INSTITUTIONAL RESEARCH

Quarterly Tracker
Q1FY27

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Healthy growth despite geopolitical unrest; margins under pressure

- **Lending financials** (Strong) *(Revenue/PAT growth (YoY): 15%/16% and (QoQ): 4%/1%)*
  - Strong credit growth reported by banks as system grew at ~17%, while competition for deposits led to subdued deposit growth. Reported NIM were divergent across banks due to product mix and CASA proportion in liability pool. Lower opex and provisioning supported profitability as credit quality continued to be benign. Loan growth was led by secured retail, gold loan, higher rated corporate and a recovery in MFI segment. As an ongoing trend, book growth through secured credit is leading to improving asset quality and lower credit costs.
  - Robust disbursements and AUM growth for NBFCs with growth reported by most of the subsegments led by gold loans and vehicle financiers. Improving asset quality trend was seen across segments including MFI and unsecured credit. Margin trends were mixed as HFCs reported margin contraction, MFI witnessed expansion and vehicle financiers saw pressure on spreads.

- **Nonlending financials** (Mixed) **(Revenue/PAT growth (YoY): 15%/5% and (QoQ): -15%/-22%)**
  - Cash ADTO rose sequentially for brokers but F&O remained muted. MTF book continued to expand. AMC industry was supported by a sustained strong SIP flows, yield also improved marginally. Health insurers grew strongly at ~20% while motor segment was softer at low double digit growth. Life insurers reported mixed trends of APE and VNB growth.

- **Consumer staples** (Weak) **(Revenue/PAT growth (YoY): 5%/-3% and (QoQ):6%/-10%)**
  - Steady consumption trend as calibrated mid single digit price hike with modest volume growth led to low double digit revenue growth for most companies. RM inflation was countered by cost optimization, price increase, premiumization and product mix change to deliver healthy margins. Food segment performed better than BPC. Weak quarter for cigarettes.

- **Consumer discretionary** (Strong) **Revenue/PAT growth (YoY): 38%/60% and (QoQ): 1%/12%)**
  - Healthy quarter for paint segment, as despite price hikes taken to counter RM inflation, volume and hence revenue grew strongly due to healthy demand. Operating leverage supported margins. Resilient performance by jewelry led by rising gold prices and wedding days as demand remained strong despite custom duty changes. Old gold exchange program drove growth.
  - QSR segment continued its recovery in SSSG as they focused on value segment products and faster delivery for growt3h. Burger and chicken categories performed well while pizza remained soft. For Alcobev, strong P&A momentum continues as premiumization trend was capitalized by companies. Apparel players reported moderation in SSSG but healthy revenue growth.

- **Technology** (Mixed) **(Revenue/PAT growth (YoY): 14%/14% and (QoQ):3%/0%)**
  - Subdued median revenue growth of IT services companies (~1%QoQ CC). Tier-2 players outperformed tier-1 players vis-à-vis growth and gains market shares in comparable deals. Gradual decline observed in deal sizes and duration thereby increasing competition. Revenue was led by AI related deals and vendor consolidation while discretionary spends remained muted.
  - Healthy deal bookings and stable outlook indicated improving demand environment however decision making cycle remained elongated. Higher utilisation, increased offshoring , cost optimisation initiatives and currency tailwinds supported profitability.

- ***Real Estate*** (Mixed) ***(Revenue/PAT growth (YoY): 23%/30% and (QoQ):-24%/-10%)***
  - Weak presales due to absence of significant launches, however sustenance sales remained healthy during the quarter. Cash flows and collections remained strong. FY27 is estimated to have a robust launch pipeline which will continue the growth momentum for most of the real estate players.

Healthy growth despite geopolitical unrest; margins under pressure

- **Industrials and Infrastructure** (Weak) *(Revenue/PAT growth (YoY): 7%/4% and (QoQ): -15%/-22%)*
  - NHAI project awarding remained very weak which coupled with delay in appointed dates led to a subdued execution by infrastructure players. Also, margins remained weak due to elevated costs which led to working capital cycle deterioration. For managing the slowdown, infra players continued to diversify away from roads into sub sectors such as water, power, oil & gas etc.
  - For capital goods segment, order flows were healthy led by T&D, data centers, Oil & gas, metal and commercial real estate. Defence ordering was subdued as larger orders such as QRSAM and submarines were delayed. Most of the sector companies faced margin headwinds due to commodity cost volatility, higher freight costs and rising execution expenses.

- **Automobiles** (Mixed) *(Revenue/PAT growth (YoY): 20%/8% and (QoQ): -4%/-20%)*
  - Demand outlook across subsegments was healthy led by GST rationalisation benefits, better affordability, lean channel inventory and strong exports. Performances of 2W, PV and CV segments in H2FY27 are key monitorable due to a high base created by GST rate cuts. Exports outlook remained strong for both PV and 2W. Tractor segment delivered strong revenue growth but partial recovery in rain deficit remains a monitorable. Structural labour shortage due to their migration to capex led industries remains an unresolved concern for farm segment, which has an impact on tractor industry. CV segment volumes were healthy but outlook remained cautious due to geopolitical unrest led freight price increases.
  - Steep cost inflation in commodities such as steel, aluminium, copper and rubber led to margin pressure for most players. 2W OEMs and CV players managed it well through product mix change, cost optimisation and price increases. PVs segment wasn't very agile in passing on the cost inflation to customers and hence profitability was impacted.

- **Chemicals** (Strong) *(Revenue/PAT growth (YoY): 44%/88% and (QoQ): 11%/27%)*
  - strong operating performance delivered by chemical companies led by significant inventory gains as raw material and product prices were volatile due to west Asia conflict. Most players enjoyed favourable inventory dynamics in this quarter. Refrigerant gas players benefitted from strong demand and higher R-32 prices. Chemicals with pharma sector linked demand are gradually recovering however agrochemicals sub-sector remained muted.

- **Cement** (Mixed) *(Revenue/PAT growth (YoY): 9%/-8% and (QoQ):-6%/-34%)*
  - Better than estimated performance by the sector as revenue grew by 9% YoY led by mid single digit volume growth and 1-3% price hike, depending upon geography. Profitability remained under pressure due to rising power/fuel and packaging costs. Input costs are expected to remain elevated in Q2FY27 before easing Q3FY27 onwards. Cement demand remained strong supported by government capex, housing and urban real estate. Most cement players continued their planned capacity additions reflecting their demand optimism and >70% industry capacity utilization.

- **Energy (Oil & Gas)** (Weak) *(Revenue/PAT growth (YoY): 29%/-39% and (QoQ): 17%/-45%)*
  - OMCs benefitted from inventory gains and strong refining margins, which was offset by deep marketing losses and LPG under recoveries. ONGC faced production constraints but realizations were strong. City gas segment reported steady demand and revenue growth but weak profitability due to higher gas costs. Gas utilities delivered a healthy quarter supported by healthy volumes and inventory gains.

- **Pharmaceuticals** (Weak) *(Revenue/PAT growth (YoY): 16%/-1% and (QoQ): 7%/15%)*
  - Pharma sector reported healthy volume growth but subdued profitability in the quarter. While domestic formulation segment grew at a strong pace led by chronic therapies and new launches, it was offset by declining US revenues due to lower gRevlimid contribution and continued price erosion. Diagnostic universe reported strong topline and margins supported by volume led growth. Hospitals sub-segment continued its growth momentum led by steady rise in operational beds and ARPOB increase which resulted in strong top line and PAT growth.

Q1 FY27 Sectoral trends

BFSI, Metals and IT drive YoY earnings growth; Consumer discretionary and chemicals strong but OMCs a key dragger

HSIE Coverage (INR Bn)	Q1 FY24		Q1 FY26		Q4 FY26		Q1 FY27		YoY Growth (Q1 FY26 to Q1 FY27)		QoQ Growth (Q4 FY26 to Q1 FY27)		3yr. CAGR (Q1 FY24 to Q1 FY27)	
	Revenue	PAT	Revenue	PAT	Revenue	PAT	Revenue	PAT	Revenue	PAT	Revenue	PAT	Revenue	PAT
BFSI	**2,292**	**906**	**2,730**	**1,103**	**3,160**	**1,279**	**3,125**	**1,249**	14%	13%	-1%	-2%	11%	11%
Lenders overall	1,842	842	2,121	983	2,329	1,119	2,421	1,123	14%	14%	4%	0%	10%	10%
Large Banks	1,383	644	1,509	755	1,616	822	1,677	810	11%	7%	4%	-2%	7%	8%
Rest of the Banks	168	63	197	53	217	66	228	75	16%	41%	5%	13%	11%	6%
NBFCs	291	135	415	174	496	231	517	239	25%	37%	4%	4%	21%	21%
Insurance	419	48	553	89	743	139	610	84	10%	-5%	-18%	-39%	13%	21%
Capital markets	31	16	57	31	88	21	93	41	64%	33%	5%	94%	44%	38%
Consumers	**5,094**	**439**	**6,266**	**574**	**7,452**	**672**	**7,514**	**641**	20%	12%	1%	-5%	14%	13%
Autos	2,529	157	2,916	205	3,640	276	3,494	220	20%	7%	-4%	-20%	11%	12%
Consumer-staples	571	107	663	116	654	126	695	113	5%	-3%	6%	-10%	7%	2%
Consumer-discretionary	434	18	676	20	929	29	934	33	38%	60%	1%	12%	29%	22%
Home improvement	424	41	571	33	627	42	676	45	19%	34%	8%	6%	17%	3%
Chemicals	110	11	135	13	172	19	190	24	41%	82%	10%	27%	20%	28%
Pharma	650	88	811	126	876	107	940	125	16%	-1%	7%	16%	13%	12%
Telecom	374	16	495	59	554	73	585	82	18%	38%	6%	11%	16%	72%
Industrials	**11,858**	**1,000**	**12,706**	**978**	**14,632**	**1,231**	**15,651**	**873**	23%	-11%	7%	-29%	10%	-4%
Infrastructure	732	36	920	50	1,161	71	962	54	5%	8%	-17%	-24%	10%	14%
Capital Goods	122	11	135	17	170	19	165	16	22%	-7%	-3%	-17%	11%	11%
Defence	102	17	127	29	298	75	152	34	20%	17%	-49%	-55%	14%	25%
Real estate	96	16	131	31	213	45	161	41	22%	30%	-24%	-9%	19%	38%
Power/utilities	845	116	978	137	944	186	1,039	141	6%	3%	10%	-24%	7%	7%
Energy (Oil & gas)	7,171	612	7,498	465	8,280	522	9,698	285	29%	-39%	17%	-45%	11%	-23%
Cement	498	38	558	52	646	73	607	48	9%	-8%	-6%	-34%	7%	8%
Metals	2,293	153	2,358	196	2,920	240	2,866	255	22%	30%	-2%	6%	8%	18%
Information Technology	**1941**	**277**	**2108**	**319**	**2330**	**363**	**2402**	**364**	14%	14%	3%	0%	7%	10%
Total	**21,185**	**2,623**	**23,809**	**2,974**	**27,573**	**3,546**	**28,691**	**3,127**	21%	5%	4%	-12%	11%	6%

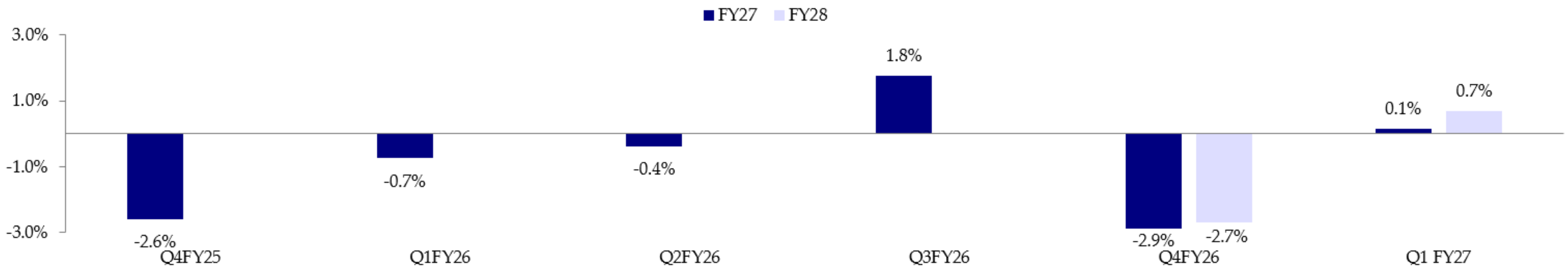
Annual earnings upgrades/downgrades

Except BFSI, Metals, Chemicals, Realty and Home Improvement, all the other sectors experienced earnings downgrades.

Sector	FY27					
	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1 FY27
Autos	-4.3%	-3.7%	1.7%	-2.6%	-8.2%	-1.7%
Banks and NBFCs	-3.5%	0.1%	-1.3%	0.4%	-4.7%	1.6%
Insurance	-6.8%	-2.2%	0.6%	5.8%	3.7%	1.1%
Capital Markets	-3.8%	3.9%	1.1%	4.4%	6.4%	-2.1%
Consumer- Staples	-1.7%	0.4%	0.0%	-7.2%	-1.7%	-2.0%
Consumer Discretionary	-7.7%	-1.4%	-3.3%	-1.0%	2.3%	-2.7%
Infra+ Cap Goods	-2.8%	0.1%	-6.5%	-1.2%	-6.8%	-2.3%
Defence					1.9%	-0.1%
Real Estate	8.6%	0.1%	1.0%	-2.0%	8.8%	0.5%
IT	-4.9%	-1.0%	-0.3%	2.9%	-3.4%	-0.8%
Energy (Oil & Gas)	-2.3%	-1.9%	0.3%	12.8%	2.1%	-1.8%
Cement & Building Materials	-1.3%	3.6%	-1.1%	-4.9%	-18.9%	-5.3%
Home Improvement	-7.0%	-2.1%	-1.9%	-4.7%	-6.0%	1.6%
Power/Utilities	1.4%	-0.6%	-2.8%	-2.5%	-2.9%	-0.2%
Chemicals	-15.4%	0.0%	-5.7%	-3.5%	-32.9%	10.3%
Pharma	-0.7%	-1.5%	-0.3%	-1.5%	-1.6%	-1.4%
Metals	0.2%	0.8%	3.0%	1.4%	-1.4%	6.6%
Telecom	3.9%	1.1%	0.0%	-2.0%	-4.1%	-0.5%

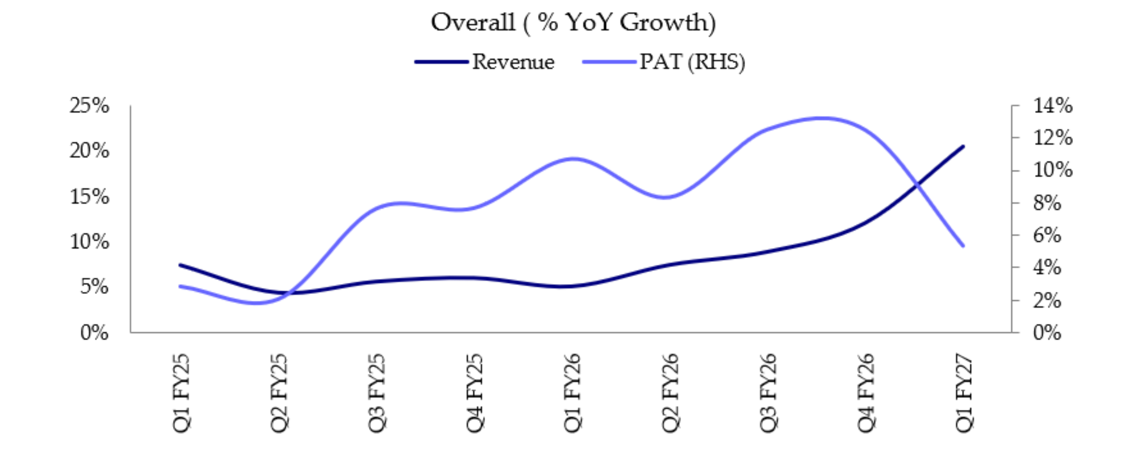
Sector	FY28	
	Q4FY26	Q1 FY27
Autos	-2.0%	-1.8%
Banks and NBFCs	-3.9%	2.0%
Insurance	2.9%	1.4%
Capital Markets	9.0%	-6.4%
Consumer- Staples	-3.0%	0.0%
Consumer Discretionary	3.8%	-1.9%
Infra+ Cap Goods	-5.9%	-2.2%
Defence	1.3%	2.9%
Real Estate	12.6%	0.7%
IT	-5.2%	-2.9%
Energy (Oil & Gas)	-3.8%	1.8%
Cement & Building Materials	-7.5%	-1.4%
Home Improvement	-4.0%	0.1%
Power/Utilities	0.7%	-0.5%
Chemicals	-30.4%	0.8%
Pharma	0.7%	2.1%
Metals	-0.7%	3.7%
Telecom	-0.9%	2.1%

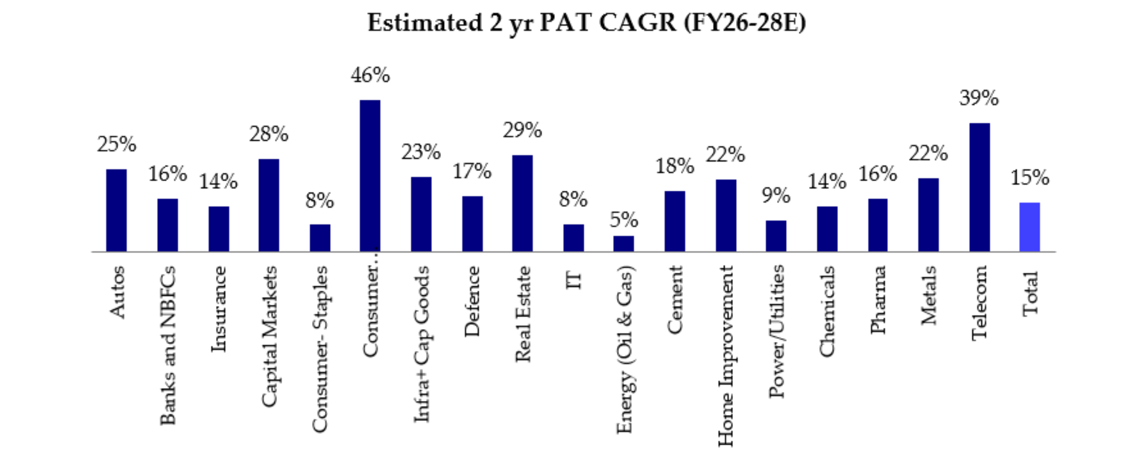
Change in HSIE Coverage Universe PAT Estimates

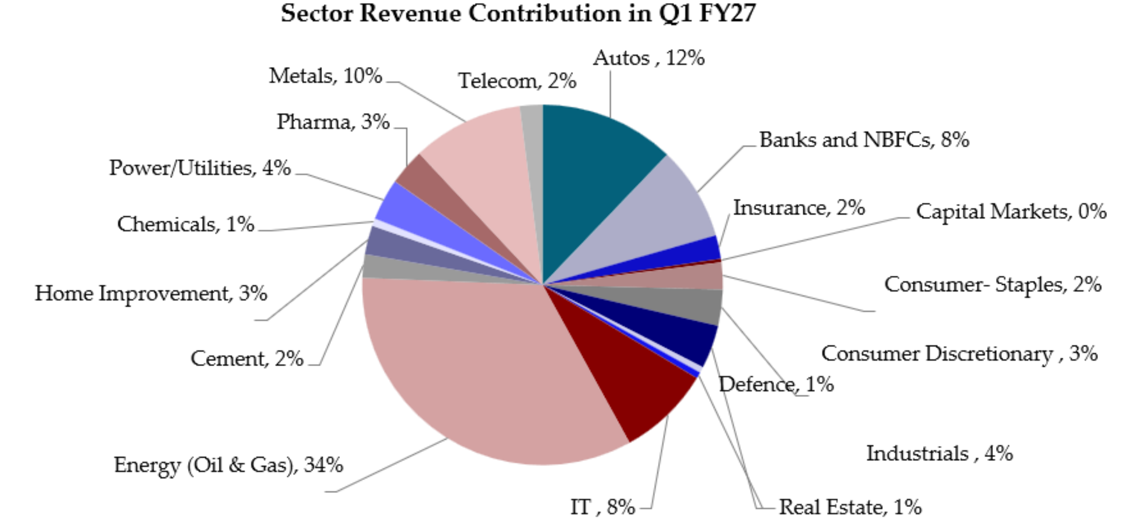


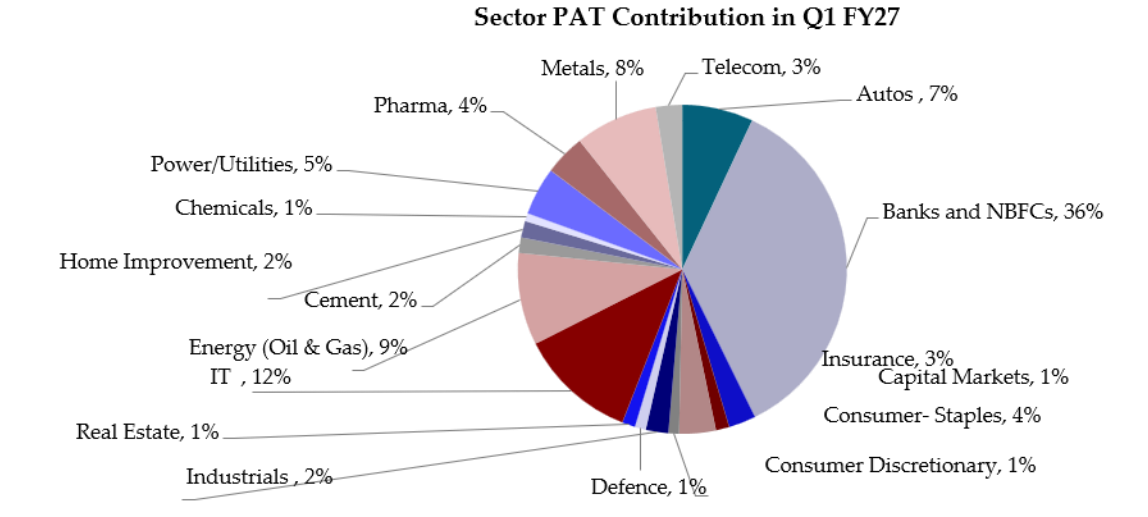
Overall sectoral snapshot

Aggregate profitability moderated led by OMCs despite a surge in revenue; BFSI, IT, energy and metals account for 69% of total earnings in Q1FY27



