

# HSIE Results Daily

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### Results Reviews

- Bharat Petroleum Corporation:** We maintain our REDUCE rating on Bharat Petroleum (BPCL), with a target price of INR 345, owing to the risk of weak refining and marketing margins. Q2FY26 EBITDA at INR 97.77bn (+1.2x YoY, +1.2% QoQ) and reported PAT at INR 64.4bn (+1.6x YoY, +5.2% QoQ) were below our estimates due to lower-than-expected refining margins and marketing volume.
- Ambuja Cement:** We maintain BUY with an unchanged TP of INR 680/share (16.5x its consolidated Sep-27E EBITDA). In Q2FY26, consolidated volume rose 18% YoY, driven by robust ramp-up across operations. Core volumes (excluding Orient and Penna) grew an industry-leading ~7-8% YoY, with ACEM leveraging production and sales from acquired units. Price recovery (+3% YoY) and lower opex (-3% YoY, despite ramp-up of less efficient acquired plants) boosted unit EBITDA to INR 1,031/MT (+INR 250/MT YoY, down a modest INR 35/MT). We estimate consolidated volume/EBITDA/APAT CAGRs of 16/40/33% respectively for FY25-28E.
- Sundaram Finance:** Sundaram Finance (SUF) reported a mixed operating performance, with higher-than-expected credit costs (86bps) offset by robust NII growth and improved operating efficiency. Business momentum witnessed an uptick with disbursements growth of 18% YoY, along with positive commentary from the management for H2FY26. However, asset quality remained weak in Q2 (GS III/NS III at 2.0%/1.13%), mainly due to cash flow challenges across segments, especially MSMEs, which could improve from Q3 as economic activity picks up. As highlighted in our recent company update, SUF remains a pristine franchise with steady cross-cycle profitability and loan growth. We have revised our FY26/FY27E earnings estimates to reflect higher credit costs and maintain ADD rating, with a revised SoTP-based TP of INR4,705 (standalone entity at 3.3x Sep-27 ABVPS; 20% discount to CIFC and HFC entity at 1.4x Sep-27 ABVPS).
- ACC:** We maintain ADD on ACC, with a revised TP of INR 2,330/share (8x its Sep-27E consolidated EBITDA). In Q2FY26, it delivered extremely strong 20% YoY volume growth, led by increased volume contribution from group companies under MSA. Better pricing, lower energy, and freight costs drove up the margin by INR 266/MT YoY to INR 725/MT. The RMC segment also reported strong performance. ACC's cement capacity should increase by 5.3mn MT in FY26 and another 5.6mn MT by FY28E. The ramp-up of various renewable power within the group helped ACC increase its share of low-cost green power to 30% in Q2FY26, up 14% YoY
- CDSL:** CDSL reported a healthy quarter, with sequential revenue growth of 23.2% (higher vs estimate) and PAT of INR 1.40bn (vs estimate of INR 1.32bn). The strong revenue growth was mainly led by a spike in IPO and KYC revenues, while annual Issuer remained flat QoQ and transaction revenue registered a 4.8% QoQ decline. EBITDA margins expanded by 529bps QoQ to 55.7%, led by operating leverage despite higher employee and technology costs. The IPO revenue was up 3x QoQ and KYC revenue was up 48.4%, led by IPOs and higher fetches. The demat account additions recovered to 6.5mn in the quarter vs 5.7mn in Q1. CDSL continued its leadership position with a 79.8% market share, but incremental market share dropped slightly to ~82%,

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from >90% earlier. CDSL's growth is likely to be driven by (1) strong issuer revenue - unlisted opportunity; (2) continued traction in IPO and KYC; and (3) recovery in transactions. The company intends to keep investing in technology and talent to maintain its competitive edge and adhere to regulatory requirements. We increase our revenue estimate by ~3-4% for FY26-28E, led by recovery in market linked revenue streams, and EPS estimates by ~5% due to the margin improvement. We expect growth rate to touch double digits and EBITDA margin to reach ~56% in FY26E. Revenue and EPS CAGRs are +16/17% for FY25-28E (like the pre-Covid average). We maintain our ADD rating, with a target price of INR 1,650, based on 45x Sep'26E EPS. The stock is trading at a P/E of 48/40x FY27/28E EPS.

- **City Union Bank:** City Union Bank's (CUBK) earnings beat estimates on the back of healthy growth on both sides of the balance sheet, margin refutation, and improvement in asset quality. Loan growth (+18% YoY) was led by healthy traction in core MSME and gold loan segments while the retail portfolio continues to scale rapidly. Deposit growth (~21% YoY) was strong, with CASA ratio improving to 28.1% (+81bps QoQ). Margins improved to 3.6% (+9bps QoQ), benefitting from lower cost of funds (-24bps QoQ). Asset quality improved further with the management expecting net negative slippages for the next few quarters. We believe CUBK is likely to maintain its growth trajectory, with sustained traction in the MSME book and a notable expansion in secured retail portfolios, while maintaining healthy asset quality. We raise our FY26E-FY27E estimates by ~5%/~7% to factor in stronger growth, better margins, and lower provisioning. We maintain BUY with a revised TP of INR270 (1.6x Sep-27 ABVPS).
- **Niva Bupa Health Insurance:** Niva Bupa reported mixed P&L outcomes, largely on the back of its continued migration to 1/n accounting, adversely impacting its topline and loss ratios. Notwithstanding the noise around accounting distortions, we believe that Niva Bupa enjoys competitive moats around its use of analytics for risk selection and product pricing, an affluent customer base (premium per life 10% higher than peers), translating into best-in-class loss ratios (favorable ULR) and superior profitability. We factor in NEP/PAT CAGR of 24/25% for FY25-FY28E, with COR likely to improve to 99.7% by FY28E (FY25: 101.2%). We maintain BUY with a TP of INR95 (40.3x Mar-28 EPS), as the 1/n accounting is likely to continue distorting the reported P&L outcomes until FY27E.
- **Medplus Health Services:** EBITDA<sup>^</sup> grew 20% YoY, driven by moderate sales growth (pharmacy +6% YoY, diagnostics +17% YoY) and an expanded gross margin (+240 bps YoY; private label share to 21.7%), which offset higher costs. OPM\* came in at 5.3% (+59 bps YoY), with pharmacy margin at 5.1% (+47 bps YoY) and diagnostic margin at 15.3%. Medplus retains its guidance to add 600 stores (~100 franchise stores) in FY26 (218 added in H1). It expects (1) a gradual increase in branded pharma sales as warehousing and manpower constraints are resolved, improving fill rates across the network; (2) a gradual pick-up in growth from matured stores, targeting a high single-digit rate over the next couple of years; (3) private label share to remain flat in Q3, then increase by 1% (on GMV, implying 0.5% on net sales) from Q4FY26, aiding GM expansion; and (4) margins to remain steady in H2 with the increase in private label share to offsets by new store additions. We see a gradual pick-up in sales growth, led by a balanced approach to matured store growth, new store additions, and private label expansion. Moreover, margins are expected to remain steady, led by a better mix, steady growth in matured stores (2+ years; ~10-11% margin), increased private label share, and supply chain efficiencies. Factoring in gradual recovery, we have cut EBITDA for FY26/27E

by 1/2% and revise TP to INR 1,060 (18x Q2FY28E EV/EBITDA, implying 28x pre-INDAS EV/EBITDA). BUY stays.

