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PRABHUDAS LILLADHER

India Strategy



Earnings upgrade cycle might begin

Amnish Aggarwal amnishaggarwal@plindia.com 91-22-6632 2233

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Top Picks

Large Cap

Adani Port & SEZ
 Britannia Industries
 Hindustan Aeronautics
 ICICI Bank
 ITC
 Larsen & Toubro
 Mahindra & Mahindra
 Max Healthcare Institute
 State Bank of India
 Tata Steel
 Titan Company

Mid / Small Caps

Ajanta Pharma
 DOMS Industries
 Fine Organic Industries
 KEI Industries
 Latent View Analytics
 Samhi Hotels
 Voltamp Transformers

Exhibit 1: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	167.5%	143.4%	24.2%
Since Last Report	3.9%	4.0%	-0.1%
Since Apr'24	20.3%	19.1%	1.3%

Source: PL

Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

Earnings upgrade cycle might begin

NIFTY moved up 4% in past 3 months after a long consolidation as markets look ahead with resilient 2Q26 corporate performance, hopes of resolution in tariff row with the USA and rising hopes of domestic demand revival during ongoing festival/wedding season powered by GST rationalization. Corporate performance has been good with sales/EBIDTA/PAT growth of 8.1/16.3/16.4% for our coverage universe with EBIDTA and PAT estimates beat of 5/7.1% respectively, we saw NIFTY EPS upgrade for the first time since August 2024.

The economy was driven by more than 3x increase in Govt. capex since covid, however, 40% increase in 1H capex and high base of 2H25 can result in a drag (~10% decline YoY) in 2H26, unless GOI overshoots its capex allocation. Increasing incremental capex allocation looks difficult given 1) impact of GST rates rationalization in 2H26 2) ask rate of 18-20% in direct tax collection in balance of FY26 (7% growth in YTD Apr-Nov25) and 3) approx. Rs700bn increase in fertilizer subsidy than budgeted for FY26. We believe economic momentum will be led by domestic demand from 1) Income tax rate cuts 2) 100bps rate cut 3) normal monsoons 4) 12-year low inflation and 5) GST rates rationalization. We note that segments like Auto, Electronics and discretionary consumption are showing accelerated sales growth in festival season.

NIFTY EEPS has seen an increase of 0.7/0.9/1.3% for FY26/27/28 with 13.8% CAGR over FY26-28. We value NIFTY at 15-year average PE of 19.2x with Sept27 EPS of 1515 and arrive at 12-month target of 29094 (28781 earlier at 19.2xSept27 EPS). We prefer Banks, NBFC, select Consumer Staples and Discretionary, Defense and Ports as key themes in 2026.

2Q performance resilient, NIFTY EPS upgrade by 0.7-1.3%

- PL Universe reported Sales, EBIDTA, PAT growth of 8.1%, 16.3%, and 16.4% YoY respectively. Ex-BFSI EBIDTA increased 22.6% while PBT increased by 25.7% YoY. Ex-O&G EBIDTA increased 11.5% while PBT increased 18.8% YoY.
- Hospitals, Capital Goods, cement, EMS, Ports, NBFC and Telecom posted healthy double-digit sales growth while education, pharma and travel posted low double digit sales growth.
- Commodity segments like Cement, Metals and Oil and Gas reported a strong 58.5/33.3/34.9% respectively. Building Materials, durables, EMS, Hospitals, NBFC, Pharma and Telecom posted healthy EBIDTA growth between 12-35%. Banks, Capital Goods, chemicals, consumer, HFC and IT services reported single digit profit growth.
- There were 12 rating upgrades and 8 rating downgrades. Capital Goods and Oil and Gas has 2 rating downgrades while BFSI, Chemicals, Metals and Pharma have one each. Rating upgrades have been in Capital Goods 3, IT Services 3 and one each in Building Materials, Consumer, EMS, NBFC, Oil and Gas and Pharma.
- Major Rating Upgrade:** KEC International, Kalpataru Projects International, Thermax, Jubilant Foodworks, Kaynes Technology India, Tata Elxsi, Tata Technologies, HCL Technologies, Shriram Finance, GAIL and IPCA Labs.

- **Major Rating Downgrade:** LIC Housing Finance, Ingersoll-Rand (India), Triveni Turbine, PCBL Chemicals, Hindalco Industries, Gujarat State Petronet, Hindustan Petroleum Corporation and Cipla.
- **Major Estimates Upgrade** – Astral, ACC, Bharti Airtel, GE Vernova TD & India, Mahindra & Mahindra, Maruti Suzuki, State Bank of India, Navin Fluorine International, Shriram Finance, Tata Technologies.
- **Estimate Downgrade** – ABB India, Amber Enterprises India, Aarti Industries, Bajaj Finance, BEML, Chalet Hotels, Crompton Greaves Consumer Electricals, Interglobe Aviation, Krishna Institute of Medical Sciences, Praj Industries, Rainbow Children's Medicare, Samhi Hotels, Thermax, Voltas, and VIP Industries.
- **Major Target Price increase** – HDFC Bank, State Bank of India, Bank of Baroda, BHEL, GE Vernova TD & India, Larsen & Toubro, Navin Flourine, Nestle, Asian Paints, Titan Company, Fortis Healthcare, Aster DM Healthcare, Tata Technologies, Tata Elxsi, Shriram Finance, Cholamandalam Investment and Finance Company, IPCA Laboratories, Bharti Airtel.
- **Major Target price Cuts** – VIP Industries, Gujarat State Petronet, Gujarat Gas, Hindalco Industries, Delhivery, Rainbow Children's Medicare, Amber Enterprises India, Westlife Foodworld, Bajaj Electricals, PCBL Chemical, Praj Industries and Finolex Industries.
- NIFTY EPS has broken the trend of EPS downgrades which prevailed since August 2024. It has seen an EPS cut of 12.9% and 8.5% for FY26/27 since August24/Oct24. The FY26/27/28 EPS has seen an increase of 0.7/0.9/1.3% while consensus EPS has seen an increase of 0.3/0.7/1.1%. Upgrades seem concentrated as 48% of stocks have seen downgrades (54% earlier and 68% in feb25). For FY27, downgrades have come down from 64% in July to 26% now, which shows market optimism on picking up in corporate profit growth.
- NIFTY EEPS has seen an increase of 0.7/0.9/1.3% for FY26/27/28 with 13.8% CAGR over FY26-28 and EPS of Rs1237/1427/1603. Our EPS estimates are different than consensus by 1.3/-0.4/-1.1% for FY26/27/28. NIFTY is currently trading at 19.2x 1-year forward EPS, which is at 15-year average PE.
- **Base Case:** We value NIFTY at 15-year average PE at 19.2x with Sept27 EPS of 1515 and arrive at 12-month target of 29094 (28781 earlier at 19.2xSept27 EPS). **Bull Case:** We value NIFTY at PE of 20.2x and arrive at bull case target of 30548 (30220 earlier). **Bear Case:** Nifty can trade at a 10% discount to LPA with a target of 26184 (25903 earlier).
- **Model Portfolio:** We remain overweight on Banks, Healthcare, Consumer, Auto and Defense. We remain underweight on IT services and commodities. We expect growth to pick up in domestic consumption and increase weights on Banks, NBFC/Insurance and Ports. We retain overweight on Consumer, Auto, healthcare and Capital Goods, although we tinker with weights. We are adding Shriram Finance and Max Financials to model portfolio.
- **High Conviction Picks:** We are removing Apollo Hospitals, Lupin Laboratories, Amber Enterprises India, Eris Lifesciences from Conviction Picks although we are not negative on these names. We see better opportunity in Max Healthcare Institute, Ajanta Pharma, Fine Organic Industries which are being added in conviction picks.

GST cuts & festivals trigger consumption growth

Indian economy has been driven by strong Govt. capex since 2021 (~3.2x capex) while domestic consumption growth has been volatile. While demand for premium and luxury segments has been strong, the demand stress has been in the rural India and at the mass and mid end of the market. Rural India showed signs of demand re-bounce and has been growing faster than urban India from the past few quarters. Broader stress is reflected in rising delinquencies in MSME and unsecured book of lenders. We also expect some pressure in labor intensive sectors like textiles, apparel, gems and jewellery.

However, GOI has undertaken unprecedented level of initiatives during the current year which are aimed at revival of consumer demand. Consequently, various factors have come together during the current year which includes 1) Income tax cuts 2) Interest rate cuts 3) 10-year low inflation 4) Normal monsoons 5) GST rate rationalization and 6) benign crude prices. These coupled with benign inflation have resulted in strong growth in real purchasing power.

GST rates rationalization effective 22 September 2025, coinciding with Navratri, lowered rates on a wide range of consumer goods, reducing effective retail prices in the peak buying season, which has provided push to demand.

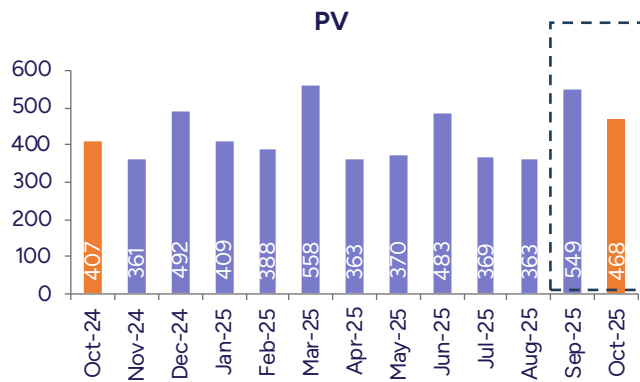
- According to trade-body estimates, Diwali 2025 witnessed one of the strongest festive performances in recent years, as per CAIT (press release):
 - **Nationwide sales:** festival season sales are ~25% higher than 2024 over last year's ₹4250bn baseline.
 - **Retail channels:** Traditional and non-corporate stores accounted for ~85% of total transactions, highlighting the comeback of mom-and-pop stores (physical markets and small traders).
 - **Service-sector contribution:** Hospitality, logistics, travel, décor, event management, and delivery services added ₹650bn, underscoring growing integration of consumption and services.
 - **Rural and semi-urban participation:** 28% of total trade, indicating demand revival beyond metros.
 - **Gold demand exhibited a striking divergence:** while jewellery sales volumes declined by around 25–30%, the total value transacted over the five-day festival surged to an estimated ₹ 0.7–1 trillion, driven largely by investor demand for coins, bars, and lightweight designs (IBJA).
 - The sharp pickup in trade activity is estimated to have generated around 50 lakh temporary jobs across logistics, packaging, transport, delivery services, and retail operations.

Automobile sales recorded one of the strongest festive performances in recent years. Overall auto retail during the 42-day festive window grew by about 21% YoY, led by a 22% rise in two-wheelers, 23% growth in passenger vehicles, and a 15% increase in commercial vehicles. Tata Motors alone retailed over 1 lakh PVs between Navratri and Diwali (up ~33% YoY). A significant tailwind came from the GST rate cut effective 22 September 2025, which reduced GST on small cars from 28% to 18%, translating into 5–10% effective price reductions across mass-market models.

Across segments, the combined effect of GST rate rationalization (Sept 2025) and the extended festive window (Navratri–Diwali in late October) drove a clear pickup in auto demand (total sales including export), reflected in the rise in 2W sales from 25.3 Lakhs in Oct-24 to 25.90 Lakhs in Sept-25 and 26.41 Lakhs in Oct-25. PV sales from 4.07 to 5.49 in September & 4.68 Lakhs in October which was subdued for previous few months. For tractors, better kharif cash flows combined with festive purchases around Dhanteras lifted volumes to 1.54 lakhs in September to 1.74lakhs in October.

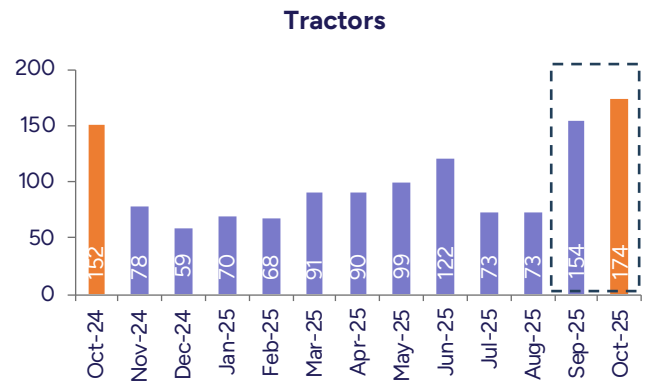
Overall, these trends highlight a broad-based pickup across auto segments, driven by both domestic and export demand, with policy measures and festive sentiment acting as key catalysts.

Exhibit 2: PV sales surge: 6% YoY in Sept, 15% YoY in Oct



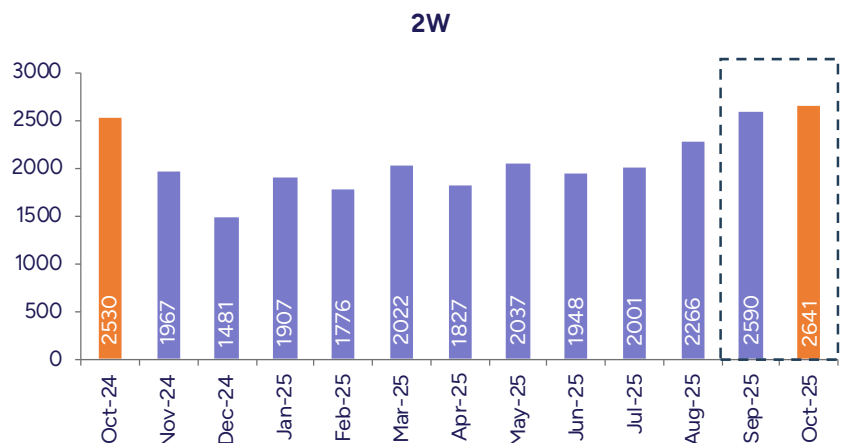
Source: PL

Exhibit 3: Tractor sales surge 42% in Sept, 14% YOY in Oct



Source: PL

Exhibit 4: 2W sales trend shows festive uptick in September–October 2025



Source: PL

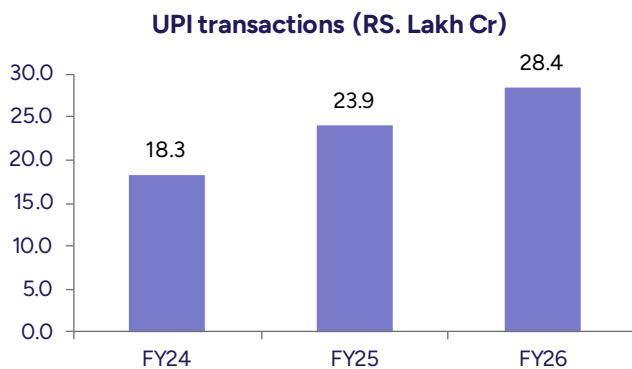
UPI and Noncash payments during festivals – We analyzed payment data from UPI, credit cards, and debit cards for the festive period each year from FY2024 to FY2026, enabling a comparative assessment of transaction values. The focus is on festive period typically from Navratri-to-Diwali timeframe when retail sales, services, and discretionary spending typically peak.

- UPI transaction values surged from ₹23,900bn in FY2025 to ₹28,400bn in FY2026. Credit card spending also registered a notable increase, rising from ₹1625 bn to ₹1900 bn over the same timeframe. In contrast, debit card spending was subdued, moving from ₹420 bn in FY2025 to ₹410 bn in FY2026.
- Overall, the total value of payments recorded during the festive window grew from ₹26,000 bn in FY2025 to ₹30,700 bn in FY2026, underscoring robust expansion in consumer spending and deepening digital adoption.

Post festival demand remains on track – To identify whether increased spending is temporary or supported by broader consumption momentum, we analyzed festive-period demand with post-festive trends across FY2024–FY2026. For this, payment data over the week immediately after Diwali, and subsequently two weeks later, was examined.

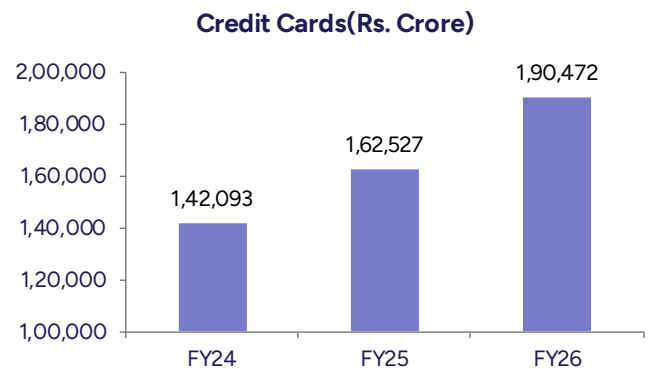
- UPI Transactions rose strongly from ₹8400 bn in FY2025 to ₹11,500 bn in FY2026, reflecting sustained momentum in digital payments beyond the festive period. Credit card transactions increased from ₹527 bn in FY2025 to ₹579 bn in FY2026, indicating strong growth in the post festive season while debit card transactions spending reduced from ₹140 bn in FY2025 to ₹125 bn in FY2026 reflecting consumer's shift of preference.
- Overall payment volumes increased from ₹9100bn in FY2025 to ₹12,160bn in FY2026, showing continued growth in aggregate payment activity, but typically at a slower rate than during festival peaks.

Exhibit 5: Festive-Driven Surge in UPI transactions



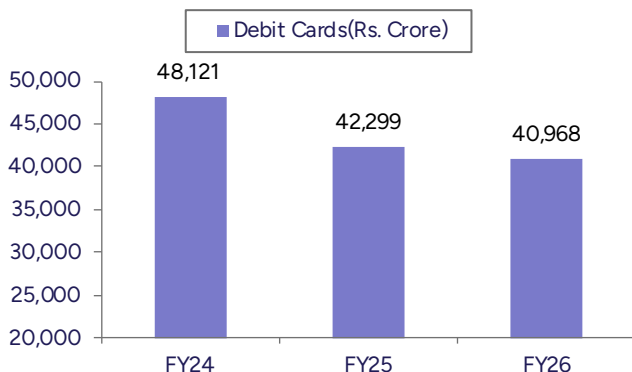
Source: NPCI, PL

Exhibit 6: Festive-Driven Surge in Credit Card Spending



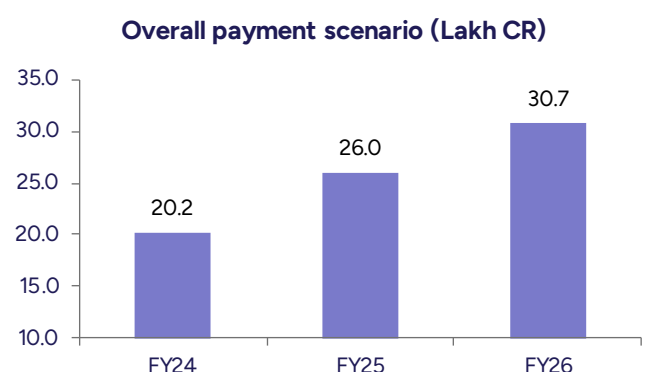
Source: RBI, PL

Exhibit 7: Debit card spending showed slight moderation



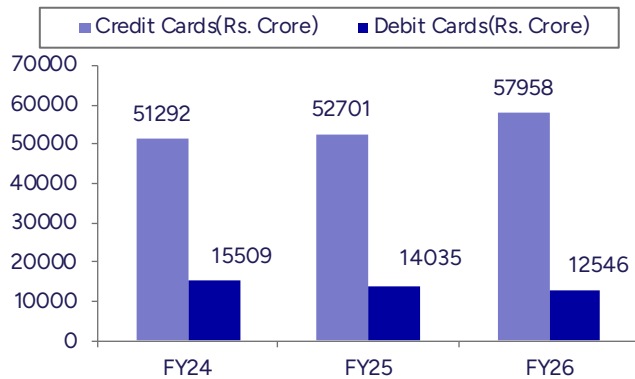
Source: RBI, PL

Exhibit 8: Overall festive spending significantly surged



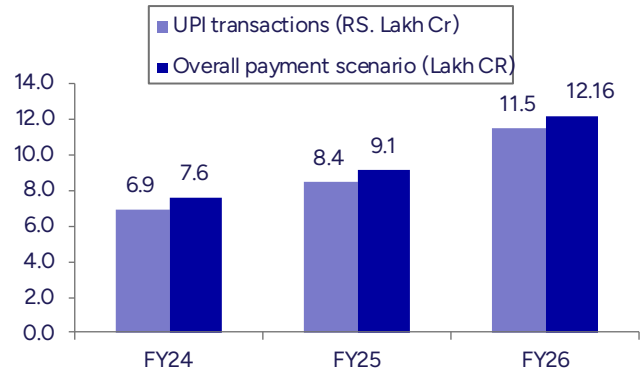
Source: NPCI, RBI, PL

Exhibit 9: Post festive credit and debit card transactions



Source: PL

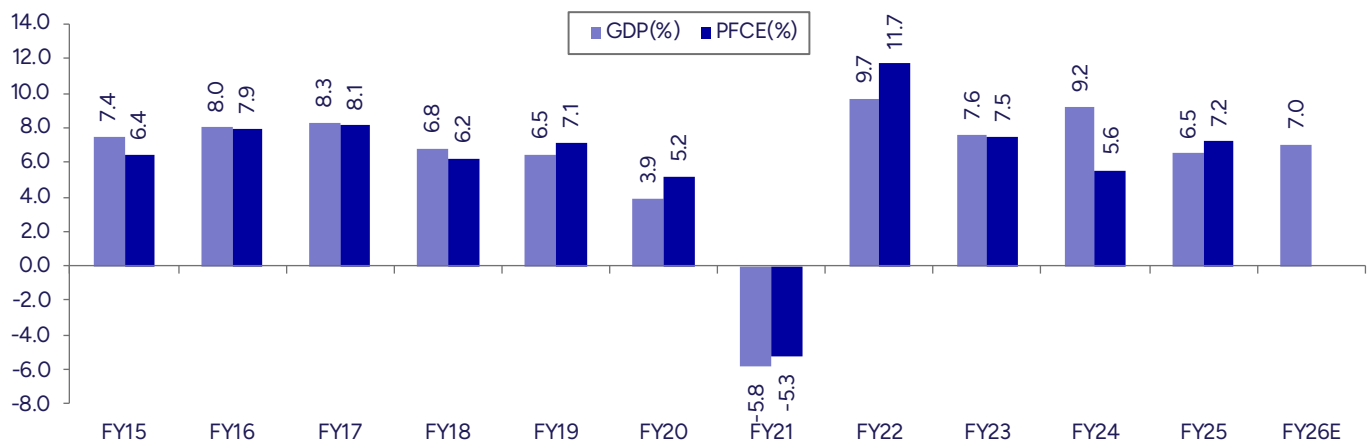
Exhibit 10: Post festive season transactions remain elevated



Source: PL

- Producer optimism: India's October 2025 manufacturing PMI rose to 59.2 and September IIP grew 4.0% YoY, with manufacturing up 4.8%, signaling that producers are confident and ramping up production in anticipation of sustained domestic demand.
- India's consumption trajectory for the near to medium term appears positive but conditional on a mix of domestic and international factors. Domestically, tax relief, GST rationalization, proposed 8th pay commission, and healthy rural incomes from a strong monsoon and robust kharif/rabi harvest are likely to support household spending.

Exhibit 11: PFCE and GDP gap expected to increase as demand revives



2014–2016

- 2013-14: US Taper Tantrum
- 2014-16: Global crude oil crash
- 2015-16: 7th Pay Commission, Rate Cuts
- 2016-17: Demonetization

2018 to 2020

- 2017-18: GST Rollout
- 2017-18: 200 items from 28% to 18%
- 2018-19: IL&FS Default
- 2018-20: Rate Cuts

2021 to 2025

- 2020-21: COVID-19 lockdown, Atmanirbhar Package
- 2023-25: Recovery phase

2026-27

- Rate cuts (100 Bps)
- Income tax cuts
- GST rate rationalizations
- Proposed 8th pay commission
- Normal monsoon

Source: PL

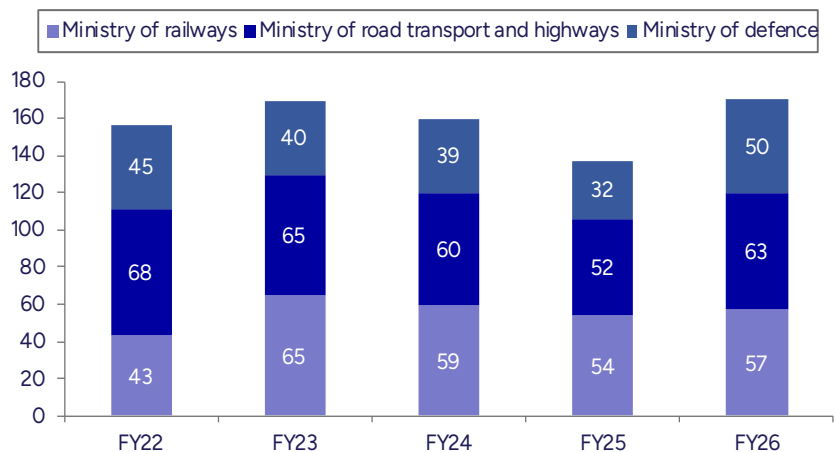
- India's GDP growth, private consumption (PFCE), and key policy measures from 2014-15 to 2024-25, highlights their interlinkages. Periods of positive policy changes result in PFCE growing faster than GDP growth indicating that policy measures have historically supported household consumption. Conversely, shocks such as global crude price volatility, demonetization (2016), or COVID-19 lockdowns (2020-21) etc. are reflected in PFCE growing slower than GDP growth.
- For FY26 and FY27, a combination of domestic policy and macro factors is expected to continue supporting consumption and PFCE. Rate cuts (100 bps), income-tax reductions and GST rate reduction will raise household disposable income and lower effective retail prices. The proposed 8th Pay Commission will boost government salaries and pensions, supporting urban consumption, and a good monsoon will strengthen rural incomes, particularly in agriculture-dependent areas. Together, these factors create a favorable environment for both urban and rural households, sustaining private consumption expenditure. However, US trade tariffs and global economic uncertainty act as a frag for runaway increase in domestic demand.

Front-loaded capex meets revenue headwinds: H2FY26 execution risks rising

Since FY19, India's fiscal composition has undergone a structural transition toward investment-led growth. India's capital expenditure trajectory has more than tripled from ₹3.4 lakh crore in FY19 to ₹11.2 lakh crore in FY26BE, marking the most investment-heavy fiscal stance. This structural shift has made capex the core engine of growth, compensating for uneven private investment and global headwinds. Visible effects can be seen through in demand for capital goods, steel and cement etc.

In H126 (April to September) the central Govt. capital expenditure rose from 41% of BE in FY25 to 52% of BE in FY26 (₹5.8 lakh crore out of ₹11.2 lakh crore BE). Within this, the Ministry of Road Transport & Highways spent 63% of its BE, and the Ministry of Railways 57%. While central capex is relatively front-loaded and robust, state-level execution remains weak as 20 major states utilized only 26 % of their budgeted capex in H1 FY26.

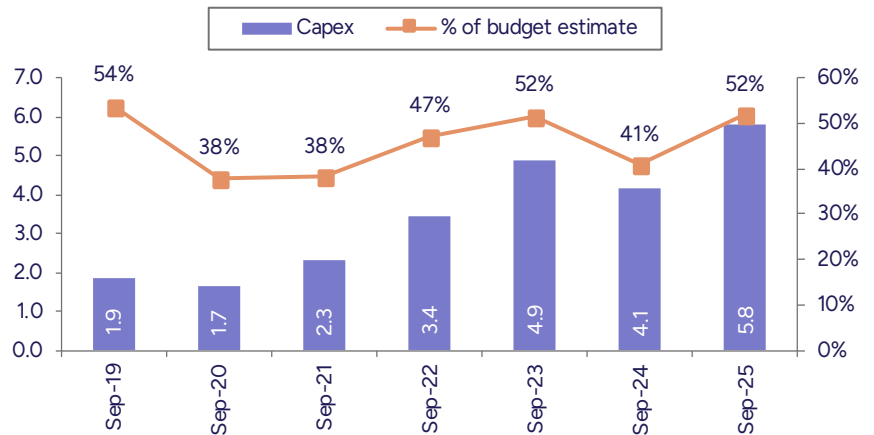
Exhibit 12: Central government Capex: H1: Cumulative as % of BE



Source: CMIE, PL

With 52% of the annual capex target already utilized by October 2025, the implied H2 outlay stands at roughly ₹5.4 lakh crore, notably lower than ₹6 lakh crore in H2 FY25. Even if the full-year capex of ₹11.2 lakh crore is achieved, this pattern would imply a second-half contraction of about 10-11% YoY, driven more by a high base and front-loaded execution than by intent to consolidate.

Exhibit 13: Capex in H1FY26 at 51% of BE as compared to 41% in H1FY25



Source: CGA, PL

The revenue outlook for H2 FY26 is becoming more restrictive, with both direct and indirect tax buoyancy softening. Though GST collection is growing at good pace of 13% YOY from April to October duration (Rs. 13.5 Lakh Cr), the GST rates rationalization rolled out in September 2025 is now estimated to create a revenue shortfall exceeding ₹48,000 crore in FY26 BE. In addition estimates suggest fertilizer subsidy to cross Rs2trln in FY26 which would be Rs600-700bn more than the BE for FY26E.

On the direct tax front, net collections have reached ₹12.9 lakh crore so far, reflecting a subdued 7% yoy growth from April to early November. Corporate and personal income tax receipts are expanding at only 6–9% y/y as compared to their full year budgeted growth of 10% and 21% respectively. Achieving the full-year target requires the Centre to mobilize ₹12.28 lakh crore during November–March, implying a steep 18–19% growth in the remaining months, far higher than the 7% realized in April–November.

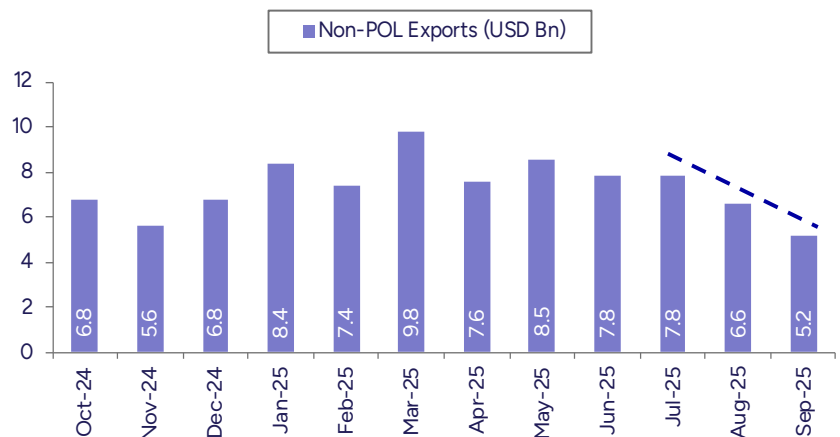
These revenue constraints could weigh on the Centre's capacity to increase the capex further than the BE of Rs11.2trln. While 52% of the capex outlay has already been utilized by October, execution is likely to taper off in the second half as fiscal headroom tightens, and ministries recalibrate spending plans. In the absence of a sharper pickup in revenues, delivering the full-year capex target of ₹11.2 lakh crore may necessitate additional borrowings or postponement of some allocations, even as the possibility of an increase from the current levels looks unlikely.

India's trade deficit hits US\$42 bn as gold and silver imports jump 226% YoY

India's trade deficit hit a recent high of USD42bn, mainly as gold and silver imports jumped by 226% YoY and 2.9x since August 25 levels. Excluding this impact trade deficit was USD24 bn as against USD 20.6/21.2bn in August/ Sept25. The trade deficit in Oct was higher by 14% MoM excluding Gold and 3.7% excluding Gold and Oil, showing that India has weathered the impact of US trade deficits quite well.

In the first full month after the U.S. moved to impose 50 % tariffs on selected Indian goods (late August 2025), India's non-Petroleum & Other Liquids (non-POL) exports to the U.S. registered a sharp decline from roughly US\$ 7.8 billion in July to US\$ 5.2 billion in September (-13% y/y in September) and engineering goods exports to the U.S. fell by 9% to 1.4 USD Bn. Exports of pearls, precious and semi-precious stones fell by 76.7 % in September 2025. The contraction underscores tariff-led pressure on engineering, pearls and stones and chemicals.

Exhibit 14: India's non-POL exports to the U.S. declined 33% during 2Q26

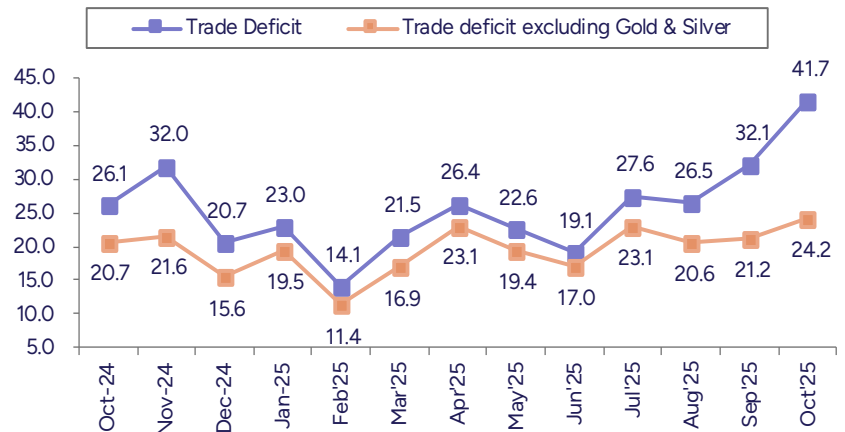


Source: CMIE, PL

Despite US tariffs, India's merchandise exports increased from US\$34.9 bn in August to US\$36.4 bn in September, as exporters front-loaded shipments ahead of the tariff deadline and diverted supply to alternate markets. However, this momentum faded in October as exports fell 12% YoY, though the contraction in shipments to the US was just 8% YoY. India's exports to USA increased to USD 6.3Bn in October from September's 5.4 Bn despite 50% tariff rates. Indian exporters registered growth in 24 countries during the first half of the current fiscal year including UAE, Vietnam (18% YOY growth in Sept) and in Asian European markets.

In October, India's external balances deteriorated as merchandise exports contracted 12% YoY while imports surged 17% YoY, pushing the trade deficit to a historically high US\$41.7 bn. However, much of this spike in imports was driven by an extraordinary jump in precious metals: gold imports rose over 200% YoY and silver imports by nearly 528% YoY, inflating total imports to about US\$76 billion. Excluding these, India's underlying imports declined by 1.9% YoY to USD58.6bn. Overall trade deficit increased 16% on a 12% increase in non-oil and non-gold imports, which shows resilience of economy and some success in diversifying exports.

Exhibit 15: High Gold and Silver imports spikes reported trade deficit



Source: CMIE, PL

On the services side, exports increased to US\$ 38.52 billion in October 2025 (up by 12% YoY) and, with imports at roughly US\$ 18.64 billion (up ~8% YoY), the services trade surplus stood at around US\$ 19.9 billion.

This resilient services performance, underpinned by strong digital and professional services exports, is helping stabilize India's external position. Meanwhile, tightening of the U.S. H-1B visa regime in FY26 is pushing firms to accelerate offshore delivery from India via global capability centers (GCC), reinforcing India's comparative advantage in digital services and providing a buffer against merchandise-trade headwinds and global demand uncertainty.

Exhibit 16: India's monthly trade and services balance (Oct 2024 – Oct 2025): Merchandise, gold & silver, and services flows

Merchandise Trade (USD bn)	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Exports	39.0	32.0	37.8	36.3	36.8	42.0	38.3	38.3	35.0	37.0	34.9	36.4	34.4
YoY %	17%	-5%	-2%	-3%	-11%	1%	8%	-3%	-1%	7%	1%	7%	-12%
Imports	65.1	63.9	58.5	59.4	51.0	63.5	65.4	60.9	54.1	64.6	61.6	68.5	76.1
YoY %	2%	16%	2%	10%	-16%	11%	20%	-1%	-3%	9%	-10%	17%	17%
Gold & Silver imports	5.4	10.3	5.1	3.6	2.8	4.6	3.3	3.1	2.1	4.5	5.9	10.9	17.5
Non-Gold, Non- Silver import	59.7	53.6	53.4	55.9	48.2	58.9	62.1	57.7	52.0	60.1	55.7	57.6	58.6
Trade Deficit	(26.1)	(32.0)	(20.7)	(23.0)	(14.1)	(21.5)	(26.4)	(22.6)	(19.1)	(27.6)	(26.5)	(32.1)	(41.7)
YoY %	-14%	50%	10%	39%	-27%	40%	37%	2%	-8%	11%	-22%	32%	59%
Trade deficit excluding Gold & Silver	(20.7)	(21.6)	(15.6)	(19.5)	(11.4)	(16.9)	(23.1)	(19.4)	(17.0)	(23.1)	(20.6)	(21.2)	(24.2)
Services													
Exports (Receipts)	34.4	32.1	37.0	34.7	31.6	35.6	35.3	32.5	32.1	33.7	31.2	36.7	38.5
Imports (Payments)	17.2	17.2	17.8	16.7	14.5	13.7	17.5	16.7	15.9	17.3	15.6	17.8	18.6
Services Trade Balance (USD bn)	17.2	14.9	19.2	18.0	17.1	21.9	17.8	15.8	16.2	16.4	15.6	18.8	19.9
Overall Trade Balance	(8.9)	(17.1)	(1.5)	(5.1)	3.0	0.3	(9.3)	(6.8)	(2.9)	(11.1)	(11.1)	(13.3)	(21.8)

Source: Ministry of Commerce & Industry, CMIE, PL

Nominal GDP to rebound as GDP deflator normalizes

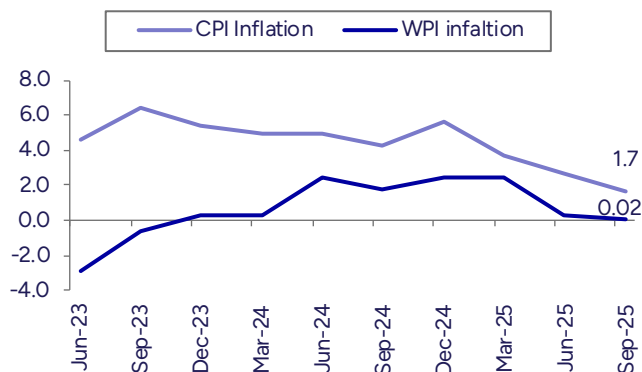
India's nominal GDP growth has been subdued since past few quarters. For instance, nominal GDP growth slipped to a three-quarter low at 8.8% in June-25 whereas real GDP expanded by 7.8%. The primary reason for this gap is a softening of the GDP deflator, reflecting weak price pressures across the economy. The moderation in the deflator is consistent with the low CPI and WPI print. CPI from 3QFY25 consistently declined from 5.6% to 3.7%, 2.7% and to 1.71 % in 2QFY26. Similarly, WPI showing declining trend from 2.5% in 3QFY25 to 2.4%, 0.26% to 0.02% in 2QFY26.

Exhibit 17: Real GDP rose to a 5-quarter high at 7.8%, while nominal GDP is at a 3-quarter low at 8.8%

Quarter	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Nominal GDP	11.0	12.1	12.9	12.1	9.7	8.3	10.3	10.8	8.8	8.5	7.2	9.7	10.5
Real GDP	9.7	9.3	9.5	8.4	6.5	5.6	6.4	7.4	7.8	7.5	7.0	6.2	6.4
CPI Inflation	4.6	6.4	5.4	5.0	4.9	4.2	5.6	3.7	2.7	1.7	1.0	3.5	4.5

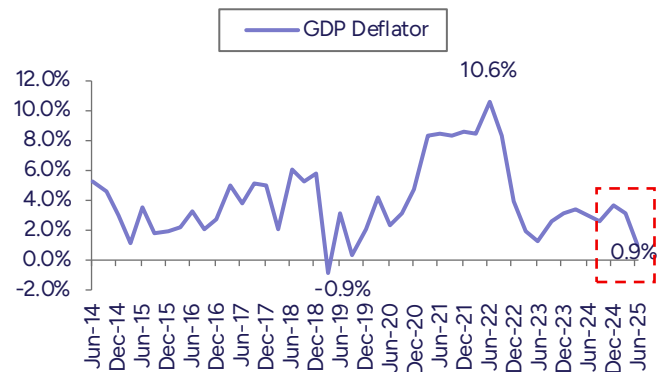
Source: MOSPI, PL

Exhibit 18: CPI & WPI both show downward trend



Source: MOSPI, PL

Exhibit 19: Q1FY26 deflator at 0.9%: lowest in six years



Source: PL

However, the phase of extremely soft inflation is expected to normalize gradually in 4QFY26 as base effects fade and food inflation stabilizes. Food inflation, which recently turned negative (-5% in October) due to sharp declines in vegetables and oils, is expected to normalize as supply conditions and mandi arrivals normalize.

The RBI recently revised its CPI inflation forecast for FY26 to 2.6% from an earlier 3.1% and is expected to revise it down in its December MPC meet. For FY27, projections suggest inflation will rise with estimates in the 4.5% range. This will improve nominal GDP prints in upcoming year.

The outlook, however, looks better for next year. CPI inflation is expected to rise around 4.5% in FY27, which means the GDP deflator should also recover from its current very low levels. This will help nominal GDP growth move up in next quarters reaching approx. 10-10.5% in Q1FY27, giving companies a stronger push for revenue growth. This should support better revenue growth by improving the overall wage, employment and corporate growth environment.

