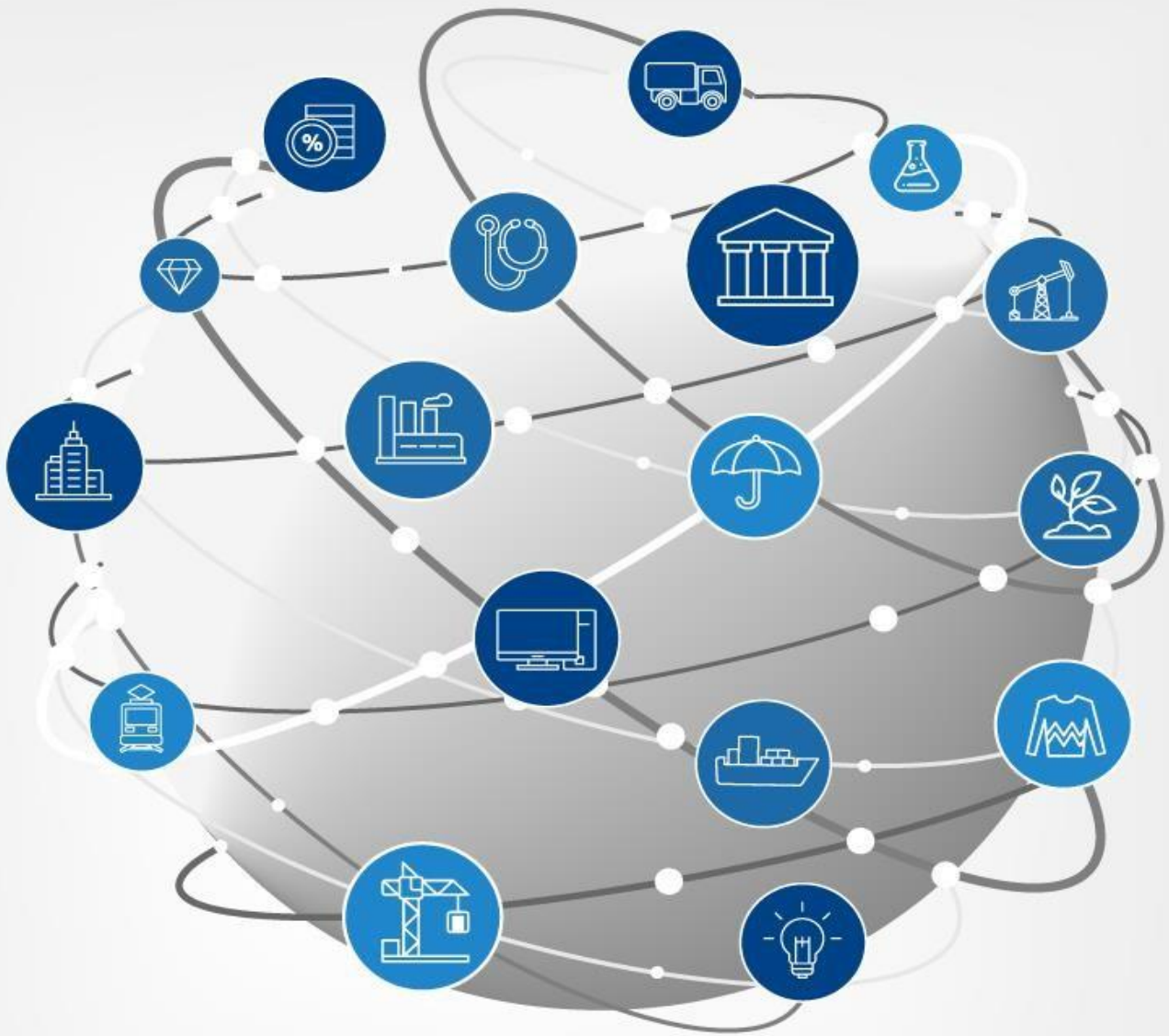




Quarterly flipbook

Quarterly Flipbook

Healthy growth despite geopolitical unrest; margins under pressure

The aggregate performance of the Q1FY27 earnings season was healthy as YoY revenue growth continued its steady improvement despite geopolitical unrest and crude price surge. Aggregate revenue/PAT grew by 21%/5% YoY and 4%/-12% QoQ respectively across the HSIE coverage (~275 stocks). It is worth noting that a healthy YoY earnings growth was primarily due to sturdy growth by lenders, IT, metal, and telecom sector despite a large drag by OMCs pursuant to Iran war and oil related volatility. Ex-OMCs, aggregate YoY revenue and PAT growth stood at 18% and 19% reflecting a strong quarterly performance. Also, sequential earning weakness was led by oil & gas, power, defence, auto and insurance sectors.

Within HSIE coverage universe (ex-OMCs), earning growth of large, mid, and small caps were in similar range. Earnings of largecap stocks grew by 18.5% YoY (Q4FY26:10.5%) as against 19.1% YoY of midcaps (Q4FY26:36%) and 18.4% YoY of small caps (Q3FY26:23.7%). Double-digit YoY earnings growth was reported by lenders, capital markets, consumer discretionary, defence, real estate, IT, home improvement, chemical, metal and telecom sectors. Further, subdued YoY earnings growth was reported by oil & gas, staples, industrials, pharma, and cement sectors.

At the aggregate level, energy, auto, lenders, chemical and metal sectors predominantly led the PAT beat of 11.1% in Q1FY27. Performance was broad-based with 57% of companies beating estimates (a 10-quarter high). Historical trend of the percentage of under-coverage companies beating PAT estimates is shown below:

Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
54%	39%	34%	32%	52%	41%	38%	44%	49%	57%

While lenders, metals and chemicals contributed to majority of the aggregate earning upgrades, most of the other sectors witnessed marginal downgrades for FY27E in this quarter. OMCs largely led the downgrades for oil & gas sector. FY27E Downgrades were led by Maruti, Tata Motors PV, TCS, HPCL, BPCL, and Shree cement. Key companies that witnessed upgrades for FY27E were SBI, Titan, L&T, OIL, IOCL, JSW steel and Hindalco. Consequently, aggregate earnings estimate for coverage universe saw marginal upgrades of 0.1% and 0.7% in FY27E and FY28E, respectively. These marginal upgrades were observed after significant downgrades of Q4FY26 reflect gradually reviving optimism which had got adversely impacted in previous quarter due to the middle east war.

Post earnings upgrade, projected earnings growth for HSIE coverage universe stands at 14.2% and 15.4%, for FY27E and FY28E, respectively. The extraordinary earnings growth CAGR of 18% over FY19-FY24 will be normalized to ~11.3% over FY24-28E. We expect growth outlook at the aggregate level (ex-oil & Gas) to remain steady led by BFSI, auto, metal, industrial and pharma sectors. Oil & gas sector led by OMCs continues to pose downside risk to the aggregate earnings due to war driven crude volatility. In the current uncertain geopolitical environment, crude volatility, inflationary pressure, and monsoon intensity remain key monitorable for earnings.

The Nifty 50 index is currently trading at ~19.7x FY27E (10Y avg: 20.4x) based on consensus EPS. Recent index underperformance has created an upside of 10-15%.

Our preferred sectors are financials, auto, industrials, pharma, real estate, chemicals, and consumer discretionary. We are under-weight on energy, cement, and telecom.

Model portfolio: Stock-specific bottom-up ideas hold the key for outperformance rather than index or sectoral calls. Weights of sectors remain unchanged, but stocks within them have been realigned keeping a bias towards better earnings delivery.

Key changes in the model portfolio are as follows:

Key inclusions/weight increase	Key exclusions/weight reduction
Addition: Hero Moto, Indian Bank, PNB housing, United spirits, Oberoi realty, Info edge, TechM, Kajaria, Piramal Pharma	Exclusion: Bharat forge, Kotak Bank, Crompton, Sobha, TCS, Supreme industries, Lupin

Q1FY27 deviation in estimates in comparison to previews.

Sector	Revenue	PAT
Autos	1.9%	14.6%
Banks and NBFCs	4.0%	1.5%
Insurance	3.8%	0.5%
Capital Markets	21.5%	26.6%
Consumer- Staples	-0.7%	-1.5%
Consumer Discretionary (ex-Autos)	-1.8%	-7.7%
Industrials (Cap Goods+ Infrastructure)	-0.9%	-1.2%
Defence	-1.7%	0.6%
Real Estate	6.1%	13.9%
IT	0.0%	1.9%
Energy (Oil & Gas)	7.9%	181.6%
Cement	1.2%	13.5%
Home improvement	1.1%	13.2%
Chemicals	17.0%	106.3%
Power/Utilities	-0.3%	3.3%
Pharma	8.9%	-1.8%
Metal	3.5%	14.8%
Total	4.0%	11.1%

Source: Bloomberg & HSIE Research

Sectoral Change in PAT Estimates in comparison to Q4FY26

Sector	FY27E	FY28E
Autos	-1.7%	-1.8%
Banks and NBFCs	1.6%	2.0%
Insurance	1.1%	1.4%
Capital Markets	-2.1%	-6.4%
Consumer- Staples	-2.0%	0.0%
Consumer Discretionary (ex-Autos)	-2.7%	-1.9%
Industrials (Cap Goods+ Infrastructure)	-2.3%	-2.2%
Defence	-0.1%	2.9%
Real Estate	0.5%	0.7%
IT	-0.8%	-2.9%
Energy (Oil & Gas)	-1.8%	1.8%
Cement	-5.3%	-1.4%
Home improvement	1.6%	0.1%
Chemicals	10.3%	0.8%
Power/Utilities	-0.2%	-0.5%
Pharma	-1.4%	2.1%
Metal	6.6%	3.7%
Total	0.1%	0.7%

Source: Bloomberg & HSIE Research

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Result Scorecard- Quarterly Snapshot

HSIE Coverage (INR Bn)	Q1 FY27 Preview Estimates			Q1 FY27 Actuals			Q1 FY26 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q1 FY27E	Q1 FY27E	Q1 FY27E	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY26 Actuals	Q1 FY26 Actuals	Q1 FY26 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals
Autos	3,442	367	191	3,506	359	219	2,922	339	204	1.9%	-2.3%	14.6%
MARUTI SUZUKI INDIA	519	52	34	525	43	34	384	40	37	1.0%	-16.8%	-0.2%
MAHINDRA & MAHINDRA	423	52	35	419	51	37	341	49	34	-0.8%	-1.9%	6.6%
TATA MOTORS PV	921	70	7	958	63	9	877	78	26	4.1%	-9.5%	33.8%
TATA MOTORS CV	212	21	13	208	23	26	173	21	14	-1.8%	8.0%	106.5%
BAJAJ AUTO	168	34	27	172	36	30	126	25	21	2.5%	6.9%	9.1%
EICHER MOTORS	62	15	12	62	15	15	49	12	13	0.5%	-0.4%	21.6%
HERO MOTOCORP	123	16	12	130	17	15	96	14	11	5.4%	6.7%	16.6%
TVS MOTOR COMPANY	135	16	10	139	18	12	101	13	8	2.6%	8.2%	15.6%
ASHOK LEYLAND	97	10	6	96	10	6	87	10	6	-1.1%	-0.2%	2.0%
BALKRISHNA INDUSTRIES	31	7	4	34	7	4	28	7	3	11.3%	8.1%	21.6%
BHARAT FORGE	46	8	4	46	7	3	39	7	3	0.4%	-8.3%	-23.9%
ENDURANCE TECHNOLOGIES	41	5	2	43	5	2	33	4	2	5.5%	2.7%	2.3%
APOLLO TYRES	74	9	3	74	9	3	66	9	3	-0.3%	1.9%	8.6%
MOTHERSON SUMI WIRING INDIA	32	3	2	34	3	1	25	2	1	5.9%	-3.1%	-4.6%
SAMVARDHANA MOTHERSON INTERNATIONAL	348	31	11	352	31	10	302	25	6	1.4%	-1.2%	-4.4%
SANSERA ENGINEERING	10	2	1	10	2	1	8	1	1	4.6%	9.5%	9.9%
ATHER ENERGY	12	-1	-1	12	(0)	(1)	6	(1)	(2)	-0.6%	65.4%	61.3%
HYUNDAI MOTOR INDIA	164	15	9	163	15	9	164	22	14	-0.3%	-1.0%	3.8%
ASK AUTOMOTIVE	11	1	1	14	2	1	9	1	1	19.9%	23.2%	19.2%
SONA BLW PRECISION FORGINGS	13	2	2	13	3	2	9	2	1	2.9%	34.7%	-0.9%
Banks and NBFCs	2,006	1,508	919	2,086	1,569	932	1,806	1,400	801	4.0%	4.0%	1.5%
STATE BANK OF INDIA	436	309	209	470	335	211	411	305	192	7.9%	8.6%	1.3%
BAJAJ FINANCE	127	102	57	126	101	60	102	85	47	-0.8%	-1.1%	4.6%
ICICI Bank	231	192	140	244	204	148	216	187	128	5.6%	6.4%	5.8%
KOTAK MAHINDRA BANK	78	58	40	79	61	41	73	56	33	1.5%	5.5%	3.2%
AXIS BANK	144	114	69	146	117	71	136	115	58	1.9%	2.7%	2.7%
INDUSIND BANK	43	23	8	47	28	10	46	26	6	8.4%	22.2%	25.1%
SBI CARDS AND PAYMENT SERVICES	17	20	7	17	18	7	17	21	6	-2.1%	-6.7%	-3.0%
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY	41	30	16	40	31	17	32	24	11	-0.8%	3.5%	6.5%
BANDHAN BANK	27	14	5	29	14	5	28	17	4	7.4%	-4.9%	-4.8%
FEDERAL BANK	28	18	10	29	19	12	23	16	9	4.8%	5.8%	23.1%
AU SMALL FINANCE BANK	25	14	8	27	14	8	20	13	6	7.0%	2.8%	1.7%
SHRIRAM FINANCE	75	60	32	77	61	34	58	42	22	3.2%	1.8%	7.2%
MAHINDRA & MAHINDRA FINANCIAL SERVICES	24	17	7	24	18	9	20	14	5	-0.3%	0.9%	23.1%
LIC HOUSING FINANCE	21	19	14	21	18	15	21	19	14	-1.7%	-7.0%	6.6%
CREDITACCESS GRAMEEN	11	8	4	12	9	5	9	7	1	3.8%	6.1%	32.9%
CITY UNION BANK	8	5	3	8	6	4	6	5	3	5.4%	6.3%	9.6%
RBL BANK	16	9	2	17	9	3	15	7	2	2.1%	-2.1%	13.3%
KARUR VYSYA BANK	13	12	7	14	11	8	11	8	5	6.6%	-7.9%	5.3%
UJJIVAN SMALL FINANCE BANK	11	5	3	12	5	3	9	4	1	10.6%	7.7%	13.5%
DCB BANK	7	3	2	7	3	2	6	3	2	5.1%	1.2%	5.0%
SUNDARAM FINANCE	8	8	5	8	8	5	7	7	4	1.1%	-4.6%	-4.3%

HSIE Coverage (INR Bn)	Q1 FY27 Preview Estimates			Q1 FY27 Actuals			Q1 FY26 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q1 FY27E	Q1 FY27E	Q1 FY27E	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY26 Actuals	Q1 FY26 Actuals	Q1 FY26 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals
REPCO HOME FINANCE	2	2	1	2	2	1	2	1	1	4.4%	1.9%	-3.2%
APTUS VALUE HOUSING FINANCE INDIA	4	3	2	4	4	3	3	3	2	-1.6%	2.5%	5.0%
AAVAS FINANCIERS	3	2	2	3	2	2	3	2	1	-0.2%	3.6%	3.9%
HOME FIRST FINANCE COMPANY	3	2	2	3	2	2	2	2	1	-1.2%	-2.0%	0.3%
CAN FIN HOMES	4	4	3	4	4	3	4	3	2	0.0%	-0.4%	2.6%
PNB HOUSING FINANCE	8	7	6	8	7	6	7	6	5	-2.5%	-0.1%	-0.4%
BANK OF BARODA	123	87	33	125	81	13	114	82	45	2.0%	-7.0%	-61.3%
INDIAN BANK	70	52	31	74	56	33	64	48	30	6.3%	6.1%	5.9%
BANK OF MAHARASHTRA	36	30	20	38	31	20	33	26	16	4.7%	3.6%	1.9%
UNION BANK OF INDIA	94	77	51	100	80	53	91	69	41	6.8%	4.6%	3.7%
CANARA BANK	97	75	47	102	86	49	90	86	48	5.0%	15.6%	3.9%
L&T FINANCE	28	20	9	29	20	9	23	16	7	2.7%	1.1%	4.3%
POONAWALLA FINCORP	12	8	3	12	8	3	6	3	1	2.9%	3.9%	10.0%
ADITYA BIRLA CAPITAL	20	16	8	20	16	9	16	13	7	0.3%	1.3%	11.5%
PIRAMAL FINANCE	13	8	5	14	8	5	9	4	3	3.5%	1.4%	-4.8%
TATA CAPITAL	36	29	16	36	28	15	29	23	10	0.0%	-1.6%	-2.3%
MANAPPURAM FINANCE	15	8	5	15	9	6	11	6	4	-0.9%	10.4%	2.6%
MUTHOOT FINANCE	48	38	28	44	35	26	35	28	20	-9.2%	-8.3%	-7.5%
Insurance	588	(25)	84	610	(38)	84	553	(31)	89	3.8%	-52.9%	0.5%
SBI LIFE INSURANCE COMPANY	46	-	13	54	-	14	40	-	11	16.4%	NA	8.0%
ICICI PRUDENTIAL LIFE INSURANCE COMPANY	21	-	5	21	-	6	19	-	5	1.7%	NA	6.8%
ICICI LOMBARD GENERAL INSURANCE COMPANY	45	(4)	7	60	(7)	4	51	(3)	7	31.9%	-65.2%	-44.0%
STAR HEALTH AND ALLIED INSURANCE COMPANY	47	4	2	49	4	5	43	1	4	5.1%	14.1%	152.4%
MAX FINANCIAL SERVICES	18	-	4	19	-	4	17	-	9	5.1%	NA	9.7%
PB Fintech	18	2	1	19	1	2	13	0	1	4.7%	-26.7%	9.9%
LIFE INSURANCE CORPORATION OF INDIA	138	-	24	137	-	31	127	-	19	-0.7%	NA	33.0%
NIVA BUPA HEALTH INSURANCE COMPANY	27	1	0.4	23	1	1	17	(2)	1	-15.8%	NA	219.0%
GO DIGIT GENERAL INSURANCE	21	(2)	2	20	(3)	1	19	(2)	1	-3.2%	-51.8%	-54.1%
THE NEW INDIA ASSURANCE COMPANY	92	(16)	4	97	(23)	(2)	94	(19)	4	5.9%	-49.1%	-158.9%
GENERAL INSURANCE CORPORATION	115	(9)	21	111	(11)	17	113	(6)	27	-3.3%	-24.4%	-15.0%
Capital Markets	77	34	33	93	37	41	57	36	31	21.5%	10.4%	26.6%
NIPPON LIFE INDIA ASSET MANAGEMENT	8	5	4	9	7	5	6	4	4	17.5%	38.4%	13.0%
ANGEL ONE	14	5	3	11	4	2	9	2	1	-23.6%	-31.7%	-9.9%
ADITYA BIRLA SUN LIFE AMC	5	3	3	6	4	3	4	3	3	32.8%	57.5%	21.4%
COMPUTER AGE MANAGEMENT SERVICES	4	2	1	4	2	1	4	1	1	-1.9%	8.7%	2.2%
CENTRAL DEPOSITORY SERVICES (INDIA)	3	1	1	3	1	1	3	1	1	-0.6%	-0.9%	4.0%
BSE	16	11	8	16	11	9	10	6	5	-1.7%	-3.2%	8.2%
MULTI COMMODITY EXCHANGE OF INDIA	7	5	4	7	5	4	4	3	2	-0.8%	-2.7%	-1.0%
MOTILAL OSWAL FINANCIAL SERVICES	15		7	31		13	14	14	12	102.7%	NA	86.9%
UTI ASSET MANAGEMENT COMPANY	4	2	2	6	4	3	4	2	2	39.3%	124.2%	72.6%

HSIE Coverage (INR Bn)	Q1 FY27 Preview Estimates			Q1 FY27 Actuals			Q1 FY26 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q1 FY27E	Q1 FY27E	Q1 FY27E	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY26 Actuals	Q1 FY26 Actuals	Q1 FY26 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals
Consumer- Staples	700	160	115	695	157	113	663	164	116	-0.7%	-2.4%	-1.5%
HINDUSTAN UNILEVER	172	39	27	173	39	27	158	38	25	1.0%	1.5%	2.4%
ITC	201	58	44	191	52	40	215	68	52	-5.0%	-11.0%	-9.7%
NESTLE INDIA	61	13	8	64	15	10	51	11	7	4.1%	14.9%	19.1%
DABUR INDIA	38	8	6	38	7	6	34	7	5	-1.1%	-1.4%	2.8%
BRITANNIA INDUSTRIES	49	8	6	50	8	6	45	8	5	1.2%	2.3%	2.1%
GODREJ CONSUMER PRODUCTS	42	8	5	42	8	5	36	8	5	1.8%	1.6%	-0.4%
MARICO	39	8	6	40	8	6	33	7	5	0.4%	2.6%	2.1%
UNITED SPIRITS	27	5	3	27	4	3	30	6	4	-0.7%	-11.4%	-5.5%
COLGATE PALMOLIVE INDIA	15	5	3	16	5	3	14	5	3	3.6%	4.1%	4.9%
EMAMI	10	2	2	10	2	2	9	2	2	1.7%	2.7%	-3.4%
RADICO KHAITAN	17	3	2	17	3	2	15	2	1	-1.2%	7.5%	13.1%
JYOTHY LABS	8	1	1	8	1	0	8	1	1	-2.4%	-36.4%	-39.6%
HONASA CONSUMER	8	1	1	8	1	1	6	0	0	0.0%	4.9%	19.0%
GOPAL SNACKS	4	0	0	4	0	0	3	0	0	0.3%	1.0%	-9.9%
BIKAJI FOODS INTERNATIONAL	7	1	1	7	1	1	7	1	0	1.0%	-1.9%	0.6%
Consumer Discretionary (ex-Autos)	950	86	35	934	87	33	676	64	20	-1.8%	0.3%	-7.7%
AVENUE SUPERMARTS	183	15	9	183	15	9	159	13	8	0.0%	2.2%	3.2%
TITAN COMPANY	233	24	14	214	25	14	165	18	11	-8.5%	2.9%	-5.4%
TRENT	57	10	5	57	11	5	48	8	4	0.0%	8.6%	8.5%
JUBILANT FOODWORKS	18	4	1	18	4	1	17	3	1	0.0%	-0.3%	6.3%
METRO BRANDS	7	2	1	7	2	1	6	2	1	-0.4%	-1.6%	-3.0%
RELAXO FOOTWEARS	7	1	1	7	1	1	7	1	0	-2.4%	0.2%	-0.6%
BATA INDIA	10	2	1	10	2	1	9	2	1	-3.8%	-2.2%	-3.2%
SHOPPERS STOP	12	2	0	12	2	(0)	11	2	(0)	2.2%	1.5%	17.9%
V-MART RETAIL	11	2	0	11	2	0	9	1	0	0.0%	2.5%	5.5%
FSN E-COMMERCE VENTURES (NYKAA)	28	2	1	28	2	1	22	1	0	0.5%	6.5%	-4.6%
INDIAN HOTELS COMPANY	23	7	4	23	7	4	20	6	3	1.9%	2.1%	0.7%
LEMON TREE HOTELS	3	2	0	3	1	1	3	1	0	-0.5%	-3.7%	19.6%
DEVYANI INTERNATIONAL	16	2	0	16	3	0	14	2	0	0.4%	3.6%	26.0%
WESTLIFE FOODWORLD	7	1	0	7	1	0	7	1	0	2.5%	-2.0%	-85.7%
SAPPHIRE FOODS INDIA FOODS	9	1	0	9	1	0	8	1	(0)	2.0%	3.9%	323.5%
SWIGGY	66	-6	-7	68	(6)	(8)	50	(8)	(12)	2.5%	-16.1%	-9.1%
ETERNAL	201	7	3	202	6	1	72	2	0	0.6%	-17.0%	-72.2%
ADITYA BIRLA LIFESTYLE BRANDS	20	3	0	20	3	0	18	3	0	0.0%	4.1%	268.5%
VISHAL MEGA MART	38	6	3	37	5	3	31	5	2	-1.1%	-1.5%	-0.9%
Industrials (Infrastructure+ Cap Goods+ Logistics)	1,137	119	71	1,127	111	70	1,055	112	67	-0.9%	-6.7%	-1.2%
LARSEN & TOUBRO	699	67	40	679	61	41	637	63	36	-2.8%	-9.1%	3.1%
SIEMENS	47	5	4	47	4	3	39	4	4	0.9%	-10.3%	-9.7%
ABB INDIA	33	4	4	36	4	4	32	5	4	7.5%	7.9%	4.4%
THERMAX	25	2	1	23	1	0	21	0	2	-9.0%	-67.8%	-83.0%
HITACHI ENERGY INDIA	21	4	3	25	4	3	14	2	1	17.5%	3.3%	5.2%
CUMMINS INDIA	33	7	6	34	6	5	29	6	6	4.4%	-9.8%	-11.2%
IRB INFRASTRUCTURE DEVELOPERS	15	7	3	17	7	3	19	7	2	12.0%	5.7%	5.7%
KEC INTERNATIONAL	51	3	1	50	3	1	50	4	1	-1.2%	-11.1%	-21.3%
KNR CONSTRUCTIONS	4	0	0	4	0	0	9	1	1	-16.4%	-40.6%	-55.8%

HSIE Coverage (INR Bn)	Q1 FY27 Preview Estimates			Q1 FY27 Actuals			Q1 FY26 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q1 FY27E	Q1 FY27E	Q1 FY27E	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY26 Actuals	Q1 FY26 Actuals	Q1 FY26 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals
KALPATARU PROJECTS INTERNATIONAL	55	5	2	55	5	3	50	4	2	-0.2%	1.7%	10.4%
NCC	47	4	2	49	4	2	44	4	2	5.0%	14.7%	15.7%
H.G. INFRA ENGINEERING	11	1	0	9	1	0	17	2	1	-14.1%	-40.7%	-21.3%
DILIP BUILDCON	18	1	1	19	2	0	20	2	0	9.2%	54.6%	-37.1%
AHLUWALIA CONTRACTS (INDIA)	11	1	1	11	0	0	10	1	1	4.7%	-49.7%	-79.9%
ASHOKA BUILDCON	13	1	0	13	1	0	13	1	0	-2.7%	-21.3%	-27.4%
J.KUMAR INFRAPROJECTS	15	2	1	15	2	1	15	2	1	0.9%	2.1%	9.3%
CEMINDIA PROJECTS	28	3	1	27	3	1	25	2	1	-1.6%	3.8%	-4.7%
PNC INFRATECH	12	1	1	13	2	1	11	1	1	12.9%	12.7%	25.8%
DEFENCE	155	36	34	152	36	34	127	37	29	-1.7%	0.9%	0.6%
HINDUSTAN AERONAUTICS	57	16	16	55	15	16	48	20	14	-2.5%	-1.6%	-2.4%
BHARAT ELECTRONICS	57	14	10	55	14	11	44	12	10	-3.1%	2.3%	2.7%
BHARAT DYNAMICS	5	1	1	6	1	1	2	0	0	5.5%	-1.1%	6.6%
MAZAGON DOCK SHIPBUILDERS	29	4	5	29	5	6	26	3	5	0.8%	6.3%	4.4%
APOLLO MICRO SYSTEMS	3	1	0	3	1	0	1	0	0	-0.1%	-0.8%	3.9%
DATA PATTERNS	1	0	0	1	0	0	1	0	0	4.7%	-0.9%	-1.1%
ASTRA MICROWAVE	2	0	0	2	0	0	2	0	0	-4.1%	-0.1%	0.0%
PARAS DEFENCE AND SPACE TECHNOLOGY	1	0	0	1	0	0	1	0	0	4.3%	-1.2%	7.3%
Real Estate	153	45	36	163	47	40	133	49	31	6.1%	4.5%	13.9%
DLF	17	3	9	13	2	8	27	4	8	-24.0%	-52.2%	-15.9%
OBEROI REALTY	16	9	6	13	7	5	10	5	4	-17.7%	-14.7%	-14.3%
GODREJ PROPERTIES	9	1	4	5	(3)	4	4	(2)	6	-44.5%	-394.7%	-1.8%
THE PHOENIX MILLS	12	7	4	10	6	3	10	22	2	-10.8%	-8.7%	-15.5%
PRESTIGE ESTATES PROJECTS	27	9	3	27	9	3	23	9	3	-1.7%	-7.2%	6.6%
BRIGADE ENTERPRISES	14	3	1	11	4	2	13	3	1	-20.8%	4.5%	16.2%
MAHINDRA LIFESPACE DEVELOPERS	1	(1)	0	10	1	1	0	(1)	0	840.5%	279.3%	650.0%
SOBHA	13	1	1	13	1	1	9	0	0	-1.3%	-33.6%	-15.5%
KOLTE - PATIL DEVELOPERS	1	(0)	(0)	9	2	1	1	(0)	(0)	644.6%	1057.1%	1454.3%
LODHA	42	13	8	50	19	14	35	10	7	19.3%	53.6%	65.5%
ADITYA BIRLA REAL ESTATE	1	(1)	(0)	2	(1)	(0)	1	(0)	(0)	27.8%	-2.8%	-47.8%
IT	2,402	523	357	2,402	507	364	2,108	444	319	0.0%	-2.9%	1.9%
TATA CONSULTANCY SERVICES	722	193	138	723	186	147	634	169	128	0.1%	-4.0%	6.1%
INFOSYS	484	116	78	482	114	78	423	99	69	-0.4%	-1.6%	-0.7%
HCL TECHNOLOGIES	346	69	44	346	69	46	303	60	38	0.0%	-0.4%	4.6%
WIPRO	250	51	36	245	46	34	221	42	33	-2.2%	-8.8%	-6.3%
TECH MAHINDRA	155	27	15	157	27	15	134	19	11	1.1%	1.3%	-1.8%
LTM	116	21	14	116	21	15	98	16	12	-0.1%	-1.3%	5.4%
TATA ELXSI	10	2	2	10	2	2	9	2	1	-0.4%	-10.6%	-10.7%
INFO EDGE (INDIA)	9	4	3	8	4	3	7	3	3	-3.2%	1.1%	1.6%
MPHASIS	45	8	5	44	8	5	37	7	4	-2.0%	-2.6%	-3.1%
L&T TECHNOLOGY SERVICES	29	5	4	29	5	4	29	5	3	1.1%	1.7%	-2.4%
PERSISTENT SYSTEMS	43	8	6	43	8	5	33	6	4	1.1%	-0.8%	-13.1%
INDIAMART INTERMESH	4	1	1	4	1	2	4	1	2	-0.6%	2.8%	36.2%
TANLA PLATFORMS	12	2	1	12	2	1	10	2	1	2.9%	2.6%	4.2%
CYIENT	19	3	1	21	3	1	17	2	2	7.7%	7.2%	-8.5%
SONATA SOFTWARE	32	2	1	33	2	1	30	2	1	2.8%	-19.2%	-26.1%

HSIE Coverage (INR Bn)	Q1 FY27 Preview Estimates			Q1 FY27 Actuals			Q1 FY26 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q1 FY27E	Q1 FY27E	Q1 FY27E	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY26 Actuals	Q1 FY26 Actuals	Q1 FY26 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals
TEAMLEASE SERVICES	30	0	0	30	0	0	29	0	0	-0.2%	-9.9%	21.0%
MASTEK	10	2	1	10	2	1	9	1	1	3.0%	-3.4%	3.2%
ZENSAR TECHNOLOGIES	15	2	2	15	2	2	14	2	2	1.1%	-6.8%	-8.1%
ROUTE MOBILE	11	1	1	12	1	1	11	1	1	0.9%	-22.4%	-31.7%
BIRLASOFT	14	2	2	14	2	2	13	2	1	1.0%	3.6%	6.2%
HAPPIEST MINDS TECHNOLOGIES	6	1	1	6	1	1	5	1	1	-1.5%	5.4%	13.4%
QUESS CORP	39	1	1	42	1	1	37	1	1	6.1%	3.5%	11.4%
Energy (Oil & Gas)	8,991	415	101	9,698	715	285	7,498	986	465	7.9%	72.2%	181.6%
OIL & NATURAL GAS CORPORATION	449	273	142	465	295	170	320	187	80	3.6%	8.2%	19.6%
INDIAN OIL CORP	2,355	(145)	(198)	2,624	20	(27)	1,930	126	57	11.4%	113.8%	86.4%
BHARAT PETROLEUM CORP	1,290	(137)	(126)	1,512	(41)	(40)	1,125	97	61	17.2%	70.1%	68.3%
GAIL INDIA	371	29	173	390	64	43	348	33	19	5.1%	122.6%	-75.2%
HINDUSTAN PETROLEUM CORPORATION	1,286	(127)	(123)	1,405	(161)	(115)	1,108	76	44	9.3%	-27.0%	6.5%
PETRONET LNG	90	12	9	56	15	11	119	12	9	-38.4%	25.0%	29.2%
INDRAPRASTHA GAS	45	4	3	46	3	2	39	5	4	2.9%	-18.0%	-25.4%
OIL INDIA	78	37	23	80	41	29	50	16	8	2.3%	9.9%	27.4%
MAHANAGAR GAS	22	3	1	24	3	2	21	5	3	5.8%	30.0%	43.9%
IRM ENERGY	3	1	0	3	1	0	3	0	0	3.5%	12.4%	16.6%
Cement	598	107	42	605	111	48	557	114	52	1.2%	4.0%	13.5%
ULTRATECH CEMENT	236	47	23	246	50	26	213	44	23	4.5%	6.0%	11.4%
AMBUJA CEMENTS	103	15	3	95	16	6	103	20	8	-7.5%	2.6%	81.0%
SHREE CEMENT	53	11	6	56	11	4	49	12	6	5.2%	-0.8%	-24.5%
DALMIA BHARAT	39	7	2	39	8	3	36	9	4	0.7%	9.3%	82.7%
JK CEMENT	37	6	2	40	6	3	34	7	3	9.6%	7.1%	18.5%
RAMCO CEMENTS	26	4	1	23	3	0	21	4	1	-13.2%	-27.2%	-77.2%
NUVOCO VISTAS CORPORATION	30	5	1	31	6	2	29	5	1	3.0%	21.9%	36.4%
BIRLA CORPORATION	27	4	2	26	3	1	25	3	1	-2.6%	-18.5%	-31.8%
JK LAKSHMI CEMENT	18	2	1	19	3	1	17	3	2	8.3%	16.9%	36.9%
HEIDELBERGCEMENT INDIA	6	1	0	6	1	0	6	1	0	0.2%	-7.9%	-19.3%
STAR CEMENT	9	2	1	9	2	1	9	2	1	1.1%	-4.0%	-2.0%
ORIENT CEMENT	6	1	0	6	1	1	9	2	2	-4.5%	50.6%	104.2%
SAGAR CEMENTS	7	1	(0)	7	1	(0)	7	1	0	-1.8%	18.1%	37.1%
Home Improvement	741	76	45	749	80	51	633	63	39	1.1%	6.1%	13.2%
ASIAN PAINTS	103	19	13	105	22	15	89	16	11	2.7%	14.3%	16.7%
HAVELLS INDIA	65	6	4	65	5	3	54	5	4	-0.6%	-17.7%	-25.1%
BERGER PAINTS	36	6	4	36	6	4	32	5	3	0.7%	6.6%	8.3%
ASTRAL	16	2	1	16	2	1	14	2	1	-1.5%	-2.7%	-2.1%
VOLTAS	52	3	2	47	3	2	39	2	1	-10.2%	-14.2%	6.5%
KANSAI NEROLAC	23	3	2	24	3	2	22	3	2	3.9%	13.4%	22.0%
SUPREME INDUSTRIES	30	4	2	27	4	3	26	3	2	-9.9%	9.7%	34.4%
CROMPTON GREAVES CONSUMER ELECTRICALS	22	2	1	22	2	1	20	2	1	3.6%	9.5%	15.1%
KAJARIA CERAMICS	13	2	1	13	3	2	11	2	1	1.5%	10.1%	15.5%
TTK PRESTIGE	7	1	0	8	1	1	6	0	0	14.2%	27.2%	26.4%
PRINCE PIPES AND FITTINGS	6	1	0	6	1	0	6	0	0	4.5%	43.9%	160.9%
V-GUARD INDUSTRIES	17	1	1	18	2	1	15	1	1	6.2%	28.8%	37.3%
SYMPHONY	3	0	0	4	0	0	3	0	0	11.9%	7.2%	37.5%

HSIE Coverage (INR Bn)	Q1 FY27 Preview Estimates			Q1 FY27 Actuals			Q1 FY26 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q1 FY27E	Q1 FY27E	Q1 FY27E	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY26 Actuals	Q1 FY26 Actuals	Q1 FY26 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals
ORIENT ELECTRIC	9	1	0	9	1	0	8	0	0	7.4%	23.4%	49.9%
SOMANY CERAMICS	7	1	0	7	1	0	6	0	0	2.1%	16.7%	37.6%
GREENPANEL INDUSTRIES	4	0	(0)	3	0	0	3	(0)	(0)	-6.2%	10.1%	289.1%
GREENLAM INDUSTRIES	8	1	0	8	1	0	7	0	(0)	-3.1%	-2.4%	11.4%
CENTURY PLYBOARDS INDIA	15	2	1	16	2	1	12	1	1	4.2%	6.1%	-6.6%
STYLAM INDUSTRIES	3	1	0	3	1	0	3	1	0	-1.9%	11.1%	14.2%
KAYNES TECHNOLOGY INDIA	9	1	1	9	1	1	7	1	1	10.6%	13.5%	4.5%
DIXON TECHNOLOGIES (INDIA)	145	5	2	155	5	2	128	5	2	7.2%	-3.2%	-0.1%
AMBER ENTERPRISES INDIA	43	3	1	39	3	1	34	3	1	-8.9%	-8.6%	111.2%
SYRMA SGS TECHNOLOGY	15	2	1	16	2	1	9	1	0	5.9%	2.6%	41.7%
BAJAJ ELECTRICALS	11	0	0	11	1	0	11	0	0	-4.4%	118.4%	17551.9%
LG ELECTRONICS INDIA	72	9	6	72	9	7	63	7	5	0.9%	3.4%	3.5%
EUREKA FORBES	7	1	0	7	1	0	6	1	0	1.1%	8.9%	17.7%
Chemicals	166	22	12	194	40	24	135	23	13	17.0%	79.6%	106.3%
SRF	37	5	2	50	12	8	38	8	4	35.1%	136.7%	303.1%
DEEPAK NITRITE	21	2	1	26	5	3	19	2	1	21.2%	232.0%	440.7%
AARTI INDUSTRIES	21	3	1	24	4	2	17	2	0	16.0%	49.3%	173.9%
NAVIN FLUORINE INTERNATIONAL	9	2	2	10	4	2	7	2	1	18.5%	44.6%	51.7%
VINATI ORGANICS	6	1	1	7	2	1	5	2	1	22.2%	19.1%	11.6%
FINE ORGANIC INDUSTRIES	6	1	1	7	2	1	7	1	1	8.3%	23.2%	16.3%
ALKYL AMINES CHEMICALS	4	1	0	5	1	1	4	1	0	24.8%	80.3%	121.7%
GALAXY SURFACTANTS	15	1	1	18	2	2	13	1	1	15.5%	72.3%	101.5%
NOCIL	3	0	0	4	0	0	3	0	0	23.6%	109.0%	183.0%
NEOGEN CHEMICALS	2	0	0	3	0	0	2	0	0	20.2%	54.5%	-42.4%
CLEAN SCIENCE AND TECHNOLOGY	3	1	1	3	1	1	2	1	1	1.0%	16.6%	39.1%
ACUTAAS CHEMICALS LTD	4	1	1	3	1	1	2	1	0	-15.4%	-16.7%	-28.8%
AETHER INDUSTRIES	3	1	1	3	1	1	3	1	0	4.5%	12.9%	8.5%
SUDARSHAN CHEMICAL	27	1	1	26	3	1	13	1	1	-3.0%	94.7%	11.6%
BALAJI AMINES	4	1	0	5	1	1	-	-	-	13.7%	117.1%	186.5%
Power/Utilities	1,078	379	144	1,075	390	148	1,002	337	142	-0.3%	3.0%	3.3%
POWER GRID CORPORATION OF INDIA	125	102	39	115	95	36	112	91	36	-8.3%	-6.3%	-6.9%
NTPC	508	147	62	507	162	67	471	126	60	-0.2%	10.3%	8.0%
TATA POWER COMPANY	185	40	11	191	40	12	180	41	11	2.7%	1.5%	2.8%
JSW ENERGY	49	26	3	52	29	5	51	28	7	5.8%	8.7%	45.2%
NHPC	36	23	10	38	24	11	32	18	11	6.4%	3.7%	6.1%
TORRENT POWER	84	15	7	81	15	6	79	15	7	-2.9%	-0.4%	-9.9%
CESC	56	11	4	55	9	4	52	9	4	-2.8%	-21.9%	-8.7%
SIEMENS ENERGY	23	5	4	25	6	4	18	3	3	9.5%	24.6%	22.5%
NTPC GREEN ENERGY	11	10	3	11	10	3	7	6	2	0.6%	4.1%	12.9%
Pharma	872	208	129	950	222	127	821	203	128	8.9%	7.0%	-1.8%
SUN PHARMACEUTICAL INDUSTRIES	148	42	31	153	43	29	139	41	28	3.3%	2.5%	-4.2%
CIPLA	71	13	8	71	12	8	69	18	13	-0.2%	-6.1%	-6.1%
DR. REDDY'S LABORATORIES	84	20	13	81	11	6	86	22	14	-3.7%	-44.8%	-49.3%
APOLLO HOSPITALS ENTERPRISE	63	9	5	70	11	6	58	9	4	11.0%	16.0%	16.9%

HSIE Coverage (INR Bn)	Q1 FY27 Preview Estimates			Q1 FY27 Actuals			Q1 FY26 Actuals			Deviation		
	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT	Revenue	EBITDA	PAT
	Q1 FY27E	Q1 FY27E	Q1 FY27E	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY27 Actuals	Q1FY26 Actuals	Q1 FY26 Actuals	Q1 FY26 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals	Q1 FY27 Actuals
TORRENT PHARMACEUTICALS	32	11	6	49	17	6	32	10	6	52.3%	58.0%	-1.8%
ZYDUS LIFESCIENCES	65	16	10	80	19	9	66	20	14	23.3%	15.2%	-10.3%
MAX HEALTHCARE INSTITUTE	26	7	4	28	7	4	25	6	4	9.6%	0.9%	-9.7%
ALKEM LABORATORIES	39	9	7	37	8	5	34	7	7	-3.5%	-12.1%	-30.3%
LUPIN	68	19	12	83	25	14	63	16	11	21.4%	26.8%	18.5%
AUROBINDO PHARMA	84	17	9	92	19	11	79	16	8	8.5%	12.9%	14.3%
MANKIND PHARMA	36	10	6	40	11	6	36	8	4	11.3%	10.9%	2.3%
ERIS LIFESCIENCES	8	3	1	9	3	1	8	3	1	7.4%	0.3%	8.3%
DR LAL PATH LABS	7	2	1	8	2	2	7	2	1	21.1%	44.6%	52.0%
METROPOLIS HEALTHCARE	4	1	0	5	1	1	4	1	0	10.5%	16.2%	22.7%
MEDPLUS HEALTH SERVICES	17	2	1	19	1	0	15	1	0	7.8%	-13.1%	-40.8%
IPCA	25	6	3	28	6	4	23	4	2	10.2%	15.7%	9.0%
ASTER DM HEALTHCARE	12	2	1	13	3	1	11	2	1	13.0%	18.2%	22.7%
DIVIS LABORATORIES	32	11	6	31	13	9	24	7	5	-4.7%	19.8%	53.0%
SAI LIFESCIENCES	5	1	1	6	1	1	5	1	1	2.0%	-1.3%	-7.4%
LAURUS LABS	16	4	2	20	6	4	16	4	2	23.5%	59.5%	105.1%
PIRAMAL PHARMA	22	2	0	23	2	(1)	19	1	(1)	3.1%	-19.4%	-277.5%
ANTHEM BIOSCIENCES	5	2	1	4	2	1	5	2	1	-21.8%	-18.9%	-3.7%
Metals	2,769	468	222	2,866	539	255	2,358	417	196	3.5%	15.2%	14.8%
JSW STEEL	441	78	27	474	94	47	431	76	22	7.5%	19.7%	71.4%
COAL INDIA	441	123	86	463	141	89	319	125	87	5.0%	14.6%	2.4%
TATA STEEL	564	92	27	608	93	21	532	74	22	7.8%	0.8%	-23.0%
HINDALCO INDUSTRIES	867	110	58	848	139	70	642	81	41	-2.1%	26.5%	20.7%
JINDAL STEEL & POWER (JSPL)	150	29	11	155	27	8	123	30	15	3.3%	-8.2%	-24.7%
STEEL AUTHORITY OF INDIA (SAIL)	255	31	9	262	42	17	259	28	7	3.1%	32.4%	88.0%
APL APOLLO TUBES LTD	53	4	3	56	4	3	52	4	2	5.8%	0.1%	-1.9%
TELECOM	569	325	87	585	333	82	495	278	59	2.9%	2.4%	-6.1%
BHARTI AIRTEL LIMITED	569	325	87	585	333	82	495	278	59	2.9%	2.4%	-6.1%
Total	27,393	4,853	2,656	28,490	5,303	2,952	23,599	5,037	2,802	4.0%	9.3%	11.1%

Source: Bloomberg & HSIE Research

HSIE Coverage – Earnings Estimate

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
AUTOS					14.8%	15.2%	20.0%	30.0%	-1.7%	-1.8%
MARUTI SUZUKI INDIA	13789	4335	BUY	16832	14.5%	14.1%	4.5%	32.4%	-7.4%	-6.0%
MAHINDRA & MAHINDRA	3425	4259	ADD	4087	13.3%	12.1%	1.8%	18.9%	1.4%	-1.6%
TATA MOTORS PV	320	1178	REDUCE	380	16.7%	17.6%	270.9%	67.8%	-20.1%	-4.4%
TATA MOTORS CV	477	1758	ADD	475	10.4%	12.3%	56.7%	16.1%	9.3%	6.3%
BAJAJ AUTO	11751	3284	BUY	12146	18.0%	13.3%	17.0%	15.1%	4.0%	0.0%
EICHER MOTORS	8057	2212	ADD	7995	16.5%	17.9%	13.3%	18.7%	3.2%	-0.8%
HERO MOTOCORP	5741	1149	BUY	7012	14.9%	13.0%	8.7%	17.9%	2.6%	0.8%
TVS MOTOR COMPANY	4378	2080	ADD	4084	16.7%	14.0%	19.1%	23.1%	3.9%	0.0%
ASHOK LEYLAND	174	1021	ADD	184	8.6%	14.9%	3.2%	26.5%	1.6%	-3.0%
BALKRISHNA INDUSTRIES	2380	460	SELL	1981	18.1%	18.7%	20.0%	30.5%	4.3%	-0.7%
BHARAT FORGE	2061	985	BUY	2323	19.1%	23.6%	42.3%	63.3%	-5.4%	-4.9%
ENDURANCE TECHNOLOGIES	3004	423	ADD	2913	12.9%	15.8%	4.3%	41.9%	6.9%	0.4%
APOLLO TYRES	429	272	SELL	366	4.3%	11.7%	-34.3%	29.6%	-3.4%	-5.6%
MOTHERSON SUMI WIRING INDIA	39	260	ADD	45	18.4%	14.1%	24.5%	36.7%	3.0%	-5.0%
SAMVARDHANA MOTHERSON INTERNATIONAL	170	1791	ADD	165	15.5%	14.9%	25.7%	43.4%	9.5%	0.4%
SANSERA ENGINEERING	3890	243	BUY	4140	19.9%	27.8%	25.2%	49.8%	5.9%	3.6%
ATHER ENERGY	1457	575	BUY	1362	45.6%	43.1%	7.1%	93.1%	-6.0%	7.7%
HYUNDAI MOTOR INDIA	2222	1805	ADD	2142	12.0%	16.0%	5.1%	29.2%	-2.5%	-0.8%
ASK AUTOMOTIVE	644	127	ADD	642	19.9%	15.7%	20.1%	20.1%	0.0%	14.5%
SONA BLW PRECISION FORGINGS	823	514	ADD	845	24.3%	24.2%	20.3%	32.4%	0.0%	0.0%
BANKS AND NBFCs					17.9%	14.6%	15.8%	16.1%	1.6%	2.0%
STATE BANK OF INDIA	1047	9668	BUY	1,245	12.2%	11.4%	9.0%	11.9%	3.6%	5.2%
BAJAJ FINANCE	1095	6818	BUY	1,100	23.2%	23.9%	31.4%	24.7%	0.0%	0.0%
ICICI Bank	1412	10132	BUY	1,630	16.8%	11.6%	9.9%	15.0%	0.0%	-0.1%
KOTAK MAHINDRA BANK	399	3964	BUY	460	17.7%	14.5%	18.1%	17.0%	-0.1%	0.0%
AXIS BANK	1251	3894	ADD	1,485	23.2%	12.8%	23.6%	19.4%	0.0%	-0.2%
INDUSIND BANK	1003	782	REDUCE	760	11.3%	13.1%	262.4%	59.2%	0.0%	0.0%
SBI CARDS AND PAYMENT SERVICES	646	615	REDUCE	625	5.1%	12.8%	32.6%	21.2%	0.0%	0.0%
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY	1910	1631	ADD	1,810	21.5%	21.9%	21.4%	23.5%	0.1%	0.0%
BANDHAN BANK	174	281	REDUCE	155	18.1%	14.5%	92.5%	32.5%	0.0%	0.0%
FEDERAL BANK	355	878	ADD	355	21.1%	17.1%	25.2%	23.3%	5.6%	5.6%
AU SMALL FINANCE BANK	1085	814	REDUCE	850	27.6%	20.6%	26.3%	25.5%	0.0%	0.0%
SHRIRAM FINANCE	1125	2647	ADD	1,100	28.7%	21.1%	31.7%	24.6%	0.0%	0.0%
MAHINDRA & MAHINDRA FINANCIAL SERVICES	383	533	ADD	385	13.4%	15.7%	38.6%	12.2%	14.4%	11.4%
LIC HOUSING FINANCE	508	279	ADD	655	5.0%	10.4%	2.1%	8.0%	0.0%	0.0%
CREDITACCESS GRAMEEN	1538	247	ADD	1,590	18.8%	21.2%	114.8%	21.4%	16.8%	4.7%
CITY UNION BANK	218	216	BUY	265	21.3%	21.8%	21.5%	21.5%	-1.2%	1.6%
RBL BANK	392	608	REDUCE	290	39.5%	27.7%	125.6%	36.6%	0.0%	0.0%
KARUR VYSYA BANK	335	323	ADD	340	17.4%	15.7%	9.7%	10.4%	4.2%	1.1%
UJJIVAN SMALL FINANCE BANK	72	140	ADD	80	20.0%	16.5%	72.9%	19.2%	15.1%	5.7%
DCB BANK	190	61	BUY	245	24.1%	19.5%	23.1%	27.9%	4.1%	2.6%
SUNDARAM FINANCE	4512	501	ADD	4,835	11.1%	17.8%	13.6%	16.9%	-0.1%	0.1%
REPCO HOME FINANCE	362	23	ADD	580	9.3%	12.5%	-0.5%	11.9%	0.0%	0.0%
APTUS VALUE HOUSING FINANCE INDIA	255	128	ADD	305	18.3%	17.4%	8.7%	14.8%	0.0%	0.0%
AAVAS FINANCIERS	1355	107	ADD	1,595	13.1%	16.4%	15.3%	20.9%	0.8%	2.2%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
HOME FIRST FINANCE COMPANY	1182	124	REDUCE	1,200	26.4%	20.2%	23.0%	16.7%	0.0%	0.0%
CAN FIN HOMES	852	113	BUY	1,040	9.5%	15.6%	-0.9%	16.2%	0.0%	0.1%
PNB HOUSING FINANCE	1175	306	ADD	1,100	19.7%	18.9%	9.6%	6.3%	0.0%	0.0%
BANK OF BARODA	244	1262	BUY	310	16.5%	9.9%	8.2%	11.5%	0.1%	1.8%
INDIAN BANK	873	1176	BUY	990	15.0%	8.2%	5.1%	14.9%	0.3%	0.2%
BANK OF MAHARASHTRA	80	619	BUY	90	21.4%	15.3%	6.4%	7.5%	2.6%	2.7%
UNION BANK OF INDIA	185	1408	ADD	200	13.8%	6.8%	-4.3%	8.6%	0.3%	0.0%
CANARA BANK	130	1176	ADD	170	21.5%	21.2%	10.6%	9.7%	7.5%	8.5%
L&T FINANCE	315	789	ADD	315	23.9%	21.6%	31.7%	29.2%	2.7%	1.4%
POONAWALLA FINCORP	495	436	REDUCE	365	50.6%	36.4%	159.9%	43.9%	0.0%	-0.1%
ADITYA BIRLA CAPITAL	408	1117	ADD	390	23.1%	23.1%	27.1%	21.8%	0.8%	1.7%
PIRAMAL FINANCE	2126	482	ADD	1,960	33.1%	22.3%	71.0%	28.2%	4.5%	7.9%
TATA CAPITAL	366	1555	ADD	335	22.7%	18.2%	36.1%	22.9%	0.0%	0.0%
MANAPPURAM FINANCE	349	328	REDUCE	310	35.9%	17.5%	48.3%	21.6%	0.0%	0.0%
MUTHOOT FINANCE	2972	1193	ADD	3,020	18.6%	15.4%	15.3%	14.0%	0.0%	0.0%
INSURANCE					9.5%	11.0%	12.3%	15.3%	1.1%	1.4%
SBI LIFE INSURANCE COMPANY	1781	1787	BUY	2,510	14.7%	14.6%	16.0%	18.4%	0.9%	2.3%
ICICI PRUDENTIAL LIFE INSURANCE COMPANY	503	730	ADD	605	5.9%	11.7%	10.2%	12.6%	3.1%	3.2%
ICICI LOMBARD GENERAL INSURANCE COMPANY	1629	814	BUY	2,100	12.8%	13.2%	-1.7%	30.4%	-12.8%	-3.7%
STAR HEALTH AND ALLIED INSURANCE COMPANY	575	338	ADD	650	10.6%	12.9%	40.3%	19.8%	39.4%	26.7%
MAX FINANCIAL SERVICES	1575	543	ADD	1,765	15.9%	16.9%	18.2%	18.7%	0.0%	0.0%
PB FINTECH	1780	823	BUY	2,180	28.8%	26.1%	63.2%	49.8%	0.0%	0.0%
LIFE INSURANCE CORPORATION OF INDIA	421	5326	BUY	555	6.0%	6.2%	10.8%	8.1%	0.0%	0.0%
NIVA BUPA HEALTH INSURANCE COMPANY	83	153	BUY	105	30.2%	27.0%	19.5%	31.2%	104.1%	40.1%
GO DIGIT GENERAL INSURANCE	257	237	ADD	315	9.3%	10.0%	14.8%	13.0%	-20.7%	-31.0%
THE NEW INDIA ASSURANCE COMPANY	183	301	ADD	180	8.4%	9.5%	93.6%	16.8%	74.3%	62.1%
GENERAL INSURANCE CORPORATION	360	632	ADD	500	3.2%	7.0%	-3.5%	14.3%	-7.9%	-7.1%
CAPITAL MARKETS					20.7%	18.1%	38.3%	18.2%	-2.1%	-6.4%
NIPPON LIFE INDIA ASSET MANAGEMENT	1233	788	ADD	600	26.9%	17.2%	22.2%	17.7%	2.9%	-7.0%
ANGEL ONE	290	265	BUY	390	23.2%	20.2%	49.8%	28.8%	1.6%	0.0%
ADITYA BIRLA SUN LIFE AMC	997	288	ADD	355	11.6%	14.2%	17.9%	9.1%	-13.9%	-25.3%
COMPUTER AGE MANAGEMENT SERVICES	750	186	REDUCE	2,000	12.3%	13.5%	15.3%	18.8%	-3.0%	-0.8%
CENTRAL DEPOSITORY SERVICES (INDIA)	1346	281	ADD	1,450	11.2%	18.3%	12.9%	23.4%	-4.6%	-1.8%
BSE	3291	1342	ADD	3900	30.4%	19.0%	31.4%	18.4%	-5.5%	-9.4%
MULTI COMMODITY EXCHANGE OF INDIA	3126	797	BUY	3600	23.4%	20.5%	24.6%	22.3%	-7.3%	-8.2%
MOTILAL OSWAL FINANCIAL SERVICES	971	585	ADD	845	18.0%	19.3%	74.2%	16.8%	1.7%	3.3%
UTI ASSET MANAGEMENT COMPANY	897	115	BUY	770	12.3%	8.7%	100.0%	7.2%	16.2%	-10.3%
CONSUMER- STAPLES					8.8%	9.8%	0.3%	16.4%	-2.0%	0.0%
HINDUSTAN UNILEVER	2037	4785	REDUCE	2100	7.9%	7.3%	7.4%	9.2%	0.0%	0.0%
ITC	272	3404	ADD	300	3.6%	11.7%	-16.0%	23.4%	0.0%	0.0%
NESTLE INDIA	1457	2809	ADD	1650	14.9%	10.7%	19.7%	14.7%	0.0%	0.0%
DABUR INDIA	400	710	ADD	465	9.4%	6.7%	10.0%	7.3%	0.0%	0.0%
BRITANNIA INDUSTRIES	5549	1337	BUY	6600	9.4%	10.2%	11.6%	15.1%	0.0%	0.0%

Quarterly Flipbook

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
GODREJ CONSUMER PRODUCTS	947	969	BUY	1250	15.9%	9.3%	14.1%	19.2%	0.0%	0.0%
MARICO	853	1108	ADD	950	13.1%	9.2%	29.6%	13.1%	0.0%	0.0%
UNITED SPIRITS	1544	1123	ADD	1,650	10.3%	10.4%	14.6%	12.6%	-34.1%	-0.2%
COLGATE PALMOLIVE INDIA	1910	519	REDUCE	2000	9.8%	6.0%	9.9%	6.1%	0.0%	0.0%
EMAMI	407	178	BUY	530	18.1%	8.0%	7.9%	9.8%	0.0%	0.0%
RADICO KHAITAN	4696	629	BUY	2,650	14.1%	14.5%	39.1%	21.8%	8.9%	7.5%
JYOTHY LABS	208	76	BUY	505	4.3%	8.3%	-20.0%	32.1%	-22.5%	-13.4%
HONASA CONSUMER	485	158	BUY	550.3	22.8%	16.3%	37.1%	23.0%	0.0%	0.0%
GOPAL SNACKS	281	35	BUY	360	20.2%	18.1%	46.6%	73.9%	0.0%	0.0%
BIKAJI FOODS INTERNATIONAL	607	152	BUY	750	14.9%	14.1%	21.8%	10.5%	0.0%	0.0%
CONSUMER DISCRETIONARY (EX-AUTOS)					28.1%	22.3%	53.8%	38.4%	-2.7%	-1.9%
AVENUE SUPERMARTS	3961	2584	ADD	4,100	19.3%	20.9%	20.9%	26.6%	-3.0%	-2.1%
TITAN COMPANY	5062	4494	REDUCE	4,350	18.6%	14.1%	35.8%	4.9%	16.6%	3.7%
TRENT	2968	1583	ADD	3,060	20.3%	17.8%	14.1%	19.8%	-0.7%	0.5%
JUBILANT FOODWORKS	508	335	ADD	780	13.4%	15.5%	45.4%	37.4%	0.4%	-2.7%
METRO BRANDS	912	249	ADD	1,060	18.6%	18.4%	15.2%	30.4%	-3.7%	-3.4%
RELAXO FOOTWEARS	377	94	ADD	420	10.1%	10.2%	11.3%	22.7%	-4.4%	-2.0%
BATA INDIA	710	91	REDUCE	720	7.7%	9.2%	20.0%	40.1%	-1.4%	2.1%
SHOPPERS STOP	417	46	REDUCE	360	8.5%	10.0%	61.6%	456.5%	-144.3%	-34.4%
V-MART RETAIL	808	64	BUY	875	18.2%	15.1%	26.3%	44.2%	29.2%	27.4%
FSN E-COMMERCE VENTURES (NYKAA)	330	946	SELL	230	26.9%	22.7%	128.0%	51.4%	9.7%	8.8%
INDIAN HOTELS COMPANY	734	1045	BUY	801	12.4%	11.8%	15.1%	10.4%	0.1%	-0.2%
LEMON TREE HOTELS	108	86	BUY	165	5.0%	13.9%	40.0%	27.4%	-9.9%	-6.0%
DEVYANI INTERNATIONAL	148	182	REDUCE	165	13.3%	12.4%	200.1%	225.0%	-26.2%	-10.7%
WESTLIFE FOODWORLD	590	92	REDUCE	680	12.9%	13.8%	-25.3%	190.2%	-1.7%	-1.8%
SAPPHIRE FOODS INDIA FOODS	242	78	ADD	360	12.7%	12.4%	177.4%	148.7%	42.0%	10.2%
SWIGGY	280	772	BUY	470	28.0%	21.1%	21.4%	58.3%	-98.6%	-1565.7%
ETERNAL	328	3166	BUY	390	75.6%	41.0%	269.4%	93.7%	24.9%	40.6%
ADITYA BIRLA LIFESTYLE BRANDS	87	106	BUY	150	12.0%	12.0%	42.6%	33.0%	17.4%	13.0%
VISHAL MEGA MART	103	481	BUY	135	18.1%	16.6%	26.2%	26.4%	-1.4%	-0.3%
INDUSTRIALS (INFRASTRUCTURE+ CAP GOODS)					10.2%	14.7%	21.5%	23.7%	-2.3%	-2.2%
LARSEN & TOUBRO	4081	5615	BUY	4694	10.5%	12.9%	34.3%	19.4%	2.9%	0.5%
SIEMENS	3900	1389	BUY	4374	-22.0%	16.3%	-31.3%	27.6%	-6.4%	-3.1%
ABB INDIA	7479	1585	ADD	7094	19.5%	22.0%	30.5%	32.8%	-6.4%	-4.4%
THERMAX	4031	480	BUY	5325	12.6%	22.5%	10.8%	61.0%	-40.9%	-23.6%
HITACHI ENERGY INDIA	33560	1496	ADD	34667	62.7%	35.0%	56.4%	37.0%	-9.4%	3.2%
CUMMINS INDIA	5204	1442	BUY	7177	18.0%	20.2%	7.9%	22.6%	-3.2%	-2.1%
IRB INFRASTRUCTURE DEVELOPERS	19	229	ADD	27	-3.2%	5.0%	6.0%	13.8%	0.0%	0.0%
KEC INTERNATIONAL	425	113	ADD	534	2.9%	10.7%	-0.9%	35.4%	4.1%	-11.9%
KNR CONSTRUCTIONS	127	36	BUY	155	8.2%	34.2%	0.5%	93.3%	-25.5%	4.1%
KALPATARU PROJECTS INTERNATIONAL	1393	238	BUY	1841	14.4%	16.5%	9.6%	22.1%	0.0%	0.0%
NCC	141	88	BUY	239	10.6%	15.0%	15.5%	23.5%	-21.1%	-21.4%
H.G. INFRA ENGINEERING	515	34	BUY	852	-2.5%	13.0%	5.3%	22.1%	-18.5%	-14.5%
DILIP BUILDCON	414	67	ADD	556	29.7%	16.3%	86.3%	43.7%	0.0%	0.0%
AHLUWALIA CONTRACTS (INDIA)	695	47	ADD	764	9.4%	14.0%	-12.8%	47.4%	-31.0%	-12.9%
ASHOKA BUILDCON	112	31	BUY	163	10.0%	8.0%	0.1%	35.7%	-2.1%	-17.7%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
J.KUMAR INFRAPROJECTS	501	38	ADD	614	14.1%	15.0%	4.0%	11.2%	0.0%	-2.5%
CemIndia Projects	1266	217	BUY	1459	19.3%	19.0%	16.9%	24.4%	0.0%	0.0%
PNC Infratech	209	54	BUY	304	27.0%	21.0%	19.8%	26.0%	0.0%	0.0%
DEFENCE					15.1%	18.4%	16.2%	17.2%	-0.1%	2.9%
HINDUSTAN AERONAUTICS	4998	3343	ADD	5120	10.3%	20.1%	13.8%	17.9%	0.0%	6.4%
BHARAT ELECTRONICS	409	2993	ADD	440	15.3%	15.1%	14.9%	16.3%	0.0%	0.0%
BHARAT DYNAMICS	1311	481	REDUCE	1080	60.9%	45.3%	99.8%	35.7%	-0.5%	0.3%
MAZAGON DOCK SHIPBUILDERS	2570	1037	ADD	2625	14.4%	10.4%	9.8%	7.1%	-0.1%	0.2%
APOLLO MICRO SYSTEMS	386	143	ADD	400	50.0%	50.0%	71.8%	52.1%	0.0%	0.0%
DATA PATTERNS	4689	263	ADD	3940	24.1%	24.0%	19.7%	23.4%	0.0%	0.0%
ASTRA MICROWAVE	1683	160	REDUCE	1280	16.5%	21.2%	28.1%	23.1%	-7.3%	-6.3%
PARAS DEFENCE AND SPACE TECHNOLOGY	1498	121	REDUCE	820	30.1%	25.5%	34.8%	32.3%	5.7%	9.0%
REAL ESTATE					15.0%	21.9%	26.8%	31.3%	0.5%	0.7%
DLF	676	1674	BUY	752	5.0%	15.3%	26.3%	22.5%	0.0%	0.0%
OBEROI REALTY	1906	693	BUY	2490	21.9%	15.6%	20.8%	16.7%	0.0%	0.0%
GODREJ PROPERTIES	2020	608	BUY	2258	25.0%	38.0%	9.4%	26.0%	0.0%	0.0%
THE PHOENIX MILLS	1921	687	BUY	2104	9.0%	13.1%	25.2%	18.6%	0.0%	0.0%
PRESTIGE ESTATES PROJECTS	1584	682	BUY	1878	6.6%	16.5%	44.5%	54.0%	0.0%	0.0%
BRIGADE ENTERPRISES	628	205	BUY	940	8.4%	11.8%	31.0%	26.3%	0.0%	0.0%
MAHINDRA LIFESPACE DEVELOPERS	378	81	BUY	612	4.6%	10.2%	14.1%	25.1%	54.5%	46.5%
SOBHA	1308	140	BUY	1930	23.3%	19.0%	248.5%	70.7%	-2.9%	3.8%
KOLTE - PATIL DEVELOPERS	468	41	BUY	524	194.9%	15.0%	566.5%	50.2%	0.0%	0.0%
LODHA Developers	1244	1243	ADD	1299	13.2%	18.7%	15.4%	25.2%	0.0%	0.0%
ADITYA BIRLA REAL ESTATE	1448	162	BUY	1910	114.8%	357.2%	12.9%	746.7%	0.0%	0.0%
IT					10.1%	6.0%	8.9%	7.3%	-0.8%	-2.9%
TATA CONSULTANCY SERVICES	2293	8295	ADD	2580	8.7%	3.4%	6.3%	2.9%	-1.2%	-4.7%
INFOSYS	1130	4586	BUY	1300	10.1%	4.9%	5.5%	8.2%	-1.3%	-2.5%
HCL TECHNOLOGIES	1320	3582	ADD	1335	10.6%	6.5%	17.0%	8.3%	2.5%	-0.1%
WIPRO	181	1789	ADD	195	6.6%	5.2%	1.4%	6.5%	-3.0%	-4.1%
TECH MAHINDRA	1592	1560	ADD	1650	12.7%	5.7%	38.6%	14.6%	0.8%	0.8%
LTM	4553	1351	BUY	5000	13.3%	10.7%	11.9%	17.4%	-2.1%	-2.6%
TATA ELXSI	3690	230	ADD	4100	11.3%	10.1%	10.1%	19.0%	-7.9%	-8.2%
INFO EDGE (INDIA)	1361	882	BUY	1475	13.2%	15.1%	17.1%	14.5%	6.6%	8.3%
MPHASIS	2428	463	ADD	2735	16.3%	10.9%	11.8%	11.8%	-0.8%	-1.9%
L&T TECHNOLOGY SERVICES	3580	380	ADD	3410	9.7%	10.4%	16.0%	15.1%	-0.3%	-6.5%
PERSISTENT SYSTEMS	5680	896	ADD	5700	23.0%	14.9%	17.1%	19.1%	-3.3%	-4.1%
INDIAMART INTERMESH	1763	106	BUY	2375	8.1%	11.4%	29.6%	8.5%	-1.5%	-3.5%
TANLA PLATFORMS	572	76	BUY	780	14.1%	10.5%	16.5%	12.5%	4.9%	5.5%
CYIENT	901	100	ADD	1150	21.0%	10.8%	26.9%	23.8%	-1.6%	2.8%
SONATA SOFTWARE	306	86	BUY	360	10.9%	11.5%	-5.3%	17.2%	-3.0%	0.7%
TEAMLEASE SERVICES	1232	21	ADD	1590	8.1%	14.4%	5.2%	16.9%	4.3%	-3.9%
MASTEK	1704	53	BUY	2080	10.3%	9.3%	-0.5%	13.2%	1.9%	2.9%
ZENSAR TECHNOLOGIES	485	110	ADD	600	10.2%	9.5%	-2.3%	13.3%	-3.6%	-2.6%
ROUTE MOBILE	502	32	ADD	730	6.0%	7.3%	-13.4%	14.5%	-10.9%	-6.7%
BIRLASOFT	309	86	BUY	375	6.4%	10.5%	10.5%	11.2%	3.1%	2.5%
HAPPIEST MINDS TECHNOLOGIES	414	63	BUY	440	16.6%	12.9%	24.0%	14.8%	4.6%	-1.0%
QUESS CORP	337	50	ADD	360	11.9%	10.2%	19.7%	10.0%	11.4%	7.4%
ENERGY (OIL & GAS)					27.3%	2.5%	5.2%	4.0%	-1.8%	1.8%
OIL & NATURAL GAS CORPORATION	239	3004	REDUCE	276	23.0%	1.0%	25.8%	0.8%	0.0%	0.0%

Quarterly Flipbook

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INDIAN OIL CORP	136	1919	BUY	156	15.7%	-1.1%	-18.4%	28.0%	5.4%	6.3%
BHARAT PETROLEUM CORP	309	1340	BUY	393	27.0%	0.5%	-33.5%	35.8%	-9.0%	0.0%
GAIL INDIA	173	1134	ADD	174	9.1%	4.0%	-17.4%	12.3%	0.0%	0.0%
HINDUSTAN PETROLEUM CORPORATION	363	771	BUY	469	26.8%	1.7%	-36.8%	47.8%	-36.4%	0.0%
PETRONET LNG	291	437	REDUCE	273	-29.1%	47.4%	0.4%	-3.4%	10.7%	3.3%
INDRAPRASTHA GAS	150	210	BUY	209	21.5%	6.6%	4.8%	20.0%	-17.2%	-12.5%
OIL INDIA	480	781	BUY	602	51.3%	12.7%	40.7%	-6.1%	28.4%	32.3%
MAHANAGAR GAS	1136	112	BUY	1694	16.2%	14.0%	-15.1%	16.5%	-7.1%	-8.9%
IRM ENERGY	287	12	BUY	473	21.9%	15.4%	63.0%	8.0%	33.4%	14.3%
CEMENT					9.3%	10.8%	1.9%	37.3%	-5.3%	-1.4%
ULTRATECH CEMENT	11595	3417	BUY	13700	11.1%	11.1%	26.2%	24.9%	0.0%	0.1%
AMBUJA CEMENTS	411	1021	BUY	550	3.0%	12.1%	-35.0%	89.1%	-16.8%	-5.2%
SHREE CEMENT	24300	877	ADD	27000	12.8%	9.3%	-5.0%	52.1%	-27.0%	-5.9%
DALMIA BHARAT	1897	356	BUY	2080	11.2%	14.1%	-27.8%	29.6%	-20.0%	-7.5%
JK CEMENT	5252	406	BUY	6130	14.8%	13.8%	16.4%	32.0%	5.6%	7.5%
RAMCO CEMENTS	908	215	SELL	830	9.0%	11.1%	33.7%	128.9%	2.9%	-5.9%
NUVOCO VISTAS CORPORATION	321	114	BUY	410	10.7%	10.5%	16.2%	1.1%	58.1%	8.3%
BIRLA CORPORATION	895	69	ADD	1170	6.3%	2.2%	-15.4%	22.6%	-1.6%	3.5%
JK LAKSHMI CEMENT	557	69	BUY	780	6.5%	5.6%	-10.9%	41.9%	0.1%	0.6%
HEIDELBERGCEMENT INDIA	160	36	REDUCE	140	4.5%	3.5%	-6.0%	20.6%	1.1%	-10.2%
STAR CEMENT	193	78	BUY	270	5.9%	8.5%	-16.2%	2.3%	-4.7%	-9.0%
ORIENT CEMENT	130	27	REDUCE	260	-1.3%	10.1%	-68.0%	77.2%	1.5%	0.8%
SAGAR CEMENTS	162	21	ADD	190	13.2%	10.6%	-899.7%	68.0%	6.8%	-1.0%
DECCAN CEMENTS	559	8	REDUCE	830	12.3%	17.3%	-199.2%	157.7%	0.0%	0.0%
HOME IMPROVEMENT					23.4%	21.6%	24.3%	19.3%	1.6%	0.1%
ASIAN PAINTS	2625	2518	ADD	3,000	16.0%	8.3%	20.0%	10.5%	10.5%	1.2%
HAVELLS INDIA	1278	802	ADD	1,245	14.8%	13.1%	7.1%	14.2%	-7.2%	-7.9%
BERGER PAINTS	526	613	ADD	550	15.7%	9.8%	20.1%	15.5%	-0.6%	-0.1%
ASTRAL	1535	412	BUY	1,760	19.7%	12.7%	24.2%	24.7%	0.3%	1.0%
VOLTAS	1220	404	ADD	1,375	9.1%	16.5%	78.3%	44.2%	-11.2%	-4.1%
KANSAI NEROLAC	201	162	REDUCE	215	9.4%	7.5%	11.7%	11.4%	-5.5%	-2.6%
SUPREME INDUSTRIES	3650	464	ADD	4,070	11.8%	13.0%	17.0%	16.2%	0.0%	0.0%
CROMPTON GREAVES CONSUMER ELECTRICALS	252	162	BUY	320	12.3%	12.0%	15.5%	18.9%	-5.0%	-3.8%
KAJARIA CERAMICS	1225	195	ADD	1,330	17.2%	9.6%	20.9%	4.0%	7.2%	10.9%
TTK PRESTIGE	598	82	REDUCE	580	17.5%	3.9%	17.9%	12.8%	7.5%	1.8%
PRINCE PIPES AND FITTINGS	284	31	REDUCE	270	12.4%	8.0%	51.1%	15.9%	11.1%	0.5%
V-GUARD INDUSTRIES	336	147	ADD	400	16.2%	10.5%	21.1%	16.6%	4.3%	2.3%
SYMPHONY	615	42	BUY	925	20.1%	14.8%	151.2%	27.1%	-3.8%	-9.6%
ORIENT ELECTRIC	186	40	BUY	225	15.0%	10.6%	25.0%	24.4%	-0.3%	-1.3%
SOMANY CERAMICS	509	21	ADD	610	17.2%	3.7%	33.3%	1.7%	15.3%	6.8%
GREENPANEL INDUSTRIES	160	20	BUY	265	15.7%	13.9%	263.7%	142.9%	-6.2%	-14.4%
GREENLAM INDUSTRIES	256	65	REDUCE	255	15.6%	11.2%	105.8%	44.5%	-2.6%	-2.6%
CENTURY PLYBOARDS INDIA	776	172	BUY	990	22.5%	10.7%	51.2%	24.8%	1.3%	2.4%
STYLAM INDUSTRIES	3602	61	BUY	4,075	24.2%	17.3%	20.8%	17.8%	0.0%	0.1%
KAYNES TECHNOLOGY INDIA	3823	256	REDUCE	3,280	39.2%	35.0%	12.6%	25.7%	-0.4%	-0.4%
DIXON TECHNOLOGIES (INDIA)	14850	908	REDUCE	12,660	54.1%	39.0%	16.5%	49.0%	4.2%	11.6%
AMBER ENTERPRISES INDIA	7275	257	REDUCE	8,060	26.8%	76.9%	73.7%	61.5%	-11.5%	-1.3%
SYRMA SGS TECHNOLOGY	1438	277	BUY	1,470	35.0%	31.1%	36.6%	33.4%	4.6%	4.1%
BAJAJ ELECTRICALS	354	41	REDUCE	320	10.5%	6.5%	739.1%	23.0%	-3.1%	-0.6%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
LG ELECTRONICS INDIA	1631	1107	REDUCE	1,525	13.3%	10.2%	29.6%	17.3%	0.3%	0.2%
EUREKA FORBES	417	81	BUY	640	14.6%	13.4%	14.8%	26.4%	-1.5%	-1.6%
CHEMICALS					14.8%	13.8%	2.4%	26.0%	10.3%	0.8%
SRF	2571	762	ADD	3080	14.5%	15.8%	-5.8%	27.3%	2.3%	-4.2%
DEEPAK NITRITE	1745	238	SELL	1503	12.4%	16.3%	-37.2%	53.9%	0.8%	1.0%
AARTI INDUSTRIES	518	188	REDUCE	492	15.6%	4.6%	-31.4%	76.1%	171.2%	0.4%
NAVIN FLUORINE INTERNATIONAL	8254	423	ADD	8058	13.2%	13.7%	16.9%	16.4%	12.9%	8.6%
VINATI ORGANICS	1327	138	BUY	1939	11.2%	18.7%	6.0%	23.9%	0.0%	0.0%
FINE ORGANIC INDUSTRIES	5212	160	SELL	4009	9.7%	6.9%	16.4%	1.9%	0.0%	0.0%
ALKYL AMINES CHEMICALS	1928	99	SELL	1068	19.8%	13.7%	-30.6%	16.7%	7.8%	-0.4%
GALAXY SURFACTANTS	2327	83	REDUCE	2601	13.4%	9.2%	49.6%	-13.3%	37.9%	1.6%
NOCIL	162	27	ADD	196	13.3%	4.2%	18.9%	24.6%	29.7%	35.5%
NEOGEN CHEMICALS	2253	62	BUY	2457	52.6%	85.5%	64.8%	121.3%	-13.6%	2.9%
CLEAN SCIENCE AND TECHNOLOGY	832	88	REDUCE	755	20.7%	18.9%	7.7%	18.8%	-3.2%	-7.0%
ACUTAAS CHEMICALS LTD	3210	263	SELL	1569	23.9%	24.5%	20.9%	23.5%	-0.4%	0.8%
AETHER INDUSTRIES	1631	216	ADD	1650	28.3%	34.1%	33.4%	43.8%	2.1%	9.1%
SUDARSHAN CHEMICAL	1184	94	REDUCE	911	11.6%	6.5%	1216.2%	14.5%	209.8%	0.0%
BALAJI AMINES	2102	68	SELL	1596	23.6%	20.7%	-17.3%	68.2%	18.8%	14.1%
POWER/UTILITIES					15.8%	9.3%	4.4%	14.6%	-0.2%	-0.5%
POWER GRID CORPORATION OF INDIA	265	2463	NA	NA	12.1%	8.4%	6.1%	8.4%	-1.1%	-1.7%
NTPC	338	3273	NA	NA	11.7%	6.0%	-8.6%	9.2%	-1.5%	-0.3%
TATA POWER COMPANY	376	1200	NA	NA	19.8%	7.3%	27.6%	11.6%	-0.3%	-0.1%
JSW ENERGY	542	994	NA	NA	10.5%	16.4%	5.0%	39.8%	-8.6%	-0.9%
NHPC	76	767	NA	NA	39.6%	22.0%	28.6%	23.5%	12.0%	1.2%
TORRENT POWER	1246	628	NA	NA	18.9%	8.7%	14.6%	13.1%	1.6%	-0.5%
CESC	156	207	NA	NA	13.0%	8.7%	10.0%	10.9%	-0.3%	-1.5%
SIEMENS ENERGY	3429	1221	BUY	4344	22.5%	21.4%	25.4%	25.6%	0.4%	3.4%
NTPC GREEN ENERGY	92	773	BUY	126	152.0%	64.2%	151.4%	119.2%	7.8%	-1.3%
PHARMA					16.2%	13.2%	11.5%	20.7%	-1.4%	2.1%
SUN PHARMACEUTICAL INDUSTRIES	1901	4561	BUY	2320	11.1%	17.0%	21.7%	20.2%	-2.2%	1.3%
CIPLA	1438	1162	NA	NA	11.8%	12.1%	6.6%	25.5%	-1.1%	0.7%
DR. REDDY'S LABORATORIES	1180	985	REDUCE	1200	3.4%	9.8%	-15.5%	19.9%	-13.3%	-4.3%
APOLLO HOSPITALS ENTERPRISE	8720	1254	BUY	10000	17.6%	17.6%	25.6%	26.9%	-0.8%	-0.5%
TORRENT PHARMACEUTICALS	5005	1904	ADD	5270	39.7%	12.2%	7.3%	30.3%	-4.9%	-1.1%
ZYDUS LIFESCIENCES	1109	1106	ADD	1240	19.2%	5.6%	-6.6%	9.2%	-1.3%	1.6%
MAX HEALTHCARE INSTITUTE	999	972	ADD	1110	26.4%	15.8%	20.4%	20.5%	-7.4%	-7.8%
ALKEM LABORATORIES	5400	646	ADD	6000	13.8%	12.4%	-9.9%	13.1%	-8.1%	-6.3%
LUPIN	2203	1007	ADD	2630	8.8%	3.3%	-15.3%	2.6%	-0.7%	0.4%
AUROBINDO PHARMA	1608	925	ADD	1730	18.6%	11.3%	26.4%	18.7%	2.2%	6.4%
MANKIND PHARMA	2385	985	ADD	2850	12.9%	11.5%	18.7%	22.7%	-4.4%	-0.5%
ERIS LIFESCIENCES	1324	184	BUY	1730	13.9%	14.7%	28.4%	36.4%	-12.1%	-3.9%
DR LAL PATH LABS	1888	317	BUY	2080	17.5%	14.5%	24.3%	16.0%	3.7%	6.0%
METROPOLIS HEALTHCARE	541	112	ADD	650	15.6%	13.6%	27.3%	20.4%	0.0%	0.5%
MEDPLUS HEALTH SERVICES	660	79	BUY	960	19.1%	14.6%	-10.4%	40.4%	-22.9%	-9.0%
IPCA	1900	482	BUY	2010	14.8%	11.8%	29.6%	14.9%	7.1%	5.3%
ASTER DM HEALTHCARE	766	668	ADD	900	105.1%	39.3%	114.8%	69.3%	61.8%	84.1%
DIVIS LABORATORIES	8587	2280	BUY	9230	22.0%	20.4%	35.5%	23.7%	8.2%	8.4%
SAI LIFESCIENCES	1469	312	BUY	1580	20.9%	23.3%	19.9%	38.7%	4.6%	8.1%
LAURUS LABS	1823	985	REDUCE	1580	21.3%	14.7%	41.9%	19.6%	23.6%	25.9%

HSIE Coverage	CMP	MCAP INR Bn	Rating	TP	Revenue Growth		PAT Growth		Change in PAT estimates	
					FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
PIRAMAL PHARMA	217	289	BUY	240	15.2%	14.1%	241.2%	231.5%	-24.1%	-9.6%
ANTHEM BIOSCIENCES	875	493	ADD	850	15.7%	21.9%	19.5%	25.8%	-3.7%	-1.2%
METALS					13.5%	6.3%	33.8%	11.3%	6.6%	3.7%
JSW STEEL	1300	3178	BUY	1410	10.4%	8.9%	70.4%	15.0%	53.7%	34.0%
COAL INDIA	403	2480	NA	NA	5.9%	4.2%	7.9%	2.1%	0.0%	-1.8%
TATA STEEL	183	2288	BUY	250	10.2%	5.0%	15.4%	31.0%	-10.0%	-5.3%
HINDALCO INDUSTRIES	1030	2314	NA	NA	20.1%	4.1%	81.7%	0.5%	7.4%	2.3%
JINDAL STEEL & POWER (JSPL)	1116	1138	BUY	1220	34.4%	20.0%	35.4%	52.0%	-0.4%	-0.2%
STEEL AUTHORITY OF INDIA (SAIL)	175	722	ADD	190	9.6%	4.2%	43.3%	13.3%	4.2%	4.0%
APL APOLLO TUBES	2143	595	ADD	2070	18.5%	14.1%	15.0%	18.9%	0.0%	0.0%
TELECOM					15.8%	12.5%	43.8%	34.1%	-0.5%	2.1%
BHARTI AIRTEL LIMITED	1942	12118	NA	NA	15.8%	12.5%	43.8%	34.1%	-0.5%	2.1%
TOTAL					18.9%	8.7%	14.2%	15.4%	0.1%	0.7%

Note: CMP as on 20.08.2026 Source: Bloomberg & HSIE Research NR – NOT RATED

HSIE Model Portfolio

HSIE Coverage	CMP	MCAP (\$ Bn)	MCAP INR Bn	Rating	TP	Portfolio weight	Nifty Weight	Relative weight
Nifty						100.0%	100.0%	0.0%
Autos						8.0%	7.1%	0.9%
Maruti Suzuki India	13809	45	4342	BUY	16832		1.7%	-1.7%
Bajaj Auto	11793	34	3296	BUY	12146	2.0%	1.1%	0.9%
Mahindra & Mahindra	3425	45	4259	ADD	4087	2.0%	2.7%	-0.7%
Eicher Motors	8042	23	2208	ADD	7995		1.0%	-1.0%
Hero MotoCorp	5741	12	1149	BUY	7012	2.0%		2.0%
Tata Motors PV	320	12	1179	REDUCE	380		0.6%	-0.6%
Samvardhana motherson	170	19	1791	ADD	165	2.0%		2.0%
Banks and NBFCs						31.8%	33.8%	-2.1%
ICICI Bank	1412	106	10132	BUY	1630	9.0%	9.2%	-0.2%
Kotak Mahindra Bank	397	41	3953	BUY	460		2.6%	-2.6%
Indian bank	871	12	1173	BUY	990	2.5%		2.5%
HDFC Bank	725	117	11174	NA	NA	10.3%	10.3%	0.0%
Bajaj Finance	1095	71	6817	BUY	1100		2.7%	-2.7%
State Bank of India	1048	101	9674	BUY	1245	4.0%	3.8%	0.2%
Axis Bank	1251	41	3894	ADD	1485	2.0%	3.2%	-1.2%
Shriram Finance	1128	28	2655	ADD	1100		1.3%	-1.3%
Jio Financial Services	245	17	1615	NA	NA		0.8%	-0.8%
PNB Housing Finance	1176	3	306	ADD	1100	2.0%		2.0%
Angel one	290	3	265	BUY	390	2.0%		2.0%
Insurance						0.0%	2.3%	-2.3%
SBI Life	1782	19	1788	BUY	2510		0.8%	-0.8%
Bajaj Finserv	2016	34	3230	NA	NA		1.1%	-1.1%
HDFC Life	542	12	1177	NA	NA		0.5%	-0.5%
Consumer staples						5.0%	5.1%	-0.1%
Hindustan Unilever	2028	50	4765	REDUCE	2100		1.7%	-1.7%
ITC	272	36	3404	ADD	300	3.0%	2.4%	0.6%
Nestle	1458	29	2811	ADD	1650		1.0%	-1.0%
Godrej Consumer Products	947	10	969	BUY	1250	2.0%		2.0%
Consumer Discretionary (ex-Autos)						8.5%	6.4%	2.1%
Titan Co	5068	47	4499	REDUCE	4350		1.8%	-1.8%
Tata Consumer	1056	11	1045	NA	NA		0.6%	-0.6%
Asian Paints	2625	26	2518	ADD	3000	2.0%	1.1%	0.9%
United spirits	1544	12	1123	ADD	1650	2.5%		2.5%
Eternal	328	33	3169	BUY	390	2.0%	2.0%	0.0%
Vmart	807	1	64	BUY	875	2.0%		2.0%
Trent	2970	17	1584	ADD	3060		0.9%	-0.9%
Industrials (Infrastructure+ Cap Goods+ Logistics)						7.0%	6.5%	0.5%
Larsen & Toubro	4081	59	5615	BUY	4694	3.0%	4.1%	-1.1%
Adani Ports & Special Economic Zone	1696	41	3908	NA	NA		1.1%	-1.1%
Cummins India	5205	15	1443	BUY	7177	2.0%		2.0%
Thermax	4034	5	481	BUY	5325	2.0%		2.0%
Bharat Electronics	409	31	2993	ADD	440		1.2%	-1.2%
Real Estate						2.5%	0.0%	2.5%
Oberoi realty	1905	7	693	BUY	2490	2.5%		2.5%
IT and Exchanges						10.0%	8.4%	1.6%
Tata Consultancy Services	2298	87	8314	ADD	2580		2.2%	-2.2%
Info edge	1361	9	882	BUY	1475	2.0%		2.0%
Infosys	1130	48	4586	BUY	1300	4.0%	3.6%	0.5%
HCL Technologies	1318	37	3578	ADD	1335		1.3%	-1.3%
Wipro	181	19	1793	ADD	195		0.5%	-0.5%
Tech Mahindra	1592	16	1560	ADD	1650	2.0%	0.9%	1.1%
Mphasis	2430	5	464	ADD	2735	2.0%		2.0%

HSIE Coverage	CMP	MCAP (\$ Bn)	MCAP INR Bn	Rating	TP	Portfolio weight	Nifty Weight	Relative weight
Energy (Oil & Gas)						7.0%	8.8%	-1.8%
Reliance Industries	1313	186	17771	NA	NA	5.0%	7.9%	-2.9%
Oil India	481	8	782	BUY	602	2.0%		2.0%
Oil & Natural Gas Corp	239	31	3004	REDUCE	276		0.8%	-0.8%
Chemicals						2.0%	0.0%	2.0%
Neogen	2259	1	62	BUY	2457	2.0%		2.0%
Metals & Mining						4.0%	5.4%	-1.4%
Hindalco Industries	1030	24	2314	NA	NA		1.3%	-1.3%
JSW Steel	1300	33	3178	BUY	1410		1.1%	-1.1%
Adani enterprises	2995	42	4054	NA	NA		0.8%	-0.8%
Jindal steel	1119	12	1141	BUY	1220	2.0%		2.0%
Tata Steel	184	24	2291	BUY	250	2.0%	1.4%	0.6%
Coal India	403	26	2480	NA	NA		0.9%	-0.9%
Cement & Building Materials						2.0%	2.3%	-0.3%
UltraTech Cement	11575	36	3411	BUY	13700		1.3%	-1.3%
Kajaria ceramics	1221	2	194	ADD	1330	2.0%		2.0%
Grasim Industries Limited	3300	23	2246	NA	NA		1.1%	-1.1%
Power/Utilities						3.0%	2.6%	0.4%
NTPC	338	34	3273	NA	NA	3.0%	1.5%	1.5%
Power Grid Corporation of India	265	26	2463	NA	NA		1.2%	-1.2%
Pharma						6.0%	4.8%	1.2%
Sun Pharmaceutical Industries	1904	48	4568	BUY	2320	2.0%	1.9%	0.1%
Dr Reddy's Laboratories	1180	10	985	REDUCE	1200		0.6%	-0.6%
Cipla /India	1438	12	1162	NA	NA		0.7%	-0.7%
Apollo hospitals	8735	13	1256	BUY	10000		0.8%	-0.8%
Aurobindo pharma	1608	10	925	ADD	1730	2.0%		2.0%
Max Healthcare	998	10	971	ADD	1110		0.7%	-0.7%
Piramal pharma	217	3	288	BUY	240	2.0%		2.0%
Telecom						2.0%	5.4%	-3.4%
Bharti Airtel	1942	127	12118	NA	NA	2.0%	5.4%	-3.4%
Airlines						0.0%	1.1%	-1.1%
InterGlobe Aviation	5165	21	1997	NA	NA		1.1%	-1.1%
Cash						1.2%		1.2%
Total						100.0%	100.0%	0.0%

Note: CMP as on 20.08.2026 Stocks highlighted pink represent those which are a part of nifty but not under HSIE coverage
 HDFC Bank is not under coverage, and we keep a neutral position (weight in model portfolio exactly equal to its weight in Nifty50)
 Source: Bloomberg and HSIE Research

Model Portfolio Performance relative to benchmarks

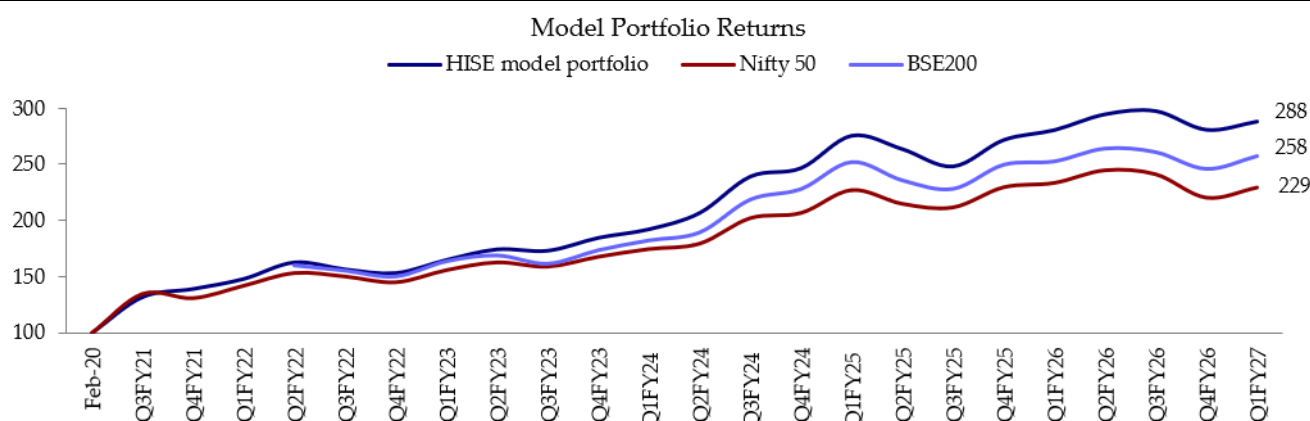
	Model Portfolio	Benchmark: Nifty 50		Benchmark: BSE 200	
		Nifty	Relative returns	BSE 200	Relative returns
3 month*	2.60%	4.08%	-1.5%	4.63%	-2.0%
6 month**	-3.1%	-4.9%	1.7%	-1.3%	-1.8%
1 year***	2.7%	-1.8%	4.5%	1.9%	0.9%
Inception (since 28.2.20)(Annualised)	19.7%	14.8%	4.9%	16.6%	3.2%

* Returns calculated from previous rebalancing done on 5th June 26

** Returns calculated from previous rebalancing done on 23rd Feb 26

*** Returns calculated from rebalancing done on 21st August 25

Model Portfolio Returns



Base value 100 at inception (28th February,2020)

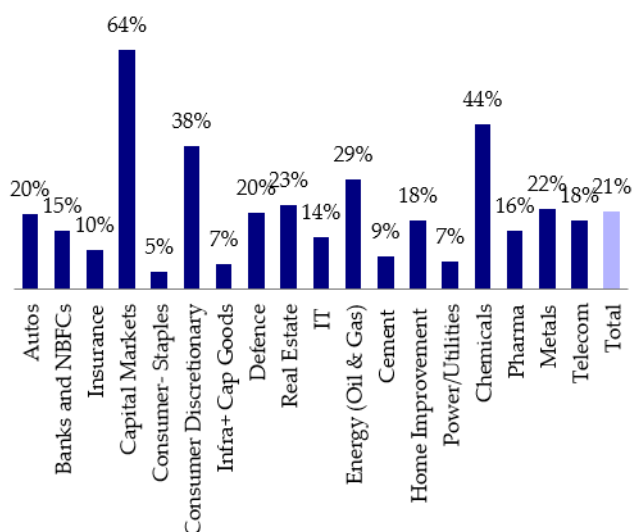
Disclosure for HSIE model portfolio

Name of model portfolio	HSIE Multi-Cap Model portfolio (HSIE MMP)
Description	HSIE MMP aims to provide a balanced and well-diversified focused portfolio (~25-35 stocks) for investors looking for superior risk-adjusted returns. By assigning recommended weights to various coverage stocks, HSIE MMP aims to steadily beat benchmarks over the medium to long term.
Horizon	Open ended
Launch date (Date of inception)	28th February 2020
Update date	Quarterly (Next due in 3rd to 4th week of November 2026)
Methodology	The stocks of HSIE MMP have been selected through fundamental research. All these stocks are under coverage of HDFC Securities institutional equities team. Underlying universe for stock selection is HSIE Coverage along with Nifty 50 stocks. This is a sector agnostic and Multicap portfolio. The portfolio weights are decided after considering the return objectives, risks involved and the ongoing market conditions. This portfolio is periodically monitored and quarterly rebalanced.
Frequency of rebalancing	Quarterly
Rationale	Rationale of picking various stocks is provided in form of stock result update notes. These result notes are attached to this quarterly flipbook. Every stock included in the model portfolio has been assigned a recommended rating and a target price. All these stocks are covered by HDFC securities institutional equities team.
Risk	All the stocks covered in the model portfolio carry systemic as well as company specific risks.
Benchmarks	Nifty 50, BSE200

Sector wise YoY Growth – Q1FY27

YOY Revenue growth (Q1FY26 to Q1FY27)

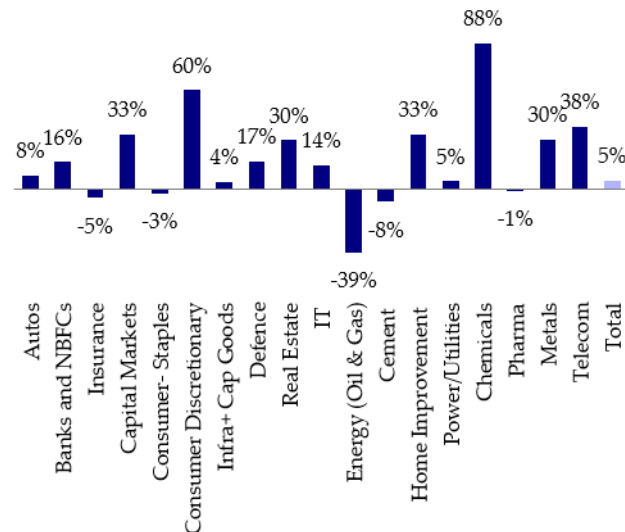
YOY Revenue growth (Q1FY26 to Q1FY27)



Source: Bloomberg & HSIE Research

YOY PAT growth (Q1FY26 to Q1FY27)

YOY PAT growth (Q1FY26 to Q1FY27)



Source: Bloomberg & HSIE Research

Autos

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
	FY28E	FY29E
EPS %	-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

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Mahindra & Mahindra

Raw material cost pressure could continue into Q2

Mahindra & Mahindra's Q1FY27 standalone EBITDA margin at 12.2% was broadly in line with our estimate of 12.3% though below Bloomberg consensus estimate of 12.8%. While autos are better placed due to continuing demand momentum and the opportunity to fill channel stock, the farm segment is facing uncertainty due to forecast of a subpar monsoon season and could even continue to witness raw material pressure in Q2, as key commodities such as steel and rubber are not hedged. We value the company on an SOTP basis, with the core business valued at 19x Jun-28 EPS for a target price of INR 4,087, and maintain an ADD rating.

- **Quarterly performance:** Auto division's EBIT margin at 7.1% was down 178bps YoY and 238bps QoQ (HSIE est. 8.4%), while the core auto (ex-BEV) margin stood at 8.9% (down 190bps YoY). Farm division's EBIT margin at 18.5% fell 128bps YoY and 85bps QoQ (HSIE est. 18.2%), while the core tractor margin stood at 19.2% (down 150bps YoY).
- **Farm segment:** Management indicated that the ground sentiment remains positive post the recent partial recovery in monsoon deficit and reservoir levels too have recovered to now being only 7% below the long period average. However, the farm segment is seeing a structural challenge in labor shortage, which is now accelerating due to movement to the industrial segment due to better pay. Pressure on gross margin could continue as key raw materials like steel and rubber are not hedged. Inventory levels are broadly normal at 30-40 days. HP mix has seen improvement with 69-70% of the mix now from the 40-50HP segment (in Q1), driven by better implements adoption and affordability due to the earlier GST rate cuts.
- **Auto segment:** It highlighted that fuel price pressure is driving customers to move toward EV, CNG and even diesel due to better mileage. It called out production challenges in April and May both for UV and LCV. Management laid out a staggered capacity enhancement plan to double the UV (including BEV) capacity in the next five years from the FY26 exit capacity (64.5k units per month). Dealer inventory remains modest at 15 days. Impact due to higher raw material cost in Q1 was ~450bps QoQ. While a price hike of 1.5% was taken earlier in the year, a price hike of 2.7% was taken in mid-July.
- **Other key highlights:** (1) The aerostructure business had deal wins (total contract value) of USD 621 mn in FY26, which was more than 3x growth vs FY25. It is confident of moving up the aero value chain and would also be open to making acquisitions in this space. (2) It is looking to accelerate AI adoption and is already seeing some benefits in the manufacturing processes, which is also aiding in bringing down product launch timelines.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	4,19,197	3,40,832	23.0	3,95,541	6.0	14,55,758	16,49,405	18,48,938	20,64,460
EBITDA	51,106	48,840	4.6	55,644	-8.2	2,09,775	2,18,565	2,59,858	2,96,098
EBITDA %	12.2	14.3	-214bps	14.1	-188bps	14.4	13.3	14.1	14.3
APAT	36,850	34,498	6.8	37,373	-1.4	1,57,371	1,60,263	1,90,594	2,17,438
EPS (INR)	30.7	28.7	6.7	31.1	-1.4	130.1	133.3	158.6	180.9
P/E (x)						25.2	24.6	20.7	18.2

Source: Company, HSIE Research

ADD

CMP (on 30 Jul 2026)	INR 3,284
Target Price	INR 4,087
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,992	INR 4,087
EPS %	FY28E	FY29E
	-0.4%	+0.6%

KEY STOCK DATA

Bloomberg code	MM IN
No. of Shares (mn)	1,244
MCap (INR bn) / (\$ mn)	4,083/42,677
6m avg traded value (INR mn)	10,364
52 Week high / low	INR 3,840/2,896

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.0	(4.3)	2.3
Relative (%)	4.7	1.0	6.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	18.45	18.45
FIs & Local MFs	31.50	32.65
FPIs	36.22	34.89
Public & Others	13.83	14.01
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Bajaj Auto

All key segments continue to perform well

A strong launch pipeline of 10 models over the next six weeks should induce freshness to the company's ageing portfolio. Additionally, increasing traction in the EV segment as well as the export segment augurs well for growth and operating leverage. We believe that this, along with favorable forex and price hikes, should help mitigate other cost pressures building up in Q2. Key subsidiaries like Bajaj Mobility AG (BMAG) and Bajaj Auto Credit (BACL) are also continuing to see improved performance. We value the core business at 24x Jun-28 EPS, and along with the value of BMAG (INR 159) and BACL (INR 280), reach a SOTP based TP of INR 12,146; maintain BUY.

- **Quarterly performance:** EBITDA margin at 20.9% was up 113bps YoY but flattish QoQ, 86bps and 79bps above ours and Bloomberg consensus estimates, aided by favorable forex, improved mix, operating leverage, and cost savings, though this was partially negated by higher raw material cost.
- **Export momentum continues to pick up:** Management highlighted that while the market in Africa grew ~50%, the company's sales there grew at roughly twice that pace. Growth was led by Nigeria, which is in the pre-election phase. While the growth in the Latin America market slowed down, it outperformed the industry by a large margin. It expects exports to average beyond 250k per month in Q2, led by growing success of the Boxer Heavy Duty 125cc in Africa, growth of KTM, and expansion of stores.
- **Domestic demand to be buoyed by launches:** The company highlighted that growth is being led by the EV segment and 150-400cc motorcycle segment. It reiterated its turnaround program will revamp the ageing portfolio, and thus seeks to launch, by September 2026, 10 new models, including refreshes and two new motorcycles in the 125cc and 150cc space under the Pulsar brand. It also mentioned two new brands in the 125cc space, which would aid an easier transition of the customer from the 100cc space.
- **EVs continue to gain traction:** It mentioned that the EV segment's contribution to total revenue now stands at 30%, with double-digit EBITDA margin. Within the EV segment, the e-2W sub-segment is also now EBITDA positive vs breakeven EBITDA in Q4FY26. It highlighted 530 exclusive stores for Chetak that could grow to 1,000 stores over the next couple of years.
- **Cost pressures still persist:** The raw material cost impact in Q1 was 4.5%, of which it has taken price hikes to cover almost 50% of the cost inflation. It has also been aided by favorable forex (USD/INR rate of 94.4 in Q1FY27 vs 90.6 in Q4FY26). It indicated that cost pressures for Q2 could also include higher inflation of costs related to proprietary products, electronics, labor, logistics, and energy. Additionally, while it will continue to curtail discretionary spends, it will not hold back on market activation and marketing spends, considering a strong launch pipeline in the coming weeks.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	1,72,437	1,25,845	37.0	1,60,057	7.7	5,87,325	6,92,814	7,84,663	8,80,071
EBITDA	35,953	24,818	44.9	33,227	8.2	1,20,166	1,41,517	1,63,824	1,84,624
EBITDA %	20.9	19.7	113bps	20.8	10bps	20.5	20.4	20.9	21.0
APAT	29,828	20,960	42.3	27,199	9.7	98,247	1,14,956	1,32,282	1,48,525
EPS (INR)	106.7	75.1	42.1	97.3	9.7	352	411	473	531
P/E (x)						23.9	20.5	17.8	15.8

Source: Company, HSIE Research

BUY

CMP (as on 21 Jul 2026) INR10,404

Target Price INR12,146

NIFTY 24,188

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR11,963	INR 12,146
EPS %	FY28E +1.8%	FY29E +0.8%

KEY STOCK DATA

Bloomberg code	BJAUT IN
No. of Shares (mn)	279
MCap (INR bn) / (\$ mn)	2,908/30,213
6m avg traded value (INR mn)	3,821
52 Week high / low	INR 10,835/7,859

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.2	13.3	23.3
Relative (%)	8.5	18.8	29.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	55.01	55.01
FIs & Local MFs	14.47	13.54
FPIs	8.82	9.01
Public & Others	21.70	22.44
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Eicher Motors

Demand sustains, though production yet to catch up

Despite the price hikes and geopolitical uncertainties, demand continues to sustain for both Royal Enfield and VECV. However, margins have taken a hit on rising cost pressures and with the management's focus on volume growth, the strategy going forward was less around price hikes and more around cost reduction programs, especially value engineering. On the other hand, the international business and the non-motorcycle business continue to support growth and margins. We value the company at 28x Jun-28 EPS, and along with the value of VECV (INR 713), reach a TP of INR 7,995; maintain ADD.

- **Quarterly performance:** Standalone EBITDA margin at 24.3% deteriorated 78bps YoY and 150bps QoQ, was 22bps and 12bps below ours and Bloomberg consensus estimate respectively. VECV revenue grew 16.6% YoY to INR 66.1bn, with EBITDA margin of 8.2% (down 80bps YoY and 290bps QoQ).
- **Domestic demand sustaining:** Management highlighted that strong growth momentum continues, as walk-ins and bookings continue to do well. New colors and variants introduced for Hunter 350 have seen a good response. However, while commodity prices and logistic costs still remain elevated, management is looking to easing some pressure via further value engineering programs, along with a purchase program that is underway.
- **Production yet to catch up:** The company was hit by supply disruptions in Q1: LPG shortage which has now been eased due to conversion to PNG, manpower shortage, which has now been eased on recruiting of additional manpower, and availability of key raw materials which has also eased to an extent. Production hit 4,500 units per day in June, which has since then moved closer to 5,000 per day. However, channel inventory remains low at 10-12 days. To strengthen inventory, besides ramping up production, it also seeks to bypass the depot storage stage and sell directly to dealers, which should increase channel inventory by another 4-5 days.
- **Capacity increase plan:** With the current motorcycle capacity at 1.5mn units p.a., the next phase of brownfield expansion would take the capacity to 2mn units by FY28. It is also making an investment of INR 12.25bn (for a greenfield in Andhra Pradesh), to increase capacity to 2.45mn units by FY30.
- **Large potential in the international business:** It mentioned that the international business now forms almost 15% of overall revenue and continues to inherit large business potential. One market that has proved this theory for Royal Enfield is Brazil, which is its biggest market out of India, with the company now at No.2 position in the middle-weight motorcycle category. Rest of the Latin America markets especially Colombia, Argentina and Mexico continue to gain traction. However, there have been some challenges in the US, Europe and APAC; the company expects these markets to do very well when geopolitical uncertainties ease.

Quarterly/annual financial summary

YE Mar (INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	62,136	49,084	26.6	59,014	5.3	2,26,997	2,64,481	3,11,761	3,57,352
EBITDA	15,103	12,313	22.7	15,230	(0.8)	58,129	67,023	81,144	95,783
EBITDA %	24.3	25.1	-78bps	25.8	-151bps	25.6	25.3	26.0	26.8
APAT	15,066	13,065	15.3	12,363	21.9	50,963	57,719	68,507	79,818
EPS (INR)	54.9	47.7	15.1	45.1	21.8	185.8	210.4	249.8	291.0
P/E (x)						41.9	37.0	31.1	26.7

Source: Company, HSIE Research

ADD

CMP (as on 29 Jul 2026)	INR 7,779
Target Price	INR 7,995
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 7,826	INR 7,995
EPS %	FY28E	FY29E
	+1.8%	2.9%

KEY STOCK DATA

Bloomberg code	EIM IN
No. of Shares (mn)	274
MCap (INR bn) / (\$ mn)	2,135/22,325
6m avg traded value (INR mn)	4,598
52 Week high / low	INR 8,233/5,353

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.2	10.2	42.2
Relative (%)	8.0	16.2	46.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	49.02	49.02
FIs & Local MFs	14.82	16.06
FPIs	26.78	25.53
Public & Others	9.38	9.39
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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TVS Motor

Outperformance continues despite cost pressures

TVS Motor's Q1FY27 EBITDA margin came in at 12.8%, including the PLI benefit of ~0.7% (down 20bps QoQ). This was above both our estimate of 12.1% and Bloomberg consensus estimate of 12%. The margin was aided by price adjustments, focused cost optimization initiatives, and scale benefits. It has guided for the company to outperform the industry in all segments: domestic ICE, export, and EV. While the launch of key Norton models should ease a key overhang, the timing is a concern considering global demand headwinds. We value the core business at 33x Jun-28 EPS, leading to a revised target price of INR 4,084, and maintain ADD.

- **Domestic momentum to continue:** Management expects the domestic 2W industry momentum to continue into Q2, clocking a minimum of double-digit growth. However, it did caution on challenges pertaining to monsoon progression and elevation in food and energy prices. It has guided on outgrowing the industry, given its enhanced product portfolio and upcoming launches. Additionally, it expects e-2W momentum to continue into Q2.
- **International expansion bodes well:** Management highlighted sustained demand across key markets, aided by continuing strengthening of distribution. It expects better export volumes QoQ in Q2. While the African market has been a key sales driver, with continuing success of the HLX brand, sales in the Latin America market are doing well on the back of the recent business expansion, with management now seeking to enhance marketing.
- **Capacity augmentation:** Overall, it expects to increase capacity in 2W from 6.8mn units p.a. to 8.3mn units p.a. (to be ready by Q4FY27). It also seeks to increase 3W capacity from 0.25mn units p.a. to 0.42mn units p.a. In the EV segment specifically, it is seeking to ramp up capacity of e-2W from 40k a month to more than 50k and of e-3W from 20k to 30k. It indicated an investment of INR 35bn toward this (including product development).
- **Higher costs continue:** While it highlighted that a significant portion of the raw material cost increase reflected in Q1 financials, persistent geopolitical tensions is still creating uncertainty. It will remain focused on the topline. Albeit it took a 1.5% price hike in Q1, it is seeking to take yet another price hike in Q2. Overall, it is endeavoring to mitigate higher costs via better product mix, sustained cost reduction, and scale benefits.
- **Norton update:** While the product in Solihull, UK, is getting ready, the production of 'Atlas' has already begun in June 2026 in Hosur, India. Initially, four models would be made under TVS Motor, which will launch in the UK first, followed by Europe and then India and the US. It has already started establishing dealerships and the products will also be sold via MBOs.

Quarterly/annual financial summary

YE Mar (INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	1,38,961	1,00,810	37.8	1,28,076	8.5	4,72,703	5,51,683	6,28,894	7,04,449
EBITDA	17,794	12,630	40.9	16,795	5.9	60,794	70,122	85,325	97,693
EBITDA %	12.8	12.5	28bps	13.1	-31bps	12.9	12.7	13.6	13.9
APAT	11,740	7,786	50.8	9,977	17.7	36,566	43,562	53,628	62,133
Diluted EPS (INR)	24.8	16.4	51.1	21.0	17.7	77.0	91.7	112.9	130.8
P/E (x)						49.3	41.4	33.6	29.0

Source: Company, HSIE Research

ADD

CMP (as on 21 Jul 2026) INR 3,792

Target Price INR 4,084

NIFTY 24,188

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,986	INR 4,084
EPS %	FY28E +2.5%	FY29E +2.2%

KEY STOCK DATA

Bloomberg code	TVSL IN
No. of Shares (mn)	475
MCap (INR bn) / (\$ mn)	1,802/18,719
6m avg traded value (INR mn)	3,719
52 Week high / low	INR 3,970/2,729

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.0	5.3	33.7
Relative (%)	3.3	10.7	39.5

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.27	50.27
FIs & Local MFs	18.83	21.13
FPIs	22.57	20.45
Public & Others	8.33	8.15
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Tata Motors

Underlying demand holding for now

While the underlying demand is holding for now, the situation remains volatile as management holds back from giving a growth outlook even for H2FY27. However, fleet utilization remains stable, while fleet owners have been able to pass on the higher fuel price hike to customers. On the exports front, the order from Indonesia does provide a cushion to the impact in sales in the Middle East. We value the company on a SOTP basis, with the India CV business valued at (INR 460) 11.5x Jun-28 EV/EBITDA, and the stake in Tata Capital valued at INR 15, for a target price of INR 475; maintain ADD.

- **Quarterly performance:** Standalone EBITDA margin at 11.7% was 66bps and 90bps ahead of ours and Bloomberg consensus estimate. The beat was on account of lower other expenses as gross margin deteriorated due to elevated commodity inflation (at 29.3%, down 393bps YoY and 118bps QoQ). While consolidated EBITDA margin at 10.9% was ahead of Bloomberg consensus estimate of 10.3%.
- **Underlying demand holding for now:** While fleet utilization has seen an improvement MoM, it was down YoY in Q1FY27. However, 12.4% YoY growth in E-way bill generation and 2.8% growth in diesel consumption are indicating a stable trend. Fleet owners have been able to pass through the fuel price hike to customers. While it has guided for a healthy double-digit growth for CV volumes in Q2, it indicated that it is too early to discuss the growth outlook for H2FY27. However, it indicated a good customer response to its recent launches in the HCV space.
- **Other key highlights:** (1) There is only one approval pending in the Iveco acquisition process, and it expects final clearance by the end of August, with the deal closure by early November. (2) To counter elevated commodity costs, which is still a challenge, it has taken a 2.5% price hike on 1st July 2026, along with working on internal cost management. (3) Parts and services segment continued to grow in double digits. (4) The company was able to maintain DEF supplies, despite urea availability issues due to the Middle East crisis. (5) However, some supply chain challenges do exist on account of increased demand for autos across vehicle segments. (6) The supplies for the Indonesia order was initiated in Q1, with 2k vehicles shipped, as it continues to ramp up supplies. (7) It mentioned that the lead time for getting battery cells in India has increased recently, as it continues to tackle the production of Intra EV via debottlenecking. (8) Retail financing is improving for EVs, while the company is also offering higher warranty on the battery (more than the term of the loan).

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	2,07,700	1,74,140	19.3	2,61,840	-20.7	8,42,800	9,30,407	10,44,919	11,57,898
EBITDA	22,570	20,530	9.9	34,170	-33.9	1,03,600	1,05,648	1,28,930	1,48,549
EBITDA %	10.9	11.8	-93bps	13.0	-219bps	12.3	11.4	12.3	12.8
APAT	26,350	14,070	87	15,590	69	46,140	65,494	83,041	97,093
EPS (INR)	6.9	3.8	83.0	4.9	42.5	12.5	17.8	22.6	26.4
P/E						37.9	26.7	21.0	18.0
EV/EBITDA						16.1	15.7	12.5	10.5

Source: Company, HSIE Research

ADD

CMP (as on 13 Aug 2026)	INR 475
Target Price	INR 475
NIFTY	24,396

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 463	INR 475
EPS %	FY27E	FY28E
	+2.8%	+4.5%

KEY STOCK DATA

Bloomberg code	TMCV IN
No. of Shares (mn)	3,683
MCap (INR bn) / (\$ mn)	1,748/18,320
6m avg traded value (INR mn)	4,828
52 Week high / low	INR 509/306

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	23.6	(1.9)	-
Relative (%)	18.9	3.7	-

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	42.56	42.56
FIs & Local MFs	17.84	18.45
FPIs	19.03	18.58
Public & Others	20.57	20.41
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Hyundai Motor India

Two new launches in H2 to add freshness to the portfolio

We are continuing to sense aggression from the management in terms of reviving the business fundamentals: focus on gaining back domestic market share, ramping up exports along with improving the mix, and working on cost optimization via localization and value engineering efforts. We expect the rising CNG mix and the upcoming compact e-SUV to also lead to the company being better placed with respect to the upcoming CAFÉ 3 norms. We value the company at a target P/E multiple to 23x Jun-28 EPS for a target price of INR 2,142, and maintain ADD.

- **Quarterly performance:** Revenue, at INR 163.3bn, declined 0.5% YoY and 13.6% QoQ, broadly in line with both ours and Bloomberg consensus estimates. Realization grew 0.8% YoY and 2.1% QoQ despite lower mix of 'Creta', also aided by price hikes, and lower discounts on a YoY basis at 2.8% in Q1FY27 vs 3.4% in Q1FY26.
- **Margin impacted:** EBITDA margin at 9.3% was broadly in line with both ours and Bloomberg consensus estimate, declining 406bps YoY and 114bps QoQ, on account of production disruption in Q1, especially of certain high-margin models, due to a fire incident at a key supplier's plant. In addition to this, there was also an impact on exports due to the West Asia crisis. It was partially negated by pricing actions, forex tailwinds, and cost optimization. However, it stuck to the EBITDA margin guidance of 11-14% for the full year.
- **Domestic market:** It reiterated 8-10% volume growth for the company in FY27 and is expected to outperform the industry in H2FY27 and gain market share on the back of two new model launches (compact SUV on a dedicated EV platform and a mid-sized ICE SUV of >4m) and ramp-up of 'Venue' volumes. It is confident that the new mid-sized ICE SUV model would have clear differentiation with the 'Creta'. Both the new models will have a technology-first positioning.
- **Exports recovering:** It reiterated 8-10% volume growth for the company in FY27, expecting a strong recovery, going forward, as the order backlog remains good and it seeks to navigate challenges in freight by optimizing transit routes. The upcoming additional capacity at the Pune plant will also aid in improving exports of the 'Venue'. It is also seeking to improve SUV mix in the export segments and the two new model launches that will happen in the domestic market will subsequently (in a few months) be sold in the export markets as well.
- **Other key highlights:** (1) It mentioned that rural contribution for the company has improved: 22.6% in Q1FY26; 23.6% in Q2FY26; 24.1% in Q3FY26; 24.7% in Q4FY26; and 25.9% in Q1FY27. It believes that better traction in the rural segment has been due to improving road infrastructure, better availability of info online, and improving service network. (2) It highlighted that lost production in Q1 has almost already been recovered in Q2 itself.

Quarterly/annual financial summary

YE Mar (INR mn)	1QF Y27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	1,63,346	1,64,129	(0.5)	1,89,162	(13.6)	7,07,633	7,92,385	9,19,146	9,92,712
EBITDA	15,117	21,852	(30.8)	19,660	(23.1)	85,985	94,183	1,19,334	1,32,031
EBITDA %	9.3	13.3	-406bps	10.4	-114bps	12.2	11.9	13.0	13.3
APAT	8,886	13,693	(35.1)	12,556	(29.2)	54,315	57,087	73,735	81,423
EPS (INR)	10.9	16.9	(35.1)	15.5	(29.2)	66.8	70.3	90.7	100.2
P/E (x)						30.2	28.7	22.2	20.1

Source: Company, HSIE Research

ADD

CMP (as on 30 Jul 2026) INR 2,018

Target Price INR 2,142

NIFTY 24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,123	INR 2,142
EPS %	FY28E +0.8%	FY29E +1.1%

KEY STOCK DATA

Bloomberg code	HYUNDAI IN
No. of Shares (mn)	813
MCap (INR bn) / (\$ mn)	1,640/17,139
6m avg traded value (INR mn)	2,076
52 Week high / low	INR 2,890/1,658

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.0	(8.1)	(3.3)
Relative (%)	9.7	(2.8)	1.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	82.50	82.50
FIs & Local MFs	9.70	11.69
FPIs	5.42	3.28
Public & Others	2.38	2.53
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Samvardhana Motherson International

Builds on diversification as it dodges near-term headwinds

The company's medium- to long-term growth potential is intact, considering expansion of the newer segments (including non-auto), content addition due to premiumization, addition of new customers, as well as any potential future acquisitions (considering its low leverage ratio). Considering structurally improving underlying margins due to benefits from the restructuring exercise in Europe and increasing share of the non-auto business, which provides benefits of diversification, faster growth and lower cyclicity, we raise our target PE multiple to 22x Jun-28 EPS (vs 21x earlier) for a TP of INR 165; maintain ADD.

- **Quarterly performance:** EBITDA margin at 8.8% was up 65bps YoY but down 227bps QoQ, broadly in line with ours and Bloomberg consensus estimates of 9% and 8.9% respectively, impacted mainly by higher raw material costs.
- **Update on key segments:** (1) Wiring harness: strong growth momentum in India along with recovery in the North American CV business, while margin (down 30bps QoQ) was impacted by elevated copper prices. (2) MPP: while demand remained soft across key markets, margin (down 230bps QoQ) was impacted due to higher crude-linked polymer prices, though was partially offset by transformation and cost-saving initiatives in Europe. (3) Vision systems: resilient execution amid a challenging industry environment; while margin remained stable YoY, it fell QoQ, reflecting normal business seasonality. (4) Integrated assemblies: demand slowdown in key markets; while cost optimization initiatives improved the margin 120bps YoY.
- **Consumer Electronics facility on track:** Management highlighted that the third and the biggest plant of the consumer electronics JV is on track for completion by Q3FY27. It has guided for a capacity of 40mn units p.a. at full scale. It mentioned there is a 17-stage process to make the glass product and that it is very technical (providing validation as well as entry barrier).
- **Restructuring European operations:** It mentioned the restructuring of the European operations is ongoing and is finally starting to throw up meaningful benefits. It was much needed as the company had acquired many businesses there over the past few years, some of which were distressed assets.
- **Other key highlights:** (1) Planned launches by European OEMs to support growth, going forward. (2) CV outlook remains favorable, while there has been recovery in North America. (3) Freight costs have increased substantially, while the company has also incurred additional costs to ensure timely delivery of products. (4) It operationalized three facilities in Q1 and while there are 13 more facilities under development, 10 are expected to come on stream in FY27. (5) The company is at its lowest ever leverage ratio at 0.8x net debt/EBITDA, much below its stated policy level of 2.5x.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	3,52,438	3,02,120	16.7	3,43,093	2.7	12,61,037	14,56,176	16,72,565	18,90,526
EBITDA	30,962	24,583	25.9	37,908	(18.3)	1,19,029	1,34,797	1,72,968	2,03,354
EBITDA %	8.8	8.1	65bps	11.0	-227bps	9.4	9.3	10.3	10.8
APAT	10,321	6,142	68.0	16,429	(37.2)	41,492	52,159	74,818	91,885
EPS (INR)	0.98	0.58	68.0	1.56	(37.2)	3.9	4.9	7.1	8.7
P/E (x)						39.4	31.4	21.9	17.8

Source: Company, HSIE Research

ADD

CMP (as on 06 Aug 2026)	INR 155
Target Price	INR 165
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 148	INR 165
EPS %	FY28E +5.8%	FY29E +7.2%

KEY STOCK DATA

Bloomberg code	MOTHERSO IN
No. of Shares (mn)	10,561
MCap (INR bn) / (\$ mn)	1,637/17,190
6m avg traded value (INR mn)	3,168
52 Week high / low	INR 158/90

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	21.7	31.2	62.6
Relative (%)	20.4	36.8	64.5

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	48.60	48.60
FIs & Local MFs	21.13	20.65
FPIs	12.45	12.87
Public & Others	17.82	17.88
Pledged Shares	2.90	2.34

Source : BSE

Pledged shares as % of total shares

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Tata Motors Passenger Vehicles

Demand weakness continues for JLR

Overall weakness in demand continues for JLR, leading to higher VME (Variable Marketing Expense). While it is seeking to launch the electric Range Rover and the all new Jaguar over the near term, we do not think the timing is favourable considering a volatile global demand scenario currently. In the India PV business, while the company's products are gaining good traction, it is unable to take larger price hikes due to intense competition, leading to subdued margins on account of elevated commodity costs. We value the company on a SOTP basis, with JLR valued at (INR 101) 2.25x Jun-28 EV/EBIT, the India PV business valued at (INR 238) 26x Jun-28 EPS, and the stake in Tata Technologies valued at INR 41, for a target price of INR 380. Maintain REDUCE.

- **JLR quarterly performance:** EBIT margin in Q1FY27 stood at 2.8%, down again from the rebound quarter of Q4FY26 which recorded an EBIT margin of 9.2%. The quarter was marked by weak demand especially in China and the Middle East, as well as supply constraint due to a fire incident at the supplier's end which impacted the company's production. However, the EBIT margin was slightly above our estimate of 2.3%.
- **Key updates on JLR:** Demand remains weak and while it may be a temporary setback for sales in the Middle East, the demand weakness in China is more structural in nature on account of increased competitiveness. Management wants to focus more on the US market to ramp up growth, as it believes the conditions there are likely to support demand for its vehicles: US has 40% of the world's millionaires, it has the propensity for SUVs where JLR too has a strong presence and the consumers have a strong affinity to the JLR brand. Management indicated six vehicle launches, with four more imminent, including the electric Range Rover and the all new Jaguar.
- **India PV update:** EBITDA margin at 4.2%, fell 500 bps QoQ, and was sharply below our estimate of 7.4%. Key impact was on account of higher raw material cost, which the company has not been able to efficiently pass-on to customers. The commodity cost impact in Q1FY27 was 4.5%, while it is expecting another 3% impact in Q2FY27. Against this, it has taken a price hike of 0.5% in April and another 0.5% in July, while expecting to take further calibrated price hikes through the rest of the year. Management cited high competitive intensity as the reason for the cost under-recoveries. It will instead focus on cost reduction to counter the elevated commodity costs. Channel inventory is at 30 days currently, and it plans to significantly ramp up production and inventory to be ready in time for the festive season. There has been an increased demand for EVs, for which the company has ramped up EV production to 15k per month from the earlier 9k per month. It recorded PLI accrual of INR 3.13bn in Q1, which was largely from Nexon EV and Harrier EV. It plans to attain PLI certification of more models, which it sees materializing in Q3FY27.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	9,57,990	8,76,770	9	10,54,470	(9)	33,55,820	39,16,980	46,08,095	51,28,625
EBITDA	63,260	77,580	(18)	1,23,480	(49)	2,00,110	3,64,633	5,68,714	6,13,154
EBITDA %	6.6	8.8	-225bps	11.7	-511bps	6.0	9.3	12.3	12.0
APAT	8,910	26,440	(66)	57,680	(85)	27,650	89,645	2,28,468	2,45,584
EPS (INR)	2.4	7.2	(66.3)	15.7	(84.6)	7.5	24.3	62.0	66.6

Source: Company, HSIE Research

REDUCE

CMP (as on 13 Aug 2026)	INR 350
Target Price	INR 380
NIFTY	24,396

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 372	INR 380
EPS %	FY27E 0.0%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	TMPV IN
No. of Shares (mn)	3,685
MCap (INR bn) / (\$ mn)	1,288/13,490
6m avg traded value (INR mn)	4,101
52 Week high / low	INR 448/294

Note: The record date for the demerger of erstwhile Tata Motors was 14 October 2025, when it began trading ex of the CV business, with the price discovery happening at INR 400 per share. The company was renamed 'Tata Motors Passenger Vehicles Limited'

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.8	(8.1)	(13.0)
Relative (%)	(0.9)	(2.6)	(9.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	42.56	42.51
FIs & Local MFs	17.04	17.23
FPIs	17.29	17.11
Public & Others	23.11	23.15
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Hero MotoCorp

Better execution limits margin impact

Continuing diversification away from the core business of commuter motorcycle augurs well, providing better growth avenues and lowering cyclicality. While scale-up in the premium, global, ICE scooter, EV and PAM (parts, accessories, and merchandise) segments is impressive, key concerns are slower movement toward profitability in EVs and price cuts taken in some variants in the commuter segment to sustain growth. We expect better control on other expenses to continue going forward, considering that 40% of the other expenses comes from miscellaneous expenses, thus limiting further margin impact. We value the company at 17x Jun-28 EPS, and adding the value of its stake in key companies, we arrive at a target price of INR 7,012; maintain BUY.

- **Quarterly performance:** EBITDA margin at 13.3% declined 115bps YoY and 122bps QoQ, slightly above ours and Bloomberg consensus estimate of 13.1%. The gross margin drag was partially negated by lower other expenses. EBITDA margin for the ICE segment (ex of EV) stood at 15.9%, contracting 90bps YoY and 110bps QoQ, hit by higher raw material costs, though cushioned by improved mix, optimization of discretionary spends and acceleration of the cost-saving programs. EV revenue stood at INR 6.6bn, with an EBITDA loss of INR 2.3bn (flattish QoQ).
- **Demand momentum continues:** Management highlighted that demand remains good despite 4-4.5% price hike taken on a blended basis in the ICE portfolio over the last 5-6 months, and an overall double-digit price hike taken for the EV portfolio. However, it has taken a price cut in some commuter motorcycle variants, to boost the demand in that segment. In the commuter segment, it has made interventions beyond products, like retail financing along with some other affordability measures. Overall for the 2W industry, it expects Q2 to have similar growth trajectory as Q1, though H2 should see low growth due to the high base. It is positive that the domestic 2W industry will post double-digit growth in FY27. In the global business as well, it expects the growth momentum to continue, going forward, also aided by continuing expansion of geography base and product portfolio.
- **Capacity expansion:** It has increased capacity for EVs from 15k a month as at the end of FY26 to 30k currently and will increase it to 45k by Q4FY27. It has doubled the capacity of 'Destini' and is increasing the capacity of 'Xoom' by 50%. It has also increased the capacity of 'Splendor' by an additional 2k per day. This was much-needed as channel stock for EVs is down to 2-3 days, while that of Xoom (and some variants of Destini) is half of the normal levels.
- **Mitigating commodity pressure:** While management has guided for a marginal uptick in commodity costs in Q2, it will strive to neutralize this via revenue mix, optimizing discretionary spends and accelerating cost saving programs. Strong growth in PAM has continued in July 2026, benefitting from an expanded range, deeper penetration, and operational improvement.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	1,29,988	95,789	35.7	1,27,965	1.6	4,68,301	5,38,207	6,08,022	6,69,901
EBITDA	17,266	13,817	25.0	18,556	-7.0	68,708	74,856	89,110	1,00,251
EBITDA %	13.3	14.4	-115bps	14.5	-122bps	14.7	13.9	14.7	15.0
APAT	14,545	11,257	29.2	14,011	3.8	53,872	58,549	69,038	77,457
EPS (INR)	72.7	56.3	29.1	70.0	3.8	269.5	292.9	345.4	387.5
P/E (x)						21.2	19.5	16.6	14.8

Source: Company, HSIE Research

BUY

CMP (as on 7 Aug 2026) INR 5,725

Target Price INR 7,012

NIFTY 24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 6,742	INR 7,012
EPS %	FY28E	FY29E
	+3.9%	+4.7%

KEY STOCK DATA

Bloomberg code	HMCL IN
No. of Shares (mn)	200
MCap (INR bn) / (\$ mn)	1,146/12,036
6m avg traded value (INR mn)	3,431
52 Week high / low	INR 6,390/4,422

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.1	(0.5)	22.8
Relative (%)	6.3	5.6	25.5

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	34.73	34.73
FIs & Local MFs	24.78	24.36
FPIs	31.15	31.09
Public & Others	9.34	9.82
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Ashok Leyland

Demand holds for now although cost pressures build up

While demand continues to hold for now, we remain cautious due to building up of cost pressures and the potential demand impact from continuing geopolitical tensions. The new launches as well as the continuing demand momentum in the non-CV business augur well. We value the company's core business at 12.0x Jun-28 EV/EBITDA, and add the value of Hinduja Leyland Finance (INR 15) for a TP of INR 184, maintaining an ADD rating.

