

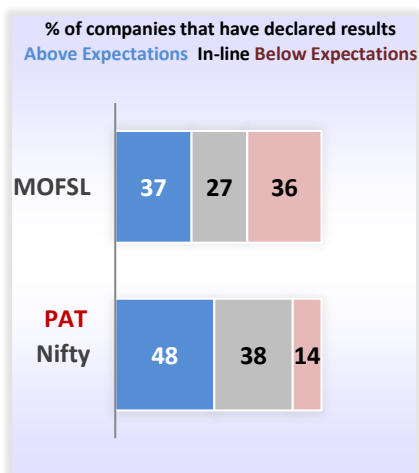
BSE Sensex: 80,598

Nifty-50: 24,631

Refer to our Jun'25
quarter preview



Expectations vs. delivery: 1QFY26



Earnings review 1QFY26 – Modest yet Resilient!

Mid-caps shine and deliver strong earnings growth yet again

- **Corporate earnings – sectoral breadth promising:** Corporate earnings for 1QFY26, perceived as the “Crossover quarter,” marked a transition from the subdued low-single-digit earnings growth of FY25 to a sustainable double-digit growth trajectory. A key highlight of the quarter was better sectoral breadth of earnings growth. Of the 25 sectors under our coverage, 16 delivered double-digit growth, eight reported single-digit growth, and only one sector experienced a decline in PAT.
- **Oil & Gas and Financials fuel modest earnings growth:** The aggregate earnings of the MOFSL Universe companies grew 11% YoY (vs. our est. of 9% YoY) in 1QFY26. Excluding Financials, earnings for the MOFSL Universe grew 13% YoY (est. +14% YoY); whereas, barring global commodities (i.e., Metals and O&G), the MOFSL Universe reported a 9% YoY earnings growth (est. +6% YoY). The overall modest earnings growth was anchored by O&G (+27% YoY), Telecom (loss-to-profit), NBFC-Lending (+14%), PSU Banks (+7%), Technology (+7%), Cement (+51%), and Healthcare (+11%), which contributed 77% of the incremental YoY accretion in earnings. In contrast, Automobiles (-3%) contributed adversely to earnings.
- **Nifty-50 delivers a fifth successive quarter of single-digit PAT growth:** The Nifty delivered an 8% YoY PAT growth (vs. our est. of +5%). **Nifty reported a single-digit earnings growth for the fifth consecutive quarter since the pandemic (Jun'20).** Five Nifty companies – Bharti Airtel, Reliance Industries, SBI, HDFC Bank, and ICICI Bank – contributed 77% of the incremental YoY accretion in earnings. Conversely, Coal India, Tata Motors, IndusInd Bank, ONGC, HCL Technologies, Kotak Mahindra Bank, Axis Bank, Eternal, HUL, and Nestle contributed adversely to the earnings.
- **Large-caps and mid-caps record in-line results, while small-caps report a miss:** Within our MOFSL coverage universe, large-caps (87 companies) posted an earnings growth of 10% YoY – similar to the overall universe. Mid-caps (92 companies) have extended their streak of the past two quarters and yet again delivered a strong earnings growth of 24% YoY (vs. our est. of 20%). Multiple mid-cap sectors clocked impressive growth; 17 of 22 sectors under coverage delivered a double-digit PAT growth. Oil & Gas, PSU Banks, NBFCs, Metals, and Technology were the major growth drivers, which contributed 89% of the incremental YoY accretion to earnings. In contrast, small-caps (132 companies) continued to experience weakness and a broad-based miss, with Private Banks, NBFCs (lending and non-lending), Insurance, Oil & Gas, and Automobiles posting a YoY earnings dip. The small-cap earnings dipped 11% YoY (our est. of flat growth), with 46% of the coverage universe missing our estimates. Conversely, within the large-cap/mid-cap universes, 31%/27% of the companies missed our estimates.
- **The beat-miss dynamics:** The beat-miss ratio for the MOFSL Universe was balanced, with 37% of the companies exceeding our estimates, while 36% reported a miss at the PAT level. For the MOFSL Universe, the earnings upgrade-to-downgrade ratio has been unfavorable at 0.6x in 1QFY26 (for FY26E), with the earnings of 61 companies having been upgraded by >3%, while the earnings of 108 companies have been downgraded by >3%. Further, the EBITDA margin of the MOFSL Universe (ex-Financials) expanded 70bp YoY to 17.6%, primarily aided by

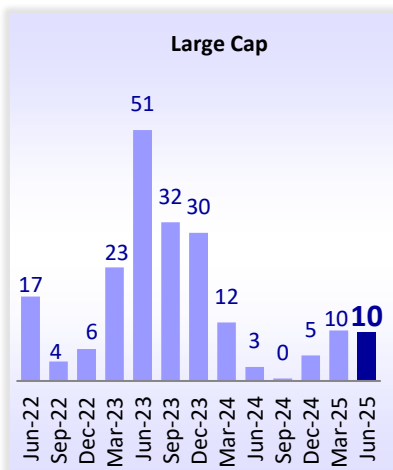
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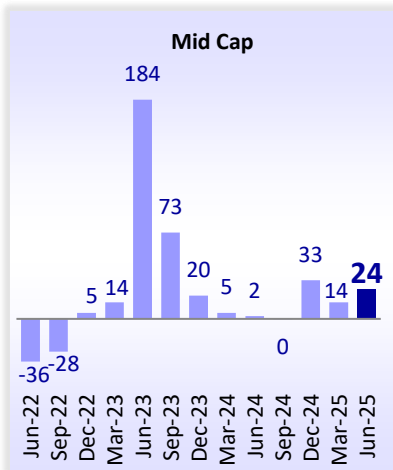
Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

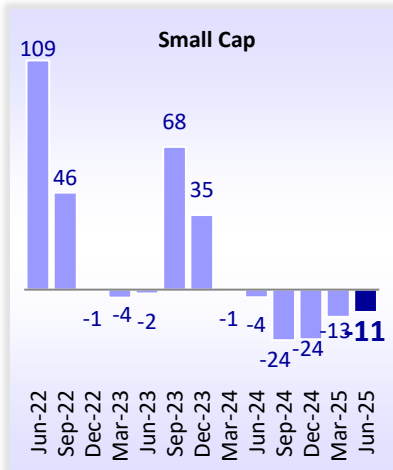
MOFSL Large-cap Universe – PAT growth YoY (%)



MOFSL Mid-cap Universe – PAT growth YoY (%)



MOFSL Small-cap Universe – PAT growth YoY (%)



the Oil & Gas, Cement, Telecom, Metals, and Logistics sectors but hurt by the Automobiles, Consumer, Utilities, and Real Estate sectors.

- **FY26E earnings highlights:** The MOFSL Universe is likely to deliver sales/EBITDA/PAT growth of 4%/11%/12% YoY in FY26. The Financials, Metals, and Oil & Gas sectors are projected to be the key growth engines, with 8%, 19%, and 9% YoY earnings growth, respectively. These three sectors are likely to contribute 48% of the incremental YoY accretion in earnings. Further, **we categorized the coverage stocks, based on market capitalization, into large-cap, mid-cap, and small-cap segments.** Notably, our large-cap universe is anticipated to deliver a 10% YoY earnings growth in FY26E, while mid-cap is estimated to deliver 21% YoY growth, and small-cap is estimated to deliver a 34% YoY growth in FY26E.
- **MOFSL Universe experiences a cut of 1.3%/0.7%....:** Our MOFSL Universe witnessed a cut of 1.3% for FY26E, led by Oil & Gas, Private Banks, Utilities, and Healthcare. While our mid-cap universe saw an upgrade of 1.7%, our small-cap universe experienced a bigger cut at 4% for FY26E. The large-cap universe witnessed a cut of 1.5%.
- **...and Nifty EPS witnesses a cut of 1.2%/0.9% for FY26E/FY27E:** The Nifty EPS estimate for FY26 was reduced by 1.2% to INR1,108, largely owing to ONGC, Reliance Industries, Axis Bank, Power Grid Corp, and HDFC Bank. FY27E EPS was also reduced by 0.9% to INR1,296 (from INR1,308) due to downgrades in ONGC, Reliance Industries, Axis Bank, Eternal, and Power Grid Corp.
- **The top earnings upgrades in FY26E:** Tata Consumer (9.7%), Apollo Hospitals (6.5%), Eicher Motors (3.8%), Hero MotoCorp (3.5%), and IndusInd Bank (2.6%).
- **The top earnings downgrades in FY26E:** Eternal (-35.4%), ONGC (-10.2%), Axis Bank (-8.7%), Power Grid Corp. (-5.3%), and Sun Pharma (-5.1%).
- **Key sectoral highlights – 1) Banks:** The banking sector posted a weak yet in-line 1QFY26, with business momentum moderating after a busy 4QFY26. NIMs contracted for both private and public banks, with private lenders seeing a sharper decline due to higher exposure to repo-linked loans and interest reversals from elevated slippages. Public banks also reported margin compression, driven by their quicker loan repricing cycle. 2) **Autos:** For our coverage universe, total revenue grew 4% YoY and was in line with our estimates. While Auto OEMs reported a 3% YoY growth in revenues, the auto ancillary universe posted a 6% YoY growth. On the operational front, Hyundai and MSIL posted better-than-expected margins in 1Q. Aggregate earnings growth for our OEM coverage universe (excluding TTMT) stood at 10% and was ahead of our estimates, led primarily by higher other income, which was largely attributed to MTM gains. 3) **Consumer:** Our coverage universe reported 8.3% YoY revenue growth (vs. est. 5.8%). Excluding ITC, our consumer sector grew 6.2% YoY (est. 6%). FMCG demand remained stable, showing a gradual sequential improvement backed by favorable macros. 4) **Oil & Gas:** Revenue came in line with our estimates (flat YoY). However, excluding OMCs, revenue was 6% below our estimates (flat YoY). EBITDA was 6% below estimates (up 17% YoY). Adjusted PAT was 11% below estimates (up 27% YoY), primarily as OMCs, GAIL, and OINL missed estimates. Excluding OMCs, adjusted PAT was 9% below estimates (-1% YoY). 5) **Technology:** IT service companies (within the MOFSL Universe) faced a challenging 1QFY26, with median revenue growing just 0.8% QoQ CC (-0.6%/+1.7%/+2.0%/+1.2% in 4Q/3Q/2Q/1QFY25), as GenAI-led productivity gains, weak macros, and client caution weighed on performance. 6) **Metals:** Ferrous companies within our coverage reported sales volume growth

Sector Review Compendium

Highlights / Surprise / Guidance... (Page 21 onwards)

Automobiles
 Capital Goods
 Cement
 Chemicals
 Consumer – FMCG | QSR
 Consumer Durables
 EMS
 Financials – Banks
 Financials – NBFC: Lending
 Financials – NBFC: Non Lending
 Healthcare
 Infrastructure
 Logistics
 Metals
 Oil & Gas
 Pipes
 Real Estate
 Retail
 Technology
 Telecom
 Utilities

of 3% YoY in 1QFY26 but a 13% decline QoQ, impacted by maintenance shutdowns and the early onset of monsoon. EBITDA for our ferrous coverage increased 10% QoQ and 19% YoY, driven by healthy NSR and muted costs. PAT for ferrous companies increased 14% QoQ and 59% YoY in 1QFY26, led by strong operating performance supported by better NSR and muted costs.

- Our view:** The 1QFY26 earnings have broadly been in line, with the severity of earnings cuts moderating compared to the previous quarters, albeit the trend of a higher number of downgrades continues into this quarter. EPS growth for Nifty-50 is projected to rise to ~9% in FY26 (vs. an anemic 1% in FY25) – aided by a likely improvement in the macro environment owing to the stimulative fiscal and monetary measures. While the Indian equity market has been volatile over the past two months owing to tariff jitters, we believe that improved earnings prospects and reasonable valuations (barring small-caps) should enable the market to achieve modest gains. We believe that the influence of the US tariff wars on Indian markets will be limited. The Nifty trades at 22.2x FY26E earnings, near its LPA of 20.7x. While our [model portfolio](#) bias remains towards large-caps (~70% weight), we have turned more constructive towards mid-caps (with 22% weight vs. 16% earlier) owing to better earnings delivery and improving prospects. We are OW on BFSI, Consumer Discretionary, Industrials, Healthcare & Telecom, while we are UW on Oil & Gas, Cement, Real Estate, and Metals.

Exhibit 1: Our preferred ideas

Company	MCap	CMP	EPS (INR)			EPS CAGR (%)	PE (x)			PB (x)			ROE (%)		
	(USDb)	(INR)	FY25	FY26E	FY27E	FY25-27	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Preferred large-cap stocks															
Bharti Airtel	130.3	1,873	30.3	47.4	63.9	45.2	61.8	39.5	29.3	9.2	7.9	6.1	18.0	22.4	25.8
ICICI Bank	116.1	1,427	66.8	72.6	84.4	12.4	21.4	19.7	16.9	3.5	3.2	2.7	18.0	17.0	17.3
Larsen & Toubro	57.7	3,677	106.8	130.5	155.1	20.5	34.4	28.2	23.7	5.2	4.6	4.1	16.0	17.3	18.2
Mahindra & Mahindra	46.4	3,266	98.7	119.5	136.7	17.7	33.1	27.3	23.9	6.4	5.4	4.6	20.8	21.3	20.7
Sun Pharma	45.0	1,643	47.1	51.2	61.1	13.8	34.9	32.1	26.9	5.5	4.8	4.2	16.6	15.9	16.7
Ultratech Cement	41.4	12,298	207.6	305.6	382.8	35.8	59.2	40.2	32.1	5.1	4.7	4.3	9.3	12.2	14.0
Titan Company	35.5	3,489	42.3	54.6	64.2	23.2	82.5	63.9	54.4	26.7	20.7	16.3	35.8	36.5	33.5
Eternal	33.0	318	0.6	1.2	3.9	157.3	541.4	268.7	81.8	9.4	9.1	8.2	2.1	3.4	10.5
Bharat Electronics	32.1	385	7.2	8.2	9.8	16.5	53.2	46.8	39.2	14.2	11.2	9.0	26.8	24.0	22.9
Tech Mahindra	16.6	1,486	47.9	61.3	78.3	27.8	31.0	24.2	19.0	4.8	4.7	4.5	15.7	19.6	24.2
TVS Motor	16.4	3,021	57.1	67.1	79.6	18.1	53.0	45.0	38.0	14.4	11.4	9.2	30.7	28.4	26.8
Lodha Developers	14.0	1,233	28.7	37.9	40.2	18.5	43.0	32.6	30.6	5.9	5.1	4.4	14.6	16.7	15.4
Indian Hotels	12.6	774	11.8	13.4	16.1	16.8	65.5	57.9	48.0	9.9	8.5	7.3	16.3	15.7	16.3
Preferred mid/smallcap stocks															
Dixon Tech.	11.1	16,191	117.2	169.3	265.1	50.4	138.2	95.6	61.1	32.4	24.5	17.6	30.0	29.2	33.6
SRF	9.7	2,843	46.1	68.7	92.6	41.8	61.7	41.4	30.7	6.7	6.0	5.1	11.4	15.3	18.0
Suzlon Energy	9.4	60	1.1	1.2	2.3	44.7	55.7	48.2	26.6	13.4	10.5	7.5	29.4	24.5	33.0
Jindal Stainless	6.9	730	30.5	36.1	44.5	20.7	23.9	20.2	16.4	3.6	3.1	2.6	15.1	15.3	16.1
Coforge	6.3	1,642	25.2	46.4	58.9	52.9	65.2	35.4	27.9	8.5	7.7	6.7	13.9	17.1	20.7
Supreme Inds.	6.2	4,298	75.6	85.0	119.6	25.7	56.8	50.6	35.9	9.6	8.7	7.4	17.8	18.0	22.2
Page Industries	5.5	43,519	652.9	736.4	843.3	13.7	66.7	59.1	51.6	34.5	28.5	23.8	51.8	48.3	46.1
Kaynes Tech	4.7	6,113	45.8	81.5	132.9	70.4	133.5	75.0	46.0	13.8	7.9	6.7	11.0	13.9	16.4
Radico Khaitan	4.4	2,855	25.8	40.1	51.4	41.1	110.7	71.3	55.6	14.2	12.2	10.4	12.8	17.2	18.7
UTI AMC	1.9	1,330	63.9	68.8	79.8	11.8	20.8	19.3	16.7	3.3	3.1	3.0	16.0	16.5	18.2
Niva Bupa Health	1.7	82	1.2	0.6	1.8	23.9	70.1	135.0	45.7	4.9	3.9	3.6	7.9	3.2	8.1

Note: LP = Loss to profit; Large-cap, Mid-cap, and Small-cap stocks listed above are as per the SEBI categorization

Aggregate performance in line, anchored by O&G

- The MOFSL Universe's sales/EBITDA/PBT/PAT grew 5%/11%/10%/11% YoY (vs. our est. of +4%/+10%/+5%/+9%). Excluding Metals and O&G, the MOFSL Universe companies recorded sales/EBITDA/PBT/PAT growth of 8%/10%/8%/9% YoY (vs. est. of +8%/7%/0%/6%) in 1QFY26.
- The overall modest earnings growth was anchored by O&G (+27% YoY), Telecom (loss-to-profit), NBFC-Lending (+14%), PSU Banks (+7%), Technology (+7%), Cement (+51%), and Healthcare (+11%), which contributed 77% of the incremental YoY accretion in earnings. Conversely, Automobiles (-3%) contributed adversely to the earnings.
- The EBITDA margin of the MOFSL Universe (ex-Financials) expanded 70bp YoY to 17.6%, primarily aided by the Oil & Gas, Cement, Telecom, Metals, and Logistics sectors but hurt by the Automobiles, Consumer, Utilities, and Real Estate sectors.

Exhibit 2: Sector-wise 1Q performance of the MOFSL Universe companies (INRb)

Sector (no of companies)	Sales				EBITDA				PBT				PAT			
	Jun-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Jun-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Jun-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Jun-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %
Automobiles (26)	3,203	-4.8	4	2.7	378	-18.1	-13	-2.1	304	-17.9	-6	6.7	229	-18.9	-3	7.5
Capital Goods (13)	990	-22.3	14.6	0.8	119	-40.3	16.2	1.7	119	-37.8	20.7	5.5	81	-41.2	17.7	5.4
Cement (11)	661	-4.6	15	0.4	115	-1.9	41	2.1	71	-0.4	59	11.3	49	-0.8	51	8.7
Chemicals (12)	169	-2.3	3.4	-5.1	32	3.1	7.6	2.3	24	6.3	11.7	4.6	19	7.2	14.0	3.7
Consumer (21)	975	8.9	8	2.3	222	8.7	1	-0.1	210	9.1	1	-0.3	157	9.9	2	-0.7
Consumer Durables (5)	199	-14.9	3.4	-1.4	20	-25.2	3.3	-1.7	19	-25.2	1.6	-2.6	14	-25.8	1.0	-2.4
EMS (7)	186	8.7	66	9.9	10	-18.7	66	13.0	7	-39.6	73	9.7	5	-23.2	58	8.1
Financials (62)	4,132	-12.4	5.9	0.2	1,935	4.9	15.7	9.4	1,584	-4.4	5.5	13.5	1,203	-6.8	5.9	3.1
Banks-Private (12)	934	1.0	4	0.7	822	21.8	23	18.0	542	0.2	-4	-2.2	430	4.9	1	3.3
Banks-PSU (6)	876	-3.1	-0.4	-0.8	661	-1.6	10.0	7.5	543	-0.6	13.1	9.9	372	-9.7	7.2	2.3
Insurance (8)	1,775	-24.4	8	0.1	42	-46.3	13	-0.8	153	-38.4	2	785.0	134	-37.4	6	1.2
NBFC - Lending (22)	472	0.9	15.7	1.6	371	-3.4	11.5	-1.5	300	5.7	12.9	4.8	232	3.4	13.5	4.7
NBFC-Non Lend. (14)	74	7.0	17	-0.6	39	8.6	18	0.7	45	21.5	16	5.7	35	16.9	17	5.3
Healthcare (26)	930	1.5	10.3	0.4	226	3.3	9.9	2.4	184	3.4	1.8	0.6	140	0.9	10.8	0.2
Infrastructure (3)	44	-10.9	-4	-3.1	12	-12.1	0	-0.5	6	-21.5	-5	4.7	5	-19.9	13	7.3
Logistics (8)	177	2.3	19.1	1.7	70	5.6	24.9	2.4	48	3.2	19.4	-0.9	42	3.1	24.9	4.1
Media (3)	46	4.8	-1	-3.1	9	34.1	0	-7.8	8	28.5	11	-6.0	6	27.2	13	-3.0
Metals (11)	3,008	-5.5	3.6	1.3	587	-4.0	7.3	1.7	404	-6.6	4.0	6.9	283	-9.1	3.8	8.5
Oil & Gas (15)	7,741	-3.6	0	3.5	1,001	0.1	17	-6.4	668	1.6	27	-9.4	471	-1.0	27	-10.8
Ex OMCs (12)	3,579	-7.7	0.5	-5.7	702	-3.7	1.6	-3.3	454	-2.5	1.9	-6.5	309	-4.6	-0.5	-8.9
Real Estate (13)	148	-17.2	17.8	-9.8	36	-26.1	3.2	-28.5	40	-13.3	8.7	-14.7	34	-14.8	15.9	-17.4
Retail (22)	621	10.8	14	1.5	68	17.0	18	5.3	39	26.2	28	5.5	28	27.2	27	3.2
Staffing (4)	108	1.3	8.5	-0.6	3	-7.5	10.6	-7.5	2	-18.1	20.4	-14.5	2	-8.0	26.2	-7.9
Technology (13)	2,014	0.1	5	-0.3	441	-1.3	4	-1.9	425	1.0	6	0.8	316	0.6	7	1.2
Telecom (5)	768	2.5	20.1	0.9	391	2.1	28.5	1.4	71	22.5	241.5	13.4	16	218.3	LP	61.0
Utilities (8)	803	-0.7	3	-4.5	267	0.9	-1	-6.3	141	-12.1	12	2.3	107	-7.3	14	2.0
Others (23)	739	-6.8	16	0.2	123	-19.3	11	-2.7	51	-36.1	8	-7.5	42	-34.5	5	-5.1
MOFSL Universe (311)	27,662	-5.0	5.3	1.4	6,065	-1.7	11.2	1.3	4,426	-5.2	9.7	4.3	3,249	-6.8	10.5	0.9
Ex Financials (249)	23,530	-3.6	5.2	1.7	4,130	-4.5	9.2	-2.1	2,843	-5.7	12.2	-0.2	2,046	-6.8	13.4	-0.3
Ex Metals & Oil (285)	16,913	-5.6	8.4	0.5	4,477	-1.8	10.5	3.1	3,354	-6.3	7.5	7.3	2,496	-7.6	8.6	2.7
Ex OMCs (308)	23,499	-5.9	6.5	-0.4	5,765	-2.3	9.0	2.1	4,212	-6.0	6.5	5.6	3,088	-7.4	7.2	1.9
Nifty (50)	13,970	-4.9	5.8	-0.5	3,802	0.8	10.3	3.9	2,755	-3.0	6.8	2.7	2,003	-2.1	8.2	3.4
Sensex (30)	10,666	-4.2	6.6	-1.1	3,064	0.7	12.7	3.7	2,221	-4.1	10.3	1.6	1,606	-3.9	12.3	2.8

LP: Loss to profit; PL: Profit to loss

Large-caps deliver in-line earnings growth with the overall universe

- Within our MOFSL coverage universe, large-caps (87 companies) posted an earnings growth of 10% YoY – similar to the overall universe.
- Large-caps (87 companies) have extended their winning streak with 20 consecutive quarters of earnings growth.
- Multiple large-cap sectors clocked impressive growth; 16 of 19 sectors under coverage delivered a PAT growth. Oil & Gas, Telecom, Private Banks, NBFC - Lending, and Technology were the key drivers of performance, which contributed 77% to the incremental YoY accretion in earnings.

Exhibit 3: Sector-wise 1Q performance of the MOFSL Large-cap Universe companies (INR b)

Sector (no of companies)	Sales			EBITDA			PBT			PAT		
	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)
Automobiles (8)	2,512	4.0	3.3	282	-16.3	-2.7	228	-8.1	8.9	172	-4.2	10.0
Capital Goods (5)	804	14.5	1.4	98	14.1	1.9	100	18.7	5.4	67	14.7	5.0
Cement (4)	457	17.5	0.6	80	44.2	3.7	50	51.4	16.1	35	41.2	13.8
Consumer (10)	783	7.7	2.7	187	-0.2	-0.3	177	-0.4	-0.8	131	0.4	-1.2
Consumer Durables (1)	55	-6.0	-6.6	5	-9.9	-8.4	5	-14.4	-11.9	3	-14.7	-11.3
Financials (16)	3,282	6.0	0.0	1,531	19.1	10.9	1,299	8.5	14.9	986	8.8	2.4
Banks-Private (4)	739	6.0	0.3	716	29.5	19.6	501	2.9	-2.2	400	8.8	3.7
Banks-PSU (4)	722	-0.6	-0.7	528	10.0	8.8	441	11.7	9.9	295	3.8	0.3
Insurance (3)	1,519	6.8	-0.2	38	16.5	-2.0	137	1.3	2,150.8	121	5.8	0.7
NBFC - Lending (5)	302	20.1	2.2	250	13.2	-3.3	220	21.6	4.5	170	21.5	4.1
Healthcare (10)	596	11.2	1.7	157	9.9	5.5	137	6.7	2.5	106	8.7	1.8
Logistics (1)	91	31.2	6.3	55	29.5	6.5	38	22.2	3.4	34	27.7	9.3
Metals (7)	2,543	2.2	2.6	508	5.9	3.3	346	1.2	10.0	240	1.1	11.9
Oil & Gas (5)	6,159	1.5	1.0	872	14.2	-4.6	571	23.2	-7.1	398	22.6	-8.9
Ex OMCs (3)	3,104	3.2	-6.1	649	4.6	-0.8	415	6.9	-3.2	280	4.4	-5.9
Real Estate (2)	62	47.5	9.7	13	36.9	-23.0	14	28.0	-14.5	14	28.3	-16.5
Retail (3)	377	20.2	2.2	40	28.8	8.0	31	24.9	7.0	23	24.9	6.3
Technology (6)	1,814	4.2	-0.1	408	3.5	-1.5	395	4.8	1.1	293	5.7	1.2
Telecom (2)	575	25.3	1.6	322	32.9	1.9	128	62.9	0.5	76	77.9	-1.7
Utilities (3)	705	-1.7	-5.1	225	-9.0	-9.5	121	6.4	0.4	93	9.9	1.4
Others (4)	304	17.2	-1.6	67	0.3	-8.9	32	-13.7	-10.7	27	-20.8	-15.6
MOFSL Large-cap Univ. (87)	21,120	5.2	1.1	4,850	10.8	2.1	3,671	9.5	5.5	2,700	9.8	1.2
Ex Financials (71)	17,838	5.0	1.3	3,319	7.4	-1.5	2,372	10.1	0.9	1,714	10.4	0.5
Ex Metals & Oil (75)	12,419	7.7	0.8	3,470	10.7	3.8	2,755	8.1	7.9	2,062	8.7	2.3
Ex OMC (85)	18,066	6.1	-0.2	4,627	9.3	3.1	3,515	7.3	6.7	2,582	7.5	2.1

Exhibit 4: Top-10 performers in Large-caps for 1QFY26

INR M Company	Sales			EBITDA			PBT			PAT		
	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)
JSW Steel	4,31,470	0.5	1.0	75,760	37.5	6.3	31,720	127.9	16.4	21,840	158.5	11.3
Shree Cement	49,480	2.3	0.0	12,291	34.1	-4.6	8,331	137.5	39.1	6,185	94.7	38.6
Tata Steel	5,31,781	-2.9	6.2	74,275	11.0	6.7	31,195	18.1	10.6	21,305	61.7	34.7
Titan Company	1,65,230	24.6	5.3	18,300	46.8	14.7	14,800	52.1	13.1	10,910	52.6	11.9
Apollo Hospitals	58,421	14.9	1.8	8,519	26.2	9.2	5,691	36.0	4.9	4,328	41.8	12.8
TVS Motor	1,00,810	20.4	0.4	12,630	31.5	4.9	10,531	34.5	5.1	7,786	34.9	5.0
M&M	3,40,832	26.1	3.1	48,840	21.4	3.2	44,713	31.3	13.5	34,498	32.0	12.2
Larsen & Toubro	6,36,789	15.5	3.0	63,177	12.5	3.0	58,595	25.3	7.9	36,172	29.8	7.7
REC	55,671	19.2	2.9	50,303	4.8	-4.5	56,469	30.5	9.5	44,510	29.3	7.9
Trent	47,813	19.8	-0.2	8,377	37.2	16.6	5,552	23.5	18.5	4,226	23.5	18.7

Mid-caps deliver the strongest growth in earnings yet again

- Mid-caps (89 companies) have extended their streak of the past two quarters and yet again delivered the sharpest earnings growth of 24% YoY (vs. our est. of 20%).
- Multiple mid-cap sectors clocked impressive growth; 17 of 22 sectors under coverage delivered a double-digit PAT growth. Oil & Gas, PSU Banks, NBFCs, Metals, and Technology were the key drivers of performance, which contributed 89% of the incremental YoY accretion in earnings.

Exhibit 5: Sector-wise 1Q performance of the MOFSL Mid-cap Universe companies (INR b)

Sector (no of companies)	Sales			EBITDA			PBT			PAT		
	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)
Automobiles (10)	453	0.8	-0.2	66	-1.9	0.0	58	2.9	2.1	44	1.2	3.0
Capital Goods (3)	65	12.4	-6.6	10	52.9	5.2	11	53.1	11.2	8	55.4	12.2
Cement (3)	131	12.3	2.1	23	27.9	0.4	16	45.9	2.3	11	39.3	-2.1
Chemicals (2)	57	3.4	-8.7	13	11.3	-1.3	11	15.8	-1.4	8	14.7	-0.7
Consumer (7)	147	10.6	0.3	29	10.8	1.7	27	13.0	2.3	21	12.0	1.8
Consumer Durables (3)	124	6.5	0.6	13	5.9	0.8	13	6.2	0.9	9	5.4	0.8
EMS (2)	135	90.7	5.9	6	89.1	7.8	5	92.4	2.3	3	62.4	1.2
Financials (18)	632	7.6	1.6	314	10.2	6.0	238	7.2	10.8	182	8.4	9.6
Banks-Private (4)	140	-2.5	3.4	77	-7.4	12.9	33	-42.9	8.4	25	-42.5	9.5
Banks-PSU (2)	154	0.2	-1.3	133	10.0	2.8	103	19.9	9.9	77	22.4	10.6
Insurance (3)	205	12.6	1.9	5	31.5	14.5	13	29.3	66.7	11	17.9	14.2
NBFC - Lending (4)	98	20.2	3.4	76	25.0	5.8	61	28.6	7.4	46	29.6	7.7
NBFC - Non Lending (5)	36	31.4	0.2	23	40.8	2.4	28	35.5	7.2	22	39.3	8.3
Healthcare (9)	255	8.9	-1.4	53	9.3	-2.7	39	-16.1	-3.0	27	13.8	-2.8
Logistics (2)	34	8.6	-3.9	10	6.5	-8.3	8	5.6	-11.6	6	11.0	-9.8
Metals (4)	465	11.5	-5.0	79	17.5	-7.6	58	23.9	-8.4	43	21.8	-7.3
Oil & Gas (4)	1,315	-4.3	18.7	110	65.0	-11.3	85	92.8	-13.0	64	93.1	-13.0
Ex OMCs (3)	208	-12.4	-2.4	33	-28.0	-16.8	27	-32.1	-16.4	20	-32.2	-16.8
Real Estate (4)	47	-4.6	-21.0	17	-14.0	-22.3	23	-4.7	1.8	16	-1.0	-5.5
Retail (3)	96	27.1	1.8	10	22.8	2.3	6	33.2	7.0	4	33.7	7.9
Technology (5)	169	21.2	-1.1	28	18.3	-5.5	25	27.7	-2.5	20	28.1	1.3
Telecom (3)	192	6.9	-0.9	69	11.1	-0.6	-58	Loss	-11.7	-60	Loss	-11.0
Utilities (2)	83	68.8	2.3	34	89.5	18.5	15	47.6	13.6	11	29.5	2.0
Others (8)	340	17.1	2.0	42	34.1	6.7	8	418.6	-12.6	6	LP	51.8
MOFSL Mid-cap Univ. (92)	4,740	7.1	4.0	927	18.0	-0.3	587	19.7	2.6	423	24.5	3.3
Ex Financials (74)	4,108	7.0	4.4	613	22.4	-3.2	349	30.1	-2.4	241	40.1	-1.0
Ex Metals & Oil (84)	2,960	12.3	0.0	739	13.2	2.5	444	11.2	8.0	316	16.5	9.1
Ex OMCs (91)	3,632	10.4	-0.8	850	11.1	0.6	529	8.9	4.4	379	12.8	5.3

Exhibit 6: Top-10 performers in Mid-caps for 1QFY26

INR M Company	Sales			EBITDA			PBT			PAT		
	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)
Laurus Labs	15,696	31.4	5.0	3,821	123.2	22.9	2,242	1114.6	32.8	1,603	1164.5	29.9
Hitachi Energy	14,789	11.4	-21.9	1,549	223.4	-28.8	1,769	1075.3	-1.3	1,316	1163.0	1.6
BSE	9,584	59.2	-2.2	6,259	121.6	7.1	6,851	111.0	6.9	5,292	101.3	10.9
Radico Khaitan	15,060	32.5	8.9	2,322	55.8	17.4	1,846	82.1	26.2	1,403	83.9	28.1
MCX	3,732	59.2	-2.6	2,417	82.3	-3.5	2,569	86.3	-0.4	2,032	83.2	1.0
Nalco	38,069	33.3	-11.8	14,921	59.7	-11.2	14,293	74.9	-3.8	10,495	78.4	-3.9
J K Cements	33,525	19.4	3.7	6,877	41.4	3.7	4,891	79.1	19.1	3,243	75.0	18.9
Dalmia Bharat	36,360	0.4	-2.8	8,830	32.0	8.6	5,020	63.5	13.3	3,731	65.8	14.9
Coromandel Intl	70,423	48.9	13.8	7,821	54.6	2.4	6,773	54.9	-2.3	5,050	62.4	0.2
Polycab India	59,060	25.7	4.8	8,576	47.0	16.3	8,006	50.1	17.9	5,921	49.5	17.4

Small-caps continue to suffer the most!

- In contrast, small-caps (132 companies) continued to experience weakness and a broad-based miss, with Private Banks, NBFCs (lending and non-lending), Insurance, Oil & Gas, and Automobiles posting a YoY earnings decline.
- The small-cap earnings dipped 11% YoY (our est. of flat growth), with 46% of the coverage universe missing our estimates. Conversely, within the large-cap/mid-cap universes, 31%/27% of the companies missed our estimates.

Exhibit 7: Sector-wise 1Q performance of the MOFSL Small-cap Universe companies (INR b)

Sector (no of companies)	Sales			EBITDA			PBT			PAT		
	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)
Automobiles (8)	238	11	1.6	30	1	-0.1	18	-7	-4.1	13	-8	-6.6
Capital Goods (5)	120	16.5	1.3	11	10.2	-3.1	7	10.6	-0.6	5	11.4	0.5
Cement (4)	73	7	-3.4	11	48	-4.5	5	967	-2.7	3	41,673	-2.4
Chemicals (10)	112	3.4	-3.1	19	5.2	5.1	14	8.6	9.9	10	13.5	7.4
Consumer (4)	44	10	2.6	6	2	-2.0	6	5	1.9	5	5	4.0
Consumer Durables (1)	21	13.9	1.2	1	49.6	1.4	1	39.0	1.2	1	39.4	2.7
EMS (5)	51	24	22.3	4	42	21.2	3	49	23.5	2	51	20.4
Financials (28)	218	0.7	-0.8	89	-11.7	-2.5	46	-43.0	-7.0	35	-42.8	-7.8
Banks-Private (4)	56	-7	0.4	30	-10	-1.4	7	-67	-34.4	5	-68	-36.2
Insurance (2)	52	13.7	2.1	-2	PL	13.1	3	-36.0	-17.8	2	-43.0	-28.0
NBFC - Lending (13)	72	-4	-3.3	45	-11	-3.1	20	-48	0.9	15	-47	3.1
NBFC - Non Lending (9)	38	6.3	-1.3	15	-5.2	-1.7	17	-5.7	3.3	13	-7.4	0.7
Healthcare (7)	80	8	-3.1	15	12	-8.9	9	30	-10.9	6	39	-10.7
Infrastructure (3)	44	-3.6	-3.1	12	0.4	-0.5	6	-4.8	4.7	5	12.7	7.3
Logistics (5)	52	8	-2.2	5	20	-14.1	2	27	-21.5	2	26	-20.5
Media (3)	46	-1.0	-3.1	9	0.0	-7.8	8	11.0	-6.0	6	13.2	-3.0
Oil & Gas (6)	267	-16	-3.3	20	-20	-37.7	13	-31	-50.3	9	-30	-47.9
Real Estate (7)	39	13.3	-19.0	5	6.5	-51.2	4	50.7	-57.2	4	70.7	-46.2
Retail (16)	149	-3	-0.2	18	-3	1.6	2	78	-13.0	1	40	-37.5
Staffing (4)	108	8.5	-0.6	3	10.6	-7.5	2	20.4	-14.5	2	26.2	-7.9
Technology (2)	31	4	-2.8	4	-4	-15.9	5	13	-4.7	3	12	-4.7
Utilities (3)	15	37.8	-10.3	8	48.7	3.6	5	114.3	26.1	4	154.9	19.5
Others (11)	95	9	-0.4	15	12	3.2	11	23	7.8	9	22	8.6
MOFSL Small-cap Univ. (132)	1,801	2.6	-1.1	287	-0.9	-7.1	168	-12.2	-11.3	127	-10.6	-11.0
Ex Financials (104)	1,583	2.8	-1.2	198	5.0	-9.1	121	10.7	-12.9	92	14.2	-12.1
Ex Metals & Oil (126)	1,534	6.6	-0.8	268	0.9	-3.6	155	-10.2	-5.3	118	-8.6	-5.7

LP: Loss to profit; PL: Profit to loss

Exhibit 8: Top-10 performers in Small-caps for 1QFY26

INR M Company	Sales			EBITDA			PBT			PAT		
	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)	Jun-25	Chg. % YoY	Var. over Exp. (%)
Avalon Tech	3,233	62.1	32.9	299	583.6	116.5	193	LP	104.9	142	LP	102.5
ACME Solar	5,110	65.0	-1.0	4,578	68.5	2.6	1,903	278.7	27.3	1,467	10464.5	27.5
Mahindra Lifespace	320	-83.0	-77.5	-550	Loss	Loss	-564	Loss	Loss	512	302.2	251.9
V-Mart Retail	8,852	12.6	0.0	1,262	27.5	14.8	429	360.7	25.3	336	176.8	30.8
Syrma SGS Tech.	9,440	-18.6	-3.1	866	94.3	10.5	672	127.7	6.6	497	157.8	8.9
Navin Fluorine	7,254	38.5	-6.9	2,068	106.1	2.0	1,551	127.1	3.4	1,172	128.8	4.4
Senco Gold	18,263	30.1	1.6	1,836	68.8	34.4	1,406	98.6	51.8	1,047	104.1	51.1
P N Gadgil Jewellers	17,146	2.8	-1.6	1,100	70.9	43.3	927	94.4	54.0	693	96.3	53.7
Lemon Tree Hotel	3,158	17.8	1.0	1,405	22.1	2.1	633	117.5	8.2	383	93.5	30.3
Tata Chemicals	37,190	-1.8	-6.7	6,490	13.1	13.6	3,180	47.9	48.3	2,520	86.7	37.9

Exhibit 9: PAT increased 11% YoY for the MOFSL Universe

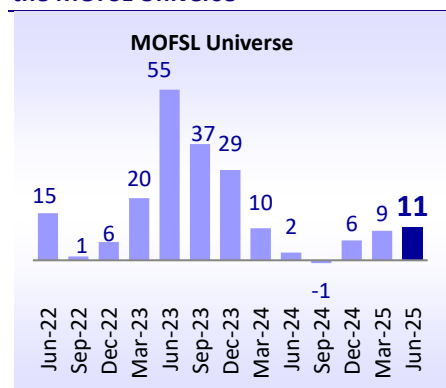


Exhibit 10: PAT was up 13% YoY for the MOFSL Universe, excluding Financials

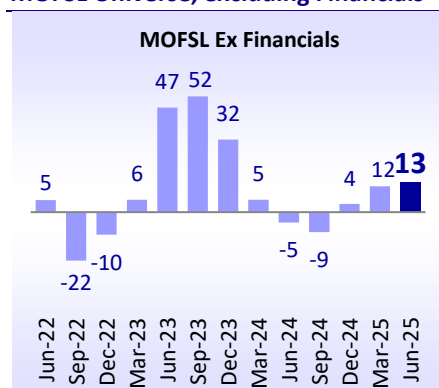


Exhibit 11: PAT rose 9% YoY for the MOFSL Universe, sans Metals & O&G

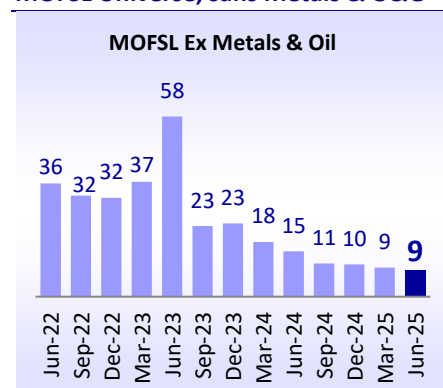


Exhibit 12: PAT growth for the Nifty Universe stood at 8% YoY

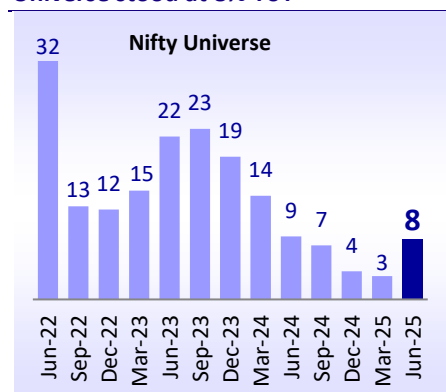


Exhibit 13: PAT for the Nifty Universe, sans Financials, was up 8% YoY

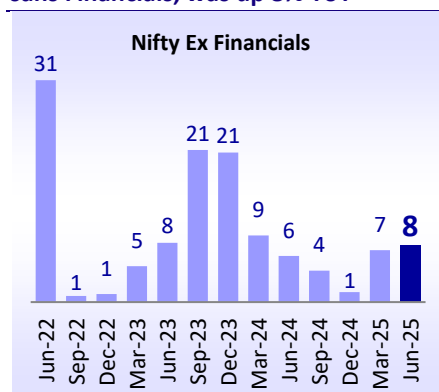
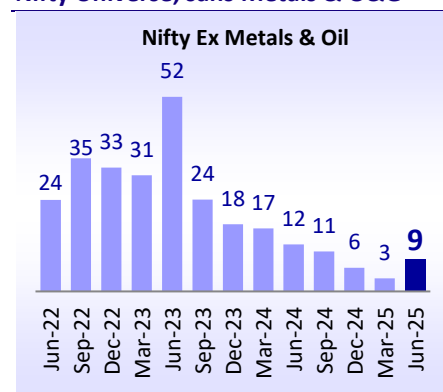


Exhibit 14: PAT grew 9% YoY for the Nifty Universe, sans Metals & O&G



Earnings upgrade-to-downgrade ratio unfavorable for FY26E

- For the MOFSL Universe, the earnings upgrade-to-downgrade ratio has been unfavorable at 0.6x in 1QFY26 (for FY26E), with the earnings of 61 companies having been upgraded by >3%, while the earnings of 108 companies have been downgraded by >3%.
- The beat-miss ratio for the MOFSL Universe was balanced, with 37% of the companies exceeding our estimates, while 36% reported a miss at the PAT level.
- Of the 25 sectors under our coverage, 8/13/4 sectors reported profits above/in line/below our estimates.

Exhibit 15: The upgrade-to-downgrade ratio trend for the MOFSL Universe – stable over the last two quarters

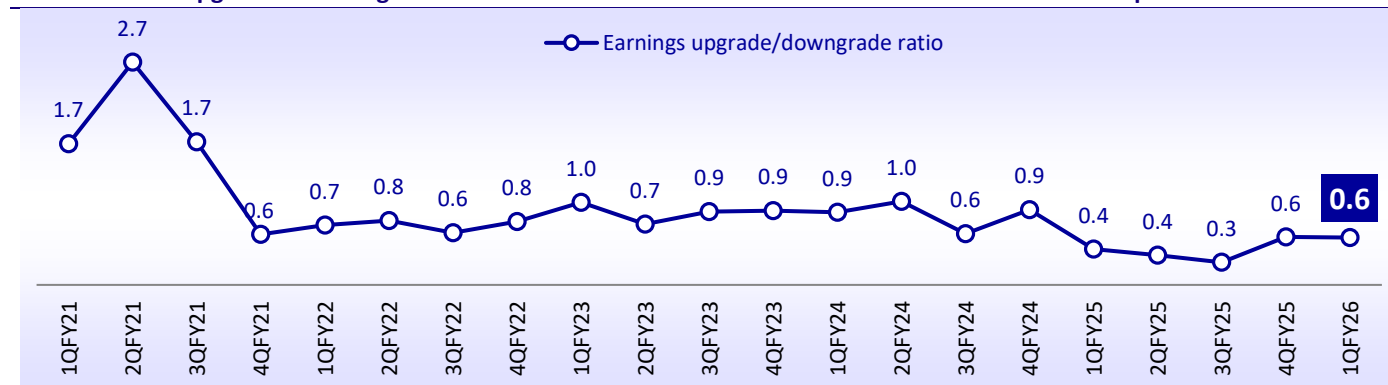


Exhibit 16: Surprise/miss ratio for the MOFSL Universe at 1x in 1QFY26

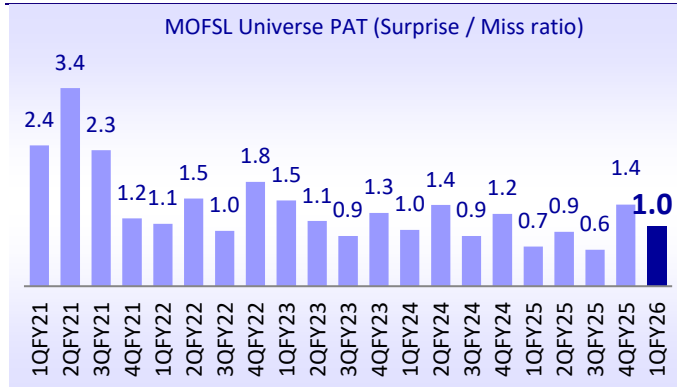


Exhibit 17: Sectoral surprise/miss ratio at 2x in 1QFY26 for the MOFSL Universe

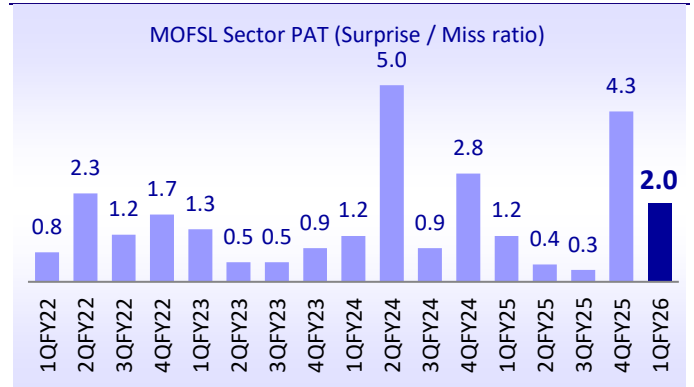


Exhibit 18: Two- and three-year profit CAGR for the MOFSL Universe

Sector	EBITDA (INR b)			CAGR (%)		PBT (INR b)			CAGR (%)		PAT (INR b)			CAGR (%)	
	1QFY23	1QFY24	1QFY26	2-year	3-year	1QFY23	1QFY24	1QFY26	2-year	3-year	1QFY23	1QFY24	1QFY26	2-year	3-year
Automobiles	174	363	378	2	29	52	254	304	9	80	13	187	229	11	162
Capital Goods	68	87	119	17	20	57	82	119	21	28	38	54	81	23	29
Cement	86	90	115	13	10	57	61	71	8	7	43	44	49	6	5
Chemicals	39	33	32	-1	-6	33	26	24	-4	-10	25	20	19	-4	-10
Consumer	180	210	222	3	7	167	201	210	2	8	124	149	157	3	8
Cons. Durables	10	14	20	17	23	10	14	19	16	24	7	10	14	16	25
EMS	3	4	10	59	49	2	3	7	65	55	1	2	5	56	52
Financials	1,085	1,472	1,935	15	21	784	1,264	1,584	12	26	563	980	1,203	11	29
Banks-Private	429	566	822	21	24	352	484	542	6	15	266	363	430	9	17
Banks-PSU	383	580	661	7	20	182	431	543	12	44	133	307	372	10	41
Insurance	36	32	42	15	5	68	93	153	28	31	23	113	134	9	79
NBFC - Lending	219	275	371	16	19	164	230	300	14	22	128	177	232	14	22
NBFC-Non Lend.	19	20	39	40	28	17	25	45	34	39	13	20	35	32	38
Healthcare	129	166	226	17	20	102	129	184	19	22	78	99	140	19	21
Infrastructure	17	13	12	-1	-10	11	7	6	-5	-17	8	5	5	1	-16
Logistics	47	50	70	18	14	33	34	48	19	13	29	27	42	24	13
Media	13	10	9	-4	-10	10	8	8	1	-7	8	6	6	4	-5
Metals	647	469	587	12	-3	501	330	404	11	-7	338	234	283	10	-6
Oil & Gas	676	1,156	1,001	-7	14	371	870	668	-12	22	244	631	471	-14	24
Real Estate	26	24	36	22	11	19	21	40	40	28	15	18	34	38	30
Retail	51	52	68	14	10	33	29	39	15	6	25	22	28	14	5
Staffing	3	4	3	-9	-3	2	2	2	4	0	2	2	2	4	1
Technology	355	393	441	6	7	326	366	425	8	9	242	271	316	8	9
Telecom	248	291	391	16	16	-21	1	71	805	LP	-47	-29	16	LP	LP
Utilities	209	252	267	3	8	102	114	141	11	11	83	87	107	11	9
Others	60	107	123	7	27	22	57	51	-5	33	14	52	42	-10	44
MOFSL Universe	4,129	5,259	6,065	7	14	2,674	3,873	4,426	7	18	1,854	2,871	3,249	6	21

Exhibit 19: Sales for the MOFSL Universe up 5% YoY (est. 4%)

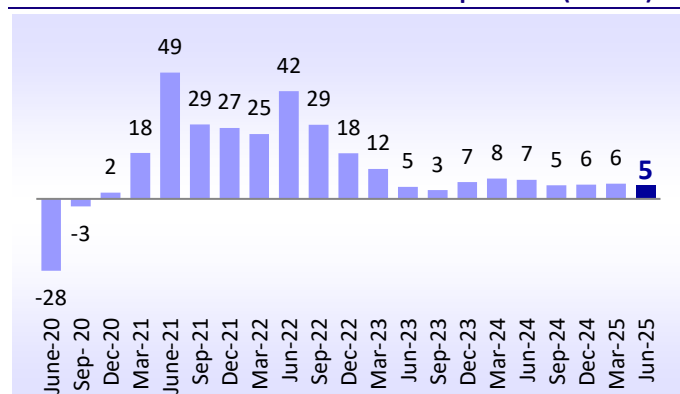


Exhibit 20: EBITDA for the MOFSL Univ. up 11% YoY (est. 10%)

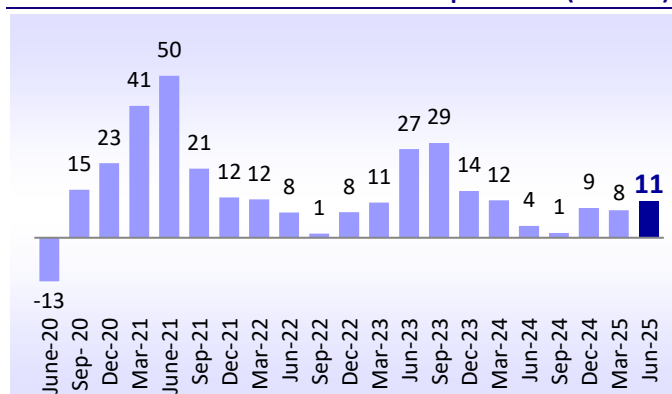


Exhibit 21: PAT for the MOFSL Universe up 11% YoY (est. 9%)

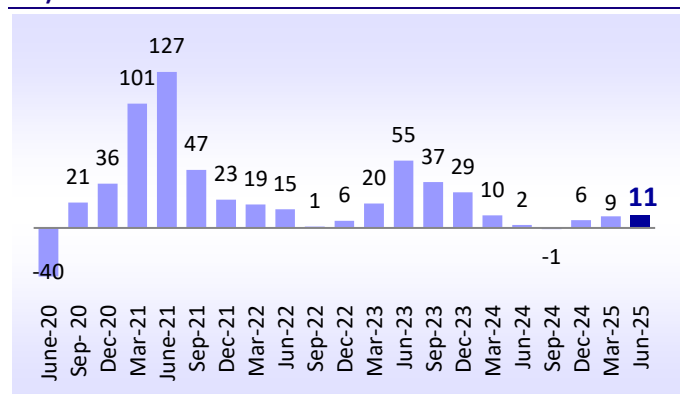


Exhibit 22: EBITDA margin, excluding Financials, expanded 70bp YoY to 17.6%

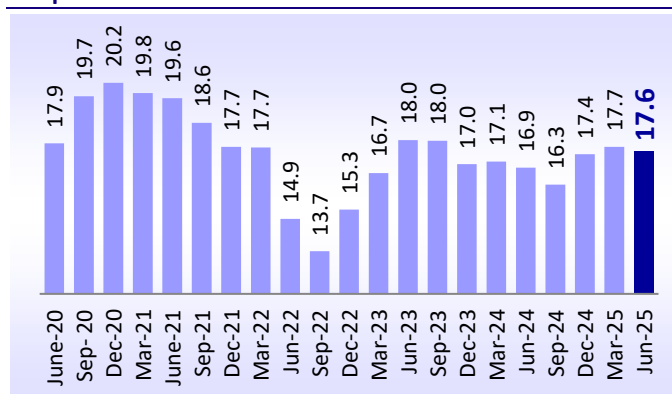


Exhibit 23: MOFSL Universe (ex-Nifty) posted a profit growth of 14% YoY

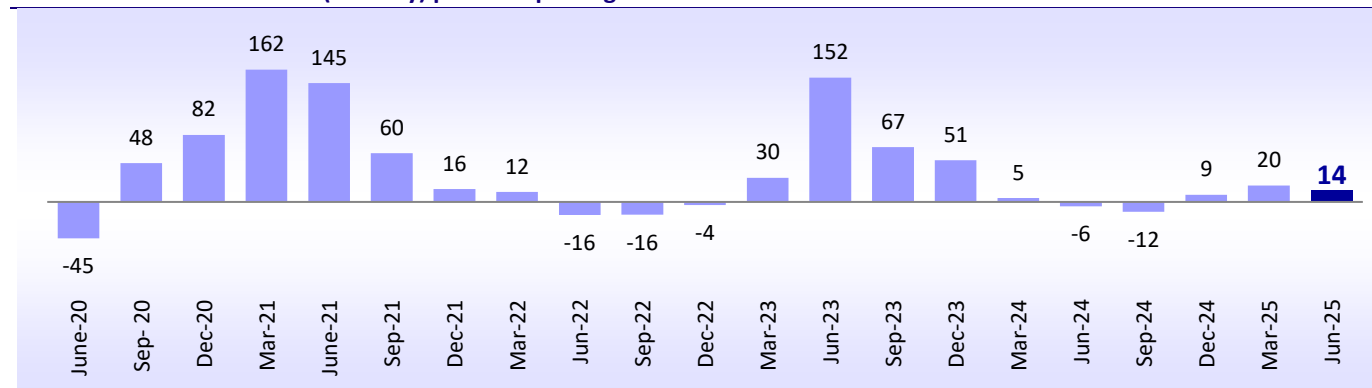


Exhibit 24: Sales growth for the MOFSL Universe, barring Nifty companies, stood at 5% YoY

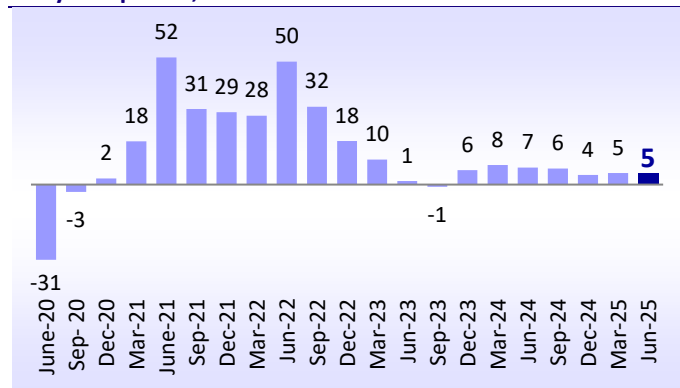
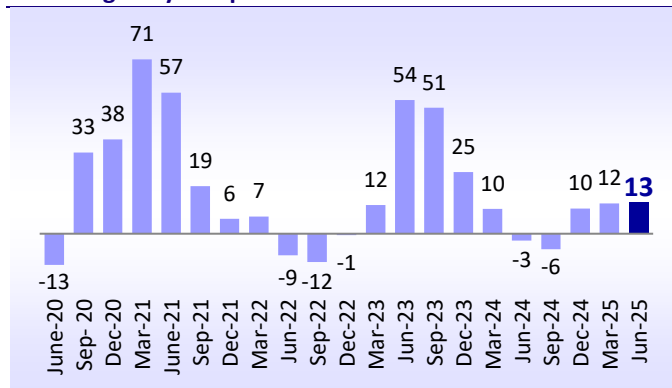


Exhibit 25: EBITDA was up 13% YoY for the MOFSL Universe, excluding Nifty companies



Margin expands for several sectors

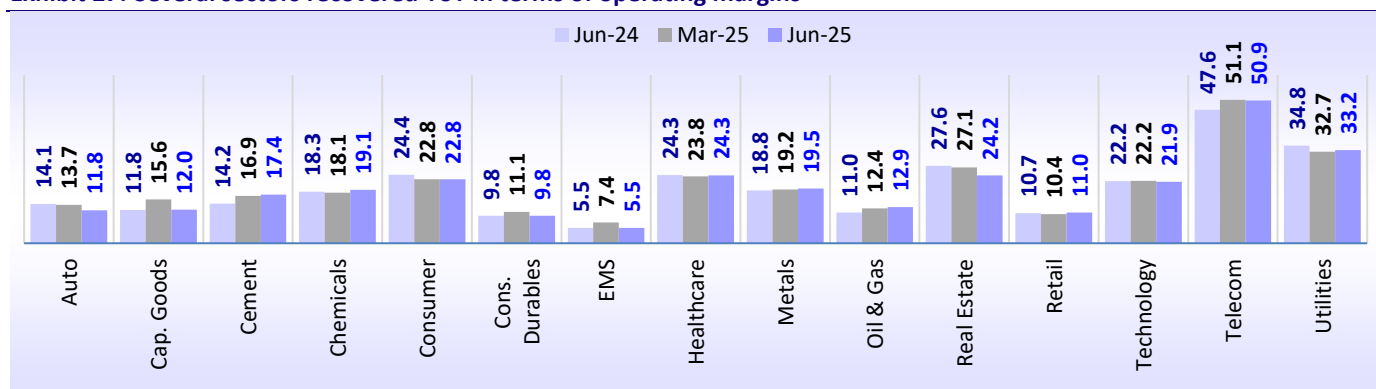
- Sales for the MOFSL Universe companies grew 5% YoY (in line). Excluding Metals and O&G, sales growth was in line at 8% YoY (in line).
- Sectoral sales growth: EMS (66%), Telecom (20%), Logistics (19%), Real Estate (18%), and NBFC – Non-Lending (17%).
- The EBITDA margin of the MOFSL Universe (ex-Financials) expanded by 70bp YoY to 17.6%.
- Gross margins for more than half of the sectors expanded during the quarter. In 1QFY26, 8 of the 15 major sectors under MOFSL Coverage posted an expansion in gross margin YoY.