Nifty Valuation

	Weight-age (%)	FY25	FY26E	FY27E	FY28E		Weight-age (%)	FY25	FY26E	FY27E	FY28E
Banking & Fin.	36.7					Telecom	5.0				
PER (x)		21.8	20.5	17.4	15.8	PER (x)		38.6	45.1	31.6	25.3
PAT Growth (%)		11.9	6.6	17.9	10.1	PAT Growth (%)		349.4	(14.4)	42.8	24.7
Technology	10.2					Cement	1.2				
PER (x)		23.9	22.2	20.1	18.1	PER (x)		56.9	39.4	29.9	25.1
PAT Growth (%)		8.7	7.8	10.1	11.0	PAT Growth (%)		(13.8)	44.4	31.7	19.4
Oil & Gas	9.5					Others	2.5				
PER (x)		22.0	18.4	17.6	16.5	PER (x)		35.1	35.6	30.9	24.2
PAT Growth (%)		(12.5)	19.1	4.7	6.5	PAT Growth (%)		10.9	(1.4)	15.2	27.7
Consumer	11.6					Ports & Logistics	0.9				
PER (x)		57.3	53.1	45.9	39.8	PER (x)		28.4	23.7	20.0	16.7
PAT Growth (%)		(4.5)	7.9	15.6	15.3	PAT Growth (%)		34.4	19.8	18.5	19.3
Auto	6.8					Nifty as on Nov 20	26,192				
PER (x)		22.6	25.5	20.9	18.4	EPS (Rs) - Free Float - PL		1,127.8	1,237.7	1,427.7	1,602.9
PAT Growth (%)		1.3	(11.3)	22.1	13.3	Growth (%)		10.7	9.7	15.3	12.3
Eng. & Power	7.6					PER (x)		23.2	21.2	18.3	16.3
PER (x)		24.3	22.5	19.6	17.7	EPS (Rs) - Free Float - Nifty Cons.		1,127.8	1,222.1	1,433.2	1,620.7
PAT Growth (%)		10.4	8.1	14.9	10.6	Var. (PLe v/s Cons.) (%)		-	1.3	(0.4)	(1.1)
Pharma	4.3					Sensex as on Nov 20	85,633				
PER (x)		35.3	34.9	30.9	26.4	EPS (Rs) - Free Float - PL		3,631.8	4,033.9	4,688.0	5,266.7
PAT Growth (%)		15.6	1.4	13.0	16.9	Growth (%)		20.6	11.1	16.2	12.3
Metals	3.8					PER (x)		23.6	21.2	18.3	16.3
PER (x)		15.4	12.4	10.6	9.8	EPS (Rs) - Free Float - Sensex Cons.		3,631.8	3,808.9	4,489.1	5,078.2
PAT Growth (%)		0.5	24.4	17.4	7.6	Var. (PLe v/s Cons.) (%)		-	5.9	4.4	3.7

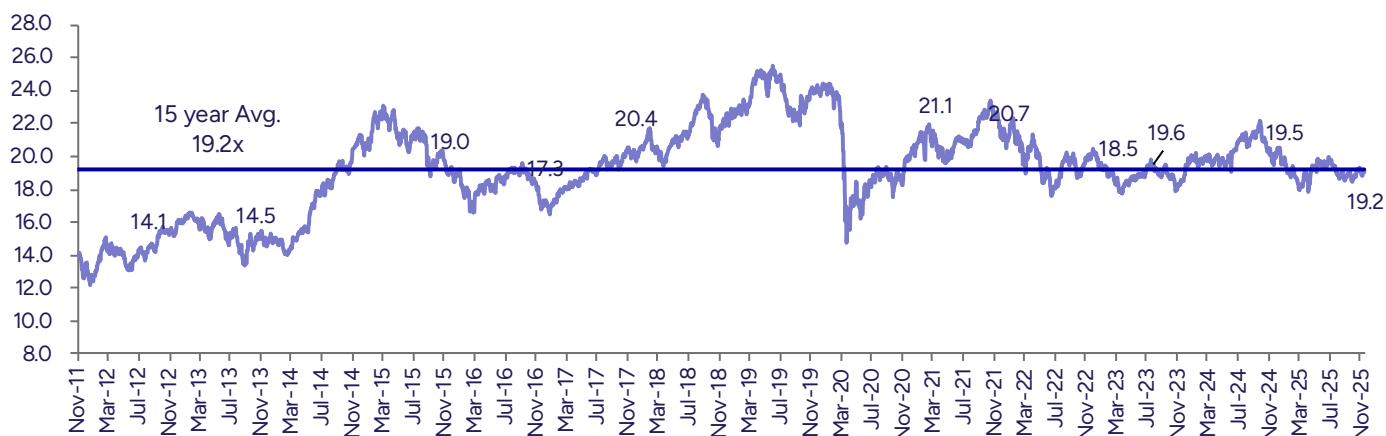
Source: Company Data, PL

Note: Sector Weightages updated as on August 20, 2025

Exhibit 20: FY26: Cement, Metals, Oil and Gas lead earnings momentum in Nifty

	NIFY Sectoral EPS - PLe (Rs)				% Gr.				% Contribution to total EPS			
	2025	2026	2027	2028	2025	2026	2027	2028	2025	2026	2027	2028
Auto	87.4	77.7	94.9	107.3	2.9%	-11.1%	22.2%	13.0%	7.7%	6.3%	6.6%	6.7%
BFSI	488.0	530.3	612.6	685.6	12.6%	8.7%	15.5%	11.9%	43.3%	42.8%	42.9%	42.8%
Cement	5.8	8.6	11.3	13.5	-12.6%	46.9%	31.7%	19.4%	0.5%	0.7%	0.8%	0.8%
Consumer	62.5	68.6	79.9	92.6	-1.6%	9.8%	16.5%	15.9%	5.5%	5.5%	5.6%	5.8%
Eng. & Power	82.1	92.3	108.2	120.8	12.4%	12.4%	17.3%	11.6%	7.3%	7.5%	7.6%	7.5%
Healthcare	35.5	36.4	40.4	47.4	17.3%	2.8%	10.9%	17.4%	3.1%	2.9%	2.8%	3.0%
Metals	65.7	87.9	105.0	112.4	8.9%	33.8%	19.4%	7.1%	5.8%	7.1%	7.4%	7.0%
Oil & Gas	112.0	135.2	140.9	151.2	-8.0%	20.7%	4.2%	7.3%	9.9%	10.9%	9.9%	9.4%
Others	20.9	23.7	26.5	33.4	-1.1%	13.5%	11.7%	26.0%	1.9%	1.9%	1.9%	2.1%
Ports & Logistics	9.3	11.3	13.4	16.0	36.2%	21.9%	18.5%	19.3%	0.8%	0.9%	0.9%	1.0%
Technology	120.1	132.1	146.5	162.9	11.0%	10.0%	10.9%	11.2%	10.6%	10.7%	10.3%	10.2%
Telecom	38.5	33.6	48.0	59.8	355.6%	-12.8%	42.8%	24.7%	3.4%	2.7%	3.4%	3.7%
Nifty	1,127.8	1,237.7	1,427.7	1,602.9	10.7%	9.7%	15.3%	12.3%				

Source: PL

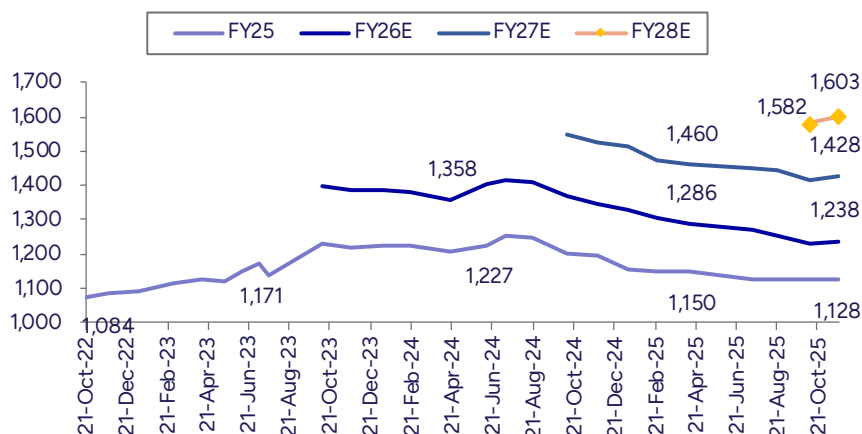
Exhibit 21: Nifty trading at 15-year average 1-year forward PE


Source: PL

Current NIFTY EPS estimates show a growth of 12.5% CAGR over FY25-28 as against 12% earlier.

FY26/27/28 EPS has seen an increase of 0.7/0.9/1.3% while consensus EPS has seen an increase of 0.3/0.7/1.1%

PL estimates for FY26 are 1.3% ahead of consensus while FY27/28 are 0.4/1.1% lower than consensus.

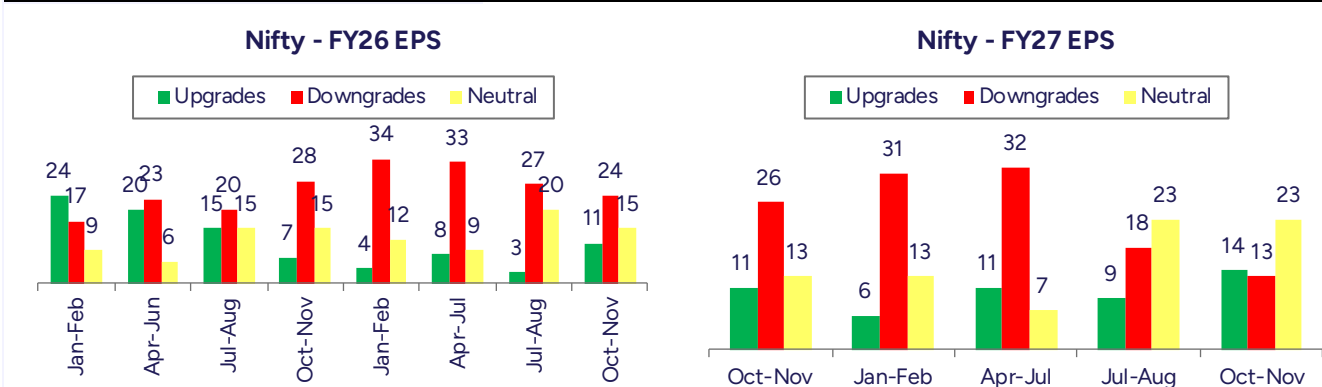
Exhibit 22: NIFTY breaks EPS downgrade cycle after 5 quarters


Source: PL

Nifty 50 – downgrades likely peaked out

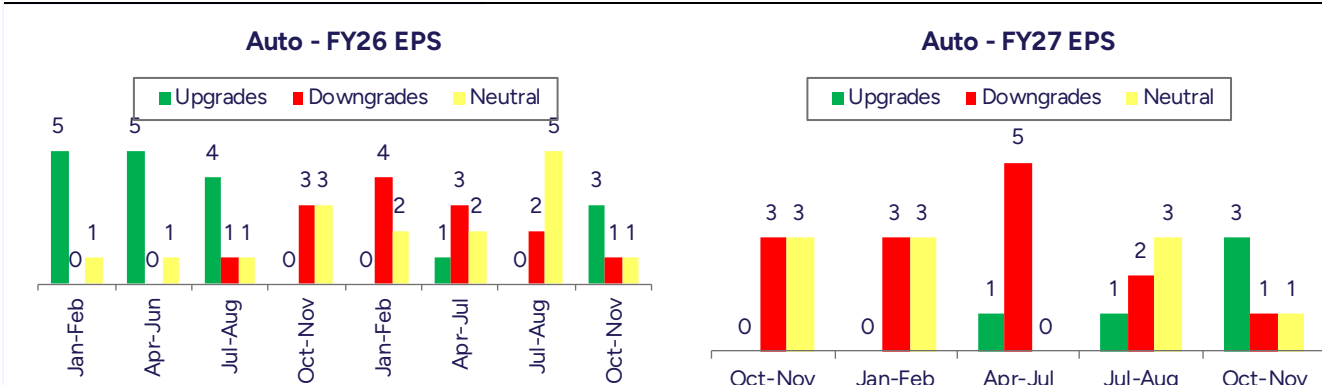
NIFTY EPS has broken the trend of EPS downgrades which prevailed since August 2024. It has seen an EPS cut of 12.9% and 8.5% for FY26/27 since August24/Oct24. The FY26/27/28 EPS has seen an increase of 0.7/0.9/1.3% while consensus EPS has seen an increase of 0.3/0.7/1.1%. However, upgrades seem concentrated as 48% of stocks have seen downgrades (54% earlier and 68% in feb25). For FY27, downgrades have come down from 64% in July to 26% now, which shows market optimism on picking up in corporate profit growth.

Exhibit 23: FY26 downgrades peaked out in February, FY27 in July 2025 with improving growth outlook



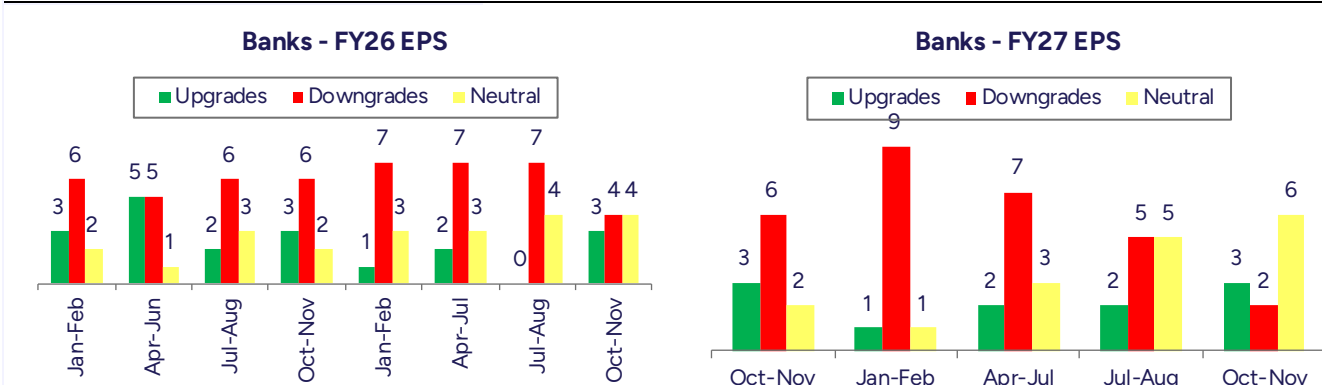
Source: Company, PL

Exhibit 24: Auto enters an upgrade cycle buoyed by big GST reset



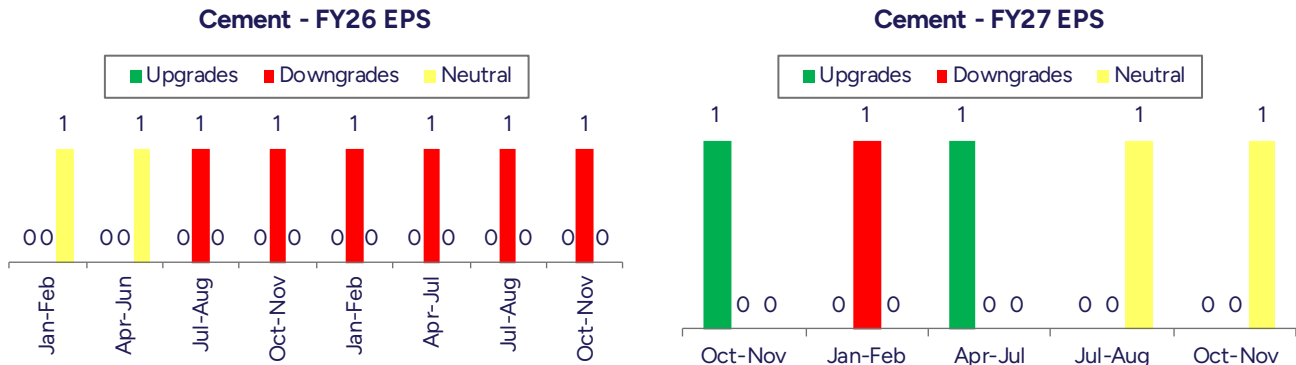
Source: Company, PL

Exhibit 25: BFSI – bottoming out as number of upgrades pick up, expect trend to sustain in coming quarters



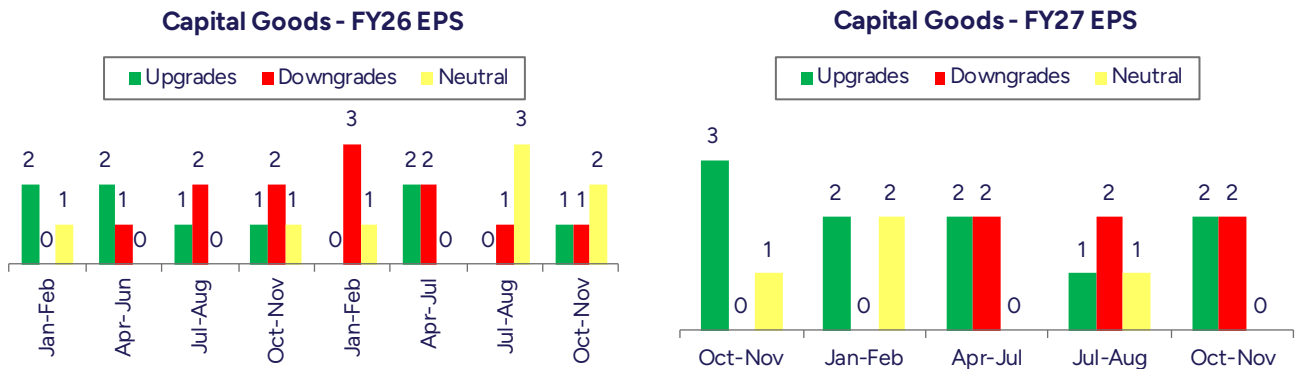
Source: Company, PL

Exhibit 26: EPS downgrade cycle continues



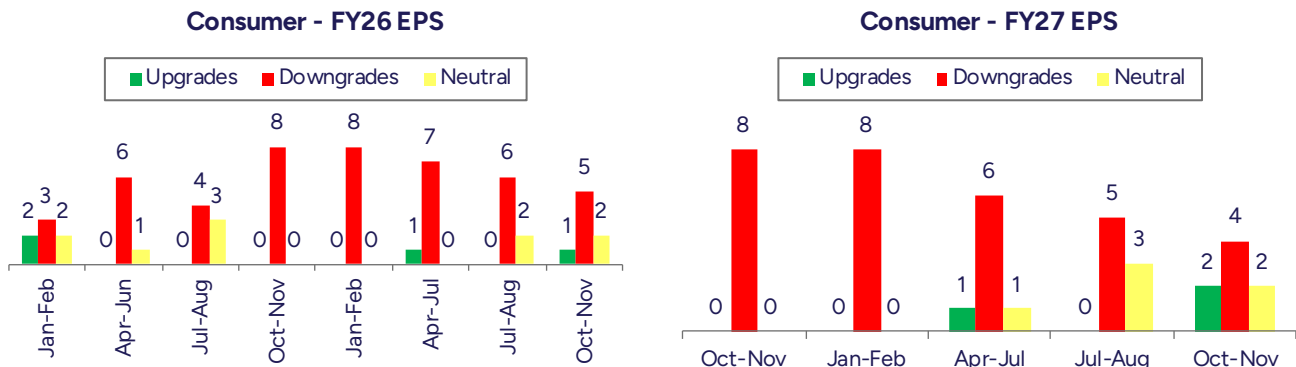
Source: Company, PL

Exhibit 27: Entering a sideways zone for FY26, FY27 does not indicate a strong upgrade cycle so far



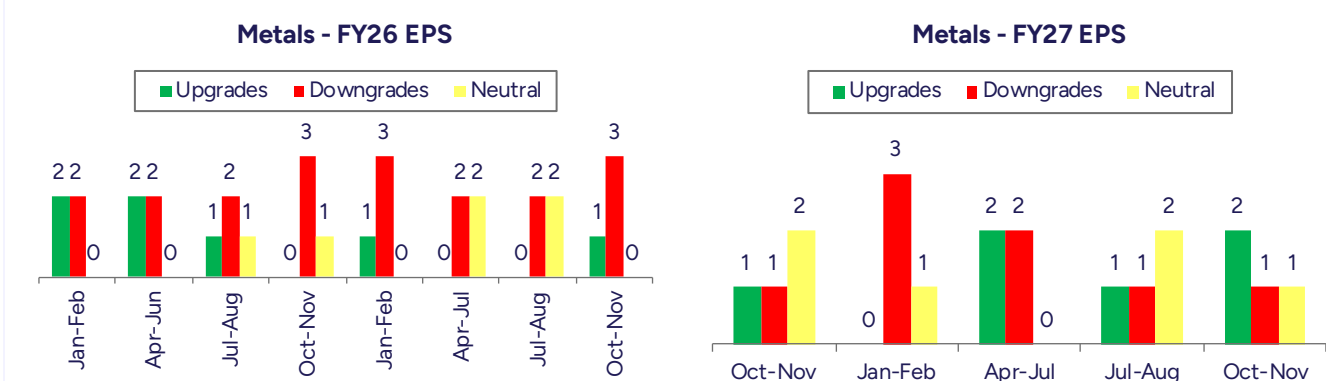
Source: Company, PL

Exhibit 28: Downward cycle is losing steam; GST cuts and demand revival show initial signs of an upgrade cycle



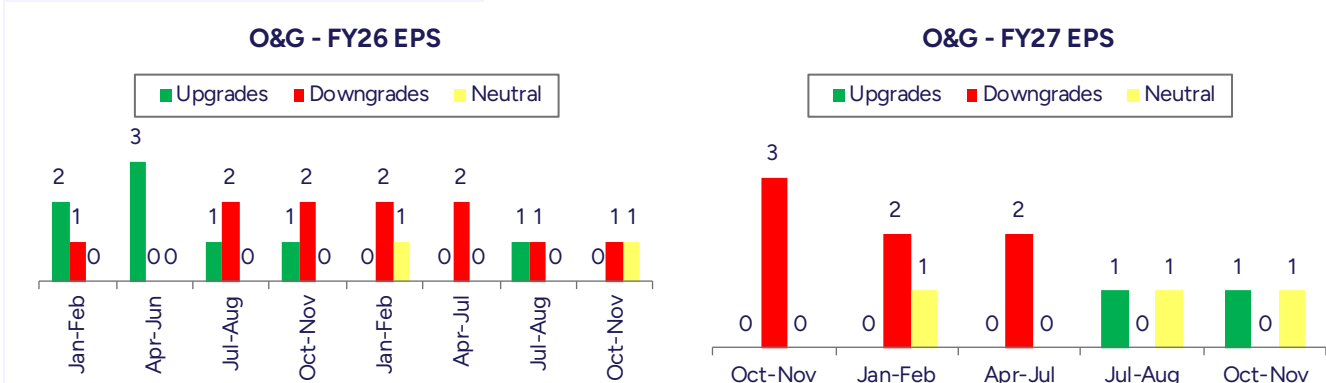
Source: Company, PL

Exhibit 29: 2Q sees more downgrades, however FY27 numbers show positive vibes



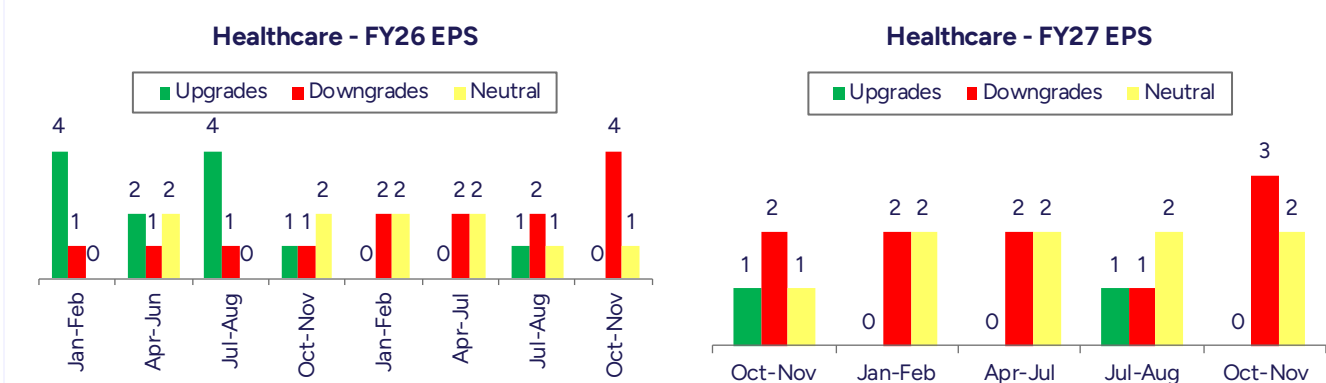
Source: Company, PL

Exhibit 30: Evenly placed as soft crude provides support



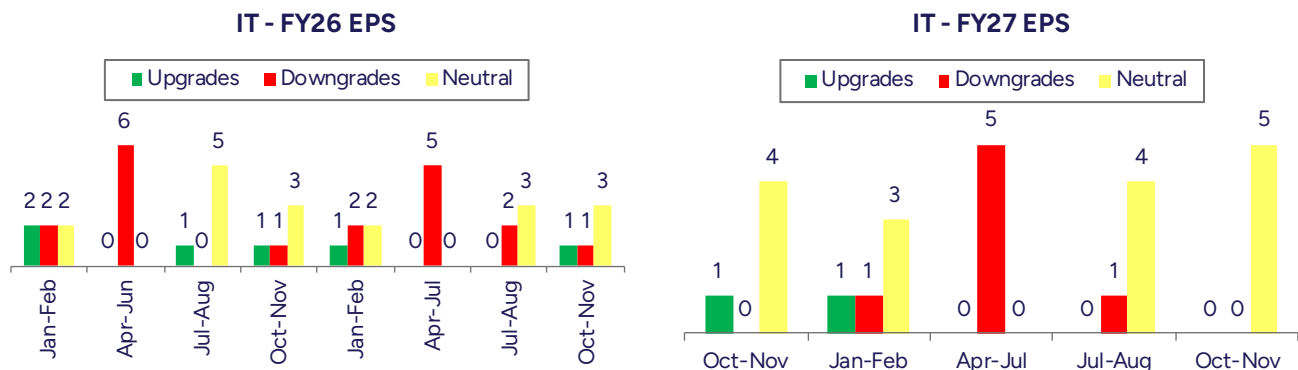
Source: Company, PL

Exhibit 31: Healthcare segment remains in EPS downgrade cycle, can bottom out by end of FY26



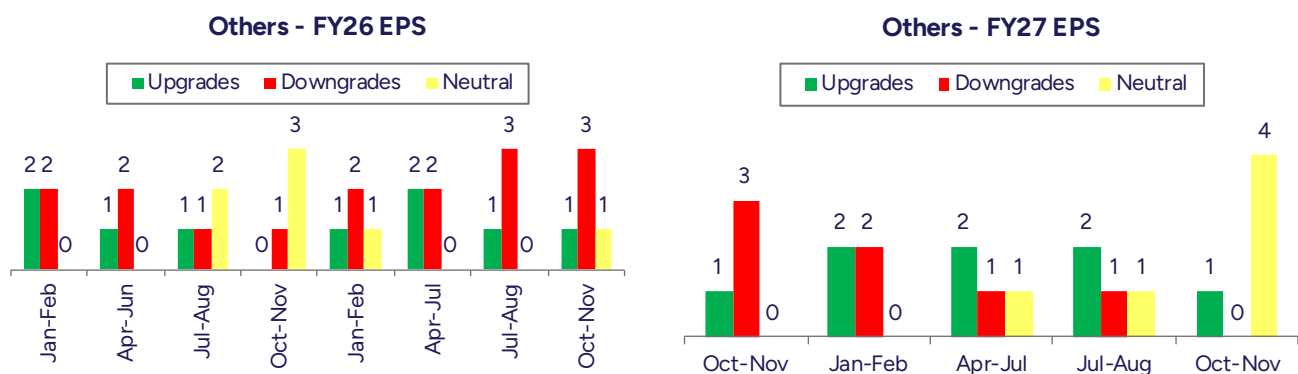
Source: Company, PL

Exhibit 32: Downgrades coming down as most known negatives factored in numbers as of now



Source: Company, PL

Exhibit 33: Others - More downgrades in FY26, FY27 shows some trend change



Source: Company, PL

Exhibit 34: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	167.5%	143.4%	24.2%
Since Last Report	3.9%	4.0%	-0.1%
Since Apr'24	20.3%	19.1%	1.3%

Source: PL

Model Portfolio

Sectors	Mcap (Rs bn)	Nifty Weightage (%)	PL Weightage (%)	Weights
Automobiles		6.8	7.5	Overweight
Mahindra & Mahindra	4,622	2.8	3.5	
Maruti Suzuki	4,968	1.7	2.5	
Eicher Motors	1,955	0.8	1.5	
Banks		30.2	32.3	Overweight
Axis Bank	3,989	3.1	3.2	
HDFC Bank	15,516	12.8	12.3	
ICICI Bank	9,885	8.3	9.6	
Kotak Mahindra Bank	4,174	2.6	3.0	
State Bank Of India	9,060	3.4	4.2	
Cement and Metals		5.0	4.0	Underweight
UltraTech Cement	3,463	1.2	1.5	
Hindalco Industries	1,797	1.0	1.0	
Tata Steel	2,153	1.2	1.5	
Capital Goods & Engineering		7.6	7.9	Overweight
Larsen & Toubro	5,554	4.0	3.5	
Siemens	1,145		1.0	
Bharat Electronics	3,092	1.3	1.4	
Hindustan Aeronautics	3,154		2.0	
Consumer		11.6	12.7	Overweight
Britannia Industries	1,402	1.8	3.0	
Hindustan Unilever	5,706	1.8	1.2	
Interglobe Aviation	2,237		1.5	
ITC	5,079	3.3	4.0	
Titan Company	3,464	1.4	2.0	
Pidilite Industries	1,515		1.0	
Healthcare		4.3	5.5	Overweight
Max Healthcare	1,136.45		1.5	
Sun Pharmaceutical Industries	4,264	1.6	1.6	
Lupin Lab	1,235		1.0	
Apollo Hospitals Enterprises	1,067	0.6	1.4	
IT		10.2	8.5	Underweight
Infosys	6,383	4.7	4.5	
LTI Mindtree	1,786.94		1.3	
Tata Consultancy Services	11,378	2.7	2.7	
Diversified Financials		6.5	6.3	Underweight
HDFC AMC	1,156		1.0	
Bajaj Finance	6,400	2.3	2.3	
Cholamandalam Investment & Fin. Co.	1,433		1.0	
Max Financial Services	584		1.0	
Shriram Finance	1,555	1.0	1.0	
Oil & Gas		9.5	8.3	Underweight
Reliance Industries	20,964	8.7	8.3	
Telecom		5.0	5.0	Overweight
Bharti Airtel	12,946	5.0	5.0	
Others		3.4	2.0	Underweight
Adani Ports & SEZ	3,221	0.9	2.0	
Cash			-	

PL Model Portfolio has outperformed NIFTY by 24.2% since Nov 2018, 1.3% since April 24 and -0.1% since last report.

- **Automobiles: overweight:** We believe expected benefits from GST 2.0, income tax cuts, lower interest rates will continue to boost demand in coming quarters. Mahindra & Mahindra continues to gain in PV hand has 6 new launches lined up in ICE segment, while tractors guidance has seen an upward revision. Maruti seems well placed to gain from revival in demand, rising share of UV, presence across power trains and expected increase in exports (16.5% CAGR to 0.75mn units by FY27). Eicher continues to report strong growth in 2W and outlook remains positive.
- **Banks: Overweight:** We believe banks will see improved performance with NIM having bottomed out, credit growth recovering from 9% to a likely 11-13% in 2H, likely gains from uptick in consumer demand and peaked out stress in MSME and MFI. We believe that benefits of lower interest rates will start being reflected in liability repricing from 3Q26 even as low inflation and current tariff off can provide another 25bps rate cut in FY26. We are increasing weights on Axis Bank, HDFC and SBI by 30/30/20 bps.
- **Capital Goods – Overweight:** We believe sectoral tailwinds from PE re-rating with rising sales and margins are behind. We remain positive on Defense/infra companies and remain overweight on Hindustan Aeronautics and Bharat Electronics.
- **Consumer: Overweight:** We believe GST 2.0 and expected uptick in demand are positive and are overweight by 90bps. We tinker weights slightly as we reduce weights on Hindustan Unilever and Interglobe Aviation by 30bps and 50bps. We remain overweight on ITC, Britannia Industries, Pidilite Industries and Titan Company.
- **Healthcare: Overweight:** We remain structurally positive on Hospitals, however given limited scope of further re-rating, we cut weights on Apollo Hospitals Enterprise by 60bps.
- **IT services: underweight:** IT services are showing initial signs of recovery in BFSI, telecom and manufacturing. However recent uncertainty around growth in US and Govt actions remain a concern.
- **Oil and Gas: Underweight;** we remain underweight on Reliance Industries, the major growth and value unlocking will be led by retail, Jio and new energy initiatives, which have limited clarity as of now.
- **Telecom:** we retain Equalweight on Bharti Airtel as a structural play on rising data usage in telecom. While recent tariff hikes by introducing new data packs will be positive for Bharti Airtel.
- **Diversified Financials:** we remain underweight even as we add Shriram finance as equal weight and Max Financial in model portfolio. We reduce weight on BAF by 40bps on lower growth and limited scope for re-rating.
- **Cement and Metals -** We are overweight on Ultratech Cement given structural demand and cost drivers. We remain overweight on Tata Steel on expected benefits of cost cutting despite near term softness in steel prices.
- We retain Adani Port & SEZ in model portfolio as a structural play on India growth story and rising global trade and increase its weight by 50bps.

Conviction Picks Changes

High Conviction Picks: We are removing Apollo Hospitals, Lupin lab, Amber Ent, Eris Lifesciences from conviction picks although we are not negative on these names. We see better opportunity in Max Healthcare, Ajanta Pharma, Fine organics which are being added in conviction picks.

Ajanta Pharma: AJP's play on high growth branded generics (BGx) market spread across India, Asia and Africa which contributed 74% to total revenue in FY25 and delivered 12.5% CAGR over FY22-25. We expect AJP to clock 13% revenue CAGR over FY25-28E driven by increased focus on branded formulations, penetration into newer therapies and scaleup in US generics. Overall, we expect EBITDA/PAT CAGR of 17%/ 16% over FY25-28E with healthy RoE/RoCE of 28.5%/35.6% in FY27E. At CMP, AJP is trading at 24x P/E and 17x EV/EBITDA as of Sept 2027E. We value AJP at 30x P/E on Sept 2027E EPS based on its ability to generate higher RoE/RoCE compared to peers and strong exposure to BGx markets. Maintain BUY rating with TP of Rs3,200/share.

Fine Organics: The company is undertaking a Rs7.5bn greenfield capex project on SEZ land allotted at the Jawaharlal Nehru Port Authority. This facility will manufacture products aligned with the company's existing portfolio and is expected to begin commercial production by early FY28. In addition, the company has established new subsidiaries in the USA to set up a manufacturing facility and in the UAE to enhance supply chain efficiency. We believe the new SEZ facility will be a key driver of future growth. It is expected to generate peak revenue of Rs26bn at a 3.5x asset turnover and should start contributing meaningfully to the topline from FY28, potentially doubling the company's revenue by FY29/FY30.

Max Healthcare Services: The company showed phenomenal growth with ~19% EBITDA CAGR over FY22-25. We expect pick-up in the growth momentum given 1) strong expansion plans (+3700 additional beds over FY25-28E), 2) improving payor mix and 3) Bolt on acquisitions like recently added in Lucknow, Nagpur and Noida. Operational efficiency has also been commendable, especially in competitive markets like NCR. We expect EBITDA/PAT to grow ~2x over FY25-28E. We ascribe 35x EV/EBITDA based on Sept 2027E. We recommend 'BUY'.

High Conviction Picks

	CMP (Rs.)	TP (Rs)	Upside	Mcap (Rs bn)	Mcap (US\$ m)	Revenue Gr. (%)			Earnings Gr. (%)			RoE (%)			RoCE (%)*			PER (x)			P/BV (x)*		
						2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Large Cap																							
Adani Port & SEZ	1,491	1,777	19.2%	3,221.0	36,334	20.6	14.7	16.3	19.8	18.5	19.3	19.8	19.8	19.9	15.3	16.2	17.2	23.8	20.1	16.8	4.4	3.7	3.1
Britannia Industries	5,819	6,761	16.2%	1,401.8	15,813	9.7	13.2	11.1	16.7	17.6	15.5	54.4	54.0	52.5	55.3	57.3	57.2	54.5	46.4	40.1	27.5	23.0	19.5
Hindustan Aeronautics	4,717	5,507	16.8%	3,154.3	35,582	9.0	14.2	14.5	2.1	9.3	10.0	22.2	20.9	19.8	12.4	12.3	12.1	37.3	34.2	31.1	7.7	6.6	5.8
ICICI Bank	1,383	1,800	30.2%	9,881.2	1,11,463	7.9	13.7	14.5	7.5	8.5	15.5	16.5	15.7	15.9	2.3	2.3	2.3	19.4	17.8	15.5	3.1	2.7	2.4
ITC	405	530	30.7%	5,087.7	57,390	7.0	9.0	9.2	5.3	10.3	9.5	30.3	31.7	32.7	35.6	37.4	38.6	24.1	21.9	20.0	7.1	6.7	6.3
Larsen & Toubro	4,037	4,766	18.0%	5,552.9	62,638	16.3	14.3	13.7	23.0	28.4	16.2	17.0	18.6	18.3	11.3	12.2	12.2	30.7	23.9	20.6	4.8	4.1	3.5
Mahindra & Mahindra	3,717	3,950	6.3%	4,462.9	50,343	19.6	13.5	12.7	14.2	13.6	10.2	21.9	21.1	19.8	22.1	21.7	20.2	30.5	26.8	24.3	6.2	5.2	4.5
Max Healthcare Institute	1,169	1,400	19.8%	1,136.3	12,818	23.1	21.9	18.8	16.4	36.6	24.6	15.4	18.2	19.2	17.0	20.2	21.7	65.5	48.0	38.5	9.5	8.1	6.8
State Bank of India	982	1,100	12.1%	9,060.3	1,02,203	5.4	17.3	13.9	1.0	9.3	13.5	15.9	14.7	14.8	1.0	1.0	1.0	12.2	11.2	9.9	1.8	1.6	1.4
Tata Steel	172	196	13.8%	2,151.3	24,268	15.0	8.8	7.0	241.8	52.1	8.8	13.4	18.3	17.4	13.7	16.8	17.5	16.9	11.1	10.2	2.2	1.9	1.7
Titan Company	3,902	4,397	12.7%	3,473.1	39,178	21.4	16.9	15.2	34.4	23.0	18.3	24.6	25.5	25.1	18.8	19.6	20.1	77.5	63.0	53.3	17.8	14.7	12.2
Mid / Small Caps																							
Ajanta Pharma	2,511	3,200	27.5%	314.7	3,550	13.7	12.9	12.9	9.3	20.3	17.9	25.6	28.3	30.0	32.5	35.5	37.9	31.3	26.0	22.0	7.7	7.0	6.2
DOMS Industries	2,525	3,085	22.2%	153.2	1,729	23.7	23.8	18.2	17.3	30.0	27.9	21.5	22.5	23.1	25.5	27.1	27.2	63.9	49.1	38.4	12.4	10.0	8.0
Fine Organic Industries	4,595	5,386	17.2%	140.9	1,589	7.0	9.0	25.0	12.7	7.1	38.0	18.4	16.8	19.6	19.8	18.9	22.4	30.5	28.4	20.6	5.2	4.4	3.7
KEI Industries	4,167	4,926	18.2%	398.2	4,492	21.8	21.6	21.9	27.3	20.1	20.6	14.3	15.0	15.7	19.6	20.5	21.3	44.9	37.4	31.0	6.0	5.3	4.5
Latent View Analytics	493	600	21.7%	101.8	1,148	24.0	24.5	25.7	7.4	28.0	25.4	12.2	13.8	15.0	9.1	10.5	11.6	50.8	39.7	31.7	5.9	5.1	4.4
Samhi Hotels	185	305	65.3%	40.9	461	13.5	11.6	16.6	70.1	60.5	25.3	9.6	11.2	12.0	10.3	11.3	13.6	27.6	17.2	13.7	2.1	1.8	1.5
Voltamp Transformers	8,251	10,318	25.1%	83.5	942	6.4	18.3	16.1	6.7	9.2	11.7	20.3	19.2	18.7	21.0	20.3	19.8	24.0	22.0	19.7	4.6	4.0	3.5

* For Banks P/BV = P/ABV & RoCE = RoAA

Added: Max Healthcare Institute, Ajanta Pharma and Fine Organic Industries

Removed: Apollo Hospitals Enterprise, Lupin, Amber Enterprises India and Eris Lifesciences

Exhibit 35: Current Valuations in 70% (60% earlier) Nifty50 companies are lower than 2023 levels

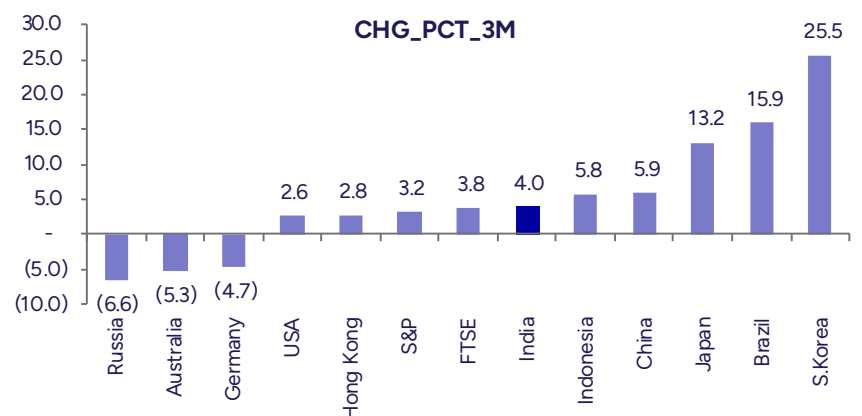
12 Month Forward Average PE	2009-11	2011-13	2013-16	2016-20	2022	2023	2024	2025	Current Valuations*
Nifty Index	16.3	14.7	18.8	22.0	20.4	18.4	18.6	20.1	14.3
Adani Enterprises Ltd	3.0	2.8	4.2	13.4	114.0	112.1	57.5	65.7	50.1
Adani Ports & Special Economic	28.8	18.5	18.3	18.1	31.2	25.4	20.1	24.1	16.6
Apollo Hospitals Enterprise Lt	24.5	29.9	58.6	81.2	66.5	71.8	65.3	57.4	41.1
Asian Paints Ltd	21.5	30.1	39.9	51.7	82.7	61.8	66.5	65.6	41.0
Axis Bank Ltd	13.1	9.9	14.0	72.8	20.2	15.0	12.1	13.7	8.7
Bajaj Auto Ltd	9.7	15.1	17.5	17.7	17.4	15.6	21.5	31.8	18.9
Bajaj Finance Ltd	5.9	6.7	13.3	33.9	48.6	34.7	29.9	24.6	19.0
Bajaj Finserv Ltd	5.5	6.6	9.9	26.9	43.2	32.4	29.0	28.3	18.9
Bharat Electronics Ltd	15.8	12.7	14.4	17.8	16.8	19.7	22.6	36.9	34.4
Bharti Airtel Ltd	20.9	45.4	29.3	72.6	57.3	54.2	29.9	28.7	24.9
Cipla Ltd/India	23.5	19.3	34.3	29.8	28.3	24.1	20.2	24.0	19.0
Coal India Ltd	2.9	13.7	15.8	14.2	4.0	3.8	5.2	8.2	5.4
Dr Reddy's Laboratories Ltd	27.6	16.8	26.8	30.2	24.3	14.3	16.3	19.5	16.0
Eicher Motors Ltd	7.0	12.0	NA	34.7	31.9	24.8	22.5	26.3	10.3
Eternal Ltd	NA	NA	NA	NA	-63.4	70.1	204.6	386.1	158.0
Grasim Industries Ltd	6.0	8.2	19.1	20.0	14.5	17.1	27.9	35.9	20.0
HCL Technologies Ltd	13.3	9.0	14.1	12.9	21.3	18.4	21.4	26.1	16.0
HDFC Bank Ltd	20.7	18.5	18.0	21.5	19.9	17.3	17.2	18.5	16.3
HDFC Life Insurance Co Ltd	NA	NA	NA	NA	103.0	80.4	78.4	72.0	60.2
Hindalco Industries Ltd	9.9	9.0	17.2	9.9	8.6	9.4	8.2	9.1	7.2
Hindustan Unilever Ltd	24.3	25.2	37.1	50.1	60.2	58.1	57.3	55.1	42.9
ICICI Bank Ltd	19.5	13.6	15.0	30.5	17.7	16.0	15.5	17.5	14.4
Infosys Ltd	20.5	16.0	16.5	16.4	29.9	25.2	22.6	25.9	14.6
InterGlobe Aviation Ltd	NA	NA	NA	-370.8	-37.7	-19.9	13.2	23.2	22.0
ITC Ltd	19.4	22.9	30.5	24.2	16.1	19.0	19.2	20.1	15.4
Jio Financial Services Ltd	NA	NA	NA	NA	-	-	61.3	NA	NA
JSW Steel Ltd	16.2	25.2	25.6	10.2	15.7	26.1	33.4	34.5	14.5
Kotak Mahindra Bank Ltd	17.6	18.6	25.9	29.1	27.1	21.8	18.0	17.6	14.2
Larsen & Toubro Ltd	20.9	18.0	26.2	19.8	24.7	22.6	28.5	29.5	18.6
Mahindra & Mahindra Ltd	12.0	13.5	22.6	34.4	17.5	16.5	16.4	25.0	17.1
Maruti Suzuki India Ltd	17.2	15.9	17.5	31.9	38.1	24.5	22.7	25.3	21.0
Max Healthcare Institute Ltd	NA	NA	NA	NA	36.6	36.7	56.5	66.5	46.3
Nestle India Ltd	32.3	40.5	63.5	55.6	78.7	65.4	69.3	70.6	48.4
NTPC Ltd	17.9	11.9	10.8	10.7	7.2	8.3	10.7	15.1	9.6
Oil & Natural Gas Corp Ltd	10.8	9.2	17.1	10.4	4.3	4.3	5.9	9.0	5.2
Power Grid Corp of India Ltd	17.6	12.5	11.5	10.5	8.1	10.0	12.8	18.6	12.1
Reliance Industries Ltd	13.5	10.5	9.4	13.4	21.9	31.4	32.9	24.8	16.9
SBI Life Insurance Co Ltd	NA	NA	-	32.4	68.3	66.2	62.0	59.6	48.3
Shriram Finance Ltd	10.2	10.8	15.5	11.4	10.5	14.8	14.8	11.3	8.3
State Bank of India	11.9	8.9	25.1	200.4	8.9	7.8	7.5	9.2	5.8
Sun Pharmaceutical Industries	18.1	20.6	37.2	42.0	32.8	25.1	27.7	36.3	23.1
Tata Consultancy Services Ltd	16.3	16.9	20.1	20.7	32.0	27.5	27.2	29.5	14.4
Tata Consumer Products Ltd	19.9	18.1	3.7	32.6	65.2	60.5	73.0	72.5	39.5
Tata Motors Passenger Vehicles Ltd	3.2	3.9	7.0	-0.5	-8.2	8.9	5.2	9.5	6.7
Tata Steel Ltd	-6.7	-1,397.8	-13.6	7.5	7.2	-1.0	-40.0	29.3	10.5
Tech Mahindra Ltd	12.9	7.2	15.6	13.4	23.0	27.7	32.6	28.9	17.3
Titan Co Ltd	21.2	29.4	38.8	56.5	67.8	64.1	84.0	75.5	47.2
Trent Ltd	NA	-117.4	81.6	36.7	140.2	52.5	55.5	124.4	69.2
UltraTech Cement Ltd	13.7	16.1	28.4	35.4	33.5	31.7	39.2	44.1	28.9
Wipro Ltd	15.6	13.2	15.1	14.8	27.7	20.3	18.4	21.3	13.9

Source: PL * as of November 21, 2025

Beginning of domestic demand led upcycle?

