (INR)	145	170	207
ABV/Sh. (INR)	139	165	202

Ratios

RoA (%)	3.1	3.8	4.6
RoE (%)	14.8	17.8	21.0

Valuations

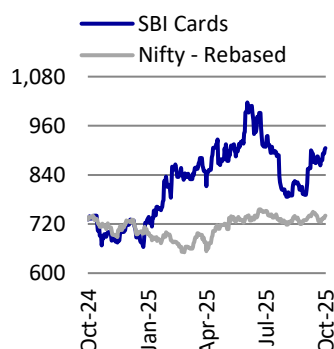
P/E(X)	44.7	32.1	22.7
P/BV (X)	6.2	5.3	4.3
P/ABV (X)	6.5	5.5	4.5

Shareholding pattern (%)

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

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR905 TP: INR950 (+5%) Neutral

Spends growth recovering; Asset quality to improve gradually

NIMs to expand at a calibrated pace

- SBI Cards (SBICARD) is the second-largest player in the card segment in terms of cards-in-force (CIF), with a 19.1% market share in CIF and 16.6% share in total industry spends.
- The company's market share in spends has moderated over the past few years, mainly because of the decline in corporate spends. We expect corporate and retail spends to incrementally grow at a healthy pace aided by pickup in economic activities and consumption boost from recent GST cuts. We estimate spends to growth at ~18% CAGR over FY25-28E.
- The robust festive spends in 2Q (mainly towards end of Sep) will affect the pace of NIM expansion even as the borrowing cost continues to moderate. This is largely due to stronger balance sheet growth aided by the festive spends.
- However, with ease in funding cost and potential of further rate cuts by the RBI we expect margins to improve further in 2H to 11.9% by FY27E thus driving healthy 16% NII cagr over FY25-28E.
- SBICARD's credit cost is expected to remain elevated at ~8.5% in FY26E, with 2Q credit cost expected at >9% (9.6% in 1QFY26) while we expect some improvement over 2H. Sustained improvement in credit cost alongside a pick-up in revolve rate is critical for stock performance.
- Maintain Neutral with a TP of INR950 (24x FY27E EPS).

Spends to clock 18% CAGR over FY25-28E, aided by recovery in corporate segment

SBICARD delivered strong spend momentum in FY25-1QFY26, with overall spends up 21% YoY in 1QFY26, supported by steady retail growth of 15% YoY and a revival in corporate spends. While corporate spends had moderated through FY24, trends have improved meaningfully, aided by high diversification of use cases and recovery in travel and entertainment categories.

- The share of corporate spends in total has improved to ~12% in 1QFY26 (vs. ~7% in FY24), and management expects a further uptick as discretionary categories and festive demand pick up. This should also help to balance the spend mix going forward.
- Its market share in spends rose to 16.6% in 1QFY26 (vs. 15.9% a year ago), reflecting SBICARD's strong positioning across retail categories, steady traction in PoS and online, and increased engagement through co-brand launches.
- We build in an ~18% CAGR in spends over FY25-28E, driven by healthy retail momentum and improving traction in corporate spends as demand normalizes.
- SBICARD continues to hold a dominant position in RuPay credit cards, with growing usage on UPI. UPI spends rose ~20% QoQ in 1QFY26, with higher adoption in Tier-2/3 cities (79% of UPI spend share), underpinning the long-term retail growth opportunity.

Funding cost to ease, expect NIMs to undergo a calibrated expansion

SBICARD has begun to see an easing in its funding costs, with CoF declining to 7.1% in 1QFY26 (vs. 7.3% in 4QFY25) as the impact of repo rate cuts started to filter in. With 2Q usually witnessing heavy spending amid festive seasons, we expect limited improvement of ~10bp in NIMs in 2Q. With further CoF moderation and stable yields and increasing possibility of further repo-rate cut, NIMs are expected to see a positive trajectory in FY26 and recover to 11.9% by FY27E. We estimate healthy 16% CAGR in NII over FY25-28E, aided by lower funding costs and steady growth in receivables.

Card issuance slows; sourcing mix balanced with banca strength

SBICARD added 8.7 lakh new accounts in 1QFY26, down from the peak levels seen last year, as the company remains selective in new acquisitions amid a more cautious industry stance with sourcing mix tilted in favour of banca channel (~56%). Unlike the earlier trend where open market share had risen sharply, the banca channel continues to hold a steady majority share, which will help maintain portfolio quality. With tighter underwriting and decline in early delinquency flows we expect credit cost to ease gradually from elevated levels that prevails currently, partly due to ECL model refresh. We expect card sourcing to gain traction as asset quality trends start to stabilize and spends growth gain further traction during the festive season.