- **Quarterly performance:** EBITDA margin, at 10.1%, declined 105bps YoY and 452bps QoQ, above our estimate of 10% and Bloomberg consensus estimate of 9.6%. The compression in the EBITDA margin QoQ was on account of lower operating leverage, as gross margin largely remained stable at 28.5%, down only 18bps QoQ despite commodity headwinds. Management credited the stable gross margin to initiatives like improving price realization, improving product and revenue mix, cost reduction, and opportunity-based inventory build-up. Another factor benefiting the company is the continuing YoY growth in the non-CV business: 12.7% in domestic aftermarket, 51% in power solutions, 64% in defence. The defence order book remains strong.
- **Demand outlook:** Management expects the industry volumes in FY27 to grow in high single digit for MHCV, with a slightly better outlook for LCV. Some factors for this are good growth in H1 (supported by a low base too), better economics of BSVI trucks vs ageing trucks especially post the GST rate cut last year, infrastructure development and availability of retail financing.
- **Margin pressure in the near term:** Gross margin was more stable QoQ despite raw material cost increase as the company consumed inventory from an earlier period, focused on cost savings, focused on improving the mix, and took pricing actions (price hike of 1.2-1.25% in Q1). However, it expects Q2 gross margin to be impacted by higher raw material cost. It has taken a price hike in July (more than 1% in MHCV and more than 2% in LCV), and expects to take more calibrated price hikes throughout the year. Cumulatively, since the start of FY27, it has taken price hikes totalling more than 2-2.5% for MHCV and more than 3.5% for LCV. In terms of employee costs too, there would be a marginal increase as the increment cycle starts from 1 July.
- **Other key highlights:** (1) On the exports front, the volumes in SAARC and Africa have grown substantially, negating the loss in volume in GCC. (2) However, production issues in the UAE, where it assembles the products for the GCC markets, is easing, with the facility already operating at peak production currently. (3) The impact on bus volumes is because it decided not to take on unprofitable tenders for the larger buses.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	96,344	87,245	10.4	1,41,605	(32.0)	4,40,070	4,77,901	5,49,154	6,17,445
EBITDA	9,695	9,696	(0.0)	20,655	(53.1)	57,323	59,738	74,397	85,026
EBITDA %	10.1	11.1	-105bps	14.6	-453bps	13.0	12.5	13.5	13.8
APAT	6,091	5,937	2.6	14,047	(56.6)	39,140	40,410	51,100	58,738
EPS(INR)	1.04	1.01	2.6	2.39	(56.6)	6.7	6.9	8.7	10.0
P/E (x)						25.8	24.9	19.7	17.2
EV / EBITDA (x)						16.7	16.1	12.8	11.1

Source: Company, HSIE Research

ADD

CMP (as on 14 Aug 2026)	INR 172
Target Price	INR 184
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 186	INR 184
EPS %	FY27E	FY28E
	-0.3%	-0.8%

KEY STOCK DATA

Bloomberg code	AL IN
No. of Shares (mn)	5,874
MCap (INR bn) / (\$ mn)	1,008/10,564
6m avg traded value (INR mn)	4,207
52 Week high / low	INR 215/119

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.2	(16.1)	40.7
Relative (%)	7.7	(10.5)	43.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.51	51.51
FIs & Local MFs	13.06	15.76
FPIs	24.57	20.68
Public & Others	10.86	12.05
Pledged Shares	20.49	20.49

Source : BSE

Pledged shares as % of total shares

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Bharat Forge

Traction in non-auto segments to enable higher growth

While Q1FY27 was a rough quarter in terms of margins, we expect sustained improvement in the medium term as the company passes on elevated costs to customers, improves capacity utilization in the US business, completes the restructuring of the European subsidiary, and improves the non-auto mix. Besides providing better margins, the non-auto segments are also providing higher growth avenues for the company in the medium to long term. We value the company at 37x Jun-28 EPS for a TP of INR 2,323; maintain BUY.

- **Quarterly performance: (1) Standalone:** EBITDA margin at 25% declined 222bps YoY and 236bps QoQ, was 175bps and 230bps below ours and Bloomberg consensus estimate respectively. Margin was impacted on account of higher raw material, manpower and logistic costs. Management mentioned that EBITDA margin normalized for input cost increase was at 28%. **(2) Consolidated:** EBITDA margin at 15.3% declined 193bps YoY and 190bps QoQ, was 145bps and 209bps below ours and Bloomberg consensus estimate respectively. The consol business was also impacted by 2-3 months of breakdown in two presses in the steel forging business in the US, which is now fixed, and thus recovery is expected in Q2.
- **Outlook:** While in Q4FY26, management had stated that it is optimistic of achieving 25% growth in FY27, it almost reiterated its stance this time by tweaking the growth outlook guidance to 20-25% (for the Indian manufacturing business), which it indicated will be more pronounced in H2FY27. It mentioned that the margin in Q2 will be better QoQ, as the elevated costs are negotiated and passed on to customers. Also, the restart of the presses in the US should improve utilization, and hence aid margin.
- **Defense:** The company has made a breakthrough in the naval segment by winning a large order for marine gas turbine generator. It has also tied up for MRO for turbine for both existing and future ships. On the domestic ATAGs order, it mentioned that the testing was still ongoing for both the suppliers, and post the approval, it will take about 2-3 months to begin execution. It is targeting a margin of 22-23% for the defense business on a steady-state basis.
- **Fundraise:** It mentioned that the fundraise approval (of up to INR 25bn) is for growth capex, with the capex likely to be completed over 18 months and would entail both existing and new areas: large engine, power generation, semi-conductor components, aerospace, energetics plant (shell filling and propellants) in AP, etc., with most having good margins.
- **Restructuring:** It expects the restructuring of the European subsidiary (CDP) to complete by Q2/Q3CY27, with part of the orders of the subsidiary getting transferred to the company, and thus enabling better margins.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	46,399	39,087	18.7	45,280	2.5	1,68,117	2,00,191	2,47,410	2,91,215
EBITDA	7,095	6,729	5.4	7,782	(8.8)	29,267	34,366	49,104	60,221
EBITDA %	15.3	17.2	-193bps	17.2	-190bps	17.4	17.2	19.8	20.7
APAT	2,681	2,839	(5.5)	3,322	(19.3)	12,070	17,170	28,034	35,996
EPS (INR)	5.6	5.9	(5.5)	6.9	(19.3)	25.2	35.9	58.6	75.3
P/E (x)						82.9	58.3	35.7	27.8

Source: Company, HSIE Research

BUY

CMP (on 10 Aug 2026) INR 2,093

Target Price INR 2,323

NIFTY 24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,368	INR 2,323
EPS %	FY27E	FY28E
	-4.7%	-2.2%

KEY STOCK DATA

Bloomberg code	BHFC IN
No. of Shares (mn)	478
MCap (INR bn) / (\$ mn)	1,001/10,500
6m avg traded value (INR mn)	2,795
52 Week high / low	INR 2,274/1,101

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.0	34.4	80.2
Relative (%)	4.1	40.4	82.8

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	44.07	44.07
FIs & Local MFs	32.76	32.34
FPIs	14.15	15.04
Public & Others	9.02	8.55
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Ather Energy

Accelerating toward profitability

The company continues to impress with its move toward profitability, inching even closer, despite the commodity headwinds and lack of PLI benefit. We believe this has been possible due to management's deep focus on profitability leading to an improving cost structure, and value engineering benefits on the back of its R&D prowess. The upcoming capacity and launch of the EL platform (for lower priced products) coinciding with improving customer sentiment toward EVs should lead to another inflection point, which will receive support from the recently ramped-up dealer base. We value the company at 6.0x Jun-28 EV/sales for a TP of INR 1,362; maintain BUY. It continues to be our top pick.

- **Quarterly performance:** EBITDA margin at -2.7% improved by 1,810bps YoY and 319bps QoQ, a beat to our estimate of -7.8% and Bloomberg consensus estimate of -6.6%. EBITDA margin improvement was led by operating leverage, increase in non-vehicle revenue contribution, product mix management, and cost reductions, though partially negated by lower gross margin on the back of elevated raw material costs.
- **Demand outpacing supply:** Management highlighted that better total cost of ownership (aided by the fuel price hike), improving customer sentiment toward EVs, and better availability of retail financing is accelerating EV adoption, leading to a ramp-up of capacity and supply on a war footing basis. While pre-orders have touched 50k on a monthly basis, dealers in many states have stopped accepting further pre-orders as the waiting period has crossed two months. It indicated that the company could have sold another 13-15k units per month across Q1, if not restricted for supply. Dealer stock has fallen from 14 days (the end of Q4FY26) to just three days (the end of Q1FY27).
- **New platform and additional capacity:** The phase 1 at AURIC, with a capacity of 500,000 units p.a. will be operational from Q4FY27 though a complete ramp-up would happen only over 4-5 months. While the product on the new EL platform will be launched at the end of August 2026, it will initially be produced from the existing plant, with a major ramp-up happening only from the new facility. Considering that the new plant will cater exclusively to the EL platform and that the existing plant has some fungibility across both platforms, the available capacity for EL would be 60k units per month. Additionally, it hinted that Phase 2 at AURIC (500,000 units p.a.) may get materially fast-tracked if the good demand scenario continues.
- **Profitability:** While it expects another 1-2% impact on account of higher raw material costs in Q2FY27, it believes that the impact will be negated by better ASP (higher ASP in June 2026 will lead to a better average in Q2), and the continuing structural tailwinds of better skew management, higher non-vehicle revenue, and cost reduction.

Quarterly/Annual financial summary

YE Mar (INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	12,169	6,446	88.8	11,747	3.6	36,718	53,464	76,531	1,10,879
EBITDA	-333	-1,343	-75.2	-696	-52.2	-4,084	-2,796	2,471	7,544
EBITDA %	-2.7	-20.8	1810bps	-5.9	319bps	-11.1	-5.2	3.2	6.8
APAT	-511	-1,782	-71	-1,002	-49	-5,121	-4,756	-326	4,043
EPS (INR)	-1.3	-4.8	-72.2	-2.6	-49.1	-13.4	-12.4	-0.9	10.6
EV/Sales (x)						13.1	9.0	6.3	4.3

Source: Company, HSIE Research

BUY

CMP (as on 3 Aug 2026)	INR 1,273
Target Price	INR 1,362
NIFTY	24,774

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,268	INR 1,362
Revenue %	FY28E +5.8%	FY29E +10.4%

KEY STOCK DATA

Bloomberg code	ATHERENE IN
No. of Shares (mn)	394
MCap (INR bn) / (\$ mn)	502/5,261
6m avg traded value (INR mn)	4,219
52 Week high / low	INR 1,345/349

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	36.1	88.3	266.5
Relative (%)	33.9	94.4	268.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	40.77	40.72
FIs & Local MFs	28.98	29.29
FPIs	17.22	16.23
Public & Others	13.03	13.76
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Balkrishna Industries

Better quarter; but challenges persist

We believe better traction in revenue was also aided by a lower base in Europe, price hikes taken to pass on the elevated costs, and better forex realizations. Stability in demand is yet to return in key global markets, while the El Nino forecast also creates uncertainty in the company's fastest growing market (India). While the EUR/INR is turning favorable for the company, we expect benefits to remain limited due to forex hedging. Considering the lack of visibility for business normalcy and margin risk from the ramping up of the domestic on-highway tyre business, we remain cautious. We value the company at 19x Jun-28 EPS (near -2SD of its 4-year mean). We maintain SELL with a revised TP of INR 1,981.

- **Quarterly performance:** Q1FY27 adjusted EBITDA margin at 20.6% missed our estimate of 21.2% and Bloomberg consensus estimate of 21%. Volume grew 16.2% YoY and 9.3% QoQ, led by strong growth in the Europe business (up 16.2% YoY and 2.8% QoQ) and India business (up 32.2% YoY and 15.2% QoQ). While the Americas business remained down by 15.9% YoY.
- **Growth in Q1 led by Europe and India:** Management highlighted that growth in the Europe business benefitted from a low base, though it was also positively impacted by a good monsoon that augured well for agriculture tyres. In India, growth continues to be driven by (despite a high base) the company's marketing efforts and superior products. It also highlighted benefit from price hike (5%) and focus on superior product mix. Since the price hike was scattered over Q1, the entire cumulative benefit will be visible only in Q2. It mentioned that it continues to work with channel partners across key markets in a bid to gain market share. It also indicated that channel inventory remains normalized.
- **Challenges persist:** It highlighted that business challenges continue across geographies and supply chain, and that it is closely monitoring the supply chain disruptions. Other challenges that are still creating uncertainty is the geopolitical tension, availability of freight container, elevated freight costs, weather challenges in Europe (including the heat waves) and forecast of a sub-par monsoon in India. It mentioned that geopolitical uncertainties are also impacting the pricing and supply of carbon black (forms ~10% of revenue). On the raw material cost, it mentioned that there could be further pressure (around 2%) in Q2. However, going forward, it will be evaluating further price hikes.
- **Other call highlights:** (1) In the OHT segment, market share in India is 18-19%, Europe 7-8%, and US 3-4%. (2) It will focus on volume growth with margin discipline for the on-highway segment and highlighted positive response to the TBR and 2W tyres. (3) Gross debt stood at INR 46.9bn, and new debt stood at INR 17.25bn. (4) Budgeted capex for FY27 is INR 25-30bn, of which INR 10bn was done in Q1.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	34,087	27,595	23.5	28,942	17.8	1,06,560	1,25,846	1,49,340	1,68,094
EBITDA	7,031	6,564	7.1	6,629	6.1	24,226	27,572	34,433	39,327
EBITDA %	20.6	23.8	-316bps	22.9	-228bps	22.7	21.9	23.1	23.4
APAT	4,321	2,872	50.5	2,951	46.4	12,385	14,864	19,392	22,421
Diluted EPS (INR)	22.4	14.9	50.5	15.3	46.4	64.1	76.9	100.3	116.0
P/E (x)						36.0	30.0	23.0	19.9

Source: Company, HSIE Research

SELL

CMP (as on 30 Jul 2026) INR 2,307

Target Price INR 1,981

NIFTY 24,317

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 1,951	INR 1,981
EPS %	FY28E	FY29E
	+1.1%	+2.7%

KEY STOCK DATA

Bloomberg code	BIL IN
No. of Shares (mn)	193
MCap (INR bn) / (\$ mn)	446/4,661
6m avg traded value (INR mn)	573
52 Week high / low	INR 2,775/1,970

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.8	0.0	(16.4)
Relative (%)	5.4	5.3	(12.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	58.29	58.29
FIs & Local MFs	24.26	24.61
FPIs	11.13	10.32
Public & Others	6.32	6.78
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Endurance Technologies

Focus on diversifying away from motorcycles

While the growth trajectory in the standalone business remains intact, the European business is facing challenges from higher energy costs, uncertainty around policies regarding electrification and localization, and increasing presence of Chinese OEMs. While there could be some RM cost relief due to softer aluminium alloy prices, it is yet to pass on the higher costs on account of energy, cutting tools, and manpower. However, increasing focus on the four wheeler and non-auto segments augurs well for margins and diversification. We value the company at 27x Jun-28 EPS for a TP of INR 2,913; maintain ADD.

- **Quarterly performance:** Consolidated EBITDA margin at 12.4% declined 96bps YoY and 148bps QoQ, 34bps and 49bps below ours and Bloomberg consensus estimate. Standalone EBITDA margin at 10.9% declined 152bps YoY and 108bps QoQ, impacted by higher RM cost.
- **Challenging business environment in Europe:** Management highlighted that the operating environment in Europe has become even more challenging due to sharp increase in energy costs, uncertainty around policies regarding electrification and localization, duties imposed by the US, softer aftermarket growth, and the rising presence of Chinese OEMs. However, this environment has also created M&A opportunities as there are now good companies available at good prices.
- **RM cost pressure to ease, at least temporarily:** It mentioned that while it is likely to get the RM pass-through from all OEMs in Q2, negotiations on fuel, gas, cutting tools, manpower and other costs are still ongoing. However, since aluminium alloys form a major part of the total raw material cost, the company is expecting to benefit from the softening of the alloy prices.
- **Moving toward better-margin businesses:** It will focus more on four wheeler casting and non-auto casting, in a bid to diversify and improve the revenue mix. While the four wheeler mix in revenue in Q1 was 6% (largely for casting), further traction is expected when the SOP for leading global OEMs starts next month from AURIC. In the solar damper segment, the SOP for a Spanish client started earlier in the month, while validations have been completed for a US client for which the SOP is expected in H2FY27. SOP for the supply of solar actuators is expected in Q4FY27.
- **Other key updates:** (1) It has reduced the capacity addition for ABS to 0.9mn units p.a. from 1.2mn units p.a. planned earlier, which will take the total capacity to 1.54mn units p.a., citing increased demand in brake assembly system business due to which it had to shift certain machines away from the ABS lines. (2) In the standalone business, of the INR 3,916mn of orders won in Q1, INR 3,360mn was from HMSI, within which a large order was for a suspension product that has better margins.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	43,149	33,189	30.0	40,860	5.6	1,45,959	1,64,800	1,90,876	2,19,249
EBITDA	5,358	4,439	20.7	5,678	(5.6)	19,656	20,787	27,023	31,710
EBITDA %	12.4	13.4	-96bps	13.9	-148bps	13.5	12.6	14.2	14.5
APAT	2,445	2,263	8.0	2,764	(11.6)	9,727	10,147	14,396	17,506
EPS (INR)	17.4	16.1	8.0	19.7	(11.6)	69.1	72.1	102.3	124.5
P/E (x)						41.9	40.2	28.3	23.3

Source: Company, HSIE Research

ADD

CMP (as on 14 Aug 2026) INR 2,899

Target Price INR 2,913

NIFTY 24,366

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,727	INR 2,913
EPS %	FY27E	FY28E
	+0.6%	+3.4%

KEY STOCK DATA

Bloomberg code	ENDU IN
No. of Shares (mn)	141
MCap (INR bn) / (\$ mn)	408/4,273
6m avg traded value (INR mn)	359
52 Week high / low	INR 3,080/2,143

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.7	16.7	11.4
Relative (%)	7.2	22.3	14.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	75.00	75.00
FIs & Local MFs	9.78	10.06
FPIs	13.14	12.70
Public & Others	2.08	2.24
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Apollo Tyres

Cost under-recoveries continue to impact margins

Raw material inflation has led to the company taking a cumulative price hike of 7-9% in Q1 in the India business, with another 3-4% hike expected in Q2. Considering only a 3% hike impact was seen in Q1, due to the staggered nature of the hikes, we remain concerned on demand slowdown as more of the price hikes come into play. While the manufacturing transition in Europe has created some production challenges, we could see some cost benefits from H2. We value the company at 11x Jun-28 EPS for a TP of INR 366; maintain SELL.

- **Consolidated performance:** EBITDA margin at 11.7% declined 149bps YoY and 284bps QoQ, hit mainly by higher RM costs, was 25bps and 130bps above ours and Bloomberg consensus estimate respectively.
- **Standalone performance:** EBITDA margin at 12% declined 165bps YoY and 260bps QoQ, was 23bps and 105bps above ours and Bloomberg consensus estimate respectively. Revenue grew 15.6% YoY, driven by strong underlying demand, with volume growth at 12% YoY.
- **Demand momentum continuing:** Demand remains good as the YoY volume growth for the India business is in double digits across segments: replacement = 13%, OEM = 10%, exports = 15%. Even category-wise, barring TBB, all other segments recorded double-digit growth. While the European business had low single-digit volume growth, the underlying demand was better, as the company was constrained due to manufacturing transition from the Netherlands to Hungary and partially from Europe to India. Key segments impacted were the high-end agriculture tyres and truck tyres.
- **Price hikes to negate RM inflation:** In the India business, while the raw material cost impact in Q1 was 17% QoQ, management expects another impact of 8% QoQ in Q2. Considering this, it has taken staggered price hikes totaling 7-9% in Q1, the full impact of which would be visible in Q2. It would however need to take another 3-4% price hike in Q2, of which it has already taken 1-2% in July. In Europe, the RM inflation in Q1 was lower, at 8% QoQ. Considering the total impact across H1 in Europe, it estimates a total price hike of 10% to offset RM inflation, of which only 3-4% has been taken till now.
- **Other key highlights:** (1) Management has cautioned that the company will be tight on capacity for FY27, as capacity utilization remains above 90% across India and Europe, and it would take some time to add more capacity. (2) Considering higher capex requirement, it estimates Net debt/EBITDA to inch upwards (from 0.4x currently). (3) A major reduction in other expenses was on account of lower advertising and sales promotion (down 50%); though it does not see further reduction, this will also be driven by BCCI match schedules. (4) As the increment cycle was from 1st June, the full impact on account of higher employee cost will be seen from Q2. (5) Replacement market share: TBR = above 30%, PCR = above 21%.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	73,978	65,608	12.8	73,357	0.8	2,84,706	2,96,880	3,31,625	3,58,737
EBITDA	8,680	8,677	0.0	10,688	-18.8	41,432	39,777	47,949	53,155
EBITDA Margin (%)	11.7	13.2	-150bps	14.6	-284bps	14.6	13.4	14.5	14.8
APAT	3,324	2,720	22.2	9,503	-65.0	24,066	15,819	20,506	22,929
Diluted EPS (INR)	5.2	4.3	22.2	15.0	-65.0	37.9	24.9	32.3	36.1
P/E (x)						11.7	17.9	13.8	12.3

Source: Company, HSIE Research

SELL

CMP (as on 7 Aug 2026)	INR 445
Target Price	INR 366
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 366	INR 366
EPS %	FY28E	FY29E
	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	APTY IN
No. of a Shares (mn)	635
MCap (INR bn) / (\$ mn)	283/2,969
6m avg traded value (INR mn)	555
52 Week high / low	INR 541/ 365

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.5	(11.7)	2.0
Relative (%)	7.7	(5.7)	4.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	36.93	36.93
FIs & Local MFs	27.56	29.04
FPIs	12.15	10.08
Public & Others	23.36	23.95
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Motherson Sumi Wiring India

Strong growth, albeit impacted by minimum wage hikes

The company continues to be impacted by elevated copper costs, though this time it also got hit by higher manpower costs on account of revision of minimum wages across many states. While it is in discussion with customers for accepting the cost pass-through, we expect the pass-on to only be gradual as we believe OEMs are themselves dealing with cost under-recoveries at the moment. Beyond the near-term uncertainties, we expect the company to benefit from the rising mix of high-voltage EV wiring harnesses, whose total content is 1.5-1.7x greater than that of an ICE wiring harness. Additionally, rising mix of feature-rich vehicles in the industry would further increase the content per vehicle, thus benefitting the company. We value MSWIL at 27x Jun-28 EPS for a target price of INR 45; and maintain ADD.

- Quarterly performance:** The company reported a revenue of INR 34.1bn (+36.6%YoY/+2.2%QoQ), 5.9% above our estimate and 4.1% above Bloomberg consensus estimate. Besides the ramp-up of new customer programs, the higher growth was also a result of higher EV share YoY (as EV content is 1.5x-1.7x of ICE content) and higher copper prices. EV share as a percentage of total revenue stood at 8.5% in Q1FY27 vs 8.6% in Q4FY26 vs 5.8% in Q3FY26 vs 6.7% in Q2FY26 vs 5.4% in Q1FY26 and 4.0% in Q4FY25.
- Margin performance:** EBITDA margin at 7.6% declined by 221bps YoY and 64bps QoQ. It missed our estimate by 71bps and Bloomberg consensus estimate by 94bps. Key factor for the EBITDA margin miss was the spike in employee cost due to significant minimum wage revisions in multiple states. While gross margin deteriorated to 30.9%, down 444bps YoY, it recovered 134bps QoQ, in line with our estimate, as we had expected better passing on of the higher copper costs to customers.
- Key takeaways from the earnings call:** (1) Most of the QoQ increase in employee cost is on account of the increase in minimum wages (impact in the NCR region itself was around 30-40%). (2) It is still in discussion with customers to pass on the elevated manpower costs. (3) On the raw material price increase, it mentioned that the pass-through to most customers is on a three-month lag basis, with the remaining are on a six month lag basis. (4) The impact of higher copper prices on revenue was to the tune of 7%, while the rest of the revenue growth that outpaced the end industry growth was on account of content increase, premiumization and catering to some new models launched by OEMs. (5) Revenue and capacity utilization of the greenfield plants in Q1FY27 has been similar to Q4FY26. (6) It expects the greenfield plants to start contributing to the bottom line only after one or two more quarters. (7) Based on the current demand scenario, it believes that in a few quarters there may be need to set up further capacity.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	34,073	24,940	36.6	33,346	2.2	1,14,776	1,35,844	1,55,061	1,75,553
EBITDA	2,583	2,443	5.7	2,741	(5.8)	10,603	12,954	17,076	19,836
EBITDA %	7.6	9.8	-222bps	8.2	-64bps	9.2	9.5	11.0	11.3
APAT	1,453	1,431	1.6	1,673	(13.1)	6,252	7,783	10,643	12,522
EPS (INR)	0.219	0.216	1.6	0.252	(13.1)	0.94	1.17	1.60	1.89
P/E (x)						42.2	33.9	24.8	21.1

Source: Company, HSIE Research

ADD

CMP (as on 4 Aug 2026)	INR 40
Target Price	INR 45
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 45	INR 45
EPS %	FY28E	FY29E
	-0.7%	+0.1%

KEY STOCK DATA

Bloomberg code	MSUMI IN
No. of Shares (mn)	6,632
MCap (INR bn) / (\$ mn)	264/2,764
6m avg traded value (INR mn)	484
52 Week high / low	INR 54/36

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.1)	(12.4)	3.9
Relative (%)	(5.6)	(5.9)	7.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	61.73	61.73
FIs & Local MFs	17.42	17.85
FPIs	9.74	8.91
Public & Others	11.11	11.51
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Sansera Engineering

The ADS segment gains further traction

Continuing demand momentum in the domestic auto segment along with improving execution of the ADS order book augurs well for revenue growth in the coming years. Additionally, the continuing buildup of the ADS order book augurs well not only for growth but also for margins. We expect the ADS segment mix in revenue to grow from 9.6% in FY26 to 20.9% in FY29E. Considering increasing exposure to a higher growth and margin segment, we increase our multiple and value the company at 38x Jun-28 EPS (from 33x earlier) for a TP of INR 4,140 and maintain a BUY rating. It continues to be one of our top picks.

- **Quarterly performance:** Consolidated EBITDA margin at 19.2% was up 196bps YoY but down 12bps QoQ, and was 87bps and 77bps beat to ours and Bloomberg consensus estimate respectively. This was led by favourable forex and better operating leverage and mix from continuing traction in the ADS (Aerospace Defense Semiconductor) segment, with the segment forming 14.2% of the revenue mix in Q1FY27.
- **Improved visibility for FY27:** Management has guided for FY27 revenue growth to be in the high teens with ongoing margin improvement, and with the ADS segment growth at 75-80%. The guidance is on the back of continuing demand momentum in the domestic auto space as well.
- **ADS segment at an inflection point:** Revenue for the segment stood at ~INR 1.45bn in Q1FY27, registering a growth of 264% YoY and 24% QoQ. The current order book stands at INR 57.5bn (was INR 44.4bn as at end of June 2026) up from INR 44.6bn as at the end of March 2026 and INR 38.7bn as at the end of December 2025, to be executed over the next five years. The exports and ADS segments usually operate at an EBITDA margin of 25-30%.
- **ADS capacity expansion:** The company will be commissioning a hangar for the aerospace and semiconductor business in a month or two, while it will start installing machines too during the same period. It is also setting up another facility which should be ready in about 10 months. It is also shifting the defense capacity to have a more focused approach. The revenue generation possible from these three facilities would total INR 35bn, providing good execution scope for the ADS order book till FY31.
- **Other key highlights:** (1) It is benefitting from the trend of 2W OEMs looking to outsource crankshaft assembly. (2) It is seeking to close large defense order wins from customers outside India (mainly Europe); it will also get into sheet metal as an additional offering. (3) In the aerospace business, it is seeking to get into more complex parts like parts related to door assemblies, fuselage, other structural parts, seating elements, etc.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	10,213	7,663	33.3	9,987	2.3	34,979	41,926	53,587	64,631
EBITDA	1,961	1,321	48.4	1,929	1.6	6,321	7,880	11,028	13,474
EBITDA %	19.2	17.2	197bps	19.3	-12bps	18.1	18.8	20.6	20.8
APAT	1,035	622	66.3	1,214	-14.8	3,459	4,268	6,394	7,983
Diluted EPS (INR)	16.6	10.0	65.0	19.5	-14.9	55.5	68.5	102.6	128.1
P/E (x)						68.2	55.3	36.9	29.6

Source: Company, HSIE Research

BUY

CMP (as on 13 Aug 2026) INR 3,786

Target Price INR 4,140

NIFTY 24,396

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,382	INR 4,140
EPS %	FY27E +6.4%	FY28E +5.1%

KEY STOCK DATA

Bloomberg code	SANSERA IN
No. of a Shares (mn)	62
MCap (INR bn) / (\$ mn)	236/2,475
6m avg traded value (INR mn)	832
52 Week high / low	INR 3,938/1,241

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	58.3	68.3	194.4
Relative (%)	53.6	73.9	197.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	30.10	29.21
FIs & Local MFs	35.39	31.04
FPIs	18.79	21.52
Public & Others	15.72	18.23
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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ASK Automotive

Better pass-through of the higher raw material cost

The good performance in Q1FY27 has been on the back of a more efficient pass-through of elevated aluminum alloy prices to customers, which is impressive. The commencement of the HPDC alloy wheel business and the expected commencement of the sunroof cables business in H2FY27 should aid the overall content value that the company can provide to the customers. Additionally, it is also in process of ramping up export order execution, which augurs well for overall revenue growth. Considering the better pass-through of raw material prices and validation of the HPDC technology, and possible delay or easing of the ABS norms for 2W, we upgrade our estimates and value the company at 26x Jun-28 EPS (from 22x earlier) for a TP of INR642, and maintain an ADD rating.

- **Consolidated performance:** EBITDA margin at 11.8% was down 160bps YoY but up 21bps QoQ, above ours and Bloomberg consensus estimates of 11.5% and 11.7% respectively. Revenue at INR 13.6bn grew 52.4% YoY, of which 33.4% was due to pass-through of aluminum alloy prices and the negative impact of 6.6% was due to exit from the wheel assembly business.
- **Growth guidance revised upward:** Management has revised the FY27 revenue growth guidance from mid-teens to high-teens, on continuing traction in the end-user markets and better pass-through of the elevated aluminum alloy prices to customers. It has highlighted that it continues to increase value addition, improve capacity utilization, and bring in more cost efficiency. It remains positive about the vehicle industry growth over the medium term on the back of improving consumer sentiment, upcoming eight pay commission, and continued government policy support. In light of this continued demand and increasing orders, it has decided to set up another plant in Bengaluru.
- **Other call highlights:** (1) It expects the execution of the Ford Motor order (for exports) to realize revenue of INR 40-45bn in FY27 and INR 60bn in FY28. (2) It also highlighted that it is in talks with another 2-3 players for export orders. (3) The technical collaboration with Kyushu Yanagawa has been successfully implemented at the Karoli plant and the first supplies of High Pressure Die Casted (HPDC) alloy wheels has started to a leading Japanese customer. (4) An update on the technical collaboration with Liogo Taiwan is that the product is under final testing. (5) The sunroof cables business has received good orders and initial supplies are to start from H2FY27 with major ramp up only from FY28. (6) There has been no update from the government on the implementation of ABS in the <125cc category. (7) A large e-2W customer of the company (Ola Electric) has not fared well, and hence the company's e-2W segment has not outperformed the 2W ICE segment. (8) Guidance for budgeted capex for FY27 has been raised to INR 7bn from the earlier guidance of INR 4.5-5bn; for which it is likely to take on some term debt.

Quarterly/annual financial summary

YE Mar (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	13,581	8,913	52.4	11,471	18.4	41,763	50,060	57,935	67,011
EBITDA	1,606	1,196	34.2	1,333	20.5	5,309	6,344	7,800	9,147
EBITDA %	11.8	13.4	-160bps	11.6	21bps	12.7	12.7	13.5	13.7
APAT	851	661	29	724	18	2,973	3,571	4,631	5,576
EPS (INR)	4.3	3.4	28.8	3.6	19.0	15.1	18.1	23.5	28.3
P/E (x)						42.3	35.2	27.1	22.5

Source: Company, HSIE Research

ADD

CMP (on 05 Aug 2026)	INR 638
Target Price	INR 642
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 495	INR 642
EPS %	FY28E +9.1%	FY29E +11.3%

KEY STOCK DATA

Bloomberg code	ASKAUTOL IN
No. of Shares (mn)	197
MCap (INR bn) / (\$ mn)	126/1,322
6m avg traded value (INR mn)	108
52 Week high / low	INR 648/371

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	39.1	38.3	35.4
Relative (%)	37.0	44.0	38.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	74.95	74.95
FIs & Local MFs	10.26	10.97
FPIs	9.29	9.50
Public & Others	5.50	4.58
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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BFSI

ICICI Bank

Sustained all-round sector leadership

ICICI Bank's (ICICIB) Q1FY27 earnings were well ahead of expectations, on the back of impressive loan growth print (+19.6% YoY), strong fee income (+23% YoY), and improvement in credit costs (32bps). Strong loan growth was led by business banking, rural and corporate loans. Deposit growth (+14% YoY) also witnessed an uptick but continues to lag loan growth, driving C/D ratio to 89%. Credit costs remained steady in a seasonally weak quarter with an uptick in net slippages (0.7%). ICICIB's superior tech, coupled with distribution expansion, are likely to help sustain operating efficiencies (opex-to-assets at 2.2%). While the mobilization of deposits remains a system-wide issue, ICICIB's superior deposit franchise and FCNR deposits tailwinds are likely to sustain growth leadership during FY27. We maintain BUY with an unchanged SOTP-based TP of INR1,630 (standalone at 2.4x Mar-28 ABVPS), and maintain ICICIB as our top pick among banks.

- **Strong loan growth offset by flattish NIM trajectory:** Loan growth surprised positively (+19.6% YoY; +5% QoQ), led by business banking (+28.2% YoY), rural loans (+35.4% YoY), and corporate loans (+26.1% YoY), with stronger traction in overseas portfolio. Management attributed strong loan growth in corporate book, partly to the tight debt markets during the quarter. However, we expect moderation in loan growth and build in ~14% loan CAGR over FY26-FY28E. Steady NII growth (+13% YoY) and flattish NIMs (4.36%) were driven by steady yield on advances and steady cost of funds in the current environment. We expect NIMs to reflate to 4.6% (+20bps in FY27E), factoring in a 50bps policy rate hike in FY27.
- **Best-in-class asset quality despite seasonality:** Gross slippages increased to 1.39% (Q1FY26: 1.85%), supported by higher retail slippages (+1.93%), which witnessed an uptick sequentially due to rural portfolio. Credit cost remained healthy at ~32bps, with PCR at ~75%. We build in average credit costs of 52bps (FY26: 38bps), factoring in elevated stress owing to supply-side inflationary pressures. Management has indicated negligible impact of transition to ECL framework on the P&L, with sufficient provisioning buffers in place.
- **Operating efficiencies key to retain sector leadership:** With superior tech and continued investments in tech and distribution, ICICIB is likely to see further operating leverage gains. This is likely to offset upward normalization in credit costs and help in sustaining industry-leading profitability (RoA/RoE of 2.5%/17.1% in Q1FY27). Further, we expect ICICIB to sustain its growth leadership on the back of strong deposit franchise and expected uptick in retail loan growth (PL, CC, etc.), which was muted over the past few quarters.

Financial summary (Standalone)

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	243.8	216.3	12.7%	229.8	6.1%	880.8	1,028.3	1,147.5
PPOP	203.9	187.5	8.7%	182.0	12.0%	716.0	831.0	942.8
PAT	148.0	127.7	15.9%	137.0	8.0%	501.5	551.3	633.9
EPS (INR)	20.4	17.6	15.8%	19.2	6.6%	70.0	77.0	88.5
ROAE (%)						15.9	15.3	15.4
ROAA (%)						2.2	2.2	2.2
ABVPS (INR)						434.3	490.8	559.6
P/ABV (x)						2.7	2.4	2.1
P/E (x)						16.8	15.3	13.3

Source: Company, HSIE Research

BUY

CMP (as on 17 Jul 2026)	INR 1,444
Target Price	INR1,630
NIFTY	24,334

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,630	INR 1,630
	FY27E	FY28E
EPS %	-0.5%	-0.6%

KEY STOCK DATA

Bloomberg code	ICICIB IN
No. of Shares (mn)	7,174
MCap (INR bn) / (\$ mn)	10,362/1,07,655
6m avg traded value (INR mn)	23,225
52 Week high / low	INR 1,500/1,188

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.2	2.4	1.8
Relative (%)	7.7	8.9	6.8

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0	0
FIs & Local MFs	40.0	42.3
FPIs	34.5	49.8
Public & Others	25.4	7.7
Pledged Shares	0	0

Source: BSE

Pledged shares as % of total shares

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State Bank of India

Productivity gains to offset margin pressures

SBIN's Q1FY27 earnings beat our estimates on the back of healthy growth on both sides of the balance sheet, stable margins, and in-line asset quality. Loan growth (+19% YoY) continued to outpace the system, led by the corporate and overseas segment (~44% mix). Deposit growth (+10% YoY) was relatively soft, while the CASA ratio declined to 37.6% (-21bps QoQ), with softer traction in CA balances. While the management guided for \$10bn of FCNR flows by Sep-26, we continue to watch out for net deposit accretion trends. While credit cost and gross slippages trended upward QoQ, overall asset quality improved across segments. We believe SBIN is likely to build further on its productivity and efficiency gains, coupled with stable asset quality, driving sustainable RoAs. We raise our FY27E/FY28E EPS estimates by 4%/6%; maintain BUY with an SOTP-based revised TP of INR1,245 (standalone bank at 1.4x Mar-28 ABVPS).

- **Strong growth offset by soft margins:** Healthy NII growth (+15% YoY) was driven by lower cost of deposits (-19bps QoQ), offset by lower asset yields (-30bps QoQ), translating to NIMs at 2.86% (-4bps YoY; -5bps QoQ). Strong loan growth (+19% YoY; +2% QoQ) was balanced across asset classes, with healthy pick-up in SME (+6% QoQ) business. We build a 13% loan book CAGR during FY26-28E, penciling in a pick-up in growth across asset classes.
- **Benign asset quality:** Gross slippages marginally inched up to 0.6% (Q4FY26: 0.5%); however, higher recoveries were offset by higher SMA balances. Credit costs at 27bps trended marginally higher (Q4FY26: 26bps), although the credit quality was benign across portfolios. We believe that the asset quality is likely to stay resilient; we build in average credit costs of sub-35bps for FY27/FY28E.
- **Operating leverage to drive earnings reflation:** Given its competitive moats (largest distribution network and continued investment in technology and people), SBIN is chasing productivity (throughput) and efficiency gains (fee income and opex) to drive medium-term RoAs above 1.1%.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E
NII	469.9	409.1	14.9%	443.8	5.9%	1,731.2	1,943.1	2,165.1
PPOP	335.3	305.4	9.8%	277.0	21.0%	1,230.2	1,353.0	1,538.4
PAT #	211.2	191.6	10.2%	196.8	7.3%	800.3	872.7	976.4
EPS (INR)	22.9	21.5	6.6%	21.3	7.3%	86.7	94.5	105.8
ROAE (%)						16.2	15.1	15.0
ROAA (%)						1.1	1.1	1.1
ABVPS (INR)						556.4	624.9	703.7
P/ABV (x)						2.0	1.8	1.6
P/E (x)						12.7	11.6	10.4

Source: Company, HSIE Research; #Extraordinary gain of INR46bn adjusted in FY26 numbers

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	55,509	54,726	1.4%	62,598	61,729	1.4%
NIM (%)	2.7	2.6	6bps	2.7	2.6	6bps
NII	1,943.1	1,890.6	2.8%	2,165.1	2,094.6	3.4%
PPOP	1,353.0	1,301.1	4.0%	1,538.4	1,469.4	4.7%
PAT	872.7	837.1	4.2%	976.4	925.9	5.5%
Adj. BVPS (INR)	624.9	621.3	0.6%	703.7	695.1	1.2%

Source: Company, HSIE Research

BUY

CMP (as on 07 Aug 2026) INR 1,097

Target Price INR 1,245

NIFTY 24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,195	INR1,245
	FY27E	FY28E
EPS %	+4.2%	+5.5%

KEY STOCK DATA

Bloomberg code	SBIN IN
No. of Shares (mn)	9,231
MCap (INR bn)/(\$ mn)	10,128/1,06,394
6m avg traded value (INR mn)	17,589
52 Week high / low	INR 1,235/790

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.5	2.9	36.3
Relative (%)	(0.4)	9.0	38.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	55.5	55.5
FIs & Local MFs	26.1	26.5
FPIs	11.4	10.8
Public & Others	6.9	7.2
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Bajaj Finance

Strong operating performance; valuation capping upside

Bajaj Finance (BAF) reported healthy operating performance across most metrics, with improvement in asset quality metrics driving the beat on earnings. AUM growth improved to +24% YoY, led by consumer durables, mortgages, and new products. Asset quality witnessed a healthy turnaround with credit costs (1.51%) in line with management guidance and room for further improvement and reducing delinquencies. Despite increasing scale (AUM of INR 5.5trn), BAF is poised to deliver healthy loan growth (~23% CAGR) and profitability (RoE of ~20-21%) on the back of a robust customer acquisition and cross-sell engine, continual optimization of processes through various initiatives (digital, FINAI etc.), and consistent focus on asset quality. However, current valuation (4.1x Mar-28 ABVPS) is capping the upside. We maintain BUY with an unchanged RI-based TP of INR 1,100 (implying 4.3x Mar-28 ABVPS; 22x FY28E EPS).

- **Healthy NIM, improving credit costs drive strong profitability:** NIM remained steady sequentially at 9%, with marginal uptick in cost of funds (reported: 7.4%) offset by yield reflation due to a favorable product mix. Other income grew by 19% YoY, driven by strong fee income (+33% YoY), offset by muted assignment income. Opex ratios remained steady (opex to AUM at 3.85%; C/I at 33.4%) with investments in distribution (GL, MFI branches) and FINAI transformation and are likely to improve by ~20bps over FY27-FY28E.
- **Strong loan growth; room for acceleration ahead:** AUM growth (+24% YoY; +7% QoQ) was driven by mortgages (+27% YoY), rural (+64% YoY) and new products (6.7% of AUM). GL portfolio grew by +112% YoY and is likely to reach ~4.8% of AUM by FY27E, as per management, driven by distribution expansion (2,700-2,800 branches by Mar-27). Other new products (CV, tractors, car financing, and MFI) continue to scale up well. Urban PL (+19% YoY) and MSME (+2% YoY) remain the key laggards amidst elevated competitive intensity and are likely to witness an uptick in FY27E.
- **Credit costs normalizing:** BAF's asset quality witnessed healthy improvement in Q1, which had been an area of concern for the past several quarters. GS-III/NS-III improved to 0.96%/0.39% (Q4FY26: 1.01%/0.41%), while GS-II improved to 0.91% (Q4FY26: 0.94%). Credit costs in Q1 (adjusted for recoveries from written-off accounts) were at 1.51% (1.29% ex-management overlay). Management highlighted global uncertainties and weak monsoon outlook as a key monitorable for asset quality.
- **Robust franchise with multiple growth, opex levers:** BAF's ongoing FINAI transformation remains on track and is likely to drive higher cross-sell, improve productivity levels, and aid credit costs in the medium term. With strong customer acquisitions, scale-up of new products, and FINAI transformation underway, BAF is poised to deliver a healthy AUM CAGR of ~23-24% and profitability (RoE of ~21%) over FY27-FY28E.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	125.7	102.3	22.9	117.8	6.7	441	543	673
PPOP	101.4	83.4	21.6	94.1	7.8	353	433	540
PAT	59.9	47.0	27.4	54.6	9.5	190	250	312
EPS (INR)	9.6	7.6	27.2	8.8	9.6	31	40	50
ROAE (%)						18.1%	20.0%	21.0%
ROAA (%)						3.7%	4.0%	4.1%
ABVPS (INR)						180	213	254
P/ABV (x)						5.9	4.9	4.1
P/E (x)						34.4	26.2	21.0

Source: Company, HSIE Research

BUY

CMP (as on 30 Jul 2026)	INR 1,054
Target Price	INR 1,100
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1100	INR 1100
	FY27E	FY28E
EPS %	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	BAF IN
No. of Shares (mn)	6,226
MCap (INR bn) / (\$ mn)	6,559/68,551
6m avg traded value (INR mn)	9,513
52 Week high / low	INR 1,102/787

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.5	13.4	19.1
Relative (%)	11.2	18.6	23.5

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	54.7	54.7
FIs & Local MFs	15.2	16.4
FPIs	21.3	20.2
Public & Others	8.8	8.7
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Life Insurance Corporation of India

Strategic re-alignment drives VNB expansion

Life Insurance Corporation of India (LICI) posted a beat on APE growth (+8.2% YoY) to INR136.9bn, while VNB margins clocked in at an impressive 22.9% (+750bps YoY). Absolute VoNB expanded to INR31.4bn (+61.3% YoY), far ahead of our estimates, driven by efficiency gains and structural shift of product mix. Traditionally focused on the mass customer segment, LICI has engineered a shift in its product strategy towards higher sum-assured, non-PAR policies (Q1FY27: 32.5% of individual APE). LICI derives its moats from a large agency channel targeted at the mass customer, while undertaking a strategic shift to its individual product proposition in order to align itself with the new surrender guidelines. We maintain our APE/VoNB CAGR to 6%/9% over FY27-FY28E and expect VNB margins to expand to 22.5% by FY28E - while we see an upside risk to our FY27 VNB margin forecasts, we continue to watch out for how H2FY27 pans out, considering the higher base of H2FY26. The Govt of India has reduced its stake in LICI to 90% during Aug-26, providing better liquidity and higher float in the market. We maintain BUY with a TP of INR555 (0.7x Mar-28 EV).

- **Change in product mix and assumptions adds shine to VNB margins:** LICI has successfully revised its product construct through consistent increase in the non-PAR mix, which stands at 32.5% (+216bps YoY), while strategically reducing its traditional PAR portfolio to 67.5% of APE (Q1FY26: 69.66%). This has driven its VNB margins to 22.9%, although the improvement in margins also derives from changes in actuarial assumptions, especially in RFR and persistency expectations, which accounted for almost 2.9% in the VNB margin push. The share of ULIP reduced 310bps YoY (as % of individual APE), which is attributable to the volatile markets given the West-Asia crisis.
- **Market share erosion despite margin expansion:** LICI's market share continued to moderate, with premium share declining to 60.1% (Q1FY26: 63.5%) and the NOP share easing proportionately to 60.7% (Q1FY26: 63.1%), underscoring the sustained outperformance of private insurers.
- **Efficiency gains and execution to drive further margin expansion:** Management highlighted continued progress on efficiency initiatives, particularly through digital adoption, and automation. Over the medium-term, the management sees considerable untapped opportunity to further compress the cost structure. This is already evident in the operational metrics, with the cost-to-APE ratio improving to 102.5%, reinforcing margin enhancement trajectory, supported by disciplined cost controls and scalability benefits.

Financial summary

INR bn	Q1FY27	Q1FY26	% chg	Q4FY26	FY26	FY27E	FY28E
NB	655.9	594.5	10.3	830.4	2,606.1	2,784.4	2,974.8
APE	136.9	126.5	8.2	229.5	669.6	709.9	754.1
VNB	31.4	19.4	61.3	58.9	141.8	157.1	169.9
VNB Margin (%)	22.9%	15.4%	754bps	25.7%	21.2%	22.1%	22.5%
EV					7,892	9,371	10,262
P/EV (x)					0.6	0.5	0.5
P/VNB (x)					34.5	31.1	28.8
ROEV (%)					11.9	10.5	10.3

Source: Company, HSIE Research

BUY

CMP (as on 06 Aug 2026)	INR 388
Target Price	INR 555
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 555	INR 555
	FY27E	FY28E
VNB %	Nil	Nil

KEY STOCK DATA

Bloomberg code	LICI IN
No. of Shares (mn)	12,650
MCap (INR bn) / (\$ mn)	4,902/51,483
6m avg traded value (Rs mn)	1,978
52 Week high / low	INR 468/361

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.0)	(14.1)	(13.2)
Relative (%)	(5.3)	(8.5)	(11.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	96.5	96.5
FIs & Local MFs	1.27	0.99
FPIs	0.31	0.44
Public & Others	1.90	2.06
Pledged Shares	Nil	Nil

Source : BSE

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Axis Bank

Operating performance critical for valuation rerating

Axis Bank's (AXSB) Q1FY27 earnings marginally beat our estimates on the back of strong growth (+18%) on both sides of the balance sheet, continued operating efficiencies (opex-to-assets at 2%, down 30bps QoQ), and lower provisioning, offset by soft operating performance. Loan growth (+19% YoY; 2.3% QoQ) was driven largely by wholesale and SME segments. Deposit growth (+18.2% YoY; +2.8% QoQ) was led by TD, with CASA ratio at 38% (-160bps QoQ). Net credit costs were sequentially elevated on account of higher retail net slippages. As AXSB continues to aim for portfolio stability, we believe that improvement in quality of deposit franchise coupled with improving asset quality metrics are critical to drive sustainable earnings. We maintain ADD with a TP of INR1,480 (standalone bank at 1.7x Mar-28 ABVPS).

- **Strong growth offset by soft operating performance:** Loan growth continued its sharp traction on the back of wholesale (+38% YoY) and SME (+25% YoY), while unsecured segments and home loans segment witnessed muted single-digit growth. Reported NIMs were soft at 3.46% (-16bps QoQ), on account of the transmission of rate cut and flat funding cost (due to drop in CASA ratio).
- **Mixed asset quality performance:** Gross slippages were sequentially higher at 1.78% (Q4FY26: 1.57%), largely on account of retail slippages. We argue that consistent improvement in asset quality is critical in order to close the gap vs larger peers. However, credit costs were elevated at INR21bn (67bps) even as AXSB chose to retain the additional buffer of INR20bn that the bank had created during Q4FY26 to cushion the impact of geopolitical uncertainties. We expect credit costs to stay flat and average 76bps (past two-year average: 77bps) as incremental growth (corporate and SME growth) has been sharp, especially given the likely impact of geopolitical risks.
- **Operating efficiencies playing out:** AXSB continued to witness operating efficiencies as cost-to-assets cooled off to 2% (down 30bps QoQ and YoY), and cost-to-income tapered down to 45.5% (down 560bps QoQ), which drove the growth in operating profits (+16% QoQ; +1% YoY).
- **Consistent performance critical for valuation rerating:** While AXSB continues to invest in tech and distribution, we believe that the bank needs to improve its asset quality, efficiencies, and profitable growth parameters, as it continues its journey toward sustainable earnings. We believe that consistent operating performance is pivotal to a valuation rerating.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	146.5	135.6	8.0%	144.6	1.3%	560.5	691.3	779.6
PPOP	116.6	115.2	1.3%	100.1	16.4%	428.2	520.8	606.3
PAT	71.1	58.1	22.5%	70.7	0.6%	244.6	302.3	360.9
EPS (INR)	22.8	18.6	22.0%	22.6	0.5%	78.7	97.3	116.1
ROAE (%)						12.7	13.7	14.2
ROAA (%)						1.4	1.5	1.5
ABVPS (INR)						624.9	720.2	834.5
P/ABV (x)						2.1	1.8	1.6
P/E (x)						16.9	13.7	11.4

Source: Company, HSIE Research

ADD

CMP (as on 17 Jul 2026)	INR 1,329
Target Price	INR 1,480
NIFTY	24,334

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,490	INR1,480
	FY27E	FY28E
EPS %	-0.3%	-0.5%

KEY STOCK DATA

Bloomberg code	AXSB IN
No. of Shares (mn)	3,111
MCap (INR bn) / (\$ mn)	4,133/42,940
6m avg traded value (INR mn)	10,069
52 Week high / low	INR 1,418/1,041

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.3)	2.7	14.5
Relative (%)	(1.8)	9.1	19.5

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	8.1	7.9
FIs & Local MFs	43.4	42.7
FPIs	42.0	43.0
Public & Others	6.4	6.4
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Kotak Mahindra Bank

Stabilizing profitability; need for growth acceleration

Kotak Mahindra Bank's (KMB) Q1FY27 earnings were ahead of our estimates, largely on account of lower-than-expected provisioning. Loan growth remained steady (+15% YoY; +3.3% QoQ), led by mortgages, SME, and corporate banking, with muted growth in other retail segments (unsecured, CV/CE, and Tractors), while deposit growth moderated to ~12% YoY. Asset quality further improved, adjusted for seasonality driving YoY lower slippages (105bps) and credit costs (53bps). KMB remains focused on loan growth in RoA-accretive segments, along with improving operating efficiency during FY27. While this augurs well from an RoA perspective, sub-optimal deployment of capital and leverage (assets/equity at 5.6x) drives inferior RoE (~12%), which is a concern. However, attractive valuation for a steady franchise (standalone at 1.5x Mar-28 ABVPS) drives our BUY rating with unchanged SOTP-based TP of INR460 (standalone bank at 1.9x Mar-28 ABVPS).

- **Steady loan growth; marginal dip in NIMs:** Loan growth remained steady, driven by SME (+20% YoY), corporate banking (+15% YoY) and mortgages (+15% YoY), along with uptick in credit substitutes (+27% YoY) while growth in other segments (credit cards, Tractors and CV/CE) remained muted. NIMs moderated sequentially to 4.5% (-14bps QoQ) due to transmission of repo rate cut on the asset side (-7bps QoQ). Operating efficiency improved sequentially with C/I at 45.6% (opex to assets at 2.6%), driven by an increasing focus on improving branch productivity, digitization, and automation of processes and is likely to remain a focus area in FY27E.
- **Asset quality concerns receding:** Asset quality remains on the mend with gross slippages/credit costs at 1.05%/0.53% (Q4FY26: 0.83%/0.42%) in a seasonally weak quarter. While the challenges in unsecured retail are largely behind, management has indicated a cautious stance in CV/CE, Tractors and unsecured BL. We build in average credit costs at 65bps over FY27-28E (FY26: 65bps), owing to an uncertain macro and KMB's exposure to relatively riskier asset classes. The management expects ECL transition on net worth at <2% and 12-15bps on credit costs on a steady-state basis.
- **Earnings stabilizing; growth acceleration remains critical:** KMB reported RoA/RoE of 2.1%/11.9% in Q1FY27 (Q1FY26: 1.9%/10.9%) with moderating credit costs and marginally improving operating efficiency. The bank has laid out its strategy of deposits mobilization through customer segmentation (HNI, core India, SME, and Institutional) which remains critical to driving strong loan growth (C/D ratio at 89.4%). However, a cautious approach on the asset side amidst elevated competitive intensity and lower operating leverage is now translating into sub-industry loan growth, which remains a key monitorable for value-accretive RoEs.

Financial summary (Standalone)

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E
NII	79.3	72.6	9.2%	78.8	0.7%	300.1	353.1	404.3
PPOP	61.3	55.6	10.2%	58.6	4.7%	220.7	258.3	296.7
PAT	41.2	32.8	25.6%	40.3	2.4%	140.1	165.5	193.6
EPS (INR)	4.1	3.3	25.5%	4.1	2.2%	14.1	16.6	19.5
ROAE (%)						11.1	11.3	11.6
ROAA (%)						1.9	2.0	2.0
ABVPS (INR)						131.4	153.3	172.6
P/ABV (x)						2.0	1.7	1.5
P/E (x)						18.7	15.8	13.5

Source: Company, HSIE Research

BUY

CMP (as on 17 Jul 2026)	INR 390
Target Price	INR 460
NIFTY	24,334

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR460	INR 460
	FY27E	FY28E
EPS %	-0.1%	0.0%

KEY STOCK DATA

Bloomberg code	KMB IN
No. of Shares (mn)	9,947
MCap (INR bn) / (\$ mn)	3,879/40,301
6m avg traded value (INR mn)	7,821
52 Week high / low	INR 453/345

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.7	(6.8)	(10.2)
Relative (%)	2.1	(0.3)	(5.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	25.9	25.9
FIs & Local MFs	36.2	37.7
FPIs	26.4	25.2
Public & Others	11.5	11.2
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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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

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Shriram Finance

Steady quarter; need for growth acceleration

Shriram Finance's (SHFL) Q1FY27 earnings were higher than our estimates, driven by lower-than-expected credit costs and higher other income. AUM growth remained steady at 15.3% YoY, driven by strong momentum in CV (+19% YoY), PVs (+21% YoY) and gold loans (+46%). Asset quality remained steady in a seasonally weak quarter with marginal uptick in GS-II/GS-III and steady credit costs of 1.9%. With equity capital by MUFG completed in Apr-26 and benefits in cost of funds expected to accrue with credit ratings upgrade, SHFL is expected to accelerate the growth momentum, going ahead. However, the loan growth remains a key monitorable amidst elevated competitive intensity in the new CV segment. We maintain ADD with an unchanged RI-based TP of INR 1,100 (implying 2.1x Mar-28 ABVPS).

- **Equity infusion drives sharp NIM reflation:** SHFL's NIM (calculated) improved sharply in Q1 to 9.2% (Q4FY26: 8.4%), driven primarily by equity infusion by MUFG in the quarter. Cost of funds increased marginally and is yet to fully reflect the impact of credit ratings upgrade. SHFL has run down borrowings in Q1 post equity infusion and is expected to deploy the capital from Q3 onward toward loan growth. NIMs are likely to stabilize at ~8.5% over the medium term as per management, with benefits on the liabilities side to be utilized for scaling up new vehicle portfolio.
- **Steady loan growth:** Loan growth remained steady at 15.3% YoY with uptick in disbursements growth to ~20% YoY (Q4FY26: 15% YoY). Loan growth continues to be driven by vehicles portfolio (CVs, PVs, Farm Equipment etc.), while growth in MSME, PL etc. remains subdued. Share of new vehicles has increased to ~16% of disbursements, led largely by existing customers and is likely to increase gradually, going ahead. SHFL is aiming to double its GL portfolio in the next three years, driven by improving branch penetration. SHFL's strategy around new CV segment, non-vehicles portfolio (gold loans, MSME, PL etc.) remains a key monitorable for acceleration in loan growth to ~18% CAGR during FY27-FY28E.
- **Steady asset quality:** GS-II/III increased marginally QoQ to 6.96%/4.64% (Q4FY26: 6.91%/4.58%), during a seasonally weak quarter. Net slippages (calculated) increased QoQ to 1.8% (Q4FY26: 1.7%; Q1FY26: 1.3%). Impact of global uncertainties (and fuel prices) and El Nino remain a key monitorable on the asset quality, which so far has been limited. Credit costs are expected to remain steady at 2.3% during FY27-28E.
- **Loan growth acceleration key for rerating:** With better pricing power, SHFL is likely to aim for higher wallet share of its customers in the new CV segments. However, loan growth acceleration beyond 15% is likely to entail a higher addressable market beyond core customer segment, along other products such as MSME, GL, PL etc. which so far has been muted. Sustainable overall loan growth above 16-17% with elevated competitive intensity in the new CV segment and increasing scale remains a key monitorable.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	77.1	57.7	33.5	67.5	14.1	251.2	323.4	391.7
PPOP	60.9	41.9	45.2	53.3	14.3	186.3	251.3	306.9
APAT	34.4	21.6	59.8	30.1	14.3	100.0	131.7	164.1
EPS (INR)	14.8	11.5	29.4	16.0	-7.4	53.1	56.0	69.7
ROAE (%)						16.4	14.5	13.3
ROAA (%)						3.3	3.8	4.0
ABVPS (INR)						313	461	512
P/ABV (x)						3.3	2.3	2.0
P/E (x)						19.5	18.5	14.9

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 1,041
Target Price	INR 1,100
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1100	INR1100
EPS %	FY27E	FY28E
	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	SHFL IN
No. of Shares (mn)	2,353
MCap (INR bn) / (\$ mn)	2,449/25,549
6m avg traded value (INR mn)	7,017
52 Week high / low	INR 1,108/566

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.2	2.2	64.3
Relative (%)	9.4	8.9	69.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	25.4	20.3
FIs & Local MFs	23.3	19.9
FPIs	45.2	54.8
Public & Others	6.2	5.0
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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SBI Life Insurance

Change in product mix drives margin resilience

SBILIFE delivered APE/VNB growth of 36%/29% YoY respectively, beating our estimates. VNB margins were broadly along expected lines, driven by increased contribution from the protection (individual and group protection) segments. SBILIFE continues to reduce its ULIP dependence, with ULIP share declining to 61.3% (-350bps YoY), which gives us comfort on the product mix. We revise our APE/VNB estimates to build in 15%/17% growth for FY27E and raise our VNB margin estimates 30-40bps during FY27E-28E. Our high-conviction BUY is anchored on three moats: (a) exclusive access to SBIN's massive distribution network with significant under-penetration; (b) scope for further improvement in margin-accretive traditional mix; and (c) cost leadership at 30.5% (excluding commission)/APE ratio among peers (Q1FY26: 31.7%). We maintain BUY with a revised TP of INR2,510 (implied 2.2x FY28E EV).

- **Shift in product mix drives VNB margin expansion:** Term protection and ULIPs have been constantly on the management's radar, where term business stands at 4.7% of APE mix in Q1FY27 (up 20bps YoY), while the latter's share in business mix declined to 61% (Q1FY26: 65%). SBILIFE witnessed a massive uptick in its lumpier group protection business, rising over 3x to INR12.3bn (Q1FY26: INR3bn), taking a toll on VNB margins.
- **Rider attachments elevate performance; GST impact still a drag:** In order to offset the ongoing GST impact on margins (1.2% during Q1FY27), SBILIFE has started attaching riders to their policies. This is primarily in ULIPs, where the attachment rate has increased to 40-45%, shoring up SBILIFE's VNB margins.
- **Agency channel trumps Banca's growth:** The agency channel continues to outperform Banca on growth, supported by SBILIFE's expansion strategy that added over 29k new agents. As a result, the agency channel delivered a strong 24% YoY growth, compared to 10% YoY in the Banca channel, while agent productivity rose 3% YoY, reflecting better activation and capability building.

Financial summary

(INR bn)	Q1FY27	Q1FY26	% chg	FY27E	FY28E
NBP	89.1	72.7	22.6%	481.1	541.7
APE	53.8	39.7	35.5%	278.3	318.8
VNB	14.1	10.9	29.4%	78.2	92.5
VNB margin (%)	26.2	27.6	140bps	28%	29%
EV				975	1,144
P/EV (x)				1.9	1.6
P/VNB (x)				13.5	9.6
ROEV %				17.9%	17.7%

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
APE	278.3	275.8	0.9%	318.8	313.1	1.8%
VNB	78.2	76.8	1.9%	92.5	89.6	3.2%
VNB Margin (%)	28.1	27.8	27bps	29.0	28.6	39bps
EV	975.0	973.6	0.1%	1,144.5	1,140.0	0.4%

Source: Company, HSIE Research

BUY

CMP (as on 27 Jul 2026)	INR 1,867
Target Price	INR 2,510
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,400	INR 2,510
	FY27E	FY28E
VNB %	0.3%	0.4%

KEY STOCK DATA

Bloomberg code	SBILIFE IN
No. of Shares (mn)	1,003
MCap (INR bn) / (\$ mn)	1,873/19,527
6m avg traded value (Rs mn)	2,333
52 Week high / low	INR 2,133/1,700

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.8	(8.4)	1.9
Relative (%)	3.4	(2.3)	7.6

SHAREHOLDING PATTERN (%)

	Mar26	Jun-26
Promoters	55.3	55.3
FIs & Local MFs	19.1	19.66
FPIs	21.5	20.95
Public & Others	4.0	4.0
Pledged Shares	Nil	Nil

Source : BSE

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Tata Capital

Steady quarter; limited margin of safety

Tata Capital's (TATACAP) Q1FY27 earnings were largely in line with our estimates, driven by steady credit costs (1%) and healthy loan growth (+22% YoY). TATACAP's portfolio (ex-TMFL) continued to grow at a strong pace (+28% YoY), driven by SME and corporate portfolio. TMFL portfolio (8.4% of AUM) continued to run down (-20% YoY; -4% QoQ), although reporting net profit in Q1FY27, with realignment of credit policies and organizational structure, shift in product mix, and increasing share of non-captive business. As highlighted in our [initiating coverage](#) report, TATACAP remains a robust franchise with conservative underwriting strategy translating into pristine asset quality. However, TATACAP's guidance of strong AUM growth (~23-25% CAGR) and profitability (~17-18% RoE) for FY27-FY28E remains a key monitorable, particularly amidst global uncertainties and elevated competitive intensity. We maintain ADD with an unchanged RI-based TP of INR 335 (implying 2.5x Mar-28 ABVPS).

- **Strong AUM growth; steady P&L outcomes:** AUM growth (+22% YoY) was driven by SME (+34% YoY) and Corporate (+47% YoY), while TMFL portfolio continued to scale down (-20% YoY). NIM (calculated) declined by 12bps QoQ, with higher share of SME and corporate portfolio. Management has indicated efforts to reflate NIMs, driven by exercising pricing power in wholesale portfolio and increasing share of high-yielding retail loans. Operating efficiency improved sequentially (C/I at 36.4%; opex to AUM at 2.3%), driven by improving productivity and rationalization in TMFL's distribution.
- **Incremental focus on retail portfolio to drive margins:** TATACAP is increasing focus on select high-yielding retail loans to reflate NIMs - unsecured retail (PL, BL and MFI), affordable and micro-LAP loans, 2 wheelers and high-yielding vehicle loans. Further, TATCAP has announced the acquisition of Yogakshemam Loans NBFC (Yogloans) in Q1FY27 and expects the transaction to be completed in CY26. With an AUM of INR 7bn and 162 branches, the contribution of GL to overall AUM is expected to remain low over FY27-FY28E.
- **Asset quality remains on an improving trend:** GS III/NS III improved marginally to 1.9%/0.8% (Q4FY26: 2%/0.9%) with GS-II at 1.3% (Q4FY26: 1.3%). Management has indicated reduction in slippages in unsecured retail, along with improving collections and recoveries in the TMFL portfolio.
- **FY28E guidance key monitorable; limited margin of safety on valuation:** TATACAP has delivered steady operating performance in Q1FY27 (RoA/RoE of 2.1%/13.3%). However, medium-term guidance (FY28E) – strong growth (AUM CAGR of 23-25%) and superior profitability (RoE of 17-18%), amidst elevated competitive intensity and global uncertainties – remain a key monitorable. To that extent, current valuation provides limited margin of safety.

Financial summary (Consolidated)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	35.7	28.7	24.6	34.8	2.7	126.7	155.5	183.8
PPOP	28.3	22.9	23.7	25.6	10.7	95.8	123.7	147.1
PAT	16.3	10.4	56.4	14.7	11.0	48.5	66.0	81.1
EPS (INR)	3.7	2.5	47.2	3.5	3.1	11.5	15.6	19.2
ROAE (%)						12.3	13.5	14.5
ROAA (%)						1.8	2.1	2.1
ABVPS (INR)						104	117	135
P/ABV (x)						3.4	3.0	2.6
P/E (x)						30.9	22.7	18.5

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 355
Target Price	INR 335
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 335	INR 335
EPS %	FY27E	FY28E
	0%	0%

KEY STOCK DATA

Bloomberg code	TATACAP IN
No. of Shares (mn)	4,245
MCap (INR bn) / (\$ mn)	1,507/15,718
6m avg traded value (INR mn)	945
52 Week high / low	INR 380/296

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.9	4.9	-
Relative (%)	9.1	11.7	-

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	85.4	85.4
FIs & Local MFs	3.6	3.6
FPIs	4.9	5.2
Public & Others	6.1	5.8
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Cholamandalam Investment and Finance Company

Steady quarter; improving outlook

CIFC's Q1FY27 earnings were ahead of our estimates, driven by lower-than-expected credit costs, higher other income, and steady loan growth (+22% YoY). Disbursements growth (+22% YoY) was partly impacted by change in disbursement recognition methodology in mortgages, while vehicle finance (+21% YoY) and CSLE (+67% YoY) exhibited strong trends. While asset quality deteriorated in a seasonally weak quarter, credit costs remained steady sequentially (1.6%), with signs of credit costs moderation post multiple quarters of higher-than-expected credit costs. CIFC remains a robust franchise with RoE of ~19-20% and AUM growth of ~21-23% over the medium term. While Q1FY27 results indicate improving trends for FY27, global uncertainties and monsoon risk remain a key monitorable. To that extent, current valuations (3.8x Mar-28 ABVPS) provides limited margin of safety. We maintain ADD with an unchanged RI-based TP of INR 1,810 (implying 3.9x Mar-28 ABVPS).

- **NIM refraction, other income, and lower credit costs drive strong YoY earnings growth:** NIMs (reported) improved by 40bps YoY to 8.2% (-20bps QoQ), driven by lower cost of funds (-30bps YoY; +10bps QoQ) and yield refraction (+10bps YoY; -10bps QoQ) and is expected to improve marginally in FY27. Other income grew by +31% YoY, driven by fee income (distribution income etc.), while assignment income (+10% YoY) was relatively muted. Opex ratios remained steady (opex-to-AUM at 3.1%), with distribution expansion expected in gold loans, vehicle finance and home loans for FY27. CIFC reported strong RoA/RoE of 2.8%/21.2% in Q1.
- **Signs of credit costs moderation, albeit with headwinds:** GS-III/NS-III deteriorated QoQ to 3.3%/1.8% (Q4FY26: 3%/1.6%; Q1FY26: 3.2%/1.8%), with GS-II at 2.7% (Q4FY26: 2.5%; Q1FY26: 3%), driving lower credit costs of 1.6% (Q4FY26: 1.6%; Q1FY26: 1.9%). Vehicle (2%) and CSEL portfolio (4.7%) witnessed improvement in credit costs on a YoY basis, with improving credit environment and impact of portfolio calibration in CSEL. While credit costs are likely to improve in H2FY27 (seasonality impact), global uncertainties and monsoon outlook (fuel prices, agri cash flows, vehicle demand, etc.) remain key headwinds, going ahead.
- **Robust diversified franchise; limited margin of safety:** CIFC has evolved into a robust diversified NBFC with non-vehicle segments (47% of AUM) – mortgages, SME, SBPL and CSEL each scaling up well gradually with portfolio seasoning and approaching steady state profitability. CIFC is further scaling up its GL portfolio (0.9% of AUM) to augment its profit pools. With the headwinds over asset quality in the last couple of years largely getting addressed, CIFC is poised for growth acceleration ahead (~22% AUM CAGR during FY27-FY28E) amidst global headwinds. However, current valuations (3.8x Mar-28 ABVPS) limit any meaningful margin of safety, thus driving our ADD rating.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY(%)	Q4FY26	QoQ(%)	FY26	FY27E	FY28E
NII	40.4	31.8	26.8	38.6	4.7	140.0	170.0	207.3
PPOP	31.4	24.1	30.3	29.8	5.3	105.0	123.8	151.6
PAT	16.5	11.4	45.6	16.4	0.8	52.2	63.3	78.2
EPS (INR)	19.4	13.5	43.7	19.2	0.7	61.2	73.9	91.3
ROAE (%)						19.3	18.7	19.1
ROAA (%)						2.3	2.4	2.4
ABVPS (INR)						314.8	384.4	460.5
P/ABV (x)						5.6	4.6	3.8
P/E (x)						28.6	23.7	19.2

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 1,753
Target Price	INR 1,810
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,810	INR 1,810
EPS %	FY27E 0%	FY28E 0%

KEY STOCK DATA

Bloomberg code	CIFC IN
No. of Shares (mn)	854
MCap (INR bn) / (\$ mn)	1,497/15,618
6m avg traded value (INR mn)	3,221
52 Week high / low	INR 1,875/1,299

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.1	7.1	17.6
Relative (%)	14.3	13.9	22.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	49.3	49.2
FIs & Local MFs	19.9	20.6
FPIs	24.9	24.5
Public & Others	6.2	5.7
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Muthoot Finance

Headwinds to sustain

Muthoot Finance (MUTHOOT) reported significant deceleration in earnings (-17% QoQ), driven primarily by sharp yields compression (-283 bps QoQ) post strong operating performance in FY26. AUM growth (+43% YoY; 6% QoQ) remained strong despite moderation from peak in Q3FY26, with improving customer acquisition, uptick in tonnage and higher LTV. Opex ratios remain best-in-class (opex to AUM at 2.3%), driven by superior productivity metrics, driving strong profitability (RoA/RoE of 5.5%/27%) despite pressure on NIMs. As highlighted in our [Sector Thematic](#), rising competitive intensity, coupled with consolidation in gold prices, is likely to drive moderation in loan growth and pressure on yields. Further, MUTHOOT's near-complete dependence on GL exposes it to vagaries of gold cycle with expected moderation in loan growth over FY27-FY28E. We maintain ADD with an unchanged SoTP-based TP of INR 3,020 (standalone entity at implied 2.2x Mar-28 ABVPS).

- **NIM compression, partly offset by operating efficiency:** MUTHOOT's NIMs (calculated) declined by 261bps QoQ to 9.5%, due to a sharp drop in yields (-283bps QoQ) due to higher recoveries from NPAs and loan rollovers in Q4 and lower incremental GL yields in Q1. While management has indicated yields will stabilize at 18-18.5%, rising competitive intensity is likely to exert pressure on yields. Opex ratios remained best-in-class, driven by superior productivity metrics (tonnage and AUM per branch/employee).
- **Business momentum sustains:** AUM growth remained strong at 43% YoY. Tonnage increased marginally to 197 tonnes as average gold prices declined QoQ (-4%). MUTHOOT remains focused on growing its GL portfolio amidst rising competitive intensity and RBI's new regulations effective from Apr-26 through branch expansion, multiple schemes for consumption loans (bullet-payment, EMI etc.), and income generation loans (to be launched soon). MUTHOOT added 61 GL branches in Q1 (200 branches expected in FY27E) and calibrated loan pricing. Further, customer acquisitions gained traction with new customer growth at 6.7% YoY and uptick in average customer exposure (+4% QoQ).
- **Mixed performance from subsidiaries:** Muthoot Money continue to report strong loan growth (+111% YoY) and profitability (RoE of 28%), driven by gold loans. BELSTAR's loan growth remained muted (+2% YoY) with sequential decline in profitability. HFC subsidiary's AUM growth moderated to 13% YoY with subdued profitability (RoE of ~2%).
- **Best-in-class franchise with near-term headwinds; remains a mono-line play:** MUTHOOT remains best-in-class GL franchise with superior profitability and market leadership across cycles. While MUTHOOT is likely to remain a dominant GL franchise, near-term headwinds from rising competitive intensity and consolidation in gold prices are likely to exert pressure on loan growth and profitability over FY27-FY28E. Further, it is likely to remain a mono-line play (GL at 91% of consolidated AUM).

Financial summary (Standalone)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	43.6	34.7	25.5	51.9	(16.0)	171.3	203.1	234.2
PPOP	34.7	27.9	24.6	44.1	(21.2)	141.2	162.9	186.1
PAT	25.5	20.5	24.6	30.9	(17.4)	101.3	116.9	133.2
EPS (INR)	63.5	51.0	24.6	76.9	(17.4)	252.4	291.1	331.8
ROAE (%)						30.6	26.9	24.1
ROAA (%)						6.7	5.9	5.8
ABVPS (INR)						771	1,006	1,295
P/ABV (x)						3.8	2.9	2.3
P/E (x)						11.6	10.0	8.8

Source: Company, HSIE Research

ADD

CMP (as on 31 Jul 2026)	INR 3,120
Target Price	INR 3,020
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3020	INR 3020
	FY27E	FY28E
EPS %	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	MUTH IN
No. of Shares (mn)	401
MCap (INR bn) / (\$ mn)	1,252/13,129
6m avg traded value (INR mn)	3,387
52 Week high / low	INR 4,150/2,477

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.9)	(18.5)	19.4
Relative (%)	(10.4)	(13.5)	23.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	73.4	73.4
FIs & Local MFs	10.4	10.8
FPIs	12.3	11.6
Public & Others	3.9	4.3
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Canara Bank

Treasury profits save the day - again!

Canara Bank's (CBK) Q1FY27 earnings were moderately ahead of our estimates, owing to strong trading gains, and sharp normalization in delinquencies. Loan growth (+19% YoY; +5% QoQ) was led by retail, MSME, and corporate (overseas) segments. Deposit growth (+12% YoY; +3% QoQ) was healthy, with deposit repricing largely playing out; although CASA ratio moderated 18bps QoQ. Gross slippages were significantly lower, with NPA ratios improving across asset classes. We continue to flag CBK's poor deposit franchise, higher dependence on borrowed capital and non-core sources of income (recovery from technically written-off accounts and trading gains), and volatile asset quality. We tweak our FY27E/FY28E earnings estimates by 7%/9%, as we build in margin reflation, and normalization in asset quality, offset by softer other income. We maintain ADD on CBK, with a revised SOTP-based TP of INR170 (1.0x Mar-28 ABVPS).

- **Healthy growth coupled with strong operating performance:** NII clocked a 13% YoY growth, driven by 19% YoY growth in volumes, while NIMs remained stable at 2.52% (+1bp QoQ) as funding costs stabilized despite lower yields (-29bps QoQ). Loan growth was driven by home loan (+18% YoY) and personal loans (+65% YoY). We build in loan CAGR of 13% over FY26-FY28E, with relatively softer deposit growth (11% CAGR).
- **Asset quality improved:** Asset quality improved as GNPA/NNPA declined sequentially by 112bps/27bps as gross slippages improved sharply to 58bps (Q4FY26: 94bps) alongside a 10bps QoQ improvement in credit costs. We expect credit costs to stay rangebound and average 70bps over FY27E-FY28E.
- **Critical to improve deposit handicap:** CBK has the weakest deposit franchise amongst PSBs, which we believe is tough to fix, in the intensely competitive landscape for retail deposits. Although asset quality continues to improve alongside credit growth, deposit granularity and better pricing power on the asset and liabilities side remain a key monitorable for core earnings reflation.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	102.2	90.1	13.4%	98.1	4.2%	372.1	452.2	548.3
PPOP	86.4	85.5	1.0%	67.6	27.8%	330.2	366.5	444.1
PAT	48.6	47.5	2.2%	45.1	7.8%	191.9	212.1	232.7
EPS (INR)	5.4	5.2	2.1%	5.0	7.6%	21.2	23.4	25.7
ROAE (%)						18.0	17.4	16.6
ROAA (%)						1.1	1.1	1.1
ABVPS (INR)						117.8	136.0	157.0
P/ABV (x)						1.1	0.9	0.8
P/E (x)						6.0	5.4	5.0

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	13,778	13,800	-0.2%	15,686	15,719	-0.2%
NIM (%)	2.4	2.3	9 bps	2.7	2.4	27 bps
NII	452.2	435.9	3.7%	548.3	492.9	11.2%
PPOP	366.5	367.8	-0.3%	444.1	409.3	8.5%
PAT	212.1	197.7	7.3%	232.7	212.6	9.4%
Adj. BVPS (INR)	136.0	135.0	0.7%	157.0	151.1	3.9%

Source: Company, HSIE Research

ADD

CMP (as on 27 Jul 2026)	INR 127
Target Price	INR 170
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR155	INR170
	FY26E	FY27E
EPS %	+7.3%	+9.4%

KEY STOCK DATA

Bloomberg code	CBK IN
No. of Shares (mn)	9,071
MCap (INR bn) / (\$ mn)	1,154/12,035
6m avg traded value (INR mn)	3,979
52 Week high / low	INR 163/104

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.4)	(17.7)	14.9
Relative (%)	(8.8)	(11.6)	20.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	62.9	62.9
FIs & Local MFs	10.9	11.9
FPIs	14.2	12.7
Public & Others	11.9	12.5
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Aditya Birla Capital

Strong growth across businesses

ABCAP reported strong headline growth across lending (NBFC AUM up by 28% YoY; HFC AUM up by 50% YoY) and non-lending businesses (ABSLI individual FYP up by 20% YoY; ABHI GWP up by 50% YoY) except ABSLAMC (MF QAAUM up by 6% YoY). NBFC business reported steady P&L outcomes, with health uptick in retail/MSME unsecured segments (+46% YoY). ABHFL has indicated strong AUM growth aspiration (INR 1trn by FY28E) post equity infusion, although reflation in subdued RoE (~12%) remains a key monitorable. ABSLI reported strong VNB margin, driven by a favorable product mix, while ABHI's CoR continues to remain elevated (106% under IND AS). We maintain ADD with a revised SOTP-based TP of INR390 (standalone entity at 2.3x Mar-28 ABVPS; ABSLI at 1.5x Mar-28 IEV; ABHFL at 1.8x Mar-28 ABVPS).

- **Flagship NBFC - Strong growth; steady profitability:** AUM growth (+27.6% YoY) was driven by personal & consumer (+41.5% YoY) and unsecured (+52% YoY) segments, now contributing to ~25% of AUM and is expected to increase further. Asset quality improved sequentially with GS-II/GS-III at 1.1%/1.30% (Q4FY26: 1.1%/1.33%) and credit costs were at 1%. Core profitability stayed steady with RoA at 2.39%. ABCAP is launching gold loans in Q2FY27 to add growth levers, targeting addition of ~1K branches over the next three years.
- **HFC - strong growth aspirations; RoE key monitorable:** ABHFL continued to report strong AUM/disbursements growth of 50%/39% YoY. Operating efficiency was steady with opex to AUM at 2.0% and it is likely to inch up with distribution expansion. With equity capital in place, ABHFL is aspiring for an AUM of INR1trn (Q1FY27: 518bn) by FY28E. However, RoE reflation to ~15% remains a key monitorable, amidst elevated competitive intensity, downward pressure on NIMs and portfolio seasoning.
- **Insurance businesses - different journeys:** ABSLI's VNB margin surprised positively at 15.1% (+756bps), driven by a favourable product mix - non-PAR and annuity business (58% share of APE). ABHI, the group's health insurance business, continued its growth momentum (GWP: +50% YoY), driving market share gains (16.2% among SAHIs). However, the profitability journey remains soft with CoR at 106% (Q1FY26: 107%) as per IFRS.
- **AMC business - market share erosion continues:** ABSLAMC reported muted equity QAAUM growth (+10% YoY) at INR1.99trn as the mix of equity MF within QAAUM rose to 46.5% (+181bps YoY). However, we draw attention to the fact that the equity market share (within QAAUM) has remained low at sub-4% (-22bps YoY), signalling continued market share erosion.

Financial summary (Standalone)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	19.9	16.2	22.6	18.9	5.0	70.4	86.7	106.7
PPOP	15.8	13.1	20.6	14.1	11.7	57.4	73.1	88.7
PAT	8.9	6.8	32.2	7.8	14.9	31.1	39.5	48.1
EPS (INR)	3.4	2.6	30.7	2.9	14.3	11.9	15.1	18.4
ROAE (%)						11.5%	12.9%	13.8%
ROAA (%)						2.0%	2.1%	2.1%
ABVPS (INR)						71.1	84.0	99.1
P/ABV (x)						2.5	2.1	1.8
P/E (x)						16.3	12.9	10.5

Source: Company, HSIE Research

ADD

CMP (as on 31 Jul 2026)	INR 404
Target Price	INR 390
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR365	INR 390
	FY27E	FY28E
EPS %	+0.8%	+1.7%

KEY STOCK DATA

Bloomberg code	ABCAP IN
No. of Shares (mn)	2,736
MCap (INR bn) / (\$ mn)	1,106/11,597
6m avg traded value (INR mn)	2,044
52 Week high / low	INR 413/243

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	17.0	19.0	57.5
Relative (%)	15.5	24.1	61.3

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	68.5	68.8
FIs & Local MFs	13.8	13.5
FPIs	7.7	8.6
Public & Others	10.0	9.1
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Max Healthcare Institute

Steady Q1; expansion-led growth, steady margin

EBITDA[^] grew 13% YoY on 15% YoY sales growth (hospital revenue +15%, Max Labs +21%). ARPOB rose 5% YoY, while occupancy dipped slightly to 75% (vs. 76% in the year-ago quarter). Bed capacity expansion remains largely on track, with management guiding toward improving growth and break-even at new facilities over the next 12–18 months. Margins at brownfield hospitals should stay steady near term on cost synergies, while the Gurgaon greenfield hospital's margin impact is expected only from Q4FY27. We believe the company remains on track with its capex plan to add 2,000+ beds over FY26–29. The oncology business drag is expected to persist through Q3FY27, normalizing from Q4FY27. Management flagged a CGHS benefit of ~INR 1.4bn, effective from Jun-26. Kalinga hospital should see improvement from FY28, with room to lift both occupancy and ARPOB. On the parliamentary panel's suggestions around price controls, management noted it isn't directly engaged with stakeholders on the matter but cautioned that such controls could weigh on future expansion plans. We expect the aggressive capacity build-out to underpin an 18%/19% revenue/EBITDA CAGR over FY26–29E, with EBITDA margin steady at ~26% in FY28/29E (new hospitals and M&A to remain a drag). Factoring in Q1, we cut FY27/28E EBITDA by 2% and revise our SoTP to INR 1,110 (28x Q1FY29E EV/EBITDA). Maintain ADD.

- **Q1 highlights:** Sales were at INR 28.35bn (+15% YoY). Hospital sales were at INR 27.77bn (+15% YoY). Max Lab grew 21% YoY to INR 580mn. Excluding non-operating costs, EBITDA came in at INR 7.05bn (+13% YoY) and margin was 24.9% (-58 bps YoY). PAT (ex-one-offs) was INR 3.79bn (flat YoY).
- **Operating metrics:** ARPOB grew 5% YoY at INR 81,900/day. Occupancy was 75% (vs 76% YoY). OPD/IP volume grew 12/10% YoY. ALOS was up YoY at 4.1 days. International patient sales (8.8% of the hospital sales) grew 18% YoY. EBITDA per bed was up 4% YoY to INR 7.1mn. Pre-tax RoCE was 20%.
- **Con call takeaways:** The board has approved a strategic foray into medical education, with plans to set up a medical college — following the National Medical Commission's recent notification permitting for-profit companies to establish medical colleges. Management's back-of-envelope estimates peg the capex for a 150-bed medical college at the Lucknow campus at INR 3bn, with expected RoCE of 25–30%. A few insurance empanelments are up for renewal in Sep/Oct-26, for which the company expects a price increase; it has already agreed a 6% price revision with insurers. Kalinga Hospital: sales stood at INR 190mn with EBITDA of INR 20mn, occupancy at 50%, and ARPOB at INR 35,000/day. Renovation of the existing facility is expected to be completed within 12 months. Max Smart (brownfield): Operationalized 202 beds as of Jun-26 and it expects to operationalized balance 198 beds over Q2FY27. As of Jun-26, net debt was INR 23.84bn. Institutional patient bed share stood at 32.3% in Q1FY27 (34.1% in Q1FY26 and 35.5% in Q4FY26).

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	28,350	24,600	15	25,410	12	86,210	100,280	126,788	146,854	163,914
EBITDA	6,830	6,040	13	6,980	(2)	21,940	25,630	32,386	38,203	43,004
APAT	3,790	3,790	-	3,710	2	14,700	15,806	19,032	22,936	26,374
EPS (INR)	3.9	3.9	(0)	3.8	2	15.1	16.2	19.6	23.6	27.1
P/E (x)						66.9	62.2	51.6	42.9	37.3
EV/EBITDA (x)						45.8	39.3	31.1	26.4	23.2
RoCE (%)						15	14	16	17	17

Source: Company, HSIE Research, PAT adjusted for one-offs. ^ adjusted for non-operating costs

ADD

CMP (as on 14 Aug 2026)	INR 1,010
Target Price	INR 1,110
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1140	INR 1110
	FY27E	FY28E
EBITDA %	(1.9)	(1.6)

KEY STOCK DATA

Bloomberg code	MAXHEALT IN
No. of Shares (mn)	973
MCap (INR bn) / (\$ mn)	982/10,286
6m avg traded value (INR mn)	2,949
52 Week high / low	INR 1,279/903

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.9)	(4.3)	(17.4)
Relative (%)	(7.4)	1.3	(14.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	23.71	23.71
FIs & Local MFs	26.32	29.96
FPIs	45.39	41.78
Public & Others	4.58	4.55
Pledged Shares	-	-

Source: BSE

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Federal Bank

Sustained IRR lift key to earnings and RoA reflation

Federal Bank's (FB) Q1FY27 profitability beat estimates, with relatively higher balance sheet momentum, stronger NII growth, traction in other income, and a positive surprise on the asset quality front. Credit growth (+15% YoY; +4.9% QoQ) saw continued traction in medium-yielding segments (commercial loans: +25% YoY). Deposit growth (+11% YoY; +2% QoQ) was relatively lower even as the CASA ratio tapered off marginally (32.2%; -71bps QoQ). FB witnessed lower delinquencies (61bps) in the quarter (Q4FY26: 74bps; Q1FY26: 111bps). Even as we believe that FB is well-placed to capitalize on its balance sheet strengths (quality deposit franchise, superior underwriting standards, capital buffer), we believe that NII growth is likely to lag credit growth (16% CAGR FY26E-FY28E). We build in 60bps of credit costs during FY27E-28E, for rising stress in the core MSME portfolio as highlighted in our Apr-26 [company update](#). We maintain ADD with a revised TP of INR355 (1.8x Mar-28 ABVPS).

- **Pick-up in loan growth; strong operating performance:** NII growth (+8.4% QoQ), despite a 4bps QoQ drop in loan yields, partly offset by 19bps QoQ drop in the cost of funds with NIMs at 3.33% (+13bps QoQ). Loan growth was led by growth in commercial (26% YoY), gold loans (33% YoY), alongside scaling of medium- and higher-yielding segments. We build in a 16% loan CAGR over FY26-F28E, factoring in an inflationary macro environment.
- **Asset quality in line; strengthening provision buffer:** Gross slippages (0.6%) and credit costs (40bps) were better on a YoY basis, with benign asset quality across segments. The management continued to build its PCR further to 88.2% (+40bps QoQ). We expect credit costs to average 60bps during FY27E-FY28E, factoring in stress in the core MSME segment.
- **Critical to deliver profitability plus growth for re-rating:** Given FB's pivot toward enhancing profitability, its ability to exercise pricing power on both sides of the balance sheet, while concomitantly picking up growth, is critical for a valuation upgrade.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	29.5	23.4	26.1%	27.2	8.4%	106.6	129.5	152.0
PPOP	19.0	15.6	21.9%	18.2	4.2%	72.0	87.3	105.2
PAT	11.8	8.6	36.6%	8.0	46.5%	41.1	51.7	64.3
EPS (INR)	4.6	3.5	32.6%	5.1	-8.9%	16.7	21.0	23.5
ROAE (%)						11.4	12.6	13.1
ROAA (%)						1.1	1.3	1.4
ABVPS (INR)						155.2	172.7	194.7
P/ABV (x)						2.2	2.0	1.8
P/E (x)						20.9	16.6	14.8

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	3,070	3,002	2.3%	3,553	3,462	2.6%
NIM (%)	3.5	3.5	-2 bps	3.6	3.6	-4 bps
NII	129.5	127.5	1.5%	152.0	147.7	2.9%
PPOP	87.3	84.5	3.3%	105.2	99.5	5.7%
PAT	51.7	48.7	6.2%	64.3	60.1	7.0%
Adj. BVPS (INR)	172.7	172.0	0.4%	194.7	190.6	2.2%

Source: Company, HSIE Research

ADD

CMP (as on 17 Jul 2026)	INR 349
Target Price	INR 355
NIFTY	24,334

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR305	INR355
	FY27E	FY28E
EPS %	+7.3%	+8.8%

KEY STOCK DATA

Bloomberg code	FB IN
No. of Shares (mn)	2,468
MCap (INR bn) / (\$ mn)	861/8,949
6m avg traded value (INR mn)	3,288
52 Week high / low	INR 351/185

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	18.8	29.1	64.2
Relative (%)	19.2	35.6	69.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	0	0
FIs & Local MFs	51.1	50.4
FPIs	24.9	26.1
Public & Others	24.0	23.6
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Union Bank of India

Deposit growth and granularity pose growth challenge

Union Bank of India's (UNBK) earnings were higher than our estimates on the back of NIM reflation and improving operating leverage. Loan growth (+13.3% YoY) sustained the improving trajectory (Q1FY26: 8% YoY), although it remains below system-wide trends (+16-17% YoY). Further, deposit mobilization has been relatively subdued (+3.5% YoY; -1.8% QoQ), with greater focus on CASA (35.1%) and retail term deposits, as per management and could pose a challenge to loan growth, with C/D ratio currently at 83%. Asset quality remained steady in a seasonally weak quarter as UNBK made an additional provisioning buffer of INR1bn, factoring in global macros. Given UNBK is gradually getting back on the growth runway, margin-accretive growth will be critical alongside higher deposit mobilization, while maintaining the quality of deposits. We maintain ADD with an unchanged TP of INR200 (1.0x Mar-28 ABVPS).

- **Steady pick-up in loan growth; uptick in margins:** Loan growth improved to 13% YoY (Q4FY26: +10.5% YoY), driven by MSME loans (+16.5% YoY) and corporate loans (+15% YoY), while retail loan growth moderated to 12% YoY. The management has indicated ~15-16% loan growth in RAM portfolio. NIMs reflatd QoQ to 2.8% (+4bps YoY; +16bps QoQ), led by lower cost of deposits and better liquidity. The mobilization of deposits remains a key monitorable, with soft growth during Q1FY27 (+3.5% YoY). UNBK expects to mobilize USD1.5-2bn from FCNR (B) deposits to support deposit growth. We build in 13% loan CAGR for FY26-FY28E, with NII growth likely to lag loan growth.
- **Steady asset quality in a seasonally weak quarter; headwinds ahead:** Gross slippages remained flat sequentially (0.8%) with asset quality across asset classes remaining benign, translating to low but rising credit costs (Q1FY27: 38bps; FY26: 23bps). SMA 0-2 portfolio improved to 22bps (Q4FY26: 36bps). UNBK has disbursed INR100bn of loans under ECLGS scheme. However, we expect credit costs to average 51bps during FY27-FY28E, owing to rising stress in the MSME portfolio (supply side inflation) and pick-up in credit growth. The income from written-off assets dipped to 19bps annualized and is likely to reduce further on a diminishing written-off pool.
- **Deposit mobilization key for loan acceleration; margins key monitorable:** UNBK is re-scaling its loan book over the past two quarters with aspirations for higher loan growth. However, the focus on improving the quality of deposits (granular retail deposits) alongside higher deposit mobilization is becoming a challenge, translating into higher C/D ratio. While FCNR deposits and liquidity management could provide near-term respite on margins, structurally higher funding costs, softer treasury income, and upward normalization of credit costs are likely to keep the earnings growth muted.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E
NII	100.4	91.1	10.1%	94.1	6.7%	366.6	417.1	445.5
PPOP	80.0	69.1	15.8%	79.6	0.6%	286.2	293.4	317.4
PAT	53.3	41.2	29.6%	53.2	0.3%	187.0	178.9	194.4
EPS (INR)	7.0	5.4	29.7%	7.0	0.4%	24.5	23.4	25.5
ROAE (%)						15.5	13.2	13.0
ROAA (%)						1.2	1.1	1.1
ABVPS (INR)						160.8	176.7	196.9
P/ABV (x)						1.1	1.0	0.9
P/E (x)						7.0	7.4	6.8

Source: Company, HSIE Research

ADD

CMP (as on 15 Jul 2026)	INR 172
Target Price	INR 200
NIFTY	24,079

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR200	INR200
EPS %	FY27E	FY28E
	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	UNBK IN
No. of Shares (mn)	7,634
MCap (INR bn) / (\$ mn)	1,316/13,670
6m avg traded value (INR mn)	3,265
52 Week high / low	INR 205/125

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.7)	(3.8)	17.9
Relative (%)	(7.5)	3.6	24.4

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	74.8	74.8
FIs & Local MFs	11.9	11.5
FPIs	8.1	9.4
Public & Others	5.2	4.4
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Indian Bank

No negative surprises; asset quality key monitorable

Indian Bank (INBK) reported a steady operating performance on the back of balanced growth (+14% YoY), with no adverse surprises on the asset quality and treasury front. Deposit growth (+13.5% YoY; +2% QoQ) showed decent traction with CASA ratio being flat at 37.8% (-10bps QoQ). Pick-up in credit growth (+15.2% YoY, +2.8% QoQ) was driven by retail, gold, and MSME segments. Credit costs surprised positively (24bps) despite the West Asia crisis, even as the bank guided for INR30bn of ECL provisions. While we draw great comfort from the granularity of SA deposits and sustained business momentum in recent times, the higher exposure of MSME and agri segment does make it more vulnerable to an uncertain macro environment. We believe this is the beginning of a challenging year as the banking system is faced with macro uncertainties and regulatory challenges during this fiscal. We retain our full-year forecasts and maintain BUY with an unchanged TP of INR990 (1.3x Mar-28 ABVPS).

- **Healthy loan growth; consistent operating performance:** NII growth (+16% YoY) was supported by surprisingly lower cost of funds (-5bps QoQ) and higher asset yields (+2bps QoQ) as margins improved 6bps to 3.29% (domestic NIM at 3.41%). INBK sustained its health loan growth trajectory (~15% YoY), driven by home loans (+13% YoY), vehicle loans (+33% YoY), retail gold loans (+77% YoY), MSME loans (17% YoY), and infrastructure loans (+34% YoY).
- **Asset quality key tracking variable:** Gross slippages surprised positively at 0.78% (Q4FY26: 0.87%), driven by lower agri delinquencies (down QoQ and YoY despite seasonality). Credit costs remained low at ~24 bps (FY26: 31bps). While INBK has created an additional provisioning buffer of INR3.1bn towards the West Asia crisis, higher loss given defaults with high exposure to MSME and agri segments make the bank more vulnerable to a weaker economic environment, compared to peers. Hence, we build an average credit cost of ~49 bps for FY27-FY28E.
- **Just the beginning of an interesting year:** While treasury and asset quality outcomes surprised positively during Q1FY27, we believe this is just the start of a difficult year as the banking system is faced with macro uncertainties (interest rates and asset quality outcomes) and regulatory challenges during the fiscal (Ind-AS implementation, ECL norms).
- **Sustaining margins and benign asset quality key to earnings:** INBK has managed to strongly reflate its earnings on the back of balance sheet strength, while improving asset quality alongside healthy growth. We believe that the sustainability of current profitability is subject to stable margin trajectory and benign asset quality outcomes, both of which are challenging in the expected monetary tightening phase.

Financial summary

(INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	74.3	63.6	16.9%	71.1	4.6%	269.1	308.2	332.9
PPOP	55.6	47.7	16.6%	52.9	5.1%	199.2	221.1	248.3
PAT	32.7	29.7	10.2%	31.0	5.5%	121.6	126.8	145.2
EPS (INR)	24.3	22.1	10.1%	23.0	5.5%	90.2	94.1	107.8
ROAE (%)						16.5	15.2	15.4
ROAA (%)						1.3	1.2	1.3
ABVPS (INR)						572.2	646.6	734.3
P/ABV (x)						1.5	1.3	1.2
P/E (x)						9.6	9.3	8.1

Source: Company, HSIE Research

BUY

CMP (as on 10 Jul 2026)	INR 871
Target Price	INR 990
NIFTY	24,207

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,000	INR990
	FY27E	FY28E
EPS %	-1.6%	-1.3%

KEY STOCK DATA

Bloomberg code	INBK IN
No. of Shares (mn)	1,347
MCap (INR bn) / (\$ mn)	1,173/12,294
6m avg traded value (INR mn)	2,371
52 Week high / low	INR 1,001/606

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.0)	4.5	37.9
Relative (%)	(10.1)	11.7	44.7

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	73.8	73.8
FIs & Local MFs	17.8	17.8
FPIs	5.6	5.8
Public & Others	2.7	2.6
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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ICICI Lombard General Insurance

Prudent reserving on motor TP book drives PAT miss

ICICI Lombard (ICICIGI) reported NEP growth of 16%, while PAT de-grew by 46% YoY, partly on account of a couple of fire incidents (INR0.63bn) and partly on account of prudent reserving (INR1.65bn) on its motor TP book. While the GI Council has appealed to the Hon'ble Supreme Court on its ruling, the motor TP business threatens to run thin on profitability, unless reinforced by a TP price hike. ICICIGI continues to witness market share erosion in most of its core businesses (motor and commercial); however, the company gained 26bps market share in group health business. We build in NEP CAGR of 13%, PAT growth of -13%/-2% and elevation in COR to 106%/104% for FY27E/FY28E. We maintain BUY with a TP of INR2,100 (implying 33.2x Mar-28E EPS) on the back of sustained dominance in core businesses (motor and commercial lines).

- **Market share moderation:** ICICIGI reported an 8% increase in GDPI, lagging the industry (~11%), resulting in a 30bps QoQ decline in market share. Among its core business segments, the company lost 23bps market share in motor and ~76bps in fire business, while gaining ~26bps in group health on a QoQ basis. The company continues to prioritize underwriting profitability and quality business over market share expansion.
- **EOM compliance takes toll on commercial lines of business:** As highlighted earlier, the sharp de-growth in the fire business (-32% YoY) is further evidence of widespread deep discounting in FLEXA pricing (within commercial lines of business). Our proprietary line-of-business (LOB) analysis indicates that industry-wide commission payouts have rallied by >500bps over the past couple of years, as companies increasingly scramble for EOM compliance.
- **Elevated CoR driven by prudent reserving:** The company's CoR deteriorated sharply to 107.2%, driven by two large fire losses and a prudent INR1.65bn provision towards motor TP reserves following the Hon'ble Supreme Court's ruling for loss of domestic care. In the absence of any price hike, we believe the CoR will stay elevated at current levels and raise our CoR estimates at 106%/104% for FY27E/FY28E.

Financial summary

(INR bn)	Q1FY27	Q1FY26	YoY%	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
Net written premium	66.0	56.1	17.7	64.9	1.8	233.7	257.9	293.6
Net earned premium	59.5	51.4	15.8	57.9	2.8	222.6	250.7	283.6
COR (%)	107%	103%	400bps	101%	600bps	103%	106%	104%
PAT	4.0	7.5	(46.0)	5.5	(26.2)	27.7	27.2	35.4
EPS	8.2	10.3	(20.9)	11.1	(26.2)	55.5	54.4	70.8
ROE (%)	9.7%	13.8%	-410bps	13.1%	-340bps	17.9%	16.0%	18.5%

Change in estimates

(INR bn)	FY27E			FY28E		
	Revised	Old	% chg	Revised	Old	% chg
Net written premium	257.9	241.0	7.0	293.6	272.3	7.8
Net earned premium	250.7	237.3	5.6	283.6	264.1	7.4
COR (%)	106.1%	103.3%	286bps	103.8%	102.2%	158bps
PAT	27.2	31.4	(13.4)	35.4	36.1	(1.9)
ROE (%)	16.0%	17.6%	-168bps	18.5%	18.0%	50bps

Source: Company, HSIE Research

BUY

CMP (as on 15 Jul 2026) INR 1,815

Target Price INR 2,100

NIFTY 24,079

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,210	INR 2,100
EPS%	FY27E	FY28E
	-13.4%	-4.7%

KEY STOCK DATA

Bloomberg code	ICICIGI IN
No. of Shares (mn)	499
MCap (INR bn) / (\$ mn)	906/9,413
6m avg traded value (INR mn)	1,437
52 Week high / low	INR 2,065/1,630

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.3)	(2.3)	(9.4)
Relative (%)	(1.2)	5.1	(2.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.3	51.3
FIs & Local MFs	19.52	19.52
FPIs	22.29	22.29
Public & Others	6.9	6.9
Pledged Shares	Nil	Nil

Source : BSE

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L&T Finance

Improving performance; diminishing margin of safety

L&T Finance's (LTF) Q1FY27 earnings were higher than our estimates, driven by strong loan growth (+26.7% YoY) and steady core spreads. Credit costs declined QoQ in a seasonally weak quarter (2.45%) and is likely to improve to ~2.2% in FY28E. LTF's tech initiatives (Cyclops, Nostramodus) are gradually being implemented across products, with a few new initiatives (new cross-sell platform) in pipeline. These are likely to improve operating efficiency, along with expected lower credit costs. However, "Lakshay 2031" goals - RoA/RoE of 3-3.2%/16-18% and credit costs of sub-2% by FY31 seem ambitious, given high exposure to volatile segments (MFI, 2W, etc.) and limited visibility of meaningful RoA refraction. We increase our FY27E/FY28E earnings estimates by 3%/1% to factor in higher loan growth and maintain ADD with a revised RI-based TP of INR 315 (implying 2.3x Mar-28 ABVPS).

- **Loan growth drives strong P&L outcomes:** AUM growth (27% YoY) was led by PL (+80% YoY), LAP (+38% YoY), and GL (+182% YoY), with increasing traction in MFI (+22% YoY) and 2W (+22% YoY). Growth in PL was driven by fintech partnerships, while LTF is looking to add 500 new GL branches in FY27. Operating efficiency improved marginally with C/I at 38.7% (Q4FY26: 39.7%) and opex to assets at 4% (Q4FY26: 4.07%). Profitability improved QoQ with RoA/RoE at 2.5%/12.7%.
- **Asset quality improves marginally in a seasonally weak quarter:** GS-III/NS-III improved QoQ to 2.86%/0.90% (Q4FY26: 2.88%/0.96%) with credit costs at 2.45% vs. 2.54% in Q4FY26 (Q1FY26: 3.73% - adjusted). Credit costs are likely to improve going ahead, with normalization in the MFI segment and impact of tech initiatives on underwriting. However, the geopolitical headwinds continue to pose a downside risk to our estimates.
- **Ambitious "Lakshay 2031" goals; need for execution rigor:** LTF has pivoted toward a steadily growing diversified franchise, along with improving profitability. Lower credit costs and NIM refraction are likely to drive RoA/RoE refraction during FY27-FY28E as opex ratios could remain elevated. However, high exposure to cyclical segments such as MFI, tractors, and two-wheelers (~50%) could pose a challenge to consistent strong profitability outcomes. To that extent, current valuation provides limited margin of safety.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	29.2	22.8	28.4	26.8	9.3	99.0	122.6	149.1
PPOP	20.1	15.8	27.4	18.2	10.1	67.4	84.4	104.4
PAT	9.0	7.0	28.7	8.1	11.9	29.8	39.3	50.7
EPS (INR)	3.6	2.8	28.2	3.2	11.8	11.9	15.7	20.2
ROAE (%)						11.1	13.3	15.2
ROAA (%)						2.3	2.5	2.7
ABVPS (INR)						107	119	135
P/ABV (x)						3.0	2.7	2.4
P/E (x)						27.3	20.7	16.0

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	1,472	1,502	2.0%	1,755	1,806	2.9%
NIM (%)	7.8	7.9	10 bps	7.8	7.9	14 bps
NII	120.6	122.6	1.6%	145.1	149.1	2.7%
PPOP	83.3	84.4	1.2%	102.8	104.4	1.6%
PAT	38.2	39.3	2.7%	50.0	50.7	1.4%
ABVPS (INR)	118	119	1.0%	133	135	1.2%

Source: Company, HSIE Research

ADD

CMP (as on 13 Jul 2026)	INR 325
Target Price	INR 315
NIFTY	24,211

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR300	INR315
	FY27E	FY28E
EPS %	2.7%	1.4%

KEY STOCK DATA

Bloomberg code	LTF IN
No. of Shares (mn)	2,506
MCap (INR bn) / (\$ mn)	814/8,508
6m avg traded value (INR mn)	2,000
52 Week high / low	INR 339/194

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	18.5	12.5	58.7
Relative (%)	17.5	19.7	64.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	66.0	66.0
FIs & Local MFs	14.9	14.9
FPIs	7.6	7.7
Public & Others	11.5	11.4

Pledged Shares - -

Source: BSE

Pledged shares as % of total shares

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AU Small Finance Bank

Funding costs inching up as 'unsecured' normalizes

AUBANK's Q1FY27 earnings marginally beat our estimates as healthy growth on both sides of the balance sheet, coupled with stable funding costs during the quarter (-1bps QoQ) cushioned core earnings. Portfolio delinquencies were up 30bps sequentially at 2.3% (GNPA at 2.1%). Growth in gross advances (+23% YoY) was led by secured retail and commercial assets (+25% YoY). Deposit growth (+24% YoY) was healthy, led by strong traction in CA balances, leading to sequential improvement in CASA ratio at 28.8% (+35bps QoQ). Asset quality improved as incremental slippages declined 22% YoY, driven by normalization of the unsecured book. With the loan deposit ratio stubborn at 88% and higher cost of incremental funds, we expect margins (Q1FY27: 5.9%) to be under check. We maintain REDUCE with a TP of INR850 (2.4x Mar-28 ABVPS).

- **Healthy growth coupled with stable margins:** Loan growth was dominated by wheels (+28% YoY), gold loan (+130% YoY), and commercial banking (+34% YoY). Unsecured businesses (MFI, CC and PL) grew 11% YoY on the back of strong disbursement (+42% YoY), benefitting from rising contribution of newer geographies. Our forecasts build ~23% loan CAGR over FY26-28E, lower than management guidance (2-2.5x of nominal GDP). NIMs expanded to 5.9% (Q1FY26: 5.4%) - however, with the loan deposit ratio stubborn at 88%, the bank has upped its SA deposit pricing and TD pricing in recent times, which is likely to keep NIMs under check.
- **Moderation of stress in unsecured segments:** Slippages declined 22% YoY to INR7.98bn; however, credit costs were up +38% QoQ, including an additional one-time provision of INR230mn on account of alignment of provisioning policy across unsecured businesses (MFI, PL/BL), two-wheeler and EEFI segments. Credit costs (incl. CGFMU premium) improved to 0.8% (Q1FY26: 1.4%), led by normalization in unsecured segments and supported by stable trends in secured segments (wheels and mortgage-backed loans). However, we expect credit costs to average 1.2% over FY27-28E (30bps higher than the bank's guidance), as we factor in the likely impact of geopolitical risks.
- **Priced to perfection:** While AUBANK has invested in AI-based underwriting (12-13% of operation expenses), we believe that productivity gains from tech remain distant and a key monitorable. While we acknowledge AUBANK's core strengths in its home territory and secured segments, we believe that the bank is likely to face a medium-term challenge, replicating these moats into newer geographies and unsecured segments. We build in a steady-state 1.6% RoA for FY27E/FY28E against the management guidance of 1.8% RoA.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	27.0	20.4	31.8%	25.8	4.4%	91.1	116.3	140.3
PPOP	14.4	13.1	9.4%	13.5	6.2%	50.9	65.0	79.4
PAT	8.0	5.8	37.0%	8.3	-4.3%	26.4	33.4	41.8
EPS (INR)	10.5	7.8	34.7%	11.0	-4.5%	35.5	44.8	56.2
ROAE (%)						14.2	15.4	16.5
ROAA (%)						1.5	1.6	1.6
ABVPS (INR)						255.0	296.2	347.2
P/ABV (x)						3.9	3.4	2.9
P/E (x)						28.3	22.4	17.9

Source: Company, HSIE Research

REDUCE

CMP (as on 27 Jul 2026) INR 1,052

Target Price INR 850

NIFTY 23,996

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR850	INR850
	FY26E	FY27E
EPS %	-	-

KEY STOCK DATA

Bloomberg code	AUBANK IN
No. of Shares (mn)	750
MCap (INR bn) / (\$ mn)	789/8,223
6m avg traded value (INR mn)	2,523
52 Week high / low	INR 1,090/682

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.9	9.2	43.5
Relative (%)	1.5	15.3	49.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	22.8	22.7
FIs & Local MFs	31.3	32.8
FPIs	37.3	36.0
Public & Others	8.7	8.5
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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ICICI Prudential Life Insurance Company

Significant VNB margin expansion offsets modest topline growth

ICICI Prudential Life's (IPRU) Q1FY27 APE grew 15%YoY, while absolute VNB swelled by 25% QoQ, significantly beating our estimates. VNB margins clocked in at an impressive 26.7%, the first time the company has clocked these margins since FY24. The strong absolute VNB and margin was primarily attributable to the protection business, which witnessed a staggering 600bps YoY increase in the product mix at 27.9%, helped by the GST cut during Sep-25. We maintain our APE growth estimates for FY27E/FY28E at 6%/12% and build in absolute VNB growth at 10%/13%, given the strategic shift and change in the company's product mix. We maintain ADD with a TP of INR605 (1.3x Mar-28E EV).

- **Favourable product-mix strategy:** A favourable shift in the product mix, led by the share of protection business rising to 27.9% (Q1FY26: 21.9%), and the share of ULIP's moderating 330 bps YoY to 43.5%, drove sequential NOP growth of 18.3%, highest amongst the company's peers. Coupled with robust retail protection business momentum following GST rate rationalization, this led to an impressive 220bps YoY expansion in VNB margins to 26.7%.
- **Cost structure still intact for the insurer:** IPRU has been known for its cost-efficient model; however, the company witnessed a marginal increase in its cost metrics as cost/total premium inched up 60bps to 21.8% (Q1FY26: 21.2%). This was arguably due to increase in the protection business and reduction in the share of the cost-efficient ULIP business in the product mix.
- **Sustaining "proprietary-channel" performance key to growth:** IPRU has witnessed significant shifts in business strategy, product mix, and financial reporting over the past three years, the cumulative effect of which has weighed on topline growth, VNB margins, and embedded value, with RoEV stuck in low double-digits due to negative variances and assumption changes. While the proprietary channels contributed ~30% to the APE on a QoQ basis, sustaining this performance remains key to growth outcomes.

Financial summary

INR bn	Q1FY27	Q1FY26	% YoY	FY26	FY27E	FY28E
NB	48.7	40.1	21.3	248.1	271.2	300.2
APE	21.4	18.6	14.6	106.4	112.7	125.9
VNB	5.7	4.6	24.9	26.3	28.9	32.6
VNB margin (%)	26.7%	24.5%	222bps	24.7%	25.7%	25.9%
EV				529.8	604.9	681.3
P/EV (x)				1.4	1.2	1.1
P/VNB (x)				28.8	26.1	23.2
ROEV (%)				11.9	12.9	12.8

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% Δ	New	Old	% Δ
APE	112.7	112.7	-	125.9	125.9	-
VNB	28.9	28.1	2.8	32.6	31.7	2.8
VNB margin (%)	25.7%	25.0%	70bps	25.9%	25.1%	71bps
EV	604.9	604.1	0.1	681.3	679.6	0.3

Source: Company, HSIE Research

ADD

CMP (as on 15 Jul 2026)	INR 525
Target Price	INR 605
NIFTY	24,079

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR595	INR605
	FY27E	FY28E
VNB	0.7%	0.7%

KEY STOCK DATA

Bloomberg code	IPRU IN
No. of Shares (mn)	1,451
MCap (INR bn) / (\$ mn)	762/7,915
6m avg traded value (INR mn)	938
52 Week high / low	INR 707/460

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.4)	(21.5)	(21.6)
Relative (%)	(5.2)	(14.1)	(15.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	72.9	72.9
FIs & Local MFs	11.1	11.1
FPIs	10.9	10.9
Public & Others	5.2	5.2
Pledged Shares	Nil	Nil

Source : BSE

Pledged shares as % of total shares

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PB Fintech

Operating leverage at play; right-to-win intact

PBFINTECH posted 40% YoY growth in its core operating revenue, driven by strong traction in the flagship Policybazaar business (+46% YoY), and partly supported by the Paisabazaar business (25% YoY). PAT grew by 92% YoY (INR 1.63bn), assisted by an improvement in cost-to-income ratio to 95.3% (Q1FY26: 100.6%), which we expect will sustain for FY27. The renewals business is continuously inching higher to an all-time high of INR10bn, on a rolling 12-month basis. Policybazaar, the company's flagship platform, offers insurers a data-rich, efficient channel with measurable outcomes, which has singularly reshaped India's insurance distribution landscape by solving critical industry-wide challenges (high CACs and poor lead conversion). Regulatory headwinds from Bima Sugam notwithstanding, PBFINTECH is firmly positioned as the undisputed platform of choice, given its strong growth runway and a sustainable Right-to-Win. We remain constructive on PBFINTECH's ability to deliver nonlinear profitability, underpinned by its robust revenue expansion and a sharply improving cost curve (operating leverage). Our estimates factor in a 27%/56% revenue/PAT CAGR over FY27–28E, supported by Policybazaar's differentiated right-to-win and the unlocking operating leverage. We maintain BUY with a TP of INR2,180 (implying 61x FY28 EPS).

- **Flagship business sustains momentum:** Revenue beat our expectations, given strong traction in the health and term business, which remains the key focus area for PBFINTECH. New initiatives also delivered an uptick, as witnessed by the POSP channel, which is now being expanded with a granular focus. Insurance yields surprisingly clocked in at 20.6% (+270bps YoY), which we feel should remain at these levels for FY27, given the higher base during H2FY26.
- **Policybazaar's Right-to-Win Reaping Rewards:** Policybazaar continues to reinforce its Right-to-Win through hyperscale, high-quality customer acquisition (90%+ CSAT), an integrated physical-digital footprint across 250+ cities, and an advanced AI engine that processes over 2mn calls daily. The renewal revenue flywheel has emerged a key profit driver, with insurance renewal ARR reaching INR10bn (+38% YoY), materially improving the visibility on operating leverage and long-term earnings compounding.
- **Well positioned to absorb adverse regulatory action on commissions:** While media reports suggest a possible commission rationalization across insurance distributors, we draw comfort from Policybazaar's demonstrated resilience during the recent commission squeeze, following GST rationalization on health and life insurance products. The management underscored the superior quality of business sourced through the platform - translating into profitable outcomes for insurers, which we believe positions Policybazaar well to absorb the adverse impact of any regulatory action on commission.

Financial summary

(INR bn)	Q1FY27	Q1FY26	YoY%	Q4FY26	FY26	FY27E	FY28E
Revenues	18.9	13.5	40.1	20.6	68	87	110
Operating profits	1.4	0.3	305	2.2	5.1	11.4	18.4
OP margin (%)	7%	3%	500bps	11%	7%	13%	17%
APAT	1.6	0.8	92.4	2.6	6.7	10.9	16.4
EPS	3.5	1.9	90.8	5.7	14.6	23.8	35.7
P/E (x)					111	68	45.4

Source: Company, HSIE Research

BUY

CMP (as on 05 Aug 2026)	INR1,630
Target Price	INR2,180
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR2,180	INR2,180
EPS %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	POLICYBZ IN
No. of Shares (mn)	463
MCap (INR bn) / (\$ mn)	754/7,928
6m avg traded value (INR mn)	3,714
52 Week high / low	INR 1,974/1,334

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.0)	5.0	(6.8)
Relative (%)	(5.0)	10.7	(4.1)

SHAREHOLDING PATTERN (%)

	Mar-26	June-26
Promoters	0.0	0.0
FIs & Local MFs	36.7	40.42
FPIs	39.9	37.30
Public & Others	23.3	22.28
Pledged Shares	Nil	Nil

Source : BSE

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Bank of Maharashtra

Moats to sustain outperformance; but upside capped

Bank of Maharashtra (BOMH) reported a mixed performance with strong loan growth (+27% YoY; +5% YoY) offset by NIM compression (-12bps QoQ), while credit costs remained at ~1%. Deposit growth (+14% YoY; -0.7% QoQ) was soft, driving C/D ratio to 88% (Mar-26: 82%). While CASA ratio moderated sharply sequentially (CA: 11.1%; SA: 37.3%), BOMH remains a superior deposit franchise, stemming from sticky and sizeable state and public account balances, translating into healthy NIMs (3.79%). The management has indicated limited impact of farm loan waivers in Maharashtra and transition to ECL norms. Profitability remained best-in-class with RoA/RoE at 1.9%/23.5%, led by strong NIMs, improving operating efficiency, and lower tax rate. We reiterate BUY, with an unchanged RI-based TP of INR90 (implying 1.5x Mar-28 ABVPS).

- **Operating efficiency and other income offset NIM pressure:** NIMs declined 12bps QoQ due to simultaneous decline in yields (-15bps QoQ) and higher cost of funds (+6bps QoQ). However, improving operating efficiencies (C/I: 35%; opex-to-assets: 1.6%) on the back of optimization measures, and emphasis on branch-level profitability, along with higher other income (+25% YoY), drove strong profitability. Effective tax rate remained subdued at 11.3% and is likely to be at ~16-17% on a sustainable basis.
- **Strong loan growth; management upbeat about outlook:** Loan growth (+27% YoY) was balanced across home loans (+29% YoY), agri (+29% YoY), MSME (+23% YoY) and overseas loan book (2.6% of loan book), with a healthy uptick in domestic corporate loans (+21% YoY). While C/D ratio has zoomed, the management remains upbeat about refinancing to fund loan growth, even as the bank is awaiting government approval for an INR50bn equity raise.
- **Asset quality in line; medium-term headwinds:** Net slippages witnessed an uptick (0.9%) in a seasonally weak quarter. However, credit costs remained steady at ~1% (PCR: 91%) with the stressed portfolio at 12bps (Mar-26: 10bps). The management has indicated limited impact of farm loan waivers (eligible portfolio at INR35bn; 1.2% of loans) with adequate provisions for expected losses on this portfolio. Further, incremental ECL provisioning of INR25bn is expected to be routed through the balance sheet over FY28-FY31, leading to limited P&L impact. We factor in credit costs of ~1.1% during FY27-FY28E as we expect higher slippages from agri and MSME portfolio.
- **Competitive moats to sustain strong profitability; upside capped:** With a dominant liability franchise in its home state (strategically expanding to other states), formidable provisioning buffer, and high core profitability, we expect BOMH to sustainably deliver RoAs at 1.5%, while maintaining a high-growth trajectory. However, current valuations (1.4x Mar-28 ABVPS) cap the upside.

Financial summary (Standalone)

(INR bn)	Q1FY27	Q1FY26	YoY(%)	Q4FY26	QoQ(%)	FY26	FY27E	FY28E
NII	37.7	32.9	14.5%	37.0	1.8%	136.6	165.9	191.3
PPOP	31.2	25.7	21.3%	29.5	5.8%	108.3	130.6	146.5
PAT	20.2	15.9	26.8%	20.1	0.3%	70.2	74.7	80.3
EPS (INR)	2.6	2.1	27.1%	2.6	0.4%	9.1	9.7	10.4
ROAE (%)						22.8	20.6	18.7
ROAA (%)						1.8	1.6	1.5
ABVPS (INR)						41.8	49.7	58.4
P/ABV (x)						2.0	1.7	1.4
P/E (x)						9.2	8.7	8.1

Source: Company, HSIE Research

BUY

CMP (as on 10 Jul 2026)	INR 84
Target Price	INR 90
NIFTY	24,207

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR90	INR90
	FY27E	FY28E
EPS %	+0%	+0%

KEY STOCK DATA

Bloomberg code	BOMH IN
No. of Shares (mn)	7,692
MCap (INR bn) / (\$ mn)	648/6,793
6m avg traded value (INR mn)	1,738
52 Week high / low	INR 95/52

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	19.4	34.8	48.8
Relative (%)	19.3	42.0	55.6

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	73.6	73.6
FIs & Local MFs	13.5	13.9
FPIs	4.9	5.6
Public & Others	8.0	6.9
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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General Insurance Corporation

Softer Q1FY27; likely headwinds in FY27E

General Insurance Corporation (GICRE) reported a 2% decline in net earned premium (NEP), materially missing our topline estimates amid intensified competition. PAT clocked in at INR17.4 bn (-29% YoY), driven by an elevated claims ratio (87.9%) and the COR at 107.4% (365bps YoY deterioration). GICRE, India's leading re-insurer with domestic market share at 52%, benefits from the 4% mandatory re-insurance cessation, and right-of-first refusal (ROFR), which offers preferential access to domestic re-insurance placements. Armed with the rating upgrade to A-, we are more constructive on GICRE's overseas business, given enhanced qualifying criteria for participation in the re-insurance market. We flag the inherent risk to GICRE's topline from potential end of obligatory cessation, and moderation in domestic market share on account of rising competition from foreign re-insurer branches (FRBs), cross-border re-insurers, and insurers' risk retention strategy. We expect 5% NEP/PAT CAGR over FY26-28E, given signs of softness in property premia and sustainable float income from the investment book (INR1.5tn). Our earnings forecasts have undergone minor changes as we factor in FY26 annual report disclosures. We maintain ADD with a TP of INR500 (0.8x Mar-28 BV).

- **Change in product mix:** Overall NEP declined 2% as competitive intensity from FRBs weighed on commercial pricing. GICRE proactively realigned its business mix, driving a 500-bps uplift in the health segment to 25% of GWP, providing a buffer against fire portfolio softness seen during the quarter. The life segment also gained traction (10% mix contribution), supporting GICRE's strategic diversification efforts.
- **Ratings upgrade yet to provide overseas scale benefits:** GICRE secured a rating upgrade to A-, which under normal market conditions, would have materially enhanced its competitiveness in global reinsurance markets. However, persistent global volatility and uncertainty from the Middle East conflict, have tempered the anticipated uplift, with the pricing environment too soft for GICRE to aggressively deploy reinsurance capacity. Despite these headwinds, we build overseas premium contribution to rise to ~28% by FY28E (FY26: 25%), supported by gradual normalization in risk appetite.
- **Overhang from potential end to obligatory cessation:** With the Indian re-insurance market maturing, grant of approval to domestic re-insurer Value attics, and the increasing presence of global re-insurers such as Swiss Re and Munich Re, the industry has been lobbying for an end to the obligatory cessation. Our analysis suggests a 15-20% adverse knock to GICRE's domestic premium, in case the IRDAI removes the 4% mandatory cessation.

Financial summary

(INR bn)	1QFY27	1QFY26	% chg	4QFY26	FY26	FY27E	FY28E
Net earned premium	110.9	112.7	-1.6	99.1	397.4	410.0	438.7
Combined ratio (%)	107.4	103.8	365bps	98.4	105.1	104.9	104.6
APAT	19.0	26.7	-28.8	27.7	104.0	99.2	112.6
AEPS	10.9	15.2	-28.8	15.8	59.3	56.6	64.2
ABVPS					476.1	584.8	662.3
P/E (x)					6.4	6.7	5.8
P/ABV (x)					0.7	0.61	0.53
ROE (%)					12.8	10.7	10.3

Source: Company, HSIE Research

ADD

CMP (as on 17 Aug 2026)	INR 356
Target Price	INR 500
NIFTY	24,288

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR500	INR 500
EPS%	FY27E	FY28E
	-1.9%	-1.9%

KEY STOCK DATA

Bloomberg code	GICRE IN
No. of Shares (mn)	1,754
MCap (INR bn) / (\$ mn)	624/6,523
6m avg traded value (INR mn)	313
52 Week high / low	INR 418/347

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.2)	(8.7)	(8.0)
Relative (%)	(11.6)	(1.8)	(4.4)

SHAREHOLDING PATTERN (%)

	Mar-26	June-26
Promoters	82.4	77.4
FIs & Local MFs	13.5	17.73
FPIs	2.05	2.43
Public & Others	2.0	2.45
Pledged Shares	Nil	Nil

Source: BSE

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SBI Cards and Payment Services

Improving asset quality; growth challenges ahead

SBI Cards (SBICARD) reported a mixed operating performance with improving credit costs offset by margin compression and muted loan growth. SBICARD seems to have finally turned the corner on asset quality after several quarters with reduction in gross credit costs to 6.6% (FY26: 8.8%). Further, new card acquisitions gained traction (+17% YoY/12% QoQ) driving CIF growth marginally up to 7% YoY. However, muted receivables growth (+3% YoY), along with adverse portfolio mix and headwinds on fee income pools (instance-based fees etc.), continues to exert pressure on profitability. We reiterate these sustained headwinds to the profit pool and structurally lower RoE compared to pre-pandemic levels and maintain REDUCE with an unchanged RI-based TP of INR 625 (implying 2.9x Mar-28 ABVPS; 17x FY28E EPS).

- **Muted PPOP growth; credit cost saves the day:** NIM (reported) declined QoQ by 30bps to 10.8%, driven by sustained lower share of revolve (22%) and instalment loans (33%) and inching up of cost of funds (by 10bps). Fee income remained under pressure (unit instance-based fees down by 18% YoY; unit subscription fee down by 3% YoY), while opex increased sharply partly driven by higher corporate spends. C/I ratio is expected to be in the range of 56-58%, as per management.
- **Gaining market share in spends, CIF market share steady:** SBICARD increased its pace of new account additions (+17% YoY) and is likely to maintain the current run rate, leading to CIF market share stabilizing at 18.6% (Q1FY26: 19.1%). Spends market share continued to inch upward to 19.7% (Q1FY26: 16.7%), driven by corporate spends (+125% YoY; 20.6% of total spends), and healthy growth in unit retail spends (+7.3% YoY). However, receivables growth remained muted (+3% YoY) with decline in unit receivables (-3% YoY) as the share of interest-bearing loans remains subdued (55%) compared to historical trends.
- **Asset quality woes seem largely behind:** Gross credit costs declined to 6.6% vs. 7.7% in Q4FY26 and 9.6% in Q1FY26 (write-offs at 7%). However, the credit cost included utilization of INR 1.8bn of management overlay (as part of annual refresh of ECL model). With GS-III/NS III at 2.04%/0.83% and calibrated sourcing over the last several quarters, credit cost is likely to remain range-bound. We factor in average credit costs of 7.1% during FY27-28E.
- **Improving profitability; growth concerns remain:** SBICARD's profitability improved QoQ (RoA/RoE of 3.9%/16.5%). The profitability has been adversely impacted by multiple headwinds like subdued revolving mix, regulatory headwinds on fee income, and high delinquencies. While credit costs have largely normalized, structural issues around several profit pools are likely to keep profitability lower compared to pre-pandemic levels (RoA of 4-4.5%). Further, CIF/receivables growth is likely to remain relatively subdued at sub-15% over FY27-FY28E. To that extent, current valuation (3.0x Mar-28 ABVPS) provides limited margin of safety.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	16.8	16.8	(0.3)	16.7	0.5	68.3	71.8	81.0
PPOP	18.4	21.0	(12.3)	19.1	(3.8)	78.8	82.1	93.5
PAT	6.6	5.6	19.5	6.1	9.0	21.7	28.7	34.8
EPS (INR)	7.0	5.8	19.5	6.4	9.1	22.8	30.2	36.6
ROAE (%)						14.7%	16.9%	17.5%
ROAA (%)						3.3%	4.2%	4.5%
ABVPS (INR)						159.2	187.1	218.2
P/ABV (x)						4.1	3.4	3.0
P/E (x)						28.3	21.4	17.6

Source: Company, HSIE Research

REDUCE

CMP (as on 28 Jul 2026)	INR 655
Target Price	INR 625
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 625	INR 625
	FY27E	FY28E
EPS %	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	SBICARD IN
No. of Shares (mn)	952
MCap (INR bn) / (\$ mn)	623/6,501
6m avg traded value (INR mn)	1,061
52 Week high / low	INR 965/565

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.2	(16.3)	(21.8)
Relative (%)	1.3	(9.5)	(16.7)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	68.9	68.9
FIs & Local MFs	18.1	18.1
FPIs	9.5	9.0
Public & Others	3.4	4.0
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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RBL Bank

Equity infusion done; profitability challenges remain

RBL Bank (RBK) reported a mixed operating performance, with strong loan growth (+23% YoY) offset by muted profitability metrics. The equity infusion by Emirates NBD Bank was completed during Q1FY27, while the amalgamation of the three NBD branches is awaiting regulatory approvals. Deposit growth slowed down significantly to 11% YoY (-10% QoQ) and is likely to remain subdued with the anticipated run-down of high-cost borrowings and bulk deposits. NIMs moderated 28bps QoQ, driven by a higher share of wholesale loans and higher cost of funds, but is likely to improve by 30-40bps, thanks to the effect of equity infusion. While RBK is now flush with equity capital, we argue that the handicaps of sub-par deposit franchise, lack of competitive moats on the asset side, and persistently high opex ratios are likely to dominate any potential upsides from the deal. We maintain REDUCE with an unchanged RI-based TP of INR290 (0.9x Mar-28 ABVPS).

- **Strong loan growth; muted NIMs:** Loan growth was led by corporate loans (+39% YoY), while retail loan growth was muted, led by housing (+6% YoY) and credit cards (-3% YoY). NIMs dropped 28bps sequentially to 4.1%, due to adverse loan mix, lagged impact of rate cut, and QoQ drop in CASA ratio.
- **Pivots to check NIMs:** Post equity infusion, RBK chose to run down high-cost liabilities of ~INR100bn and is guiding for a similar rundown during the next couple of quarters, helping shore up NIMs by ~30-40bps, as per the management. On the back of its excess capital, RBK is likely to follow a near-term calibrated approach in deposit mobilization, with higher focus on FCNR deposits during Q2FY27. However, the pivot towards secured loans and reducing share of credit cards and MFI in the loan mix is likely to test NIMs. We build in ~25% loan CAGR for FY26-28E with higher share of secured loans.
- **Credit card woes continue; MFI improving:** Gross slippages (3.3% vs. Q4FY26: 3.4%) and credit costs (2.1% vs. Q4FY26: 2.5%) remained elevated, predominantly driven by credit card segment (credit costs: ~12% annualized). The management has guided for credit costs in credit cards to remain elevated in Q2FY27, with normalization from Q3FY27 onwards. MFI portfolio grew 26% YoY, led by moderation in slippages (~3%) over the past two quarters.
- **Large equity capital in place; albeit challenges galore in execution:** RBK is faced with multiple structural handicaps - sub-par deposit franchise (low-cost deposits, granularity of deposits, etc.), limited profit pools on the asset side and cyclical stress in the retail unsecured portfolios. While equity infusion provides some tailwinds such as credit rating upgrade (to AAA) etc., the path to healthy profitability (double-digit RoE) is likely to remain an arduous task over the medium-term.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E
NII	16.5	14.8	11.7%	16.7	-1.0%	63.6	88.7	113.2
PPOP	9.2	7.0	31.3%	9.6	-3.4%	33.0	48.0	60.1
PAT	2.5	2.0	26.6%	2.3	10.4%	8.2	18.6	25.3
EPS (INR)	3.3	3.3	1.2%	3.7	-10.5%	13.5	11.2	15.3
ROAE (%)						5.1	5.5	4.9
ROAA (%)						0.5	0.9	1.0
ABVPS (INR)						265.9	303.7	317.4
P/ABV (x)						1.4	1.2	1.2
P/E (x)						27.2	32.8	24.0

Source: Company, HSIE Research

REDUCE

CMP (as on 17 Jul 2026)	INR 368
Target Price	INR 290
NIFTY	24,334

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR290	INR290
EPS %	FY27E	FY28E
	+0.0%	+0.0%

KEY STOCK DATA

Bloomberg code	RBK IN
No. of Shares (mn)	1,550
MCap (INR bn) / (\$ mn)	571/5,929
6m avg traded value (INR mn)	2,100
52 Week high / low	INR 382/243

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.7	13.4	37.2
Relative (%)	17.1	19.9	42.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.0	60.0
FIs & Local MFs	43.3	17.1
FPIs	20.2	8.8
Public & Others	36.4	14.2
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Sundaram Finance

Mixed core performance

Sundaram Finance's (SUF) Q1FY27 earnings were below our estimates, largely due to moderation in NIM and lower other income. Business momentum remained strong with disbursement growth of 22% YoY, although driven by non-vehicle segments (vehicle segments up by 8% YoY). SUF's product/geographic diversification strategy, along with industry tailwinds, had aided in driving healthy AUM/disbursements CAGR of 19%/25% over FY22-FY26, along with robust profitability. We expect SUF to maintain its market share in core CV segments, along with gradual product diversification. Asset quality deteriorated in a seasonally weak quarter, with improvement in credit costs on a YoY basis. However, global uncertainties could provide a downside risk to our AUM and credit costs estimates over FY27-FY28E. We maintain ADD with an unchanged SoTP-based TP of INR4,835 (standalone entity at 3.3x Mar-28 ABVPS; 16% discount to CIFIC).

