INSTITUTIONAL RESEARCH

HSIE Results Daily

Contents

Results Reviews

- **Sun Pharmaceutical Industries:** EBITDA grew 5% YoY as sales growth of 10% YoY (US: -7% QoQ; innovative medicine: +13% YoY; India: +16% YoY) and higher gross margin (+95 bps at 80.6%), albeit offset by higher costs (staff/SG&A up +15/+22%). The company retains its guidance of high-single-digit revenue growth and R&D at 6-7% of sales in FY27. It expects healthy growth in Innovative medicine (QoQ softness was due to seasonality impact in Levulan; to pick-up from Q2) led by traction in key products (led by Ilumya, Cequa, and Winlevi). It sees a gradual scale-up of Leqselvi and Unloxcyt over the next few quarters. Moreover, approval for additional indication for Ilumya will support growth from H2FY27. It expects to see steady growth in the India business, led by traction in key therapies, new launches, volume increase, and price growth. Organon acquisition is largely on track – filing for regulatory approval in different geographies is over, it has received Organon shareholder approval and is expected to be completed by Q4FY27. We expect the scale-up in specialty (Ilumya, Winlevi, Cequa, Unloxcyt, and Leqselvi) and the India business (new launches, in-licensing) to offset the soft US generics business. Factoring in Q1, we have tweaked FY27/28E EPS. We retain BUY and a TP of INR 2,320 (33x Q1FY29E EPS).
- **Maruti Suzuki:** While the company is outpacing industry volume growth in both the domestic and export markets, it has partially come at the cost of margins. Management changed the raw material price delta settlement cycle with suppliers from quarterly lag to monthly lag (for aluminum, rubber, and plastics) to support continuity of supply. It has also been conservative in price hikes, having taken only 0.5% in June 2026, with the next price hike expected in August 2026. While we are in favor of the company supporting suppliers during these highly volatile times, and also considering that an aggressive launch cycle for the company has just recently begun, this strategy could however keep gross margin subdued for at least one or two more quarters, post which as the volatility subsides, it plans to revert back to the quarterly settlement cycle. We expect capacity addition, good booking backlog, recently launched Brezza facelift and lower channel inventory to support near-term channel filling. Going forward, we also expect the company to be less conservative with price hikes, which should help negate some of the higher raw material, manufacturing, and logistic costs. We continue to remain positive on the company and believe it is well-poised to benefit from its new launch cycle and exports traction. We value the company at 25x Jun-28 EPS (vs 26x earlier) for a TP of INR16,832; maintain BUY.
- **ITC:** We maintain ADD with a Jun-27 SoTP-based TP of INR 300, valuing the cigarettes business at ~INR135/share on 11x P/E and the Other FMCG segment at ~INR94/share on 4x sales. We believe the historically sharp cigarette tax hike will continue to weigh on near-term performance, leading to volume and margin stress. Contrary to our earlier expectations of a sharp, front-loaded impact, we expect volume pressure to be distributed, as trade continues to build inventory on news of fresh hikes and companies implement price increases in tranches. Beyond pricing, our ground checks indicate renewed execution, with an enhanced new-product funnel. Q1FY27 results were weaker than expected, with revenue down 11% and earnings down 24%,

HSIE Research Team
hdfcsec-research@hdfcsec.com

while the calculated ~5% decline in cigarette volumes was less severe than anticipated.

- **Bajaj FinServ:** Bajaj FinServ (BJFIN) reported a mixed performance as BAGIC remained soft, with GWP growth at 11.3% overshadowed by a 320bps YoY deterioration in the loss ratio to 74.3%, dragging PAT to INR4.7bn (-27.5% YoY). Conversely, BALIC delivered stand-out performance, supported by a favorable product mix shift and strong retail protection momentum, driving 30% APE growth, and a 480bps YoY expansion in VNB margins to 16%. During Q1FY27, Bajaj Finance (BAF) reported largely in-line earnings, as AUM growth improved to +24% YoY, led by consumer durables, mortgages, and new products. More importantly, asset quality witnessed a healthy turnaround with credit costs (1.51%) in line with management guidance, with room for further improvement on the back of reducing delinquencies. We retain BUY with an SOTP-based TP of INR2,361 (79% contribution by the flagship NBFC business).

- **ABB India:** ABB India's (ABB) revenue/EBITDA/APAT was a beat by +7.5/+7.9/+4.4% vs. our estimates, supported by improvement in economic environment post Q1CY26, which saw disruptions on account of the Middle East (ME) conflict, elevated input costs amid forex volatility & higher commodity inflation, and slower project execution. OI momentum saw an uptick, driven by growth in Data center, Renewables, Process (Metals & Cement), F&B, and Building sectors. ABB's Q2CY26 order inflow (OI) stood at INR 43.6bn (+50/+2% YoY/QoQ) and the backlog (OB) stood at INR 119bn (+22/+7% YoY/QoQ) as of June'26 (0.92x CY25 revenue). It continues to anticipate margin pressure for the next two quarters, led by a combination of rising costs, increased competitive pressure, foreign exchange volatility, and logistical disruptions. ABB is mitigating this with price increases and expects to protect margins at the current level and not looking at growth. Easing of geopolitical tensions and commodity prices may result in margin expansion /growth. We have revised our earnings downward to factor in weaker-than-expected margin recovery. Data center (DC) demand seems to be picking up and now contributes toward 12-16% of OB. We maintain ADD with a TP of INR 7,094/sh.

- **Thermax:** Thermax Ltd (TMX) reported revenue/EBITDA/APAT of INR 23/0.7/0.2bn, a miss by -9/-67.8/-83%. Order inflow was muted in Q1FY27, witnessing a 2% uptick YoY at INR 28bn, taking the OB as of Jun'26 to INR 140bn (+23%YoY). The performance in Industrial Products segment is impacted by higher input costs and reduced export sales. Profitability in the Industrial Infrastructure segment was hit by a INR 0.9bn increase in the estimated cost to complete provision for a specific project in the Industrial Infra Segment, arising from events identified in the quarter. Chemicals segment profitability is improved due to higher volumes and better product mix. Green Solutions business incurred project overrun costs in the quarter, impacting margins. New growth drivers continue to emerge in the form of Data Centre solutions, medium MW power projects, utility power projects, ramp-up of the chemical business, and increased traction in products launched over the past few years. Disruptions in the Middle East have shown impact in Q1FY27. Ramping up of new product portfolio, impetus on cleaner air and water, and focus on data centre will be the add-ons. We have cut estimates, given weak performance across segments. Order pipeline remains robust with closures expected to pick up from Q2FY27. We maintain BUY on TMX, with a TP of INR 5,325 (52x Sep-28E EPS).

- **LIC Housing Finance:** LIC Housing Finance's (LICHF) Q1FY27 earnings were higher than our estimates due to lower-than-expected credit costs (adjusted for change in accounting methodology), partly offset by NIM compression. Business momentum witnessed an uptick (disbursements up by +14.5% YoY), driven by non-home loans with subdued growth in HL disbursements (+8% YoY). However, high run-off rates amidst elevated competitive intensity continue to take a toll on loan growth (+4% YoY). Management reiterated its guidance of double-digit loan growth in FY27, driven by strong disbursement growth and diversification toward non-HL segments. Elevated competitive intensity in the core home loans segment, focus on balancing growth and margins and limited right to win in non-HL segments (CF, LAP etc.) are likely to keep loan growth subdued. However, current valuation (0.6x Mar-28 ABVPS) remains attractive, providing a favorable risk-reward. We maintain ADD with an unchanged RI-based TP of INR 655 (implying 0.8x Mar-28 ABVPS).

- **Data Patterns:** Data Patterns Ltd (DPL) recorded a healthy Q1FY27 performance, reflected in 17% YoY revenue growth, led by disciplined execution of the company's diversified orderbook. EBITDA margin for the quarter declined to 27% (-520bps YoY) due to high repair and maintenance expenses, bad debt (INR 20mn), and high employee cost for capability addition and a change in the product mix. We expect the company to bounce back on the margin front in subsequent quarters to deliver ~39% in FY27E. Estimated revenue CAGR of 22.8% over FY26-FY29E is based on the orders in hand of INR 26bn (including negotiated and pending receipts) and the order pipeline of large platform system orders. DPL is also actively pursuing opportunities in drone and counter drone systems (market size: INR 400bn). Pursuant to above factors and backward integration, we maintain our estimates of a PAT CAGR of 21.6% over FY26-FY29E. Key monitorable would be export order flows, large platform system orders such as the INR 10bn from HAL and progress in counter drone's domain. Following this, we maintain ADD, arriving at a TP of INR 3,940 (55x FY28E EPS).

- **Aether Industries:** We maintain ADD on Aether Industries (AIL), with a target price of INR 1,650. The company's growth will be led by (1) ramp-up in exclusive manufacturing for Milliken Chemical and Baker Hughes, (2) ramp-up of recently-commissioned Block 1 and Block 2 at the company's site Magnum (Site 5, Panoli), (3) commissioning and ramp-up of the other 14 blocks at Magnum site over three years in phases, (4) doubling of R&D capacity and capabilities at site Catalyst (Site 1, Sachin), (5) partnership with Dow Chemicals targeting the ~USD 1bn import substitution opportunity in the domestic silicone market, and (6) rapid commercialization and scale-up of high-value low-volume electronic chemicals with limited competition, which will be manufactured at Site 3 and Site 5 under the CEM model. We expect revenue/EBITDA/PAT CAGRs of 28/29/32% over FY26-FY29E while the RoE is expected to improve from 9.7% in FY26 to 15.1% in FY29. EBITDA/APAT were 13/8% above our estimates, owing to an increase in contribution from the CEM business.