Exhibit 26: Gross margin expanded in more than half of the sectors

	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	Change in GM bps YoY
Cement	62.6	57.4	60.4	57.7	58.1	63.9	56.6	57.8	68.2	1,017
Oil & Gas	25.2	26.0	22.0	22.7	21.1	21.5	23.2	23.8	24.5	339
Utilities	47.8	46.9	48.9	49.9	46.9	50.5	49.3	50.3	50.1	319
Logistics	52.7	51.7	52.0	52.2	51.8	52.7	52.4	53.2	53.5	173
Consumer Durables	25.4	27.2	26.6	25.3	25.1	25.7	26.6	25.6	26.3	115
Healthcare	65.1	65.6	66.0	67.2	68.1	68.2	67.6	68.2	69.0	85
Others	45.9	41.2	42.5	42.4	45.2	41.2	46.6	45.7	45.9	65
Chemicals	54.6	53.3	54.1	54.2	52.6	53.0	53.9	51.9	53.1	51
Infrastructure	36.7	40.2	51.7	33.0	39.5	42.2	42.0	43.0	39.0	-42
Metals	51.8	49.0	54.6	52.9	51.8	50.6	52.5	51.8	51.1	-76
Technology	33.8	33.9	34.4	34.3	35.1	33.8	34.1	33.9	33.8	-133
Retail	30.5	30.1	30.7	29.7	30.4	29.6	28.2	28.9	28.9	-156
Automobiles	34.4	34.0	35.2	35.9	36.2	35.0	35.6	35.3	34.2	-197
Consumer	51.1	52.1	52.4	53.1	52.2	51.2	51.0	51.3	49.4	-285
Real Estate	47.9	51.5	53.3	48.8	51.6	48.6	50.3	49.9	45.8	-577

Source: 229 companies that form part of the MOFSL Universe, excluding Financials, Telecom, Media, and Staffing

Exhibit 27: Several sectors recovered YoY in terms of operating margins



Contributions of O&G, Tech, and Consumer improve in the profit pool

- The Oil & Gas contribution to the profit pool saw an improvement to 14.5% in 1QFY26 – this was at a five-quarter high.
- After hitting a new low of 4.1% in 4QFY25, the Consumer sector's contribution to the profit pool recovered to 4.8% in 1QFY26.
- The BFSI contribution to the overall MOFSL profit pool accounted for more than one-third of the profits. The contribution was stable at 37% and was the lowest in the last six quarters.
- The Automobile's contribution to the profit pool slipped to an 8-quarter low of 7.1% in 1QFY26.

Exhibit 28: Financials' contribution the lowest in the last six quarters at 37%

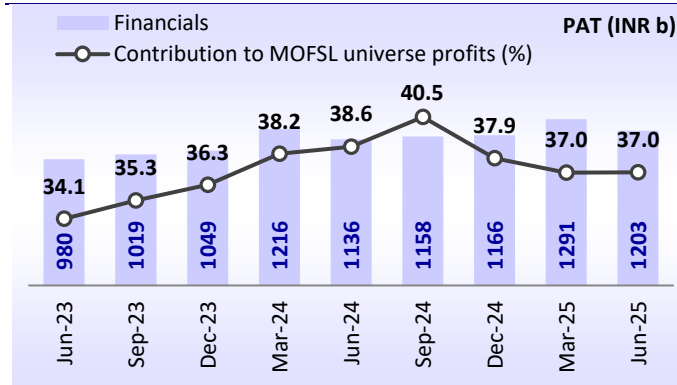


Exhibit 29: IT sector's contribution to the overall profit pool climbed in 1QFY26

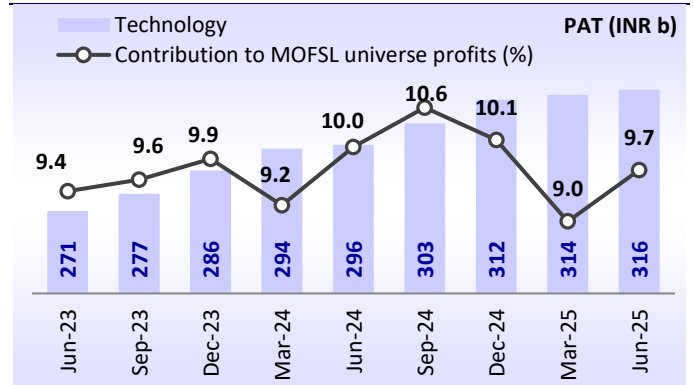


Exhibit 30: O&G's PAT contribution to the overall profit pool at a five-quarter high

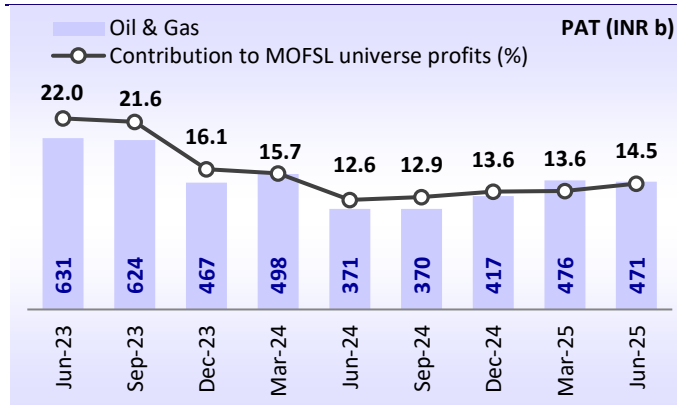


Exhibit 31: Metals' PAT contribution to the MOFSL Universe moderated in 1QFY26

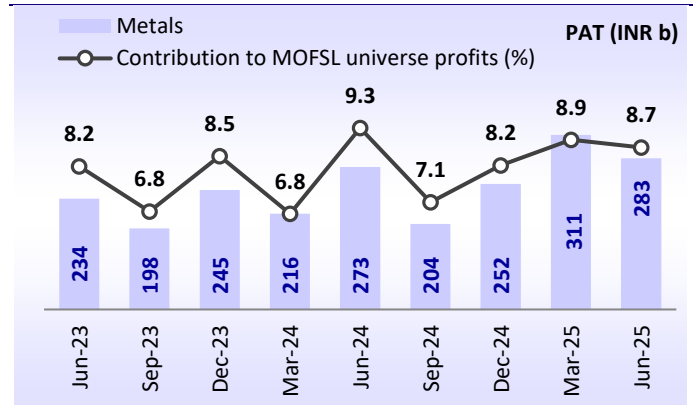


Exhibit 32: Auto sector's contribution to the overall profit pool at an eight-quarter low in 1QFY26

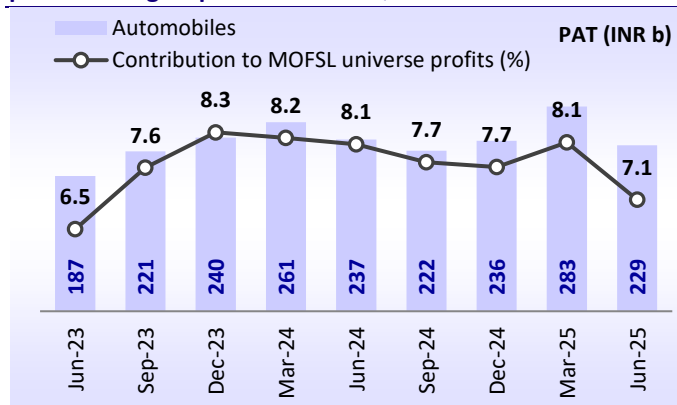
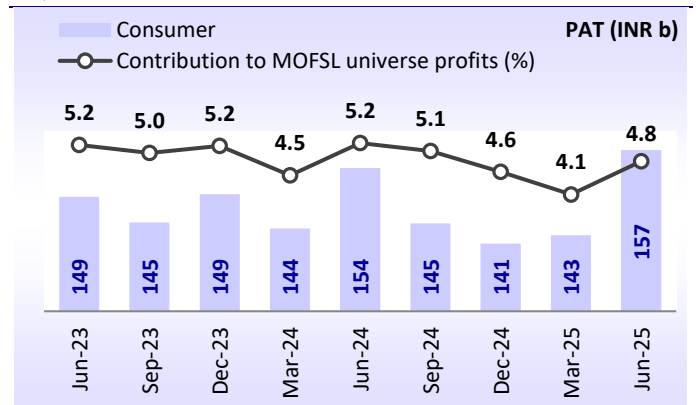


Exhibit 33: Consumer sector's contribution recovered in 1QFY26



Performance highlights of the Nifty constituents in 1QFY26

The top 5 stocks account for ~77% of the incremental profit YoY

- Sales/EBITDA/PBT/PAT growth for Nifty constituents was in line at +6%/+10%/+7%/+8% YoY in 1QFY26. Excluding Metals & O&G, profits for Nifty constituents were up 9% YoY (vs. our est. of +4% YoY).
- Among Nifty constituents, 48% exceeded our PAT estimates, while 14% missed our estimates.
- SBI, HDFC Bank, ICICI Bank, JSW Steel, M&M, L&T, Tata Steel, Adani Ports, Hindalco, NTPC, Titan, Bharat Electronics, Apollo Hospitals, Cipla, Bajaj Auto, Eicher Motors, Trent, HDFC Life Insurance, Maruti Suzuki, Dr Reddy's Lab, and Hero Motocorp delivered higher-than-estimated earnings.
- In contrast, Reliance Industries, Sun Pharma, Power Grid Corp, Nestle, Eternal, Kotak Mahindra Bank, and HCL Technologies missed our profit estimates.
- Only four Nifty companies witnessed earnings upgrades of over 3% in their FY26 EPS estimates, while 11 companies witnessed downgrades of over 3%.

Exhibit 34: Nifty sales up 6% YoY (in line) in 1QFY26

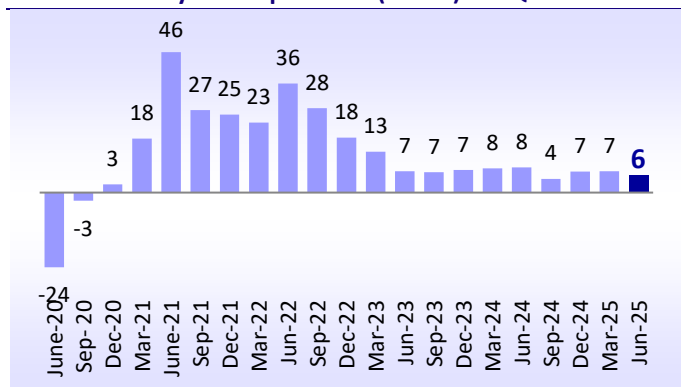


Exhibit 35: Nifty EBITDA up 10% YoY (est. 6%)

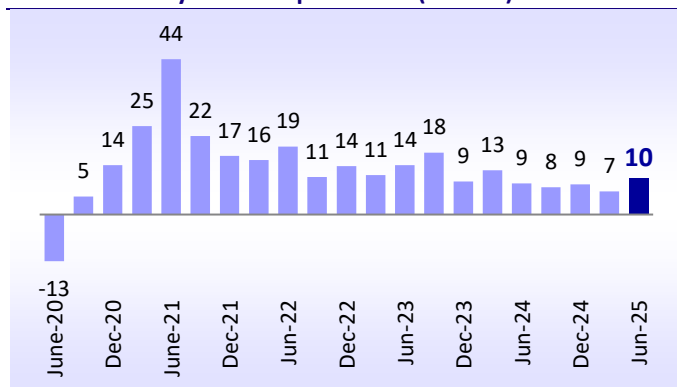


Exhibit 36: Nifty PAT up 8% YoY (est. 5%)

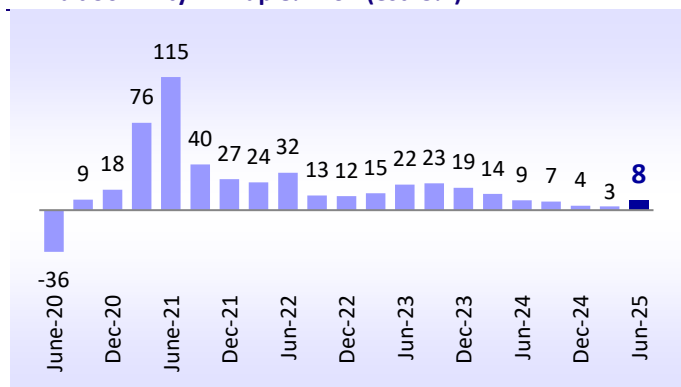


Exhibit 37: Nifty EBITDA margin (ex-Financials) was marginally down 10bp YoY to 20.9%

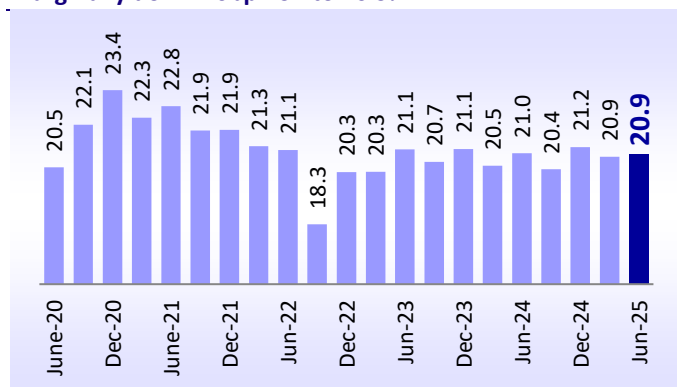


Exhibit 38: Capital Goods, Metals, Cement, and Telecom to drive FY26E earnings for the Nifty

Sector	Review 1QFY26 PAT (INR b)					Growth YoY (%)				
	FY23	FY24	FY25	FY26E	FY27E	FY23	FY24	FY25	FY26E	FY27E
Automobiles	287	621	665	652	732	281	117	7	-2	12
BFSI	2,026	2,557	2,829	3,032	3,615	41	26	11	7	19
Capital Goods	134	170	200	239	285	22	27	17	20	19
Cement	115	134	110	147	183	-11	16	-18	33	25
Consumer	366	416	390	414	462	20	14	-6	6	12
Healthcare	164	204	234	247	276	15	24	15	5	12
Logistics	77	89	108	135	158	30	16	22	25	17
Metals	540	595	600	739	921	-42	10	1	23	25
Oil & Gas	1,069	1,261	1,081	1,135	1,232	7	18	-14	5	9
Retail	37	45	53	67	79	54	24	17	26	18
Technology	977	1,009	1,101	1,173	1,269	6	3	9	7	8
Telecom	82	113	176	275	389	Loss	LP	55	57	42
Utilities	321	341	352	417	450	6	6	3	18	8
Others	17	39	47	52	77	-487	123	22	11	46
Nifty	6,213	7,595	7,946	8,724	10,128	14	22	5	10	16

Exhibit 39: Sectoral upgrades/downgrades for the MOFSL Universe

Sector	PAT (INR b) - preview		PAT (INR b) - review		Upgrade/downgrade (%)		Growth YoY (%)		
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY25	FY26E	FY27E
Automobiles	981	1,134	983	1,135	0.2	0.1	7.0	0.7	15.5
Capital Goods	440	525	447	523	1.6	-0.4	23.4	19.3	16.9
Cement	245	309	247	310	0.7	0.4	-27.2	45.5	25.5
Chemicals	85	108	85	106	-0.8	-1.9	-3.4	28.4	24.5
Consumer	640	719	637	720	-0.5	0.1	-1.8	9.5	13.1
Consumer Durables	62	75	62	74	-0.1	-1.4	27.9	15.9	20.1
EMS	27	39	27	42	2.1	7.4	66.8	53.2	54.2
Financials	5,288	6,279	5,279	6,298	-0.2	0.3	13.5	7.8	19.3
Banks-Private	1,902	2,319	1,865	2,290	-2.0	-1.3	6.5	5.0	22.8
Banks-PSU	1,611	1,859	1,630	1,911	1.2	2.8	23.4	2.1	17.2
Insurance	629	719	629	719	0.1	0.0	19.3	9.8	14.2
NBFC - Lending	1,003	1,211	1,010	1,206	0.7	-0.4	6.3	22.0	19.4
NBFC - Non Lending	143	171	145	171	1.0	0.5	31.3	17.0	18.6
Healthcare	591	681	582	669	-1.6	-1.8	21.2	10.9	15.1
Infrastructure	23	31	23	31	2.6	0.3	3.1	29.5	34.0
Logistics	180	212	178	211	-1.1	-0.4	19.2	22.7	18.6
Media	28	31	27	29	-5.0	-5.7	-3.3	13.3	10.8
Metals	1,239	1,539	1,238	1,545	-0.1	0.4	16.4	19.1	24.8
Oil & Gas	1,943	1,982	1,803	1,860	-7.2	-6.1	-31.6	9.4	3.2
Excl. OMCs	1,478	1,617	1,387	1,520	-6.1	-6.0	-14.9	3.8	9.6
Real Estate	193	218	195	221	1.2	1.3	42.8	41.0	12.9
Retail	132	166	132	164	-0.5	-1.2	9.3	30.9	24.2
Staffing	10	12	10	12	-2.1	-2.7	47.8	26.6	18.4
Technology	1,322	1,446	1,320	1,441	-0.1	-0.3	8.7	7.8	9.2
Telecom	66	203	67	213	1.9	4.9	Loss	LP	219.0
Utilities	536	596	515	587	-3.9	-1.5	8.1	18.1	14.0
Others	262	359	256	352	-2.3	-1.9	7.2	46.8	37.8
MOFSL Universe	14,293	16,665	14,111	16,544	-1.3	-0.7	3.7	12.1	17.2

Note: PL: Profit to loss; LP: Loss to profit

Exhibit 40: Nifty delivered an 8% YoY profit growth in 1QFY26

Company	Sales			EBITDA			PBT			PAT			EBIDTA Margin	
	Jun 2025	Chg. YoY (%)	Var. (%)	Jun 2025	Chg. YoY (%)	Var. (%)	Jun 2025	Chg. YoY (%)	Var. (%)	Jun 2025	Chg. YoY (%)	Var. (%)	Jun 2025 (%)	Chg. YoY bp
High PAT growth														
JSW Steel	431	0	1	76	37	6	32	128	16	22	158	11	17.6	4.7
Bharti Airtel	495	28	2	278	41	2	105	99	-1	59	103	-3	56.3	5.1
Tata Steel	532	-3	6	74	11	7	31	18	11	21	62	35	14.0	1.7
Titan Company	165	25	5	18	47	15	15	52	13	11	53	12	11.1	1.7
Ultratech Cement	213	13	-3	44	46	1	31	57	6	23	44	2	20.7	4.7
Apollo Hospitals	58	15	2	9	26	9	6	36	5	4	42	13	14.6	1.3
Tech Mahindra	134	3	0	19	24	2	16	38	6	11	34	-2	14.5	2.5
Mahindra & Mahindra	341	26	3	49	21	3	45	31	13	34	32	12	14.3	-0.5
Bajaj Finserv	286	11	-8	93	22	2	72	21	8	28	30	0	32.5	2.9
Larsen & Toubro	637	16	3	63	13	3	59	25	8	36	30	8	9.9	-0.3
Adani Ports	91	31	6	55	29	7	38	22	3	34	28	9	60.2	-0.8
Bharat Electronics	44	5	-9	12	32	15	13	24	15	10	25	16	28.1	5.8
Trent	48	20	0	8	37	17	6	23	19	4	24	19	17.5	2.2
Bajaj Finance	102	22	0	85	22	1	64	21	2	48	22	3	83.0	-0.1
Hindalco	642	13	6	79	5	9	57	10	19	40	21	17	12.3	-0.9
Med/Low PAT growth														
Reliance Inds.	2,436	5	-8	429	11	-5	282	21	-6	181	19	-10	17.6	0.9
ICICI Bank	216	11	3	187	17	6	169	15	6	128	15	6	86.6	4.7
SBI Life Insurance	178	14	1	11	12	-2	6	14	0	6	14	0	6.1	-0.1
HDFC Life Insur.	149	16	-3	8	13	-5	6	13	NA	5	14	11	5.4	-0.2
NTPC	426	-4	-6	103	-17	-17	63	1	1	48	14	8	24.2	-3.9
State Bank	411	0	-2	305	15	12	258	12	12	192	12	13	74.4	10.1
HDFC Bank	314	5	-1	357	50	37	213	0	-6	182	12	6	113.7	33.6
Wipro	221	1	0	43	-1	-6	43	6	-1	33	11	4	19.5	-0.3
Tata Consumer	48	10	1	6	-9	-1	5	0	-1	3	10	1	12.7	-2.6
Cipla	70	4	0	18	4	9	18	10	18	13	10	7	25.6	-0.1
Eicher Motors	50	15	2	12	3	3	14	13	14	12	9	13	23.9	-2.7
Sun Pharma	138	10	3	40	14	9	38	8	-5	30	9	-6	29.1	0.9
Shriram Finance	58	10	-1	42	9	-3	29	9	5	22	9	4	72.6	-1.0
Infosys	423	8	2	100	6	1	97	8	5	69	9	4	23.7	-0.3
TCS	634	1	-2	169	1	-1	170	5	2	128	6	3	26.6	-0.1
Bajaj Auto	126	6	3	25	3	3	28	6	6	21	5	6	19.7	-0.5
Jio Financial	3	63	NA	4	8	NA	4	-2	NA	3	4	NA	138.6	-70.9
ITC	215	16	11	68	1	1	71	2	0	52	3	0	31.7	-4.9
Dr Reddy's Labs	85	11	1	22	1	13	19	2	11	14	2	9	25.2	-2.6
Maruti Suzuki	384	8	7	40	-11	6	48	3	24	37	2	26	10.4	-2.3
Power Grid Corp.	99	-1	-6	81	-7	-12	44	4	-6	35	0	-6	81.8	-5.1
Hero Motocorp	96	-6	-1	14	-5	4	15	0	7	11	0	8	14.4	0.0
Negative PAT Growth														
Axis Bank	136	1	-1	115	14	8	76	-6	-5	58	-4	-3	84.9	9.8
Hind. Unilever	165	5	1	37	-1	1	34	-4	-1	25	-5	-3	22.5	-1.3
Asian Paints	89	0	-1	16	-4	-3	15	-6	-1	11	-6	-1	18.2	-0.7
Kotak Mahindra Bank	73	6	0	56	6	4	44	-7	-6	33	-7	-6	76.6	-0.1
HCL Technologies	303	8	1	60	4	-5	52	-9	-9	38	-10	-10	19.9	-0.7
ONGC	320	-9	5	187	0	12	107	-10	5	80	-10	4	58.3	5.1
Nestle	51	6	0	11	0	-6	9	-10	-10	6	-13	-13	21.9	-1.4
Coal India	358	-2	-4	111	-4	-3	116	-18	1	87	-20	1	31.0	-0.6
Tata Motors	1,044	-3	5	97	-37	-11	55	-37	3	40	-28	9	9.3	-5.0
Adani Enterprises	220	-14	NA	33	-11	NA	15	-34	NA	7	-50	NA	15.1	0.5
IndusInd Bank	46	-14	12	26	-35	13	8	-72	6	6	-72	6	55.3	-17.7
Eternal	72	70	5	1	-35	-57	1	-63	-65	0	-90	-91	1.6	-2.6
Grasim Industries	92	34	4	4	18	74	-2	Loss	Loss	-1	Loss	Loss	4.2	-0.5
Nifty Universe	13,970	6	0	3,802	10	4	2,755	7	3	2,003	8	3	27.2	1.1
Nifty Ex Metals & Oil	9,249	7	1	2,846	11	5	2,130	7	3	1,571	9	4	30.8	1.1

Note: PL: Profit to loss; LP: Loss to profit

MOFSL coverage revisions from our preview stance

Cuts in small-caps severe

- **MOFSL Universe experiences a cut of 1.3%/0.7% for FY26E/FY27E:** Our MOFSL Universe witnessed a cut of 1.3% for FY26E, led by Oil & Gas, Private Banks, Utilities, and Healthcare.
- Further, our mid-cap universe saw an upgrade of 1.7% for FY26E, and small-cap universes experienced a bigger cut at 4% in FY26E. The large-cap universe witnessed a cut of 1.5%.

Exhibit 41: Earnings revisions of MOFSL Universe from our preview stance (1QFY26)

Sector	PAT (INR b) @ Preview		PAT (INR b) @ Review		% Revision	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Automobiles	981	1,134	983	1,135	0.2	0.1
Banks-Private	1,902	2,319	1,865	2,290	-2.0	-1.3
Banks-PSU	1,611	1,859	1,630	1,911	1.2	2.8
Insurance	629	719	629	719	0.1	0.0
NBFC - Lending	1,003	1,211	1,010	1,206	0.7	-0.4
NBFC - Non Lending	143	171	145	171	1.0	0.5
Capital Goods	440	525	447	523	1.6	-0.4
Cement	245	309	247	310	0.7	0.4
Chemicals	85	108	85	106	-0.8	-1.9
Consumer	640	719	637	720	-0.5	0.1
Consumer Durables	62	75	62	74	-0.1	-1.4
EMS	27	39	27	42	2.1	7.4
Healthcare	591	681	582	669	-1.6	-1.8
Infrastructure	23	31	23	31	2.6	0.3
Logistics	180	212	178	211	-1.1	-0.4
Media	28	31	27	29	-5.0	-5.7
Metals	1,239	1,539	1,238	1,545	-0.1	0.4
Oil & Gas	1,943	1,982	1,803	1,860	-7.2	-6.1
Real Estate	193	218	195	221	1.2	1.3
Retail	132	166	132	164	-0.5	-1.2
Staffing	10	12	10	12	-2.1	-2.7
Technology	1,322	1,446	1,320	1,441	-0.1	-0.3
Telecom	66	203	67	213	1.9	4.9
Utilities	536	596	515	587	-3.9	-1.5
Others	262	359	256	352	-2.3	-1.9
MOFSL Universe	14,293	16,665	14,111	16,544	-1.3	-0.7
Large Cap	11,840	13,557	11,658	13,424	-1.5	-1.0
Mid Cap	1,736	2,165	1,765	2,194	1.7	1.4
Small Cap	717	943	688	926	-4.0	-1.8

Nifty EPS cut by 1.2%/0.9% for FY26E/FY27E

- The Nifty EPS estimate for FY26 was cut by 1.2% to INR1,108, largely owing to ONGC, Reliance Industries, Axis Bank, Power Grid Corp, and HDFC Bank. FY27E EPS was also reduced by 0.9% to INR1,296 (from INR1,308) due to downgrades in ONGC, Reliance Industries, Axis Bank, Eternal, and Power Grid Corp.

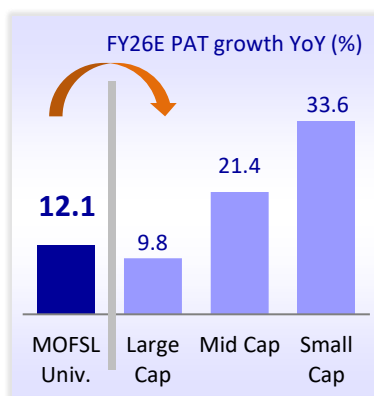
Exhibit 42: FY26E EPS revisions – Four Nifty constituents saw upgrades of over 3%, while 11 witnessed downgrades of over 3%

Company	Current EPS (INR)			EPS Upgrade / Downgrade (%)		EPS Growth (%)		
	FY25	FY26E	FY27E	FY26E	FY27E	FY25	FY26E	FY27E
Tata Consumer	14.0	16.8	19.8	9.7	3.1	-2.4	20.2	17.4
Apollo Hospitals	100.6	128.3	164.5	6.5	6.9	61.1	27.6	28.2
Eicher Motors	172.7	179.0	195.4	3.8	-0.2	18.0	3.7	9.2
Hero MotoCorp	226.0	247.6	269.1	3.5	2.3	10.5	9.5	8.7
IndusInd Bank	33.1	40.6	57.1	2.6	2.3	-71.4	22.7	40.8
Wipro	12.5	12.6	13.1	2.0	1.7	22.8	1.0	3.9
ICICI Bank	66.8	72.6	84.4	1.9	-0.9	14.4	8.7	16.3
Titan Company	42.3	54.6	64.2	1.9	1.4	7.6	29.1	17.6
Maruti Suzuki	443.9	488.6	539.0	1.1	0.1	5.6	10.1	10.3
Bajaj Auto	299.5	322.4	360.8	0.9	-0.1	11.8	7.6	11.9
Larsen & Toubro	106.8	130.5	155.1	0.8	1.0	13.0	22.2	18.9
State Bank	86.9	89.4	101.1	0.8	-0.4	15.6	2.8	13.1
Infosys	63.8	68.6	72.6	0.8	-0.9	0.8	7.5	5.8
Grasim Industries	74.1	86.0	106.9	0.8	0.3	-22.5	16.1	24.3
JSW Steel	15.6	49.0	75.0	0.7	1.2	-57.7	214.6	53.3
TCS	134.2	142.7	152.6	0.7	-0.1	6.3	6.3	6.9
Mahindra & Mahindra	98.7	119.5	136.7	0.4	2.8	11.3	21.0	14.5
Hindalco	74.8	69.9	72.7	0.4	-1.4	63.9	-6.6	4.0
ITC	16.0	17.1	18.6	0.2	1.1	-2.5	6.9	8.8
Ultratech Cement	207.6	305.6	382.8	0.1	0.0	-15.1	47.2	25.3
SBI Life Insurance	24.1	27.6	32.1	0.0	0.0	27.4	14.5	16.2
Bharat Electronics	7.2	8.2	9.8	0.0	-1.0	31.5	13.6	19.6
NTPC	20.3	25.8	28.0	0.0	0.0	6.2	26.7	8.8
Coal India	57.4	57.7	67.3	-0.2	1.3	-5.5	0.6	16.5
Tech Mahindra	47.9	61.3	78.3	-0.2	0.2	17.1	27.9	27.7
Tata Motors	63.2	45.8	51.9	-0.4	0.0	7.7	-27.6	13.4
Asian Paints	42.5	45.4	54.1	-0.6	-0.8	-26.7	6.8	19.2
Tata Steel	3.4	8.7	13.0	-0.9	0.0	41.5	157.3	50.0
Adani Ports	50.2	62.7	73.1	-0.9	-0.4	21.6	24.9	16.6
Dr Reddy's Labs	67.3	66.9	63.1	-1.0	-3.4	6.1	-0.6	-5.7
Bajaj Finance	27.0	33.0	42.4	-1.0	0.0	15.5	22.4	28.2
Bharti Airtel	30.3	47.4	63.9	-1.4	0.3	54.2	56.6	34.7
Hind. Unilever	44.3	45.9	51.5	-1.7	0.0	1.4	3.4	12.3
HDFC Life Insur.	8.4	9.8	11.4	-1.7	-2.9	14.9	17.1	16.7
HDFC Bank	88.0	94.3	113.9	-1.9	1.0	9.9	7.1	20.8
Shriram Finance	44.0	49.9	59.9	-2.7	-1.7	14.9	13.3	20.2
Trent	43.2	51.3	60.8	-3.4	-6.2	47.7	19.0	18.4
HCL Technologies	63.9	67.0	75.9	-3.6	-0.7	10.3	4.9	13.2
Reliance Inds.	51.5	57.7	63.5	-3.6	-4.4	0.0	12.1	10.0
Cipla	62.8	61.8	65.8	-3.7	0.7	19.6	-1.6	6.6
Kotak Mahindra Bank	111.3	105.2	127.2	-3.8	-2.3	21.5	-5.4	20.8
Nestle	16.0	16.9	19.4	-3.9	-1.5	-22.1	5.5	14.9
Sun Pharma	47.1	51.2	61.1	-5.1	-3.6	13.4	8.6	19.3
Power Grid Corp.	16.7	18.0	19.1	-5.3	-4.2	-0.3	7.7	6.4
Axis Bank	85.3	80.5	101.3	-8.7	-7.2	5.7	-5.7	25.9
ONGC	30.6	28.2	29.7	-10.2	-11.3	-31.9	-7.7	5.3
Eternal	0.6	1.2	3.9	-35.4	-26.5	44.2	101.5	228.6
Nifty (50)	1,013	1,108	1,296	-1.2	-0.9	1.3	9.4	16.9

Exhibit 43: We estimate a 13% CAGR for the Nifty free-float PAT over FY25–27

Company	Sales CAGR % 25-27	EBIDTA Margin (%)			EBITDA CAGR % 25-27	PAT (INR b)			PAT CAGR % 25-27	Contbn to Delta %
		FY25	FY26E	FY27E		FY25	FY26E	FY27E		
High PAT Growth (20%+)	15	24	26	27	22	1,003	1,461	1,931	39	43
Eternal	64	3	4	7	138	5	11	35	157	1
JSW Steel	13	14	18	20	37	38	119	183	120	7
Tata Steel	8	12	15	16	24	42	108	162	96	5
Bharti Airtel	15	54	57	57	19	176	275	389	49	10
Ultratech Cement	15	17	20	21	30	61	90	113	36	2
IndusInd Bank	5	56	54	55	4	26	32	45	31	1
Bajaj Finserv	31	73	68	64	23	89	128	150	30	3
Apollo Hospitals	15	14	15	15	21	14	18	24	28	0
Tech Mahindra	6	13	15	18	23	43	54	69	28	1
Bajaj Finance	24	83	82	82	24	168	205	263	25	4
Titan Company	16	10	11	11	19	38	49	57	23	1
Adani Ports	16	60	60	61	16	108	135	158	21	2
Larsen & Toubro	15	10	10	11	17	147	179	213	21	3
Grasim Industries	16	4	4	6	50	49	57	70	20	1
Medium PAT Growth (0-20%)	8	30	31	32	11	6,104	6,529	7,419	10	60
Tata Consumer	9	14	14	15	13	14	17	20	19	0
Trent	22	16	16	16	21	15	18	22	19	0
Mahindra & Mahindra	15	15	14	14	14	119	143	164	18	2
NTPC	7	29	31	32	12	197	250	272	17	3
HDFC Life Insur.	16	80	80	80	16	18	21	25	17	0
Shriram Finance	17	74	74	75	17	83	94	113	17	1
Bharat Electronics	17	29	28	28	16	53	60	72	17	1
SBI Life Insurance	16	7	7	7	19	24	28	32	15	0
Sun Pharma	11	27	28	29	14	113	123	147	14	2
HDFC Bank	13	82	90	84	15	673	721	872	14	9
Asian Paints	8	18	18	19	12	41	44	52	13	1
ICICI Bank	13	83	85	85	15	472	517	601	13	6
Reliance Inds.	4	17	19	20	12	696	780	859	11	7
Maruti Suzuki	11	12	11	12	10	140	154	169	10	1
Nestle	8	24	24	24	9	31	33	37	10	0
Bajaj Auto	11	20	20	20	10	82	88	100	10	1
State Bank	9	66	66	66	9	776	811	933	10	7
Hero MotoCorp	7	14	14	14	8	45	50	54	9	0
Axis Bank	10	77	79	80	12	264	249	314	9	2
HCL Technologies	8	22	21	22	8	174	182	206	9	1
Coal India	10	33	33	35	14	354	356	415	8	3
ITC	8	34	34	34	8	200	214	232	8	1
Hind. Unilever	7	24	23	24	7	104	108	121	8	1
Power Grid Corp.	7	85	85	84	6	155	167	178	7	1
Kotak Mahindra Bank	14	87	73	74	5	221	209	253	7	1
TCS	4	26	27	28	7	488	519	555	7	3
Infosys	6	24	25	25	7	265	285	301	7	2
Eicher Motors	12	25	24	25	10	47	49	54	6	0
Wipro	3	20	20	20	3	131	133	138	2	0
Cipla	7	26	24	24	3	51	50	53	2	0
Jio Financial	0	189	189	189	0	16	16	16	0	0
Adani Enterprises	0	15	15	15	0	42	42	42	0	0
PAT de-growth (<0%)	-2	14	14	15	0	839	734	779	-4	-3
ONGC	-9	15	18	18	0	384	355	374	-1	0
Hindalco	5	13	12	12	2	166	155	161	-1	0
Dr Reddy's Labs	7	26	24	23	-1	56	56	53	-3	0
Tata Motors	5	13	10	11	0	233	168	191	-9	-2
Nifty (PAT free float)	7	25	27	28	12	4,591	5,021	5,871	13	100

PAT growth YoY in FY26E (%)



FY26E earnings highlights: Global commodities, NBFC-Lending, Telecom, and Technology to drive the incremental earnings

- The MOFSL Universe is likely to deliver sales/EBITDA/ PAT growth of 4%/11%/12% YoY in FY26. The Financials, Metals, and Oil & Gas sectors are projected to be the key growth engines, with 8%, 19%, and 9% YoY earnings growth, respectively. These three sectors are likely to contribute 48% to the incremental YoY accretion in earnings.
- Further, we categorized the coverage stocks, based on market capitalization, into large-cap, mid-cap, and small-cap segments.
- Notably, our large-cap universe is likely to deliver a 10% YoY earnings growth in FY26E, while mid-cap is estimated to deliver a 21% YoY growth, and small-cap is estimated to deliver a 34% YoY growth in FY26E.

Exhibit 44: Metals, Oil & Gas, NBFCs, Telecom, and Technology to lead the incremental profits for FY26E (PAT, INR b)

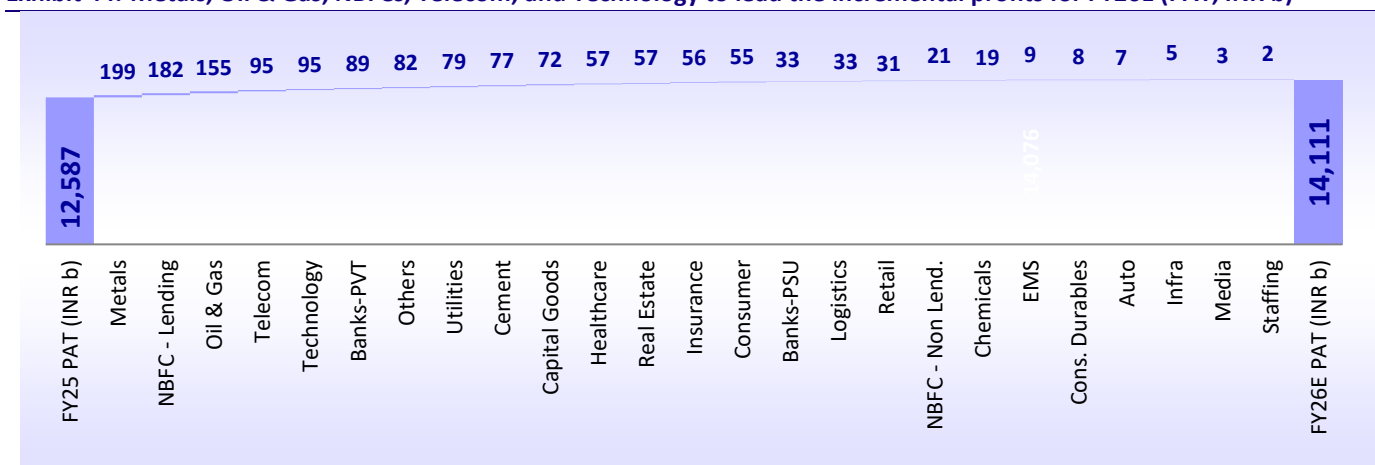


Exhibit 45: Delta contribution to FY26E profit for the MOFSL Universe (%)

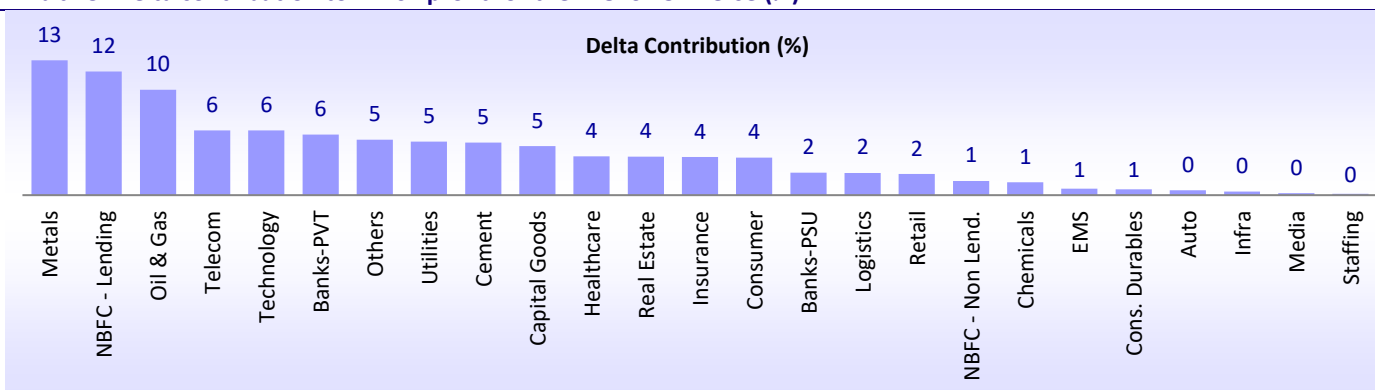
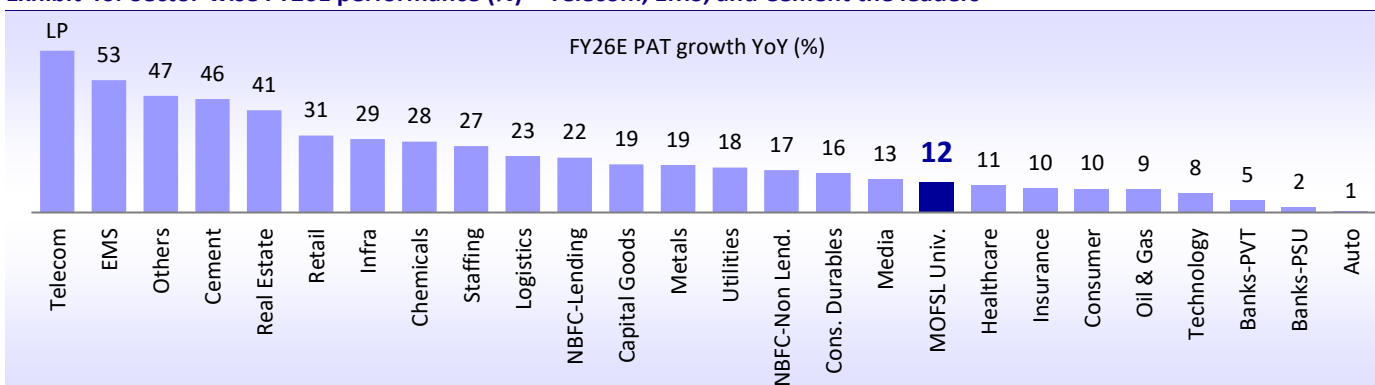


Exhibit 46: Sector-wise FY26E performance (%) – Telecom, EMS, and Cement the leaders

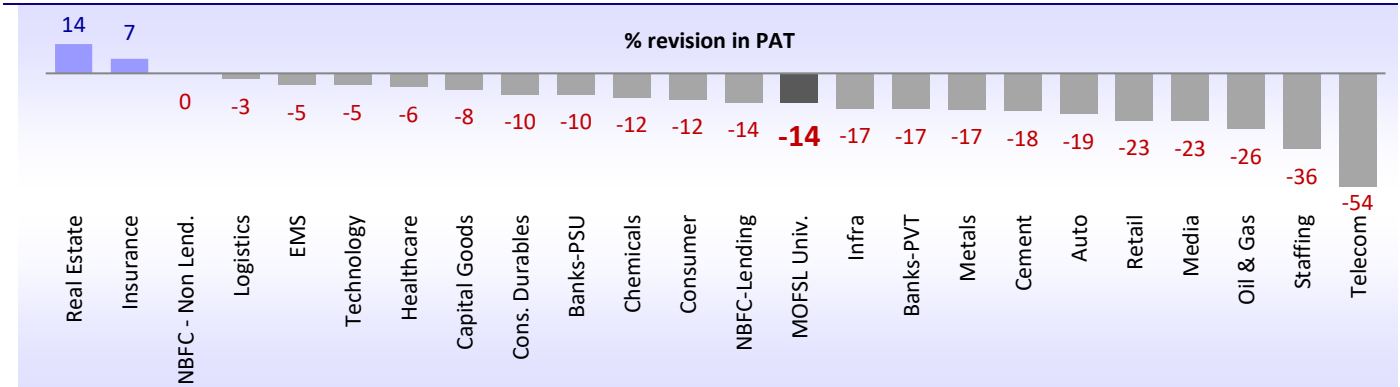


MOFSL Universe sees 14% earnings downgrade for FY26E on a TTM basis

Telecom and Oil & Gas experience downgrades

- Over the last one year, earnings revisions for the MOFSL Universe saw a cut of 14%.
- Telecom, Oil & Gas, Retail, Automobiles, and Cement witnessed significant earnings downgrades, while only two sectors experienced upgrades.

