

## Result Preview



### Company

Alembic Pharma.

Ajanta Pharma

Alkem Lab.

Apollo Hospitals

Aurobindo Pharma

Biocon

Cipla

Dr. Agarwal's Healthcare

Divi's Lab.

Dr. Reddy's Lab.

Eris Lifesciences

Gland Pharma

Glenmark Pharma.

Global Health

Granules India

GSK Pharma

IPCA Lab.

Laurus Labs

Lupin

Mankind Pharma

Max Healthcare

Piramal Pharma

Rubicon Research

Sun Pharma

Torrent Pharma

Zydus Lifesciences

## EBITDA growth trails revenue growth for third straight quarter

### Chronic-led DF growth and capacity expansion to shape sectoral trends

We expect pharma companies to deliver steady growth in aggregate revenue in 3QFY26, supported by improving domestic formulations (DF) momentum. However, increased competition in select products for US market and slower pace of potential launches should keep EBITDA growth trend in check. Aggregate DF sales are projected to grow 8.7% YoY to INR256b, led by continued outperformance of chronic therapies, while acute therapies remain subdued. US generics sales are expected to decline due to competition in select products, namely g-Revlimid.

The hospital sector is expected to post 9% YoY revenue growth, even as occupancy declines due to aggressive capacity additions. Average revenue per occupied bed (ARPOB) should improve moderately on a higher chronic specialty mix. Having said this, the front-loading of opex related to newer hospitals/bed additions would keep margins under pressure.

### DF: Expect recovery post GST disruption/steady thrust in chronic therapies

#### Coverage companies to see sequential improvement in growth

For companies under our coverage, we expect aggregate DF segment sales to increase by 8.7% YoY to INR256b in 3QFY26. Sequential improvement in DF is attributed to higher sales after GST transition. However, growth is likely to remain below the double-digit levels seen in earlier quarters due to weak seasonality. That said, our coverage companies are expected to track industry growth, supported by continued product launches and an increasing focus on chronic therapy portfolios.

### Chronic therapies to outperform as acute growth remains subdued

In the first two months of 3QFY26 (Oct/Nov'25), chronic therapies recorded strong growth of 15.5% YoY, significantly outperforming the 11.0%/11.3% YoY growth seen in 1Q/2QFY26. In contrast, acute therapies continued to see muted performance, with growth of 7.0% YoY vs. 7.7%/5.0% YoY in 1Q/2QFY26. Robust traction in cardiac and anti-diabetic therapies supported outperformance vs. IPM during the quarter. However, overall IPM growth was partially constrained by weaker trends in anti-infective, gastro, and pain segments.

### AJP/SUNP to record strong YoY DF sales in 3QFY26

We expect AJP/SUNP to report sales growth of 16.2%/13.2% YoY, driven by price increases, new product launches, and improved productivity from the medical representative (MR) force. AJP is expected to deliver double-digit growth across dermatology, ophthalmology, and pain therapies, based on IQVIA data for the three months ending Nov'25. IPCA is likely to record broad-based growth across therapies, although the anti-infective segment is expected to remain subdued. We expect ERIS to report growth of 15% YoY driven by growth in both branded DF and exports.

**US sales: 3Q to reflect minimal contribution from g-revlimid****US sales expected to decline YoY in 3QFY26; excl. DRRD, sales likely to rise**

For our coverage universe, US revenue is expected to decline 1.3% YoY to USD2.3b in 3QFY26, driven largely by a sharp 21.5% YoY decline in DRRD's sales to USD310m. Excluding DRRD, US revenue is expected to grow 2.8% YoY. Cipla/ARBP are expected to post 15%/7% YoY decline in US sales due to lower sales of g-Revlimid. **Notably, 3Q would showcase base business performance for DRRD and Cipla in US segment.**

**LPC/TRP to be outperformers for the quarter**

The overall decline would be mitigated by robust growth in LPC/TRP. LPC is likely to deliver strong US growth of 27.6% YoY on account of steady traction in g-Tolvaptan/g-Spiriva/Mirabegron, offset by price erosion in base portfolio and competition in g-Albuterol. Delayed competitor approval of g-Tolvaptan would extend the low-competition window, supporting continued growth.

TRP/ALKEM/ALPM/ZYDUS are expected to grow 25%/8.5%/5%/3.5% YoY in 3QFY26, driven by contributions from new product launches. GNP is likely to report stable US revenue as pricing pressure in base portfolio may constrain growth.

**Pace of approvals for our coverage companies has slowed down**

During the quarter, 12 facilities belonging to our coverage companies were inspected by the USFDA. **At the industry level, final approvals stood at 154 in 3QFY26 (vs. 144 approvals in 2QFY26).** For companies under our coverage, there were 32 final approvals during 3QFY26. The approval trend turned meaningfully weaker after 4QFY25, with approvals declining for three consecutive quarters, indicating consistent moderation in regulatory clearances.

**Hospitals: Capacity-led growth with temporary pressure on operating metrics**

For the hospitals under our coverage, revenue is expected to grow 9% YoY to INR95b in 3QFY26, driven by consistent operational execution, strong expansion of bed capacities, along with the development of new facilities, which together have enhanced operating metrics and profitability. For 3Q, we expect EBITDA margins of our coverage companies to be ~19% and aggregate EBITDA to grow 10% YoY.

Overall occupancy is expected to decline by ~480bp YoY, while ARPOB is projected to see a moderate increase, supported by a greater focus on chronic specialties. Hospitals will continue to undertake aggressive capacity expansion through new bed additions and doctor hiring to scale patient volumes and improve occupancy levels. Sector growth has been impacted by the rollout of GST 2.0 and seasonal factors. Near-term margins are expected to stay subdued owing to higher operating costs linked to capacity ramp-up, although profitability and returns should normalize and improve over the medium term as utilization improves.

MAXHEALTH plans to add ~800 beds in FY26 at Nanavati Max, the Saket Complex, and Gomti Nagar through brownfield expansion. APHS plans to operationalize 1,687 beds during 2HFY26-FY27. It has recently commissioned a 250-bed facility in Swargate, Pune. Medanta fully commercialized its 550-bed super-specialty hospital in 3QFY26 and plans to add ~400 beds in Lucknow and Patna by the end of FY27.

We expect APHS to post 11%/20%/23% YoY growth in sales/EBITDA/PAT for 3QFY26. MEDANTA is expected to deliver sales/PAT growth of 13%/7% YoY, while EBITDA may decline 1% YoY. Profitability is likely to remain subdued as operating expenses from the recently commissioned Noida hospital continue to weigh on margins. MAXHEALTH is also likely to deliver subdued performance, with sales/EBITDA posting 4%/2% YoY growth and PAT declining 1% YoY.

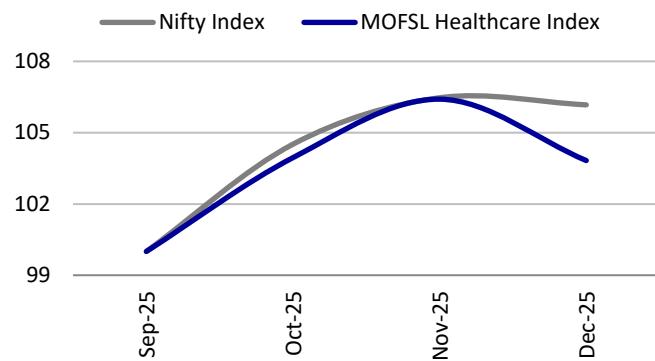
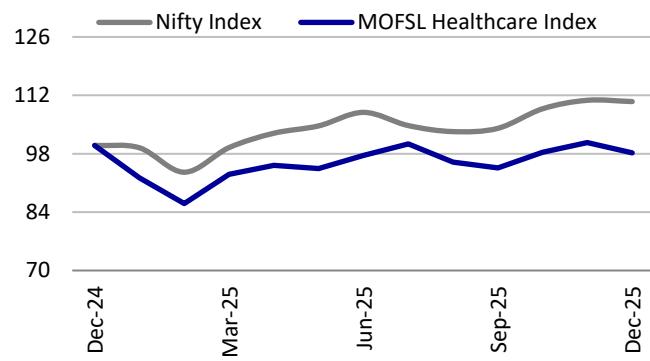
### GNP/LPC/LAURUS to outperform within the healthcare pack

- In 3QFY26, we expect GNP/LPC/LAURUS to deliver 41%/38%/36% YoY growth in EBITDA. For GNP, income from ISB2001 deal and progress on scale-up of DF business after GST-led inventory corrections to drive financial performance.
- Steady approval in US and focus on chronic therapies in DF to support superior show for LPC in 3QFY26. Improvement in product mix and better operational efficiency should drive EBITDA growth for LAURUS in 3QFY26.
- DRRD/CIPLA/PIRPHARM are expected to report a YoY decline of 21%/20%/11% in EBITDA for the quarter. Increased competition, leading to heightened pricing pressure on products including g-Revlimid, along with operational inefficiencies, may weigh on EBITDA performance.
- We have reduced our estimates for PIRPHARM by 13%/9% for FY27/FY28, reflecting our expectation of only a gradual recovery across its segments over the mid-term and the need for greater visibility on order inflows going forward.
- **Our top ideas:** Laurus Labs (CDMO differentiation), Biocon (biosimilar frontrunner), and Rubicon (differentiated US play).

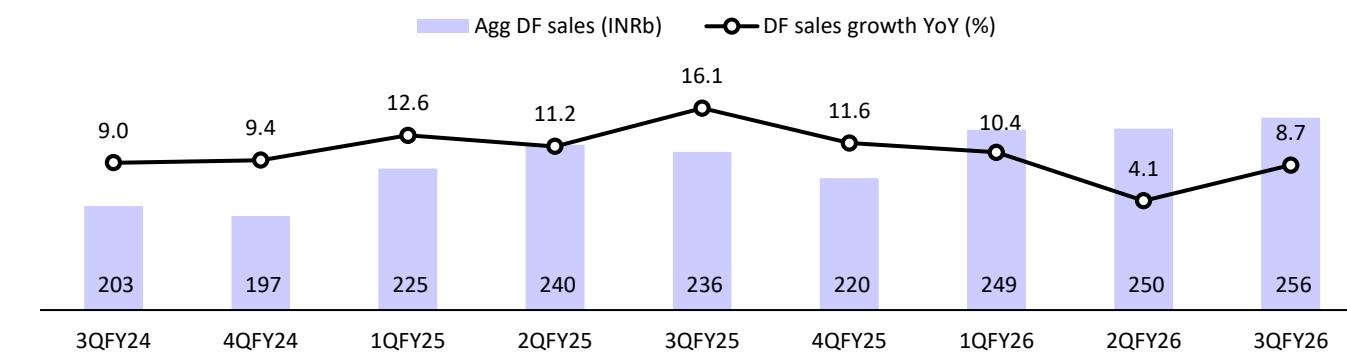
### Exhibit 1: Summary of quarterly performance

Sector	CMP		SALES (INR m)			EBITDA (INR M)			NET PROFIT (INR m)		
	(INR)	Reco	Dec-25	Var	Var	Dec-25	Var	Var	Dec-25	Var	Var
				% YoY	% QoQ		% YoY	% QoQ		% YoY	% QoQ
Ajanta Pharma	2937	Buy	13,155	14.8	-2.8	3,644	13.6	-1.2	2,594	18.1	-0.7
Alembic Pharma	836	Neutral	18,509	9.3	-3.1	3,035	16.7	-3.8	1,796	29.7	4.7
Alkem Lab	5588	Neutral	36,750	8.9	-8.1	7,093	-6.6	-23.0	5,776	-7.7	-27.9
Apollo Hospitals	7129	Buy	61,260	10.8	-2.8	9,128	19.9	-3.0	4,563	22.6	-4.4
Aurobindo Pharma	1215	Buy	80,651	1.1	-2.7	16,937	4.0	0.9	9,315	5.7	10.2
Biocon	393	Buy	45,447	18.9	5.8	8,953	13.9	7.2	1,580	259.6	73.6
Blue Jet Healthcare	531	Buy	3,284	3.5	98.5	1,168	-5.1	112.6	932	-4.9	78.7
Cipla	1511	Neutral	72,820	3.0	-4.1	15,875	-20.2	-16.2	11,270	-17.4	-16.6
Divis Labs	6390	Neutral	26,788	15.5	-1.3	8,438	13.6	-5.0	6,148	5.8	-4.1
Dr Agarwals Health.	502	Buy	5,169	20.0	3.6	1,339	22.1	-1.7	313	67.3	5.4
Dr Reddy's Labs	1255	Neutral	80,851	-1.8	-8.2	17,221	-20.7	-19.0	11,473	-13.0	-25.6
Eris Lifescience	1531	Neutral	8,366	15.0	5.6	3,045	21.7	5.7	1,268	51.6	5.7
Gland Pharma	1714	Buy	16,065	16.1	8.0	3,807	5.8	21.3	2,347	14.7	27.8
Glenmark Pharma	2066	Buy	37,704	11.3	58.6	8,483	41.3	LP	5,281	51.8	LP
Global Health	1217	Buy	10,684	13.2	-2.8	2,393	-0.8	3.6	1,522	6.5	4.4
Granules India	615	Buy	12,611	10.9	-2.8	2,775	20.5	-0.3	1,403	19.3	7.4
GSK Pharma	2483	Neutral	10,529	10.9	7.4	3,643	28.8	8.5	2,752	24.6	8.0
IPCA Labs.	1404	Buy	24,081	7.2	-5.8	4,840	4.5	-11.2	2,779	12.0	-14.4
Laurus Labs	1107	Buy	16,611	17.4	0.5	3,887	36.3	-3.6	1,618	75.3	-16.6
Laxmi Dental	271	Buy	678	10.0	-6.1	105	9.4	-4.6	75	57.1	-11.6
Lupin	2106	Neutral	67,614	18.8	-4.1	18,999	38.0	-11.1	11,992	40.2	-9.6
Mankind Pharma	2203	Buy	35,711	11.6	-3.4	8,928	9.4	-3.1	5,040	34.9	-0.6
Max Healthcare	1063	Buy	23,658	4.3	-8.0	6,293	2.0	-8.4	3,949	-0.7	-7.2
Piramal Pharma	179	Buy	22,961	4.2	12.3	3,008	-10.9	89.5	315	757.2	LP
Rubicon Research	662	Buy	4,580	NA	11.2	1,008	NA	6.9	627	NA	16.4
Sun Pharma	1729	Buy	1,46,486	12.2	1.7	39,991	11.9	-0.6	30,123	9.0	7.8
Torrent Pharma	3885	Neutral	31,944	13.7	-3.3	10,318	12.9	-4.7	5,865	16.6	-2.4
Zydus Lifesciences	917	Neutral	63,704	20.9	4.0	15,799	21.5	-1.4	9,675	1.9	-4.7
<b>Healthcare</b>	<b>9,78,672</b>	<b>10.4</b>	<b>0.0</b>	<b>2,30,153</b>	<b>8.0</b>	<b>2.7</b>	<b>1,42,392</b>	<b>9.8</b>	<b>6.5</b>		