- **Kajaria Ceramics:** Kajaria Ceramics' (KJC) revenue grew 20% YoY to INR 13.28bn, driven by 11% YoY expansion in NSR, while tiles volume grew 6% YoY. EBITDAM expanded by a robust 270bps YoY to 19.6%, leading to EBITDA/APAT growth of 39/52% YoY. The company expects double-digit volume growth over the next nine months in this year with EBITDA margin at 18-19% for FY27. Considering the strong Q1 performance, we have increased our revenue estimates by 1/3/5% and APAT estimates by 7/11/11% for FY27/28/29E. With increased focus on unification and strengthening of its sales and distribution network, the benefits are already visible in improving volume traction. Coupled with new capacity additions in FY28 and incremental client additions in the projects vertical, we expect a volume to pick up in the coming years and accordingly raise our volume growth assumptions by 3-5% for FY28–29E. We upgrade our rating from Reduce to ADD with a revised target price of INR 1,330/share (30x Sep-28E consolidated EPS).

- **Aarti Industries:** We maintain REDUCE on Aarti Industries (AIL), with a target price of INR 492. We expect revenue/EBITDA/PAT CAGR of 11/19/26% over FY26-29E. The growth will be driven by: (a) commissioning of Zone 4, new chemistry blocks, and the ramp up of strategic JVs, even as near term volatility from geopolitical and demand pressures persists. (b) diversification beyond MMA, strengthening high margin specialty chains, and expanding global reach (including a China subsidiary) positions the company to structurally improve its earnings mix. (c) The management remains firm on its FY28 guidance of INR 18-22bn EBITDA basis ramp ups and demand normalization in key end markets. EBITDA/APAT were 49.3/176.9% above our estimates, owing to higher-than-expected revenue, monetization of low-cost inventory and forex gains.

- **Niva Bupa Health Insurance:** NIVABUPA delivered a strong performance in Q1FY27 under the IND-AS reporting framework, delivering a sharp doubling of profitability (INR1.38bn), albeit on the back of plenty of adjustments. The strong performance was driven by a near-30% topline expansion and a notable improvement in underwriting metrics, as CISR (underwriting discipline proxy) moderated 300bps to 100.2%, primarily led by a 380bps improvement in loss ratio (LR). This LR improvement was supported by NIVABUPA's conscious decision to reduce exposure to group insurance of large corporate accounts, resulting in an 800bps increase in retail health GWP in product mix, where claim incidence continued to trend lower. We believe NIVABUPA continues to enjoy competitive moats around its use of analytics for risk selection and product pricing, translating into superior profitability metrics. We build in full-year FY27 CISR at 100% and PAT growth at 29%; we maintain BUY with a NOPAT-based TP at INR105 (33.8x Mar-28 EPS; 36% growth premium over STARHEAL's implied valuation of 25x).

- **Mahanagar Gas:** Our BUY recommendation on Mahanagar Gas (MGL) with a target price of INR 1,694 is premised on a 10% volume CAGR over FY26-29E, led by accelerated addition of retail outlets, customer additions in the industrial segment, and continued firm CNG vehicle registration. The Q1FY27 consolidated EBITDA came in at INR3.4bn (-32% YoY, +32% QoQ) and consolidated PAT was at INR 1.93bn (-40% YoY, +49% QoQ). The improvement on sequential basis is owing to better natural gas sourcing and price hikes taken across all segments. For commercial and industrial customers, the price charged is linked to alternate fuels like commercial LPG cylinder and FO/LSHS respectively. In Q1, the prices of alternate fuels increased commensurately with crude oil price. MGL has taken price hike accordingly for these customers. The share of natural gas sourced under Henry Hub (HH) linked long-term contracts has increased in overall sourcing mix. The HH benchmark gas price was flattish QoQ. Thus, the margins in PNG segment increased sharply, which boosted the overall margins in the quarter.

Sun Pharmaceutical Industries

Muted Q1; Innovative meds, India momentum stay

BUY

EBITDA grew 5% YoY as sales growth of 10% YoY (US: -7% QoQ; innovative medicine: +13% YoY; India: +16% YoY) and higher gross margin (+95 bps at 80.6%), albeit offset by higher costs (staff/SG&A up +15/+22%). The company retains its guidance of high-single-digit revenue growth and R&D at 6-7% of sales in FY27. It expects healthy growth in Innovative medicine (QoQ softness was due to seasonality impact in Levulan; to pick-up from Q2) led by traction in key products (led by Ilumya, Cequa, and Winlevi). It sees a gradual scale-up of Leqselvi and Unloxcyt over the next few quarters. Moreover, approval for additional indication for Ilumya will support growth from H2FY27. It expects to see steady growth in the India business, led by traction in key therapies, new launches, volume increase, and price growth. Organon acquisition is largely on track – filing for regulatory approval in different geographies is over, it has received Organon shareholder approval and is expected to be completed by Q4FY27. We expect the scale-up in specialty (Ilumya, Winlevi, Cequa, Unloxcyt, and Leqselvi) and the India business (new launches, in-licensing) to offset the soft US generics business. Factoring in Q1, we have tweaked FY27/28E EPS. We retain BUY and a TP of INR 2,320 (33x Q1FY29E EPS).

- **Q1 highlights**: Sales grew 10% YoY to INR 152.99bn; the US declined 7% QoQ to USD 427mn (-7% YoY). India sales grew 16% YoY. Global Innovative Medicines sales grew 13% YoY to USD 351mn (+13% YoY and -1% QoQ). GM stood at 80.6% (+95 bps YoY). Higher staff (+15% YoY) and SG&A (+22% YoY), and lower R&D (-8 YoY; at 6.7% of sales) led to an EBITDA of INR 42.95bn (+5% YoY); margin at 28.1% (-133 bps YoY). Adjusted for forex gain and one-offs, PAT stood at INR 29.43bn (+6% YoY).
- **Key con call takeaways: Unloxcyt:** Gaining traction across cancer centres and integrated delivery network. The company is adding Unloxcyt across formularies and getting recognition across clinicians, given efficacy and safety profile (no typical immune-mediated adverse events). This will be Medicare Part B product. **Leqselvi:** Expanding number of prescription MoM; it surpassed 1k prescribers as of Jun-26. It is looking expand the indication in both Unloxcyt and Leqselvi. **Innovative pipeline**: (1) Ilumya: filed for psoriasis arthritis indication in the US (goal date in Oct-26), (2) GL0034 (Type 2 diabetics): Phase 2b topline data expected in H2CY27, and (3) Fibromun: to start Phase 3 for soft tissue sarcoma; Phase 2 ongoing for glioblastoma. Sun's partner Philogen has filed Nidlegy with EMA for locally advanced melanoma. **Semaglutide**: Gaining traction in India, launched in South Africa in Jul-26 and preparing to launch in Brazil. US generics – launched five products in Q1. SG&A is expected to reduce QoQ. In Q1FY27, Innovative medicine R&D was at ~30% of total R&D. Net cash at USD 3.4bn as of Jun-26.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	152,999	138,514	10	146,118	5	525,784	584,620	649,780	760,455	875,024
EBITDA	42,957	40,726	5	35,275	22	150,862	164,912	188,436	226,615	268,632
APAT	29,437	27,671	6	22,837	29	117,988	110,425	133,953	161,078	191,511
EPS (INR)	12.3	11.5	6	9.5	29	49.2	46.0	55.8	67.1	79.8
P/E (x)						40.5	43.2	35.6	29.6	24.9
EV/EBITDA (x)						30.2	27.3	23.6	19.3	16.0
RoCE (%)						20	19	20	21	23

Source: Company, HSIE Research

CMP *(as on 31 Jul 2026)*	INR 1,991
Target Price	INR 2,320
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2120	INR 2320
EPS %	FY27E	FY28E
	(2.2)	1.3

KEY STOCK DATA	
Bloomberg code	SUNP IN
No. of Shares (mn)	2,399
MCap (INR bn) / ($ mn)	4,776/50,064
6m avg traded value (INR mn)	5,891
52 Week high / low	INR 2,048/1,547

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	10.1	24.8	16.6
Relative (%)	8.5	29.8	20.4

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	54.48	54.48
FIs & Local MFs	21	22.18
FPIs	15.94	14.53
Public & Others	8.58	8.81
Pledged Shares	1.42	1.65

Source: BSE

Mehul Sheth
mehul.sheth@hdfcsec.com
+91-22-6171-7349

Maruti Suzuki

Margin impacted by RM pressure and support to suppliers

While the company is outpacing industry volume growth in both the domestic and export markets, it has partially come at the cost of margins. Management changed the raw material price delta settlement cycle with suppliers from quarterly lag to monthly lag (for aluminum, rubber, and plastics) to support continuity of supply. It has also been conservative in price hikes, having taken only 0.5% in June 2026, with the next price hike expected in August 2026. While we are in favor of the company supporting suppliers during these highly volatile times, and also considering that an aggressive launch cycle for the company has just recently begun, this strategy could however keep gross margin subdued for at least one or two more quarters, post which as the volatility subsides, it plans to revert back to the quarterly settlement cycle. We expect capacity addition, good booking backlog, recently launched Brezza facelift and lower channel inventory to support near-term channel filling. Going forward, we also expect the company to be less conservative with price hikes, which should help negate some of the higher raw material, manufacturing, and logistic costs. We continue to remain positive on the company and believe it is well-poised to benefit from its new launch cycle and exports traction. We value the company at 25x Jun-28 EPS (vs 26x earlier) for a TP of INR16,832; maintain BUY.

- **Quarterly performance:** EBITDA margin, at 8.2%, was down 218bps YoY and 352bps QoQ, a big miss to both ours and Bloomberg consensus estimate of 10%. Of this, 110bps QoQ impact was on account of change in the settlement cycle as discussed above. As per management, EBIT margin for Q1FY27 stood at 5.1%, down 370bps QoQ, with negative impact from raw material cost (300bps), gas cost (20bps), unfavorable fixed cost incident on account of inventory depletion (30bps), unfavorable forex (30bps), employee cost (40bps), depreciation (20bps), though it was partially offset by positive impact from lower other expenses (30bps) and higher operating income (30bps).
- **Demand sustains for now:** Management highlighted that demand continues to remain good, and thus reiterated its 10% volume growth guidance for domestic sales, while also hinting at possible upside to the guidance if supply and production keep up. Pending bookings have fallen to 130k units as at the end of Q1FY27, down 60k units QoQ, though the newly launched Brezza facelift is adding almost 2k bookings per day currently.
- **Capacity expansion to support growth:** In recent times, the company has been constrained by capacity to fulfill orders and channel stock continues to remain low at 13 days as at the end of Q1FY27, up only by 1 day QoQ. Management has recently added 250k unit capacity each at Kharkhoda (in May 2026) and Hansalpur (in July 2026). However, the ramp-up will be progressive (full ramp-up usually takes 4-6 months).