- **NIM compression, lower other income drives muted PPOP growth:** NIM (calculated) declined to 4.4% (-13bps QoQ), driven by compression in yields and marginal uptick in cost of funds (by 4bps QoQ). SUF's cost of funds (~7%) remains best-in-class, driven by strong credit rating and proactive liabilities management. Opex ratios remained steady (opex to AUM at 2.14%; C/I at 29.3%) amidst distribution expansion (~74 net new branches added in last 4 quarters). SUF reported a strong core RoE of 18.2% in Q1 (Q1FY26: 15.3%).
- **Strong disbursements growth, driven by non-vehicle segments:** SUF's loan growth improved marginally to +16.9% YoY, with cars/CE/commercial lending and others growing by 16.9%/14.7%/44% YoY, while CV segment grew by 10.2% YoY. Disbursement growth was mainly led by commercial lending and others segment (+228.9% YoY), contributing to 21.5% of disbursements (Q1FY26: 11.3%; FY26: 15.3%). Disbursements in CV segment grew by 2% YoY, indicating loss of market share as industry CV sales volumes remained robust in Q1.
- **Improving trends in credit costs:** GS-III/NS-III deteriorated QoQ to 1.7%/0.9% (Q4FY26: 1.4%/0.7%), driving credit costs of 71bps (annualized) vs 55bps in Q4FY26 (Q1FY26: 1.2%). SUF's credit costs are likely to improve in FY27 (FY26: 85bps), driven by improving credit environment. While fuel price inflation has been lower than expectations, sustained global uncertainties remain a key monitorable.
- **Muted performance by subsidiaries:** SHUF's AUM growth continued to moderate to 13% YoY (FY26: 24% YoY), although RoE improved to 14.5%. The AMC entity's AUM growth remained muted at 12% YoY. The general insurance entity continued to grapple with high COR (116%), with muted growth in GWP (+7% YoY). While SUF remains a robust franchise, delivering strong profitability (core RoE of ~18.4% for FY26) and maintaining pristine asset quality (cross-cycle credit costs of ~50bps), current valuation (~3.3x Mar-28 ABVPS) provides little margin of safety.

Financial summary (Standalone)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	7.9	6.8	16.6	7.8	0.9	29.3	32.5	38.3
PPOP	7.9	7.2	9.9	8.5	(7.3)	28.3	31.5	36.8
PAT	5.2	4.3	21.7	6.1	(14.3)	18.3	20.8	24.4
EPS (INR)	47.0	38.6	21.7	54.8	(14.3)	165.1	187.5	219.2
ROAE (%)						15.4	15.4	16.0
ROAA (%)						2.9	2.9	2.9
ABVPS (INR)						927	1,051	1,206
P/ABV (x)						4.3	3.8	3.3
P/E (x)						24.0	21.1	18.1

Source: Company, HSIE Research

ADD

CMP (as on 3 Aug 2026) INR 4,829

Target Price INR 4,835

NIFTY 24,774

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4835	INR 4835
EPS %	FY27E	FY28E
	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	SUF IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	536/5,627
6m avg traded value (INR mn)	387
52 Week high / low	INR 5,642/4,000

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.5	(10.1)	5.7
Relative (%)	4.2	(4.0)	8.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	37.2	37.2
FIs & Local MFs	7.7	8.0
FPIs	22.8	22.4
Public & Others	32.3	32.4
Pledged Shares	0.0	0.0

Source: Company

Pledged shares as % of total shares

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Max Financial Services

Margins expand thanks to yield curve movement

Axis Max Life Insurance (AMLI) reported a robust YoY APE/VNB growth of +15%/33%, as VNB margins clocked in at 23.2% (+310bps YoY), ahead of our estimates. According to the management, about 30% of the VNB gains was on account of favorable shift in product mix and the residual 70% was attributable to changes in the yield curve. Growth in retail business was led by strong traction in number of policies (+13% YoY), as annuity products witnessed the sharpest jump (+116% YoY), thanks to newer product launches and a softer base effect (Q1FY26). AMLI has guided for higher growth in absolute VNB than the growth in APE, supported by improving cost efficiencies and enhanced product mix, towards stronger growth in protection-based products. AMLI sustained growth (+44% YoY) in health and protection business amid its relentless focus on rider attachment (rider APE grew at 57%). We build 16/18% CAGR in APE/VNB over FY26-28E; maintain ADD with TP of INR1,765 (implied 2x Mar-28E EV prior to 10% hold-co discount; 10% discount to SBILIFE).

- **Enroute to becoming the third largest amongst private sector peers:** AMLI extended its IRNB outperformance, sustaining a 200bps lead over its peers. Channel performance remained well balanced: non-AXSB banca partnerships delivered a robust +21% YoY growth, as the proprietary channel witnessed +15% YoY growth, and the AXSB channel exhibited early recovery with +14% YoY growth as the management highlighted room for further acceleration on a benign base. Given AMLI's steady market share gains and superior IRNB trajectory, we expect the company to challenge TATAAIA during FY27-28E and secure the #3 position among private sector life insurers.
- **Sustained momentum in retail protection growth:** AMLI continued to increase its mix of protection business at 16.7% of individual APE (Q1FY26: 13.3%), with its relentless focus on pure protection and rider APE growth (+57% YoY). The annuity bucket grew to 13.1% (+600bps as % of individual APE) during Q1FY27, as AMLI doubled down on margin-accretive products. As the mix of protection business grows in proprietary channels, we expect the share of term insurance to average mid-to-high teens over FY27E-FY28E.
- **Yield curve drives VNB margin improvement:** AMLI delivered a ~300bps expansion in VNB margin to 23.2% (Q1FY26: 20.1%), largely neutralizing the GST drag as ~70% of the improvement stemmed from favorable movement in the yield curve, while the balance 30% was attributable to margin-accretive protection mix. With the yield curve explaining a bulk of the VNB margin expansion, we maintain our FY27E/FY28E margin estimates of 25.7%/26.1%.

Financial summary

(INR bn)	Q1FY27	Q1FY26	% chg	Q4FY26	FY26	FY27E	FY28E
APE	19.2	16.7	15.2	35.9	105.0	121.7	142.3
VNB	4.5	3.4	33.1	10.1	26.5	31.3	37.1
VNB Margin (%)	23.2%	20.1%	310bps	28.2%	25.2%	25.7%	26.1%
EV					288.7	350.2	415.4
P/EV (x)					2.5	2.0	1.7
P/VNB (x)					27.1	22.9	19.3
ROEV (%)					17.5	18.8	18.6

Source: Company, HSIE Research

ADD

CMP (as on 13 Aug 2026)	INR 1,512
Target Price	INR 1,765
NIFTY	24,396

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,765	INR 1,765
VNB %	FY27E -Nil	FY28E Nil

KEY STOCK DATA

Bloomberg code	MAXF IN
No. of Shares (mn)	345
MCap (INR bn) / (\$ mn)	522/5,469
6m avg traded value (INR mn)	1,387
52 Week high / low	INR 1,893/1,408

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.4)	(17.1)	(4.8)
Relative (%)	(10.0)	(11.6)	(1.7)

SHAREHOLDING PATTERN (%)

	Mar26	Jun-26
Promoters	1.25	1.25
FIs & Local MFs	44.75	44.34
FPIs	47.88	48.06
Public & Others	6.12	6.35
Pledged Shares	Nil	Nil

Source: BSE

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Piramal Finance

Another steady quarter; limited margin of safety

Piramal Finance (PIRAMALF) reported a steady set of results, driven by strong loan growth (+25% YoY), reflatting NIM and improving operating efficiency, partly offset by higher credit costs. Growth portfolio (retail + wholesale 2.0) sustained the growth momentum (+32% YoY) with steady reduction in legacy (wholesale 1.0) portfolio. PIRAMALF is poised to deliver ~2%+ ROA during FY27-FY28E on the back of consistent execution in "Growth" portfolio - reflecting in strong loan growth, operating efficiency and steady asset quality, and diminishing legacy portfolio (~2% of AUM). However, sub-par leverage (D/E at 2.8x) is likely to keep RoEs sub-10% till FY28E. While the expected equity capital raise is likely to augment growth capital, current valuation (1.6x Mar-28 ABVPS) for sub-par profitability leaves limited margin of safety. We maintain ADD with a revised RI-based TP of INR1,960 (implying 1.4x Mar-28 ABVPS) incorporating equity capital infusion of INR 30bn in FY27E.

- **Healthy loan growth; strong P&L outcomes:** NIM (calculated) reflat by 10bps QoQ to 5%, driven by reduction in cost of funds and is likely to reflate further, led by reducing cost of funds with credit rating upgrade and increasing share of unsecured retail loans. Operating efficiency improved further sequentially (opex-to-AUM at 3.43%; C/I ratio at 53%), led by improving branch/employee productivity. Strong loan growth was driven by unsecured retail, LAP and CMML portfolio.
- **Asset quality remains broadly stable:** GS-III/NS-III declined to 2.3%/1.6% (Q4FY26: 2.2%/1.6%) with GS II at 2.5% (Q4FY26: 1.7%). "Wholesale 1.0" declined to 2.3% of AUM with PCR at 16.4%, while credit costs of "Growth" portfolio increased marginally to 1.6% of AUM (Q4FY26: 1.5%). As per management, there is some visible stress in salaried PL, particularly from IT sector, while the impact of West Asia crisis is yet to be seen. We factor in credit costs of ~1.5% during FY27-FY28E.
- **Consistent improvement in operating metrics; valuation becoming a concern:** PIRAMALF has delivered consistent improvement in operating performance over the last five quarters, which is likely to sustain in the near term. However, low leverage (D/E at 2.8x) is likely to keep the RoE subdued at sub-10% until FY28E. Further, sharp re-rating over the last twelve months and current valuation (1.6x Mar-28 ABVPS) provide limited margin of safety.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	13.5	9.0	49.9	12.4	8.9	42.4	56.5	69.1
PPOP	8.0	3.9	107.5	3.4	137.7	16.6	38.6	46.6
PAT	4.6	2.8	66.8	5.0	(8.1)	15.0	25.7	33.0
EPS (INR)	20.3	12.1	67.1	22.0	(7.9)	66.5	106.9	137.0
ROAE (%)						5.4	8.5	9.7
ROAA (%)						1.5	2.1	2.1
ABVPS (INR)						1,178	1,293	1,403
P/ABV (x)						1.9	1.7	1.6
P/E (x)						32.9	20.5	16.0

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	1,243	1,243	0.0%	1,509	1,509	0.0%
NIM (%)	4.7	4.8	10 bps	4.6	4.8	18 bps
NII	55.4	56.5	2.0%	66.6	69.1	3.6%
PPOP	37.5	38.6	3.0%	44.2	46.6	5.5%
PAT	24.6	25.7	4.5%	30.6	33.0	7.9%
ABVPS (INR)	1,274.7	1,292.9	1.4%	1,382.6	1,403.4	1.5%

Source: Company, HSIE Research

ADD

CMP (as on 16 Jul 2026)	INR 2,187
Target Price	INR 1,960
NIFTY	24,073

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,765	INR1960
EPS %	FY27E	FY28E
	-1.8%	1.4%

KEY STOCK DATA

Bloomberg code	PIRAMALF IN
No. of Shares (mn)	227
MCap (INR bn) / (\$ mn)	496/5,144
6m avg traded value (INR mn)	956
52 Week high / low	INR 2,220/1,235

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%et)	28.6	15.0	-
Relative (%)	29.6	22.7	-

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	46.2	46.2
FIs & Local MFs	16.3	18.8
FPIs	15.6	14.6
Public & Others	21.9	20.4

Pledged Shares	-	-
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Source: BSE

Pledged shares as % of total shares

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Mahindra & Mahindra Financial Services

Turning the corner on asset quality

Mahindra & Mahindra Financial Services (MMFS) reported an impressive set of P&L outcomes in a seasonally weak quarter on account of healthy credit costs (1.7%) and improving operating efficiency. With historically low stress pool (GS-II + GS-III at 8.3%) and improved focus on collection efficiency, credit costs are likely to remain lower (~1.5%) over FY27-FY28E. Further, operating efficiency and fee income levers have gained traction. However, loan growth (+13% YoY) is yet to accelerate meaningfully, which remains a key monitorable for further rerating. Portfolio diversification remains protracted (non-vehicle at 11.5% of loans), which could accelerate with the potential merger of the HFC entity. We increase our FY27/FY28E earnings estimates to factor in lower opex and credit costs and maintain ADD with a revised SOTP-based TP of INR 385 (standalone entity at implied 1.8x Mar-28 ABVPS).

- **NIM compression offset by other income, operating efficiency:** NIM (calculated) declined QoQ by ~25bps to 6.3%, driven by higher liquidity and compression in yields. However, other income (+29% YoY) remains strong, led by distribution income and dividend income (+38% YoY). Loan growth inched up to 12.7% YoY with healthy disbursements growth (+21.5% YoY), led by tractors (+45% YoY) and SME (+30% YoY). Operating efficiency continues to improve, with opex to AUM at 3% (C/I at 36.5%), rationalization in employee count over FY25-26, and tech implementation across processes.
- **Impressive asset quality for Q1, implying lower credit costs outlook:** MMFS's stress pool remained steady with GS-II/GS-III at 4.9%/3.5% (Q4FY26: 4.8%/3.4%) and net slippages at 1.9% (annualized). Credit cost surprised positively at 1.7%, with PCR across stages (including management overlay). While monsoon deficit could drive credit costs higher, low stress pool and sustained efforts on collections are likely to keep credit costs range-bound.
- **Stability in earnings; need for growth acceleration:** MMFS seems to have turned the corner on asset quality with relatively steady credit costs and stress pool for several quarters. Further, the initiatives under current management – fee income and improving operating efficiency through digital initiatives – have gained traction. However, loan growth outlook remains hinged on vehicle finance (~88% of AUM), which remains cyclical, along with a risk calibrated approach translating into lower yields. A meaningful uptick in loan growth, with steady earnings profile, is likely to drive the next leg of rerating.

Financial summary (Standalone)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	24.1	20.1	19.9	23.9	0.9	88.2	100.0	115.7
PPOP	17.6	13.5	29.8	17.2	2.0	61.1	73.0	85.2
PAT	9.0	5.3	69.7	8.7	2.9	27.8	38.6	43.3
EPS (INR)	6.5	4.1	58.7	6.3	2.9	20.0	27.8	31.2
ROAE (%)						12.5%	14.7%	14.9%
ROAA (%)						2.0%	2.4%	2.4%
ABVPS (INR)						153.8	169.9	188.2
P/ABV (x)						2.0	1.8	1.6
P/E (x)						15.5	11.2	10.0

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	1,548	1,548	0.0%	1,796	1,796	0.0%
NIM (%)	6.3	6.3	0 bps	6.3	6.3	2 bps
NII	99.8	100.0	0.2%	115.0	115.7	0.6%
PPOP	70.3	73.0	3.8%	80.6	85.2	5.7%
PAT	33.7	38.6	14.4%	38.9	43.3	11.4%
ABVPS (INR)	167	170	1.5%	184	188	2.4%

Source: Company, HSIE Research

ADD

CMP (as on 21 Jul 2026)	INR 350
Target Price	INR 385
NIFTY	24,188

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 350	INR 385
EPS %	FY27E	FY28E
	+14.4%	+11.4%

KEY STOCK DATA

Bloomberg code	MMFS IN
No. of Shares (mn)	1,390
MCap (INR bn) / (\$ mn)	486/5,053
6m avg traded value (INR mn)	1,018
52 Week high / low	INR 412/246

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.2	0.1	33.1
Relative (%)	16.5	5.5	38.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	52.5	52.5
FIs & Local MFs	32.1	31.5
FPIs	9.4	9.5
Public & Others	6.0	6.5
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Poonawalla Fincorp

Profitability improving at the margin

Poonawalla Fincorp's (PFL) earnings were marginally ahead of our estimates, driven by strong NIM reflation, partly offset by higher credit costs. PFL continued its strong loan growth momentum in Q1 (+63% YoY; 11% QoQ), driven by existing and new products. Operating efficiency improved sequentially (opex to AUM at ~4%), with limited expected improvement in the near term, given the ongoing distribution expansion (~400 branches to be added in FY27E). Further, higher credit costs (2.5%) and limited seasoning of the portfolio are likely to keep RoEs subdued at ~12% by FY28E. To that extent, current valuations (2.5x Mar-28 ABVPS; 22x FY28E EPS) provide limited margin of safety. We maintain **REDUCE** with an unchanged RI-based TP of INR 365 (implying 1.9x Mar-28 ABVPS).

- **Not letting up on loan growth:** PFL's loan growth continues to grow at an astronomical pace (+63% YoY) with significant scale-up under the current management team (from INR 250bn in Mar-24 to INR 671bn in Jun-26). AUM growth was largely led by LAP (+84% YoY), personal & consumer (+98% YoY) and new products (~16% of AUM). PFL is further scaling up gold loans distribution with another 400 dedicated branches to be added in FY27E. NIMs reflatd 33bps QoQ, driven by reflation in asset yields (led by portfolio mix), equity capital raise and liquidity management. Opex ratios improved sequentially with opex to AUM and C/I ratio at 3.96% and 44.6% respectively. While management has indicated room for improvement in operating efficiency, rapid expansion in distribution network, with likely moderation in loan growth, and increasing scale are likely to keep opex ratios elevated in the near term.
- **Credit costs remain elevated:** GS-III/NS-III improved QoQ to 1.37%/0.71% (Q4FY26: 1.44%/0.75%), with GS-II at 1% (Q4FY26: 1%). However, credit costs remained high at 2.5% (annualized), driven by higher write-offs (2.1%) and net slippages (2.4%). While management has attributed higher write-offs from legacy portfolio, sustained elevated credit costs amidst a high pace of loan book growth remains a concern. We expect credit costs to remain at ~2% during FY27-FY28E, led by increasing share of unsecured loans and seasoning of the portfolio.
- **Improving profitability; limited margin of safety:** PFL's RoA/RoE improved to 2.0%/10.5% in Q1, driven by NIM reflation (33bps) and marginal improvement in operating efficiency. However, we expect limited further improvement in profitability (RoA/RoE at ~2.1%/12% by FY28E) and marginal improvement in operating efficiency and credit costs. Further, we expect moderation in AUM growth to ~35% CAGR during FY27-FY28E, with increasing scale and seasoning of portfolio and pressure on NIMs with moderation in share of instant consumer loans. To that extent, current valuation (2.5x Mar-28 ABVPS) provides limited margin of safety.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	12.0	6.4	87.2	10.5	14.0	33.7	50.8	69.3
PPOP	7.8	3.2	141.8	6.9	12.9	19.3	32.2	44.6
PAT	3.1	0.6	NM	2.5	20.8	5.4	14.1	20.3
EPS (INR)	3.5	0.8	NM	3.1	12.7	6.7	16.1	21.3
ROAE (%)						5.9%	11.5%	12.1%
ROAA (%)						1.1%	2.0%	2.1%
ABVPS (INR)						122.3	155.0	193.2
P/ABV (x)						3.9	3.1	2.5
P/E (x)						71.2	29.7	22.4

Source: Company, HSIE Research

REDUCE

CMP (as on 17 Jul 2026)	INR 477
Target Price	INR 365
NIFTY	24,334

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR365	INR365
	FY27E	FY28E
EPS %	0.0%	-0.1%

KEY STOCK DATA

Bloomberg code	POONAWAL IN
No. of Shares (mn)	881
MCap (INR bn) / (\$ mn)	420/4,366
6m avg traded value (INR mn)	901
52 Week high / low	INR 570/361

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.4	2.9	6.6
Relative (%)	15.8	9.4	11.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	63.9	59.0
FIs & Local MFs	12.1	16.7
FPIs	10.2	11.0
Public & Others	13.7	13.3
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Manappuram Finance

Improving profitability; challenges remain

Manappuram Finance (MGFL) reported an uptick in profitability in Q1 (standalone RoA/RoE at 3.8%/13.6%) and strong earnings growth (+41% YoY) post muted operating performance in FY26. Standalone AUM growth (+71% YoY; +9% QoQ) remained strong, led by gold loans (+97% YoY), which in turn was led by increasing average ticket size, higher LTV, and marginal uptick in tonnage. Non-gold businesses' loan growth remained subdued, along with muted profitability metrics. MGFL has announced Mr. Ashish Singh (ex-IDFC First Bank) as new MD & CEO effective 1 Jan 2027, post which Mr. V.P. Nandakumar would become non-executive Chairman. However, improving the profitability (post sharp moderation in GL yields in last two quarters) amidst elevated competitive intensity, along with sustainable turnaround in non-GL businesses, is likely to remain a challenge. We maintain REDUCE with unchanged SoTP-based TP of INR 310 (standalone entity at implied 1.6x Mar-28 ABVPS).

- **Uptick in yields, improving operating efficiency drives sharp earnings improvement QoQ:** MGFL's NIM (calculated) reflated marginally to 8.9%, driven by reflation in GL yields (+60bps QoQ), partly offset by higher costs of funds (+30bps QoQ). Management has indicated GL yield will stabilize at ~18% (Q1: ~17.7%), including income-generating loans. Opex ratios improved further (opex to AUM at 3.8%; C/I at 37%), driven by improving productivity and operating leverage.
- **Astronomical loan growth to moderate:** Consolidated AUM grew by 57% YoY, driven by GL (+98% YoY), while non-GL segments growth remained subdued (-19% YoY). GL witnessed a healthy uptick in tonnage and customer acquisition (6.3% QoQ and 7% QoQ respectively). However, LTV increased sharply to 66% (Q4FY26: 57%) due to a decline in gold prices and higher incremental LTV. Management remains upbeat about GL growth prospects (~25-30% for FY27). However, consolidation in gold prices, elevated competitive intensity, and RBI's new regulations on LTV norms are likely to drive significant deceleration in loan growth, going ahead.
- **Non-gold businesses – subdued growth; muted profitability:** MGFL's non-gold businesses growth and profitability remained subdued in Q1. ASIRVAD's AUM grew by 7% YoY, with RoA/RoE at 1.2%/3.5%. HFC business AUM de-grew by 3% YoY, with muted profitability. Vehicle finance's GNPA continued to inch up, with de-growth in AUM.
- **New MD & CEO in place; uphill journey ahead:** MGFL's new MD & CEO appointment largely completes the leadership transition across businesses. However, the transition to a robust franchise with strong profitability remains an uphill task, with elevated competitive intensity and margin pressure in core GL business and subdued performance in non-gold businesses.

Financial summary (Standalone)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	14.6	11.0	32.6	11.9	22.8	45.9	62.4	73.4
PPOP	9.2	6.0	53.7	7.1	28.8	25.7	34.8	40.5
PAT	5.5	3.9	40.7	3.8	47.0	15.2	22.6	27.5
EPS (INR)	5.8	4.6	24.2	4.4	30.4	16.2	24.1	26.6
ROAE (%)						11.0	13.7	14.2
ROAA (%)						2.8	3.1	3.3
ABVPS (INR)						136.6	137.3	166.1
P/ABV (x)						2.3	2.3	1.9
P/E (x)						19.5	13.2	11.9

Source: Company, HSIE Research

REDUCE

CMP (as on 11 Aug 2026)	INR 360
Target Price	INR 310
NIFTY	24,472

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 310	INR 310
	FY27E	FY28E
EPS %	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	MGFL IN
No. of Shares (mn)	939
MCap (INR bn) / (\$ mn)	338/3,543
6m avg traded value (INR mn)	1,512
52 Week high / low	INR 382/245

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	17.9	19.0	40.3
Relative (%)	15.0	26.2	43.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	31.8	41.7
FIs & Local MFs	13.0	14.9
FPIs	23.2	22.3
Public & Others	32.0	21.2
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Bandhan Bank

The more things change, the more they remain the same

Bandhan Bank's (BANDHAN) Q1FY27 earnings missed our estimates despite steady loan growth (18% YoY; +1.1% QoQ), a stable NIM trajectory (6.2%), and 15bps QoQ improvement in credit costs. Deposit growth (6.6% YoY; -0.9% QoQ) lagged credit growth, reflecting BANDHAN's conscious reduction in high-cost bulk deposits (-13% YoY), even as CASA ratio improved moderately to 29.4% (+9bps QoQ), owing to broad-based growth in SA balances. BANDHAN guided for 20-30bps adverse impact on RoAs, driven by a hike in incremental cost of funds and higher distribution costs. We remain conservative on BANDHAN's profitability, on account of higher pace of deposit mobilization (with LDR at 90%) and believe its path to achieve portfolio stability and regain stakeholder credibility is likely to be protracted. We maintain REDUCE with a revised TP of INR155 (implied 0.9x Mar-28 ABVPS).

- **Rise in funding costs cap margin recovery:** Loan growth was led by retail (+45% YoY), particularly CV/CE, auto and gold loans, and commercial banking (+38.4% YoY) segments. The quarter also witnessed a YoY revival in group lending after six straight quarters of negative growth. We expect BANDHAN to decelerate its pace of loan growth and focus on incremental deposit mobilization instead - we build 15% loan CAGR over FY26-28E. The pace of deposit mobilization is likely to result in higher cost of funds, resulting in limited NIM reflation, notwithstanding the 100bps hike in MFI yields.
- **Asset quality improving gradually:** Asset quality improved very marginally as GNPA printed at 3.2% (Q4FY26: 3.3%), while credit costs eased 5bps QoQ to 1.81% (Q4FY26: 1.86%). The EEB portfolio slippages stood at INR6.0bn (Q4FY26: INR6.9bn), driven by better collections and steady SMA 2 bucket delinquencies. We believe that with the MFI stress gradually receding and BANDHAN beginning to disburse new credit, credit costs would trend lower and average ~220bps over FY27E-28E. We continue to watch out for portfolio stability, especially in the bank's home state (West Bengal), which underwent a change in political leadership recently.
- **RoA guidance trimmed:** The management has trimmed its FY27 exit-RoA guidance by ~20-30bps (in the range of 1.2-1.4%), owing to NIM compression on the back of global uncertainty, and elevated opex on account of higher distribution costs. We argue that portfolio stability and predictability in operational performance are crucial to BANDHAN regaining stakeholder credibility. Despite potential non-linear profitability in the business model, our FY27E/FY28E RoA forecasts continue to be conservative (by ~20bps).

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	29.2	27.6	5.9%	28.0	4.5%	108.3	127.9	146.5
PPOP	13.6	16.7	-18.6%	14.4	-5.8%	58.6	70.1	82.6
PAT	5.0	3.7	34.9%	5.3	-6.1%	12.2	23.5	31.2
EPS (INR)	3.1	2.3	34.6%	3.3	-6.0%	7.6	14.6	19.4
ROAE (%)						4.9	8.8	10.7
ROAA (%)						0.6	1.0	1.2
ABVPS (INR)						149.8	161.9	177.3
P/ABV (x)						1.1	1.0	0.9
P/E (x)						22.0	11.4	8.6

Source: Company, HSIE Research

REDUCE

CMP (as on 21 Jul 2026)	INR 209
Target Price	INR 155
NIFTY	24,188

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 160 FY27E	INR 155 FY28E
EPS %	-	-

KEY STOCK DATA

Bloomberg code	BANDHAN IN
No. of Shares (mn)	1,611
MCap (INR bn) / (\$ mn)	336/3,496
6m avg traded value (INR mn)	2,326
52 Week high / low	INR 221/134

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	18.6	51.3	14.6
Relative (%)	20.8	56.8	20.3

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	39.7	39.0
FIs & Local MFs	18.8	22.3
FPIs	22.3	22.1
Public & Others	19.1	16.6
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Angel One

Cash order pricing to the rescue; maintain BUY

ANGELONE printed softness in net revenues (-3% QoQ), reflecting a similar weakness in average daily orders (-3% QoQ). Notably, despite muted activity in the cash segment, ANGLEONE benefited from improved yield per order, led by pricing action in the cash segment. On the back of its expected IPL-related spends (INR1.4bn), ANGELONE exercised some control on its operating costs, resulting in a marginal miss on profitability. Despite volatile equity markets during the Jun-26 quarter, client engagement remained resilient, although the funding book moderated in line with weakness in the broader markets. Having seen through a difficult quarter, we expect volumes to be relatively resilient during the rest of FY27E (excluding geopolitical risks), with incremental pricing actions likely to lift the revenue run rate. We maintain our net revenue and PAT estimates and maintain BUY with TP of INR390 as we up our multiple to 20x FY28E EPS (from 18x - earlier TP of INR350).

- **F&O revenue clocks positive YoY growth:** ANGELONE reported a second straight quarter of YoY growth in F&O revenues during Q1FY27 (+25% YoY). We believe the recovery in client activity is a function of the client orders (+25% YoY) and the pricing actions taken by the company and is likely to sustain, going forward.
- **MTF book resumes its march; cash order pricing to the rescue:** The average MTF book witnessed a 5% QoQ increase, even as the cash broking revenue benefitted from pricing actions, reflecting the company's gradual confidence in client monetization. While the RBI's policy rate cuts offered ANGELONE relief on funding costs during FY26, however, we expect funding costs to edge higher in FY27E, given a potentially inflationary environment.
- **Pricing actions support profitability:** Over the past 18m, the company has systematically deployed pricing levers to improve its unit economics, which reflect a deliberate pivot towards profitable, sustainable growth.
- **Maintain BUY:** We expect margins to improve through FY27E, supported by stronger client activity and the full flow-through of pricing interventions. Having seen through a difficult quarter, we expect volumes to be relatively resilient during the rest of FY27E (excluding geopolitical risks), with incremental pricing actions likely to lift the revenue run rate. Longer-term, we expect the company to gradually accelerate client additions, and up its game in incremental client monetization. We maintain our net revenue and PAT estimates and maintain BUY with TP of INR390 (20x FY28 EPS).

Financial Summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E
Adj. revenues	11,015	8,913	23.6	11,348	(2.9)	39,995	49,283	59,261
EBITDA	3,597	1,944	85.1	4,728	(23.9)	14,011	19,949	25,332
EBITDA Margin (%)	32.7	21.8	1085bps	41.7	-901bps	35.0	40.5	42.7
APAT	2,314	1,145	102.2	3,203	(27.7)	9,152	13,571	17,664
AEPS	2.5	1.2	100.0	3.4	(28.5)	10.1	15.0	19.6
EV/EBITDA (x)						20.9	14.5	11.2
P/E (x)						32.1	21.7	16.6
ROE (%)						15.5	20.5	22.9

Source: Company, HSIE Research

BUY

CMP (as on 16 Jul 2026)	INR 335
Target Price	INR 390
NIFTY	24,073

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 350	INR 390
EPS%	FY26E	FY27E
	Nil	Nil

KEY STOCK DATA

Bloomberg code	ANGELONE IN
No. of Shares (mn)	914
MCap (INR bn) / (\$ mn)	306/3,174
6m avg traded value (INR mn)	2,937
52 Week high / low	INR 360/209

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.4	21.6	23.2
Relative (%)	15.4	29.3	29.8

SHAREHOLDING PATTERN (%)

	Mar-26	June-26
Promoters	28.8	28.59
FIs & Local MFs	18.88	20.35
FPIs	12.8	13.76
Public & Others	39.52	37.30
Pledged Shares	Nil	Nil

Source : BSE

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PNB Housing Finance

Muted quarter; strong guidance

PNB Housing Finance's (PNBHF) Q1FY27 earnings were marginally below our estimates due to NIM compression and lower loan growth (+15.4% YoY), partly offset by higher other income. Disbursements growth moderated to +18% YoY, partly impacted by change in disbursement recognition methodology, which is likely to normalize from Q2. Loan growth was led by emerging (+22% YoY) and affordable (+49% YoY) segments, although incremental disbursements over the last two quarters have pivoted toward prime (52.4% of disbursements). PNBHF continues to remain focused on increasing share of emerging and affordable segment (+40.4% of loan book), along with revival of corporate portfolio (0.5% of loan book) to drive higher yields and profitability. However, the gradual normalization of credit costs, along with rising cost of funds amidst global uncertainties, is likely to put pressure on the return ratios, with RoE at ~12% by FY28E. We maintain ADD with an unchanged RI-based TP of INR 1,100 (implying 1.2x Mar-28 ABVPS).

- **PPoP growth remains muted:** PNBHF reported muted PPoP growth (+9% YoY), largely due to compression in NIM (-19bps QoQ). Core spreads (reported) remained stable QoQ at 2.12%, with stabilization in asset yields (9.48%), although marginal cost of funds inched upward to 7.41% (+18bps QoQ). Management has indicated reflation in NIMs, going ahead, primarily driven by favorable loan mix (higher share of emerging and affordable).
- **Aspiring for acceleration in loan growth:** Management has retained its loan growth guidance of 18-20% for FY27 (Q1FY27: 15.4% YoY), driven by strong traction in disbursements and higher share of emerging/affordable loans. Further, PNBHF has revived CF disbursements from Q4 onward, and is likely to scale up the portfolio in the medium term. PNBHF is also seeking to launch a micro-housing loan product from Q2 onward. These initiatives are aimed to drive higher loan growth momentum and higher yields to achieve healthy profitability.
- **Credit costs likely to remain negative in FY27; normalization yet to play out:** Asset quality improved sequentially, with GS-III/NS-III at 0.9%/0.6% and GS-II at 1.8% (Q4FY26: 1.8%). Credit costs are likely to remain negative in FY27 as well (FY25: -22bps; FY26: -47bps) at ~-15-20bps as per management, due to a large written-off pool. However, the seasoning of the emerging and affordable portfolio, along with run-down of these recoveries, is likely to drive credit costs higher (>25bps from FY28E onward).
- **Seeking higher growth; transition toward steady-state profitability key monitorable:** PNBHF continued its slew of initiatives to drive higher loan growth, along with reflation in NIMs. However, execution remains a key monitorable amidst elevated competitive intensity, higher run-off rates and seasoning of emerging and affordable portfolio. Further, normalization in credit costs is likely to weigh on steady-state profitability.

Financial summary (Consolidated)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	8.0	7.5	7.2	8.1	(1.0)	30.7	36.8	43.7
PPoP	6.9	6.3	9.1	6.8	1.6	25.8	31.1	37.4
PAT	5.6	5.3	4.5	6.6	(15.0)	22.9	25.1	26.7
EPS (INR)	21.3	20.5	4.3	25.1	(15.1)	87.9	96.4	102.5
ROAE (%)						12.7	12.3	11.7
ROAA (%)						2.6	2.5	2.3
ABVPS (INR)						718	798	885
P/ABV (x)						1.6	1.4	1.3
P/E (x)						12.8	11.6	10.9

Source: Company, HSIE Research

ADD

CMP (as on 05 Aug 2026)	INR 1,122
Target Price	INR 1,100
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,100	INR 1,100
EPS %	FY27E 0.0%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	PNBHOU5I IN
No. of Shares (mn)	261
MCap (INR bn) / (\$ mn)	292/3,072
6m avg traded value (INR mn)	1,174
52 Week high / low	INR 1,154/730

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.6	32.5	46.1
Relative (%)	5.6	38.2	48.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	28.0	28.0
FIs & Local MFs	44.1	45.7
FPIs	16.6	16.8
Public & Others	11.3	9.4
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Karur Vysya Bank

Impeccable performance; but risks remain

Karur Vysya Bank (KVB) reported profitability ahead of estimates, aided by healthy balance sheet growth and stable asset quality, even as operating profit declined QoQ on the back of a high base (one-offs in Q4FY26). KVB reported healthy loan growth (17% YoY; 6% QoQ), led by retail (+23% YoY) and agri-gold (+20% YoY) segments. Retail loan growth was on the back of LAP (+53% YoY) and jewel loans (+47% YoY). Deposit growth trailed loan growth (+15% YoY/6% QoQ) as CASA ratio increased marginally by 7bps YoY. NIMs clocked in at 4.26% (+1bp QoQ; +40bps YoY), supported by calibrated asset-mix optimization despite rate cut, though management flagged 5–10bps of funding costs creeping up. Credit costs declined to 36bps, driven by the absence of provisioning of geopolitical buffer. We remain constructive on KVB, and maintain ADD with a revised TP of INR345, given its consistently healthy operational performance, stable growth, and benign asset quality.

- **Resilient NIMs despite rate cut:** NII grew 32% YoY (5% QoQ) to INR14.2bn, even as NIMs expanded to 4.26% (+1bp QoQ), aided by improvement in asset yields, coupled with easing cost of deposits despite the competitive intensity. The management guided toward full-year NIMs ranging between 3.7-3.8%, while acknowledging that margins could sustain above 4% in the near term.
- **Asset quality remains key:** GNPA/NNPA were flat QoQ at 0.7%/0.2%, with the slippage ratio improving to 0.53% (Q4FY26: 0.75%) and the PCR staying strong at 75%. Although gold LTVs offer us comfort, we expect slippages to average 1% across FY27E-FY28E, reflecting the macro shocks and SME focus.
- **Operating efficiencies sustain return ratios:** The bank guided for the cost-to-income ratio to stay within 45-50% band, as distribution costs pick up pace (+50 branches this fiscal). However, the management has guided for a smooth ECL transition, given adequate provisions (1.7% of assets), which is likely to keep RoAs north of 1.8-1.9%.

Financial summary

(INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26A	FY27E	FY28E
NII	14.2	10.8	31.8%	13.6	4.7%	49.4	58.0	67.1
PPOP	11.0	8.1	36.0%	12.5	-12.1%	40.7	45.3	51.7
PAT	7.6	5.2	44.9%	7.2	4.2%	25.1	27.5	30.4
EPS (INR)	7.8	5.4	44.8%	7.5	4.3%	26.0	28.5	31.5
ROAE (%)						19.3	18.3	17.8
ROAA (%)						2.0	1.9	1.8
ABVPS (INR)						144.0	162.9	184.1
P/ABV (x)						2.1	1.8	1.6
P/E (x)						11.6	10.6	9.6

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	1,143	1,130	1.1%	1,320	1,312	0.6%
NIM (%)	4.2	4.2	-3 bps	4.2	4.2	2 bps
NII	58.0	58.2	-0.4%	67.1	65.9	1.8%
PPOP	45.3	45.2	0.2%	51.7	50.0	3.3%
PAT	27.5	26.4	4.2%	30.4	30.1	1.1%
Adj. BVPS (INR)	162.9	161.8	0.7%	184.1	183.4	0.4%

Source: Company, HSIE Research

ADD

CMP (as on 20 Jul 2026)	INR 301
Target Price	INR 345
NIFTY	24,239

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR330	INR345
	FY27E	FY28E
EPS %	+4.2%	+1.1%

KEY STOCK DATA

Bloomberg code	KVB IN
No. of Shares (mn)	966
MCap (INR bn) / (\$ mn)	291/3,016
6m avg traded value (INR mn)	1,178
52 Week high / low	INR 344/202

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.6	16.2	34.7
Relative (%)	10.6	21.6	39.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	2.1	2.3
FIs & Local MFs	39.3	38.2
FPIs	19.3	0.0
Public & Others	39.2	59.5
Pledged Shares	0.3	0.3

Source: BSE

Pledged shares as % of total shares

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LIC Housing Finance

Awaiting uptick in loan growth

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

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%

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

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CreditAccess Grameen

A stellar quarter

CreditAccess Grameen (CREDAG) reported a strong all-round operating performance in Q1 despite a seasonally weak quarter on the back of improved loan growth (+16% YoY), reflation in NIM and sharp reduction in credit costs (2.9%) driving strong profitability (RoA/RoE of 5.9%/24.4%). Loan growth improved to 16% YoY, primarily driven by retail finance (20.6% of AUM) as the portfolio diversification strategy has gained traction over the last few quarters. Asset quality improved further with reducing PAR-0 portfolio (2.2% vs. 3% in Q4FY26) and normalized monthly PAR 15+ accretion rate driving lower credit costs (2.9%). We increase our FY27E/FY28E earnings estimates to factor in higher loan growth and lower credit costs, with some uptick expected during Q2/Q3 amidst headwinds (monsoon, global uncertainties). We maintain ADD with a revised RI-based TP of INR1,590 (implying 2.3x Mar-28 ABVPS). We expect the premium multiple to sustain due to superior cross-cycle operating performance.

- **Lower credit costs, reflating NIM drive strong earnings growth:** AUM growth witnessed an uptick (+16.4% YoY), driven by retail finance (+251% YoY). Average customer exposure increased by 15% YoY and is likely to moderate with increase in no. of borrowers (+0.7% QoQ). Opex ratios improved with opex to AUM at 4.8% (C/I at 29.3%). NIM reflated QoQ by 20bps to 14.4%, due to lower interest reversals. Management indicated likely in reduction in lending rates during H2 with improving profitability.
- **Credit costs surprises positively:** GS-III/NS-III improved QoQ to 2.2%/0.8%, with PAR-0/PAR-30 at 2.2%/1.9% (Mar-26: 3%/2.7%). While write-offs during Q1 were higher (4.9% vs. 4.8% in Q4FY26), monthly PAR 15+ accretion rate remained steady ~15bps in May-26/Jun-26. Credit costs improved sharply to 2.9%, with healthy PCR across buckets. However, we expect credit costs to inch up in FY27 due to global uncertainties and expected lower monsoon.
- **Product diversification driving loan growth; upside risk to estimates; however, valuations limits upside:** CREDAG's retail finance has scaled up well since Q2FY26, driven largely by cross-sell to existing customers driving healthy portfolio diversification, and is this likely to augment the overall loan growth. With a strong performance in Q1, management guidance is likely to be increased for FY27; however, credit costs could play spoilsport amidst concerns on monsoon and global uncertainties. To that extent, current valuation (2.3x Mar-28 ABVPS) limits any meaningful upside.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	11.6	9.1	28.5	10.5	11.1	38.6	45.9	55.6
PPOP	8.7	6.5	33.6	7.8	11.8	28.1	33.4	40.2
APAT	4.9	0.6	719.7	3.4	45.3	7.8	16.7	20.3
EPS (INR)	30.7	3.8	715.2	21.1	45.2	48.5	104.2	126.6
ROAE (%)						10.5	19.2	19.3
ROAA (%)						2.6	4.6	4.6
ABVPS (INR)						446.7	555.6	680.5
P/ABV (x)						3.5	2.9	2.3
P/E (x)						32.6	15.2	12.5

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	352.5	363.0	3.0%	423.9	439.6	3.7%
NIM (%)	13.0	13.0	0 bps	13.0	12.9	-6 bps
NII	45.4	45.9	1.0%	54.3	55.6	2.5%
PPOP	32.6	33.4	2.2%	38.7	40.2	3.7%
PAT	14.3	16.7	16.8%	19.4	20.3	4.7%
ABVPS (INR)	539.4	555.6	3.0%	657.7	680.5	3.5%

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 1,577
Target Price	INR 1,590
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,425	INR 1,590
EPS %	FY27E	FY28E
	+16.8%	+4.7%

KEY STOCK DATA

Bloomberg code	CREDAG IN
No. of Shares (mn)	160
MCap (INR bn) / (\$ mn)	253/2,637
6m avg traded value (INR mn)	733
52 Week high / low	INR 1,615/1,113

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	26.0	22.0	23.8
Relative (%)	26.2	28.8	28.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	66.2	66.2
FIs & Local MFs	12.6	12.7
FPIs	12.9	13.5
Public & Others	8.2	7.6

Pledged Shares	-	-
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Source: BSE

Pledged shares as % of total shares

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City Union Bank

Sustainable growth and profitability trajectory

City Union Bank's (CUBK) Q1FY27 earnings beat our estimates on the back of healthy growth on both sides of the balance sheet, coupled with good operating performance. Strong loan growth (+26% YoY) was led by the retail segments, especially gold loans, while the MSME growth moderated marginally. Deposit growth (+21% YoY) was healthy, although CASA ratio further softened 160bps to 26% (Mar-26: 27.6%). Margins remained stable at 3.8% (+24bps YoY), as CUBK continued to command better pricing power compared to peers. We believe CUBK is likely to maintain its growth trajectory, with sustained traction in the MSME book and a notable expansion in secured retail portfolios, even as we built in upward normalization of credit costs, factoring in an uncertain macro environment. We tweak our estimates and maintain BUY with a revised TP of INR265 (2.0x Mar-28 ABVPS adjusted for bonus issue).

- **Strong growth momentum; healthy operating performance:** Loan growth was strong (+26% YoY), led by gold loans and scaling of the retail portfolio, while MSME growth moderated a bit as utilization dropped from 73% to 70%. NIMs remained stable at 3.8%, as the last leg of deposit repricing played out in Q1FY27. However, we expect incremental refinancing to result in NIM compression (3.65% - 3.75%). We build in ~19% loan CAGR over FY26-FY28E, led by MSME, gold loans, and secured retail book.
- **Asset quality improvement streak continues:** Gross slippages improved to 1.2% (-33bps YoY), as GNPA improved 126bps YoY, since recoveries continued to outpace incremental slippages. We expect credit costs to average ~60 bps (FY26: 45bps), factoring in elevated stress in the core MSME segment.
- **Sustained loan growth and strong margins to drive earnings:** We believe that CUBK is likely to keep monetizing its investments in digital lending and secured retail segments to deliver better throughput. Sustained growth in the core MSME and retail portfolios, coupled with better pricing power, is likely to drive improved return ratios.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	8.2	6.3	31.2%	7.9	4.4%	28.3	34.3	41.8
PPOP	5.8	4.5	28.8%	5.8	0.2%	20.1	24.8	29.2
PAT	3.8	3.1	25.1%	3.6	6.4%	13.3	16.1	19.6
EPS (INR)	3.9	3.1	25.0%	3.6	6.4%	13.3	16.3	19.8
ROAE (%)						13.2	14.3	15.2
ROAA (%)						1.5	1.5	1.6
ABVPS (INR)						106.6	115.4	132.7
P/ABV (x)						1.8	2.1	1.8
P/E (x)						13.3	14.6	12.1

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	779	780	-0.1%	937	935	0.2%
NIM (%)	3.6	3.6	-3 bps	3.7	3.7	1 bps
NII	34.3	35.0	-2.1%	41.8	42.6	-1.9%
PPOP	24.8	25.1	-1.4%	29.2	30.4	-3.8%
PAT	16.1	16.0	0.6%	19.6	19.7	-0.7%
Adj. BVPS (INR)	115.4	121.3	-4.9%	132.7	137.0	-3.2%

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 238
Target Price	INR 265
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR260	INR265
	FY27E	FY28E
EPS %	+0.6%	-0.7%

KEY STOCK DATA

Bloomberg code	CUBK IN
No. of Shares (mn)	991
MCap (INR bn) / (\$ mn)	236/2,461
6m avg traded value (INR mn)	719
52 Week high / low	INR 245/145

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.2	8.3	55.1
Relative (%)	15.3	15.0	60.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.0	0.0
FIs & Local MFs	40.7	44.8
FPIs	23.4	18.7
Public & Others	35.9	36.5
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Go Digit General Insurance

Brakes on motor business; prioritizing profitability

GODIGIT reported 7%/-37.5% YoY growth in NEP/PAT, although PAT missed estimates due to elevated loss ratios and softer growth in most lines of business, as the company prioritized profitability over growth across lines of business. Combined ratio (CoR) remained elevated at 107.2% (Q1FY26: 104.6%), driven by upfront acquisition costs on long-term motor policies and higher loss ratios in Motor OD and Fire segments. GODIGIT applied brakes in its flagship motor business, growing by only ~0.4%, compared to industry growth of 14%, thereby losing 73bps market share in the motor business. Given the management commentary on softness in Motor and commercial lines of business, we cut NEP estimates by 2.4%/4.2% for FY27E/FY28E, with revised CoR assumptions of 110%/110%. We maintain ADD with a target price of INR315 (41.4x FY28E EPS; 25% premium to ICICIGI).

- **Broad-based miss:** GODIGIT's PAT disappointed at INR864mn (down 37.5% YoY), driven by the marginal GDPI de-growth (-2.4% YoY), compared to the lower double-digit growth of the industry. Hence, the miss was broad-based on the revenue and profitability front across multiple lines of business.
- **Motor business - intentional slowdown:** Motor GDPI grew 0.4% YoY, well below the industry growth of 13.9% - the management flagged this flattish growth as a conscious call, citing irrational pricing. As a result, GODIGIT's market share was down 73bps at 5.6% (Q1FY26: 6.3%). Interestingly, the loss ratio in the motor TP business remained flat YoY at 67%, while the motor OD business witnessed a 660bps spike in loss ratios at 76%. However, these higher loss ratios in the flagship motor segment (two-thirds of NEP) are likely to pose elevated volatility to the P&L outcomes.
- **CoR breach continues:** Overall, the CoR witnessed a 260bps deterioration to 107.2, thanks to 300bps higher claims ratio across commercial lines of business (Fire, Marine and Engineering).
- **Investment approach conservative, income sustainable:** We find GODIGIT's investment approach conservative with minimal equity exposure (sub-10%) (compared to peers at ~40%), and income far more sustainable (minimal dependence on capital gains at sub-5%) unlike peers where capital gains form a large portion of investment income.

Financial summary

(INR bn)	Q1FY27	Q1FY26	YoY%	Q4FY26	FY26	FY27E	FY28E
Net written premium	20.9	19.5	7.4	21.1	83.2	95.2	108.0
Net earned premium	20.1	18.7	7.6	23.0	84.3	91.9	101.1
PAT	0.9	1.4	(37.5)	1.5	5.4	6.2	7.1
EPS	1.0	1.6	(37.5)	1.7	5.9	6.8	7.6
COR (%)	112.3	108.6	370bps	111.6	110.7	110.2	110.2
ROE Annualized (%)					11.7	12.8	13.4
P/E (x)					54.0	40	35.4

Change in estimates

(INR bn)	FY27E			FY28E		
	Revised	Old	% chg	Revised	Old	% chg
Net written premium	95.2	96.1	(0.9)	108.0	109.0	(1.0)
Net earned premium	91.9	94.3	-2.5	101.1	105.6	-4.2
COR (%)	110.2	108.5	164bps	110.2	107.4	285bps
PAT	6.2	7.5	(17.1)	7.1	9.8	(28.1)

Source: Company, HSIE Research

ADD

CMP (as on 27 Jul 2026)	INR 255
Target Price	INR 315
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR350	INR315
	FY27E	FY28E
EPS%	-17.1%	-28%

KEY STOCK DATA

Bloomberg code	GODIGIT.IN
No. of Shares (mn)	925
MCap (INR bn) / (\$ mn)	236/2,456
6m avg traded value (INR mn)	222
52 Week high / low	INR 381/247

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.4)	(23.2)	(26.9)
Relative (%)	(19.8)	(17.1)	(21.2)

SHAREHOLDING PATTERN (%)

	Mar-26	June-26
Promoters	73.0	73.0
FIs & Local MFs	14.62	15.0
FPIs	8.03	8.23
Public & Others	4.35	3.77
Pledged Shares	Nil	Nil

Source : BSE

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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

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Ujjivan Small Finance Bank

Superior portfolio performance; ups the RoA guidance

Ujjivan Small Finance Bank's (UJJIVAN) Q1FY27 earnings beat our estimates, with signs of improvement in the MFI portfolio, supported by a sharp pick-up in disbursements (+41% YoY), stable margins, and improvement in asset quality metrics. Deposit growth (+5.4% QoQ) was strong, as was loan growth (+5.6% QoQ) during the quarter, although CASA% declined to 26.9% (Q4FY26: 28.6%). The delinquency trends of the MFI portfolio across states are normalizing with a sharp reduction in credit costs (~60bps), leading to an RoA of 2.2% (+9bps QoQ). We believe UJJIVAN is better placed compared to other MFI players, given its moats around geographical diversification, higher employee vintage, larger presence in urban/metro regions, and superior underwriting. We raise our FY27E/FY28E earnings estimates by 15%/5%, factoring in lower credit costs; we maintain ADD with a revised TP of INR80 (1.8x Mar-28 ABVPS).

- **NIMs stable in the quarter:** Credit clocked a 29% YoY growth with sequential disbursements picking up significantly in gold loans, vehicle loans, and FIG lending. NIMs were stable at 8.5% on the back of a pick-up in MFI disbursals even as asset yields declined moderately (-10bps QoQ).
- **Asset quality continues to improve:** PAR-0 in the MFI portfolio surprisingly moderated to 4.1% (Q4FY26: 4.2%) despite geopolitical shocks, as the quality of assets improved across states, reflecting in lower gross slippages at 1.7% (Q4FY26: 2.3%). Credit costs improved significantly to 0.9% (Q4FY26: 1.5%), as UJJIVAN raised its PCR to ~85%. On the evidence of Q1FY27, we moderate our FY27E-28E credit costs by ~40bps to 1.2% (20bps higher than guidance).
- **Portfolio stability essential:** UJJIVAN aims to grow its loan book by 25% on the back of non-MFI portfolio with its impact on asset yields (lower) and opex ratios (higher). We expect to see margin pressures on the back of higher cost of funds in this environment. Until the non-MFI book matures, we argue that stability in the micro-banking portfolio is critical to drive valuation rerating.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	11.9	8.6	38.7%	10.9	8.6%	38.7	46.4	54.1
PPOP	5.5	3.6	52.1%	5.1	6.5%	17.1	21.5	26.3
PAT	3.2	1.0	207.0%	2.8	12.3%	6.9	12.0	14.3
EPS (INR)	1.6	0.5	207.5%	1.4	14.0%	3.6	6.2	7.3
ROAE (%)						10.7	16.7	17.5
ROAA (%)						1.3	1.9	1.9
ABVPS (INR)						34.2	37.9	43.6
P/ABV (x)						2.1	1.9	1.6
P/E (x)						19.8	11.5	9.6

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	481	477	0.8%	567	569	-0.4%
NIM (%)	8.1	8.1	-7 bps	8.1	8.1	0 bps
NII	46.4	46.6	-0.4%	54.1	53.9	0.3%
PPOP	21.5	21.3	1.2%	26.3	25.3	4.0%
PAT	12.0	10.4	15.2%	14.3	13.6	5.1%
Adj. BVPS (INR)	37.9	36.8	3.1%	43.6	42.0	3.8%

Source: Company, HSIE Research

ADD

CMP (as on 27 Jul 2026)	INR 72
Target Price	INR 80
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR70	INR80
EPS %	FY27E	FY28E
	+15.2%	+5.1%

KEY STOCK DATA

Bloomberg code	UJJIVANS IN
No. of Shares (mn)	1,946
MCap (INR bn) / (\$ mn)	139/1,452
6m avg traded value (INR mn)	1,039
52 Week high / low	INR 73/41

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.4	15.3	65.2
Relative (%)	25.0	21.4	70.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.0	0.0
FIs & Local MFs	31.1	33.5
FPIs	17.2	16.8
Public & Others	51.7	49.7
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Aptus Value Housing Finance India

A mixed quarter

APTUS reported a mixed set of results with uptick in disbursements growth (+36% YoY) offset by higher delinquencies (credit costs at 69bps). Disbursements witnessed strong momentum in Q1 (+35.9% YoY), although sustainability remains a key monitorable. APTUS continues to take multiple strategic initiatives to drive loan growth including customer diversification (floor of INR 0.7mn ticket size) and geographical diversification (6% of branches in non-core states). Further, APTUS is looking to launch a new loan product in the NBFC subsidiary, while LIG, self-employed, and rural-based customers remain the core customer segment. However, sustainability of profitability metrics while scaling up in non-core geographies, customers, and products remains a key monitorable. We maintain ADD with an unchanged RI-based TP of INR305 (implying 2.3x Mar-28 ABVPS).

- **NIM moderation offset by assignment income:** NIM (calculated) declined by 30bps QoQ to 10.8%. Yields moderated due to calibrated loan pricing, moderation in loan growth of NBFC subsidiary, and shift in customer mix toward >0.7mn ticket size, partly offset by tailwinds on cost of funds, driven by credit rating upgrade. Other income grew by 34% YoY due to assignment of portfolio (7% of AUM). Operating efficiency improved marginally with opex-to-AUM at 2.7% and C/I at 20.5% despite branch additions (33 added in Q1). However, opex ratios remain superior to peers, driven by fully optimized cost structure and astronomical NIMs.
- **Marginal uptick in loan growth:** AUM grew by 21% YoY (FY26: 20.6% YoY), primarily led by quasi home loans (+36% YoY), while small business loans (NBFC subsidiary) growth moderated to 24% YoY vs. 74% YoY in Q1FY26. Loan growth is likely to be driven by higher ticket size, distribution expansion (60-70 branches in FY27), and uptick in home loans (which has been muted), as per management.
- **Deterioration in asset quality:** Asset quality deteriorated in Q1 with GS-II/GS-III clocking in at 5.2%/1.7% (Q4FY26: 4.7%/1.5%) and inch-up in early delinquencies as well (30+ dpd at 6.87% vs. 6.21% in Q4FY26) driving higher credit costs of ~69bps (FY26: 54bps). As per management, uptick in delinquencies was largely driven by NBFC subsidiary (credit costs of 1.4%), with healthy trends in the HFC business.
- **Multiple initiatives to revive growth; execution key monitorable:** APTUS's profitability metrics remained strong in Q1 (RoA/RoE of 7.8%/20.4%). Further, APTUS remains focused on reviving loan growth through multiple initiatives at play – focus on higher ticket sizes, distribution expansion in core and non-core states, moderation in lending rates and launching a new loan product (in pipeline). However, sustaining strong profitability metrics amidst execution of these initiatives remains a key monitorable.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	3.6	3.1	16.3	3.5	2.0	13.0	15.3	18.0
PPOP	3.5	3.0	18.4	3.4	2.1	12.7	14.2	16.4
PAT	2.6	2.2	19.0	2.6	-0.0	9.4	10.3	11.8
EPS (INR)	5.2	4.4	18.9	5.2	0.0	18.8	20.5	23.5
ROAE (%)						20.1	18.8	18.7
ROAA (%)						7.8	7.2	6.9
ABVPS (INR)						98	114	131
P/ABV (x)						2.7	2.3	2.0
P/E (x)						13.9	12.8	11.1

Source: Company, HSIE Research

ADD

CMP (as on 31 Jul 2026)	INR 261
Target Price	INR 305
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 305	INR 305
EPS %	FY27E	FY28E
	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	APTUS IN
No. of Shares (mn)	501
MCap (INR bn) / (\$ mn)	131/1,371
6m avg traded value (INR mn)	489
52 Week high / low	INR 365/193

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.4	(5.2)	(20.3)
Relative (%)	(1.1)	(0.1)	(16.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	23.9	23.9
FIs & Local MFs	29.4	29.9
FPIs	30.3	30.0
Public & Others	16.4	16.3
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Home First Finance Company India

Steady P&L outcomes; growth key monitorable

HOMEFIRST's Q1FY27 earnings were largely in line with our estimates, driven by steady core spreads (5.2%), healthy loan growth (+26% YoY), and steady asset quality. Business momentum surprised positively with an uptick in a seasonally weak quarter (disbursements up by +31% YoY albeit on a low base). The growth was largely led by home loans with moderation in LAP and co-lending, which remain key levers to augment the loan growth. However, opex ratios remain higher with the next phase of investments in distribution, given volume throughput metrics (per branch, per employee) had largely peaked out. We expect AUM growth to moderate towards sub-25% over FY27-FY28E, given several growth headwinds such as elevated competitive intensity and increasing scale. We maintain REDUCE with an unchanged RI-based TP of INR 1,200 (implying 2.3x Mar-28 ABVPS; ~21% premium to AAVAS).

- **NIM reflation, steady loan growth drive strong earnings growth:** NIM reflat to 6.72% (Q4FY26: 6.53%), led by steady core spread and improved liquidity management. Other income grew by 28% YoY due to higher assignment income. Operating efficiency deteriorated sequentially (opex to AUM at 2.63%; C/I at 32.5%) due to the addition of ~282 employees in the last couple of quarters and higher employee incentives. Profitability improved sequentially (RoA/RoE of 4.2%/14.5%), with sub-par RoEs due to lower D/E (2.4x), which is likely to improve over FY27-FY28E.
- **Loan growth led by core home loans, ticket sizes:** AUM growth improved to +25.7% YoY, driven by higher disbursements growth (+31% YoY). Loan growth was led by home loans (+25.8% YoY; 83.5% of AUM). HOMEFIRST continued to pivot toward higher ticket sizes (18.5% of AUM with ticket size above INR 2.5mn vs. 14.1% in Q1FY26), although incremental yields remain steady. BT-outs in Q1 were at 4.5% vs. average of 6-7% in previous quarters.
- **Improving asset quality; steady credit costs:** GS-III/NS-III improved sequentially to 1.77%/1.37% (Q4FY26: 1.82%/1.39%), with GS-II at 1.43% (Q4FY26: 1.41%) driving credit costs of 47bps (Q4FY26: 49bps). Early delinquencies (dpd 1+/dpd 30+) remained steady at 4.7%/3.2% (Q4FY26: 4.7%/3.2%), led by increased focus on collections as well as improving collections environment.
- **Sustainable uptick in disbursements a key monitorable:** HOMEFIRST reported healthy traction in disbursements in Q4FY26/Q1FY27, post 21%/13% growth in FY25/FY26. HOMEFIRST has levers to drive growth with product (LAP at 15.7% of AUM) and customer (self-employed at 32% of AUM) diversification and co-lending. However, elevated competitive intensity, peak volume throughput metrics, and increasing scale are likely to continue to weigh on overall loan growth aspirations.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	2.5	1.9	30.6	2.4	7.2	8.7	11.0	13.2
PPOP	2.2	1.7	32.9	2.1	6.0	7.6	9.5	11.1
PAT	1.6	1.2	34.5	1.5	7.0	5.4	6.6	7.8
EPS (INR)	15.2	11.5	32.3	14.2	6.8	51.8	63.7	74.4
ROAE (%)						15.7	14.3	14.6
ROAA (%)						3.9	4.0	3.8
ABVPS (INR)						400.0	453.4	513.9
P/ABV (x)						3.0	2.6	2.3
P/E (x)						22.8	18.5	15.9

Source: Company, HSIE Research

REDUCE

CMP (as on 28 Jul 2026)	INR 1,181
Target Price	INR 1,200
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,200	INR 1,200
	FY27E	FY28E
EPS %	0%	0%

KEY STOCK DATA

Bloomberg code	HOMEFIRS IN
No. of Shares (mn)	105
MCap (INR bn) / (\$ mn)	123/1,288
6m avaded value (INR mn)	492
52 Week high / low	INR 1,441/894

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.1	(0.8)	(13.9)
Relative (%)	5.3	5.9	(8.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	7.0	7.0
FIs & Local MFs	27.6	29.8
FPIs	45.7	43.9
Public & Others	19.8	19.3
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Aavas Financiers

Pivoting toward growth vs margins

AAVAS's Q1FY27 earnings were ahead of our estimates, driven by higher loan growth and improving operating efficiency, although partly offset by lower NIM. AAVAS, under new MD & CEO, has indicated renewed focus on loan growth (~17-18% for FY27; ~20% over long term) on the back of aspirational doubling of employee productivity by focused execution, stronger accountability and customer acquisitions. While this is a welcome move and likely to drive improvement in opex ratios, margins are likely to be under pressure in the near term with PLR cuts (25bps in CY26YTD), increasing share of home loans and elevated competitive intensity. We revise our FY27E/FY28E earnings estimates to factor in higher loan growth, improving operating efficiency, offset by lower NIMs and maintain ADD with a revised RI-based TP of INR 1,595 (implying 1.9x Mar-28 ABVPS).

- **Operating efficiency offsets NIM compression:** AAVAS's core spread declined by 14bps QoQ to 5.06% due to reduction in PLR by 15bps in Mar-26 and by 10bps in Jun-26, with a marginal uptick in cost of funds (2bps). Other income grew by 17% YoY, driven by assignment income (25% YoY). Opex ratios improved sharply QoQ (opex to AUM at 3.1%; C/I at 44%), with impact of tech transformation and higher productivity. Disbursements grew by 41% YoY, albeit partly aided by a low base and enhanced focus on improving productivity. However, high prepayments impacted the loan growth to 15.4% YoY.
- **Steady asset quality:** AAVAS's asset quality remained broadly steady QoQ with 1+ dpd/GS II/GS III at 3.76%/1.44%/1.11% vs. 3.17%/1.28%/1.05% in Q4FY26, driving credit costs of 27bps. Low credit costs (<20bps) during FY22-FY26 is reflective of conservative underwriting practices at AAVAS.
- **Pivot toward growth a welcome move; execution remains the key:** AAVAS's new MD & CEO has indicated of efforts to double employee productivity, which is likely to drive higher disbursements growth compared to FY22-FY26, improve operating efficiency, and lead to better capital utilization. However, elevated competitive intensity, along with pivot toward home loans and sustained conservative underwriting approach, is likely to drive pressure on margins. Sustainable traction in loan growth (~17-18%) and healthy profitability (~15% RoE) remain the key monitorable for rerating.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ(%)	FY26	FY27E	FY28E
NII	3.2	2.8	16.7	3.2	1.2	11.8	13.4	15.6
PPOP	2.3	1.9	22.3	2.4	(1.9)	8.7	10.1	12.3
PAT	1.7	1.4	23.0	1.8	(5.7)	6.5	7.6	9.1
EPS (INR)	21.5	17.5	23.3	22.8	(5.6)	82.6	95.3	115.2
ROAE (%)						13.9	13.9	14.6
ROAA (%)						3.3	3.3	3.4
ABVPS (INR)						621	711	821
P/ABV (x)						2.4	2.1	1.9
P/E (x)						18.4	16.0	13.2

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	270	274	1.3%	314	319	1.5%
NIM (%)	6.1	6.0	-9 bps	6.1	6.0	-10 bps
NII	13.5	13.4	-0.6%	15.6	15.6	0.0%
PPOP	10.1	10.1	0.8%	12.0	12.3	1.9%
PAT	7.5	7.6	0.8%	8.9	9.1	2.2%
ABVPS (INR)	710.6	711.3	0.1%	818.8	821.5	0.3%

Source: Company, HSIE Research

ADD

CMP (as on 21 Jul 2026)	INR 1,522
Target Price	INR 1,595
NIFTY	24,188

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,450	INR 1,595
	FY27E	FY28E
EPS %	0.8%	2.2%

KEY STOCK DATA

Bloomberg code	AAVAS IN
No. of Shares (mn)	79
MCap (INR bn) / (\$ mn)	121/1,254
6m avg traded value (INR mn)	289
52 Week high / low	INR 1,950/1,050

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.7	9.6	(21.1)
Relative (%)	11.0	15.0	(15.3)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	49.0	48.9
FIs & Local MFs	14.3	22.1
FPIs	24.7	16.7
Public & Others	12.0	12.2

Pledged Shares	-
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Source: BSE

Pledged shares as % of total shares

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Can Fin Homes

Disbursements growth yet to translate into AUM growth

Can Fin Homes' (CANF) Q1FY27 earnings were in line with our estimates, driven by healthy NIM (3.8%) and steady operating efficiency and asset quality leading to sustained healthy profitability (RoA/RoE of 2.4%/17.2%). Business momentum sustained strong traction (disbursements up by +29% YoY) across all geographies and is expected to sustain in FY27. However, this is yet to translate into healthy AUM growth (+10.8% YoY in Q1) due to higher prepayments and balance transfers and remains a key monitorable for a growth uptick. Further, a pivot toward higher ticket sizes amidst elevated competitive intensity could pose a downside risk to margins. CANF remains a robust franchise delivering sustained strong profitability; however, sustained healthy traction in loan growth remains a key monitorable for further rerating; maintain BUY with an RI-based TP of INR 1,040 (implying 1.8x Mar-28 ABVPS).

- **Healthy P&L outcomes:** CANF's NIM moderated sequentially to 3.8% (-38bps QoQ) due to moderation in yields (18bps), led by transition of a significant share of loan book from annual reset to quarterly reset in Q1. However, NIMs are expected to remain at similar levels with ~87% of loan book at quarterly reset, steady loan pricing and broadly steady cost of funds. Opex ratios remained steady QoQ, with opex to AUM at 0.8% (C/I at 19.5%) and bulk of the expenses related to tech transformation largely done. Opex ratios are likely to remain elevated at these levels over FY27-FY28E.
- **Uptick in loan growth remains protracted:** Disbursements growth has sustained the momentum (+29% YoY) post strong growth in FY26 (+23% YoY) with distribution expansion, improving branch productivity, pivot to higher ticket sizes (48% of disbursements in Q1 above ticket size of INR 3mn) and gradual diversification of sourcing channels. CANF has been gradually diversifying its sourcing mix beyond DSAs (~80%) to direct marketing (APF etc.) and digital sourcing. However, higher prepayment rates along with balance transfers continue to keep loan growth muted and remain a key monitorable. CANF's loan growth (+10.8% YoY) has been protracted during FY24-FY26 (~10% CAGR).
- **Healthy asset quality:** GNPA/NNPA deteriorated marginally to 0.88%/0.42% (Q4FY26: 0.85%/0.37%), driving credit costs of 12bps. With declining pool of overall delinquencies, along with total provisions at 0.9%, we expect credit costs at ~14bps over FY27-FY28E.
- **Robust profitability; growth key monitorable for rerating:** CANF continues to deliver best-in-class profitability metrics among peers (average RoA/RoE of 2.3%/19% over FY24-FY26). However, muted loan growth amidst multiple headwinds remains a key monitorable for rerating. We expect ~14% AUM CAGR over FY27-FY28E on the back of multiple initiatives for loan growth (distribution expansion, tech initiatives, new sourcing channels, etc.).

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	4.3	3.6	17.9	4.2	1.2	16.1	17.6	20.4
PPOP	3.5	3.0	15.7	3.5	(0.6)	13.4	14.5	16.9
PAT	2.7	2.2	19.6	3.5	(22.5)	10.9	10.8	12.5
EPS (INR)	20.1	16.8	19.6	26.0	(22.5)	81.5	80.8	93.8
ROAE (%)						19.7	16.8	16.9
ROAA (%)						2.5	2.3	2.3
ABVPS (INR)						437.3	499.4	574.9
P/ABV (x)						2.0	1.7	1.5
P/E (x)						10.5	10.6	9.1

Source: Company, HSIE Research

BUY

CMP (as on 20 Jul 2026) INR 857

Target Price INR 1,040

NIFTY 24,239

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1040	INR 1040
EPS %	FY27E	FY28E
	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	CANF IN
No. of Shares (mn)	113
MCap (INR bn) / (\$ mn)	114/1,183
6m avg traded value (INR mn)	197
52 Week high / low	INR 972/709

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.5)	(6.3)	4.9
Relative (%)	(0.5)	(0.9)	9.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	30.0	30.0
FIs & Local MFs	24.6	24.5
FPIs	13.4	13.2
Public & Others	32.0	32.3
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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DCB Bank

Steady performance, albeit RoA reflation still missing

DCB Bank's (DCBB) Q1FY27 earnings were in line with our estimates as loan growth clocked in at 17% YoY, driving stable NII growth and impressive asset quality. Deposit growth (+20% YoY) was comfortable as CASA ratio improved to 21.7% (+35bps QoQ). We take comfort in DCBB's sustained efforts at cost rationalization and self-origination, reflecting in early evidence of operating leverage gains and greater control over asset quality outcomes, as highlighted in our [Company Update](#). We believe that DCBB's journey to sustainably reflate its RoA > 1% is contingent on its ability to build further on these gains, and simultaneously deliver on deposit granularity, margins, and asset quality. We tweak our numbers for FY27E/FY28E by 4%/3% to factor in the Q1FY27 performance; maintain BUY with a revised TP of INR245 (1.0x Mar-28 ABVPS).

- **Healthy operating performance with stable growth:** NII growth (+18% YoY) was healthy, with NIMs at 3.35% (+15bps YoY) on the back of a lower cost of funds (-43bps YoY) and improving recoveries. Loan growth was driven by corporate loans (+42% YoY), gold loans (+128% YoY), and AIB portfolio (+23% YoY) while co-lending (-5% YoY) and MSME (-14% YoY) declined. DCBB is expecting a pick-up in disbursements of higher-yielding mortgage loans.
- **Asset quality improves significantly:** Gross slippage inched up QoQ to 2.9% (Q4FY26: 2.3%), largely on account of gold loans. GNPA/NNPA improved 55bps/38bps QoQ respectively, and the PCR improved to 66% (Q4FY26: 64%), as credit costs clocked in at 26bps (Q4FY26: 32bps). We believe that DCBB's focus on self-origination (through its branches) augurs well for better control on slippages and opex intensity.
- **Operating leverage and margin reflation key to 1% RoA:** With opex-to-assets at 2.4% (Q4FY26: 2.5%) and better pricing of deposits while sustaining growth, we see early signs of productivity and efficiency gains kicking in. We believe DCBB is likely to sustain 1%+ RoA on the back of improving operating leverage, while driving better deposit granularity and asset quality outcomes.

Financial summary

(INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	6.8	5.8	17.8%	6.6	4.4%	24.6	30.5	36.4
PPOP	3.4	3.3	5.2%	3.4	0.6%	13.0	16.2	20.1
PAT	2.1	1.6	35.6%	2.1	3.7%	7.3	9.0	11.5
EPS (INR)	6.6	5.0	32.4%	6.4	3.6%	22.7	28.0	35.8
ROAE (%)						12.0	13.1	14.6
ROAA (%)						0.9	0.9	1.0
ABVPS (INR)						186.4	205.9	247.7
P/ABV (x)						1.0	0.9	0.8
P/E (x)						8.2	6.7	5.2

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	711	707	0.6%	837	840	-0.4%
NIM (%)	3.4	3.5	-3 bps	3.5	3.5	-3 bps
NII	30.5	30.1	1.3%	36.4	35.7	2.1%
PPOP	16.2	15.4	5.2%	20.1	19.9	1.0%
PAT	9.0	8.7	4.1%	11.5	11.2	2.6%
Adj. BVPS (INR)	205.9	206.0	0.0%	247.7	240.5	3.0%

Source: Company, HSIE Research

BUY

CMP (as on 27 Jul 2026)	INR 190
Target Price	INR 245
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR225	INR245
	FY27E	FY28E
EPS %	+4.1%	+2.6%

KEY STOCK DATA

Bloomberg code	DCBB IN
No. of Shares (mn)	322
MCap (INR bn) / (\$ mn)	61/639
6m avg traded value (INR mn)	319
52 Week high / low	INR 206/119

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.3)	(4.7)	38.0
Relative (%)	0.3	1.4	43.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	16.2	16.2
FIs & Local MFs	32.8	32.3
FPIs	12.6	13.5
Public & Others	38.3	38.0
Pledged Shares	0	0

Source: BSE

Pledged shares as % of total shares

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Repco Home Finance

Declaration in disbursements momentum

REPCO reported a mixed set of results with muted disbursements/AUM growth (+2%/9% YoY), offset by improving operating efficiency. Business momentum decelerated significantly in Q1, post four quarters of strong disbursements growth (FY26: 26% YoY), which along with elevated run-off rates, led to muted AUM growth of 8.9% YoY. Management has re-iterated its AUM growth guidance of ~13-14% in FY27 on the back of multiple initiatives such as customer sourcing diversification, verticalization of roles, revamped employee incentives and tech transformation. However, AUM growth continues to be sub-10% due to higher run-off rates amidst elevated competitive intensity and remains a key monitorable for meaningful re-rating. We maintain ADD with an unchanged RI-based TP of INR580 (implying 0.8x Mar-28 ABVPS).

- **Muted P&L outcomes with declining spreads and credit cost normalization:** Core spread declined by 20bps QoQ to 3.4%, largely driven by 30bps QoQ compression in yields, partly offset by 10bps reduction in cost of funds. Management indicated tweaking of loans pricing in Q1 for existing customers to address BT-outs and may remain under pressure in the near-term. Opex ratios improved sequentially (opex to AUM at 1.5%; C/I at 27%) with limited branches and employee additions in Q1. Credit costs witnessed normalization to 24bps (Q4FY26: -29bps). Subsequently, profitability declined sequentially, with RoA/RoE at 2.9%/12.7% (Q4FY26: 3.4%/14.9%).
- **Pause in disbursements momentum:** REPCO's disbursements growth, which had witnessed strong growth during FY26, witnessed a significant deceleration in Q1. Management attributed the slowdown to seasonality impact, with no major specific headwinds. Loan growth continues to be driven by home equity (+15% YoY) and self-employed segment (+11% YoY). While the management has re-iterated AUM/disbursements growth of ~13-14%/21% for FY27, elevated competitive intensity and high run-off rates could pose downside risk to these estimates.
- **Steady asset quality:** GS-III/NS-III increased marginally QoQ to 2.7%/1.2% (Q4FY26: 2.6%/1.2%), with GS-II at 7.2%. Early delinquencies (GS-II) have improved significantly over the last few years (Mar-22: 16.5%) on the back of consistent efforts in collections/recoveries, dedicated manpower etc. Credit costs witnessed an uptick due to normalization (strong recoveries during FY24-FY26) and are likely to remain at ~27bps during FY27-FY28E.
- **Healthy uptick in loan growth key for re-rating:** REPCO's efforts to revive AUM growth through tech transformation, distribution expansion and organization restructuring (verticalization etc.) have led to an uptick in disbursements in FY26. However, AUM growth has been marred by high run-off rates due to elevated competitive intensity from PSBs and organic prepayments. Further, profitability is likely to remain under pressure amidst credit costs normalization and declining core spreads. However, current valuation (0.5x Mar-28 ABVPS) provides favorable risk-reward.

Financial summary

Y/E Mar (INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E
NII	2.1	1.8	13.2	2.0	4.2	7.7	8.4	9.4
PPOP	1.6	1.4	9.6	1.4	15.0	5.5	6.3	7.1
PAT	1.1	1.1	5.6	1.3	(11.1)	4.5	4.5	5.0
EPS (INR)	18.3	17.3	5.7	20.6	(11.6)	72.4	72.0	80.6
ROAE (%)						12.5	11.0	11.1
ROAA (%)						2.9	2.6	2.6
ABVPS (INR)						595	658	729
P/ABV (x)						0.6	0.6	0.5
P/E (x)						5.1	5.1	4.6

Source: Company, HSIE Research

ADD

CMP (as on 12 Aug 2026)	INR 367
Target Price	INR 580
NIFTY	24,436

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 580	INR 580
	FY27E	FY28E
EPS %	0.0%	0.0%

KEY STOCK DATA

Bloomberg code	REPCO IN
No. of Shares (mn)	63
MCap (INR bn) / (\$ mn)	23/241
6m avg traded value (INR mn)	67
52 Week high / low	INR 456/334

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.4)	(11.1)	(4.3)
Relative (%)	(11.0)	(4.2)	(1.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	37.1	37.1
FIs & Local MFs	24.3	26.1
FPIs	13.4	12.4
Public & Others	25.2	24.4
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Capital Goods

Larsen & Toubro

Strong performance amidst West Asia conflict

Larsen & Toubro (LT) reported revenue/EBITDA/APAT at INR 679.4/61.2/41.2bn, a beat/(miss) of (2.8)/(9.1)/+3.1%, marked by disruptions in supply chain in the Middle East and slower execution in water projects. P&M margins stood at 7% in Q1FY27 (YoY: -20bps). Robust order inflows of INR 1.1trn (+14% YoY) in Q1FY27, driven by ultra-mega offshore wind orders from Europe and domestic private sector orders. Despite the West Asia conflict, LT maintained guidance of FY27 order inflow growth at 10-12%, revenue at 10-12%, PP&M margin guidance at 7.8% (flat YoY) and NWC/revenue of 10%. LT expects conclusion of sale process for Hyderabad metro by Sep 26 (Nabha power sale completed in Jun 26). Given (1) the record-high order book (OB) of INR 7.8trn (+27% YoY; ~2.7x FY26 revenue), (2) focus on advance business segments such as semiconductors, solar PV plants, and data centres, (3) improvement in subsidiary performance, and (4) likely higher-than-expected private capex and continued public capex toward infrastructure and green economy, we maintain BUY with an increased SOTP-based target price of INR 4,694 per share (29x Sep-28E EPS core). We have marginally increased our EPS estimate to factor in milder-than-envisioned Middle East conflict impact on cost inflation and execution. LT doesn't expect any major cost escalation/margin dilution from the West Asia conflict. Any excess commodity inflation-led execution is taking place post client consent. In the absence of consent, the execution is deferred, subject to client agreement on cost and time overrun compensation.

■ **Q1FY27 financial highlights:** LT's revenue was a miss by 2.8% at INR 679.4bn (+6.7/-17.9% YoY/QoQ); revenue growth was led by Realty (112% YoY)/Energy – Conventional (14.3% YoY)/Financial services (27% YoY)/Technology (15% YoY), albeit there is subdued progress in Infrastructure & Utilities (-2.4% YoY)/Energy – Green (-11.5% YoY). EBITDA came in at INR 61.2bn (-3.2/-29% YoY/QoQ), a miss by 9.1%. Adjusted for INR 2.5bn ECL provision, EBITDA miss is 5.3%. EBITDA margin came in at 9% (-91.9/-140.1bps YoY/QoQ, vs 9.6% estimate). EBITDA margin was impacted by lower execution levels, forex variation in IT subsidiaries and higher ECL provisions of INR 2.5bn. APAT stood at INR 41.2bn (+14/-21.6% YoY/QoQ), a 3.1% beat. Adjusted for higher OI and ECL, APAT miss stood at 6.5%.

■ **Q1FY27 robust order inflow; despite West Asia conflict, all-time high OB:** LT registered strong OI, aided by Ultra Mega offshore wind orders from Europe and sustained domestic private sector ordering. OI is spread across domestic/international markets (44/56%). The OB is well-diversified, with 48/52% of orders from the domestic/international markets in Q1FY27. Segment-wise, the OI in Q1 stood at 31/5/20/41/3% from Energy (G)/Mfg. & Products/Services/Infra & Utilities/Energy (C) respectively. The OB is spread across Infra & Utilities/Energy (G)/Energy (C)/Mfg. & Products/Services segments at 45/19/28/5/2% respectively. The prospects as of Jun 26 is of INR 15trn.

Consolidated financial summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	6,79,417	6,36,789	6.7	8,27,622	(17.9)	28,58,743	31,60,194	35,69,190	41,11,557
EBITDA	61,165	63,177	(3.2)	86,103	(29.0)	2,91,512	3,17,260	3,79,940	4,50,793
APAT	41,229	36,172	14.0	52,570	(21.6)	1,50,762	2,02,533	2,41,851	2,88,948
EPS (INR)	29.4	25.8	14.0	37.5	(21.6)	109.5	147.2	175.7	210.0
P/E (x)						35.0	26.0	21.8	18.3
EV/EBITDA (x)						21.6	16.2	13.1	10.4
RoE (%)						14.6	17.5	18.5	19.4

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	31,60,194	31,24,742	1.1	35,69,190	35,74,331	(0.1)	41,11,557	41,15,952	(0.1)
EBITDA	3,17,260	3,19,188	(0.6)	3,79,940	3,80,516	(0.2)	4,50,793	4,51,301	(0.1)
EBITDA(%)	10.0	10.2	(17.6)	10.6	10.6	(0.1)	11.0	11.0	(0.1)
APAT	2,02,533	1,96,918	2.9	2,41,851	2,40,530	0.5	2,88,948	2,84,859	1.4

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 3,832
Target Price	INR 4,694
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 4,529	INR 4,694
EPS change %	FY27E +2.9	FY28E +0.5 FY29E +1.4

KEY STOCK DATA

Bloomberg code	LT IN
No. of Shares (mn)	1,376
MCap (INR bn) / (\$ mn)	5,272/54,999
6m avg traded value (INR mn)	12,255
52 Week high / low	INR 4,440/3,288

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.1)	1.0	12.0
Relative (%)	(4.9)	7.8	17.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.0	0.0
FIs & Local MFs	43.32	43.01
FPIs	18.78	19.13
Public & Others	37.89	37.85
Pledged Shares	0.0	0.0

Source: BSE

Pledge shares as a % of total shares

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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 -10.4	CY27E -6.4 CY28E -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

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Cummins

Solid execution; margins miss

Cummins India Ltd (CIL) reported improved strong execution on the back of Powergen Data Centre orders, with revenue/EBITDA/APAT beat/miss on our estimates by +4.4/-9.8/-11.2%. CIL highlighted demand from data centre segment remained strong, driven by volume-led growth, albeit Q1FY27 was impacted by commodity cost increases for pig iron, copper, and aluminium due to the Middle East (ME) disruptions, as well as labour shortages and higher freight costs. Exports were flat in Q1FY27 YoY, although CIL remains upbeat on domestic demand, led by volumes. The large level of localization in product line has provided a buffer for shocks, with price increase undertaken in Q1FY27 being passed on to customers. This is expected to yield positive margins outcome from Q2/Q3FY27. We expect this to more than cover up commodity inflation and CIL may retain some benefit owing to demand outstripping supply in HHP/data centre nodes. The company has multiple tailwinds; namely, strong data centre demand, capex cycle recovery, revival in industrials/rail/construction segments and exports, including strong upcoming real estate deliveries and support for manufacturing policies. CIL remains a play on data centre and capex recovery. We have recalibrated our estimates lower to factor in commodity inflation and impact on margins. We maintain BUY, with a revised SOTP of INR 7,177 (60x Sep-28 EPS roll-over).

■ **Q1FY27 financial highlights:** Revenue: INR 34.3bn (+17.9/+13.8% YoY/QoQ, beat by 4.4%). Domestic sales: INR 28.5bn (+22/+14% YoY/QoQ) and export of INR 5.2bn (flat/+16% YoY/QoQ). EBITDA: INR 6.2bn (-1.2/-4% YoY/QoQ, miss by 9.8%). EBITDA margin came at 18% (-346.5/-334.1bps YoY/QoQ) vs our estimate of 20.8%. Other income: INR 1.6bn (+5.4/-30.4% YoY/QoQ). APAT: INR 5.4bn (-2.4/-13.2% YoY/QoQ, a 11.2% miss). Plant capacity utilization stood at ~70-75% in Q1FY27.

■ **Pricing revised to accommodate commodity inflation, strong demand remains a buffer:** In Q1FY27, the domestic power gen revenue stood at INR 14.3bn (+35/+10% YoY/QoQ), driven by volume-led growth; distribution stood at INR 8.9bn (+14/+16% YoY/QoQ), led by increase in demand for service packages as warranties lapse for CPCB4+, while industrials were at INR 4.6bn (+10/+20% YoY/QoQ), driven by incremental demand in rail, realty, and construction segments. CIL has undertaken price increases to accommodate commodity price inflation, demand is outstripping supply in HHP nodes, and increased competition in LHP nodes remains. CIL focus is now on managing the gross margin amid commodity price increases and gradual recovery on the back of volumes and revised prices.

■ **Powergen demand healthy; distribution segment strong:** Powergen demand is healthy, driven by data center orders in Q1FY27. Data center contributed 40% to overall power gen revenue vs. 23% YoY. Distribution growth is fueled by increasing on-ground presence and upgrades; with CPCB 4+ two-year warranty period ending at the start of Jul-26, CIL expects next three years this segment to grow at 20%+.

Standalone financial summary

Particulars	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	34,260	29,068	17.9	30,112	13.8	121,432	143,231	172,155	208,457
EBITDA	6,162	6,235	(1.2)	6,422	(4.0)	25,949	28,746	36,048	45,406
APAT	5,430	5,562	(2.4)	6,259	(13.2)	23,677	25,554	31,317	38,758
Diluted EPS (INR)	19.6	20.1	(2.4)	22.6	(13.2)	85.4	92.2	113.0	139.8
P/E (x)						63.2	58.6	47.8	38.6
EV/EBITDA (x)						56.2	50.6	39.7	30.9
RoE (%)						31.7	28.5	27.6	26.9

Source: Company, HSIE Research

Change in Estimates

Particulars	FY27E			FY28E			FY29E		
	New	Old	% Chg. / Bps	New	Old	% Chg. / Bps	New	Old	% Chg. / Bps
Revenue	143,231	140,620	1.9	172,155	169,446	1.6	208,457	209,388	(0.4)
EBITDA	28,746	29,920	(3.9)	36,048	37,369	(3.5)	45,406	48,962	(7.3)
EBITDA (%)	20.1	21.3	(120.7)	20.9	22.1	(111.4)	21.8	23.4	(160.2)
APAT	25,554	26,388	(3.2)	31,317	31,974	(2.1)	38,758	40,787	(5.0)

Source: HSIE Research

BUY

CMP (as on 06 Aug 2026) INR 5,402

Target Price INR 7,177

NIFTY 24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7,096	INR 7,177
EPS change %	FY27E -3.2	FY28E -2.1 FY29E -5.0

KEY STOCK DATA

Bloomberg code	KKC IN
No. of Shares (mn)	277
MCap (INR bn) / (\$ mn)	1,497/15,725
6m avg traded value (INR mn)	3,266
52 Week high / low	INR 6,143/3,573

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.5	23.7	48.6
Relative (%)	0.2	29.2	50.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.00	51.00
FIs & Local MFs	19.43	19.06
FPIs	20.77	21.19
Public & Others	8.78	8.75
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Hitachi Energy

Strong show; robust inflows

Hitachi Energy India (HEI) reported a revenue/EBITDA/APAT beat of +17.5%/+3.3/+5.2%, respectively. The EBITDA margin stood at 14.6% (+410.3/-53.8% YoY/QoQ, vs our estimate of 16.7%). HEI enters FY27 with strong multi-quarter visibility, backed by a robust pipeline across utilities, renewables, HVDC, data centres, and the emerging BESS segment, where the Andhra Pradesh win validates its end-to-end grid-integration offering. Data centre demand is seen as significant and sustainable (India targeting ~15 GW by 2030), supported by the new Grid-to-Rack modular offering. Construction has begun on a 20th manufacturing facility at Karjan, Vadodara (targeted commissioning Q4CY28), a part of INR 40bn capex plan to deepen localization and export competitiveness. Key risks include geopolitical tensions, commodity price volatility, and execution complexity, though ~70% of contracts carry variable price clauses as a natural hedge. HEI has ~INR 322.2bn of OB as of Jun'26, with 25% of export order share. We continue to expect HVDC orders to be growth-accretive and margin-dilutive and this has been incorporated into our estimates. With volume growth, we expect the positive margin trajectory to be maintained. We have recalibrated our EPS estimates to factor in better execution on strong inflows, marginally cut EBITDA for FY27. Given limited upside at CMP, we maintain ADD, with an increased TP of INR 34,667/sh to factor in robust HVDC pipeline, new capex announcement, increasing share of exports, emergence of Indian datacentre opportunity and introduction of new products like BESS in Indian markets.

- **Q1FY27 financial highlights:** HEI reported revenue of INR 24.9bn (+68.6/-9.5% YoY/QoQ, a beat of 17.5%). EBITDA stood at INR 3.6bn (+134.7/-12.7% YoY/QoQ, a beat by 3.3%), with EBITDA margin at 14.6% (+410.3/-53.8bps YoY/QoQ), a miss vs. our estimate of 16.6%. APAT came in at INR 2.9bn (+123.5%/-11.0% YoY/QoQ; a beat by 5.2%).
- **Strong base order inflow:** In Q1FY27, HEI received orders worth INR 50.9bn (-55.1/+110.4% YoY/QoQ). HEI won a large HVDC offshore grid order of INR 17.1bn. Segment-wise, Q1FY27 order mix comprises products/projects/services at 55/42/3%, respectively. Sector-wise, OB mix across utilities/ industries/ transport and infra stands at 38/34/28%, respectively.

Financial summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	24,937	14,789	68.6	27,541	(9.5)	81,477	1,23,253	1,66,391	1,91,350
EBITDA	3,635	1,549	134.7	4,163	(12.7)	12,523	19,945	27,954	32,721
APAT	2,942	1,316	123.5	3,305	(11.0)	10,285	16,086	22,034	25,540
Diluted EPS (INR)	66.0	29.5	123.5	74.1	(11.0)	230.6	360.7	494.0	572.6
P/E (x)						141.4	90.4	66.0	56.9
EV / EBITDA (x)						112.4	70.7	50.2	42.5
RoE (%)						21.9	26.9	27.9	24.9

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E			FY29E		
	New	Old	% Chg.	New	Old	% Chg.	New	Old	% Chg.
Revenue	1,23,253	1,27,130	-3.0	1,66,391	1,68,897	-1.5	1,91,350	1,77,342	7.9
EBITDA	19,945	22,693	-12.1	27,954	28,375	-1.5	32,721	30,343	7.8
EBITDA (%)	16.2	17.9	-166.8	16.8	16.8	0.0	17.1	17.1	-1.0
APAT	16,086	17,759	-9.4	22,034	21,346	3.2	25,540	22,181	15.1

Source: HSIE Research

ADD

CMP (as on 07 Aug 2026)	INR 32,600
Target Price	INR 34,667
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	31,414	34,667
EPS change %	FY27E -9.4	FY28E +3.2 FY29E +15.1

KEY STOCK DATA

Bloomberg code	POWERIND IN
No. of Shares (mn)	45
MCap (INR bn) / (\$ mn)	1,453/15,265
6m avg traded value (INR mn)	5,199
52 Week high / low	INR 38,800/16,104

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.5)	49.1	57.4
Relative (%)	(7.4)	55.1	60.0

SHAREHOLDING PATTERN (%)

	Mar-25	Jun-26
Promoters	71.31	71.31
FIs & Local MFs	6.95	6.32
FPIs	11.68	12.44
Public & Others	10.07	9.91
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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Siemens

Muted margins; strong order booking

Siemens India's (SIL) revenue/EBITDA/APAT of INR 47.1/4.3/3.4bn was a beat/miss on our estimates by +0.2/-10.3/-9.7% respectively. SIL's order book (OB) stood at INR 467bn (+9.6% YoY). The strong Q1FY27 order booking of INR 63bn (+16.6% YoY) is driven by MO and SI segments, while DI witnessed marginal OI improvement. SIL highlighted that the year-ago quarter had benefited from a large signalling and train control order tied to the Mumbai-Ahmedabad high-speed rail corridor; stripping out that base effect, order growth for the current quarter is much stronger at 43.9%. Growth was fairly broad-based, with Smart Infrastructure delivering robust momentum from grid modernization, data centre and commercial real estate projects, Digital Industries picking up automation orders across solar cell manufacturing, metals, electronics, pharma and water segments, and Mobility posting good traction in its rolling stock business. SIL's segments are exposed to government capex, which is expected to grow 11% YoY in FY27, while private capex recovery is contingent on pick-up in consumption. However, conflict in Middle East has caused supply chain disruptions, commodity price increases, forex depreciation for SIL, affecting profitability. We have tweaked our estimates to factor in commodity and forex impact. Given the robust order backlog and stable order inflows, we maintain BUY, with a revised TP of INR 4,374 (rolled over to 60x Sep-28 EPS).

- **Q1FY27 financial snapshot:** Revenue stood at INR 47.1bn (+8.4/+2.1% YoY/QoQ, in line with our estimate). EBITDA stood at INR 4.3bn (-17.3/-2.9% YoY/QoQ, a 10.3% miss). Due to commodity inflation and forex impact, EBITDA margins stood at 9.1% vs. 10.3% estimate. Consequently, APAT came in at INR 3.4bn (-18.9/-4.3% YoY/QoQ, a miss of 9.7%). Siemens completed the divestment of its LVM business in the quarter for a cash consideration, booking a one-time provisional gain of INR 21bn under discontinued operations.
- **Segment-wise performance:** Smart infrastructure (SI) (55.3% revenue contribution): revenue at INR 26.3bn (+1.5%/+35.0% YoY/QoQ), EBIT margin at 7.6% (-349.6/-617bps YoY/QoQ); Mobility (MO) (19.6% revenue contribution): revenue at INR 9.3bn (+12.0/+20.3% YoY/QoQ), EBIT margin at 10.2% (+359/+794bps YoY/QoQ); Digital industries (DI) (24.2% revenue contribution): revenue at INR 11.4bn (-2.6/+24.9% YoY/QoQ); EBIT margin at 5.1% (+282.1/-564bps YoY/QoQ).

Consolidated financial summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	47,137	43,468	8.4	46,175	2.1	2,48,456	1,93,820	2,25,381	2,63,029
EBITDA	4,310	5,214	(17.3)	4,439	(2.9)	28,242	22,338	28,521	33,958
APAT	3,434	4,234	(18.9)	3,590	(4.3)	26,969	18,525	23,633	28,293
EPS (INR)	9.6	11.9	(18.9)	10.1	(4.3)	75.7	52.0	66.4	79.4
P/E (x)						52.8	77.1	60.4	50.5
EV/EBITDA (x)						48.5	60.2	46.5	38.3
RoE (%)						19.9	12.7	14.5	15.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	% Chg.	New	Old	% Chg.
Revenue	1,93,820	2,07,960	(6.8)	2,25,381	2,39,220	(5.8)
EBITDA	22,338	23,808	(6.2)	28,521	29,510	(3.4)
EBITDA (%)	11.5	11.4	7.6	12.7	12.3	31.9
APAT	18,525	19,785	(6.4)	23,633	24,380	(3.1)

Source: Company, HSIE Research

BUY

CMP (as on 11 Aug 2026)	INR 4,011
Target Price	INR 4,374
NIFTY	24,472

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 4,275	INR 4,374
EPS Change %	FY27E	FY28E
	-6.4	-3.1

KEY STOCK DATA

Bloomberg code	SIEM IN
No. of Shares (mn)	356
MCap (INR bn) / (\$ mn)	1,428/14,966
6m avg traded value (INR mn)	1,697
52 Week high / low	INR 4,074/2,826

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.2	27.3	28.8
Relative (%)	8.4	34.5	31.8

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	75.00	75.00
FIs & Local MFs	8.59	6.47
FPIs	6.80	9.10
Public & Others	9.6	9.45
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Siemens Energy

Robust performance

Siemens Energy Ltd (SEL) delivered a strong quarter, with revenue/EBITDA/APAT at INR 24.9/5.9/4.4bn, a beat on estimates by +9.4/+24.4/+24.1%. SEL received Q3FY26 PT/PG new orders worth INR 13.9/11bn, a growth of 36.4/(35.4%) YoY, which led to an order backlog of INR 193.3bn (+16.4% YoY). Exports (largely PT-driven) revenue share increased to 28.4% in 9MFY26 (9MFY25: 21.4%). SEL continued to benefit from sustained traction in the power transmission segment, backed by rising demand for grid infrastructure. Major deliveries in Q3FY26 included GIS solutions for Data Centre, hydro power project, giga factory, metro project for export to Africa, to name a few. SEL is investing ~INR 28bn for the ongoing expansion (Kalwa, Chhatrapati Sambhajnagar) and a new greenfield transformer factory. The new facility is tentatively scheduled to become operational in phases starting H2FY27. The bid pipeline remained strong and new awards are expected to pick up pace in the coming quarters. We have increased our estimates. Given the strong cash flow, robust order book, limited competitive intensity, and export opportunities, we maintain BUY on SEL with an increased TP of INR 4,344/sh (60x Sep-28E EPS, roll-over from Jun-28).

■ **Q3FY26 financial snapshot:** Revenue came in at INR 24.9bn (+39.3/+3.8% YoY/QoQ, beat by 9.4%). EBITDA was INR 5.9bn (+72.1/17.5% YoY/QoQ, a beat of 24.4%). EBITDA margin came in at 23.6% (+449/275bps YoY/QoQ, vs our estimates of 20.7%). Consequently, RPAT/APAT came in at INR 4.4bn (67.8/17.7% YoY/QoQ, a 24.1% beat). Revenue growth is supported by robust order backlog, steady demand from utilities and industries, exports and execution. EBITDA performance is led by better operating leverage, higher export contribution, and disciplined order execution.

■ **Robust order book:** With a strong order intake in PT/PG of INR 67/33.4bn in 9MFY26 and OB of INR 134.9/58.4bn (+27.6/-3.2% YoY), the core power transmission segment continues to outperform on growth, supported by domestic grid expansion (notably 765kV lines) and export opportunities.

■ **Power transmission (PT) exports ramping up, power generation (PG) more of domestic story:** SEL is looking to strengthen the Indian footprint through PT capacity expansion (INR 28bn of capex outlay), backed by strong electricity demand from domestic consumption, public infrastructure capex, industrial growth, data centers, and exports. SEL is expanding capacities across 1) transformer manufacturing, 2) high-voltage switchgear, and 3) a new Industrial Steam Turbine Service Centre in Raipur.

Standalone financial summary (INR mn) – Y/E – Sep

Particulars	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Revenues	24,856	17,846	39.3	23,941	3.8	78,267	96,190	1,17,785	1,43,038
EBITDA	5,857	3,403	72.1	4,983	17.5	15,134	21,008	25,559	32,184
APAT	4,409	2,627	67.8	3,746	17.7	11,001	16,131	20,221	25,404
EPS (INR)	12.4	7.4	67.8	10.5	17.7	30.9	45.3	56.8	71.3
P/E (x)						100.0	68.2	54.4	43.3
EV/EBITDA (x)						70.4	50.5	41.1	32.2
RoE (%)						29.0	31.9	30.8	29.9

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%) / (bps)	New	Old	Chg. (%) / (bps)	New	Old	Chg. (%) / (bps)
Revenue	96,409	96,190	0.2	118,053	117,785	0.2	143,364	143,038	0.2
EBITDA	21,972	21,008	4.6	27,388	25,559	7.2	33,690	32,184	4.7
EBITDA (%)	22.8	21.8	95.0	23.2	21.7	150.0	23.5	22.5	100.0
PAT	16,605	16,131	2.9	20,879	20,221	3.3	25,780	25,404	1.5

Source: HSIE Research

BUY

CMP (as on 06 Aug 2026)	INR 3,252
Target Price	INR 4,344
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,844	INR 4,344
EPS Change %	FY26E +2.9	FY27E +3.3 FY28E +1.5

KEY STOCK DATA

Bloomberg code	ENRIN IN
No. of Shares (mn)	356
MCap (INR bn) / (\$ mn)	1,158/12,162
6m avg traded value (INR mn)	1,800
52 Week high / low	INR3,968/2,105

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.1	18.7	2.9
Relative (%)	0.8	24.2	4.8

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	75.00	75.00
FIs & Local MFs	7.59	7.72
FPIs	6.62	6.44
Public & Others	10.78	10.82
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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NTPC Green Energy

Strong performance; beat on numbers

NTPC Green Energy's (NGEL's) revenue/EBITDA/APAT was a beat by +0.9/+3.7/+11.2% vs our estimates. Capacity addition for Q1FY27 stood 0.6GW (solar: 0.6GW; wind: 0.01GW). Average Blended CUF (capacity utilization factor) witnessed moderation in Q1FY27 at 25% (Q1FY26: 26%), partly due to grid curtailment issues. As of Q1FY27, operating capacity stood at solar: 9.8GW, wind: 0.8GW, contracted & awarded: 16.3GW, pipeline: 3.4GW. Contracted & awarded/pipeline capacity moderated by 0.6GW QoQ on the back of capacity additions; however, robust MOUs will continue to feed future growth. Management guides the capex at INR 1.3trn over FY27-29, with annual capacity additions at 7-8GW over FY27-29 at a debt-equity of 80:20. Q1FY27 tender wins include: 1) Development of a 250 MW Solar Power Project integrated with BESS in Sitapur, UP, by NREL. 2) Ayana winning 193 MW Wind Project in MPPMCL Wind Tender. NTPC has embarked on massive capacity addition in RE with RE capacity forecasted to reach 60GW by FY32E and 136GW by FY37E, largely driven by Solar+Wind+BESS. NGEL will be the key beneficiary of this capex as a large part of capacity expansion will happen under it. Renewable capacity expansion continues to get impacted by unavailability of transmission evacuation infra in space and this is resulting in curtailments. This is impacting 8GW of annual capacity addition, which NGEL believes could be addressed by BESS. Overall for FY27, capacity addition is expected at 7-8GW though with BESS coming in at GWhr scale the overall addition will still be higher than 8GW equivalent. We Maintain BUY on NGEL with a TP of INR 126 at 14.5x EV/EBITDA; FY29 EBITDA discounted at 12% to arrive at Jun-28 TP.

- **Q1FY27 financial snapshot:** NGEL generated a revenue of INR 11.1bn (+62.7/21.3%, YoY/QoQ, a 0.9% beat). EBITDA came in at INR 9.9bn (+63.8/+27.7%, YoY/QoQ, a 3.7% beat) while EBITDA margin came in at 89.3% (+59.6/+44.1bps, YoY/QoQ, vs our estimate of 86.9%). APAT came in at INR 3bn (+38.3/+54.6% YoY/QoQ, an 11.2% beat). Generation in Q1FY27 for solar stood at 5.1Bu (Q1FY26: 3.1Bu) and wind at 0.6Bu (Q1FY26: 0.4Bu), driven by uptick in commissioning; while solar CUF moderated to 24% (Q1FY26: 25%); wind CUF at 37% (Q1FY26: 33%).
- **Capacity addition and capex hindered by continue grid curtailment:** Capex in FY26 stood at INR 152bn while NGEL has guided capex for FY27/28/29 at INR 358/460/480bn, with annual capacity addition targeted at 7-8GW for the same period, which is hindered by grid curtailment issues. **Grid curtailment issues** are being addressed via firm tie-ups and TGNA for grid for FY27 at 57/38%; FY28 at 88/3% (9% yet to be tied up); FY29 at 84/16%.
- **Strong pipeline supported by partnerships:** Contracted & awarded/pipeline capacity stood at 19.7GW in Q1FY27 (Q4FY26: 19.9GW) as commissioning witnessed uptick; however, pipeline is expected to be elevated with partnerships having potential to feed ~68GW of RE capacity (excl. PSP, BESS, green hydrogen, green methanol & derivatives) to NGEL's portfolio. Whilst the new bidding has been muted, NGEL benefits from its tie-up with state-owned enterprises, other state government and strategic partnerships/memorandum of understanding with other customers like data centers, etc.

Consolidated financial summary (INR mn)

Particulars	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	11,069	6,802	62.7	9,126	21.3	28,584	72,045	1,18,263	1,64,202
EBITDA	9,887	6,036	63.8	7,745	27.7	24,751	63,399	1,04,071	1,44,497
APAT	3,048	2,205	38.3	1,972	54.6	5,214	13,109	28,735	38,256
EPS (INR)	0.4	0.3	38.3	0.2	54.6	0.6	1.6	3.4	4.5
P/E (x)						151.9	60.4	27.6	20.7
EV/EBITDA(x)						43.8	21.0	15.1	12.8
RoE (%)						2.7	6.0	7.2	7.6

Source: Company, HSIE Research

BUY

CMP (as on 27 Jul 2026)	INR 94
Target Price	INR 126
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 126	INR 126
EPS	FY27	FY28E
Change		FY29E
%	-	-

KEY STOCK DATA

Bloomberg code	NTPCGREE IN
No. of Shares (mn)	8,426
MCap (INR bn) / (\$ mn)	789/8,231
6m avg traded value (INR mn)	1,200
52 Week high / low	INR 120/84

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(21.2)	4.0	(11.4)
Relative (%)	(20.6)	10.2	(5.7)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	89.01	89.01
FIs & Local MFs	5.07	5.21
FPIs	1.61	1.67
Public & Others	4.30	4.12
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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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	FY27E	FY28E	FY29E
change %	-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

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Kalpataru Projects International

Steady show amid macro headwinds

Kalpataru Projects International's (KPIL) Q1FY27 revenue/EBITDA/APAT were reported at INR 54.8/4.9/2.7bn, a beat/miss of -0.2/+1.7/+8.2% to our estimates, respectively. KPIL secured new orders worth INR 76.7bn in FYTD27, taking the total order book (OB) to INR 666.1bn (excl L1 INR 73bn, ~2.9x FY26 revenue). KPIL has maintained FY27 guidance with revenue growth of ~15%+, with an EBITDA margin band of 8.5-8.7% and a PBT margin of 6.3%, along with an expected order inflow of INR 300bn+ in FY27. Opportunities for KPIL is led by the Middle East (ME) reconstruction efforts, increase in ME Oil & Gas sector capex (both onshore/offshore) as KPIL is now qualified to bid for O&G projects in the UAE, Saudi Arabia, Qatar, and Kuwait. MEP and civil capability in data centre space also creates further headroom for growth. However, key risks continue to persist toward current ME disruptions affecting execution and supply chain, slow collections in water and labor availability. Commodity and FX exposure is largely hedged, leaving diesel/fuel costs as the primary unhedged variable, which too has had a marginal impact in Q1FY27 on the EBITDA. Given the robust order booking, stable growth outlook, and a strong balance sheet (BS) and NWC, we retain our P/E target multiple at 20x. Maintain BUY on the stock with increased TP of INR 1,841/sh (20x Jun-28E EPS rollover from Mar-28E).

- **Q1FY27 financial highlights:** KPIL generated a revenue of INR 54.8bn (+8.8/-21.3% YoY/QoQ, miss by 0.2%) with an EBITDA of INR 4.9bn (+13.9/-27.4% YoY/QoQ, beat by 1.7%). EBITDA margin came in at 8.9% (+40/-75bps YoY/QoQ, vs our estimate of 8.7%). APAT stood at INR 2.7bn (+32.2/-42.9% YoY/QoQ, a beat by 8.2%). Adjusted for higher other income, PAT was in line with our estimates.
- **Diversified order book amid macro headwinds:** The domestic/international OI stood at 69%/31% respectively, spread across T&D, O&G, water, railways, and B&F segments at 54/2/4/2/37% respectively. The OB is well-diversified across T&D, urban infra, railways, O&G, water, and B&F segments at 44/6/4/6/11/29% respectively. Domestic/international OB is spread at 61/39% respectively, led by Africa, Americas, and the Middle East. Five-year revenue CAGR through FY26 was led by T&D, B&F, O&G, urban infra, water, and railways at 18/20/31/37/6/-9% respectively. Revenue growth is on the back of project execution and healthy order mix in India and overseas markets, while water lagged due to payment delays from UP and Jharkhand.
- **NWC supports balance sheet:** KPIL's standalone NWC stood at 94 days in Q1FY27 (Q4/Q1FY26: 99/106 days). KPIL's guidance of under 100 days remains intact for FY27. Standalone net debt stands stable at INR 7.5bn in Q1FY27 (Q4/Q1FY26: INR 7.5/19bn), with net debt to equity at 0.1x as of Jun'26 (vs. 0.1x as of Mar'26). Capex for KPIL in FY27 is estimated at INR 8bn. KPIL expects to maintain current debt levels with quarterly variation in line with growth and WC limit utilization.

Standalone Financial Summary (INR mn)

Particulars	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	54,819	50,397	8.8	69,640	(21.3)	232,101	265,755	309,605	356,046
EBITDA	4,879	4,284	13.9	6,719	(27.4)	20,287	23,386	27,555	31,688
APAT	2,654	2,008	32.2	4,649	(42.9)	11,245	12,328	15,059	17,714
EPS (INR)	15.5	11.8	32.2	27.2	(42.9)	65.8	72.2	88.2	103.1
P/E (x)						20.5	18.7	15.3	13.1
EV/EBITDA (x)						15.1	10.5	8.9	7.7
RoE (%)						13.7	13.2	14.1	14.4

Source: Company, HSIE Research

BUY

CMP (as on 11 Aug 2026)	INR 1,348
Target Price	INR 1,841
NIFTY	24,472

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	1,764	1,841
EPS	FY27E	FY28E
Change (%)	-	-

KEY STOCK DATA

Bloomberg code	KPIL IN
No. of Shares (mn)	171
MCap (INR bn) / (\$ mn)	230/2,411
6m avg traded value (INR mn)	292
52 Week high / low	INR 1,500/1,007

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.8	18.6	8.9
Relative (%)	4.0	25.8	11.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	33.58	33.58
FIs & Local MFs	45.12	44.84
FPIs	10.92	10.77
Public & Others	10.38	10.81
Pledged Shares	8.25	8.25

Source: BSE

Pledge shares as a % of total shares

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KEC International

Muted performance; weak profitability

KECI's revenue/EBITDA/APAT was a miss by -1.2/-11.1/-21.3% vs our estimates. Overdue debtors, elevated costs (incl. freight), and elevated NWC days are delaying rerating. KECI maintained 12-15% revenue growth and INR 300bn OI for FY27. Q1FY27 order inflows (OI) stood at INR 63bn, led by T&D, while the order book (OB) as of YTD FY27 stood at INR 376.97bn (~1.6x FY26 revenue), excluding L1 of INR 23bn. Tailwinds for KECI include reconstruction opportunities in the Middle East, strong domestic/international T&D outlook, government focus on renewable energy/BESS/grid modernization/HVDC, AI-led data centre expansion, significant opportunities in Urban Infra – Underground Metros, PSP, Elevated bridges, and visible recovery in private capex. However, headwinds such as labor shortages, continued ROW issues in India T&D, delay in payments in water projects, geopolitical unrest in the Middle East, delay in closure of disputes/settlement of claims in Transportation and Metro projects are impacting Q1FY27 performance. We have cut estimates to factor in the weak profitability. Maintain ADD with a reduced TP of INR 534/sh (15x Jun-28 EPS).

■ **Q1FY27 financial snapshot:** KECI generated a revenue of INR 50.2bn (flat/-21.4%, YoY/QoQ, a 1.2% miss). EBITDA came in at INR 2.9bn (-16.9/-35.1%, YoY/QoQ, a 11.1% miss) while EBITDA margin came in at 5.8% (-118/-122bps, YoY/QoQ, vs our estimate of 6.4%). APAT came in at INR 0.7bn (-41.7/-62.3% YoY/QoQ, a 21.3% miss). Segment-wise, YoY revenue growth for T&D (KEC), SAE Towers, Civil, Oil & Gas, Renewables, Cables & Conductors stood at -1/+25/+6/-45/+93/-58/+57% respectively. Revenue contribution for T&D/non-T&D stood at 64/36% for Q1FY27 (Q1FY26: 63/37%) respectively, growing by 2% YoY each.

■ **Stable order intake; targeting high-margin orders:** KECI's FYTD27 OI of INR 63bn spread across T&D, civil, cables & conductors, transportation, and renewables at 57/15/12/4/12% respectively. The tender pipeline is currently at INR 2trn, majorly from T&D and civil segments. The OB of INR 400bn (incl. L1) as of Jun'26 is spread across T&D, civil, transportation, cables, renewables, oil & gas at 62/26/6/3/2/1% respectively. Geographically, OI and OB are bifurcated at 65/35% and 54/46% between domestic and international.

■ **Focus on optimizing working capital through various measures:** The consolidated net debt and interest-bearing acceptances have increased/(decreased) by INR +12.2/(1.5)bn (YoY/QoQ) to INR 65.7bn. NWC days as of Jun'26 stood at 134 (Q4/Q1FY26: 137/128 days); management has guided for 110days NWC by FY27-end. Debt and WC levels were affected by delay in realization of significant collections in Afghanistan from ADB, which KEC expects to materialize in Q2/Q3FY27, as well as higher strategic inventory levels due to ongoing disruptions, JJM receivables as of June'26 stood at INR 8-9bn spread equally across MP and Orissa and retention release in the Middle East. Cumulatively, this collection will help KECI to reduce debt by INR 12bn, with FY27 debt guidance at INR 55bn.

Consolidated financial summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	50,235	50,229	0.0	63,898	(21.4)	235,055	255,967	283,419	313,553
EBITDA	2,908	3,501	(16.9)	4,481	(35.1)	16,586	16,204	20,413	24,952
APAT	726	1,246	(41.7)	1,928	(62.3)	6,497	6,436	8,712	11,746
EPS (INR)	2.7	4.7	(41.7)	7.2	(62.3)	22.7	24.2	32.7	44.1
P/E (x)						19.8	18.7	13.8	10.2
EV/EBITDA(x)						10.0	10.5	8.6	7.3
RoE (%)						10.5	10.0	12.3	14.7

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	255,967	249,050	2.8	283,419	287,569	(1.4)	313,553	336,921	(6.9)
EBITDA	16,204	16,949	(4.4)	20,413	22,213	(8.1)	24,952	28,358	(12.0)
EBITDA (%)	6.3	6.8	(47.5)	7.2	7.7	(52.2)	8.0	8.4	(45.9)
APAT	6,436	6,184	4.1	8,712	9,889	(11.9)	11,746	13,785	(14.8)

Source: HSIE Research

ADD

CMP (as on 11 Aug 2026)	INR 451
Target Price	INR 534
NIFTY	24,472

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 557	INR 534
EPS	FY27E	FY28E
Change	+4.1	-11.9
%		

KEY STOCK DATA

Bloomberg code	KECI IN
No. of Shares (mn)	266
MCap (INR bn) / (\$ mn)	120/1,257
6m avg traded value (INR mn)	715
52 Week high / low	INR 938/450

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(22.6)	(27.5)	(43.7)
Relative (%)	(25.4)	(20.3)	(40.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.10	50.10
FIs & Local MFs	26.86	23.24
FPIs	9.84	9.92
Public & Others	13.18	16.64
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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Cement, Building Materials

UltraTech Cement

Growth and margin leadership continues

We maintain BUY on UltraTech Cement (UTCEM), with an unchanged target price of INR 13,700 (17x FY28E consolidated EBITDA). In Q1FY27, UTCEM delivered a robust 12% consolidated volume growth, continuing its market share gains. Even cement prices firmed up 3% QoQ, largely offsetting the energy and packaging cost increase (West Asia turmoil impact). Thus, unit EBITDA remained robust at INR 1,214/MT (a modest INR 39/MT QoQ). In Q1, it commissioned 9mn MT of the planned 46mn MT expansions (scheduled for FY27-28E) and the rest are on track. Even the cables & wire foray is on track and will become operational in Q3FY27. UTCEM maintained its double-digit cement volume offtake guidance for FY27E and its aspiration to achieve INR 1,400/MT margin in Q4FY28E (without any war). We remain bullish on UTCEM, supported by robust, industry-leading volume growth and continued cost savings from efficiency initiatives and green energy ramp-up. We estimate UTCEM will deliver volume and EBITDA CAGRs of 9% and 20%, respectively, over FY26-28E.

- **Q1FY27 performance:** UTCEM's market share continues to rise as its consolidated volumes grew a solid 12% YoY to 41.3mn MT. NSR firmed up 3/3% QoQ/YoY, led by a pricing uptick. Trade sales' share remained flat at 66% QoQ. Unit opex rose 5% QoQ, mainly on higher fuel/diesel/packaging costs on op-lev loss (volumes fell 8% QoQ). Thus, unit EBITDA fell a modest INR 39/MT QoQ to INR 1,214/MT. In Q1, UTCEM spent INR 22bn in capex and commissioned 8.7mn MT capacities across three locations, driving up grey cement capacity to 200mn MT.
- **Expansion and outlook:** UTCEM will commission another 37mn MT capacity over the next two years. In the previous con call, UTCEM had guided an annual capex run rate of ~INR 100bn for the next five years. It is also targeting opex savings of over INR 120/MT in the next two years through ongoing cost rationalization. UTCEM reiterated it will achieve ~INR 1,400/MT of margin in Q4FY28 (without any war). Management reiterated its ambition to deliver double-digit volume growth in FY27E. It has spent 50% of INR 180bn capex earmarked for its cables & wires business and this will become operational in Q3FY27E. We maintain our earnings estimates: FY26-28E cement volume/consolidated EBITDA CAGRs of 9/20% respectively.

Consolidated quarterly/annual financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	41.3	36.8	12.2	44.7	(7.6)	119.1	135.8	154.3	167.3	182.2
NSR (INR/MT)	5,967	5,777	3.3	5,770	3.4	5,954	5,592	5,738	5,882	5,999
EBITDA (INR/MT)	1,214	1,197	1.4	1,253	(3.1)	1,089	925	1,103	1,221	1,337
Net Sales	246.5	212.8	15.9	258.0	-4.5	709.1	759.6	885.1	983.8	1,093.2
EBITDA	50.2	44.1	13.7	56.0	-10.4	129.7	125.6	170.2	204.3	243.6
APAT	26.1	22.5	15.7	29.9	-12.8	70.6	61.1	82.7	104.4	130.2
AEPS (INR)	88.5	76.5	15.7	101.5	-12.8	244.5	207.4	280.6	354.2	441.7
EV/EBITDA (x)						24.6	26.7	21.7	18.1	15.1
EV/MT (INR bn)						21.50	17.54	18.46	16.71	15.62
P/E (x)						45.1	52.1	42.8	33.8	27.1
RoE (%)						12.3	9.1	10.7	12.4	14.3

Source: Company, HSIE Research

BUY

CMP (as on 20 Jul 2026)	INR 11,903
Target Price	INR 13,700
NIFTY	24,239

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 13,700	INR 13,700
EBITDA change %	FY27E 0.0	FY28E 0.0

KEY STOCK DATA

Bloomberg code	UTCEM IN
No. of Shares (mn)	295
MCap (INR bn) / (\$ mn)	3,508/36,366
6m avg traded value (INR mn)	4,004
52 Week high / low	INR 13,110/10,325

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.1)	(1.3)	(4.8)
Relative (%)	0.9	4.1	0.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	59.33	59.33
FIs & Local MFs	18.42	19.69
FPIs	13.61	12.36
Public & Others	8.64	8.62

Pledged Shares	-	-
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Source : BSE

Pledged shares as % of total shares

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Ambuja Cement

Margin mends but volumes take a dip

We maintain BUY with a lower TP of INR 550/share (15x its consolidated FY28E EBITDA). In Q1FY27, ACEM reported a sharp 8% YoY volume decline. However, with focused sale, increase in low-cost RE power share, lead distance reduction, and other cost efficiencies, unit opex fell 3% QoQ, despite a spike in fuel and packaging costs. Cement's unit opex fell ~INR 200/MT QoQ to ~INR 4,240/MT. Thus, unit opex recovered by INR 190/MT QoQ to INR 918/MT. The company noted its FY27/28E opex target of ~INR 4,250/4,000 per MT. Despite Q1 loss, ACEM maintained its 8% FY27E volume growth guidance. It is going slow on expansions and should add 10/8mn MT capacities in FY27/28E, leading to 127 per MT in FY28E. We estimate consolidated volume/EBITDA CAGRs of 7/23% respectively during FY26-28E.

- **Q1FY27 consolidated performance:** Consolidated cement volume fell 8% YoY, as it lost sales both in trade and non-trade. Management noted it focused on profitable sales and trimmed down sales in the southern region. Trade sales/blended cement share increased to 78/85% vs 74/82% respectively. Blended NSR rose a modest 1% QoQ. Blended opex fell 3% QoQ on increased usage of low-cost green power (including surplus RE power and fly ash sales gain) and other cost rationalization. These more than offset for fuel and packaging cost spikes. Thus, unit EBITDA recovered by INR 190/MT QoQ to INR 918/MT. The RMC segment reported 20% YoY revenue growth. However, its OPM halved YoY to 7%. ACEM spent ~25% of its planned ~INR 65bn capex for FY27E, in Q1FY27.
- **Outlook and view:** ACEM maintained its FY27E volume growth guidance of 8% YoY, despite a loss in Q1. It also noted its FY27 opex target of ~INR 4,250/MT (as achieved in Q1) will sustain, implying ~INR 250/MT reduction YoY. The rising share of captive RE power, logistics rationalization to help achieve this and ACEM is also confident of a similar decline in FY28E. It maintained its FY27E capex guidance of FY27E (INR 65bn) and similar run rate is expected in FY28E. Ongoing expansions and planned debottlenecking will increase cement capacity to 119/127mn MT by FY27/28E. We estimate cement opex will reduce by ~INR 340/MT over FY26-28E, aiding margin recovery. We lower FY27/28E EBITDA estimates by 3/5% respectively, factoring in slower volume growth. We estimate consolidated FY26-28E volume/EBITDA CAGRs of 7/23% respectively. We model a rebound in unit EBITDA to INR 1,170/MT in FY28E vs INR 872/MT in FY26. We also trim valuation multiple to 15x FY28E (from 15.5x), factoring in slower offtake, leading to lower TP of INR 550/share.

Consolidated financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	17.30	18.82	(8.1)	20.10	(13.9)	59.20	65.22	73.70	75.91	84.26
NSR (INR/MT)	5,491	5,467	0.4	5,431	1.1	5,601	5,291	5,516	5,516	5,572
EBITDA (INR/MT)	918	1,042	(11.9)	728	26.1	1,081	789	884	976	1,170
Net Sales	95.00	102.89	(7.7)	109.15	(13.0)	331.60	345.10	406.56	418.75	469.46
EBITDA	15.89	19.61	(19.0)	14.64	8.5	63.99	51.44	65.16	74.08	98.60
APAT	5.79	8.13	(28.8)	21.20	(72.7)	31.48	23.98	33.11	21.51	40.68
AEPS (INR)	2.3	3.3	(29.4)	8.6	(72.8)	14.3	9.7	13.4	7.7	14.5
EV/EBITDA (x)						21.8	28.8	25.3	16.1	12.1
EV/MT (INR bn)						17.84	16.36	15.17	10.05	9.38
P/E (x)						43.1	56.6	41.0	55.7	29.4
RoE (%)						7.0	4.2	4.9	3.0	5.4

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 426
Target Price	INR 550
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 580	INR 550
EBITDA revision %	FY27E (3.3)	FY28E (5.1)

KEY STOCK DATA

Bloomberg code	ACEM IN
No. of Shares (mn)	2,485
MCap (INR bn) / (\$ mn)	1,058/11,042
6m avg traded value (INR mn)	1,427
52 Week high / low	INR 625/394

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.1)	(20.2)	(30.3)
Relative (%)	(7.0)	(13.4)	(25.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	67.68	67.33
FIs & Local MFs	19.86	19.44
FPIs	5.87	5.63
Public & Others	6.59	7.60
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Shree Cement

Robust volume offtake; cost spike pulls down margin

We maintain ADD on Shree Cement (SRCM) with an unchanged target price of INR 27,000/share (SOTP: 16.5x FY28E standalone EBITDA, UAE subsidiary at 2x BV). In Q1FY27, SRCM's India sales remained strong, up to +17% YoY, led by sharp 54% growth in non-trade. Trade sales/blended cement production share fell to multi-quarter lows of 62/60%. While cement NSR rose 4% QoQ, higher fuel/packaging costs pulled unit EBITDA by INR 137/MT QoQ to INR 1,024/MT. Consolidated volume rose 15% YoY and unit EBITDA contracted INR 227/49 per MT YoY/QoQ to INR 1,111/MT. We estimate SRCM will deliver 9/9% standalone volume/EBITDA CAGRs during FY26-28E.

- **Q1FY27 performance:** Standalone sales volume growth remained strong for second consecutive quarter: +17% YoY (modest 3% fall QoQ), picking up to 10% YoY, its highest growth in the past nine quarters. Non-trade volume rose 54% YoY while trade volume rose a modest 3% YoY. Both trade sales/blended cement production share fell to multi-quarter low of 62/60% respectively. Blended/cement NSR rose 2/4% QoQ, led by improvement in grey cement pricing. Opex rose 6% QoQ, mainly on higher fuel cost (INR 1.95/mnCal vs INR 1.6 QoQ) and packaging costs. Thus, blended unit EBITDA declined INR 137/MT QoQ to INR 1,024/MT. On a YoY basis, despite 4% higher cement NSR, blended opex fell INR 350/MT on lower other operating income, higher fuel/packaging costs. On a consolidated basis, total volume grew +15/-4% YoY/QoQ. Unit EBITDA contracted INR 227/49 per MT YoY/QoQ to INR 1,111/MT. SRCM is also gradually increasing its RMC business: number of plants increased to 33 vs 21/26 YoY/QoQ. Revenue rose to INR 1.1bn from 0.4/0.9bn QoQ/YoY. SRCM spent INR 4.56bn in capex, mainly toward the ongoing north-east greenfield plant.
- **Con call KTAs and outlook:** SRCM expects to deliver >10% volume growth in FY27 (vs flattish growth in FY24-26). It also expects to recover its trade sales share in subsequent quarters. It maintained FY27E capex guidance at ~INR 15bn (lowest in six years) and will add only 1mn MT greenfield IU in Assam by the end of FY28E. We broadly maintain our estimates and target price. We estimate standalone volume/EBITDA CAGRs at 9/9% respectively.

Quarterly/annual financial summary (standalone)

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	10.5	8.9	17.2	10.8	(2.6)	35.5	35.6	36.4	39.8	43.0
NSR (INR/MT)	5,360	5,530	(3.1)	5,240	2.3	5,391	5,050	5,309	5,469	5,534
EBITDA (INR/MT)	1,024	1,374	(25.4)	1,161	(11.8)	1,228	1,086	1,174	1,104	1,182
Net Sales	56.23	49.48	13.6	56.43	(0.4)	191.61	179.77	193.11	217.79	238.04
EBITDA	10.74	12.29	(12.6)	12.50	(14.1)	43.64	38.67	42.71	43.97	50.83
APAT	4.38	6.19	(29.2)	5.32	(17.7)	24.69	12.19	17.66	16.77	25.52
AEPS (INR)	125.7	171.4	(26.7)	147.4	(14.7)	684.2	337.9	489.5	464.9	707.2
EV/EBITDA (x)						19.5	21.6	19.1	18.2	15.8
EV/MT (INR bn)						15.7	14.6	11.6	11.4	11.3
P/E (x)						38.1	77.1	53.2	56.0	36.8
RoE (%)						12.8	5.9	8.1	7.3	10.4

Source: Company, HSIE Research, EBITDA (INR/MT) is blended and includes merchant power

ADD

CMP (as on 31 Jul 2026) INR 26,055

Target Price INR 27,000

NIFTY 24,384

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 27,000	INR 27,000
EBITDA	FY27E	FY28E
Change %	0.1	(0.4)

KEY STOCK DATA

Bloomberg code	SRCM IN
No. of Shares (mn)	36
MCap (INR bn) / (\$ mn)	940/9,855
6m avg traded value (INR mn)	773
52 Week high / low	INR 31,920/22,550

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.7	(3.4)	(15.4)
Relative (%)	6.2	1.6	(11.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	62.56	62.56
FIs & Local MFs	15.79	16.42
FPIs	8.94	8.21
Public & Others	12.71	12.81
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Supreme Industries

Weak volume; healthy margin

Supreme Industries (SIL) reported revenue growth of 4% YoY to INR 27.2bn as NSR expanded 22% YoY, owing to higher resin prices, but volume declined 14% YoY. EBITDAM expanded by 240bps YoY to 14.6%, led by improved gross margins, supported by higher contribution mix from the non-piping segments. Consequently, EBITDA/APAT grew 25/39% YoY. Management reiterated its FY27 guidance of 12-13% consolidated volume growth, with 15-17% growth in the plastic-piping segment, alongside an EBITDA-margin outlook of 14-14.5%. While the overall piping industry saw a decline in Q1, the company highlighted a good pick-up in July, improving demand trends, and expects healthy growth in Q2. The company aims to scale its export business from USD 26mn in FY26 to USD 150mn over the next 6-7 years. We maintain our estimates for FY27-29E and ADD rating. We value the company at 40x Sep'28 EPS and its 30.8% holding in the associate Supreme Petrochem at a 30% discount to its current market cap to arrive at a TP of INR 4,070/sh.

- **Q1FY27 performance:** Revenue grew 4% YoY to INR 27.2bn as NSR expanded 22% YoY, owing to higher resin prices, but volume declined 14% YoY. EBITDAM expanded by 240bps YoY (down 300bps QoQ) to 14.6%, led by improved gross margin, supported by higher contribution mix from non-piping segments. Employee cost surged 21% YoY, while other expenses increased by 2% YoY only. Consequently, EBITDA grew 25% YoY. APAT grew 39% YoY, owing to higher EBITDA and associate profit, partially offset by increased depreciation (up 32% YoY).
- **Outlook:** Management maintained its FY27 guidance of 12-13% consolidated volume growth, with 15-17% growth in the plastic-piping segment, alongside an EBITDA margin outlook of 14-14.5%. While the overall piping industry saw a decline in Q1, the company highlighted a good pick-up in July, improving demand trends, and expects healthy growth in Q2. The agricultural segment was impacted in Q1 due to elevated resin prices, but management expects a good recovery through the rest of the year. The company aims to scale its export business from USD 26mn in FY26 to USD 150mn over the next 6-7 years. Wavin plant utilization stood at 50-60% in Q1, with expectations of ramping it up to ~70% for the full year. We maintain our estimates for FY27-29E and ADD rating. We value the company at 40x Sep'28 EPS and its 30.8% holding in the associate Supreme Petrochem at a 30% discount to its current market cap to arrive at a TP of INR 4,070/sh.

Consolidated quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Sales (K MT)	157.5	183.8	-14.3	231.9	-32.1	674.5	753.9	806.6	917.6	1011.7
NSR (INR/Kg)	172.5	142.0	21.5	152.1	13.4	154.9	148.8	155.5	153.3	155.7
EBITDA (INR/Kg)	25.3	17.3	45.6	26.9	-6.0	21.2	20.6	22.2	22.6	23.0
Net Sales	27,177	26,092	4.2	35,277	-23.0	1,04,463	1,12,177	1,25,405	1,41,707	1,58,661
EBITDA	3,980	3,189	24.8	6,231	-36.1	14,317	15,532	17,936	20,709	23,273
EBITDAM (%)	14.6	12.2		17.7		13.7	13.8	14.3	14.6	14.7
APAT	2,807	2,023	38.8	4,336	-35.3	9,609	9,540	11,162	12,968	14,488
AEPS (INR)	22.1	15.9	38.8	34.1	-35.3	75.6	75.1	87.9	102.1	114.0
EV/EBITDA (x)						29.5	27.4	23.8	20.6	18.3
P/E (x)						44.9	45.2	38.6	33.3	29.8
RoE (%)						17.8	16.1	17.4	18.6	19.0

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 3,395
Target Price	INR 4,070
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,070	INR 4,070
EPS change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	SI IN
No. of Shares (mn)	127
MCap (INR bn) / (\$ mn)	431/4,499
6m avg traded value (INR mn)	1,012
52 Week high / low	INR 4,665/3,140

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.5)	(3.3)	(21.0)
Relative (%)	(6.4)	3.4	(15.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	48.96	48.96
FIs & Local MFs	19.23	18.98
FPIs	17.12	17.08
Public & Others	14.69	14.98
Pledged Shares	Nil	Nil

Source : BSE

Pledged shares as % of total shares

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JK Cement

Robust growth and margin performance continue

We maintain BUY on JK Cement, with a revised TP of INR 6,130/sh (15x Mar-28E consolidated EBITDA). Our investment rationale for JKCE remains intact: continued industry-leading volume growth, healthy margin, and fast-paced prudent expansion. JKCE exhibited the same in Q1FY27: consolidated volume soared 18% YoY (grey +19%, white/putty: +11%). Healthy pricing gain largely offset cost inflation, and margin fell a modest INR 24/MT QoQ to INR 979/MT. Its paint business also reported EBITDA breakeven during the quarter. We estimate JKC will deliver 13/23% volume/EBITDA CAGRs over FY26-28E. Its expansion plans to achieve 40mn MT capacity by FY28 is on track. It recently forayed into RMC business and is targeting 50/100 plants by the end of FY27/28E, up from five plants in Mar-26.

