HSIE Results Daily

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Results Reviews

- **Cholamandalam Investment and Finance Company:** CIFC's Q2FY27 earnings were largely in line with our estimates, with healthy loan growth and improving credit costs offset by NIM compression. Business momentum witnessed an uptick across segments with AUM/disbursements growth of 24.5%/47% YoY, along with marginal improvement in asset quality metrics. Management expects limited impact on overall profitability and growth due to several near-term headwinds (insurance distribution income, rate hikes, monsoon deficit, etc.) with several levers to offset these headwinds. CIFC remains a robust franchise with RoE of ~19% and AUM growth of ~21-23% in the medium term. We have revised our FY27-FY29E earnings estimates to factor in higher loan growth and equity capital raise of INR 50bn and maintain ADD with a revised RI-based TP of INR 2,000 (implying 3.6x Sep-28 ABVPS; 19x Sep-28 EPS). CIFC remains our top pick among vehicle financiers.
- **Infoedge:** Info Edge's recruitment billings grew 12.6% YoY in Q2FY27 (~14-15% adjusted for renewal timing), as AI monetization began to scale. AI-Rex is now used by ~2,000 customers (largely on trial), Talent Pulse has 750+ paid customers, and AI-first products generated ~INR 0.6bn of revenue in the quarter (~INR 2.4bn annualized). B2C (candidate services) grew 37% YoY, with paid conversion improving to 2.7%. IT hiring remains muted: IT/Tech/BPM billings grew just 3% and GCCs 7%, which cut the GCC share of recruitment billings to ~17.2%. Recruitment operating margin expanded 325bps YoY (80bps QoQ) to 59.1%, with further upside as AI-led efficiencies and self-serve, margin-accretive products scale. 99acres billings rose by 21.2% YoY and segment losses narrowed ~93% YoY to INR 16mn, largely on operating leverage. Jeevansathi billings grew 18.4% YoY. Shiksha billings and revenue declined 27.2% and 8.5% YoY respectively, as AI-led search eroded the referral traffic it relies on. On leadership, MD & CEO Mr Hitesh Oberoi will step down on 2 December 2026 and remain on the board as a non-executive director. Founder Mr Sanjeev Bikhchandani will take over as Executive Vice Chairman, MD and Group CEO. We expect recruitment billings to compound at ~16% over FY26–29E, and any acceleration could rerate the core multiple further. We keep estimates largely unchanged and maintain BUY with a SoTP-based TP of INR 1,475. This values Naukri at 25x EV/EBITDA (INR 716/share), 99acres and Jeevansathi+Shiksha at 3x P/S, and Eternal and PB Fintech at market value. Core recruitment segment is trading at 22x/20x FY27/28E EV/EBITDA.
- **Steel Authority of India:** We maintain ADD on Steel Authority of India (SAIL) and raise our target price to INR 200/share (6x FY28E standalone EBITDA). In Q2FY27, volume rose 7/26% YoY/QoQ to 5.2mn MT, though unit EBITDA fell by INR 1.9k/MT QoQ to ~INR 8k/MT, driven by weak steel pricing and elevated coal prices while the impact was moderated by higher iron ore liquidation and rail price revision gains. SAIL maintained its FY31 expansion target (to add 15mn MT) through accelerated capex H2FY27 onward. We estimate higher EBITDA CAGR of 21% for FY26-28E on firmer steel price outlook.

HSIE Research Team
hdfcsec-research@hdfcsec.com

- **Max Financial Services:** Axis Max Life Insurance (AMLI) reported an impressive YoY APE/VNB growth of +11/21% for H1FY27 as VNB margins inched up further to 25.4% (+210bps YoY), comfortably ahead of our estimates. The improvement in VNB margins was mainly attributable to a favorable shift in the product mix (toward annuity and Par segment) and an attractive yield curve, as guided by the management. AMLI has guided for faster APE growth compared to absolute VNB growth for H2FY27, backed by improving cost efficiencies and an enhanced product mix with stronger traction in protection products. IRDAI's upcoming distribution framework could weigh on AMLI, owing to its banca-led model and elevated commissions; however, development of the proprietary channel is underway. We build 14%/15% CAGR in the APE/VNB for FY27-29E; maintain ADD with a revised TP of INR1,520 (implied 1.8x Sep-28E EV, at a 10% discount to SBILIFE).

- **Piramal Pharma:** EBITDA (+120% YoY) was significantly ahead of our/consensus estimates, with margins expanding to 13.3% (+556bps YoY), largely led by strong sales (+28 YoY; CDMO was up 36% YoY and CHG grew 32% YoY), which was partly offset by higher costs (+15% YoY) and muted gross margin at 65.4% (-25 bps YoY). Given strong growth of 23% in H1FY27 and continued business momentum, the company has upgraded its revenue growth guidance to 19-20% (implying H2FY27 growth of 16-17% YoY) vs early- to mid-teen growth earlier. It expects EBITDA to grow faster than revenue due to operating leverage. The company expects growth momentum to sustain in CDMO business on the back of recovery in global biopharma funding and order inflows, along with rising demand in overseas sites and strong growth in differentiated capabilities (innovation-related sales grew 24%, on-patent commercial manufacturing revenue grew 39%, and ADC Services revenue was up 51% YoY in H1FY27). Its capex plan (of USD 120-135mn) – Lexington (sterile injectable) – is on track to be completed by CY27-end; it commissioned a new microbiology laboratory on site; Riverview for high-potency API is completed. CHG to sustain growth momentum in FY27E, driven by steady traction from Sevoflurane, growth in inhalation anesthesia in ex-US markets, and integration of Kenalog portfolio. ICH to sustain growth momentum in sales with margin expansion (on track to achieve double-digit margin by FY30); it expects expiry of Bayer agreement in Dec-26 to have ~2% impact in FY27E and expects ~50bps margin expansion. Factoring in Q2 beat and sales impact of Bayer agreement, we have raised our EBITDA estimates by 5/3% for FY27/28E. We retain BUY and a TP of INR 270, based on 18x Q2FY29E EV/EBITDA (implying 49x PE).

- **Star Health and Allied Insurance:** Star Health and Allied Insurance (STARHEAL) delivered a strong performance, beating expectations on all fronts as insurance revenues (+15% YoY) and PAT (+233% YoY) zoomed, primarily thanks to the new accounting regime and a boost to investment income. While we believe that the drop in insurance service expense is explained by the shift in accounting regime to IND-AS (from Indian GAAP), we draw comfort from STARHEAL's strong underwriting profitability (INR1bn) profiting from disciplined risk selection and portfolio management. Overall profitability was supported by a 200bps moderation in loss ratio (LR) to 69% (Q2FY26: 71%) and 35bps improvement in expense ratio (29.2%), leading to significant improvement in the CISR (including other expenses) to 98.2% (-240bps YoY). We expect the full-year FY27 LR to settle at 68% while acquisition cost ratio is expected to stabilize at 23.5%. Given the favourable LR outcomes under the new accounting regime, we remain constructive with our FY27/28E profitability estimates. However, we continue to be cautious around volume growth and agency channel fatigue; we maintain ADD with a NOPAT-based TP of INR650 (implying ~25.3x Sep-28E EPS).

- **PNB Housing Finance:** PNB Housing Finance's (PNBHF) Q2FY27 earnings (adjusted for one-off interest income) were in line with our estimates, led by strong uptick in loan growth (+19% YoY) and marginal NIM reflation. PNBHF stepped up on disbursement growth in Q2 (+60% YoY), driven by strong momentum in retail segment, portfolio buyout, and revival of corporate portfolio. PNBHF remains focused on increasing share of emerging and affordable segment (+40.8% of loan book), which along with improving cost of funds with ratings upgrade, is likely to drive higher margins. However, the gradual normalization of credit costs, along with expected regulations on insurance distribution income, is likely to put pressure on the return ratios, with RoE likely to be ~13% by FY29E. We have revised earnings estimates to factor in higher loan growth and maintain ADD with a revised RI-based TP of INR 1,220 (implying 1.3x Sep-28 ABVPS).
- **Bandhan Bank:** Bandhan Bank's (BANDHAN) Q2FY27 earnings beat estimates on the back of uptick in fee income and stable credit costs. Loan growth stayed modest (+13.1% YoY), led by retail (+41.9% YoY) and wholesale banking (+31.6% YoY), while the EEB book stabilized (+1.7% YoY) after seven quarters of de-growth. Deposit growth (+9.2% YoY) was driven by healthy traction in CA balances, while SA balances dropped sharply, dragging the CASA ratio to 26.7% (-269bps QoQ). With early signs of regaining regulatory credibility, we believe BANDHAN's path to achieve portfolio stability is likely to be protracted. We introduce FY29E estimates and raise FY27E/FY28E earnings by 10%/2%, factoring in a marginal moderation in credit costs, offset by relatively limited margin reflation. We maintain REDUCE with a revised TP of INR165 (implied 0.9x Sep-28 ABVPS).
- **City Union Bank:** City Union Bank's (CUBK) Q2FY27 earnings beat our estimates on the back of healthy growth on both sides of the balance sheet, coupled with strong operating profits (+40% YoY). Loan growth (+26% YoY) was led by gold loans and agri, while MSME growth also picked up as utilization improved to ~72%. Deposit growth (+21% YoY) was also healthy, with CASA ratio steady at ~27%. Margins expanded to 3.87% (+9bps QoQ), as CUBK continued to command better pricing power compared to peers. We believe CUBK is likely to maintain its growth trajectory, with sustained traction in the MSME book and expansion in secured retail segments, even as we build in upward normalization of credit costs, factoring in an uncertain macro environment. We introduce FY29E to our estimates, tweak the FY27E/28E estimates by 3%/1%, and maintain BUY with a revised TP of INR270 (1.9x Sep-28 ABVPS).
- **Home First Finance Company India:** HOMEFIRST's Q2FY27 earnings were ahead of our estimates, led by uptick in loan growth (+27% YoY) and improving operating efficiency, partly offset by compression in core spreads. HOMEFIRST sustained the business momentum in Q2, with disbursement growth of 32% YoY, led by improving productivity, which remains best-in-class among peers. With healthy productivity levels, distribution expansion, and significant room for product diversification, HOMEFIRST is poised to deliver ~25% AUM CAGR over FY27-FY29E. Further, increasing leverage is likely to drive RoE toward ~16% by FY29E. We revise the earnings estimates to factor in marginally higher loan growth and lower opex; we maintain ADD with a revised RI-based TP of INR 1,260 (implying 2.3x Sep-28 ABVPS).
- **Birlasoft:** Birlasoft (BSOFT) posted a stronger Q2FY27, delivering 2.1% QoQ CC revenue growth. Growth was broad-based, led by Manufacturing (+5.2% QoQ), BFSI (+3.6%) and Life Sciences (+2.1%), while E&U was weighed down by a Europe specific client ramp-down. Management sees no further

downside but does not expect a near-term recovery. EBITDA margin stood at 15.2%, within guidance, despite the wage hike effective Jul 2026, aided by operational efficiencies, productivity improvements, and better revenue quality. The quarter saw multiple AI-led wins, including a multi-year platform modernization mandate from a European logistics major, a three-year AI-driven managed services deal with a global industrial manufacturer, and a selection by a large North American medical devices client. The company also achieved AWS AI Servicessss Competency status and an OpenAI Select partnership, with agentic AI contribution to the pipeline rising to one-third (vs. ~25% earlier). Management expects H2FY27 to be better vs H1, with a strong Q4 exit barring client-specific issues. Q3 should reflect normal furloughs (BFSI) and manufacturing growth will continue. The sustainable margin band remains ~15%, with AI-driven efficiencies being reinvested into sales and capability build-out; leadership hiring is ~90% complete, though new sales leaders will take time to ramp up. We retain ADD with a TP of INR 365, based on 14x Sep-28E EPS.