- **Mahindra Lifespaces:** In Q2FY26, Mahindra Lifespaces Developers Ltd (MLDL) reported revenue/EBITDA/APAT of INR 176mn/(525mn)/479mn. MLDL aims to deliver 25–30% presales CAGR over FY25–FY30, targeting INR 45–50bn in presales for FY27, led by timely approvals and execution discipline. MLDL's FYTD26 business development reached INR 95bn, significantly surpassing the initial FY26 BD expectation of INR 80-100bn, representing a remarkable ~2-2.5x multiple over recent annual averages. This huge growth step-up sets the tone for achieving the FY29 presales target of INR 80-100bn. MLDL has planned INR 70bn worth of new launches in H2FY26, including Marina 64 (awaiting EC approval), Bhandup (advanced approval stage), Mahalaxmi, Navy Plot A, and Alembic Hope Farm in Bengaluru (BBMP approval pending). H1FY26 had smaller launches and sustenance-driven sales, while eight project completions are expected in H2FY26. Over the past 18 months, MLDL has secured BD worth over INR 280bn, enhancing new launch visibility and laying a solid foundation for its ambitious growth plans. The company's strategy is clear: a disciplined focus on core markets (MMR, Pune, and Bengaluru), fast project turnaround times, and stringent financial hurdles (20%+ IRR). This expanding pipeline, combined with a rights-issue-strengthened balance sheet (INR 15bn raised), positions MLDL to achieve its targets in the coming years. MLDL's primary focus on mid-premium homes ensures resilience in a more normalized market environment. Additionally, the IC&IC business is expected to generate INR 15bn PAT over the next 10 years, offering an additional lever for long-term profitability and cash flows. Given the company's strong cash flows, robust launch pipeline, and stable balance sheet, we remain constructive with a BUY on MLDL and a TP of INR 700/sh.
- **NOCIL:** Our ADD recommendation on NOCIL with a TP of INR 223 is premised on (1) a shift in the product mix toward better margin specialized rubber chemicals, and (2) expected antidumping duty in key products. Q2 EBITDA/APAT were 36/17% below our estimates, owing to higher-than-expected other expenses and lower-than-expected revenue.

# Bharat Petroleum Corporation

## Refining margins disappoint

We maintain our REDUCE rating on Bharat Petroleum (BPCL), with a target price of INR 345, owing to the risk of weak refining and marketing margins. Q2FY26 EBITDA at INR 97.77bn (+1.2x YoY, +1.2% QoQ) and reported PAT at INR 64.4bn (+1.6x YoY, +5.2% QoQ) were below our estimates due to lower-than-expected refining margins and marketing volume.

- Refining:** In Q2, crude throughput, including the Bina refinery, was at 9.8mmt (-4.5% YoY, -5.8% QoQ). Bina refinery throughput was impacted by the planned shutdown undertaken in Q2 for ~28 days, which was higher than our expectation of ~15 days. The reported GRM stood at USD 10.78/bbl (+1.4x YoY, +1.2x QoQ) for the quarter, with the Mumbai refinery GRM at USD 9.03/bbl (+1.6x YoY, +1.2x QoQ), the Kochi refinery GRM at USD 10.85/bbl (+1.3x YoY, +90.7% QoQ), and the Bina refinery GRM at USD 15.93/bbl (+1.63x YoY, +2.5x QoQ). The consolidated refining margin improved sequentially, led by stronger HSD cracks and inventory gain of ~USD 2/bbl. However, we expect core GRMs to remain soft, owing to expected softness in transportation fuel cracks. Thus, our GRM estimates for FY26/27E are USD 7.0/7.4 per bbl.
- Marketing:** Domestic marketing sales volume stood at 12.67mmt (+2.3% YoY, -6.7% QoQ). The blended gross marketing margin for Q2 was INR 7.5/lit (+24.6% YoY, -12.8% QoQ). The drop in marketing margin was on account of reduced HSD marketing margin. For FY26/27E, we factor in blended gross marketing margins (for all petroleum products) at INR 6.0/5.7 per lit.
- Other highlights:** (1) BPCL incurred a capex of ~INR 34.18bn in Q2FY26 taking total H1FY26 capex to INR 58bn. The company has maintained its capex guidance of ~INR 200-220bn for FY26E and ~INR 220-230bn for FY27E. (2) The share of Russian crude in Q2 declined to 21% from 34% in the previous quarter, with the discount on Russian crude remaining in the range of ~USD 1.5-1.7/bbl. (3) LPG under-recovery per cylinder reduced to ~INR 70 in Q2FY26 from ~INR 150 in Q1FY26. With benign global LPG prices, under-recovery per cylinder is expected to further decline to ~INR 20-25 in Q3FY26. (4) The Bina petchem and refinery complex has achieved 18% completion vs the scheduled 20%. The project is expected to be completed by May 2028, while the polypropylene project at Kochi is targeted for completion by Sep 2028. (5) Gross debt increased to INR 122.62bn (from ~INR 107bn in Q1FY26).
- Change in estimates:** We tweak our FY26E EPS estimates by +13% to factor in strong marketing margins recorded in H1FY26.
- SOTP-based valuation:** We have revised our target price to INR 345/sh (6x Dec-26E EV/e for refining, marketing, and pipeline businesses, and INR 65/sh for other investments). The stock is currently trading at 10.4x on Dec-26E EPS.

### Standalone financial summary

YE March (INR bn)	Q2 FY26	Q1 FY26	QoQ (%)	Q2 FY25	YoY (%)	FY23*	FY24*	FY25*	FY26E*	FY27E*
Revenues	1,049	1,125	(6.8)	1,028	2.1	4,732	4,481	4,403	4,712	4,923
EBITDA	98	97	1.2	45	116.7	109	441	254	261	243
APAT	64	61	5.2	24	168.7	21	269	133	152	142
Under recovery	11	21	(44.7)	21	(45.4)					
AEPS (INR)	15.1	14.3	5.2	5.6	168.7	5.0	62.9	31.2	35.5	33.1
P/E (x)						72.8	5.8	11.6	10.2	11.0
EV/EBITDA (x)						18.8	4.3	7.5	7.4	8.0
RoE (%)						4.0	41.6	17.0	17.6	14.8

Source: Company, HSIE Research | \*Consolidated

### Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	238	261	9.9	243	243	-
EPS	31.4	35.5	13.2	33.1	33.1	-

Source: HSIE Research

## REDUCE

CMP (as on 3 Nov 2025)	INR 367
Target Price	INR 345
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 339	INR 345
EPS %	FY26E +13.2%	FY27E -

### KEY STOCK DATA

Bloomberg code	BPCL IN
No. of Shares (mn)	4,339
MCap (INR bn) / (\$ mn)	1,594/17,949
6m avg traded value (INR mn)	2,404
52 Week high / low	INR 370/234

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.6	18.0	17.3
Relative (%)	11.4	13.7	12.0

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	52.98	52.98
FIs & Local MFs	22.17	21.30
FPIs	15.45	16.53
Public & Others	9.40	9.19
Pledged Shares	0.00	0.00

Source: BSE

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# Ambuja Cement

## Strong volume and margin show continues

We maintain BUY with an unchanged TP of INR 680/share (16.5x its consolidated Sep-27E EBITDA). In Q2FY26, consolidated volume rose 18% YoY, driven by robust ramp-up across operations. Core volumes (excluding Orient and Penna) grew an industry-leading ~7-8% YoY, with ACEM leveraging production and sales from acquired units. Price recovery (+3% YoY) and lower opex (-3% YoY, despite ramp-up of less efficient acquired plants) boosted unit EBITDA to INR 1,031/MT (+INR 250/MT YoY, down a modest INR 35/MT). We estimate consolidated volume/EBITDA/APAT CAGRs of 16/40/33% respectively for FY25-28E.

