12 August 2026

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	78,154	-0.5	-8.3
Nifty-50	24,472	-0.5	-6.3
Nifty-M 100	63,844	0.0	5.6
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,728	-0.3	12.9
Nasdaq	26,445	-0.6	13.8
FTSE 100	10,844	-0.2	9.2
DAX	26,391	0.3	7.8
Hang Seng	8,528	-1.1	-4.3
Nikkei 225	66,970	0.0	33.0
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	93	1.4	49.2
Gold ($/OZ)	4,370	-0.5	1.2
Cu (US$/MT)	14,352	0.1	15.2
Almn (US$/MT)	3,369	1.4	13.5
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	95.4	0.2	6.2
USD/EUR	1.2	0.0	-1.7
USD/JPY	159.3	0.0	1.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.8	0.01	0.2
Flows (USD b)	**11-Aug**	**MTD**	**CYTD**
FIIs	0.03	1.72	-24.8
DIIs	0.00	0.69	54.4
Volumes (INRb)	**11-Aug**	**MTD***	**YTD***
Cash	1,311	1358	1361
F&O	3,52,571	2,18,669	2,61,767

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Consumer - Jewelry: The golden compounding story!

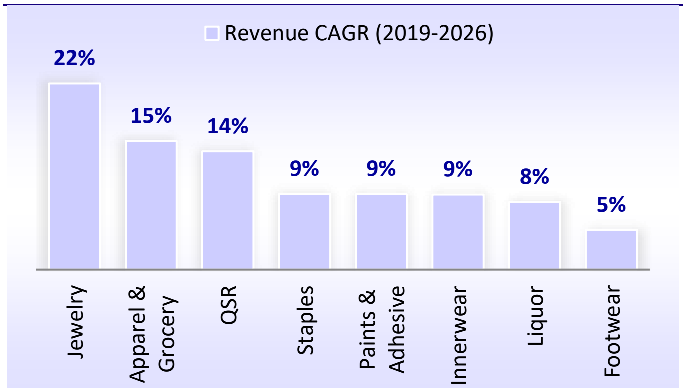
- India's organized jewelry retail remains one of the strongest structural growth stories within our consumer universe. We had discussed in detail in our sector thematic (link) in Jun'24 about growth longevity and consolidation benefits of the top jewelry players.
- The India-listed jewelry universe has registered a 34% revenue CAGR during FY22-26 (22% FY19-26) to reach INR1,384b revenue. Jewelry store aggregates in India have expanded at 22% CAGR during FY22-26 (17% over FY19-26) to 2,002 stores (vs. 661 in FY19). This growth indicates a robust store expansion trajectory as well as strong revenue growth reflecting a healthy consumption trend. The universe had registered 29% EBITDA and APAT CAGR each during FY22-26 (24% and 27% during FY19-26, respectively).
- We remain constructive on the jewelry sector and continue to prefer Titan and Kalyan Jewellers as our top picks, supported by their industry-leading execution, superior capital allocation, and sustained ability to compound earnings ahead of the broader consumer sector.

Research covered

Cos/Sector	Key Highlights
Consumer - Jewelry	The golden compounding story!
Other Updates	UltraTech Cement | Siemens | Vodafone Idea | Bosch | Zydus Lifesciences | GCPL | MRF | Manappuram Fin. | Kalpataru Proj. | Anant Raj | Triveni Turbine | Amara Raja Rner. | Astra Microwave | KEC International | EPL | Shoppers Stop | Healthcare Monthly | P I Inds. | Gujarat Energy | Bata India | Senco Gold | Gokaldas Exports | Repco Home Fin. | Laxmi Dental

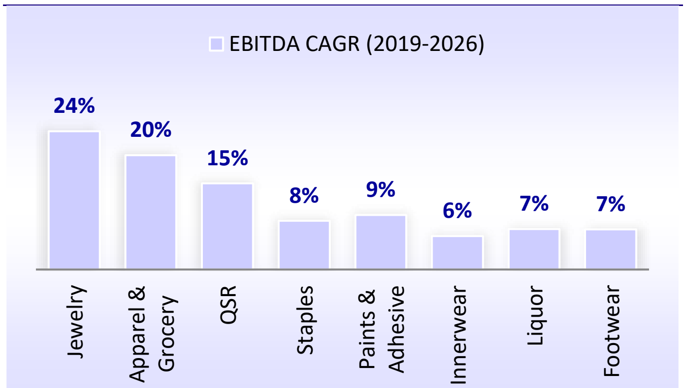
Chart of the Day: Consumer - Jewelry (The golden compounding story!)

Category-wise revenue CAGR over 2019-26



Source: Companies, MOFSL

Category-wise EBITDA CAGR over 2019-26



Source: Companies, MOFSL

Research Team

Kindly click on textbox for the detailed news link

1

Not much concerned on proposed NBFC norms, revolving credit exposure below 5%: Tata Capital CEO

Tata Capital's revolving credit exposure remains below five percent of its total lending. The company will submit its feedback to the Reserve Bank of India on proposed new regulations.

2

Godrej Consumer Products appoints Aasif Malbari as CEO, replacing Sudhir Sitapati

With the appointment of Aasif Malbari as the new managing director and chief executive officer, a transition is underway at the helm. He takes over from Sudhir Sitapati, who departs after five impactful years.

3

India targets 10-fold clean fuel output jump in next 5-10 years to curb imports

India aims for a tenfold increase in compressed biogas production over the next decade. The government plans to address supply chain uncertainties and simplify business processes. Offtake assurance and stable pricing mechanisms will be implemented for producers.

4

Electric two wheeler subsidies extended till March 2028

Electric two-wheeler subsidies are extended by the government until March 2028. An incentive of up to Rs 5,000 per vehicle will continue under the PM E DRIVE scheme. The government has provisioned an additional Rs 1000 crore for electric two-wheeler subsidies.

5

Critical minerals being prioritised in trade, investment engagements: Govt tells Parliament

India is strengthening supply chains by prioritizing energy and semiconductor sectors. The nation aims to reduce import dependence through domestic capacity creation. Critical minerals are essential for clean energy and electric vehicle technologies.

6

Vodafone Idea reaffirms 3-year growth targets, $4.7 billion capex plan

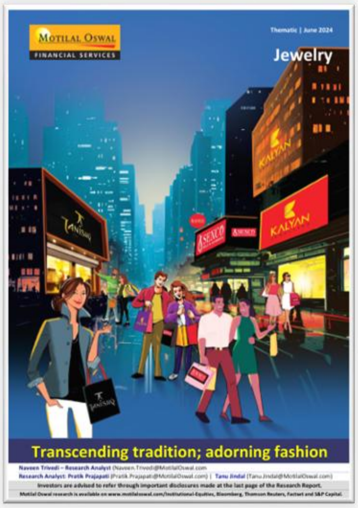
Vodafone Idea plans double-digit revenue growth and significant network investment. The company will invest 450 billion rupees in its network over three years. Promoter support and lender conversations provide financial confidence for the roadmap.

7

FSSAI tightens pan masala packaging rules, bans plastic and plastic-laminated pouches

FSSAI has banned plastic-based packaging for pan masala under new regulations. These rules, effective from their publication, mandate paper or naturally derived materials. Tin and glass containers are also permitted packaging options for the product.

Consumer - Jewelry



Jewelry Snapshot

Company	CMP	TP	Rating
Titan Company	5128	6000	Buy
Kalyan Jewellers	602	800	Buy
P N Gadgil	632	800	Buy
Senco Gold	404	430	Neutral

The golden compounding story!

- India's organized jewelry retail remains one of the strongest structural growth stories within our consumer universe. We had discussed in detail in our sector thematic (link) in Jun'24 about the growth longevity, and consolidation benefits of the top jewelry players.
- The India-listed jewelry universe has registered a 34% revenue CAGR during FY22-26 (22% over FY19-26), reaching INR1.4t in revenue. Jewelry store aggregates in India have expanded at 22% CAGR during FY22-26 (17% over FY19-26) to 2,002 stores (vs. 661 in FY19). This growth indicates a robust store expansion trajectory as well as strong revenue growth reflecting a healthy consumption trend. The universe had registered 29% EBITDA and APAT CAGR each during FY22-26 (24% and 27% during FY19-26, respectively).
- The market cap of jewelry aggregates has seen a 23% CAGR over FY22-26 and was more visible during the last 12-15 months with ~50% growth. Titan, despite its size, has delivered a 19% Mcap CAGR over FY22-26. Kalyan and Thangamayil experienced ~80% CAGR over FY22-26. They have been the top performers, with 32% and 60% EBITDA CAGR and 57% and 74% APAT CAGR, respectively.
- In our widespread consumer coverage universe, a compendium of ~60 consumer companies with a combined revenue of >INR6t in FY26, the Jewelry category revenue CAGR (FY19-26) is the best performer. The consumer universe has registered an 11% revenue CAGR, while jewelry has delivered a 22% revenue CAGR, the best within the universe.
- The sector's long-term theses remain around two powerful structural tailwinds: formalization and premiumization. Organized share has nearly doubled to 40-45% of the ~INR8.5t jewelry market in FY26 from 20-25% in FY19. Leading retailers are expanding their customer base and increasing spend per customer through premiumization, omnichannel expansion, and higher studded mix. We expect organized leaders to further widen their competitive advantage through superior scale, sourcing, funding access, and capital efficiency. These structural advantages are becoming increasingly difficult for smaller and unorganized players to replicate, particularly in a volatile gold-price environment, reinforcing the ongoing shift towards organized retail.
- **We remain constructive on the jewelry sector and continue to prefer Titan and Kalyan Jewellers as our top picks, supported by their industry-leading execution, superior capital allocation, and sustained ability to compound earnings ahead of the broader consumer sector.**

Formalization has a long runway; only 40-45% of the market is organized

- The Indian jewelry market has grown to ~INR8.5t in FY26; however, organized retailers account for only 40-45% of the industry sales (though up from 20-25% in FY19). Over the same period, the organized segment has expanded at ~21% CAGR, more than double the industry's 10-12% CAGR, highlighting continued market-share gains from the unorganized channel.
- The formalization is far from complete, with only 40-45% of the market being organized. Among the top 18 jewelry companies (that we tracked), Titan remains the largest player with ~9% share of the Indian jewelry market, followed by

Malabar at ~7% and GRT at 5%. Kalyan and Lalitha account for ~4% and ~3%, respectively. Even the largest organized player commands less than 10% of India's jewelry market, highlighting the sector's highly fragmented nature and leaving significant headroom for further formalization and consolidation.

- We expect formalization to remain the industry's largest structural growth driver, supported by rising consumer preference for branded retailers offering hallmarking, transparent pricing, wider product assortment, exchange benefits, and greater trust, particularly amid elevated gold prices.

Store expansion remains the single largest lever of formalization

- Organized jewelers have expanded their retail footprint to nearly 2,800 stores, versus ~2,050 stores in Jun'24 (~17% CAGR), with listed players accelerating expansion across Tier-2, Tier-3, and Tier-4 markets. We view physical store additions as the clearest leading indicator of ongoing formalization. Titan (~43% of branded stores) and Kalyan (~17%) together make up ~60% of the total organized jewelers' retail footprint.
- The land grab is increasingly occurring in ex-metro areas. Organized jewelers added ~230 stores across Metro/Tier-1 cities versus ~500 stores in other cities over Jun'24-Jun'26, so ~68% of incremental additions came from Tier 2/3/4; the 33%/67% Metro-Tier-1/other-cities split has stayed broadly unchanged. The top 10 states now contribute ~75% of the network (down from 77% in Jun'24), and we expect the next leg to skew toward large, under-penetrated states (UP, Bihar, MP, Rajasthan).
- The runway is long. Across 18 organized players tracked over ~370 cities, 65% of cities (~240) still have three or fewer organized players, including 105 cities (28%) served by just one. Expansion is also increasingly asset-light, shifting inventory and capex to partners, a structural positive for RoCE.

Premiumization: Higher value-add to drive sustainable margin expansion

- Premiumization is emerging as the second structural growth driver after formalization. Studded jewelry has become the key differentiator: Kalyan has raised its studded mix to ~30% (from the mid-to-high teens a decade ago), while Titan sustains a high-20s base vs. 10-11% for Senco and PN Gadgil, aiding structurally higher gross margins through superior value addition and making charges.
- Consumer preference is gradually shifting beyond the wedding-led purchases towards lightweight and design-driven everyday jewelry. This is evident from the strong execution of digital-first brands. CaratLane posted ~40% revenue CAGR over FY22-26, while Candere posted ~30% revenue CAGR in the same period, validating improving demand from younger consumers and first-time jewelry buyers.
- We expect premiumization to remain a structural earnings driver as higher studded penetration, lightweight collections, and omnichannel formats improve realization, reduce earnings sensitivity to gold prices, and support margin expansion across organized players.

Scale, stronger balance sheets, and capital efficiency reinforce the competitive moat

- Titan's profit pool remains structurally unmatched, generating INR173b in gross profit and INR84b in EBITDA in FY26. This is nearly 4.5x/4x Kalyan India's, and 10-15x Senco's/PNG's profits, providing a sustainable advantage in sourcing, branding, and reinvestment. During FY22-26, Titan delivered a 25% CAGR in both gross profit and EBITDA, while Kalyan India delivered 30%/32%; smaller peers similarly benefited from operating leverage on a much lower base.
- Balance-sheet quality has improved meaningfully across organized players, with Kalyan reducing debt from INR24b (FY20) to ~INR5b (FY26) and targeting non-GML debt-free status in FY27, despite guiding for 130-140 store additions. Titan maintained healthy 2.5-2.7x inventory turns on an INR427b inventory base (FY26), while Kalyan improved its inventory turns from 2.2x to 3.0x over FY20-26, reflecting stronger capital efficiency.
- Superior capital allocation is translating into industry-leading returns. Titan has sustained RoE above 30% for four consecutive years (38% in FY26) while delivering 15-19% RoCE, whereas Kalyan improved RoE from 7% to 25% and RoCE from 6% to 16% over FY20-26. We believe superior profit pools, efficient inventory management, and low-cost funding will remain key competitive differentiators as organized players continue to consolidate market share.

Our view: Sector to continue benefiting from structural tailwinds

- We see a double tailwind for the sector: formalization (unorganized to organized) and increasing premiumization, with well-capitalized players as the primary beneficiaries.
- The strong growth is compounded by premiumization (studded and lightweight), a long store-expansion runway (only 40-45% of the market is organized), and strengthening balance sheets via asset-light formats and GML.
- The increasing share of gold coins is expected to exert pressure on margins in the near term; however, over the medium term, this should partly be offset through a better product mix and profitability improvements across other segments. Moreover, the permissible tenure of gold on lease has been extended from 180 days to 270 days, improving working capital flexibility.
- **We continue to prefer Titan and Kalyan Jewellers as our top picks; we have a BUY rating on both with a TP of INR6,000 and INR800, respectively. We reiterate our BUY rating on P N Gadgil with a TP of INR800 and remain NEUTRAL on Senco with a TP of INR430.**

Valuation snapshot

Company	PAT (INR b)			Target P/E Multiple	Sep 28E EPS	Target Price	CMP	Upside	Rating
	FY28E	FY29E	Sep 28E						
Titan	80.6	96.5	88.6	60x	100	6,000	5,128	17%	BUY
Kalyan Jewellers	20.9	24.8	22.9	35x	22	800	602	33%	BUY
PN Gadgil	5.8	6.6	6.2	18x	45	800	632	27%	BUY
Senco	4.2	4.7	4.4	16x	27	430	404	6%	NEUTRAL

Source: MOFSL

11 August 2026

Company Update | Sector: Cement

UltraTech Cement

BSE SENSEX	S&P CNX
78,154	24,472

Bloomberg	UTCEM IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	3471.3 / 36.4
52-Week Range (INR)	12848 / 10118
1, 6, 12 Rel. Per (%)	-1/-3/-5
12M Avg Val (INR M)	3525

Financials & Valuations (INR b)

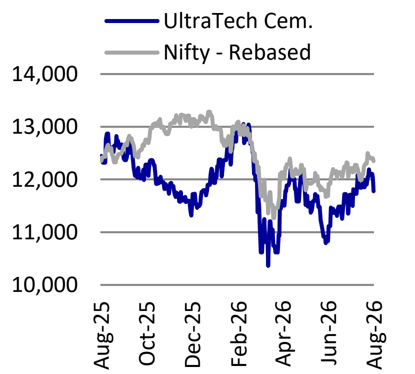
Y/E March	FY26	FY27E	FY28E
Sales	885	1,016	1,116
EBITDA	170	196	231
Adj. PAT	83	98	118
EBITDA Margin (%)	19	19	21
Adj. EPS (INR)	281	332	401
EPS Gr. (%)	35	18	21
BV/Sh. (INR)	2,600	2,692	2,942
Ratios			
Net D:E	0.2	0.2	0.2
RoE (%)	11.2	12.5	14.2
RoCE (%)	10.1	11.1	12.3
Payout (%)	85.5	45.2	39.9
Valuations			
P/E (x)	41.9	35.5	29.4
P/BV (x)	4.5	4.4	4.0
EV/EBITDA(x)	20.7	18.1	15.1
EV/ton (USD)	187	174	158
Div. Yield (%)	2.0	1.3	1.4
FCF Yield (%)	1.7	1.4	2.4

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	59.3	59.3	59.2
DII	19.7	18.5	16.9
FII	13.0	14.3	15.9
Others	7.9	7.9	8.0

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR11,780 TP: INR13,800 (+17%) Buy

Outgrowing the industry; widening the lead

Structural cost benefits, stronger cash flows

- UltraTech Cement (UTCEM) continues to extend its lead over peers across scale, market share, cost leadership, and cash-flow generation. Its large and diversified manufacturing footprint enables it to capture a disproportionate share of industry growth, while scale benefits structurally lower opex/t. The integration of ICEM and Kesoram offers further margin upside as their operations improve toward UTCEM's efficiency levels.
- Over the medium term, we expect UTCEM's profitability to be supported largely by **structural cost savings and operating efficiencies,** with pricing action likely to remain gradual. Strong operating cash flows should enable the company to fund sizeable capacity expansion while maintaining a net debt-to-EBITDA ratio of <1x. With domestic grey cement capacity already crossing the 200mtpa mark and further expansions underway, we expect the company to continue gaining market share over the medium term.
- UTCEM's **scale, cost advantage, organic growth, acquisition synergies, and strong balance sheet** position it for strong earnings growth. We estimate a consolidated revenue/EBITDA/PAT CAGR of ~12%/17%/19% over FY26-28, aided by ~10% volume CAGR and ~1.5pp OPM expansion to ~21% by FY28. Improving profitability and disciplined capex should drive RoE/RoCE to ~14%/~12% by FY28 (vs. ~11%/~10% in FY26). We value UTCEM at 18x FY28E EV/EBITDA to arrive at our TP of INR13,800. **Reiterate BUY.**

Scale-led volume growth reinforces market leadership

- UTCEM's volume growth continues to outpace the broader cement industry. Its domestic grey cement volume CAGR at 13.4% over FY22-26 outpaced the industry CAGR of ~8%, as well as that of most cement players under our coverage. The strong performance reflects the company's ability to leverage its extensive manufacturing and distribution footprint, deepen market penetration through an expanding dealer network, and integrate recently acquired businesses under the UTCEM brand.
- Market share gains are increasingly evident in the company's underlying volume performance. In 1QFY27, UTCEM'S domestic grey cement volumes grew ~13% YoY, ahead of industry growth of ~7-8%, implying continued market share gains. We estimate its market share to increase to ~32% by FY28 vs. ~30% in FY26.
- Regionally, UTCEM now holds a leadership position across India, with a capacity share of ~38% in the West, followed by ~34% in the Central, ~27% in the North, ~23% in the South, and ~20% in the East. The company's all-India capacity share stood at ~27%. UTCEM continues to pursue its capex plans, targeting domestic grey cement capacity of 237.1mtpa by FY28 (capacity addition of 6.6mtpa/29.8mtpa in 9MFY27/FY28), from 200.7mtpa currently.

Structural cost advantage to drive margin; price hike to remain gradual

- A key competitive advantage for UTCEM is its **structurally superior cost position**, which provides greater resilience to input-cost volatility. The company's large and geographically diversified manufacturing footprint enables efficient optimization of clinker movement, logistics, and plant utilization, while its scale drives procurement efficiencies across fuel, freight, spares, and other operating costs. The company's integrated manufacturing network, captive power, and increasing renewable energy mix further strengthen its cost competitiveness.
- Cost-efficiency programs have yielded a cumulative cost benefit of INR185/t in FY25/26, led by measures such as reduction in lead distance, higher usage of green energy, improved C:C ratio, and lower power and heat consumption. While cost pressure is likely to intensify in the near term due to higher fuel costs and seasonality impact, we estimate fuel costs to peak out in 2QFY27 and efficiency gains to start reflecting in 2HFY27. Further, management expects to exceed its cost saving guidance of INR300/t by FY28.
- Going ahead, we expect the company's profitability to be supported primarily by **structural cost savings and operating efficiencies.** The company's scale, network optimization, higher renewable-power usage, and efficiency initiatives should enable continued cost/tonne reduction, thereby supporting margins even in a moderate pricing environment. We expect industry price hikes to be **gradual and calibrated**, given the ongoing capacity additions and competitive intensity.

Valuation and view: Strong cash flow generation underpins balance sheet strength

- UTCEM has continued to generate strong operating cash flows, supported by aggressive capacity expansion, higher capacity utilization, and timely integration of large acquisitions. In FY26, OCF surged ~43% YoY to INR153b, outpacing EBITDA growth of ~36% to INR170b. OCF/EBITDA conversion ratio stood at ~90% in FY26. Further, the company has maintained a higher cash flow conversion ratio (in the range of ~80-100% over FY21-26), supported by disciplined working capital management.
- We expect the company to continue generating strong FCF, with cumulative OCF estimated at INR331b over FY27-28, rising from INR260b over FY25-26. We estimate cumulative capex of INR200b over FY27-28, compared with INR185b over FY25-26, resulting in cumulative FCF of INR131b over FY27-28 vs. INR75b over FY25-26. Net debt is expected to peak at INR185b in FY27, and should decline from FY28 onward, while net debt-to-EBITDA ratio is expected to remain <1.0x through FY27-28.
- We estimate UTCEM's consolidated revenue/EBITDA/PAT CAGR at ~12%/17%/19% over FY26-28, with consolidated volume expected to expand at a CAGR of ~10% over FY26-28. We estimate OPM to expand 1.5pp to ~21% by FY28. RoE/RoCE is expected to increase to ~14%/12% by FY28 from ~11%/10% in FY26, supported by rising profitability and low expansion costs. The stock is currently trading at 18x/15x FY27E/FY28E EV/EBITDA. We value UTCEM at 18x FY28E EV/EBITDA to arrive at our TP of INR13,800. **Reiterate BUY.**

Siemens

Estimate changes	↓
TP change	↑
Rating change	↔

Bloomberg	SIEM IN
Equity Shares (m)	356
M.Cap.(INRb)/(USDb)	1428.4 / 15
52-Week Range (INR)	4074 / 2826
1, 6, 12 Rel. Per (%)	14/33/29
12M Avg Val (INR M)	1460

Financials Snapshot (INR b)

Y/E MAR	12M27E	FY28E	FY29E
Net Sales	206.6	236.1	271.4
EBITDA	23.6	29.8	35.8
PAT	19.0	25.2	30.1
EPS (INR)	53.4	70.8	84.6
GR. (%)	-32.7	32.6	19.4
BV/Sh (INR)	492.5	563.3	647.9
Ratios			
ROE (%)	10.8	12.6	13.1
RoCE (%)	11.0	12.7	13.2
Valuations			
P/E (X)	74.9	56.5	47.3
P/BV (X)	8.1	7.1	6.2
EV/EBITDA (X)	56.9	44.4	36.3

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	75.0	75.0	75.0
DII	9.1	8.6	7.3
FII	6.5	6.8	7.7
Others	9.4	9.6	10.1

FII includes depository receipts

CMP: INR4,011 TP: INR3,600 (-10%) Neutral

Margin weakness persists

Siemens' 1QFY27 results were mixed, with in-line revenue and a miss on profitability due to lower margin. Margins across segments were impacted by commodity and currency fluctuations, especially in smart infrastructure, as a larger part of the order book is short cycle in nature. Adjusted with a one-off item in mobility segment, in all segments, EBIT margin stood in a single digit during the quarter. Order inflow increased by 16.5% to INR63.3b, taking the overall order book to INR467b, up 10% YoY. Order inflow growth was driven by automation orders across sectors, orders from grid modernization, data center, commercial real estate and rolling stock. We cut our estimates by 8%/2% for FY27/28 to bake in the impact of commodity and currency fluctuations in margin and expect 12MFY26-12MFY29 revenue/EBITDA/PAT CAGR of 16%/25%/27%. We retain Neutral rating on the stock with a revised TP of INR3,600 (vs. INR3,500 earlier), rolling forward to 45x Sep'28E earnings.