- **Tanla Platforms:** Tanla delivered a strong Q2FY27, with revenue up 10.2% QoQ and 25.3% YoY, driven by Enterprise (domestic and OTT) and consolidation of Valuefirst (INR 285mn for two months). Total organic revenue grew 7.9% QoQ and 22.7% YoY, while Enterprise grew 8.5% QoQ and 24.3% YoY organically. Enterprise growth was powered by OTT, where WhatsApp grew 25% QoQ on rising adoption and aided by one-off customer campaigns. Excluding these campaigns and Valuefirst, total revenue grew 4.2% QoQ, and Enterprise 4.5% QoQ. We believe enterprise communication spend is steadily shifting from SMS to conversational messaging, with Tanla gaining wallet share in the process. RCS was the soft spot, weakening after rate hikes took effect in Sep 2026. Profitability lagged the topline in the quarter. EBITDA growth trailed revenue as other expenses rose sharply, with Valuefirst accounting for ~44% of the increase in indirect costs, leaving Enterprise EBITDA margin slightly lower at 10.6%. PAT growth was slower still, weighed down by lower other income. Platform investments are beginning to yield. Trubloq remains a cash engine, while Wisely.ai/ATP is emerging as a growth lever on a subscription model. A rising platform mix should be margin-accretive, keeping EBITDA margins in a ~16-17% range even as investments continue. Overall, growth visibility is improving, anchored by OTT and a stable core, with the platform business providing optionality. We raise EPS estimates by ~1% and maintain BUY with a revised TP of INR 815 (15x Sep-28E EPS). At 13/12x FY27/28E P/E, the stock is trading at attractive valuations.

- **Medplus Health Services:** EBITDA grew 9% YoY as strong 21% sales growth (pharmacy +21% YoY, diagnostics +23% YoY) was offset by lower gross margin (-107 bps YoY to 25.1%; private label share was down at 21.4%) and higher costs. OPM came in at 4.4% (-85 bps YoY), with pharmacy margin at 4.0% (-106 bps YoY) and diagnostic margin at 23.8%. Medplus retains its store addition guidance of 800 for FY27E (312 added in H1FY27), including expansion in tier 2/3 cities through the franchisee model (total franchisee count at 849, as of H1). It has guided for adding over 800 stores in FY28. It expects a recovery of 50bps QoQ in private label share, with gradual scale-up in franchisee stores supporting a steady recovery in GM. The pick-up in matured store growth was largely led by better product availability and change in incentive structure; it expects this to sustain at 9-10% in FY27. It expects operating profit of INR 3.8-4bn in FY27E vs INR 4.2-4.4bn earlier, which is largely due to the impact of ~INR 70mn per month in wage hikes in Karnataka and Telangana, which it expects will be partly offset by cost savings across warehousing, corporate, and traveling. We see a pick-up in sales growth, led by a balanced approach to matured store growth and new

store additions. However, EBITDA and operating margin may see pressure in the near term, given gradual recovery in private label share (especially pharma) and increasing costs like wage hikes and inflation. Factoring in Q2 and outlook, we have tweaked EBITDA for FY27/28E and revised TP to INR 880 (14x Q2FY29E EV/EBITDA, implying 20x pre-INDAS EV/EBITDA). BUY stays.

- **Bajaj Electricals:** Bajaj Electricals' Q2FY27 revenue grew only 1% YoY (two-year CAGR of 0%). Consumer products segment grew 2% YoY, while lighting segment declined by 1% YoY. Growth in consumer products was led by kitchen and domestic appliances, albeit overall growth was weighed down by de-growth in fans and MR. Lighting segment witnessed growth in consumer lighting while overall it saw de-growth due to professional lighting. EBITDAM expanded 40bps YoY to 6% (-110bps QoQ), leading to EBITDA growth of 8% YoY. Management indicated that the current softness in fans is largely due to the portfolio being skewed toward entry-level products, a segment that is growing slower than the overall industry. However, it anticipates that fan growth should recover as new BLDC-led innovation initiatives and additional capacity come online over the next few quarters. The company has announced resignation of Mr. Shekhar Bajaj from the Chairman's position, to be replaced by Mr. Sudarshan Sampathkumar, a non-executive independent director of the company. We broadly maintain estimates. We maintain REDUCE with an unchanged target price of INR 320/share, based on 25x Sep-28E EPS.

- **Route Mobile:** Route's Q2FY27 marked a recovery quarter, with gross margin rebounding to 22.4% (+150bp QoQ from 20.9% in Q1FY27) on an improved routing strategy and a richer mix of higher-margin new-product traffic. Revenue grew 2.4/5.4% QoQ/YoY ahead of our estimate. New products (RCS/WhatsApp/conversational) were the standout, rising sharply to INR 1.28bn (+36.7% YoY/+35.8% QoQ). The growth was powered by OTT traffic and supported by the first contribution from the Heltar acquisition (closed 29 July). Reported adjusted EBITDA margin improved to 10.0% (vs 9.5% in Q1FY27), as one-off employee costs and expenses related to the Masivian (Colombia) data breach absorbed the gross margin gains. Adjusting for these one-offs, EBITDA margin was ~11%, suggesting the underlying business is gradually moving toward the target. Management maintained its FY27 guidance of mid-to-high single-digit revenue growth and ~12% adjusted EBITDA margin. We build in ~7-8% revenue growth with EBITDA margin in the 10-11% range, as the soft ILD business remains a drag and cost normalisation will be gradual. On strategy, the Heltar integration, the Truecaller and Claro partnerships, and Proximus Global synergies should keep driving the non-SMS/conversational AI mix higher. We increase our revenue estimate but lower margins, leading to a ~1% cut in FY28E EPS estimate. We maintain ADD with a target price of INR 610, based on 10x Sep-28E EPS. The stock is trading at a reasonable P/E of 9/8x FY27/28E.

Cholamandalam Investment and Finance Company

Steady set of results

CIFC's Q2FY27 earnings were largely in line with our estimates, with healthy loan growth and improving credit costs offset by NIM compression. Business momentum witnessed an uptick across segments with AUM/disbursements growth of 24.5%/47% YoY, along with marginal improvement in asset quality metrics. Management expects limited impact on overall profitability and growth due to several near-term headwinds (insurance distribution income, rate hikes, monsoon deficit, etc.) with several levers to offset these headwinds. CIFC remains a robust franchise with RoE of ~19% and AUM growth of ~21-23% in the medium term. We have revised our FY27-FY29E earnings estimates to factor in higher loan growth and equity capital raise of INR 50bn and maintain ADD with a revised RI-based TP of INR 2,000 (implying 3.6x Sep-28 ABVPS; 19x Sep-28 EPS). CIFC remains our top pick among vehicle financiers.

- **Steady operating profit:** NIM (calculated) declined by 9bps QoQ, driven by rising cost of funds (~10bps). Rising cost of funds amidst rate hikes are likely to be offset by improving product mix (CSEL) and room for PLR rate hikes. Opex ratios witnessed an uptick (opex-to-AUM at 3.3%; C/I at 39%) amidst investments in distribution across products. AUM growth (+24.5% YoY) was led by SME (+45% YoY) and gold loans (+61% QoQ), with an uptick in vehicle finance (+21% YoY), CSEL (+23% YoY), and LAP (+24% YoY).
- **Credit costs moderating, albeit with headwinds:** GS-III/NS-III improved QoQ to 3.2%/1.8% (Q1FY27: 3.3%/1.8%), with GS-II at 2.7%, driving marginally lower credit costs of 1.5% (Q1FY27: 1.6%; Q2FY26: 1.8%). Credit costs improved across segments except home loans (1%) and SBPL (4.9%). While management has indicated limited impact on asset quality due to monsoon deficit, global headwinds driving higher fuel prices and inflation could weigh on asset quality outcomes.
- **Robust diversified franchise:** CIFC has evolved into a robust diversified NBFC with non-vehicle segments (48% of AUM) – mortgages, SME, SBPL and CSEL each scaling up well gradually with portfolio seasoning and approaching steady state profitability. CIFC is further scaling up its gold loans portfolio (1.4% of AUM) to augment its profit pools. CIFC is poised for growth acceleration ahead (~23% AUM CAGR during FY27-FY29E) amidst global headwinds, along with healthy profitability.

Financial summary

Y/E Mar (INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	41.7	33.8	23.5	40.4	3.4	140.0	173.3	213.5	262.4
PPOP	30.6	24.6	24.6	31.4	-2.5	105.0	129.3	155.1	192.6
PAT	16.3	11.6	41.1	16.5	-1.4	52.2	69.0	81.9	101.9
EPS (INR)	19.1	13.7	39.1	19.4	-1.6	61.2	80.5	92.6	115.2
ROAE (%)	19.6	18.3		21.2		19.3	20.3	18.5	18.4
ROAA (%)	2.5	2.2		2.6		2.3	2.5	2.5	2.5
ABVPS (INR)						314.8	389.2	509.3	608.9
P/ABV (x)						4.9	4.0	3.0	2.5
P/E (x)						25.2	19.2	16.7	13.4

Change in estimates

INR bn	FY27E			FY28E			FY29E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	2,738	2,771	1.2%	3,356	3,397	1.2%	4,122	4,175	1.3%
NIM (%)	6.4	6.4	6 bps	6.5	6.5	5 bps	6.5	6.6	9 bps
NII	170.2	173.3	1.8%	208.2	213.5	2.5%	254.1	262.4	3.2%
PPOP	126.6	129.3	2.2%	150.4	155.1	3.2%	185.5	192.6	3.8%
PAT	67.0	69.0	3.0%	78.6	81.9	4.3%	97.1	101.9	5.0%
ABVPS (INR)	387	389	0.5%	462	509	10.1%	560	609	8.7%

Source: Company, HSIE Research

ADD

CMP *(as on 28 Oct 2026)*	INR 1,545
Target Price	INR 2,000
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,950	INR 2,000
	FY27E	FY28E
EPS %	+3.0%	+1.0%

KEY STOCK DATA

Bloomberg code	CIFC IN
No. of Shares (mn)	854
MCap (INR bn) / ($ mn)	1,320/13,864
6m avg traded value (INR mn)	3,027
52 Week high / low	INR 1,953/1,299

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.4)	(1.0)	(10.8)
Relative (%)	(8.8)	4.3	2.8

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	49.2	48.9
FIs & Local MFs	20.6	20.4
FPIs	24.5	24.9
Public & Others	5.7	5.8
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

Deepak Shinde
deepak.shinde@hdfcsec.com
+91-22-6171-7323

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Ayush Pandit
ayush.pandit@hdfcsec.com
+91-22-6171-7366

Infoedge

Core steady; AI scaling

Info Edge's recruitment billings grew 12.6% YoY in Q2FY27 (~14-15% adjusted for renewal timing), as AI monetization began to scale. AI-Rex is now used by ~2,000 customers (largely on trial), Talent Pulse has 750+ paid customers, and AI-first products generated ~INR 0.6bn of revenue in the quarter (~INR 2.4bn annualized). B2C (candidate services) grew 37% YoY, with paid conversion improving to 2.7%. IT hiring remains muted: IT/Tech/BPM billings grew just 3% and GCCs 7%, which cut the GCC share of recruitment billings to ~17.2%. Recruitment operating margin expanded 325bps YoY (80bps QoQ) to 59.1%, with further upside as AI-led efficiencies and self-serve, margin-accretive products scale. 99acres billings rose by 21.2% YoY and segment losses narrowed ~93% YoY to INR 16mn, largely on operating leverage. Jeevansathi billings grew 18.4% YoY. Shiksha billings and revenue declined 27.2% and 8.5% YoY respectively, as AI-led search eroded the referral traffic it relies on. On leadership, MD & CEO Mr Hitesh Oberoi will step down on 2 December 2026 and remain on the board as a non-executive director. Founder Mr Sanjeev Bikhchandani will take over as Executive Vice Chairman, MD and Group CEO. We expect recruitment billings to compound at ~16% over FY26–29E, and any acceleration could rerate the core multiple further. We keep estimates largely unchanged and maintain BUY with a SoTP-based TP of INR 1,475. This values Naukri at 25x EV/EBITDA (INR 716/share), 99acres and Jeevansathi+Shiksha at 3x P/S, and Eternal and PB Fintech at market value. Core recruitment segment is trading at 22x/20x FY27/28E EV/EBITDA.