Quarterly/annual financial summary

YE Mar (INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	5,24,557	3,84,136	36.6	5,24,493	0.0	18,32,661	20,98,527	23,94,486	26,64,192
EBITDA	43,111	39,953	7.9	61,569	(30.0)	2,19,897	2,25,096	2,97,651	3,38,329
EBITDA %	8.2	10.4	-219bps	11.7	-353bps	12.0	10.7	12.4	12.7
APAT	33,521	37,117	(9.7)	35,905	(6.6)	1,47,961	1,54,652	2,04,772	2,32,387
EPS (INR)	106.6	118.1	(9.7)	114	(6.6)	470.6	491.9	651.3	739.1
P/E (x)						30.2	28.9	21.9	19.3

Source: Company, HSIE Research

BUY

CMP *(as on 31 Jul 2026)*	INR14,234
Target Price	INR16,832
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 17,918	INR 16,832
EPS %	FY28E	FY29E
	-2.8%	-1.1%

KEY STOCK DATA	
Bloomberg code	MSIL IN
No. of Shares (mn)	314
MCap (INR bn) / ($ mn)	4,475/46,914
6m avg traded value (INR mn)	7,171
52 Week high / low	INR 17,372/12,201

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	6.9	(2.5)	12.9
Relative (%)	5.4	2.6	16.7

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	58.53	58.65
FIs & Local MFs	24.18	25.18
FPIs	14.12	12.82
Public & Others	3.17	3.35
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Hitesh Thakurani
hitesh.thakurani@hdfcsec.com
+91-22-6171-7350

ITC

Navigating the tax bombshell with execution

We maintain ADD with a Jun-27 SoTP-based TP of INR 300, valuing the cigarettes business at ~INR135/share on 11x P/E and the Other FMCG segment at ~INR94/share on 4x sales. We believe the historically sharp cigarette tax hike will continue to weigh on near-term performance, leading to volume and margin stress. Contrary to our earlier expectations of a sharp, front-loaded impact, we expect volume pressure to be distributed, as trade continues to build inventory on news of fresh hikes and companies implement price increases in tranches. Beyond pricing, our ground checks indicate renewed execution, with an enhanced new-product funnel. Q1FY27 results were weaker than expected, with revenue down 11% and earnings down 24%, while the calculated ~5% decline in cigarette volumes was less severe than anticipated.

- **Looking to protect the cigarette franchise through multiple interventions**: The Indian cigarettes industry continues to reel under sharp tax incidence, with only partial price pass-through to date, thereby pressuring earnings. While companies are executing price hikes in tranches to safeguard the franchise, trade channels are leveraging the setting to build inventory, which in turn is supporting primary sales. Alongside pricing actions, ITC has stepped up execution with a stronger slate of new product introductions across markets, which in our view is helping moderate the decline in primary volumes. ITC has rolled out 30+ launches in Q1, with key introductions including *Rothmans* from the BAT portfolio (priced attractively at Rs22/stick), *Gold Flake King's Discover World Series* (gift-pack format at INR500 for 20 sticks), and *Gold Flake Sleek* variants featuring differentiated filters.
- **Weaker Q1; misses estimates**: Q1 performance was muted, impacted by the need for sharp cigarette price hikes, which weighed on volumes, while the limited pricing taken so far curtailed earnings delivery. India Cigarettes net sales declined 25%, with an estimated ~5% volume contraction. Our ground checks suggest full pricing was implemented in KSFT, driving a mid-teen volume decline, whereas DSFT, with a relatively lower tax burden, has taken modest price increases and delivered low single-digit volume growth. The RSFT segment, in our view, saw a high single-digit volume decline. India Cig EBIT fell 35% YoY. The non-cigarette portfolio delivered a subdued show, posting a 4% revenue decline, driven largely by a 16% drop in agri. Other FMCG and paper did better, with 12% and 9% YoY growth respectively. Non-cigarette profitability improved ~7% YoY, aided by a favorable base.
- **Near-term outlook weak; maintain ADD:** We expect stock valuations to remain under pressure in the near term as the market digests the impact of steep price increases and the associated volume and earnings drag. A rerating is likely only once consumers absorb the price shock and underlying trends stabilize. Sustained on-ground execution will be critical to restoring momentum, although the industry must remain vigilant on the rising risk of illicit trade, which could materially influence the sector's recovery trajectory.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	191,144	214,948	(11.1)	178,247	7.2	788,684	815,624	911,512	982,702
EBITDA	51,809	68,165	(24.0)	69,242	(25.2)	273,179	231,085	288,155	315,069
EBITDA Margin (%)	27	32	(461bps)	39	(1175bps)	35	28	32	32
APAT	39,883	52,442	(23.9)	54,132	(26.3)	209,812	175,078	216,296	237,029
Adj. EPS (INR/Share)	3.2	4.2	(24.0)	4.3	(26.3)	16.7	13.9	17.1	18.6
P/E (x)						17	20	16	15

Source: Company, HSIE Research

ADD

CMP *(as on 31 Jul 2026)*	**INR 281**
Target Price	**INR 300**
NIFTY	**24,384**

KEY CHANGES	**OLD**	**NEW**
Rating	ADD	ADD
Price Target	INR 300	INR 300
EPS %	FY27E	FY28E
	(10.4%)	(2.8%)

KEY STOCK DATA	
Bloomberg code	ITC IN
No. of Shares (mn)	12,529
MCap (INR bn) / ($ mn)	3,521/36,908
6m avg traded value (INR mn)	6,211
52 Week high / low	INR 427/275

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(10.8)	(12.8)	(31.8)
Relative (%)	(12.3)	(7.7)	(28.0)

SHAREHOLDING PATTERN (%)	**Mar-26**	**Jun-26**
Promoters	0.0	0.0
FIs & Local MFs	49.2	49.1
FPIs	34.8	34.2
Public & Others	16.0	16.7
Pledged Shares	0.00	0.00

Source : NSE

Nitin Gupta
nitin.gupta1@hdfcsec.com
+91-22-6171-7357

Ishant Lalwani
ishant.lalwani@hdfcsec.com
+91-22-6171-7324

Bajaj FinServ

NBFC leads; insurance businesses gaining momentum

Bajaj FinServ (BJFIN) reported a mixed performance as BAGIC remained soft, with GWP growth at 11.3% overshadowed by a 320bps YoY deterioration in the loss ratio to 74.3%, dragging PAT to INR4.7bn (-27.5% YoY). Conversely, BALIC delivered stand-out performance, supported by a favorable product-mix shift and strong retail protection momentum, driving 30% APE growth, and a 480bps YoY expansion in VNB margins to 16%. During Q1FY27, Bajaj Finance (BAF) reported largely in-line earnings, as AUM growth improved to +24% YoY, led by consumer durables, mortgages, and new products. More importantly, asset quality witnessed a healthy turnaround with credit costs (1.51%) in line with management guidance, with room for further improvement on the back of reducing delinquencies. We retain BUY with an SOTP-based TP of INR2,361 (79% contribution by the flagship NBFC business).

- **Sluggish quarter for general insurance (9.5% of SOTP):** BAGIC faced similar market strains as peers, most notably in FLEXA pricing (commercial lines of business). A steady 11.3% GWP growth notwithstanding, loss ratios climbed to 74.3%, reflecting weakness in government health and rising motor OD claims. With loss ratios trending higher and investment gains tapering, we model a flattish PAT outcome for FY27. We value BAGIC at 26x FY28E EPS (a 22% discount to ICICIGI).
- **LI business rides the momentum (11.5% of SOTP):** BALIC posted a strong beat, with APE up 30% (INR17bn) and VNB jumping 87% to INR2.7bn, translating into a healthy 16% VNB margin (+480bps YoY). Our **insurance thematic** had flagged BALIC's profitability reset, led by product intervention, balanced business mix, and tightening cost discipline. With growth as well as margin levers firmly in place, we build in two-year APE CAGR at 15% and FY27E/FY28E VNB margins of 20.5%/20.8%. We value BALIC at 1.9x Mar-28 EV (13.6% discount to SBILIFE).
- **NBFC business (79% of SOTP) - a steady quarter:** Bajaj Finance (BAF) reported healthy operating performance across metrics, with improvement in asset quality metrics driving the beat on earnings. Despite rising scale (AUM of INR5.5trn), BAF is poised to deliver healthy loan growth (~23% CAGR) and profitability (RoE of ~20-21%) on the back of robust customer acquisition and cross-sell engine, continual optimization of processes through various initiatives (digital, FINAI etc.), and consistent focus on asset quality.
- **Insurance businesses to drive incremental rerating**: With the flagship NBFC business already commanding sector leadership (and leading valuations), we believe that the potential turnaround in the insurance businesses is likely to drive an incremental re-rating for BJFIN.