- NIFTY moved up 4% in past 3 months after a long consolidation as markets look ahead with resilient 2Q26 corporate performance, hopes of resolution in tariff row with the USA and rising hopes of domestic demand revival during ongoing festival/wedding season powered by GST rationalization.
- Corporate performance has been good with sales/EBIDTA/PAT growth of 8.1/16.3/16.4% for our coverage universe with EBIDTA and PAT estimates beat of 5/7.1% respectively. Earnings growth was broad based, and we saw NIFTY EPS upgrade for the first time since August 2024. With expected revival of domestic demand and uptick in credit growth, we are on the cusp of an EPS upgrade cycle in coming quarters.
- Even though the economy was driven by more than 3x increase in Govt. capex since covid, 37% increase in 1H capex and high base of 2H25 can result in a drag (~10% decline YoY) in 2H26, unless GOI overshoots its capex allocation. Increasing incremental capex allocation looks difficult given 1) impact of GST rates rationalization in 2H26 2) ask rate of 18-20% in direct tax collection in 2H (7% growth in 1H26) and 3) approx. Rs700bn increase in fertilizer subsidy than budgeted for FY26.
- We believe economic momentum will be a function of recovery in domestic demand led by strong tailwinds emerging from 1) Income tax rate cuts 2) 100bps cut in repo rate 3) normal monsoons 4) 10-year low inflation and 5) GST rates rationalization. We note that segments like Auto, Electronics and discretionary consumption are showing accelerated sales growth and consumer spending during festival season has been higher by 25% (CAIT) and overall online payments (credit cards and UPI) has grown by 18% YoY.
- India external situation remains resilient as steady growth in service exports remains a strong shield. Although exports have suffered a decline of 12% in October, trade deficit excluding gold increased by just USD4bn (18% YoY). India has suffered some setback in Textiles, marine products, polished gems, engineering goods etc. although there has been diversion to other and newer markets. We believe that India has withstood the worst pressures of US tariffs and a likely US trade deal will be an added push to growth.

Exhibit 36: Nifty50 up 4% in 3M on hopes of cyclical recovery

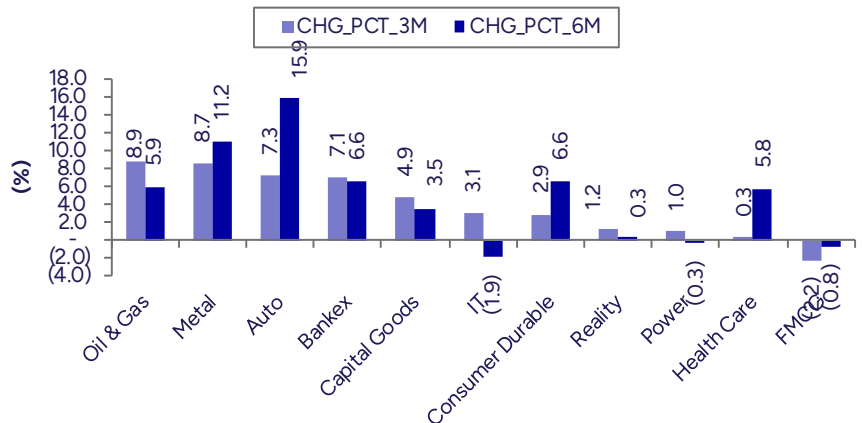


Source: PL

Market is showing a clear shift in favor of large caps as NIFTY, Sensex and BSE 100 far exceed returns from small cap and mid cap indices. NIFTY/Sensex and BSE 100 have outperformed BSE small cap by 10.2%, 9.2% and 9.2% in past 1 year.

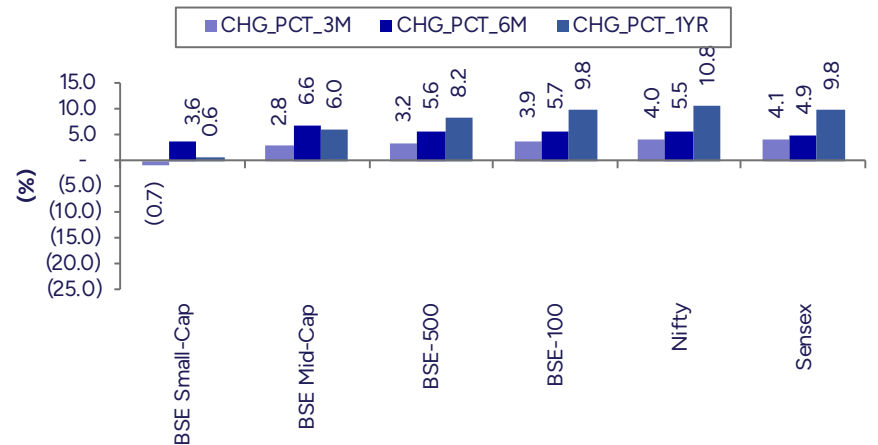
DII flows have been Rs939bn in last 6 weeks showing sustained momentum, FII flow turn positive at Rs124bn in same period

Exhibit 37: Metal, Oil and Gas, Auto and Banks show uptick



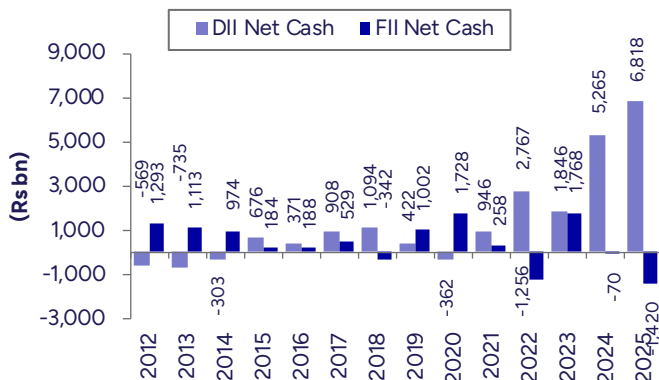
Source: PL

Exhibit 38: Large caps indices score over small/mid-caps



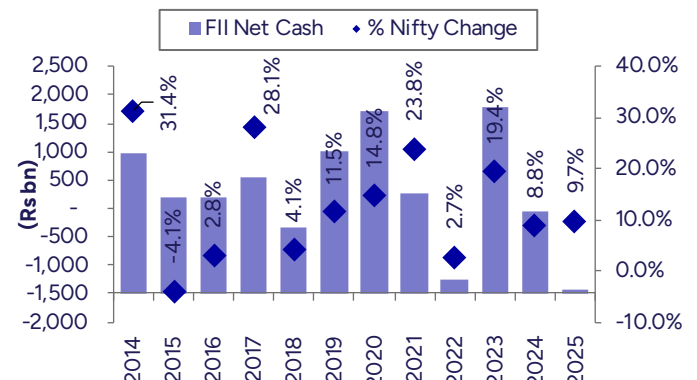
Source: PL

Exhibit 39: DII flows Rs6818bn, FII outflows decline at 1420bn



Source: PL

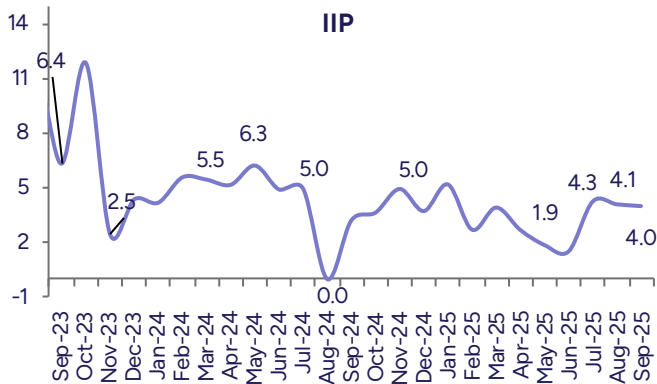
Exhibit 40: NIFTY up 9.7% YTD, led by DII flows



Source: PL

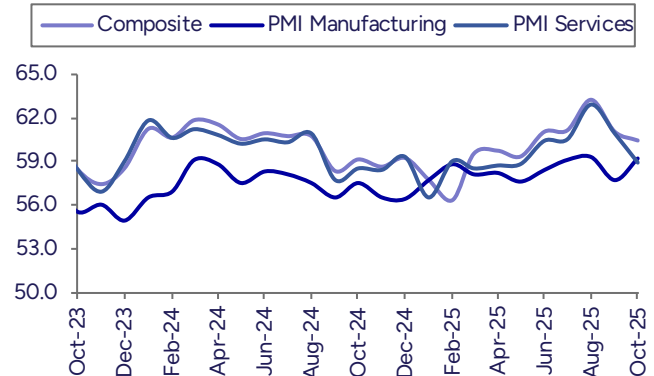
High Frequency indicators show and uptick in momentum

Exhibit 41: IIP remained stable for Sep'25 at 4.0%



Source: Ministry of commerce, PL

Exhibit 42: Oct'25 PMI contracted to 60.4%, led by services



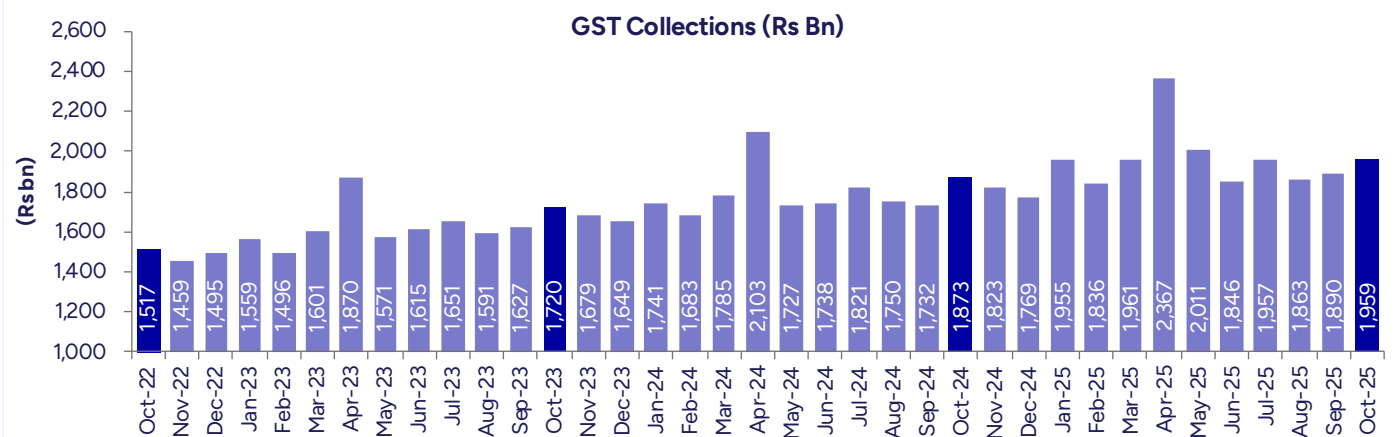
Source: Ministry of commerce, PL

Exhibit 43: Sep'25 IIP growth at 4.0% YoY led by growth from Manufacturing, Electricity and Infra and Durables

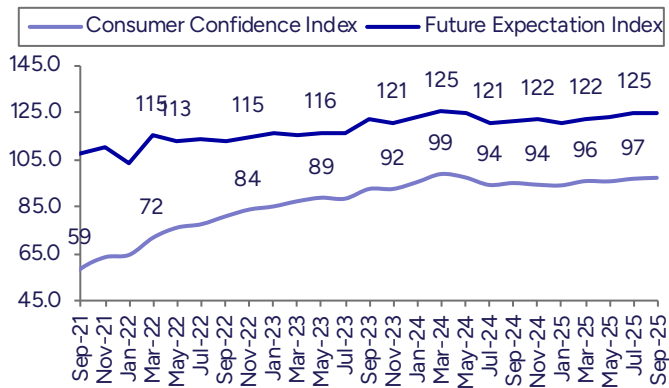
	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
General	3.2	3.7	5.0	3.7	5.2	2.7	3.9	2.7	1.9	1.5	4.3	4.1	4.0
Mining	0.2	0.9	1.9	2.7	4.4	1.6	1.2	-0.2	-0.1	-8.7	-7.2	6.6	-0.4
Manufacturing	4.0	4.4	5.5	3.7	5.8	2.8	4.0	3.1	3.2	4.2	6.0	3.8	4.8
Electricity	0.5	2.0	4.4	6.2	2.4	3.6	7.5	1.7	-4.7	-2.6	3.7	4.1	3.1
Use-Based													
Basic goods	1.8	2.5	2.7	3.8	5.5	2.8	3.9	-0.2	-1.4	-3.0	-0.7	5.4	1.4
Intermediate goods	4.3	4.8	4.8	6.4	5.3	1.0	3.8	4.9	4.7	5.5	6.1	5.2	5.3
Capital goods	3.5	3.1	8.8	10.5	10.2	8.2	3.6	14.0	13.3	3.3	6.8	4.5	4.7
Infra/Construction Goods	3.5	4.7	8.0	8.4	7.3	6.8	9.9	4.7	6.7	7.2	13.7	10.4	10.5
Consumer Durables	6.3	5.7	14.1	8.1	7.1	3.7	6.9	6.2	-0.9	2.9	7.3	3.5	10.2
Consumer Non-durables	2.2	2.6	0.4	-7.5	-0.2	-2.1	-4.0	-2.7	-1.0	0.1	0.5	-6.4	-2.9

Source: MOSPI, PL

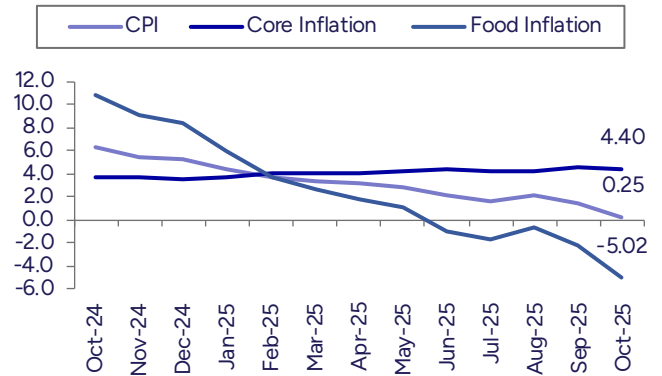
Exhibit 44: Oct'25 GST Collection at Rs.1.96bn, up 4.6% YoY despite GST rate cuts and 39.5% higher refunds



Source: GOI, PL

Exhibit 45: FEI-CCI gap at 28.1 in Sep'25, flat from July'25


Source: CMIE, PL

Exhibit 46: CPI at all-time low of 0.25% in Oct'25


Source: MOSPI, PL

Exhibit 47: CPI declines further to 0.25% as food price deflation grows to 5% in Oct'25

Consumer Price Index (CPI)	Weight	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
		6.2	5.5	5.2	4.3	3.6	3.3	3.2	2.8	2.1	1.6	2.1	1.4	0.3
Food, Beverages	45.9	9.7	8.2	7.7	5.7	3.8	2.9	2.1	1.5	-0.2	-0.8	0.0	-1.4	-3.7
Pan Tobacco and Intoxicants	2.4	2.5	2.3	2.5	2.3	2.4	2.5	2.1	2.4	2.4	2.4	2.5	2.7	2.9
Clothing and Footwear	6.5	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7	2.6	2.5	2.3	2.3	1.7
Housing	10.1	2.8	2.9	2.7	2.8	2.9	3.0	3.1	3.2	3.2	3.2	3.1	4.0	3.0
Fuel and light	6.8	-1.7	-1.8	-1.3	-1.4	-1.3	1.5	2.9	2.8	2.6	2.7	2.3	1.98	1.98
Miscellaneous	28.3	4.3	4.3	4.2	4.3	4.8	5.0	5.0	5.2	5.5	5.0	5.0	5.4	5.7
Consumer Food Price Index	39.1	10.9	9.0	8.4	6.0	3.7	2.7	1.8	1.0	-1.0	-1.8	-0.6	-2.3	-5.0

Source: MOSPI, PL

Exhibit 48: India's Trade Deficit up 59.7% YoY, led by a 199% increase in Gold imports, exports decline 12%

Merchandise Trade (USD bn)	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Exports	39.0	32.0	37.8	36.3	36.8	42.0	38.3	38.3	35.0	37.0	34.9	36.4	34.4
YoY %	17%	-5%	-2%	-3%	-11%	1%	8%	-3%	-1%	7%	1%	7%	-12%
Imports	65.1	63.9	58.5	59.4	51.0	63.5	65.4	60.9	54.1	64.6	61.6	68.5	76.1
YoY %	2%	16%	2%	10%	-16%	11%	20%	-1%	-3%	9%	-10%	17%	17%
- Oil	18.9	15.9	13.6	13.4	11.9	19.0	20.7	14.7	13.8	15.6	13.3	14.0	14.8
YoY %	17%	7%	-9%	-13%	-30%	16%	26%	-26%	-8%	7%	9%	-6%	-22%
- Gold	4.9	9.8	4.7	2.7	2.3	4.5	3.1	2.5	1.8	4.0	5.4	9.6	14.7
YoY %	-32%	186%	55%	41%	-62%	192%	5%	-13%	-26%	14%	-57%	107%	199%
- Non-Oil Non Gold	41.3	38.2	40.2	43.3	36.7	40.0	41.6	43.6	38.5	45.0	42.9	44.9	46.5
YoY %	2%	4%	3%	19%	-3%	2%	19%	12%	0%	9%	0%	15%	12%
Trade Deficit	(26.1)	(32.0)	(20.7)	(23.1)	(14.1)	(21.5)	(27.1)	(22.6)	(19.1)	(27.5)	(26.7)	(32.2)	(41.7)
YoY %	-14%	50%	10%	39%	-28%	40%	41%	2%	-8%	11%	-22%	30%	59%

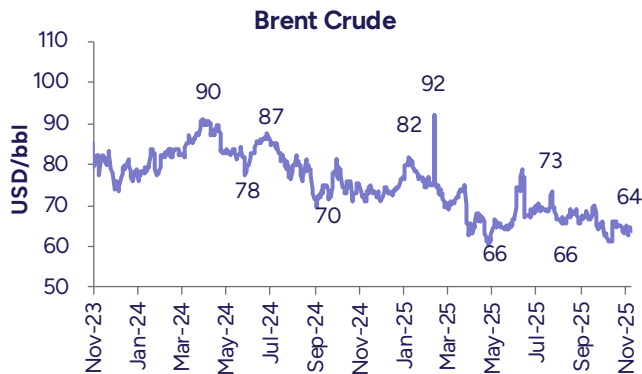
Source: Ministry of Commerce, PL

Exhibit 49: India's Service exports & imports up 12% & 8% YoY in Sep'25, Services Balance up 16% to USD 19.9 bn

Services	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Exports (Receipts)	34.4	32.1	37.0	34.7	31.6	35.6	35.3	32.5	32.1	33.7	31.2	36.7	38.5
YoY %	23%	14%	33%	6%	12%	19%	17%	10%	12%	10%	3%	13%	12%
Imports (Payments)	17.2	17.2	17.8	16.7	14.5	13.7	17.5	16.7	15.9	17.3	15.6	17.8	18.6
YoY %	28%	26%	34%	4%	-5%	-17%	5%	-1%	5%	8%	-5%	8%	8%
Services balance	17.2	14.9	19.2	18.0	17.1	21.9	17.8	15.8	16.2	16.4	15.6	18.8	19.9
YoY %	18%	3%	31%	8%	31%	63%	32%	24%	20%	12%	12%	17%	16%

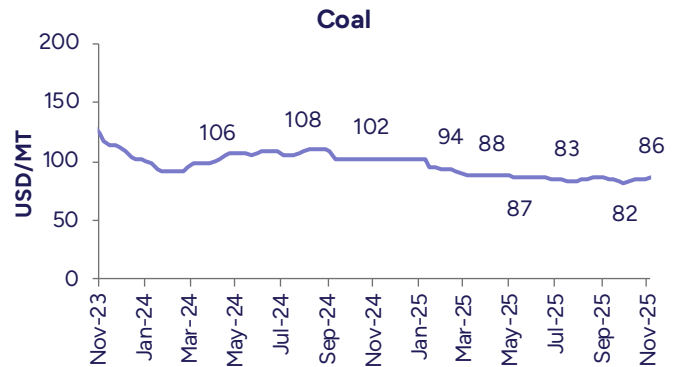
Source: Ministry of Commerce, PL

Exhibit 50: Crude at \$64, down 12.0% since July'25 end



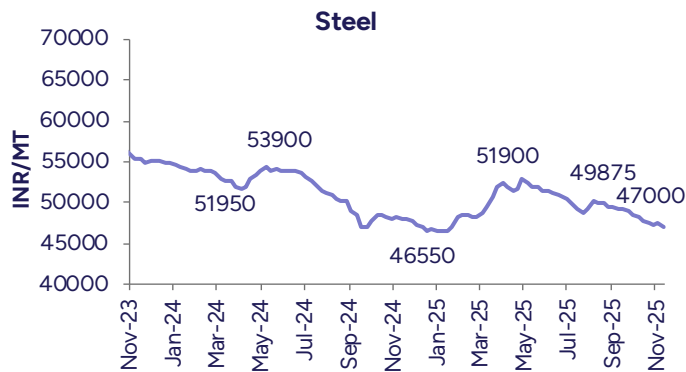
Source: PL

Exhibit 51: Coal prices up 3.9% since July'25 end



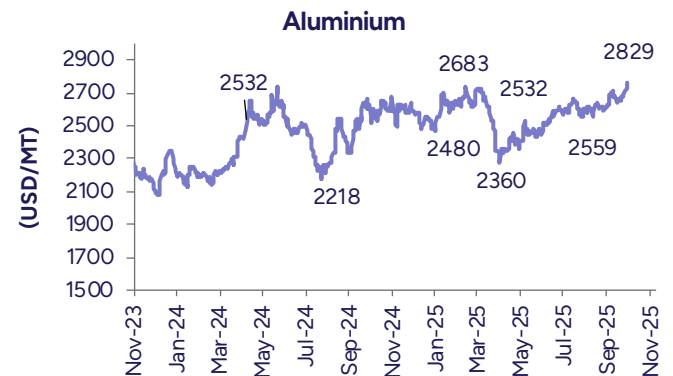
Source: Bigmint, PL

Exhibit 52: Steel prices down 4.5% since Jul'25 at INR 47K



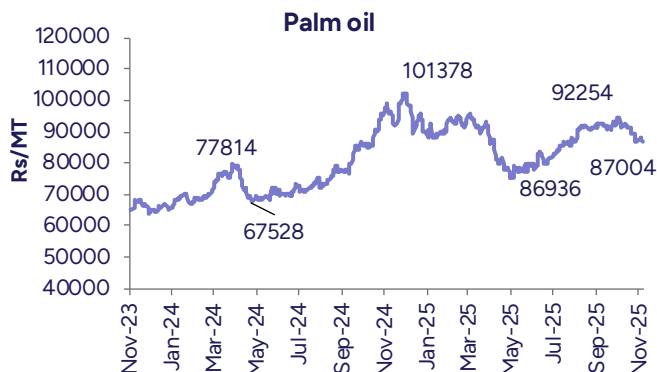
Source: Bigmint, PL

Exhibit 53: Aluminium prices up 8.8% since Jul'25



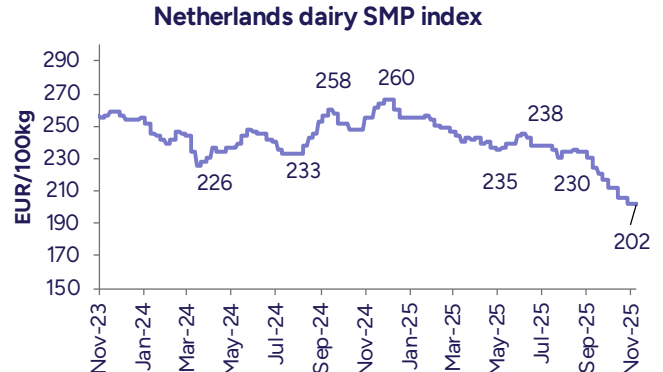
Source: PL

Exhibit 54: Palm oil prices are up 0.1% since July'25 End



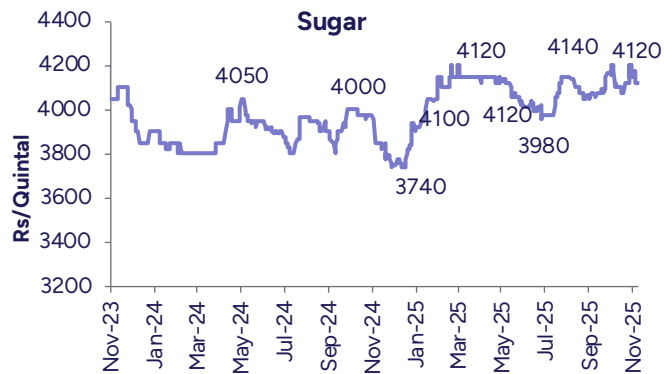
Source: PL

Exhibit 55: SMP prices down 12.2% since July'25 End



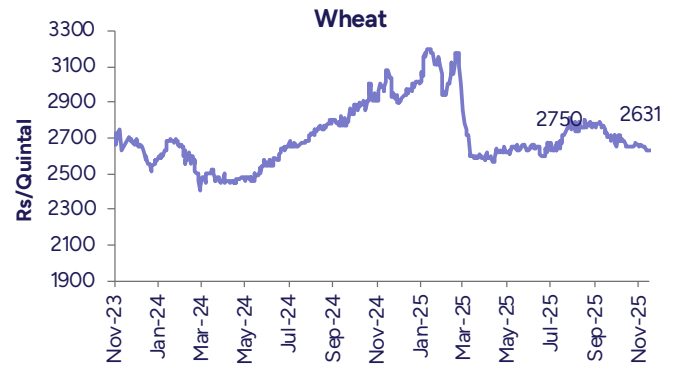
Source: PL

Exhibit 56: Sugar prices slightly up 3.5% since July'25 Mid



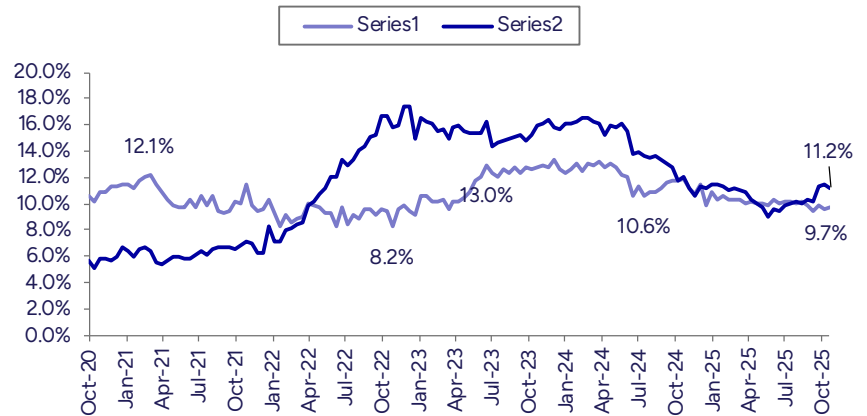
Source: PL

Exhibit 57: Wheat prices down -4.3% since July'25 End



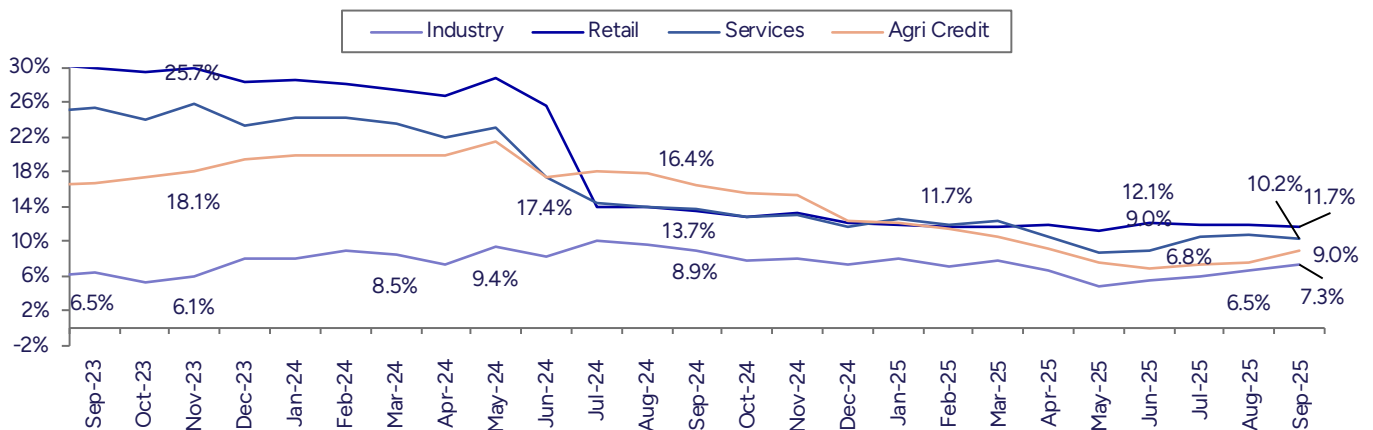
Source: PL

Exhibit 58: Credit growth up 220bps, deposit growth down 20bps since May'25



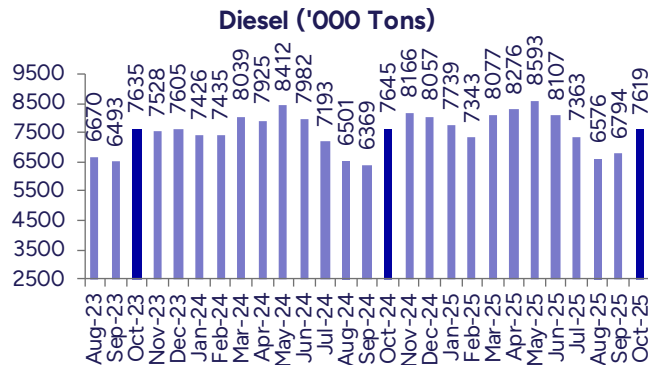
Source: RBI, PL ; Note- 14th July,2023 onwards, numbers are including HDFC

Exhibit 59: Agri and Industry credit growth up by 159 bps and 196 bps since Jul'25



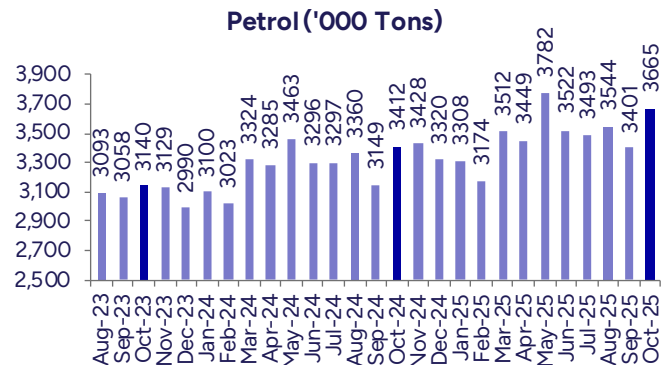
Source: RBI, PL

Exhibit 60: Diesel usage in Oct'25 was flat YoY at 7.6MMT



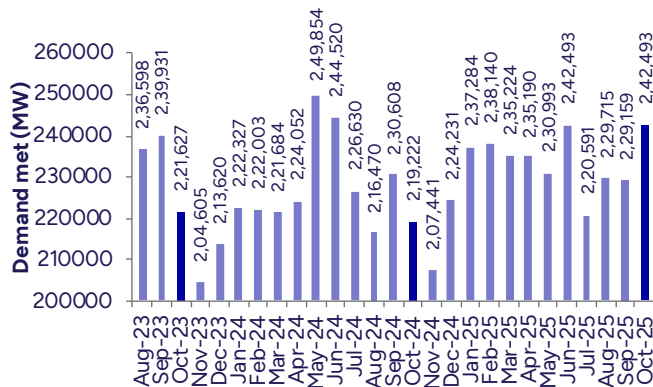
Source: PPAC, PL

Exhibit 61: Oct'25 consumption rises 7.5% YoY to 3.7MMT



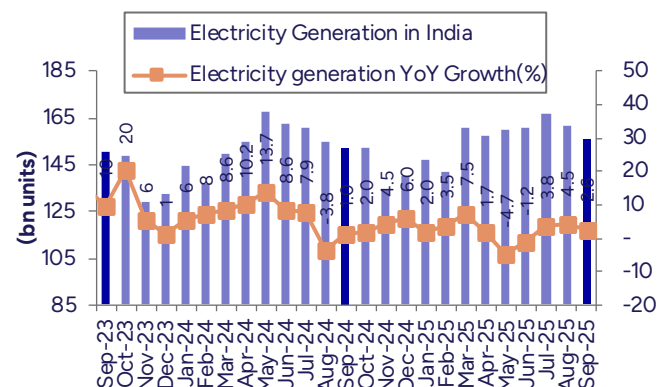
Source: PPAC, PL

Exhibit 62: Oct'25 Power demand up 10.6% YoY



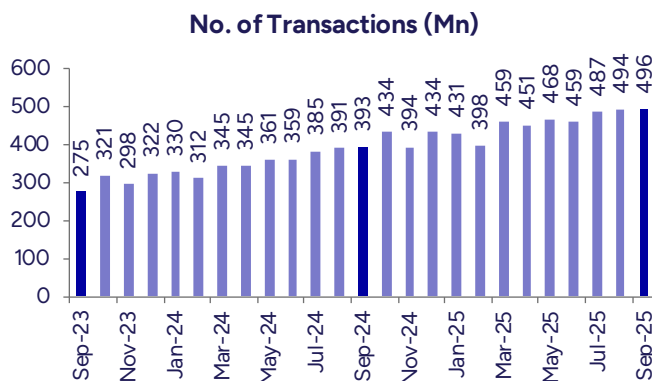
Source: CEA, PL

Exhibit 63: Energy generation up 2.6% YoY in Sep'25



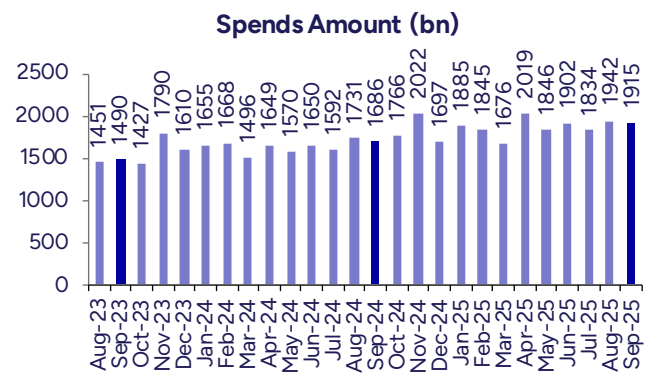
Source: CEA, PL

Exhibit 64: Sep'25 Credit Card transaction up 26.2% YoY



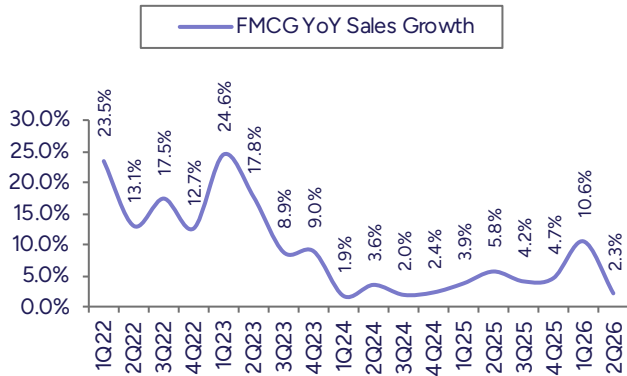
Source: RBI, PL

Exhibit 65: Credit cards - Sep'25 Spending up 22.9% YoY



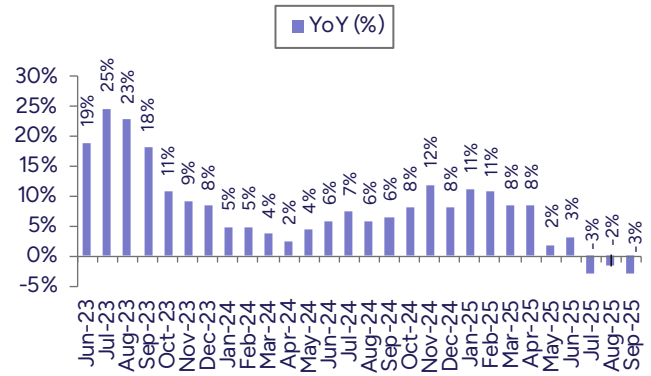
Source: RBI, PL

Exhibit 66: FMCG sales moderated with 2.3% growth YoY



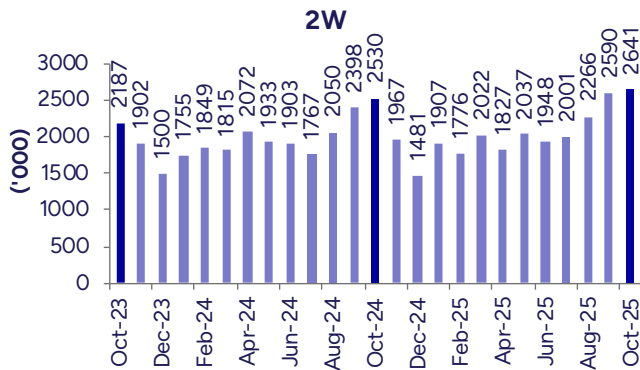
Source: Company, PL

Exhibit 67: Sep'25 Air traffic down 3.0 % YoY to 12.6 mn



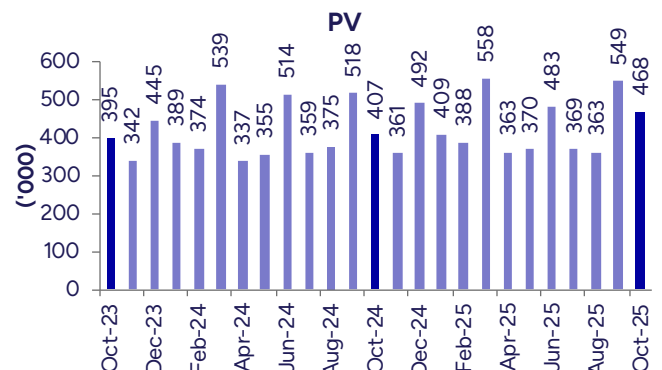
Source: DGCA, PL

Exhibit 68: Oct'25 2W Sales up 4.4% YoY at 2.6 mn



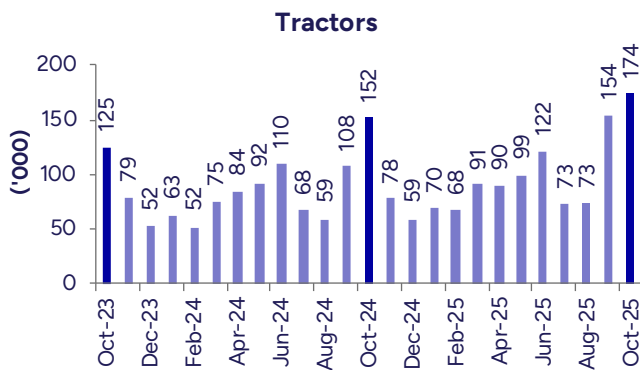
Source: SIAM, PL

Exhibit 69: PV sales are up by 15.2% YoY in Oct'25



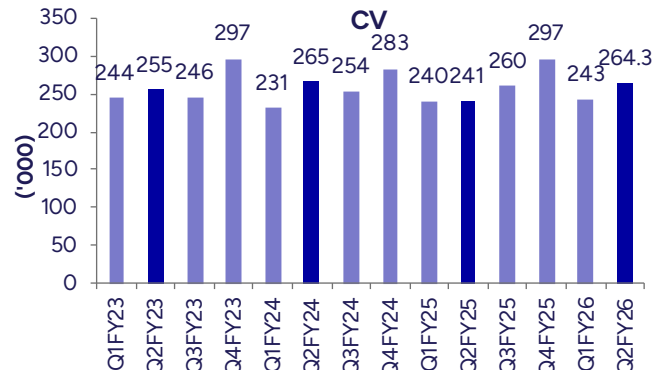
Source: SIAM, PL (*TATA motors only gives Quarterly numbers)

Exhibit 70: Oct'25 Tractor volumes up 14.4% at 174k



Source: SIAM, PL

Exhibit 71: 2QFY26 CV volumes up 9.8% YoY at 264k



Source: SIAM, PL

2Q26 EBIDTA/PBT beat estimates

PL Coverage universe posted 1.4% lower sales growth than estimates for 2Q26. EBIDTA/PAT beat estimates by 5% and 7.3%. Ex-BFSI EBIDTA and PAT beat was 4.8/7.3%. Ex- Oil & Gas EBIDTA and PAT beat was 4.2% and 4.7%.