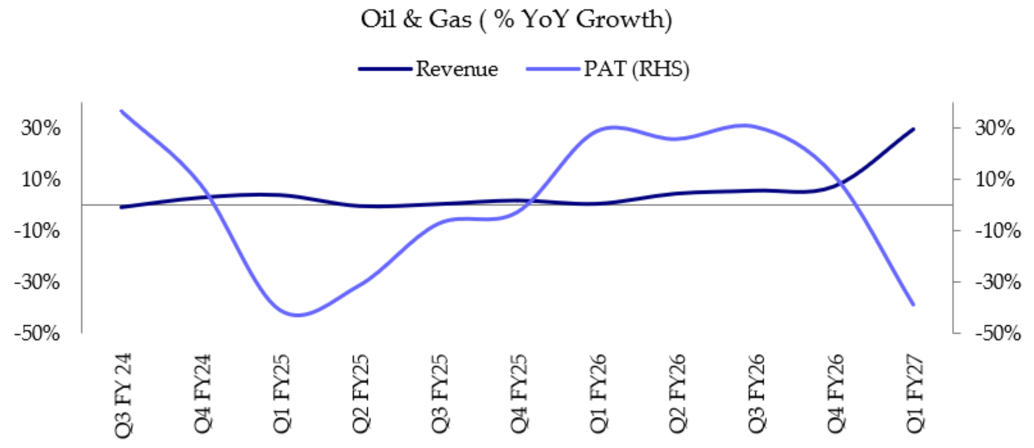


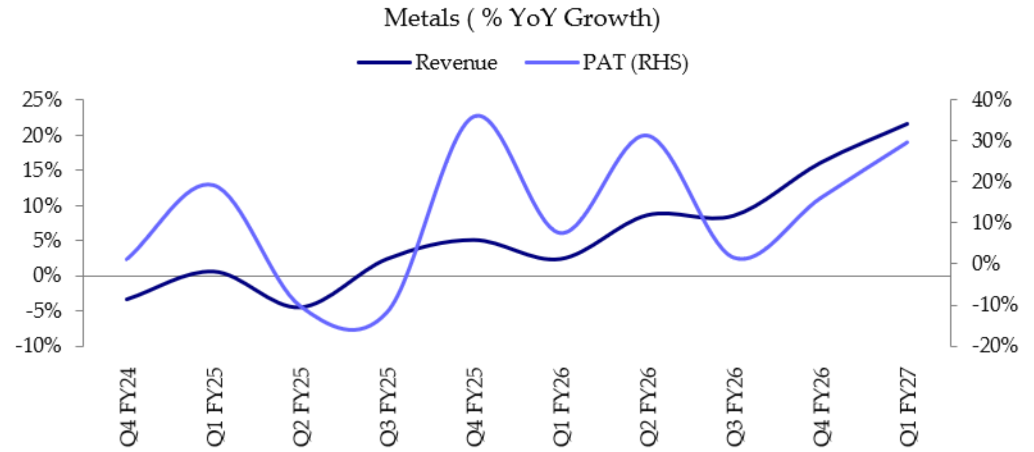


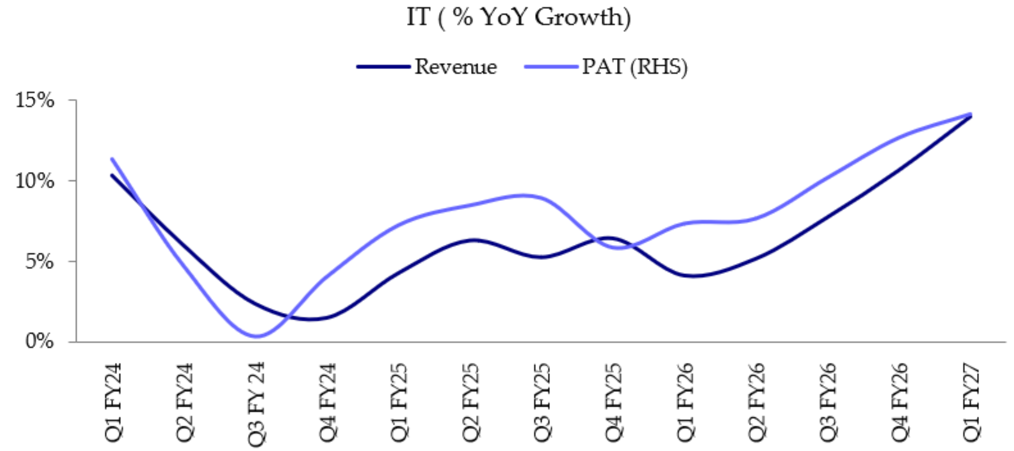


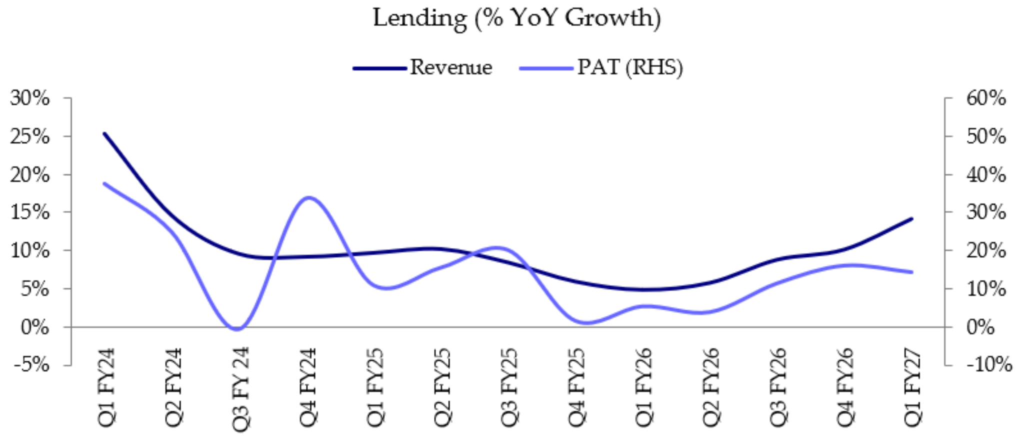
Heavy weight sectors

Earnings growth of metals accelerates while Oil & Gas witnessed a sharp decline; Growth of lenders moderated to mid teens while IT rises further





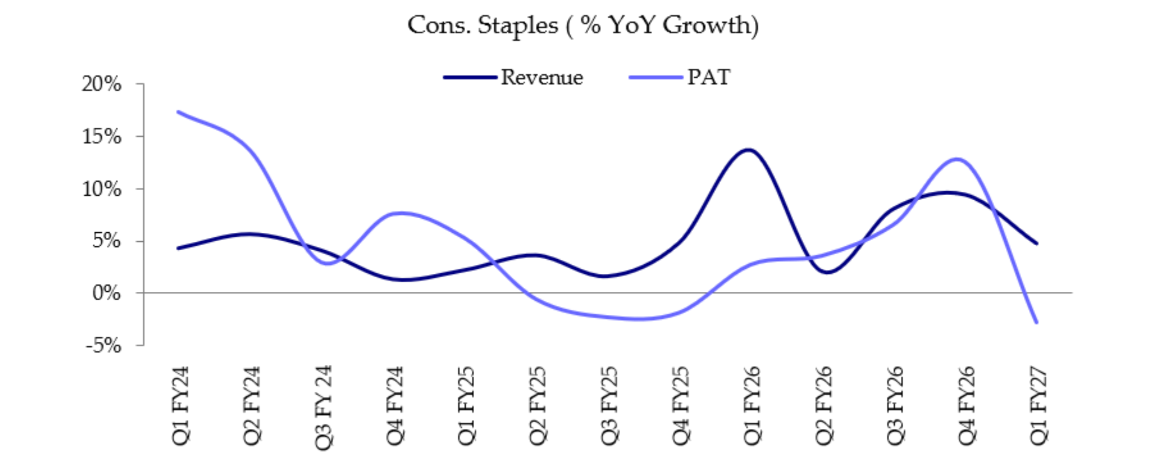


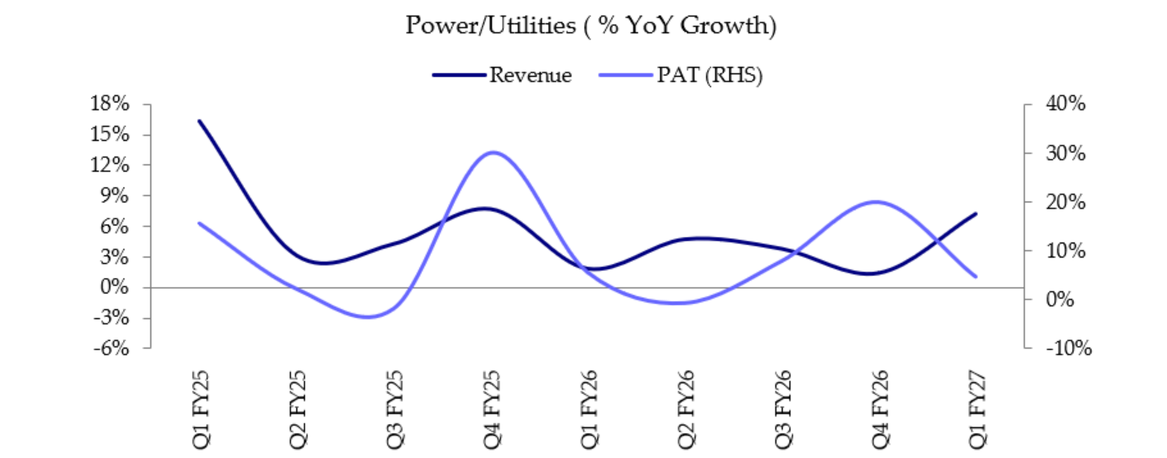


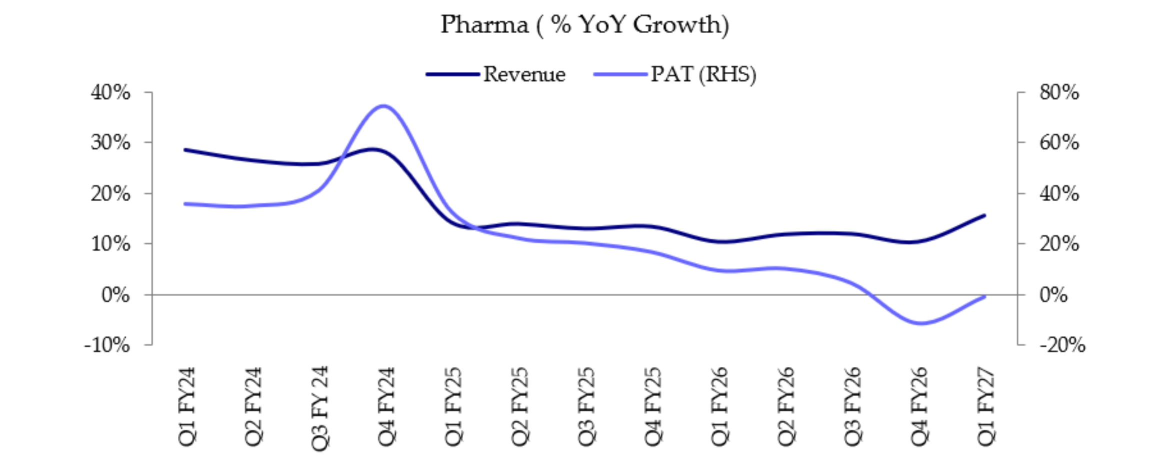
Revenue and PAT CAGR for all sectors are for two years (Q3FY22 to Q3FY24)

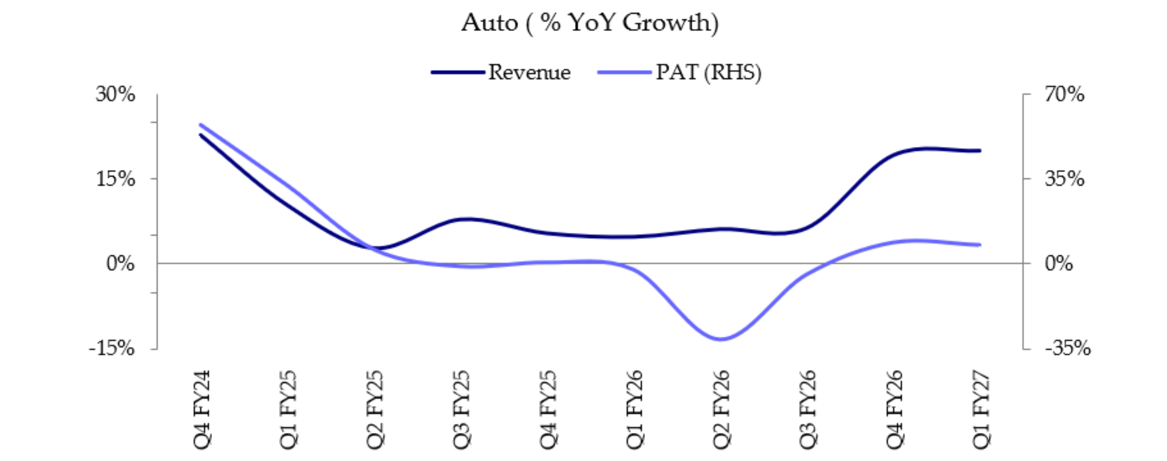
Steady growth sectors

Staples earnings growth plunged while decline in pharma softens; Growth of power sector softens to mid single digit levels while auto moderates



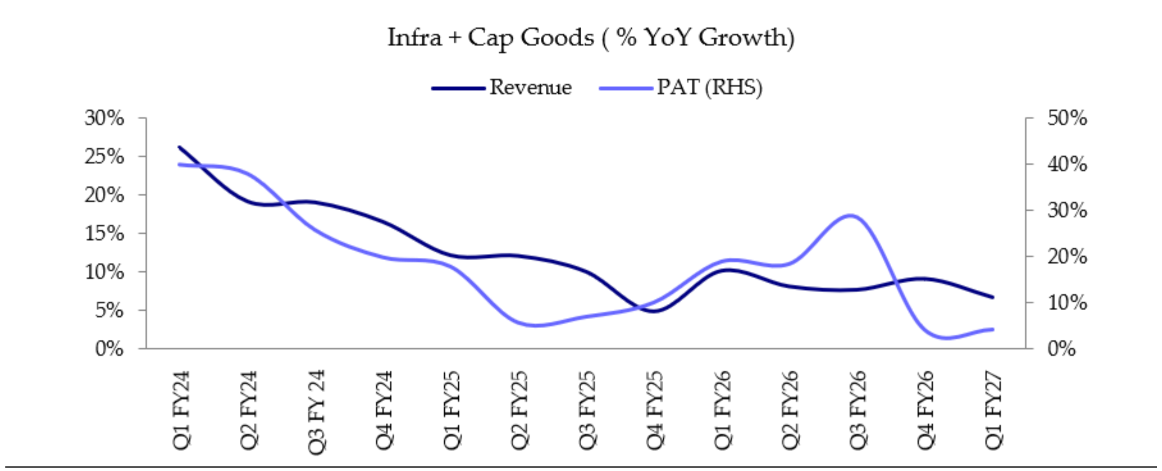


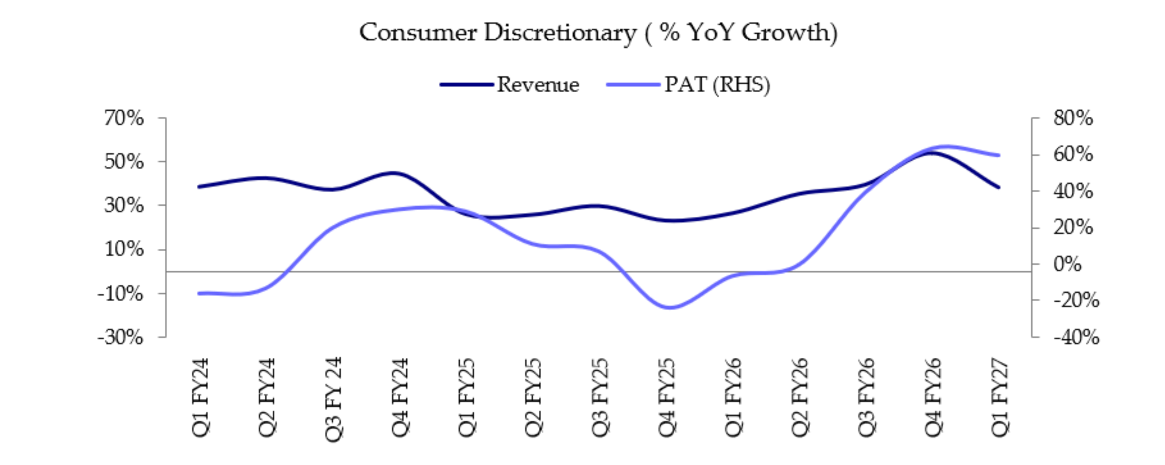


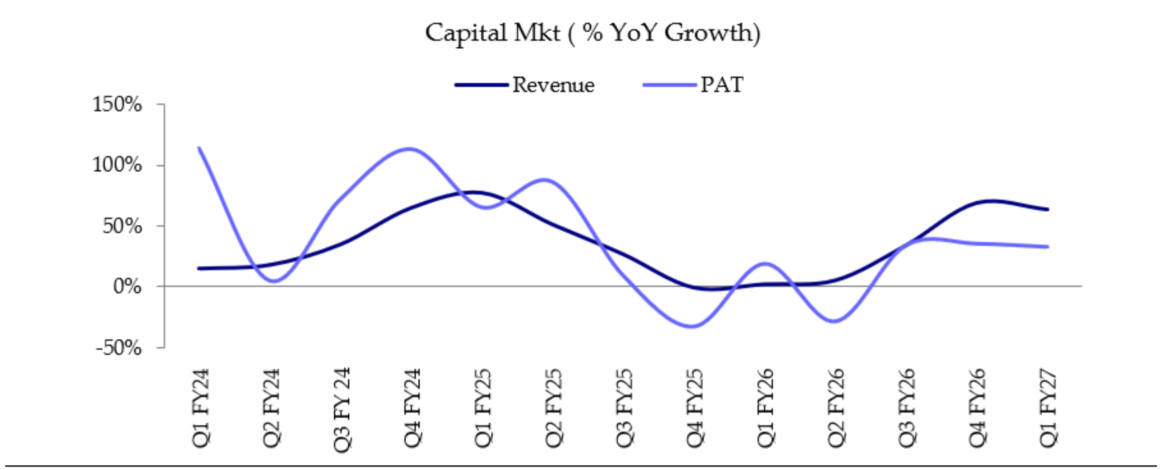


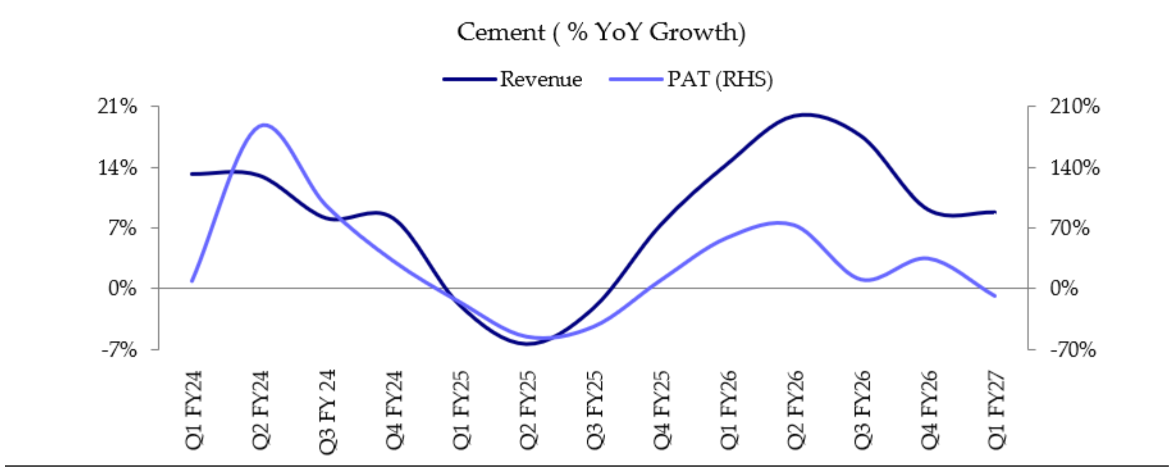
Structural tailwind sectors

Earnings growth of infra & cap goods muted while growth of Capital markets & Consumer discretionary strong; Cement earning contracts



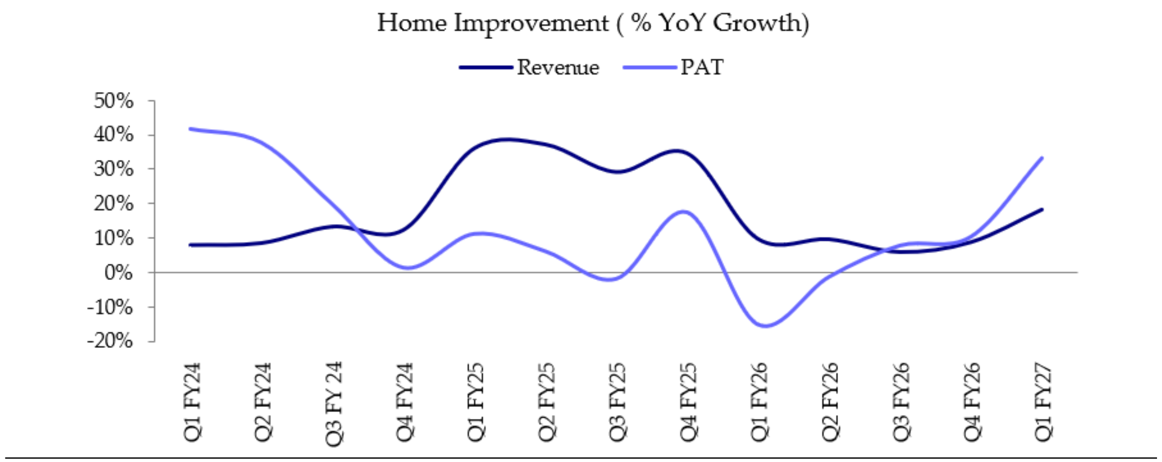


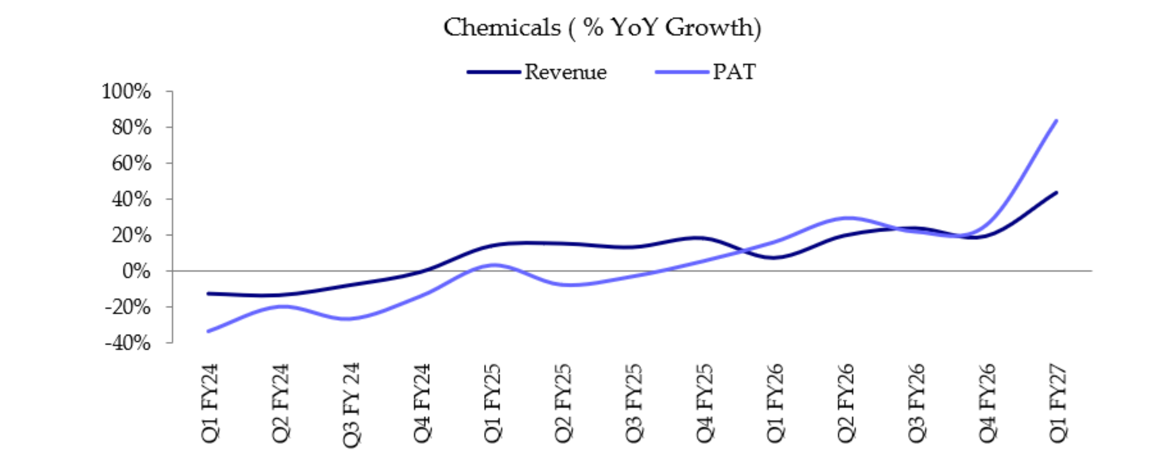


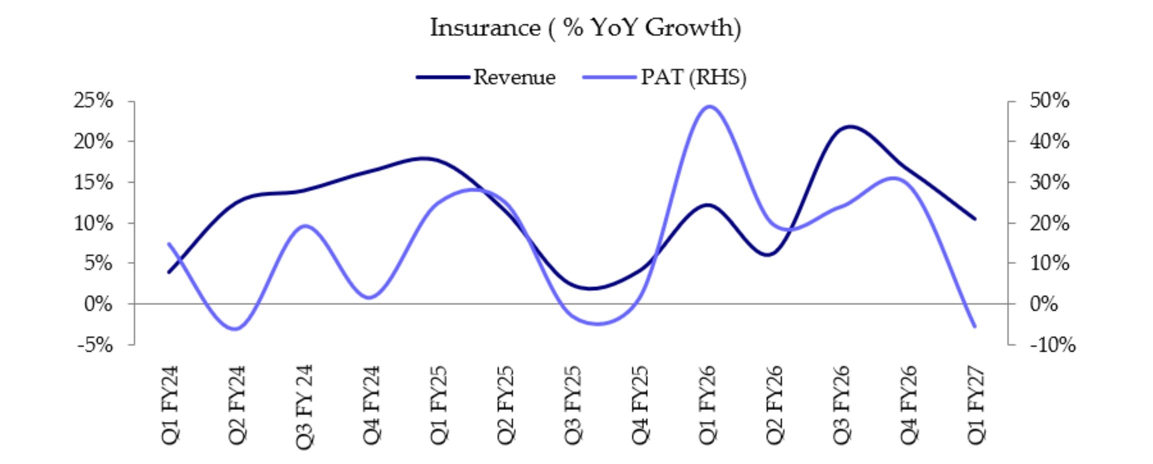


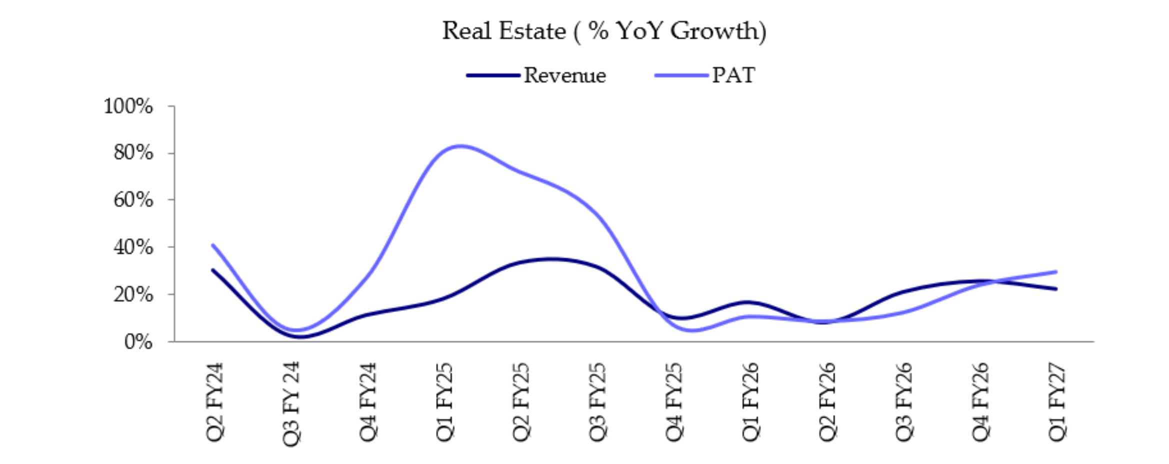
Volatile sectors

Earnings growth of Chemicals and Home improvement surge up while earning of Insurance sector contracts; Growth of real estate rose steadily