In-line revenue, miss on profitability

Revenue grew 15% YoY to INR47b, which was broadly in line with our estimates, led by broad-based growth across segments. Gross margin came in at 28.9%, above our estimate of 28.0%. Absolute EBITDA declined 17% YoY to INR4.3b with margins at 9.1%, below our estimate of 10.0%, primarily due to higher-than-expected other expenses. Due to weaker-than-expected margins in Smart Infra segment, adj. PAT came in below our estimate. Adj. PAT declined 17% YoY to INR3.5b vs. our est. of INR4.0b. The company received ~INR18b (adjusted with tax) from the sale of its LVM business, which was recorded as exceptional gains in the quarterly table. Order inflow increased by 16.5% to INR63.3b. The corresponding quarter of the previous year included a large order, excluding which, inflow growth was 43.9%. This led to a closing order book of INR467b as of Jun'26, up 10% YoY.

Segmental performance

Revenue across segments was broadly in line with our estimates, barring Digital Industry, which was 12% above our expectations. Smart Infra revenue increased 11% YoY to INR26.3b, Mobility revenue rose 13% YoY to INR9.3b, and Digital industry revenue grew 25% YoY to INR11.4b. At **EBIT** level, profitability was impacted by volatility in commodity prices, foreign exchange and an increase in material costs. Smart Infra EBIT margin contracted 580bp YoY to 7.6% (vs. our est. of 11.0%), Mobility EBIT margin expanded 640bp YoY to 10.2% (vs. our est. of 7.0%), while Digital Industries EBIT margin contracted 560bp YoY to 5.1% (vs. our est. of 3.0%). Mobility business benefited from a one-time gain of INR390m, excluding which its EBIT margin stood at 6.0%. **Order inflows** during the quarter increased 16.5% YoY (up 44% YoY adjusted for the large order win in the mobility division in the last year's quarter. Digital Industries received orders for automation solutions for solar cell manufacturing and across metals, electronics, pharmaceuticals and water market segments. Smart infra segment witnesses growth across grid modernization projects, data centers and commercial real estate, while Mobility business witnessed healthy growth in the rolling stock business.

Outlook going forward across segments

Going forward, we expect Smart Infra segment to continue to benefit from the increased spending in key areas such as power T&D, grid automation, data centers, e-mobility, industrial infra, etc. We expect margins in this segment to recover once commodity headwinds ease out. In the Mobility division, locomotive deliveries have commenced and are expected to ramp up progressively, providing a meaningful growth driver going forward. Margins are also expected to remain protected despite commodity cost inflation, supported by the presence of price escalation clauses in the contracts. The Digital Industries segment inflows have started moving up and margins have improved sequentially. However, in this segment, we expect margins to remain subdued owing to limited localization and elevated input costs, particularly for semiconductors. With demand recovery from private sector, this segment can witness improvement in inflows and execution.

Financial outlook and valuation

We cut our estimates by 8%/2% for FY27/28 to bake in the impact of commodity and currency fluctuations in margin and expect 12MFY26-12MFY29 revenue/EBITDA/PAT CAGR of 16%/25%/27%. The stock is currently trading at 74.9x/56.5x/47.3x on FY27/FY28/FY29E EPS. We retain Neutral rating on the stock with a revised TP of INR3,600 (vs. INR3,500 earlier), rolling forward to 45x Sep'28E earnings.

Key risks and concerns

Key risks: 1) a slowdown in order inflows from key government-focused segments, 2) aggression in bids to procure large-sized projects would adversely impact margins, and 3) related-party transactions with parent group entities at lower-than-market valuations would weigh on the stock performance.

Quarterly performance (Consol) **(INR m)**

Income Statement	18FY26 (Y/E Mar)						12FY27 (Y/E Mar)				18M26	FY27E	FY27E	Est
Y/E March	**1Q**	**2Q**	**3Q**	**4Q**	**5Q**	**6Q**	**1Q**	**2QE**	**3QE**	**4QE**			**1QE**	**Var %**
Net Sales	**33,601**	**40,292**	**41,077**	**49,004**	**38,307**	**46,175**	**47,137**	**52,368**	**50,603**	**56,504**	**2,48,45**	**2,06,61**	**46,320**	**2**
Change (%)	-9.4	-3.0	9.2	9.9	14.0	14.6	14.8	6.9	32.1	22.4	54.5	-16.8	12.8	
Expenses	29,735	35,843	35,902	42,910	34,088	41,736	42,827	46,564	44,599	49,038	2,20,21	1,83,02	41,693	3
EBITDA	**3,866**	**4,449**	**5,175**	**6,094**	**4,219**	**4,439**	**4,310**	**5,804**	**6,004**	**7,466**	**28,242**	**23,584**	**4,627**	**(7)**
Change (%)	-14.7	-30.1	6.6	11.8	9.1	-0.2	-16.7	-4.8	42.3	68.2	33.2	-16.5	(10.6)	
As of % Sales	11.5	11.0	12.6	12.4	11.0	9.6	9.1	11.1	11.9	13.2	11.4	11.4	10.0	
Depreciation	664	660	687	688	714	738	780	748	748	715	4,151	2,991	675	15
Interest	31	21	47	42	56	141	71	55	58	41	338	225	54	33
Other Income	1,720	1,514	1,239	1,211	843	1,003	1,169	1,232	1,295	1,355	7,530	5,051	1,403	(17)
PBT pre EO items	**4,891**	**5,282**	**5,680**	**6,575**	**4,292**	**4,563**	**4,628**	**6,233**	**6,494**	**8,064**	**31,283**	**25,419**	**5,301**	**(13)**
Extra-ordinary Items	0	0	0	0	-743	0	17,909	0	0	0	-743	17,909	0	
PBT	**4,891**	**5,282**	**5,680**	**6,575**	**3,549**	**4,563**	**22,537**	**6,233**	**6,494**	**8,064**	**30,540**	**43,328**	**5,301**	**325**
Tax	1,259	1,353	1,457	1,765	861	1,011	1,194	1,571	1,636	2,004	7,706	6,406	1,336	(11)
Effective Tax Rate	25.7	25.6	25.7	26.8	24.3	22.2	25.8	25.2	25.2	24.9	25.2	14.8	25.2	
MI & Disc.	2,511	1,891	7	39	85	149	87	0	0	-87	4,682	0	0	
Reported PAT	**6,143**	**5,820**	**4,230**	**4,849**	**2,773**	**3,701**	**21,430**	**4,662**	**4,857**	**5,973**	**27,516**	**36,922**	**3,965**	**440**
Adj PAT	**6,143**	**5,820**	**4,230**	**4,849**	**3,516**	**3,701**	**3,521**	**4,662**	**4,857**	**5,973**	**28,259**	**19,013**	**3,965**	**(11)**
Change (%)	49.2	-10.4	-3.2	-7.2	-42.8	-36.4	-16.8	-3.9	38.1	61.4	39.9	-32.7	(6.3)	
Margin (%)	18.3	14.4	10.3	9.9	9.2	8.0	7.5	8.9	9.6	10.6	11.4	9.2	8.6	

Vodafone Idea

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	IDEA IN
Equity Shares (m)	108343
M.Cap.(INRb)/(USDb)	1396.5 / 14.6
52-Week Range (INR)	15 / 6
1, 6, 12 Rel. Per (%)	-10/14/96
12M Avg Val (INR M)	8396

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Net Sales	475	513	546
EBITDA	201	227	247
Adj. PAT	-227	-217	-221
EBITDA Margin (%)	42.3	44.3	45.2
Adj. EPS (INR)	-2.1	-2.0	-2.0
BV/Sh. (INR)	-17.7	-24.5	-31.3
Ratios			
Net D:E	-3.5	-2.7	-2.3
RoE (%)	NM	NM	NM
RoCE (%)	NM	0.2	1.5
Valuations			
EV/EBITDA (x)	16.8	15.6	15.0
P/E (x)	NM	NM	NM
P/B (x)	NM	NM	NM

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	25.6	25.6	25.6
DII	55.1	55.2	53.2
FII	6.2	5.6	6.0
Others	13.1	13.6	15.3

FII includes depository receipts

CMP: INR13 **TP: INR11 (-15%)** **Neutral**

Good 1Q; debt raise and tariff hike remain the key

- Vodafone Idea's (Vi) 1QFY27 was ahead of our estimates, with pre-IND AS EBITDA rising ~1.8% QoQ (+13.5% YoY) to INR24.8b (7% beat), driven by subscriber mix improvements (customer ARPU up ~2.6% QoQ to INR195) and lower network opex (flat QoQ and YoY, 6% below).
- Reported net adds turned positive for the first time since the merger. However, we note that customer wireless subs (ex-M2M SIMs) declined by a higher ~1.7m (vs. -1.1m in 4QFY26) and remains one of the key concerns.
- Vi has raised INR64b through partial proceeds from warrants issued to promoter, funded, and non-funded bank limits, which has enabled placement of INR90b orders for capex (to be spent by 9MFY27). Further, the company remains engaged with SBI-led consortium of banks for raising funds to meet its capex target of INR450b over FY26-29.
- Management reiterated its target of increasing pre-IND AS EBITDA to ~INR270b by FY29 (vs. ~INR99b current annualized run-rate). However, we build in a lower cumulative cash EBITDA of ~INR333b over FY26-29 (vs. management's expectation of ~INR600b), which necessities the need for expedited and larger fund raise to support the company's capex plans.
- Further, we believe Vi's revival hinges on: 1) sustained tariff hikes or change in tariff construct, 2) stabilization of consumer wireless subs trends, 3) more rationale competition on subscriber acquisition and 4) continuation of benign regulatory regime, with requirement of further relief on spectrum dues.
- We raise our FY27-28E ARPU/revenue by ~1-3% and fine-tune our FY27-28E pre-Ind AS EBITDA for a stronger 1Q, though offset by potential increase in network opex (accelerated rollouts, higher diesel cost).
- **Reiterate our Neutral rating on Vi with a revised TP of INR11.** Vi's significant valuation premium (~26.6x Sep'28 pre-IND AS EV/EBITDA), compared to its larger and more profitable peer (~10.5x for Bharti India), caps the upside from potential benefits of acceleration in network roll-out.

1Q ahead; closure of debt raise remains key for meeting capex targets

- Reported subs (incl. M2M) grew 0.3m QoQ to 193.1m. However, Vi's customer wireless base (ex-M2M) declined by 1.7m (vs. -1.1m in 4QFY26).
- Wireless ARPU rose 1.7% QoQ to INR177 (+7% YoY, vs. +0.7%/2.6% QoQ for RJio/Bharti), with customer ARPU (ex. M2M) rising higher ~2.6% QoQ to INR195, driven by one additional day QoQ and subs mix improvement.
- Monthly churn moderated QoQ to 3.8% (vs. 3.9% QoQ, still higher vs. 2.6%/1.6% for Bharti/RJio) and remains a key monitorable.
- Wireless revenue rose ~1.8%QoQ to INR102.5b (+5% YoY, vs. our est. INR 101.6b, vs. (vs. 2.5%/3.8% QoQ growth for RJio/Bharti).
- Pre-Ind-AS 116 EBITDA at INR24.8b rose ~1.8% QoQ (+13.5% YoY), as EBITDA margin contracted ~30bp QoQ to 21.2% (+140bp YoY, ~90bp beat).
- Reported EBITDA came in 5% above our estimate at INR50.3b (+3% QoQ, +9% YoY, vs.+ 3.3%/+4.1% QoQ for RJio/Bharti), largely due to lower network opex (flat QoQ and YoY, stable vs. Dec'24 levels, 6% beat).

- Adjusted losses stood at INR53.7b (vs. INR55.2b QoQ, but lower than our estimate of INR60.5b), primarily due to a higher EBITDA and lower interest cost.
- Vi's net debt (excl. leases but including interest accrued and not due) was largely stable QoQ at INR1.53t as accrual of interest on deferred spectrum and AGR dues was offset by higher net cash at INR65.6b (from INR37.2b QoQ).
- 1Q capex moderated ~16% QoQ to INR19.3b (-21% YoY, INR87.5b in FY26) due to geopolitical uncertainties weighing on supply chain.
- Management highlighted that the company has raised INR64b through the issuance of warrants and funded and non-funded limits, and has placed orders for INR90b capex (covers capex till 9MFY26). The company remains engaged with SBI-led consortium of banks for closure of its long-pending debt raise to meet its INR450b capex target over FY26-29.

Key highlights from the management meet

- **ARPU growth drivers**: Customer ARPU (ex-M2M) grew ~10% YoY to INR195 in 1QFY27 (+2.6% QoQ), driven by premiumization and higher data usage. Management noted significant headroom for subs mix improvement, given 2G subs account for ~33% of customer wireless subs mix. Further, with improved 4G network capacity and selective 5G rollouts, the company is witnessing increased traction with data subs upgrading to unlimited and non-stop hero plans, which provides further organic ARPU upsides in the absence of tariff hike.
- **Subscriber trends**: Vi delivered first quarter of positive reported net adds since the merger, largely driven by increased traction in M2M SIMs (for automatic meter reading, vehicle tracking, connected cars, and PoS machines). Management noted that the decline in VLR and customer wireless subs during 1Q was due to seasonality, while underlying gross and net adds, as well as customer retention trends, remain healthy (monthly churn dipped ~24bp QoQ).
- **Funding and debt raise:** Vi raised INR64b through partial proceeds from warrants (INR11.8b) and funded and non-funded limits from external commercial borrowings and Indian private sector banks. The company remains engaged with SBI-led consortium of banks to close the larger fund raise.
- **Capex**: 1Q capex was adversely impacted by supply chain constraints, and management expects capex to spike over the coming quarters. With the closure of the initial fund raise, Vi has placed orders for capex worth INR90b (till 9MFY27) and reiterated its ambition of INR450b capex spends over FY26-29.
- **Network rollout**: Management expects to accelerate the pace of network rollout to 3-3.5k monthly site additions with an aim to add 55-57k 4G sites over the next 18 months to achieve coverage parity with peers on 4G. Further, it targets to add ~86k 5G sites over FY26-29 (vs. currently ~16k sites on 5G).
- **Guidance:** Management reiterated its three-year guidance of achieving double-digit revenue growth and raising cash EBITDA by 3x to INR270b by FY29.

Valuation and view

- Vi management's ambition of double-digit revenue growth and increasing cash EBITDA 3x over FY26-29 remains a tall ask and would require several things to fall in place, such as 1) expedited closure of debt raise, 2) sustained tariff hikes or a change in tariff construct, 3) stabilization of customer wireless subscriber base, 4) more rationale competition on subscriber acquisition, and 5) continuation of benign regulatory regime with relief on spectrum repayments.
- We note not all of these variables are in management's control and if Vi were to start becoming a competitive third player, we would expect peers with superior FCF, network, and product offerings to raise the competitive intensity.
- We raise our FY27-28E revenue by ~1-3%, driven by ~1-2% higher ARPU assumption, while we fine-tune our FY27-28E pre-Ind AS EBITDA for stronger 1Q and potential increase in network opex (accelerated rollouts, higher diesel cost).
- We **reiterate our Neutral rating on Vi with a revised TP of INR11**, based on DCF backed ~14.3x Sep'28E EV/EBITDA (implies ~25x Sep'28 pre-IND AS EBITDA).
- Vi's significant valuation premium (~26.6x Sep'28 pre-IND AS EV/EBITDA), compared to its larger and more profitable peer (~10.5x for Bharti India), caps the upside from potential benefits of an acceleration in network roll-out.

Consolidated - Quarterly Earnings Summary (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	(%)
Revenue	**110**	**112**	**113**	**113**	**117**	**118**	**119**	**121**	**449**	**475**	**114**	**2.2**
YoY Change (%)	4.9	2.4	1.9	2.9	6.0	5.3	4.9	6.9	3.0	5.8		
Total Expenditure	64.1	65.1	65.1	64.4	66.6	68.7	69.1	69.5	259	274	66.3	0.4
EBITDA	**46.1**	**46.9**	**48.2**	**48.9**	**50.3**	**49.1**	**49.7**	**51.6**	**190**	**201**	**48.1**	**4.7**
YoY Change (%)	9.7	3.0	2.2	4.9	9.1	4.8	3.1	5.6	4.8	5.6		
Depreciation	54.7	55.7	55.5	55.2	54.7	55.0	55.2	55.4	221	220	54.7	-0.1
Net Finance Costs	57.5	46.8	56.4	48.9	49.3	51.1	53.2	53.7	210	207	53.8	-8.5
PBT before EO expense	**-66.1**	**-55.6**	**-63.7**	**-55.1**	**-53.6**	**-57.0**	**-58.7**	**-57.5**	**-241**	**-227**	**-60.5**	**11.4**
Extra-Ord expense	0.0	-0.4	-10.8	-574.9	-16.1	0.0	0.0	0.0	-586	-16	0.0	
PBT	**-66.1**	**-55.3**	**-52.9**	**519.8**	**-37.5**	**-57.0**	**-58.7**	**-57.5**	**345**	**-211**	**-60.5**	**38.1**
Tax	0.0	0.1	0.1	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	
Reported PAT	**-66.1**	**-55.2**	**-52.9**	**519.7**	**-37.5**	**-57.0**	**-58.7**	**-57.5**	**345**	**-211**	**0.0**	**37.9**
Adj PAT	**-66.1**	**-55.6**	**-63.6**	**-55.2**	**-53.6**	**-57.0**	**-58.7**	**-57.5**	**-241**	**-227**	**-60.5**	**11.3**
YoY Change (%)	2.7	-22.5	-3.7	-23.0	18.8	-2.4	7.8	-4.1	-12.1	-5.8		

Ascribe a TP of INR11, based on DCF implied 14.3x Sep'28 reported EBITDA

	Methodology	Driver	Multiple	Fair Value (INRb)	Value/sh (INR)
Consol EBITDA (reported)	EV/EBITDA	237	14.3	3,394	31.3
Less: Net debt (incl. leases)					2,202
Total Value				**1,192**	**11.0**
Shares o/s (b)				108.3	
CMP (INR)					12.9
Upside (%)					**-14.7**

Source: MOFSL, Company

Our TP of INR11 implies ~25x Sep'28 Pre-IND AS EV/EBITDA

	Methodology	Driver	Multiple	Fair Value (INRb)	Value/sh (INR)
Consol EBITDA (pre-IND AS)	EV/EBITDA	119	24.9	2,963	27.3
Less Net debt (excl. leases)					1,772
Total Value				**1,192**	**11.0**

Source: MOFSL, Company

Bosch

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BOS IN
Equity Shares (m)	29
M.Cap.(INRb)/(USDb)	1332.8 / 14
52-Week Range (INR)	45785 / 28610
1, 6, 12 Rel. Per (%)	7/29/17
12M Avg Val (INR M)	1233

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	200.3	289.4	316.1
EBITDA	26.5	41.1	45.4
Adj. PAT	23.5	30.0	32.2
EPS (INR)	796.0	1,016.3	1,093.2
EPS Gr. (%)	16.7	27.7	7.6
BV/Sh. (INR)	5,034	6,293	7,026
Ratios			
RoE (%)	16.4	17.9	16.4
RoCE (%)	21.5	24.0	21.9
Payout (%)	33.9	31.5	32.9
Valuations			
P/E (x)	56.9	44.6	41.4
P/BV (x)	9.0	7.2	6.4
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	1.4	1.2	1.8

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	70.5	70.5	70.5
DII	15.2	15.1	16.0
FII	7.1	7.2	6.2
Others	7.2	7.2	7.3

FII includes depository receipts

CMP: INR45,185 TP: INR43,728 (-3%) Neutral

Strong performance

Well-placed to benefit from upcoming regulations

- Bosch (BOS) delivered strong performance across the board in 1QFY27, which led to a beat on our estimates. Strong revenue growth (+22%), coupled with lower-than-expected expenses, led to EBITDA margin expansion of 60bp YoY to 14%, which beat our estimate (12.2%). This led to a beat on earnings, with PAT growing 1.3% YoY to INR7b (vs estimated INR5.3b).
- Given the better-than-expected performance in 1Q, we have raised our estimates by 11%/5% over FY27E/FY28E. We project BOS to clock a 26%/31%/17% CAGR in revenue/EBITDA/PAT over FY26-28. However, the stock at 44.6x/41.4x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR43,728 (based on ~40x FY28E EPS).**

Strong performance leads to a beat across the board

- BOS' 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 our estimate of INR5.3b).

Highlights from the management commentary

- BOS expects the automotive industry to grow ~8% in the next quarter, aided by festive demand, stronger rural cash flows, and infrastructure spending.
- Management indicated that the current EBITDA margin level is sustainable, with continued improvement in localization and sourcing efficiencies providing support.
- CAFE Phase 3, scheduled for implementation from Apr'27, is expected to create incremental content opportunities for BOS.
- The company is also preparing for the upcoming CV ADAS norms, which will come into effect from Jan'27 for new models and from Oct'27 for all models.

- BOS completed the acquisition of Bosch Chassis Systems business in Jul'26, with the business expected to be consolidated into Bosch Limited from 2QFY27 onwards.
- The company is in the process of establishing a joint venture with TSF Group for air systems, operating out of Chennai. It expects the JV to begin generating revenue by late FY27.
- BOS is setting up a joint venture with Tata AutoComp, which will manufacture e-axles and will be based out of Nashik. Management expects the JV to become operational and begin contributing to revenue by late FY27.