- **Q1FY27:** JKCE continued to gain market share in the quarter. Consolidated volume soared 18% YoY (grey up 19%, white/putty up 11%). While grey volumes rose in line with industry in the north and south, JKCE recorded strong offtake in the central/east region following recent expansion. Blended NSR grew 7% QoQ on account of healthy pricing offtake in both grey and white/putty segments and additional contribution from higher incentives and RMC revenue. Blended EBITDA/MT fell a modest INR 24 QoQ to INR 979/MT as price increase largely offset the impact of higher fuel/diesel/packaging cost. On YoY basis, margin fell INR 274/MT due to lower incentives and elevated opex. The paint business revenue rose 45% YoY to INR 1.25bn with EBITDA breakeven. Thus, consolidated EBITDA fell 6/5% YoY/QoQ to INR 6.5bn on account of lower margin. In Q1FY27, JKCE spent ~INR 5.54bn on expansion in the north region.
- **Con call KTA and outlook:** JKCE maintained its 10%+ volume growth guidance for FY27. It also noted that Q2 opex will rise ~INR 150/MT QoQ on account of fuel cost and op-lev loss, with packing costs cooling off slightly. It also expects NSR to remain flattish QoQ. JKCE's north expansion is on track, leading to 40mn MT capacity by FY28. It recently forayed into RMC segment, targeting 50/100 plants by end of FY27/28E vs five in Mar-26. Factoring in healthy Q1 performance and outlook, we raise FY27/28E EBITDA estimates by 3% each, leading to 13/23% volume/EBITDA CAGR for FY26-28E.

Consolidated quarterly/annual financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	6.6	5.6	18.0	6.8	(2.7)	19.0	20.1	23.4	26.4	29.6
NSR (INR/MT)	6,091	5,976	1.9	5,712	6.6	6,087	5,897	5,875	5,970	6,053
EBITDA (INR/MT)	979	1,226	(20.2)	1,003	(2.4)	1,085	1,006	1,017	1,069	1,202
Net Sales	40.3	33.5	20.3	38.9	3.7	115.6	118.8	137.2	157.6	179.3
EBITDA	6.5	6.9	-5.8	6.8	-5.1	20.6	20.3	23.7	28.2	35.6
APAT	2.8	3.2	-14.5	3.3	-16.7	7.9	7.8	10.3	12.0	15.8
AEPS (INR)	24.8	6.3	267.2	33.0	-24.7	102.9	101.5	133.1	154.9	204.5
EV/EBITDA(x)						21.7	21.9	19.1	16.2	13.4
EV/MT (INR bn)						16.0	14.6	11.8	11.6	10.3
P/E (x)						52.4	53.1	40.5	34.8	26.4
RoE (%)						16.0	13.8	15.6	15.8	18.0

Source: Company, HSIE Research; Operating trends are on a blended basis (grey cement+ white/putty)

BUY

CMP (as on 20 Jul 2026)	INR 5,453
Target Price	INR 6,130
NIFTY	24,239

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	5,950	6,130
EBITDA revision %	FY27E 2.5	FY28E 2.5

KEY STOCK DATA

Bloomberg code	JKCE IN
No. of Shares (mn)	77
MCap (INR bn) / (\$ mn)	421/4,368
6m avg traded value (INR mn)	538
52 Week high / low	INR 7,566/4,670

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.9)	(7.4)	(16.1)
Relative (%)	(3.8)	(2.0)	(11.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Mar-26
Promoters	45.66	45.66
FIs & Local MFs	23.75	23.72
FPIs	16.86	16.85
Public & Others	13.73	13.76
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Astral

Flat plumbing volume, healthy growth in other segment

Astral's revenue grew 16% YoY to INR 15.8bn. EBITDAM expanded 110bps YoY to 14.7% (down 370bps QoQ) leading 25/38% YoY growth in EBITDA/APAT. Plumbing volume remained flat YoY (-33% QoQ), while NSR expanded 14% YoY (+6% QoQ). The company expects double-digit plumbing volume growth in FY27, with value growth of over 20% and EBITDA margins in the 16–18% range. July delivered a robust ~40% YoY volume growth, and August is tracking strong with continued double-digit growth. With dealer restocking in Q2, channel inventories have returned to normal levels. Secondary demand remains strong, and management notes market-share gains across all categories. The paints & adhesives (P&A) portfolio is expected to deliver a strong 20–25% growth for the year. We maintain BUY rating with a target price of INR 1,760/share, valuing the company at 50x Sep-28E EPS

- **Q1FY27 performance:** Revenue grew 16% YoY to INR 15.8bn (plumbing grew 10% YoY and P&A grew by 30% YoY). Employee cost and other expenses up 20/15% YoY. EBITDAM expanded 110bps YoY to 14.7% (down 370bps QoQ) leading 25% YoY growth in EBITDA. APAT grew 48% YoY led by EBITDA, further supported increased other income and lower finance cost. Plumbing volume remained flat YoY (-33% QoQ). NSR expanded 14% YoY (+6% QoQ). Adhesive India business has reported 25% YoY growth in sales with 12.2% EBITDAM, while adhesive overseas (UK) has grown by 26% in revenue with 4.9% EBITDAM. Paint business has registered 49% YoY revenue growth with EBITDA break even. The Company has increased its pipes and fittings production capacity from 417.6K MT to 421.5K MT during the quarter.
- **Con call highlights and outlook:** The company expects double-digit plumbing volume growth in FY27, with value growth of over 20% and EBITDA margins in the 16–18% range. July delivered a robust ~40% YoY volume uptick, and August is tracking strong with continued double-digit growth. With dealer restocking in Q2, channel inventories have returned to normal levels. Secondary demand remains strong, and management notes market-share gains across all categories. The P&A portfolio is expected to deliver a strong 20–25% growth for the year. Given higher realisations in the pipes segment owing to price hikes, we raise our revenue estimates by 3% each for FY27–29E, while broadly maintain APAT estimates. We maintain BUY rating with a target price of INR 1,760/share, valuing the company at 50x Sep-28E EPS.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Pipes sales (K MT)	56.1	56.1	0.1	84.0	-33.2	227.1	263.0	289.3	324.0	362.9
EBITDA (INR/kg)	35.3	27.9	26.5	41.9	-15.7	34.9	34.8	36.6	36.8	38.4
Paints & adhesive revenue	5.28	4.07	29.5	5.54	-4.8	16.36	18.69	22.46	25.66	28.82
Paints & adhesive EBITDAM (%)	8.7	9.2		8.7	15.0	11.9	10.3	11.1	11.8	12.2
Net Sales	15.78	13.61	15.9	20.89	-24.4	58.32	65.69	78.61	88.55	100.11
EBITDA	2.31	1.85	25.0	3.83	-39.6	9.46	10.62	12.54	15.02	17.52
EBITDAM (%)	14.7	13.6		18.3		16.2	16.2	16.0	17.0	17.5
APAT	1.20	0.81	48.0	2.19	-45.2	5.24	5.55	6.90	8.60	10.29
Diluted EPS (Rs)	4.5	3.0	48.0	8.1	-45.2	19.5	20.6	25.6	32.0	38.3
EV / EBITDA (x)						41.4	36.5	30.6	25.2	21.3
P/E (x)						75.2	70.9	57.1	45.8	38.3
RoE (%)						15.1	14.3	16.0	17.6	18.4

Source: Company, HSIE Research

BUY

CMP (as on 12 Aug 2026) INR 1,464

Target Price INR 1,760

NIFTY 24,436

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,740	INR 1,760
APAT	FY27E	FY28E
revision %	0.3	1.0

KEY STOCK DATA

Bloomberg code	ASTRA IN
No. of Shares (mn)	269
MCap (INR bn) / (\$ mn)	393/4,125
6m avg traded value (INR mn)	1,187
52 Week high / low	INR 1,769/1,263

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.2)	(8.0)	15.3
Relative (%)	(8.7)	(1.2)	18.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	54.22	54.22
FIs & Local MFs	20.92	20.93
FPIs	14.50	13.89
Public & Others	10.36	10.61
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Dalmia Bharat

Both volume growth and margin on a mend

We maintain a BUY rating on Dalmia Bharat, with an unchanged target price of INR 2,080/sh (12x Mar-28E consolidated EBITDA). In Q1FY27, Dalmia's volume growth firmed up to 9% YoY and margin further improved INR 32/MT QoQ to INR 1,055/MT (healthy pricing gain offsets cost spikes). Dalmia is working on operationalizing the acquired 5.2mn MT central assets and even 12mn MT on-going expansions are expected over Q4FY27-Q3FY28, leading to 67mn MT capacity. We estimate FY26-28E consolidated volume/EBITDA CAGRs of 12/13% respectively.

- **Q1FY27 performance:** Dalmia's volume jumped 9% YoY on a lower base (down 13% QoQ on seasonal decline). Trade and blended cement shares fell to 66/ 82% respectively (vs 67/83% QoQ). Premium share jumped to 25% (vs 24/22% QoQ/YoY). NSR rebound 6% QoQ (east +6%, south +4%). Spike in energy and packaging costs drove opex by 7% QoQ. Fuel cost rate increased to INR 1.47/mn Kcal (vs INR 1.36 QoQ). Green-power share inched up to 48% vs 47/41% QoQ/YoY. Unit EBITDA continued to recover QoQ for third consecutive quarter (+INR 32/MT) to INR 1,055/MT. However, margin fell INR 205/MT YoY on lower incentives, weak pricing and higher costs. Dalmia spent INR 5.1bn toward ongoing expansion in south/west and INR 28.5bn to acquire the 5.2mn MT cement assets in the central region.
- **Con call KTAs and outlook:** Management noted variable costs rose by ~INR 70-80/MT QoQ in Q2FY27, led by higher fuel/diesel prices. Q2 prices are currently flattish QoQ. In July, Dalmia started trial runs for the acquired clinker plant in Rewa. It guided that central plants will break even at EBITDA level over next 2-3 quarters and converge to Dalmia's average margin in 6-8 quarters. The Belgaum IU is expected to start operations by Q4FY27, followed by Maharashtra/Andhra Pradesh/Tamil Nadu plants by Q2/Q2/Q3FY28 respectively. Thus, Dalmia's capacity will increase to 67mn MT in FY28E (from 50mn MT in Mar'26). We estimate Dalmia will deliver 11% volume CAGR over FY26-28E on expansion ramp-up (organic growth 6%, rest from central assets). We maintain EBITDA estimates (13% CAGR). We estimate central assets margin of INR (200)/500 per MT over FY27/28E, thus pulling down FY27/28E blended margin by ~INR 40/50 per MT respectively. We factor cumulative capex (including acquisition) of INR 98bn for FY27-28E.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	7.6	7.0	8.9	8.8	(13.5)	28.8	29.4	30.0	32.4	36.6
NSR (INR/MT)	5,098	5,190	(1.8)	4,813	5.9	5,103	4,763	4,933	5,081	5,132
EBITDA (INR/MT)	1,055	1,260	(16.3)	1,023	3.2	917	820	1,027	953	1,054
Net Sales	38.90	36.36	7.0	42.45	(8.4)	146.91	139.80	148.04	164.68	187.95
EBITDA	8.05	8.83	(8.8)	9.02	(10.8)	26.39	24.07	30.83	30.89	38.60
APAT	3.25	3.77	(50.1)	3.21	(51.4)	7.71	6.96	10.80	7.80	10.10
AEPS (INR)	17.3	20.1	(13.9)	17.1	1.2	40.6	36.6	56.8	41.0	53.2
EV/EBITDA (x)						13.4	15.1	13.5	12.7	10.9
EV/MT (INR bn)						7.91	7.36	8.39	7.20	6.28
P/E (x)						44.4	49.2	36.6	44.1	34.1
RoE (%)						4.8	4.1	6.1	4.2	5.3

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026) INR 1,815

Target Price INR 2,080

NIFTY 23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,080	INR 2,080
EBITDA revision %	FY27E 0.1	FY28E (0.2)

KEY STOCK DATA

Bloomberg code	DALBHARA IN
No. of Shares (mn)	188
MCap (INR bn) / (\$ mn)	340/3,551
6m avg traded value (INR mn)	594
52 Week high / low	INR 2,496/1,605

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.4)	(12.5)	(17.7)
Relative (%)	(5.3)	(5.7)	(12.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	55.84	55.84
FIs & Local MFs	20.25	19.95
FPIs	7.15	6.18
Public & Others	16.76	17.26

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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The Ramco Cements

Subdued performance continues; leverage remains high

We retain **SELL** on The Ramco Cements (TRCL) with an unchanged TP of INR 830/share (12x FY28E consolidated EBITDA). In Q1FY27, TRCL reported 12% YoY volume growth on a low base. Unit EBITDA remained flattish QoQ (but subdued) at INR 664/MT, as recovery in cement prices offset spike in fuel and packaging costs and op-lev loss impact. However, weak pricing YoY amid cost spike drove the margin down by INR 306/MT YoY. Despite slower capex outgo, subdued profitability kept leverage elevated: net debt to EBITDA shot up to 2.9x vs 2.5x QoQ. We expect consolidated volume/EBITDA to grow at 7/14% CAGR over FY26-28E and expect capex to accelerate FY28E onward as TRCL focusses on greenfield expansion in Karnataka.

- Q1FY27 performance:** Sales volume jumped 13% YoY to 4.62mn MT (on a low base, down 17% QoQ). Cement sales in the south/east grew 4/45% YoY while construction chemical rose 13% YoY. Both trade/premium sales share stood flattish QoQ at 67/27% respectively. NSR recovered 5% QoQ on pricing uptick but remained 3% lower YoY. Unit opex jumped 6% QoQ on higher fuel and packaging costs and op-lev loss. Fuel cost rate increased to a 12-quarter high of INR 1.85/mnCal vs INR 1.62 QoQ. Packaging cost too shot up 30% YoY. However, lead distance moderated 4% QoQ, cushioning cost inflation. Thus, unit EBITDA remained flattish at INR 664/MT vs INR 667 QoQ. On YoY basis, despite higher volumes and op-lev gain, margin contracted INR 305/MT on account of weaker pricing and spike in fuel and packaging costs. TRCL spent INR 1.74bn in Q1FY27 (vs INR 1.77/3.21bn QoQ/YoY). Net debt increased by ~INR 3bn QoQ to ~INR 39bn, implying increase in working capital. Net debt to EBITDA thus shot up to 2.9x vs 2.5x QoQ.
- Other updates and outlook:** TRCL maintained its FY27E capex guidance at INR 8bn, toward ongoing expansion in the south and 15MW WHRS, leading to a cement capacity of 31mn MT by Mar-27. The expansions include debottlenecking (1.7mn MT) at RR Nagar and Jayantipuram IUs and brownfield expansion (3mn MT) at Kurnool (AP) by Q4FY27. Of the planned INR 1.5bn monetization of non-core assets in FY27, TRCL liquidated INR 1.26bn in Q1. There has been negligible progress on greenfield expansion in Karnataka in the past 12 months. We raise our FY27E EBITDA estimates by 1% but maintain our FY28E EBITDA estimates. Thus, we expect consolidated volume/EBITDA CAGRs of 7/14% over FY26-28E and net debt to EBITDA to gradually moderate to 2x in Mar'28E, from 2.5x in Mar-26.

Quarterly/annual financial summary - consolidated

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	4.6	4.1	12.6	5.6	(16.9)	18.4	18.5	18.8	19.9	21.7
NSR (INR/MT)	4,925	5,059	(2.6)	4,701	4.8	5,095	4,605	4,806	4,950	5,034
EBITDA (INR/MT)	664	970	(31.5)	667	(0.5)	850	666	764	727	855
Net Sales	22.73	20.74	9.6	26.10	(12.9)	93.76	85.18	90.29	98.37	109.27
EBITDA	3.06	3.98	(22.9)	3.71	(17.3)	15.65	12.33	14.36	14.44	18.56
APAT	0.31	0.84	(63.3)	1.47	(78.9)	3.60	0.73	1.81	2.41	5.53
AEPS (INR)	0.9	3.6	(76.3)	3.7	(77.1)	15.2	3.1	7.6	10.2	23.4
EV/EBITDA (x)						15.6	19.5	19.4	17.7	13.5
EV/MT (INR bn)						10.5	9.8	10.5	8.5	8.3
P/E (x)						56.4	277.2	136.7	91.4	39.9
RoE (%)						5.1	1.0	2.3	2.9	6.5

Source: Company, HSIE Research

SELL

CMP (as on 07 Aug 2026)	INR 934
Target Price	INR 830
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 830	INR 830
EBITDA revision %	FY27E 1.4	FY28E (0.2)

KEY STOCK DATA

Bloomberg code	TRCL IN
No. of Shares (mn)	236
MCap (INR bn) / (\$ mn)	221/2,318
6m avg traded value (INR mn)	242
52 Week high / low	INR 1,215/838

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.7)	(19.6)	(17.9)
Relative (%)	(3.6)	(13.5)	(15.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Mar-26
Promoters	42.55	42.55
FIs & Local MFs	28.92	29.50
FPIs	8.04	7.52
Public & Others	20.49	20.43
Pledged Shares	3.43	3.43

Source : BSE

Pledged shares as % of total shares

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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	FY27E	FY28E
revision %	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	-	-
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Source : BSE

Pledged shares as % of total shares

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Century Plyboards India

Another strong execution

Century's revenue grew 34% YoY to INR 15.6bn, led by strong growth in ply segment (up 33% YoY), MDF segment (up 29% YoY), laminates segment (up 15% YoY), and particle board (up 157% YoY). EBITDAM expanded 170bps YoY to 12.7% (-80bps QoQ). Healthy revenue traction and improved margins drove a 54% YoY rise in EBITDA and 55% growth in APAT. Management refrained from issuing FY27 guidance due to continued raw material inflation and uncertainty stemming from Middle East geopolitical tensions, but noted that demand momentum is improving, with July emerging as the best month so far. Channel inventories remain at normal levels. The company's plywood market shares currently at 9.5-10%, with an aspiration to reach 15% over the next five years. Factoring in a strong Q1 performance and higher ASP following recent price hikes, we raise our revenue estimates by 6% each for FY27-29E and increase our APAT estimates by 1-3% over the same period. We maintain BUY and value company at 40x Sep-28E EPS, to arrive at a TP of INR 990/sh.

- **Q1FY27 highlights:** Revenue grew 34% YoY to INR 15.6bn, led by strong growth in ply segment (up 33% YoY), MDF segment (up 29% YoY), laminates segment (up 15% YoY), and particle board (up 157% YoY). Ply/MDF/particle board volume grew 27/22/156% YoY, while laminates declined 8% YoY. Ply/laminates/particle board operating margin expanded by 300/440/220bps YoY to 16.9/7/3.7%, while MDF margin declined 720bps YoY to 7%, impacted by a shutdown. EBITDAM expanded 170bps YoY to 12.7% (-80bps QoQ). Employee cost and other expenses surged by 23/22% YoY. Healthy revenue traction and improved margins drove a 54% YoY rise in EBITDA and 55% growth in APAT. Depreciation and finance cost increased 48% and 33% YoY.
- **Con call KTAs and outlook:** Management refrained from issuing FY27 guidance due to continued raw material inflation and uncertainty stemming from Middle East geopolitical tensions, but noted that demand momentum is improving, with July emerging as the best month so far. The company has planned plywood capacity expansion aimed at transitioning to full in-house manufacturing. Plywood capacity is slated to increase by 30% in FY27, followed by an additional 15% expansion in FY28. Factoring in a strong Q1 performance and higher ASP following recent price hikes, we raise our revenue estimates by 6% each for FY27-29E and increase our APAT estimates by 1-3% over the same period. We maintain BUY and value the company at 40x Sep-28E EPS, to arrive at a TP of INR 990/sh. Earlier, we valued the business on an SOTP basis — assigning 40x Sep-28E EPS to the ex-particle-board business and 2x capital employed to the particle-board segment, given its ramp-up phase; however, with the segment now stabilizing, we move to a unified valuation framework.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	15.61	11.69	33.5	14.92	4.6	45.28	53.97	66.12	73.17	82.62
EBITDA	1.98	1.28	54.3	1.77	11.5	4.87	6.50	8.89	10.53	11.99
EBITDAM (%)	12.7	11.0		11.9		10.7	12.1	13.4	14.4	14.5
APAT	0.80	0.52	54.8	0.78	2.8	1.99	2.70	4.09	5.10	5.92
AEPS (INR)	3.6	2.3	54.8	3.5	2.8	8.9	12.2	18.4	22.9	26.6
EV/EBITDA (x)						39.2	29.0	21.4	18.1	15.9
P/E (x)						86.3	63.4	41.9	33.6	28.9
RoE (%)						8.7	10.8	14.5	15.6	15.7

Source: Company, HSIE Research

BUY

CMP (as on 04 Aug 2026)	INR 770
Target Price	INR 990
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 975	INR 990
EPS	FY27E	FY28E
revision %	1.3	2.4

KEY STOCK DATA

Bloomberg code	CPBI IN
No. of Shares (mn)	222
MCap (INR bn) / (\$ mn)	171/1,792
6m avg traded value (INR mn)	72
52 Week high / low	INR 859/619

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.7)	(3.5)	2.1
Relative (%)	(7.2)	2.9	5.3

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	71.83	71.83
FIs & Local MFs	19.17	19.41
FPIs	4.10	3.86
Public & Others	4.90	4.90
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Nuvoco Vistas Corporation

Robust pricing gain; margin at a 20-quarter high

We maintain BUY for Nuvoco Vistas, with a higher target price of INR 410/share (9x its consolidated Mar-28E EBITDA). In Q1FY26, Nuvoco delivered strong NSR beat (+7% QoQ) along with 5% YoY volume growth. Despite higher fuel, packing, and freight cost, unit EBITDA soared to a 20-quarter high of INR 1,065/MT on robust pricing gain. Nuvoco remains confident of completing its west and east expansions by H1FY28, which should accelerate volume growth (our estimate 8% CAGR during FY26-28E vs 3% CAGR during FY23-26). We expect margin to remain flattish YoY in FY27E but fall by ~INR 30/MT in FY28E owing to our estimate of ~INR 300/MT margin from its west capacity in FY28E, which should improve FY29 onwards as sales ramp up.

- **Q1FY27 performance:** Nuvoco's volumes rose 5% YoY (better growth in northern markets), although they fell 11% QoQ. Trade sales share stood flattish QoQ at 75%. CC ratio too remained flattish at ~1.73x. Reported NSR jumped INR 332/MT QoQ (+7%), driven by cement price recovery (~INR 180/MT), geo-mix optimization, and increased sale of its premium products. Opex rose INR 243/MT QoQ on higher fuel, raw material, packaging, overall freight cost and op-lev loss. However, strong pricing gain more than offset cost inflation and unit EBITDA soared to 20-quarter high of INR 1,065/MT (+89/MT QoQ). In Q1, it spent INR 3.7bn in capex and its net debt rose by ~1.5bn QoQ to INR 46bn (led by a similar rise in working capital, in our view).
- **Con call KTAs and outlook:** Nuvoco expects to deliver 7-8% volume growth in FY27. It guided its variable cost to remain flattish QoQ in Q2, with op-lev loss and kiln maintenance (two units 2-3 months) to drive QoQ margin decline. Nuvoco is hopeful of cement prices to broadly remain flattish in Q2. Nuvoco guided for a capex outgo of ~INR 9/10bn during FY27/28E toward ongoing expansion in the west and east and remains confident of full operationalization of these capacities by H1FY28 (along with railway siding and WHRS in the west). Factoring in strong NSR beat in Q1 and cost outlook, we raise our FY27/28E EBITDA estimates by 10/3% respectively. We estimate Nuvoco will deliver core volume CAGR of 4.5% (of our total estimate of 8% CAGR) during FY26-28E along with a steady margin of ~INR 900/MT while the Vadraj unit will contribute the rest with unit EBITDA of ~INR 300/MT in FY28E (first full year) and improve in subsequent years.

Quarterly/annual financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	5.3	5.1	5.3	6.0	(11.1)	18.78	19.43	20.40	21.62	23.79
NSR (INR/MT)	5,359	5,188	3.3	5,027	6.6	5,159	4,810	5,035	5,262	5,288
EBITDA (INR/MT)	1,065	1,027	3.7	976	9.1	824	683	889	895	864
Net Sales	31.29	28.73	8.9	33.07	(5.4)	107.33	103.57	113.38	125.51	138.69
EBITDA	5.68	5.19	9.6	5.88	(3.3)	16.24	13.72	18.57	19.82	21.08
APAT	1.60	1.33	19.9	1.77	(9.8)	1.47	0.22	3.96	4.53	4.58
Diluted EPS (Rs)	4.5	3.7	19.9	5.0	(9.8)	4.1	0.6	11.1	12.7	12.8
EV / EBITDA (x)						10.0	11.6	9.5	8.7	7.8
EV/MT (Rs bn)						6.48	6.34	7.07	5.74	4.93
P/E (x)						82.5	556.6	33.4	26.9	26.6
RoE (%)						1.7	0.2	4.1	4.3	4.1

Source: Company, HSIE Research

BUY

CMP (as on 14 Jul 2026)	INR 341
Target Price	INR 410
NIFTY	24,052

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 390	INR 410
EBITDA	FY27E	FY28E
revision %	10.0	3.1

KEY STOCK DATA

Bloomberg code	NUVOCO IN
No. of Shares (mn)	357
MCap (INR bn) / (\$ mn)	122/1,266
6m avg traded value (INR mn)	155
52 Week high / low	INR 478/276

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.3	(3.6)	(5.4)
Relative (%)	11.0	4.0	0.9

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	72.02	72.02
FIs & Local MFs	18.09	18.35
FPIs	5.0	4.88
Public & Others	4.90	4.75

Pledged Shares	-	-
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Source : BSE

Pledged shares as % of total shares

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Star Cement

Volume and cost headwinds moderate margin

We maintain BUY on Star Cement with a lower TP of INR 270/share (12x FY28E consolidated EBITDA). In Q1FY27, total sales volumes growth slowed to 5% YoY, on account of decline in its cement sales in the NE region and lower clinker offtake. Lower incentives YoY and spike in fuel/packaging costs also pulled unit EBITDA down by INR 325/MT YoY to INR 1,436/MT. Despite the fall, it remains the industry leader on margin front. Star continues to deliver industry-best margin even adjusted for lower incentives accruals. We estimate Star will deliver 8% volume CAGR over FY26-28E on expansion ramp-up. However, we estimate consolidated EBITDA to be flattish in the same period, owing to lower incentives and increased competition in the NE region.

- Q1FY27 performance:** Consolidated sales volume grew 5% YoY (down 22% QoQ) to 1.35mn MT, led by 3% fall in cement sales in NE region, and lower clinker sales while outside NE volumes rose 33% YoY. In our view, its NE sales were impacted both by demand slowdown in April (Assam elections) and rising competition from Dalmia ramp-up. Trade sales stood at 80% vs 81/78% YoY/QoQ. NSR improved 3% QoQ due to pricing recovery. Incentive accrual stood at INR 177/MT vs INR 196/MT QoQ. Unit opex increased 12% QoQ due to higher fuel, diesel, and packaging cost. Fuel cost stood at INR 1.55/mnCal vs INR 1.33 QoQ. Green power share fell to 30% vs 34% QoQ. Thus, unit EBITDA declined INR 382/MT QoQ to INR 1,436/MT. On a YoY basis, margin fell by INR 325/MT mostly on account of INR 300/MT lower incentive accrual. Margin (ex-incentive) of INR 1,259/MT remains the best in the industry. The AAC business reported revenue of ~INR 0.16bn vs INR 0.19bn QoQ. Star spent INR 0.93bn in capex in the quarter (FY27E guidance at INR 5bn).
- Con call KTAs and outlook:** STRCEM cut its FY27E volume growth guidance to 8-9% (from 10-12% earlier). Amid severe rains and floods in the NE region, July volumes are down ~12% YoY. Cement prices are stable (with positive bias) across its sales markets. Management highlighted that it is undertaking various cost saving initiatives, including new railway sidings, wagon tipplers, EV trucks deployment, and higher green-power use. Star expects to operationalize its Rajasthan IU by Q1FY29. It also revised down its FY27E subsidy accruals expectations to INR 1.15bn (vs. INR 1.45bn earlier). Factoring in lower sales, increased competition, and lower incentives, we lower our FY27/28E EBITDA by 5/7% respectively.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales Vol (mn MT)	1.35	1.30	4.5	1.73	(21.9)	4.44	4.73	5.50	5.88	6.41
NSR (INR/MT)	6,964	7,037	(1.0)	6,772	2.8	6,554	6,687	6,868	6,799	6,765
EBITDA (INR/MT)	1,436	1,761	(18.4)	1,818	(21.0)	1,253	1,223	1,702	1,440	1,419
Net Sales	9,429	9,120	3.4	11,736	(19.7)	29,107	31,634	37,765	40,004	43,387
EBITDA	1,945	2,282	(14.8)	3,151	(38.3)	5,563	5,786	9,360	8,476	9,103
APAT	739	985	(24.9)	1,524	(51.5)	2,951	1,690	4,019	3,370	3,446
AEPS (INR)	1.8	2.4	(24.9)	3.8	(51.5)	7.3	4.2	9.9	8.3	8.5
EV/EBITDA (x)						13.6	14.3	8.8	9.0	8.8
EV/MT (INR bn)						9.9	10.8	8.5	7.9	6.9
P/E (x)						27.3	47.6	20.0	23.9	23.3
RoE (%)						11.5	6.0	13.2	10.2	9.6

Source: Company, HSIE Research

BUY

CMP (as on 10 Aug 2026)	INR 199
Target Price	INR 270
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 290	INR 270
EBITDA	FY27E	FY28E
Change %	(5.3)	(7.1)

KEY STOCK DATA

Bloomberg code	STRCEM IN
No. of Shares (mn)	404
MCap (INR bn) / (\$ mn)	80/844
6m avg traded value (INR mn)	83
52 Week high / low	INR 309/197

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.6)	(7.7)	(24.1)
Relative (%)	(17.5)	(1.6)	(21.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	58.12	58.10
FIs & Local MFs	2.65	2.38
FPIs	2.26	2.29
Public & Others	36.97	37.23
Pledged Shares	1.33	1.33

Source : BSE

Pledged shares as % of total shares

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JK Lakshmi Cement

Healthy volume momentum continues

We retain BUY on JK Lakshmi (JKLC), with an unchanged TP of INR 780/share (9x FY28E consolidated EBITDA). In Q1FY27, JKLC's volume growth remained firm (+8% YoY) as it continued to outpace the industry for the sixth consecutive quarter. NSR firmed up 9% QoQ, which mostly offset the 10% opex rise, while the margin fell a modest INR 15/MT QoQ to INR 719/MT. We maintain our estimates of 5/11% consolidated volume/EBITDA CAGRs for FY26-28E. We also expect the ongoing expansion in the eastern region and UP to be fully operational over FY28-29E. We estimate net debt to EBITDA will double to 2.3x in Mar-28E vs 1.2x in Mar-26.

- Q1FY27 performance:** JKLC's healthy volume growth continued for the sixth consecutive quarter. It rose 8% YoY (seasonally down 8% QoQ). Trade sales mix improved to 59% vs 58% QoQ while the share of premium cement remained flattish at 24% QoQ. However, its blended NSR and opex changes QoQ remained volatile. NSR shot up 9% QoQ. As per the management, higher uptick in non-trade prices and favorable geo-mix drove NSR rise. Unit opex too spiked 10% QoQ, which can be partly explained by higher fuel and packaging costs and op-lev loss. Green power share rose to 49% vs 46% QoQ. Fuel cost rate rose to INR 1.65/mnCal vs INR 1.54 QoQ. While lead distance fell by 12km QoQ to 368km, freight cost went up QoQ on price hikes taken by transporters and higher diesel prices. Thus, unit EBITDA fell a modest INR 15/MT QoQ to INR 719/MT. On a YoY basis, while NSR rose 1%, higher fuel and packaging costs drove unit opex up by 6% YoY, despite higher utilization. Hence, cement margin contracted by INR 217/MT YoY. The non-cement revenue rose 29% YoY and margin expanded to 5% vs 4% YoY. Subsequently, JKLC's revenue grew 10% YoY but EBITDA/APAT fell 17/28% YoY. JKLC spent INR 3bn in capex in Q1FY27 (vs INR 3.5bn QoQ).
- Con call KTAs and outlook:** JKLC remained upbeat on delivering slightly better-than-industry volume growth in FY27. On the cost front, JKLC expects Q2 fuel/packing costs to further shoot up by ~INR 100/60 per MT respectively and cement prices have been flattish QoQ so far. It will spend INR 15bn in FY27E on the eastern expansion and has already placed orders for most of the major equipment. We maintain the earnings estimates, whereby we build in 5% volume CAGR for FY26-28E, as we expect volume growth to slow down in FY28E (upcoming expansion to support growth FY29E onward). We estimate 11% EBITDA CAGR in the same period, as we expect margin to recover to INR 849/MT in FY28E. The ongoing expansion will raise the net debt to EBITDA to 2.3x in FY28E (from 1.2x in FY26), in our view. We value JKLC at 9x FY28E EBITDA.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	3.60	3.33	8.2	3.90	(7.6)	11.99	12.13	13.35	14.15	14.71
NSR (INR/MT)	5,294	5,234	1.1	4,881	8.5	5,662	5,106	5,067	5,092	5,169
EBITDA (INR/MT)	719	936	(23.2)	734	(2.1)	878	713	757	711	849
Net Sales	19.05	17.41	9.4	19.02	0.2	67.88	61.93	67.63	72.04	76.05
EBITDA	2.59	3.11	(16.9)	2.86	(9.6)	10.52	8.65	10.11	10.07	12.50
APAT	1.08	1.50	(28.1)	1.24	(12.9)	4.82	3.05	4.47	3.99	5.66
AEPS (INR)	8.7	12.8	(31.8)	10.0	(12.9)	40.9	25.9	36.0	32.1	45.6
EV/EBITDA (x)						8.1	9.9	8.2	8.5	8.0
EV/MT (INR bn)						5.15	5.17	4.60	4.76	4.88
P/E (x)						14.7	23.2	15.8	17.7	12.5
RoE (%)						15.7	8.9	12.0	9.9	12.7

Source: Company, HSIE Research

BUY

CMP (as on 06 Aug 2026)	INR 571
Target Price	INR 780
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 780	INR 780
EBITDA	FY27E	FY28E
Change %	-	-

KEY STOCK DATA

Bloomberg code	JKLC IN
No. of Shares (mn)	124
MCap (INR bn) / (\$ mn)	71/745
6m avg traded value (INR mn)	123
52 Week high / low	INR 991/550

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.9)	(21.7)	(37.9)
Relative (%)	(15.2)	(16.2)	(35.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	45.12	45.12
FIs & Local MFs	23.00	26.57
FPIs	11.96	8.64
Public & Others	19.92	19.66
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Birla Corporation

Subdued pricing and cost spike hit margin hard

In Q1FY27, Birla Corporation's (BCORP) volume rose 5% YoY (98% utilization). Elevated competition and subdued pricing recovering in the trade sales as well as cost spike (fuel, diesel and packaging) pulled down margin by INR 296/MT QoQ to INR 675/MT. We estimate BCORP will deliver only 3% volume CAGR over FY26-28E, impacted by expansion delays. We also factor in lower margin YoY in FY27E amid elevated competition and energy and packaging costs, leading to 0% EBITDA CAGR in the same period. We maintain ADD with a lower TP of INR 1,180/share (7.5x FY28E consolidated EBITDA).

- **Q1FY27 performance:** Sales volume grew 5% YoY to 5.05mn MT (down 7% QoQ). Utilization stood at 98% vs 101/98% QoQ/YoY. Trade sales increased to 82% vs 79/78% QoQ/YoY. The share of premium sales rose to 62% vs 59/58% QoQ/YoY. The share of blended cement stood at 88% vs 82/89% QoQ/YoY. NSR remained flattish QoQ, led by subdued pricing gain in trade segment (which comprises major sales for BCORP) and lower incentives (INR 65/MT vs INR 92/MT QoQ). Unit opex spiked 7% QoQ on higher fuel, diesel and packaging costs. Unitary fuel cost rate increased to INR 1.64/mnCal vs INR 1.53 QoQ. Thus, unit EBITDA fell INR 296/MT QoQ to INR 675/MT. During Q1FY27, BCORP spent INR 1.2bn on capex.
- **Con call KTAs and outlook:** BCORP maintained its earlier FY27E volume guidance (mid-single-digit volume growth). It also maintained incentive accrual guidance at ~INR 1.3bn in FY27 vs INR 1bn YoY. The West Asia turmoil will further drive up variable costs by ~INR 70-80/MT QoQ in Q2FY27. The management noted cement pricing in the central region remains soft amid competition from the bigger players, focused on volume push. The company is awaiting environment clearance for the Maihar, which is expected in latter part of 2026. Factoring in weak performance, we trim our EBITDA estimates for FY27/28E by 2/2% each. We estimate BCORP will deliver sub-optimal 3% volume CAGR over FY26-28E, in the absence of any expansions. As we build lower margins, we estimate 0% EBITDA CAGR in the said period. We maintain ADD rating, with a lower target price of INR 1,180/share.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales Vol (mn MT)	5.05	4.79	5.4	5.45	(7.3)	17.65	18.11	18.72	19.46	19.85
NSR (INR/MT)	4,981	4,889	1.9	4,986	(0.1)	5,235	4,884	4,893	4,991	4,991
EBITDA (INR/MT)	675	715	(5.6)	971	(30.5)	802	676	776	703	713
Net Sales	26.46	24.54	7.8	28.36	(6.7)	96.56	92.14	96.56	102.62	104.84
EBITDA	3.42	3.47	(1.3)	5.10	(32.9)	14.38	12.17	14.54	13.84	14.44
APAT	1.16	1.20	(3.2)	2.95	(60.7)	4.15	3.24	5.55	4.73	5.82
AEPS (INR)	15.0	15.5	(3.2)	34.5	(56.5)	54.0	42.1	72.0	61.4	75.6
EV/EBITDA (x)						8.3	9.1	7.5	5.9	5.5
EV/MT (INR bn)						5.97	5.57	5.10	3.82	3.72
P/E (x)						21.8	28.0	16.3	14.3	11.6
RoE (%)						6.6	4.7	7.7	6.3	7.3

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 876
Target Price	INR 1,180
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,200	INR 1,180
EBITDA revision %	FY27E (1.6)	FY28E (1.8)

KEY STOCK DATA

Bloomberg code	BCORP IN
No. of Shares (mn)	77
MCap (INR bn) / (\$ mn)	67/703
6m avg traded value (INR mn)	113
52 Week high / low	INR 1,537/770

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.0)	(15.8)	(39.3)
Relative (%)	(4.8)	(9.0)	(34.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	62.90	62.90
FIs & Local MFs	16.72	16.97
FPIs	6.26	6.13
Public & Others	14.12	14.00
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Greenlam Industries

Middle East war impacts growth

Greenlam revenue grew by 18% YoY to INR 8bn. Laminate segment revenue grew 7% YoY, driven by 15% YoY increase in NSR while volume declined 6% YoY. Q1FY27 saw continued turbulence owing to the Middle East war, resulting in a delay in container availability leading to postponement of exports by ~INR 270mn (5% of laminate segment revenue). Plywood segment registered strong 20% YoY growth. Chipboard business, which commenced commercial production in Q1FY26, continues to scale up well and turned EBITDA positive. EBITDAM increased 348bps YoY to 10%, leading to EBITDA growth of 81% YoY. Management reiterated its 10-12% topline growth outlook for the laminates business. The company highlighted that the Middle East geopolitical tensions continue to constrain global logistics, impacting exports. We have marginally tweaked our estimates, and we cut our APAT estimates by ~2% for FY27-29E. We maintain REDUCE and value the company at 30x Sep-28E EPS, to arrive at a TP of INR 255/sh.

- **Q1FY27 performance:** Revenue grew 18% YoY to INR 8bn. Laminate segment revenue grew 7% YoY, driven by 15% YoY increase in NSR, while volume declined 6% YoY. Laminate operating margin stood at 13.4% (down 85/480bps YoY/QoQ). Plywood segment registered strong 20% YoY growth. Chipboard business that commenced commercial production in Q1FY26, continues to scale up well, registering 19% QoQ growth, and has turned EBITDA positive. Q1FY27 saw continued turbulence owing to the Middle East war, resulting in substantial increase in freight costs, delay in container availability leading to postponement of exports by ~INR 270mn (5% of laminate segment revenue). EBITDAM increased 348bps YoY to 10% (down 260bps QoQ). EBITDA grew 81% YoY. APAT stood at INR 213mn vs (INR -154/395mn YoY/QoQ).
- **Con call KTAs and outlook:** Management reiterated its 10-12% topline growth outlook for the laminates business. The company highlighted that the Middle East geopolitical tensions continue to constrain global logistics, impacting exports. We have marginally tweaked our estimates, we cut our APAT estimates by ~2% for FY27-29E. We maintain REDUCE and value the company at 30x Sep-28E EPS, to arrive at a TP of INR 255/sh. Earlier, we valued the business on an SOTP basis — assigning 30x Sep-28E EPS to the ex-particle-board business and 0.5x capital employed to the particle-board segment, given its ramp-up phase; however, with the segment hitting EBITDA breakeven in this quarter, we move to a unified valuation framework.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Sales (mn sheet)	4.62	4.94	(6.5)	5.33	(13.3)	19.7	20.7	21.9	23.4	25.1
NSR (per sheet)	1,290	1,123	14.9	1,235	4.4	1,128	1,178	1,236	1,236	1,260
Laminates EBITDAM (%)	13.4	14.2		18.1		13.9	16.8	14.9	15.0	15.2
Net Sales	7,967	6,738	18.2	8,577	(7.1)	25,693	30,461	35,210	39,155	43,106
EBITDA	799	441	81.1	1,082	(26.2)	2,746	3,249	4,031	4,695	5,618
EBITDAM (%)	10.0	6.5		12.6		10.7	10.7	11.4	12.0	13.0
APAT	213	(154)	(231.8)	395	(49.2)	697	624	1,284	1,856	2,515
AEPS (INR)	1.7	(1.3)	(231.8)	3.3	(49.2)	2.7	2.4	5.0	7.3	9.9
EV/EBITDA (x)						26.5	22.3	17.7	15.0	12.6
P/E (x)						88.9	99.3	48.3	33.4	24.7
RoE (%)						6.3	5.4	10.4	13.6	16.2

Source: Company, HSIE Research

REDUCE

CMP (as on 10 Aug 2026)	INR 243
Target Price	INR 255
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 255	INR 255
EPS	FY27E	FY28E
revision %	(2.6)	(2.6)

KEY STOCK DATA

Bloomberg code	GRLM IN
No. of Shares (mn)	255
MCap (INR bn) / (\$ mn)	62/650
6m avg traded value (INR mn)	48
52 Week high / low	INR 279/198

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.4	(3.9)	8.5
Relative (%)	5.5	2.2	11.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.98	50.98
FIs & Local MFs	13.96	10.89
FPIs	1.77	1.47
Public & Others	33.29	36.66
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Stylam Industries

Strong margin performance; domestic remains weak

Stylam's revenue grew 15% YoY to INR 3.3bn, supported by a price hike. Overall volume grew 16% YoY. Overall NSR remained flat YoY (up 19% QoQ). Exports revenue grew 20% YoY, while domestic revenue remained subdued, growing 2% YoY. EBITDA margin expanded strongly, at 21.1% (10-quarter high), up by 238bps YoY, driven by strong gross margin expansion. So, EBITDA/APAT grew 30/71% YoY. The company's new laminate plant commissioning is now delayed to August 2026 and it expects it to contribute INR 2.5–3bn in revenue in FY27 and ramp up to INR 6–7bn in FY28, as capacity utilization improves. Management also guided that overall EBITDA margins should remain broadly in the 19–20% range, going forward. On domestic business, it indicated that margins have already begun to improve, and from Q3FY27 onward, the domestic business is expected to see a visible turnaround and will gradually ramp-up thereafter. We maintain our estimates with a BUY rating and an unchanged target price of INR 4,075/sh (30x Mar-28E EPS).

- Q1FY27 highlights:** Revenue grew 15% YoY to INR 3.3bn, supported by a price hike. Overall volume grew 16% YoY, led by export sales volume, up 36% YoY, while domestic sales volume declined 10% YoY. Overall NSR remained flat YoY (up 19% QoQ). Exports revenue grew 20% YoY, while domestic revenue remained subdued grew 2% YoY, aided by a price hike. EBITDA margin expanded strongly, stood at 21.1% (10-quarter high), up by 238bps YoY (+146bps QoQ), driven by strong gross margin expansion (up 264bps YoY). Employee cost rose 21% YoY (-10% QoQ), while other expenses increased 15% YoY (+11% QoQ). So, EBITDA grew 30% YoY. APAT increased by 71% YoY, supported by EBITDA growth, lower depreciation (down 11% YoY) and lower finance cost (-92% YoY).
- Outlook and valuation:** The management guided that overall EBITDA margins should remain broadly in the 19–20% range, going forward. The company is expanding its brownfield laminates plant costing INR 3.3bn, with the commissioning now delayed to August 2026. The new facility will enable production of larger 7x9 feet laminates, thereby expanding the product portfolio. It has an estimated revenue potential of INR 9-10bn. Management expects the plant to generate revenues of INR 2.5-3/6-7bn in FY27/28E, and EBITDA margins in the range of 22–24%. On domestic business, management indicated that margins have already begun to improve, and from Q3FY27 onward, the domestic business is expected to see visible turnaround and gradually ramp-up thereafter. We maintain our estimates with a BUY rating and an unchanged target price of INR 4,075/sh (30x Mar-28E EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	3,265	2,830	15.4	2,829	15.4	10,251	11,293	14,026	16,452	18,979
EBITDA	688	529	30.1	555	24.0	1,852	2,206	2,733	3,217	3,710
EBITDAM (%)	21.1	18.7		19.6		18.1	19.5	19.5	19.6	19.5
APAT	482	282	70.7	382	25.9	1,219	1,499	1,810	2,132	2,472
AEPS (INR)	28.4	16.6	70.7	22.6	25.9	71.9	88.4	106.8	125.8	145.9
EV/EBITDA (x)						31.4	26.2	21.3	18.0	15.5
P/E (x)						47.8	38.8	32.2	27.3	23.6
RoE (%)						20.4	20.5	20.7	20.8	20.7

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 3,407
Target Price	INR 4,075
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 4,075	INR 4,075
EPS	FY27E	FY28E
revision %	-	-

KEY STOCK DATA

Bloomberg code	SYIL IN
No. of Shares (mn)	17
MCap (INR bn) / (\$ mn)	58/602
6m avg traded value (INR mn)	214
52 Week high / low	INR 4,160/1,575

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	52.3	54.9	82.6
Relative (%)	52.4	61.7	87.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	54.10	56.86
FIs & Local MFs	13.31	12.14
FPIs	2.81	2.62
Public & Others	29.78	28.38
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Heidelberg Cement

Rising competition subdues volume, margin outlook

We maintain **REDUCE** on Heidelberg Cement (HEIM), with a TP of INR 140/share (ascribing 70% weight to its 8x FY28E EBITDA and 30% to its FY28E EV of USD 75/MT). While we remained wary of HEIM's continued market share loss, this will further accelerate with Dalmia foraying into the central region, which acquired JPA's capacity. We estimate HEIM will deliver 3% volume CAGR over FY26-28E (even this may be at risk) along with subdued margin, leading to a modest 4% EBITDA CAGR.

- **Q1FY27 performance:** HEIM's volume growth slowed to 4% YoY after delivering 7-11% YoY growth in the preceding four quarters. The company operated at ~83% grinding utilization vs 80/87% YoY/QoQ. HEIM's volume offtake continues to suffer (3-year CAGR 2.6%), owing to lack of capacity expansion and rising competition in the central region. Its NSR rose a modest 1% QoQ, as high competition in the central region remained sub-par to cover for the spike in fuel and packaging costs amid the ongoing West Asia turmoil. Subsequently, opex shot up 5% QoQ, leading to unit EBITDA falling to INR 514/MT vs INR 649 QoQ. Even on a YoY basis, while NSR rose 1.5%, higher energy and packaging costs drove opex up by 7% YoY and margin fell INR 192/MT YoY to INR 514/MT. In the absence of any major capex, cash balance increased by ~INR 0.7bn QoQ to INR 4.7bn, mirroring internal accruals.
- **Outlook:** HEIM is setting up a blending unit in Madhya Pradesh (0.4mn MT by FY28, capex INR 1.3bn). It has no other expansions on the table until FY29E, as per recent management commentaries. As the company is already operating at high utilization (our estimate of ~94% clinker utilization in FY26E), HEIM will continue to lose market share. The central market is seeing increased competition from incumbents and new entrants (Dalmia ramping up 5.2mn MT acquired assets in the region), which will also restrict HEIM's ability to pass on the cost inflation. Hence, we estimate HEIM's margin will remain low at INR 527/595 per MT over FY27/28E, leading to a 4% EBITDA CAGR. We have lowered our FY28E EBITDA estimates, factoring in increased competition. Subsequently, we also tweak our SOTP valuation, ascribing 70% weight to 7x FY28E EBITDA and 30% weight to replacement valuation at USD 75/MT (vs 50% weight to 8x FY28E EBITDA and 50% weight to replacement valuation at USD 75/MT, earlier), leading to a lower target price of INR 140/MT. We maintain **REDUCE** rating on the stock.

Quarterly/annual financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	1.30	1.25	3.6	1.35	(4.1)	4.39	4.81	4.52	4.91	5.06
NSR (INR/MT)	4,835	4,765	1.5	4,773	1.3	5,095	4,922	4,759	4,743	4,814
Opex (INR/MT)	4,321	4,059	6.5	4,123	4.8	4,528	4,263	4,229	4,159	4,287
EBITDA (INR/MT)	514	706	(27.1)	649	(20.8)	566	659	530	584	527
Net Sales	6.28	5.98	5.1	6.46	(2.8)	23.66	21.49	23.30	24.35	25.21
EBITDA	0.67	0.89	(24.5)	0.88	(24.0)	3.17	2.39	2.87	2.67	3.10
APAT	0.31	0.48	(36.7)	0.48	(36.1)	1.68	1.07	1.40	1.32	1.59
AEPS (INR)	1.3	2.1	(36.7)	2.1	(36.1)	7.4	4.7	6.2	5.8	7.0
EV/EBITDA (x)						12.3	16.1	13.6	11.7	10.2
EV/MT (INR bn)						6.20	6.15	6.24	4.99	4.76
P/E (x)						25.7	40.3	30.8	26.7	22.1
RoE (%)						11.4	7.5	10.1	9.7	11.8

Source: Company, HSIE Research

REDUCE

CMP (as on 29 Jul 2026)	INR 155
Target Price	INR 140
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 170	INR 140
EBITDA	FY27E	FY28E
revision %	0.0	(7.5)

KEY STOCK DATA

Bloomberg code	HEIM IN
No. of Shares (mn)	227
MCap (INR bn) / (\$ mn)	35/368
6m avg traded value (INR mn)	17
52 Week high / low	INR 225/136

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.4)	(7.3)	(28.7)
Relative (%)	(2.6)	(1.3)	(24.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	69.39	69.39
FIs & Local MFs	14.21	14.21
FPIs	1.15	1.07
Public & Others	15.25	15.33
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Prince Pipes and Fittings

Weak volume; healthy margin

Prince Pipes' Q1 revenue grew by 5% YoY, led by 13% YoY expansion in NSR, while volume declined 7% YoY. EBITDA margin expanded 580bps YoY to 12.7% (-20bps QoQ). EBITDA grew by 95% YoY on last year's low base, impacted by inventory loss, while APAT stood at INR 338mn vs INR 48 YoY. The company maintained its FY27 guidance of 12–15% volume growth, which is significantly below our 5% estimate, and an EBITDA margin range of 11–13%. Demand momentum remained healthy in July, supported by strong channel-stocking activity in June-July. Management also indicated that PVC prices have likely bottomed out at ~USD 766/MT and does not foresee any meaningful inventory gains or losses in Q2. Factoring in the Q1 performance and the recent uptick in PVC prices, we raise our NSR assumptions for FY27–29E, resulting in a 2% upward revision in revenue forecasts and an 11% increase in FY27E APAT, while broadly maintaining our FY28–29E earnings estimates. We maintain REDUCE with an unchanged TP of INR 270/share, valuing the company at 22x Sep-28E EPS.

- **Q1FY27 performance:** Revenue grew by 5% YoY, led by 13% YoY expansion in NSR, while volume declined 7% YoY. EBITDA margin expanded 580bps YoY to 12.7% (-20bps QoQ). Employee cost/other expenses surged by 23/17% YoY. So, EBITDA grew by 95% YoY on previous year's low base, impacted by inventory loss. Depreciation surged 14% YoY. APAT stood at INR 338mn vs INR 48 YoY.
- **Con call KTAs and outlook:** The company maintained its FY27 guidance of 12–15% volume growth, which is significantly below our 5% estimate, and an EBITDA margin range of 11–13%. Demand momentum remained healthy in July, supported by strong channel-stocking activity in June-July. Management expects the bathware division to break even by Q3FY27 at a quarterly revenue run-rate of INR 250–300mn. It also indicated that PVC prices have likely bottomed out at ~USD 766/MT and does not foresee any meaningful inventory gains or losses in Q2. Factoring in the Q1 performance and the recent uptick in PVC prices, we raise our NSR assumptions for FY27–29E, resulting in a 2% upward revision in revenue forecasts and an 11% increase in FY27E APAT, while broadly maintaining our FY28–29E earnings estimates. We maintain our REDUCE rating with an unchanged TP of INR 270/share, valuing the company at 22x Sep-28E EPS.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Pipes sales (K MT)	40.7	43.7	-6.9	62.2	-34.5	177.2	191.2	200.8	216.9	229.9
NSR (INR/kg)	150	133	12.7	137	9.4	142	136	145	145	148
EBITDA (INR/kg)	19	9	109.4	18	7.4	9	12	15	15	15
Net Sales	6,094	5,804	5.0	8,501	-28.3	25,239	25,983	29,192	31,527	34,087
EBITDA	772	396	95.0	1,096	-29.6	1,618	2,316	2,917	3,235	3,496
EBITDAM (%)	12.7	6.8		12.9		6.4	8.9	10.0	10.3	10.3
APAT	338	48	600.2	561	-39.8	431	752	1,137	1,318	1,417
Diluted EPS (INR)	3.1	0.4	600.2	5.1	-39.8	3.9	6.8	10.3	11.9	12.8
EV / EBITDA (x)						19.7	12.5	10.1	8.8	7.9
P/E (x)						70.2	40.3	26.7	23.0	21.4
RoE (%)						2.8	4.7	6.7	7.3	7.4

Source: Company, HSIE Research

REDUCE

CMP (as on 04 Aug 2026)	INR 276
Target Price	INR 270
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 270	INR 270
EPS revision %	FY27E 11.1	FY28E 0.5

KEY STOCK DATA

Bloomberg code	PRNCPIP IN
No. of Shares (mn)	111
MCap (INR bn) / (\$ mn)	30/320
6m avg traded value (INR mn)	108
52 Week high / low	INR 358/205

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.5	10.3	(18.3)
Relative (%)	4.0	16.7	(15.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	60.95	60.95
FIs & Local MFs	15.54	15.33
15.96FPIs	3.55	3.06
Public & Others	19.96	20.66

Pledged Shares	-	-
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Source : BSE

Pledged shares as % of total shares

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Sagar Cements

Andhra ramp-up drives volume; margin remains muted

We maintain ADD on Sagar Cements (SGC), with a lower TP of INR 190/share (SOTP-based). In Q1FY27, SGC reported strong 16% YoY volume growth, supported by strong ~47% YoY growth at its Andhra subsidiary. Even standalone and Satguru subsidiary grew at 13/8% YoY. Lower incentives QoQ led to flattish NSR QoQ. However, as opex was stable QoQ, unit EBITDA remained subdued and flattish QoQ at INR 424/MT. The Satguru subsidiary continues to drive up margin: INR 922/MT in Q1 vs ~INR 270/MT in its south plants. Ongoing expansion will increase capacity to 12mn MT by FY28E. This will drive 11% volume CAGR along with gradual margin expansion over FY26-28E, in our view. SGC noted that capex outgo will slow down in FY28 and ~INR 3.5bn worth of land will be monetized over FY27-28E. These should cool off net debt to EBITDA to 3.3x in Mar-28E vs 5.5x in Mar-26.

- **Q1FY27 performance:** SGC's consolidated volume rose 16% YoY, driven by strong ~47% YoY growth at its Andhra Cement subsidiary. Standalone/Satguru subsidiary delivered 13/8% YoY volume growth. Trade sales/blended cement production share increased to 51/48% vs 49/45% QoQ. Reported NSR rose 1% QoQ on ~INR 85/MT lower incentives QoQ. Adjusted for the same, it rose 3% QoQ. Reported opex remained broadly flat QoQ, despite rising energy/packaging costs and op-lev loss (volume down 11% QoQ). Blended fuel cost rate inched up to INR 1.9/mnCal (vs INR 1.85 QoQ). Thus, reported unit EBITDA stood flattish at NR 424/MT. The SA/Andhra/Satguru EBITDA margin stood at INR 296/143/922 per MT vs INR 152/302/955 QoQ. SGC spent INR 94mn capex in Q1, net debt inched up to ~INR 16.4bn, and net debt/EBITDA went up to 7x vs 6/7x QoQ/YoY.
- **Con call KTAs and outlook:** SGC commissioned 0.5mn MT cement expansion at its Madhya Pradesh plant in Q1. It expects to expand Andhra Cements' capacity by 1.2mnMT to 3mnMT by Sep'26 and Gudipadu by 0.25mnMT in FY28E, leading to 12mnMT in FY28. SGC maintained its FY27E cement sales volume guidance of 7mn MT along with a margin of ~INR 550/MT. It maintained FY27E capex guidance of INR 3.3bn toward ongoing expansion. It has no major capex plans for FY28E. SGC is confident of land sale monetization (worth INR 3.5bn) over FY27-28E. We maintain our estimates: volume/EBITDA CAGRs of 11/18% respectively. We tweak our SOTP valuation, ascribing 70% weight to 6.5x FY28E EBITDA and 30% weight to replacement valuation at USD 65/MT (vs 50/50% weight earlier), leading to a lower target price of INR 190/MT. Maintain ADD rating on the stock.

Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	1.7	1.5	15.5	1.9	(10.8)	5.6	5.7	6.3	7.0	7.7
NSR (INR/MT)	4,130	4,530	(8.8)	4,106	0.6	4,456	3,989	4,192	4,276	4,297
EBITDA (INR/MT)	424	820	(48.3)	425	(0.4)	437	249	462	462	529
Net Sales	7.1	6.7	5.3	7.9	(10.3)	25.0	22.6	26.5	30.0	33.2
EBITDA	0.7	1.2	(40.4)	0.8	(11.2)	2.5	1.4	2.9	3.2	4.1
APAT	(0.2)	0.0		0.9	(126.4)	(0.4)	(2.1)	(0.1)	(0.1)	1.4
AEPS (INR)	(1.8)	0.1		6.7	(126.4)	(4.2)	(14.5)	(0.8)	(8.5)	(2.7)
EV/EBITDA (x)						16.9	29.8	15.8	12.4	9.3
EV/MT (INR bn)						4.1	4.0	4.4	3.4	3.2
P/E (x)						(67.1)	(13.9)	(263.1)	(410.2)	16.7
RoE (%)						(2.7)	(9.9)	(0.6)	(6.0)	(1.8)

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 178
Target Price	INR 190
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 255	INR 190
EBITDA revision %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	SGC IN
No. of Shares (mn)	131
MCap (INR bn) / (\$ mn)	23/243
6m avg traded value (INR mn)	17
52 Week high / low	INR 300/149

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.7)	(7.6)	(25.0)
Relative (%)	(2.6)	(0.8)	(19.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	48.33	48.33
FIs & Local MFs	18.48	18.39
FPIs	1.67	1.61
Public & Others	31.52	31.68
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Greenpanel Industries

Weak volume; export sales plunged to zero

Greenpanel's revenue grew 7% YoY to INR 3.5bn. MDF revenue grew by 9% YoY, driven mainly by 11% YoY growth in NSR, while volume declined 2% YoY. MDF volume stood at 99.8K CBM. Domestic sales volume grew strong 12% YoY, while export sales volume plunged to zero owing to the Middle East tensions. EBITDAM stood at 8.5% up 1340/100bps YoY/QoQ. Management has refrained from providing specific guidance, given the heightened volatility arising from the Middle East tensions. The company noted that it implemented phased ~15% price hikes in MDF in April to offset elevated chemical costs, though partial rollbacks were required following competitive pricing actions. Export sales remained negligible in July. On the cost front, timber prices remain largely stable, while chemical costs, though off their peaks, continue to trade above pre-war levels and remain volatile amid persistent supply chain disruptions. We maintain BUY, with a lower target price of INR 265/share, based on 25x Sep-28E EPS.

- **Q1FY27 performance:** Revenue grew 7% YoY to INR 3.5bn. MDF revenue grew by 9% YoY, driven mainly by 11% YoY growth in NSR, while volume declined 2% YoY. MDF volume stood at 99.8K CBM. Domestic sales volume grew strong 12% YoY, while export sales volume plunged to zero sales, owing to Middle East tensions. MDF EBITDAM (ex-forex) expanded 590bps YoY (up 110bps QoQ) to 10.3%. Domestic realization improved 7/14% YoY/QoQ. Absolute MDF EBITDA (ex-forex) grew 155% YoY (flat QoQ). Plywood revenue grew by 6% YoY, driven by 10% YoY growth in volume, while NSR declined 4% YoY. EBITDAM stood at 8.5%, up 1340/100bps YoY/QoQ. APAT stood at INR 12mn vs INR -346/14mn YoY/QoQ.
- **Con call KTAs and outlook:** Management has refrained from providing specific guidance, given the heightened volatility arising from the Middle East tensions. The company noted that it implemented phased ~15% price hikes in MDF in April to offset elevated chemical costs, though partial rollbacks were required following competitive pricing actions. OEM demand, which softened in Q1 due to price hikes, is now showing signs of recovery as pricing has normalized post-rollbacks. Considering weak Q1 performance and heightened competition intensity, we cut our revenue estimates by 3/3/1% and APAT estimates by 6/14/7% for FY27/28/29E, respectively. We maintain BUY, with a lower TP of INR 265/share, based on 25x Sep-28E EPS.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
MDF Sales (K CBM)	99.75	102.10	(2.3)	130.20	(23.4)	438.6	495.3	536.9	617.5	683.8
MDF NSR (INR/CBM)	31,758	28,519	11.4	27,119	17.1	28,701	27,654	29,836	29,786	30,731
MDF EBITDA (INR/CBM)	3,271	1,255	160.7	2,495	31.1	3,272	2,572	2,998	3,888	4,055
Net Sales	3,498	3,282	6.6	3,989	(12.3)	14,358	15,394	17,812	20,285	23,016
EBITDA	299	(158)	(288.8)	300	(0.2)	1,312	797	1,691	2,501	2,881
EBITDAM (%)	8.5	(4.8)		7.5		9.1	5.2	9.5	12.3	12.5
APAT	12	(346)	(103.5)	14	(11.1)	721	(291)	477	1,159	1,432
AEPS (INR)	0.1	(2.8)	(103.5)	0.1	(11.1)	5.9	(2.4)	3.9	9.4	11.7
EV/EBITDA (x)						18.5	30.3	13.8	8.9	7.6
P/E (x)						31.1	(77.0)	47.0	19.4	15.7
RoE (%)						5.3	(2.1)	3.5	8.0	9.3

Source: Company, HSIE Research. NA – not applicable

BUY

CMP (as on 11 Aug 2026) INR 183

Target Price INR 265

NIFTY 24,472

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 295	INR 265
EPS	FY27E	FY28E
revision %	(6.2)	(14.4)

KEY STOCK DATA

Bloomberg code	GREENP IN
No. of Shares (mn)	123
MCap (INR bn) / (\$ mn)	22/236
6m avg traded value (INR mn)	42
52 Week high / low	INR 334/163

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.5)	(19.3)	(33.2)
Relative (%)	(19.3)	(12.1)	(30.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.13	53.13
FIs & Local MFs	28.40	28.49
FPIs	1.07	0.94
Public & Others	17.40	17.44
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Somany Ceramics

Muted volume; 19-quarter high margin

Somany Ceramics' revenue grew 24% YoY to INR 7.5bn. Tiles revenue grew by 24%, while bathware and other segment grew by 22% and 29% YoY. Tiles volume growth was muted at 3% YoY, while NSR was up 20% YoY (+19% QoQ). EBITDA margin expanded 350bps YoY (+20bps QoQ) to 11.5%. EBITDA grew by 79% YoY, owing to low base of last year, while APAT grew 243% YoY to INR 355mn. The company expects mid-single-digit tile volume growth in FY27 and aims to sustain or improve the 11.5% Q1 margin, supported by joint ventures (JV) profitability. Volume growth has risen from low single digits in Q1 to mid-single digits in Q2, with July had decent demand. Tile prices increased 16–17% in Q1 to offset higher gas costs, with slight further hikes in July and August. We maintain ADD on Somany Ceramics, with a higher target price of INR 610/share (20x Sep-28E EPS).

- **Q1FY27 performance:** Revenue grew 24% YoY to INR 7.5bn. Tiles revenue grew by 24%, while bathware and other segment grew by 22% and 29% YoY. Tiles revenue mix stood at 85%. Tiles volume growth was muted at 3% YoY. NSR was up 20% YoY (+19% QoQ) owing to elevated gas prices. EBITDA margin expanded 350bps YoY (+20bps QoQ) to 11.5% (19-quarter high) owing to lower production caused by the gas supply issue, which has led to a shutdown in Morbi. Employee cost up 14% YoY, while other expenses surged 18% YoY. Consequentially, EBITDA grew by 79% YoY, owing to low base of last year. Finance cost declined 10% YoY. APAT grew 243% YoY to INR 355mn on low base.
- **Con call takeaways and outlook:** The company expects mid-single-digit tile volume growth in FY27 and aims to sustain or improve the 11.5% Q1 margin, supported by JV profitability. Volume growth has risen from low single digits in Q1 to mid-single digits in Q2, with July had decent demand. Tile prices increased 16–17% in Q1 to offset higher gas costs, with slight further hikes in July and August. Channel inventory has recovered since April but remains below normal as dealers anticipate potential price corrections. Capacity is expected to remain flat in FY27, with a 9MSM GVT expansion at Tirupati targeted for Q4FY28 start and an additional 3–4MSM planned in FY28 through debottlenecking. Factoring in the healthy Q1 performance and price hikes, we have revised our revenue estimates upward by 4/1/1% and APAT estimates by 15/7/4% for FY27/FY28/29E, respectively. We maintain ADD on Somany Ceramics, with a higher target price of INR 610/share.

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)	16.5	16.0	2.8	20.8	-20.9	70.9	72.1	76.4	81.0	85.9
NSR (Rs/Kg)	384.3	319.3	20.3	324.2	18.5	318.3	322.0	357.5	346.7	350.2
Tiles Revenue	6,325	5,113	23.7	6,750	-6.3	22,551	23,223	27,324	28,094	30,078
Others Revenue	1,117	902	23.8	1,370	-18.5	3,882	4,482	5,379	5,809	6,390
Net Sales	7,496	6,044	24.0	8,179	-8.4	26,588	27,898	32,703	33,904	36,468
EBITDA	862	482	78.9	923	-6.6	2,209	2,578	3,058	3,165	3,489
EBITDAM (%)	11.5	8.0		11.3		8.3	9.2	9.4	9.3	9.6
APAT	355	104	242.7	413	-14.0	621	864	1,152	1,171	1,335
Diluted EPS (Rs)	8.7	2.5	242.7	10.1	-14.0	15.1	21.1	28.1	28.6	32.5
EV / EBITDA (x)						10.7	9.0	7.4	7.1	6.1
P/E (x)						32.8	23.5	17.7	17.4	15.2
RoE (%)						7.4	9.8	12.0	11.2	11.6

Source: Company, HSIE Research

ADD

CMP (as on 12 Aug 2026)	INR 508
Target Price	INR 610
NIFTY	24,436

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 580	INR 610
EPS	FY27E	FY28E
revision %	15.3	6.8

KEY STOCK DATA

Bloomberg code	SOMC IN
No. of Shares (mn)	41
MCap (INR bn) / (\$ mn)	21/219
6m avg traded value (INR mn)	63
52 Week high / low	INR 552/332

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.9	24.3	(4.0)
Relative (%)	10.3	31.1	(1.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	55.19	55.19
FIs & Local MFs	21.64	19.42
FPIs	1.34	1.38
Public & Others	21.83	24.01
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Chemicals

SRF

Robust financial performance

We maintain ADD on SRF, with a target price of INR 3,080 on the back of (1) protection of market share despite intense Chinese competition, healthy traction in newly-launched products and gradual demand pick-up for key agrochemical intermediates in specialty chemical business; (2) the company's intention of scaling up contribution from pharma segment to 20-30% by FY30; (3) scale-up of the fluoropolymer business along with addition of value-added grades; (4) volume growth in the technical textiles business; and (5) rising share of value-added products in Performance Films and Foils Business (PFB). We expect revenue/EBITDA/APAT CAGR of 16/18/18% between FY26-FY29E along with a 327bps expansion in RoE from 13.3% to 16.6%. EBITDA and APAT were above our estimates owing to better-than-expected performance in PFB and TTB.

- **Financial performance:** Revenue changed by +31.8/+9.1% YoY/QoQ to INR 50,333mn. EBITDA changed by +49.0/+20.6% YoY/QoQ to INR 12,367mn. EBITDA margin changed by +284/+235 bps to 24.6%. APAT changed by +75.5/+28.7% YoY/QoQ to INR 7,589mn.
- **Technical Textiles business (TTB): (1) Stable NTCF performance:** Nylon Tyre Cord Fabrics (NTCF) delivered steady results, supported by efficient plant operations and consistent demand across major end-use segments. **(2) Belting Fabrics demand boost:** This segment benefited from stronger domestic demand and solid US export momentum, with a positive outlook reinforced by tariff rationalization in the US. **(3) Strong PIY traction:** Polyester Industrial Yarn (PIY) gained market share in key applications such as geotextiles and seatbelts, driving a strong Q1 performance.
- **Chemicals business (CB): (1) Early signs of recovery:** Early signs of demand and pricing improvement are visible, with the company protecting its market share despite aggressive Chinese competition. **(2) Pharma strategy:** The company is scaling its pharma portfolio—more molecules and customers—with a target of 20–30% revenue share by FY30. **(3) Refrigerant gas and Fluoropolymers:** Strong performance in refrigerant gases (high HFC utilization, strong demand), with ambitions to be a top global player post-HFO commissioning; fluoropolymers capacity (PTFE, PVDF, FP3/FP4) is ramping up with meaningful scale expected from FY27–FY28. **(4) Capex and Guidance:** Adequate expansion space at Dahej for at least two years, and management maintains 15–20% revenue growth guidance for FY27.
- **Performance Films and Foils business (PFB): (1) New product traction:** Capacitor-grade BOPP was commissioned with customer approvals underway, offering higher-margin potential. **(2) Aluminium Foil + BOPET:** Aluminium foil volumes are rapidly scaling, especially in Europe, with progress in aseptic packaging trials; the board also approved a INR 2.5 bn, 25,000 TPA thick-film BOPET project for high-end electrical/electronic use, slated for commissioning in 24 months.
- **Change in estimates:** We tweak our EPS estimates for FY27/FY28/FY29E by 14.2/5.3/9.7% to INR 58.3/74.2/105.8 considering a normalization in financial performance in the coming years.

Financial summary (consolidated)

INR mn	Q1 FY27	Q4 FY26	QoQ (%)	1Q FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	50,333	46,152	9.1	38,186	31.8	1,43,582	1,54,164	1,76,500	2,04,306	2,40,398
EBITDA	12,367	10,257	20.6	8,298	49.0	27,184	34,096	35,317	42,436	55,663
APAT	7,589	5,899	28.7	4,323	75.5	12,508	18,946	17,284	21,999	31,374
AEPS (INR)	25.6	19.9	28.7	9.1	180.0	42.2	59.9	58.3	74.2	105.8
P/E (x)						62.4	44.0	45.2	35.5	24.9
EV/EBITDA(x)						30.0	24.0	23.0	18.8	14.1
RoE (%)						10.4	13.3	11.7	13.3	16.6

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)	31,335	35,317	12.7	39,999	42,436	6.1	51,061	55,663	9.0
Adj. EPS (INR/sh)	51.0	58.3	14.2	70.5	74.2	5.3	96.5	105.8	9.7

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 2,633
Target Price	INR 3,080
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,784	INR 3,080
EPS %	FY27E +14.2%	FY28E +5.3%

KEY STOCK DATA

Bloomberg code	SRF IN
No. of Shares (mn)	296
MCap (INR bn) / (\$ mn)	781/8,143
6m avg traded value (INR mn)	1,653
52 Week high / low	INR 3,239/2,314

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.0	(6.5)	(13.8)
Relative (%)	4.1	0.3	(8.7)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.26%	50.26%
FIs & Local MFs	21.17%	22.44%
Government	0.04%	0.04%
FPIs	16.66%	15.45%
Public & Others	11.87%	11.81%
Pledged Shares	No	No

Source : BSE

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Navin Fluorine International

Strong performance across all verticals

We maintain ADD on Navin Fluorine International (NFIL), with a target price of INR 8,058 on the back of (1) earnings visibility, given long-term contracts; (2) robust pipeline in the CDMO business; (3) scale-up of the advanced materials vertical over the next 3-4 years; and (4) ramp-up in recently commissioned plants. Q1 EBITDA was 45% above our estimates, while APAT exceeded our estimates by 52%, driven by better-than-expected financial performance and strong growth across all business verticals.

- **Financial performance:** Revenue increased by 44.1/11.5% YoY/QoQ to INR 10,451mn. EBITDA margin changed by +566/-8 bps YoY/QoQ to 34.2%. EBITDA changed by +72.7/+11.2% YoY/QoQ to INR 3,571mn.
- **Concall takeaways:** (1) **R-32:** Additional 15 ktpa of R-32 capacity will commission in Q3FY27, taking total capacity to ~24-25 ktpa, with INR 6-8.25bn peak revenue potential. The company expects global R-32 demand to double over the next decade while quota-driven supply will be halved, thus positioning itself to serve both domestic and export markets competitively. (2) **Advanced Materials:** The company has launched an INR 0.9bn "adoption capacity" program to scale lab-developed products to commercial-grade by Q2FY28, with 4-5 products already customer-approved and ready for transition. This vertical will target high-value areas such as data-center cooling, semiconductor chemicals, defence materials, and advanced fluoro-intermediates. Key milestones include the Chemours liquid-cooling project going commercial by Q2FY27 and a DRDO Technology Development Fund (TDF) program to indigenize a critical specialty material sodium borohydride, with future electronic-grade HF developments also planned under this vertical. (3) **CDMO:** The company is expanding capacity through cGMP-4 Phase-II with an investment of INR 1.25bn, which will go live in Q4FY27 with ~3x asset turns by FY29, supported by a diversified pipeline of 30-40 molecules. (4) **Specialty Chemicals:** Despite continued pricing pressure in global agro markets, NFIL is moving up the value chain with innovators, focusing on complex intermediates, efficiency, and customer diversification. The INR 0.75bn MPP debottlenecking at Dahej will support a new global-innovator molecule with INR 1.4-1.6bn peak revenue potential, backed by a firm CY26 purchase order.
- **Change in estimates:** We change our FY27/FY28/FY29E EPS estimates by +5.0/+4.6/+4.2% to INR 151.6/176.4/213.9, considering strong Q1 performance and future ramp-up.

Financial summary (consolidated)

INR mn	1Q FY27	4Q FY26	QoQ (%)	1Q FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	10,451	9,377	11.5	7,254	44.1	23,494	33,139	37,527	42,666	47,981
EBITDA	3,571	3,212	11.2	2,068	72.7	5,337	10,817	11,068	13,149	15,424
APAT	2,433	2,024	20.2	1,173	107.3	2,887	6,635	7,760	9,032	10,948
AEPS (INR)	47.5	41.5	14.4	23.0	106.9	56.4	129.6	151.6	176.4	213.9
P/E (x)						119.9	52.2	44.6	38.3	31.6
EV/EBITDA(x)						75.2	36.4	35.6	29.6	24.8
RoE (%)						11.5	20.4	18.6	18.8	19.7

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)	10,637	11,068	4.1	12,668	13,149	3.8	14,885	15,424	3.6
Adj. EPS (INR/sh)	144.4	151.6	5.0	168.7	176.4	4.6	205.3	213.9	4.2

Source: Company, HSIE Research

ADD

CMP (As on 05 Aug 2026)	INR 7,610
Target Price	INR 8,058
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 7,800	INR 8,058
EPS %	FY27E +5.0%	FY28E +4.6%

KEY STOCK DATA

Bloomberg code	NFIL IN
No. of Shares (mn)	51
MCap (INR bn) / (\$ mn)	390/4,104
6m avg traded value (INR mn)	1,494
52 Week high / low	INR 7,936/4,499

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.3	48.9	96.9
Relative (%)	(1.1)	38.0	58.3

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	27.11	27.08
FIs & Local MFs	27.62	28.46
FPIs	23.78	23.73
Public & Others	21.49	20.73
Pledged Shares	0.00	0.00

Source: BSE

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Acutaas Chemicals

Strong performance by advanced intermediates

We maintain SELL on Acutaas Chemicals (ACL) with a target price of INR 1,569. Revenue from FY26 to FY29E will be driven by (1) ramp-up of the existing and new molecules within the CDMO vertical and (2) shift in the revenue mix within the specialty chemicals business through ramp-up of battery chemicals and semiconductor chemicals. We expect ACL's revenue/EBITDA/APAT to grow at 21/21/19% CAGR over FY26-29E. RoE to decline by 278bps, from 24.1% in FY26 to 21.3% in FY29. ACL's growth story is promising, led by growth in the CDMO business. However, near-term valuations are contextually high, with the stock trading at 64.0/51.8/45.6x basis FY27/28/29E. In Q1, EBITDA was 17% and APAT was 29% below our estimates owing to lower-than-expected revenue, though it was partly offset by lower raw material cost.

- **Financial performance:** Revenue changed by +59.1/-23.8% YoY/QoQ to INR 3,297mn. EBITDA changed by +122.1/-38.4% YoY/QoQ to INR 1,131mn. EBITDA margin changed by +973/-811bps YoY/QoQ to 34.3%.
- **Segmental information:** (1) Revenue from advanced intermediates changed by +76.5/-25.4% YoY/QoQ and came in at INR 2,927mn. It was led by ramp-up in both the top-performing and new molecules within the CDMO business. (2) Revenue from specialty chemicals business changed by -10.6/-8.2% YoY/QoQ to INR 370mn due to intentional phase-out of low-margin commodities, but margins remain healthy at 24%, with expectations of improvement as battery and semiconductor products scale up.
- **Con call takeaways:** (1) **CDMO scale-up underway:** Management reiterated revenue guidance of INR 10bn in CDMO in FY28, supported by 30–40 molecules in annual development and launch of four validated products in H2FY27 (each with peak revenue potential of INR 0.5–1bn). (2) **Battery Chemicals:** Validation batches supplied in Q1, commercial supply shall commence in Q2. Expect to achieve full capacity potential of 4,000MTPA within three years. (3) **Semiconductor Chemicals:** The Indichem Inc plant is ahead of schedule and set for commissioning in Q2FY27 while revenues expected in FY28; R&D is active, backed by strong structural demand from global AI-driven semiconductor growth, and full capacity fill-up expected in 3–4 years. (4) **Capacity expansion and guidance:** Q1FY27 capex was INR 0.56bn, with INR 0.15bn toward the Indichem semiconductor site and INR 0.41bn toward the Jhagadia battery chemical project, Sachin pilot plant, and maintenance capex. Additional FY27 capex includes INR 0.5bn spillover for electrolyte additives/pilot plant plus INR 0.40–0.45bn maintenance, with further spending expected for a new R&D center and land acquisition to support post-2028 growth.
- **Change in estimates:** We revise our FY27/28/FY29E EPS estimates by -0.4/+0.8 /+7.3% to INR 52.6/65.0/73.9x.

Financial summary (consolidated)

INR mn	Q1 FY27	Q4 FY26	QoQ (%)	1Q FY26	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Net Sales	3,297	4,328	(23.8)	2,072	59.1	10,069	13,394	16,596	20,670	23,585
EBITDA	1,131	1,835	(38.4)	509	122.1	2,321	4,804	6,029	7,465	8,508
APAT	750	1,343	(44.2)	440	70.4	1,604	3,564	4,308	5,322	6,048
AEPS (INR)	9.2	16.4	(44.2)	5.4	70.4	19.6	43.5	52.6	65.0	73.9
P/E (x)						168.3	75.8	62.7	50.7	44.6
EV/EBITDA(x)						115.3	55.8	44.2	35.2	30.4
RoE (%)						16.2	24.1	23.2	23.1	21.3

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)	5,805	6,029	3.9%	7,184	7,465	3.9%	7,717	8,508	10.3%
Adj. EPS (INR/sh)	52.8	52.6	-0.4%	64.5	65.0	0.8%	68.8	73.9	7.3%

Source: Company, HSIE Research

SELL

CMP (on 28 Jul 2026)	INR 3,309
Target Price	INR 1,569
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 1,423	INR 1,569
	FY27E	FY28E
EPS %	-0.4%	+0.8%

KEY STOCK DATA

Bloomberg code	ACUTAAS IN
No. of Shares (mn)	82
MCap (INR bn) / (\$ mn)	271/2,826
6m avg traded value (INR mn)	1,384
52 Week high / low	INR 3,740/1,125

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	34.1	77.7	188.2
Relative (%)	34.2	84.5	193.3

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	32.66	32.66
FIs & Local MFs	19.60	19.55
FPIs	19.48	21.61
Government	0.01	0.01
Public & Others	28.24	26.16
Pledged Shares	0.00	0.00

Source: BSE

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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 0.0%	FY28E 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

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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 PEDDA 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 +72.5%	FY28E +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

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Galaxy Surfactants

Positive revision in guidance

We downgrade our recommendation on GALSURF to REDUCE with a price target of INR 2,601 based on (1) resilient volume growth; (2) improving traction for specialty care in the US; and (3) medium-term margin expansion roadmap, supported by specialty mix improvement, operating leverage, and monetization of capex. We expect revenue/EBITDA/APAT CAGR of 10/11/16% over FY26-29E. Q1 EBITDA/APAT were above our estimates, led by higher-than-expected volume growth and improved realizations.

- **Financial performance:** Q1 revenue changed by +39.4/+35.5% YoY/QoQ to INR 17.82bn, while volumes changed by +26.2/+4.4% YoY/QoQ to ~71,206 tonnes. EBITDA per kg changed by +91.3/+73.7% YoY/QoQ to INR 35/kg driven by a one-off opportunity arising during the quarter, favourable business mix, and robust inventory risk management despite a volatile raw material environment. The management noted that the current EBITDA/kg was an outlier due to specific favorable conditions, the underlying structural EBITDA/kg (excluding inventory spikes and one-offs) would have been around INR 20-21/kg in Q1 compared to INR 18.3/kg in Q1FY26 and INR 20.2/kg in Q4FY26.
- **Post result con call takeaways: (1) Business:** The company reported mid-single digit volume growth across both Performance Surfactants and Specialty Care, supported by strong India demand and a richer specialty product mix. The price of LAB-based surfactants remained elevated, owing to costlier raw material. It resulted in pushing up demand for oleochemical-based surfactants. The demand for oleochemical-based surfactants is expected to remain strong in ensuing quarters as well. Premium specialties like Tri-K continued to outperform, aided by tariff clarity in the US. Multiple new innovations were launched, including SimpliX and Galaxy Hearth Biosurf, with a target for new products to exceed 5% of revenue by 2030. The Mexico EPC project remains on track, while BASF's India plant shutdown may create incremental demand opportunities for Galaxy. **(2) Capex:** The company plans around INR 1.5bn this year, primarily for premium specialties and debottlenecking, with annual spending expected to remain in the INR 1.5-2bn range. The company is also exploring M&A opportunities to accelerate its Beauty & Wellness growth, prioritizing strategic fit over speed. **(3) Guidance:** The company maintained its FY27 volume growth outlook at 6-8% and raised its full-year EBITDA/kg guidance to INR 24-25/kg from INR 19.5-21.5/kg. EBITDA/MT for upcoming quarters is expected to normalize to INR 21-22/kg.
- **Change in estimates:** We tweak our FY27/28E EPS estimates by +37.9/+1.6% to INR 117.8/102.1, owing to the upward revision in per unit EBITDA margin guidance and strong performance in Q1.

Financial summary (consolidated)

(Rs mn)	Q1FY27	Q4FY26	QoQ (%)	Q1FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenues	17,819	13,147	35.5	12,779	39.4	42,237	52,483	59,508	65,010	70,413
EBITDA	2,492	1,216	104.9	1,239	101.2	4,842	4,753	6,207	5,988	6,484
APAT	1,659	624	165.8	795	108.7	3,049	2,674	4,177	3,620	4,219
AEPS (Rs)	46.8	17.6	165.8	22.4	108.7	57.0	75.4	117.8	102.1	119.0
P/E (x)						44.0	33.3	21.3	24.6	21.1
EV/EBITDA(x)						18.1	18.9	14.2	14.2	13.2
RoE (%)						13.4	10.5	14.6	11.7	12.6

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E OLD	FY27E NEW	%	FY28E OLD	FY28E NEW	%
EBITDA (INR bn)	5.06	6.21	22.7	5.92	5.99	1.2
Adj. EPS (INR/sh)	85.4	117.8	37.9	100.5	102.1	1.6

Source: HSIE Research

REDUCE

CMP (as on 14 Aug 2026)	INR 2,508
Target Price	INR 2,601
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	BUY	REDUCE
Price Target	INR 2,598	INR 2,601
EPS % chg	FY27E +37.9%	FY28E +1.6%

KEY STOCK DATA

Bloomberg code	GALSURF IN
No. of Shares (mn)	35
MCap (INR bn) / (\$ mn)	89/932
6m avg traded value (INR mn)	34
52 Week high / low	INR 2,508/1,510

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	25.5	(3.0)	16.5
Relative (%)	4.8	4.9	16.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	70.91	70.90
FIs & Local MFs	13.10	13.52
FPIs	3.99	3.82
Public & Others	12.00	11.76
Pledged Shares	0.02	0.03

Source: BSE

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Sudarshan Chemicals

Monetization of low-cost inventory boosts earnings

We maintain REDUCE on Sudarshan Chemical (SCIL), with a price target of INR 911. SCIL has completed the acquisition of the Heubach Group. Heubach's expansive global production and service network uniquely position the company to serve a worldwide customer base. Operational optimization and cost reduction programme undertaken by SCIL will improve efficiency. The company is in the process of integrating the acquired entity under one entity, streamlining the supply chain to meet customer requirements. We expect revenue/EBITDA/APAT CAGR of 8/18/89% over FY26-29E and RoE of 8.7% in FY29. The stock is trading at 59.1/51.6/27.4x in FY27/28/29E, which we believe is contextually high. Q1 EBITDA/APAT were above our estimates, owing to lower-than-expected raw material cost.

- **Financial performance:** Revenue declined by 5.3% QoQ to INR 26.42bn. EBITDA increased by 13.8% QoQ to INR 2.59bn. EBITDA margin improved by 164bps QoQ to 9.8%. Sudarshan legacy business revenue was INR 7.68bn while EBITDA margin was 15.3%. Acquired business revenue was INR 19.73bn while EBITDA margin was 6.5%.
- **Con call takeaways:** (1) One of the subsidiaries of the group has entered into an agreement with relevant employee representative body for the implementation of the employee restructuring programme. The Group will assess the consequential impact of the same in the consolidated financial results of the subsequent period. (2) The business posted revenue of INR 26.04bn and a revived acquired portfolio achieving INR 1.46bn EBITDA, reinforced by a strategic mix shift toward higher-value pigments and dispersions. With 55–60% of assets in Asia, competitiveness remains strong. RIECO saw a dip due to execution delays but is projected to recover before year-end. (3) FY27 revenue and EBITDA guidance remains unchanged at INR 98-102bn and INR 8bn. By FY29, Sudarshan targets INR 120-140bn revenue, INR 14-15bn EBITDA, and aims to be debt-free, supported by strong volume ambitions and sufficient existing capacity. Their guidance does not include the financial impact of the employee restructuring programme undertaken by the subsidiary of the company.
- **Change in estimates:** We have tweaked our EPS estimates of FY27/28E by +206.2/-1.2% to INR 19.0/21.8 owing to the strong performance in Q1 and management guidance.

Financial summary (consolidated)

INR mn	1Q FY27	4Q FY26	QoQ (%)	1Q FY26	YoY (%)	FY25	FY26P	FY27E	FY28E	FY29E
Net Sales	26,421	27,899	(5.3)	25,069	5.4	33,456	97,872	1,09,184	1,16,256	1,23,172
EBITDA	2,588	2,274	13.8	1,924	34.5	3,810	5,899	6,838	7,403	9,635
APAT	1,034	743	39.1	550	88.0	1,436	486	1,514	1,733	3,260
AEPS (INR)	13.0	9.4	37.7	7.9	63.7	18.1	6.1	19.0	21.8	41.0
P/E (x)						62.3	184.1	59.1	51.6	27.4
EV/EBITDA(x)						25.0	16.9	14.8	13.9	10.2
RoE (%)						6.3	1.4	4.3	4.8	8.7

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E Old	FY27E New	Change (%)	FY28E Old	FY28E New	Change (%)
EBITDA (INR mn)	5,375	6,838	27.2	7,403	7,403	-
Adj. EPS (INR/sh)	6.2	19.0	206.2	22.1	21.8	(1.2)

Source: Company, HSIE Research

REDUCE

CMP (as on 14 Aug 2026)	INR 1,118
Target Price	INR 911
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 923	INR 911
	FY27E	FY28E
EPS %	+206.2%	-1.2%

KEY STOCK DATA

Bloomberg code	SCHI IN
No. of Shares (mn)	80
MCap (INR bn) / (\$ mn)	89/933
6m avg traded value (INR mn)	279
52 Week high / low	INR 1,604/726

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	26.2	20.9	(22.7)
Relative (%)	22.7	26.5	(19.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	8.19	8.19
FIs & Local MFs	24.90	26.42
FPIs	7.96	8.47
Public & Others	58.95	56.92
Pledged Shares	0.00	0.00

Source: BSE

*Reclassified some promoter and promoter group to public category

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Clean Science and Technology

Ramp-up of HALS, PC is key monitorable

We maintain REDUCE on Clean Science and Technology (CSTL) with a price target of INR 755, owing to (1) pricing pressure in the high-margin MEHQ value chain from Chinese competitors; (2) slower-than-expected ramp in performance chemical-1 plant; and (3) further delay in commissioning of performance chemical-2 plant. We expect revenue/EBITDA/APAT CAGR of 20/14/14% over FY26-FY29E and RoE to improve from 15.3% in FY26 to 15.9% in FY29. Stock is trading at 35.4/29.8/25.5x FY27/28/29E, which we believe is contextually high. Q1 EBITDA/APAT was 17/39% above our estimates, owing to lower-than-expected raw material cost and operating cost while higher than estimated other income.

- **Financial performance:** Revenue changed by +10.5/+7.7% YoY/QoQ to INR 2,684 mn. Sequential improvement is largely led by increased realizations across key products. Revenue growth was moderate on a YoY basis, owing to decreased sales volumes caused by supply-side headwinds. EBITDA changed by -3.4/+0.7% YoY/QoQ to INR 964mn due to elevated raw material prices and export delays due to non-availability of vessel. EBITDA margin changed by -519/-250 bps YoY/QoQ to 35.9%.
- **Concall takeaways:** (1) **Partnership with Geneus Chem AG:** CSTL's collaboration with Geneus Chem opens entry into advanced, patented NOR-grade HALS, a premium niche where global players dominate, while leveraging CSTL's own RM for strong integration benefits. Cumulative revenue potential is INR3bn in four years. CSTL is the exclusive global contract manufacturer. (2) CSTL has signed a five-year strategic supply alliance with Kemin, the world's largest buyer of its food-and-feed antioxidants, ensuring guaranteed volumes and 20–40% immediate offtake growth across BHA, BHT, TBHQ and AP. CSTL will act as Kemin's primary/exclusive global supplier, supported by incremental capacity expansion over the next few months. (3) **HALS:** HALS contributed 22% in CSTL's revenue with 1,000 tonnes production in Q1. Higher realizations and a premium product mix driving ~50% export share. CSTL targets 3,000 tonne volumes and INR 3bn revenue in FY27. (4) **Capex:** The company is set for major near-term scale-up, with the PC2 plant commissioning in Q3FY27 (revenue from Q1FY28). PC-1 plant now stabilized, and strategic capacity additions— including the INR 0.25bn advanced HALS plant and Kemin-linked expansions — all consolidated under CFCL for future growth.
- **Change in estimates:** We tweak our FY27/28/29E EPS estimates by +7.6/+4.9/+4.0% to INR 23.3/27.7/32.3 considering the ramp-up in the HALS business.

Financial summary (consolidated)

Year Ending	1Q	4Q	QoQ	1Q	YoY	FY25	FY26P	FY27E	FY28E	FY29E
March (INR mn)	FY27	FY26	(%)	FY26	(%)					
Net Sales	2,684	2,493	7.7	2,429	10.5	9,666	9,565	11,550	13,729	16,334
EBITDA	964	958	0.7	999	(3.4)	3,876	3,550	3,834	4,533	5,268
APAT	734	583	25.9	701	4.7	2,644	2,297	2,475	2,940	3,434
Diluted EPS (Rs)	6.9	5.5	25.9	6.6	4.7	24.9	21.6	23.3	27.7	32.3
P/E (x)						33.1	38.2	35.4	29.8	25.5
EV / EBITDA (x)						22.6	24.6	22.1	18.3	15.4
RoE (%)						20.2	15.3	14.7	15.4	15.9

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E	FY27E	%	FY28E	FY28E	%	FY29E	FY29E	%
	Old	New		Old	New		Old	New	
EBITDA (INR mn)	3,597	3,834	6.6	4,348	4,533	4.2	5,091	5,268	3.5
Adj. EPS (INR/sh)	21.6	23.3	7.6	26.4	27.7	4.9	31.1	32.3	4.0

Source: Company, HSIE Research

REDUCE

CMP (as on 31 Jul 2026)	INR 734
Target Price	INR 755
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 752	INR 755
EPS %	FY27E	FY28E
	+7.6%	+4.9%

KEY STOCK DATA

Bloomberg code	CLEAN IN
No. of Shares (mn)	106
MCap (INR bn) / (\$ mn)	78/818
6m avg traded value (INR mn)	335
52 Week high / low	INR 1,257/652

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.4)	(14.7)	(39.9)
Relative (%)	(11.9)	(9.7)	(36.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.29	51.29
FIs & Local MFs	17.14	16.23
FPIs	13.39	13.37
Public & Others	18.18	19.11
Pledged Shares	0.64	0.00

Source: BSE

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Neogen Chemicals

Deleveraging balance sheet to capitalized opportunities

We maintain BUY on Neogen Chemicals (NCL) with a target price of INR 2,457/share, premised on (1) increasing contribution from Organolithium business to revenue; (2) commissioning and ramp-up of electrolytes, electrolyte salts and additives capacity; and (3) volume-driven growth coupled with margin expansion in legacy business post commissioning of Dahej plant. NCL's EBITDA/APAT will grow at a CAGR of 50/49% over FY26-29E while RoE will improve from 3.6% in FY26 to 7.0% in FY29E. Q1 EBITDA was 54% higher than expectation, owing to better-than-expected revenue in organic business and lower than expected raw material cost. APAT was 43% lower than expectation due to higher-than-expected interest cost.

- **Financial performance:** Revenue came in at INR 2,503mn (+34.0/+1.5% YoY/QoQ). EBITDA margin changed by +240/+146bps YoY/QoQ to 19.3%. Organic/inorganic revenues were up +17.6/+154.4% YoY to INR 1,933/570mn.
- **Key con call takeaways:** (1) **Capex:** Pakhajan greenfield project and Dahej plant cost revised to INR 13.67bn and INR4.28bn. Project cost was revised, owing to (i) design optimizations following the transition to the advanced Japanese technology; (ii) localization of critical sub-components to reduce import dependence and boost long-term operational reliability. Reconstruction of the replacement plant at Dahej is on track with trials underway and commercial production expected to start in Q2FY27. (2) **Upward revision in FY27 revenue guidance:** Revenue guidance revised from INR8.75-9.50bn to INR 9.50-10.50bn for ex-battery chemical business. Battery chemical business revenue is expected to be INR3bn, of which INR2bn from salts. (3) **Battery Chemicals business:** The management expects a multi-year opportunity in battery chemicals, with India and global (non-China) demand surging, enabling its planned capacity to scale toward ~INR 24-29bn revenue by FY29. Neogen is positioning itself as a key non-FEOC (Foreign Entity of Concern) supplier for global customers. (4) The board has approved raising up to INR 6bn via QIP with the primary goal of debt repayment. Government is proposing PLI scheme for battery components, which will encourage raw material localization. NCL is looking to tap opportunities arising in battery material supply chain and export opportunity in electrolyte salts. (5) **Insurance claim:** NCL has a net claim receivable of INR 1.86bn with around INR 1.64bn already received till date, which includes INR 1.55bn on account of claims and the remaining being salvage realization.
- **Change in estimates:** We change FY27/28/29E estimates by -13.6/+2.9/+2.3% to INR 17.2/38.0/34.2, owing to higher-than-expected interest cost in Q1.

Financial summary (consolidated)

INR mn	1Q	4Q	QoQ	1Q	YoY	FY25	FY26P	FY27E	FY28E	FY29E
	FY27	FY26	(%)	FY26	(%)					
Net Sales	2,503	2,466	1.5	1,867	34.0	7,776	8,620	13,156	24,404	29,481
EBITDA	482	439	9.8	315	53.1	1,363	1,373	2,000	3,824	4,607
APAT	171	114	50.6	103	66.8	455	286	471	1,042	938
AEPS (INR)	6.2	4.1	50.6	3.7	66.6	16.6	10.4	17.2	38.0	34.2
P/E (x)						124.3	198.2	120.2	54.3	60.4
EV/EBITDA(x)						45.6	50.9	38.8	20.1	16.5
RoE (%)						5.9	3.6	4.7	8.4	7.0

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch	FY29 Old	FY29E New	%Ch
EBITDA (INR mn)	1,773	2,000	12.8%	3,773	3,824	1.4%	4,549	4,607	1.3%
Adj. EPS (INR/sh)	19.9	17.2	-13.6%	37.0	38.0	2.9%	33.5	34.2	2.3%

Source: Company, HSIE Research

BUY

CMP (as on 27 Jul 2026)	INR 2,064
Target Price	INR 2,457
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,654	INR 2,457
EPS %	FY27E -13.6%	FY28E +2.9%

KEY STOCK DATA

Bloomberg code	NEOGEN IN
No. of Shares (mn)	27
MCap (INR bn) / (\$ mn)	56/589
6m avg traded value (INR mn)	195
52 Week high / low	INR 2,374/967

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.8	85.4	31.3
Relative (%)	25.4	91.5	37.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.23	53.01
FIs & Local MFs	22.64	19.60
FPIs	4.46	4.11
Public & Others	21.67	23.28
Pledged Shares	23.00	23.00

Source: BSE

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NOCIL

Growth led by volumes and realizations

We maintain ADD on NOCIL with a target price of INR 196, which is premised on (1) ~9% CAGR volume growth, owing to imposition of antidumping duties on sulphenamide accelerators CBS and NS and a proposed imposition on PX-13; (2) improvement in per unit margins given ramp-up in capacity utilization, steps taken on overhead rationalization, addition of new products and backward integration. NOCIL is the largest domestic producer of CBS, NS and PX-13 and these products constitute ~30% of overall revenues. Q1 EBITDA/APAT were above our estimates, owing to better than expected revenue and lower than estimated raw material cost.

- **Financial performance:** Revenue changed by +19.9/+22.0% YoY/QoQ to INR 4,030mn due to improvement in realizations. Volumes changed by +9.0/-3.3% YoY/QoQ, YoY growth, driven by growth in domestic and export volumes while sequential degrowth was due to supply side constraints and logistical challenges amidst the US-Iran war resulting in some orders being deferred. Estimated EBITDA/kg changed by +37.7/+126.8% YoY/QoQ to INR 31.7/kg while EBITDA changed by +50.1/+119.2% YoY/QoQ to INR 444mn.
- **Key concall takeaways:** (1) **Antidumping duty:** Anti-dumping duties on sulphenamides (CBS, NS) have already been imposed and PX-13 has received a positive DGTR recommendation, with final approval expected by September 2026. These duties will strengthen NOCIL's pricing power and competitiveness against Chinese dumping, with 25–30% of topline potentially protected once PX-13 is notified. The duties should improve domestic price realizations; however, management notes that EBITDA impact will depend on whether foreign suppliers absorb the duty or if market prices reset upward. Q1 saw no financial benefit since the duty was notified at quarter-end. (2) **Capex:** The TDQ plant has moved into trial production and samples have been sent for customer approval. Customer approvals typically take between 6-8 months. Commercial supply is expected to start in Q4FY27 with volume ramp-up expected post Q1FY28. There is no change in commissioning timeline for the integrated specialty rubber chemicals plant. (3) **Guidance:** For FY27, total revenue in the range of INR 14-16bn is based on current pricing, volume growth, and EBITDA margins of ~10%.
- **Change in estimates:** We increase our FY27E EPS estimates by 26.5% to INR 4.6, owing to Q1 financial performance.

Financial summary (consolidated)

INR mn	1Q FY27	4Q FY26	QoQ (%)	1Q FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	4,030	3,304	22.0	3,362	19.9	13,927	13,030	14,758	15,373	17,903
EBITDA	444	203	119.2	296	50.1	1,374	1,008	1,220	1,603	2,099
APAT	273	180	51.4	164	67.1	1,029	610	762	950	1,292
AEPS (INR)	1.6	1.1	51.4	1.0	67.1	6.2	3.7	4.6	5.7	7.8
P/E (x)						29.8	50.2	40.2	32.3	23.7
EV/EBITDA(x)						20.3	27.0	23.0	17.4	13.2
RoE (%)						5.9	3.5	4.3	5.2	6.8

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)	988	1,220	23.4	1,603	1,603	-	2,099	2,099	-
Adj. EPS (INR/sh)	3.6	4.6	26.5	5.7	5.7	-	7.8	7.8	-

Source: Company, HSIE Research

ADD

CMP (as on 04 Aug 2026)	INR 171
Target Price	INR 196
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 195	INR 196
EPS %	FY27E +26.5%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	NOCIL IN
No. of Shares (mn)	167
MCap (INR bn) / (\$ mn)	27/299
6m avg traded value (INR mn)	477
52 Week high / low	INR 205/125

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	25.5	(3.0)	16.5
Relative (%)	4.8	4.9	16.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	33.76	33.76
FIs & Local MFs	7.91	7.47
FPIs	4.55	4.78
Public & Others	53.78	53.99
Pledged Shares	22.64	21.26

Source: BSE

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Consumer Discretionary

Titan

Gold price tailwinds sustain jewelry growth

Consolidated jewelry sales (ex-bullion and digi gold) grew 42.6% YoY to INR182.5bn (in-line). Domestic jewelry (ex-bullion, digi gold sales, Caratlane) grew 38.2% YoY, driven by 5% YoY buyer growth and a 31% YoY increase in average ticket size. Caratlane delivered robust 40.5% YoY growth in Q1. Consolidated topline growth stood at 29.3% YoY. Demand was temporarily impacted in May due to the PM advisory, custom duty changes, and Adhik Maas, but rebounded sharply in June with the resumption of wedding-led purchases. TMZ EBIT included a one-time custom duty gain of INR3.86bn and 75-80bps inventory MTM gain; adjusting for these, normalized TMZ EBITM stood at 10.9% (vs. 11.3% after adjusting for a 50bps one-off gain in Q1FY26). Non-jewelry segment grew 24.5% YoY to INR24bn (HSIE: 23.5bn); however, margins contracted by 147bps YoY to 17.6% (HSIE: 14.5%). Adj. EBITDA/APAT grew by 35.7/25.6% YoY to INR24.8/13.7bn (HSIE: 24.1/14.5bn). We have maintained our FY28/29 EPS estimates and our REDUCE rating with a DCF-based TP of INR4,350/sh (implying ~50x Jun-28 P/E).

- **Q1FY27 highlights:** Consolidated revenue grew 29.3% YoY to INR 213.6bn. Consolidated jewelry (ex-bullion and digi gold) sales grew 42.6% YoY to INR182.5bn (in-line). Domestic jewelry (ex-bullion and digi gold) sales grew 38.4% YoY in Q1FY27, driven by ~5% buyer growth and ~31% ticket size growth in TMZ. Plain gold/studded jewelry grew 35/34% YoY, respectively. Studded ratio stood stable at 27%. TMZ EBIT includes one-time custom duty gain of INR3.86bn and 75-80bps inventory MTM gain; hence, normalized TMZ EBITM stood at 10.9% (vs. 11.3% adj. EBITM in Q1FY26). Caratlane EBIT also includes a one-time custom duty gain of INR0.21bn; hence, adj. EBITM for Caratlane stands at 10.1% (vs. 6.6% in Q1FY26). Watches/eyewear/others grew ~21/21/36% YoY respectively. The non-jewelry segments EBITM contracted by 147bps YoY to 17.6% (HSIE: 14.5%). The company added 6/17/11 Tanishq/Mia/Caratlane stores (net) respectively in Q1. Adj. EBITDA/APAT grew by 35.7/25.6% YoY to INR24.8/13.7bn (HSIE: 24.1/14.5bn).
- **Outlook:** Tough comparables (courtesy high gold price base), combined with intensified competition, may weigh heavy on jewelry demand in H2FY27 in our view. We have maintained our FY28/29 EPS estimates and our REDUCE rating with a DCF-based TP of INR4,350/sh (implying ~50x Jun-28 P/E).

Quarterly financial summary

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	2,13,560	1,65,230	29.3	2,69,200	(20.7)	6,04,560	8,75,840	10,38,388	11,84,573	13,46,334
EBITDA	28,900	18,300	57.9	19,370	49.2	47,720	72,430	1,00,544	1,06,135	1,21,933
APAT	17,770	10,910	62.9	11,280	57.5	33,370	51,740	70,255	73,684	86,593
EPS (Rs)	20.0	12.3	62.9	13.3	50.7	37.6	58.3	79.1	83.0	97.5
P/E (x)						131.5	84.8	62.5	59.6	50.7
EV/EBITDA (x)						96.1	64.3	46.3	43.8	38.1
Core RoCE(%)						13.5	15.0	16.2	15.1	15.3

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	10,38,388	10,38,388	-	11,84,573	11,84,573	-	13,46,334	13,46,334	-
Gross Profit	2,14,543	2,04,159	5.1	2,44,746	2,41,192	1.5	2,78,168	2,76,822	0.5
Gross Profit Margin (%)	20.7	19.7	100 bps	20.7	20.4	30 bps	20.7	20.6	10 bps
EBITDA	1,00,544	91,160	10.3	1,06,135	1,06,135	-	1,21,933	1,21,933	-
EBITDA margin (%)	9.7	8.8	90 bps	9.0	9.0	-	9.1	9.1	-
APAT	70,255	63,232	11.1	73,684	73,684	-	86,593	86,593	-
APAT margin (%)	6.8	6.1	68 bps	6.2	6.2	-	6.4	6.4	-
EPS	79.1	71.2	11.1	83.0	83.0	-	97.5	97.5	-

Source: Company, HSIE Research

REDUCE

CMP (as on 07 Aug 2026) INR 4,941

Target Price INR 4,350

NIFTY 24,571

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 4,350	INR 4,350
EPS %	FY28E	FY29E
	-	-

KEY STOCK DATA

Bloomberg code	TTAN IN
No. of Shares (mn)	888
MCap (INR bn) / (\$ mn)	4,387/46,081
6m avg traded value (INR mn)	4,569
52 Week high / low	INR 5,005/3,303

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.7	19.3	44.7
Relative (%)	13.9	25.4	47.3

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	52.90	52.90
FIs & Local MFs	15.04	15.34
FPIs	15.65	15.38
Public & Others	16.41	16.38
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Eternal

In market share gain mode

Overall, B2C NoV grew ~54% YoY (15.8% QoQ) to INR 311.2bn in Q1FY27 (in-line). Eternal's food delivery (FD) continued its growth momentum with NOV increasing 20.1% YoY to INR107.7bn (vs 18.8% in Q4; in-line), driven by continued expansion in MTUs (up 18.8% YoY). FD adj. EBITDAM (as % of NoV) expanded by 60bps YoY to 5.6% (in-line), moving profitability toward the upper bound of management's 5-6% steady-state guidance range. Management highlighted minimal impact from Toing and Ownly. Meanwhile, Blinkit's NOV grew 19.1% QoQ to INR 171.3bn (HSIE: INR172.9bn). Higher QC take rates (+61bps QoQ at 27.5%; HSIE: 26.8%) didn't quite translate into higher CM (-14bps QoQ at 5.3% vs HSIE's 5.6%) due to (1) seasonally elevated delivery costs, (2) recently implemented minimum wage hikes in select states, and (3) lower CM in recently added larger stores. Better fixed cost absorption cushioned the impact at the EBITDAM level (0.6% vs 0.3% in Q4; HSIE's 0.8%). QC adj. EBITDA stood at INR 1.02bn (vs. INR370mn in Q4FY26; HSIE: INR1.45bn). Management is confident of achieving 6% EBITDAM (of NOV) for QC in the long term as store-level efficiencies kick in. Consolidated adj. EBITDA grew 223% YoY to INR5.55bn (HSIE: INR6.69bn), with adj. EBITDAM at 2.7% (HSIE: 3.2%). We have revised our adj. EBITDA estimates upward for FY28/29 by ~5/14% respectively (primarily QC-led) and maintain BUY with an SOTP-based TP of INR390/sh (incl. 45x Jun-28 EV/EBITDA for FD; 1.5x Jun-28 NoV for Blinkit).

- Q1FY27 highlights:** Eternal's FD NOV growth accelerated to 20.1% YoY to INR 107.7bn (vs. 18.8% in Q4FY26; in-line), driven by an 18.8% YoY expansion in MTUs to 27.2mn. CM/Adj. EBITDAM expanded ~30/60bps YoY to 10.2/5.6% of NOV, respectively (HSIE: 10.1%/in-line). Adj. EBITDA grew 34.3% YoY to INR 6.06bn (in-line). The platform defended market share through targeted pricing – lowering the Zomato Gold free-delivery threshold to INR 99 – while tackling the INR 50–150 value segment separately via Bistro. Meanwhile, Blinkit's NoV grew 19.1% QoQ to INR 171.3bn (HSIE: INR172.9bn), driven by 16.9% QoQ expansion in MTUs to 31.8mn (HSIE: 31.3mn) and a 20.8% QoQ surge in order volumes to 331mn (HSIE: 324mn). However, net AOV moderated to INR 518 (HSIE: INR 533) due to tactical price-matching and is expected to remain range-bound as (1) lower AOV assortment increases in the mix and (2) maturing cohorts build smaller basket sizes (with higher order frequency though). Higher QC take rates (+61bps QoQ at 27.5%, HSIE: 26.8%) didn't quite translate into higher CM (-14bps QoQ at 5.3% vs HSIE's 5.6%). Better fixed cost absorption cushioned the impact at the adj. EBITDAM level though (0.6% in Q1 vs 0.3% in Q4; HSIE's 0.8%). QC adj. EBITDA stood at INR 1.02bn (vs. INR370mn in Q4FY26; HSIE: INR1.45bn).
- Outlook:** FD growth momentum remains robust, while Blinkit's continued execution in balancing rapid network expansion with disciplined unit economics – amid heightened competitive intensity – reaffirms its strong operational moat. We maintain our BUY rating with an SOTP-based TP of INR390/sh.

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	9,54,743	9,17,375	4.1	13,45,892	12,67,797	6.2	17,43,998	15,95,686	9.3
Adj. EBITDA	30,965	32,494	(4.7)	50,938	48,509	5.0	75,650	66,462	13.8
Adj. EBITDAM (%)	3.2	3.5	-30 bps	3.8	3.8	-4 bps	4.3	4.2	17 bps
Pre-IND AS EBITDA	22,275	23,804	(6.4)	41,848	39,419	6.2	66,560	57,372	16.0
Pre-IND AS EBITDA margin (%)	2.3	2.6	-26 bps	3.1	3.1	0 bps	3.8	3.6	22 bps
APAT	13,519	14,664	(7.8)	26,193	24,376	7.5	43,003	36,129	19.0
APAT margin (%)	1.4	1.6	-18 bps	1.9	1.9	2 bps	2.5	2.3	20 bps
EPS (Rs)	1.4	1.5	(7.8)	2.7	2.5	7.5	4.5	3.7	19.0

Source: Company, HSIE Research

BUY

CMP (as on 27 Jul 2026)	INR 296
Target Price	INR 390
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 370	INR 390
EPS %	FY27E +5.0	FY28E +13.8

KEY STOCK DATA

Bloomberg code	ETERNAL IN
No. of Shares (mn)	9,665
MCap (INR bn) / (\$ mn)	2,859/29,811
6m avg traded value (INR mn)	11,951
52 Week high / low	INR 368/213

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.8	16.5	(4.7)
Relative (%)	16.4	22.7	0.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	-	-
FIs & Local MFs	35.99	39.32
FPIs	32.61	29.08
Public & Others	31.40	31.60
Pledged Shares	-	-

Source : BSE

-Pledged shares as % of total shares

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Avenue Supermarts

Mature metro stores drag SSSG; GM&A shields margins

DMART reported a standalone revenue of INR 183.4bn in Q1FY27, reflecting a 15.1% YoY growth. Q1FY27 SSSG stood at 5.5% (vs 7.1% in Q1FY26), constrained by flat SSSG in older stores within large metros — which generate significantly higher revenue throughput. Non-metro performance remained healthy. Sales density declined by ~1% YoY to INR37.9k/sq. ft. annualized. Product mix remained favorable as GM&A outpaced the portfolio at 18.6% YoY growth, driving a 46bps YoY expansion in GM to 15.1% (HSIE: 14.8%). However, EBITDA margin improvement was limited to a mere 8bps YoY (8.3%) as GM gains were offset by front-loading of expansion costs that led to a rise in employee/other operating costs. The company plans to raise up to INR10bn via NCDs on a private placement basis. EBITDA/APAT grew 16.3/12.8% YoY to INR 15.3/9.4bn (HSIE: INR 14.9/9.1bn) respectively. We have toned down our FY27/28 EPS estimates by ~3/2% respectively but maintain ADD, with a DCF-based TP of INR4,150/sh (incl. 48x Jun-28 P/E for the standalone business).

- **Q1FY27 highlights:** DMART's revenue grew 15.1% YoY to INR183.4bn in Q4FY26. SSSG for Q1FY27 stood at 5.5% (vs 7.1% in Q1FY26). Management highlighted that growth in older stores within large metros — which have significantly higher revenue/sq. ft. — was flat during the quarter, whereas non-metro stores continued to perform well. DMART added three new stores in the quarter (store count: 503). To deepen its focus on key large towns, DMart Ready rationalized its footprint by discontinuing operations in seven marginal contributing cities, narrowing its active presence to 11 large cities compared to 24 in Q1FY26. On category mix, GM&A outpaced overall portfolio growth in Q1FY27, with 18.6% YoY growth, while foods and non-foods (FMCG) categories grew ~14/15% respectively, resulting in a revenue mix of food/FMCG/GM&A at 54.9/19.6/25.5% in Q1FY27 vs. 55.6/19.7/24.7% in Q1FY26. Revenue/EBITDA density came in at INR37.9k/3.2k per sq. ft. in Q1 (down 0.9%/flat YoY resp). GM expanded by 46bps YoY to 15.1% (HSIE: 14.8%), due to higher share of GM&A category (up 74bps YoY) in the mix. However, EBITDAM improved by mere 8bps YoY to 8.3% (HSIE: 8.1%) as GM gains were partially offset by higher employee expenses (+27bps YoY as a % of sales) and rising other expenses (+11bps YoY). Finance cost increased from INR266mn in Q1FY26 to INR506mn in Q1FY27, likely due to higher lease liabilities from the recent store ramp-up. EBITDA/APAT grew 16.3/12.8% YoY to INR 15.3/9.4bn (HSIE: INR 14.9/9.1bn) respectively.
- **Outlook:** An overall recovery in SSSG remains a key monitorable given the underwhelming performance of mature large metro stores as ask from non-metro execution increases. We have toned down our FY27/28 EPS estimates by ~3/2% respectively but maintain ADD, with a DCF-based TP of INR4,150/sh (incl. 48x Jun-28 P/E for the standalone business).

Quarterly financial summary

(Rs mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	1,83,435	1,59,321	15.1	1,72,045	6.6	5,77,898	6,69,680	7,99,182	9,66,183	11,36,100
EBITDA	15,269	13,133	16.3	12,312	24.0	43,406	50,031	61,634	76,449	90,639
APAT	9,358	8,297	12.8	7,246	29.1	29,272	32,239	38,972	49,328	59,225
EPS (Rs)	14.4	12.8	12.8	11.1	29.1	45.0	49.5	59.9	75.8	91.0
P/E (x)						90.6	82.3	68.0	53.8	44.8
EV/EBITDA (x)						61.0	53.1	43.1	34.6	29.0
Core RoCE(%)						14.6	13.8	14.3	15.7	16.4

ADD

CMP(as on 10 Jul 2026)	INR 4,083
Target Price	INR 4,150
NIFTY	24,207

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,300	INR 4,150
EPS %	FY27E	FY28E
	-3.0	-2.1

KEY STOCK DATA

Bloomberg code	DMART IN
No. of Shares (mn)	652
MCap (INR bn) / (\$ mn)	2,662/27,903
6m avg traded value (INR mn)	2,315
52 Week high / low	INR 4,950/3,529

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(7.3)	7.4	(2.1)
Relative (%)	(7.3)	14.5	4.6

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	74.65	74.51
FIs & Local MFs	8.89	8.85
FPIs	8.71	9.00
Public & Others	7.75	7.64

Pledged Shares	-	-
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Source : BSE

-Pledged shares as % of total shares

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Asian Paints

Robust quarter; low-cost inventory lifts margins

APNT's consolidated revenue grew 17.9% YoY to INR 105.4bn (HSIE: INR102.6bn) in Q1, driven by broad-based growth across decorative and industrial businesses. Decorative delivered 9/16.6% volume/value growth, while industrial segment grew 16.2% YoY. International business grew 27.2% YoY, with PBTM up 275bps YoY to 7.9%. Despite raw material inflation of ~25%, GM expanded 91bps YoY to 43.6% (HSIE: 42.6%), supported by low-cost inventory (benefit of which has largely flowed through in Q1), calibrated price increases (~7% in Q1), a better product mix, and continued sourcing/formulation efficiencies. Consequently, EBITDAM expanded by 239bps YoY to 20.6% (HSIE: 18.5%), further aided by cost optimization initiatives. For FY27, the management has guided 8-10% volume growth, 8-9% realization gains, and an 18-20% EBITDAM. We've toned down our FY28/29 EPS estimates by ~1-4% to factor in higher depreciation following commissioning of the VAM-VAE plant, which is expected to commence from Q2FY27 onwards. We maintain ADD with a DCF-based TP of INR 3,000/sh; implying 47x Jun-28 P/E.

- **Q1FY27 highlights:** Consolidated revenue grew by 17.9% YoY to INR 105.4bn (HSIE: INR102.6bn). Standalone revenue grew by 16.7%. The decorative and industrial business collectively clocked 9/16.5% volume/value growth. Rural markets continued to outperform urban markets, although strong B2B demand in urban areas helped offset weaker growth in tier1/2 cities. In home décor, the bath segment declined by ~4% whereas kitchen grew by ~10%. International business grew by 27.2% YoY, led by Egypt, the UAE, Oman, Nepal and Bangladesh, with PBTM improving 275bps YoY to 7.9% through better cost control and optimization. Within the industrial business, while the PPG-AP/AP-PPG grew by a robust 13.5/21.3%, PBT margins were impacted by deferred price increases and intense competition (down 119/114bps YoY at 15.7/6.9%) respectively. GM improved 91bps YoY to 43.6% (HSIE: 42.6%) despite ~25% material inflation, aided by low-cost inventory, calibrated pricing actions, favorable mix, and sustained sourcing/formulation efficiencies. Consequently, EBITDAM expanded by 239bps YoY to 20.6% (HSIE: 18.5%), driven by sustained cost optimization initiatives. For FY27, the management has guided 8-10% volume growth, 8-9% realization gains, and an 18-20% EBITDAM. EBITDA/APAT grew by 33.5/40% YoY to INR 21.7/15.4bn (HSIE: INR 19/13bn).

- **Outlook:** While volatility in raw material prices continue to remain a near-term concern, we believe APNT is well placed to gain market share, given its well-rounded product portfolio, robust supply chain, and strong pricing/cost discipline. We've toned down our FY28/29 EPS estimates by ~1-4% but maintain ADD with a DCF-based TP of INR 3,000/sh; implying 47x Jun-28 P/E.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	1,05,419	89,386	17.9	92,467	14.0	3,39,056	3,55,835	4,12,661	4,46,717	4,83,338
EBITDA	21,688	16,250	33.5	17,866	21.4	60,062	66,959	79,261	84,888	93,382
APAT	15,393	10,998	40.0	11,721	31.3	40,303	44,830	53,810	59,467	66,428
EPS (Rs)	16.0	11.5	40.0	12.2	31.3	42.0	46.7	56.1	62.0	69.3
P/E (x)						65.7	59.0	49.2	44.5	39.8
EV/EBITDA (x)						44.1	39.7	33.3	30.9	27.9
Core RoCE(%)						20.5	21.3	24.6	25.6	27.5

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	4,12,661	4,07,771	1.2	4,46,717	4,41,099	1.3	4,83,338	4,76,941	1.3
Gross Profit	1,81,133	1,79,150	1.1	1,95,524	1,93,013	1.3	2,12,508	2,10,339	1.0
Gross Profit Margin(%)	43.9	43.9	-4 bps	43.8	43.8	1 bps	44.0	44.1	-13 bps
EBITDA	79,261	76,027	4.3	84,888	82,521	2.9	93,382	91,846	1.7
EBITDA margin (%)	19.2	18.6	56 bps	19.0	18.7	29 bps	19.3	19.3	6 bps
APAT	53,810	51,165	5.2	59,467	60,125	(1.1)	66,428	69,099	(3.9)
APAT margin (%)	13.0	12.5	49 bps	13.3	13.6	-32 bps	13.7	14.5	-74 bps
EPS (Rs)	56.1	53.3	5.2	62.0	62.7	(1.1)	69.3	72.0	(3.9)

Source: Company, HSIE Research

ADD

CMP(as on 29 Jul 2026)	INR 2,759
Target Price	INR 3,000
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,000	INR 3,000
EPS %	FY28E	FY29E
	-1.1	-3.9

KEY STOCK DATA

Bloomberg code	APNT IN
No. of Shares (mn)	959
MCap (INR bn) / (\$ mn)	2,646/27,663
6m avg traded value (INR mn)	3,376
52 Week high / low	INR 2,986/2,115

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.7	14.2	14.9
Relative (%)	12.5	20.1	19.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	52.63	52.63
FIs & Local MFs	21.81	20.77
FPIs	12.11	13.32
Public & Others	13.45	13.28
Pledged Shares	5.19	5.02

Source : BSE

Pledged shares as % of total shares,

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Trent

Margins beat expectations despite macro headwinds

Trent's standalone revenue grew 18.5% YoY to INR 56.7bn, largely expansion led as LFL growth for Q1FY27 remained in low single digits. Trent added 1/19 (net) stores of Westside/Zudio respectively in Q1FY27. Expansion remained tier 2/3 focused for Zudio (comprising 80% of new stores additions). Star remains a work-in-progress. While geopolitical disruptions and input cost inflation present near-term supply chain headwinds, the company is mitigating these pressures through value-chain interventions, calibrated price architecture, strategic sourcing, and broader supplier engagements. Margins beat expectations – GM/EBITDAM expanded by 149/208bps YoY to 46.6/19.6% (HSIE: 45.1/18%) potentially due to Westside's rising salience and operational efficiencies. Pre-IND-AS EBITM improved ~140bps YoY to 12.9% in Q1. APAT grew 25.8% YoY to INR 5.32bn (HSIE: INR4.9bn). We marginally raise our APAT estimates by 1.5% each for FY28/29 and maintain ADD with an SOTP-based TP of INR 3,060 (including ~55x Jun-28 adj. P/E for standalone business and 2x Jun-28 EV/sales for Star).

- **Q1FY27 highlights:** Standalone revenue grew by 18.5% YoY to INR 56.7bn. Growth was primarily led by new store additions as LFL growth for Q1FY27 was in low single digits. Westside/Zudio added 1/19 stores (net) in Q1, taking their total store count to 301/982 respectively. In Zudio, over 80% of new stores additions were in tier 2/3 cities and peripheral micro-markets. Westside's online business continued to witness traction and grow profitably, contributing over 6% to Westside's revenue. Star revenue grew by 8.7% YoY to INR 8.85bn. Staples/FMCG/Fresh/GM&A grew by ~4/4/14/12% YoY in Q1FY26. Standalone GM improved by 149bps YoY to 46.6% (HSIE: 45.1%), potentially due to a favorable revenue mix from Westside. Consequently, EBITDAM expanded further by 208bps YoY to 19.6% (HSIE: 18%) as investments in technology and automation across the value chain enabled the company to optimize costs. Operating EBIT margin (Pre-IND AS 116) improved to 12.9% in Q1FY27 vs 11.5% in Q1FY26. APAT grew 25.8% YoY to INR 5.32bn (HSIE: INR 4.9bn).
- **Outlook:** Trent's ability to sustain strong margin expansion despite ongoing macro and supply-chain headwinds is commendable. We marginally raise our APAT estimates by 1.5% each for FY28/29 and maintain ADD with an SOTP-based TP of INR 3,060 (including ~55x Jun-28 adj. P/E for standalone business and 2x Jun-28 EV/sales for Star).

Quarterly financial summary (standalone)

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	56,663	47,813	18.5	49,366	14.8	1,66,681	1,97,014	2,36,986	2,79,072	3,22,524
EBITDA	11,106	8,377	32.6	9,190	20.8	21,253	27,255	33,798	39,570	46,577
APAT	5,318	4,226	25.8	4,548	16.9	15,848	19,936	22,754	27,250	31,882
EPS (Rs)	10.0	11.9	(16.1)	12.8	(22.0)	29.7	37.4	42.7	51.1	59.8
P/E (x)						104.5	83.0	72.8	60.8	51.9
EV/EBITDA (x)						51.7	40.3	32.0	26.7	22.0
Core RoCE(%)						31.8	29.6	26.0	27.1	29.5

Source: Company, HSIE Research, Standalone Financials

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,36,986	2,36,986	-	2,79,072	2,79,072	-	3,22,524	3,22,524	-
EBITDA (Pre-IND-AS 116)*	33,798	33,254	1.6	39,570	38,917	1.7	46,577	45,825	1.6
EBITDA margin (%)*	14.3	14.0	23 bps	14.2	13.9	23 bps	14.4	14.2	23 bps
APAT	22,754	22,418	1.5	27,250	26,843	1.5	31,882	31,409	1.5
APATM (%)	9.6	9.5	14 bps	9.8	9.6	15 bps	9.9	9.7	15 bps

Source: Company, HSIE Research

ADD

CMP (as on 06 Aug 2026)	INR 3,105
Target Price	INR 3,060
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,000	INR 3,060
APAT %	FY28E +1.5	FY29E +1.5

KEY STOCK DATA

Bloomberg code	TRENT IN
No. of Shares (mn)	533
MCap (INR bn) / (\$ mn)	1,657/17,399
6m avg traded value (INR mn)	4,661
52 Week high / low	INR 3,783/2,184

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.6	13.3	(13.0)
Relative (%)	7.4	18.8	(11.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	37.01	37.01
FIs & Local MFs	21.50	23.27
FPIs	15.62	15.14
Public & Others	25.87	24.58
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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LG Electronics India

Healthy quarter; strong performance in home entertainment

Revenue grew 15% YoY to INR 72.3bn, driven by both volume and value-led growth. However, the two-year CAGR remains a modest 6% despite pricing actions. Home appliances division (77% revenue mix) grew 14% YoY, while home entertainment division grew 22% YoY (23% revenue mix). EBITDA margin expanded by 110bps YoY to 12.5% (up 80bps QoQ). Export growth stood at 30% in Q1 and is expected to remain strong, going forward. Consequently, EBITDA/APAT grew 26/27% YoY. Following healthy Q1 performance, the company remains confident of outperforming its FY27 targets of mid-teen revenue growth and an early double-digit EBITDA margin. For Q2, management indicated that demand trends remain favorable, supported by monsoon-driven momentum in washing machines and the onset of festive-season stocking. Pricing has remained resilient, with the industry effectively absorbing higher input costs through price increases. Factoring in-line performance, we broadly maintain estimates. Considering the stock's post-result rally, we downgrade to REDUCE from Add, while retaining our target price of INR 1,525 per share based on 38x Sep'28E EPS.

- **Q1FY27 highlights:** Revenue grew 15% YoY to INR 72.3bn, driven by volume and value-led growth. However, the two-year CAGR remains a modest 6% despite pricing actions. Further exports delivered growth complementing domestic demand, supported by growing consumer shift toward feature-rich, higher value and energy efficient products. Home appliances division (77% revenue mix) grew 14% YoY, while home entertainment division grew 22% YoY (23% revenue mix). EBITDA margin expanded 110bps YoY to 12.5% (up 80bps QoQ). Other expenses surged by 8% YoY, while employee cost was up 10% YoY. Consequently, EBITDA/APAT grew 26/27% YoY.
- **Con call KTA and valuation:** The company remains confident of outperforming its FY27 targets of mid-teen revenue growth and guides early double-digit EBITDA margin. For Q2, management indicated that demand trends remain favorable in the home appliances division, supported by monsoon-driven momentum in washing machines and the onset of festive-season stocking. Pricing has remained resilient, with the industry effectively absorbing higher input costs through calibrated price increases. In the home-entertainment division, the festive season is expected to be the key demand catalyst for televisions, with strong sell-out trends and early channel stocking already underway. Construction at the Sri City plant remains on track. Factoring in-line performance, we broadly maintain our estimates. Considering the stock's post-result rally, we downgrade the rating to REDUCE from Add, while retaining our target price of INR 1,525 per share based on 38x Sep'28E EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	72,334	62,629	15.5	80,536	(10.2)	2,43,666	2,46,049	2,78,662	3,07,082	3,41,127
EBITDA	9,043	7,163	26	9,454	-4.3	31,101	24,208	31,428	37,460	41,681
EBITDAM	12.5	11.4		11.7		12.8	9.8	11.3	12.2	12.2
APAT	6,529	5,133	27.2	6,927	-5.8	22,033	17,124	22,190	26,018	28,516
EPS (INR)	9.6	7.6	-	10.2	-5.8	32.5	25.2	32.7	38.3	42.0
EV/EBITDA (x)						33.0	42.1	31.9	26.4	23.4
P/E (x)						48.2	62.0	47.8	40.8	37.2
RoE (%)						45.2	25.1	25.3	23.8	21.7

Source: Company, HSIE Research

REDUCE

CMP (as on 14 Aug 2026) INR 1,730

Target Price INR 1,525

NIFTY 24,366

KEY CHANGES	OLD	NEW
Rating	ADD	REDUCE
Price Target	INR 1,525	INR 1,525
	FY27E	FY28E
EPS %	0.3	0.2

KEY STOCK DATA

Bloomberg code	LGEL IN
No. of Shares (mn)	679
MCap (INR bn) / (\$ mn)	1,174/12,302
6m avg traded value (INR mn)	1,166
52 Week high / low	INR 1,749/1,300

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.5	14.5	-
Relative (%)	7.0	20.0	-

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	85.00	85.00
FIs & Local MFs	8.03	7.84
FPIs	2.73	3.13
Public & Others	4.24	4.03
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Indian Hotels

Domestic tourism drives a strong start to the year

IHCL's Q1FY27 performance was marginally ahead of estimates as revenue grew 15% YoY to INR 23.4bn, driven by 14% YoY RevPAR growth (strong occupancy of ~82%, +600bps YoY). Though the performance was impacted by temporary headwinds like West Asia conflict, airline capacity reduction and higher fuel costs, domestic demand remained resilient, supported by strong MICE activity and domestic tourism. Going ahead, the main growth drivers for FY27E include multiple large-scale MICE events, including BRICS India 2026, Vibrant Gujarat Global Summit, Aero India 2027 along with a healthy wedding calendar. Driven by the company's strong performance in a seasonally weak quarter, we maintain our numbers for FY27E and FY28E. Furthermore, we maintain BUY as well as EBITDA CAGR estimates of 17% for FY26-28E. We value the stock at 25x FY28 EV/EBITDA for a TP of INR 801.

- **Q1FY27 highlights (consolidated):** IHCL's revenue grew 15% YoY to INR 23.4bn, while EBITDA rose 17% YoY to INR 6.7bn. Reported EBITDA margin was 28.7%, +50bps YoY higher due to operating leverage. Net profit proportionately rose by 21% YoY to INR 3.6bn. The air catering segment TajSATS reported muted 3% YoY topline growth to INR3bn, impacted adversely by subdued air traffic. Pursuant to that, its EBITDA margin was subdued as well (~19.5%, down 300 bps YoY). Revenue growth for hotel segment was led by Rajasthan (27% YoY) and Goa (29% YoY) while key metro markets viz. Mumbai, Delhi, and Bengaluru reported low-teen growth. As a part of the asset-light growth strategy, managed hotel rooms grew by 36% YoY to 20,200, with management fees growing 26%YoY to INR 1.7bn. The company expects to continue capitalizing on its brand strength to grow its asset-light portfolio.
- **Group update (Q1FY27):** New business (Ginger, ama, and Qmin) continued to scale up with Ginger crossing 260 hotels (165 operational and 95 pipeline), ama (196 operating and 186 pipeline) and Tree of Life (23 operational and 18 pipeline) strengthening IHCL's portfolio. Ginger's revenue grew 20% YoY to INR 1.8bn, with a 39% EBITDAR margin.
- **Outlook:** IHCL signed 20 hotels and opened 11 new hotels (700 keys) in Q1FY27. 17 of the 20 signings were across Gateway, Ginger and Tree of Life, including new and emerging markets like Bharatpur, Trichy, Sindhudurg, Jawai, Wayanad as well as Mumbai, Goa, Agra and Kolkata. On a base of 33,609 keys (55% managed, 45% owned) across 382 operational hotels, the company is planning a strong expansion with a pipeline of ~32,500 keys (owned ~6,500 and managed~ 26,000) across 263 hotels. The upcoming robust development pipeline of owned projects (~2,000 keys) include Taj Bandstand (450 keys), Ranchi (~300 keys), Lakshadweep (~183 keys), Taj at Shiroda (~300 keys), Gateway Bengaluru (286 keys), Gateway at Aguada Plateau (~110 keys), Kaziranga (80 keys), Agartala (~100 keys) and Ginger Goa MOPA Airport (~278 keys). We believe with disciplined execution, the company is on a trajectory to post ~17% EBITDA growth over FY26-28E.

