motilal oswal
Financial Services

11 August 2026

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	78,542	0.1	-7.8
Nifty-50	24,584	0.1	-5.9
Nifty-M 100	63,856	0.6	5.6
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,753	-0.1	13.3
Nasdaq	26,605	-0.3	14.5
FTSE 100	10,863	-0.4	9.4
DAX	26,324	0.0	7.5
Hang Seng	8,622	1.1	-3.3
Nikkei 225	66,970	2.1	33.0
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	92	3.2	47.1
Gold ($/OZ)	4,391	1.1	1.7
Cu (US$/MT)	14,334	1.0	15.1
Almn (US$/MT)	3,322	1.2	11.9
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	95.3	0.1	6.0
USD/EUR	1.2	-0.1	-1.7
USD/JPY	159.3	1.0	1.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.8	0.00	0.2
Flows (USD b)	**10-Aug**	**MTD**	**CYTD**
FIIs	0.21	1.53	-25.2
DIIs	-0.14	0.55	54.4
Volumes (INRb)	**10-Aug**	**MTD***	**YTD***
Cash	1,316	1365	1362
F&O	1,74,590	1,96,351	2,61,157

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Poonawalla Fincorp: Growth drivers gathering momentum

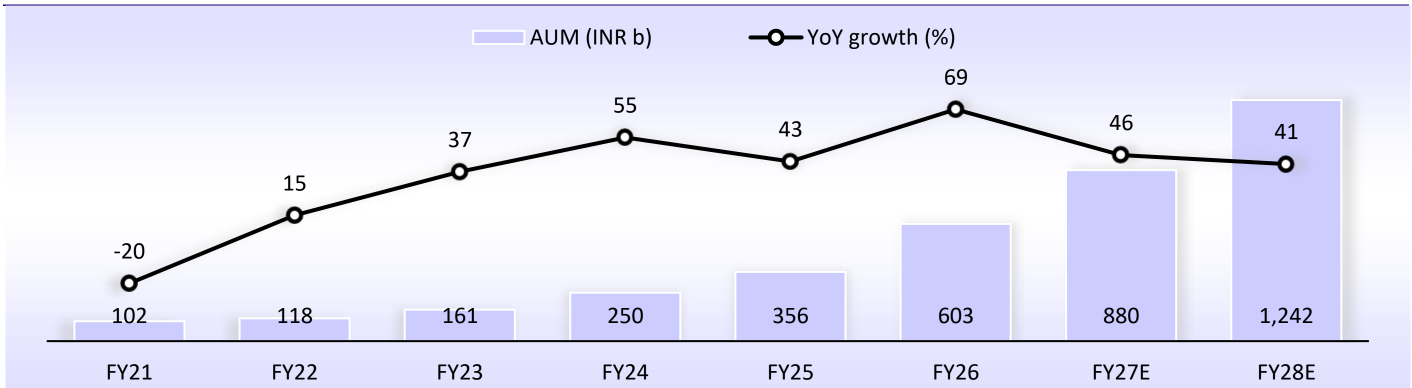
- Poonawalla Fincorp (PFL)'s transformation into a diversified retail lender has moved beyond the investment phase. The newer businesses have attained meaningful scale and are emerging as incremental growth drivers, supported by a wider distribution footprint, improving digital capabilities and disciplined execution. As the portfolio becomes more diversified across products, customer segments, and collateral types, we expect growth to become more resilient and earnings quality to improve.
- The company's profitability outlook continues to strengthen as higher-yielding businesses scale up, portfolio yields improve, and operating leverage begins to offset the elevated investment spend of the past two years. With borrowing costs likely to remain broadly stable, we expect margin expansion to be increasingly driven by product mix optimization and execution rather than external tailwinds.
- We estimate ~43% AUM CAGR and ~117% PAT CAGR over FY26-28E, with RoA/RoE improving to ~2.4%/~17% by FY28E. While the pace of margin expansion and credit cost normalization remains key to monitor, we believe PFL is well positioned to deliver superior earnings growth, supported by a diversified lending franchise and disciplined execution. **Reiterate our BUY rating with a target price of INR570, based on 3.0x Mar'28E BVPS.**

Research covered

Cos/Sector	Key Highlights
Poonawalla Fincorp	Growth drivers gathering momentum
Other Updates	Bharat Forge | Info Edge | Oil India | Gland Pharma | Hexaware Tech. | K P R Mill | Fine Organic Industries | Shaily Engineer. | Zee Entertainment | Lemon Tree Hotel | Cello World | Aditya Bir. Fas. | Ellen. Indl. Gas | Gopal Snacks | Kolte Patil Dev. | Fusion Finance | Vodafone Idea | Bosch | Triveni Turbine | Astra Microwave | Amara Raja Ener. | KEC International

Chart of the Day: Poonawalla Fincorp (Growth drivers gathering momentum)

Expect an AUM CAGR of ~43% over FY26-FY28



Research Team

In the news today

Kindly click on textbox for the detailed news link

1

Hindustan Copper net rises over 2x in Q1

Hindustan Copper Limited announced a substantial profit increase for the first quarter. Total income also saw a significant rise compared to the previous year. Rising London Metal Exchange copper prices offer a positive outlook for the company.

2

Plea received to waive airline cross-holding rules: Centre

The government said AAI has received a request to waive airport-airline cross-holding restrictions, though the civil aviation ministry has yet to examine it. Any relaxation could attract new airline investment but faces concerns over competition, airport access and potential conflicts of interest.

3

Wockhardt takes on India's superbug crisis with new antibiotic academy

Wockhardt has launched the Antibiotic Academy, an open scientific learning platform to strengthen clinical dialogue and evidence-based management of antimicrobial resistance in India. The initiative will connect clinicians, experts, hospitals, scientific societies and policymakers to promote appropriate antibiotic use.

4

Ethanol-blended diesel fails safety tests as flash point drops sharply

Ethanol-blended diesel failed safety specifications, which sharply lowered its flash point. This technical issue effectively rules out wider use of the fuel. India seeks to expand ethanol use as a transport fuel and explore new outlets.

5

Dilip Buildcon sells power projects of Rs. 8,400 crore to Alpha Alternatives

Dilip Buildcon has sold solar and transmission projects valued at Rs. 8,400 crore to Alpha Alternatives. This strategic divestment involves stakes in two special purpose vehicles, Mekhali Power Transmission and DBL Renewable. The transaction will be completed through a phased subscription and closing mechanism.

6

HDFC Bank cuts MCLR by 5 bps, Bank of Baroda raises 3-month rate by 10 bps

HDFC Bank reduced its lending rates by five basis points across maturities. Bank of Baroda will increase its three-month lending rate by ten basis points. HDFC's new rates became effective from August seventh for various tenors.

7

Lightstorm secures ₹2,500-cr debt for AI fibre network

Lightstorm has raised ₹2,500 crore from IndusInd Bank to build AI-focused fibre infrastructure connecting major data centre clusters across India. The 10-year debt facility will support connectivity between hubs including Mumbai, Chennai and Hyderabad and international AI zones.

Poonawalla Fincorp

BSE SENSEX	S&P CNX
78,542	24,584

Bloomberg	POONAWAL IN
Equity Shares (m)	880
M.Cap.(INRb)/(USDb)	419.7 / 4.4
52-Week Range (INR)	570 / 361
1, 6, 12 Rel. Per (%)	-2/3/9
12M Avg Val (INR M)	1001

Financials Snapshot (INR b)

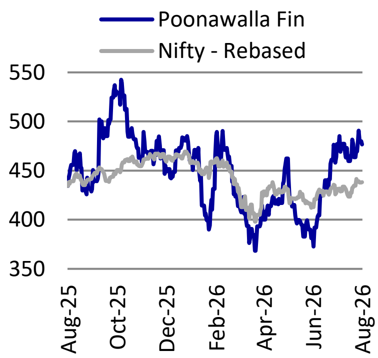
Y/E March	FY26	FY27E	FY28E
Net Total Income	40.3	66.1	94.1
PPOP	19.3	36.3	53.4
PAT	5.4	15.5	25.6
EPS (INR)	6.7	17.7	29.3
EPS Gr. (%)	-	164	65
Standalone BV (INR)	127	164	191
Ratios			
NIM on AUM (%)	7.0	7.6	7.7
C/I ratio (%)	52.0	45.1	43.3
RoAA (%)	1.1	2.1	2.4
RoE (%)	5.9	12.6	16.5
Payout (%)	0.0	11.3	10.2
Valuations			
P/E (x)	71.0	26.9	16.3
P/BV (x)	3.7	2.9	2.5
Div. Yield (%)	0.0	0.4	0.6

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	59.0	63.9	62.5
DII	16.7	12.1	12.3
FII	11.5	10.8	11.4
Others	12.8	13.1	13.9

FII includes depository receipts

Stock's performance (one year)



CMP: INR477 TP: INR570 (+20%) Buy

Growth drivers gathering momentum

Positioning the franchise for profitable scaling

- **Diversified franchise enters the next phase of profitable growth:** Poonawalla Fincorp (PFL)'s transformation into a diversified retail lender has moved beyond the investment phase. The newer businesses have attained meaningful scale and are emerging as incremental growth drivers, supported by a wider distribution footprint, improving digital capabilities and disciplined execution. As the portfolio becomes more diversified across products, customer segments, and collateral types, we expect growth to become more resilient and earnings quality to improve.
- **Margin expansion to be driven by better mix**: The company's profitability outlook continues to strengthen as higher-yielding businesses scale up, portfolio yields improve, and operating leverage begins to offset the elevated investment spend of the past two years. With borrowing costs likely to remain broadly stable, we expect margin expansion to be increasingly driven by product mix optimization and execution rather than external tailwinds.
- **Asset quality improvements provide earnings visibility:** Credit performance continues to improve as stronger underwriting, portfolio recalibration, and robust collection efficiencies reduce incremental stress formation. The growing share of secured products and lower-risk customer segments should support a gradual normalization in credit costs, improving the sustainability of earnings over the medium term.
- **Reiterate BUY – structural transformation creating a high-quality franchise:** We believe PFL is transitioning from a transformation story to an earnings compounding story. The combination of multiple growth engines, improving operating efficiency, AI-led productivity gains, and strengthening asset quality should drive superior earnings growth over the next few years. We model ~43% AUM CAGR and ~117% PAT CAGR over FY26-28E, with RoA/RoE improving to ~2.4%/~17% by FY28E. At 2.5x FY28E P/BV, valuations remain attractive relative to its medium-term earnings potential. **We reiterate our BUY rating with a TP of INR570, based on 3.0x Mar'28E BVPS.**

New growth engines power the next leg of growth

PFL's emerging businesses are becoming an increasingly meaningful growth driver, with new products contributing ~26% of total disbursements and ~17% of AUM in 1QFY27. Momentum is being led by the rapid scale-up of gold loans, consumer durable financing, Prime PL, CV, and education loans, supported by an expanding distribution network, strengthened digital capabilities, and technology-led underwriting. The resulting diversification across borrower segments, products, and collateral types will reduce concentration risk while enhancing earnings resilience. We expect PFL to deliver AUM/disbursement CAGR of 43%/36% over FY26-28E, supported by management's continued emphasis on profitable growth over volume-led expansion.

Higher yields and operating leverage to drive profitability

Disbursement yields expanded ~50bp QoQ in 1QFY27 (vs ~15.9% in 4QFY26), driven by a higher mix of better-yielding products and improved pricing, supporting portfolio yield expansion. PFL expects yield expansion to offset funding pressure, and we expect NIM of ~7.6%/~7.7% in FY27E/FY28E. Meanwhile, improving digital adoption, AI-led efficiencies, and operating leverage from scale are driving structural cost efficiencies. With the heavy investment phase largely behind, we expect the C/I ratio to decline to ~43% by FY28E (FY26: 52%).

Enterprise-wide AI adoption driving measurable business outcomes

PFL's AI ecosystem, comprising 42 deployed initiatives and ~130 production-gradesmart agents, is translating into measurable business outcomes. Customer serviceautomation is targeted at ~80-85%, while AI has reduced pre-collection costs by ~15%, improved post-due collection efficiency by ~27%, and lowered content creation costs by over 60%, providing a scalable platform for productivity and profitability enhancement.

Improving portfolio mix and underwriting support stable credit performance

PFL's asset quality continues to improve, reflected in credit costs declining to ~2.4% in 1QFY27 (vs. 2.6% in 1QFY26), alongside encouraging delinquency trends and sustained collection efficiency of ~99.6%. Early-stage stress continues to recede, with 6 MOB 30+ dpd improving to ~0.64% (for loans originated between Oct'25 and Dec'25), supported by lower bounce rates and slippages. A calibrated shift towards lower-risk segments such as gold loans, LAP, salaried customers, and education loans is further strengthening portfolio quality, reducing concentration risk, and reinforcing sustainable, risk-adjusted growth.

Valuation and view

- PFL's transformation into a diversified retail lender is beginning to translate into stronger financial outcomes. The company has successfully built multiple lending franchises across secured and unsecured retail segments while simultaneously strengthening its underwriting framework, digital capabilities, and operating infrastructure. With the heavy investment phase largely behind, the focus is now shifting toward scaling these businesses profitably, supported by improving operating leverage and a more favorable portfolio mix.
- The company's earnings outlook is underpinned by four structural drivers: (1) healthy loan growth led by both legacy and newly launched businesses, (2) gradual margin expansion driven by better product mix and improving portfolio yields, (3) normalization in credit costs as portfolio seasoning improves, and (4) operating leverage supported by technology-led efficiencies and disciplined cost management. Collectively, these should drive a meaningful improvement in profitability and return ratios over the medium term.
- We estimate ~43% AUM CAGR and ~117% PAT CAGR over FY26-28E, with RoA/RoE improving to ~2.4%/~17% by FY28E. While the pace of margin expansion and credit cost normalization remains key to monitor, we believe PFL is well positioned to deliver superior earnings growth, supported by a diversified lending franchise and disciplined execution. **Reiterate our BUY rating with a target price of INR570, based on 3.0x Mar'28E BVPS.**

Valuation matrix of PFL and its peers

Val summary	Rating	CMP (INR)	MCap (INRb)	EPS (INR)		BV (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)	
				FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Poonawalla	**Buy**	**476**	**388**	**17.7**	**29.3**	**164**	**191**	**2.1**	**2.4**	**12.6**	**16.5**	**26.9**	**16.3**	**2.9**	**2.5**
BAF	Buy	1,103	6,728	42.5	52.6	224	268	4.2	4.2	20.7	21.4	25.9	21.0	4.9	4.1
ABCL	Buy	408	1,133	18.5	23.6	156	176	-	-	13.1	14.2	22.0	17.3	2.6	2.3
LTFH	Buy	315	779	15.9	20.0	125	141	2.5	2.6	13.5	15.1	19.8	15.7	2.5	2.2
Piramal Finance	Buy	2,100	476	106.4	162.8	1,342	1,480	2.0	2.5	8.2	11.5	19.7	12.9	1.6	1.4
MAS Financial	Buy	297	55	25.3	29.1	183	209	3.2	3.1	14.8	14.8	11.7	10.2	1.6	1.4
IIFL Finance	Buy	625	261	65.1	80.9	388	463	3.0	3.1	18.2	19.0	9.6	7.7	1.6	1.3
HDB Financial	Neutral	677	553	39.8	47.6	289	336	2.5	2.6	14.8	15.2	17.0	14.2	2.3	2.0
Jio Financial	Buy	254	1,635	3.2	4.8	233	257	1.6	2.0	4.5	7.5	79.2	53.2	1.1	1.0
Northern Arc	Buy	286	45	34.9	44.7	276	321	3.0	3.2	13.5	15.0	8.2	6.4	1.0	0.9
Tata Capital	Neutral	368	1,569	16.0	21.2	125	147	2.1	2.3	13.7	15.6	23.0	17.3	2.9	2.5

Bharat Forge

Estimate changes	↓
TP change	⟷
Rating change	⟷

Bloomberg	BHFC IN
Equity Shares (m)	478
M.Cap.(INRb)/(USDb)	1000.7 / 10.5
52-Week Range (INR)	2295 / 1101
1, 6, 12 Rel. Per (%)	-3/35/83
12M Avg Val (INR M)	2130

Consol. Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	168.1	197.6	229.7
EBITDA (%)	17.4	17.6	19.6
Adj. PAT	11.9	15.8	23.1
EPS (INR)	25.0	33.0	48.3
EPS Gr. (%)	17.0	31.9	46.2
BV/Sh. (INR)	200	222	255
Ratios			
Net D:E	0.7	0.6	0.4
RoE (%)	12.6	15.6	20.2
RoCE (%)	8.6	10.6	14.1
Payout (%)	34.8	33.4	30.9
Valuations			
P/E (x)	84.2	63.8	43.7
P/BV (x)	10.5	9.5	8.3
EV/EBITDA (x)	36.0	30.2	23.1
Div. Yield (%)	0.4	0.5	0.7

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	44.1	44.1	44.1
DII	32.3	32.8	31.4
FII	15.0	14.2	14.4
Others	8.6	9.0	10.2

FII Includes depository receipts

CMP: INR2,093 TP: INR1,931 (-8%) Neutral

Margins likely to revive gradually from Q2

Plans fund raise of INR 25b to fund future growth

- Bharat Forge's (BHFC) 1QFY27 standalone adjusted earnings at INR3.4b came in 12% below our estimate of INR3.9b, primarily due to lower-than-expected margins. BHFC posted a consolidated loss in 1Q which was attributed to a one-off provision of INR3.5b toward CDP restructuring.
- Due to margin pressure witnessed in 1Q and losses in US operations, we have cut our FY27 earnings estimate by 7%. The GST rate cut has helped revive the domestic auto business, which augurs well for BHFC. Further, the US Class 8 cycle appears to have bottomed out, with clear signs of revival. Defense, aerospace, and JSA are likely to remain the key growth drivers for BHFC over the coming years. We now expect BHFC to post a CAGR of 17%/24%/39% in revenue/ EBITDA/PAT over FY26-28. However, following the recent rally in the stock, most positives seem to be factored in (valuation now at 64x FY27E EPS and 44x FY28E EPS). Reiterate Neutral with a TP of INR1,931 per share (valued at 40x FY28E EPS).

Earnings below estimates due to weak margins

- 1Q standalone revenue grew 11.5% YoY to INR23.5b (in line). Volumes grew 8% YoY to 66,787MT, while realizations grew 3.3% YoY to INR352/kg.
- Auto revenue grew 8% YoY to INR11.6b (slightly above estimate), whereas non-auto revenue grew 5% YoY to INR11.7b (missing estimate of INR12.4b).
- Export revenue at INR12b grew ~12% YoY on account of double-digit growth in the non-auto and PV business. 1Q exports performance was driven by a combination of inventory restocking and a rebound in NA truck production volumes, supported by a recovery in the cycle. On the other hand, domestic CV revenue was stable both YoY and QoQ. Overall, domestic revenue grew 11% YoY to INR11.4b.
- Standalone EBITDA margin contracted 220bp YoY to 25% vs. est. of 27.1% due to higher energy and input costs. EBITDA, however, was flat YoY at INR5.8b (missing estimate of INR6.35b).
- There was an exceptional expense of INR245m on account of incidental expenses pertaining to the restructuring of Bharat Forge CDP (German sub).
- Adjusted for this expense, PAT was flat YoY at INR3.4b, missing our estimate by ~12%.
- Consolidated revenue rose 19% YoY to INR46.3b, while consolidated margin contracted ~200bp YoY to 15.3%. The company reported a net loss of INR899m on account of an extraordinary expense of ~INR3.6b pertaining to the restructuring provision at CDP Bharat Forge.
- Overseas subsidiaries' margin contracted 220bp YoY to 1.7% in 1Q from 3.9% YoY due to losses in the US business. Europe subsidiaries' margin was largely flat YoY at 2.8%, and US subsidiaries' margin contracted from 6.1% in 1QFY26 to -0.8% in 1QFY27.

Highlights from the management interaction

- Management indicated that the overall demand environment remains favorable despite cost escalations. India and the US continue to witness firm demand. In EU, CV demand remains strong, while PV demand is stable.
- BHFC maintained its FY27 growth outlook of 20–25% for the Indian manufacturing business, with growth expected to be more pronounced in 2HFY27 and a sustained momentum expected even in FY28.
- Over the next five years, automotive growth is expected to be driven primarily by new products from JSA and K-Drive, while growth in non-automotive businesses will likely be driven by defense, aerospace, power generation, semiconductors, data centers, and other industrial segments.
- During the quarter, the forging business secured new orders worth INR5.2b, defense won INR6.8b of orders, and the ferrous casting business secured ~INR1.5b of new orders. The outstanding defense order book stood at INR112b as of June 30, 2026.
- The company plans to raise up to INR25b through either debt or equity to support organic growth and M&A opportunities.

Valuation and view

Due to margin pressure witnessed in 1Q and losses in US operations, we have cut our FY27 earnings estimate by 7%. The GST rate cut has helped revive the domestic auto business, which augurs well for BHFC. Further, the US Class 8 cycle appears to have bottomed out, with clear signs of revival. Defense, aerospace, and JSA are likely to remain the key growth drivers for BHFC over the coming years. We expect BHFC to post a CAGR of 17%/24%/39% in revenue/ EBITDA/PAT over FY26-28. However, following the recent rally in the stock, most positives seem to be factored in (valuation now at 64x FY27E EPS and 44x FY28E EPS). Reiterate Neutral with a TP of INR1,931 per share (valued at 40x FY28E EPS).