There were 12 rating upgrades and 8 rating downgrades. Capital Goods and Oil and Gas has 2 rating downgrades while BFSI, Chemicals, metals and pharma have one each. Rating upgrades have been in Capital Goods 3, IT services 3 and one each in Building materials, Consumer, EMS, NBFC, Oil and Gas and Pharma.

Major Rating Upgrade: KEC International, Kalpataru Projects International, Thermax, Jubilant Foodworks, Kaynes Technology India, Tat Elxsi, Tata Technologies, HCL Technologies, Shriram Finance, GAIL and IPCA Labs.

Major Rating Downgrade: LIC Housing Finance, Ingersoll-Rand (India), Triveni Turbine, PCBL Chemicals, Hindalco Industries, Gujarat State Petronet, Hindustan Petroleum Corporation and Cipla.

Major Estimates Upgrade – Astral, ACC, Bharti Airtel, GE Vernova TD & India, Mahindra & Mahindra, Maruti Suzuki, State Bank of India, Navin Fluorine International, Shriram Finance, Tata Technologies.

Estimate Downgrade – ABB India, Amber Enterprises India, Aarti Industries, Bajaj Finance, BEML, Chalet Hotels, Crompton Greaves Consumer Electricals, Interglobe Aviation, Krishna Institute of Medical Sciences, Praj Industries, Rainbow Children's Medicare, Samhi Hotels, Thermax, Voltas, and VIP Industries.

Exhibit 72: Building material, Durables, Hospitals, Oil and Gas, Ports and Telecom have shown maximum EBIDTA beat

	Revenue (Rs mn)			EBITDA (Rs mn)			PBT (Rs mn)			PAT (Rs mn)		
	Estimate	Actual	% Var.	Estimate	Actual	% Var.	Estimate	Actual	% Var.	Estimate	Actual	% Var.
Auto	1,178,799	1,206,478	2.3%	168,115	171,912	2.3%	179,457	183,916	2.5%	137,880	140,140	1.6%
Banks	1,441,109	1,452,836	0.8%	1,048,982	1,116,433	6.4%				651,403	695,845	6.8%
Building Materials	79,958	82,854	3.6%	10,770	11,722	8.8%	8,440	8,937	5.9%	6,652	6,776	1.9%
Capital Goods	1,322,625	1,311,450	-0.8%	158,113	159,076	0.6%	151,279	157,009	3.8%	107,080	109,001	1.8%
Cement	416,429	448,909	7.8%	72,394	76,389	5.5%	39,041	42,750	9.5%	28,784	50,537	75.6%
Chemicals	173,714	171,795	-1.1%	32,498	32,866	1.1%	23,243	23,132	-0.5%	18,853	18,013	-4.5%
Consumer Durables	224,067	221,041	-1.4%	22,035	23,227	5.4%	20,236	21,222	4.9%	15,103	15,293	1.3%
Consumer Staples	1,033,966	1,040,190	0.6%	196,887	198,820	1.0%	183,922	185,448	0.8%	137,830	138,254	0.3%
Education	8,006	8,149	1.8%	856	1,005	17.4%	510	648	27.1%	359	433	20.6%
EMS	44,245	43,922	-0.7%	4,149	4,243	2.3%	2,694	2,514	-6.7%	1,993	2,105	5.6%
HFCs	26,585	27,311	2.7%	22,768	24,267	6.6%				16,464	17,692	7.5%
Hospitals	159,019	165,019	3.8%	32,296	34,199	5.9%	22,235	23,764	6.9%	16,621	19,371	16.5%
Information Technology	2,033,963	2,056,473	1.1%	396,294	412,969	4.2%	431,036	438,966	1.8%	317,830	325,346	2.4%
Logistics	45,871	45,531	-0.7%	2,630	1,868	-29.0%	918	-300	-132.7%	827	531	-35.8%
Media	43,615	43,605	0.0%	7,566	8,110	7.2%	2,226	13,194	492.6%	1,530	1,434	-6.3%
Metals	2,323,760	2,296,463	-1.2%	334,024	354,193	6.0%	200,439	213,757	6.6%	148,875	156,389	5.0%
NBFC	234,240	230,150	-1.7%	181,327	179,087	-1.2%				98,004	93,738	-4.4%
Oil & Gas	7,974,887	7,564,530	-5.1%	959,320	1,033,580	7.7%	644,522	731,831	13.5%	454,486	518,327	14.0%
Pharmaceuticals	626,821	646,185	3.1%	164,115	169,990	3.6%	143,508	146,464	2.1%	107,170	109,193	1.9%
Ports	102,359	104,331	1.9%	57,921	63,721	10.0%	42,101	45,759	8.7%	37,246	36,825	-1.1%
Telecom	480,313	521,454	8.6%	268,975	295,614	9.9%	82,084	122,413	49.1%	53,841	67,917	26.1%
Travel & Tourism	214,120	219,757	2.6%	41,238	18,085	-56.1%	5,171	-18,175	-451.4%	3,240	6,074	87.5%
PL Universe	20,188,469	19,908,435	-1.4%	4,183,275	4,391,374	5.0%	2,183,061	2,343,251	7.3%	2,362,073	2,529,233	7.1%
PL Universe (ex-BFSI)	18,486,535	18,198,137	-1.6%	2,930,198	3,071,588	4.8%	2,183,061	2,343,251	7.3%	1,596,201	1,721,959	7.9%
PL Universe (ex-O&G)	12,213,582	12,343,905	1.1%	3,223,955	3,357,795	4.2%	1,538,539	1,611,420	4.7%	1,907,587	2,010,906	5.4%

Source: Company, PL

2Q26 EBIDTA grows 16.3%, margins up 153bps

PL Universe reported Sales, EBIDTA, PAT growth of 8.1%, 16.3%, and 16.4% YoY respectively. Ex-BFSI EBIDTA increased 22.6% while PBT increased by 25.7% YoY. Ex-O&G EBIDTA increased 11.5% while PBT increased 18.8% YoY.

Hospitals, Capital Goods, cement, EMS, Ports, NBFC and Telecom posted healthy double-digit sales growth while education, pharma and travel posted low double digit sales growth.

Commodity segments like Cement, Metals and Oil and Gas reported a strong 58.5/33.3/34.9% respectively. Building Materials, durables, EMS, Hospitals, NBFC, Pharma and Telecom posted healthy EBIDTA growth between 12-35%. Banks, Capital Goods, chemicals, consumer, HFC and IT services reported single digit profit growth.

Exhibit 73: Commodities, Telecom, EMS, Hospitals have strong EBIDTA growth; Travel, media and capital goods disappoint

	Revenue Growth (%)		EBITDA Growth (%)		EBITDA Margin (bps)		PBT (%)		PAT (%)	
	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Auto	18.5%	9.9%	16.9%	13.0%	-19	40	9.8%	13.4%	17.5%	12.0%
Banks	2.5%	1.8%	1.5%	-8.5%	-73	-866			-0.5%	-0.1%
Building Materials	8.5%	3.1%	28.8%	20.5%	224	204	23.7%	20.8%	18.5%	22.1%
Capital Goods	13.8%	13.1%	0.8%	24.9%	-156	114	4.6%	25.1%	-0.8%	26.2%
Cement	19.6%	-8.6%	58.5%	-21.9%	418	-290	103.7%	-34.2%	220.6%	6.1%
Chemicals	2.6%	2.0%	8.2%	2.5%	99	10	5.7%	-0.4%	8.0%	1.1%
Consumer Durables	9.1%	-6.1%	25.3%	1.6%	136	80	20.5%	-1.9%	20.9%	-2.1%
Consumer Staples	8.0%	0.1%	6.8%	-1.5%	-22	-32	4.8%	-1.5%	3.1%	-1.8%
Education	11.7%	-39.9%	13.6%	-69.1%	21	-1,168	-1.8%	-77.7%	-6.9%	-79.8%
EMS	17.0%	-22.5%	29.1%	-17.0%	91	64	21.9%	-29.0%	36.9%	-16.5%
HFCs	6.9%	0.9%	9.1%	1.7%	181	67			4.8%	2.7%
Hospitals	15.9%	8.2%	18.1%	14.6%	39	115	13.4%	18.6%	33.1%	29.1%
Information Technology	6.0%	4.4%	8.0%	8.0%	37	67	6.5%	3.8%	7.5%	5.4%
Logistics	13.2%	8.3%	16.4%	-26.2%	11	-192	-168.7%	-125.5%	117.9%	-46.8%
Media	9.5%	10.7%	-1.3%	8.8%	-204	-31	409.4%	479.4%	-28.9%	28.4%
Metals	12.2%	4.7%	33.3%	3.8%	244	-13	57.0%	6.5%	43.4%	7.6%
NBFC	18.7%	5.2%	19.7%	4.4%	66	-64			20.8%	4.0%
Oil & Gas	3.9%	-1.9%	34.9%	3.9%	314	77	44.2%	-2.7%	41.3%	-6.8%
Pharmaceuticals	11.4%	5.0%	12.2%	3.4%	20	-39	11.3%	1.6%	9.7%	6.4%
Ports	29.3%	0.8%	30.3%	4.9%	48	237	31.0%	9.9%	28.8%	-0.5%
Telecom	25.7%	5.4%	35.3%	6.2%	401	41	115.6%	17.5%	52.7%	14.2%
Travel & Tourism	10.1%	-9.3%	-43.2%	-73.4%	-773	-1,987	399.8%	-157.6%	-211.9%	-79.6%
PL Universe	8.2%	1.7%	16.3%	-0.1%	153	-40	25.7%	1.0%	16.4%	1.0%
PL Universe (Ex-BFSI)	8.6%	1.6%	22.6%	3.0%	193	23	25.7%	1.0%	24.9%	1.3%
PL Universe (Ex-Oil & Gas)	11.0%	4.0%	11.5%	-1.3%	13	-147	18.8%	2.7%	11.4%	3.3%

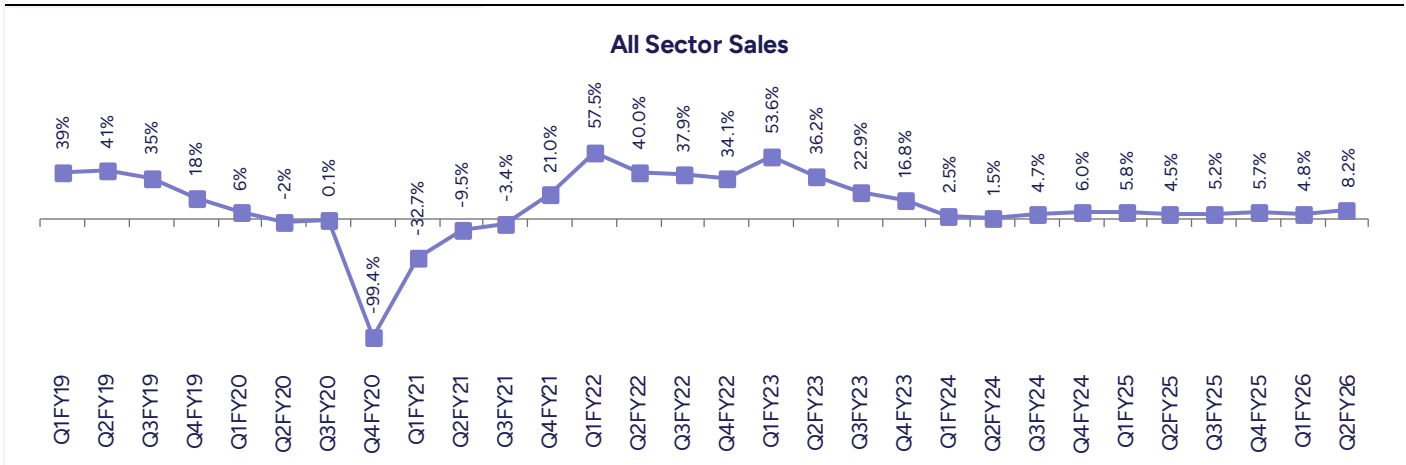
Source: Company, PL

Major Target Price increase – HDFC Bank, State Bank of India, Bank of Baroda, BHEL, GE Vernova TD & India, Larsen & Toubro, Navin Flourine, Nestle, Asian Paints, Titan Company, Fortis Healthcare, Aster DM Healthcare, Tata Technologies, Tata Elxsi, Shriram Finance, Cholamandalam Investment and Finance Company, IPCA Laboratories, Bharti Airtel.

Major Target price Cuts – VIP Industries, Gujarat State Petronet, Gujarat Gas, Hindalco Industries, Delhivery, Rainbow Children's Medicare, Amber Enterprises India, Westlife Foodworld, Bajaj Electricals, PCBL Chemical, Praj Industries and Finolex Industries.

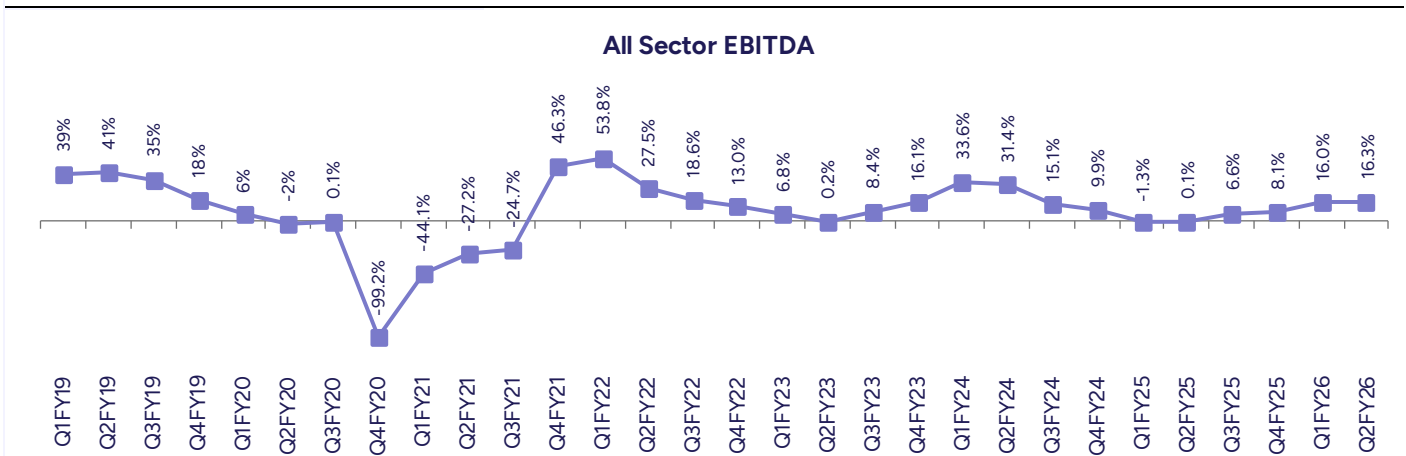
2Q shows impact of early festival season and GST rate cuts

Exhibit 74: Hospitals, CG, EMS, Ports, NBFC, Telecom and cement post double digit sales growth



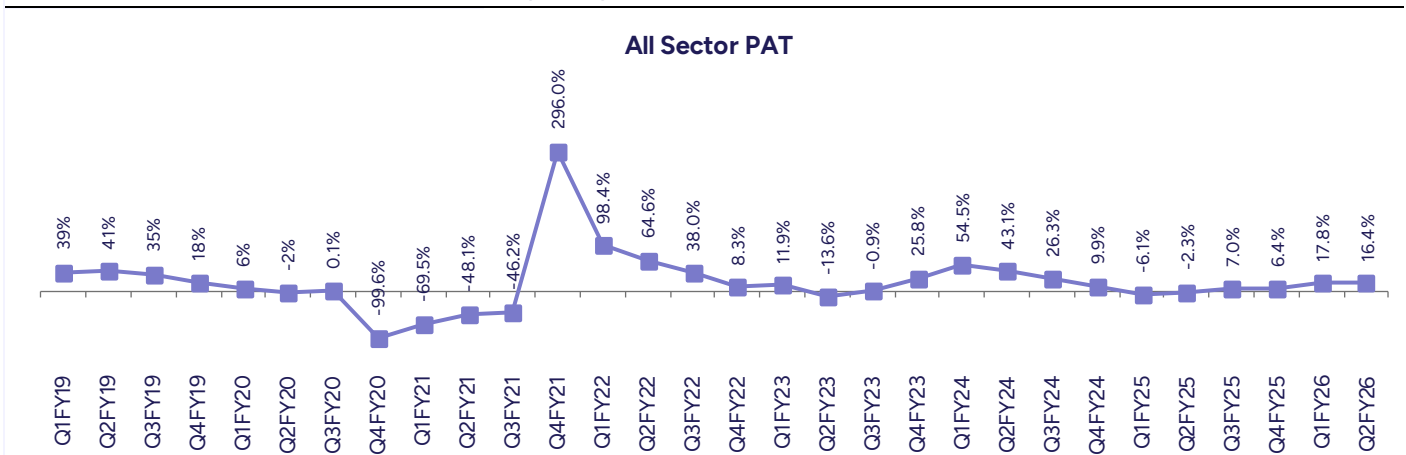
Source: Company, PL

Exhibit 75: Commodities, NBFC, Hospitals, EMS, Telecom drive EBITDA



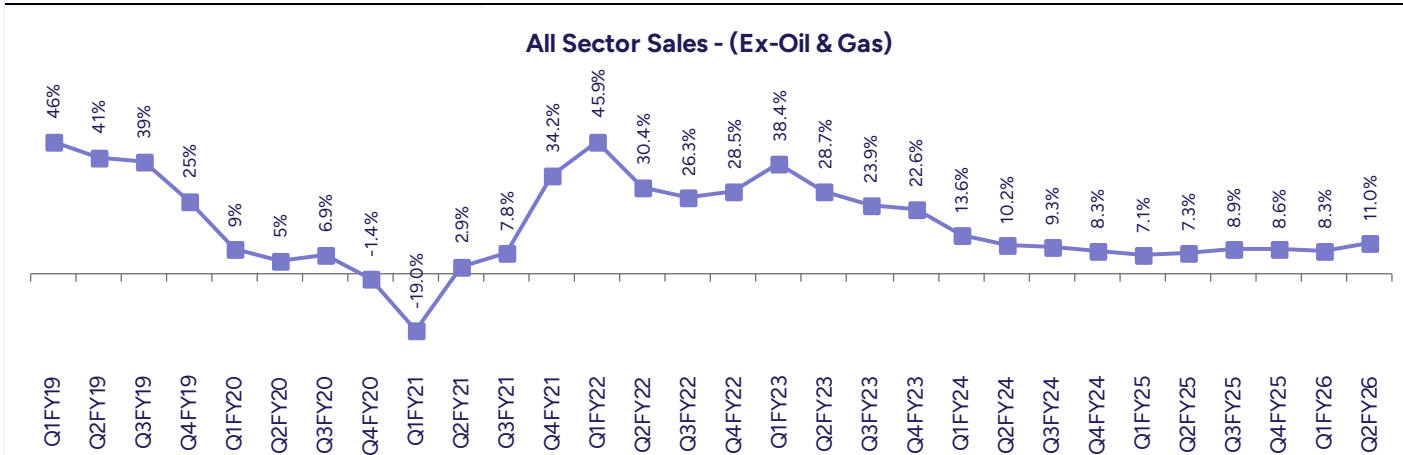
Source: Company, PL

Exhibit 76: Banks, Capital Goods and travel drag PAT growth



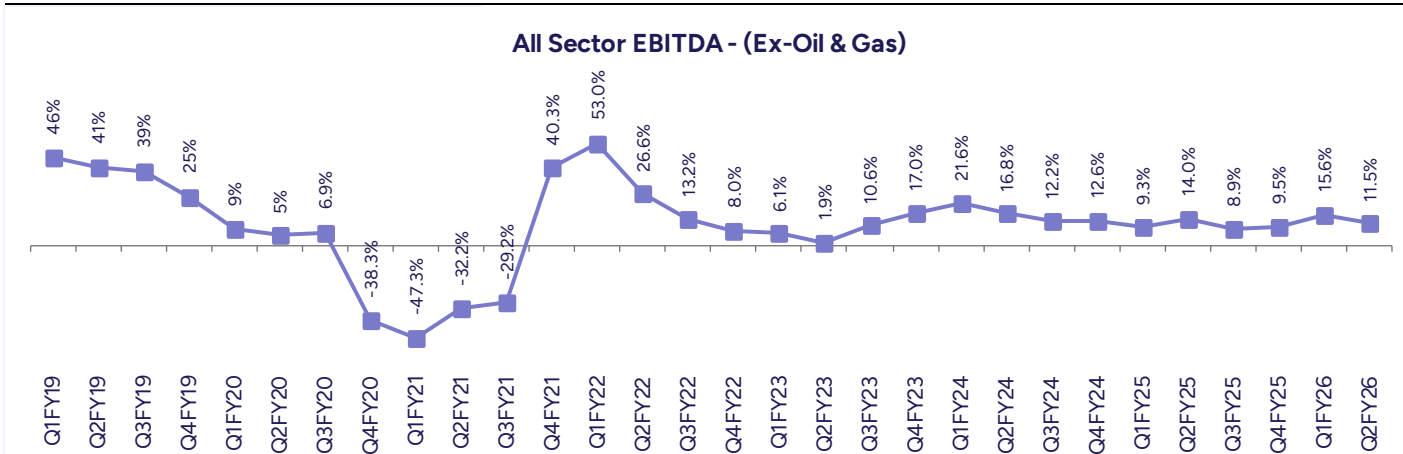
Source: Company, PL

Exhibit 77: Capital Goods, Hospitals, Ports, Telecom post strong sales growth



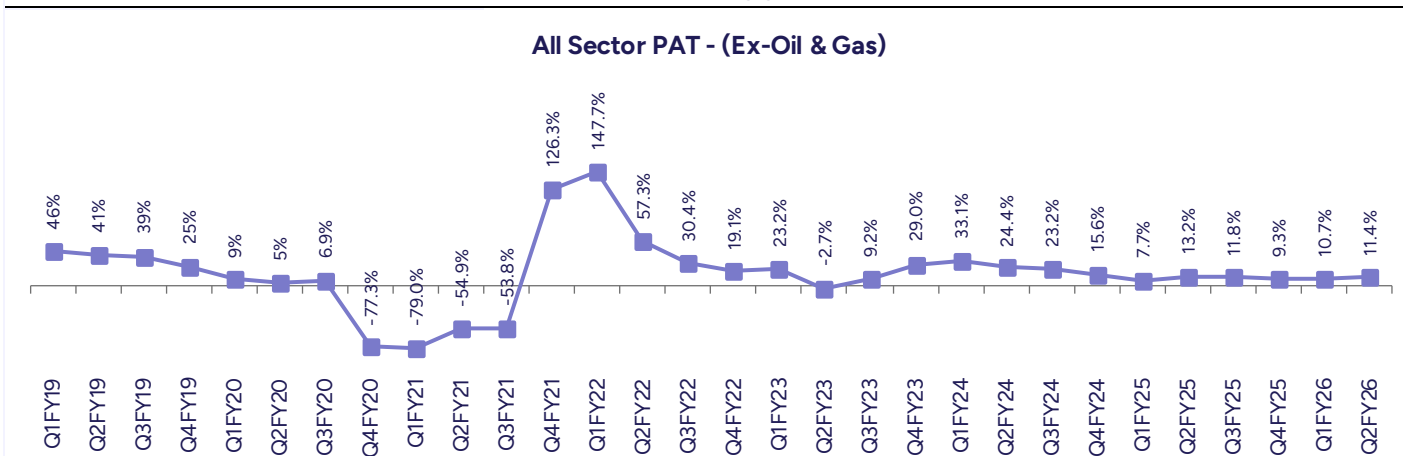
Source: Company, PL

Exhibit 78: Banks, Capital Goods, Media and Travel drag EBITDA growth



Source: Company, PL

Exhibit 79: Cement, Metal, Telecom, hospitals and Ports post strong growth



Source: Company, PL

Exhibit 80: 2QFY26 Result Snapshot

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Automobiles															
Bajaj Auto	1,49,221	1,31,275	13.7	1,25,845	18.6	30,517	26,522	15.1	24,818	23.0	24,797	20,050	23.7	20,960	18.3
Eicher Motors	61,716	42,631	44.8	50,418	22.4	15,119	10,877	39.0	12,028	25.7	13,695	11,003	24.5	12,052	13.6
Hero Motocorp	1,21,264	1,04,632	15.9	95,789	26.6	18,234	15,159	20.3	13,817	32.0	13,928	12,035	15.7	11,257	23.7
Mahindra & Mahindra	3,34,216	2,75,533	21.3	3,40,832	-1.9	48,615	39,497	23.1	48,840	-0.5	45,728	38,864	17.7	35,981	27.1
Maruti Suzuki	4,21,008	3,72,028	13.2	3,84,136	9.6	44,341	44,166	0.4	39,953	11.0	32,931	30,692	7.3	37,117	-11.3
TVS Motors	1,19,054	92,282	29.0	1,00,810	18.1	15,086	10,798	39.7	12,630	19.4	9,061	6,626	36.7	7,786	16.4
Total	12,06,478	10,18,381	18.5	10,97,830	9.9	1,71,912	1,47,019	16.9	1,52,086	13.0	1,40,140	1,19,272	17.5	1,25,153	12.0
Banks															
Axis Bank	1,37,446	1,34,832	1.9	1,35,598	1.4	1,04,125	1,07,125	-2.8	1,15,152	-9.6	50,896	69,176	-26.4	58,061	-12.3
Bank of Baroda	1,11,836	1,16,221	-3.8	1,10,495	1.2	75,760	94,770	-20.1	82,365	-8.0	48,094	52,379	-8.2	45,414	5.9
City Union Bank	6,665	5,825	14.4	6,253	6.6	4,706	4,282	9.9	4,509	4.4	3,286	2,852	15.2	3,059	7.4
DCB Bank	5,962	5,092	17.1	5,804	2.7	3,039	2,551	19.1	3,269	-7.0	1,839	1,555	18.3	1,573	16.9
Federal Bank	24,952	23,672	5.4	23,368	6.8	16,442	15,654	5.0	15,563	5.6	9,553	10,567	-9.6	8,618	10.9
HDFC Bank	3,15,515	3,01,139	4.8	3,14,380	0.4	2,79,236	2,47,057	13.0	3,57,340	-21.9	1,86,413	1,68,210	10.8	1,81,552	2.7
ICICI Bank	2,15,295	2,00,480	7.4	2,12,435	1.3	1,72,980	1,67,232	3.4	1,87,458	-7.7	1,23,589	1,17,459	5.2	1,27,682	-3.2
IndusInd bank	44,094	53,473	-17.5	44,548	-1.0	20,280	35,918	-43.5	24,672	-17.8	-4,448	13,255	NA	4,993	NA
Kotak Mahindra Bank	73,107	70,196	4.1	72,593	0.7	52,683	50,993	3.3	55,637	-5.3	32,533	33,437	-2.7	32,817	-0.9
State Bank of India	4,29,841	4,16,195	3.3	4,10,725	4.7	3,19,044	2,92,937	8.9	3,05,445	4.5	2,01,599	1,83,314	10.0	1,91,604	5.2
Union Bank of India	88,124	90,473	-2.6	91,126	-3.3	68,140	81,128	-16.0	69,087	-1.4	42,491	47,197	-10.0	41,155	3.2
Total	14,52,836	14,17,597	2.5	14,27,324	1.8	11,16,433	10,99,646	1.5	12,20,495	-8.5	6,95,845	6,99,400	-0.5	6,96,527	-0.1
Building Materials															
Astral Ltd.	15,774	13,704	15.1	13,612	15.9	2,568	2,101	22.2	1,849	38.9	1,348	1,087	24.0	792	70.2
Century Plyboard (I)	13,855	11,836	17.1	11,694	18.5	1,746	1,113	56.9	1,282	36.3	709	400	77.4	529	34.0
Cera Sanitaryware	4,879	4,900	-0.4	4,194	16.3	671	696	-3.5	531	26.5	566	681	-16.8	465	21.7
Finolex Industries	8,587	8,284	3.7	10,432	-17.7	1,302	106	1,131.5	936	39.1	1,236	407	203.8	982	25.9
Greenpanel Industries	3,960	3,327	19.0	3,282	20.7	326	257	27.0	76	331.2	-61	143	NA	-346	NA
Kajaria Ceramics	11,860	11,618	2.1	11,027	7.6	2,135	1,635	30.6	1,869	14.2	1,330	934	42.5	1,103	20.6
Supreme Industries	23,939	22,730	5.3	26,092	-8.3	2,974	3,192	-6.8	3,189	-6.7	1,647	2,066	-20.3	2,023	-18.6
Total	82,854	76,399	8.5	80,333	3.1	11,722	9,099	28.8	9,730	20.5	6,776	5,717	18.5	5,548	22.1

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Capital Goods															
ABB	33,107	29,122	13.7	31,754	4.3	5,004	5,402	-7.4	4,141	20.8	4,089	4,405	-7.2	3,521	16.1
Apar Inds Ltd	57,154	46,445	23.1	51,042	12.0	4,609	3,565	29.3	4,523	1.9	2,517	1,939	29.8	2,629	-4.3
BEML	8,391	8,598	-2.4	6,340	32.4	732	730	0.3	-493	NA	486	510	-4.7	-641	NA
Bharat Electronics	57,637	45,834	25.8	44,168	30.5	16,953	13,885	22.1	12,399	36.7	12,861	10,913	17.9	9,691	32.7
BHEL	75,118	65,841	14.1	54,869	36.9	5,809	2,750	111.2	-5,371	NA	3,677	967	280.3	-4,549	NA
Carborandum Universal	12,981	12,241	6.0	12,190	6.5	1,564	1,950	-19.8	1,213	29.0	745	1,159	-35.7	619	20.4
Elgi Equipments	9,680	8,689	11.4	8,667	11.7	1,399	1,416	-1.2	1,211	15.5	988	947	4.3	856	15.4
Engineers India	9,213	6,889	33.7	8,704	5.9	846	624	35.6	721	17.3	483	996	-51.5	654	-26.1
GE Vernova T&D India	15,385	11,078	38.9	13,301	15.7	3,965	2,047	93.7	3,876	2.3	2,995	1,446	107.1	2,912	2.8
Grindwell Norton	7,747	6,939	11.7	7,035	10.1	1,407	1,292	8.8	1,299	8.3	1,069	962	11.1	945	13.2
Harsha Engineering	3,783	3,526	7.3	3,653	3.6	535	418	27.9	554	-3.5	364	290	25.8	379	-3.9
Hindustan Aeronautics	66,286	59,763	10.9	48,190	37.6	15,579	16,400	-5.0	12,824	21.5	16,691	15,061	10.8	13,838	20.6
Ingersoll-Rand (India)	3,219	3,221	-0.0	3,153	2.1	759	792	-4.3	742	2.2	604	604	-	590	2.3
KEC International	60,916	51,133	19.1	50,229	21.3	4,304	3,202	34.4	3,501	22.9	1,608	854	88.2	1,486	8.2
Cummins India	31,703	24,923	27.2	29,068	9.1	6,948	4,810	44.4	6,235	11.4	6,377	4,506	41.5	5,555	14.8
Kalpataru Power Transmission	54,188	41,361	31.0	50,397	7.5	4,472	3,485	28.3	4,284	4.4	1,999	1,323	51.1	2,008	-0.4
Kirloskar Pneumatic Company	3,864	4,307	-10.3	2,817	37.2	585	936	-37.5	333	75.7	438	675	-35.1	253	73.1
Larsen & Toubro	6,79,835	6,15,546	10.4	6,36,789	6.8	68,064	63,620	7.0	63,177	7.7	39,261	33,953	15.6	36,172	8.5
Praj Industries	8,416	8,162	3.1	6,402	31.5	558	941	-40.7	356	56.7	193	538	-64.2	53	261.3
Siemens	51,712	44,570	16.0	43,468	19.0	6,372	5,558	14.6	5,250	21.4	5,055	4,647	8.8	4,215	19.9
Siemens Energy India	26,488	20,041	32.2	17,846	48.4	4,811	20,041	NA	3,403	41.4	3,605	20,041	NA	2,627	37.2
Thermax	24,739	25,501	-3.0	21,017	17.7	1,720	2,124	-19.0	1,693	1.6	1,197	1,505	-20.5	1,128	6.1
Triveni Turbine	5,062	5,011	1.0	3,713	36.3	1,146	1,114	2.9	736	55.7	912	909	0.3	645	41.4
Voltamp Transformers	4,826	3,977	21.3	4,236	13.9	936	750	24.8	726	28.8	789	757	4.1	795	-0.9
Total	13,11,450	11,52,717	13.8	11,59,049	13.1	1,59,076	1,57,852	0.8	1,27,332	24.9	1,09,001	1,09,907	-0.8	86,381	26.2

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Cement															
ACC	59,317	46,135	28.6	60,872	-2.6	8,457	4,364	93.8	7,780	8.7	11,193	2,244	398.9	3,755	198.1
Ambuja Cement	91,745	75,525	21.5	1,02,891	-10.8	17,609	11,114	58.4	19,611	-10.2	23,023	4,965	363.7	10,170	126.4
Dalmia Bharat	34,170	30,870	10.7	36,360	-6.0	6,960	4,340	60.4	8,830	-21.2	2,380	460	417.4	3,930	-39.4
Nuvoco Vistas Corporation	24,576	22,686	8.3	28,727	-14.5	3,670	2,188	67.8	5,186	-29.2	364	-804	NA	1,279	-71.5
Shree Cement	43,032	37,270	15.5	49,480	-13.0	8,750	5,925	47.7	12,291	-28.8	2,938	931	215.5	6,185	-52.5
Ultratech Cement	1,96,069	1,62,944	20.3	2,12,755	-7.8	30,943	20,272	52.6	44,103	-29.8	10,639	7,969	33.5	22,318	-52.3
Total	4,48,909	3,75,430	19.6	4,91,084	-8.6	76,389	48,203	58.5	97,801	-21.9	50,537	15,764	220.6	47,637	6.1
Chemicals															
Aarti Industries	21,000	16,280	29.0	16,750	25.4	3,060	1,960	56.1	2,110	45.0	1,210	510	137.3	430	181.4
Clean Science and Technology	2,446	2,381	2.7	2,429	0.7	871	897	-2.9	999	-12.8	554	587	-5.6	701	-20.9
Deepak Nitrite	19,019	20,320	-6.4	18,899	0.6	2,043	2,975	-31.3	1,896	7.8	1,212	1,942	-37.6	1,128	7.4
Fine Organic Industries	5,973	5,958	0.2	5,884	1.5	1,352	1,506	-10.3	1,236	9.4	1,096	1,179	-7.1	1,108	-1.1
Gujarat Fluorochemicals	12,100	11,880	1.9	12,810	-5.5	3,640	2,950	23.4	3,440	5.8	1,790	1,210	47.9	1,840	-2.7
Jubilant Ingrevia	11,207	10,452	7.2	10,380	8.0	1,355	1,246	8.8	1,421	-4.7	695	590	17.7	751	-7.5
Laxmi Organic Industries	6,997	7,713	-9.3	6,929	1.0	371	747	-50.4	308	20.6	110	282	-60.9	214	-48.5
Navin Fluorine International	7,584	5,186	46.3	7,254	4.6	2,462	1,074	129.3	2,068	19.0	1,484	588	152.2	1,172	26.6
NOCIL	3,206	3,627	-11.6	3,362	-4.7	223	378	-40.9	306	-27.0	121	421	-71.2	173	-29.7
PCBL Chemicals	21,636	21,632	0.0	21,141	2.3	2,662	3,635	-26.8	3,191	-16.6	617	1,235	-50.0	941	-34.4
P.I. Industries	18,723	22,210	-15.7	19,005	-1.5	5,413	6,282	-13.8	5,191	4.3	4,093	5,082	-19.5	4,000	2.3
SRF	36,402	34,243	6.3	38,186	-4.7	7,742	5,380	43.9	8,298	-6.7	3,882	2,014	92.7	4,323	-10.2
Vinati Organics	5,502	5,533	-0.6	5,420	1.5	1,673	1,337	25.1	1,597	4.8	1,149	1,044	10.1	1,042	10.3
Total	1,71,795	1,67,415	2.6	1,68,448	2.0	32,866	30,367	8.2	32,059	2.5	18,013	16,683	8.0	17,822	1.1

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Consumer Durables															
Bajaj Electricals	11,071	11,183	-1.0	10,646	4.0	619	516	19.9	333	85.7	146	129	13.4	16	792.1
Cello World	5,874	4,901	19.9	5,290	11.0	1,277	1,186	7.6	1,091	17.1	857	816	4.9	730	17.3
Crompton Greaves Consumer Electricals	19,156	18,960	1.0	19,983	-4.1	1,584	2,034	-22.1	1,917	-17.4	712	1,249	-43.0	1,223	-41.8
Havells India	47,793	45,393	5.3	54,554	-12.4	4,384	3,751	16.9	5,157	-15.0	3,183	2,678	18.9	3,475	-8.4
KEI Inds	27,263	22,838	19.4	25,903	5.3	2,693	2,248	19.8	2,580	4.4	2,035	1,548	31.5	1,957	4.0
Polycab India	64,772	54,984	17.8	59,060	9.7	10,208	6,316	61.6	8,576	19.0	6,855	4,398	55.9	5,921	15.8
R R Kabel	21,638	18,101	19.5	20,586	5.1	1,758	858	104.9	1,421	23.7	1,163	495	134.7	898	29.5
Voltas	23,473	26,191	-10.4	39,386	-40.4	704	1,622	-56.6	1,785	-60.6	343	1,340	-74.4	1,405	-75.6
Total	2,21,041	2,02,552	9.1	2,35,408	-6.1	23,227	18,530	25.3	22,860	1.6	15,293	12,654	20.9	15,626	-2.1
Consumer Staples															
Asian Paints	85,313	80,275	6.3	89,386	-4.6	15,034	12,395	21.3	16,250	-7.5	9,899	9,111	8.7	11,000	-10.0
Britannia Industries	48,406	46,676	3.7	46,222	4.7	9,546	7,834	21.8	7,571	26.1	6,584	5,351	23.0	5,250	25.4
Colgate Palmolive	15,195	16,191	-6.2	14,341	6.0	4,654	4,974	-6.4	4,526	2.8	3,275	3,530	-7.2	3,206	2.1
Dabur India	31,913	30,286	5.4	34,046	-6.3	5,881	5,526	6.4	6,678	-11.9	4,448	4,175	6.5	5,083	-12.5
Avenue Supermarts	1,66,763	1,44,445	15.5	1,63,597	1.9	12,137	10,938	11.0	12,990	-6.6	6,850	6,596	3.8	7,728	-11.4
Emami	7,985	8,906	-10.3	9,041	-11.7	1,785	2,505	-28.7	2,142	-16.7	1,484	2,127	-30.2	1,642	-9.7
Hindustan Unilever	1,55,850	1,55,080	0.5	1,59,310	-2.2	35,630	36,470	-2.3	35,580	0.1	24,780	26,110	-5.1	24,900	-0.5
ITC	1,80,213	1,86,491	-3.4	1,97,499	-8.8	62,520	61,233	2.1	62,613	-0.1	50,917	50,795	0.2	49,124	3.7
Jubilant FoodWorks	16,987	14,669	15.8	17,016	-0.2	3,294	2,842	15.9	3,233	1.9	639	521	22.8	667	-4.1
Kansai Nerolac Paints	18,710	18,638	0.4	20,874	-10.4	2,119	2,150	-1.5	3,120	-32.1	1,369	1,302	5.2	2,309	-40.7
Metro Brands Asia	6,511	5,855	11.2	6,282	3.6	1,707	1,548	10.3	1,939	-12.0	677	698	-3.0	985	-31.3
Marico	34,820	26,640	30.7	32,590	6.8	5,600	5,220	7.3	6,550	-14.5	4,190	3,780	10.8	5,040	-16.9
Mold Tech Packaging	2,098	1,913	9.6	2,406	-12.8	391	336	16.5	468	-16.4	155	141	9.7	216	-28.2
Nestle India	56,436	51,040	10.6	50,962	10.7	12,366	11,677	5.9	11,003	12.4	7,532	7,595	-0.8	6,592	14.3
Pidilite Industries	35,544	32,349	9.9	37,531	-5.3	8,507	7,688	10.7	9,410	-9.6	5,846	5,403	8.2	6,781	-13.8
Restaurant Brands Asia	5,688	4,921	15.6	5,523	3.0	777	700	11.1	681	14.1	-201	-166	NA	-116	NA
Titan Company	1,65,340	1,32,150	25.1	1,45,640	13.5	16,200	11,330	43.0	16,320	-0.7	10,060	7,050	42.7	10,300	-2.3
Westlife Development	6,419	6,180	3.9	6,576	-2.4	671	760	-11.7	853	-21.3	-251	4	NA	12	NA
Total	10,40,190	9,62,705	8.0	10,38,841	0.1	1,98,820	1,86,125	6.8	2,01,925	-1.5	1,38,254	1,34,121	3.1	1,40,720	-1.8