SOTP

(INR Mn)	BJFIN Share	Per share	% of TP	Rationale
BAF	51.3%	2,218	79.1%	HSIE TP
BAGIC	77.3%	267	9.5%	26x FY28E EPS
BALIC	77.3%	320	11.5%	1.9x FY28E EV
Value of subsidiaries		2,805		
Holding company Discount	20%	444		
Target Price		2,361		

Source: Company, HSIE Research

BUY

CMP *(as on 31 Jul 2026)*	INR 2,029
Target Price	INR 2,361
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,385	INR 2,361
EPS%	NA	NA

KEY STOCK DATA	
Bloomberg code	BJFIN IN
No. of Shares (mn)	1,601
MCap (INR bn) / ($ mn)	3,248/34,045
6m avg traded value (INR mn)	2,389
52 Week high / low	INR 2,195/1,597

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.1	3.9	4.2
Relative (%)	14.6	9.0	8.0

SHAREHOLDING PATTERN (%)

	Mar-26	June-26
Promoters	58.7	58.7
FIs & Local MFs	11.76	12.11
FPIs	7.23	6.90
Public & Others	22.3	22.3
Pledged Shares	0.0	0.0

Source: BSE

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Samarth Desai
samarth.desai@hdfcsec.com
+91-22-6171-7325

ABB India

Marginal improvement

ABB India's (ABB) revenue/EBITDA/APAT was a beat by +7.5/+7.9/+4.4% vs. our estimates, supported by improvement in economic environment post Q1CY26, which saw disruptions on account of the Middle East (ME) conflict, elevated input costs amid forex volatility & higher commodity inflation, and slower project execution. OI momentum saw an uptick, driven by growth in Data center, Renewables, Process (Metals & Cement), F&B, and Building sectors. ABB's Q2CY26 order inflow (OI) stood at INR 43.6bn (+50/+2% YoY/QoQ) and the backlog (OB) stood at INR 119bn (+22/+7% YoY/QoQ) as of June'26 (0.92x CY25 revenue). It continues to anticipate margin pressure for the next two quarters, led by a combination of rising costs, increased competitive pressure, foreign exchange volatility, and logistical disruptions. ABB is mitigating this with price increases and expects to protect margins at the current level and not looking at growth. Easing of geopolitical tensions and commodity prices may result in margin expansion /growth. We have revised our earnings downward to factor in weaker-than-expected margin recovery. Data center (DC) demand seems to be picking up and now contributes toward 12-16% of OB. We maintain ADD with a TP of INR 7,094/sh.

- **Q2CY26 financial highlights**: Revenue stood at INR 35.6bn (+10.7/+11.8% YoY/QoQ, a 7.5% beat). EBITDA came in at INR 4.5bn (-12.4/+9.5% YoY/QoQ, a 7.9% beat). EBITDA margin was at 12.6% (-330.4/-26.3bps YoY/QoQ, vs. our estimate of 12.5%). APAT stood at INR 3.7bn (+32.4/+8.3% YoY/QoQ, a 4.4% beat). Improving execution momentum across businesses drives revenues, profitability faces near-term pressure due to the external risks including forex volatility, commodity price swings, geopolitical uncertainties, and competitive pricing dynamics. Geographically, revenue is spread across domestic/international in Q2CY26 at 87/13% (Q2CY25: 83/17%) respectively.
- **Robust order growth across all segments:** OI growth is supported by demand uptick for distribution solutions and smart power offerings, Ring Main units for data center, large AC motors, Steam and Water Analysis systems. Key wins included data centers, renewables, buildings & infra, and power distribution.
- **Long-term growth drivers intact; near-term headwinds key challenge**: ABB is strategically positioning itself to capitalize on high-growth sectors like data centers, renewables, and electronics, supported by a resilient operational model that spans 23 market segments. However, risks include softer demand growth, global trade barriers, geopolitical tensions, and commodity price volatility. The push for green energy, semiconductor ecosystem, AI, and data protection provides growth opportunity.

Standalone Financial Summary (INR mn)

Particulars	2QCY26	2QCY25	YoY (%)	1QCY26	QoQ (%)	CY25	CY26E	CY27E	CY28E
Revenue	35,589	32,149	10.7	31,841	11.8	129,589	137,730	158,286	193,041
EBITDA	4,471	5,101	(12.4)	4,084	9.5	20,975	18,220	24,066	32,136
APAT	3,701	2,795	32.4	3,419	8.3	17,347	15,401	20,104	26,706
Diluted EPS (INR)	17.5	13.2	32.4	16.1	8.3	81.9	72.7	94.9	126.0
P/E (x)						89.0	100.2	76.8	57.8
EV / EBITDA (x)						70.5	81.5	61.1	45.1
RoE (%)						23.3	18.1	20.0	21.9

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	CY26E			CY27E			CY28E		
	New	Old	*% Chg. / Bps*	New	Old	*% Chg. / Bps*	New	Old	*% Chg. / Bps*
Revenue	137,730	135,423	*1.7*	158,286	159,393	*(0.7)*	193,041	193,564	*(0.3)*
EBITDA	18,220	20,417	*(10.8)*	24,066	26,048	*(7.6)*	32,136	34,744	*(7.5)*
EBITDA (%)	13.2	15.1	(184.8)	15.2	16.3	(113.8)	16.6	17.9	(130.2)
APAT	15,401	17,192	*(10.4)*	20,104	21,481	*(6.4)*	26,706	27,936	*(4.4)*

Source: Company, HSIE Research

ADD

CMP *(as on 31 Jul 2026)*	INR 7,285
Target Price	INR 7,094
NIFTY	24,384

KEY CHANGES		OLD	NEW
Rating		ADD	ADD
Price Target		INR 6,996	INR 7,094
EPS change %	CY26E	CY27E	CY28E
	-10.4	*-6.4*	*-4-4*

KEY STOCK DATA	
Bloomberg code	ABB IN
No. of Shares (mn)	212
MCap (INR bn) / ($ mn)	1,544/16,182
6m avg traded value (INR mn)	3,067
52 Week high / low	INR 7,925/4,638

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	0.8	30.6	32.2
Relative (%)	(0.8)	35.7	36.0

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	75.00	75.00
FIs & Local MFs	9.28	9.89
FPIs	8.19	7.67
Public & Others	7.50	7.44
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

Parikshit D Kandpal, CFA
parikshitd.kandpal@hdfcsec.com
+91-22-6171-7317

Aditya Sahu
aditya.sahu@hdfcsec.com
+91-22-6171-7338

Jay Shah
jay.Shah1@hdfcsec.com
+91-22-6171-7358

Thermax

Weak quarter; strong outlook

Thermax Ltd (TMX) reported revenue/EBITDA/APAT of INR 23/0.7/0.2bn, a miss by -9/-67.8/-83%. Order inflow was muted in Q1FY27, witnessing a 2% uptick YoY at INR 28bn, taking the OB as of Jun'26 to INR 140bn (+23%YoY). The performance in Industrial Products segment is impacted by higher input costs and reduced export sales. Profitability in the Industrial Infrastructure segment was hit by a INR 0.9bn increase in the estimated cost to complete provision for a specific project in the Industrial Infra Segment, arising from events identified in the quarter. Chemicals segment profitability is improved due to higher volumes and better product mix. Green Solutions business incurred project overrun costs in the quarter, impacting margins. New growth drivers continue to emerge in the form of Data Centre solutions, medium MW power projects, utility power projects, ramp-up of the chemical business, and increased traction in products launched over the past few years. Disruptions in the Middle East have shown impact in Q1FY27. Ramping up of new product portfolio, impetus on cleaner air and water, and focus on data centre will be the add-ons. We have cut estimates, given weak performance across segments. Order pipeline remains robust with closures expected to pick up from Q2FY27. We maintain BUY on TMX, with a TP of INR 5,325 (52x Sep-28E EPS).

- **Q1FY27 financial highlights:** Revenue: INR 23bn (+7.1/-32.6% YoY/QoQ, a 9% miss, owing to INR 3bn export shipment delay due to higher shipping rates); industrial products/industrial infra/green sol./chemicals posted growth/decline of +11/-3/+3/+33% YoY respectively. EBITDA: INR 0.7bn (-69.5/-81% YoY/QoQ, a beat/miss by -67.8%, INR 910mn hit on cost to completion in FGD), with EBITDA margin of 3% (-748.9/-761.7bps YoY/QoQ, vs our estimates of 8.4%). APAT stood at INR 0.2bn (-85.6/-91% YoY/QoQ, a 83% miss). From Apr-Jun 2026, flat and structural steel prices, tubes and pipes hardened due to uneven demand-supply dynamics.
- **Middle East disruptions hamper margins, order booking:** Order booking was muted at +2% YoY OI growth. There were delays in a few order closures in Q1FY27, owing to the delay in receipt of advances. High volatility in input commodity prices amid geopolitical instability, with steel prices rising ~20–25%, significantly increased input costs. Crude oil fluctuations drove similar volatility in copper, aluminium and nickel, further impacted by USD appreciation against the INR. Bought-out equipment prices also rose by ~3-5% QoQ. Thermax OB is near the fixed price and may see margin dilution if commodity inflation persists.

Consolidated financial summary

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	23,027	21,502	7.1	34,157	(32.6)	106,744	120,043	147,021	173,058
EBITDA	686	2,251	(69.5)	3,620	(81.0)	9,557	10,581	16,287	20,089
APAT	218	1,515	(85.6)	2,426	(91.0)	6,170	6,838	11,006	13,865
Diluted EPS (INR)	1.9	13.5	(85.6)	21.5	(91.0)	54.8	60.7	97.7	123.1
P/E (x)						78.6	70.9	44.1	35.0
EV/EBITDA (x)						50.0	45.4	29.2	23.3
RoE (%)						11.8	11.8	17.0	18.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E			FY29E		
	New	Old	*% Chg/Bps*	New	Old	*% Chg/Bps*	New	Old	*% Chg/Bps*
Revenue	120,043	123,084	*(2.5)*	147,021	149,480	*(1.6)*	173,057.9	175,224.2	*(1.2)*
EBITDA	10,581	11,794	*(10.3)*	16,287	16,145	*0.9*	20,088.6	19,781.4	*1.6*
EBITDA (%)	8.8	9.4	*(62.4)*	11.1	10.7	*39.3*	11.6	11.2	*40.8*
APAT	6,838	8,382	*(18.4)*	11,006	11,562	*(4.8)*	13,864.6	14,415.4	*(3.8)*

Source: Company, HSIE Research

BUY

CMP *(as on 31 Jul 2026)*	INR 4,306
Target Price	INR 5,325
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 5,300	INR 5,325

EPS change %	FY27E	FY28E	FY29E
	-18.4	*-4.8*	*-3.8*

KEY STOCK DATA	
Bloomberg code	TMX IN
No. of Shares (mn)	119
MCap (INR bn) / ($ mn)	513/5,378
6m avg traded value (INR mn)	1,190
52 Week high / low	INR 5,271/2,739

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	5.7	49.8	9.4
Relative (%)	4.2	54.9	13.2

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	61.99	61.99
FIs & Local MFs	15.49	15.22
FPIs	11.25	11.46
Public & Others	11.28	11.34
Pledged Shares	-	-

Source: BSE

Parikshit D Kandpal, CFA
parikshitd.kandpal@hdfcsec.com
+91-22-6171-7317

Aditya Sahu
aditya.sahu@hdfcsec.com
+91-22-6171-7338

Jay Shah
jay.Shah1@hdfcsec.com
+91-22-6171-7353

LIC Housing Finance

Awaiting uptick in loan growth

ADD

CMP *(as on 31 Jul 2026)*	INR 523
Target Price	INR 655
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 655	INR 655
	FY27E	FY28E
EPS %	0.0%	0.0%

LIC Housing Finance's (LICHF) Q1FY27 earnings were higher than our estimates due to lower-than-expected credit costs (adjusted for change in accounting methodology), partly offset by NIM compression. Business momentum witnessed an uptick (disbursements up by +14.5% YoY), driven by non-home loans with subdued growth in HL disbursements (+8% YoY). However, high run-off rates amidst elevated competitive intensity continue to take a toll on loan growth (+4% YoY). Management reiterated its guidance of double-digit loan growth in FY27, driven by strong disbursement growth and diversification toward non-HL segments. Elevated competitive intensity in the core home loans segment, focus on balancing growth and margins and limited right to win in non-HL segments (CF, LAP etc.) are likely to keep loan growth subdued. However, current valuation (0.6x Mar-28 ABVPS) remains attractive, providing a favorable risk-reward. We maintain ADD with an unchanged RI-based TP of INR 655 (implying 0.8x Mar-28 ABVPS).