Credit cost to stay elevated in near term; gradual improvement ahead

SBICARD's gross credit cost rose to 9.6% in 1QFY26 from 9.0% in 4QFY25, led by the annual ECL model refresh and higher provisioning, even as early delinquency flows remain at record lows. We expect near term credit cost to remain elevated before easing gradually over the medium term. Stage-2 balances have already declined sequentially, reflecting the benefit of tighter underwriting and portfolio actions. While industry-wide leverage in unsecured lending remains a risk, SBICARD's prudent sourcing and improving recovery trends should support moderation in credit costs from FY27 onward. For FY26, we estimate ~9% average credit cost, with same recovering to 7.4-7.7% over FY27-28E.

Tier-1 remains strong; internal accruals adequate to fund growth

SBICARD's capital position remains comfortable, with CAR at 23.2% and Tier-1 at 17.9% as of 1QFY26, aided by healthy profitability and moderation in receivable growth. The recent increase in unsecured risk weights has had a limited impact, as the company has slowed card additions selectively and maintained prudent growth in receivables (~7% YoY in 1QFY26). Management has indicated that internal accruals remain sufficient to fund growth without the need for fresh capital infusion. With receivable growth expected at ~10-12% in FY26 and further pickup likely during the festive season, Tier-1 levels are likely to remain stable, providing an adequate buffer to support medium-term business expansion.

Valuation and view: Maintain Neutral with TP of INR950

SBICARD is the second-largest player in the card industry with 19.1% share in CIF and 16.6% share in total industry spends. However, its market share in spends has declined over the past few years, mainly due to the moderation in corporate spends. Growth in retail spend has though remained healthy.

- SBICARD has been the beneficiary of rate cuts, as its CoF has declined by 30bp during the latest repo cuts, while further benefits are yet to be realized. With high prospects of additional rate cuts, SBICARD can see a further reduction in CoF.
- We anticipate the near-term credit cost to stay elevated, although an easing in credit cost and tailwinds in margins should lead to an improvement in return ratios. Thus, we build in an improvement in RoA toward 3.8% in FY26E, 4.6% in FY27E and 4.8% in FY28E.
- With some pickup in economic activity from the current levels, we expect the tailwinds to flow into better spends and loan growth. Thus, we expect spends to clock 18% CAGR over FY25-28E and loans to see ~15% CAGR over the similar period. **We maintain our Neutral rating on the stock with a TP of INR950 (24x FY27E EPS).**

Indraprastha Gas

BSE SENSEX

81,927

S&P CNX

25,108



Stock Info

Bloomberg	IGL IN
Equity Shares (m)	1400
M.Cap.(INRb)/(USD\$)	308.2 / 3.5
52-Week Range (INR)	277 / 153
1, 6, 12 Rel. Per (%)	2/4/-20
12M Avg Val (INR M)	1260
Free float (%)	55.0

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	169.1	184.3	205.0
EBITDA	20.8	24.3	26.1
PAT	15.2	18.0	19.3
EPS (INR)	10.9	12.8	13.8
EPS Gr. (%)	3.8	17.9	7.6
BV/Sh.(INR)	72.8	80.4	88.6

Ratios

Net D:E	-0.3	-0.3	-0.3
RoE (%)	15.6	16.7	16.3
RoCE (%)	15.0	16.1	15.8
Payout (%)	40.5	40.5	40.5

Valuations

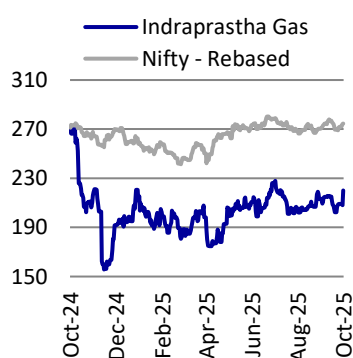
P/E (x)	20.2	17.2	15.9
P/BV (x)	3.0	2.7	2.5
EV/EBITDA (x)	13.6	11.5	10.4
Div. Yield (%)	2.0	2.4	2.5
FCF Yield (%)	3.0	3.7	4.5

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	45.0	45.0	45.0
DII	29.0	31.2	30.1
FII	16.8	14.7	16.2
Others	9.2	9.2	8.7

FII Includes depository receipts

Stock performance (one-year)



CMP: INR220

TP: INR250 (+14%)

Buy

Tax tweak could deliver margin bonanza

- As per [media reports](#) and our channel checks, Indraprastha Gas (IGL) could see a potential EBITDA/scm upside of 16-20% due to a change in the tax rate on gas sourced from Gujarat (official confirmation is awaited). Moreover, IGL could see EBITDA margin benefits of INR0.7-1.3/scm from PNGRB's move to a two-zone tariff regime. We have a BUY rating on IGL.
- While Mahanagar Gas (MAHGL) has been our preferred pick in the CGD space, we estimate a minor EBITDA upside of 3-4% for MAHGL from this tax change (if confirmed).

