

HSIE Results Daily

Contents

Results Reviews

- Life Insurance Corporation of India:** Life Insurance Corporation of India (LICI) printed a beat on APE growth (+3% YoY), led by group business growth (+20% YoY). VNB grew 12% YoY as VNB margins clocked in at 17.6% (+136bps YoY), ahead of expectations, driven by efficiency gains. Traditionally focused on the mass customer segment, LICI has engineered a shift in its product strategy towards higher sum-assured, non-PAR policies (FY25: 28% of new business). LICI derives its moats from a large agency channel while undergoing a strategic shift in its individual product proposition to align itself to the new surrender guidelines. We revise our APE/VoNB CAGR to 5/9% over FY25-FY28E and expect VNB margins to expand to 19.6% by FY28E. We revise our RoEV forecasts for FY25-28E to 9.6%, on account of unwinding and VNB; maintain ADD with a revised TP of INR1,065 (0.7x Sep-27 EV).
- Mankind Pharma:** EBITDA (+8% YoY) was 6% below our/consensus estimates as 20% YoY sales growth (India formulation up 15% YoY and exports +14%) was offset by muted gross margin (-29 bps) and higher staff and SG&A costs, resulting in 24.9% margin (-271 bps). Organic (ex-BSV[^]) sales grew ~6% YoY, India formulation was moderate at 6.6% YoY (ex-OTC), and exports grew in mid-single-digit, offset by GST-related disruptions and uneven monsoons in consumer healthcare business. For FY26, Mankind expects the following: (1) India organic growth to recover in H2FY26, led by volume growth, traction in key chronic segments (CVS and anti-diabetic), recovery in acute therapies; it hopes to outperform IPM growth by 1.1-1.2x, (2) BSV: 18-20% growth is projected, led by exports growth of 18-20% and 15-16% growth in India business, targets to improve margin in the near term to reach its guided range of 26-28%, and (3) Margin: to achieve lower end of its EBITDA margin guidance of 25-26% (vs. 25.4% in FY25) in FY26. While the BSV acquisition will be EBITDA-accretive, the debt-funded M&A could keep near-term earnings stressed. We have cut EPS estimates for FY26/27 by 5/3% to factor slow recovery in its domestic business, lower-than-expected margin guidance, and delay in synergies with BSV. Accordingly, we have cut our multiple to 35x from 38x and revised target price to INR 2,530 (35x Q2FY28E). ADD stays. We keep monitoring the progress in BSV business integration as well as growth momentum and debt repayment targets.
- Zydus Lifesciences:** EBITDA grew 15% YoY, led by a 17% YoY sales increase. This was achieved despite a 16% QoQ decline in US sales (due to lower gRevlimid sales), this was offset by 9% YoY growth in India and contributions from M&As (Amplitude, Comfort Click). Gross margin improved by 49bps YoY, but higher costs from M&As (staff/SG&A up 18%/33% YoY) resulted in a muted EBITDA margin of 26.8% (down 34 bps YoY and 426 bps QoQ). The company expects to meet its guidance of single-digit growth and a margin above 26% in FY26. For the US business, steady growth is expected in FY26, led by continued traction in gMyrbetriq, volume growth, and 25+ new launches. The company has visibility on 25-30 new launches per year (including complex generics and exclusivity launches), ongoing momentum in the base business, and scale-up in its specialty segment (505-(b)(2)). Management is hopeful about further base business growth in FY27. Optimism remains for the specialty business, with all three Sitagliptin

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505(b)(2) brands gaining traction in the US, and key assets (CUTX101, Saroglitazar, Usnoflast) expected to monetize over the next 1-3 years. There is scope to improve margins at Amplitude Surgical through cost optimization, with a focus on ortho, CVS, and nephrology, as well as expanding capacity for high-end dialyzer membranes. After factoring in Q2 results and the recent acquisition, EPS has been cut by 5% for FY26E and retained for FY27E. ADD stays, with a TP of INR 1,020 (23x Q2FY28E), as the broader thesis of steady growth in the US and India, monetization of R&D assets (injectables, biosimilars, NCEs), and scale-up in the Medtech business remain intact. However, the declining EBITDA margin to ~26%+ in FY26 and 24-24.3% in FY27/28 (from 29.8% in FY25) remains a key concern.

- **Aurobindo Pharma:** EBITDA grew 7% YoY, aligning with consensus estimates, as sales increased 6% YoY (US up 2% QoQ; EU up 18% YoY) and GM improved by 88bps YoY, though this was offset by a 15% YoY rise in staff costs. Excluding gRevlimid, EBITDA growth was ~14% YoY. ARBP retained its guidance for high single-digit growth (ex gRevlimid) in FY26 and expects to sustain momentum in the coming years, led by (1) continued growth in the US OSD business through new launches, improvements in injectables, normalization of Eugia-3 plant supplies (pending re-inspection in H2FY26), and the Lannett acquisition; (2) sustaining EBITDA margins at 20–21% in FY26, with operating leverage supporting margins in subsequent years; (3) strong growth in the EU, targeting or exceeding Euro 1 bn in sales for FY26, with improved EBITDA; and (4) scaling up the biosimilar business, with four launches in the EU and stronger traction expected from FY27. After factoring in Q2 results and higher tax outgo, we have reduced EPS estimates by 4/1% for FY26/27E and revised the TP to INR 1,260 (16x Q2FY28E). ADD stays, led by improvements in the US base business, steady EU growth, ramp-up in Pen-G/ China/US plants, and gradual biosimilar scale-up, all likely to drive steady mid-to-long-term growth.
- **Godrej Properties:** Godrej Properties Ltd (GPL) reported presales of INR 85bn (+63.6/+20.1% YoY/QoQ, est INR 75bn, 13% beat), with a booking area of 7.1msf (+38.6%/+15.7% YoY/QoQ). GPL delivered 2.2msf of projects in Q2FY26. It added nine new projects with a GDV of INR 162bn in H1FY26 (achieving 81% of its targeted BD guidance for FY26). The company has outlined a conservative target of INR 325bn (10% YoY) presales for FY26, given its strong launch pipeline worth over INR 400bn. For H2FY26, GPL has a robust launch calendar (across Worli, Golf Course Road, Panvel, Indore, Chennai, and Bengaluru), with potential to exceed the presales guidance. Strategically, the company remains focused on driving operational efficiency, cost control, and prudent capital deployment as it is aiming for double-digit market share in an evolving market landscape. It has growth visibility of 2-3 years and expects strong demand from its core markets, namely NCR, MMR, and Bengaluru. With a strong balance sheet, prudent capital discipline, and no plans to dilute equity in the near term, GPL is well-positioned to deliver 20%+ presales CAGR through FY28. Strong execution, rising share of newer profitable projects, and margin accretion from premium launches are expected to drive profitability. Given robust presales outperformance, new launches (like Worli, Golf Course Road, Sector 44, etc.), and strong underlying demand, we believe that GPL is all set to outperform guidance. We maintain our ADD rating on GPL with SOTP based TP to INR 2,672/sh.
- **Astral:** Astral revenue grew 15% YoY, driven by industry-leading 21% YoY plumbing volume growth. EBITDAM expanded 100bps to 16.3%, so EBITDA grew 22% YoY, leading to 23% growth in APAT. The company has upheld its guidance across all segments and aims to balance growth with margin. October plumbing sales were extraordinarily strong, continuing the Q2

momentum. Considering strong Q2 performance, healthy volume growth outlook, backward integration plans of CPVC resin manufacturing, and turnaround in the UK adhesive business, we upgrade our multiple to 60x from 50x earlier and upgrade rating also from Add to BUY. We increase our APAT estimates by 7/2/6/ for FY 26/27/28E, respectively. Accordingly, we revise our target price to INR 1,870/sh, valuing the company at 60x (Sep-27E EPS).

- **Crompton Consumer:** Crompton Consumer's revenue grew 1% YoY to INR 19.16bn, given the decline in electric consumer durables (ECD) segment due to weak summer products demand. EBITDAM contracted 250bps YoY to 8.3% due to lower gross margin and higher fixed costs. EBITDA/APAT declined 22/27% YoY. Demand picked up in October, albeit it still stays sub-par for ECD segment. The company aims to rapidly scale up its presence in the solar business, targeting revenue of ~INR 20bn over the next 18–24 months. Considering weak Q2 results and commodity price pressures, we have cut our revenue estimates by 4/3% and APAT estimates by 17/4% for FY26/27E, respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We retain BUY by valuing the stock at 40x Sep'27 EPS to arrive at a revised TP of INR 450/sh.
- **Clean Science and Technology:** We maintain REDUCE on Clean Science and Technology (CSTL) with a price target of INR 906. RoE/RoCE have fallen by 1,300bps in the last two years to ~20%, owing to poor returns in the HALS business. We expect the RoE to decline further from 20.2% in FY25 to 18.7% in FY29 and expect an EPS CAGR of 13.8% over FY25-29E. The company is investing INR3.3bn over FY25-26E, which will keep asset turnover low in the near term. Currently, the stock is trading at 40/31x FY26/27E EPS. Q2 EBITDA/APAT were 21/30% below our estimates, owing to lower-than-expected revenue and higher-than-expected raw material cost.
- **Birlasoft:** Birlasoft (BSOFT) reported a mixed quarter with flat QoQ CC revenue growth and a sharp improvement in operating margins (+369bps QoQ). Revenue growth was driven by strong performance in Life Sciences (+6.5% QoQ) and BFSI (+1.6% QoQ), offset by a decline in Manufacturing vertical (-4.2% QoQ). Management expects the sluggishness in the Manufacturing vertical to persist in Q3 and Q4. Margins included a one-off 150bps benefit from excess provision reversal, excluding which, EBITDA margin improved 219bps QoQ to 14.5%. Deal TCV was soft at USD 107mn as two large deals were deferred; the company expects closure in Q3, supporting better revenue growth in H2FY26E, aided by deal ramp-ups and a strong order book aspiration (TCV target of ~USD 850mn for FY26E). The company indicated EBITDA margin of ~13% for FY26E, with improvement in FY27E as revenue growth resumes. The key overhang is the elevated ETR (~45% in Q2), now expected at 42–43% for FY26E due to US federal tax provisions, before normalizing to 28–30% in FY27E. Given the higher tax rate, we revise our EPS estimates downward by 10/1.4/1.9% for FY26/27/28E. We maintain our ADD rating on BSOFT with a revised TP of INR 380, based on 18x Sep-27E EPS.
- **Metropolis Healthcare:** EBITDA growth (14% YoY; organic growth at 17%) was mainly driven by a 23% YoY increase in sales (+12% YoY organic rise). Patient/test volumes expanded by 10/12% YoY while realization per patient/test improved by 11/10%. Metropolis expects: (a) its organic business to see 12-13% sales growth and 70-100bps margin expansion (24.3% in FY25) and (b) Core Diagnostic to see high-single-digit in FY26 and double-digit in FY27. Key strategies: (1) accelerating growth in tier-2/3, (2) shifting focus to expanding the collection center network following completion of lab expansion (214 centers added in H1FY26, with a target to add ~300 in H2FY26), (3) maintaining a balanced B2B:B2C approach toward growth, (4)