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Education															
DOMS Industries	5,679	4,578	24.1	5,623	1.0	995	859	15.8	987	0.8	583	513	13.5	573	1.7
Navneet Education	2,470	2,718	-9.1	7,940	-68.9	10	26	-60.8	2,270	-99.6	-150	-49	NA	1,570	NA
Total	8,149	7,296	11.7	13,563	-39.9	1,005	885	13.6	3,257	-69.1	433	465	-6.9	2,143	-79.8
EMS															
Amber Enterprises India	16,470	16,847	-2.2	34,491	-52.2	913	1,137	-19.7	2,567	-64.4	-321	210	NA	1,060	NA
Avalon Technologies	3,825	2,750	39.1	3,233	18.3	386	301	28.1	299	29.2	250	175	42.9	142	75.7
Cyient DLM	3,106	3,895	-20.2	2,784	11.6	312	316	-1.4	251	24.5	321	155	108.0	75	330.7
Kaynes Technology India	9,062	5,721	58.4	6,735	34.6	1,480	821	80.2	1,130	30.9	1,214	602	101.7	746	62.7
Syrma SGS Technology	11,459	8,327	37.6	9,440	21.4	1,152	710	62.4	866	33.0	641	396	61.6	497	28.8
Total	43,922	37,540	17.0	56,683	-22.5	4,243	3,286	29.1	5,113	-17.0	2,105	1,538	36.9	2,520	-16.5
Financial Services															
Bajaj Finance	1,07,847	88,377	22.0	1,02,270	5.5	88,769	73,106	21.4	84,878	4.6	49,478	40,137	23.3	47,653	3.8
Cholamandalam Investment and Finance Company	33,787	27,128	24.5	31,838	6.1	24,578	19,221	27.9	24,117	1.9	11,553	9,631	20.0	11,359	1.7
Mahindra & Mahindra Financial Services	21,116	18,106	16.6	20,122	4.9	14,989	11,961	25.3	13,530	10.8	5,693	3,695	54.1	5,295	7.5
Shriram Finance	60,258	54,641	10.3	57,725	4.4	44,434	39,865	11.5	41,924	6.0	23,072	20,713	11.4	21,557	7.0
Sundaram Finance	7,142	5,625	27.0	6,792	5.2	6,318	5,433	16.3	7,171	-11.9	3,942	3,448	14.3	4,287	-8.1
Total	2,30,150	1,93,877	18.7	2,18,746	5.2	1,79,087	1,49,586	19.7	1,71,620	4.4	93,738	77,624	20.8	90,152	4.0
Healthcare															
Apollo Hospitals Enterprise	63,035	55,893	12.8	58,421	7.9	9,411	8,155	15.4	8,519	10.5	4,772	3,788	26.0	4,328	10.3
Aster DM Healthcare	11,972	10,864	10.2	10,779	11.1	2,531	2,247	12.6	2,081	21.6	1,097	958	14.4	857	28.0
Fortis Healthcare	23,314	19,884	17.3	21,667	7.6	5,563	4,348	27.9	4,907	13.4	3,219	1,765	82.4	2,603	23.7
HealthCare Global Enterprises	6,469	5,535	16.9	6,132	5.5	1,233	1,023	20.6	1,078	14.4	163	180	-9.6	47	242.5
Jupiter Life Line Hospitals	3,936	3,350	17.5	3,530	11.5	922	782	18.0	785	17.5	573	516	11.1	439	30.5
Krishna Institute of Medical Sciences	9,607	7,773	23.6	8,716	10.2	2,040	2,181	-6.5	1,926	5.9	672	1,074	-37.4	786	-14.5
Max Healthcare Institute	25,800	21,250	21.4	24,600	4.9	6,940	5,660	22.6	6,140	13.0	5,540	3,490	58.7	3,450	60.6
Narayana Hrudayalaya	16,438	13,667	20.3	15,073	9.1	4,069	3,088	31.8	3,370	20.8	2,583	1,993	29.6	1,961	31.7
Rainbow Children's Medicare	4,448	4,175	6.5	3,529	26.0	1,489	1,471	1.2	1,036	43.7	753	789	-4.6	535	40.7
Total	1,65,019	1,42,391	15.9	1,52,446	8.2	34,199	28,955	18.1	29,841	14.6	19,371	14,552	33.1	15,006	29.1

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Housing Finance															
Aavas Financiers	2,881	2,418	19.2	2,776	3.8	2,192	1,948	12.5	1,904	15.1	1,639	1,479	10.8	1,392	17.7
Can Fin Homes	4,046	3,398	19.1	3,628	11.5	3,346	2,878	16.3	3,039	10.1	2,514	2,115	18.9	2,239	12.3
LIC Housing Finance	20,385	19,739	3.3	20,658	-1.3	18,729	17,417	7.5	18,920	-1.0	13,539	13,289	1.9	13,599	-0.4
Total	27,311	25,554	6.9	27,061	0.9	24,267	22,244	9.1	23,863	1.7	17,692	16,883	4.8	17,230	2.7
Information Technology															
Cyient	17.8	18.5	-3.7	17.1	4.0	1.7	2.3	-27.5	1.6	2.7	1.3	1.8	-28.9	1.5	-17.2
HCL Technologies	319.4	288.6	10.7	303.5	5.2	57.3	53.6	6.8	49.4	15.9	45.9	42.4	8.3	38.4	19.3
Infosys	444.9	409.9	8.5	422.8	5.2	93.5	86.5	8.1	88.0	6.2	73.9	65.3	13.2	69.3	6.6
KPIT Technologies	15.9	14.7	7.9	15.4	3.2	2.6	2.5	6.0	2.6	-0.2	1.7	2.0	-17.0	1.7	-1.6
Latent View Analytics	2.6	2.1	23.3	2.4	9.1	0.5	0.4	24.6	0.4	11.5	0.4	0.4	9.1	0.5	-11.7
LTIMindtree	103.9	94.3	10.2	98.4	5.6	16.5	14.6	13.0	14.1	17.2	14.0	12.5	12.0	12.5	11.7
L&T Technology Services	29.8	25.7	15.8	28.7	4.0	4.0	3.9	2.7	3.8	4.4	3.3	3.2	2.8	3.2	4.1
Mphasis	39.0	35.4	10.3	37.3	4.5	6.0	5.4	9.5	5.7	4.4	4.7	4.2	10.8	4.4	6.2
Persistent Systems	35.8	29.0	23.6	33.3	7.4	5.8	4.1	43.7	5.2	12.7	4.7	3.2	45.1	4.2	10.9
Tata Consultancy Services	658.0	642.6	2.4	634.4	3.7	165.7	154.7	7.1	155.1	6.8	129.0	119.1	8.4	127.6	1.1
Tata Technologies	13.2	13.0	2.1	12.4	6.4	1.9	2.1	-9.5	1.7	10.3	1.7	1.6	5.1	1.7	-2.8
Tech Mahindra	139.9	133.1	5.1	133.5	4.8	17.0	12.8	32.7	14.8	15.0	11.9	12.5	-4.5	11.4	4.7
Tata Elxsi	9.2	9.6	-3.9	8.9	2.9	1.7	2.4	-29.0	1.6	4.6	1.5	2.3	-32.5	1.4	7.2
Wipro	227.0	223.0	1.8	221.3	2.5	39.0	37.1	4.9	38.2	2.1	31.3	32.1	-2.4	30.8	1.6
Total	2,056	1,939	6.0	1,969	4.4	413	382	8.0	382	8.0	325	303	7.5	309	5.4
Logistics															
Delhivery	25,593	21,897	16.9	22,940	11.6	682	573	19.0	1,488	-54.2	395	102	287.2	910	-56.6
Mahindra Logistics	16,853	15,211	10.8	16,246	3.7	851	664	28.2	763	11.6	-103	-108	NA	-108	NA
TCI Express	3,085	3,115	-1.0	2,868	7.6	335	368	-9.0	281	19.5	239	249	-4.1	195	22.8
Total	45,531	40,224	13.2	42,053	8.3	1,868	1,605	16.4	2,531	-26.2	531	244	117.9	997	-46.8

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Media															
Imagicaaworld Entertainment	418	400	4.6	1,481	-71.8	-91	-35	NA	726	NA	-393	-66	NA	453	NA
Nazara Technologies	5,265	3,189	65.1	4,988	5.6	620	252	146.4	474	30.7	129	238	-45.9	-125	NA
PVR Inox	18,230	16,221	12.4	14,691	24.1	6,117	4,793	27.6	3,973	54.0	1,059	-118	NA	-539	NA
Zee Entertainment	19,692	20,007	-1.6	18,248	7.9	1,464	3,210	-54.4	2,280	-35.8	639	1,964	-67.5	1,328	-51.9
Total	43,605	39,817	9.5	39,408	10.7	8,110	8,220	-1.3	7,453	8.8	1,434	2,018	-28.9	1,117	28.4
Metals & Mining															
Hindalco Industries	661	582	13.5	642	2.8	90	79	13.7	79	13.4	51	49	3.4	40	27.5
Jindal Stainless	109	98	11.4	102	6.7	14	12	17.0	13	6.0	8	6	32.0	7	13.0
Jindal Steel & Power	115	111	3.1	123	-6.5	19	21	-11.7	30	-37.2	6	9	-25.9	15	-57.3
JSW Steel	452	397	13.8	431	4.6	78	54	44.4	79	-0.9	21	7	195.8	24	-12.7
National Aluminium Co.	43	40	7.3	38	12.8	19	15	24.3	15	29.1	14	11	34.9	11	34.7
NMDC	64	49	29.7	67	-5.4	20	14	43.9	25	-19.6	17	12	40.7	20	-14.5
Steel Authority of India	267	230	15.9	257	3.7	25	13	99.3	26	-2.5	4	8	-48.8	7	-37.7
Tata Steel	587	539	8.9	532	10.4	89	57	55.0	74	19.8	34	7	399.8	22	58.0
Total	2,296	2,047	12.2	2,193	4.7	354	266	33.3	341	3.8	156	109	43.4	145	7.6
Travel & Tourism															
Chalet Hotels	7,353	3,771	95.0	8,946	-17.8	2,992	1,495	100.1	3,573	-16.2	1,548	-1,385	NA	2,032	-23.8
InterGlobe Aviation	1,85,553	1,69,696	9.3	2,04,963	-9.5	8,995	23,947	-62.4	57,190	-84.3	1,039	-7,461	NA	23,236	-95.5
Indian Railway Catering and Tourism Corporation	11,460	10,640	7.7	11,597	-1.2	4,042	3,728	8.4	3,973	1.8	3,362	3,079	9.2	3,307	1.7
Lemon Tree Hotels	3,063	2,844	7.7	3,158	-3.0	1,307	1,307	-0.0	1,405	-7.0	346	296	16.7	383	-9.7
Samhi Hotels	2,930	2,621	11.8	2,722	7.6	1,071	920	16.5	905	18.4	234	111	110.2	152	54.0
Safari Industries (India)	5,336	4,578	16.5	5,278	1.1	740	479	54.6	793	-6.6	469	297	58.3	505	-7.0
V.I.P. Industries	4,063	5,443	-25.3	5,614	-27.6	-1,064	-22	NA	247	NA	-925	-366	NA	110	NA
Total	2,19,757	1,99,592	10.1	2,42,278	-9.3	18,085	31,855	-43.2	68,085	-73.4	6,074	-5,429	NA	29,724	-79.6

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Oil & Gas															
Bharat Petroleum Corporation	1,049.1	1,027.6	2.1	1,125.1	-6.8	97.8	45.1	116.7	96.6	1.2	64.4	24.0	168.7	61.2	5.2
GAIL (India)	350.3	329.3	6.4	347.9	0.7	31.9	37.4	-14.8	33.3	-4.3	22.2	26.7	-17.0	18.9	17.5
Gujarat Gas	37.8	37.8	-0.0	38.7	-2.3	4.5	5.1	-13.0	5.2	-14.0	2.8	3.1	-8.4	3.3	-14.0
Gujarat State Petronet	2.3	2.4	-4.4	2.4	-6.2	1.7	1.9	-10.2	2.0	-14.4	3.8	3.9	-1.8	1.4	168.4
Hindustan Petroleum Corporation	1,007.8	999.3	0.9	1,107.7	-9.0	68.9	27.2	152.9	76.0	-9.4	38.3	6.3	506.9	43.7	-12.4
Indraprastha Gas	40.2	37.0	8.8	39.1	2.8	4.4	5.4	-17.4	5.1	-13.3	3.7	4.3	-13.6	3.6	4.9
Indian Oil Corporation	1,788.8	1,738.5	2.9	1,929.7	-7.3	145.8	37.7	286.6	126.1	15.7	76.1	-9.8	NA	56.9	33.8
Mahanagar Gas	20.5	17.9	14.7	20.8	-1.5	3.4	4.1	-18.0	5.0	-32.2	1.9	2.9	-32.2	3.2	-39.1
Manglore Refinery Petrochemicals	226.5	249.7	-9.3	173.6	30.5	14.9	-4.7	NA	1.8	728.9	6.4	-6.8	NA	-2.7	NA
Oil India	54.6	55.2	-1.1	50.1	8.9	13.2	21.8	-39.3	16.1	-17.5	10.4	18.3	-43.1	8.1	28.3
Oil & Natural Gas Corporation	330.3	338.8	-2.5	320.0	3.2	177.0	182.5	-3.0	186.6	-5.1	98.5	119.8	-17.8	80.2	22.7
Petronet LNG	110.1	130.2	-15.5	118.8	-7.3	11.2	12.0	-6.9	11.6	-3.7	8.1	8.5	-4.9	8.5	-5.3
Reliance Industries	2,546.2	2,315.4	10.0	2,436.3	4.5	458.9	390.6	17.5	429.1	6.9	181.7	165.6	9.7	269.9	-32.7
Total	7,564.5	7,278.9	3.9	7,710.4	-1.9	1,033.6	766.3	34.9	994.5	3.9	518.3	366.8	41.3	556.2	-6.8
Pharma															
Ajanta Pharma	13,537	11,866	14.1	13,027	3.9	3,688	3,372	9.4	3,774	-2.3	3,012	2,377	26.7	2,742	9.8
Aurobindo Pharma	82,857	77,960	6.3	78,681	5.3	16,781	15,661	7.2	16,034	4.7	8,485	8,169	3.9	8,252	2.8
Cipla	75,894	70,510	7.6	69,575	9.1	18,948	18,800	0.8	17,781	6.6	13,512	13,029	3.7	12,976	4.1
Divis Lab	27,150	23,380	16.1	24,100	12.7	8,880	7,160	24.0	7,290	21.8	6,890	5,100	35.1	5,450	26.4
Dr. Reddy's Laboratories	88,051	80,162	9.8	85,452	3.0	20,553	21,466	-4.3	21,501	-4.4	14,268	13,415	6.4	14,096	1.2
Eris Lifesciences	7,924	7,412	6.9	7,730	2.5	2,882	2,646	8.9	2,767	4.2	1,199	916	30.8	1,171	2.4
Indoco Remedies	4,847	4,327	12.0	4,378	10.7	431	403	7.0	175	146.7	-100	-104	NA	-370	NA
IPCA Labs	25,565	23,549	8.6	23,089	10.7	5,543	4,498	23.2	4,246	30.6	3,408	2,295	48.5	2,332	46.1
JB Chem & Pharma	10,849	10,006	8.4	10,939	-0.8	3,096	2,705	14.5	3,009	2.9	2,078	1,746	19.1	2,024	2.7
Lupin	70,475	56,727	24.2	62,683	12.4	21,376	13,083	63.4	16,414	30.2	14,917	8,526	75.0	12,190	22.4
Sun Pharmaceutical Industries	1,44,783	1,32,914	8.9	1,38,514	4.5	40,966	38,109	7.5	40,726	0.6	31,180	30,402	2.6	22,786	36.8
Torrent Pharma	33,020	28,890	14.3	31,780	3.9	10,830	9,390	15.3	10,320	4.9	6,040	4,530	33.3	5,480	10.2
Zydus Lifesciences	61,232	52,370	16.9	65,737	-6.9	16,017	14,160	13.1	20,314	-21.2	4,304	9,109	-52.8	13,526	-68.2
Total	6,46,185	5,80,074	11.4	6,15,685	5.0	1,69,990	1,51,451	12.2	1,64,350	3.4	1,09,193	99,509	9.7	1,02,656	6.4

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Ports															
Ajanta Pharma	91,675	70,670	29.7	91,261	0.5	57,624	43,689	31.9	54,953	4.9	33,212	24,883	33.5	33,146	0.2
Aurobindo Pharma	12,656	10,014	26.4	12,239	3.4	6,097	5,205	17.1	5,812	4.9	3,612	3,715	-2.8	3,847	-6.1
Total	1,04,331	80,684	29.3	1,03,500	0.8	63,721	48,894	30.3	60,765	4.9	36,825	28,598	28.8	36,993	-0.5
Telecom															
Bharti Airtel	5,21,454	4,14,733	25.7	4,94,626	5.4	2,95,614	2,18,462	35.3	2,78,387	6.2	67,917	44,469	52.7	59,479	14.2
Total	5,21,454	4,14,733	25.7	4,94,626	5.4	2,95,614	2,18,462	35.3	2,78,387	6.2	67,917	44,469	52.7	59,479	14.2
Total (Rs bn)	19,908	18,400	8.2	19,578	1.7	4,391	3,777	16.3	4,397	-0.1	2,529	2,172	16.4	2,504	1.0

Source: Company, PL

Exhibit 81: Change in Estimates - Pre-Quarterly to Current

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	%	Upside (%)	M/Cap (Rs bn)	Shares O/s (m)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change			
	Pre-Quarterly	Rating	Change	(Rs)	Pre Qtr.	(Rs)	Chng.				FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	
Automobiles																				
Bajaj Auto	HOLD	HOLD	Maintained	8,980	9,117	9050	-0.7	0.8	2,508	279	340.9	390.7	438.1	341.0	387.2	435.5	🟡	0.0% 🔴	-0.9% 🔴	-0.6%
Eicher Motors	HOLD	HOLD	Maintained	7,126	6,729	6840	1.7	(4.0)	1,955	274	199.7	223.6	246.6	198.0	226.6	251.2	🔴	-0.8% 🟢	1.3% 🟢	1.9%
Hero Motocorp	Accumulate	Accumulate	Maintained	6,000	6,049	6190	2.3	3.2	1,200	200	260.9	280.3	296.4	261.3	281.4	305.7	🟢	0.2% 🟢	0.4% 🟢	3.2%
Mahindra & Mahindra	Accumulate	Accumulate	Maintained	3,717	3,845	3950	2.7	6.3	4,463	1,201	116.2	130.3	143.0	122.0	138.7	152.8	🟢	5.0% 🟢	6.4% 🟢	6.8%
Maruti Suzuki	HOLD	HOLD	Maintained	15,801	15,764	16215	2.9	2.6	4,968	314	512.5	594.2	666.9	499.7	602.5	694.6	🔴	-2.5% 🟢	1.4% 🟢	4.2%
Banks																				
Axis Bank	BUY	BUY	Maintained	1,285	1,375	1425	3.6	10.9	3,981	3,097	83.9	100.2	115.5	79.8	102.1	116.8	🔴	-4.9% 🟢	1.9% 🟢	1.1%
Bank of Baroda	BUY	BUY	Maintained	288	270	300	11.1	4.1	1,492	5,178	30.8	33.8	37.2	31.7	34.0	37.7	🟢	3.0% 🟢	0.6% 🟢	1.3%
City Union Bank	BUY	BUY	Maintained	265	245	265	8.2	(0.2)	197	741	16.5	19.3	21.3	17.1	19.9	22.2	🟢	4.0% 🟢	2.9% 🟢	4.4%
DCB Bank	BUY	BUY	Maintained	181	155	155	0.0	(14.4)	57	317	20.3	24.6	30.1	20.3	24.6	30.1	🟡	0.0% 🟡	0.0% 🟡	0.0%
Federal Bank	BUY	BUY	Maintained	245	220	250	13.6	2.1	602	2,456	15.0	18.9	22.1	16.0	19.7	20.8	🟢	6.7% 🟢	3.9% 🔴	-5.7%
HDFC Bank	BUY	BUY	Maintained	1,009	1,075	1150	7.0	14.0	15,440	15,304	47.4	54.8	61.6	50.4	55.5	62.7	🟢	6.4% 🟢	1.2% 🟢	1.8%
ICICI Bank	BUY	BUY	Maintained	1,383	1,730	1800	4.0	30.2	9,851	7,123	70.1	77.9	89.3	71.4	77.5	89.5	🟢	2.0% 🔴	-0.5% 🟢	0.2%
IndusInd Bank	HOLD	HOLD	Maintained	829	780	840	7.7	1.3	646	779	40.5	57.4	80.9	6.2	56.1	88.2	🔴	-84.6% 🔴	-2.2% 🟢	9.0%
Kotak Mahindra Bank	BUY	BUY	Maintained	2,099	2,350	2480	5.5	18.2	4,173	1,988	69.7	83.0	97.6	70.1	83.4	96.2	🟢	0.6% 🟢	0.5% 🔴	-1.4%
State Bank of India	BUY	BUY	Maintained	982	960	1100	14.6	12.1	8,760	8,925	82.4	82.1	93.1	80.2	87.7	99.5	🔴	-2.6% 🟢	6.8% 🟢	6.9%
Union Bank of India	BUY	BUY	Maintained	153	150	160	6.7	4.4	1,169	7,634	19.3	21.5	23.6	20.9	21.2	23.2	🟢	8.4% 🔴	-1.5% 🔴	-1.6%
Housing Finance																				
AAVAS Financiers	Accumulate	Accumulate	Maintained	1,636	1,925	1900	-1.3	16.2	194	119	80.4	95.3	112.0	81.2	94.3	109.5	🟢	1.0% 🔴	-1.0% 🔴	-2.2%
Can Fin Homes	BUY	BUY	Maintained	882	875	950	8.6	7.8	117	133	69.7	72.1	81.4	70.5	73.5	83.1	🟢	1.1% 🟢	1.9% 🟢	2.1%
LIC Housing Finance	BUY	HOLD	Downgrade	555	725	690	-4.8	24.4	458	826	93.7	97.2	109.8	94.5	95.7	106.1	🟢	0.9% 🔴	-1.6% 🔴	-3.4%
Building Materials																				
Astral Ltd.	BUY	BUY	Maintained	1,462	1,727	1778	3.0	21.6	393	269	21.3	27.6	34.0	21.9	28.3	34.6	🟢	3.1% 🟢	2.5% 🟢	1.9%
Century Plyboard (I)	HOLD	HOLD	Maintained	767	818	845	3.3	10.3	171	223	14.5	18.7	22.4	15.0	19.3	23.1	🟢	3.8% 🟢	3.3% 🟢	3.3%
Cera Sanitaryware	BUY	BUY	Maintained	5,682	7,424	7178	-3.3	26.3	73	13	196.8	233.5	262.6	191.2	226.1	255.7	🔴	-2.9% 🔴	-3.2% 🔴	-2.6%
Finolex Industries	Accumulate	Accumulate	Maintained	180	240	228	-4.6	27.0	111	618	8.8	10.3	11.5	8.1	9.6	11.3	🔴	-8.0% 🔴	-6.6% 🔴	-2.0%
Greenpanel Industries	BUY	BUY	Maintained	268	410	399	-2.8	48.8	33	123	7.7	17.0	20.4	5.9	16.0	19.8	🔴	-24.2% 🔴	-6.0% 🔴	-3.1%
Kajaria Ceramics	HOLD	HOLD	Maintained	1,083	1,281	1288	0.6	18.9	172	159	29.0	33.0	38.3	29.1	33.1	38.6	🟢	0.2% 🟢	0.4% 🟢	0.7%
Supreme Industries	Accumulate	BUY	Upgrade	3,569	4,758	4723	-0.7	32.3	453	127	90.1	108.6	130.1	86.8	107.7	129.3	🔴	-3.7% 🔴	-0.9% 🔴	-0.6%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	%	Upside	M/Cap	Shares O/s	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Qtr.	(Rs)	Chng.	(%)	(Rs bn)	(m)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Capital Goods																			
ABB India	Accumulate	Accumulate	Maintained	5,147	5,584	5540	-0.8	7.6	1,091	212	79.5	93.1	105.3	78.7	88.2	102.5	-1.1%	-5.2%	-2.6%
Apar Industries	Hold	Hold	Maintained	9,232	9,540	9744	2.1	5.5	371	40	271.3	302.4	347.9	270.5	303.8	348.2	-0.3%	0.5%	0.1%
BEML	Hold	Hold	Maintained	1,966	4,142	1982	-52.1	0.8	164	83	102.6	142.8	169.7	47.3	66.0	80.9	-53.9%	-53.8%	-52.3%
Bharat Electronics	HOLD	HOLD	Maintained	423	374	407	8.7	(3.8)	3,092	7,310	8.0	9.4	10.9	8.2	9.5	10.9	2.6%	1.1%	0.0%
BHEL	HOLD	HOLD	Maintained	285	215	250	16.4	(12.5)	993	3,482	3.9	9.8	12.9	3.9	9.8	12.9	0.0%	0.0%	0.0%
Carborundum Universal	HOLD	HOLD	Maintained	834	835	894	7.1	7.2	159	190	16.6	22.9	26.5	16.6	22.9	26.5	0.0%	0.0%	0.0%
Elgi Equipments	Accumulate	Accumulate	Maintained	508	559	561	0.3	10.6	161	317	13.0	15.1	17.1	12.6	14.9	17.1	-2.3%	-1.3%	0.0%
Grindwell Norton	Hold	Hold	Maintained	1,527	1,739	1744	0.3	14.2	169	111	37.4	43.5	48.3	37.4	43.5	48.3	0.0%	0.0%	0.0%
Cummins India	Hold	Hold	Maintained	4,376	3,895	4172	7.1	(4.7)	1,213	277	78.4	90.6	101.8	82.5	91.3	102.8	5.2%	0.8%	0.9%
Engineers India	BUY	BUY	Maintained	198	245	255	4.0	28.6	111	562	10.2	12.6	14.9	9.7	12.6	14.9	-4.9%	0.1%	0.5%
GE Vernova T&D India	Accumulate	Accumulate	Maintained	3,069	2,706	3531	30.5	15.1	786	256	34.3	45.1	53.7	44.4	48.4	60.2	29.5%	7.4%	12.1%
Harsha Engineers Internatio	Hold	Hold	Maintained	402	402	407	1.3	1.2	37	91	16.0	19.1	21.5	16.3	19.2	21.5	1.4%	0.2%	0.0%
Hindustan Aeronautics	BUY	BUY	Maintained	4,717	5,500	5507	0.1	16.8	3,154	669	126.7	137.5	151.6	126.3	138.0	151.8	-0.3%	0.4%	0.1%
Ingersoll-Rand (India)	BUY	Accumulate	Downgrade	3,881	4,335	4271	-1.5	10.0	123	32	90.5	103.2	114.4	82.0	94.3	109.1	-9.4%	-8.7%	-4.6%
KEC International	Accumulate	BUY	Upgrade	701	911	932	2.3	33.0	187	266	37.1	50.6	60.0	34.3	50.5	60.1	-7.7%	-0.2%	0.2%
Kalpataru Projects Internatic	Accumulate	BUY	Upgrade	1,230	1,366	1494	9.4	21.5	210	171	53.6	71.3	85.2	54.9	71.4	85.3	2.4%	0.1%	0.0%
Kirloskar Pneumatic Compar	BUY	BUY	Maintained	1,098	1,636	1620	-1.0	47.5	71	65	38.8	46.7	54.9	37.4	44.5	53.7	-3.7%	-4.8%	-2.2%
Larsen & Toubro	BUY	BUY	Maintained	4,037	4,144	4766	15.0	18.0	5,553	1,375	134.9	168.8	195.9	131.5	168.9	196.3	-2.5%	0.1%	0.2%
Praj Industries	Hold	Hold	Maintained	341	393	353	-10.2	3.5	63	184	7.9	13.5	15.5	6.3	12.1	15.0	-21.3%	-10.3%	-3.2%
Siemens	Accumulate	Accumulate	Maintained	3,216	3,431	3470	1.1	7.9	1,145	356	51.2	60.2	69.3	49.4	57.9	68.1	-3.6%	-3.8%	-1.8%
Siemens Energy India	Hold	Hold	Maintained	3,346	3,360	3360	0.0	0.4	1,191	356	29.7	38.0	48.0	29.7	38.0	48.0	0.0%	0.0%	0.0%
Thermax	Hold	Accumulate	Upgrade	2,968	3,633	3513	-3.3	18.3	354	119	65.8	74.5	80.1	55.1	68.6	77.3	-16.2%	-8.0%	-3.5%
Triveni Turbine	BUY	Accumulate	Downgrade	541	650	609	-6.3	12.6	172	318	13.3	16.3	18.5	12.7	15.1	17.0	-3.9%	-7.4%	-8.3%
Voltamp Transformers	BUY	BUY	Maintained	8,251	10,285	10318	0.3	25.1	83	10	325.7	367.3	413.4	343.3	374.9	418.8	5.4%	2.1%	1.3%
Cement																			
ACC	BUY	BUY	Maintained	1,851	2,311	2374	2.7	28.2	348	188	102.2	117.9	126.7	105.8	121.9	131.1	3.5%	3.4%	3.5%
Ambuja Cement	BUY	BUY	Maintained	556	701	718	2.4	29.2	1,369	2,463	13.9	17.2	26.0	12.8	15.3	28.7	-8.3%	-10.6%	10.3%
Dalmia Bharat	Accumulate	Accumulate	Maintained	2,012	2,372	2372	0.0	17.9	377	188	85.5	91.7	99.1	80.9	89.6	102.0	-5.4%	-2.3%	2.9%
Nuvoco Vistas Corporation	Accumulate	Accumulate	Maintained	361	464	459	-1.2	27.1	129	357	14.0	12.1	21.3	13.7	11.4	19.8	-2.3%	-5.8%	-7.1%
Shree Cement	Accumulate	Accumulate	Maintained	26,475	32,410	31769	-2.0	20.0	955	36	608.2	667.5	603.2	590.2	627.0	567.2	-3.0%	-6.1%	-6.0%
Ultratech Cement	Accumulate	Accumulate	Maintained	11,753	13,599	13425	-1.3	14.2	3,463	295	356.6	433.5	461.4	359.8	444.2	474.7	0.9%	2.5%	2.9%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	%	Upside	M/Cap	Shares O/s	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change					
	Pre-Quarterly	Rating	Change	(Rs)	Pre Qtr.	(Rs)	Chng.	(%)	(Rs bn)	(m)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E			
Chemicals																						
Aarti Industries	HOLD	HOLD	Maintained	387	395	403	2.0	4.1	140	362	13.0	18.4	21.1	9.0	15.0	18.6	🔴	-31.0%	🔴	-18.5%	🔴	-11.9%
Clean Science and Technolo	HOLD	HOLD	Maintained	926	1,111	1002	-9.8	8.2	98	106	32.0	37.6	44.7	27.2	36.4	43.8	🔴	-15.0%	🔴	-3.4%	🔴	-2.0%
Deepak Nitrite	HOLD	HOLD	Maintained	1,708	1,924	1768	-8.1	3.5	233	136	53.1	61.5	71.1	45.7	58.6	67.6	🔴	-13.8%	🔴	-4.7%	🔴	-5.0%
Fine Organic Industries	BUY	BUY	Maintained	4,595	5,571	5386	-3.3	17.2	141	31	148.0	161.2	223.0	150.9	161.7	223.0	🟢	2.0%	🟢	0.3%	🟡	0.0%
Gujarat Fluorochemicals	HOLD	HOLD	Maintained	3,486	3,742	3637	-2.8	4.3	383	110	70.6	78.1	84.6	62.9	78.2	87.1	🔴	-10.9%	🟢	0.2%	🟢	3.0%
Jubilant Ingrevia	HOLD	HOLD	Maintained	724	692	695	0.5	(4.0)	115	158	19.6	20.9	24.3	20.3	22.7	26.0	🟢	3.4%	🟢	8.6%	🟢	7.1%
Laxmi Organic Industries	Reduce	Reduce	Maintained	183	199	192	-3.7	4.5	51	277	5.1	6.4	7.6	4.7	6.2	7.7	🔴	-7.0%	🔴	-3.7%	🟢	0.8%
Navin Fluorine International	Accumulate	Accumulate	Maintained	5,979	5,196	6441	24.0	7.7	297	50	85.9	113.1	146.4	100.9	124.1	155.6	🟢	17.5%	🟢	9.7%	🟢	6.3%
PCBL Chemical	BUY	Accumulate	Downgrade	333	474	402	-15.1	20.9	126	378	14.2	22.8	31.6	8.2	17.2	24.7	🔴	-41.9%	🔴	-24.5%	🔴	-21.7%
P.I. Industries	HOLD	HOLD	Maintained	3,441	3,631	3666	1.0	6.5	522	152	115.9	125.0	134.3	110.3	121.6	131.2	🔴	-4.8%	🔴	-2.7%	🔴	-2.4%
NOCIL	HOLD	HOLD	Maintained	169	187	185	-0.6	9.7	28	167	6.3	7.2	8.0	4.7	6.6	7.2	🔴	-26.2%	🔴	-9.2%	🔴	-10.3%
SRF	HOLD	HOLD	Maintained	2,852	3,016	3123	3.5	9.5	848	297	53.3	63.5	77.3	58.1	64.2	76.7	🟢	9.0%	🟢	1.0%	🔴	-0.8%
Vinati Organics	BUY	BUY	Maintained	1,623	1,946	1915	-1.6	18.0	168	104	49.1	51.2	56.8	46.0	47.2	53.7	🔴	-6.3%	🔴	-7.9%	🔴	-5.5%
Consumer Durables																						
Bajaj Electricals	BUY	BUY	Maintained	496	664	600	-9.7	21.0	57	115	13.4	19.0	20.1	12.5	19.4	20.7	🔴	-6.8%	🟢	2.0%	🟢	3.1%
Cello World	BUY	BUY	Maintained	596	686	732	6.6	22.7	132	221	16.2	19.9	21.6	15.9	21.4	23.6	🔴	-1.6%	🟢	7.5%	🟢	9.2%
Crompton Greaves Consum	BUY	BUY	Maintained	270	391	375	-4.3	38.7	174	644	9.9	12.2	13.9	8.1	11.6	13.4	🔴	-18.1%	🔴	-4.8%	🔴	-3.8%
Havells India	Accumulate	Accumulate	Maintained	1,449	1,653	1653	0.0	14.1	908	627	24.7	29.7	34.1	24.7	29.7	34.1	🟡	0.0%	🟡	0.0%	🟡	0.0%
KEI Industries	BUY	BUY	Maintained	4,167	4,946	4926	-0.4	18.2	398	96	90.2	111.8	134.8	92.8	111.4	134.3	🟢	2.9%	🔴	-0.4%	🔴	-0.4%
Polycab India	BUY	BUY	Maintained	7,649	8,718	8808	1.0	15.2	1,151	150	170.2	201.7	235.0	177.8	201.5	237.1	🟢	4.4%	🔴	-0.1%	🟢	0.9%
R R Kabel	BUY	BUY	Maintained	1,368	1,615	1634	1.2	19.5	155	113	38.6	48.9	57.1	39.2	49.7	57.7	🟢	1.4%	🟢	1.6%	🟢	1.0%
Voltas	HOLD	HOLD	Maintained	1,412	1,440	1411	-2.0	(0.0)	467	331	23.1	33.2	38.6	16.7	30.3	36.4	🔴	-27.9%	🔴	-8.8%	🔴	-5.7%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	%	Upside	M/Cap	Shares O/s	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Qtr.	(Rs)	Chng.	(%)	(Rs bn)	(m)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Consumer Staples																			
Asian Paints	Reduce	Reduce	Maintained	2,860	2,248	2448	8.9	(14.4)	2,743	959	43.7	48.3	50.7	45.2	48.9	53.0	3.3%	1.4%	4.7%
Avenue Supermarts	Hold	Hold	Maintained	4,085	3,994	4111	2.9	0.6	2,658	651	45.7	52.3	60.7	44.8	50.6	58.7	-1.9%	-3.3%	-3.3%
Britannia Industries	BUY	BUY	Maintained	5,819	6,484	6761	4.3	16.2	1,402	241	101.7	120.3	139.0	106.7	125.5	144.9	4.9%	4.3%	4.3%
Restaurant Brands Asia	Accumulate	Accumulate	Maintained	63	87	87	0.0	39.5	36	582	-1.1	-0.9	0.1	-1.1	-0.9	0.1	0.0%	0.0%	0.0%
Colgate Palmolive	Hold	Hold	Maintained	2,180	2,453	2534	3.3	16.3	593	272	51.3	55.7	60.4	50.8	55.2	59.7	-1.1%	-1.1%	-1.0%
Dabur India	HOLD	HOLD	Maintained	525	515	490	-4.7	(6.6)	931	1,772	10.8	11.9	13.3	10.4	11.4	12.7	-4.3%	-4.6%	-4.8%
Emami	Accumulate	Accumulate	Maintained	519	608	608	0.0	17.1	227	437	20.1	22.2	23.3	20.1	22.2	23.3	0.0%	0.0%	0.0%
Hindustan Unilever	Accumulate	Accumulate	Maintained	2,428	2,746	2772	1.0	14.1	5,707	2,350	44.5	47.1	51.9	44.1	47.0	51.7	-1.0%	-0.1%	-0.3%
ITC	BUY	BUY	Maintained	405	530	530	0.0	30.7	5,074	12,514	16.8	18.6	20.3	16.8	18.6	20.3	0.0%	0.0%	0.0%
Jubilant FoodWorks	Hold	BUY	Upgrade	591	670	700	4.5	18.5	390	660	4.6	7.5	11.0	4.4	7.3	10.8	-4.9%	-2.9%	-1.6%
Kansai Nerolac Paints	Accumulate	Accumulate	Maintained	240	272	265	-2.5	10.4	194	808	9.3	9.9	10.9	9.0	9.5	10.6	-3.4%	-3.7%	-3.6%
Marico	Accumulate	Accumulate	Maintained	736	778	787	1.1	6.9	950	1,290	13.3	15.4	17.3	13.3	15.8	17.8	-0.4%	2.3%	3.0%
Metro Brands	Hold	Hold	Maintained	1,140	1,302	1276	-2.0	12.0	310	272	15.5	18.0	21.6	14.8	17.2	20.5	-4.4%	-4.3%	-4.9%
Mold-tec Packaging	Accumulate	Accumulate	Maintained	629	821	782	-4.8	24.2	21	33	23.4	31.0	40.3	22.0	29.0	37.5	-6.1%	-6.4%	-6.8%
Nestle India	HOLD	HOLD	Maintained	1,279	1,222	1359	11.2	6.2	1,233	964	16.2	9.0	10.1	16.4	18.9	21.6	1.3%	110.5%	113.8%
Pidlite Industries	BUY	BUY	Maintained	1,489	1,714	1714	0.0	15.1	757	509	23.7	25.8	28.7	23.7	25.8	28.7	0.0%	0.0%	0.0%
Titan Company	BUY	BUY	Maintained	3,902	3,902	4397	12.7	12.7	3,473	890	50.2	60.7	75.9	50.3	61.9	73.2	0.3%	2.0%	-3.5%
Westlife Foodworld	HOLD	HOLD	Maintained	550	748	604	-19.2	9.9	86	156	1.7	4.1	8.9	-0.8	1.8	5.6	-144.3%	-56.1%	-37.5%
Education																			
DOMS Industries	BUY	BUY	Maintained	2,525	3,085	3085	0.0	22.2	153	61	39.6	51.4	65.8	39.5	51.4	65.8	-0.1%	0.0%	0.0%
Navneet Education	Reduce	Reduce	Maintained	153	124	119	-3.9	(22.1)	34	221	7.1	8.1	9.2	7.3	7.7	8.7	2.9%	-5.2%	-5.0%
Electronic Manufacturing Services																			
Amber Enterprises India	BUY	BUY	Maintained	7,257	9,889	8901	-10.0	22.7	245	34	121.8	178.9	245.3	82.4	143.6	212.5	-32.3%	-19.7%	-13.4%
Avalon Technologies	HOLD	HOLD	Maintained	1,012	1,083	1083	0.0	7.1	67	66	14.0	20.8	27.6	13.1	20.8	27.5	-6.2%	0.3%	-0.3%
Cyient DLM	Accumulate	Accumulate	Maintained	445	485	478	-1.4	7.6	35	79	11.5	17.7	20.7	11.7	17.4	20.6	2.2%	-2.2%	-0.5%
Kaynes Technology India	HOLD	Accumulate	Upgrade	5,968	7,427	7565	1.9	26.8	382	64	67.5	105.5	135.1	66.9	105.1	134.2	-0.8%	-0.3%	-0.7%
Syrma SGS Technology	Accumulate	Accumulate	Maintained	872	870	874	0.4	0.2	155	178	12.7	18.3	23.7	12.8	18.5	23.7	1.2%	1.2%	0.1%
HealthCare																			
Apollo Hospitals Enterprise	BUY	BUY	Maintained	7,423	9,300	9300	0.0	25.3	1,067	144	134.8	183.0	234.7	129.4	178.5	234.3	-4.0%	-2.4%	-0.2%
Aster DM Healthcare	BUY	BUY	Maintained	665	700	775	10.7	16.5	332	500	9.5	13.5	17.6	8.5	12.4	16.8	-10.0%	-7.7%	-4.4%
Fortis Healthcare	BUY	BUY	Maintained	935	1,000	1150	15.0	22.9	706	755	13.8	17.9	22.3	13.9	18.1	23.4	1.0%	1.1%	4.6%
HealthCare Global Enterprise	BUY	BUY	Maintained	743	620	620	0.0	(16.6)	104	139	7.3	13.6	18.1	7.3	13.6	18.1	0.0%	0.0%	0.0%
Jupiter Life Line Hospitals	BUY	BUY	Maintained	1,457	1,720	1800	4.7	23.6	96	66	32.7	38.4	45.8	30.7	35.2	42.9	-6.1%	-8.3%	-6.4%
Krishna Institute of Medical	BUY	BUY	Maintained	673	815	840	3.1	24.8	269	400	9.7	14.3	20.6	7.5	11.6	17.9	-22.8%	-19.3%	-13.5%
Max Healthcare Institute	BUY	BUY	Maintained	1,169	1,355	1400	3.3	19.8	1,136	972	20.4	26.8	31.8	17.8	24.4	30.4	-12.7%	-9.2%	-4.5%
Narayana Hrudayalaya	BUY	BUY	Maintained	2,017	2,000	2100	5.0	4.1	412	204	45.2	57.9	66.1	45.8	57.7	68.2	1.3%	-0.3%	3.1%
Rainbow Children's Medicare	BUY	BUY	Maintained	1,337	1,725	1600	-7.2	19.6	136	102	29.0	37.7	43.4	25.5	31.2	36.2	-12.1%	-17.4%	-16.7%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	%	Upside	M/Cap	Shares O/s	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Qtr.	(Rs)	Chng.	(%)	(Rs bn)	(m)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Information Technology																			
Cyient	HOLD	HOLD	Maintained	1,149	1,130	1130	0.0	(1.6)	128	111	61.4	74.6	82.6	61.4	74.6	82.6	0.0%	0.0%	0.0%
HCL Technologies	Accumulate	BUY	Upgrade	1,645	1,560	1760	12.8	7.0	4,462	2,712	65.4	74.1	82.0	69.1	76.3	86.0	5.7%	2.9%	4.8%
Infosys	BUY	BUY	Maintained	1,537	1,760	1780	1.1	15.8	6,363	4,141	69.3	76.9	85.1	69.4	76.4	85.1	0.1%	-0.6%	0.1%
KPIT Technologies	BUY	BUY	Maintained	1,197	1,360	1380	1.5	15.3	325	271	30.4	39.0	48.0	27.5	37.3	46.0	-9.3%	-4.2%	-4.2%
Latent View Analytics	BUY	BUY	Maintained	493	570	600	5.3	21.7	101	205	10.2	12.4	15.4	9.7	12.4	15.6	-5.1%	0.5%	1.2%
LTIMindtree	Hold	Hold	Maintained	6,027	5,380	5470	1.7	(9.2)	1,784	296	174.7	201.1	228.4	181.1	204.9	232.6	3.6%	1.9%	1.8%
L&T Technology Services	HOLD	HOLD	Maintained	4,331	4,400	4360	-0.9	0.7	461	106	128.4	151.6	175.9	125.9	149.3	176.4	-2.0%	-1.5%	0.2%
Mphasis	Accumulate	Accumulate	Maintained	2,740	2,920	2950	1.0	7.6	520	190	98.8	112.5	125.3	100.2	112.9	129.6	1.4%	0.3%	3.4%
Persistent Systems	BUY	BUY	Maintained	6,351	5,970	6280	5.2	(1.1)	985	155	111.7	138.8	175.1	114.6	139.7	176.3	2.6%	0.7%	0.7%
Tata Consultancy Services	BUY	BUY	Maintained	3,145	3,950	3800	-3.8	20.8	11,378	3,618	144.4	158.0	174.3	146.2	159.5	175.8	1.2%	1.0%	0.9%
Tata Technologies	SELL	Reduce	Upgrade	680	540	640	18.5	(5.9)	276	406	16.4	19.2	22.4	17.6	22.2	26.5	7.9%	15.6%	18.4%
Tech Mahindra	HOLD	HOLD	Maintained	1,456	1,470	1500	2.0	3.0	1,290	886	55.8	73.6	79.6	55.7	73.9	81.7	-0.2%	0.4%	2.6%
Tata Elxsi	SELL	Reduce	Upgrade	5,367	4,390	5010	14.1	(6.6)	334	62	105.4	132.9	157.5	104.7	134.9	162.1	-0.7%	1.5%	2.9%
Wipro	HOLD	HOLD	Maintained	246	250	250	0.0	1.5	2,575	10,458	12.7	13.4	14.9	12.7	13.4	14.9	0.2%	0.1%	0.5%
Logistics																			
Delhivery	Accumulate	Accumulate	Maintained	426	519	489	-5.7	14.9	317.6	746	4.8	8.5	11.8	4.6	9.2	12.4	-3.4%	7.3%	5.4%
Mahindra Logistics	Accumulate	Accumulate	Maintained	331	401	386	-3.7	16.6	23.9	72	6.7	15.3	19.5	4.9	14.0	19.6	-26.7%	-8.8%	0.2%
TCI Express	HOLD	HOLD	Maintained	615	751	705	-6.0	14.7	23.6	38	26.0	32.1	39.3	23.7	29.9	37.2	-8.8%	-6.9%	-5.3%
Media																			
Nazara Technologies	HOLD	HOLD	Maintained	264	252	253	0.3	(4.0)	92.4	351	2.7	4.4	6.0	0.9	3.7	5.2	-66.7%	-15.4%	-13.8%
PVR Inox	HOLD	HOLD	Maintained	1,100	1,191	1211	1.7	10.1	107.6	98	4.8	43.9	58.4	11.7	38.5	59.8	144.4%	-12.3%	2.3%
Zee Entertainment Enterprises	BUY	BUY	Maintained	98	161	161	0.2	63.8	94.5	961	6.7	11.5	13.4	6.3	11.5	13.3	-5.5%	0.2%	-0.4%
Metals & Mining																			
Hindalco Industries	BUY	Accumulate	Downgrade	800	883	846	-4.3	5.7	1,776	2,220	77.3	86.5	90.3	81.0	85.7	86.9	4.8%	-1.0%	-3.7%
Jindal Stainless	Hold	Hold	Maintained	768	759	748	-1.4	(2.6)	633	824	38.3	51.2	58.0	38.5	47.8	60.0	0.5%	-6.5%	3.4%
Jindal Steel	Accumulate	Accumulate	Maintained	1,069	1,170	1151	-1.7	7.6	1,082	1,012	48.3	85.8	99.9	48.4	81.8	100.1	0.3%	-4.7%	0.2%
JSW Steel	Hold	Hold	Maintained	1,170	1,151	1118	-2.8	(4.4)	2,861	2,445	51.0	64.0	67.0	43.8	58.8	72.6	-14.1%	-8.1%	8.3%
National Aluminium Co.	BUY	BUY	Maintained	258	280	281	0.4	9.2	473	1,837	22.3	28.4	31.1	24.5	29.4	32.2	9.9%	3.6%	3.3%
NMDC	Accumulate	Accumulate	Maintained	74	87	86	-0.9	15.9	655	8,792	8.9	10.5	11.4	8.7	10.6	11.0	-2.3%	1.1%	-3.2%
Steel Authority of India	Hold	Hold	Maintained	138	139	143	3.0	3.7	571	4,131	8.2	11.5	13.5	9.7	13.5	13.6	19.1%	17.3%	0.8%
Tata Steel	Accumulate	Accumulate	Maintained	172	196	196	0.4	13.8	2,151	12,474	9.7	15.5	16.8	10.2	15.6	16.9	4.9%	0.1%	0.8%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	%	Upside	M/Cap	Shares O/s	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Qtr.	(Rs)	Chng.	(%)	(Rs bn)	(m)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NBFC																			
Bajaj Finance	HOLD	HOLD	Maintained	1,029	950	1030	8.5	0.2	6,386.1	6,209	35.5	45.7	56.5	34.1	43.6	54.3	-4.0%	-4.6%	-3.9%
Cholamandalam Investment	HOLD	HOLD	Maintained	1,703	1,550	1725	11.3	1.3	1,432.0	841	65.7	82.7	100.4	65.2	81.1	101.3	-0.7%	-1.9%	0.9%
Mahindra & Mahindra Financ	HOLD	HOLD	Maintained	347	300	300	0.1	(13.4)	427.9	1,235	20.5	25.1	28.1	20.3	23.6	27.8	-0.8%	-5.8%	-1.0%
Shriram Finance	HOLD	BUY	Upgrade	827	685	875	27.8	5.8	1,553.7	1,880	49.5	58.8	71.8	53.4	65.2	76.5	7.7%	10.9%	6.6%
Sundaram Finance	HOLD	HOLD	Maintained	4,662	4,750	5000	5.3	7.3	517.9	111	165.2	185.9	220.5	171.8	185.8	216.1	3.9%	-0.1%	-2.0%
Oil & Gas																			
Bharat Petroleum Corporatic	Hold	Hold	Maintained	365	347	361	4.1	(1.0)	1,584	4,339	30.8	29.5	30.8	41.1	37.5	31.0	33.3%	26.9%	0.6%
Gujarat Gas	Hold	Hold	Maintained	402	442	415	-5.9	3.3	277	688	16.7	17.2	4.6	14.9	15.8	18.8	-11.1%	-8.0%	#####
GAIL (India)	Accumulate	BUY	Upgrade	184	199	211	6.2	14.5	1,212	6,575	13.5	15.4	16.9	13.8	15.8	17.3	2.5%	2.4%	2.2%
Gujarat State Petronet	Accumulate	Hold	Downgrade	301	339	311	-8.2	3.4	170	564	13.3	14.2	16.4	13.3	14.2	16.4	0.0%	0.0%	0.0%
Hindustan Petroleum Corpor	Accumulate	HOLD	Downgrade	478	458	476	3.8	(0.5)	1,017	2,128	56.4	62.7	61.4	69.7	72.9	56.6	23.6%	16.3%	-7.9%
Indian Oil Corporation	Accumulate	Accumulate	Maintained	169	162	166	2.5	(1.3)	2,323	13,772	13.7	17.9	17.4	15.6	18.2	18.0	13.4%	1.7%	3.6%
Indraprastha Gas	Reduce	Reduce	Maintained	204	192	201	4.5	(1.6)	286	1,400	10.1	11.2	16.1	10.0	11.1	15.8	-1.7%	-1.7%	-1.8%
Mahanagar Gas	BUY	BUY	Maintained	1,230	1,471	1531	4.1	24.5	122	99	116.9	122.6	27.6	95.8	107.7	127.9	-18.0%	-12.2%	#####
Mangalore Refinery & Petroc	Accumulate	Accumulate	Maintained	174	144	159	10.5	(8.7)	305	1,753	8.9	11.2	11.4	8.4	11.1	11.3	-5.2%	-0.3%	-0.3%
Oil & Natural Gas Corporatic	BUY	BUY	Maintained	248	278	292	5.0	17.8	3,120	12,580	36.5	40.1	44.0	37.3	40.2	41.0	2.4%	0.2%	-6.9%
Oil India	BUY	BUY	Maintained	436	525	532	1.5	22.0	710	1,627	39.3	48.4	51.8	36.0	46.7	50.6	-8.3%	-3.6%	-2.3%
Petronet LNG	Hold	Hold	Maintained	274	290	290	0.0	5.7	412	1,500	27.7	30.9	11.4	27.7	30.9	33.5	0.0%	0.0%	193.6%
Reliance Industries	BUY	BUY	Maintained	1,549	1,609	1668	3.7	7.7	20,962	13,532	60.3	61.8	67.1	60.2	62.1	67.8	-0.2%	0.4%	1.0%
Pharma																			
Ajanta Pharma	BUY	BUY	Maintained	2,511	3,200	3200	0.0	27.5	314.7	125	81.2	97.4	113.8	80.3	96.6	113.9	-1.2%	-0.9%	0.0%
Aurobindo Pharma	BUY	BUY	Maintained	1,208	1,300	1300	0.0	7.6	701.4	581	63.1	76.2	86.0	61.6	73.4	83.2	-2.4%	-3.7%	-3.3%
Zydus Lifesciences	Accumulate	Accumulate	Maintained	928	970	1020	5.2	9.9	933.6	1,006	44.4	39.9	45.9	46.1	41.2	47.4	3.7%	3.3%	3.2%
Cipla	BUY	Accumulate	Downgrade	1,529	1,730	1675	-3.2	9.5	1,234.6	807	61.6	65.3	73.7	57.5	62.9	70.7	-6.7%	-3.6%	-4.2%
Dr. Reddy's Laboratories	Reduce	Reduce	Maintained	1,249	1,270	1270	0.0	1.7	1,041.3	834	68.5	52.9	61.8	66.4	53.1	61.7	-3.1%	0.3%	-0.1%
Divi's Laboratories	Accumulate	Accumulate	Maintained	6,470	6,550	7050	7.6	9.0	1,714.6	265	99.6	118.7	139.8	100.6	117.6	139.7	1.0%	-1.0%	-0.1%
Eris Lifesciences	BUY	BUY	Maintained	1,670	1,975	1900	-3.8	13.8	227.0	136	38.5	53.4	66.8	37.4	52.4	67.0	-2.7%	-1.8%	0.4%
Indoco Remedies	Hold	Hold	Maintained	252	325	325	0.0	28.9	23.3	92	-5.7	5.7	12.8	-5.7	5.7	12.8	0.0%	0.0%	0.0%
Ipca Laboratories	Accumulate	BUY	Upgrade	1,438	1,525	1600	4.9	11.3	364.9	254	41.2	50.6	59.5	42.9	51.0	59.8	4.1%	0.7%	0.4%
J.B. Chemicals & Pharmaceu	BUY	BUY	Maintained	1,748	2,030	2100	3.4	20.1	271.4	155	52.4	63.0	79.5	51.9	62.4	78.7	-1.0%	-1.0%	-1.0%
Lupin	BUY	BUY	Maintained	2,031	2,400	2400	0.0	18.2	927.3	457	92.6	94.7	108.9	102.6	94.2	107.6	10.9%	-0.5%	-1.2%
Sun Pharmaceutical Industri	BUY	BUY	Maintained	1,777	1,875	1875	0.0	5.5	4,264.5	2,399	47.6	58.2	66.8	47.6	58.2	66.8	0.0%	0.0%	0.0%
Torrent Pharmaceuticals	Accumulate	Accumulate	Maintained	3,721	4,000	4200	5.0	12.9	1,257.8	338	74.1	91.9	111.8	73.2	91.8	111.7	-1.3%	-0.1%	-0.1%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	%	Upside	M/Cap	Shares O/s	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Qtr.	(Rs)	Chng.	(%)	(Rs bn)	(m)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Ports																			
Adani Port & SEZ	BUY	BUY	Maintained	1,491	1,777	1777	0.0	19.2	3,221.0	2,160	62.7	74.3	88.7	62.7	74.3	88.7	0.0%	0.0%	0.0%
JSW Infrastructure	Accumulate	Accumulate	Maintained	276	338	338	0.0	22.5	572.8	2,074	8.0	9.5	12.3	8.0	9.5	12.3	0.0%	0.0%	0.0%
Real Estate																			
Sunteck Realty	BUY	BUY	Maintained	427	650	600	-7.7	40.7	62.5	146	23.2	37.6	NA	17.6	29.6	30.1	-24.0%	-21.3%	#VALUE!
Travel & Tourism																			
Apeejay Surrendra Park Hot	NA	BUY	NA	140	NA	235	NA	68.4	29.8	213	NA	NA	NA	4.7	5.7	7.9	NA	NA	NA
Chalet Hotels	BUY	BUY	Maintained	900	1,188	1183	-0.4	31.5	196.6	218	21.1	24.5	32.4	19.4	24.0	32.0	-8.0%	-2.2%	-1.0%
Imagicaaworld Entertainmer	BUY	BUY	Maintained	49	74	73	-0.3	49.3	27.8	566	0.6	1.4	1.8	0.5	1.4	1.9	-26.4%	0.0%	5.0%
InterGlobe Aviation	BUY	BUY	Maintained	5,786	6,644	6332	-4.7	9.4	2,235.5	386	261.2	250.3	268.7	253.5	235.1	259.8	-2.9%	-6.1%	-3.3%
Indian Railway Catering and	BUY	BUY	Maintained	704	850	840	-1.1	19.4	563.1	800	18.0	19.3	20.4	17.9	19.1	20.4	-0.7%	-1.1%	-0.2%
Lemon Tree Hotels	HOLD	HOLD	Maintained	152	177	174	-1.9	14.0	120.7	792	3.2	4.1	4.7	3.0	3.9	4.7	-6.0%	-5.5%	-0.9%
Samhi Hotels	BUY	BUY	Maintained	185	313	305	-2.5	65.3	40.9	221	8.0	11.0	14.0	6.7	10.8	13.5	-16.1%	-2.5%	-3.4%
Safari Industries (India)	BUY	BUY	Maintained	2,263	2,583	2570	-0.5	13.6	110.6	49	40.9	51.3	63.5	40.4	50.9	63.3	-1.2%	-0.7%	-0.3%
V.I.P. Industries	HOLD	HOLD	Maintained	382	474	387	-18.2	1.4	54.2	142	0.8	10.3	20.1	-8.4	8.1	12.3	-1223.0%	-21.0%	-39.0%
Telecom																			
Bharti Airtel	Accumulate	Accumulate	Maintained	2,158	2,090	2259	8.1	4.7	12,486.8	5,785	48.1	54.9	NA	49.6	58.6	65.3	3.1%	6.8%	NA