- **Q2FY27 highlights**: Infoedge revenue grew +2.1/12.8% QoQ/YoY to INR 8.42bn, led by 3.4/3.5/2.6% QoQ growth in Recruitment, 99 acres and Jeevansathi revenue, offset by 20% QoQ decline in Shiksha; (2) total billings improved by +12.8% YoY, led by 12.6/21.2/18.5% YoY growth for recruitment, 99acres, Jeevansathi, marginally offset by 27% YoY de-growth in Shiksha; (3) EBITDA margin for recruitment/99acres/Jeevansathi/Shiksha stood at +59.1/-1.2/+4.6/-2.3%; (4) standalone margin rose by 80bps QoQ to 44.8% due to a decline of 5.7% QoQ in advertising expenses respectively; (5) Zomato/Policybazaar contribute INR 530/75 per share, ~36/5% of CMP. The recruitment segment is currently valued at INR 505/share (~42% of the CMP).
- **Outlook**: We expect a 14% revenue CAGR over FY26-28E, led by 14/15/19% CAGRs in recruitment/99acres/Jeevansathi. EBITDA margin estimates for FY27/28/29E stand at 44.4/43.9/44.6%, leading to an EPS CAGR of 15.7% over FY26-29E. Recruitment EBITDA margin estimates for FY27/28/29E stand at 58.3/57.8/58.5%.

Quarterly financial summary*

YE March (INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	8.42	7.46	*12.8*	8.24	*2.1*	26.54	30.52	34.41	39.18	45.62
EBITDA	3.77	2.95	*27.7*	3.63	*3.9*	10.73	12.48	15.27	17.21	20.36
APAT	3.34	2.64	*26.5*	3.18	*5.1*	9.77	11.12	13.20	14.70	17.21
Diluted EPS (INR)	5.2	4.1	*26.5*	4.9	*5.2*	15.1	17.2	20.4	22.7	26.6
P/E (x)						78.9	69.3	58.4	52.4	44.8
EV / Revenue (x)						27.3	23.6	20.7	17.8	14.9
EV / EBITDA (x)						67.5	57.8	46.5	40.5	33.4
RoE (%)						9.1	7.3	6.8	7.2	8.0

Source: Company, HSIE Research, *standalone financials

Change in estimate

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	34.45	34.41	*-0.1*	39.55	39.18	*-0.9*	46.29	45.62	*-1.4*
EBITDA	15.06	15.27	*1.4*	17.29	17.21	*-0.5*	20.46	20.36	*-0.5*
EBITDA margin (%)	43.7	44.4	*67bps*	43.7	43.9	*21bps*	44.2	44.6	*42bps*
APAT	13.01	13.20	*1.5*	14.81	14.70	*-0.8*	17.34	17.21	*-0.7*
EPS (INR)	20.1	20.4	*1.5*	22.9	22.7	*-0.8*	26.8	26.6	*-0.7*

Source: Company, HSIE Research

BUY

CMP *(as on 28 Oct 2026)*	INR 1,190
Target Price	INR 1,475
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,475	INR 1,475
EPS %	FY27E +1.5%	FY28E -0.8%

KEY STOCK DATA

Bloomberg code	INFOE IN
No. of Shares (mn)	648
MCap (INR bn) / ($ mn)	772/8,103
6m avg traded value (INR mn)	2,528
52 Week high / low	INR 1,408/908

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.4)	18.9	(12.8)
Relative (%)	4.3	24.1	0.8

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	37.48	37.19
FIs & Local MFs	27.83	26.81
FPIs	23.72	25.46
Public & Others	10.98	10.53
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Arjun Savla
arjun.savla@hdfcsec.com
+91-22-6171-7339

Steel Authority of India

Strong volume offtake; weak pricing dents margin

We maintain ADD on Steel Authority of India (SAIL) and raise our target price to INR 200/share (6x FY28E standalone EBITDA). In Q2FY27, volume rose 7/26% YoY/QoQ to 5.2mn MT, though unit EBITDA fell by INR 1.9k/MT QoQ to ~INR 8k/MT, driven by weak steel pricing and elevated coal prices while the impact was moderated by higher iron ore liquidation and rail price revision gains. SAIL maintained its FY31 expansion target (to add 15mn MT) through accelerated capex H2FY27 onward. We estimate higher EBITDA CAGR of 21% for FY26-28E on firmer steel price outlook.

- **Q2FY27 performance**: SAIL's volume increased 7%/26% YoY/QoQ to 5.2mn MT, though realization dipped QoQ. Three-year volume CAGR remained muted at 3%. NSR declined 3% QoQ due to a correction in steel prices. Unit EBITDA declined by INR 1.9k/MT QoQ to ~INR 8k/MT due to weak steel prices, higher coking coal cost, and monsoon disruption at the Jharkhand and Odisha BF plants. Imported coking coal cost rose sharply to INR 22.9k/MT (vs. INR 21.3k/MT in Q1). Employee cost moderated QoQ/YoY as headcount continued to fall due to VRS/superannuation. Further, accelerated liquidation of iron ore and positive rail price revision gain QoQ moderated the margin contraction. On a YoY basis, margin benefited (+ INR 2.9k/MT) from stronger steel prices, employee cost reduction, op-lev gains, and higher iron-ore liquidation gains. SAIL has incurred capex of INR 29.3/55bn in Q2/H1FY27, of the total planned target of INR 150bn for FY27.
- **Con call KTAs and outlook**: Management reiterated FY27E volume of ~21mn MT (implying +10% YoY in H2FY27 vs -1% YoY in H1FY27). It also noted that steel prices have firmed up by ~INR 4k/MT in Q3, which should more than offset the impact of INR 1k/MT rise in coking coal. SAIL is targeting ~5mn MT iron-ore liquidation in H2 vs 2.5mn MT in H1, leading to a further margin boost. It should also gain from better production efficiency post monsoon, and upcoming captive coal mining in Q4FY27. Despite muted capex outgo in H1, SAIL retained its aggressive capex guidance of ~INR 150/200/2,450+ bn during FY27/289/29E. It noted IISCO's execution work has started and major packages are ordered. Bokaro expansion is in advanced tendering stage. These are expected to be executed over FY29-31 and add 15mn MT capacity. Factoring in better pricing and iron ore liquidation, we have raised EBITDA estimates for FY27/28E by 10/9% each. We expect SAIL to deliver a volume/EBITDA CAGR of 4%/21% over FY26-28E.

Quarterly/annual financial summary (standalone)

YE Mar	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales vol (mn MT)	5.2	4.9	6.7	4.2	25.9	17.0	17.9	19.9	20.6	21.6
NSR (INR/MT)	61,041	54,365	12.3	63,045	(3.2)	61,919	57,266	55,600	62,828	62,199
EBITDA (INR/MT)	8,050	5,142	56.6	9,974	(19.3)	6,541	5,940	6,018	8,311	8,117
Adj EBITDA (INR/MT)	8,050	5,142	56.6	9,974	(19.3)	4,508	4,794	6,018	8,311	8,117
Net Sales (INR bn)	320.0	267.0	19.8	262.5	21.9	1,053.7	1,024.8	1,108.1	1,295.2	1,345.4
EBITDA (INR bn)	42.2	25.3	67.1	41.5	1.6	111.3	106.3	119.9	171.3	175.6
APAT (INR bn)	18.3	6.8	168.6	17.4	4.8	35.7	24.6	37.3	69.9	66.2
AEPS (INR)	4.4	1.6	168.6	4.2	4.8	8.7	6.0	9.0	16.9	16.0
EV/EBITDA (x)						7.9	8.3	6.8	5.2	5.2
P/E (x)						15.6	22.6	14.9	9.6	10.1
RoCE (%)						6.9	5.7	6.8	10.7	9.6
RoE (%)						6.7	4.5	6.6	11.5	10.0

Source: Company, HSIE Research; Adj EBITDA: ex of gains from revision of provisional rail price

ADD

CMP *(as on 28 Oct 2026)*	**INR 162**
Target Price	**INR 200**
NIFTY	**22,699**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 190	INR 200
EBITDA revision %	FY27E *10.3*	FY28E *9.1*

KEY STOCK DATA

Bloomberg code	SAIL IN
No. of Shares (mn)	4,130
MCap (INR bn) / ($ mn)	669/7,026
6m avg traded value (INR mn)	4,037
52 Week high / low	INR 210/124

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.4)	(12.1)	24.7
Relative (%)	4.3	(6.8)	38.3

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	65.00	65.00
FIs & Local MFs	16.87	16.49
FPIs	7.09	7.30
Public & Others	11.05	11.19
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Keshav Lahoti
Keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Kartikey
kartikey@hdfcsec.com
+91-22-6171-7359

Mahesh Nagda
mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Max Financial Services

Margin expansion likely to play down during H2FY27

Axis Max Life Insurance (AMLI) reported an impressive YoY APE/VNB growth of +11/21% for H1FY27 as VNB margins inched up further to 25.4% (+210bps YoY), comfortably ahead of our estimates. The improvement in VNB margins was mainly attributable to a favorable shift in the product mix (toward annuity and Par segment) and an attractive yield curve, as guided by the management. AMLI has guided for faster APE growth compared to absolute VNB growth for H2FY27, backed by improving cost efficiencies and an enhanced product mix with stronger traction in protection products. IRDAI's upcoming distribution framework could weigh on AMLI, owing to its banca-led model and elevated commissions; however, development of the proprietary channel is underway. We build 14%/15% CAGR in the APE/VNB for FY27-29E; maintain ADD with a revised TP of INR1,520 (implied 1.8x Sep-28E EV, at a 10% discount to SBILIFE).

- **Enroute to becoming the third-largest among private peers:** AMLI continued to lead IRNB, holding a 30bps advantage over peers. Non-AXSB banca grew 21% YoY, while proprietary grew 12% YoY, and AXSB rose 8% YoY. Given its sustained market share gains, AMLI could rival TATAAIA by FY28E for the position of the third-largest private insurer.
- **Active churn in product mix; expands VNB margins**: AMLI continued to recalibrate its product mix towards higher-margin accretive segments, with annuity and protection segment premiums rising 125% and 27%, respectively. This shift in mix (17%/15% of APE), at the cost of ULIPs and Non-par savings, supported a 210bps YoY improvement in VNB margins to 25.4%.
- **Distribution reforms pose risk:** AMLI's ~50% banca-driven APE leaves the company meaningfully exposed to the IRDAI's proposed distribution norms as high Axis Bank-linked commissions forces stricter EoM compliance discipline. From ~25% EoM levels in FY26, AMLI is targeting ~18% by FY28, supported equally by optimization in opex ratios and expected commission caps.