strengthening the specialty and Truhealth (wellness) portfolio to widen market presence through region-specific pricing, and (5) advancing digital and AI-driven tools to enhance clinical outcomes. The company expects to see stable competitive environment, with steady test prices and limited consolidation activity. Having completed its investment phase (towards lab infra, technology, medical/management personnel), Metropolis is now focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, promoting wellness packages, pursuing M&As, implementing micro-market strategies, gaining share in focused cities, and boosting B2C presence are expected to drive sales growth, with margin expected to gradually improve. After factoring in Q2 results, we tweaked FY26/27E EPS and revised the TP to INR 2,230 (43x Q2FY28E). ADD stays.

- **Star Cement:** We maintain ADD on Star Cement with an unchanged TP of INR 280/share (12x Sep'27E consolidated EBITDA). Star continues to enjoy the benefits of duopolistic position in the lucrative NE region (NER), along with high incentive accruals from recent expansions. Its profitability also benefits from cost controls and rising share of green power. In Q2FY26, Star delivered solid 20% YoY volume growth. This along with YoY pricing gain, higher incentives, lower energy cost, and op-lev gains drove up margin to INR 1,620/MT. Star thus retains its numero uno position in the Indian cement industry in terms of margin. It is planning to almost double its capacity in four years as it would set up capacity in Rajasthan and Bihar and expand in Assam. It plans to raise equity capital to part-fund the same and, hence, keep the balance sheet healthy.
- **Alkyl Amines:** We maintain REDUCE on Alkyl Amines (AACL) with a price target of INR 1,885, owing to (1) supply glut in domestic market in methylamines and its derivatives, (2) continued aggressive dumping by Chinese manufacturers in most of the product categories, and (3) lag in upside as a result of enforcement of ADD on acetonitrile. We expect EBITDA/APAT to grow at a CAGR of 19/18% over FY25-28E and RoE/RoCE to improve from 14/13% in FY25 to 16.4/15.2% in FY28. Currently, the stock is trading at 50.4/37.8/30.4x FY26/27/FY28, which we believe is contextually high, given the earnings growth. EBITDA was in line with our estimates while APAT was 4% below estimates owing to higher-than-expected tax rate for the quarter.
- **Symphony:** Symphony revenue declined 44% YoY to INR1.6bn due to unfavourable weather conditions and high channel inventory, with India operations declining 40% YoY. The rest of the world operations, contributing 12% of revenue, de-grew 60% YoY. EBITDAM contracted 1,190bps YoY to 14.7%, owing to increase in operating costs relative to revenue. Consequently, EBITDA declined 69% YoY, causing APAT to be down 64% YoY. Management highlighted that channel inventory as of Sep-25 remained elevated but is in line with Sep-24 levels. It expects it to normalize in coming quarters. The company is experiencing healthy double-digit growth in other product categories viz., Large Space Venti Cooling (LSVP), Tower Fans, Kitchen Cooling Fans, Water Heaters and expects this momentum to continue. Considering weak Q2 performance, we cut our revenue estimates by 10/5% and APAT estimates by 17/2% for FY26/27E. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. Owing to weak performance and high volatility in business, we cut our multiple to 30x vs 35x earlier. Considering recent correction in stock price, we upgrade our ADD rating to BUY with a revised target price of INR 1,215/sh (30x Sep-27E EPS).

Life Insurance Corporation of India

Margin expansion to continue; maintain ADD

Life Insurance Corporation of India (LICI) printed a beat on APE growth (+3% YoY), led by group business growth (+20% YoY). VNB grew 12% YoY as VNB margins clocked in at 17.6% (+136bps YoY), ahead of expectations, driven by efficiency gains. Traditionally focused on the mass customer segment, LICI has engineered a shift in its product strategy towards higher sum-assured, non-PAR policies (FY25: 28% of new business). LICI derives its moats from a large agency channel while undergoing a strategic shift in its individual product proposition to align itself to the new surrender guidelines. We revise our APE/VoNB CAGR to 5/9% over FY25-FY28E and expect VNB margins to expand to 19.6% by FY28E. We revise our RoEV forecasts for FY25-28E to 9.6%, on account of unwinding and VNB; maintain ADD with a revised TP of INR1,065 (0.7x Sep-27 EV).

- **Shrinking market share in individual new business:** LICI's market share in individual-rated new business (IRNB) eroded further to ~29% during H1FY26 (H1FY25: 32%; FY25: 29.4%; FY20: 43%), highlighting a sustained challenge to its relevance amid evolving customer preferences. While the growth in ULIP business was strong (>+100% YoY), 10-15% of ULIP policies are on monthly mode, contributing to APE growth from a low base.
- **Revamped product construct:** LICI has revised its product construct through higher policy premium (PAR), lower IRR (NPAR), lower commission for non-club agents, and introduction of club-wise agency commission plans. Over the past couple of years, LICI has shifted its product strategy towards higher sum-assured, non-PAR, policies (H1FY26: 36%; FY25: 28% of new APE). We are surprised with the strong shift towards the ULIP segment and build in ULIP share to reach ~23% of individual APE by FY28E.
- **Efficiency gains drive margin expansion:** The cost-to- individual APE ratio (excluding renewal commissions) improved to 127% (H1FY25: 129%; FY25: 122%), with potential for further operating leverage through sustained cost discipline. The management guided that the GST ITC cost is unlikely to impact meaningfully, even as margin expansion is likely to continue.

Financial summary

INR bn	H1FY26	H1FY25	%Change	Q1FY26	FY25	FY26E	FY27E	FY28E
NB	1,210.9	1,156.1	4.7	594.5	2,267.9	2,370.1	2,496.2	2,633.1
APE	290.3	280.3	3.6	126.5	568.3	585.2	620.3	662.9
VNB	51.1	45.5	12.3	19.4	100.1	108.1	118.1	130.0
VNB Margin	17.6%	16.2%	136bps	15.4%	17.6%	18.5%	19.0%	19.6%
EV					7,768.8	8,513.9	9,330.1	10,225.3
P/EV(X)					0.7	0.7	0.6	0.6
P/VNB(X)					56.5	52.3	47.9	43.5
ROEV%					11.4	9.6	9.6	9.6

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY26E			FY27E		
	Old	New	Δ	Old	New	Δ
APE	568.4	585.2	3.0%	602.5	620.3	2.9%
VNB	100.0	108.1	8.1%	109.2	118.1	8.2%
VNB Margin (%)	17.6%	18.5%	87bps	18.1%	19.0%	93bps
EV	8,529.1	8,513.9	-0.2%	9,363.2	9,330.1	-0.4%

Source: Company, HSIE Research

ADD

CMP (as on 6 Nov 2025)	INR 894
Target Price	INR 1,065
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,040	INR 1,065
	FY26E	FY27E
VNB %	8.1%	8.2%

KEY STOCK DATA

Bloomberg code	LICI IN
No. of Shares (mn)	6,325
MCap (INR bn) / (\$ mn)	5,668/63,953
6m avg traded value (INR mn)	1,233
52 Week high / low	INR 1,008/715

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.4	14.2	(5.2)
Relative (%)	(3.1)	10.9	(8.8)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	96.5	96.5
FIs & Local MFs	1.4	1.4
FPIs	0.1	0.1
Public & Others	2.0	2.0
Pledged Shares	Nil	Nil

Source : BSE

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Mankind Pharma

Domestic recovery in H2FY26; BSV integration key

EBITDA (+8% YoY) was 6% below our/consensus estimates as 20% YoY sales growth (India formulation up 15% YoY and exports +14%) was offset by muted gross margin (-29 bps) and higher staff and SG&A costs, resulting in 24.9% margin (-271 bps). Organic (ex-BSV[^]) sales grew ~6% YoY, India formulation was moderate at 6.6% YoY (ex-OTC), and exports grew in mid-single-digit, offset by GST-related disruptions and uneven monsoons in consumer healthcare business. For FY26, Mankind expects the following: (1) India organic growth to recover in H2FY26, led by volume growth, traction in key chronic segments (CVS and anti-diabetic), recovery in acute therapies; it hopes to outperform IPM growth by 1.1-1.2x, (2) BSV: 18-20% growth is projected, led by exports growth of 18-20% and 15-16% growth in India business, targets to improve margin in the near term to reach its guided range of 26-28%, and (3) Margin: to achieve lower end of its EBITDA margin guidance of 25-26% (vs. 25.4% in FY25) in FY26. While the BSV acquisition will be EBITDA-accretive, the debt-funded M&A could keep near-term earnings stressed. We have cut EPS estimates for FY26/27 by 5/3% to factor slow recovery in its domestic business, lower-than-expected margin guidance, and delay in synergies with BSV. Accordingly, we have cut our multiple to 35x from 38x and revised target price to INR 2,530 (35x Q2FY28E). ADD stays. We keep monitoring the progress in BSV business integration as well as growth momentum and debt repayment targets.