Bharat Forge: S/A Quarterly (INR m)

	FY26				FY27E				FY26	FY27E		Variance
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net operating income	**21,047**	**19,469**	**20,837**	**22,604**	**23,474**	**24,842**	**26,480**	**27,325**	**83,957**	**1,02,121**	**23,431**	**0.2**
Change (%)	-10.0	-13.3	-0.6	4.5	11.5	27.6	27.1	20.9	-5.1	21.6	11.3	
EBITDA	**5,718**	**5,511**	**5,664**	**6,173**	**5,857**	**6,571**	**7,245**	**7,751**	**23,066**	**27,425**	**6,350**	**-7.8**
EBITDA Margins (%)	27.2	28.3	27.2	27.3	25.0	26.5	27.4	28.4	27.5	26.9	27.1	-210bp
Change (%)	-12.2	-11.9	-7.1	0.1	2.4	19.2	27.9	25.6	-7.9	18.9	11.1	
Non-Operating Income	422	465	273	285	343	390	420	436	1,445	1,589	370	-7.4
Interest	522	483	414	402	432	420	380	368	1,822	1,600	450	-4.0
Depreciation	1125	1112	1120	1124	1150	1180	1190	1205	4,480	4,725	1130	1.8
EO Exp / (Inc)	0	79	487	4,930	245	0	0	0	5,496	245	0	
PBT after EO items	**4,493**	**4,380**	**4,403**	**4,932**	**4,618**	**5,361**	**6,095**	**6,615**	**12,712**	**22,444**	**5,140**	**-10.2**
Tax	1108	1202	1035	1180	1159	1351	1536	1672	4,525	5,718	1295	
Eff. Tax Rate (%)	24.7	27.9	26.4	23.9	25.1	25.2	25.2	25.3	35.6	25.5	25.2	
Rep. PAT	**3,385**	**3,099**	**2,880**	**-1,178**	**3,214**	**4,010**	**4,559**	**4,943**	**8,187**	**16,726**	**3,845**	
Change (%)	25.6	-14.2	-16.8	-134.1	-5.1	29.4	58.3	-519.8	-38.1	104.3	13.6	
Adj. PAT	**3,385**	**3,150**	**3,194**	**3,752**	**3,397**	**4,010**	**4,559**	**4,943**	**11,727**	**16,909**	**3,845**	**-11.7**
Change (%)	-10.6	-10.3	-7.9	4.0	0.3	27.3	42.7	31.7	-18.4	44.2	13.6	

E: MOFSL Estimates

Info Edge

Estimate change	⬆
TP change	⬆
Rating change	⟷

Bloomberg	INFOE IN
Equity Shares (m)	648
M.Cap.(INRb)/(USDb)	831.3 / 8.7
52-Week Range (INR)	1440 / 908
1, 6, 12 Rel. Per (%)	5/13/-5
12M Avg Val (INR M)	2092

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	30.5	34.4	38.3
EBITDA	12.5	14.4	16.0
Adj. PAT	11.1	12.3	13.0
Reported PAT	55.4	11.6	13.0
Adj. EPS	17.0	19.0	20.1
EPS Gr. (%)	42.8	11.9	5.3
BV/Sh. (INR)	534	451	463
Ratios			
RoCE (%)	1.1	3.5	4.0
Payout (%)	5	25	25
Valuations			
P/E (x)	75.3	67.3	63.9
P/BV (x)	2.4	2.8	2.8

Shareholding Pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	37.5	37.5	37.6
DII	27.8	24.1	19.0
FII	23.8	28.1	33.1
Others	10.9	10.3	10.3

FII includes depository receipts

CMP: INR1,282 TP: INR1,250 (-2%) Neutral

Improving execution amid uneven hiring trends

99acres nearing breakeven; lower competitive intensity aids margins

- Info Edge (INFOE)'s standalone revenue stood at INR8.2b in 1QFY27, up 12% YoY/2.4% QoQ, in line with our estimate of ~INR8.1b. EBITDA margin came in at 44% (up 60bp QoQ), above our estimate of 41.5%. Total billings rose 14.4% YoY to INR7.4b.
- Adj. PAT was up 22.3% YoY to INR3.1b (vs. our est. of INR2.9b).
- In 1QFY27, INFOE's revenue/EBITDA/adj. PAT grew 12%/30.6%/22.3% YoY. In 2QFY27, we expect its revenue/EBITDA/adj. PAT to grow 14.0%/19.2%/ 14.5% YoY. **We reiterate our Neutral rating with a TP of INR1,250, implying a 2.5% downside.**

Our view: Premiumization and new offerings helping Naukri, but broad-based hiring recovery still awaited

- **INFOE delivers a better 1QFY27, with standalone revenue rising 12% YoY and billings growing 14%**, led by Recruitment and 99acres. Recruitment billings grew 17% (15% normalized for renewal timing), with growth broadening across IT/BPM, GCCs, and non-IT sectors.
- **Premium hiring and newer monetization initiatives are supporting growth, but the mid-market (a healthy chunk of INFOE's revenue) and IT hiring environment remain soft.** The consultant billings remained largely flat. We believe a broad-based recovery in the hiring environment is still not visible. We model recruitment revenue growth of ~13.5% for FY27E.
- **Naukri's growth increasingly supported by premiumization and new offerings:** About one-third of the recruitment growth came from volume, pricing, and newer offerings such as AI Recruiter, Talent Pulse, and employer branding. **Premium CV views are growing >25%, while AR has already seen ~700 customers pay for the product across June/July**. While early traction is encouraging, one renewal cycle is still needed to assess retention and the extent of incremental monetization. **We view these offerings as gradual support for growth**, rather than a near-term step-up in the core hiring cycle.
- **99acres showing better operating leverage:** Billings and revenue grew 17% YoY, while the PBT loss narrowed sharply to ~INR2cr from an adjusted ~INR17cr in 4QFY26. Traffic, listings, and inquiries continue to grow, with the platform maintaining a strong share across web and app.
- **Lower competitive intensity and disciplined marketing spends should support further operating leverage.** With sales restructuring largely behind and monetization still lagging traffic and supply gains, we see scope for revenue growth to translate into better profitability.
- **Margins improve, but further expansion linked to growth**: Standalone operating profit grew 33% YoY, with the margin profile benefiting from lower advertising spends and employee costs, alongside operating leverage from stronger revenue growth.

- Recruitment margins improved to ~58%, **while 99acres moved close to breakeven. Importantly, the competitive intensity in online real estate has eased following the acquisition of Housing.com, which should reduce the need for aggressive customer acquisition** and marketing spends and improve visibility on 99acres' path to profitability. With a leaner cost base, lower competitive intensity, and improving operating leverage, margins should continue to expand gradually, although the pace will remain linked to revenue growth. We estimate an EBITDA margin of ~42% for FY27.

Valuations and changes to our estimates

- We raise our estimates by ~4% for FY27/FY28, reflecting better execution across Recruitment and 99acres. While premiumization and newer monetization initiatives are supporting Naukri, the hiring environment remains uneven, limiting the scope for acceleration in recruitment growth.
- Margin visibility has improved, led by lower costs and better operating leverage, with 99acres also benefiting from lower competitive intensity. However, with recruitment growth still moderate and newer offerings yet to establish sustained monetization, we see limited scope for a meaningful earnings upgrade from here. Current valuations also appear to capture much of the near-term improvement.
- We value the company's operating entities using DCF valuation. Our SoTP-based valuation indicates a TP of INR1,250. **Reiterate Neutral**.

In-line revenue and beat on margins; recruitment business billings above our expectations

- For 1QFY27, standalone revenue stood at INR 8.2b, up 12% YoY/2.4% QoQ, in line with our estimates (~INR8.1b).
- Overall billings were up 14.4% YoY and were INR7.4b. Billings for Recruitment/ 99acres came in at INR5.5b/INR1.1b vs. our estimates of INR5.1b/INR1.1b.
- For 1QFY27, EBITDA margin came in at 44.0% (up 60bps QoQ), above our estimate of 41.5%.
- Naukri's PBT margin was down 20bp QoQ at 58.3%, while 99acres' PBT loss stood at -1.6% (vs. +2.4% PBT margin in 4Q).
- For 1QFY27, adj. PAT was up 22.3% YoY to INR3.1b (vs. our est. of INR2.9b).

Highlights from the management commentary

- **Recruitment:** Billings grew over 17% and revenue 13% YoY; operating profit rose 25% at an operating margin of ~58%, with cash from operations up 36%.
- Adjusting for renewal timing (some clients renewing early/deferred), underlying billings growth is estimated at ~15%, a sequential improvement versus recent quarters.
- **99acres:** Billings and revenue both grew 17% YoY; operating PBT losses narrowed 89% QoQ, bringing the business close to breakeven (loss narrowed to INR 20m this quarter from an adjusted INR 170m last quarter, after excluding a one-off accounting gain).
- Growth was delivered alongside disciplined marketing spend, underscoring operating leverage as the business scales; management guided toward the business turning cash generative in FY27.

- Management does not view AI as a disintermediation risk for Recruitment, Real Estate, or Matchmaking, citing proprietary two-sided data and two decades of domain knowledge; Shiksha is viewed as structurally more exposed given its third-party traffic dependence.

Valuation and view

- We raise our estimates by ~4% for FY27/FY28, reflecting better execution across Recruitment and 99acres. While premiumization and newer monetization initiatives are supporting Naukri, the hiring environment remains uneven, limiting the scope for acceleration in recruitment growth.
- Margin visibility has improved, led by lower costs and better operating leverage, with 99acres also benefiting from lower competitive intensity. However, with recruitment growth still moderate and newer offerings yet to establish sustained monetization, we see limited scope for a meaningful earnings upgrade from here. Current valuations also appear to capture much of the near-term improvement.
- We value the company's operating entities using DCF valuation. Our SoTP-based valuation indicates a TP of INR1,250. **Reiterate Neutral**.

Standalone Quarterly Performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	(% / bp)
Revenues	**7,364**	**7,460**	**7,646**	**8,051**	**8,245**	**8,501**	**8,777**	**8,907**	**30,520**	**34,430**	**8,110**	**1.7**
YoY (%)	15.3	13.7	13.9	17.2	12.0	14.0	14.8	10.6	15.0	12.8	10.1	180bp
Salary costs	2,915	3,023	2,984	2,934	3,001	3,304	3,426	3,477	11,856	13,209	3,329	-9.9
Ad and Promotion costs	1,111	901	805	990	983	1,020	1,053	1,069	3,808	4,126	892	10.2
Other Expenses	559	581	611	630	630	655	676	686	2,381	2,647	519	21.4
EBITDA	**2,779**	**2,954**	**3,246**	**3,497**	**3,629**	**3,522**	**3,621**	**3,675**	**12,476**	**14,448**	**3,370**	**7.7**
EBITDA Margin (%)	37.7	39.6	42.5	43.4	44.0	41.4	41.3	41.3	40.9	42.0	41.5	250bp
Depreciation	226	226	220	219	241	247	263	267	891	1,018	211	14.1
EBIT Margin (%)	34.7	36.6	39.6	40.7	41.1	38.5	38.3	38.3	38.0	39.0	38.9	220bp
Other Income	960	820	811	763	933	935	965	980	3,354	3,813	933	0.0
PBT bef. Extra-ordinary	**3,462**	**3,495**	**3,784**	**3,989**	**4,272**	**4,151**	**4,262**	**4,326**	**14,731**	**17,010**	**4,035**	**5.9**
Provision for Tax	866	885	832	1,059	1,095	1,162	1,193	1,211	11,049	4,662	1,089	0.6
ETR (%)	25.0	25.3	22.0	26.6	25.6	28.0	28.0	28.0	75.0	27.4	27.0	-140bp
Adj. PAT	**2,596**	**2,610**	**2,952**	**2,930**	**3,176**	**2,989**	**3,069**	**3,114**	**11,089**	**12,348**	**2,945**	**7.8**
EOI	0	52,001	488	-162	-721	0	0	0	51,675	-721	0.0	
Reported PAT	**2,596**	**47,205**	**2,465**	**3,091**	**2,455**	**2,989**	**3,069**	**3,114**	**55,357**	**11,627**	**2,945**	**-16.6**
QoQ (%)	1.8	NA	NA	25.4	-20.6	NA	NA	1.5			-4.7	
YoY (%)	11.8	NA	23.1	21.2	-5.4	NA	24.5	0.7	615.7	-79.0	13.4	
EPS (INR)	**4.0**	**4.1**	**4.6**	**4.5**	**4.9**	**4.1**	**4.7**	**4.8**	**17.0**	**19.0**	**4.5**	**7.8**

Key performance indicators

Y/E March	FY26				FY27	FY26
	1Q	2Q	3Q	4Q	1Q	
Operating metrics						
Headcount	6,174	6,238	6,150	6,000	5,961	6,000
99acres – Listings (k)	1,544	1,580	1,591	1,733	1,779	4,835
Revenue (YoY %)						
Recruitment	15%	13%	14%	14%	13%	14%
99acres	12%	13%	14%	36%	17%	19%

Oil India

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	OINL IN
Equity Shares (m)	1627
M.Cap.(INRb)/(USDb)	736.9 / 7.7
52-Week Range (INR)	531 / 385
1, 6, 12 Rel. Per (%)	5/-2/4
12M Avg Val (INR M)	1988

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	213.5	271.0	266.2
EBITDAX	89.7	132.9	120.7
Adj. PAT	50.9	82.9	73.3
Adj. EPS (INR)	31.3	51.0	45.1
EPS Gr. (%)	-16.68%	62.71%	-11.59%
BV/Sh.(INR)	298.3	327.0	352.3
Ratios			
Net D:E	0.2	0.1	0.1
RoE (%)	9.5	16.3	13.3
RoCE (%)	6.0	11.1	8.9
Payout (%)	36.7%	43.8%	43.8%
Valuations			
P/E (x)	14.5	8.9	10.1
P/BV (x)	1.5	1.4	1.3
EV/EBITDA (x)	9.3	6.1	6.5
Div. Yield (%)	2.5	4.9	4.3
FCF Yield (%)	2.7	7.2	6.0

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	56.7	56.7	56.7
DII	30.0	29.3	28.3
FII	7.3	7.7	8.2
Others	6.1	6.4	6.9

FII includes depository receipts

CMP: INR454 TP: INR485 (+7%) Neutral

Strong oil growth offsets weak gas volumes

- Oil India's (OINL) 1QFY27 revenue stood 9% above our estimate at INR79.6b. Oil sales came in 8% above our estimate, while gas sales were 11% below our estimate at 0.92mmt/0.62bcm. Oil production increased 11% YoY to 0.95mmt. Gas production declined 8% YoY to 0.76bcm. Oil realization was USD98.7/bbl (4% above our estimate of USD95.2/bbl). EBITDA was 6% above our estimate at INR43.4b (+83% YoY). Exploration cost write-offs stood at INR2.5b. Adjusted PAT was 12% above our estimate at INR28.7b.
- **Things we liked about the result:** 1) Oil production recorded strong 11% YoY growth to 0.95mmt in 1QFY27, with the current run rate remaining healthy as the company has guided to achieve 1mmt production in 2QFY27; 2) NRL's GRM performance was robust at USD36/bbl (vs USD5/bbl in 1QFY26); 3) Management's well drilling target also remains encouraging, with FY27 drilling activity guided to increase to ~100 wells (42 exploratory + 57 development) from 74 wells in FY26, reflecting an accelerated exploration push. 4) The completion of the ~200m DNPL feeder line stretch, expected in the next 2-3 months, should aid gas volumes by 1.5mmscmd.
- **Key investor concerns:** 1) Gas offtake issues led to weak 1Q gas production, which declined 8% YoY to 0.76bcm. Timely connectivity of the DNPL (expected in 2-3 months) and IGGL feeder lines (FY28-end) remains a key monitorable for gas volume growth. 2) The pace of NRL's commissioning and subsequent ramp-up (full capacity expansion to 9mmtpa targeted by Mar'27) will also be a key monitorable going forward. CDU and VDU are slated to start in Oct'26 (vs. Jul'26 earlier).
- **Valuation and view:** We reiterate our Neutral rating on the stock and arrive at our SoTP-based TP of INR485, as we model a CAGR of 5.4%/8.1% in oil/gas production volume over FY26-28.

Higher-than-expected realization drives EBITDA beat; robust NRL performance

- OINL's revenue stood 9% above our estimate at INR79.6b.
  - Oil sales came in 8% above our estimate, while gas sales were 11% below our estimate at 0.92mmt/0.62bcm.
  - Oil production increased 11% YoY to 0.95mmt. Gas production declined 8% YoY to 0.76bcm.
  - Oil realization was USD98.7/bbl (4% above our estimate of USD95.2/bbl).
- EBITDAX stood 6% above our estimate at INR43.4b.
  - Exploration cost write-offs stood at INR2.5b (INR1.5b/INR4.6b in 4QFY26/1QYF26).
- Adjusted PAT was 12% above our estimate at INR28.7b.
  - Other income and tax rate stood above our estimate.
- Numaligarh refinery's 1QFY27 performance:
  - PAT stood at INR13.1b (vs. PAT of INR4.9b during 1QFY26), as GRM stood at USD35.95/bbl.
  - Crude throughput stood at 791.2tmt (799.3 in 1QFY26), and distillate yield was at 87.6% (vs. 85.4% in 1QFY26).

- OINL recognized a provision of INR2.9b in 1QFY27, including an interest of INR1b. Total cumulative provision toward Service Tax and GST stood at INR50.4b as of 30 Jun'26.
- Arunachal Gas Private Limited (50:50 JV with BPCL) allotted 2.5m equity shares (face value: INR10/share) to the company during 1QFY27. The JV will develop and operate the CGD network in Arunachal Pradesh.

Valuation and view

- Over the past few quarters, OINL has struggled to ramp up production/sales, with limited YoY growth. While we like the increased exploration intensity (which is key to building a robust development pipeline), we believe this is likely to be accompanied by higher dry-well write-offs, which could weigh on earnings. Further, the benefits of a higher proportion of gas from new wells are likely to be largely offset by subdued gas realizations amid a weaker crude oil price outlook.
- The company aims to drill 100 wells by FY27. This will be the highest number of wells drilled annually in the history of OINL. The NRL refinery segment is expected to achieve 75% capacity utilization by FY28'end.
- We revise our SoTP-based TP to INR485 as we model a 5.4%/8.1% CAGR for oil and gas production volumes over FY26-28.

OINL Valuation SoTP

Particulars	Amount (INR/sh)	Comments
Dec'27E Adj. EPS	43	
Target P/E Multiple (x)	6.5	
Fair Value	**282**	
NRL	118	❖ 5.5x FY28 EV/EBITDA less ND
Mozambique Area 1	37	❖ 0.5x Consolidated Equity invested
Other investments	47	❖ 25% disc. to CMP for stake in IOCL and BPCL
Total Valuation	**485**	
Current Market Price	454	
Upside / (Downside)	**7%**	

Quarterly Performance (INR b)

Y/E March	FY26				FY27				FY26	FY27E	FY27	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Sales	**50.1**	**54.6**	**49.2**	**59.6**	**79.6**	**62.2**	**63.3**	**65.9**	**213.5**	**271.0**	**72.8**	**9%**
Change (%)	*-6.0*	*4.0*	*-6.2*	*8.0*	*58.8*	*14.0*	*28.8*	*10.6*	*0.0*	*27.0*	*45.2*	
EBITDAX	**23.7**	**28.3**	**18.1**	**19.7**	**43.4**	**33.4**	**29.7**	**26.5**	**89.7**	**132.9**	**40.8**	**6%**
% of Net Sales	*47.3*	*51.8*	*36.8*	*33.0*	*54.5*	*53.7*	*46.9*	*40.2*	*42.0*	*49.1*	*56.0*	
Change (%)	*-6.7*	*14.2*	*-20.0*	*-7.8*	*82.9*	*18.1*	*64.2*	*34.8*	*-4.7*	*48.1*	*71.9*	
D,D&A	9.9	15.6	11.4	7.6	8.7	8.8	10.9	9.9	44.5	38.2	8.3	
Interest	1.5	2.6	2.7	2.9	2.5	2.6	2.7	2.8	9.7	10.5	1.4	
OI (incl. Oper. other inc)	1.8	8.3	5.5	11.4	5.2	6.9	4.5	5.7	26.9	22.3	1.5	
PBT before exceptional	**14.0**	**18.4**	**9.5**	**20.6**	**37.4**	**28.9**	**20.6**	**19.5**	**62.5**	**106.5**	**32.5**	**15%**
Exceptional item	**3.1**	**5.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**8.3**	**0.0**	**0.0**	
PBT after exceptional	**11.0**	**13.2**	**9.5**	**20.6**	**37.4**	**28.9**	**20.6**	**19.5**	**54.2**	**106.5**	**32.5**	**15%**
Tax	2.8	2.7	1.4	2.7	8.7	6.2	4.4	4.2	9.6	23.6	7.0	
Rate (%)	*20.2*	*14.9*	*14.7*	*13.0*	*23.3*	*21.5*	*21.5*	*21.5*	*15.4*	*22.1*	*21.5*	
PAT	**8.1**	**10.4**	**8.1**	**17.9**	**28.7**	**22.7**	**16.2**	**15.3**	**44.6**	**82.9**	**25.5**	**12%**
Change (%)	*-44.5*	*-43.1*	*-33.8*	*12.4*	*252.8*	*117.1*	*100.5*	*-14.4*	*-27.1*	*86.1*	*214.0*	
Adj. PAT	**11.2**	**15.6**	**8.1**	**17.9**	**28.7**	**22.7**	**16.2**	**15.3**	**52.8**	**82.9**	**25.5**	**12%**
Key Assumptions												
Oil sales (mmt)	0.82	0.83	0.82	0.87	0.92	0.85	0.86	0.90	3.33	3.53	0.85	8%
Gas sales (bcm)	0.70	0.66	0.66	0.60	0.62	0.68	0.67	0.66	2.62	2.63	0.69	-11%
Net Oil Realization (USD/bbl)	**66.2**	**68.2**	**62.8**	**77.9**	**98.7**	**78.5**	**78.5**	**78.5**	**72.1**	**83.6**	**95.2**	**4%**

Gland Pharma

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	GLAND IN
Equity Shares (m)	165
M.Cap.(INRb)/(USDb)	440 / 4.6
52-Week Range (INR)	2685 / 1574
1, 6, 12 Rel. Per (%)	6/47/37
12M Avg Val (INR M)	699

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	64.3	72.6	83.2
EBITDA	16.3	19.5	23.2
Adj. PAT	10.4	12.7	15.4
EBITDA Margin (%)	25.3	26.9	27.9
Cons. Adj. EPS (INR)	63.4	76.9	93.2
EPS Gr. (%)	49.6	21.2	21.3
BV/Sh. (INR)	628.7	705.5	798.7
Ratios			
Net D:E	(0.3)	(0.3)	(0.4)
RoE (%)	10.7	11.5	12.4
RoCE (%)	10.6	11.3	12.2
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	42.0	34.6	28.6
EV/EBITDA (x)	25.0	20.7	16.9
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	1.2	0.2	2.3
EV/Sales (x)	6.3	5.6	4.7

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	51.8	51.8	51.8
DII	30.4	33.4	32.9
FII	8.7	7.3	7.4
Others	9.1	7.5	7.9

FII Includes depository receipts

CMP: INR2,667 TP: INR3,080 (+15%) Buy

US, EU strength drives 5-9% beat

Full-service CDMO pact improves growth outlook

- Gland Pharma (GLAND) delivered a better-than-expected financial performance in 1QFY27, with 5%/9%/9% beat on revenue/EBITDA/PAT. The performance was driven by robust growth in the US and EU markets, whereas other core markets and ROW saw subdued performance.
- Recent product launches, along with volume growth in existing products, boosted US and EU performance for the quarter.
- The performance of other core markets and ROW was muted due to a lower offtake for certain products.
- Cenexi has been slightly EBITDA positive for the past three quarters now and is expected to reach high-single-digit EBITDA margin in FY27E.
- GLAND recently announced an agreement with a global pharma company, under which the manufacturing would be done from Gland's site and subsequent packaging would be done from Cenexi site, providing full-service CDMO work.
- We raise our earnings estimates by 3%/4% for FY27/FY28, factoring in: a) a healthy pace of differentiated product launches in the US and European markets, and b) currency depreciation tailwinds.
- We value GLAND at 30x 12-month forward earnings to arrive at a TP of INR3,080. We expect a 21% earnings CAGR over FY26-28 on the back of complex injectables, peptides, GLP-1 and liposomal technologies, rather than conventional sterile manufacturing. **Reiterate BUY**.

Healthy revenue growth; operating leverage drives margins YoY

- 1QFY27 revenue grew 19.6% YoY to INR18b (our estimate: INR17.1b).
- Gross margin (GM) remained stable YoY at 65.3%.
- EBITDA margin expanded 275bp YoY to 27.2% (our estimate: 26.3%) as staff expenses/other expenses fell 245bp/40bp as % of sales.
- EBITDA grew 33% YoY to INR4.9b (our estimate: INR4.5b).
- Adj. PAT grew 47% YoY to INR3.2b (our estimate: INR2.9b).

US, Europe outshine; India/ROW/other core markets underperform

- US sales grew 32% YoY to INR9.8b (54% of sales).
- Europe sales grew 20% YoY to INR3.9b (22% of sales).
- India sales grew 12% YoY to INR666m (4% of sales).
- ROW sales grew 2% YoY to INR3b (17% of sales).
- Other core markets declined 28% YoY to INR534m (3% of sales).