Financial summary

(INR bn)	H1FY27	H1FY26	% chg	FY26	FY27E	FY28E	FY29E
APE	46.4	41.8	11%	105.0	118.4	132	154
VNB	11.8	9.7	21%	26.5	29.3	32.5	38.8
VNB Margin	25.4%	23.3%	210bps	25.2%	24.8%	24.6%	25.2%
EV				288.7	348.3	408.6	480.1
P/EV(X)				2.0	1.7	1.4	1.2
P/VNB(X)				22.4	20.2	18.2	15.3
ROEV%				17.5%	18.1%	17.3%	17.5%

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
APE	118.4	121.7	-2.7%	132.0	142.3	-7.3%
VNB	29.3	31.3	-6.3%	32.5	37.1	-12.5%
VNB Margin (%)	24.8%	25.7%	-95bps	24.6%	26.1%	-148bps
EV	348.3	350.2	-0.6%	408.6	415.4	-1.6%

Source: Company, HSIE Research

ADD

CMP *(as on 28 Oct 2026)*	INR 1,225
Target Price	INR 1,520
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,765	INR 1,520
VNB %	FY27E	FY28E
	-6.3%	-12.5%

KEY STOCK DATA

Bloomberg code	MAXF IN
No. of Shares (mn)	345
MCap (INR bn) / ($ mn)	423/4,438
6m avg traded value (INR mn)	1,386
52 Week high / low	INR 1,893/1,194

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.0)	(23.6)	(19.1)
Relative (%)	(14.3)	(18.4)	(5.5)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	1.25	1.25
FIs & Local MFs	44.34	43.70
FPIs	48.06	48.61
Public & Others	6.35	6.43
Pledged Shares	27%	44%

Source : BSE

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Samarth Desai
samarth.desai@hdfcsec.com
+91-22-6171-7325

Piramal Pharma

FY27 guidance upgrade on broad-based growth

EBITDA (+120% YoY) was significantly ahead of our/consensus estimates, with margins expanding to 13.3% (+556bps YoY), largely led by strong sales (+28 YoY; CDMO was up 36% YoY and CHG grew 32% YoY), which was partly offset by higher costs (+15% YoY) and muted gross margin at 65.4% (-25 bps YoY). Given strong growth of 23% in H1FY27 and continued business momentum, the company has upgraded its revenue growth guidance to 19-20% (implying H2FY27 growth of 16-17% YoY) vs early- to mid-teen growth earlier. It expects EBITDA to grow faster than revenue due to operating leverage. The company expects growth momentum to sustain in CDMO business on the back of recovery in global biopharma funding and order inflows, along with rising demand in overseas sites and strong growth in differentiated capabilities (innovation-related sales grew 24%, on-patent commercial manufacturing revenue grew 39%, and ADC Services revenue was up 51% YoY in H1FY27). Its capex plan (of USD 120-135mn) – Lexington (sterile injectable) – is on track to be completed by CY27-end; it commissioned a new microbiology laboratory on site; Riverview for high-potency API is completed. CHG to sustain growth momentum in FY27E, driven by steady traction from Sevoflurane, growth in inhalation anesthesia in ex-US markets, and integration of Kenalog portfolio. ICH to sustain growth momentum in sales with margin expansion (on track to achieve double-digit margin by FY30); it expects expiry of Bayer agreement in Dec-26 to have ~2% impact in FY27E and expects ~50bps margin expansion. Factoring in Q2 beat and sales impact of Bayer agreement, we have raised our EBITDA estimates by 5/3% for FY27/28E. We retain BUY and a TP of INR 270, based on 18x Q2FY29E EV/EBITDA (implying 49x PE).

- **Q2 highlights:** Sales grew 28% YoY to INR 26.17bn. CDMO (54% of sales) was up 36% YoY to INR 14.24bn, CHG (32%) grew 32% YoY to INR 8.49bn, and ICH (14%) grew 13% YoY to INR 3.59bn. Lower gross margin at 65.4% (-25bps YoY), higher staff cost (+17% YoY), and SG&A (+13% YoY) led to an EBITDA of INR 3.48bn (+120% YoY) and margin of 13.3% (+556bps YoY). Lower other income (-45% YoY), muted interest (+6%), and higher depreciation (+15%) led to PAT of INR 50mn (vs loss of INR 992mn in Q2FY26).
- **Con call takeaways: CDMO:** (1) It added 22 new customers in H1FY27, of which significant addition are of biotech heavy companies. (2) The company expects ADC (~USD 40mn across sites) to grow faster than CDMO revenue. (3) Lexington has three sites – first site is commercialized, second site is likely early CY27, and the full expansion by CY27-end. The anchor customers who would be using the expansion have already signed for their specific batches. **CHG**: (1) Inhalation anesthesia: The US continues to grow with market share for Sevoflurane at 48%; healthy pick-up in ex-US markets; (2) The company is currently working toward transitioning the Kenalog manufacturing to a new CMO and is actively advancing the associated regulatory approvals.

Quarterly financial summary

(INR mn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	26,171	20,437	28	22,699	15	91,512	88,691	105,915	118,432	135,932
EBITDA	3,487	1,587	120	1,952	79	14,448	9,216	14,616	19,897	24,060
APAT	50	(992)	NA	(694)	NA	978	(1,801)	1,714	5,791	8,899
EPS (INR)	0.0	(0.7)	NA	(0.5)	NA	0.7	(1.4)	1.3	4.4	6.7
P/E (x)						316	(172)	180	53	35
EV/EBITDA (x)						24.4	38.2	24.6	17.7	14.1
RoCE (%)						6	2	5	9	11

Source: Company, HSIE Research, PAT adjusted for one-offs

BUY

CMP *(as on 28 Oct 2026)*	**INR 233**
Target Price	**INR 270**
NIFTY	**22,699**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 240	INR 270
	FY27E	FY28E
EBITDA %	5.2	3.4

KEY STOCK DATA

Bloomberg code	PIRPHARMA IN
No. of Shares (mn)	1,331
MCap (INR bn) / ($ mn)	310/3,255
6m avg traded value (INR mn)	1,218
52 Week high / low	INR 232/132

STOCK PERFOR MANCE (%)

	3M	6M	12M
Absolute (%)	21.2	37.9	14.6
Relative (%)	25.9	43.2	28.2

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	34.8	34.8
FIs & Local MFs	14.57	14.44
FPIs	30.51	31.58
Public & Others	20.12	19.18
Pledged Shares	-	-

Source: BSE

Mehul Sheth
mehul.sheth@hdfcsec.com
+91-22-6171-7349

Virti Shah
virti.shah@hdfcsec.com
+91-22-6171-7362

Star Health and Allied Insurance

Early results from disciplined risk selection

Star Health and Allied Insurance (STARHEAL) delivered a strong performance, beating expectations on all fronts as insurance revenues (+15% YoY) and PAT (+233% YoY) zoomed, primarily thanks to the new accounting regime and a boost to investment income. While we believe that the drop in insurance service expense is explained by the shift in accounting regime to IND-AS (from Indian GAAP), we draw comfort from STARHEAL's strong underwriting profitability (INR1bn) profiting from disciplined risk selection and portfolio management. Overall profitability was supported by a 200bps moderation in loss ratio (LR) to 69% (Q2FY26: 71%) and 35bps improvement in expense ratio (29.2%), leading to significant improvement in the CISR (including other expenses) to 98.2% (-240bps YoY). We expect the full-year FY27 LR to settle at 68% while acquisition cost ratio is expected to stabilize at 23.5%. Given the favourable LR outcomes under the new accounting regime, we remain constructive with our FY27/28E profitability estimates. However, we continue to be cautious around volume growth and agency channel fatigue; we maintain ADD with a NOPAT-based TP of INR650 (implying ~25.3x Sep-28E EPS).

- **Disciplined risk selection drives underwriting profits:** While we believe that the drop in insurance service expense is explained by the shift in accounting regime to IND-AS and a 200bps moderation in loss ratios, we take comfort from early results of STARHEAL's disciplined risk selection, which has finally reflected in strong underwriting PAT at INR1bn (Q2FY26: INR-0.4bn).
- **Efficiency gains lift CISR:** CISR improved by 240bps YoY, reaching 98.2%, as the acquisition cost has stabilized in the range 23-24% over the past two years. The improvement in CISR was driven by: a) 200bps YoY enhancement in the loss ratio, driven by disciplined underwriting and b) 35bps improvement in the expense ratio, which remains reasonable, given seasonality pressures.
- **Investment book swells: debt mix reaps rewards:** The investment book grew to INR249bn (+18% YoY), while the investment leverage remained broadly stable at 4x. Profitability levels doubled due to the investment income, which increased exceptionally by 62% YoY, driven by higher g-sec yields.
- **Solving for growth - agency and digital channels to the rescue:** Agency and digital channels contributed ~90% of the GWP, continuing to drive bulk of the growth. While STARHEAL strengthened its distribution footprint, its first-time buyer engine continues to compound as the new-to-insurance (NTI) mix stood at 93% of fresh business (H1FY26: 90%). On the back of heavy-lifting by these two channels, we believe STARHEAL is relatively less impacted by the IRDAI's proposed distribution commission norms and needs to only fix its proprietary "agency channel" productivity to solve for incremental growth.

Financial summary

(INR bn)	Q2FY27	Q2FY26	% chg	Q1FY27	FY26	FY27E	FY28E	FY29E
Insurance revenue	50.7	44.3	15%	42.9	180.0	199.0	224.8	252.3
Insurance service result	3.8	2.1	79%	4.3	13.3	14.7	16.6	19.4
PAT	2.6	0.8	233%	5.5	9.1	12.8	15.1	17.9
EPS	4.5	1.4	233%	9.3	15.5	21.7	25.7	30.5
CISR (excl. other exp)	92%	95%		91.4%	93%	93%	93%	92%
CISR (incl. other exp)	98.2%	100.5%		97.1%	98%	98%	98%	97%
P/E (x)					34	24	20.4	17.2

Source: Company, HSIE Research

ADD

CMP *(as on 28 Oct 2026)*	**INR 519**
Target Price	**INR 650**
NIFTY	**22,699**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR650	INR650
EPS %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	STARHEAL IN
No. of Shares (mn)	589
MCap (INR bn) / ($ mn)	306/3,209
6m avg traded value (INR mn)	440
52 Week high / low	INR 625/417

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.3)	0.7	6.5
Relative (%)	(7.6)	6.0	20.1

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	58.0	58.01
FIs & Local MFs	19.41	18.77
FPIs	16.04	15.86
Public & Others	6.55	7.38
Pledged Shares	Nil	Nil

Source : BSE

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Samarth Desai
samarth.desai@hdfcsec.com
+91-22-6171-7325

PNB Housing Finance

Accelerating on portfolio growth

PNB Housing Finance's (PNBHF) Q2FY27 earnings (adjusted for one-off interest income) were in line with our estimates, led by strong uptick in loan growth (+19% YoY) and marginal NIM reflation. PNBHF stepped up on disbursement growth in Q2 (+60% YoY), driven by strong momentum in retail segment, portfolio buyout, and revival of corporate portfolio. PNBHF remains focused on increasing share of emerging and affordable segment (+40.8% of loan book), which along with improving cost of funds with ratings upgrade, is likely to drive higher margins. However, the gradual normalization of credit costs, along with expected regulations on insurance distribution income, is likely to put pressure on the return ratios, with RoE likely to be ~13% by FY29E. We have revised earnings estimates to factor in higher loan growth and maintain ADD with a revised RI-based TP of INR 1,220 (implying 1.3x Sep-28 ABVPS).

- **Steady P&L outcomes sans one-offs**: PNBHF's interest income included one-off income – overdue charges from a corporate account. Adjusted for this one-off, core spreads improved QoQ at 2.24% (Q1FY27: 2.12%), driven by reduction in cost of funds (5bps QoQ) and reflation in yields. Loan growth improved to 19% YoY, led by affordable (+45% YoY), emerging segment (+22% YoY) and portfolio buyout (INR 8.4bn). Further, PNBHF has launched micro housing loans in Q2 and is scaling up the corporate book to drive yields.
- **Credit costs to remain negative in FY27; normalization yet to play out**: Asset quality improved marginally, with GS-III/NS-III at 0.9%/0.6% and GS-II at 1.7% (Q1FY27: 1.84%). Credit costs stayed negative (-21bps) with recoveries from written-off accounts and are likely to remain negative in FY27. However, the seasoning of emerging and affordable portfolio, along with run-down of these recoveries, is likely to drive credit costs higher from FY28E onward.
- **Step up on growth momentum; transition toward steady-state profitability key monitorable:** PNBHF continued its slew of initiatives to drive higher loan growth, along with NIM reflation. However, execution remains a key monitorable amidst elevated competitive intensity, higher run-off rates, and seasoning of emerging and affordable portfolio. Further, normalization in credit costs is likely to weigh on steady-state profitability.