Valuation and view

Given the better-than-expected performance in 1Q, we have raised our estimates by 11%/5% over FY27E/FY28E. We project BOS to clock a 26%/31%/17% CAGR in revenue/EBITDA/PAT over FY26-28. The stock at 44.6x/41.4x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR43,728 (based on ~40x 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**	**58,017**	**58,627**	**59,123**	**200,347**	**234,187**	**53,153**	**9.9**
YoY Change (%)	10.9	9.1	9.4	13.3	22.0	21.0	20.0	6.2	10.8	16.9	11.0	
RM Cost (% of sales)	62.3	64.6	63.2	65.2	66.5	65.5	65.0	65.0	63.9	65.5	65.0	150bps
Staff Cost (% of sales)	7.1	7.6	7.7	7.6	5.8	7.2	7.7	8.1	7.7	7.2	7.0	-120bps
Other Expenses (% of sales)	17.2	14.9	16.1	12.7	13.7	14.3	14.3	14.3	15.2	14.1	15.8	-210bps
EBITDA	**6,393**	**6,171**	**6,330**	**8,022**	**8,180**	**7,542**	**7,622**	**7,464**	**26,504**	**30,808**	**6,485**	**26.1**
Change (%)	23.0	10.1	8.7	24.0	28.0	22.2	20.4	(7.0)	14.8	16.2	1	
Margins (%)	13.4	12.9	13.0	14.4	14.0	13.0	13.0	12.6	13.2	13.2	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	65	62	62	267	250	45	
Other Income	2,881	2,099	1,999	1,564	2,257	350	380	399	8,543	3,386	1,550	
PBT before EO expense	**8,379**	**7,303**	**7,299**	**8,290**	**9,387**	**6,807**	**6,890**	**6,676**	**30,860**	**29,759**	**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**	**6,807**	**6,890**	**6,676**	**36,420**	**29,759**	**7,010**	**33.9**
Tax	2,785	1,761	1,772	2,399	2,369	1,634	1,653	1,784	8,717	7,440	1,682	
Tax Rate (%)	20.0	24.1	25.0	29.7	25.2	24.0	24.0	26.7	23.9	25.0	24.0	**120bps**
Reported PAT	**11,154**	**5,542**	**5,321**	**5,685**	**7,018**	**5,173**	**5,236**	**4,892**	**27,703**	**22,319**	**5,327**	**31.7**
Adj PAT	**6,925**	**5,542**	**5,478**	**5,830**	**7,018**	**5,173**	**5,236**	**4,892**	**23,474**	**22,319**	**5,327**	**31.7**
YoY Change (%)	48.8	10.8	11.1	5.3	1.3	-6.6	-4.4	-16.1	16.7	-4.9	-23.1	

E: MOFSL Estimates

Zydus LifeSciences

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	ZYDUSLIF IN
Equity Shares (m)	998
M.Cap.(INRb)/(USDb)	1188 / 12.4
52-Week Range (INR)	1205 / 836
1, 6, 12 Rel. Per (%)	2/38/25
12M Avg Val (INR M)	1078

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	271.5	322.4	350.8
EBITDA	71.9	77.9	82.1
Adj. PAT	45.0	41.1	49.1
EBIT Margin (%)	21.3	17.5	18.7
Cons. Adj. EPS (INR)	44.7	40.8	48.8
EPS Gr. (%)	-2.9	-8.7	19.5
BV/Sh. (INR)	269.5	307.0	352.1
Ratios			
Net D:E	0.5	0.3	0.1
RoE (%)	17.6	14.2	14.8
RoCE (%)	13.9	11.3	12.3
Payout (%)	7.8	9.8	8.2
Valuations			
P/E (x)	26.4	28.9	24.2
EV/EBITDA (x)	18.1	16.2	14.9
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	-6.0	4.0	3.6
EV/Sales (x)	4.8	3.9	3.5

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	75.0	75.0	75.0
DII	11.3	11.2	11.1
FII	6.9	7.0	7.1
Others	6.8	6.9	6.7

FII Includes depository receipts

CMP: INR1,191 TP: INR1,125 (-6%) Neutral

Steady quarter overshadowed by higher D&A, interest, tax

DF outperformance, Saroglitazar review support pipeline; upside capped

- Zydus Lifesciences (ZYDUSLIF) delivered largely in-line revenue/EBITDA in 1QFY27. However, earnings came in lower than expected due to higher depreciation, interest outgo and tax rate for the quarter. 1Q performance was aided by robust growth in domestic formulation (DF), emerging markets and acquisitions.
- Notably, ZYDUSLIF has been outperforming the industry in DF for the past three years. It has outpaced IPM in key therapies like cardiology, diabetology, gynecology, dermatology and super specialty areas of oncology and nephrology.
- NA sales declined for the second consecutive quarter. The launch pace remained strong. However, increased competition in base products impacted NA segment performance for the quarter.
- ZYDUSLIF continues to implement efforts toward development and regulatory phases of its innovative product pipeline, with priority review granted to Saroglitazar magnesium NDA by USFDA.
- We largely maintain our revenue/EBITDA estimates for FY27/FY28. We cut our earnings estimates by 9%/5% for FY27/FY28, factoring in higher depreciation and interest outgo.
- We value ZYDUSLIF at 23x 12-month forward earnings to arrive at a TP of INR1,125. ZYDUSLIF continues to invest in a) building its own differentiated product pipeline, b) adding new levers of growth partly through acquisitions, and c) marketing to sustain industry-beating growth in DF.
- Having said this, earnings are expected to witness a moderate 5% CAGR over FY26-28, and valuation provides a limited upside. Hence, we maintain a Neutral stance on the stock.

Sales growth resilient; EBITDA margins contract YoY due to higher opex

- Sales grew 22% YoY to INR80.2b (our est. INR76.8b).
- Gross margin declined 70bp YoY to 72.1%.
- EBITDA margin contracted 750bp YoY at 23.4% (our est. 24.6%), due to higher opex (employee expenses/other expenses up 180bp/440bp YoY as % of sales) and R&D spend (up 60bp YoY as % of sales).
- EBITDA decreased 7.8% YoY to INR18.7b (our est. INR18.9b).
- Forex gain was INR569m and exceptional expense was INR182m.
- Adjusting for these expenses, PAT decreased 36% YoY to INR9.1b (our est.: INR10.3b).

Domestic and EM growth offset US weakness

- DF grew 19.5% YoY to INR18.2b (23% of sales).
- Consumer wellness grew by 67.2% YoY to INR14.3b, driven by the addition of Comfort Click business (18% of sales).
- Emerging market sales grew 34% YoY to INR9.7b (12% of sales).

- US sales decreased 2.6% YoY (down 12% YoY in CC terms) to INR40b (USD327m; 40% of sales).
- API sales grew 14.5% YoY to INR1.8b (3% of sales).
- Medtech segment revenue was INR2.8b (4% of the sales).
- ZYDUSLIF received nine ANDAs approvals and filed five ANDAs during the quarter. It launched 11 products during the quarter.
- 1Q capex stood at INR5.9b.
- R&D investments stood at INR6.4b (8% of revenue) during the quarter.

Highlights from the management commentary

- ZYDUSLIF reiterated FY27 guidance of strong double-digit revenue growth with an EBITDA margin of ~24%.
- Management expects the India business to deliver mid-teen growth, outperforming the IPM by 300-500bp, while international markets are expected to sustain double-digit growth and the US business to maintain single-digit growth.
- Comfort Click business is expected to deliver strong double-digit growth in FY27, while the consumer business is guided to report double-digit growth.
- Quarterly other expenses (ex-R&D) are expected to remain at INR19-20b, with higher 2HFY27 spending driven by acquisition-related investments. It maintains the EBITDA margin guidance.
- The chronic and sub-chronic portfolio accounted for 54.2% of DF sales, expanding 360bp over the last four years.
- Branded products contributed over 55% of consolidated revenue in 1QFY27 and are expected to exceed two-thirds of total revenue in the medium term.
- ZYDUSLIF plans to launch 30-40 products in the US during FY27, with 11 launched in 1QFY27.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Chg.
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Revenues	**65,737**	**61,232**	**68,645**	**75,870**	**80,170**	**75,291**	**80,168**	**86,790**	**2,71,484**	**3,22,419**	**76,844**	**4.3**
YoY Change (%)	5.9	16.9	30.3	16.2	22.0	23.0	16.8	14.4	16.8	18.8	16.9	
Total Expenditure	45,423	45,215	52,125	56,775	61,445	57,070	60,287	65,700	1,99,538	2,44,502	57,940	
EBITDA	**20,314**	**16,017**	**16,520**	**19,095**	**18,725**	**18,220**	**19,882**	**21,090**	**71,946**	**77,917**	**18,904**	**-0.9**
YoY Change (%)	-3.7	13.1	27.1	-11.8	-7.8	13.8	20.3	10.4	2.9	8.3	-6.9	
Margins (%)	30.9	26.2	24.1	25.2	23.4	24.2	24.8	24.3	26.5	24.2	24.6	
Depreciation	2,381	3,019	3,596	5,084	5,547	5,272	5,485	5,275	14,080	21,579	5,180	
EBIT	**17,933**	**12,998**	**12,924**	**14,011**	**13,178**	**12,948**	**14,397**	**15,814**	**57,866**	**56,338**	**13,724**	
YoY Change (%)	-5.3	9.9	20.7	-27.3	-26.5	-0.4	11.4	12.9	-4.7	-2.6	-23.5	
Margins (%)	27.3	21.2	18.8	18.5	16.4	17.2	18.0	18.2	21.3	17.5	17.9	
Interest	847	1,013	1,299	1,230	1,560	1,580	1,543	1,505	4,389	6,189	1,279	
Other Income	1,549	1,090	1,114	1,342	1,061	1,201	1,189	1,176	5,095	4,627	1,226	
PBT before EO Income	**18,635**	**13,075**	**12,739**	**14,123**	**12,679**	**12,569**	**14,043**	**15,486**	**58,572**	**54,776**	**13,670**	
EO Exp/(Inc)	-571	-4,141	-795	-2,474	-387	0	0	0	-7,981	-387	0	
PBT after EO Income	**19,206**	**17,216**	**13,534**	**16,597**	**13,066**	**12,569**	**14,043**	**15,486**	**66,553**	**55,163**	**13,670**	
Tax	4,340	4,540	3,883	3,184	3,542	3,079	3,300	3,500	15,947	13,421	3,349	
Rate (%)	22.6	26.4	28.7	19.2	27.1	24.5	23.5	22.6	24.0	24.3	24.5	
Min. Int/Adj on Consol	-198	252	770	-688	-126	-110	-90	-70	136	-396	0	
Reported PAT	**14,668**	**12,928**	**10,421**	**12,725**	**9,398**	**9,380**	**10,653**	**11,916**	**50,742**	**41,346**	**10,321**	
Adj PAT	**14,226**	**10,150**	**9,854**	**10,726**	**9,116**	**9,380**	**10,653**	**11,916**	**44,956**	**41,064**	**10,321**	**-11.7**
YoY Change (%)	-1.2	15.5	3.8	-21.4	-35.9	-7.6	8.1	11.1	-2.9	-8.7	-27.5	
Margins (%)	21.6	16.6	14.4	14.1	11.4	12.5	13.3	13.7	16.6	12.7	13.4	

11 August 2026
Company Update | Sector: Consumer

Godrej Consumer

BSE SENSEX	S&P CNX
78,154	24,472

CMP: INR1,025 **TP: INR1,300 (+27%)** **Buy**

Stock Info

Bloomberg	GCPL IN
Equity Shares (m)	1023
M.Cap.(INRb)/(USDb)	1048.9 / 11
52-Week Range (INR)	1309 / 967
1, 6, 12 Rel. Per (%)	-7/-9/-14
12M Avg Val (INR M)	1598
Free float (%)	46.9

Financials Snapshot (INR b)

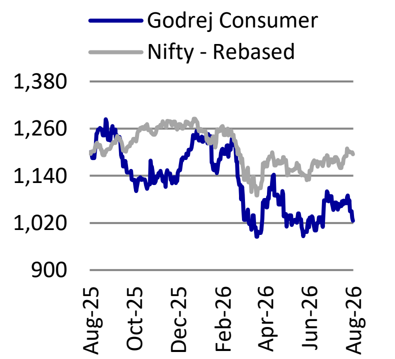
Y/E Mar	2026	2027E	2028E
Sales	151.8	180.7	200.0
Sales Gr. (%)	8.4	19.0	10.7
EBITDA	31.5	36.7	41.7
Margins (%)	20.8	20.3	20.8
Adj. PAT	20.3	24.5	29.3
Adj. EPS (INR)	19.8	23.9	28.6
EPS Gr. (%)	7.0	20.8	19.6
BV/Sh.(INR)	123.7	125.6	130.2
Ratios			
RoE (%)	16.4	19.2	22.4
RoCE (%)	14.2	16.2	19.5
Payout (%)	100.9	91.9	83.9
Valuations			
P/E (x)	51.8	42.9	35.9
P/BV (x)	8.3	8.2	7.9
EV/EBITDA (x)	34.0	29.1	25.4
Div. Yield (%)	1.9	2.1	2.3

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	53.1	53.1	53.1
DII	19.6	18.0	12.4
FII	12.3	13.9	19.4
Others	15.0	15.0	15.2

FII Includes depository receipts

Stock's performance (one-year)



Key leadership changes; execution remains key monitorable

- **GCPL's MD & CEO, Sudhir Sitapati, has resigned from his position, and the company has appointed Aasif Malbari, currently Global CFO and President – Godrej Africa, as his successor. Vishal Kedia, currently working as Head-Strategy & IR, has been appointed as Interim Chief Financial Officer. While the unexpected leadership transition could weigh on the stock in the near term, we do not expect any change in the company's core strategy or its long-term plan of achieving double-digit earnings growth.**
- **Sudhir's tenure saw success in product innovation and expanding TAM for the India business, alongside an improvement in operating performance across GAUM. However, performance was impacted by the high palm oil inflation cycle, muted growth in Indonesia, and limited success on inorganic initiatives. Given the weak operating performance over the past two years (flat consolidated EBITDA over FY24-FY26), earnings expectations and the resulting valuation correction have already played out in the stock (15% and 30% stock correction over the past one and two years). The company has been focused on strengthening its core categories while continuing to invest in speedboats and new businesses, with faster execution now being the key focus.**
- **At ~35x FY28 P/E, we believe earnings performance over the coming period will be the key driver for the stock. During the concall, the company maintained its FY27 guidance of high-single-digit volume growth, double-digit revenue growth, and double-digit profit growth. We have a BUY rating on the stock with a TP of INR1,300 (45x FY28 EPS).**
- **Sudhir Sitapati's resignation comes as a surprise:** Sudhir was appointed MD & CEO in May'21, bringing strong FMCG experience from Hindustan Unilever. The stock rallied ~40% from the announcement in May'21 to his joining in Oct'21, but has delivered nil returns since Oct'21, despite the company's continued focus on improving underlying business performance. GCPL delivered a mere 5%/6%/3% CAGR in sales/EBITDA/APAT over FY22–26 during Sudhir's tenure. The limited stock performance since Oct'21 also reflects the lack of sustained earnings acceleration. The sudden resignation and leadership transition could weigh on investor sentiment in the near term. However, GCPL has indicated that there is no need for a strategic reset, with the focus shifting toward faster execution rather than any major change in strategy.
- **Aasif brings strong credentials:** Aasif Malbari has ~30 years of experience across GCPL, HUL, and Tata Motors. His track record in transforming GCPL's Africa business, where EBITDA margin expanded from ~9% in FY24 to ~15% in FY26, provides comfort on his ability to drive execution and improve business performance.
- **Separate India CEO appointment could strengthen execution:** GCPL plans to appoint an India CEO, with both internal and external candidates being evaluated. The role is expected to strengthen operations and improve execution across sales, marketing, pricing, and other functions.

- **Focus remains on both core and new businesses:** GCPL will continue to strengthen its core categories, particularly soaps and LV, while simultaneously investing in its speedboats and new categories. Management believes the company has enough resources to pursue both agendas together and will add resources wherever required. The company also plans to become more aggressive in building new brands organically, supported by its strong R&D capabilities.
- **No change in FY27 guidance:** GCPL has maintained its FY27 guidance of high-single-digit volume growth, double-digit revenue growth, and double-digit profit growth. Management reiterated that investments will continue wherever required to support growth, while the focus will remain on better execution rather than a strategic reset.

FMCG peer comparison

Segmental Information	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Revenue (INR b)										
India	56.8	54.7	62.5	69.5	76.7	84.1	87.8	94.7	107.6	119.2
Indonesia	15.2	16.9	16.5	16.5	15.9	17.9	18.7	18.2	20.9	22.5
GAUM	24.5	23.2	24.6	30.2	33.7	30.8	25.6	31.5	40.9	45.8
Others	7.7	5.6	6.5	7.2	6.9	7.2	9.3	9.9	11.4	12.5
Total	**103.1**	**99.1**	**110.3**	**122.8**	**133.2**	**141.0**	**140.0**	**151.8**	**180.7**	**200.0**
Revenue Gr. (%)										
India	8%	-4%	14%	11%	10%	10%	4%	8%	14%	11%
Indonesia	13%	11%	4%	0%	-4%	13%	4%	-2%	15%	8%
GAUM	12%	-5%	8%	23%	12%	-9%	-17%	23%	30%	12%
Others	-33%	-27%	19%	11%	-4%	5%	29%	6%	15%	10%
Total	**5%**	**-4%**	**11%**	**11%**	**8%**	**6%**	**-1%**	**8%**	**19%**	**11%**
Revenue Mix (%)										
India	55%	55%	57%	57%	58%	60%	63%	62%	60%	60%
Indonesia	15%	17%	15%	13%	12%	13%	13%	12%	12%	11%
GAUM	24%	23%	22%	25%	25%	22%	18%	21%	23%	23%
Others	7%	6%	6%	6%	5%	5%	7%	7%	6%	6%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
EBITDA (INR bn)										
India	15.2	14.6	16.5	17.3	18.7	22.4	21.0	22.3	25.5	29.1
Indonesia	3.8	4.5	4.9	3.9	3.1	4.0	4.3	4.4	4.9	5.5
GAUM	2.9	2.4	2.4	3.0	3.5	3.6	4.0	4.6	5.8	6.5
Others	0.3	0.3	0.8	1.0	0.2	0.1	0.8	0.6	0.8	0.9
Total	**21.3**	**21.4**	**24.4**	**24.9**	**25.4**	**30.7**	**30.0**	**31.5**	**36.7**	**41.7**
EBITDA margin (%)										
India	26.8%	26.6%	26.5%	24.9%	24.4%	26.7%	23.9%	23.6%	23.7%	24.4%
Indonesia	25.2%	26.5%	29.6%	23.9%	19.4%	22.0%	22.8%	24.0%	23.7%	24.5%
GAUM	11.9%	10.4%	9.8%	9.8%	10.4%	11.7%	15.7%	14.5%	14.2%	14.2%
Others	3.9%	4.6%	12.0%	13.4%	3.5%	1.1%	8.7%	6.1%	7.0%	7.5%
Total	**20.7%**	**21.6%**	**22.2%**	**20.3%**	**19.1%**	**21.8%**	**21.5%**	**20.8%**	**20.3%**	**20.8%**
EBITDA mix (%)										
India	71%	68%	68%	69%	74%	73%	70%	71%	70%	70%
Indonesia	18%	21%	20%	16%	12%	13%	14%	14%	13%	13%
GAUM	14%	11%	10%	12%	14%	12%	13%	14%	16%	16%
Others	1%	1%	3%	4%	1%	0%	3%	2%	2%	2%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company

MRF

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MRF IN
Equity Shares (m)	4
M.Cap.(INRb)/(USD	556.1 / 5.8
52-Week Range	163600 / 122000
1, 6, 12 Rel. Per (%)	-3/-8/-7
12M Avg Val (INR	1058

Financials & valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	311.5	339.8	368.5
EBITDA	49.0	46.6	52.2
Adj. PAT	24.7	21.8	25.4
EPS (INR)	5,834	5,146	5,997
EPS Growth (%)	32.3	-11.8	16.5
BV/Share (INR)	49,468	54,364	60,086
Ratios			
RoE (%)	12.5	9.9	10.5
RoCE (%)	11.8	9.7	10.3
Payout (%)	4.1	4.9	4.6
Valuations			
P/E (x)	22.5	25.5	21.9
P/BV (x)	2.7	2.4	2.2
Div. Yield (%)	0.2	0.2	0.2
FCF yield (%)	5.7	4.3	4.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	27.8	27.8	27.8
DII	12.1	12.3	11.7
FII	17.4	18.0	18.7
Others	42.7	42.0	41.9

FII includes depository receipts

CMP: INR131,125 TP: INR113,936 (-13%) Sell

A surge in input costs drives an earnings miss

Margins likely to remain under pressure in the near term

- MRF's 1QFY27 adj. PAT at INR4.7b was largely in line. PAT was supported by higher-than-expected other income despite weak EBITDA margin at 11.4% vs. our est. of 12.6%.
- Management remains cautious about the demand outlook given the risk of a subnormal monsoon. Further, rising raw material costs and supply chain disruptions due to the ongoing Middle East conflict remain key near-term headwinds. As a result, we expect MRF to post just 1% earnings CAGR over FY26-28. While its RoCE has improved to 11.8% from a recent dip to 10% in FY25, it is likely to dip to 10% by FY27E given the sustained margin pressure. Given its subpar returns, valuations at 25.5x/21.9x FY27E/FY28E appear expensive. **Reiterate Sell** with a TP of INR113,936, valued at 19x FY28E EPS.

A spike in input costs hurts margins

- Standalone revenue grew 10% YoY to INR82.9b (in line).
- Demand from OEMs was buoyant as vehicle sales across segments witnessed strong growth. Replacement demand also continued to be robust.
- EBITDA margin contracted 220bp YoY to 11.4% vs. est. of 12.6% on account of higher input costs.
- As a result, EBITDA declined 8% YoY to INR9.5b (9% below our est).
- The company has taken price increases and cost management measures in this quarter, which helped to partially offset cost increases. RM prices continue to remain firm due to the ongoing conflict in the Middle East. The impact of higher costs on margins is expected to continue.
- Other income was significantly higher at INR1.9b vs. our est of INR1.4b, supporting earnings.
- PAT declined 2% YoY to INR4.7b (in line).

Valuation and view

Management remains cautious about the demand outlook given the risk of a sub-normal monsoon. Further, rising raw material costs and supply chain disruptions due to the ongoing Middle East crisis remain key near-term headwinds. As a result, we expect MRF to post just 1% earnings CAGR over FY26-28E. While its RoCE has improved to 11.8% from a recent dip to 10% in FY25, it is likely to decline back to 10% by FY27E given the sustained margin pressure. Given its subpar returns, valuations at 25.5x/21.9x FY27E/FY28E appear expensive. **Reiterate Sell** with a TP of INR113,936, valued at 19x FY28E EPS.

Standalone - Quarterly Earnings Model (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	1QE	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	**75,603**	**72,497**	**79,337**	**79,084**	**82,916**	**79,746**	**85,684**	**85,971**	**3,06,521**	**3,34,317**	**83,163**	**0**
YoY Change (%)	6.8	7.2	15.3	13.9	9.7	10.0	8.0	8.7	10.8	9.1	10.0	
Total Expenditure	65,259	61,599	65,693	66,453	73,429	68,901	73,345	73,183	2,58,365	2,88,858	72,685	
EBITDA	**10,343**	**10,898**	**13,644**	**12,632**	**9,486**	**10,846**	**12,338**	**12,788**	**48,156**	**45,458**	**10,479**	**-9**
Margins (%)	13.7	15.0	17.2	16.0	11.4	13.6	14.4	14.9	15.7	13.6	12.6	-120bp
Change (%)	-9.1	11.9	70.2	21.1	-8.3	-0.5	-9.6	1.2	21.7	-5.6	1.3	
Depreciation	4,270	4,433	4,362	4,409	4,458	4,650	4,900	5,178	17,475	19,187	4,500	
Interest	822	708	736	706	697	760	720	824	2,976	3,002	780	
Other Income	1,255	1,067	1,231	1,329	1,915	1,050	1,310	1,224	4,994	5,498	1,400	
PBT before EO expense	**6,507**	**6,824**	**9,777**	**8,846**	**6,245**	**6,486**	**8,028**	**8,009**	**32,699**	**28,768**	**6,599**	
Extra-Ord expense	0	0	772	-152	0	0	0	0	620	0	0	
PBT	**6,507**	**6,824**	**9,005**	**8,998**	**6,245**	**6,486**	**8,028**	**8,009**	**32,079**	**28,768**	**6,599**	
Tax	1,665	1,708	2,214	2,194	1,502	1,641	2,031	2,105	7,925	7,278	1,669	
Rate (%)	25.6	25.0	24.6	24.4	24.0	25.3	25.3	26.3	24.7	25.3	25.3	
Reported PAT	**4,842**	**5,116**	**6,791**	**6,804**	**4,744**	**4,845**	**5,997**	**5,904**	**24,154**	**21,490**	**4,929**	
Adj PAT	**4,842**	**5,116**	**7,373**	**6,690**	**4,744**	**4,845**	**5,997**	**5,904**	**24,621**	**21,490**	**4,929**	**-4**
YoY Change (%)	-13.9	12.3	140.4	34.4	-2.0	-5.3	-18.7	-11.7	35.1	-12.7	1.8	
Margins (%)	6.4	7.1	8.6	8.6	5.7	6.1	7.0	6.9	8.0	6.4	5.9	
E: MOFSL Estimates												
Key Performance Indicators												
RM Cost(% of sales)	65.7	63.6	62.1	61.7	67.3	65.0	64.0	63.4	63.4	64.9	66.5	80bp
Staff Cost(% of sales)	6.1	6.6	6.4	6.8	5.9	6.7	6.8	6.6	6.4	6.5	6.5	-60bp
Other costs(% of sales)	14.5	14.7	14.3	15.6	15.4	14.7	14.8	15.1	14.5	15.0	14.4	100bp
Gross Margin(%)	34.3	36.4	37.9	38.3	32.7	35.0	36.0	36.6	36.6	35.1	33.5	-80bp
EBITDA Margin(%)	13.7	15.0	17.2	16.0	11.4	13.6	14.4	14.9	15.7	13.6	12.6	-120bp

E: MOFSL Estimates

Manappuram Finance

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MGFL IN
Equity Shares (m)	939
M.Cap.(INRb)/(USDb)	338.2 / 3.5
52-Week Range (INR)	382 / 245
1, 6, 12 Rel. Per (%)	4/25/41
12M Avg Val (INR M)	1415