- Q2 highlights:** Sales grew 20% YoY to INR 36.97bn, with India formulation (80%) up 15% YoY to INR 29.58bn, led by growth in chronic (+12%); consumer healthcare (6%) declined 3% YoY to INR 2.26bn (-5% QoQ), on the back of GST-related disruptions and monsoons, and exports (14%) grew 83% YoY. GM declined by 29 bps YoY to 70.5% due to GST related disruptions. Higher staff/SG&A (+28/+26%) costs led to EBITDA of INR 9.21 bn (+8% YoY) and a 24.9% margin (-271 bps YoY). Higher depreciation (+110%) and interest (23x jump) and lower other income (-16%) led to PAT of INR 5.11bn (-22% YoY).
- Key takeaways from con call:** India formulation organic growth to remain steady on the back of volume growth and traction in key chronic segments such as CVS and anti-diabetic, along with recovery in acute therapies such as gastro, VMN, anti-infective, and gynaecology. It expects to deliver continued outperformance to IPM in H2 despite GST disruptions in H1. BSV's specialty business PCPM is INR 1.26mn for Sep-25 vs 1.11mn in Mar-25 on TTM basis. Panacea portfolio grew 15-20% YoY in Q2FY26. Gross margin declined on the back of compensation given to stockists as a reaction to the GST rate cuts. As of Sep-25, net debt was INR 47.91bn with net debt/ EBITDA at 1.6x. The company has fully retired commercial papers worth INR 50bn, with last tranche worth INR 15bn paid in Oct-25.

Quarterly financial summary

(INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	36,972	30,765	20	35,704	4	87,494	103,348	122,074	146,563	164,666	183,718
EBITDA	9,213	8,500	8	8,468	9	19,006	25,351	30,179	36,787	43,307	49,787
APAT	5,115	6,535	(22)	4,383	17	13,720	19,129	19,363	21,081	27,645	32,033
EPS (INR)	12.4	15.8	(22)	10.6	17	33.3	46.4	46.9	51.1	67.0	77.6
P/E (x)						69.4	49.8	49.2	45.2	34.5	29.8
EV/EBITDA (x)						49.5	36.4	33.7	27.2	22.5	19.0
RoCE (%)						22	27	17	13	15	16

Source: Company, HSIE Research. ^ Bharat Serums and Vaccines

ADD

CMP (as on 6 Nov 2025) INR 2,309

Target Price INR 2,530

NIFTY 25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2780	INR 2530
	FY26E	FY27E
EPS %	(4.9)	(2.6)

KEY STOCK DATA

Bloomberg code	MANKIND IN
No. of Shares (mn)	413
MCap (INR bn) / (\$ mn)	953/10,754
6m avg traded value (INR mn)	1,210
52 Week high / low	INR 3,055/2,115

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.7)	(2.5)	(16.0)
Relative (%)	(13.1)	(5.8)	(19.6)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	72.67	72.67
FIs & Local MFs	11.5	11.91
FPIs	13.07	12.83
Public & Others	2.76	2.59
Pledged Shares	-	-

Source: BSE

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Zydus Lifesciences

Margin pressure visible; investing in complex generics

EBITDA grew 15% YoY, led by a 17% YoY sales increase. This was achieved despite a 16% QoQ decline in US sales (due to lower gRevlimid sales), this was offset by 9% YoY growth in India and contributions from M&As (Amplitude, Comfort Click). Gross margin improved by 49bps YoY, but higher costs from M&As (staff/SG&A up 18%/33% YoY) resulted in a muted EBITDA margin of 26.8% (down 34 bps YoY and 426 bps QoQ). The company expects to meet its guidance of single-digit growth and a margin above 26% in FY26. For the US business, steady growth is expected in FY26, led by continued traction in gMyrbetriq, volume growth, and 25+ new launches. The company has visibility on 25-30 new launches per year (including complex generics and exclusivity launches), ongoing momentum in the base business, and scale-up in its specialty segment (505-(b)(2)). Management is hopeful about further base business growth in FY27. Optimism remains for the specialty business, with all three Sitagliptin 505(b)(2) brands gaining traction in the US, and key assets (CUTX101, Saroglitazar, Usnoflast) expected to monetize over the next 1-3 years. There is scope to improve margins at Amplitude Surgical through cost optimization, with a focus on ortho, CVS, and nephrology, as well as expanding capacity for high-end dialyzer membranes. After factoring in Q2 results and the recent acquisition, EPS has been cut by 5% for FY26E and retained for FY27E. ADD stays, with a TP of INR 1,020 (23x Q2FY28E), as the broader thesis of steady growth in the US and India, monetization of R&D assets (injectables, biosimilars, NCEs), and scale-up in the Medtech business remain intact. However, the declining EBITDA margin to ~26%+ in FY26 and 24-24.3% in FY27/28 (from 29.8% in FY25) remains a key concern.

- Q2 highlights:** Sales grew 17% YoY to INR 61.2 bn as US sales (45% of sales) decline sharply by 16% QoQ to USD 313mn (+9% YoY) on lower gRevlimid sales. YoY growth was led by traction in gMyrbetriq and new launches. India formulations (23%) grew 9% YoY to INR 15.9 bn. Wellness (13%) grew 31% YoY, led by integration of Comfort Click. EMs/EU (11%) grew 39% YoY, API (2%) grew 23% YoY, and Medtech sales came in at INR 1.53 bn. Higher GM (+49 bps YoY to 72.4%) was offset by M&A-led higher staff/SG&A costs (+18/33%), led to EBITDA[^] of INR 16.38 bn (+15% YoY) and 26.8% margin (-34 bps). Higher interest (+304% YoY), depreciation (+29%), other income (+60%); adjusted for forex gain and one-offs, PAT stood at INR 10.1bn (+14% YoY).
- Con call takeaways:** Zydus continued to see steady traction from gMyrbetriq in the US. Volume quota for gRevlimid exhausted in Q1; no major contribution in H2. Saroglitazar: Phase II(b)/III trails met primary end points, and the company has plans to file in Q4FY26, with approval/launch in FY27. Semaglutide launch will be in the first wave of launch after patent expiry in India. Enabling resolution for fundraise up to INR 50bn; priority to strengthen balance sheet and reduce debt as M&As focus on specialty assets in the US.

Quarterly financial summary

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	61,232	52,370	17	65,737	(7)	195,474	232,415	263,500	286,769	301,905
EBITDA	16,382	14,191	15	20,385	(20)	52,979	69,134	70,226	69,398	73,363
APAT	10,076	8,810	14	14,281	(29)	37,790	45,972	44,761	43,574	45,638
EPS (INR)	10.0	8.8	14	14.2	(29)	37.6	45.7	44.5	43.3	45.4
P/E (x)						24.9	20.5	21.0	21.6	20.6
EV/EBITDA (x)						18.1	13.3	13.8	13.7	12.6
RoCE (%)						21	22	17	14	14

Source: Company, HSIE Research, [^]EBITDA/ PAT adjusted for one-offs

ADD

CMP (as on 6 Nov 2025)	INR 936
Target Price	INR 1,020
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1010	INR 1020
	FY26E	FY27E
EPS %	(5.5)	(0.4)

KEY STOCK DATA

Bloomberg code	ZYDUSLIF IN
No. of Shares (mn)	1,006
MCap (INR bn) / (\$ mn)	942/10,635
6m avg traded value (INR mn)	970
52 Week high / low	INR 1,059/795

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.4	6.4	(5.9)
Relative (%)	(3.0)	3.1	(9.5)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	75	75
FIs & Local MFs	11.09	10.86
FPIs	7.13	7.34
Public & Others	6.78	6.8
Pledged Shares	-	-

Source: BSE

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Aurobindo Pharma

US recovery, steady EU, and biosimilar assets key

EBITDA grew 7% YoY, aligning with consensus estimates, as sales increased 6% YoY (US up 2% QoQ; EU up 18% YoY) and GM improved by 88bps YoY, though this was offset by a 15% YoY rise in staff costs. Excluding gRevlimid, EBITDA growth was ~14% YoY. ARBP retained its guidance for high single-digit growth (ex gRevlimid) in FY26 and expects to sustain momentum in the coming years, led by (1) continued growth in the US OSD business through new launches, improvements in injectables, normalization of Eugia-3 plant supplies (pending re-inspection in H2FY26), and the Lannett acquisition; (2) sustaining EBITDA margins at 20–21% in FY26, with operating leverage supporting margins in subsequent years; (3) strong growth in the EU, targeting or exceeding Euro 1 bn in sales for FY26, with improved EBITDA; and (4) scaling up the biosimilar business, with four launches in the EU and stronger traction expected from FY27. After factoring in Q2 results and higher tax outgo, we have reduced EPS estimates by 4/1% for FY26/27E and revised the TP to INR 1,260 (16x Q2FY28E). ADD stays, led by improvements in the US base business, steady EU growth, ramp-up in Pen-G/ China/US plants, and gradual biosimilar scale-up, all likely to drive steady mid-to-long-term growth.