- Q2FY26 consolidated performance:** Consolidated cement volume jumped 18% YoY; LTL volume (ex-Orient and Penna) grew ~7-8% YoY, indicating continued market share gains. NSR fell 3% QoQ on seasonal price weakness and a drop in trade sales share to 68% (vs 74% QoQ), reaching a multi-year low as recently acquired assets ramped up. Opex fell 3% QoQ on lower input and freight costs, with other expenses well controlled, reducing op-lev loss. Despite the increased acquisition of low-margin assets, the blended margin remained strong at INR 1,031/MT, representing an increase of INR 250/MT YoY. QoQ, it saw only a modest decline of INR 35/MT. Premium cement sales reached an all-time high of 35% vs 33/26% QoQ/YoY. Green power share also hit a record 33% vs 19% YoY. Fuel cost rate remained flattish QoQ at INR 1.6/mnCal. Thus, on a YoY basis, consolidated revenue/ EBITDA/APAT rose 22/56/268%.
- Outlook and view:** ACEM will be adding 20mn MT cement capacity in FY26 (excluding the Orient acquisition). Of this, 12.6mn MT will be commissioned in H2FY26. Additionally, ACEM announced 15mn MT of debottlenecking for FY27-28E (6mn MT in ACC, the rest in ACEM). Management guided ongoing organic expansions will increase consolidated capacity to ~155mn MT by FY28E (from 91m MT at end of Mar-25E). Cost reduction initiatives are expected to drive a 5% CAGR decline in opex over FY25-28E period. Factoring in the robust ramp-up, we raise FY26E consolidated EBITDA estimate by 4%, while maintaining FY27/28E estimates. For FY25-28E, we model a 16% volume CAGR and a rebound in unit EBITDA to INR 1,428/MT in FY28E vs INR 812/MT in FY25, mainly led by opex reduction (3% reduction CAGR assumed for the period).

### Consolidated financial summary

YE Mar (INR bn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY25	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	16.86	14.24	18.4	18.40	(8.4)	59.15	63.37	79.22	86.35	99.30
NSR (INR/MT)	5,442	5,304	2.6	5,592	(2.7)	5,606	5,399	5,534	5,590	5,590
EBITDA(INR/MT)	1,031	780	32.1	1,066	(3.3)	1,082	812	1,142	1,331	1,428
Net Sales	91.74	75.52	21.5	102.89	(10.8)	331.60	342.18	438.42	482.66	555.06
EBITDA	17.38	11.11	56.4	19.61	(11.4)	63.99	51.44	90.44	114.89	141.76
APAT	2.06	5.97	(65.5)	8.05	(74.4)	31.48	22.03	32.98	44.59	53.02
AEPS (INR)	0.8	2.4	(65.6)	3.3	(74.5)	14.3	8.9	13.4	18.1	21.5
EV/EBITDA (x)						15.2	30.3	19.2	15.7	13.6
EV/MT (INR bn)						12.42	17.19	14.46	12.89	12.54
P/E (x)						29.6	65.0	43.1	31.9	26.8
RoE (%)						7.0	3.8	5.0	6.4	7.0

Source: Company, HSIE Research

## BUY

CMP (as on 3 Nov 2025)	INR 577
Target Price	INR 680
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 680	INR 680
EBITDA revision %	FY26E 4.4	FY27E -0.2

### KEY STOCK DATA

Bloomberg code	ACEM IN
No. of Shares (mn)	2,472
MCap (INR bn) / (\$ mn)	1,427/16,070
6m avg traded value (INR mn)	1,621
52 Week high / low	INR 625/453

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.1)	8.6	(0.9)
Relative (%)	(9.2)	4.2	(6.2)

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	67.57	67.68
FIs & Local MFs	18.70	19.63
FPIs	7.44	5.91
Public & Others	6.29	6.78
Pledged Shares	19.39	19.32

Source : BSE

Pledged shares as % of total shares

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# Sundaram Finance

## Mixed Q2; optimistic outlook

Sundaram Finance (SUF) reported a mixed operating performance, with higher-than-expected credit costs (86bps) offset by robust NII growth and improved operating efficiency. Business momentum witnessed an uptick with disbursements growth of 18% YoY, along with positive commentary from the management for H2FY26. However, asset quality remained weak in Q2 (GS III/NS III at 2.0%/1.13%), mainly due to cash flow challenges across segments, especially MSMEs, which could improve from Q3 as economic activity picks up. As highlighted in our recent [company update](#), SUF remains a pristine franchise with steady cross-cycle profitability and loan growth. We have revised our FY26/FY27E earnings estimates to reflect higher credit costs and maintain ADD rating, with a revised SoTP-based TP of INR4,705 (standalone entity at 3.3x Sep-27 ABVPS; 20% discount to CIFC and HFC entity at 1.4x Sep-27 ABVPS).

- **Uptick in disbursements; steady NIMs:** SUF's loan growth moderated to +15.3% YoY, with M&HCV/cars/CE growing at 16.8%/18.7%/16.4% YoY. The uptick in disbursements was mainly driven by M&HCV and cars, while the retail CV segment remained subdued. Management expects growth momentum to sustain in H2, aided by the festive season, GST 2.0 impact, and strong rural demand. NIMs remained steady sequentially, as lower cost of funds offset moderation in asset yields and higher liquidity.
- **Asset quality deteriorates further:** SUF's asset quality metrics deteriorated sequentially in a challenging macro environment due to cash flow challenges across segments, as per management. GS-III/NS-III deteriorated to 2.0%/1.13% (Q1FY26: 1.91%/1.08%), with credit costs at 0.86% (annualized) vs. 52bps in FY25. However, with improving economic activity and seasonality impact, we expect credit costs to moderate significantly in H2.
- **Robust franchise, mixed subsidiaries' performance:** SUF's subsidiaries delivered mixed operating performance in H2. SHUF's disbursements moderated (+9% YoY), while other income and lower credit costs aided profitability (1.8% RoA). The AMC entity's AUM growth remained tepid (+7.5% YoY) while the general insurance entity continued to grapple with high COR (127%). However, SUF remains a robust franchise, delivering strong profitability (core RoE of ~19% for FY25) and maintaining pristine asset quality (cross-cycle credit costs of ~50bps).