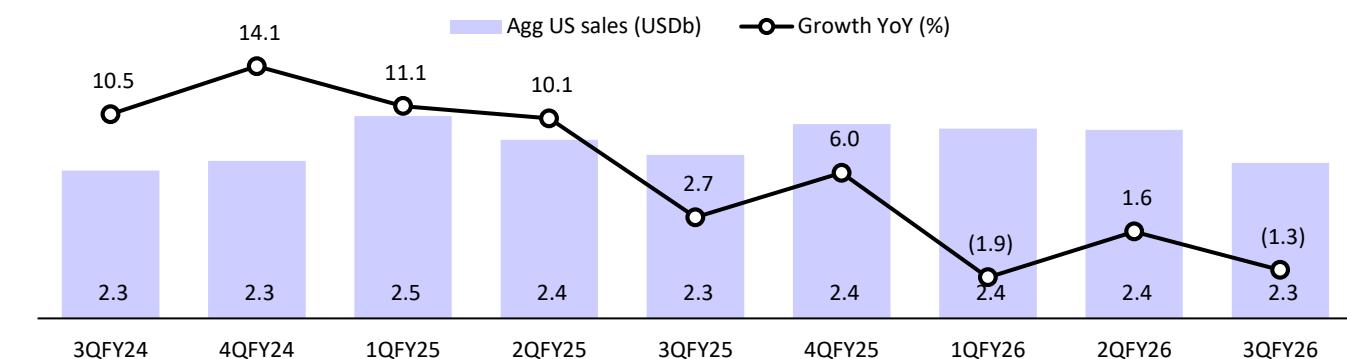
Source: Company, MOFSL

**Exhibit 2: Relative performance – three months (%)**

**Exhibit 3: Relative performance – one year (%)**


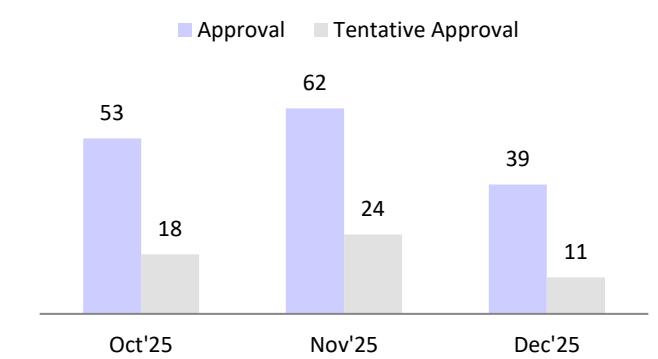
Source: Bloomberg, MOFSL

**Exhibit 4: DF sales to grow 8.7% YoY in 3QFY26**


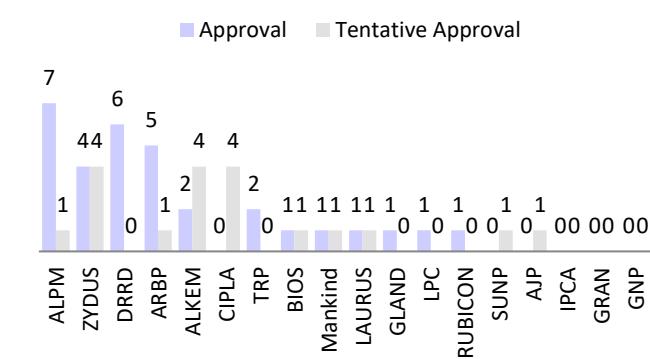
Note: Growth is ex-Mankind, Source: MOFSL, Company

**Exhibit 5: US sales to decline 1.3% YoY in 3QFY26**


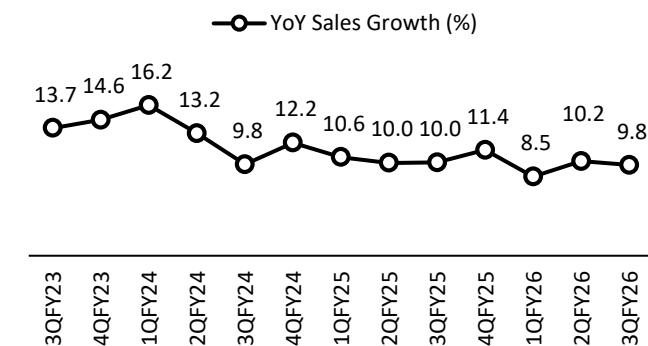
Source: MOFSL, Company

**Exhibit 6: 154 approvals in 3Q on an industry-wide basis**


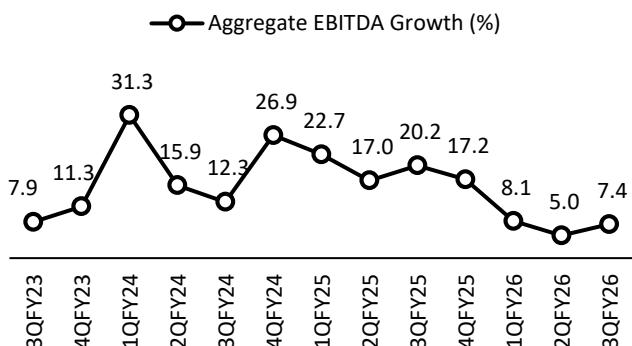
Source: MOFSL, Company

**Exhibit 7: 32 ANDAs approved on an aggregate basis for our coverage universe in 3QFY26**


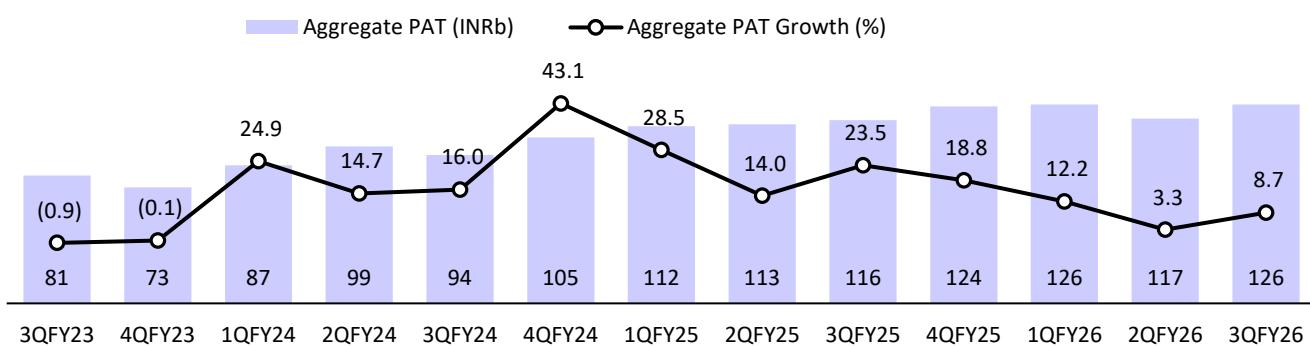
Source: MOFSL, Company

**Exhibit 8: Expect sales to grow 10% YoY in 3QFY26**


Source: MOFSL, Company

**Exhibit 9: EBITDA to grow 7% YoY**


Source: MOFSL, Company

**Exhibit 10: PAT to grow 8.7% YoY**


Source: MOFSL, Company

**Exhibit 11: The USFDA inspection history of our coverage companies for the quarter**

Company	Inspection Date	Inspection Facility	Outcome	Observations
Biocon	Oct-25	Cranbury, New Jersey	EIR	VAI
	Nov-25	API Facility (Site 6), Visakhapatnam	Form 483	2
Aurobindo Pharma	Dec-25	Unit V, Apitoria, Sangareddy	Form 483	3
	Dec-25	Unit IV, APL Healthcare, SPSR Nellore	Form 483	5
Dr Reddy	Nov-25	API Facility, Srikakulam	Form 483	0
	Dec-25	Formulations Facility, Srikakulam	Form 483	5
Lupin	Nov-25	Nagpur Unit-1	Form 483	0
	Nov-25	Bioresearch Centre, Pune	Form 483	0
	Nov-25	Goa	Form 483	7
Zydus	Nov-25	SEZ I, Ahmedabad	Form 483	2
IPCA	Dec-25	Tarapur, Palghar	Form 483	3
Glenmark Pharma	Nov-25	Formulations Facility, Chhatrapati Sambhajinagar	Form 483	0

Source: MOFSL, Company

**Exhibit 12: Comparative valuation**

Company Name	CMP (INR)	EPS (INR)			PE (x)			PB (x)			ROE (%)			
		Reco	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
<b>Healthcare</b>						<b>35.9</b>	<b>30.7</b>	<b>26.8</b>	<b>4.9</b>	<b>4.3</b>	<b>3.8</b>	<b>13.7</b>	<b>14.1</b>	<b>14.2</b>
Ajanta Pharma	2,937	Buy	83.0	99.7	111.7	35.4	29.5	26.3	8.0	6.7	5.6	24.9	24.8	23.2
Alembic Pharma	836	Neutral	36.2	44.9	53.7	23.1	18.6	15.6	2.8	2.5	2.2	12.8	14.2	14.9
Alkem Lab	5,588	Neutral	197.0	185.8	207.3	28.4	30.1	27.0	4.9	4.4	4.0	18.4	15.5	15.6
Apollo Hospitals	7,129	Buy	130.8	155.6	193.1	54.5	45.8	36.9	9.9	8.2	6.7	20.6	20.2	20.5
Aurobindo Pharma	1,215	Buy	61.9	77.7	90.6	19.6	15.6	13.4	2.0	1.8	1.6	10.5	11.8	12.3
Biocon	393	Buy	3.0	7.1	9.4	132.8	55.5	41.9	2.1	2.0	1.9	2.2	5.1	6.4
Blue Jet Healthcare	531	Buy	19.7	23.3	28.5	26.9	22.8	18.6	6.3	5.0	4.0	26.5	24.6	24.0
Cipla	1,511	Neutral	61.2	61.7	68.6	24.7	24.5	22.0	3.4	3.0	2.7	13.8	12.4	12.2
Divis Labs	6,390	Neutral	91.1	114.9	137.0	70.1	55.6	46.6	10.1	9.0	7.9	15.3	17.2	18.1
Dr Agarwals Health.	502	Buy	4.0	5.2	7.9	125.8	96.0	63.8	7.9	7.3	6.6	6.5	7.9	10.8
Dr Reddy's Labs	1,255	Neutral	65.7	62.6	67.3	19.1	20.1	18.7	2.7	2.4	2.1	15.1	12.7	12.2
Eris Lifescience	1,531	Neutral	36.0	50.8	61.1	42.6	30.1	25.1	6.4	5.4	4.5	16.1	19.5	19.6
Gland Pharma	1,714	Buy	54.2	68.0	80.4	31.6	25.2	21.3	2.8	2.5	2.3	9.3	10.6	11.2
Glenmark Pharma	2,066	Buy	19.1	77.5	87.4	108.1	26.7	23.6	6.3	5.1	4.3	5.9	21.2	19.7
Global Health	1,217	Buy	22.3	29.5	35.4	54.7	41.3	34.3	8.4	7.2	6.1	16.4	18.8	19.3
Granules India	615	Buy	23.5	31.2	38.1	26.2	19.7	16.2	3.5	3.0	2.5	14.3	16.4	17.1
GSK Pharma	2,483	Neutral	61.3	70.6	79.8	40.5	35.2	31.1	16.7	12.9	10.2	41.2	36.8	32.7
IPCA Labs.	1,404	Buy	42.8	52.0	61.6	32.8	27.0	22.8	4.5	4.0	3.5	14.7	15.7	16.2
Laurus Labs	1,107	Buy	13.4	16.8	19.6	82.4	65.9	56.4	11.4	10.0	8.7	14.7	16.2	16.5
Laxmi Dental	271	Buy	7.5	10.9	13.2	35.9	24.8	20.6	6.0	4.8	3.9	18.1	21.4	20.9
Lupin	2,106	Neutral	102.9	100.1	102.6	20.5	21.0	20.5	4.2	3.5	3.0	23.4	18.3	15.9
Mankind Pharma	2,203	Buy	45.6	59.3	72.1	48.3	37.1	30.6	5.8	5.1	4.5	12.5	14.6	15.8
Max Healthcare	1,063	Buy	16.9	23.4	25.5	63.0	45.4	41.6	8.5	7.3	6.2	14.5	17.3	16.1
Piramal Pharma	179	Buy	-0.5	1.3	3.2	-330.6	142.3	55.3	2.6	2.6	2.5	-0.9	2.0	5.1
Rubicon Research	662	Buy	13.6	18.3	24.6	48.6	36.1	27.0	9.0	7.4	5.9	25.6	22.5	24.4
Sun Pharma	1,729	Buy	49.2	57.5	64.7	35.1	30.1	26.7	5.1	4.5	4.0	15.4	16.0	15.8
Torrent Pharma	3,885	Neutral	69.4	83.8	103.2	55.9	46.3	37.6	7.2	6.0	5.0	28.2	28.4	29.1
Zydus Lifesciences	917	Neutral	44.6	44.7	48.9	20.5	20.5	18.8	3.2	2.8	2.5	17.1	14.8	14.2

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

## Ajanta Pharma

Buy

**CMP: INR2,937 | TP: INR3,400 (16%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Expect DF sales to grow 14% YoY to INR4b, due to superior show in derma/anti-diabetic/ophthal.
- US growth momentum to sustain in 3QFY26, with 26% YoY growth driven by new launches and market share gains.
- Postponement of supplies across Asian geographies is projected to revive growth in 3QFY26 to some extent.
- Growth momentum in Africa to sustain with 18.6% YoY growth led by superior execution and partly on low base.

### Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>11,449</b>	<b>11,866</b>	<b>11,461</b>	<b>11,704</b>	<b>13,027</b>	<b>13,537</b>	<b>13,155</b>	<b>13,012</b>	<b>46,481</b>	<b>52,731</b>
YoY Change (%)	12.1	15.4	3.7	11.0	13.8	14.1	14.8	11.2	10.4	13.4
Total Expenditure	7,846	8,498	8,253	8,733	9,262	9,850	9,511	9,434	33,330	38,056
<b>EBITDA</b>	<b>3,604</b>	<b>3,368</b>	<b>3,208</b>	<b>2,972</b>	<b>3,765</b>	<b>3,688</b>	<b>3,644</b>	<b>3,578</b>	<b>13,152</b>	<b>14,675</b>
YoY Change (%)	28.1	15.9	-0.3	6.8	4.5	9.5	13.6	20.4	12.2	11.6
Margins (%)	31.5	28.4	28.0	25.4	28.9	27.2	27.7	27.5	28.3	27.8
Depreciation	340	344	360	398	413	430	375	371	1,441	1,588
<b>EBIT</b>	<b>3,264</b>	<b>3,024</b>	<b>2,849</b>	<b>2,574</b>	<b>3,352</b>	<b>3,258</b>	<b>3,269</b>	<b>3,208</b>	<b>11,710</b>	<b>13,087</b>
YoY Change (%)	31.5	17.7	-0.9	5.4	2.7	7.7	14.8	24.6	13.0	11.8
Interest	7	60	79	61	53	34	66	66	207	218
Other Income	182	195	129	111	170	197	165	175	616	706
<b>PBT before EO expense</b>	<b>3,439</b>	<b>3,159</b>	<b>2,898</b>	<b>2,624</b>	<b>3,469</b>	<b>3,421</b>	<b>3,368</b>	<b>3,316</b>	<b>12,119</b>	<b>13,575</b>
Extra-Ord expense	-217	-257	176	71	-158	-13	0	0	-227	-171
<b>PBT</b>	<b>3,221</b>	<b>2,902</b>	<b>3,074</b>	<b>2,694</b>	<b>3,311</b>	<b>3,408</b>	<b>3,368</b>	<b>3,316</b>	<b>11,892</b>	<b>13,404</b>
Tax	764	738	745	442	758	806	775	789	2,688	3,128
Effective Rate (%)	23.7	25.4	24.2	16.4	22.9	23.7	23.0	23.8	22.6	23.3
<b>Reported PAT</b>	<b>2,458</b>	<b>2,165</b>	<b>2,329</b>	<b>2,253</b>	<b>2,553</b>	<b>2,602</b>	<b>2,594</b>	<b>2,527</b>	<b>9,204</b>	<b>10,276</b>
<b>Adj PAT</b>	<b>2,624</b>	<b>2,356</b>	<b>2,196</b>	<b>2,194</b>	<b>2,675</b>	<b>2,612</b>	<b>2,594</b>	<b>2,527</b>	<b>9,369</b>	<b>10,407</b>
YoY Change (%)	30.8	26.5	3.3	16.4	2.0	10.9	18.1	15.2	18.9	11.1
Margins (%)	22.6	19.5	18.9	18.6	20.3	19.0	19.5	19.2	19.9	19.5

## Alembic Pharma

Neutral

**CMP: INR848 | TP: INR882 (6%)**
**EPS CHANGE (%): FY26|27|28: 2|1.9|3**

- New launches to drive 9% YoY growth in US sales, reaching USD66m during the quarter.
- EBITDA margins expected to improve to 16.4% driven by better operating leverage.
- Expect DF sales to grow modestly by 4.3% YoY in 3Q, impacted by muted show in anti-infective, respiratory and gastro therapies.
- Expect 12% YoY growth in the API business, led by lower base and improved demand.

### Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>15,617</b>	<b>16,480</b>	<b>16,927</b>	<b>17,696</b>	<b>17,107</b>	<b>19,102</b>	<b>18,509</b>	<b>18,870</b>	<b>66,721</b>	<b>73,588</b>
YoY Change (%)	5.1	3.3	3.8	16.7	9.5	15.9	9.3	6.6	7.1	10.3
Total Expenditure	13,249	14,087	14,325	14,977	14,294	15,945	15,474	15,757	56,639	61,469
<b>EBITDA</b>	<b>2,368</b>	<b>2,393</b>	<b>2,602</b>	<b>2,719</b>	<b>2,813</b>	<b>3,157</b>	<b>3,035</b>	<b>3,114</b>	<b>10,082</b>	<b>12,119</b>
YoY Change (%)	19.2	14.9	-2.4	4.6	18.8	31.9	16.7	14.5	8.1	20.2
Margins (%)	15.2	14.5	15.4	15.4	16.4	16.5	16.4	16.5	15.1	16.5
Depreciation	690	705	700	690	738	761	798	813	2,786	3,109
<b>EBIT</b>	<b>1,678</b>	<b>1,688</b>	<b>1,902</b>	<b>2,029</b>	<b>2,075</b>	<b>2,396</b>	<b>2,238</b>	<b>2,300</b>	<b>7,297</b>	<b>9,010</b>
YoY Change (%)	26.6	19.9	-3.6	6.5	23.7	42.0	17.7	13.3	10.5	23.5
Interest	132	188	223	245	235	242	205	159	788	841
Other Income	21	167	95	142	65	69	171	375	425	680
<b>PBT</b>	<b>1,567</b>	<b>1,796</b>	<b>1,774</b>	<b>1,926</b>	<b>1,905</b>	<b>2,223</b>	<b>2,204</b>	<b>2,516</b>	<b>7,063</b>	<b>8,848</b>
Rate (%)	14.4	15.2	22.6	18.3	19.1	23.9	18.1	18.0	17.7	19.8
MI & P/L of Asso. Cos.	-5	-11	-11	4	-3	-24	9	11	-23	-7
<b>Reported PAT</b>	<b>1,347</b>	<b>1,534</b>	<b>1,384</b>	<b>1,569</b>	<b>1,544</b>	<b>1,715</b>	<b>1,796</b>	<b>2,052</b>	<b>5,834</b>	<b>7,107</b>
<b>Adj PAT</b>	<b>1,347</b>	<b>1,425</b>	<b>1,384</b>	<b>1,569</b>	<b>1,544</b>	<b>1,715</b>	<b>1,796</b>	<b>2,052</b>	<b>5,725</b>	<b>7,107</b>
YoY Change (%)	11.6	3.6	-23.5	-12.3	14.6	20.4	29.7	30.8	-7.2	24.1
Margins (%)	8.6	8.6	8.2	8.9	9.0	9.0	9.7	10.9	8.6	9.7

## Alkem Labs

**Neutral**
**CMP: INR5,588 | TP: INR5,500 (-2%)**
**EPS CHANGE (%): FY26|27|28: (6.7)|(1)|(1)**

- Expect DF sales to grow 8% YoY, impacted by weakness in Anti-infectives.
- Expect opex related to Enzene US plant/med tech to affect profitability for 3Q.
- Expect US sales to grow by 14% YoY to INR7.2b, backed by new product launches.
- Ex-US sales to grow at 22% YoY on the back of superior execution in Australia and other European markets.

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Revenues</b>	<b>30,318</b>	<b>34,147</b>	<b>33,743</b>	<b>31,438</b>	<b>33,711</b>	<b>40,010</b>	<b>36,750</b>	<b>34,116</b>	<b>129,645</b>	<b>144,127</b>
YoY Change (%)	2.2	-0.7	1.5	7.1	11.2	17.2	8.9	8.5	2.3	11.2
<b>Total Expenditure</b>	<b>24,232</b>	<b>26,618</b>	<b>26,149</b>	<b>27,525</b>	<b>26,321</b>	<b>30,802</b>	<b>29,658</b>	<b>29,340</b>	<b>104,524</b>	<b>73,705</b>
<b>EBITDA</b>	<b>6,086</b>	<b>7,528</b>	<b>7,594</b>	<b>3,913</b>	<b>7,391</b>	<b>9,208</b>	<b>7,093</b>	<b>4,776</b>	<b>25,121</b>	<b>28,007</b>
YoY Change (%)	56.4	0.8	7.3	-2.7	21.4	22.3	-6.6	22.1	11.9	11.5
Margins (%)	20.1	22.0	22.5	12.4	21.9	23.0	19.3	14.0	19.4	19.4
<b>Depreciation</b>	<b>805</b>	<b>789</b>	<b>853</b>	<b>1,125</b>	<b>877</b>	<b>936</b>	<b>955</b>	<b>928</b>	<b>3,572</b>	<b>3,696</b>
<b>EBIT</b>	<b>5,282</b>	<b>6,739</b>	<b>6,741</b>	<b>2,788</b>	<b>6,514</b>	<b>8,272</b>	<b>6,138</b>	<b>3,848</b>	<b>21,550</b>	<b>24,311</b>
YoY Change (%)	66.7	0.2	5.7	-12.5	23.3	22.7	-8.9	38.0	57.4	24.9
Margins (%)	17.4	19.7	20.0	8.9	19.3	20.7	16.7	11.3	16.6	16.9
<b>Interest</b>	<b>291</b>	<b>281</b>	<b>360</b>	<b>284</b>	<b>298</b>	<b>350</b>	<b>310</b>	<b>320</b>	<b>1,217</b>	<b>1,278</b>
<b>Other Income</b>	<b>1,203</b>	<b>1,345</b>	<b>930</b>	<b>1,460</b>	<b>1,365</b>	<b>1,400</b>	<b>1,150</b>	<b>1,050</b>	<b>4,937</b>	<b>4,965</b>
<b>PBT after EO Exp</b>	<b>6,194</b>	<b>7,803</b>	<b>7,311</b>	<b>3,963</b>	<b>7,710</b>	<b>9,321</b>	<b>6,978</b>	<b>4,578</b>	<b>25,270</b>	<b>28,127</b>
Tax	691	783	903	733	1,027	1,162	1,012	687	3,110	3,888
Rate (%)	11.2	10.0	12.3	18.5	13.3	12.5	14.5	15.0	12.3	13.9
<b>PAT (pre Minority Interest)</b>	<b>5,502</b>	<b>7,020</b>	<b>6,408</b>	<b>3,230</b>	<b>6,683</b>	<b>8,159</b>	<b>5,966</b>	<b>3,891</b>	<b>22,160</b>	<b>24,240</b>
Minority Interest	51	133	150	172	41	145	190	195	505	571
<b>Reported PAT</b>	<b>5,452</b>	<b>6,886</b>	<b>6,258</b>	<b>3,059</b>	<b>6,643</b>	<b>8,014</b>	<b>5,776</b>	<b>3,696</b>	<b>21,655</b>	<b>23,669</b>
<b>Adj Net Profit</b>	<b>5,452</b>	<b>6,886</b>	<b>6,258</b>	<b>3,059</b>	<b>6,531</b>	<b>8,014</b>	<b>5,776</b>	<b>3,696</b>	<b>21,655</b>	<b>24,017</b>
YoY Change (%)	90.1	2.0	-2.6	0.6	19.8	16.4	-7.7	20.8	13.5	10.9

## Apollo Hospitals

**Buy**
**CMP: INR7,129 | TP: INR9,015 (26%)**
**EPS CHANGE (%): FY26|27|28: 0.5|0|0**

- Sales/EBITDA are likely to grow 11%/16% YoY to INR61b/INR8.8b, supported by steady growth across segments.
- Progress on comprehensive franchise build-up of healthco comprising online/offline pharmacy and back-end integration
- Progress on new projects in hospital segment.
- Outlook on GMV growth to drive the profitability of the online pharmacy business.

### Consolidated - Quarterly Earning Model

Y/E March (INRm)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Gross Sales</b>	<b>50,856</b>	<b>55,893</b>	<b>55,269</b>	<b>55,922</b>	<b>58,421</b>	<b>63,035</b>	<b>61,260</b>	<b>63,839</b>	<b>217,940</b>	<b>246,555</b>
YoY Change (%)	15.1	15.3	13.9	13.1	14.9	12.8	10.8	14.2	14.3	13.1
<b>Total Expenditure</b>	<b>44,105</b>	<b>47,738</b>	<b>47,654</b>	<b>48,225</b>	<b>49,902</b>	<b>53,624</b>	<b>52,132</b>	<b>54,582</b>	<b>187,722</b>	<b>2,10,240</b>
<b>EBITDA</b>	<b>6,751</b>	<b>8,155</b>	<b>7,615</b>	<b>7,697</b>	<b>8,519</b>	<b>9,411</b>	<b>9,128</b>	<b>9,257</b>	<b>30,218</b>	<b>36,314</b>
YoY Change (%)	32.6	30.0	24.1	20.2	26.2	15.4	19.9	20.3	26.4	20.2
Margins (%)	13.3	14.6	13.8	13.8	14.6	14.9	14.9	14.5	13.9	14.7
Depreciation	1,774	1,845	1,846	2,110	2,147	2,178	2,161	2,252	7,575	8,738
Interest	1,164	1,175	1,098	1,148	1,083	1,096	1,120	1,167	4,585	4,466
Other Income	372	382	638	611	402	547	560	758	2,003	2,267
<b>PBT</b>	<b>4,185</b>	<b>5,517</b>	<b>5,309</b>	<b>5,050</b>	<b>5,691</b>	<b>6,684</b>	<b>6,407</b>	<b>6,595</b>	<b>20,061</b>	<b>25,377</b>
Rate (%)	27.4	29.3	29.5	20.0	24.9	27.0	27.5	27.8	26.6	25.4
Minority Interest & Profit/Loss of Asso. Cos.	-12	112	18	144	-54	105	82	71	262	204
<b>Reported PAT</b>	<b>3,052</b>	<b>3,788</b>	<b>3,723</b>	<b>3,896</b>	<b>4,328</b>	<b>4,772</b>	<b>4,563</b>	<b>4,690</b>	<b>14,459</b>	<b>18,714</b>
<b>Adj PAT</b>	<b>3,052</b>	<b>3,788</b>	<b>3,723</b>	<b>3,896</b>	<b>4,328</b>	<b>4,772</b>	<b>4,563</b>	<b>4,690</b>	<b>14,459</b>	<b>18,800</b>
YoY Change (%)	83.2	63.5	51.8	53.5	41.8	26.0	22.6	20.4	61.1	30.0
Margins (%)	6.0	6.8	6.7	7.0	7.4	7.6	7.4	7.3	6.6	7.6

## Aurobindo Pharma

**Buy**
**CMP: INR1,215 | TP: INR1,430 (18%)**
**EPS CHANGE (%): FY26|27|28: (0.8)|(0.8)|(0.7)**

- Expect a 7% YoY decline in the US sales to USD405m during the quarter, partly due to reduced g-Revlimid
- Expect breakeven of China OSD facility; enhancing supply reliability and cost efficiency for European markets.
- Expect EU sales to grow 12.3% YoY to INR23b, driven by expanded offerings and increasing reach.
- Progress on capacity utilization of the PENG plant with govt in final stages to approve minimum import price for PEN-G.

### Consolidated - Quarterly Earning Model

**(INRm)**

Y/E March	FY25								FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Net Sales</b>	<b>75,670</b>	<b>77,961</b>	<b>79,785</b>	<b>83,821</b>	<b>78,681</b>	<b>82,857</b>	<b>80,651</b>	<b>84,286</b>	<b>317,237</b>	<b>326,475</b>		
YoY Change (%)	10.5	8.0	8.5	10.6	4.0	6.3	1.1	0.6	9.4	2.9		
<b>Total Expenditure</b>	<b>58,724</b>	<b>62,299</b>	<b>63,507</b>	<b>65,202</b>	<b>62,647</b>	<b>66,076</b>	<b>63,714</b>	<b>64,479</b>	<b>249,732</b>	<b>256,916</b>		
<b>EBITDA</b>	<b>16,947</b>	<b>15,661</b>	<b>16,278</b>	<b>18,619</b>	<b>16,034</b>	<b>16,781</b>	<b>16,937</b>	<b>19,807</b>	<b>67,505</b>	<b>69,559</b>		
YoY Change (%)	47.2	11.6	1.7	10.4	-5.4	7.1	4.0	6.4	15.5	3.0		
Margins (%)	22.4	20.1	20.4	22.2	20.4	20.3	21.0	23.5	21.3	21.3		
Depreciation	4,042	3,823	4,185	4,444	4,057	4,292	4,471	4,672	16,494	17,492		
Interest	1,110	1,127	1,185	1,150	978	952	942	906	4,572	3,778		
Other Income	1,199	1,360	1,573	1,232	1,053	1,156	1,380	1,400	5,364	4,989		
Forex loss/(gain)	-10	0	498	-116	4	-50	0	0	372	-46		
Exceptional (expenses)/income	249	0	0	(700)	0	0	0	0	-451	0		
<b>PBT</b>	<b>13,254</b>	<b>12,072</b>	<b>11,983</b>	<b>13,673</b>	<b>12,049</b>	<b>12,743</b>	<b>12,904</b>	<b>15,628</b>	<b>50,981</b>	<b>53,324</b>		
Tax	4,057	3,905	3,543	4,323	3,826	4,278	3,484	5,575	15,827	17,163		
Rate (%)	30.6	32.3	29.6	31.6	31.8	33.6	27.0	35.7	31.0	32.2		
Minority Interest	4	-7	-18	315	-25	-20	105	111	294	172		
<b>Reported PAT</b>	<b>9,193</b>	<b>8,174</b>	<b>8,458</b>	<b>9,035</b>	<b>8,248</b>	<b>8,485</b>	<b>9,315</b>	<b>9,942</b>	<b>34,860</b>	<b>35,989</b>		
<b>Adj PAT</b>	<b>9,013</b>	<b>8,174</b>	<b>8,809</b>	<b>9,434</b>	<b>8,250</b>	<b>8,451</b>	<b>9,315</b>	<b>9,939</b>	<b>35,430</b>	<b>35,956</b>		
YoY Change (%)	51.9	5.1	-2.4	-6.6	-8.5	3.4	5.7	5.4	7.9	1.5		
Margins (%)	11.9	10.5	11.0	11.3	10.5	10.2	11.5	11.8	11.2	11.0		

## Biocon

**Buy**
**CMP: INR393 | TP: INR460 (17%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Expect biologics sales to grow 22% YoY to INR27.8b, supported by new launches and better traction in existing products
- Expect Syngene sales to grow 8% YoY to INR10.2b.
- Outlook on GLP1 filings in other emerging markets.
- Increased competition in the generics segment is expected to keep generics sales at INR8.1b.
- Expect scale-up in biologics sales from the launch of Insulin Aspart in the US.