- **NIM compression, higher opex drive de-growth in PPOP**: NIM declined by 22bps QoQ to 2.58%, largely driven by 9bps QoQ decline in yield on advances. With incremental spreads under pressure, an uptick in cost of funds, and lower disbursement yields, NIMs are likely to remain under pressure in FY27. Opex ratios remained elevated (opex to AUM at 0.42%; C/I at 16.1%), given a one-time impact of provisions for gratuity due to rise in Gsec yields. RoA/RoE for Q1 were at 1.8%/14.2%.
- **Awaiting pick-up in loan growth:** Loan growth remained subdued at 4% YoY, with growth in individual HL at 3.4% YoY. LICHF continues to struggle to drive loan growth in this segment (85% of AUM) for the past several years due to elevated competitive intensity of PSBs and prioritization of margins over growth. While disbursements picked up in Q1, higher run-off rates continue to impact loan growth. LICHF is seeking loans diversification toward non-HL (LAP, CF etc.) to drive higher yields and loan growth.
- **Improving asset quality:** GS-II/GS-III improved QoQ to 2.60%/2.14% (Q4FY26: 2.78%/2.16%), with steady collections and recoveries in the retail segment and recoveries in the developer segment. LICHF has changed its accounting policy with recoveries from written-off pool to be adjusted in impairment provisions (vs. reported in other income earlier), leading to negative credit costs (-14bps) in Q1.
- **Subdued loan growth; however, risk-reward favorable:** With focus on margins and elevated competitive intensity from PSBs, meaningful uptick in loan growth is likely to remain a challenge for LICHF, particularly in retail HL. Product diversification (affordable HL) remains distant with limited visibility of product launch and portfolio scale-up, while LAP and CF are also likely to see limited meaningful uptick. However, the franchise provides a limited downside with steady RoE (~13-14%) and attractive valuation (0.6x Mar-28 ABVPS). Maintain ADD.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	20.8	20.7	*0.5*	22.2	*(6.6)*	84.2	88.5	97.7
PPOP	17.8	18.3	*(3.0)*	19.0	*(6.5)*	76.7	79.9	87.6
PAT	14.9	13.6	*9.2*	15.0	*(0.6)*	56.0	57.1	61.7
EPS (INR)	27.1	24.7	*9.5*	27.2	*(0.6)*	101.7	103.7	112.0
ROAE (%)						14.4%	13.0%	12.5%
ROAA (%)						1.8%	1.7%	1.7%
ABVPS (INR)						688	776	870
P/ABV (x)						0.8	0.7	0.6
P/E (x)						5.1	5.0	4.7

Source: Company, HSIE Research

KEY STOCK DATA

Bloomberg code	LICHF IN
No. of Shares (mn)	550
MCap (INR bn) / ($ mn)	288/3,016
6m avg traded value (INR mn)	940
52 Week high / low	INR 598/459

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.7)	(0.6)	(10.7)
Relative (%)	(7.2)	4.5	(6.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	45.2	45.2
FIs & Local MFs	20.9	21.0
FPIs	21.4	21.5
Public & Others	12.5	12.3
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

Deepak Shinde
deepak.shinde@hdfcsec.com
+91-22-6171-7323

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Ayush Pandit
ayush.pandit@hdfcsec.com
+91-22-6171-7366

Data Patterns

Modest execution but order pipeline strong

Data Patterns Ltd (DPL) recorded a healthy Q1FY27 performance, reflected in 17% YoY revenue growth, led by disciplined execution of the company's diversified orderbook. EBITDA margin for the quarter declined to 27% (-520bps YoY) due to high repair and maintenance expenses, bad debt (INR 20mn), and high employee cost for capability addition and a change in the product mix. We expect the company to bounce back on the margin front in subsequent quarters to deliver ~39% in FY27E. Estimated revenue CAGR of 22.8% over FY26-FY29E is based on the orders in hand of INR 26bn (including negotiated and pending receipts) and the order pipeline of large platform system orders. DPL is also actively pursuing opportunities in drone and counter drone systems (market size: INR 400bn). Pursuant to above factors and backward integration, we maintain our estimates of a PAT CAGR of 21.6% over FY26-FY29E. Key monitorable would be export order flows, large platform system orders such as the INR 10bn from HAL and progress in counter drone's domain. Following this, we maintain ADD, arriving at a TP of INR 3,940 (55x FY28E EPS).

- **Q1FY27 highlights:** The revenue stood at INR 1,160mn (+17% YoY), led by continued execution of the company's diversified orderbook. Estimated revenue booking of Q1FY27E got shifted to later quarters due to pending customer approvals which should normalize over subsequent quarters. EBITDA was at INR 314mn (-2% YoY, margin 27%, down 520 bps YoY), due to high repair and maintenance costs, bad debt (INR 20mn), higher employee costs, and product mix. APAT was at INR 217mn (-16% YoY).
- **Current order book:** The order book for the company at Q1FY27-end stands at INR 9.3bn (30%/21%/32% radars/avionics/AMC) with the split as 18%/45%/37% for production/development/services respectively and the export order book at INR 0.4bn. The order inflow for the quarter was at INR 1.2bn with avionics (INR 635mn) and radar segments leading the inflows. The order book as on date including orders received, negotiated and pending receipts is at INR 26.6bn, with total order inflows as on date being INR 2.3bn.
- **Strategic acquisition strengthening vertical integration:** Data Patterns has planned to acquire Chennai-based ST Advanced Composites specializing in RF-transparent radomes and defence & aerospace-grade structural components for INR 100mn. Post acquisition, Data Patterns would qualify as an integrated source for electronics plus RF structures, as per requirements of DRDO and other OEMs. It would expand value per program by 1.3-2.0x.
- **Strong order inflows ahead:** The company expects an order inflow of INR 20bn+ for FY27E (HSIE: INR 19bn). Further, the pipeline includes orders from platforms such as LCA Tejas, Su-30 upgrade, and QRSAM. It is also very active in AMCA project, developing the glass cockpit and management systems. We are optimistic on order book growing from INR 9.3bn in FY26 to INR 20.6bn in FY28E. The development of BrahMos seekers along with components for drones and counter drones' segment should bolster the order book.

Financial Summary

(INR mn)	Q1FY27	Q1FY26	*YoY*	Q4FY26	*QoQ*	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	1,160	993	*17%*	3,449	*-66%*	7,084	9,248	11,473	14,231	17,423
EBITDA	314	321	*-2%*	1,928	*-84%*	2,750	3,740	4,474	5,508	6,655
APAT	217	256	*-16%*	1,395	*-84%*	2,218	2,714	3,249	4,009	4,883
Diluted Consol EPS (INR)	3.9	4.6	*-13%*	24.7	*-84%*	39.6	48.5	58.0	71.6	87.2
P/E (x)						107.8	88.1	73.6	59.6	49.0
EV/EBITDA						86.5	63.7	53.3	43.3	35.7
RoE (%)						15.7%	16.7%	17.4%	18.4%	19.1%

Source: Company, HSIE Research

ADD

CMP *(as on 31 Jul 2026)*	INR 4,281
Target Price	INR 3,940
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,940	INR 3940
	FY27E	FY28E
EPS Change %	*0.0%*	*0.0%*

KEY STOCK DATA	
Bloomberg code	DATAPATT IN
No. of Shares (mn)	56
MCap (INR bn) / ($ mn)	240/2,512
6m avg traded value (INR mn)	4,882
52 Week high / low	INR 4,956/2,131

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	4.9	60.2	62.1
Relative (%)	3.3	65.3	65.9

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	42.41	42.41
FIs & Local MFs	11.68	11.98
FPIs	12.47	12.50
Public & Others	33.43	33.11
Pledged Shares	-	-

Source : BSE

Amit Kumar, CFA
amit.kumar1@hdfcsec.com
+91-22-6171-7354

Nikunj Khetan
nikunj.khetan@hdfcsec.com
+91-22-6171-7336

Aryan Singh Dalal
aryan.dalal@hdfcsec.com
+91-22-6171-7330

Aether Industries

CEM to be the major growth driver

We maintain ADD on Aether Industries (AIL), with a target price of INR 1,650. The company's growth will be led by (1) ramp-up in exclusive manufacturing for Milliken Chemical and Baker Hughes, (2) ramp-up of recently-commissioned Block 1 and Block 2 at the company's site Magnum (Site 5, Panoli), (3) commissioning and ramp-up of the other 14 blocks at Magnum site over three years in phases, (4) doubling of R&D capacity and capabilities at site Catalyst (Site 1, Sachin), (5) partnership with Dow Chemicals targeting the ~USD 1bn import substitution opportunity in the domestic silicone market, and (6) rapid commercialization and scale-up of high-value low-volume electronic chemicals with limited competition, which will be manufactured at Site 3 and Site 5 under the CEM model. We expect revenue/EBITDA/PAT CAGRs of 28/29/32% over FY26-FY29E while the RoE is expected to improve from 9.7% in FY26 to 15.1% in FY29. EBITDA/APAT were 13/8% above our estimates, owing to an increase in contribution from the CEM business.