Exhibit 47: Telecom, Oil & Gas, and Retail witnessed downgrades over the last one year



Note: Comparable MOFSL Universe of 264 companies

Exhibit 48: Annual Sales/EBITDA/PAT estimates for the MOFSL Universe

Sector	Sales (INRb)		Growth YoY (%)			EBITDA (INRb)		Growth YoY (%)			PAT (INRb)		Growth YoY (%)		
	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY25	FY26E	FY27E	FY26E	FY27E	FY25	FY26E	FY27E
Automobiles	13,717	15,052	6	8	10	1,684	1,948	3	0	16	983	1,135	7	1	15
Capital Goods	4,910	5,606	13	18	14	656	761	17	19	16	447	523	23	19	17
Cement	2,716	3,034	4	16	12	458	554	-14	41	21	247	310	-27	46	25
Chemicals	735	831	7	10	13	144	174	1	20	21	85	106	-3	28	25
Consumer	3,906	4,277	4	9	10	899	1,006	0	8	12	637	720	-2	10	13
Consumer Durables	851	984	21	11	16	90	109	26	17	21	62	74	28	16	20
EMS	799	1,078	84	36	35	49	69	73	40	41	27	42	67	53	54
Financials	18,377	20,967	8	8	14	8,301	9,684	14	9	17	5,279	6,298	14	8	19
Banks-Private	3,893	4,632	11	6	19	3,048	3,560	10	10	17	1,865	2,290	7	5	23
Banks-PSU	3,664	4,211	4	3	15	2,588	2,959	16	3	14	1,630	1,911	23	2	17
Insurance	8,505	9,375	5	9	10	862	1,008	13	16	17	629	719	19	10	14
NBFC - Lending	1,997	2,377	18	15	19	1,625	1,946	18	15	20	1,010	1,206	6	22	19
NBFC - Non Lending	319	371	38	14	17	177	212	49	16	20	145	171	31	17	19
Healthcare	3,883	4,323	12	10	11	936	1,055	19	10	13	582	669	21	11	15
Infrastructure	191	231	-9	11	21	57	72	-2	15	27	23	31	3	29	34
Logistics	748	863	11	16	15	291	338	14	19	16	178	211	19	23	19
Media	192	206	-5	7	7	41	45	-13	12	9	27	29	-3	13	11
Metals	12,714	14,087	3	7	11	2,517	2,935	13	15	17	1,238	1,545	16	19	25
Oil & Gas	33,274	33,505	2	-8	1	4,162	4,331	-17	9	4	1,803	1,860	-32	9	3
Excl. OMCs	18,695	19,359	5	-6	4	3,248	3,498	-4	7	8	1,387	1,520	-15	4	10
Real Estate	754	891	22	26	18	232	263	21	42	13	195	221	43	41	13
Retail	2,727	3,183	19	17	17	296	348	15	19	18	132	164	9	31	24
Staffing	460	522	11	9	13	14	16	15	16	19	10	12	48	27	18
Technology	8,370	8,916	6	6	7	1,901	2,074	6	8	9	1,320	1,441	9	8	9
Telecom	3,166	3,514	12	14	11	1,630	1,819	20	16	12	67	213	Loss	LP	219
Utilities	3,753	4,184	7	14	11	1,363	1,527	8	17	12	515	587	8	18	14
Others	3,352	3,979	14	18	19	604	728	20	25	20	256	352	7	47	38
MOFSL Universe	1,19,596	1,30,232	6	4	9	26,325	29,855	6	11	13	14,111	16,544	4	12	17

Source: MOFSL

SECTOR-WISE: Highlights / Surprise / Guidance

AUTOS: Demand lags expectations in most sectors except for tractors

- **Two wheelers underperformed expectations in 1Q:** The auto segment (excluding tractors) recorded a 6% YoY decline in domestic volumes in 1Q, as urban regions continued to witness weak demand. The underperformance was largely driven by 2Ws, which saw an 8% YoY decline in volumes in 1Q. Further, both PVs and CVs posted a 1% YoY decline in volumes in 1Q. Three wheelers posted flat volumes YoY in 1Q. Only the tractors segment saw a healthy 9% YoY growth in volumes. Within 2Ws, motorcycles declined 9%, and scooters recorded a 5% YoY decline. In fact, within motorcycles, except for the >250cc segment, all other segments recorded a decline in volumes. Within PVs, car volumes declined 11% YoY, while UV volume growth slowed to 4% YoY in 1Q. UV's contribution in PVs has increased to 66% in 1Q. Further, within CVs, the MHCV goods segment declined 4.5% YoY, while the LCV goods segment declined 1% YoY. Only the bus segment recorded an 8% YoY growth.
- **Operational performance for the coverage universe has largely been in line:** For our coverage universe, total revenue grew 4% YoY and was in line with our estimates. Auto OEMs posted a 3% YoY growth in revenues, while the auto ancillary universe posted a 6% YoY growth. However, excluding Tata Motors (which posted a 3.4% decline YoY), the OEM universe posted a stronger 9% revenue growth, driven largely by an improved mix and price hikes taken to offset cost pressures. While most OEMs posted in-line revenue growth, MSIL outperformed our estimates, supported by improved ASP. On the operational front, Hyundai and MSIL posted better-than-expected margins in 1Q. Aggregate earnings growth for our OEM coverage universe (excluding TTMT) stood at 10% and was ahead of our estimates, led primarily by higher other income, which was largely attributed to MTM gains. Among auto ancillaries, CIE Automotive, Craftsman Auto, and Exide posted better-than-expected operational performance.
- **Coverage companies likely to deliver modest earnings growth in FY26E:** At the start of the fiscal year, the industry body projected PVs to grow in low single digits (2-4%), CVs to grow in mid single digits, and 2Ws to grow in high single digits. Moreover, according to tractor OEMs, the industry is likely to post high single-digit growth in FY26, driven by positive rural sentiment. However, most segments, excluding tractors, are currently lagging growth expectations. After the first four months of FY26, the domestic 2W industry witnessed a 4% YoY decline, with PVs declining 1% YoY and CVs remaining flat YoY. Only the tractors segment continued to grow in line with expectations. Further, most OEMs have cautioned that a gradual rise in input cost inflation may dent margins in the near term. Export-focused auto ancillary companies are now facing an uncertain demand environment due to tariff-led uncertainties in key regions. Given these factors, FY26 is expected to deliver modest earnings growth for most companies under our coverage.
- **The sector witnessed slight moderation in earnings:** Post 1Q, there have been no material changes in earnings within our coverage universe. In fact, none of the OEMs within our coverage universe has seen any major earnings change post 1Q. Auto ancillary companies that witnessed an earnings cut for FY26 include APTY (10%), BHFC (12%), SAMIL (9%), and MSWIL (7%). On the other hand, auto ancillaries that saw earnings upgrades post 1Q include Bosch (7%) and CIE Automotive (+6.5%).
- **Valuation and view:** As highlighted above, the earnings outlook for the sector appears benign, given the modest volume growth outlook and risk of rising input cost pressure. Further, the recent stock market rally has led to the re-rating of valuation multiples for most companies under our coverage. Given these factors, we prefer to align with companies that are expected to outperform in their respective segments. MSIL and MM are our top OEM picks. Among ancillaries, we prefer ENDU and MOTHERSO.
- **Surprises:** MSIL, Hyundai, BOS, CIE, Craftsman, Exide
- **Misses:** BIL, BHFC, MSWIL, MRF, SAMIL, TTMT

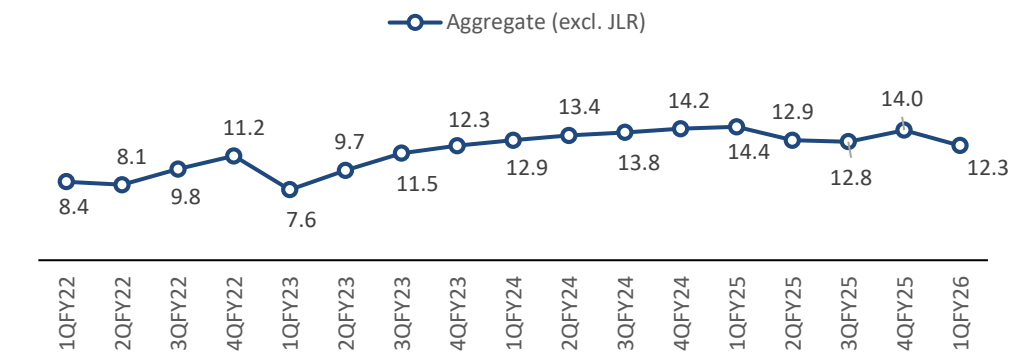
Guidance highlights:

- **MSIL:** In 1Q, domestic PV demand declined 1.4% YoY, but Maruti Suzuki expects a revival in 2Q-3Q, driven by festive demand, rural sentiment, and two upcoming SUV launches (e-Vitara and a new ICE model). Exports grew 37% YoY to INR65b, far outperforming the industry, and are expected to strengthen further with the global rollout of e-Vitara to ~100 regions. Dealer inventory remained normal at 33 days with stable discounts, though the availability of rare earth magnets remains a supply challenge.
- **MM: Auto** – Revenue market share rose 570bp YoY to 27.3%, with LCV (<3.5T) share up 340bp to 54.2%. The company maintains its FY26 UV growth guidance of mid-to-high teens, supported by strong demand across models. It has sufficient rare earth inventory for two quarters and is exploring substitutes to reduce supply risk. **Tractors** – M&M's tractor market share improved 50bp YoY to 45.2% in 1Q, with management focusing on reasonable growth without diluting margins.
- **Hyundai (HMI):** HMI has maintained its FY26 export growth guidance at 6-7%, even as domestic PV demand remains weak. Management expects a recovery, supported by a 100bp interest rate cut, festive demand, and healthy monsoons. SUVs accounted for 69% of sales (68.8% rural penetration), and the higher CNG/EV mix has enabled the company to exceed its 1Q CAFÉ target (112.856 vs 117.286). Localization rose to 82% (from 78% in 2024), with a continued focus on EV-related components.
- **TTMT: JLR** – Global luxury demand remains weak due to tariff uncertainty. However, management expects stabilization once tariffs are finalized. Regionally, demand remains strong in the US, stable in the UK, weak in China, and uncertain in Europe. FY26 EBIT margin guidance is maintained at 5-7%, with near-zero FCF. **CV** - Management expects the CV industry to grow in single digits in 2Q on a low base, with demand improving in 2H on account of normal monsoons and festive season build-up, maintaining its FY26 volume growth guidance at 5%. **PV** – PV sales are expected to witness low single-digit growth in FY26, contingent on a recovery in the second half, driven by the festive season, after flat retail sales in the first four months and a 3% decline over the last two months. ICE margins face near-term pressure but are expected to recover in the medium term, with a long-term goal of achieving a double-digit EBITDA margin in the PV business.
- **BJAUT: Domestic 2W** - Management sees potential for 5-6% industry growth in the coming months and plans to use currency benefits from INR depreciation to regain domestic market share, though EV production remains constrained by rare earth shortages. **2W Exports** – While growth guidance has not been specifically quantified, export momentum could benefit indirectly from improved currency trends. **Input costs:** Net material costs are expected to remain largely flat QoQ in 2Q, with some currency benefits from INR depreciation.
- **HMCL:** Management expects to outperform the 6-7% industry growth in FY26, driven by multiple launches, including two 125cc bikes, Xoom 160, Xtreme 125R refresh, and new Harley models. It targets 40% export growth and a 10% medium-term revenue share, and has secured rare earth supplies for 2Q.
- **TVSL:** Domestic retail sales grew ~9% YoY in 1QFY26 (rural +10%), with 2W ICE rising ~8% YoY. Management expects this momentum to continue in FY26, supported by strong rural demand drivers. Exports saw a recovery in Africa; steady growth in LATAM, Nepal, and Sri Lanka; gradual improvement in Bangladesh; and stable performance in the Middle East, with adequate rare earth magnet supplies secured for the short term.
- **EIM:** Royal Enfield volumes rose 14.7% YoY in 1Q, led by 41% export and 11.8% domestic growth, with rural share of 50%. Meanwhile, VECV's EBITDA margin expanded 140bp YoY to 9%, driven by a better mix and lower discounts.
- **SAMIL:** EBITDA margin contracted to 8.1% (vs 9.6% YoY) due to weakness in Europe, FX volatility, and greenfield start-up costs. However, management expects recovery from 2H, as cost cuts and ramp-ups take effect. Three plants commenced in 1Q, with 11 more under development. Consumer electronics capacity is expected to reach 16-17m units p.a. by FY26-end. Capex guidance stands at INR60b, and the impact of US tariffs is expected to be minimal.
- **BIL:** Europe volumes declined 20% YoY due to weak farm sentiment. Input costs remained stable QoQ, while the Euro-INR rate stood at 93.6. Management has maintained its FY26 margin guidance at 24-25% without specifying any volume guidance due to demand uncertainty. It plans to enter niche premium PCR/TBR segments with SOP targeted for Jun'26.

Exhibit 49: Key operating indicators - OEMs

	Volumes ('000 units)					EBITDA Margins (%)					Adj PAT (INR M)					
	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	1Q FY26	1Q FY25	YoY (bp)	4Q FY25	QoQ (bp)	1Q FY26	1Q FY25	YoY (%)	4Q FY25	FY25	QoQ (%)
Bajaj Auto	1,111	1,102	1	1,103	1	19.7	20.2	-50	20.2	-50	20,960	19,884	5	20,492	2	
Hero MotoCorp	1,367	1,535	-11	1,381	-1	14.4	14.4	0	14.2	20	11,257	11,226	0	10,809	4	
TVS Motor	1,277	1,087	17	1,216	5	12.5	11.5	110	14.0	-140	7,786	5,773	35	8,521	-9	
Maruti Suzuki	528	522	1	605	-13	10.4	12.7	-230	10.5	-10	37,117	36,499	2	37,111	0	
Hyundai	180	192	-6	192	-6	13.3	13.5	-20	14.1	-80	13,692	14,897	-8	16,143	-15	
M&M	361	315	14	319	13	14.3	14.9	-50	14.9	-60	34,498	26,126	32	24,371	42	
Ashok Leyland	44	44	1	59	-25	11.1	10.6	50	15.0	-390	5,937	5,256	13	12,562	-53	
Eicher - RE	266	227	17	283	-6	25.1	27.9	-280	24.7	40	13,065	10,880	20	11,251	16	
Aggregate **	5,487	5,405	1.5	5,578	-1.6	11.7	14.4	-260	12.8	-100	186,697	188,703	-1.1	235,050	-20.6	

** PBT instead of PAT; JLR in GBP m; Source: MOFSL, Company

Exhibit 50: Aggregate EBITDA margin for OEM (excluding TTMT) contracted YoY due to higher costs and weak demand


CAPITAL GOODS AND DEFENSE: Broadly in-line performance, barring a few misses

- **Ordering to accelerate on strong prospects:** Order inflow growth for the capital goods sector was better than our expectations. It was particularly buoyed by the continued momentum in power T&D and renewable space. Overall, EPC companies' inflows jumped 28% YoY, with LT and KPIL witnessing strong double-digit YoY growth on the back of domestic and global wins. However, KEC experienced a temporary slowdown due to timing and bidding discipline. For product companies such as TMX and TRIV, geopolitical headwinds tempered international order activity. The private capex-driven ordering has been weak for ABB, SIEM, and TMX. Base ordering was muted, but prospects remain strong for the remaining quarters. The Indian defense pipeline will remain strong in the near term on account of emergency procurement, as well as for the medium-to-long term, led by both base and large orders. Overall, the pipeline from cement, steel, petrochemicals, waste-to-energy, sugar, etc., is yet to fructify into firm orders, while select sectors such as power T&D, renewable energy, data centers, real estate, defense, etc., continue to witness healthy traction.
- **Execution growth in line:** Overall execution of our coverage universe was broadly in line with our estimates and increased 15% YoY (vs. our estimates of 14%). This was aided by healthy opening order books, with EPC companies posting 16% growth and product companies recording 12% YoY growth. Renewable companies' revenue rose 16% YoY, and defense companies' revenue grew 7% YoY. ZEN reported weak revenue growth, while TMX's revenue growth was muted. However, the rest of the companies within our coverage universe reported healthy YoY growth.
- **Margin flat YoY on benign commodity prices:** Overall margins were broadly in line with our estimates at ~12% (vs 11.8% in 1QFY25). Change in revenue mix led to a small contraction in margins for EPC (9.6% in 1QFY26 vs 9.8% in 1QFY25) and product companies (14.2% in 1QFY26 vs 15.0% in 1QFY25), while renewables benefited from execution of high-margin transmission orders, with margin expanding 600bp YoY to 15.2%. 1QFY26 is a seasonally weak quarter for defense companies, though margins improved ~400bp YoY, led by strong execution

as well as higher indigenization. Notable examples include ENRIN, POWERIND, KKC, KOEL (adj. margins), TMX, LT, KECI, and BHE, which reported healthy margin expansion in 1QFY26, while LT and KPIL were broadly flat. In contrast, TRIV, SIEM, ABB, and ZEN reported a YoY contraction in margins.

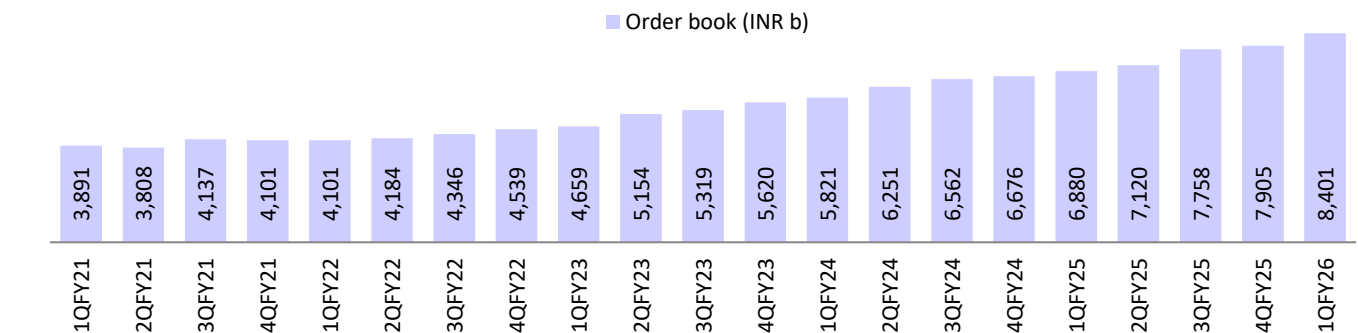
- **Exports continue to improve:** LT reported a good uptick in international ordering, while KOEL and KKC continued to witness improvement in export revenue. Export order inflows, however, declined for TRIV. Given the global uncertainty around tariffs, macroeconomic conditions, and geopolitical factors, the export trajectory needs to be monitored closely.
- **Top picks:** With the recent correction in stock prices, we remain positive on LT, BHE, and KKC.
- **Surprises:** BHE, LT, KEC, KKC, KPIL, TMX, KOEL, and HAL.
- **Misses:** TRIV, SIEM, ABB, and ZEN.

Guidance highlights:

Most of the management teams were confident about a strong prospect pipeline on the expected recovery of government and private capex across sectors.

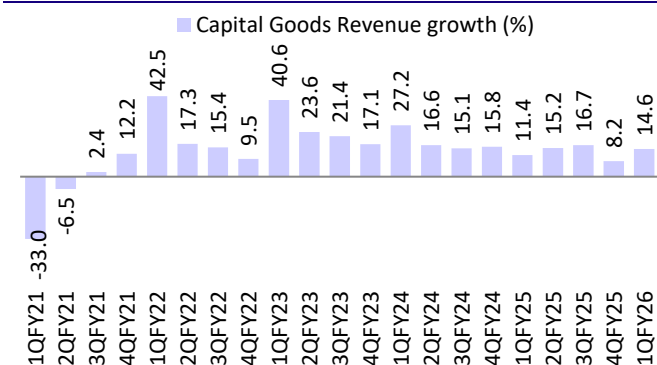
- **LT:** FY26 order inflow growth guidance of 10% YoY, with a prospect pipeline of INR15t for the remaining nine months (+65% YoY), revenue growth of 15% YoY, and margin guidance of 8.3%-8.5%.
- **BHE:** FY26 revenue growth of 15%, margin guidance of 27%, and order inflow guidance of INR270b.
- **KKC:** Management maintained double-digit revenue growth guidance for FY26.
- **KOEL:** Maintained its aim of “2B2B” – to achieve a USD2b size by FY30; margins to improve.
- **KECI:** FY26 order inflow of INR300b, revenue of INR250b (+15% YoY), and EBITDA margin of 8.0%-8.5%
- **KPIL:** FY26 revenue growth of 20%-25%, PBT margin to be 5.0-5.5%. NWC to be below 100 days.
- **TRIV:** In FY26, both order inflows and revenue are expected to grow vs. FY25. Growth to be back-ended, with 1H being flattish YoY, and 2H (especially 4Q) showing strong growth over last year.
- **Zen Tech:** Medium-term revenue CAGR guidance of 50% along with achieving a cumulative revenue of INR60b over FY26-28. Margin guidance at 35% at the EBITDA level and 25% at the PAT level.

Exhibit 51: Aggregate order book (ex-Siemens) experiencing a steady build-up (INR b)



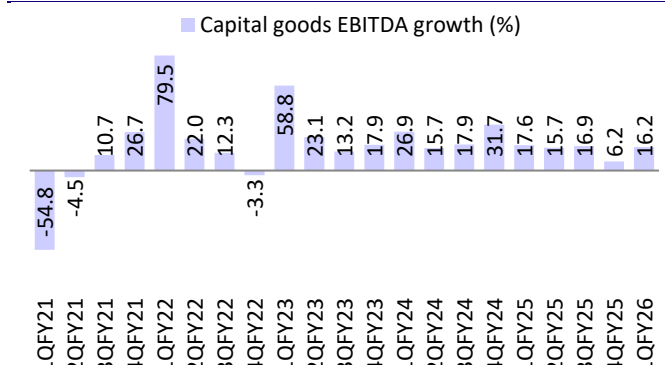
Source: Company, MOFSL

Exhibit 52: Aggregate revenue growth (%)



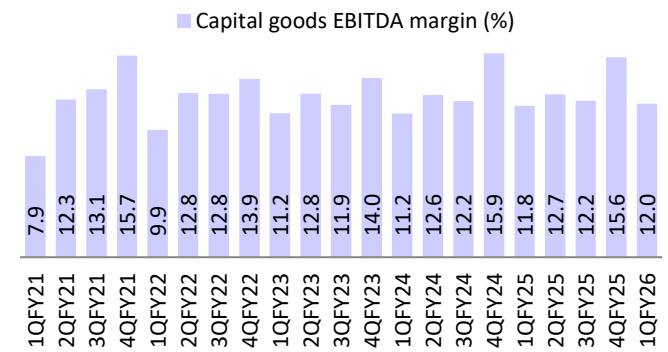
Source: Company, MOFSL

Exhibit 53: Aggregate EBITDA growth (%)



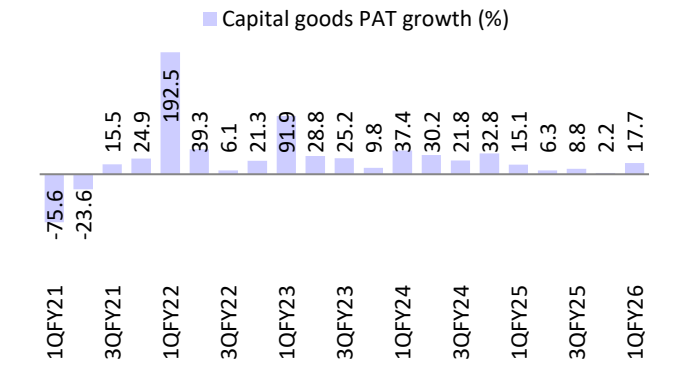
Source: Company, MOFSL

Exhibit 54: Aggregate EBITDA margin (%)



Source: Company, MOFSL

Exhibit 55: Aggregate PAT growth (%)



Source: Company, MOFSL

CEMENT: Volume growth in line; EBITDA/t at INR1,130 (vs. our estimate of INR1,100)

- Sales volume rises ~8% YoY and blended realizations surge ~4%/3% YoY/QoQ:** Industry volume grew ~4-5% YoY in 1QFY26, mainly driven by increased government capex towards road and highway constructions. The aggregate volume for our cement coverage universe grew ~8% YoY (in line), aided by inorganic growth. Blended realization increased ~4% YoY (up 3% QoQ) to INR5,570/t, which was ~1% above our estimates. Players having higher exposures in the south and east regions have reported higher sequential improvement in realizations, while players from the north and central regions have witnessed muted realizations QoQ. ACEM reported the highest volume growth of ~20% YoY (aided by inorganic growth), followed by JKCE at ~16%, ACC at ~12%, ICEM at ~11%, UTCCEM at ~10% (aided by inorganic growth), and BCORP at ~9%. DALBHARA volume (adjusted for the JPA volume of 0.4mt in the base) remained flat YoY in 1QFY26. Conversely, SRCM/TRCL posted a volume decline of 7%/6% YoY. The aggregate revenue (ex-GRASIM) increased ~12% YoY to INR508.0b. GRASIM's standalone revenue rose ~34% YoY to INR92.2b in 1QFY26, supported by steady revenue gains in its new growth businesses (Birla Opus and Birla Pivot combined revenue stood at INR24.6b, up ~13% QoQ). GRASIM's VSF/chemical segment's revenue increased ~7%/16% YoY in 1QFY26.
- Gross margin for our cement coverage improves 3pp YoY (up 1pp QoQ) to ~61%,** driven by improvement in realizations and lower variable cost (average variable cost/t declined ~4% YoY to INR2,161; ~3% below estimate). Total opex/t declined 2% YoY to INR4,439 (in line). **Aggregate EBITDA for our coverage companies increased 43% YoY (including GRASIM, which registered an EBITDA growth of ~18% YoY), and OPM surged 4.5pp YoY (up 65bp QoQ) to ~20% (in line with our estimate).** EBITDA increased by ~53%/46% for ACEM/UTCCEM YoY, followed by ~41%/40% for JKCE/JKLC. EBITDA of SRCM/DALBHARA/BCORP increased in the range of ~32%-34% YoY. TRCL/ACC posted an EBITDA growth of 24%/14% YoY. ICEM reported EBITDA of INR819m vs. an operating loss of INR310m in 1QFY25. **Average EBITDA/t increased 34% YoY at INR1,130 (vs. estimated INR1,100).**
- Aggregate PAT increases 58% YoY (ex-Grasim, PAT was up ~59%):** Aggregate interest/depreciation expenses for our coverage universe grew 9%/20% YoY, while other income increased 7% YoY. **Aggregate profit increased 59% YoY to INR46.5b for cement companies (profit up 58% YoY to INR45.3b, including GRASIM, as it posted a loss of INR1.2b vs. a loss of INR521m in 1QFY25).** PAT surged 3.7x/2.4x YoY for BCORP/TRACL, followed by ~95%/86% for SRCM/JKLC, ~75%/66% for JKCE/DALBHARA, ~44% for UTCCEM, ~15% for ACEM, and ~5% for ACC. ICEM and GRASIM reported net losses during the quarter.
- Aggregate earnings maintained, with a few upgrades and a few downgrades:** We maintained our aggregate EBITDA/PAT estimates for our coverage universe for FY26/FY27. We upgraded our EBITDA for FY26 in DALBHARA by 6% while we maintained the same for FY27. We raised our EBITDA estimates for FY26/FY27 by 5%/4% for Grasim. We downgraded our rating on ACC to Neutral and cut our EBITDA estimates by 7%/2% for FY26/FY27. We cut our EBITDA estimates by 6%/4% for TRCL for FY26/FY27 and by ~5% for BCORP for FY26 (FY27E retained). We maintained our EBITDA estimates for UTCCEM, ACEM, JKCE, JKLC, ICEM, and SRCM.

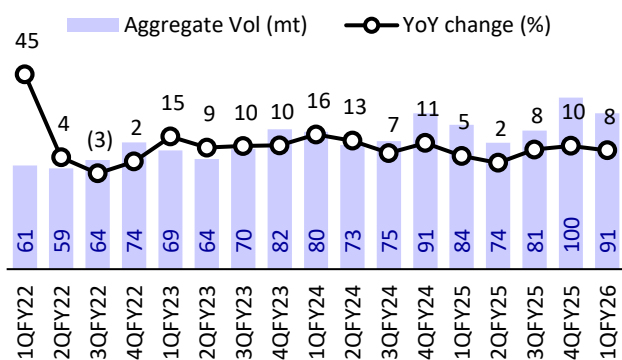
- **Top picks:** UTCEM remained our preferred pick in the large-cap space, and JKCE in the mid-cap space.
- **Surprises:** ACEM, ICEM, DALBHARA, and GRASIM
- **Misses:** ACC, BCORP, and TRCL

Guidance highlights:

Most of the management teams guided a demand growth of ~6–7% YoY in FY26, supported by government-led infra projects (roads, highways, ports, metro, PMAY), a pickup in rural markets, and urban housing demand. Cement prices remain resilient, despite the seasonality impact. The companies continue to focus on balancing volume growth and profitability. Fuel prices have been range-bound over the past few months and are likely to remain at these levels, aiding profitability.

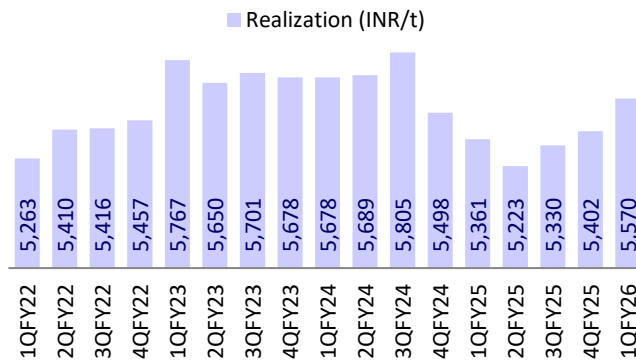
- **UTCEM:** Management guided a double-digit volume growth in FY26. Further, the integration of acquired assets (ICEM and Kesoram) is progressing well, with more focus on efficiency and productivity improvement. Fuel cost was up QoQ in 1QFY26 due to an increase in blended fuel consumption costs. However, it expects fuel costs to decline and remain range-bound going forward. It may announce the next phase of organic capacity expansion during Dec'25-Mar'26.
- **ACEM:** It indicated a strong demand and pricing outlook, with cement demand estimated to grow ~7-8% YoY in FY26 (vs. ~6-7% earlier). The cement price improved in 1QFY26, and it will continue to follow a good pricing discipline. It is committed to achieving a total cost reduction of INR530/ton, with ~35-40% of the target already realized. The capacity expansion remains on track, with grinding capacity standing at 104.5mtpa currently, and another ~13mtpa will be commissioned in the remaining 9MFY26.
- **DALBHARA:** It indicated cement demand growth of ~6-7% YoY in FY26, despite a soft start to 1Q. Cement prices in its core markets have seen a healthy recovery and held steady despite the monsoon season. It also laid out its (clinker-backed) capacity expansion plan of 14.0-14.5mtpa across the South and Northeast markets to increase its grinding capacity to ~64mtpa by FY28 from 49.5mtpa currently.
- **JKCE:** It highlighted that the Central and South regions propelled strong volume growth, while the North was weak. The average cement price was flat QoQ, as strong pricing in the South was offset by pressure in Central and North. JKCE maintained its FY26 grey cement volume guidance of 20mt and aims to achieve cost savings of INR40–50/t. Capacity expansion at Panna and Bihar is progressing on schedule and is likely to be commissioned by Dec'25.
- **JKLC:** It guided its volume growth to be higher than the industry in FY26, aided by supplies in the new markets of Uttar Pradesh and eastern Madhya Pradesh. For Durg expansion, it is likely to start placing orders for equipment from 2Q and expects Phase I commissioning by Mar'27 (almost a six-month delay from the initial expectation of Sep'26). The capex for the Durg expansion was also raised to INR30b (from INR25b) due to added equipment, including a railway siding at the split GU and a cost escalation.
- **BCORP:** Management indicated that profitability was hit by the extended shutdown at the Maihar and Mukutban plants, forcing BCORP to make clinker purchases from the market. Another factor was subdued pricing in the central region. It is focusing on improving value share through premiumization and stronger brand positioning rather than chasing volume share.
- **GRASIM:** It indicated that the paints business posted double-digit QoQ growth even as the broader organized decorative paint industry remained sluggish. Notably, 65% of Birla Opus revenue is now derived from premium and luxury paint products. The brand has expanded distribution to 8,000+ towns in a year. The B2B platform hosts over 40,000 SKUs across 35 categories, sourced from more than 300 vendors. The chemical business saw margin improvements and stable demand, while VSF maintained healthy volumes, benefiting from operational stability.

Exhibit 56: Our coverage sales volume was up ~8% YoY



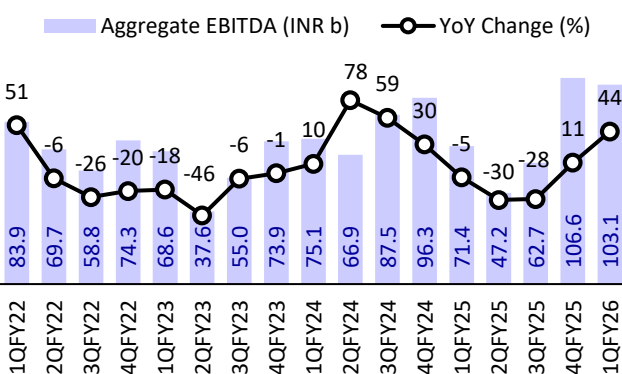
Source: Company, MOFSL

Exhibit 57: Blended realization increased 4% YoY in 1QFY26



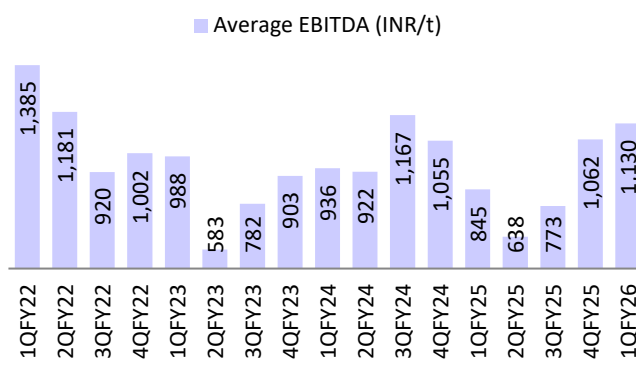
Source: Company, MOFSL

Exhibit 58: Aggregate EBITDA increased 44% YoY in 1QFY26



Source: Company, MOFSL; Note: *EBITDA excluding Grasim

Exhibit 59: Average EBITDA/t was up 34% YoY in 1QFY26



Source: Company, MOFSL

CHEMICALS: Double-digit EBITDA growth continues with margin expansions

- **Overall performance:** Revenue came in below our estimates (GALSURF beat our expectations). EBITDA was also broadly in line with estimates (FINEORG, TTCH, and VO beat our estimates, while NOCIL, DN, and BLUEJET fell short). Adj. PAT was in line with our expectations (FINEORG, GALSURF, TTCH, and VO beat our estimates, while AACL, ATPL, CLEAN, DN, NOCIL, and BLUEJET were below our estimates; NFIL, PI, and SRF were in line). Aggregate revenue rose 5% YoY to INR173b, EBITDA rose 10% YoY at INR33.5b, and adj. PAT grew 17% YoY to INR19.4b.
- Aggregate gross margin for our coverage universe expanded 40bp YoY in 1QFY26, led by 710bp/57bp gross margin expansion in VO/PI, while GALSURF's and BLUEJET's gross margins contracted 740bp and 620bp, respectively. Aggregate EBITDA margin expanded 100bp YoY, led by margin expansion in BLUEJET, NFIL, SRF, TTCH, and VO.
- **Ratings and earnings revisions:** There have been no changes in ratings across our coverage universe following the 4QFY25 earnings season. We have revised down our FY26 and FY27 estimates for CLEAN, NOCIL, and BLUEJET. For DN, we have cut our FY26 estimates while largely maintaining FY27 projections. We have upgraded earnings estimates for FINE, while keeping estimates for the remaining companies under coverage unchanged.
- **Top picks: SRF:** We expect the chemicals business (fluorochemicals and specialty chemicals) 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 value the stock on an SoTP basis to arrive at our TP of INR3,650. **VO:** VO has commissioned key plants for MEHQ, Guaiacol, and other products. The company is now the largest antioxidants manufacturer in India, and the long-term outlook for the segment remains positive on the back of a novel antioxidant for lubricant additives, further strengthening the portfolio. The stock trades at ~27x FY27E EPS with a TP of INR2,180

(35x FY27E EPS), reflecting a healthy long-term growth outlook despite Chinese supply risks. **BLUEJET:** We anticipate pharma intermediates and APIs to continue their robust growth momentum in FY26, supported by strong customer demand visibility and additional product launches. Further, contrast media molecules are likely to see growth driven by a ramp-up in client offtake, while high-intensity sweeteners are expected to sustain the steady volume performance. We value the stock at 35x FY27E EPS to arrive at our TP of INR1,100.

Guidance highlights:

- **AACL:** The company reported muted operating performance and remains focused on strengthening its global presence by developing efficient, cost-effective processes for high-grade and extra-pure specialty products, enhancing the efficiency of existing processes.
- **ATLP:** The company is undertaking various projects and initiatives aimed at improving plant efficiencies, expanding its capacities for key products, debottlenecking its existing capacities, capturing a higher market share, and expanding its international presence.
- **BLUEJET:** The company is expanding into amino acid derivatives and late-stage intermediates, adding 1,000 KL capacity over 2-3 years to support products like Bempedoic Acid API. Pharma intermediates and APIs remain strong. Contrast media molecules are set to grow with higher client offtake, while high-intensity sweeteners are likely to sustain steady volumes.
- **CLEAN:** Management has revised its EBITDA growth guidance to 15-18% (from 18-20%) due to softness in 1QFY26 and global headwinds, but expects a stronger ramp-up from 3QFY26 onwards. The company expects revenue acceleration from 2HFY26, driven by new product launches, improved capacity utilization, operating leverage, and market expansion.
- **DN:** Management expects merchant revenue of ~INR5.5b for the MIBK product (Methyl Isobutyl ketone). Planned capex for FY26 stands at INR8b-10b. Peak debt is projected at INR70b-75b. For the polycarbonate project, management anticipates a payback period of 5-5.5 years with an IRR of 16-18%.
- **GALSURF:** The company plans to maintain regular maintenance and debottlenecking capex of INR1.2-1.5b, with no major new investments amid current market uncertainties. For FY26, management aims to sustain last year's 4% growth rate, with a potential uptick to 6%, though achieving the typical 6-8% range would require a meaningful demand recovery in India.
- **NFIL:** The company has observed strong performance in both the HPP and CDMO segments, with superior asset turnover and EBITDA generation compared to the specialty chemicals segment. This trend is expected to continue going forward. Overall, the FY26 outlook remains positive, with strong order visibility and volume-led growth.
- **NOCIL:** The company is focused on expanding its capacity, with the new facility expected to come online in 2HFY27, alongside the commercialization of new products by year-end. The company is also working on diversifying its geographical presence beyond the US into regions such as Europe, Asia, and Latin America to mitigate uncertainties related to US tariffs.
- **PI:** PI Industries anticipates a recovery in 2H, led by resumed export momentum, domestic demand, and normalization in biologicals. It maintains single-digit FY26 revenue growth guidance with sustained margins, reaffirming the earlier 50-52% range despite high gross margins in 1Q, which were largely driven by a favorable product mix.
- **TTCH:** While soda ash markets remain oversupplied—with high inventories and tariff-related trade uncertainties keeping near-term demand flat and prices weak—the company's long-term prospects are supported by solar PV and EV-led sustainability demand. The company has guided for an annual maintenance capex of INR10b for FY26.
- **SRF:** SRF's specialty chemicals segment saw strong revenue and margin growth, driven by rising agrochemical intermediate demand, strategic pricing, and export strength. The fluorochemicals business delivered robust 1QFY26 performance, aided by higher refrigerant gas prices and increased exports, offsetting domestic market

weakness. Management retains its target of 20% revenue growth for the chemicals business while aiming for a RoCE of over 25% in FY26.

- **VO:** VO delivered a strong 1QFY26, with EBITDA rising 33%. For FY26, VO is targeting revenue growth across ATBS, BP, and AO segments, supported by favorable demand trends and capacity additions. The company has guided for 20% CAGR in revenue over the next three years while targeting EBITDA margins to reach 26-27% in FY26.

Exhibit 60: Revenue for our coverage universe

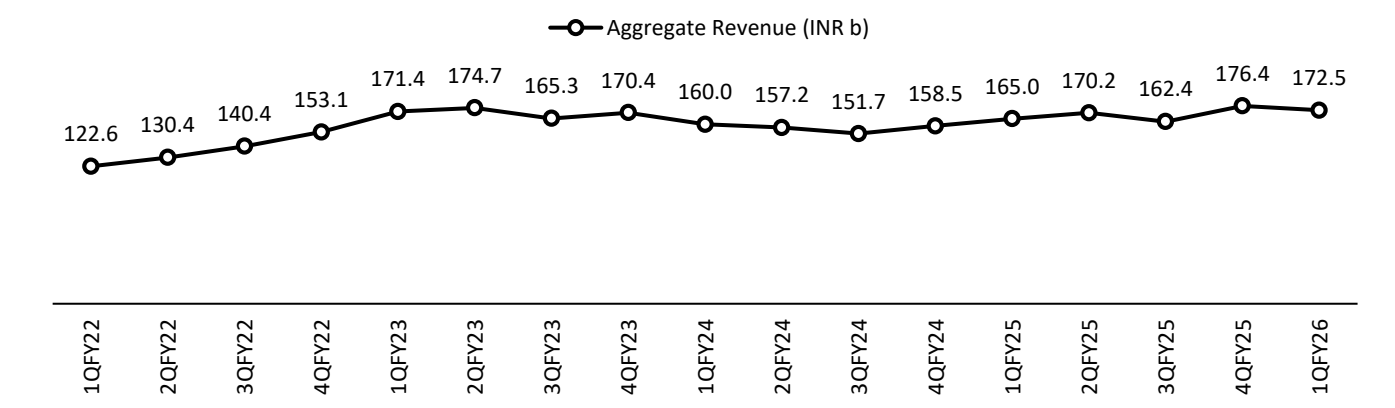


Exhibit 61: Gross margin for our coverage universe

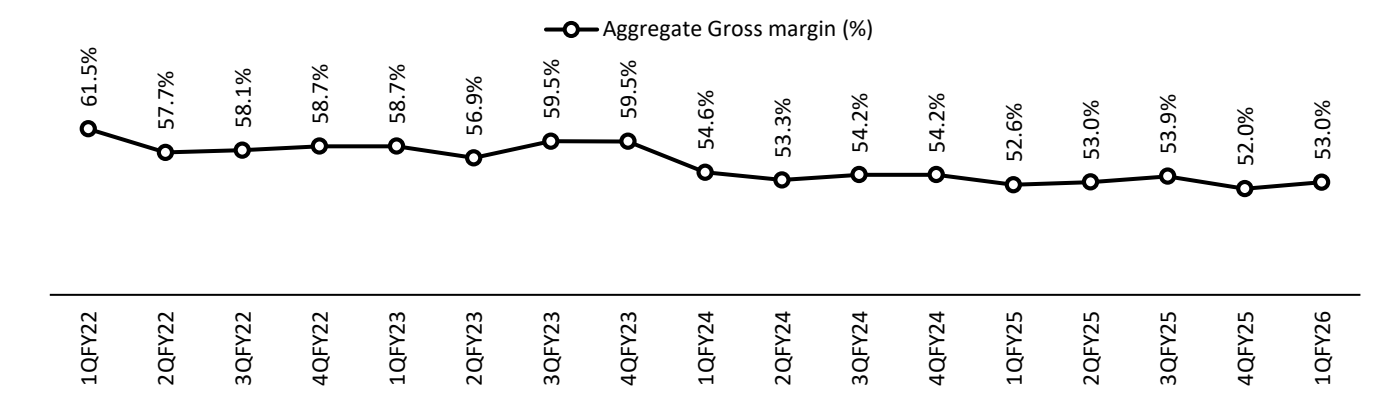


Exhibit 62: EBITDAM for our coverage universe

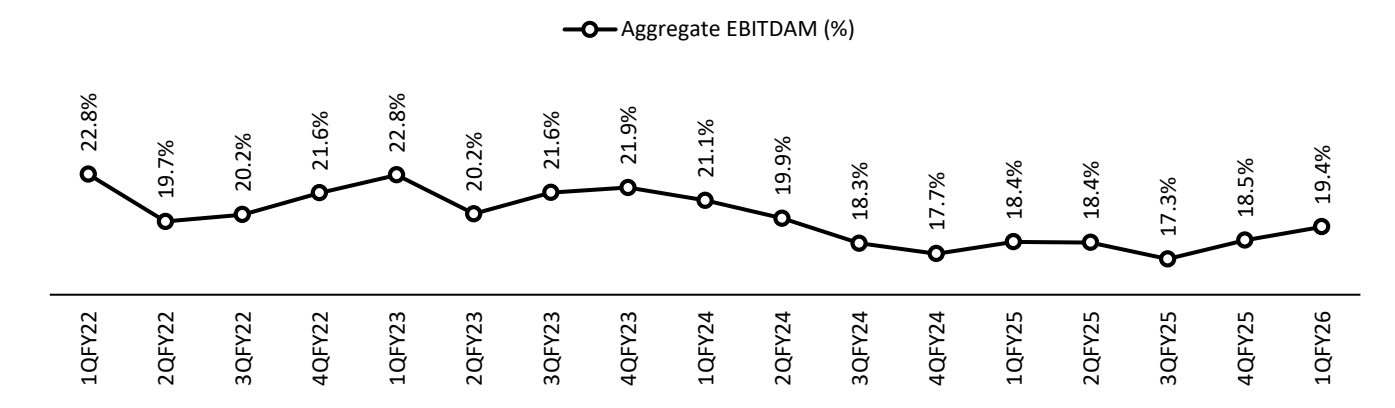


Exhibit 63: EBIT margin for our coverage universe

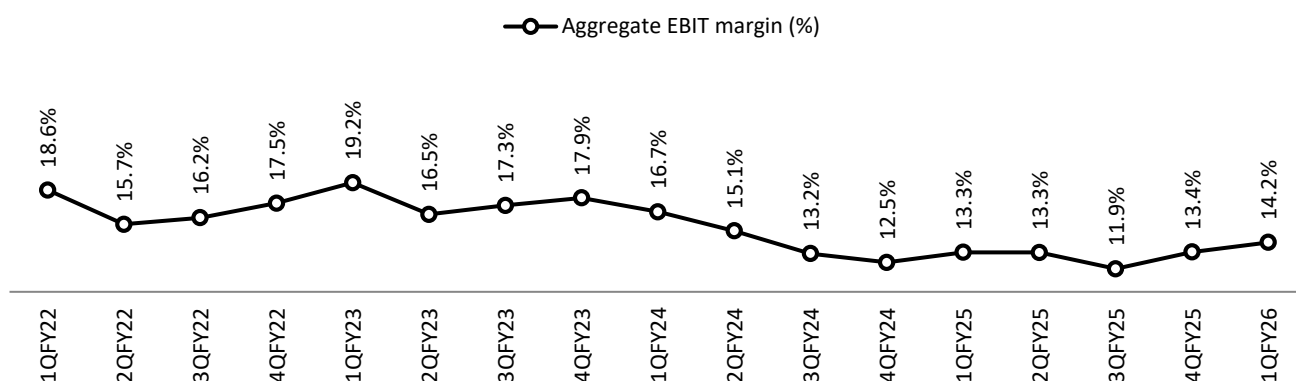
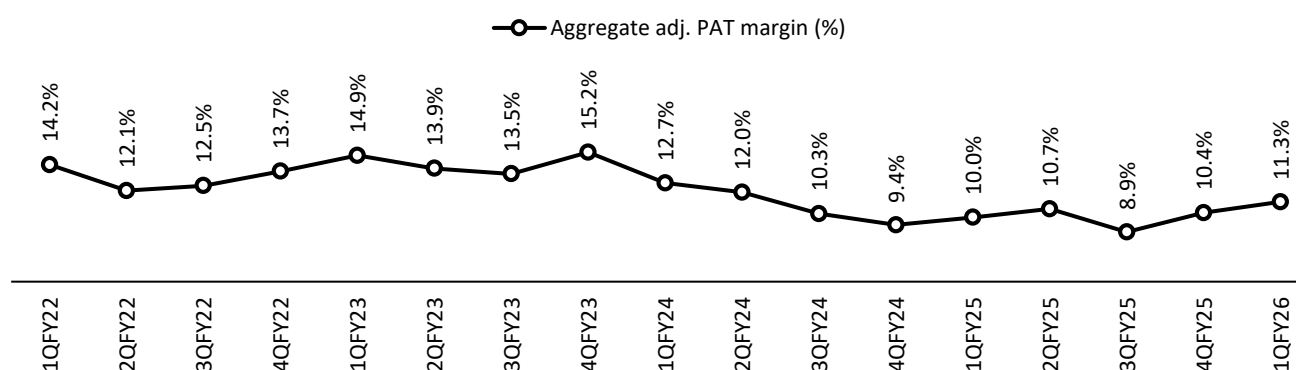


Exhibit 64: PAT margin for our coverage universe



CONSUMER - FMCG: In-line show; gradual recovery underway

- **Demand trend remains steady:** Our coverage universe reported 8.3% YoY revenue growth (vs. est. 5.8%). Excluding ITC, our consumer sector grew at 6.2% YoY (est. 6%). FMCG demand remained stable, showing a gradual sequential improvement backed by favorable macros. The rural market continued to perform well, with urban demand also picking up. This trend is also reflected in Nielsen's data, with rural growth at 8.4% vs. urban at 4.3%. Paint companies were affected by early monsoons, though early signs of recovery are visible. Liquor companies saw continued growth momentum, backed by favorable state excise policies in key markets like Uttar Pradesh and Andhra Pradesh, along with a strong presence across price segments. Innerwear demand remained steady, and players are focused on maintaining healthy margins at current levels. Emerging channels continued to drive growth and improve the sales mix for consumer companies. Overall, in our coverage, five companies posted double-digit revenue growth, while CLGT and INDIGOPN recorded a decline in revenue. In total, 17 out of 21 companies reported revenue in line with estimates.
- **Gross margin pressure flows into EBITDA:** Gross margin continued to contract for most companies in 1QFY26 due to high-cost inventories. In 1Q, margin softness was broad-based across categories but more pronounced in the beauty & personal care segment. Through operational cost optimization (particularly ad spends), companies were able to somewhat manage margin pressure at the EBITDA level. With RM inflation easing and new inventory coming in, the full benefits are expected to materialize in the coming quarters. Our coverage universe reported 1.2% YoY EBITDA growth in 1QFY26 (vs. est. +1.3%). Excluding ITC, EBITDA grew 1.3% (est. +1.6%) in 1QFY26.
- **PBT and PAT below expectations:** For 14 of 21 coverage companies, PBT was either ahead of or in line with our estimates, with a better-than-expected performance recorded by HMN, PIDI, and RDCK. Conversely, there were notable misses by CLGT, GCPL, NEST, and INDIGOPN. Aggregate PBT grew 1.3% YoY (est. +1.6% YoY). Aggregate PAT grew 2% (est. +2.6% YoY).

■ **Outperformers (1Q): HMN, PIDI, and RDCK**

■ **Underperformers (1Q): CLGT, GCPL, and NEST**

■ **Near-term outlook:** FMCG demand has remained stable on a sequential basis, showing ongoing gradual improvement. Rural-led recovery remains intact, while urban demand is also picking up, albeit at a slower pace. Growth is being driven by smaller towns and channels such as e-commerce and quick commerce. Encouraged by favorable macros, consumer companies are increasing investments to drive portfolio transformation. We anticipate a steady recovery in volume growth, supported by a recovery in both urban and rural markets. Companies continue to focus on traditional growth strategies such as expanding distribution, launching new products, and offering consumer incentives. Realization-driven growth, coupled with an uptick in volumes, is expected to accelerate revenue growth in the coming quarters. **Our top picks are HUVR, MRCO, and PAGE.**

Guidance highlights: Consumption trends remain steady, with rural demand continuing to outperform urban demand. Most companies expect margin expansion from 2HFY26 onwards, supported by cooling RM costs, and consumer companies anticipate no price cuts in the near term. Improving macro trends indicate a gradual recovery in consumption during FY26.

- **APNT:** Competition remains intense, and the company is focusing on innovation, brand saliency, regionalization, and other strategic levers to navigate near-term uncertainties. The company is targeting single-digit growth in both value and volume terms. Management has planned INR7b in capex for FY26, of which INR1b has already been spent in 1Q.
- **BRIT:** The company remains open to take price cuts in select territories to remain competitive, if required. It has guided for a capex of INR1b in FY26, which is lower than the levels seen in the past few years.
- **DABUR:** For FY26, DABUR aims for high single-digit growth, with double-digit growth expected in 2QFY26 due to a low base.
- **HMN:** Revenue growth is expected to remain subdued in 2QFY26 as the high base of the talc portfolio is expected to deliver healthy growth, supporting overall profitability. The company remains focused on building long-term value in global markets through portfolio localization and strategic innovation.
- **HUVR:** 1HFY26 growth is expected to be better than 2HFY25, driven by continued portfolio transformation and improving macroeconomic indicators. EBITDA margin guidance is maintained at 22-23%.
- **GCPL:** In India, management has guided for high single-digit UVG, high single-digit revenue growth in INR terms, and double-digit EBITDA growth for FY26. Margin recovery is expected in 2HFY26 as palm oil benefits flow in. Indonesia's margins are expected to recover from 3Q onwards.
- **MRCO:** While achieving double-digit EBITDA growth in FY26 may be challenging, management remains confident of delivering this in 2HFY26. Moreover, the company is targeting a double-digit CAGR in PAT over the next two years.
- **PIDI:** PIDI remains cautiously optimistic as domestic macroeconomic conditions continue to improve, supported by a favorable monsoon, steady demand—particularly from the construction sector—lower interest rates, and recent policy measures aimed at improving liquidity. EBITDA margin is expected to be in the 20-24% range for FY26. It targets growth at 1-2x GDP in its core categories and 2-4x GDP in its high-growth categories.
- **VBL:** Consumer demand is expected to remain strong, and the company has strengthened its go-to-market strategy by increasing visi cooler placements (up 50% YoY). Management anticipates a better performance in 3QCY25 on the back of a low base and improved weather conditions. EBITDA margin guidance remains at ~21%. VBL remains focused on driving growth by leveraging enhanced capacities and a diversified portfolio and strengthening its distribution network.

Exhibit 65: Quarterly volume growth

Volume growth (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Asian Paints	10.0	6.0	12.0	10.0	7.0	-0.5	1.6	1.8	3.9
Britannia	0.0	0.0	5.5	6.0	8.0	8.0	6.0	3.0	2.0
Colgate	3.0	-1.0	-1.0	1.0	7.0	8.0	4.0	0.0	-3.0
Dabur	3.0	3.0	4.0	3.0	5.2	-7.0	1.2	-5.0	-1.0
Emami	3.0	2.0	-1.0	6.4	8.7	1.7	4.0	5.0	-3.0
Godrej Consumer	10.0	4.0	5.0	9.0	8.0	7.0	0.0	4.0	5.0
HUL	3.0	2.0	2.0	2.0	4.0	3.0	0.0	2.0	4.0
ITC	8.0	5.0	-2.0	2.0	3.0	3.5	6.0	5.0	6.0
Jyothy labs	9.0	9.0	11.0	10.0	10.8	3.0	8.0	5.0	3.6
Marico	3.0	3.0	2.0	3.0	4.0	5.0	6.0	7.0	9.0
Nestle	5.4	5.4	4.0	4.0	2.0	-1.5	2.5	2.0	4.0
Page Industries	-11.5	-8.8	4.6	6.1	2.6	6.7	4.7	8.5	1.9
UBBL	-12.4	7.0	8.0	10.9	5.0	5.0	8.0	5.0	11.0
United spirits	5.8	1.0	-1.8	3.7	3.5	-4.4	10.2	6.9	9.4
-P&A	10.3	3.8	4.6	3.7	5.1	-3.7	11.2	9.2	9.0
Radico Khaitan	7.9	-3.1	3.6	-1.0	-4.1	-2.4	15.5	27.5	37.5
Radico Khaitan (P&A)	27.1	21.9	20.1	14.5	14.2	12.7	18.0	16.4	40.7

Source: Company, MOFSL

Exhibit 66: Revenue/EBITDA/PAT growth for 1QFY26

Company Name	Revenue	1QFY26 YoY %	EBITDA	1QFY26 YoY %	PAT	1QFY26 YoY %
Asian Paints	89,386	-0.3%	16,250	-4.1%	11,171	-5.9%
Britannia	46,222	8.8%	7,571	0.4%	5,201	-1.8%
Colgate	14,341	-4.2%	4,526	-11.0%	3,206	-11.9%
Dabur	34,046	1.7%	6,678	2.0%	5,222	2.7%
Emami	9,041	-0.2%	2,142	-1.1%	1,843	8.3%
Godrej Consumer	36,619	9.9%	6,946	-4.4%	4,669	0.4%
HUL	1,65,140	5.1%	37,180	-0.7%	25,265	-4.5%
Indigo Paints	3,089	-0.7%	443	-6.5%	259	-1.0%
ITC	2,14,948	16.5%	68,165	1.0%	52,442	3.0%
Jyothy	7,512	1.3%	1,242	-7.0%	968	-4.8%
LT Foods	24,639	19.0%	2,654	10.2%	1,685	10.0%
Marico	32,590	23.3%	6,550	4.6%	5,040	8.6%
Nestle	50,962	5.9%	11,183	-0.5%	6,466	-13.4%
P&G Hygiene	9,370	0.6%	2,662	102.7%	1,921	111.4%
Page Industries	13,166	3.1%	2,947	21.1%	2,008	21.5%
Pidilite	37,531	10.5%	9,410	15.8%	6,724	18.6%
Tata consumer	47,789	9.8%	6,069	-9.1%	3,342	10.2%
United Breweries	28,624	15.7%	3,105	9.1%	1,837	6.0%
United Spirits	25,490	8.4%	4,150	-9.4%	2,963	-0.9%
Radico Khaitan	15,060	32.5%	2,322	55.8%	1,403	83.9%
Varun Beverages	70,174	-2.5%	19,988	0.4%	13,170	5.1%

Source: Company, MOFSL

Exhibit 67: Gross and EBITDA margin expansion in 1QFY26

Companies	Gross Margin	YoY (bp)	QoQ (bp)	EBITDA Margin	YoY (bp)	QoQ (bp)
Staples						
Britannia	40.3%	-310	21	16.4%	-135	-179
Colgate	68.9%	-172	-169	31.6%	-241	-249
Dabur	47.0%	-75	36	19.6%	6	453
Emami	69.4%	176	352	23.7%	-20	91
Godrej Consumer	51.9%	-395	-60	19.0%	-283	-213
HUL	50.1%	-187	-126	22.5%	-132	-58
ITC	52.4%	-813	-636	31.7%	-485	-303
Jyothy	48.0%	-326	-116	16.5%	-146	-26
LT Foods	33.7%	72	-207	10.8%	-86	-82
Marico	46.9%	-533	-166	20.1%	-359	332
Nestle	55.2%	-249	-101	21.9%	-140	-372
P&G Hygiene	63.6%	441	340	28.4%	1431	726
Tata consumer	40.1%	-482	-182	12.7%	-263	-77
Varun Beverages	54.5%	-17	-4	28.5%	82	578
Paints						
Asian Paints	42.7%	15	-125	18.2%	-70	100
Indigo Paints	45.9%	-70	-93	14.3%	-89	-821
Pidilite	54.1%	32	-91	25.1%	114	493
Liquor						
United Breweries	42.5%	-50	44	10.8%	-67	283
United Spirits	44.0%	-49	-49	16.3%	-319	-86
Radico Khaitan	43.0%	148	-47	15.4%	230	180

Source: Company, MOFSL

CONSUMER - QSR: Store expansion-led growth continues

- **Demand remains steady:** Consumption trends remained stable, showing no significant improvement or deterioration compared to the last 3-4 quarters. QSR companies expect eating-out frequency to gradually pick up in FY26. This improvement is likely to be supported by lower inflation and government stimulus. The revenue gap between dine-in and delivery has narrowed, driven by increased dine-in footfall traffic. However, weak underlying growth continued to impact operating margins, exerting pressure on restaurant and EBITDA margins for most brands. Enhancements in value-focused menu offerings and dine-in promotions have increased footfalls. While delivery channels remain strong, dine-in is showing a gradual improvement. Our coverage universe posted revenue growth of 11% YoY in 1QFY26 vs. 8% in 4QFY25 and 5% in 1QFY25. Jubilant delivered robust LFL growth of 12%, Westlife and RBA recorded SSSG of 1% and 3%, while Devyani KFC/Devyani PH/Sapphire PH/BBQ registered same-store sales decline of 1%/4%/8%/3% and Sapphire KFC remained flat YoY. **RBA is our top pick in QSR.**
- **Pressure on profitability:** With underlying growth remaining soft, companies witnessed an adverse impact on their unit economics. Both restaurant margin and EBITDA margin (pre-Ind AS) continued to contract YoY and QoQ in 1QFY26. EBITDA margin (pre-Ind AS) expanded YoY for JUBI and RBA; however, for RBA, it contracted on a QoQ basis.
- **Outperformer (1Q):** RBA
- **Underperformer (1Q):** Devyani, BBQ

Guidance highlights:

- **JUBI:** JUBI has avoided broad-based price hikes for the past 2.5 years, bringing only calibrated increases in select cases. That said, management does not expect any pricing action in the near term. The long-term store expansion target is 5,000 outlets, with a focus on innovation, digital asset improvement, faster deliveries in top metros, and strengthening on-ground teams.
- **Devyani:** For KFC, it is targeting an ADS of INR100k on a consistent basis for the full year. Stores for three new brands (TeaLive, New York Fries, and SANOOK KITCHEN) will be launched next quarter. These brands will initially

be launched in test markets and gradually scaled up, so it will take some time for them to become significant contributors to Devyani's sales.