### Consolidated - Quarterly Earning Model

Y/E March	FY25								FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Net Sales</b>	<b>34,329</b>	<b>35,904</b>	<b>38,214</b>	<b>44,170</b>	<b>39,420</b>	<b>42,960</b>	<b>45,447</b>	<b>47,054</b>	<b>152,617</b>	<b>174,880</b>		
YoY Change (%)	0.3	3.7	6.0	12.8	14.8	19.7	18.9	6.5	5.9	14.6		
<b>Total Expenditure</b>	<b>28,120</b>	<b>29,040</b>	<b>30,357</b>	<b>33,390</b>	<b>31,770</b>	<b>34,610</b>	<b>36,494</b>	<b>37,596</b>	<b>120,907</b>	<b>140,470</b>		
<b>EBITDA</b>	<b>6,209</b>	<b>6,864</b>	<b>7,857</b>	<b>10,780</b>	<b>7,650</b>	<b>8,350</b>	<b>8,953</b>	<b>9,458</b>	<b>31,710</b>	<b>34,411</b>		
YoY Change (%)	-12.9	-7.4	36.2	17.7	23.2	21.6	13.9	-12.3	7.6	8.5		
Margins (%)	18.1	19.1	20.6	24.4	19.4	19.4	19.7	20.1	20.8	19.7		
Depreciation	4,050	4,200	4,250	4,360	4,550	4,730	4,825	4,995	16,860	19,100		
Interest	2,360	2,260	2,230	2,120	2,770	2,720	2,350	2,100	8,970	9,940		
Other Income	767	330	350	370	800	930	960	980	1,817	3,670		
Extraordinary Income	10,893	260	-163	210	-170	-120	0	0	11,200	-290		
<b>PBT</b>	<b>11,459</b>	<b>994</b>	<b>1,564</b>	<b>4,880</b>	<b>960</b>	<b>1,710</b>	<b>2,738</b>	<b>3,343</b>	<b>18,897</b>	<b>8,751</b>		
Tax Rate (%)	24.8	71.4	47.9	5.7	8.3	22.8	21.5	21.0	24.2	20.1		
Minority Interest	2,030	430	560	1,150	580	480	570	590	4,170	2,220		
<b>PAT</b>	<b>6,589</b>	<b>-146</b>	<b>254</b>	<b>3,450</b>	<b>300</b>	<b>840</b>	<b>1,580</b>	<b>2,051</b>	<b>10,147</b>	<b>4,770</b>		
<b>Adj PAT</b>	<b>-1,604</b>	<b>365</b>	<b>439</b>	<b>3,252</b>	<b>300</b>	<b>910</b>	<b>1,580</b>	<b>2,051</b>	<b>2,452</b>	<b>4,840</b>		
YoY Change (%)	-260.4	-74.7	-125.8	128.4	-118.7	149.2	259.6	-36.9	13.2	97.4		
Margins (%)	19.2	-0.4	0.7	7.8	0.8	2.0	3.5	4.4	6.6	2.7		

**Cipla**
**Neutral**
**CMP: INR1,511 | TP: INR1,500 (-1%)**
**EPS CHANGE (%): FY26|27|28: (0.8)|(0.3)|(0.5)**

- US sales to decline 15% YoY to USD192m for 3QFY26, driven by higher competition in g-Revlimid.
- Expect DF sales to witness single-digit growth of 7% YoY, hurt by a decline in Gastro and muted growth in AI.
- Progress on the deal with Eli Lilly to distribute and promote Terzapatide in India.
- Expanding into the Orthopaedics to broaden therapy coverage in India, supported by product launches in recent quarter.

**Consolidated - Quarterly Earning Model**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Revenues</b>	<b>66,939</b>	<b>70,510</b>	<b>70,730</b>	<b>67,297</b>	<b>69,575</b>	<b>75,894</b>	<b>72,820</b>	<b>70,259</b>	<b>275,476</b>	<b>288,548</b>
YoY Change (%)	5.8	5.6	7.1	9.2	3.9	7.6	3.0	4.4	6.9	4.7
<b>Total Expenditure</b>	<b>49,781</b>	<b>51,654</b>	<b>50,841</b>	<b>51,921</b>	<b>51,793</b>	<b>56,947</b>	<b>56,945</b>	<b>54,099</b>	<b>204,197</b>	<b>219,784</b>
<b>EBITDA</b>	<b>17,158</b>	<b>18,856</b>	<b>19,889</b>	<b>15,376</b>	<b>17,781</b>	<b>18,948</b>	<b>15,875</b>	<b>16,159</b>	<b>71,279</b>	<b>68,763</b>
YoY Change (%)	14.9	8.8	13.8	16.9	3.6	0.5	-20.2	5.1	13.3	-3.5
Margins (%)	25.6	26.7	28.1	22.8	25.6	25.0	21.8	23.0	25.9	23.8
Depreciation	2,467	2,717	2,798	3,087	2,527	2,970	3,118	3,009	11,070	11,624
Interest	180	154	146	140	141	132	110	100	620	482
Other Income	1,602	1,906	1,546	2,895	2,586	2,690	2,300	2,400	7,949	9,975
<b>Profit before Tax</b>	<b>16,114</b>	<b>17,891</b>	<b>18,491</b>	<b>15,043</b>	<b>17,699</b>	<b>18,535</b>	<b>14,946</b>	<b>15,451</b>	<b>67,538</b>	<b>66,632</b>
One-time (expense)/income	0	0	670	0	0	0	0	0	670	0
Tax	4,351	4,830	3,324	2,793	4,779	5,005	3,737	3,940	15,298	17,460
Rate (%)	27.0	27.0	18.0	18.6	27.0	27.0	25.0	25.5	22.7	26.2
Minority Interest	-13.5	34.9	132.1	31.8	-55.7	19.0	-60.0	-140.0	185.3	-236.7
<b>Reported PAT</b>	<b>11,776</b>	<b>13,025</b>	<b>15,705</b>	<b>12,218</b>	<b>12,976</b>	<b>13,512</b>	<b>11,270</b>	<b>11,651</b>	<b>52,725</b>	<b>49,409</b>
<b>Adj PAT</b>	<b>11,776</b>	<b>13,025</b>	<b>13,644</b>	<b>12,218</b>	<b>12,976</b>	<b>13,512</b>	<b>11,270</b>	<b>11,651</b>	<b>50,664</b>	<b>49,409</b>
YoY Change (%)	18.3	10.9	14.0	40.6	10.2	3.7	-17.4	-4.6	19.6	-2.5

**Dr Agarwal's Healthcare**
**Buy**
**CMP: INR502 | TP: INR600 (20%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Expect sales growth of 20%, largely led by the number of patients being treated.
- Watch out for the performance of newly launched facilities opened in Hassan/Palakkad.
- Progress on addition of facilities in 3Q as well as in upcoming quarters.
- Progress on the merger of Dr. Agarwal's Eye Hospital with Dr. Agarwal's Healthcare.

**Consolidated - Quarterly Earning Model**
**(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>4,035</b>	<b>4,166</b>	<b>4,307</b>	<b>4,602</b>	<b>4,874</b>	<b>4,987</b>	<b>5,169</b>	<b>5,445</b>	<b>17,110</b>	<b>20,475</b>
YoY Change (%)			29.5	31.9	20.8	19.7	20.0	18.3	28.4	19.7
<b>Total Expenditure</b>	<b>2,998</b>	<b>3,096</b>	<b>3,211</b>	<b>3,272</b>	<b>3,596</b>	<b>3,626</b>	<b>3,830</b>	<b>4,059</b>	<b>12,578</b>	<b>15,111</b>
<b>EBITDA</b>	<b>1,037</b>	<b>1,070</b>	<b>1,096</b>	<b>1,330</b>	<b>1,279</b>	<b>1,361</b>	<b>1,339</b>	<b>1,386</b>	<b>4,532</b>	<b>5,364</b>
YoY Change (%)			23.2	24.2	23.3	27.3	22.1	4.2	25.1	18.4
Margins (%)	25.7	25.7	25.4	28.9	26.2	27.3	25.9	25.4	26.5	26.2
Depreciation	555	572	582	604	630	679	690	705	2,313	2,703
Interest	270	284	284	250	247	226	230	270	1,088	972
Other Income	60	119	127	154	134	79	131	147	460	491
Extra-Ord expense	0	0	-52	45	0	0	0	0	7	0
<b>PBT</b>	<b>272</b>	<b>333</b>	<b>409</b>	<b>585</b>	<b>536</b>	<b>537</b>	<b>550</b>	<b>558</b>	<b>1,599</b>	<b>2,180</b>
Tax	89	119	128	160	155	172	162	144	495	632
Rate (%)	32.6	35.9	31.2	27.3	29.0	32.0	29.4	25.7	31.0	29.0
MI & P/L of Asso. Cos.	62	48	59	100	80	68	75	73	269	296
<b>Reported PAT</b>	<b>121</b>	<b>165</b>	<b>223</b>	<b>326</b>	<b>301</b>	<b>297</b>	<b>313</b>	<b>342</b>	<b>835</b>	<b>1,252</b>
<b>Adj PAT</b>	<b>121</b>	<b>165</b>	<b>187</b>	<b>358</b>	<b>301</b>	<b>297</b>	<b>313</b>	<b>342</b>	<b>832</b>	<b>1,252</b>
YoY Change (%)			-5.6	-7.4	148.3	79.5	67.3	-4.6	0.2	50.5
Margins (%)	3.0	4.0	4.3	7.8	6.2	6.0	6.1	6.3	4.9	6.1
<b>EPS</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>2.7</b>	<b>4.0</b>

## Divis Labs

Neutral

**CMP: INR6,390 | TP: INR6,930 (8%)**
**EPS CHANGE (%): FY26|27|28: (1.6)|0.2|(0.1)**

- DIVI is expected to deliver 15.5% YoY growth in sales on account of growth across segments.
- Expect 20%/5% YoY growth in CS/Generics sales for the quarter.
- Continue to add newer API molecules to sustain competitiveness while navigating weak pricing cycles.
- Progress on iodine-based/ gadolinium-based contrast media-related projects.

### Consolidated - Quarterly Earning Model

Y/E March (INRm)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>21,180</b>	<b>23,380</b>	<b>23,190</b>	<b>25,850</b>	<b>24,100</b>	<b>27,150</b>	<b>26,788</b>	<b>27,935</b>	<b>93,600</b>	<b>105,973</b>
YoY Change (%)	19.1	22.5	25.0	12.2	13.8	16.1	15.5	8.1	19.3	13.2
<b>Total Expenditure</b>	<b>14,960</b>	<b>16,220</b>	<b>15,760</b>	<b>16,990</b>	<b>16,810</b>	<b>18,270</b>	<b>18,350</b>	<b>18,940</b>	<b>63,930</b>	<b>72,370</b>
<b>EBITDA</b>	<b>6,220</b>	<b>7,160</b>	<b>7,430</b>	<b>8,860</b>	<b>7,290</b>	<b>8,880</b>	<b>8,438</b>	<b>8,995</b>	<b>29,670</b>	<b>33,603</b>
YoY Change (%)	23.4	43.5	51.9	21.2	17.2	24.0	13.6	1.5	33.5	13.3
Margins (%)	29.4	30.6	32.0	34.3	30.2	32.7	31.5	32.2	31.7	31.7
Depreciation	970	990	990	1,070	1,120	1,130	1,128	1,165	4,020	4,543
Interest	0	0	0	10	30	80	0	0	10	110
Other Income	780	770	720	760	800	820	833	795	3,030	3,249
<b>PBT before EO Income</b>	<b>6,030</b>	<b>6,940</b>	<b>7,160</b>	<b>8,540</b>	<b>6,940</b>	<b>8,490</b>	<b>8,143</b>	<b>8,625</b>	<b>28,670</b>	<b>32,199</b>
Forex gain /(Loss)	10	290	100	100	390	630	0	0	500	1,020
<b>PBT</b>	<b>6,040</b>	<b>7,230</b>	<b>7,260</b>	<b>8,640</b>	<b>7,330</b>	<b>9,120</b>	<b>8,143</b>	<b>8,625</b>	<b>29,170</b>	<b>33,219</b>
Tax	1,740	2,120	1,370	2,020	1,880	2,230	1,995	2,156	7,250	8,261
Rate (%)	28.8	29.3	18.9	23.4	25.6	24.5	24.5	25.0	24.9	24.9
<b>PAT</b>	<b>4,300</b>	<b>5,110</b>	<b>5,890</b>	<b>6,620</b>	<b>5,450</b>	<b>6,890</b>	<b>6,148</b>	<b>6,469</b>	<b>21,920</b>	<b>24,957</b>
<b>Adj. PAT</b>	<b>4,293</b>	<b>4,905</b>	<b>5,809</b>	<b>6,543</b>	<b>5,160</b>	<b>6,414</b>	<b>6,148</b>	<b>6,469</b>	<b>21,550</b>	<b>24,191</b>
YoY Change (%)	20.3	38.3	68.5	22.0	20.2	30.8	5.8	-1.1	35.3	12.3
Margins (%)	20.3	21.9	25.4	25.6	22.6	25.4	23.0	23.2	23.4	23.6
<b>Adj. EPS</b>	<b>16.2</b>	<b>18.5</b>	<b>21.9</b>	<b>24.7</b>	<b>19.4</b>	<b>24.2</b>	<b>23.2</b>	<b>24.4</b>	<b>81.2</b>	<b>91.1</b>

## Dr Reddy's Labs

Neutral

**CMP: INR1,255 | TP: INR1,249 (-1%)**
**EPS CHANGE (%): FY26 | 27 | 28: (4.7) | (0.1) | (0.1)**

- Expect NA sales to decline 21.6% YoY to USD310m, led by increased pricing pressure on g-Revlimid.
- Progress on semaglutide approval for the Canadian market. Progress on traction of differentiated products/categories in India market.
- Expect India business to grow 11% YoY, led by robust traction in the vaccine/cardiac/pain segment.
- Progress on filing Abatacept with the USFDA. Exploring a US CMO partnership to mitigate potential tariff related risks.