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	54.7	74.5	89.6
PPP	28.3	44.3	54.9
PAT	9.9	24.8	30.5
EPS (INR)	10.6	24.1	29.5
EPS Gr. (%)	-25.7	127.6	22.6
BV/Sh.(INR)	171	190	214
Ratios			
NIM (%)	10.4	10.3	10.1
C/I ratio (%)	50.8	42.2	40.3
RoA (%)	1.6	3.0	3.0
RoE (%)	7.0	13.9	14.6
Payout (%)	14.2	20.8	20.0
Valuations			
P/E (x)	34.7	15.3	12.4
P/BV (x)	2.1	1.9	1.7
Div. Yld. (%)	0.4	1.4	1.6

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	41.7	31.8	35.3
DII	14.9	13.0	8.6
FII	22.3	23.2	29.7
Others	21.2	32.0	26.4

FII Includes depository receipts

CMP: INR360 TP: INR390 (+8%) Neutral

Strong quarter with healthy gold loan growth and NIM expansion

Ticking the boxes on gold tonnage, customer additions, and expansion in profits

- Manappuram Finance's (MGFL) consol. PAT in 1QFY27 rose 340% YoY and 44% QoQ to ~INR5.9b in 1QFY27 (~26% beat). NII in 1QFY27 grew ~25% YoY to ~INR17.2b (~6% beat). Operating expenses grew 1% YoY to ~INR7.6b (in line).
- PPoP grew ~52% YoY to ~INR10.1b (~8% beat). Consol. credit costs stood at ~INR2.3b (vs. est. of ~INR3.1b). Annualized credit costs for the quarter declined ~15bp QoQ to 1.35% (PQ: ~1.5%). In 1QFY27, MGFL and Manappuram Home Finance revised their ECL models by updating PD, LGD, EAD, and forward-looking macroeconomic assumptions, which resulted in an additional ECL provision of INR1.25b during the quarter.
- MGFL appointed Mr. Ashish Singh as the MD and CEO of the company for a five-year term effective Jan'27. He brings 25+ years of experience in retail banking, with expertise in rural lending, retail liabilities, and branch banking. He has held senior roles at IDFC FIRST Bank, Fullerton India, and ICICI Bank.
- The company reported a ~12% QoQ growth in consolidated gold AUM to ~INR570b, with management indicating healthy momentum in loan growth, customer additions, and gold tonnage growth sustaining in Jul'26 and Aug'26. The company guided for ~25-30% gold loan growth in FY27. We model a gold loan CAGR of ~27% over FY26-FY28E.
- MGFL indicated that the improvement in gold loan yields during the quarter was driven by corrective pricing actions undertaken by the company, rather than any change in the product or customer mix. Management expects yields to stabilize at ~18%, despite the increasing share of higher-ticket borrowers. We model NIM of 10.3%/10.1% in FY27/FY28E (vs. ~10.4% in FY26).
- MGFL delivered a strong performance in the gold loan segment, supported by higher gold prices, healthy demand, and a gradual shift in customer preference toward formalized financing. However, growth in the non-gold portfolio remained subdued as the company continues to prioritize asset quality and portfolio stabilization in these segments.
- We raise our FY27/FY28 EPS estimates by ~18%/3% to factor in higher NIM and lower credit costs. The stock trades at 1.7x FY28E P/B. Over FY26-28E, we estimate a CAGR of 27%/25% in gold/consolidated AUM and ~75% in consolidated PAT, with consolidated RoA/RoE of ~3%/14.6% in FY28. **Reiterate our Neutral rating on the stock with a TP of INR390 (based on 1.8x FY28E consolidated BVPS).**

Strong gold loans growth of ~12% QoQ; gold tonnage rises 6% QoQ

- Consol. gold AUM grew ~12% QoQ and ~98% YoY to ~INR570b. **Gold tonnage grew ~6% QoQ to ~67 tons.** Consol. AUM rose ~58% YoY and ~8.4% QoQ to ~INR700b.
- Within gold loans, LTV rose QoQ to ~65.6% (PQ: 57%), while the average ticket size (ATS) in gold loans rose to INR133k (PQ: INR128k). **Gold loan customer base grew ~7% QoQ to ~2.9m.**

Yields and margins expand sequentially; standalone CoB rises ~20bp QoQ

- **Consol. NIM (calc.) rose ~70bp QoQ to ~10.5%**. Standalone CoB rose ~20bp QoQ to ~8.8% during the quarter. However, consolidated CoB was stable QoQ at 8.9%. W
- **Gold loan yields in 1QFY27 rose ~60bp QoQ to ~17.7% (PQ: 17.1%)**.

Asirvad MFI: AUM grows 6% QoQ; GNPA stable sequentially

- Asirvad reported 4QFY26 profit of INR207m (vs. PAT of INR130m in 4QFY26).
- Asirvad AUM (including gold loans) grew ~6% QoQ to ~INR72b, while Asirvad MFI AUM rose 4% QoQ to ~INR48.3b.
- MFI GNPA was stable QoQ at 4.8%, while NNPA declined ~20bp QoQ to ~1.4%. Asirvad credit costs stood at ~INR660m (PQ: ~INR90m, which was driven by writebacks from M2M and security receipts).

Highlights from the management commentary

- MGFL plans to add ~500 gold loan branches in FY27, with ~60% of additions across South and Central India, including the five Southern states and Maharashtra. Bihar, West Bengal, and Odisha will also be key expansion markets for the company.
- Reported LTV as on Jun’26 rose to ~66% from ~57% in Mar'26, largely due to gold price movements and changes in the LTV calculation under the revised RBI framework. Management expects LTV to normalize in the range of 64-66%.

Valuation and view

- MGFL reported a strong quarter, driven by sustained growth in the gold loan portfolio. Gold loan yields improved during the quarter, supporting margin expansion. However, growth in non-gold segments remained subdued as the company continues to prioritize asset quality and portfolio stabilization in these businesses.
- **The stock trades at 1.7x FY28E P/B. Over FY26-28, we estimate a CAGR of 27%/25% in gold/consolidated AUM and ~75% in consolidated PAT, with consolidated RoA/RoE of ~3%/14.6% in FY28. Reiterate our Neutral rating on the stock with a TP of INR390 (based on 1.8x FY28E consolidated BVPS).**

MGFL - Quarterly Performance (Consolidated) (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	22,357	22,512	22,441	25,130	29,977	31,926	33,330	35,492	92,506	1,30,725	29,452	2
Interest Expenses	8,553	8,756	9,452	11,095	12,740	13,657	14,476	15,376	37,856	56,249	13,147	-3
Net Interest Income	**13,804**	**13,756**	**12,989**	**14,035**	**17,237**	**18,269**	**18,854**	**20,116**	**54,650**	**74,476**	**16,305**	**6**
YoY Growth (%)	-10.24	-15.9	-18.4	-2.8	24.88	32.8	45.2	43.3	-12.2	36.3	18.1	
Other income	293	241	1,148	1,126	426	423	452	399	2,741	2,127	333	28
Net Income	**14,097**	**13,997**	**14,137**	**15,161**	**17,664**	**18,691**	**19,306**	**20,515**	**57,391**	**76,603**	**16,637**	**6**
Operating Expenses	7,488	7,285	7,568	7,367	7,591	7,867	8,249	8,610	29,129	32,317	7,338	3
Operating Profits	**6,609**	**6,712**	**6,569**	**7,794**	**10,073**	**10,824**	**11,057**	**11,906**	**28,262**	**44,286**	**9,299**	**8**
YoY Growth (%)	-32.7	-35.0	-29.4	14.1	52.4	61.3	68.3	52.8	-22.1	56.7	40.7	
Provisions	5,594	3,692	3,541	2,156	2,255	2,691	2,847	3,378	15,560	11,170	3,065	-26
PBT	**1,015**	**3,020**	**3,029**	**5,638**	**7,818**	**8,133**	**8,210**	**8,528**	**12,702**	**33,117**	**6,234**	**25**
Tax Provisions	-310	847	643	1,590	1,971	2,066	2,085	2,157	2,771	8,279	1,583	24
PAT	**1,325**	**2,173**	**2,385**	**4,048**	**5,848**	**6,067**	**6,125**	**6,371**	**9,931**	**24,837**	**4,650**	**26**
YoY Growth (%)	-76	-62	-14	-	341	179	157	57	-18	150	251	
Key Ratios (%)												
Yield on loans	20.8	20.2	18.6	17.6	18.2	18.2	18.1	18.1	17.6	18.1		
Cost of funds (Cal)	9.4	9.3	9.0	8.6	8.7	8.8	8.8	8.8	8.2	8.7		
Spreads (Cal)	11.4	10.92	9.60	9.04	9.5	9.4	9.3	9.3	9.4	9.4		
NIMs (Cal)	12.85	12.37	10.76	9.8	10.4	10.40	10.25	10.24	10.4	10.3		
C/I ratio	53.1	52.0	53.5	48.6	43.0	42.1	42.7	42.0	50.8	42.2		
Credit Cost	5.1	3.27	2.89	1.48	1.3	1.50	1.50	1.66	3.0	1.6		
Tax Rate	-30.5	28.0	21.2	28.2	25.2	25.4	25.4	25.3	21.8	25.0		
Balance Sheet Parameters												
Consol. AUM (INR b)	**443**	**459**	**522**	**646**	**700**	**735**	**783**	**840**				
Change YoY (%)	-1.4	0.4	18.1	50.1	58.0	60.2	50.1	30.0				
Gold loans (INR b)	**288**	**315**	**388**	**510**	**570**	**604**	**647**	**688**				
Change YoY (%)	21.8	29.3	58.2	99.1	97.9	91.8	66.8	35.0				
Gold stock (tonnes)	57	57	59	63	67							
Gold loans/branch (INR m)	71	78	96	126	141							
Consol. Borrowings (INR b)	**374**	**377**	**463**	**572**	**602**	**639**	**681**	**716**				
Change YoY (%)	-2.8	-1.9	25.0	61.7	60.9	69.5	47.3	25.1				
Borrowings Mix (%)												
Debentures	10.1	9.0	9.5	7.1	9.0							
CPs	3.4	5.3	8.3	6.8	7.4							
WC/CC	21.1	19.2	18.2	17.0	17.1							
TL	51.3	47.3	47.4	46.7	45.6							
ECB	13.9	19.0	16.4	22.3	20.7							
Others	0.3	0.2	0.1	0.2	0.2							
Debt/Equity (x)												
Asset Quality Parameters (%)												
GNPL ratio (Standalone)	3.0	3.0	2.6	1.8	1.6							
NNPL ratio (Standalone)	2.6	2.6	2.2	1.5	1.1							
Return Ratios (%)												
RoA (Rep)	1.1	1.7	1.7	2.8	3.1							
RoE (Rep)	4.3	6.9	7.4	12.3	14.4							

E: MOFSL estimates

Kalpataru Projects International

Estimate changes	↑
TP change	↔
Rating change	↔

Bloomberg	KPIL IN
Equity Shares (m)	171
M.Cap.(INRb)/(USDb)	230.2 / 2.4
52-Week Range (INR)	1500 / 1007
1, 6, 12 Rel. Per (%)	-1/24/9
12M Avg Val (INR M)	297

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	265.3	303.1	345.7
EBITDA	23.3	26.7	30.4
PAT	11.9	13.8	16.3
EPS (INR)	69.6	81.0	95.5
GR. (%)	18.7	16.5	17.8
BV/Sh (INR)	541.5	613.6	700.1
Ratios			
ROE (%)	13.6	14.0	14.5
RoCE (%)	12.3	12.9	13.5
Valuations			
P/E (X)	19.4	16.6	14.1
P/BV (X)	2.5	2.2	1.9
EV/EBITDA (X)	10.3	8.9	7.7
Div Yield (%)	0.7	0.7	0.7

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	33.6	33.6	33.5
DII	44.8	45.1	44.8
FII	10.8	10.9	11.8
Others	10.8	10.4	9.8

FII includes depository receipts

CMP: INR1,348 TP: INR1,600 (+19%) Buy

Healthy margins and reduction in debt

Kalpataru Project (KPIL)'s 1Q result was ahead of our estimates due to better-than-expected margin performance and higher other income. Order inflows stood healthy at INR77b, though down YoY on a high base, taking the total order book to INR666b, up 2% YoY. The ordering pipeline continues to remain strong for KPIL across T&D, B&F, and O&G segments, which can support order inflow growth for the company. KPIL has already hived off most of the non-core assets and also reduced overall borrowings. We expect KPIL's execution growth momentum to pick up in the coming quarters, and with strong margins and healthy leverage, we expect its PAT growth to remain healthy too. We tweak our estimates by +6%/2% for FY27/28 to model better margin performance and expect its revenue/EBITDA/PAT to clock a CAGR of 14%/14%/18% over FY26-29. Reiterate BUY with a TP of INR1,600, valuing the core business at 18x Sep'28E EPS.

In-line revenue, beat on profitability

KPIL reported in-line revenue, while EBITDA and PAT were above our estimates. Revenue at INR54.8b (+9% YoY) was broadly in line. Growth was driven by strong execution across key segments, barring water and railways. Gross margin expanded 240bp YoY to 25.6%, 210bp ahead of our estimate of 23.5%. Absolute EBITDA grew 14% YoY to INR4.9b, 8% ahead of our estimate, while EBITDA margin expanded 40bp YoY to 8.9% (above our estimate of 8.5%) on the back of a diversified business mix and efficient working capital management. PAT increased 32% YoY to INR2.7b, vs. our est. of INR1.9b. Better-than-expected margins, higher other income, and a lower tax rate led to a beat on our PAT estimate by 38%. The 1QFY27 order inflow stood at INR77b, leading to an order book at INR666b (+2% YoY). NWC days were comfortable at 94 in 1QFY27 vs. 106 in 1QFY26. Net debt more than halved to INR7.5b in 1QFY27 vs. INR19.4b last year.

T&D prospects remain strong across domestic and export markets

T&D segments' LFL (excluding Fasttel) revenue grew 10% YoY during the quarter. The segment secured more than INR42b of orders YTD and is L1 in projects worth more than INR50b, with increasing exposure to HVDC and GIS. The domestic opportunity remains strong, with the annual addressable market estimated at INR1.0-1.25t for the next five years, including 1-2 HVDC projects annually, driven by transmission expansion and renewable-energy evacuation. Internationally, grid-capacity constraints across Europe, the Middle East, and parts of South America provide additional growth opportunities. We expect T&D to remain one of the key contributors to growth, supported by strong tendering activity and KPIL's positioning in high-value projects. We expect the T&D segment to clock a revenue CAGR of 12% over FY26-29, led by an order inflow CAGR of 15% over the same period.

B&F and O&G provide visibility beyond T&D

B&F maintained strong momentum, with revenue growing 15% YoY to INR16.9b, while order inflows exceeded INR28b YTD and L1 positions stood at ~INR22b, taking the order book above INR196b. Demand remains broad-based across residential, commercial offices, data centers, airports, and industrial projects, with PSU and private sector industrial capex providing additional pipeline visibility. **O&G** revenue increased 18% YoY. Execution in Saudi Arabia is progressing well, while the Middle East remains the primary opportunity over the next 1-2 years. KPIL has bid for large projects across Saudi Arabia, the UAE, Qatar, and Kuwait, with individual bids ranging from USD100m to USD500m. Several of these orders are expected to be awarded over the next 3-6 months. We expect B&F and O&G to remain key growth drivers beyond T&D, supported by a strong B&F order book and increasing traction in large Middle East O&G projects.

Water and railways remain weak, while urban infra benefits from metro rail execution

Water revenue stood at INR6b, in line with the planned execution. The first Middle East water-treatment order of INR3.4b marked KPIL's entry into a new market. Collections have also improved, reaching ~INR6.5b YTD, including July, with further improvement expected in the coming months. **Urban infra** continues to benefit from strong Metro Rail execution, with all six Tunnel Boring Machines (TBMs) fully deployed and tunnelling for the first underground Kanpur project nearly complete. The business is expected to deliver double-digit growth in FY27. The focus remains selective, targeting Metro Rail, tunnelling, pumped storage, nuclear power, and international roads/highways. **Railways** segment execution remained weak as the company is focused on project execution and closures, with selective bidding for new orders.

Growth strategy and guidance

The medium-term growth strategy of the company rests on three areas:
1) taking established businesses such as water, urban infrastructure, and O&G into international markets and expanding transmission into newer geographies,
2) pursuing backward integration to support both growth and profitability, and
3) increasing capabilities within existing businesses to qualify for larger and more complex projects, particularly across B&F and urban infrastructure. KPIL is already qualified for data centers, airports, and industrial projects, with an average project size above INR5b and an objective to move towards larger projects. For FY27, the company maintained its order inflow guidance of INR300b, revenue growth of at least 15%, and more than 75bp YoY improvement in PBT margin.

Financial outlook and view

We revise our estimates by 6%/2% for FY27/FY28E to bake in better margin performance and expect revenue/EBITDA/PAT to grow at a CAGR of 14%/14%/18% over FY26-29. The stock is trading at 19.4x/16.6x/14.1x P/E on FY27/28/29 earnings. **Reiterate BUY with an unchanged TP of INR1,600, valuing the core business at 18x Sep'28E EPS.**

Key risks and concerns

A slowdown in execution, lower-than-expected order inflows, a sharp rise in commodity prices, and an increase in promoter pledges are some of the key concerns that can weigh on the financials and valuations of the company.

Standalone - 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	**50,397**	**54,188**	**57,876**	**69,640**	**54,819**	**61,022**	**66,328**	**83,145**	**2,32,101**	**2,65,314**	**53,063**	**3**
YoY Change (%)	35.4	31.0	19.9	12.2	8.8	12.6	14.6	19.4	22.9	14.3	5.3	
Total Expenditure	46,114	49,716	53,063	62,921	49,940	55,652	60,558	75,816	2,11,814	2,41,966	48,552	
EBITDA	**4,284**	**4,472**	**4,813**	**6,719**	**4,879**	**5,370**	**5,771**	**7,328**	**20,287**	**23,348**	**4,510**	**8**
YoY Change (%)	36.7	28.3	19.8	28.4	13.9	20.1	19.9	9.1	27.8	15.1	5.3	
Margins (%)	8.5	8.3	8.3	9.6	8.9	8.8	8.7	8.8	8.7	8.8	8.5	
Depreciation	936	966	1,005	1,041	1,117	1,184	1,241	1,365	3,948	4,907	1,168	-4
Interest	840	1,025	926	890	677	730	765	842	3,680	3,014	843	-20
Other Income	234	242	255	369	524	154	162	178	1,101	1,018	167	215
PBT before EO	**2,742**	**2,723**	**3,138**	**5,157**	**3,610**	**3,610**	**3,926**	**5,300**	**13,759**	**16,445**	**2,666**	**35**
Extra-Ord expense	-	-	295	2,033	-	-	-	-	2,328	-	-	
PBT	**2,742**	**2,723**	**2,843**	**3,124**	**3,610**	**3,610**	**3,926**	**5,300**	**11,431**	**16,445**	**2,666**	**35**
Tax	734	724	730	926	956	1,001	1,099	1,505	3,114	4,561	739	
Rate (%)	26.8	26.6	25.7	29.6	26.5	27.7	28.0	28.4	27.2	27.7	27.7	
Reported PAT	**2,008**	**1,999**	**2,112**	**2,198**	**2,654**	**2,608**	**2,827**	**3,795**	**8,317**	**11,884**	**1,926**	**38**
Adj PAT	**2,008**	**1,999**	**2,331**	**3,673**	**2,654**	**2,608**	**2,827**	**3,795**	**10,011**	**11,884**	**1,926**	**38**
YoY Change (%)	72.1	51.1	48.2	38.2	32.2	30.5	21.3	3.3	49.0	18.7	-4.1	
Margins (%)	4.0	3.7	4.0	5.3	4.8	4.3	4.3	4.6	4.3	4.5	3.6	

Anant Raj

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ARCP IN
Equity Shares (m)	360
M.Cap.(INRb)/(USDb)	218.2 / 2.3
52-Week Range (INR)	744 / 403
1, 6, 12 Rel. Per (%)	2/13/13
12M Avg Val (INR M)	2231

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	25.1	29.9	35.2
EBITDA	6.6	9.4	12.4
EBITDA (%)	26.1	31.6	35.3
Adj PAT	5.5	7.5	9.3
Cons. EPS (INR)	15.4	20.7	25.9
EPS Growth (%)	30.4	34.4	24.8
BV/Share (INR)	160.8	180.8	205.9
Ratios			
Net D/E			
RoE (%)	9.6	11.5	12.6
RoCE (%)	9.5	12.2	13.7
Payout (%)	6.5	3.6	2.9
Valuations			
P/E (x)	39.3	29.3	23.4
P/BV (x)	3.8	3.4	2.9
EV/EBITDA (x)	32.5	22.6	17.4
Div Yield (%)	0.2	0.1	0.1

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	57.4	57.4	60.1
DII	4.6	4.8	6.2
FII	10.7	10.9	10.6
Others	27.2	26.9	23.0

CMP:INR606 TP:INR710 (+17%) Buy

Profitability improves with the scale-up of data centers

Real estate to remain a steady cash generator

Anant Raj (ARCP) has received RERA clearance for Group Housing 2 (The Estate One), offering ~0.90msf of saleable area (~INR20-22b GDV), and is expected to launch the project in 2QFY27. Further, it is likely to launch Group Housing 3 in Sector 63A, Gurugram, with a GDV of INR29b. Overall, projects offering INR50-55b GDV could be launched in FY27. We expect INR29.3b/INR33.7b pre-sales and INR17.5b/INR25.1b collections in FY27/28, respectively. Accordingly, we expect cumulative free cash worth INR22b from the real estate business over the next two years, which would fund the capex for data centers.

Data centers scaling up well; capacity to increase to 63MW in FY27

The company clocked INR900m revenue in the data centers (DC) segment, with ~71% EBITDA margin and ~45% PAT margin. The current IT load capacity of 28MW (21 MW at Manesar + 7 MW at Panchkula) is planned to increase to 63MW by FY27-end. Further, it has maintained its target to scale this to 357MW IT load by FY32, with 117 MW expected to be operational by FY28. It has signed an MoU with Haryana Enterprise Promotion Centre (HEPC), Government of Haryana, to facilitate investments and accelerate adoption of ARCP's DC and cloud services across the state. We bake in a 134% CAGR in data center revenue over FY26-28E, reaching INR9.6b, supported by capacity ramp-up and improvement in utilization.

Demerger of the DC business on cards

The Board of ARCP has approved a composite scheme of arrangement to demerge its DC and cloud businesses into Ashok Cloud Pvt Ltd (ACPL). ARCP shareholders will receive one ACPL share for every ARCP share held. ACPL would offer a pure play on the DC business, which is a key value generator, while ARCP would continue to reap the economic benefits due to its holding in the resulting company (ACPL would remain a subsidiary of ARCP). As a merged entity, the existing mode of operations involves utilization of the FCF from the real estate business to scale up the capex-heavy DC business. In the initial years post the demerger, we anticipate capex in ACPL to be met through the fund transfer from ARCP and rental income generated by the operational capacity.

Financial performance

In 1QFY27, revenue grew 7% YoY to INR6.3b (broadly in line with estimate). EBITDA witnessed a strong 22% YoY growth to INR1.8b (8% beat on our estimate), while EBITDA margin expanded 310bp QoQ to 29.0%, driven by strong performance in the DC segment. Supported by better operating margin, adj PAT grew 19% YoY to INR1.5b, while PAT margin stood at 23.7%. **We maintain our revenue CAGR of 18% over FY26-28, reaching INR35b, whereas EBITDA margin is expected to expand 920bp to 35.3% during this period.**

Valuation and view

- We have discounted the residential business cash flow at a 12.4% WACC, while assigning a 25% premium to capture the growth potential from the company's ongoing land aggregation in Sector 63A.
- The commercial business cash flow is discounted at a capitalization rate of 8.0%, while delivering a 4% terminal growth rate.
- The data center business is valued on a DCF basis.
- **We reiterate our BUY rating on the stock with a revised TP of INR710, based on our SoTP valuation**.