Financial summary (Consolidated)

Y/E Mar (INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	8.7	7.5	16.5	8.0	9.3	30.7	35.4	44.2	52.0
PPOP	7.5	6.5	15.9	6.9	8.7	25.8	29.9	37.4	44.2
PAT	6.2	5.8	6.0	5.6	10.6	22.9	24.2	27.0	31.9
EPS (INR)	23.6	22.3	5.8	21.3	10.6	87.9	92.8	103.4	122.4
ROAE (%)	12.3	13.1		11.4		12.7	11.9	11.9	12.6
ROAA (%)	2.5	2.7		2.4		2.6	2.4	2.2	2.2
ABVPS (INR)						718	794	881	985
P/ABV (x)						1.6	1.4	1.3	1.1
P/E (x)						12.8	12.1	10.8	9.2

Change in estimates

INR bn	FY27E			FY28E			FY29E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	1,054	1,074	1.9%	1,231	1,259	2.3%	1,427	1,463	2.5%
NIM (%)	3.5	3.5	1 bps	3.7	3.6	-7 bps	3.7	3.7	-9 bps
NII	35.1	35.4	1.0%	44.0	44.2	0.4%	51.8	52.0	0.4%
PPOP	29.5	29.9	1.2%	37.4	37.4	0.0%	44.3	44.2	-0.3%
PAT	23.9	24.2	1.1%	26.6	27.0	1.2%	31.6	31.9	1.0%
ABVPS (INR)	793	794	0.1%	879	881	0.2%	984	985	0.1%

Source: Company, HSIE Research

ADD

CMP *(as on 28 Oct 2026)*	INR 1,122
Target Price	INR 1,220
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,200	INR 1,220
EPS %	FY27E	FY28E
	+1.1%	+1.2%

KEY STOCK DATA

Bloomberg code	PNBHOUSI IN
No. of Shares (mn)	261
MCap (INR bn) / ($ mn)	293/3,073
6m avg traded value (INR mn)	1,128
52 Week high / low	INR 1,225/730

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.0	7.2	21.0
Relative (%)	8.7	12.4	34.6

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	28.0	28.0
FIs & Local MFs	45.7	49.3
FPIs	16.8	14.2
Public & Others	9.4	8.5
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

Deepak Shinde
deepak.shinde@hdfcsec.com
+91-22-6171-7323

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Ayush Pandit
ayush.pandit@hdfcsec.com
+91-22-6171-7366

Bandhan Bank

Stress receding; searching for stability

Bandhan Bank's (BANDHAN) Q2FY27 earnings beat estimates on the back of uptick in fee income and stable credit costs. Loan growth stayed modest (+13.1% YoY), led by retail (+41.9% YoY) and wholesale banking (+31.6% YoY), while the EEB book stabilized (+1.7% YoY) after seven quarters of de-growth. Deposit growth (+9.2% YoY) was driven by healthy traction in CA balances, while SA balances dropped sharply, dragging the CASA ratio to 26.7% (-269bps QoQ). With early signs of regaining regulatory credibility, we believe BANDHAN's path to achieve portfolio stability is likely to be protracted. We introduce FY29E estimates and raise FY27E/FY28E earnings by 10%/2%, factoring in a marginal moderation in credit costs, offset by relatively limited margin reflation. We maintain REDUCE with a revised TP of INR165 (implied 0.9x Sep-28 ABVPS).

- **Deposit mix deteriorates; margins hold steady:** Loan growth was led by wholesale banking and retail loans, particularly CV/CE, auto and gold loans. The SA book declined 10% QoQ following rate recalibration across certain buckets, while bulk deposits increased. NIM held at 6.1% (-9bps QoQ) despite an increase in secured mix and moderation in SA balances. We expect the bank to decelerate its pace of loan growth and focus on incremental deposit mobilization - we build a conservative 15% loan CAGR over FY27-29E.
- **EEB stress receding:** GNPA/NNPA improved to 3.1%/0.9% (-4bps/-1bp QoQ), while credit costs held stable at 1.8% even as gross slippages inched up QoQ to INR11.3bn (Q1FY27: INR10.8bn). The EEB SMA book declined to 2.9% (Q1FY27: 3.5%). With MFI stress receding and the bank beginning to disburse new credit, we expect credit costs to average ~180bps over FY27E-29E.
- **RoA guidance retained:** While the management maintained its FY27 exit-RoA guidance (at 1.4%), we opine that portfolio stability and predictability of operational performance are crucial to BANDHAN regaining stakeholder credibility. Despite potential non-linear profitability in the business model, our FY27E/FY28E RoA forecasts continue to be conservative (by ~20bps).

Financial summary

(INR bn)	2QFY27	2QFY26	*YoY (%)*	1QFY27	*QoQ (%)*	FY26	FY27E	FY28E	FY29E
NII	29.6	25.9	*14.4%*	29.2	*1.4%*	108.3	127.7	145.1	164.3
PPOP	15.6	13.1	*18.8%*	13.6	*14.6%*	58.6	67.5	78.5	90.7
PAT	6.2	1.1	*455.8%*	5.0	*23.9%*	12.2	26.0	31.9	38.8
EPS (INR)	3.9	0.7	*459.4%*	3.1	*24.1%*	7.6	16.1	19.8	24.1
ROAE (%)						4.9	9.7	10.9	11.9
ROAA (%)						0.6	1.1	1.2	1.3
ABVPS (INR)						149.7	163.3	182.2	206.4
P/ABV (x)						1.0	1.0	0.9	0.8
P/E (x)						20.5	9.6	7.8	6.5

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	1,740	1,725	0.9%	2,004	1,982	1.1%
NIM (%)	6.2	6.2	-6 bps	6.0	6.2	-21 bps
NII	127.7	127.9	-0.1%	145.1	146.5	-0.9%
PPOP	67.5	70.1	-3.8%	78.5	82.6	-4.9%
PAT	26.0	23.5	10.3%	31.9	31.2	2.4%
Adj. BVPS (INR)	163.3	161.9	0.9%	182.2	177.3	2.8%

Source: Company, HSIE Research

REDUCE

CMP *(as on 28 Oct 2026)*	**INR 155**
Target Price	**INR 165**
NIFTY	**22,699**

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 155	INR 165
	FY27E	FY28E
EPS %	+10.3%	+2.4%

KEY STOCK DATA

Bloomberg code	BANDHAN IN
No. of Shares (mn)	1,611
MCap (INR bn) / ($ mn)	250/2,628
6m avg traded value (INR mn)	2,649
52 Week high / low	INR 221/134

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.3)	(14.6)	(9.7)
Relative (%)	(3.6)	(9.3)	3.9

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	37.5	37.0
FIs & Local MFs	27.6	29.3
FPIs	18.6	17.2
Public & Others	16.3	16.5
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Shweta Upadhyay
shweta.upadhyay@hdfcsec.com
+91-22-6171-7327

City Union Bank

Sustainable growth and profitability trajectory

City Union Bank's (CUBK) Q2FY27 earnings beat our estimates on the back of healthy growth on both sides of the balance sheet, coupled with strong operating profits (+40% YoY). Loan growth (+26% YoY) was led by gold loans and agri, while MSME growth also picked up as utilization improved to ~72%. Deposit growth (+21% YoY) was also healthy, with CASA ratio steady at ~27%. Margins expanded to 3.87% (+9bps QoQ), as CUBK continued to command better pricing power compared to peers. We believe CUBK is likely to maintain its growth trajectory, with sustained traction in the MSME book and expansion in secured retail segments, even as we build in upward normalization of credit costs, factoring in an uncertain macro environment. We introduce FY29E to our estimates, tweak the FY27E/28E estimates by 3%/1%, and maintain BUY with a revised TP of INR270 (1.9x Sep-28 ABVPS).

- **Strong growth momentum continued:** Loan growth was strong, led by gold loans (+33% YoY) and agri (+32% YoY), while MSME grew (+22% YoY) on the back of improving utilization. NIMs increased 9bps QoQ to 3.87% as asset yields improved to 9.85% (Q1FY27: 9.79%). We build in ~19% loan CAGR over FY27-FY29E, led by continued momentum in MSME and secured retail book.
- **Asset quality improvement streak continues:** Gross slippages eased to ~1% annualized (Q1FY27: 1.2%), while organic recoveries and upgrades continued to outpace incremental slippages, resulting in negative net additions. We expect upward normalization in credit costs as we expect them to average 48bps (FY26: 43bps), factoring in elevated stress in the core MSME segment.
- **Sustained loan growth and strong margins to drive earnings:** We believe that CUBK is likely to keep monetizing its investments in digital lending and secured retail segments to deliver better throughput. Sustained growth in the core MSME and retail portfolios, coupled with better pricing power, is likely to drive improved return ratios.

Financial summary

(INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26A	FY27E	FY28E	FY29E
NII	8.7	6.7	30.9%	8.2	6.4%	28.3	34.8	42.1	49.5
PPOP	6.6	4.7	40.4%	5.8	13.8%	20.1	25.3	29.8	34.7
PAT	4.2	3.3	26.6%	3.8	8.7%	13.3	16.6	19.8	22.7
EPS (INR)	4.2	4.4	-5.4%	3.9	8.8%	13.4	16.7	20.0	22.9
ROAE (%)						13.2	14.7	15.3	15.3
ROAA (%)						1.5	1.5	1.5	1.5
ABVPS (INR)						101.9	117.5	134.4	154.3
P/ABV (x)						2.1	1.8	1.6	1.4
P/E (x)						16.1	12.9	10.8	9.4

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	Δ	New	Old	Δ
Net advances	792	779	1.6%	942	937	0.5%
NIM (%)	3.6	3.6	1 bps	3.6	3.7	-6 bps
NII	34.8	34.3	1.6%	42.1	41.8	0.7%
PPOP	25.3	24.8	1.9%	29.8	29.2	1.9%
PAT	16.6	16.1	2.8%	19.8	19.6	1.2%
Adj. BVPS (INR)	117.5	121.3	-3.1%	134.4	137.0	-1.9%

Source: Company, HSIE Research

BUY

CMP *(as on 28 Oct 2026)*	INR 215
Target Price	INR 270
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR265	INR270
	FY27E	FY28E
EPS %	+2.8%	+1.2%

KEY STOCK DATA

Bloomberg code	CUBK IN
No. of Shares (mn)	991
MCap (INR bn) / ($ mn)	213/2,237
6m avg traded value (INR mn)	715
52 Week high / low	INR 249/166

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.9)	5.7	23.8
Relative (%)	1.8	10.9	37.4

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	0.0	0.0
FIs & Local MFs	44.8	48.0
FPIs	18.7	17.4
Public & Others	36.5	34.6
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Shweta Upadhyay
shweta.upadhyay@hdfcsec.com
+91-22-6171-7327

Home First Finance Company India

Steady profitability; uptick in loan growth

ADD

HOMEFIRST's Q2FY27 earnings were ahead of our estimates, led by uptick in loan growth (+27% YoY) and improving operating efficiency, partly offset by compression in core spreads. HOMEFIRST sustained the business momentum in Q2, with disbursement growth of 32% YoY, led by improving productivity, which remains best-in-class among peers. With healthy productivity levels, distribution expansion, and significant room for product diversification, HOMEFIRST is poised to deliver ~25% AUM CAGR over FY27-FY29E. Further, increasing leverage is likely to drive RoE toward ~16% by FY29E. We revise the earnings estimates to factor in marginally higher loan growth and lower opex; we maintain ADD with a revised RI-based TP of INR 1,260 (implying 2.3x Sep-28 ABVPS).

- **Steady P&L outcomes**: Core spreads declined by 10bps QoQ to 5% due to compression in yields, probably due to increasing share of home loans. Management has reiterated its core spreads guidance of 5-5.2%, with impact of rate hikes on cost of funds to be offset by proportionate PLR hikes. Operating efficiency improved in Q2 (opex to AUM at 2.4%; C/I at 30.6%) with improving productivity metrics. AUM growth (+27% YoY) was led by home loans (+28% YoY; 83.8% of AUM) with gradual pivot toward higher ticket sizes (20.3% of AUM with ticket size above INR 2.5mn). BT-outs in Q2 improved to 4.4% vs. ~6-7% in FY24-26.
- **Steady asset quality**: GS-III/NS-III improved sequentially to 1.74%/1.34% (Q1FY27: 1.77%/1.37%), with GS-II at 1.42% (Q1FY27: 1.43%) driving credit costs of 42bps (Q1FY27: 47bps). Early delinquencies (dpd 1+/dpd 30+) remained steady at 4.7%/3.2% (Q1FY27: 4.7%/3.2%). Management indicated limited exposure to customers with agri-led income and, hence, limited impact of monsoon deficit on its portfolio.
- **Steady profitability; improving risk-reward:** HOMEFIRST reported healthy traction in disbursements in H1FY27 (32% YoY), post 21%/13% growth in FY25/FY26. HOMEFIRST has levers to drive growth with product (LAP at 15.4% of AUM) and customer (self-employed at 32% of AUM) diversification and co-lending. RoE has been improving gradually post capital raise with healthy loan growth and is likely to improve further over FY27-FY29E. With improving outlook on loan growth, current valuation (1.8x Sep-28 ABVPS) provides improving risk-reward.