Financial Summary

(INR bn, Mar YE)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25A	FY26	FY27E	FY28E
Net Revenues	23.4	20.4	15%	27.7	-15%	83.3	96.9	108.9	121.8
EBITDA	6.7	5.8	17%	9.7	-31%	27.7	32.0	37.9	44.1
APAT	3.6	3.0	21%	6.0	-40%	19.1	20.8	24.0	26.5
Diluted Consol EPS (INR)	2.51	2.08	21%	4.21	-40%	13.4	14.4	16.8	18.7
P/E (x)						54.6	50.0	43.5	39.2
EV/EBITDA						38.6	33.5	27.2	23.4
RoE (%)						18.5%	17.2%	17.3%	16.7%

BUY

CMP (as on 21 Jul 2026)	INR 732
Target Price	INR 801
NIFTY	24,188

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 801	INR 801
EPS Change %	FY27E 0%	FY28E 0%

KEY STOCK DATA

Bloomberg code	IH IN
No. of Shares (mn)	1,423
MCap (INR bn) / (\$ mn)	1,041/10,821
6m avg traded value (INR mn)	1,932
52 Week high / low	INR 812/565

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.8	11.9	(5.2)
Relative (%)	12.1	17.4	0.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	38.1	38.1
FIs & Local MFs	22.6	24.6
FPIs	23.2	21.7
Public & Others	16.1	15.6
Pledged Shares	-	-

Source : BSE

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FSN E-commerce Ventures (Nykaa)

Strong print; valuation remains stretched

Nykaa's Q1 topline grew 29.1% YoY to INR27.8bn (in-line), driven by sustained customer acquisition across both verticals (BPC/fashion AUTC grew 26.1/38.2% YoY). BPC revenue grew 27.4% YoY to INR25.2bn (in-line), driven by strong execution across channels and House of Nykaa brands, while fashion delivered a robust 48% YoY revenue growth to INR2.53bn (in-line), aided by customer acquisition, assortment expansion, and encouraging traction from the Nike partnership. In Q1, GM expanded by 123bps YoY to 45.9% (HSIE: 44.9%), driven by higher salience of owned brands. Consequently, EBITDAM expanded 196bps YoY to 8.5% (HSIE: 8%) due to operating leverage. BPC EBITDAM (as % of NSV) expanded by ~130bps YoY to 10.3%, while fashion sustained near breakeven profitability (at 0.1% vs -6.2% in Q1FY26), driven by better marketing efficiency and operating leverage. We largely maintain our FY28/29 EBITDA estimates and SELL rating (given heady valuations; >80x Jun-28 EV/EBITDA), with a DCF-based TP of INR 230/sh, implying 55x Jun-28 EV/EBITDA.

- **Q1FY27 highlights:** Revenue grew 29.1% YoY to INR27.8bn, led by robust customer acquisition and strong execution across both BPC and fashion. BPC/fashion revenue grew 27.4/48% to INR25.2/2.53bn respectively. BPC AUTC/orders grew 26.1/19.3% YoY in Q1 to 20.8/17.3mn respectively. Fashion AUTC/orders grew 38.2/50% YoY to 4.7/3mn respectively. Nykaa's owned brands' BPC/fashion NSV grew ~40/1% YoY to INR5.08/0.42bn in Q1FY27. Retail presence expanded to 324 beauty stores (+29% retail space YoY) with double-digit SSSG in Q1FY27, while Nykaa Now expanded to 13 cities and expects to reach 25+ cities by Q4FY27. GM expanded by 123bps YoY to 45.9% (HSIE: 44.9%), driven by higher salience of owned brands. Consequently, EBITDAM expanded 196bps YoY to 8.5% (HSIE: 8%) due to better operating leverage. Fulfillment costs (as % of sales) increased 42bps YoY to 9.9% due to investments in infrastructure and Nykaa Now, but this was fully offset by improvement in marketing efficiency (down 42bps YoY to 14.8%). Note: BPC EBITDAM (as % of NSV) expanded by ~130bps YoY to 10.3%, while fashion sustained near breakeven profitability. EBITDA/APAT grew 67.8/226% YoY to INR2.36bn/798mn (HSIE: 2.22bn/724mn).
- **Outlook:** Nykaa's strong customer acquisition-backed growth trajectory is encouraging, but sustaining this momentum in the medium term will be critical to watch. We largely maintain our FY28/29 EBITDA estimates and SELL rating (given heady valuations; >80x Jun-28 EV/EBITDA), with a DCF-based TP of INR 230/sh, implying 55x Jun-28 EV/EBITDA.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	27,820	21,549	29.1	26,482	5.1	79,498	1,00,224	1,27,172	1,56,057	1,88,720
EBITDA	2,361	1,407	67.8	2,229	5.9	4,739	7,523	11,256	15,299	19,949
Pre-IND-AS EBITDA						2,517	4,775	7,769	11,036	14,812
APAT	798	245	226.0	788	1.3	721	2,039	4,649	7,037	10,191
EPS (Rs)	0.3	0.1	225.5	0.3	1.3	0.3	0.7	1.6	2.5	3.6
P/E (x)						1,364.8	483.0	211.9	140.0	96.7
EV/EBITDA (x)						393.8	207.2	127.2	89.0	65.9
Core RoCE(%)						4.0	10.8	21.5	26.9	31.1

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,27,172	1,27,172	-	1,56,057	1,56,057	-	1,88,720	1,88,720	-
Gross Profit	57,466	57,466	-	70,249	70,249	-	84,737	84,737	-
Gross Profit Margin (%)	45.2	45.2	-	45.0	45.0	-	44.9	44.9	-
Reported EBITDA	11,256	11,256	-	15,299	15,299	-	19,949	19,949	-
Reported EBITDA margin (%)	8.9	8.9	-	9.8	9.8	-	10.6	10.6	-
Pre-IND AS EBITDA	7,769	7,701	0.9	11,036	10,952	0.8	14,812	14,711	0.7
EBITDA margin (%)	6.1	6.1	5 bps	7.1	7.0	5 bps	7.8	7.8	5 bps

Source: Company, HSIE Research, Note: EBITDAM are on Pre-IND-AS 116 basis

SELL

CMP(as on 04 Aug 2026)	INR 344
Target Price	INR 230
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 230	INR 230
	FY28E	FY29E
EBITDA%	+0.8	+0.7

KEY STOCK DATA

Bloomberg code	NYKAA IN
No. of Shares (mn)	2,864
MCap (INR bn) / (\$ mn)	981/10,283
6m avg traded value (INR mn)	2,042
52 Week high / low	INR 345/200

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	29.3	36.4	60.9
Relative (%)	27.8	42.9	64.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	52.09	52.08
FIs & Local MFs	25.35	24.08
FPIs	12.40	13.73
Public & Others	10.16	10.11
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Dixon Technologies

Surge in ASP drives topline; PLI expiry hits margin

Dixon reported revenue growth of 21% YoY to INR155bn. Gross margins declined sharply by 170bps YoY to 5.8%, while EBITDAM declined 80/90bps YoY/QoQ to 4%, impacted by discontinuance of PLI 1.0 scheme. Adjusted for the gain on investment in Aditya InfoTech, APAT declined 3% YoY. Q2 volumes are guided to be ~9mn units, supported by projected QoQ revenue growth of 20–25%. As per company, mobile volumes for FY27 (ex VIVO) are expected to remain flat at ~33mn units. The JV with Vivo is expected to become operational from Q3FY27. Ongoing backward-integration initiatives, commencement of display manufacturing from Q4FY27, capacity expansion in camera modules, and scaling up manufacturing of IT-hardware components such as SSDs should support future growth. Given higher smartphone ASPs and potential benefit from PLI-2 scheme announced recently, we raise our revenue estimates by 12/8/7% and APAT estimates by 1/6/4% for FY27/28/29E. We maintain REDUCE, with a revised target price of INR 12,660/share, based on DCF valuation (WACC: 12%, terminal growth: 5%), implying ~47x P/E on Sep-28E EPS.

- **Q1FY27 highlights:** Revenue grew 21% YoY (2-yr CAGR: 54%) to INR 155bn. Gross margins declined sharply 170bps both YoY/QoQ to 5.8%. EBITDAM declined 80/90bps YoY/QoQ to 4%, impacted by discontinuance of PLI 1.0 scheme. PAT grew 195% YoY, owing to ~INR5.2bn revaluation gain on investments in Aditya Infotech included in other income. Adjusted for this, APAT declined 3% YoY. OCF has declined to negative 3.4bn in Q1, owing to higher working capital (higher inventory and lower payable days). Capex for the Q1 stood INR 3.4bn.
- **Con call highlights and outlook:** Management indicated that the mobile phone industry demand contracted by 10-12% in Q1, impacted by rising memory prices that led to increase in smartphone price. Q2 volumes are guided to be ~9mn units, supported by projected QoQ revenue growth of 20–25%. As per company, mobile volumes for FY27 (ex-VIVO) are expected to remain flat at ~33mn units. As per management, over the next few years, the mobile export business is targeted to scale to INR 180-200bn in annual revenue, underpinned by two anchor clients contributing 15-20mn mobile volume supported by PLI 2.0. The JV with Vivo is expected to become operational from Q3FY27. Ongoing backward-integration initiatives, commencement of display manufacturing from Q4FY27, capacity expansion in camera modules, and scaling up manufacturing of IT-hardware components such as SSDs should support future growth. Given higher smartphone ASPs and potential benefit from PLI 2.0 scheme announced recently, we raise our revenue estimates by 12/8/7% and APAT estimates by 1/6/4% for FY27/28/29E. We maintain REDUCE, with a revised target price of INR 12,660/share, based on DCF valuation (WACC: 12%, terminal growth: 5%), implying ~47x P/E on Sep-28E EPS.

Financial summary

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ(%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	1,55,477	1,28,357	21.1	1,05,105	47.9	3,88,601	4,88,728	7,53,140	10,46,619	12,12,187
EBITDA	4,631	4,824	(4.0)	4,084	13.4	15,076	18,665	23,003	35,406	44,021
APAT	2,186	2,250	(2.8)	1,908	14.6	7,046	8,323	9,694	14,442	18,320
EPS (INR)	36.0	37.3	(3.5)	31.4	14.6	116.9	136.9	159.4	237.5	301.3
P/E (x)						117.6	100.5	86.2	57.9	45.6
EV / EBITDA (x)						54.9	44.0	36.5	23.5	18.5
RoE (%)						29.9	21.7	18.9	23.1	23.5

Source: Company, HSIE Research

REDUCE

CMP (as on 31 Jul 2026) INR14,049

Target Price INR12,660

NIFTY 24,384

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 11,780	INR 12,660
	FY27E	FY28E
EPS %	1.1	5.9

KEY STOCK DATA

Bloomberg code	DIXON IN
No. of Shares (mn)	61
MCap (INR bn) / (\$ mn)	859/9,005
6m avg traded value (INR mn)	8,631
52 Week high / low	INR 18,472/9,600

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	25.8	34.5	(16.6)
Relative (%)	24.3	39.6	(12.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	28.69	28.55
FIs & Local MFs	28.14	28.38
FPIs	18.30	17.87
Public & Others	23.87	25.20
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Swiggy

Food delivery steady; Instamart nears CM-breakeven

Swiggy's food delivery (FD) GOV grew 17.4% YoY to INR94.9bn (HSIE: INR95.9bn) in Q1. CM/adj. EBITDAM expanded ~30bps/70bps YoY to 7.6%/3.1% of GOV, respectively (HSIE: 7.4%/3.0%). Medium-term guidance of 18–20% GOV growth and 5% adj. EBITDAM stays. Market share loss in QC continued as focus remained on improving unit economics. Instamart's NOV grew 3.1% QoQ to INR58.5bn (HSIE: INR59.1bn), lagging Blinkit's 19.1%. CM came in at -0.3% of NOV (-2.6% in Q4) as all monetization levers were flexed (optimized sourcing margins, ad income, user fees). Note: QC take rates expanded 185bps QoQ to 21.1% (HSIE: 20.8%). Management intends to step up MTU acquisition momentarily, ergo investments in customer experience and dark store expansion (~75 additions planned in Q2FY27) will inch up. CM to be in the 0 to -1% range. QC adj. EBITDA losses stood at INR7.78bn (HSIE: INR7.7bn; INR8.58bn in Q4FY26). Consolidated adj. EBITDA losses stood at INR6.5bn (HSIE: INR5.6bn). Our adj. EBITDA estimates stand revised at -INR7.6/INR9bn (earlier: -INR4.9/INR11.4bn) for FY28/29 respectively. We maintain BUY on the stock with an SOTP-based TP of INR470/sh (incl. 40x Jun-28 EV/EBITDA for FD and 0.5x Jun-28 NOV for Instamart).

- **Q1FY27 highlights:** FD GOV growth moderated to 17.4% YoY at INR 94.9bn (HSIE: INR 95.9bn) in Q1. MTU grew 17.9% YoY to 19.2mn (HSIE: 18.8mn). CM/Adj. EBITDAM expanded ~30/70bps YoY to 7.6/3.1% of GOV, respectively (HSIE: 7.4/3%). Adj. EBITDA grew 53.4% YoY to INR 2.94bn (HSIE: INR 2.84bn). Separately, marketing investments were stepped up in the low-AOV *Toing* offering. Meanwhile, in QC, Instamart's NOV grew 3.1% QoQ to INR 58.5bn (HSIE: INR 59.1bn), driven evenly by 1.5% QoQ rise in MTUs to 13.5mn (HSIE: 13.8mn) and a 1.4% QoQ increase in net AOV to INR511 (HSIE: INR509). QC take rates expanded by 185bps QoQ to 21.1% (HSIE: 20.8%). This, coupled with lower platform-funded discounts, helped Instamart nearly achieve CM breakeven (-0.3% of NOV (+229bps QoQ)). QC adj. EBITDAM improved 183bps QoQ to -13.3% of NOV (HSIE: -13%). QC adj. EBITDA losses stood at INR7.78bn (HSIE: INR7.7bn). Store-level profitability also improved meaningfully, with >45% of dark stores turning CM positive (vs 30% in Q4FY26). Management intends to step up MTU acquisition for a couple of quarters with higher investments in customer experience and dark store expansion (~75 additions planned in Q2FY27). Growth green shoots are already visible as Instamart's 4-week trending NOV growth (week ending July 26) accelerated to 10%. CM is expected to remain in the 0 to -1% range.

- **Outlook:** FD performance remains steady. Instamart's balancing act between growth and unit economics needs monitoring though. Our adj. EBITDA estimates stand revised at -INR7.6/INR9bn (earlier: -INR4.9/INR11.4bn) for FY28/29. We maintain BUY on the stock with an SOTP-based TP of INR470/sh (incl. 40x Jun-28 EV/EBITDA for FD and 0.5x Jun-28 NOV for Instamart).

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,95,138	2,80,604	5.2	3,57,396	3,44,327	3.8	4,26,000	4,14,286	2.8
Adj. EBITDA	(23,706)	(18,089)	NM	(7,563)	(4,906)	NM	9,010	11,447	(21.3)
Adj. EBITDAM (%)	(8.0)	(6.4)	-159 bps	(2.1)	(1.4)	-69 bps	2.1	2.8	-65 bps
Pre-IND AS EBITDA	(29,106)	(23,489)	NM	(9,293)	(6,636)	NM	8,150	10,587	(23.0)
Pre-IND AS EBITDA margin (%)	(9.9)	(8.4)	-149 bps	(2.6)	(1.9)	-67 bps	1.9	2.6	-64 bps

Source: Company, HSIE Research

BUY

CMP(as on 30 Jul 2026)	INR 295
Target Price	INR 470
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 470	INR 470
EBITDA %	FY28E NM	FY29E -21.3

KEY STOCK DATA

Bloomberg code	SWIGGY IN
No. of Shares (mn)	2,760
MCap (INR bn) / (\$ mn)	817/8,537
6m avg traded value (INR mn)	4,030
52 Week high / low	INR 474/236

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.5	(4.5)	(26.2)
Relative (%)	8.2	0.8	(21.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	-	-
FIs & Local MFs	25.45	27.38
FPIs	14.59	13.96
Public & Others	59.96	58.66
Pledged Shares	-	-

Source : BSE

-Pledged shares as % of total shares

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Havells India

Poor margin - cost inflation and high ad spends

Havells' revenue stood at INR 65.1 bn, up 20% YoY, mainly driven by cables which grew 27% YoY, aided by a price hike; however, volume remained flat YoY. Lloyd, electrical consumer durables, renewables and other segments further supported topline growth. EBITDAM declined by 230bps YoY to 7.3% owing to lower gross margins and increase in advertisement expenses, leading to EBITDA/APAT decline of 9/15% YoY. Summer during the quarter was decent although delayed onset restricted full benefit for cooling products. Lighting saw pickup with price stabilization. In switchgears, exports were disrupted by West Asia situation; however domestic demand was stable. The management indicated that persistent cost inflation and price volatility remain key headwinds, making it challenging to stabilize contribution margins. Q1 margins were affected by higher advertising spends; however, management expects these to normalize over the full year. Factoring the Q1 performance, we broadly maintain our revenue estimates. However, considering weak margin performance and persistent cost inflation, we cut our APAT estimates 5% each for FY27/28/29E. We maintain ADD, with a lower target price of INR 1,245/share, valuing the stock at 38x Sep'28 EPS.

- **Q1FY27 highlights:** Revenue stood at INR 65.1bn, up 20% YoY, mainly driven by cables which grew 27% YoY (flat volume). Lloyd, ECD, renewables and other segments further supported topline growth, growing by 16%, 12%, 236% (on low base), and 11% YoY, respectively. Lighting grew 4% YoY, while switchgear revenue declined 3% YoY. EBITDAM declined sharply by 230bps YoY (-360bps QoQ) to 7.3% owing to lower gross margins (down 220 bps YoY) and increase in advertisement expenses (up 180bps YoY). Consequently, EBITDA/APAT declined 9/15% YoY.
- **Segmental highlights:** Summer during the quarter was decent although delayed onset restricted full benefit for cooling products. Cables continue to deliver strong growth, aided by price hike. Lighting saw pickup with price stabilization. In switchgears, exports were disrupted by West Asia situation; however, domestic demand was stable. ECD grew across categories as demand held well despite price hikes. Robust growth was witnessed in renewables. Lloyd's revenue grew on a low base; however, performance remains weak, with a 2-year CAGR of -13%.
- **Con call KTAs and outlook:** The management indicated that persistent cost inflation and price volatility remain key headwinds, making it challenging to stabilize margins. Q1 operating margins were affected by higher advertising spends; however, management expects these to normalize over the full year. It sees strong growth momentum in the renewable segment, and expect margin improvement as the business increasingly shifts toward consumer market. The company has budgeted INR 14bn in capex for the year. Factoring the Q1 performance, we broadly maintain our revenue estimates. However, considering weak margin performance and persistent cost inflation, we cut our APAT estimates by 5% each for FY27/28/29E. We maintain ADD, with a lower target price of INR 1,245/share, valuing the stock at 38x Sep'28 EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	65,100	54,378	19.7	66,877	(2.7)	2,17,458	2,24,656	2,57,949	2,91,811	3,27,058
EBITDA	4,740	5,199	(8.8)	7,276	(34.8)	21,486	22,133	24,774	28,332	33,080
APAT	2,984	3,523	(15.3)	5,242	(43.1)	14,888	15,405	16,498	18,845	22,166
EPS (INR)	4.8	5.6	(15.3)	8.4	(43.1)	23.7	24.6	26.3	30.1	35.4
P/E (x)						50.1	48.5	45.2	39.6	33.7
EV/EBITDA(x)						33.2	32.6	29.1	25.4	21.7
RoE (%)						18.9	17.3	16.6	17.5	19.1

Source: Company, HSIE Research

ADD

CMP (as on 17 Jul 2026)	INR 1,187
Target Price	INR 1,245
NIFTY	INR 24,334

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,315	INR 1,245
EPS revision %	FY27E -5.0	FY28E -5.0

KEY STOCK DATA

Bloomberg code	HAVL IN
No. of Shares (mn)	628
MCap (INR bn) / (\$ mn)	745/7,741
6m avg traded value (INR mn)	1,397
52 Week high / low	INR 1,623/1,124

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.1)	(16.7)	(22.5)
Relative (%)	(8.7)	(10.3)	(17.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	59.38	59.35
FIs & Local MFs	17.50	18.04
FPIs	16.93	15.91
Public & Others	6.19	6.70
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Berger Paints

Healthy print; market share largely intact

BRGR's standalone revenue grew 12.7% YoY to INR32.3bn (HSIE: INR31.9bn), driven by 8.4% volume growth in Q1. Consolidated revenue grew 12% YoY. Decorative segment delivered ~13.5% value growth and ~20% operating profit growth, supported by calibrated price hikes in the quarter. The company realized ~5% price hikes in Q1FY27, with the cumulative pricing impact expected to rise to 7.5-8.5% in Q2. Management expects double-digit value growth to sustain through FY27, aided by the full impact of price increase, festive demand, and continued distribution expansion. GM contracted by 54bps to 40.9% (HSIE: 41.3%) due to delayed pass-through of price hikes in the industrial business and only partial realization in decorative in Q1. However, EBITDAM expanded by 44bps YoY to 16.9% (HSIE: 16%) due to sustained cost optimization. Management's EBITDAM guidance of 15-17% stays. EBITDA/APAT both grew ~15% YoY to INR 6.07/4.04bn (HSIE: INR 5.7/3.74bn). We have cut our EPS estimates for FY28/29 by ~2% each but maintain ADD with a DCF-based TP of INR550/sh (implying ~40x Jun-28 P/E).

- **Q1FY27 highlights:** Consolidated revenue grew 12% YoY to INR35.8bn (HSIE: INR35.6bn). Standalone revenue grew 12.7% YoY to INR32.3bn (HSIE: INR31.9bn). Volume/value growth stood at 8.4/12.7%. Decorative segment delivered ~13.5% value growth and ~20% operating profit growth, driven by calibrated price hikes during the quarter. CC and waterproofing delivered robust volume/value growth, while wood coatings reported strong double-digit volume growth. In industrials, automotive coating reported healthy double-digit value growth, while protective/GI/powder coating reported relatively lower growth due to delayed price increases. In international business, Bolix reported flat topline growth but profitability improved due to GM expansion, BJN Nepal delivered double-digit value growth, and STP reported improved profitability. GM contracted by 54bps to 40.9% (HSIE: 41.3%) due to delayed pass-through of price hikes in the industrial business and decorative price hikes were effective for only part of the quarter. However, EBITDAM expanded by 44bps YoY to 16.9% (HSIE: 16%) due to sustained cost optimization. Management's EBITDAM guidance of 15-17% stays. EBITDA/APAT both grew ~15% YoY to INR 6.07/4.04bn (HSIE: INR 5.7/3.74bn).
- **Outlook:** Near-term topline growth will be led by price hike realizations and festive tailwinds, though maintaining volume momentum remains critical. Meanwhile, profitability hinges on raw material and crude oil price stability. We have cut our EPS estimates for FY28/29 by ~2% each but maintain ADD with a DCF-based TP of INR550/sh (implying ~40x Jun-28 P/E).

Quarterly financial summary (Consolidated)

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	35,838	32,008	12.0	28,680	25.0	1,15,447	1,18,803	1,37,492	1,50,915	1,66,105
EBITDA	6,074	5,284	15.0	4,817	26.1	18,561	18,333	20,884	23,979	26,725
APAT	4,043	3,514	15.1	2,979	35.7	11,804	11,802	13,533	15,633	17,646
EPS (Rs)	3.5	2.7	28.5	2.9	20.8	10.1	9.7	11.6	13.4	15.1
P/E (x)						53.8	53.8	47.0	40.7	36.0
EV/EBITDA (x)						34.0	34.6	30.2	26.0	23.0
Core RoCE(%)						18.2	15.8	16.2	17.7	19.2

Change in estimates (Consolidated)

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,37,492	1,37,547	(0.0)	1,50,915	1,50,972	(0.0)	1,66,105	1,66,163	(0.0)
Gross Profit	58,410	58,434	(0.0)	64,264	64,288	(0.0)	70,732	70,757	(0.0)
Gross Profit Margin (%)	42.5	42.5	0 bps	42.6	42.6	0 bps	42.6	42.6	0 bps
EBITDA	20,884	21,225	(1.6)	23,979	24,429	(1.8)	26,725	27,220	(1.8)
EBITDA margin (%)	15.2	15.4	-24 bps	15.9	16.2	-29 bps	16.1	16.4	-29 bps
APAT	13,533	13,669	(1.0)	15,633	15,890	(1.6)	17,646	17,916	(1.5)
APAT margin (%)	9.8	9.9	-10 bps	10.4	10.5	-17 bps	10.6	10.8	-16 bps
EPS (Rs)	11.6	11.7	(1.0)	13.4	13.6	(1.6)	15.1	15.4	(1.5)

ADD
CMP (as on 05 Aug 2026) INR 545

Target Price INR 550

NIFTY 24,625

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 550	INR 550
EPS %	FY28E	FY29E
	-1.6	-1.5

KEY STOCK DATA

Bloomberg code	BRGR IN
No. of Shares (mn)	1,166
MCap (INR bn) / (\$ mn)	636/6,682
6m avg traded value (INR mn)	301
52 Week high / low	INR 595/391

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.9	15.4	(4.6)
Relative (%)	13.8	21.1	(2.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	74.98	74.98
FIs & Local MFs	11.71	11.79
FPIs	4.68	4.83
Public & Others	8.63	8.40
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Vishal Mega Mart

Largely in-line performance

VMM reported revenue growth of 18.7% YoY to INR 37.3bn in Q1 (HSIE: INR 37.7bn). Management highlighted that elevated inflation weighed on demand environment in Q1 hence, to shield price-sensitive consumers, price hikes were restricted to premium/higher price-point merchandise. Adjusted SSSG stood at 10% in Q1FY27. Growth remained broad-based across all categories resulting in a stable revenue mix YoY. The company added 24 (net) stores in Q1 (store count: 819). RFID technology is currently being rolled out across all stores in Delhi and complete network rollout is expected to be complete by Q1FY28. Revenue/EBITDA density came in at INR11.2k/1.1k per sq. ft. in Q1 (up 6.9/9.5% YoY resp) annualized. GM expanded by 30bps YoY to 28.7% (HSIE: 28.2%) due to lower promotional expenditure; however, the flow-through to EBITDAM was moderated by elevated employee expenses following minimum wage hikes across key states. Pre-IND AS EBITDAM improved by 24bps YoY to 10.2% (HSIE: 10.1%). EBITDA/APAT grew 21.6/25.6% YoY to INR 3.79/2.59bn (HSIE: in-line/INR 2.61bn), respectively. We have maintained our FY28/29 EPS estimates and our BUY rating with a DCF-based TP of INR135/sh, implying ~45x Jun-28 P/E.

- **Q1FY27 highlights:** VMM's revenue grew 18.7% YoY to INR37.3bn (HSIE: INR 37.7bn), supported by 10% adjusted SSSG in Q1FY27. The company added 24 (net) stores in Q1FY27 (store count: 819). Category growth remained broad-based, with FMCG marginally outpacing the overall portfolio growth at 19.1% YoY growth, while both Apparel & GM grew by 18.5% YoY, maintaining a stable revenue mix YoY (Apparel/GM/FMCG mix - 47.4/27.3/25.2%). Own brands share stood at 75.2% in Q1FY27 vs 75.8% in Q1FY27. Revenue/EBITDA density came in at INR11.2k/1.1k per sq. ft. in Q1 (up 6.9/9.5% YoY resp). GM improved by 30bps YoY to 28.7% (HSIE: 28.2%), due to lower promotional intensity in the quarter. However, these gains at the GM level were partially offset by a rise in employee expense – from 5.4% of sales in Q1FY26 to 5.8% in Q1FY27 - due to minimum wage hikes in select states. Pre-IND AS EBITDAM improved by 24bps YoY to 10.2% (HSIE: 10.1%). EBITDA/APAT grew 21.6/25.6% YoY to INR 3.79/2.59bn (HSIE: in-line/INR 2.61bn), respectively.
- **Outlook:** As inflation drives consumers to seek cheaper alternatives, we believe VMM is ideally positioned to gain market share as its value-driven pricing helps keep consumers captive. We have maintained our FY28/29 EPS estimates and our BUY rating with a DCF-based TP of INR135/sh, implying ~45x Jun-28 P/E.

Quarterly financial summary

(Rs mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	37,270	31,403	18.7	31,141	19.7	1,07,163	1,29,063	1,52,399	1,77,626	2,03,748
Pre-IND AS EBITDA	3,790	3,118	21.6	2,646	43.3	9,741	12,709	15,175	18,307	21,638
APAT	2,588	2,061	25.6	1,679	54.1	6,320	8,392	10,592	13,386	16,472
EPS (Rs)	0.6	0.4	25.2	0.4	54.0	1.4	1.8	2.3	2.9	3.5
P/E (x)						79.3	60.7	48.1	38.1	30.9
EV/EBITDA (x)						50.6	38.7	31.7	25.5	20.6
Core RoCE(%)						10.8	13.9	15.9	18.9	21.9

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,52,399	1,52,399	-	1,77,626	1,77,626	-	2,03,748	2,03,748	-
Gross Profit	43,239	43,239	-	50,480	50,480	-	58,000	58,000	-
Gross Profit Margin (%)	28.4	28.4	0 bps	28.4	28.4	0 bps	28.5	28.5	0 bps
EBITDA	15,175	15,175	-	18,307	18,307	-	21,638	21,638	-
EBITDA margin (%)	10.0	10.0	0 bps	10.3	10.3	0 bps	10.6	10.6	0 bps
APAT	10,592	10,592	-	13,386	13,386	-	16,472	16,472	-
APAT margin (%)	7.0	7.0	0 bps	7.5	7.5	0 bps	8.1	8.1	0 bps
EPS (Rs)	2.3	2.3	(0.1)	2.9	2.9	(0.1)	3.5	3.5	(0.1)

Source: Company, HSIE Research

BUY

CMP(as on 28 Jul 2026)	INR 110
Target Price	INR 135
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 135	INR 135
	FY28E	FY29E
EPS %	-0.1	-0.1

KEY STOCK DATA

Bloomberg code	VMM IN
No. of Shares (mn)	4,684
MCap (INR bn) / (\$ mn)	513/5,355
6m avg traded value (INR mn)	2,289
52 Week high / low	INR 158/99

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.0)	(8.6)	(17.5)
Relative (%)	(12.9)	(1.8)	(12.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	40.12	40.09
FIs & Local MFs	32.73	34.80
FPIs	22.01	20.43
Public & Others	5.14	4.68
Pledged Shares	-	-

Source : BSE

-Pledged shares as % of total shares

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Voltas

Decent performance but missed expectations

Voltas revenue grew 19% YoY to INR 46.7bn, driven by 33% YoY growth in UCP segment (82% revenue mix) and EPS segment (3% revenue mix) grew 17% YoY. However, overall growth was dragged by EMPS (15% revenue mix) which declined 27% YoY. EBITDAM expanded higher by 110/120bps YoY/QoQ leading to EBITDA/APAT growth of 49/52% YoY. The company reported industry-leading 17.3% secondary market share in RACs in Q1FY27, with RAC volumes rising 45% YoY. Voltbek continued its robust growth trajectory, significantly outperforming the industry and delivering the highest-ever quarterly sales in both value and volume, although the business remains loss-making. The company has also signed a binding term sheet with Atomberg to establish a 50:50 JV in India for RAC-compressor manufacturing, targeting a capacity of 2.8mn units to commence production by Q4FY28. We maintain ADD with a revised target price of INR 1,375/share.

- **Q1FY27 performance:** Revenue grew 19% YoY to 46.7bn, driven by 33% YoY growth in UCP segment (82% revenue mix) and EPS segment (3% revenue mix) grew 17% YoY. However, overall growth was dragged by EMPS (15% revenue mix) which declined 27% YoY. Gross margins expanded 10/130bps YoY to 21.9%. EBITDAM expanded higher by 110/120bps YoY/QoQ to 5.7%, owing to 30bps and 70bps decrease in employee cost and other expenses, in relative terms. In absolute terms, employee cost and other expenses surged by 12% and 11%. Consequently, EBITDA increased 49% YoY. APAT grew 52% YoY, led by EBITDA and lower finance cost (down 6% YoY). UCP segment EBIT margin expanded 170/30bps YoY/QoQ to 5.3%, EMPS EBIT margin expanded 30bps YoY to 5.6% (-70bps QoQ), while EPS EBIT margin contracted 370bps YoY (+360bps QoQ) to 25.9%.
- **Con call takeaways and outlook:** The company reported industry leading 17.3% secondary market share in RACs in Q1FY27, with RAC volumes rising 45% YoY. Voltbek continued its robust growth trajectory, significantly outperforming the industry and delivering the highest-ever quarterly sales in both value and volume, although the business remains loss-making. The domestic projects division is performing well, with the EMPS order book at INR 63.4bn as of Jun-26, while the international projects business faced headwinds due to the Middle East conflict. The company has also signed a binding term sheet with Atomberg to establish a 50:50 JV in India for RAC-compressor manufacturing, targeting a capacity of 2.8mn units to start production from Q4FY28. Considering the Q1 performance miss and continued losses in Voltbek, we cut our revenue estimates by 4/2/1% and APAT by 8/3/2% for FY27/28/29E. We maintain ADD with a revised target price of INR 1,375/share, based on SOTP valuation—valuing the UCP/EMPS/EP segments at 40/18/18x EPS, respectively, and the Voltas Beko JV at 2x P/S.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	46,735	39,386	18.7	48,878	(4.4)	1,54,128	1,42,445	1,55,475	1,81,103	2,07,046
EBITDA	2,655	1,785	48.7	2,207	20.3	11,162	6,469	10,478	13,870	16,395
APAT	2,138	1,405	52.2	1,162	84.0	8,414	4,024	7,175	10,345	12,444
EPS (INR)	6.5	4.2	52.2	3.5	84.0	25.4	12.2	21.7	31.3	37.6
P/E (x)						52.0	108.7	60.9	42.3	35.1
EV / EBITDA (x)						39.0	67.5	41.5	31.5	26.4
RoE (%)						13.6	6.2	10.7	14.2	15.5

Source: Company, HSIE Research

ADD

CMP (as on 14 Aug 2026)	INR 1,320
Target Price	INR 1,375
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,390	INR 1,375
EPS %	FY27E -8.3	FY28E -3.2

KEY STOCK DATA

Bloomberg code	VOLT IN
No. of Shares (mn)	331
MCap (INR bn) / (\$ mn)	437/4,578
6m avg traded value (INR mn)	1,510
52 Week high / low	INR 1,583/1,187

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.1	(13.4)	3.6
Relative (%)	(1.4)	(7.8)	6.8

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	30.30	30.30
FIs & Local MFs	38.28	38.93
FPIs	18.44	16.94
Public & Others	12.88	13.73
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Metro Brands

Operationally in-line print

MBL reported topline growth of 14.7% YoY to INR 7.2bn (in-line) in Q1. The growth was partially impacted by the US-Iran conflict overhang and shift in wedding dates due to Adhik Maas. Sales density was up 3.3% YoY to INR18.4k in Q1FY27 (vs INR17.8k/sq. ft. in Q1FY26). E-commerce sales (including omni-channel) grew 9% YoY (contributing 13.1 to sales in Q1FY27 vs 13.7% in Q1FY26). Store expansion remained measured in the quarter as MBL added nine stores (net) (total store count: 1,041). GM expanded by 15bps YoY to 59.5% (HSIE: 59%), but EBITDAM contracted by 107bps YoY to 29.8% (HSIE: 30.2%) due to investments in talent and marketing. EBITDA grew 10.7% YoY to INR 2.15bn (HSIE: INR 2.18bn). APAT declined by 3.6% YoY to INR 953mn (HSIE: INR 982mn), due to lower treasury income and a modest rise in occupancy costs from new format additions. Management reiterated its FY27 guidance of 55-57% GM, ~30% EBITDAM, and 13-15% PATM. We have largely maintained the FY28/29 EPS estimates and maintain ADD with a DCF-based TP of INR1,060/sh, implying ~44x Jun-28 EPS.

- **Q1FY27 highlights:** MBL's topline grew 14.7% YoY to INR 7.2bn (in-line). The growth was relatively muted due to US-Iran conflict overhang and shift in marriage dates linked to Adhik Maas; however, sentiment improved from mid-June-26 onward. Revenue/sq. ft. was up 3.3% YoY to INR18.4k (vs INR17.8k/sq. ft. in Q1FY26). On channel mix, in-store/online+omni/others contributed 86/13/1% in Q1FY26 (vs. 85/14/1% in Q1FY25). E-commerce sales (including omni-channel) grew 9% YoY in Q1. In Q1, MBL added net nine stores (store count: 1,041; retail area: 1.44mn sq. ft.). Management opened one Fila store in Q1FY27 and expects store expansion to accelerate toward the end of FY27. Management expects the Clarks supply chain to stabilize by Q2FY27, with EBO launches in Q3FY27. GM expanded by 15bps YoY to 59.5% (HSIE: 59%), but EBITDAM contracted by 107bps YoY to 29.8% (HSIE: 30.2%) due to investments in talent and marketing. EBITDA grew 10.7% YoY to INR 2.15bn (HSIE: INR 2.18bn). APAT declined by 3.6% YoY to INR 953mn (HSIE: INR 982mn), due to lower treasury income and a modest rise in occupancy costs from new format additions. EBITDA grew 10.7% YoY to INR 2.15bn (HSIE: INR 2.18bn). APAT declined by 3.6% YoY to INR 953mn (HSIE: INR 982mn). Pre-IND-AS PAT margin stood at 14.5% in Q1FY27 (vs 16.8% in Q1FY26). Management reiterated its FY27 guidance of 55-57% GM, ~30% EBITDAM, and 13-15% PATM.

- **Valuation and outlook:** MBL remains among the more disciplined footwear retailers with an in-sync product market fit. We have largely maintained our FY28/29 EPS estimates and maintain ADD with a DCF-based TP of INR1060/sh, implying ~44x Jun-28 EPS.

Quarterly financial summary

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	7,204	6,282	14.7	7,730	(6.8)	25,074	28,636	33,968	40,233	47,552
EBITDA	2,147	1,939	10.7	2,379	(9.8)	5,186	5,780	6,839	8,233	9,792
APAT	953	988	(3.6)	1,107	(14.0)	3,545	4,159	4,748	6,189	7,800
EPS (Rs)	3.5	3.6	(3.7)	4.3	(19.1)	13.0	15.3	17.4	22.7	28.6
P/E (x)						77.0	66.2	57.5	44.1	35.0
EV/EBITDA (x)						51.3	46.0	38.2	30.9	25.3
Core RoCE(%)						28.2	31.2	28.7	33.0	36.7

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	33,968	34,169	(0.6)	40,233	40,438	(0.5)	47,552	47,665	(0.2)
Gross Profit	19,656	19,772	(0.6)	23,301	23,420	(0.5)	27,493	27,558	(0.2)
Gross Profit Margin (%)	57.9	57.9	0 bps	57.9	57.9	-	57.8	57.8	-
EBITDA	6,839	6,913	(1.1)	8,233	8,295	(0.8)	9,792	9,830	(0.4)
EBITDA margin (%)	20.1	20.2	(10 bps)	20.5	20.5	(5 bps)	20.6	20.6	(3 bps)
APAT	4,748	4,816	(1.4)	6,189	6,239	(0.8)	7,800	7,831	(0.4)
APAT margin (%)	14.0	14.1	(12 bps)	15.4	15.4	(4 bps)	16.4	16.4	(3 bps)
EPS	17.4	17.7	(1.4)	22.7	22.9	(0.8)	28.6	28.7	(0.4)

Source: Company, HSIE Research, Consolidated Financials

ADD

CMP (as on 05 Aug 2026)	INR 1,005
Target Price	INR 1,060
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,060	INR 1,060
EPS %	FY28E	FY29E
	-0.8	-0.4

KEY STOCK DATA

Bloomberg code	METROBRA IN
No. of Shares (mn)	273
MCap (INR bn) / (\$ mn)	274/2,879
6m avg traded value (INR mn)	64
52 Week high / low	INR 1,340/883

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.0)	(2.9)	(14.7)
Relative (%)	(3.1)	2.7	(12.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	71.80	71.80
FIs & Local MFs	7.58	7.68
FPIs	3.77	3.73
Public & Others	16.85	16.79
Pledged Shares	0	0

Source : BSE

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Syrma SGS Technology

Strong performance momentum continues

Syrma SGS Technology's revenue grew by 68% YoY to INR 15.9bn. EBITDAM expanded 100bps YoY to 10.2%, leading to EBITDA growth of 87% YoY, while APAT doubled. The company indicated that its FY27 revenue growth is now likely to surpass the earlier 30-35% guidance, supported by a strong Q1 performance, while it continues to maintain its EBITDA margin outlook of 10.5-11% for the year. Management has reiterated its growth guidance of ~35% for the next few years, with incremental upside from upcoming PCB projects, new client additions, and planned JV partnerships. The company's upcoming multi-layer PCB project with a planned capex of INR 8bn is scheduled for commissioning by Apr-27. Given robust execution and a healthy order pipeline, we raise our revenue/APAT estimates by 2-5% for FY27/28/29E. Company remains quite confident of strong growth in medium term, owing to robust order visibility, and accordingly, we raise our growth estimate in DCF for future years. So, we have increased our target price to INR 1,470/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~40x PE, based on Sep-28E EPS.

- **Q1FY27 highlights:** Revenue grew by 68% YoY to INR 15.9bn, beat our/consensus estimates by 6/17%. Exports revenue contributed 1/4th to revenue, which grew 67% YoY. Growth was led by strong performance in the consumer (34% revenue mix) and automotive (25% revenue mix) segments, which grew by 68% and 78% YoY, respectively. Healthcare, industrial, and IT & railways also delivered robust growth of 100%, 31%, and 199% (on a low base) YoY, respectively. Gross margins contracted by 20bps YoY (-140bps QoQ) to 24.5%. Though employee costs and other expenses surged by 49% and 58% YoY in absolute terms, while in relative terms, employee costs and other expenses declined by 60bps YoY each. So, EBITDAM expanded 100bps YoY to 10.2% (-170bps QoQ), leading to EBITDA growth of 87% YoY (beats our/consensus estimate by 3/21%). So, APAT doubled YoY.
- **Earnings KTAs and outlook:** The company indicated that its FY27 revenue growth is now likely to surpass the earlier 30-35% guidance, supported by a strong Q1 performance, while it continues to maintain its EBITDA margin outlook of 10.5-11% for the year. Management has reiterated its growth guidance of ~35% for the next few years, with incremental upside from upcoming PCB projects, new client additions, and planned JV partnerships. The company has approved a QIP of up to INR 10bn to fund future growth opportunities. Given robust execution and a healthy order pipeline, we raise our revenue/APAT estimates by 2-5% for FY27/28/29E. Company remains quite confident of strong growth in the medium term, owing to robust order visibility, and accordingly, we raise our growth estimate in DCF for future years. We have increased the target price to INR 1,470/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~40x PE-based on Sep-28E EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	15,886	9,440	68.3	14,650	8.4	37,867	48,191	65,050	85,312	1,08,440
EBITDA	1,616	866	86.5	1,741	(7.2)	3,233	5,445	7,446	9,914	12,795
APAT	1,001	497	101.2	1,024	(2.3)	1,720	3,224	4,420	5,890	7,881
EPS (INR)	5.2	2.8	86.0	5.3	(2.3)	9.7	16.7	23.0	30.6	41.0
P/E (x)						142.0	82.0	59.7	44.8	33.5
EV / EBITDA (x)						76.4	47.6	35.2	26.5	20.5
RoE (%)						10.2	14.0	14.3	16.5	18.7

Source: Company, HSIE Research

BUY

CMP (as on 30 Jul 2026)	INR 1,378
Target Price	INR 1,470
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,300	INR 1,470
EPS %	FY27E	FY28E
	5.0	4.4

KEY STOCK DATA

Bloomberg code	SYRMA IN
No. of Shares (mn)	193
MCap (INR bn) / (\$ mn)	266/2,777
6m avg traded value (INR mn)	1,647
52 Week high / low	INR 1,518/634

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	43.7	81.1	80.6
Relative (%)	42.4	86.3	84.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	42.28	42.28
FIs & Local MFs	16.59	15.90
FPIs	6.60	7.51
Public & Others	34.43	34.30
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Kaynes Technology

Topline beat; working capital issue further worsened

Kaynes' revenue grew 40% YoY to INR 9.5bn. Gross margin contracted 680bps YoY to 34.4%. EBITDA grew 31% YoY, leading to EBITDAM contracting by 120bps YoY to 15.6% (flat QoQ), while APAT declined 24% YoY. Working capital days have further worsened to 163 days vs 122/125 days YoY/QoQ. The company highlighted its intention to gradually reduce exposure to the smart-metering segment due to elongated collection cycles. Management indicated that the Middle East conflict has adversely impacted global supply chains, leading to cost escalation and delays in raw material availability across industry. The OSAT and PCB projects are expected to become operational by H2FY27, with management guiding for INR 4.5–5bn in combined revenue from these businesses in FY27. The company has budgeted INR 8.5bn in capex for FY27, INR 3bn each for PCB and OSAT facilities and INR 2.5bn for EMS. The current order book stands at INR 89bn, up 20% YoY and 6% QoQ. We broadly maintain our estimates. We maintain REDUCE with an unchanged TP of INR 3,280/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~40x P/E on Sep-28E EPS.

- **Q1FY27 highlights:** Revenue grew 40% YoY (2-yr CAGR: 37%) to INR 9.5bn. Industrial (55% revenue mix) grew 31% YoY, automotive (26% revenue mix) grew 35% YoY, railways (9% revenue mix) grew 81% YoY, IoT/IT and consumer (6% revenue mix) grew 69% YoY, while medical and aerospace (2% revenue mix each) grew 181% each on a low base. Gross margin contracted 680bps YoY (+270bps QoQ) to 34.4%. Employee cost was up 44% YoY, while other expenses declined 12% YoY. Consequently, EBITDA grew 31% YoY, leading to EBITDAM contracting by 120bps YoY to 15.6% (flat QoQ). APAT declined 24% YoY, impacted by increased depreciation (which was up 137% YoY), higher tax rate, and lower other income. Working capital days have further worsened to 163 days vs 122/125 days YoY/QoQ. Asset turnover also declined to 2x vs 3.8x YoY as reported by the company.
- **Earnings call takeaways and outlook:** The company highlighted its intention to gradually reduce exposure to the smart-metering segment due to elongated collection cycles. Management indicated that the Middle East conflict has adversely impacted global supply chains, leading to cost escalation and delays in raw material availability across industry. The OSAT and PCB projects are expected to become operational by H2FY27, with management guiding for INR 4.5–5bn in combined revenue from these businesses in FY27. The company has budgeted INR 8.5bn in capex for FY27, INR 3bn each for PCB and OSAT facilities and INR 2.5bn for EMS. The current order book stands at INR 89bn, up 20% YoY and 6% QoQ. We broadly maintain our estimates. We maintain REDUCE with an unchanged TP of INR 3,280/sh, based on DCF valuation (WACC: 12.5%, terminal growth: 5%), implying ~40x P/E on Sep-28E EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	9,460	6,735	40.5	12,426	(23.9)	27,218	36,264	50,479	68,129	85,161
EBITDA	1,476	1,130	30.5	1,937	(23.8)	4,107	5,741	7,824	10,969	13,711
APAT	564	746	(24.4)	913	(38.2)	2,934	3,665	4,125	5,187	5,874
EPS (INR)	8.4	11.6	(27.7)	13.6	(38.2)	45.8	54.7	61.6	77.5	87.7
P/E (x)						84.2	70.5	62.6	49.8	44.0
EV / EBITDA (x)						59.7	45.1	34.6	25.6	21.1
RoE (%)						11.0	9.7	8.3	9.6	9.8

Source: Company, HSIE Research

REDUCE

CMP (as on 07 Aug 2026) INR 3,856

Target Price INR 3,280

NIFTY 24,571

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 3,280	INR 3,280
EPS %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	KAYNES IN
No. of Shares (mn)	67
MCap (INR bn) / (\$ mn)	258/2,716
6m avg traded value (INR mn)	6,025
52 Week high / low	INR 7,705/2,995

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.0)	4.2	(36.7)
Relative (%)	(12.8)	10.3	(34.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.46	53.46
FIs & Local MFs	15.13	11.78
FPIs	7.28	5.82
Public & Others	24.12	28.94
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Amber Enterprises

Growth momentum slows

Amber's Q1FY27 revenue grew 13% YoY to INR 38.9bn. Consumer durables (71% revenue mix) grew by 8% YoY, electronics segment (25% revenue mix) grew by 29% YoY, and railways subsystem segment (4% revenue mix) grew by 17% YoY. EBITDAM expanded by 60bps YoY to 8% (-60bps QoQ). Accordingly, EBITDA grew by 22% YoY. Management expects the RAC industry to grow ~13–15% in FY27, with the company projected to grow in line with the industry. It has retained its guidance of ~40% growth for the electronics division and 30–35% growth for the railways division. The mobile-manufacturing business is progressing well, with trial production expected to begin in Q4FY27 and commercial production from Q1FY28 start. Upcoming PCB facilities remain on track. We maintain REDUCE with a lower TP of INR 8,060/share, based on a DCF valuation (WACC: 12%, terminal growth: 5%), implying ~40x Sep-28E EPS.

- **Q1FY27 highlights:** Revenue grew 13% YoY to INR 38.9bn. Consumer durables (71% revenue mix) grew by 8% YoY, electronics segment (25% revenue mix) grew by 29% YoY, and railways subsystem segment (4% revenue mix) grew by 17% YoY. Gross margins improved 310bps YoY to 18.8% (flat QoQ). Employee cost and other expenses surged 72% and 35% YoY, respectively. Consequently, EBITDAM expanded by 60bps YoY to 8% (-60bps QoQ). Accordingly, EBITDA grew by 22% YoY, missed our/consensus estimates by 9/1%. Other income grew 60% YoY, depreciation increased 75% YoY, while finance cost increased 34% YoY. PBT increased a modest 3% YoY, while APAT grew 40% YoY, supported by lower JV losses and a reduced minority-interest charge because exceptional losses were allocated to minority interest. Management did not provide an adjusted minority-interest breakdown on the con call, noting it wasn't readily available. Adjusting for this, APAT growth would be substantially lower, in our view.

- **Earnings call takeaways:** Management expects the RAC industry to grow ~13–15% in FY27, with the company projected to grow in line with the industry. It has retained its guidance of ~40% growth for the electronics division and 30–35% growth for the railways division. The mobile-manufacturing business is progressing well, with trial production expected to begin in Q4FY27 and commercial from Q1FY28 start. Upcoming PCB facilities remain on track. The Sidwal greenfield facility is now operational, and the JV with Yujin is complete and ready to commence production. Management highlighted that commodity inflation — particularly in PCBs and copper-clad laminates, has weighed on PCB margins and expects this pressure to persist in Q2, with normalization anticipated from Q3 onward. Given Q1 performance and higher working capital led to increase in finance cost, we cut our APAT estimates by 10/11/4% for FY27/28/29E, while broadly maintain our revenue estimates. Accordingly, we revise our target price downward to INR 8,060/share, based on a DCF valuation (WACC: 12%, terminal growth: 5%), implying ~40x Sep-28E EPS. We maintain REDUCE.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	38,877	34,491	12.7	41,475	(6.3)	99,730	1,21,865	1,54,536	2,73,441	3,95,776
EBITDA	3,121	2,567	21.6	3,582	(12.9)	7,634	9,523	12,104	16,502	21,684
APAT	1,449	1,039	39.5	1,339	8.2	2,696	2,988	3,594	5,803	8,529
EPS (INR)	41.3	30.7	34.5	38.2	8.2	79.7	84.9	102.1	164.9	242.4
P/E (x)						90.6	85.1	70.7	43.8	29.8
EV / EBITDA (x)						33.4	28.6	22.3	16.3	12.3
RoE (%)						12.4	9.0	7.9	11.6	14.9

Source: Company, HSIE Research

REDUCE

CMP (as on 14 Aug 2026) INR 7,222

Target Price INR 8,060

NIFTY 24,366

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 8,250	INR 8,060
	FY27E	FY28E
EPS %	-10.3	-11.4

KEY STOCK DATA

Bloomberg code	AMBER IN
No. of Shares (mn)	35
MCap (INR bn) / (\$ mn)	255/2,669
6m avg traded value (INR mn)	2,892
52 Week high / low	INR 8,974/5,401

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(12.9)	(6.6)	4.7
Relative (%)	(16.3)	(1.0)	8.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	38.17	38.09
FIs & Local MFs	27.92	30.54
FPIs	23.96	20.47
Public & Others	9.95	9.90
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Crompton Consumer

Decent quarter; Q2 kicks off well

Crompton Consumer's revenue grew 12% YoY to INR 22.3bn. Electricals consumer durable segment grew 11% YoY, lighting segment grew 15% YoY, while butterfly segment grew 18% YoY. EBITDAM expanded 40bps YoY to 10%, leading to EBITDA/APAT growth of 17/15% YoY. Company witnessed double-digit revenue growth across all the segments, led by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC (~44% YoY growth), followed by TPW and ceiling fans with market share gains. Pumps witnessed broad-based strong performance with market share gains. Domestic and kitchen appliances also witnessed a strong momentum. Lighting saw growth in both B2B and B2C categories. Management indicated that supply constraints in fans and ECD segments led to an opportunity loss of INR 2bn in Q1; however, supply conditions have now normalized. Company highlighted that commodity cost inflation drove input-cost pressure across categories, and it had to undertake price hikes to offset ~80% cost pressure. Also, management indicated a favorable start for Q2FY27. Wires business continued to gain traction with encouraging trends. Factoring Q1 performance and outlook, we broadly maintain our estimates and retain BUY by valuing the stock at 28x Sep'28 EPS at an unchanged TP of INR 320/sh.

- **Q1FY27 highlights:** Revenue grew by 12% YoY to INR 22.3bn. Electricals consumer durable segment (79% revenue mix) grew 11% YoY, lighting segment (12% revenue mix) grew 15% YoY, while butterfly segment (9% revenue mix) reported 18% YoY growth. Gross margins declined 90/40bps YoY/QoQ to 31.2%. Employee cost/other cost declined 10/120bps YoY in relative terms, causing EBITDAM to expand by 40bps YoY (-180bps QoQ). Consequently, EBITDA/APAT grew 17/15% YoY. Company saw double-digit revenue growth across all the segments, driven primarily by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC (~44% YoY growth), followed by TPW and ceiling fans with market share gains. Pumps witnessed broad-based strong performance with market share gains. Domestic and kitchen appliances also witnessed strong momentum. Lighting witnessed growth in both B2B and B2C categories.
- **Earnings call takeaways and outlook:** Management indicated that supply constraints in fans and ECD segments led to an opportunity loss of INR 2bn in Q1, albeit supply conditions have since normalized. Company highlighted that commodity cost inflation drove input-cost pressure across categories, and it undertook price hikes to offset ~80% cost pressure. Also, management indicated a favorable start for Q2FY27. Wires business continued to gain traction with encouraging trends. Factoring Q1 performance and outlook, we broadly maintain our estimates and retain BUY by valuing the stock at 28x Sep'28 EPS at an unchanged TP of INR 320/sh.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	22,350	19,983	11.8	22,833	(2.1)	78,641	80,955	90,944	1,01,844	1,11,535
EBITDA	2,245	1,917	17.1	2,707	(17.1)	9,013	8,274	9,668	11,219	12,319
APAT	1,405	1,223	14.9	1,821	(22.9)	5,560	5,043	5,822	6,922	7,748
EPS (INR)	2.2	1.9	14.8	2.8	(22.9)	8.6	7.8	9.0	10.7	12.0
P/E (x)						31.0	34.2	29.6	24.9	22.3
EV / EBITDA (x)						18.3	19.5	16.4	13.7	12.0
RoE (%)						15.2	13.8	16.0	17.0	17.0

Source: Company, HSIE Research

BUY

CMP (as on 06 Aug 2026)	INR 270
Target Price	INR 320
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 320	INR 320
EPS %	FY27E	FY28E
	0.2	-0.5

KEY STOCK DATA

Bloomberg code	CROMPTON IN
No. of Shares (mn)	644
MCap (INR bn) / (\$ mn)	174/1,826
6m avg traded value (INR mn)	1,003
52 Week high / low	INR 338/217

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.9)	10.2	(15.4)
Relative (%)	(6.2)	15.7	(13.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.00	0.00
FIs & Local MFs	66.11	66.46
FPIs	20.49	19.89
Public & Others	13.40	13.65
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Kansai Nerolac

Continues ceding share in decorative; mix drags margins

Kansai Nerolac's (KNPL) standalone revenue grew 10.2% YoY to INR23bn (HSIE: INR22bn). Decorative volume was in low single digits while value growth was in high single digits. Industrial segment delivered robust double-digit value growth. Consolidated price hikes in Q1 stood at ~5%, with an additional 3% hike planned for decorative and 3-5% for industrial segment in Q2. Despite the benefit of low-cost inventory in Q1, GM contracted 108bps YoY to 35% (HSIE: 34.1%) due to a higher mix of industrial sales and lag in passing on industrial price hikes, which typically take 1-2 quarters to take full effect. Management expects the full benefit of these price hikes from Q2FY27 onward. Better operating leverage and cost optimization helped offset a part of the GM drag, limiting EBITDAM contraction to 34bps YoY at 14.6% (HSIE: 13.4%). EBITDAM guidance of 13-14% for FY27 stays. EBITDA/APAT grew 7.7/5% YoY to INR 3.36/2.42bn (HSIE: INR 2.97/1.99bn) respectively. The company has earmarked INR6bn additional capex over ~2-2.5 years for capacity expansion. We have largely maintained our FY28/29 EPS estimates and REDUCE rating with a DCF-based TP of INR215/sh (implying ~21x Jun-28 P/E).

■ **Q1FY27 highlights:** Standalone revenue grew 10.2% YoY to INR 23bn in Q1 (HSIE: INR22bn), while consolidated revenue grew 9.8% YoY to INR 23.7bn. Decorative segment witnessed low single digit volume and high single digit value growth. Industrial segment posted robust double-digit value growth. In decorative, project business sustained its double-digit growth momentum while growth in CC, waterproofing, and premium wood finishes also remains robust. In industrial, auto segment continued to gain market share on the back of various initiatives. In performance coatings, both liquid and powder coating witnessed robust growth. Auto refinish demand was flat. Standalone GM contracted 108bps YoY to 35% (HSIE: 34.1%) due to higher mix of industrial sales and lag in passing on industrial price hikes, which typically take 1-2 quarters to take full effect. Better operating leverage and cost optimization helped offset part of the GM drag, limiting EBITDAM contraction to 34bps YoY at 14.6% (HSIE: 13.4%). Management maintains EBITDAM guidance of 13-14% for FY27. EBITDA/APAT grew 7.7/5% YoY to INR 3.36/2.42bn (HSIE: INR 2.97/1.99bn) respectively. The company has earmarked capex of INR6bn spread over ~2-2.5 years for capacity expansion in automotive, powder coating, and resin segment, alongside its annual capex of INR1.5-2bn.

■ **Outlook:** KNPL continues to lose market share in the high-margin decorative business and remains the weakest in terms of execution among our coverage paint peers. We have largely maintained our FY28/29 EPS estimates and REDUCE rating with a DCF-based TP of INR215/sh (implying ~21x Jun-28 P/E).

Quarterly financial summary (Consolidated)

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	23,736	21,620	9.8	19,537	21.5	78,230	80,519	88,066	94,656	1,02,627
EBITDA	3,284	3,032	8.3	2,165	51.7	9,423	9,746	10,118	11,569	13,246
APAT	2,316	2,209	4.8	1,307	77.2	5,134	6,526	7,289	8,117	9,243
EPS (Rs)	2.9	2.7	4.8	1.4	106.3	6.4	8.1	9.0	10.0	11.4
P/E (x)						31.3	24.7	22.1	19.8	17.4
EV/EBITDA (x)						16.9	16.4	15.6	13.4	11.5
Core RoCE(%)						7.0	8.5	8.3	9.3	10.3

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	88,066	86,326	2.0	94,656	94,153	0.5	1,02,627	1,02,904	(0.3)
Gross Profit	30,547	29,916	2.1	33,384	33,199	0.6	36,796	36,894	(0.3)
Gross Profit Margin(%)	34.7	34.7	3 bps	35.3	35.3	1 bps	35.9	35.9	0 bps
EBITDA	10,118	9,890	2.3	11,569	11,519	0.4	13,246	13,373	(0.9)
EBITDA margin (%)	11.5	11.5	3 bps	12.2	12.2	-1 bps	12.9	13.0	-9 bps
APAT	7,289	7,148	2.0	8,117	8,026	1.1	9,243	9,199	0.5
APAT margin (%)	8.3	8.3	0 bps	8.6	8.5	5 bps	9.0	8.9	7 bps
EPS (Rs)	9.0	8.8	1.9	10.0	9.9	1.1	11.4	11.4	0.4

Source: Company, HSIE Research, Consolidated Financials

REDUCE

CMP (as on 04 Aug 2026)	INR 199
Target Price	INR 215
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 220	INR 215
EPS %	FY28E	FY29E
	+1.1	+0.4

KEY STOCK DATA

Bloomberg code	KNPL IN
No. of Shares (mn)	809
MCap (INR bn) / (\$ mn)	161/1,687
6m avg traded value (INR mn)	110
52 Week high / low	INR 264/158

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.1	(10.4)	(18.5)
Relative (%)	(0.4)	(4.0)	(15.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	74.96	74.96
FIs & Local MFs	11.90	11.88
FPIs	3.61	4.03
Public & Others	9.53	9.13
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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V-Guard Industries

Strong quarterly performance

V-Guard revenue grew by 24% YoY to INR 18.1bn, led by strong 28% YoY growth in electrical segment and 23% YoY in electronics segment. EBITDAM expanded 210 bps YoY to 10.5%, while EBITDA/APAT grew 55/76% YoY. The company indicated that FY27 revenue growth will exceed its earlier ~15% guidance, while EBITDA margin expectations remain unchanged at 9-10%. Management remains confident of achieving double-digit EBITDA margins once commodity-cost inflation stabilizes. Although raw material inflation continues to be a key risk, the company has implemented multiple price hikes to offset cost pressures. Strong Q1 performance prompts us to raise our FY27-29E revenue, EBITDA and APAT estimates by 2-4%. With the stock having corrected over the past few months, we see meaningful upside and therefore upgrade our rating to BUY (from Add) and revise our target price to INR 400/sh, valuing the company at 35x Sep-28E EPS.

■ **Q1FY27 highlights:** Revenue grew by 24% YoY to INR 18.1bn, driven by a strong 28% YoY growth in electrical segment (37% revenue mix) and 23% YoY in electricals segment (36% revenue mix). Consumer durables (23% revenue mix) and Sunflame (4% revenue mix) also supported topline with healthy growth of 19% and 18% YoY. Gross margins remained flat YoY to 36.9% (+160bps QoQ). EBITDAM expanded healthy 210 bps YoY to 10.5% (+80 bps QoQ), owing to 170bps YoY decline in other expenses and 40bps YoY decline in employee cost in relative terms. In absolute terms, employee cost was up 18% YoY, while other expenses surged 13% YoY. Consequently, EBITDA grew 55% YoY. APAT grew 76% YoY, led by EBITDA, further supported by higher other income. Electronic segment EBIT margin were up 30bps YoY to 19.8% (+250bps QoQ). Electricals witnessed margin expansion of 150bps YoY to 10.5% (-180bps QoQ). Consumer durables witnessed margin expansion by 560bps YoY to 3.6% (+190bps QoQ), while Sunflame reported margin contraction of 40/270bps to 4%.

■ **Earnings call KTAs and outlook:** The company indicated that FY27 revenue growth will exceed its earlier ~15% guidance, while EBITDA margin expectations remain unchanged at 9-10%. Management remains confident of double-digit EBITDA margin once commodity cost inflation stabilizes. Although raw material inflation remains a key risk, the company has implemented multiple price hikes to offset cost pressures. With the integration of Sunflame and operations stabilizing, the company has shifted focus toward accelerating growth in this segment and is beginning to see early signs of improvement. Strong Q1 performance prompts us to raise our FY27-29E revenue, EBITDA, and APAT estimates by 2-4%. With the stock having corrected over the past few months, we see meaningful upside and, therefore, upgrade our rating to BUY (from Add) and revise our target price to INR 400/sh, valuing the company at 35x Sep-28E EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	18,107	14,661	23.5	17,553	3.2	55,778	59,658	69,350	76,608	85,877
EBITDA	1,910	1,236	54.5	1,707	11.9	5,132	5,268	6,322	7,203	8,179
APAT	1,303	738	76.4	1,121	16.1	3,137	3,305	4,001	4,664	5,357
EPS (INR)	3.0	1.7	76.4	2.6	16.1	7.2	7.6	9.2	10.7	12.3
P/E (x)						43.9	41.8	34.5	29.6	25.8
EV / EBITDA (x)						26.7	25.8	21.3	18.3	15.8
RoE (%)						16.0	14.8	15.8	16.0	16.1

Source: Company, HSIE Research

BUY

CMP (as on 30 Jul 2026)	INR 318
Target Price	INR 400
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 395	INR 400
EPS %	FY27E 4.3	FY28E 2.3

KEY STOCK DATA

Bloomberg code	VGRD IN
No. of Shares (mn)	437
MCap (INR bn) / (\$ mn)	138/1,446
6m avg traded value (INR mn)	116
52 Week high / low	INR 394/289

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.1)	(10.0)	(18.6)
Relative (%)	(5.4)	(4.8)	(14.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.22	53.22
FIs & Local MFs	23.39	23.24
FPIs	12.07	12.01
Public & Others	11.32	11.53
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Aditya Birla Lifestyle Brands

Growth recovery intact; margin pressure ahead

ABLBL's topline grew by 11.1% YoY to INR20.5bn (in-line), supported by 8% retail LTL growth in Q1. Lifestyle brands (LB)/emerging business (EB) grew ~10/19% YoY to INR 17.2/3.3bn (HSIE: in-line/INR3.4bn). Management indicated that cost pressure remained manageable in Q1, but expects a 3-4% cost increase in Q2 and Q3, led by rising RM prices, higher logistics costs, and minimum wage hike. To offset this impact, management has implemented a modest price hike, which alongside ongoing productivity gains and cost rationalization, should help protect margins. The company added 14 stores (net) in Q1FY27 and plans to add 150-200 stores (net) in FY27. Segment-wise, LB/EB EBITDAM expanded by ~40/240bps to 18.5/4.3% (vs HSIE: 17.8/5%) respectively. Overall EBITDAM expanded by 76bps YoY to 15.1% (HSIE: 14.5%), driven by strong operating leverage and lower A&P spends. EBITDA/APAT grew by 17.1/20.6% YoY to INR 3.08bn/290mn (HSIE: INR 2.96bn/79mn). We have largely maintained our FY28/29 EBITDA estimates and maintain BUY with an SOTP-based TP of INR150/sh (including ~18x Jun-28 EV/EBITDA for LB and 1x Jun-28 EV/sales for EB).

- **Q1FY27 highlights:** ABLBL's revenue grew by 11.1% YoY to INR20.5bn (in-line), led by 8% retail LTL growth in Q1. LB grew ~10% YoY to INR 17.2bn (in-line), supported by broad-based performance across brands. LB's growth was driven by 7% retail LTL growth, with the small-town network recording another double-digit LTL quarter. While LB wholesale performance was impacted by lower primary sales, secondary sales remained healthy. EB revenue grew ~19% YoY to INR3.32bn (HSIE: INR3.41bn), driven by strong retail LTL of 11% and e-com performance (up +30% YoY) in Q1. On segmental margins, LB/EB EBITDAM were up ~40/240bps to 18.5/4.3% (vs HSIE: 17.8/5%) respectively. The company added 14 stores (net) in Q1 and plans to add 150-200 stores (net) in FY27. Although GM contracted by 155bps YoY to 61% (HSIE: 62.4%) due to a channel mix and higher inventory provisioning, overall EBITDAM expanded by 76bps YoY to 15.1% (HSIE: 14.5%), driven by strong operating leverage and lower A&P spends. EBITDA/APAT grew by 17.1/20.6% YoY to INR 3.08bn/290mn (HSIE: INR 2.96bn/79mn).
- **Outlook:** While ABLBL's sustained growth recovery is encouraging, navigating input cost pressures will be crucial. The turnaround in EB, particularly the path toward profitability in the innerwear segment, remains a key monitorable. We have largely maintained our FY28/29 EBITDA estimates and maintain BUY with an SOTP-based TP of INR150/sh (including ~18x Jun-28 EV/EBITDA for LB and 1x Jun-28 EV/sales for EB).

Quarterly financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	20,457	18,406	11.1	21,742	(5.9)	78,300	83,958	94,044	1,05,370	1,17,414
EBITDA	3,081	2,631	17.1	3,523	(12.6)	5,508	6,439	7,915	9,418	10,886
APAT	290	241	20.6	622	(53.4)	1,579	2,201	3,139	4,175	5,359
EPS (Rs)	0.24	0.20	20.6	0.45	(46.8)	0.5	1.4	2.6	3.4	4.4
P/E (x)						78.8	56.6	39.7	29.8	23.2
EV/EBITDA (x)						24.0	20.5	15.7	12.5	10.1
Core RoCE(%)						9.0	10.2	10.4	11.8	13.2

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	94,044	95,722	(1.8)	1,05,370	1,07,069	(1.6)	1,17,414	1,18,417	(0.8)
Gross Profit	56,202	57,396	(2.1)	63,445	64,575	(1.7)	70,872	71,537	(0.9)
Gross Profit Margin (%)	59.8	60.0	-20 bps	60.2	60.3	-10 bps	60.4	60.4	-5 bps
EBITDA	7,915	8,080	(2.0)	9,418	9,497	(0.8)	10,886	10,895	(0.1)
EBITDA margin (%)	8.4	8.4	-2 bps	8.9	8.9	7 bps	9.3	9.2	7 bps

Source: Company, HSIE Research, *Pre-IND AS EBITDA

BUY

CMP (as on 3 Aug 2026)	INR 96
Target Price	INR 150
NIFTY	24,774

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 150	INR 150
EBITDA *%	FY28E -0.8	FY29E -0.1

*Pre-IND AS EBITDA

KEY STOCK DATA

Bloomberg code	ABLBL IN
No. of Shares (mn)	1,221
MCap (INR bn) / (\$ mn)	117/1,228
6m avg traded value (INR mn)	186
52 Week high / low	INR 151/88

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.7)	(15.1)	(30.5)
Relative (%)	(8.9)	(9.0)	(28.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	46.60	46.60
FIs & Local MFs	20.25	20.81
FPIs	12.79	12.69
Public & Others	20.36	19.90
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Relaxo Footwears

Realization drives topline

Relaxo's topline grew by 7.7% YoY to INR 7.05bn (HSIE: INR 7.23bn), driven by broad-based growth across all channels and strong realization growth of ~10% YoY to INR166, though volumes contracted by 2.3% YoY to 42mn pairs. GM expanded by 383bps YoY to 55.2% (HSIE: 51.2%), driven by product mix improvement and potentially supported by the benefit of price hikes on low-cost inventory in the distribution channel. However, EBITDAM improved by a modest 16bps YoY to 15.4% (HSIE: 14.9%) as the GM gains were largely offset by higher employee costs (+140bps YoY to 17.5% of sales) and elevated operating costs (+227bps YoY to 22.3% of sales). EBITDA/APAT grew by 8.8/12.4% YoY to INR 1.08bn/549mn in Q1 (in-line). We have maintained our FY27/28 EPS estimates and maintain ADD with a DCF-based TP of INR420/sh, implying ~39x Jun-28 P/E.

- **Q1FY27 highlights:** Relaxo's revenue grew by 7.7% YoY to INR 7.05bn (HSIE: INR 7.23bn), driven by broad-based growth across all channels. Volume declined by 2.3% YoY while net realization grew by 10.3% YoY (pairs sold: 42mn at an average realization of ~INR166). The company has opened nine EBOs (net) in Q1 (total count: 429 EBOs) and plans to reach closer to 500 EBOs by FY27 end, with a focus on underpenetrated markets. Additionally, the company is reconstructing/renovating its older manufacturing units (RFL-I and II) to leverage higher floor area ratio and investing in specialized production lines for fashionable footwear. These workflow realignments have led to a reassessment of the total installed capacity from 1.05mn to 0.91mn pairs per day. GM expanded by 383bps YoY to 55.2% (HSIE: 51.2%), driven by product mix improvement and potentially supported by the benefit of price hikes on low-cost inventory in the distribution channel. However, EBITDAM improved by a modest 16bps YoY to 15.4% (HSIE: 14.9%) as the GM gains were largely offset by higher employee costs (+140bps YoY to 17.5% of sales) and elevated operating costs (+227bps YoY to 22.3% of sales). EBITDA/APAT grew by 8.8/12.4% YoY to INR 1.08bn/549mn in Q1 (in-line).

- **Outlook:** While calibrated price increases were implemented to offset input cost inflation, their impact on demand and consumption patterns requires close monitoring. We have maintained our FY27/28 EPS estimates and maintain ADD with a DCF-based TP of INR420/sh, implying ~39x Jun-28 P/E.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	7,051	6,545	7.7	7,511	(6.1)	27,896	27,022	29,760	32,782	36,106
EBITDA	1,082	995	8.8	1,240	(12.7)	3,159	3,121	3,684	4,386	5,048
APAT	549	489	12.4	677	(18.8)	1,703	1,850	2,060	2,527	3,012
EPS (Rs)	2.2	2.0	12.4	2.7	(18.8)	6.8	7.2	8.3	10.2	12.1
P/E (x)						61.5	56.7	50.9	41.5	34.8
EV/EBITDA (x)						32.0	32.1	27.1	22.6	19.4
Core RoCE(%)						9.8	9.6	11.7	13.8	15.6

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	29,760	29,760	-	32,782	32,782	-	36,106	36,106	-
Gross Profit	14,493	14,493	-	16,047	16,047	-	17,765	17,765	-
Gross Profit Margin(%)	48.7	48.7	-	49.0	49.0	-	49.2	49.2	-
EBITDA	3,684	3,684	-	4,386	4,386	-	5,048	5,048	-
EBITDA margin (%)	12.4	12.4	-	13.4	13.4	-	14.0	14.0	-
APAT	2,060	2,060	-	2,527	2,527	-	3,012	3,012	-
APAT margin (%)	6.9	6.9	-	7.7	7.7	-	8.3	8.3	-
EPS (Rs)	8.3	8.3	-	10.2	10.2	-	12.1	12.1	-

Source: Company, HSIE Research

ADD

CMP (as on 13 Aug 2026) INR 419

Target Price INR 420

NIFTY 24,396

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	400	420
	FY27E	FY28E
EPS %	-	-

KEY STOCK DATA

Bloomberg code	RLXF IN
No. of Shares (mn)	249
MCap (INR bn) / (\$ mn)	104/1,093
6m avg traded value (INR mn)	437
52 Week high / low	INR 526/237

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	46.2	16.5	(3.2)
Relative (%)	41.5	22.0	(0.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	71.27	71.27
FIs & Local MFs	9.74	9.67
FPIs	3.04	3.11
Public & Others	15.95	15.95
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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TTK Prestige

Strong performance across all fronts

TTK Prestige's revenue grew strongly by 34% YoY to INR 8.1bn, primarily led by strong performance in appliances, which grew 40% YoY, and cookware, which grew 41% YoY. Cookers and other segment also supported topline with healthy growth of 29% and 23% YoY, respectively. EBITDAM expanded strongly 340bps YoY to 10%, leading to EBITDA/APAT growth of 102/103% YoY. The company noted that the Q1 growth was aided by a surge in induction-cooktop adoption resulting from gas-supply shortages and is therefore unlikely to sustain at the same intensity. However, management expects the underlying demand base to normalize at a structurally higher level than before, supported by rising consumer awareness, deeper category penetration, and expects robust growth, going forward. It highlighted that persistent commodity inflation remains a challenge; however, company is taking calibrated price hikes to offset the pressures. Factoring in the strong Q1 performance, we increase our revenue estimates by 6/1/2% for FY27/28/29E and APAT estimates by 6/1/1% for FY27/28/29E. We maintain REDUCE with a TP of INR 580/sh by valuing the company at 30x Sep-28 EPS.

- Q1FY27 highlights:** Revenue grew strongly by 34% YoY (2-year CAGR: +18%) to INR 8.1bn, primarily led by strong performance in appliances, which grew 40% YoY (43% revenue mix), and cookware, which grew by 41% YoY (17% revenue mix). Cookers and other segment also supported topline with healthy growth of 29% and 23% YoY (29% and 4% revenue mix), respectively. Horwood UK subsidiary grew 10% YoY, while Ultrafresh registered 15% YoY growth. The kitchenware segment delivered healthy growth in this quarter, supported by the increasing adoption of induction cooking, ongoing premiumization trends in cookware, and resilient urban consumer demand. Gross margins declined by 100bps YoY to 43.1% (-150bps QoQ). EBITDAM expanded strongly 340bps YoY to 10% (+80bps QoQ) owing to a decline in employee cost (down 160bps YoY) and other expenses (down 280bps YoY) in relative terms. In absolute terms, employee costs and other expenses surged 16% and 19% YoY. Consequently, EBITDA/APAT grew 102/103% YoY.
- Con call KTAs and outlook:** The company noted that Q1 growth was aided by a surge in induction-cooktop adoption resulting from gas-supply shortages, and is therefore unlikely to sustain at the same intensity. However, management expects the underlying demand base to normalize at a structurally higher level than before, supported by rising consumer awareness, deeper category penetration, and expects robust growth, going forward. Factoring in the strong Q1 performance, we increase our revenue estimates by 6/1/2% for FY27/28/29E. We maintain REDUCE with a TP of INR 580/sh by valuing the company at 30x Sep-28 EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q3 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	8,139	6,093	33.6	7,292	11.6	27,148	29,736	34,927	36,286	39,697
EBITDA	816	404	102.3	669	21.9	2,577	2,757	3,353	3,810	4,248
APAT	540	266	102.9	391	38.0	1,839	1,884	2,222	2,507	2,797
EPS (INR)	3.9	1.9	102.9	2.9	38.0	13.4	13.8	16.2	18.3	20.4
P/E (x)						51.3	50.1	42.5	37.6	33.7
EV / EBITDA (x)						33.6	31.3	27.4	23.8	21.3
RoE (%)						9.3	9.8	10.9	11.6	12.2

Source: Company, HSIE Research

REDUCE

CMP (as on 28 Jul 2026)	INR 702
Target Price	INR 580
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 575	INR 580
EPS %	FY27E 6.1	FY28E 0.5

KEY STOCK DATA

Bloomberg code	TTKPT IN
No. of Shares (mn)	137
MCap (INR bn) / (\$ mn)	96/1,003
6m avg traded value (INR mn)	202
52 Week high / low	INR 773/423

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	36.6	17.7	10.3
Relative (%)	36.8	24.5	15.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	70.52	70.52
FIs & Local MFs	14.48	14.70
FPIs	7.84	7.85
Public & Others	7.16	6.93
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Bata India

Continues to be a laggard

Bata India's revenue grew by 3.9% YoY to INR 9.8bn in Q1 (HSIE: INR 10.2bn), underpinned by 2.5% YoY volume growth. E-com delivered 13% YoY growth in Q1. Zero Base Merchandising (ZBM) was scaled to 775 stores and now covers ~80% of COCO retail contribution. Management indicated ~5-6% raw material cost inflation, which has been offset by commensurate price increases to protect margins. GM expanded by 127bps YoY to 54.8% (HSIE: 53.3%), supported by higher full-price sales and lower inventory markdowns, though the benefit was partly diluted by an adverse channel mix shift towards franchise/e-commerce (~100bps impact). Adj. EBITDAM improved 25bps YoY to 21.4% (HSIE: 21%) as GM gains were partly offset by a 25% YoY increase in marketing spend. Q1FY27 PAT was impacted by one-off items – (1) non-cash forex loss on license fees of INR27mn due to continued currency devaluation and (2) one-time ERP implementation cost of INR 24mn. Adj. EBITDA/APAT grew by 5.2/21.7% YoY to INR 2.09bn/691mn (HSIE: INR 2.14bn/713mn). We have toned down our FY27/28 EPS estimates by ~2/1% respectively and maintain REDUCE with a DCF-based TP of INR720/sh, implying ~25x Jun-28 P/E.

■ **Q1FY27 highlights:** Bata's revenue grew by 3.9% YoY to INR 9.79bn in Q1 (HSIE: INR10.17bn), driven by a balanced mix of premiumisation and volume growth, with volumes up 2.5% YoY. Growth was broad-based across channels, while E-com delivered 13% YoY growth, with digital sales contributing ~10/41/49% from Bata.in/B2C/B2B respectively in Q1. The company rolled out ZBM across 775 stores, covering ~80% of COCO retail contribution. The company added 28 franchise stores (net) in Q1 (franchise/total store count: 750/2,000+). GM expanded by 127bps YoY to 54.8% (HSIE: 53.3%), supported by higher full-price sales and lower inventory markdowns, though the benefit was partly diluted by an adverse channel mix shift towards franchise/e-commerce (~100bps impact). Adj. EBITDAM improved 25bps YoY to 21.4% (HSIE: 21%) as GM gains were partly offset by a 25% YoY increase in marketing spends. Adj. EBITDA/APAT grew by 5.2/21.7% YoY to INR 2.09bn/691mn (HSIE: INR 2.14bn/713mn). Inventory declined by 10% YoY, while stock turns improved to 2.54x in Q1FY27 from 2.11x in Q1FY26.

■ **Outlook:** Bata continues to lag its footwear peers, constrained by persistent softness in its core portfolio. We have toned down our FY27/28 EPS estimates by ~2/1% respectively and maintain REDUCE with a DCF-based TP of INR720/sh, implying ~25x Jun-28 P/E.

Quarterly financial summary

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	9,789	9,419	3.9	8,276	18.3	34,888	35,155	37,859	41,359	45,123
EBITDA	2,091	1,988	5.2	1,731	20.8	3,821	3,647	4,169	4,981	5,762
APAT	691	568	21.7	527	31.2	2,075	2,056	2,518	3,455	4,236
EPS (Rs)	5.4	4.4	21.7	4.1	31.2	16.1	16.0	19.6	26.9	33.0
P/E (x)						45.2	45.6	37.2	27.1	22.1
EV/EBITDA (x)						22.9	24.2	20.5	16.4	13.4
Core RoCE(%)						15.3	12.9	14.3	17.9	21.2

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	37,859	38,132	(0.7)	41,359	41,614	(0.6)	45,123	45,345	(0.5)
Gross Profit	20,927	21,051	(0.6)	22,731	22,870	(0.6)	24,574	24,694	(0.5)
Gross Profit Margin(%)	55.3	55.2	7 bps	55.0	55.0	0 bps	54.5	54.5	0 bps
EBITDA	4,169	4,235	(1.5)	4,981	5,029	(1.0)	5,762	5,800	(0.7)
EBITDA margin (%)	11.0	11.1	(9 bps)	12.0	12.1	(4 bps)	12.8	12.8	(2 bps)
APAT	2,518	2,568	(1.9)	3,455	3,482	(0.8)	4,236	4,257	(0.5)
APAT margin (%)	6.7	6.7	(8 bps)	8.4	8.4	(1 bps)	9.4	9.4	(0 bps)
Post IND-AS 116 EPS	19.6	20.0	(1.9)	26.9	27.1	(0.8)	33.0	33.1	(0.5)

Source: Company, HSIE Research

REDUCE

CMP (as on 13 Aug 2026)	INR 729
Target Price	INR 720
NIFTY	24,396

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 720	INR 720
	FY27E	FY28E
EPS %	-1.9	-0.8

KEY STOCK DATA

Bloomberg code	BATA IN
No. of Shares (mn)	129
MCap (INR bn) / (\$ mn)	94/980
6m avg traded value (INR mn)	299
52 Week high / low	INR 1,283/605

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.8	(14.6)	(33.7)
Relative (%)	(0.9)	(9.1)	(30.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.16	50.16
FIs & Local MFs	28.39	27.23
FPIs	6.43	6.38
Public & Others	15.02	16.23
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Eureka Forbes

Healthy growth; cost inflation hovering on margins

Eureka's Q1 revenue grew 15% YoY to INR 7bn driven by the double-digit volume growth and price hikes in water purifiers and strong growth in emerging categories. Product business revenue grew in late teens during the quarter. Water purifiers grew in the high teens in Q1, supported by double-digit volume growth. Service revenue growth matched last quarter's pace and is likely to track similarly in Q2. EBITDA margin (ex. ESOP) declined 20bps YoY to 10.9% (-240bps QoQ), while overall EBITDAM declined 20bps YoY at 9.9% (-260bps QoQ). Consequentially, EBITDA grew 13% YoY, while APAT grew by 10% YoY. For FY27, the company's focus is on driving higher revenue growth while sustaining EBITDA margins. Input costs remain elevated and have not shown meaningful easing. Advertising and sale promotion investments are expected to rise faster than revenue in FY27. We maintain BUY with an unchanged TP of INR 640/sh, valued at 38x Sep-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

- Q1FY27 highlights:** Revenue grew 15% YoY to INR 7bn driven by the double-digit volume growth and price hikes in water purifiers and strong growth in emerging categories. Product business revenue grew in late teens during the quarter. In service, company launched an aggressive multi-media campaign to drive awareness of genuine Aquaguard filters during the quarter, and accelerate their adoption. Employee expenses (ex. ESOP) grew 10% YoY, while other expenses grew 20% YoY owing to higher advertisement spending. EBITDA margin (ex. ESOP) declined 20bps YoY to 10.9% (-240bps QoQ), while overall EBITDAM declined 20bps YoY at 9.9% (-260bps QoQ). Consequentially, EBITDA grew 13% YoY, while APAT grew by 10% YoY.
- Con call KTA and valuation:** For FY27, the company's focus is on driving higher revenue growth while sustaining EBITDA margins. Input costs remain elevated and have not shown meaningful easing. Advertising and sale promotion investments are expected to rise faster than revenue in FY27. Water purifiers grew in the high teens in Q1, supported by double-digit volume growth. Service revenue growth matched last quarter's pace and is likely to track similarly in Q2. AMC-related price revisions softened bookings, and early signs of weakness could affect performance later in the year, partly cushioned by growth in filter sales. Robotic vacuum cleaners performed strongly, and water softeners recorded robust double-digit growth in Q1. We broadly maintain our estimates. We maintain BUY with an unchanged TP of INR 640/sh, valued at 38x Sep-28E AEPS (excluding non-cash intangible amortization and 50% of performance-based ESOP expenses).

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	7,004	6,079	15.2	6,837	2.4	24,369	27,091	31,040	35,189	39,596
EBITDA	694	615	12.8	856	-18.9	2,656	3,133	3,592	4,415	5,086
EBITDAM	9.9	10.1		12.5		10.9	11.6	11.6	12.5	12.8
APAT	424	387	9.7	510.3	-16.8	1,602	1,931	2,216	2,801	3,259
EPS (INR)	2.2	2.0	9.7	2.6	-16.8	8.3	10.0	11.5	14.5	16.8
EV/EBITDA (x)						31.3	26.0	22.0	17.1	14.0
P/E (x)						53.6	44.5	38.8	30.7	26.3
RoE (%)						3.7	4.3	4.7	5.7	6.3

Source: Company, HSIE Research

BUY

CMP (as on 13 Aug 2026)	INR 442
Target Price	INR 640
NIFTY	24,396

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 640	INR 640
EPS %	FY27E	FY28E
	-0.5	-

KEY STOCK DATA

Bloomberg code	EUREKAFO IN
No. of Shares (mn)	193
MCap (INR bn) / (\$ mn)	86/898
6m avg traded value (INR mn)	95
52 Week high / low	INR 669/355

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.2)	(14.5)	(20.3)
Relative (%)	(18.8)	(9.0)	(17.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	62.56	62.55
FIs & Local MFs	6.16	6.70
FPIs	13.66	13.24
Public & Others	16.72	16.91
Pledged Shares	33.57	33.57

Source : BSE

Pledged shares as % of total shares

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Lemon Tree

Earnings awaiting managed portfolio expansion

Lemon Tree Hotels (LTH) recorded a subdued Q1FY27 performance, led by weak ARR growth (2% YoY) as company prioritized occupancy improvement (Q1FY27:75.7%, +314 bps YoY). Revenue grew 9% YoY to INR3.4bn and EBITDA margin declined to 43% (-105 bps YoY), due to provision for Stock Appreciation Rights, renovations, tech-related opex, and unfavorable GST. The number of managed rooms grew by 26% YoY to 6,187, with the fee income (INR 454 mn) rising by 21% YoY. With minimal immediate growth in owned portfolio, earnings of LTH are largely dependent on expansion of managed portfolio. Accordingly, revenue, and EBITDA are estimated to grow at 9% and 15% CAGRs (reduced from 17% earlier) respectively over FY26-FY28E. Due to a soft Q1FY27, we cut EBITDA estimates by 7%/4% for FY27E/FY28E respectively and continue with BUY rating for a reduced TP of INR 165 (16x FY28 EV/EBITDA).

- **Q1FY27 highlights (consolidated):** Revenue grew 9% YoY to INR3.4bn, in line with the estimate, whereas EBITDA rose at muted 7% YoY to INR 1.5bn. ARR for the quarter was INR 6,361 (+2% YoY) along with a strong occupancy of 75.7% (+314 bps YoY) resulting in a subdued RevPAR growth of 6% to INR 4,814. Available hotel rooms grew by 12% YoY to 11,946, led by strong growth of 26% in managed rooms to 6,187 while the number of owned rooms remained unchanged. PAT for the quarter grew by 19% YoY to INR 573mn.
- **Brand-wise performance in Q1FY27:** Aurika's occupancy decreased to 71% (-79 bps YoY) while ARR experienced muted growth at INR 9,189 (+1% YoY). This resulted in a flattish growth in RevPAR to INR 6,548 for the flagship brand. Lemon Tree Premier has reached near-peak occupancy, maintaining it at ~84% (+339 bps YoY), and increased ARR by 6% YoY to INR 6,095. Lemon Tree Hotel's ARR grew by 3% YoY to INR 5,938, increasing the occupancy to 78% (+416 bps YoY), resulting in a RevPAR growth of 8% to INR4,619. Red Fox and Keys had an average ARR of INR4,137 (-3% YoY) and INR4,311 (+13% YoY) at occupancy rates of 67% (+416 bps YoY) and 67% (+350 bps YoY) respectively. The Keys portfolio has a lower occupancy due to ongoing renovation.
- **Owned portfolio growth:** LTH has four hotels under development in its owned/leased portfolio comprising 874 rooms. Aurika, Shimla (owned; 90 rooms) is expected to open in FY27E, while Aurika, Shillong (leased; 165 rooms) will open in FY28E. The Aurika, Varanasi (leased; 47 rooms) is targeted to open in FY29E whereas Aurika, New Delhi (leased; 572 rooms) is expected to open in FY30E, as approvals are still pending.
- **Outlook:** LTH is planning a strong expansion by building a portfolio of 23,381 rooms across 279 hotels, up from 11,946 at present (owned and leased: 5,759 rooms across 41 hotels). ~92% of the pipeline (pipeline:11,435 rooms, out of which owned are 663 rooms and managed/franchised ones are 10,561 rooms) is managed in line with an asset-light growth strategy. Also, LTH signed 13 hotels with 1,020 rooms in Q1 FY27 and opened six hotels with 334 rooms.

Financial Summary

(INR mn, Mar YE)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Revenues	3,446	3,158	9%	4,164	-17%	12,861	14445	15172	17274
EBITDA	1,497	1,405	7%	2,152	-30%	6,341	6912	7940	9120
APAT	573	481	19%	915	-37%	1,966	2271	3180	4050
Diluted Consol	0.58	0.48	21%	1.16	-50%	2.5	2.9	4.0	5.1
P/E (x)						43.5	37.6	26.9	21.1
EV/EBITDA						21.2	17.6	13.8	12.0
RoE (%)						17.3%	17.8%	19.6%	20.8%

Source: Company, HSIE Research

BUY

CMP (as on 10 Aug 2026)	INR 108
Target Price	INR 165
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR187	INR165
EBITDA Change %	FY27E -7%	FY28E -4%

KEY STOCK DATA

Bloomberg code	LEMONTRE IN
No. of Shares (mn)	792
MCap (INR bn) / (\$ mn)	85/897
6m avg traded value (INR mn)	581
52 Week high / low	INR 181/100

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.4)	(14.5)	(25.1)
Relative (%)	(12.3)	(8.4)	(22.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	22.3	22.3
FIs & Local MFs	15.7	14.4
FPIs	21.6	19.4
Public & Others	40.4	43.9
Pledged Shares	-	-

Source : BSE

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V-MART Retail

In-line performance

V-Mart delivered a robust topline growth of 23% YoY to INR 10.9bn in Q1 (in-line), with core V-Mart operations up 21.4% YoY to INR 9bn and Unlimited up 33.2% YoY to INR 1.8bn. New Unlimited stores continue to outperform legacy stores in unit economics. Q1 SSSG stood at 9%. Sales density (annualized) was up ~7% YoY. Management highlighted that to combat ~10% RM inflation, they are (1) leveraging vendor efficiencies, (2) innovating yarn mixes, and (3) implementing cautious price hikes (~3-5%). GM contracted 83bps YoY to 34.5% (in-line) due to product mix change and routine provisioning for aged inventory. However, pre-IND-AS EBITDAM expanded by 72bps YoY to 7.6% (HSIE: 7.2%), courtesy reduction in Limeroad losses (down 39% YoY to INR28mn), cost efficiencies, and favorable operating leverage. The company added 14 stores (net) in Q1FY27. Management has guided 90+ store additions (gross) and mid-to-high single digit SSSG in FY27. We have largely maintained our FY28/29 EBITDA estimates and BUY rating, with a DCF-based TP of INR 875/sh, implying ~20x Jun-28E EV/EBITDA.

■ **Q1FY27 highlights:** V-Mart's revenue grew 23% YoY to INR 10.9bn, supported by 9% SSSG in Q1. Core V-Mart grew 21.4% to INR 9bn with 8% SSSG, while Unlimited grew robust 33.2% to INR 1.8bn with 13% SSSG. Annualized sales density for core VMART/Unlimited was up 5.9/18.4% YoY to INR 9.2/8.2k per sq. ft. respectively. Transaction size improved by 2.9% YoY to INR 1,033. GM contracted by 83bps YoY to 34.5% (in-line) due to product mix change and inventory provisioning, but pre-IND-AS EBITDAM expanded by 72bps YoY to 7.6% (HSIE: 7.2%), courtesy reduction in Limeroad losses (down 39% YoY to INR28mn), cost efficiencies, and better operating leverage. The company opened 13/2 and closed 1/0 VMART/Unlimited stores, respectively in Q1. Management has guided 90+ store additions (gross) and mid-to-high single digit SSSG in FY27. Pre-IND AS 116 EBITDA/APAT grew 35.9/40.5% to INR 832/472mn in Q1FY27 (HSIE: INR 779/448mn). Inventory days improved by 8% to 86 days (vs. 93 days in Q1FY26). Capex/FCFF stood at INR389/760mn in Q1FY27.

■ **Outlook:** Improving sales density across both formats (Core Vmart and Unlimited), coupled with strengthening unit economics, is encouraging. We have largely maintained our FY28/29 EBITDA estimates and BUY rating, with a DCF-based TP of INR 875/sh, implying ~20x Jun-28E EV/EBITDA.

Quarterly financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	10,888	8,852	23.0	9,709	12.1	27,856	32,539	37,894	44,796	51,545	59,405
EBITDA	832	613	35.9	325	156.3	95	1,424	2,358	2,738	3,289	4,042
APAT	472	336	40.5	104	355.7	(968)	216	1,252	1,582	2,281	3,237
EPS (Rs)	5.9	4.2	40.2	1.4	318.1	(12.2)	5.8	15.6	19.9	28.7	40.7
P/E (x)						(58.7)	263.0	45.5	36.1	25.0	17.6
EV/EBITDA (x)						607.9	40.6	24.4	20.3	16.1	12.0
Core RoCE(%)						(5.3)	10.9	7.9	9.1	11.7	15.3

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	44,796	44,702	0.2	51,545	51,417	0.2	59,405	59,319	0.1
Gross Profit	15,226	15,194	0.2	17,520	17,476	0.2	20,191	20,162	0.1
Gross Profit Margin(%)	34.0	34.0	0 bps	34.0	34.0	0 bps	34.0	34.0	0 bps
EBITDA	2,738	2,687	1.9	3,289	3,276	0.4	4,042	4,032	0.3
EBITDA margin (%)	6.1	6.0	10 bps	6.4	6.4	1 bps	6.8	6.8	1 bps

Source: Company, HSIE Research, Pre IND AS 116 financials

BUY

CMP (as on 27 Jul 2026)	INR 715
Target Price	INR 875
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 875	INR 875
EBITDA %	FY28E +0.4	FY29E +0.3

KEY STOCK DATA

Bloomberg code	VMART IN
No. of Shares (mn)	80
MCap (INR bn) / (\$ mn)	57/593
6m avg traded value (INR mn)	706
52 Week high / low	INR 888/458

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.1	25.1	(11.1)
Relative (%)	12.7	31.2	(5.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	44.20	44.15
FIs & Local MFs	31.87	30.90
FPIs	16.91	16.47
Public & Others	7.02	8.48
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Symphony

Soft quarter performance

Symphony revenue grew 8% YoY to INR 3.78bn despite a low base of previous year. India revenue grew 15% YoY, while the rest of world formed 39% of revenue mix, declining 1% YoY. EBITDAM expanded 190bps YoY (-260bps QoQ) to 12.2%. EBITDA grew 28% YoY, while APAT declined 7% YoY, mainly owing to lower other income. The company indicated that, following a strong summer season, inventory levels across both the company and dealer network have now normalized. Export performance remained weak due to geopolitical disruptions, lower third-party sales, shipping constraints, and subdued demand from the Middle East. On the international front, strong performance in the US and China subsidiaries supported consolidated growth. Management indicated that cost inflation has led to price increases to help relieve margin pressures, though they also emphasized that entire inflation will not be passed through to customers. Factoring Q1 result and given that the company has not fully passed through the inflationary impact, we trim our APAT estimates by 4/10/7% for FY27/28/29E. Accordingly, we revise our valuation multiple to 28x, from 30x. We maintain BUY but lower our TP to INR 925/sh (28x Sep-28E EPS).

- **Q1FY27 highlights:** Company revenue grew 8% YoY to INR 3.78bn despite a low base of previous year. The two-year revenue CAGR stood at negative 2%, reflecting a weak quarter performance. India revenue grew 15% YoY (two-year CAGR -19%). Rest of world formed 39% of revenue mix, declining 1% YoY. Gross margins increased 170bps YoY to 50% (+360bps QoQ). EBITDAM expanded 190bps YoY (-260bps QoQ) to 12.2%. Employee and advertisement expenses declined 70bps and 200bps in relative terms, while other expenses grew 260bps YoY. In absolute terms, employee cost remained flat YoY, while other expenses surged 26% YoY, and advertisement expenses declined 9% YoY. Consequently, EBITDA grew 28% YoY. APAT declined 7% YoY, mainly owing to lower other income (down 41% YoY).
- **Con call KTAs and outlook:** The company indicated that, following a strong summer season, inventory levels across both the company and dealer network have now normalized from elevated level. On the international front, strong performance in the USA and China subsidiaries supported consolidated growth. Looking ahead, Mexico is expected to recover in FY27 assuming a normal summer, while the USA is likely to maintain momentum, subject to weather conditions. Management indicated that cost inflation has led to price increases to help relieve margin pressures, though they also emphasized that entire inflation will not be passed through to customers. Factoring Q1 result and given that the company has not fully passed through the inflationary impact, we trim our APAT estimates by 4/10/7% for FY27/28/29E. Accordingly, we revise our valuation multiple to 28x from 30x. We maintain our BUY rating but lower our target price to INR 925/sh (28x Sep-28E EPS).

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	3,780	3,500	8.0	3,380	11.8	15,760	11,310	13,586	15,599	16,699
EBITDA	460	360	27.8	500	(8.0)	3,110	1,240	1,932	2,523	2,838
APAT	400	430	(7.0)	350	14.3	2,590	670	1,683	2,139	2,389
EPS (INR)	5.7	6.1	(7.0)	5.0	14.3	37.7	9.8	24.5	31.2	34.8
P/E (x)						17.8	68.9	27.4	21.6	19.3
EV / EBITDA (x)						14.6	37.0	22.8	17.0	14.7
RoE (%)						34.3	10.3	28.5	30.7	29.3

Source: Company, HSIE Research

BUY

CMP (as on 04 Aug 2026)	INR 672
Target Price	INR 925
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,075	INR 925
EPS %	FY27E	FY28E
	-3.8	-9.6

KEY STOCK DATA

Bloomberg code	SYML IN
No. of Shares (mn)	69
MCap (INR bn) / (\$ mn)	46/484
6m avg traded value (INR mn)	108
52 Week high / low	INR 1,080/656

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.5)	(28.9)	(36.2)
Relative (%)	(20.0)	(22.5)	(33.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	73.42	73.42
FIs & Local MFs	8.72	8.47
FPIs	3.28	2.43
Public & Others	14.58	15.68
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Bajaj Electricals

Topline disappoints; margin shows healthy recovery

Bajaj Electricals' Q1FY27 revenue grew only 2% YoY (two-year CAGR -3%). Consumer products segment (75% revenue mix) grew 2% YoY, while lighting segment (25% revenue mix) grew by 5% YoY. Consumer products segment saw strong growth in appliances and Morphy Richards, which offsets muted performance in summer category products. In lighting, healthy growth was witnessed in consumer lighting while professional lighting remained muted. EBITDAM expanded 390/360bps YoY/QoQ to 7.1%. Consequently, EBITDA grew 131% YoY. APAT stood INR 414mn vs INR 83/18mn YoY/QoQ, driven by increased EBITDA and lower depreciation, while partially offset by lower other income. Management expects the industry to grow 6–7%, while targeting ~8% medium-term growth, led by market share gains, although it has refrained from providing a formal guidance. We broadly maintain our estimates. We maintain **REDUCE** with an unchanged TP of INR 320/share, based on 25x Sep-28E EPS.

- **Q1FY27 highlights:** Revenue grew only 2% YoY (2-year CAGR -3%). Consumer products segment (75% revenue mix) grew 2% YoY, while lighting segment (25% revenue mix) grew by 5% YoY. Consumer products segment saw strong growth in appliances and Morphy Richards, which offsets muted performance in summer category products. In lighting, healthy growth witnessed in consumer lighting while professional lighting remained muted. General trade witnessed 2% YoY decline, while the alternative channel grew 11% YoY. Double-digit growth was witnessed in e-com, while exports witnessed high double-digit growth. Gross margins improved 130/290bps YoY/QoQ to 32.3%. Employee cost and other expenses declined 40bps and 230bps YoY in relative terms, while in absolute terms, both declined 2% and 10% YoY. Consequently, EBITDA grew 131% YoY. APAT stood INR 414mn vs INR 83/18mn YoY/QoQ, led by increased EBITDA and lower depreciation, while partially offset by lower other income. The company recognized INR 88mn exceptional gain on sale of immovable property.
- **Con call KTAs and valuation:** Management expects the industry to grow 6–7%, while targeting ~8% medium-term growth, led by market share gains, although it has refrained from providing a formal guidance. Input-cost inflation remains elevated at 6–10% across key categories, and margins are expected to further improve from here, as per management. The company has appointed Mr. Krishnan Sundaram as the 'Chief Growth & New Business Officer' (ex-VP and Business Head at HUL). In fans, BLDC penetration for the company remained below the industry level of 30–35%, but management expected this to improve meaningfully through new launches and continued premiumization. We broadly maintain our estimates. We maintain **REDUCE** with an unchanged TP of INR 320/share, based on 25x Sep-28E EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	10,894	10,646	2.3	12,395	(12.1)	48,284	44,622	49,308	52,517	55,939
EBITDA	771	333	131.3	432	78.7	3,075	1,513	2,679	3,120	3,355
APAT	414	83	397.2	18	2,223.9	1,121	139	1,165	1,434	1,521
EPS (INR)	3.6	0.7	397.2	0.2	2,223.9	9.7	1.2	10.1	12.4	13.2
P/E (x)						39.3	317.3	37.8	30.7	29.0
EV/EBITDA (x)						13.7	25.7	14.0	11.7	10.8
RoE (%)						7.5	0.9	7.8	9.0	8.9

Source: Company, HSIE Research

REDUCE

CMP (as on 06 Aug 2026)	INR 382
Target Price	INR 320
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 320	INR 320
EPS %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	BJE IN
No. of Shares (mn)	115
MCap (INR bn) / (\$ mn)	44/463
6m avg traded value (INR mn)	111
52 Week high / low	INR 654/301

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.5)	(7.3)	(35.8)
Relative (%)	(9.8)	(1.8)	(33.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	62.70	62.70
FIs & Local MFs	16.88	16.82
FPIs	6.50	5.37
Public & Others	13.92	15.11
Pledged Shares	1.60	1.60

Source : BSE

Pledged shares as % of total shares

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Shoppers Stop

Productivity gains drive margin expansion

STOP's topline grew by 8.3% YoY to INR 11.9bn in Q1 (HSIE: INR 11.6bn), driven by 6% SSSG in department stores. Beauty grew 15% YoY in Q1. The company added 2/2/4 Department/Intune/Beauty stores in Q1. GM contracted by 82bps YoY to 40.1% (HSIE: 41%), due to strategic product mix shift toward premium non-apparel brands, which carry lower percentage margins but drive higher absolute EBITDA throughput. Consequently, this higher throughput, combined with cost efficiencies and SSSG-led operating leverage, expanded pre-IndAS EBITDAM by 76bps YoY to 3.1% (HSIE: 2.2%). Pre-IndAS EBITDA losses for new ventures (Intune and SSBeauty) declined to INR 100mn in Q1FY27 (vs. loss of INR150mn in Q1FY26). For FY27, management expects SSSG to sustain at ~6% and intends to add 9-10 department stores, but continues to remain cautious regarding Intune's expansion until they get the store-level unit economics right. We have revised our EBITDA estimates upward for FY28/29 by ~1% each but our REDUCE rating stays, with a DCF-based TP of INR 360/sh, implying ~14x Jun-28 EV/EBITDA.

- **Q1FY27 highlights:** Revenue grew by 8.3% YoY to INR 11.9bn (HSIE: INR 11.6bn), led by 6% SSSG in department stores. Premiumization strategy continues to gain traction, with premium categories contributing 72% of total revenue (up 15% YoY; +13% LFL). ASP/ATV were up 13/10% YoY respectively. Beauty grew 15% YoY to INR3.27bn. Within non-apparel, watches/fragrance/handbags grew 24/17/18% YoY respectively. In Q1, the company opened 2/2/4 Department/Intune/Beauty stores. GM contracted by 82bps YoY to 40.1% (HSIE: 41%) due to strategic product mix shift toward premium non-apparel brands, which carry lower percentage margins but drive higher absolute EBITDA throughput. Consequently, this higher throughput, combined with cost efficiencies and SSSG-led operating leverage, expanded pre-IndAS EBITDAM by 76bps YoY to 3.1% (HSIE: 2.2%), with core business pre-IndAS EBITDAM improving ~40bps YoY to 3.6%. New ventures' (Intune and SSBeauty) pre-IndAS EBITDA losses declined to INR 100mn in Q1FY27 (vs. loss of INR 150mn in Q1FY26). Intune's revenue grew by 21% YoY to INR 820mn (+10% LFL). Management continues to remain cautious regarding Intune's expansion until store-level unit economics stabilize. The company reported adj. loss of INR167mn in Q1FY27 (vs. loss of INR179mn in Q1FY26; HSIE: Adj. loss INR 204mn).
- **Outlook:** STOP's rising focus on non-apparel + value retail is promising, premiumization will continue to lead growth in the near term. Execution remains a key monitorable for Intune. We have revised our EBITDA estimates upward for FY28/29 by ~1% each but our REDUCE rating stays, with a DCF-based TP of INR 360/sh, implying ~14x Jun-28 EV/EBITDA.

Quarterly financial summary

(Rs mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	11,854	10,942	8.3	11,173	6.1	44,356	47,077	51,088	56,193	62,530
EBITDA	1,804	1,662	8.5	1,780	1.3	2,535	1,542	2,098	2,752	3,221
APAT	(167)	(179)	(6.6)	(170)	(1.6)	67	(462)	(105)	376	902
EPS (Rs)	(1.5)	(1.6)	(6.7)	(1.7)	(8.6)	0.6	(4.2)	(1.0)	3.4	8.2
P/E (x)						625.4	(153.6)	(400.4)	112.3	46.8
EV/EBITDA (x)						17.4	27.5	20.3	14.8	11.7
Core RoCE(%)						54.4	0.8	15.1	17.6	19.7

Source: Company, HSIE Research, Standalone Financials

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	51,088	50,800	0.6	56,193	55,928	0.5	62,530	62,363	0.3
Gross Profit	20,393	20,532	(0.7)	22,656	22,773	(0.5)	25,336	25,455	(0.5)
Gross Profit Margin(%)	39.9	40.4	-50 bps	40.3	40.7	-40 bps	40.5	40.8	-30 bps
EBITDA	2,098	2,068	1.5	2,752	2,728	0.9	3,221	3,195	0.8
EBITDA margin (%)	4.1	4.1	4 bps	4.9	4.9	2 bps	5.2	5.1	3 bps

Source: Company, HSIE Research

REDUCE

CMP (as on 28 Jul 2026)	INR 384
Target Price	INR 360
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	Rs 350	Rs 360
EBITDA %	FY28E +0.9	FY29E +0.8

KEY STOCK DATA

Bloomberg code	SHOP IN
No. of Shares (mn)	110
MCap (INR bn) / (\$ mn)	42/441
6m avg traded value (INR mn)	60
52 Week high / low	INR 569/267

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	31.4	11.5	(25.6)
Relative (%)	31.5	18.2	(20.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	66.06	66.06
FIs & Local MFs	25.44	25.70
FPIs	2.05	1.91
Public & Others	6.45	6.33
Pledged Shares	6.43	6.43

Source : BSE

-Pledged shares as % of total shares

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Orient Electric

Strong performance on all fronts

Orient Electric's revenue grew strong 23% YoY to INR 9.5bn, driven by strong performance across segments, supported by low base of last year. EBITDAM expanded 100bps YoY at 8.2% (-110bps QoQ), supported by lower other expenses and employee cost. Consequently, EBITDA/APAT grew 45/102% YoY. Fans performance outperformed the industry, with double-digit growth and market share gains. Exports also reported high double-digit growth. Consumer Lighting delivered double-digit growth, driven by new product launches and distribution expansion. The company aims to scale its revenue to INR 50bn over the coming years, targeting double-digit topline growth. Management reiterated that the ideal gross margin range for the business remains 32–34% (Q1FY27: 29.8%). Management remains confident of achieving double-digit EBITDA margins once gross margins normalize. The company highlighted that persistent commodity inflation, continued to exert pressure on input costs. However, to offset input cost pressures, it has taken calibrated price hikes across categories. Considering strong Q1, we increase our revenue estimates by 3% each for FY27-29E and APAT estimates by 3% for FY27E. However, considering cost inflationary environment, we broadly maintain our APAT estimates for FY28-29E. We maintain our BUY rating and target price of INR 225/sh, valuing the stock at 28x Sep-28E EPS.

- **Q1FY27 performance:** Revenue grew strong 23% YoY to INR 9.5bn, driven by 23% YoY growth in ECD segment (70% revenue mix) and 25% YoY growth in lighting segment (30% revenue mix), supported by low base of last year. ECD 2-year revenue CAGR at 11%, while lighting 2-year CAGR at 16%. Gross margins contracted by 280bps YoY to 29.8% (down 120bps QoQ). ECD's EBIT margin expanded 190 YoY to 8.7% (-270bps QoQ), while lighting & switchgear's EBIT margin declined 240bps YoY (+90bps QoQ) to 15%. EBITDAM expanded 100bps YoY at 8.2% (-110bps QoQ), supported by relatively lower other expenses (down 280bps YoY) and employee costs (down 100bps YoY). In absolute terms, employee costs surged 11% YoY, while other expenses were up 3% YoY. Thus, EBITDA/APAT grew 45/102% YoY.
- **Segmental highlights:** Fans outperformed the industry, with double-digit growth, leading to market share gain. BLDC fans grew ~36% YoY. Appliances also witnessed growth, led by water heaters. Consumer Lighting delivered double-digit growth. E-com market delivered double-digit growth.
- **Earnings call takeaways and outlook:** The company aims to scale its revenue to INR 50bn over the coming years, targeting double-digit topline growth. Management reiterated that the ideal gross margin range for the business remains 32–34% (Q1FY27: 29.8%), and remains confident of achieving double-digit EBITDA margins once gross margins normalize. Management further indicated that, with the festive season approaching, improving consumer sentiment and the normalization of channel inventory, the company expects demand to pick up. We maintain our BUY rating and target price of INR 225/sh, valuing the stock at 28x Sep-28E EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	9,498	7,691	23.5	9,483	0.2	30,937	33,264	38,253	42,316	46,548
EBITDA	666	461	44.5	774	(13.9)	2,037	2,291	2,679	3,171	3,522
APAT	355	175	102.3	418	(15.2)	832	1,060	1,325	1,649	1,818
EPS (INR)	1.7	0.8	102.3	2.0	(15.2)	3.9	5.0	6.2	7.7	8.5
P/E (x)						44.4	34.8	27.9	22.4	20.3
EV / EBITDA (x)						17.9	15.8	12.9	10.7	9.5
RoE (%)						12.5	14.6	16.4	18.2	18.0

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 171
Target Price	INR 225
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 225	INR 225
EPS Change %	FY27E 3.1	FY28E 0.5

KEY STOCK DATA

Bloomberg code	ORIENTEL IN
No. of Shares (mn)	213
MCap (INR bn) / (\$ mn)	36/380
6m avg traded value (INR mn)	104
52 Week high / low	INR 225/149

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.4)	(3.1)	(21.7)
Relative (%)	(9.3)	3.7	(16.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	38.30	38.30
FIs & Local MFs	32.52	32.49
FPIs	3.42	3.28
Public & Others	25.76	25.93
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Consumer Staples

Hindustan Unilever

Valuations seek structural recovery

We maintain REDUCE with Jun-27 target price of INR2,100, based on 40x P/E, at ~20% discount to its 5Y avg. fwd. P/E. With expectations of a stable management team, we expect HUL to realign its strategy more closely with shaping consumer trends for relevance and growth. At the same time, the company will have to focus on developing newer moats, which in our view would be crucial to support valuations. Refer to our sector report: [Building Newer Moat Crucial for Valuations](#). Q1FY27 results stood largely in line, with 10% revenue growth (2Y CAGR at 5%) and ~22.8% margin. We continue to see 7% revenue and 8% earnings CAGR ahead. The stock valuation at ~41x forward P/E is now trading at a discount of ~21% to its 5/10 years average forward P/E (at ~51x), reflecting weakening moat and muted earnings.

- **Q1FY27 – 10% revenue growth with balanced part from volume and price:** HUL delivered an in-line Q1 performance, with 10% revenue growth and 5% underlying volume growth. Homecare, which contributes 38% of revenue, reported 14% growth, driven by high single-digit volume expansion. Beauty and Wellbeing (24% of revenue) grew 12% YoY, with high single-digit volume growth. Personal wash (15% of revenue) rose 4%, although volume declined in the low single-digit range. Foods and Refreshments (20% of revenue) grew 7%, with mid-single-digit volume growth. EBITDA increased by 8% YoY, with margin contracting 30bps YoY to 22.8%. At the segment level, Homecare remained a drag, with EBIT margin declining 220bps to 17.3%. Personal care margin improved 100bps to 19.7%, supported by pricing actions to offset palm oil inflation. Foods and Refreshments margin expanded 120bps to ~20%, aided by strong performance in lifestyle nutrition. Management noted that the commodity environment remains volatile, with inflationary pressures likely to persist in the near term.
- **FY27 to see optical improvement of performance, on a low base:** We expect HUL's performance to be better in FY27 (aligned with management guidance) on a lower base, and it needs to be measured through long-term CAGR. Based on its quarterly performance (Q1), it has been growing at ~4% revenue and 3% earnings 4-year CAGR, which on an annual basis, translates to ~6% revenue and ~3% earnings CAGR (FY22–26). Management has cautioned on the economic scenario, while dismissing any inflation-driven demand apprehensions, and has noted stability in the demand setting. Management focus ahead would be on a) allocation of resources to a few key bets (Power Move), b) market development, and c) in-market execution. We expect valuation to remain subdued until a structural recovery in volume becomes evident, before any rerating can occur.
- **Structural improvement in earnings key; maintain REDUCE:** HUL's one year forward P/E is now at 41x (lowest in last decade), trading below -2 S.D., reflecting a shrinking moat and a weaker earning show. With wider portfolio, HUL's execution reflects only in parts of the portfolio, which has a bearing on the overall performance.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	173,410	157,570	10.1	163,510	6.1	644,680	695,588	746,659	800,708
EBITDA	39,470	36,400	8.4	38,410	2.8	151,670	161,353	176,053	190,680
EBITDA Margin (%)	23	23	(34bps)	23	(73bps)	24	23	24	24
APAT	27,240	24,850	9.6	27,050	0.7	103,240	110,850	121,052	131,130
Adj. EPS (INR/Share)	50.9	50.3	1.4	50.2	1.5	43.9	47.2	51.5	55.8
P/E (x)						46	43	39	36

Source: Company, HSIE Research

REDUCE

CMP (as on 28 Jul 2026)	INR 2,023
Target Price	INR 2,100
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 2,100	INR 2,100
EPS %	FY27E +0%	FY28E +0%

KEY STOCK DATA

Bloomberg code	HUVR IN
No. of Shares (mn)	2,350
MCap (INR bn) / (\$ mn)	4,753/49,577
6m avg traded value (INR mn)	4,493
52 Week high / low	INR 2,737/2,016

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(11.7)	(15.0)	(15.9)
Relative (%)	(11.5)	(8.2)	(10.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	61.9	61.9
FIs & Local MFs	16.4	16.9
FPIs	10.1	9.5
Public & Others	11.6	11.7
Pledged Shares	0.00	0.00

Source : NSE

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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 (10.4%)	FY28E (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

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Britannia Industries

With a revamped team, focus is on execution

We maintain BUY, with a revised Jun-27 TP of INR 6,600 (vs INR 6,200 earlier), as we upgrade earnings to reflect improving topline momentum and valuation multiple from 47x to 49x (now in line with its last 5-year average forward P/E). Britannia appears to have moved past its rough patch, with the new leadership revamping the execution team and sharpening its focus on reigniting growth across multiple fronts. The 9% tonnage growth in Q1 and double-digit revenue growth in June are particularly encouraging. Growth trends across channels and states continue to improve, translating into sequential market share gains. We are also closely tracking the company's Total Food agenda, under which it is building future platforms, including health and wellness. The strategic thrust remains on scaling the core portfolio while simultaneously driving health and wellness and indulgent premium offerings.

- **Q1FY27 marginally ahead; multiple positives emerging:** Britannia's Q1 show came in 2% above our expectations. Consolidated net sales grew 9.5%, supported by a solid 9% domestic tonnage increase. Growth momentum improved through the quarter, with June delivering double-digit revenue growth as dual-pricing issues eased, exiting the quarter with mid-teen growth. Management expects demand conditions to remain stable. With a low base in Q2, we anticipate double-digit revenue and volume growth in Q2FY27. The company has taken 3.5% price hikes, of which 1% flowed through in Q1, with the balance to be phased in gradually. Key positives during the quarter include: a) Domestic GT growing at 1.5x FY26 levels, while other channels expanded at 2.5x GT; b) Key states (six states contributing >50% of domestic revenue) delivering 1.8x FY26 growth, while other states rebounded at 1.3x of key-state growth, recovering from Q4 softness; c) Strong innovation traction in croissants, driving 30%+ growth; d) Robust double-digit growth in cakes, rusk, wafers and dairy. With a sharper focus, Britannia is also scaling its presence on the Q-commerce platform, which continues to grow at a strong double-digit rate.
- **Holding margins amid growth acceleration to support valuations:** We see meaningful opportunity for Britannia to reshape its portfolio as formalization accelerates across several food categories. Achieving diversification while holding stable margins will be the key ahead. In Q1, gross margin expanded 120bps to 41.5%, while higher operating expenses resulted in a more modest 40bps YoY OPM expansion to 16.8%. Management has flagged potential inflationary pressure ahead, which it aims to manage proactively. The next two quarters carry a high-margin base, where we expect around 50bps margin moderation, despite which we see low double-digit earnings growth.
- **Valuation rerating is likely on performance perfection:** With improvement in execution, we expect better results ahead, which will help stock rerate. As we gain confidence in execution, we have lifted our target valuation from 47x to 49x now. The key risk is sharp inflation and rural slowdown.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	50,000	46,222	8.2	47,189	6.0	191,059	208,983	230,216	251,446
EBITDA	8,401	7,571	11.0	8,529	(1.5)	35,473	38,301	44,037	50,255
EBITDA Margin (%)	17	16	43bps	18	(128bps)	19	18	19	20
APAT	5,914	5,195	13.8	5,830	1.4	24,409	27,251	31,355	35,811
Adj. EPS (INR/Share)	24.5	21.6	13.8	24.2	1.4	101.3	113.1	130.2	148.7
P/E (x)						54	49	42	37

Source: Company, HSIE Research

BUY

CMP (as on 07 Aug 2026) INR 5,510

Target Price INR 6,600

NIFTY 24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 6,200	INR 6,600
EPS %	FY27E	FY28E
	+1%	+2%

KEY STOCK DATA

Bloomberg code	BRIT IN
No. of Shares (mn)	241
MCap (INR bn) / (\$ mn)	1,327/13,942
6m avg traded value (INR mn)	2,198
52 Week high / low	INR 6,337/5,035

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.2)	(6.8)	0.6
Relative (%)	(6.1)	(0.7)	3.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.6	50.6
FIs & Local MFs	18.9	20.9
FPIs	15.6	13.4
Public & Others	14.9	15.1

Pledged Shares

Source : NSE

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Marico

Front loaded growth supports FY27 aspirations

We maintain ADD with a revised Jun-27 target price of INR950 (vs INR925 earlier; as we upgrade earnings to factor lower tax guidance), based on 47x P/E, in line with the 5Y avg. fwd. P/E. We see the company is executing well to protect its growth trajectory, where it is aptly balancing growth and margins. Q1 results stood in line with expectations, where Indian revenue grew 21% with 11% volume growth. International business had strong 15% constant currency growth. EBITDA margin was at 20.6% for Q1, while gross margin surprised positively. The company maintains its overall guidance and is on the path to achieve Rs150bn+ revenue target for FY27 and 20%+ EBITDA growth. Going ahead we expect growth to moderate, but remain in double digits for both India and international business. Key downside risks include a sharp increase in copra prices (in off-season), which could pressure margins.

- **Q1 performance broadly in line with business update and expectations:** Marico reported a robust 23% YoY growth in consolidated revenue, led by 21% growth in India and 29% growth in the international business (15% growth in constant currency). India volumes grew 11%, led by 10% volume growth in Parachute and an estimated 16% volume growth in VAHO, while the edible oils portfolio declined in high single digits. The foods portfolio delivered a strong 43% revenue growth, supported by inorganic additions, while the core Saffola Foods business continued to register double-digit growth. Gross margin expanded 30bps YoY to 46.6%, while EBITDA margin improved 35bps to 20.7%. Management attributed the strong growth momentum partly to accelerated brand investments, with advertising and promotion (A&P) expenditure increasing 25% YoY.
- **Guidance maintained; execution remains the key focus:** Management broadly reiterated its business guidance, targeting revenue of over Rs150bn in FY27 and 20%+ EBITDA growth. We forecast FY27 revenue of Rs155bn and 24% EBITDA growth. The company revised its effective tax rate guidance to 18% for FY27E and 19–20% for FY28E, reflecting a more favourable country-profit mix and the gradual unwinding of tax benefits. Incorporating the lower tax assumptions increases our FY28E and FY29E earnings estimates by 3% each. Execution remains centred on a strategy of making fewer, bigger and bolder bets, with Muesli, Shampoo, Almond Oil and Cold-Pressed Oil identified as key growth platforms alongside the core portfolio. Within the new-age businesses, management's priority is compounding with improving economics. We now forecast an 11% revenue CAGR and 17% earnings CAGR over FY26–29E.
- **Valuation factors execution - protecting growth would be key for rerating; maintain ADD:** We believe continued margin improvement, supported by disciplined execution and a favourable product mix, will be critical in driving the next leg of earnings growth and profitability. While current valuations largely reflect the company's execution strengths, sustained growth and consistent margin expansion will be essential for any further rerating.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	39,570	32,210	22.9	33,010	19.9	136,110	155,102	169,349	183,957
EBITDA	8,190	6,550	25.0	5,210	57.2	23,280	28,839	32,790	36,894
EBITDA Margin (%)	21	20	37bps	16	492bps	17	19	19	20
APAT	6,300	5,040	25.0	3,910	61.1	17,620	22,592	25,705	28,141
Adj. EPS (INR/Share)	4.9	3.9	24.9	3.0	61.1	13.6	17.4	19.8	21.6
P/E (x)						65	50	44	40

Source: Company, HSIE Research

ADD

CMP (as on 04 Aug 2026)	INR 875
Target Price	INR 950
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 925	INR 950
EPS %	FY27E	FY28E
	0%	+3%

KEY STOCK DATA

Bloomberg code	MRCO IN
No. of Shares (mn)	1,298
MCap (INR bn) / (\$ mn)	1,136/11,910
6m avg traded value (INR mn)	1,648
52 Week high / low	INR 890/690

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.5	19.3	21.0
Relative (%)	10.0	25.7	24.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	58.9	58.9
FIs & Local MFs	12.3	12.9
FPIs	24.1	23.4
Public & Others	4.7	4.8
Pledged Shares	-	-

Source : NSE

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Godrej Consumer Products

Stability in raw material key to growth targets

We maintain BUY with Jun-27 target price of INR1,250, based on 44x P/E, in line with the 5Y avg. fwd. P/E. Godrej Consumer's (GCPL) thrust on execution is reflecting in healthy revenue momentum, which is capable of absorbing category disruptions well. However, high RM dependence on imports has a bearing on its margin performance. We expect the company to navigate setting with proactive actions and expect it to enhance its outlook. The company's key objective has been enhancing volume growth to double digits (9% achieved in Q1), turning around GAUM (achieved), and decisively turning around in HI in India (remain a seasonal tussle). Q1 result stood in line with estimate, with 19% topline, 15% EBITDA, and 10% earnings growth (lower non-operating income).

- **Q1FY27 topline remained healthy:** GCPL delivered an in-line Q1 performance, with consolidated revenue growth of 19% (14% in constant currency – CC; in line with FY27 guidance), supported by 9% underlying volume growth (UVG). India revenue rose 12%, with 7% UVG. July saw a double-digit decline in Household Insecticides (HI), while the *Aer* faced fill disruptions in its aerosol range due to LPG supply issues, together impacting volumes by ~100bps. After reallocating the exports business into home care and personal care, revenue growth across both segments was broad-based at 11–12%. The company's "speedboats" — *Aer*, *Fab*, and incense sticks — continued to outpace the portfolio, now contributing 17% of domestic revenue, up 300 bps YoY, and tracking toward 20% salience by FY27. As part of its new-category foray, GCPL announced its entry into the INR25–35bn liquid dishwash market with its new brand, *Godrej Rizz'*. GAUM delivered a strong quarter with CC growth of 25% and 12% UVG. Hair extensions and FMCG now contribute equally, with FMCG forming 75% of incremental growth. Indonesia's performance improved, posting 11% CC growth, led by 10% UVG, supported by strong traction in shampoo, hair color, and HI.
- **Navigating inflationary headwinds remains key:** Consolidated gross margin contracted 260bps YoY to 48.1% in Q1, driven largely by a 350bps decline in the standalone business. A significant portion of this pressure was offset through reductions in staff costs (-110 bps), A&P spending (-40 bps), and other operating expenses (-65 bps), allowing the company to deliver a 19% operating margin, with a 50 bps YoY decline. In India, margin pressure stemmed from a sharp rise in three key raw materials — LABSA, LPG, and kerosene. While prices have eased from their peak, they remain elevated and will weigh on Q2 margins. To mitigate this, the company has taken a 5% price increase and is considering another round. Management has reiterated its 22–26% margin band. In international, margins declined 80bps YoY to 14.5%.
- **Better execution needs macro support for healthier performance; BUY:** Management has broadly reiterated its FY27 guidance while flagging sustained RM headwinds. We believe recovery in core categories will remain dependent on supportive macro and seasonal conditions. That said, execution remains strong, as evidenced by the rapid scale-up of recent initiatives.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	42,255	35,710	18.3	39,004	8.3	151,779	175,962	192,287	209,591
EBITDA	8,014	6,944	15.4	8,414	(4.8)	31,562	35,673	41,711	47,420
EBITDA Margin (%)	19	19	(49bps)	22	(261bps)	21	20	22	23
APAT	5,201	4,720	10.2	5,380	(3.3)	20,710	23,642	28,182	32,414
Adj. EPS (INR/Share)	5.1	4.6	10.1	5.3	(3.3)	20.2	23.1	27.5	31.7
P/E (x)						52	45	38	33

Source: Company, HSIE Research

BUY

CMP (as on 07 Aug 2026) INR 1,050

Target Price INR 1,250

NIFTY 24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,250	INR 1,250
EPS %	FY27E (4.6%)	FY28E +0.8%

KEY STOCK DATA

Bloomberg code	GCPL IN
No. of Shares (mn)	1,023
MCap (INR bn) / (\$ mn)	1,074/11,287
6m avg traded value (INR mn)	1,529
52 Week high / low	INR 1,309/967

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.3	(11.2)	(13.9)
Relative (%)	0.5	(5.1)	(11.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.1	53.1
FIs & Local MFs	18.0	19.6
FPIs	13.9	12.3
Public & Others	15.0	15.0

Pledged Shares

Source : NSE

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Dabur India

Sustaining growth momentum the key ahead

We maintain ADD with a Jun-27 TP of INR 465, valuing the stock at 35x P/E, a ~20% discount to its 5-Y avg. fwd. multiple due to weak execution. With Harjit S Bhalla taking over as India CEO in Apr'26, we expect renewed execution focus after a soft four-year revenue CAGR of 4%. Strengthening category relevance and sustained market share gains should support an improved growth trajectory. Q1FY27 results were broadly in line with the business update and our estimates. Consolidated revenue rose 10.6% YoY (1% miss; 2-year CAGR: 6%), driven by 9.5% growth in India (including 5% volume growth) and 15.5% growth in international markets (7.2% constant currency growth). Operating margin remained stable YoY at ~20%, while earnings grew ~15%, aided by higher other income (2-year earnings CAGR: ~9%).

- **Low base, pricing, and currency drove ~11% consolidated revenue growth:** Dabur reported 10.6% consolidated revenue growth, supported by 15.5% growth in the international business (7.2% in constant currency) and 9.5% India revenue growth (6% 2-year CAGR), with 5% volume growth (4% 2-year CAGR). Net products contributed 2.6% to Q1 growth. Within India, Home & Personal Care delivered a strong 12% growth (9% 2-year CAGR), led by 18% growth in hair oils and 23% in shampoos. Oral care grew 9%, compared with 12% for Colgate and mid-single-digit growth for HUL. Healthcare grew 5.5% (flat 2-year CAGR), with low single-digit growth in health supplements. In Foods & Beverages, organic growth stood at 7%, with mid-single-digit growth in beverages, while the inorganic Badshah business grew 13%. In general trade, rural growth was 6.2%, outpacing urban growth at 4.6%. Across international markets, growth was strong in Bangladesh (34%), Egypt and Sub-Saharan Africa (28% each), Turkey (27%), while MENA saw 8.6% growth. Going ahead, management is hoping for sequential acceleration of growth and aims for double-digit growth in FY27. With the quantum of price hikes, management expects volume growth to be under pressure, and we build 4% volume growth for FY27 (vs 2.5% growth in FY26).
- **Higher other income aided faster earnings:** Dabur reported a 30bps YoY improvement in gross margin to 47.3%, while EBITDA margin stood at 19.7%, reflecting a modest 10bps expansion. Supported by enhanced liquidity, non-operating income rose 20%, which in turn boosted adj. PAT growth to 14.7% YoY in Q1. Management continues to target profit growth ahead of revenue growth, although inflation remains a key variable to monitor ahead.
- **Sustaining earnings delivery key for valuations, maintain ADD:** We expect execution ramp-up from the company, where we believe its enhanced liquidity position will be an added advantage. We continue to maintain 8% revenue and earnings CAGR over FY26-29E. The stock is trading at a forward P/E of ~35x (20% discount to last 5/10 years avg.), now below its -2 S.D. level, reflecting the prevailing execution concerns.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	37,644	34,046	10.6	30,380	23.9	131,926	144,289	153,987	164,047
EBITDA	7,414	6,678	11.0	4,618	60.5	24,518	27,666	29,799	32,130
EBITDA Margin (%)	20	20	8bps	15	450bps	19	19	19	20
APAT	6,019	5,249	14.7	3,796	58.6	19,541	21,493	23,073	24,703
Adj. EPS (INR/Share)	3.4	3.0	14.7	2.1	58.6	11.0	12.1	13.0	13.9
P/E (x)						39	36	33	31

Source: Company, HSIE Research

ADD

CMP (as on 29 Jul 2026)	INR 434
Target Price	INR 465
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 465	INR 465
EPS %	FY27E	FY28E
	+0%	+0%

KEY STOCK DATA

Bloomberg code	DABUR IN
No. of Shares (mn)	1,774
MCap (INR bn) / (\$ mn)	769/8,044
6m avg traded value (INR mn)	983
52 Week high / low	INR 577/401

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.9)	(15.0)	(16.3)
Relative (%)	(5.1)	(9.1)	(11.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	66.3	66.2
FIs & Local MFs	18.6	18.7
FPIs	10.0	9.7
Public & Others	5.1	5.4
Pledged Shares	-	0.00

Source : NSE

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Colgate-Palmolive (India)

Valuation seeks stability in growth recovery

We maintain REDUCE with a Jun-27 target price of INR2,000, based on a 35x P/E, representing a ~20% discount to the company's last five-year average forward P/E. Our negative stance is led primarily by Colgate's concentrated execution in oral care, a category characterized by high competitive intensity and limited underlying growth. We continue to expect progress on business diversification, which may weigh on near-term margins but should enhance the company's long-term growth profile. Q1 results were broadly in line with expectations, with ~12% revenue growth (~4% 2-Y CAGR), supported by the anticipated ~7.5% volume growth. EBITDA margin contracted by ~150bps to 30.4%, resulting in EBITDA and earnings growth of ~7% (2-Y CAGR ~2%) and ~8% (2-Y CAGR ~2%), respectively.