- **Financial performance:** Revenue grew by +27.5/+7.0% YoY/QoQ to INR 3,266mn. EBITDA increased by +27.4/+24.3% YoY/QoQ to INR 1,028mn. Segmental revenue breakdown for Q1FY27: 39.10% from large-scale manufacturing, 9.30% from CRAMS, and 51.50% from CEM. The company has received the entire final claim for fixed assets lost in the November 2023 fire accident.
- **Key con call takeaways: (1) Partnership with Dow Chemicals:** Exclusive multi-year collaboration to develop next-generation silicone manufacturing technologies in India, conducted entirely at Aether's Site 1 R&D and pilot facilities. The partnership is targeting a ~USD1bn Indian silicone market through import substitution and indigenous innovation, with a long-term roadmap that could expand into full-scale commercialization and platform-technology development. (2) CEM and CRAMS now contribute 60% of revenue, and the company has a clear line of sight to these models reaching 70%+ of revenue in the next couple of years. **(3) Milliken contract:** Site 3+ is ramping up faster than planned, supported by the strategic Milliken partnership and a shift toward higher-margin CEM production. The site has begun supplying semiconductor materials and is operating at 69% utilization. **(3) Magnum Site:** With the first two blocks already commercialized, revenues should start from Q2, supported by strong demand visibility and pre-audited customer readiness. The mega-site will scale to 16 blocks by FY30 with a INR 22-23bn investment, anchored by high-value semiconductor and specialty molecules, including a 45 MT/month semiconductor stream going live by Sep-end. **(4) R&D:** The company is building a much larger R&D centre with 15 labs and ~160 fume hoods, targeted for commissioning in Q1 FY28, enabling more complex chemistry and scaling its CRAMS business. Interim upgrades such as 18 new fume hoods and a 400 MHz NMR are already operational.

Financial summary (consolidated)

INR mn	Q1 FY27	Q4 FY26	QoQ (%)	Q1 FY26	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Net Sales	3,266	3,051	7.0	2,561	27.5	8,387	11,601	14,884	19,956	24,279
EBITDA	1,028	827	24.3	807	27.4	2,412	3,636	4,638	6,499	7,887
APAT	627	551	14.0	490	28.1	1,673	2,262	2,928	4,210	5,178
AEPS (INR)	4.7	4.2	14.0	3.7	28.1	12.6	17.1	22.1	31.8	39.1
P/E (x)						123.5	91.4	70.6	49.1	39.9
EV/EBITDA(x)						85.5	58.1	45.3	32.4	26.7
RoE (%)						7.8	9.7	11.3	14.2	15.1

Source: Company, HSIE Research

ADD

CMP *(as on 31 Jul 2026)*	INR 1,540
Target Price	INR 1,650
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,558	INR 1,650
EPS %	FY27E	FY28E
	0.0%	0.0%

KEY STOCK DATA	
Bloomberg code	AETHER IN
No. of Shares (mn)	133
MCap (INR bn) / ($ mn)	204/2,142
6m avg traded value (INR mn)	486
52 Week high / low	INR 1,614/723

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	31.4	53.7	100.7
Relative (%)	29.9	58.7	104.6

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	74.95	74.93
FIs & Local MFs	12.66	10.49
FPIs	6.29	7.42
Public & Others	6.10	7.16
Pledged Shares	0.00	0.00

Source: BSE

Nilesh Ghuge
nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Aditya Iyer
aditya.iyer@hdfcsec.com
+91-22-6171-7356

Kajaria Ceramics

Healthy performance; 20-quarter high margin

Kajaria Ceramics' (KJC) revenue grew 20% YoY to INR 13.28bn, driven by 11% YoY expansion in NSR, while tiles volume grew 6% YoY. EBITDAM expanded by a robust 270bps YoY to 19.6%, leading to EBITDA/APAT growth of 39/52% YoY. The company expects double-digit volume growth over the next nine months in this year with EBITDA margin at 18-19% for FY27. Considering the strong Q1 performance, we have increased our revenue estimates by 1/3/5% and APAT estimates by 7/11/11% for FY27/28/29E. With increased focus on unification and strengthening of its sales and distribution network, the benefits are already visible in improving volume traction. Coupled with new capacity additions in FY28 and incremental client additions in the projects vertical, we expect a volume to pick up in the coming years and accordingly raise our volume growth assumptions by 3-5% for FY28–29E. We upgrade our rating from Reduce to ADD with a revised target price of INR 1,330/share (30x Sep-28E consolidated EPS).

- **Q1FY27 performance:** Revenue grew 20% YoY to INR 13.28bn, driven by 11% YoY expansion in NSR, while tiles volume grew 6% YoY. Sanitary ware/adhesive revenue grew strong 33/80% YoY. Non-tiles formed 13% of revenue (grew 43% YoY owing to robust growth in adhesive) vs 11/12% YoY/QoQ. EBITDA grew strongly by 39% YoY (-1% QoQ), owing to lower fixed expenses. Employee cost/other expenses grew 3/11% YoY. Consequently, EBITDAM increased by a robust 270bps YoY (+40bps QoQ) to 19.6%. We believe the EBITDA margin benefited from the supply issue at Morbi, which is resolved now. APAT rose 52% YoY, owing to improved EBITDA, lower depreciation, and higher other income.
- **Con call KTAs and outlook:** The company expects double-digit volume growth over the next nine months in this year, with EBITDA margin of 18-19% for FY27. With increased focus on unification and strengthening of its sales and distribution network, the benefits are already visible in improving volume traction. Coupled with new capacity additions in FY28 and incremental client additions in the projects vertical, we expect a pick-up in volumes in the coming year. Also considering the strong Q1 performance, we increase our revenue estimates by 1/3/5% and APAT estimates by 7/11/11% for FY27/28/29E. We upgrade our rating from Reduce to ADD, with a revised target price of INR 1,330/share (30x Sep-28E consolidated EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q1 FY27	Q1 FY26	*YoY (%)*	Q4 FY26	*QoQ (%)*	FY25	FY26	FY27E	FY28E	FY29E
Tiles sales (MSM)	28.8	27.2	6.0	33.5	(14.1)	114.7	118.5	129.2	141.0	153.9
NSR (Rs/Kg)	403	363	11.1	362	11.5	404	408	438	440	446
Tiles Revenue	11,615	9,864	17.8	12,126	(4.2)	41,720	42,803	49,921	54,499	60,112
Other Revenue	1,666	1,164	43.1	1,608	3.6	4,630	5,501	6,667	7,525	8,506
Net Sales	13,281	11,027	20.4	13,734	(3.3)	46,351	48,304	56,588	62,024	68,618
EBITDA	2,604	1,869	39.3	2,635	(1.2)	6,262	8,650	10,205	10,857	11,984
EBITDAM (%)	19.6	16.9		19.2		13.5	17.9	18.0	17.5	17.5
APAT	1,711	1,126	52.0	1,609	6.3	3,483	5,341	6,456	6,718	7,431
Diluted EPS (Rs)	10.7	7.1	52.0	10.1	6.3	21.9	33.6	41.2	42.8	47.4
EV / EBITDA (x)						30.0	21.5	18.2	17.0	15.2
P/E (x)						54.9	35.8	29.2	28.1	25.4
RoE (%)						12.7	18.0	20.5	20.2	20.2

Source: Company, HSIE Research

ADD

CMP *(as on 31 Jul 2026)*	**INR 1,198**
Target Price	**INR 1,330**
NIFTY	**24,384**

KEY CHANGES	**OLD**	**NEW**
Rating	REDUCE	ADD
Price Target	INR 1,200	INR 1,330
EPS revision %	FY27E	FY28E
	7.2	*10.9*

KEY STOCK DATA	
Bloomberg code	KJC IN
No. of Shares (mn)	159
MCap (INR bn) / ($ mn)	191/2,001
6m avg traded value (INR mn)	353
52 Week high / low	INR 1,322/870

STOCK PERFORMANCE (%)

	3M	**6M**	**12M**
Absolute (%)	0.9	32.8	1.8
Relative (%)	(0.6)	37.9	5.6

SHAREHOLDING PATTERN (%)

	Mar-26	**Jun-26**
Promoters	47.69	47.69
FIs & Local MFs	27.48	26.24
FPIs	10.23	11.58
Public & Others	14.60	14.49
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Keshav Lahoti
keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Mahesh Nagda
mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Aarti Industries

Inventory and forex gain increase profitability

We maintain REDUCE on Aarti Industries (AIL), with a target price of INR 492. We expect revenue/EBITDA/PAT CAGR of 11/19/26% over FY26-29E. The growth will be driven by: (a) commissioning of Zone 4, new chemistry blocks, and the ramp-up of strategic JVs, even as near-term volatility from geopolitical and demand pressures persists. (b) diversification beyond MMA, strengthening high-margin specialty chains, and expanding global reach (including a China subsidiary) positions the company to structurally improve its earnings mix. (c) The management remains firm on its FY28 guidance of INR 18-22bn EBITDA basis ramp-ups and demand normalization in key end-markets. EBITDA/APAT were 49.3/176.9% above our estimates, owing to higher-than-expected revenue, monetization of low-cost inventory and forex gains.