~INR1/scm EBITDA margin gain possible for IGL

- As per media reports and our channel checks, tax rates on gas sourced from Gujarat (and sold outside the state) have been revised. The earlier value-added tax (VAT) of 15% has been replaced with a 2% central sales tax (CST), effective 1st Oct'25. However, **an official confirmation about this is yet to be received**, and we are not factoring in any potential benefits in our current estimates.
- As per our scenario analysis (refer Exhibit 1 & 2), we estimate an INR0.9/scm EBITDA margin gain for IGL (we currently build in INR5.9/6.5/6.5 per scm EBITDA margin for IGL in FY26/27/28). Hence, if this tax change materializes, it would lead to 8%/15%/15% increase in our FY26/27/28 PAT estimates.
- MAHGL would also record an INR0.3/scm EBITDA margin gain, while GUJGA is unlikely to see any substantial benefits.

Zonal tariff reform to further boost EBITDA margin by INR0.7-1.3/scm

- In the 1QFY26 earnings call, IGL management guided for an INR0.7-1.3/scm EBITDA margin gain from PNGRB's move to a two-zone tariff regime.
- While IGL could pass on some of the cost decrease to consumers, there is an upside risk to our EBITDA margin estimates.

Reducing raw material costs to drive margin expansion

- We remain bullish on the city gas distribution sector ([Marketing sub-sector favored; turning bullish on CGDs](#)) and have been highlighting the scope for margin expansion.
- **Weaker crude and lower slope – the twin emerging tailwinds:** As highlighted in our recent sector update ([Era of margin expansion for CGDs](#)), we expect that a soft crude price outlook, coupled with a lower pricing slope for natural gas amid the upcoming LNG oversupply, will reduce gas costs. This should also ease concerns around the APM deallocation affecting margins.
- **R-LNG cost could dip INR2.5/scm:** While Brent crude prices averaged ~USD69/bbl in 2QFY26YTD, we forecast Brent to average USD65/60 per bbl in FY26/FY27. We estimate that every USD5/bbl decline in Brent prices reduces the landed cost of natural gas by ~INR2.5/scm. Further, according to our discussions with the listed and unlisted India CGD companies, new long-term gas contracts are already being signed for a 1.0-1.3% lower slope given the expected surge in LNG supply in 2HFY26 and beyond. Note that the risks of

crude oil prices falling below the USD60/bbl mark are mounting as OPEC+ strategy shifts from “managing” oil prices to “protecting market share”.

- **Lower crude outlook to ease APM/NWG gas costs by ~INR4/scm:** Similarly, a weak crude price outlook shall also lower APM & New Well Gas (NWG) price. If the APM/NWG price dips to USD6/7.2 per mmbtu (from USD7/8.4 per mmbtu currently), the cost of natural gas reduces by ~INR3.6/4.3 per scm.

Valuation and view

- We value IGL at 16x FY27E consol. P/E and add INR47/sh as a value of JVs to arrive at our TP of INR250/sh.

Change in tax structure would result in INR2.9/scm decrease in cost of landed gas sourced from Gujarat

Particulars	Unit	Under 15% VAT	Under 2% CST
Gas Cost assumed (Ex-Hazira/Ex-Dahej)	USD/mmbtu	7.0	7.0
Gujarat VAT (@15%)	USD/mmbtu	1.1	
CST (@2%)	USD/mmbtu		0.1
Gas Cost (incl. Gujarat VAT)	USD/mmbtu	8.1	7.1
Exchange Rate	INR/USD	87.0	87.0
Gas Cost	INR/mmbtu	700.4	621.2
Marketing Margin	INR/mmbtu	11.7	11.7
Applicable Unified Tariff	INR/mmbtu	80.1	80.1
12% GST on Transportation charges	INR/mmbtu	9.6	9.6
LNG landed cost (pre state specific VAT and S&D cost)	INR/mmbtu	801.7	722.5
LNG landed cost (pre state specific VAT and S&D cost)	INR/scm	29.7	26.8
Decrease in landed cost	INR/scm		2.9

Source: Industry, MOFSL

IGL's EBITDA margin to increase by INR0.9/scm

Particulars	Unit	IGL	MAHGL
Gas sourced from Gujarat	mmscmd	3.0	0.5
Total volume expected in FY26 (MOFSL)	mmscmd	9.6	4.4
% Volume sourced from Gujarat	%	31%	11%
Decrease in landed cost (refer Exhibit 1 above)	INR/scm	2.9	2.9
Margin impact	INR/scm	0.9	0.3
FY26E EBITDA margin	INR/scm	5.9	9.8

Source: Industry, MOFSL

Brent-linked R-LNG landed cost (pre-state-specific VAT and S&D costs) analysis

Particulars	Unit	Current	Scenario 1	Scenario 2
Crude price	USD/mmbtu	69.0	64.0	64.0
Slope (including shipping cost)	%	13.4%	13.4%	12.4%
LNG price including shipping	USD/mmbtu	9.3	8.6	7.9
Custom duty (@2.75%)	USD/mmbtu	0.3	0.3	0.3
Handling losses (@0.66%)	USD/mmbtu	0.1	0.1	0.1
LNG price before regas (Ex-terminal price)	USD/mmbtu	9.6	8.9	8.3
Regas charges by PLNG at Dahej @62.91/mmbtu	USD/mmbtu	0.7	0.7	0.7
GST on regas @12%	USD/mmbtu	0.1	0.1	0.1
Price after regas	USD/mmbtu	10.4	9.7	9.1
Gujarat VAT (@15%)	USD/mmbtu	1.6	1.5	1.4
Marketing margin of seller @INR16.62/mmbtu	USD/mmbtu	0.2	0.2	0.2
Transportation tariff for pipeline - Zone 2 INR80.08/mmbtu	USD/mmbtu	0.9	0.9	0.9
GST on transportation @12%	USD/mmbtu	0.1	0.1	0.1
LNG landed cost (pre-state-specific VAT and S&D costs)	USD/mmbtu	13.2	12.4	11.7
LNG landed cost (pre-state-specific VAT and S&D costs)	INR/scm	42.0	39.5	37.2