### Consolidated - Quarterly Earning Model (IFRS)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Sales</b>	<b>76,727</b>	<b>80,162</b>	<b>82,320</b>	<b>85,060</b>	<b>85,452</b>	<b>88,051</b>	<b>80,851</b>	<b>84,714</b>	<b>324,269</b>	<b>339,068</b>
YoY Change (%)	13.9	16.5	14.1	20.1	11.4	9.8	-1.8	-0.4	16.2	4.6
<b>Total Expenditure</b>	<b>55,452</b>	<b>58,134</b>	<b>60,590</b>	<b>64,555</b>	<b>63,951</b>	<b>66,798</b>	<b>63,630</b>	<b>63,959</b>	<b>238,731</b>	<b>258,338</b>
<b>EBITDA</b>	<b>21,275</b>	<b>22,028</b>	<b>21,730</b>	<b>20,505</b>	<b>21,501</b>	<b>21,253</b>	<b>17,221</b>	<b>20,755</b>	<b>85,538</b>	<b>80,730</b>
YoY Change (%)	4.0	10.3	7.1	16.1	1.1	-3.5	-20.7	1.2	9.1	-5.6
Margins (%)	27.7	27.5	26.4	24.1	25.2	24.1	21.3	24.5	26.4	23.8
Amortization	3,815	3,975	4,719	4,555	4,765	5,051	4,400	4,820	17,064	19,036
Other Income	1,366	2,600	461	3,374	2,311	3,510	2,350	2,200	7,801	10,371
<b>PBT before EO expenses</b>	<b>18,826</b>	<b>20,653</b>	<b>17,472</b>	<b>19,324</b>	<b>19,047</b>	<b>19,712</b>	<b>15,171</b>	<b>18,135</b>	<b>76,275</b>	<b>72,065</b>
One-off income/(expense)	-5	-1,486	1,270	730	0	-1,362	0	0	509	-1,362
<b>Profit before Tax</b>	<b>18,821</b>	<b>19,167</b>	<b>18,742</b>	<b>20,054</b>	<b>19,047</b>	<b>18,350</b>	<b>15,171</b>	<b>18,135</b>	<b>76,784</b>	<b>70,703</b>
Rate (%)	26.0	30.0	25.1	20.8	26.0	22.2	25.0	25.5	25.4	24.7
Minority Interest	0	862	-95	-66	-82	-104	-95	-110	701	-391
<b>Reported Profit</b>	<b>13,920</b>	<b>12,553</b>	<b>14,133</b>	<b>15,939</b>	<b>14,178</b>	<b>14,372</b>	<b>11,473</b>	<b>13,621</b>	<b>56,545</b>	<b>53,644</b>
<b>Adjusted PAT</b>	<b>13,924</b>	<b>13,593</b>	<b>13,182</b>	<b>15,361</b>	<b>14,178</b>	<b>15,431</b>	<b>11,473</b>	<b>13,621</b>	<b>56,060</b>	<b>54,703</b>
YoY Change (%)	2.0	2.4	-4.3	26.7	1.8	13.5	-13.0	-11.3	6.1	-2.4
Margins (%)	18.1	17.0	16.0	18.1	16.6	17.5	14.2	16.1	17.3	16.1

## Eris Lifesciences

**Neutral**
**CMP: INR1,531 | TP: INR1,530 (0%)**
**EPS CHANGE (%): FY26|27|28: 0.0|0.0|0.0**

- Eris is expected to deliver 15% YoY growth in sales.
- DF growth is likely to be witness healthy growth, led by superior show in Cardiac/Derma

- Watch out ANVISA's approval for oral liquid line at AMD unit with oral solid and injectables inspection scheduled
- Watch out upside from RHI Cartridges opportunity.

**Consolidated - Quarterly Earning Model**
**(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Gross Sales</b>	<b>7,197</b>	<b>7,412</b>	<b>7,275</b>	<b>7,053</b>	<b>7,730</b>	<b>7,924</b>	<b>8,366</b>	<b>8,605</b>	<b>28,936</b>	<b>32,624</b>
YoY Change (%)	54.2	46.7	49.6	28.0	7.4	6.9	15.0	22.0	44.0	12.7
<b>Total Expenditure</b>	<b>4,697</b>	<b>4,767</b>	<b>4,771</b>	<b>4,529</b>	<b>4,963</b>	<b>5,042</b>	<b>5,321</b>	<b>5,473</b>	<b>18,764</b>	<b>20,798</b>
<b>EBITDA</b>	<b>2,500</b>	<b>2,645</b>	<b>2,503</b>	<b>2,524</b>	<b>2,767</b>	<b>2,882</b>	<b>3,045</b>	<b>3,132</b>	<b>10,172</b>	<b>11,826</b>
Margins (%)	34.7	35.7	34.4	35.8	35.8	36.4	36.4	36.4	35.2	36.2
Depreciation	759	805	812	773	705	691	772	794	3,149	2,962
Interest	604	595	572	543	487	496	521	508	2,313	2,011
Other Income	16	46	42	80	27	28	33	34	184	123
<b>PBT before EO expense</b>	<b>1,153</b>	<b>1,291</b>	<b>1,162</b>	<b>1,288</b>	<b>1,602</b>	<b>1,724</b>	<b>1,785</b>	<b>1,865</b>	<b>4,894</b>	<b>6,975</b>
Extra-Ord expense	0	0	0	-1	-9	-3	0	0	-1	-12
<b>PBT</b>	<b>1,153</b>	<b>1,291</b>	<b>1,162</b>	<b>1,289</b>	<b>1,611</b>	<b>1,727</b>	<b>1,785</b>	<b>1,865</b>	<b>4,895</b>	<b>6,987</b>
Tax	259	328	292	265	360	382	407	431	1,144	1,580
Rate (%)	22.5	25.4	25.2	20.6	22.3	22.1	22.8	23.1	23.4	22.6
Minority Interest & Profit/Loss of Asso. Cos.	62	48	33	85	71	143	110	129	228	452
<b>Reported PAT</b>	<b>832</b>	<b>916</b>	<b>836</b>	<b>938</b>	<b>1,180</b>	<b>1,202</b>	<b>1,268</b>	<b>1,305</b>	<b>3,522</b>	<b>4,955</b>
<b>Adj PAT</b>	<b>832</b>	<b>916</b>	<b>836</b>	<b>938</b>	<b>1,173</b>	<b>1,200</b>	<b>1,268</b>	<b>1,305</b>	<b>3,522</b>	<b>4,946</b>
YoY Change (%)	-12.3	-25.8	-18.6	15.0	41.0	31.0	51.6	39.2	-12.4	40.4
Margins (%)	11.6	12.4	11.5	13.3	15.2	15.1	15.2	15.2	12.2	15.2

## GSK Pharma

**Neutral**
**CMP: INR2,483 | TP: INR2,560 (3%)**
**EPS CHANGE (%): FY26|27|28: 2.5|1.8|1.7**

- Expect sales growth of 11% YoY for the quarter, led by scale-up of products launched in recent past and healthy traction in legacy brands.
- Outlook on the launch and scale-up of Oncology products in the DF segment is a key monitorable.

- Progress on building the adult immunization category with Shingrix via digital screening and ongoing clinic initiatives
- Watch out for pipeline from parent to be launched in India.

**Consolidated - Quarterly Earning Model**
**(INRm)**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4Q		
<b>Net Sales</b>	<b>8,147</b>	<b>10,107</b>	<b>9,494</b>	<b>9,743</b>	<b>8,052</b>	<b>9,799</b>	<b>10,529</b>	<b>10,615</b>	<b>37,491</b>	<b>38,996</b>
YoY Change (%)	7.0	5.6	17.9	4.8	-1.2	-3.0	10.9	8.9	8.6	4.0
<b>Total Expenditure</b>	<b>5,841</b>	<b>6,891</b>	<b>6,665</b>	<b>6,412</b>	<b>5,541</b>	<b>6,442</b>	<b>6,886</b>	<b>6,857</b>	<b>25,809</b>	<b>25,727</b>
<b>EBITDA</b>	<b>2,305</b>	<b>3,216</b>	<b>2,829</b>	<b>3,332</b>	<b>2,511</b>	<b>3,357</b>	<b>3,643</b>	<b>3,758</b>	<b>11,682</b>	<b>13,269</b>
YoY Change (%)	60.2	11.1	29.7	29.5	8.9	4.4	28.8	12.8	28.6	13.6
Margins (%)	28.3	31.8	29.8	34.2	31.2	34.3	34.6	35.4	31.2	34.0
Depreciation	164	169	188	147	155	174	197	203	668	728
Interest	4	3	1	6	4	5	2	1	13	12
Other Income	356	345	351	407	437	336	300	550	1,459	1,623
<b>PBT before EO Expense</b>	<b>2,494</b>	<b>3,391</b>	<b>2,991</b>	<b>3,585</b>	<b>2,789</b>	<b>3,514</b>	<b>3,745</b>	<b>4,104</b>	<b>12,461</b>	<b>14,151</b>
Tax	671	913	782	957	740	965	992	1,067	3,323	3,764
Rate (%)	26.9	26.9	26.2	26.7	26.5	27.5	26.5	26.0	26.7	26.6
<b>Adjusted PAT</b>	<b>1,823</b>	<b>2,477</b>	<b>2,209</b>	<b>2,628</b>	<b>2,049</b>	<b>2,549</b>	<b>2,752</b>	<b>3,037</b>	<b>9,138</b>	<b>10,387</b>
YoY Change (%)	58.6	13.9	5.7	36.8	12.4	2.9	24.6	15.6	24.6	13.7
Margins (%)	22.4	24.5	23.3	27.0	25.5	26.0	26.1	28.6	24.4	26.6
One-off Expense/(Income)	0	-47	-90	0	0	-26	0	0	-137	-26
<b>Reported PAT</b>	<b>1,823</b>	<b>2,524</b>	<b>2,299</b>	<b>2,628</b>	<b>2,049</b>	<b>2,575</b>	<b>2,752</b>	<b>3,037</b>	<b>9,275</b>	<b>10,414</b>
<b>Reported PAT incl disc operations</b>	<b>1,823</b>	<b>2,477</b>	<b>2,209</b>	<b>2,628</b>	<b>2,049</b>	<b>2,575</b>	<b>2,752</b>	<b>3,037</b>	<b>9,138</b>	<b>10,414</b>

## Gland Pharma

**Buy**
**CMP: INR1,714 | TP: INR2,090 (22%)**

- Expect sales growth of 16% in 3QFY26, led by improvement in core market and Cenxi performance.
- Progress on increasing capacity utilization of GLP-1 pens/cartridge for non-regulated market.
- Watch out facility upgrade/modification and addition of lyophilizers line at Cenxi facility.
- Status of approval for limited competition products in pipeline for next 9-12M.

**EPS CHANGE (%): FY26|27|28: (2.6)|(0.6)|(0.9)**
**Consolidated - Quarterly Earning Model**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>14,017</b>	<b>14,058</b>	<b>13,841</b>	<b>14,249</b>	<b>15,056</b>	<b>14,869</b>	<b>16,065</b>	<b>17,055</b>	<b>56,165</b>	<b>63,045</b>
YoY Change (%)	16.0	2.4	-10.4	-7.3	7.4	5.8	16.1	19.7	-0.9	12.3
<b>Total Expenditure</b>	<b>11,373</b>	<b>11,088</b>	<b>10,241</b>	<b>10,774</b>	<b>11,378</b>	<b>11,730</b>	<b>12,258</b>	<b>12,910</b>	<b>43,476</b>	<b>48,276</b>
<b>EBITDA</b>	<b>2,644</b>	<b>2,970</b>	<b>3,600</b>	<b>3,475</b>	<b>3,678</b>	<b>3,139</b>	<b>3,807</b>	<b>4,144</b>	<b>12,689</b>	<b>14,769</b>
YoY Change (%)	-10.1	-8.3	-3.8	-3.1	39.1	5.7	5.8	19.3	-6.1	16.4
Margins (%)	18.9	21.1	26.0	24.4	24.4	21.1	23.7	24.3	22.6	23.4
Depreciation	920	938	963	958	1,011	1,063	1,009	1,072	3,779	4,155
Interest	56	61	228	75	115	78	68	59	420	320
Other Income	514	597	585	440	575	842	623	647	2,136	2,687
<b>PBT before EO expense</b>	<b>2,182</b>	<b>2,567</b>	<b>2,993</b>	<b>2,883</b>	<b>3,128</b>	<b>2,839</b>	<b>3,353</b>	<b>3,661</b>	<b>10,626</b>	<b>12,981</b>
One-off income/(expense)	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>2,182</b>	<b>2,567</b>	<b>2,993</b>	<b>2,883</b>	<b>3,128</b>	<b>2,839</b>	<b>3,353</b>	<b>3,661</b>	<b>10,626</b>	<b>12,981</b>
Tax	745	932	946	1,018	973	1,002	1,006	1,073	3,641	4,054
Rate (%)	34.1	36.3	31.6	35.3	31.1	35.3	30.0	29.3	34.3	31.2
<b>Reported PAT</b>	<b>1,438</b>	<b>1,635</b>	<b>2,047</b>	<b>1,865</b>	<b>2,155</b>	<b>1,837</b>	<b>2,347</b>	<b>2,588</b>	<b>6,985</b>	<b>8,928</b>
<b>Adj PAT</b>	<b>1,438</b>	<b>1,635</b>	<b>2,047</b>	<b>1,865</b>	<b>2,155</b>	<b>1,837</b>	<b>2,347</b>	<b>2,588</b>	<b>6,985</b>	<b>8,928</b>
YoY Change (%)	-25.9	-15.8	0.4	-2.7	49.9	12.3	14.7	38.8	-10.9	27.8
Margins (%)	10.3	11.6	14.8	13.1	14.3	12.4	14.6	15.2	12.4	14.2
<b>EPS</b>	<b>8.7</b>	<b>9.9</b>	<b>12.4</b>	<b>11.3</b>	<b>13.1</b>	<b>11.2</b>	<b>14.3</b>	<b>15.7</b>	<b>42.4</b>	<b>54.2</b>

## Glenmark Pharma

**Buy**
**CMP: INR2,066 | TP: INR2,380 (15%)**
**EPS CHANGE (%): FY26|27|28: (8.7)|4|0.3**

- DF is expected to grow 8.5% YoY. The growth will be driven by healthy uptake in Tevimbira/Brukinsa/Jabra offset by discontinuation of low margin brands.
- Progress on scale-up of DF business post GST led inventory corrections.
- US sales expected to deliver 4.1% YoY, on price erosion in the base portfolio. EU sales expected to deliver 15% YoY growth supported by Ryaltris/Winlevi.
- Cardiac/respiratory/anti-infective to drive growth in 3Q based on IQVIA data for 3M ending Nov'25.