- **Q1 had optical improvement in topline performance:** Colgate India reported a 12% YoY revenue growth to INR16bn, 2-year CAGR stood at ~4%. The company noted that growth is driven by high single-digit volume growth (our estimate is 7.5% volume growth). Overall topline performance was driven by faster growth in the premium portfolio, where we saw aggressive stance on *Colgate Total* and *Colgate Visible White* across markets. Aggressive stance has been well supported by healthy expansion in advertisement spends. With lower volume base for Q3, when volume declined in HSD, we expect actions in place to drive healthy double-digit volume growth. But as the base catches up from Q3, we expect growth to moderate.
- **Margins remained healthy at above 30% despite elevated A&P investments.** The company improved its gross margin by ~105bps YoY to ~70%, remaining largely flat QoQ. We do not see any material concerns around gross margin sustainability, with steady mix improvement. EBITDA margin, however, contracted by ~150bps YoY to 30.4%. Key drivers of this pressure were the Inverted Duty Structure-related charge arising from GST changes and higher A&P spends, which increased 33% YoY to INR2.5bn (~15.7% of revenue, up ~260bps YoY vs the 13.5–13.7% range over FY24–26). EBITDA and adj. PAT grew ~7% and ~8% YoY, respectively, in Q1FY27. Adjusting for the Inverted Duty Structure-related GST charge, underlying earnings growth stands at ~11%. The company is likely to report a strong Q2FY27, with estimated 16% revenue (on 5% 2Y CAGR) and 21% earnings growth (7% 2Y CAGR). We continue to expect ~7% revenue and earnings CAGR over FY26-29E. Our EPS estimate is in line with consensus for FY27 but ~4-6% below for FY28/FY29.
- **Growth outlook continues to weigh on valuation; maintain REDUCE:** While H1FY27 is likely to be an optically strong period for Colgate due to a low base, we see growth concerns emerging beyond H1 and expect moderation ahead. The stock is trading at a forward P/E of ~39x, now closer to its -1 S.D. level, reflecting ongoing growth concerns. Key risks to our call include sharper-than-expected premiumization that could improve mix and margins, thereby supporting stronger earnings delivery.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	16,033	14,341	11.8	15,954	0.5	60,350	65,699	69,612	73,912
EBITDA	4,830	4,526	6.7	5,096	(5.2)	18,697	20,335	21,494	22,788
EBITDA Margin (%)	30	32 (144bps)		32 (183bps)		31	31	31	31
APAT	3,464	3,206	8.0	3,586	(3.4)	13,206	14,510	15,401	16,318
Adj. EPS (INR/Share)	12.7	11.8	8.0	13.2	(3.4)	48.6	53.3	56.6	60.0
P/E (x)						45	41	38	36

Source: Company, HSIE Research

REDUCE

CMP (as on 29 Jul 2026)	INR 2,166
Target Price	INR 2,000
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 2,000	INR 2,000
EPS %	FY27E +3.9%	FY28E +1.4%

KEY STOCK DATA

Bloomberg code	CLGT IN
No. of Shares (mn)	272
MCap (INR bn) / (\$ mn)	589/6,160
6m avg traded value (INR mn)	915
52 Week high / low	INR 2,505/1,782

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.6	2.5	(2.2)
Relative (%)	1.4	8.5	2.3

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.0	51.0
FIs & Local MFs	15.5	15.8
FPIs	13.6	13.6
Public & Others	19.9	19.6

Pledged Shares

Source : NSE

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Emami

Attempts to revive growth trajectory

We maintain BUY with a Jun-27 TP of INR530, based on 25x forward P/E, representing a 10% discount to the company's five-year average forward P/E. Following a weak FY26 base and aided by inorganic initiatives, it is well-positioned to deliver high-teen sales growth in FY27. However, we expect earnings growth to be in high single digits, as profitability is likely to be weighed down by expected 130bps OPM contraction to 24.2% in FY27, reflecting input cost inflation and a weak sales mix. With strategic businesses now contributing 18% of domestic revenue and 32% of India sales now generated through organized trade, Emami is pursuing a more aggressive growth strategy. We believe this strategic shift is important from a long-term view, as it should help reduce earnings volatility arising from seasonality and strengthen the quality of growth. That said, successful execution will depend on balancing growth with profitability by protecting threshold margins while steadily improving the profitability of newer businesses.

- **Q1 performance aided by a weak base and inorganic growth:** Q1 results were broadly in line with expectations, with consolidated revenue increasing 15% YoY, led by 20% growth in the domestic business (12% on a like-for-like basis, with 8% volume growth). The international business declined 12% YoY, primarily due to lower OTC exports from India. From Q1 onward, the company has revised its India segment reporting, under which Hair Care grew 11%, Skin Care 3%, Healthcare 2%, and Strategic Investments delivered a robust 61% growth. Profitability remained under pressure from input cost inflation and an unfavorable sales mix, resulting in a 360bps YoY contraction in gross margin to 65.8%. Management has initiated calibrated price hikes to mitigate margin pressure, although we continue to factor in a 190bps gross margin contraction for FY27E. Consequently, operating margin contracted 190bps YoY to 21.8%, leading to a 4% decline in earnings. We forecast a 100bps EBITDA margin contraction for FY27E. Over FY26–29E, we estimate an 11% revenue CAGR and 8% earnings CAGR.
- **Strategic investments enter the next phase with a sharper focus on profitability:** Following the integration of *Axiom* and *IncNut*, strategic investments now contribute 18% of India revenue. While these businesses continue to deliver strong growth, they remain at an overall breakeven level. Strengthening execution, the company has appointed dedicated leadership teams for each business, led by Dhruv Aggarwal, Chief Growth Officer. Management is targeting Rs7.5–8.0bn of revenue from the strategic portfolio in FY27, while aiming to achieve meaningful profitability over the next 2–3 years. The portfolio has a well-diversified channel mix, with ~20% of revenue generated through offline channels, 25–30% through owned D2C platforms, and the balance through e-commerce and quick commerce, providing multiple growth levers and reducing dependence on any single channel.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	10,392	9,041	14.9	9,251	12.3	37,795	44,623	48,193	51,692
EBITDA	2,262	2,142	5.6	1,867	21.1	9,637	10,808	11,859	12,891
EBITDA Margin (%)	22	24	-193bps	20	159bps	25	24	25	25
APAT	1,658	1,721	(3.6)	1,417	17.1	7,700	8,311	9,128	9,584
Adj. EPS (INR/Share)	3.8	3.9	(3.5)	3.2	17.2	17.6	19.0	20.9	22.0
P/E (x)						22	21	19	18

Source: Company, HSIE Research

BUY

CMP (as on 04 Aug 2026)	INR 392
Target Price	INR 530
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 530	INR 530
EPS %	FY27E	FY28E
	+0%	+0%

KEY STOCK DATA

Bloomberg code	HMN IN
No. of Shares (mn)	437
MCap (INR bn) / (\$ mn)	171/1,793
6m avg traded value (INR mn)	294
52 Week high / low	INR 635/376

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.1)	(19.9)	(35.9)
Relative (%)	(15.6)	(13.5)	(32.7)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	54.8	54.8
FIs & Local MFs	26.9	27.0
FPIs	8.6	7.9
Public & Others	9.7	10.3
Pledged Shares	9.0	8.9

Source : NSE

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Bikaji Foods International

Enhanced growth outlook for the rest of FY27

We maintain BUY on Bikaji Foods with a Jun-27 TP of INR750, valuing the stock at 50x P/E, which implies roughly a 10% discount to its 3Y avg. fwd. multiple. The company continues to drive execution-led market share gains in the salty snacks category, where it expects double-digit category growth post the GST reduction (vs. single-digit growth in recent years). We believe management's aspirations of achieving mid-teen revenue growth and 13-13.5% OPM (ex-PLI) by FY27E are credible. Q1 performance, however, was muted, with 12.5% revenue growth, impacted by an est. 3-4% drag from supply chain disruptions. Despite two rounds of price hikes helping Bikaji protect its gross margin (ex-PLI) at 34.6%, elevated A&P spending and higher production costs weighed on profitability, resulting in an OPM (ex-PLI) of 12%.

- **Q1 muted due to multiple disruptions:** Bikaji delivered 12.5% revenue growth in Q1, supported by 7.7% volume growth. Performance, however, was dampened by product-supply disruptions, which led to ~3-4% loss in primary sales. Unlike most FMCG categories, Bikaji's portfolio has a short shelf life and high inventory turns, making inventory expansion in trade channels slower. For the remainder of FY27E, management aims to calibrate growth back to mid-teen to high-teen levels. Within sweets, the company expects 12-13% growth, while the gifting portfolio is targeted to grow at 17-18%. In Q1, Bikaji also launched a no-palm-oil range on Q-commerce platforms—an initiative that, in our view, strengthens engagement with younger and more affluent consumers, many of whom increasingly prefer D2C brands for healthier snacking options. We believe strategic partnerships with Q-commerce players are becoming increasingly important, both in shaping emerging consumption trends and in unlocking a larger gifting opportunity.
- **13-13.5% EBITDA margin (ex-PLI) for FY27; 15% medium-term aspiration:** In Q1FY27, the company protected gross margins well, supported by two price hikes that drove ~90bps expansion to 34.6% (ex-PLI). Management is monitoring edible oil and pulses inflation, but pricing will remain unchanged in the near term as festive-season rates have already been finalized. With a moderate inflation outlook, we expect favourable mix shifts to support margin improvement ahead. In Q1, it incurred higher A&P spends (up 40-50 bps YoY) and witnessed ~40 bps increases in manufacturing related costs, resulting in ~115 bps YoY contraction in EBITDA margin to 12% (ex-PLI). Looking forward, mix benefits and operating leverage should aid margin recovery, although elevated brand-building investments are likely to keep FY27 EBITDA margins in the 13-13.5% range.
- **Strong narrative to protect valuations:** Stock valuations are likely to remain well-supported as Bikaji continues to gain market share in an attractive and fast-growing category. With consistent execution, the company is also targeting further margin improvement, which should translate into stronger earnings delivery ahead. We maintain our expectation of mid-teen revenue growth and high-teen earnings CAGR over FY26-29E.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	7,343	6,527	12.5	7,209	1.9	29,939	34,390	39,255	45,064
EBITDA	990	963	2.8	877	12.8	4,106	4,898	5,319	6,372
EBITDA Margin (%)	13	15	-127bps	12	132bps	14	14	14	14
APAT	595	585	1.6	560	6.1	2,626	3,200	3,535	4,324
Adj. EPS (INR/Share)	2.4	2.4	0.4	2.3	6.6	10.5	12.8	14.1	17.3
P/E (x)						59	49	44	36

Source: Company, HSIE Research

BUY

CMP (as on 06 Aug 2026)	INR 624
Target Price	INR 750
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 750	INR 750
EPS %	FY27E	FY28E
	+2%	+0%

KEY STOCK DATA

Bloomberg code	BIKAJI IN
No. of Shares (mn)	250
MCap (INR bn) / (\$ mn)	156/1,644
6m avg traded value (INR mn)	112
52 Week high / low	INR 821/592

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.6)	(3.9)	(14.9)
Relative (%)	(9.8)	1.6	(12.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	73.9	73.9
FIs & Local MFs	17.3	17.5
FPIs	4.7	4.6
Public & Others	4.1	4.0
Pledged Shares	0.00	0.00

Source : NSE

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Honasa

Q1 performance supported by healthy execution

We maintain our BUY rating with a Jun-27 target price of INR 550, valuing the stock at 5.25x EV/Sales (implying ~40x EV/EBITDA and ~49x P/E). Honasa continues to strengthen its execution playbook, now operating with two brands each exceeding INR10bn ARR, which provides a strong base for scaling its younger brands more rapidly. Amid evolving consumption trends, the company's house-of-brands strategy allows it to capture distinct demand patterns under each brand. Its approach of targeting micro-segments within focus categories is further refining execution and delivering improved outcomes. Q1 revenue growth of 27% was in line with 30.5% volume growth. The company also reported a historically high 13% adjusted EBITDA margin (beat on our estimate of 12.5%), supported by an improved mix and seasonal tailwinds. We remain positive on Honasa's execution capabilities and expect high-teen revenue growth and sub-30% earnings CAGR over FY26-29E.

- **Strong topline momentum sustained in Q1:** The company has strengthened its execution framework, supporting continued healthy topline momentum. Q1 revenue growth of 27% remained in line with 30.5% volume growth. The *Mamaearth* brand delivered high-teen revenue growth, driven by hero SKUs, while younger brands sustained 30%+ growth. Including BTM Ventures (with *Reginald* brand now at INR1.5bn ARR, growing 100% since acquisition), younger brands collectively grew 40%. *The Derma Co* has now reached an ARR of INR10bn. With an increased thrust on focus categories, the company delivered 35% growth in these, along with a ~450bps YoY increase in their revenue contribution to 85%+. From a channel perspective, general trade and modern trade grew 40%+, while e-commerce grew 20%+. The company has also entered the fragrance category through its organic brand *FIKIN*, positioned as India's first elixir fragrance brand (featuring 30% fragrance oil, clinically tested 12-hour longevity, and a patented design). Overall, the company remains focused on expanding revenue avenues through enhanced execution across brands and categories.
- **Historical high EBITDA margin (OPM) of 13% in Q1:** The company delivered a historical high adjusted OPM of 13% in Q1 (up 540 bps YoY), supported by a better mix (~300 bps), seasonality (~50 bps) and operating leverage benefits. Gross margin for the quarter stood at 69.7%, reflecting a 150bps YoY contraction, primarily due to an increase in the share of general trade. With the accelerated growth of offline channels, OPM becomes the more relevant profitability metric, as gross margins will naturally see dilution owing to logistics cost adjustments that are now borne by distributors.
- **Healthy earnings to aid valuations; maintain BUY:** Honasa, in its journey of building profitable FMCG brands, has moved up the learning curve and is now well positioned not only to capitalize on the sizeable market opportunity but also to mitigate emerging risks. With a broadening addressable market and continued focus on disciplined execution, we expect Honasa to sustain both its growth trajectory and margin expansion over the medium term.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	7,559	5,953	27	6,571	15	23,919	29,369	34,146	39,191
EBITDA	989	458	116	772	28	2,362	3,475	4,321	5,294
EBITDA Margin (%)	13	8	539bps	12	133bps	10	12	13	14
APAT	902	413	118	692	30	2,050	2,811	3,458	4,233
Adj. EPS (INR/Share)	2.8	1.3	117	2.1	30	6.3	8.6	10.6	13.0
P/E (x)						76	55	45	37

Source: Company, HSIE Research

BUY

CMP (as on 13 Aug 2026)	INR 479
Target Price	INR 550
NIFTY	24,396

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 550	INR 550
EPS %	FY27E	FY28E
	+6%	+3%

KEY STOCK DATA

Bloomberg code	HONASA IN
No. of Shares (mn)	325
MCap (INR bn) / (\$ mn)	156/1,636
6m avg traded value (INR mn)	838
52 Week high / low	INR 491/248

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	38.0	58.9	68.0
Relative (%)	33.3	64.4	71.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	35.5	35.5
FIs & Local MFs	19.2	21.6
FPIs	13.7	13.6
Public & Others	31.6	29.3
Pledged Shares	1.5	1.5

Source : NSE

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Gopal Snacks

Sustaining execution-driven growth impetus key

We maintain BUY on Gopal Snacks with a Jun-27 target price of INR360, valuing the stock at 40x P/E. Following the resumption of capacity, the company has intensified its efforts to regain market share in its core market (which contributes roughly 65% of revenue) through a series of execution- and marketing-led initiatives. These actions, coupled with the recent capacity augmentation, position the company to accelerate its pan-India expansion, particularly in key focus states where it is actively strengthening its distribution franchise. While management remains confident about reclaiming lost market share, we expect the recovery to be gradual, supported by consistent on-ground execution, given the category's inherently high inventory-turn dynamics. For FY27, it aims for INR18-19bn in revenue and guided for 8-9% EBITDA margin. Q1 performance was operationally in line with expectations, with 31% revenue growth and an EBITDA margin of 7.4%.

- **Q1 topline grew 31%:** Net sales grew 31% YoY to INR4.2bn, broadly in line, supported by a low base (fire incident) and the recommissioning of the Rajkot plant. Gathiya (30% of sales) increased 29% YoY. Wafers, Namkeen, and Pellets & Extruded Snacks grew 36%, 23%, and 27%, respectively. Revenue from the core state (Gujarat) rose 21% to INR 2.7bn, with its contribution moderating to 63.8% (down 519 bps YoY). Focus states grew 35%, while other states expanded 39%. By price point, INR 10+ SKUs grew 70% YoY (now 26% of revenue); INR 10 SKUs increased 12.6% YoY; and INR 5 SKUs grew 24% YoY (now 62% of revenue). The company strengthening its distribution network, adding 54 distributors in Q1FY27—primarily in Uttar Pradesh (26) and Chhattisgarh (13)—taking the total to 1,007 distributors (helping address ~550k retails pan-India; ~38% retail in core are now dual serviced).
- **Navigating inflationary headwinds key for margin recovery:** We expect the company's near-term focus on topline and market share recovery to constrain any meaningful margin expansion. In Q1, gross margin stood at 26.9%, expanding 90bps YoY but contracting 80bps QoQ. The sequential decline was driven by a rise in key inputs, particularly palm oil (+8% QoQ) and laminates (+16% QoQ). In Q1, Gopal Snacks has passed ~85% of ~5% RM inflation with price hikes. Amid this push for revenue acceleration, the company continues to invest in brand-building initiatives, including campaigns across OTT platforms, out-of-home media, vehicle branding, POSM activities, newspaper advertising, and participation in educational and cultural events.
- **Improving topline with margin recoup to aid earnings; maintain BUY:** Since listing, the company's valuation has remained under pressure owing to slower topline growth—driven by elevated competition in the core portfolio and the impact of the Rajkot fire incident—as well as sub-optimal margins caused by inflationary pressures and weak operating leverage. We continue to expect high-teen revenue growth, supported by a normalizing demand environment and market share recovery efforts. As raw-material inflation eases and operating leverage improves, we foresee a gradual recovery in margins translating into stronger earnings growth.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	4,223	3,222	31.1	4,096	3.1	15,082	18,122	21,394	24,736
EBITDA	315	152	106.9	315	(0.2)	1,013	1,332	1,935	2,828
EBITDA Margin (%)	7	5	274bps	8	-25bps	7	7	9	11
APAT	128	23	458.3	169	(23.9)	444	650	1,131	1,791
Adj. EPS (INR/Share)	1.0	0.2	458.2	1.4	(23.9)	3.6	5.2	9.1	14.4
P/E (x)						77	52	30	19

Source: Company, HSIE Research

BUY

CMP (as on 10 Aug 2026)	INR 274
Target Price	INR 360
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 360	INR 360
EPS %	FY27E	FY27E
	+1%	+0.8%

KEY STOCK DATA

Bloomberg code	GOPAL IN
No. of Shares (mn)	125
MCap (INR bn) / (\$ mn)	34/358
6m avg traded value (INR mn)	39
52 Week high / low	INR 398/248

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.0)	(8.9)	(24.7)
Relative (%)	(18.9)	(2.9)	(22.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	81.5	81.5
FIs & Local MFs	6.3	5.7
FPIs	0.7	0.7
Public & Others	11.5	12.1
Pledged Shares	-	-

Source : NSE

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Defence

Hindustan Aeronautics

Accelerated aircraft deliveries anticipated

Hindustan Aeronautics Ltd recorded a healthy Q1FY27 performance, reflected in 14% revenue growth YoY to INR 55.2bn, supported by easing of supply chain and faster execution of orders in hand. EBITDA margin for the quarter rose to 27.7% (+107bps YoY) led by favourable product mix and lower input costs. We expect HAL to post a 15.2% revenue CAGR over FY26-FY28E against our earlier estimate of 10% led by increase in our estimate of LCA Tejas MK1A deliveries. Other platforms like ALH, HTT40 and engine deliveries with increasing MRO will bolster this revenue growth. The pipeline for HAL over the next two years is estimated to the tune of INR 900bn. We expect deliveries of LCA Tejas MK1A to start from Q3FY27 and pick up pace from FY28E. We estimate 10 MK1A deliveries in FY27 and 18 in FY28 against our earlier estimates of 10 in FY27 and 10 additional in FY28E respectively. With this anticipated acceleration in LCA Tejas deliveries, increasing MRO and a robust pipeline, we build in a 16% PAT CAGR over FY26-FY28E against our earlier estimate of 12% over the same period. Following this, we upgrade our rating to ADD from REDUCE, increasing our valuation multiple to 28x FY28E EPS (earlier 22x FY28E EPS), to arrive at a TP of INR 5,120.

- **Q1FY27 highlights:** The revenue for this quarter stood at INR 55.2bn (+14% YoY), EBITDA at INR 15.3bn(+19% YoY) and APAT at INR 15.9bn(+15% YoY).
- **Strong order book and pipeline:** We estimate Q1FY27-end order book at INR 2.48trn, with LCA Tejas MK1A constituting the highest share (INR 1.1trn). The company anticipates additional contracts of 143 ALH for army, Su30 upgrades, upgrade of 40 DO228 and MRO (all together INR 900bn), providing multiyear revenue runway.
- **GE engine deliveries:** A total of 7 GE F404-IN20 engines have been delivered by July 2026. GE Aerospace has planned to set up a dedicated production line for these engines. With this new infrastructure, GE has committed to deliver 20-22 engines by Dec-26 and an additional 30 in CY27. These deliveries totaling to 52 should help clear the backlog of the already built Tejas Mk1A airframes. GE in April 2026 announced a contract with the IAF to establish a facility in India for RoH of these engines, eliminating overseas dependency.
- **LCA Tejas MK1A deliveries:** HAL has manufactured roughly 30 Tejas MK1A airframes, with the first 20 fully completing their initial flight test phase. These 20 have flown with older engines for trials but final acceptance of these would still require checks and approvals after installing the GE engines. Only 5 of these aircraft are completely equipped with GE engines and ready for immediate handover, as deliveries for additional GE F404-IN20 engines are awaited. HAL and IAF have targeted to induct the first squadron of Tejas MK1A by March 2027 (1 squadron has 18-20 aircrafts), with management guiding ~25 aircraft deliveries each year. We expect Tejas deliveries to be lower for FY27 but picking up pace from FY28E, making us constructive on the execution pace of these aircrafts. Accordingly, we have upgraded our earnings estimates as well as the stock rating.

Financial Summary

(INR bn)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	55.2	48.2	14%	139.4	-60%	309.8	330.9	365.0	438.5
EBITDA	15.3	12.8	19%	50.6	-70%	96.1	97.7	109.9	132.9
APAT	15.9	13.8	15%	42.0	-62%	83.6	91.2	103.7	122.3
Diluted Consol EPS (INR)	23.8	20.7	15%	62.7	-62%	125.1	136.3	155.0	182.8
P/E (x)						39.9	36.6	32.2	27.3
EV/EBITDA						30.8	29.5	26.1	21.6
RoE (%)						26.1%	24.0%	23.2%	23.2%

Source: Company, HSIE Research

ADD

CMP (as on 12 Aug 2026)	INR 4,995
Target Price	INR 5,120
NIFTY	24,436

KEY CHANGES	OLD	NEW
Rating	REDUCE	ADD
Price Target	INR 3,800	INR 5,120
EPS Change %	FY27E 0.0%	FY28E 6.4%

KEY STOCK DATA

Bloomberg code	HNAL IN
No. of Shares (mn)	669
MCap (INR bn) / (\$ mn)	3,340/35,040
6m avg traded value (INR mn)	5,692
52 Week high / low	INR 5,055/3,479

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.2	20.1	13.3
Relative (%)	4.7	26.9	16.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	71.64	71.64
FIs & Local MFs	10.43	11.90
FPIs	10.21	9.34
Public & Others	7.73	7.1
Pledged Shares	-	-

Source : BSE

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Bharat Electronics

Order pipeline intact with a focus on execution

Bharat Electronics Ltd recorded a robust Q1FY27 performance, reflected through 25% revenue growth and 9% PAT growth YoY. This was led by faster execution of the orders at hand. The lower PAT growth is on account of decline in EBITDA margins to 25% in Q1FY27 against 27.8% in Q1FY26. The company's current order book stands at INR 723bn with order inflows for the quarter at INR 37.5bn. We pencil in a 15.1% revenue CAGR over FY26-FY29E on account of estimated order flows for FY27E at INR 550bn including QRSAM (INR 300bn). Other order inflows estimated at INR 300bn+ for FY27E and FY28E consist of electronics for Next Gen Corvette, P-75I submarines, hammer program, etc. These new orders will be long cycle (6-8 years) in nature as against earlier short cycle (1-2 years) orders; hence, the revenue booking will entail a slower pace. We estimate EBITDA margins at ~28.5% for the next three years as the company aims for zero import of all sub-systems barring semiconductors over the next five years. We estimate a PAT CAGR of 15.4% over FY26-FY29E. Following this, we maintain ADD, arriving at a TP of INR 440 (40x FY28E EPS).

- **Q1FY27 highlights:** The revenue stood at INR 55.5bn, up 25% YoY, EBITDA at INR 13.9bn, up 12% YoY, and APAT at INR 10.5bn, up 9% YoY. The EBITDA margin at 25% (-280bps YoY) saw a decline due to product mix variation. We believe the remaining three quarters will have a higher EBITDA margin, which would end the year at our estimated EBITDA margin of 28.5%.
- **Q1FY27 order inflows consisting majorly of base orders:** The order inflow for Q1FY27 stands at INR 37.5bn. BEL received orders worth INR 5.7bn in April 2026 for the supply of systems and sub systems related to avionics, EW, high energy laser, communication equipment, tank sub systems, laser-based fuzes, etc. It received orders of INR 12.5bn in May 2026 for the supply of Ground Based Mobile ELINT System (GBMES) to the Indian Army. The company also received orders of ~INR 16bn in June 2026 for the supply of radars, seekers, jammers, coastal surveillance radars, etc.
- **Strong order book cushioning slower inflows in Q1FY27:** The order book stands at INR 723bn at Q1FY27-end, including export orders of USD 465mn. It consists of electronic fuzes (~INR 42bn), LRSAM (~INR 35bn), LCA LRUs (~INR 30bn), BMP2 upgrade (~INR 25bn), Ashwini radar (~INR 25bn), EW suite for Mi-17V-5 (~INR 20bn), spares and services (~INR 20bn), etc. The FY26-end book to bill of 2.7 provides 15% revenue growth visibility until FY28E. The order book split between the army, navy, and air force is majorly equal, with large ticket orders expected from navy and air force segments.
- **Order pipeline increasing revenue visibility:** BEL's estimated order inflow for FY27 is INR 550bn, including QRSAM (INR 300bn) and base orders (INR 150bn p.a). Other major order inflows expected over FY27 and FY28 are electronics for NGC and P-75I submarines, shatrughat and samaghat project, hammer project, shakti phase IV and MRF-X radar for naval ships, estimated at INR 300bn+. These new order inflows are long cycle in nature, providing extended revenue visibility in the medium term.

Financial Summary

(INR mn)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	55,470	44,397	25%	1,02,244	-46%	2,37,688	2,76,101	3,18,259	3,66,299	4,21,213
EBITDA	13,884	12,383	12%	29,817	-53%	68,337	80,493	91,575	1,06,131	1,20,778
APAT	10,545	9,691	9%	22,264	-53%	53,227	60,623	69,633	80,988	93,194
Diluted Consol EPS (INR)	1.4	1.3	8%	3.0	-53%	7.28	8.3	9.5	11.1	12.7
P/E (x)						56	49	43	37	32
EV/EBITDA						42	36	31	27	23
RoE (%)						29.3%	27.6%	26.4%	25.6%	24.5%

Source: Company, HSIE Research

ADD

CMP (as on 27 Jul 2026)	INR 407
Target Price	INR 440
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 440	INR 440
EPS Change %	FY27E 0.0%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	BHE IN
No. of Shares (mn)	7,310
MCap (INR bn) / (\$ mn)	2,976/31,030
6m avg traded value (INR mn)	7,434
52 Week high / low	INR 473/361

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.5)	(2.1)	3.0
Relative (%)	(5.9)	4.0	8.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.14	51.14
FIs & Local MFs	20.00	21.02
FPIs	19.51	18.02
Public & Others	9.37	9.82
Pledged Shares	-	-

Source: BSE

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Mazagon Dock Shipbuilders

Backended long cycle orders to drive decadal growth

Mazagon Dock Shipbuilders Ltd (MDL) saw a healthy revenue growth in Q1FY27 of 12% YoY, led by faster execution of platform projects. EBITDA margin for the quarter rose sharply to 15.2% (+370 bps YoY) due to P17A deliveries (INS Mahendragiri in April 2026). We expect MDL to continue its revenue growth over the next few years based on its healthy order pipeline consisting of submarines, frigates, and destroyers, which are long cycle (8-10 years) large ticket orders. The expected order value for six next-gen submarines is INR 990bn. Frigates and destroyers could additionally add INR 1500bn to the order book. We expect the revenue to start kicking in from FY28 for these platforms. The reduction in build time for large platform orders is shortening the revenue booking bell curve, bolstering revenue growth. We estimate a 7% PAT CAGR over FY26-FY29E, driven by backended long cycle revenue trajectory as against our earlier PAT CAGR of 8% over FY25-FY28E. Following this, we maintain a constructive view with an ADD but reduce our multiple to 35x over FY28E EPS, to arrive at a target price of INR 2,625.

- **Q1FY27 highlights (consolidated):** Revenue was at INR 29.4bn (12% YoY), led by faster execution of platform projects and shortening delivery timelines. EBITDA was at INR 4.5bn (48% YoY), EBITDA margins rose sharply to 15.2% in Q1FY27 over 11.5% in Q1FY26, led by delivery of P17A stealth frigates. APAT stood at INR 5.5bn (22% YoY).
- **Current order book:** The current order book for the company stands at INR 182bn, with pending work and spares of project P17A constituting 42% and the ONGC offshore platforms (INR 27bn) leading the commercial order book. Order inflows for this quarter were at INR6.25bn.
- **Reducing build time in complete platform orders:** INS Taragiri is the third stealth frigate under project 17A commissioned in April 2026. For this ship, MDL achieved a reduction of 14% in build period with 75% indigenous content. INS Mahendragiri is the fourth stealth frigate under project 17A commissioned in July 2026. For this ship, MDL achieved a reduction of 21% in build period with 75% indigenous content. The sea trial period stood at three months for Taragiri vs two months for Mahendragiri. This constant reduction in build period would help MDL shorten their revenue booking bell curve, bolstering revenue growth. The increasing indigenization content will help straighten the EBITDA margin S-curve, reducing margin volatility.
- **Strong order pipeline providing revenue visibility in longer term:** MDL boasts a strong order pipeline. Contracts like six AIP submarines under P751 (~INR 990bn) and three additional Kalvari class submarines (~INR 300bn) have already been cleared by government and expected to be concluded over the next few quarters. Next-gen corvettes are also likely to be signed in FY27 (MDL's associate company – Goa Shipyard is L2 with expected order value of INR 130bn). The pipeline also has next-gen frigates and destroyers with an expected value of INR 1500bn. We expect revenue for these to start kicking in from FY28E. This healthy order pipeline provides multi-year visibility.

Financial Summary

(INR mn)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	29.4	26.3	12%	38.5	-24%	114.3	130.1	148.8	164.3	182.1
EBITDA	4.5	3.0	48%	5.4	-18%	20.6	22.7	26.2	28.8	32.0
APAT	5.5	4.5	22%	6.7	-18%	24.1	25.8	28.3	30.3	31.8
Diluted Consol EPS (INR)	13.6	11.2	21%	16.8	-19%	59.8	64.0	70.2	75.0	78.8
P/E (x)						38.8	36.2	33.0	30.9	29.4
EV/EBITDA						37.6	35.5	30.6	27.5	24.5
RoE (%)						34.0%	28.8%	25.7%	23.1%	20.7%

Source: Company, HSIE Research

ADD

CMP (as on 30 Jul 2026)	INR 2,319
Target Price	INR 2,625
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3000	INR 2,625
EPS Change %	FY27E 0.0%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	MAZDOCKS IN
No. of Shares (mn)	403
MCap (INR bn) / (\$ mn)	936/9,777
6m avg traded value (INR mn)	4,021
52 Week high / low	INR 3,061/2,057

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.2)	(9.9)	(16.0)
Relative (%)	(16.5)	(4.6)	(11.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	81.22	81.22
FIs & Local MFs	5.09	5.02
FPIs	1.73	1.72
Public & Others	11.95	12.04
Pledged Shares	-	-

Source : BSE

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Bharat Dynamics

Strong bounce-back post a subdued FY26

BDL recorded a stellar Q1FY27 performance, reflected through 131% revenue growth YoY to INR 5.7bn and APAT growth of 6.5x to INR 1.2bn, led by postponement of Akash project revenue booking from Q4FY26 to this quarter. Absolute EBITDA stood at INR 831mn in this quarter (Q1FY26: INR -454mn), helped by operating leverage kicking in through lower other expense and stable employee cost YoY. EBITDA margin for the quarter stood at 14.5%, which is expected to improve in the remaining quarters on account of accelerated execution (FY27E estimate: 19%). Due to the company's dependence on imports for key components (viz. seekers, etc.) and other supply chain partners, there could be pressure on revenue booking timelines and profitability. We estimate Q1FY27-end order book at INR 270bn and an estimated order inflow of INR 13.5bn. Order inflow comprises Helina launchers and LRUS from HAL, deliverable over 24-60 months. The company expects an order inflow of INR 150bn in FY27E, consisting majorly of QRSAM (~INR 10bn), repeat astra missile orders, Akash NG and a few base orders. We pencil in a 53% revenue CAGR over FY26-FY28E, led by Akash weapon deliveries, scaling up of Astra missile project from Q2FY27, current order book, and future order inflows. Revenue growth is optically high due to a subdued FY26 revenue base (FY25 to FY28 revenue CAGR 19.5%). We maintain our PAT estimates at 64.5% CAGR over FY26-FY28E, bolstered by revenue bounce-back and rising other income. We expect the remaining quarters of FY27E to witness robust revenue booking on account of accelerated execution of Astra missiles project. We see this as a key monitorable for meeting our estimates. Supported by strong execution in Q1FY27, we maintain our earnings estimates. However, due to steep valuations, we maintain REDUCE with a TP of INR 1,080 (35x FY28E EPS).

- **Q1FY27 highlights:** The revenue stood at INR 5.7bn (+131% YoY), led by postponement of Akash project revenue booking to Q1FY27. Absolute EBITDA was at INR 831mn in Q1FY27 against a negative EBITDA of INR 454mn in Q1FY26, helped by operating leverage kicking through lower other expense and similar employee costs. APAT was at INR 1,188mn (+547% YoY).
- **Strong order book and pipeline:** We estimate the order book for the company at INR 270bn as of Q1FY27-end, with an estimated order inflow of INR 13.5bn for the quarter. The company expects an order inflow of INR 150bn in FY27, consisting mainly of QRSAM (~INR 10bn), repeat order for Astra missiles, Akash NG and MIGM (INR 20bn), providing multi-year revenue visibility.
- **Revenue from capex to kick in from FY27:** BDL inaugurated their INR 5bn naval systems manufacturing facility in Andhra Pradesh on May 2026, to meet the rising requirements of underwater weapons. BDL is also establishing two more facilities to help the company diversify its portfolio and liquidate the orderbook. One of the facilities will have 8 assembly lines to manufacture new weapon systems and will also include testing facilities. The other facility will manufacture propellants, grad rockets and in-house R&D of new energetics. We expect revenue from these facilities to kick in from Q4FY27.

Financial Summary

(INR bn)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	5.7	2.5	131%	4.8	19%	33.5	24.4	39.3	57.1
EBITDA	0.8	-0.5	-283%	0.6	50%	4.7	2.2	7.5	10.8
APAT	1.2	0.2	547%	1.1	5%	5.5	4.2	8.4	11.4
Diluted Consol EPS (INR)	3.2	0.5	548%	3.1	5%	15.0	11.5	23.0	31.0
P/E (x)						93.3	121.9	60.7	45.1
EV/EBITDA						100	208	59	42
RoE (%)						14.4%	10.2%	18.6%	21.6%

Source: Company, HSIE Research

REDUCE

CMP (as on 14 Aug 2026)	INR 1,398
Target Price	INR 1,080
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,080	INR 1,080
EPS Change %	FY27E 0.0%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	BDL IN
No. of Shares (mn)	367
MCap (INR bn) / (\$ mn)	512/5,370
6m avg traded value (INR mn)	2,009
52 Week high / low	INR 1,654/1,086

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.3	12.4	(11.4)
Relative (%)	(0.1)	18.0	(8.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-25
Promoters	74.93	74.93
FIs & Local MFs	10.97	11.53
FPIs	2.02	1.69
Public & Others	12.10	11.85
Pledged Shares	-	-

Source: BSE

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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
EPS Change %	FY27E 0.0%	FY28E 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

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Astra Microwave Products

Robust order book strengthens revenue visibility

AMPL recorded a weak Q1FY27 performance, reflected through a 12% revenue decline to INR 1,767mn on account of revenue shift to next quarter, led by delay in customer approvals and technical design lags. EBITDA margin fell to 18.7% (-179bps YoY) due to operating deleverage, which we expect will normalize in upcoming quarters of FY27. The company's quarter-end order book stands at INR 21.6bn, supported by order inflows of INR 2bn. We pencil in a 19% revenue CAGR over FY26-FY28E on account of execution of existing order book and order flows from pipeline. The estimated pipeline consists of QRSAM (INR 7.5bn), Su-30 Angad & Su-30 Virupaksa (INR 30bn, together) and regular JV orders (INR 5bn p.a.). Additionally, AMPL bagged a large order of INR 22bn in July 2027 from HAL for AAAU chips with a deliverable timeline of five years. We estimate a PAT CAGR of 25.6% over FY26-FY28E, slicing our EPS estimates marginally on slower execution of the order book and management toning down the guidance. As the stock has nearly doubled in the past four months despite softer execution and moderate growth estimates, we downgrade rating from Add to REDUCE. Maintaining our valuation multiple due to increasing order visibility, we ascribe a TP of INR 1,280 (40x FY28E EPS).

- **Q1FY27 highlights:** The revenue stood at INR 1,767mn (-12% YoY), EBITDA at INR 331mn (-19%), and APAT at INR 123mn (-24% YoY). The EBITDA margin fell to 18.7% (-179 bps YoY) due to operating deleverage.
- **AMPL demerger:** AMPL has considered and approved to demerge its wholly-owned subsidiary Astra Space Technologies Pvt Ltd. The scheme involves the demerger of space, meteorology, and hydrology business from AMPL into ASTPL. The turnover for ASTPL in FY26 was ~INR 1.6bn. This should help unlock value for both its defence and non-defence businesses.
- **Strong order book:** The order book on standalone basis was at INR 21.6bn at Q1FY27-end (export: INR 1.7bn), led by inflow of INR 2bn in Q1FY27. The order book split stands at production - 66% (INR 14.2bn), development -14% (INR 3bn), export - 8% (INR 1.7bn) and AMC - 12% (INR 2.6bn). The production-heavy split bolsters revenue booking and steady margins for the next two years. The consolidated order book for the quarter-end stood at INR 29bn. The company received a key order in July 2027 for 122 AAAU and 121 interface frames for Uttam radar totaling INR 22bn, deliverable over five years, which brings the standalone order book to INR 43bn, as of date. This inflow provides multiyear revenue booking visibility.
- **Order pipeline increasing revenue visibility:** Major orders in the pipeline are order flows from QRSAM (INR 7.5bn), Su-30 Angad and Su-30 Virupaksa (INR 30bn, together), Shatrughat & Samaghat (INR 1.2bn), electronic mines and some regular JV orders (INR 5bn p.a.). The company plans to execute a cumulative order book of INR 80-100bn in the next five years, led by estimated order inflows mentioned above. We believe this execution is achievable, keeping in mind the existing order book execution timelines and the upcoming heavy projects flowing through the industry.

Financial Summary

(INR mn)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	1,767	1,997	-12%	4,882	-64%	10,512	11,628	13,547	16,425
EBITDA	331	410	-19%	1,624	-80%	2,690	3,338	3,849	4,733
APAT	123	163	-24%	1,060	-88%	1,535	1,930	2,472	3,043
Diluted Consol EPS (INR)	1.3	1.7	-25%	11.1	-88%	16.2	20.3	26.0	32.0
P/E (x)						105.4	83.9	65.4	53.2
EV/EBITDA						61	49	42	34
RoE (%)						14.9%	16.0%	17.3%	18.1%

Source: Company, HSIE Research

REDUCE

CMP (as on 11 Aug 2026)	INR 1,704
Target Price	INR 1,280
NIFTY	24,472

KEY CHANGES	OLD	NEW
Rating	ADD	REDUCE
Price Target	INR 1,370	INR 1,280
EPS Change %	FY27E -7.3%	FY28E -6.3%

KEY STOCK DATA

Bloomberg code	ASTM IN
No. of Shares (mn)	95
MCap (INR bn) / (\$ mn)	162/1,695
6m avg traded value (INR mn)	1,113
52 Week high / low	INR 1,960/836

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	50.1	89.6	71.0
Relative (%)	47.3	96.9	74.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	6.54	6.54
FIs & Local MFs	15.42	16.09
FPIs	7.56	10.75
Public & Others	70.49	66.64
Pledged Shares	-	-

Source: BSE

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Apollo Micro Systems

Premier acquisition unlocks massive orderbook jump

Apollo Micro Systems Ltd (AMS) recorded a healthy Q1FY27 performance, reflected through 16% YoY revenue growth to INR 1.6bn; however, consolidated revenue grew at 88% due to IDL integration (Q1FY27 IDL revenue: ~INR 950mn). EBITDA margin fell sharply to 20.4% in Q1FY27 (Q1FY26: 30.6%) led by consolidation of IDL explosives (EBITDA margins of 5.6%). Despite soft revenue growth in Q1FY27E, we estimate AMS will deliver faster execution in remaining quarters. We continue to pencil in a 50% revenue CAGR from FY26 to FY28E, on the back of the existing orderbook (INR 17bn), robust weapon pipeline, new prototype development and acquisition of Premier Explosives. Three major orders expected in FY27 are MIGM (INR 25bn), QRSAM (~INR 8bn) and Pinaka (~INR 5bn) increasing revenue visibility. Also, we continue to build in a 62% PAT CAGR over FY26-FY28E. Following this, we ascribe ADD rating, continuing with our TP of INR 400 (50x FY28E EPS).

- **Q1FY27 highlights (consolidated):** The revenue stood at INR 2,513mn (+88% YoY), EBITDA: INR 537mn (+31% YoY), and APAT at INR 252mn(+43% YoY).
- **Strong order book and pipeline:** The order book stood at INR 17bn (including INR 4bn commercial explosive orders for IDL), with a robust pipeline comprising systems/sub systems for projects like Akash-NG (~INR 10bn), Brahmos NG, torpedoes (~INR 10bn), and avionics. We estimate FY27-end order book at INR 40bn+ on a standalone basis led by expected inflows of MIGM (~INR 25bn), QRSAM (~INR 8bn) and Pinaka (INR 5bn+). The moored mines and limpet mine orders could perhaps be received by FY28E-FY29E.
- **Future product opportunities:** AMS has delivered the indigenously developed Safety Detonation Device (SDD) to the Indian Navy, which we believe could lead to production and lifecycle orders. AMS has been empaneled by the IAF as the prime development agency for IPREK, an Indigenous Precision guidance and Range Extension Kit for 500kg bombs. Multiyear revenue visibility with the initial 500+ units order provides INR 200bn+ opportunity over the decade. Also, AMS has secured a Make-II Prototype Sanction Order from the Indian Navy for the SAVIOR-ASW Autonomous Underwater Surveillance System. Procurement intent by Indian Navy after successful trials provides a USD 10bn opportunity by 2032.
- **Acquisition of Premier Explosives Ltd:** AMS has raised a total of INR 33.2bn through preferential allotment (INR 9.5bn) and convertible equity warrants (INR 23.7bn) to fund acquisition of promoter stake (41.33%) of Premier Explosives Ltd. and associated open offer (26%). Deal will get completed by Dec'26. Premier, a leading manufacturer of high energy materials for defence, aerospace and mining have an FY26-end order book of INR 15.7bn. This acquisition will help AMS vertically integrate and grab a bigger slice in complete missile and platform projects. We estimate an order inflow of INR 30bn for Premier Explosives in FY27, led by QRSAM (~INR 15bn), Akash NG (~INR 10bn), and Pinaka (~INR 5bn).

Financial Summary

(INR mn)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	2,513	1,336	88%	2,933	-14%	5,621	9,043	13,565	20,347
EBITDA	537	409	31%	676	-21%	1,292	2,182	3,340	5,112
APAT	252	177	43%	368	-31%	564	1,074	1,845	2,806
Diluted Consol EPS (INR)	0.75	0.54	39%	1.08	-31%	1.9	3.2	5.2	7.9
P/E (x)						216	126	78	51
EV/EBITDA						97	68	45	30
RoE (%)						10.0%	11.2%	13.2%	17.3%

Source: Company, HSIE Research

ADD

CMP (as on 07 Aug 2026)	INR 403
Target Price	INR 400
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	BUY	ADD
Price Target	INR 400	INR 400
EPS Change %	FY27E 0.0%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	APOLLO IN
No. of Shares (mn)	372
MCap (INR bn) / (\$ mn)	150/1,576
6m avg traded value (INR mn)	5,643
52 Week high / low	INR 467/174

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	28.4	67.7	125.4
Relative (%)	27.5	73.8	128.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.98	49.98
FIs & Local MFs	1.82	1.71
FPIs	3.63	7.59
Public & Others	42.58	40.72
Pledged Shares	-	-

Source: BSE

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Paras Defence & Space Technologies

Optics segment drives growth; order pipeline robust

Paras Defence and Space Technologies Ltd recorded a strong Q1FY27 performance, reflected in 37% revenue growth YoY to INR 1,279mn. This was led by faster execution of the optics order book, which delivered a revenue of INR 689mn (+62% YoY). Optics contributed 54% (Q1FY26: 46%) of revenue but 68% of the EBIT (Q1FY26: 81%) in the overall performance of the company. Defence engineering with 46% contribution to overall revenue (Q1FY26: 54%) reported higher EBIT margins of 20.7% in Q1FY27 (Q1FY26: 10.1%), driven by a favorable product mix. EBITDA margin for the company rose to 25% (Q1FY26: 23.5%) due to higher contribution of optics segment in revenue (54%). We expect the company to post a revenue CAGR of 26.3% over FY26-FY29E, led by the robust order pipeline consisting of drone optics, laser-based weapons and systems, periscopes, EMP solutions and optical instruments for space. Following this and improving product mix, we upgrade our EPS estimates marginally for FY27E and FY28E. Accordingly, we project a higher PAT CAGR of 29.2% against our earlier estimates of 27.8%. We believe that the orderbook build-up needs to be monitored further before turning optimistic on the stock. Awaiting clarity and steadiness on its order inflow timelines, we continue with a REDUCE rating, arriving at a TP of INR 820 (43x FY28E EPS).

- **Q1FY27 highlights:** The revenue stood at INR 1,279mn (+37% YoY), EBITDA at INR 319mn (+45% YoY) and APAT at INR 208mn (+46% YoY). The EBITDA margin increased to 25% in Q1FY27 from 23.5% in Q1FY26, led by increasing share of higher margin optics segment. While EBIT margins for optics segment were higher than defence engineering, it fell sharply to 38% in Q1FY27 against 52% in Q1FY26, led by product mix. We expect the EBITDA margins to normalize to a blended 26% for overall company in FY27E.
- **Order pipeline providing revenue visibility:** The estimated order book was INR 10bn at Q1FY27-end, with major inflows of INR 2bn for laser-based air defence application deliverable in 12 months. We expect the traditional optics business to remain the primary growth driver, supported by newer initiatives such as high-power lasers, advanced payloads and EMP protection solutions apart from space optics (opportunity size: INR 15bn-18bn). Drone cameras present a promising opportunity with requirement of 5,000+ units. Submarine periscope remains a steady contributor to the revenue with delivery of 1 unit per quarter (revenue/unit of INR 500mn, up from earlier INR 300mn). The company boasts a qualified pipeline of ~INR 20bn across space optics and defence optical systems, providing medium-term revenue visibility.
- **MoU for INR 62bn semiconductor facility:** Paras Semiconductors signed an MoU with the government of Madhya Pradesh to establish an advanced semiconductor packaging OSAT facility. The government has allotted fifty acres of land against a proposed investment of INR 62bn. While the project is expected to strengthen India's semiconductor manufacturing ecosystem and offer long-term growth trajectory to Paras, the mode of financing and execution nuances are to be closely monitored.

Financial summary

(INR mn)	Q1FY27	Q1FY26	YoY	Q4FY26	QoQ	FY25	FY26	FY27E	FY28E
Net Revenues	1,279	932	37%	1,713	-25%	3,647	4,766	6,203	7,778
EBITDA	319	220	45%	426	-25%	972	1,205	1,615	2,118
APAT	208	143	46%	381	-45%	615	866	1,167	1,544
Diluted Consol EPS (INR)	2.6	1.8	43%	4.3	-38%	8.0	10.9	14.5	19.2
P/E (x)						159	117	88	67
EV/EBITDA						52	85	63	48
RoE (%)						11.4%	12.7%	14.9%	16.9%

Source: Company, HSIE Research

REDUCE

CMP (as on 07 Aug 2026)	INR 1,277
Target Price	INR 820
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 703	INR 820
EPS Change %	FY27E 5.7%	FY28E 8.8%

KEY STOCK DATA

Bloomberg code	PARAS IN
No. of Shares (mn)	81
MCap (INR bn) / (\$ mn)	103/1,081
6m avg traded value (INR mn)	2,920
52 Week high / low	INR 1,455/580

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	46.9	98.6	96.6
Relative (%)	46.0	104.6	99.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.2	53.2
FIs & Local MFs	1.24	3.04
FPIs	5.06	8.29
Public & Others	40.52	35.46
Pledged Shares	-	-

Source : BSE

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Infra, Construction

IRB Infra

Strong performance

IRB Infrastructure Developers (IRB) reported revenue/EBITDA/APAT of INR 17/7.2/3.1, a beat/(miss) of +12/+5.7/+5.7% to our estimates; APAT growth reflects resilient operating performance and disciplined cost management. The order book (OB) as of June'26 stood at INR 441bn (~6.97x FY26 revenue; executable in next two year INR 43bn), while EPC and O&M contributed ~4%/96% of the overall OB. IRB's margin guidance was O&M at 20%, while also becoming net-debt-free balance sheet by FY30, driven by disciplined capital allocation and calibrated asset monetization. Improved capital efficiency can support cash RoE, targeted by IRB to expand from ~8% to 14%+ by FY32. Its access to two InvIT platforms (IRB InvIT Fund and IRBIT) has facilitated capital unlocking through asset monetization and will continue to unlock value with future asset transfer. It is also planning to pursue further opportunities in the TOT segment. Distribution received from both InvITs stood at ~INR 1.36bn in Q1FY27. We maintain ADD, with a SOTP target price of INR 27/sh.

■ **Q1FY27 financial highlights:** Revenue stood at INR 17bn (-8.9/+11.4% YoY/QoQ, a beat of 12%) while EBITDA came in at INR 7.2bn (-0.4/+4.9% YoY/QoQ, a beat of 5.7%). EBITDA margin stood at 42.1% (+356/-260bps YoY/QoQ vs. our estimate of 44.6%). APAT stood at INR 3.1bn (+51.3/+3.4% YoY/QoQ, a beat of 5.7%, driven by reflecting resilient operating performance QoQ and disciplined cost management). Net debt stood at INR 107bn in Q1FY27 (Q1FY26: INR 118bn; FY26: INR 111bn), with a net debt to equity ratio of 0.54x in Q4FY26 (Q1FY26: 0.51x; FY26: 0.53x).

■ **Q1FY27 business vertical highlights:** The average daily toll collection for wholly-owned concessions (four assets; one TOT, one BOT and two HAM (under-construction) came in at INR 81mn in Q1FY27 (FY26/25: INR 75/69mn); for Private InvIT, toll collection stood at INR 133mn (FY26/25: INR136/105mn). In Q1FY27, revenues from construction, BOT/TOT, and InvITs/other segments contributed 45.3/34.3/20.4% respectively (vs. Q4FY26: 42.3/36.9/20.8%). Toll revenue grew ~26% YoY in Q1FY27 for IRB, and Private & Public InvIT Projects.

■ **Portfolio Update:** IRB MP Expressway SPV and IRB Private InvIT have refinanced their debt of INR 36.54bn and INR 110bn respectively, resulting in interest cost savings of 65bps and 160bps, respectively. Further, Private InvIT signed a Binding Term Sheet to transfer two BOT Highway Assets (SY and CG) with Enterprise Value of INR 46.05bn to Public InvIT. Management continues to expect total projects worth INR 100-120bn under TOT and a few under BOT that should be awarded in the near term. The portfolio is spread across UP/Rajasthan/Maharashtra/Gujarat/MP/Karnataka/Telangana and Haryana at 21/15/15/11/9/8/7/4% respectively.

Consolidated Financial summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	17,005	18,659	(8.9)	15,264	11.4	63,298	60,133	63,140	66,297
EBITDA	7,158	7,189	(0.4)	6,822	4.9	26,635	25,376	27,024	28,375
APAT	3,063	2,025	51.3	2,963	3.4	6,765	7,171	8,163	8,526
Diluted EPS (INR)	0.51	0.34	51.3	0.5	3.4	1.1	1.2	1.4	1.4
P/E (x)						17.9	16.8	14.8	85.0
EV / EBITDA (x)						11.3	10.1	9.2	29.8
RoE (%)						3.3	3.4	3.7	3.8

Source: Company, HSIE Research

ADD

CMP (as on 30 Jul 2026)	INR 20
Target Price	INR 27
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 27	INR 27
EPS change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	IRB IN
No. of Shares (mn)	12,078
MCap (INR bn) / (\$ mn)	245/2,557
6m avg traded value (INR mn)	431
52 Week high / low	INR 27/19

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(5.9)	(2.5)	(12.0)
Relative (%)	(7.3)	2.8	(7.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	30.79	30.81
FIs & Local MFs	10.02	10.14
FPIs	43.84	43.87
Public & Others	15.34	15.18
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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CemIndia Projects

Slight revenue miss; strong order inflows

CemIndia Projects' (CPL) revenue/EBITDA/APAT was a beat/miss on our estimates by -1.6/+3.5/-4.7% respectively, as execution delays continued to affect Vadhavan Port project (order value: INR 10bn, with execution yet to begin). The Order Inflow (OI) in Q1FY27 stood at INR 85.2bn (70% from group entities), while the Order Book (OB) as of Jun'26 stood at INR 313.1bn (~3.1x FY26 revenue (50% from group entities), excluding L1 of INR 10bn). CPL management has guided for 20-25% revenue growth for FY27/28, 10-11% EBITDA margin, and OI of ~INR 170bn for balance 9MFY27 (driven by DC, Metro, Marine, Roads, and PSP Hydro), with current bid pipeline at INR 900bn (50% from group entities). The OB is well-diversified offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. Focus is on bidding for higher ticket-sized orders, expanding into new segments such as data centres and ports based on Adani group requirements, and sustaining execution of projects in hand. We maintain our estimates, reiterate BUY, with a TP of INR 1459/sh (27x Sep-28 EPS).

- **Q1FY27 financial summary:** Revenue: INR 27.2bn (+7/-8.5% YoY/QoQ, 1.6% miss), export contribution to revenue remains minimal at 2-3% in Q1FY27. EBITDA: INR 2.7bn (+18/-23.2% YoY/QoQ, 3.8% beat). EBITDA margin: 10.1% (+94/-194bps YoY/QoQ, vs. our estimate of 9.6%). APAT: INR 1.4bn (+2.6/-41.9, a 4.7% miss).
- **Growth in OB, driven by OI in civil, data centre (DC), and metro in Q1FY27:** As of Jun'26, client-wise, the OB shows diverse distribution among government, private, and PSU accounting for 10/63/27%. Business-wise, the OB is spread across maritime/industrials/urban infra (incl. MRTS and airport) /hydro/DC/roads/specialist engineering/water and wastewater at 23.2/17/20.7/2.4/13.3/8.4/4.1/10.9% respectively. The OI of INR 85.2bn comprises a reservoir project in Rajasthan, DC works in Maharashtra (group ordering continues to be an advantage), Civil/Structural for steel project in WB, UG metro in Delhi, HVDC substation in Rajasthan, to name a few. CPL plans to add more complex projects to its portfolio with increased focus on marine, HSR, nuclear power, and data centers (EPC).
- **Comfortable balance sheet:** The net debt-equity stands at 0.2x as of Jun'26 (Jun'25: 0.34x), with net debt at INR 7bn (Jun'25: INR 6.7bn). CPL guides for INR 3.5-4bn capex in FY27 (Q1: INR 0.8bn deployed). Receivables from Bangladesh continue to be at normalized levels, with completion expected by Sep'26 (timeline revised from Jun'26 due to monsoon). As of Jun'26 gross/net debt stood at INR 10/7bn. Management guides planned QIP of INR 50bn to act as growth capital for future capex/expansion.

Consolidated Financial Summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	27,209	25,424	7.0	29,735	(8.5)	100,606	118,715	141,271	162,786
EBITDA	2,746	2,328	18.0	3,577	(23.2)	10,216	12,284	14,789	16,695
APAT	1,408	1,372	2.6	2,422	(41.9)	5,977	6,987	8,691	9,878
EPS (INR)	8.2	8.0	2.6	14.1	(41.9)	34.8	40.7	50.6	57.5
P/E (x)						38.6	33.0	26.5	23.3
EV/EBITDA(x)						22.5	18.3	14.8	12.8
RoE (%)						28.2	25.4	24.6	22.1

Source: Company, HSIE Research

BUY

CMP (as on 29 Jul 2026)	INR 1,341
Target Price	INR 1,459
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1459	INR 1459
EPS Change	FY27E	FY28E
%	-	-

KEY STOCK DATA

Bloomberg code	CEMPRO IN
No. of Shares (mn)	172
MCap (INR bn) / (\$ mn)	230/2,409
6m avg traded value (INR mn)	982
52 Week high / low	INR 1,650/481

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	97.5	111.6	75.7
Relative (%)	97.3	117.6	80.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	67.46	67.46
FIs & Local MFs	1.94	2.86
FPIs	7.31	7.26
Public & Others	23.28	22.40
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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NCC

Strong order backlog; improved performance

NCC reported improved quarterly performance in Q1FY27, with revenue/EBITDA/APAT beat by +5/+14.7/+15.7% on the back of improved quarterly execution. Improvement in JJM collection provides comfort on timely payments. With Order Inflow (OI) of INR 38.9bn in Q1FY27 (Q1FY26: 36.6bn), the consolidated/standalone Order Book (OB) as of Q1FY27 stands at INR 812.1bn/173bn (~4.7x FY26 revenue). The bid pipeline as of June'26 stands at INR 2.5trn. NCC has guided revenue growth at 8-10%, EBITDA margin of 8.5-9% and OI guidance is at INR 220-250bn for FY27. With geopolitical uncertainty and increase in commodity prices (80% OB is variable pricing), NCC expects prices to start stabilizing from Q2FY27. However, price increases of commodities such as OFC could affect the profitability for Bharatnet project (INR 65bn) being executed by NCC. While work execution at NCC's project sites is progressing smoothly in Q2FY27, the company has guided for revenue growth of only 8-10%. We believe growth should pick up in ensuing quarters as the entire OB has moved into execution from Q1FY27. We have cut estimates to factor in client-specific delays; maintain BUY with reduced TP of INR 239/sh (15x Sep-28E EPS).

- **Q1FY27 financial highlights:** Revenue: INR 49.1bn (+12.2/-7.6% YoY/QoQ, a 5% beat). EBITDA: INR 4.4bn (+12/-1.4% YoY/QoQ, a 14.7% beat). EBITDA margin: 9% (-1/+57bps YoY/QoQ), vs. our estimate of 8.2%. APAT: INR 1.8bn (-1.5/-14.5% YoY/QoQ, a 15.7% beat).
- **Healthy order backlog, supported by strong robust inflows:** The OI of INR 38.9bn is spread across building/transportation/water & rail/electrical (T&D)/irrigation & others at 36/18/34/10/2% respectively. Business-wise, the consolidated OB is well-diversified into building/transportation/electrical (T&D)/irrigation & others/water & rail/mining segments, each contributing 28/20/16/6/14/16%. Capex outlay stands at INR 9.1bn for FY26 (FY27: ~INR5bn guidance). The OB is spread across State/Centre/PSU/private/NHAI at 19/14/60/5/2% respectively.
- **JJM receivable recovery aid deleveraging:** Gross standalone debt increased to INR 24.1bn (Q4/Q1FY26: INR 22.5bn/INR 18.5bn), primarily led by borrowings for the execution of smart projects. The smart meter projects are expected to be completed by Mar'27, with the associated O&M revenues expected to accrue in the subsequent period. NCC's Q1 JJM receipt stands at INR 6.1bn, with current outstanding at INR 27.7bn as of June'26 (Mar'26: INR 30bn). Pending JJM OB as of Q1 is INR 58.8bn. NWC as of Q1FY27 improved to 95 days (Q4/Q1FY26: 97/102 days). Standalone gross debt mix stands at 58/25/17% which has gone toward working capital/ST loans (incl. maturities)/long-term debt.

Standalone Financial Summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	49,115	43,782	12.2	53,157	(7.6)	1,74,633	1,95,588	2,24,927	2,56,416
EBITDA	4,425	3,949	12.0	4,488	(1.4)	14,484	17,212	19,569	22,308
APAT	1,873	1,901	(1.5)	2,190	(14.5)	6,178	7,172	8,859	11,118
EPS (INR)	3.1	3.1	(1.5)	3.6	(14.5)	9.8	11.4	14.1	17.7
P/E (x)						15.9	13.7	11.1	8.8
EV/EBITDA (x)						6.2	5.3	4.6	3.9
RoE (%)						8.0	8.7	10.0	11.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E			FY29E		
	New	Old	% Chg.	New	Old	% Chg.	New	Old	% Chg.
Revenue	1,95,588	2,00,827	(2.6)	2,24,927	2,36,976	(5.1)	2,56,416	2,72,523	(5.9)
EBITDA	17,212	17,271	(0.3)	19,569	21,091	(7.2)	22,308	24,527	(9.0)
EBITDA (%)	8.8	8.6	20.0	8.7	8.9	(20.0)	8.7	9.0	(30.0)
APAT	7,172	7,593	(5.5)	8,859	10,157	(12.8)	11,118	12,436	(10.6)

Source: HSIE Research

BUY

CMP (as on 07 Aug 2026)	INR 146
Target Price	INR 239
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 243	INR 239
EPS	FY27E	FY28E
Change %	-5.5	-12.8
		-10.6

KEY STOCK DATA

Bloomberg code	NJCC IN
No. of Shares (mn)	628
MCap (INR bn) / (\$ mn)	91/960
6m avg traded value (INR mn)	439
52 Week high / low	INR 226/130

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.4)	(7.0)	(34.5)
Relative (%)	(15.2)	(0.9)	(31.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	22.81	23.09
FIs & Local MFs	16.40	17.88
FPIs	12.11	11.29
Public & Others	48.68	47.75
Pledged Shares	1	1

Source: BSE

Pledged shares as % of total shares

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Dilip Buildcon

On the path to recovery

Dilip Buildcon (DBL) reported revenue/EBITDA/APAT beat/(miss) of - +9.2/+7.2/(36)% respectively. DBL expects FY27 revenue growth at 30-40% after a dismal FY26 performance, with EBITDA margin of 11-12% and order inflow (OI) target of INR100-120bn. Capex is expected to be stable (INR 1bn annually), focused mainly on replacement needs. DBL business model is pivoting toward long-term assets contributing about 75% to profits and EPC at 25% by FY29. Balance sheet is expected to go through a robust transformation from net debt to net cash at standalone level by FY28. This will be on the back of strong cash flows from mining business and InvIT distributions. Future investment in renewables business is being premised at keeping 15% stake and getting investors on board. DBL's plan to sell 11 HAM assets to Shrem InvIT by Mar'27/Jun'27 for INR17.5bn units value will create an additional liquidity buffer to invest for expansion and HAM bidding. DBL has agreed to sell 49% stake in transmission and solar asset with project cost of INR 84bn to Alpha Alternatives (AA). Total equity requirement is INR 16.6bn, of which AA will contribute INR 8.2bn. For its own share of INR 8.4bn, DBL has tied up structured equity worth INR 9bn. Once the projects achieve COD, DBL will convert the structure equity to units at fair valuation and balance units will accrue to DBL. Structure equity is being raised so that surplus cashflow is utilized toward debt reduction rather than equity investments. We retain ADD with an SOTP-based TP of INR 556 (12x Jun-28E EPS, 1.25x P/BV HAM equity investment).

- **Q1FY27 financial highlights:** Revenue: INR 19.3bn (-4/+3.7% YoY/QoQ, a 9.2% beat); EBITDA: INR 2bn (-2/-0.2%, YoY/QoQ, a 7.2% beat); EBITDA margin: 10.3% (+21/-40bps YoY/QoQ), vs. our estimate of 10.5%. RPAT: INR 0.4bn (-68.4/-42.6% YoY/QoQ). APAT: INR 0.4bn (-19.7/-40.1% YoY/QoQ, 36% miss driven by lower other income and higher taxation).
- **Uptick in order inflows:** DBL's OB at INR 276.9bn as of Jun'26 is 3.1x of FY26 revenue. The OI in Q1/Q2FYTD stood at INR 2.7/25.2bn from water and irrigation segment. The OB is well-diversified, with roads, irrigation, mining, renewables being major contributors at 17.1/17.3/20.9/18.7% toward total OB. The bid pipeline stands at INR 1.5trn.
- **Standalone balance sheet net debt zero status by FY28:** DBL continues with the net cash status guidance by FY28. The unit holding by DBL in Shrem & Anantam InvIT combined stands at 15.2bn units. Total equity requirement for 13 road HAM, 1 Water-HAM, BOT-ZOTL, solar, transmission projects stands at INR 45.4bn, of which INR 18.5bn is invested, as of Jun'26. The balance equity investment of INR 27.2bn (INR 10.8/11.2/2.4/0.5bn) is expected to be invested in 9MFY27/28/29/30 through a mix of SPV accruals (of coal), InvIT units and structured equity (from investors). The standalone equity/net debt and net D/E ratio stood at INR 68.7/21.1bn and 0.31x in Q1FY27 (Q4/Q1FY26: 0.28/0.28x) respectively. The NWC days in Q1FY27 stood at 133 (Q4/Q1FY26: 131/84 days).

Standalone Financial Summary (INR mn)

Particulars	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	19,296	20,099	(4.0)	18,602	3.7	70,050	91,065	105,909	117,876
EBITDA	1,991	2,031	(2.0)	1,995	(0.2)	7,344	9,983	11,624	12,824
APAT	394	491	(19.7)	658	(40.1)	1,789	3,333	4,789	5,189
Diluted EPS (INR)	2.7	3.4	(19.7)	4.5	(40.1)	12.2	22.8	32.8	35.5
P/E (x)						34.5	18.5	12.9	11.9
EV / EBITDA (x)						9.3	7.6	6.6	6.0
RoE (%)						2.9	5.3	8.0	8.0

Source: Company, HSIE Research

ADD

CMP (as on 11 Aug 2026)	INR 422
Target Price	INR 556
NIFTY	24,472

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 554	INR 556
	FY27E	FY28E
EPS Change (%)	-	-

KEY STOCK DATA

Bloomberg code	DBL IN
No. of Shares (mn)	162
MCap (INR bn) / (\$ mn)	69/719
6m avg traded value (INR mn)	186
52 Week high / low	INR 588/382

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(13.4)	(7.0)	(10.9)
Relative (%)	(16.2)	0.3	(7.8)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	63.14	63.14
FIs & Local MFs	6.10	6.12
FPIs	1.97	1.99
Public & Others	28.79	28.75
Pledged Shares	9	9

Source: BSE

Pledged shares as % of total shares

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PNC Infratech

Strong show

PNC Infratech (PNC) reported Q1FY27 revenue/EBITDA/APAT of INR 13/1.6/0.9bn, a beat on our estimates by +12.9/+12.7/+25.8% respectively. FYTD27 continues to witness slower tendering, delay in appointed dates (AD), subdued execution in water and canal, stretched JJM receivables, and land availability issues. However, existing OB execution of 27 projects remains on track. The OB as of Jun'26 stood at INR 156.7bn (~3.4x FY26 revenue). PNC has maintained guidance for FY27/28 revenue at +30/25% YoY, EBITDA margin at 12% and OI is guided at INR 120-150bn (incl. wins till FYTD27). We expect revenue and order awards to pick up in H2FY27, on the back of pick-up in execution, diversification toward new revenue streams like renewables, rail, airports and mining to aid order inflow, and bid pipeline of INR 320bn provides visibility. Mining/BESS project is expected to provide stable revenue stream for 5/25 years respectively. Receipt of arbitration award win of INR 2.4bn from NHAI provides additional liquidity. We have maintained our estimates for FY27; maintain BUY with an SOTP of INR 304/sh (12x Mar-28E EPS and 1.3x P/BV for HAM).

- **Q1FY27 financial highlights:** Revenue stood at: INR 13bn (+14.4/-10.8% YoY/QoQ, a 12.9% beat). EBITDA: INR 1.6bn (+11.7/-10.4% YoY/QoQ, a 12.7% beat). EBITDA margin: 12.1% (-29/+5bps YoY/QoQ, in line with our estimates). APAT: INR 0.95bn (+17.2/-5.8% YoY/QoQ, a 25.8% beat). Q1FY27 segmental revenue stands at 82/8/10% for roads/water/toll & annuity respectively. We have removed INR 2.17bn arbitration award from revenue/EBITDA and classified it as exceptional item.
- **Robust order pipeline supported by RE and mining:** The OB as of Jun'26 stood at INR 156.7bn, excluding two HAM projects worth INR 34.9bn, where AD is awaited (including the same, OB is INR 191.6bn). Roads/rail/water & canal/airport runway/mining MDO contribute 56/3/19/4/18% respectively to the OB. MH/Bihar/Chhattisgarh/UP/MP at 23/17/18/20/10% respectively are major geographical contributors to the OB. OI for FYTD27 comprises Western Bhopal Bypass, MP (HAM) – INR 10.9bn, AAI Pantnagar Airport, UK – INR 3bn, Shaheed Path Intersection, Lucknow, UP – INR 1.9bn, NH-927: Barabanki to Mustafabad, UP (HAM) – INR 17.3bn, and NH-927: Mustafabad to Biswariya, UP (HAM) – INR 17.6bn.
- **Strong balance sheet through strategic asset monetization:** PNC's standalone debt stands at INR 9.1bn as of Jun'26 (Mar'26: INR 7.4bn), while gross D/E is at 0.2x (Mar'26: 0.1x). The total equity investment in 12 ongoing/awarded HAM projects stands at INR 16.2bn, of which INR 11.9bn has been infused until Jun'26 with a balance of INR 4.4bn to be spread across FY27/28 at INR 2.3/2.1bn respectively. NWC days stood at 110 as of Jun'26 (Mar'26: 134). Capex in Q1FY27 stood at INR 0.7bn while annual capex targeted in FY27 stands at INR 1.5bn. Management has guided for equity requirement of INR 4bn for BESS, spread across FY27/28.

Standalone Financial Summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28	FY29E
Revenue	13,006	11,365	14.4	14,576	(10.8)	46,335	58,845	71,203	78,323
EBITDA	1,570	1,405	11.7	1,752	(10.4)	5,829	7,070	8,612	9,395
APAT	946	808	17.2	1,004	(5.8)	3,441	4,122	5,194	5,629
Diluted EPS (INR)	3.7	3.1	17.2	3.9	(5.8)	13.0	16.1	20.2	21.9
P/E (x)						16.2	13.1	10.4	9.6
EV / EBITDA (x)						9.5	8.1	6.7	5.9
RoE (%)						6.1	7.4	9.4	9.4

Source: Company, HSIE Research

BUY

CMP (as on 10 Aug 2026)	INR 210
Target Price	INR 304
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	INR 304	INR 304
EPS Change (%)	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	PNCL IN
No. of Shares (mn)	257
MCap (INR bn) / (\$ mn)	54/566
6m avg traded value (INR mn)	147
52 Week high / low	INR 325/158

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.0)	(8.1)	(31.6)
Relative (%)	(6.9)	(2.1)	(29.0)

SHAREHOLDING PATTERN (%)

	Mar-26	June-26
Promoters	56.07	56.07
FIs & Local MFs	24.55	24.55
FPIs	7.18	7.18
Public & Others	12.21	12.21
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Ahluwalia Contracts

Weak profitability; multiple headwinds

Ahluwalia Contracts (AHLU) reported a revenue/EBITDA/APAT of INR 11.3/0.5/0.1bn, a beat/miss of +4.7/-49.7/-79.9% respectively. Heightened labor cost witnessed in Q1FY27 is expected to be the new normal, while billing dispute of INR 290mn for AIIMS Jammu project has also put a dent on EBITDA. ~11% of the order book (OB) is fixed price while balance is variable price, indicating price increases can be negotiated by AHLU with its customers and are already under discussions. The OB as of Jun'26 stood at INR 206.6bn (~4.5x FY26 revenue). FYTD order inflow (OI) stood at INR 5.1bn (excl. GST). For FY27, AHLU guides revenue at +12-15% YoY (earlier: +15-20% YoY), EBITDA margin guidance is removed owing to multiple level of uncertainties viz. elevated labour costs, commodity pressures, NGT ban, etc. We have cut our margins/EPS estimates to factor in the delayed project start and weak profitability. Given that there is limited upside to the CMP, we maintain ADD, with a reduced TP of INR 764 (14x Jun-28E EPS).

- **Q1FY27 financial highlights:** Revenue: INR 11.3bn (+12/-14.9% YoY/QoQ, a 4.7% beat). EBITDA: INR 0.5bn (-44.1/-61% YoY/QoQ, a 49.7% miss). EBITDA margin: 4.3% (-430/-506bps YoY/QoQ, vs. our estimate of 8.9%). EBITDA was impacted by INR 290mn (260bps), owing to disallowed cost in AIIMS Jammu final bill by client and balance by Haryana (50% of order book) minimum labor wages hike of 35-40% effective 1 Apr 2026 and employee ramp-up owing to scale of business. RPAT: INR 114mn (-77.7/85.8% YoY/QoQ, a miss of 79.9%).
- **Strong OB, execution monitored:** The OB as of Jun'26 certainly provides visibility on execution for next three years. Management's ability to renegotiate labor and commodity costs amid inflationary environment remains monitorable on future revenue growth and profitability. Segment-wise OB stands at 39.7/18.3/18.2/17.4/5.8/0/6% toward residential, institutional, infrastructure, commercial/industrial, hospital, and hotels respectively. Sector-wise the OB stands at 61.7/28.3/9.3/0.7%, spread across private, center, state, and overseas (govt.) respectively. Geographically, the OB is exposed to north, west, east, south, and overseas (Nepal) at 52/23.5/16.3/7.5/0.7% respectively.
- **Robust net cash position:** AHLU is debt-free, with INR 22mn gross debt and total cash and cash equivalents of over INR 9.2bn, as of June'26. Q1FY27 capex was at INR 0.6bn (FY27/28 targeted at INR 2.2-2.5bn respectively). NWC stood stable at 119 days as of Q1FY27 (Q4/Q3FY26: 104/103 days).

Standalone Financial Summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	11,258	10,049	12.0	13,223	(14.9)	45,652	50,784	57,894	65,073
EBITDA	482	863	(44.1)	1,236	(61.0)	4,345	3,910	5,268	6,182
APAT	114	511	(77.7)	801	(85.8)	2,643	2,306	3,400	3,981
Diluted EPS (INR)	1.7	7.6	(77.7)	12.0	(85.8)	39.5	34.4	50.8	59.4
P/E (x)						20.1	23.1	15.6	13.4
EV / EBITDA (x)						10.5	12.8	9.7	8.2
RoE (%)						13.7	11.0	14.8	15.0

Source: Company, HSIE Research

Change in estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)
Revenue	50,784	51,759	(1.9)	57,894	59,782	(3.2)
EBITDA	3,910	5,124	(23.7)	5,268	5,918	(11.0)
EBITDA (%)	7.7	9.9	(220.0)	9.1	9.9	(80.0)
APAT	2,306	3,214	(28.3)	3,400	3,880	(12.4)

Source: HSIE Research

ADD

CMP (as on 17 Aug 2026)	INR 794
Target Price	INR 764
NIFTY	24,288

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target (INR)	INR 824	INR 764
	FY27E	FY28E
EPS Change %	28.3	-12.4

KEY STOCK DATA

Bloomberg code	AHLU IN
No. of Shares (mn)	67
MCap (INR bn) / (\$ mn)	53/556
6m avg traded value (INR mn)	56
52 Week high / low	INR 1,078/645

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.1)	(1.7)	(16.4)
Relative (%)	(3.4)	5.1	(12.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	55.32	55.32
FIs & Local MFs	22.32	22.32
FPIs	13.74	14.05
Public & Others	8.61	8.32
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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J Kumar Infraprojects

Stable performance; improved order inflows

JKIL reported revenue/EBITDA/APAT at 15.1/2.1/0.98bn, a beat/(miss) to our estimates by +0.9/+2.1/+9.3% respectively. JKIL's execution has been affected by restrictions imposed by BMC in the MMR region in Q1FY27 including water supply being cut off for construction projects. Further, some of the larger projects are still awaiting notice from government authorities to proceed as these are at different stages of statutory approvals (viz. tree cutting permission, utilities shifting, etc.). The order inflow (OI) stood at INR 45.6bn in Q1FY27 resulting in the order book (OB) of INR 222.5bn as of Jun'26 (~3.9x FY26 revenue). Further, JKIL has guided an OI of INR 100bn for FY27, of which it has already secured INR 55bn and is L1 in INR 15bn. FY27 revenue growth guidance is 15%, with EBITDA margin guidance of 14-15%. JKIL is keen on bidding for large-scale projects in Maharashtra, including the Mumbai/Pune/Thane metro rail ones. Bid pipeline in MMR/NCR alone have a potential of INR 1trn+ from different government agencies, which is expected to be finalized over the next 12-18 months. We have retained our estimates on JKIL. Maintain ADD, with a TP of INR 614 (9x-Sep 28E, rollover to Sep-28 EPS).

- **Q1FY27 financial performance:** JKIL generated revenue of INR 15.1bn (+1.9/-4.1% YoY/QoQ, a 0.9% beat) with an EBITDA of INR 2.1bn (-0.6/-2% YoY/QoQ, a 2.1% beat). EBITDA margin stood at 14.3% (-36/+31bps YoY/QoQ, vs. our estimate of 14.1%), while RPAT/APAT came in at INR 0.98bn (-4.9/-7.3% YoY/QoQ, a beat of 9.3%). Revenue spread in Q1FY27 stood at metro (UG)/metro (E)/elevated corridors/roads & tunnels/water/civil & others at 10/18/43/17/1/11% respectively. Geographically, Maharashtra, TN, and NCR lead revenue contributions at 59/15/23% respectively.
- **Robust and diversified order book:** Geographically, the OB is spread across Maharashtra/TN/NCR/UP/Gujarat/Karnataka at 65/15/12/7/1/<1% respectively. Segment-wise, it is spread across elevated corridors/roads & tunnels/civil/metro (E)/metro (UG)/water at 48/20/20/5/4/4% respectively.
- **Strong balance sheet to facilitate growth opportunities:** Gross debt stood at INR 8.4bn as of Jun'26 (Mar'26: INR 6.2bn), leading to a consistent gross D/E of 0.24x (Net D/E: 0.01x). Capex in Q1FY27 stood at INR 0.34bn (FY26: INR 4.6bn), while capex guidance for FY27/28 stands at INR 1.5bn respectively. NWC days stood at 103 as of Mar'26 (Q4/Q1FY26: 99/115 days).
- **Weak ordering in FY26, strong inflows in FYTD27:** JKIL booked INR55bn of new orders in FYTD27, on the back of improved ordering and is L1 in INR 15bn of order. This takes the total order booking to INR 70bn, which is close to the INR 80-100bn guidance for FY27. JKIL's focus will remain on the EPC segment, with significant tenders worth INR 1trn+ expected to be floated from the MMR and NCR regions in the next 12-18 months. Strong tender pipeline may result in JKIL surpassing its FY27 order inflow guidance.

Standalone Financial Summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	15,074	14,787	1.9	15,725	(4.1)	56,939	65,480	75,302	86,597
EBITDA	2,149	2,161	(0.6)	2,193	(2.0)	8,187	9,379	10,676	11,924
APAT	978	1,028	(4.9)	1,055	(7.3)	4,176	4,344	4,830	5,493
EPS (INR)	12.9	13.6	(4.9)	13.9	(7.3)	55.2	57.4	63.8	72.6
P/E (x)						9.0	8.7	7.8	6.9
EV/EBITDA (x)						5.1	4.1	3.2	2.6
RoE (%)						13.1	12.0	12.9	14.2

Source: Company, HSIE Research

ADD

CMP (as on 07 Aug 2026)	INR 499
Target Price	INR 614
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 589	INR 614
EPS Change (%)	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	JKIL IN
No. of Shares (mn)	76
MCap (INR bn) / (\$ mn)	38/397
6m avg traded value (INR mn)	73
52 Week high / low	INR 710/425

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.6)	(12.7)	(27.7)
Relative (%)	(4.5)	(6.6)	(25.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	46.64	46.64
FIs & Local MFs	15.16	15.16
FPIs	12.55	11.68
Public & Others	25.65	26.52
Pledged Shares	22.67	22.67

Source: BSE

Pledge share as a % of total shares

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KNR Constructions

Weak performance, owing to muted ordering

KNR's reported revenue/EBITDA/APAT at INR 3.6/0.2/0.08bn were a miss to our estimates by 16/40/56%. Subdued tendering, lower margin pipeline subcontracting revenue, and weaker execution impacted profitability. Based on current OB, KNR guided for the FY27/28 revenue to be in the range of INR23/30bn and margins are expected to improve to 9/12% by FY27/28. KNR has booked ~INR 3.6bn of new orders in Q1FY27, taking the overall OB to INR 86.7bn as of June'26 (4.2x FY26 revenue, ex of INR 32.3bn orders where AD is awaited). KNR expects an inflow (OI) of INR 80-100bn in FY27, once NHAI ordering picks pace, including other segments like irrigation from MP and Maharashtra, subcontracting from EPC/BOT projects won by peers, and urban infra projects in AP, Tamil Nadu, and Telangana. Irrigation receivables stand at INR 14.5bn, of which KNR expected to realize INR 6-7bn in FY27 on monthly payment of INR 1bn over the next 6-7months as agreed with the Telangana government. Balance payment of INR 7-8bn will follow from revised budget estimates. We have cut estimates to factor in weak order inflows and margins; maintain BUY with a TP of INR 155/sh (13x Jun-28E EPS and HAM valued at 1.5x of equity invested).

- **Q1FY27 financial performance:** Adjusted for INR 0.76bn claim, revenue stood at INR 3.6bn (-25/-29% YoY/QoQ, a miss of 16%). Adjusted EBITDA was INR 195mn (-68/+2209% YoY/QoQ, a miss of 40%). EBITDA margin was 5.4% (-748/+524bps YoY/QoQ; vs. our estimate of 7.6%). APAT was at INR 86mn (-81%YoY, a 56% miss). RPAT stood INR 2.85bn (+450.4/+1368% YoY/QoQ).
- **Weak ordering impacted execution:** Captive (HAM project) works constitute 14% of the OB, and of the balance, state/central government/other orders constitute 42/42/2%. Business-wise, roads (HAM)/roads (non-HAM)/irrigation/pipeline/mining account for 14/16/19/10/41% of the OB, which is geographically split between south/east at 59/41%. Additionally, KNR has also won three projects worth INR 65.7bn (excluding June'26 OB).
- **Strong balance sheet supported by healthy liquidity:** Standalone debt is nil with cash of INR 3.1bn. Further, NWC days increased to 133 in Q1FY27 (Q4FY26: 78), primarily due to a delay in irrigation receivables, which stand at INR 14.5bn, from the Telangana government. KNR is diversifying into coal mining and metro/railway EPC to strengthen revenue streams. Furthermore, of the four assets planned for diversification by KNR to Indus Infra Trust, KPIPL (consideration: INR 2bn) was divested in Q4FY26, two more assets (KPIL & KRIPL) were divested in Q1FY27 for a combined consideration of INR 5.2bn.

Standalone Financial Summary (INR mn)

Particulars	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	4,367	4,792	(8.9)	5,079	(14.0)	20,651	22,264	29,884	35,055
EBITDA	655	617	6.1	8	7,656.1	1,468	1,982	3,571	4,960
APAT	431	453	(4.9)	(14)	(3,264.7)	1,161	1,166	2,254	2,795
EPS (INR)	1.5	1.6	(4.9)	(0.0)	(3,264.7)	4.13	4.15	8.02	9.94
P/E (x)						32.1	31.9	16.5	13.3
EV/EBITDA (x)						24.9	19.3	10.0	7.0
RoE (%)						3.1	3.4	5.8	6.2

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	22,264	22,264	-	29,884	29,884	-	35,055	36,055	(2.8)
EBITDA	1,982	2,516	(21.2)	3,571	3,452	3.5	4,960	5,282	(6.1)
EBITDA (%)	8.9	11.3	(240.0)	12.0	11.6	40.0	14.2	14.7	(50.0)
APAT	1,166	1,566	(25.5)	2,254	2,165	4.1	2,795	3,032	(7.8)

Source: HSIE Research

BUY

CMP (as on 14 Aug 2026)	INR 132
Target Price	INR 155
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 154	INR 155
EPS Change %	FY27E -25.5	FY28E +4.1

KEY STOCK DATA

Bloomberg code	KNRC IN
No. of Shares (mn)	281
MCap (INR bn) / (\$ mn)	37/390
6m avg traded value (INR mn)	387
52 Week high / low	INR 220/109

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.8	(6.3)	(33.3)
Relative (%)	(1.6)	(0.7)	(30.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	48.81	48.81
FIs & Local MFs	19.32	17.30
FPIs	6.30	5.43
Public & Others	25.58	28.46
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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HG Infra

Muted performance

HG Infra (HG) reported Q4FY27 revenue/EBITDA/APAT of INR 9.1/0.8/0.06bn, a -14.4/-40.7/-84.2% miss vs. our estimates. Disruption in execution in some solar projects, due to local issues, resulted in shifting of transmission lines. This increased the overall project cost and impacted margins. Further, increase in commodity prices (metal – transmission execution and bitumen – roads execution) also impacted EBITDA margins. Delay on settlement of operational claims continues to persist with partial receipt of INR 0.4bn in Q1, and INR 1bn each expected by Q2 and H2FY27 respectively. HG's order book (OB) as of Jun'26 stood at INR 145bn (~2.6x FY26 revenue). HG has revised revenue guidance at INR 60-65bn (earlier INR 65-70bn) and EBITDA margin of 13-13.5% (earlier 14-15%) for FY27. Moderation in guidance factors in underwhelming Q1FY27 performance. HG has embarked upon diversification strategy into new business segments, as is evident from its OB, which now includes roads, rails, solar, T&D, and BESS, thus reducing segmental concentration risk, particularly in light of muted awards and intense competition in the road infrastructure sector. We have cut our estimates to factor in the delay in project awards and lowered our margins assumption. Given stable OB, likely pick-up in execution, and a healthy balance sheet, we maintain BUY on HG, with a reduced TP of INR 852 (9x Jun-28E EPS).

- **Q1FY27 financial highlights:** Revenue of INR 9.1bn (-46.9/-33% YoY/QoQ, a miss by 14.1%). EBITDA: INR 0.8bn (-67.3/-39.3% YoY/QoQ, a miss by 40.7%). EBITDA margin came in at 8.5% (-530/-88bps YoY/QoQ, vs. our estimate of 12.3%). Margins were impacted by local issues and shifting of solar plants to a new location and, hence, a hit was taken on account of this in P&L. APAT: INR 57mn (-95.5/-87.7% YoY/QoQ, a miss by 84.2%).
- **Well-diversified OB:** Sector-wise, the OB is spread across BESS. Highway, railway, solar, transmission at 3/65/21/1/10% respectively. Segment-wise OB is spread across EPC and HAM at 69/31% respectively. HG continues to guide OI of INR 110-120bn for FY27 with OI as on YTD FY27 at INR 55bn.
- **Balance sheet:** The standalone gross debt as of Jun'26 stood at INR 18.3bn (Mar'26/Dec'25/Mar'25 stood at INR 16.2/19/10.7bn). The total pending equity requirement is INR 13.5bn (total equity investment: INR 30.2bn) with INR 5/6.3/1.5bn expected to be infused in 9MFY27/28/29. HG's plans to monetize five assets are in progress with receipt of INR 2bn till date and the balance INR 9.4bn expected by FY27, resulting in standalone debt reduction from INR 18.3bn as of Jun'26 to INR 8-9bn by FY28 (earlier H1FY27).

Standalone Financial Summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	9,072	17,092	(46.9)	13,539	(33.0)	56,667	60,067	67,875	77,378
EBITDA	770	2,357	(67.3)	1,269	(39.3)	7,334	7,628	8,824	10,446
APAT	57	1,255	(95.5)	461	(87.7)	3,891	4,096	5,000	5,965
EPS (INR)	0.9	19.3	(95.5)	7.1	(87.7)	59.7	62.9	76.7	91.5
P/E (x)						8.8	8.3	6.8	5.7
EV/EBITDA (x)						6.8	5.4	4.7	4.0
RoE (%)						12.7	12.3	14.8	17.7

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	60,067	63,467	(5.4)	67,875	72,987	(7.0)	77,378	83,935	(7.8)
EBITDA	7,628	9,012	(15.4)	8,824	10,145	(13.0)	10,446	11,667	(10.5)
EBITDA (%)	12.7	14.2	(10.0)	13.0	13.9	(9.0)	13.5	13.9	(4.0)
APAT	4,096	5,025	(18.5)	5,000	5,845	(14.5)	5,965	6,358	(6.2)

Source: HSIE Research

BUY

CMP (as on 14 Aug 2026)	INR 524
Target Price	INR 852
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 907	INR 852
	FY27E	FY28E
EPS Change %	-18.5	-14.5

KEY STOCK DATA

Bloomberg code	HGINFRA IN
No. of Shares (mn)	65
MCap (INR bn) / (\$ mn)	34/358
6m avg traded value (INR mn)	218
52 Week high / low	INR 1,050/430

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.5)	(21.4)	(45.6)
Relative (%)	(18.0)	(15.8)	(42.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	71.78	71.78
FIs & Local MFs	10.65	10.11
FPIs	1.39	1.37
Public & Others	15.16	16.74
Pledged Shares	-	-

Source: BSE

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Ashoka Buildcon

Weak performance

Ashoka Buildcon's (ASBL) standalone revenue/EBITDA/APAT came in at INR 12.9/0.9/0.3bn, a miss of -2.7/-21.3/-27.4% vs. our estimates on account of muted execution. ASBL guides for 15% revenue growth and 9.5% EBITDA margin in FY27 (down from 20% growth and 9.5-10.5% EBITDA). The OB as of Jun'26 stood at INR 153bn (~2.6x FY26 revenue). Further, ASBL has reduced its guidance for OI at INR 85-105bn for FY27 (earlier: INR 110-120bn). Additionally, ASBL has already invested INR 6.1bn in the current HAM portfolio; the balance equity requirement in its existing NHAI HAM assets is INR 3.25bn as of Jun'26 (INR 1,790/720/720mn to be invested by FY27/28/29). Given the diversification to power T&D, improved balance sheet on the back of deleveraging through HAM monetization, and stable OB, we maintain BUY with a reduced TP of INR 163/sh (11x Jun-28E EPS). We have cut estimates to factor in the ordering delay and weaker margins.

■ **Q1FY27 financial highlights:** Revenue: INR 12.9bn (-1.7/-27.3% YoY/QoQ, a miss by 2.7%). EBITDA: INR 0.9bn (-23.9/-23.5% YoY/QoQ, a 21.3% miss). EBITDA margin: 7.2% (-211/+36bps YoY/QoQ, vs. our estimate of 8.9%). APAT: INR 315mn (+3/-35.4% YoY/QoQ, a miss of 27.4%). Collections from its sole Toll asset – Jaora – Nayagaon Road Project remains strong for Q1FY27 at INR 0.7bn (FY26/25: INR 3/2.5bn). Geographically the revenue is spread across domestic/international (80% from Guyana) at 78/22% respectively. Business-wise, the revenue is well-diversified with HAM (roads)/EPC (roads)/power T&D/railways and others (building EPC, etc.,) comprising 10.2/49.3/18/5/10.7% respectively.

■ **Robust order pipeline provides revenue visibility:** ASBL's OI in Q1FY27 stood at INR7.8bn and L1 in INR18bn. Segment-wise, the OB is spread across road (EPC)/road (HAM)/building EPC/railways/power T&D at 44.5/10/3.5/8.8/33.2%. Region-wise, OB is spread across at 0.4/6/11.7/63.5/3.2/<1/15.1% for North/South/East/West/Central/ Northeast and Overseas. Central/State/HAM/Private and overseas contributed 12.2/55.8/10/7/15.1% to the OB.

■ **Asset monetization:** Six HAM assets in its portfolio are expected to be monetized (Investor: EAAA India Alternatives) in 4/2 asset format yielding INR 7.5/4bn by Sep'26/Mar'27 (earlier Mar'26/Jun'26; postponement due to last mile pending approvals from NHAI) respectively, as guided by management. The standalone gross debt and D/E as of Q1FY27 stood at INR 11.7bn (Q4/Q1FY27: INR 11.3/16.5bn) and 0.49x (Q4/Q1FY27: 0.49/0.51x) respectively. ASBL plans to monetize Chennai ORR and Jaora – Nayagaon Road Project by end of FY27/H1FY28 respectively with likely INR 6bn+ realisation.

Standalone Financial Summary (INR mn)

Particulars	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY26E	FY27E	FY28E	FY29E
Revenue	12,879	13,106	(1.7)	17,719	(27.3)	58,117	63,928	69,042	75,394
EBITDA	930	1,222	(23.9)	1,215	(23.5)	4,956	5,817	6,421	7,162
APAT	315	306	3.0	489	(35.4)	1,966	1,967	2,670	2,732
Diluted EPS (INR)	1.1	1.1	3.0	1.7	(35.4)	7.0	7.0	9.5	9.7
P/E (x)						16.3	16.3	12.0	11.7
EV / EBITDA (x)						9.7	5.6	5.2	4.8
RoE (%)						4.7	4.4	5.8	5.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	% Change	New	Old	% Change
Revenue	63,928	63,928	-	69,042	73,517	(6.1)
EBITDA	5,817	6,073	(4.2)	6,421	7,352	(12.7)
EBITDA (%)	9.1	9.5	(40.0)	9.3	10.0	(70.0)
APAT	1,967	2,009	(2.1)	2,670	3,246	(17.7)

Source: HSIE Research

BUY

CMP (as on 12 Aug 2026)	INR 114
Target Price	INR 163
NIFTY	24,436

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target (INR)	INR 183	INR 163
EPS Change (%)	FY27E	FY28E
	-2.1	-17.7

KEY STOCK DATA

Bloomberg code	ASBL IN
No. of Shares (mn)	281
MCap (INR bn) / (\$ mn)	32/335
6m avg traded value (INR mn)	199
52 Week high / low	INR 215/101

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.5)	(28.0)	(36.7)
Relative (%)	(15.0)	(21.2)	(33.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	54.47	54.47
FIs & Local MFs	14.39	14.02
FPIs	5.90	4.39
Public & Others	25.22	27.10
Pledged Shares	-	-

Source: BSE

Pledged shares as a % of total shares

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IT, Exchanges

TCS

Mega deals pave the way for growth recovery

TCS's Q1FY27 points to a gradually improving demand environment, with client priorities increasingly aligned to AI-led transformation, modernization, cybersecurity, sovereign platforms, and vendor consolidation, even as geopolitical and macro headwinds keep discretionary spend selective. Growth revival is underpinned by a robust deal pipeline and TCV of USD 9.5bn in Q1, anchored by a USD 800mn AI-led transformation megadeal with SKF, taking total megadeal wins to six over the last five quarters. USD revenue grew 0.4% QoQ CC, while operating margins declined 130bps QoQ to 24% on annual wage hikes, with management targeting a 25%+ exit margin in FY27 through pyramid optimization, productivity gains, and operational efficiencies. On the vertical outlook, BFSI and Technology, Software & Services remained resilient, Manufacturing and Life Sciences are expected to recover in Q2 aided by net new deal wins, while Consumer Business continues to be impacted by geopolitical uncertainties, inflationary pressures, and weakness in airlines and non-essential retail. Hiring recovery was a key highlight, with TCS reporting its highest net headcount addition in 15 quarters (9,279 net additions) and a continued focus on digital and AI-native talent pool. AI services revenue reached an annualized run-rate of USD 2.6bn (~8% of revenue), driven by rising enterprise adoption moving from POCs to scaled deployments, supported by marquee partnerships with Anthropic and Mistral AI and platforms such as HyperVault. TCS remains confident of growth recovery, led by better pipeline, strong deal TCV, and net-new AI-led deal wins. We maintain ADD with a TP of INR 2,580, based on 16x Jun-28E EPS (vs. the 10-year average of 24x).

- **Q1FY27 highlights:** (1) TCS' revenue stood at USD 7,624mn +0.4/3.2% QoQ/YoY in CC terms. (2) Deal wins stood at USD 9.5bn (USD 12bn in Q4), with a USD 800mn mega deal won from SKF. NorthAm TCV stood at USD 4.7bn, BFSI TCV at USD 2.5bn, and Retail & CPG TCV at USD 1.4bn. (3) Growth was led by Technology & services (+1.7% QoQ CC), BFSI (+1.6%), Communication (+0.3%) while Retail & CPG revenues were muted (-4% QoQ) due to geopolitical issues. (4) Annualized AI revenue grew 13.6% QoQ to USD 2.6bn. (5) EBITM declined 132bps QoQ to 24% (vs our estimate of 24.8%), due to wage hikes rolled out to the global workforce (-170bps), which was partially offset by favourable currency and operational efficiency (+40bps).
- **Outlook:** We have factored in FY27/28/29E growth at +2/+3.1/3.2% (implying 0.4/0.9/0.7% CQGR in FY27/28/29E respectively). EBITM is factored in at 24.6/24.8/25.2% for FY27/28/29E respectively, translating to an EPS CAGR of 4.9% over FY26-29E.

Quarterly financial summary

(INR bn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	7,624	7,421	2.7	7,621	0.0	30,179	30,017	30,628	31,571	32,579
Net Sales	722.75	634.37	13.9	706.98	2.2	2,553.24	2,670.21	2,901.19	2,999.22	3,127.57
EBIT	173.17	155.14	11.6	178.70	(3.1)	621.65	668.39	714.60	745.25	787.25
APAT	146.85	127.60	15.1	137.18	7.0	485.53	526.50	559.83	575.79	608.06
Diluted EPS (INR)	40.6	35.3	15.1	37.9	7.0	134.2	145.5	154.7	159.1	168.1
P/E (x)						15.3	14.1	13.2	12.9	12.2
EV / EBITDA (x)						10.3	9.6	9.1	8.8	8.4
RoE (%)						52.4	52.1	52.5	54.3	57.6

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	30,621	30,628	0.0	31,522	31,571	0.2	32,552	32,579	0.1
Revenue	2,899.80	2,901.19	0.0	2,994.62	2,999.22	0.2	3,125.03	3,127.57	0.1
EBIT	713.72	714.60	0.1	745.00	745.25	0.0	788.34	787.25	(0.1)
EBIT margin (%)	24.6	24.6	2bps	24.9	24.8	-3bps	25.2	25.2	-6bps
APAT	551.06	559.83	1.6	574.27	575.79	0.3	607.22	608.06	0.1
EPS (INR)	152.3	154.7	1.6	158.7	159.1	0.3	167.8	168.1	0.1

Source: Company, HSIE Research

ADD

CMP (as on 09 Jul 2026)	INR 2,050
Target Price	INR 2,580
NIFTY	23,963

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,575	INR 2,580
EPS %	FY27E	FY28E
	+1.6	+0.3

KEY STOCK DATA

Bloomberg code	TCS IN
No. of Shares (mn)	3,618
MCap (INR bn) / (\$ mn)	7,415/77,739
6m avg traded value (INR mn)	11,912
52 Week high / low	INR 3,367/1,976

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.8)	(35.2)	(38.5)
Relative (%)	(21.0)	(27.0)	(30.4)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	71.77	71.77
FIs & Local MFs	12.87	13.41
FPIs	10.37	9.66
Public & Others	4.99	5.16
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Infosys

Slow start; guidance cut

Infosys's Q1FY27 CC revenue growth came in at 1% QoQ (2.4% YoY), lower than our estimate, weighed by a 50bps one-off from an EURS client program termination, softer-than-seasonal volumes, and higher offshoring. The company trimmed its FY27 CC revenue growth guidance by 50bps at the upper end to 1.5–3% (vs 1.5–3.5% earlier), slightly below our expectations, factoring in (i) contribution from recent acquisitions (Optimum Healthcare and Stratus), (ii) >1% drag from a large European manufacturing client, and (iii) ~0.75–1% impact from onsite-to-offshore shift; the upper end assumes milder macro improvement than assumed in April. EBIT margin guidance was maintained at 20–22%, with tailwinds from currency, Project Maximus, offshoring and utilization (84.9%, +190bps) offsetting a ~50bps acquisition headwind, wage hikes (Oct/Jan) and AI investments. Large deal TCV was strong at USD 3.6bn (net-new 61%, 20% from vendor consolidation). AI revenue scaled to 8.2% (vs 5.5% two quarters back), growing double-digit QoQ and ~6,000 FDEs will be deployed. Pricing is net-positive but softer than envisaged as AI-led deflation on renewals is being offset by better pricing on new AI/consulting deals. Demand remains uncertain, with elongated decision cycles and cautious discretionary spend. Additionally, Ashish Dash (31-yr Infosys veteran) was named CEO-designate, succeeding Salil Parekh from Apr'27. We cut our estimates by ~1% and lower our target multiple to 15x (from 16x earlier), citing continued uncertainty and guidance cut. We maintain BUY with a TP of INR 1,300 (15x Jun-28E EPS); the stock is trading at 13/12x FY27/28E P/E with a healthy ~6% FCF yield.

- **Q1FY27 highlights:** (1) INFY revenue grew 1% QoQ in CC terms to USD 5.08bn (lower than our estimate of USD 5.11bn), impacted by a terminated program with a European E&U client. (2) Among the verticals, financial services (28% of the revenue) improved 0.5% QoQ, manufacturing (16% of the revenue) grew 0.8% QoQ, retail (13% of the revenue) grew 0.8% QoQ and E&U (13% of the revenue) grew 2.4% QoQ. (3) TCV stood at USD 3.6bn (+12% QoQ), of which 61% was net new. INFY signed 22 large deals in Q1FY27. (4) Reported EBITM stood at 21.1% (+8bps QoQ), led by INR depreciation (+70bps) and project maximus (+20bps), offset by headwinds of AI Investment (-50bps) and a project termination (-40bps). The company has maintained operating margin guidance of 20 to 22% for FY27E.
- **Outlook:** INFY is expected to grow by 2.9/4.8/4.9% in FY27/28/29E, implying a CQGR of 0.9/1/1.2%. We have factored in EBITM of 21.2/21.5/21.7% for FY27/28/29E, translating to an EPS CAGR of 7.5% over FY26-29E.

Quarterly Financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	5,082	4,941	2.9	5,040	0.8	19,277	20,156	20,739	21,729	22,788
Net Sales	482.11	422.79	14.0	464.02	3.9	1,629.90	1,786.50	1,967.77	2,064.25	2,187.63
EBIT	101.63	88.03	15.4	97.43	4.3	344.24	362.54	416.93	442.99	474.35
APAT	77.82	69.21	12.4	85.01	(8.5)	267.13	303.71	320.35	346.75	371.36
Diluted EPS (INR)	19.2	16.7	15.1	21.0	(8.5)	64.3	73.8	79.0	85.6	91.6
P/E (x)						16.8	14.6	13.7	12.6	11.8
EV / EBITDA (x)						10.2	9.8	8.5	8.0	7.5
RoE (%)						29.0	32.2	33.1	33.6	34.4

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	20,830	20,739	(0.4)	21,758	21,729	(0.1)	22,830	22,788	(0.2)
Revenue	1,972.61	1,967.77	(0.2)	2,067.03	2,064.25	(0.1)	2,191.72	2,187.63	(0.2)
EBIT	421.91	416.93	(1.2)	446.74	442.99	(0.8)	481.58	474.35	(1.5)
EBIT margin (%)	21.4	21.2	-20bps	21.6	21.5	-15bps	22.0	21.7	-29bps
APAT	324.40	320.35	(1.2)	349.52	346.75	(0.8)	376.64	371.36	(1.4)
EPS (INR)	80.0	79.0	(1.2)	86.2	85.6	(0.8)	92.9	91.6	(1.4)

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 1,106
Target Price	INR 1,300
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,380	INR 1,300
EPS %	FY27E	FY28E
	-1.2	-0.8

KEY STOCK DATA

Bloomberg code	INFO IN
No. of Shares (mn)	4,058
MCap (INR bn) / (\$ mn)	4,486/44,802
6m avg traded value (INR mn)	18,467
52 Week high / low	INR 1,728/982

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.0)	(33.7)	(27.1)
Relative (%)	(3.9)	(26.9)	(22.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	14.38	13.82
FIs & Local MFs	43.38	42.96
FPIs	28.45	27.09
Public & Others	13.69	16.13
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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HCL Technologies

Deal wins support growth acceleration

HCL Tech reported Q1FY27 revenue of USD 3,650mn (-0.5% QoQ/+2.6% YoY CC), with services down 0.7% QoQ (+3.5% YoY), ERS -3.7% QoQ (+0.3% YoY) and HCL Software +2.2% QoQ (-5.3% YoY), broadly in line with our expectations and better vs street given seasonal softness. The retention of the 1.5-4.5% YoY organic services growth guidance and 17.5-18.5% EBIT margin guidance is a positive, as it factors the thrust from strong deal wins while cushioning the impact of discretionary spend cuts in two US telcos and closure of some SAP programs. The upper end of the guidance band clearly bakes in a growth recovery and acceleration from Q2. The USD 2.4bn net-new TCV (highest ever Q1, excluding the mega deal) is encouraging and signals that client-specific issues are being more than offset by new wins. AI traction is visible, Advanced AI revenue at USD172mn (+10.3% QoQ/+62.1% YoY) is ~6% of revenue. AI is deployed across top accounts and clients are shifting towards SLMs and sovereign AI architecture, opening a fresh engineering-services opportunity. The INR 35bn AI data centre investment (scalable to 50MW) will be built gradually as a full-stack play (not a COLO) funded through a mix of partners, silicon/OEM vendors, committed client capacity, and mix of equity and debt. The megawatt is only the anchor; the real value comes from the AI services, SLMs and managed/outcome-based contracts wrapped around it, making the investment value-accretive rather than balance-sheet heavy. We increase our EPS estimate by ~3-5% and maintain ADD with a revised TP of INR 1,335, based on 16x Jun-28E EPS.

- **Q1FY27 highlights:** (1) Revenue at USD 3,650mn (-0.5% QoQ CC) in line with our estimate of USD 3,651mn. (2) IT & Business services (75% of revenue) remained flat sequentially in CC terms, ER&D services (17% of revenue) declined -3.7% QoQ CC and Software (8% of revenue) grew 2.2% QoQ CC. The decline in ER&D was primarily due to sharp reductions in discretionary spending by two large US telecom customers. (3) Overall EBITM came in at 16.9% (+32bps QoQ), supported by lower restructuring cost (+70bps), FX tailwind (+60bps) and lower provision for doubtful debt (+20bps), which was partially offset by annual productivity commitments and a decline in ER&D revenue (-110bps). (4) Company reported highest-ever Q1 bookings at USD 2.4bn, growing 24/33% QoQ/YoY respectively. (5) Company retained its FY27E revenue guidance of 1-4% in CC terms, with services revenue (+1.5-4.5% in CC terms).
- **Outlook:** We have factored in IT & BS/ ER&D services growth of 5.0/0.4% respectively in FY27E. The overall USD revenue growth is estimated at 3.6/6.2/6.6% respectively in FY27/28/29E. We expect EBITM to reach 18% in FY27E (the top end of the guidance) and further 40/60bps expansion to 18.4/19.0% in FY28/29E, translating into an EPS CAGR of 12.1% over FY26-29E.

Quarterly Financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	3,650	3,545	3.0	3,682	(0.9)	13,840	14,664	15,191	16,128	17,196
Net Sales	345.79	303.49	13.9	339.81	1.8	1,170.55	1,301.44	1,439.10	1,532.14	1,650.78
EBIT	58.31	49.42	18.0	56.20	3.8	214.21	221.79	258.51	281.21	313.08
APAT	46.24	38.43	20.3	44.88	3.0	169.61	173.61	203.25	219.83	244.24
Diluted EPS (INR)	17.1	14.2	20.3	16.6	3.0	62.6	64.1	75.0	81.2	90.2
P/E (x)						19.5	19.1	16.3	15.0	13.5
EV / EBITDA (x)						11.9	11.2	9.6	8.7	7.7
RoE (%)						24.6	24.0	26.4	27.2	28.6

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	14,992	15,191	1.3	15,871	16,128	1.6	17,016	17,196	1.1
Revenue	1419.71	1439.10	1.4	1507.77	1532.14	1.6	1633.54	1650.78	1.1
EBIT	257.64	258.51	0.3	274.18	281.21	2.6	309.22	313.08	1.2
EBIT margin (%)	18.1	18.0	-18bps	18.2	18.4	17bps	18.9	19.0	4bps
APAT	196.24	203.25	3.6	209.94	219.83	4.7	236.71	244.24	3.2
EPS (INR)	72.4	75.0	3.6	77.5	81.2	4.7	87.4	90.2	3.2

Source: Company, HSIE Research, Consolidated Financials

ADD

CMP (as on 13 Jul 2026)	INR 1,221
Target Price	INR 1,335
NIFTY	24,211

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,200	INR 1,335
EPS %	FY27E +3.6	FY28E +4.7

KEY STOCK DATA

Bloomberg code	HCLT IN
No. of Shares (mn)	2,714
MCap (INR bn) / (\$ mn)	3,314/34,656
6m avg traded value (INR mn)	5,624
52 Week high / low	INR 1,780/1,030

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.6)	(26.7)	(25.5)
Relative (%)	(15.6)	(19.5)	(19.5)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	60.81	60.86
FIs & Local MFs	18.41	18.99
FPIs	16.22	15.51
Public & Others	4.56	4.64
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Wipro

Growth challenged, guidance weak

Wipro's Q1FY27 IT services revenue declined 1.2% QoQ CC, in line with the guided range, but EBIT margin at 16% was ~50bps below expectations, down 120bps YoY. The Q2 guidance of -1.5% to +0.5% CC sequential growth is disappointing, with the lower end signalling continued stress in the system, especially when the guidance bakes in a full quarter of Mindsprint (vs two months in Q1) and Alpha Net inorganic contribution. The demand environment remains soft with discretionary spend slow, decision cycles elongated, deal closures weaker and multiple large deals deferred into Q2; deal TCV of USD 3.4bn (large deals USD 1.6bn/13 deals) was sharply lower YoY. Vertical-wise, Americas remained weak (-2.5% QoQ), BFSI declined 1.2% QoQ on ramp-up delays, Healthcare fell 2.6% QoQ on sustained US ecosystem pressure, and EMR dropped 3.6% QoQ; only Tech & Comms and APMEA/Europe BFSI showed traction. Growth revival hinges on the consulting-led AI-powered strategy, the AI Native unit, Wings platform and cost-optimization/vendor-consolidation deals where savings are getting reinvested into AI. Margins were dragged by wage hike impact, ramp-up of previously won large deals, AI investments and integration of acquisitions; the company reiterated the 17-17.5% aspiration. Wipro's growth engine remains challenged, well below peer average, with no near-term respite or acceleration visible. We cut our estimates by ~5% and lower the multiple to 14x to arrive at a TP of INR 195, maintaining ADD, based on 14x June-28E EPS.

- **Q1FY27 highlights:** Wipro's IT services revenue came at USD 2,615mn (vs our est. USD 2,612mn), down 1.2% QoQ CC and up 0.9% YoY CC. Vertical-wise, EMR (-3.6% QoQ CC) and Healthcare (-2.6% QoQ CC) dragged growth, hit by sustained pressure in the US healthcare ecosystem and budget reallocation toward AI and compliance, while BFSI declined 1.2% QoQ CC on client-specific issues and delays in ramping up large deals. Total order bookings stood at USD 3.4bn with large-deal TCV of USD 1.6bn across 13 deals; the pipeline remains healthy, anchored on cost optimization and vendor consolidation, though some deal decisions slipped to Q2. IT services EBITM at 16% (-126bps QoQ) was impacted by salary hikes, ramp-up of previously won large deals, ongoing AI investments and acquisition-related costs, partially offset by rupee depreciation and operational efficiencies.
- **Outlook:** We have factored in revenue growth of +0.3/+3.3/4% in FY27/28/29E. IT services EBITM is expected to be 16.3/16.6/16.6% for FY27/28/29E, translating into an EPS CAGR of ~4% over FY26-29E. At CMP, Wipro is trading at 13.8/13.0x FY27/28E (5Y average at 20x).

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	2,615	2,587	1.0	2,651	(1.4)	10,512	10,478	10,512	10,862	11,295
Net Sales	244.79	221.35	10.6	242.36	1.0	890.88	926.24	987.12	1,038.56	1,091.18
EBIT	38.43	35.54	8.1	41.64	(7.7)	151.24	149.40	158.60	170.37	179.61
APAT	33.52	33.30	0.6	37.30	(10.1)	131.35	136.56	134.77	143.48	152.24
Diluted EPS (INR)	3.2	3.2	0.5	3.6	(10.2)	12.5	13.0	12.9	13.7	14.5
P/E (x)						14.2	13.7	13.8	13.0	12.2
EV / EBITDA (x)						8.4	8.6	7.9	7.1	6.4
RoE (%)						16.6	15.9	15.0	15.4	15.7

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	10,567	10,512	(0.5)	11,004	10,862	(1.3)	11,607	11,295	(2.7)
Revenue	1016.25	987.12	(2.9)	1060.05	1038.56	(2.0)	1131.13	1091.18	(3.5)
EBIT	168.76	158.60	(6.0)	182.16	170.37	(6.5)	195.81	179.61	(8.3)
EBIT margin (%)	16.6	16.1	-54bps	17.2	16.4	-78bps	17.3	16.5	-85bps
APAT	140.00	134.77	(3.7)	149.66	143.48	(4.1)	160.00	152.24	(4.8)
EPS (INR)	13.4	12.9	(3.7)	14.3	13.7	(4.1)	15.3	14.5	(4.8)

Source: Company, HSIE Research

ADD

CMP (as on 16 Jul 2026)	INR 178
Target Price	INR 195
NIFTY	24,073

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 220	INR 195
EPS %	FY27E	FY28E
	-3.7	-4.1

KEY STOCK DATA

Bloomberg code	WPRO IN
No. of Shares (mn)	9,904
MCap (INR bn) / (\$ mn)	1,760/18,270
6m avg traded value (INR mn)	4,937
52 Week high / low	INR 273/169

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(15.5)	(33.5)	(32.4)
Relative (%)	(14.4)	(25.9)	(25.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	72.62	72.59
FIs & Local MFs	7.86	5.22
FPIs	8.32	8.85
Public & Others	11.20	13.34
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Tech Mahindra

Growth acceleration; margin discipline

Tech Mahindra (TechM) delivered a strong beat in Q1FY27 with revenue growing 2.6% QoQ CC (+6.6% YoY CC), ahead of expectations, while EBIT margin expanded 60bps QoQ/330bps YoY to 14.4% — the 11th consecutive quarter of margin expansion, aided by volume leverage and Project Fortius savings, partially offset by Comviva seasonality and business mix. Growth was led by an accelerated ramp-up in a European auto program (Manufacturing +9% QoQ), supplemented by BFSI (+2.7% QoQ), HLS (+2.5% QoQ) and steady momentum in top clients, even as Communications was optically softer due to Comviva seasonality and a one-time cloud pass-through unwind, and TME declined 1.7% QoQ. Deal TCv came in strong at USD 1,078mn (+33.3% YoY) — the third consecutive USD 1bn+ quarter — with broad-based wins across manufacturing and HLS; ramp-up of recent large deals improves visibility and continuity of growth into Q2 and FY27E. The margin trajectory remains on track (15% EBIT aspiration in FY27E) with levers from fixed-price productivity, utilization, and portfolio consolidation offsetting wage hikes effective Q2. Confidence in above-industry growth is underpinned by investments in AI (Helix, Orion, 350+ agents, Agentic Dev & Modernization Services), deep vertical capabilities, and marquee partnerships (Microsoft, Telefonica Germany, Kitsa). Areas of concern include the non-repeat of the European auto acceleration (~1% Q2 drag), continued TME/US telecom volatility, EV/auto softness, and irrational competitive pricing. Factoring in the robust performance and strong visibility, we raise estimates by ~4-5% and increase multiple to 18x June-28E EPS, arriving at a revised TP of INR1,650; maintain ADD.

- **Q1FY27 highlights:** (1) TECHM's revenue came in at USD 1,660mn (vs HSIE est. of USD 1,641mn), up 2.6/6.6% QoQ/YoY in CC terms, marking the strongest growth since the start of the transformation journey. (2) Manufacturing (19% of rev) grew 8.9% QoQ, followed by BFSI (17%, +2.8%), and HLS (+2.2%), Communications (32%, +1.2%). (3) Total deal wins stood at USD 1,078mn, up 33.3% YoY, with the largest wins coming from Manufacturing and HLS verticals. (4) EBITM expanded 58bps QoQ to 14.4% (vs estimate of 14.2%), driven by volume growth, Project Fortius savings, and operational discipline, partially offset by Comviva seasonality. (5) Top 5 clients declined 1.1% QoQ while top 6-10 clients improved 4.3% QoQ.
- **Outlook:** We factor growth of +5.9/5.3/5.9% for FY27/28/29E – implying CQGRs of 1.3/1.6/1.4% each respectively for FY27/28/29E. We have built in EBITM of 15/15.6/15.7% for FY27/28/29E. TECHM is trading at 19/17x FY27/28E.

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	1,660	1,564	6.1	1,625	2.2	6,264	6,385	6,764	7,120	7,540
Net Sales	157.12	133.51	17.7	150.76	4.2	529.88	568.15	640.20	676.38	723.82
EBIT	22.64	14.77	53.3	20.84	8.6	51.38	71.53	96.14	105.30	113.37
APAT	14.65	11.41	28.4	13.54	8.2	43.76	50.10	69.42	79.52	85.48
Diluted EPS (INR)	16.6	12.9	28.4	15.3	8.2	49.4	56.5	78.3	89.7	96.4
P/E (x)						31.3	26.3	19.3	16.8	15.7
EV / EBITDA (x)						18.1	13.9	10.6	9.6	8.8
RoE (%)						16.2	17.6	22.6	24.2	24.2

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	6,655	6,764	1.6	6,946	7,120	2.5	7,282	7,540	3.5
Revenue	630.27	640.20	1.6	659.89	676.38	2.5	699.07	723.82	3.5
EBIT	90.32	96.14	6.4	100.64	105.30	4.6	108.46	113.37	4.5
EBIT margin (%)	14.3	15.0	69bps	15.3	15.6	32bps	15.5	15.7	15bps
APAT	66.39	69.42	4.6	76.19	79.52	4.4	81.95	85.48	4.3
EPS (INR)	74.9	78.3	4.6	85.9	89.7	4.4	92.4	96.4	4.3

Source: Company, HSIE Research

ADD

CMP (as on 16 Jul 2026)	INR 1,510
Target Price	INR 1,650
NIFTY	24,073

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,500	INR 1,650
EPS %	FY27E	FY28E
	+4.6	+4.4

KEY STOCK DATA

Bloomberg code	TECHM IN
No. of Shares (mn)	980
MCap (INR bn) / (\$ mn)	1,480/15,362
6m avg traded value (INR mn)	3,931
52 Week high / low	INR 1,854/1,304

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.3	(9.6)	(6.1)
Relative (%)	2.3	(2.0)	0.5

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	34.98	34.97
FIs & Local MFs	32.13	37.79
FPIs	23.28	17.94
Public & Others	9.59	9.30
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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BSE

Navigation the regulatory changes

BSE reported soft sequential revenue growth in Q1FY27 after registering strong QoQ growth for the last 11 quarters. The revenue/EBITDA was flat QoQ but up 63/71% YoY. The growth was led by index options, cash, and colocation, offset by decline in StarMF, book-building, and listing revenue. Transaction revenue, contributing 84% of total revenue, grew 1.3% QoQ, led by options revenue, which increased 2.4% QoQ and accounted for 74% of total revenue. BSE's options premium market share improved to 31.5% in Q1FY27 from 27.5% in Q4, with premium ADTV reaching INR 296bn (+2% QoQ) and market share further rising to 34% in July-26. EBITDA margin expanded 57bps QoQ to 68.4% due to the absence of one-ff cost last quarter and PAR was boosted by higher other income and modest SGF contribution of INR 0.26bn (~2% of transaction revenue). Colocation revenue is at ~INR 2.1bn run-rate vs INR 1.7bn in FY26. The share of longer-dated options is increasing with management targeting further growth through higher institutional participation. We estimate options premium market share of 32/33/34% in FY27/28/29E vs 25% in FY26. Given near-term volume uncertainty from RBI regulatory changes and CAS implementation, we trim our estimates by ~5%. We project FY26–29E revenue and EPS CAGRs of ~22% and 22.3%, respectively. We maintain ADD with a revised TP of INR 3,900, based on 40x core FY28E PAT along with the value of its CDSL stake and net cash (ex-SGF), with the stock currently trading at 45x/38x FY27/28E EPS.

- **Q1FY27 highlights:** Revenue grew 0.2/63.4% QoQ/YoY to ~INR 15.66bn (vs our estimates of ~INR 15.93bn), led by +1.3/80% QoQ/YoY increase in transaction income and 4.6/39.5% QoQ/YoY increase in data dissemination and other income, which was muted partially by a decrease in all other revenue segments. The transaction revenue growth was led by the cash segment and derivatives segment (3.3/2.4% QoQ), partially offset by decline in Star MF (-10.2% QoQ). The EBITDA margin stood at 68.4% vs 67.9% in Q4. Margin expansion was led by 36.9/3.5% decrease in other expenses/SEBI regulatory expenses. Employee costs/ technology expenses and clearing expenses increased by 37/17.8/3.5% respectively. SGF contribution in the quarter stood at INR 0.26bn and reported PAT stood at INR 8.74bn vs our estimate of INR 8.08bn.
- **Outlook:** We expect revenue growth of +29/19/18% and EBITDA margins of 67.2/67.7/68.4% in FY27/28/29E. Revenue CAGR of 22.3% over FY26–29E assumes derivatives revenues of INR 44/53/64bn on options premium ADTV of INR 273/331/398bn in FY27/28/29E. Core PAT CAGR over FY26–29E is at 24.2%.

Quarterly financial summary

YE March (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	15,660	9,584	63.4	15,635	0.2	29,742	48,344	62,527	74,679	88,496
EBITDA	10,719	6,259	71.3	10,614	1.0	15,929	31,559	42,004	50,541	60,521
APAT	8,740	5,275	65.7	7,973	9.6	13,259	24,970	32,423	38,560	45,707
Diluted EPS (Rs)	22	13	65.7	20	9.6	32.7	61.5	79.9	95.0	112.6
P/E (x)						110.8	58.8	45.3	38.1	32.1
EV/EBITDA						90.3	45.0	33.6	27.4	22.5
ROE (%)						34.3	45.0	35.9	32.6	30.2

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

YE March (INR mn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	63,403	62,527	-1.4	78,941	74,679	-5.4	92,953	88,496	-4.8
EBITDA	43,058	42,004	-2.4	54,897	50,541	-7.9	65,091	60,521	-7.0
EBITDA margin (%)	67.9	67.2	-73bps	69.5	67.7	-186bps	70.0	68.4	-164bps
APAT	31,904	32,423	1.6	40,391	38,560	-4.5	47,429	45,707	-3.6
EPS (INR)	78.6	79.9	1.6	99.5	95.0	-4.5	116.8	112.6	-3.6

Source: Company, HSIE Research

ADD

CMP (as on 04 Aug 2026)	INR 3,618
Target Price	INR 3,900
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,220	INR 3,900
EPS %	FY27E	FY28E
	+1.6%	-4.5%

KEY STOCK DATA

Bloomberg code	BSE IN
No. of Shares (mn)	408
MCap (INR bn) / (\$ mn)	1,476/15,471
6m avg traded value (INR mn)	14,169
52 Week high / low	INR 4,447/2,022

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.5)	24.9	45.5
Relative (%)	(4.0)	31.3	48.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.00	0.00
FIs & Local MFs	25.09	24.15
FPIs	19.42	21.32
Public & Others	55.40	54.45
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

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LTM

Growth trajectory improving; top clients on track

LTM reported an in-line Q1FY27 performance, with revenue up 0.3% QoQ CC. Growth was driven by a strong rebound in Financial Services (+3.2% QoQ CC) and healthy momentum in Tech & Services (+3.4% QoQ CC). The New Horizon program improved operational efficiency, helping EBIT margin expand 40bps QoQ to 15.5% despite wage hikes. The order book remained stable at USD 1.68bn, supported by two large deal wins. LTM's AI-first strategy continues to gain traction, with AI revenue reaching a quarterly revenue run-rate of ~USD 150mn (~12% of revenue). In the quarter, LTM secured several AI-led engagements, including an AI-powered proposal management platform, a data and decision intelligence solution, and agentic AI-based voice automation project. The company has strengthened its ecosystem through partnerships, BlueVerse enhancements, and investment in Uniphore (Business AI and SLM development) to accelerate AI deployment for its clients. The management remains confident of stronger growth in Q2 and H2FY27, backed by a robust pipeline, increasing AI adoption, and completion of productivity-linked pricing transitions. Client metrics also improved, with one addition in the USD 50mn+ category and 11 additions in the USD 20mn+ category. The top 10 client bucket recorded the highest growth in the last 16 quarters. We remain positive about LTM's growth and margin outlook supported by its AI-centric strategy and execution discipline. We maintain our estimates and reiterate BUY with a TP of INR 5,000, based on 20x Jun-28E EPS.

- **Q1FY27 highlights:** (1) LTIM's Q1 revenue at USD 1,224 mn (vs HSIE USD 1,227 mn) grew +0.3/6.4% QoQ/YoY CC. (2) Among the verticals, growth was led by Technology & Services, which grew +3.4% QoQ CC, followed by Financial Services, which grew 3.2% QoQ CC. Production and Consumer vertical reported a decline of 5.7/0.7% QoQ CC respectively. (3) TCV remained stable at USD 1.68bn for Q1 with a book to bill of 1.37x (vs 1.38x in Q4), marking the seventh consecutive quarter with inflows exceeding USD 1.5bn. (4) LTIM's EBITM at 15.5% (in line with our estimates) improved 36bps QoQ, primarily driven by operational efficiencies from the New Horizon program offsetting the negative impact of wage hike. (5) Total headcount stood at 87,886, with a net decline of 64 employees and attrition remained stable at 13.3%.
- **Outlook:** We have factored in LTIM's revenue growth at 6.1/10.5/10.2% and EBITM at 15.6/16.5/16.9% for FY27/28/29E respectively, translating into an EPS CAGR of ~15% over FY26-29E.

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	1,224	1,153	6.1	1,222	0.1	4,493	4,763	5,054	5,586	6,153
Net Sales	116.08	98.41	18.0	112.92	2.8	380.08	423.08	479.51	530.63	590.67
EBIT	17.99	13.99	28.7	17.09	5.3	55.03	64.93	74.82	87.81	99.63
APAT	14.69	12.47	17.8	13.87	5.9	46.02	54.09	60.52	71.07	81.64
Diluted EPS (INR)	49.6	42.1	17.8	45.3	9.5	155.6	182.9	204.6	240.3	276.0
P/E (x)						26.0	22.1	19.7	16.8	14.6
EV / EBITDA (x)						16.7	13.8	11.9	9.7	8.2
RoE (%)						21.5	23.2	23.5	24.2	24.2

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	5,060	5,054	(0.1)	5,585	5,586	0.0	6,151	6,153	0.0
Revenue	479.15	479.51	0.1	530.62	530.63	0.0	590.52	590.67	0.0
EBIT	75.06	74.82	(0.3)	87.75	87.81	0.1	100.51	99.63	(0.9)
EBIT margin (%)	15.7	15.6	-6bps	16.5	16.5	1bps	17.0	16.9	-15bps
APAT	59.58	60.52	1.6	71.00	71.07	0.1	81.66	81.64	(0.0)
EPS (INR)	201.4	204.6	1.6	240.0	240.3	0.1	276.1	276.0	(0.0)

Source: Company, HSIE Research

BUY

CMP (as on 10 Jul 2026)	INR 4,037
Target Price	INR 5,000
NIFTY	24,207

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 5,000	INR 5,000
EPS %	FY27E +1.6	FY28E +0.1

KEY STOCK DATA

Bloomberg code	LTM IN
No. of Shares (mn)	297
MCap (INR bn) / (\$ mn)	1,198/12,553
6m avg traded value (INR mn)	1,924
52 Week high / low	INR 6,430/3,528

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.4)	(33.1)	(24.1)
Relative (%)	(10.4)	(25.9)	(17.4)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	68.53	68.52
FIs & Local MFs	16.91	17.01
FPIs	6.51	6.63
Public & Others	8.05	7.84
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Persistent Systems

Consistent performer; record deal bookings

Persistent Systems delivered a strong start to FY27, with Q1 revenue of USD 452.4mn, representing 4.1% QoQ and 16.5% YoY CC growth and extending its impressive growth streak to 25 consecutive quarters. EBIT margin remained resilient at 16.0% (-30bps QoQ), and despite the July 2026 wage hikes carrying a gross impact of 180–200bps, management remains confident of sustaining margins within the 16–17% range in FY27E. The quarter underscores the success of Persistent's sharpened positioning as an AI-led engineering partner, with large deal wins spanning vendor-consolidation and proactively originated outsourcing opportunities. Record TCV of USD 1.15bn, anchored by a landmark USD 650mn+ engagement with a global technology leader, reflects growing client preference for its differentiated, AI-driven delivery model. Proprietary platforms such as SASVA and iAURA are facilitating enterprise-wide AI adoption, strengthening technical differentiation and improving win rates across verticals. A robust pipeline, strong balance sheet, and the proposed Nagarro acquisition, which should materially expand European scale and accelerate growth in emerging verticals, position Persistent well for sustained profitable growth. We reiterate ADD with a TP of INR 5,700, based on 32x Jun-28E EPS (vs 30x earlier).

- **Q1FY27 highlights:** (1) PSYS's revenue at USD 452.4mn was up 4.1% QoQ CC (higher than our estimate of USD 449.5mn), with growth led by tech and BFSI vertical. (2) Within the verticals, tech grew 7.7% QoQ, followed by BFSI+2.3% QoQ while Healthcare & Lifesciences remained flat sequentially (-0.2% QoQ). (3) The total TCV was up 91% QoQ to USD 1,146mn (highest-ever booking) including a 6.5-year strategic services agreement with a leading global technology company and a TCV of more than USD 650mn; total ACV was also up 21% QoQ to USD 537mn. (4) EBITM came in below our estimate at 16% (-29bps QoQ), impacted by lower utilization (-60bps) and higher purchase cost (-20bps), which were offset by forex tailwind (+30bps) and lower provision for doubtful debts (+20bps). (5) OCF/PAT on a TTM basis was down to 76.2% in Q1 (vs 94.7% in Q4), led by delayed collection and delayed tax refund; however, the aspiration is to keep it ~100%.
- **Outlook:** We have factored in USD revenue growth of 15.3/15.1/14.7% and EBITM of 16.1/16.3/16.7% for FY27/28/29E respectively, translating into 17% EPS CAGR over FY26-29E.

Quarterly Financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	452	390	16.1	436	3.8	1,409	1,654	1,907	2,194	2,518
Net Sales	43.03	33.34	29.1	40.56	6.1	119.39	147.48	181.38	208.45	241.69
EBIT	6.87	5.18	32.7	6.59	4.2	17.51	23.03	29.21	34.03	40.42
APAT	4.83	4.25	13.7	5.29	(8.7)	14.00	19.34	22.64	26.96	31.41
Diluted EPS (INR)	30.6	27.6	10.9	33.6	(8.7)	91.0	124.9	143.5	170.9	199.1
P/E (x)						61.3	44.6	38.8	32.6	28.0
EV / EBITDA (x)						40.7	30.6	24.8	20.7	17.1
RoE (%)						24.8	26.3	26.5	26.8	26.4

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	1,895	1,907	0.6	2,181	2,194	0.6	2,503	2,518	0.6
Revenue	179.48	181.38	1.1	207.19	208.45	0.6	240.24	241.69	0.6
EBIT	28.82	29.21	1.4	33.61	34.03	1.2	40.07	40.42	0.9
EBIT margin (%)	16.1	16.1	5bps	16.2	16.3	10bps	16.7	16.7	4bps
APAT	22.53	22.64	0.5	26.64	26.96	1.2	31.14	31.41	0.9
EPS (INR)	142.8	143.5	0.5	168.9	170.9	1.2	197.4	199.1	0.9

Source: Company, HSIE Research

ADD

CMP (as on 3 Aug 2026)	INR 5,575
Target Price	INR 5,700
NIFTY	24,774

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 5,280	INR 5,700
EPS %	FY27E +0.5	FY28E +1.2

KEY STOCK DATA

Bloomberg code	PSYS IN
No. of Shares (mn)	158
MCap (INR bn) / (\$ mn)	879/9,224
6m avg traded value (INR mn)	4,388
52 Week high / low	INR 6,599/4,243

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.1	(11.2)	10.1
Relative (%)	13.9	(5.1)	12.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	30.29	30.29
FIs & Local MFs	30.47	30.24
FPIs	22.11	20.79
Public & Others	17.13	18.68
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Infoedge

AI driving billings growth; poised for rerating

Naukri's recruitment billings grew ~17% YoY in Q1FY27, marking a multi-quarter high (~15% normalized), driven by AI-Rex—the agentic recruiter which is live with ~4,000+ enterprise customers (>10% paid)—alongside Talent Pulse (600+ paid customers) and ~35% YoY growth in B2C (paid conversion now at 2.6% and online mix at 54%). Roughly one-third of the incremental billing growth came from newer offerings, one-third from price hikes, and the balance from volume. The mid-tier hiring is muted but GCC and AI/ML/data-engineering roles is driving growth. The recruitment margins were at 58.3% and if the high-teen billing growth sustains, recruitment margins should expand further despite continued AI investment. 99acres billings/revenue rose 17% YoY on traffic leadership, with PBT losses narrowing as marketing spends fell and competitive intensity eased following Housing.com acquisition. The 99acres platform profitability will be dependent on deeper owner and builder monetization. Jeevansathi billings grew 14% YoY, while Shiksha billings/revenue declined 23%/12% YoY due to AI-led search disintermediation, though it remained PBT profitable. We expect recruitment billings to grow at ~16% CAGR over FY26–29E and the core multiple can expand further if billings growth accelerates. We keep estimates unchanged and maintain a BUY with a SoTP-based target price of INR 1,475 (valuing Naukri at 25x EV/EBITDA; 99acres/Jeevansathi+Shiksha at 3x P/S; Zomato and Policybazaar at market value), implying core recruitment trades at 24x/20x FY27/28E EV/EBITDA.