Source: PNGRB, MOFSL

APM/New Well Gas landed cost (pre-state-specific VAT and S&D cost) analysis

Particulars	Unit	APM		New Well Gas	
		Current	Scenario 1	Current	Scenario 1
Gas Cost (Ex-Hazira/Ex-Dahej)	USD/mmbtu	7.0	6.0	8.4	7.2
Gujarat VAT (@15%)	USD/mmbtu	1.0	0.9	1.3	1.1
Gas Cost (incl. Gujarat VAT)	USD/mmbtu	8.0	6.9	9.6	8.3
Exchange Rate	INR/USD	86.0	86.0	86.0	86.0
Gas Cost	INR/mmbtu	690.9	593.4	829.1	712.1
Marketing Margin	INR/mmbtu	11.7	11.7	11.7	11.7
Applicable Unified Tariff	INR/mmbtu	80.1	80.1	80.1	80.1
12% GST on Transportation charges	INR/mmbtu	9.6	9.6	9.6	9.6
LNG landed cost (pre-state-specific VAT and S&D cost)	INR/mmbtu	792.3	694.8	930.5	813.4
LNG landed cost (pre-state-specific VAT and S&D cost)	INR/scm	29.3	25.7	34.5	30.1

Source: PNGRB, MOFSL

Titan Company

BSE SENSEX
81,927

S&P CNX
25,108

CMP: INR3,417

TP: INR4,150 (+21%)

Buy

High base offset by early onset of festivities

TTAN released its pre-quarterly update for 2QFY26. Here are the key highlights:

Financials Snapshot (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	701.2	809.5	930.8
Sales Gr. (%)	16.0	15.4	15.0
EBITDA	76.8	89.8	103.4
EBITDA Margin. %	11.0	11.1	11.1
Adj. PAT	49.1	58.3	69.1
Adj. EPS (INR)	55.1	65.5	77.7
EPS Gr. (%)	30.4	18.8	18.6
BV/Sh.(INR)	169.2	215.0	269.4
Ratios			
RoE (%)	36.8	34.1	32.1
RoCE (%)	17.1	17.9	18.4
Payout (%)	30.0	30.0	30.0
Valuation			
P/E (x)	62.0	52.2	44.0
P/BV (x)	20.2	15.9	12.7
EV/EBITDA (x)	39.1	34.3	28.6
Div. Yield (%)	0.5	0.6	0.7

Jewelry division

- In 2QFY26, the domestic jewelry business delivered 19% growth YoY (excl. bullion) vs. est. 14% YoY, 17% in 1QFY26 and 26% in 2QFY25.
- Surging gold prices led to a substantial increase in the ticket size, offsetting marginal YoY declines in the number of buyers.
- The impact of a high base in 2QFY25 (due to custom duty reduction) was offset by the early onset of the festive season in September this year compared to October in FY25. Further, growth was also fueled by significant investments in consumer promotions, including a powerful exchange offer and marketing initiatives, to stimulate demand amid high gold prices.
- CaratLane grew 30% YoY.
- **The like-for-like growth for Tanishq and CaratLane was in double digits.**
- Studded jewelry in Tanishq/Mia/Zoya portfolios collectively grew in the mid-teens, outpacing gold (plain) jewelry growth. Gold coins continued their strong run for the quarter, reflecting investment sentiment in this sub-category.
- TTAN added 34 new stores (net) in India — six Tanishq stores, 18 Mia stores and 10 CaratLane stores.

Watches & Wearables division

- Domestic watch business grew ~12% YoY, driven by 17% YoY growth in the analog segment.
- Growth was anchored by strong double-digit growth by the Titan brand and healthy volume offtake for the festive season.
- Smart wearables category declined ~23% YoY, continuing to mirror the broader stress in the segment.
- Fifteen net new stores were added, consisting of five Titan World stores, seven Helios stores and three Fastrack stores.

EyeCare division

- EyeCare's domestic business grew ~9% YoY, led by healthy performance of international brands and sunglasses and growth in the e-commerce channel.
- Division added five 'Runway' stores in the quarter.

Emerging businesses (Fragrances & Fashion Accessories and Indian Dress Wear)

- Fragrances grew ~48% YoY, led by volume growth in SKINN and Fastrack.
- Women's Bags segment grew ~90% YoY, led by network expansion.
- Taneira revenue grew ~13% YoY, while it closed two stores in the quarter.