Quarterly Performance

Y/E March	FY26				FY27E				FY26	FY27	FY27 1Q Est.	1QE Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	**5,924**	**6,308**	**6,416**	**6,468**	**6,314**	**7,586**	**7,783**	**8,191**	**25,116**	**29,874**	**6,505**	-3%
YoY Change (%)	25.6	23.0	20.0	19.6	6.6	20.3	21.3	26.6	21.9	18.9	9.8	
Total Expenditure	4,418	4,630	4,718	4,794	4,480	5,188	5,217	5,546	18,559	20,431	4,802	
EBITDA	**1,507**	**1,678**	**1,698**	**1,674**	**1,834**	**2,398**	**2,566**	**2,645**	**6,557**	**9,443**	**1,703**	8%
Margins (%)	25.4	26.6	26.5	25.9	29.0	31.6	33.0	32.3	26.1	31.6	26.2	287bp
Depreciation	79	106	135	169	162	163	164	259	489	748	168	
Interest	24	29	33	38	12	31	32	48	124	124	27	
Other Income	100	101	188	286	194	180	185	151	675	709	154	
PBT before EO expense	**1,504**	**1,644**	**1,718**	**1,754**	**1,853**	**2,384**	**2,555**	**2,488**	**6,619**	**9,280**	**1,662**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**1,504**	**1,644**	**1,718**	**1,754**	**1,853**	**2,384**	**2,555**	**2,488**	**6,619**	**9,280**	**1,662**	11%
Tax	257	275	296	255	392	477	511	496	1,083	1,856	332	
Rate (%)	17.1	16.7	17.2	14.5	21.2	20.0	20.0	19.9	16.4	20.0	20.0	
MI & P/L of Asso. Cos.	12	12	20	-33	35	9	9	-18	12	35	8	
Reported PAT	**1,259**	**1,381**	**1,443**	**1,466**	**1,496**	**1,916**	**2,053**	**1,974**	**5,548**	**7,459**	**1,338**	
Adj PAT	**1,259**	**1,381**	**1,443**	**1,466**	**1,496**	**1,916**	**2,053**	**1,974**	**5,548**	**7,459**	**1,338**	12%
YoY Change (%)	38.3	30.8	30.8	23.6	18.9	38.7	42.3	34.7	30.4	34.4	6.3	
Margins (%)	21.2	21.9	22.5	22.7	23.7	25.3	26.4	24.1	22.1	25.0	20.6	314bp

Source: Company, MOFSL

Triveni Turbine

Estimate changes	↓
TP change	↓
Rating change	⟷

Bloomberg	TRIV IN
Equity Shares (m)	318
M.Cap.(INRb)/(USDb)	190.8 / 2
52-Week Range (INR)	788 / 428
1, 6, 12 Rel. Per (%)	-2/29/16
12M Avg Val (INR M)	810

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	24.1	29.1	35.6
EBITDA	4.2	5.9	7.5
PAT	3.4	4.8	6.0
EPS (INR)	10.8	15.0	19.0
GR. (%)	-5.1	39.4	26.6
BV/Sh (INR)	53.3	64.1	77.8
Ratios			
ROE (%)	21.8	25.6	26.8
RoCE (%)	22.0	25.8	27.0
Valuations			
P/E (X)	55.7	39.9	31.6
P/BV (X)	11.3	9.4	7.7
EV/EBITDA (X)	44.5	31.4	24.8
Div Yield (%)	0.5	0.7	0.9

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	55.8	55.8	55.8
DII	16.0	16.5	12.2
FII	20.6	20.8	25.4
Others	7.6	6.8	6.6

FII includes depository receipts

CMP: INR601 TP: INR680 (+13%) Buy

Margin underperformance

Triveni Turbine's (TRIV) 1QFY27 performance was significantly below our estimates due to a lower-than-expected margin performance. EBITDA margin was impacted by delays in export shipments and low-to-zero margins in a strategic NTPC order for CO2-based energy storage. Order inflows have started ramping up for the company from both domestic and export markets, with inflows of INR5.7b, up 6% YoY. The domestic enquiry pipeline is weak, while export and aftermarket pipelines are building up. We expect TRIV to also benefit from combined cycle projects from US data centers in the next one year. We cut our estimates by 17%/7% for FY27/28E to bake in lower margins for 1HFY27 and arrive at a revised TP of INR680, based on 40x two-year forward estimates. Retain BUY. We expect margins to remain muted until the completion of the low-margin strategic order from NTPC, though we expect margins to improve from 2HFY27 as execution ramps up for the export and aftermarket order books.

In-line revenue, miss on profitability

TRIV 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.

Domestic demand soft

Domestic revenue grew 27% YoY to INR2.4b, although domestic order booking declined 35% YoY, indicating near-term softness in the market. The weakness in order finalization has been broad-based across industries, with customers adopting a wait-and-watch approach and longer gestation periods. Domestic inquiry levels also softened. Given the 6-12-month gestation period for product orders, the recent decline in inquiries is likely to affect order finalizations with a lag. The company expects domestic demand to show signs of recovery in the coming months. We expect domestic revenue/order inflows to clock 21%/18% CAGR over FY26-29.

Exports remain a key growth driver

Export revenue grew 11% YoY to INR2b in 1QFY27, while export order booking increased 53% YoY and accounted for 68% of total order intake vs. 47% in 1QFY26. Export order booking remained strong across Southeast Asia, Africa and Europe, with traction particularly visible in biomass, waste-to-energy and conventional applications. Export orders accounted for 57% of the INR21.8b closing order book as of Jun'26, supporting visibility for execution. However, certain export dispatches were deferred by one to two quarters as freight rates increased by 3x-4x and vessel availability tightened, resulting in some revenue recognition shifting from 1Q to 2Q/3QFY27. International inquiry generation also remains healthy, primarily in the US, South East Asia and Europe. Europe is only showing early signs of improvement, while North Africa, SAARC and the Middle East remain weak. We expect export growth to be supported by the strong order pipeline and improving geographical diversification. We expect a CAGR of 15%/22% in export revenue/order inflows over FY26-29.

US data center opportunity building up well

The US data center opportunity is gaining traction as gas turbine lead times have increased to around four years, prompting customers to evaluate conventional and combined-cycle alternatives for faster power availability. TRIV has seen a meaningful increase in inquiries and is qualified with consultants, OEMs and EPC players for these applications. The company expects some of the current inquiries to move toward commercial discussions and potentially order conversion during FY27. Steam turbines can also complement gas turbines in combined-cycle applications.

New technologies to expand growth opportunities

The company continues to expand beyond its conventional turbine offering through newer technologies and integrated solutions. The pending order book from NTPC's CO_2-based energy storage project of INR1.75b is expected to be commissioned in 2Q/3QFY27 and is primarily aimed at technology validation. Heat pumps and MVR are being developed as an integrated solution for low-pressure, low-quantity steam requirements, with initial orders under execution, although adoption may take time as customers assess efficiency and ROI. Organic Rankine Cycle is also seeing increasing inquiries globally, including the Americas, for low-heat power generation and geothermal applications. The focus remains on combining technologies to offer more efficient and cost-effective solutions.

Margins to remain impacted in the near term

EBITDA margin declined to 11.6% in 1QFY27 from 19.8% in 1QFY26, reflecting lower-margin order execution, higher domestic mix, deferred export execution and the low-margin NTPC CO_2 project. We expect margins to remain impacted in FY27, with a gradual recovery expected thereafter as the mix shifts toward higher-margin export and aftermarket orders.

Financial outlook and valuation

We cut our estimates by 17%/7% for FY27/28E to bake in lower margins for 1HFY27 and thus, expect TRIV's revenue/EBITDA/PAT to clock a CAGR of 18%/18%/19% over FY26-29. The stock is currently trading at 55.7x/39.9x/31.6x on FY27/FY28/FY29E EPS. **We arrive at a revised TP of INR680 (earlier INR750), based on 40x two-year forward estimates. Retain BUY.**

Key risks and concerns

Slowdown in capex initiatives; intensified competition; technology disruption; inability to innovate and launch new products; and geopolitical headwinds resulting in a sharp slowdown in exports and aftermarket segments.

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	4,878	5,543	5,600	17,308	19,935	3,527	
EBITDA	**736**	**1,146**	**1,341**	**1,280**	**513**	**794**	**1,343**	**1,564**	**4,503**	**4,214**	**697**	**-26**
YoY Change (%)	-23.0	2.9	22.7	6.3	-30.3	-30.7	0.1	22.2	3.1	-6.4	-5.3	
Margins (%)	19.8	22.6	21.5	18.8	11.6	14.0	19.5	21.8	20.6	17.5	16.5	
Depreciation	77	80	94	90	94	95	95	105	341	388	82	15
Interest	8	4	7	7	6	8	9	13	26	36	10	-37
Other Income	222	184	195	164	284	199	172	164	765	819	211	34
PBT before EO expense	**873**	**1,246**	**1,435**	**1,347**	**697**	**890**	**1,411**	**1,611**	**4,901**	**4,609**	**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**	**890**	**1,411**	**1,611**	**4,744**	**4,609**	**817**	**-15**
Tax	228	332	352	325	186	228	361	405	1,237	1,180	209	
Rate (%)	26.1	26.6	27.5	24.1	26.7	25.6	25.6	25.1	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**	**662**	**1,050**	**1,206**	**3,494**	**3,429**	**608**	**-16**
Adj PAT	**644**	**914**	**1,031**	**1,021**	**511**	**662**	**1,050**	**1,206**	**3,610**	**3,429**	**608**	**-16**
YoY Change (%)	-19.9	0.4	11.3	8.0	-20.7	-27.6	1.9	18.1	0.7	-5.0	-5.6	
Margins (%)	17.3	18.1	16.5	15.0	11.5	11.7	15.3	16.8	16.6	14.2	14.4	

Amara Raja

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	ARENM IN
Equity Shares (m)	183
M.Cap.(INRb)/(USDb)	177.6 / 1.9
52-Week Range (INR)	1058 / 670
1, 6, 12 Rel. Per (%)	8/12/2
12M Avg Val (INR M)	765

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	135.5	155.3	169.6
EBITDA	15.4	16.6	20.0
Adj. PAT	6.0	8.2	10.4
EPS (INR)	32.8	45.0	56.8
EPS Gr. (%)	-26.6	36.9	26.4
BV/Sh. (INR)	446	482	529
Ratios			
RoE (%)	7.7	9.7	11.2
RoCE (%)	7.6	9.4	10.7
Payout (%)	42.9	18.9	18.5
Valuations			
P/E (x)	29.5	21.6	17.1
P/BV (x)	2.2	2.0	1.8
Div. Yield (%)	1.1	0.9	1.1
FCF yield (%)	3.5	6.2	7.1

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	32.9	32.9	32.9
DII	15.3	17.0	14.0
FII	17.3	17.3	19.4
Others	34.5	32.9	33.8

FII includes depository receipts

CMP: INR970 TP: INR944 (-3%) Neutral

Earnings beat, driven by strong revenue growth

Price hikes and strong demand to support earnings

- Amara Raja (AMRJ)'s 1QFY27 PAT of INR2b came in 6% higher than our estimates. The company has recently taken a 3% price hike in the lead-acid business and expects to take a further hike of 2-3% to offset the commodity cost inflation in the business.
- Driven by a better-than-expected 1QFY27 performance, we raise our EPS estimates by 6%/8% for FY27/FY28. Management continues to maintain a positive medium-term outlook for the lead-acid business with medium-term revenue growth potential of about high single-digit to low double-digit levels.
- However, while the market is optimistic about AMRJ's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 21.6x FY27E/17x FY28E EPS, appears fairly valued. **We reiterate our Neutral rating with a TP of INR944, based on 15x standalone FY28E EPS and INR92/sh value of the investment in the New Energy business.**

Earnings beat driven by better-than-expected revenue growth

- AMRJ's 1QFY26 standalone revenue grew ~20.6% YoY to INR40.4b, 13% higher than our estimate. The new energy business revenue grew 73% YoY to INR2b, while lead acid business revenues grew 22% YoY to INR40b.
- Automotive domestic business revenues grew 20%+ YoY on the back of healthy OEM demand and double-digit growth in the aftermarket segment.
- The Home Energy segment grew 30%+ YoY, supported by a strong summer season, while the Industrial Battery business sustained momentum with the UPS segment recording double-digit revenue growth.
- The export 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.
- EBITDA rose 5% YoY to INR4b (in line).
- PAT grew ~5% YoY to INR2b (6% above est.) due to higher revenue growth.
- AMRJ invested INR1.5b in 1Q in the new energy business, taking the total investment to INR16.5b.

Highlights from the management commentary

- Management continues to maintain a positive medium-term outlook for the lead-acid business with medium-term revenue growth potential of around high single-digit to low double-digit levels, primarily driven by volume growth and selective pricing actions.
- Management expects the contribution from traded batteries to reduce going forward as internal manufacturing capacity becomes available. This should support improvement in gross margins as the company replaces traded products with internally manufactured batteries.

- ARE&M's lithium-ion Gigafactory projects remain on track, with commercialization expected during 2QCY27 with an initial capacity of 2GWh. Management indicated that the equipment for the 2GWh NMC line is expected to be delivered during Q3 FY27.
- The company aims to spend INR2.5-3b on the new BESS plant, which is expected to commercialize in CY26 with a capacity of 10GWh. The company expects the BESS facility to achieve approximately 5 GWh utilization within six months of commissioning, depending on market demand and order inflows.
- Management expects BESS operating margins to be in the range of approximately 5–6% initially, with potential improvement towards 7–8% as localization increases.
- During 1QFY27, AMRJ incurred approximately INR4.5b of capex of the planned INR17b for FY27, with the majority directed toward New Energy projects.

Valuation and view

- AMRJ's venture into the lithium-ion business appears strategically sound, given the opportunities in the segment and the evolving risks in its core business. However, there are notable challenges: 1) market opportunities are limited by existing OEM partnerships; 2) the low-margin nature of the lithium-ion business is likely to dilute returns; and 3) the long-term viability of the technology remains uncertain despite the large capital investment.
- Driven by a better-than-expected 1QFY27 performance, we raise our EPS estimates by 6%/8% for FY27/FY28. Management continues to maintain a positive medium-term outlook for the lead-acid business with medium-term revenue growth potential of about high single-digit to low double-digit levels.
- However, while the market is optimistic about AMRJ's Li-ion initiative, we are cautious about its potential returns. We believe the stock, trading at around 21.6x FY27E/17x FY28E EPS, appears fairly valued. **We reiterate our Neutral rating with a TP of INR944, based on 15x standalone FY28E EPS and INR92/sh value of the investment in the New Energy business.**

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**	**37,948**	**38,200**	**38,700**	**1,35,489**	**1,55,261**	**35,844**	**12.8**
YoY Change (%)	7.0	8.0	5.9	16.3	20.6	12.0	14.0	11.9	9.2	14.6	7.0	
RM Cost (% of sales)	70.5	67.2	68.2	70.2	71.5	70.5	70.0	69.2	69.1	70.3	71.0	50bp
Staff Cost (% of sales)	5.9	6.6	6.1	6.2	5.6	6.2	6.2	6.4	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**	**3,909**	**4,126**	**4,505**	**15,442**	**16,613**	**3,979**	**2.4**
Margins (%)	11.5	12.0	11.2	10.9	10.1	10.3	10.8	11.6	11.4	10.7	11.1	-100bp
YoY Change (%)	-10.2	-7.9	-9.9	10.2	5.4	-3.7	10.2	19.5	-5.2	7.6	2.9	
Depreciation	1,292	1,380	1,409	1,396	1,403	1,450	1,510	1,540	5,477	5,904	1,450	
Interest	104	83	87	134	107	110	115	118	407	450	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**	**2,569**	**2,711**	**3,085**	**10,478**	**11,087**	**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**	**2,569**	**2,711**	**3,085**	**13,069**	**11,087**	**2,579**	**5.6**
Tax	670	1,032	558	1,106	695	663	699	803	3,365	2,860	665	
Tax Rate (%)	25.7	25.4	26.9	25.5	25.5	25.8	25.8	26.0	25.7	25.8	25.8	
Adj PAT	**1,940**	**2,120**	**1,842**	**1,874**	**2,028**	**1,906**	**2,011**	**2,281**	**7,780**	**8,226**	**1,913**	**6.0**
YoY Change (%)	-20.7	-11.9	-19.8	12.4	4.5	-10.1	9.2	21.7	-11.7	5.7	-1.4	

Astra Microwave Products

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	ASTM IN
Equity Shares (m)	95
M.Cap.(INRb)/(USDb)	161.8 / 1.7
52-Week Range (INR)	1960 / 836
1, 6, 12 Rel. Per (%)	-7/95/72
12M Avg Val (INR M)	762

Financials Snapshot (INR b)

Y/E March	2027E	2028E	2029E
Sales	13.6	16.7	22.7
EBITDA	3.7	4.6	6.2
Adj. PAT	2.4	3.3	4.7
Adj. EPS (INR)	25.8	35.3	49.7
EPS Gr. (%)	26.8	36.9	40.9
BV/Sh.(INR)	164.2	199.5	249.2
Ratios			
RoE (%)	17.0	19.4	22.2
RoCE (%)	14.9	16.8	19.0
Valuations			
P/E (x)	66.1	48.3	34.2
P/BV (x)	10.4	8.5	6.8
EV/EBITDA (x)	43.2	35.0	25.7

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	6.5	6.5	6.5
DII	16.1	15.4	14.4
FII	10.7	7.6	6.5
Others	66.6	70.5	72.6

FII includes depository receipts

CMP: INR1,704 TP: INR1,900 (+12%) Buy

Inflow visibility improving

Astra Microwave's (ASTRA) 1QFY27 results were weaker than our expectations due to some execution slipping into next few quarters. Under-recovery in revenue affected overall margins, leading to a miss in PAT. In July, the company announced a large order inflow of INR22b from HAL for Uttam Radar, doubling the total order book to INR43b. We expect further such inflows from other programs such as QRSAM, Virupaksha and counter-drone over FY27-28, leading to a jump in execution from FY29 onward from these orders. Demerger process of space and meteorology is likely to complete over next few quarters. We revise our estimates by -2%/+2% for FY27/28 to bake in 1QFY27 performance and arrive at a revised TP of INR1,900 (earlier INR1,715) on roll-forward to 42x two-year forward earnings. A slightly higher valuation multiple takes into account large-sized order inflows materializing over time. Retain BUY.

Results below our estimates

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% vs. 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.

FY27 execution ramp-up to be visible from 2HFY27 onward

FY27 execution will be spread across radar, EW, space and meteorology programs, with key activities including HISAR, Su-30/Virupaksha, and Atulya. Existing EW orders from BHE are also expected to be executed during the year. Legacy DRDO space orders worth INR1b are planned for execution, while Doppler Weather Radar orders are expected to see deliveries before Mar'27. Management expects the current year's revenue target of around INR13.5b to be achieved despite some programs slipping from 1Q due to inspection issues, development-stage clearances and supply-chain constraints. Stronger execution is expected in 2HFY27 as materials are available and projects move through final clearances. Growth is expected to accelerate from FY29 onward as Uttam and QRSAM transition into larger-scale production. ASTRA aims to reach ~6-7x FY26 revenue over five years. We expect revenue to clock a CAGR of 25% over FY26-29.

Uttam radar execution to commence from FY28

The recent Uttam Radar order worth INR22b has an execution period of around five years, with the first 12 units targeted for delivery by Sep'27. Thereafter, Astra expects to execute around 25 units annually as production ramps up and is evaluating completion of the entire order by FY31, ahead of the contractual FY32 timeline. The large size of the order implies that revenue contribution will build progressively as production scales up rather than being concentrated in the initial years. Astra's participation in the airborne ecosystem, including Uttam, is also expected to support additional opportunities across future aircraft programs.

Order pipeline remains strong

Management sees ~INR80-90b of identifiable order opportunities over the next three-four years, to be executed over the following five-six years. This includes ~INR7-8b of QRSAM opportunity for the first three regiments, ~INR5-7.5b from Astra Rafael Comsys, and ~INR30b from the Su-30 Virupaksha and Angad programs. Potential opportunities, which have not been included in its INR80-90b order pipeline, can come from MMICs, counter-UAV systems, electromagnetic wall solutions and exports in these estimates.

Margin outlook remains strong despite weakness in 1QFY27

Management expects FY27 EBITDA margins to remain broadly similar to FY26, with some scope for a modest improvement. As Astra moves toward larger systems and DCPPs, initial margins could vary depending on product pricing and order size, particularly where the company prioritizes securing larger programs. However, AMCs, upgrades and recurring requirements are expected to provide additional economics over the product lifecycle.

Non-defense segments to scale up meaningfully over the medium term

The space business is expected to contribute ~INR1.2-1.5b to FY27 revenue guidance of INR13.5b. The space and metrology segments will be demerged into a separately listed entity, with the space business targeting its own satellite within six months of listing while exploring global LEO supply-chain opportunities and data monetization. In metrology, Astra is expanding beyond DWRs into avalanche radars and weather-forecasting applications. This entity is targeted to generate >INR3b of first-year revenue and potentially 18-20% PBT margins.

Financial outlook and valuation

We revise our estimates to bake in higher inflows for defense segment, incorporating recently awarded Uttam radar and the upcoming QRSAM order, followed by other platform orders. With execution likely to ramp up from these projects by FY28-29, we expect revenue/EBITDA/PAT to grow at a CAGR of 25%/23%/35% over FY26-29. ASTRA is currently trading at 66.1x/48.3x/34.2x P/E on FY27E/FY28E/FY29E EPS. **We arrive at a revised TP of INR1,900 (earlier INR1,715) on roll-forward to 42x two-year forward earnings.** A slightly higher valuation multiple takes into account large-sized order inflows materializing over time. Retain BUY.

Key risks and concerns

Key risks include delays in awarding of larger platforms, lower-than-expected spending from the government on the defense sector, slower export momentum, and supply-chain related constraints.

Consolidated - Quarterly Earning 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**	**2,440**	**3,117**	**6,230**	**11,628**	**13,554**	**2,252**	**-22**
YoY Change (%)	28.7	-6.5	0.7	19.7	-11.5	13.7	19.8	27.6	10.6	16.6	12.8	
Total Expenditure	1,588	1,667	1,777	3,258	1,436	1,903	2,307	4,181	8,290	9,827	1,802	-20
EBITDA	**410**	**478**	**825**	**1,624**	**331**	**537**	**811**	**2,049**	**3,338**	**3,727**	**450**	**-27**
YoY Change (%)	70.6	-2.8	8.3	35.9	-19.3	12.2	-1.8	26.2	24.1	11.7	10.0	
Margins (%)	20.5	22.3	31.7	33.3	18.7	22.0	26.0	32.9	28.7	27.5	20.0	
Depreciation	93	101	114	130	119	119	119	118	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**	**382**	**655**	**1,941**	**2,530**	**3,107**	**301**	**-58**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**195**	**300**	**614**	**1,420**	**128**	**382**	**655**	**1,941**	**2,530**	**3,107**	**301**	**-58**
Tax	48	85	194	351	34	113	184	529	678	859	92	-63
Rate (%)	24.6	28.2	31.7	24.7	26.5	29.6	28.1	27.2	26.8	27.7	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**	**322**	**524**	**1,478**	**1,930**	**2,447**	**262**	**-53**
Adj PAT	**163**	**239**	**468**	**1,060**	**123**	**322**	**524**	**1,478**	**1,930**	**2,447**	**262**	**-53**
YoY Change (%)	125.9	-5.9	-1.3	44.2	-24.1	34.7	11.9	39.4	25.7	26.8	60.7	
Margins (%)	8.1	11.1	18.0	21.7	7.0	13.2	16.8	23.7	16.6	18.1	11.6	

Y/E March	FY26				FY27	FY26	FY27E
INR m	1Q	2Q	3Q	4Q	1Q		
Segmental revenue							
Defense	1,726	1,661	2,129	2,851	1,420	8,367	10,037
Space	48	43	68	952	136	1,111	710
Metrology/Civil Telecom/Others	8	124	88	239	87	460	970
Exports (including deemed exports)	200	305	299	825	88	1,629	1,695
Other	16	13	18	15	35	62	62
Total Revenues	**1,997**	**2,146**	**2,602**	**4,882**	**1,767**	**11,628**	**13,554**

KEC International

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	KECI IN
Equity Shares (m)	266
M.Cap.(INRb)/(USDb)	120 / 1.3
52-Week Range (INR)	938 / 450
1, 6, 12 Rel. Per (%)	-12/-22/-43
12M Avg Val (INR M)	797

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	264.8	303.0	353.5
EBITDA	17.0	20.7	24.3
PAT	6.4	8.8	10.6
EPS (INR)	23.9	32.9	39.8
GR. (%)	-2.1	37.7	20.9
BV/Sh (INR)	247.8	272.7	304.6
Ratios			
ROE (%)	10.0	12.7	13.8
RoCE (%)	10.1	11.4	12.1
Valuations			
P/E (X)	18.8	13.7	11.3
P/BV (X)	1.8	1.7	1.5
EV/EBITDA (X)	9.9	8.5	7.5
Div Yield (%)	1.7	1.8	1.8

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	50.1	50.1	50.1
DII	23.3	26.9	22.6
FII	9.9	9.8	16.0
Others	16.6	13.2	11.3

FII includes depository receipts

CMP: INR451 TP: INR580 (+29%) Buy

The West Asia crisis continues to hurt performance

KEC International (KEC)'s 1Q result was in line on revenue and PAT fronts, while margins were below our estimates due to continued higher costs, led by the West Asia crisis and revenue loss during the quarter. Order inflow grew 14% YoY, taking the order book to INR377b, up 10% YoY. We expect the company's performance over the next few quarters to remain affected by lower recognition as supply chain challenges continue to hit cost and completion timelines. This is also likely to hurt the margin profile of KEC. Domestically too, the RoW issues and delayed projects in the civil segment have resulted in weak margins in non-T&D segments. We expect execution ramp-up and debt reduction in 2HFY27 to be the key performance drivers. We cut our estimates by 16%/5% for FY27/FY28 to reflect the weakness in margins. We also reduce our valuation multiple to 16x from 18x to bake in the continued uncertainties on margin improvement in the near-to-medium term. Consequently, we arrive at our revised TP of INR580 based on 16x two-year forward earnings. Reiterate BUY.