- **Q1FY27 highlights:** Infoedge revenue grew +2.4/12% QoQ/YoY to INR 8.25bn, driven by 5.2/6.9/0.6% QoQ growth in Recruitment, Jeevansathi and Shiksha revenue offset by 9.7% QoQ decline in 99acres; (2) total billings improved by +14.4% YoY, led by 18/17/14% YoY growth for recruitment, 99acres, Jeevansathi marginally offset by 23% YoY degrowth in Shiksha; (3) EBITDA margin for recruitment/99acres/Jeevansathi/Shiksha stood at +58.3/-1.6/2.6/7.2%; (4) standalone margin increased by 59bps QoQ to 44% due to a decline of 5.1% QoQ in admin expenses respectively; (5) Zomato/Policybazaar contribute INR 504/124 per share, ~39/10% of CMP. The recruitment segment is currently valued at INR 576/share (~45% of the CMP).
- **Outlook:** We expect a 15% revenue CAGR over FY26-28E, led by 15/16/20% CAGRs in recruitment/99acres/Jeevansathi. EBITDA margin estimates for FY27/28/29E stand at 43.7/43.8/44.3%, leading to an EPS CAGR of 16.2% over FY26-29E. Recruitment EBITDA margin estimates for FY27/28/29E stand at 57.3/57.6/58.0%.

Quarterly financial summary*

YE March (INR bn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	8.24	7.36	12.0	8.05	2.4	26.54	30.52	34.55	39.78	46.57
EBITDA	3.63	2.78	30.6	3.50	3.8	10.73	12.48	15.08	17.42	20.63
APAT	3.18	2.60	22.3	2.93	8.4	9.77	11.12	13.02	14.91	17.46
Diluted EPS (INR)	4.9	4.0	22.3	4.5	8.5	15.1	17.2	20.1	23.0	27.0
P/E (x)						84.9	74.7	63.8	55.7	47.6
EV / Revenue (x)						29.5	25.6	22.3	19.0	15.9
EV / EBITDA (x)						73.0	62.6	51.1	43.4	35.8
RoE (%)						9.1	7.3	6.7	7.3	8.1

Source: Company, HSIE Research, *standalone financials

Change in estimate

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	34.98	34.55	-1.2	40.07	39.78	-0.7	46.86	46.57	-0.6
EBITDA	15.08	15.08	-0.0	17.33	17.42	0.5	20.34	20.63	1.4
EBITDA margin (%)	43.1	43.7	53bps	43.3	43.8	48bps	43.4	44.3	89bps
APAT	13.02	13.02	0.0	14.87	14.91	0.2	17.28	17.46	1.0
EPS (INR)	20.1	20.1	0.0	23.0	23.0	0.1	26.7	27.0	1.0

Source: Company, HSIE Research

BUY

CMP (as on 10 Aug 2026)	INR 1,282
Target Price	INR 1,475
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,430	INR 1,475
EPS %	FY27E +0.1	FY28E +1.0

KEY STOCK DATA

Bloomberg code	INFOE IN
No. of Shares (mn)	648
MCap (INR bn) / (\$ mn)	831/8,723
6m avg traded value (INR mn)	2,592
52 Week high / low	INR 1,440/908

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	30.6	13.4	(5.9)
Relative (%)	29.7	19.4	(3.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	37.50	37.48
FIs & Local MFs	24.09	27.83
FPIs	27.97	23.72
Public & Others	10.45	10.98
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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MCX

Poised for recovery

MCX posted a muted quarter, with revenue/EBITDA down 21%/26% QoQ as commodity volatility normalized from Q4's exceptional highs. Options premium ADTV and futures ADTV fell 15%/34% QoQ, even as notional options ADTV rose 72% QoQ to INR9.9trn, reflecting broadening participation. The premium decline was led by a 49.4%/27.2% QoQ drop in natural gas/bullion ADTV, partly offset by crude (+15.4% QoQ). Encouragingly, July-26 premium ADTV is down just 4% versus the 1Q average, despite the RBI bank-guarantee regulation taking effect from 1st July; management expects the impact to be gradual, we don't expect a significant hit to volumes and premium ADTV of INR 80-90bn is the new base. The key structural driver remains growth in traded options UCCs (+104% YoY), aided by rising participation via digital brokers. The volume growth will be underpinned by product innovation, improved expiry frameworks, a sharper focus on domestic price discovery, and growing hedging activity among SMEs and corporates. We expect recovery with a rise in commodity volatility, new contract launches, and regulatory tailwinds such as institutional/FPI participation in non-cash-settled contracts, which should aid traction in bullion and metal index options. We estimate FY27E options premium ADTV will be just 4% above the July-26 level, but ~30% below the March-26 peak. We raise FY27/FY28E EPS estimates by ~2% and maintain BUY, with a TP of INR 3,600, based on 45x FY28E core PAT (43x on June-28E EPS) plus net cash ex-SGF.

- **Q1FY27 highlights:** MCX revenue stood at INR 7.02bn, -21/+88.1% QoQ/YoY (vs our estimate of INR 7.08bn). Futures/options revenue stood at INR 1.6/4.86bn, -34/15% QoQ. Future ADTV declined 33.9% QoQ to INR 596bn, led by a 44.8% QoQ decline in the Bullion segment, followed by metals (-23.7%), offset by energy (+19.2%). Options notional ADTV increased 72% QoQ, while premium decreased by 14.5% QoQ. P/N saw a sharp decrease from 1.85% to 0.92%, led by stabilization in volatility in natural gas (2.26% vs 3.66%), bullion (0.35% vs 1.03%), and crude (2.22% vs 2.56%); EBITDA margin contracted by 457bps QoQ to 70.4%. Options notional/premium ADTV stood at INR 9,897/90.86bn and options contributed ~75.2% to transaction revenue. Crude/natural gas/bullion contributed 24/6/69% to options notional and 58/15/26% to premium.
- **Outlook:** We expect +7/25% futures/premium CAGRs over FY26-29E, resulting in +20/22% revenue/APAT CAGRs over FY26-29E. The options notional assumptions are INR 9.6/11.0/12.6trn; premium is at INR 90.78/107.94/128.43bn, and P/N is at 0.94%/0.98/1.02% for FY27/28/29E. Futures ADTV is at INR 642/722bn for FY27/28E.

Quarterly financial summary

YE March (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	7,020	3,732	88.1	8,889	(21.0)	11,127	23,020	28,834	33,903	39,577
EBITDA	4,940	2,417	104.4	6,661	(25.8)	6,653	16,466	20,569	24,658	29,129
APAT	4,134	2,032	103.5	5,298	(22.0)	5,600	13,316	16,989	20,256	23,906
Diluted EPS (Rs)	16.2	8.0	103.5	20.8	(22.0)	22.0	52.2	66.6	79.4	93.8
P/E (x)						118.3	49.8	39.0	32.7	27.7
EV / EBITDA (x)						96.0	37.6	30.3	25.0	21.0
RoE (%)						34.3	56.3	55.2	56.6	57.3

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR mn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	27,819	28,834	3.7	32,860	33,903	3.2	38,351	39,577	3.2
EBITDA	19,985	20,569	2.9	24,137	24,658	2.2	28,539	29,129	2.1
EBITDA Margin (%)	71.8	71.3	-51bps	73.5	72.7	-72bps	74.4	73.6	-82bps
APAT	16,715	16,989	1.6	19,920	20,256	1.7	23,518	23,906	1.6
EPS (Rs)	65.6	66.6	1.6	78.1	79.4	1.7	92.2	93.8	1.6

Source: HSIE Research

BUY

CMP (as on 05 Aug 2026)	INR 2,600
Target Price	INR 3,600
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,520	INR 3,600
EPS %	FY27E +1.6%	FY28E +1.7%

KEY STOCK DATA

Bloomberg code	MCX IN
No. of Shares (mn)	255
MCap (INR bn) / (\$ mn)	663/6,968
6m avg traded value (INR mn)	9,760
52 Week high / low	INR 3,480/1,461

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.4)	7.9	65.0
Relative (%)	(12.5)	13.5	67.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.00	0.00
FIs & Local MFs	54.35	50.80
FPIs	26.07	29.85
Public & Others	19.38	19.15
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Mphasis

Strong start; better growth visibility

Mphasis delivered a solid start to FY27, with revenue up 2.1% QoQ CC (+8.3% YoY CC) at USD 471.1mn, led by strength in the direct business (+2.2% QoQ CC), particularly across the Americas. The deal engine remains robust with net new TCV came in at USD 461mn (+13.3% QoQ) — the fifth consecutive quarter above USD 400mn — of which 63% was AI-led, including three large deals (one over USD 100mn). The overall pipeline grew 8% QoQ to an all-time high, now 2.8x its original size, even as the company actively pursues vendor consolidation deals to gain market share. A key driver of this momentum is the strong client adoption of the newly launched TRIA platform, which is reshaping client conversations from experimental AI to measurable business outcomes and rapidly converting the pipeline into wins— underpinning the guidance for the best sequential growth in three years in Q2FY27. While EBITM softened 60bps QoQ to 14.8%, weighed by ramp-up costs on new deals, the TAP acquisition earnout, and lower utilization, the company reaffirmed its FY27 guidance of high-single-digit to low-double-digit revenue growth with EBIT margins in the 14.75%-15.75% band. We maintain ADD with a revised TP of INR 2,735 (21x Jun-28E EPS).

- **Q1FY27 highlights:** (1) Mphasis's revenue came in at USD 471.1mn (slightly below our estimate of USD 472.2mn), +2.1/8.3% QoQ/YoY CC. (2) TCV stood at USD 461mn (+13.3% QoQ), of which 63% was AI-led. The company won three large deals in Q1 (which include one deal of USD 100mn+). Overall, the deal pipeline remained strong with a growth of 8% QoQ, of which the non-BFS pipeline grew 18% QoQ while BFS pipeline declined 2% QoQ. (3) Within verticals, growth was led by TMT (18% of revenue) at 15% QoQ, driven by ramp-up of new deal wins. BFS (53% of revenue) grew 0.5% QoQ, driven by wallet share gains and growth in new wins/accounts. Insurance (15% of revenue) was impacted by ending of projects, with revenue down 3.3% QoQ, but it is expected to have a stronger Q2. (4) EBITM at 14.8% (below our estimate of 15.2%) declined 60bps QoQ, impacted by ramp-up cost of new deals and earnout of TAP acquisition and drop in utilization.
- **Outlook:** We have factored in USD revenue growth of 8.9/10.2/10.3%, implying a CQGR of 2.2/2.7/2.2% for FY27/28/29E respectively. EBITM is factored in at 15.6/15.7/15.8% for FY27/28/29E, translating to a ~12% EPS CAGR over FY26-29E.

Quarterly Financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	471	437	7.7	463	1.8	1,681	1,797	1,956	2,157	2,378
Net Sales	43.84	37.32	17.5	42.43	3.3	142.30	158.80	184.65	204.87	228.31
EBIT	6.48	5.71	13.5	6.53	(0.7)	21.71	24.28	28.77	32.07	36.05
APAT	4.90	4.42	10.8	5.10	(3.9)	17.02	18.98	21.22	23.73	26.28
Diluted EPS (INR)	26.1	23.6	10.8	27.2	(4.1)	91.0	101.5	113.4	126.9	140.5
P/E (x)						25.6	23.0	20.6	18.4	16.6
EV / EBITDA (x)						15.6	14.2	11.5	9.8	8.6
RoE (%)						18.5	18.6	19.0	19.8	20.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	1,948	1,956	0.4	2,157	2,157	0.0	2,378	2,378	0.0
Revenue	184.47	184.65	0.1	204.87	204.87	0.0	228.31	228.31	0.0
EBIT	28.60	28.77	0.6	32.05	32.07	0.0	36.16	36.05	(0.3)
EBIT margin (%)	15.5	15.6	8bps	15.6	15.7	1bps	15.8	15.8	-5bps
APAT	21.28	21.22	(0.3)	24.33	23.73	(2.5)	25.98	26.28	1.1
EPS (INR)	113.8	113.4	(0.3)	130.1	126.9	(2.5)	138.9	140.5	1.1

Source: Company, HSIE Research

ADD

CMP (as on 28 Jul 2026)	INR 2,414
Target Price	INR 2,735
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,775	INR 2,735
EPS %	FY27E -0.3	FY28E -2.5

KEY STOCK DATA

Bloomberg code	MPHL IN
No. of Shares (mn)	191
MCap (INR bn) / (\$ mn)	461/4,805
6m avg traded value (INR mn)	1,467
52 Week high / low	INR 3,037/2,013

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.3	(14.8)	(10.7)
Relative (%)	6.5	(8.1)	(5.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	30.55	30.54
FIs & Local MFs	45.65	45.31
FPIs	19.50	19.50
Public & Others	4.30	4.65
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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L&T Technology Services

Strong start, higher growth aspirations

L&T Technology Services (LTTs) reported strong revenue growth of 1.5% QoQ CC, driven by sustainability (+4.3% QoQ) and a recovery in mobility (+2.3% QoQ), partly offset by temporary weakness in tech. The improving business mix and continued operational discipline drove a 47bps QoQ margin expansion to 15.7%. LTTs' transition from a traditional ER&D player to an Engineering Intelligence (EI) solutions company is gaining meaningful traction, reflected in stronger client engagement, a healthy large-deal pipeline (USD100mn of large-deal wins). The company continues to invest aggressively across its six strategic technology bets spanning software-defined mobility, digital manufacturing, MedTech, plant modernization and next-generation computer infrastructure. Its AI-led platforms coupled with strategic partnerships with Anthropic and Databrick will enable clients to accelerate product development and enhance productivity. LTTs is positioning itself as a strategic transformation partner enabling customers to redesign engineering workflows, reduce development timelines, and improve project outcomes. Backed by 244 AI patents, a strong deal pipeline and improving margin profile, management reiterated its confidence in achieving Lakshya 31 targets of 13-15% USD revenue CAGR and 16-17% EBIT margins over the next five years. Accordingly, we raise FY27/28E EPS by 2.9%/1.9%, retain our ADD rating and increase TP to INR 3,410 (20x Jun-28E EPS).

- **Q1FY27 highlights:** (1) LTTs posted revenue of USD 310mn, higher than our estimates of USD 307mn, +1.5% QoQ and +1.9% YoY in CC terms. (2) The sustainability vertical grew 4.4% QoQ, followed by mobility at 2.3% QoQ growth while tech declined 3.1% QoQ. Mobility margin declined 50bps QoQ, primarily due to the onsite ramp-up of new programs, tech margin declined 110bps QoQ to 11.5% impacted due to softer revenue while sustainability margin improved 40bps QoQ, at 29.1% driven by the execution of recently won programs and a high quality of revenue. (3) LTTs recorded large deal TCV of USD 100mn since several large-deal wins were moved to the early part of Q2. (4) EBITM, at 15.7% (largely in line with our estimate of 15.5%), improved 47bps QoQ, supported by operational excellence and growth in higher margin sustainability segment.
- **Outlook:** We have factored in USD revenue growth of 3.1/10.2/11.5% for FY27/28/29E respectively, implying a CQGR of 1.6/2.9/2.5% for the three years. EBITM is factored in at 15.5/16.1/16.3% for FY27/28/29E, resulting in an EPS CAGR of 15% over FY26-29E.

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	310	309	0.4	306	1.3	1,138	1,233	1,271	1,401	1,562
Net Sales	29.40	26.38	11.5	28.58	2.9	96.42	109.96	120.59	133.09	149.95
EBIT	4.61	3.60	28.1	4.35	6.1	14.87	15.90	18.65	21.48	24.46
APAT	3.52	3.00	17.4	3.56	(1.3)	11.93	13.01	15.09	17.36	19.90
Diluted EPS (INR)	33.3	28.4	17.4	33.7	(1.3)	113.1	123.2	142.9	164.5	188.6
P/E (x)						29.1	26.7	23.0	20.0	17.5
EV / EBITDA (x)						18.0	16.4	13.9	11.9	10.2
RoE (%)						20.9	20.7	21.9	22.4	22.8

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	1,260	1,271	0.9	1,389	1,401	0.9	1,549	1,562	0.8
Revenue	119.29	120.59	1.1	131.94	133.09	0.9	148.73	149.95	0.8
EBIT	18.33	18.65	1.7	21.16	21.48	1.5	23.89	24.46	2.4
EBIT margin (%)	15.4	15.5	10bps	16.0	16.1	10bps	16.1	16.3	25bps
APAT	14.67	15.09	2.9	17.04	17.36	1.9	19.40	19.90	2.6
EPS (INR)	139.0	142.9	2.9	161.5	164.5	1.9	183.8	188.6	2.6

Source: Company, HSIE Research

ADD

CMP (as on 14 Jul 2026)	INR 3,293
Target Price	INR 3,410
NIFTY	24,052

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,350	INR 3,410
EPS %	FY27E +2.9	FY28E +1.9

KEY STOCK DATA

Bloomberg code	LTTs IN
No. of Shares (mn)	106
MCap (INR bn) / (\$ mn)	349/3,626
6m avg traded value (INR mn)	588
52 Week high / low	INR 4,747/3,010

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.9)	(22.4)	(24.2)
Relative (%)	(2.1)	(14.8)	(17.9)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	73.58	73.57
FIs & Local MFs	14.57	14.64
FPIs	4.23	3.86
Public & Others	7.62	7.93
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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CDSL

Returning to growth trajectory

CDSL delivered a strong Q1FY27, with revenue rising 11.4% QoQ and 13.1% YoY, broadly in line with estimates, while PAT of INR 1.18bn exceeded our estimate of INR 1.13bn. The growth was led by recovery in IPO/corporate action, higher transaction revenue, annual issuer charges reset, offset by decline in online data charges (price cut). EBITDA margin expanded 270bps QoQ to 47.1%, supported by growth and flat technology expenditure (eight-quarter CQGR of ~10%). We believe major technology upgrades are now behind, and technology cost will grow in line with revenue growth. Demat account additions moderated to 5.8mn in Q1 vs 7.4mn last quarter, but CDSL maintained its leadership position with 80.3% market share. However, the incremental share normalized to 82% vs >90% earlier as the competition is gradually catching up. Growth will be supported by steady increase in annuity revenue, e-voting and e-CAS, alongside a recovery in transaction and IPO and corporate action revenue. The annual issuer charges (annuity), ~44% of revenue, grew 12.3% YoY, led by a 16% YoY increase in the number of folios to 0.39bn for FY26. We raise revenue estimates by ~1% to factor in the recovery in transaction and IPO/corporate action revenue and increase EPS estimates by ~2% due to moderation in technology cost. We expect revenue/EPS CAGRs of 15/20% over FY26–29E. Maintain ADD with a TP of INR 1,450, based on 45x Mar-28E EPS; CDSL trades at 54/44x FY27E/FY28E EPS.

- **Q1FY27 highlights:** CDSL revenue was up 11.4/13.1% QoQ/YoY. Total revenue of INR 2.93bn was in line with our estimate of INR 2.94bn and was mainly driven by 58.8% QoQ increase in IPO revenue supported by 12.3/12.2/11.9% QoQ growth in Annual issuer revenue/e-voting CAS income/transaction revenue offset by an 8.2% QoQ decline in online data revenue. On the cost side, employee costs increased by 30.1% QoQ while technology expenses stagnated and operating expenses decreased by 3.5% QoQ. CDSL's EBITDA margin expanded sharply by 269bps QoQ to 47.1% because of the flat tech spending and increase in revenue. Other income increased sharply QoQ due to M2M impact and stood at INR 0.48bn. ETR for the quarter stood at 29.4% vs 22.4% in Q4FY26 and APAT stood INR 1.18bn, up 46.5% QoQ.
- **Outlook:** We expect revenue growth of +11/18/17% and an EBITDA margin of 50.1/53.3/56.3 for FY27/28/29E. The 15% CAGR over FY26-29E assumes 20/19/3/10/13% CAGRs in annual issuer/transaction/IPO/online data charges/e-CAS & e-voting revenue. Core PAT CAGR over FY26-28E is at ~20%.

Quarterly financial summary

YE March	1Q	1Q	YoY	4Q	QoQ	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	2,928	2,588	13.1	2,628	11.4	8,123	10,822	11,449	12,729	15,053	17,600
EBITDA	1,379	1,305	5.7	1,168	18.1	4,894	6,243	5,858	6,376	8,027	9,904
APAT	1,175	1,024	14.8	802	46.5	4,191	5,266	4,561	5,150	6,357	7,803
Diluted EPS (INR)	5.6	4.9	14.8	3.8	46.5	20.1	25.2	21.8	24.6	30.4	37.3
P/E (x)								60.6	53.7	43.5	35.4
EV / EBITDA (x)								44.5	40.5	31.8	25.4
RoE (%)						31.3	32.7	24.5	25.0	27.7	30.3
Cash/Mcap (%)						3.5	4.4	4.3	5.1	5.9	6.9

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR Mn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	12,664	12,729	0.5	14,980	15,053	0.5	17,518	17,600	0.5
EBITDA	6,321	6,376	0.9	7,875	8,027	1.9	9,577	9,904	3.4
EBITDA margin (%)	49.9	50.1	18bps	52.6	53.3	76bps	54.7	56.3	161bps
APAT	5,061	5,150	1.7	6,243	6,357	1.8	7,556	7,803	3.3
EPS (INR)	24.2	24.6	1.7	29.9	30.4	1.8	36.2	37.3	3.3

Source: Company, HSIE Research

ADD

CMP (as on 3 Aug 2026)	INR 1,322
Target Price	INR 1,450
NIFTY	24,774

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,420	INR 1,450
EPS %	FY27E 1.7%	FY28E 1.8%

KEY STOCK DATA

Bloomberg code	CDSL IN
No. of Shares (mn)	209
MCap (INR bn) / (\$ mn)	276/2,898
6m avg traded value (INR mn)	2,628
52 Week high / low	INR 1,674/1,116

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.9	(1.5)	(10.6)
Relative (%)	1.7	4.5	(8.2)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	15.00	15.00
FIs & Local MFs	14.42	15.19
FPIs	11.36	8.24
Public & Others	59.22	61.57
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

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Tata Elxsi

Gradual growth recovery; margins drag

Tata Elxsi reported the growth of 1.3% QoQ CC though the margins were meaningfully below expectations with EBITDA margin at 21.2% (-346bps QoQ). Growth was driven by a rebound in media & communications (+2.9% QoQ CC) aided by ramp-up of large consolidation deals and telecom programs, while transportation (+0.2% QoQ CC) remained resilient despite European weakness, supported by strong US/APAC traction, SDV-related opportunities and higher OEM mix, with OEMs now contributing 78% of automotive revenues. Healthcare remained soft (-0.3% QoQ CC) due to delayed deal closures, though management continues to see a healthy pipeline and expects improvement in FY27. Management reiterated its aspiration of delivering high single-digit growth in FY27, backed by a strong deal momentum in transportation and media, growing traction in AI-led platforms such as Neuron and VITEL, and increasing opportunities across the US and APAC regions. Margin pressure was led by ~150bps of one-off costs related to deal transitions, talent retention, customer provisions, and upfront annual expenses, along with ~220bps of investments in onsite delivery, specialized talent, AI infrastructure, platforms, sales expansion, and subcontractors for large deal ramp-ups. While these costs should gradually normalize over the next 2-3 quarters as projects stabilize and work shifts offshore, the magnitude of margin erosion was higher than anticipated, and Q2 will also see the impact of company-wide wage hikes. We cut EPS estimates by ~3% to factor in a margin impact and now model 9%/15% revenue/EPS CAGR over FY26-29E. Maintain ADD with a TP of INR 4,100, based on 27x Jun-28E EPS.

- **Q1FY26 highlights:** (1) TELX posted a revenue of USD 107.7mn, +1.3% QoQ in CC terms (below our estimate of USD 108.2mn). (2) Media & Communication vertical led the growth +2.9% QoQ CC, aided by strategic long-term deals and deal ramp-ups. (3) Transportation remained flat (-0.4% QoQ CC), backed by continued growth in the OEM business and adjacencies. (4) Healthcare & Lifesciences vertical revenue was down 0.3% QoQ in CC terms. (5) EBITM contracted 330bps QoQ to 19% (HSIE 21.1%), due to one-off costs (~150 bps) related to deal transitions, retention, and customer-specific expenses, along with strategic investments (~220-230 bps) in delivery capabilities, sales expansion, AI initiatives, and bad-debt provisions. These were only partly offset by 40-50bps FX tailwind.
- **Outlook:** We have factored transportation vertical growth at +1.8/8.5/11.7% for FY27/28/29E, Media & Communication growth at +11/11.7/12%, and Healthcare & Lifesciences at -13/+9.3/12% over the same period. Revenue growth of +4/10/12% and EBITM of 20.8/22.6/23.2% over FY27/28/29E, translated to an EPS CAGR of 15% over FY26-29E.

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	108	104	3.2	107	0.6	441	423	441	485	543
Net Sales	10.21	8.92	14.5	9.94	2.8	37.29	37.57	41.83	46.08	52.13
EBIT	1.94	1.62	19.3	2.21	-12.5	8.68	7.53	8.72	10.43	12.10
APAT	1.71	1.44	18.2	2.20	-22.6	7.85	7.01	7.72	9.19	10.53
Diluted EPS (INR)	27.4	23.2	18.1	35.4	-22.6	126.0	112.6	124.0	147.6	169.0
P/E (x)						29.3	32.8	29.8	25.0	21.9
EV / EBITDA (x)						21.6	24.6	21.5	17.8	15.3
RoE (%)						29.3	23.8	24.6	27.4	29.2

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	443	441	(0.5)	487	485	(0.4)	545	543	(0.4)
Revenue	41.99	41.83	(0.4)	46.28	46.08	(0.4)	52.36	52.13	(0.4)
EBIT	9.39	8.72	(7.1)	10.77	10.43	(3.2)	12.54	12.10	(3.5)
EBIT margin (%)	22.4	20.8	-152bps	23.3	22.6	-64bps	24.0	23.2	-74bps
APAT	8.19	7.72	(5.7)	9.41	9.19	(2.3)	10.81	10.53	(2.6)
EPS (INR)	131.5	124.0	(5.7)	151.0	147.6	(2.3)	173.6	169.0	(2.6)

Source: Company, HSIE Research

ADD

CMP (as on 14 Jul 2026)	INR 3,697
Target Price	INR 4,100
NIFTY	24,052

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4,700	INR 4,100
EPS %	FY27E -5.7	FY28E -2.3

KEY STOCK DATA

Bloomberg code	TELX IN
No. of Shares (mn)	62
MCap (INR bn) / (\$ mn)	230/2,391
6m avg traded value (INR mn)	1,556
52 Week high / low	INR 6,440/3,558

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.2)	(32.8)	(40.2)
Relative (%)	(16.5)	(25.2)	(33.8)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	43.90	43.90
FIs & Local MFs	12.29	11.39
FPIs	8.57	11.09
Public & Others	35.24	33.62
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Zensar Technologies

Large deal drives growth; margins will recover

Zensar delivered modest revenue growth of 1.1% QoQ CC in Q1FY27, led by a strong 8.3% QoQ uptick in BFSI — aided by the mega-deal ramp-up along with organic growth. However, this was offset by broad-based weakness in Healthcare Life Sciences (-3.8% QoQ CC), Manufacturing & Consumer Services both (-2.3% QoQ CC), and TMT (-9.1% QoQ CC). The stress in TMT is largely tied to one large client excluding whom, the growth in TMT is positive. Order bookings were soft at USD 149.2mn (-63% QoQ), though excluding the mega-deal from prior quarters, the share of new business is at an all-time high. The enterprise-grade AI-native platform “ZenseAI.AgentMesh” is driving ~25-60% productivity gains of for clients. EBITDA margins contracted 161bps QoQ to 14.6% due to mega-deal transition costs, higher travel/visa/training spend, partially offset by forex gains and bonus reversals. For Q2-Q3, margins are expected to remain in a similar range as investments in AI capabilities and deal ramp-up take priority. The large-deal pipeline remains healthy (23% of total) despite the signing of a mega-deal in previous quarters. The management expects Q2 growth to be better than Q1, though the demand environment remains uncertain. Additionally, the company has a healthy cash position of USD 317.5mn (~25% of market cap), which it intends to utilize for strategic acquisitions of scaled assets to bolster its global portfolio. We maintain ADD with a target price of INR 600, based on 15x Jun-28E EPS, reflecting a balanced risk-reward amid portfolio churn and AI-led transformation tailwinds.

- **Q1FY27 highlights:** (1) Revenue was USD 159.5mn (above our estimate of USD 157.5mn), +1.1% QoQ CC. (2) Within verticals, BFSI grew 8.3% QoQ CC. TMT/HLS/ MCS declined 9.1/3.8/2.3% QoQ CC respectively. BFSI performed well even after excluding the impact of a recently signed USD 210mn mega deal. The decline in HLS was attributed to portfolio and client-specific issues, specifically consolidation at one or two clients. (3) Within geographies, South Africa and UK/Europe were both down 1.4% QoQ CC while the US was up 2.5% QoQ CC. (4) EBITDA margin at 14.6% (-161bps QoQ) came in below our estimate of 15.9%. The impact of higher other expenses (initial cost for large deal and investment in SG&A; -350bps) was offset by forex tailwinds (+70bps) and reversal of management bonus (+130bps).
- **Outlook:** We expect USD revenue growth of 3.0/9.0/9.4% and EBITDA margins of 15.1/15.7/16.0% for FY27/28/29E respectively, resulting in revenue/EPS CAGRs of 7.1/6.8% over FY26-29E.

Quarterly Financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	160	162	(1.5)	158	0.7	624	644	663	722	790
Net Sales	15.08	13.85	8.9	14.50	4.0	52.81	56.87	62.67	68.63	75.87
EBIT	1.92	1.87	2.6	2.13	(9.7)	7.15	8.25	8.32	9.53	10.79
APAT	1.84	1.82	1.0	2.10	(12.5)	6.50	8.00	7.81	8.85	9.73
Diluted EPS (INR)	8.0	7.9	0.9	9.1	(12.5)	28.4	35.0	34.2	38.7	42.6
P/E (x)						18.3	14.9	15.2	13.5	12.2
EV / EBITDA (x)						11.3	9.5	8.6	7.0	5.7
RoE (%)						16.6	17.6	15.3	15.6	15.5

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	655	663	1.2	724	722	-0.2	797	790	-0.8
Revenue	62.02	62.67	1.1	68.76	68.63	-0.2	76.48	75.87	-0.8
EBIT	8.74	8.32	-4.8	9.80	9.53	-2.7	10.96	10.79	-1.5
EBIT margin (%)	14.1	13.3	-81bps	14.3	13.9	-36bps	14.3	14.2	-11bps
APAT	8.13	7.81	-3.9	9.02	8.85	-1.9	9.88	9.73	-1.5
EPS (INR)	35.6	34.2	-3.9	39.5	38.7	-1.9	43.2	42.6	-1.5

Source: Company, HSIE Research

ADD

CMP (as on 30 Jul 2026)	INR 521
Target Price	INR 600
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 600	INR 600
EPS %	FY27E	FY28E
	-3.9	-1.9

KEY STOCK DATA

Bloomberg code	ZENT IN
No. of Shares (mn)	228
MCap (INR bn) / (\$ mn)	119/1,239
6m avg traded value (INR mn)	1,392
52 Week high / low	INR 869/423

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.4	(19.9)	(35.7)
Relative (%)	0.1	(14.6)	(31.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	49.00	48.99
FIs & Local MFs	23.66	21.99
FPIs	10.50	10.73
Public & Others	16.84	18.29
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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IndiaMART InterMESH

ARPU driving growth; churn still elevated

IndiaMart delivered a moderate Q1, with standalone revenue rising 2% QoQ, almost entirely driven by ~3% QoQ ARPU expansion, even as the paying supplier base contracted by ~1,850 in the quarter (-0.9% QoQ). Churn in the silver bucket — particularly among <1yr old silver subscribers — remains at elevated levels and continues to weigh on both net additions and collections growth, while the more aged cohort in the system is behaving far more steadily. Collections growth has visibly slowed, coming in at just ~7.7% YoY at INR 4.63bn (versus ~10% in the previous quarter), and is now almost singularly driven by ARPU rather than volume growth. ARPU growth (+7.8% YoY), led by top-1 (+2.3% YoY) and top-10 (+13.6% YoY) paying customers, is likely to persist, but the broader growth engine would remain structurally challenged unless net additions revive — paid subscriber declines have now extended into third consecutive quarter. Sticky top paying cohort continues to be IndiaMart's core differentiation. Management has rolled out multiple initiatives to arrest churn like detailed product specification-led inquiry, buyer-side OTP verification, GST verification, AI-led discovery, and a three-tier differential pricing architecture to better curate demand-supply and improve seller retention but tangible success is yet to reflect in the numbers. We trim estimates by ~3% but maintain BUY, anchored on the platform's quality moat and the valuation correction. We have a DCF-based TP of INR 2,375 (~23x June-28 EPS), building in revenue/PAT CAGR of 11%/10% over FY26–29E.

- **Q1FY27 highlights:** (1) Q1 revenue stood at INR 4.14bn, +2.5/11.4% QoQ/YoY. The net additions to paid suppliers declined by ~1,850. (2) EBITDA margin stood at 35.4%, up 255bps QoQ, due to decrease in employee benefit expenses. (3) In Q1FY27, BUSY revenue increased by 6% QoQ to INR 0.36bn and EBITDA margin declined to 8.3% vs 14.7% in Q4FY26. (4) Standalone EBITDA margin stood at 39.9%, +352bps QoQ, given the decline in Customer Selling Cost and Selling Costs. (5) Top 1/10 supplier ARPU stood at 1,104K/388K, +2.3/13.6% YoY. (6) Top 10% of customers account for 51% of revenue. (7) PAT stood at INR 1.7bn, an increase of 214% QoQ, due to other income of INR 1.07bn vs loss of INR 0.34bn last quarter. (8) Net cash stood at INR 35.5bn (~31% of market cap).
- **Outlook:** We expect revenue growth of +8.1/11.4/12.9%, based on paid supplier growth of -0.9/2.8/2.7% and ARPU growth of +8.0/7.9/9.0% for FY27/28/29E. Consolidated EBITDA margin estimates stand at 34.6/34.8/35.7% for FY27/28/29E.

Quarterly financial summary

YE March (INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	4,144	3,721	11.4	4,043	2.5	13,884	15,690	16,968	18,902	21,333
EBITDA	1,465	1,335	9.7	1,326	10.5	5,228	5,300	5,868	6,576	7,617
APAT	1,722	1,535	12.2	549	213.9	5,507	4,747	5,140	5,575	6,359
EPS	28.4	25.3	12.2	9.0	213.9	91.8	79.0	85.3	92.5	105.5
P/E (x)								22.5	20.7	18.2
EV / EBITDA (x)								13.6	11.0	8.4
RoE (%)						28.1	20.7	19.7	18.4	18.1

Source: Company, HSIE research

Change in estimates

YE March (INR mn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	17,324	16,968	-2.1	19,487	18,902	-3.0	21,969	21,333	-2.9
EBITDA	5,860	5,868	0.1	6,648	6,576	-1.1	7,694	7,617	-1.0
EBITDA margin (%)	33.8	34.6	76 bps	34.1	34.8	67 bps	35.0	35.7	69 bps
APAT	5,174	5,140	-0.7	5,770	5,575	-3.4	6,554	6,359	-3.0
EPS (Rs)	85.6	85.3	-0.4	95.4	92.5	-3.1	108.4	105.5	-2.7

Source: Company, HSIE Research

BUY

CMP (as on 21 Jul 2026)	INR 1,918
Target Price	INR 2,375
NIFTY	24,188

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,400	INR 2,375
EPS %	FY27E -0.4%	FY28E -3.1%

KEY STOCK DATA

Bloomberg code	INMART IN
No. of Shares (mn)	60
MCap (INR bn) / (\$ mn)	115/1,198
6m avg traded value (INR mn)	277
52 Week high / low	INR 2,648/1,860

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.2)	(14.1)	(25.2)
Relative (%)	(7.9)	(8.7)	(19.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	49.12	49.07
FIs & Local MFs	13.54	12.11
FPIs	19.17	19.92
Public & Others	18.17	18.88
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Sonata Software

IITS margin dent; recovery underway

Sonata's Q1FY27 International IT Services (IITS) results were weak, with USD revenue growing 0.1% QoQ in CC terms, weighed down by a delay in ramp-up of a large deal, weakness in the TMT and Retail/Manufacturing verticals, even as BFSI showed signs of recovery. IITS EBITDA margin declined sharply to 15.4% (down ~480bps QoQ), impacted by the ramp-up delay along with elevated AI capability-building investments and higher talent transformation costs. While some of these one-offs should reverse in Q2, the benefit will be partly offset by the annual wage hike; management indicated a positive margin trajectory from Q2 onward. The growth is set to revive, led by the healthy AI-led pipeline (up 21% QoQ), AI-led order wins (up 27% QoQ), key leadership additions including a Chief AI Officer, strengthened leadership at its largest account, and a sharpened go-to-market around nine micro-verticals and six value pools under the AI-native strategy. The top account is stabilizing, with early positive pipeline traction cited. We build in low single-digit growth for IITS for FY27E and low double-digit growth for FY28E. In domestic business (DPS), the drag from the OEM's shift to direct billing is now largely behind, with growth, gross contribution and profitability all recovering; we assume low double-digit growth here, with the worst behind. We trim FY27E EPS while keeping FY28E EPS broadly unchanged, and value Sonata on SoTP (15x DPS, 17.5x IITS, blended 17x) on June-28E EPS, arriving at a target price of INR 360.

- **Q1FY27 highlights:** (1) IITS revenue stood at USD 82mn, up 0.1/2.1% QoQ/YoY CC (vs our estimate of USD 82.4mn). (2) TMT de-grew 6% QoQ, while BFSI witnessed robust growth of 22.5% QoQ. Retail/healthcare/emerging verticals were sequentially down 3.5/0.5/0.5%. (3) IITS' EBITDA margin declined 481bps QoQ to 15.4% (vs estimate of 20.5%), impacted by the absence of last quarter's one-time compensation benefit (-200bps), lower utilization from deal ramp-up delays, forex headwinds (-50bps), and continued investment in talent and AI. DPS EBITDA margin stood at 2.4% (-54bps QoQ). (4) The company has won one large deal (in the retail sector) and 28% of the large deals with Fortune-500 clients. 37% of the active pipeline consists of large deals. AI wins stood at USD 21.7mn with a growth of 27% QoQ (22% of the order book) and AI-led pipeline at USD 340mn (+21% QoQ).
- **Outlook:** We expect IITS revenue growth of 3.5/10/10.9% and DPS revenue growth of 11.5/12/12% for FY27/28/29E respectively. IITS margin is estimated at 17.1/18.1/18.8% for FY27/28/29E respectively. IITS revenue/consolidated EPS CAGR for FY26-29E is expected to be +12/13%.

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	82.0	81.8	0.2	82.4	(0.5)	335.6	328.5	340.1	374.0	414.9
Net Sales	32.79	29.65	10.6	25.36	29.3	101.57	107.01	118.65	132.33	148.24
EBIT	1.42	1.34	6.6	1.83	(22.4)	5.68	6.37	6.33	7.43	8.66
APAT	1.08	1.09	(1.1)	1.62	(33.3)	4.25	5.27	4.99	5.85	6.79
Diluted EPS (INR)	3.9	3.9	(1.1)	5.8	(33.3)	15.1	18.8	17.8	20.9	24.2
P/E (x)						21.0	16.9	17.9	15.2	13.1
EV / EBITDA (x)						13.9	12.7	12.0	10.1	8.5
RoE (%)						27.3	29.2	24.6	25.4	25.9

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
IITS Rev (USD mn)	340.0	340.1	0.0	374.0	374.0	(0.0)	414.9	414.9	(0.0)
Revenue	117.68	118.65	0.8	127.84	132.33	3.5	139.52	148.24	6.3
EBIT	6.76	6.33	(6.5)	7.45	7.43	(0.3)	8.35	8.66	3.8
EBIT margin (%)	5.7	5.3	-41bps	5.8	5.6	-22bps	6.0	5.8	-14bps
APAT	5.32	4.99	(6.1)	5.87	5.85	(0.3)	6.55	6.79	3.6
EPS (INR)	19.0	17.8	(6.1)	20.9	20.9	(0.3)	23.4	24.2	3.6

Source: Company, HSIE Research

BUY

CMP (as on 07 Aug 2026)	INR 318
Target Price	INR 360
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 325	INR 360
EPS %	FY27E -6.1%	FY28E -0.3%

KEY STOCK DATA

Bloomberg code	SSOF IN
No. of Shares (mn)	280
MCap (INR bn) / (\$ mn)	89/937
6m avg traded value (INR mn)	774
52 Week high / low	INR 422/207

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	17.5	4.0	(9.0)
Relative (%)	16.6	10.1	(6.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	28.17	28.17
FIs & Local MFs	25.55	24.67
FPIs	8.74	9.17
Public & Others	37.54	37.99
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Cyient

Investing to revive growth

DET Q1 revenue fell 0.5% QoQ in CC (down 0.9% YoY CC), broadly in line with our estimate, while margins surprised positively with normalized EBIT at 13.2% (+79bps QoQ, +114bps YoY) and gross margin at 32.7%, aided by cost optimization and USD tailwinds. Revenue was dragged by a sharp 8.2% QoQ decline in strategic units (energy contraction post ramp-down of a large legacy project), partly offset by transportation & mobility (+3% QoQ/+14.8% YoY CC, fifth straight growth quarter across aerospace, rail and auto) and network & infrastructure (+0.3% QoQ/+2.5% YoY CC on fiber build-out). Growth drivers include lifecycle engineering, agentic MRO platforms and AI adoption. Demand stayed muted on West Asia war-led caution, delayed discretionary spends and aerospace flying-hour risks, though order intake rose 5.3% YoY (new-business intake +64% YoY), with five large deals won and a pipeline of >USD 300mn. The 15% EBIT exit target has slipped to H1FY28 as revenue absorption lags. TAO Digital (USD 40–50mn revenue) closes late-Q2 and consolidates from Q3, deepening data/software and AIOps capabilities. In semiconductors, combined Science+Kinetic revenue was USD 17.9mn (organic +5% QoQ to USD 7.5mn); Kinetic added low-power ASSP scale, custom-ASIC pipeline crossed USD 100mn, and breakeven is pushed to FY28. We include TAO from Q3 and expect organic growth to revive gradually; we raise DET revenue 5% and EPS 2–3%. We maintain ADD with an SoTP-based TP of INR1,150 (13x DET Jun-28E PAT; DLM at current market cap).

- **Q1FY27 highlights:** (1) DET revenue stood at USD 162.5mn, down 0.5% QoQ and up 0.9% YoY CC (above our estimate of USD 161.8mn). The sequential decline was primarily due to a sharp decline in the energy vertical and delayed discretionary spending amid geopolitical uncertainty. (2) Transportation & mobility grew 3% QoQ CC, driven by strength across aerospace, rail, and automotive. Networks & infrastructure rebounded 0.3% QoQ CC, while strategic units declined 8.2% QoQ CC, with energy as the primary drag. (3) DET EBIT margin expanded 79 bps QoQ to 13.2%, supported by cost optimization and forex tailwinds, offsetting higher restructuring costs and continued investments.
- **Outlook:** We have factored in +4.9/8.9/5.7% DET USD revenue growth for FY27/28/29E. The DET margin is estimated at 13.3/13.9/14.6% for FY27/28/29E, resulting in a consolidated revenue/EPS CAGR of +10/22% over FY26–29E.

Quarterly Financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	219	200	9.5	210	4.3	853	821	930	1,021	1,098
Net Sales	20.76	17.12	21.3	19.27	7.7	73.60	72.68	87.97	97.51	105.99
EBIT	2.19	1.63	34.4	1.84	19.2	8.84	6.88	9.37	11.10	12.66
APAT	1.32	1.54	(14.4)	1.25	5.8	6.22	5.34	6.78	8.39	9.59
Diluted EPS (INR)	11.9	13.9	(14.4)	11.3	5.8	56.3	48.4	61.4	76.0	86.9
P/E (x)						14.7	17.1	13.4	10.9	9.5
EV / EBITDA (x)						6.9	7.9	6.0	4.9	4.1
RoE (%)						13.0	9.7	11.6	13.5	14.4

Source: Company, HSIE Research, Consolidated Financials, USD revenue is DET business

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	839	930	10.9	907	1,021	12.5	992	1,098	10.7
Revenue	79.43	87.97	10.8	86.18	97.51	13.1	95.24	105.99	11.3
EBIT	9.18	9.37	2.0	10.78	11.10	2.9	12.35	12.66	2.6
EBIT margin (%)	11.6	10.7	-91bps	12.5	11.4	-113bps	13.0	11.9	-102bps
APAT	6.73	6.78	0.8	8.01	8.39	4.8	9.23	9.59	3.9
EPS (INR)	60.9	61.4	0.8	72.5	76.0	4.8	83.6	86.9	3.9

Source: Company, HSIE Research, USD revenue is DET business

ADD

CMP (as on 28 Jul 2026)	INR 838
Target Price	INR 1,150
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,100	INR 1,150
EPS %	FY27E +0.8	FY28E +4.8

KEY STOCK DATA

Bloomberg code	CYL IN
No. of Shares (mn)	105
MCap (INR bn) / (\$ mn)	88/916
6m avg traded value (INR mn)	397
52 Week high / low	INR 1,285/750

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.4)	(25.1)	(32.1)
Relative (%)	(2.2)	(18.3)	(27.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	23.28	23.28
FIs & Local MFs	40.97	39.00
FPIs	15.32	14.52
Public & Others	20.43	23.20
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Birlasoft

Entering the growth phase

Birlasoft (BSOFT) delivered a stable yet muted Q1FY27, with revenue growth of 0.3% QoQ CC, marking a return to positive sequential growth after several quarters of decline. The reported EBITDA margin of 16.1% normalized as anticipated, lacking the ~170bps of one-off tailwinds that aided Q4. The flat revenue for the quarter was led by mixed demand environment, with strength in BFSI and Life Sciences offsetting continued softness in Manufacturing and E&U (~50% of revenue), expected to turn around 3Q onward. Key positives include strong TCV signings of USD 168.7mn (+20% YoY, with net new up ~USD 15mn) and rising AI-led wins—notably as a strategic AI partner for a major US financial services player, a European banking modernization deal, and a GenAI pharmacovigilance engagement. Balance-sheet metrics stayed best-in-class (OCF/EBITDA 108%, net cash INR 28.8bn ~34% of market cap). Birlasoft is in a strategic investment phase to revive growth, materially enhancing sales teams and transitioning to an AI-first operating model via its Cogito platform. Management expects a better H1 deal-signing performance versus last year, though near-term revenue remains volatile amid soft demand and pricing pressure from client expectations of AI-induced productivity gains. Q2 will have the wage hike impact but the sustainable margin range is ~15%. We retain our positive stance and maintain a BUY, with a target price of INR 375 based on 15x June-28E EPS.

- **Q1FY27 highlights:** (1) BSOFT's revenue came in at USD 145.2mn (slightly above our estimate of USD 144.2mn), up 0.3% QoQ CC, though flattish in USD terms. (2) Within verticals, BFSI (+4.9% QoQ) and Life Sciences (+2% QoQ) improved, offsetting continued softness in Manufacturing (-3.7% QoQ) and Energy & Utilities (-1.2% QoQ), with management indicating that Manufacturing and E&U weakness may persist for another quarter or two before a potential turnaround. (3) Total TCV stood at USD 168.7mn, up 20% YoY, with several AI-led engagements, including a strategic AI partnership with a leading US financial services player and a multi-year AI-led transformation deal with a European banking group. Renewal momentum remains healthy, with no major losses reported. (4) DSO improved QoQ to 55 days, among the best in the industry, supported by strong collections of USD 163.1mn in the quarter.
- **Outlook:** We expect BSOFT's USD revenue to be flat in FY27E and grow thereafter by 10.5/13.2% in FY28/29E. EBITDAM is factored in at 15.2/15.2/15.4% for FY27/28/29E respectively, implying an EPS CAGR of 13% over FY26-29E.

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	145	151	-3.6	145	-0.1	635	598	595	657	743
Net Sales	13.79	12.85	7.4	13.49	2.3	53.75	53.10	56.48	62.39	71.35
EBIT	2.03	1.38	47.3	2.30	-11.5	6.12	7.86	7.81	8.53	10.02
APAT	1.61	1.06	51.2	1.76	-8.5	5.17	5.44	6.01	6.68	7.85
Diluted EPS (INR)	5.8	3.8	50.3	6.3	-8.6	18.8	19.5	21.5	23.9	28.1
P/E (x)						16.0	15.4	14.0	12.6	10.7
EV / EBITDA (x)						8.6	6.4	6.1	5.2	4.2
RoE (%)						15.8	14.3	14.0	14.2	15.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	591	595	0.7	638	657	2.9	708	743	5.0
Revenue	55.92	56.48	1.0	60.65	62.39	2.9	67.98	71.35	5.0
EBIT	7.63	7.81	2.5	8.31	8.53	2.7	9.45	10.02	6.0
EBIT margin (%)	13.6	13.8	20bps	13.7	13.7	-2bps	13.9	14.0	14bps
APAT	5.95	6.01	1.0	6.60	6.68	1.2	7.58	7.85	3.6
EPS (INR)	21.3	21.5	1.0	23.6	23.9	1.2	27.1	28.1	3.6

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 300
Target Price	INR 375
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 370	INR 375
Change in EPS %	FY27E +1.0%	FY28E +1.2%

KEY STOCK DATA

Bloomberg code	BSOFT IN
No. of Shares (mn)	280
MCap (INR bn) / (\$ mn)	84/875
6m avg traded value (INR mn)	640
52 Week high / low	INR 474/270

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(19.2)	(25.5)	(22.2)
Relative (%)	(19.0)	(18.7)	(17.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	40.39	40.38
FIs & Local MFs	23.35	21.99
FPIs	13.65	12.78
Public & Others	22.61	24.85
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Tanla Platforms

Improving growth visibility

Tanla delivered a beat on expectations in Q1FY27 with revenue at INR 12.26bn, up 4.1% QoQ and 17.8% YoY, while EBITDA (+4.9% QoQ/+22.7% YoY) and PAT (+5.8% QoQ/+20.1% YoY) grew even faster, reflecting overall improvement in quality of growth. The performance was powered by the enterprise segment, which in turn was led by continued acceleration in OTT (WhatsApp + RCS), a recovery in domestic messaging volumes (aided by UPI/BFSI transactional flows) and now-stable international (ILD) volumes. We believe enterprise growth is sustainable – wallet share is expanding across existing clients, new client onboarding is running at healthy levels, and the ILD volume drag is now behind. OTT will remain the primary growth engine, driven by the structural shift from SMS to conversational messaging, enterprise adoption of WhatsApp for utility/authentication/commerce, and Meta's push on business messaging monetization. Platform investments are beginning to yield – Trubloq remains a cash engine, RCS MaaP (with Vodafone Idea/Google) is scaling, and Wisely Ai/ATP (3 bank deals + Indosat's 100mn subs) is emerging as a multi-year growth lever on a subscription model. Rising platform mix will be margin-accretive, keeping EBITDA margins in a 16-17% band even as GTM investments continue. Growth visibility is improving, led by OTT and stable core while the platform business provides meaningful optionality. We raise EPS estimates ~5-6% and maintain BUY with a revised TP of INR 780 (15x Jun-28E EPS). The stock is trading at an attractive 13/12x FY27/28E P/E.

- **Q1FY27 highlights:** The enterprise revenue increased by +4.5/18.4% QoQ/YoY to INR 11.23bn; however, total gross margin decreased 40bps QoQ to 26.6%. Excluding OTT, the enterprise segment increased 3.2% QoQ and OTT revenue stood at INR 3.91bn, up 7/16% QoQ/YoY. In Q1FY27, 71 new customers were added contributing ~INR 31mn in revenue. Platform revenue stood at INR 1bn, +0.1%/12.2%, QoQ/YoY and gross margin was 98.4%, up 10bps sequentially. The EBITDA margin at 16.4% was up 11bps QoQ and APAT stood at INR 1.42bn, up 5.8/20.1% QoQ/YoY. The >INR500mn, INR 100-500mn and INR 10-100mn revenue bucket saw an increase of 1.6/10.8/0.1% QoQ. Net cash stands at INR 12bn, ~15% of the market cap.
- **Outlook:** We estimate a 12.4% revenue CAGR over FY26-29E, led by CAGRs of +14/12/% from the platform/Enterprise segment. We estimate 14% EPS CAGR over FY26-29E.

Quarterly financial summary

YE March (INR bn)	1QFY 27	1QFY 26	YoY (%)	4QFY 26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	12.26	10.41	17.8	11.78	4.1	39.28	40.28	44.18	50.40	55.71	62.75
Gross Profit	3.26	2.61	25.1	3.18	2.6	10.56	10.51	11.75	13.63	15.26	17.19
EBITDA	2.01	1.64	22.7	1.92	4.9	7.32	6.91	7.24	8.26	9.22	10.39
APAT	1.42	1.18	20.1	1.34	5.8	5.48	5.07	5.09	5.93	6.67	7.54
DEPS (INR)	10.7	8.9	20.1	10.1	5.8	40.7	37.7	38.4	44.7	50.3	56.8
P/E (x)								15.6	13.4	11.9	10.5
EV/EBITDA (x)								9.5	7.9	6.7	5.6
ROE (%)						31.7	24.1	21.4	22.0	21.4	20.9

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR bn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	48.97	50.40	2.9	54.13	55.71	2.9	60.97	62.75	2.9
EBITDA	8.02	8.26	2.9	8.95	9.22	3.0	10.10	10.39	2.9
EBITDA (%)	16.4	16.4	0bps	16.5	16.5	1bps	16.6	16.6	0bps
APAT	5.62	5.93	5.6	6.29	6.67	6.0	7.12	7.54	5.8
EPS (INR)	42.4	44.7	5.6	47.5	50.3	6.0	53.7	56.8	5.8

Source: HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 598
Target Price	INR 780
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 740	INR 780
EPS %	FY27E 5.6%	FY28E 6.0%

KEY STOCK DATA

Bloomberg code	TANLA IN
No. of Shares (mn)	133
MCap (INR bn) / (\$ mn)	79/827
6m avg traded value (INR mn)	601
52 Week high / low	INR 766/366

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.8	15.2	(2.7)
Relative (%)	6.9	22.0	2.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	46.17	46.17
FIs & Local MFs	0.28	0.38
FPIs	7.60	7.63
Public & Others	45.48	45.35
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Mastek

Deal wins strong; gradual margin recovery

Mastek delivered a Q1FY27 print with a beat on growth but a miss on margins. Revenue at USD 104.8mn grew 1.8% QoQ CC ahead of our estimate, while EBITDA margin softened to 15.4%. The margin was dragged down by the US and Middle East (ME) due to higher bench cost, delayed collections, doubtful debt provisioning in ME, and sub-scale operations in the US. Growth was led by the UK (+3% QoQ CC), with financial services (FCA deal ramp) offsetting temporary weakness in UK healthcare, where the NHS England project transitioned into new data modernization workstreams. The 12M order backlog grew to USD 310mn (+13.3% YoY USD), with 40+ AI-led wins in the quarter and North America clocking its third straight strong order-book quarter, headlined by a USD 25mn, 5-year managed-services deal on Salesforce Agentforce (ramp-up in H2). UK momentum will sustain with FCA ramping through Q2 and healthcare recovering in H2; ME will stay under pressure given the geopolitical overhang; US growth engine should revive by H2, led by deal wins. Margin recovery will be gradual – Q2 will bear the wage hike and ESOP grant cost, US margins will improve when it reaches USD 28–30mn quarterly run-rate, and ME margins will revive gradually. We build 6.5% USD revenue CAGR and 9% EPS CAGR, supported by gradual margin recovery. The stock offers reasonable valuations with P/E of 11x FY28E and net cash at 15% of market cap. Maintain BUY with a TP of INR 2,080, based on 13x Jun-28E EPS (vs 14x earlier).

- **Q1FY27 highlights:** (1) Revenue grew 1.8% QoQ CC to USD 104.8mn (in line with our estimate of USD 104.6mn). UK revenue grew 2.6% QoQ, driven by good momentum in financial services and public sector. US revenue grew 2.4% QoQ. AMEA de-grew 8.3% QoQ, impacted by geopolitical uncertainties. (2) Vertical-wise, government (+7.9% QoQ) financial services (+7.8% QoQ) led the growth, followed by manufacturing (+1.9% QoQ), even as retail (-1.3% QoQ) and healthcare (-13.9% QoQ) saw de-growth. (3) EBITDA margin declined ~71bps QoQ to 15.4% (vs HSIE est. of 16.4%), impacted by delayed collection in the Middle East, provision for doubtful debts, mix change and regulatory costs in the UK, partially offset by operational efficiencies and FX tailwind. (4) Among services, Data/Oracle grew 9.8/1.3% QoQ, while digital & application engineering /Digital Commerce declined 0.4/1.5% QoQ respectively. (5) ~45% of the new order book came from AI deals (order book of USD 64mn and 43 deals in Q1).
- **Outlook:** We expect USD revenue growth of +2.8/8.0/9.1% in FY27/28/29E and an EBITDA margin of 15.4/15.9/16.2% in FY27/28/29E, resulting in an EPS CAGR of 9% over FY26-29E.

Quarterly Financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	105	107	(2.4)	104	1.2	408	421	432	467	509
Net Sales	9.85	9.15	7.7	9.38	5.0	34.55	36.99	40.81	44.59	49.40
EBIT	1.33	1.19	11.9	1.32	0.6	4.71	5.13	5.53	6.23	7.08
APAT	1.06	0.92	15.0	1.30	(18.5)	3.68	4.34	4.32	4.89	5.59
Diluted EPS (INR)	33.47	29.10	15.0	41.06	(18.5)	116.4	137.2	136.5	154.6	176.8
P/E (x)						14.9	12.6	12.7	11.2	9.8
EV / EBITDA (x)						9.9	8.5	7.5	6.2	20.1
RoE (%)						16.2	15.9	13.6	13.8	14.1

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	433	432	(0.3)	479	467	(2.5)	535	509	(4.9)
Revenue	39.66	40.81	2.9	44.31	44.59	0.6	49.52	49.40	(0.2)
EBIT	5.56	5.53	(0.6)	6.32	6.23	(1.5)	7.26	7.08	(2.4)
EBIT margin (%)	14.0	13.5	-47bps	14.3	14.0	-30bps	14.7	14.3	-32bps
APAT	4.14	4.32	4.3	4.61	4.89	6.1	5.34	5.59	4.7
EPS (INR)	130.9	136.5	4.3	145.7	154.6	6.1	168.9	176.8	4.7

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 1,873
Target Price	INR 2,080
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,120	INR 2,080
	FY27E	FY28E
EPS %	+4.3	+6.1

KEY STOCK DATA

Bloomberg code	MAST IN
No. of Shares (mn)	31
MCap (INR bn) / (\$ mn)	58/606
6m avg traded value (INR mn)	155
52 Week high / low	INR 2,626/1,334

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.5	(6.9)	(24.7)
Relative (%)	11.6	(0.1)	(19.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	35.76	35.76
FIs & Local MFs	19.03	19.86
FPIs	8.03	7.45
Public & Others	37.18	36.93
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Happiest Minds Technologies

Guidance indicates growth acceleration

Happiest Minds' Q1FY27 revenue grew 2.6% QoQ/6.7% YoY in CC, driven by broad-based traction across AI & Analytics, digital engineering, platforms and industry-focused solutions. The company continues to invest in AI platforms, accelerators and talent, targeting a dedicated 1,000-member AI/GenAI team by end-FY27 alongside enhancing sales capacity. Growth drivers include a healthy pipeline, which expanded ~20% QoQ, six new client additions, large-account mining (aspiration to build one/two USD 20mn accounts) and enterprise modernization opportunity. Vertical outlook remains healthy across BFSI, Healthcare, EdTech, Retail/CPG and Hi-Tech. Management reaffirmed FY27E revenue growth guidance of 12.5% YoY CC and is targeting an operating margin of 17.5-18.5% (+100bps), to be driven by higher utilization, integration efficiencies, and pyramid optimization, even as it absorbs annual wage hikes (Q2/Q3) and continued investment in AI talent, sales capacity and go-to-market initiatives. Key differentiators include a secure, modular Enterprise AI platform, deep digital engineering capabilities and a focus on outcome-based engagements. The management indicated that discretionary spending remains selective while demand is robust for cloud, cybersecurity and data-modernization services. Deal wins remained diversified across verticals, and continued investment in proprietary AI platforms will sustain growth. We keep our estimates unchanged and maintain BUY with a TP of INR 440, based on 20x Jun-28E EPS.

- **Q1FY27 highlights:** (1) Revenue came in at USD 66.2mn (lower than our estimate of USD 67.4mn), +2.6/6.7% QoQ/YoY CC, supported by healthy growth in Hitech (+11.9% QoQ), Healthcare (+4.7% QoQ), and Retail verticals (+4.2% QoQ). (2) IMSS declined 2.5% QoQ, primarily due to a one-time license revenue recorded in Q4 that did not repeat in Q1. Despite the sequential dip, management noted that the IMSS pipeline remains strong and expects the unit to return to growth by the next quarter. (3) EBITDA margin stood at 18.7% (+156bps QoQ); which was impacted by a currency loss of INR 110mn and a provision of INR 50mn for delayed receivables; adjusting for this, the margin would have been 19.5%. (4) The wage increments are planned for Q2 and Q3, which will impact margins, but the company expects to claw back this impact through volume growth and value increases.
- **Outlook:** We have factored in USD revenue growth of 9.3/12.8/13.6% and EBITM of 14.6/14.8/15.1% for FY27/28/29E respectively, which translates to a revenue/EPS CAGR of 12/19% over FY26-29E. At CMP, HAPSTMN is trading at 21/18x FY27/28E, way lower than its historical average multiple of 45x.

Quarterly financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	66	64	2.9	65	1.8	244	260	284	321	364
Net Sales	6.29	5.50	14.3	6.04	4.0	20.61	23.15	26.99	30.47	34.98
EBIT	0.95	0.72	32.5	0.82	15.8	2.66	3.15	3.94	4.50	5.29
APAT	0.68	0.57	18.3	0.59	15.4	1.93	2.27	2.81	3.22	3.82
Diluted EPS (INR)	4.4	3.8	18.3	3.8	15.4	12.7	14.9	18.4	21.2	25.1
P/E (x)						30.2	25.8	20.8	18.1	15.3
EV / EBITDA (x)						15.8	14.5	11.8	10.1	8.4
RoE (%)						12.7	13.9	15.8	16.3	17.2

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	285	284	(0.3)	320	321	0.1	358	364	1.9
Revenue	26.99	26.99	(0.0)	30.44	30.47	0.1	34.32	34.98	1.9
EBIT	3.98	3.94	(0.9)	4.49	4.50	0.2	5.19	5.29	1.9
EBIT margin (%)	14.7	14.6	-13bps	14.8	14.8	1bps	15.1	15.1	0bps
APAT	2.81	2.81	0.1	3.22	3.22	0.1	3.74	3.82	2.0
EPS (INR)	18.4	18.4	0.1	21.1	21.2	0.1	24.6	25.1	2.0

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 383
Target Price	INR 440
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 440	INR 440
EPS %	FY27E	FY28E
	+0.1	+0.1

KEY STOCK DATA

Bloomberg code	HAPSTMN IN
No. of Shares (mn)	152
MCap (INR bn) / (\$ mn)	58/609
6m avg traded value (INR mn)	911
52 Week high / low	INR 646/305

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	3.4	(5.2)	(36.2)
Relative (%)	3.6	1.6	(31.1)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	44.21	44.21
FIs & Local MFs	8.99	5.66
FPIs	5.94	6.00
Public & Others	40.86	44.13
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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Quess Corp

Growth traction; improving mix

Quess reported consolidated revenue of INR 41.8bn (+15% YoY/+7% QoQ), ahead of expectations, aided by a one-off INR 1.76bn pass-through revenue linked to new labour code implementation; however, this optically-diluted general staffing margins by ~10bps as it yielded no bottom-line, and along with the annual wage increase cycle, consolidated EBITDA margin moderated 20bps QoQ to 2.02% (EBITDA INR 850mn, +21% YoY). PAT grew 61% YoY to INR 820mn, further aided by an income tax refund. General staffing (86% of revenue) delivered strong growth (+15%YoY/+8%QoQ), led by growth in consumer/retail/telecom and manufacturing verticals while BFSI saw a decline (regulatory impact). The focus is to shift toward higher-markup segments like manufacturing, construction, and consumer, which will drive gradual margin expansion. Professional staffing (6% of revenue, +3% YoY) remains a growth driver, anchored in GCCs (68% of revenue), with margin sustained at ~11% (guidance 11-12%, targeting INR 300mn quarterly run-rate). Overseas (8% of revenue, +17% YoY) delivered diversified growth at ~6.2% margin (guidance 6.5-7%). Over the next 3-4 years, Quess aspires to draw 20-25% of revenue from higher-margin, dollar-linked businesses via its capital-light Quest 2.0 strategy, shifting the profit pool mix from 50:50 to 35:65 in favor of higher-margin segments. Overall, we witness healthy growth traction and raise our revenue/EPS estimates by 4-5%. We increase our multiple to 17x (vs 16x) and maintain ADD with a revised target price of INR 360, based on 17x June-28E EPS. The stock is trading at a reasonable P/E of 17/15x FY27/28E.

- **Q1FY27 highlights:** Revenue stood at INR 41.82bn, with GS, IT Staffing, and Overseas contributing 86%, 6%, and 8%, respectively. General Staffing revenue was INR 35.97 bn, +8.1% QoQ and +15.2% YoY. EBITDA margin contracted 15 bps QoQ to 1.42%. The associate/core ratio increased to 273 from 270 in Q4, while the collect-to-pay ratio deteriorated to 75% from 76% in Q4. **IT Staffing** revenue was INR 2.52bn, up 8.8/3.3% QoQ/YoY, led by continued traction in GCCs, with GCCs contributing 68% to revenue and 72% to headcount. **Overseas Staffing** revenue stood at INR 3.33bn, up 0.2/17.1% QoQ/YoY. EBITDA margin contracted 8bps QoQ to 6.18%. Consolidated finance cost increased 6.5/45.6% QoQ/YoY to INR 144mn.
- **Outlook:** We expect revenue growth of 11.9/10.2/10.7% and an EBITDA margin of 2.13/2.24/2.28% in FY27/28/29E respectively, leading to revenue and EPS CAGRs of ~11% /14% respectively over FY26-29E.

Quarterly financial summary

YE March (INR bn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	41.82	36.51	14.5	38.92	7.4	149.67	153.05	171.24	188.75	209.04
EBITDA	0.85	0.70	21.2	0.86	-2.1	2.62	3.12	3.64	4.24	4.77
APAT	0.82	0.53	55.2	0.64	28.9	2.10	2.31	2.76	3.04	3.45
Diluted EPS (Rs)	5.51	3.55	55.0	4.28	28.8	14.2	15.4	18.6	20.4	23.2
P/E (x)						21.9	20.0	16.7	15.2	13.3
EV / EBITDA (x)						16.6	14.1	12.3	10.1	8.5
RoE (%)						19.4	20.5	21.0	19.4	19.3

Source: Company, HSIE Research

Change in estimate

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	163.77	171.24	4.6	181.49	188.75	4.0	201.15	209.04	3.9
EBITDA	3.45	3.64	5.5	4.00	4.24	5.9	4.55	4.77	4.8
EBITDA margin (%)	2.1	2.1	3bps	2.2	2.2	4bps	2.3	2.3	-2bps
APAT	2.60	2.76	6.1	2.88	3.04	5.4	3.31	3.45	4.3
EPS (INR)	17.5	18.6	6.1	19.4	20.4	5.4	22.3	23.2	4.3

Source: Company, HSIE Research

ADD

CMP (as on 30 Jul 2026)	INR 310
Target Price	INR 360
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 320	INR 360
	FY27E	FY28E
EPS %	+5.4	+4.3

KEY STOCK DATA

Bloomberg code	QUESS IN
No. of Shares (mn)	149
MCap (INR bn) / (\$ mn)	46/483
6m avg traded value (INR mn)	182
52 Week high / low	INR 320/164

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	58.8	50.9	5.4
Relative (%)	57.4	56.1	9.8

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	56.83	56.82
FIs & Local MFs	12.40	11.87
FPIs	8.31	8.58
Public & Others	22.44	21.74
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Route Mobile

Margin dent; gradual recovery

Route's Q1FY27 revenue growth was in line at +9.6% YoY/+1.8% QoQ, but the sharp fall in gross margins was a negative surprise, coming in at 20.9% vs 23.3% in Q4FY26. Revenue growth was led by NLD (domestic) and continued strength in new products (RCS/WhatsApp, +14% YoY/+11% QoQ), which offset the soft ILD business that remains the principal drag on growth. The margin drop was driven by client-specific events—a temporary traffic disruption at a large high-margin customer undergoing a solution/feature upgrade—and a smaller hit from the cybersecurity incident at its Colombian subsidiary. The fall was unexpected, especially after the company set a 12% EBITDA margin target a quarter back; Q1 adjusted EBITDA margin came in at just 9.5% (vs estimate of 11.9%). Management maintains that the margin pressure is transient and will recover, but achieving the full-year 12% target is an uphill task. On strategy, Route completed the Heltar acquisition (AI-native, no-code omni-channel engagement) to accelerate non-SMS/conversational AI, alongside the Truecaller and Claro (multi-country firewall) partnerships and Proximus Global synergies, driving expected growth from these new areas. We expect margins to recover gradually as client-specific events reverse and revenue growth to be mid-to-high single digit. We keep our revenue estimate unchanged but lower margins, leading to a ~6% cut in EPS estimate. We maintain ADD with a target price of INR730, based on 12x June-28E EPS. The stock is trading at a reasonable P/E valuation of 11/9x FY27/28E.

- **Q1FY27 highlights:** Revenue grew 1.8/9.6% QoQ/YoY to INR 11.52bn (vs our estimate of INR 11.42bn) due to continued moderation in ILD messaging volumes although offset by resilience in new product growth (+10.5% QoQ to INR 945mn). Gross margin contracted by 246bps QoQ to 20.9%, led by client-specific issues resulting in EBITDA margin compression of 289bps QoQ to 9.2%. Finance costs stood at INR 0.01bn, up by 13.3% QoQ. Revenue from India terminations (42% of revenue) stood at INR 4.15bn for the year (down 14% YoY) and international revenue increased 14.1% YoY. In terms of segmental margins, India margins stood at negative 1.7% vs 7.4% last quarter, impacted by client volume ramp down. The overseas margin also contracted 100bps QoQ to 8.1%. The total employee count stood at 783 in the quarter, down 3.1% QoQ. Net cash stood at INR 13.45bn, ~37.4% of the market cap.
- **Outlook:** We expect +8/7% revenue/EBITDA CAGR for FY26-29E, led by +6/7.3/9.3% revenue growth and 10.7/11.2/11.4% EBITDA margin for FY27/28/FY29E respectively.

Quarterly financial summary

YE March (INR bn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	11.52	10.51	9.6	11.31	1.8	45.76	44.08	46.74	50.17	54.86
Gross Profit	2.40	2.25	6.8	2.64	-8.9	9.51	10.07	10.46	11.54	12.67
EBITDA	1.05	0.94	12.3	1.36	-22.6	5.11	5.12	5.02	5.64	6.24
APAT	0.63	0.53	17.7	1.09	-42.7	3.37	3.75	3.25	3.72	4.11
Diluted EPS (INR)	10.0	8.5	17.7	17.4	-42.7	53.7	59.7	51.7	59.2	65.5
P/E (x)						10.1	9.1	10.5	9.1	8.3
EV / EBITDA (x)						4.9	3.9	3.4	2.4	1.6
RoE (%)						14.7	14.4	11.2	11.8	11.9

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR bn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	46.31	46.74	0.9	49.98	50.17	0.4	55.19	54.86	-0.6
EBITDA	5.40	5.02	-7.1	5.90	5.64	-4.4	6.51	6.24	-4.2
EBITDA margin (%)	11.7	10.7	-93bps	11.8	11.2	-56bps	11.8	11.4	-42bps
APAT	3.63	3.25	-10.5	3.95	3.72	-5.9	4.37	4.11	-6.0
EPS (INR)	57.8	51.7	-10.5	62.9	59.2	-5.9	69.7	65.5	-6.0

Source: Company, HSIE Research

ADD

CMP (as on 27 Jul 2026)	INR 541
Target Price	INR 730
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 775	INR 730
EPS %	FY27E -10.5%	FY28E -5.9%

KEY STOCK DATA

Bloomberg code	ROUTE IN
No. of Shares (mn)	63
MCap (INR bn) / (\$ mn)	34/355
6m avg traded value (INR mn)	382
52 Week high / low	INR 944/411

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.7	(5.9)	(41.6)
Relative (%)	2.3	0.2	(35.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	74.85	74.85
FIs & Local MFs	4.01	3.46
FPIs	2.49	2.40
Public & Others	18.64	19.29
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Teamlease

Investing for growth; margin expansion gradual

Teamlease reported revenue growth of +5/4% YoY/QoQ, driven by core and specialized staffing, offset by HR-services (edtech) seasonality. The reported EBITDA fell 31% QoQ on edtech's high-Q4 weightage and annual appraisals for core employees. In the general staffing segment, the company added 4,000 associates (~0.29mn base), 28 new logos (2/3rd variable mark-up), PAPM INR 680, with 17,500 open positions; EBITDA margin is at ~1% and will be flat for 1-2 quarters as it invests in sales/hiring engines, with expansion targeted by Q3/Q4, while vertical growth pivots to BFSI wallet-share, quick-commerce, e-commerce, logistics and manufacturing, and challenges include BFSI/regulatory-led structural exits and demand variability. In DA, there was a net addition of ~2,100 apprentices (ex-planned 5,500 exit) and 80 new logos, with growth ahead led by healthcare, textile and semiconductor, supported by PLI schemes. In specialized staffing, revenue grew 13% YoY (7,630 associates, +130 in the quarter) across 40 logos (15 GCCs) and 700+ GCC hires, with margin dipping to ~6-7% on front-loaded Singapore/Middle East investments, with a target to reach 8-9% over 4-5 quarters. Post the INR 2.38bn buyback (8.87% of capital), net cash stands at ~INR 3.5bn, aided by a INR 0.38bn tax refund in the quarter. We cut margin estimate by 8-10bps and EPS by ~2% and maintain ADD with a TP of INR 1,590 (14x Jun-28E EPS). The stock is trading at a reasonable PE multiple of 14/12x FY27/28E.

- **Q1FY27 highlights:** Consolidated revenue stood at INR 30.35bn, +3.8/5.0% QoQ/YoY, due to a +4.7/+6.3/-34.4% QoQ increase in general staffing/specialized staffing/HR services revenue. Funding exposure for the core/general remains at 16% along with DSO at six days. EBITDA margin for general staffing/specialized staffing/HR services stood at 1.0/6.4/-4.0% down 10/97/2,052bps QoQ. A total of 28 new logos were added in the general staffing segment and 65% of the new client additions were on variable mark-up. PAPM stood at INR 680, down 1.3% QoQ but up 2.3% YoY. The specialized staffing headcount increased by 130 as GCCs continued to display traction. Specialized segment added 40 client logos in the quarter along with 15 GCCs. 18 new logos were added in the DA segment. Net cash stood at INR 3.5bn (~16.1% of market cap).
- **Outlook:** We expect revenue growth of 8/14/15% and an EBITDA margin of 1.32/1.38/1.42% in FY27/28/29E, leading to revenue, EBITDA, and EPS CAGRs of 12%, 15%, and 13% over FY26-29E.

Quarterly financial summary

YE March (INR bn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	30.35	28.91	5.0	29.25	3.8	111.56	118.61	128.28	146.73	168.20
EBITDA	0.31	0.31	2.7	0.46	(31.1)	1.38	1.57	1.69	2.03	2.39
APAT	0.35	0.27	31.3	0.46	(24.3)	1.09	1.48	1.56	1.82	2.15
Diluted EPS (INR)	20.8	15.8	31.3	27.5	(24.3)	64.9	88.4	93.0	108.8	128.0
P/E (x)						20.0	14.7	14.0	11.9	10.1
EV / EBITDA (x)						12.0	7.5	8.7	6.6	4.7
RoE (%)						12.8	15.2	13.9	14.2	14.4

Source: Company, HSIE Research

Change in estimate

INR bn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	128.89	128.28	(0.5)	149.26	146.73	(1.7)	171.35	168.20	(1.8)
EBITDA	1.80	1.69	(6.1)	2.22	2.03	(8.6)	2.53	2.39	(5.6)
EBITDA margin (%)	1.40	1.32	-8bps	1.49	1.38	-10bps	1.48	1.42	-6bps
APAT	1.52	1.56	2.6	1.86	1.82	(2.0)	2.14	2.15	0.2
EPS (INR)	90.7	93.0	2.6	111.0	108.8	(2.0)	127.8	128.0	0.2

Source: Company, HSIE Research

ADD

CMP (as on 29 Jul 2026)	INR 1,299
Target Price	INR 1,590
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,600	INR 1,590
EPS %	FY27E +2.6%	FY28E -2.0%

KEY STOCK DATA

Bloomberg code	TEAM IN
No. of Shares (mn)	17
MCap (INR bn) / (\$ mn)	22/228
6m avg traded value (INR mn)	60
52 Week high / low	INR 2,100/1,063

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.9	(6.8)	(30.8)
Relative (%)	5.7	(0.9)	(26.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	31.11	31.11
FIs & Local MFs	49.61	47.80
FPIs	6.76	6.95
Public & Others	12.49	14.11
Pledged Shares	1.61	1.61

Source : BSE

Pledged shares as % of total shares

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Oil & Gas

Indian Oil Corporation

Weak performance in marketing business

We maintain BUY on India Oil Corporation (IOCL) with a price target of INR156. More than 24% refinery capacity addition, coupled with strong product cracks, will drive the company's growth in FY27 and FY28. The strong performance of refining business shall continue in FY27, owing to strong product cracks. Challenges in marketing division shall continue in near term for OMCs. We believe that the government will compensate OMCs for the LPG under-recovery. Due to a sharp rise in crude oil prices and suppressed marketing margins for petroleum products, EBITDA was down 84% YoY and 91% QoQ to INR20.15bn while the company has reported PAT loss of INR27bn.

■ **Concall takeaway:** (1) FY27 capex will be INR327bn, which will be largely spent on refinery expansion projects. Major portion of refinery segment capex will get over in FY27. However, IOCL will continue to maintain annual capex outgo of INR300-400bn run rate. (2) In the next phase of the capex cycle, the focus will be on expansion in petrochemical business. Over FY27-32, the company will invest ~INR1,000bn on various projects in petrochemicals, renewables, biofuels, etc. (3) The company has set a target to save INR25bn under the SPRINT initiative in FY27. (4) LPG under-recovery per cylinder was INR665/cylinder in June, which has decreased to INR475/cylinder in July. (5) Crude oil supply disruption has resulted in increase in landed crude oil price by USD10-12/bbl, which includes logistics, insurance and other charges. (6) The company has diversified crude oil procurement source to countries like Russia, the US, and Venezuela. Share of Russian crude increased to 50-54%. (7) Non availability of long term contracted crude oil from the Middle East has forced company to increase share of spot purchase to ~85% from 50%. (8) GRM excluding the SAED was ~USD36/bbl. (9) Refinery crude oil throughput is expected to be 77/85mmtpa in FY27/28. (10) The major refining and petrochemical expansions project across Barauni, Gujarat, and Panipat are in the advanced stages of execution and are targeted for completion in Aug-26, Nov-26, and Dec-26. The refinery expansion costs for the addition of 3mmtpa, 4.3mmtpa and 10mmtpa of refining capacity at Baruni, Gujarat, and Panipat are INR180bn, INR190bn, and INR380bn respectively.

■ **Valuation and change in estimates:** We tweaked FY27 and FY28 EPS estimates by +5.4/+6.3% for FY27 and FY28 to INR24.1/30.9 per share, owing to increase in refining crude throughput estimates. Our SOTP target price of INR156 is based on 4x Sep-27E EV/EBITDA for standalone refining, marketing, pet chem, and pipeline business and INR36/sh for other investments.

Financial summary

YE March (INR bn)	1Q FY27	4Q FY26	QoQ (%)	1Q FY26	YoY (%)	FY24	FY25	FY26P	FY27E	FY28E
Revenue	2,624	2,079	26.2	1,930	36.0	7,764	7,581	7,844	9,075	8,973
EBITDA	20	226	(91.1)	126	(84.0)	759	362	782	725	726
APAT	(27)	114	(123.4)	57	(146.8)	419	86	407	332	425
AEPS (INR)	(1.9)	8.3	(123.4)	4.1	(146.8)	30.4	6.3	29.6	24.1	30.9
P/E (x)						4.6	22.4	4.7	5.8	4.5
EV / EBITDA (x)						3.9	9.2	4.0	4.0	3.7
RoE (%)						26.0	5.5	20.7	14.9	16.8

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	704	725	3.1	694	726	4.6
EPS	22.8	24.1	5.4	29.0	30.9	6.3

Source: HSIE Research

BUY

CMP (as on 31 Jul 2026)	INR 140
Target Price	INR 156
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR147	INR156
EPS change	FY27E +5.4%	FY28E +6.3%

KEY STOCK DATA

Bloomberg code	IOCL IN
No. of Shares (mn)	14,121
MCap (INR bn) / (\$ mn)	1,979/20,750
6m avg traded value (INR mn)	2,782
52 Week high / low	INR 189/130

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.5)	(14.1)	(3.7)
Relative (%)	(3.0)	(9.1)	0.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.50	51.50
FIs & Local MFs	9.21	9.62
FPIs	9.85	9.08
Government	19.47	19.48
Public & Others	9.97	10.32
Pledged Shares	0.00	0.00

Source : BSE

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Bharat Petroleum Corporation

Strong performance in refinery business

We maintain BUY on Bharat Petroleum Corporation (BPCL) with a price target of INR393. BPCL is investing ~INR550bn in Bina refinery and petrochemical complex project and polypropylene project at Kochi refinery. Expansion of footprint in the petrochemicals and capacity augmentation and upgradation of Kochi and Mumbai refineries shall support growth in refining and petrochemical businesses. Q1 witnessed robust performance of refining business owing to strong product cracks. We believe that this strong performance shall continue in FY27. The company will face challenges in its marketing division due to higher auto fuel prices in international markets. We believe the government will compensate OMCs for the LPG under recovery they are incurring. Due to sharp rise in crude oil prices and suppressed marketing margins on petroleum products, the company reported EBITDA and APAT losses of INR40.78bn and INR39.62bn.

■ **Con call key takeaways:** (1) Due to disruptions in term contracted crude volumes supply, the company has increased spot crude purchases. The spot percentage rose to almost 69% in Q1FY27 from 44% in Q1FY26. (2) The share of Russian crude was 38% in total crude procured in Q1. (3) BPCL has already tied up for the crude requirement in August and is in the process of tiding up for September. (4) Refining crude throughput was 10.15MMT, down 2.6% YoY and 2.4% QoQ while marketing sales volume was at 14.13MMT (+0.7% YoY; -0.6% QoQ). (5) Launched Bharatgas Light Zip in Mumbai, a lightweight 10 kg composite cylinder offering instant new connection express delivery, enhancing customer convenience and safety. (6) Completed the acquisition of the remaining stake of 39.14% in IBV Brazil Petroleo Limitada from Videocon Energy Brazil Ltd, making it a wholly-owned subsidiary of BRPL. Now the company's PI interest is 40% in the field. (7) Capex: BINA refinery and petrochemical: 30.7% completed with INR59bn investment out of INR300bn. PRFCC project: 7% completed, expected to be completed in Sep-29. Petchem Project at Kochi: 40% completed, expected to be completed in May-28. In Q1, BPCL capex spend was INR44.33bn while it will spend INR270bn in FY27.

■ **Valuation and change in estimates:** At integrated level, the company is incurring losses on sales of auto fuel. We expect the company to witness a correction in marketing margins in FY27 compared to FY26. However, these losses will be partially compensated by increase in retail fuel prices over the period. We have revised our EPS estimates downward by 9% for FY27 due to higher-than-expected losses in marketing margin. Our SOTP target price of INR393 is based on 4.5x Mar-27E EV/EBITDA for standalone refining, marketing, and pipeline business and INR/82sh for other investments.

Financial summary

YE March (INR bn)	1QFY27	4QFY26	QoQ (%)	1QFY26	YoY (%)	FY24*	FY25*	FY26P*	FY27E*	FY28E*
Revenue	1,512	1,186	27.5	1,125	34.4	4,481	4,403	4,552	5,783	5,810
EBITDA	(41)	101	(140.5)	97	(142.2)	441	254	412	291	358
APAT	(40)	75	(152.5)	61	(164.7)	269	133	263	175	237
AEPS (INR)	(9.3)	17.6	(152.5)	14.3	(164.7)	62.9	31.2	61.4	40.9	55.5
P/E (x)						5.1	10.3	5.2	7.8	5.8
EV / EBITDA (x)						3.8	6.8	4.1	5.9	4.6
RoE (%)						41.6	17.0	28.9	16.2	19.1

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	314	291	(7.3)	358	358	-
EPS	44.9	40.9	(9.0)	55.5	55.5	-

Source: HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 320
Target Price	INR 393
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR367	INR393
EPS change	FY27E -9.0%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	BPCL IN
No. of Shares (mn)	4,339
MCap (INR bn) / (\$ mn)	1,389/14,485
6m avg traded value (INR mn)	3,540
52 Week high / low	INR 392/267

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.0	(11.7)	(4.0)
Relative (%)	4.2	(4.9)	1.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	52.98%	52.98%
FIs & Local MFs	18.53%	21.07%
FPIs	19.58%	16.84%
Government	0.43%	0.86%
Public & Others	8.50%	8.25%
Pledged Shares	0.0	0.0

Source : BSE

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Hindustan Petroleum Corporation

Under recoveries overshadow refining strength

We maintain BUY rating on Hindustan Petroleum Corporation (HPCL) with a price target of INR 469. The robust performance of refining segment is expected to continue in FY27 owing to healthy product spreads, capacity ramp-up at its recently commissioned HPCL Rajasthan Refinery (HRRL) and completion of refinery upgradation project. We believe that challenges in marketing division shall continue in near term. The OMCs will pass on the burden of high oil prices to consumers by increasing retail fuel prices. Further, government will compensate OMCs for the LPG under recovery. In Q1FY27, the company reported EBITDA loss of INR161.41bn, while loss at APAT came in at INR 115.26bn. It is due to sharp rise in crude oil prices and suppressed marketing margins on petroleum products. The under recoveries on auto fuel and LPG were INR260bn for the quarter.

- Refining:** HPCL reported crude throughput of 6.52mmt (-2.1% YoY, +1.4% QoQ). Reported GRMs at USD 23.8/bbl (+7.7x YoY, +67% QoQ). The refining segment to report strong performance in FY27, owing to (1) strong product cracks and (2) Refinery Upgradation Facility (RUF) project shall increase product yield at Vizag refinery. On 22nd June, commercial production from HRRL refinery commenced. In Q2, the average capacity utilization is expected to be ~60%, which will be ramped up to 100% in Q4. We expect standalone core GRMs of USD10/bbl as against estimated core GRM of USD8.6/bbl in FY26. **Marketing:** Marketing sales volume was 13.1mmt (+0.6% YoY, +0.9% QoQ). The estimated blended gross marketing margin for the quarter was INR(17.2)/lit compared to INR6.3/lit in Q4FY26.
- Conference call takeaways:** (1) The company has seven ways to respond to the current situation: (i) improve balance sheet by reducing debt to equity ratio, (ii) prudent capital allocation, (iii) interest cost reduction, (iv) launch of project Samridhi 2.0, (v) increase retail volumes, (vi) reduce dependency on third party buying of petroleum products, and (vii) use of digital to improve efficiency. (2) LPG under recovery for Q1FY27 was INR40bn (average of INR510/cylinder). In July, it is INR490/cylinder. (3) **Capex:** INR17.34bn in Q1 and expected to be INR96bn for FY27.
- Valuation and change in estimates:** We expect the company to witness correction in marketing margins in FY27 compared to FY26 owing to sharp increase in product prices. These losses will be partially compensated by refining business and increase in retail fuel prices. We have revised our EPS estimates downward by 14% for FY27. Our SOTP target price of INR469 is based on 4x Sep-27E EV/EBITDA for standalone refining, 4.5x Sep-27E EV/EBITDA for marketing and pipeline business and INR 150/sh for other investments.

Standalone financial summary

YE March (INR bn)	1QFY27	4QFY26	QoQ(%)	1QFY26	YoY(%)	FY25	FY26P*	FY27E*	FY28E*
Revenue	1,405	1,148	22.3	1,108	26.8	4,341	4,418	5,602	5,698
EBITDA	(161.4)	90	(279.8)	76	(312.3)	166	306	232	302
APAT	(115.3)	49	(335.2)	44	(363.7)	67	180	114	168
AEPS (INR)	(54.2)	23.0	(335.2)	20.5	(363.7)	31.6	84.8	53.6	79.2
P/E (x)						12.6	4.7	7.5	5.1
EV / EBITDA (x)						8.9	4.3	5.7	4.2
RoE (%)						13.7	30.9	22.4	20.3

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	257.9	232.5	(9.9)	301.9	301.9	-
EPS	62.5	53.6	(14.3)	79.2	79.2	-

Source: HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 400
Target Price	INR 469
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 460	INR 469
EPS change	FY27E -14.3%	FY28E 0.0%

KEY STOCK DATA

Bloomberg code	HPCL IN
No. of Shares (mn)	2,128
MCap (INR bn) / (\$ mn)	851/8,880
6m avg traded value (INR mn)	3,128
52 Week high / low	INR 508/316

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.0)	(25.5)	(14.0)
Relative (%)	(12.8)	(18.0)	(21.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	54.90%	54.90%
FIs & Local MFs	19.57%	22.85%
FPIs	17.27%	13.58%
Public & Others	8.26%	8.67%
Pledged Shares	0.0	0.0

Source : BSE

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Oil India

Profits propelled by high commodity prices

Our BUY recommendation on Oil India with a revised target price of INR602 is premised on (1) oil and gas production growth of 4% and 10% CAGR over FY26-28E, (2) higher crude oil and natural gas realization, and (3) strong refining margins for Numaligarh Refinery (NRL). Q1FY27 standalone EBITDA at INR40.8bn (+154.2% YoY, +124.3% QoQ) and APAT at INR28.7bn (+252.8% YoY, +60.4% QoQ) were above our estimates, owing to higher-than-expected crude oil and natural gas realizations. Crude oil sales volume stood at 0.915mmt (+11.4% YoY, +5.3% QoQ) while natural gas sales volume stood at 0.615 BCM (-11.5%YoY, +2.2% QoQ).

- **Standalone financial performance:** Revenue stood at INR79.6bn (+58.8% YoY, +33.5% QoQ), owing to higher net realizations for crude oil at USD98.7/bbl (+49.1% YoY, +26.8% QoQ) and natural gas at USD7.2/mmbtu (+7.0% YoY, +11.6% QoQ). This strong top-line expansion boosted EBITDA to INR40.8bn (+154% YoY, +124% QoQ). Among key expense lines, overheads remained elevated at INR33.6bn (+15.7% YoY, -7.7% QoQ). Driven by realization strength, APAT jumped to INR28.7bn (+253% YoY, +60.4% QoQ).
- **Q1FY27 standalone operational performance:** (1) Crude oil production rose to 0.950 MMT (+11.4% YoY, +6.6% QoQ) and sales reached 0.915 MMT (+11.4% YoY, +5.3% QoQ), hitting an all-time high of 10,921MT/day in June 2026 (current production ~11,017MT/day). Further, management expects crude oil sales volumes to reach 4.0mmtpa in FY28. (2) Natural gas production fell to 0.757 BCM (-8.5% YoY, flattish QoQ) and sales dropped to 0.615 BCM (-11.5% YoY, +2.2% QoQ). Lower offtake by the customers owing to cheaper alternative. Post the completion of the DNPL, IGGL, and DFL pipelines, gas output to recover to 3.8BCM for FY28E and 5.0BCM for FY29E.
- **Key takeaways:** (1) **NRL:** PAT surged by +167% YoY to INR 13.1 bn, backed by a strong GRM (USD 35.9/bbl-including an inventory gain of USD 2.0/bbl). (2) **NRL** is compelled to sell MS and HSD to OMCs at discount to RTP. The discount on MS narrowed from INR13 to INR3/lit during the quarter while it had narrowed from INR10/lit to almost nil on HSD during the quarter. (3) **Oil India** discovered natural gas at Vijaya Puram-3 well (Andaman Basin), while also completing its longest onshore horizontal displacement well at Assam. (4) **Capex:** Total guidance stood at INR 86bn (INR 30.5bn already spent so far across surveys INR4.5bn, exploratory/development drilling INR 13.3bn, equipment/projects INR 3.5bn and overseas/subsidiary investment INR 3.5bn. **NRL's** total refinery expansion capex stood at INR 340-350bn (already spent INR 300bn). (5) Under the Government of India's "Samudra Manthan" Mission, E&P operators receive financial support and reimbursements of up to INR 6.8bn per well to undertake deepwater and ultra-deepwater drilling.
- **Change in estimates and valuation:** We have increased our FY27/28E EPS estimates by +28/+32% to INR57.9/54.4, factoring in the higher crude oil price realization and favorable rupee-dollar exchange rate. We value OIL's standalone business at INR374/sh (6.5x Sep-27E EPS) and its investments at INR228/sh, leading to a target price of INR602/sh.

Standalone financial summary

YE March (INR bn)	1QFY27	4QFY26	QoQ(%)	1QFY26	YoY(%)	FY24	FY25	FY26P	FY27E	FY28E
Revenues	79.5	59.6	33.5	50.1	58.8	363.0	361.6	339.5	513.7	578.8
EBITDA	40.8	18.2	124.3	16.1	154.2	125.0	112.2	104.5	169.4	169.3
APAT	28.7	17.9	60.4	8.1	252.8	82.9	65.5	67.0	94.3	88.5
AEPS (INR)	17.6	11.0	60.4	5.0	252.8	51.0	40.3	41.2	57.9	54.4
P/E (x)						8.9	11.2	11.0	7.8	8.3
EV/EBITDA (x)						7.7	9.1	6.8	3.7	3.4
RoE (%)						19.1	13.4	12.5	15.0	12.1

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	144	169	17.3	143	169	18.4
EPS	45.1	57.9	28.4	41.1	54.4	32.3

Source: HSIE Research

BUY

CMP (as on 10 Aug 2026)	INR 453
Target Price	INR 602
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 639	INR 602
EPS change	FY27E +28.4%	FY28E +32.3%

KEY STOCK DATA

Bloomberg code	OINL IN
No. of Shares (mn)	1,627
MCap (INR bn) / (\$ mn)	737/7,732
6m avg traded value (INR mn)	2,654
52 Week high / low	INR 531/385

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.0	(8.9)	4.8
Relative (%)	(0.9)	(2.9)	7.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	56.66	56.66
FIs & Local MFs	19.44	20.14
FPIs	7.67	7.28
Government	9.87	9.87
Public & Others	6.36	6.06
Pledged Shares	0.00	0.00

Source : BSE

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Petronet LNG

Mix change towards tolling volumes

Our REDUCE recommendation on Petronet LNG (PLNG) with a revised TP of INR 273 is based on (1) fall in long-term volumes in the coming quarters due to a force majeure declared by Qatar Energy Ltd, (2) high-cost LNG, which shall force price-sensitive sectors to reduce off-take, and (3) subdued return ratios resulting from an expected high-capex cycle over the next five years. For Q1FY27, EBITDA increased to INR 15.3 bn (+32.1% YoY, -17.7% QoQ) and PAT reached INR 11.3 bn (+33.2% YoY, -15.3% QoQ), both beating our estimates due to trading and inventory gains of INR 3.0 bn and INR 1.9 bn, respectively. Volumes stood at 207 TBTU (-5.9% YoY, -5.5% QoQ), negatively impacted by Qatar Energy's force majeure, which reduced long-term volumes.

- **Financial performance:** a) PLNG's revenue fell by -53.2% YoY and -41.2% QoQ to INR 55.5 bn, while regasification revenue rose by +88.8% YoY to INR 12.1 bn. EBITDA and PAT grew to INR 15.3 bn (+32.1% YoY) and INR 11.3 bn (+33.2% YoY), respectively, aided by trading gains of INR 3.0 bn and inventory gains of INR 1.9 bn. During the quarter, a significant spread existed between spot and long-term LNG prices; the company capitalized on this opportunity by selling trading volumes at high margins. b) Under Ind-AS, the gross margin expanded by INR 140 mn, while forex losses and other expenses came in at INR 50 mn and INR 80 mn, respectively.
- **1QFY27 terminal-wise performance:** a) Dahej Terminal: Volume fell to 192 TBTU (-7.2% YoY, -4.5% QoQ) as Qatar Energy's force majeure slashed long-term volumes to 12 TBTU (-88.6% YoY, -82.9% QoQ). However, a surge in tolling cargoes to 175 TBTU (+71.6% YoY, +40.0% QoQ) offset the loss in long-term volumes. Terminal utilization stood at 66.0% (tariff: INR 69/mmbtu). b) Kochi Terminal: Volume rose to 15 TBTU (+15.4% YoY, -16.7% QoQ) with utilization at 23.4% (tariff: INR 98/mmbtu). c) Total Volume: Aggregate volume dropped to 207 TBTU (-5.9% YoY, -5.5% QoQ).
- **Conference call takeaways:** a) Petrochemical project remains on schedule at ~40% physical progress, featuring a 25-year plant life with propane sourcing contracts slated for FY27. b) Total budgeted capex for FY27E stands at INR 90.6 bn, (Q1FY27 spent reached INR 4.72 bn). c) 2028 Contract: The new Qatar Energy contract shifts from FOB to DES (Delivered Ex-Ship), bundling shipping cost into formula-based pricing. d) Kochi Connectivity: Mechanical completion of the terminal pipeline is expected by the end of Q2FY27E.
- **Change in estimates and valuation:** We changed our FY27/28E EPS estimates by +10.7%/+3.3% owing to change in LNG mix towards tolling and trading volumes from long term contracted volumes. PLNG will earn trading margins on these volumes. Our TP of INR 273 is based on the Sep-27E cash flow (WACC 11%, terminal growth rate 3%).

Financial summary

Year Ending	1Q	4Q	QoQ	1Q	YoY	FY25	FY26	FY27E	FY28E	FY29E
March (Rs bn)	FY27	FY26	(%)	FY26	(%)					
Revenues	55.54	94.42	(41.2)	118.80	(53.2)	509.80	434.95	308.36	454.63	832.62
EBITDA	15.32	18.62	(17.7)	11.60	32.1	55.24	52.96	53.75	57.23	68.82
APAT	11.33	13.38	(15.3)	8.51	33.2	39.26	38.43	38.57	37.25	40.41
AEPS (Rs)	7.55	8.92	(15.3)	5.67	33.2	26.2	25.6	25.7	24.8	26.9
P/E (x)						10.6	10.8	10.8	11.2	10.3
EV/EBITDA (x)						6.3	6.5	7.2	7.5	6.4
RoE (%)						21.6	18.4	16.4	14.3	14.2

Source: Company, HSIE Research

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	48.8	53.8	10.2	55.6	57.2	2.9
EPS	23.2	25.7	10.7	24.0	24.8	3.3

Source: HSIE Research

REDUCE

CMP (as on 13 Aug 2026)	INR 279
Target Price	INR 273
NIFTY	24,396

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 257	INR 273
EPS change	FY27E +10.7%	FY28E +3.3%

KEY STOCK DATA

Bloomberg code	PLNG IN
No. of Shares (mn)	1,500
MCap (INR bn) / (\$ mn)	419/4,389
6m avg traded value (INR mn)	1,066
52 Week high / low	INR 326/235

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	2.9	(3.8)	1.6
Relative (%)	(1.7)	1.7	4.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.0	50.0
FIs & Local MFs	12.9	13.7
FPIs	27.1	26.3
Public & Others	10.0	10.1
Pledged Shares	0.00	0.00

Source: BSE

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Indraprastha Gas

Higher gas costs dent profitability

We maintain BUY on Indraprastha Gas (IGL) with a TP of INR 209, given (1) volume growth at a CAGR of ~5.5% over FY26-29E, (2) margins supported by higher gas allocation from high-pressure, high-temperature (HPHT) fields to the priority sector, and (3) a strong portfolio of new geographical areas (GAs) ensuring volume growth visibility. Q1FY27 EBITDA stood at INR 3.0bn (-42.3% YoY, -30.1% QoQ) and APAT was at INR 1.9bn (-47.7% YoY, -32.8% QoQ), both below our estimates owing to higher-than-expected gas costs.

- **Volume growth driven by the CNG segment:** IGL's total volumes reached 9.6 mmscmd (+5.6% YoY, -0.4% QoQ), anchored by CNG volume growth to 7.2 mmscmd (+6.4% YoY, +2.0% QoQ). Regionally, CNG sales grew by +9% in Delhi (ex-DTC) and surged +27% in outside geographical areas. Passenger cars led to the CNG mix (~48%–50%), followed by commercial vehicles (~19%), taxis (~14%), buses (~12%), and three-wheelers (~7%–8%). Meanwhile, PNG volumes stood at 2.4 mmscmd (+4.1% YoY, -6.9% QoQ), aided by domestic PNG volume of 0.8 mmscmd (+6.9% YoY, -8.2% QoQ) and industrial/commercial stood at 1.2 mmscmd (+4.1% YoY, -8.8% QoQ).
- **1QFY27 performance (MNGL/CUGL):** a) MNGL: Volume grew by +18.0% YoY to 2.2 mmscmd, driven by +13.0% increase in CNG volume and +29% rise in PNG volume, aided by the new Samruddhi pipeline in Nashik. b) CUGL: Sales volume grew +6.0% YoY to 0.4mmscmd, led by CNG growth.
- **Margins squeezed by higher gas costs:** Higher average gas costs (at INR 43.3/scm) squeezed IGL's unit margins, dropping gross unit margin to INR 8.8/scm from INR 10.9/scm in Q4. EBITDA per unit was INR 3.4/scm, down from INR 4.8/scm in Q4. Gas sourcing was split between domestic sources (~48.0% total; APM ~2.6mmscmd, New Well Gas~1.3 mmscmd, HPHT ~0.7 mmscmd) and imports (~52.0%), which primarily comprised long-term contracts (3.9–4.0 mmscmd), pooled gas (~0.6–0.7 mmscmd), and spot gas (~3.0%; 0.25–0.30 mmscmd). Amid West Asia tensions, spot LNG prices spiked to USD 17–22/mmbtu, prompting IGL to adopt Henry Hub for hedging to curb volatility. Meanwhile, IGL is witnessing a strong CNG vehicle adoption, averaging ~27,300 monthly additions (vs. 18,000 YoY). **Delhi EV policy impact:** Minimal volume loss expected (less than ~1.0% by 2027; 2.0%–3.0% by 2030), offset by growth in passenger cars. Long-term EBITDA target maintained at INR 7–8/scm despite near-term gas price volatility and geopolitical headwinds. **Capex guidance:** Targeted at INR 18–20bn for FY27E (INR 12.0–15.0 bn for PNG/CNG expansion; balance for diversification and business development).
- **DCF-based valuation:** We maintain BUY with a revised TP of INR 209/sh (previously INR 255/sh; WACC 10.5%, terminal growth rate 1.5%). The stock is trading at 13.6x Mar-28E EPS.

Standalone financial summary

Year Ending March (Rs bn)	1Q FY27	4Q FY26	QoQ (%)	1Q FY26	YoY (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenues	45.8	41.6	10.1	39.1	17.1	149.3	161.7	196.4	209.4	222.8
EBITDA	3.0	4.2	-30.1	5.1	-42.3	19.7	18.4	18.9	22.9	24.5
APAT	1.9	2.8	-32.8	3.6	-47.7	13.5	12.4	13.0	15.6	16.9
AEPS (Rs)	2.7	4.0	-32.8	5.1	-47.7	12.2	11.7	12.4	14.7	15.9
P/E (x)						12.4	13.0	12.2	10.4	9.6
EV/EBITDA (x)						9.6	10.5	10.0	8.0	7.0
RoE (%)						16.9	14.3	13.5	14.4	14.0

Source: Company, HSIE Research

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	22.1	18.9	-14.6	25.3	22.9	-9.8
EPS	14.4	12.4	-13.6	16.3	14.7	-9.8

Source: HSIE Research

BUY

CMP (as on 14 Aug 2026)	INR 152
Target Price	INR 209
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 255	INR 209
	FY27E	FY28E
EPS change	-	-

KEY STOCK DATA

Bloomberg code	IGL IN
No. of Shares (mn)	1,400
MCap (INR bn) / (\$ mn)	212/2,225
6m avg traded value (INR mn)	627
52 Week high / low	INR 224/142

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.6)	(8.9)	(25.7)
Relative (%)	(6.0)	(3.3)	(22.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	45.0	45.0
FIs & Local MFs	23.3	30.0
FPIs	17.1	10.2
Public & Others	5.0	5.0
Pledged Shares	0.00	0.00

Source: BSE

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Mahanagar Gas

Cost-effective gas sourcing boosts margins

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 remaining 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

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

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IRM Energy

Prudent gas sourcing and mix shift drive margin

Our BUY recommendation on IRM Energy (IRM), with a TP of INR 473/sh, is premised on (1) a ~12% CAGR volume growth over FY26-29E and (2) per unit EBITDA expansion from INR5/scm to INR7/scm over the same period. EBITDA and EPS are expected to grow at 25/30% CAGR while RoE is to expand by 230bps over FY26-29E. IRM's Q1FY27 EBITDA at INR618mn (+138.8% YoY, +105.6% QoQ) and consolidated PAT at INR338mn (+142.9% YoY, +165.2% QoQ) was above our estimates, owing to lower-than-estimated raw material cost and interest cost. Total volume stood at 0.65 mmscmd (+7.5% YoY, +1.4% QoQ).

- **Volume:** IRM reported volumes of 0.65 mmscmd (+7.5% YoY, +1.4% QoQ), exceeding our estimates. This was underpinned by stronger traction in CNG (0.43 mmscmd; +21.6% YoY, +10.4% QoQ). PNG domestic volumes came in at 0.03 mmscmd (+7.9% YoY, -12.4% QoQ), driven by rapid customer expansions (+13.0% YoY to 86,590). Commercial volumes came in at 0.01mmscmd, up 75% YoY and 17% QoQ. PNG industrial volumes lagged at 0.18 mmscmd (-17.0% YoY/QoQ), primarily impacted by Mar 2026 government notifications that reduced gas allocations by ~80% due to West Asia supply disruptions. IRM continues to maintain its CGD network expansion, which should support our projected ~12% CAGR volume growth from FY26-29E. Our volume estimates for FY27/28/29E stand at 0.67/0.77/0.86mmscmd.
- **Sales mix skewed toward high-margin CNG business:** Blended realization reached INR 55.3/scm (+15.4% YoY/+13.7% QoQ), supported by favorable long-term contract with GSPC/Shell at USD9/mmbtu, compared to fluctuating spot prices of USD14–20/mmbtu. This helped gross spread improve to INR 17.7/scm from INR 12.6 in Q4FY26 and INR 12.3 in Q1FY26. Further, operational cost discipline aided margins, with other expenses falling to INR 7.2/scm compared to INR 7.4 in Q4FY26 and INR 7.6 in Q1FY26. Consequently, EBITDA per unit rose to INR 10.5/scm (up from INR 5.2/scm in Q4 and INR4.7 in Q1FY26). IRM expects a per unit margin of INR7-8/scm in remaining quarters of FY27. We factor in EBITDA per unit assumption of INR7/scm for FY27/28/29E.
- **Other highlights and guidance:** The gas sourcing mix is broken down into APM (~21%), NWG (~11%), HPHT (~35%), long-term RLNG (~32%), and Spot (1%). For FY27, volume growth is guided at 9-10% YoY, with EBITDA per unit expected to reach INR 7–8/scm via optimized price hikes, prudent gas sourcing, and operational improvements. Planned capex stands at INR2.5bn for the remaining three quarters, allocated across Namakkal/Tiruchirappalli (INR1.5bn), Banaskantha (INR 0.5bn), and Diu/Gir Somnath (INR 0.5bn).
- **DCF-based valuation:** We have raised per-unit EBITDA margin assumption for FY27/FY28 to INR7/scm. EPS estimates increase by +41/19% to INR22.6/24.4. Our target price of INR 473/sh is based on Sep-27E free cash flow (WACC 14%, terminal growth rate 2%). The stock is currently trading at 12x Mar-28E EPS.

Consolidated financial summary

YE March (INR mn)	Q1FY27	Q4FY26	QoQ(%)	Q1FY26	YoY(%)	FY25	FY26P	FY27E	FY28E	FY29E
Revenue	3,259	2,797	16.5	2,625	24.1	9,755	10,667	13,019	15,326	17,465
EBITDA	618	300	105.6	259	138.8	963	1,122	1,709	1,956	2,207
APAT	338	128	165.2	139	142.9	452	532	928	1,002	1,165
AEPS(INR)	8.2	3.1	165.2	3.4	142.9	11.0	13.0	22.6	24.4	28.4
P/E(x)						26.7	22.7	13.0	12.0	10.4
EV/EBITDA(x)						9.8	4.2	2.7	2.5	2.3
RoE(%)						4.8	4.3	5.9	6.0	6.6

Source: HSIE Research

Changes in estimates

YE March	FY27E			FY28E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR mn)	1,337	1,709	27.8	1,732	1,956	13.0
EPS	16.0	22.6	40.9	20.4	24.4	19.4

Source: HSIE Research

BUY

CMP (as on 7 Aug 2026)	INR 294
Target Price	INR 473
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 450	INR 473
EPS %	FY27E +40.9%	FY28E +19.4%

KEY STOCK DATA

Bloomberg code	IRMENERG IN
No. of Shares (mn)	41
MCap (INR bn) / (\$ mn)	12/127
6m avg traded value (INR mn)	925
52 Week high / low	INR 394/165

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.2)	18.3	7.4
Relative (%)	(9.0)	24.4	10.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.07	50.74
FIs & Local MFs	4.97	1.71
FPIs	1.57	1.59
Public & Others	43.39	45.95
Pledged Shares	0.0	0.0

Source : BSE

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Metals

JSW Steel

Robust margin performance; volume to accelerate

We maintain BUY on JSW Steel (JSTL) with a higher target price of INR 1,410/share (SOTP based). JSWS reported 4% YoY like-to-like (LTL), consolidated volume growth in Q1FY27 (excluding BSPL assets). Margin expanded by INR 4.7k/MT QoQ on robust pricing and higher contribution of non-steel sales to INR 15k/MT. JSWS guided that its volume growth will accelerate Q2FY27 onward since BF-3 at Vijayanagar is now fully operational and contribution will start from BMM Ispat acquisition, leading to 28.6mn MT sales in FY27E (~8% YoY LTL). Healthy steel pricing and expected savings from various cost efficiencies projects (including slurry pipeline) should buoy margin to ~INR 13k/MT during FY27-28E.

- **Q1FY27 performance:** JSWS reported consolidated sales volume decline of 7% YoY, on account of sale of BPSL to the JSW-JFE JV. On like-to-like (LTL) basis, sales volume rose 4% YoY (seasonally down 12% QoQ). JSWS noted growth was subdued on account of continued shutdown of the BF-3 at Vijayanagar. Excluding the same, LTL production rose 15% YoY. Blended NSR jumped sharply: up ~INR 12/11k per MT QoQ/YoY on continued pricing gain from rising steel prices, increased share of high-value US sales share and large share of non-steel income recorded in revenue. Similarly, opex too went up by ~INR 7.4k/MT QoQ on account of higher coking coal and iron ore prices and increased share of US operations (post BSPL sale off). Subsequently, unit EBITDA jumped by INR 4.7/3.7k per MT QoQ/YoY to INR 15k/MT. JSWS spent INR 49bn in capex in Q1FY27 toward ongoing expansions. Net debt reduced by INR 77bn QoQ, implying working capital reduction.
- **Con call KTAs and outlook:** JSWS guided that BF-3 (Vijayanagar) has become operational at end of Q1 and will drive growth Q2 onward. This along with BMM Ispat (0.9mn MT) acquisition should help JSWS deliver ~8% LTL volume growth in FY27E to 28.6mn MT. JSWS also guided coking coal will rise by ~USD 12-15/MT in Q2 (it rose USD 17 in Q1) but should cool thereafter. The slurry pipeline will be operational by Mar-27E and is expected to boost margin FY28 onward. JSWS guided annual capex of INR 220-240bn in FY27E and INR 1.3trn over next 4-5years. Its consolidated capacity (including the JV) will increase to 44/55mnMT by FY28/30E (from 38mn MT in FY28). We raise our FY27/28E EBITDA estimates (excluding BPSL assets) by 9/4% respectively, factoring in robust steel pricing and demand outlook. We have also raised out capex outgo estimates for FY27/28E by ~10% each. We value JSWS at 8.5x FY28E EBITDA and its 50% stake in the JSWS-JFE JV ~1x BV, leading to a higher SOTP value of INR 1,410/share.

Quarterly/annual financial summary (consolidated)

YE Mar	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	6.3	6.7	(6.6)	8.0	(21.6)	24.8	26.5	29.6	28.4	31.3
NSR (INR/MT)	75,782	64,495	17.5	63,757	18.9	70,624	63,828	62,472	71,843	71,124
EBITDA (INR/MT)	15,013	11,324	32.6	10,374	44.7	11,395	8,659	9,941	12,732	13,124
Net Sales	473.6	431.5	9.8	508.1	-6.8	1,750.1	1,688.2	1,851.0	2,043.5	2,225.4
EBITDA	93.8	75.8	23.9	82.7	13.5	282.4	229.0	294.6	362.1	410.6
APAT	47.0	21.8	115.0	163.7	-71.3	83.7	38.7	98.1	167.2	192.2
AEPS (INR)	19.2	9.0	114.3	14.2	35.5	34.4	15.9	40.1	68.4	78.6
EV/EBITDA (x)						10.4	13.1	9.6	7.6	6.4
P/E (x)						27.5	59.4	23.4	13.8	12.0
RoCE (%) pretax						12.5	7.6	10.2	13.6	14.7
RoE (%)						11.4	4.8	10.5	14.8	14.9

Source: Company, HSIE Research

BUY

CMP (as on 17 Jul 2026)	INR 1,237
Target Price	INR 1,410
NIFTY	24,334

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,370	INR 1,410
EBITDA revision %	FY27E 8.8	FY28E 3.9

KEY STOCK DATA

Bloomberg code	JSTL IN
No. of Shares (mn)	2,445
MCap (INR bn) / (\$ mn)	3,026/31,437
6m avg traded value (INR mn)	2,236
52 Week high / low	INR 1,328/1,017

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.2)	4.2	19.6
Relative (%)	0.2	10.7	24.6

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	45.31	45.31
FIs & Local MFs	11.06	11.16
FPIs	25.38	25.38
Public & Others	18.25	18.15
Pledged Shares	11.70	11.81

Source : BSE

Pledged shares as % of total shares

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Tata Steel

Margin expands further; strong outlook

We maintain BUY on Tata Steel with an unchanged TP of INR 250/share (7.5x its FY28E consolidated EBITDA). In Q1FY27, Tata Steel's consolidated margin further expanded to a 16-quarter high (INR 11.3k/MT, +1.5k QoQ), driven by robust pricing gains, which more than offset cost increase (fuel, maintenance shutdowns, operational snags, and op-lev loss). Domestic sales remained strong: +9% YoY which offset 11% fall in the EU region. Within India, Tata recorded 30/20/15% YoY volume growth across retail/autos/energy & engineering segments. While steel prices have corrected in Q2, management remained confident of higher EBITDA QoQ, led by production ramp-up and cost stabilization. Further, the cost takeouts are expected to accelerate in H2FY27E.

- **Q1FY27 performance:** Consolidated volume grew 2% YoY, led by 9% YoY growth in domestic sales, while Europe sales fell by 11% YoY. Tata's India sales volume to retail/autos/energy & engineering segments soared ~30/20/15% YoY, bolstering its volume growth. Domestic/blended NSR rose 15/15% QoQ on account of robust pricing mainly in flats. Opex too rose 16% QoQ on op-lev loss (-17% QoQ volume), higher coal costs, maintenance shutdowns, and operational snags (now resolved). This slowed margin expansion. Nonetheless, unit EBITDA expanded ~INR 1.5k/MT QoQ to INR 12.7k/MT (16-quarter high). India operations' margin expanded INR 3.3k/MT QoQ to a solid 19.2k/MT (multi-quarter high). Even its Thailand entity reported an EBITDA uptick. However, European entities reported EBITDA loss (INR 3.4bn), pulling down blended margin. Tata spent INR 36bn in capex toward ongoing expansions, which led to net debt increase by ~INR 40bn (5%) QoQ.
- **Con call KTAs and outlook:** Tata maintained its earlier guidance of ~6% consolidated sales volume growth in FY27, driven by full ramp-up of Kalinganagar plant and contribution from the EAF plant at Ludhiana. It expects its India NSR to fall by ~INR 1.5k/MT QoQ due to recent pullback in steel prices, coking coal to further rise by ~\$5/10 per MT QoQ in India/Netherlands. Steel prices in the EU are expected to firm up benefiting from recent safeguard measures. Tata expects most of its targeted cost savings (INR 71bn in FY27) to accrue in H2FY27. The board approved the 4.8mn MT expansions at NINL (capex INR 338bn) to be commissioned by Q2FY31. Tata also noted it will continue to focus on cost optimization and value-added product offerings to offset potential margin impact beyond 2030, even if it has to let go some of its captive mines and resort to merchant iron ore. We maintain our EBITDA estimates for FY27/28E, target price and BUY rating.

Quarterly/annual financial summary (consolidated)

YE Mar	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	7.3	7.1	2.1	8.7	(16.6)	29.4	31.0	32.0	33.9	35.6
NSR (INR/MT)	83,624	74,688	12.0	72,557	15.3	77,976	70,589	72,612	75,516	75,516
EBITDA (INR/MT)	12,743	10,432	22.2	11,271	13.1	7,590	8,171	10,745	12,339	13,346
Net Sales	607.9	531.8	14.3	632.7	(3.9)	2,291.7	2,185.4	2,321.4	2,559.1	2,687.1
EBITDA	92.6	74.3	24.7	98.3	(5.7)	223.1	253.0	343.5	418.1	474.9
APAT	20.7	21.8	(4.8)	31.8	(34.8)	14.2	40.6	115.7	133.5	175.0
AEPS (INR)	1.7	1.7	(4.8)	2.5	(34.8)	1.1	3.3	9.3	10.7	14.0
EV/EBITDA (x)						12.2	10.8	8.2	7.1	5.9
P/E (x)						149.2	52.3	18.4	17.7	13.5
RoCE (%) pretax						6.8	8.0	11.0	12.8	14.8
RoE (%)						1.4	4.4	11.9	12.4	14.9

Source: Company, HSIE Research

BUY

CMP (as on 31 Jul 2026)	INR 190
Target Price	INR 250
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 250	INR 250
EBITDA	FY27E	FY28E
Change %	0	0

KEY STOCK DATA

Bloomberg code	TATA IN
No. of Shares (mn)	12,484
MCap (INR bn) / (\$ mn)	2,368/24,824
6m avg traded value (INR mn)	6,580
52 Week high / low	INR 224/153

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.3)	(1.8)	20.1
Relative (%)	(11.8)	3.3	23.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	33.19	32.94
FIs & Local MFs	26.67	26.44
FPIs	18.58	18.90
Public & Others	21.56	21.72
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Jindal Steel

Strong volumes YoY; modest margin expansion QoQ

We maintain a BUY rating on Jindal Steel, with an unchanged TP of INR 1,210/share (7.5x FY28E consolidated EBITDA). In Q1FY27, Jindal maintained strong volume offtake (+17% YoY), on expansion ramp-up. While NSR jumped INR 7.5k/MT QoQ on strong pricing gain and improving product mix. However, margin improved a modest INR 0.7k/MT QoQ to INR 11.9k/MT, as opex soared on product mix change, higher coking coal costs, West Asia impact and op-lev loss amid planned maintenance shutdown. The management assured the new leadership team is a strong and stable team. It reiterated to deliver industry-leading 21-27% volume growth in FY27, with focus on specialty and valued-added products (high-margin). We expect Jindal's volume/ EBITDA to increase at 22/34% volume/EBITDA CAGRs over FY26–28E.

- **Q1FY27 performance:** In Q1FY27, Jindal's sales volume fell 15% QoQ due to a planned shutdown and monsoon seasonality. However, it still delivered 17% YoY growth. The share of flat products continues to rise: 53% vs 44/52% YoY/QoQ%. NSR improved 12% (+INR 7.5k/MT) QoQ, driven by a richer product mix (VAP rebounded to 66% vs 61% QoQ) and steel price rise. Jindal noted its flats/longs prices increased by INR 7/4.5k per MT QoQ. Reported opex rose 13% QoQ (+INR 6.8k/MT), led by product mix change, ~USD 23/MT QoQ increase in coking coal, a USD 12–13/MT impact from West Asia conflicts, ~INR 500/MT increase in iron-bearing costs, and an INR 2k/MT op-lev loss amid planned maintenance shutdowns. Consequently, unit EBITDA improved a modest ~INR 712/MT QoQ to INR 11.9k/MT. Jindal spent INR 20bn in capex in Q1FY27 and net debt remained flattish QoQ at ~INR 160bn.
- **Con call KTAs and outlook:** Jindal maintained its FY27 sales guidance of 10.5-11mn MT (~21-27% YoY) and focus on high-margin, specialty and value-added sales. Coking coal prices are further up ~USD 12-15/MT in Q2. However, Jindal expects its Q2 opex to decline QoQ, which should offset NSR decline and coking coal rise. Captive iron ore usage to increase to 28% in Q2 vs 16% QoQ and 40% at exit FY27, aiding cost savings. The slurry pipeline trial run is on and will start contributing to cost savings H2FY27 onward. Jindal noted FY27 capex will be INR 85bn, focusing on value-added expansions, and reducing net debt/EBITDA ratio is below 1.5x. We have kept our estimates unchanged at 22/34% volume/EBITDA CAGR over FY26–28E. Our target price remains unchanged at 7.5x FY28E EBITDA.

Quarterly/annual financial summary (consolidated)

YE Mar	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	2.2	1.9	17.4	2.6	(14.9)	7.7	7.7	8.7	10.9	13.0
NSR (INR/MT)	69,427	64,708	7.3	61,900	12.2	65,643	62,897	61,584	66,203	66,203
EBITDA (INR/MT)	11,930	15,819	(24.6)	11,218	6.3	13,298	12,202	11,129	12,072	13,382
Net Sales	154.8	122.9	25.9	162.2	-4.5	503.5	501.3	534.5	718.3	862.0
EBITDA	26.6	30.1	-11.5	29.4	-9.5	102.0	97.3	96.6	131.0	174.2
APAT	8.4	14.9	-43.5	16.6	-49.0	59.4	39.1	40.2	54.6	82.9
AEPS (INR)	8.3	14.7	-43.5	16.3	-49.0	59.2	38.6	39.5	53.7	81.5
EV/EBITDA (x)						10.2	10.3	12.1	9.2	6.7
P/E (x)						16.3	24.7	25.9	19.6	12.9
RoCE (%) pre-tax						11.8	10.1	8.8	11.5	15.0
RoE (%)						14.2	8.5	8.1	10.0	13.6

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026)	INR 1,054
Target Price	INR 1,210
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,210	INR 1,210
EBITDA revision %	FY27E 0.0	FY28E 0.0

KEY STOCK DATA

Bloomberg code	JINDALST IN
No. of Shares (mn)	1,020
MCap (INR bn) / (\$ mn)	1,071/11,211
6m avg traded value (INR mn)	1,725
52 Week high / low	INR 1,306/942

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.8)	(5.9)	7.8
Relative (%)	(16.6)	0.9	12.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	62.71	62.71
FIs & Local MFs	19.14	19.52
FPIs	9.19	8.84
Public & Others	8.96	8.93

Pledged Shares	-	-
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Source : BSE

Pledged shares as % of total shares

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Steel Authority of India

Robust pricing drives up margin to a 5-year high

We maintain ADD on Steel Authority of India (SAIL), with unchanged target price of INR 190/share (6x FY28E standalone EBITDA). In Q1FY27, SAIL's total volume declined 9%/22% YoY/QoQ due to advanced maintenance shutdowns at three plants. Unit EBITDA expanded by INR 1.7k/MT QoQ to INR 10k/MT on strong pricing uptick and improved product mix, which more than offset cost increase from higher coking coal and elevated maintenance expenditure. With the repairs done, SAIL expects strong volume growth Q2 onward and even coking coal prices should cool off, offsetting the impact of the recent fall in steel prices (mainly in longs; in Q2FY27). We expect SAIL to deliver 16% EBITDA CAGR over FY26-28E, supported by favorable steel pricing outlook.

- Q1FY27 performance:** SAIL's volume declined 8/22% YoY/QoQ to 4.2mn MT due to plant shutdowns for repairs. The company advanced major capital repairs at three locations — IISCO, Durgapur and Bokaro — leading to a sharp volume decline. Three-year volume CAGR was muted at 2%. NSR rebounded 9% QoQ on the back of higher steel prices (particularly flats) and an improved product mix, which drove unit EBITDA up by INR 1.7k/MT QoQ to ~INR 10k/MT (a 5-year high). Imported coking coal cost rose sharply to INR 21.3k/MT (vs. INR 18.1 QoQ), though domestic coking coal cost remained low at INR 13.1k/MT, easing cost pressures. Employee cost remained stable YoY, while headcount continued to decline due to VRS. Better pricing YoY more than offset lower volumes and higher opex, leading to a 50% higher EBITDA YoY (down 5% QoQ) to INR 41.5bn. SAIL incurred INR 25.8bn of capex in Q1FY27. Management also highlighted that captive coal from Tasra is expected to provide additional cost tailwinds in FY27-28.
- Con call KTAs and outlook:** Management reiterated their FY27E volume growth guidance, despite a fall in Q1, as it expects production and sales to accelerate in subsequent quarters. It also noted longs prices have corrected sharply in July but expects steel prices to again trend upward post monsoon. Coal costs are expected to ease from Aug-Sep, with further tailwinds from rising share of low-cost captive coal consumption. Capex intensity remains high, with major expansion underway. Management has guided full year capex of INR 150bn, which is expected to rise further in subsequent years. We have marginally increased our FY27/28E EBITDA estimates by 2/1%, factoring in the healthy Q1 performance. We expect SAIL to deliver volume/EBITDA CAGR of 4%/16% over FY26-28E.

Quarterly/annual financial summary (standalone)

YE Mar	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales vol (mn MT)	4.2	4.6	(8.5)	5.3	(21.7)	17.0	17.9	19.9	20.6	21.6
NSR (INR/MT)	63,045	56,970	10.7	57,920	8.8	61,919	57,266	55,600	58,936	58,523
EBITDA (INR/MT)	9,974	6,076	64.2	8,282	20.4	6,541	5,940	6,018	7,536	7,438
Adj EBITDA (INR/MT)						4,508	4,794	6,018	7,536	7,438
Net Sales (INR bn)	262.5	259.2	1.3	308.1	-14.8	1,053.7	1,024.8	1,108.1	1,214.9	1,265.9
EBITDA (INR bn)	41.5	27.6	50.2	44.1	-5.8	111.3	106.3	119.9	155.4	160.9
APAT (INR bn)	17.4	6.9	154.4	19.3	-9.5	35.7	24.6	37.3	53.5	60.6
AEPS (INR)	4.2	1.7	154.4	4.7	(9.5)	8.7	6.0	9.0	13.0	14.7
EV/EBITDA (x)						7.9	8.3	6.8	5.8	5.6
P/E (x)						15.6	22.6	14.9	13.2	11.7
RoCE (%)						6.9	5.7	6.8	9.1	9.5
RoE (%)						6.7	4.5	6.6	8.9	9.4

Source: Company, HSIE Research; Adj EBITDA: ex of gains from revision of provisional rail price

ADD

CMP (as on 29 Jul 2026)	INR 171
Target Price	INR 190
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 190	INR 190
EBITDA	FY27E	FY28E
revision %	2.0	0.6

KEY STOCK DATA

Bloomberg code	SAIL IN
No. of Shares (mn)	4,130
MCap (INR bn) / (\$ mn)	706/7,382
6m avg traded value (INR mn)	4,284
52 Week high / low	INR 210/118

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.2)	8.8	35.7
Relative (%)	(8.4)	14.7	40.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	65.00	65.00
FIs & Local MFs	18.40	16.87
FPIs	5.01	7.09
Public & Others	11.59	11.04
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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APL Apollo Tubes

Healthy margin sustained despite weak volumes

We maintain our ADD rating on APL Apollo Tubes Ltd (APAT) with unchanged target price of INR 2,070 (35x FY28E adj EPS). In Q1FY27, APAT's volume fell 6/20% YoY/QoQ, impacted by increased competition and west Asia turmoil. However, APAT negated the op-lev loss impact through strong focus on premium sales. Thus, margin remained robust and flattish at INR 5.5k/MT (+0.8k/MT YoY), leading to revenue/EBITDA/Adj PAT growth of 9/11/11% YoY. Management remains optimistic of delivering ~15% volume growth along with ~20% EBITDA growth in FY27E, driven by dealers restocking, UAE/exports normalization, and upcoming expansions in the east (0.2/0.3mn MT in Gorakhpur/Siliguri by Q4FY27). We maintain our estimates of 14/14/17% volume/EBITDA/PAT CAGR for FY26-28E. We estimate the RoE/RoCE will remain buoyant at ~25/30% respectively.

- **Q1FY27 performance:** APAT's sales volume fell 6/20% YoY/QoQ to 745K MT. Its core APL Apollo brand volume fell 11/18% YoY/QoQ, impacted by competition and increased spreads vs secondary materials. Primary sales were adversely impacted as dealers went lean. The West Asia turmoil led to a sharp fall in UAE sales and energy crisis slowed the roofing product growth. However, blended NSR jumped 11/16% QoQ/YoY as APAT could fully pass on steel price hikes and focus on value-added sales. Thus, despite the op-lev loss, margin was flattish QoQ to INR 5.5k/MT. On a YoY basis, it expanded by INR 0.8k/MT due to premiumization gain. Consolidated revenue/EBITDA/adj PAT rose 9/11/11% YoY. APAT spent INR 2.2bn on ongoing expansion. Net cash moderated slightly to INR14bn vs INR15bn QoQ.
- **Con call KTAs and outlook:** While APAT missed its Q1FY27 expectations of 10% YoY growth, it aspires to deliver 15/15-20% in Q2/FY27 respectively. It expects dealers restocking, UAE/exports normalization and upcoming expansion in the east (0.2/0.3mn MT in Gorakhpur/Siliguri by Q4FY27). Despite strong volume expectations, APAT remains confident of delivering margin in the range of INR 5-5.5k/MT. It lowered its FY27E EBITDA growth guidance to ~20% YoY (from 20-25% range guided earlier). We maintain our earnings estimates: 14/14/17% volume/EBITDA/APAT CAGRs for FY26-28E.