International business

- The business grew ~86% YoY, led by Tanishq more than doubling its business in the US market and clocking strong double-digit growth in the GCC market.
- Tanishq added a new store in Virginia, US, in 2QFY26.

Consolidated Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,32,660	1,45,340	1,77,400	1,49,160	1,65,230	1,63,633	2,08,215	1,64,505	6,04,560	7,01,236
YoY change (%)	11.5	16.0	25.2	19.4	24.6	12.6	17.4	10.3	18.3	16.0
Gross Profit	29,300	33,020	39,100	34,010	37,120	37,636	48,931	41,104	1,35,430	1,64,790
Margin (%)	22.1	22.7	22.0	22.8	22.5	23.0	23.5	25.0	22.4	23.5
Total Exp	1,20,190	1,30,080	1,58,130	1,33,790	1,46,930	1,45,327	1,85,217	1,46,730	5,42,190	6,24,427
EBITDA	12,470	15,260	19,270	15,370	18,300	18,306	22,998	17,774	62,370	76,809
EBITDA growth %	10.8	8.2	23.1	29.1	46.8	20.0	19.3	15.6	17.9	23.2
Margin (%)	9.4	10.5	10.9	10.3	11.1	11.2	11.0	10.8	10.3	11.0
Depreciation	1,640	1,710	1,750	1,830	1,840	1,842	1,844	1,769	6,930	7,295
Interest	2,300	2,400	2,310	2,520	2,710	2,424	2,426	1,688	9,530	9,247
Other Income	1,200	1,220	1,280	1,160	1,050	1,403	1,408	1,728	4,860	5,589
PBT	9,730	12,370	16,490	12,180	14,800	15,444	20,137	16,046	50,770	65,856
Tax	2,580	3,064	4,034	3,470	3,890	3,938	5,135	3,830	13,147	16,793
Rate (%)	26.5	24.8	24.5	28.5	26.3	25.5	25.5	23.9	25.9	25.5
Adjusted PAT	7,150	9,307	12,456	8,710	10,910	11,505	15,002	12,215	37,623	49,063
YoY change (%)	-5.4	1.7	18.3	13.0	52.6	23.6	20.4	40.2	7.6	30.4
Extraordinary Income	0	2,277	1,986	0	0	0	0	0	4,263	0
Reported PAT	7,150	7,030	10,470	8,710	10,910	11,505	15,002	12,215	33,360	49,063

E: MOFSL Estimates

Godrej Consumer Products

BSE SENSEX

81,927

S&P CNX

25,108

CMP: INR1,153

Consol mid-single-digit value growth; EBITDA expected to decline

Financials Snapshot (INR b)

Y/E March	2025	2026E	2027E
Sales	143.6	161.7	179.5
Sales Gr. (%)	1.9	12.6	11.0
EBITDA	30.0	32.0	38.1
EBITDA Margins (%)	20.9	19.8	21.2
Adj. PAT	18.9	22.3	27.4
Adj. EPS (INR)	18.5	21.8	26.7
EPS Gr. (%)	-4.3	17.5	22.9
BV/Sh. (INR)	117.3	122.9	128.1
Ratios			
RoE (%)	15.4	18.1	21.3
RoCE (%)	13.7	15.9	19.6
Payout (%)	108.0	101.1	89.8
Valuations			
P/E (x)	62.1	52.9	43.0
P/BV (x)	9.8	9.4	9.0
EV/EBITDA (x)	40.1	37.3	31.1
Div. Yield (%)	1.7	1.9	2.1

Godrej Consumer Products (GCPL) released its pre-quarterly update for 2QFY26. Following are the key takeaways:

GST 2.0

- The company expects recent GST reforms to strengthen consumer demand.
- Nearly one-third of GCPL's portfolio (toilet soaps, talcum powders, shampoos, shaving creams) is now taxed at 5%, down from ~18%.
- GCPL has passed on GST benefits to consumers effective 22nd September, 2025. Reforms are expected to act as a structural growth driver, enabling volume-led expansion.
- Short-term trade channel adjustments were observed, with distributors and retailers focused on liquidating old inventories, delaying new orders, and temporarily deferring consumer purchases.

India business

- The standalone India business is expected to deliver **mid-single-digit** value growth.
- Underlying volume growth (UVG) is expected to remain in low single digits.
- Short-term profitability was impacted due to the GST transition.
- **Home Care** is experiencing strong momentum, with high single-digit value growth expected.
- **Personal Care** is expected to experience a low-single-digit decline, primarily due to the soaps category.

International performance

- **Indonesia** witnessed increased competitive pricing. It is expected to witness a low single-digit decline in value growth, with a slightly positive UVG.
- **GAUM (Godrej Africa, USA, Middle East):** It is expected to deliver double-digit value and volume growth, marking a third consecutive strong quarter.