- **Westlife:** Over the next couple of years, the company expects to reach mid- to high-single-digit SSSG levels. It is on track to achieve the target of 580-630 restaurants by 2027.
- **Sapphire:** The company aims to maintain its KFC expansion run rate of 70-80 stores annually while adopting a cautious approach for PH, focusing on smaller-format stores with sizes ranging between 1,000 and 1,200 sq. ft. The company plans to implement a 3-5% price hike in Sri Lanka, which is expected to support margin improvement from 2Q onwards.
- **RBA:** In 2Q, RBA expects a vegetarian-skewed demand due to Hindu festivities such as Shravan, Shradh, and Navratri, which is viewed positively given the higher margins on vegetarian offerings. BK plans to open 60-80 new restaurants annually, targeting 800 restaurants by FY29, up from the current 519 restaurants.
- **BBQ:** The company plans to open 20-25 BBQ India outlets annually, 4-6 new international stores across the Middle East and Southeast Asia in the near term, and 12-15 Premium CDR restaurants in FY26 as part of its calibrated expansion strategy. Management remains optimistic about its long-term growth, underpinned by efficient execution and a focused multi-brand strategy.

Exhibit 68: Quarterly trends

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26E
Revenue Growth (%)									
Barbeque Nation	3%	-3%	1%	6%	-6%	1%	-1%	-2%	-3%
Devyani (Consol)	20%	10%	7%	39%	44%	49%	54%	16%	11%
-KFC	22%	15%	14%	11%	7%	7%	9%	3%	10%
-Pizza Hut	11%	2%	-2%	-4%	-1%	0%	6%	8%	3%
Jubilant (Standalone)	6%	5%	3%	15%	10%	9%	19%	10%	18%
Sapphire	20%	14%	12%	13%	10%	8%	14%	13%	8%
-KFC	21%	19%	16%	16%	11%	9%	12%	12%	11%
-Pizza Hut	12%	-6%	-4%	-3%	3%	3%	10%	5%	-6%
Restaurant Brands (Consol)	25%	19%	15%	16%	6%	1%	6%	6%	8%
Restaurant Brands (Standalone)	25%	23%	20%	20%	16%	9%	11%	12%	13%
Westlife	14%	7%	-2%	1%	0%	1%	9%	7%	7%
SSSG									
Barbeque Nation	-8%	-11%	-5%	1%	-7%	-3%	-2%	-2%	-3%
Devyani - KFC	-1%	-4%	-5%	-7%	-7%	-7%	-4%	-6%	-1%
Devyani - PH	-5%	-10%	-13%	-14%	-9%	-6%	-1%	1%	-4%
Jubilant (LFL)	-1%	-1%	-3%	0%	3%	3%	13%	12%	12%
Sapphire - KFC	0%	0%	-2%	-3%	-6%	-8%	-3%	-1%	0%
Sapphire - PH	-9%	-20%	-19%	-15%	-7%	-3%	5%	1%	-8%
Restaurant Brands	4%	4%	3%	2%	3%	-3%	-1%	5%	3%
Westlife	7%	1%	-9%	-5%	-7%	-7%	3%	1%	1%
Gross profit margin (%)									
Barbeque Nation	64.0%	65.9%	67.9%	68.9%	68.1%	68.1%	68.2%	68.5%	67.7%
Devyani (Consol)	70.8%	70.8%	70.6%	69.2%	69.2%	69.3%	68.7%	68.5%	68.2%
-KFC	69.7%	69.0%	69.4%	69.9%	69.5%	69.0%	68.6%	68.3%	67.1%
-Pizza Hut	74.9%	75.7%	75.8%	77.3%	76.8%	76.7%	76.2%	75.6%	74.7%
Jubilant (Standalone)	76.0%	76.4%	76.7%	76.6%	76.1%	76.1%	75.1%	74.5%	74.1%
Sapphire	68.5%	68.7%	68.9%	68.9%	68.6%	68.8%	68.6%	68.2%	67.4%
-KFC	68.1%	67.9%	68.4%	68.3%	68.2%	68.3%	68.2%	68.0%	67.1%
-Pizza Hut	75.1%	76.1%	75.7%	75.5%	76.1%	76.5%	75.6%	74.8%	74.6%
Restaurant Brands (Consol)	64.0%	64.2%	64.4%	64.2%	64.5%	64.9%	65.6%	65.3%	65.4%
Restaurant Brands (Standalone)	66.5%	66.8%	67.1%	67.7%	67.6%	67.5%	67.8%	67.8%	67.7%
Westlife	70.6%	70.1%	70.3%	70.2%	70.6%	69.7%	70.1%	70.0%	71.6%
EBITDA Pre-Ind AS margins (%)									
Barbeque Nation	4.6%	4.5%	11.0%	6.4%	6.9%	5.4%	10.3%	6.5%	4.6%
Devyani (Consol)	13.2%	11.5%	9.3%	9.2%	11.6%	9.4%	10.1%	8.9%	8.1%
Jubilant	13.4%	13.3%	12.9%	10.9%	11.6%	11.7%	12.4%	11.8%	12.0%
Sapphire	11.8%	10.6%	10.8%	8.6%	9.8%	8.5%	10.7%	7.1%	7.1%
Restaurant Brands (Consol)	-0.3%	1.5%	2.8%	-0.5%	1.3%	0.6%	2.1%	2.3%	1.7%
Restaurant Brands (India)	2.4%	5.4%	6.8%	2.4%	3.6%	5.0%	6.2%	5.4%	4.1%

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26E
Westlife	12.9%	11.9%	11.4%	8.7%	8.1%	7.7%	9.1%	7.6%	7.7%
ADS ('000')									
Barbeque Nation	170	158	175	153	155	153	162	141	140
Devyani									
-KFC	117	109	104	93	104	96	96	83	98
-Pizza Hut	40	39	37	32	36	35	35	31	33
Jubilant (Standalone)	79	78	78	75	79	78	84	82	85
Sapphire									
-KFC	138	125	125	114	122	111	115	108	116
-Pizza Hut	52	48	45	41	48	47	48	42	44
Restaurant Brands (India)	120	126	119	105	119	118	114	108	120
Westlife	189	185	176	157	170	168	173	153	165
Store (India)									
Barbeque Nation	212	212	210	217	219	222	226	230	236
Devyani India	1,230	1,298	1,387	1,429	1,473	1,557	1,658	1,664	1,767
-KFC	510	540	590	596	617	645	689	696	704
-Pizza Hut	521	535	565	567	570	593	644	630	618
Jubilant	1,891	1,949	2,007	2,096	2,148	2,199	2,266	2,304	2,362
Sapphire	660	692	725	748	762	784	835	836	846
-KFC	358	381	406	429	442	461	496	502	510
-Pizza Hut	302	311	319	319	320	323	339	334	336
Restaurant Brands	396	404	441	455	456	464	510	513	519
Westlife	361	370	380	397	403	408	421	438	444
PBT Margins									
Barbeque Nation	-1.7%	-5.0%	2.3%	-0.3%	-1.8%	-3.3%	1.4%	-5.6%	-5.7%
Devyani (Consol)	7.1%	4.0%	1.1%	0.4%	3.1%	-0.1%	0.4%	-1.7%	0.1%
Jubilant (Standalone)	7.7%	7.2%	6.0%	3.8%	4.7%	4.8%	4.9%	4.3%	5.2%
Sapphire	5.1%	3.3%	2.1%	0.1%	1.6%	0.8%	2.2%	0.6%	-0.2%
Restaurant Brands (Consol)	-8.8%	-7.3%	-6.2%	-12.4%	-7.5%	-10.3%	-8.6%	-9.6%	-6.5%
Restaurant Brands (Standalone)	-5.2%	-2.1%	-1.4%	-7.1%	-5.5%	-3.4%	-3.8%	-5.2%	-2.1%
Westlife	6.6%	4.9%	3.9%	0.4%	0.7%	0.1%	1.0%	0.2%	0.2%

CONSUMER DURABLES: C&W beat estimates, while UCP was a miss

- **Aggregate revenue in line:** Revenue for our consumer durables coverage universe increased ~3% YoY to INR200.0b in 1QFY26 (in line with our estimates). The cable and wire (C&W) segment posted higher-than-estimated revenue growth, supported by robust volume. The C&W segment's aggregate revenue increased 28% YoY to INR114.7b (+10% vs. our estimates) in 1QFY26. However, the UCP segment reported lower-than-estimated revenue due to an unfavorable seasonal shift, which sharply curtailed the peak selling season for ACs, commercial refrigerators, and air coolers. The UCP segment's aggregate revenue (coverage companies) declined 28% YoY to INR41.4b (-15% vs. our estimate) in 1QFY26. Revenue growth for POLYCAB/KEII/RRKABEL stood at 26%/26%/14% YoY, while VOLT/HAVL posted a revenue decline of ~20%/6% YoY in 1QFY26. C&W continues to deliver strong growth led by robust domestic demand and supportive commodity prices. Meanwhile, a weak 1QFY26 is estimated to result in a flat-to-marginal decline in full-year (FY26) UCP revenue. However, demand recovery in the upcoming festive season and the possibility of a second summer in certain regions remain key monitorables. The elevated inventory across trade channels remains a big challenge, followed by changing BEE norms w.e.f. Jan'26.
- **C&W margin improves YoY, while UCP margin at a multi-quarter low in a peak season:** average EBIT margin in the C&W segment surged 1.2pp YoY to 12.3% (+1.1pp vs. our estimates). However, the EBIT margin in the UCP segment contracted 4.8pp YoY to 2.0% (at a multi-quarter low in a peak period). Aggregate EBITDA for our coverage universe inched up ~3% YoY to INR19.5b (in line with our estimates, as superior profitability in the C&W segment was offset by weak profitability in UCP), and EBITDA margin remained flat YoY at 9.8% (in line). RRKABEL EBITDA grew 50% YoY to INR1.4b, albeit on a low base, and OPM surged 1.7pp YoY to 6.9%. POLYCAB/KEII's EBITDA surged 47%/20% YoY in 1QFY26. VOLT/HAVL EBITDA declined 58%/10% YoY in 1QFY26.
- **Our earnings revisions:** We raise EPS estimates for POLYCAB (8%/3% for FY26/FY27) and KEII (4%/3% for FY26/FY27). While we cut EPS estimates for VOLT (~9%/5% for FY26/FY27) and HAVL (~8%/7% for FY26/FY27). We maintain our EPS estimates for RRKABEL.

- **Top picks:** We maintain our positive view on POLYCAB.
- **Surprises:** POLYCAB and KEII
- **Misses:** VOLT and HAVL

Guidance highlights:

- **POLYCAB:** Management retains its long-term margin guidance of ~11-13%, considering geographical mix, volatility in commodity prices, capacity expansion, and expected rise in A&P spending. FMEG saw its second consecutive profitable quarter, led by premiumization, a better product mix, and operating leverage benefits. POLYCAB is confident of achieving its long-term targets of Project Spring.
- **KEII:** It indicated the demand outlook remains strong, led by power T&D, renewable energy, data centers, and manufacturing sectors. KEII retains its FY26 growth guidance of ~18-19% and ~20% in the next two to three years. This will be led by the completion of the Sanand expansion and KEII's continued expansion strategy. KEII aims to achieve an OPM of ~11%, considering the strong order book of domestic institutional cables as well as export orders of cables/EH cables. Further, the completion of Sanand Phase I is likely to improve its margins.
- **RRKABEL:** It indicated that C&W's overall volume grew 6.5% YoY, fueled by ~8-10% growth in wires and ~2% in cables, with the latter being hit by domestic order spillovers. It remains confident of achieving ~18% volume growth and a 100bp margin improvement for FY26 (realized a 40bp improvement so far), aided by ongoing capacity expansions. FMEG losses narrowed by 5.5-6.0pp due to cost savings and a better product mix. It guided an FMEG revenue growth of ~20-25% in FY26.
- **HAVL:** Management highlighted that 1QFY26 was a challenging quarter, largely due to an unexpectedly weak summer and continued muted consumer demand, which impacted cooling products revenue, further compounded by a high base in the previous year. In contrast, the C&W segment remained a bright spot, delivering strong growth backed by healthy infrastructure and industrial demand. It believes that the current challenges are transitory and remains optimistic about achieving revenue growth and margin expansion in the upcoming quarters.
- **VOLT:** Management highlighted that 1QFY26 was a challenging period as growth momentum turned adverse in May'25. The weak summer season led to a significant drop in peak season demand for ACs and other cooling products. VOLT believes the performance dip in 1QFY26 was temporary, and it is taking corrective actions, including cost-control measures, inventory realignment, and production adjustments. It remains cautiously optimistic about a recovery in the coming quarters, aided by the upcoming festive season and the possibility of a second summer in certain regions.

Exhibit 69: Aggregate* UCP revenue and growth

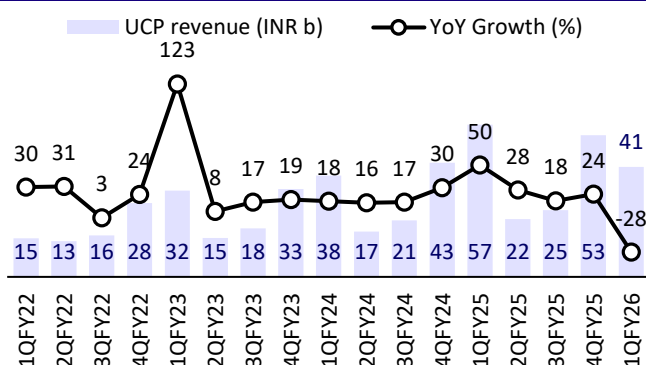
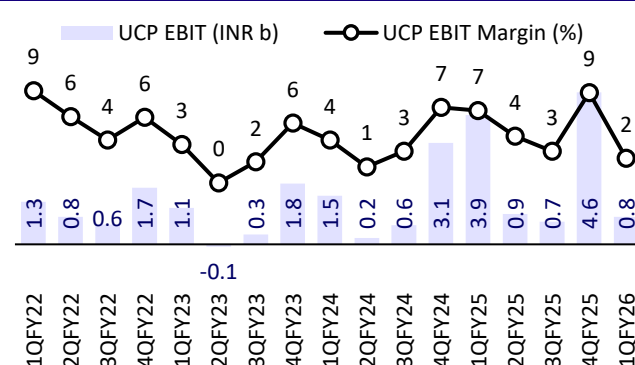


Exhibit 70: Aggregate* UCP EBIT and margin



Source: Company, MOFSL; Note: *In UCP revenue and EBIT we consider VOLT and HAVL

Exhibit 71: Aggregate* C&W revenue and growth

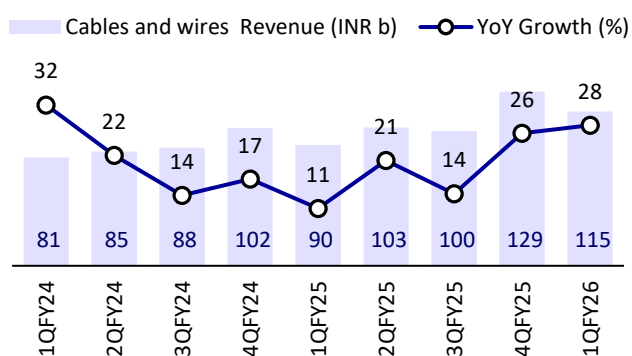
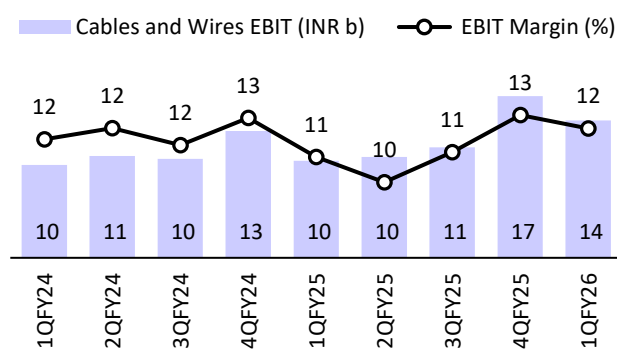


Exhibit 72: Aggregate* C&W EBIT and margin



Source: Company, MOFSL; Note: *In Cables and Wires, for revenue and EBIT, we considered Polycab, KEIL, HAVL, and RRKABEL

EMS: Strong order book, pivoting towards high-margin segments, drives operating performance

- Continued strong revenue growth across EMS players:** The EMS sector reported another robust quarter, with aggregate revenue surging 66% YoY to INR186b. This exceptional growth was driven by the execution of a strong order book. Dixon led the pack with revenue surging 95% YoY, followed by AVALON (up 62%), Amber (44%), and KAYNES (34%). Cyient DLM also witnessed muted growth, with revenue rising 8% YoY, which was lower compared to the EMS industry. Syrma and DATAPATT remained the outliers, with revenue declining ~19%/5% YoY due to the execution of low-volume, high-margin orders (for SYRMA) and spillover of orders in 2Q (for DATAPATT). Looking ahead, we expect strong revenue momentum to continue, led by healthy demand traction and the execution of large orders in hand (~INR176.4b as of Jun'25; excluding Dixon and Amber, i.e., ~1.8x the TTM revenue of these companies). For our coverage universe, we expect an aggregate revenue growth of ~59% in FY26 (implying 64% YoY growth in 9MFY26) and a CAGR of 36% over FY25-FY27.
- Order book (ex-Dixon, Amber) continues to remain healthy, with client additions and increasing wallet share with existing clients:** The sector continued to witness healthy order inflows (~INR36b) in 1QFY26. Most companies are experiencing healthy and expanding order books, providing them with clear revenue visibility for the short to medium term. Among our coverage universe, KAYNES witnessed the highest order book growth of ~47% YoY, followed by Avalon/Syrma at ~+23%/22% YoY. Meanwhile, CYIENTDL reported flat order book YoY, but it reported the highest quarterly order intake in 10 quarters, at INR5b, leading to a book-to-bill ratio of ~2x. DATAPATT continues to see a declining order book trend (down 20% YoY). From the order book in hand, a clear strategic shift is underway from low-margin consumer segments toward high-margin verticals such as defense, aerospace, automotive, telecom, power electronics, and clean energy.
- Margins continue to expand, led by operating efficiency and favorable business mix, barring DATAPATT and Amber:** EBITDA margin for our coverage universe (ex Amber and Dixon) expanded 460bp YoY, led by an expansion across all companies except DATAPATT (EBITDA margin contracted 340bp). While overall coverage margins (including Amber and Dixon) remained flat YoY, Amber's EBITDA margin contracted ~70bp YoY. AVALON witnessed the highest EBITDA margin expansion of ~710bp YoY, benefitting from a favorable business mix and operating leverage during the quarter (rising mix of domestic manufacturing to 80%). It was followed by Syrma (up 530bp), led by a reduction in low-margin business (down to 34% in 1QFY25 from 53% in 1QFY25); KAYNES' margin expanded 350bp YoY, fueled by the execution of high-margin orders. Favorable operating leverage and a change in product mix played a role in margin expansion for these companies. **Going forward, we expect margins for our coverage universe to gradually expand, led by the execution of high-margin orders and operating leverage.**
- The quarter experienced multiple earnings upgrades and no downgrades:** We upgraded our FY26/F27 earnings estimates for Amber by 10%/12%, Syrma by 7%/10%, and AVALON by 5%/10%. We raised DIXON's earnings estimate by 10% for FY27 only. For the rest of the coverage universe, we broadly retained our earnings estimates.
- Surprises:** AVALON, SYRMA, and DIXON **Miss:** DATAPATT

Guidance highlights:

- **Kaynes** retained its full-year revenue guidance of INR4.5b (with INR42.5b from the EMS business, INR1b from the OSAT business, and INR1.8b from the Canadian business). EBITDA margin is expected to be in a similar range to 1Q (it is revised upwards). Management guided a 'significantly positive' OCF and NWC days in the range of 70-80 for FY26.
- **Avalon** raised its revenue growth guidance to 23-25% (from 18-20%) and aims to double revenue by FY27, led by major growth in India. Margins are expected to improve sequentially starting next quarter, with continued momentum in FY27 as well. AVALON entered the semiconductor equipment manufacturing space through a partnership with a top global semiconductor OEM.
- **Syrma SGS** guided for 30-35% revenue growth and ~8.5%-9% EBITDA margins for FY26 (vs. 8.0-8.5% margin earlier). Management guided full-year FY26 exports to surpass INR10b. The company entered into a JV with Shinyup Electronics to manufacture PCBs. The project entails a capex of ~USD90m over the next 3-5 years (phase 1 of capex amounts to USD35m, which will be completed over the next 12-18 months).
- **Cyient DLM**: With a current book-to-bill ratio of ~2x, the company aims to maintain a ratio above 1x by the end of FY26. It has also guided for a revenue CAGR of ~30% over the next five years.
- **Data Patterns**: Revenue softness in 1Q from customer approval delays is expected to normalize, with strong order visibility supporting 2Q's rebound. Management maintains its FY26 growth guidance of 20-25% and 35-40% EBITDA margin, with scaling efforts focused on 2HFY26.
- **Amber Enterprises** targets 10-12% outperformance over the RAC industry in FY26, long-term demand growth to 35m units by FY30, and consolidated EBITDA margins to be around 8-9% for the full year. The Electronics segment aimed to reach USD1b revenue in three years, with margin expansion through higher-value industrial, defense, and automation segments, supported by ~INR50b capex (~70% subsidized through EMCS). Inorganic growth through Power-One and Unitronics to boost margins, while railways & defense looks to double revenue in two years.
- **Dixon Technologies** expects mobile phone volume of 42m-43m units in FY26 and 60m in FY27 through JVs and backward integration. Consumer electronics would see strong LED TV orders, and 50% growth is expected in refrigerators and new cooling products. Lighting JV with Signify to push premiumization and exports, and telecom/networking eyes INR50b in a year. Wearables/hearables to expand via new products and localization. Planned capex of INR11.5b-12b in FY26 with strong growth across segments.

Exhibit 73: Key operating indicators

	Revenue (INR m)					EBITDA margins (%)					Adj PAT (INR m)				
	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)
Kaynes	6,735	5,040	34	9,845	-32	16.8	13.3	350	17.1	-30	746	508	47	411	81
Avalon	3,233	1,995	62	3,428	-6	9.2	2.2	710	12.1	-280	142	-23	-716	243	-41
Cyient DLM	2,784	2,579	8	4,281	-35	9.0	7.8	120	13.4	-440	75	106	-30	310	-76
Syrma SGS	9,440	11,599	-19	9,244	2	9.2	3.8	530	11.6	-250	497	193	158	654	-24
Data Patterns	993	1,041	-5	3,962	-75	32.3	35.7	-340	37.7	-540	255	328	-22	1,141	-78
Dixon	1,28,357	65,798	95	1,02,925	25	3.8	3.8	0	4.3	-50	2,250	1,337	68	1,845	22
Amber	34,491	24,013	44	37,537	-8	7.4	8.2	-70	7.9	-40	1,039	724	NA	1,160	-10
Agg.	1,86,033	12,064	66	1,71,221	9	5.5	5.5	0	7.4	-190	5,004	3,172	58	5,766	-13
Agg. (ex. Dixon, Amber)	23,185	22,253	4	30,759	-25	12.4	7.8	460	17.0	-470	1,715	1,112	54	2,760	-38

Source: MOFSL, Company

Exhibit 74: Our revised EPS estimates (INR)

	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Dixon	169	169	0	265	242	10
Amber	116	105	10	181	163	12
Kaynes	81	84	-3	133	132	0
Avalon	16	15	5	25	23	10
Cyient DLM	13	14	-3	20	20	1
Syrma SGS	16	15	7	23	21	10
Data Patterns	48	50	-3	63	64	-3

FINANCIALS – BANKS: Treasury gains drive earnings; NIMs remain under pressure

- The banking sector posted a weak yet in-line first quarter of FY26, with business momentum moderating after a busy 4QFY26. NIMs contracted for both private and public banks, with private lenders seeing a sharper decline due to higher exposure to repo-linked loans and interest reversals from elevated slippages. Public banks also reported margin compression, driven by their quicker loan repricing cycle. CASA ratios declined for most banks in 1Q, in line with expectations, following the seasonally strong CA accretion in 4Q. Other income remained robust across the sector, supported by favorable bond price movements, particularly benefiting PSU banks. Overall business momentum stayed muted, constrained by sluggish deposit growth and elevated CD ratios, which capped credit expansion. Corporate loan demand remained sluggish, with no visible recovery in either government or private sector capex. Growth in unsecured lending continued to weaken amid stress in the MFI, personal loan, and credit card segments, while MSME and vehicle finance portfolios also showed signs of slowing due to emerging stress. We project sector credit growth to sustain at 11.5% YoY for FY26.
- NII for our coverage universe grew 1.7% YoY, with private banks recording 3.8% growth and PSBs posting a 0.4% YoY decline. Within our coverage, HDFCB, Axis, Federal, RBL, AU, Equitas, and all PSU banks posted a drop in NII on a sequential basis, whereas ICICI and IDFC registered only modest gains. We expect NII growth to moderate further in 2QFY26, as the 50bp repo rate transmission will largely flow through in this quarter. Some NIM improvement is likely in 2H, aided by CRR cuts and deposit cost repricing. Earnings growth is projected to gradually recover in 2H, with a more meaningful rebound in FY27E as easing stress translates into lower credit costs and margin recovery sustains. For FY26, we estimate earnings growth of 3% YoY for our coverage universe before accelerating to 14-16% in FY27E/28E.
- Fresh slippages remained elevated across banks, driven by elevated stress in unsecured portfolios and emerging pressure in the MSME and vehicle finance segments. Our latest interactions indicate that lenders are maintaining a cautious stance, with disbursement growth calibrated in select categories, as over-leveraging concerns persist. Credit costs remain high for certain players, particularly mid-sized private banks, which continue to face asset quality pressure. The new MFIN guardrails implemented in FY26 are expected to keep growth measured while aiding gradual improvement in asset quality. However, some lenders anticipate that elevated stress in the MFI segment could persist until 3Q, keeping credit cost risks tilted upward. We expect credit costs to stay high through 1HFY26 before moderating in 2H. Provision coverage ratios remain healthy across banks, and the restructured book continues to decline.
- **Private Banks – Business momentum tepid; margin contracts as yields decline:** Advances growth stood at 0.8% QoQ for our banking coverage. ICICI and Axis reported 2% QoQ growth in advances, while KMB surprised positively with 4% QoQ growth. HDFCB remained flat QoQ, while IDFC reported healthy 4.5% QoQ growth in advances. IndusInd reported a second consecutive quarter of a decline in advances as it voluntarily unwound its corporate book to manage the liquidity position. Deposit growth too remained tepid amid seasonal outflows of CA deposits. As a result, the CASA ratio declined to 36.9% from 37.8% in 4QFY25. NIMs contracted for most players amid a decline in yields and elevated slippages leading to interest reversals. Slippages saw an uptick amid seasonality and stress in the unsecured segment.
- **Public Sector Banks (PSBs) – NIM declined amid rate cuts; asset quality steady:** NII fell 3% QoQ as NIMs contracted across the segment due to faster rate transmission. Canara, SBI, and UNBK reported a ~4% QoQ decline in NII, while BoB and Indian Bank saw flat trends. Slippages remained contained for most PSBs, supported by minimal exposure to unsecured lending. GNPA ratio was stable or lower across the board, with PCR levels healthy at ~75-90%. SMA pools also stayed under control, with no significant concerns, while restructured books continued to decline.
- **Small Finance Banks – Stress builds up in select portfolios; NIMs take a hit:** AUBANK posted strong advances growth of 22.5% YoY/2.6% QoQ, driven by retail secured assets and commercial banking, while the inclusive banking and unsecured portfolios saw a sharp decline in 1Q. Deposits saw healthy growth of 31.3% YoY/2.8% QoQ. Slippages increased during the quarter, pushing GNPA/NNPA up 19bp/14bp QoQ to 2.47%/0.88%, while PCR slipped to 64.7%. The bank raised its credit cost guidance by 10-15bp. It has received in-principle approval

for a universal banking license, which is expected to aid liability mobilization and support cost control. EQUITAS reported a steep 4% QoQ drop in advances, led by a sharp contraction in the MFI portfolio, which now accounts for 9.4% of total loans. Deposits grew 18.3% YoY/3.0% QoQ, supported by a strong rise in CA balances. The reduction in MFI share weighed on profitability, with NIM contracting 58bp QoQ to 6.55%.

- **Our view:** Banking sector earnings continue to witness pressure due to slower growth, elevated stress and NIM pressures, with several banks witnessing double-digit NIM contractions. High slippages also led to interest reversals, further denting margins during this downtrend. Select banks and NBFCs have flagged emerging stress in the MSME and vehicle finance segments, which will keep near-term earnings in check. We maintain a guarded outlook on margins, with banks likely to see further NIM compression in 2Q. However, benefits from CRR cuts and the broader rate downtrend should aid NIM recovery in 2HFY26. Credit costs are expected to stay elevated in the near term before easing in the second half. We project private banks to deliver an aggregate earnings CAGR of 13.5% over FY25-27, while PSBs are expected to clock 8% CAGR. For our coverage universe, we estimate earnings CAGR of 10.9%. Strong balance sheets, healthy PCR levels, and adequate contingent buffers should help to limit downside risks, keeping us positive on the medium-term sector outlook. **Our preferred picks** are ICICIB, HDFCB and SBIN.
- **Surprises:** ICICIB, SBIN
- **Misses:** Kotak, Axis, EQUITAS, Union

Guidance highlights

- **HDFCB** expects its loan growth to match the system in FY26 and outpace it in FY27, with a medium-term target of achieving a CD ratio of 87-90%. Improving the C/I ratio from the current ~40% remains a priority. The bank is focusing on deepening its liability relationships and expanding its branch network to grow its customer base, thereby driving both deposit and liability growth.
- **ICICIB** remains strategically focused on growing PBT through a 360-degree customer approach. NIMs are expected to stay under pressure in 2Q, while 3Q and 4Q should see reduced volatility owing to the revised NIM reporting methodology. The bank is confident in its personal loan and credit card origination, emphasizing the quality of new sourcing, with volumes expected to pick up gradually.
- **KMB** aims to raise the share of unsecured loans to 15% of the portfolio from the current sub-10% level. The full impact of the 50bp repo rate cut is expected to be felt in 2Q, with 1Q reflecting only 15 days of its effect. Deposit repricing is anticipated to play out over the next 3-4 quarters, supporting margin improvement.
- **AXSB's** business growth has trailed peers, with slower expansion in home loans, vehicle finance, and corporate segments. Management, however, expects a rebound, targeting near-term growth at roughly 3x the system growth. In 1QFY26, NIMs absorbed the impact of 25bp rate cuts, with the remaining 75bp expected to flow through in 2Q. Despite this, the bank remains confident of maintaining NIMs at 3.8%.
- **SBIN** expects credit growth to remain at ~12-13%, supported by a strong pipeline of INR7.2t. The bank aims to sustain RoE at 15% and RoA above 1% through the cycles. NIMs are projected to hover around 3%, with a dip in 2Q, followed by an improvement in 3Q on the back of CRR benefits and easing deposit rates. The bank also targets maintaining its C/I ratio below ~50% on a sustained basis.
- **IIB's** loan book fell sharply by 4% QoQ, owing to a steep decline in corporate and commercial portfolios as the bank continued to run down select corporate assets. With INR480b of surplus liquidity, IIB is optimizing its balance sheet by exiting low-margin corporate loans and increasing its focus on retail. MFI slippages are expected to stabilize over the next six months.
- **BOB** reported healthy advances growth of 13.2% YoY, though it will wait for greater clarity on the lending environment before accelerating growth. The bank expects NIMs to remain in the 2.85-3% range in FY26, though pressure was already visible in 1Q. Recoveries are projected to stay strong, with a target of over INR100b. To support future growth, BOB plans to open 300 branches in FY26.

Exhibit 75: NIMs decline across banks, though healthy treasury gains helped deliver broadly in-line earnings

INR b	NII			PPOP			PAT		
	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)
AUBANK	20.4	6.5	(2.4)	13.1	37.9	1.5	5.8	15.6	15.3
AXSB	135.6	0.8	(1.8)	115.2	13.9	7.1	58.1	(3.8)	(18.4)
BANDHAN	27.6	(8.2)	0.0	16.7	(14.0)	6.2	3.7	(65.0)	17.0
BoB	114.3	(1.4)	(0.5)	82.4	15.0	1.3	45.4	1.9	(10.0)
CBK	90.1	(1.7)	(4.6)	85.5	12.3	3.3	47.5	21.7	(5.0)
DCBB	5.8	16.9	4.0	3.3	59.2	7.0	1.6	19.7	(11.2)
FB	23.4	2.0	(1.7)	15.6	3.7	6.2	8.6	(14.6)	(16.4)
HDFCB	314.4	5.4	(2.0)	357.3	49.6	34.7	181.6	12.2	3.1
ICICIBC	216.3	10.6	2.1	187.5	17.0	6.1	127.7	15.5	1.1
IDFCFB	49.3	5.1	0.5	22.4	19.0	23.6	4.6	(32.0)	52.1
IIB	46.4	(14.2)	52.2	25.7	NA	NA	6.0	NA	NA
INBK	63.6	2.9	(0.5)	47.7	6.0	(4.9)	29.7	23.7	0.6
KMB	72.6	6.1	(0.3)	55.6	5.9	1.7	32.8	(6.8)	(7.6)
PNB	105.8	1.0	(1.7)	70.8	7.6	4.5	16.8	(48.5)	(63.3)
RBK	14.8	(12.9)	(5.3)	7.0	(18.2)	(18.4)	2.0	(46.1)	191.6
SBIN	410.7	(0.1)	(4.0)	305.4	15.5	(2.4)	191.6	12.5	2.8
UNBK	91.1	(3.2)	(4.2)	69.1	(11.3)	(10.3)	41.2	11.9	(17.4)
EQUITASFB	7.9	(2.0)	(5.3)	3.1	(7.5)	1.1	-2.2	(968.7)	(631.6)
Total Banking Coverage	1810.2	1.7	(1.0)	1483.4	16.8	10.1	802.4	3.6	(2.4)

Source: MOFSL, Company

Exhibit 76: Margins declined in double-digits across banks; bias remains negative for 2Q

NIM (%)	4QFY25	1QFY26	YoY (bp)	QoQ (bp)
AUBANK	5.80	5.40	(60)	(40)
AXSB	3.97	3.80	(25)	(17)
BANDHAN	6.70	6.40	(120)	(30)
BoB	2.98	2.91	(27)	(7)
CBK	2.73	2.55	(35)	(18)
DCBB	3.29	3.20	(19)	(9)
FB	3.12	2.94	(22)	(18)
HDFCB	3.54	3.35	(12)	(19)
ICICIBC	4.41	4.34	(2)	(7)
IDFCFB	5.95	5.71	(51)	(24)
IIB	2.25	3.46	(79)	121
INBK	3.48	3.35	(18)	(13)
KMB	4.97	4.65	(37)	(32)
PNB	2.81	2.70	(37)	(11)
RBK	4.89	4.50	(117)	(39)
SBIN	3.00	2.90	(32)	(10)
UNBK	2.87	2.76	(29)	(11)

In 4QFY25, Indusind (IIB) had many one-offs; Source: MOFSL, Company

Exhibit 77: Business momentum was modest; CASA ratio declined further

INR b	Loans			Deposits			CASA ratio (%)		
	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)
AUBANK*	1,098	22.5	2.6	1,277	31.3	2.8	29.2	(380)	-
AXSB	10,597	8.1	1.8	11,616	9.3	(1.0)	40.0	(200)	(100)
BANDHAN	1,285	5.7	(2.6)	1,547	16.1	2.3	27.1	(631)	(431)
BoB	11,866	13.2	(1.9)	14,356	9.8	(2.5)	39.3	(129)	(64)
CBK	10,736	13.4	2.3	14,677	9.9	0.7	29.6	(142)	(161)
DCBB	512	21.4	0.3	620	20.0	3.3	23.3	(208)	(120)
FB	2,412	9.2	2.7	2,874	8.0	1.3	30.4	108	12
HDFCB	26,284	6.7	0.3	27,641	16.2	1.8	33.9	(210)	(90)
ICICIBC	13,642	11.5	1.7	16,085	12.8	(0.1)	41.2	28	(63)
IDFCFB	2,437	20.3	4.5	2,650	26.4	5.1	48.0	140	110
IIB	3,337	(4.1)	(3.3)	3,971	(0.3)	(3.3)	31.5	(519)	(133)
INBK	5,841	12.1	2.3	7,443	9.3	1.0	37.2	(180)	(114)
KMB	4,448	14.1	4.2	5,128	14.6	2.8	40.9	(250)	(210)
PNB	10,920	11.0	1.3	15,894	12.9	1.5	37.0	(309)	(96)
RBK	944	8.9	2.0	1,127	11.2	1.6	32.5	(8)	(167)
SBIN	41,962	11.9	0.8	54,733	11.7	1.7	39.4	(134)	(61)
UNBK	9,461	7.7	(0.8)	12,399	1.3	(2.5)	32.5	(88)	(100)
Total Banking Coverage	1,57,782	10.4	0.8	1,94,039	11.3	0.7	36.9		

Source: MOFSL, Company

Exhibit 78: Asset quality deteriorated for select banks; PSBs reported healthy trends

Asset quality (%)	4QFY25 (%)			1QFY26 (%)			QoQ change (bp)		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
AUBANK	2.28	0.74	68.1	2.47	0.88	64.7	19	14	(336)
AXSB	1.28	0.33	74.6	1.57	0.45	71.5	29	12	(308)
BANDHAN	4.71	1.28	73.7	4.96	1.36	73.7	25	8	(3)
BoB	2.26	0.58	74.9	2.28	0.60	74.0	2	2	(83)
CBK	2.94	0.70	76.7	2.69	0.63	77.1	(25)	(7)	40
DCBB	2.99	1.12	63.2	2.98	1.22	59.7	(1)	10	(349)
FB	1.84	0.44	76.2	1.91	0.48	75.2	7	4	(101)
HDFCB	1.33	0.43	67.9	1.40	0.47	66.9	7	4	(100)
ICICIBC	1.67	0.39	76.9	1.67	0.41	75.9	-	2	(101)
IDFCFB	1.87	0.53	72.3	1.97	0.55	72.3	10	2	9
IIB	3.13	0.95	70.2	3.64	1.12	70.2	51	17	(6)
INBK	3.09	0.19	93.9	3.01	0.18	94.3	(8)	(1)	37
KMB	1.42	0.31	78.1	1.48	0.34	76.9	6	3	(116)
PNB	3.95	0.40	90.3	3.78	0.38	90.3	(17)	(2)	5
RBK	2.60	0.29	89.0	2.78	0.45	84.0	18	16	(498)
SBIN	1.82	0.47	74.4	1.83	0.47	74.5	1	-	7
UNBK	3.60	0.63	83.1	3.52	0.62	82.9	(8)	(1)	(23)

Exhibit 79: Snapshot of the restructured books across banks (%)

INR b	Restructured book									
	Absolute	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25
AXSB	11.5	0.21	0.20	0.18	0.16	0.14	0.13	0.12	0.12	0.11
DCBB	7.7	3.97	3.40	3.00	2.62	2.34	2.07	1.81	1.60	1.51
ICICIBC	17.9	NA	0.32	0.29	0.26	0.22	0.20	0.16	0.15	0.13
IIB	3.3	0.66	0.54	0.48	0.40	0.34	0.29	0.18	0.12	0.10
KMB*	2.0	0.19	0.15	0.13	0.10	0.08	0.06	0.05	0.05	NA
FB	13.3	1.40	1.30	1.10	0.97	0.83	0.71	0.68	0.61	0.55
RBK	2.1	1.05	0.89	0.63	0.51	0.44	0.38	0.32	0.29	0.22
AUBANK	3.3	1.00	0.80	0.70	0.60	0.40	0.40	0.30	0.30	0.30
BOB	NA	1.31	NA	1.0	NA	NA	NA	NA	NA	NA
SBIN*	129.2	0.69	0.62	0.54	0.47	0.38	0.38	0.34	0.31	NA
INBK	45.6	2.19	2.12	1.93	1.67	1.51	1.34	1.23	0.85	0.78
UNBK	86.1	2	1.71	1.57	1.48	1.30	1.21	1.08	0.91	0.88

*indicates data as on 4QFY25

Exhibit 80: We cut our estimates slightly for private banks and raise PSBs' earnings estimates by 1-3%

PAT (INR b)	Old estimates			Revised estimates			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Private Banks									
AXSB	273.0	338.1	412.2	249.2	313.6	376.1	-8.7%	-7.2%	-8.8%
BANDHAN	29.1	39.6	48.3	26.4	36.7	44.3	-9.5%	-7.3%	-8.3%
DCBB	7.8	10.4	15.0	7.1	10.0	13.4	-8.8%	-4.4%	-10.6%
HDFCB	729.8	857.1	992.0	721.4	871.6	1,004.6	-1.2%	1.7%	1.3%
ICICIBC	507.0	606.1	741.5	526.1	599.5	699.6	3.8%	-1.1%	-5.6%
IDFCFB	24.3	47.8	66.3	26.6	47.5	66.8	9.4%	-0.5%	0.8%
IIB	30.8	43.5	63.1	31.7	43.5	65.2	2.9%	0.0%	3.4%
KMB	153.3	180.4	215.6	147.8	177.9	218.8	-3.6%	-1.4%	1.5%
FB	41.5	52.4	68.4	39.0	49.9	63.4	-6.0%	-4.8%	-7.3%
RBK	10.6	18.8	25.1	10.3	18.9	24.6	-2.2%	0.6%	-2.1%
AUBANK	26.7	37.5	47.9	26.5	36.1	47.6	-0.7%	-3.8%	-0.5%
EQUITASB	3.6	8.9	13.0	0.5	7.0	10.6	-86.3%	-21.3%	-18.4%
Total Private Banks	1,837.5	2,240.5	2,708.3	1,812.6	2,212.3	2,634.9	-1.4%	-1.3%	-2.7%
YoY growth	8.6%	21.9%	20.9%	5.5%	22.1%	19.1%			
PSU Banks									
BOB	184.2	233.4	292.6	189.0	235.9	295.1	2.6%	1.1%	0.9%
CBK	169.1	190.7	223.2	190.7	212.3	239.9	12.7%	11.3%	7.5%
INBK	111.8	123.5	137.4	118.5	127.8	140.8	6.0%	3.5%	2.5%
PNB	176.5	211.9	250.0	155.3	212.9	253.2	-12.0%	0.5%	1.3%
SBIN	697.8	775.5	891.4	718.0	802.8	921.5	2.9%	3.5%	3.4%
UNBK	178.7	193.7	223.1	165.3	188.8	212.6	-7.5%	-2.5%	-4.7%
Total PSU Bank	1,518.2	1,728.7	2,017.7	1,536.8	1,780.5	2,063.2	1.2%	3.0%	2.3%
YoY growth	-0.8%	13.9%	16.7%	0.4%	15.9%	15.9%			
Total for Banks	3,355.7	3,969.2	4,726.0	3,349.4	3,992.9	4,698.1	-0.2%	0.6%	-0.6%
YoY growth	4.2%	18.3%	19.1%	3.1%	19.2%	17.7%			
Other Financials									
SBICARD	27.2	36.1	43.5	24.8	36.7	44.4	-8.7%	1.6%	2.1%
PAYTM	1.9	8.6	15.6	4.0	9.9	15.8	NA	14.4%	1.0%

FINANCIALS – NBFC: Muted demand and asset quality trends for most products, except gold

- NBFCs reported a subdued performance in terms of asset quality and loan growth in 1QFY26, impacted by a weak macroeconomic environment and seasonal factors such as early monsoons. NBFCs (incl. HFCs) under our coverage reported AUM growth of ~16% YoY/3.5% QoQ. Vehicle financiers (VFs) clocked AUM growth of 18% YoY. Large HFCs (PNBHF and LICHF) grew 9% YoY, while affordable and small-ticket HFCs saw ~13% YoY growth. NBFC-MFIs' AUM declined ~23% YoY (down 7% QoQ), whereas gold loan NBFCs' AUM rose ~36% YoY (driven by strong growth in MUTH and MGFL). For our coverage companies (excl. PIEL), NII/PPoP/PAT grew 16%/12%/14% YoY. Excluding MFIs, NII/PPoP/PAT grew 17%/14%/18% YoY.
- For HFCs (including affordable HFCs), NIM showed divergent trends during the quarter. Large HFCs saw either a stable trend or a contraction in NIM, with LIC reporting a ~20bp QoQ decline due to yield compression from heightened competition in a declining interest rate environment. PNBHF's margins remained stable, supported by a higher share of affordable and emerging segments in its portfolio. In contrast, affordable HFCs reported stable NIMs or an expansion, aided by a lower cost of borrowings (CoB), while yields remained broadly stable (given that there were no PLR changes in the quarter). HomeFirst saw ~30bp QoQ expansion in NIM on the back of reduced funding costs, while Aavas and Repco reported sequentially stable NIMs. Despite some easing in borrowing costs, most NBFCs did not see any meaningful expansion in NIMs during the quarter, as significant benefits in their CoB (from the cut in policy repo rates) will materialize only in 2HFY26. We expect a more visible decline in borrowing costs for NBFCs/HFCs in the coming quarters, particularly as banks begin to reduce their MCLR rates.
- For VFs, asset quality deterioration was driven by seasonality and lower vehicle utilization caused by the early onset of monsoons, which in turn put pressure on the borrower cash flows. However, with a favorable monsoon outlook, asset quality for VFs is expected to improve in 2HFY26. VFs also noted that the broader macro

weakness (partly due to muted government capex) has also necessitated higher collection efforts as borrower cash flows remained under strain for much of the last year.

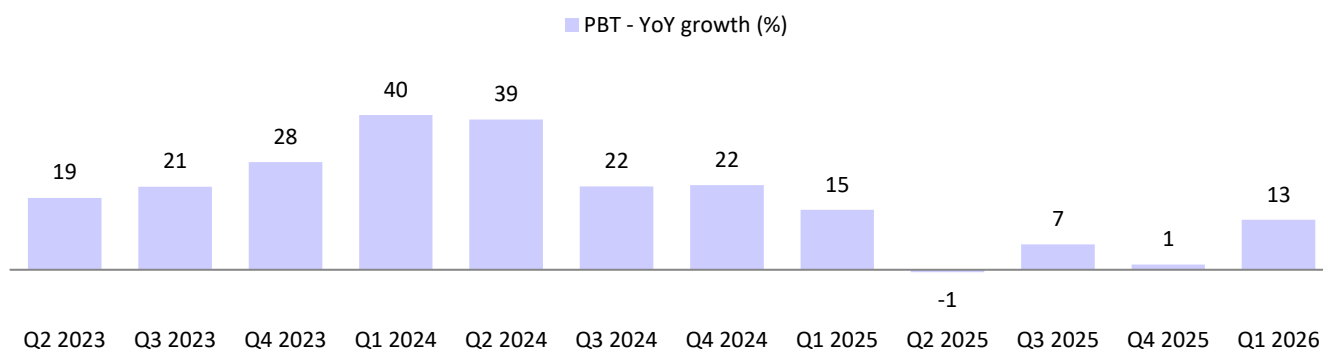
- **NBFC-MFIs exhibited an improvement in PAR levels across geographies, including Karnataka, during the quarter.** Sequentially lower credit costs were supported by steady collection efforts and a decline in PAR accretion. MFIs (except Spandana) also reported better overall collection efficiency and a decline in forward-flow rates, with expectations of continued progress in the coming quarters. MFIs expect a significant recovery from 2HFY26, with growth gaining momentum alongside further improvement in asset quality and normalization in credit costs. Select NBFCs like PNBHF, PFC, REC, and ABCAP reported a sequential improvement in asset quality despite the weak seasonality in the first quarter of the fiscal year.
- **HFCs/AHFCs – Modest demand trends; NIM compression for large HFCs; asset quality weakness likely seasonal unless it turns out to be structural:** Demand trends during the quarter remained subdued, weighed down by seasonal factors, heightened competitive intensity from banks, and a moderation in real estate activity in recent quarters. In the prime housing segment, HFCs faced aggressive pricing competition from banks, leading to higher portfolio attrition through balance transfers. Asset quality saw seasonal deterioration, with sequentially higher credit costs, while regional issues such as the E-khata delays in Karnataka continued to dampen disbursements. Margins were stable for PNBHF but contracted for LICHF, whereas HomeFirst posted a sequential margin expansion, supported by lower borrowing costs. Loan growth was muted for LICHF. Large HFCs like LICHF, CANF and Bajaj Housing reduced their PLR, driven by heightened competitive intensity or pass-through of their lower CoB. On the contrary, affordable HFCs kept their PLR unchanged and reported broadly stable yields. Benefits in CoB were marginal in 1Q, with more meaningful relief expected from 2Q/3Q onward as banks transmit lower interest rates through their respective MCLR cuts.
- **VFs – Weakness persists in CVs, tractors relatively resilient; utilization remains low due to early onset of monsoon:** Demand trends remained subdued for most segments, with tractors standing out as relatively resilient. PV demand, particularly in the entry-level segment, remains soft, while certain CV categories continue to face sustained stress. In contrast, demand for used cars remains strong, supported by stable asset prices and relatively better affordability. VFs reported elevated credit costs, as the early arrival of monsoons led to lower vehicle utilization and consequently weakness in borrower cash flows. Several NBFCs highlighted stress in the CV segment, especially in small commercial vehicles. Disbursements grew 6% YoY for three VFs in our coverage universe. While SHFL and CIFIC have a diversified AUM mix, we have classified them under VFs for this exercise. SHFL reported sequential NIM compression, primarily due to elevated liquidity levels on its balance sheet, while margins remained broadly stable for CIFIC. In contrast, MMFS saw an expansion in NIMs, driven by higher yields. VFs saw no material reduction in CoB during the quarter, as banks largely maintained their MCLR, with only marginal cuts coming toward the end of the quarter.
- **Diversified financiers – PL stress receding, stress in small-ticket unsecured MSME rears its head; micro-LAP below INR500k ticket size also sees heightened stress:** Diversified lenders highlighted emerging stress in unsecured MSME segments (especially in small-ticket loans with ATS of <INR1m) and the micro-LAP segment. Credit costs were marginally elevated for diversified lenders amid a weak macro environment. However, diversified lenders have now started exhibiting higher confidence in scaling up personal loans (PL). The focus within this segment has increasingly shifted to prime and near-prime customers, with an emphasis on higher ticket sizes and borrowers with strong CIBIL scores, which shows a more risk-calibrated lending approach. Diversified lenders are focusing more on secured MSME segments due to rising stress in unsecured MSME. Within the MFI business, LTFH has performed significantly better than the overall industry and its NBFC-MFI peers. BAF shared that the MSME business is likely to see the slowest growth this year, with MSME AUM expected to rise in single digits in FY26.
- **Gold financiers – Strong gold loan growth driven by relatively lower availability of unsecured loans; final gold lending guidelines milder than draft:** Demand for gold loans was strong during the quarter. This was primarily driven by lower availability of MFI/Unsecured PL and MSME loans and a steady rise in gold prices over the past year. MUTH/MGFL reported ~40%/22% YoY growth in gold loans in 1QFY26. Asirvad shared that MFI peak stress was behind in 4QFY25 and losses in MFI business will keep on declining, driven by moderation in credit costs and improved AUM growth momentum going forward. While IIFL Finance saw an improvement in gold loan yields,

MGFL reported a decline in gold loan yields as part of its strategic move to align its pricing with gold loan NBFC peers.

- **Microfinance lenders (MFIs) – Loan book continues to rundown; sequential decline in credit costs driven by improvement in PAR rates; trend reversal on the horizon within the next 3-4 months:** NBFC-MFIs saw an improvement in PAR levels and asset quality across geographies, with sequentially lower credit costs supported by stronger center meeting attendance and healthier portfolio quality. MFIs also highlighted that the condition in Karnataka appears to be stabilizing. MFI players are expected to focus on portfolio diversification, aided by the recent regulatory change of lowering the qualifying asset requirement to 60%, which provides a supportive framework. While AUM remained flat sequentially for CREDAG, Fusion and Spandana continued to see a YoY/QoQ decline in their AUM because of muted disbursements and elevated technical write-offs. We believe a trend reversal in the MFI sector is on the horizon; however, a consistent and sustained recovery over the next 3-4 months will be crucial to validate this recovery as a definitive shift.
- **Power financiers – Muted loan growth; NIM expansion a positive; asset quality stable:** PFC and REC delivered a mixed performance during the quarter, with healthy disbursements but sequentially muted loan growth due to elevated repayments. Loan growth stood at ~16% YoY for PFC and ~10% YoY for REC. NIMs expanded by ~5bp for PFC and ~10bp for REC, which was a positive factor. Asset quality remained stable, along with the restructuring of TRN Energy. PFC and REC reported provision write-backs, aided by, among other things, the rating upgrades for certain discoms, which led to a reduction in their standard asset provisioning.
- **Our view:** The weakening asset quality in the micro-LAP segment appears to stem from stress initially seen in unsecured small-ticket loans, now gradually spilling into the small-ticket secured space. We believe the credit cycle in micro-LAP (particularly in loans below INR500k) is lagging the MFI credit cycle by 6-9 months. Further, the unsecured (small-ticket) MSME segment will continue to exhibit stress for the next few quarters as the rationing of credit has already started in this segment. The interest rate cut cycle will be margin-accretive for certain products and may provide a modest boost to loan demand. In our view, lenders will continue to prioritize higher-quality lending and strengthen underwriting filters, leading to more selective growth in micro-LAP and unsecured product segments in the foreseeable future. **Our preferred ideas are SHFL, LTFH and HomeFirst.**
- **Positive Surprises:** PNBHF, Muthoot
- **Misses:** CREDAG, Poonawalla, Fusion
- **Rating Change:** NA

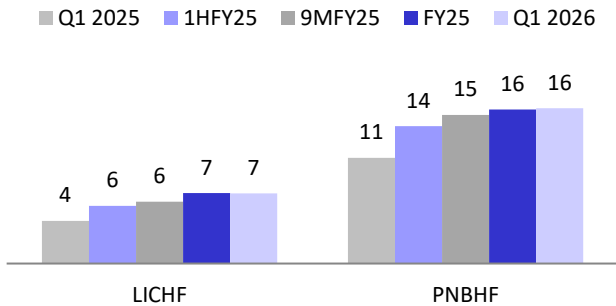
Guidance highlights: a) CIFC has guided for 20-23% loan growth in FY26 and remains confident of achieving at least the lower end of its guidance range; b) MUTH guided for strong gold loan growth throughout the year and spreads of 9.5%; c) BAF guided for ~24%-25% AUM growth in FY26 and credit costs of 1.85%-1.95%; d) PNBHF guided for retail recoveries to continue in FY26 and guided for retail loan growth of ~18%; and e) NBFC-MFIs witnessed improvement in PAR rates and collection efficiencies and guided for stabilization in credit costs in 2HFY26.