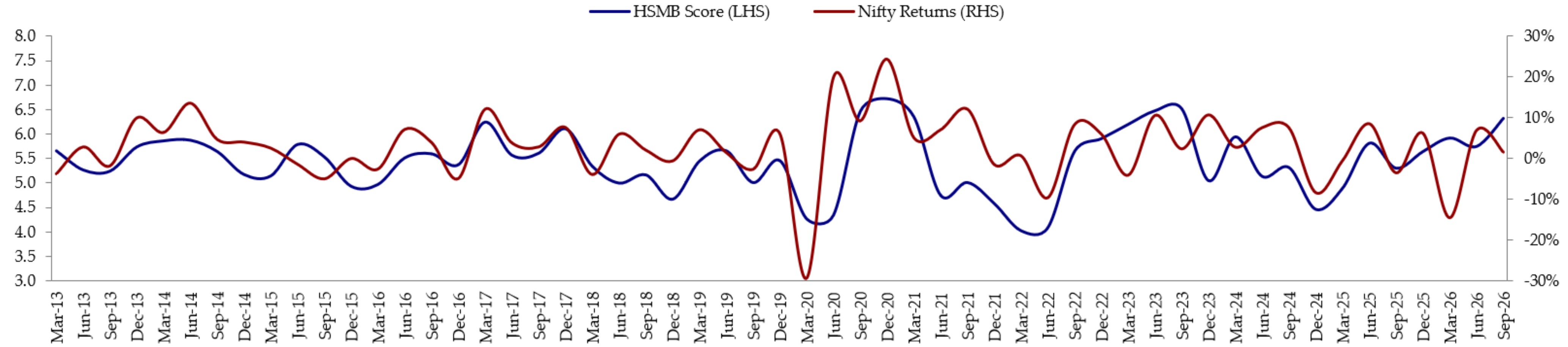


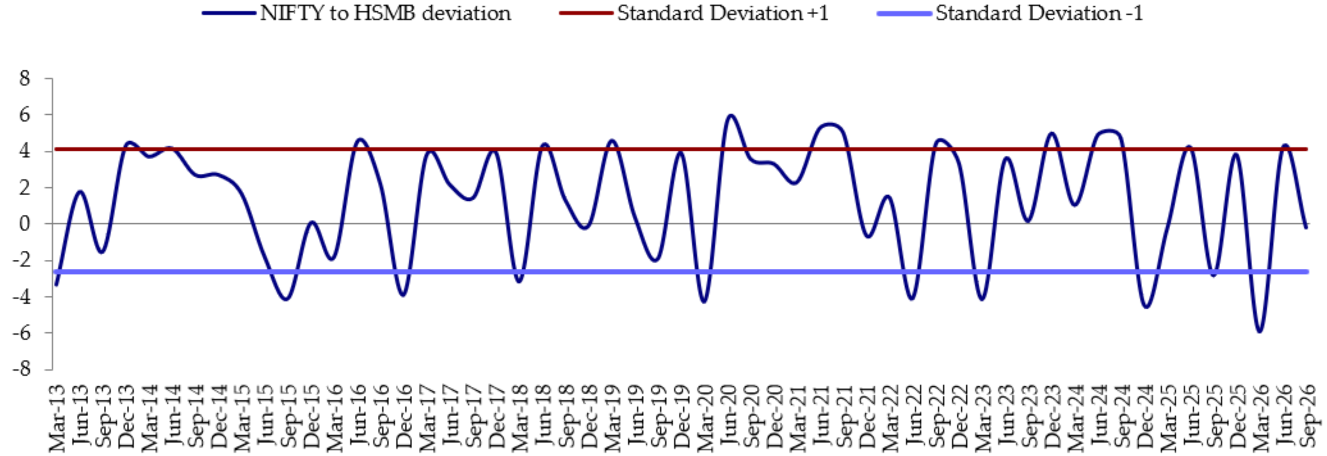




HSIE Market Barometer (HSMB)

HSMB model suggests marginal upside probability (Nifty level: 24,252)

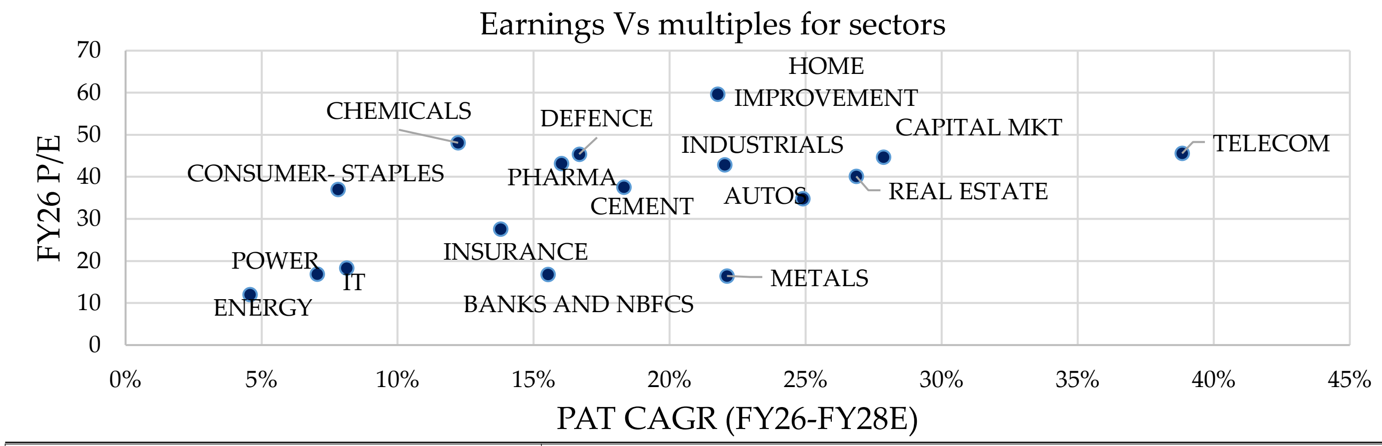


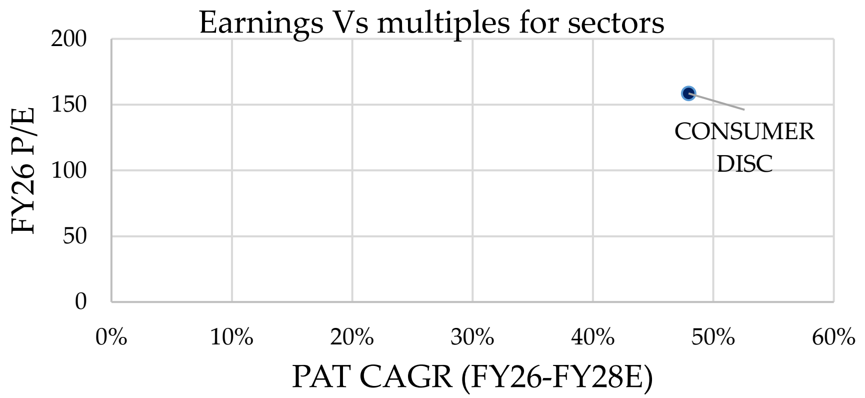


- The deviation refers to the difference between the model's score and the scaled NIFTY returns for the period.
- A high deviation value means that the NIFTY is running ahead of the model's market score.

Growth vs. valuations

Strong earnings CAGR estimated for consumer disc, realty, capital market & telecom; lenders & metals offer healthy growth at reasonable valuations



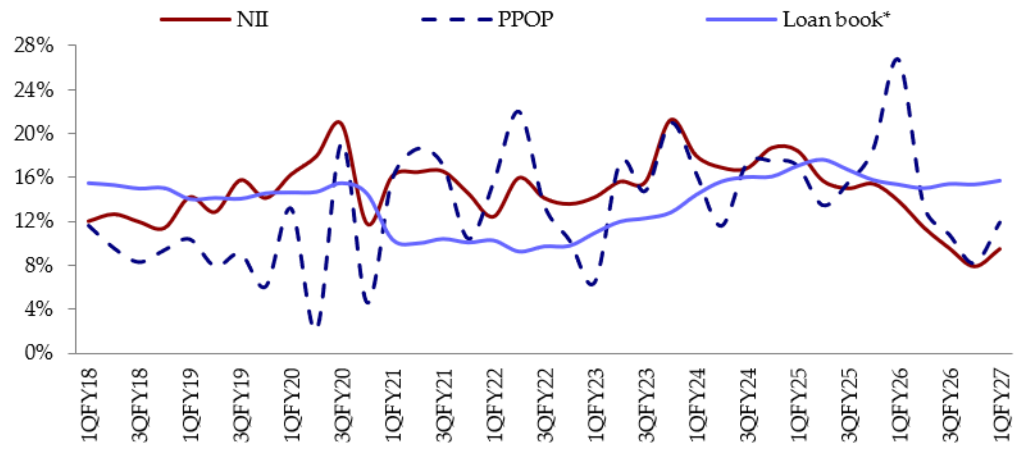


	%YoY PAT growth				
Sector	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
AUTOS	92%	10%	-6%	20%	30%
BANKS AND NBFCS	33%	12%	7%	15%	16%
INSURANCE	5%	10%	28%	12%	15%
CAPITAL MKT	68%	18%	17%	38%	18%
CONSUMER- STAPLES	8%	0%	6%	0%	16%
CONSUMER DISC*	140%	3%	17%	57%	39%
INDUSTRIALS	30%	4%	14%	21%	23%
DEFENCE	38%	18%	10%	16%	17%
REAL ESTATE	16%	102%	15%	27%	27%
IT	5%	8%	9%	9%	7%
ENERGY	78%	-35%	47%	5%	4%
CEMENT	56%	-27%	49%	2%	37%
HOME IMPROVEMENT	29%	1%	0%	24%	19%
CHEMICALS	-28%	1%	24%	0%	25%
POWER	7%	9%	9%	2%	12%
PHARMA	34%	21%	3%	11%	21%
METALS	17%	-2%	12%	34%	11%
TELECOM	1%	171%	-20%	44%	34%
TOTAL	35%	1%	13%	14%	15%

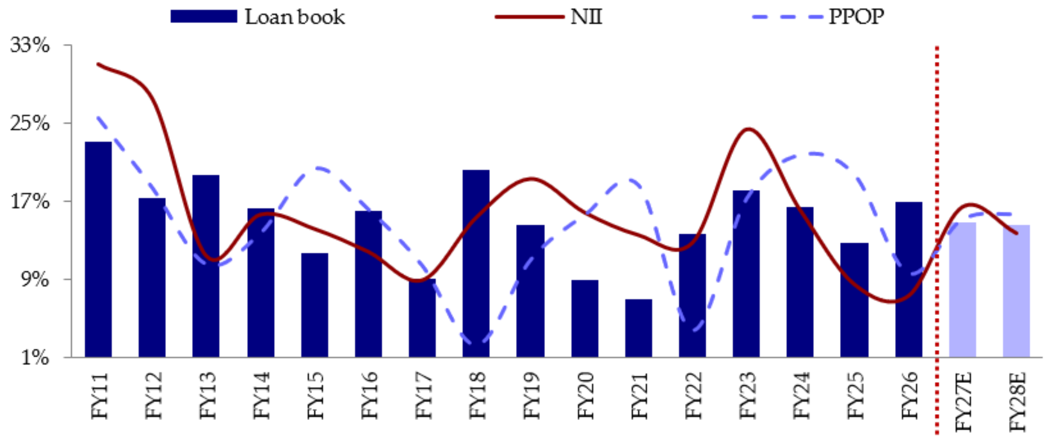
Financials - Banks + NBFCs

Interest rate environment to determine growth trajectory

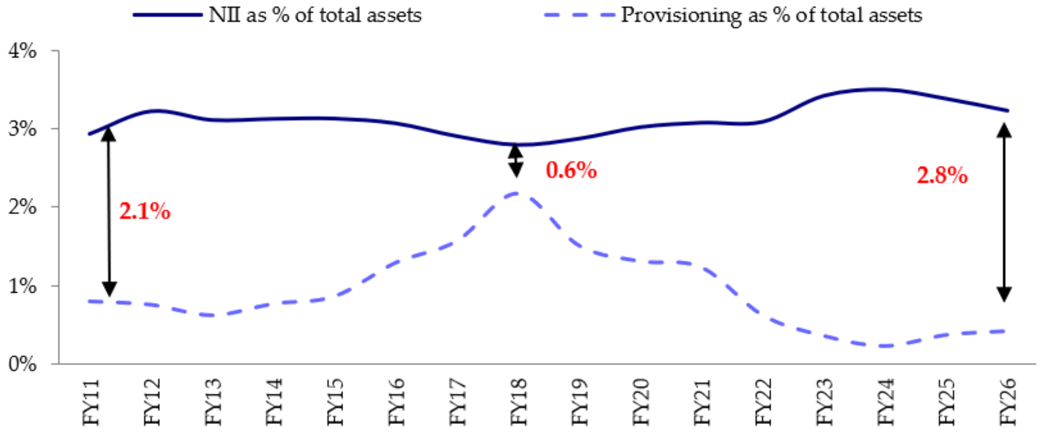
3-year CAGR - NII, PPOP and loan book*



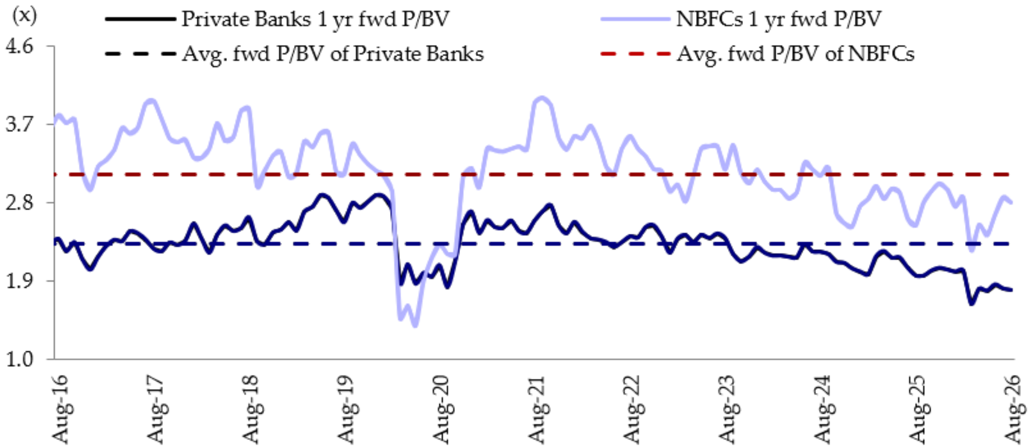
Loan growth expected to stabilize at lower levels



Risk-adjusted margins beginning to moderate from peak



Banks and NBFCs trading below 10-year mean (1yr-fwd P/BV)



Source: Company, Bloomberg, HSIE Research | Banks: ICICIBC, AXSB, SBIN, KMB; NBFCs: BAF, LICHF, CIFC, MMFS | IND AS for NBFCs since Q1FY18; *AUM for NBFCs

Financials - Banks + NBFCs

Q1FY27	PPOP trend	Loan growth	Strategic/Others	Valuation
	Q1FY27/3-yr CAGR (YoY)	Q1FY27/3-yr CAGR (YoY)		
ICICIBC	9%/13%	20%/16%	Granular deposit franchise; best-placed large bank with relative headroom for growth (on LCR and LDR norms)	Superior tech stack to sustain operating efficiencies and best-in-class return ratios
	Strong operating performance; asset quality remains best in class	Strong credit growth led by business banking, rural and corporate loans.		
SBIN	10%/10%	19%/16%	Prolific sourcing edge and maturing digital stack driving higher throughput	Productivity gains to drive RoA reflation with best-in-class asset quality metrics
	Stable margins; healthy balance sheet metrics	Strong credit growth across segments, especially wholesale		
AXSB	1%/10%	19%/14%	Sub-optimal pricing power, and relatively weak asset quality to cap medium-term profitability	Consistent operating performance pivotal for valuation re-rating
	Soft operating performance due to rate transmission, and hike in cost of funds	Growth was largely driven by corporate and SME segments		
KMB	10%/7%	15%/16%	Deposit mobilization strategy through customer segmentation (HNI, core India, SME, and Institutional) remains critical to driving loan growth	Operating leverage and asset quality critical to earnings and multiple reflation
	Stable performance; marginal dip in NIMs due to transmission of repo cut	Steady loan growth led by SME, consumer banking		
BAF	22%/22%	24%/27%	Increasing scale, competitive intensity to weigh on pace of loan growth	To remain best-in-class franchise driving premium valuation vs. peers
	Steady NIM, sustained improvement in operating efficiency	Robust loan growth with scaling up of new products		
CIFC	30%/33%	22%/27%	Non-vehicle portfolio approaching steady-state profitability; global headwinds key monitorable for CV portfolio	Muted upside post recent re-rating
	NIM reflation, other income drives strong earnings growth	Steady loan growth with uptick in disbursements		
MMFS	30%/21%	13%/17%	Turning a corner on asset quality; portfolio diversification remains a key monitorable	Sustained operating performance with uptick in loan growth key to re-rating
	NIM pressure offset by strong traction in fee income and operating efficiency	Improving growth outlook amidst pickup in disbursements		
LICHF	-3%/-4%	4%/5%	Absence of competitive moat in core mortgage business; management has indicated separate vertical for affordable segment	Risk-reward turning favourable with attractive valuations
	Muted loan growth continued to weigh on earnings growth	Elevated competitive intensity from banks		

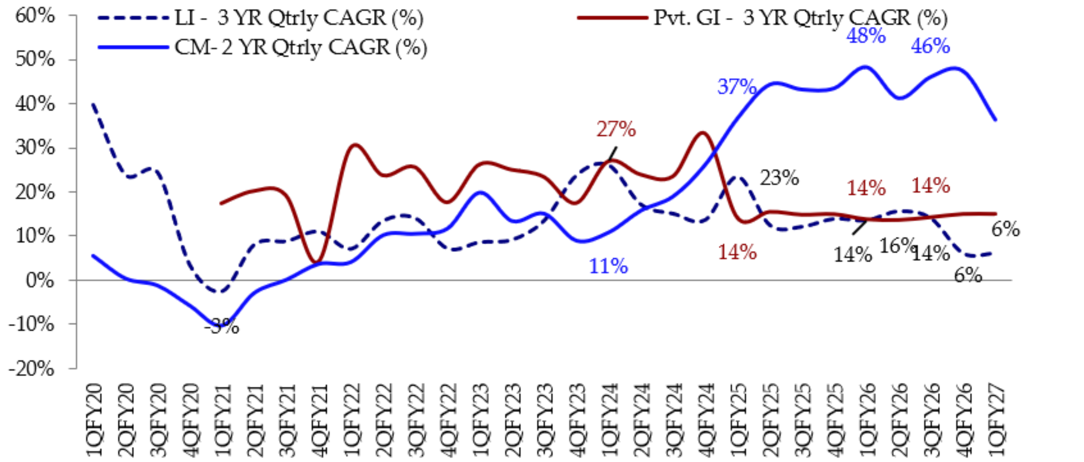
Source: Company, HSIE Research | Sorted by market capitalization (as on 17-Aug-26)

Positive   Medium   Negative

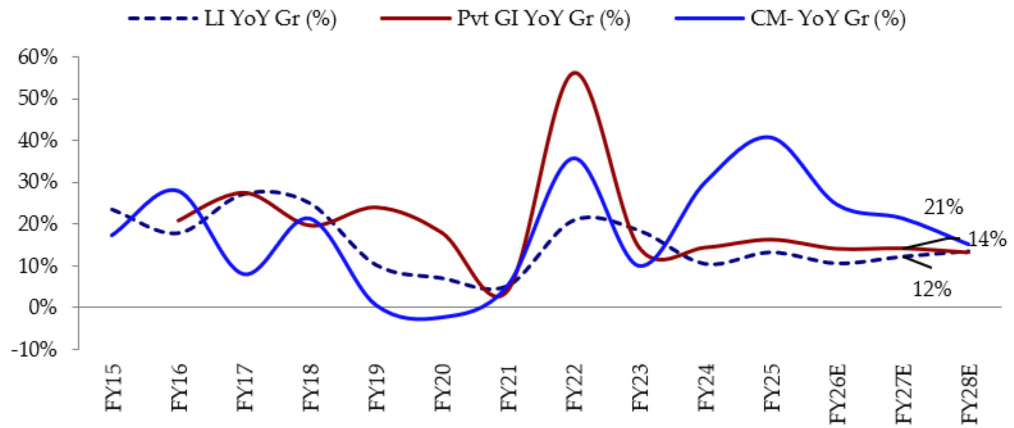
Financials - Insurance and Capital markets

Long-term growth runway driven by under penetration; current valuations inexpensive

Revenue Growth: Strong momentum continues in capital market

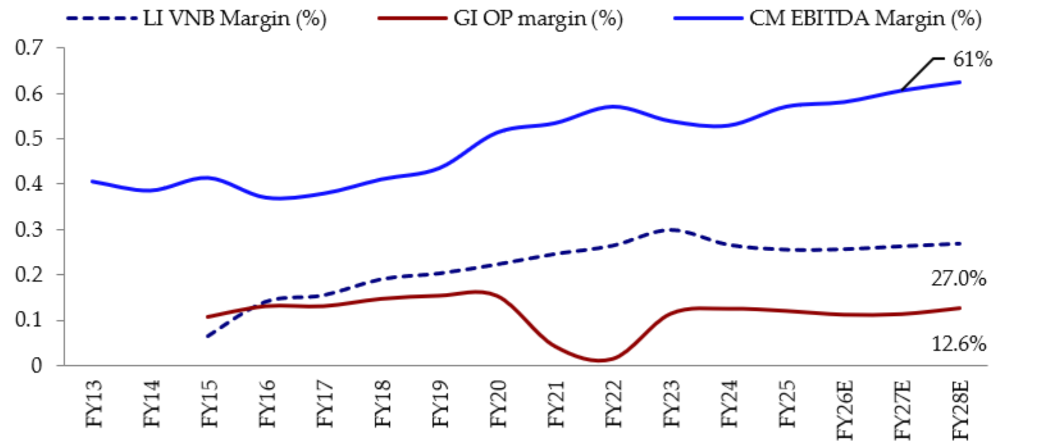


Revenue Growth: Healthy but moderating from high base

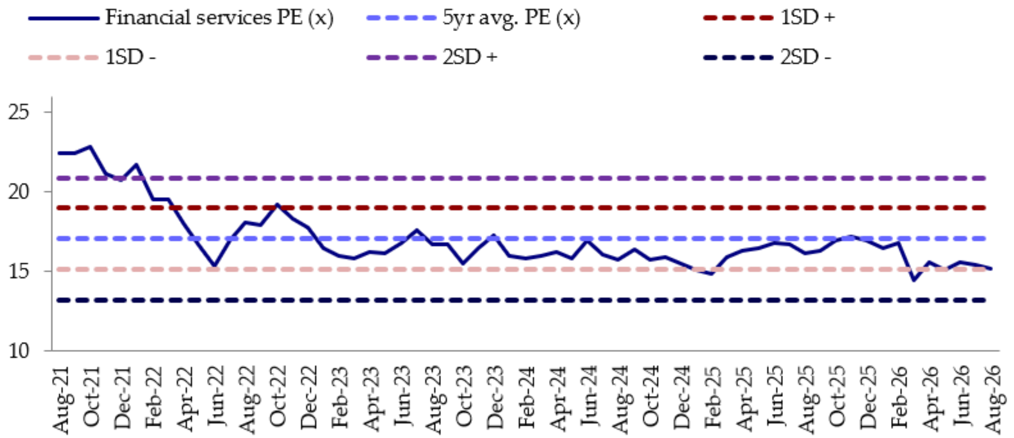


Note: For ICICIGI, FY22 includes Bharti AXA merger and hence shows spike in growth, normalized growth is 14% over FY21-23.

Margin Trend: Margins stabilising



Sector (Fin. serv) P/E: Trading below 5yr mean valuations



Qtrly charts exclude CAMS and UTIAM due to unavailability of data. VNB – Value of new business, revenue for life insurers is annual premium equivalent (APE). Capital markets (CM) represent brokers, AMCs, exchanges and depositories and include CAMS, HDFCAMC, NAMC, ISEC, BSE, CDSL and MCX. Life insurance (LI) represents SBILIFE, HDFCLIFE, IPRU and MAXF. General Insurance (GI) represents ICICIGI & STARHEAL.