Consolidated performance

- Overall, the company expects to post a **mid-single-digit INR revenue** growth.
- It anticipates short-term profitability pressure, with EBITDA likely to decline for the quarter.

Quarterly Performance (Consolidated)

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Domestic volume Growth (%)	8	7	0	4	5	4	11	8	5	7
Net Sales (including OOI)	33,316	36,663	37,684	35,980	36,619	39,331	43,427	41,679	1,43,643	1,61,715
YoY change (%)	-3.4	1.8	3.0	6.3	9.9	7.3	15.2	15.8	1.9	12.6
Gross Profit	18,608	20,381	20,402	18,890	19,005	20,524	23,640	22,783	78,282	85,952
Margin (%)	55.9	55.6	54.1	52.5	51.9	52.2	54.4	54.7	54.5	53.2
Other Operating Exp.	11,346	12,764	12,843	11,298	12,060	13,295	14,577	14,051	48,251	53,938
EBITDA	7,262	7,617	7,559	7,592	6,946	7,229	9,063	8,732	30,031	32,014
Margins (%)	21.8	20.8	20.1	21.1	19.0	18.4	20.9	21.0	20.9	19.8
YoY growth (%)	6.5	5.3	-16.4	-0.2	-4.4	-5.1	19.9	15.0	-2.2	6.6
Depreciation	495	501	619	726	594	625	650	655	2,340	2,524
Interest	878	831	897	896	865	835	835	849	3,501	3,384
Other Income	751	843	831	737	845	900	900	928	3,161	3,573
PBT	6,623	7,107	6,874	6,708	6,332	6,669	8,478	8,156	27,312	29,680
Tax	1,933	2,154	1,834	2,275	1,613	1,667	2,119	2,021	8,196	7,420
Rate (%)	29.2	30.3	26.7	33.9	25.5	25.0	25.0	24.8	30.0	25.0
Adj PAT	4,649	4,953	5,025	4,321	4,669	5,002	6,358	6,135	18,948	22,260
YoY change (%)	23.6	12.2	-14.3	-24.8	0.4	1.0	26.5	42.0	-4.2	17.5
Reported PAT	4,507	4,913	4,983	4,119	4,525	5,002	6,358	6,135	18,522	22,260

E: MOFSL Estimate

Dabur

BSE SENSEX 81,927
S&P CNX 25,108

CMP: INR492 **TP: INR625(+27%)** **Buy**

Financials Snapshot (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	134.9	148.3	160.5
Sales Gr. (%)	7.4	9.9	8.2
EBITDA	25.5	28.8	31.5
EBITDA Margins (%)	18.9	19.4	19.6
Adj. PAT	19.7	22.4	24.5
Adj. EPS (INR)	11.1	12.6	13.8
EPS Gr. (%)	9.5	13.5	9.4
BV/Sh.(INR)	65.7	67.9	69.8
Ratios			
RoE (%)	17.6	18.9	20.1
RoCE (%)	16.3	17.4	18.4
Payout (%)	85.4	87.1	90.5
Valuations			
P/E (x)	44.2	39.0	35.6
P/BV (x)	7.5	7.2	7.0
EV/EBITDA (x)	30.8	26.9	24.4
Div. Yield (%)	1.9	2.2	2.5

Demand recovery in sight

DABUR released its pre-quarterly update for 2QFY26. Here are the key highlights:

GST reform impact

- The government's recent GST rate cut (from 12%/18% to 5%) across FMCG categories marks a landmark reform aimed at driving affordability and enhancing purchasing power.
- This move is expected to boost consumption across categories, strengthening demand in both urban and rural markets.
- Around 60% of Dabur's India business (covering Oral Care, Juices, Hair Oils, Shampoo, Digestives, OTC, Branded Ethicals, and Culinary) will benefit directly from this rate reduction.
- After this reform, ~85% of Dabur's portfolio now falls under the 5% GST bracket, a structural positive for long-term growth.
- Dabur has committed to passing on the GST benefits to consumers through lower MRPs.
- Following the GST Council's Sep'25 announcement, temporary trade disruption occurred as consumers deferred purchases to benefit from lower prices and distributors/retailers liquidated higher-priced inventory. This led to short-term sales moderation in September and 2QFY26.
- Despite this, retail offtakes remained resilient, helping Dabur sustain market share gains across 90%+ of its portfolio.

Segmental Performance

Home & Personal Care

- **Oral Care:** Continued its strong growth trajectory, with both Red Toothpaste and Meswak expected to deliver double-digit growth. Growth is supported by robust execution and focused marketing initiatives.
- **Skin Care:** Expected to grow in high-single digits, led by Gulabari and Oxy franchises.
- **Hair Care:** Shampoos are anticipated to record high single-digit growth, led by Vatika. Hair Oils are expected to deliver mid-single-digit growth. Home Care: Odonil franchise reported a strong performance.

Healthcare

Key brands such as Dabur Honey, Honitus, Hajmola franchise, and Health Juices are likely to deliver double-digit growth, driven by strong volume momentum.