Highlights from the management commentary

- GLAND guided for revenue growth of 15-16% YoY in FY27 in CC terms and aspires to achieve a 20% CAGR from FY28 onward over next four years.
- Revenue growth would be driven by the scale-up of recently signed contracts and a higher off-take of base products, supported by better capacity utilization.
- Base business (Ex-Cenexi) grew by 24% YoY. ~5% YoY growth in revenue was driven by favorable currency movements.
- While Gland already had an agreement in place with Neuland, the recent agreement adds 5-6 products and would require an additional manufacturing suite.
- Cenexi revenue/EBITDA stood at EUR48m (flat YoY)/EUR2m in 1QFY27.
- Technology transfer with respect to a recent strategic manufacturing agreement with a global MNC should begin from Sep’26, with the initial product basket to be transferred over 24 months.
- For the strategic agreement, ~60% of products are US-focused, 30-35% Europe and the balance RoW. Cenexi will support warehousing, packaging and the final release for select European products, enabling Gland to offer an end-to-end global supply solution.

Consolidated - Quarterly Earning

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
Net Sales	**15,056**	**14,869**	**16,954**	**17,428**	**18,003**	**17,370**	**18,491**	**18,724**	**64,307**	**72,587**	**17,075**	**5.4**
YoY Change (%)	7.4	5.8	22.5	22.3	19.6	16.8	9.1	7.4	14.5	12.9	13.4	
Total Expenditure	11,378	11,730	12,605	12,298	13,109	12,645	13,591	13,724	48,011	53,070	12,584	
EBITDA	**3,678**	**3,139**	**4,349**	**5,130**	**4,894**	**4,725**	**4,900**	**4,999**	**16,296**	**19,518**	**4,491**	**9.0**
YoY Change (%)	39.1	5.7	20.8	47.6	33.1	50.5	12.7	-2.6	28.4	19.8	22.1	
Margins (%)	24.4	21.1	25.7	29.4	27.2	27.2	26.5	26.7	25.3	26.9	26.3	
Depreciation	1,011	1,063	1,076	1,087	1,113	1,086	1,156	1,171	4,237	4,526	1,085	
Interest	115	78	39	100	44	43	43	43	333	171	85	
Other Income	575	842	632	1,115	612	661	649	674	3,163	2,596	756	
PBT before EO expense	**3,128**	**2,839**	**3,865**	**5,058**	**4,350**	**4,257**	**4,350**	**4,460**	**14,890**	**17,417**	**4,077**	
One-off income/(expense)	0	0	243	0	0	0	0	0	243	0	0	
PBT	**3,128**	**2,839**	**3,621**	**5,058**	**4,350**	**4,257**	**4,350**	**4,460**	**14,646**	**17,417**	**4,077**	
Tax	973	1,002	1,007	1,391	1,180	1,171	1,188	1,213	4,373	4,752	1,174	
Rate (%)	31.1	35.3	27.8	27.5	27.1	27.5	27.3	27.2	29.9	27.3	28.8	
Reported PAT	**2,155**	**1,837**	**2,615**	**3,667**	**3,170**	**3,087**	**3,162**	**3,247**	**10,273**	**12,665**	**2,903**	
Adj PAT	**2,155**	**1,837**	**2,791**	**3,667**	**3,170**	**3,087**	**3,162**	**3,247**	**10,449**	**12,665**	**2,903**	**9.2**
YoY Change (%)	49.9	12.3	36.3	96.6	47.1	68.0	13.3	-11.5	49.6	21.2	34.7	
Margins (%)	14.3	12.4	16.5	21.0	17.6	17.8	17.1	17.3	16.2	17.4	17.0	
EPS	**13.1**	**11.2**	**16.9**	**22.3**	**19.2**	**18.7**	**19.2**	**19.7**	**63.4**	**76.9**	**18**	

E: MOFSL Estimates

KPR Mill

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	KPR IN
Equity Shares (m)	342
M.Cap.(INRb)/(USDb)	371.2 / 3.9
52-Week Range (INR)	1334 / 796
1, 6, 12 Rel. Per (%)	-4/19/9
12M Avg Val (INR M)	558
Free float (%)	32.5

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	66.5	75.2	84.6
EBITDA	12.7	15.7	18.2
EBITDA (%)	19.1	20.8	21.5
Adj. PAT	8.7	10.7	12.5
EPS (INR)	25.4	31.2	36.6
EPS Gr.%	6.3	23.1	17.4
BV/Sh. (INR)	165.6	190.4	219.5
Ratios			
Net D/E	-0.1	-0.2	-0.2
RoE (%)	16.2	17.4	17.8
RoCE (%)	15.4	16.7	17.2
Payout (%)	19.7	20.0	20.0
Valuations			
P/E (x)	41.4	33.6	28.7
P/B (x)	6.3	5.5	4.8
EV/EBITDA (x)	27.9	22.4	19.0
Div. yield (%)	0.5	0.6	0.7

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	67.5	67.5	67.5
DII	19.3	19.5	19.0
FII	7.0	6.6	6.6
Others	6.2	6.4	6.9

CMP: INR1,086 TP: INR1,200 (+10%) Neutral

Revenue growth driven by better sugar segment performance

KPR Mill's (KPR) revenue grew 9.6% YoY to INR19.4b in 1QFY27. The textile portfolio saw muted growth of 1%, while the sugar segment grew 21%. Gross margin improved 480bp YoY to 40.7%, while EBITDA margin settled at 19.4% (+180bp YoY). We expect KPR's revenue growth to continue at ~13%, supported by capacity ramp-up, favorable demand in the garment segment, and strategic expansion in higher-margin branded apparel. Profitability is likely to strengthen gradually, with EBITDA margins expanding to 21.5% and APAT margins expanding to 14.8% by FY28E, driven by operating leverage and a better product mix. The board has approved a comprehensive capacity expansion (45m in Odisha and 2.5m in Coimbatore) and modernization plan across the textile value chain with total capex of INR12.25b and an expected turnover of INR20b.

Sugar drives revenue; modernization to help garmenting growth

KPR's revenue grew 9.6% YoY to INR19.4b in 1QFY27. The textile portfolio (77% of sales) saw muted growth of 1%, while sugar segment, comprising 22% of the portfolio, delivered 21% growth. Textile segment posted EBIT margin of 18.5% (+130bp YoY), while sugar segment reported EBIT margin of 9.5% (+920bp YoY). We expect revenue to clock 13% CAGR over FY26- 28, supported by capacity ramp-up, favorable demand in the garment segment, and strategic expansion in higher-margin branded apparel. The board has approved a greenfield project for RMG manufacturing in Odisha with a capacity of 45m pieces per annum, which will be operational in 1QFY28. The board also approved some other capex plans, with total capex plans of INR12.25b and an expected turnover of INR20b.

EBITDA margin expansion driven by better cotton-yarn spread

In 1Q, gross margin expanded 480bp to 40.7%. EBITDA grew 20.8% to INR3.7b, with EBITDA margin at 19.4% (+180bp YoY), despite an increase in employee expenses (+19.2% YoY) and other expenses (+24.4% YoY). APAT grew 21.7% to INR2.6b. Textile segment delivered the highest EBIT margins at ~18.5%, while the sugar segment's EBIT margins stood at ~9.5%. We expect EBITDA margins to gradually improve to 21.5%, led by a better spread in FY27.

Valuation and view: Reiterate Neutral

We believe the company is well-positioned to benefit from its leadership in the Indian textile and apparel industry, supported by the largest garmenting capacity among listed peers. We model a revenue, EBITDA, and PAT CAGR of 13%, 20%, and 20%, respectively, over FY26-28, fueled by growth in the garment portfolio. We believe the current valuation already factors in low- to mid-teen growth, leaving limited upside at the CMP. Hence, we maintain our Neutral rating with a TP of INR1,200 (valuing the stock at 22x FY28E EV/EBITDA). Key risks: dependence on export markets, demand cyclicality in the apparel industry, and intense global competition (refer to our IC note dated Jun'26).

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY26				FY27				FY26	FY27E	1Q FY27E	Var. %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	17,663	16,320	14,674	17,847	19,355	17,952	18,196	19,698	66,504	75,203	18,546	4.4
YoY Change (%)	9.7	10.3	-4.0	0.9	9.6	10.0	24.0	10.4	4.1	13.1	*5.0*	
Gross Profit	6,347	6,454	6,491	6,950	7,876	7,360	7,278	7,879	26,104	30,257	7,233	8.9
Total Expenditure	14,560	13,178	11,729	14,364	15,607	14,028	14,464	15,434	53,831	59,535	*14,845*	*5.1*
EBITDA	3,103	3,142	2,945	3,483	3,748	3,924	3,732	4,264	12,673	15,668	3,701	1.3
Margins (%)	17.6	19.3	20.1	19.5	19.4	21.9	20.5	21.6	19.1	20.8	*20.0*	
Depreciation	532	538	542	543	565	610	620	634	2,156	2,464	*600*	*-5.9*
Interest	139	122	108	147	145	110	117	120	516	482	*135*	*7.6*
Other Income	360	239	335	405	347	280	300	248	1,339	1,128	*300*	*15.8*
PBT before EO expense	2,791	2,721	2,630	3,198	3,386	3,484	3,295	3,758	11,340	13,850	3,266	3.7
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	*0*	
PBT	2,791	2,721	2,630	3,198	3,386	3,484	3,295	3,758	11,340	13,850	3,266	3.7
Tax	664	541	544	926	800	836	758	864	2,675	3,185	*751.3*	*6.5*
Rate (%)	23.8	19.9	20.7	29.0	23.6	24.0	23.0	23.0	23.6	23.0	*23.0*	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	*0*	
Reported PAT	2,127	2,180	2,086	2,272	2,585	2,648	2,537	2,894	8,665	10,664	2,515	2.8
Adj PAT	2,127	2,180	2,086	2,272	2,585	2,648	2,537	2,894	8,665	10,664	2,515	2.8
YoY Change (%)	4.6	6.4	3.1	11.1	21.6	21.4	21.6	27.4	6.3	23.1	*18.2*	
Margins (%)	12.0	13.4	14.2	12.7	13.4	14.7	13.9	14.7	13.0	14.2	*13.6*	

Changes to our estimates (INR m)

INR m	Old		New		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	75,203	84,626	75,203	84,626	0.0	0.0
EBITDA	15,668	18,196	15,668	18,196	0.0	0.0
EBITDA margin %	*20.8*	*21.5*	*20.8*	*21.5*		
PAT	10,664	12,519	10,664	12,519	0.0	0.0
EPS	*31.2*	*36.6*	*31.2*	*36.6*	0.0	0.0

Source: MOFSL, Company

Expansion cum modernization projects approved by Board

Particular	Cost (INR b)	Expected time of completion
Green Field Projects		
New readymade garment manufacturing facility in Odisha with a capacity of 45m garments p.a.	4.5	1QFY28
New processing factory at Perundurai, Coimbatore with the processing capacity of 10,000 MT p.a.	2.5	2QFY28
New sweater manufacturing factory in Karumathampatti, Coimbatore with capacity of 2.5m garments p.a.	0.75	4QFY28
Modernization cum expansion Projects		
Modernization cum expansion of knitted fabric facility in Arasur, Coimbatore with capacity to produce 15,000 MT p.a.	0.9	3QFY27
Modernization cum expansion of knitted fabric facility in Neelabur, Coimbatore with capacity to produce 20,000 MT p.a.	1	4QFY27
Modernization cum expansion of spinning mill unit 3 at Karumathampatti, Coimbatore.	0.85	3QFY27
Modernization cum expansion of spinning mill unit 1 at Karumathampatti, Coimbatore.	1.75	4QFY27
Total	**12.25**	

Source: Company, MOFSL

Hexaware Technologies

BSE Sensex	S&P CNX
78,542	24,584

HEXAWARE

Bloomberg	HEXT IN
Equity Shares (m)	611
M.Cap.(INRb)/(USDb)	348.5 / 3.7
52-Week Range (INR)	830 / 400
1, 6, 12 Rel. Per (%)	2/3/-22
12M Avg Val (INR M)	639

Financials & Valuations (INR b)

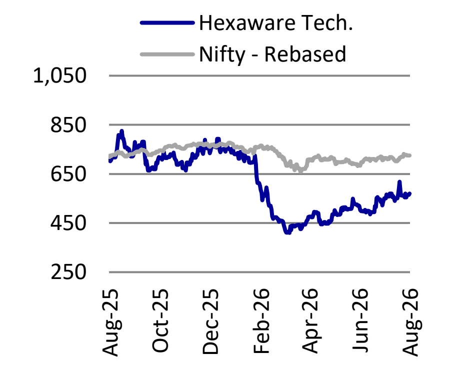
Y/E Mar	CY25	CY26E	CY27E
Sales	134.3	154.3	170.4
Adj. EBIT Margin (%)	14.0	13.7	13.9
Adj. PAT	14.3	14.8	17.6
Adj. EPS (INR)	23.1	23.9	28.4
EPS Gr. (%)	19.6	3.7	18.8
BV/Sh. (INR)	103.7	115.8	130.3
Ratios			
RoE (%)	23.5	22.5	23.4
RoCE (%)	19.6	17.9	19.3
Payout (%)	49.0	50.0	50.0
Valuations			
P/E (x)	24.7	23.8	20.1
P/BV (x)	5.5	4.9	4.4
EV/EBITDA (x)	14.5	12.9	11.0
Div Yield (%)	2.0	2.1	2.5

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	74.3	74.3	74.6
DII	16.1	15.0	9.9
FII	3.4	4.5	9.9
Others	6.3	6.2	5.6

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR570 | TP: INR720 (+26%) | Buy

Well set-up for the medium term

Healthy deal wins and strong CY26 exit bode well for earnings growth

- **We met with Hexaware (HEXT) CEO Mr. R. Srikrishna and CFO Mr. Vikash Kumar Jain following the 2QCY26 results** to discuss the guidance revision, the demand environment, AI monetization, and the medium-term growth outlook. HEXT has lowered its FY26 revenue guidance, and our discussions suggest the change is largely driven by a delayed ramp-up of deals rather than a deterioration in demand. The focus now shifts to execution over the next two quarters as these projects begin contributing, while investments in large accounts and AI capabilities continue to build the CY27 growth pipeline.
- **The company appears well placed to exit the year on a stronger run rate, supported by delayed deal ramp-ups**, healthy momentum in modernization programs, and improving AI-led engagements. **We reiterate our BUY rating with a TP of INR720 (based on 25x CY27E EPS).**

Guidance cut reflects revenue timing, not demand; stronger CY27 setup

- The reduction in **CY26 revenue growth guidance to 6-7% YoY (including ~50bp from the CPS rebadging deal) appears to be more of a timing issue than weakening demand**. Delayed ramp-up of deals won earlier in the year, coupled with continued weakness in the Travel & Transportation vertical, has pushed revenue recognition to late 3Q and 4QCY26.
- Encouragingly, the pipeline remains healthy, with continued traction in modernization, consolidation, and AI-led transformation programs. **We estimate 6.6% USD revenue growth in CY26**, with sequential growth improving over the next two quarters as delayed projects begin to ramp up. **A stronger exit in CY26, despite the seasonally weaker 4Q, should provide a better starting point for CY27.**

Large-account expansion continues to support medium-term growth

- Vendor consolidation continues to work in HEXT's favor. **Around 13 of the top 20 clients have undergone consolidation over the past five quarters**, allowing the company to strengthen its positioning and expand its wallet share across several strategic accounts.
- The deal mix is also moving in the right direction, with increasing traction in USD10m+ modernization programs, consolidation mandates, and AI transformation engagements. **The client base contributing over USD10m annually has increased to 34, up by three YoY**, providing a broader foundation for medium-term growth.

Token economics could gradually change AI commercial models

- AI conversations are gradually shifting from productivity gains toward commercial models and token economics. **Clients are increasingly evaluating AI deployments by balancing labor costs with token consumption, making AI infrastructure costs an integral part of outsourcing discussions** rather than a standalone technology expense.
- HEXT is positioning itself early for this shift through input-, output-, and outcome-based pricing models, supported by proprietary tools that optimize token usage across multiple LLMs (refer to exhibit 1). **While token-based monetization is unlikely to become meaningful immediately, it could gradually expand the revenue pool for IT services beyond traditional FTE-based pricing** and improve competitiveness in AI-led engagements.

AI strategy continues to evolve as enterprise adoption broadens

- While AI is enabling faster software development, a broader adoption continues to depend on business readiness and organizational change rather than technology alone. At the same time, AI adoption will create incremental demand for legacy modernization, with **USD10m+ modernization programs becoming increasingly visible** in both the deal pipeline and recent deal wins.
- The company also highlighted **a new category of strategic AI partner engagements (refer to exhibit 2),** where enterprises are selecting vendors through initial AI use cases before scaling up across the organization.
- HEXT continues to expand its AI portfolio through **one new AI service launch every month**, with a target of **engaging 100 customers within 90 days** of each launch. The company has also deployed **30-75 AI champions** across business units to drive adoption and scale up new offerings. Management indicated that **Zero License** has already secured its first few commercial wins, while the pipeline continues to build.
- Alongside this, the company is experimenting with **8-10 AI pricing models** spanning input-, output- and outcome-based pricing, while developing token optimization capabilities across multiple LLMs.
- **We believe the key monitorable over the next few years will be the pace at which these initiatives translate into larger enterprise engagements and meaningful revenue contribution, as current AI-led deals remain largely in the USD1-2m range before scaling up further.**

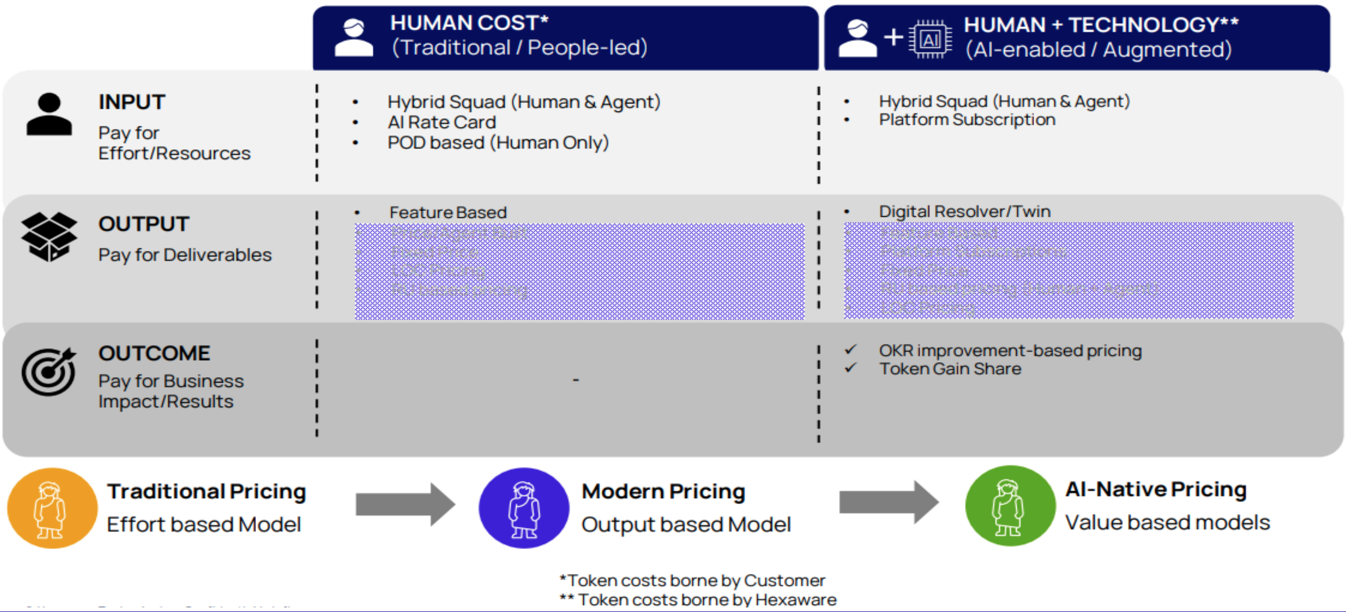
Margin outlook remains stable despite continued investments

- Management **maintained its CY26 EBIT margin guidance of 13-14%,** despite continued investments in hiring and AI capabilities. Margin improvement during the quarter was supported by better utilization and favorable calendar effects, partly offset by seasonal expenses and investments in talent.
- **Looking ahead, operating leverage from delayed deal ramp-ups should help absorb continued investments, while seasonal costs incurred during 2Q** are unlikely to repeat. We expect margins to remain broadly range-bound in the near term with gradual improvement as revenue growth accelerates. We estimate EBIT margins of **13.7%/13.9%** for CY26/27E.

Valuation and View

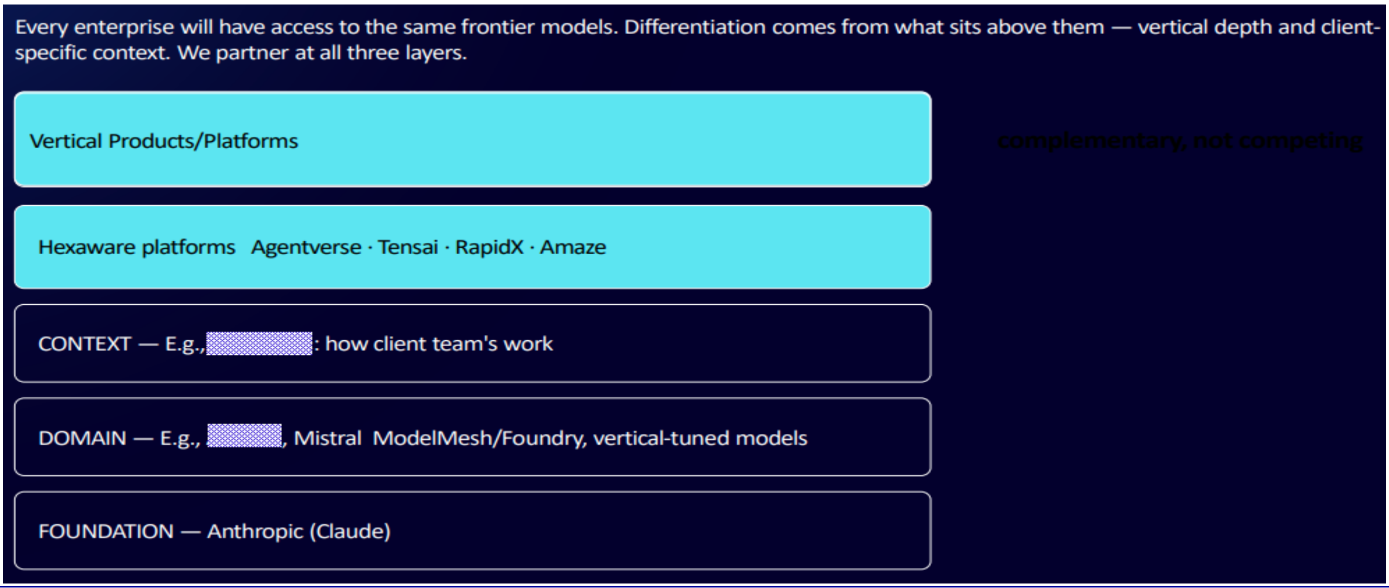
- Although HEXT has lowered its CY26 revenue guidance, management commentary suggests that growth is largely getting deferred rather than lost. Delayed deal ramp-ups, continued momentum in modernization programs, and healthy growth across banking, healthcare, and manufacturing **should support a stronger exit in CY26 and provide a better starting point for CY27.**
- We estimate **revenue growth of 6.4%/9.7% YoY CC for CY26/27E**, supported by improving execution, continued large-account mining and healthy AI-led opportunities. The company also maintained its margin guidance despite continued investments in AI and talent. **Reiterate our BUY rating with a TP of INR720 (based on 25x CY27E EPS), implying around 26% upside.**

Clients are increasingly evaluating AI deployments by balancing labor costs with token consumption and HEXT is positioning itself early for this shift



Source: Company, MOFSL

HEXT's partnership strategy



Source: Company, MOFSL

Fine Organic Industries

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	FINEORG IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	154.2 / 1.6
52-Week Range (INR)	5407 / 3856
1, 6, 12 Rel. Per (%)	-1/13/3
12M Avg Val (INR M)	73

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	23.7	26.2	28.8
EBITDA	4.9	5.7	6.1
PAT	4.2	4.6	4.9
EPS (INR)	136.1	149.2	160.9
EPS Gr. (%)	1.6	9.6	7.9
BV/Sh.(INR)	869.1	1,006.2	1,154.1
Ratios			
Net D:E	-0.5	-0.5	-0.3
RoE (%)	16.8	15.9	14.9
RoCE (%)	16.9	16.0	15.1
Payout (%)	8.1	8.1	8.1
Valuations			
P/E (x)	37.0	33.8	31.3
P/BV (x)	5.8	5.0	4.4
EV/EBITDA (x)	28.7	24.5	23.5
Div. Yield (%)	0.2	0.2	0.3
FCF Yield (%)	1.9	1.0	2.5

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	75.0	75.0	75.0
DII	11.7	11.7	11.9
FII	4.3	4.4	4.8
Others	9.0	9.0	8.3

FII includes depository receipts

CMP: INR5,028 TP: INR4,510 (-10%) Sell

Resilient operating performance amid macro uncertainty

Earnings above our estimate

- Fine Organic Industries (FINEORG) posted a strong operating performance, with an EBITDA growth of 42% YoY, primarily due to gross margin expansion of 500bp YoY to 45.4%.
- While Fine Organic Industries continues to strengthen its global footprint through geographic expansion and strategic partnerships, near-term operating performance is likely to reflect evolving demand conditions, macroeconomic uncertainties, supply chain dynamics, raw material costs, and capacity availability across its manufacturing facilities.
- Backed by a strong 1QFY27, we raise our earnings estimates for FY27/FY28 by 11% each. FINEORG currently trades at ~31.3x FY28E EPS and ~23.5x FY28E EV/EBITDA. We value the stock at 28x FY28E EPS to arrive at our TP of INR4,510. **Reiterate Sell.**

Strong earnings growth despite elevated input costs

- FINEORG reported revenue of INR6.9b in 1QFY27, rising 18% YoY. Overall demand remained stable during the quarter, with export and domestic markets showing improved performance.
- Export revenue grew 26% YoY to INR4.1b, while domestic revenue grew 7% YoY to INR2.8b.
- Gross margin stood at 45.4% (up 500bp YoY), while EBITDA margin expanded 430bp YoY to 25.3% in 1QFY27.
- Raw material prices remained elevated in 1QFY27 compared to FY26, while the sequential increase over 4QFY26 was marginal.
- EBITDA stood at INR1.8b, up 42% YoY for the quarter.
- Utility costs mounted in 1QFY27 compared to FY26, primarily due to higher fuel prices resulting from the ongoing West Asian geopolitical crisis.
- Adj. PAT grew 23% YoY to INR1.4b in 1QFY27 (est. of INR1.1b).