### Financial summary (Standalone)

Y/E Mar (INR bn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	7.1	5.6	27.0	6.8	5.2	24.0	28.7	33.2	38.7
PPOP	6.3	5.4	16.3	7.2	(11.9)	23.0	28.4	32.3	37.2
PAT	3.9	3.4	15.9	4.3	(8.1)	15.4	18.6	21.7	25.1
EPS (INR)	35.5	30.6	15.9	38.6	(8.1)	138.8	167.8	195.5	225.9
ROAE (%)						15.0	15.8	16.3	16.6
ROAA (%)						2.8	2.9	2.9	2.9
ABVPS (INR)						788	897	1,039	1,207
P/ABV (x)						4.4	3.8	3.3	2.9
P/E (x)						24.9	20.6	17.6	15.3

### Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	597	597	0.0%	693	693	0.0%	806	806	0.0%
NIM (%)	4.5	4.5	8 bps	4.5	4.5	5 bps	4.5	4.5	5 bps
NII	28.2	28.7	1.9%	32.8	33.2	1.3%	38.2	38.7	1.3%
PPOP	27.8	28.4	2.2%	31.8	32.3	1.6%	36.6	37.2	1.6%
PAT	18.4	18.6	1.2%	21.5	21.7	1.2%	24.6	25.1	1.9%
ABVPS (INR)	900	897	-0.3%	1,036	1,039	0.3%	1,199	1,207	0.7%

Source: Company, HSIE Research

## ADD

CMP (as on 3 Nov 2025)	INR 4,691
Target Price	INR 4,705
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4620	INR 4705
EPS %	FY26E 1.2%	FY27E 1.2%

### KEY STOCK DATA

Bloomberg code	SUF IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	521/5,870
6m avg traded value (INR mn)	391
52 Week high / low	INR 5,419/3,925

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.7	(9.8)	(3.7)
Relative (%)	(1.5)	(14.1)	(9.0)

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	37.2	37.2
FIs & Local MFs	7.8	7.4
FPIs	22.4	22.8
Public & Others	32.6	32.6
Pledged Shares	0.0	0.0

Source: Company

Pledged shares as % of total shares

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# ACC

## Strong volume offtake

We maintain ADD on ACC, with a revised TP of INR 2,330/share (8x its Sep-27E consolidated EBITDA). In Q2FY26, it delivered extremely strong 20% YoY volume growth, led by increased volume contribution from group companies under MSA. Better pricing, lower energy, and freight costs drove up the margin by INR 266/MT YoY to INR 725/MT. The RMC segment also reported strong performance. ACC's cement capacity should increase by 5.3mn MT in FY26 and another 5.6mn MT by FY28E. The ramp-up of various renewable power within the group helped ACC increase its share of low-cost green power to 30% in Q2FY26, up 14% YoY

- Q2FY26 performance:** ACC reported a consolidated EBITDA beat of 48/43% vs our/consensus estimates, led by surprises on both volume and margin. Total volume soared 20% YoY (cement +16%, clinker +64%) to 11.2mn MT, supported by rising share of volumes under MSA with group companies. The share of traded goods purchases continued to scale new highs: reaching 25% in Q2FY26 vs 23.5/17.4% QoQ/YoY. Cement NSR fell 1% QoQ on a seasonal decline, moderating the YoY gain to 5%. Opex fell 3% QoQ on lower logistics and fixed costs. Share of green power increased to 30% vs 26/14% QoQ/YoY. Fuel cost rate remained stable at INR 1.57/mnCal vs INR 1.56/mnCal QoQ. Thus, unit EBITDA contracted by INR 69/MT QoQ to INR 725/MT (+266/MT YoY). Consolidated EBITDA rose 94% YoY to INR 8.5bn, mainly on the back of strong volumes and margins. The Ready-Mix Concrete (RMC) segment reported 48% YoY volume growth, which led to segmental EBITDA rising to INR 370mn, from INR 95mn YoY.
- Expansion update and outlook:** ACC added 1.6mn MT GU at Sindri, Jharkhand, in July'25. It will add 2.4/1mn MT GUs at Salai Banwa (UP)/Kalamboli (Maharashtra) in Q3FY26. It also announced 5.6mnMT debottlenecking by FY28-end at capex rate of USD 48/MT, thereby leading to a total capacity of 49mn MT by FY28E-end. The group's focus on green power drove an increase in the share of low-cost green power consumption to 30% in Q2FY26, up from 14% a year earlier. WHRS power share increased from 10% to 17% and RE power share increased from 4% to 13% in the said period. Factoring in the robust Q2 performance, we have raised our FY26/27E EBITDA estimates by 15/9%, respectively, while retaining our FY28E estimate.

### Consolidated financial summary

YE Dec (INR bn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY24	FY25	FY26E	FY26E	FY27E
Sales (mn MT)	11.2	9.3	19.9	11.5	(2.6)	36.9	42.2	49.8	52.7	59.9
NSR (INR/MT)	4,913	4,650	5.7	4,953	(0.8)	5,062	4,682	4,916	4,965	5,015
EBITDA(INR/MT)	725	459	58.0	657	10.4	820	555	708	783	908
Net Sales	59.3	46.1	28.6	60.9	-2.6	199.6	211.3	259.9	278.2	318.7
EBITDA	8.5	4.4	93.8	7.8	8.7	30.6	24.2	35.9	41.9	55.1
APAT	-2.2	2.7		3.8		20.0	13.7	19.8	23.5	32.5
AEPS (INR)	23.8	12.5	90.8	20.0	19.3	106.1	72.6	105.2	124.8	172.9
EV/EBITDA (x)						12.5	16.1	8.6	7.2	5.4
EV/MT (INR bn)						9.95	10.12	7.06	6.54	6.05
P/E (x)						21.7	31.7	17.8	15.0	10.8
RoE (%)						13.1	7.8	10.2	11.1	13.9

Source: Company, HSIE Research

## ADD

CMP (as on 3 Nov 2025)	INR 1,869
Target Price	INR 2,330
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,280	INR 2,330
EBITDA revision %	FY26E 15.1	FY27E 9.0

### KEY STOCK DATA

Bloomberg code	ACC IN
No. of Shares (mn)	188
MCap (INR bn) / (\$ mn)	351/3,956
6m avg traded value (INR mn)	674
52 Week high / low	INR 2,367/1,775

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.2	0.3	(19.6)
Relative (%)	0.0	(4.0)	(25.0)

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	56.69	56.69
FIs & Local MFs	24.13	22.55
FPIs	4.66	5.05
Public & Others	14.52	15.71
Pledged Shares	0.00	0.00

Source : BSE

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# CDSL

## Strong quarter, led by a flurry of IPOs

CDSL reported a healthy quarter, with sequential revenue growth of 23.2% (higher vs estimate) and PAT of INR 1.40bn (vs estimate of INR 1.32bn). The strong revenue growth was mainly led by a spike in IPO and KYC revenues, while annual Issuer remained flat QoQ and transaction revenue registered a 4.8% QoQ decline. EBITDA margins expanded by 529bps QoQ to 55.7%, led by operating leverage despite higher employee and technology costs. The IPO revenue was up 3x QoQ and KYC revenue was up 48.4%, led by IPOs and higher fetches. The demat account additions recovered to 6.5mn in the quarter vs 5.7mn in Q1. CDSL continued its leadership position with a 79.8% market share, but incremental market share dropped slightly to ~82%, from >90% earlier. CDSL's growth is likely to be driven by (1) strong issuer revenue - unlisted opportunity; (2) continued traction in IPO and KYC; and (3) recovery in transactions. The company intends to keep investing in technology and talent to maintain its competitive edge and adhere to regulatory requirements. We increase our revenue estimate by ~3-4% for FY26-28E, led by recovery in market linked revenue streams, and EPS estimates by ~5% due to the margin improvement. We expect growth rate to touch double digits and EBITDA margin to reach ~56% in FY26E. Revenue and EPS CAGRs are +16/17% for FY25-28E (like the pre-Covid average). We maintain our ADD rating, with a target price of INR 1,650, based on 45x Sep'26E EPS. The stock is trading at a P/E of 48/40x FY27/28E EPS.