Source: Company, PL



2Q Sectoral Snapshot

Automobiles

GST 2.0 reforms, strong rural demand aided by better monsoons, and earlier festivities revived the domestic Auto industry, with all our coverage companies reporting double-digit revenue growth in Q2FY26. Purchase postponement was seen before GST 2.0 implementation (coincided with the inauspicious Shradhh period observed in some regions) and extended monsoons/floods caused damage in some states but were more than offset from the buoyancy in overall consumer sentiments, higher pre-festive inventory, and better schemes/ discounts from OEMs over & above the GST rate cuts. Exports continued the strong trajectory with LatAm and African markets rebounding from macro issues. Commodity inflation put pressure on margins, while REM shortage was mitigated during the quarter via alternate materials (LRE, ferrites, etc.) and sourcing from multiple geographies (except TVS still facing challenge in the short to medium term).

PV segment bounced back with surge in small car / compact SUV sales: GST 2.0 rate cuts were the most beneficial for the smaller cars where the GST rates reduced to 18% from 28%, in a market where otherwise SUV penetration has been growing. M&M's standalone revenue grew by 21.3% YoY to Rs334bn driven by 18.4% YoY volume growth, while Maruti Suzuki's revenue of Rs421bn (+13.2% YoY) was driven by a +11.3% YoY realization as it kept losing volume market share in the PV space prior to GST 2.0 implementation. EV penetration in the industry also improved with newer & improvised models, and consumers opting for eco-friendly fuels amidst higher fuel prices. Maruti and M&M's exports kept increasing as they expanded their presence across the globe with newer models, better features and safety ratings.

2W names grew strong with continued premiumization and "Scooter-ization" trend: Standalone operating revenue for Hero Motocorp was at Rs121.3bn (+15.9% YoY), Bajaj Auto at Rs 149.2bn (+13.7% YoY), TVS Motor at Rs119.1bn (+29% YoY), and Eicher Motors' consolidated revenue stood at Rs61.7bn (+44.8% YoY). The growth mainly came from higher volumes, aided by robust spares' sales and improved realization (growing in mid-single digits, except for Royal Enfield that saw 2% YoY decline). Motorcycles grew slower than Scooters, but improvement was seen towards end of the quarter with a boost from GST 2.0 rate cuts in the <350cc models. e-Scooter sales have been booming, although is dominated by the top 5 players (TVS, Bajaj Auto and Ather [not covered] dominating top spots), with Bajaj Auto being the only prominent OEM with positive EBITDA margins.

CVs had a subdued quarter, but tractors outperformed: Due to extended monsoons, infra-activities and projects were delayed causing MHCVs reporting subdued growth, however, recovery was seen towards end of the quarter, and most OEMs are upbeat for H2FY26. LCVs grew due to better overall consumer sentiments and last mile transport. Tractor sales were boosted by better monsoons, Kharif harvest, GST 2.0 rate cuts, with the market leader M&M raising its guidance for FY26 to low-double-digits from mid-single digit growth. In 3Ws, e-Autos led the growth with M&M enjoying 42.3% e-Auto market share.

Margins under pressure from commodity inflation: Gross margins for most of our coverage companies contracted (~ 100-200bps YoY) as prices of precious metals, Aluminium, etc. kept inching up YoY, and is expected to persist for the upcoming quarter. The only outliers reporting gross margin expansion via cost efficiency and better mix were TVS Motor (additionally due to PLI benefits and price increases) and Bajaj Auto (additionally due to high exports exposure benefitting from weaker INR). Further inflation in the upcoming quarter is expected to be mitigated by improved pricing, mix and reduction in discounts.

Exhibit 82: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
<u>BJAUT IN</u>	1,49,221	13.7%	18.6%	30,517	15.1%	23.0%	32,948	NA	18.2%	24,797	23.7%	18.3%
<u>EIM IN</u>	61,716	44.8%	22.4%	15,119	39.0%	25.7%	16,441	31.7%	14.5%	13,695	24.5%	13.6%
<u>HMCL IN</u>	1,21,264	15.9%	26.6%	18,234	20.3%	32.0%	18,537	15.8%	24.7%	13,928	15.7%	23.7%
<u>MM IN</u>	3,34,216	21.3%	-1.9%	48,615	23.1%	-0.5%	61,217	23.0%	32.5%	45,728	17.7%	27.1%
<u>MSIL IN</u>	4,21,008	13.2%	9.6%	44,341	0.4%	11.0%	42,510	-16.7%	-12.1%	32,931	7.3%	-11.3%
<u>TVSL IN</u>	1,19,054	29.0%	18.1%	15,086	39.7%	19.4%	12,263	36.7%	16.4%	9,061	36.7%	16.4%

Source: Company, PL

*Hyperlink on Bloomberg Code

AMCs

- Coverage AMCs saw a good quarter; core PAT at Rs10.6bn was 5.2% above PLe due to higher revenue and lower taxes. QAAuM growth was broadly in-line, while blended yields were a beat.
- QAAuM growth for coverage AMCs was 6.2% QoQ with NAM/HDFCAMC growing by +7.2%/+6.4% QoQ compared to 6.9% QoQ for the industry.
- Equity+bal QAAuM for industry grew by 7.3% QoQ to Rs42trn. HDFCAMC, NAM, UTIAM grew by 7.6%/8.8%/3.8% QoQ.
- Revenue yield was a beat at 43.2bps (PLe 42.4bps) mainly led by HDFCAMC and NAM due to i) benefit of commission rationalization ii) favorable AuM mix iii) fall in share of liquid/ETF iv) increase on ETF yields due to increase in share of Gold ETF.
- Opex was 7.5% higher than PLe due to higher staff cost & other opex especially for UTIAMC and HDFCAMC. Core income was largely in-line at Rs13.3bn (PLe Rs13.4bn) due to one-time VRS related impact of Rs250mn in case of UTIAM.
- Other income was ahead at Rs1.6bn (PLe Rs1.5bn) led by MTM gains.
- Tax rate for coverage AMCs was lower at 20.1% (PLe 24.6%).
- While we remain structurally positive on the AMC space, we turn slightly cautious due to valuations. HDFCAMC/NAM continue to maintain market share in net flows due to better performance in 3yr/5yr buckets.

Exhibit 83: Q2FY26 Result Snapshot

(Rs mn)	Revenue			Opex			Core PAT			AAuM		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
HDFCAMC IN	10,260	15.6%	6.0%	2,463	23.7%	14.9%	6,394	38.3%	11.9%	88,13,618	16.1%	6.4%
NAM IN	6,581	15.2%	8.5%	2,392	16.1%	4.6%	3,166	17.0%	10.9%	65,66,252	19.5%	7.2%
UTIAM IN	3,900	4.6%	2.8%	2,573	25.9%	15.6%	1,069	-19.1%	-12.4%	38,09,743	10.8%	4.0%

Source: Company, PL

*Hyperlink on Bloomberg Code

Conviction Picks:

State Bank of India

Kotak Mahindra Bank

Banks

- Coverage banks saw a good quarter since core PAT (ex-IIB) at Rs571.1bn was 3.0% higher as core PPOP was a beat by 2.6% at Rs926.5bn led by better margins, higher fees and lower opex. Private banks performed better than PSUs on core PPOP except SBI. Coverage banks saw better asset quality.
- Loan growth was 4.0% QoQ and 11.3% YoY compared to 10.2% for the system. Both, private PSU banks saw higher than expected loan growth. HDFCB, AXSB, BOB and CUB were outliers on loan growth while UNBK was a laggard.
- System deposits grew by 9.9% YoY and deposit accretion for covered banks was slightly lower at 2.0% QoQ and 9.4% YoY (PLe 9.7%). CASA ratio was steady QoQ at 36.6%. LDR for Q2FY26 increased by 166bps QoQ to 85.0%.
- NIM for coverage banks fell by 3bps QoQ to 3.23% but was 3.5bps higher to PLe mainly driven by lower cost of funds led by repricing of deposits following rate cuts. Private banks (large/mid) and SBI saw higher than expected margins with outliers being SBI, ICICIB, KMB and all mid-cap banks.
- Fee was 2.4% higher at Rs408.3bn while opex was largely in-line at Rs931.3bn. SBI, HDFCB, KMB, FB, CUB and DCB were positive outliers on core PPOP.
- Asset quality improved QoQ; GNPA fell by 13bps QoQ to 1.76% due to lower slippages at 1.0% (PLe 1.1%) and higher recoveries. Provisions were controlled at 58bps that included 5bps of contingent provisions made by HDFCB. SBI, HDFCB, ICICIB and CUB were positive outliers on asset quality.

Exhibit 84: Q2FY26 Result Snapshot

(Rs mn)	NII			Operating Profit			Adj. PAT		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
AXSB IN	1,37,446	1.9%	1.4%	1,04,125	-2.8%	-9.6%	50,896	-26.4%	-12.3%
BOB IN	1,11,836	-3.8%	1.2%	75,760	-20.1%	-8.0%	48,094	-8.2%	5.9%
CUBK IN	6,665	14.4%	6.6%	4,706	9.9%	4.4%	3,286	15.2%	7.4%
DCBB IN	5,962	17.1%	2.7%	3,039	19.1%	-7.0%	1,839	18.3%	16.9%
FB IN	24,952	5.4%	6.8%	16,442	5.0%	5.6%	9,553	-9.6%	10.9%
HDFCB IN	3,15,515	4.8%	0.4%	2,79,236	13.0%	-21.9%	1,86,413	10.8%	2.7%
ICICIB IN	2,15,295	7.4%	1.3%	1,72,980	3.4%	-7.7%	1,23,589	5.2%	-3.2%
IIB IN	44,094	-17.5%	-1.0%	20,280	-43.5%	-17.8%	-4,448	-133.6%	-189.1%
KMB IN	73,107	4.1%	0.7%	52,683	3.3%	-5.3%	32,533	-2.7%	-0.9%
SBIN IN	4,29,841	3.3%	4.7%	3,19,044	8.9%	4.5%	2,01,599	10.0%	5.2%
UNBK IN	88,124	-2.6%	-3.3%	68,140	-16.0%	-1.4%	42,491	-10.0%	3.2%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 85: Conviction Picks Commentary

Name	Commentary
State Bank of India	Pick-up in NBFC/unsecured credit would bode well for the bank; expect higher than industry growth rate
Kotak Mahindra Bank	With capital buffer, bank is well placed to participate in upcoming growth cycle; there are upside risks to margins led by higher unsecured growth.

Source: PL

Building Materials

- **Revenue grew by 8.5% YoY, EBITDA margin expanded by 240bps YoY:** In Q2FY26, aggregate revenue grew by 8.5% YoY (PLe: +4.3%), EBITDA/PAT grew by 28.8%/18.5% YoY in our coverage universe (PLe: +18.1%/+16.6%), Plastic pipes companies in our coverage grew by 8.0% in this weak demand scenario and early monsoon, volumes grew by 10.8% YoY (PLe: 6.8%). CPBI plywood /MDF volume grew by 14.9%/20.8%, Greenpanel MDF volume grew by 20.1% YoY, and Kajaria (KJC) tiles volume remained flat YoY (PLe: 2.5%). EBITDA margin of our coverage universe expanded by ~240bps to 14.1% on account of no inventory loss reported by pipe companies, stable timber prices and cost reduction measures taken by KJC.
- **Plastic pipe reported decent volume:** Our plastic pipe universe sales volume grew 10.8% YoY (PLe: 6.8% YoY) in this weak demand scenario and extended monsoon. ASTRA/SI pipes volumes grew by 20.6%/17.2% and expect double digit volume growth FY26 supported by the likely implementation of ADD on PVC resin, which is expected to drive channel restocking, However FNXP pipes volumes declined by 5.8% YoY also revised its volume growth guidance to mid-single digit from 10% for FY26. EBITDA margins expanded by ~210bps YoY to 14.2% YoY (PLe: 13.2%).
- **Tiles & bathware – soft performance:** Cera Sanitaryware (CRS) revenue remained flat YoY due subdued demand. EBITDA/PAT declined by 3.5%/16.8%. Senator and Polipluz brand of CRS will start contributing to the revenue from H2FY26 onwards, CRS expects Rs400-450mn from both these brands in H2FY26 and Rs 1.5bn in next two years. CRS has divested its stake in its subsidiaries, from Q2FY26, the company will report its financials on a standalone basis. Kajaria (KJC) reported flat volume growth of 0.6% due to continued slowdown in demand. KJC expects decent growth in Bathware and Adhesives segment in FY26 and gradual pick up in domestic volumes as exports is expected to reach to FY24 levels. KJC revenue/EBITDA/PAT grew by 2.1%/30.6%/42.5% with the EBITDA margin expansion of ~390bps to 18.0% this was due to cost reduction measures taken by the company.
- **Woodpanel – CPBI outperformed across segment:** CPBI outperformed the segment with better performance in plywood (revenue/volume up +14.8%/14.9% YoY) and MDF (revenue/volume up +27.9%/20.8% YoY). EBITDA margin expanded by ~320bps to 12.6%YoY. CPBI has upward revised its sales growth guidance upward to 13%/+25% from 10%/20% for Plywood /MDF, however maintained its EBITDA margin guidance to 12-14%/15%. Greenpanel delivered decent performance (revenue/PAT +19.0%/-56.1% YoY), due to lower capacity utilization at the new MDF plant, GREENP reported currency loss of Rs 124mn on Euro currency borrowings for the new plant, However GREENP targets for high teen digit volume growth in MDF segment with a EBITDA margin of high single/low double digit for FY26.

Exhibit 86: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
ASTRA IN	15,774	15.1%	15.9%	2,568	22.2%	38.9%	1,799	20.9%	63.8%	1,348	24.0%	70.2%
CPBI IN	13,855	17.1%	18.5%	1,746	56.9%	36.3%	979	68.6%	37.6%	709	77.4%	34.0%
CRS IN	4,879	-0.4%	16.3%	671	-3.5%	26.5%	722	-4.1%	18.2%	566	-16.8%	21.7%
FNXP IN	8,587	3.7%	-17.7%	1,302	1131.5%	39.1%	1,562	160.5%	23.8%	1,236	203.8%	25.9%
GREENP IN	3,960	19.0%	20.7%	326	27.0%	331.2%	35	-61.6%	-117.8%	-61	-142.8%	-82.3%
KJC IN	11,860	2.1%	7.6%	2,135	30.6%	14.2%	1,813	39.8%	19.8%	1,330	42.5%	20.6%
SI IN	23,939	5.3%	-8.3%	2,974	-6.8%	-6.7%	2,028	-16.1%	-15.5%	1,647	-20.3%	-18.6%

Source: Company, PL *Hyperlink on Bloomberg Code

Conviction Picks:

Hindustan Aeronautics

Larsen & Toubro

Voltamp Transformers

Kirloskar Pneumatic

Capital Goods

- **T&D-related product companies (exc. Siemens energy)** reported a cumulative revenue growth of **25.8% YoY** driven by strong domestic demand across T&D and healthy execution. EBITDA margins expanded YoY driven by higher gross margin and better operating leverage. The order intake was largely driven by strong demand across Power T&D, data centers, steel, renewables, cement etc. Domestic opportunities remain robust with continued traction in data centers and Power T&D driving demand for transformers, switchgear, reactors, conductors etc.
- **Industrial machinery companies** reported a cumulative revenue growth of **~12% YoY** led by healthy execution across automation and electrification, industrial motors and backup power generation related portfolios. It was partially offset by softer performance across compressors, Bio-Energy related products and projects, and turbines. Exports market continued to witness some softness due to delay in order finalization and dispatches amid geopolitical and tariffs related uncertainties. EBITDA margins declined on YoY due to lower gross margin and higher operating expenses. Going forward, execution and order finalization will be key monitorable.
- **Industrial consumables companies'** cumulative quarterly performance was decent (+8.0% YoY) supported by steady demand in domestic market and improvement in export momentum (primarily in Europe) despite of ongoing tariffs related uncertainties and Chinese dumping issues. Cumulative EBITDA margin remained flattish due to unfavorable mix and higher employee cost. Demand recovery across domestic and international markets along with impacts of Chinese dumping will remain key monitorable.
- **Project companies (ex. Defense)** reported a healthy cumulative growth of **~13% YoY (+21% YoY ex. L&T)** driven by strong execution in Power T&D, B&F, O&G, Thermal power and transportation; partially offset by extended monsoons and continued labor challenges. L&T revenue growth of **~10% YoY** was driven by better execution of Energy and Hi-tech Manufacturing. EBITDA margins remained flattish due to lower gross margin offset by lower operating expenses. During the quarter, some improvement was seen across Labor availability and collection in water projects. However, it remains a key monitorable going forward.
- **Defense companies:** HAL (~11% YoY) and BEL (~26% YoY) delivered healthy quarterly performances, supported by improved execution while BEML reported a muted quarter (-2.4% YoY) likely impacted by execution challenges and supply-chain constraints. Overall EBITDA margins contracted YoY, primarily due to softer gross margins and higher other expenses. Order intake remained strong, supported by HAL's additional order for 97 LCA Mk1A Tejas aircraft. Furthermore, recent AON and DAC approvals across key platforms—including ALH, AMCA, QRSAM and other indigenous programs—are expected to significantly strengthen the sector's order pipeline.

Exhibit 87: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
T&D-related Product companies												
APR IN	57,154	23.1%	12.0%	4,609	29.3%	1.9%	3,406	32.7%	-3.4%	2,517	29.8%	-4.3%
ENRIN IN#	26,488	32.2%	48.4%	4,811	-76.0%	41.4%	4,635	-76.9%	31.7%	3,605	-82.0%	37.2%
GVTD IN	15,385	38.9%	15.7%	3,965	93.7%	2.3%	4,013	107.1%	2.9%	2,995	107.1%	2.8%
VAMP IN	4,826	21.3%	13.9%	936	24.8%	28.8%	1,042	0.6%	-0.4%	789	4.1%	-0.9%
Industrial Machinery product companies												
ABB IN	33,107	13.7%	4.3%	5,004	-7.4%	20.8%	5,421	-9.2%	14.3%	4,089	-7.2%	16.1%
ELEQ IN	9,680	11.4%	11.7%	1,399	-1.2%	15.5%	1,323	3.0%	15.3%	988	4.3%	15.4%
INGR IN	3,219	0.0%	2.1%	759	-4.3%	2.2%	809	-0.1%	1.6%	604	0.0%	2.3%
KKC IN	31,703	27.2%	9.1%	6,948	44.4%	11.4%	8,394	41.2%	15.7%	6,377	41.5%	14.8%
KKPC IN	3,864	-10.3%	37.2%	585	-37.5%	75.7%	574	-37.6%	68.8%	438	-35.1%	73.1%
PRJ IN	8,416	3.1%	31.5%	558	-40.7%	56.7%	296	-60.2%	208.1%	193	-64.2%	261.3%
SIEM IN	51,712	16.0%	19.0%	6,372	14.6%	21.4%	6,835	6.4%	20.4%	5,055	8.8%	19.9%
TMX IN	24,739	-3.0%	17.7%	1,720	-19.0%	1.6%	1,738	-13.4%	11.5%	1,197	-20.5%	6.1%
TRIV IN	5,062	1.0%	36.3%	1,146	2.9%	55.7%	1,246	0.4%	42.7%	912	0.3%	41.4%
Industrial Consumable companies												
CU IN	12,981	6.0%	6.5%	1,564	-19.8%	29.0%	1,066	-29.2%	37.4%	745	-35.7%	20.4%
GWN IN	7,747	11.7%	10.1%	1,407	8.8%	8.3%	1,432	12.3%	14.0%	1,069	11.1%	13.2%
HARSHA IN	3,783	7.3%	3.6%	535	27.9%	-3.5%	496	21.2%	-6.6%	364	25.8%	-3.9%
Project companies												
BHEL IN	75,118	14.1%	36.9%	5,809	111.2%	-208.2%	4,920	272.9%	-181.0%	3,677	280.3%	-180.8%
ENGR IN	9,213	33.7%	5.9%	846	35.6%	17.3%	1,108	11.8%	13.9%	483	-51.5%	-26.1%
KECI IN	60,916	19.1%	21.3%	4,304	34.4%	22.9%	2,130	87.7%	34.4%	1,608	88.2%	8.2%
KPIL IN	54,188	31.0%	7.5%	4,472	28.3%	4.4%	2,723	48.3%	-0.7%	1,999	51.1%	-0.4%
LT IN	6,79,835	10.4%	6.8%	68,064	7.0%	7.7%	63,361	14.1%	8.1%	39,261	15.6%	8.5%
Defence Companies												
BEML IN	8,391	-2.4%	32.4%	732	0.3%	-248.5%	503	-8.1%	-171.6%	486	-4.7%	-175.8%
BHE IN	57,637	25.8%	30.5%	16,953	22.1%	36.7%	17,343	19.5%	34.5%	12,861	17.9%	32.7%
HNAL IN	66,286	10.9%	37.6%	15,579	-5.0%	21.5%	22,196	10.7%	20.4%	16,691	10.8%	20.6%

Source: Company, PL *Hyperlink on Bloomberg Code # Results yet not declared nos are estimate

Exhibit 88: Conviction Picks Commentary

Name	Commentary
Hindustan Aeronautics	HAL's execution on the deliveries of Tejas Mk1A aircrafts will be a key monitorable in the coming quarters, however its long-term play on the growing strength & modernization of India's air defense given 1) it is the primary supplier of India's military aircraft, 2) long-term sustainable demand opportunity owing to government's push on indigenous procurement of defense aircraft, 3) a robust order book with a 2-year pipeline of Rs1.0trn+, 4) leap in HAL's technological capabilities due to development of advanced platforms (Tejas, AMCA, GE-414 & IMRH engines, etc.), and 5) improvement in profitability via scale & operating leverage.
Larsen & Toubro	We believe L&T is well-placed to benefit in the long-run owing to 1) strong international prospects led by Middle East, 2) healthy domestic pipeline on the back of public-driven capex and uptick in private capex, and 3) liquidation of loss-making development project leading to improving balance sheet health and return ratios, and 4) penetration in newer areas such as green energy, electrolyzers, semiconductors, data centers, EMS etc.
Voltamp Transformers	We remain positive on VAMP considering its 1) strong market position in industrial transformers, 2) healthy demand momentum, 3) capacity expansion to drive double-digit volume growth and enable higher capacity transformer manufacturing, 4) debt-free balance sheet, 5) consistent free cash flow generation, and 6) growing high-margin services business.
Kirloskar Pneumatic	We remain watchful on the execution and finalization in short term. However, we believe KKPC is well placed for healthy long-term growth driven by 1) products launches in air compression (Tezcatlipoca, ARIA) to capture centrifugal and low-end screw compressor markets that are import-dominated, 2) new products – Calana and Jarilo – to address opportunities in CNG daughter stations and CBG plants respectively, 3) launch of Tyche, Khione and acquisition of S&C India to enhance penetration in commercial and industrial refrigeration, 4) focus on building in house IP and backward integration capabilities, and 5) strong cash flows and balance sheet.

Source: PL

Exhibit 89: Cumulative order intake for the quarter grew ~20% YoY to Rs1.8trn

Order Inflow (Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY gr.	QoQ gr.
ABB India	33,420	26,950	37,510	30,360	32,330	-3.3%	6.5%
Apar Industries	22,340	30,770	21,140	31,350	21,210	-5.1%	-32.3%
BEML	4,440	45,470	10,350	4,350	27,070	509.7%	522.3%
Bharat Electronics	23,153	21,483	93,753	76,258	53,577	131.4%	-29.7%
BHEL	315,990	68,600	445,880	134,450	219,300	-30.6%	63.1%
Engineers India	27,577	18,784	11,989	14,292	23,349	-15.3%	63.4%
GE Vernova T&D	46,824	20,758	29,911	16,199	16,061	-65.7%	-0.9%
KEC International	58,180	85,180	26,890	55,170	105,330	81.0%	90.9%
Kalpataru Projects	86,830	83,160	52,940	98,990	50,520	-41.8%	-49.0%
Kirloskar Pneumatic	6,120	4,670	3,600	3,650	3,284	-46.3%	-10.0%
L&T	800,450	1,160,360	896,130	944,530	1,157,840	44.6%	22.6%
Praj Industries	9,210	10,530	10,320	7,950	8,130	-11.7%	2.3%
Siemens	43,450	42,580	53,050	56,800	48,000	10.5%	-15.5%
Thermax	33,530	22,960	21,190	27,480	35,510	5.9%	29.2%
Triveni Turbine	5,719	5,264	6,280	5,355	6,523	14.1%	21.8%
Voltamp	3,697	6,483	3,301	7,476	6,294	70.2%	-15.8%
Total	1,498,590	1,623,231	1,703,094	1,483,311	1,793,117	19.7%	20.9%

Source: Company, PL

Conviction Picks:

Ambuja Cement

Ultratech Cement

Cement

- Earnings across our coverage universe were mixed. While YoY performance remained healthy on a weak base with EBITDA/t improving by ~Rs316 aided by better YoY pricing; sequential moderation of pricing impacted EBITDA/t by ~Rs142 QoQ due to monsoon-led demand weakness, festive disruptions and GST rationalization. Volumes for our universe grew 8% YoY to ~70mt aided by leaders having recently acquired assets while sequentially it declined 9% QoQ.
- Demand momentum remained weak through most of the quarter, with intense rains, floods and festivities affecting construction across regions. While August and September saw sequential softness, dealer feedback suggested gradual demand pickup only towards the end of September due to price cuts post GST 2.0.
- Realizations corrected ~1% QoQ as prices declined in Eastern, Southern & Western regions during the quarter and w.e.f. 22nd Sep'25 companies fully passed on the GST-related benefits (~Rs27/bag cut). The Eastern region saw the sharpest correction followed by South then West due to prolonged rains, weak retail offtake and supply-led competition. Nuvoco and UTCES reported increase in NSR led by higher premium share and inorganic assets. DALBHARA saw a sharper 5% QoQ correction led by higher exposure to East and South.
- Power & Fuel costs inched up QoQ for most players due to rising imported pet coke prices (USD120/t; +8% QoQ) and planned yearly kilns shutdown, partially offset by higher green energy mix. Freight costs remained benign, aided by stable diesel prices, lower lead distances and improved logistics efficiencies. ACEM and UTCES continued to benefit from better direct dispatches and scale benefits, while SRCM and NUVOCO gained from rail siding utilisation.
- ACC and ACEM received benefits of integration of inorganic capacities and cost discipline, while UTCES and SRCM disappointed and reported EBITDA/t moderation. Universe EBITDA stood at Rs68bn (+55% YoY / -25% QoQ).
- Capex momentum remained subdued during the monsoon, with only 5.3mt of new capacity commissioned by ACEM and UTCES. However, the medium term pipeline stays robust, supported by aggressive expansion plans of both players — UTCES has announced 22.8mt of additions by FY28, while ACEM plans to debottleneck 15mtpa across its plants by FY28. Capacity additions for DALBHARA, SRCM and NUVOCO also remain on schedule.
- While the quarter was impacted by weak demand and pricing cuts, channel feedback indicates early signs of improvement from late September. With festive season and good monsoon behind, volumes are expected to improve in H2FY26 supported by government infra spending. Cost curve may remain slightly elevated due to higher pet coke (which may keep Q3 EBITDA/t muted), but we expect some price hikes in December to support Q4 margins.
- Positive stance on leaders (UTCES, ACEM) maintained, supported by their scale, cost leadership and execution on expansion. NUVOCO's and DALBHARA's Eastern and Southern exposure remain key growth levers but also pose near-term risk amidst price pressure. SRCM may see continued market share pressure due to heightened competition and its focus on value over volume. Top picks: UTCES & ACEM.

Exhibit 90: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
<u>ACC IN</u>	59,317	28.6%	-2.6%	8,457	93.8%	8.7%	7,619	138.6%	35.7%	11,193	398.9%	198.1%
<u>ACEM IN</u>	91,745	21.5%	-10.8%	17,609	58.4%	-10.2%	10,559	17.6%	-21.9%	23,023	363.7%	126.4%
<u>DALBHARA IN</u>	34,170	10.7%	-6.0%	6,960	60.4%	-21.2%	3,180	335.6%	-36.7%	2,380	417.4%	-39.4%
<u>NUVOCO IN</u>	24,576	8.3%	-14.5%	3,670	67.8%	-29.2%	512	-143.5%	-74.6%	364	-145.3%	-71.5%
<u>SRCEM IN</u>	43,032	15.5%	-13.0%	8,750	47.7%	-28.8%	4,264	852.7%	-48.8%	2,938	215.5%	-52.5%
<u>UTCCEM IN</u>	1,96,069	20.3%	-7.8%	30,943	52.6%	-29.8%	16,615	88.6%	-45.5%	10,639	33.5%	-52.3%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 91: Conviction Picks Commentary

Name	Commentary
Ambuja Cement	ACEM has grown its capacity by 15%+ CAGR to 107mtpa through organic and inorganic expansions. Ongoing projects will add incremental 27.6mt over FY26-28 with additional expansions likely to be announced, targeting 155mtpa, with a focus on maximizing throughput for above-industry volume growth.
	ACEM targets cost savings of ~Rs500/t by FY28E through initiatives like 1) increasing green power mix, 2) utilizing captive coal mines, 3) securing long-term raw material supplies, and 4) enhancing logistics with more railway wagons and an expanded plant network.
	With strong balance sheet and excellent execution speed, we believe ACEM is best placed amongst cement space. Mgmt's unrelenting focus on cost optimization and efficiency improvement across all units to drive margins. We estimate 26% EBITDA CAGR over FY25-28E.
Ultratech Cement	UTCCEM has demonstrated superior execution post Adani's entry, scaling capacity at ~15% CAGR to ~189mtpa since FY23 through integration of India Cements & Kesoram and disciplined brownfield additions. The newly announced 22.8mt (brownfield + selective greenfield), focused on Northern and Western markets, will take capacity to ~200mt by end-FY26 and 240-245mt by FY29.
	Cost efficiencies will be driven by higher green power mix (target 65%), improved AFR/blending ratios, and better clinker throughput. Along with scale-led operating leverage and network optimisation, these initiatives are expected to deliver ~Rs300/t structural savings and strengthen UTCCEM's cost leadership.
	Integration of India Cements and Kesoram is progressing well with full brand conversion targeted by Jun'26; EBITDA/t for these assets is expected to ramp up over the next few years, making the acquisitions margin accretive and ROCE positive, while leverage remains comfortable (net debt/EBITDA <1x post expansion).