- **Financial performance**: Revenue changed by +42.5/+8.3% YoY/QoQ to INR 23,870mn. Revenue growth was mainly led by pass-through of rising input prices to customers despite a decline in key product volumes on a QoQ basis. EBITDA improved by +81.0/+12.0% YoY/QoQ to INR 3,820mn, driven by product and region mix optimization, monetization of low-cost inventory (~INR 500-600mn) and forex gains (~INR 500mn). EBITDA margin changed by +341/+54 bps YoY/QoQ to 16.0%.
- **Con call takeaways: (1) Energy business (38% of the revenue):** Revenue from West Asia fell sharply from 15% to 2% due to the US-Iran war. AIL redirected volumes to the US, Africa, and Europe, and expects recovery as new supply routes open. Fuel-additive capacity increased from 290 to 360ktpa in July, with strong utilization expected by Q2FY27 to support new markets. The company is moving beyond MMA into a multi-product line-up, with 3-5 new additives under development over the next year to reduce single-product dependence and broaden applications. **(2) Non-energy business (62% of the revenue):** Agrochemicals saw lower volumes due to RM-driven customer resistance, while dyes/pigments benefited from higher realizations and China's VAT rebate removal; pharmaceuticals grew on price hikes, and polymers/additives faced temporary weakness from US/China demand but retain strong EV-linked long-term visibility. Volume recovery is expected from Q2 FY27 across key segments, supported by new agrochemical product launches, customer qualifications, and margin tailwinds from currency moves and improved NCB chain economics**. (3) Capex and future outlook:** Zone 4 is delayed by 4-6 months due to labor and geopolitical issues but is being commissioned through FY27; key units like the MPP and calcium chloride plant to go live in Q2 FY27, with product qualifications ramping from 5-10 products in FY27 to 25-30 by FY28. FY27 capex guided at INR 7-8bn with INR 1.80bn already spent, while FY28 will see a sharp reduction in capex intensity, shifting focus toward high-return niche projects. Superform JV (Q2 FY27), Re Aarti (H2 FY27), DCB debottlenecking, the PEDA project, and a planned China subsidiary support long-term growth, with management reiterating an FY28 EBITDA target of INR 18-22bn despite project delays.
- **Change in estimates:** We have tweaked FY27/FY28/FY29E EPS estimates by +72.5/+4.4/+0.4% to INR 7.9/14.0/22.9, based on the Q1 performance and near-term volume recovery outlook.

Financial summary (consolidated)

INR mn	Q1 FY27	Q4 FY26	QoQ (%)	Q1 FY26	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Net Sales	23,870	22,050	8.3	16,750	42.5	72,713	82,860	95,795	1,00,217	1,13,119
EBITDA	3,820	3,410	12.0	2,110	81.0	10,005	11,670	12,217	15,375	19,636
APAT	1,533	1,345	13.9	430	256.5	3,283	4,109	2,872	5,059	8,312
AEPS (INR)	4.2	3.7	13.9	1.2	256.5	9.1	11.3	7.9	14.0	22.9
P/E (x)						53.7	42.9	61.3	34.8	21.2
EV/EBITDA(x)						21.1	18.8	18.0	14.1	10.8
RoE (%)						6.0	7.1	4.7	7.8	11.8

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch	FY29E Old	FY29E New	%Ch
EBITDA (INR mn)	10,838	12,217	12.7	15,287	15,375	0.6	19,762	19,636	(0.6)
Adj. EPS (INR/sh)	4.6	7.9	72.5	13.4	14.0	4.4	22.8	22.9	0.4

Source: Company, HSIE Research

REDUCE

CMP *(as on 31 Jul 2026)*	INR 489
Target Price	INR 492
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 468	INR 492
EPS %	FY27E	FY28E
	+72.5%	+4.4%

KEY STOCK DATA	
Bloomberg code	ARTO IN
No. of Shares (mn)	363
MCap (INR bn) / ($ mn)	177/1,860
6m avg traded value (INR mn)	633
52 Week high / low	INR 523/338

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.4)	(13.5)	(2.3)
Relative (%)	(11.8)	(11.5)	(11.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	42.09	41.82
FIs & Local MFs	20.12	21.11
FPIs	7.38	6.99
Government	0.01	0.01
Public & Others	30.40	30.07
Pledged Shares	3.57	3.49

Source: BSE

Nilesh Ghuge
nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Aditya Iyer
aditya.iyer@hdfcsec.com
+91-22-6171-7356

Niva Bupa Health Insurance

Change in accounting approach resets the board

NIVABUPA delivered a strong performance in Q1FY27 under the IND-AS reporting framework, delivering a sharp doubling of profitability (INR1.38bn), albeit on the back of plenty of adjustments. The strong performance was driven by a near-30% topline expansion and a notable improvement in underwriting metrics, as CISR (underwriting discipline proxy) moderated 300bps to 100.2%, primarily led by a 380bps improvement in loss ratio (LR). This LR improvement was supported by NIVABUPA's conscious decision to reduce exposure to group insurance of large corporate accounts, resulting in an 800bps increase in retail health GWP in product mix, where claim incidence continued to trend lower. We believe NIVABUPA continues to enjoy competitive moats around its use of analytics for risk selection and product pricing, translating into superior profitability metrics. We build in full-year FY27 CISR at 100% and PAT growth at 29%; we maintain BUY with a NOPAT-based TP at INR105 (33.8x Mar-28 EPS; 36% growth premium over STARHEAL's implied valuation of 25x).

- **Market share gains driven by retail growth engine:** NIVABUPA's growth engine remains firmly anchored in its retail health franchise, which expanded 47% YoY, lifting retail market share to 11.1%, reaffirming the company's position among the fastest-growing standalone health insurers in the country.
- **Insurance service result (ISR) dominates new accounting print:** The shift in accounting approach to IND-AS triggered a few neat outcomes, which drove the ISR to INR1bn, a 12x YoY outperformance on the underwriting front. This was partly led by the 300bps improvement in loss ratio, partly offset by an 80bps deterioration in the expense ratio at 37.2% (Q1FY26: 36.4%). The company's Q1FY27 print was underpinned by a healthy pick-up in investment gains at INR1.97bn (Q1FY26: INR1.6bn), which boosted the bottom line alongside core underwriting performance.
- **LR improvement reflects conscious shift toward higher-quality retail mix**: The LR improved to 63% (Q1FY26: 67%), aided by an ~800 bps increase in the share of retail health within the overall GWP mix. While the management clarified that group business will remain important, the company's deliberate strategy of steering away from large, low-margin group health schemes towards MSME business appears to be driving a structural improvement in portfolio quality. Consequently, the combined ratio (CISR) improved 300bps YoY to 100.2% (Q1FY26: 103.2%), a proxy for underwriting discipline.

Financial summary

(INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	FY26	FY27E	FY28E
Insurance revenue	22.7	17.7	29%	21.2	78.3	102.0	129.5
Insurance service result	1.0	0.1	1229%	1.1	2.7	2.7	3.5
PAT	1.4	0.7	93%	3.5	3.7	4.4	5.7
EPS	0.7	0.4	93%	1.9	2.0	2.4	3.1
CISR (excl. other expenses)					94%	96%	96%
CISR (incl. other expenses)	100.2%	103.2%			101%	102%	101%
P/E (X)					42.9	36.0	27.4

Source: Company, HSIE Research

BUY

CMP *(as on 31 Jul 2026)*	**INR 87**
Target Price	**INR 105**
NIFTY	**24,384**

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR95	INR105
EPS %	FY27E	FY28E
	5%	3%

KEY STOCK DATA	
Bloomberg code	NIVABUPA IN
No. of Shares (mn)	1,849
MCap (INR bn) / ($ mn)	161/1,687
6m avg traded value (INR mn)	196
52 Week high / low	INR 91/68

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	11.1	10.3	(0.6)
Relative (%)	9.6	15.4	3.2

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	55.4	55.4
FIs & Local MFs	16.5	16.17
FPIs	10.6	12.09
Public & Others	17.5	16.44
Pledged Shares	*Nil*	Nil

Source : BSE

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Samarth Desai
samarth.desai@hdfcsec.com
+91-22-6171-7325

Mahanagar Gas

Cost-effecitve gas sourcing boosts margins

BUY

CMP *(as on 31 Jul 2026)*	INR 1,121
Target Price	INR 1,694
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,822	INR 1,694
EPS %	FY27E	FY28E
	-7.1%	-8.9%

KEY STOCK DATA	
Bloomberg code	MAHGL IN
No. of Shares (mn)	99
MCap (INR bn) / ($ mn)	111/1,160
6m avg traded value (INR mn)	398
52 Week high / low	INR 1,407/900

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(1.3)	6.4	(17.5)
Relative (%)	(2.9)	11.5	(13.7)

SHAREHOLDING PATTERN (%)	Mar-26	Mar-26
Promoters	32.50	32.50
FIs & Local MFs	21.01	22.53
FPIs	24.13	23.21
Government	10.00	10.00
Public & Others	12.36	11.76
Pledged Shares	0.00	0.00

Source : BSE

Our BUY recommendation on Mahanagar Gas (MGL) with a target price of INR 1,694 is premised on a 10% volume CAGR over FY26-29E, led by accelerated addition of retail outlets, customer additions in the industrial segment, and continued firm CNG vehicle registration. The Q1FY27 consolidated EBITDA came in at INR3.4bn (-32% YoY, +32% QoQ) and consolidated PAT was at INR 1.93bn (-40% YoY, +49% QoQ). The improvement on sequential basis is owing to better natural gas sourcing and price hikes taken across all segments. For commercial and industrial customers, the price charged is linked to alternate fuels like commercial LPG cylinder and FO/LSHS respectively. In Q1, the prices of alternate fuels increased commensurately with crude oil price. MGL has taken price hike accordingly for these customers. The share of natural gas sourced under Henry Hub (HH) linked long-term contracts has increased in overall sourcing mix. The HH benchmark gas price was flattish QoQ. Thus, the margins in PNG segment increased sharply, which boosted the overall margins in the quarter.