- Q2FY26 highlights:** CDSL revenue was up 23.2% QoQ but down 1% YoY. Total revenue of INR 3.19bn was higher vs our estimate of INR 3.03bn, led by 195/48/20% QoQ spike in IPO/KYC/Others revenue. Annual Issuer revenue was flat QoQ despite unlisted addition of ~3.5K companies (~ INR 89.2mn revenue from unlisted companies' vs INR 63.9mn in Q1). Transaction charges saw a decline of 4.8/28.9% QoQ/YoY but recovery is expected in Q3, based on a strong exit. On cost side, employee cost, tech expense and other opex increased by 6/9/14% QoQ. CDSL's EBITDA margin expanded by 529bps QoQ to 55.7% but was down 630bps YoY. Other income stood at INR 0.23bn, down 38.1% QoQ, ETR stood at 23.2% vs 32.2% in Q1FY26 and APAT stood INR 1.40bn, up 37.0% QoQ.
- Outlook:** We expect revenue growth of +11/19/18% and an EBITDA margin of 55.6/59.6/61.9 for FY26/27/28E. The CAGR of 16% over FY25-28E assumes 31/6/11/6/15% CAGR in annual issuer charges/transaction/IPO & corporate action/online data charges/e-CAS & e-voting revenue. Core PAT CAGR over FY25-28E is at +19%.

### Quarterly financial summary

YE March (INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	3,189	3,223	(1.0)	2,588	23.2	5,551	8,123	10,822	11,976	14,299	16,913
EBITDA	1,776	1,998	(11.1)	1,305	36.2	3,233	4,894	6,243	6,663	8,520	10,470
APAT	1,402	1,620	(13.5)	1,024	37.0	2,759	4,191	5,266	5,326	6,869	8,385
Diluted EPS (INR)	6.7	7.8	(13.5)	4.9	37.0	13.2	20.1	25.2	25.5	32.9	40.1
P/E (x)								63.2	62.5	48.5	39.7
EV / EBITDA (x)								50.9	47.5	36.8	29.7
RoE (%)						23.9	31.3	32.7	28.5	32.5	34.7
Cash/Mcap (%)								3.6	3.8	4.5	5.3

Source: Company, HSIE Research, Consolidated Financials

### Change in estimates

INR Mn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	11,549	11,976	3.7	13,752	14,299	4.0	16,350	16,913	3.4
EBITDA	6,212	6,663	7.3	7,957	8,520	7.1	9,901	10,470	5.8
EBITDAM (%)	53.8	55.6	185bps	57.9	59.6	172bps	60.6	61.9	136bps
APAT	5,079	5,326	4.9	6,530	6,869	5.2	8,027	8,385	4.5
EPS (INR)	24.3	25.5	4.9	31.2	32.9	5.2	38.4	40.1	4.5

Source: Company, HSIE Research

## ADD

CMP (as on 3 Nov 2025)	INR 1,593
Target Price	INR 1,650
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1570	INR 1,650
EPS %	FY26E +4.9%	FY27E +5.2%

### KEY STOCK DATA

Bloomberg code	CDSL IN
No. of Shares (mn)	209
MCap (INR bn) / (\$ mn)	333/3,751
6m avg traded value (INR mn)	5,529
52 Week high / low	INR 1,990/1,047

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.7	20.0	2.3
Relative (%)	3.6	15.6	(3.1)

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	15.00	15.00
FIs & Local MFs	14.24	14.18
FPIs	12.90	11.54
Public & Others	57.86	59.28
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

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# City Union Bank

## Beat on all fronts; sustainable earnings trajectory

City Union Bank's (CUBK) earnings beat estimates on the back of healthy growth on both sides of the balance sheet, margin reflation, and improvement in asset quality. Loan growth (+18% YoY) was led by healthy traction in core MSME and gold loan segments while the retail portfolio continues to scale rapidly. Deposit growth (~21% YoY) was strong, with CASA ratio improving to 28.1% (+81bps QoQ). Margins improved to 3.6% (+9bps QoQ), benefitting from lower cost of funds (-24bps QoQ). Asset quality improved further with the management expecting net negative slippages for the next few quarters. We believe CUBK is likely to maintain its growth trajectory, with sustained traction in the MSME book and a notable expansion in secured retail portfolios, while maintaining healthy asset quality. We raise our FY26E-FY27E estimates by ~5%/~7% to factor in stronger growth, better margins, and lower provisioning. We maintain BUY with a revised TP of INR270 (1.6x Sep-27 ABVPS).

- Strong growth momentum coupled with healthy margins:** Loan growth was healthy (+18% YoY, ~5% QoQ), with continued traction in core MSME and gold loans and early signs of traction in the retail portfolio. We build in ~17% loan CAGR over FY25-FY28E, led by MSME, gold loans, and secured retail book. NIMs improved to 3.6%, with the drop in loan yields (-15bps) offset by lower cost of funds (-24bps), from faster re-pricing of deposits.
- Benign asset quality:** Gross slippages moderated to ~1.1% (Q1FY26: 1.5%), with negligible signs of elevated stress in core MSME segments. As a prudent measure, CUBK made an additional standard provision of INR1bn (0.18% of loans) while the bank continues to shore up its PCR (63%; Q1FY26: 61%).
- Sustained loan growth and earnings to drive rerating:** We believe that CUBK will need to monetize its investments in digital lending (MSME book) and secured retail segments (HL, Mirco LAP, and VL) to deliver better throughput and gain market share. Sustained growth in the core MSME segment, coupled with expansion of retail portfolios, is likely to drive improved return ratios.

### Financial summary

(INR bn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	6.7	5.8	14.4%	6.3	6.6%	23.2	27.2	33.0	40.2
PPOP	4.7	4.3	9.9%	4.5	4.4%	16.8	20.5	24.8	29.1
PAT	3.3	2.9	15.2%	3.1	7.4%	11.2	13.6	16.1	18.3
EPS (INR)	4.4	3.9	15.1%	4.1	8.0%	15.2	18.4	21.7	24.7
ROAE (%)						12.6	13.5	14.1	14.1
ROAA (%)						1.5	1.6	1.7	1.7
ABVPS (INR)						118.7	138.4	156.9	178.3
P/ABV (x)						2.0	1.7	1.5	1.3
P/E (x)						15.6	12.8	10.9	9.6

Source: Company, HSIE Research

### Change in estimates

(INR bn)	FY26E			FY27E		
	New	Old	Δ	New	Old	Δ
Net advances	611	601	1.6%	711	696	2.0%
NIM (%)	3.5	3.3	25 bps	3.6	3.3	31 bps
NII	27.2	25.0	8.8%	33.0	29.6	11.4%
PPOP	20.5	19.7	3.8%	24.8	23.0	7.7%
PAT	13.6	12.9	5.6%	16.1	15.0	6.9%
Adj. BVPS (INR)	138.4	135.2	2.3%	156.9	153.5	2.3%

Source: Company, HSIE Research

## BUY

CMP (as on 3 Nov 2025)	INR 236
Target Price	INR 270
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR225	INR270
	FY26E	FY27E
EPS %	5.6%	6.9%

### KEY STOCK DATA

Bloomberg code	CUBK IN
No. of Shares (mn)	741
MCap (INR bn) / (\$ mn)	175/1,970
6m avg traded value (INR mn)	452
52 Week high / low	INR 241/143

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.4	36.1	32.7
Relative (%)	6.2	31.7	27.4

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	0.0	0.0
FIs & Local MFs	35.2	36.8
FPIs	27.4	26.0
Public & Others	37.4	37.3
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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# Niva Bupa Health Insurance

## Solid core amid short-term volatility

Niva Bupa reported mixed P&L outcomes, largely on the back of its continued migration to 1/n accounting, adversely impacting its topline and loss ratios. Notwithstanding the noise around accounting distortions, we believe that Niva Bupa enjoys competitive moats around its use of analytics for risk selection and product pricing, an affluent customer base (premium per life 10% higher than peers), translating into best-in-class loss ratios (favorable ULR) and superior profitability. We factor in NEP/PAT CAGR of 24/25% for FY25-FY28E, with COR likely to improve to 99.7% by FY28E (FY25: 101.2%). We maintain BUY with a TP of INR95 (40.3x Mar-28 EPS), as the 1/n accounting is likely to continue distorting the reported P&L outcomes until FY27E.