Valuation and view

- The company remains focused on strengthening its global presence through investments in overseas subsidiaries, expanding US capacity for future growth, enhancing manufacturing capabilities, incorporating a wholly owned subsidiary in Dubai to establish a local presence in GCC countries, and expanding its presence in Malaysia with the acquisition of Oleofine Organics.
- We anticipate FINEORG's performance to be hit by the following factors: 1) longer-than-expected delays in the commissioning of new capacities for expansion, 2) existing plants operating at close to optimum utilization, with no potential for debottlenecking, and 3) the macroeconomic environment.
- Backed by a strong 1QFY27, we raise our earnings estimates for FY27/FY28 by 11% each. FINEORG currently trades at ~31.3x FY28E EPS and ~23.5x FY28E EV/EBITDA. We value the stock at 28x FY28E EPS to arrive at our TP of INR4,510. **Reiterate Sell.**

Consolidated - Income Statement (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Gross Sales	**5,884**	**5,973**	**5,548**	**6,253**	**6,942**	**6,690**	**5,992**	**6,566**	**23,658**	**26,189**	**6,131**	**13%**
YoY Change (%)	*7.0*	*0.2*	*7.3*	*3.1*	*18.0*	*12.0*	*8.0*	*5.0*	*4.3*	*10.7*	*4.2*	
Total Expenditure	4,648	4,621	4,533	4,955	5,182	5,218	4,883	5,220	18,757	20,503	4,899	
Gross Margin (%)	*40.4%*	*41.6%*	*38.0%*	*40.3%*	*45.4%*	*41.0%*	*38.5%*	*39.5%*	*20.7%*	*21.7%*	*39.6%*	
EBITDA	**1,236**	**1,352**	**1,015**	**1,298**	**1,760**	**1,472**	**1,108**	**1,346**	**4,901**	**5,686**	**1,232**	**43%**
Margin (%)	*21.0*	*22.6*	*18.3*	*20.8*	*25.3*	*22.0*	*18.5*	*20.5*	*20.7*	*21.7*	*20.1*	
Depreciation	118	128	138	180	138	140	150	170	564	598	130	
Interest	5	4	5	27	9	7	8	7	41	31	6	
Other Income	398	211	211	346	243	250	250	350	1,167	1,093	350	
PBT	**1,581**	**1,431**	**1,013**	**1,437**	**1,855**	**1,575**	**1,200**	**1,519**	**5,461**	**6,149**	**1,446**	
Tax	403	335	268	253	454	396	302	382	1,404	1,533	363	
Rate (%)	*25.5*	*23.4*	*26.5*	*17.6*	*24.5*	*25.1*	*25.1*	*25.1*	*25.7*	*24.9*	*25.1*	
Reported PAT	**1,171**	**1,086**	**739**	**1,175**	**1,381**	**1,171**	**891**	**1,130**	**4,025**	**4,573**	**1,075**	
Adj PAT	**1,119**	**1,086**	**792**	**1,175**	**1,381**	**1,171**	**891**	**1,130**	**4,026**	**4,573**	**1,075**	**28%**
YoY Change (%)	*-1.4*	*-7.6*	*-4.3*	*20.7*	*23.4*	*7.9*	*12.6*	*-3.8*	*-1.9*	*13.6*	*-4.0*	
Margin (%)	*19.0*	*18.2*	*14.3*	*18.8*	*19.9*	*17.5*	*14.9*	*17.2*	*17.0*	*17.5*	*17.5*	

Particulars	Revised		Previous		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue (INR m)	26,189	28,811	24,834	27,321	5%	5%
EBITDA (INR m)	5,686	6,106	4,952	5,514	15%	11%
PAT (INR m)	4,573	4,934	4,112	4,450	11%	11%
EPS (INR)	149.2	160.9	134.1	145.1	11%	11%

Shaily Engineering

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	SHEP IN
Equity Shares (m)	46
M.Cap.(INRb)/(USDb)	154.9 / 1.6
52-Week Range (INR)	3434 / 1604
1, 6, 12 Rel. Per (%)	20/57/110
12M Avg Val (INR M)	851
Free float (%)	58.9

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	9.9	12.6	17.6
EBITDA	2.8	3.8	5.8
Adj. PAT	1.7	2.3	3.7
Adj. EPS (INR)	37.0	50.5	81.5
EPS Gr. (%)	82.5	36.7	61.2
BV/Sh. (INR)	156	202	278
Ratios			
RoE (%)	23.7	25.0	29.3
RoCE (%)	29.3	32.7	39.4
Payout (%)	8.1	7.9	7.4
Valuations			
P/E (x)	91.0	66.6	41.3
P/BV (x)	21.6	16.6	12.1
EV/EBITDA (x)	55.8	41.1	27.1
Div. Yield (%)	0.1	0.1	0.2

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	41.1	43.4	43.7
DII	14.8	10.6	14.1
FII	18.2	16.7	9.7
Others	25.9	29.3	32.4

CMP: INR3,367 TP: INR4,074 (+21%) Buy

Robust outlook intact, led by healthcare segment

Revenue/EBIDTA/PAT grew 14%/22%/17% YoY in 1QFY27

- Shaily Engineering's (SHEP) 1QFY27 result was driven by its healthcare segment, while weakness persisted in the consumer segment.
- Healthcare revenue surged 84% YoY (in line), driven by increasing traction in GLP-1 pen volume following patent expiry in India and Canada.
- Consumer revenue slid 24% YoY (miss) due to continued weak consumer sentiment in the US and Europe. Industrial revenue grew 25% YoY.
- EBITDA margin expanded 190bp YoY to 29.6%, driven by greater revenue mix of higher-margin healthcare segment, despite losses in UK subsidiary.
- Domestic revenue surged 114% YoY with its mix rising to 58%. This was driven by expanding GLP-1 pen volume supply to domestic pharma customers after opening of generic drug market.
- Export revenue fell 7% YoY due to weakness in consumer segment and low revenue booking in the UK subsidiary (down 73% YoY).

Key highlights from the management commentary

- **Healthcare:** FY27 guidance of 36m pen has upside risk; Dr. Reddy's volume intact; sold 9m pen devices in 1Q (50-60% GLP-1); appointed dedicated sales heads for the US and Europe to expand business; additional 25m pen capacity is expected by Sep'25 to take total to 75m+ pens; received approvals to supply Semaglutide pens in Canada and Brazil; two new projects signed for IP-led platforms.
- **Consumer:** Revenue slid due to continued weak consumer sentiment in the US and Europe; revenue is likely to be flat in FY27E.
- **Consumer electronics:** To manufacture critical products; started suppling in small batches; business confirmation from a new customer to supply five new products likely from 4Q; acquired land for a new plant in South India for ~INR1b capex; to disclose further update in 2Q.
- **Semiconductor:** Revenue is likely to accrue from 4Q; manufacturing specialized trays having volume requirement in millions.
- Consumer electronics and Semicon will be domestic-focused businesses.
- UK subsidiary is expected to come back strongly in next few quarters.

Valuation and view: Reiterate BUY

We cut FY27E earnings by 3% after a miss in 1Q earnings. However, we raise FY28E earnings by 8% owing to higher-than-earlier-expected growth and margins in healthcare. We now expect a CAGR of 33%/44%/48% in revenue/ EBITDA/PAT over FY26-28, with a 32%+ EBITDA margin in FY28, driven by volume commitments from key healthcare customers. Robust RoE/RoCE (~29%/39% in FY28E) and OCF (~INR8b over FY26-28) will support the expansion of GLP-1 pen capacity by ~5x. Thus, **we are constructive on SHEP and reiterate our BUY rating with a revised TP of INR4,074, based on 50x FY28E EPS. Slower-than-expected growth and earnings could lead to a de-rating in the scrip's valuation and pose a risk to our positive view.**

Consolidated quarterly performance (INR m)

	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%
Net Sales	**2,467**	**2,567**	**2,505**	**2,368**	**2,807**	**3,070**	**3,239**	**3,446**	**9,907**	**12,561**	**2,988**	**-6**
YoY Change (%)	37.5	33.7	26.8	8.7	13.8	19.6	29.3	45.5	25.9	26.8	21.1	
Total Expenditure	1,784	1,773	1,842	1,712	1,976	2,148	2,257	2,383	7,107	8,765	2,089	
EBITDA	**683**	**793**	**663**	**656**	**831**	**922**	**982**	**1,062**	**2,799**	**3,796**	**898**	**-8**
Margins (%)	27.7	30.9	26.5	27.7	29.6	30.0	30.3	30.8	28.3	30.2	30.1	
Depreciation	114	120	125	133	140	145	150	155	492	592	138	
Interest	39	39	44	37	33	40	40	40	159	153	40	
Other Income	21	23	1	37	3	10	10	10	78	33	20	
PBT before EO expense	**551**	**657**	**495**	**523**	**659**	**746**	**802**	**877**	**2,226**	**3,084**	**741**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**551**	**657**	**495**	**523**	**659**	**746**	**802**	**877**	**2,226**	**3,084**	**741**	**-11**
Tax	140	144	121	122	179	179	192	210	527	761	174	
Rate (%)	25.3	22.0	24.5	23.3	27.2	24.0	24.0	24.0	23.7	24.7	23.5	
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	
Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**411**	**513**	**374**	**402**	**480**	**567**	**610**	**667**	**1,699**	**2,323**	**566**	**-15**
Adj PAT	**411**	**513**	**374**	**402**	**480**	**567**	**610**	**667**	**1,699**	**2,323**	**566**	**-15**
YoY Change (%)	136.2	133.8	48.4	40.5	16.7	10.7	63.1	66.0	82.5	36.7	37.8	
Margins (%)	16.7	20.0	14.9	17.0	17.1	18.5	18.8	19.3	17.2	18.5	19.0	

E: MOFSL Estimates

Quarterly Performance

	4QFY25	1QFY26	2QFY25	3QFY26	4QFY26	1QFY27	% YoY	% QoQ
Segment Revenues (INR m)								
Consumer	1,481	1,514	1,349	1,228	1,021	1,155	(24)	13
Healthcare	560	772	986	1,043	1,128	1,424	84	26
Industrial	137	181	232	234	219	227	25	4
Total revenue	**2,178**	**2,467**	**2,567**	**2,505**	**2,368**	**2,806**	**14**	**18**
Segment Revenues - Mix (%)								
Consumer	68	61	53	49	43	41		
Healthcare	26	31	38	42	48	51		
Industrial	6	7	9	9	9	8		
Geographical Revenue (INR m)								
Exports	1,624	1,713	1,590	1,686	1,279	1,596	(7)	25
Domestic	409	538	766	679	961	1,151	114	20
UK, UAE Subs. (Platform Fees)	145	216	210	141	128	59	(73)	(54)
Total revenue	**2,178**	**2,467**	**2,567**	**2,505**	**2,368**	**2,807**	**14**	**19**
Geographical Revenue - Mix (%)								
Exports	75	69	62	67	54	57		
Domestic	19	22	30	27	41	41		
UK, UAE Subs. (Platform Fees)	7	9	8	6	5	2		

Zee Entertainment

CMP: INR94 **TP: INR100 (+6%)** **Neutral**

Estimate changes	↓
TP change	↔
Rating change	↔

Bloomberg	Z IN
Equity Shares (m)	961
M.Cap.(INRb)/(USDb)	90.7 / 1
52-Week Range (INR)	124 / 68
1, 6, 12 Rel. Per (%)	-5/6/-17
12M Avg Val (INR M)	1798

Financials & Valuations (INR b)

Y/E Mar	FY27E	FY28E	FY29E
Sales	85.6	86.1	90.8
EBITDA	5.8	7.7	10.4
Adj. PAT	4.2	5.6	7.7
EBITDA Margin (%)	6.8	9.0	11.5
Adj. EPS (INR)	4.3	5.8	8.0
EPS Gr. (%)	NM	34.1	37.6
BV/Sh. (INR)	124.8	128.1	133.1
Ratios			
Net D:E	-0.2	-0.3	-0.3
RoE (%)	3.8	4.6	6.1
RoCE (%)	3.5	4.3	5.9
Payout (%)	43.1	43.0	37.5
Valuations			
P/E (x)	21.8	16.2	11.8
P/B (x)	0.8	0.7	0.7
EV/EBITDA (x)	10.7	7.1	5.0
Div . Yield (%)	2.1	2.6	3.2

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	4.0	4.0	4.0
DII	7.9	10.9	16.9
FII	20.1	25.3	24.8
Others	68.0	59.8	54.3

FII Includes depository receipts

Another subdued quarter; FIFA boost likely in 2Q

- **Zee delivered another subdued quarter**, with **ad revenue declining ~11.5% YoY and** EBITDA slumping ~65% YoY (7% miss), despite robust ~16% YoY growth in subscription revenue (part benefit of FIFA'26).
- Zee5 delivered robust ~58% YoY revenue growth with adjusted EBITDA profitability for the third consecutive quarter. However, the continued decline in linear TV profitability (revenue -5.5% YoY, EBITDA -75% YoY) continues to take the sheen off Zee5's turnaround.
- Management remains cautiously optimistic of recovery in ad revenue, with an improving macro-economic outlook ahead of the upcoming festive season and interventions (selective re-entry into sports, forays into kid entertainment, micro drama). The full benefit of FIFA subscription packs, along with the related content costs, should be reflected in 2Q.
- We cut our FY27/28E EBITDA estimates by 24%/14%, driven by subdued ad environment and higher content investments.
- Despite a continued trend of decline in ad revenue for the past several years, we have built in ~2% CAGR in ad revenue over FY26-29E, which has downside risks from the structural shift in ad spends to digital medium.
- We build in a CAGR of 4% in revenue over FY26-29E, while we expect the FY29E EBITDA/PAT to remain below FY25 levels.
- We reiterate our Neutral rating with an unchanged TP of INR100, premised on ~14x Sep'28E P/E.

Strong subscription growth offset by weakness in ad revenue

- Zee's consol. revenue declined 6% QoQ (+4.5% YoY) to INR19.1b (in line).
  - Advertisement revenue **declined 11.5% YoY** to INR6.7b (vs. -4% YoY in 4Q, though 7% beat on our muted expectations) as **domestic ad revenue declined ~11% YoY (vs. ~3% YoY in 4Q)** due to the West Asia conflict and cricket. However, trends improved in June with acquisition of FIFA rights.
  - Subscription revenue **grew 16% YoY** to INR11.4b (+11% QoQ, in line), driven by linear subscription price increases and growth in digital subscribers, along with higher ARPU. Domestic subscription revenue rose ~16% YoY (vs. 4.4% YoY in 4Q), partly due to FIFA'26 subscription packs.
  - Revenue from other sales & services grew 17% YoY to INR1b (-49% QoQ).
- Programming costs grew ~6% YoY, while advertisement and promotional spends jumped 62% YoY due to the marketing of FIFA 2026.
- Employee costs declined ~3% YoY, and other expenses rose ~5% YoY.
- Zee's reported EBITDA came in at INR789m (-65% YoY, 7% miss) due to higher costs.
- Reported 1Q PAT of INR743m (-48% YoY) was boosted by prior period tax reversals and higher other income (up 2.1X YoY).
- Adjusted for prior-period tax reversals, PAT at INR474m declined 67% YoY and was 11% below our estimate.

Zee5: Revenue growth accelerates, though linear profitability tumbles

- Zee5 revenue grew 58% YoY to INR4.6b, driven by stable trends in usage and engagement metrics.
- Reported EBITDA of INR44m (vs. loss of INR84m QoQ).
- Adjusted for Zee5, linear TV business revenue declined 5.5% YoY, while reported EBITDA declined ~75% YoY to INR745m, with margin at 5.1% (-14pp YoY).

Key highlights from the management commentary

- **Ad revenue trends and outlook**: Ad revenue declined ~12% YoY due to the continuation of challenging macroeconomic environment in the wake of the West Asia conflict, which created inflationary pressures and impacted advertising budgets. Management noted that the environment showed a marginal recovery toward end-1QFY27 and remains cautiously optimistic about recovery in ad revenue going into the upcoming festive.
- **Fund Raise:** The company has sought clarification from the regulator regarding the fundraising process and is awaiting the response. It has also approached the Securities Appellate Tribunal and filed an appeal. Management stated that it is hopeful of a resolution and the future course of action on fundraising will be determined based on the outcome of these efforts.
- **Subscription:** Subscription revenue growth was supported by higher ARPU and subscriber growth in the digital business, along with increased pricing in the linear business. Management stated that Zee5's subscription growth is not solely driven by FIFA (with a large chunk of growth expected in 2Q).
- **Z Music:** The music business continued to deliver healthy performance. Management does not see any strategic rationale to demerge Z Music yet, and would take any such action if an opportunity for strategic sale were to arise in the future.
- **Sports:** Zee entered the sports business with the launch of four sports channels and secured rights for FIFA, Bundesliga, and Serie A. FIFA 2026 reached over 400m consumers across Zee's linear and digital platforms. Management stated that the company will remain prudent in selecting sports properties with an aim to scale up the sports business sustainably.

Valuation and view

- Slowdown in FMCG's ad spending on linear platforms continues to weigh on Zee's domestic ad revenue (~37% decline over FY19-26).
- We believe that a sustainable recovery in ad revenue remains the key to any potential re-rating of multiples for Zee.
- We cut our FY27/28E EBITDA estimates by 24%/14%, driven by subdued ad environment and higher content investments.
- Despite a continued trend of decline in ad revenue for the past several years, we have built in ~2% CAGR in ad revenue over FY26-29, which has downside risks from the structural shift in ad spends to digital medium.
- We build in a CAGR of 4% in revenue over FY26-29E, while we expect FY29 EBITDA/PAT to remain below FY25 levels.
- We **reiterate our Neutral rating with an unchanged TP of INR100**, premised on ~14x Sep'28E P/E.

Consolidated - Quarterly Earnings (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	v/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est (%)
Revenue	**18,248**	**19,692**	**22,801**	**20,248**	**19,073**	**23,244**	**22,532**	**20,731**	**80,989**	**85,579**	**18,955**	*0.6*
YoY Change (%)	-14.3	-1.6	15.2	-7.3	4.5	18.0	-1.2	2.4	-2.4	5.7		
Total Expenditure	15,968	18,228	20,396	22,934	18,284	20,612	21,814	19,091	77,526	79,801	18,105	*1.0*
EBITDA	**2,280**	**1,464**	**2,405**	**-2,686**	**789**	**2,631**	**718**	**1,640**	**3,463**	**5,778**	**849**	*-7.1*
EBITDA Margin (%)	12.5%	7.4%	10.5%	-13.3%	4.1%	11.3%	3.2%	7.9%	4.3%	6.8%	4.5%	34 bp
Depreciation	591	571	537	473	435	567	575	598	2,172	2,175	559	*-22.2*
Interest	77	130	92	149	132	100	95	73	448	400	105	*25.5*
Other Income	250	264	184	763	312	390	395	503	1,461	1,600	399	*-21.8*
Fair Value through P&L gain/(loss)	109	126	151	138	207	125	125	43	524	500	125	66
PBT before EO expense	**1,971**	**1,153**	**2,111**	**-2,407**	**741**	**2,479**	**568**	**1,514**	**2,828**	**5,303**	**709**	*4.6*
Extra-Ord expense	0	0	94	0	0	0	0	0	94	0	0	
PBT	**1,971**	**1,153**	**2,017**	**-2,407**	**741**	**2,479**	**568**	**1,514**	**2,734**	**5,303**	**709**	*4.6*
Tax	535	389	469	-1,370	-2	625	143	162	23	928	179	*-101.1*
Rate (%)	27.1	33.7	23.3	56.9	-0.3	25.2	25.2	10.7	0.8	17.5	25.2	
MI & P/L of Asso. Cos.	-1	-1	-5	-13	0	0	0	0	-20	-80	0	
Reported PAT	**1,437**	**765**	**1,553**	**-1,024**	**743**	**1,855**	**425**	**1,352**	**2,731**	**4,455**	**530**	*40.2*
Adj PAT	**1,437**	**765**	**1,647**	**-1,024**	**474**	**1,875**	**445**	**1,372**	**2,825**	**4,166**	**530**	*-10.6*
YoY Change (%)	-6.8	-61.5	-32.6	-154.3	-67.0	145.0	-73.0	-234.0	-64	47		

E: MOFSL Estimates

We value Zee at a TP of INR100, based on 14x Sep'28E EPS

Valuation	Sep'28E
EPS	6.9
PE multiple (x)	14
Target Price (INR)	**100**
CMP (INR)	94
Upside (%)	5.5

Source: MOFSL, Company

Lemon Tree Hotels

Estimate change	⟷
TP change	⟷
Rating change	⟷

Stock Info

Bloomberg	LEMONTRE IN
Equity Shares (m)	792
M.Cap.(INRb)/(USDb)	85.5 / 0.9
52-Week Range (INR)	181 / 100
1, 6, 12 Rel. Per (%)	-10/-14/-26
12M Avg Val (INR M)	597
Free float (%)	77.7

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	14.4	16.1	17.3
EBITDA	6.9	7.9	8.8
PAT	2.52	3.07	3.78
EBITDA (%)	47.8	48.6	50.8
EPS (INR)	3.2	3.9	4.8
EBITDA Gr. (%)	28.2	21.6	23.2
BV/Sh. (INR)	17.6	21.5	26.2
Ratios			
Net D/E	1.0	0.6	0.3
RoE (%)	19.7	19.8	20.0
RoCE (%)	13.1	15.4	18.1
Valuations			
P/E (x)	35.2	28.9	23.5
EV/EBITDA (x)	15.8	13.6	11.8
FCF Yield (%)	4.6	6.3	7.0

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	22.3	22.3	22.3
DII	14.4	15.7	20.0
FII	19.5	21.7	21.4
Others	43.8	40.4	36.4

CMP: INR108 TP: INR140 (+30%) Buy

Fleur's scale-up and asset-light strategy drive growth visibility

Operating performance in line

- Lemon Tree Hotels (LEMONTRE) reported healthy revenue growth of 9% YoY in 1QFY27, led by 5%/42%/30% YoY growth in Room revenue/Management fees/FnB revenue. Average room rate (ARR) grew 2% YoY to INR6,361, with occupancy rate (OR) expanding 320bp YoY to 75.7%. ARR growth was muted in 1Q as the company prioritized occupancy through higher retail volumes amid subdued corporate demand. With demand recovering in 2Q, the company has shifted to a more balanced strategy, providing scope for stronger ARR growth in the coming quarter.
- LEMONTRE's EBITDA margin was 43.4% in 1QFY27, which was, however, hit by higher investments in renovations (INR98m), technology, and the GST impact (INR81m), leading to a 105bp YoY contraction.
- Going forward, we expect LEMONTRE to show healthy growth, primarily led by aggressive expansion through Fleur (pipeline of 3,300 keys by FY30), accelerating asset-light management fee income, premiumization via Aurika, and improving operating leverage as renovation cost, GST, and tech-related cost pressures normalize.
- We largely maintain our FY27/FY28 EBITDA estimates and reiterate our **BUY** rating on the stock with our SoTP-based **TP of INR140**.