Exhibit 81: PBT (excl. PIEL) grew 13% YoY and 6% QoQ for our NBFC coverage universe*



Source: MOFSL, Company, *MOFSL universe excl. PIEL and Indostar

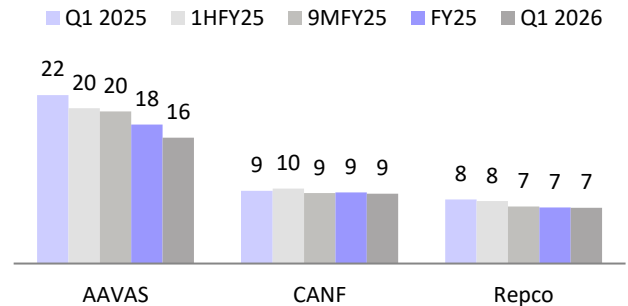
Exhibit 82: LICHF loan growth has lagged the industry, while PNBHF retail loan growth has been gaining momentum



Source: MOFSL, Company;

Note: YoY AUM growth for large HFCs

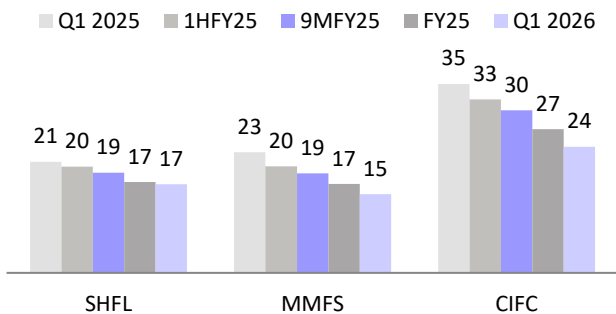
Exhibit 83: Loan growth moderated for Aavas, while it was largely stable for Canfin and Repco



Source: MOFSL, Company;

Note: YoY AUM growth for affordable housing financiers

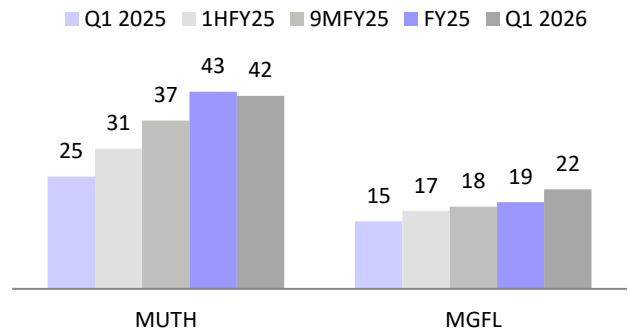
Exhibit 84: AUM growth for VFs moderated slightly because of weak macros



Source: MOFSL, Company

Note: YoY AUM growth for vehicle financiers

Exhibit 85: Gold loan growth picking up pace, aided by higher gold prices and lower availability of unsecured loans



Source: MOFSL, Company

Note: YoY AUM growth for gold financiers

Exhibit 86: PAT (excl. PIEL) grew 14% YoY for our NBFC coverage universe*

INR m	NII			PPOP			PAT			NIM		
	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (bp)	QoQ (bp)
AAVAS	2,776	14	3	1,904	12.3	-5.2	1,392	10.4	-9.4	6.8	-4	-2
ABCAP (NBFC)	18,585	9	4	13,245	10.3	7.7	6,890	11.0	5.7	5.8	-65	-4
ABCAP (HFC)	3,770	66	13	1,830	101.6	26.2	1,540	81.7	27.2	4.2	-8	9
BAF	1,02,270	22	4	84,871	22.2	6.5	47,653	21.8	4.8	9.5	-24	-10
CANF	3,628	13	4	3,039	8.7	3.2	2,239	12.1	-4.3	3.8	12	7
CFC	31,838	24	4	24,117	30.4	3.4	11,359	20.6	-10.3	6.8	-8	-5
Fivestar	5,774	20	3	4,027	13.5	1.6	2,663	5.9	-4.6	19.0	-35	-43
HomeFirst	1,941	33	12	1,682	41.2	15.5	1,189	35.5	13.6	5.9	12	33
IIFL Finance	12,947	-10	-1	8,688	26.3	32.0	2,334	-19.0	12.4	3.0	-88	-56
LTHF	26,238	8	8	15,753	7.3	10.6	7,008	2.3	10.2	10.5	-68	44
LICHF	20,658	4	-5	18,920	6.8	0.7	13,599	4.6	-0.6	2.7	-9	-18
MMFSL	20,122	13	4	13,530	19.3	11.6	5,295	3.2	-6.0	6.7	-17	9
MASFIN	1,625	31	0	1,549	30.9	2.2	839	19.1	3.8	7.7	90	12
MGFL	13,804	-10	-4	6,609	-32.7	-3.3	1,325	-76.2	-165.2	12.8	-165	-63
Muthoot	34,732	51	20	27,887	62.6	29.8	20,463	89.7	35.7	12.6	81	92
PIEL	9,017	25	6	3,873	63.2	-53.4	2,764	52.3	169.8	7.1	210	-
PNBHF	7,460	16	2	6,317	16.5	-2.3	5,335	23.3	-3.1	3.7	9	-1
PFL	6,393	11	5	3,245	-24.9	-2.5	626	-78.5	0.4	7.7	-21	-2
REPCO	1,966	7	4	1,436	4.1	9.8	1,080	2.4	-6.1	5.2	10	-
SHFL	57,725	10	4	41,924	8.8	-3.3	21,557	8.8	0.8	8.6	-51	2
CRETAG	9,060	-2	3	6,530	-7.9	3.0	602	-84.9	27.5	12.8	-20	10
FUSION	2,730	-31	1	866	-70.9	-3.9	-923	159.0	-43.9	10.3	-130	170
SPANDANA	1,300	-70	-37	-587	-120.5	-333.6	-3,602	-746.6	-17.1	10.5	-540	-180
PFC	54,692	26	-7	48,313	5.0	-26.2	45,015	21.1	-11.9	4.1	52	-52
REC	55,671	19	-10	50,303	4.8	-18.4	44,510	29.3	5.1	3.8	28	-49
Total (excl. PIEL)	4,97,703	16	1	3,85,998	11.7	-2.9	2,39,988	14	3.5			

Source: MOFSL, Company, *MOFSL universe excl. Indostar

FINANCIALS – CAPITAL MARKETS AND INSURANCE: Sequential recovery for capital market players; subdued premium growth for general insurers; VNB margin expands for life insurers

- **Capital market activity recovers:** Capital market activity witnessed a healthy recovery during 1QFY26, barring F&O activity. Cash volumes witnessed MoM growth of 2%/12%/2% in Apr'25/ May'25/Jun'25, while F&O volumes declined 5%/1% MoM in May'25/Jun'25 after growing 5% MoM in Apr'25. A sustained slowdown was observed in demat account additions at 6.7m in 1QFY26 vs. 7.1m in 4QFY25. ANGELONE witnessed a sequential revenue growth, with the base being impacted by F&O regulations in the previous quarter (5% sequential rise in F&O orders) and strong growth in MTF activity leading to better realizations for cash orders. Profit was hit by spending in IPL and investments in new businesses.
- **Premium-to-notional turnover ratio improves for exchanges:** Strong growth in the premium turnover market share (22.1% in Jun'25 vs 8.7% in Jun'24)—driven by an improving premium-to-notional turnover ratio and increased non-expiry day trading activity—significantly boosted BSE's top line and profitability. Star MF continued to report healthy performance, marking a 28% YoY growth in revenue. Meanwhile, commodities markets achieved new peaks backed by crude volatility and rising prices of precious metals. Led to a surge in options volumes (77% YoY growth in total volumes), resulting in strong revenue growth for MCX. Options ADT surged 84% YoY in 1QFY26, largely supported by a 379% YoY growth in bullion contracts and 31% YoY growth in energy contracts. Futures ADT rose 56% YoY, fueled by 70%/52% YoY growth in bullion/energy contracts.
- **AMCs' other income surges; flows on an uptrend:** MF industry's QAAUM increased 7% QoQ to INR72.1t at the end of Jun'25, led by strong SIP flows, with the share of equity QAAUM growing to 57.1% from 56.8% as of Jun'24. Industry SIP flows continued to gain traction, with INR806b in 1QFY26 vs. INR783b in 4Q. All AMCs witnessed strong SIP flows during the quarter (all-time high industry SIP inflow of INR273b in Jun'25). The companies remain optimistic about the flow momentum to sustain going forward. The yields have declined slightly for AMCs as well as MF RTAs and distributors due to a telescopic pricing effect. Other income for all players improved QoQ on the back of a favorable equity market, resulting in MTM gains. **Wealth managers** are confident of maintaining momentum with respect to flows, while yields are expected to largely remain stable.
- **Decline in ULIPs hits growth; VNB margin expands due to a shift towards traditional products:** The life insurance players reported a slowdown in premium growth, impacted by the slowdown in ULIP momentum and high base. During 1QFY26, the life insurance industry experienced an APE growth of ~7% YoY, driven by ~10% YoY growth reported by private life insurers, while LIC grew ~2% YoY. The shift in product mix towards traditional products from ULIPs led to a strong expansion in the VNB margin across the industry. Management teams across players guide a further expansion of margins, led by 1) an increased shift in product mix towards par and non-par products, 2) higher contribution from high-ticket-size products, 3) higher sum assured and better rider attachment rates, and 4) improvement in persistency. HDFCLIFE/SBILIFE/MAXLIFE/LIC reported an APE growth of 13%/9%/15%/9%, while IPRU's APE declined 5% YoY. VNB margins for HDFCLIFE/SBILIFE/ IPRU/ MAXLIFE/LIC expanded 10bp/60bp/50bp/260bp/150bp YoY.
- **Subdued industry growth; pricing actions to drive focus on margins amid elevated claims:** The general insurance industry's growth remained subdued, with partial recovery in the motor segment offset by the impact of 1/n regulation on the health segment. ICICI continued to gain market share in the retail health segment while prioritizing profitable growth in the motor segment to maintain combined ratios. STARHEAL implemented a price hike across 65% of its retail health portfolio, with annual price increases planned to offset medical inflation and improve product-level loss ratios. NIVABUPA raised prices by 7% in a flagship product during 1QFY26, and further high single-digit price hikes are anticipated. ICICI/STARHEAL/NIVABUPA's YoY NEP growth stood at 14%/12%/20%, though the claims ratio remained elevated in the health segment.

Valuation and view: The capital market ecosystem experienced a healthy recovery, but exchanges and brokers could see weakness in the near term, led by a subdued volume trajectory in Jul'25. Given the efforts to diversify revenue, the impact can be cushioned. Mutual fund activity is likely to remain healthy, driven by improving fund performance across major players and the emergence of a strong online acceptance of online distributors as a channel. Wealth managers are expected to witness strong inflows going forward, with a portion of the recurring segment increasing in the overall mix. Life insurance companies should see an improvement in VNB margins as the product

mix shifts toward retail protection and annuities. Recovery in auto sales and capex are key monitorables for growth prospects among general insurance players.

- **Top Picks:** HDFCAMC, UTIAMC, NUVAMA, and HDFCLIFE.
- **Surprises:** MAXF, IPRULIFE, BSE, and ANANDRATHI.
- **Misses:** CAMS, KFIN, and CDSL.

Guidance highlights:

- **360ONE:** FY26 guidance – Total gross flows of INR600-650b (INR100b – UBS, INR150-200b – B&K, and the remaining INR300-350b – organically). The exit of two RMs caused gross outflows of INR35-40b (4–6% of AUM), with some spillover into 2Q, but the new hirings are likely to offset the attrition-led impact. Yields: Overall yields may reduce by ~2-3bp due to changes in business mix towards advisory. Lending yields are expected to remain steady at ~4.8-5%. On the AMC side, yields from listed strategies are expected to dip ~2–3bp as more AUM is added in this category.
- **NUVAMA:** Guides for FY26 growth of ~30% in wealth and 26–27% in private business on current flow run rates. In Asset Services (domestic), to launch two new value-added offerings—RTA and Trusteeship services—for AIF/PMS clients within six months; board approvals in place. For SIF, the MF license is underway; approvals expected in 3–4 months, with the team/strategy ready for immediate ramp-up. Due to the Jane Street ban, 2Q volumes would be hurt, but normalization is expected from Oct/Nov through new-client wins and scale-up of existing clients.
- **ANGELONE:** New client additions and expansion of the MTF book will drive operating margins to recover to 40–45% by 4QFY26. MTF book's sustained momentum will be supported by advisory capability build-outs going further, while the AMC segment plans to broaden its equity offerings and launch commodity-based funds. Wealth management is likely to break even ahead of plan, though ongoing investments in new businesses will weigh on margins by ~2.0–2.5%. A recent ESOP grant in the wealth business will add ~INR2.1b in FY26 costs, spread evenly at ~INR550m per quarter over the next three quarters.
- **CAMS:** Expects no further impact on topline, EBITDA, or PAT, with 90% repricing of major customers being completed. Full-year yield decline is guided at ~9% YoY, normalizing to 3–3.5% thereafter, with no significant repricing over the next 18–24 months. Regular capex of ~INR600m (INR150m in 1Q) is planned to support transaction growth, alongside ~INR500m already spent on platform re-architecture with INR1b in FY26 and ~INR1.25b in FY27. Overall expenses are expected to grow at ~10–11% YoY. CAMSPay mix stood at MF: Non-MF 50–55%:45–50% with guidance for MF share to decline to ~40%.
- **BSE:** Currently operating at 350 racks (75–80% utilization), plans to add ~140 racks in two phases during FY26. From Jun'25, throttle pricing was introduced, cutting free orders per second from 10k to 40, with incremental order fees based on subscribed speed starting at INR50k annually. Management expects that shifting expiry to Thursday from Tuesday will have no adverse impact on premium turnover.
- **HDFC AMC:** Has a fully diversified SEBI-approved product suite, with no immediate launch plans but aims to build leadership in existing offerings and has applied to SEBI for specialized investment funds (SIFs). Non-cash ESOP and PSU-related expenses are estimated at INR2.05–2.1b over FY26–30, with ~INR560m in FY26, ~INR630m in FY27, ~INR510m in FY28, ~INR320m in FY29, and ~INR60m in FY30; an unallocated INR140m from the previous ESOP scheme will be expensed, with ~INR110m in FY26 and ~INR30m in FY27.
- **NIPPON AMC:** Blended yield stood at 36bp, with management guiding for a 2–3bp annual decline due to telescopic pricing. Commission rationalization, covering three schemes (~45% of AUM), has been completed, with no further plans in the near term. In SIF, a seven-member team led by Mr. Andrew Holland is in place, with launching products sooner; management positions SIF as a distinct vertical with significant growth potential.
- **ICICI:** Group health declined YoY on subdued credit disbursement and 1/n impact, with scope for market share gains if pricing improves; retail health is seen improving via “Elevate” with an FY26 loss ratio target of 65–70%; commercial lines focus on prudent risk selection and broad distribution; fire insurance may see incremental growth ahead.
- **NIVABUPA:** With tighter cost controls and operational leverage, the company targets meeting the EoM threshold in FY26; it is upgrading to an Oracle core system and enhancing AI for better customer experience.

Claims auto-adjudication suspension led to outstanding claims but should normalize post-security reviews. Launched a chronic condition program in the app to cut claim costs via promoting better lifestyle and medication adherence.

- **HDFCLIFE:** Management expects H2FY26 growth to outpace H1, though full-year growth will be below FY25. Near-term VNB margins should remain range-bound due to slower growth and distribution expansion costs but are likely to expand in the long term. The non-par mix is targeted to rise to the mid-20%, the par share to ~25%, and the ULIP share to reduce over time. Stable counter share in the parent bank, along with strong growth from other bank partners and ongoing digital integration, should improve channel mix in 2HFY26.
- **SBILIFE:** The company reaffirmed mid-teen APE growth for FY26, driven by non-par and protection launches, and maintained VNB margin guidance of 26–28%. Credit life is expected to grow 20–25% YoY, supported by home loan growth of 10–15% and better attachment rates. While agency growth lagged internal targets, productivity is expected to improve over the next nine months. Bancassurance is expected to deliver stronger performance ahead. Opex ratios, despite higher costs from branch and digital investments, are guided at 6–6.5% for FY26.
- **LIC:** Policy sales fell 15% YoY in 1Q due to surrender value regulations, but growth is expected to recover in 2HFY26. Margin levers include 1) a higher share of non-par products, 2) redesigned non-par guaranteed offerings post-IRDAI changes, and 3) a shift to high-ticket products with better persistency and profitability. While policy count productivity in agencies has moderated, average ticket size rose 23% YoY; improvement in count-based productivity is expected ahead.

INR m AMCs	Revenue			EBITDA			PAT		
	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)
HDFC	9,682	25	7	7,730	30	6	7,476	24	17
ABSL	4,474	16	4	2,660	21	9	2,771	18	21
NAM	6,066	20	7	3,881	23	6	3,957	19	33
UTI	3,793	13	5	1,724	9	12	2,539	-7	149
Broking/Exchanges									
ANGELONE	7,952	-13	7	1,644	-59	-30	1,145	-61	-34
BSE	9,584	59	13	6,259	122	29	5,382	104	9
MCX	3,732	59	28	2,417	82	51	2,032	83	50
Wealth Management									
360 ONE WAM	6,622	10	2	3,109	-7	-2	2,872	18	15
Nuvama	7,701	15	-0	3,492	19	4	2,639	19	3
Anand Rathi	2,740	15	23	1,278	30	41	939	28	27
Prudent Corporate	2,938	18	4	673	14	-2	518	17	0
Intermediaries									
CAMS	3,542	7	-1	1,543	3	-3	1,080	1	-4
KFIN Technologies	2,741	15	-3	1,139	14	-7	773	13	-9
CDSL	2,588	1	15	1,305	-16	19	1,025	-24	2
General Insurance	Gross Premium			Underwriting Profit/(Loss)			PAT		
	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)
STARHEAL	36,055	4	-30	717	NA	NA	2,625	-18	NA
NIVA BUPA	16,319	11	-21	-2,336	NA	NA	-914	NA	NA
ICICIGI	80,526	2	17	-2,931	NA	NA	7,471	29	47
Life Insurance	APE			VNB			PAT		
	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)	1QFY26	YoY (%)	QoQ (%)
HDFCLIFE	32,250	13	-38	8,090	13	-41	5,465	14	15
IPRU	18,640	-5	-47	4,570	-3	-43	3,010	34	-22
SBILIFE	39,700	9	-27	10,900	12	-34	5,944	14	-27
MAXFIN	16,680	15	-45	3,350	32	-61	860	-45	126
LIC	1,26,520	9	-33	19,440	21	-45	1,09,865	5	-42

HEALTHCARE: In-line 1Q; US generics under pressure; DF/hospitals outperform

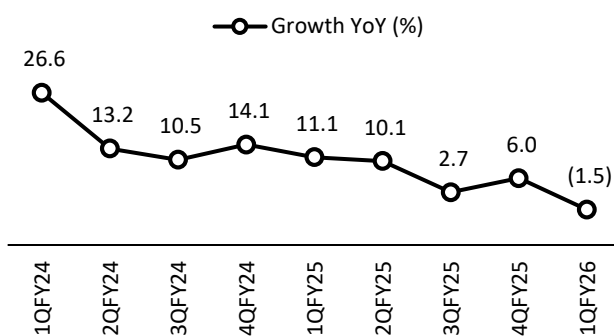
- 1QFY26 was another quarter of in-line revenue/EBITDA/PAT for the pharma companies under our coverage. Revenue moderated YoY (+9.5%) during 1QFY26 compared to the past few quarters. Notably, EBITDA decelerated YoY for the second consecutive quarter. EBITDA grew at a lower rate of 8.6% YoY. Subsequently, PAT rose 12.5% YoY. While sales growth was stable for the domestic formulation (DF) segment, US sales performance was muted, dragging down the overall quarterly performance at the aggregate level.
- The reduction in profitability due to increased competition in high-value products like g-Revlimid in the US market was partly offset by control on operating costs during the quarter.
- After consistent pressure for the past 12 months, management commentary indicated some stability in API prices. This trend has largely benefitted DF brands-led pharma companies, whereas it has had an adverse impact on API suppliers like DIVI, LAURUS, ALPM, and CIPLA.
- Out of 25 companies under our coverage, eight companies delivered higher-than-estimated performance for the quarter. About 10 companies delivered below-estimate earnings, while the remaining seven companies' performance was largely in line with expectations. Specifically, ALKEM/LAURUS/LPC were strong outperformers, whereas BIOS/IPCA were underperformers for the quarter.
- Hospital companies under our coverage reported revenue/EBITDA/PAT growth of 18%/24%/31% YoY. These companies have delivered robust growth momentum for at least nine quarters now.
- Interestingly, the performance is predominantly driven by a higher number of patients treated and increased average realization to some extent.
- After 11 quarters, **US sales** declined YoY in 1QFY26. The increased competition in erstwhile high-potential drugs and limited incremental business from new launches impacted the performance of companies' US generics business. US sales reduced by 1.5% YoY (CC terms) to USD2.4b for the quarter.
- Among our coverage companies, DRRD/Cipla/ARBP posted 14%/10%/4% YoY decline in US sales, impacting the overall performance of our coverage companies in US generics segment. LPC stood out with 22% YoY growth. DRRD/CIPLA/ARBP faced increased competition in g-Revlimid, impacting their YoY performance. LPC's YoY growth was supported by g-Tolvaptan/g-Rivaroxaban. A low base of past year and new launches led to 16%/10% YoY growth in US sales for TRP/ALPM.
- On an aggregate basis, **DF business** reported YoY growth of 10.6%, led by strong growth in chronic therapies, which was offset by a lower off-take in acute therapies. Among therapies, Cardiac, Respiratory, Neuro, Antineoplast, and Urology delivered 12.5%/12.2%/10.2%/13.3%/10.2% YoY growth, outperforming IPM (8.6% YoY growth). However, Anti-infectives, Derma, Gynaec and Gastro underperformed IPM by 280bp/260bp/340bp/170bp. Among our coverage companies, SUN/Mankind/Ajanta Pharma delivered 14%/18%/16.1% YoY growth. AJP outperformed the industry, led by superior execution in derma/pain/anti-diabetic.
- Mankind's growth was supported by BSV consolidation and 1.5x/1.6x outperformance to IPM in Cardiac/Anti-diabetic, while SUN's strong performance was driven by the launch of five new products and broad-based growth in all therapies, with Anti-diabetic and CNS outperforming IPM by 2x and 1.4x, respectively.
- Among our coverage companies that have reported earnings so far, six have seen earnings upgrades, while five have seen earnings downgrades. Upgrades in FY26/FY27 earnings were observed in APHS (7% each), LAURUS (15%/7%), ALKEM (7%/2%). PIRPHARM (down 7%/8%), BIOS (7%/3%), DIVI (8%/6%), and MANKIND (6%/6%) witnessed maximum downgrades in earnings estimates.
- **Top picks:** SUNP, MAXH, IPCA
- **Surprises:** APHS, LAURUS, ALKEM
- **Misses:** BIOS, IPCA

Guidance highlights

- **SUNP** plans to file Illumya for psoriatic arthritis by end-CY25 and launch Unloxcyt in 2HFY26, following the recent launch of Leqselvi with positive uptake. 1QFY26 saw slightly higher QoQ sales of G-Revlimid and 4/5 new product launches in US/India. R&D spend guidance for FY26 remains at 6-8% of sales.

- **DRRD** expects g-Revlimid sales to be stable in 2QFY26. DRRD targets 12m semaglutide pen sales in Canada in FY26, pending litigation and approval, with in-house capacity from FY28. R&D expenses for FY26 are expected to be in the range of 7-7.5% of total sales, while ETR is projected to be around 26%.
- **DIVI** aims to sustain double-digit revenue growth. It is executing INR20b projects for new and near-commercial molecules and advancing pilot bio-catalysis with innovators. Capital WIP was INR14b at the end of Jun'25. Overall capacity utilization was around 80%.
- **Cipla** maintained its EBITDA margin guidance of 23.5-24.5%, with a revenue target of USD1b in FY27. Cipla recorded partial sales of g-Abraxane and Nilotinib, with full launches imminent. Cipla saw muted YoY growth in India's Rx segment in 1QFY26 but expects stronger growth in the remaining quarters.
- **BIOS** expects generics profitability to improve with launches of Liraglutide (EU/US), g-Entresto, and Micafungin Everolimus in the near term. Insulin Aspart launch in the US is imminent, and RH-Insulin capacity in Malaysia has been expanded. Biologics sales are 77% from advanced markets, with a small g-Revlimid contribution in 1Q.
- **LPC** guides for strong double-digit FY26 growth with 24-25% EBITDA margin, targeting Risperdal Consta (Sep'25) and Ranibizumab (Jun'26) launches. It is expanding g-Spiriva reach and plans to launch g-Dalbavancin this year. Namuscla US commercialization is targeted by FY29, with patient recruitment in progress.
- **ZYDUSLIF** guides for single-digit US growth in FY26 despite g-Revlimid pressure, backed by launches, clearances, base business growth, and mirabegron sales. It aims for high-teens to mid-20s growth in emerging markets. Biologics expansion includes scaling up Agenus and investing in whey protein production for launch next year.
- **APHS** is on track to achieve cash EBITDA breakeven (excluding ESOP cost) in HealthCo by 2QFY26/3QFY26. Surgical revenue grew 14% YoY, led by a healthy momentum in CONGO (cardiac, oncology, neurosciences, gastro, and ortho) therapies in 1Q. The redefinition of GMV related to Apollo Group Hospitals and the restated GMV of INR8-9b would enable APHS to achieve EBITDA break-even in the digital platform.
- **LAURUS** expects strong FY26 CDMO growth, lifting GM guidance to 55-60%. ARV grew 17% YoY, but overall FY26 sales guidance remains stable. Bio segment challenges should ease, with new Gene/ADC and microbial fermentation facilities underway. Capex of INR50b is planned over five years, with net debt/EBITDA at 2.2-2.5x.
- **GLAND** targets mid-teens FY26 revenue growth with 24-25% EBITDA margin. It expects Cenexi profitability to improve after a weak 2Q. US sales fell on lower Enoxaparin demand, while g-Dalbavancin (from Sep'25) and a CMS contract should aid US/EU growth.
- **TRP** plans to maintain FY26 EBITDA margin at 1Q levels, add 800 MRs, and proceed with JB Chemical acquisition, pending CCI nod. It targets 8-10 launches annually in Brazil and the US, with growth from existing products, while strict Ozempic guidelines and delayed Wegovy generics shape Brazil's market dynamics.
- **IPCA** targets 9-10% FY26 revenue growth with 70-75bp YoY margin improvement, despite 1Q impact from Unichem competition, currency provisions, and Ireland facility closure. Cardiovascular division restructuring and 400 MR additions should aid recovery. US pipeline includes one filing and 15-16 products in development.
- For **MAXHEALTH**, excluding the new hospitals added since 4QFY24, the base hospitals delivered revenue/EBITDA YoY growth of 13%/15% for the quarter. Forest clearance at Max Vikrant remains delayed due to the ongoing dispute between DDA and the Delhi government over tree cutting in an eco-sensitive area. Net debt is expected to increase by INR4b-INR5b by the end of FY26.
- **MEDANTA** plans to open a 300-bed Noida hospital in 2QFY26, while the 110-bed Ranchi facility was opened in Jul'25. International patient mix shifted toward Africa and CIS, with limited ARPOB impact at Gurgaon. Developing hospitals saw a slight ARPOB dip — Lucknow's 11% drop was partly offset by an 8% rise in Patna.

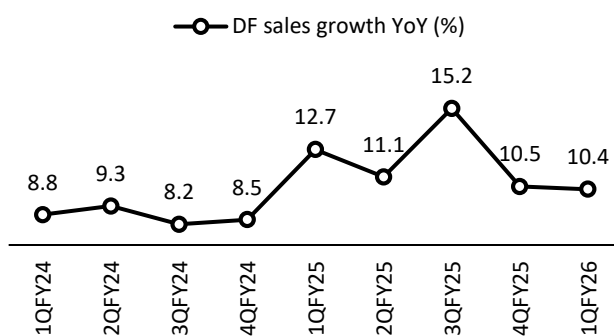
Exhibit 87: US sales declined 1.5% YoY (CC terms)



Ex-APHS/MAXHEALT/MEDANTA

Source: MOFSL, Company

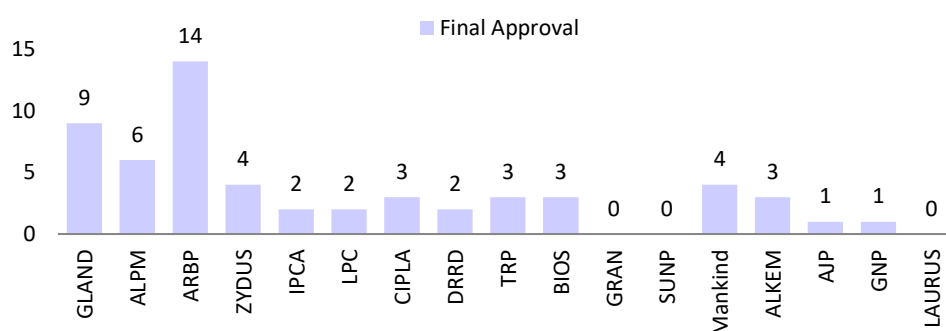
Exhibit 88: DF sales grew 10.4% YoY



Ex-APHS/MAXHEALT/MEDANTA

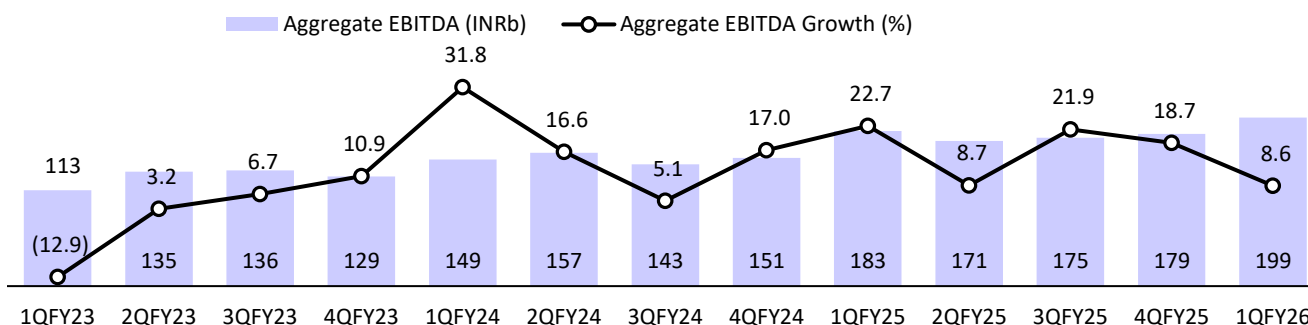
Source: MOFSL, Company

Exhibit 89: 57 Final ANDAs approved on aggregate basis for our coverage universe in 1Q



Source: MOFSL, Company

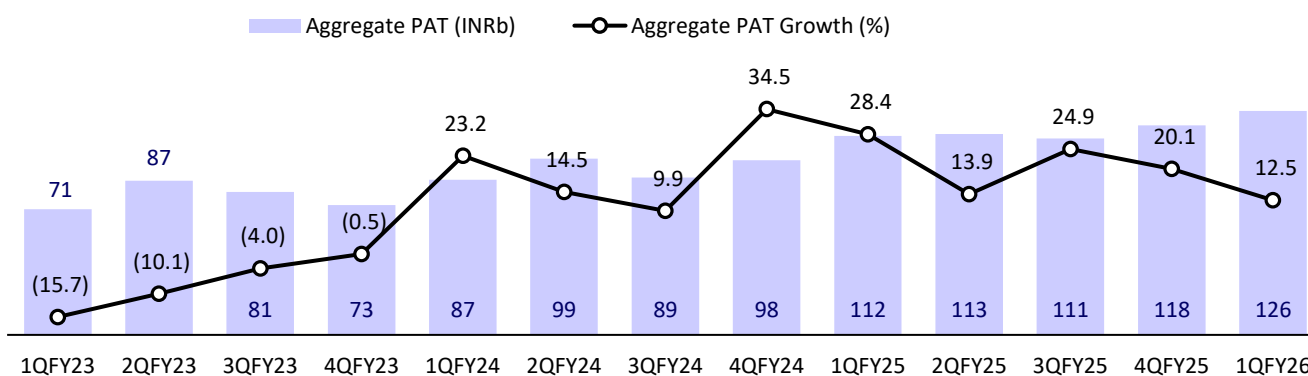
Exhibit 90: Aggregate EBITDA up 8.6% YoY to INR186b for pharma universe



Ex-APHS/MAXHEALT/MEDANTA

Source: MOFSL, Company

Exhibit 91: Aggregate PAT up 12.5% YoY for pharma companies under coverage



Ex-APHS/MAXHEALT/MEDANTA

Source: MOFSL, Company

Exhibit 92: USFDA inspection history of our coverage companies for the quarter

Company	Inspection Date	Inspection Facility	Outcome	Observations
Sun Pharmaceuticals	Jun-25	Halol Plant, Gujarat	Form 483	8
Aurobindo Pharma	Apr-25	Raleigh Plant	Form 483	11
Dr Reddy Lab	May-25	Telangana-API Plant	Form 483	2
Zydus	Apr-25	Gujarat-API Plant	Form 483	6
	Apr-25	Dabhasa- API Plant	EIR	VAI
Lupin	Apr-25	Nagpur Injectable Plant	EIR	VAI
Glenmark	Jun-25	Monroe	Form 483	5
Cipla	Jun-25	Bommasandra Plant, Bengaluru	Form 483	1
Alembic Pharma	Jun-25	API Facility, Gujarat	EIR	VAI

Source: MOFSL, Company

Exhibit 93: Performance of top therapies in Jun'25 - (INR b)

Therapy	MAT Jun'25 value (INR b)	Market share (%)	Growth (%)	YoY growth (%) in the last eight quarters								One month
				Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25	Jun'25
IPM	2,382	100.0	8.0	7.1	8.1	5.7	9.0	8.3	7.6	7.5	8.6	11.5
Cardiac	310	13.0	11.8	9.3	8.4	10.8	12.5	12.1	12.2	10.3	12.5	14.8
Anti-Infectives	256	10.8	5.1	0.1	7.8	-3.1	6.5	8.1	2.4	3.9	5.8	10.9
Gastro Intestinal	256	10.7	8.5	8.6	9.4	5.5	11.4	9.8	7.6	10.1	6.9	9.5
Anti Diabetic	212	8.9	8.4	4.8	5.7	7.1	7.6	9.1	8.9	7.1	8.6	10.5
Respiratory	189	7.9	5.5	0.0	5.5	-2.7	1.7	2.8	4.5	3.9	12.2	18.9
Pain / Analgesics	189	7.9	7.3	7.3	8.3	6.0	8.4	7.7	7.8	6.6	6.9	11.0
Vitamins/Minerals/Nutrients	186	7.8	7.9	7.4	8.6	6.5	8.7	8.0	8.0	7.6	7.9	10.8
Derma	165	6.9	8.6	5.6	3.6	8.2	9.8	9.7	11.2	7.4	6.0	8.8
Neuro / Cns	144	6.1	9.1	8.2	8.8	8.0	8.4	9.4	8.1	8.9	10.2	11.8
Gynaec.	115	4.8	3.8	8.1	6.6	5.2	6.3	3.0	3.3	3.4	5.2	6.9
Antineoplast/Immunomodulator	64	2.7	12.2	25.6	24.3	21.6	21.1	12.0	12.4	11.0	13.3	13.0
Ophthal / Otologicals	46	1.9	5.4	20.5	1.4	4.6	5.6	-3.6	10.4	8.0	8.3	9.1
Urology	54	2.3	12.7	14.4	12.4	14.0	13.8	13.2	14.3	13.3	10.2	12.9
Hormones	36	1.5	5.9	8.0	6.1	3.2	8.7	5.3	4.7	5.9	7.7	11.0

Source: IQVIA, MOFSL

Infrastructure: NHAI awarding remains muted as of FY26YTD; delays in appointed dates hurt execution

- **Execution weak on sluggish awarding:** The pace of project awarding by NHAI has remained muted in the initial months of FY26, with only ~180km awarded during Apr'25–Aug'25 against the annual target of 5,000km. The subdued awarding, coupled with delays in land acquisition, weighed on execution for road EPC players. Companies within our coverage universe (ex-IRB) reported a 16% YoY revenue decline in 1QFY26, with KNR/GRIL witnessing a 42%/4% YoY dip. With awarding momentum yet to pick up, both KNR and GRIL are actively pursuing diversification into non-road infrastructure segments such as power transmission, water projects, and solar EPC to broaden their order books. IRB's revenue grew by 13% YoY.
- **Margins under pressure; a strong tender pipeline offers recovery potential:** Our coverage universe companies (ex-IRB) experienced a 150bp YoY dip in gross margin and 140bp YoY contraction in EBITDA margin for 1QFY26 due to elevated input costs. Despite the weak awarding pace so far, the tender pipeline remains robust, with substantial inflows expected in the coming quarters. Execution momentum is projected to improve from 2HFY26, aided by the resumption of project clearances and progress in land acquisition. GRIL has set an FY26 order inflow target of INR220b, while KNR is aiming for INR70b.

- **Elevated input costs keep margins under check:** Our coverage universe companies witnessed a YoY dip in gross and EBITDA margins during the quarter, reflecting elevated costs. Though commodity prices have eased from their peaks, cement prices remain ~8% higher than Oct'23 levels and other construction inputs continue to trade at elevated levels.
- **Focus on asset monetization:** For FY26, NHAH has set an asset monetization target of INR300b (vs INR287b achieved in FY25). The monetization drive will be executed through the Toll-Operate-Transfer (ToT) model and Infrastructure Investment Trusts (InvITs). A pool of 24 assets covering 1,472km has been earmarked for monetization, with proceeds to be deployed for highway development, debt repayment, and generating returns for investors. FASTag toll collections rose ~16% YoY in volume and ~20% YoY in value during Apr'25–Jul'25, reinforcing monetization prospects.
- **Top picks:** Awarding activities by NHAH and execution have been muted and are expected to improve only in 2HFY26. Companies with decent order backlogs, a solid financial position, and involvement in multiple segments are well-positioned to benefit in the near to medium term.

Exhibit 94: Revenue declined ~16% YoY for our coverage universe

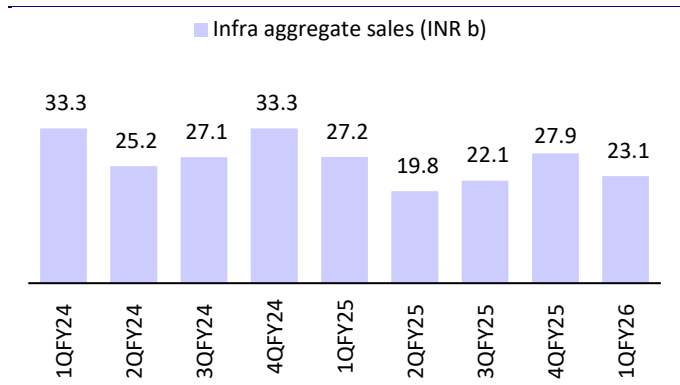


Exhibit 95: Gross margin dipped on a YoY basis

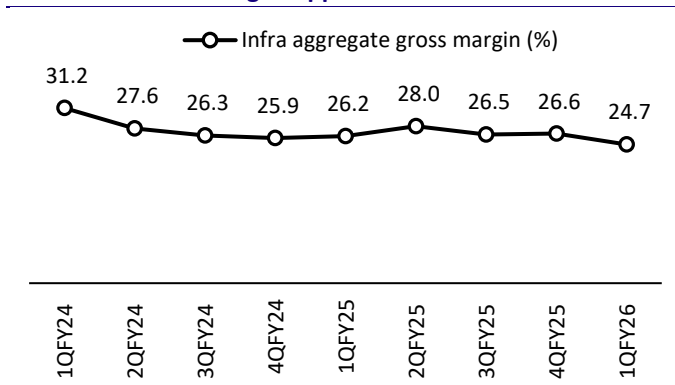


Exhibit 96: EBITDA margin contracted on a YoY basis

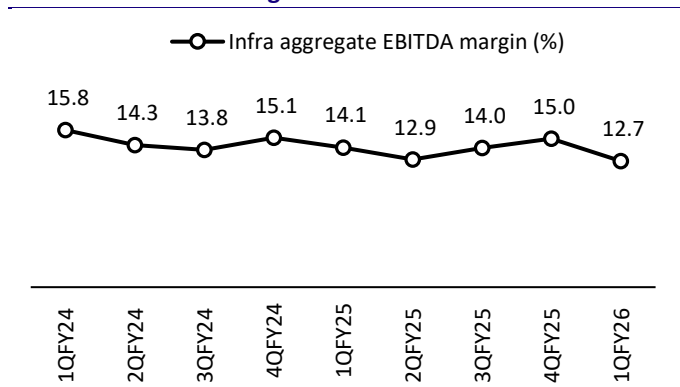
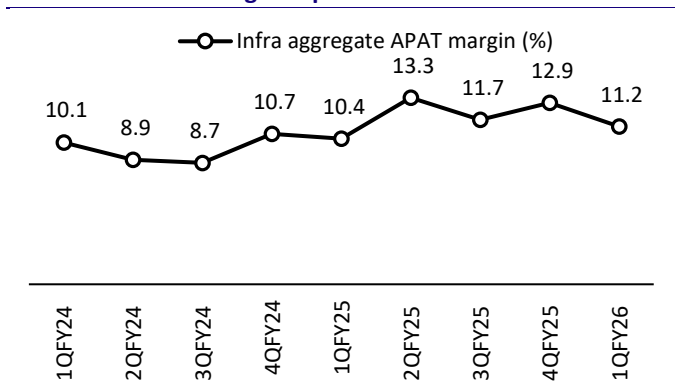


Exhibit 97: APAT margin improved on a YoY basis



Note: Data in charts above is for our coverage universe excluding IRB

LOGISTICS: Modest revenue growth in 1Q; volumes remain muted, while private port operators sustain outperformance

- **Logistics sector posts modest revenue growth; margins aided by price hikes, but volumes remain subdued:** Logistics companies (excl. APSEZ and JSWINFRA) posted ~6% YoY revenue growth in 1Q FY26, reflecting modest improvement in demand over last year. While price hikes and selective yield improvement supported revenue gains, overall volume growth remained muted across several sub-segments. Express logistics players continued to face competitive intensity and soft demand from e-commerce and SME clients, while road transportation volumes were constrained by sluggish consumption and uneven industrial activity in 1Q FY26. APSEZ and JSWINFRA reported 11% and 6% YoY growth in cargo volumes, respectively. In FY25, APSEZ managed ~27% of the country's total cargo and ~45% of container cargo. With volume ramp-up at recently acquired ports/terminals, volumes are expected to be strong ahead for APSEZ and JSWINFRA.
- **EBITDA margin inches up YoY due to muted volume growth and high operating expenses:** Gross margin for our coverage universe, barring APSEZ and JSWINFRA, stood at 29.5% in 1QFY26 (up 100bp YoY and flat QoQ). EBITDA margin improved marginally by 60bp YoY, aided by better pricing discipline, targeted cost control measures, and operational efficiencies in organized networks. However, the benefits were partly offset by elevated input costs, including fuel and toll charges, and by a lack of strong volume leverage. APSEZ's margin stood at 60.2% (down 80bp YoY and up 120bp QoQ), while JSWINFRA's margin was 47.5% (down 350bp YoY and 250bp QoQ).
- **Organized players with a pan-India network and technological advantage to gain higher market share:** The introduction of GST, e-way bills, and reduced e-invoicing turnover limits led to businesses partnering with organized logistics providers. Express companies are expanding their infrastructure and digitalizing operations. This positions them to capture higher volumes. The government's port privatization efforts offer opportunities, with APSEZ and JSWINFRA well-placed to benefit due to their strong balance sheets.
- **Top picks:** JSWINFRA is our preferred pick in this space.

Guidance

- **APSEZ:** In FY26, APSEZ expects cargo volumes of 505-515mmt, revenue of INR360-380b, EBITDA of INR210-220b, and a net debt-to-EBITDA ratio of 2.0-2.5x. It plans a capex of INR120b, primarily for ports (INR 60b), logistics, and renewables.
- **JSWINFRA:** Port capacity is set to reach 400 MTPA by FY30, with the current capacity rising to 177 MTPA. Management targets INR 80b revenue, INR20b EBITDA, and INR 90b capex for JSW Ports Logistics Ltd. JSWINFRA plans to invest INR 55b in capex (vs. INR 24.4b in FY25), including INR 40b for ports and INR 15b for logistics.
- **Delhivery:** Revenue growth to be led by Express Parcel and PTL. Management targets a 6–7% EBITDA margin in FY26 despite cost pressures. Peak volumes are expected in 2Q and early 3QFY26.
- **VRLL:** Volumes to decline 8–9% YoY in 2QFY26, stabilize in 3Q, and return to growth path in 4QFY26. FY26 volumes to remain flattish; FY27 volume growth is expected at 7–8% YoY. Realizations were steady at ~INR7,800/ton; margin stood at 18–19% despite higher costs. Branch expansion is slower than the earlier plan of 80–100 annually.
- **TRPC:** For FY26, it targets 10–12% revenue and profit growth, aided by the China+1 strategy, PLI scheme, and infrastructure push. Capex of INR 4.5b is planned for FY26.
- **BDE:** BDE anticipates high single- to low double-digit YoY growth in FY26–27, aims to improve margins without specific guidance, and expects B2C ground express growth to vary with economic conditions while leveraging better infrastructure for stronger pricing.
- **CCRI:** For FY26, CCRI targets 13% overall volume growth, driven by 10% EXIM and 20% domestic growth. The commissioning of the Western DFC to JNPT by Dec'25 is expected to boost rail volumes by shifting light cargo from road.
- **MLL:** MLL aims to build integrated logistics capabilities with enhanced tech and automation as differentiators. It targets mid-to-high teens revenue growth and 18% RoE by FY26, with a long-term goal of becoming an INR 100b logistics provider, while staying optimistic about narrowing losses as express volumes recover.

- **TCIE:** The company expects 7–8% tonnage and 10–12% revenue growth in FY26, driven by better yields and network expansion, and a 150–200bp margin improvement from price hikes, cost control, and a higher share of rail/air express. Management earmarked INR3b capex for FY26–27.

Exhibit 98: Sales improved ~6% YoY for our Coverage Universe

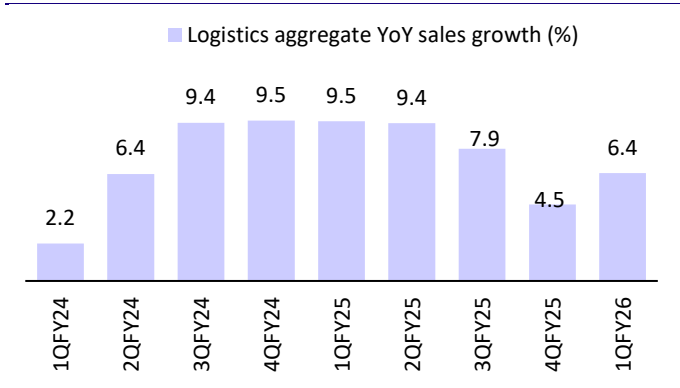


Exhibit 99: Gross margin improves on a YoY basis

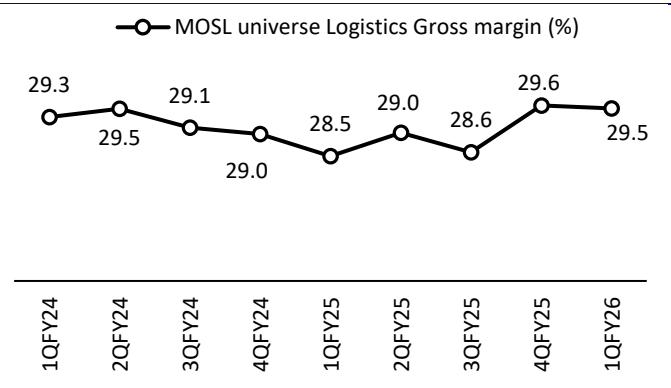
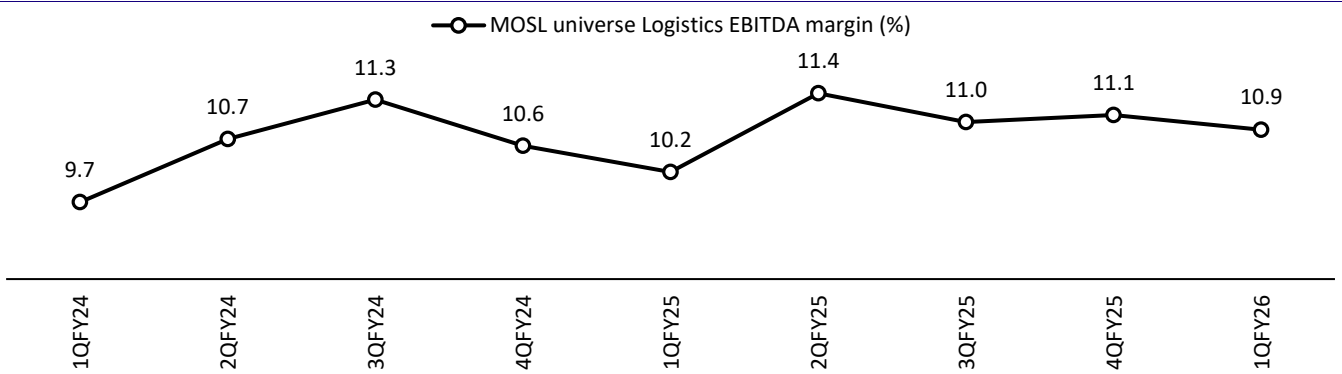


Exhibit 100: EBITDA margin improves on a YoY basis primarily due to price hikes



Note: Data in charts above is for our coverage universe excluding APSEZ & JSWINFRA

Source: Company, MOFSL

METALS: Lower costs and healthy NSR lead to strong performance; volume remains muted

■ **Muted volumes in 1Q, led by scheduled maintenance and the early onset of monsoon**

Ferrous: Companies within our coverage universe reported sales volume growth of 3% YoY in 1QFY26, but a 13% decline QoQ, impacted by maintenance shutdowns and the early onset of monsoon. JSPL/JSTL reported an 11-12% QoQ volume decline, while TATA/SAIL saw a 15% QoQ decline.

Non-Ferrous: HNDL's domestic aluminum volume declined 2% QoQ (-1% YoY), while copper volume declined 8% QoQ (+4% YoY). Novelis (HNDL overseas the aluminum business) reported flat volumes due to subdued global demand and trade tensions. HZ's zinc/lead volumes decline 8/14% QoQ (-5/-6% YoY). NACL's aluminum sales fell 10% QoQ (+3% YoY), while alumina sales declined 12% QoQ.

Mining: COAL's sales (dispatches) declined 5% QoQ and 4% YoY at 191mt. NMDC's sales declined 9% QoQ but rose 14% YoY to 11.5mt, due to a low base.

■ **Ferrous ASP rebounded QoQ while non-ferrous remained soft:** Aggregate revenue for ferrous companies under coverage stood flat YoY but declined 6% QoQ, led by muted volumes, which were partially offset by healthy NSR. Ferrous prices increased INR2,500-3,000/t by the end of Mar'25, supported by safeguard duty. Average realization for ferrous companies under our coverage rose 7% QoQ. Aggregate revenue for non-ferrous companies declined 5% QoQ but rose 10% YoY. HNDL's revenue declined 1% QoQ (+13% YoY) in 1QFY26, whereas HZ/VEDL's revenue dipped 15/7% QoQ.

■ **Ferrous margins expanded QoQ amid better NSR and muted costs; muted volume hit non-ferrous earnings:**

➤ **Ferrous:** Aggregate EBITDA for our coverage companies increased 10% QoQ and 19% YoY, driven by healthy NSR and muted costs. EBITDA/t for JSPL/JSTL/TATA improved 30% QoQ to INR15,800/11,300/10,400 per ton, respectively. TATA's consolidated margin also expanded as EU turned profitable, reporting an EBITDA of USD8/t

during the quarter. EBITDA/t for JDSL increased to INR20,900/t (+27% QoQ), supported by healthy NSR and muted costs.

- **Non-ferrous:** EBITDA for non-ferrous companies rose 4% YoY but declined ~17% QoQ, driven by muted volumes, which were partially offset by favorable pricing and muted costs during the quarter. The largest decline was seen in NACL, where EBITDA fell 46% QoQ (+60% YoY), driven by softening alumina prices and volumes.
- **Ferrous - Decent operating profit drove PAT growth:** Aggregate APAT for ferrous companies increased 14% QoQ and 59% YoY in 1QFY26, led by strong operating performance supported by better NSR and muted costs. Non-ferrous companies' aggregate APAT declined 24% QoQ (+6% YoY), driven by muted operating performance in 1Q.
- **Top picks:** JSTL, JDSL, and JSP
- **Surprises:** TATA and COAL

Capacity enhancement: **a) Ferrous:** TATA is doubling its domestic crude steel capacity to 40mt from 21mt. The 5mtpa Kalinganagar facility was recently commissioned, with other associated facilities scheduled for commissioning in the coming years. Similarly, JSP is doubling its finished steel capacity to 13.75mt by FY26 from 7.25mt. JSTL's 5mtpa Vijayanagar integrated facility (Sinter and BF) has been commissioned, and other expansions—such as Dolvi phase-III and debottlenecking—are expected to raise capacity to 42mtpa by Sep'27. SAIL plans to increase its crude steel capacity from 20mtpa to 35mtpa by the end of FY31 in a phased manner. **b) Non-ferrous:** Novelis' (HNDL) Bay Minette facility is expected to be completed in 2HCY26, with a full ramp-up anticipated within 18-24 months. VEDL's Lanjigarh Train-1 is ramping up steadily, while the ongoing Train-2 expansion of 1.5mtpa is expected to be completed in 2HFY26. At Zinc International, the Phase 2 expansion project is also expected to be commissioned by 2HFY26. HZ's debottlenecking at Dariba Smelting Complex is expected to be completed by 2QFY26, with debottlenecking at the Chanderiya lead-zinc smelter targeted for 1QFY27. NACL is expanding its alumina refinery (5th Stream) by 1mtpa, aiming for completion by Jan-Feb'26.