- **Volume growth at 7%YoY:** MGL's quarterly volume grew by 7% YoY to 4.77mmscmd. CNG volume grew 9.7% YoY and 4.4% QoQ to 3.5mmscmd. PNG volume showed growth of 0.2% YoY but fell 4% sequentially to 1.27mmscmd. The fall in Q1 PNG volumes is due to 7.2% YoY and 10% QoQ fall in Industrial and Commercial segment to 0.65mmscmd. The cut in supply of gas to commercial and industrial customers as per the government notification has resulted in a fall in volumes.
- **Per-unit margins improved:** Per-unit gross margin improved QoQ to INR 14.7/scm despite increase in gas cost and the depreciation of rupee. The company has taken a price hike for CNG, DPNG and industrial and commercial customers. Further, the sourcing mix shifted toward low-cost HH-linked long-term contract while share of spot LNG reduced. Per-unit opex stood at INR6.8/scm (+2.2% YoY, -7.3% QoQ) and EBITDA per unit improved INR7.9/scm up from INR6.2/scm in Q4FY26.
- **Conference call takeaways:** (1) The company enjoyed the favorable movement between Brent crude oil price and natural gas. Higher Brent price increased the prices of alternate fuels. Thus, price realization increased for the company. MGL increased the share of HH-linked long-term contract in gas sourcing mix. This has resulted in a sharp increase in margins for industrial and commercial segment. (2) **Gas sourcing** – ~30% APM gas, 20-22% New Well Gas and pooled gas, ~ 14-15% HPHT, 22% HH linked contracts and the remining demand of ~11% through SPOT LNG. (2) **CNG** – There is an addition of 26,007 CNG vehicles, and now there are more than 1.31mn CNG vehicles registered in geographies where company operates. MGL has taken a price hike in the quarter, owing to higher gas prices and to mitigate the impact of depreciating rupee. If gas price continues to remain elevated, then company may increase CNG price further. (3) Guidance: MGL aims to report an 8% volume growth in FY27. The company has maintained its long-term margin guidance range of INR 8-9/scm.
- **DCF-based valuation:** We maintain BUY with a target price of INR 1,694/sh, based on Sep-27E free cash flow (WACC 10.5%, terminal growth rate 2%). The stock is currently trading at 12x Mar-28E EPS.

Financial Summary

YE March (INR bn)	1Q FY27	4Q FY26	QoQ (%)	1Q FY26	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Revenue	23.7	20.5	*15.6*	20.8	*13.9*	69.24	82.46	95.80	109.17	118.68
EBITDA	3.4	2.6	*31.9*	5.0	*(31.5)*	15.10	14.49	14.12	16.59	19.04
APAT	1.9	1.3	*48.6*	3.2	*(39.7)*	10.92	9.27	7.87	9.16	10.46
AEPS(INR)	19.5	13.1	*48.6*	32.3	*(39.7)*	110.54	93.91	79.63	92.73	105.90
P/E(x)						10.1	11.9	14.0	12.0	10.5
EV/EBITDA(x)						6.4	6.8	6.8	5.6	4.7
RoE(%)						19.8	15.0	11.8	12.7	13.5

Source: Company, HSIE Research|*Including UEPL numbers

Change in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR mn)	14.90	14.12	(5.2)	17.76	16.59	(6.6)
EPS	85.7	79.6	(7.1)	101.8	92.7	(8.9)

Source: HSIE Research

Nilesh Ghuge
nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Aditya Iyer
aditya.iyer@hdfcsec.com
+91-22-6171-7356

Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

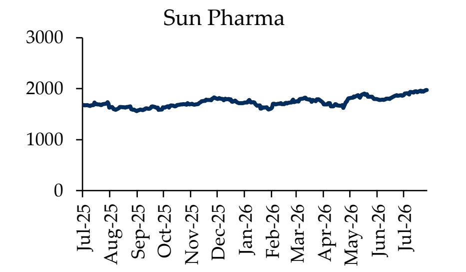
REDUCE: -10% to +5% return potential

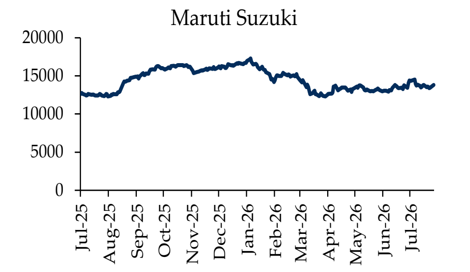
SELL: > 10% Downside return potential

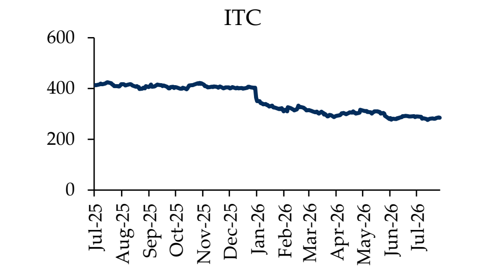
Disclosure:

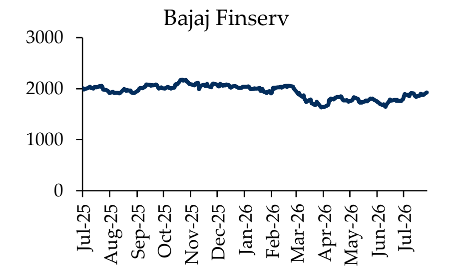
Analyst	Company Covered	Qualification	Any holding in the stock
Mehul Sheth	Sun Pharmaceutical Industries	MBA	NO
Hitesh Thakurani	Maruti Suzuki	MBA	NO
Nitin Gupta	ITC	CA	NO
Ishant Lalwani	ITC	BCom	NO
Krishnan ASV	Bajaj FinServ, LIC Housing Finance, Niva Bupa Health Insurance	PGDM	NO
Samarth Desai	Bajaj FinServ, Niva Bupa Health Insurance	MSC	NO
Deepak Shinde	LIC Housing Finance	PGDM	NO
Ayush Pandit	LIC Housing Finance	CA	NO
Parikshit Kandpal	ABB India, Thermax	CFA	NO
Aditya Sahu	ABB India, Thermax	MBA	NO
Jay Shah	ABB India, Thermax	CA	NO
Amit Kumar	Data Patterns	CFA	NO
Nikunj Khetan	Data Patterns	PGDM	NO
Aryan Singh Dalal	Data Patterns	BCom	NO
Nilesh Ghuge	Aether Industries, Aarti Industries, Mahanagar Gas	MMS	NO
Aditya Iyer	Aether Industries, Aarti Industries, Mahanagar Gas	PGDM	NO
Keshav Lahoti	Kajaria Ceramics	CA, CFA	NO
Rajesh Ravi	Kajaria Ceramics	MBA	NO
Mahesh Nagda	Kajaria Ceramics	CA	NO

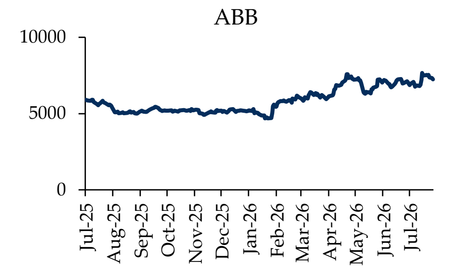
Price movement

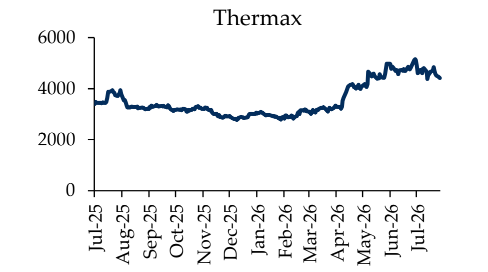


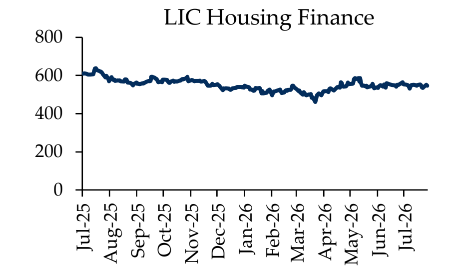


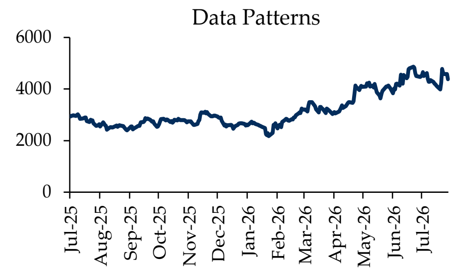


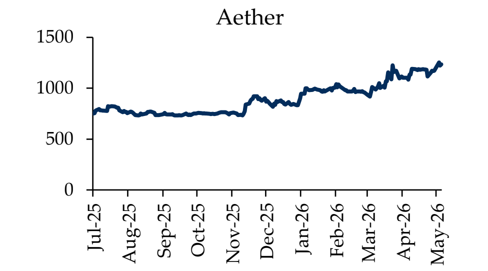


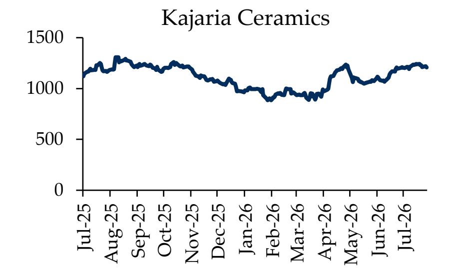


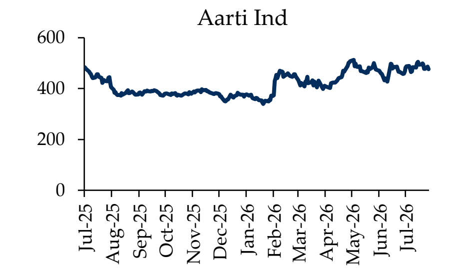


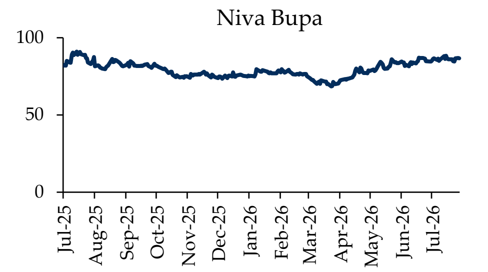


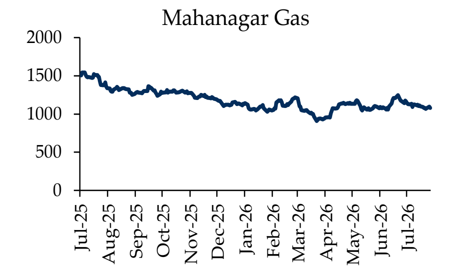












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Compliance Officer: Murli V Karkera, Contact: +91 022-69151436, Email: complianceofficer@hdfcsec.com, For any complaints / grievance: services@hdfcsec.com
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HDFC Securities
Institutional Equities
Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
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