HDFC securities 25 YEARS
Powering India's Investments

Financials - Insurance and Capital markets

Q1FY27	Revenue Trend Q1FY27/ 3-Yr CAGR (YoY)	EBITDA Trend Q1FY27/ 3-Yr CAGR (YoY)	Strategic/Others	Valuation
Life Insurance				
SBILIFE	36%/+21% Healthy APE growth driven by strong traction observed in protection and PAR products	29%/+17% VONB growth impacted due to massive group protection business, although VNB margins surprised positively	Strongest LI franchise; Driving high margin non-PAR business with cost effeciencies; exclusive access to SBIN distribution	Significant upside potential
Insurtech				
POLICYBZ	40%/+42% Strong rebound in new business premium aided by GST tailwinds in term and health segment	NA Early signs of improving operating leverage, resulting in positive EBITDA	Platform of choice for insurers and policyholders; rising operating leverage and annuity income on renewals despite risk to take rates as the IRDAI reviews EOM for insurers	Significant growth runway offers sustained shareholder value creation
General Insurance				
ICICIGI	20%/+16% Softness in fire business impacted NEP growth; competitive intensity remains high in commercial lines of business	-46%/1% Soft pricing environment in commercial LOB led to weaker topline; higher claims in motor segment led to wider UW losses	Strongest GI franchise; continued dominance in the profitable commercial and motor segments. Profitability gets cushioned with investment income and prudent TP reserving.	Significant upside potential
Asset Management Company				
NAM-INDIA	26%/29% Overall yields broadly stable on YoY basis driven by increased share of commodity funds	31%/36% Gradual optimisation translating into steady operating leverage	AUM growth likely to be in high teens with sustained market share gains through SIP flows, SEBI revised TER regulations to support earnings.	Best-in-class franchise, re-rating potential
Brokers				
ANGELONE	25%/21% Strong rebound driven by improved client activity and weaker base	76.35%/+15% Continued rebound in client activity levels	Soft customer activation evident from sequentially lower order growth; impact of SEBI F&O regulations largely bottomed out; client activity expected to improve further	Less cyclical compared to full-service brokers; however, regulatory pressures cap potential upside

Positive Medium Negative

Note: ULIP- Unit linked insurance plan, ADTV- average daily turnover volumes, NPAR- non-participating, BO: Beneficiary Owner. Sorted in order of Market cap
* ANGELONE CAGR numbers are of 3 years, as data available from FY21 onwards; Revenue- for LI companies is APE and for GI is NEP, EBITDA for LI companies is VNB and for GI is UW Result

Financials - Insurance and Capital markets

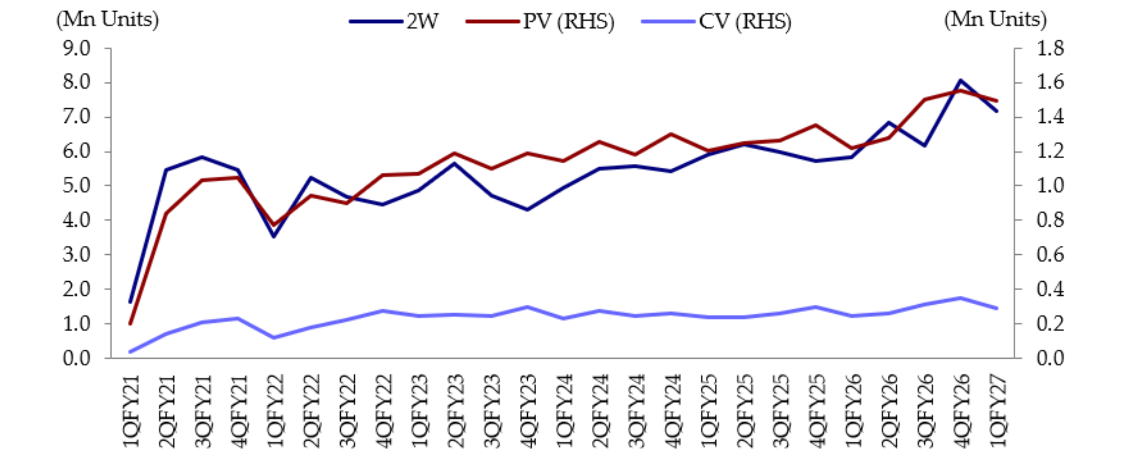
Q1FY27	Revenue Trend Q1FY27/ 3-Yr CAGR (YoY)	EBITDA Trend Q1FY27/ 3-Yr CAGR (YoY)	Strategic/Others	Valuation
Exchanges and Depositories				
CDSL	13%/25% Revenue increased by 11.4% QoQ (+13.1% YoY) due to a recovery in IPO / corporate actio growth in annuity revenue offset by pricing reset in KYC charges. CDSL maintained its market leadership position with 80.3% market share in BO accounts.	5.7%/20% Margin stood at 47.1%, +269/-330 bps QoQ/YoY due to recovery in growth and moderation technology spend offset by rise in employee expenses.	The transaction, IPO and corporate action revenue is expected to recover and drive growth in Q2FY27 along with annuity revenue. Tech spends is near its peak, revival in growth will lead to margin expansion.	Trading at a P/E of 54/44x FY27/28E which factors in growth recovery and is compared to its 3Y average of 46x. Expected EPS CAGR is 20%. We value the stock at 45x FY28E core PAT.
MCX	+88/74% MCX posted a muted quarter on QoQ basis as commodity volatility normalized from Q4's exceptional highs.Premium ADTV declined 14.5% led by decline in bullion and natural gas premium ADTV partly offset by rise in crude premium ADTV.	104%/259% EBITDA margin contracted by 457 basis points QoQ to 70.4% due to decline in revenue but no material decline in costs.	The Options premium ADTV and futures ADTV fell 15%/34% QoQ, even as notional options ADTV rose 72% QoQ to INR9.9trn. Encouragingly, July-26 premium ADTV is down just 4% versus the 1Q average. MCX's strategy focuses on scaling Index options volume with SEBI's consulting paper allowing FPI participation into Index derivatives (cash settled contracts).	MCX is trading at P/E of 45/37x FY27/28E compared to 3Y average of ~43x. We value the stock at 45x FY28E core PAT, the higher multiple is supported by 5yr EPS CAGR of 43%, Index options optionality and lower regulatory risk.
BSE	63%/94% Growth moderated QoQ due to flat transaction charges and muted growth in listing and IPO revenue. BSE has been gaining market share and premium market share for July-26 stood at 34%.	71%/156% Margins expanded by 57bps QoQ to 68.4 vs 67.9% in Q4, led by sharp decline in other expenses offset by increase in employee expenses and tech expenses.	The options market share is increasing and further increase will be led by rise in monthly volumes, institutional participation but the regulatory changes are impacting indutry volumes. The colo revenue increased to INR 2.1bn (Q1 run-rate) vs INR 1.7bn in FY26, future revenue driver.	BSE is trading at a P/E multiple of ~42/35x FY27/28E compared to the 3Y average of ~41x led by market share gains and 77% PAT CAGR in the last five years. We expect 23% PAT CAGR and value the stock at 40x FY28E core PAT.

c Positive   Medium   Negative

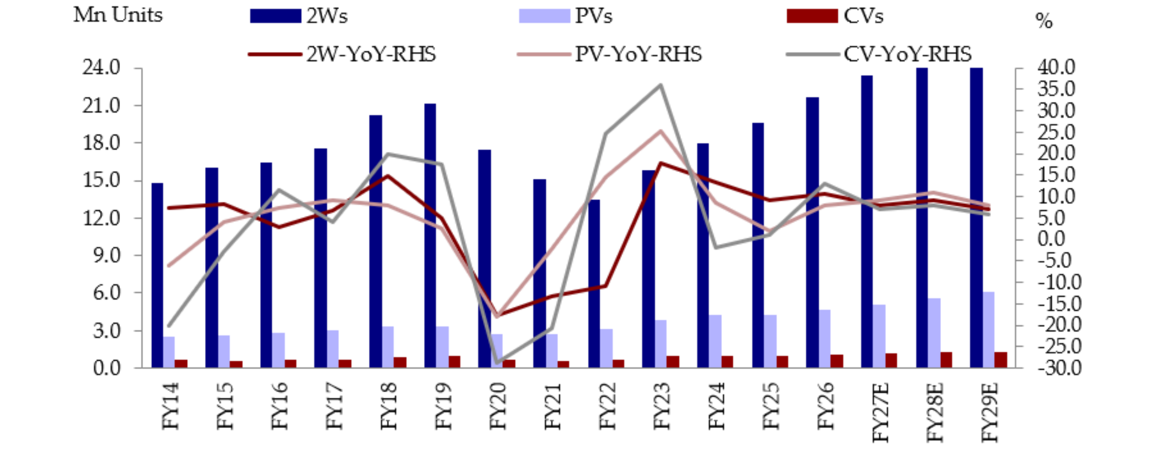
Automobiles

Demand to moderate as cost inflation builds up

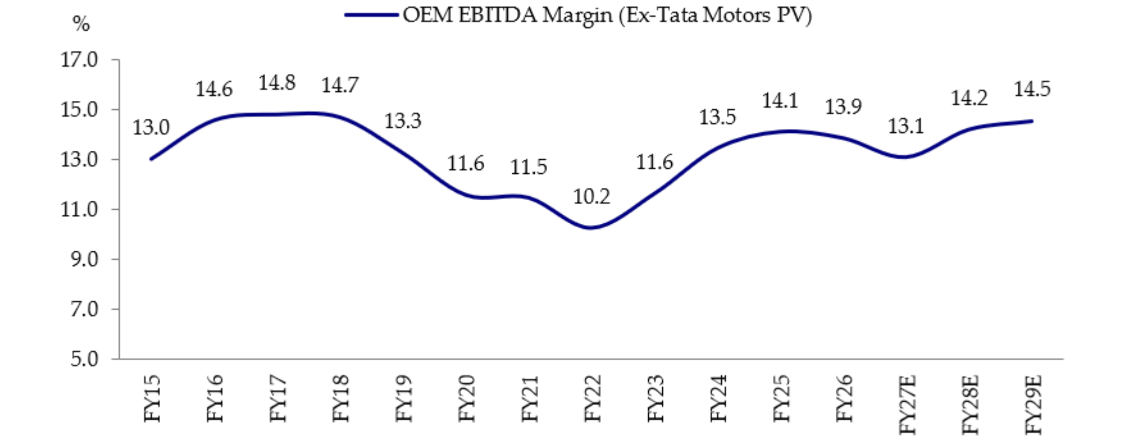
Volume trend: Demand momentum continues for now



Volume estimate: Growth to be in mid-high single digit over FY26-FY29E



OEM margin trend: Cost inflation to impact margin in FY27E



P/E band (x): Sharp recovery in the auto index

Automobiles and Auto Ancillaries

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Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27 (YoY)	Q1FY27 (YoY)		
Bajaj Auto	+37.0%	+44.9%	A strong launch pipeline of 10 models by September 2026 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.	Considering the company's strong presence in the faster growing segments, along with a forex tailwinds, and a strong dividend/buyback policy, we feel the valuation is attractive.
	Realizations improved 5.3% YoY and 3.1% QoQ	EBITDA margin came in at 20.9% up 113bps YoY and 9bps QoQ, aided by forex tailwinds, improved mix, operating leverage, and cost savings, though this was partially negated by higher raw material cost.		
Hero MotoCorp	+35.7%	+25.0%	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.	Valuation is attractive vs peers. The valuation gap could narrow on continuing volume growth, operating leverage, continuing launches, and stable market share in the e2W space. However, some caution is required considering the possibility of adverse monsoon, large cumulative price hikes, and higher inflation which could limit demand.
	Growth was volume led, with volumes growing 22.7% YoY, while ASP grew 10.6% YoY (and 1.6% QoQ).	EBITDA margin at 13.3% declined 115bps YoY and 122bps QoQ. 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.		
TVS Motor	+37.8%	+40.9%	Traction in the company's product portfolio as well as sustained margin performance continues to impress. In the export markets, it continues to expand its geographic presence as well as product portfolio. While the launch of key Norton models should ease a key overhang, the timing is a concern considering global demand headwinds.	Valuation premium vs peers is a little stretched though understandable considering volume growth outperformance, contiuning market share gains and margin expansion. Key risks are higher investments into challenging projects like Norton motorcycles and e-bikes.
	Revenue growth led by 27.7% YoY growth in volumes, while ASP grew 8.0% YoY.	EBITDA margin came in at 12.8%, including the PLI benefit of ~0.7% (down 20bps QoQ). The margin was aided by price adjustments, focused cost optimization initiatives, and scale benefits.		
Eicher Motors	+26.6%	+22.7%	While the company is preparing for the next leg of growth over the medium term, which we believe will also be driven meaningfully by the international operations, there are uncertainties building that could over the near term cap growth and impact margins.	Valuation premium vs peers is justified. We believe any re-rating potential is likely to be driven by an inflection point in the international operations.
	RE volumes up 24.3% YoY, as demand momentum sustains.	Standalone EBITDA margin at 24.3% deteriorated 78bps YoY and 150bps QoQ as raw material and logistic costs remain elevated.		
Tata Motors PV	+9.3%	-18.5%	JLR continues to face headwinds with demand uncertainty in China and the Middle East, and moderating demand in the UK and Europe. VME continues to remain elevated to support sales. The India PV segment though continues to do well and is benefitting from the ramp-up of the new products launched in H2FY26, leading to better operating leverage and improved mix. However, higher competitive intensity in the India PV business, has led to higher cost under-recoveries due to elevated commodity costs.	De-rated multiple of JLR could possibly continue considering global slowdown, continuing higher competition from EVs, increasing marketing expenses, and consumer acceptance risk from the relaunch of the Jaguar portfolio. Though this could be partially negated by re-rating potential in the India PV segment considering a wide portfolio of e-PVs, which is likely to continue shining due to the oil crisis.
	JLR wholesales volumes down 9.2% YoY on account of disruption in production due to a fire incident at a supplier's end, and demand headwinds in China and the Middle East. While India PV volumes grew by 46% YoY, aided by new launches and continuing demand momentum.	JLR EBITDA margin at 8.1% was down 127bps and 592bps QoQ. India PV EBITDA Margin came in at 4.2%, was up 18bps YoY but down 501bps QoQ, hit by elevated commodity costs and the larger cost under-recoveries due to that.		

Positive   Medium   Negative

Automobiles and Auto Ancillaries

Q1FY27	Revenue Trend Q1FY27 (YoY)	EBITDA Trend Q1FY27 (YoY)	Strategic/Others	Valuation
Ashok Leyland	+10.4% It was led by 10.2% YoY volume growth.	+0.0% EBITDA margin, at 10.1%, declined 105bps YoY and 452bps QoQ. 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 of commodity headwinds. This was due to initiatives like improving price realization, improving product and revenue mix, cost reduction, and opportunity-based inventory build-up.	While demand continues to hold for now, we remain cautious due to building up of cost pressure 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.	Downside risk in valuation is more likely than upside risk, considering continuing geopolitical tensions that is leading to higher imported inflation as well as uncertainity around exports.
M&M	+23.0% Auto volumes grew 23.3% YoY and tractor volumes grew 17.9% YoY. Auto realisations grew 0.9% YoY while tractor realization grew 1.1% YoY	+4.6% Standalone margin at 12.2% (-214bps YoY, -188bps QoQ). Auto division's EBIT margin at 7.1% was down 178bps YoY and 238bps QoQ, 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, while the core tractor margin stood at 19.2% (down 150bps YoY).	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.	De-rating potential if super El-Nino leads to poor monsoon, and if complemented by little support by the Government towards farmers.
Maruti Suzuki	+36.6% Volumes up 29.3% YoY and 1.0% QoQ. ASP improved 5.5% YoY but declined 1.2% QoQ.	+7.9% EBITDA margin, at 8.2%, was down 218bps YoY and 352bps QoQ. Of this, 110bps QoQ impact was on account of change in the raw material price settlement cycle. 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).	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.	Valuation is favourable considering it is better placed (with higher mileage cars and hybrids) vs the peer group to handle near term volatility arising out of the impact from the West Asia war.
Ather Energy	+88.8% Growth was led by higher 'Rizta' sales and network expansion.	+75.2% EBITDA margin at -2.7% improved by 1,810bps YoY and 319bps QoQ, where 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.	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.	Valuation is reasonable considering faster portfolio and netwrok expansion, and impressive cost reduction that is enabling a shorter path to EBITDA breakeven and beyond.

Positive   Medium   Negative

Automobiles and Auto Ancillaries

Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27 (YoY)	Q1FY27 (YoY)		
Hyundai Motor India	-0.5%	-30.8%	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.	Re-rating potential exists if upcoming product launches help revive some of the lost market share.
	Revenue was due to supply challenges as there was a fire incident at the plant of a key supplier.	EBITDA margin came in at 9.3%, a decline of 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.		
Tata Motors	+23.2%	+17.1%	While there is sustained freight activity and correspondingly largely sustaining transporter profitability, the lack of near to medium-term visibility has already led to customers of larger trucks postponing fleet replacement. Considering the near term uncertainities, including elevated commodity costs, we remain cautious.	Valuation is reasonable considering near term risks on demand as well as margin.
	Volumes up 26.7% YoY but down 18.1% QoQ (due to seasonality), while realizations was down 2.3% YoY and 3.2% QoQ.	EBITDA margin at 11.7%, declined 61bps YoY and 223bps QoQ. The impact was on account of gross margin deterioration due to elevated commodity inflation (at 29.3%, down 393bps YoY and 118bps QoQ)		

Positive Medium Negative

Automobiles and Auto Ancillaries

Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27 (YoY)	Q1FY27 (YoY)		
Apollo Tyres	+12.8%	+0.0%	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.	Valuation could remain subdued on unabated cost inflation and intensifying competition in the industry as the new entrant (from the on-highway tyre segment, Balkrishna Industries), seeks to capture initial market share in the domestic TBR and PCR segments.
	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.	EBITDA margin at 11.7% declined 149bps YoY and 284bps QoQ, hit mainly by higher RM costs.		
Balkrishna Industries	+23.5%	+7.1%	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 near term uncertainties and lack of clear visibility of business normalization, and foray into the highly competitive TBR, PCR and 2W tyre segments which would dilute overall margins and return ratios, increases the de-rating risk.
	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.	EBITDA margin at 20.6% fell 316bps YoY and 228bps QoQ, impacted by higher raw material costs, though partially supported by price hikes and better forex realization.		
Bharat Forge	+18.7%	+5.4%	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.	Valuation is reasonable considering the huge defence and forging potential. The company's superior design and manufacturing capability in the defence segment, has enabled it to consistently expand the product portfolio. The forging industry in India could benefit from some shift of manufacturing from Europe (where energy and employee costs have been witnessing higher inflation for a longer time) to India.
	Revenue growth was led by good execution in the defence business, steady domestic CV business, while exports was driven by a combination of channel restocking and rebound in North America truck production, while also being driven by the strong traction in HHP Engines and aerospace.	EBITDA margin at 15.3% declined 193bps YoY and 190bps QoQ, where the margin in the standalone business was impacted on account of higher raw material, manpower and logistic costs, and 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.		
Endurance Technologies	+30.0%	+20.7%	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.	Valuation seems reasonable considering a challenging operating environment in Europe, no clarity on the implementation of the ABS draft notification of June 2025, and elevated aluminium prices.
	Aided by standalone business that grew 36.3% YoY.	Consolidated EBITDA margin at 12.4% declined 96bps YoY and 148bps QoQ. Standalone EBITDA margin at 10.9% declined 152bps YoY and 108bps QoQ, impacted by higher RM cost.		

Positive Medium Negative

Automobiles and Auto Ancillaries

Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27 (YoY)	Q1FY27 (YoY)		
Motherson Sumi Wiring	+36.6%	+5.7%	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.	Considering strong partnerships with Sumitomo and SAMIL, dominant market leadership, superior return ratios, and the potential for further content increase, the company's premium valuation vs the auto component universe seems reasonable.
	Revenue growth YoY was aided by ramp up of greenfields, higher EV share and higher copper prices.	EBITDA margin at 7.6% declined by 221bps YoY and 64bps QoQ. Besides elevated copper prices, key factor for the EBITDA margin miss was the spike in employee cost due to significant minimum wage revisions in multiple states.		
Sansera Engineering	+33.3%	+48.4%	The company continues to impress with improving traction in the non-auto space, especially the aerospace and semiconductor segments. Expansion of the customer base and product portfolio to also include more complex parts, increases the business potential over the next few years at least. It is also benefiting from the continuing trend of outsourcing of crankshaft manufacturing by domestic 2W OEMs and expects to gain further traction in this regard.	Strong re-rating potential considering increasing mix of the higher growth, higher margin and lesser cyclical non-auto segment.
	Growth in the ADS (Aerospace, Defence, Semiconductor) segment led the revenue growth. Revenue for the segment stood at ~INR 1.45bn in Q1FY27, registering a growth of 264% YoY and 24% QoQ.	Consolidated EBITDA margin at 19.2% was up 196bps YoY but down 12bps QoQ. 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.		
Samvardhana Motherson	+16.7%	+25.9%	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 cyclicality, we remain positive	Valuation looks reasonable considering current global uncertainities, though there is re-rating potential considering high business potential from the premiumization trends, expanding product portfolio, geographical presence, and increasing diversification. Additionally, softer global auto demand coupled with a strong balance sheet, could create a scenario for a potential large M&A at a reasonable valuation, which could give a boost to revenues and have a potentially positive impact on valuation.
	Revenue growth driven by robust performace across businesses with Emerging business growing 29.5% YoY, while the Wiring harness business grew 30.6% YoY also aided by some pass-through of the copper price inflation.	EBITDA margin at 8.8% was up 65bps YoY but down 227bps QoQ, impacted mainly by higher raw material costs.		

Positive   Medium   Negative

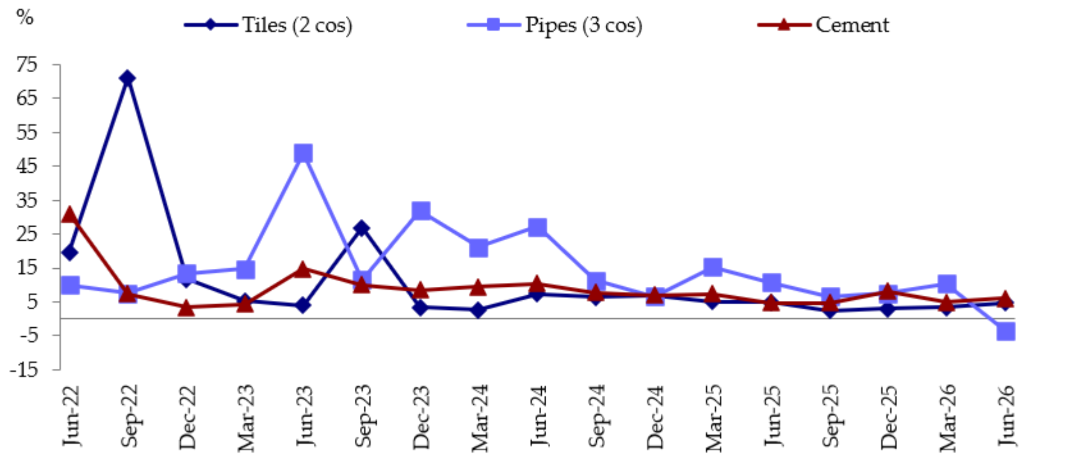
Automobiles and Auto Ancillaries

Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27 (YoY)	Q1FY27 (YoY)		
ASK Automotive	+52.4%	+34.2%	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. Better pass-through of raw material prices and validation of the HPDC technology, and possible delay or easing of the ABS norms for 2W augurs well.	Valuation seems reasonable considering the potential to increase the content per vehicle going forward.
	The revenue growth was aided by positive impact from the pass-through of increase in aluminium alloy prices, though negetaed by the strategic reduction of the wheel assembly business.	EBITDA margin at 11.8% was down 160bps YoY but up 21bps QoQ, where YoY impact has been due to higher raw material costs		
Sona BLW	+54.0%	+49.4%	Increasing EV penetration augurs well in terms of better product realization and better market positioning of the company's products in the segment vs competition, especially in India. EV segment forms 64% of its net order book (as at the end of Q1FY27) vs 26% of FY26 revenues. It also caters to Chinese OEMs, though at a small scale currently, providing a business hedge considering the growing global presence of Chinese OEMs, especially in the EV space.	Valuation seems reasonable considering that the company benefits from increasing EV penetration as well as its potential to increase the content per vehicle going forward.
	The revenue growth was aided by positive impact from the pass-through of increase in aluminium alloy prices, though negetaed by the strategic reduction of the wheel assembly business.	EBITDA margin at 23.1% was down 71bps YoY and 132bps QoQ. The impact on margin was due to higher raw material costs and adverse product mix, though partially negated by better operating leverage.		