Guidance highlights:

- **TATA:** India NSR is expected to be INR2,000/t lower in 2QFY26 compared to 1Q, due to seasonal weakness and domestic supply pressure. Coking coal consumption costs are projected to reduce by USD10/t in both India and the Netherlands during 2QFY26. Additionally, iron ore costs in the Netherlands are expected to decline USD7-8/t in 2QFY26, further aiding margins. TATA achieved INR29b in cost savings in 1QFY26, with INR11b from India, INR14b from the Netherlands, and INR4b from UK operations. The total cost savings target of INR115b is expected to be achieved within 12-18 months, with INR44b (INR15b in FY25 and INR29b in 1QFY26) already realized.
- **JSTL:** The company expects volume growth in 2QFY26 as planned shutdowns conclude and operations at Dolvi and BPSL stabilize. Blended coking coal costs were ~USD160/t in 1QFY26 and are likely to stabilize in the coming quarters. Management foresees a marginal coking cost reduction of USD5/t in 2QFY26. Steel prices softened in Jun'25 (HRC prices down by ~INR1,000/t) and continued to show softness in Jul'25, led by global uncertainties, rising cheaper imports into India, and seasonal monsoon impacts on infrastructure and construction demand. Management expects cost efficiencies to improve in 2QFY26, led by: 1) lower coking coal costs (USD5/t), 2) improved operational efficiencies at JVML (potential cost savings of up to INR1,500/t QoQ), and 3) reduced iron ore costs due to increased captive sourcing and beneficiation.
- **JSP:** Management reiterated its FY26 crude steel production guidance of 9-10mt, with incremental volumes of 0.2-0.3mt expected from existing facilities and 0.7–1.6mt from new expansions. The reduction in raw material costs was driven by savings in coking coal, PCI, scrap, and other inputs, along with the absence of one-off charges from 4Q. Coking coal costs reduced USD11/t in 1QFY26 (in line with guidance) and are expected to decline by another USD5/t in 2QFY26. Domestic steel prices are currently 5-7% lower than 1QFY26, with a potential recovery anticipated later in 2QFY26. Management expects iron ore costs to remain flat QoQ in 2QFY26.

- **HNDL:** Cost of production (CoP) for upstream aluminum fell 3% QoQ in 1QFY26, driven by a higher linkage coal mix (63%). Management guided CoP to increase by ~3% QoQ in 2QFY26, citing monsoon impacts and higher coal prices. The company targets aluminum downstream EBITDA of USD250-300/t in the coming quarters as the FRP ramp-up continues. For the Aditya Alumina Refinery expansion, all orders have been placed, EC received, and construction has started, with commissioning targeted by FY28.
- **JDSL:** Management reiterated its volume growth guidance of 9-10% YoY for FY26, with capacity utilization expected at 80-85%. JSL saw a 12% QoQ increase in higher-margin Cold Rolled (CR) volumes in 1QFY26 and has guided for a further ~15-20% increase in 2H, supported by ramp-up at Chromeni (now at 65% utilization and targeting 80-85%). The company aims to increase the CR share to 75% of its total melting capacity, indicating a long-term push toward higher-margin products. The company has maintained its EBITDA/t guidance of INR19,000-21,000/t for FY26, despite volatile raw material prices. Management expects LME-nickel prices to remain range-bound between USD15,000 and 16,000/t in the near term.
- **VEDL/HZ:** Domestic market demand remains a key lever, limiting exposure to US tariffs. Vedanta expects aluminum CoP to fall below USD1,700/t in 2HFY26, aided by a higher share of captive alumina and low power costs. Alumina costs are likely to decline USD80-100/t over the next two quarters, with ~ 60% of the reduction coming from the increased captive mix at Lanjigarh, and the remaining 40% attributed to softer market alumina prices. Power costs are projected to remain at around USD500/t, although 2QFY26 may see a temporary rise due to planned maintenance at power plants.

Exhibit 101: Domestic spot steel spreads (USD/t) recovered close to LTA

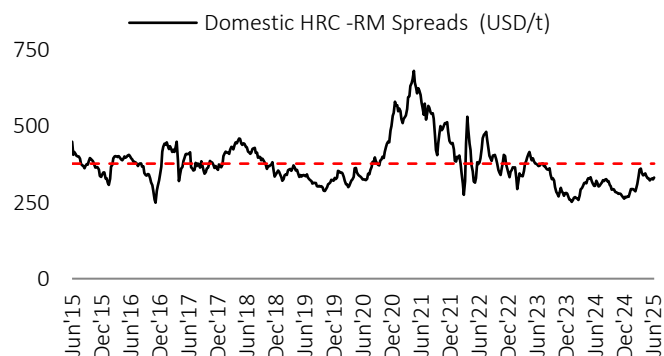
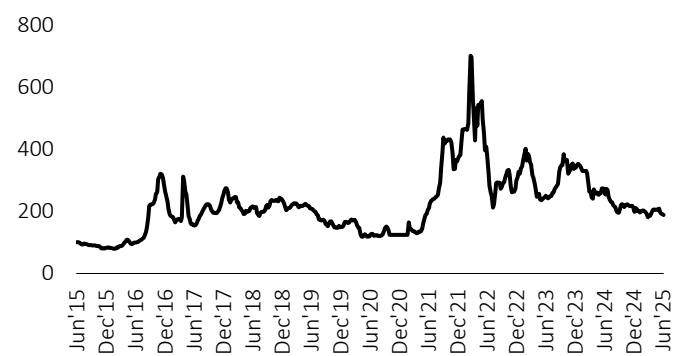
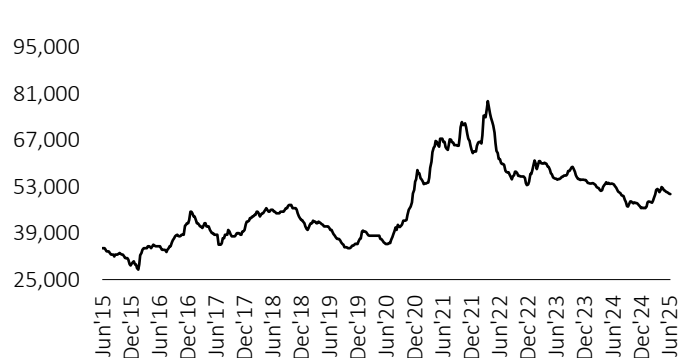


Exhibit 102: Coking coal (USD/t) prices moderated significantly from their peak and are now range-bound near USD200/t



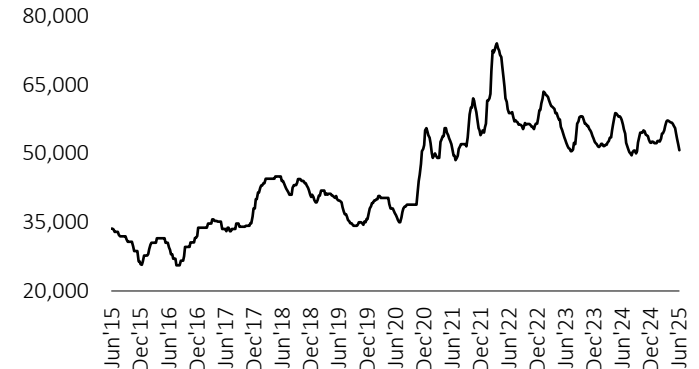
Source: MOFSL, Steelmint

Exhibit 103: HRC (INR/t) prices softened to INR50,000/t amid muted demand



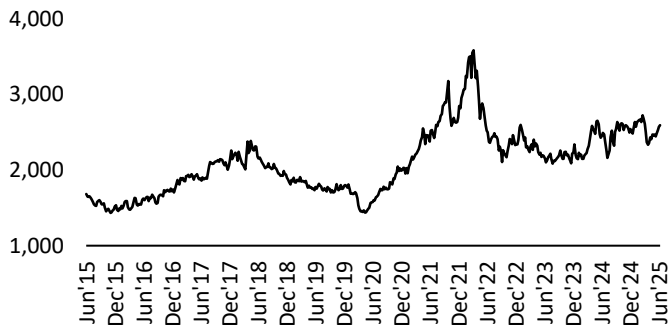
Source: MOFSL, Steelmint

Exhibit 104: Rebar (INR/t) prices corrected to 50,000/t due to the early onset of monsoon



Source: MOFSL, Steelmint

Exhibit 105: Aluminum prices remained at ~USD2,500/t



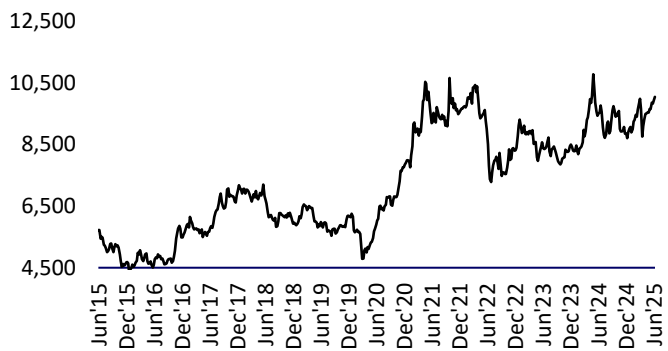
Source: MOFSL, Bloomberg

Exhibit 106: Zinc prices rebound to USD2,700/t levels



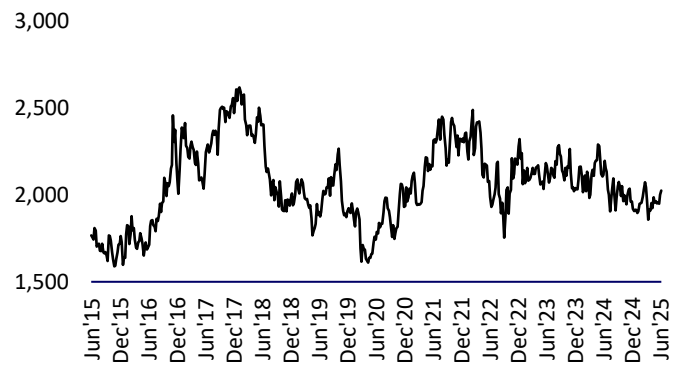
Source: MOFSL, Bloomberg

Exhibit 107: Copper prices steady at USD10,000/t levels



Source: MOFSL, Bloomberg

Exhibit 108: Lead prices hover at USD20,000/t



Source: MOFSL, Bloomberg

Exhibit 109: EBITDA/t for steel companies under our coverage (consolidated)

EBITDA/t	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
JSW Steel	12,438	11,967	9,100	9,003	8,869	8,314	8,515	11,324
Tata Steel	6,037	8,031	8,271	9,059	7,343	9,268	7,874	10,432
SAIL	4,429	5,638	3,879	5,536	3,111	4,582	6,536	5,704
JSPL	11,372	15,705	12,162	13,585	11,893	11,494	11,651	15,819
JDSL	22,621	24,339	18,161	20,964	21,000	20,536	16,499	20,915

Source: MOFSL, Company

OIL & GAS: Inventory losses weigh on OMCs earnings; CGD margins steady, volume growth key

- **Overall performance:** Revenue came in line with our estimates (flat YoY). However, excluding OMCs, revenue was 6% below our estimates (flat YoY). EBITDA was 6% below estimates (up 17% YoY). Excluding OMCs, EBITDA remained in line (flat YoY). Adjusted PAT was 11% below estimates (up 27% YoY), primarily as OMCs, GAIL, and OINL missed estimates. Excluding OMCs, adjusted PAT was 9% below estimates (flat YoY).
- **RIL:** RIL's consolidated EBITDA for 1QFY26 declined 2% QoQ (+11% YoY) to INR429b (5% miss), primarily due to weaker performance in Retail and O2C. QoQ, O2C EBITDA was impacted by planned maintenance activities (3.5% QoQ decline in throughput), higher feedstock costs, and increased freight expenses. The sequential decline in E&P EBITDA was driven by lower oil & gas realization at both KGD6 and CBM.
- **Upstream: ONGC's/OINL's** 1QFY26 revenue came in 5% above our estimate at INR320b/INR50b, as both oil and gas sales stood in line with estimates. Oil realization stood in the range of USD66-67/bbl for upstream companies. ONGC's EBITDA stood 12% above our estimates, while OINL's EBITDA came in 26% below estimates.
- **OMCs: Lower-than-expected GRM drags earnings despite strong marketing margins:** HPCL/BPCL/IOCL reported EBITDA 9%/12%/16% below our estimates, primarily due to higher-than-expected inventory losses. While OMCs reported a 10-24% beat on marketing margin estimates, their reported PAT stood 11-20% below estimates.

According to the 8th Aug'25 PIB release, the Union Cabinet approved INR300b compensation for PSU OMCs, resulting in a 5-9% boost to FY27E BVPS.

- **CGDs: MAHGL's** EBITDA came in 20% above our estimates, while **GUJGA's/IGL's** EBITDA was 8%/10% below estimates, respectively. Total volumes for MAHGL/IGL were broadly in line with expectations at 4.2/9.1mmscmd, respectively, whereas GUJGA's volumes were 7% below estimates at 8.9mmscmd.
- **Gas utilities:** Both GAIL and GUJS witnessed soft transmission volumes amid subdued demand from refineries, petchem, fertilizer, and CGD segments. **GAIL's** EBITDA came in 7% below estimates, as the petchem and LPG segments reported weak performance. Natural gas (NG) transmission volumes stood below our estimate at ~121mmscmd. **GUJS's** EBITDA was 24% above our estimates, driven by transmission volumes of 29.7mmscmd, which was 14% higher than expected, and lower-than-estimated opex. The implied tariff stood in line at INR863/mmscm. **PLNG's** EBITDA was 5% below our estimate. PAT came in line with our estimate, as other income was above estimates. Total volumes came in 6% above our estimate, primarily due to higher third-party and service cargos.
- **Others: MRPL's** EBITDA came in significantly below our estimates, primarily due to lower-than-expected reported GRM of ~USD3.9/bbl, compared to our estimate of USD7.5/bbl. Adjusting for inventory gains, core GRM stood at ~USD5.9/bbl. MRPL reported a net loss of INR2.7b, as interest expenses stood above estimates and other income was below estimates, while refining throughput came in line with estimates at 3.5mmt. **CSTR's** results were in line with our estimates. EBITDA margin expanded 30bp YoY/175bp QoQ. Its 2Q volumes stood in line with our estimates at 66m liters (up 8% YoY). Volumes were in line with expectations at 66m liters.
- **Ratings revisions:** We downgrade both ONGC and OINL to Neutral as we cut FY26/27 SA PAT by 6-11% for both companies. Despite recent seasonal strength, we believe the oil price outlook remains muted as OPEC+ spare capacity remains at a multi-year high. Moreover, volume growth execution remains weak (in fact, has been disappointing recently), and higher exploration intensity implies that dry-well write-offs will likely continue to weigh on earnings.
- **Top picks: PLNG's valuations imply that the stock is at a point of maximum pessimism:** We recently upgraded PLNG to BUY ([Tide is turning, slowly](#)). PLNG trades at 8.8x FY27E EPS compared to its historical one-year forward P/E of 10.4x. Our DCF-based TP of INR410/sh (WACC: 11.2%, TG = 2%) assumes a 10% tariff cut in FY28, followed by a 4% increase for both the terminals. While we have incorporated the full capex for the petchem plant, we value it conservatively at 0.5x FY29E P/B and discount this back to FY27E. Barring **PLNG**, we do not see strong BUYs in the O&G space in general, as valuations are no longer inexpensive. However, after the recent correction, we do like **HPCL** (LPG compensation boosts FY27 BVPS by 9%) and **MAHGL** (potential price hikes expected in 2H).
- **Surprise:** GUJS and MAHGL
- **Misses:** Reliance, HPCL, BPCL, IOCL, GAIL, and OINL

Guidance highlights:

- **Upstream: ONGC:** Management has lowered its FY26 standalone production guidance to 19.93mmt for oil and 20.11mmtoe for gas. For FY27, overall production is guided at 21mmtoe. Production of both oil and gas is expected to ramp up from Jan-Feb'26, with gas output projected to reach 6-7mmscmd by the end of FY26. FY26 capex guidance is maintained at INR300-350b. **OINL:** Management has guided oil and gas production targets of 3.7mmt/3.65bcm for FY26, and 3.95mmt/4.31bcm for FY27. OINL plans to incur standalone capex of INR70b in FY26, while NRL has planned capex of INR91.3b for FY26 and INR73b for FY27. Capacity utilization at NRL's new refinery is expected to reach 40% in 2HFY27 and 80% in FY28.
- **OMCs: HPCL's** management has guided for capacity utilization of 10-15%/35-40% for FY26/FY27. LPG cavern (80tmt) (underground LPG storage) in Mangalore is ready and scheduled for commissioning in 2QFY26. HRRL's refinery section is expected to commence operations in the next couple of months. **BPCL's** FY26-27 capex guidance is maintained at INR200b/INR250b and INR300b for FY28-29. The Bina refinery has reached 14% physical progress. The company expects the Russian crude proportion to remain steady throughout the year.
- **CGDs: IGL's** management has guided for an EBITDA margin of INR7-8/scm and volumes of 10mmscmd by FY26-end. The company expects long-term volume growth of 10% YoY. FY26 capex is guided at INR14-15b, with plans

to add 102 new CNG stations during the year. **MAHGL's** management has maintained its EBITDA margin guidance at INR9-11/scm. For FY26, the company targets adding 80 new CNG stations, with a capex outlay of INR13b.

GUJGA: FY26 capex is expected to be INR8-10b. GUJGA is expanding into propane/LPG sales, aiming to capture 25% of the market by FY26-end (1.2–1.3mmscmd) and subsequently scale up further. The company is targeting long-term contracts and engaging with bulk customers to drive growth.

- **Others:** **GAIL:** Management has lowered its transmission guidance to 127-128mmscmd/135-136mmscmd for FY26/27. The FY27 capex target is set at INR120b, with allocations of INR25b for transmission, INR40b for petchem, INR20b for renewables, INR14b for operational capex, and the balance for other segments. GAIL plans to add 85 new CNG stations and over 0.15m DPNG connections over the next two years. EBIT guidance for FY26 remains unchanged at INR40b-45b. **PLNG:** Management expects India's LNG demand to double by CY30, with PLNG projecting 6-7% growth in the country's natural gas consumption. The FY26 capex plan of INR50b includes investments in the 3rd Jetty, the petrochemical complex, the Gopalpur terminal (INR3b), the corporate office (INR1b), and over 25 CBG plants (INR1b). Capex in FY27 is expected to be higher than in FY26.

Exhibit 110: Implied gross marketing margin (INR/lit)

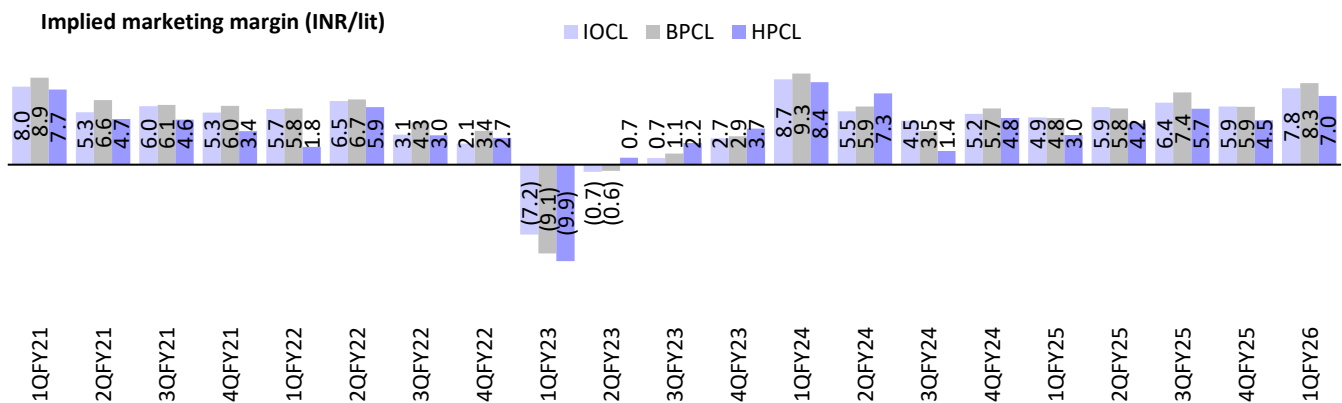


Exhibit 111: Reported refining margin (USD/bbl)

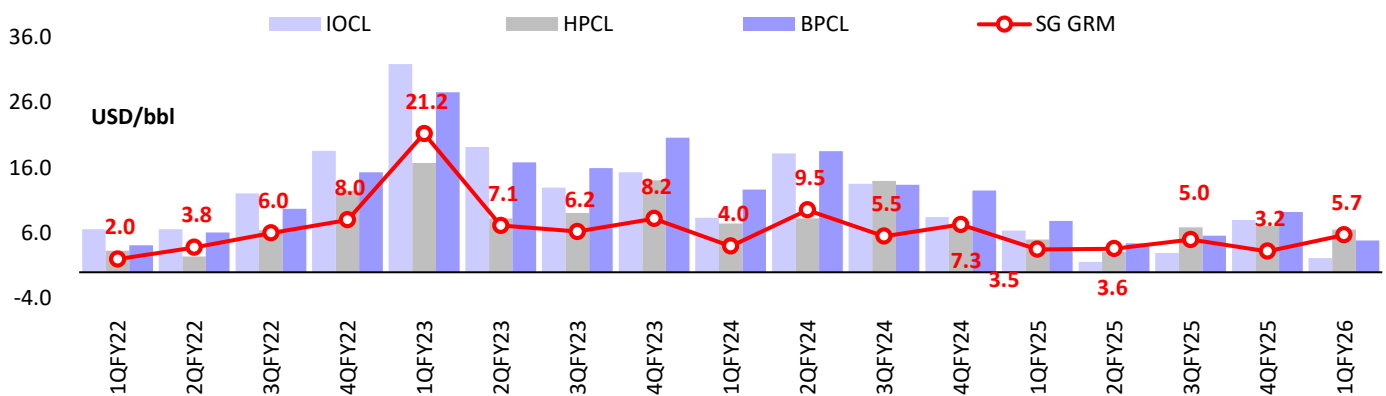


Exhibit 112: Sales volume of CGDs (mmscmd)

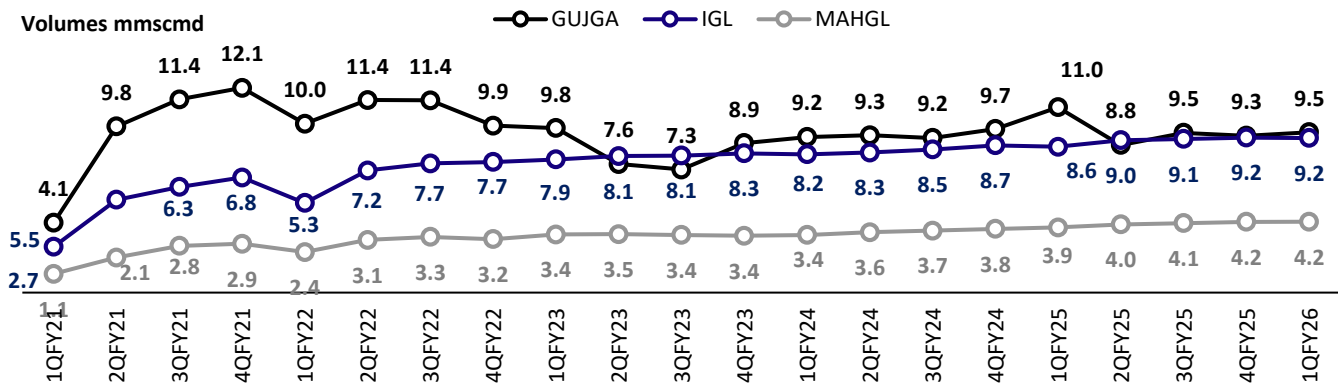
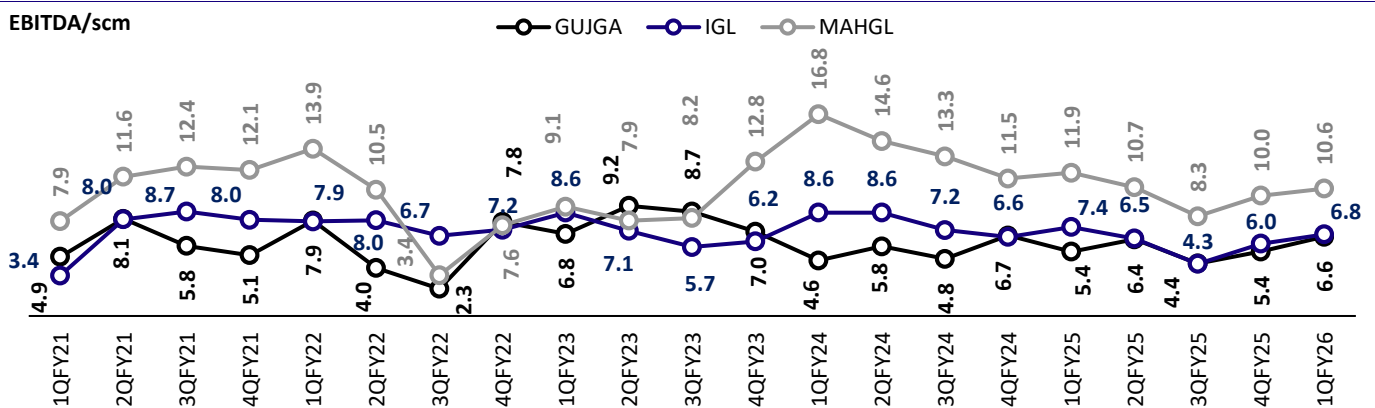


Exhibit 113: EBITDA/scm trend for CGDs (INR)



Plastic Pipes: Weak demand environment and volatile pricing hurt operating performance

- **Muted revenue growth across industry:** The plastic pipes sector reported a weak quarter, with aggregate revenue (coverage companies) declining 2% YoY to INR45.5b. This decline was due to volatile pricing (blended realization down 8% YoY) and soft demand (aggregate volume up only 4% YoY). Supreme delivered the highest pipe volume growth of 6% YoY to 148.8K tonnes, followed by PRINCEPI (up 4%), while ASTRA's volume remained flat YoY. In terms of overall revenue, PRINCEPI declined the most (by 4% YoY), while ASTRA/SI declined by 2%/1% YoY. For our coverage universe, we expect an aggregate revenue growth of ~11% in FY26 (implying 15% YoY growth in 9MFY26) and a CAGR of 14% over FY25-FY28.
- **Margins affected the most due to adverse operating leverage and inventory losses:** The sector witnessed a higher decline in the overall profitability, with aggregate EBITDA declining 18% YoY to INR5.4b. Sequentially, the sector dipped 30%, primarily due to seasonality, as 1Q is generally an agri-heavy business (with low margin). PRINCEPI reported the highest EBITDA decline of 32% YoY, followed by SI/ASTRA with 18%/14% decline YoY. Blended EBIT/kg of the pipes segment declined 37% YoY to INR11. The sharpest decline was seen in PRINCEPI, which dropped 74% YoY to INR2, followed by SI/ASTRA, which dipped 36%/30% to INR11/INR18. Inventory losses due to volatile pricing and adverse operating leverage due to low volumes weighed on the operating performance. SI reported the highest inventory loss this quarter of INR500-600m, followed by ASTRA/PRINCEPI of INR350m/INR150-200m. However, every company has indicated this to be the last quarter of inventory losses, as PVC prices have now stabilized. Consequently, the management teams of our coverage companies expect margins to gradually improve.
- **Outlook remains positive with an improving demand scenario and stabilizing PVC prices:** A common indication from all the companies is the expectation of a gradual demand revival, supported by renewed government thrust on infrastructure spending and improving residential real estate activity. While 1QFY26 was challenging due to macroeconomic headwinds, subdued demand, and raw material price volatility, a pickup is expected from 2HFY26.

PVC resin prices are expected to stabilize or have already bottomed out, which should improve channel sentiment and reduce inventory losses, paving the way for better margins. Most companies reported a healthy pickup in volumes in Jul'25, with similar momentum observed in Aug'25. This indicates a healthy end to FY26. Hence, all our coverage companies have retained their FY26 guidance despite a weak performance in 1QFY26.

- **The quarter experienced downgrades for all companies:** We have downgraded our earnings estimates of FY26 for ASTRA by 8% and SI/PRINCEPI by 7% each. While we maintained our FY27 earnings for ASTRA and SI, we downgraded the same for PRINCEPI by 7%. We broadly maintained our estimates across our coverage for FY28.
- **Surprises:** None **Misses:** SI, ASTRA, and PRINCEPI

Guidance highlights:

- **ASTRA:** From Jul'25 onwards, volumes have started improving (up 30% YoY), and the company expects "lower double-digit" volume growth for FY26, with potential upside if ADD/BIS spur channel restocking. Piping business EBITDA margins are guided at 16–18%. ASTRA is acquiring 80% of Nexelon Chem to set up a 40,000MT CPVC resin plant (commissioning in 2QFY27) using an in-house developed technology for INR1.5b. This will be the lowest-cost capacity in the industry, fully for captive use, and is likely to boost margins (for CPVC pipes), improve working capital, and drive market share as CPVC demand improves.
- **SI** 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. SI remains optimistic about the industry growth of ~9-10%
- **PRINCEPI** guided a recovery in demand from 2QFY26, fueled by healthy volumes in Jul'25. Its margin is likely to improve sequentially to 12% by 4Q. The bathware segment is expected to generate INR500-600m revenue, with break-even anticipated by mid-FY27. PRINCEPI incurred a capex of INR750m in 1Q and is likely to incur ~INR1.6-1.7b in 9MFY27. This will include capacity addition in Begusarai (Bihar), Bathware (Aquel), and maintenance.

Exhibit 114: Key operating indicators

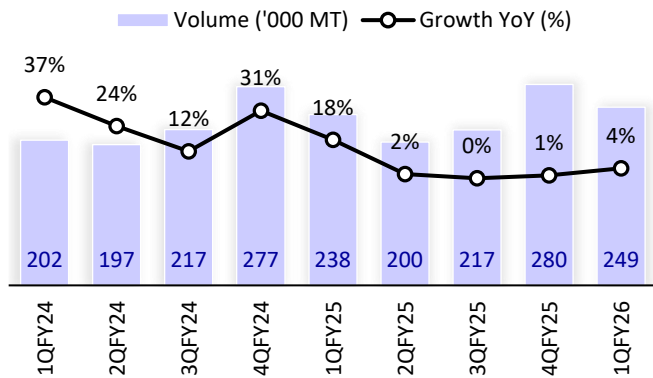
	Revenue (INR m)					EBIT/kg (INR)					Adj PAT (INR m)				
	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)
ASTRA	13,612	13,836	-2	16,814	-19	17.6	25.1	-30	29.5	-40	811	1,204	-33	1,793	-55
SI	26,092	26,364	-1	30,271	-14	10.6	16.5	-36	13.3	-21	2,023	2,734	-26	2,939	-31
PRINCEPI	5,804	6,045	-4	7,197	-19	2.0	7.7	-74	5.5	-63	48	247	-80	242	-80
FNXP	10,432	11,405	-9	11,718	-11	7.3	14.8	-51	10.5	-31	982	1,776	-45	1,646	-40
APOLP	2,750	3,085	-11	3,148	-13	3.4	7.2	-53	4.5	-25	81	125	-35	98	-17
Aggregate	45,508	46,244	-2	54,281	-16	10.7	17.0	-37	15.8	-33	2,882	4,184	-31	4,974	-42
Aggregate (inc Finolex and Apollo)	58,690	60,734	-3	69,147	-15	9.3	15.7	-41	13.8	-32	3,945	6,085	-35	6,718	-41

Source: MOFSL, Company

Exhibit 115: Our revised EPS estimates (INR)

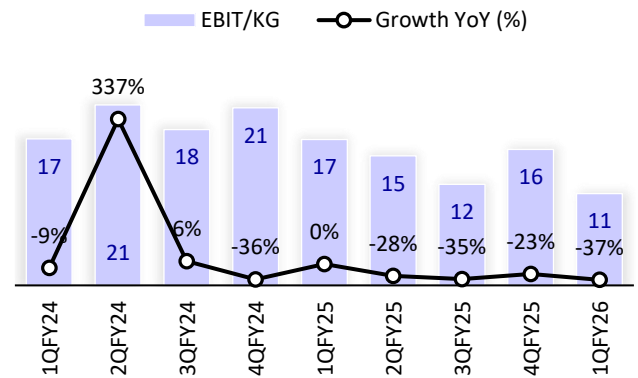
	FY26E			FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
SI	85	92	-8	120	121	-1	144	142	2
ASTRA	22	24	-7	30	30	-2	35	36	-2
PRINCEPI	9	10	-7	15	16	-7	20	20	-4

Exhibit 1: Agg. Volume trend (coverage companies)



Source: Company, MOFSL

Exhibit 2: Agg. EBIT/KG trend (INR/KG)



Source: Company, MOFSL

REAL ESTATE: 1QFY26 presales up 41% YoY, driven by key launches and premium-luxury demand

- **Presales grow 41% YoY:** In 1QFY26, our coverage universe reported bookings of INR443b, up 41% YoY, aided by seasonality and an exceptional performance by PEPL, DLFU, GPL and LODHA, even when sales from other listed players were considerably lower. These key players contributed ~79% of total reported bookings of our coverage universe, while PEPL and DLF jointly contributed to ~53%, mainly driven by big launches like Prestige Indirapuram and DLF Privana North. The total booking area of listed players in our coverage universe was also up by ~21% YoY at 29.8msf. Overall demand for Premium and Luxury remained strong, and sales were higher in the Premium and Luxury segments with higher ticket sizes during the quarter.
- PEPL and DLF were the best performers in terms of YoY growth in presales, posting 300% and 78%, respectively. DLF also posted 462% QoQ growth. PEPL performed the best in terms of value, i.e., INR121b out of total reported bookings of INR443b from our coverage universe.
- Realization also improved 16% YoY due to higher sales from the Luxury and Premium segments.
- **Double-digit growth aspiration intact for FY26:** Our coverage universe posted a 40% CAGR in cumulative bookings over FY21-25 and they aspire for 20-30% growth in FY26 as the delay/absence of key launches in FY25 will be spilled over into FY26. In 1QFY26, business development remained strong, led by LODHA and GPL, which added new projects worth GDV of INR227b and INR114b, respectively. Consequently, companies have a vast launch pipeline for FY26, which can support their future growth aspirations.
- **Launches dominated by few players:** Launches in 1Q grew 59% YoY, mainly led by large launches by PEPL, which spilled over into 1Q due to a delay in approvals occurred in FY25. Overall, launches grew by 62%/117%/703%/204% YoY for DLFU/LODHA/PEPL/MAHLIFE in 1QFY26, while other listed players in our coverage universe reported a declining trend. GPL saw a 24% decline, while Sobha reported a 49% decline in launches. KPDL did not see any launches in the quarter. However, the missed launches are expected to be planned for the rest of FY26.
- **Collections:** Total collections for 1QFY26 increased 16% YoY to INR209b, while there was a reduction in collection efficiency (collections-to-sales) to 47% from 55% in 1QFY25 and 76% in 4QFY25.
- **P&L performance – mixed bag:** Aggregate revenue for our coverage universe grew 18% YoY to INR148b (10% below our estimate). The individual performance was a mixed bag as DLF/LODHA/PEPL/Sobha/ARCP/SIGNATUR reported healthy revenue growth, while other coverage companies were affected by lower project deliveries. Cumulative EBITDA stood at INR36b, up 3% YoY, with an EBITDA margin of 24% (4% below 4QFY24).
- **View:** The operational performance of our coverage universe was below our expectations due to the impact of delayed launches in pre-sales. We retain our FY26 pre-sales estimates (except for the upward revision of OBER) for all the companies. However, we will critically monitor launches and deliveries as many companies have expressed concerns regarding approval delays. We prefer PEPL, LODHA, and SIGNATUR as our top picks.
- **Surprises:** DLF, PEPL
- **Misses:** KPDL

Company commentary:

- **LODHA:** LODHA aims to grow its weekly sales from INR2.8b in Jul'25 to INR4b by FY26 end and deliver quarterly average presales of INR50b in FY26. Upcoming launches worth INR170b in 2HFY26 will include ~INR35b in Pune

and a 70-acre premium project in Bangalore, along with a pilot entry into Delhi NCR in FY27. LODHA aims to grow Bangalore's sales contribution to 15% over the next decade. Palava Township is projected to deliver INR80b in annual sales over the next decade, aided by major infrastructure projects, while digital infrastructure and rental income growth will help LODHA turn net debt-free.

- **OBER:** In 1QFY26, OBER plans to launch one tower in Borivali, two towers in Forestville (Thane), Peddar Road, and Gurugram during FY26, with potential launches in Adarsh Nagar, Worli, and Tardeo. Leasing traction is strong across its three office assets and the newly launched Sky City Mall, with Commerz I and Commerz II fully leased and Commerz III and Sky City Mall expected to be fully leased by FY26 end. The Gurugram project has commenced as demolition is completed, design is finalized, and all licenses are in place, while a private equity transaction in I-Ven Realty brought in INR12.5b of investment.
- **DLF:** DLF expects FY26 presales of INR200-220b (~50% achieved in 1QFY26), driven by launches like Privana North, the Mumbai project (~0.9msf), and the upcoming Goa launch. Major FY27 launches include Mumbai Phase 2 (1.2msf), Dahlias, and DLF City. It has planned medium-term projects valued at INR629b and capex of INR50b each in FY26 and FY27. In the commercial vertical, office/retail vacancies stand at 13%/2%, with major leasing momentum in Downtown Gurugram (Block-4, 97% pre-leased, rentals from 2QFY26), Chennai Downtown-3 (99% pre-leased), and Atrium Place Phase-1 (rentals from 2QFY26). Key retail assets (Highstreet Plaza Mall, DLF 5 Mall, and Promenade Goa) are set to begin rentals between 3Q and 4QFY26.
- **GPL:** Launch-ready inventory from the land acquired since FY23 stands at INR550-600b, with the total remaining inventory of INR1.14t and pending collections of INR510b. In 1QFY26, launches worth INR85b GDV—led by Godrej MSR City (INR24b) and other key projects—drove ~64% of sales. GPL maintains its annual guidance of INR400b GDV launches and INR325b presales. Upcoming launches will be in Gurgaon, Greater Noida, Mumbai, Panvel, Hyderabad, Pune, and Bengaluru, supported by five new projects (9.24msf, INR 114b GDV) added in 1Q.
- **PEPL:** In 1QFY26, PEPL launched ~15msf with GDV of INR136b, led by major NCR, Bengaluru, and Chennai projects, achieving 45% of its FY26 presales guidance of INR270b. The remaining GDV pipeline for FY26 stands at INR299b (29.16msf), with key launches in 2Q-3Q across plotted developments in Bengaluru, MMR, and NCR, alongside Hyderabad projects, Prestige Imperial Park and Prestige Rock Cliff. Business development remained strong with seven JDA acquisitions (102 acres, INR204b GDV), while unrecognized revenue stood at INR571b and EBITDA margins at 30-35%. Net debt was INR68b (0.42x) and the borrowing cost declined to 10.14%. Annual collections are expected to scale up to INR160-180b.
- **BRGD:** In 1QFY25, BRGD launched Brigade Morgan Heights (1.1msf) in Chennai, El Dorado (0.1msf) in Bangalore, and International Finance Center (0.5msf) in Gujarat. BRGD listed its hospitality arm under Brigade Hotel Ventures Limited (Brigade owns 74.09% share) and plans to expand it by 1,700 keys. The company has made good progress in the commercial portfolio's occupancy, which was flat QoQ at ~92% in 1QFY26.
- **MLIFE:** MLDL is consolidating operations by exiting NCR to focus on MMR, Pune, and Bengaluru while scaling up execution through outright buys, JDAs, and redevelopment. In 1QFY26, it launched New Haven (Bangalore) and Citadel (Pune) with a GDV of INR4.5b, followed by Marina64 (MMR) in 2QFY26, and plans major launches, including Saibaba redevelopment (INR18b) and Bhandup Phase 1. In 1QFY26, three projects worth INR35b were added, taking acquisitions to INR410b of its INR450b GDV plan, with the balance INR40b targeted in Pune and Bangalore. The 6.4msf Bhandup project, expected to generate INR120b over 8-9 years, will debut in FY26, positioning MLDL to achieve INR95b sales over the next five years.
- **SOBHA:** In 1QFY26, Sobha launched Sobha Aurum in Greater Noida (0.7msf, INR8.3b sold, 80% booked) and the remaining four towers of Marina One in Kochi (0.9msf). It plans ~6-8msf (~INR100b GDV) of launches in FY26, with 45% in NCR, including 0.6msf and 0.5msf launches in Bengaluru and a commercial project in Gurgaon in 2QFY26, and an MMR project (0.15msf) in 3QFY26. Delayed OCs in five Bangalore projects deferred INR6.5b in revenue, impacting EBITDA margin by 9%, but management targets a 33% project-level margin from the INR172b revenue pipeline. Sobha's upcoming pipeline stands at 17.67msf residential and 0.71msf commercial, alongside 11.6msf completed inventory valued at INR145b.
- **SIGNATUR:** In 1Q, the company launched Cloverdale in Sector-71 (2nd phase of Titanium) with 2msf area and GDV of INR40b, achieving 65% presales. FY26 launch pipeline exceeds 10msf (GDV INR170b), with major launches in 2Q-4Q. Management targets FY26 presales of INR125b and revenue of INR48b (up 92% YoY) with 35% operating margin. Net debt is INR8.9b, with annual land spending guidance of INR12-15b for Gurugram.

- **KPDL:** KPDL delivered a muted 1QFY26 performance with no new launches due to approval delays but expects momentum to pick up from 2QFY26, aided by a 6–7msf launch pipeline (GDV INR50–52b) across Pune and Mumbai. Life Republic contributed 57% of 1QFY26 pre-sales, with unsold inventory at 3.5msf. Completions are set to accelerate from 2QFY26, driving stable revenues, while key Mumbai projects remain in approval stages.
- **SRIN:** SRIN targets 25-30% presales growth in FY26, driven by a robust launch pipeline of INR110b GDV in key Mumbai MMR micro-markets, with most projects in the uber- and premium-luxury segments. Collections and revenue are expected to improve as projects like Sunteck City-4th Avenue move into recognition. SRIN has also secured an Andheri redevelopment project (GDV INR11b), taking its FY26 cumulative GDV target to INR500b. Its landmark Burj Khalifa Community, Dubai (1msf, GDV INR90b), is set for launch in 4QFY26 or early FY27.
- **PHNX:** PHNX will acquire CPP Investments' remaining 49% stake in Island Star Mall Developers (ISMDPL) for ~INR54.5b, raising its ownership to 100%, with payments staggered over FY26-29 to preserve liquidity. ISMDPL's 4.4msf retail portfolio generating INR6.2b in EBITDA will expand to 5.2msf retail, 4msf office, and 1,000 hotel keys by FY27. Expansion includes PMC Bangalore, new hotels, and upcoming malls in Thane, Coimbatore, Chandigarh-Mohali, Surat, and others, targeting at least 1msf launches annually after 2027. Core portfolio saw steady 1Q results with 4% YoY revenue and 2% EBITDA growth. Mall revamps will boost growth in FY27.
- **ARCP:** In 1QFY26, ARCP launched "The Estate Apartments," a new version of independent floors at Anant Raj Estate, Sector 63A, Gurugram, which received strong demand. Upcoming launches include the Group Housing-2 project at Anant Raj Estate (1.09 msf) and a community center with a commercial tower (0.16 msf) at Ashok Estate, Sector 63A. In its data center business, ARCP plans to operationalize 49 MW of co-location capacity by FY26 from internal accruals, while phasing 14 MW of cloud capacity commissioning through 1HFY27, with 3 MW becoming operational by Aug'25 and the balance to be added gradually to match demand.

Exhibit 116: Presales for our coverage universe rose 41% YoY...

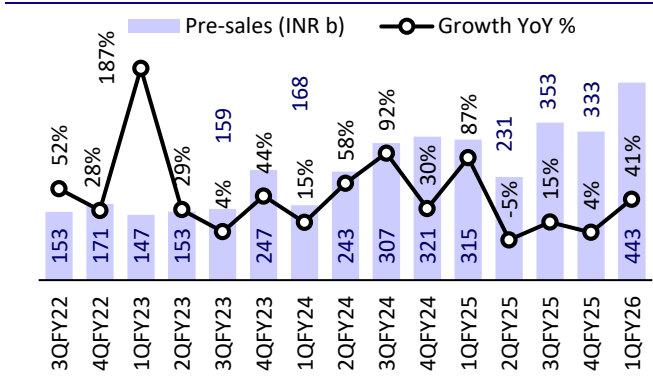


Exhibit 117: ...while volumes increased 21% YoY

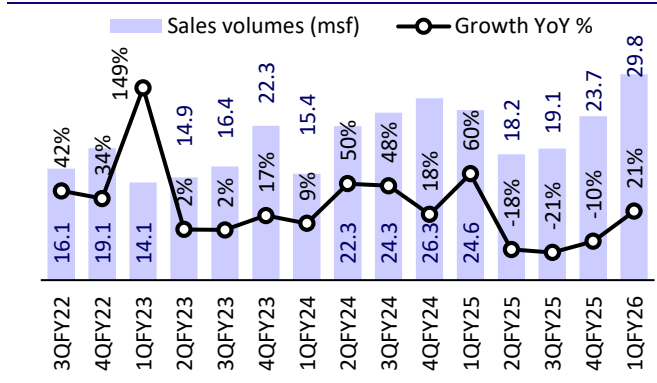


Exhibit 118: Collections improved 16% YoY

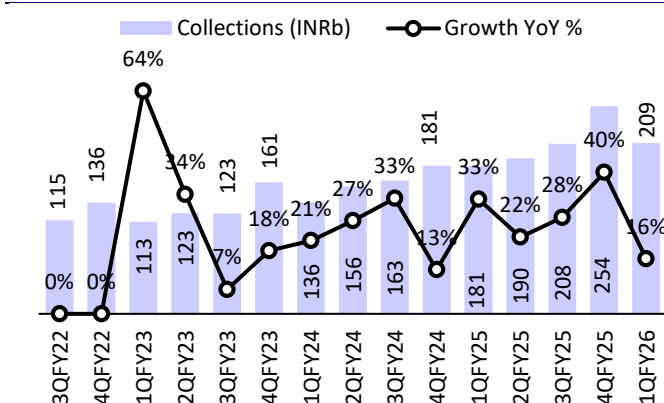


Exhibit 119: Bookings grew 19% YoY

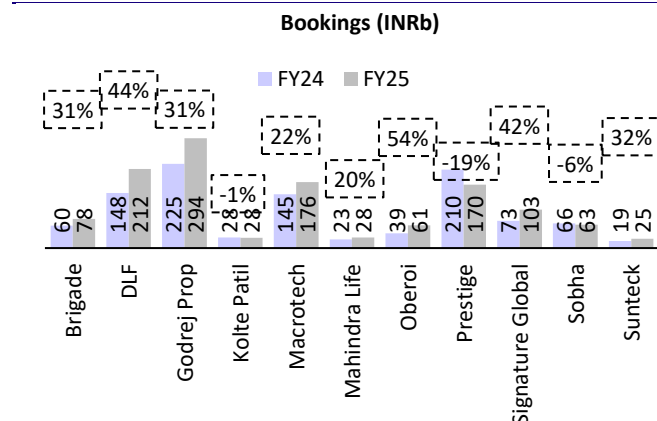


Exhibit 120: Summary of our revised estimates for our coverage universe

INR b	Revenue					
	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
DLF	82	82	82	82	0%	0%
Godrej Properties	54	58	54	58	0%	0%
Macrotech	181	189	181	189	0%	0%
Oberoi Realty	69	90	65	93	-5%	3%
Prestige Estates	114	141	114	141	0%	0%
Brigade	50	61	50	61	0%	0%
Sobha	50	58	50	58	0%	0%
Mahindra Lifespaces	5	8	5	8	0%	0%
Sunteck	12	22	12	22	0%	0%
Phoenix Mills	47	52	47	52	0%	0%
Anant Raj	23	31	22	27	-6%	-12%
Kolte Patil	29	26	29	26	0%	0%
Signature Global	44	74	44	74	0%	0%

INR b	EBITDA					
	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
DLF	30	18	30	18	0%	0%
Godrej Properties	7	9	7	9	0%	0%
Macrotech	52	54	52	54	0%	0%
Oberoi Realty	41	48	41	50	1%	4%
Prestige Estates	27	29	27	29	0%	0%
Brigade	18	22	18	22	0%	0%
Sobha	6	8	6	8	0%	0%
Mahindra Lifespaces	-1	0	-1	0	0%	0%
Sunteck	2	5	2	5	0%	0%
Phoenix Mills	29	35	29	35	0%	0%
Anant Raj	9	13	8	9	-16%	-32%
Kolte Patil	6	5	6	5	0%	0%
Signature Global	8	18	8	18	0%	0%

INR b	PAT					
	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
DLF	47	38	47	38	0%	0%
Godrej Properties	25	24	25	24	0%	0%
Macrotech	36	39	36	39	0%	0%
Oberoi Realty	29	35	29	37	1%	5%
Prestige Estates	8	10	8	10	0%	0%
Brigade	9	13	9	13	0%	0%
Sobha	4	5	4	5	0%	0%
Mahindra Lifespaces	1	3	1	3	13%	5%
Sunteck	2	4	2	4	0%	0%
Phoenix Mills	16	21	18	22	14%	5%
Anant Raj	6	6	5	4	-16%	-30%
Kolte Patil	4	3	4	3	0%	0%
Signature Global	8	18	8	18	0%	0%

INR b	Pre-sales					
	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
DLF	233	257	233	257	0%	0%
Godrej Properties	321	341	321	341	0%	0%
Macrotech	213	253	213	253	0%	0%
Oberoi Realty	98	112	99	116	1%	3%
Prestige Estates	262	315	262	315	0%	0%
Brigade	105	115	105	115	0%	0%
Sobha	101	124	101	124	0%	0%
Mahindra Lifespaces	34	35	34	35	0%	0%
Sunteck	30	39	30	39	0%	0%
Kolte Patil	41	48	41	48	0%	0%
Signature Global	123	178	123	178	0%	0%

INR b	Collections					
	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
DLF	170	199	170	199	0%	0%
Godrej Properties	263	284	263	284	0%	0%
Macrotech	144	172	144	172	0%	0%
Oberoi Realty	74	91	75	92	1%	1%
Prestige Estates	165	220	165	220	0%	0%
Brigade	78	94	78	94	0%	0%
Sobha	70	113	70	113	0%	0%
Mahindra Lifespaces	29	34	29	34	0%	0%
Sunteck	23	31	23	31	0%	0%
Kolte Patil	33	41	33	41	0%	0%
Signature Global	63	103	63	103	0%	0%

RETAIL: Demand environment stays subdued, all eyes on festive-led recovery in coming quarters

- **Apparel and grocery retail: Demand remains soft; profitability improvement driven by robust cost controls**
 - Demand remained muted in 1QFY26, affected by continued weak consumer sentiment, the early onset of monsoon and a shift in festive dates to 4QFY25, though partly offset by higher wedding-led demand. With an early festive season, retailers remain cautiously optimistic about a rebound in demand in the coming quarters while focusing on operational efficiency and channel optimization to protect margins amid weak demand and intense competition.
 - In 1QFY26, aggregate revenue for nine apparel stocks under our coverage grew **15% YoY to INR155b** (vs. 13% in 4QFY25, in line). Vishal Mega Mart (VMM, +21% YoY) and Trent (+20% YoY, though significant moderation over past few quarters) were the relative outperformers, while ethnic wear retailers such as ABFRL, Vedant and Raymond (RLL) saw a rebound in growth, albeit on a low base. Including DMart, aggregate revenue rose **15.5% YoY** (vs. ~15% in 4Q). SSSG moderated industry-wide due to a shift in festive dates, though VMM and wedding-focused retailers posted strong SSSG, while premium retailers (ABLBL/SKOP) saw modest improvement in LTL growth, led by recent store rationalizations.
 - Profitability trends were mixed, with aggregate gross profit (ex-D-Mart) rising 13% YoY to INR68b (vs. 15% YoY in 4Q), with **margins contracting 80bp YoY** (30bp miss). Trent (-110bp) and Vedant (-140bp) were the key drags on aggregate gross margins, while ABFRL (+410bp), ABLBL (+375bp) and Go Fashions (+120bp) recorded improvement, driven by lower discounting and optimization of channel mix.
 - **Aggregate EBITDA** (excl. D-Mart) grew 23% YoY (vs. 19% YoY in 4Q) to INR22b (7% beat) as margins expanded ~90bp YoY (80bp beat), led by improved profitability for Trent (+220bp), V-Mart (+165bp) and SKOP (145bp).
 - **Aggregate PAT** stood at INR 5.1b (in line), up 53% YoY, led by heavy weights Trent (up 24%) and VMM (up 37%).
 - D-Mart delivered steady 16% YoY revenue growth, but profitability continued to be hit by 25bp gross margin compression and higher cost of retailing, resulting in modest 8% YoY EBITDA growth and modest 2% YoY PAT growth.
- **Footwear: Broad-based weakness as demand remained lackluster amid intense competition in mass market**

Aggregate revenue for the footwear stocks under our coverage declined ~2% YoY (vs. +2% YoY in 4QFY25) to INR26b, due to subdued demand and higher competition in mass market footwear. All four companies posted weaker results (7% revenue miss), with Relaxo posting 12% YoY revenue decline (fourth consecutive quarter of 5%+ decline). Aggregate gross profit fell ~2% YoY (~7% miss, vs. -1% YoY in 4QFY25), as gross margin contracted ~50bp YoY (~35bp miss). Campus was the outlier with +165bp gross margin expansion, led by lower impact from non-BIS inventory liquidation and lower online sales. However, aggregate EBITDA rose ~5% YoY (vs. ~6% YoY in 4QFY25, 4% miss) as EBITDA margin expanded ~130bp (70bp beat), aided by cost controls (Relaxo) and accounting change (Bata), which offset higher A&P spends (Metro) and operating deleverage (Campus). Aggregate PAT dipped 8% YoY (vs. -5% YoY in 4QFY25) to INR2.3b (~13% miss).

■ **Retailers increase focus on boosting store productivity over store additions**

In 1QFY26, aggregate revenue for the 14 retail stocks under coverage **grew 14% YoY (in line)** to INR340b (similar to 14% YoY in 4QFY25), driven by a combination of net store additions (+5% YoY) and improved store productivity (+9% YoY). Excluding RRVL, net additions moderated to 58 stores (vs. 231 QoQ, mainly due to a moderation in Trent's store additions), taking the total footprint to 14,218 stores (+5% YoY). Retailers continue to prioritize profitability and improvement in like-for-like growth and have been rationalizing unprofitable stores, with Trent, ABLBL, ABFRL, and Shoppers Stop actively closing unviable stores, while Vedant Fashions and Metro Brands calibrating their expansion plans. **Aggregate gross profit grew ~11% YoY** (vs. ~12% YoY in 4QFY25), as gross margin contracted ~90bp YoY (vs. ~40bp YoY in 4QFY25). **Aggregate EBITDA grew ~15% YoY** (vs. ~12% YoY in 4QFY25), supported by tight cost control and operational efficiency, with margins largely stable YoY. **Aggregate PAT rose 13% YoY** (vs. 15% YoY in 4QFY25), driven largely by improved profitability for heavyweights such as Trent and VMM, though impacted by modest growth for DMart and decline for footwear retailers.

Broad-based earnings downgrades continued: Amid a muted demand backdrop, we have cut FY26-27E EBITDA by ~3% and earnings by ~4-5% since 4Q results. Our EBITDA cut was broad-based, with material downgrades for Go Fashion, Campus and RLL on account of muted demand and/or margin pressures. V-Mart and SHOP were the outliers with marginal upgrades.