In-line revenue and PAT

KEC's 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 the completion of its ongoing projects. Gross margin expanded 120bp YoY to 24.0%, vs. our estimate of 22.8%. Absolute EBITDA declined 17% YoY to INR2.9b, while the EBITDA margin of 5.8% was below our estimate of 6.5%. While its margin was lower than our expectations, higher-than-expected other income and a lower tax rate led to an in-line PAT. KEC's 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 days stood at 134 as of 30th Jun'26 vs. 137 as of 31st Mar'26.

The Middle East disturbance hits 1Q performance

The Middle East disruptions remained a key drag on execution during 1QFY27, with ~INR3b of revenue deferred in 1QFY27, and some spillovers are expected into 2Q. This region accounts for ~25% of KEC's order book, or ~INR100b, broadly split between Saudi Arabia and the UAE. While projects continue to execute on the ground, elevated freight, insurance, and fuel costs have increased the cost of execution, with discussions ongoing with customers for recovery of these incremental costs. Correspondingly, execution growth has been tapered down. Supply-side disruptions remain more pronounced, with ~25-30% of project revenues linked to supplies sourced from outside the region, while higher shipping costs and disruptions to shipping routes have resulted in deferral of revenues. The Dubai facility has also faced delays in order finalization.

Execution status of the current order book

Execution remained uneven across businesses, with T&D and civil facing near-term challenges despite a strong overall order book and pipeline. T&D revenue growth in India was impacted by right-of-way constraints, particularly in Gujarat and Rajasthan, where a significant portion of renewable-linked projects are concentrated. **Civil** revenue grew 6% YoY, although execution was affected by labor shortages and delayed payments in the water business. The drag from legacy metro projects also remained significant, with four projects either completed or awaiting commissioning, resulting in maintenance-related costs of nearly INR100m per project per month until handover. In the **water business**, the order book was ~INR13b across Madhya Pradesh and Odisha. While the projects remained profitable, execution was deliberately moderated due to delayed payments. Most water projects are likely to be completed by FY27, with only around two projects potentially extending beyond Mar'27. In **railways**, most of the slow-moving projects are already ~95-97% complete. We factor in 15% revenue CAGR over FY26-29.

Margin performance to remain affected in the near term

Near-term margins are likely to remain under pressure, primarily due to cost overruns and the lack of operating leverage, with civil and railways continuing to report negative margins. The pressure is particularly visible in the standalone business, where T&D remains relatively resilient while legacy civil and transportation projects weigh on profitability. T&D margins, however, remain in double digits and are expected to stay close to double-digit levels, aided by adequate cost cushions and hedging. Cable margins are currently ~5%, with specialty cable products likely to support a gradual improvement as the product mix shifts towards higher-value offerings. Civil and railways segment margins continue to remain very weak. Given the ongoing uncertainty around the Middle East situation, we expect near-term margins to remain affected, and they are expected to improve as key operational headwinds ease. We build in margins of 6.4%/6.8%/6.9% over FY27/FY28/FY29E.

Working capital cycle to be reduced by the end of FY27

Working capital remains a key focus, with a focus on reduction through FY27. Receivables from Afghanistan stand at ~INR3b and have been outstanding for some time, while total receivables from the water business across Odisha and Madhya Pradesh are ~INR8-9b, of which ~INR4-5b are overdue. Around INR3b-4b of these water dues could be realized as payments from the Jal Jeevan Mission resume. Working capital was also elevated due to higher inventory at the Dubai facility amid delayed shipments, along with additional raw material and finished goods inventory built up in the cable business. Further support is expected from the closure of Saudi projects, which should release 50% of retention money upon physical handover, while railway claims already decided in KEC's favor could provide additional collections. Taken together, collections from Afghanistan, water dues, retention money, railway claims, and inventory unwinding should support a meaningful reduction in working capital, with the company targeting debt reduction of INR12b by FY27-end, from ~INR67b at the beginning of the year to ~INR55b by Mar'27.

Financial outlook and valuation

We cut our estimates by 16%/5% for FY27/28 to bake in an uncertain margin outlook owing to the West Asia crisis. We expect a CAGR of 15%/14%/18% in revenue/ EBITDA/ PAT over FY26-29. This will be driven by 1) order inflow growth of 21% on a strong prospect pipeline; 2) EBITDA margin of 6.4%/6.8%/6.9% over FY27/28/29E; and 3) stable NWC. KEC is currently trading at 18.8x/13.7x/11.3x on FY27E/28/29E EPS. We also reduce our valuation multiple to 16x versus 18x to bake in continued uncertainties on margin improvement in the near-to-medium term. **Consequently, we arrive at our revised TP of INR580 based on 16x two-year forward earnings. Reiterate BUY.**

Key risks and concerns

A slowdown in order inflows, higher commodity prices, an increase in receivables and working capital, and heightened competition are some of the key risks that could potentially affect our estimates.

Consolidated - Quarterly Earnings 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**	**68,838**	**68,838**	**76,850**	**2,35,055**	**2,64,762**	**50,236**	**(0)**
YoY Change (%)	11.3	19.1	12.2	(7.0)	0.0	13.0	14.7	20.3	7.6	12.6	0.0	
Total Expenditure	46,728	56,612	55,714	59,417	47,327	64,708	64,364	71,385	2,18,470	2,47,783	46,971	1
EBITDA	**3,501**	**4,304**	**4,300**	**4,481**	**2,908**	**4,130**	**4,474**	**5,465**	**16,586**	**16,978**	**3,265**	**(11)**
YoY Change (%)	29.5	34.4	14.8	(16.8)	(16.9)	(4.0)	4.1	22.0	10.3	2.4	(6.7)	
Margins (%)	7.0	7.1	7.2	7.0	5.8	6.0	6.5	7.1	7.1	6.4	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	1,694	1,736	1,874	6,636	6,944	1,850	(11)
Other Income	54	46	102	301	139	87	91	73	503	389	68	104
PBT before EO expense	**1,585**	**2,130**	**2,187**	**2,577**	**899**	**1,985**	**2,277**	**3,055**	**8,479**	**8,217**	**959**	**(6)**
Extra-Ord expense			588	0					588	0		
PBT	**1,585**	**2,130**	**1,599**	**2,577**	**899**	**1,985**	**2,277**	**3,055**	**7,891**	**8,217**	**959**	**(6)**
Tax	339	522	325	649	173	447	512	717	1,836	1,849	216	
Rate (%)	21.4	24.5	20.3	25.2	19.2	22.5	22.5	23.5	23.3	22.5	22.5	
Reported PAT	**1,246**	**1,608**	**1,275**	**1,928**	**726**	**1,538**	**1,765**	**2,339**	**6,056**	**6,368**	**743**	**(2)**
Adj PAT	**1,246**	**1,608**	**1,743**	**1,910**	**726**	**1,538**	**1,765**	**2,339**	**6,507**	**6,368**	**743**	**(2)**
YoY Change (%)	42.3	88.2	34.5	(28.8)	(41.7)	(4.3)	1.3	22.4	14.0	(2.1)	(40.4)	
Margins (%)	2.5	2.6	2.9	3.0	1.4	2.2	2.6	3.0	2.8	2.4	1.5	

	FY26				FY27	FY26	FY27E	YoY (%)
INR m	**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	49,013	2.6
Less intersegmental	(1,240)	(1,470)	(1,870)	(2,880)	(2,190)	(7,460)	(8,403)	76.6
Grand total	**50,230**	**60,920**	**60,010**	**63,890**	**50,240**	**2,35,050**	**2,64,762**	**0.0**

EPL

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	EPLL IN
Equity Shares (m)	320
M.Cap.(INRb)/(USDb)	75.5 / 0.8
52-Week Range (INR)	247 / 176
1, 6, 12 Rel. Per (%)	-2/12/5
12M Avg Val (INR M)	153

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	47.6	55.9	62.0
EBITDA	9.7	10.9	12.3
PAT	4.1	5.0	6.3
EBITDA (%)	20.3	19.5	19.9
EPS (INR)	12.8	15.6	19.7
EPS Gr. (%)	13.4	21.7	26.4
BV/Sh. (INR)	89.4	100.1	114.8
Ratios			
Net D/E	0.2	0.1	-0.1
RoE (%)	15.7	16.5	18.4
RoCE (%)	15.5	15.9	18.2
Payout (%)	41.2	32.0	25.4
Valuations			
P/E (x)	17.9	15.2	12.0
EV/EBITDA (x)	8.1	7.2	5.9
Div Yield (%)	2.2	2.1	2.1
FCF Yield (%)	3.4	5.7	8.9

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	26.4	26.4	26.4
DII	13.8	10.2	10.5
FII	14.1	17.2	17.2
Others	45.7	46.2	45.9

Note: FII includes depository receipts

CMP: INR236 TP: INR290 (+23%) Buy

Growth across all regions

In-line operating performance

- EPL reported revenue of INR13.8b (up 25% YoY) in 1QFY27, driven by revenue growth across all geographies. The EAP region posted the highest growth of 34% YoY, followed by America/Europe/AMESA, which grew 29%/20%/17% YoY, with strong growth of ~24% YoY in oral care and ~34% YoY in the personal care segment (B&C).
- We believe EPL is well-positioned to deliver healthy revenue growth on the back of continued scale-up of the B&C segment, ramp-up in oral care, expanding geographical presence in high-growth markets, and rising market share. Higher operating leverage, pricing discipline, and improved share of B&C mix (54% of tube revenue in 1QFY27 vs. 53% in FY26) should boost sustained margin improvement. Incrementally, the merger with INDOVIDA will further broaden the TAM and accelerate growth for the company.
- We maintain our estimates for FY27/FY28 despite the miss on our adj. PAT estimates. This is due to an upward revision in revenue guidance, which offset the adverse impact of higher tax rates and lower other income. We value the stock at 15x FY28E EPS to arrive at our TP of INR290. **Reiterate BUY.**

Strong revenue growth; Europe's margins under pressure

- Consolidated revenue grew 25% YoY to INR13.8b (est. in line). Gross margin stood at 59% (down ~150bp YoY). EBITDA margins contracted ~200bp YoY to 18.8% (est. 19.6%). EBITDA stood at INR2.6b (est. in line), up 15% YoY.
- Adj. PAT declined 3% YoY to INR967m (est. below), led by lower other income than last year and a higher tax rate (22% vs. 13.6% in 1QFY26).
- Revenue from AMESA/EAP/Americas/Europe grew 17%/34%/29%/20% YoY to INR4.4b/INR3.6b/INR3.8b/INR3.2b.
- EBITDA margins for AMESA/EAP/AMERICA/EUROPE dipped from 19.1%/21.6%/18.8%/17.9% in 1QFY26 to 18.5%/20.2%/18.1%/13.1% in 1QFY27.
- EBITDA for AMESA/EAP/America grew 13%/26%/25% YoY, while EBITDA for Europe declined 12% YoY.

Highlights from the management commentary

- **Guidance:** On the back of strong performance in B&C and ramp-up in the oral care segment, the company raised its FY27 guidance to high-teens vs. double-digit growth earlier; it also maintained its EBITDA margin guidance at 20%. The company aims to deliver double-digit PAT growth for FY27.
- **Europe:** This segment delivered strong topline growth (20% YoY), but margins were under pressure due to investments made ahead of the curve by the company along with certain cost inefficiencies. With higher scale and better operating efficiencies, management expects margins for Europe to recover from the coming quarter.

- **Growth strategy:** The company mentioned the following key focus areas for growth: i) to strengthen presence in the B&C segment where the growth potential is significant (aims to double global market share from ~8% to ~16%), ii) accelerate growth in high-growth markets (viz., Thailand), iii) maintain pricing discipline to sustain margins, and iv) to grow beyond tubes and expand in other consumer packaging products.
- **INDOVIDA:** Recent results were extremely buoyant with volume/revenue growth of 11%/25% and EBITDA of INR3.8b with 27% EBITDA margins (up 600+bps). The merger process is going as per schedule, and EPL expects substantial synergies in the form of expanding presence in the non-tube market and entering new geographies.

Valuation and view

- EPL continues to deliver a healthy operating performance across geographies (except Europe), supported by healthy demand, product innovations, an improving sustainable tube mix (44% of total volume in 1QFY27 vs. 38% in FY26), and continued capacity expansion. Merger with INDOVIDA has further expanded EPL's TAM, and it is well positioned to capitalize on the same.
- We expect a CAGR of 14%/13%/24% in revenue/EBITDA/adjusted PAT over FY26-28. We value the stock at 15x FY28E EPS to arrive at our TP of INR290. **Reiterate BUY.**

Consolidated - Quarterly Earnings (INR m)

Y/E March	FY26				FY27				FY26	FY27	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	%
Gross Sales	**11,079**	**12,059**	**11,488**	**13,005**	**13,879**	**14,184**	**13,179**	**14,665**	**47,631**	**55,906**	**13,126**	**6%**
YoY Change (%)	10.0	11.0	13.3	17.6	25.3	17.6	14.7	12.8	13.0	17.4	18.5	
Total Expenditure	8,811	9,543	9,180	10,441	11,267	11,403	10,455	11,859	37,975	44,984	10,557	
EBITDA	**2,268**	**2,516**	**2,308**	**2,564**	**2,612**	**2,781**	**2,724**	**2,806**	**9,656**	**10,923**	**2,568**	**2%**
Margins (%)	20.5	20.9	20.1	19.7	18.8	19.6	20.7	19.1	20.3	19.5	19.6	
Depreciation	896	944	968	1,042	1,094	1,095	1,090	1,012	3,850	4,291	1,050	
Interest	281	285	288	293	291	150	150	122	1,147	713	200	
Other Income	80	119	145	90	36	90	100	165	434	391	120	
PBT before EO expense	**1,171**	**1,406**	**1,197**	**1,319**	**1,263**	**1,626**	**1,584**	**1,838**	**5,093**	**6,311**	**1,438**	
Extra-Ord expense	0	0	120	162	-26	0	0	0	282	-26	0	
PBT	**1,171**	**1,406**	**1,077**	**1,157**	**1,289**	**1,626**	**1,584**	**1,838**	**4,811**	**6,337**	**1,438**	
Tax	159	348	237	123	283	314	306	355	867	1,257	273	
Rate (%)	13.6	24.8	22.0	10.6	22.0	19.3	19.3	19.3	18.0	19.8	19.0	
MI & Profit/Loss of Asso. Cos.	-12	-15	-23	-5	-20	-15	-15	-10	-55	-60	-15	
Reported PAT	**1,000**	**1,043**	**817**	**1,029**	**986**	**1,297**	**1,263**	**1,473**	**3,889**	**4,968**	**1,150**	
Adj PAT	**1,000**	**1,043**	**907**	**1,151**	**967**	**1,297**	**1,263**	**1,473**	**4,101**	**4,987**	**1,150**	**-16%**
YoY Change (%)	55.8	19.9	-3.0	-1.7	-3.4	24.4	39.3	28.0	13.4	21.6	15.0	
Margins (%)	9.0	8.6	7.9	8.8	7.0	9.1	9.6	10.0	8.6	8.9	8.8	

11 August 2026

Compant Update | Sector: Departmental Retail

Shoppers Stop

BSE SENSEX	S&P CNX
78,154	24,472

SHOPPERS STOP

Bloomberg	SHOP IN
Equity Shares (m)	110
M.Cap.(INRb)/(USDb)	47.2 / 0.5
52-Week Range (INR)	569 / 267
1, 6, 12 Rel. Per (%)	17/9/-17
12M Avg Val (INR M)	53

Financials & Valuations CONSOL (INR b)

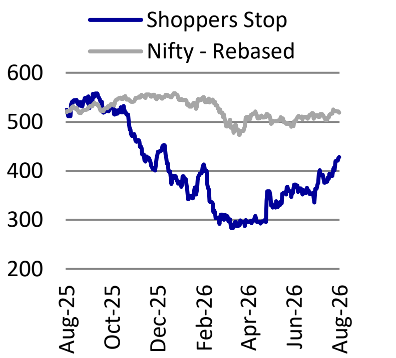
Y/E March	FY27E	FY28E	FY28E
Sales	55.8	61.6	67.4
EBITDA	2.4	2.7	3.1
Adj. PAT	0.7	1.0	1.3
EBITDA Margin (%)	4.3	4.5	4.6
Adj. EPS (INR)	6.0	9.4	12.0
EPS Gr. (%)	NA	NA	NA
BV/Sh. (INR)	43.7	56.2	71.9
Ratios			
Net D:E	(0.3)	(0.6)	(0.3)
RoE (%)	31.4	31.6	29.3
RoCE (%)	17.5	24.2	31.9
Payout (%)	-	-	-
Valuations			
P/E (x)	69.4	43.9	34.7
EV/EBITDA (x)	9.2	8.6	7.9
EV/Sales (x)	1.4	1.3	1.2
Div. Yield (%)	-	-	-

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	66.1	66.1	65.5
DII	25.7	25.4	25.5
FII	1.9	2.1	3.1
Others	6.3	6.4	5.9

FII includes depository receipts

Stock's performance (one-year)



CMP: INR428 | **TP: INR465 (+9%)** | **Neutral**

Quality of growth improves, returns to follow

- FY26 marks the first clear evidence that Shoppers Stop (SHOP)'s strategic repositioning is translating into better operating performance, with improving store productivity, stronger customer metrics and disciplined capital allocation driving higher-quality earnings.
- **The core department** store business has entered its strongest operating cycle in nearly a decade, supported by premiumization, a richer non-apparel mix, improving productivity, and a strengthening First Citizen ecosystem.
- Management has **shifted INTUNE and Standalone Beauty from aggressive expansion to improving unit economics**, while Global SS Beauty Brands continues to scale through a capital-light distribution model with superior growth potential.
- Unlike the past two years, future earnings growth is expected to be driven by operating leverage rather than network expansion, with improving mix, lower losses in newer businesses, and disciplined capital allocation supporting a structurally higher quality of earnings.
- We expect ~10% revenue CAGR over FY26–29, led by the core department store business, gradual improvement in INTUNE, and continued strong momentum in Global SS Beauty Brands.
- Operating leverage and narrowing INTUNE losses should expand pre-Ind AS EBITDA margins to ~4.6% by FY29 (vs. ~3% in FY26), driving ~31% pre-Ind AS EBITDA CAGR. Disciplined capital allocation should generate cumulative pre-Ind AS CFO/FCFF of INR6.7b/INR2.8b over FY27–29, supporting a sharp recovery in return ratios as the balance sheet strengthens.
- We value SHOP at 18x Sep'28E Pre-IND AS EBITDA (implying 32x Pre-IND AS P/E) to arrive at our revised TP of INR465.
- While improving store economics, lower INTUNE losses, and stronger cash generation support the earnings recovery, **we need further evidence of sustained execution before assigning a higher multiple. Reiterate Neutral**.

Department Stores: Premiumization driving a structural turnaround

- **The core department store** business has entered its strongest operating cycle in nearly a decade. LFL sales accelerated to 4.7% in FY26, while sales productivity increased 6% YoY, reflecting stronger customer demand and improved store economics.
- Premiumization continues to improve revenue quality. **Non-apparel increased to 40%** of department store sales (vs. 37% in FY23), led by Watches (+16%), Fragrances (+12%), and Handbags (+10%), while premium and premium-plus brands reached 69% of sales (+360bp YoY).
- Customer loyalty has become a meaningful competitive moat. First Citizen expanded to 13.5m (up 10% YoY), contributing 84% of department store sales (up 300bp).
- **The personal Shopper** program contributed 26% of department store revenue (vs. 22%), surpassing INR13b in sales during FY26, driving higher retention, wallet share, and spending.

- Capital allocation has become more disciplined, with department-store capex focused on 10–12 new stores and 4–5 major renovations annually.
- **We build in ~11% revenue CAGR over FY26–29, driven by ~6% retail area CAGR and mid-to-high single-digit SSSG.**

INTUNE: Execution before expansion

- INTUNE's initial rollout exposed weaknesses in merchandising, sourcing, and inventory management, prompting management to prioritize execution and unit economics before resuming expansion.
- Early signs suggest the turnaround is gaining traction. Revenue grew 46% YoY to INR2.8b, LFL sales turned positive, and repeat customer contribution rose to 45% (vs. 35%), indicating improving customer acceptance and merchandise relevance.
- Improving operational discipline is translating into better unit economics. Inventory reduced by INR360m, improving assortment quality and working capital, while store-level EBITDA has approached breakeven, suggesting losses have likely peaked.
- With merchandising and supply-chain foundations largely in place, **we expect 15%** revenue **CAGR**, improving operating leverage and meaningful loss reduction, with the business targeting profitability by FY28.

Beauty: Building a differentiated premium beauty ecosystem

- Beauty has evolved into a strategic growth platform spanning premium retail and exclusive brand distribution, expanding SHOP's addressable market and exposure to India's fast-growing premium beauty segment.
- **Global SS Beauty Brands (GSSBB)** has emerged as the key growth engine. Revenue increased 81% YoY to INR4.3b in FY26, supported by 40+ exclusive global brands, 27 retail partners, and 565+ points of sale, extending the beauty franchise well beyond SHOP's own stores.
- **Within the retail business, management is prioritizing profitability over expansion.** Underperforming beauty stores have been rationalized, while larger SSBeauty destinations, prestige beauty, and fragrances continue to gain share, supporting healthier unit economics and stronger customer engagement.
- Together, these businesses create a more diversified and capital-efficient earnings profile. We expect **GSSBB to clock ~26% CAGR** through its asset-light distribution model, while a **more disciplined retail portfolio** should support sustainable profitability.

SHOP vs. Lifestyle: Beyond the department store

- SHOP’s core department-store economics are broadly comparable and increasingly competitive vs. Lifestyle. In FY26, SHOP delivered a 39.8% gross margin and a 14.8% EBITDA margin (vs. 39.5% and 14.8%, respectively, for Lifestyle + Home Centre in FY25), suggesting the department-store format itself is not structurally disadvantaged.
- The key difference is portfolio mix rather than format productivity. Max Fashion is Lifestyle’s largest earnings engine, generating **INR57.4b revenue across 513 stores**, supported by scale, private-label sourcing, and superior inventory turns.

- **INTUNE is SHOP's opportunity to close this portfolio gap but remains early-stage.** Revenue of **INR2.8b across 84 stores** is still small, with the current focus on fixing merchandising, sourcing, and supply-chain inefficiencies before measured expansion. Successful execution could add a meaningful growth engine without requiring a change in the underlying department-store strategy.