Healthy performance driven by OR play

- Revenue grew ~9% YoY to INR3.4b (est. in line). OR expanded 320bp YoY to 75.7%. ARR increased 2% YoY to INR6,361. Management fees grew 42% YoY to INR228m.
- EBITDA grew 7% YoY to INR1.5b (est. in line). EBITDA margin contracted 105bp YoY to ~43.4% (est. 44.5%).
- Adj. PAT grew ~20% YoY to INR460m (est. INR346m).
- Gross debt stood at INR14.8b vs. INR16.5b as of Jun'25.

Highlights from the management commentary

- **Keys:** Keys' RevPAR grew 19% to ~INR2,885. ARR is nearing the management target of INR4,500 (ARR in 1QFY27 at INR4,311). The brand remains a work in progress, with ~75% of the portfolio renovated and further refurbishment planned. Keys is expected to operate at full potential next year, with occupancy rates approaching Lemon Tree levels and continued ARR improvement. This will support the INR600m EBITDA target. Major renovations at Keys Pimpri and Whitefield have been completed, with expenses of INR110m and INR230m, respectively.
- **Renovation:** The company renovated ~300 rooms in 1Q and it plans to undertake a similar quantity in 2Q, with all major renovation projects largely completed. The overall renovation program is expected to be completed in FY27, with only routine refurbishments thereafter. Renovation expenses stood at INR98m in 1Q vs. normal spend of ~INR30m, with the incremental ~INR60m expected to normalize from FY28.

- **Pricing strategy:** 2Q is expected to be significantly better than 1Q, with July and August showing improved performance. In 1Q, the company adopted a higher occupancy and lower ARR strategy amid subdued corporate demand. However, the company has adopted a more balanced approach in 2Q, with a focus on improving both occupancy and ARR.

Valuation and view

- The company is expected to maintain a healthy growth momentum going forward, led by: 1) accelerated growth in management contracts (pipeline of ~13,300 rooms), 2) rebranding of existing hotels, 3) expansion of the Aurika portfolio, 4) strong backup from Warburg Pincus, 5) increase in yield due to the completion of renovation across brands, and 6) the addition of owned hotels through Fleur (3,300 keys).
- We expect LEMONTRE to post a CAGR of 9%/13%/22% in revenue/EBITDA/adj. PAT over FY26-28, with RoCE improving to ~18% by FY28 from ~13.1% in FY26. **We reiterate our BUY rating on the stock with our SoTP-based TP of INR140 for FY28.**

Consolidated Quarterly Performance (INRm)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	(%)
Gross Sales	3,158	3,063	4,061	4,164	3,446	3,514	4,496	4,687	14,445	16,143	3,397	1
YoY Change (%)	17.8	7.7	14.3	10	9.1	14.7	10.7	12.6	12.3	11.8	-10.3	
Total Expenditure	1,753	1,756	2,014	2,012	1,949	1,972	2,151	2,217	7,533	8,289	1,884	
EBITDA	1,405	1,307	2,047	2,152	1,497	1,542	2,344	2,469	6,912	7,853	1,513	-1
Margins (%)	44.5	42.7	50.4	51.7	43.4	43.9	52.1	52.7	47.8	48.6	44.5	
Depreciation	342	343	348	355	361	362	363	370	1,388	1,455	360	
Interest	447	423	414	388	364	360	350	328	1,672	1,394	388	
Other Income	16	17	17	31	21	19	19	31	82	90	18	
PBT before EO expense	633	558	1,302	1,441	794	839	1,650	1,803	3,933	5,094	783	1
Extra-Ord expense	0	0	313	19	0	0	0	0	333	0	0	
PBT	633	558	988	1,422	794	839	1,650	1,811	3,601	5,094	783	
Tax	148	139	170	251	218	211	415	454	708	1,300	180	
Rate (%)	23.3	24.9	17.2	17.7	27.4	25.2	25.2	25.2	19.7	25.5	23	
MI & P/L of Asso. Cos.	102	73	191	255	116	102	222	284	622	728	257	
Reported PAT	383	346	627	915	460	526	1,012	1,065	2,271	3,064	346	
Adj PAT	383	346	862	929	460	526	1,012	1,065	2,520	3,064	346	33
YoY Change (%)	93.5	16.7	37.9	9.8	NA	37.2	192.6	23.8	28.2	21.6	-59.2	
Margins (%)	12.1	11.3	21.2	22.3	13.4	15	22.5	22.8	17.4	19	10.2	

Key Performance Indicators

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Occupancy (%)	72.5	69.8	73.4	78.5	75.7	74.1	75.3	80.3	74.7	79.0
ARR (INR)	6,236	6,247	7,487	7,457	6,361	6,585	7,711	7,810	7,275	7,473
Change (%)	9.7	5.8	10.7	5.9	2.0	5.4	3.0	4.7	6.7	2.7
RevPAR (INR)	4,521	4,360	5,495	5,854	4,815	4,878	5,807	6,275	5,438	5,907
Change (%)	19.4	8.1	9.5	7.1	6.5	11.9	5.7	7.2		
Cost Break-up										
F&B Cost (% of sales)	6.3	6.5	5.7	5.3	5.9	6.0	5.5	5.5	5.9	5.7
Staff Cost (% of sales)	18.4	19.1	14.6	15.2	18.8	18.5	14.6	14.1	16.6	16.2
Power and fuel (% of sales)	6.9	7.4	5.0	4.8	6.9	7.1	5.8	5.7	5.9	6.3
Other Cost (% of sales)	23.9	24.3	24.3	23.0	24.9	24.5	22.0	22.0	23.8	23.2
Gross Margins (%)	93.7	93.5	94.3	94.7	94.1	94.0	94.5	94.5	94.1	94.3
EBITDA Margins (%)	44.5	42.7	50.4	51.7	43.4	43.9	52.1	52.7	47.8	48.6
EBIT Margins (%)	33.7	31.5	41.8	43.2	33.0	33.6	44.1	44.8	38.2	39.6

Cello World

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CELLO IN
Equity Shares (m)	221
M.Cap.(INRb)/(USDb)	79.6 / 0.8
52-Week Range (INR)	674 / 337
1, 6, 12 Rel. Per (%)	-4/-24/-38
12M Avg Val (INR M)	194

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	23.2	25.3	28.3
EBITDA	4.7	5.1	6.6
Adj. PAT	3.4	3.5	4.5
EBITDA Margin (%)	20.3	20.2	23.3
Cons. Adj. EPS (INR)	15.3	16	20.5
EPS Gr. (%)	-7.6	5	27.9
BV/Sh. (INR)	127.3	137.7	157.4
Ratios			
Net D:E	-0.3	-0.3	-0.4
RoE (%)	13	12	14
RoCE (%)	13	12	14
Valuations			
P/E (x)	24	23	18
EV/EBITDA (x)	16	14	10

Shareholding Pattern (%)

As on	Jun-26	Mar-26	Jun-25
Promoter	75.0	75.0	75.0
DII	15.1	12.7	14.6
FII	3.2	5.5	5.4
Others	6.6	6.8	5.0

Note: FII includes depository receipts

CMP: INR360 TP: INR480 (+33%) Buy

Writing instrument drives overall growth

Operating margin below our estimate

- Cello World (CELLO) reported muted performance in 1QFY27, with EBITDA declining 9% YoY, impacted by higher input costs, lower scale of operations at its steel bottle manufacturing unit due to the non-availability of imported inventory, and subdued consumer demand across categories. The company undertook price hikes across key product categories to mitigate the impact of higher input costs, driving a sequential expansion in gross margins (from ~47% to ~52%).
- CELLO is focused on improving the utilization of its steelware and glassware units, which is expected to be a key driver of growth and profitability going forward. In the writing segment, Cello Pens' revenue and profitability are expected to improve gradually, supported by initiatives to rationalize the product portfolio. The company remains open to opportunistic inorganic expansion and diversification into adjacent categories to drive future growth.
- We largely maintain our earnings estimates, with revenue/EBITDA/PAT CAGR of 10%/19%/16% over FY26-FY28E. We continue to value the stock at 23x P/E (average of past four years) on FY28E EPS, arriving at a TP of INR480. **Accordingly, we reiterate our BUY rating on the stock.**

Margin under pressure due to muted topline growth

- In 4QFY26, CELLO's consolidated revenue remained flat YoY at INR5.2b (est. INR5.3b) and declined 19% QoQ.
- Consumerware (64% revenue) declined 8% YoY to INR3.3b (est. INR3.7b). Segmental gross margins came in at 55% vs ~56% in 1QFY26. The company undertook price increases in the consumerware category to mitigate the impact of high input costs, driving gross margin expansion on a sequential basis (48% in 4QFY26).
- Writing Instruments (21% revenue) registered a robust growth of 52% YoY to INR1.1b (est. INR1b), largely driven by rising contribution of the Cello Pens business. Gross margin stood at ~54% vs 59%/48% in 1QFY26/4QFY26.
- Molded furniture & allied products (15% revenue) declined 11% YoY to INR800m (est. INR630m). Segmental gross margin stood at 39.5% vs 40.9%/39.6% in 1QFY26/4QFY26.
- EBITDA declined 9% YoY and 23% QoQ to INR991m (est. INR1.1b). EBITDA margin contracted 18.8% (est. 20.6%), compared to 20.6%/19.7% in 1QFY26/4QFY26, respectively.
- Adj. PAT stood at INR734m (est. INR771m), marking a decline of 9% YoY/19% QoQ.

Highlights from the management commentary

- **Steel bottle production:** The steel bottle unit continued to drag the performance of consumerware business due to the non-availability of imported inventory. Currently, the company offers limited SKUs (~20 vs previous 150). However, with the commencement of new lines , management expects a significant ramp-up in the coming quarters (SKUs to 50-55). The steelware ramp-up will be one of the key drivers for revenue growth and margin expansion for the company.
- **Glassware:** The glassware facility is currently operating at ~60% utilization and continues to be adversely impacted by Chinese dumping. While glassware revenue increased 35% YoY, utilization remained unchanged as demand was met through the sale of existing stock. The company reiterated that the facility has peak revenue potential of INR2-2.5b.
- **Price hikes to mitigate the risk of input costs:** The company undertook price hikes of ~7-20%, depending on product range, to mitigate the sharp rise in input costs (12-20% increase in polymer prices). In consumerware, the company undertook a price increase of ~12-13%, which impacted near-term demand. However, management does not foresee any major price actions in the coming quarters.
- **Guidance and outlook:** Management refrained from providing FY27 guidance due to the volatile macro environment. However, the company remains positive on growth from hereon, with a focus on ramping up steelware and glassware segments, which are likely to be key growth drivers. The company will also actively seek opportunities for inorganic expansion.

Valuation and view

- CELLO is currently navigating a challenging operating environment, marked by subdued demand and elevated input costs, which have weighed on both revenue growth and profitability. We anticipate a gradual recovery from 2QFY27 onwards. An improvement in demand should drive higher utilization of glassware and steelware plants, supporting both revenue growth and profitability. Additionally, the recently launched Cello Stationery brand, which started contributing from 4QFY26, is expected to scale up meaningfully over the coming quarters.
- Near-term input cost volatility may persist amid an evolving geopolitical environment. However, improving capacity utilization and a higher contribution from premium products under the Cello brand are expected to support margin expansion over the medium term.
- We forecast revenue/EBITDA/PAT CAGR of 10%/19%/16%, respectively, over FY26-FY28E. At the CMP, the stock trades at 23x/18x P/E on our FY27E/FY28E EPS estimates of INR16/INR20.5, respectively. ***We continue to value the stock at 23x P/E (average of past four years) on FY28E EPS, arriving at a TP of INR480. Accordingly, we reiterate our BUY rating on the stock.***

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY26				FY27				FY26	FY27	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Gross Sales	**5,290**	**5,874**	**5,537**	**6,536**	**5,267**	**6,568**	**6,340**	**7,163**	**23,237**	**25,337**	**5,388**	**-2%**
YoY Change (%)	5.7	19.9	-0.6	11.0	-0.4	11.8	14.5	9.6	8.8	9.0	1.8	
Total Expenditure	4,200	4,598	4,480	5,247	4,277	5,288	5,021	5,659	18,524	20,244	4,278	
EBITDA	**1,091**	**1,277**	**1,057**	**1,289**	**991**	**1,279**	**1,319**	**1,504**	**4,713**	**5,093**	**1,110**	**-11%**
Margins (%)	20.6	21.7	19.1	19.7	18.8	19.5	20.8	21.0	20.3	20.1	20.6	
Depreciation	186	195	199	197	218	225	235	245	777	923	218	
Interest	1	5	6	4	6	5	5	4	15	20	3	
Other Income	173	136	166	76	181	150	100	152	551	583	145	
PBT before EO expense	**1,076**	**1,213**	**1,018**	**1,165**	**947**	**1,199**	**1,179**	**1,407**	**4,472**	**4,732**	**1,034**	
Extra-Ord expense	0	0	74	0	0	0	0	0	74	0	0	
PBT	**1,076**	**1,213**	**944**	**1,165**	**947**	**1,199**	**1,179**	**1,407**	**4,397**	**4,732**	**1,034**	
Tax	269	299	250	264	213	305	299	374	1,082	1,191	263	
Rate (%)	25.0	24.7	26.5	22.6	22.5	25.4	25.4	26.6	24.6	25.2	25.4	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**807**	**913**	**694**	**901**	**734**	**895**	**879**	**1,033**	**3,315**	**3,542**	**771**	
Adj PAT	**807**	**913**	**750**	**901**	**734**	**895**	**879**	**1,033**	**3,371**	**3,542**	**771**	**-5%**
YoY Change (%)	-9.8	5.2	-18.9	-6.3	-9.0	-2.0	17.3	14.6	-7.6	5.1	-4.4	
Margins (%)	15.2	15.5	13.5	13.8	13.9	13.6	13.9	14.4	14.5	14.0	14.3	

Aditya Birla Fashion and Retail

Estimate changes	↓
TP change	↔
Rating change	↔

Bloomberg	ABFRL IN
Equity Shares (m)	1221
M.Cap.(INRb)/(USDb)	74.5 / 0.8
52-Week Range (INR)	95 / 54
1, 6, 12 Rel. Per (%)	0/-11/-19
12M Avg Val (INR M)	536

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	90.0	99.4	108.9
EBITDA	8.1	10.1	11.8
Adj. PAT	(7.6)	(8.9)	(10.4)
EBITDA Margin (%)	9.1	10.1	10.8
Adj. EPS (INR)	(6.2)	(7.3)	(8.5)
BV/Sh. (INR)	54.2	45.4	35.2
Ratios			
Net D:E	0.4	0.5	0.7
RoE (%)	(13.0)	(17.6)	(25.3)
RoCE (%)	(3.4)	(4.3)	(5.0)
Valuations			
P/E (x)	n/m	n/m	n/m
EV/EBITDA (x)	13.0	10.9	9.6
EV/Sales (x)	1.2	1.1	1.0

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	46.6	46.6	46.6
DII	5.7	6.6	12.1
FII	13.2	15.8	18.0
Others	34.5	30.9	23.3

FII includes depository receipts

CMP: INR61 | TP: INR60 (-2%) | Neutral

Growth moderates in TMRW; profitability remains weak

- **ABFRL** delivered ~11% YoY revenue growth in 1QFY27, led by Luxury (+30%), TMRW (+11% YoY) and Pantaloons (+10%), while a short wedding season dragged down growth in Ethnics (+4% YoY).
- Reported EBITDA grew by a modest ~5% YoY (18% miss) as profitability remained under pressure from continued investments in OWND, TASVA, TCNS, and Galeries Lafayette (GL), even as TMRW losses narrowed YoY.
- **Pantaloons** revenue grew 7% YoY with 4% LTL growth, driven by improved traction in stores refurbished under the new brand identity. Management targets 20 new store additions and mid-to-high single-digit LTL growth in FY27.
- **Ethnics** revenue grew ~4% YoY; excluding TCNS, growth was healthy at ~14%. Tasva (+35%), Jaypore (+30%) and Sabyasachi (>INR1b quarterly revenue) remained strong, despite a shorter wedding calendar.
- **TMRW** revenue grew 11% YoY, with secondary sales higher at 16% YoY. Operating losses narrowed by 33% to INR420m. Management believes 1Q was an aberration and targets 20%+ YoY growth in FY27.
- Luxury revenue grew 30% YoY, led by GL and double-digit growth in The Collective. However, segmental profitability was weaker due to losses in scaling up GL and lower treasury income (on reduced gross cash).
- Management expects current gross cash of INR10b (vs. ~INR11.5b at end-FY26) to be sufficient to fund the losses over FY27-28, with portfolio likely to turn FCF positive starting FY29.
- We cut our FY27-28E EBITDA by ~4-6% considering higher losses in some of the currently loss-making formats. We model a CAGR of ~10%/20% in revenue/reported EBITDA over FY26-29E, though we do not expect ABFRL to achieve pre-IND AS EBITDA breakeven by FY29.
- **Reiterate our Neutral rating on ABFRL with an unchanged TP of INR60.**

Revenue growth in line; profitability weaker

- Revenue **grew 11% YoY to INR20.3b (in line)** as robust growth in Luxury (+30% YoY), TMRW (+11% YoY), and Pantaloons (+10% YoY) was offset by weaker performance in Ethnics (+4% YoY), partly reflecting weaker wedding demand due to Adhikmaas and drag from TCNS.
- Gross profit grew ~9% YoY (in line) as gross margin contracted ~75bp YoY to 56.6% (~40bp miss).
- Employee/rental/other expenses grew ~14%/12%/7% YoY.
- Reported EBITDA grew ~5% YoY to ~INR1.17b (18% miss), as EBITDA margin contracted ~30bp YoY to 5.8% (~125bp miss) owing to **the investments in the scale-up of newer businesses (OWND, TASVA, TCNS and Galeries Lafayette), despite narrowing of losses in TMRW.**
- **Reported losses after tax and minority came in at INR2.15b (stable YoY) as higher depreciation (+11% YoY) and finance costs (+21% YoY) were offset by higher losses attributable to minorities.**

Key highlights from the management commentary

- **Demand** remained broadly stable during 1Q, though it softened in June ahead of EOSS. Fewer wedding dates and Adhik Maas weighed on occasion-led demand.
- **Pantaloons:** LTL growth moderated to 4% in 1QFY27 vs. 7% over Nov'25-Mar'26. Apr started off softer with some pick-up in May, though Jun was weak and led to ~4% LTL. The company plans to open ~20 new stores in FY27 with select closures and targets high-single digit LTL for FY27. The refurbished stores are witnessing improved productivity and the company plans to refurbish ~150 of 400 stores (that account for 50%+ of revenue) over the medium term.
- **RM inflation:** Management indicated ~4% RM inflation for Pantaloons and OWND, with the company passing on about half of it as price hikes and absorbing the remaining half to improve its value proposition and drive higher sale-through, which should limit incremental discounting and protect gross margins.
- **Cash outflow:** Standalone cash declined to INR11.5b (vs. INR12b at end-4QFY26) and is expected to further dip to ~INR5b by FY27-end. However, management believes that portfolio will turn FCF positive starting FY29 and no incremental fund raise would be required to fund losses over FY27-28.
- **TCNS** revenue declined YoY and dragged down Ethnics' performance. However, with a lower drag from old inventory liquidation, management indicated that losses have reduced YoY. Further, despite a drag from TCNS, management expects the overall growth for Ethnics portfolio to remain ~20% for FY27, with a significant skew toward 2H.