Top picks: VMM, DMart, V-Mart, TRENT

■ **Surprises:** VMM, V-Mart, Trent

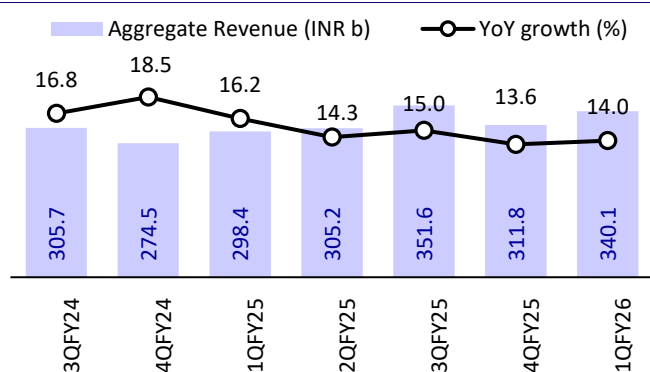
■ **Misses:** Go Fashion, Campus, Relaxo, Bata

Guidance highlights:

- **VMM:** Management remains optimistic about the demand revival, driven by higher disposable income following the interest rate cuts. Further, the endeavor is to keep gross margin broadly stable, with any surplus likely to be reinvested in the business to boost growth. However, EBITDA margin is likely to expand slightly (~10-30bp), primarily driven by operating leverage.
- **Metro Brands:** Management reiterated its long-term guidance of 15-18% CAGR, driven by mid-to-high single digit SSSG, new store openings, and rising contribution from new banners. Further, driven by its robust cost controls and superior store economics, the company aims to deliver 30%+ EBITDA margin and mid-teen profit margin.
- **ABLBL:** The company reaffirmed its target of adding 250+ net stores in FY26 across all brands. Expansion will be portfolio-wide, including Lifestyle, Reebok, and youth brands, with strong opportunities in tier-2 and tier-3 towns.
- **Vedant Fashion:** VFL continues to face weak consumer sentiment in the mid-premium segment, though regions such as AP and Telangana have rebounded in 1Q. While early trends for FY26 are positive, management remains cautious, expecting clearer visibility over the next 1-2 quarters.
- **ABFRL:** The company's expansion plans would largely focus on scaling up Style Up, Tasva and TMRW in the near term while focusing on achieving EBITDA break-even in most categories (except TMRW) by FY27.
- **Campus Activewear:** Despite a soft start to FY26, management remains confident of delivering double-digit revenue growth and a gradual improvement in margins to the 17-19% range.

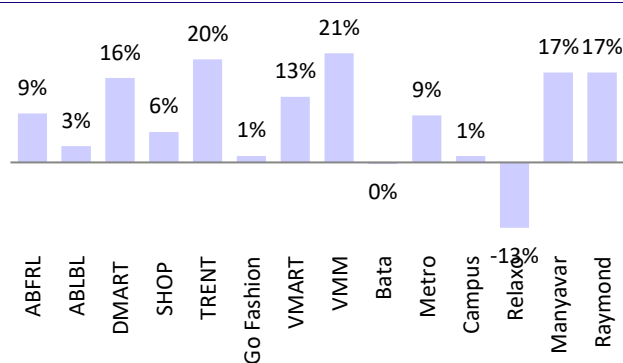
- **Raymond Lifestyle:** Management expects FY26 to be a much stronger year vs. FY25. Momentum in AW26 bookings was solid. With internal levers such as better product mix, shelf space gains, and brand refreshes, the company anticipates margin and volume-led growth in FY26.
- **VMART:** Management reiterated its target of 12-15% net store area additions (~65 stores) and mid-to-high single-digit SSSG in FY26. Emphasis remains on increasing fashion content, maintaining tight inventory control, and adopting selective marketing to improve overall profitability.
- **Shoppers Stop:** In FY26, SHOP plans to add 7-8 departmental stores (pivoting to 35-40k sqft. stores), 30-40 INTUNE stores (vs. 40-60 earlier), and 2-3 beauty stores despite ongoing rationalization.
- **Go Fashion:** Management targets mid-single-digit SSSG, supported by sharper pricing (INR1,000-1,200) and 6-7 new bottom-wear launches.

Exhibit 121: Aggregate revenue for retailers under our coverage grew 14% YoY (similar growth as in 4QFY25)



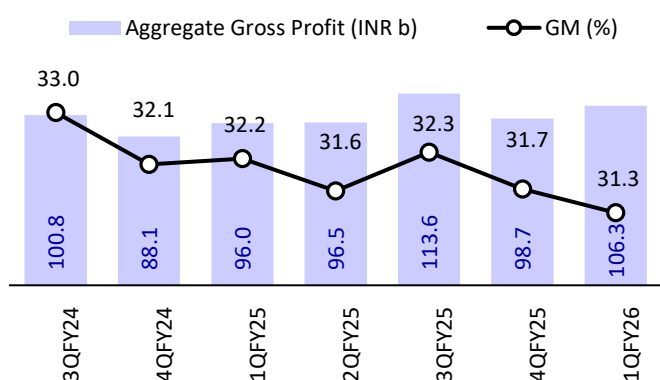
Source: Company, MOFSL

Exhibit 122: VMM and Trent lead with 20%+ growth, while growth rebounds for ethnic wear retailers on a low base



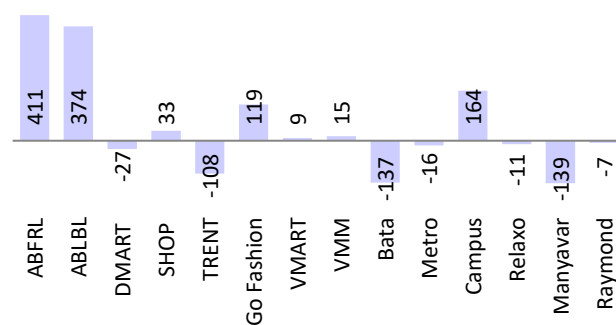
Source: Company, MOFSL

Exhibit 123: Aggregate gross profit grew 11% YoY (vs. 12% YoY in 4Q), margins contracted by ~90bp YoY (vs. 40bp in 4Q)



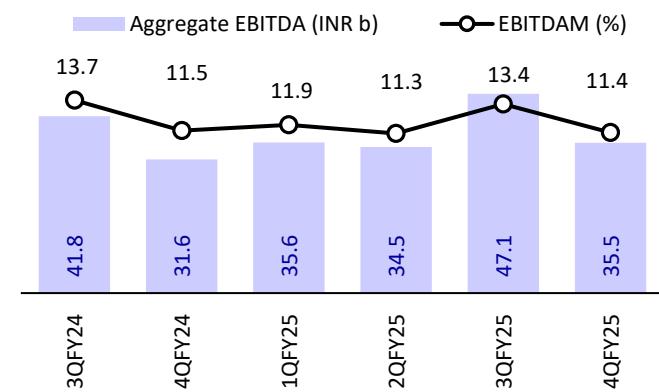
Source: Company, MOFSL

Exhibit 124: Gross margin contraction driven by weaker GM for Trent, Manyavar, Bata and DMart



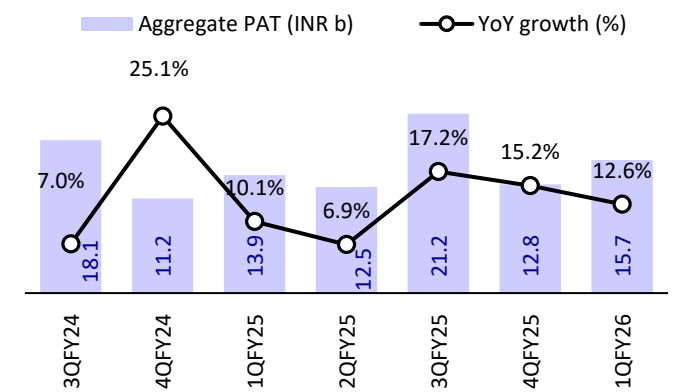
Source: Company, MOFSL

Exhibit 125: Aggregate EBITDA grew ~15% YoY (vs. 12% YoY in 4Q), margins remained broadly stable YoY



Source: Company, MOFSL

Exhibit 126: Aggregate PAT rose ~12% YoY (vs. ~15% YoY in 4QFY25) due to muted performance by DMart and footwear



Source: Company, MOFSL

Exhibit 127: Store additions moderated on rationalization of unprofitable stores by apparel retailers

Total Stores	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	YoY	QoQ
ABFRL + ABLBL	4,753	4,664	4,607	4,538	4,492	4,420	4,398	-5%	0%
Bata	1,835	1,862	1,916	1,955	1,953	1,962	1,978	3%	1%
Raymond	1,512	1,518	1,539	1,592	1,653	1,688	1,675	9%	-1%
TRENT	715	811	823	831	907	1,043	1,043	27%	0%
Metro	840	839	854	873	895	908	928	9%	2%
Go Fashion	704	714	734	755	775	776	803	9%	3%
VMM	589	611	626	645	668	696	717	15%	3%
Vedant Fashions	673	676	662	650	666	678	684	3%	1%
VMART	454	444	448	467	488	497	510	14%	3%
DMART	341	365	371	377	387	415	424	14%	2%
Relaxo	399	405	399	403	410	418	406	2%	-3%
SHOP	290	306	320	341	345	363	362	13%	0%
Campus	250	268	275	288	290	296	290	5%	-2%
Total	13,355	13,483	13,574	13,715	13,929	14,160	14,218	5%	0%

Note: Excluding Reliance Retail stores

Source: Company, MOFSL

RETAIL - JEWELRY: Strong revenue growth with robust margins

- Jewelry companies continued to deliver robust sales growth despite ongoing geopolitical tensions, tariff wars, and a significant rise in gold price—up 32% YoY and 5% QoQ. Consumer demand remained strong, fueled by favorable festivities and weddings. Titan (Jewelry standalone, ex-bullion), Kalyan, Senco, and P N Gadgil (retail) delivered revenue growth of 17%, 31%, 30%, and 19%, respectively. The SSSG of Titan, Kalyan, and Senco stood at 12%, 18%, and 20%, respectively. The studded mix improved for Senco, remained steady for Kalyan, and declined marginally for Titan. **Our top picks are Titan and PN Gadgil.**

- Outperformers (1Q):** Titan, Kalyan Jewellers, Senco Gold, P N Gadgil
- Underperformer (1Q):** NA

Guidance highlights:

- TTAN:** The company expects an EBIT margin of 11-11.5% for FY26, with a stronger focus on absolute growth. For FY26, the company has guided for mid-teen EBIT margins for the watches segment.

- **Kalyan Jewellers:** In FY26, the company plans to launch 170 showrooms across the Kalyan and Candere formats - 90 Kalyan showrooms and 80 Candere showrooms in India.
- **Senco:** For FY26, the company maintains its revenue growth guidance of 18-20%. Additionally, it expects to record an EBITDA margin of 6.8-7.2% and an APAT margin of 3.7-4%. Looking ahead, the company plans to open 8-10 COCO stores and 8-10 franchise outlets annually, with a keen focus on opening franchisee outlets.
- **P N Gadgil:** For FY26, the company aims to open 20-25 new stores across multiple formats, including 7-8 COCO (company-owned, company-operated), 7-8 FOCO (franchise-owned, company-operated), and 10-11 PNG LiteStyle stores (split evenly between COCO and FOCO). The company plans to bring the total store count to 64 by 2QFY26 and 80 by FY26.

TECHNOLOGY: Between tech cycles; awaiting clear skies

- **Aggregate performance:** IT service companies (within the MOFSL Universe) faced a challenging 1QFY26, with median revenue growing just 0.8% QoQ CC (-0.6%/+1.7%/+2.0%/+1.2% in 4Q/3Q/2Q/1QFY25), as GenAI-led productivity gains, weak macros, and client caution weighed on performance. INFO maintained a cautiously optimistic stance, with the upper end of its 3% YoY organic CC growth guidance hinging on a gradually improving environment. Meanwhile, HCLT remained the most constructive, guiding for 3-5% YoY CC growth. BFSI commentary remained relatively steady, while verticals like Manufacturing, Retail, and Healthcare faced pressure from macro/tariff headwinds. GenAI is beginning to disrupt pricing discussions and revenue realization across tier-1 firms, with INFO, WPRO, LTIM, and HCLT all acknowledging the commercial implications of rising productivity. Midcaps, which had held up well so far, are now feeling the pinch. Hexaware's growth has slowed, while Persistent's sequential momentum is fading. Deal pipelines remain healthy, but conversion is a key watchpoint due to ongoing deferral risks. Margins weakened broadly due to revenue pressure, wage hikes, and lack of offsetting levers—tier-1 players saw a median EBIT margin contraction of ~20bp YoY, while tier-2 players witnessed a ~90bp contraction. Valuations are no longer the issue, but questions are being asked of the structural demand outlook. A major re-rating for the sector hinges on the emergence of a new tech cycle and meaningful earnings upgrades. We continue to prioritize a bottom-up play in IT: HCLT and TECHM in large caps and COFORGE in mid-tier.
- **Tier-2 pack outpaces tier-1:** Tier-1 players posted a median revenue dip of 1.1% QoQ CC, while tier-2 companies recorded a robust growth of 1.3% QoQ CC, driven by strong performance by COFORGE (8.0% CC QoQ growth) and Persistent (3.3% QoQ CC). TCS (-3.3% QoQ CC), TECHM (-1.4% QoQ CC), and WPRO (-2.0% QoQ CC) reported weak growth. Meanwhile, midcaps like COFORGE (+8.0% QoQ CC) and Persistent (+3.3% QoQ CC) outperformed their peers with strong executions in 1Q. On the margin front, tier-1 companies reported a margin contraction of ~20bp YoY, while tier-2 companies saw a sharper fall of 90bp this quarter. The margin contraction for tier-1 companies was primarily driven by subdued revenue growth, wage hikes (INFO), lower utilization, and investments in capabilities (TCS). For tier-2 companies, the contraction was mainly due to pricing and volume softness, one-off costs (HEXT), and the absence of meaningful margin levers (PSYS). Margins saw a meaningful YoY contraction across our coverage universe, as GenAI-led productivity gains impacted near-term revenue and pricing more than initially anticipated.
- **Steady TCV performance:** A majority of tier-1 companies reported steady TCV performance, except for INFO/WPRO (up 46.0%/26.0% QoQ). Tier-2 companies also reported robust growth in TCV, with MPHL's TCV was up 95% QoQ/138% YoY to USD760m. COFORGE recorded an order intake of USD507m in 1Q, including five large deals. The 12-month executable order book rose 46.9% YoY to USD1.55b. The 1Q book-to-bill was decent at ~1.2x for tier-1 firms and ~1.0x for tier-2 players.
- **Headcount movement:** Hiring activity was muted in 1Q, with net headcount additions of ~4.2k in tier-1 firms, while tier-2 companies saw only ~1k additions. Attrition rates inched up 70bp in 1Q, and utilization remained stable QoQ, hovering near peak levels. For PSYS, utilization stood at 89% (up 30bp QoQ), and we believe this margin lever is now maxed out.
- **Top picks:** We prefer TECHM and HCLT among large caps, and COFORGE in the mid-cap space. Our positive outlook on TECHM is driven by early signs of transformation under new leadership and improved execution in BFSI. Margin expectations are now more reasonable, and niche offerings are resonating well. We believe

TECHM's transformation remains relatively decoupled from discretionary spending. We continue to favor HCLT for its all-weather portfolio. Often perceived as defensive, its strengths in data, product engineering, and modernization should enable it to benefit from a recovering demand environment. We believe COFORGE's strong executable order book and a rebound in BFS client spending bode well for its organic business. Cigniti could prove to be an effective long-term asset.

- **Significant beat:** HCLT/INFO (revenue growth), TECHM (margin), COFORGE (revenue growth).
- **Significant miss:** TCS (revenue growth), PSYS (revenue growth and margin), LTIM/HEXT (revenue growth).
- **Significant surprise:** WPRO (large deal TCV up 51% QoQ/131% YoY), HCLT (EBIT margin guidance was lowered to 17%-18% for FY26 from 18%-19% earlier).
- **Major EPS upgrades/downgrades:** HCLT's FY26E/FY27E EPS estimates were lowered by 6.0%/4.0% following a recalibration of margin guidance. LTTS saw cuts of 4.0%/2.2%, while CYL's DET business estimates were reduced by 4.0%/5.0% for FY26/FY27. In contrast, WPRO's EPS estimates for FY26/FY27 were raised by 2% each.

Guidance highlights

- **TCS:** Demand recovery hinges on the easing of decision-making delays and greater macroeconomic clarity, especially regarding the new US presidential bill. Strong client interest in AI, data modernization, and cost optimization continues to shape deal wins across geographies. AI-led productivity gains are being embedded in pricing, and the margin trajectory is supported by lower third-party costs and operating leverage. The BFSI and Healthcare verticals remain cautious, particularly in the US and Europe, due to regulatory and pricing headwinds. Communication and Media clients continue to reprioritize spending, which has led to delays in AI and transformation rollouts. The BSNL deal ramp-up may temporarily pressure margins, and recovery in the Indian business depends on the pace of execution.
- **INFO:** INFO remains well-positioned to benefit from AI-led transformation and large-scale vendor consolidation deals, particularly in the BFSI, Manufacturing, and European markets. Consolidation-led wins are ramping up across North America and Europe, while scaling efforts in GCCs and Agentic AI use cases are accelerating. Margin performance is under pressure due to wage hikes and investments in growth, but structural levers such as pricing, productivity, and Project Maximus continue to provide a cushion. Discretionary tech spending in the Consumer, Retail, and Auto sectors remains subdued due to macroeconomic softness, tariffs, and supply chain disruptions. High utilization may require fresh hiring to support volume growth, which could affect the short-term margin trajectory.
- **WPRO:** Revenue performance for 2Q is guided in the range of -1% to +1% QoQ CC, as deal transitions continue. The second half is expected to be stronger, with better revenue conversion. A strong TCV of USD4.9b (+51% YoY) and 16 large deals—many driven by vendor consolidation—enhance visibility for 2HFY26. BFSI remains a key anchor vertical with two mega deal wins, while Healthcare and Telecom continue to show stable demand. Softness in Manufacturing and a continued pause in a large SAP program within the Consumer vertical are likely to weigh on segment growth. One-off restructuring costs in Europe may have lingering effects on local profitability and workforce restructuring.
- **HCLT:** The demand environment remains stable with vertical-specific variations, and optimism is maintained regarding deal closures that slipped from 1Q to 2Q. BFSI remains resilient, supported by vendor consolidation-led visibility, while Digital and Application Modernization pipelines remain strong. A gradual ramp-up of large deals is expected to strengthen in the second half, with ER&D and GenAI offerings positioned as long-term growth levers. Margin recovery is anticipated after 2Q, as restructuring efforts and GenAI/GTM investments are expected to normalize by FY27. EBIT margin guidance was reduced to 17-18% (from 18-19%) due to lower utilization and restructuring efforts. One-time restructuring costs have been factored into the guidance.
- **TECHM:** Revenue contribution from large deals signed in 1Q and 2Q is expected to pick up as transitions are completed and conditions stabilize. Margin tailwinds are anticipated from operational leverage, Project Fortius, and the centralization of support functions. FY26 is expected to be stronger than FY25, with solid traction in BFSI, Retail, and Telecom. The Telecom pipeline in Europe shows promise, driven by consolidation. Utilization remains suboptimal due to training and ramp-readiness, while higher visa costs and some subcontracting pressures may persist. The Hi-Tech vertical remains under pressure due to ongoing restructuring at key semiconductor clients, with a gradual recovery expected only in the second half of FY26.

- **LTIM:** Strong order inflow momentum has been sustained for the third consecutive quarter (USD1.6b+ TCV), supported by sales transformation initiatives and GCC-as-a-Service traction. Strategic wins in Agribusiness and the ramp-up of Manufacturing deals provide medium-term visibility, with margins expected to improve as these stabilize. BFSI spending remains cautious, particularly in select large accounts, which is affecting overall deal flow. The Healthcare and Public Services verticals face volume softness and cyclical margin headwinds, while the closure of a large public sector project may impact short-term revenue. Visa and travel-related cost headwinds affected margins in 1Q and may continue into 2Q.

Exhibit 128: For tier-1 companies, growth was impacted by tariff uncertainty

Tier I Revenue Growth (USD, YoY %)

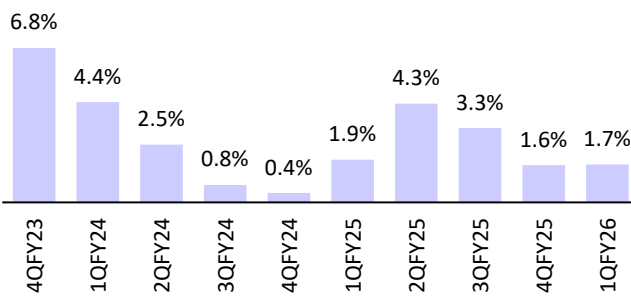


Exhibit 129: Tier-2 companies continued to post mid-teen growth

Tier II Revenue Growth (USD, YoY %)

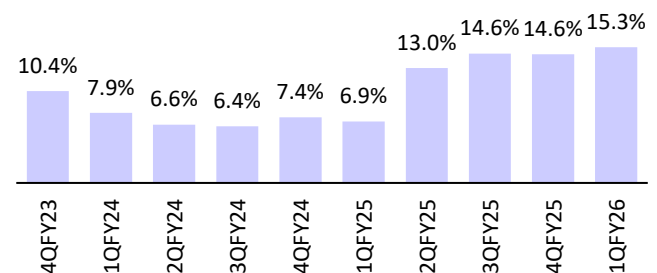
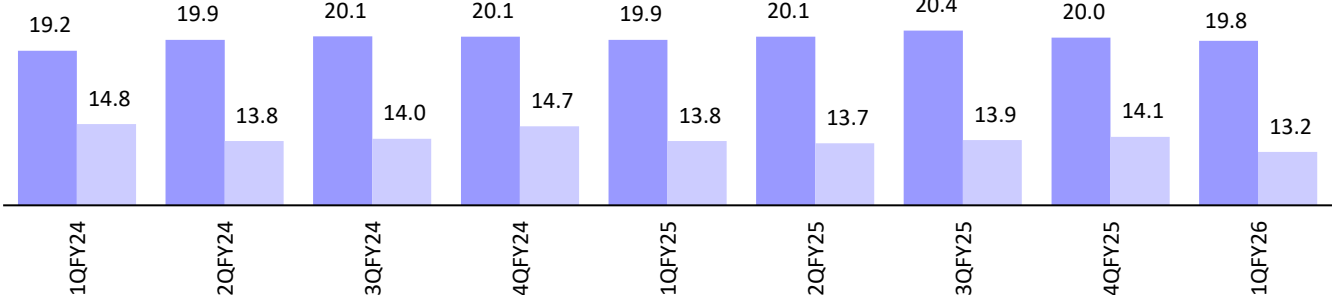


Exhibit 130: Margins saw a meaningful contraction across our coverage universe on a YoY basis, as GenAI-led productivity gains impacted near-term revenue and pricing more than initially anticipated

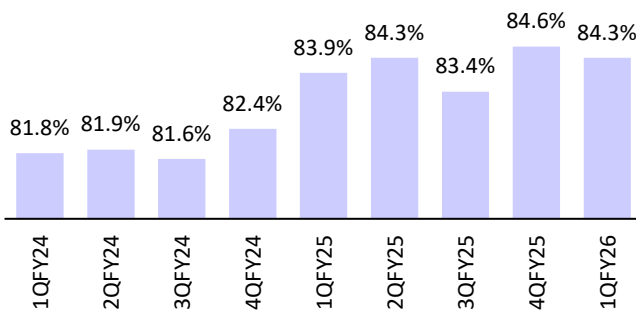
■ Tier I EBIT Margin (%) ■ Tier II EBIT Margin (%)



Source: Company, MOFSL

Exhibit 131: Median utilization (%) declined 30bp QoQ

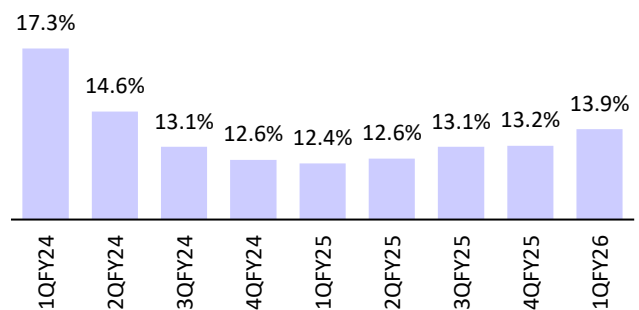
IT Sector - Median Utilization (incl. trainees %)



Figures excl. LTTS. from 1QFY23; MPHL (Offshore); Source: Company, MOFSL

Exhibit 132: Median attrition (%) inched up 70bp in 1Q

IT Sector - Median Attrition (%)



Figures exclude MPHL; Source: Company, MOFSL

TELECOM: Steady quarter with flow-through of tariff hike in the base; next tariff hike key trigger

As expected, 1QFY26 was a steady quarter for the telecom sector, with the benefits of Jul'24 tariff hike in the base. The combined wireless revenue for three private telcos grew 2.5% QoQ (+16.5% YoY, in-line). Blended wireless ARPU for the three private telcos rose 1.4% QoQ (+16% YoY), while subscriber trends remained steady with ~8m net adds. EBITDA for private telcos rose ~4% QoQ (+23% YoY), slightly better than our expectations, driven by healthy incremental margins for RJio and Bharti. Among private telcos, Bharti remained the biggest gainer in 1QFY26, recording a 28bp QoQ (+206bp YoY) gains in revenue market share (RMS). However, it lost 15bp QoQ (though still gained ~90bp) in subscriber market share (SMS). RJio's RMS remained broadly stable in 1QFY26, with a 3bp QoQ gain (still 67bp lower YoY). It was the biggest gainer on SMS, rising 35bp QoQ (up 22bp YoY). Vi's subscriber losses moderated to 0.5m in 1QFY26. However, it continued to lose market share, with RMS declining ~30bp QoQ (-140bp YoY) and SMS declining ~20bp QoQ (-113bp YoY). With the full benefits of Jul'24 tariff hikes in the base, further ARPU growth is likely to be driven by subscriber mix improvements for Bharti/Vi, and rising contribution from home broadband for RJio over the coming quarters. We continue to assume a 15% (or INR50/month) tariff hike on smartphone plans from Dec'25. Both Bharti and RJio are accelerating the rollout of their home broadband, adding a combined ~3.5m net subscribers (adding almost ~8% of the industry's subscriber base in just 1QFY26).

One extra day and subscriber mix improvement drive ARPU growth; Bharti remains the biggest gainer in 1QFY26

With one extra day QoQ and a continued increase in the proportion of data subscribers, blended ARPU for private telcos grew 1% QoQ and ~15% YoY (vs. ~17% blended tariff hikes in Jul'25). Bharti remains the biggest beneficiary of the tariff hikes, recording ~19% YoY growth in wireless ARPU, followed by RJio (+15% YoY) and Vi, which saw the lowest growth at ~13% YoY.

Overall, wireless subscriber trends remained steady, with ~8m net adds (similar to 4QFY25), driven by a recovery in RJio's net adds and a further moderation in Vi's subscriber losses to 0.5m (vs. 1.6m in 4QFY25). However, after ~5m quarterly net adds in 3Q/4Q, Bharti's wireless net adds moderated to ~1m in 1QFY26. With steady improvement in ARPU and stable subscriber net adds, the combined wireless revenue for the private telcos rose ~2% QoQ to INR656b. Bharti was once again the biggest gainer in 1QFY26, with ~3% QoQ (+22% YoY) growth, followed by ~2% QoQ wireless revenue growth for RJio (+14% YoY). We note that despite ~17% blended tariff hikes, Vi's wireless revenue grew YoY by a modest 6% (~INR22b annualized increase vs ~INR63b, potentially based on the tariff plan hikes), as higher ARPU (+13% YoY) was offset by a decline in net subscribers (-12m or ~-6% YoY).

Robust incremental margin drives ~4% sequential growth in combined EBITDA for three private telcos

The combined EBITDA for private telcos grew ~4% QoQ (+23% YoY, vs. our est. ~3% QoQ), driven by better incremental margins for RJio as well as Bharti. RJio led with ~5% QoQ growth in EBITDA, followed by Bharti (+3% QoQ). Conversely, Vi's reported EBITDA declined ~1% QoQ, and pre-INDAS 116 EBITDA declined by a sharp ~6% QoQ to INR21.8b in 1QFY26. Driven by the flow-through of Jul'24 tariff hikes, Bharti was the biggest gainer, with its annualized EBITDA rising ~INR150b (+30% YoY), followed by ~INR111b (or ~20% YoY) for RJio. Vi's annualized reported EBITDA inched up by modest ~INR16b (+10% YoY), while its annualized pre-INDAS 116 EBITDA rose by just ~INR3.2b (+4% YoY), which once again highlights that Vi does not benefit meaningfully from the tariff hikes.

Capex moderates for Bharti as rural rollouts complete; Vi's capex plans in jeopardy without debt fund raise

- After a spike in 4QFY25, Bharti's India capex, including Indus Towers (Indus), declined 42% QoQ to INR73b (-15% YoY) due to seasonality and timing differences.
- FCF generation (after leases and interest payment) improved to INR143b (vs. ~INR97b QoQ) due to a favorable movement in working capital (payables up ~INR44b QoQ), which resulted in ~INR130b decline in consol. net debt (excl. leases) to INR1.26t. India net debt-to-EBITDAaL moderated to 1.35x (vs. 1.53x QoQ).
- Similar to Bharti, BHL also saw a moderation in capex and improvement in FCF to ~INR9b (vs. INR6.6b QoQ), which resulted in net debt (excl. leases) declining ~INR9b QoQ to INR28b (leverage modest at 0.65x).
- RJio's interest cost rose ~55% QoQ (+89% YoY) as it started expensing interest cost on a part of 5G spectrum through P&L from 1QFY26.

- After a record high capex in 4QFY25, Vi's capex moderated to INR24b (vs ~INR42b QoQ). We believe without an expedited debt fund raise, Vi's INR500-550b capex plan over the next three years remains in jeopardy, which will also weigh on the company's ability to retain its subscriber base.
- Vi's net debt (excluding leases) increased ~INR69b QoQ to INR1.94t, primarily consisting of deferred spectrum liabilities and AGR dues to the GoI. Vi has to pay ~INR165b annually towards AGR installments starting Mar'26, which could further weigh on the company's capex plans.

Indus' capital allocation policy disappoints; higher capex to sustain: Indus's 1Q recurring results were broadly in line with estimates, with recurring EBITDA rising 4% QoQ (+14% YoY) to ~INR42.5b. Tower additions moderated due to the tapering off of Bharti's rural rollouts, while tenancy additions remained resilient, driven by continued rollout by Vi. Despite lower tower additions, capex remained elevated due to higher maintenance capex and energy conservation initiatives. Management has indicated that capex could remain elevated in the near term. Indus generated FCF of ~INR15.7b. After adjusting for buyback in 1HFY25 and Bharti's tower acquisitions, we estimate that Indus had surplus FCF of INR59b (~INR22/share) available for distribution. However, it has chosen to conserve cash in the near term due to factors such as elevated capex and inorganic growth opportunities. This decision is disappointing for investors, as Indus is broadly viewed as a dividend yield asset rather than a growth stock.

TCOM's subdued performance continues: TCOM reported another subdued quarter with ~1% QoQ growth in data revenue and consolidated EBITDA. Data revenue growth of ~9% YoY (+1% QoQ) was driven by ~17% YoY (~3% QoQ) growth in the digital portfolio and modest ~3% YoY growth in core connectivity revenue (-1% QoQ). Consolidated adjusted EBITDA margin expanded ~35bp QoQ (but -125bp YoY) to 19.1%, driven by improved performance from subsidiaries. Data EBITDA margin contracted further ~30bp QoQ to 17.2% (-250bp YoY, 90bp miss).

- **Top picks:** BHARTI, RIL
- **Positive surprises:** Reliance Jio, Airtel Africa
- **Negative surprises:** Tata Communications

Guidance highlights:

- **RJio:** 5G now accounts for ~45%/56% of RJio's subscriber base/data consumption. RJio saw an acceleration in home broadband net adds, driven by FWA ramp-up, UBR, and 'Unlimited Offer' during IPL. It continues to target ~100m connection through a mix of FTTH and FWA over the medium term (vs. ~20m at end-1QFY26).
- **Bharti:** 1Q capex was lower due to seasonality and timing differences and should not be extrapolated for FY26. However, FY26 India capex (excluding Indus) is expected to remain lower than FY25 (~INR300b). Incrementally, the focus for capex deployment would be on investments in the transport layer, home broadband, data center, and B2B, while radio capex would moderate. On capital allocation, the company aims to strike a fine balance between its priorities, such as: 1) deleveraging the balance sheet, 2) stepping up dividend payments, and 3) selective and prudent investments to bolster capabilities in B2B adjacencies.
- **BHL:** Similar to its parent Bharti Airtel, management expects BHL's capex to taper down further in FY26 as there is no major rural rollout planned in BHL's circles.
- **Vi:** After a record high capex in 4QFY25, Vi's capex moderated to ~INR24b. The company has to pay ~INR164b in annual installments for AGR dues starting Mar'26 and will require further relief/debt fund raise to meet its target of ~INR500-550b capex over the medium term.
- **TCOM:** Despite ongoing macroeconomic headwinds and continued pressures across the industry, TCOM's order book recorded double-digit growth, driven by multiple deal wins, with good representation across geography and data sub-segments.
- **Indus:** Despite a soft start to FY26, the order book remains robust, and the focus is to drive growth both organically (through higher market share in key customers' rollouts) and inorganically (acquisitions of smaller tower companies).

Exhibit 133: Subscriber trends improved for the industry in 1Q

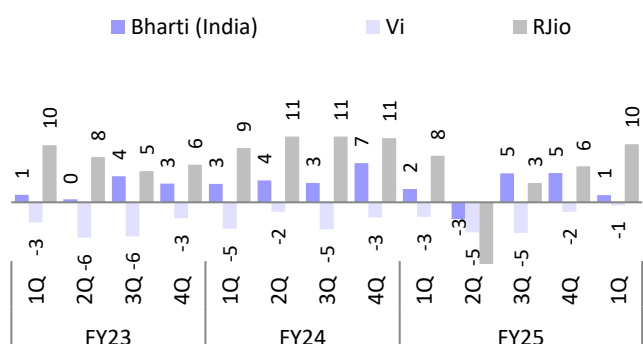


Exhibit 134: Bharti continued to lead peers on ARPU

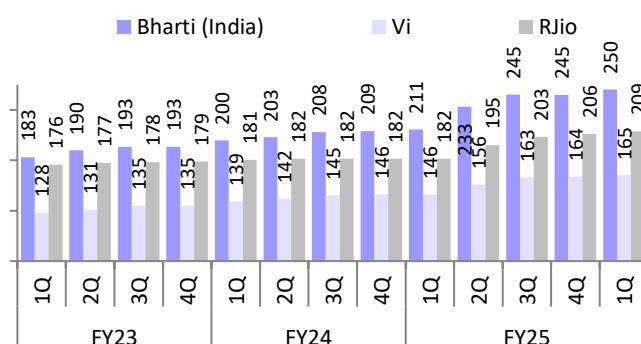


Exhibit 135: Wireless KPI comparison

	FY23				FY24				FY25				FY26	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	(%)	(%)
EOP Wireless SUBS (m)															
Bharti (India)	327	328	332	335	339	342	346	352	355	352	357	362	363	2.3	0.3
Idea	240	234	229	226	221	220	215	213	210	205	200	198	198	-5.9	-0.3
RJio	420	428	433	439	449	460	471	482	490	479	482	488	498	1.7	2.0
Avg. Wireless Subs (m)															
Bharti (India)	327	328	330	334	337	340	344	349	353	353	354	359	362	2.5	0.9
Idea	242	237	232	227	224	221	218	214	211	208	202	199	198	-6.3	-0.5
RJio	415	424	430	436	444	454	465	476	486	484	480	485	493	1.5	1.6
ARPU (INR/month)															
Bharti (India)	183	190	193	193	200	203	208	209	211	233	245	245	250	18.8	2.1
Vi	128	131	135	135	139	142	145	146	146	156	163	164	165	13.0	0.6
RJio	176	177	178	179	181	182	182	182	182	195	203	206	209	14.9	1.2
MOU/Sub (min)															
Bharti (India)	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,158	1,128	1,135	1,160	1,163	1,143	1.4	-1.7
Idea	620	601	611	623	626	613	615	626	607	586	593	598	589	-2.9	-1.4
RJio	1001	968	984	1004	1002	979	981	1008	974	977	1013	1024	1007	3.4	-1.6
Wireless traffic (B min)															
Bharti (India)	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,210	1,195	1,200	1,233	1,254	1,242	3.9	-0.9
Idea	450	428	424	425	420	406	401	402	385	365	360	357	350	-9.1	-2.0
RJio	1246	1230	1270	1313	1335	1334	1370	1440	1420	1420	1460	1490	1490	4.9	0.0
Data usage/Sub (Gb)															
Bharti (India)	19.5	20.3	20.3	20.3	21.6	22.2	22.5	23.1	24.3	24.5	25.1	25.7	27.6	13.4	7.2
Idea	13.0	13.7	13.9	13.9	14.4	14.6	14.2	14.3	14.5	14.4	14.2	15.0	16.3	12.6	9.2
RJio	20.8	22.2	22.4	23.1	24.9	26.6	27.3	28.6	30.3	31.0	32.3	33.6	37.0	22.2	10.0
Data traffic (B Gb)															
Bharti (India)	12.0	12.9	13.2	13.6	15.3	16.1	16.8	17.8	19.2	19.8	20.7	21.6	23.4	21.6	8.4
Idea	5.4	5.7	5.8	5.8	6.0	6.1	6.0	6.0	6.1	6.0	5.9	6.2	6.7	10.4	9.4
RJio	25.9	28.2	29.0	30.3	33.2	36.3	38.1	40.9	44.1	45.0	46.5	48.9	54.7	24.0	11.9

Source: MOFSL, Company

Exhibit 136: Key financial metrics for private telcos

	FY23				FY24				FY25				FY26	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	(%)	(%)
Revenue (INR b)															
Bharti (India wireless)	181	189	194	195	204	210	216	221	225	248	263	266	274	21.6	2.9
Bharti (consolidated)	328	345	358	360	374	370	379	376	385	415	451	479	495	28.5	3.3
Idea	104	106	106	105	107	107	107	106	105	109	111	110	110	4.9	0.1
RJio	219	225	230	234	240	248	254	260	265	283	293	300	309	16.6	2.9
EBITDA (INR b)															
Bharti (India wireless)	93	99	104	105	112	115	119	122	125	142	155	158	163	29.9	3.3
Bharti (consolidated)	165	176	185	187	196	195	198	194	197	218	246	270	278	41.3	3.1
Idea	43	41	42	42	42	43	44	43	42	45	47	47	46	9.7	-1.0
RJio	110	115	120	122	126	130	133	136	139	150	155	159	167	19.9	5.3
EBITDA Margin (%)															
Bharti (India wireless)	51.1	52.3	53.8	53.8	54.8	54.9	55.1	55.1	55.6	57.1	58.8	59.2	59.4	379bps	22bps
Bharti (consolidated)	50.4	51.0	51.5	51.9	52.3	52.7	52.3	51.5	51.2	52.7	54.5	56.4	56.3	510bps	-13bps
Idea	41.6	38.6	39.4	40.0	39.0	40.0	40.8	40.9	40.0	41.6	42.4	42.3	41.8	183bps	-47bps
RJio	50.1	51.0	52.2	52.2	52.3	52.3	52.3	52.4	52.6	53.1	52.8	52.8	54.0	147bps	124bps
Reported PAT (INR b)															
Bharti (consolidated)	16.1	21.5	15.9	30.1	16.1	13.4	24.4	20.7	41.6	35.9	147.8	110.2	59.5	43.0	-46.0
Idea	(73.0)	(76.0)	(79.9)	(64.0)	(78.4)	(87.4)	(77.4)	(76.7)	(64.3)	(71.8)	(66.1)	(71.7)	(66.1)	2.7	-7.8
RJio	43.4	45.2	46.4	47.2	48.6	50.6	52.1	53.4	54.5	62.3	64.8	66.4	67.1	23.3	1.0
EPS (INR)															
Bharti	2.9	3.8	2.8	5.3	2.8	2.4	4.3	3.6	7.2	6.2	25.5	19.0	10.3	42.4	-46.1
Idea	(2.3)	(2.4)	(2.5)	(1.3)	(1.6)	(1.8)	(1.4)	(1.6)	(1.0)	(1.0)	(1.0)	(1.0)	(0.6)	-38.2	-37.6

Source: MOFSL, Company

UTILITIES: Capacity growth offsets weak demand

- Overall performance:** For our coverage universe, revenue/APAT were in line with our estimates (+3%/9% YoY). However, EBITDA came in 6% below expectations, primarily due to NTPC/PWGR underperforming by 17%/12%, while JSWE/TPWR exceeded our estimates by 24%/25%. JSWE and ACME Solar beat our APAT estimates by 31% and 27%, respectively, amid organic and inorganic capacity additions. SUEL also reported a strong performance, with deliveries, revenue, and EBITDA being in line with our expectations.
- Mixed performance in 1Q – TPWR and JSWE deliver a strong beat, while NTPC and PWGR report a miss:** JSWE outperformed our revenue and EBITDA estimates, driven by higher-than-estimated contributions from the recently acquired assets – KSK Mahanadi (1.8 GW) and O2 Power (1.3GW) – alongside higher generation from the fully contracted Vijayanagar coal plant. Net generation rose 71% YoY to 13.5 BUs. RE generation rose 54% YoY to 5 BUs, driven by organic wind capacity additions and contribution from O2 Power. IEX's standalone revenue was in line with our estimate, while PAT was 5% above our estimate, primarily due to higher other income. IEX's electricity volumes increased 15% YoY, and renewable (RE) volumes surged 149% YoY. NTPC's standalone revenue missed our estimate due to a drop in power generation, while EBITDA was hit by an 86% YoY jump in other expenses. However, reported PAT beat expectations on account of higher other income and a lower tax rate. Gross power generation declined 6.7% YoY to 91 BUs. Coal PLF dipped 5% YoY to 75% primarily due to grid restrictions impacting generation, hydro PLF improved to 59.5%, and gas PLF declined to 11.1% as gas stations were operating as per grid demand. TPWR substantially beat our EBITDA estimate, driven by robust improvement in the Odisha distribution business as its AT&C losses narrowed and collection efficiency improved, strong performance in the solar EPC business, and a higher contribution from the cell and module business with the facility operating at over 90% utilization now. APAT, though in line with our estimate, was hurt by an adverse charge related to regulatory deferral balances. PWGR reported standalone revenue, EBITDA, and adjusted PAT below estimates amid weaker-than-expected capitalization trends. EBITDA was hit by a spike in other expenses. ACME Solar reported a beat in EBITDA driven by capacity additions and improved capacity utilization factor

(CUF), while adjusted PAT also surpassed expectations on the back of higher other income. **SUEL** earnings were aligned with our expectations, with deliveries, revenue, and EBITDA coming in line with our estimates. The miss at the APAT level was due to a deferred tax charge.

- **Ratings and earnings revisions: IEX** – in light of the Central Electricity Regulatory Commission (CERC)'s announcement of the phased implementation of market coupling in India, starting with the day-ahead market (DAM; ~45% of IEX volumes in FY25) by Jan'26, we cut our FY27 earnings estimates by 17%, factoring in a 30% volume decline and a 10% fall in transaction fee in the DAM segment. **Suzlon** – we cut our FY26 adj. PAT estimate by 25% as we build in an effective tax rate of 25% (deferred tax and non-cash).

Top picks: JSWE, Suzlon, and ACME Solar remain our preferred picks.

Surprises: JSWE, ACME Solar and TPWR.

Misses: NTPC and PWGR.

Guidance highlights:

- **PWGR:** Management reiterated its robust capex trajectory, improving capitalization trends, and a strong project pipeline. Capex guidance remains unchanged at INR280b/INR350b/INR450b for FY26/FY27/FY28. However, the capitalization target for FY26 was slightly reduced to INR220b (from the earlier guidance of INR230–250b) due to persistent right-of-way (RoW) issues. The company is expanding its presence in green hydrogen, BESS, and solar, with participation in a 2,000 MW/4,000 MWh BESS tender in Rajasthan, aiming to become a significant player in green hydrogen and BESS over the next 2-3 years.
- **JSWE:** Management has maintained a growth strategy to achieve 30GW of generation capacity and 40GWh of energy storage by 2030. For FY26, the company targets a capex of INR150-180b and aims to add 3-4GW of capacity (excluding 1.3GW from O2 Power). O2 Power's capacity is 1.8 GW, set to reach 4.7 GW by Jun'27 with INR 130–140b capex. The acquired 1.8 GW KSK Mahanadi plant has upside potential, with plans to complete its fourth 600 MW unit (~45% done), and while the tariff trajectory will vary yearly, management remains confident that its EBITDA will not go below INR24b in any year.
- **TPWR:** The company aims to commission 1.6 GW of its own RE projects over the next three quarters and remains on track to add over 2 GW of RE capacity in FY26, despite ongoing land and transmission-related challenges. The capex target for FY26 stands at INR 250 b. Pumped hydro projects commenced in 1QFY26, with commissioning scheduled for 2029. Construction of 600MW Dagachhu hydro project in Bhutan has started, with completion expected by Nov'29. Section XI was not extended beyond 30 June; detailed discussions are underway for a supplementary PPA (SPPA) for the Mundra plant.
- **IEX:** Management remains confident of retaining its dominant market share post-market coupling, leveraging ongoing initiatives to maintain customer loyalty. Market coupling in the DAM segment, targeted for Jan'26, will require extensive preparatory work by the regulator, including common software development, IT infrastructure setup, settlement mechanism design, and regulatory formulation, and management expects these processes to take time. Under the framework, volumes will continue to flow through the originating exchange. Following CERC's order, IEX is evaluating multiple options, such as proceeding with the implementation of the order, approaching CERC for a review, appealing the order before the Appellate Tribunal, etc. However, IEX has not yet finalized its next course of action.
- **ACME Solar:** The company targets a capex of INR120-140b annually for the next two years. All FDRE projects signed before Dec'24 are scheduled to be commissioned by Dec'26. However, the company plans early commissioning of BESS for the 2.3GW projects, for which necessary approvals have been taken from counterparties and others, which enables merchant market sales during peak hours and will boost revenue generation. PPA signings for the Omega Urja (300 MW solar with SJVN), ACME Renewtech (300 MW hybrid with SECI), and ACME Marigold (400 MW FDRE with NTPC) projects are expected by Aug'25, while the Urja (190 MW FDRE with SECI) and Platinum Urja (200 MW FDRE with SECI) projects are in advanced stages, with ACME aiming to conclude signings for this pipeline within the next four months.
- **Suzlon:** Management reiterated 60% YoY growth guidance for FY26, with the current 5.7GW order book covering FY26-27 deliveries. The company doesn't foresee new orders being an issue in the next 2-3 years. The group CFO will resign effective 31st Aug'25, and the company is in advanced stages of succession planning. The

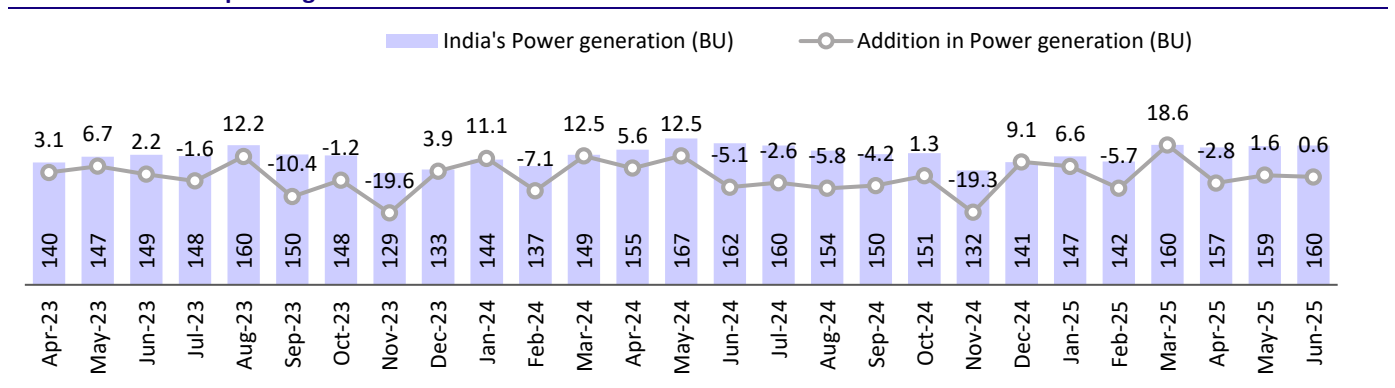
company aims to reduce net working capital days (including inventory) from 90-100 days to 75 days. The tax rate for FY26 is projected at ~25% with no cash outflow, while cash tax outflows are expected to commence from FY27. The company sees strong export potential, with an initial focus on the Middle East and Europe. It expects to begin securing orders by the end of this year and commence exports within the next 12 months. SE Forge manufactures castings for gearboxes and also produces bearings, positioning it well to capture increased demand post-ALMM in the wind segment.