Valuation and view

- **SHOP's repositioning is improving business quality**, with productivity-led growth, premiumization and tighter capital allocation replacing footprint-led expansion. Higher premium mix, 2.0 store productivity, and selective capex should support gradual margin and ROCE recovery.
- We value SHOP at 18x Sep'28E pre-IND AS EBITDA (implying 32x Pre-IND AS P/E) to arrive at our revised TP of INR465.
- While improving store economics, lower INTUNE losses, and stronger cash generation support the earnings recovery, **we need further evidence of sustained execution before assigning a higher multiple. Reiterate Neutral.**

Valuation based on Sep'28E EV/EBITDA

	Methodology	Pre-IND AS EBITDA	Multiple	Fair Value (INR b)	Value/sh (INR)
Enterprise Value	EV/EBITDA	2.9	17.5	51	466
Less Net debt				0	1
Equity Value				**51**	**465**
Shares o/s (m)				110	
CMP (INR)					426
Upside (%)					**9%**

Source: MOFSL, Company

Relative Valuation

	M.Cap	FY26-28E CAGR (%)			P/E (X)		EV/EBITDA (x)		EV/Sales (X)		RoE (%)	
	INR b	Sales	EBITDA	PAT	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
VMM	516	19.1	24.8	26.6	48.8	38.4	31.1	24.4	3.2	2.6	13.3	14.7
V-Mart	65	18.7	27.5	33.9	43.3	28.9	22.5	16.7	1.4	1.2	14.6	18.5
Value Retailers		**18.9**	**26.2**	**30.2**	**46.1**	**33.7**	**26.8**	**20.5**	**2.3**	**1.9**	**13.9**	**16.6**
D-Mart	2,574	16.7	16.1	16.3	74.2	64.1	45.5	39.3	3.2	2.8	13.7	13.7
Trent	1,600	20.3	25.9	23.4	76.1	60.3	46.1	36.3	6.6	5.4	27.6	27.8
Lenskart	996	25.9	44.1	47.3	120.5	86.0	62.7	46.1	8.5	6.8	8.9	11.3
ABLBL	112	8.3	12.3	20.3	42.6	37.4	17.2	14.1	1.3	1.2	17.4	17.5
Vedant Fashions	128	5.3	11.1	6.7	32.8	29.7	23.6	20.3	7.5	6.9	20.1	20.7
Arvind Fas	60	12.0	23.0	36.4	37.5	26.0	13.3	11.3	1.0	0.9	15.8	19.5
SHOP	**47**	**10.5**	**40.6**	**NA**	**71.7**	**45.4**	**19.5**	**16.6**	**0.8**	**0.7**	**31.4**	**31.6**
Traditional retailers		**13.0**	**20.1**	**23.0**	**55.6**	**43.7**	**29.5**	**23.7**	**3.8**	**3.2**	**14.3**	**15.5**
Metro	259	14.5	15.3	12.7	55.7	49.1	36.9	31.8	7.5	6.5	21.7	21.3
Relaxo	104	5.9	6.8	9.4	47.9	45.4	27.6	26.1	3.5	3.3	9.5	9.5
Bata	90	5.4	19.0	22.1	39.2	29.3	17.5	14.4	2.1	1.9	13.9	17.1
Campus	67	13.4	19.3	20.2	37.5	30.9	21.7	17.7	3.3	2.8	18.4	19.4
Footwear		**9.8**	**15.1**	**16.1**	**45.1**	**38.7**	**25.9**	**22.5**	**4.1**	**3.6**	**15.9**	**16.8**

Source: Company, MOFSL

IPM: Mid-teens growth streak continues

- IPM grew 13.6% YoY in Jul’26, compared to 7% in Jul’25 and 16% in Jun’26. On a 12-month (MAT) basis, IPM growth stood at 11.7% YoY.
- Growth was driven by strong outperformance in Anti-diabetic, VMN, and Cardiac therapies, which exceeded overall IPM growth by ~550bp, 300bp, and 240bp, respectively, in Jul’26.
- Acute therapies continued to maintain the growth momentum, with 12% YoY growth in Jul’26, compared to 13% in Jun’26 and 5% in Jul’25.
- The chronic therapy segment remained robust, registering double-digit growth of 16% YoY, supported by increased focus on chronic portfolios amid evolving lifestyle trends in the domestic market.
- For the 12 months ending Jul’26, IPM growth was driven by 4.7%/3.8%/3.2% YoY growth in prices/volume/new launches.
- Mounjaro remained the top-selling drug in Jul’26 with sales of INR1.8b, according to IQVIA.
- Mixtard continued to decline, reporting a 33% YoY decline in Jul’26, according to IQVIA data.

Performance of top companies in Jul’26

Company	MAT growth (%)	Jul’26 (%)
IPM	11.7	13.6
Abbott*	9.2	11.1
Ajanta	15.3	15.1
Alembic	2.9	8.2
Alkem*	10.6	14.1
Cipla*	11.2	13.6
Dr Reddys	13.8	14.5
Emcure*	4.5	4.4
Eris	9.7	7.6
Glaxo	9.3	11.3
Glenmark	14.9	15.7
Intas	16.4	16.2
Ipca	11.9	11.1
Lupin	14.1	16.3
Macleods	11.6	12.0
Mankind	9.5	12.6
Sanofi	11.4	6.7
Sun*	13.2	14.0
Torrent	12.6	16.1
Zydus*	13.1	12.9

Lupin/Intas/Glenmark outperform in Jul’26

- Among the top 20 pharma companies, Lupin (+16.3% YoY), Intas (+16.2% YoY), and Glenmark (+15.7% YoY) outperformed overall IPM in Jul’26.
- Emcure (+4.4% YoY), Sanofi (+6.7% YoY), Eris (+7.6% YoY), and Alembic (+8.2% YoY) were the key underperformers during the month.
- Lupin outperformed IPM, driven by strong momentum across Anti-Diabetic/Cardiac/AI.
- Glenmark outperformed IPM, driven by strong momentum in Cardiac/AI.
- Corono Remedies reported industry-leading price growth of 8.8% YoY on a MAT basis. Intas reported the highest volume growth of 10.1% YoY on a MAT basis. Ajanta Pharma/Pfizer posted the highest growth of 5.8% YoY in new launches on a MAT basis.

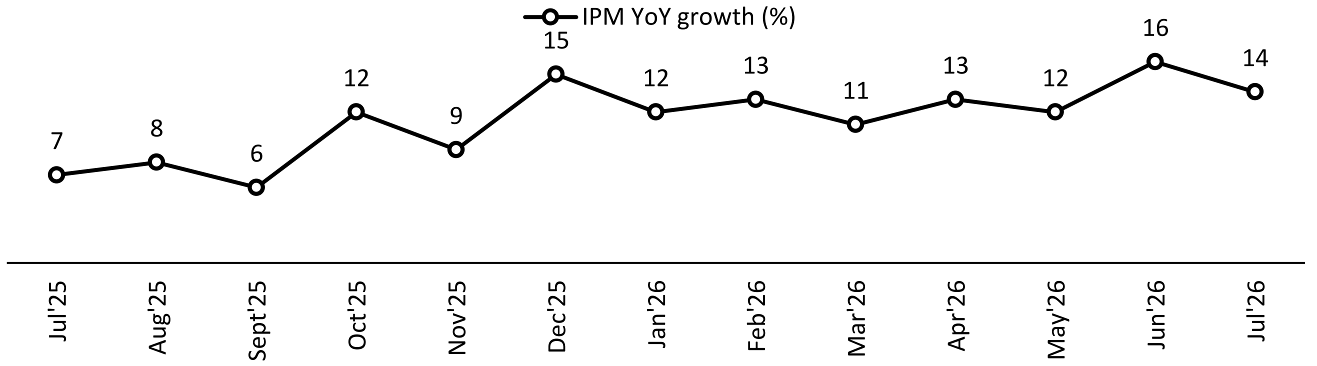
Cardiac/Anti-Diabetic/VMN lead YoY growth on a MAT basis

- On a MAT basis, the industry reported 11.7% YoY growth.
- On a MAT basis, chronic therapies posted 15.7% YoY growth, while acute therapies recorded 9.1% YoY growth in Jul’26.
- The acute segment’s share in overall IPM stood at 59.3% for MAT Jul’26
- Cardiac/Anti-Diabetic/VMN grew 15.7%/15.5%/13% YoY. AI/Gastro/Derma underperformed IPM by ~600bp/320bp/310bp on a YoY basis for 12 months ending in Jul’26.

MNCs continue to outperform domestic companies in YoY growth

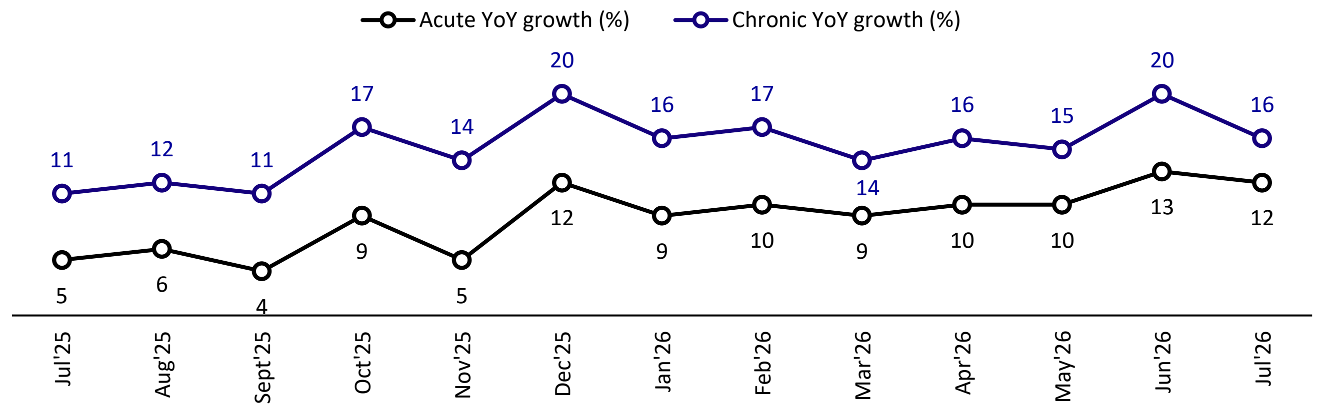
- As of Jul'26, Indian pharma companies retained a dominant 84% market share in IPM, with the remainder held by MNCs.
- In terms of growth, Indian companies expanded 13% YoY, while MNCs outpaced them with 16% YoY growth in Jul'26.

IPM posted 14% YoY growth in Jul'26



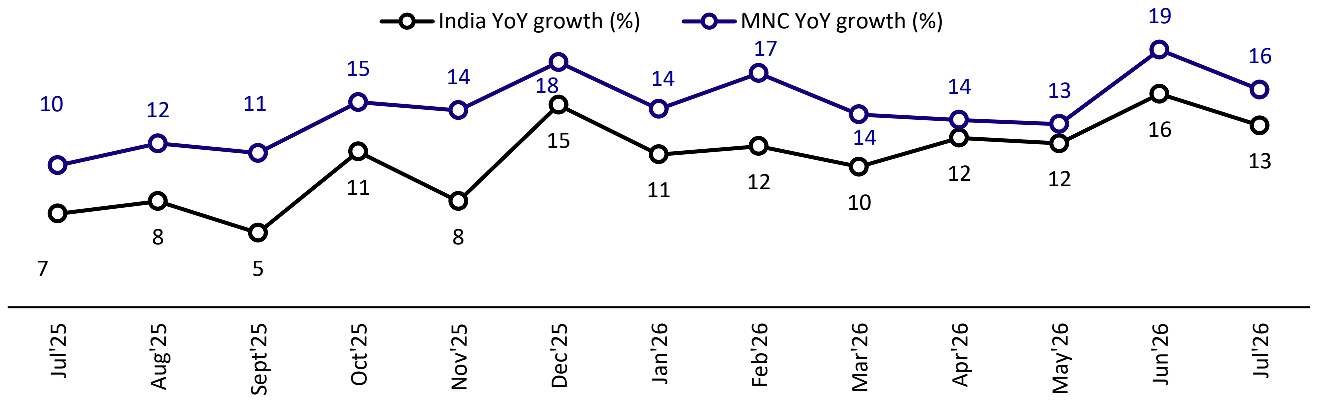
Source: MOFSL, IQVIA

Acute/chronic therapies registered YoY growth of 12%/16%



Source: MOFSL, IQVIA

Indian companies/MNCs reported 13%/16% YoY growth



Source: MOFSL, IQVIA

Gujarat Gas

BSE SENSEX	S&P CNX
78,154	24,472

Conference Call Details

Date: 12th Aug'26

Time: 1600 hrs IST

Dial-in details:

+91 22 6280 1354

+91 22 7115 8233

CMP: INR274 **Buy**

Beat driven by strong gas trading performance

- On 1st May'26, the GSPC Group Composite Scheme of Arrangement came into effect, transforming Gujarat Gas into an integrated energy company (renamed as Gujarat Energy), with the company now operating in the businesses of exploration and production of oil & gas, gas trading, gas transmission, power generation and city gas distribution. The gas transmission business has been demerged into GSPL Transmission, with the process for separate listing on the BSE and NSE currently underway.
- Standalone revenue stood at INR94.4b (+65% YoY, +64% QoQ).
- EBITDA stood at INR13b (+68% YoY, +66% QoQ). EBITDA margin came in at 13.7% (vs 13.6%/13.4% in 4QFY26/1QFY26).
- APAT was INR10b (+78% YoY, +76% QoQ).
- **Segmental performance:**
  - Gas trading EBIT jumped 3x YoY/78% QoQ.
  - CGD segment EBIT rose 8% YoY/35% QoQ.
- Jubilant Offshore Drilling (JODPL) defaulted on cash calls in the KG block, requiring Gujarat Gas (being the non-defaulting partner) to fund its share, resulting in an ~INR5.27b receivable. The entire amount has been provided for as an impairment through FY26 due to uncertain recovery, while Gujarat Gas pursues forfeiture and assignment of JODPL's participating interest as recovery, subject to NCLAT proceedings and government approval. No additional impairment was required in 1QFY27.

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

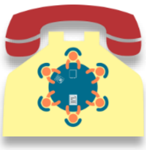
Y/E March	FY26				FY27				FY26	FY27E	FY27	Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)	(%)	(%)
Net Sales	**57,298**	**37,804**	**59,265**	**57,651**	**94,439**	**72,199**	**68,177**	**68,291**	**2,33,877**	**3,03,106**	**75,608**	**25%**	**65%**	**64%**
YoY Change (%)	28.8	0.0	42.7	-9.5	64.8	91.0	15.0	18.5	-13.4	29.6	95.3			
EBITDA	**7,704**	**4,473**	**9,555**	**7,825**	**12,954**	**7,595**	**7,556**	**6,740**	**31,512**	**34,845**	**11,877**	**9%**	**68%**	**66%**
Margin (%)	13.4	11.8	16.1	13.6	13.7	10.5	11.1	9.9	13.5	11.5	15.7			
Depreciation	1,412	1,343	1,476	1,444	1,421	1,523	1,523	1,626	5,790	6,093	1,523			
Interest	88	81	99	95	90	91	91	91	382	363	91			
Other Income	1,252	731	1,249	1,605	1,868	782	1,337	1,912	6,209	5,898	635			
PBT before EO expense	**7,455**	**3,779**	**9,230**	**7,891**	**13,311**	**6,763**	**7,279**	**6,934**	**31,549**	**34,287**	**10,898**	**22%**	**79%**	**69%**
Extra-Ord expense	0	0	32	630	0	0	0	0	-662	0	0			
PBT	**7,455**	**3,779**	**9,198**	**7,261**	**13,311**	**6,763**	**7,279**	**6,934**	**30,887**	**34,287**	**10,898**	**22%**	**79%**	**83%**
Tax	1,845	969	2,276	2,055	3,331	1,702	1,832	1,745	7,901	8,611	0			
Rate (%)	24.7%	25.6%	24.7%	28.3%	25.0%	25.2%	25.2%	25.2%	25.6%	25.1%	0.0			
Reported PAT	**5,611**	**2,810**	**6,922**	**5,206**	**9,980**	**5,061**	**5,447**	**5,189**	**22,986**	**25,676**	**10,898**	**-8%**	**78%**	**92%**
Adj. PAT	**5,611**	**2,810**	**6,946**	**5,657**	**9,980**	**5,061**	**5,447**	**5,189**	**23,478**	**25,676**	**10,898**	**-8%**	**78%**	**76%**
YoY Change (%)	70.1	-8.4	213.4	15.0	77.9	80.1	-21.6	-8.3	-42.3	9.4	233.5			

RESULTS FLASH

PI Industries

BSE SENSEX	S&P CNX
78,154	24,472

Conference Call Details



Date: 12th August 2026
Time: 12:00pm IST
Dial-in details:
Click Here

CMP: INR2,730 — Buy

Weak operating performance due to adverse operating leverage

Operating performance below estimates

- Revenue stood at INR17b (est. INR18.3b), down 10% YoY.
- Agrochemicals business revenue was down 10% YoY to INR16.5b, and pharma business revenue was down 25% YoY to INR542m.
- EBITDA stood at INR3.7b (est. INR4.6b), down 29% YoY.
- EBITDA margin contracted 570bp YoY to 21.6% (est. 26.5%); gross margin: 56.7% (down 70bp YoY); employee expenses 15.3% (up 310bp YoY); other expenses 19.8% of sales (up 190bp YoY).
- EBIT margin for the Agrochemical business stood at 23.3% (down 770bp), and Pharma reported operating loss of INR816m vs operating loss of INR760m in 1QFY26.
- Adj. PAT was down 39% YoY to INR2.4b (est. INR3.6b).

Segmental comentry

- **Agchem:** Export demand remained weak (revenue -12%, volume -8%), while domestic volumes grew ~12% led by strong biologicals growth, partially offset by pricing pressure and delayed monsoon-led demand postponement.
- **PIHS:** Revenue declined 25% YoY due to order phasing and customer delivery schedule timing.

Quarterly Earning Model (INRm)

Y/E March	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	(%)
Net Sales	**19,005**	**18,723**	**13,757**	**15,652**	**17,023**	**20,264**	**17,078**	**18,112**	**67,137**	**72,477**	**18,325**	**-7**
YoY Change (%)	-8.1	-15.7	-27.6	-12.4	-10.4	8.2	24.1	15.7	-15.8	8.0	-4	
Total Expenditure	13,814	13,310	10,734	12,283	13,349	14,489	12,979	13,955	50,141	54,772	13,469	
EBITDA	**5,191**	**5,413**	**3,023**	**3,369**	**3,674**	**5,775**	**4,099**	**4,157**	**16,996**	**17,705**	**4,856**	**-24**
Margins (%)	27.3	28.9	22.0	21.5	21.6	28.5	24.0	23.0	25.3	24.4	26.5	
Depreciation	965	980	1,054	1,067	1,037	1,150	1,090	1,214	4,066	4,491	1,000	
Interest	39	26	62	37	79	40	40	45	164	204	39	
Other Income	859	825	667	756	641	880	700	729	3,107	2,950	790	
PBT before EO expense	**5,046**	**5,232**	**2,574**	**3,021**	**3,199**	**5,465**	**3,669**	**3,627**	**15,873**	**15,960**	**4,607**	
Extra-Ord expense	0	0	-1,051	20	0	0	0	0	-1,031	0	0	
PBT	**5,046**	**5,232**	**3,625**	**3,001**	**3,199**	**5,465**	**3,669**	**3,627**	**16,904**	**15,960**	**4,607**	
Tax	1,074	1,160	516	1,003	776	1,257	844	834	3,753	3,711	1,060	
Rate (%)	21.3	22.2	14.2	33.4	24.3	23.0	23.0	23.0	22.2	23.3	23.0	
Minority Interest & P/L of Asso. Cos.	-28	-21	-4	-4	-19	-15	-15	-15	-57	-64	-15	
Reported PAT	**4,000**	**4,093**	**3,113**	**2,002**	**2,442**	**4,223**	**2,840**	**2,808**	**13,208**	**12,313**	**3,562**	
Adj PAT	**4,000**	**4,093**	**2,325**	**2,017**	**2,442**	**4,223**	**2,840**	**2,808**	**12,435**	**12,313**	**3,562**	**-31**
YoY Change (%)	-10.9	-19.5	-37.6	-39.0	-39.0	3.2	22.2	39.2	-25.1	-1.0	-11	
Margins (%)	21.0	21.9	16.9	12.9	14.3	20.8	16.6	15.5	18.5	17.0	19.4	

E: MOFSL Estimates

Bata India

BSE SENSEX	S&P CNX
78,154	24,472

CMP: INR699 — Neutral

Conference Call Details

Date: 13th Aug 2026
Time: 4:30PM IST

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	37.2	39.1	41.0
EBITDA	8.3	9.1	9.3
Adj. PAT	2.3	3.1	3.5
EBITDA Margin (%)	22.3	23.3	22.8
Adj. EPS (INR)	17.8	23.8	27.2
EPS Gr. (%)	11.4	33.8	14.2
BV/Sh. (INR)	133.1	145.0	158.6
Ratios			
Net D:E	0.1	0.0	-0.2
RoE (%)	13.9	17.1	17.9
RoCE (%)	10.7	12.5	13.1
RoIC (%)	12.8	16.1	18.1
Valuations			
P/E (x)	38.9	29.1	25.5
EV/EBITDA (x)	11.4	10.1	9.4
EV/Sales (X)	2.5	2.3	2.1
Div. Yield (%)	1.3	1.3	1.3

Stronger gross margin supports earnings recovery

- Revenue **grew 4% YoY** to INR 9.8b (**in line**). Growth was driven by a combination of premiumization and volume growth, with strong consumer engagement across channels.
- **Gross margin expanded 127bp YoY to 54.8%** (160bp ahead), supported by higher full-price sales and lower markdowns, despite continued RM pressures. Gross profit consequently grew 6% YoY to INR 5.4b.
- Employee costs declined 2% YoY, partly offsetting 16% YoY higher SG&A, primarily due to a ~25% increase in advertising spends.
- **EBITDA grew 3% YoY to INR2.0b** (4% below estimates), with margin contracting 27bp YoY to 20.8% as higher brand investments offset gross margin gains.
- Depreciation/finance costs dipped 3%/5%. Other income grew 6% YoY.
- **Adjusted PAT grew 13% YoY to INR640m** (15% ahead), supported by lower depreciation and finance costs.
  - One-offs of INR51m included forex and ERP implementation costs.

Management commentary

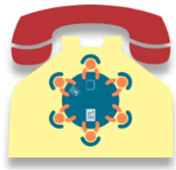
- **Inventory metrics continued to improve**, with gross inventory down >10% YoY. The Zero Base Merchandizing program has been scaled to **775 stores**, with encouraging results on consumer experience and revenue/sqft.
- Growth strategy remains centered on premiumization, volume expansion and stronger consumer engagement, supported by continued advertising investments. Management also highlighted operational excellence and disciplined capital allocation as key priorities.