- Q2 highlights:** Sales grew 6% YoY to INR 82.85bn as the US (44% of sales) grew 2% QoQ to USD 417mn (-1% YoY), led by base business volume growth (gRevlimid was flat QoQ). EU sales (30%) grew 18% YoY. ARV sales (3%) grew 68% YoY, and API (12%) declined 17% YoY. Higher GM at 59.7% (+88 bps YoY) and moderate SG&A/R&D (+5/1%) were offset by higher staff cost (+15%), leading to an EBITDA of INR 16.78 bn (+7% YoY) and margin of 20.3% (+16 bps). Lower other income (-5% YoY) and interest (-15%) resulted in a PAT of INR 8.48 bn (+4% YoY). PAT (ex-one-offs) stood at INR 8.45 bn (+5% YoY).
- Con call takeaways:** **gRevlimid:** flat QoQ sales. The company does not expect meaningful supply in H2FY26. **US OSD:** Sales were up QoQ, mainly led by volume growth. **China plant:** break-even is expected in Q4FY26 and sales of USD 150 mn in next 2-3 years. **Dayton plant:** Commercialize by Q3FY26. **Pen-G plant:** Resumed operations from Jul-25 and targets 6k MT of production in FY26; EBITDA break-even at production level of ~700MT per month; hopeful of minimum import price support from government to drive utilization. **Lannett M&A:** The company sees synergies in the controlled substances portfolio. **Biosimilars:** FY27 to be an inflection point with expectation of seven product approvals. Prolia biosimilar - ready for regulatory submission in Q3FY26, Xolair biosimilar - EU applications in Q2FY27 and Q3FY27 for the USFDA, Avastin biosimilar - Phase 3 readout anticipated in CY26, Denosumab biosimilars submission for EU in Q4FY26 and USFDA in Q2FY2, Tocilizumab biosimilar – fast-track in EU markets and filing in Jul-26.

Quarterly financial summary

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	82,857	77,961	6	78,681	5	290,019	317,237	333,659	363,360	392,276
EBITDA	16,781	15,661	7	16,034	5	58,430	67,331	68,734	76,306	83,162
APAT	8,451	8,075	5	8,250	2	32,837	35,558	37,146	43,383	48,074
EPS (INR)	14.6	13.9	5	14.2	2	56.5	61.2	64.0	74.7	82.8
P/E (x)						20.2	18.6	17.8	15.3	13.8
EV/EBITDA (x)						11.4	9.8	9.3	8.1	7.0
RoCE (%)						14	14	13	14	14

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

ADD

CMP (as on 6 Nov 2025)	INR 1,141
Target Price	INR 1,260
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1230	INR 1260
	FY26E	FY27E
EPS %	-3.7	-0.6

KEY STOCK DATA

Bloomberg code	ARBP IN
No. of Shares (mn)	581
MCap (INR bn) / (\$ mn)	662/7,475
6m avg traded value (INR mn)	1,491
52 Week high / low	INR 1,413/994

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.4	(5.7)	(18.2)
Relative (%)	2.9	(9.1)	(21.9)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	51.82	51.82
FIs & Local MFs	26.93	27.60
FPIs	14.38	14.21
Public & Others	6.87	6.37
Pledged Shares	17.1	17.5

Source: BSE

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Godrej Properties

Presales surge; profitability awaited

Godrej Properties Ltd (GPL) reported presales of INR 85bn (+63.6/+20.1% YoY/QoQ, est INR 75bn, 13% beat), with a booking area of 7.1msf (+38.6%/+15.7% YoY/QoQ). GPL delivered 2.2msf of projects in Q2FY26. It added nine new projects with a GDV of INR 162bn in H1FY26 (achieving 81% of its targeted BD guidance for FY26). The company has outlined a conservative target of INR 325bn (10% YoY) presales for FY26, given its strong launch pipeline worth over INR 400bn. For H2FY26, GPL has a robust launch calendar (across Worli, Golf Course Road, Panvel, Indore, Chennai, and Bengaluru), with potential to exceed the presales guidance. Strategically, the company remains focused on driving operational efficiency, cost control, and prudent capital deployment as it is aiming for double-digit market share in an evolving market landscape. It has growth visibility of 2-3 years and expects strong demand from its core markets, namely NCR, MMR, and Bengaluru. With a strong balance sheet, prudent capital discipline, and no plans to dilute equity in the near term, GPL is well-positioned to deliver 20%+ presales CAGR through FY28. Strong execution, rising share of newer profitable projects, and margin accretion from premium launches are expected to drive profitability. Given robust presales outperformance, new launches (like Worli, Golf Course Road, Sector 44, etc.), and strong underlying demand, we believe that GPL is all set to outperform guidance. We maintain our ADD rating on GPL with SOTP based TP to INR 2,672/sh.

- Q2FY26 financial highlights:** Revenue came in at INR 7.4bn (-32.2%/+70.1% YoY/QoQ, a miss by 41.0%). EBITDA: INR -5.1bn (vs INR +319mn/-2.4bn Q2FY25/Q1FY26) against an estimated EBITDA of INR +105mn. APAT: INR 3.9bn (+20.2%/-37.2% YoY/QoQ, a beat of 189%), largely due to higher other income. Margins were impacted by the CCM-based accounting policy. GPL delivered 2.2msf of projects in Q2FY26. Industry-wide challenges such as NGT rulings affected projects recognition.
- Strong demand drives presales momentum:** Presales for Q2FY26 stood at INR 85bn (+63.6/+20.1% YoY/QoQ), with a booking area of 7.1msf (+38.6%/+15.7% YoY/QoQ). This was driven by strong demand in some key new project launches including Godrej Regal Pavilion in Hyderabad, Godrej Skyshore in Mumbai, and Godrej Tiara in Bengaluru, and some more that achieved a booking value of INR 47bn. The overall average price realization for the quarter was INR 11,912psf (+18.0%/+3.8%, YoY/QoQ). For FY26, GPL has guided a conservative target of 10% presales growth which we believe GPL shall surpass, given many launches ahead.
- Robust balance sheet position:** GPL net debt increased to INR 55.6bn (vs INR 46.4bn QoQ) and net D/E increased to 0.30x vs 0.26x QoQ. In H1FY26, GPL added nine new projects with a saleable area of 15msf and a GDV of INR 162bn (achieving 81% of INR 200bn targeted for FY26).

Consolidated financial summary (INR mn)

YE March	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	7,404	10,932	(32)	4,346	70	49,228	61,536	72,612	90,765
EBITDA	(5,127)	319	(1,707)	(2,433)	111	444	3,504	7,461	15,114
APAT	3,995	3,338	20	6,301	(37)	13,798	10,422	12,158	16,832
Diluted EPS (Rs)	13.3	11.1	19.7	20.9	(37)	45.8	34.6	40.4	55.9
P/E (x)						48.0	63.6	54.5	39.4
EV / EBITDA (x)						1,569	198	87.6	40.6
RoE (%)						9.9	5.6	4.9	4.9

Source: Company, HSIE Research

ADD

CMP (as on 06 Nov 2025)	INR 2,194
Target Price	INR 2,672
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,672	INR 2,672
EPS	FY26E	FY27E
Change %	-	-

KEY STOCK DATA

Bloomberg code	GPL IN
No. of Shares (mn)	301
MCap (INR bn) / (\$ mn)	661/7,456
6m avg traded value (INR mn)	1,785
52 Week high / low	INR 3,035/1,870

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.4	5.0	(23.8)
Relative (%)	3.0	1.7	(27.5)

SHAREHOLDING PATTERN (%)

	Jun-25	Sept-25
Promoters	46.70	47.05
FIs & Local MFs	9.07	10.42
FPIs	30.54	28.31
Public & Others	13.70	14.22
Pledged Shares	-	-

Source: BSE

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Astral

Robust growth in both segments, bright outlook

Astral revenue grew 15% YoY, driven by industry-leading 21% YoY plumbing volume growth. EBITDAM expanded 100bps to 16.3%, so EBITDA grew 22% YoY, leading to 23% growth in APAT. The company has upheld its guidance across all segments and aims to balance growth with margin. October plumbing sales were extraordinarily strong, continuing the Q2 momentum. Considering strong Q2 performance, healthy volume growth outlook, backward integration plans of CPVC resin manufacturing, and turnaround in the UK adhesive business, we upgrade our multiple to 60x from 50x earlier and upgrade rating also from Add to BUY. We increase our APAT estimates by 7/2/6/ for FY 26/27/28E, respectively. Accordingly, we revise our target price to INR 1,870/sh, valuing the company at 60x (Sep-27E EPS).