Quarterly/annual financial summary (consolidated)

YE Mar	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	0.74	0.79	(6.2)	0.93	(19.5)	2.62	3.16	3.49	3.91	4.54
NSR (INR/MT)	75,275	65,082	15.7	67,767	11.1	69,209	65,508	66,110	69,944	68,825
EBITDA (INR/MT)	5,522	4,683	17.9	5,524	(0.0)	4,554	3,796	5,161	5,164	5,142
Net Sales	56.1	51.7	8.5	62.7	(10.6)	181.2	206.9	230.8	273.5	312.2
EBITDA	4.1	3.7	10.6	5.1	(19.5)	11.9	12.0	18.0	20.2	23.3
APAT	2.6	2.4	10.9	3.5	(25.7)	7.3	7.6	12.0	13.8	16.4
AEPS (INR)	9.5	8.5	10.9	12.8	(25.7)	26.4	27.3	43.3	49.8	59.3
EV/EBITDA (x)						35.2	34.7	26.8	25.8	22.1
P/E (x)						57.45	55.58	41.51	38.97	32.77
RoCE (%) pre-tax						22.2	19.4	25.3	24.1	24.4
RoE (%)						23.8	21.4	29.7	29.8	30.2

Source: Company, HSIE Research

ADD

CMP (as on 3 Aug 2026) INR 1,942

Target Price INR 2,070

NIFTY 24,774

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,070	INR 2,070
EPS	FY27E	FY28E
revision %	(0.3)	0.4

KEY STOCK DATA

Bloomberg code	APAT IN
No. of Shares (mn)	278
MCap (INR bn) / (\$ mn)	539/5,654
6m avg traded value (INR mn)	1,506
52 Week high / low	INR 2,301/1,548

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.9	(9.2)	21.8
Relative (%)	(0.3)	(3.1)	24.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	28.25	28.25
FIs & Local MFs	16.05	18.58
FPIs	37.52	35.12
Public & Others	18.18	18.04
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Pharma, Healthcare

Sun Pharmaceutical Industries

Muted Q1; Innovative meds, India momentum stay

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 Nidlegly 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
EBJTDA	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/EBJTDA (x)						30.2	27.3	23.6	19.3	16.0
RoCE (%)						20	19	20	21	23

Source: Company, HSIE Research

BUY

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 (2.2)	FY28E 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

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Divis Laboratories

Strong Q1; growth to stay, margin to normalize

EBITDA (+73% YoY) was ahead our/consensus estimates, as strong sales growth of 28% YoY (CS grew 45% YoY, generic API +6% and Nutraceutical +19%) and higher gross margin (+766 bps YoY) of 68% were partly offset by higher costs. This led to +11 pp YoY expansion in EBITDA margin at 41%. Divi's expects to sustain double-digit revenue growth, GM to normalize (will not sustain at 68%), and higher EBITDA margin in FY27. Its three-capex programs (combined capex of INR 20bn) are nearing completion and validation is ongoing; commercialization visibility is over FY27/28. Peptides to stay as a strategic area of investment; customer programs progressing across multiple stages of development; qualification and validation activities for several peptide fragments are expected to advance over the coming quarters, alongside capacity expansion in both solid-phase and liquid-phase peptide synthesis by adding few more 3KL SPPS capacities. Unit 3 (Kakinada) is effectively used for KSM (backward integration for Unit 1 and 2) and transfer of more KSMs is under progress, which will help in freeing up capacity at its cGMP approved Unit 1 and 2. It continues to see pricing pressure in generic API business, which it expects would be offset by volume growth; it expects to sustain base business growth and incremental growth from new launches. In contrast media business, the company is in process to sign long-term contracts with two of the customers for iodine-based contrast media (it will be long-term contracts), with expected scale-up in iodine-based products; it expects Gadolinium-based products that are in phase III to commercialize upon approval in the near term. We see strong sales growth visibility (20% CAGR over FY26–29E), with improved profitability (EBITDA/PAT CAGR ~26%), supported by multiple growth levers like GLP-1 supply opportunity, scale-up in contrast media, ramp-up at Kakinada plant, commercialization of capex plans, gradual pick-up in generic API, and steady nutraceutical business. Factoring strong beat in Q1, we have raised EBITDA by ~10/11% for FY27/28E; reiterate BUY with a TP of INR 9,230, based on 39x Q1FY29 EV/EBITDA (implying 56.5x PE).

- **Q1 highlights:** Sales grew 28% YoY to INR 30.8bn. Custom synthesis (60% of sales) grew by 45% YoY to INR 18.48bn, generic API (30%) was up 6% YoY to INR 9.34bn, and nutraceutical (10%) grew 19% YoY to INR 2.98bn. Higher GM at 68% (+766 bps YoY) was partly offset by higher staff (+20%) and SG&A (+12%), leading to an EBITDA of INR 12.62bn (+73% YoY) and margin of 41% (+11 pp). Adjusted for one-offs, PAT[^] was at INR 9.07bn (+76% YoY).
- **Con call takeaways:** In Q1FY27 – (1) cc terms growth was at 10%, (2) exports were 90% of sales (+31% YoY) and exports to the US/EU were 75% of sales (+33% YoY), (3) capitalized assets of INR 4.51bn, CWIP was at INR 20.34bn, cash/equivalent was INR 36.11bn, receivables were INR 30.56bn, and inventory was at INR 44.13bn.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY28E
Net Revenue	30,800	24,100	28	28,310	9	93,600	105,600	128,819	155,132	181,766
EBITDA	12,620	7,290	73	9,340	35	29,680	34,410	47,148	58,174	68,707
APAT	9,074	5,160	76	6,808	33	21,549	24,642	33,378	41,292	48,920
EPS (INR)	34.2	19.4	76	25.6	33	81.2	92.8	125.7	155.6	184.3
P/E (x)						99.2	86.8	64.1	51.8	43.7
EV/EBITDA (x)						70.8	61.2	44.2	35.5	29.7
RoCE(%)						19	20	23	25	25

Source: Company, HSIE Research. ^Adjusted for forex loss of INR 70mn

BUY

CMP (as on 31 Jul 2026)	INR 8,057
Target Price	INR 9,230
NIFTY	24,384

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7870	INR 9230
EBITDA %	FY27E 10.3	FY28E 11.4

KEY STOCK DATA

Bloomberg code	DIVI IN
No. of Shares (mn)	265
MCap (INR bn) / (\$ mn)	2,139/22,419
6m avg traded value (INR mn)	2,574
52 Week high / low	INR 8,090/5,637

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	23.9	33.1	22.1
Relative (%)	22.4	38.2	26.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.88	51.88
FIs & Local MFs	19.13	19.38
FPIs	20.29	20.20
Public & Others	8.70	8.54
Pledged Shares	-	-

Source: BSE

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Torrent Pharma

India, Brazil growth intact; JB cost synergy started

EBITDA grew 59% YoY, with 55% YoY sales growth, led by integration of JB Chemicals. Moreover, underlying growth ex-JB remains steady with revenue growth of ~17% YoY and EBITDA growth 20% and margin at 33.3% (+40 bps YoY). The company expects: (1) India to outperform IPM growth, led by price increases, steady volumes, strong traction from the Semaglutide (short-term disruption due to API issues has been resolved and supplies to resume from Aug-26 end), and new launches in focused therapies; (2) steady growth in Brazil, led by traction in key brands and new launches; its GLP-1 (Semaglutide) approval under process but uncertain on timelines; (3) Germany business to remain soft in the near term due to supplies constraints from its outsourced partner; and (4) steady scale-up in the US in FY27 with a focus on improving profitability supported by new launches. Torrent has completed the merger process of JB Chemical (NCLT approval in Jul-26). The guided INR 4-4.5bn cost synergies by third year has started reflecting in JB Chemical's performance from Q1FY27, with margin expanding by ~600bps (at 35.3% vs 28.8% in Q1FY26). The company expects JB Chemical integration to be complete over the next 2-3 quarters, which provides margin expansion visibility for the combined entity. We believe Torrent Pharma is well-poised for steady growth (ex-JB), led by a strong branded franchise (new launches, consumer wellness, traction in Brazil – new launches) and steady growth in the US generics (new launches), with margins stable at ~33-35% for the next few years. JB Chemical's merger has resulted in an EPS cut of 15%/12% for FY27/28E (equity dilution impact as per swap ratio; with o/s increased to 380 mn vs 338 mn). We revised the TP to INR 5,270 (57x Q1FY29E EPS; implying EV/ EBITDA of 27x and PE of 40x on ex-amortization EPS). Maintain ADD.

- **Q1 highlights:** Sales grew 55% YoY to INR 49.21bn, led by JB Integration. India (59% of sales) up 60% YoY to INR 28.9bn, Brazil (6%) grew 27% YoY (+3% cc), the US (8%) was up 1% QoQ to USD 44mn, and Germany (6%) grew 3% YoY (-9% YoY cc). GM improved by 72bps YoY at 75.8%. Higher staff/SG&A/R&D costs (+48%/ +73%/ 10% YoY) led to EBITDA of INR 16.64bn (+59% YoY) and 33.8% margin (+87 bps). Given higher interest costs, depreciation, and negative other income, PAT[^] was at INR 5.82bn (-2% YoY).
- **Key con call takeaways:** The company has resolved the Semaglutide API-related issue through alternate source (other than Dr Reddy's); it expects to resume supplies from Aug-25-end; July/Aug-26 will have impact on Semaglutide sales. As of Jun-26, total MR strength was 9,400 (of which 7,200 in Torrent and 2,200 in JB Chemicals), while PCPM was INR 0.1mn for the combined. The company is looking to expand field-force in Curatio, given strong growth momentum (up 31% in Q1). It is looking to rationalize certain less profitable businesses and products of JB Pharma to improve the margin.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	49,210	31,780	55	41,970	17	115,161	139,797	195,359	219,217	243,493
EBITDA	16,640	10,470	59	13,560	23	37,210	45,585	66,031	75,630	86,197
APAT	5,822	5,948	(2)	4,344	34	19,404	23,660	25,272	32,919	41,929
EPS (INR)	15.3	15.6	(2)	11.4	34	51.0	62.2	66.4	86.5	110.2
P/E (x)						95.5	78.3	73.3	56.3	44.2
EV/EBITDA (x)						50.5	45.5	29.9	25.6	22.0
RoCE (%)						25	14	11	15	17

Source: Company, HSIE Research, ^ Adjusted for one-off expenses of INR 210 mn

ADD

CMP (as on 30 Jul 2026)	INR 4,871
Target Price	INR 5,270
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 4720	INR 5270
EPS %	FY27E (15.3)	FY28E (12.0)

KEY STOCK DATA

Bloomberg code	TRP IN
No. of Shares (mn)	380
MCap (INR bn) / (\$ mn)	1,853/19,368
6m avg traded value (INR mn)	2,301
52 Week high / low	INR 5,086/3,480

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.4	23.0	30.6
Relative (%)	15.1	28.3	35.0

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	68.31	60.78
FIs & Local MFs	8.96	12.87
FPIs	16.18	17.97
Public & Others	6.55	8.38
Pledged Shares	-	-

Source: BSE

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Apollo Hospitals Enterprise

Strong Q1; growth and margin visibility intact

EBITDA grew 28% YoY, led by 21% YoY sales growth. Hospitals grew 22% YoY (occupancy at 70%, ARPP +8% YoY), HealthCo grew 20% YoY (offline/online sales +22%/+13%), and AHLL grew 25% YoY. Hospital margin at 24.2% (-30bps YoY; mature network margin at 25.9%), while lower Apollo 24/7 spend (-16% YoY) drove margin improvement in HealthCo. APHS guided to: (1) existing hospital network to grow 13-14% on improving occupancy and ARPP, with new hospitals adding ~6%; overall hospital growth sustained at 20%, margin at 25% by FY28; (2) HealthCo — growth momentum to sustain, with continued Apollo 24/7 cost control aiding margin expansion; GMV growth of ~20% and digital cash break-even targeted in FY27; and (3) AHLL — strong growth with margin improvement. We see growth visibility across all three segments: Hospitals on improving occupancy, ARPP growth, and bed additions; HealthCo on steady offline growth and Apollo 24/7 scale-up; AHLL on steady growth and margin expansion. On the regulatory front, the company welcomes parliamentary recommendations on clinical governance, price transparency, and patient communication, and will engage with all stakeholders (Insurance companies, government) to help shape the framework. We see price controls in the private sector as a near-term overhang, given the risk of disincentivizing capacity investment and margin pressure. Factoring in Q1, we tweak FY27/28E EBITDA and revise our TP to INR 10,000 (26x Q1FY29E EV/EBITDA). Retain BUY. The HealthCo demerger remains on track, with NewCo listing targeted for Q4FY27.

- **Q1 highlights:** Sales grew 21% YoY to INR 70.43bn, with hospitals growing 22%, HealthCo 20%, and AHLL 15%. Staff costs rose 12% and SG&A was higher (+27%; Apollo 24/7 spend at INR 811mn, -16% YoY), leading to EBITDA of INR 10.92bn (+28%) and a margin of 15.5% (+92bps). **EBITDA by segment:** (1) Hospitals: +20% YoY, margin at 24.2% (-30bps); (2) HealthCo: EBITDA grew 83% YoY and margin at 5.8%; (3) AHLL: +46% YoY, margin at 11.8% (+255bps YoY). PAT stood at INR 5.8bn (+34% YoY).
- **Operating metrics:** **Hospital:** ARPP was at INR 186,630 (+8% YoY) and occupancy at 70% (65% YoY). IP volume grew by 13% YoY. ALOS improved to 3.09 days. **Healthco:** GMV at INR 5.35bn (+23% YoY) added 151 stores (7,440 as of Jun-26) and private share was at ~14.6% of pharmacy sales.
- **Con call takeaways:** **Expansion plan:** The 1,000+ bed expansion over FY26-28 remains on track, with 380 beds commissioned as of Q1FY27 and the balance 620 beds to be added over FY27-28. The company also plans a 380-bed greenfield hospital in Gurgaon by Q4FY27. For longer-term growth visibility, it targets 3,300+ census bed additions over FY28-31, backed by ~INR 111.5bn capex over FY26-31, to be funded through internal accruals. Hospital volume growth stood at 13% YoY, aided by a recovery in Bangladesh patient flow.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	70,435	58,421	21	66,055	7	217,940	252,285	296,632	348,751	401,191
EBITDA	10,921	8,519	28	10,110	8	30,219	37,693	46,005	55,689	66,136
APAT	5,807	4,328	34	5,293	10	14,312	19,561	24,560	31,155	38,308
EPS (INR)	40.4	30.1	34	36.8	10	99.5	136.0	170.8	216.7	266.4
P/E (x)						86.4	63.2	50.3	39.7	32.3
EV/EBITDA (x)						42.7	34.6	28.2	23.1	19.0
RoCE (%)						16	17	19	22	23

Source: Company, HSIE Research

BUY

CMP (as on 13 Aug 2026) INR 8,600

Target Price INR 10,000

NIFTY 24,396

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 9680	INR 10000
	FY27E	FY28E
EBITDA %	1.0	0.9

KEY STOCK DATA

Bloomberg code	APHS IN
No. of Shares (mn)	144
MCap (INR bn) / (\$ mn)	1,236/12,955
6m avg traded value (INR mn)	3,342
52 Week high / low	INR 9,327/6,680

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.4	14.0	10.1
Relative (%)	2.8	19.5	13.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	28.02	28.02
FIs & Local MFs	22.76	23.72
FPIs	42.62	41.5
Public & Others	6.6	6.76
Pledged Shares	2.49	2.00

Source: BSE

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Zydu Lifesciences

To sustain 24+% margin; hopes on specialty assets

EBITDA declined 8% YoY as 22% YoY sales growth (led by 1% QoQ growth in the US, India grew 20% YoY, Amplitude sales, M&A-led 67% growth in consumer) was offset by lower gross margin (to 72.1%; -72 YoY) and higher costs (staff/SG&A/R&D up 36%/32%/50% YoY), resulting in a lower EBITDA margin of 23.3% (-766bps YoY). In FY27, the company expects (1) strong double-digit revenue growth, (2) single-digit growth in the US (new launches; meaningful traction from gMyrbetriq despite competition entry, scale-up in specialty portfolio), (3) India business to see mid-teen growth and beat IPM growth by 300-500bps, led by traction from specialty brands and growth in focused therapies, (4) strong momentum in EM/EU, supported by new launches, (5) double-digit growth in consumer wellness, (6) margin above 24% (vs 27.1% in FY26), given impact from costs escalation, generic competition in gMyrbetriq, launch-related spend for Saroglitozar; in medium- to long-term margin aspiration of 28-30%, supported by branded and specialty assets, and (7) Capex of INR 15-16bn. The company's focus remains on specialty assets with visibility of (a) traction from Sitagliptin 505(b)(2), scale-up in Zycubo (CUTX101) in the US, (b) traction from in-license products Beizray and Nufymco (bRanibizumab from Q2FY27), (c) Saroglitozar for PBC indication: USFDA's TAD in Nov-26, launch in Apr-27, and scale-up in FY29 (it expects peak sales potential at USD200-300mn base case and USD 400mn best case), (d) contribution from Assertio's brand Rolvedon (Eflapegrastim xnst) of quarterly sales of USD 15-20mn, (e) launch (in FY27) of Desidustat in China approved for renal anemia, and (f) FYB206 (Pembrolizumab a biosimilar to Keytruda) completing clinical development for the US market; launch visibility in CY28/29. Factoring Q1, buy-back, and Rolvedon sales, we tweaked EPS for FY27/28E and revised TP to INR 1,240 (26x Q1FY29E). ADD stays, as the broader thesis of steady growth in the US and India, monetization of R&D assets, Medtech scale-up is intact.

- **Q1 highlights:** Sales grew 22% YoY to INR 80.17bn as the US sales (40% of sales) at USD 327mn were up 1% QoQ, led by traction in gMyrbetriq and new launches (-12% YoY on high gRevlimid base). India formulations (23%) grew 20% YoY. Wellness (18%) grew 67% YoY. EMs/EU (12%) grew 34% YoY, and Medtech sales were at INR 2.82bn. Lower GM (-72 bps YoY to 72.1%) and higher staff/SG&A/R&D (+36%/32%/50%) led to EBITDA of INR 18.7bn (-8% YoY) and 23.3% margin (-766 bps). Higher interest (+84% YoY), depreciation (+133%), and lower other income (-32%) led to a PAT[^] of INR 9bn (-36% YoY).
- **Con call takeaways:** The company expects branded business contribution to increase to 2/3rd of the business over the next few years (vs. ~55% in FY26). The company plans to launch 25-30 products in the US (launched 11 in Q1). It expects specialty revenue share to increase to 15% in FY27 vs 10% in FY26. Saroglitozar-related costs have started already and will increase in H2FY27, given the expected launch in FY28; SG&A spend to remain at INR 19-20bn.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	80,170	65,737	22	75,870	6	232,415	271,484	323,663	341,818	368,613
EBITDA	18,717	20,385	(8)	19,493	(4)	69,134	72,776	77,671	82,720	90,310
APAT	9,003	14,168	(36)	10,649	(15)	45,972	45,231	42,264	46,154	51,937
EPS (INR)	9.0	14.2	(36)	10.7	(15)	46.1	45.3	42.3	46.2	52.0
P/E (x)						25.6	26.0	27.9	25.5	22.7
EV/EBITDA (x)						16.7	17.2	16.2	14.9	13.3
RoCE (%)						22	17	13	13	14

Source: Company, HSIE Research, ^PAT adjusted for forex gain of INR 577mn, INR 182mn one-offs

ADD

CMP (as on 11 Aug 2026) INR 1,191

Target Price INR 1,240

NIFTY 24,472

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1140	INR 1240
EPS %	FY27E (1.5)	FY28E 1.4

KEY STOCK DATA

Bloomberg code	ZYDUSLIF IN
No. of Shares (mn)	998
MCap (INR bn) / (\$ mn)	1,188/12,447
6m avg traded value (INR mn)	1,318
52 Week high / low	INR 1,205/836

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.5	32.6	24.6
Relative (%)	21.6	39.8	27.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	75.00	75.01
FIs & Local MFs	11.20	11.27
FPIs	6.95	6.88
Public & Others	6.85	6.84
Pledged Shares	-	-

Source: BSE

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Mankind Pharma

Strong Q1; steady growth and improving margin

EBITDA growth (+25% YoY) was led by 13% YoY sales growth (India formulation up 11% YoY and exports +29%), higher gross margin (+226 bps), and moderate costs (staff/SG&A were up 17%/9% YoY), resulting in the margin at 26.2% (+249bps YoY). Organic (ex-BSV and OTC) India formulation growth was at 10.1% YoY, and exports grew in ahead of BSV exports in Q4. Mankind expects the following: (1) overall double-digit revenue growth in FY27, (2) India formulation IPM outperformance in FY27, led by (a) 1.1x beat to IMP in chronic segment, supported by traction in key segments (CVS and anti-diabetic), and new launches (selective with focus on brand building), and (b) recovery in the acute therapies after corrective measures (restructuring of field force) to ensure volume growth and productivity improvement, (3) BSV: scale-up over the next few quarters (in Q1FY27, it grew 21% YoY with India up 17% and export up 25%) and guidance of high double-digit growth retained, with a margin improvement target for the near term, (4) consumer healthcare business to sustain high-teen growth, (5) GLP-1 to remain a long-term opportunity, although it will be a competitive market; the company focusing on adjacent and supportive therapies like VMN and Gastro, and (6) retains 71+% GM and EBITDA margin at 25.5-26.5% guidance in FY27E. Mankind's long-term drivers include – increase in chronic share to ~50% (vs ~39%) in the next 4-5 years, expand hospital/institutional business, focus on underpenetrated brands/therapies through dedicated divisions, expanding the market coverage, and market share gain in select states. It is on track to repay acquisition-related debt by FY28-end. Factoring in Q1, we have cut EPS by 4/1% for FY27/28E and revised the TP to INR 2,850 (38x Q1FY29E, implies EV/ E at 24x). We keep monitoring the progress in BSV scale-up, acute business recovery, and debt repayment (net debt at INR 33.7bn as of Jun-26 vs INR 39.32bn in FY26). ADD stays.

- **Q1 highlights:** Sales grew 13% YoY to INR 40.31bn, with India formulation (79% of sales) up 11% YoY to INR 31.8bn, led by growth in chronic (+16%); consumer healthcare (6%) grew 4% YoY to INR 2.46bn and exports (15%) grew 29% YoY to INR 6.05bn. GM was up 226bps YoY to 72.8%. Moderate costs (staff/SG&A was +17%/9 YoY) led to EBITDA of INR 10.56bn (+25% YoY) and a 26.2% margin (+249bps YoY). Muted depreciation (+3%), lower interest (-36%) and other income (-44%) led to a PAT of INR 5.68bn (+30% YoY).
- **Key takeaways from con call:** India formulation organic growth was on the back of volume growth and traction in key chronic segments. Gross margin improvement was led by a price increase, better business mix, and base effect. The company expects capex at 6-7% of sales in FY27. It aims to achieve its earlier growth trend in India of 1.3-1.4x beat to IPM over the next few years. It expects Q2FY27 margin to see some pressure due to higher commodity prices and other cost escalation due to geopolitical issues.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	40,306	35,704	13	34,429	17	122,074	142,776	161,211	179,801	199,459
EBITDA	10,562	8,468	25	9,299	14	27,389	36,897	42,399	48,546	54,452
APAT	5,681	4,383	30	5,775	(2)	18,899	19,727	24,242	29,738	34,692
EPS (INR)	13.8	10.6	30	14.0	(2)	45.8	47.8	58.7	72.0	84.0
P/E (x)						56.3	54.0	43.9	35.8	30.7
EV/EBITDA (x)						41.2	30.1	25.8	22.2	19.4
RoCE (%)						14	12	14	16	17

Source: Company, HSIE Research

ADD

CMP (as on 30 Jul 2026)	INR 2,577
Target Price	INR 2,850
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2750	INR 2850
EPS %	FY27E (4.5)	FY28E (0.5)

KEY STOCK DATA

Bloomberg code	MANKIND IN
No. of Shares (mn)	413
MCap (INR bn) / (\$ mn)	1,064/11,118
6m avg traded value (INR mn)	1,387
52 Week high / low	INR 2,674/1,910

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.7	21.3	0.0
Relative (%)	13.3	26.6	4.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	72.66	72.63
FIs & Local MFs	14.46	15.39
FPIs	10.24	9.45
Public & Others	2.64	2.53
Pledged Shares	-	-

Source: BSE

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Lupin

Strong Q1; growth and margin to normalize

EBITDA grew 50% YoY, given 32% YoY sales growth (US: -1% QoQ, India grew 14% YoY, growth market up 48% YoY) and GM expansion (+303 bps YoY at 74.8%), partly offset by higher costs. LPC expects: (1) in FY27, single-digit revenue growth, margin at ~25% (factoring competition Tolvaptan and Mirabegron and visible cost headwinds across RMs/ logistics), and higher ETR at 27-28% (vs. ~22% in FY26); (2) the US business to sustain at USD 1.1-1.2bn revenues in FY27 (quarterly sales rate at USD 280-250mn), led by traction in key products (Tolvaptan, gSpiriva, gMyrbetriq) and incremental sales from new launches. Further, the US business will stay stable in FY28 led by FTFs, injectable, and biosimilar launches; it targets 100+ launches and ~65% share from complex products in the US by FY31; and (3) India to beat IPM growth by 1.2-1.3x in the near term, led by new launches (plans for 20+ launches in FY27), in-licensing (including Bofanglutide, a novel GLP-1), scale-up in Semaglutide, traction in focused therapies, increasing MR productivity, and expansion in hospital channels. The company is focusing on (a) Respiratory: Pipeline of 20+ inhalation products like Dulera, Spiriva Respimat, Symbicort, Advair HFA, Ellipta franchise, and green propellant; and (b) Biosimilars: Plans to launch 5+ biosimilar by FY31 in the US including Pegfilgrastim launch in FY27 partnered with Valorum Biologics as front-end in the US, Ranibizumab in FY27, Aflibercept – filing in FY27 and launch in FY28/29, Pegfilgrastim Onpro in CY29. Lupin aims to scale up its specialty portfolio (Xopenex, NaMuscla, Zaxine, etc.) over the next 3-5 years and exploring M&As/partnerships to grow specialty portfolio. Factoring in Q1, we tweaked FY27/28E EPS and revised the TP to INR 2,630 (25x Q1FY29E EPS). ADD stays.

- **Q1 highlights:** Sales grew 32% YoY to INR 82.7bn, as US sales (41% of sales) was flat QoQ to USD 366mn (+30% YoY), led by traction in key products and volume growth was offset by price erosion. India (29%) at INR 23.7bn (+14% YoY). Higher GM at 74.8% (+303 bps) and higher staff/R&D/SG&A (+28%/22%/36%) led to an EBITDA of INR 24.6bn (+50%) and a margin of 29.8% (+358 bps). Adjusted for one-offs[^], PAT was at INR 14.24bn (+24% YoY).
- **Key takeaways from con call:** gSpiriva: market share at 35%; no visible competition. gMyrbetriq and gJynarque: generic competition led to price erosion. Albuterol: market share at 16%. In Q1FY27, the US base business saw mid-single-digit price erosion. In Q1FY27, Lupin launched three products and plans for 15 launched in FY27 in the US Q. Respiratory contributes ~20% of US sales, largely coming from Albuterol and Spiriva; future pipeline includes Dulera, Respimate, Ellipta franchises, and other products are under clinical development. **India business:** Field force at ~11,300 (MRs at ~8,700); in-licensing portfolio contribution at 6% of sales. Its diagnostics platform is serving ~0.7+mn patients in Q1.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	82,769	62,683	32	74,747	11	227,079	279,580	304,323	314,287	340,630
EBITDA	24,635	16,414	50	21,711	13	54,718	81,595	78,515	77,315	85,839
APAT	14,248	11,449	24	13,878	3	35,364	53,441	45,282	46,437	53,105
EPS (INR)	31.2	25.0	24	30.4	3	77.3	116.9	99.0	101.6	116.1
P/E (x)						30.5	20.2	23.8	23.2	20.3
EV/EBITDA (x)						20.0	12.9	13.3	13.0	11.3
RoCE (%)						22	27	21	19	19

Source: Company, HSIE Research, ^ forex loss of INR 139mn

ADD

CMP (as on 7 Aug 2026)	INR 2,364
Target Price	INR 2,630
NIFTY	24,571

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2530	INR 2630
EPS %	FY27E (0.8)	FY28E 0.4

KEY STOCK DATA

Bloomberg code	LPC IN
No. of Shares (mn)	457
MCap (INR bn) / (\$ mn)	1,081/11,353
6m avg traded value (INR mn)	2,531
52 Week high / low	INR 2,530/1,852

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.9)	8.7	21.6
Relative (%)	(4.8)	14.8	24.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	46.85	46.85
FIs & Local MFs	25.32	24.65
FPIs	21.7	22.42
Public & Others	6.13	6.08
Pledged Shares	-	-

Source: BSE

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Laurus Labs

Strong Q1; CDMO growth momentum to continue

EBITDA growth of 67% YoY, with a margin of 31.5% (+715bps YoY), was led by strong CDMO sales growth of +69% YoY, though offset by flattish growth in generic business. Margin expansion was supported by gross margin expansion (+330 bps YoY). Laurus expects strong momentum to continue in the CDMO business in FY27E, supported by accelerated expansion in CDMO, late-phase NCE projects with big pharma clients, steady traction from recently commercialized patented APIs, and fermentation capacity addition by CY26-end. Laurus Bio progress on long-term contracts is intact and scale-up is expected from FY27 and beyond, with commissioning of the new Vizag block (~400 KL capacity) by CY26. The company is advancing its commercial peptides capability and manufacturing capacities for integrated services. It expects the generics business to see steady growth in the near term. It expects to sustain GM (61-62%) and expects operating leverage to aid margin expansion. The company focuses on new modalities across peptides, gene therapy, ADCs and conjugation. The company has raised capex guidance for FY27E to INR 20bn from INR 15bn earlier to meet customer/product demand (advancing in APIs along with intermediate for select customers and capex in new modalities). Factoring in the healthy Q1 beat, we have increased EBITDA estimates by 16%/18% for FY27/28E and revised the TP to INR 1,580, based on 29x Q1FY29E EV/EBITDA (implying 52x PE). REDUCE stays as valuation is rich.

- **Q1 highlights:** Revenue grew 29% YoY to INR 20.26bn. The CDMO business (43% of sales) grew 67% YoY to INR 8.7bn – small molecules were up 69% YoY (+59% QoQ) and Laurus Bio grew by 21% YoY (-46% QoQ). Generic API business (32%) grew by 3% YoY and generic FDF (25%) was up 22% YoY.
- **EBITDA growth led by CDMO:** GM expanded by 330bps YoY to 62.7% on better business mix. Higher staff (+20% YoY) and SG&A (+11%) led to an EBITDA of INR 6.38bn (+67% YoY) and margin of 31.5% (+715bps YoY). Reported PAT at INR 3.67bn (+125% YoY).
- **Con call takeaways:** The company expects a commercial opportunity in near future from one of the molecules which was supplied during Phase III and has obtained final approval. It has signed a development and commercial agreement with Aarvik Therapeutics for two ADC molecules (in pre-clinical stage) for India market. KKR JV Capex: small volume oncology fermentation capacity to get ready by early CY27 and normal oral solid facility by CY27 end. In Q1FY27, the company has onboarded a big pharma customer. In Small molecule CDMO ~55% revenues came from commercial molecules in Q1FY27 (vs ~50% in FY26). Laurus Bio: ~40% revenue comes from animal origin, free cell culture ingredients, enzymes, and 60% from various CDMO molecules in early stages. In Q1FY27, total ARV sales were INR 6.69bn, of which APIs were ~INR 4.15bn and FDF was at INR 2.54bn.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	20,263	15,696	29	18,116	12	55,540	68,129	82,641	94,823	112,119
EBITDA	6,383	3,822	67	5,247	22	10,553	17,986	24,296	28,636	35,093
APAT	3,676	1,631	125	2,918	26	3,149	8,790	12,836	15,346	19,462
EPS (INR)	6.8	3.0	125	5.4	26	5.8	16.3	23.8	28.4	36.0
P/E (x)						293.9	105.3	72.1	60.3	47.6
EV/EBITDA (x)						90.3	52.9	39.2	33.2	27.0
RoCE (%)						9	16	20	21	22

Source: Company, HSIE Research, PAT adjusted for one-offs

REDUCE

CMP (as on 28 Jul 2026)	INR 1,759
Target Price	INR 1,580
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1130	INR 1580
	FY27E	FY28E
EBITDA %	15.6	17.7

KEY STOCK DATA

Bloomberg code	LAURUS IN
No. of Shares (mn)	540
MCap (INR bn) / (\$ mn)	950/9,914
6m avg traded value (INR mn)	2,725
52 Week high / low	INR 1,762/810

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	61.3	76.1	97.8
Relative (%)	61.5	82.8	102.9

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	27.49	27.47
FIs & Local MFs	13.96	13.74
FPIs	25.82	28
Public & Others	32.73	30.79
Pledged Shares	2.69	2.69

Source: BSE

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Dr Reddy's Laboratories

Weak Q1; overall recovery expected from H2FY27

EBITDA[^] declined 49% YoY as sales declined by 6% YoY (as 2% QoQ decline in the US was offset by +17% YoY growth in India and +31% in EMs) and gross margin corrected (-608 bps YoY at 61.2%). The company expects steady growth momentum to sustain in the base business (ex-Revlimid; with double-digit growth) and margin to improve to 20% by FY27. For H2FY27, it expects strong sales recovery and margin support from launches like Semaglutide (supply resuming in Nov-26) and biosimilars (Abatacept intravenous with a goal date of Dec-26 while subcutaneous approval/launch expected by Mar-28). It expects US base business to stay steady, led by launches in FY27E. Focus on strengthening base business and building future growth drivers in peptides, biosimilars, consumer health, and innovative medicines. Abatacept is filed from the Bachupally plant; the recent inspection may not impact the approval timeline. Semaglutide supply timeline is intact – impurity issues should be resolved by Oct-26 and supply could resume from Nov-26. The company is looking for M&As in innovative assets, biosimilars, and generic products, given a strong cash position, with net cash of INR 30.57bn (USD 323mn), as of Jun-26. Factoring in the Q1 miss, we cut EPS by 9/3% for FY27/28E and revise TP to INR 1,200 (21x Q1FY29E EPS). REDUCE stays.

- **Q1 highlights:** Sales declined 6% YoY to INR 80.9bn as US sales (27% of sales) decline by 2% QoQ (ex-SSA impact of USD 50mn) to USD 233mn (-41 YoY), due to lower gRevlimid sales. This was partly offset by 17% YoY growth in India (21%) to INR 15.66 bn, while EM (23%) grew 31% YoY, with 27% YoY growth in Russia, 44% YoY growth in RoW, and 10% YoY growth in CIS. EU (18%) grew 13% (+30% ex-NRT portfolio) and PSAI (11%) grew 4% YoY. Lower GM[^] at 61.2% (-608bps YoY), higher staff (+10%), lower R&D (-7%), and higher SG&A (+11%) led to an EBITDA of INR 11.01bn (-49% YoY), with a 13.6% margin (-12pps YoY). Adj PAT declined by 55% YoY of INR 6.34bn.
- **Con call takeaways:** The company in-licensed Xacduro (sulbactam for injection; Durlobactam for injection; for treatment of hospital-acquired bacterial pneumonia) from Innoviva Specialty to exclusively develop and commercialize, in select markets across South/Central America, Caribbean, Russia, and CIS countries. The company has filed Abatacept IV with EMA. It expects semaglutide to be approved in the Brazilian market soon. It had sold ~1.8 mn semaglutide pens by June 2026, right before the supply halt. Biologic contributes ~2% of overall sales; it expects to break even with launch of bAbatacept. For bRituximab, it is looking to address CRL and approval possibly after reinspection. The company indicated 25-30% of its US business products are manufactured by US-based CMOs and it remains watchful of generic tariff-related updates. It has guided for R&D of 7-8% of sales, capex of INR 18 bn, and ETR at 24-25% for FY27.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	80,998	85,721	(6)	75,464	7	326,439	337,002	348,576	382,673	415,942
EBITDA	11,011	21,736	(49)	7,600	45	87,164	71,118	63,092	75,769	88,180
APAT	6,342	14,181	(55)	2,908	118	56,681	43,338	38,182	45,776	53,451
EPS (INR)	7.6	17.0	(55)	3.5	118	67.9	51.9	45.7	54.8	64.0
P/E (x)						17.0	22.2	25.2	21.0	18.0
EV/EBITDA (x)						10.9	13.6	15.3	12.6	10.6
RoCE(%)						23	14	11	12	13

Source: Company, HSIE Research, ^GM adjusted for Semaglutide API led provision of INR 2.39bn.

REDUCE

CMP (as on 28 Jul 2026)	INR 1,136
Target Price	INR 1,200
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1250	INR 1200
EPS %	FY27E (8.5)	FY28E (3.5)

KEY STOCK DATA

Bloomberg code	DRRD IN
No. of Shares (mn)	835
MCap (INR bn) / (\$ mn)	948/9,888
6m avg traded value (INR mn)	2,965
52 Week high / low	INR 1,415/1,080

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.2)	(7.1)	(11.8)
Relative (%)	(16.0)	(0.3)	(6.7)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	26.63	26.64
FIs & Local MFs	30.72	31.74
FPIs	33.08	32.07
Public & Others	9.57	9.55
Pledged Shares	-	-

Source: BSE

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Aurobindo Pharma

Strong Q1; steady growth and margin visibility

EBITDA grew 20% YoY, which was ~4% ahead of our/consensus estimates, as sales increased 16% YoY (US +3% QoQ; EU up 26% YoY) and GM improved by 153bps YoY, though this was offset by a 20/24% YoY rise in staff costs/SG&A. ARBP retains its guidance of double-digit revenue growth and EBITDA in excess of INR 80bn with margin at 21+% in FY27. The US quarter sales run rate at ~USD 400mn will sustain through new launches. Eguia injectable business is expected to remain muted (single-digit growth due to Eugia-3 plant issues). It expects Lannett to contribute to help achieve its target of USD 2bn US sales in next 2-3 years. EU business to sustain growth with EBITDA margin (north of 20% in FY26) improvement. The ramp-up in its Pen-G/ 6-APA plant helped to improve supply chain efficiencies – it is targeting 10k MT in FY27 to support the margin (captive) and external sales (MIP support; PLI incentives). Long-term drives are (1) capital allocation in high-value and margin accretive assets across injectables, specialty, biologics, and CDMO; (2) scale-up in biosimilar from FY27 (7-8 product portfolio); (3) Lannett acquisition will complement the US OSD and respiratory business with margin improvement over the next 2-3 years; and (4) CDMO business scale-up with commercialization of Unit 1 from CY28 and Unit 2 in CY31; targeting USD 150-200mn revenues with 35-50% EBITDA margin from CY32. Factoring in Q1, we raised FY27/28E EPS by ~1/2% and revised the TP to INR 1,730 (18x Q1FY29E). ADD stays, led by steady US base business and EU growth, ramp-up in Pen-G/China/US plants, and biosimilar scale-up, all likely to drive steady mid- to-long-term growth.

- **Q1 highlights:** Sales grew 16% YoY to INR 91.5bn as the US (41% of sales), was up 3% QoQ to USD 399mn (-2% YoY); EU sales (32%) grew 26% YoY, RoW (10%) grew 37% YoY, ARV sales (4%) declined 7% YoY, and API (11%) was up 15% YoY. Higher GM of 60.4% (+153 bps YoY), higher staff/SG&A (+20/24%), and lower R&D (-6%) led to an EBITDA of INR 19.2bn (+20% YoY) and margin of 21% (+65 bps). Higher other income (+101%), muted interest (+4%) and higher depreciation (+20%) led to PAT[^] of INR 10.5bn (+28% YoY).
- **Con call takeaways: China OSD facility:** Revenues doubled in last 12 months; EU has increased and expects to start US supplies in the near term. In FY26, EBITDA loss was at ~USD 7mn, which is expected to improve in FY27. It expects to launch generic Advair in Aug-26 and a few more launches over the next 2-4 quarters through Lannett; its controlled substance business will remain stable, given limited quota in the US. While Lannett has under-utilized facilities (~40% currently and plans to improve in the next few months), the company is looking for site transfer products (approved/under approval) to improve utilization. EU business has achieved ~20% EBITDA margin in FY26, led by captive supply and cost optimization. Guides for lower R&D at INR 14-15bn in FY27 and ETR will reduce to 28-29% by FY27-end.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	91,504	78,681	16	88,533	3	317,237	336,531	398,958	444,196	480,835
EBITDA	19,243	16,034	20	18,009	7	67,331	68,659	84,180	95,502	104,822
APAT	10,536	8,250	28	9,556	10	35,558	35,564	44,968	53,391	61,020
EPS (INR)	18.3	14.3	28	16.6	10	61.2	61.2	78.2	92.8	106.0
P/E (x)						26.0	26.0	20.3	17.1	15.0
EV/EBITDA (x)						13.7	13.1	10.9	9.4	8.2
RoCE (%)						14	13	14	15	15

Source: Company, HSIE Research, ^Adjusted for forex gain of INR 526 mn and one-off INR 834mn

ADD

CMP (as on 06 Aug 2026) INR 1,590

Target Price INR 1,730

NIFTY 24,636

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1630	INR 1730
EPS %	FY27E	FY28E
	0.5	2.5

KEY STOCK DATA

Bloomberg code	ARBP IN
No. of Shares (mn)	575
MCap (INR bn) / (\$ mn)	914/9,600
6m avg traded value (INR mn)	2,202
52 Week high / low	INR 1,637/1,016

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.1	33.4	48.2
Relative (%)	5.8	38.9	50.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.82	51.88
FIs & Local MFs	25.82	25.10
FPIs	15.24	16.38
Public & Others	7.12	6.64
Pledged Shares	23.65	13.75

Source: BSE

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Aster DM Quality Care

Steady Q1; Aster + Quality Care integration key

EBITDA (+21% YoY) beat our/consensus estimates by 4/6% respectively, led by 22% sales growth, driven by increased occupancy at 62% (vs 59% in Q1FY26), and a 10% YoY growth in ARPP. ASTERDM expects: (1) steady growth in hospital business with strong performance and scale-up in core clusters; (2) bed capacity expansion on track (to add over 3,350 beds over FY27-29, of which ~60% beds are brownfield expansion); (3) margin improvement to sustain with better payor/cash mix, operating leverage, and breakeven in greenfield hospital (Kasargod Hospital achieved EBITDA breakeven in Jun-26). It retains guidance of 23-24% EBITDA margin for the next 2-3 years (for Aster DM); (4) Quality Care Hospital (QCIL) to see steady growth along with bed capacity expansion (largely in existing cities). It is focusing on integration of merger entity, cost synergies, operational and clinical integration, and it expects the merger to unlock value through synergies and deliver 10–15% EBITDA uplift. Factoring in Q1 and Quality Care merger, we have changed EBITDA for FY27/28E and revised our TP to INR 910 (28x Q1FY29E blended EV/E). ADD stays.

- **Q1 highlights:** Sales grew 22% YoY to INR 13.1bn, led by increased occupancy at 62% (vs 59% YoY) and growth of 10% YoY in ARPP. GM was steady at 77.7% (+67 bps YoY), offset by higher staff costs (+24% YoY) and SG&A (+23%), leading to an EBITDA of INR 2.64bn (+27% YoY) and 20.2% margin (+93 bps). Adjusted PAT[^] was at INR 1.3bn (+47%).
- **Operating metrics:** ARPP at INR 130,352 (+10% YoY) and occupancy at 62% (59% in Q1FY26). ALOS was steady at 3.0 days. **Clusters: Kerala:** ARPP was up 10% YoY and occupancy was at 64%; **Karnataka, Maharashtra:** ARPP was up 13% YoY and occupancy was at 60%; **AP, Telangana:** ARPP was up 15% YoY, and occupancy was at 60%.
- **QCIL:** Sales at INR 12.87bn (+19% YoY), EBITDA at INR 2.99bn (+32% YoY), and margins expanded by 217 bps YoY to 23.2%. ARPP was up 9% YoY, and occupancy was at 65%.
- **Aster DM + QCIL:** Sales at INR 25.97bn (+20% YoY), EBITDA at INR 5.76bn (+30% YoY), and margins expanded by 170 bps YoY to 22.2%. ARPP was up 10% YoY, and occupancy was at 64%.
- **Key takeaways from con call:** The focus for the merged entity will improve the case mix and increase the CONGO share over the next few years. The key focus area cost optimization, procurement synergies, medical and nursing staff integration/retention, etc. Its recently operationalized Kasargod Hospital achieved EBITDA breakeven in Jun-26, within nine months of launch. It has commissioned 159-beds at Aster Women & Child block at Aster Whitefield. As of Jun-26, the net debt for the merged entity was INR 11.62bn (Aster net cash at INR 5.11bn and QCIL net debt at INR 16.73bn).

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	13,107	10,779	22	11,824	11	41,385	46,432	95,241	132,643	157,441
EBITDA	2,643	2,074	27	2,326	14	7,645	9,010	20,529	29,703	36,934
APAT	1,304	886	47	1,398	(7)	3,568	4,209	9,041	15,309	20,629
EPS (INR)	2.5	1.7	47	2.7	(7)	4.1	4.8	10.4	17.6	23.7
P/E (x)						205.4	174.1	81.1	47.9	35.5
EV/EBITDA (x)						97.0	82.6	37.9	25.9	20.4
RoCE (%)						6	12	17	20	23

Source: Company, HSIE Research, PAT adjusted for one-offs of INR 1.14bn.

ADD

CMP (as on 05 Aug 2026)	INR 833
Target Price	INR 910
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 750	INR 910
	FY27E	FY28E
EPS %	78.8	95.9

KEY STOCK DATA

Bloomberg code	ASTERDM IN
No. of Shares (mn)	872
MCap (INR bn) / (\$ mn)	726/7,633
6m avg traded value (INR mn)	661
52 Week high / low	INR 857/519

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.1	54.8	38.8
Relative (%)	10.1	60.5	41.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	40.39	53.72
FIs & Local MFs	27.57	16.48
FPIs	17.18	10.31
Public & Others	14.86	19.49
Pledged Shares	40.67	18.17

Source: BSE

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Alkem Laboratories

Muted Q1; margin pressure to offset India growth

EBITDA grew 4% YoY on 11% YoY sales growth (India +10% YoY, US -7% QoQ, ex-US exports +35% YoY) and higher gross margin (+262bps YoY to 67.9%), offset by elevated costs (staff/R&D/SG&A up 17%/27%/25% YoY). Management's guidance: (1) India business to grow ~12% in FY27, led by rising chronic mix (~22% in FY26), GLP-1 franchise scale-up, traction in key therapies, and new launches. MR additions (~14,500 in FY26) will stay strategic with a chronic-business focus, while the trade generics business should recover over the next few quarters; (2) Gross margin to be sustained at 66.5–67% in FY27, though elevated material costs are expected to weigh on margins later in the year; (3) US business to deliver mid-to-high-single-digit growth, led by new launches (Dolutegravir in Q2FY27, Tolvaptan in H2FY27E), partly offset by limited volume growth in the base business; (4) International export formulations to see high-teens growth; (5) ETR at 30–32%. The company completed the Occlutech transaction to enter the medtech space, with a focus on orthopedics and the cardiac impact market; it expects ~INR 4bn in sales with EBITDA break-even by end-FY27. The US-CDMO business is expected to scale up over the next 1–2 years, with EBITDA break-even targeted by end-FY28 on a revenue base of USD 25–30mn. Management indicated no major M&As are planned in the medtech business, with net cash at INR 57.64bn as of Jun-26. Factoring in the Q1 performance, Occlutech integration, and higher ETR, we cut EPS by 8%/6% for FY27/28E and revise our TP to INR 6,000 (28x Q1FY29E EPS). ADD stays, as we expect steady India business growth (~11% CAGR over FY26–29E), a stable US franchise, scale-up in US-CDMO and Occlutech, and gradual margin improvement.

- **Q1 highlights:** Sales grew 11% YoY to INR 37.4bn as India (67% of sales) grew 10% YoY to INR 24.97bn, with growth in anti-infectives, gastro, VMN, pain, anti-diabetics, and derma offset by muted trade generics. The US (20%) was down 7% QoQ to USD 79mn (-4% YoY), and international sales (13%) grew 25% YoY. Strong GM at 67.9% (+262 bps YoY) and higher staff (+17%), R&D (+27% YoY), and SG&A (+25%) costs led to INR 7.66bn EBITDA (+4% YoY) and a 20.5% margin (-144 bps YoY). Higher interest (+57% YoY), other income (+12% YoY), depreciation (+14% YoY), and higher tax outgo (at 32% vs 13.3% in Q1FY26) led to reported PAT of INR 5.2bn (-20% YoY).
- **Key con call takeaways:** The US-CDMO business focuses on development through clinical supplies for mAbs, with plans to scale up to commercial supplies in the near term. In Q1FY27, the business saw a ~INR 600mn opex impact, which the company expects to sustain in the near term. While the company anticipates some delay in US approval for its denosumab (Prolia) biosimilar, it has a partnership with Thermax for the EU market — though this is expected to be a competitive landscape. India biosimilar sales stood at ~INR 1.5bn, coming from seven launched products.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	37,402	33,711	11	36,033	4	129,645	147,123	167,463	188,214	208,347
EBITDA	7,661	7,391	4	5,174	48	25,122	30,052	33,995	39,148	44,169
APAT	5,200	6,531	(20)	3,167	64	21,275	23,917	22,037	24,926	27,688
EPS (INR)	43.5	54.6	(20)	26.5	64	178.0	200.1	184.3	208.5	231.6
P/E (x)						30.3	27.0	29.3	25.9	23.3
EV/EBITDA (x)						25.4	21.5	19.2	16.5	14.4
RoCE (%)						20	20	19	20	20

Source: Company, HSIE Research

ADD

CMP (as on 14 Aug 2026) INR 5,368

Target Price INR 6,000

NIFTY 24,366

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 6230	INR 6000
	FY27E	FY28E
EPS %	(8.1)	(6.3)

KEY STOCK DATA

Bloomberg code	ALKEM IN
No. of Shares (mn)	120
MCap (INR bn) / (\$ mn)	642/6,725
6m avg traded value (INR mn)	871
52 Week high / low	INR 5,934/5,075

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.7)	(0.6)	0.4
Relative (%)	(7.2)	4.9	3.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.2	49.7
FIs & Local MFs	21.39	22.63
FPIs	10.15	10.42
Public & Others	17.26	17.25
Pledged Shares	-	-

Source: BSE

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Anthem Biosciences

Soft Q1; CRDMO to recover with steady margin

EBITDA decline (-21% YoY) was largely due to 23% YoY decline in revenues (CRDMO was down 25% YoY) and higher staff cost (+9% YoY) was partly offset by improvement in gross margin (+778 bps YoY to 65.0%) and lower SG&A, leading to a steady EBITDA margin of 36.0% (+55 bps YoY). The company expects the decline it saw in Q1FY27 in the CRDMO business (due to timing shifts in deliveries to key customers) to normalize in subsequent quarters, given strong demand visibility and scheduled deliveries skewed toward H2FY27. It expects EBITDA margin to sustain at ~40% in the near term. It expects growth in CRDMO to remain strong, led by traction from the existing 10 molecules and incremental sales from recently-launched four molecules (strong order book visibility). The company has a couple of late-stage ADC projects with visibility for commercialization over the next 18-24 months. It also has few GLP-1 and peptides molecules in early stage of development. Specialty ingredients: It expects strong growth momentum on the back of Semaglutide API opportunity in India and RoW markets (awaiting approval in India and it will remain cost competitive to Chinese suppliers) from H2FY27, steady growth in existing products, and commercial visibility in probiotics. The company is actively evaluating M&As both in India and international markets (net cash of ~INR 17.19bn as of Jun-26). Factoring in Q1 performance, we have cut the EBITDA by 3/1% for FY27/28E. We retain ADD and revise the TP to INR 850, based on 36x Q1FY29E EV/E (implying 52x PE).

- **Q1 highlights:** Sales declined 23% YoY to INR 4.18bn. CRDMO (81% of sales) was down 25% YoY to INR 3.41bn (-34% QoQ). Specialty ingredients (19%) decline by 12% YoY to INR 774mn (-21% QoQ). Higher GM at 65.0% (+778 bps YoY and 31 bps QoQ), higher staff (+9%), and lower SG&A (-7% YoY) led to an EBITDA of INR 1.51bn (-21% YoY) and margin was at 36.0% (+55bps YoY). Higher other income (+23% YoY) and depreciation (+13%) led to a PAT[^] of INR 1.18bn (-10% YoY).
- **Con call takeaways:** The company indicates that gross margin improvement was supported by backward integration for intermediates. The company has onboarded one large pharma customer (for R&D project as well as alternative supply arrangement) and one of its key biotech customers was acquired by large pharma; no impact on existing supply contracts. **Capacity utilization as of Jun-26:** Unit 1 at 78%, Unit 2 at 50% (including expanded capacity), fermentation facilities at 50%, and Unit 3 at 30-35%. It expects to improve utilization over the next few quarters. **Unit 4 (Harohalli, Bangalore):** Capex of INR 12bn for Phase I with 365KL CDMO (small scale molecules move toward commercialization, peptides, Hi-Po API, and oligonucleotides) and 100KL fermentation capacities; civil work has started and expects commission in the next two years. It guides for capex of INR 7bn and 25% tax rate for FY27.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	4,182	5,402	-23	6,109	-32	18,446	21,243	24,583	29,972	35,605
EBITDA	1,506	1,915	-21	2,672	-44	6,708	8,338	9,931	12,379	14,349
APAT	1,186	1,321	-10	1,888	-37	4,439	5,578	6,989	8,795	10,087
EPS (INR)	2.1	2.4	-10	3.4	-37	7.9	9.9	12.4	15.7	18.0
P/E (x)						100.0	79.6	63.5	50.5	44.0
EV/EBITDA (x)						65.6	52.2	43.8	34.8	29.7
RoCE (%)						28	28	27	28	26

Source: Company, HSIE Research. ^Adjusted for one-offs gain of INR 13mn

ADD

CMP (as on 28 Jul 2026)	INR 784
Target Price	INR 850
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 830	INR 850
	FY27E	FY28E
EBITDA %	(2.8)	(1.2)

KEY STOCK DATA

Bloomberg code	ANTHEM IN
No. of Shares (mn)	563
MCap (INR bn) / (\$ mn)	442/4,607
6m avg traded value (INR mn)	525
52 Week high / low	INR 874/579

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	1.2	30.6	3.7
Relative (%)	1.4	37.3	8.8

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	74.67	71.42
FIs & Local MFs	11.55	13.48
FPIs	1.28	2.58
Public & Others	12.50	12.52
Pledged Shares	-	-

Source: BSE

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IPCA Laboratories

Strong Q1; growth, margin visibility improving

EBITDA grew 50% YoY, led by 21% YoY sales growth (India +13%, export formulations +34%, API +30%, Unichem +20%), higher gross margin (+135bps YoY to 71.4%), and controlled costs (staff/SG&A +11%/+9% YoY). This drove margin expansion to 22.9% (+449bps YoY). IPCA raised its FY27E guidance — overall business growth to 14–16% (from 12–13% earlier) and consolidated margin to 23% (from 22%). India business is expected to outperform IPM growth at 12–13% in FY27E, led by sustained momentum in key therapies (pain, CVS, anti-diabetics, CNS, derma) and new launches. Export formulations should improve on EU/UK traction, US business scale-up (3–4 product launches each from the IPCA and Unichem portfolios), and momentum in other EMs — together driving 15–17% growth in the generics business. API business is expected to see strong growth. Q1FY27's institutional sales growth was an aberration, inflated by INR 400mn of delayed Q4FY26 supplies; management expects this to normalize to annual sales of INR 2.6–3bn. Unichem guidance is retained at ~10% YoY growth with ~13% margin in FY27E. The company aspires to a standalone EBITDA margin of ~30% and consolidated margin of 25–26% over the next 2–3 years. Capex plans for FY27 stand at INR 7–8bn, including ~INR 1bn for a biologics plant, alongside capacity expansion across Silvassa, Ratlam, Dewas, and Wardha. Biosimilar revenues are expected to start from FY29/30. We believe IPCA is well-positioned for ~13% revenue CAGR over FY26–29E, driven by steady India growth (new launches, focused therapy momentum, chronic category scale-up) and export ramp-up (Unichem integration, new US/EU/RoW launches), alongside margin improvement (~19%/20% EBITDA/PAT CAGR over FY26–29E). Factoring in the Q1 beat, we raise EPS by 7%/5% for FY27/28E and revise our TP to INR 2,010 (28x Q1FY29E EPS). **Maintain BUY.**

- **Q1 highlights:** Sales grew 21% YoY to INR 27.88bn. India (39% of sales) grew 13% YoY, branded generics grew 16%, generics exports grew 27%, and institutional was up 107%, API grew 30% YoY (India/export +20%/+33%) and Unichem (24%) was up 20% YoY. Higher GM at 71.4% (+135 bps YoY) and moderate costs (staff/SG&A +11%/+9% YoY) led to EBITDA^ of INR 6.37bn (+50% YoY) with a margin of 22.9% (+449 bps). Lower other income (-23% YoY), moderate depreciation (+11%), and lower interest (-36%) led to reported PAT of INR 4.01bn. Adjusted for one-offs^, PAT was at INR 3.7bn (+53% YoY).
- **Key takeaways from con call:** In Q1FY27, IPCA's chronic segment grew ~17.2% YoY while the acute segment grew ~8.9% YoY. Unichem's US business (including products sold from IPCA's portfolio) grew ~27% YoY, while Unichem's own portfolio grew ~9% YoY in Q1FY27. The company plans to add ~200 medical representatives (MRs) in FY27. Management flagged near term uncertainties, including raw material price fluctuations, shipment delays, container non-availability, and rising logistics costs — the latter expected to increase further from Jul-26 to Aug-26.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	27,881	23,089	21	23,885	17	89,396	96,463	110,722	123,817	138,645
EBITDA	6,379	4,246	50	4,902	30	16,931	19,990	25,466	29,097	33,275
APAT	3,703	2,414	53	2,912	27	8,884	11,766	15,244	17,512	20,307
EPS (INR)	14.6	9.5	53	11.5	27	35.0	46.4	60.1	69.0	80.0
P/E (x)						49.5	37.4	28.9	25.1	21.7
EV/EBITDA (x)						27.0	22.5	17.5	15.1	12.8
RoCE (%)						14	16	20	20	20

Source: Company, HSIE Research, ^Adjusted for forex gain INR 316mn

BUY

CMP (as on 14 Aug 2026) INR 1,734

Target Price INR 2,010

NIFTY 24,366

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1770	INR 2010
	FY27E	FY28E
EPS %	7.1	5.3

KEY STOCK DATA

Bloomberg code	IPCA IN
No. of Shares (mn)	254
MCap (INR bn) / (\$ mn)	440/4,609
6m avg traded value (INR mn)	514
52 Week high / low	INR 1,495/1,252

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.5	16.7	27.0
Relative (%)	6.0	22.3	30.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	44.72	44.72
FIs & Local MFs	37.13	37.37
FPIs	10.63	10.73
Public & Others	7.52	7.18
Pledged Shares	-	-

Source: BSE

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Star Health and Allied Insurance

New accounting regime freshly resets the board

Star Health and Allied Insurance (STARHEAL) delivered a strong performance in Q1FY27, beating expectations on all fronts as insurance revenues and PAT zoomed by 13%/25% YoY, primarily thanks to the new accounting regime. While we believe that the drop in the insurance service expense is explained by the shift in accounting regime to IND-AS (from Indian GAAP), we also draw comfort from the fact that STARHEAL's disciplined risk selection and portfolio management has finally resulted in strong underwriting PAT at INR1.11bn. Overall profitability was supported by a 100bps fall in loss ratio (LR) to 67.5% (Q1FY26: 68.5%) and a 50bps improvement in the expense ratio to 29.6%, leading to a significant improvement in the CISR (including other expenses) to 97.1% (-160bps YoY). We expect the full-year FY27 LR to settle at 68% while acquisition cost ratio is expected to stabilize at 23%. Given the favorable loss ratio outcomes under the new accounting regime, we are constructive with our FY27/28E profitability estimates. However, we continue to be concerned around growth and agency channel fatigue; we maintain ADD with a NOPAT-based TP of INR650 (implying 24.9x FY28E EPS).

- **Disciplined risk selection drives underwriting profits:** While we believe that the drop in insurance service expense is explained by the shift in accounting regime to IND-AS, we also draw comfort from the fact that STARHEAL's disciplined risk selection and portfolio management has finally resulted in strong underwriting PAT at INR1.11bn (Q1FY26: INR0.16bn).
- **Cost efficiencies deliver a CISR surprise:** CISR improved by 160bps YoY, reaching 97.1%, as the acquisition cost has stabilized in the range of 23-24% over the past two years. The improvement in CISR was driven by two key elements: 100bps YoY enhancement in the loss ratio, driven by disciplined underwriting, and a 60bps improvement in the expense ratio, which remains reasonable, given seasonal pressures (annual wage revision).
- **Investment book swells: yields take a marginal hit:** The investment book grew to INR218bn (+17.5% YoY), while the debt-to-equity mix remained broadly stable at 80:20. Investment income increased modestly by 9.8% YoY, resulting in a 90bps YoY decline in investment yield to 12.2% (Q1FY26: 13.1%).
- **Solving for growth - agency and digital channels to the rescue:** Agency and digital channels contributed 90% of the GWP in Q1FY27, continuing to drive a bulk of the growth. While STARHEAL strengthened its distribution footprint by adding to its 850k agency base, the company was able to push its agency productivity by 19% YoY. With the agency channel being proprietary to STARHEAL, we believe fixing the agency channel productivity is likely to help solve for incremental growth.

Financial summary

(INR bn)	Q1FY27	Q1FY26	% chg	Q4FY26	FY26	FY27E	FY28E
Insurance revenue	49.2	43.4	13%	59.7	180.0	199.0	224.8
Insurance service result	4.3	2.9	48%	5.0	13.3	14.7	16.9
PAT	5.5	4.4	25%	-0.6	9.1	12.8	15.3
EPS	9.3	7.5	25%	-	15.5	21.7	26.0
CISR (excl. other expenses)	91%	93%		89%	93%	93%	93%
CISR (incl. other expenses)	97%	99%		96%	98%	98%	98%
P/E (X)					39.4	28.1	23.4

Source: Company, HSIE Research

ADD

CMP (as on 30 Jul 2026)	INR 610
Target Price	INR 650
NIFTY	24,178

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR545	INR650
EPS %	FY27E +4%	FY28E +1%

KEY STOCK DATA

Bloomberg code	STARHEAL IN
No. of Shares (mn)	589
MCap (INR bn) / (\$ mn)	359/3,755
6m avg traded value (INR mn)	390
52 Week high / low	INR 625/417

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.1	30.1	36.3
Relative (%)	14.8	35.4	40.7

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	58.0	58.0
FIs & Local MFs	20.3	19.41
FPIs	15.1	16.04
Public & Others	6.7	6.54
Pledged Shares	Nil	Nil

Source : BSE

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Dr. Lal Pathlabs

Strong Q1; volume/realization led growth to stay

EBITDA (+29% YoY) was 12%/16% ahead of our/consensus estimates, led by a 19% YoY increase in sales, supported by 8%/11% YoY growth in patient/sample volumes as well as 8/10% in patient/sample realization (better test mix and 2-3% led by CGHS price revision). This led to 232 bps YoY expansion in EBITDA margin at 31% in Q1. SwasthFit continues to sustain a strong momentum with 19% YoY growth in Q1FY27. DLPL was hopeful of sustaining volume-led growth, and it expects growth screwed more toward the upper end of guidance of early to mid-teen growth for FY27, while sustaining EBITDA margins. The key growth driver is geographic expansion (core markets and tier 2/3 regions), portfolio innovation (broadening its high-complexity testing in genomics, oncology, and auto-immunity), and digital enablement. It expects a continued higher contribution from SwasthFit (at 27% in FY26 vs 24% in FY25) and is looking to expand its portfolio offering and presence (with focus in tier 2 and 3 region) to sustain the growth momentum. It plans for 12-15 new lab addition in FY27. We expect volume-led growth, supported by steady performance in the north and east India, scale-up in suburban in the west, better realization (led by CGHS price revision) and combination of organic expansion as well as M&As. Factoring Q1 beat, we have raised EPS by 4/6% for FY27/28E and revised TP of INR 2,080, based on 46x Q1FY29E EPS. We reiterate BUY.

- **Q1 highlights:** Sales grew 19% YoY to INR 7.97bn as patient volume grew 8% YoY to 8.2mn, and sample volume grew 11% YoY to 25.9mn (realization per patient and sample grew 10% and 8% YoY). Steady GM at 81.0% (+23 bps YoY), higher SG&A (+17%) and fees to franchise (+21%), and moderate staff cost (+7%) led to EBITDA of INR 2.47bn (+29% YoY) and 31% margin (+232 bps). Higher other income (+14% YoY), depreciation (+28%), and interest (+34%) led to PAT of INR 1.69bn (+28% YoY).
- **Key con call takeaways:** B2C:B2B mix was steady at 75%:25%. In Q1FY27, the company acquired (1) Sunshine Healthcare based in Ghana for a cash consideration of INR 380mn (FY26 revenues at INR 244mn) and, (2) 30% stake Neuome Technologies for consideration of INR 35mn (Neuome 's capabilities in sample preservation, biobanking, and pre-analytical technologies). In Q1FY27, realization per sample improved by 7-8% YoY, of which CGHS price revision had a positive impact of 2-3% and it expects to continue for next 1-2 quarters. The company is not looking to increase test price in H1FY27, and it will evaluate in H2FY27, based on competitive and cost environment. Capital allocation (cash at ~INR 16.93bn as of Jun-26) – looking for M&As and high-end radiology center expansion 1-2 in Delhi NCR and ~2 in outside Delhi. The company is looking to expand its geographical footprint over next 3-5 years across Africa, MENA, and CIS countries.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	7,977	6,698	19	7,027	14	24,614	27,629	32,460	37,157	42,533
EBITDA	2,475	1,923	29	1,868	32	6,956	7,825	9,478	10,887	12,462
APAT	1,695	1,324	28	1,313	29	4,464	5,048	6,273	7,278	8,468
EPS (INR)	10.1	7.9	28	7.8	29	26.6	30.1	37.4	43.4	50.5
P/E (x)						68.5	60.6	48.8	42.0	36.1
EV/EBITDA (x)						42.6	37.7	30.7	26.2	22.4
RoCE (%)						29	28	29	30	29

Source: Company, HSIE Research

BUY

CMP (as on 28 Jul 2026) INR 1,805

Target Price INR 2,080

NIFTY 23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1720	INR 2080
	FY27E	FY28E
EPS %	3.7	6.0

KEY STOCK DATA

Bloomberg code	DLPL IN
No. of Shares (mn)	168
MCap (INR bn) / (\$ mn)	303/3,157
6m avg traded value (INR mn)	791
52 Week high / low	INR 1,895/1,272

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	27.9	28.9	19.1
Relative (%)	28.0	35.7	24.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.21	53.19
FIs & Local MFs	21.37	21.59
FPIs	17.18	17.36
Public & Others	8.24	7.86
Pledged Shares	-	-

Source: BSE

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Sai Life Sciences

Soft start; CDMO growth to pick up from H2FY27

EBITDA grew (+22% YoY) despite moderate sales growth (+12% YoY; CDMO was up 4% YoY, which was offset by 25% YoY growth in CRO), supported by gross margin expansion (+228 bps YoY at 73.9%) and moderate costs (staff/SG&A was up 12%/10% YoY). This led to 234bps YoY expansion in EBITDA margin to 26.7% (-262 bps QoQ). The company expects to accelerate revenue growth in H2FY27, led by visibility from strong traction in existing projects, commercial ramp-up for four new molecules, and ~225KL capacity addition in H1FY27-end. CMC pipeline remains steady with 33 active commercial molecules and 14 late-phase molecules. It retains its growth guidance of 15-20% CAGR over the next 3-5 years. Its push for FTE model with focus to transit customers toward integrated services (starting with development to commercial manufacturing). It focuses on Peptides modality across GLP-1s, macrocyclic peptides, and peptide-drug conjugates; its first dedicated peptide development lab for a top-tier pharma customer to commission in the near term. It is expanding the scope of peptide center of excellence to support both discovery and development, and plans to break through a peptide manufacturing facility at its new greenfield site near Hyderabad (expects operationalization in CY28). Moreover, it is in the process of opening xDC center of excellence, to support both discovery and development teams in the synthesis of payloads, linkers, and conjugation. It is foraying in formulation facility (oral solids for Phase I and II) as a part of integrated model to complement API development for dedicated pharma customers (commissioning in H2FY27). Capex spend of INR 11-13bn in FY27 is on track. Factoring in Q1, we tweaked EBITDA for FY27/28E; we estimate strong sales growth visibility (23% CAGR over FY26-29E), with improved profitability (EBITDA/PAT CAGR 27%/31%). BUY stays with a revised TP of INR 1,580, based on 31x Q1FY29E EV/EBITDA (implying 52x PE).

- **Q1 highlights:** Sales grew 12% YoY to INR 5.54bn as CDMO (59% of sales) grew 5% YoY to INR 3.28bn and CRO (41%) grew 24% YoY to INR 2.26bn. Higher GM at 73.9% (+228 bps YoY), moderate staff cost (+12%) and SG&A (+10%) led to an EBITDA of INR 1.48bn (+22% YoY) and margin of 26.7% (+234 bps) and a reported PAT of INR 733mn (+21% YoY).
- **Con call takeaways:** It has recently added five phase III molecules, of which one got regulatory approval in FY27, two molecules achieved regulatory milestones, and one more molecule will achieve same in Q2FY28. It expects to transit two large pharma customers to an integrated model in FY27. Its peptide facilities – clinic scale to commission in FY27 and commercial in FY228. CDMO industry environment remains conducive with improved biotech funding, increasing biotech/pharma IPOs, M&A, and India becoming a preferred partner for global pharma companies' diversification strategies. In Q1FY27, it has converted a pilot collaboration with a large pharma customer into a long-term, high-volume discovery chemistry partnership. In Q1FY27, its R&D facility (100k sq. ft.) at Hyderabad got operationalized.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	5,543	4,964	12	6,021	-8	16,946	21,925	26,510	32,676	40,397
EBITDA	1,480	1,209	22	1,765	-16	4,057	6,312	7,688	10,064	12,927
APAT	733	605	21	1,039	-29	1,511	3,569	4,281	5,938	8,010
EPS (INR)	3.5	2.8	21	4.9	-29	7.1	16.8	20.2	28.0	37.7
P/E (x)						191.5	81.1	67.6	48.7	36.1
EV/EBITDA (x)						71.0	46.0	38.1	28.8	21.9
RoCE (%)						12	18	18	21	24

Source: Company, HSIE Research

BUY

CMP (as on 7 Aug 2026) INR 1,363

Target Price INR 1,580

NIFTY 24,571

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1280	INR 1580
	FY27E	FY28E
EBITDA %	(1.2)	2.2

KEY STOCK DATA

Bloomberg code	SAILIFE IN
No. of Shares (mn)	212
MCap (INR bn) / (\$ mn)	290/3,045
6m avg traded value (INR mn)	739
52 Week high / low	INR 1,450/779

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	25.3	60.6	72.5
Relative (%)	24.4	66.7	75.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	34.61	34.53
FIs & Local MFs	31.54	32.71
FPIs	21.17	19.65
Public & Others	12.68	13.11
Pledged Shares	-	-

Source: BSE

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Piramal Pharma

Strong Q1; CDMO and margin recovery are key

EBITDA (+83% YoY) was ahead of our/consensus estimates, with margins at 8.6% (+308bps YoY), largely led by strong sales (+17 YoY; CDMO was up 19% YoY, moderate costs (+9% YoY), and lower gross margins at 61.6% (-369 bps YoY). Piramal retains its guidance of early-to-mid-teen revenue growth and expects EBITDA to grow faster than revenue due to operating leverage. The company expects growth momentum to sustain in CDMO business (quarterly lumpiness) on the back of recovery in global biopharma funding (Oct-25 onwards; up 100% YoY in H1CY26), which is leading to the pick-up in RFPs (directed more towards overseas facilities – operating at better gross margin of 70-75%) and order inflows, along with rising demand in overseas sites, strong growth in differentiated capabilities, and expansion in BD teams to increase customer engagement. Piramal is optimistic of supply opportunity for Obicetrapib and Ezetimibe for NewAmsterdam Pharma. Its capex plan (of USD 120-135mn) – Lexington (sterile injectable) – is on track to get complete by CY27-end and completed Riverview (payload-linker) facilities with single-to-low-double-digit revenue potential (existing capacity sold-out for FY27). CHG to sustain growth momentum in FY27E, driven by steady traction from Sevoflurane, growth in Inhalation Anesthesia in ex-US markets, and integration of Kenalog portfolio (supplies to start from Q2FY27). ICH to sustain double-digit growth in sales with margin expansion. Factoring in Q1, we have cut our EBITDA estimates by 5/3% for FY27/28E. We retain BUY and a TP of INR 240, based on 17x Q1FY29E EV/EBITDA (implying 47x PE).

- Q1 highlights:** Sales grew 17% YoY at INR 22.69bn. CDMO (52% of sales) was up 19% YoY to INR 11.87bn, CHG (33%) grew 17% YoY to INR 7.43bn, and ICH (15%) grew 15% YoY to INR 3.47bn. Lower GM at 62.5% (-165bps YoY), higher staff cost (+9% YoY), and moderate SG&A (+6% YoY) led to an EBITDA of INR 1.95bn (+83% YoY) and margin of 8.6% (+308bps YoY). Higher other income (+53% YoY), muted interest (+2%), and higher depreciation (+13%) led to net loss of INR 694 mn (vs loss of INR 1.02bn in Q1FY26).
- Con call takeaways:** **CDMO:** (1) The company collaborated with Ajinomoto Bio-Pharma for ADC development and manufacturing programs with AJICAP technology (conjugation for homogeneous, higher-quality ADCs); separate Material Transfer Agreement to allow the transfer of technology between companies. (2) It expects asset utilization at overseas facilities (supported by RFPs flow) to drive margin. **CHG:** (1) Inhalation anesthesia: The US continues to grow with market share for Sevoflurane at 48%; healthy pick-up in ex-US markets; (2) Intrathecal: maintain leadership in Baclofen segment in the US; and (3) Specialty: Continue investing in 505(b)(2), complex and differentiated generics. In Q1FY27, capex was at ~USD 21mn and overall CC growth was at 9-10% YoY.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	22,699	19,337	17	27,518	-18	91,512	88,691	102,189	116,641	132,878
EBITDA	1,952	1,067	83	4,605	-58	14,448	9,216	13,898	19,246	22,988
APAT	(694)	(1,024)	NA	1,670	NA	978	(1,801)	1,833	6,078	8,796
EPS (INR)	(0.5)	(0.8)	NA	1.3	NA	0.7	(1.4)	1.4	4.6	6.6
P/E (x)						267	(145)	143	43	30
EV/EBITDA (x)						21.1	33.0	21.9	15.4	12.4
RoCE (%)						6	2	5	8	11

Source: Company, HSIE Research, PAT adjusted for one-offs

BUY

CMP (as on 30 Jul 2026)	INR 197
Target Price	INR 240
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 220	INR 240
	FY27E	FY28E
EBITDA %	-5.3	-3.0

KEY STOCK DATA

Bloomberg code	PIRPHARMA IN
No. of Shares (mn)	1,331
MCap (INR bn) / (\$ mn)	262/2,737
6m avg traded value (INR mn)	1,083
52 Week high / low	INR 209/132

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	21.5	27.2	(2.3)
Relative (%)	20.2	32.5	2.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	34.85	34.8
FIs & Local MFs	15.61	14.57
FPIs	30.17	30.51
Public & Others	19.37	20.12
Pledged Shares	-	-

Source: BSE

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Eris Lifesciences

FY27 to see steady India growth, muted exports

EBITDA grew 7% YoY, as sales growth of 13% YoY (+14% YoY for DBF and Swiss exports grew 6% YoY) was offset by lower gross margin (-351 bps YoY at 72.6%) and higher SG&A (+10% YoY), leading to lower EBITDA margin of 33.9% (-188 bps YoY). Key Eris expects its DBF business to outperform covered market growth by 1.3x (vs IPM growth expectation of ~11%) with gradual improvement in the EBITDA margin in FY27. Its exports business could see flat to low-single digit growth with ~300 bps impact on EBITDA margin. The company expects to sustain the Semaglutide injectable traction and launch the generic of Wegovy in Q2FY27 for weight loss indication. The company sees growth momentum in insulin analogue business with improved traction in existing portfolio and new launches like Insulin Aspart. It plans to launch Esaxerenon, which is expected to support growth in the cardiac segment. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS, derma, and VMN) is a key. It expects commissioning of Bhopal plant (insulin manufacturing shift to Bhopal will help in improving gross margin) and recovery in oral diabetic/CVS to help overall margin improvement in H2FY27. Factoring lower-than-expected margin and weakness in exports, we have cut our EPS by 12%/4% FY27E/28E and retain TP of INR 1,730 (27x Q1FY29E EPS). **BUY** stays.

- **Q1 highlights:** Sales grew 13% YoY to INR 8.73bn, led by 14% YoY growth in DBF to INR 8.01bn and 6% YoY growth in Swiss sales to INR 720mn. GM declined to 72.6% (-351 bps YoY); DBF gross margin was lower at 74% in Q1FY27 (-300 bps YoY), largely due to increasing contribution from low margin biologic business (including Insulin and GLP-1). Moderate staff costs (+6% YoY) and higher SG&A (+10% YoY) led to EBITDA of INR 2.96bn (+7% YoY) and 33.9% margin (-188 bps). DBF's margin was 34.7% (vs. 37.2% YoY) and Swiss was 25% (vs 32.4% YoY). Lower other income (-11% YoY), flattish interest, and muted depreciation (+2%) led to a PAT of INR 1.4bn (+21% YoY).
- **Key takeaways from con call: GLP-1 (Semaglutide):** Steady traction in Q1FY27; able to capture 20% unit share and 14% value share. Overall GLP-1 segment is witnessing steady acceptance from KOLs to prescribe the drug. However, since there is resistance from patient in terms of adoption, it expects adoption to improve over the next 1-2 years. The company expects to improve growth in oral diabetic segment to 5-6% (vs 1.9% in Q1FY27) over the next few quarters led by new launches. Insulin business of the company is at EBITDA margin of 30-31% but lower GM vs consol; it expects the shift to its Bhopal plant to help improve the GM. It expects to launch Insulin Aspart in H2FY27 and Degludec (and combination) in FY28. No plans for any big M&A. Execution of EU CAPA underway and it expects plant to be audit ready by Dec-26. EU-CDMO project pipeline intact; development projects are on track.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	8,733	7,730	13	7,566	15	28,936	31,294	35,636	40,866	45,439
EBITDA	2,962	2,767	7	2,736	8	10,172	11,202	12,401	14,857	16,714
APAT	1,424	1,180	21	1,316	8	3,517	4,870	6,251	8,525	9,916
EPS (INR)	10.3	8.5	21	9.5	8	25.4	35.2	45.1	61.6	71.6
P/E (x)						56.2	40.6	31.6	23.2	19.9
EV/EBITDA (x)						22.1	19.7	17.5	14.1	12.1
RoCE (%)						11	13	14	17	19

Source: Company, HSIE Research

BUY

CMP (as on 29 Jul 2026)	INR 1,427
Target Price	INR 1,730
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1730	INR 1730
EPS %	FY27E -12.1	FY28E -3.9

KEY STOCK DATA

Bloomberg code	ERIS IN
No. of Shares (mn)	139
MCap (INR bn) / (\$ mn)	198/2,065
6m avg traded value (INR mn)	155
52 Week high / low	INR 1,888/1,200

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.3	6.2	(20.5)
Relative (%)	8.1	12.1	(16.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.92	54.14
FIs & Local MFs	20.35	20.72
FPIs	6.39	5.75
Public & Others	19.34	19.39
Pledged Shares	16.92	16.85

Source: BSE

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Metropolis Healthcare

In-line Q1; growth and margin improvement key

EBITDA (grew 24% YoY) was largely in line with our/consensus estimates, as 17% YoY increase in sales led by growth in patient/test volumes at 10/11% YoY and realization per patient/test at 6/5% YoY. In FY27, Metropolis retains its growth and margin guidance of 14-15% and 125-150bps EBITDA margin expansion (24.4% in FY26). Moreover, it targets 27-28% EBITDA margin over next 2-3 years, supported by steady growth and cost optimization. The Core Diagnostics improvement is on track with steady growth and margin improvement; it retains its aspiration to achieve ~25% EBITDA margin over the next 3-4 years. The company alluded to five focus areas in FY27 to support overall profitable growth – (1) Accelerate network expansion and add 400-500 service centers in FY27, largely focused on Tier 2/3 cities; (2) Specialty mix increase to ~45% of sales (vs ~40% of sales) over the next couple of years led by Core Diagnostic (oncology testing), Genomics scale-up, high-end testing expansion; (3) To increase TruHealth share to ~25%, supported by scale-up in radiology integrated and premium packages; (4) leveraging AI technology to improve doctor and patient engagement, customer data platform, and scalability; (5) to have a disciplined approach for inorganic growth with strategic focus on growth, market expansion, and testing portfolio. The company didn't have any major benefit from CGHS price revision; no plans for price increase in the near term but it is open for price hikes if needed. Having completed its investment phase, Metropolis is focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, wellness packages, genomic scale-up, M&As, gaining share in tier 2/3 cities, and boosting B2C presence are expected to drive sales and margin. Factoring Q1, we have tweaked EPS for FY27/28E and revised TP to INR 650 (42x Q1FY29E EPS). ADD stays.

- **Q1 highlights:** Sales grew 17% YoY to INR 4.5bn, with patient/test volume growth of 10%/ 11% YoY and realization per patient/test up 6/5% YoY. Higher GM at 79.2% (+119 bps YoY), and higher staff (+16%) and SG&A (+16%), led to an EBITDA of INR 1.11 bn (+24% YoY) and margin of 24.7% (+145 bps YoY). PAT was at INR 567mn (+26% YoY).
- **Key takeaways from con call:** In Q1FY27, the company has consolidated its seven labs with acquired entities (lab count at 209) and rationalized 318 non-productive centers and added 295 service points (network count at 5,003 in Q1). In Q1FY27, TruHealth revenue (18% of sales) grew by 22% YoY to INR 810mn, specialty (40%) grew by 17% YoY to INR 1.78bn, B2C (57%) grew 18%, and B2B (43%) grew 15% YoY. Within TreHealth, Radiology integrated packages grew 40+% YoY. Patient volume grew 10% YoY in Q1 – of which 13.5% growth was in B2C and 6% YoY in B2B segment.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	4,502	3,861	17	4,247	6	13,312	16,458	19,034	21,617	24,551
EBITDA	1,112	898	24	1,080	3	3,030	4,008	4,873	5,664	6,629
APAT	567	451	26	508	12	1,610	1,922	2,534	3,051	3,695
EPS (INR)	2.7	2.2	26	2.4	12	7.8	9.3	12.2	14.7	17.8
P/E (x)						74.5	62.4	47.4	39.3	32.5
EV/EBITDA (x)						39.9	30.0	24.4	20.7	17.3
RoCE (%)						14	16	18	19	20

Source: Company, HSIE Research

ADD

CMP (as on 05 Aug 2026)	INR 579
Target Price	INR 650
NIFTY	24,625

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 600	INR 650
	FY27E	FY28E
EPS %	(0.0)	0.5

KEY STOCK DATA

Bloomberg code	METROHL IN
No. of Shares (mn)	207
MCap (INR bn) / (\$ mn)	120/1,258
6m avg traded value (INR mn)	207
52 Week high / low	INR 609/412

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.0	17.0	13.8
Relative (%)	11.9	22.7	16.4

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	48.86	48.86
FIs & Local MFs	35.8	35.12
FPIs	10.43	11.03
Public & Others	4.91	4.99
Pledged Shares	1.18	1.18

Source: BSE

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Medplus Health Services

Private label recovery key; non-core capex on hold

EBITDA[^] grew 2% YoY as strong 22% sales growth (pharmacy +22% YoY, diagnostics +22% YoY) was offset by lower gross margin (-163 bps YoY to 24.5%; private label share was down at 20%) and higher costs. OPM* came in at 3.5% (-126 bps YoY), with pharmacy margin at 3.2% (-137 bps YoY) and diagnostic margin at 17.8%. Medplus retains its guidance of 800 stores addition in FY27E (618 added in FY26), including expansion in tier 2/3 cities through the franchisee model (added ~300 franchisee in FY26). The company expects a recovery in private label share (0.3–0.5% QoQ from Q3FY27 onward), with the share stabilizing at 21–22%, supporting a steady recovery in gross margins (GM). The pick-up in growth from matured stores was largely led by better product availability and change in incentive structure; it expects matured stores to sustain at 9–10% in FY27. The company has decided not to proceed with its non-core capex plans in the near term – comprising a food chain investment of INR 400mn and a Concierge Health and Wellness Services facility in Hyderabad with an investment of ~INR 1.15bn. Both projects are currently under re-evaluation. We see a pick-up in sales growth, led by a balanced approach to matured store growth and new store additions. However, EBITDA and operating margin may see pressure in the near term, given gradual recovery in private label share (especially pharma) and increasing costs such as wage hike and other inflationary costs – which the company plans to mitigate by optimization of incentive plan, discounting retention policy, and discount reduction (~1% on INR 1,000+ order value). Factoring Q1 and outlook, we have cut EBITDA for FY27/28E by 10/3% and revise TP to INR 960 (15x Q1FY29E EV/EBITDA, implying 22x pre-INDAS EV/EBITDA). BUY stays.

- **Q1 highlights:** Sales grew 22% YoY to INR 18.79bn, with 22% growth in retail pharmacy (~INR 18.39bn) and 22% growth in diagnostics (INR 371mn). Lower GM at 24.5% (-163 bps YoY) and higher costs (staff/ SG&A +21/19%) led to EBITDA of INR 1.3bn (+2% YoY). Operating profit was at INR 651mn (-11% YoY) and OPM at 3.5% (-126 bps). Pharmacy margin was 3.2% (-137 bps), diagnostic margin was 17.8%, and PAT was INR 332mn (-22%).
- **Q1 operating metrics:** A net 146 stores were added (gross addition of 222), taking the total to 5,476, as of Jun-26. Matured store growth was at 15.3% YoY (vs. -0.2% in Q1FY26), with operating margin at 10.4% (vs. 10.9% YoY) and RoCE at 62.6% (vs. 59.8%). Private label sales as a % of total sales were lower at 20% (vs. 21.5% in Q1FY26). Overall, the RoCE was ~12.6% (vs. 17% YoY). In Q1FY27, OCF was INR 1.25bn and FCF was at INR 161mn.
- **Key takeaways from con call:** As of Jun-26, diagnostics had 0.2mn active plans. Capex plan for core business will continue toward stores and warehouse addition. The company is looking for expansion in key states like Maharashtra, Chhattisgarh, MP, and Kerala.

Quarterly financial summary

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	18,796	15,426	22	18,644	1	61,361	68,925	82,096	94,055	107,752
EBITDA	1,332	1,307	2	1,692	(21)	4,871	6,144	6,415	8,140	9,756
APAT	332	424	(22)	640	(48)	1,504	2,267	2,032	2,853	3,526
EPS (INR)	2.8	3.5	(22)	5.3	(48)	12.5	18.9	16.9	23.8	29.4
P/E (x)						57.3	38.0	42.4	30.2	24.4
EV/EBITDA (x)						19.2	15.6	15.2	12.1	10.2
RoCE (%)						10	13	11	13	14

Source: Company, HSIE Research, ^ post-INDAS, *pre-INDAS.

BUY

CMP (as on 28 Jul 2026)	INR 701
Target Price	INR 960
NIFTY	23,985

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1100	INR 960
EBITDA %	FY27E (10.2)	FY28E (3.0)

KEY STOCK DATA

Bloomberg code	MEDPLUS IN
No. of Shares (mn)	120
MCap (INR bn) / (\$ mn)	84/878
6m avg traded value (INR mn)	192
52 Week high / low	INR 1,022/653

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.0)	(11.0)	(22.0)
Relative (%)	(19.8)	(4.2)	(16.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	40.22	40.19
FIs & Local MFs	27.82	29.95
FPIs	15.53	14.38
Public & Others	16.43	15.48
Pledged Shares	60.7	60.74

Source: BSE

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Real Estate

DLF

Muted show

DLF reported a quarter with sustenance presales of INR 6.5bn (-94.3%/-83.5% YoY/QoQ) largely due to deferred launches. Collections remained muted at INR 24bn (-13.9%/-27.1% YoY/QoQ) on the back of delayed execution. DLF maintained FY27 presales of ~INR 200bn, consistent with the trajectory of the prior two years, backed by a launch pipeline of ~INR 200bn. Near-term launch catalysts include The Arbour Senior Living and the next Privana ecosystem phase, both expected in H2FY27/early FY28, while The Dahlias already 65%+ sold at ASP exceeding INR 1 lakh psf continues to be managed for price optimization rather than velocity. Management also flagged Mumbai as a growing strategic priority, with a follow-through launch planned within the fiscal year and the project's potential scale now viewed as exceeding 5msf over the coming years. FY28 is expected to be a key inflection point as large under-construction projects begin contributing to P&L, unlocking an estimated INR 390bn of gross margin potential from the existing launch pipeline. On the commercial and retail front, three new malls Midtown Plaza, Summit Plaza, and Goa are expected to reach steady-state rentals by Q4FY27/mid-FY28, and Atrium Place (one tower, OC expected H2FY27) will add to the commercial run rate. The medium-term rental income target stands at INR 100bn, supported by improving GCC and MNC leasing demand, following a brief slowdown tied to geopolitical uncertainty. DLF's overall presales momentum is expected to remain in between at INR 200-220bn+, driving ~2x growth in both PAT and cash flows by FY30. With significant embedded potential from its existing land bank, DLF continues to generate healthy margins, targeting 45%+ gross margins in the medium term. We maintain BUY on DLF with a revised TP of INR 752/share to reflect the improving visibility on earnings and widening addressable pipeline across rental business.

■ **Q1FY27 financial highlights:** Revenue came in at INR 12.8bn (-52.9%/-29.4% YoY/QoQ, a miss of 24.0%). EBITDA stood at INR 1.5bn (-58.7%/-63.4% YoY/QoQ, a miss by 52.2%). EBITDA margin came in at 11.7% (-167/-1090 bps YoY/QoQ, vs 18.7% estimate). The share of profits and associates & JVs: INR 4.8bn (+27.8%/-7.9% YoY/QoQ). APAT was INR 7.9 (+4.1%/-36.4 YoY/QoQ, miss by 15.9%). DCCDL rental income was INR 11.8bn (+1%/+8% YoY/QoQ). EBITDA was INR 14.7bn (-1%/+9% YoY/QoQ) and PAT was INR 7.1bn (-8%/+21% YoY/QoQ).

■ **FY27 launches to drive presales to INR 220bn:** DLF reported a quarterly presales of INR 6.5bn (-94.3%/-83.5x YoY/QoQ), largely due to deferred launches. Within the DCCDL office portfolio, occupancy stood at 95% (+100bps QoQ). For FY27 key catalysts include The Arbour Senior Living and the next Privana ecosystem phase, both expected in H2FY27, followed by Mumbai Phase 2 launch. FY28 is expected to be a key inflection point as large under-construction projects begin contributing to P&L, unlocking an estimated INR 390bn of gross margin potential from the existing launch pipeline.

■ **Strong balance sheet set to propel business expansion:** DLF maintains zero gross debt position. This achievement, driven by strong operational collections, results in a net cash position of INR 152bn.

Consolidated financial summary (INR mn)

YE March (Rs mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	12,803	27,167	(52.9)	18,141	(29.4)	79,937	81,940	99,912	1,15,209
EBITDA	1,503	3,642	(58.7)	4,108	(63.4)	21,086	14,484	27,165	37,261
APAT	7,939	7,623	4.1	12,479	(36.4)	43,668	38,059	48,078	58,874
Diluted EPS (Rs)	3.21	3.1	4.1	5.0	(36.4)	17.6	17.8	19.4	23.8
P/E (x)						44.2	43.7	40.2	32.8
EV / EBITDA (x)						91.3	132.4	132.4	70.2
RoE (%)						10.7	9.1	10.2	11.5

Source: Company, HSIE Research

BUY

CMP (as on 04 Aug 2026)	INR 643
Target Price	INR 752
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 709	INR 752
EPS %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	DLFU IN
No. of Shares (mn)	2,475
MCap (INR bn) / (\$ mn)	1,593/16,697
6m avg traded value (INR mn)	2,783
52 Week high / low	INR 799/489

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.0	(2.5)	(18.8)
Relative (%)	4.5	3.9	(15.7)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	74.08	74.08
FIs & Local MFs	6.94	8.03
FPIs	13.54	12.31
Public & Others	5.43	5.56
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Lodha Developers

Strong sustenance sales; land sales outperform

Lodha Developers Ltd recorded Q1FY27 presales of INR 46.3bn (+4.0/-21.4% YoY/QoQ); however, core residential presales stood at INR 33.7bn (largely sustenance as no major launch just INR 3.3bn), which is weak from presales point of view and vs. our estimate of INR 36bn. Lodha has reiterated its FY27 pre-sales guidance of INR 240bn, supported by a robust launch pipeline of 20+ projects/phases with a cumulative GDV of nearly INR 250bn. While launch activity in Bengaluru, Pune, and Mumbai will continue, a meaningful contribution is expected from upcoming NCR launches in H2FY27. Adjusting for land sales of INR 12.6bn core business, revenue stands at INR 37.4bn. And assuming 30% EBITDA, its INR 11.2bn, which is 11% miss on revenue and 10/7% on EBITDA /APAT. In the medium term, the company remains focused on scaling its annuity portfolio, targeting a 10x increase in annuity income to over INR 30bn by FY32, led by data centres (INR 20bn), retail & office (INR 6bn) and warehousing assets (INR 4bn). It also reiterated its aspiration to deliver ~20% PAT CAGR, with an objective of achieving INR 85bn in net profit by FY31. Palava is scaling up with AWS and STT onboard on data centre side. On residential business, Airoli connectivity goes live post-monsoon, likely lifting property rates meaningfully by early FY28. Given robust growth visibility, better-than-expected GDV addition in FY26, and uptick in land prices, with Palava poised for price and volume gains as new infra projects get commissioned, we revise our TP to INR 1,299/sh (vs. INR 998/sh earlier). This is also driven by the emerging data centre premium at Palava, where the monetization of land shall unlock significant value and believe this segment will contribute meaningfully to earnings. We maintain ADD.

- **Q1FY27 financial highlights:** Revenue: INR 49.9bn (+43.2/+6.0% YoY/QoQ, beat by 19.3%). EBITDA: INR 19.2bn (+95.2/+36.1% YoY/QoQ, beat by 53.6%). EBITDA margin: 38.5% (+1028/+850bps YoY/QoQ, vs. estimate of 29.9%), largely driven by land sales in Palava, which pushed EBITDA margins to ~38%. Adjusting for this, we estimate the core margin at roughly 30-32%. RPAT: INR 13.7bn (+103%/+36.1% YoY/QoQ, beat by 65.5%). Core PAT at INR 7.7bn (7.2% miss), ex of land sales.
- **Presales momentum to pick-up from H2FY27:** Lodha recorded a presale of INR 46.3bn (+4.0/-21.4% YoY/QoQ), surpassing its quarterly run rate of >INR 40bn. The core residential presales stood at INR 33.7bn (largely sustenance as no major launch just INR 3.3bn), which is weak from presales point of view and vs. our estimate of INR 36bn. Lodha has reiterated its FY27 presales guidance of INR 240bn, supported by a robust launch pipeline of 20+ projects/phases with a cumulative GDV of nearly INR 250bn. Q2FY27 presales guided at INR 50bn+.
- **Strong balance sheet; net debt well within guidance:** Net debt decreased by INR 4.5bn to INR 49.3bn on the back of strong collections. Net D/E came at 0.2x, which is well within the guidance of net D/E of 0.5x or net debt/OCF of 1x.

Consolidated financial summary (INR mn)

YE March (Rs mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	49,967	34,917	43	47,135	6	1,37,795	1,66,762	1,88,781	2,24,028
EBITDA	19,224	9,844	95	14,126	36	39,880	49,209	59,129	72,125
APAT	13,736	6,751	103	10,081	36	27,666	34,332	39,636	49,621
Diluted EPS (Rs)	13.8	6.8	103.5	10.1	36.3	27.7	34.4	39.7	49.7
P/E (x)						30.6	24.7	21.4	17.1
EV / EBITDA (x)						22.6	18.5	13.5	8.6
RoE (%)						14.7	15.7	15.6	15.9

Source: Company, HSIE Research

ADD

CMP (as on 27 Jul, 2026)	INR 1,199
Target Price	INR 1,299
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 998	INR 1,299
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	LODHA IN
No. of Shares (mn)	999
MCap (INR bn) / (\$ mn)	1,198/12,487
6m avg traded value (INR mn)	2,787
52 Week high / low	INR 1,328/651

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	36.3	32.1	(6.3)
Relative (%)	36.9	38.3	(0.6)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	72.27	70.31
FIs & Local MFs	4.62	3.56
FPIs	21.24	23.65
Public & Others	1.85	2.46
Pledged Shares	-	-

Source : BSE

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Prestige Estates

New launches to fuel cash flows and growth

Prestige Estates (PEPL) registered quarterly presales by value and volume INR 65.7bn presales (-45.7%/-14.5% YoY/QoQ) with volume at 6.0msf (-36.8%/+13.1% YoY/QoQ). For FY27, PEPL has guided for 15-20% growth in presales and collections, backed by a INR 450bn launch pipeline across 24 projects, while maintaining a conservative stance despite visible upside potential. On capital allocation and balance sheet trajectory, PEPL is targeting about INR 45bn of BD spend this year and said it remains on track for that deployment across the coming quarters. Management guided for total collections of about INR 250bn, including INR 210- 220bn from residential, and said launches in Q2 and Q3 should unlock the cash flows needed to improve free cash generation. It expects free cash flow from operations of roughly INR 85bn-90bn to be sufficient for capex, with debt rising only marginally by up to about INR 10bn at most and potentially declining as newly launched projects begin to repay land-related borrowings. PEPL reiterated confidence in delivering 15-20% sales growth, with the main execution risk still centered on approval timing rather than demand, which it described as resilient across its operating markets. We maintain our BUY rating on PEPL with a revised target price of INR 1,878 per share, driven by superior growth prospects across the residential portfolio and multi-fold expansion in annuity income. We believe the robust launch pipeline will act as a key catalyst, supporting both presales momentum and long-term value creation.

- **Q1FY27 financial highlights:** Reported revenue was INR 26.7bn (+15.9%/-34.3% YoY/QoQ, miss by 1.7%). EBITDA was INR 8.6bn (-3.8%/-17.8% YoY/QoQ, a 7.2% miss). EBITDA margin was 32.1% (-660/+647bps YoY/QoQ, vs. our estimate of 34%). APAT was INR 2.7bn (-7.2/-7.0% YoY/QoQ, a beat by 6.6%). Total collections stood INR 48bn (+6.2/-8.2% YoY/QoQ).
- **Strong presales on the back of new project launches:** Q1FY27 reported INR 65.7bn presales (-45.7%/-14.5% YoY/QoQ, inline with estimates) with volume at 6.0msf (-36.8%/+13.1% YoY/QoQ). On a blended basis, realizations stood at INR 10,893psf (-14.2%/-24.4% YoY/QoQ). PEPL highlighted a pending launch pipeline of about INR 450bn and said approvals for several Bengaluru projects are expected shortly, alongside Chennai launches such as Palm Court, with Q3 also expected to be a major launch quarter.
- **Stable balance sheet position with debt under control:** Net debt increased to INR 119bn (+INR 10bn QoQ), from INR 109bn in Mar-26. Net D/E is at 0.69x (0.65x in Mar-26). The increase in debt is attributable to rise in land capex for its ongoing projects. PEPL need to incur a capex of ~INR 116/45bn on the ongoing and upcoming commercial and retail segments.

Consolidated Financial Summary

(INR in mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	26,751	23,073	15.9	40,738	(34.3)	73,494	1,26,854	1,44,847	1,74,329
EBITDA	8,596	8,938	(3.8)	10,455	(17.8)	25,588	37,091	46,408	61,746
APAT	2,714	2,925	(7.2)	2,918	(7.0)	4,675	11,955	17,272	26,598
EPS (INR)						10.9	27.8	40.1	61.8
P/E (x)						139.5	54.5	37.8	24.5
EV/EBITDA (x)						28.7	19.9	16.3	11.2
RoE (%)						3.5	7.5	10.0	13.7

Source: Company, HSIE Research

BUY

CMP (as on 30 Jul 2026)	INR 1,595
Target Price	INR 1,878
NIFTY	24,317

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,775	INR 1,878
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	PEPL IN
No. of Shares (mn)	431
MCap (INR bn) / (\$ mn)	687/7,179
6m avg traded value (INR mn)	1,355
52 Week high / low	INR 1,805/1,090

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.8	9.1	(1.8)
Relative (%)	11.4	14.4	2.5

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	60.95	60.95
FIs & Local MFs	14.2	13.27
FPIs	22.60	23.51
Public & Others	2.26	2.28
Pledged Shares	-	-

Source: BSE

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Oberoi Realty

Launch-heavy year ahead

Oberoi Realty (ORL) registered presales of INR 10.5bn (-36%/-37% YoY/QoQ) for Q1FY27, largely led by sustenance sales. Moreover, this quarter, its uber-luxury project 360W managed to sell 1 unit (vs 1/2 in Q1FY26/Q4FY26); however, this slowdown was due to resale of inventory from previous partner at a discount. For FY27, the launch pipeline remains strong; Adarsh Nagar is targeted for a Q3FY27 launch, Aurelius (Peddar Road), two Thane towers, and an Alibaug project are all slated for FY27, with a potential Mulund launch in Q4FY27, pushed due to pending regulatory approvals. NCR faces ongoing legal litigation, though buyer confidence remains steady. ORL has offered to refund customer advances, but so far there seems to be no cancellations and demand remains robust. Gurgaon success is not only about a one project phenomena, but we expect ORL to build deeper into the NCR market now, given its product was well accepted by buyers. With disciplined land acquisitions and a focus on timely execution, ORL is well-placed to capitalize on robust demand across residential and mixed-use segments, ensuring sustained growth. NCR market can add about INR 50bn/annum in presales annually (basis how GDV addition happens in sustainable manner) and over time ramp up to INR 70-80bn/annum. This will be equal to what it may do in MMR from FY27/28. ORL is well-placed to capitalize on robust demand across residential and mixed-use segments, ensuring sustained growth. We remain constructive on ORL and maintain BUY with a TP of INR 2,490.

- **Q1FY27 Financial highlights:** Revenue: INR 13bn (+31.7%/-25.7% YoY/QoQ, a miss by 17.7%). EBITDA was INR 7.3bn (+41.1%/-23.5% YoY/QoQ, a miss by 14.7%). EBITDA margin was 56.4% (+374bps/+156bps YoY/QoQ) vs our estimate of 54%. RPAT was INR 5.4bn (+29.2%/-22.7%, YoY/QoQ, a miss by 14.3%). Average price realization (ASP) at INR 46.3k psf (-1%/-2% YoY/QoQ).
- **FY27 a year of launches and execution:** ORL registered Q1FY27 presales of INR 10.5bn (-36%/-37% YoY/QoQ); it was largely led by sustenance sales. ORL made its Gurugram debut with the ultra-luxury '360 North' project, which got sold out within a week for INR 81bn. On the MMR front, the launch pipeline for the FY27 remains rich; Adarsh Nagar is targeted for a Q3FY27 launch, Aurelius (Peddar Road), two Thane towers, and an Alibaug project are all slated for FY27, with a potential Mulund launch in Q4FY27, pushed due to pending regulatory approvals. The Ritz-Carlton hotel is also nearing completion, with 80-90% of interior work done and an expected opening by the end of this fiscal. ORL maintained that its proactive pricing strategy across projects insulates margins from input cost volatility and expressed confidence in sustaining 50%+ residential margins, going forward.
- **Balance sheet position comfortable:** The consolidated gross/net debt stood at INR 27.6/7.3bn vs. INR 28.6/1.8bn as of Mar'26. This low debt position enhances ORL's ability to pursue new projects and growth opportunities while maintaining a stable risk profile.

Consolidated financial summary (INR mn)

YE Mar (INR mn)	1QFY27	1QFY26	YoY	4QFY26	QoQ	FY25	FY26	FY27E	FY28E
Net Sales	13,009	9,876	31.7	17,498	(25.7)	52,863	60,091	72,895	84,284
EBITDA	7,341	5,203	41.1	9,603	(23.5)	31,031	33,582	42,439	49,759
APAT	5,435	4,213	29.0	7,033	(22.7)	22,255	25,305	30,581	35,692
Diluted EPS (INR)	14.9	11.6	29.0	19.3	(22.7)	61.2	69.0	84.1	98.2
P/E (x)						24.9	22.1	18.1	15.5
EV / EBITDA (x)						17.9	16.5	12.9	10.7
RoE (%)						15.0	14.8	15.5	16.2

Source: Company, HSIE Research

BUY

CMP (as on 20 Jul 2026)	INR 1,883
Target Price	INR 2,490
NIFTY	24,239

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,490	INR 2,490
EPS Change (%)	FY26E	FY27E
	-	-

KEY STOCK DATA

Bloomberg code	OBER IN
No. of Shares (mn)	364
MCap (INR bn) / (\$ mn)	685/7,097
6m avg traded value (INR mn)	1,075
52 Week high / low	INR 1,986/1,390

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	11.1	23.6	2.6
Relative (%)	12.1	29.0	7.6

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	67.71	67.71
FIs & Local MFs	15.42	15.11
FPIs	14.58	14.83
Public & Others	2.28	2.36
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Phoenix Mills

Muted show; asset addition to drive growth

Phoenix Mills (PHNX) reported revenue/EBITDA/APAT of INR 10.7/6.4/2.9bn in Q1, a miss of 9/9/16% to our estimates. PHNX remains well-positioned for robust growth over FY27-28, supported by a combination of new retail assets completion, steady office leasing, and a healthy project pipeline. Significant rental upside is expected as ~36-50% retail leases renew over three years. PHNX reiterated its long-term retail expansion strategy pursuing expansion with targets of over 18msf. retail GLA and 9msf. office GLA by 2030, with new malls opening in Kolkata and Surat in H2FY28. Other projects viz Thane, Coimbatore, and Chandigarh have secured EC and work has started on the ground. Rental income is projected to grow from FY27, driven by 36-50% of the portfolio area coming up for renewal, and rentals catching up with consumption growth over the next few quarters. On the residential front, premium launches in Kolkata and Bengaluru are expected between late CY26/early CY27. On the consumption side, however, the broader retail environment remains resilient; PHNX indicated 20% consumption growth YoY in Jul'26. PHNX attributed the gap between 32% consumption growth and 17% rental income growth to changes in tenant/product mix, while noting that the lag between office leasing and rent recognition could defer a meaningful rental income contribution until late FY27. Key growth drivers include ramping up office occupancy (targeting 90% by 2026), Phase 2/3 expansions (adding 1.8mf retail and 700 hotel keys) and leveraging 2.7mf balance FSI potential. Given revival in consumption, captive mall expansion, the addition of office space, a strong business development pipeline and lower net debt, we maintain BUY with a revised TP to INR 2,104/sh vs INR 1,952 earlier.

- **Q1FY27 financial highlights:** Revenue: INR 10.7bn (+12.8%/-12.8% YoY/QoQ, a 9% miss). EBITDA: INR 6.4bn (+13.7%/-14.4% YoY/QoQ, a 9% miss). EBITDA margin: 59.7% (+47/-110bps YoY/QoQ, vs est. of 59.7%). RPAT/APAT: INR 2.9bn (+23.3%/-26.9% YoY/QoQ, 16% miss). Total retail rental income was INR 5.9bn (+17%/+3.1% YoY/QoQ), with an EBITDA of INR 6.3bn (+17%/+0.3% YoY/QoQ). Income from offices was INR 750mn (+44%/+29.3% YoY/QoQ), with an EBITDA margin of 56% (+31% YoY).
- **Repositioning fuels growth:** Consumption in Q1FY27 stood at INR 47bn, up 47%/-8.5% YoY/QoQ. PHNX attributed the gap between 32% consumption growth and 17% rental income growth to changes in tenant/product mix, while noting that the lag between office leasing and rent recognition could defer a meaningful rental income contribution until late FY27.

Consolidated financial summary (INR mn)

YE Mar	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	10,749	9,530	12.8	12,332	(12.8)	38,136	44,228	47,689	55,616
EBITDA	6,415	5,643	13.7	7,496	(14.4)	21,612	26,371	28,128	34,397
APAT	2,969	2,407	23.3	4,063	(26.9)	9,842	12,238	14,390	18,182
Diluted EPS (Rs)	8.3	6.7	23.3	11.4	(26.9)	27.5	34.2	40.3	50.9
P/E (x)						61.1	49.2	47.6	37.7
EV / EBITDA (x)						29.8	24.2	25.4	20.4
RoE (%)						9.8	11.1	11.8	13.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	47,689	50,420	(5.4)	55,616	56,218	(1.1)
EBITDA	28,128	30,289	(7.1)	34,397	33,850	1.6
EBITDA (%)	59.0	60.1	(111.7)	61.8	60.2	164.8
APAT	14,390	16,114	(10.7)	18,182	17,905	1.5

Source: Company, HSIE Research

BUY

CMP (as on 29 Jul 2026) INR 1,911

Target Price INR 2,104

NIFTY 24,250

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,952	INR 2,104
EPS	FY27E	FY28E
Change %	-10.7	1.5

KEY STOCK DATA

Bloomberg code	PHNX IN
No. of Shares (mn)	358
MCap (INR bn) / (\$ mn)	683/7,144
6m avg traded value (INR mn)	1,142
52 Week high / low	INR 2,170/1,403

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.7	13.3	26.7
Relative (%)	6.5	19.2	31.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	47.25	47.25
FIs & Local MFs	16.14	17.38
FPIs	32.97	31.73
Public & Others	3.64	3.64
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Godrej Properties

Steady show; launches key monitorable

Godrej Properties Ltd (GPL) reported presales at INR 86.5bn (+22.2%/-14.9 YoY/QoQ, est INR 88bn), with a booking area of 6.2msf (+0.5%/-15.1% YoY/QoQ). GPL added 3 new projects with a GDV of INR 95bn in Q1FY27 (achieving 47% of targeted guidance for FY27). GPL has laid out a presales target of INR 390bn (15% YoY) for FY27, backed by a strong launch pipeline worth over INR 480bn. It has guided for FY27 collections of INR 240bn, alongside a delivery target of 13.5msf and a sharp step-up in OCF to INR 90bn, underpinning a longer-term RoE ambition of 20% by FY28. Management highlighted that AI-driven demand concerns may be overdone, citing GCC strength, and attributed NCR's dip entirely to launch slippages, expressing confidence in a recovery to above INR 100bn in FY27; pricing was characterized as rational across markets. The key near-term catalysts are a strong launch pipeline including flagship projects in Bandra (Mumbai) and Golf Course Extension Road (NCR), expected in Q2/Q3FY27. The more significant medium-term driver is an expected INR 400bn of booking value reaching P&L recognition by FY28, roughly 2.5x with GPL's economic interest in these projects rising to 85-90%, underpinning management's target of 20% RoE in FY28. Cumulatively over FY27-28, GPL expects to deliver INR 520-550bn in collections and INR 200-220bn in OCF, enabling free cash flow positivity by FY28, with net debt to be kept below INR 100bn as a cap. Given robust presales outperformance, new launches and stable underlying demand, we believe that GPL has all triggers in place for rerating. We maintain BUY with an increased TP of INR 2,258/sh (building in NAV growth premium of 25% as accelerating monetisation, rising FCF visibility, and a clear path to 20% RoE by FY28 warrant a structural rerating).

- **Q1FY27 financial highlights:** Revenue came in at INR 5.1bn (+16.0%/-85% YoY/QoQ, a miss by 44.5%). EBITDA: INR -2.8bn (vs INR -2.4bn/+5.2bn Q1FY26/Q4FY26) against an estimated EBITDA of INR 967mn. APAT: INR 3.5bn (-39%/-47% YoY/QoQ, a miss of 6%).
- **Strong demand drives presales momentum:** Presales for Q1FY27 stood at INR 86.5bn (+22.2%/-14.9 YoY/QoQ, est INR 88bn), with a booking area of 6.2msf (+0.5%/-15.1% YoY/QoQ). This was driven by strong demand in some key new project launches largely led by Godrej Vantara at Bengaluru (INR 32bn), followed by MMR and NCR launch. For FY27, GPL has guided a target of c.15% presales growth on the back of robust launches planned would be the key near-term catalysts including flagship projects in Bandra (Mumbai) and Golf Course Extension Road (Gurugram), expected in Q2/Q3FY27.
- **Strong collection/OCF shall help stabilize debt:** GPL net debt increased to INR 76.3bn (vs INR 64.1bn QoQ) and net D/E to 0.39x vs 0.33x QoQ. In Q1FY27, GPL added three new projects with a saleable area of 8msf and a GDV of INR 95bn (47% of INR 200bn targeted for FY27).

Consolidated financial summary (INR mn)

YE March	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	5,062	4,346	16	34,581	(85)	49,228	51,314	64,143	88,517
EBITDA	(2,850)	(2,433)	17	5,222	(155)	444	-4,166	3,145	11,504
APAT	3,492	5,701	(39)	6,604	(47)	13,798	18,407	20,144	25,388
Diluted EPS (Rs)	11.6	18.9	(38.7)	21.9	-47	45.8	61.1	66.9	84.3
P/E (x)						36.7	27.5	25.1	19.9
EV / EBITDA (x)						1,217.0	(129.5)	158.0	39.8
RoE (%)						9.9	9.8	8.2	7.4

Source: Company, HSIE Research

BUY

CMP (as on 04 Aug 2026)	INR 2,034
Target Price	INR 2,258
NIFTY	24,615

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,194	INR 2,258
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	GPL IN
No. of Shares (mn)	301
MCap (INR bn) / (\$ mn)	613/6,422
6m avg traded value (INR mn)	2,040
52 Week high / low	INR 2,352/1,434

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.0	18.8	(3.1)
Relative (%)	5.5	25.2	0.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.66	51.66
FIs & Local MFs	8.19	9.03
FPIs	26.17	25.32
Public & Others	13.98	14.02
Pledged Shares	-	-

Source: BSE

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Brigade Enterprises

Muted performance; launches key for rerating

Brigade Enterprises's (BEL) sales volume was 0.74msf (-22.1%/-62.1% YoY/QoQ), valued at INR 10.6bn (-5.1%/-57.9% YoY/QoQ) with average realization of INR 14,338psf (+21.8%/+10.9% YoY/QoQ). BEL's FY27 presales guidance centres on launch pipeline over the next four quarters at 16.4msf, 12.4msf residential (9.36msf within FY27 with INR 100bn GDV, 3msf spilling into Q1FY28) plus 4msf commercial with an estimated residential GDV of INR 134bn. Key launches are planned across Bengaluru, Hyderabad, Chennai and Mysore, alongside hospitality expansion of ~1,700 keys. Presales are targeted at a 20% growth over FY26 at INR 90bn. On the business development side, the company added INR 24bn of GDV across 2.7msf of residential projects in Q1FY27, primarily in Hyderabad, reflecting sustained business development momentum despite the quarter's muted launch activity. The commercial pipeline stands at ~10msf of land already secured, slated for launch across FY27-28, backed by INR 60bn of capex over four years (~INR 12-17bn p.a). To support expansion, including a Hyderabad office/mall and a hotel portfolio targeting 1,700 keys, capex is projected at INR 8bn for FY27 resp. Moreover, the recognition of premium projects is anticipated to help maintain residential EBIDTA margin at 20%+. We reiterate BUY, with TP of INR 940/sh to account for (1) inclusion of new projects in Hyderabad, Bengaluru, and Chennai, (2) expansion in the office/hospitality segment, and (3) presales sales growth of 20%. BEL needs to look for newer markets to drive growth as geographic and premium mix changes have reduced sales velocity.

- **Q1FY27 financial highlights:** Revenue came in at INR 11.2bn (-12.9%/-23.5% YoY/QoQ, a miss by 20.8%); revenue from real estate at INR 7.1bn (-31.1%/-21.2% YoY/QoQ), hospitality at INR 3.2bn (+105.1%/+133.1% YoY/QoQ) and leasing at INR 1.4bn (-57.1%/-52.1%YoY/QoQ). EBITDA: INR 3.6bn (+11.7%/-0.9% YoY/QoQ, a beat by 4.5%). EBITDA margin: 32.4% (+714bps/+738bps YoY/QoQ). RPAT/APAT: 1.6bn (+12.3%/+18.9% YoY/QoQ, beat by 16.2%).
- **FY27 launches shall boost presales momentum:** For Q1FY27, sales volume was 0.74msf (-22.1%/-62.1% YoY/QoQ), valued at INR 10.6bn (-5.1%/-57.9% YoY/QoQ) with average realization of INR 14,338psf (+21.8%/+10.9% YoY/QoQ). Presales was largely on the back sustenance sales, absence of launches in the quarter, partly due to the exclusion of Brigade Morgan Heights following revocation of its environmental clearance. Further, BEL has maintained presales growth guidance of 20% with INR 90bn.
- **Balance sheet comfortable:** The consolidated gross/net debt stood at INR 53.1/22.0bn (INR 52.1/25.0bn as of Mar-26). The net debt/equity stood at 0.26x (vs. 0.27x as of Mar-26). The total collection was INR 18.6bn (-6.5% QoQ). Capex commitments total INR 48bn. Management flagged macro risks from the Middle East conflict plus broader AI-related uncertainty, while reiterating that core growth drivers remain intact.

Consolidated Financial Summary (INR mn)

YE Mar (INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	11,156	12,811	(12.9)	14,576	(23.5)	50,742	56,972	62,387	69,732
EBITDA	3,614	3,237	11.7	3,647	(0.9)	14,142	14,273	17,499	20,355
APAT	1,683	1,499	12.3	1,415	18.9	6,858	6,444	8,439	10,658
EPS (INR)	6.9	6.1	12.3	5.8	18.9	28.1	26.4	34.5	43.6
P/E (x)						27	28	22	17
EV/EBITDA (x)						14	14	11	9
RoE (%)						14.8	10.9	12.9	14.4

Source: Company, HSIE Research

BUY

CMP (as on 14 Aug 2026)	INR 592
Target Price	INR 940
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 940	INR 940
	FY27E	FY28E
EPS Change %	-	-

KEY STOCK DATA

Bloomberg code	BRGD IN
No. of Shares (mn)	326
MCap (INR bn) / (\$ mn)	193/2,022
6m avg traded value (INR mn)	528
52 Week high / low	INR 802/451

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	12.6	3.4	(15.9)
Relative (%)	9.1	9.0	(12.7)

SHAREHOLDING PATTERN (%)

	Mar26	Jun-26
Promoters	41.11	41.10
FIs & Local MFs	24.74	25.46
FPIs	16.75	15.63
Public & Others	17.40	17.80
Pledged Shares*	-	-

Source: BSE

*Pledged shares as % of total shares

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Sobha

Robust show

Sobha Ltd (SDL) reported a strong quarterly presales growth in Q1FY27 at INR 36.5bn (+75.9%/+79.3% YoY/QoQ). For FY27, SDL has guided a presales of INR 105bn (30% YoY growth, HSIE estimate INR 111.5bn), with the possibility of outperforming if launches are executed on schedule. SDL plans to launch nine projects aggregating ~8.2 msf in the remaining nine months of FY2027 across Bengaluru, NCR, Hyderabad, and Kerala, with a combined GDV of ~INR 120bn. On margins, management expects a significant sequential improvement in H2FY27, with EBITDA margins projected to recover from the current ~6.1% to 17–20% by Q4FY27 as share of high-margin projects reach completion and handover. Collections softened this quarter due to sales timing and labor-related billing delays, while a 60% wage hike in Karnataka poses cost pressure though management views it as absorbable within current budgets. SDL deployed INR 3.7bn in land acquisitions during Q1FY27, targeting Mumbai and Greater Noida, with full-year guidance set at INR 15-16bn. A 0.6msf commercial project in Gurgaon is being evaluated for a shift from sale to rental model to secure steady recurring income. SDL is well-positioned to continue its growth trajectory, leveraging its brand equity to dominate the premium, end-user segment. Given the robust launch pipeline, strong balance sheet, and stable cash flows, we maintain BUY with a TP of INR 1,930/sh.

- **Q1FY27 financial highlights:** Revenue INR 12.8bn (+50.2%/-35.7% YoY/QoQ, a 1% miss). EBITDA came in at INR 0.7bn (+2x/-48.9% YoY/QoQ, miss by 33%). EBITDA margin came in at 6.1% (+328/-157 bps YoY/QoQ, vs. estimate of 9.04%). RPAT/APAT was INR 508mn (+2x/-44% YoY/QoQ, a miss by 15%).
- **Presales guidance looks achievable with robust launch pipeline ahead:** SDL reported a strong quarter with presale in value and volume at INR 36.5bn (+75.9%/+79.3% YoY/QoQ) and 2.3msf (+61.7%/+74.9% YoY/QoQ) resp. The average price realization was INR 15,655/sf (+8.8%/+2.5%, YoY/QoQ). SDL targets 30% presales growth in FY27 (to INR 105bn), backed by a pipeline of 20.7msf. across 17 projects, with nine launches (8.2msf.) planned in Bengaluru, NCR, Hyderabad, and Kerala. Completion volumes are also set to rise 20% YoY to 6-6.5 msf for FY27. We estimate Q2FY27/Q3FY27/Q4FY27 presales at INR 20/30/25bn. FY27 presales is estimated to be INR 111.5bn (+37% YoY).
- **Balance sheet strong; net cash position post rights:** Post rights issue, SDL has a net cash position of INR 6.5bn (INR 8bn in Q4FY26). At INR 11.1bn, gross debt marginally increased vs INR 10bn QoQ. The operating cash flow from completed and ongoing projects is expected at INR 126.4bn while that from forthcoming projects is at INR 68bn.

Consolidated financial summary (INR mn)

(INR mn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	12,782	8,519	50.0	19,878	(35.7)	40,386	51,905	64,012	76,146
EBITDA	777	238	226.3	1,522	(48.9)	2,942	3,104	9,950	16,119
APAT	508	136	273.4	919	(44.7)	947	1,934	6,740	11,505
Diluted EPS	4.8	1.3	273.4	8.6	(44.7)	8.9	18.1	63.1	107.6
P/E (x)						166.1	81.3	23.3	13.7
EV/EBITDA (x)						51.1	48.8	14.6	8.3
RoE (%)						2.7	4.2	13.3	19.5

Source: Company, HSIE Research

BUY

CMP (as on 21 Jul 2026)	INR 1,456
Target Price	INR 1,930
NIFTY	24,188

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,930	INR 1,930
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	SOBHA IN
No. of Shares (mn)	107
MCap (INR bn) / (\$ mn)	156/1,618
6m avg traded value (INR mn)	238
52 Week high / low	INR 1,733/1,130

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.3	7.7	(14.2)
Relative (%)	8.6	13.2	(8.5)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	52.88	52.88
FIs & Local MFs	26.10	25.99
FPIs	6.23	6.12
Public & Others	14.78	15.00
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Aditya Birla Real Estate

Launches and BD key monitorables

Aditya Birla Real Estate's (ABREL) reported presales for Q1FY27 stood at INR 3.29bn (-22.1%/-92.3% YoY/QoQ), with a booking area of 0.4msf (+33.3%/-86.7% YoY/QoQ). The company has a launch pipeline with an estimated GDV of INR 96bn across 3.3msf of saleable area, comprising six projects: Birla Niyaraa Tower C, Birla Taranya phase 2 Khar redevelopment, Birla Navya golf course extension, Birla Punya, and Birla Evam. On BD, ABREL has identified building the BD pipeline as the primary strategic focus for FY27, with INR 600bn (50% of which shall be in MMR) under active discussion, of which ABREL has guided BD of INR 100-150bn in GDV for FY27. Of this, it recently signed a redevelopment project with a GDV of INR 26bn in Vashi (1msf saleable area). The long-term presales target of INR 150bn has been guided for FY29 (pushed back from FY28), with management acknowledging that timing of BD closures and launch readiness will be the key variables. Growth will be led through capital-efficient SPV-level partnerships with Mitsubishi Estate and IFC. Key risks include potential regulatory delays on Niyaraa Tower C (possible Q3FY27), input cost inflation, and softness in affordable/mid-income housing though the luxury and premium segments remain a strong demand buffer. The full divestment from pulp & paper further sharpens capital allocation toward real estate, giving the balance sheet added flexibility to fund this pipeline. We reiterate BUY on ABREL with a TP of INR 1,910/sh, premised on GDV addition, robust launch pipeline, strong balance sheet, and stable cash flows.

- **Q1FY27 financial highlights:** Revenue came in at INR 1.8bn (+30.4%/+129.3 YoY/QoQ, a beat by 27.8%). EBITDA: INR -561mn (vs INR -413mn/-1.6bn Q1FY27/Q4FY26) against an estimated EBITDA of INR -538mn. Adj loss: INR 346mn (INR -271mn/+72mn Q1FY27/Q4FY26 against estimated loss of INR234mn).
- **Presales driven by sustenance:** Net/gross presales for Q1FY27 stood at INR 3.3bn (-22.1%/-92.3% YoY/QoQ)/7bn+, with a booking area of 0.4msf (+33.3%/-86.7% YoY/QoQ). This was largely driven by sustenance sales. Whilst gross sales were higher, cancellations in Niyaraa and Arika resulted in net sales of INR 3.3bn. ABREL has largely rebooked these at higher realization in Q2FY27.
- **BD closure key monitorable:** ABREL net debt increased to INR 34bn (vs INR 32.0bn QoQ) and net D/E to 0.34x vs 0.33x QoQ. ABREL has a plan to add multiple projects with a GDV of INR 100-150bn in FY27, of which it recently signed a redevelopment project with GDV of INR 26bn in Vashi. With closure of pulp and paper sale to ITC on 1 Aug 2026, ABREL has achieved near-net-zero status.

Consolidated financial summary (INR mn)

YE March	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	1,881	1,442	30.4	820	129.3	12,189	4,072	8,747	39,991
EBITDA	(561)	(413)	36.0	(1,607)	(65.7)	296	-3,592	-2,043	9,901
APAT	(346)	(271)	27.7	72	(577.8)	-1,574	-1,148	-1,700	6,466
Diluted EPS (Rs)	(3.1)	(2.4)	27.7	0.6	(577.8)	-14.1	-10.3	-15.2	57.9
P/E (x)						44.2	52.3	43.3	35.3
EV / EBITDA (x)						91.3	89.3	57.4	43.3
RoE (%)						10.7	8.4	9.5	10.9

Source: Company, HSIE Research

BUY

CMP (as on 14 Aug 2026)	INR 1,400
Target Price	INR 1,910
NIFTY	24,366

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,910	INR 1,910
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	ABREL IN
No. of Shares (mn)	112
MCap (INR bn) / (\$ mn)	156/1,638
6m avg traded value (INR mn)	356
52 Week high / low	INR 1,975/1,080

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.1	1.0	(21.1)
Relative (%)	3.7	6.5	(17.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	50.21	50.21
FIs & Local MFs	16.40	16.63
FPIs	9.04	9.26
Public & Others	24.34	23.14
Pledged Shares	-	-

Source: BSE

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Mahindra Lifespaces

Strong show; all set for a strong FY27

Mahindra Lifespaces Developers Ltd (MLDL) reported revenue/EBITDA/APAT at INR 9.6bn/945mn/855mn (26% PBT margins in residential). Looking ahead, MLDL has charted an ambitious growth path, targeting a substantial increase in annual presales to INR 80-100bn range by FY30, underpinned by a robust project pipeline totaling a GDV of INR 500bn. This pipeline has been strengthened with the recent acquisition of a new land parcel, K2, in Kandivali, which alone adds a GDV of INR 56bn (FY27 guidance at INR100-200bn). This vision will be propelled by a series of five major project launches slated for FY27 across the company's core markets of Mumbai, Pune, and Bengaluru cumulating to INR 100bn. MLDL's strategic focus remains firmly on these established regions, with no immediate plans to re-enter the NCR. While acknowledging short-term demand fluctuations due to geopolitical and election cycles, MLDL has already observed a demand recovery in May-June, reinforcing its confidence in the long-term market fundamentals. FY27 is positioned as a potential inflection year, with presales guidance of INR 45-50bn (our estimate INR 50-55bn), ~INR 100bn of new launches and OC-driven PAT growth. Though MLDL flagged geopolitical uncertainty and softer gallery footfalls as near-term demand risks. The strategy is clear; a disciplined focus on core markets (MMR, Pune, and Bengaluru), fast project turnaround times, and stringent financial hurdles (20%+ IRR). MLDL for the first time has initiated asset buildout with annuity rental income targeted at INR 1,500-2,000mn within 4-5 years (2msf Thane, Bhandup, and Pune). Additionally, the IC&IC business is expected to generate INR 15bn PAT over the next 10 years, INR 1.5bn/annum, offering an additional lever for long-term profitability and cash flows. Given the strong cash flows, robust launches, and stable balance sheet, we remain constructive with a BUY on MLDL and a TP of INR 612/sh.

- **Q1FY27 financial highlights:** Revenue: INR 9.6bn (+29x/+43% YoY/QoQ, a beat by 8x). EBITDA came in at INR 945mn (INR -550/-439mn in Q1FY26/Q4FY26, INR -527mn estimate). Profit from JV/associates came in at INR 86mn (-84%/-89% YoY/QoQ). APAT stood at INR 855mn (+3x/-5.1% YoY/QoQ a beat by 6x).
- **Strong presales and execution led to achieve record-high Q1 performance:** MLDL recorded presales of INR 9.2bn (+106.2%/-43.4% YoY/QoQ) and volume stood at 0.6msf (+3.4%/-49% YoY/QoQ). Within IC&IC, the company leased 2acres for INR 41mn, reflecting a measured performance against the INR 1.2bn recorded in the prior year; however, MLDL anticipates increased activity in Q2, supported by an expanded partnership with Sumitomo.
- **Well-poised for growth with INR 100bn of new launches:** MLDL has several levers to growth as 1) several projects are now in the final stages of design and approvals, primed for launch in FY27; 2) it has increasing focus on mid-premium and premium segments, where its brand and execution capabilities offer differentiation and demand remains strong.

Consolidated financial summary (INR mn)

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	9,621	320	2,909.5	6,696	43.7	3,723	11,783	12,321	13,583
EBITDA	945	(550)	271.7	(439)	315.3	(1,699)	(1,216)	1,106	1,860
APAT	855	189	353.7	901	(5.1)	613	2,982	3,404	4,257
Diluted EPS(INR)	4.0	0.9	353.7	4.2	(5.1)	2.9	14.0	16.0	20.0
P/E (x)						136	24	21	17
EV / EBITDA(x)						(56)	(61)	67	38
RoE (%)						3.3	8.3	9.0	10.2

Source: Company, HSIE Research

BUY

CMP (as on 27 Jul 2026)	INR 380
Target Price	INR 612
NIFTY	23,996

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 612	INR 612
	FY27E	FY28E
EPS change %	-	-

KEY STOCK DATA

Bloomberg code	MAHLIFE IN
No. of Shares (mn)	213
MCap (INR bn) / (\$ mn)	81/846
6m avg traded value (INR mn)	91
52 Week high / low	INR 428/287

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	16.2	13.5	2.8
Relative (%)	16.8	19.7	8.5

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	52.41	52.41
FIs & Local MFs	22.86	22.77
FPIs	7.64	7.38
Public & Others	17.08	17.44
Pledged Shares	-	-

Source: BSE

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Kolte Patil Developers

Strong show; delivers on execution along with BD

KPDL reported presales of 0.65msf (-22.2%/-11.7% YoY/QoQ), valued at INR 6.2bn (+0.2%/-13.6% YoY/QoQ), largely backed by sustenance sales with an average realization of INR 9,442psf. (+28.7%/-2.1% YoY/QoQ). Notably, the MMR market contributed around 30% to overall sales value. After a prolonged lull in fresh BD activity, KPDL has finally broken its silence with a landmark move signing six society redevelopment projects across MMR with a combined GDV of ~INR 60bn, its largest-ever annual BD addition in MMR. Spread across prime micro-markets including Santacruz West, Andheri West (Lokhandwala), Oshiwara, Versova, Ghatkopar East and Vashi, this single announcement effectively matches the scale of the company's entire prior MMR pipeline built over a decade. Blackstone aims at accelerating expansion amidst sector consolidation. KPDL's growth strategy is firmly supported by expanding and strategic land bank, now totalling a significant portfolio of ~37msf. The strategic partnership with Blackstone is expected to bolster financial flexibility and growth acceleration. KPDL aims to benefit from sector consolidation, infrastructure push, and urbanization in tier 2/3 cities, while maintaining a focus on capital efficiency and timely execution to drive long-term value. Overall, proactive management and expansion positions the firm for sustained growth. With strong cash flows, KPDL is a net cash positive company and liquidity is comfortable. We believe this signing paves the way for accelerated BD activity, going forward, as Kolte-Patil capitalizes on its Blackstone partnership to chase larger opportunities in MMR. We maintain BUY with a revised TP of INR 524/share, factoring in better-than-expected execution and the ramp-up in new BD.

- **Q1FY27 financial performance:** KPDL reported revenue of INR 9.1bn (+10x /+2x YoY/QoQ, beat by 6x), led by 1.27msf completion across Pune and Mumbai. EBITDA came in at INR 1.8bn vs INR -260mn/-60mn Q1FY26/Q4FY26 and vs INR -193mn estimate. APAT was INR 1.5bn (INR -168mn/INR -158mn Q1FY26/Q4FY26) vs. estimate of INR -108mn PAT. EBITDA margin finally clocked at 20.6% due to strong deliveries from higher margins Life Republic projects.
- **Execution back on track, BD signing delivers scale:** KPDL reported quarterly presales of 0.65msf (-22.2%/-11.7% YoY/QoQ), valued at INR 6.2bn (+0.2%/-13.6% YoY/QoQ), largely backed by two project launches, with an average realization of INR 9,442psf. (+28.7%/-2.1% YoY/QoQ). Collections stood at INR 7.1bn, making a +30.0%/-14.5% YoY/QoQ. KPDL is targeting 6-7msf of project launches across key markets in Pune (NIBM, Wadgaon, and Lakshmiratan) and Mumbai. Moreover, after a prolonged lull in fresh BD activity, KPDL has finally broken its silence with a landmark move signing six society redevelopment projects across MMR with a combined GDV of ~INR 60bn.
- **Strong balance sheet position:** Net cash stood at INR 4.1bn (INR 5.0bn net cash in Q4FY26). In Q1FY27, KPDL generated a net OCF of INR 2.1bn.

Consolidated financial summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	9,195	824	1,016.5	2,486	269.9	17,174	7,350	21,677	24,928
EBITDA	1,895	(260)	NA	(60)	NA	1,759	(611)	2,672	3,788
APAT	1,463	(168)	NA	(158)	NA	1,066	(381)	1,727	2,614
EPS (INR)	19.2	(2.2)	NA	(2.1)	NA	14.1	(5)	22.8	34.5
P/E (x)						32.9	(92)	20.3	13.4
EV/EBITDA (x)						23.8	(60)	16.3	11.5
RoE (%)						14.1	(5)	18.6	23.0

Source: Company, HSIE Research

BUY

CMP (as on 10 Aug 2026)	INR 462
Target Price	INR 524
NIFTY	24,584

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 426	INR 524
EPS Change %	FY27E	FY28E
	-	-

KEY STOCK DATA

Bloomberg code	KPDL IN
No. of Shares (mn)	89
MCap (INR bn) / (\$ mn)	41/430
6m avg traded value (INR mn)	59
52 Week high / low	INR 484/292

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	20.3	26.1	12.9
Relative (%)	19.4	32.2	15.5

SHAREHOLDING PATTERN (%)

	Mar26	Jun-26
Promoters	73.81	73.81
FIs & Local MFs	9.96	10.61
FPIs	3.38	3.30
Public & Others	12.82	12.28
Pledged Shares	0.0	0.0

Source: BSE

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Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: > 10% Downside return potential

Disclosure:

We, **Varun Lohchab, PGDM, Amit Kumar, CFA & Aryan Singh Dalal, BCom (H)** authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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