Consol P&L (INR m)	1QFY26	4QFY26	1QFY27	YoY %	QoQ %	1QFY27E	vs. Est (%)
Total Revenue	**9,419**	**8,276**	**9,789**	**4**	**18**	**9,846**	**-1**
Raw Material cost	4,381	3,606	4,429	1	23	4,613	-4
Gross Profit	**5,038**	**4,670**	**5,360**	**6**	**15**	**5,233**	**2**
Gross margin (%)	***53.5***	***56.4***	***54.8***	***127.2***	***-167.3***	***53.2***	***160.7***
Employee Costs	1,163	1,132	1,136	-2	0	1,191	-5
SGA Expenses	1,887	1,807	2,185	16	21	1,920	14
EBITDA	**1,988**	**1,732**	**2,040**	**3**	**18**	**2,122**	**-4**
EBITDA margin (%)	***21.1***	***20.9***	***20.8***	***-27.2***	***-8.7***	***21.6***	***-71.4***
Depreciation and amortization	1,061	1,050	1,034	-3	-2	1,259	-18
EBIT	927	682	1,006	8	48	863	17
EBIT margin (%)	*9.8*	*8.2*	*10.3*	*43.1*	*203.8*	*8.8*	*151.1*
Finance Costs	349	336	327	-6	-3	345	-5
Other income	170	195	180	6	-8	224	-19
Exceptional item	48	505	0			0	NM
Profit before Tax	**700**	**36**	**859**	**23**	**2,295**	**741**	**16**
Tax	181	15	219	21	1,326	187	17
Tax rate (%)	*25.8*	*42.9*	*25.5*	*-1.1*	*-1735.5*	*25.2*	*NM*
Profit after Tax	**520**	**20**	**640**	**23**	**3,023**	**554**	**15**
Adj Profit after Tax	**568**	**525**	**640**	**13**	**22**	**554**	**15**

Senco Gold

BSE SENSEX	S&P CNX
78,154	24,472

Conference Call Details



Date: 12th Aug 2026
Time: 11:00 AM
Dial-in details:
+91 22 6280 1146 /
+91 22 7115 8047

Diamond Pass Registration

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	84.3	104.5	119.5
Sales Growth (%)	33.2	23.9	14.4
EBITDA	9.8	7.9	8.9
EBITDA Margin (%)	11.6	7.6	7.5
Adj. PAT	5.8	3.8	4.2
EPS (INR)	35.3	23.1	25.5
EPS Gr. (%)	185.8	-34.7	10.6
BV/Sh. (INR)	153.5	174.2	196.8
Ratios			
Debt/Equity	0.7	1.2	1.1
RoE (%)	25.8	14.1	13.7
RoIC (%)	18.2	10.3	9.6
Valuations			
P/E (x)	11.4	17.5	15.8
EV/EBITDA (x)	4.5	5.9	5.3

CMP: INR404 TP: INR430 (+6%) Neutral

Strong revenue performance; miss in margin

- Senco reported strong consolidated revenue growth of 67% YoY to INR31b (est. INR29b) in 1QFY27, backed by a favorable festive calendar spanning Akshaya Tritiya, Poila Baisakh, etc. and the onset of the summer wedding season.
- SSSG stood at 38% YoY vs. 33% for TTAN, 28% for Kalyan and 46% for PN Gadgil.
- Titan (Jewelry standalone, ex-bullion), Kalyan India, and P N Gadgil (retail) delivered revenue growth of 38%, 47%, and 54% in 1Q.
- Senco in its pre-quarter business update indicated that gold prices remained elevated YoY but declined QoQ, while the customs-duty increase resulted in ~9% higher domestic gold prices. The benefit from higher gold prices is expected to accrue over 1Q-2Q, supported by the company's ~50% hedging position. However, the decline in gold prices and heavy discounting during 1Q are likely to limit the benefit and weigh on margins in 1Q. As inventory is liquidated and hedges unwind, Senco expects the benefit to be more visible in 2Q.
- Consolidated gross margin contracted sharply by 300bp YoY to 16.1% (vs. est. 16%; 22.4% in 4QFY26). We do note that quarterly margins remain volatile.
- Employee expenses rose 22% YoY, while other expenses grew 86% YoY.
- EBITDA margin contracted 300bp YoY and 680bp QoQ to 7.0% (est. 8.7%, 13.7% in 4QFY26) due to the sharp fall in gross margins.
- EBITDA grew 16% YoY to INR2.1b (est. INR2.5b).
- APAT declined 3% YoY to INR1b (est. INR1.4b, 4QFY26 INR1.6b).

Consolidated Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Stores	186	192	196	201	208	213	218	221	201	221	208	
Net Sales	18,263	15,361	30,710	19,967	30,560	19,201	35,009	19,684	84,300	1,04,455	28,855	5.9
Change (%)	30.1	2.4	50.1	44.9	67.3	25.0	14.0	-1.4	33.2	23.9	58.0	
Gross Profit	3,489	2,616	6,107	4,468	4,933	2,784	5,251	3,464	16,680	16,432	4,617	6.9
Gross Margin (%)	19.1	17.0	19.9	22.4	16.1	14.5	15.0	17.6	19.8	15.7	16.0	
Operating Expenses	1,653	1,551	1,999	1,724	2,802	1,536	2,626	1,524	6,928	8,487	2,106	
% of Sales	9.1	10.1	6.5	8.6	9.2	8.0	7.5	7.7	8.2	8.1	7.3	
EBITDA	1,836	1,065	4,108	2,744	2,131	1,248	2,626	1,940	9,752	7,945	2,510	(15.1)
Margin (%)	10.1	6.9	13.4	13.7	7.0	6.5	7.5	9.9	11.6	7.6	8.7	
Change (%)	68.8	30.3	281.8	116.0	16.1	17.2	-36.1	-29.3	129.4	-18.5	36.7	
Interest	430	462	590	561	679	550	475	929	2,042	2,634	550	
Depreciation	187	190	211	232	215	245	250	276	820	986	235	
Other Income	186	178	301	134	153	185	170	211	799	719	190	
PBT	1,406	591	3,608	2,085	1,389	638	2,071	946	7,689	5,044	1,915	(27.5)
Tax	359	103	922	516	378	160	518	211	1,900	1,266	479	
Effective Tax Rate (%)	25.6	17.4	25.5	24.7	27.2	25.0	25.0	22.3	24.7	25.1	25.0	
Adjusted PAT	1,047	488	2,687	1,569	1,011	479	1,553	735	5,790	3,778	1,437	(29.6)
Change (%)	104.1	41.4	395.7	151.3	-3.4	-1.9	-42.2	-53.1	186.0	-34.7	37.3	
PAT	1,047	488	2,640	1,569	1,011	479	1,553	735	5,743	3,778	1,437	

Gokaldas Export

BSE Sensex	S&P CNX
78,154	24,472

Conference Call Details

Date: 12 August 2026
Time: 11:30 IST
Diamond pass link

CMP: INR789 **Buy**

Revenue rises 20.7% YoY, operating margin down 40bp

- Consolidated revenue grew 20.7% YoY to INR11.5b (estimate INR10.6b), while standalone revenue grew 17.8% YoY to INR7.5b.
- Gross margin declined by 130bp YoY to 52.4%.
- EBITDA came in at INR1.1b (~4% ahead our estimates) (+15.6% YoY), with EBITDA margin at 9.8% (-40bp YoY).
- Employee expenses grew 17.0% YoY, while the other expenses grew 27.1%.
- APAT grew 6.8% to INR443m (~1% below our estimates), with APAT margin of 3.8% on account of higher interest expenses (+35.7% YoY), offsetting higher other income (+24.7% YoY).

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

Y/E March	FY26				FY27E				FY26	FY27E	1Q FY27E	v/s Est (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	**9,558**	**9,844**	**9,787**	**10,688**	**11,535**	**11,419**	**12,429**	**12,764**	**39,876**	**47,220**	**10,609**	*9%*
YoY Change (%)	2.5	6.0	-0.9	5.3	20.7	16.0	27.0	19.4	3.2	18.4	11.0	
RM Cost	4,424	5,134	4,480	5,209	5,491	5,515	5,966	6,028	19,247	22,666	5,156	
Gross Profit	**5,134**	**4,710**	**5,306**	**5,480**	**6,044**	**5,903**	**6,463**	**6,735**	**20,630**	**24,555**	**5,453**	*11%*
Margins (%)	53.7	47.8	54.2	51.3	52.4	51.7	52.0	52.8	51.7	52.0	51.4	
Total Expenditure	8,585	9,197	9,017	9,523	10,410	10,269	11,122	11,386	36,313	42,309	9,532	
EBITDA	**973**	**646**	**769**	**1,165**	**1,125**	**1,149**	**1,307**	**1,378**	**3,564**	**4,911**	**1,077**	*4%*
Margins (%)	10.2	6.6	7.9	10.9	9.8	10.1	10.5	10.8	8.9	10.4	10.2	-4%
Depreciation	394	426	463	386	458	450	480	520	1,669	1,850	400	
Interest	225	223	240	264	305	250	240	232	952	992	270	
Other Income	214	190	195	185	267	195	210	227	773	822	190	
PBT before EO expense	**568**	**187**	**261**	**700**	**628**	**644**	**797**	**853**	**1,716**	**2,891**	**597**	
PBT	**568**	**187**	**261**	**700**	**628**	**644**	**797**	**853**	**1,716**	**2,891**	**597**	
Tax	153	106	115	340	185	161	199	213	715	723	149	
Rate (%)	27.0	56.8	44.1	48.6	29.5	25.0	25.0	25.0	41.7	25.0	25.0	
Reported PAT	**415**	**81**	**146**	**360**	**443**	**483**	**598**	**640**	**1,001**	**2,168**	**448**	*-1%*
Adj PAT	**415**	**81**	**146**	**360**	**443**	**483**	**598**	**640**	**1,001**	**2,168**	**448**	*-1%*
YoY Change (%)	52.6	-71.3	-71.0	-31.9	6.8	497.7	309.0	77.7	-36.8	116.5	7.9	
Margins (%)	4.3	0.8	1.5	3.4	3.8	4.2	4.8	5.0	2.5	4.6	4.2	

Repco Home Finance

BSE Sensex	S&P CNX
78,154	24,472

Conference Call Details

Date: 12th Aug'26

Time: 16:00 HRS IST

Dial-in details:

Link

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	7.7	8.2	9.4
PPP	5.5	5.9	7.0
PAT	4.5	4.4	5.0
EPS (INR)	72.4	70.5	79.9
EPS Gr. (%)	1	-3	13
BV/Sh. (INR)	624	690	765
Ratios			
NIM (%)	5.1	4.9	5.0
C/I ratio (%)	31.8	32.1	30.2
RoAA (%)	2.9	2.5	2.6
RoE (%)	12.2	10.7	11.0
Payout (%)	4.1	6.2	6.2
Valuation			
P/E (x)	5.2	5.3	4.7
P/BV (x)	0.6	0.5	0.5
P/ABV (x)	0.6	0.6	0.5
Div. Yield (%)	0.8	1.2	1.3

CMP: INR376 | Neutral

Steady 1QFY27 performance amid margin pressure

Earnings supported by lower opex; repayment rates rose ~110bp YoY

- Repco's (REPCO) 1QFY27 PAT grew 6% YoY to INR1.1b (~5% beat). NII in 1QFY27 grew ~13% YoY to ~INR2.1b (in line). Other income declined ~27% YoY to INR110m (vs est. of INR120m; ~8% miss). Opex rose ~12% YoY to INR592m (~12% lower than est.).
- PPOP grew ~10% YoY to INR1.6b (~9% beat). Credit costs were higher than estimates at INR97m and translated into annualized credit costs of 25bp (PY: -7bp and PQ: -29bp).
- Stock trades at 0.5x FY27E P/BV.

Loan book grows ~9% YoY; housing loan share remains stable at ~71%

- Disbursements grew ~2% YoY to INR8.4b in 1QFY27. Loan book grew ~9% YoY/0.7% QoQ to ~INR160b. Repayment rates rose ~110bp YoY to ~18.5% (PY: ~17.4% and PQ: 18.2%).
- As of Jun'26, loans to the non-salaried segment accounted for ~54% of the outstanding loan book and loans for salaried segment accounted for ~46%. Housing loans accounted for ~71% of the loans, while Home Equity accounted for ~29% of the loan book.

Reported yields decline ~30bp QoQ; NIMs contract ~10bp QoQ

- Reported yields declined ~30bp QoQ to ~11.7%, whereas CoB declined 10bp QoQ to ~8.3%. This led to spreads declining ~20bp QoQ to ~3.4%. Reported NIM contracted ~10bp QoQ to 5.4%.
- Capital adequacy ratio stood at ~36% as of Jun'26.

Minor deterioration in asset quality; stage 2 rises ~20bp QoQ

- GS3 increased ~10bp QoQ to ~2.7%, while NS3 rose ~5bp QoQ to ~1.25%. PCR on S3 loans declined ~40bp QoQ to ~54.5%. Stage 2 rose ~20bp QoQ to ~7.2% as of Jun'26.
- For the book originated from Apr'22 onwards, GS2 stood at 4.3% (vs 7.2% for the overall book), and GS3 stood at 1.1% (vs 2.6% for the overall book).

Valuation and view

- REPCO delivered steady earnings, supported by lower operating expenses, although margins contracted due to lower yields. With the stock currently trading at ~0.5x FY27E P/BV, our key focus will remain on the demand environment, disbursement outlook, and margin trajectory.
- We will closely monitor management's outlook on FY27 loan growth and margins and may revisit our estimates following further clarity from the earnings call scheduled on 12th Aug'26 at 4PM.

Quarterly performance (INR M)

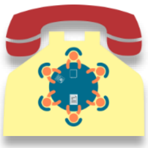
Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	Act v/s est(%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	4,257	4,334	4,453	4,441	4,569	4,670	4,815	4,841	17,501	18,896	4,535	1
Interest Expenses	2,441	2,444	2,489	2,468	2,513	2,573	2,676	2,925	9,842	10,687	2,542	-1
Net Income	**1,816**	**1,890**	**1,964**	**1,974**	**2,056**	**2,097**	**2,139**	**1,917**	**7,660**	**8,209**	**1,993**	**3**
YoY Growth (%)	8.3	14.2	10.2	15.5	13.2	11.0	8.9	-2.9	9.0	7.2	9.7	
Other income	150	123	118	100	110	130	135	148	476	523	120	-8
Total Income	**1,966**	**2,013**	**2,082**	**2,074**	**2,166**	**2,227**	**2,274**	**2,065**	**8,135**	**8,732**	**2,113**	**3**
YoY Growth (%)	7.3	6.8	5.3	9.6	10.2	10.6	9.2	-0.4	8.6	7.3	7.5	
Operating Expenses	530	603	748	704	592	604	616	992	2,585	2,804	669	-12
YoY Growth (%)	17.2	16.7	39.9	20.6	11.7	0.1	-17.7	40.9	23.8	8.4	26.3	
Operating Profits	**1,436**	**1,410**	**1,334**	**1,370**	**1,574**	**1,624**	**1,658**	**1,072**	**5,550**	**5,929**	**1,444**	**9**
YoY Growth (%)	4.1	3.1	-7.6	4.7	9.6	15.2	24.3	-21.7	2.7	6.8	0.5	
Provisions	-27	-15	-156	-114	97	-24	33	-70	-311	36	-8	-
Profit before Tax	**1,463**	**1,424**	**1,490**	**1,483**	**1,477**	**1,648**	**1,625**	**1,143**	**5,860**	**5,893**	**1,452**	**2**
Tax Provisions	384	355	402	192	336	415	410	324	1,333	1,485	366	-8
Profit after tax	**1,080**	**1,069**	**1,088**	**1,291**	**1,142**	**1,233**	**1,216**	**818**	**4,528**	**4,408**	**1,086**	**5**
YoY Growth (%)	2.4	-5.0	2.1	12.3	5.7	15.3	11.7	-36.6	0.8	-2.6	0.6	
Loan growth (%)	7.2	7.7	8.8	9.6	8.9				10.6	12.0		
Cost to Income Ratio (%)	26.9	30.0	35.9	34.0	27.3				31.8	32.1		
Tax Rate (%)	26.2	24.9	27.0	12.9	22.7				22.7	25.2		
Key Parameters (%)												
Yield on loans (Cal)	11.7	11.7	11.7	11.4	11.5				11.8	11.4		
Cost of funds (Cal)	8.8	8.7	8.6	8.2	8.3				8.4	8.2		
Spreads (Cal)	2.9	3.0	3.1	3.1	3.2				3.4	3.2		
NIMs (Reported)	5.4	5.5	5.6	5.5	5.4				5.1	4.9		
Credit Cost	-0.07	-0.04	-0.41	-0.29	0.24				-0.2	0.0		
Cost to Income Ratio	26.9	30.0	35.9	34.0	27.3				31.8	32.1		
Tax Rate	26.2	24.9	27.0	12.9	22.7				22.7	25.2		
Balance Sheet												
AUM (INR B)	146.9	150.3	153.9	158.8	159.9				158.8	176.7		
Change YoY (%)	7.2	7.7	8.8	9.6	8.9				9.6	11.2		
AUM Mix (%)												
Non-Salaried	52.3	53.0	53.0	53.0	53.5				51.3	51.4		
Salaried	47.7	47.0	47.0	47.0	46.5				48.7	48.6		
AUM Mix (%)												
Home loans	72.4	71.0	71.0	71.0	70.8				71.0	70.0		
LAP	27.6	29.0	29.0	29.0	29.2				29.0	30.0		
Disbursements (INR B)	8.3	10.7	10.6	11.9	8.4				41.5	47.1		
Change YoY (%)	21.8	23.3	39.8	21.6	1.7				26.3	13.5		
Borrowings (INR B)	110.7	115.0	117.7	122.2	120.8				122.1	138.0		
Change YoY (%)	1.5	0.3	6.2	9.6	9.1				9.6	13.0		
Loans/Borrowings (%)	132.6	130.8	130.8	130.0	132.4				130.1	128.0		
Borrowings Mix (%)												
Banks	82.1	84.8	84.1	85.5	86.7				77.7	79.2		
NHB	8.4	7.0	7.0	6.2	6.2				12.0	10.8		
Repco Bank	8.2	7.0	6.9	5.4	4.8				10.3	10.0		
NCD	0.0	0.0	0.0	1.0	1.0							
CP	1.3	1.2	1.2	1.2	0.6							
Asset Quality												
GS 3 (INR B)	4.9	4.8	4.5	4.1	4.3				4.1	3.7		
Gross Stage 3 (% on Assets)	3.30	3.16	2.92	2.55	2.67				2.6	2.1		
NS 3 (INR B)	1.72	2.25	2.13	1.82	1.94				1.8	1.7		
Net Stage 3 (% on Assets)	1.2	1.54	1.42	1.17	1.2				1.2	1.0		
PCR (%)	64.7	52.5	52.7	55.1	54.6				55.1	54.0		
Return Ratios (%)												
ROA (Rep)	2.9	2.9	2.9	3.4	2.9				2.9	2.5		
ROE (Rep)	14.0	13.5	13.3	14.9	12.7				12.2	10.7		

E: MOFSL Estimates

Laxmi Dental

BSE SENSEX	S&P CNX
78,154	24,472

Conference Call Details



Date: 12th Aug 2026
Time: 11:00 am IST
Dial-in details: Link

Financials & Valuations (INRm)

Y/E MARCH	FY26	FY27E	FY28E
Sales	2,779	3,307	3,921
EBITDA	434	599	732
Adj. PAT	317	443	571
EBITDA Margin (%)	15.6	18.1	18.7
Cons. Adj. EPS (INR)	5.8	8.1	10.4
EPS Gr. (%)	21.1	39.9	28.7
BV/Sh. (INR)	44.3	52.3	62.7
Ratios			
Net D:E	-0.1	-0.2	-0.3
RoE (%)	14.0	17.1	18.0
RoCE (%)	14.5	16.5	17.3
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	36.4	25.3	20.2
EV/EBITDA (x)	26.7	18.3	14.9
EV/Sales (x)	4.2	3.4	2.8
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-2.0	2.0	1.6

CMP: INR210

Revenue in line; profitability exceeds our estimate

- Revenue for 1QFY27 grew 14% YoY to INR747m (our est: INR761m).
- Aligner business revenue grew 27% YoY to INR236m. Laboratory business grew 13% YoY to INR500m.
- Gross margins stood at 78.6% (up 530bp) driven by a change in the product mix.
- EBITDA margin came in at 19.2% (our est: 17%), up 110bp YoY. This was due to a rise in employee/other expenses (up 200/220bp as % of sales).
- EBITDA grew 20.6% YoY to INR144m (our est: INR129m).
- Adj. PAT grew 23% YoY at INR103m (our est: INR90m.

Other updates

- As of Jun'26, the company had utilized INR779m (~61% of IPO proceeds), primarily towards repayment/prepayment of borrowings (INR276m), general corporate purposes (INR321m), and capex for new machinery, including subsidiary investments (INR180m).

Consolidated - Quarterly Earnings

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	vs Est
Net Sales	**656**	**723**	**660**	**740**	**747**	**845**	**805**	**896**	**2,779**	**3,293**	**761**	**-1.8%**
YoY Change (%)	9.9	26.5	7.1	21.9	13.9	17.0	21.8	21.2	16.2	18.5	16	
Total Expenditure	537	612	591	605	603	687	659	730	2,345	2,680	631	
EBITDA	**119**	**110**	**70**	**135**	**144**	**158**	**146**	**166**	**434**	**613**	**129**	**11.1%**
YoY Change (%)	-15.0	26.3	-27.6	41.8	20.6	43.4	109.1	22.8	3.6	41.3	**9**	
Margins (%)	18.2	15.3	10.5	18.3	19.2	18.7	18.1	18.5	15.6	18.6	17	
Depreciation	36	37	42	44	43	50	48	53	159	194	**45**	
EBIT	**83**	**73**	**28**	**91**	**100**	**108**	**98**	**113**	**275**	**419**	**84**	
YoY Change (%)	-21.7	36.6	-50.6	74.5	20.5	48.3	250.0	23.4	2.5	52.1	**1**	
Interest	5	2	3	3	3	1	1	1	14	6	1	
Other Income	17	24	21	24	23	25	24	27	85	99	23	
PBT before EO expense	**96**	**94**	**46**	**111**	**120**	**132**	**121**	**138**	**347**	**512**	**106**	
Extra-Ord expense	0	0	58	0	0	0	0	0	58	0	0	
PBT	**96**	**94**	**-12**	**111**	**120**	**132**	**121**	**138**	**289**	**512**	**106**	
Tax	23	19	-22	5	25	16	15	17	25	72	13	
Rate (%)	23.8	19.8	175.6	4.5	20.7	12.0	12.0	12.0	8.6	14.0	12	
MI & P/L of Asso. Cos.	10	10	10	-5	8	0	3	5	24	16	-3	
Reported PAT	**83**	**85**	**19**	**101**	**103**	**116**	**109**	**127**	**289**	**455**	**90**	
Adj PAT	**84**	**85**	**47**	**101**	**103**	**116**	**109**	**127**	**317**	**455**	**90**	**14.0%**
YoY Change (%)	-20.1	44.8	-2.3	150.2	22.7	36.3	133.3	25.4	21.1	43.7	7.7	
Margins (%)	12.8	11.8	7.1	13.7	13.8	13.8	13.6	14.1	11.4	13.8	11.9	

In conversation

Embassy Developments: Maintain Rs 6,000 Cr Pre-Sales & Rs 5,000 Cr Collections In FY27; Rajesh Kaimal, Chief Financial Officer

- Reaffirmed ₹8,000 crore pre-sales and ₹3,000 crore collections guidance
- Driven by ₹19,500 crore in upcoming Q2–Q4 launches across Bengaluru and MMR
- Construction milestones will trigger a sharp collection uptick from Q2 onward
- Net debt stands at ₹3,300 crore; promoters plan to eliminate share pledge in 2–3 years

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TVS Supply Chain: Freight Business Grew 50% In Q1; Strong India Growth Drove Gains; Vikas Chadha, MD

- Target mid-teens revenue growth for FY27, backed by a strong 28–29% Q1 beat
- GFS segment grew 50% in Q1; targeting 4.5–5.0% EBITDA margins long term
- Target India contribution to reach 40% (~₹7,500–8,000 crore) within 3 years
- Promoters plan partial pledge reduction in FY27 while targeting 15%+ ROE/ROCE

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HealthCare Global: Adjusted EBITDA margin is at 19%; Already trending close to the guided margin; Manish Mattoo, ED &CEO

- Q1 adjusted EBITDA margin hit ~19% (17.5% reported) when excluding ₹7 crore losses from the new North Bengaluru unit
- North Bengaluru's ₹7 crore Q1 loss represents peak drag, with EBITDA breakeven expected within 12 months
- Downplays proposed room rent caps, as tariffs make up under 5% of total revenue compared to procedure-driven income
- Adding 180 beds in FY27 to support 14–17% revenue growth and target 21–22% margins by FY28

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KEC Intl: Have A Large Pipeline Of Orders In West Asia, Awaiting Resolution; Vimal Kejriwal, MD & CEO

- Revenue was flat as margins fell to 5.8% due to severe labor shortages and West Asia supply chain bottlenecks
- Labor returned to 90% capacity, with EBITDA margins expected to recover to 6.5–7.0% by Q3 FY27
- Retaining 12–15% growth guidance (closer to 12%), backed by a ₹40,000+ crore order book and L1 pipeline
- On track to reduce net debt to ₹5,500–5,600 crore by FY27 end, aided by pending multilateral payouts

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NOTES

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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

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