- Q2FY26 performance:** Revenue grew 15% YoY. EBITDAM expanded 100bps to 16.3%, leading to EBITDA growth of 22% YoY and 23% APAT growth. Plumbing volume grew 21% YoY (+9% QoQ) due to increase in market share in value added products. NSR declined 4% YoY (+8% QoQ). Plumbing EBITDAM improved 60/260bps YoY/QoQ. As per management's earlier con call commentary, the company has incurred ~100-150/ 250bps inventory loss in Q2FY25/ Q1FY26. EBITDA/kg was INR 34.8 vs INR 35/27.9 YoY/QoQ. Adhesives and paints revenue grew 14/13% YoY/QoQ. EBITDA for this segment increased 34% YoY.
- Con call highlights and outlook:** The company has upheld its guidance across all segments and aims to balance growth with margin. Despite weak Q2 demand, market share grew through plant decentralization, aggressive pricing, and passing of logistics cost savings to customers. October plumbing sales were extremely strong, continuing the Q2 momentum. If ADD is implemented on PVC resins, then its prices are expected to rise by INR 5-6/kg within a month, and channel inventory levels will improve from their current lows. The company expects its margin to improve further once the CPVC resin manufacturing plant begins operations from Sep-26E. Considering a strong Q2 performance, healthy volume growth outlook, backward integration plans of CPVC resin manufacturing, and turnaround in the UK adhesive business, we upgrade our multiple to 60x from 50x earlier and upgrade rating from Add to BUY. Accordingly, we revise our target price to INR 1,870/sh, valuing the company at 60x (Sep-27E EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Pipes sales (K MT)	61.2	50.8	20.6	56.1	9.2	219.6	227.1	254.3	284.9	319.0
EBITDA (INR/kg)	34.8	35.0	-0.5	27.9	24.6	34.1	33.6	33.6	35.6	36.9
Adhesives* Rev (INR mn)	4.59	4.04	13.6	4.07	12.6	14.99	16.36	18.47	20.99	23.43
Adhesives EBITDAM (%)	12.1	10.3		9.2	15.0	13.5	11.9	11.6	13.2	13.4
Net Sales	15.77	13.70	15.1	13.61	15.9	56.41	58.32	64.85	74.36	84.21
EBITDA	2.57	2.10	22.2	1.85	38.9	9.18	9.46	10.73	13.03	15.67
EBITDAM (%)	16.3	15.3		13.6		16.3	16.2	16.5	17.5	18.6
APAT	1.35	1.10	22.5	0.81	66.2	5.46	5.24	5.78	7.46	9.29
Diluted EPS (Rs)	5.0	4.1	22.5	3.0	66.2	20.3	19.5	21.5	27.7	34.5
EV / EBITDA (x)						45.7	44.5	38.9	31.4	25.8
P/E (x)						77.4	80.7	73.2	56.7	45.5
RoE (%)						17.5	15.1	14.7	16.8	18.4

Source: Company, HSIE Research, * Adhesives includes paints FY23 onwards

BUY

CMP (as on 06 Nov 2025) INR 1,566

Target Price INR 1,870

NIFTY 25,510

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 1,500	INR 1,870
APAT revision %	FY27E 1.9	FY28E 6.0

KEY STOCK DATA

Bloomberg code	ASTRA IN
No. of Shares (mn)	269
MCap (INR bn) / (\$ mn)	421/4,747
6m avg traded value (INR mn)	1,204
52 Week high / low	INR 1,870/1,232

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.4	20.5	(13.3)
Relative (%)	7.0	17.2	(16.9)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	54.10	54.21
FIs & Local MFs	14.90	17.79
FPIs	20.14	16.61
Public & Others	10.86	11.39

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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Crompton Consumer

Subdued summer product demand drags growth

Crompton Consumer's revenue grew 1% YoY to INR 19.16bn, given the decline in electric consumer durables (ECD) segment due to weak summer products demand. EBITDAM contracted 250bps YoY to 8.3% due to lower gross margin and higher fixed costs. EBITDA/APAT declined 22/27% YoY. Demand picked up in October, albeit it still stays sub-par for ECD segment. The company aims to rapidly scale up its presence in the solar business, targeting revenue of ~INR 20bn over the next 18–24 months. Considering weak Q2 results and commodity price pressures, we have cut our revenue estimates by 4/3% and APAT estimates by 17/4% for FY26/27E, respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We retain BUY by valuing the stock at 40x Sep'27 EPS to arrive at a revised TP of INR 450/sh.

- Q2FY26 highlights:** Revenue grew 1% YoY to INR 19.16bn owing to 2% decline in electric consumer durables (ECD) segment (72% revenue mix), given the weak demand for summer products. Butterfly segment (15% revenue mix) grew a healthy 13% YoY, while lighting segment (14% revenue mix) grew 3% YoY. Gross margin declined 110bps YoY to 31.6% (-60bps QoQ). ECD EBIT margin declined 430/280bps YoY/QoQ at 10.6%. Lighting EBIT margin expanded 480bps YoY (+280bps QoQ) to 15.5%. Butterfly EBIT margin increased 70bps YoY (360bps QoQ) to 7.8%. So, EBITDAM contracted 250bps YoY to 8.3% (-130bps QoQ) due to lower gross margin, op-lev loss, and surge in other expenses (up 110bps YoY). Consequently, EBITDA declined 22% YoY. APAT declined 27% YoY due to lower EBITDA, decreased other income and higher depreciation, partially offset by lower finance cost and taxes. There was an exceptional charge of INR 204mn in this period toward restructuring of Vadodara plant operations from a lighting facility into a multi business facility.
- Earnings call takeaways and outlook:** The management indicated that channel demand for TPW fans and large domestic appliances remained muted, while margins were affected by higher raw material costs and rising competitive intensity. The company announced a price increase of about 1.4% in fans during October. During the current quarter, solar rooftop business secured an order of ~INR 5,000mn and ~50,000 units. The company aims to rapidly scale up its presence in the solar business and expects the segment to deliver strong growth in the coming years, targeting revenues of around INR 20bn over the next 18–24 months. Considering the weak Q2 result and commodity price pressure, we have reduced our revenue estimates by 4/3% and APAT estimates by 17/4% for FY26/27E, respectively. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. We retain BUY by valuing the stock at 40x Sep'27 EPS to arrive at a revised TP of INR 450/sh.

Financial summary

(INR mn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	19,156	18,960	1.0	19,983	(4.1)	73,128	78,636	79,608	90,334	1,02,690
EBITDA	1,584	2,034	(22.1)	1,917	(17.4)	7,137	8,882	7,930	10,457	12,255
APAT	915	1,249	(26.7)	1,223	(25.2)	4,399	5,560	4,834	6,665	7,898
EPS (INR)	1.4	1.9	(26.7)	1.9	(25.2)	6.8	8.6	7.5	10.4	12.3
P/E (x)						40.5	32.1	36.9	26.8	22.6
EV / EBITDA (x)						24.5	19.2	21.3	15.8	13.1
RoE (%)						13.4	15.2	12.1	15.3	16.4

Source: Company, HSIE Research

BUY

CMP (as on 06 Nov 2025)	INR 277
Target Price	INR 450
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 435	INR 450
	FY26E	FY27E
EPS %	-17.4	-4.3

KEY STOCK DATA

Bloomberg code	CROMPTON IN
No. of Shares (mn)	644
MCap (Rs bn) / (\$ mn)	179/2,024
6m avg traded value (INR mn)	825
52 Week high / low	INR 419/276

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.7)	(15.1)	(30.8)
Relative (%)	(16.1)	(18.5)	(34.4)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	0.00	0.00
FIs & Local MFs	58.93	61.24
FPIs	29.20	25.56
Public & Others	11.87	13.20
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Clean Science and Technology

Underperformance continues

We maintain REDUCE on Clean Science and Technology (CSTL) with a price target of INR 906. RoE/RoCE have fallen by 1,300bps in the last two years to ~20%, owing to poor returns in the HALS business. We expect the RoE to decline further from 20.2% in FY25 to 18.7% in FY29 and expect an EPS CAGR of 13.8% over FY25-29E. The company is investing INR3.3bn over FY25-26E, which will keep asset turnover low in the near term. Currently, the stock is trading at 40/31x FY26/27E EPS. Q2 EBITDA/APAT were 21/30% below our estimates, owing to lower-than-expected revenue and higher-than-expected raw material cost.

- Financial performance:** Revenue was in line with Q1 while decreased by 9.2% YoY to INR 2,446mn. It was largely impacted by decline in sales volume. EBITDA changed by -8/-12.8% YoY/QoQ to INR 871mn. EBITDA margin changed by -665/-551bps to 35.6%. The performance was impacted by decline in sales from established products and rising share of low-margin HALS.
- Segmental information:** Performance chemical revenue came in at INR 1,859mn (76% of revenue), +20.3/+3.4% YoY/QoQ. FMCG chemicals revenue changed by -32.7/-19.4% YoY/QoQ to INR 196mn (8% of revenue) while pharma and agro intermediate revenue changed by -2.9/+0.7% YoY/QoQ to 391.4mn (16% of revenue). Sharp reduction in prices of performance chemicals and deferment of procurement by customers owing to demand uncertainty impacted Q2 performance. The weakness in demand is expected to continue in H2FY26. Revenue in FMCG segment was affected by a fall in offtake for one of the FMCG products in China as the customer has set up backward integration plant, resulting in permanent volume loss for the company.
- Con call takeaways:** (1) Considering the demand uncertainty, management expects to focus on volume-driven growth while keeping market share. (2) For Performance Chemical-1, Chemical trials are underway while sales are expected to commence from Q4. For performance chemical-2, water trial will start in April while commercial production is expected by June-26. (3) Sales of DHDt pharma intermediate was impacted by 55% tariff. (4) CSTL successfully commercialized the refurbishing of the existing PBQ facility with Barbituric acid. (5) **HALS:** Total quarterly volume was 780MTPA with capacity utilization of 25%. CSTL will focus more on supply of high-grade HALS. It has commercialized HALS 2020, in line with the quality of global players. Revenue from Clean Fino-Chem was INR330mn.
- Change in estimates:** We tweak our FY26/FY27/FY28 EPS estimates by -17.6/-10.1/-12.1% to INR 24.7/31.7/35.8x, considering weak performance in H1 and weak FY26 outlook.