Valuation and view

- Consistent revenue growth and steady margin expansion in Pantaloons with the refreshed brand identity, along with loss reduction in TCNS and scale-up of TASVA/OWND, remain the key long-term catalysts for ABFRL.
- However, higher investments and/or slower profitability ramp-up in some of the currently loss-making businesses could remain a key drag on overall profitability and cash flows for ABFRL.
- We cut our FY27-28E EBITDA by ~4-6%, driven by higher losses in some of the currently loss-making formats. We model a CAGR of ~10%/ 20% in revenue/ reported EBITDA over FY26-29E, though we do not expect ABFRL to achieve pre-IND AS EBITDA breakeven by FY29.
- We value ABFRL on an SoTP basis. We assign an EV/EBITDA multiple of 9x to Pantaloons (inc. OWND!) and 11x to the designer-led ethnic portfolio. We ascribe EV/sales multiple of 1x/0.9x/1.5x to ABFRL's attributable stakes in premium ethnic/TMRW/Luxury Retail portfolio **to arrive at our unchanged TP of INR60**. **Reiterate Neutral.**

Consolidated - Quarterly Earnings Summary (INR m)

Y/E March	FY26				FY27				FY26	FY27	FY27	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
Revenue	**18,315**	**19,817**	**23,737**	**19,901**	**20,256**	**20,529**	**27,301**	**21,880**	**81,769**	**89,965**	**20,306**	**-0.3**
YoY Change (%)	9.4	12.6	7.9	15.7	10.6	3.6	15.0	9.9	11.2	10.0	2.0	
Total Expenditure	17,198	19,129	20,649	17,927	19,086	19,591	23,328	19,814	74,903	81,821	18,878	1.1
EBITDA	**1,117**	**688**	**3,087**	**1,974**	**1,169**	**938**	**3,972**	**2,066**	**6,866**	**8,144**	**1,428**	**-18.1**
Change, YoY (%)	24.7	-14.3	2.3	-3.6	4.7	36.3	28.7	4.6	1.5	18.6	-27.7	
Depreciation	3,156	3,252	3,495	3,492	3,497	3,567	3,639	3,887	13,395	14,590	3,562	
Interest	1,134	1,242	1,325	1,457	1,371	1,405	1,440	1,777	5,157	5,993	1,493	
Other Income	635	545	680	1,235	560	327	408	327	3,096	1,623	381	
PBT before EO expense	**-2,538**	**-3,260**	**-1,053**	**-1,739**	**-3,139**	**-3,708**	**-699**	**-3,271**	**-8,589**	**-10,817**	**-3,246**	**3.3**
Extra-Ord expense	0	0	-285	-114	0	0	0	0	-399	0	0	
Share in JV	160	-70	-71	59	271	150	150	29	247	600	-63	
PBT	**-2,378**	**-3,331**	**-1,409**	**-1,793**	**-2,868**	**-3,558**	**-549**	**-3,242**	**-8,741**	**-10,217**	**-3,308**	**13.3**
Tax	-258	-380	-36	-309	-715	-934	-176	-770	-982	-2,596	-818	
Rate (%)	10.8	11.4	2.5	17.3	24.9	26.3	32.1	23.8	11.2	25.4	24.7	
Reported PAT	**-2,120**	**-2,951**	**-1,373**	**-1,484**	**-2,152**	**-2,623**	**-373**	**-2,471**	**-7,759**	**-7,621**	**-2,490**	**13.6**
Adj PAT	**-2,120**	**-2,951**	**-1,160**	**-1,399**	**-2,152**	**-2,623**	**-373**	**-2,471**	**-7,461**	**-7,621**	**-2,490**	**13.6**
YoY Change (%)	-10.9	6.4	13.0	-18.0	1.5	-11.1	-67.9	76.7	-5.0	2.1	78.0	

E: MOFSL Estimates

Valuation: We ascribe a TP of INR60/share to ABFRL

Sep'28	Revenue (INR b)	EBITDA (INR b)	EV/ sales (x)	EV/ EBITDA (x)	Valuation (INR b)	INR/ share
Pantaloons and OWND!		**8.5**		**9.0**	**77**	**63**
Ethnics		**3.9**		**9.3**	**37**	**30**
Designer (attributable)		3.8		11.0	**22**	18
Premium (attributable)	15.1		1.0		**15**	12
TMRW (attributable)	**14.7**		**0.9**		**13**	**11**
Luxury	**8.6**		**1.5**		**13**	**11**
EV (INR b)					**139**	**114**
Net debt / (cash)					66	54
Equity Value					**73**	**60**
Nos of shares (in m)					**1,220**	
Target Price (INR)					**60**	

Ellenbarrie Industrial Gases

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ELLEN IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	41.7 / 0.4
52-Week Range (INR)	560 / 175
1, 6, 12 Rel. Per (%)	-1/13/-44
12M Avg Val (INR M)	114

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	3.4	4.5	6.0
EBITDA	1.2	1.8	2.4
PAT	1.0	1.4	1.8
EPS (INR)	7.7	10.1	12.6
EPS Growth (%)	29.6	32.4	24.0
BV/Share (INR)	69.3	79.5	92.1
P/E (x)	38.8	29.3	23.6
P/BV (x)	4.3	3.7	3.2
EV/EBITDA (x)	36.2	25.0	19.0
EV/Sales (x)	12.6	9.7	7.4
RoE (%)	14.7	13.6	14.7
RoCE (%)	11.7	11.6	12.1

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	77.2	77.2	77.2
DII	11.6	13.0	10.6
FII	1.1	1.3	2.0
Others	10.2	8.5	10.3

Note: FII includes depository receipts

CMP: INR296 TP: INR380 (+29%) Buy

Capacity ramp-up to unlock growth and operating leverage

Earnings above our estimates

- Ellenbarrie Industrial Gases (ELLEN) delivered a strong performance in 1QFY27, with EBITDA growing 23% YoY to INR376m and EBITDA margins expanding to 38.1% from 36.7% in 1QFY26, driven primarily by improved operating efficiencies at the new plant, disciplined cost-control measures, and a modest benefit from higher Argon prices.
- We expect growth momentum to accelerate, driven by the ramp-up of the Uluberia-II (220 TPD) facility, the commissioning of the East India on-site plant (320 TPD) in 2QFY27, and the upcoming North and Central India merchant plants, expected to be operational in FY27 and FY28, respectively.
- Backed by a strong 1QFY27 and EBITDA margin guidance, we raise our FY27/ FY28 earnings estimates by 10%/7%. **We reiterate our BUY rating with a TP of INR380 (based on 30x FY28E EPS).**

Healthy volume growth and cost-control measures support earnings

- ELLEN reported a total revenue of INR987m (in line) in 1QFY27, up ~18% YoY.
- Its EBITDA margin was 38.1% (est. 35%) vs. 36.7% in 4QFY26, supported by higher volumes, disciplined cost control, and a modest rise in Argon prices.
- EBITDA grew 23% YoY to INR376m (est. INR333m) for the quarter.
- Adj. PAT grew 87% YoY to INR350m (est. INR227m), led by higher other income (up 2.5x YoY).
- **Gases and related products & services** revenue grew 20% YoY to IN947m, EBIT grew 21% YoY to INR367m, and EBIT margin was 38% (flat YoY).
- **Project engineering revenue** declined 50% YoY to INR14m. EBIT stood at INR3m, up 1% YoY. EBIT margin stood at 22% (vs. 11% in 1QFY26).

Highlights from the management commentary

- **Expansion plans:** Capacity expansion remains on track, with the 320 TPD East India on-site plant under commissioning and expected to contribute from 2QFY27, while planned North and Central/West India merchant plants will add 440–500 TPD of capacity, deepen the company's presence across key industrial clusters, and support long-term growth.
- **Argon:** Argon pricing remains constructive, with prices recovering since 2HFY26 and showing a modest sequential increase, supported by healthy end-user demand; while near-term volatility may persist, the company remains positive on the long-term demand-supply outlook and is exploring long-term contracts to mitigate pricing volatility.
- **Outlook:** Ramp-up of the Kurnool and Uluberia-II merchant plants is expected to be a key FY27 growth driver, with capacity utilization improving through the year. Demand outlook remains healthy, supported by India's manufacturing-led growth and a strong pipeline of large-volume inquiries, particularly from the steel sector. Management expects EBITDA margins to sustain at 40% or higher, driven by improving operating efficiencies.

Valuation and view

- Going forward, we expect margins to improve, supported by power-cost optimization through Power Purchase Agreements (PPAs), higher Argon realizations, ramp-up of newly commissioned capacities, and improved energy efficiency at newer plants.
- Further, ELLEN's growth story will be led by 1) capacity expansion across India, 2) normalization of Argon prices along with stable prices of oxygen and nitrogen, 3) increasing traction in inquiries for onsite plants, 4) stable demand from well-diversified core industries, and 5) India's manufacturing expansion and accelerating industrial activity.
- Backed by a strong 1QFY27 and EBITDA margin guidance, we raise our FY27/ FY28 earnings estimates by 10%/7%. **We reiterate our BUY rating with a TP of INR380 (based on 30x FY28E EPS).**

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY26				FY27				FY26	FY27E	FY27	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	%
Gross Sales	**836**	**892**	**813**	**874**	**987**	**1,104**	**1,196**	**1,263**	**3,416**	**4,550**	**952**	**4%**
YoY Change (%)	24.3	-5.8	19.6	6.0	18.0	23.8	47.0	44.4	9.3	33.2	13.9	
Total Expenditure	529	557	565	577	611	670	724	771	2,228	2,775	619	
Gross Margin (%)	88.8%	90.6%	87.4%	86.7%	89.3%	89.0%	89.0%	89.5%	88.4%	89.2%	88.2%	
EBITDA	**307**	**335**	**249**	**298**	**376**	**434**	**472**	**492**	**1,188**	**1,774**	**333**	**13%**
Margin (%)	36.7	37.5	30.6	34.1	38.1	39.3	39.5	39.0	34.8	39.0	35.0	
Depreciation	51	51	52	61	63	68	95	95	215	321	62	
Interest	46	11	15	23	20	37	40	45	95	142	40	
Other Income	68	126	161	165	171	150	145	130	520	596	72	
PBT before EO expense	**278**	**400**	**342**	**379**	**465**	**479**	**482**	**482**	**1,399**	**1,908**	**303**	
Extra-Ord. expense	0	0	0	-46	0	0	0	0	-46	0	0	
PBT	**278**	**400**	**342**	**333**	**465**	**479**	**482**	**482**	**1,353**	**1,908**	**303**	
Tax	91	32	81	104	115	121	121	121	309	478	76	
Rate (%)	32.8	8.1	23.8	31.2	24.7	25.2	25.2	25.2	22.8	25.1	25.2	
Reported PAT	**187**	**367**	**261**	**229**	**350**	**358**	**361**	**361**	**1,044**	**1,429**	**227**	
Adj. PAT	**187**	**367**	**261**	**260**	**350**	**358**	**361**	**361**	**1,079**	**1,429**	**227**	**54%**
YoY Change (%)	15.6	23.8	35.9	42.7	86.8	-2.4	38.3	38.5	29.6	32.4	21.2	
Margin (%)	22.4	41.2	32.1	29.8	35.4	32.5	30.2	28.6	31.6	31.4	23.8	

Gopal Snacks

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GOPAL IN
Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	34.1 / 0.4
52-Week Range (INR)	398 / 248
1, 6, 12 Rel. Per (%)	0/-6/-23
12M Avg Val (INR M)	45
Free float (%)	18.6

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	15.1	18.0	20.5
Adj. EBITDA	1.0	1.5	2.0
Adj. EBITDA (%)	6.7	8.5	9.7
Adj. PAT	0.3	0.8	1.2
Adj. EPS (INR)	2.8	6.6	9.7
Adj. EPS Gr. (%)	-48.1	137.9	47.4
BV/Sh. (INR)	38.4	43.3	50.6
Ratios			
Net D:E	0.3	0.2	0.1
RoE (%)	7.8	16.0	20.6
RoCE (%)	6.5	12.6	15.5
Payout (%)	36.3	25.0	25.0
Valuations			
P/E (x)	99.3	41.8	28.3
P/B (x)	7.1	6.3	5.4
EV/EBITDA (x)	35.3	22.9	17.4
Div. yield (%)	0.4	0.6	0.9

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	81.5	81.5	81.5
DII	5.7	6.3	7.1
FII	0.8	0.7	1.4
Others	12.1	11.6	10.0

CMP: INR274 TP: INR390 (+43%) Buy

Strong 1Q; Management maintains 20% revenue growth in FY27

Gopal Snacks (GSL)'s revenue grew 31.1% to INR4.2b, led by Wafers (+35.9% YoY) and Gathiya (+28.9% YoY). Gross margins increased 90bp to 26.9%. EBITDA improved by 107% YoY to INR315m, with EBITDA margins improving 270bp to 7.4%, as operating efficiency improved with the Rajkot plant now operational. GSL has taken a cumulative price increase and grammage reduction partly to mitigate raw material inflation of ~5-7%. Production from the temporary facility at Gondal has been consolidated at the Rajkot facility, which is expected to further lower manufacturing and transportation costs and improve dealer servicing. Management expects revenue to grow at 20%+ for FY27, fueled by distribution expansion, biweekly servicing in core states, and distribution automation. During 1Q, GSL added 54 distributors and has a total reach of ~0.52-0.55m retail outlets, with a target to touch 0.6m retail outlets by the end of FY27.

Revenue growth aided by wafers and gathiya

GSL's revenue grew 31.1% to INR4.2b, led by wafers (+35.9% YoY) and gathiya (+28.9% YoY). Pellets & extruded snacks and namkeen also grew at a robust 27% YoY and 23% YoY, respectively. Snack pellets saw the highest volume growth of ~26% YoY, followed by gathiya at 17% YoY, while namkeen and wafer volumes grew 14% and 11% YoY, respectively. Distribution expansion continued with GSL adding 54 distributors in 1Q, out of which ~26 dealers were added in the focus states. Core state revenue grew 27% YoY, focus states grew at 37%, while other states grew at a robust 79% YoY. Capacity utilization across the primary facilities stands at 32%. The Rajkot facility, which is now operational, is expected to aid the strong underlying demand across core and focus states. Consequently, capacity utilization is also expected to improve. The biweekly servicing to distributors in the core states is currently provided to ~38% of the outlets and has increased revenue run rates by ~20-25% in some cases. Management expects the core market to grow with biweekly servicing and distribution expansion, while focus and other markets are expected to grow with distribution footprint expansion and distribution automation.

Rajkot plant ramp-up to drive margin improvement

Gross margin increased to 26.9%, up 90bp YoY, while the company has taken a cumulative price increase and grammage reduction partly to mitigate raw material inflation. EBITDA came at INR315m (+107% YoY), settling EBITDA margin at 7.4% (+270bp YoY), led by improving operating efficiency because of the Rajkot plant commencing operations. With the plant now completely operational, manufacturing and transportation costs are expected to decline, leading to margin improvement. Management expects FY27 margins to be ~8-9%, while the exit margin for the year is expected to be low double digits.

Valuation and view: Reiterate BUY

We expect GSL to benefit from distribution expansion in non-core markets and commissioning of its Rajkot manufacturing facility, offering multi-quarter revenue growth visibility with strong underlying demand. We forecast a revenue/EBITDA/ APAT CAGR of 17%/40%/87% over FY26-28. We reiterate our BUY rating with a DCF-based TP of INR390 (based on an implied P/E of 40x on FY28E). Key risks: geographical concentration risk due to heavy reliance on Gujarat and potential supply chain disruptions, which could affect its market share and margins.

Consolidated - Quarterly performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	1Q FY27E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	**3,222**	**3,757**	**4,008**	**4,096**	**4,223**	**4,395**	**4,657**	**4,710**	**15,082**	**17,985**	4,149	*2%*
YoY Change (%)	*-9.1*	*-6.7*	*1.8*	*29.0*	*31.1*	*17.0*	*16.2*	*15.0*	*2.7*	*19.2*	28.8	
Gross Profit	**837**	**992**	**1,106**	**1,134**	**1,136**	**1,204**	**1,285**	**1,321**	**4,069**	**4,946**	1,120	
Total Expenditure	3,070	3,515	3,704	3,781	3,909	4,017	4,247	4,283	14,070	16,456	3,838	
EBITDA	**152**	**241**	**304**	**315**	**315**	**378**	**410**	**426**	**1,013**	**1,529**	311	*1%*
Margin (%)	*4.7*	*6.4*	*7.6*	*7.7*	*7.4*	*8.6*	*8.8*	*9.1*	*6.7*	*8.5*	7.5	
Depreciation	82	90	104	111	106	99	118	91	387	414	96	*10%*
Interest	20	19	11	18	29	24	15	25	69	93	23	*26%*
Other Income	3.3	2.4	1.0	37.8	6.8	17.0	19.0	23.9	44	67	15	*-55%*
PBT before EO items	**53**	**134**	**190**	**224**	**186**	**272**	**296**	**335**	**601**	**1,089**	207	
Extraordinary Loss	2	215	1	175	0	0	0	0	393	0	0	
PBT	**55**	**350**	**191**	**399**	**186**	**272**	**296**	**335**	**994**	**1,089**	207	*-10%*
Tax	30	93	36	99	58	68	74	72	258	272	52	*13%*
Rate (%)	*54.2*	*26.5*	*18.8*	*24.9*	*31.3*	*25.0*	*25.0*	*21.5*	*25.9*	*25.0*	25.0	
JV and Associates												
Reported PAT	**25**	**257**	**155**	**299**	**128**	**204**	**222**	**263**	**737**	**817**	155	*-18%*
Adj PAT	**23**	**42**	**154**	**125**	**128**	**204**	**222**	**263**	**343**	**817**	155	*-18%*
YoY Change (%)	*-90.5*	*-85.6*	*189.8*	*62.3*	*456.1*	*390.0*	*44.0*	*111.1*	*-48.1*	*137.9*	575.2	
Margin (%)	*0.7*	*1.1*	*3.8*	*3.0*	*3.0*	*4.6*	*4.8*	*5.6*	*2.3*	*4.5*	3.7	

Changes to our estimates (INR m)

INR m	Old		New		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	17,985	20,511	17,985	20,511	0.0	0.0
EBITDA	1,529	1,990	1,529	1,990	0.0	0.0
EBITDA margin %	*8.5*	*9.7*	*8.5*	*9.7*	0.0	0.0
PAT	817	1,204	817	1,204	0.0	0.0
EPS	6.6	9.7	6.6	9.7	0.0	0.0

Source: MOFSL, Company

Kolte Patil Developers

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	KPDL IN
Equity Shares (m)	89
M.Cap.(INRb)/(USDb)	41 / 0.4
52-Week Range (INR)	484 / 292
1, 6, 12 Rel. Per (%)	23/34/14
12M Avg Val (INR M)	48

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	7.3	17.0	19.0
EBITDA	-0.6	1.8	2.4
EBITDA (%)	-8.3	10.5	12.6
PAT	-0.4	1.6	2.0
EPS (INR)	-4.4	18.4	23.0
EPS Gr. (%)	NA	NA	25.1
BV/Sh. (INR)	136.1	149.8	168.8
Ratios			
Net D/E	0.1	0.2	0.1
RoE (%)	-3.8	12.9	14.4
RoCE (%)	-0.6	6.9	8.3
Payout (%)	NA	22.6	17.4
Valuations			
P/E (x)	NA	25.1	20.1
P/BV (x)	3.4	3.1	2.7
EV/EBITDA (x)	NA	26.7	19.9

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	73.8	73.8	69.5
DII	3.3	3.4	4.5
FII	10.6	10.0	8.1
Others	12.3	12.8	17.9

CMP: INR462 TP: INR545 (+18%) Buy

Strong collections and new project additions

Pre-sales below expectation but expected to pick up

In 1QFY27, Kolte-Patil Developers (KPDL) reported flat pre-sales YoY at ~INR6.2b, which came in 6% below expectations. Life Republic project contributed ~34% of pre-sales, while the rest of the Pune region contributed ~36% of pre-sales as two projects with GDV of INR5.4b were launched in the region. MMR contributed ~30% of quarterly pre-sales. KPDL's pre-sales have remained in the range of INR26-29b over the last three years. Given the new BD pipeline, healthy demand and the realignment of focus on operations with the Blackstone deal largely completed, We expect presales CAGR of 17% to INR36b in FY26-28E.

Strong BD in MMR enhances growth visibility vs. diversification

On the BD front, KPDL acquired six redevelopment projects across MMR with an aggregate GDV of INR60b (~2msf saleable area) in FY27. These were across several micro-markets, including Santacruz, Andheri, Oshiwara, Versova, Ghatkopar and Vashi. Overall, it has 5.6msf of ongoing and unsold projects and 6.7msf is under approval across various projects, of which ~88% is in Pune. It also has availability of an additional land bank admeasuring ~25.8msf in Pune and Mumbai, building a strong launch pipeline. The aggregate development potential of 38msf offers an estimated GDV of ~INR344b, which provides comfortable visibility on pre-sales growth over the medium term. The recent new project acquisitions in MMR would provide avenues for diversification in the coming years.

Strong collections; healthy balance sheet

Despite flat pre-sales YoY, collections grew by 30% YoY to ~INR7.2b in 1Q, which is encouraging. In 1QFY27, KPDL generated NOCF of INR2.1b with NOCF-to-collections ratio of ~30%, which is broadly in line with the FY26 performance. Further, it has net cash of INR4.2b (including zero coupon bonds, net debt stands at INR0.5b). On the back of pre-sales growth and project execution in the next two years, we expect collection CAGR of 18% to INR37.7b in FY26-28E. We expect net debt at INR2.1b/INR2.0b in FY27/28E.

P&L highlights

- In 1QFY27, revenue stood at INR9.2b, up 10x YoY, on the back of more projects hitting revenue recognition. Further, it clocked EBITDA worth INR1.9b vs. EBITDA loss of INR260m YoY. EBITDA margin stood at 20.6%. PAT stood at INR1.5b vs. a loss of INR170m YoY. PAT margin stood at 15.9%.

Valuation and view

- Pre-sales have been sluggish in the last three years and are expected to revive in FY27-28 as the new BD in MMR region provides KPDL with a healthy launch pipeline. Collections have remained strong despite muted presales, and hence, we expect the balance sheet to remain sturdy as progress in execution remains healthy.
- We value the business on DCF basis. We arrive at a gross asset value of INR50.5b. After adjusting net debt, we arrive at NAV of INR48.4b. The additional value in NAV is from the recent project acquisitions in MMR. Accordingly**, our TP has increased to INR545, indicating a potential upside of 18%. We reiterate BUY on KPDL.**

Quarterly performance

Y/E March	FY26				FY27E				FY26	FY27	FY27	1QE Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1Q Est.	(%/bp)
Net Sales	**824**	**1,387**	**2,653**	**2,486**	**9,195**	**1,703**	**2,895**	**3,238**	**7,350**	**17,032**	**1,460**	**530**
YoY Change (%)	-76	-55	-24	-65	1,016	23	9	30	-57.2	131.7	77.3	
Total Expenditure	1,083	1,759	2,573	2,546	7,300	1,892	2,880	3,109	7,961	15,244	1,752	
EBITDA	**-260**	**-372**	**81**	**-60**	**1,895**	**-188**	**16**	**129**	**-611**	**1,788**	**-292**	**NA**
Margins (%)	-31.5	-26.8	3.0	-2.4	20.6	-11.1	0.5	4.0	-8.3	10.5	-20.0	
Depreciation	42	42	40	36	46	52	59	30	160	187	40	
Interest	67	33	105	61	23	24	25	205	267	276	64	
Other Income	145	231	165	136	171	74	126	372	675	743	83	
PBT before EO expense	**-225**	**-216**	**100**	**-22**	**1,998**	**-190**	**59**	**265**	**-362**	**2,068**	**-313**	**NA**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**-225**	**-216**	**100**	**-22**	**1,998**	**-190**	**59**	**265**	**-362**	**2,068**	**-313**	**NA**
Tax	-53	-29	60	124	528	-53	16	85	101	577	-87	
Rate (%)	23.7	13.4	59.4	-574.9	26.4	27.9	27.9	32.2	-0.3	0.3	27.9	
MI & P/L of Asso. Cos.	-2	-83	-5	12	7	-8	-13	-63	-76	-77	-9	
Reported PAT	**-170**	**-104**	**45**	**-158**	**1,463**	**-129**	**55**	**243**	**-387**	**1,569**	**-217**	**NA**
Adj PAT	**-170**	**-104**	**45**	**-158**	**1,463**	**-129**	**55**	**243**	**-387**	**1,631**	**-217**	**NA**
YoY Change (%)	-373	-207	-82	-124	-961	24	23	-254	-136.3	-522.1	27.9	
Margins (%)	-20.6	-7.5	1.7	-6.3	15.9	-7.6	1.9	7.5	-5.3	9.6	-14.9	3079bp

Fusion Finance

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	FUSION IN
Equity Shares (m)	162
M.Cap.(INRb)/(USDb)	33.4 / 0.4
52-Week Range (INR)	243 / 137
1, 6, 12 Rel. Per (%)	-13/13/39
12M Avg Val (INR M)	105

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	11.9	13.5	17.0
PPP	3.6	5.1	7.5
PAT	0.1	3.2	4.6
EPS (INR)	0.9	19.6	28.4
EPS Gr. (%)	-	-	45
BV (INR)	152	172	200
Valuations			
NIM (%)	14.1	14.7	15.3
C/I ratio (%)	69.7	62.5	56.2
RoAA (%)	0.2	3.5	4.3
RoE (%)	0.7	12.1	15.3
Valuations			
P/E (x)	-	10.6	7.3
P/BV (x)	1.4	1.2	1.0

Shareholding Pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	54.0	54.6	55.0
DII	15.3	14.4	12.6
FII	5.0	5.0	3.2
Others	25.8	26.1	29.2

FII includes depository receipts

CMP: INR207 TP: INR260 (+26%) Buy

Steady start to FY27; growth trajectory intact

Margins set to expand further; credit costs to remain benign

- Fusion Finance's (FUSION) net profit rose 67% QoQ to INR624m in 1QFY27 (~11% miss but not very significant given the base). NII in 1QFY27 declined ~11% YoY to ~INR2.4b (in line). Opex declined ~2% YoY to INR2.06b (in line). Cost-income ratio declined ~190bp QoQ to ~67% (PQ: ~69% and PY: ~71%).
- PPoP rose ~18% YoY to ~INR1.02b (6% miss). Net credit costs declined sequentially to ~INR397m (in line). Annualized credit costs in 1QFY27 declined ~115bp QoQ to ~2.5% (PQ: ~3.6%).
- FUSION's growth is expected to be driven by sustained MFI momentum, scaling of MSME, and expansion across identified customer segments, with a focus on higher-quality, lower-leverage customers, selective market expansion, and greater productivity from the existing branch network.
- MSME will emerge as a key growth driver, where the company will leverage its existing MFI infrastructure through a hub-and-spoke model. The company expects MSME to contribute ~15% to the disbursement mix (rising to ~20% thereafter). The planned launch of individual loans should further broaden the product suite. With MFI momentum sustaining and MSME scaling up, the company is confident of delivering AUM CAGR of ~20-25% over the medium-term and scaling up to an AUM of ~INR100b by end-FY27.
- After navigating a prolonged period of industry stress, FUSION is witnessing broad-based improvement, with healthier customer profiles, stronger collections, and a more disciplined growth. We increase our FY27/FY28 PAT estimates by ~5%/~2%, primarily to factor in higher NIM and lower credit costs. The stock currently trades at 1.0x FY28E P/B. We expect FUSION to deliver an AUM CAGR of ~27% over FY26E-28, with an RoA/RoE of ~4.3%/15% by FY28. **We reiterate our BUY rating with a TP of INR260 (based on 1.3x FY28E P/BV).**

Asset quality improves, supported by stronger borrower quality

- GS3 declined ~70bp QoQ to ~2.5%, while NS3 remained stable QoQ at 0.5%. Stage 3 PCR declined ~3pp QoQ to 81.4% (PQ: 84.6%). Stage 2 declined ~30bp QoQ to 0.7%, and S2 PCR declined ~6pp QoQ to ~65%. Avg. CE (MFI) improved to 99.76% in 1QFY27 (vs 99.66% in 4QFY26). Net forward flow rate was < 0.1% in 1QFY27. The company did not utilize any management overlay in the quarter and continued to maintain its management overlay at INR195m.
- Asset quality is expected to benefit from the structural improvement in the MFI borrower pool, as highly leveraged customers and those with unstable income profiles have exited the formal ecosystem.
- The shift to in-house collections, supported by dedicated teams and AI-led customer outreach, should aid recoveries and contain credit costs, while a healthier customer mix will provide further support to asset-quality trends. We expect FUSION's credit costs to decline sharply from ~6% in FY26 to ~2.6%/ 3% in FY27/FY28.