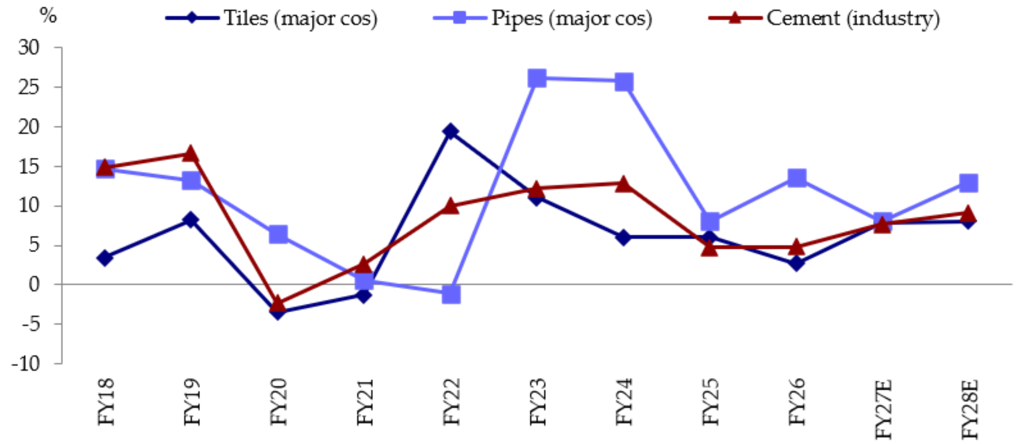
Positive Medium Negative

Building Materials Sector

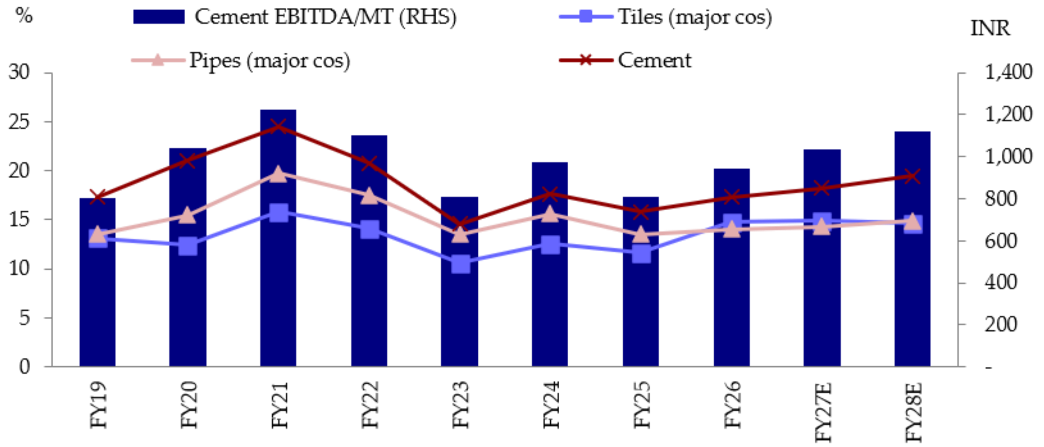
2-year quarterly volume growth: Cement volume growth improved, pipes witnessed a decline, while tiles remained muted



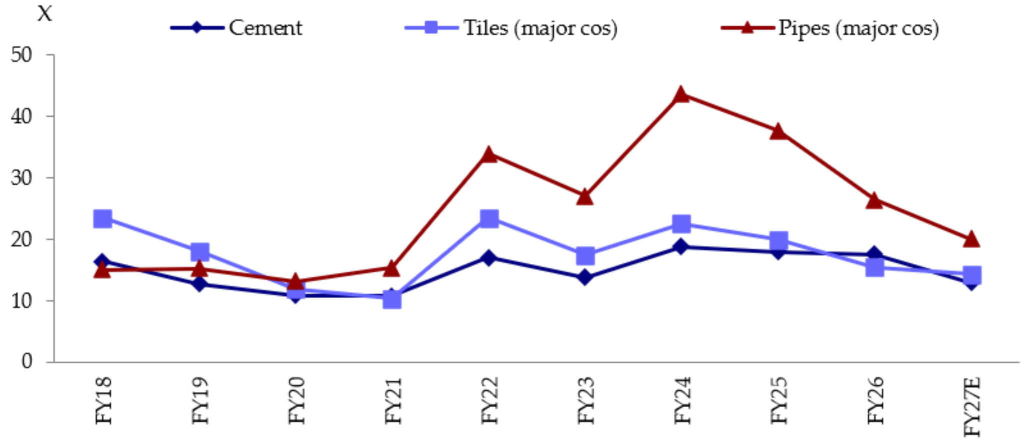
Volume Growth: Industry leaders in cement and pipes to grow at a faster pace, while for tiles growth to pickup



Margin Trend: Tiles/Pipes: Margins to remain flattish; Cement to improve



Sector 1 year forward EV/EBITDA trends: Reasonable valuation in cement and pipes, tiles de-rated on growth slowdown



Building Materials Sector

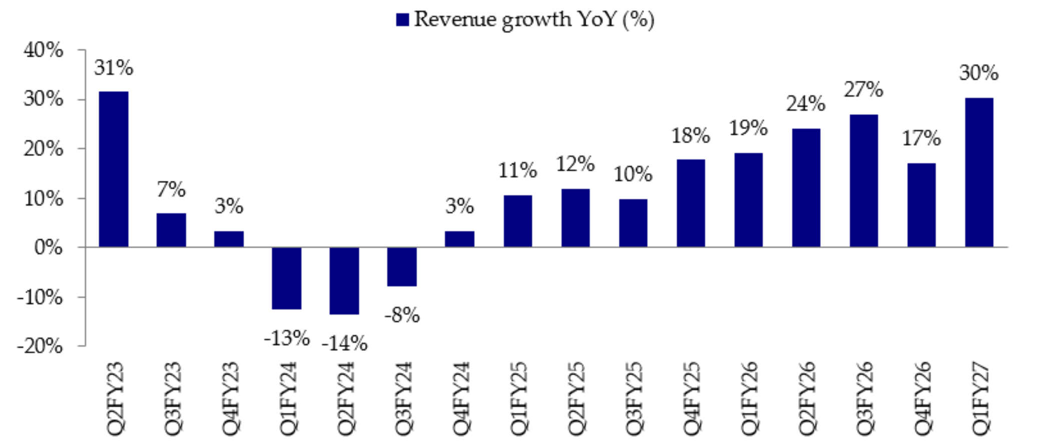
HDFC securities 25 YEARS
Powering India's Investments

Q1FY27	Revenue growth trend	EBITDA growth trend	Strategic /Others	Valuation
	Q1FY27 YoY %	Q1FY27 YoY %		
UltraTech	16%	21%	Targets double digit vol growth in FY27 and aceiving margin of INR 1,400/MT by Q4FY28	Valuation upside
	Healthy 12% YoY volume growth along with 3% YoY increase in NSR.	Sharp increase in unit EBITDA supported by flattish opex		
Shree	14%	-13%	Expects to deliver >10% volume growth in FY27. It also expects to recover its trade sales share in subsequent quarters.	Valuation upside
	Volume grew 17% YoY. Blended NSR declined 3% YoY.	EBITDA declined on weak realisation and higher fuel and packaging cost		
Ambuja	-8%	-19%	Ambuja maintained FY27 volume guidance of 8% YoY growth despite loss in Q1, expects margins to recover	Valuation upside
	Consolidated cement volume fell 8% YoY, as it lost sales both in trade and non-trade.	EBITDA declined on lower volumes and higher opex		
Dalmia	7%	-9%	Cost reduction program remains on track. It is working on operationalizing the acquired 5.2mn MT central assets and 12mn MT expansions, expected over Q4FY27-Q3FY28.	Valuation upside
	Volume increased 9% YoY on low base. NSR contracted 2% YoY.	Higher energy and packaging cost led to YoY decline in EBITDA		
JK Cement	20%	-6%	North expansions are on track; paint business has aceived EBITDA breakeven	Valuation upside
	Consolidated volume soared 18% YoY (grey up 19%, white/putty up 11%); NSR grew 2% YoY	Higher operating cost and cost inflation		
Supreme Ind.	4%	25%	Continued expansion, and focus on value added products (VAP)	Valuation upside
	Volume declined 14% YoY owing to channel destocking. NSR up 22% YoY.	Improved gross margins led EBITDA growth.		
Astral	16%	25%	Focus on VAPs, ramp up bathware/ paints business	Attractive valuation
	Volume remanied flat YoY owing to channel destocking. NSR up 14% YoY.	Improved gross margins led EBITDA growth.		
Century Ply	34%	54%	Aggressive expansion to gain market share	Attractive valuation
	Healthy growth across all segments.	Ply, laminates and particle board margins improved		
Kajaria	20%	39%	Focus on cost optimization to improve margin	Valuation upside
	Volume grew 6% YoY, while NSR up 11% YoY.	Cost optimization drives margin gain		

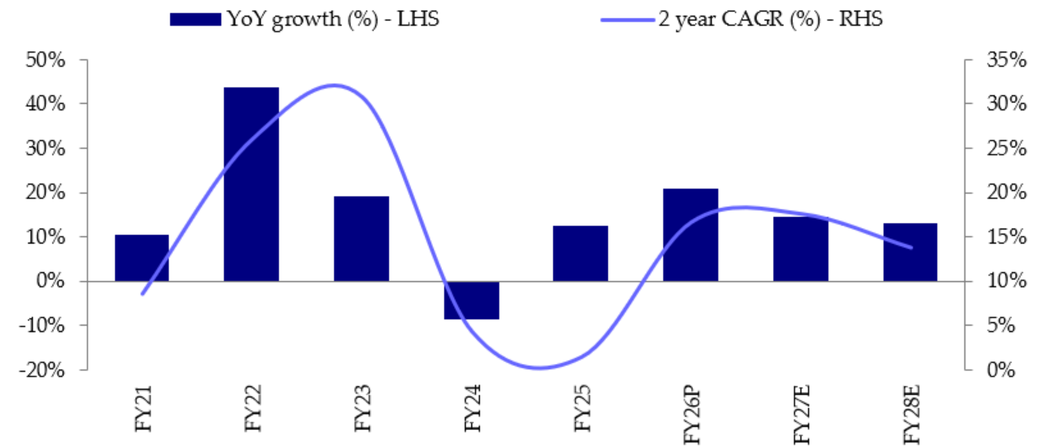
Positive Medium Negative

Chemicals

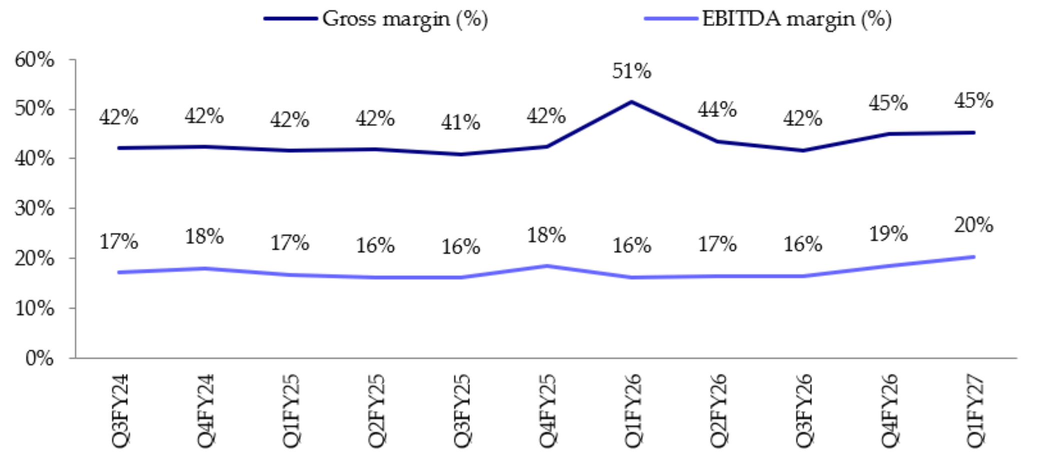
Revenue Growth: Revenue increased YoY in Q1 owing to improved realizations



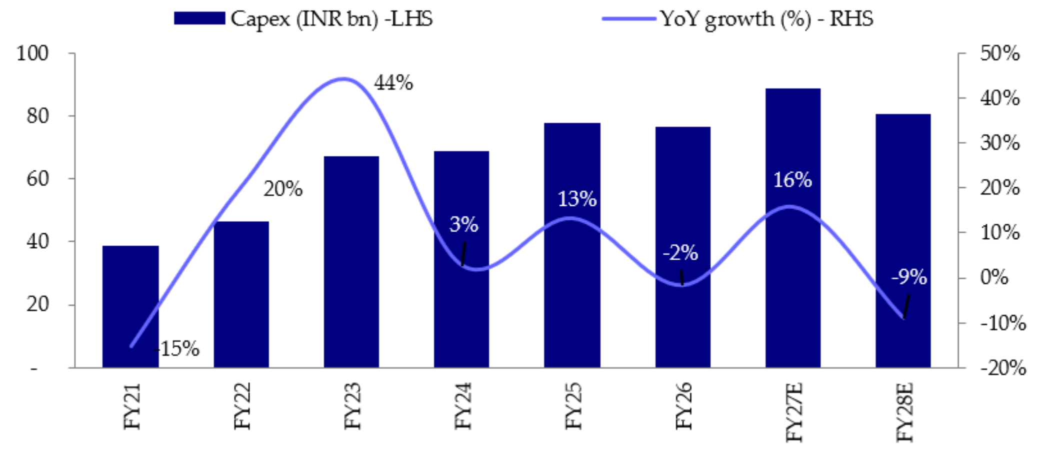
Annual revenue trend: Revenue growth over the years



Margin trend: Margins sustained due to inventory pricing benefits



Capex: Growth to be backed by consistent investments in Capex



Note: The above charts are made from the aggregate data of these companies: Aarti Industries, Alkyl Amines, Acutaas Chemicals, Deepak Nitrite, Fine Organics ,Galaxy Surfactants, Navin Fluorine, Neogen Chemicals, NOCIL, SRF Ltd, Vinati Organics, Sudarshan Chemicals, Clean Science and technologies

Chemicals

HDFC securities 25 YEARS
Powering India's Investments

Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27/ 3-Yr CAGR (YoY)	Q1FY27/ 3-Yr CAGR (YoY)		
Navin Fluorine	44%/29% Revenue increased by 44.1/11.5% YoY/QoQ% to INR 10,451mn driven by growth across all segments.	73%/46% 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.	(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	Valuation upside
Deepak Nitrite	36%/13% Revenue changed by +36.4/+21.6% YoY/QoQ to INR 25.8bn in Q1FY27.	185%/37% EBITDA margins increased by +1,093/+322bps YoY/QoQ to 21.0%. EBTIDA changed by +185.0/+43.7% YoY/QoQ to INR 5.40bn.	DNL is venturing into polycarbonate (PC) manufacturing with an investment of INR 50bn. The 1,65,000 MTPA PC plant shall commence operations by FY28-end and start contributing to revenue from FY29. Additionally, the company will invest INR35bn to set up a PC intermediate plant (Bisphenol A) and an additional phenol capacity. However, since these projects will be primarily debt funded, the balance sheet will become debt-ridden (from a debt-free position).	Valuation downside
Fine Organics	18%/8% Revenue came in at INR 6,942mn (+18.0/+11.0% YoY/QoQ)	42%/8% EBITDA came in at 1,760 mn(+42.4%/35.5% YoY/QoQ).	The company is incurring a capex of INR 7.5bn for setting up a plant at Navi Mumbai SEZ. The capex will be spread over FY27 and FY28. It will shift the export operations to the SEZ plant once it becomes operational. Additionally, it is setting up the plant in the US for localization of exports in the US market from India. It has acquired land in the US and is currently in the process of finalizing an investment plan. In FY27, we expect the Patalganga site to reach full utilization. All other facilities are already running at full utilization, which limits volume growth until there is further capacity addition.	Valuation downside
Galaxy Surfactants	39%/24% 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.	101%/26% 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.	(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.	Valuation upside
Neogen Chemicals	34%/15% Revenue came in at INR 2,503mn (+34.0/+1.5% YoY/QoQ).	53%/20% EBITDA margin changed by +240/+146bps YoY/QoQ to 19.3%.	(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.	Valuation upside

Positive　Medium　Negative

Chemicals

Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27/ 3-Yr CAGR (YoY)	Q1FY27/ 3-Yr CAGR (YoY)		
Aarti Industries	43%/19%	81%/24%	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.	Valuation upside
	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%.		
Vinati Organics	55%/24%	35%/55%	Improved traction in Antioxidants and ATBS business	Valuation upside
	Revenue came in at INR 6,959mn (+28.4/+15.2% YoY/QoQ).	EBITDA came in at 1,705 mn(+6.8/+0.1% YoY/QoQ).		
Alkyl Amines	30%/9%	74%/22%	(1) supply glut in domestic market in ethylamines and its derivatives, (2) continued aggressive dumping by Chinese manufacturers in most of the product categories, and (3) lag in upside as a result of enforcement of ADD on acetonitrile.	Valuation downside
	Revenue came in at INR 5,280mn (+30.2/+36.5% YoY/QoQ).	EBITDA margin changed to 25.3% (+642/+703bps YoY/QoQ).		
Acutaas Chemicals	59%/29%	122%/49%	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. ACL's growth story is promising, led by growth in the CDMO business. However, near-term valuations are contextually high.	Valuation Downside
	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%.		
SRF	32%/15%	51%/20%	(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).	Valuation upside
	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%.		
Sudarshan	10%/63%	35%/55%	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	Valuation Downside
	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%.		

Positive Medium Negative

Chemicals

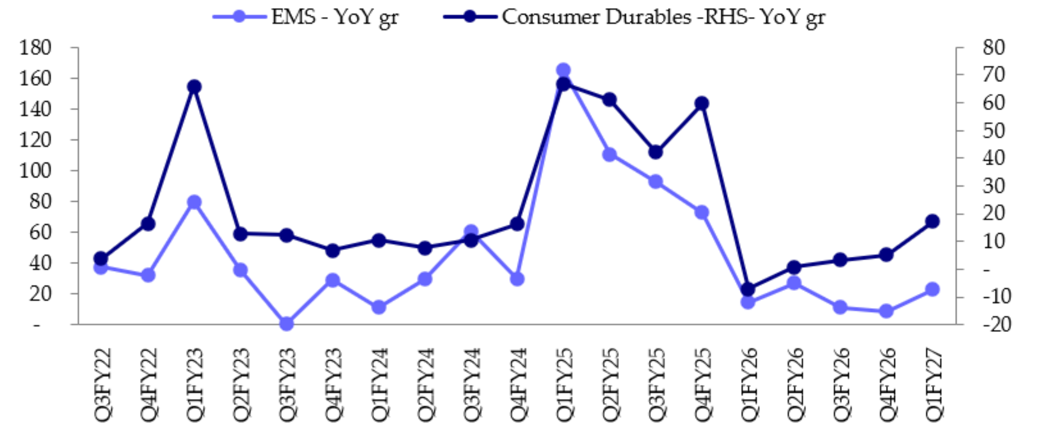
Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q4FY26/ 3-Yr CAGR (YoY)	Q4FY26/ 3-Yr CAGR (YoY)		
Clean Science	11%/13%	-3%/8%	We expect(1) pricing pressure in the high-margin MEHQ value chain from Chinese competitors; (2) slower-than-expected ramp in performance chemical-1 plant; and (3) further delay in commissioning of performance chemical-2 plant.	Valuation Downside
	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%.		
NOCIL	20%/1%	50%/-7%	(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.	Valuation upside
	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.		

Positive   Medium   Negative

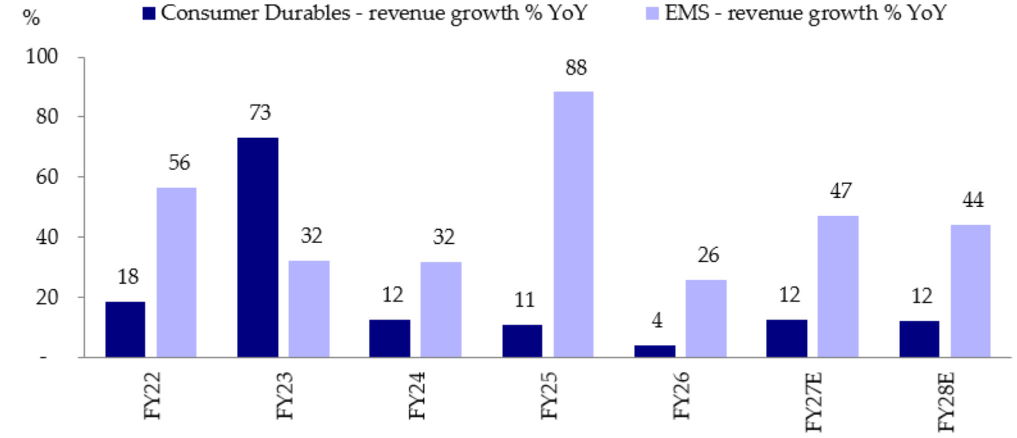
Consumer Durables & EMS

Channel inventory is normalizing in consumer durables (CD), EMS momentum continues

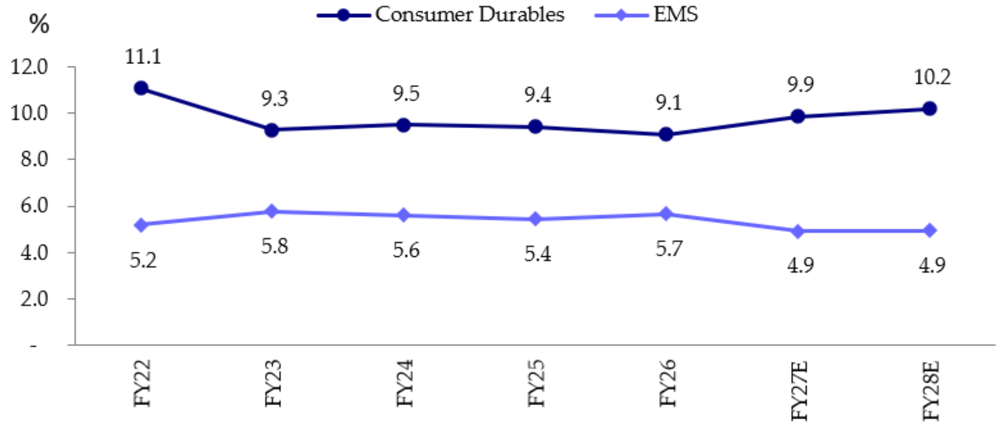
CD sees channel demand recovery; EMS revenue growth moderates



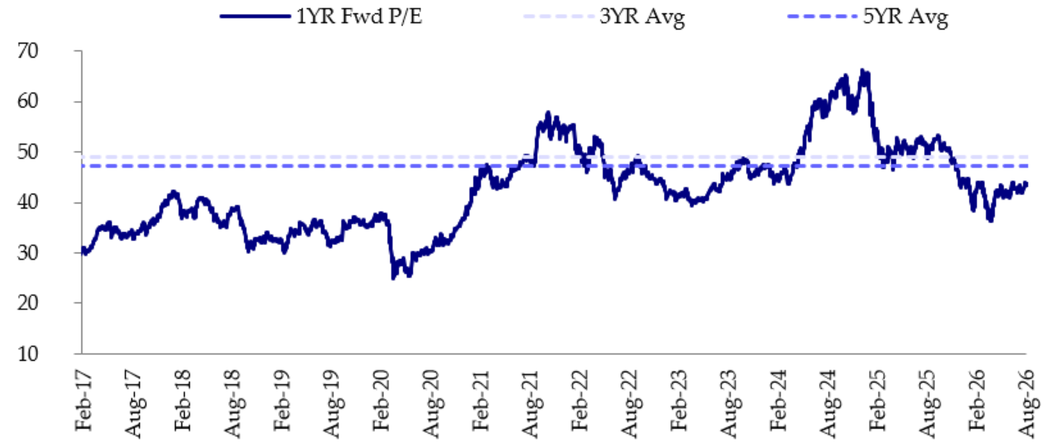
Consumer durables soft in FY26, recovery in FY27; EMS stay decent



Higher premiumization and cost optimization led EBITDAM expansion



1-year forward Sector P/E is trading at a discount to 5-year average



Consumer Durables & EMS

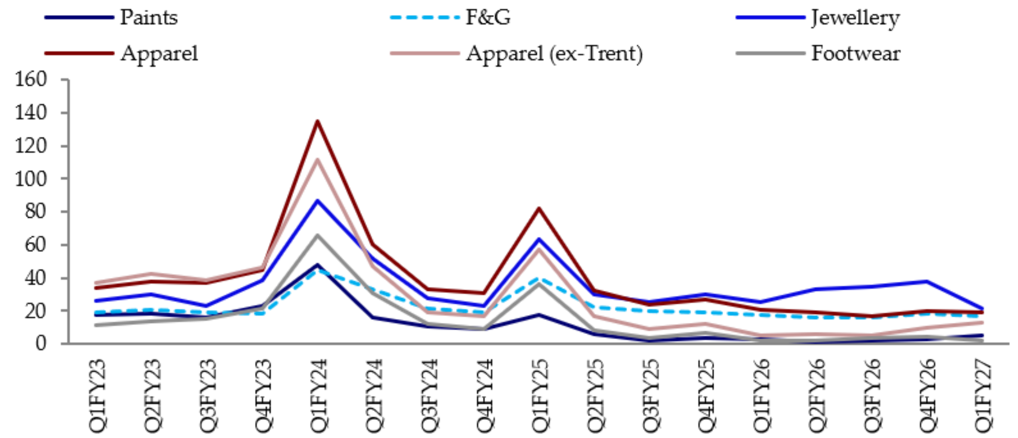
Q1FY27	Revenue Trend	EBITDA Trend	Strategic/Others	Valuation
	Q1FY27 (YoY)	Q1FY27 (YoY)		
Crompton	12%	17%	Focus on expanding solar business, new product development, and brand building in butterfly.	Attractive valuation
	Growth led by price hikes across categories. Fans growth led by strong BLDC momentum.	Decline in fixed cost led margin expansion.		
Havells	20%	-9%	Brand building in Lloyd to gain market share; target to grow solar business to ensure quality raw material supply.	Valuation upside
	Growth led by price hikes across categories. Strong growth in cables. ECD grew across categories. Lloyd's revenue grew on a low base; however, performance remains weak.	All segments have witnessed margin contraction owing to raw material inflation.		
Voltas	19%	49%	Drive RAC volume growth; distribution expansion and branding; scale up south presence. Improve EMPS profitability.	Valuation upside
	UCP segment reported strong revenue performance.	Margin expansion in UCP and EMPS segment coupled with decrease in fixed cost.		
LG Electronics India	15%	26%	Focus on export markets, gaining market share through launch of premium-eco mix product launches, backward integration.	Risk reward unfavourable
	Strong performance in home entertainment led by TV and healthy performance in home appliances.	Margin expansion in home entertainment segment.		
Amber	13%	22%	Reduce RAC concentration, entry into mobile manufacturing and diversificaiton into more margin accretive component space.	Risk reward unfavourable
	Growth in consumer durables segment has been moderated. Electronics and railway segment reported strong performance.	Consumer durables and electronics segment witnessed margin expansion, while railways segment margin contracted.		
Dixon	21%	-4%	Ramp up mobile volumes through Vivo JV, backward integration into displays and component manufacturing.	Risk reward unfavourable
	Mobile segment has witnessed volume decline owing to surge in memory prices.	All segments witnessed margin contraction.		
Kaynes	40%	31%	New client additions, improve export mix, OSAT and HDP PCB facility to drive growth in future.	Risk reward unfavourable
	All segment reported healthy growth.	Decline in other expenses led margin expansion.		

Positive Medium Negative

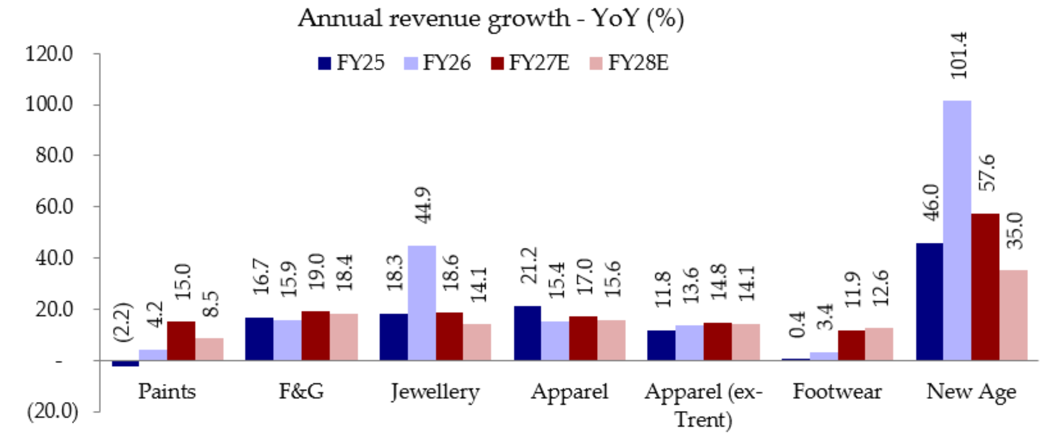
Consumer Sector – Discretionary

Demand remained robust in Q1FY27 despite macro headwinds, but rising inflation threatens future margins.