Exhibit 137: Key Snapshot

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1QFY26*
Total generation growth (%)	5.4	5.2	0.7	-0.6	8.1	9.0	7.2	5.0	-1.7
Conv. Generation growth (%)	4.1	3.6	0.0	-1.6	7.1	7.7	6.7	4.0	-5.8
RE generation growth (%)	24.9	24.4	7.8	7.7	16.2	19.1	10.9	11.7	24.8
*1QFY26 compared with 1QFY25									
All India Peak Demand (GW)	161	176	183	189	201	212	240	250	242
Capacity addition (GW)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1QFY26
Thermal	5.4	3.4	4.3	4.1	1.4	1.2	5.9	3.7	-4.9
Nuclear	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.6
Hydro	0.8	0.1	0.3	0.5	0.5	0.1	0.1	0.8	1.7
Solar	9.4	6.5	6.4	5.5	13.9	12.8	15.0	23.8	10.6
Wind	1.8	1.6	2.1	1.6	1.1	2.3	3.3	4.2	1.6
Other RE	0.6	0.5	0.9	0.4	0.4	0.2	0.2	0.7	0.0
Total capacity addition	18.0	12.1	14.0	12.0	17.3	16.6	25.9	33.3	9.6
Total capacity (GW)	344.0	356.1	370.1	382.2	399.5	416.1	442.0	475.2	484.8

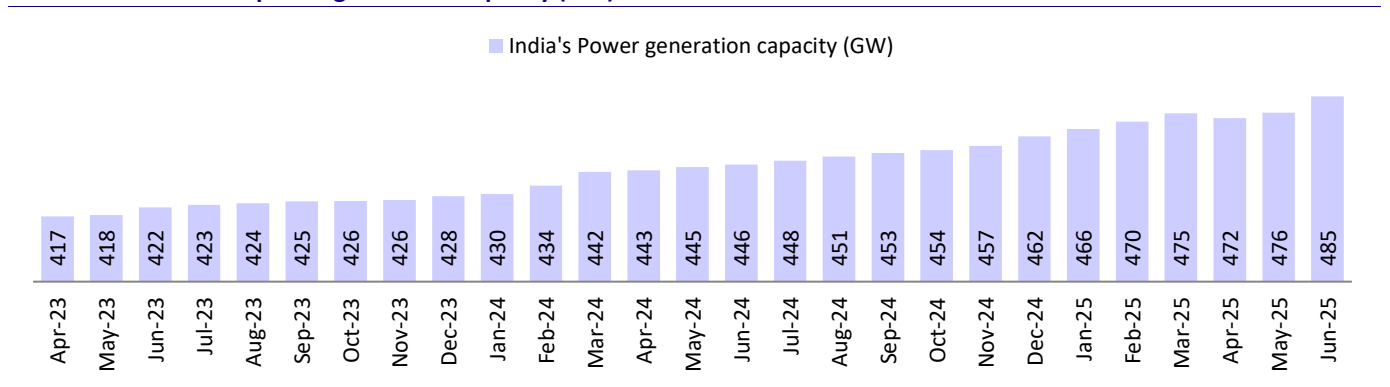
Source: NPP, CEA, MOFSL

Exhibit 138: India's power generation



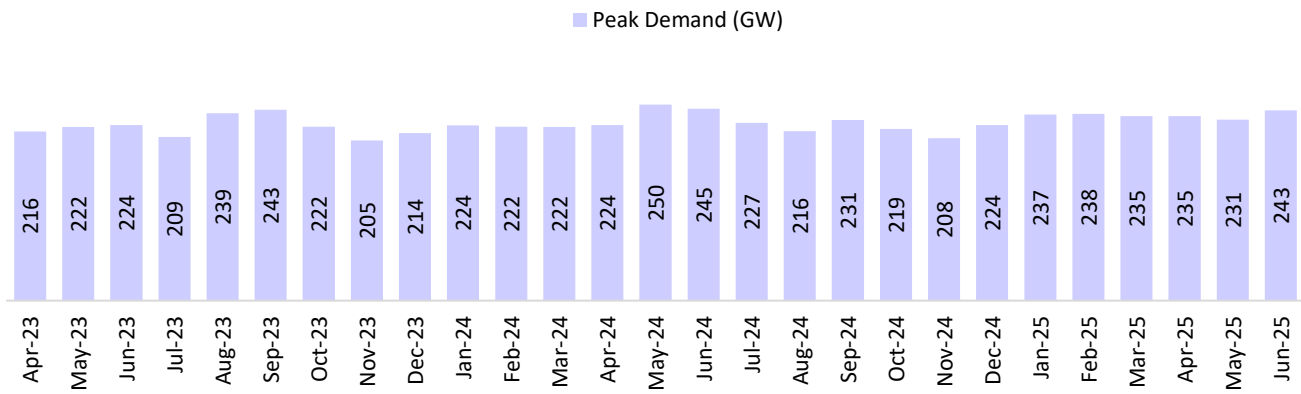
Source: NPP, CEA, MOFSL

Exhibit 139: Domestic power generation capacity (GW)



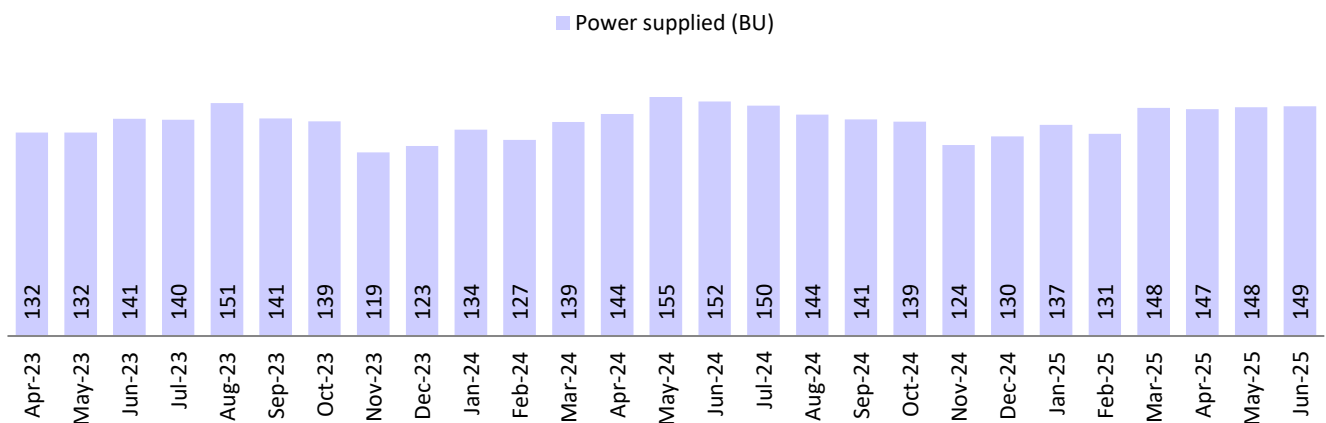
Source: NPP, MOFSL

Exhibit 140: India's peak demand



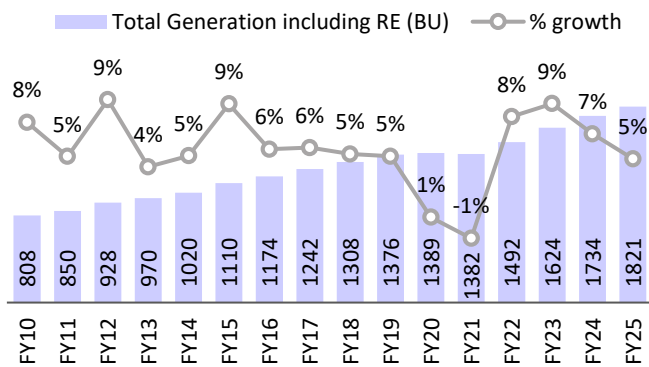
Source: CEA, MOFSL

Exhibit 141: Domestic power supply (BUs)



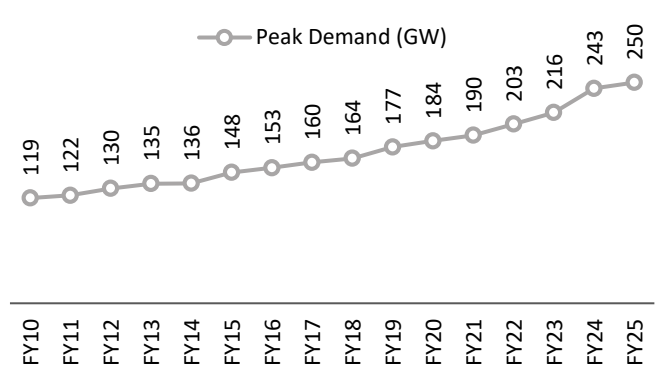
Source: CEA, MOFSL

Exhibit 142: Domestic power generation growth



Source: NPP, CEA, MOFSL

Exhibit 143: Peak demand growth



Source: CEA, MOFSL

ANNEXURE: MOFSL UNIVERSE (ACTUAL V/S EXPECTATIONS)

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
Automobiles	3,203.1	4.0	-4.8	2.7	377.9	-12.9	-18.1	-2.1	229.3	-3.4	-18.9	7.5
Amara Raja Energy	33.5	7.0	12.6	2.9	3.9	-10.2	13.0	-1.1	1.9	-20.7	16.3	-7.0
Apollo Tyres	65.6	3.6	2.1	-2.2	8.7	-4.6	3.6	-0.4	2.8	-15.1	3.9	-12.0
Ashok Leyland	87.2	1.5	-26.7	-0.8	9.7	6.4	-45.9	2.1	5.9	13.0	-52.7	3.2
Bajaj Auto	125.8	5.5	3.6	2.6	24.8	2.7	1.3	2.7	21.0	5.4	2.3	5.6
Balkrishna Inds	27.6	0.7	-2.8	-1.7	6.6	-8.1	-6.8	-6.9	2.9	-39.9	-20.8	-33.1
Bharat Forge	21.0	-10.0	-2.7	-7.0	5.7	-12.2	-7.3	-10.1	3.4	-10.6	-6.2	-14.5
Bosch	47.9	10.9	-2.5	3.7	6.4	23.0	-1.2	12.5	6.7	44.0	21.1	36.6
CEAT	35.3	10.5	3.2	-0.4	3.9	1.3	-0.1	-4.9	1.1	-22.7	-9.4	-26.8
CIE Automotive	23.7	3.3	4.2	8.1	3.4	-6.5	0.4	5.8	2.0	-6.2	-1.4	6.6
Craftsman Auto	17.8	55.0	2.0	4.8	2.6	34.3	8.8	7.3	0.8	42.3	1.0	14.9
Endurance Tech.	33.2	17.5	12.0	3.0	4.4	18.7	5.1	2.0	2.3	11.0	-4.0	-0.7
Eicher Motors	50.4	14.8	-3.8	1.5	12.0	3.2	-4.4	3.0	12.1	9.4	-11.5	13.3
Escorts Kubota	24.8	-2.9	2.2	-4.9	3.2	2.6	11.0	1.2	3.2	18.5	16.4	1.7
Exide Inds.	45.1	4.6	8.4	1.5	5.5	10.9	17.5	8.3	3.2	14.6	25.9	12.5
Happy Forgings	3.5	3.6	0.5	-1.3	1.0	3.6	-1.1	-2.0	0.7	2.9	-3.1	-1.6
Hero Motocorp	95.8	-5.6	-3.6	-0.9	13.8	-5.3	-2.4	3.6	11.3	0.3	4.1	7.7
Hyundai Motor	164.1	-5.4	-8.5	-1.2	21.9	-6.6	-13.7	9.5	13.7	-8.1	-15.2	12.9
Mahindra & Mahindra	340.8	26.1	8.7	3.1	48.8	21.4	4.3	3.2	34.5	32.0	41.6	12.2
Maruti Suzuki	384.1	8.1	-5.6	6.9	40.0	-11.3	-6.3	5.5	37.1	1.7	0.0	25.7
Samvardhana Motherson	302.1	4.7	3.1	-1.2	24.6	-11.4	-7.0	-11.5	6.2	-37.5	-38.1	-35.9
Motherson Wiring	24.9	14.2	-0.6	3.8	2.4	2.3	-9.9	-7.0	1.4	-3.9	-13.2	-10.4
MRF	75.6	6.8	8.9	2.7	10.3	-9.1	-0.8	-6.3	4.8	-13.9	-2.7	-4.6
Sona BLW Precis.	8.0	-10.3	-5.7	-0.4	1.9	-22.9	-10.3	0.3	1.2	-11.9	-15.3	26.3
Tata Motors	1,044.1	-3.4	-12.6	4.7	97.2	-37.3	-41.5	-10.9	39.7	-28.3	-55.4	9.2
Tube Investments	20.1	2.4	2.5	-2.6	2.5	3.1	8.5	0.3	1.7	8.8	-35.4	4.7
TVS Motor	100.8	20.4	5.6	0.4	12.6	31.5	-5.2	4.9	7.8	34.9	-8.6	5.0
Capital Goods	989.6	14.6	-22.3	0.8	118.6	16.2	-40.3	1.7	81.3	17.7	-41.2	5.4
ABB India	31.8	12.2	0.5	-1.3	4.1	-23.7	-28.9	-30.0	3.5	-20.5	-25.7	-27.3
Bharat Electronics	44.2	5.2	-51.6	-8.8	12.4	32.4	-55.5	14.8	9.7	24.9	-54.0	15.5
Cummins India	29.1	26.2	18.3	9.4	6.2	33.4	20.0	16.7	5.6	32.3	6.5	13.1
Hind.Aeronautics	48.2	10.8	-64.8	-8.2	12.8	29.4	-75.8	1.8	13.8	-3.7	-65.2	9.8
Hitachi Energy	14.8	11.4	-21.5	-21.9	1.5	223.4	-42.9	-28.8	1.3	1163.0	-33.3	1.6
KEC International	50.2	11.3	-26.9	-1.4	3.5	29.5	-35.0	-1.8	1.2	42.3	-53.5	6.5
Kalpataru Proj.	50.4	35.4	-18.8	9.8	4.3	36.7	-18.1	9.8	2.0	72.1	-24.4	30.0
Kirloskar Oil	14.4	7.6	2.3	3.0	1.9	-3.8	9.3	8.5	1.2	-8.8	16.3	10.0
Larsen & Toubro	636.8	15.5	-14.4	3.0	63.2	12.5	-23.0	3.0	36.2	29.8	-29.5	7.7
Siemens	43.5	15.5	2.1	3.2	5.2	7.4	11.5	-1.8	4.2	-3.1	3.8	-12.1
Thermax	21.5	-1.6	-30.3	-12.0	2.3	59.5	-24.9	11.6	1.5	38.4	-26.3	19.2
Triveni Turbine	3.7	-19.9	-31.0	-24.7	0.7	-23.0	-38.9	-26.5	0.6	-19.9	-31.9	-22.1
Zen Technologies	1.1	-56.3	-62.2	-57.1	0.4	-63.1	-59.7	-59.2	0.4	-50.0	-56.3	-54.4
Cement	660.8	15.2	-4.6	0.4	114.7	40.9	-1.9	2.1	49.1	51.2	-0.8	8.7
ACC	60.7	16.7	0.2	4.4	7.7	14.1	-3.4	-10.0	3.8	5.0	-25.1	-24.2
Ambuja Cements	102.9	22.6	3.1	4.4	19.6	53.2	5.0	8.1	7.3	14.7	64.2	2.3
Birla Corporation	24.5	12.0	-12.8	1.0	3.5	34.3	-35.0	-8.5	1.2	266.6	-58.3	-10.6
Dalmia Bharat	36.4	0.4	-11.1	-2.8	8.8	32.0	11.3	8.6	3.7	65.8	4.8	14.9
Grasim Industries	92.2	33.8	3.3	4.5	3.8	18.3	74.4	74.3	-1.2	Loss	Loss	Loss
India Cements	10.2	5.5	-14.4	-13.0	0.8	LP	16624	20.6	-0.1	Loss	Loss	Loss
J K Cements	33.5	19.4	-6.4	3.7	6.9	41.4	-10.1	3.7	3.2	75.0	-10.3	18.9
JK Lakshmi Cem.	17.4	11.3	-8.3	5.1	3.1	39.9	-11.4	4.9	1.5	62.6	-14.5	18.8
Ramco Cements	20.7	-0.9	-13.5	-9.2	4.0	24.5	23.9	-11.1	0.9	142.3	204.5	-27.1
Shree Cement	49.5	2.3	-5.6	0.0	12.3	34.1	-13.0	-4.6	6.2	94.7	6.8	38.6

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
Ultratech Cement	212.8	13.1	-7.8	-2.6	44.1	46.2	-4.5	0.8	22.5	44.0	-9.4	2.0
Chemicals-Specialty	169.0	3.4	-2.3	-5.1	32.2	7.6	3.1	2.3	18.5	14.0	7.2	3.7
Alkyl Amines	4.1	1.5	5.0	-3.9	0.8	-3.2	12.9	-2.4	0.5	1.2	7.4	-6.3
Atul	14.8	11.8	1.8	-0.9	2.4	5.5	5.6	-1.8	1.3	18.1	1.7	-5.8
Clean Science	2.4	8.4	-7.9	-6.5	1.0	5.5	-4.7	0.4	0.7	6.3	-5.4	-7.2
Deepak Nitrite	18.9	-12.8	-13.3	-2.1	1.9	-38.7	-40.1	-5.3	1.1	-44.6	-44.6	-5.4
Fine Organic	5.6	10.0	-3.0	0.5	1.1	-11.9	-0.9	9.2	0.9	-11.3	-0.8	7.1
Galaxy Surfactants	12.8	31.2	11.6	6.9	1.2	-0.2	-2.4	-0.4	0.8	-0.3	4.8	5.2
Navin Fluorine	7.3	38.5	3.5	-6.9	2.1	106.1	15.7	2.0	1.2	128.8	23.3	4.4
NOCIL	3.4	-9.7	-1.0	-3.9	0.3	-25.6	-11.8	-26.1	0.2	-39.1	-18.6	-34.2
P I Industries	19.0	-8.1	6.3	-9.7	5.2	-11.0	13.9	-1.4	4.0	-10.9	21.0	2.8
SRF	38.2	10.2	-11.5	-8.2	8.2	32.3	-18.1	-1.3	4.2	57.2	-25.8	-3.7
Tata Chemicals	37.2	-1.8	6.0	-6.7	6.5	13.1	98.5	13.6	2.5	86.7	LP	37.9
Vinati Organics	5.4	3.3	-16.4	-3.4	1.7	32.6	-9.7	20.3	1.1	31.1	-11.6	19.9
Consumer	974.9	8.3	8.9	2.3	222.2	1.2	8.7	-0.1	156.8	1.9	9.9	-0.7
Asian Paints	89.4	-0.3	6.9	-1.3	16.2	-4.1	13.1	-3.0	11.2	-5.9	26.4	-1.2
Britannia	45.3	9.8	3.6	1.2	7.6	0.4	-6.0	-4.5	5.2	-1.8	-7.0	-6.0
Colgate	14.3	-4.2	-1.9	-5.6	4.5	-11.0	-9.1	-8.6	3.2	-11.9	-9.7	-9.2
Dabur	34.0	1.7	20.3	-0.7	6.7	2.0	56.4	1.9	5.2	2.7	59.0	4.8
Emami	9.0	-0.2	-6.1	3.3	2.1	-1.1	-2.4	9.0	1.8	8.3	1.7	18.1
Godrej Consumer	36.6	9.9	1.8	-0.4	6.9	-4.4	-8.5	-7.9	4.7	0.4	8.0	-8.5
Hind. Unilever	165.1	5.1	5.4	0.6	37.2	-0.7	2.7	0.9	25.3	-4.5	-1.5	-2.8
Indigo Paints	3.1	-0.7	-20.3	-4.5	0.4	-6.5	-49.3	-11.2	0.3	-1.0	-54.4	-9.9
ITC	214.9	16.5	14.5	10.8	68.2	1.0	4.6	0.6	52.4	3.0	3.3	0.5
Jyothy Labs	7.5	1.3	12.6	-2.1	1.2	-7.0	10.9	-8.1	1.0	-4.8	20.1	-4.2
L T Foods	24.6	19.0	10.6	4.8	2.7	10.2	2.8	-5.1	1.7	10.0	5.0	-1.8
Marico	32.6	23.3	19.4	1.7	6.6	4.6	43.0	-3.5	5.0	8.6	46.9	-0.8
Nestle	51.0	5.9	-7.4	0.1	11.2	-0.5	-20.8	-5.6	6.5	-13.4	-25.9	-13.3
P&G Hygiene	9.4	0.6	-5.5	-4.9	2.7	102.7	27.0	48.1	1.9	111.4	23.0	30.1
Page Industries	13.2	3.1	19.9	-8.2	2.9	21.1	25.3	0.2	2.0	21.5	22.4	-0.6
Pidilite Inds.	37.5	10.5	19.5	0.4	9.4	15.8	48.8	7.0	6.7	18.6	50.3	8.1
Radico Khaitan	15.1	32.5	15.5	8.9	2.3	55.8	30.7	17.4	1.4	83.9	54.7	28.1
Tata Consumer	47.8	9.8	3.7	1.4	6.1	-9.1	-2.3	-0.7	3.3	10.2	7.5	1.2
United Breweries	28.6	15.7	23.3	5.2	3.1	9.1	66.7	-5.7	1.8	6.0	88.7	-12.3
United Spirits	25.5	8.4	-13.5	2.0	4.2	-9.4	-17.8	-0.8	3.0	-0.9	-22.0	3.5
Varun Beverages	70.2	-2.5	26.1	-2.5	20.0	0.4	58.1	1.8	13.2	5.2	81.3	0.9
Consumer Durables	199.5	3.4	-14.9	-1.4	19.5	3.3	-25.2	-1.7	13.7	1.0	-25.8	-2.4
Havells India	54.6	-6.0	-16.6	-6.6	5.2	-9.9	-31.9	-8.4	3.5	-14.7	-32.8	-11.3
KEI Industries	25.9	25.7	-11.1	9.4	2.6	20.3	-14.4	11.6	2.0	30.3	-13.6	12.3
Polycab India	59.1	25.7	-15.5	4.8	8.6	47.0	-16.4	16.3	5.9	49.5	-18.5	17.4
R R Kabel	20.6	13.9	-7.2	1.2	1.4	49.6	-26.9	1.4	0.9	39.4	-30.5	2.7
Voltas	39.4	-20.0	-17.4	-9.6	1.8	-57.9	-46.4	-43.4	1.4	-58.0	-41.7	-42.0
EMS	186.0	66.0	8.7	9.9	10.3	66.2	-18.7	13.0	5.0	57.7	-23.2	8.1
Amber Enterp.	34.5	43.6	-8.1	35.4	2.6	30.8	-12.9	28.7	1.0	43.5	-10.5	52.1
Avalon Tech	3.2	62.1	-5.7	32.9	0.3	583.6	-27.7	116.5	0.1	LP	-41.5	102.5
Cyient DLM	2.8	8.0	-35.0	0.9	0.3	25.3	-56.4	29.4	0.1	-29.6	-76.0	-12.3
Data Pattern	1.0	-4.6	-74.9	-20.5	0.3	-13.7	-78.5	-27.4	0.3	-22.2	-77.6	-31.5
Dixon Tech.	128.4	95.1	24.7	7.0	4.8	94.6	8.9	7.7	2.2	68.3	21.9	3.9
Kaynes Tech	6.7	33.6	-31.6	-10.9	1.1	69.0	-32.7	8.5	0.7	46.9	-35.8	-5.9
Syrma SGS Tech.	9.4	-18.6	2.1	-3.1	0.9	94.3	-19.4	10.5	0.5	157.8	-24.0	8.9
Financials	4,132.2	5.9	-12.4	0.2	1,935.0	15.7	4.9	9.4	1,203.4	5.9	-6.8	3.1
Banks-Private	934.5	3.8	1.0	0.7	822.5	22.9	21.8	18.0	430.3	0.7	4.9	3.3
AU Small Finance	20.4	6.5	-2.4	-4.2	13.1	37.9	1.5	6.7	5.8	15.6	15.3	5.0
Axis Bank	135.6	0.8	-1.8	-0.6	115.2	13.9	7.1	8.3	58.1	-3.8	-18.4	-2.8

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
Bandhan Bank	27.6	-8.2	0.0	1.5	16.7	-14.0	6.2	-0.8	3.7	-65.0	17.0	-18.6
DCB Bank	5.8	16.9	4.0	1.5	3.3	59.2	7.0	6.3	1.6	19.7	-11.2	-8.8
Equitas Small Fin.	7.9	-2.0	-5.3	-3.0	3.1	-7.5	1.1	3.3	-2.2	PL	PL	PL
Federal Bank	23.4	2.0	-1.7	1.7	15.6	3.7	6.2	7.5	8.6	-14.6	-16.4	-6.4
HDFC Bank	314.4	5.4	-2.0	-1.4	357.3	49.6	34.7	36.8	181.6	12.2	3.1	6.0
ICICI Bank	216.3	10.6	2.1	3.4	187.5	17.0	6.1	5.7	127.7	15.5	1.1	6.4
IDFC First Bank	49.3	5.1	0.5	0.5	22.4	19.0	23.6	21.1	4.6	-32.0	52.1	87.4
IndusInd Bank	46.4	-14.2	52.2	11.6	25.7	-35.0	LP	13.1	6.0	-72.2	LP	5.6
Kotak Mahindra Bank	72.6	6.1	-0.3	0.5	55.6	5.9	1.7	3.6	32.8	-6.8	-7.6	-5.7
RBL Bank	14.8	-12.9	-5.3	-0.3	7.0	-18.2	-18.4	-7.6	2.0	-46.1	191.6	41.8
Banks-PSU	875.7	-0.4	-3.1	-0.8	660.9	10.0	-1.6	7.5	372.2	7.2	-9.7	2.3
Bank of Baroda	114.3	-1.4	-0.5	6.0	82.4	15.0	1.3	15.4	45.4	1.9	-10.0	8.8
Canara Bank	90.1	-1.7	-4.6	-1.5	85.5	12.3	3.3	8.2	47.5	21.7	-5.0	14.7
Indian Bank	63.6	2.9	-0.5	-1.0	47.7	6.0	-4.9	-5.8	29.7	23.7	0.6	4.7
Punjab National Bank	105.8	1.0	-1.7	-0.1	70.8	7.6	4.5	5.8	16.8	-48.5	-63.3	-59.6
Union Bank	91.1	-3.2	-4.2	-1.8	69.1	-11.3	-10.3	-7.1	41.2	11.9	-17.4	0.9
State Bank	410.7	-0.1	-4.0	-2.3	305.4	15.5	-2.4	12.2	191.6	12.5	2.8	12.6
Insurance	1,775.3	7.7	-24.4	0.1	41.8	13.0	-46.3	-0.8	134.3	5.6	-37.4	1.2
HDFC Life Insur.	148.8	16.1	-38.1	-3.1	8.1	12.7	-41.2	-4.8	5.5	14.4	14.7	10.6
ICICI Lombard	51.4	14.0	-1.7	4.7	-2.9	Loss	Loss	Loss	7.5	28.7	46.6	23.9
ICICI Pru Life	89.5	8.1	-46.8	0.2	4.6	-3.2	-42.5	1.8	3.0	33.5	-21.9	24.0
Life Insurance Corp.	1,192.0	4.8	-19.2	0.0	19.4	20.7	-45.0	-0.6	109.9	5.0	-42.2	0.3
Max Financial	64.0	18.5	-46.1	2.2	3.4	31.9	-60.7	9.1	0.9	-44.9	126.3	-41.7
Niva Bupa Health	12.2	19.8	-20.1	0.1	-2.3	Loss	PL	Loss	-0.9	Loss	PL	Loss
SBI Life Insurance	178.1	14.4	-25.8	1.1	10.9	12.4	-34.3	-2.4	5.9	14.4	-26.9	0.2
Star Health	39.4	11.9	3.7	2.7	0.7	-48.9	LP	0.3	2.6	-17.7	50385	-9.6
NBFC - Lending	472.5	15.7	0.9	1.6	370.9	11.5	-3.4	-1.5	231.6	13.5	3.4	4.7
AAVAS Financiers	2.8	13.5	2.6	-1.9	1.9	12.3	-5.2	-3.9	1.4	10.4	-9.4	-4.6
Bajaj Finance	102.3	22.3	4.3	-0.2	84.9	22.2	6.5	0.7	47.7	21.8	4.8	2.9
Can Fin Homes	3.6	12.9	4.1	3.3	3.0	8.7	3.2	1.5	2.2	12.1	-4.3	3.5
Chola. Inv & Fin.	31.8	23.7	4.2	-1.8	24.1	30.4	3.4	3.0	11.4	20.6	-10.3	0.7
CreditAccess	9.1	-2.3	3.4	0.1	6.5	-7.9	3.0	-0.3	0.6	-84.9	27.5	-28.5
Five-Star Business	5.8	19.6	3.2	0.5	4.0	13.5	1.6	2.9	2.7	5.9	-4.6	-1.5
Fusion Finance	2.7	-31.4	1.4	0.7	0.9	-70.9	-3.9	-5.4	-0.9	Loss	Loss	Loss
Home First Fin.	1.9	32.6	12.4	-3.4	1.7	41.2	15.5	5.3	1.2	35.5	13.6	3.2
IIFL Finance	12.9	-10.0	-1.5	-10.3	8.7	26.3	32.0	-13.6	2.3	-19.0	12.4	-19.5
L&T Finance	22.8	8.4	6.0	5.1	15.8	7.3	10.6	0.5	7.0	2.2	10.2	-0.3
LIC Housing Fin	20.7	3.9	-4.6	-4.8	18.9	6.8	0.7	0.5	13.6	4.6	-0.6	-1.2
M & M Financial	20.1	12.8	4.4	0.4	13.5	19.3	11.6	2.7	5.3	3.2	-6.0	-0.3
Manappuram Finance	13.8	-10.2	-4.4	-4.7	6.6	-32.7	-3.3	-2.7	1.3	-76.2	LP	LP
MAS Financial	2.4	35.7	5.2	3.0	1.5	30.9	2.2	0.5	0.8	19.1	3.8	0.8
Muthoot Finance	34.7	50.7	19.6	9.9	27.9	62.6	29.8	15.2	20.5	89.7	35.7	20.7
PFC	54.7	26.4	-7.5	12.8	48.3	5.0	-26.2	-11.0	45.0	21.1	-11.9	2.7
PNB Housing	7.5	16.2	2.5	0.6	6.3	16.5	-2.3	-1.4	5.3	23.3	-3.1	5.5
Poonawalla Fincorp	6.4	11.0	4.8	-6.2	3.2	-24.9	-2.5	15.7	0.6	-78.5	0.4	-40.4
REC	55.7	19.2	-9.7	2.9	50.3	4.8	-18.4	-4.5	44.5	29.3	5.1	7.9
Repco Home Fin	1.8	8.3	6.3	3.6	1.4	4.1	9.8	6.7	1.1	2.4	-6.1	5.7
Shriram Finance	57.7	10.3	3.7	-0.9	41.9	8.8	-3.3	-3.4	21.6	8.8	0.8	4.2
Spandana Sphoorty	1.3	-70.1	-36.7	-7.8	-0.6	PL	PL	Loss	-3.6	PL	Loss	Loss
NBFC - Non Lending	74.2	17.0	7.0	-0.6	38.9	18.0	8.6	0.7	35.1	16.7	16.9	5.3
360 ONE WAM	6.6	10.3	1.6	3.1	3.1	-7.3	-2.2	-0.6	2.9	18.0	14.9	7.2
Aditya Birla AMC	4.5	15.7	4.3	0.0	2.7	20.8	9.0	2.2	2.8	17.6	21.5	7.5
Anand Rathi Wealth	2.7	15.3	23.4	11.9	1.3	30.1	40.7	37.1	0.9	27.9	27.3	34.7
Angel One	8.0	-13.1	6.9	2.9	1.6	-58.6	-30.2	3.7	1.1	-60.9	-34.4	-2.5

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
BSE	9.6	59.2	13.2	-2.2	6.3	121.6	29.3	7.1	5.3	101.3	7.3	10.9
Cams Services	3.5	6.9	-0.6	-5.7	1.5	3.0	-3.2	-9.7	1.1	1.0	-4.2	-9.8
CDSL	2.6	0.6	15.3	-7.9	1.3	-15.5	19.3	-16.8	1.0	-23.6	2.0	-27.7
HDFC AMC	9.7	24.9	7.4	2.4	7.7	30.1	5.9	4.1	7.5	23.8	17.1	9.5
KFin Technologies	2.7	15.4	-3.1	-8.6	1.1	14.2	-6.9	-10.0	0.8	13.5	-9.2	-13.1
MCX	3.7	59.2	28.1	-2.6	2.4	82.3	50.9	-3.5	2.0	83.2	50.0	1.0
Nippon Life AMC	6.1	20.1	7.1	-0.7	3.9	22.7	6.3	-1.6	4.0	19.1	32.6	7.7
Nuvama Wealth	7.7	15.4	-0.1	-4.0	3.5	19.0	3.8	-0.6	2.6	19.4	3.4	-0.6
Prudent Corp.	2.9	17.8	3.8	0.2	0.7	14.0	-2.0	-1.2	0.5	17.1	0.3	0.3
UTI AMC	3.8	12.6	5.3	-0.3	1.7	8.6	12.4	-8.0	2.5	-7.5	148.9	14.8
Healthcare	930.2	10.3	1.5	0.4	225.6	9.9	3.3	2.4	139.6	10.8	0.9	0.2
Alembic Pharma	17.1	9.5	-3.3	0.1	2.8	18.8	3.4	2.9	1.5	14.6	-1.6	-0.3
Alkem Lab	33.7	11.2	7.2	8.9	7.4	21.4	88.9	38.0	6.5	19.8	113.5	48.1
Ajanta Pharma	13.0	13.8	11.3	3.7	3.8	4.5	26.7	7.4	2.7	2.0	21.9	7.9
Apollo Hospitals	58.4	14.9	4.5	1.8	8.5	26.2	10.7	9.2	4.3	41.8	11.1	12.8
Aurobindo Pharma	78.7	4.0	-6.1	-0.8	16.0	-5.4	-13.9	-6.8	8.3	-8.5	-12.5	-7.8
Biocon	39.4	14.8	-10.8	-7.0	7.5	20.5	-30.6	-18.0	0.3	LP	-90.8	-72.5
Blue Jet Healthcare	3.5	117.8	4.2	-3.8	1.2	173.4	-13.6	-21.1	0.9	141.3	-17.2	-24.4
Cipla	69.6	3.9	3.4	0.3	17.8	3.6	15.6	9.1	13.0	10.2	6.2	7.4
Divis Labs	24.1	13.8	-6.8	-4.5	7.3	17.2	-17.7	-13.8	5.2	20.2	-21.1	-17.9
Dr Agarwals Health.	4.9	20.8	5.9	-7.1	1.3	23.3	-3.9	-27.5	0.3	148.3	-16.2	-58.4
Dr Reddy's Labs	85.5	11.4	0.5	1.2	21.5	1.1	4.9	12.7	14.2	1.8	-7.7	8.6
ERIS Lifescience	7.7	7.4	9.6	-0.6	2.8	10.7	9.6	-3.0	1.2	41.0	25.1	-7.4
Gland Pharma	15.1	7.4	5.7	-0.9	3.7	39.1	5.8	13.1	2.2	49.9	15.5	15.7
Glenmark Pharma	32.6	0.6	0.3	-9.2	5.8	-4.9	3.5	-13.8	2.1	-42.2	-29.8	-44.0
Global Health	10.3	19.7	10.7	6.9	2.3	22.8	4.5	5.9	1.5	41.2	7.7	10.7
Granules India	12.1	2.6	1.1	1.5	2.5	-4.8	-2.2	-5.5	1.3	-1.4	3.5	-0.6
GSK Pharma	8.1	-1.2	-17.4	-8.5	2.5	8.9	-24.6	-5.5	2.0	12.4	-22.0	0.1
IPCA Labs.	23.1	10.3	2.8	-2.7	4.2	6.0	-2.9	-15.2	2.3	21.3	-3.6	-17.8
Laurus Labs	15.7	31.4	-8.8	5.0	3.8	123.2	-9.1	22.9	1.6	1164.5	-14.6	29.9
Lupin	62.7	11.9	10.6	3.6	16.4	20.6	27.0	10.2	11.5	27.4	53.2	23.3
Mankind Pharma	35.7	23.4	15.9	0.3	8.5	17.0	19.6	-4.9	4.3	-24.3	34.5	-6.9
Max Healthcare	24.5	26.9	6.5	0.4	6.2	24.9	1.6	-1.3	3.7	20.1	-5.1	-13.5
Piramal Pharma	19.3	-0.9	-29.8	-9.6	1.1	-47.8	-81.0	-47.5	-1.0	Loss	PL	Loss
Sun Pharma	137.9	10.1	7.6	2.7	40.1	13.5	22.1	8.7	30.0	9.0	3.7	-5.8
Torrent Pharma	31.8	11.2	7.4	-1.0	10.5	13.3	6.7	-2.1	5.6	18.7	5.8	-7.2
Zydus Lifesciences	65.7	5.9	0.7	4.7	20.3	-3.7	-6.2	3.7	14.2	-1.2	4.3	11.5
Infrastructure	44.0	-3.6	-10.9	-3.1	12.4	0.4	-12.1	-0.5	4.6	12.7	-19.9	7.3
G R Infraproject	18.3	-3.7	-6.0	6.7	2.3	-6.3	-23.2	14.4	2.2	14.2	-24.6	23.8
IRB Infra	21.0	13.3	-2.3	-0.3	9.5	11.1	-4.6	0.5	2.0	44.6	-5.7	9.6
KNR Constructions	4.8	-41.5	-43.7	-34.1	0.6	-54.5	-47.5	-38.9	0.4	-46.4	-42.4	-39.0
Logistics	177.4	19.1	2.3	1.7	69.8	24.9	5.6	2.4	41.9	24.9	3.1	4.1
Adani Ports	91.3	31.2	7.5	6.3	55.0	29.5	9.8	6.5	33.7	27.7	9.8	9.3
Blue Dart Express	14.4	7.4	1.7	-1.6	1.0	-8.5	-15.2	-34.9	0.5	-8.9	-11.8	-37.7
Concor	21.5	2.5	-5.8	-5.9	4.3	-1.3	-1.6	-11.6	2.6	0.9	-14.7	-20.1
JSW Infra	12.2	21.2	-4.6	0.0	5.8	12.9	-9.3	-5.8	3.6	19.7	-19.6	-0.5
Mahindra Logistics	16.2	14.4	3.5	-0.9	0.8	15.0	-1.9	-7.9	-0.1	Loss	Loss	PL
TCI Express	2.9	-2.1	-6.7	-8.7	0.3	-14.3	6.8	-16.5	0.2	-12.7	0.6	-19.7
Transport Corp.	11.4	9.0	-3.4	-4.7	1.2	16.6	-0.6	-5.4	1.1	17.0	-6.7	2.3
VRL Logistics	7.4	2.4	-8.0	0.8	1.5	74.5	-18.8	-3.6	0.5	272.4	-32.6	-6.8
Media	45.5	-1.0	4.8	-3.1	9.4	0.0	34.1	-7.8	6.4	13.2	27.2	-3.0
PVR Inox	14.7	23.4	17.5	2.0	1.0	LP	LP	24.0	-0.3	Loss	Loss	Loss
Sun TV	12.6	-1.5	38.3	-3.7	6.2	-12.6	44.6	-11.0	5.3	-3.3	26.0	-5.8
Zee Entertainment	18.2	-14.3	-16.5	-6.5	2.3	-16.1	-20.1	-8.6	1.4	-6.8	-23.8	-10.6

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
Metals	3,007.9	3.6	-5.5	1.3	586.9	7.3	-4.0	1.7	282.8	3.8	-9.1	8.5
Coal India	358.4	-1.7	-5.2	-3.8	111.3	-3.6	-0.9	-3.0	87.4	-20.2	-9.0	0.7
Hindalco	642.3	12.7	-1.0	5.7	79.1	5.4	-10.5	9.0	40.0	21.1	-24.1	16.8
Hindustan Zinc	77.7	-4.4	-14.5	2.7	38.6	-2.2	-19.9	0.2	22.3	-4.7	-25.6	3.8
Jindal Stainless	102.1	8.2	0.1	-0.1	13.1	8.1	23.5	15.3	7.1	10.2	19.4	18.9
JSPL	122.9	-9.7	-6.7	-1.6	30.1	5.9	21.1	18.1	14.9	11.5	35.7	37.8
JSW Steel	431.5	0.5	-3.7	1.0	75.8	37.5	18.8	6.3	21.8	158.5	42.8	11.3
Nalco	38.1	33.3	-27.7	-11.8	14.9	59.7	-45.8	-11.2	10.5	78.4	-49.2	-3.9
NMDC	67.4	24.5	-3.8	-1.9	24.8	6.0	20.8	4.7	19.7	-0.1	33.2	9.3
SAIL	257.5	7.3	-12.2	-6.6	26.0	16.9	-25.5	-22.2	5.7	75.7	-55.4	-50.2
Tata Steel	531.8	-2.9	-5.4	6.2	74.3	11.0	13.2	6.7	21.3	61.7	26.1	34.7
Vedanta	378.2	5.8	-6.5	2.0	99.2	-0.3	-13.5	-0.8	31.9	-11.7	-8.6	25.9
Oil & Gas	7,741.2	-0.3	-3.6	3.5	1,001.1	17.2	0.1	-6.4	470.8	27.0	-1.0	-10.8
Oil Ex OMCs	3,578.7	0.5	-7.7	-5.7	701.7	1.6	-3.7	-3.3	309.0	-0.5	-4.6	-8.9
Aegis Logistics	17.2	7.4	0.8	-2.6	2.4	3.3	-41.3	-13.7	1.3	-0.1	-53.4	-12.5
BPCL	1,125.1	-0.5	1.2	23.7	96.6	70.9	23.7	-11.5	61.2	103.1	34.5	-11.1
Castrol India	15.0	7.1	5.3	2.4	3.5	8.4	13.7	2.7	2.4	5.1	4.5	-1.7
GAIL	347.7	3.3	-2.6	1.7	33.3	-26.4	3.6	-7.0	18.9	-30.8	-7.9	-8.5
Gujarat Gas	38.7	-13.0	-5.6	-7.8	5.2	-2.9	15.7	-7.6	3.3	-0.9	13.8	-3.4
Gujarat State Petronet	2.4	-27.7	20.3	16.2	2.0	-32.8	62.3	24.4	1.4	-32.8	101.5	34.2
HPCL	1,107.7	-2.7	1.2	23.7	76.7	269.1	33.3	-8.8	43.7	1128.5	30.3	-11.2
Indraprastha Gas	39.1	11.2	-0.9	-2.8	5.1	-12.0	2.9	-9.9	3.6	-11.3	1.9	-7.4
IOC	1,929.7	-0.1	-1.0	2.6	126.1	46.0	-7.1	-16.0	56.9	115.2	-21.7	-19.6
Mahanagar Gas	19.8	24.3	6.0	8.0	4.9	16.0	28.3	19.6	3.2	14.0	28.6	18.2
MRPL	173.6	-25.3	-29.4	-5.3	2.0	-67.9	-82.4	-86.2	-2.7	PL	PL	PL
Oil India	50.1	-14.2	-9.2	1.8	16.1	-34.9	-19.0	-25.8	8.1	-44.5	-48.9	-34.0
ONGC	320.0	-9.3	-8.5	5.3	186.6	-0.5	-1.8	12.5	80.2	-10.2	24.4	4.5
Petronet LNG	118.8	-11.4	-3.5	-2.3	11.6	-25.8	-23.3	-5.0	8.5	-25.5	-20.5	3.6
Reliance Inds.	2,436.3	5.1	-6.8	-8.4	429.1	10.7	-2.1	-5.2	180.7	19.4	-6.9	-9.6
Real Estate	147.8	17.8	-17.2	-9.8	35.8	3.2	-26.1	-28.5	33.9	15.9	-14.8	-17.4
Anant Raj	5.9	25.6	9.6	34.5	1.5	46.3	5.8	-3.9	1.3	38.3	6.1	23.3
Brigade Enterpr.	12.8	18.9	-12.3	34.1	3.2	10.6	-22.2	-3.9	1.5	79.0	-39.3	-18.7
DLF	27.2	99.4	-13.1	62.2	3.6	59.3	-62.8	-41.0	7.6	18.3	-40.5	-17.7
Godrej Properties	4.3	-41.2	-79.5	-57.2	-2.4	Loss	PL	PL	6.0	15.3	58.1	27.7
Kolte Patil Dev.	0.8	-75.8	-88.5	-90.4	-0.3	PL	PL	PL	-0.2	PL	PL	PL
Lodha Developers	34.9	22.7	-17.3	-12.4	9.8	30.1	-19.4	-13.3	6.8	41.7	-26.1	-15.2
Mahindra Lifespace	0.3	-83.0	246.0	-77.5	-0.6	Loss	Loss	Loss	0.5	302.2	-39.8	251.9
Oberoi Realty	9.9	-29.7	-14.1	-31.2	5.2	-36.2	-15.8	-39.0	4.2	-27.9	-2.8	-30.2
Phoenix Mills	9.5	5.4	-6.2	-15.0	5.6	6.3	0.8	-18.6	2.4	3.5	-10.6	-35.9
Prestige Estates	23.1	23.9	51.0	-1.9	8.9	12.2	65.2	59.6	2.9	25.8	1070.0	49.6
SignatureGlobal	8.7	116.1	66.3	-23.6	0.3	LP	-24.2	-83.9	0.3	408.8	-43.7	-83.1
Sobha	8.5	33.0	-31.3	-18.3	0.2	-57.4	-74.7	-81.7	0.1	124.9	-66.7	-82.6
Sunteck Realty	1.9	-40.5	-8.6	-19.8	0.5	52.1	-30.5	14.8	0.3	46.6	-33.7	-1.1
Retail	621.3	14.5	10.8	1.5	68.3	17.6	17.0	5.3	28.5	26.8	27.2	3.2
Aditya Birla Fashion	18.3	-46.6	6.5	4.5	1.1	-68.8	-45.5	22.4	-2.3	Loss	Loss	Loss
Avenue Supermarts	163.6	16.3	10.0	-0.1	13.0	6.4	36.0	-4.5	7.7	-0.1	40.3	-5.8
Barbeque Nation	3.0	-2.8	1.4	-1.7	0.5	-9.6	-13.6	-14.4	-0.2	Loss	Loss	Loss
Bata India	9.4	-0.3	19.5	-3.2	2.0	7.5	11.8	-2.2	0.6	-33.1	25.0	-20.8
Campus Activewear	3.4	1.2	-15.4	-5.2	0.5	-4.8	-31.0	-12.8	0.2	-12.5	-36.6	-12.6
Devyani Intl.	13.6	11.1	11.9	1.8	2.0	-8.3	2.0	-9.6	0.0	-94.0	LP	-87.1
Go Fashion	2.2	1.2	8.8	-9.1	0.7	-4.8	10.1	-15.7	0.2	-22.3	11.9	-24.2
Jubilant Foodworks	17.0	18.2	7.2	-0.7	3.2	16.2	5.8	-2.6	0.7	29.5	34.9	0.3
Kalyan Jewellers	72.7	31.3	17.6	2.7	5.1	35.1	27.2	9.4	2.6	48.7	40.7	13.6
Metro Brands	6.3	9.1	-2.3	-1.9	1.9	7.5	-1.7	-5.5	1.0	7.1	3.6	-0.6

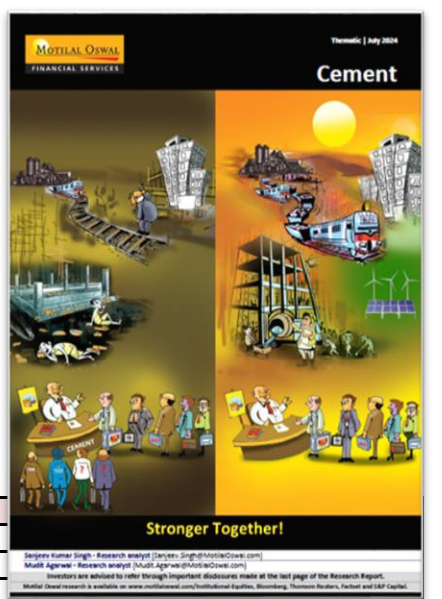
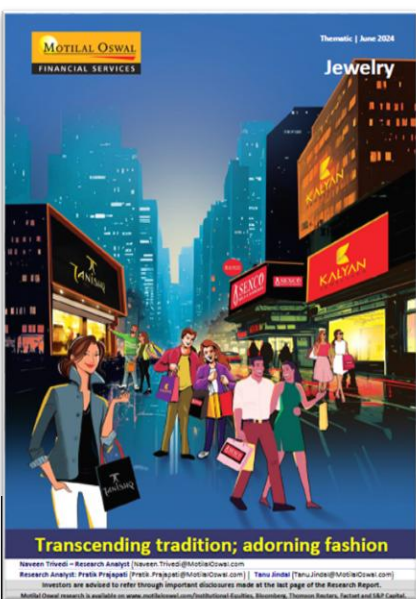
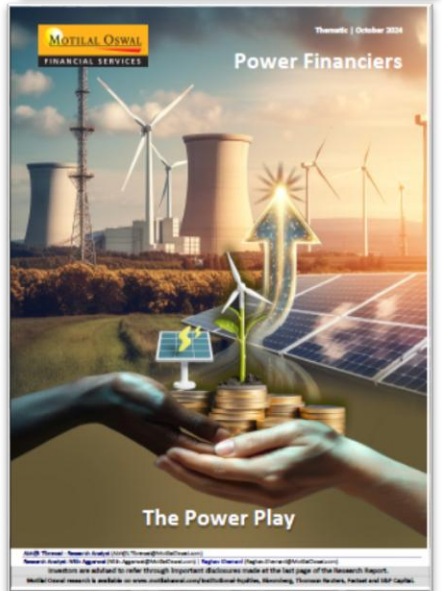
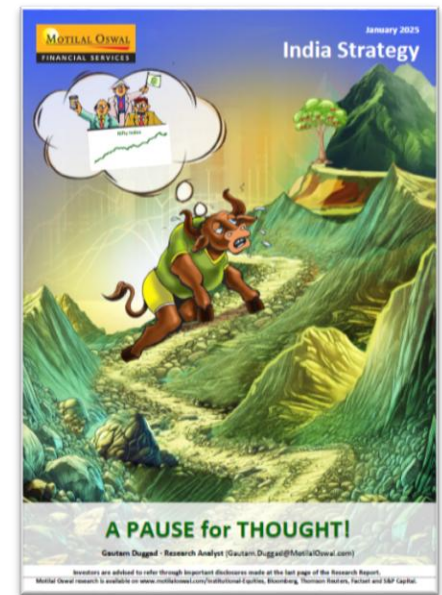
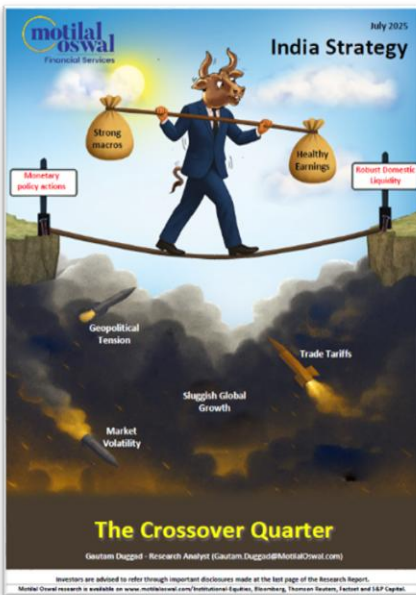
Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
P N Gadgil Jewellers	17.1	2.8	8.0	-1.6	1.1	70.9	16.8	43.3	0.7	96.3	11.9	53.7
Raymond Lifestyle	14.3	17.2	-4.3	4.9	0.8	28.9	468.3	-34.8	-0.2	Loss	Loss	PL
Relaxo Footwear	6.5	-12.5	-5.8	-16.1	1.0	0.6	-11.2	2.8	0.5	10.2	-13.0	12.5
Restaurant Brands	5.5	12.6	12.8	0.4	0.7	20.6	-4.1	-3.4	-0.1	Loss	Loss	Loss
Sapphire Foods	7.8	8.1	9.2	-0.7	1.1	-9.1	6.2	-4.5	0.0	PL	PL	Loss
Senco Gold	18.3	30.1	32.6	1.6	1.8	68.8	44.5	34.4	1.0	104.1	67.6	51.1
Shoppers Stop	10.9	5.9	7.0	0.0	1.7	17.0	-1.9	10.8	-0.2	Loss	PL	Loss
Titan Company	165.2	24.6	10.8	5.3	18.3	46.8	19.1	14.7	10.9	52.6	25.3	11.9
Trent	47.8	19.8	16.4	-0.2	8.4	37.2	27.6	16.6	4.2	23.5	20.8	18.7
V-Mart Retail	8.9	12.6	13.5	0.0	1.3	27.5	85.2	14.8	0.3	176.8	LP	30.8
Vedant Fashions	2.8	17.2	-23.5	4.7	1.2	7.0	-27.2	-2.5	0.7	12.4	-30.5	3.2
Westlife Foodworld	6.6	6.7	9.0	-1.4	0.9	6.9	7.6	-0.1	0.0	-64.8	-24.8	-82.8
Staffing	107.9	8.5	1.3	-0.6	2.9	10.6	-7.5	-7.5	2.0	26.2	-8.0	-7.9
Qness Corp	36.5	1.8	-0.1	0.1	0.7	10.3	3.5	0.9	0.5	7.6	-15.6	9.3
SIS	35.5	13.4	3.5	2.7	1.5	10.7	-7.7	-5.0	0.9	44.7	12.7	-10.5
Team Lease Serv.	28.9	12.1	1.2	-3.6	0.3	37.8	-35.4	-10.4	0.3	29.1	-34.0	-17.8
Updater Services	7.0	7.4	-1.2	-7.1	0.4	-4.0	10.1	-24.4	0.3	13.1	-15.2	-15.5
Technology	2,013.7	5.4	0.1	-0.3	441.1	4.3	-1.3	-1.9	316.0	6.9	0.6	1.2
Coforge	36.9	55.3	8.2	-1.5	6.5	50.9	12.0	-4.3	3.9	73.4	36.6	2.0
Cyient	17.1	2.2	-10.3	-5.8	2.3	-12.9	-23.8	-27.4	1.6	8.4	-16.1	-15.9
HCL Technologies	303.5	8.2	0.3	0.9	60.3	4.5	-7.1	-4.7	38.4	-9.7	-10.8	-10.1
Hexaware Tech.	32.6	11.1	1.6	-0.9	4.0	-6.2	-23.4	-25.5	3.8	38.3	16.1	6.9
Infosys	422.8	7.5	3.3	1.5	100.2	6.0	2.4	1.2	69.2	8.7	1.7	4.2
LTIMindtree	98.4	7.6	0.7	-0.6	16.5	2.7	3.3	-2.0	12.5	10.5	11.2	4.3
L&T Technology	28.7	16.4	-3.9	-1.9	4.6	1.4	-2.8	2.1	3.2	0.7	1.5	3.4
Mphasis	37.3	9.1	0.6	-0.8	7.0	13.6	0.0	-0.6	4.4	9.2	-1.1	-2.8
Persistent Systems	33.3	21.8	2.8	-0.6	6.1	34.4	4.7	-0.4	4.2	38.7	7.4	-0.9
TCS	634.4	1.3	-1.6	-1.9	169.0	1.0	-0.2	-0.9	128.2	5.9	4.3	2.9
Tech Mahindra	133.5	2.7	-0.2	0.2	19.4	23.7	3.6	2.3	11.4	34.0	-2.2	-1.9
Zensar Tech	13.9	7.5	1.9	1.3	2.1	7.4	-0.9	2.0	1.8	15.3	3.2	7.8
Wipro	221.3	0.8	-1.6	0.4	43.1	-0.7	-7.5	-6.2	33.3	10.9	-6.7	3.7
Telecom	767.7	20.1	2.5	0.9	391.0	28.5	2.1	1.4	16.1	LP	218.3	61.0
Bharti Airtel	494.6	28.5	3.3	1.8	278.4	41.3	3.1	1.8	59.5	103.3	13.9	-2.5
Bharti Hexacom	22.6	18.4	-1.1	-3.5	11.6	32.5	-0.6	-3.7	3.9	103.0	3.0	-5.3
Indus Towers	80.6	9.1	4.3	0.3	43.5	-3.4	0.6	2.5	16.7	23.1	3.8	1.4
Tata Comm	59.6	6.6	-0.5	-2.1	11.4	0.0	1.3	-3.5	2.1	-14.9	-54.5	-29.5
Vodafone Idea	110.2	4.9	0.1	0.2	46.1	9.7	-1.0	1.0	-66.1	Loss	Loss	Loss
Utilities	802.9	3.3	-0.7	-4.5	266.8	-1.4	0.9	-6.3	107.4	13.8	-7.3	2.0
ACME Solar	5.1	65.0	4.9	-1.0	4.6	68.5	5.1	2.6	1.5	10464.5	6.8	27.5
Indian Energy Exch.	1.4	13.3	-0.9	-0.6	1.1	13.9	-6.6	-2.7	1.1	21.0	0.9	5.5
Inox Wind	8.3	29.3	-35.2	-16.6	1.8	35.0	-27.8	10.5	1.1	117.7	-44.8	26.3
JSW Energy	51.4	78.6	61.3	6.0	27.9	96.7	131.5	23.8	7.4	42.4	153.7	30.9
NTPC	425.7	-4.2	-3.0	-6.1	102.8	-17.4	-8.6	-16.6	47.7	13.8	-4.5	8.4
Power Grid Corp.	99.3	-1.4	-9.6	-6.2	81.2	-7.2	-12.0	-12.3	34.7	0.4	-19.1	-5.8
Suzlon Energy	31.3	54.9	-17.4	-3.3	6.0	61.9	-13.6	-1.3	3.2	7.2	-44.3	-32.3
Tata Power	180.4	4.3	5.5	-2.0	41.4	15.4	27.5	25.2	10.6	29.5	8.7	-2.1
Others	739.2	16.0	-6.8	0.2	123.1	11.2	-19.3	-2.7	42.3	5.3	-34.5	-5.1
APL Apollo Tubes	51.7	3.9	-6.2	-1.7	3.7	23.3	-10.1	-3.2	2.4	22.8	-19.1	-5.0
Astral	13.6	-1.6	-19.0	-10.8	1.8	-13.8	-38.8	-22.0	0.8	-32.6	-54.8	-38.8
Cello World	5.3	5.7	-10.2	-2.3	1.1	-15.6	-19.4	-11.9	0.7	-11.6	-17.2	-4.3
Coromandel International	70.4	48.9	41.2	13.8	7.8	54.6	83.6	2.4	5.1	62.4	66.3	0.2
Dreamfolks Services	3.5	8.8	11.1	-1.8	0.3	17.8	34.5	3.8	0.2	24.0	42.4	10.3
EPL	11.1	10.0	0.2	-1.3	2.3	22.1	-0.5	-0.9	1.0	55.8	-14.5	-3.7
Eternal	71.7	70.4	22.9	5.3	1.2	-35.0	59.7	-57.1	0.3	-90.1	-35.9	-90.9

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)	Jun-25	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
Godrej Agrovet	26.1	11.2	22.5	1.2	2.7	19.3	83.9	4.0	1.6	18.8	126.8	3.3
Gravita India	10.4	14.5	0.3	0.8	1.1	22.4	2.9	5.7	0.9	38.5	-2.0	3.6
Indiamart Inter.	3.7	12.3	4.8	2.1	1.3	11.6	2.1	0.4	1.5	34.5	-15.0	27.2
Indian Hotels	20.4	31.7	-15.8	0.1	5.8	28.1	-32.8	-4.5	3.0	19.3	-43.5	-5.4
Info Edge	7.4	15.3	7.2	-0.5	2.8	11.4	7.3	-7.6	2.6	11.8	1.8	-5.9
Interglobe Aviation	205.0	4.7	-7.5	-4.0	57.0	-1.3	-18.0	-7.2	21.6	-20.7	-29.7	-9.4
Kajaria Ceramics	11.0	0.6	-9.7	-4.2	1.9	9.3	35.0	23.9	1.1	16.8	51.7	33.4
Lemon Tree Hotel	3.2	17.8	-16.6	1.0	1.4	22.1	-31.2	2.1	0.4	93.5	-54.7	30.3
MTAR Tech	1.6	22.1	-14.5	-2.3	0.3	70.9	-16.9	-6.6	0.1	144.2	-21.2	-29.1
One 97 Comm.	19.2	27.7	0.3	1.1	0.7	LP	LP	LP	1.4	LP	LP	5591.8
Prince Pipes	5.8	-4.0	-19.3	-2.9	0.4	-32.1	-27.9	10.3	0.0	-80.5	-80.1	-27.3
SBI Cards	16.8	13.8	3.7	0.6	21.0	10.5	6.9	0.4	5.6	-6.5	4.1	-3.2
Supreme Inds.	26.1	-1.0	-13.8	-7.7	3.2	-17.7	-23.4	-19.3	2.0	-26.0	-31.2	-23.5
Swiggy	49.6	54.0	12.5	1.1	-9.5	Loss	Loss	Loss	-12.0	Loss	Loss	Loss
Time Technoplast	13.5	10.0	-7.9	0.8	1.9	11.7	-8.8	2.1	1.0	19.9	-13.2	2.2
UPL	92.2	1.6	-40.8	2.1	13.0	13.7	-59.7	10.9	1.0	LP	-91.9	LP

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