Financial summary (consolidated)

Year Ending	2Q	1Q	QoQ	1Q	YoY	FY24	FY25	FY26E	FY27E	FY28E
March (INR mn)	FY26	FY26	(%)	FY25	(%)					
Net Sales	2,446	2,429	0.7	2,240	9.2	7,915	9,666	10,016	13,559	16,399
EBITDA	871	999	(12.8)	947	(8.0)	3,321	3,876	3,859	4,949	5,590
APAT	554	701	(20.9)	659	(15.9)	2,440	2,644	2,628	3,366	3,804
Diluted EPS (Rs)	5.2	6.6	(20.9)	6.2	(15.9)	23.0	24.9	24.7	31.7	35.8
P/E (x)						42.7	39.4	39.7	31.0	27.4
EV / EBITDA (x)						31.4	26.8	26.5	20.3	17.5
RoE (%)						22.1	20.2	17.3	19.1	18.6

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E	FY26E	%	FY27E	FY27E	%	FY28E	FY28E	%
EBITDA (INR mn)	4,528	3,859	(14.8)	5,318	4,949	(6.9)	6,144	5,590	(9.0)
Adj. EPS (INR/sh)	30.0	24.7	(17.6)	35.2	31.7	(10.1)	40.7	35.8	(12.1)

Source: Company, HSIE Research

REDUCE

CMP (as on 06 Nov 2025)	INR 981
Target Price	INR 906
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,023	INR 906
	FY26E	FY27E
EPS %	-17.6%	-10.1%

KEY STOCK DATA

Bloomberg code	CLEAN IN
No. of Shares (mn)	106
MCap (INR bn) / (\$ mn)	104/1,177
6m avg traded value (INR mn)	1,137
52 Week high / low	INR 1,600/960

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.0)	(16.2)	(36.5)
Relative (%)	(21.5)	(19.5)	(40.1)

SHAREHOLDING PATTERN (%)

	June-25	Sept-25
Promoters	74.97	50.97
FIs & Local MFs	5.92	18.98
FPIs	6.21	11.14
Public & Others	12.90	18.92
Pledged Shares	0.00	0.00

Source: BSE

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Birlasoft

Margin recovery; higher tax rate impacts profit

Birlasoft (BSOFT) reported a mixed quarter with flat QoQ CC revenue growth and a sharp improvement in operating margins (+369bps QoQ). Revenue growth was driven by strong performance in Life Sciences (+6.5% QoQ) and BFSI (+1.6% QoQ), offset by a decline in Manufacturing vertical (-4.2% QoQ). Management expects the sluggishness in the Manufacturing vertical to persist in Q3 and Q4. Margins included a one-off 150bps benefit from excess provision reversal, excluding which, EBITDA margin improved 219bps QoQ to 14.5%. Deal TCV was soft at USD 107mn as two large deals were deferred; the company expects closure in Q3, supporting better revenue growth in H2FY26E, aided by deal ramp-ups and a strong order book aspiration (TCV target of ~USD 850mn for FY26E). The company indicated EBITDA margin of ~13% for FY26E, with improvement in FY27E as revenue growth resumes. The key overhang is the elevated ETR (~45% in Q2), now expected at 42–43% for FY26E due to US federal tax provisions, before normalizing to 28–30% in FY27E. Given the higher tax rate, we revise our EPS estimates downward by 10/1.4/1.9% for FY26/27/28E. We maintain our ADD rating on BSOFT with a revised TP of INR 380, based on 18x Sep-27E EPS.

- Q2FY26 highlights:** (1) BSOFT's revenue came in at USD 151mn (above our estimate of USD 149mn), flat QoQ CC. (2) Within verticals, Lifesciences (21% of revenue) led the growth (+6.5% QoQ), followed by BFSI (25% of revenue) which grew 1.6% QoQ. Manufacturing (+37% of revenue) continued to remain impacted by macro uncertainty, down 4.2% QoQ, and it offset the growth in other verticals. (3) Within the service lines, infra services (11% of services) grew 11.6% QoQ, while digital & data services (58% of revenue) and ERP (31% of revenue) declined 0.7/2.2% QoQ respectively. (4) Total TCV at USD 107mn was down 24% QoQ, attributed to some deal signings being postponed to Q3. (5) EBITDA margin expansion to 16% (+369bps QoQ) was driven by better operational efficiencies, rationalization of low profitability tail accounts, FX tailwinds (+100bps), and one-offs relating to excess provision reversal from earlier quarter (+150bps). (6) ETR continues to remain elevated at 44.7% (vs 35.9% in Q1). ETR for FY26 is expected to be 42-43% due to provisions for US Federal tax liability related to legacy contracts. For FY27, ETR is expected to normalize to 28-30%.
- Outlook:** We expect BSOFT's revenue to decline 4.2% YoY in FY26E and grow thereafter by 6.8/10.3% in FY27/28E, respectively. EBITDAM is factored in at 12.8/13.2/13.7% for FY26/27/28E respectively, implying an EPS CAGR of 6.6% over FY25-28E (including a 15% drop in FY25).

Quarterly Financial summary

YE March (INR bn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	151	163	-7.7	151	0.0	637	635	608	650	716
Net Sales	13.29	13.68	-2.9	12.85	3.4	52.78	53.75	53.01	57.16	63.76
EBIT	1.93	1.43	34.9	1.38	39.9	7.51	6.12	5.93	6.71	7.78
APAT	1.16	1.28	-8.9	1.06	9.1	6.11	5.17	3.93	5.51	6.33
Diluted EPS (INR)	4.2	4.6	-10.0	3.8	8.8	22.2	18.8	14.1	19.8	22.7
P/E (x)						16.8	19.9	26.4	18.9	16.4
EV / EBITDA (x)						10.2	11.5	11.6	10.1	8.5
RoE (%)						22.3	15.8	11.0	14.4	15.1

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	603	608	0.9	645	650	0.8	710	716	0.9
Revenue	52.41	53.01	1.1	56.73	57.16	0.8	63.17	63.76	0.9
EBIT	5.80	5.93	2.4	6.54	6.71	2.5	7.64	7.78	1.9
EBIT margin (%)	11.1	11.2	13bps	11.5	11.7	20bps	12.1	12.2	11bps
APAT	4.38	3.93	(10.2)	5.57	5.51	(1.2)	6.44	6.33	(1.7)
EPS (INR)	15.8	14.1	(10.4)	20.1	19.8	(1.4)	23.2	22.7	(1.9)

Source: Company, HSIE Research

ADD

CMP (as on 6 Nov 2025)	INR 373
Target Price	INR 380
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 390	INR 380
	FY26E	FY27E
EPS %	-10.4	-1.4

KEY STOCK DATA

Bloomberg code	BSOFT IN
No. of Shares (mn)	279
MCap (INR bn) / (\$ mn)	104/1,172
6m avg traded value (INR mn)	727
52 Week high / low	INR 624/330

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.4)	(3.0)	(36.0)
Relative (%)	(6.8)	(6.3)	(39.6)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	40.63	40.53
FIs & Local MFs	22.43	21.92
FPIs	12.38	11.26
Public & Others	24.56	26.29
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Metropolis Healthcare

Steady growth, margin improvement stay on track

EBITDA growth (14% YoY; organic growth at 17%) was mainly driven by a 23% YoY increase in sales (+12% YoY organic rise). Patient/test volumes expanded by 10/12% YoY while realization per patient/test improved by 11/10%. Metropolis expects: (a) its organic business to see 12-13% sales growth and 70-100bps margin expansion (24.3% in FY25) and (b) Core Diagnostic to see high-single-digit in FY26 and double-digit in FY27. Key strategies: (1) accelerating growth in tier-2/3, (2) shifting focus to expanding the collection center network following completion of lab expansion (214 centers added in H1FY26, with a target to add ~300 in H2FY26), (3) maintaining a balanced B2B:B2C approach toward growth, (4) strengthening the specialty and Truhealth (wellness) portfolio to widen market presence through region-specific pricing, and (5) advancing digital and AI-driven tools to enhance clinical outcomes. The company expects to see stable competitive environment, with steady test prices and limited consolidation activity. Having completed its investment phase (towards lab infra, technology, medical/management personnel), Metropolis is now focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, promoting wellness packages, pursuing M&As, implementing micro-market strategies, gaining share in focused cities, and boosting B2C presence are expected to drive sales growth, with margin expected to gradually improve. After factoring in Q2 results, we tweaked FY26/27E EPS and revised the TP to INR 2,230 (43x Q2FY28E). ADD stays.

- Q2 highlights:** Sales grew 23% YoY to INR 4.29 bn, led by acquired businesses and patient/test volume growth (+10%/ 12% YoY; realization per patient/test up 11/10% YoY). Lower GM at 78.4% (-87 bps YoY) and higher staff/SG&A (+22%) led to an EBITDA of INR 1.08 bn (+14% YoY) and margin of 25.2% (-48 bps). Reported PAT at INR 527mn (+13% YoY).
- Organic business:** Sales grew 12% YoY to INR 3.92bn, led by patient volume growth of 6% YoY to 3.56mn and test volume growth of 6% YoY to 7.44mn (realization per patient/test +6/6% YoY). EBITDA stood at INR 1.05bn (+17% YoY) and margin was 26.8% (+109 bps). PAT stood at INR 530mn (+14% YoY).
- Key takeaways from con call:** In Q2, volume growth was slower due to lower incidence of infective diseases. The integration of recent M&As is on track, with portfolio alignment, efficiency improvement, and cost optimization; not looking for major M&As in the next 6-9 months. In Q1FY26, for the organic business, TruHealth revenue (18% of sales) grew by 21% YoY, specialty (38%) grew by 15% YoY, B2C (59%) grew 11%, and B2B (41%) grew 14% YoY. The company is tracking GLP-1 development with long-term opportunities for treatment-related test offerings. It has added low-end radiology offerings (ECG, Ultrasound, and X-Ray) to its TruHealth packages in select cities. Price hike contributed ~2% to organic growth; no plans for any hikes in H2FY26.