3-yr Revenue CAGR: After the post-covid pent up demand, growth rates have now normalized across most categories

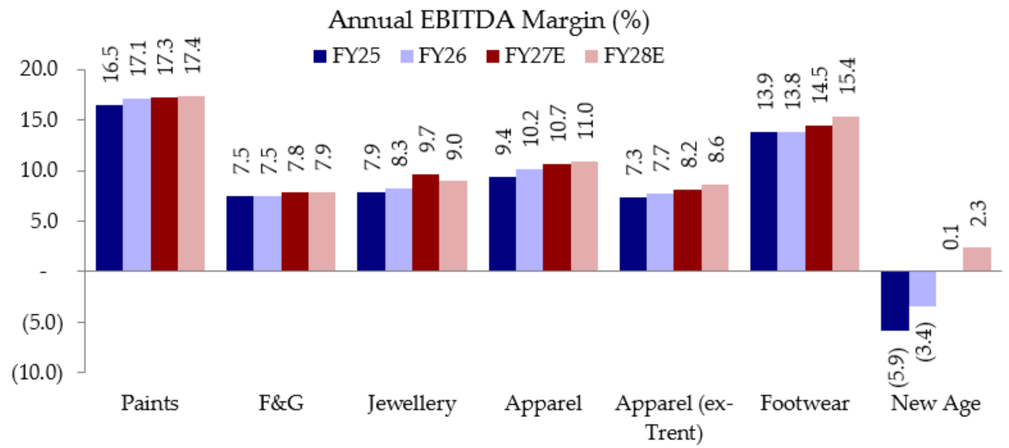


Long term growth outlook remains mixed, with New Age and Jewellery driving growth, while Paints and Footwear are on a recovery path

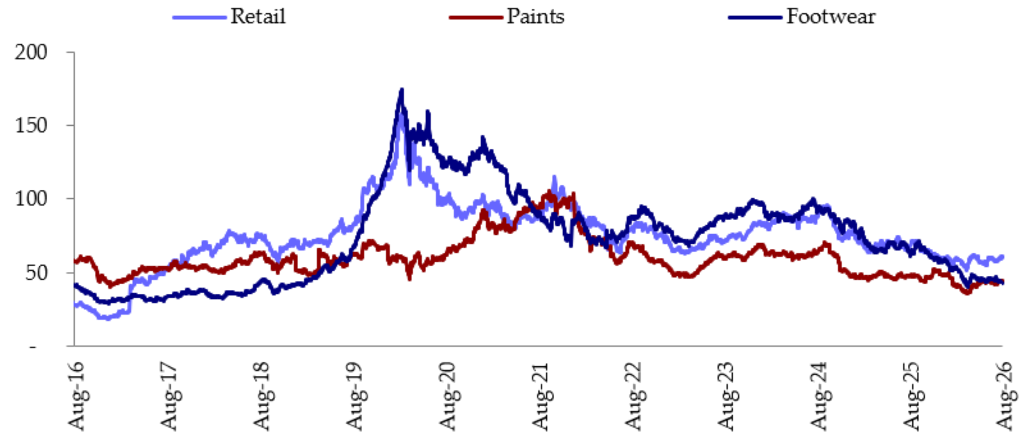


Note: Revenue figures for FY26/27/28E of Eternal (New Age) are adjusted for the inventory model pivot and are therefore not comparable.

Inflation to keep EBITDA margin expansion in check. In new age, we expect scale-led efficiency to drive margin expansion.



Sector P/E (1 Year Fwd): Decent correction seen from all time high P/E



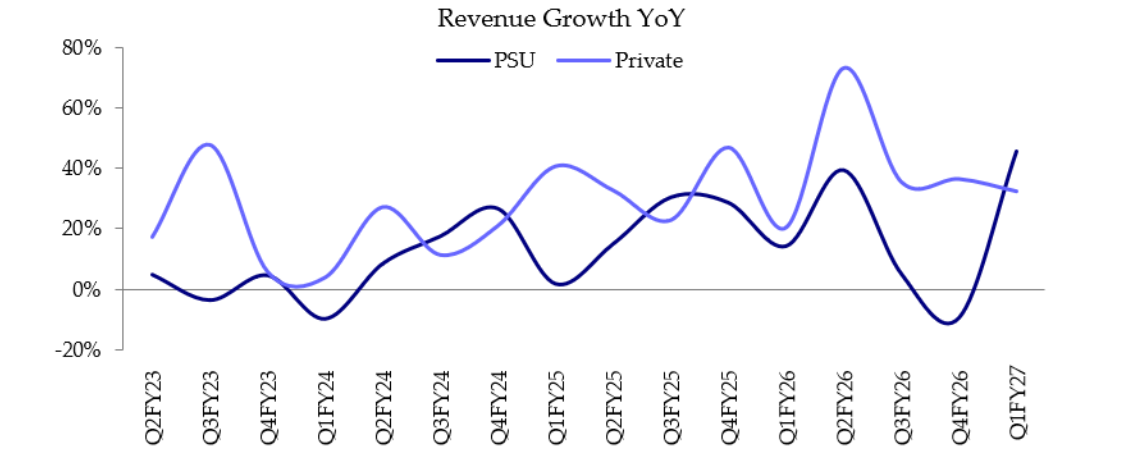
Consumer Sector – Discretionary

Q1FY27	Revenue Trend Q1FY27 (YoY)/ 3-Yr CAGR	EBITDA Trend Q1FY27 (YoY)/ 3-Yr CAGR	Strategic/Others	Valuation
DMART	15.1%/16.6% SSSG stood at 5.5%; sales density declined by 0.9% YoY	16.3%/13.8% GM expanded by 46bps YoY to 15.1%, due to higher share of GM&A category (up 74bps YoY) in the mix. However, EBITDAM improved by mere 8bps YoY to 8.3% as GM gains were partially offset by higher employee expenses (+27bps YoY as a % of sales) and rising other expenses (+11bps YoY).	Growth in older stores within large metros was flat during the quarter, whereas non-metro stores continued to perform well. DMart Ready rationalized its footprint to 11 cities. The company plans to raise up to INR10bn via NCDs on a private placement basis	We value Dmart at 58x Jun-28 EPS vs current valuation of ~58x Jun-28 EPS. Fairly Valued
Titan	Standalone Jewellery-ex-bullion growth (37.8%/20.5%) 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.	Standalone Jewellery adj. EBIT growth (39.1%/22.6%) TMZ EBIT included a one time custom duty gain of INR3.86bn and 75-80bps inventory MTM gain; adjusting for these, normalized TMZ EBITM contracted to 10.9% (vs. 11.3% after adjusting for a 50bps one-off gain in Q1FY26).	Focus likely on gaining volumes through initiatives such as gold exchange programs and promoting lower caratage jewelry. However, tough comparables (courtesy high gold price base), combined with intensified competition, may weigh heavy on jewelry demand in H2FY27 in our view.	We value Titan at 50x Jun-28 EPS vs current valuation of ~59x Jun-28 EPS. Valuation downside as no margin of safety
Eternal	Revenue figures are adjusted for the inventory model pivot and are therefore not comparable. FD MTU grew 7% QoQ (+18.8% YoY) to 27.2mn. QC MTUs grew by 16.9% QoQ (88% YoY) to 31.8mn.	Consol. adj. EBITDA grew ~223% YoY to INR5.55bn in Q1FY27 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. In QC, higher take rates (+61bps QoQ) didn't quite translate into higher CM (-14bps QoQ) due to seasonally elevated delivery costs, minimum wage hikes, and 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)	While the food delivery business continues its recovery momentum, Blinkit's rapid scale-up with efficient capital usage remains impressive.	We value FD business at 45x Jun-28 EV/EBITDA; while QC business at 1.5x Jun-28 NoV. Value Emerging.
Trent	18.5%/30.7% Growth was primarily led by new store additions as LFL growth for Q1FY27 was in low single digits. Westside/Zudio added 1/19 stores in Q1FY27	32.6/44.8% 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. Pre-IND AS EBITDAM improved by ~140bps to 12.9% in Q1FY27 (vs 11.5% in Q1FY26).	Trent's incremental expansion toward under-retailed territories of North and East, and step-up in Westside store and member additions are likely to aid a SSSG recovery in the future.	We value standalone business at ~55x Jun-28 adj. EPS; while Star business at 2x Jun-28 EV/Sales. Fairly Valued.
Asian Paints	Consolidated growth: 17.9%/4.7% 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.	33.5/0.7% GM expanded 91bps YoY to 43.6%, 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. EBITDAM expanded by 239bps YoY to 20.6%, further aided by cost optimization initiatives.	Competitive intensity expected to recede over FY26-28 as Birla Opus reins back rebates in search of unit economics. Incumbents are likely to recoup some of the lost share in this phase. We believe APNT is well placed to gain market share, given its wellrounded product portfolio, robust supply chain, and strong pricing/cost discipline.	We value APNT at ~47x Jun-28 EPS vs current valuation of ~42x FY28 EPS. Value Emerging.
Berger Paints	Consolidated growth: 12/5.8% Standalone volume/value growth stood at 8.4/12.7%. The company realized ~5% price hikes in Q1FY27, with the cumulative pricing impact expected to rise to 7.5-8.5% in Q2	15/2.9% 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.	Focus on gaining market share in urban market. Competitive intensity is likely to recede at the margin.	We value BRGR at ~40x Jun-28 EPS vs current valuation of ~40x Jun-28 EPS. Fairly Valued

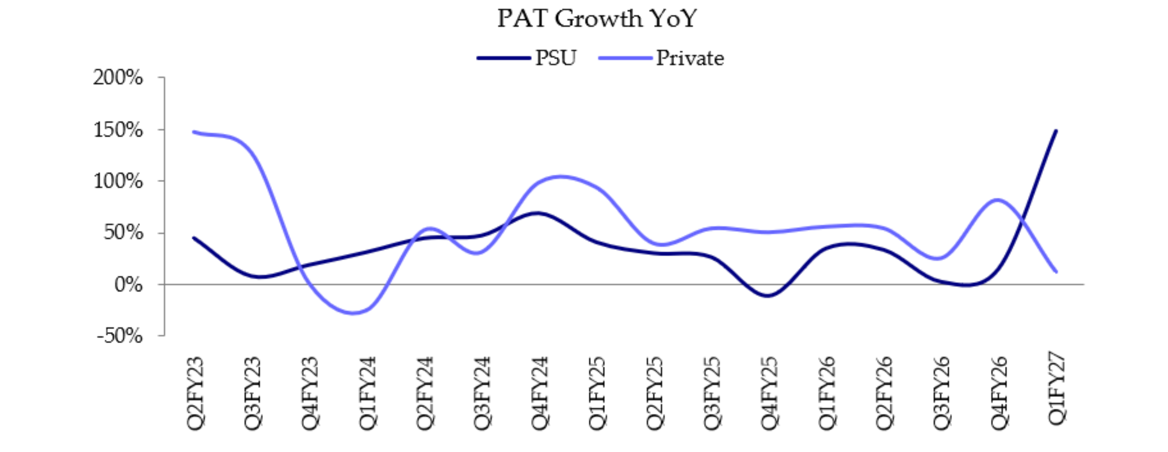
Positive   Medium   Negative

Defence and Aerospace

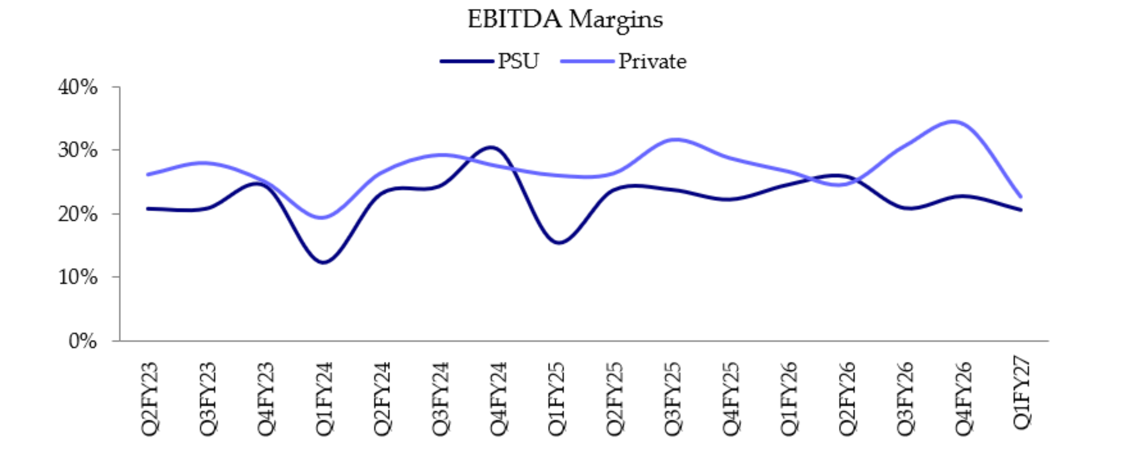
Revenue growth: Private companies delivering higher revenue growth against PSUs with an exception in this quarter due to platform deliveries



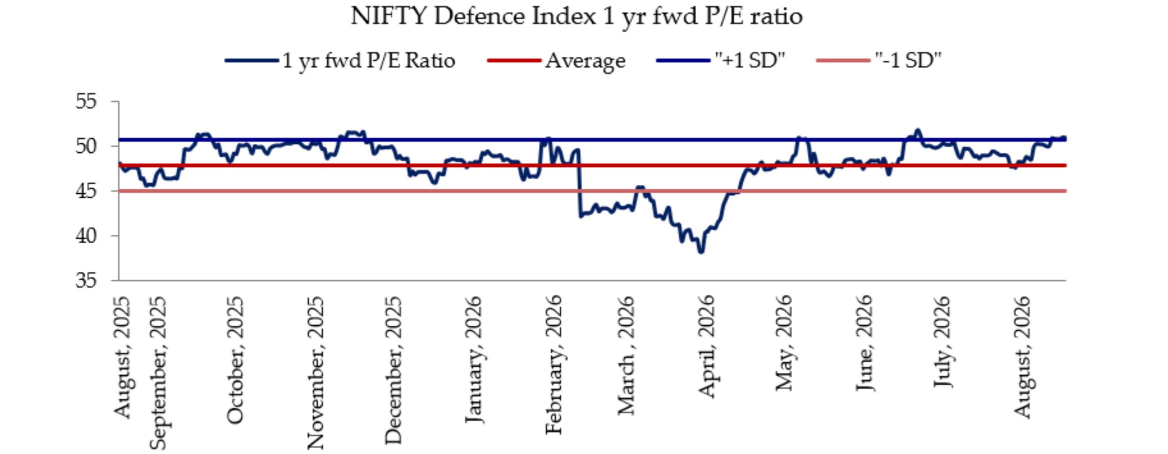
PAT Growth: PSUs recorded a better PAT growth in this quarter led by platform deliveries and faster complete project executions



Margin Trend: Private companies usually command better margins, but it normalized for this quarter due to product mix execution



Sector 1 year forward P/E trends: Trading at +1 SD 1 year forward P/E



Defence and Aerospace

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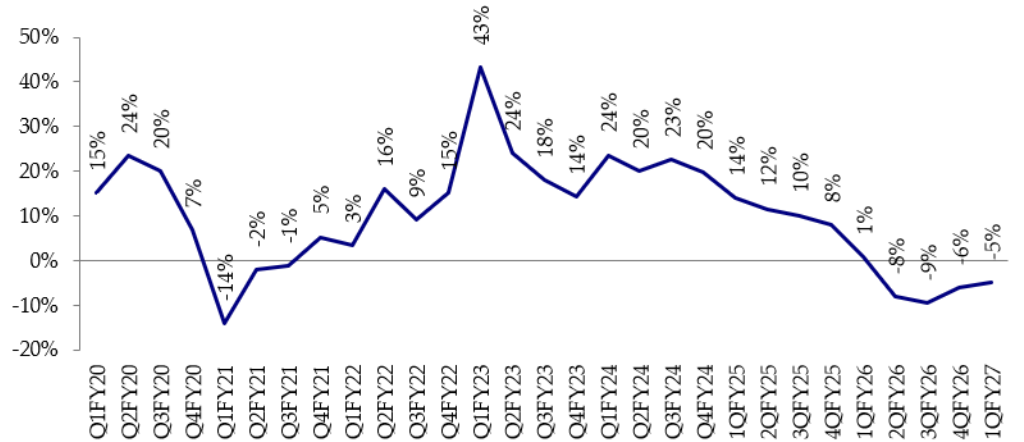
Q1FY27	Revenue growth trend Q1FY27 YoY %	EBITDA growth trend Q1FY27 YoY %	Strategic /Others	Valuation
Hindustan Aeronaitics	14% Healthy revenue growth on account of easing supply chain issues and faster execution of orders inn hand	19% Lower input costs, and a favorable product mix led to margin expansion	Nearing LCA Tejas deliveries coupled with high order inflows of INR 900bn in the next two years to drive revenue growth	Valuation upside
Bharat Electronics	25% Robust revenue growth led by higher booking of existing order book with products nearing deliveries	12% EBITDA margin declined to 25% (-280bps YoY) led by unfavourable product mix, but is expected to normalize to 28% over the year	Order inflows to remain strong at INR 550bn in FY27 including large platform order of QRSAM (INR 300bn), providing revenue visibility in the long term	Valuation upside
Bharat Dynamics	131% Stellar revenue growth led by postponement of Akash project revenue booking from Q4FY26	N.A EBITDA margin turned positive due to operating leverage	Akash Weapon System deliveries with anticiapted order inflow of INR 150bn in FY27 to drive revnue growth benefitting from a low base	Valuation downside
Mazagon Dock Shipbuilders	12% Health revenue growth led by faster execution of platform orders in hand	48% EBITDA growth led by margin expansion to 15.2% (+370bps YoY) due to P17A deliveries (INS mahendragiri in April 2026)	Anticipated orders of INR 990bn for 6 submarines in the P-75I project provide long runway for revenue booking, Initiation of MRO activities to help reduce revenue volatility	Valuation upside
Data Patterns	17% Revenue growth led by disciplined execution of the company's diversified order book	-2% EBITDA declined due to lower margins of 27% _-520bps YoY) due to higher repair and maintainance expenses, bad debt (INR 20mn) and high employee cost	Increased focus on drone, counter drone markets and exports to lead revenue growth in FY27	Valuation upside
Apollo Micro Systems	88% Revenue growth looks optically high due to IDL integration in results for this quarter	31% Lower EBITDA growth was on accoun t of EBITDA margins falling to 20.4% (-1000bps YoY) led by consolidation of IDL (EBITDA margins of 5.6%)	Revenue growth to continue, led by acquisition of Premier Explosives, robust order pipeline and prototype development	Valuation upside
Astra Microwave Products	-12% Revenue declined on account of revenue shift to next quarter, led bny delay in customer approvals and technical design lags	-19% EBITDA margins fell to 18.7% (-179bps YoY) due to operating deleverage, which we expect will normalize in upcoming quarters of FY27	Revenue growth to be lead by existing order book (INR 43bn) and a robust order pipleine of ~INR 40bn+ consisting of QRSAM, Radars, etc.	Valuation downside
Paras Defence and Space Technologies	37% Robust growth led by faster execution of optics segment	45% EBITDA margins increased to 25% (+150bps) led by higher contribution of optics in revenue	Revenue growth to be led by robust order pipeline of drone optics, laser based weapons, periscopes and optical space instruments	Valuation downside

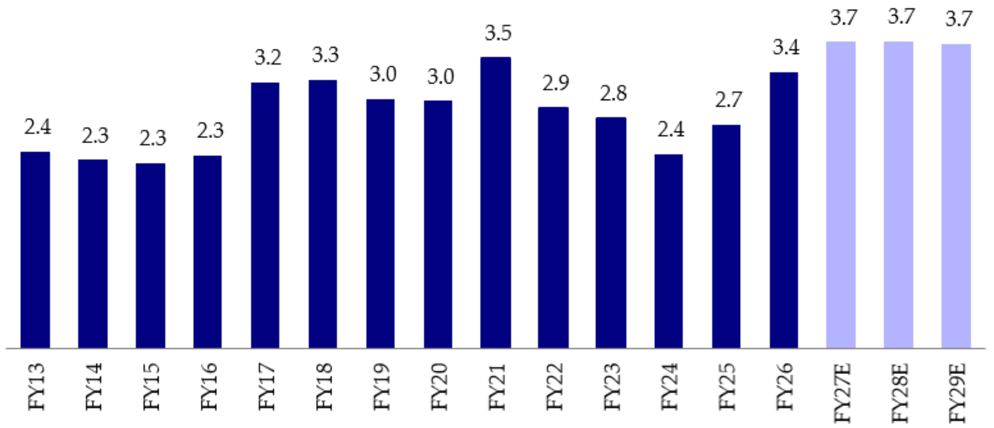
Positive Medium Negative

Infra

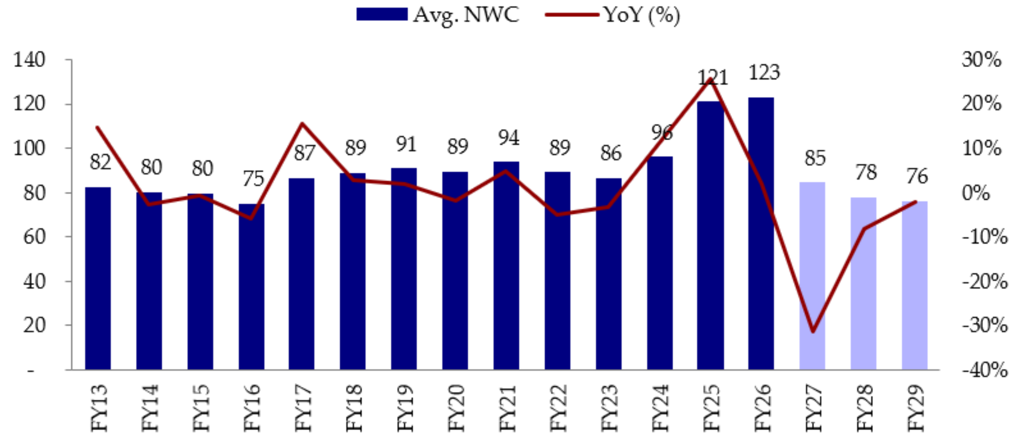
Quarterly revenue growth trend (2-year CAGR %)



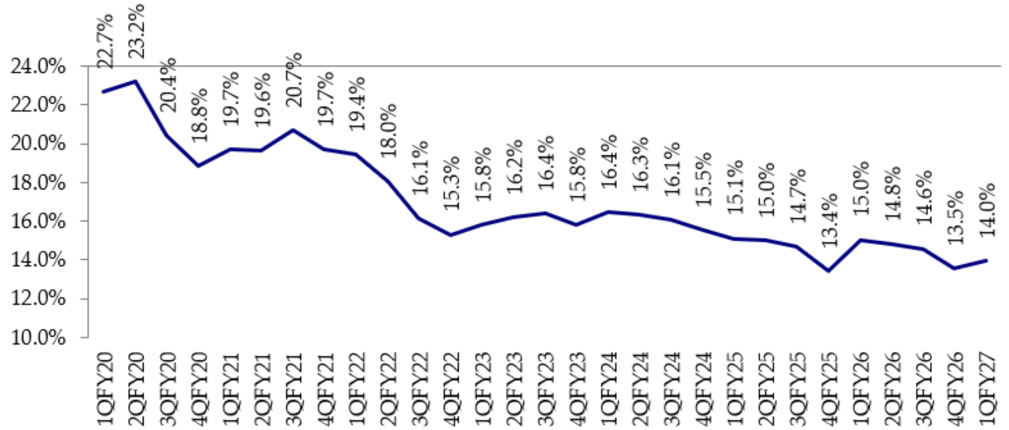
Annual order book to sales (x)



Average net working capital days



EBITDA Margin (%)



Infra and Cap goods Sector

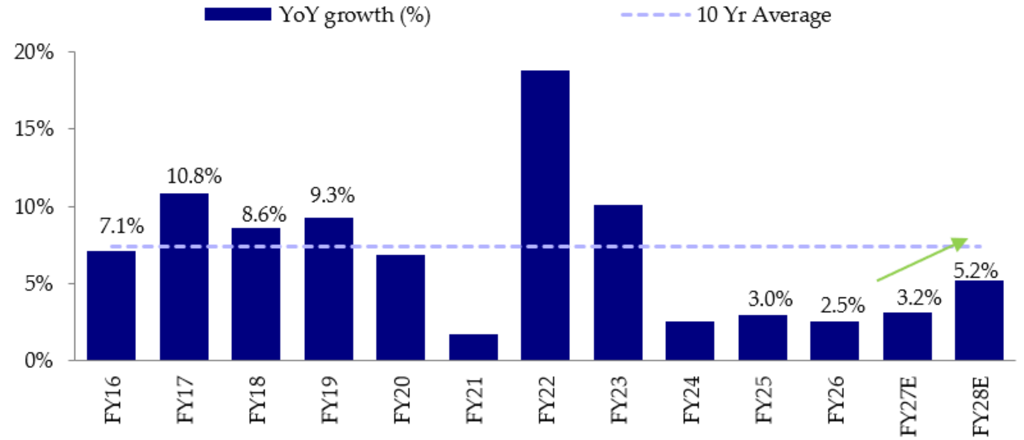
Q1FY27	Revenue	Net Debt to Equity (x)	Strategic/Others	Valuation
	Q1FY27	1QFY27 vs. 1QFY26		
Larsen & Toubro	Revenue/EBITDA/APAT at INR 679.4/61.2/41.2bn, a beat/(miss) of (2.8)/(9.1)/+3.1%.	Robust order inflows of INR 1.1trn (+14% YoY) in Q1FY27	Record-high OB of INR 7.8trn, focus on semiconductors/solar PV/data centers, improvement in subsidiary performance, higher public capex toward a infrastructure and green economy. Balance sheet managed well.	Valuation upside
	Guidance (YoY) - OI: +10-12%, revenue: +10-12%, P&M margin: 7.8% and NWC/revenue of 10%	Q1FY27 is marked by disruptions in supply chain in the Middle East and slower execution in water projects		
Kalpataru Projects	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	NWC stood at 94 days in Q1FY27 (Q4/Q1FY26: 99/106 days). KPIL's guidance of under 100 days remains intact for FY27	Targeting FY27 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	Valuation upside
	robust order booking, stable growth outlook, and a strong balance sheet (BS) and NWC	Standalone net debt is at INR 7.5bn in Q1FY27, with net debt to equity at 0.1x as of Jun'26		
NCC	revenue/EBITDA/APAT beat by +5/+14.7/+15.7% on the back of improved quarterly execution	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 is INR 58.8bn.	While work execution at NCC's project sites is progressing smoothly in Q2FY27, the company has guided for revenue growth of only 8–10%.	Valuation upside
	Guided revenue growth at 8-10%, EBITDA margin of 8.5-9% and OI guidance is at INR 220-250bn for FY27	Gross standalone debt increased to INR 24.1bn (Q4/Q1FY26: INR 22.5bn/INR 18.5bn)		
Cummins	Strong execution in Powergen Data Centre orders, with revenue /EBITDA/APAT beat/miss on our estimates by +4.4/-9.8/-11.2%.	large level of localization in product line provides buffer for shocks, with some price increases being passed on to customers.	Company has multiple tailwinds, namely, strong data centre demand, capex cycle recovery, revival in industrials and exports, strong upcoming real estate deliveries, and support for manufacturing policies. CIL remains a play on data centre and capex recovery.	Valuation upside
	CIL remains positive on domestic demand whilst sounding caution on geopolitics and commodity price increases.	BESS solutions, which is a new market segment, may take time to establish as a new growth driver, albeit inquiries are pouring in, indicating market interest and pickup expected from FY27/28.		