Source: PL

Conviction Picks:

Fine Organic Industries

Navin Fluorine International

Chemicals

- **Steady sequential performance and modest YoY improvement:** Chemical companies under our coverage delivered a broadly stable yet mixed performance in Q2FY26. Most players reported either a decline or only low single digit growth in topline both YoY and QoQ, as performance continued to remain under pressure due to persistent pricing volatility and demand softness across select value chains. Realizations were largely stable, though pricing pressure from ongoing low-cost Chinese imports continued to weigh on several segments. However, operating leverage benefited many companies this quarter, with lower power and fuel costs and reduced other expenses supporting EBITDA growth outpacing gross profit expansion.
- For Q2FY26, the coverage universe reported aggregate sales of Rs 171.8bn, reflecting a 2% QoQ improvement and 3% YoY growth, indicative of subdued demand traction across the sector. Aggregate EBITDA rose to Rs 33bn, improving 3% QoQ and 9% YoY, supported by margin recovery in fluorochemicals and select specialty chemical categories. The aggregated EBITDAM expanded to 19.2%, up 20bps QoQ and roughly 110bps YoY, driven primarily by strong improvements in Gujarat Fluoro, SRF, Navin Fluorine, and Vinati Organics. Among the companies, NOCIL reported the lowest EBITDA margin at 7.0%, while Clean Science recorded the highest at 35.6%, despite a significant sequential contraction of 550bps. Navin Fluorine delivered the sharpest margin improvement, supported by robust traction in its CDMO and refrigerants businesses, while several commodities linked companies continued to face margin pressure.
- **YoY volume growth visible:** Management across most companies indicated that despite ongoing pricing pressures, they have seen an improvement in volumes and expect growth momentum to continue in H2FY26. However, a few companies like NOCIL witnessed decline in YoY volumes. Agrochemical-focused companies remain uncertain about demand revival and anticipate poor sector performance at least until the end of FY26.
- **Favorable refrigerant price environment boosted earnings:** Key refrigerants such as R-22 and R-32 witnessed more than 40–50% price increases compared to H1FY25, which significantly supported earnings performance for companies with meaningful refrigerant exposure. SRF, Navin Fluorine largely benefited from this surge, as the sustained high pricing helped lift margins and drive stronger profitability in their refrigerant's businesses.
- **Competition from China to continue:** Companies like NOCIL, Laxmi Organics, SRF, Aarti Industries, Deepak Nitrate and Jubilant Ingrevia continue to face threat from Chinese competition, impacting both prices and volumes.
- **CAPEX Updates:** Jubilant Ingrevia's capex to upgrade its agrochemicals facility remains on track. The plant will supply products under the company's multi-year CDMO agreement, valued at over USD300mn, with leading global agrochemical innovators. During Q2FY26, the company also announced the groundbreaking of a new MPP at Gajraula. Deepak Nitrite continues to progress multiple expansion projects, with its new nitric acid plant scheduled for commercialization in Q4FY26. Fine Organics has received environmental clearance for its Rs7.5bn SEZ-based capacity expansion project. Vinati Organics has commissioned Phase 1 of its ATBS expansion this month, with

the next phase expected to come online in April'26. Clean Science and Technology's Rs1.5bn investment in its first performance-chemicals facility remains on schedule, with chemical trials underway and commercialization targeted for Dec'25. A second performance-chemicals plant, focused on water-treatment intermediates, is expected to begin trials in April'26. Navin Fluorine has announced capex for a new 15,000mtpa R-32-equivalent refrigerant plant and for debottlenecking an existing MPP, both expected to be operational in Q3FY27. Additional projects including the AHF facility and Phase 1 of cGMP-4 are on track for commissioning in Q3 FY26. Gujarat Fluorochemicals has guided capex of Rs12bn for its battery-chemicals business through FY26, total capex for EV segment is expected to be Rs60bn. Laxmi Organic's previously announced investments, Rs914mn for a 70 ktpa n-butyl acetate plant and Rs905mn to expand ethyl-acetate capacity by 70ktpa remain on track for commissioning in Q4FY26. SRF continues to advance its large capex initiatives, including the Rs11bn investment in next-generation refrigerants and the Rs4.5bn hybrid BOPP-BOPE film line in India. The company has also acquired new land in Odisha for future large-scale chemical facilities. PCBL is set to commission its 90,000mtpa carbon-black capacity this quarter, while other strategic projects including acetylene black, super-conductive-grade carbon black, nano-silicon pilot production, and specialty carbon-black expansion are expected to come online in FY27.

Exhibit 92: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
ARTO IN	21,000	29.0%	25.4%	3,060	56.1%	45.0%	860	177.4%	109.8%	1,210	137.3%	181.4%
CLEAN IN	2,446	2.7%	0.7%	871	-2.9%	-12.8%	749	-10.0%	-20.8%	554	-5.6%	-20.9%
DN IN	19,019	-6.4%	0.6%	2,043	-31.3%	7.8%	1,630	-38.3%	5.4%	1,212	-37.6%	7.4%
FINEORG IN	5,973	0.2%	1.5%	1,352	-10.3%	9.4%	1,431	-10.4%	-5.3%	1,096	-7.1%	-1.1%
FLUOROCH IN	12,100	1.9%	-5.5%	3,640	23.4%	5.8%	2,460	43.0%	-0.4%	1,790	47.9%	-2.7%
JUBLINGR IN	11,207	7.2%	8.0%	1,355	8.8%	-4.7%	929	15.7%	-6.9%	695	17.7%	-7.5%
LXCHEM IN	6,997	-9.3%	1.0%	371	-50.4%	20.6%	155	-66.5%	9.2%	110	-60.9%	-48.5%
NFIL IN	7,584	46.3%	4.6%	2,462	129.3%	19.0%	1,975	157.3%	27.3%	1,484	152.2%	26.6%
NOCIL IN	3,206	-11.6%	-4.7%	223	-40.9%	-27.0%	185	-42.7%	-19.9%	121	-71.2%	-29.7%
PCBL IN	21,636	0.0%	2.3%	2,662	-26.8%	-16.6%	783	-52.2%	-34.8%	617	-50.0%	-34.4%
PI IN	18,723	-15.7%	-1.5%	5,413	-13.8%	4.3%	5,232	-21.0%	3.7%	4,093	-19.5%	2.3%
SRF IN	36,402	6.3%	-4.7%	7,742	43.9%	-6.7%	5,171	82.3%	-10.2%	3,882	92.7%	-10.2%
VO IN	5,502	-0.6%	1.5%	1,673	25.1%	4.8%	1,573	17.8%	11.4%	1,149	10.1%	10.3%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 93: Conviction Picks Commentary

Name	Commentary
Fine Organic Industries	The company is undertaking Rs7.5bn green field capex at SEZ land allotted to the company at Jawaharlal Nehru Port Authority. This facility will manufacture products like the company's current portfolio and is expected to start commercial production by end of FY27 or early FY28. Additionally, the company has set up new subsidiaries in the USA to set up a manufacturing facility in the USA and UAE to enhance supply chain efficiency respectively. We believe the new facility in SEZ will be a key driver of future growth for the company and is expected to have a peak revenue of Rs26bn at 3.5x asset turnover and will start contributing to the topline majorly from FY28.
Navin Fluorine International	Navin Fluorine's HFO plant continues to operate stably with healthy capacity utilization. The recently expanded R-32 facility is already running at optimal levels, and the company has announced an additional 15,000mtpa R-32-equivalent plant to capitalize on strong demand. In specialty chemicals, the outlook for H2FY26 remains robust, supported by new product ramp up, while the Chemours project is scheduled to commence in Q1FY27. The CDMO business is backed by a solid order book through FY27, and the company continues to reiterate its USD100mn revenue ambition for this segment. Meanwhile, cGMP-4 Phase 1 remains on track for commissioning in Q3FY26, and the AHF plant is progressing well, further strengthening vertical integration.

Source: PL

Conviction Picks:

ITC

Britannia Industries

Titan Company

Consumer

- Sales across FMCG companies remain impacted amidst disruption in inventory and trade due to recent GST 2.0, coupled with heavy rains which impacted summer portfolio in most staples companies. However GST transition issues for most of the staple companies have been resolved by Oct thus we expect sharp volume led demand recovery in 2H supported by favorable macro environment. QSR and Retail witnessed mixed quarter with demand being steady and we expect gradual recovery in 2HFY26 led by more disposable income in the hands of consumers. Aggregate sales grew 8.0% YoY whereas EBITDA and PBT grew by 6.8% & 3.1% YoY.
- The FMCG universe experienced a 2–3% sales impact due to the GST transition, with margins remaining under pressure amid firm raw material prices. To pass on the benefits of easing input costs, companies have reduced prices and increased grammage in low-unit packs. Although the GST transition caused temporary trade disruptions, these were largely resolved by October, and a sharp recovery is anticipated in H2 FY26. Rural demand has remained steady, while urban demand strengthened on the back of festive-season momentum, easing inflation, declining interest rates, and supportive measures such as income tax relief.
- **Paint** demand in Q2 witnessed a gradual pickup despite the prolonged monsoon. The early Diwali season supported demand during the quarter; however, heavy rainfall across several regions tempered growth in the decorative paint segment. The automotive segment saw robust demand, aided by GST rate changes in the auto sector. Asian Paints reported volume growth of 10.9%, whereas Kansai Nerolac posted a muted quarter with ~0.4% volume growth. Asian Paints outperforming the market through intensified marketing initiatives and a region-focused activation strategy aimed at strengthening its brand presence in a competitive landscape. Competitive intensity, particularly in the decorative segment, remains high, with Birla Opus continuing its aggressive push to capture market share.
- **QSR** sector is showing early signs of revival, supported by GST reforms. SSG and LFL are expected to improve gradually over the coming quarters, driven by rising footfalls menu innovation and favorable macro environment. The sector also benefited from GST-related efficiencies and lower input costs, particularly in cheese and sauces. JUBI remains the strongest play in the QSR space, delivering a healthy 9.1% LFL growth in Q2, the highest among its peers. While RBA witnesses steady quarter with SSG of 2.8% on the other hand WFL saw muted quarter as eating out frequency declined particularly in south India.
- **Retail** Q2FY26 saw increase in trade disruptions and deferred consumption led by GST transition, however we believe benefits from GST 2.0 along with tailwinds from the upcoming wedding season, will accelerate growth in 2H26.
- **Jewellery** companies saw robust value growth in Q2, driven by mark-to-market (MTM) gains as gold prices continue to remain at elevated levels. However, volumes remained tepid, with consumers either opting for lightweight jewellery (18k, 14k) or bullion amidst rising gold prices. However we believe that if gold prices stabilizes here than it could boost consumer sentiment during the upcoming festive and wedding season.

Exhibit 94: Q2FY26 Result Snapshot

(Rs mn)	Vol. Gr. (%)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
APNT IN	10.9	85,313	6.3%	-4.6%	15,034	21.3%	-7.5%	13,532	22.1%	-8.1%	9,899	8.7%	-10.0%
BRIT IN	-3.7	48,406	3.7%	4.7%	9,546	21.8%	26.1%	8,870	23.4%	25.7%	6,584	23.0%	25.4%
CLGT IN	-3.0	15,195	-6.2%	6.0%	4,654	-6.4%	2.8%	4,423	-6.7%	2.4%	3,275	-7.2%	2.1%
DABUR IN	2.0	31,913	5.4%	-6.3%	5,881	6.4%	-11.9%	5,731	5.0%	-13.6%	4,448	6.5%	-12.5%
DMART IN		166,763	15.5%	1.9%	12,137	11.0%	-6.6%	9,448	4.6%	-10.7%	6,850	3.8%	-11.4%
HMN IN	-16.0	7,985	-10.3%	-11.7%	1,785	-28.7%	-16.7%	1,520	-32.5%	-19.5%	1,484	-30.2%	-9.7%
HUVR IN	0.5	155,850	0.5%	-2.2%	35,630	-2.3%	0.1%	33,560	-5.5%	-0.4%	24,780	-5.1%	-0.5%
ITC IN	6.0	180,213	-3.4%	-8.8%	62,520	2.1%	-0.1%	67,634	2.2%	3.3%	50,917	0.2%	3.7%
JUBI IN	9.1	16,987	15.8%	-0.2%	3,294	15.9%	1.9%	856	22.6%	-3.1%	639	22.8%	-4.1%
METROBRA IN		6,511	11.2%	3.6%	1,707	10.3%	-12.0%	911	-3.1%	-29.9%	677	-3.0%	-31.3%
KNPL IN	0.9	18,710	0.4%	-10.4%	2,119	-1.5%	-32.1%	1,844	-4.0%	-40.5%	1,369	5.2%	-40.7%
MRCO IN	7.0	34,820	30.7%	6.8%	5,600	7.3%	-14.5%	5,500	7.8%	-16.2%	4,190	10.8%	-16.9%
MTEP IN	6.8	2,098	9.6%	-12.8%	391	16.5%	-16.4%	208	11.4%	-28.7%	155	9.7%	-28.2%
NEST IN		56,436	10.6%	10.7%	12,366	5.9%	12.4%	10,285	0.8%	14.2%	7,532	-0.8%	14.3%
PIDI IN	10.4	35,544	9.9%	-5.3%	8,507	10.7%	-9.6%	7,877	8.4%	-14.0%	5,846	8.2%	-13.8%
RBA IN	2.8	5,688	15.6%	3.0%	777	11.1%	14.1%	-201	21.3%	73.8%	-201	21.3%	73.8%
TTAN IN		165,340	25.1%	13.5%	16,200	43.0%	-0.7%	13,610	45.9%	-1.4%	10,060	42.7%	-2.3%
WESTLIFE IN	-2.8	6,419	3.9%	-2.4%	671	-11.7%	-21.3%	-158	NA	NA	-251	NA	NA

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 95: Conviction Picks Commentary

Name	Commentary
ITC	ITC's margins remain under pressure but are poised for recovery from 3QFY26, aided by: (1) 10–15% softening in leaf tobacco prices in the current season, (2) potential decline in wood costs and expectations of anti-dumping duty in paperboard, (3) synergies from Century Paper integration, and (4) improving demand and margins in FMCG (~50bps sequential uptick in 2QFY26). The FMCG business continues to display resilience, with the Digital-First and Organic portfolio reaching Rs.10bn ARR, and ITC is expected to pursue acquisitions more aggressively to accelerate growth.. We estimate 9.9% EPS CAGR over FY26-28 (Ex century paper integration). At 21.5x Sept FY27 EPS and a 3.7% dividend yield, we see ITC offering a favorable risk-reward profile, with a SOTP-based target price of Rs.530
Britannia Industries	BRIT continues to remain a high conviction pick given (1) Sustained leadership in Biscuits & Bakery, (2) likely share gains from local and regional players given sharp reduction in GST rates (18% to 5% on 85% of portfolio), (3) using scalability & improved profitability in adjacencies, and (4) strong innovation pipeline with focus on region/ channel specific products & premiumization. We expect double digit volume growth in 2H26 and FY27 led by benefits of GST cut, favorable macro environment, new launches, and benign inputs. We estimate 16.5% EPS CAGR over FY26-28 and value the stock at 50x Sep'27EPS and assign a target price of Rs6761 (Rs6484 earlier). Retain BUY.
Titan Company	TTAN's long term outlook too remains positive given 1) sustained focus on improving product mix will enable maintain current margin levels and strong new buyer growth, even as we reduce margin estimates to 11.1% (11.3-11.5% earlier) 2) change in focus on light weight jewellery (9k and 14k) to cater to sub Rs50,000 consumer will drive value growth and 3) Watch business to continue see strong momentum in medium to long term led by unique designs and innovations. We estimate 20.6% EPS CAGR over FY26-28. We value Caratlane/TEAL at Rs200/60 per share and arrive at SOTP based target price of Rs4397 (Rs3902 earlier).

Source: PL

Conviction Picks:

KEI Industries

LG Electronics India

Consumer Durables

- **Revenue in line with estimates:** Aggregate sales in our coverage universe grew 7.2% while EBITDA / Adj PAT grew by 10.0% /6.3% YoY (PLe: 10.6%/18.6%/16.2% YoY), led by healthy growth in revenue, largely from the C&W and Consumerware segment which was offset with decline in UCP segment, C&W grew by 19.8%, Consumerware grew by 23.4% and UCP segment declined by 21.8% YoY. FMEG segment grew by 2.1% YoY. Crompton and Voltas were the major underperformers in our coverage universe, reporting PAT decline of 43.0% and 74.4% YoY, respectively. Polycab and RRKabel outperformed with PAT growth of 55.9%/134.7% respective and supported by strong volume growth and strong execution of export orders. C&W companies reported margin expansion, while all other companies under our coverage saw margin contraction or modest expansion.
- **Strong momentum in C&W:** Havells/Polycab/KEI/RR Kabel reported 12.4% /20.9%/21.6%/22.3% YoY growth in the W&C segment with EBIT margin change of +510bps/+270bps/+60bps/+410bps. W&C segment reported healthy volume growth supported by strong demand in export markets and strong project execution with exports gradually picking up in key geographies. Companies are making significant investments in new facilities and scaling up capacities to meet the growing demand. Sustained government spending on infrastructure and steady traction in real estate activity continued to underpin sector-wide demand momentum.
- **FMEG segment muted demand due to slow pickup:** Polycab/Havells reported revenue growth of 14.3%/5.0% YoY while Bajaj Electricals/RR Kabel/Crompton FEMG decline by 1.0%/2.9%/0.8%. Overall coverage segment reported 2.1% YoY growth, due to: 1) Continued weak performance in seasonal product categories due to slow retail offtake, 2) Stagnant demand from fans and air coolers due to unseasonal rains and 3) High commodity prices and elevated operating costs which impacted margins.
- **Another weak quarter for RAC companies:** Voltas reported a 23.2% decline in its UCP segment, sequentially gaining market share (YTD market share 18.5%). Havells' Lloyd reported decline of 18.2% YoY in Q2FY26. Both companies under our coverage reported elevated inventory, while companies anticipate demand to revive due to GST reduction on RAC and pre-buying of old inventory due to new BEE norms.
- **Strong festive drive demand Consumerware growth:** Consumerware segment under our coverage grew by 23.4% YoY, supported by strong festive and gifting-led demand. Additionally, the segment is expected to benefit from a pickup in steelware demand following the imposition of anti-dumping duties on imports of vacuum flasks and steel vessels from China.

Exhibit 96: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
BJE IN	11,071	-1.0%	4.0%	619	19.9%	85.7%	203	37.7%	127.0%	146	13.4%	792.1%
CELLO IN	5,874	19.9%	11.0%	1,277	7.6%	17.1%	1,213	3.9%	12.8%	857	4.9%	17.3%
CROMPTON IN	19,156	1.0%	-4.1%	1,584	-22.1%	-17.4%	1,226	-28.2%	-26.2%	712	-43.0%	-41.8%
HAVL IN	47,793	5.3%	-12.4%	4,384	16.9%	-15.0%	4,146	14.1%	-11.7%	3,183	18.9%	-8.4%
KEII IN	27,263	19.4%	5.3%	2,693	19.8%	4.4%	2,773	33.4%	5.3%	2,035	31.5%	4.0%
POLYCAB IN	64,772	17.8%	9.7%	10,208	61.6%	19.0%	9,210	56.0%	15.0%	6,855	55.9%	15.8%
RRKABEL IN	21,638	19.5%	5.1%	1,758	104.9%	23.7%	1,546	158.1%	29.9%	1,163	134.7%	29.5%
VOLT IN	23,473	-10.4%	-40.4%	704	-56.6%	-60.6%	906	-61.9%	-60.3%	343	-74.4%	-75.6%

Source: Company, PL **Hyperlink on Bloomberg Code*

Exhibit 97: Conviction Picks Commentary

Name	Commentary
KEI Industries	KEI reported 15% volume growth in Q2FY26. Institutional exports surged by 116.6% YoY. KEI has guided revenue growth of 20%+ for FY26 with a sustained CAGR of over 20% from FY27 driven by strong demand in domestic & export markets, and EBITDA margin by 100-150bps once Sanand plant becomes fully operational. We estimate revenue/EBITDA/PAT CAGR of 21.7%/23.2%/22.6% for FY25-28E
LG Electronics India	RM localization stood at 55.8% in Q2FY26, and the company expects a 2-3% annual increase, which will aid margin improvement over the next few years. LGEL has outlined a ~Rs50bn capex plan over the next 4-5 years for its Sri City facility to scale up manufacturing of AC compressors, washing machines, and refrigerators. We estimate revenue/EBITDA/ PAT CAGR of 9.6%/10.0%/9.2% over FY25-28E.

Source: PL

Education

- DOMS delivered strong results driven by solid volume growth and improved momentum in its hygiene segment. While Navneet Education's (NELI IN) performance was under par in 2QFY26 given the challenges faced in the stationery business.
- DOMS:** DOMS IN reported better-than-expected performance with revenue of Rs5,679mn and EBITDA margin of 17.5% aided by healthy volume growth in stationary segment amid new product launches within categories like scholastic stationery, kits & combos and office supplies. Even hygiene business reported healthy revenues of Rs474mn with an EBITDA margin of 8.1%. The new development plan on 44-acres land parcel at Umbergaon has witnessed slight delay due to extensive monsoons (Rs1,500mn incurred towards capex in 1HFY26) and commercial production is expected to begin by 1QFY27E. Aided by capacity expansion in core stationery business, widening product basket (SKU count is up by ~300 in last 1 year), and strengthening distribution network (retail touch points are up by ~10K in last 1 year) we expect sales/PAT CAGR of 22%/24% over FY25-FY28E. Maintain BUY on the stock with a TP of Rs3,085 (60x FY27E EPS).
- NELI:** NELI IN reported a subdued performance in 2QFY26 with revenues declining 9.1% YoY to Rs2,470mn primarily due to weak export stationery demand given challenging external environment following levy of tariffs by the US. Additionally, lower realizations in the domestic stationery business driven by correction in paper prices, further weighed on revenue. While gross margin improved to 59.1% aided by softer raw material costs, NELI IN reported a loss of Rs150mn led by weakness in the stationary business. On positive note, the publication segment grew 10.6% YoY, supported by the initial curriculum change in lower grades. We foresee near-term growth challenges and expect sales CAGR of 5% over FY25-28E with EBITDA margin of 16.5%/16.2%/16.9% in FY26E/FY27E/FY28E. Retain REDUCE with a SoTP-based TP of Rs119.
- Note:** SCHAND IN has been dropped from our coverage.

Exhibit 98: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
DOMS IN	5,679	24.1%	1.0%	995	15.8%	NA	818	13.6%	NA	583	NA	NA
NELI IN	2,470	-9.1%	-68.9%	10	-60.8%	NA	-170	182.9%	NA	-150	208.6%	NA

Source: Company, PL

*Hyperlink on Bloomberg Code

Conviction Picks:

Amber Enterprises

Electronic Manufacturing Services

- **EMS companies grew by 32.2% YoY; Margins Expand:** EMS companies in our coverage universe revenue grew by 32.2% YoY (Ple: 34.3%), with a margin expansion of 100bps to 10.9% (Ple: 10.4%). The coverage order book grew by 31.9% YoY to Rs 181bn. Avalon/KAYNES/Syrma/Cyientdl order book grew by 25.5%/49.4%/20.8%/15.8% to Rs 19/81/58/23bn. In Q2FY26, Amber's Railway segment had an order book of Rs26bn in H1FY26, and expects additional Rs4–5bn in H2FY26.
- **Amber Growth to Rebound Ahead Despite Near-Term Pressure:** Amber's Consumer Durables (CD) segment declined 18.4% YoY in Q2FY26; however, the RAC industry witnessed a sharper ~35% decline due to unfavorable weather conditions and purchase deferments ahead of the GST rate reduction implementation. Company expects RAC industry to be flat for FY26; however, CD segment is expected to grow by 13-15% for FY26. Electronics division grew by 30.5% YoY to Rs 6.4bn with EBITDA margins of 5.8% (contracted by 190bps) due to increase in the price of copper clad laminates and gold prices, however company expects margin of 8-9% for FY26. Railway division grew by 6.9% in Q2FY26 with order book of Rs26bn in H1FY26, and expects additional Rs4–5bn in H2FY26, company expects to double the revenue in next two financial years.
- **Avalon's Strong Growth Continues, Cyient DLM B2S to drive growth:** Avalon Technologies has reported decent revenue growth of 39.1% YoY mainly driven from Mobility/Industrial segments (grew by ~29%/65% YoY). EBITDA margin contracted by healthy ~90bps YoY to 10.1%, (Mobility/industrials contributes 28%/36% to the revenue) with increased domestic manufacturing (reached 81% of revenue). AVALON has upward its guidance from 23-25% to 28-30% growth in topline for FY26 and maintained its gross margin to 33-35%, Cyient DLM topline declined by 20.2% YoY, however its margins expanded by ~190bps, driven by higher contribution from the Box-to-Build segment (25% vs 15% in Q2FY25) and a decline in the share of the lower margin Defense segment. The company remains confident of achieving an EBITDA margin above 10% for FY26 and expects book to build ratio of 1.5x. In Q2FY26, the company added two new clients: a Japanese company manufacturing EVOTL vehicles and an EV charging company. The Build-to-Specification(B2S) segment contributes 20% to the order backlog, and the share is likely to increase in the future.
- **KAYNES strong order book & Syrma focused on high margin:** KAYNES has outperformed in the EMS sector with a revenue growth of 58.4% YoY driven by automotive and industrial segment grew by 28.7%/75.4% in Q2FY26 which contributes 22%/59% to the topline respectively also Margins expanded by ~200bps to 16.3% mainly due to operating leverage and increased in contribution from ODM segment. KAYNES has maintained its guidance to reach Rs 45bn, with a its margin guidance of ~17% by FY26. In Q2FY26 company is having an order book of Rs 80bn. Syrma SGS Technology has reported robust earnings growth of ~62% YoY. This performance was driven by a 150bps YoY expansion in EBITDA margin to 10.1%, attributed to a favourable segment mix (with consumer contribution reducing to 32% revenue) and improved operating efficiency. SYRMA in Q2FY26 made four

strategic milestones/acquisition 1) Acquired stake in Elcome systems (Foray into Defence & Maritime business). 2) JV with Shinhyup for PCB manufacturing 3) Acquired 49% in KSolare Energy Pvt Ltd 4) JV with Italy-based Elemaster. Company order book stood at Rs 58bn in Q2FY26, majorly driven from industrial and auto segment. SYRMA has guided revenue growth of 30% with EBITDA margin of 9.0%+ for FY26, revenue will be mainly driven by auto/industrial segment.

Exhibit 99: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
AMBER IN	16,470	-2.2%	-52.2%	913	-19.7%	-64.4%	-403	NA	-125.0%	-321	-253.3%	-130.3%
AVALON IN	3,825	39.1%	18.3%	386	28.1%	29.2%	336	43.3%	73.9%	250	42.9%	75.7%
CYIENTDL IN	3,106	-20.2%	11.6%	312	-1.4%	24.5%	169	-19.1%	67.3%	321	108.0%	330.7%
KAYNES IN	9,062	58.4%	34.6%	1,480	80.2%	30.9%	1,517	78.6%	57.9%	1,214	101.7%	62.7%
SYRMA IN	11,459	37.6%	21.4%	1,152	62.4%	33.0%	895	76.6%	33.3%	641	61.6%	28.8%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 100: Conviction Picks Commentary

Name	Commentary
Amber Enterprises	Amber expects a strong recovery with Consumer Durables growing 13–15% in FY26 and Electronics revenue reaching Rs32bn with margin expansion to 8–9%. The company is executing large backward-integration capex and diversifying its electronics portfolio while the Railway division, supported by a Rs26bn order book in H1FY26 and expects additional Rs4–5bn in H2FY26, railway segment is expected to double revenue in two years. We estimate revenue/EBITDA/PAT CAGR of 20.9%/25.6%/43.8% over FY25–28E with EBITDA margin expanding by ~90bps to reach 8.8% by FY28E.

Source: PL

Conviction Picks:

Shriram Finance

Financial Services

- Vehicle financiers saw lower capacity utilization in Q2 on account of excess rain/ seasonality (CIFC/ MMFS/ SUF) leading to sluggish disbursement growth; however, commentary across players expects an improvement in H2 with GST cuts, festive season and pick-up in rural consumption.
- Tractor, PV and 2W segments recorded stronger momentum in Q2 (CIFC/ MMFS/ SHFL). While MHCV volumes remained weak, LCV/ Small CV volumes began stabilizing. SHFL saw a better growth in CV segment (+14%) than covered peers.
- BAF highlighted elevated stress in MSME and Captive 2/3W leading to significant curtailment of unsecured MSME volumes (~25% cut) and slower growth in mortgage leading to a lowered AUM growth guidance of 22-23% in FY26, down from 24-26% earlier.
- Covered NBFCs observed a reduction in incremental cost of borrowing in Q2 by ~20-30bps QoQ (CIFC/ SHFL/ SUF) which was offset by moderation in yield due to rate-cut benefit passed to customers (CIFC/ SUF). We expect an improvement in CoF across the board, translating into a positive movement in margin in FY26.
- Opex costs remain elevated as companies are undertaking expansion in new verticals/ technology/ strengthening collections.
- Asset quality trends deteriorated in the quarter with CV financiers indicating cash-flow pressures from MSME borrowers (SUF). SHFL saw a stable trend in asset quality, with improving Stage 2 book. However, a cautionary stance on MSME portfolio is taken due to tariff uncertainties.
- CIFC indicated higher stress in the CSEL portfolio (fintech-partners). However, it expects credit costs to improve in H2 as the partnership book has started to run-down and company has curtailed disbursements in this segment.
- Given signs of over-leveraging and elevated stress in 2W/3W and MSME lending, BAF has taken significant credit actions in both these businesses by curtailing disbursements and strengthening collections. While credit costs stood elevated in the quarter (2%), company is seeing an improvement in early-bucket delinquencies (ex-MSME) in FY26E.

Exhibit 101: Q2FY26 Result Snapshot

(Rs mn)	NII			Operating Profit			PAT		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
BAF IN	1,07,847	22.0%	5.5%	88,769	21.4%	4.6%	49,478	23.3%	3.8%
CIFC IN	33,787	24.5%	6.1%	24,578	27.9%	1.9%	11,553	20.0%	1.7%
MMFS IN	21,116	16.6%	4.9%	14,989	25.3%	10.8%	5,693	54.1%	7.5%
SHFL IN	60,258	10.3%	4.4%	44,434	11.5%	6.0%	23,072	11.4%	7.0%
SUF IN	7,142	27.0%	5.2%	6,318	16.3%	-11.9%	3,942	14.3%	-8.1%

Source: Company, PL

*Hyperlink on Bloomberg Code

Exhibit 102: Conviction Picks Commentary

Name	Commentary
Shriram Finance	Q2 disbursements grew by 10% YoY supported by strong volumes in CV, PV and MSME portfolio. With PV/ tractor demand picking up post GST cuts, replacement demand driving growth in used vehicles and strong ramp-up in MSME and gold loans, we expect a stronger H2 thereby building an AUM growth of ~17%/ 16% for FY26E/ FY27E. We expect NIM to improve by ~10bps supported by normalizing trend in liquidity and reduction in incremental CoF. Asset quality remained resilient with GS3/ NS3 largely stable and a significant improvement in Stage 2 assets across key categories. We remain conservative and build credit cost at 2.0%/ 1.9% in FY26E/ FY27E. Factoring a strong trend in growth, favourable margin profile and controlled asset quality trend, we prefer SHFL with a TP of Rs 875 (valued at 2.2x on Sep-27 ABV).j

Source: PL

Conviction Picks:

Infosys

HCL Technologies

Persistent Systems

Latent View Analytics

Information Technology

- Q2FY26 performance for our coverage universe improved versus Q1 as macro headwinds moderated and clients adapted to the volatile environment. IT services companies delivered median revenue growth of 1.8% QoQ CC (vs. a 0.8% QoQ decline in Q1). ER&D players also posted a surprise recovery, aided by the resumption of delayed/paused projects, resulting in median growth of 1% QoQ CC.
- Clients continued to prioritize cost-optimization and vendor-consolidation programs. Discretionary programs remained soft, but AI-driven demand - particularly for GenAI and Agentic AI use cases - continued to show strong traction.
- BFSI sustained the overall momentum, supported by an improving Manufacturing segment. However, Retail/CPG continued to lag.
- Tier-1 and Tier-2 players performed broadly in line, each reporting ~1.9% QoQ CC growth, versus a 1.1% decline for Tier-1 and 1% growth for Tier-2 in Q1. ER&D companies also recovered, delivering 1% QoQ CC median growth against a 3.9% decline last quarter.
- Operating margin improved, supported by operating leverage, the postponement of wage hikes, and INR depreciation. IT Services reported a 70 bps QoQ expansion in EBIT margin, with Tier-1 margins improving by 70 bps and Tier-2 by 40 bps. ER&D companies' margins were stable sequentially at 14.9%.
- Deal wins were steady in Q2 with TCV wins of USD 23.9 bn, up 1% QoQ and 22.3% YoY. LTM BTB increased to 1.08x compared to 1.04x in Q1.
- Hiring improved in Q2, with net additions of 22k employees (excluding TCS). TCS, however, saw a net reduction of 19.8k employees due to its internal restructuring program. Median attrition remained stable at 13.8%, while median utilization rose to 85.4% from 84.5% in Q1.

Exhibit 103: Q2FY26 Result Snapshot

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
CYL IN	17.8	-3.7%	4.0%	1.7	-27.5%	2.7%	2.0	-20.9%	-6.9%	1.3	-28.9%	-17.2%
HCLT IN	319.4	10.7%	5.2%	57.3	6.8%	15.9%	58.8	3.4%	13.3%	45.9	8.3%	19.3%
INFO IN	444.9	8.5%	5.2%	93.5	8.1%	6.2%	102.3	10.5%	5.0%	73.9	13.2%	6.6%
KPITTECH IN	15.9	7.9%	3.2%	2.6	6.0%	-0.2%	2.5	-11.9%	5.1%	1.7	-17.0%	-1.6%
LATENTVI IN	2.6	23.3%	9.1%	0.5	24.6%	11.5%	0.6	5.9%	-0.4%	0.4	9.1%	-11.7%
LTIM IN	103.9	10.2%	5.6%	16.5	13.0%	17.2%	18.8	11.4%	8.9%	14.0	12.0%	11.7%
LTTS IN	29.8	15.8%	4.0%	4.0	2.7%	4.4%	4.5	1.6%	3.6%	3.3	2.8%	4.1%
MPHL IN	39.0	10.3%	4.5%	6.0	9.5%	4.4%	6.2	11.1%	2.4%	4.7	10.8%	6.2%
PSYS IN	35.8	23.6%	7.4%	5.8	43.7%	12.7%	6.2	42.0%	11.1%	4.7	45.1%	10.9%
TCS IN	658.0	2.4%	3.7%	165.7	7.1%	6.8%	172.0	7.3%	1.3%	129.0	8.4%	1.1%
TATATECH IN	13.2	2.1%	6.4%	1.9	-9.5%	10.3%	2.3	5.7%	0.9%	1.7	5.1%	-2.8%
TECHM IN	139.9	5.1%	4.8%	17.0	32.7%	15.0%	16.6	-3.2%	2.5%	11.9	-4.5%	4.7%
TELX IN	9.2	-3.9%	2.9%	1.7	-29.0%	4.6%	2.1	-28.1%	9.4%	1.5	-32.5%	7.2%
WPRO IN	227.0	1.8%	2.5%	39.0	4.9%	2.1%	44.0	2.8%	-2.4%	31.3	-2.4%	1.6%

Source: Company, PL

*Hyperlink on Bloomberg Code

Exhibit 104: Conviction Picks Commentary

Name	Commentary
Infosys	A strong H1 performance lowers the ask rate needed to meet the full-year revenue guidance. Robust deal wins and healthy AI-led demand position the company to execute well even in a cost-focused spending environment. As discretionary budgets begin to normalize, we expect the company's growth trajectory to accelerate further, reinforcing its potential to outperform Tier-1 peers. We project USD revenue and earnings to grow at a CAGR of 5.5% and 9.7%, respectively, over FY25–28E.
HCLT	Strong Q2 performance and narrowing of revenue guidance range for FY26 enhances near-term visibility, supported by consistent deal wins and steady conversions. HCLT's AI strategy is gaining momentum, reflected in quarterly AI revenue of ~USD 100 mn, which we expect to scale gradually. We project USD revenue and earnings to grow at a CAGR of 7% and 10.2%, respectively, over FY25–28E.
Persistent	Persistent steady outperformance amid a volatile macro backdrop reinforces our confidence in the company. A strong Q2 with solid deal wins and healthy conversions provides a base for industry-leading growth in FY26 and supports its trajectory toward the USD 2 bn revenue target by FY27. We estimate USD revenue and earnings to grow at a CAGR of 17.9% and 25%, respectively, over FY25–28E.
Latent View	Q2 outperformance, led by FS and Retail/CPG, enabled an upward revision of the FY26 revenue guidance. We believe cross-sell opportunities with Decision Point, continued investments in CoEs, strong Databricks traction (~80% YoY), and a growing GenAI pipeline (~USD 7 mn in Q2) collectively strengthen near-term growth visibility. We estimate USD revenue and earnings to deliver a CAGR of 20.8% and 20.3%, respectively, over FY25–28E.

Source: PL

Conviction Picks:

Max Healthcare Institute

Aster DM Healthcare

Forits Healthcare

Hospitals

Q2FY26 was a mixed quarter, marked by a muted seasonality (weak dengue/pediatrics), ARPOB resilience aided by better case mix and margin drag led from losses of new capacities for KIMS and RAINBOW. Overall, the hospitals sector delivered healthy quarter with 18% YoY EBITDA growth supported by ARPOB strength and healthy surgical volumes. Expansion strategies remain intact across our coverage universe. With strong operating cash flows, hospitals under coverage are well positioned to fund growth capex and pursue inorganic opportunities. We remain structurally positive on the hospitals sector over the medium term, supported by secular growth drivers, improving mix, and capacity ramp-up.

- Our coverage universe delivered a healthy EBITDA growth of 18% YoY. QoQ growth at 15% was in line with seasonal moderation. Excluding 24x7 losses at APHS, EBITDA growth stood at 17% YoY (14% QoQ). Margins were steadily improved during the quarter except for KIMS due to operating costs from new bed additions.
- Revenue growth for our coverage universe was strong at 16% YoY, driven by sustained momentum in ARPOB, healthy surgical volumes and new capacity additions. YoY occupancy impacted due to weak dengue/pediatric season and new bed additions.
- ARPOB growth remained strong across the coverage, with ASTERDM, JLHL, RAINBOW, NARH, JLHL, and KIMS posting 10–18% YoY increase, aided by improved case mix, higher surgical share and favorable payor mix.
- Most of the companies have guided for 5–7% ARPOB growth annually across the board, led by better payor and complex case mix. Occupancy recovery and operational efficiencies from recent capacity additions are expected to drive margin expansion going ahead along with CGHS rate revision. Base business margins continue to remain healthy, but overall consol margins will remain under pressure in near term for few companies given start-up losses from new bed capacities.
- International patient inflows improved sequentially led by Middle East and African markets. Bangladesh remained weak but is showing initial signs of recovery. Companies such as MAXHEALT, ASTERDM, NARH-Cayman saw the strongest traction, and management commentary across the sector suggested sustained MVT recovery through H2FY26. Overall IP & OP volumes witnessed YoY growth of ~5% and 12%, respectively.
- Capex and expansion plans across the coverage universe remained broadly on track, with only select brownfield and greenfield projects witnessing regulatory or monsoon-related delays. Management commentary reiterated strong medium-term capacity addition pipelines, with increasing emphasis on greenfield developments and inorganic growth opportunities.

Exhibit 105: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
<u>APHS IN</u>	63,035	12.8%	7.9%	9,411	15.4%	10.5%	6,684	21.2%	17.4%	4,772	26.0%	10.3%
<u>ASTERDM IN</u>	11,972	10.2%	11.1%	2,531	12.6%	21.6%	1,845	11.0%	25.2%	1,097	14.4%	28.0%
<u>FORH IN</u>	23,314	17.3%	7.6%	5,563	27.9%	13.4%	3,982	25.8%	18.9%	3,219	82.4%	23.7%
<u>HCG IN</u>	6,469	16.9%	5.5%	1,233	20.6%	14.4%	195	-29.5%	73.6%	163	-9.6%	242.5%
<u>JLHL IN</u>	3,936	17.5%	11.5%	922	18.0%	17.5%	742	6.0%	20.0%	573	11.1%	30.5%
<u>KIMS IN</u>	9,607	23.6%	10.2%	2,040	-6.5%	5.9%	971	-40.1%	-14.6%	672	-37.4%	-14.5%
<u>MAXHEALT IN</u>	25,800	21.4%	4.9%	6,940	22.6%	13.0%	5,310	14.4%	14.7%	5,540	58.7%	60.6%
<u>NARH IN</u>	16,438	20.3%	9.1%	4,069	31.8%	20.8%	3,012	29.6%	30.2%	2,583	29.6%	31.7%
<u>RAINBOW IN</u>	4,448	6.5%	26.0%	1,489	1.2%	43.7%	1,024	-2.8%	43.4%	753	-4.6%	40.7%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 106: Conviction Picks Commentary

Name	Commentary
Max Healthcare Institute	Strong quarter and insurance issues resolved. Guided for Rs 2bn of revenues annually from CGHS price hike once fully implemented across schemes. Reiterated strong visibility on growth driven by its aggressive brownfield-led expansion, with key projects (Nanavati, Max Smart, Lucknow, Mohali, Sec-56 Gurgaon) progressing on schedule and new units (Noida, Dwarka) steadily improving. Management guided sustained volume growth, stronger case mix and margin improvement as new capacity ramps up.
Aster DM Healthcare	Strong quarter with robust MVT led growth in the Kerala cluster. steady improvement across Karnataka, Maharashtra, and AP-Telangana, supported by complex care and cost efficiencies. ARPP growth guidance at 7-8% YoY over the next 2-3 years. ASTERDM + QCIL 4,000+-bed expansion plan over the next 3 years. GST impact is minimal and expected to be fully offset by CGHS-linked gains, while post-merger combined entity's margin guidance of 25%.
Forits Healthcare	Strong quarter aided by operational efficiency. Margins continue to improve, with Mulund and Jalandhar now above 20% EBITDA and management increasing FY26 guidance to 22.5%, targeting 25% in two years driven by mix upgrade, ARPOB strength and new unit ramp-up. Integration of Gleneagles's O&M hospitals is progressing well, Manesar has turned profitable, and CGHS tariff hikes plus lower legal expenses provide further margin tailwinds. Plans to add another 400-500 beds in FY27.