Higher yield and normalization of surplus liquidity to support NIM expansion

- Reported NIM expanded ~50bp QoQ to ~11.9%. Yields improved ~80bp QoQ to 22.5%, while the CoB increased ~30bp QoQ to ~10.6%, resulting in spreads improving ~50bp QoQ to ~11.9%.
- The margin trajectory is expected to improve as the benefit of higher lending yields flows through to the portfolio. The company expects this improvement to more than offset any potential increase in funding costs, with further support from a gradual reduction in surplus liquidity.
- As the re-built franchise scales up and the portfolio mix improves, management expects NIM to expand further in FY27. We expect FUSION's NIM to expand to ~14.7%/~15.3% in FY27/ FY28.

Disbursement growth healthy at ~88% YoY; borrower base moderates

- Disbursements grew 88% YoY to ~INR17.8b. AUM remained flat YoY and rose 4% QoQ to ~INR77b. Borrower base declined to ~2m as of Jun'26 (down from ~2.15m as of Mar'26).
- We expect FUSION to deliver an AUM CAGR of ~27% over FY26-28.

Highlights from the management commentary

- FUSION plans to open ~50-60 branches while shutting down ~100 underperforming branches, resulting in a net reduction of ~40-50 branches.
- CE remains strong at >99.7%, with no state exhibiting any deterioration.

Valuation and view

- FUSION delivered a steady 1QFY27 performance, marked by healthier portfolio quality and operating metrics. Stronger underwriting and collections supported credit cost moderation, while higher yields and improving growth momentum provide a favorable backdrop for sustained earnings growth. Overall, FY27 has started on a stronger footing, with the business positioned for a healthy growth trajectory and improving profitability ahead.
- The stock currently trades at ~ 1.0x FY28E P/B. We expect FUSION to deliver an AUM CAGR of ~27% over FY26E-28, with an RoA/RoE of ~4.3%/ 15% by FY28E. **Reiterate our BUY rating with a TP of INR260 (based on 1.3x FY28E P/BV).**

Fusion: Quarterly Performance **(INR M)**

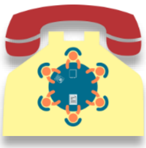
Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,219	3,808	3,629	3,625	3,922	4,138	4,386	4,758	15,325	17,205	3,806	3
Interest Expenses	1,489	1,343	1,235	1,321	1,498	1,557	1,613	1,688	5,387	6,356	1,387	8
Net Interest Income	**2,730**	**2,465**	**2,394**	**2,304**	**2,424**	**2,581**	**2,774**	**3,070**	**9,938**	**10,849**	**2,419**	**0**
YoY Growth (%)	-31.4	-38.2	6.6	-14.4	-11.2	4.7	15.9	33.3	-23.0	9.2	-11.4	
Other Income	237	519	612	677	661	692	675	581	2,000	2,609	690	-4
Total Income	**2,967**	**2,984**	**3,006**	**2,980**	**3,085**	**3,273**	**3,448**	**3,651**	**11,938**	**13,457**	**3,109**	**-1**
YoY Growth (%)	-38.6	-37.4	11.8	0.5	4.0	9.7	14.7	22.5	-21.7	12.7	5	
Operating Expenses	2,101	2,094	2,071	2,050	2,064	2,096	2,118	2,128	8,315	8,406	2,021	2
Operating Profit	**866**	**890**	**936**	**931**	**1,021**	**1,178**	**1,331**	**1,523**	**3,622**	**5,052**	**1,088**	**-6**
YoY Growth (%)	-70.9	-68.6	44.5	3.3	17.9	32.3	42.2	63.6	-50.8	39.5	25.7	
Provisions & Loan Losses	1,789	1,112	795	556	397	456	493	541	4,252	1,887	389	2
Profit before Tax	**-923**	**-221**	**141**	**374**	**624**	**721**	**838**	**982**	**-629**	**3,165**	**699**	**-11**
Tax Provisions	0	0	0	-768	0	0	0	0	-768	0	0	
Net Profit	**-923**	**-221**	**141**	**1,142**	**624**	**721**	**838**	**982**	**139**	**3,165**	**699**	**-11**
YoY Growth (%)	159	-93	-102	-169	-168	-426	496	-14	-101	2,185.2	-176	
Key Parameters (%)												
Yield on loans	20.6	21.2	21.6	21.7	22.5							
Cost of funds	10.3	10.4	10.3	10.3	10.6							
Spread	10.3	10.9	11.3	11.4	11.9							
NIM	10.3	10.9	11.3	11.4	11.9							
Credit cost	2.30	1.50	1.00	0.90	0.60							
Cost to Income Ratio (%)	70.8	70.2	68.9	68.8	66.9							
Tax Rate (%)	0.0	0.0	0.0	-205.2	0.0							
Performance ratios (%)												
Avg o/s per borrower (INR '000)	25	25	27	31	35							
AUM/ RO (INR m)	0.8	0.8	0.9	1.0	1.1							
AUM/ Branch (INR m)	5	4	4	5	5							
Borrower/ Branch (INR m)	1,932	1,759	1,602	1,487	1,406							
Balance Sheet Parameters												
AUM (INR B)	**76.9**	**70.4**	**68.8**	**74.1**	**77.0**	**82.4**	**89.2**	**97.5**				
Change YoY (%)	-36.9	-39.2	-35.1	-17.5	0.2	17.0	29.7	31.6				
Disbursements (INR B)	**9.5**	**13.0**	**15.9**	**21.4**	**17.8**	**20.5**	**22.6**	**25.2**				
Change YoY (%)	-68.2	-21.9	36.5	85.2	87.7	58.0	42.0	17.7				
Borrowings (INR B)	**52.7**	**49.3**	**51.8**	**55.7**	**58.4**							
Change YoY (%)	-42.3	-42.9	-29.2	-13.0	10.9							
Borrowings/Loans (%)	81.4	83.1	91.8	92.8	91.2							
Debt/Equity (x)	2.7	2.6	2.2	2.3	2.3							
Asset Quality (%)												
GS 3 (INR M)	**3,830**	**2,940**	**2,620**	**2,010**	**1,670**							
G3 %	5.4	4.6	4.4	3.2	2.5							
NS 3 (INR M)	130	230	360	310	310							
NS3 %	0.20	0.39	0.64	0.52	0.48							
PCR (%)	**96.6**	**92.2**	**86.3**	**84.6**	**81.4**							
ECL (%)	8.2	7.0	5.9	4.3	3.5							
Return Ratios - YTD (%)												
ROA (Rep)	-4.7	-1.2	0.8	5.7	2.9							
ROE (Rep)	-20.6	-4.6	2.6	19.1	10.0							

E: MOFSL Estimates

Vodafone Idea

BSE SENSEX	S&P CNX
78,542	24,584

Conference Call Details



Date: 11th August 2026

Time: 02:30pm IST

Financials & Valuations (INR b)

INR b	FY27E	FY28E	FY29E
Net Sales	469	499	523
EBITDA	199	217	227
Adj. PAT	-243	-231	-234
EBITDA Margin (%)	42.6	43.4	43.4
Adj. EPS (INR)	-2.2	-2.1	-2.2
BV/Sh. (INR)	-18.7	-25.9	-33.2
Ratios			
Net D:E	-3.3	-2.6	-2.3
RoE (%)	NM	NM	NM
RoCE (%)	-1.0	0.7	2.0
Payout (%)	0.0	0.0	0.0
Valuations			
EV/EBITDA (x)	18.2	17.6	17.7
P/E (x)	-6.6	-7.0	-6.9
P/B (x)	-0.8	-0.6	-0.4
Div. Yield (%)	0.0	0.0	0.0

CMP: INR 13 — Neutral

Result above estimates, but several inexplicable factors in 1Q

- Vodafone Idea (Vi)'s overall revenue grew ~3.2% QoQ to INR117.9b (+6% YoY, vs. our est. INR114.3b), driven by **~15% QoQ growth in non-wireless revenue** (not much disclosure around what led to the significant bump-up).
- Network opex was **stable QoQ (despite seasonality, 6% lower than our estimate)** and was also flat YoY (despite a sizeable rollout and higher diesel prices). In fact, **Vi's network opex (primarily energy costs) remained lower than the Dec'24 levels (despite rolling out ~21.5k additional towers).**
- Reported EBITDA at INR50.3b (+3% QoQ, +9% YoY, vs. + 3.3%/+4.1% QoQ for RJio/Bharti) and was ~5% above our est. INR48.1b.
- Reported EBITDA margin contracted ~10bp QoQ to 43.1% (up ~120bp YoY, ~15-40bp QoQ upticks for Bharti/RJio) and was ~105bp above our estimate.
- The Pre-Ind-AS 116 EBITDA at INR24.8b rose ~1.8% QoQ (+13.5% YoY, 7% beat). The Pre-Ind-AS 116 EBITDA margin contracted ~30bp QoQ to 21.2% (+140bp YoY, ~90bp above our estimate).
- Adjusted losses came in at INR53.7b (vs. INR55.2b QoQ but lower than our estimate of INR60.5b), primarily due to a lower increase in net interest cost at INR49.3b (vs. INR48.9b QoQ, ~9% lower than our est. INR53.8b).
- Vi's deferred spectrum and deferred AGR dues stood at INR1.3t/INR258b and external debt at INR37.1b, while its cash and equivalents inched up to INR65.6b (vs. INR37.2b QoQ), leading to a largely stable sequential net debt (excluding leases, but including interest accrued and not due) of INR1.53t.
- 1Q capex moderated ~16% QoQ to INR19.3b (-21% YoY, INR87.5b in FY26).
- Management highlighted that the company has **raised INR64b through issuance of warrants, funded and non-funded limits,** and has **placed orders for INR90b capex** (as part of its INR450b capex target).

Wireless: Subs base (incl. M2M) grows, although net consumer wireless subs decline at a higher rate QoQ; ARPU once again above estimate

- Reported wireless ARPU rose ~1.7% QoQ to INR177 (+7% YoY, vs. +0.7%/2.6% QoQ for RJio/Bharti), driven largely by one extra day QoQ.
- Reported customer ARPU (ex-M2M) was up ~2.6% QoQ to INR195 (+10.1% YoY), likely due to a higher share of users on unlimited 4G/5G plans.
- For the first time since the merger, the overall subscriber base grew 0.3m QoQ to 193.1m (vs. stable QoQ in 4QFY26). However, excluding the M2M base, Vi's customer wireless base decline was higher QoQ at ~1.7m QoQ to 171.5m (vs. ~1.1m decline in 4QFY26).
- Vi's monthly churn moderated QoQ to 3.8% (vs. 3.9% QoQ and ~2.6%/1.6% for Bharti/RJio) and remains a key monitorable.
- Vi's post-paid subscriber base (including M2M) improved QoQ (rising by ~1.8m QoQ) to 31.9m (largely driven by ~2m M2M additions).
- The 4G/5G subscriber base inched up ~1.2m QoQ, while data subs rose ~1m QoQ, indicating a continuation of the decline in consumer data SIMs (excluding the growth in M2M).
- Wireless revenue at INR102.5b (~5% YoY, vs. our est. INR101.6b) rose ~1.8% QoQ (vs. 2.5%/3.8% QoQ growth for RJio/Bharti).

Other highlights: Healthy growth in non-wireless revenue

- Non-wireless/Enterprise revenue grew ~15% QoQ to INR14.2b (+17% YoY, 13% ahead).
- Vi's data volume grew ~6% QoQ (+6% QoQ in 4QFY26) driven by the 5G launch vs. 5-7% QoQ growth reported by peers (though on a much higher base).
- Data usage per data subscriber increased to 20.8GB/month (from 19.7GB QoQ) but remains significantly below peers [RJio: 43.7GB including FTTH contribution, and Bharti: 34.4GB].
- Voice usage on the Vi network declined ~1.5% QoQ (vs. flat QoQ in 4QFY26, vs. flat to -1% QoQ for peers).
- Implied minutes of usage per subscriber moderated to 590min/month (vs. 599min QoQ) but remained significantly below 958/1,135mins for RJio/Bharti.

5G services expand to 200+ cities; tower additions moderate QoQ

- Vi added ~2.3k towers (and ~2.9k MBB towers vs. 3.4k towers QoQ) and ~14.5k net broadband sites in 1QFY27 (vs. ~18k QoQ).
- Vi's 4G population coverage stood at 87% by Jun'26 (vs. 77% in Mar'24, 86.3% in Mar'26).
- Management is targeting an increase in 4G penetration to 95% of the population.
- Vi has expanded its 5G services to 200+ cities (83 as of Mar'26) across all 17 priority circles.

Vodafone Idea (INR m)	1QFY26	4QFY26	1QFY27	YoY	QoQ	1QFY27E	vs. est
Revenue	**1,10,225**	**1,13,320**	**1,16,890**	**6.0**	**3.2**	**1,14,343**	**2.2**
Interconnection costs	11,139	10,910	13,340	20	22	10,977	21.5
License fee and spectrum charges	9,473	9,740	9,860	4	1	9,805	0.6
Network operating costs	23,493	23,450	23,440	(0)	(0)	24,864	(5.7)
Employee costs	5,435	5,830	5,420	(0)	(7)	5,707	(5.0)
SG&A expenses	14,564	14,500	14,490	(1)	(0)	14,928	(2.9)
Total costs	64,104	64,430	66,550	4	3	66,281	0.4
EBITDA	**46,121**	**48,890**	**50,340**	**9.1**	**3.0**	**48,062**	**4.7**
EBITDA margin (%)	41.8	43.1	43.1	*122*	*(8)*	42.0	*103.3*
Pre-IND-AS EBITDA	**21,807**	**24,320**	**24,750**	**13.5**	**1.8**	**23,162**	**6.9**
Pre-IND-AS EBITDA margin (%)	19.8	21.5	21.2	*139*	*(29)*	20.3	*91.7*
D&A	54,721	55,180	54,670	(0.1)	(0.9)	54,729	(0.1)
EBIT	**(8,600)**	**(6,290)**	**(4,330)**	**49.7**	**31.2**	**(6,667)**	**35.1**
Net interest income/(expense)	57,511	48,860	49,250	(14.4)	0.8	53,830	(8.5)
PBT	(66,111)	(55,150)	(53,580)	19.0	2.8	(60,497)	11.4
Taxes	30	(60)	(70)			—	
MI and share of associates	-	-	-			—	
PAT	**(66,081)**	**(55,210)**	**(53,650)**	**19**	**2.8**	**(60,497)**	**11.3**
Extraordinaries	-	5,74,910	16,110			—	
Reported net income	**(66,081)**	**5,19,700**	**(37,540)**	**43**	**107.2**	**(60,497)**	**37.9**
Key performance indicators							
Subscriber base (EoP) (m)	**197.7**	**192.8**	**193.1**	**-2**	**0.2**	**193.2**	**(0.1)**
Net adds/(declines) (m)	(0.5)	(0.1)	0.3			0.1	
Consumer wireless subs (ex-M2M, m)	**180.6**	**173.2**	**171.5**	**-5**	**(1.0)**	**171.7**	**(0.1)**
Net adds/(declines) (m)	(1.3)	(1.1)	(1.7)			(1.5)	
Data subscribers(EoP) (m)	134.8	135.0	136.0	0.9	0.7	135.7	0.2
Reported ARPU (INR/month)	**165**	**174**	**177**	**7**	**1.7**	**175**	**0.9**
Total minutes of use (b)	350	346	341	(2.6)	(1.4)	347	(1.7)
Average MoU (min/month)	590	599	590	-	(1.5)	599	(1.6)
Data volume (Petabyte)	6,748	7,987	8,435	25.0	5.6	8,387	0.6
Implied data usage (GB/month)	16.7	19.7	20.8	24.0	5.2	20.7	0.5
Wireless revenue	**97,985**	**1,00,668**	**1,02,456**	**5**	**1.8**	**1,01,586**	**0.9**
Enterprise revenue	12,094	12,322	14,164	17.1	14.9	12,507	13.2
Other operating revenue	146	330	270	84.9	(18.2)	250	8.0
Debt and capex (INRb)							
Gross debt	2,011	1,566	1,598	(20.5)	2.0		
GoI debt	**1,991**	**1,526**	**1,561**	**-22**	**2.3**		
Spectrum debt	1,217	1,274	1,303				
External debt	**19**	**40**	**37**	**91**	**(7.9)**		
OCDs to ATC	-	-					
Cash and equivalents	68.3	37.2	65.6	(4)	76.5		
Net debt	**1,943**	**1,529**	**1,532**	**-21**	**0.2**		
Capex	**24.4**	**22.9**	**19.3**	**-21**	**(15.9)**	**24.0**	**(19.6)**

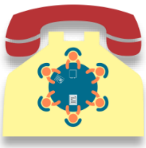
Financial Services

RESULTS FLASH

Bosch

BSE SENSEX	S&P CNX
78,542	24,584

Conference Call Details



Date: 11th August 2026
Time: 4.00pm IST
Dial-in details:
[Webex link]

Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
Sales	200.3	271.1	296.3
EBITDA	26.5	37.7	43.0
Adj. PAT	23.5	27.1	30.7
EPS (INR)	796.0	918.0	1,041.6
EPS Gr. (%)	16.7	15.3	13.5
BV/Sh. (INR)	5,034	6,195	6,876
Ratios			
RoE (%)	16.4	16.4	15.9
RoCE (%)	21.5	21.6	21.1
Payout (%)	33.9	34.9	34.6
Valuations			
P/E (x)	54.3	47.1	41.5
P/BV (x)	8.6	7.0	6.3
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	1.5	1.4	1.8

CMP:INR43,505 Neutral

Strong performance drives earnings beat

- Bosch's net revenue in 1QFY27 beat our estimate, growing ~22% YoY to INR58.4b (est. INR53.2b), led by strong performance in the automotive segment, especially Power Solutions and 2W Powersports businesses.
- Mobility business grew 25.7% YoY, driven by 29% growth in Power Solutions and a strong 41.4% YoY growth in the 2W segment. The Consumer Goods segment grew relatively slower at 20.9% YoY.
- Gross margin contracted ~420bp YoY (down 130bp QoQ) to 33.5%, below our estimate of 35%.
- EBITDA margin came in at 14% (+65bp YoY and -40bp QoQ), ahead of our estimate of 12.2%. Margin beat was driven by a strong revenue growth and optimization of expenses. Both employee and other expenses came in lower than our expectations.
- As a result, EBITDA beat our estimate, rising ~28% YoY to INR8.2b (vs estimate of INR6.5b).
- This strong revenue and margin performance led to PAT beating our estimate, growing marginally 1.3% YoY to INR7b (vs estimate of INR5.3b).
- **Valuation and view:** The stock trades at ~47x/~42x FY27E/FY28E EPS.