Positive Medium Negative

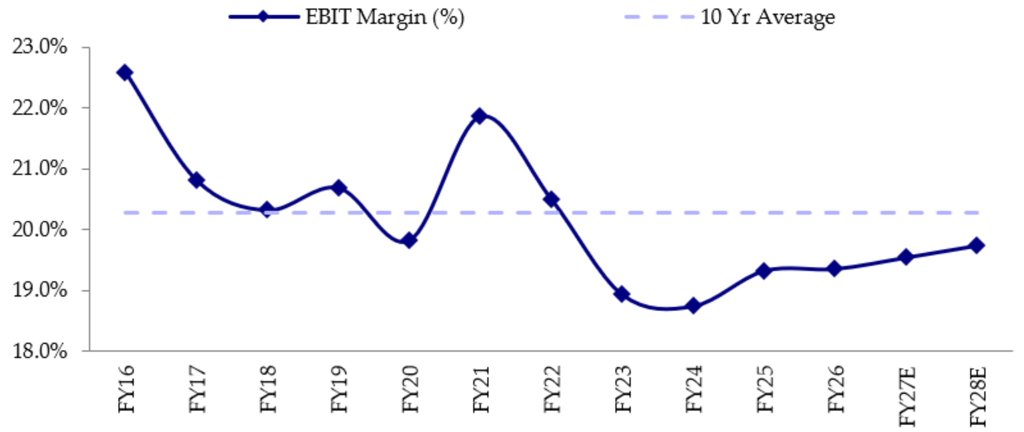
IT Sector

USD Revenue: Flat growth expected in the Q2 & Q3FY27E

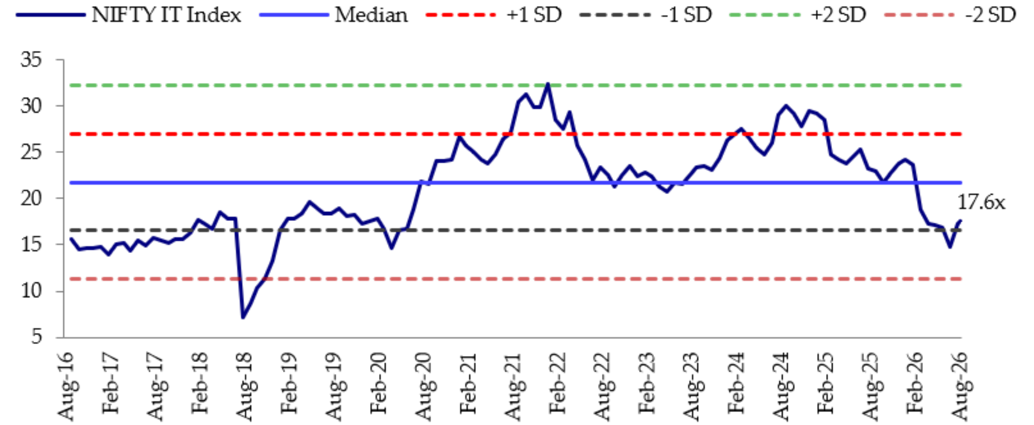
USD Revenue: Growth expected to marginally in FY27E but below its 10Y avg



Margin Trend: FX tailwind will support margins over FY27-28E



Sector P/E: NIFTY IT index started moving towards 10Y median



IT Sector

Q1FY27	USD Revenue Trend	EBIT Trend	Strategic/others	Valuation
	Q1FY27 (QoQ/ YoY)	Q1FY27 (QoQ/ YoY)		
TCS	0.0%/2.7%	-3.1%/11.6%	TCS reported its highest ever net headcount addition during the quarter and scaled its AI 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.	Higher earnings resilience and return ratios, payout yield at ~4%, FCF yield at 4%, and industry leading margins and execution with quality metrics supports valuation (below long term averages).
	Growth was led byTechnology, BFSI & Communication while Retail & CPG were muted due to geopolitical issues	Margins impacted due to wage hikes rolled out to the global workforce, which was partially offset by favourable currency & operational efficiency.		
Infosys	0.8%/2.9%	4.3%/15.4%	Company trimmed its FY27 CC revenue growth guidance by 50bps at the upper end to 1.5–3% while EBIT margin guidance was maintained at 20–22%. Additionally, Ashiss Dash (31-yr Infosys veteran) was named CEO-designate, succeeding Salil Parekh from Apr'27.	Infosys is trading at 14x FY28E which is at ~41% discount to its 5Y average of ~24x.
	Revenue growth impacted by a terminated program with a European E&U client.	Margins supported by INR depreciation & project maximus which was offest by headwinds of AI Investment & a project termination.		
WPRO	-1.4%/1%	-7.7%/8.1%	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.	Wipro is trading at 14/13x FY27/28E (5Y average at 20x).
	EMR & Healthcare dragged growth, hit by sustained pressure in the US healthcare and BFSI declined on client-specific issues & delays in ramping up large deals	Margins impacted by salary hikes, ramp-up of previously won large deals, ongoing AI investments and acquisitionrelated costs, partially offset by rupee depreciation and operational efficiencies		
HCLT	-0.9%/3%	3.8%/18%	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.	HCLT is trading at 18/17x FY27/28E (5Y average is 21x)
	Revenue impacted due to decline in ER&D which was primarily due to sharp reductions in discretionary spending by two large US telecom customers.	Margin supported by lower restructuring cost, FX tailwind and lower provision for doubtful debt , which was partially offset by annual productivity commitments and a decline in ER&D revenue		
TECHM	2.2%/6.1%	8.6%/53.3%	11th consecutive quarter of margin expansion, aided by volume leverage and Project Fortius savings, partially offset by Comviva seasonality and business mix. Confidence in above-industry growth is underpinned by investments in AI, deep vertical capabilities, and marquee partnerships.	TECHM is trading at 18x FY28E (vs. 5Y average of 21x).
	Growth was led by an accelerated ramp-up in a European auto program (Mfg), supplemented by BFSI, HLS and steady momentum in top clients.	Margin expansion driven by volume growth, Project Fortius savings, and operational discipline, partially offset by Comviva seasonality.		
LTM	0.1%/6.1%	5.3%/28.7%	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.	LTM is trading at 24/20x FY27/28E EPS, while its 5Y average is 30x.
	Revenue growth was led by Technology & Services followed by Financial Services which was offset by decline in Production and Consumer vertical	Margins primarily driven by operational efficiencies from the New Horizon program offsetting the negative impact of wage hike.		

Positive   Medium   Negative

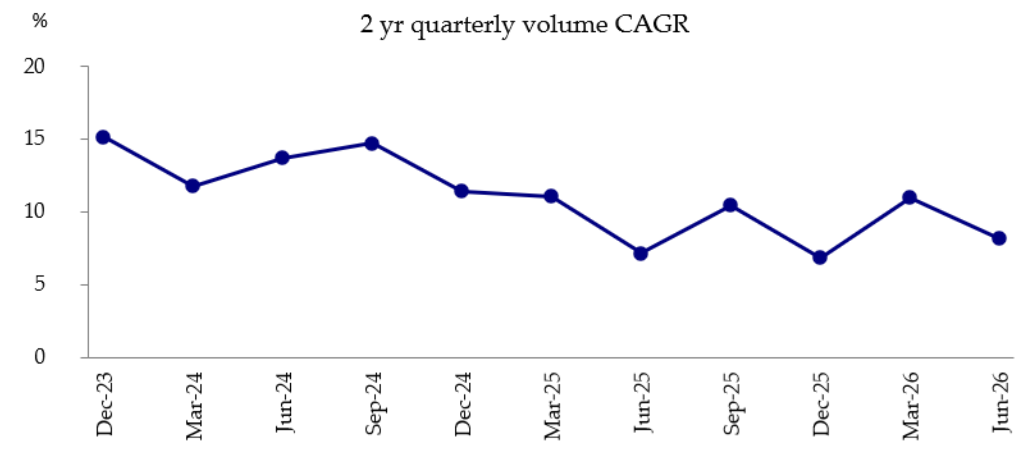
IT Sector

Q1FY27	USD Revenue Trend	EBIT Trend	Strategic/others	Valuation
	Q1FY27 (QoQ/ YoY)	Q1FY27 (QoQ/ YoY)		
Mphasis	1.8%/7.7% Revenue growth led by strength in the direct business, particularly across the Americas.	-0.7%/13.5% Margins impacted by ramp-up cost of new deals and earnout of TAP acquisition and drop in utilization	Company expects best QoQ growth in three years for Q2FY27 and reaffirmed its FY27 guidance of high-single-digit to low-double-digit revenue growth with EBIT margins in the 14.75%-15.75% band.	Mphasis is trading at 22/20x FY27/28E EPS, below the 5Y average of 26x.
LTTS	1.3%/0.4% Growth driven by sustainability and a recovery in mobility, which was partly offset by temporary weakness in tech.	6.1%/28.1% Margins supported by operational excellence and growth in higher margin sustainability segment.	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. 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.	LTTS is trading at 26/22x FY27/28E below its 5Y average of 34x (~35% discount).
Tata Elxsi	0.6%/3.2% Growth was driven by a rebound in media & communications aided by ramp-up of large consolidation deals and telecom programs, while transportation remained resilient.	-12.5%/19.3% Margins impacted due to one-off costs related to deal transitions, retention, and customer-specific expenses, along with strategic investments in delivery capabilities, sales expansion, AI initiatives, and bad-debt provisions.	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.	TELX is trading at 31/26x FY27/28E (5Y average is 53x)
Persistent	3.8%/16.1% Growth was led by Tech and BFSI, while Healthcare remained flat sequentially	4.2%/32.7% Margins impacted by impacted by lower utilization and higher purchase cost, which were offset by forex tailwind and lower provision for doubtful debts.	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	PSYS is trading at a valuation of 38/32x FY27/28E (vs. the 5Y average of 40x). The valuation premium is likely to persist, supported by its healthy sequential revenue growth in past several quarters.

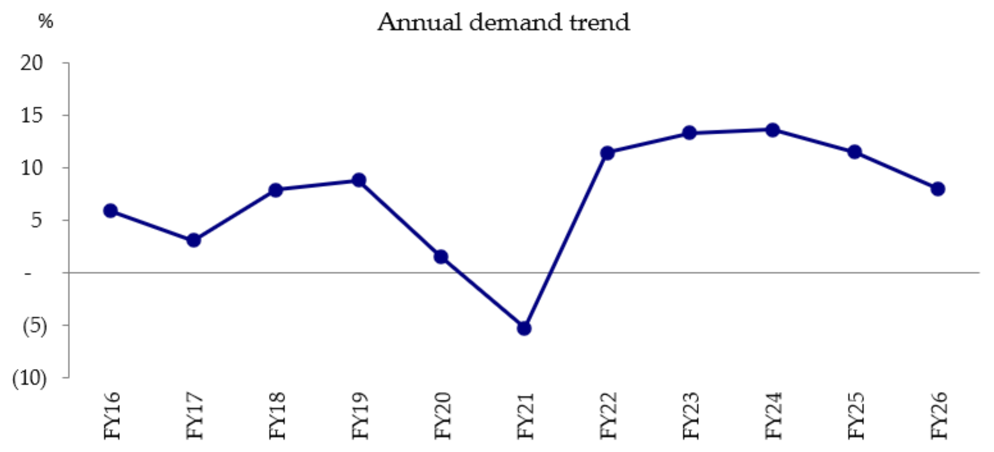
Positive   Medium   Negative

Metal Sector

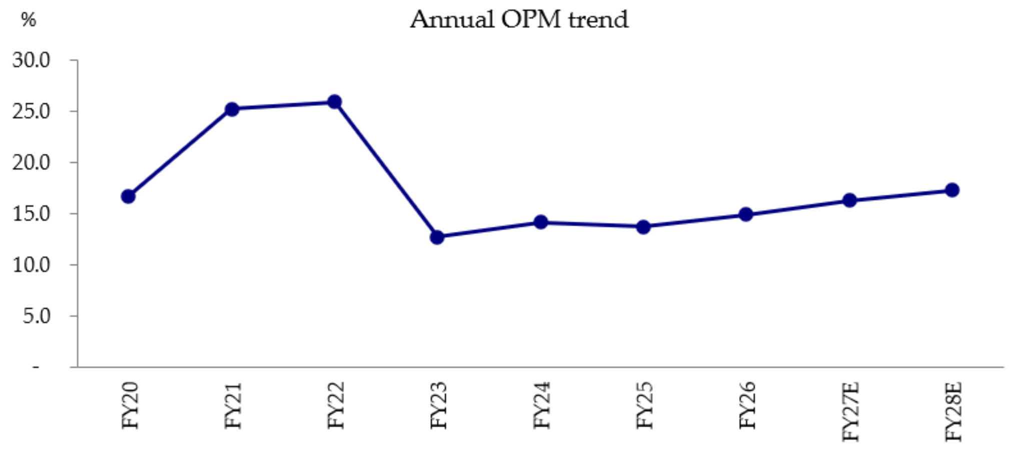
2-year quarterly volume growth: India's steel demand growth has moderated



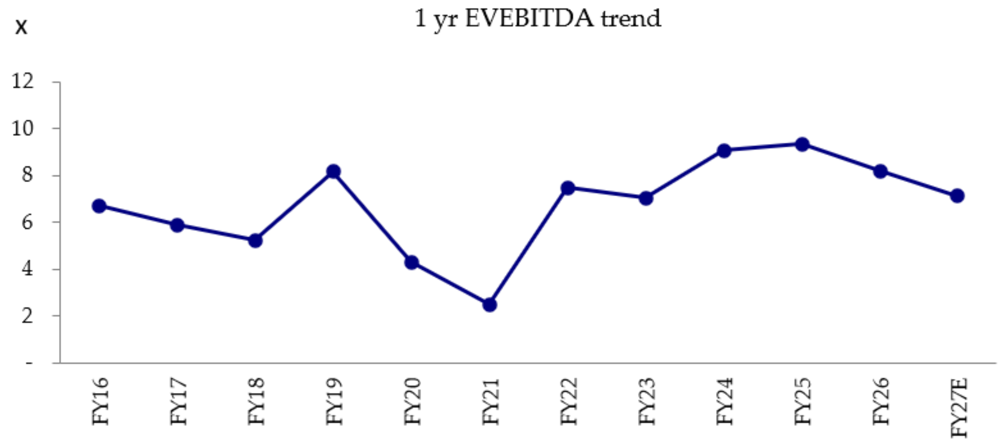
Volume Growth: India's steel demand growth has moderated in FY26



Margin Trend: Cost optimization and price improvement to aid margin recovery



Sector 1 year forward EV/EBITDA trends: Valuations are attractive



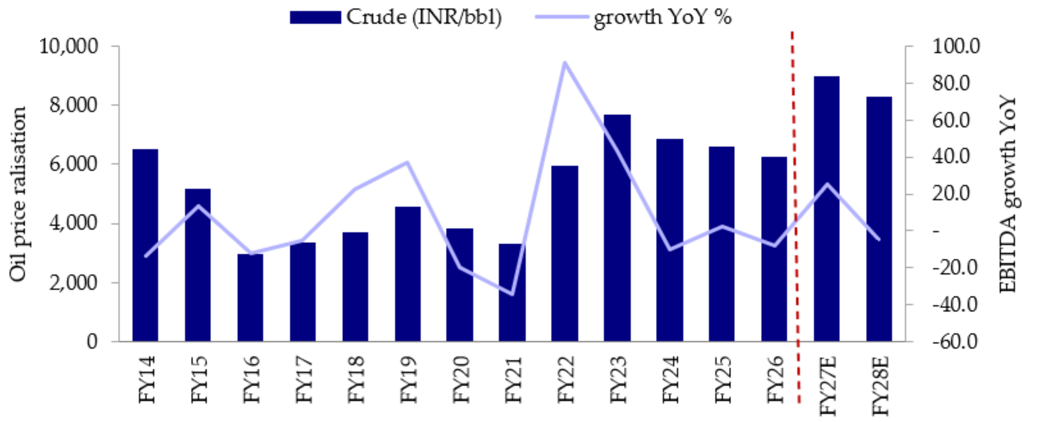
Metal Sector

Q1FY27	Revenue growth trend	EBITDA growth trend	Strategic /Others	Valuation
	Q1FY27 YoY %	Q1FY27 YoY %		
Tata Steel	14%	25%	EBITDA to increase QoQ driven by production ramp-up and cost stabalisation	Valuation upside
	Subdued 2% volume growth and 12% NSR increase	Profitability improved on pricing gains, which more than offset cost increase (fuel, maintenance shutdowns, operational snags, and op-lev loss)		
Jindal Steel	26%	-11%	Increase in value added products and cost optimisation to drive margin	Valuation upside
	Volume grew 17% YoY with 7% improvement in NSR, driven by richer product mix and price rise	Margin declined on increased opex on account product mix change and higher coking coal cost.		
JSW Steel	10%	24%	Growth to accelerate since BF-3 at Vijayanagar is operational and contribution will start from BMM Ispat acquisition.	Valuation upside
	Sale volume declined 7% YoY on account of sale of BPSL to JSW-JFE JV	NSR led margin expansion along with increased share of high-value US sales share.		
SAIL	1%	50%	Cost rationalisation; major expansion in pipeline	Valuation upside
	Sales volume declined 9% due to maintainance shutdown	Sharp increase in EBITDA led by higher steel prices (particularly flats) and an improved product mix		
APAT	14%	24%	Capacity expansion in East & South are on track. Targeting 8/10mn MT capacity by FY28/30. Focus on i) working capital sweat out and ii) profitability over volume push in near term	Valuation upside
	Volume declined 6%; NSR increased by 16% driven by increased steel prices	Focus on premium sales led margin expansion further buoyed profits		

Positive | Medium | Negative

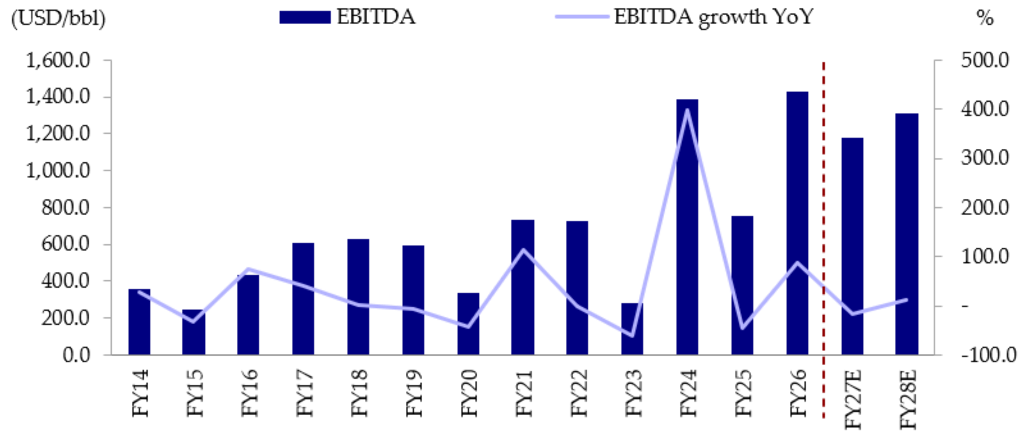
Oil & Gas – *auto fuel prices at retail outlet remains the key monitorable for OMCs; While net oil price realization will be a key monitorable for upstream companies*

Upstream^ EBITDA Growth: Net realisation is expected to grow in FY27



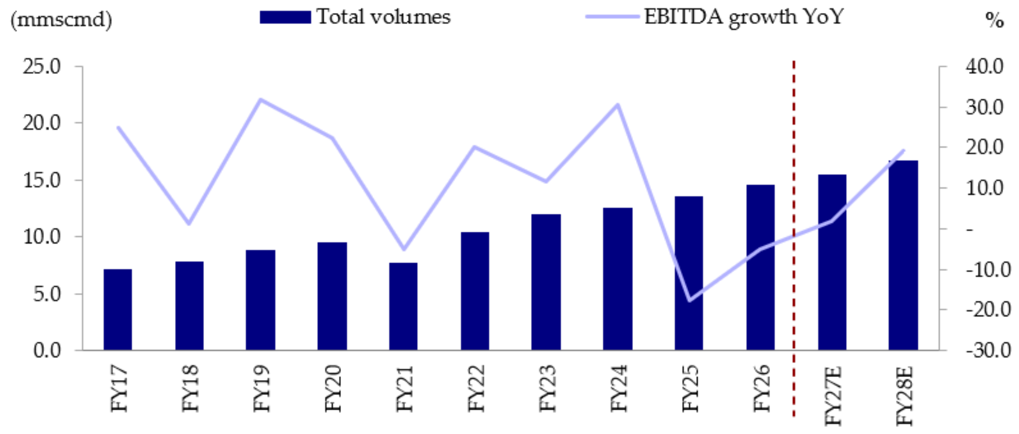
^Note: Upstream includes standalone ONGC and Oil India

Downstream* EBITDA Growth: Refining margins likely to strong; under recovery on auto fuel remains a key monitorable



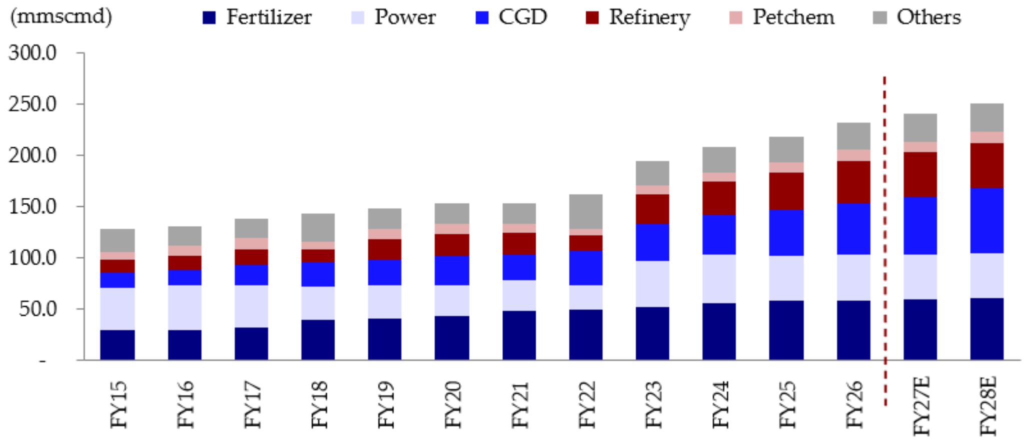
*Note: Downstream includes standalone IOCL, BPCL and HPCL