- 1/n distorting profitability outcomes:** Niva Bupa witnessed a sharp rise in its loss ratios, rising to ~74.3% (H1FY25: 62.5%), primarily attributable to: (a) shift to 1/n accounting (~5.2% impact), which is expected to normalize by FY28E; (b) participation in lumpy corporate group health business (6–7% impact), which is likely to ease by Q4FY26; and (c) structural portfolio ageing (1.5%), which was offset by reserve releases (1.5%) provided during Q1FY25. We revise our estimates to factor in higher LR of ~66.0%/65.5% for FY26E/FY27E, with further moderation to 64% in FY28E.
- Quality customer franchise:** Our analysis suggests that Niva Bupa caters to a relatively more affluent customer base, as reflected in the higher sum assured compared to its peers (~84% of fresh policies have a sum assured > INR1mn). Our analysis suggests that NIVABUPA has a superior premium per life (PPL), backed by consistent growth in number of lives, efficient claims management, and lowest-among-peers loss cost, driving sustainably lower loss ratios.
- GST impact:** Management indicated >50% growth in retail business, coupled with higher renewal rates (+100bps), benefitting from GST rationalization in Oct-25. Management highlighted strong demand uptick in the agency and the digital partnership channel. It stated that premium per policy has also increased by 15% for Oct-25 vs H1FY26. GST input tax costs are expected to be largely offset by increased scale and cost rationalization.

### Financial summary

(INR bn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NEP	14.2	12.1	17.2	12.2	16.6	48.9	58.7	73.4	94.3
Underwriting profits	-1.8	-0.9	102.2	-2.3	NM	-2.5	-4.2	-5.3	-3.7
PAT	-0.4	0.1	NA	-0.9	NM	2.1	1.9	2.4	4.3
EPS	-0.2	0.1	NA	-0.5	NM	1.2	1.1	1.3	2.4
CoR (%)						101.2	103.9	102.3	99.7
P/B (x)						3.6	3.4	3.2	2.9
P/E (x)						63.5	69.4	57.1	31.2
RoE (%)						6.3	5.0	5.8	9.8

Source: Company, HSIE Research

### Change in estimates

(INR bn)	FY26E			FY27E		
	Revised	Old	Chg (%)	Revised	Old	Chg (%)
Net earned premiums	58.7	59.0	-0.5	73.4	74.1	-0.9
Underwriting profits	-4.2	-3.8	9.3	-5.3	-4.9	6.9
APAT	1.9	2.2	-10.9	2.4	2.6	-7.5
CORs	103.9	103.1	84bps	102.3	101.8	49bps
RoE (%)	5.0	5.6	-59bps	5.8	6.2	-41bps

Source: Company, HSIE Research

## BUY

CMP (as on 3 Nov 2025)	INR 74
Target Price	INR 95
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR95	INR95
	FY26E	FY27E
EPS %	-11%	-8%

### KEY STOCK DATA

Bloomberg code	NIVABUPA IN
No. of Shares (mn)	1,846
MCap (INR bn) / (\$ mn)	137/1,540
6m avg traded value (INR mn)	652
52 Week high / low	INR 109/61

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.1)	(9.9)	-
Relative (%)	(13.3)	(14.2)	-

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	55.4	55.4
FIs & Local MFs	15.1	15.3
FPIs	10.8	10.7
Public & Others	18.7	18.6
Pledged Shares	Nil	Nil

Source : BSE

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# Medplus Health Services

## Focus on growth, private label, and steady margin

EBITDA<sup>^</sup> grew 20% YoY, driven by moderate sales growth (pharmacy +6% YoY, diagnostics +17% YoY) and an expanded gross margin (+240 bps YoY; private label share to 21.7%), which offset higher costs. OPM\* came in at 5.3% (+59 bps YoY), with pharmacy margin at 5.1% (+47 bps YoY) and diagnostic margin at 15.3%. Medplus retains its guidance to add 600 stores (~100 franchise stores) in FY26 (218 added in H1). It expects (1) a gradual increase in branded pharma sales as warehousing and manpower constraints are resolved, improving fill rates across the network; (2) a gradual pick-up in growth from matured stores, targeting a high single-digit rate over the next couple of years; (3) private label share to remain flat in Q3, then increase by 1% (on GMV, implying 0.5% on net sales) from Q4FY26, aiding GM expansion; and (4) margins to remain steady in H2 with the increase in private label share to offsets by new store additions. We see a gradual pick-up in sales growth, led by a balanced approach to matured store growth, new store additions, and private label expansion. Moreover, margins are expected to remain steady, led by a better mix, steady growth in matured stores (2+ years; ~10–11% margin), increased private label share, and supply chain efficiencies. Factoring in gradual recovery, we have cut EBITDA for FY26/27E by 1/2% and revise TP to INR 1,060 (18x Q2FY28E EV/EBITDA, implying 28x pre-INDAS EV/EBITDA). BUY stays.

- Q2 highlights:** Sales grew 7% YoY to INR 16.8bn, with 6% growth in retail pharmacy (~INR 16.44 bn), and 17% growth in diagnostics (INR 333mn). GM improved to 26.1% (+240 bps YoY) while staff costs rose by 18%. EBITDA reached INR 1.48 bn (+20% YoY). Operating profit was INR 887mn (+20% YoY), and OPM stood at 5.3% (+59 bps). Pharmacy margin was 5.1% (+47 bps YoY), diagnostic margin 15.3%, and PAT INR 555mn (+43% YoY).
- Q2 operating metrics:** A net 117 stores were added (gross addition of 145), taking the total to 4,930 as of Sep'25. Matured store growth was at 2.2% YoY (vs. 6.8% in Q2FY25), with operating margin at 11.8% (vs. 10.2%) and RoCE at 68.6% (vs. 58.1%). Private label sales as a percentage of total sales rose to 21.7% (vs. 18.4% in Q2FY25). Overall RoCE was ~22.5% (up from 15.4%). In Q2FY26, OCF was INR 1.26bn and FCF INR 377mn.
- Key takeaways from con call:** Retail pharmacy GMV grew 6.8% YoY (vs. net sales growth of 4%). Working capital improved due to one-time extra credit from vendors following the recent GST rate change. Staff cost growth in Q2 was led by retention bonus payouts (initiated in Q2FY25), which helped reduce attrition; staff cost growth is expected to moderate from Q3FY26. Pre-operating costs of INR 34mn include new hirings and rentals for premises not yet operational. Private label gross margin is 74-78% for pharma and 34-38% for non-pharma. As of Sep-25, diagnostics had 170k active plans, covering 351k lives; with a renewal rate of 24%.

### Quarterly financial summary

(INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	16,793	15,762	7	15,426	9	56,249	61,361	66,140	75,004	84,692
EBITDA	1,488	1,244	20	1,307	14	3,541	4,871	5,813	6,877	7,859
APAT	555	387	43	424	31	621	1,504	2,038	2,620	3,058
EPS (INR)	4.6	3.2	43	3.5	31	5.2	12.5	17.0	21.9	25.5
P/E (x)						158.6	65.5	48.3	37.6	32.2
EV/EBITDA (x)						30.3	21.8	18.1	15.2	13.2
RoCE (%)						7	10	12	14	14

Source: Company, HSIE Research, PAT adjusted for one-offs. <sup>^</sup> post-INDAS EBITDA \*pre-INDAS.