Financial summary

Y/E Mar (INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY26	FY27E	FY28E	FY29E
NII	2.7	2.1	29.1	2.5	5.2	8.7	11.0	13.3	16.3
PPOP	2.4	1.9	26.1	2.2	6.3	7.6	9.6	11.3	13.9
PAT	1.7	1.3	29.1	1.6	6.5	5.4	6.7	7.9	9.7
EPS (INR)	16.1	12.5	28.7	15.2	6.2	51.8	64.5	76.0	92.7
ROAE (%)	14.9	13.4		14.5		15.7	14.4	14.9	15.8
ROAA (%)	4.2	3.8		4.2		3.9	4.0	3.9	3.8
ABVPS (INR)						400.0	453.7	515.3	592.8
P/ABV (x)						2.5	2.2	2.0	1.7
P/E (x)						19.6	15.7	13.3	10.9

Change in estimates

INR bn	FY27E			FY28E			FY29E		
	Old	New	Old	New	Chg	Chg	Old	New	Chg
AUM	198	199	0.3%	248	248	0.1%	307	307	-0.1%
NIM (%)	6.6	6.7	2 bps	6.6	6.6	1 bps	6.6	6.6	0 bps
NII	11.0	11.0	0.4%	13.3	13.3	0.2%	16.3	16.3	0.2%
PPOP	9.5	9.6	0.8%	11.2	11.3	1.6%	13.6	13.9	1.9%
PAT	6.7	6.7	0.8%	7.8	7.9	1.7%	9.5	9.7	2.1%
ABVPS (INR)	453	454	0.1%	514	515	0.3%	589	593	0.6%

Source: Company, HSIE Research

CMP *(as on 28 Oct 2026)*	INR 1,014
Target Price	INR 1,260
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,250	INR 1,260
EPS %	FY27E	FY28E
	+0.8%	+1.7%

KEY STOCK DATA

Bloomberg code	HOMEFIRS IN
No. of Shares (mn)	105
MCap (INR bn) / ($ mn)	106/1,114
6m avaded value (INR mn)	272
52 Week high / low	INR 1,318/894

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.2)	(12.0)	(16.3)
Relative (%)	(9.5)	(6.7)	(2.7)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	7.0	7.0
FIs & Local MFs	29.8	32.9
FPIs	43.9	42.5
Public & Others	19.3	17.6
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

Deepak Shinde
deepak.shinde@hdfcsec.com
+91-22-6171-7323

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Ayush Pandit
ayush.pandit@hdfcsec.com
+91-22-6171-7366

Birlasoft

Growth recovery underway

Birlasoft (BSOFT) posted a stronger Q2FY27, delivering 2.1% QoQ CC revenue growth. Growth was broad-based, led by Manufacturing (+5.2% QoQ), BFSI (+3.6%) and Life Sciences (+2.1%), while E&U was weighed down by a Europe-specific client ramp-down. Management sees no further downside but does not expect a near-term recovery. EBITDA margin stood at 15.2%, within guidance, despite the wage hike effective Jul 2026, aided by operational efficiencies, productivity improvements, and better revenue quality. The quarter saw multiple AI-led wins, including a multi-year platform modernization mandate from a European logistics major, a three-year AI-driven managed services deal with a global industrial manufacturer, and a selection by a large North American medical devices client. The company also achieved AWS AI Servicessss Competency status and an OpenAI Select partnership, with agentic AI contribution to the pipeline rising to one-third (vs. ~25% earlier). Management expects H2FY27 to be better vs H1, with a strong Q4 exit barring client-specific issues. Q3 should reflect normal furloughs (BFSI) and manufacturing growth will continue. The sustainable margin band remains ~15%, with AI-driven efficiencies being reinvested into sales and capability build-out; leadership hiring is ~90% complete, though new sales leaders will take time to ramp up. We retain ADD with a TP of INR 365, based on 14x Sep-28E EPS.

- **Q2FY27 highlights:** (1) BSOFT's revenue came in at USD 148.3mn (above our estimate of USD 146.7mn), up 2.1% QoQ CC. (2) Within verticals, Manufacturing grew +5.1% QoQ, followed by BFSI (+3.7% QoQ) and Life Sciences (+2.1% QoQ), offsetting a decline in Energy & Utilities (-6.6% QoQ) on a rundown of work at one European client, with management expecting no near term bounce-back and an E&U turnaround over the next 2-3 quarters. (3) Total TCV stood at USD 116mn, up 8.4% YoY, with several AI-led engagements, including a strategic AI-led transformation deal with a leading European logistics player and a digital transformation deal with a large North American medical devices maker. Some deals slipped to Q3/Q4, though none were lost, which led the sequential TCV decline in Q2 (-31.4% QoQ). (4) DSO improved QoQ to 51 days, a two-year best, supported by strong collections of USD 164mn in the quarter.
- **Outlook:** We expect BSOFT's USD revenue to be flat in FY27E and grow thereafter by 9.8/12.9% in FY28/29E. EBITDAM is factored in at 15.3/15.4/15.5% for FY27/28/29E respectively, implying an EPS CAGR of 13% over FY26-29E.

Quarterly financial summary

YE Mar (INR bn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	148	151	-1.6	145	2.1	635	598	596	654	738
Net Sales	14.16	13.29	6.6	13.79	2.7	53.75	53.10	56.82	62.79	71.63
EBIT	1.90	1.93	-1.5	2.03	-6.5	6.12	7.86	7.74	8.72	10.08
APAT	1.60	1.16	37.5	1.61	-0.8	5.17	5.44	5.97	6.77	7.90
Diluted EPS (INR)	5.7	4.2	37.0	5.8	-0.8	18.8	19.5	21.3	24.2	28.2
P/E (x)						16.3	15.7	14.3	12.6	10.8
EV / EBITDA (x)						8.8	6.6	6.3	5.3	4.3
RoE (%)						15.8	14.3	13.9	14.4	15.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	591	596	*0.7*	652	654	*0.3*	738	738	*0.1*
Revenue	56.41	56.82	*0.7*	62.61	62.79	*0.3*	71.59	71.63	*0.1*
EBIT	7.74	7.74	*0.1*	8.61	8.72	*1.3*	10.00	10.08	*0.7*
EBIT margin (%)	13.7	13.6	*-9bps*	13.8	13.9	*13bps*	14.0	14.1	*10bps*
APAT	5.95	5.97	*0.2*	6.74	6.77	*0.5*	7.84	7.90	*0.8*
EPS (INR)	21.3	21.3	*0.2*	24.1	24.2	*0.5*	28.0	28.2	*0.8*

Source: Company, HSIE Research

ADD

CMP *(as on 28 Oct 2026)*	INR 306
Target Price	INR 365
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 365	INR 365
Change in EPS %	FY27E +0.2	FY28E +0.5

KEY STOCK DATA

Bloomberg code	BSOFT IN
No. of Shares (mn)	280
MCap (INR bn) / ($ mn)	86/899
6m avg traded value (INR mn)	637
52 Week high / low	INR 474/267

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.3	(17.7)	(20.8)
Relative (%)	9.0	(12.4)	(7.2)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	40.38	40.37
FIs & Local MFs	21.99	19.58
FPIs	12.78	12.33
Public & Others	24.85	27.72
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

Vinesh Vala
vinesh.vala@hdfcsec.com
+91-22-6171-7332

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Harsh Yadav
harsh.yadav1@hdfcsec.com
+91-22-6171-7308

Tanla Platforms

Improving growth visibility; valuations attractive

Tanla delivered a strong Q2FY27, with revenue up 10.2% QoQ and 25.3% YoY, driven by Enterprise (domestic and OTT) and consolidation of Valuefirst (INR 285mn for two months). Total organic revenue grew 7.9% QoQ and 22.7% YoY, while Enterprise grew 8.5% QoQ and 24.3% YoY organically. Enterprise growth was powered by OTT, where WhatsApp grew 25% QoQ on rising adoption and aided by one-off customer campaigns. Excluding these campaigns and Valuefirst, total revenue grew 4.2% QoQ, and Enterprise 4.5% QoQ. We believe enterprise communication spend is steadily shifting from SMS to conversational messaging, with Tanla gaining wallet share in the process. RCS was the soft spot, weakening after rate hikes took effect in Sep 2026. Profitability lagged the topline in the quarter. EBITDA growth trailed revenue as other expenses rose sharply, with Valuefirst accounting for ~44% of the increase in indirect costs, leaving Enterprise EBITDA margin slightly lower at 10.6%. PAT growth was slower still, weighed down by lower other income. Platform investments are beginning to yield. Trubloq remains a cash engine, while Wisely.ai/ATP is emerging as a growth lever on a subscription model. A rising platform mix should be margin-accretive, keeping EBITDA margins in a ~16-17% range even as investments continue. Overall, growth visibility is improving, anchored by OTT and a stable core, with the platform business providing optionality. We raise EPS estimates by ~1% and maintain BUY with a revised TP of INR 815 (15x Sep-28E EPS). At 13/12x FY27/28E P/E, the stock is trading at attractive valuations.

- **Q2FY27 highlights:** The enterprise revenue increased by +11.0/27.2% QoQ/YoY to INR 12.47bn; however, total gross margin decreased 48bps QoQ to 26.1%. Excluding OTT, the enterprise segment increased 3.5% QoQ and OTT revenue stood at INR 4.89bn, up 25.1/51.7% QoQ/YoY. In Q2FY27, 95 new customers were added, contributing ~INR 65mn toward revenue. Platform revenue stood at INR 1.05bn, +1.6%/6.4%, QoQ/YoY and gross margin was 98.7%, up 21bps sequentially. The EBITDA margin at 15.9% was down 55bps QoQ and APAT stood at INR 1.46bn, up 3.0/17.1% QoQ/YoY. The >INR500mn, INR 100-500mn and INR 10-100mn revenue bucket saw an increase of 10.7/4.8/19.0% QoQ. Net cash stands at INR 12bn, ~19% of the market cap.
- **Outlook:** We estimate a 13.9% revenue CAGR over FY26-29E, led by CAGRs of +9.9/14.3% from the platform/Enterprise segment. We estimate 14.7% EPS CAGR over FY26-29E.