Foods & Beverages (F&B)

- **Culinary:** Expected to post double-digit growth, supported by robust performance in Oils & Fats.
- **Beverages:** Focus on the premium 'Activ' range is yielding positive traction. Activ portfolio (including Activ Juices & Coconut Water) is expected to grow 30%+ YoY. However, heavy rainfall and flooding in Jul-Aug'25 impacted overall beverage portfolio performance.

E-commerce (including Quick Commerce) is expected to grow in double digits and modern trade maintained its steady growth momentum.

International business

- Strong performance is expected in MENA, Turkey, Namaste, and Bangladesh. Nepal business was adversely impacted by the political unrest. Overall, international business is expected to deliver mid-single-digit growth in both INR and constant currency (CC) terms.

Consolidated performance & outlook

- **Consolidated revenue is expected to grow in mid-single digits in 2QFY26. Operating profit is likely to grow in line with revenue.**
- Despite temporary disruption due to the GST transition, underlying demand remains strong.
- With supportive macro conditions and benefits from GST rate cuts, consumption momentum is expected to accelerate in the coming quarters.
- Dabur remains well-positioned for a recovery and steady market share expansion across key categories.

Quarterly Performance (Consolidated)

Y/E March	FY25				FY26				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY25	FY26E
Domestic FMCG vol. growth (%)	5.2	-7.0	1.2	-5.0	-1.0	6.0	10.5	8.0	-1.4	5.9
Net sales	33,491	30,286	33,553	28,301	34,046	32,067	37,507	31,271	1,25,631	1,34,890
YoY change (%)	7.0	-5.5	3.1	0.6	1.7	5.9	11.8	10.5	1.3	7.4
Gross profit	16,005	14,943	16,124	13,211	16,013	15,649	18,378	15,112	60,282	65,152
Margin (%)	47.8	49.3	48.1	46.7	47.0	48.8	49.0	48.3	48.0	48.3
EBITDA	6,550	5,526	6,819	4,269	6,678	5,868	7,764	5,184	23,163	25,494
Margins (%)	19.6	18.2	20.3	15.1	19.6	18.3	20.7	16.6	18.4	18.9
YoY growth (%)	8.3	-16.4	2.1	-8.6	2.0	6.2	13.9	21.4	-3.5	10.1
Depreciation	1,091	1,110	1,086	1,169	1,141	1,130	1,194	1,196	4,456	4,661
Interest	327	474	442	393	346	375	350	354	1,635	1,425
Other income	1,294	1,515	1,280	1,412	1,440	1,475	1,400	1,514	5,501	5,828
PBT	6,427	5,457	6,571	4,119	6,630	5,839	7,620	5,147	22,573	25,236
Tax	1,481	1,284	1,418	992	1,543	1,430	1,867	1,342	5,175	6,182
Rate (%)	23.0	23.5	21.6	24.1	23.3	24.5	24.5	26.1	22.9	24.5
Adjusted PAT	5,084	4,333	5,306	3,284	5,222	4,570	5,915	4,004	18,006	19,711
YoY change (%)	7.7	-17.2	1.6	-8.2	2.7	5.5	11.5	21.9	-4.0	9.5

E: MOFSL Estimates

CreditAccess Grameen

BSE SENSEX 81,927
S&P CNX 25,108

CMP: INR1,390

Buy

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	36.0	38.5	44.1
Total Income	38.1	41.6	47.6
PPoP	26.4	27.7	31.8
PAT	5.3	8.3	16.5
EPS (INR)	33	51.7	103.2
EPS Gr. (%)	-63	55	99
BV (INR)	436	487	590

Ratios (%)

NIM	14.6	15.0	14.7
C/I ratio	30.7	33.4	33.1
Credit cost	7.5	6.2	3.2
RoA	1.9	2.8	4.9
RoE	7.9	11.2	19.1

Valuations

P/E (x)	41.8	26.9	13.5
P/BV (x)	3.2	2.9	2.4

AUM growth remains muted; PAR rates improve

Healthy customer additions; PAR 30 and 90 continue to improve

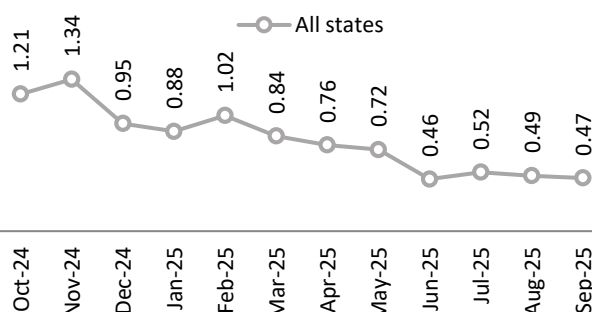
- CREDAG's AUM grew ~3% YoY and was flat QoQ at INR259b as of Sep'25 (slightly below our estimates). The share of Karnataka in AUM stood at INR79b as of Sep'25 vs. INR81b in Jun'25, while AUM in other states stood at INR180b in Sep'25 vs. INR179b as of Jun'25.
- Disbursements grew 33% YoY but declined ~2% QoQ to INR53b in 2QFY26.
- The company added 220K+ new borrowers during the quarter.
- CREDAG opened 150 new branches in 1HFY26, including 96 branches in 2Q.