Quarterly financial summary

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	4,292	3,498	23	3,861	11	12,077	13,312	16,510	18,667	20,825
EBITDA	1,082	899	20	898	21	2,826	3,030	4,029	4,685	5,269
APAT	527	465	13	451	17	1,328	1,610	2,060	2,496	2,878
EPS (INR)	10.2	9.0	13	8.7	17	25.6	31.1	39.8	48.2	55.5
P/E (x)						78.4	64.6	50.5	41.7	36.2
EV/EBITDA (x)						37.1	34.6	26.0	22.0	19.1
RoCE (%)						14	14	17	18	18

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

ADD

CMP (as on 6 Nov 2025)	INR 1,982
Target Price	INR 2,230
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2170	INR 2230
	FY26E	FY27E
EPS %	(1.1)	(0.2)

KEY STOCK DATA

Bloomberg code	METROHL IN
No. of Shares (mn)	52
MCap (INR bn) / (\$ mn)	103/1,159
6m avg traded value (INR mn)	231
52 Week high / low	INR 2,263/1,315

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.6)	17.7	(9.5)
Relative (%)	(7.0)	14.4	(13.2)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	48.89	48.89
FIs & Local MFs	32.4	33.1
FPIs	12.83	12.52
Public & Others	5.88	5.49
Pledged Shares	1.18	1.18

Source: BSE

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Star Cement

Stellar performance continues

We maintain ADD on Star Cement with an unchanged TP of INR 280/share (12x Sep'27E consolidated EBITDA). Star continues to enjoy the benefits of duopolistic position in the lucrative NE region (NER), along with high incentive accruals from recent expansions. Its profitability also benefits from cost controls and rising share of green power. In Q2FY26, Star delivered solid 20% YoY volume growth. This along with YoY pricing gain, higher incentives, lower energy cost, and op-lev gains drove up margin to INR 1,620/MT. Star thus retains its numero uno position in the Indian cement industry in terms of margin. It is planning to almost double its capacity in four years as it would set up capacity in Rajasthan and Bihar and expand in Assam. It plans to raise equity capital to part-fund the same and, hence, keep the balance sheet healthy.

- Q2FY26 performance:** Consol volume rose 20% YoY, aided by higher clinker sales while cement volume rose 12%. Cement sales in the NER rose a modest 2% YoY but outside, volume rose 45% YoY. Star accrued INR 560mn incentives in Q2 vs INR 620mn QoQ. The share of premium products rose to 13.1% vs 10.6/12.2% YoY/QoQ. NSR fell 2% QoQ on a seasonal price decline. Opex remained flat QoQ as op-lev loss impact was cushioned by lower energy and stable logistics costs. Its blended fuel cost fell 7% QoQ to INR 1.25/mnCal (lowest in the industry) on higher FSA coal allocation. Unit EBITDA fell by INR 141/MT to INR 1,620 (+INR 643/MT YoY). The YoY gain was led by larger incentive, healthy pricing gain, lower energy cost, and op-lev gains.
- Outlook:** STRCEM retained FY26 volume growth guidance of ~11-15% YoY and expects 12% YoY growth in FY27E. Cement prices have remained flat vs Q2FY26 exit. It guided that incentive accrual run rate will come down by ~INR130-150/MT Q3FY26 onwards, owing to GST rate rationalization. STRCEM gave a capex guidance of INR 8/6bn for FY26/27. The 2mn MT SGU at Silchar is due for commissioning in Q4FY26. STRCEM plans to set up 2mn MT SGU in Bihar by FY28. It is also acquiring mining and plant land in Jaisalmer to set up IU at an investment of INR 20-25bn (estimated by FY29). The company has recently announced fundraising plans (up to INR15bn) to fund its Jaisalmer expansion. The Jorhat SGU will be taken up later along with a greenfield plant in Assam. We maintain estimates for FY26/27/28E. We estimate consolidated volume/EBITDA/APAT CAGR of 10/19/32% for FY25-28E.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales Vol (mn MT)	1.17	0.98	20.0	1.30	(9.4)	4.44	4.73	5.35	5.88	6.47
NSR (INR/MT)	6,907	6,560	5.3	7,037	(1.8)	6,554	6,687	6,907	6,769	6,769
EBITDA (INR/MT)	1,620	977	65.8	1,761	(8.0)	1,253	1,223	1,662	1,520	1,520
Net Sales	8,109	6,415	26.4	9,120	(11.1)	29,107	31,634	36,944	39,826	43,808
EBITDA	1,902	956	99.0	2,282	(16.7)	5,563	5,786	8,892	8,944	9,839
APAT	711	57	1,153.6	982	(27.6)	2,951	1,690	3,634	3,572	3,911
AEPS (INR)	1.8	0.1	1,153.6	2.4	(27.6)	7.3	4.2	9.0	8.8	9.7
EV/EBITDA (x)						14.6	15.3	11.3	10.8	9.9
EV/MT (INR bn)						10.6	11.5	10.3	10.0	8.3
P/E (x)						29.1	50.9	27.4	27.8	25.4
RoE (%)						11.5	6.0	12.0	10.6	10.6

Source: Company, HSIE Research

ADD

CMP (as on 6 Nov 2025)	INR 246
Target Price	INR 280
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 280	INR 280
EBITDA revision %	FY26E 0.00	FY27E 0.00

KEY STOCK DATA

Bloomberg code	STRCEM IN
No. of Shares (mn)	404
MCap (INR bn) / (\$ mn)	99/1,121
6m avg traded value (INR mn)	154
52 Week high / low	INR 309/172

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.9)	15.0	19.1
Relative (%)	(10.3)	11.6	15.5

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	57.66	57.59
FIs & Local MFs	4.93	4.38
FPIs	2.24	2.96
Public & Others	35.17	35.07
Pledged Shares	0.77	0.77

Source : BSE

Pledged shares as % of total shares

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Alkyl Amines

Volume focus—price stability ahead

We maintain REDUCE on Alkyl Amines (AACL) with a price target of INR 1,885, owing to (1) supply glut in domestic market in methylamines and its derivatives, (2) continued aggressive dumping by Chinese manufacturers in most of the product categories, and (3) lag in upside as a result of enforcement of ADD on acetonitrile. We expect EBITDA/APAT to grow at a CAGR of 19/18% over FY25-28E and RoE/RoCE to improve from 14/13% in FY25 to 16.4/15.2% in FY28. Currently, the stock is trading at 50.4/37.8/30.4x FY26/27/FY28, which we believe is contextually high, given the earnings growth. EBITDA was in line with our estimates while APAT was 4% below estimates owing to higher-than-expected tax rate for the quarter.

- **Financial performance:** Revenue came in at INR 3.89bn (-6/-4% YoY/QoQ), broadly in line with Q1, due to subdued prices, given global uncertainty while there was moderate offtake in volumes. EBITDA margin changed to 18% (+31/-85bps YoY/QoQ). Gross profit changed to 47.26% (+186/+147 bps YoY/QoQ). The revenue was impacted by aggressive dumping by Chinese players in markets other than the US due to tariff situation.
- **Key takeaways:** (1) In ethyl amine space, volumes were impacted by lower offtake from pharma players, given lower offtake of end products. (2) Methylamine space was impacted by overhang of capacity and commissioning of methylamine capacity by Aarti Drugs. (3) Management expects the commercialisation of new product by Q1FY27. The product is used in dyes and electronics, and company will incur capex of INR 1.2bn. (4) In anticipation of ADD on acetonitrile, players imported bulk quantities, which resulted in lower offtake in the current quarter. Although prices of acetonitrile have improved marginally, Chinese players have reduced prices. The impact of pricing benefit is expected by Q4FY26. (5) Potential demand of GLP drugs is yet to take place as the product has just been launched. AACL has received approval from some companies for the same, but it will take time to offload the demand. AACL is the only player which produces pharma grade acetonitrile. (6) Volume growth is expected to be flattish in FY26 due to weak demand.
- **Change in estimates:** We tweak our FY26/FY27/FY28 EPS estimates by -3.7/-8.4/-7.2% to INR 35.8/47.8/59.4x, considering weak performance in H1 and weak FY26 outlook.

Financial summary

Year Ending	2Q	1Q	QoQ	2Q	YoY	FY24	FY25	FY26E	FY27E	FY28E
March (Rs mn)	FY26	FY26	(%)	FY25	(%)					
Net Sales	3,894	4,055	(4.0)	4,149	(6.1)	14,406	15,718	15,943	21,013	25,641
EBITDA	702	766	(8.3)	735	(4.5)	2,506	2,911	3,029	3,972	4,920
APAT	429	494	(13.1)	475	(9.5)	1,487	1,861	1,831	2,441	3,034
Diluted EPS (Rs)	8.4	9.7	(13.1)	9.3	(9.5)	29.1	36.4	35.8	47.8	59.4
P/E (x)						62.0	49.6	50.4	37.8	30.4
EV/EBITDA(x)						36.7	31.0	29.6	23.0	18.5
RoE (%)						12.2	13.9	12.4	14.9	16.4

Source: Company, HSIE Research

Change in estimates

Y/E Mar	FY26E	FY26E	% Ch	FY27E	FY27E	% Ch	FY28E	FY28E	% Ch
	Old	New		Old	New		Old	New	
EBITDA (INR mn)	3,123	3,029	-3.0	4,272	3,972	-7.0	5,235	4,920	-6.0
Adj. EPS (INR/sh)	37.2	35.8	-3.7	52.2	47.8	-8.4	64.0	59.4	-7.2

REDUCE

CMP (as on 06 Nov 2025)	INR 1,805
Target Price	INR 1,885
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,996	INR 1,885
EPS %	FY26E	FY27E
	-3.7%	-8.4%

KEY STOCK DATA

Bloomberg code	AACL IN
No. of Shares (mn)	51
MCap (INR bn) / (\$ mn)	92/1,041
6m avg traded value (INR mn)	153
52 Week high / low	INR 2,449/1,508

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.3)	6.4	(15.4)
Relative (%)	(19.8)	3.1	(19.1)

SHAREHOLDING PATTERN (%)

	June-25	Sept-25
Promoters	72.03	72.03
FIs & Local MFs	2.61	2.88
FPIs	3.25	3.43
Public & Others	22.10	21.66
Pledged Shares	0.00	0.00

Source : BSE

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Symphony

Weak demand and channel inventory pressures

Symphony revenue declined 44% YoY to INR1.6bn due to unfavourable weather conditions and high channel inventory, with India operations declining 40% YoY. The rest of the world operations, contributing 12% of revenue, de-grew 60% YoY. EBITDAM contracted 1,190bps YoY to 14.7%, owing to increase in operating costs relative to revenue. Consequently, EBITDA declined 69% YoY, causing APAT to be down 64% YoY. Management highlighted that channel inventory as of Sep-25 remained elevated but is in line with Sep-24 levels. It expects it to normalize in coming quarters. The company is experiencing healthy double-digit growth in other product categories viz., Large Space Venti Cooling (LSVP), Tower Fans, Kitchen Cooling Fans, Water Heaters and expects this momentum to continue. Considering weak Q2 performance, we cut our revenue estimates by 10/5% and APAT estimates by 17/2% for FY26/27E. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. Owing to weak performance and high volatility in business, we cut our multiple to 30x vs 35x earlier. Considering recent correction in stock price, we upgrade our ADD rating to BUY with a revised target price of INR 1,215/sh (30x Sep-27E EPS).