## BUY

CMP (as on 3 Nov 2025)	INR 820
Target Price	INR 1,060
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1120	INR 1060
	FY26E	FY27E
EBITDA %	(1.3)	(2.4)

### KEY STOCK DATA

Bloomberg code	MEDPLUS IN
No. of Shares (mn)	120
MCap (INR bn) / (\$ mn)	98/1,107
6m avg traded value (INR mn)	154
52 Week high / low	INR 1,052/603

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.4)	2.4	20.7
Relative (%)	(14.6)	(1.9)	15.4

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	40.32	40.29
FIs & Local MFs	26.03	26.51
FPIs	16.43	16.53
Public & Others	17.22	16.67
Pledged Shares	59.3	59.3

Source: BSE

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# Mahindra Lifespaces

## Accelerating growth: robust BD and launch pipeline

In Q2FY26, Mahindra Lifespaces Developers Ltd (MLDL) reported revenue/EBITDA/APAT of INR 176mn/(525mn)/479mn. MLDL aims to deliver 25–30% presales CAGR over FY25–FY30, targeting INR 45–50bn in presales for FY27, led by timely approvals and execution discipline. MLDL's FYTD26 business development reached INR 95bn, significantly surpassing the initial FY26 BD expectation of INR 80-100bn, representing a remarkable ~2-2.5x multiple over recent annual averages. This huge growth step-up sets the tone for achieving the FY29 presales target of INR 80-100bn. MLDL has planned INR 70bn worth of new launches in H2FY26, including Marina 64 (awaiting EC approval), Bhandup (advanced approval stage), Mahalaxmi, Navy Plot A, and Alembic Hope Farm in Bengaluru (BBMP approval pending). H1FY26 had smaller launches and sustenance-driven sales, while eight project completions are expected in H2FY26. Over the past 18 months, MLDL has secured BD worth over INR 280bn, enhancing new launch visibility and laying a solid foundation for its ambitious growth plans. The company's strategy is clear: a disciplined focus on core markets (MMR, Pune, and Bengaluru), fast project turnaround times, and stringent financial hurdles (20%+ IRR). This expanding pipeline, combined with a rights-issue-strengthened balance sheet (INR 15bn raised), positions MLDL to achieve its targets in the coming years. MLDL's primary focus on mid-premium homes ensures resilience in a more normalized market environment. Additionally, the IC&IC business is expected to generate INR 15bn PAT over the next 10 years, offering an additional lever for long-term profitability and cash flows. Given the company's strong cash flows, robust launch pipeline, and stable balance sheet, we remain constructive with a BUY on MLDL and a TP of INR 700/sh.

- Q2FY26 financial highlights:** Revenue: INR 176mn (+130.7%/-45.1% YoY/QoQ, a miss of 54.3%). There was an EBITDA loss of INR 525mn (INR -477/-550mn in Q2FY25/Q1FY26, vs est. loss of INR 487mn). Profit from JV/associates came in at INR 961mn (+164/+75.2% YoY/QoQ). APAT stood at INR 479mn (-INR 140mn/+INR 81mn Q2FY25/Q1FY26 vs est. profit of INR 220mn). Going forward, as the share of own project improves, along with the mix moving toward premium housing, profitability is expected to significantly improve.
- Sustenance driving presales momentum:** MLDL recorded presales of INR 7.5bn (+89%/+67% YoY/QoQ) and volume stood at 0.88msf (+66%/+51.7% YoY/QoQ). The average price realization was INR 8,545 (+14.1%/+10.4% YoY/QoQ). MLDL has reduced dependency on new launches through the expansion of sustenance portfolio to improve predictability. Within IC&IC, the company leased 16.9 acres for INR 990mn (+13.7%/-17.5% YoY/QoQ). MLDL aims to launch INR 70bn worth of GDV planned for FY26, which would further drive the sales momentum.
- Well-poised for growth with a launch heavy year ahead:** MLDL has several growth levers: 1. many projects are in final stages of design and approval, primed for FY26 launch; 2. company's increased focus is on mid-premium and premium segments, with brand and execution capabilities offering differentiation.

### Consolidated financial summary (INR mn)

(INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	176	76	130.7	320	(45.1)	3,723	6,050	8,214	11,319
EBITDA	(525)	(477)	(10.0)	(550)	4.6	(1,699)	(645)	343	1,152
APAT	479	(140)	441	81	494	613	1,256	2,204	2,906
Diluted EPS(INR)	2.2	(0.7)	441	0.4	494	2.9	5.9	10.3	13.6
P/E (x)						118	57	33	25
EV / EBITDA(x)						(49)	(115)	221	65
RoE (%)						3.3	4.6	6.1	7.5

Source: Company, HSIE Research

## BUY

CMP (as on 3 Nov 2025)	INR 405
Target Price	INR 700
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 700	INR 700
EPS change %	FY26E	FY27E

### KEY STOCK DATA

Bloomberg code	MAHLIFE IN
No. of Shares (mn)	213
MCap (INR bn) / (\$ mn)	86/974
6m avg traded value (INR mn)	125
52 Week high / low	INR 487/254

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.1	26.0	(12.4)
Relative (%)	5.9	21.7	(17.7)

### SHAREHOLDING PATTERN (%)

	Jun-25	Sept-25
Promoters	52.43	52.42
FIs & Local MFs	21.82	22.45
FPIs	8.70	8.12
Public & Others	17.05	17.00
Pledged Shares	-	-

Source: BSE

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# NOCIL

## Realization offsets volume-driven growth

Our ADD recommendation on NOCIL with a TP of INR 223 is premised on (1) a shift in the product mix toward better margin specialized rubber chemicals, and (2) expected antidumping duty in key products. Q2 EBITDA/APAT were 36/17% below our estimates, owing to higher-than-expected other expenses and lower-than-expected revenue.

### Financial performance:

Revenue decreased by -11.6/-4.7% YoY/QoQ to INR 3.26bn. The company achieved 4% QoQ volume growth; however, realizations were negatively impacted by pricing pressure from aggressive dumping by Chinese competitors. This was partially offset by a decrease in raw material prices. EBITDA/kg decreased by 42/32% YoY/QoQ INR 15.7/kg. EBITDA changed by -43.6/-29.3 % YoY/QoQ to INR 209mn. EBITDA margin changed by -370/-227 bps to 6.5% due to increase in employee and other expenses.

### Key con call takeaways:

(1) Export volume for NOCIL declined due to the US tariff while management views the US tariff as a temporary situation. (2) Reduced GST is likely to push domestic tyre demand. (3) TDQ expansion is on track (70-80% work is complete) while trial production is expected to commence in H1CY26. (4) Capacity utilization was ~65% for the quarter. (5) Currently, an antidumping investigation is going on for NOCIL's main products. Management expects a favorable outcome.

**Change in estimates:** We change our FY26/27/28E EPS estimates by -14.9/-10.7/-8.3% to INR 4.5/6.7/10.7x to account for Q2FY26 performance and growth outlook.