**Consolidated - Quarterly Earning Model**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>INRm</b>										
<b>Net Revenues (Core)</b>	<b>32,442</b>	<b>34,338</b>	<b>33,876</b>	<b>32,562</b>	<b>32,644</b>	<b>23,769</b>	<b>37,704</b>	<b>38,320</b>	<b>133,217</b>	<b>132,437</b>
YoY Change (%)	6.9	7.1	35.1	6.3	0.6	-30.8	11.3	17.7	12.8	-0.6
<b>EBITDA</b>	<b>6,102</b>	<b>6,019</b>	<b>6,002</b>	<b>5,610</b>	<b>5,805</b>	<b>-8,704</b>	<b>8,483</b>	<b>9,005</b>	<b>23,734</b>	<b>14,589</b>
YoY Change (%)	39.5	19.1	-515.5	11.2	-4.9	-244.6	41.3	60.5	82.2	-38.5
Margins (%)	18.8	17.5	17.7	17.2	17.8	-36.6	22.5	23.5	17.8	11.0
Depreciation	1,178	1,203	1,227	1,252	1,299	1,412	1,328	1,379	4,860	5,418
Interest	396	485	523	667	582	665	250	55	2,071	1,551
Other Income	315	324	311	117	264	2,006	135	140	1,067	2,546
One-off loss/(gain)	220	-70	0	3,728	3,232	-18,449	0	0	3,878	-15,217
<b>PBT after EO Exp.</b>	<b>4,623</b>	<b>4,726</b>	<b>4,563</b>	<b>80</b>	<b>956</b>	<b>9,674</b>	<b>7,041</b>	<b>7,711</b>	<b>13,992</b>	<b>25,382</b>
Rate (%)	26.4	25.0	23.7	45.0	50.9	36.9	25.0	25.5	25.2	30.7
<b>Rep.PAT</b>	<b>3,402</b>	<b>3,545</b>	<b>3,480</b>	<b>44</b>	<b>470</b>	<b>6,104</b>	<b>5,281</b>	<b>5,745</b>	<b>10,471</b>	<b>17,600</b>
Minority Interest	0	3	1	-3	1	1	0	-2	0	0
<b>Rep. PAT after Minority Int.</b>	<b>3,403</b>	<b>3,542</b>	<b>3,480</b>	<b>47</b>	<b>469</b>	<b>6,104</b>	<b>5,281</b>	<b>5,747</b>	<b>10,471</b>	<b>17,600</b>
<b>Adj PAT</b>	<b>3,565</b>	<b>3,490</b>	<b>3,480</b>	<b>2,932</b>	<b>3,140</b>	<b>-8,776</b>	<b>5,281</b>	<b>5,747</b>	<b>13,466</b>	<b>5,392</b>
YoY Change (%)	220.9	149.8	-199.8	74.6	-11.9	NA	51.8	96.0	1,821.0	-60.0
Margins (%)	11.0	10.2	10.3	9.0	9.6	-36.9	14.0	15.0	10.1	4.1
<b>Overall Adj. PAT</b>	<b>3,565</b>	<b>3,490</b>	<b>3,480</b>	<b>2,932</b>	<b>3,140</b>	<b>(8,776)</b>	<b>5,281</b>	<b>5,747</b>	<b>13,466</b>	<b>5,392</b>

## Global Health

**Buy**
**CMP: INR1,217 | TP: INR1,480 (22%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- ARPOB is expected to grow 11% YoY in mature hospitals, while developing hospitals may see modest 4% YoY growth.
- International patient volumes should remain strong and continue to support revenue growth.
- Occupancy at mature hospitals is expected to remain stable, while developing hospitals' occupancy is projected to rise
- Noida ramp-up is likely to pressure margins in the near term due to operating cost absorption but would start contributing meaningfully to revenue in the upcoming quarters.

### Consolidated - Quarterly Earning Model

Y/E March	FY25								FY26		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
INRm												
Gross Sales	8,611	9,566	9,434	9,312	10,308	10,992	10,684	9,748	36,923	41,733		
YoY Change (%)	11.4	13.3	12.8	15.2	19.7	14.9	13.2	4.7	12.7	13.0		
Total Expenditure	6,699	7,222	7,023	7,066	8,038	8,683	8,291	7,350	28,008	32,362		
EBITDA	1,912	2,344	2,412	2,247	2,270	2,309	2,393	2,398	8,915	9,371		
YoY Change (%)	3.7	7.3	8.9	17.6	18.7	-1.5	-0.8	6.7	7.6	5.1		
Margins (%)	22.2	24.5	25.6	24.1	22.0	21.0	22.4	24.6	24.1	22.5		
Depreciation	515	555	519	493	451	497	559	510	2,082	2,017		
Interest	180	160	163	150	138	171	160	165	653	634		
Other Income	219	182	160	229	205	197	252	264	791	918		
PBT before EO expense	1,437	1,811	1,891	1,833	1,886	1,838	1,926	1,987	6,972	7,637		
Extra-Ord expense/(Income)	0	0	0	-499	196	160	0	0	-499	356		
PBT	1,437	1,811	1,891	1,334	2,081	1,998	1,926	1,987	6,473	7,993		
Tax	374	503	462	321	492	414	405	427	1,659	1,737		
Rate (%)	26.0	27.8	24.4	24.0	23.6	20.7	21.0	21.5	25.6	21.7		
Minority Interest & Asso. Cos. P/L	0	0	0	0	0	0	0	0	0	0		
Reported PAT	1,063	1,308	1,429	1,014	1,590	1,584	1,522	1,560	4,813	6,255		
Adj PAT	1,063	1,308	1,429	1,393	1,440	1,458	1,522	1,560	5,193	5,977		
YoY Change (%)	4.2	4.5	15.6	9.4	35.6	11.4	6.5	12.0	8.6	15.1		
Margins (%)	12.3	13.7	15.1	15.0	14.0	13.3	14.2	16.0	14.1	14.3		

## Granules India

**Buy**
**CMP: INR615 | TP: INR710 (15%)**
**EPS CHANGE (%): FY26|27|28: (3.3)|(0.4)|1.2**

- Growth is expected to be driven by capacity expansion, portfolio diversification, and stronger compliance.
- Progress on CDMO scale-up as well as integration of the peptides R&D platform with India manufacturing.
- Progress on re-inspection at Gagillapur facility.
- USFDA approval for GLS's Hyderabad facility in Nov'25 should further contribute the finished-dosage business.

### Consolidated - Quarterly Earning Model

Y/E March	FY25								FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
INRm												
Net Sales	11,799	9,666	11,377	11,974	12,101	12,970	12,611	13,920	44,816	51,602		
YoY Change (%)	19.7	-18.7	-1.5	1.8	2.6	34.2	10.9	16.2	-0.5	15.1		
Total Expenditure	9,206	7,633	9,074	9,451	9,634	10,188	9,837	10,788	35,364	40,446		
EBITDA	2,593	2,033	2,303	2,524	2,467	2,782	2,775	3,132	9,452	11,156		
YoY Change (%)	64.2	-4.5	-8.1	-1.3	-4.8	36.8	20.5	24.1	7.8	18.0		
Margins (%)	22.0	21.0	20.2	21.1	20.4	21.5	22.0	22.5	21.1	21.6		
Depreciation	529	525	566	635	688	720	715	737	2,255	2,861		
EBIT	2,064	1,508	1,737	1,889	1,779	2,062	2,060	2,395	7,197	8,295		
YoY Change (%)	90.0	-6.0	-12.3	-6.7	-13.8	36.7	18.6	26.8	7.5	15.3		
Margins (%)	17.5	15.6	15.3	15.8	14.7	15.9	16.3	17.2	16.1	16.1		
Interest	270	257	266	240	238	292	283	283	1,032	1,096		
Other Income	21	32	57	19	163	-11	32	35	129	218		
PBT before EO expense	1,814	1,284	1,528	1,668	1,704	1,759	1,808	2,147	6,294	7,418		
Extra-Ord expense	0	0	0	-308	259	0	0	0	-308	259		
PBT	1,814	1,284	1,528	1,976	1,445	1,759	1,808	2,147	6,601	7,159		
Tax	468	311	352	455	319	453	405	487	1,587	1,664		
Rate (%)	25.8	24.3	23.0	23.0	22.1	25.7	22.4	22.7	24.0	23.2		
Minority Interest & Asso. Cos. P/L	0	0	0	0	0	0	0	0	0	0		
Reported PAT	1,346	972	1,176	1,520	1,126	1,306	1,403	1,659	5,015	5,495		
Adjusted PAT	1,346	972	1,176	1,284	1,328	1,306	1,403	1,659	4,778	5,697		
YoY Change (%)	112.7	-4.8	-6.4	-1.0	-1.4	34.3	19.3	29.3	13.6	19.2		
Margins (%)	11.4	10.1	10.3	10.7	11.0	10.1	11.1	11.9	10.7	11.0		

## Ipcat Laboratories

Buy

CMP: INR1,404 | TP: INR1,645 (17%)

EPS CHANGE (%): FY26|27|28: (1.1)|(1.1)|(1.1)

- Overall sales are expected to grow 7.2% YoY, driven by domestic growth across Formulations and APIs.
- Weakness in Unichem performance to affect overall YoY growth for the quarter.
- DF is expected to grow 12.5% YoY, led by strong execution in antineoplastics, pain, and cardiac therapies, partially offset by stable growth in anti-infectives.
- Growth across both chronic and acute therapies should continue to support DF performance.

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
INRm										
<b>Net Revenues (Core)</b>	<b>20,926</b>	<b>23,549</b>	<b>22,454</b>	<b>22,467</b>	<b>23,089</b>	<b>25,565</b>	<b>24,081</b>	<b>23,804</b>	<b>89,396</b>	<b>96,538</b>
YoY Change (%)	31.8	15.8	9.4	10.5	10.3	8.6	7.2	5.9	16.0	8.0
<b>EBITDA</b>	<b>3,927</b>	<b>4,425</b>	<b>4,631</b>	<b>4,289</b>	<b>4,164</b>	<b>5,449</b>	<b>4,840</b>	<b>4,427</b>	<b>17,271</b>	<b>18,881</b>
YoY Change (%)	33.5	22.7	39.9	33.2	6.0	23.2	4.5	3.2	32.1	9.3
Margins (%)	18.8	18.8	20.6	19.1	18.0	21.3	20.1	18.6	19.3	19.6
Depreciation	989	1,004	985	1,001	1,001	1,033	1,026	1,014	3,978	4,073
<b>EBIT</b>	<b>2,938</b>	<b>3,421</b>	<b>3,646</b>	<b>3,287</b>	<b>3,164</b>	<b>4,416</b>	<b>3,815</b>	<b>3,414</b>	<b>13,293</b>	<b>14,808</b>
YoY Change (%)	30.7	26.6	57.5	46.9	7.7	29.1	4.6	3.8	39.9	11.4
Margins (%)	14.0	14.5	16.2	14.6	13.7	17.3	15.8	14.3	14.9	15.3
Interest	241	226	168	215	185	196	184	171	849	736
Other Income	206	263	201	258	327	279	290	310	928	1,205
<b>PBT before EO Expense</b>	<b>2,904</b>	<b>3,458</b>	<b>3,679</b>	<b>3,331</b>	<b>3,305</b>	<b>4,498</b>	<b>3,921</b>	<b>3,553</b>	<b>13,372</b>	<b>15,277</b>
One-off (gain)/ Expense	0	0	0	2,051	0	583	0	0	2,051	583
<b>PBT after EO Expense</b>	<b>2,904</b>	<b>3,458</b>	<b>3,679</b>	<b>1,280</b>	<b>3,305</b>	<b>3,916</b>	<b>3,921</b>	<b>3,553</b>	<b>11,321</b>	<b>14,694</b>
Tax	914	994	906	622	961	1,081	1,161	1,066	3,436	4,268
Rate (%)	31.5	28.7	24.6	48.6	29.1	27.6	29.6	30.0	25.7	27.9
<b>Reported PAT</b>	<b>1,990</b>	<b>2,464</b>	<b>2,773</b>	<b>658</b>	<b>2,344</b>	<b>2,835</b>	<b>2,760</b>	<b>2,487</b>	<b>7,885</b>	<b>10,426</b>
Minority Interest & Asso. Cos. P/L	-67	-160	-292	20	-12	-9	19	20	-499	18
<b>Adj PAT after Minority Int</b>	<b>1,922</b>	<b>2,305</b>	<b>2,481</b>	<b>2,418</b>	<b>2,332</b>	<b>3,247</b>	<b>2,779</b>	<b>2,507</b>	<b>9,127</b>	<b>10,866</b>
YoY Change (%)	24.9	36.4	122.5	23.4	21.3	40.9	12.0	3.7	44.8	19.1
Margins (%)	9.2	9.8	11.1	10.8	10.1	12.7	11.5	10.5	10.2	11.3

## Laurus Labs

Buy

CMP: INR1,107 | TP: INR1,280 (16%)

EPS CHANGE (%): FY26|27|28: 0.0|0.0|0.0

- Expect 17.4% YoY growth in revenue with quarterly run-rate crossing previous highs.
- EBITDA margins are projected to expand by 420 bps versus 3QFY25, driven by an improved CDMO mix and cost optimization initiatives.
- The FDF and API businesses are expected to sustain momentum, delivering ~15% YoY growth in 3Q.
- Phase I of the Vizag fermentation facility is expected to become operational by 4QFY26, providing an additional growth driver for the bio business.

### Consolidated- Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
INRm										
<b>Net Sales</b>	<b>11,949</b>	<b>12,237</b>	<b>14,151</b>	<b>17,203</b>	<b>15,696</b>	<b>16,535</b>	<b>16,611</b>	<b>17,968</b>	<b>55,540</b>	<b>66,809</b>
YoY Change (%)	1.1	-0.1	18.4	19.5	31.4	35.1	17.4	4.4	10.2	20.3
<b>EBITDA</b>	<b>1,712</b>	<b>1,783</b>	<b>2,852</b>	<b>4,206</b>	<b>3,821</b>	<b>4,033</b>	<b>3,887</b>	<b>4,600</b>	<b>10,553</b>	<b>16,340</b>
YoY Change (%)	2.7	-5.1	57.2	74.2	123.2	126.1	36.3	9.4	35.7	54.8
Margins (%)	14.3	14.6	20.2	24.4	24.3	24.4	23.4	25.6	19.0	24.5
Depreciation	1,061	1,075	1,061	1,104	1,168	1,205	1,232	1,306	4,301	4,911
<b>EBIT</b>	<b>651</b>	<b>708</b>	<b>1,791</b>	<b>3,102</b>	<b>2,653</b>	<b>2,828</b>	<b>2,655</b>	<b>3,293</b>	<b>6,252</b>	<b>11,429</b>
YoY Change (%)	-14.5	-25.1	115.7	122.8	307.3	299.3	48.3	6.2	59.1	82.8
Margins (%)	5.5	5.8	12.7	18.0	16.9	17.1	16.0	18.3	11.3	17.1
Interest	492	526	578	564	515	400	443	459	2,160	1,817
Other Income	25	46	94	-3	104	270	56	52	163	482
<b>PBT before EO expense</b>	<b>185</b>	<b>228</b>	<b>1,307</b>	<b>2,535</b>	<b>2,242</b>	<b>2,697</b>	<b>2,268</b>	<b>2,887</b>	<b>4,254</b>	<b>10,095</b>
<b>PBT</b>	<b>185</b>	<b>228</b>	<b>1,307</b>	<b>3,123</b>	<b>2,242</b>	<b>2,697</b>	<b>2,268</b>	<b>2,887</b>	<b>4,843</b>	<b>10,095</b>
Tax	63	51	401	785	631	760	635	794	1,299	2,820
Rate (%)	33.9	22.3	30.7	25.1	28.2	28.2	28.0	27.5	26.8	27.9
Minority Interest & Asso. Cos. P/L	-5	-21	-17	20	7	-3	15	16	13	36
<b>Reported PAT</b>	<b>127</b>	<b>198</b>	<b>923</b>	<b>2,319</b>	<b>1,603</b>	<b>1,940</b>	<b>1,618</b>	<b>2,077</b>	<b>3,531</b>	<b>7,239</b>
<b>Adj PAT</b>	<b>127</b>	<b>198</b>	<b>923</b>	<b>1,878</b>	<b>1,603</b>	<b>1,940</b>	<b>1,618</b>	<b>2,077</b>	<b>3,126</b>	<b>7,239</b>
YoY Change (%)	-52.7	-46.3	298.9	148.4	1,164.5	877.9	75.3	10.6	92.4	131.5
Margins (%)	1.1	1.6	6.5	10.9	10.2	11.7	9.7	11.6	5.6	10.8

## Laxmi Dental

**Buy**
**CMP: INR271 | TP: INR340 (26%)**
**EPS CHANGE (%): FY26|27|28: (10.7)|(3.8)|(3.7)**

- Revenue is expected to grow at a low double-digit rate, impacted by global policy-related headwinds and a temporary slowdown in the Bizdent business.
- EBITDA margins are expected to remain broadly stable, due to lower operating leverage.
- Change in geo-political scenario will be a key monitorable.