Asset quality as of Sep'25:

- PAR 0+ declined ~120bp QoQ to 4.7%.
- PAR 0+ (excl. Karnataka) declined ~60bp QoQ to 3.8%.
- PAR 30+ declined 120bp QoQ to 3.7%.
- PAR 60+ declined 100bp QoQ to 3.1%.
- PAR 90+ declined 80bp QoQ to 2.5%.
- **PAR 15+ accretion rate was range-bound due to the temporary impact of heavy rains and floods across its operating geographies.**
- The PAR 15+ accretion/AUM in Karnataka improved to 0.51% in Sep'25 from 1.9% in Mar'25.

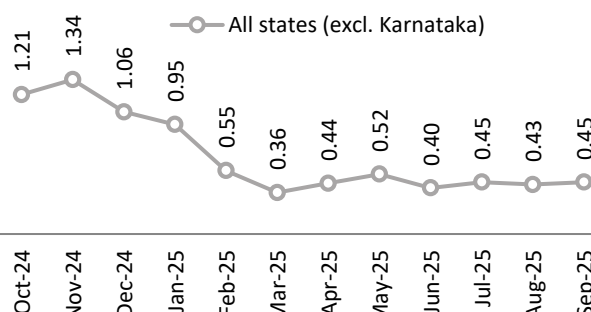
Monthly PAR 15+ (all states) is broadly stable

Monthly PAR 15+ Accretion/AUM Rate (%)

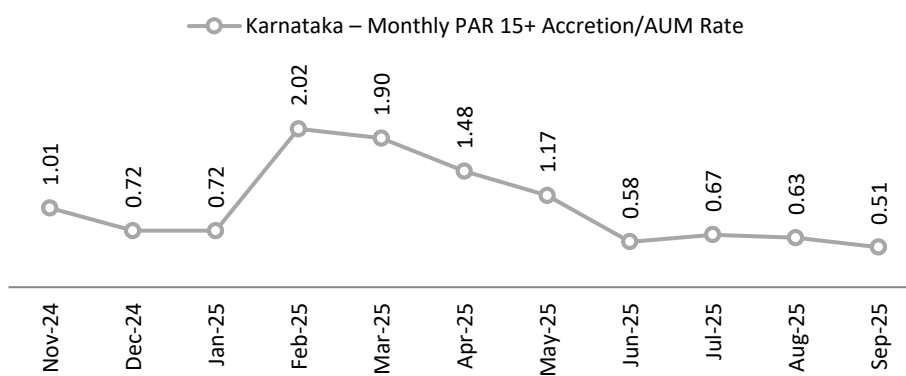


Monthly PAR 15+ (excl. Karnataka) is broadly stable as well

Monthly PAR 15+ Accretion/AUM Rate (%)



Karnataka – Monthly PAR 15+ accretion/AUM rates



Trends in asset quality for the last 10 quarters

Particulars (%)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
PAR 0+	1.2	1.3	1.8	1.7	2.5	4.9	6.8	6.9	5.9	4.7
PAR 0+ (excl. Karnataka)							8.0	6.1	4.4	3.8
PAR 30+	1	0.9	1.2	1.4	1.8	3.3	5.1	5.5	4.9	3.7
PAR 60+	0.8	0.7	1	1.2	1.4	2.4	3.8	4.3	4.1	3.1
PAR 90+	0.7	0.6	0.8	0.9	1.1	1.7	2.6	3.3	3.3	2.5



Canara HSBC Life Insurance: Growing at 17% vs Industry growth of 12-13%; Anuj Mathur, MD & CEO

- Right time to have wider participation
- Embedded value as of June 30, 2025 is at INR 6350 crore, price band delivery accordingly
- Believe price band is at a fair value
- Growth will come from retirement products in traditional basket

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J&K Bank: 12% loan growth guidance for the year; Amitava Chatterjee, MD & CEO

- Retail loans showed strong growth despite challenges in J&K
- Focus was on Driving better loan growth in the rest of India Portfolio
- Will be able to maintain margins above 3.6%

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IKS Health: Overall Healthcare Cuts Are Acting As A Tailwind For The Company; Nithya Balasubramanian, Group CFO

- US Constitutes 99% of Revenues, to remain the largest market for the company
- US Spends 5trillion dollars on Healthcare
- No immediate impact from US regulations on our business model
- H1B Visa issue doesn't impact them as people are hired from US Itself

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LG Electronics: Company Is Poised To Benefit Most From Under-Penetration & Premiumisation; Sanjay Chitkara, Chief Sales Officer

- Highly Diversified company & market leader across category
- Setting up third manufacturing facility in sri city
- Exports Accounts for 6% of sales, reaching 45 countries, should contribute double digit by 2029
- Margins will be based on premium products and localization

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SELL	< - 10%
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