**DCF-based valuation:** Our price target is INR 223. The stock is trading at 40/27/17x FY26/27/28E EPS.

### Financial summary (consolidated)

INR mn	2Q FY26	1Q FY26	QoQ (%)	2Q FY25	YoY (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,206	3,362	(4.7)	3,627	(11.6)	16,166	14,447	13,927	13,443	15,191	17,165
EBITDA	209	296	(29.3)	371	(43.6)	2,490	1,904	1,346	1,192	1,696	2,582
APAT	173	164	5.6	414	(58.3)	1,487	1,314	1,076	756	1,124	1,778
AEPS (INR)	1.0	1.0	5.6	2.5	(58.3)	8.9	7.9	6.5	4.5	6.7	10.7
P/E (x)						20.3	23.0	28.0	39.9	26.8	17.0
EV/EBITDA(x)						11.2	13.9	20.4	22.6	15.7	9.9
RoE (%)						10.0	8.1	6.2	4.2	6.1	9.2

Source: Company, HSIE Research

### Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	1,437	1,192	(17.1)	1,947	1,696	(12.9)	2,871	2,582	(10.1)
Adj. EPS (INR/sh)	5.3	4.5	(14.9)	7.6	6.7	(10.7)	11.6	10.7	(8.3)

Source: Company, HSIE Research

## ADD

CMP (as on 3 Nov 2025)	INR 181
Target Price	INR 223
NIFTY	25,763

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 234	INR 223
EPS %	FY26E	FY27E
	-14.9%	-10.7%

### KEY STOCK DATA

Bloomberg code	NOCIL IN
No. of Shares (mn)	167
MCap (INR bn) / (\$ mn)	30/341
6m avg traded value (INR mn)	104
52 Week high / low	INR 294/155

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.4	3.9	(36.7)
Relative (%)	(3.8)	(0.4)	(42.1)

### SHAREHOLDING PATTERN (%)

	June-25	Spet-25
Promoters	33.76	33.76
FIs & Local MFs	5.19	6.57
FPIs	6.65	5.15
Public & Others	54.40	54.52
Pledged Shares	3.49	4.45

Source: BSE

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**Rating Criteria**

BUY: &gt;+15% return potential

ADD: +5% to +15% return potential

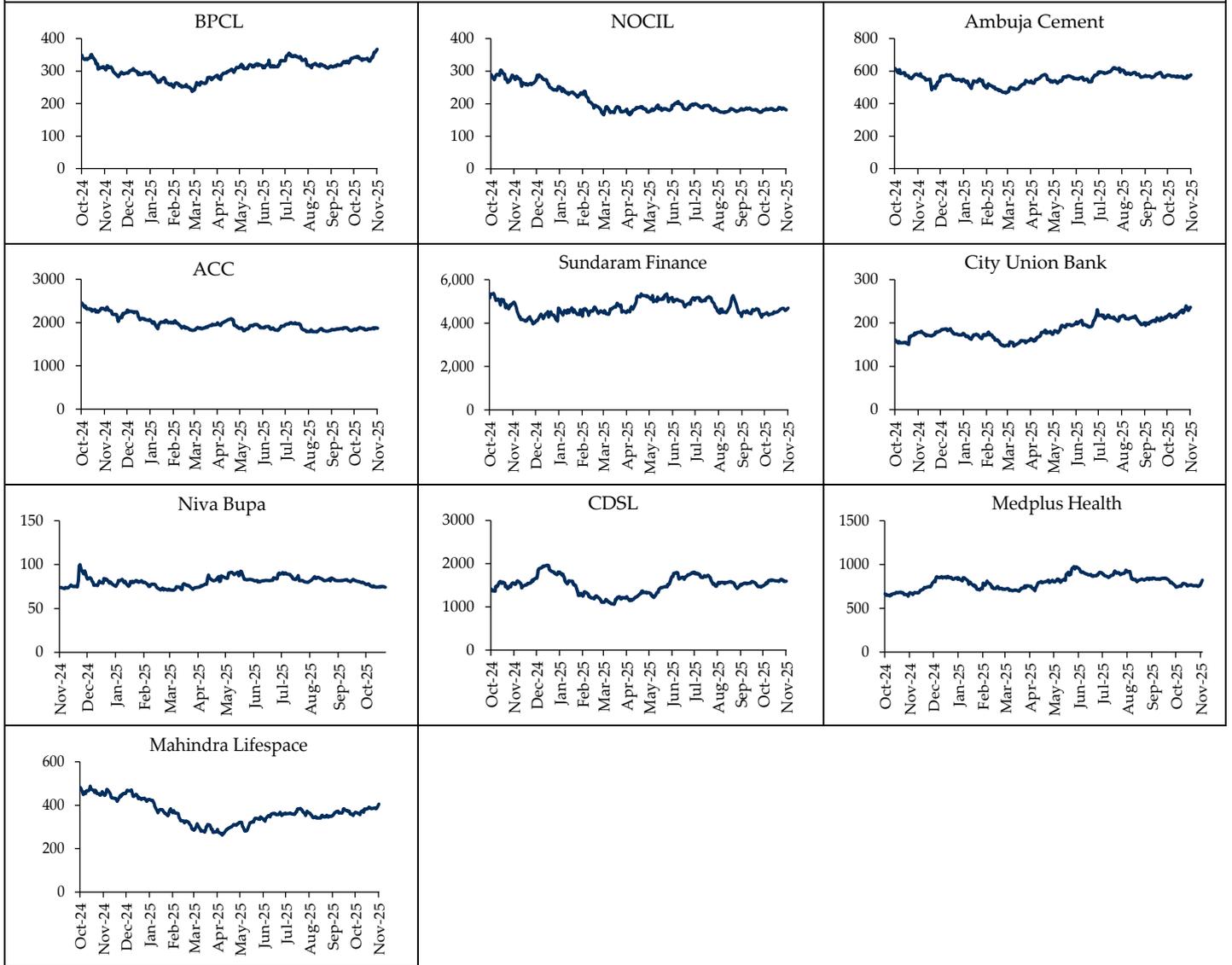
REDUCE: -10% to +5% return potential

SELL: &gt; 10% Downside return potential

**Disclosure:**

Analyst	Company Covered	Qualification	Any holding in the stock
Nilesh Ghuge	Bharat Petroleum Corporation, NOCIL	MMS	NO
Dhawal Doshi	Bharat Petroleum Corporation, NOCIL	CA	NO
Prasad Vadnere	Bharat Petroleum Corporation, NOCIL	MSc	NO
Rajesh Ravi	Ambuja Cement, ACC	MBA	NO
Keshav Lahoti	Ambuja Cement, ACC	CA, CFA	NO
Riddhi Shah	Ambuja Cement, ACC	MBA	NO
Mahesh Nagda	Ambuja Cement	CA	NO
Deepak Shinde	Sundaram Finance	PGDM	NO
Krishnan ASV	Sundaram Finance, City Union Bank, Niva Bupa Health Insurance	PGDM	NO
Ayush Pandit	Sundaram Finance	CA	NO
Amit Chandra	CDSL	MBA	NO
Arjun Savla	CDSL	CA	NO
Akshay Badlani	City Union Bank	CA	NO
Shobhit Sharma	Niva Bupa Health Insurance	CA	NO
Mehul Sheth	Medplus Health Services	MBA	NO
Divyaxa Agnihotri	Medplus Health Services	MSc	NO
Parikshit Kandpal	Mahindra Lifespaces	CFA	YES
Jay Shah	Mahindra Lifespaces	CA	NO
Aditya Sahu	Mahindra Lifespaces	MBA	NO

1 Yr Price movement



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