**Consolidated - Quarterly Earning Model**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>INRm</b>										
<b>Net Sales</b>	<b>597</b>	<b>571</b>	<b>617</b>	<b>607</b>	<b>656</b>	<b>723</b>	<b>678</b>	<b>784</b>	<b>2,391</b>	<b>2,841</b>
YoY Change (%)	N/A	N/A	29.0	10.2	9.9	26.5	10.0	29.2	23.5	18.8
Total Expenditure	457	484	520	511	537	612	573	613	1,972	2,335
<b>EBITDA</b>	<b>140</b>	<b>87</b>	<b>96</b>	<b>95</b>	<b>119</b>	<b>110</b>	<b>105</b>	<b>171</b>	<b>419</b>	<b>506</b>
YoY Change (%)	N/A	N/A	144.7	-18.5	-15.0	26.3	9.4	79.8	76.1	20.8
Margins (%)	23.5	15.3	15.6	15.7	18.2	15.3	15.5	21.8	17.5	17.8
Depreciation	34	34	40	43	36	37	39	44	150	156
<b>EBIT</b>	<b>106</b>	<b>53</b>	<b>57</b>	<b>52</b>	<b>83</b>	<b>73</b>	<b>66</b>	<b>127</b>	<b>269</b>	<b>349</b>
YoY Change (%)	N/A	N/A	728.8	-38.0	-21.7	36.6	16.8	143.1	126.7	30.0
Interest	14	12	15	13	5	2	2	1	54	10
Other Income	4	7	6	16	17	24	22	15	33	78
<b>PBT before EO expense</b>	<b>96</b>	<b>49</b>	<b>47</b>	<b>56</b>	<b>96</b>	<b>94</b>	<b>86</b>	<b>141</b>	<b>248</b>	<b>417</b>
Extra-Ord expense	-59	0	0	-4	0	0	0	0	-70	0
<b>PBT</b>	<b>155</b>	<b>49</b>	<b>47</b>	<b>60</b>	<b>96</b>	<b>94</b>	<b>86</b>	<b>141</b>	<b>318</b>	<b>417</b>
Tax	18	11	11	25	23	19	20	24	65	86
Rate (%)	11.4	23.3	22.7	41.2	23.8	19.8	23.5	17.2	20.3	20.6
MI & P/L of Asso. Cos.	-20	-22	-12	-8	10	10	10	53	64	83
<b>Reported PAT</b>	<b>157</b>	<b>59</b>	<b>48</b>	<b>43</b>	<b>83</b>	<b>85</b>	<b>75</b>	<b>170</b>	<b>318</b>	<b>414</b>
<b>Adj PAT</b>	<b>105</b>	<b>59</b>	<b>48</b>	<b>40</b>	<b>83</b>	<b>85</b>	<b>75</b>	<b>170</b>	<b>262</b>	<b>414</b>
YoY Change (%)	N/A	N/A	133.2	-51.0	-21.3	44.8	57.1	319.5	4.9	58.3
Margins (%)	17.6	10.3	7.8	6.7	12.6	11.8	11.1	21.6	10.9	14.6

## Lup

**Neutral**
**CMP: INR2,106 | TP: INR2,125 (1%)**
**EPS CHANGE (%): FY26|27|28: 1.5|1.2|1.2**

- US growth is expected to remain strong, supported by Tolvaptan exclusivity and continued traction in Mirabegron and g-Spiriva, offsetting mild price erosion.
- Emerging markets, including Brazil and South Africa, are expected to drive growth.
- Increased focus on chronic therapies should result in relatively better growth for domestic formulations in 3Q, majorly driven by cardiac/respiratory therapies.
- EBITDA margins may moderate sequentially due to higher R&D spend and lower PLI income.

**Consolidated- Quarterly Earning Model**

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>INRm</b>										
<b>Net Sales</b>	<b>56,003</b>	<b>55,427</b>	<b>56,927</b>	<b>56,671</b>	<b>62,684</b>	<b>70,475</b>	<b>67,614</b>	<b>62,860</b>	<b>2,25,028</b>	<b>2,63,632</b>
YoY Change (%)	21.5	10.0	9.5	14.2	11.9	27.1	18.8	10.9	13.6	17.2
Total Expenditure	42,389	43,059	43,162	43,750	46,269	49,099	48,614	46,265	1,72,361	1,90,247
<b>EBITDA</b>	<b>13,614</b>	<b>12,368</b>	<b>13,765</b>	<b>12,921</b>	<b>16,415</b>	<b>21,376</b>	<b>18,999</b>	<b>16,595</b>	<b>52,668</b>	<b>73,386</b>
YoY Change (%)	109.0	34.0	34.7	29.6	20.6	72.8	38.0	28.4	46.6	39.3
Margins (%)	24.3	22.3	24.2	22.8	26.2	30.3	28.1	26.4	23.4	27.8
Depreciation	2,477	2,569	2,715	3,932	2,990	3,168	3,434	3,192	11,693	12,783
<b>EBIT</b>	<b>11,137</b>	<b>9,799</b>	<b>11,050</b>	<b>8,989</b>	<b>13,425</b>	<b>18,208</b>	<b>15,566</b>	<b>13,403</b>	<b>40,975</b>	<b>60,603</b>
YoY Change (%)	167.3	45.1	44.5	21.3	20.5	85.8	40.9	49.1	57.7	47.9
Margins (%)	19.9	17.7	19.4	15.9	21.4	25.8	23.0	21.3	18.2	23.0
Interest	680	709	669	891	918	1,076	820	554	2,949	3,367
Other Income	678	423	537	570	790	900	620	140	2,207	2,450
EO Exp/(Inc)	1,204	-1,036	956	-291	-859	-2,037	0	0	834	-2,896
<b>PBT</b>	<b>9,930</b>	<b>10,549</b>	<b>9,963</b>	<b>8,958</b>	<b>14,156</b>	<b>20,070</b>	<b>15,366</b>	<b>12,989</b>	<b>39,401</b>	<b>62,582</b>
Tax	1,875	1,954	2,124	1,135	1,941	5,221	3,304	2,884	7,087	13,349
Rate (%)	18.9	18.5	21.3	12.7	13.7	26.0	21.5	22.2	18.0	21.3
Minority Interest & Asso. Cos. P/L	-42	-69	-37	-99	-24	-69	-70	-72	-246	-235
<b>Reported PAT</b>	<b>8,013</b>	<b>8,526</b>	<b>7,802</b>	<b>7,726</b>	<b>12,191</b>	<b>14,779</b>	<b>11,992</b>	<b>10,034</b>	<b>32,067</b>	<b>48,996</b>
<b>Adj PAT</b>	<b>8,990</b>	<b>7,682</b>	<b>8,554</b>	<b>7,472</b>	<b>11,450</b>	<b>13,272</b>	<b>11,992</b>	<b>10,034</b>	<b>32,698</b>	<b>46,748</b>
YoY Change (%)	214.9	55.5	42.6	47.0	27.4	72.8	40.2	34.3	73.2	43.0
Margins (%)	16.1	13.9	15.0	13.2	18.3	18.8	17.7	16.0	14.5	17.7

## Mankind Pharma

**Buy**
**CMP: INR2,203 | TP: INR2,625 (19%)**
**EPS CHANGE (%): FY26 | 27 | 28: (0.3) | (3.5) | (2.4)**

- Full quarter impact of BSV and gradual revival in DF sales is expected to drive 11.6% YoY growth in sales.
- Expect OTC business to show growth uptick post GST led disruption in earlier quarter.
- Progress on results post corrective measures taken in Rx segment.
- Secondary sales for Mankind are expected to remain in the single digits, based on IQVIA data for the 3M ending Nov'25.

### Consolidated - Quarterly Earning Model

Y/E March (INR m)	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1QE	2Q	3QE	4QE		
Gross Sales	28,934	30,765	31,988	30,794	35,704	36,972	35,711	33,982	1,22,481	1,42,369
YoY Change (%)	12.2	13.6	22.7	26.1	23.4	20.2	11.6	10.4	18.5	16.2
Total Expenditure	21,697	22,265	23,828	23,712	27,236	27,758	26,784	25,894	91,698	1,07,672
<b>EBITDA</b>	<b>7,238</b>	<b>8,500</b>	<b>8,160</b>	<b>7,082</b>	<b>8,468</b>	<b>9,213</b>	<b>8,928</b>	<b>8,088</b>	<b>30,783</b>	<b>34,696</b>
YoY growth %	10.5	24.5	34.5	19.8	17.0	8.4	9.4	14.2	21.4	12.7
Margins (%)	25.0	27.6	25.5	23.0	23.7	24.9	25.0	23.8	25.1	24.4
Depreciation	1,077	1,056	1,872	2,309	2,187	2,218	2,197	2,299	6,212	8,901
Interest	109	71	2,209	1,905	1,707	1,697	1,447	1,240	4,294	6,090
Other Income	1,006	1,094	770	1,013	799	919	839	856	5,368	3,412
<b>PBT before EO expense</b>	<b>7,057</b>	<b>8,468</b>	<b>4,849</b>	<b>3,881</b>	<b>5,373</b>	<b>6,217</b>	<b>6,124</b>	<b>5,404</b>	<b>25,645</b>	<b>23,118</b>
Extra-Ord expense	420	0	0	-1,250	0	0	0	0	-830	0
<b>PBT</b>	<b>6,637</b>	<b>8,468</b>	<b>4,849</b>	<b>3,881</b>	<b>5,373</b>	<b>6,217</b>	<b>6,124</b>	<b>5,404</b>	<b>26,475</b>	<b>23,118</b>
Tax	1,246	1,904	1,105	864	958	1,038	1,053	962	5,097	4,012
Rate (%)	18.8	22.5	22.8	16.8	17.8	16.7	17.2	17.8	19.3	17.4
Minority Interest & Asso. Cos. P/L	26.7	28.4	8.5	15.6	94.7	109.9	30.0	46.6	79.2	281.2
<b>Reported PAT</b>	<b>5,365</b>	<b>6,535</b>	<b>3,736</b>	<b>4,251</b>	<b>4,320</b>	<b>5,069</b>	<b>5,040</b>	<b>4,396</b>	<b>21,298</b>	<b>18,825</b>
<b>Adj PAT</b>	<b>5,706</b>	<b>6,535</b>	<b>3,736</b>	<b>3,212</b>	<b>4,320</b>	<b>5,069</b>	<b>5,040</b>	<b>4,396</b>	<b>20,635</b>	<b>18,825</b>
YoY Change (%)	17.2	30.4	-17.7	-31.8	-24.3	-22.4	34.9	36.9	7.9	-8.8
Margins (%)	19.7	21.2	11.7	10.4	12.1	13.7	14.1	12.9	16.8	13.2

## Max Healthcare

**Buy**
**CMP: INR1,063 | TP: INR1,345 (27%)**
**EPS CHANGE (%): FY26 | 27 | 28: (6.7) | (1.3) | (1.4)**

- ARPOB is expected to remain stable at INR 77.4k, impacted by the addition of institutional and insurance patients.
- Sales growth in 3Q is expected to be in the low single digits at ~4% YoY, impacted by GST-related issues as well as seasonality and normalization of JP related higher base of past year.
- 25% YoY growth in test volumes and 10% YoY improvement in realizations to drive a 37% YoY growth in Maxlab revenue.
- Insurance cashless disruptions is expected to impact 3Q performance.
- Maxhome is expected to deliver consistent 20% YoY growth

### Consolidated - Quarterly Earning Model

Y/E March INRm	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	19,310	21,190	22,690	23,020	24,510	25,720	23,658	26,462	86,210	1,00,350
YoY Change (%)	19.1	23.3	34.9	28.5	26.9	21.4	4.3	15.0	26.5	16.4
Total Expenditure	14,370	15,520	16,520	16,950	18,340	18,850	17,365	19,396	63,360	73,952
<b>EBITDA</b>	<b>4,940</b>	<b>5,670</b>	<b>6,170</b>	<b>6,070</b>	<b>6,170</b>	<b>6,870</b>	<b>6,293</b>	<b>7,065</b>	<b>22,850</b>	<b>26,398</b>
Margins (%)	25.6	26.8	27.2	26.4	25.2	26.7	26.6	26.7	26.5	26.3
Depreciation	900	970	1,060	1,140	1,170	1,220	1,141	1,276	4,070	4,807
Interest	80	50	350	360	340	410	427	443	840	1,620
Other Income	40	60	110	240	80	80	120	130	450	410
<b>PBT before EO expense</b>	<b>4,000</b>	<b>4,710</b>	<b>4,870</b>	<b>4,810</b>	<b>4,740</b>	<b>5,320</b>	<b>4,845</b>	<b>5,477</b>	<b>18,390</b>	<b>20,382</b>
Extra-Ord expense	190	270	1,000	180	330	180	0	0	1,640	510
<b>PBT</b>	<b>3,810</b>	<b>4,440</b>	<b>3,870</b>	<b>4,630</b>	<b>4,410</b>	<b>5,140</b>	<b>4,845</b>	<b>5,477</b>	<b>16,750</b>	<b>19,872</b>
Tax	870	950	710	870	960	-410	896	1,024	3,400	2,470
Rate (%)	22.8	21.4	18.3	18.8	21.8	-8.0	18.5	18.7	20.3	12.4
Minority Interest & Asso. Cos. P/L	0	0	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>2,940</b>	<b>3,490</b>	<b>3,160</b>	<b>3,760</b>	<b>3,450</b>	<b>5,550</b>	<b>3,949</b>	<b>4,453</b>	<b>13,350</b>	<b>17,401</b>
<b>Adj PAT</b>	<b>3,087</b>	<b>3,702</b>	<b>3,977</b>	<b>3,906</b>	<b>3,708</b>	<b>4,254</b>	<b>3,949</b>	<b>4,453</b>	<b>14,672</b>	<b>16,364</b>
YoY Change (%)	1.0	4.9	16.5	17.7	20.1	14.9	-0.7	14.0	10.2	11.5
Margins (%)	16.0	17.5	17.5	17.0	15.1	16.5	16.7	16.8	17.0	16.3

## Piramal Pharma

Buy

**CMP: INR179 | TP: INR210 (18%)**

- Expect sales to increase 4% YoY to INR 22.9b, driven by YoY growth across all three segments: CDMO, CHG, and ICP.
- CHG sales are expected to grow 5% YoY following two stable quarters, supported by improved visibility on the resolution of supply-chain issues.
- EBITDA margins are expected to improve in 3Q, supported by better operating leverage.
- Scale-up of the CDMO business following the passage of the Biosecure Act will be a key monitorable.