Quarterly performance (S/A) (INR M)

Y/E March	FY26				FY27E				FY26	FY27E		Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Sales	**47,886**	**47,948**	**48,856**	**55,657**	**58,419**	**51,304**	**52,276**	**53,892**	**200,347**	**215,891**	**53,153**	9.9
YoY Change (%)	10.9	9.1	9.4	13.3	22.0	7.0	7.0	-3.2	10.8	7.8	11.0	
RM Cost (% of sales)	62.3	64.6	63.2	65.2	66.5	64.5	64.2	62.2	63.9	64.4	65.0	150bps
Staff Cost (% of sales)	7.1	7.6	7.7	7.6	5.8	7.5	7.8	9.5	7.7	7.6	7.0	-120bps
Other Expense (% of sales)	17.2	14.9	16.1	12.7	13.7	15.5	15.0	17.3	15.2	15.3	15.8	-210bps
EBITDA	**6,393**	**6,171**	**6,330**	**8,022**	**8,180**	**6,413**	**6,796**	**5,985**	**26,504**	**27,374**	**6,485**	26.1
Change (%)	23.0	10.1	8.7	24.0	28.0	3.9	7.4	(25.4)	14.8	3.3	1	
Margins (%)	13.4	12.9	13.0	14.4	14.0	12.5	13.0	11.1	13.2	12.7	12.2	180bps
Depreciation	850	925	987	1,158	989	1,020	1,050	1,126	3,920	4,185	980	
Interest	45	42	43	138	61	44	46	29	267	180	45	
Other Income	2,881	2,099	1,999	1,564	2,257	350	300	-361	8,543	2,546	1,550	
PBT before EO expense	**8,379**	**7,303**	**7,299**	**8,290**	**9,387**	**5,699**	**6,000**	**4,469**	**30,860**	**25,555**	**7,010**	33.9
Extra-Ord expense	-5,560	0	206	206	0	0	0	0	-5,560	0	0	
PBT after EO Expense	**13,939**	**7,303**	**7,093**	**8,084**	**9,387**	**5,699**	**6,000**	**4,469**	**36,420**	**25,555**	**7,010**	33.9
Tax	2,785	1,761	1,772	2,399	2,369	1,368	1,440	957	8,717	6,133	1,682	
Tax Rate (%)	20.0	24.1	25.0	29.7	25.2	24.0	24.0	21.4	23.9	24.0	24.0	120bps
Reported PAT	**11,154**	**5,542**	**5,321**	**5,685**	**7,018**	**4,331**	**4,560**	**3,513**	**27,703**	**19,422**	**5,327**	31.7
Adj PAT	**6,925**	**5,542**	**5,478**	**5,830**	**7,018**	**4,331**	**4,560**	**3,513**	**23,474**	**19,422**	**5,327**	31.7
YoY Change (%)	48.8	10.8	11.1	5.3	1.3	-21.8	-16.8	-39.7	16.7	-17.3	-23.1	

E: MOFSL Estimates

Segmental Mix (INR m)

	FY26				FY27E
	1Q	2Q	3Q	4Q	1Q
Auto	**42,463**	**42,704**	**44,157**	**48,751**	**52,344**
Growth (%)	13.5	13.6	13.4	17.3	23.3
PBIT margin (%)	14.5	14.9	12.7	15.2	14.2
Contribution (%)	88.7	89.1	90.4	87.6	89.6
Non-Auto	**5,454**	**5,342**	**4,896**	**6,951**	**6,092**
Growth (%)	(6.2)	(16.8)	(17.5)	(8.1)	11.7
PBIT margin (%)	12.0	6.5	13.7	9.8	13.6
Contribution (%)	11.4	11.1	10.0	12.5	10.4
a) Consumer goods	4,308	4,368	3,505	6,178	5,208
Growth (%)	9.4	1.8	(3.1)	14.3	20.9
PBIT margin (%)	8.5	2.9	6.3	8.1	10.9
b) Others	1,146	974	1,391	773	884
Growth (%)	(38.9)	(54.3)	(40.0)	(64.2)	(22.9)
PBIT margin (%)	24.9	22.5	32.4	23.9	29.4
Total Revenue (post inter segment)	**47,886**	**47,948**	**48,856**	**55,656**	**58,419**
Growth (%)	10.9	9.1	9.4	13.3	22.0

E:MOFSL Estimates

Triveni Turbine

BSE SENSEX	S&P CNX
78,542	24,264

CMP: INR634 — Buy

Conference Call Details

Date: 11th Aug 2026
Time: 12:30pm IST
Dial-in details:
Diamond pass

In-line revenue, miss on profitability

- Triveni Turbine reported in-line revenue, while EBITDA and PAT came in below our estimates.
- Revenue grew 19% YoY to INR4.4b, broadly in line with our estimate of INR4.2b. Domestic revenue grew 27% YoY to INR2.4b, whereas exports grew 11% YoY to INR2b. Product revenue increased 19% YoY to INR3b, whereas aftermarket revenue grew 19.5% YoY to INR1.4b.
- Gross margin contracted YoY to 42.6%. While the moderation was anticipated, the margin was 190bp below our estimate of 44.5%.
- Lower-than-expected gross margins, coupled with higher-than-expected other expenses, resulted in an EBITDA margin of 11.6%, below our estimate of 16.5%. Margins were impacted by an unfavorable mix and certain ongoing strategic orders.
- Absolute EBITDA fell 30% YoY to INR513m vs. our estimate of INR697m.
- Lower margins led to PAT missing our estimate. PAT decreased 21% YoY to INR511m, 16% below our estimate.
- Order inflows increased 6% YoY to INR5.7b, taking the closing order book to INR21.8b.
- Export order inflows rose 53% YoY to INR3.8b, contributing 67.6% of total inflows for the quarter. Domestic inflows, however, declined 35% YoY to INR1.8b.
- On the product side, order inflows declined 12% YoY to INR2.4b, whereas aftermarket order inflows grew 53% YoY to INR2.2b.

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	21.8	24.1	29.1
EBITDA	4.5	5.1	6.2
Adj. PAT	3.7	4.1	5.1
Adj. EPS (INR)	11.5	12.9	16.2
EPS Gr. (%)	1.1	13.8	25.0
BV/Sh.(INR)	45.5	54.8	66.4
Ratios			
RoE (%)	27.1	25.8	26.7
RoCE (%)	27.3	26.0	26.8
Valuations			
P/E (x)	55.8	49.1	39.2
P/BV (x)	13.9	11.6	9.5
EV/EBITDA (x)	44.2	39.1	31.6
Div. Yield (%)	0.3	0.6	0.7

Consolidated - Quarterly Earning Model (INR m)

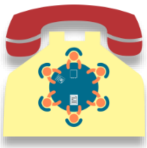
Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**3,713**	**5,062**	**6,240**	**6,796**	**4,427**	**5,672**	**6,885**	**7,165**	**21,811**	**24,149**	**4,223**	**5**
YoY Change (%)	-19.9	1.0	24.0	26.3	19.2	12.1	10.3	5.4	8.7	10.7	13.7	
Total Expenditure	2,977	3,916	4,899	5,516	3,914	4,538	5,405	5,233	17,308	19,090	3,527	
EBITDA	**736**	**1,146**	**1,341**	**1,280**	**513**	**1,134**	**1,480**	**1,931**	**4,503**	**5,059**	**697**	**-26**
YoY Change (%)	-23.0	2.9	22.7	6.3	-30.3	-1.0	10.4	50.9	3.1	12.4	-5.3	
Margins (%)	19.8	22.6	21.5	18.8	11.6	20.0	21.5	27.0	20.6	21.0	16.5	
Depreciation	77	80	94	90	94	83	86	79	341	342	82	15
Interest	8	4	7	7	6	9	9	13	26	36	10	-37
Other Income	222	184	195	164	284	199	207	155	765	844	211	34
PBT before EO expense	**873**	**1,246**	**1,435**	**1,347**	**697**	**1,241**	**1,592**	**1,994**	**4,901**	**5,525**	**817**	**-15**
Extra-Ord expense	0	0	157	0	0	0	0	0	157	0	0	
PBT	**873**	**1,246**	**1,278**	**1,347**	**697**	**1,241**	**1,592**	**1,994**	**4,744**	**5,525**	**817**	**-15**
Tax	228	332	352	325	186	318	408	503	1,237	1,414	209	
Rate (%)	26.1	26.6	27.5	24.1	26.7	25.6	25.6	25.2	26.1	25.6	25.6	
MI & P/L of Asso. Cos.	-1	0	-9	-3	0	0	0	0	-13	0	0	
Reported PAT	**644**	**914**	**917**	**1,019**	**511**	**923**	**1,185**	**1,491**	**3,494**	**4,110**	**608**	**-16**
Adj PAT	**644**	**914**	**1,031**	**1,021**	**511**	**923**	**1,185**	**1,491**	**3,610**	**4,110**	**608**	**-16**
YoY Change (%)	-19.9	0.4	11.3	8.0	-20.7	1.0	14.9	46.0	0.7	13.9	-5.6	
Margins (%)	17.3	18.1	16.5	15.0	11.5	16.3	17.2	20.8	16.6	17.0	14.4	

Astra Microwave Products

BSE SENSEX	S&P CNX
78,542	24,571

CMP: INR1,735 — Buy

Conference Call Details



Date: 11th August 2026
Time: 10:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	11.6	14.1	16.8
EBITDA	3.3	3.8	4.5
PAT	1.9	2.5	3.3
EPS (INR)	20.3	26.3	34.6
EPS Growth (%)	25.7	29.6	31.2
BV/Share (INR)	138.5	164.8	199.4
Ratios			
Net D/E	(0.0)	(0.1)	(0.1)
RoE (%)	16.0	17.4	19.0
RoCE (%)	14.5	15.2	16.4
Valuations			
P/E (x)	85.4	65.9	50.2
P/BV (x)	12.5	10.5	8.7
EV/EBITDA (x)	49.5	43.3	36.0

Results below our estimates

- ASTM reported a weak set of results with a miss on all counts.
- Revenue declined 12% YoY to INR1.8b, missing our estimate by 22%.
- Gross margin remained healthy, expanding 60bp YoY to 47.3%, much better than our estimate of 42.0%.
- Healthy gross margins were offset by the lack of scale benefits amid lower revenue, resulting in an EBITDA margin of 18.7% versus our estimate of 20.0%. Absolute EBITDA declined 19% YoY to INR331m vs. our estimate of INR450m.
- Lower-than-expected revenue, margin, and other income led to PAT coming in lower than our estimates. Adj PAT declined 24% YoY to INR123m, vs. our estimate of INR262m.
- Consolidated order inflows surged 187% YoY to INR4.3b in 1QFY27, taking the closing order book at the end of Jun'26 to INR28.5b
- Mr. S. Gurunatha Reddy will cease to be the MD of the company from 30th Sep'26, and Dr. M. V. Reddy (earlier joint MD) will become the MD of the company effective 1st Oct'26.

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Gross Sales	**1,997**	**2,146**	**2,602**	**4,882**	**1,767**	**2,534**	**3,237**	**6,538**	**11,628**	**14,076**	**2,252**	**-22**
YoY Change (%)	28.7	-6.5	0.7	19.7	-11.5	18.1	24.4	33.9	10.6	21.1	12.8	
Total Expenditure	1,588	1,667	1,777	3,258	1,436	1,976	2,396	4,467	8,290	10,275	1,802	-20
EBITDA	**410**	**478**	**825**	**1,624**	**331**	**557**	**842**	**2,071**	**3,338**	**3,800**	**450**	**-27**
YoY Change (%)	70.6	-2.8	8.3	35.9	-19.3	16.5	2.0	27.5	24.1	13.9	10.0	
Margins (%)	20.5	22.3	31.7	33.3	18.7	22.0	26.0	31.7	28.7	27.0	20.0	
Depreciation	93	101	114	130	119	116	119	121	437	474	114	4
Interest	146	135	130	145	108	109	112	119	556	449	108	0
Other Income	25	57	32	70	24	74	76	129	185	303	73	-67
PBT before EO expense	**195**	**300**	**614**	**1,420**	**128**	**406**	**687**	**1,960**	**2,530**	**3,180**	**301**	**-58**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**195**	**300**	**614**	**1,420**	**128**	**406**	**687**	**1,960**	**2,530**	**3,180**	**301**	**-58**
Tax	48	85	194	351	34	119	192	533	678	878	92	-63
Rate (%)	24.6	28.2	31.7	24.7	26.5	29.4	28.0	27.2	26.8	27.6	30.5	
MI & P/L of Asso. Cos.	-15	-23	-49	9	-30	-52	-52	-65	-78	-199	-52	
Reported PAT	**163**	**239**	**468**	**1,060**	**123**	**339**	**547**	**1,491**	**1,930**	**2,501**	**262**	**-53**
Adj PAT	**163**	**239**	**468**	**1,060**	**123**	**339**	**547**	**1,491**	**1,930**	**2,501**	**262**	**-53**
YoY Change (%)	125.9	-5.9	-1.3	44.2	-24.1	42.0	16.8	40.7	25.7	29.6	60.7	
Margins (%)	8.1	11.1	18.0	21.7	7.0	13.4	16.9	22.8	16.6	17.8	11.6	

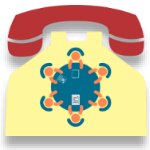
10 August 2026

Results Flash | Sector: Automobiles

Amara Raja

BSE SENSEX	S&P CNX
78,542	24,584

Conference Call Details



Date: 11th Aug 2026

Time: **4:00**PM IST

Dial-in details: Diamond Pass Registration

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	135.5	146.8	158.1
EBITDA	15.4	16.3	19.3
Adj. PAT	6.0	7.8	9.6
EPS (INR)	32.8	42.6	52.4
EPS Gr. (%)	-26.6	29.7	23.0
BV/Sh. (INR)	446	480	522
Ratios			
RoE (%)	7.7	9.2	10.5
RoCE (%)	7.6	9.1	10.2
Payout (%)	42.9	20.0	20.0
Valuations			
P/E (x)	27.4	21.1	17.1
P/BV (x)	2.0	1.9	1.7
Div. Yield (%)	1.2	0.9	1.2
FCF yield (%)	3.5	6.6	7.0

CMP: INR898

Strong revenue growth drives earnings beat

- AMRJ's 1QFY27 standalone revenue grew ~20.6% YoY to INR40.4b, 13% higher than est. New energy business revenue grew 73% YoY to INR2b, while lead acid business revenue grew 22% YoY to INR40b.
- Automotive domestic business revenue grew 20%+ YoY on the back of healthy OEM demand and double-digit growth in the aftermarket.
- Home Energy grew 30%+ YoY, supported by a strong summer season, while the Industrial Battery business sustained momentum, with UPS segment recording double-digit revenue growth.
- Exports business continued to face headwinds from geopolitical uncertainty and shifting global trade dynamics.
- EBITDA margin contracted ~140bp YoY to 10.1%, below our estimate of 11.1%, led by rising input cost pressure.
- Due to sustained margin pressure, EBITDA at INR4b (+5% YoY) was in line with our estimates.
- PAT grew ~5% YoY to INR2b (6% above est.) due to higher topline.
- AMRJ invested INR1.5b in 1Q in the new energy business, taking the total investment to INR16.5b.
- **Valuation view:** The stock trades at 21.1x/17.1x FY27E/FY28E EPS.

Quarterly Performance

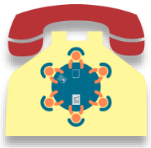
Y/E March (INR m)	FY26				FY27E				FY26	FY27E	1QE	VAR
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				(%)
Net Sales	**33,499**	**33,882**	**33,508**	**34,599**	**40,414**	**36,254**	**36,524**	**33,595**	**1,35,489**	**1,46,787**	**35,844**	**12.8**
YoY Change (%)	7.0	8.0	5.9	16.3	20.6	7.0	9.0	-2.9	9.2	8.3	7.0	
RM Cost (% of sales)	70.5	67.2	68.2	70.2	71.5	70.0	69.5	68.3	69.1	69.9	71.0	50bp
Staff Cost (% of sales)	5.9	6.6	6.1	6.2	5.6	6.0	6.2	6.7	6.2	6.1	5.9	-30bp
Other Exp (% of sales)	12.0	14.2	14.5	12.7	12.9	13.0	13.0	12.7	13.3	12.9	12.0	90bp
EBITDA	**3,867**	**4,059**	**3,745**	**3,771**	**4,074**	**3,988**	**4,127**	**4,105**	**15,442**	**16,293**	**3,979**	**2.4**
Margins (%)	11.5	12.0	11.2	10.9	10.1	11.0	11.3	12.2	11.4	11.1	11.1	-100bp
YoY Change (%)	-10.2	-7.9	-9.9	10.2	5.4	-1.8	10.2	8.8	-5.2	5.5	2.9	
Depreciation	1,292	1,380	1,409	1,396	1,403	1,480	1,510	1,624	5,477	6,018	1,450	
Interest	104	83	87	134	107	105	170	218	407	600	120	
Other Income	139	241	263	276	159	220	210	238	919	827	170	
PBT before EO expense	**2,610**	**2,838**	**2,513**	**2,517**	**2,723**	**2,623**	**2,657**	**2,500**	**10,478**	**10,503**	**2,579**	**5.6**
Extra-Ord expense	0	-1,218	438	-1,812	0	0	0	0	-2,591	0	0	
PBT after EO	**2,610**	**4,056**	**2,075**	**4,329**	**2,723**	**2,623**	**2,657**	**2,500**	**13,069**	**10,503**	**2,579**	**5.6**
Tax	670	1,032	558	1,106	695	677	686	653	3,365	2,710	665	
Tax Rate (%)	25.7	25.4	26.9	25.5	25.5	25.8	25.8	26.1	25.7	25.8	25.8	
Adj PAT	**1,940**	**2,120**	**1,842**	**1,874**	**2,028**	**1,946**	**1,972**	**1,848**	**7,780**	**7,793**	**1,913**	**6.0**
YoY Change (%)	-20.7	-11.9	-19.8	12.4	4.5	-8.2	7.0	-1.4	-11.7	0.2	-1.4	

KEC International

BSE SENSEX	S&P CNX
78,542	24,522

CMP: INR476 — Buy

Conference Call Details



Date: 11th August 2026
Time: 10:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	235.1	271.5	314.4
EBITDA	16.6	19.0	22.1
Adj. PAT	6.6	7.5	9.3
Adj. EPS (INR)	25.0	28.3	34.8
EPS Gr. (%)	14.0	15.8	23.0
BV/Sh.(INR)	231.4	252.2	279.0
Ratios			
RoE (%)	11.5	11.7	13.1
RoCE (%)	11.7	11.3	12.0
Valuations			
P/E (x)	19.5	16.8	13.7
P/BV (x)	2.1	1.9	1.7
EV/EBITDA (x)	10.4	9.3	8.4
Div. Yield (%)	1.2	1.6	1.7

In-line revenue and PAT

- KEC's 1QFY27 revenue and PAT were in line with our estimates, while margins were below our estimate due to higher RM costs.
- Revenue remained flat YoY at INR50.2b, in line with our estimate. Execution remained healthy across T&D, cables and renewables, while railways execution remained weak as the company is focusing on completion of its ongoing projects.
- Gross margin expanded 240bp YoY to 20.9% vs. our estimate of 22.8%.
- Absolute EBITDA fell 17% YoY to INR2.9b, while EBITDA margin of 5.8% came in below our estimate of 6.5%, mainly due to lower gross margin.
- While margins were lower than our expectations, PAT come in line with our estimate thanks to higher-than-expected other income. PAT declined 42% YoY to INR726m.
- Order inflow increased 14% YoY to INR63b, taking the closing order book to INR377b.
- Net debt, including acceptances, has been reduced by more than INR1.5b YTD to INR65.7b.
- NWC has been reduced to 134 days as of 30th Jun'26 vs. 137 days as of 31st Mar'26.

Consolidated - Quarterly Earning Model (INR m)

Y/E March - INR m	FY26				FY27E				FY26	FY27E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**50,229**	**60,916**	**60,014**	**63,898**	**50,235**	**67,887**	**70,602**	**82,823**	**2,35,055**	**2,71,548**	**50,236**	**(0)**
YoY Change (%)	11.3	19.1	12.2	(7.0)	0.0	11.4	17.6	29.6	7.6	15.5	0.0	
Total Expenditure	46,728	56,612	55,714	59,417	47,327	63,135	65,519	76,527	2,18,470	2,52,508	46,971	1
EBITDA	**3,501**	**4,304**	**4,300**	**4,481**	**2,908**	**4,752**	**5,083**	**6,297**	**16,586**	**19,040**	**3,265**	**(11)**
YoY Change (%)	29.5	34.4	14.8	(16.8)	(16.9)	10.4	18.2	40.5	10.3	14.8	(6.7)	
Margins (%)	7.0	7.1	7.2	7.0	5.8	7.0	7.2	7.6	7.1	7.0	6.5	
Depreciation	459	506	504	506	508	538	552	609	1,974	2,207	525	(3)
Interest	1,511	1,715	1,711	1,699	1,640	1,897	1,850	2,012	6,636	7,399	1,850	(11)
Other Income	54	46	102	301	139	70	72	6	503	286	68	104
PBT before EO expense	**1,585**	**2,130**	**2,187**	**2,577**	**899**	**2,387**	**2,754**	**3,682**	**8,479**	**9,721**	**959**	**(6)**
Extra-Ord expense			588	0					588	0		
PBT	**1,585**	**2,130**	**1,599**	**2,577**	**899**	**2,387**	**2,754**	**3,682**	**7,891**	**9,721**	**959**	**(6)**
Tax	339	522	325	649	173	537	620	858	1,836	2,187	216	
Rate (%)	21.4	24.5	20.3	25.2	19.2	22.5	22.5	23.3	23.3	22.5	22.5	
Reported PAT	**1,246**	**1,608**	**1,275**	**1,928**	**726**	**1,850**	**2,134**	**2,824**	**6,056**	**7,534**	**743**	**(2)**
Adj PAT	**1,246**	**1,608**	**1,743**	**1,910**	**726**	**1,850**	**2,134**	**2,824**	**6,507**	**7,534**	**743**	**(2)**
YoY Change (%)	42.3	88.2	34.5	(28.8)	(41.7)	15.1	22.4	47.8	14.0	15.8	(40.4)	
Margins (%)	2.5	2.6	2.9	3.0	1.4	2.7	3.0	3.4	2.8	2.8	1.5	

INR m	FY26				FY27	FY26	FY27E	YoY (%)
	1Q	2Q	3Q	4Q	1Q			
Segmental revenue								
T&D (domestic + SAE)	31,570	40,800	41,610	44,850	32,170	1,58,830	1,87,365	1.9
Cables	3,830	5,240	5,560	7,540	6,010	22,170	25,318	56.9
Railways	4,710	4,250	3,490	3,090	2,590	15,540	11,469	(45.0)
Civil	11,360	12,100	11,220	11,290	11,660	45,970	56,015	2.6
Less intersegmental	(1,240)	(1,470)	(1,870)	(2,880)	(2,190)	(7,460)	(8,618)	76.6
Grand total	**50,230**	**60,920**	**60,010**	**63,890**	**50,240**	**2,35,050**	**2,71,548**	0.0

CESC: CESC Arm Inks Deal With ReNew Solar | Acquired Portfolio Has Long-term PPAs Signed In Place; Shashwat Goenka, Vice Chairman

- CESC unit Purva Green acquires 1.4 GWp operational solar assets from ReNew for ₹4,859 crore EV (₹1,582 crore cash)
- Expands total contracted capacity to 4.8 GW, secured by 25-year PPAs with SECI and Karnataka discoms
- Adding 3 GW modules to its live 1 GW line, alongside 3.8 GW cell manufacturing launching in Q2–Q3 FY28
- Aiming for ₹8,000+ crore steady-state EBITDA at 10 GW capacity, paving the way for an eventual public listing

Read More

Info Edge: GCC Hiring Is Solid, Important To Track Non-IT Cos' Hiring; Hitesh Oberoi, MD & CEO

- Revenue rose 11.3% YoY, backed by 17% billing growth in Naukri and 99acres
- Agentic AI tools and resume suites boosted candidate service billings by 35%
- Traffic share hit ~50%, bringing the real estate portal near breakeven
- Confirmed no plans to sell Eternal (Zomato) equity or execute buybacks

Read More

Poly Medicure: Margins To Improve As Acquisition Synergies Trickle In; Himanshu Baid, MD

- Guiding ₹2,300–2,400 crore, comprising ₹1,900–2,000 crore standalone and ~₹400 crore from acquired international entities
- Target 24–25% EBITDA (standalone 26–28%), with M&A synergies gradually lifting lower subsidiary margins
- Seeking government relief against a 20% injury margin caused by cheap Chinese and Malaysian imports
- West Asia shipping route bottlenecks create a 2–3% revenue drag despite a strong order book

Read More

Raymond Realty: Pre-Sales Doubling Every 3.5 Years; Harmohan Sahni, MD

- Target 20% annual pre-sales growth, effectively doubling topline and pre-sales every 3.5 years
- Q1 collections surged 45% YoY to ₹550 crore; guiding >20% collection growth for full-year FY27
- Rebuffs real estate slowdown fears, noting 90:10 payment schemes remain localized rather than industry-wide
- Construction-linked payment plans across seven newly launched projects continue to drive predictable cash inflows

Read More

NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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