Quarterly financial summary

YE March (INR bn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	13.52	10.78	*25.3*	12.26	*10.2*	39.28	40.28	44.18	52.72	58.35	65.27
Gross Profit	3.53	2.87	*23.1*	3.26	*8.2*	10.56	10.51	11.75	13.90	15.46	17.62
EBITDA	2.14	1.77	*20.8*	2.01	*6.6*	7.32	6.91	7.24	8.43	9.39	10.74
APAT	1.46	1.25	*17.1*	1.42	*3.0*	5.48	5.07	5.09	5.97	6.70	7.69
DEPS (INR)	11.0	9.4	*17.1*	10.7	*3.0*	40.7	37.7	38.4	45.0	50.6	58.0
P/E (x)								15.6	13.3	11.8	10.3
EV/EBITDA (x)								9.5	7.8	6.6	5.4
ROE (%)						31.7	24.1	21.4	22.1	21.4	21.2

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR bn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	50.75	52.72	*3.9*	56.21	58.35	*3.8*	63.31	65.27	*3.1*
EBITDA	8.25	8.43	*2.2*	9.18	9.39	*2.3*	10.46	10.74	*2.7*
EBITDA (%)	16.3	16.0	-26bps	16.3	16.1	-23bps	16.5	16.5	-7bps
APAT	5.91	5.97	*1.0*	6.64	6.70	*1.0*	7.59	7.69	*1.4*
EPS (INR)	44.5	45.0	*1.0*	50.1	50.6	*1.0*	57.2	58.0	*1.4*

Source: HSIE Research

BUY

CMP *(as on 28 Oct 2026)*	**INR 599**
Target Price	**INR 815**
NIFTY	**22,699**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 800	INR 815
EPS %	FY27E	FY28E
	+1.0%	+1.0%

KEY STOCK DATA

Bloomberg code	TANLA IN
No. of Shares (mn)	133
MCap (INR bn) / ($ mn)	79/834
6m avg traded value (INR mn)	648
52 Week high / low	INR 657/366

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.0	2.7	(2.0)
Relative (%)	6.6	8.0	11.6

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	46.17	46.17
FIs & Local MFs	0.38	0.73
FPIs	7.63	8.08
Public & Others	45.35	45.03
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Arjun Savla
arjun.savla@hdfcsec.com
+91-22-6171-7339

Medplus Health Services

Steady Q2; balancing growth and margins

EBITDA grew 9% YoY as strong 21% sales growth (pharmacy +21% YoY, diagnostics +23% YoY) was offset by lower gross margin (-107 bps YoY to 25.1%; private label share was down at 21.4%) and higher costs. OPM came in at 4.4% (-85 bps YoY), with pharmacy margin at 4.0% (-106 bps YoY) and diagnostic margin at 23.8%. Medplus retains its store addition guidance of 800 for FY27E (312 added in H1FY27), including expansion in tier 2/3 cities through the franchisee model (total franchisee count at 849, as of H1). It has guided for adding over 800 stores in FY28. It expects a recovery of 50bps QoQ in private label share, with gradual scale-up in franchisee stores supporting a steady recovery in GM. The pick-up in matured store growth was largely led by better product availability and change in incentive structure; it expects this to sustain at 9-10% in FY27. It expects operating profit of INR 3.8-4bn in FY27E vs INR 4.2-4.4bn earlier, which is largely due to the impact of ~INR 70mn per month in wage hikes in Karnataka and Telangana, which it expects will be partly offset by cost savings across warehousing, corporate, and traveling. We see a pick-up in sales growth, led by a balanced approach to matured store growth and new store additions. However, EBITDA and operating margin may see pressure in the near term, given gradual recovery in private label share (especially pharma) and increasing costs like wage hikes and inflation. Factoring in Q2 and outlook, we have tweaked EBITDA for FY27/28E and revised TP to INR 880 (14x Q2FY29E EV/EBITDA, implying 20x pre-INDAS EV/EBITDA). BUY stays.

- **Q2 highlights:** Sales grew 21% YoY to INR 20.37bn, with 21% growth in retail pharmacy (~INR 19.93bn) and 23% growth in diagnostics (INR 411mn). Lower GM at 25.1% (-107 bps YoY) and higher costs (staff#/ SG&A +21/18%) led to EBITDA of INR 1.62bn (+9% YoY), margin at 8% (-91 bps). Operating profit was at INR 901mn (+2% YoY) and OPM at 4.4% (-85 bps). Pharmacy margin at 4% (-106 bps) and diagnostic margin at 23.8%. PAT was INR 481mn (-13%).
- **Q2 operating metrics:** A net 166 stores were added (gross addition of 219), taking the total to 5,642, as of Sep-26. Matured store growth was at 13.2% YoY (vs. 2.2% in Q2FY26), with operating margin at 11.7% (vs. 11.8% YoY) and RoCE at 72% (vs. 68.9%). Private label sales as a percentage of total sales were lower at 21.4% (vs. 22% in Q2FY26). Overall, the RoCE was ~20.7% (vs. 22.5% YoY). In Q2FY27, OCF was INR 370mn while FCF was negative (-INR 841mn).
- **Key takeaways from con call:** Franchisee store economics: assuming 24% GM on pharmacy products, of which Medplus keeps 10-11% and passes on 14-15% to franchisees; this implies similar 10-11% margin for Medplus own stores. Franchisee revenues in Q2FY27 were at INR 1.16bn (~6% of total sales). As of Sep-26, diagnostics had 0.216mn active plans and expansion plans are on hold until annual subscriptions reach 0.3-0.4mn. The focus will remain new store addition and private label scale-up.

Quarterly financial summary

(INR mn)	2Q FY27	2Q FY26	YoY (%)	1Q FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	20,371	16,793	21	18,796	8	61,361	68,925	81,683	95,341	107,306
EBITDA	1,621	1,488	9	1,332	22	4,871	6,074	6,389	8,001	9,230
APAT	481	555	(13)	332	45	1,504	2,196	1,893	2,732	3,059
EPS (INR)	4.0	4.6	(13)	2.8	45	12.5	18.3	15.8	22.7	25.5
P/E (x)						48.7	33.3	38.7	26.8	23.9
EV/EBITDA (x)						16.6	13.6	13.4	10.9	9.6
RoCE (%)						10	13	11	13	12

Source: Company, HSIE Research, ^post-INDAS, *pre-INDAS. #Staff benefit reversal INR 79.6mn

BUY

CMP *(as on 28 Oct 2026)*	INR 610
Target Price	INR 880
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 960	INR 880
EBITDA %	FY27E (0.4)	FY28E (1.7)

KEY STOCK DATA

Bloomberg code	MEDPLUS IN
No. of Shares (mn)	120
MCap (INR bn) / ($ mn)	73/769
6m avg traded value (INR mn)	186
52 Week high / low	INR 1,022/576

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.0)	(32.3)	(19.6)
Relative (%)	(10.3)	(27.0)	(6.0)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	40.19	40.19
FIs & Local MFs	29.95	31.89
FPIs	14.38	12.58
Public & Others	15.48	15.34
Pledged Shares	60.74	74.09

Source: BSE

Mehul Sheth
mehul.sheth@hdfcsec.com
+91-22-6171-7349

Virti Shah
virti.shah@hdfcsec.com
+91-22-6171-7362

Bajaj Electricals

Another muted quarter

Bajaj Electricals' Q2FY27 revenue grew only 1% YoY (two-year CAGR of 0%). Consumer products segment grew 2% YoY, while lighting segment declined by 1% YoY. Growth in consumer products was led by kitchen and domestic appliances, albeit overall growth was weighed down by de-growth in fans and MR. Lighting segment witnessed growth in consumer lighting while overall it saw de-growth due to professional lighting. EBITDAM expanded 40bps YoY to 6% (-110bps QoQ), leading to EBITDA growth of 8% YoY. Management indicated that the current softness in fans is largely due to the portfolio being skewed toward entry-level products, a segment that is growing slower than the overall industry. However, it anticipates that fan growth should recover as new BLDC-led innovation initiatives and additional capacity come online over the next few quarters. The company has announced resignation of Mr. Shekhar Bajaj from the Chairman's position, to be replaced by Mr. Sudarshan Sampathkumar, a non-executive independent director of the company. We broadly maintain estimates. We maintain REDUCE with an unchanged target price of INR 320/share, based on 25x Sep-28E EPS.

- **Q2FY27 highlights:** Revenue grew only 1% YoY (two-year CAGR 0%). Consumer products segment (76% revenue mix) grew 2% YoY, while lighting segment (24% revenue mix) declined by 1% YoY. Gross margin improved 40bps QoQ, while being flat YoY at 31.9%. Employee cost declined 200bps YoY, while other expenses increased 180bps YoY in relative terms; in absolute terms, employee cost declined 20% YoY and other expenses surged 12% YoY. Advertising spends stood at 3.8% of revenue (up 150bps YoY). Consequently, EBITDAM expanded 40bps YoY to 6% (-110bps QoQ), with EBITDA growth of 8% YoY. APAT stood INR 253mn vs INR 146/414mn YoY/QoQ, driven by EBITDA, and lower depreciation, higher other income, partially offset by higher finance cost.
- **Segmental highlights:** Consumer products saw growth, led by kitchen and domestic appliances, albeit overall growth was offset by de-growth in fans and MR. Lighting segment witnessed growth in consumer lighting while overall it de-grew due to professional lighting. General trade witnessed a drop of 3% on a YoY basis. Alternate channel grew on a 7% YoY basis, double-digit growth was witnessed in e-com, while exports grew in high double digits.
- **Con call KTAs and valuation:** Management indicated that the current softness in fans is mainly due to portfolio being skewed toward entry-level products, a segment that is growing slower than the overall industry. However, it anticipates that fan growth should recover as new BLDC-led innovation initiatives and additional capacity come online in the next few quarters. We broadly maintain estimates. We maintain REDUCE with an unchanged TP of INR 320/share, based on 25x Sep-28E EPS.

Financial summary

(INR mn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	11,233	11,071	1.5	10,894	3.1	48,284	44,622	49,308	52,517	55,939
EBITDA	669	619	8.0	771	(13.3)	3,075	1,513	2,679	3,120	3,355
APAT	253	146	72.9	414	(38.8)	1,121	139	1,165	1,434	1,521
EPS (INR)	2.2	1.3	72.9	3.6	(38.8)	9.7	1.2	10.1	12.4	13.2
P/E (x)						29.5	238.4	28.4	23.1	21.8
EV/EBITDA (x)						10.2	18.5	9.9	8.2	7.5
RoE (%)						7.5	0.9	7.8	9.0	8.9

Source: Company, HSIE Research

REDUCE

CMP *(as on 28 Oct 2026)*	INR 293
Target Price	INR 320
NIFTY	22,699

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 320	INR 320
	FY27E	FY28E
EPS %	-	-

KEY STOCK DATA	
Bloomberg code	BJE IN
No. of Shares (mn)	115
MCap (INR bn) / ($ mn)	34/355
6m avg traded value (INR mn)	143
52 Week high / low	INR 549/273

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(11.2)	(26.3)	(44.7)
Relative (%)	(6.5)	(21.1)	(31.1)

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	62.70	62.67
FIs & Local MFs	16.82	15.97
FPIs	5.37	5.36
Public & Others	15.11	15.10
Pledged Shares	1.60	1.60

Source : BSE

Pledged shares as % of total shares

Keshav Lahoti
keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Mahesh Nagda
mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Kartikey
kartikey@hdfcsec.com
+91-22-6171-7359

Route Mobile

Back on recovery path

Route's Q2FY27 marked a recovery quarter, with gross margin rebounding to 22.4% (+150bp QoQ from 20.9% in Q1FY27) on an improved routing strategy and a richer mix of higher-margin new-product traffic. Revenue grew 2.4/5.4% QoQ/YoY ahead of our estimate. New products (RCS/WhatsApp/conversational) were the standout, rising sharply to INR 1.28bn (+36.7% YoY/+35.8% QoQ). The growth was powered by OTT traffic and supported by the first contribution from the Heltar acquisition (closed 29 July). Reported adjusted EBITDA margin improved to 10.0% (vs 9.5% in Q1FY27), as one-off employee costs and expenses related to the Masivian (Colombia) data breach absorbed the gross margin gains. Adjusting for these one-offs, EBITDA margin was ~11%, suggesting the underlying business is gradually moving toward the target. Management maintained its FY27 guidance of mid-to-high single-digit revenue growth and ~12% adjusted EBITDA margin. We build in ~7-8% revenue growth with EBITDA margin in the 10-11% range, as the soft ILD business remains a drag and cost normalisation will be gradual. On strategy, the Heltar integration, the Truecaller and Claro partnerships, and Proximus Global synergies should keep driving the non-SMS/conversational AI mix higher. We increase our revenue estimate but lower margins, leading to a ~1% cut in FY28E EPS estimate. We maintain ADD with a target price of INR 610, based on 10x Sep-28E EPS. The stock is trading at a reasonable P/E of 9/8x FY27/28E.