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
INRm										
Revenues	19,511	22,418	22,042	27,541	19,337	20,437	22,961	27,921	91,511	90,656
growth YoY(%)	11.6	17.3	12.5	7.9	-0.9	-8.8	4.2	1.4	12.0	-0.9
CDMO	10,570	13,240	12,780	17,880	9,970	10,440	13,036	17,344	54,470	50,789
CHG	6,310	6,430	6,540	7,050	6,370	6,440	6,867	7,508	26,330	27,185
ICH	2,640	2,770	2,780	2,740	3,020	3,190	3,058	3,069	10,930	12,337
EBITDA*	2,044	3,416	3,377	5,610	1,067	1,587	3,008	4,579	14,447	10,241
margin (%)	10.5	15.2	15.3	20.4	5.5	7.8	13.1	16.4	15.8	11.3
growth YoY(%)	54.5	28.6	25.8	5.9	-47.8	-53.5	-10.9	-18.4	20.8	-29.1
Depreciation	1,846	1,922	1,968	2,428	1,973	2,028	2,089	2,100	8,163	8,190
EBIT	198	1,494	1,409	3,182	-906	-441	919	2,479	6,284	2,051
Other income	195	611	121	420	584	656	555	590	1,348	2,385
Interest expense	1,070	1,076	1,033	1,037	862	824	860	855	4,216	3,401
Minority Interest & Asso. Cos. P/L	224	173	171	162	186	148	195	210	729	739
PBT	-452	1,201	668	2,728	-998	-462	809	2,424	4,145	1,773
Taxes	436	975	631	1,193	27	530	493	1,430	3,235	2,481
Tax Rate (%)	-96.4	81.2	94.5	43.7	-3.4	-114.9	61.0	59.0	78.0	125.2
Reported PAT	-888	226	37	1,535	-817	-992	315	994	910	-500
Adj. PAT	-888	226	37	1,535	-1,031	-992	315	994	910	-714
Change (%)	NA	348.2	-89.5	34.0	NA	NA	757.2	-35.3	62.5	-178.5

## Rubicon Research

Buy

**CMP: INR662 | TP: INR780 (18%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Revenue is expected to grow 11% QoQ, supported by the scale-up of recently launched products and the commercialization of already approved assets.
- Expect quarterly revenue to cross previous highs.
- We expect gross margin to be on slight down trend due to higher outsourcing. R&D spend to remains elevated at 11% of sales to build potential product pipeline.
- Progress on traction in nasal spray products and branded products for US market.

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	1Q	2Q	3QE	4QE				
INRm										
Gross Sales	3,167	2,960	3,525	4,120	4,580	5,045	12,843	17,270		
YoY Change (%)	NA	NA	11.3	39.2	NA	NA	50.4	34.5		
Total Expenditure	2,565	2,343	2,734	3,177	3,572	4,022	10,200	13,505		
EBITDA	602	617	791	943	1,008	1,023	2,643	3,765		
YoY Change (%)			31.4	52.9	NA	NA				
Margins (%)	19.0	20.8	22.4	22.9	22.0	20.3	20.6	21.8		
Depreciation	94	81	96	119	135	146	366	495		
EBIT	509	535	695	824	873	877	2,277	3,270		
YoY Change (%)			36.7	54.0	NA	NA	NA	NA		
Margins (%)	16.1	18.1	19.7	20.0	19.1	17.4	18	19		
Interest	101	70	106	114	10	3	368	234		
Other Income	4	27	6	7	8	13	36	35		
PBT before EO expense	412	492	596	717	871	887	1,945	3,070		
Extra-Ord expense	0	0	0	0	0	0	0	0		
PBT	412	492	596	717	871	887	1,945	3,070		
Tax	156	147	163	179	244	244	602	829		
Rate (%)	37.9	29.9	27.3	24.9	28.0	27.5	30.9	27.0		
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0		
Reported PAT	256	345	433	539	627	643	1,344	2,241		
Adj PAT	256	345	433	539	627	643	1,344	2,241		
YoY Change (%)	NA	NA	69.4	56.2	NA	NA	47.6	66.8		
Margins (%)	8.1	11.6	12.3	13.1	13.7	12.7	10.5	13.0		

## Sun Pharma

**Buy**
**CMP: INR1,729 | TP: INR1,990 (15%)**
**EPS CHANGE (%): FY26|27|28: 0|0|0**

- Growth of 12% YoY in 3Q is expected, driven by strong performance in domestic and emerging markets, along with incremental growth in the US market.
- Unloxcyt is expected to be launched in 3Q, providing additional support to growth in the US market.
- Expect to sustain outperformance versus the industry, with DF sales growing 13% YoY during the quarter, led by new product launches, including Ilumya.
- EM/RoW are expected to deliver healthy growth of 18%/14% YoY, driven by the addition of branded generics/innovative products.

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>INRm</b>										
<b>Net Sales</b>	<b>1,25,245</b>	<b>1,32,642</b>	<b>1,30,569</b>	<b>1,28,156</b>	<b>1,37,861</b>	<b>1,44,052</b>	<b>1,46,486</b>	<b>1,46,256</b>	<b>5,16,612</b>	<b>5,74,655</b>
YoY Change (%)	6.3	10.5	7.4	8.5	10.1	8.6	12.2	14.1	8.2	11.2
<b>EBITDA</b>	<b>35,298</b>	<b>37,837</b>	<b>35,738</b>	<b>32,816</b>	<b>40,073</b>	<b>40,235</b>	<b>39,991</b>	<b>39,343</b>	<b>1,41,689</b>	<b>1,59,641</b>
Margins (%)	28.2	28.5	27.4	25.6	29.1	27.9	27.3	26.9	27.4	27.8
Depreciation	6,551	6,259	6,306	6,638	7,006	7,295	6,703	6,692	25,754	27,695
<b>EBIT</b>	<b>28,747</b>	<b>31,578</b>	<b>29,433</b>	<b>26,178</b>	<b>33,067</b>	<b>32,940</b>	<b>33,288</b>	<b>32,651</b>	<b>1,15,936</b>	<b>1,31,946</b>
Interest	615	692	515	491	748	999	439	439	2,314	2,624
Other Income	6,608	3,811	7,041	7,561	5,298	5,430	7,487	7,765	25,022	25,980
<b>PBT before EO expense</b>	<b>34,740</b>	<b>34,697</b>	<b>35,959</b>	<b>33,248</b>	<b>37,617</b>	<b>37,371</b>	<b>40,337</b>	<b>39,977</b>	<b>1,38,644</b>	<b>1,55,303</b>
Extra-Ord expense	505	-1,281	1,195	705	5,890	-4,305	0	0	1,123	1,585
<b>PBT</b>	<b>34,235</b>	<b>35,978</b>	<b>34,764</b>	<b>32,543</b>	<b>31,728</b>	<b>41,676</b>	<b>40,337</b>	<b>39,977</b>	<b>1,37,520</b>	<b>1,53,718</b>
Tax	5,523	5,672	5,589	10,937	8,702	10,305	10,084	9,794	27,720	38,885
Rate (%)	16.1	15.8	16.1	33.6	27.4	24.7	25.0	24.5	20.2	25.3
Minority Interest & Asso. Cos. P/L	356	-95	142	108	240	191	130	133	511	694
<b>Reported PAT</b>	<b>28,356</b>	<b>30,401</b>	<b>29,034</b>	<b>21,498</b>	<b>22,786</b>	<b>31,180</b>	<b>30,122</b>	<b>30,050</b>	<b>1,09,289</b>	<b>1,14,138</b>
<b>Adj PAT</b>	<b>27,494</b>	<b>29,052</b>	<b>27,637</b>	<b>28,891</b>	<b>29,961</b>	<b>27,939</b>	<b>30,123</b>	<b>30,050</b>	<b>1,13,075</b>	<b>1,18,073</b>
YoY Change (%)	20.4	20.8	11.6	3.0	9.0	-3.8	3.7	8.7	13.4	4.4
Margins (%)	22.0	21.9	21.2	22.5	21.7	19.4	20.6	20.5	21.9	20.5

## Torrent Pharmaceuticals

**Neutral**
**CMP: INR3,885 | TP: INR3,930 (1%)**
**EPS CHANGE (%): FY26|27|28: (0.6)|(0.8)|(0.9)**

- DF is expected to sustain healthy YoY growth of ~10%, driven by continued focus on chronic therapies, field-force expansion, and the addition of new therapy areas.
- Progress on completion of JB chemical acquisition process. Progress on preparations for launching potential molecules like Semaglutide.
- US sales are expected to deliver healthy YoY growth of ~22.5%, supported by improved offtake under existing contracts and additional product launches.
- Brazil business is expected to maintain steady growth in the coming quarter, supported by a strong product portfolio and brand identity.

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>INRm</b>										
<b>Net Revenues</b>	<b>28,590</b>	<b>28,890</b>	<b>28,090</b>	<b>29,590</b>	<b>31,780</b>	<b>33,020</b>	<b>31,944</b>	<b>32,659</b>	<b>1,15,160</b>	<b>1,29,404</b>
YoY Change (%)	10.3	8.6	2.8	7.8	11.2	14.3	13.7	10.4	7.3	12.4
<b>EBITDA</b>	<b>9,240</b>	<b>9,390</b>	<b>9,140</b>	<b>9,810</b>	<b>10,470</b>	<b>10,830</b>	<b>10,318</b>	<b>10,647</b>	<b>37,580</b>	<b>42,265</b>
YoY Change (%)	16.8	13.8	5.2	11.1	13.3	15.3	12.9	8.5	11.6	12.5
Margins (%)	32.3	32.5	32.5	33.2	32.9	32.8	32.3	32.6	32.6	32.7
<b>EBIT</b>	<b>7,270</b>	<b>7,410</b>	<b>7,150</b>	<b>7,800</b>	<b>8,460</b>	<b>8,790</b>	<b>8,232</b>	<b>8,514</b>	<b>29,630</b>	<b>33,996</b>
YoY Change (%)	21.2	18.8	9.0	14.7	16.4	18.6	15.1	9.2	15.7	14.7
Margins (%)	25.4	25.6	25.5	26.4	26.6	26.6	25.8	26.1	25.7	26.3
Interest	750	640	570	560	560	480	520	510	2,520	2,070
Other Income	240	-160	330	-180	-370	-270	182	171	230	-287
<b>PBT before EO Expense</b>	<b>6,760</b>	<b>6,610</b>	<b>6,910</b>	<b>7,060</b>	<b>7,530</b>	<b>8,040</b>	<b>7,894</b>	<b>8,175</b>	<b>27,340</b>	<b>31,639</b>
One-off expenses	200	0	0	410	150	130	0	0	610	280
<b>PBT after EO Expense</b>	<b>6,560</b>	<b>6,610</b>	<b>6,910</b>	<b>6,650</b>	<b>7,380</b>	<b>7,910</b>	<b>7,894</b>	<b>8,175</b>	<b>26,730</b>	<b>31,359</b>
Tax	1,990	2,080	1,880	1,670	1,900	2,000	2,029	2,134	7,620	8,062
Rate (%)	29.4	31.5	27.2	23.7	25.2	24.9	25.7	26.1	27.9	25.5
<b>Reported PAT</b>	<b>4,570</b>	<b>4,530</b>	<b>5,030</b>	<b>4,980</b>	<b>5,480</b>	<b>5,910</b>	<b>5,865</b>	<b>6,041</b>	<b>19,110</b>	<b>23,296</b>
<b>Adj PAT</b>	<b>4,709</b>	<b>4,530</b>	<b>5,030</b>	<b>5,287</b>	<b>5,591</b>	<b>6,007</b>	<b>5,865</b>	<b>6,041</b>	<b>19,556</b>	<b>23,505</b>
YoY Change (%)	24.6	17.4	31.9	17.8	18.7	32.6	16.6	14.3	22.7	20.2
Margins (%)	16.5	15.7	17.9	17.9	17.6	18.2	18.4	18.5	17.0	18.2

## Zydus Lifesciences

**Neutral**
**CMP: INR915 | TP: INR975 (6%)**
**EPS CHANGE (%): FY26|27|28: (0.6)|0.4|0.6**

- Expect revenue to grow 20.9% YoY, driven by healthy performance in base business and full quarter impact of acquisitions
- US to deliver low single-digit growth of ~5.9% YoY, supported by new product launches.
- DF growth of ~11% YoY is expected, primarily driven by chronic therapies, including cardiac and respiratory therapies.
- Expansion of the Comfort Click franchise into additional markets will be a key monitorable.

### Consolidated - Quarterly Earning Model

Y/E March	FY25								FY26E		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
INRm												
<b>Net Revenues</b>	<b>62,075</b>	<b>52,370</b>	<b>52,691</b>	<b>65,279</b>	<b>65,737</b>	<b>61,232</b>	<b>63,704</b>	<b>70,367</b>	<b>2,32,415</b>	<b>2,61,041</b>		
YoY Change (%)	20.8	19.9	17.0	18.0	5.9	16.9	20.9	7.8	18.9	12.3		
<b>Total Expenditure</b>	<b>40,983</b>	<b>38,210</b>	<b>39,691</b>	<b>43,630</b>	<b>45,423</b>	<b>45,215</b>	<b>47,906</b>	<b>52,705</b>	<b>1,62,514</b>	<b>1,91,249</b>		
<b>EBITDA</b>	<b>21,092</b>	<b>14,160</b>	<b>13,000</b>	<b>21,649</b>	<b>20,314</b>	<b>16,017</b>	<b>15,799</b>	<b>17,662</b>	<b>69,901</b>	<b>69,792</b>		
YoY Change (%)	37.6	33.1	20.2	33.2	-3.7	13.1	21.5	-18.4	31.8	-0.2		
Margins (%)	34.0	27.0	24.7	33.2	30.9	26.2	24.8	25.1	30.1	26.7		
<b>EBIT</b>	<b>18,939</b>	<b>11,824</b>	<b>10,710</b>	<b>19,270</b>	<b>17,933</b>	<b>12,998</b>	<b>12,668</b>	<b>14,271</b>	<b>60,743</b>	<b>57,871</b>		
YoY Change (%)	40.0	34.4	20.7	35.7	-5.3	9.9	18.3	-25.9	33.8	-4.7		
Margins (%)	30.5	22.6	20.3	29.5	27.3	21.2	19.9	20.3	26.1	22.2		
Interest	322	251	320	766	847	1,013	830	790	1,659	3,480		
Other Income	632	682	575	806	1,549	1,090	1,440	1,480	2,695	5,559		
<b>PBT before EO Income</b>	<b>19,249</b>	<b>12,255</b>	<b>10,965</b>	<b>19,310</b>	<b>18,635</b>	<b>13,075</b>	<b>13,278</b>	<b>14,961</b>	<b>61,779</b>	<b>59,950</b>		
EO Exp/(Inc)	252	-454	-876	2,590	-571	-4,141	0	0	0	1,512	-4,712	
<b>PBT after EO Income</b>	<b>18,997</b>	<b>12,709</b>	<b>11,841</b>	<b>16,720</b>	<b>19,206</b>	<b>17,216</b>	<b>13,278</b>	<b>14,961</b>	<b>60,267</b>	<b>64,662</b>		
Tax	4,361	3,731	1,795	4,232	4,340	4,540	3,253	3,695	14,119	15,829		
Rate (%)	23.0	29.4	15.2	25.3	22.6	26.4	24.5	24.7	23.4	24.5		
Minority Interest & Asso. Cos. P/L	-437	131	192	-779	-198	252	-350	-400	-893	-696		
<b>Reported PAT</b>	<b>14,199</b>	<b>9,109</b>	<b>10,238</b>	<b>11,709</b>	<b>14,668</b>	<b>12,928</b>	<b>9,675</b>	<b>10,866</b>	<b>45,255</b>	<b>48,137</b>		
<b>Adj PAT</b>	<b>14,393</b>	<b>8,788</b>	<b>9,495</b>	<b>13,643</b>	<b>14,226</b>	<b>10,150</b>	<b>9,675</b>	<b>10,866</b>	<b>46,320</b>	<b>44,917</b>		
YoY Change (%)	28.2	19.1	26.3	16.1	-1.2	15.5	1.9	-20.4	22.3	-3.0		
Margins (%)	23.2	16.8	18.0	20.9	21.6	16.6	15.2	15.4	19.9	17.2		

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