Source: PL

HFCs

- Coverage HFCs saw a mixed quarter; while PAT was a beat owing to better NII/opex and provisions, AuM growth was lower by 1% due to lower disbursements and higher repayments.
- AuM growth was a miss at 6.7% YoY (PLe 7.6%). Disbursements were 1.7% lower at Rs204.2bn (PLe Rs207.7bn) due to i) higher BT-out in LICHF as customers in HL segment shifted to PSU banks for better rates ii) repayments were higher at Rs163.7bn (PLe Rs135.0bn) largely for LICHF and CANF.
- NIMs were a beat due to lower funding cost in CANF and AAVAS. NIM for LICHF was largely in-line. CANF reported better NIMs due to lower funding cost as 71% of borrowing is floating in nature and 60% of loan book is on annual reset which gave push to NIM. While AAVAS saw funding cost benefits due to EBLR linked borrowings.
- Other income was a beat at Rs2.5bn due to LICHF and AAVAS. Opex was lower at Rs5.5bn (PLe Rs6.1bn) due to lower staff cost & other opex across HFCs. PPOP at Rs24.3bn was a beat (PLe Rs22.8bn).
- Provisions were lower at Rs1.8bn due largely to better asset quality in CANF; Overall PAT at Rs17.7bn was 7.5% above PLe.
- Stage-3 was in-line at 2.25%; LICHF and CANF saw a decrease in stage-3 by 11bps and 4bps QoQ while AAVAS saw an uptick by 2bps QoQ.

Exhibit 107: Q2FY26 Result Snapshot

(Rs mn)	NII			Operating Profit			PAT		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
AAVAS IN	2,881	19.2%	3.8%	2,192	12.5%	15.1%	1,639	10.8%	17.7%
CANF IN	4,046	19.1%	11.5%	3,346	16.3%	10.1%	2,514	18.9%	12.3%
LICHF IN	20,385	3.3%	-1.3%	18,729	7.5%	-1.0%	13,539	1.9%	-0.4%

Source: Company, PL

*Hyperlink on Bloomberg Code

Conviction Picks:

Max Financial Services

HDFC Life Insurance Company

Life Insurance

- APE witnessed a growth of 9-15% except IPRU which saw a degrowth of 3%. While linked segment deteriorated by 2-9% across covered companies except HDFCLife which saw a spike of 44%, non-linked segment majorly improved barring HDFCLife (-64% YoY) due to pricing aggression and increased competitive intensity
- VNB saw a moderate growth of 7-25% with IPRU reporting a flat growth (1% YoY). VNB margin was largely steady in the range of 24-28% due to favorable product mix and rider attachments (IPRU/ MAXFS/ SBILife), however commentary highlighted impact of GST disallowance and drag of fixed cost absorption would impact FY26E margin by 174-350bps (HDFCLife/ MAXFS/ SBILife)
- The growth in distribution mix between banca and others was steady in Q2 with HDFCLife witnessing degrowth in banca (-3%) due to slower growth in non-HDFC Bank partners while for other players it showed tepid growth (IPRU/ SBILife) while agency/ proprietary saw healthy growth of 22-25% for HDFCLife and MAXFS
- Embedded value registered 10-15% growth across covered companies after factoring in the adverse impact of GST exemption of ~1% (HDFCLife/ IPRU) / Rs 3.3bn (SBILife). MAXFS expects EV to improve to 18-19% driven by higher operating leverage
- AUM grew by 9-11% YoY except IPRU which reported a flat growth. While Opex costs remain elevated as companies are undertaking expansion through new branches/ technology, IPRU/ MAXFS saw a significant improvement of ~100-280bps YoY in Total Cost ratio in H1FY26
- Solvency ratio of HDFCLife reduced to 175% due to dividend payout, repayment of Rs 6bn subordinated debt, higher share of protection business and impact of GST exemption. Moreover, company is planning to raise upto Rs 7.5bn of sub-debt in one or more tranches in H2
- IPRU indicated normalization of 13M persistency in-line with FY23 levels while it also highlighted a drop in 61M persistency due to a change in definition. Furthermore, company will be exercising a call option for Rs 12bn of sub-debt in Nov-25
- SBILife highlighted no change in distributor commissions due to the new GST rules and has passed on the entire benefit of yield curve movement to NPAR customers and reiterated its FY26 growth guidance of 13-14% led by a pick-up in protection and strong product pipeline

Exhibit 108: Q2FY26 Result Snapshot

(Rs mn)	Annualised Premium Equivalent			Value of New Business			Embedded Value		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
HDFCLIFE IN	41,880	8.6	29.9	10,090	7.6	24.7	5,95,400	14.2	2.0
IPRU IN	24,220	(3.3)	29.9	5,920	1.0	29.5	5,05,010	9.7	5.3
SBILIFE IN	59,400	10.2	49.6	16,600	14.5	52.3	7,60,000	15.0	2.3
MAXF IN	25,070	15.5	50.3	6,390	24.8	90.7	2,68,950	23.8	1.6

Source: Company, PL

*Hyperlink on Bloomberg Code

Exhibit 109: Conviction Picks Commentary

Name	Commentary
Max Financial Services	Q2 APE registered a growth of 15% YoY supported by NPAR and protection segments with the growth momentum likely to sustain. With a robust uptick in retail protection post GST exemption, new product launches in NPAR/ Annuity and recovery in credit life segment, we expect a stronger H2 thereby building an APE growth of 16% for FY26E. VNB margin saw a significant expansion to 25.5% in Q2 while the drag from GST exemption likely to be offset by a favorable product mix, we revise our estimates to 24.2%/ 24.6% for FY26/ FY27E as the NPAR/ protection segments improve. Factoring a strong outlook on growth and margin trajectory, we prefer MAXF using Appraisal Value framework with a TP of Rs 1,925 (valued at 2.1x on FY27E P/EV)
HDFC Life Insurance Company	Q2 APE saw a mild growth of 9% YoY driven by ULIP and PAR business while term business saw a strong uptick post GST rationalization. With sustained momentum in ULIP and PAR, pick-up in credit life and recovery in NPAR, we expect a better run-rate in H2FY26E at 12% YoY and build an overall APE growth of 14.5%/ 14.8% for FY26/ FY27E. VNB margin saw a contraction to 24.1% in Q2 due to the impact of GST exemption, we expect the margin to trend lower and trim our estimates to 24%/ 24.5% for FY26/ FY27E, however strong growth in retail protection volume and improved margin profile in ULIP is likely to offset some of the drag. While we remain confident on growth delivery, we prefer HDFCLIFE using Appraisal Value framework with a TP of Rs 900 (valued at 2.6x on FY27E P/EV)

Source: PL

Logistics

Delhivery reported a decent performance, excluding the one-time Ecom Express integration cost of Rs900mn. Mahindra Logistics showed early signs of recovery in its express segment, supported by improving volumes. In contrast, TCI Express reported a weak quarter, impacted by pricing pressure and flat volumes.

- Delhivery:** Adjusting for the integration cost charge of Rs900mn arising from acquisition of E-com express, DELHIVER IN's operating performance was better than our estimate with EBITDA margin of 6.2%. Improvement was driven by turn-around in SCS division with service EBITDA margin of 12.9%. However, service EBITDA margin of B2C parcel division expanded by just 20bps YoY to 15.1% and operating leverage benefit was not evident as yields were down 6.7% YoY to Rs65.5 given average weight per parcel on E-com's network is comparatively lower. In addition, PTL division's service EBITDA margin also witnessed a sequential dip to 8.5% as fixed cost absorption was weak amid delay in shipments post changes in GST rates. Nonetheless, service EBITDA margin of B2C parcel division is expected to revert to ~16-18% mark by end of FY26E. PTL division's service EBITDA margin is also expected to mimic B2C parcel division over the next 2 years. Overall, we expect sales CAGR of 14% over the next 3 years with EBITDA margin of 5.1%/9.4%/10.2% in FY26E/FY27E/FY28E and maintain ACCUMULATE with a TP of Rs489 (38x Sep-FY27E EBITDA).
- TCI Express:** TCIEXP IN reported weak set of results as revenues declined 1.0% YoY to Rs3,085mn with an EBITDA margin of 10.9% as volumes remained flat at 250,000 MT. Pricing pressure was also evident as realization was down 1.0% YoY to Rs12.3 per KG. Given stiff competition, we expect volume and realization CAGR of 6%/1% over FY25-FY28E. We expect sales/PAT CAGR of 7%/19% (driven by low base) over FY25-FY28E and retain HOLD with a TP of Rs705 (21x Sep-27E EPS). Faster than expected volume recovery & utilization is a key risk to our call.
- Mahindra Logistics:** MAHLOG IN reported a mixed set of results with EBITDA beat of 7.7% led by narrowing losses in B2B express business. We believe B2B express business is showing early signs of revival with volumes increasing by 7.2% combined with yield improvement of Rs0.9 in 2QFY26. Having achieved a 20%+ absorption in white space during 2QFY26, MAHLOG IN intends to lease out the balance unoccupied area by Sep-26. We expect revenue CAGR of 15% over FY25-FY28E with EBITDA margin expansion of 160bps over the next 3 years. Given healthy growth prospects and strengthening of BS post rights issue, we maintain ACCUMULATE with a TP of Rs386 (23x Sep-27 EPS).

Exhibit 110: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
DELHIVER IN	25,593	16.9%	11.6%	682	19.0%	-54.2%	-566	NA	NA	395	NA	-56.6%
MAHLOG IN	16,853	10.8%	3.7%	851	28.2%	11.6%	-54	NA	NA	-103	NA	NA
TCIEXP IN	3,085	-1.0%	7.6%	335	-9.0%	19.5%	320	-4.9%	21.5%	239	-4.1%	22.8%

Source: Company, PL *Hyperlink on Bloomberg Code

Media & Entertainment

- **Media:** Within our media universe, PVRINOX IN delivered a better-than-expected performance with strong content flow and pre-IND AS EBITDA margin of 16.8%, supported by a 14.7% YoY rise in footfalls. Meanwhile, Z IN reported a weak quarter, with revenue down 1.6% YoY and EBITDA margin slipping to a 10-quarter low due to elevated A&P spends despite early signs of viewership recovery.
- **Entertainment:** In our entertainment universe, NAZARA IN reported an in-line operational performance with EBITDA margin of 11.8%, while renewed focus on profitability was reinforced by the decision to deconsolidate Nodwin. On the amusement parks side, IMAGICAA IN posted a subdued quarter with a 10% YoY decline in footfalls and an EBITDA loss. ARPU has improved and long-term visibility has strengthened with the Hello Park partnership coupled with progress on new park developments.
- **ZEEL:** Z IN reported weak results as top line declined 1.6% YoY to Rs19,692mn with an EBITDA margin of 7.4%. EBITDA margin was at a 10-quarter low led by higher A&P spends (18.7% of sales) amid new channel launches in Kannada & Bangla markets. Nonetheless, viewership share is showing signs of improvement (17.8% in 2QFY26) while digital business is on the verge of EBITDA break-even. We expect margin recovery to be back-ended led by improvement in ad-environment and mean reversion in A&P spends. We expect revenue CAGR of 5.5% over the next 3 years with EBITDA margin of 12.3%/18.4%/19.5% in FY26E/FY27E/FY28E. We maintain BUY with a TP of Rs161 (14x FY27E EPS; no change in target multiple).
- **PVR INOX:** PVRINOX IN reported better than expected performance with pre-IND AS EBITDA margin of 16.8% aided by 14.7% YoY rise in footfalls to 44.5mn amid strong BO performance across languages. Despite a solid performance (2nd best quarter post-COVID) in 2QFY26, we broadly maintain our estimates for the year as our existing 2HFY26E ask-rate for footfalls and pre-IND AS EBITDA stands at 69mn/Rs4,150mn respectively. To stabilize footfalls and attract value-conscious consumers, PVRINOX IN plans to roll out smart screens in tier-2/3 markets, which is a potential structural lever to balance high ATPs with stagnant admissions. It has also launched a dine-in cinema in Bangalore, aimed at positioning food as a core draw to elevate the cinema experience and boost non-ticket revenues. We await proof of concept on both initiatives. We expect footfall CAGR of 6.7% over the next 2 years with pre-IND AS EBITDA margin of 12.4%/15.6% in FY26E/FY27E. Retain HOLD with a TP of Rs1,211 (10.5x FY27E EBITDA; no change in target multiple).
- **Nazara Technologies:** NAZARA IN's operational performance was broadly in line with EBITDA margin of 11.8%, though bottom line was weighed down by multiple one-offs related to Nodwin, PokerBaazi and Freaks4U. The decision to deconsolidate Nodwin reflects NAZARA IN's renewed emphasis on profitability over scale. The plan is to now focus on high-margin core gaming portfolio supported by ongoing releases such as new season of Love Island and Big Boss, alongside strong traction in Curve Games. Expansion in offline gaming also remains a key pillar with Smaaash 2.0 slated for relaunch in FY27E and plans to scale Funky Monkeys to ~100 centres over the next few years.

Considering these factors, we build in a sales CAGR of 10% over the next 3 years with EBITDA margin of 12.8%/16.0%/16.6% for FY26E/FY27E/FY28E. We retain HOLD with a SoTP-based TP of Rs253.

- **Imagicaaworld Entertainment:** IMAGICAA IN reported an EBITDA loss of Rs91mn (PLe loss Rs60mn), in a seasonally weak quarter. While footfalls declined 10.0% YoY to 0.23mn, ARPU increased 12.7% YoY to Rs1,299 aided by non-ticketing revenue. IMAGICAA IN has entered family entertainment business via strategic partnership with Hello Park. This collaboration provides IMAGICAA IN with exclusive rights to launch Hello phygital playparks for children in India. The phygital family entertainment business model is scalable, synergistic to the existing outdoor park business and asset light in nature. Beyond this diversification move, IMAGICAA IN has also received environmental clearance for the Sabarmati riverfront project and plans to launch a new water park in Ahmedabad for a capex of Rs2.5bn. We expect sales/EBITDA CAGR of 10%/14% over FY25-FY28E and retain BUY with a SoTP based TP of Rs73 valuing both the park/hotel business at 21x FY27E EBITDA (no change in target multiple).

Exhibit 111: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
IMAGICAA IN	418	4.6%	-71.8%	-91	161.6%	-112.5%	-351	42.4%		-176.4%	-393	492.8%
NAZARA IN	5,265	65.1%	5.6%	620	146.4%	30.7%	10,967	4672.3%		1898.7%	129	-45.9%
PVRINOX IN	18,230	12.4%	24.1%	6,117	27.6%	54.0%	1,426	-1070.1%		-303.1%	1,059	-997.5%
Z IN	19,692	-1.6%	7.9%	1,464	-54.4%	-35.8%	1,153	-58.1%		-41.5%	639	-67.5%

Source: Company, PL *Hyperlink on Bloomberg Code

Conviction Picks:

Tata Steel

Metals & Mining

- Metals coverage universe reported ~12% YoY revenue growth, supported by strong volume performance across steel players. Domestic steel demand remained resilient which led to steel universe volumes growing by 14% YoY. Steel NSR moderated 4% QoQ due to weakness in long & flat product prices.
- Flat steel prices declined 4% QoQ to Rs49,452/t, due to increased domestic availability amid monsoon quarter. Spot spreads contracted ~11.5% QoQ to Rs22,833. Long products prices corrected sharply by 13% QoQ to Rs47,921/t amid sluggish construction activity. Prices are still under pressure with current HRC at ~Rs47,000/t and rebar at ~Rs47,300/t while spot spreads dropping to Rs19,500/t in mid-November.
- Coking coal remained flat QoQ at USD183/t, though benefits from earlier contracts continued to flow through. Since Aug'25, coking coal has hardened and trading at USD197 in mid-Nov'25. Companies expect USD6-8/t inch up in coal costs in Q3 which should impact margins amid weak pricing.
- Alumina prices (East China) increased 4% QoQ to USD435/t, while Aluminum prices rose 7% QoQ to USD2,620/t leading to HNDL and NACL delivering stronger performance. Spot alumina prices corrected further USD40/t while LME Aluminum average moved up to USD2800/t in Nov'25.
- NMDC reported tad weaker EBITDA/t as NSR declined sharp 8% QoQ on price cuts in July and volume mix deterioration amid monsoon. Rising global ore supply remains a structural risk for pricing while own volume uptick can help.
- Jindal Stainless delivered stable performance, with EBITDA/t improving to Rs21,416/t (+2% QoQ) supported by strong domestic demand (+16% YoY volumes). JDSL's NSR improved 2% QoQ led by 2.4% increase in stainless steel prices. Export markets remain soft while cheaper imports continue to dampen pricing in domestic markets.
- EBITDA/t for the steel coverage universe remained healthy YoY but moderated sequentially, as the sharp decline in steel prices negated benefits of coking coal costs. TATA & JSTL reported sharp increase in EBITDA/t, supported by strong volumes and cost efficiency, while JINDALST saw a sharper correction due to increase in operating costs on external metallics purchase amid 25days maintenance shutdown. SAIL had higher other operating income in Q2. EBITDA for our overall metals coverage universe grew 33% to Rs354bn.
- With demand improving post-monsoon, H2 performance would be impacted by higher coking coal costs and weak pricing. H2FY26 volumes are expected to get ramped up by TATA KPO-II and JINDALST's Angul expansion.
- Despite DGTR's recommendation to extend safeguard duty for three years, final notification from Finance Ministry is yet to be received. Steel prices continue to remain under pressure due to persistent imports. We expect Q3 margins to get impacted as companies have not been able to push through meaningful hikes yet. Any pricing recovery is likely to be gradual and dependent on demand strength in H2FY26.

Exhibit 112: Q2FY26 Result Snapshot

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
<u>HNDL IN</u>	660.6	13.5%	2.8%	89.7	13.7%	13.4%	67.2	9.2%	18.5%	51.0	3.4%	27.5%
<u>JDSL IN</u>	108.9	11.4%	6.7%	13.9	17.0%	6.0%	10.7	28.9%	9.4%	8.1	32.0%	13.0%
<u>JINDALST IN</u>	114.8	3.1%	-6.5%	18.8	-11.7%	-37.2%	7.8	-31.7%	-61.1%	6.4	-25.9%	-57.3%
<u>JSTL IN</u>	451.5	13.8%	4.6%	78.5	44.4%	-0.9%	31.7	165.4%	-9.9%	21.3	195.8%	-12.7%
<u>NACL IN</u>	42.9	7.3%	12.8%	19.3	24.3%	29.1%	19.0	31.9%	32.6%	14.3	34.9%	34.7%
<u>NMDC IN</u>	63.8	29.7%	-5.4%	19.9	43.9%	-19.6%	22.6	39.9%	-14.5%	16.8	40.7%	-14.5%
<u>SAIL IN</u>	267.0	15.9%	3.7%	25.3	99.3%	-2.5%	8.9	-270.0%	24.4%	4.3	-48.8%	-37.7%
<u>TATA IN</u>	586.9	8.9%	10.4%	89.0	55.0%	19.8%	45.9	159.2%	47.2%	34.2	399.8%	58.0%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 113: Conviction Picks Commentary

Name	Commentary
Tata Steel	Tata Steel, one of India's largest backward-integrated steel producers (~27mtpa), is well placed to benefit from strong domestic demand in H2. We expect a gradual improvement in realisations as import intensity reduces, supported by the Govt's proposed three-year safeguard extension, which also warrants multiple expansion for primary steelmakers.
	Over FY25–28, volume growth will be driven by the ramp-up of the 5mtpa KPO–II furnace and future expansions (NINL/EAF/ debottlenecking), aided by expected recovery in pricing in India and UK.
	Internationally, Tata's footprint spans the Netherlands (7mtpa), the UK (upcoming 3mtpa EAF) and SEA (1.5mtpa). Gains from Rs115bn cost-transformation programme would continue, while TSUK's breakeven may slip beyond Q4FY26 due to market weakness; CBAM implementation and Europe margin recovery remain key catalysts.

Source: PL

Conviction Picks:

GAIL (India)

Oil India

Oil & Gas

In Q2FY26, aggregate sales stood at Rs7,565bn, slight decline of 1.9% QoQ. Aggregate EBITDA stood at Rs1,044.7bn, up 3.8% QoQ. The outperformance was led by strong GRM growth by OMC's driven by resilient diesel spreads, partly offset by increased operating expenses due to write-offs in E&P's and higher gas input costs for CGD's.

- **Refining outperformed the pack** – Stable crude oil price environment and high diesel cracks led to a significant improvement in GRM's of refining companies. Refining companies reported a combined EBITDA of Rs327.4bn in Q2FY26, up 8.9% vs Rs300.5bn in Q1FY26. Growth in EBITDA was led by IOCL, driven by higher contribution of GRM vs GMM as compared to BPCL and HPCL. Compensation for LPG under-recoveries bodes well for the OMC's. IOCL/BPCL/HPCL received a compensation of Rs144.9bn/Rs75.9bn/Rs79.2bn respectively to be disbursed in 12 equal monthly instalments starting November 2025 and recognized under revenue.
- **Upstream stuck in one-offs** - Oil India's EBITDA dropped 17.5% QoQ to Rs13.2bn, led by higher expenses, Rs7.2bn well write-off at Vijayapuram-2 (Andaman) and a Rs0.6bn gratuity actuarial. Lower production in Q2FY26 led OIL to revise its FY26 oil guidance downward to 3.55mmt (from 3.76mmt), while gas guidance remains unchanged at 3.6bcm. Based on the current run-rate, we believe actual gas volumes could end below guidance. **ONGC's** standalone oil and gas sales profile improved 1.5% and 1.1% QoQ respectively. Standalone EBITDA of Rs177.0bn was in-line with our estimate but declined - 5.1% QoQ due to higher other expenses. Dividend Income of Rs 19.7bn supported overall PAT growth of 22.7% QoQ. FY26 guidance has been trimmed to ~20mmt oil (vs 21mmt earlier) and sub-21.5bcm gas. ONGC now expects 19.8mmt oil / ~20bcm gas in FY26, improving to 21mmt / 21.5bcm in FY27.
- **CGDs crushed with higher input gas costs:** EBITDA/scm took a hit in Q2FY26, driven by higher gas costs amid lower APM/NWG allocation. The impact was sharper for MAHGL and IGL, where cost/scm rose ~4% QoQ each, while GUJGA's cost structure remained stable owing to long-term volume sourcing. MAHGL saw one of the steepest EBITDA/scm declines, falling from Rs12.4 to Rs8.0 QoQ, largely due to the high cost of gas procurements. Volumes improved for MAHGL and IGL, while GUJGA underperformed, driven by lower Morbi volumes.
- **RIL's EBITDA up 6.9% QOQ:** Consolidated EBITDA increased to Rs459.0bn, +6.9% QoQ driven by robust performance in retail (+6.8%) and Jio (+3.5%) segment. Standalone EBITDA grew 9.0% QoQ and 7.2% YoY to Rs143.9bn driven by sharp recovery in fuel cracks, growth in polymer deltas, partly offset by natural decline in KG-D6 volumes. Jio ARPU grew +1.0%/+8.0% QoQ/YoY to Rs211.4 on the back of earlier tariff hike, with a subscriber addition of 8.3mn to 506.4mn.

Exhibit 114: Q2FY26 Result Snapshot

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
BPCL IN	1,049.1	2.1%	-6.8%	97.8	116.7%	1.2%	86.0	169.1%	5.4%	64.4	168.7%	5.2%
GAIL IN	350.3	6.4%	0.7%	31.9	-14.8%	-4.3%	28.2	-18.2%	11.4%	22.2	-17.0%	17.5%
GUJGA IN	37.8	0.0%	-2.3%	4.5	-13.0%	-14.0%	3.8	-9.0%	-14.1%	2.8	-8.4%	-14.0%
GUJS IN	2.3	-4.4%	-6.2%	1.7	-10.2%	-14.4%	4.2	-2.5%	122.1%	3.8	-1.8%	168.4%
HPCL IN	1,007.8	0.9%	-9.0%	68.9	152.9%	-9.4%	51.2	512.7%	-12.1%	38.3	506.9%	-12.4%
IGL IN	40.2	8.8%	2.8%	4.4	-17.4%	-13.3%	4.8	-15.8%	0.1%	3.7	-13.6%	4.9%
IOCL IN	1,788.8	2.9%	-7.3%	145.8	286.6%	15.7%	100.7	-1122.4%	35.9%	76.1	-878.7%	33.8%
MAHGL IN	20.5	14.7%	-1.5%	3.4	-18.0%	-32.2%	2.6	-30.5%	-40.0%	1.9	-32.2%	-39.1%
MRPL IN	226.5	-9.3%	30.5%	14.9	-414.1%	728.9%	9.7	-193.6%	-341.9%	6.4	-193.6%	-334.8%
OINL IN	54.6	-1.1%	8.9%	13.2	-39.3%	-17.5%	13.2	-42.8%	20.0%	10.4	-43.1%	28.3%
ONGC IN	330.3	-2.5%	3.2%	177.0	-3.0%	-5.1%	125.4	-16.6%	16.8%	98.5	-17.8%	22.7%
PLNG IN	110.1	-15.5%	-7.3%	11.2	-6.9%	-3.7%	10.8	-5.1%	-4.7%	8.1	-4.9%	-5.3%
RELIANCE IN	2,546.2	10.0%	4.5%	458.9	17.5%	6.9%	291.2	16.3%	-21.6%	181.7	9.7%	-32.7%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 115: Conviction Picks Commentary

Name	Commentary
GAIL (India)	GAIL has initiated a study on listing of its wholly owned subsidiary GAIL Gas Ltd (GGL). Total sales volume of GGL stood at 7.3mmcmd in FY25. Key areas of operation include Bengaluru, Sonepat, Dewas etc, providing a strong boost to GAIL through Rs11/share accretion after 25% holding company discount. With expected 8-10mmcmd rise in GAIL's transmission volume in FY27 YoY, we expect EPS of Rs16/17 in FY27/28 vs Rs14 in FY25.
Oil India	OIL lowered FY26 oil guidance to 3.5mmt (from 3.7mmt), while gas guidance stays at 3.6bcm, though the current run-rate suggests volumes to remain below guidance. FY27/FY28 volumes are guided at 3.8mmt/3.8bcm and 3.9mmt/4.6bcm, respectively. Expected strength in GRM and +100% utilization, along with the ramp-up of expanded capacity by Q2FY27 at Numaligarh, remain key catalysts.

Source: PL

Conviction Picks:

Sun Pharmaceutical Industries

Ajanta Pharma

IPCA Laboratories

Pharma

- The pharma universe posted 11.2% YoY revenue growth, largely supported by domestic formulation. While the US market remained soft, increasing traction in niche and specialty launches is expected to partly offset the continued pressure from gRevlimid erosion, setting up a gradual recovery trend.
- Domestic formulations sustained healthy momentum across both segments. Chronic therapies continued their stable growth trajectory, while acute therapies particularly anti-infectives performed well.
- Importantly, the sector felt a temporary disruption from the GST rate rationalization in September, which affected primary billing across companies; however, channel normalisation in October has led to visible recovery. Expansion of the salesforce and higher MR productivity further bolstered performance and should continue to support growth.
- The US business performance was a mix bag improved 2% YoY but remained flat QoQ in constant currency; select niche launches and incremental ANDA approvals helped mitigate the impact. Base-business price erosion stayed in the mid-single digits. LPC reported strong sequential improvement, whereas DRRD and ZYDUSLIF saw QoQ declines due to lower gRevlimid sales. SUNP, CIPLA, AJP and ARBP delivered relatively stable QoQ trends.
- API revenues continued to grow primarily on the back of higher volumes, with pricing remaining stable.
- EBITDA margins for the coverage universe held steady at 26.7% up 60bps YoY supported by niche product traction that offset gRevlimid price pressure, benign RM costs, resilient domestic performance, and currency tailwinds. PAT growth was 10.4% YoY.
- US market is likely to stay on a stable trajectory in the coming quarters. While revenues from gRevlimid will continue to taper off due to deeper generic penetration and expiry of volume-limited agreements, the impact should gradually normalize. The same is expected to be cushioned by scale-up in niche, higher-margin products that are ramping well and widening their contribution to the portfolio. Overall domestic formulations are poised to maintain 8–10% growth momentum.
- R&D spending should remain stable, with companies prioritizing complex molecules and specialty assets over traditional generics supporting a more sustainable long-term growth profile.

Exhibit 116: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
ARBP IN	82,857	6.3%	5.3%	16,781	7.2%	4.7%	12,743	8.2%	5.7%	8,485	3.9%	2.8%
AJP IN	13,537	14.1%	3.9%	3,688	9.4%	-2.3%	3,818	20.7%	6.9%	3,012	26.7%	9.8%
CIPLA IN	75,894	7.6%	9.1%	18,948	0.8%	6.6%	18,535	3.9%	4.7%	13,512	3.7%	4.1%
DIVI IN	27,150	16.1%	12.7%	8,880	24.0%	21.8%	9,120	26.3%	24.4%	6,890	35.1%	26.4%
DRRD IN	88,051	9.8%	3.0%	20,553	-4.3%	-4.4%	18,949	-5.4%	-0.5%	14,268	6.4%	1.2%
ERIS IN	7,924	6.9%	2.5%	2,882	8.9%	4.2%	1,724	33.5%	7.6%	1,199	30.8%	2.4%
INDR IN	4,847	12.0%	10.7%	431	7.0%	146.7%	-130	168.6%	-64.6%	-100	-4.3%	-73.1%
IPCA IN	25,565	8.6%	10.7%	5,543	23.2%	30.6%	4,498	30.5%	36.1%	3,408	48.5%	46.1%
JBCP IN	10,849	8.4%	-0.8%	3,096	14.5%	2.9%	2,792	18.0%	2.8%	2,078	19.1%	2.7%
LPC IN	70,475	24.2%	12.4%	21,376	63.4%	30.2%	20,070	90.3%	41.8%	14,917	75.0%	22.4%
SUNP IN	1,44,783	8.9%	4.5%	40,966	7.5%	0.6%	37,371	7.7%	-0.7%	31,180	2.6%	36.8%
TRP IN	33,020	14.3%	3.9%	10,830	15.3%	4.9%	8,040	21.6%	8.9%	6,040	33.3%	10.2%
ZYDUSLIF IN	61,232	16.9%	-6.9%	16,017	13.1%	-21.2%	8,934	-29.7%	-50.5%	4,304	-52.8%	-68.2%

Source: Company, PL

*Hyperlink on Bloomberg Code

Exhibit 117: Conviction Picks Commentary

Name	Commentary
Sun Pharma Industries	Growth trajectory to be sustained on the back of specialty portfolio with 6 products under clinical trials with competitive profile. Strong growth visibility continues in ROW and domestic business.
Ajanta Pharma	AJP's growth is anchored in its strong branded generics presence across India, Asia and Africa, with momentum expected to continue on the back of deeper focus on branded plays, broader therapy coverage and a steady US generics ramp-up.
IPCA Laboratories	IPCA is entering a margin-expansion cycle supported by a strong API recovery, improving Unichem profitability and steady domestic formulation momentum. With export APIs rebounding, US stabilising, and synergy benefits ahead, the business mix is structurally strengthening. Attractive valuations further enhance the risk-reward.

Source: PL

Conviction Picks:

Adani Ports & SEZ

Ports

Ports sector's performance remained strong in Q2FY26, with our coverage universe (ADSEZ & JSWINFRA) delivering 10% YoY cargo growth and strong sequential improvement in per ton revenue. Better cargo mix, rate hikes and improving performance at better priced ports aided per ton revenue. Container volumes remained the strongest driver, while bulk cargo saw mixed trends owing to softer iron ore exports (impacted by sharp fall in pricing) and continued weakness in EXIM coal.

Volumes – Container-led; monsoon impacted coastal ports

- Universe volumes grew ~10% YoY (2% QoQ), with ADSEZ up 12% YoY led by higher container volumes at Vizhinjam and commencement of CWIT; in contrast JSW Infra was up just 2.6% YoY due to weak iron ore exports at Paradip Iron Ore Terminal (down 2.1mt YoY).
- Containers remained the strongest volume driver, helping ADSEZ increase its all-India market share to 28.1%, and container share to 45.9%.

Strong NSR for both players

- ADSEZ domestic NSR improved 4% QoQ to Rs431/t, supported by better cargo mix, recovery at Mundra and selective price hikes.
- JSWINFRA's NSR increased 3% QoQ to Rs382/t, aided by:
 - stronger volumes at high margin Jaigarh & Dharamtar,
 - rate hikes at SWPL and Ennore coal terminal.

EBITDA/t – Firm YoY, slight QoQ moderation

- ADSEZ EBITDA/t stood at Rs449/t (+14% YoY), supported by stable domestic margins and rising logistics/marine scale.
- JSWINFRA reported Rs211/t (+14% YoY), reflecting better NSR and higher share of better priced cargo.

Operational Drivers

Adani Ports (ADSEZ)

- Strong container-led traction and steady domestic port utilization.
- International portfolio ramp-up continues: Haifa, Colombo (CWIT) and Tanzania CT2 drove incremental volumes.
- Logistics and marine & harbour remain strong operational contributors with their EBITDAs up by 41% and 53% respectively.
- Better utilisation at several ports (Mundra, Dhamra, Kattupalli) supports throughput visibility.

JSW Infrastructure (JSWINFRA)

- Overall volume growth muted due to a sharp drop in Paradip iron ore exports.
- Strong performance at Jaigarh, Dharamtar and SWPL supported realisations.
- H2 expected to be better with:
 - Recovery in iron ore exports,
 - commissioning of JNPT liquid terminal,
 - strong steel demand in H2 aiding volumes.

Sector Outlook

- Demand conditions remain steady with healthy container movement, improvement in bulk trade and improving steel volumes.
- Seasonal pressures (monsoon) behind; utilisation expected to normalise across domestic ports in H2.
- Settlement between US and other countries over tariffs to aid global trade, aiding volume growth for port players.
- NSR likely to stay firm aided by cargo mix and periodic price hikes.
- Expansion pipelines of both players remains strong especially ADSEZs international assets and JSWINFRA's brownfield upgrades would support medium-term volume growth.

Exhibit 118: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
ADSEZ IN	91,675	29.7%	0.5%	57,624	31.9%	4.9%	41,126	40.0%	11.4%	33,212	33.5%	0.2%
JSWINFRA IN	12,656	26.4%	3.4%	6,097	17.1%	4.9%	4,633	-16.4%	-2.0%	3,612	-2.8%	-6.1%

Source: Company, PL *Hyperlink on Bloomberg Code

Exhibit 119: Conviction Picks Commentary

Name	Commentary
Adani Ports & SEZ	ADSEZ is India's largest private port operator, managing 15 domestic ports across both coasts and commanding ~28% cargo and 45% container market share. ADSEZ is best placed to benefit from India's rising containerization, growing multimodal logistics demand, and enhanced hinterland connectivity via DFCs, unlocking additional volume and margin tailwinds. With capacity planned to scale from ~633mmt to 1–1.2bn tonnes over the next five years through expansions at Vizhinjam, Colombo, Mundra, Dhamra and NQXT (Australia), ADSEZ is building multi-year volume visibility while enhancing earnings quality through a) high-margin marine (~85% EBITDA) and b) targeting 5x growth in integrated logistics business (ICD/MMLP/rail/trucking/warehousing) revenue over FY25–29E with capex of Rs150–200bn and aims to achieve ROCE of ~10% and ~35% EBITDA margins. With strong operating leverage from higher utilisation and rising contribution from logistics and marine, ADSEZ is poised to deliver ~15% EBITDA CAGR over FY25–28 and generate ~Rs100bn of annual operating cash flows, providing strong compounding potential.

Source: PL

Travel & Tourism

- **Luggage:** VIP IN reported weak results with topline declining 25.3% YoY to Rs4,063mn while GM succumbed to 30.6% amid inventory provision of Rs550mn. In our view, 2HFY26E will be a period of reset and reorganization for VIP IN amid change of guard at top-level. We expect normalization to resume from FY27E with steady state GM/EBITDA margin of 51.5%/14.0% respectively. Consequent to rising challenges on growth & margins we cut our target multiple to 38x (earlier 40x) and retain HOLD on the stock with a TP of Rs387 (earlier Rs474).
- SII IN reported better than expected results with revenue/EBITDA beat of 4%/16% respectively. GM expanded 130bps on sequential basis to 47.1% led by benign RM prices and rising backward integration benefit arising from expansion at Jaipur. Despite a strong performance, we broadly retain our estimates as we are factoring 2HFY26E ask of Rs10bn in revenue and 46.6%/15.0% in GM/EBITDA margin respectively. We expect sales CAGR of 17% over the next 3 years with an EBITDA margin of 14.7%/15.6%/16.3% in FY26E/FY27E/FY28E. Retain BUY on the stock with a TP of Rs2,570 (45x Sep-27E EPS; no change in target multiple).
- **Hotels:** Excluding residential business, CHALET IN's operating performance was broadly in line with expectations, with EBITDA margin at 41.0%, supported by 4.6% RevPAR growth and strong leasing income. The launch of its own brand, ATHIVA, marks a strategic shift to becoming a brand owner, reducing reliance on third-party operators, lowering loyalty fee outgo, and opening a scalable management-contract opportunity. Inventory addition remains on track, with 30/390 rooms to come up at Khandala/Delhi respectively. The annuity portfolio is gaining traction (77% occupancy in 2QFY26) and is expected to reach a monthly rental run-rate of ~Rs300mn by Mar-26E, providing meaningful cash-flow support. We retain our estimates and expect sales/EBITDA CAGR of 17%/21% over FY25-FY28E. Retain BUY with a TP of Rs1,183 as we value the hotel business at 24x Sep-27E EBITDA (no change in target multiple), annuity portfolio at a cap rate of 8.5% and the residential project at NAV of Rs17 per share.
- LEMONTRE IN's operational performance was disappointing with EBITDA margin of 42.7% due to increased investments in renovation, technology, and onetime ex-gratia payment to employees. Led by gradual stabilization of Aurika, MIAL and expected improvement in RevPAR given the ongoing renovation exercise, we estimate revenue/EBITDA CAGR of 9%/12% over FY25-FY28E. We maintain HOLD on the stock with a TP of Rs174 (24x Sep-27E EBITDA, no change in target multiple)
- SAMHI IN reported healthy operating performance with EBITDA margin of 36.6%, however, bottom-line missed our estimates due to higher interest and taxation. After improving BS health post fund infusion by GIC, SAMHI IN has pressed the growth accelerator with plans to open new hotels in Navi Mumbai/Hyderabad with ~700/~260 keys respectively. Given both these projects have a longer lead time of ~3-4 years with strong FCFF generation in interim, we expect debt/EBITDA to be at 3.2x/2.6x/1.9x in FY26E/FY27E/FY28E alleviating concerns over excessive leverage. We expect

top-line CAGR of 14% over the next 3 years led by addition of 273 keys with an EBITDA margin of 37.4%/38.7%/41.2% in FY26E/FY27E/FY28E.. We maintain BUY on the stock with a TP of Rs305 (14x Sep-27 EBITDA; no change in target multiple).

- **PARKHOTE IN** reported healthy operating performance with EBITDA beat of 4% led by double-digit growth in RevPAR while bottom-line was marred by a higher tax rate of 41.9%. While PARKHOTE IN intends to open 30 outlets for Flurys in FY26E now versus an earlier target of 40; there was visible traction on the hospitality side as a) acquisition of Zillion Hotels, Juhu got culminated, b) approval was granted by KMC for the mixed-use project at EM Bypass, Kolkatta. We expect sales CAGR of 17% over the next 3 years driven by addition of 258 hotel rooms and 120 outlets of Flurys with an EBITDA margin of 33.1%/33.5%/36.3% in FY26E/FY27E/FY28E respectively. We maintain BUY with SoTP based TP of Rs235 valuing hotel business at 15x Sep-27E EBITDA (no change in target multiple) and Flurys at 3x Sep-27E sales (no change in target multiple).
- **Aviation:** As for INDIGO IN, unfavorable FX is likely to escalate lease liability obligations and consequently the interest cost & supplementary rentals. On the other hand, as AoG count is unlikely to subside but remain stable at ~40 odd through FY26E, aircraft & engine lease rentals will remain elevated. While we foresee inflation seep into the cost structure in FY26E, we draw comfort from positive commentary on pricing (PRASK to remain flat/grow marginally in 3QFY26E) and upward revision in ASKM growth guidance to early teens for FY26E. We expect sales/EBITDAR CAGR of 12%/11% over FY25-FY27E and retain BUY on the stock with TP of Rs6,332 (11x FY27E EBITDAR; no change in target multiple).
- **IRCTC:** IRCTC IN reported a mixed set of results with an EBITDA margin of 35.3% while PAT was marginally better than our estimate aided by higher other income of Rs630mn. As e-ticketing penetration has reached ~89%, we expect non-convenience pie to drive the revenue growth in internet ticketing division. As for rail neer, capacity expansion at Danapur & Ambernath and addition of 4 new plants will provide the growth fillip. We maintain our estimates and expect sales/PAT CAGR of 7%/9% over FY25-FY28E. Retain BUY with a TP of Rs840 (44x FY27E EPS; no change in target multiple).

Exhibit 120: Q2FY26 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.	Q2FY26	YoY gr.	QoQ gr.
CHALET IN	7,353	95.0%	-17.8%	2,992	100.1%	-16.2%	2,049	158.1%	-23.7%	1,548	-211.8%	-23.8%
INDIGO IN	1,85,553	9.3%	-9.5%	8,995	-62.4%	-84.3%	-24,817	173.6%	-207.4%	1,039	-113.9%	-95.5%
IRCTC IN	11,460	7.7%	-1.2%	4,042	8.4%	1.8%	4,514	8.4%	2.1%	3,362	9.2%	1.7%
LEMONTRE IN	3,063	7.7%	-3.0%	1,307	0.0%	-7.0%	558	23.7%	-11.8%	346	16.7%	-9.7%
SII IN	5,336	16.5%	1.1%	740	54.6%	-6.6%	601	58.9%	-8.1%	469	58.3%	-7.0%
SAMHI IN	2,930	11.8%	7.6%	1,071	16.5%	NA	382	179.2%	47.4%	234	110.2%	54.0%
VIP IN	4,063	-25.3%	-27.6%	-1,064	NA	NA	-1,463	197.3%	670.5%	-925	152.6%	-943.3%

Source: Company, PL

*Hyperlink on Bloomberg Code

Notes

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

Model Portfolio Disclaimer

Launch Date: November 2018

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Basis of security selection: PL Model portfolio will select stocks based on fundamental analysis which includes business, financials and ratios. However, if the outlook remains good for long term, the portfolio can have stocks with high PE multiples or the companies which are yet to start making profits or even commencing commercial operations or start operating production units. PL Model portfolio can adopt any investing principle excluding technical, derivatives, commodities and Quant principles.

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Investment horizon of model portfolio: Investment horizon of the model portfolio is perpetual, although we shall monitor the performance of the model portfolio each time on revision and from inception and periodic intervals which we shall disclose in the model portfolio writeup.

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