- **Q2FY27 highlights:** Revenue grew 2.4/5.4% QoQ/YoY to INR 11.78bn, ahead of our estimate of INR 11.63bn. Continued moderation in ILD messaging volumes was more than offset by robust new-product growth (+35.8% QoQ to INR 1,284mn). Gross margin expanded to 149bps QoQ (+30bps YoY) to 22.4%, as cost of services eased to 77.6% of revenue (79.1% in Q1FY27). However, a 17.0% QoQ rise in employee costs to INR 908mn absorbed much of the gain, limiting EBITDA margin expansion to 59bps QoQ at 9.8% (-239bps YoY); EBITDA rose 9.0% QoQ to INR 1.15bn. APAT grew 27.1% QoQ to INR 796mn (-18.8% YoY). Finance costs rose ~81% QoQ to INR 25mn. By termination, India revenue (35% of the total) declined 25.2% YoY to INR 4.01bn, while international revenue grew 33.5% YoY to INR 7.78bn. Segment margins diverged: India recovered to 9.0% from -1.7% in Q1FY27, while overseas contracted 193bps QoQ to 6.1%. Headcount was broadly stable at 786 (+0.4% QoQ). Net cash stood at INR 13.57bn, ~49.5% of the market cap.
- **Outlook:** We expect +9/7% revenue/EBITDA CAGR for FY26-29E, led by +8/8.9/9.4% revenue growth and 9.9/10.7/11.0% EBITDA margin for FY27/28/FY29E respectively.

Quarterly financial summary

YE March (INR bn)	2QFY27	2QFY26	YoY (%)	1QFY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	11.80	11.19	*5.4*	11.52	*2.4*	45.76	44.08	47.62	51.86	56.74
Gross Profit	2.64	2.47	*6.8*	2.40	*9.8*	9.51	10.07	10.43	11.41	12.54
EBITDA	1.15	1.36	*-15.4*	1.05	*9.0*	5.11	5.12	4.74	5.55	6.21
APAT	0.80	0.98	*-18.8*	0.63	*27.1*	3.37	3.75	3.03	3.61	4.05
Diluted EPS (INR)	12.7	15.6	*-18.8*	10.0	*27.1*	53.7	59.7	48.3	57.5	64.6
P/E (x)								9.0	7.6	6.7
EV / EBITDA (x)								2.2	1.3	0.7
RoE (%)						14.7	14.4	10.5	11.6	11.9

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR bn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	46.74	47.62	*1.9*	50.17	51.86	*3.4*	54.24	56.74	*4.6*
EBITDA	4.88	4.74	*-3.0*	5.53	5.55	*0.3*	6.13	6.21	*1.4*
EBITDA margin (%)	10.4	9.9	*-50bps*	11.0	10.7	*-33bps*	11.3	11.0	*-34bps*
APAT	3.14	3.03	*-3.6*	3.63	3.61	*-0.6*	4.02	4.05	*0.8*
EPS (INR)	50.1	48.3	*-3.6*	57.8	57.5	*-0.6*	64.1	64.6	*0.8*

Source: Company, HSIE Research

ADD

CMP *(as on 28 Oct 2026)*	**INR 435**
Target Price	**INR 610**
NIFTY	**22,699**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 610	INR 610
EPS %	FY27E	FY28E
	-3.6%	-0.6%

KEY STOCK DATA

Bloomberg code	ROUTE IN
No. of Shares (mn)	63
MCap (INR bn) / ($ mn)	27/288
6m avg traded value (INR mn)	321
52 Week high / low	INR 771/407

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.5)	(18.2)	(40.5)
Relative (%)	(14.9)	(12.9)	(26.9)

SHAREHOLDING PATTERN (%)

	Jun-26	Sep-26
Promoters	74.85	74.85
FIs & Local MFs	3.46	2.20
FPIs	2.40	1.65
Public & Others	19.29	21.30
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Arjun Savla
arjun.savla@hdfcsec.com
+91-22-6171-7339

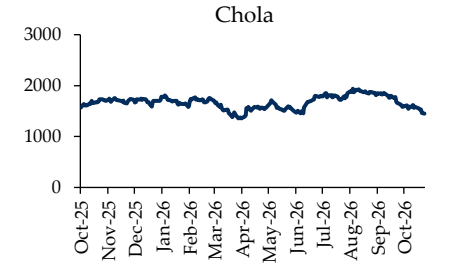
Rating Criteria

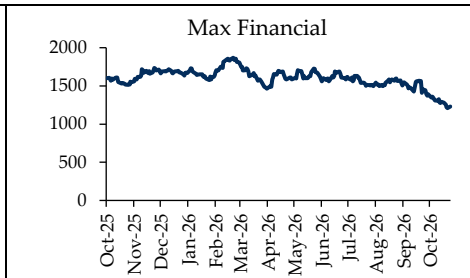
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

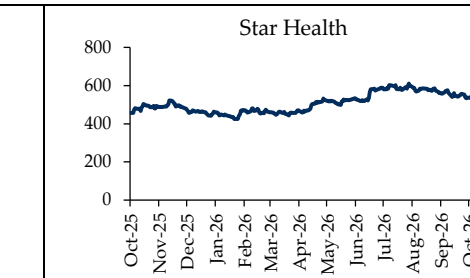
Disclosure:

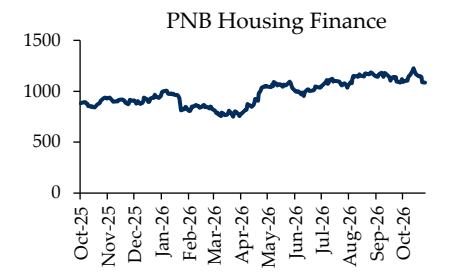
Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	Cholamandalam Investment and Finance Company, Max Financial Services, Star Health and Allied Insurance, PNB Housing Finance, Bandhan Bank, City Union Bank, Home First Finance Company India	PGDM	NO
Deepak Shinde	PNB Housing Finance, Home First Finance Company India	PGDM	NO
Deepak Shinde	Cholamandalam Investment and Finance Company	PGDM	YES
Ayush Pandit	Cholamandalam Investment and Finance Company, PNB Housing Finance, Home First Finance Company India	CA	NO
Samarth Desai	Max Financial Services, Star Health and Allied Insurance	MSc	NO
Shweta Upadhyay	Bandhan Bank, City Union Bank	MBA	NO
Amit Chandra	Infoedge, Birlasoft, Tanla Platforms, Route Mobile	MBA	NO
Arjun Savla	Infoedge, Tanla Platforms, Route Mobile	CA	NO
Vinesh Vala	Birlasoft	MBA	NO
Harsh Yadav	Birlasoft	MBA	NO
Rajesh Ravi	Steel Authority of India, Bajaj Electricals	MBA	NO
Keshav Lahoti	Steel Authority of India, Bajaj Electricals	CA, CFA	NO
Kartikey	Steel Authority of India, Bajaj Electricals	CA	NO
Mahesh Nagda	Steel Authority of India, Bajaj Electricals	CA	NO
Mehul Sheth	Piramal Pharma, Medplus Health Services	MBA	NO
Virti Shah	Piramal Pharma, Medplus Health Services	BFM	NO

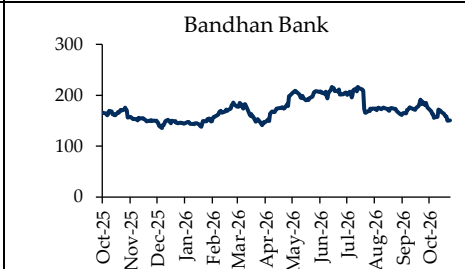
Price movement

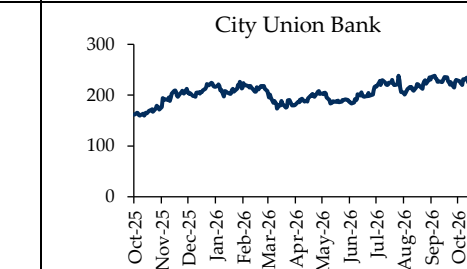


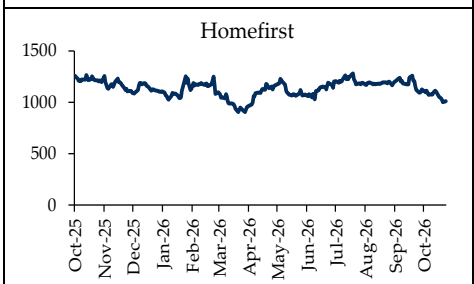


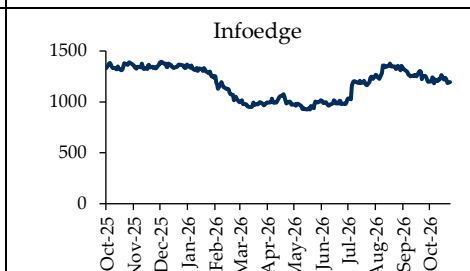


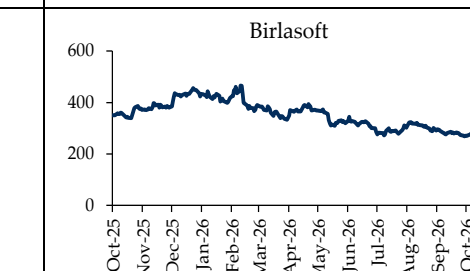


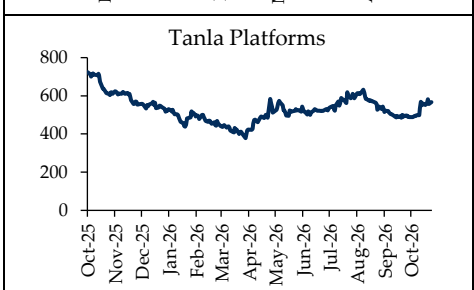


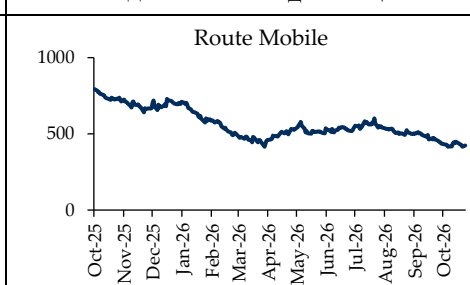


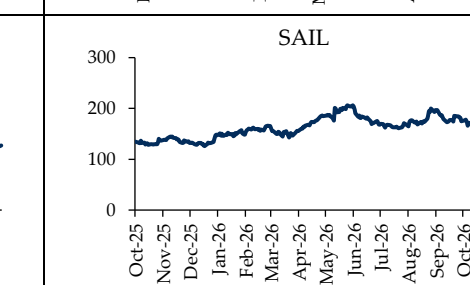


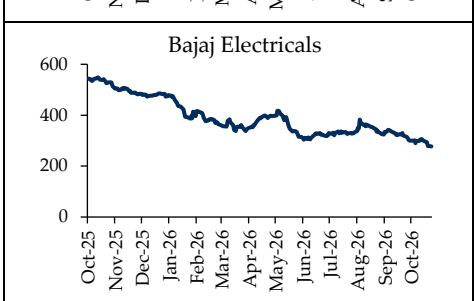


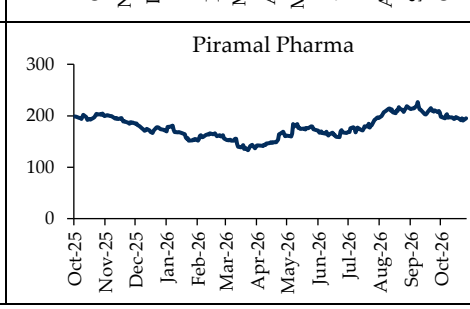


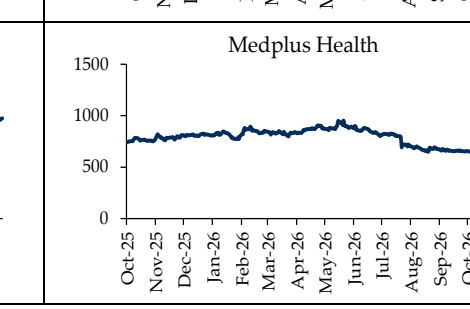












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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg(East), Mumbai 400 042 Tel.: +91-22-30753400 Fax: +91-22-30753435 www.hdfcsec.com

Compliance Officer: Murli V Karkera, Contact: +91 022-69151436, Email: complianceofficer@hdfcsec.com, For any complaints / grievance: services@hdfcsec.com

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HDFC Securities
Institutional Equities
Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Board: +91-22-6171-7330 www.hdfcsec.com