- Q2FY26 highlights:** Revenue declined 44% YoY to INR1.6bn, owing to unfavorable weather conditions and high channel inventory. India revenue declined 40% YoY (2-year CAGR -5%). The rest of the world formed 12% of revenue mix and was down 60% YoY. Gross margin expanded by 30bps YoY to 49.1% (down -70bps QoQ) as product mix changed. EBITDAM contracted 1,190bps YoY to 14.7% (up 440bps QoQ owing to lower ad spends), given the increase in operating costs relative to revenue. Employee and other expenses surged (up 770/450bps YoY as % of revenue) due to op-lev loss. Consequently, EBITDA declined 69% YoY, resulting in APAT being down by 64% YoY.

- Con call takeaways and outlook:** Management highlighted that channel inventory as of Sep-25 remained elevated but was in line with Sep-24 levels. It expects it to normalize in coming quarters. The company is experiencing healthy double-digit growth in other product categories viz., LSVP, Tower Fans, Kitchen Cooling Fans, Water Heaters and expects this momentum to continue. These categories, along with exports, currently contribute around 26% of revenue. The company has discontinued its operations in IMPCO, Mexico and CT, Australia and is hopeful it could divest its stake in these countries in next few quarters. Considering poor Q2 performance, we cut our revenue estimates by 10/5% and APAT estimates by 17/2% for FY26/27E. We have introduced FY28E financials and roll forward our valuation to Sep-27E from Mar-27E. Owing to weak performance and high volatility in business, we cut our multiple to 30x vs 35x earlier. Considering recent correction in stock price, we upgrade our ADD rating to BUY with a revised target price of INR 1,215/sh (30x Sep-27E EPS).

Financial summary

(INR mn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	1,630	2,890	(43.6)	2,510	(35.1)	11,561	12,560	10,963	13,869	15,256
EBITDA	240	770	(68.8)	260	(7.7)	1,689	2,960	1,968	2,978	3,333
APAT	250	700	(64.3)	340	(26.5)	1,508	2,438	1,819	2,645	2,918
EPS (INR)	3.6	10.0	(64.3)	4.9	(26.5)	21.9	35.5	26.5	38.5	42.5
P/E (x)						42.8	26.4	35.3	24.3	22.0
EV / EBITDA (x)						38.0	21.5	31.9	20.7	18.1
RoE (%)						18.5	32.3	22.7	29.1	27.7

Source: Company, HSIE Research

BUY

CMP (as on 06 Nov 2025)	INR 939
Target Price	INR 1,215
NIFTY	25,510

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 1,375	INR 1,215
EPS %	FY26E	FY27E
	-16.5	-1.8

KEY STOCK DATA

Bloomberg code	SYML IN
No. of Shares (mn)	69
MCap (INR bn) / (\$ mn)	64/727
6m avg traded value (INR mn)	131
52 Week high / low	INR 1,644/862

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.7)	(21.2)	(42.1)
Relative (%)	(8.1)	(24.5)	(45.8)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	73.43	73.43
FIs & Local MFs	8.60	8.84
FPIs	6.47	5.98
Public & Others	11.50	11.75
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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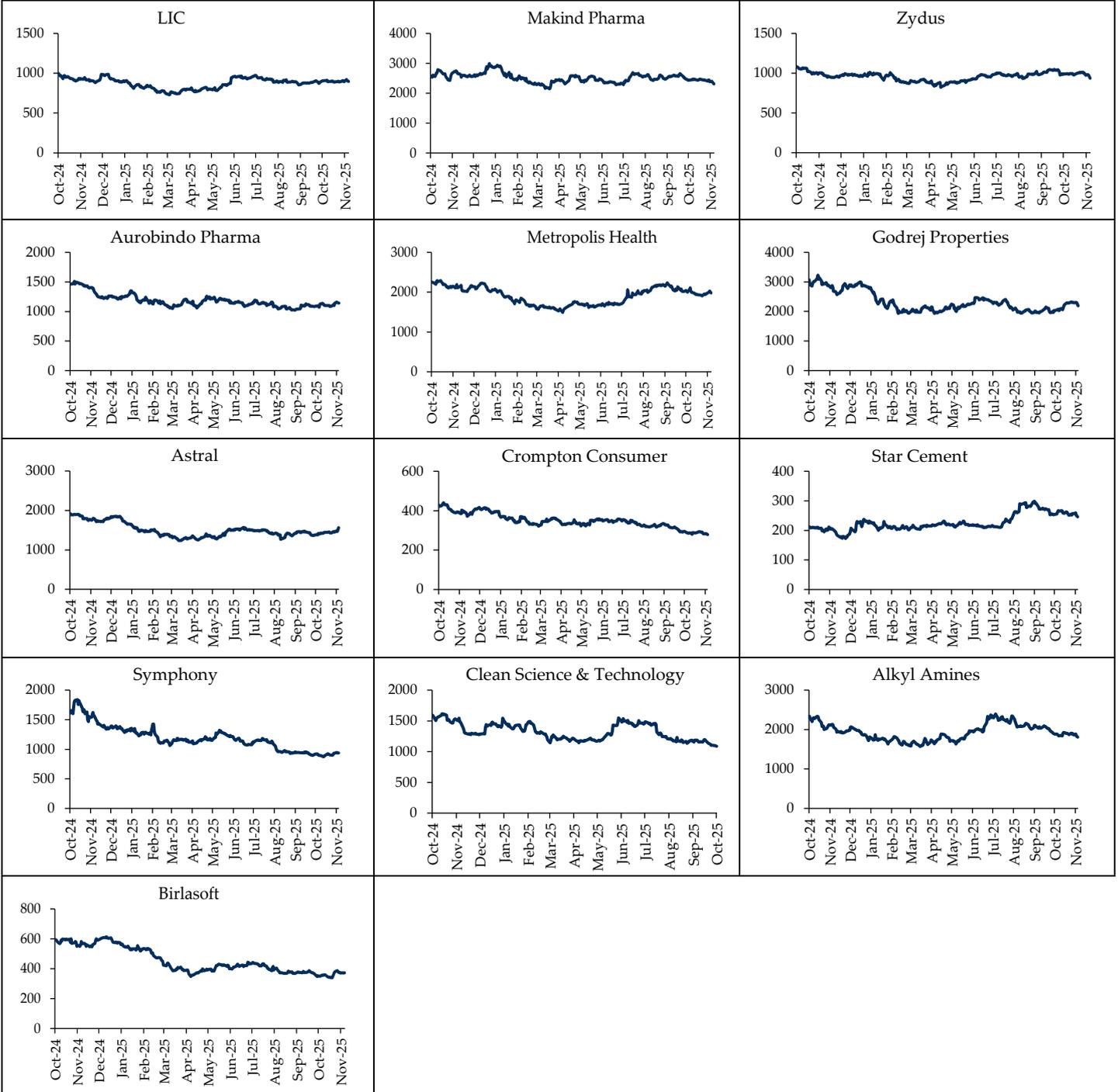
Rating Criteria

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	Life Insurance Corporation of India	PGDM	NO
Shobhit Sharma	Life Insurance Corporation of India	CA	NO
Mehul Sheth	Mankind Pharma, Zydus Lifesciences, Aurobindo Pharma, Metropolis Healthcare	MBA	NO
Divyaxa Agnihotri	Mankind Pharma, Zydus Lifesciences, Aurobindo Pharma, Metropolis Healthcare	MSc	NO
Parikshit Kandpal	Godrej Properties	CFA	NO
Jay Shah	Godrej Properties	CA	NO
Aditya Sahu	Godrej Properties	MBA	NO
Rajesh Ravi	Astral, Crompton Consumer, Star Cement, Symphony	MBA	NO
Keshav Lahoti	Astral, Crompton Consumer, Star Cement, Symphony	CA, CFA	NO
Mahesh Nagda	Astral, Crompton Consumer, Star Cement, Symphony	CA	NO
Riddhi Shah	Astral, Crompton Consumer, Star Cement, Symphony	MBA	NO
Nilesh Ghuge	Clean Science and Technology, Alkyl Amines	MMS	NO
Prasad Vadnere	Clean Science and Technology, Alkyl Amines	MSc	NO
Dhawal Doshi	Clean Science and Technology, Alkyl Amines	CA	NO
Amit Chandra	Birlasoft	MBA	NO
Vinesh Vala	Birlasoft	CA	NO
Maitreyee Vaishampayan	Birlasoft	MSc	NO

1 Yr Price movement



Disclosure:

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