CGD# EBITDA growth: Fundamentals in place



#Note: CGD includes IGL, MGL and IRM

Natural Gas sector: consumption growth across sectors to continue



Oil & Gas

Q1FY27	Revenue Trend Q1FY27/ 5-Yr CAGR (YoY)	EBITDA Trend Q1FY27/ 5-Yr CAGR (YoY)	Strategic/Others	Valuation
IOCL	26%/12% Domestic petroleum sales were flat YoY at 23.5 MMT, pipeline throughput grew +8.4% YoY to 28.5 MMT, and refinery throughput rose +2.7% YoY.	-84%/-29% EBITDA fell 84.0% YoY due to inventory and marketing losses and higher crude oil prices (up +21% QoQ from USD 83.0 to USD 100.74/bbl).	Growth will be driven by refining capacity additions and strong product cracks. Critical monitorables include recovering retail marketing margins amid geopolitical pressures and the timing/quantum of government LPG compensation.	Valuation upside
BPCL	23%12% Refinery volume de-grew 2.6% YoY, though GRMs surged to USD 41.21/bbl (vs USD 5.25/bbl YoY). Marketing sales volume edged up 0.7% YoY.	N.A./N.A Due to sharp rise in crude oil prices, suppressed marketing margins on petroleum products and higher LPG under-recoveries, EBITDA reported an operational loss of INR 41 bn (vs INR 97 bn profit YoY).	Long-term growth is supported by refinery and petrochemical investments. High international fuel prices will continue to pressure marketing margins, making LPG under-recovery compensation a key monitorable.	Valuation upside
PLNG	-61%/-12% Revenue fell by -53.2% YoY. Long term volume from RasGas was almost nil during the quarter due to force majeure. The tolling and trading volume increased sequentially.	32%/8% EBITDA grew to INR 15.3 bn (+32.1% YoY) aided by trading gains of INR 3.0 bn and inventory gains of INR 1.9 bn	Long-term volumes are expected to remain low in ensuing quarters due to the force majeure declared by QatarEnergy Ltd. However, shifting the LNG mix from long-term contracts toward tolling and trading volumes will help support margins. Return ratios are expected to remain subdued due to heavy capex in coming years.	Valuation downside
IGL	18%/30% IGL's total volumes grew 5.6% YoY to 9.6 mmscmd (MNGL +18.0%, CUGL +6.0%)	-42%/-5% Higher average gas costs (INR 43.3/scm) squeezed sequential profitability, dropping gross unit margin to INR 8.8/scm (vs. INR 10.9 in Q4) and EBITDA per unit to INR 3.4/scm (vs. INR 4.8 in Q4).	Future volume growth is expected to be backed by new Geographical Areas (GAs). A key monitorable will be the cost of gas sourcing.	Valuation upside

Positive Medium Negative

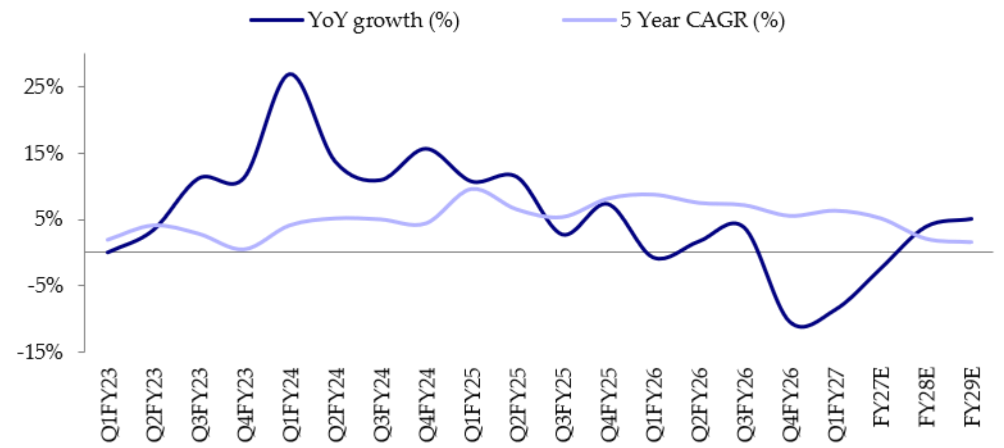
Oil & Gas

Q1FY27	Revenue Trend Q1FY27/ 5-Yr CAGR (YoY)	EBITDA Trend Q1FY27/ 5-Yr CAGR (YoY)	Strategic/Others	Valuation
HPCL	21%/13% Crude throughput fell 2.1% to 6.52 MMT while GRMs surged to USD24/bbl up 8% YoY and 67% QoQ. However, marketing volumes was flattish at 13.1 MMT. Marketing margin collapse from INR 8.1 per litre to INR -17.2 per litre YoY.	N.A./N.A EBITDA plunged to a loss of INR 161 bn (vs INR 76 bn profit YoY) due to marketing under-recoveries, LPG underrecovery and inventory losses.	Refining performance will stay strong on robust product cracks and higher Vizag RUF project yields. However, its marketing division would faces some pressure in the near-term (OMCs expect to increase retail fuel prices). Wew expect OMC will be componsated for the losses they are incurring on LPG.	Valuation upside
MGL	14%/31% Revenue growth was 13.9% YoY owing to 7.0% increase in volumes and 6.0% in realisation.	-32%/2.4% EBITDA dropped 31.5% YoY due to increased gas costs and higher opex	Volume growth is expected to be driven by retail outlet expansions, industrial customer additions, and strong CNG vehicle registrations, while maintaining favorable gas sourcing via long-term Henry Hub-linked contracts remains a key monitorable.	Valuation upside
OINL	59%/22% Crude oil sales grew to 0.915 mmt (+11.4% YoY) with realization at USD 98.7/bbl (+49.1% YoY), while natural gas volume dropped to 0.615 bcm (-11.5% YoY) with realization at USD 7.2 per mmbtu (+7.0% YoY)	154%/27% Higher realizations drove EBITDA up 154.2% YoY to INR 40.8 bn	Expects strong volume growth with higher realization in the coming quarters. Furthermore, strong margins from NRL is anticipated to support operational performance.	Valuation upside
IRM	24%/34% Top-line grew via higher volume (+7.5% YoY) and realization (+15.4% YoY).	139%/16% EBITDA jumped 138.8% YoY to INR 0.62 bn (vs INR 0.25 bn YoY), boosted by prudent long-term gas sourcing (GSPC/Shell) over spot purchases.	Volume growth from long-term contracts remains a key monitorable.	Valuation upside
Note:	Green: Positive	Yellow: Medium	Red: Negative	

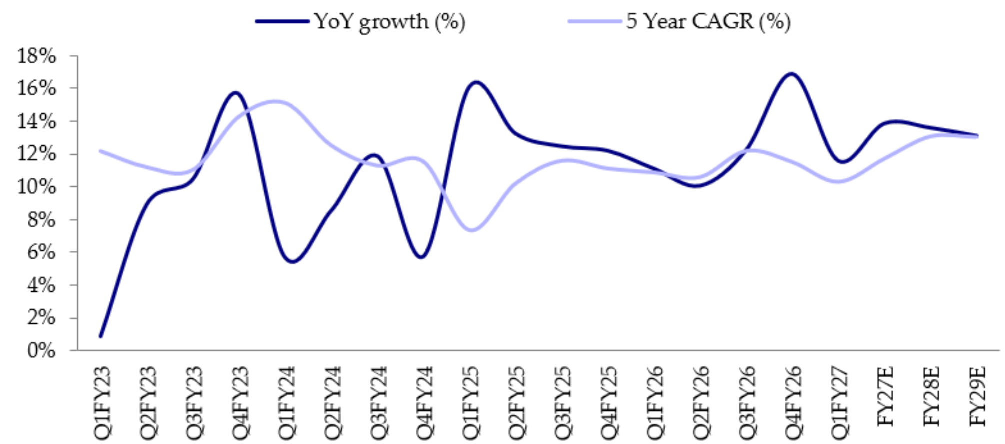
Positive Medium Negative

Pharma Sector

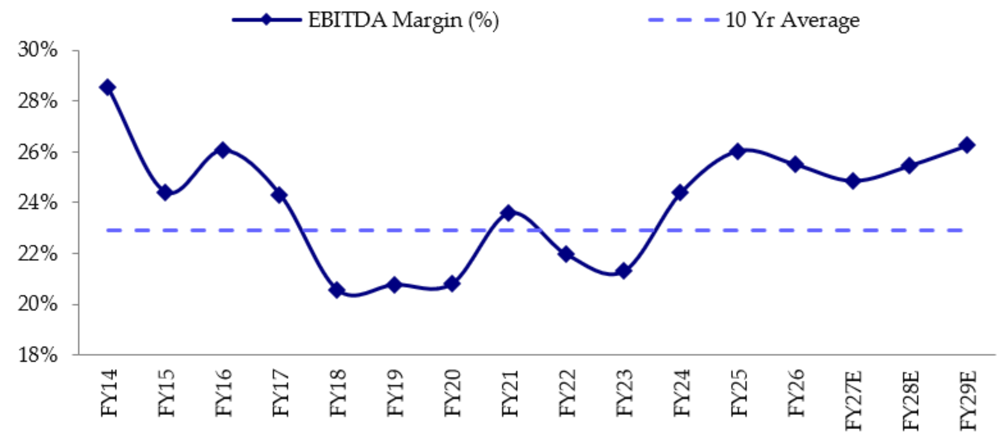
US revenue: FY26 was high base, core business to see single digit growth



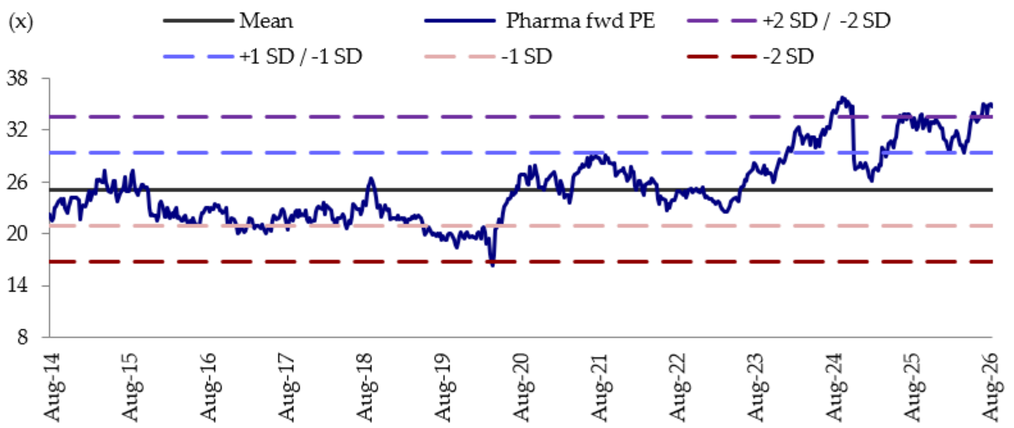
India revenue: Steady growth momentum to continue



Margin Trend: To see gradual improvement in FY27/28E



Sector P/E: Healthcare index trading near +2SD



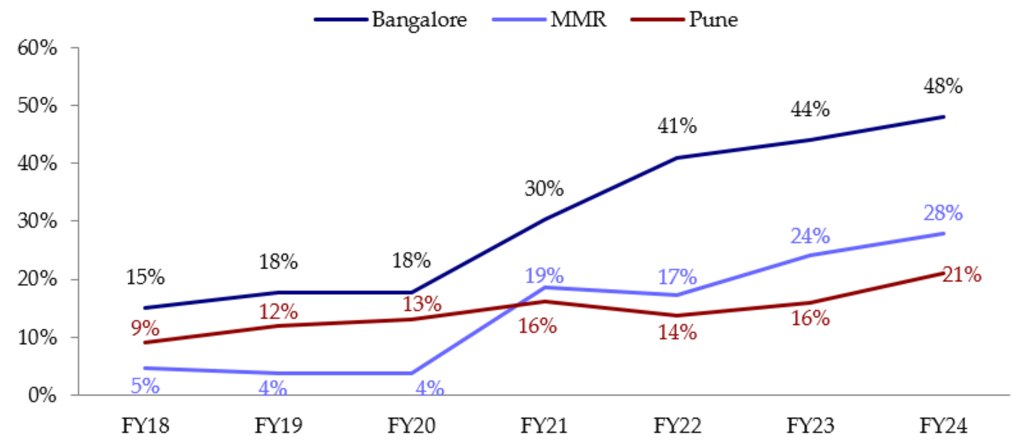
Pharma Sector

Q1FY27	Revenue Trend	EBITDA Trend	Strategic/others	Valuation
DRRD	Weaker performance as gRevlimid phases out; ex-gRevlimid performance, semaglutide opportunity and product pipeline to remain under check	Margin declined YoY due to price erosion across US products and SG&A	gRevlimid opportunity has played out, but we are cautious as for DRRD beyond gRevlimid there is not enough pipeline to sustain growth and margin momentum. Semaglutide API related issue to impact supplies in Canada, India, and EMS. Biosimilar opportunity and India growth mometum remains key.	Stock currently trends at 21.7x and 18.6x FY28E and FY29E EPS.
LPC	Strong US growth as sales expected to normalise over next few quarters given generic competition in Tolvaptan, base business to see steady growth led by new launches and traction in gSpiriva; India business to grow at 1.1-1.3x IPM, led by increased productivity and new launches	Margin improvement in last 3-4 quarters was largely supported by recovery in the US business and cost optimization.	US business to sustain USD 1 bn base business sales and new launches to drive incremental growth. India business to see double-digit growth; EBITDA margin of 24-25% in the next two years. Focus on creating niche pipeline across respiratory, biosimilar, and injectables. With strong cash position - looking for M&As.	Trades at 22.2x and 19.5x FY28E and FY29E EPS.
SUNP	Steady growth in global specialty and India formulation business; overall growth momentum to continue led by scale-up in specialty business and steady growth in India.	EBITDA is expected to remain steady over next 2-3 years, R&D guidance of 6-7% - focus to absorb higher R&D through improving gross margin on better mix and cost controls	Specialty business is well placed with visible scale-up in its key specialty products Ilumya, Winlevi, Cequa, and Levulan. Leqselvi launched in US markets and Unloxcyt launching in H2FY26.US generic business flat on the back of pricing pressures and plant related issues (Halol, Baska). India business is expected to see 12-13% CAGR over next 2 years led by new launches, and in-licensing opportunities. Strong cash position provides visibility of M&As (late-stage specialty assets).	Trades at 28x and 23.6x FY28E and FY29E EPS, valuation are supported by steady traction in its specialty business, launch for Deuruxolitinib and Unloxcyt and progress in other key specialty assets to unlock value. Moreover, Organon acquisition by FY27end to change the landscape for the specialty business.
ZYDUSLIF	US business to remain steady with traction from gMyrbetriq, volume growth and new launches. Speciality brands to gain traction and scale up in MedTech business. India business to see strong growth led by semaglutide launch and chronic scale-up.	Increasing competition and price erosion in key products (gAsacol HD, gRevlimid and now in gMyrbetriq), along with steady R&D (8% of sales), and investment towards its specailty assets launch to keep margin under pressure.	US business to sustain single digit growth, integration of Medtech business, visbility of speacilty launches provides double-digit growth visibility. Steady growth in India, led by traction in key therapies and innovative portfolio.	Stock currently trends at ~24.5x and 21.8x FY28E and FY29E EPS, key trigger is specialty monetization (starting with Saroglitazar approval in the US).
IPCA	Strong India growth visibility, supported by steady growth in export formulations to drive 14-16% revenue growth visbility. Unichem business to see gradual improvement in sales led by new launches in the US market.	Margin to improve over the next few years led by strong margin from standalone business 26+% and scale-up in Unichem margin from ~8% in FY26 to11-12% in FY27E. Overall 100-150 bps margin expansion visibility.	India to remain key growth driver with ~12-13% CAGR over the next few years and export formulations to remain steady led by new launches - to support strong performance in standlone business with margin improvement. Unichem ramp-up largely led by ~10% YoY growth in the US business and cost optimization to improve margin. Overall steady compounding visibility with ~19-20% EBITDA and PAT CAGR over the next few years.	Stock currently trends at ~27.3x and 23.5x FY28E and FY29E EPS
APHS	Overall growth was led by strong growth across hospital, HealthCo and AHLL. HealthCo business scale-up is on track, along with steady growth in ARPP for hospital business.	Margins to remain steady for FY27, as new hospitals to drag margins by 100bps over the next 2 years offset by growing margins in existing hospitals. HealthCo margin growth to sustain on the back of lower Apollo 24/7 spends, along with improving AHLL margins.	Steady growth in operating metrics (ARPP, occupancy) and capacity expansion plan (3,000+ bed addition over FY26-29). Strong growth momentum to continue in offline pharmacy and distribution and healthy growth in online pharmacy with visibility cost measures to support overall margin expansion.	Steady growth/ margin visibility to support re-rating. HealthCo business demerger in Q4FY27 to be key monitorable. The stock trades at 23.8x and 19.6x FY28E and FY29E EV/ EBITDA

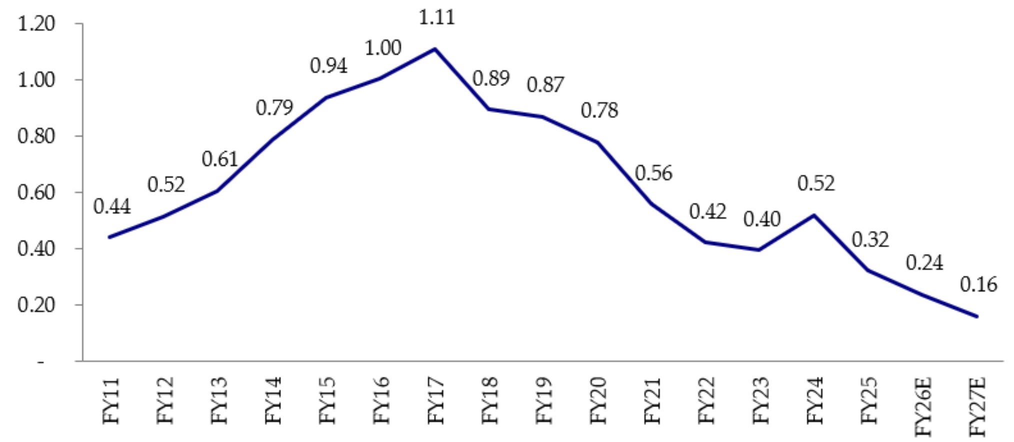
Positive   Medium   Negative

Real Estate

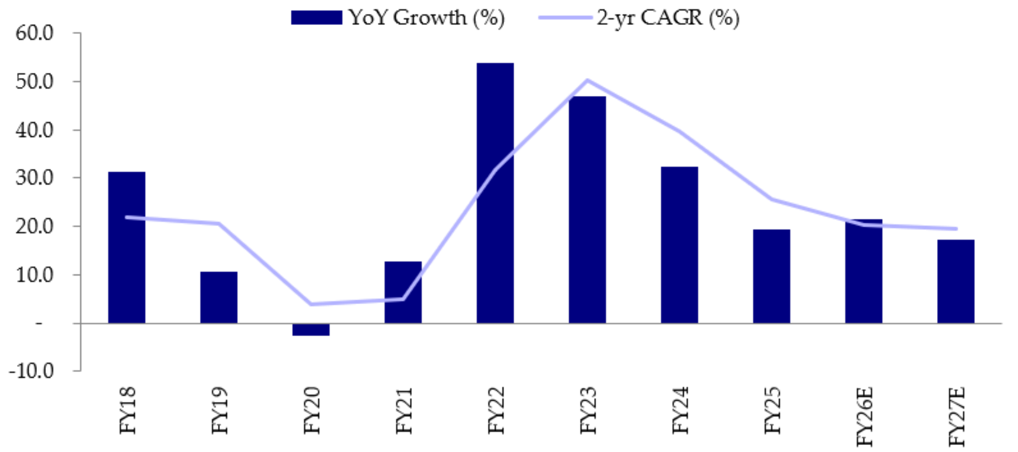
Market share of coverage universe (%)



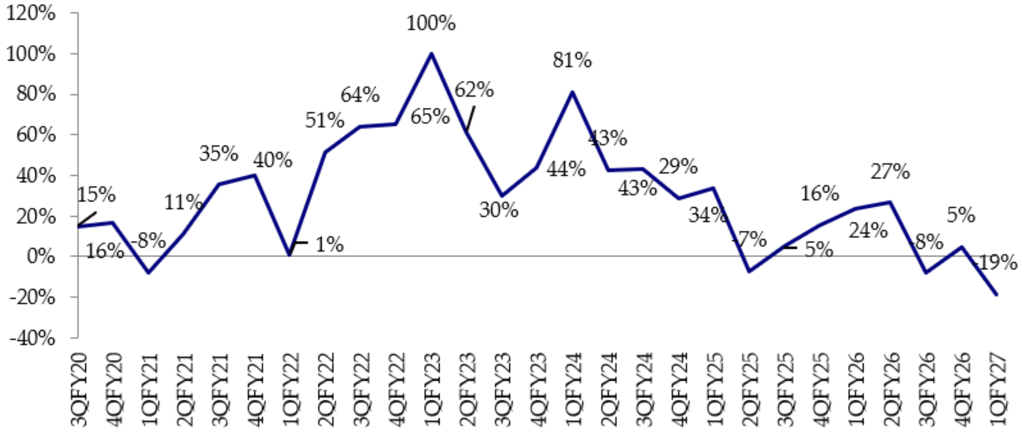
Average net D/E of coverage universe (x)



Annual presales trend (%)



2-yr qtr CAGR of Presales (%)



Real Estate

Q1FY27	Presales value	Leverage	Strategic/Others	Valuation
DLF	Presales were INR 6.5bn (-94.3%/-83.5x YoY/QoQ) DCCDL rental income was INR 11.8bn (+1%/+8% YoY/QoQ)	Net cash at INR 152bn Collection stood at INR 24bn (-13.9%/-27.1% YoY/QoQ)	DLF eyes for phase 2 in FY27. Hamilton Phase 2 (DLF City) and other key launches are expected in FY27, as per current plans	Valuation upside
Lodha Developers	Lodha recorded robust presales of INR 46.3bn (+4.0/-21.4% YoY/QoQ)	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.	Lodha is targeting 20% CAGR in PAT, aiming for INR 85+ bn by FY31, alongside a 10x scale-up in annuity income to INR 30bn (including INR 20bn data centre EBIDTA)	Fairly valued
Godrej Properties	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)	GPL net debt decreased to INR 76.3bn (vs INR 64.1bn QoQ) and net D/E to 0.39x vs 0.33x QoQ	Strategically, the company has targets a double-digit market share in an evolving market landscape. GPL has growth visibility of 2-3 years and sees a huge demand from its core markets namely NCR, MMR and Bengaluru	Valuation upside
Oberoi	Presales of INR 10.5bn (-36%/-37% YoY/QoQ); it was largely led by sustenance sales	The consolidated gross/net debt stood at INR 27.6/7.3bn vs. INR 28.6/1.8bn as of Mar'26	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	Valuation upside
Prestige	INR 76.9bn presales (+10.6%/+84.0% YoY/QoQ) with volume at 5.3msf (+18.9%/+78.6% YoY/QoQ). 65.7bn presales (-45.7%/-14.5% YoY/QoQ, inline) with volume at 6.0msf (-36.8%/+13.1% YoY/QoQ)	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). Total collections stood INR 48bn (+6.2/-8.2% YoY/QoQ).	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	Valuation upside
Phoenix Mills	Consumption in 47bn, up 47%/-8.5% YoY/QoQ Premiumization and revamp efforts at PMC malls in Bengaluru, Pune, and Mumbai are ongoing impacting short-term consumption and rentals but expected to boost long-term yields.	The company continues to enhance efficiency, cutting marketing costs by 15% and advancing sustainability goals. Strategically, it is expanding its development pipeline in Thane and Kolkata while consolidating control with a major stake increase in ISML.	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	Valuation upside
Brigade	For Q1FY27, sales volume was 0.74msf (-22.1%/-62.1% YoY/QoQ), valued at INR 10.6bn (-5.1%/-57.9% YoY/QoQ) resales 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	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)	The developer expects a presales growth of 20% for FY27. Moreover, BEL expects full occupancy in its operational leasing assets by FY26 end	Valuation upside

Positive Medium Negative

Real Estate

Q1FY27	Presales value	Leverage	Strategic/Others	Valuation
Brigade	For Q1FY27, sales volume was 0.74msf (-22.1%/-62.1% YoY/QoQ), valued at INR 10.6bn (-5.1%/-57.9% YoY/QoQ)	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)	The developer expects a presales growth of 20% for FY27. Moreover, BEL expects full occupancy in its operational leasing assets by FY26 end	Valuation upside
	resales 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			
Sobha	SBL reported strong quarterly presales in value and volume at INR 36.5bn (+75.9%/+79.3% YoY/QoQ) and 2.3msf (+61.7%/+74.9% YoY/QoQ) resp	SDL has a net cash position of INR R 6.5bn (INR 8bn in Q4FY26).	SDL has guided for ~10msf/INR 150bn of new launches in FY27 across cities anchored by the Hoskote Phase 1 and SOBHA Crescent Phase 1 (Gurgaon, already launched in April 2026 with INR 22bn GDV, INR 11bn presales booked), which together account for ~6.2msf	Valuation upside
	average price realization was INR 15,655/sf (+8.8%/+2.5%, YoY/QoQ)			
Mlife	Presales of INR 9.2bn (+106.2%/-43.4% YoY/QoQ) and volume stood at 0.6msf (+3.4%/-49% YoY/QoQ)	FY27 is positioned as a potential inflection year, with pre-sales guidance of INR 45-50bn (our estimate INR 50-55bn), ~INR 100bn of new launches and OC-driven PAT growth.	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)	Valuation upside
ABREL	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)	net debt t increased to INR 34bn (vs INR 32.0bn QoQ) and net D/E to 0.34x vs 0.33x QoQ	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.	Valuation upside

Positive Medium Negative

Disclosure:
We, **Varun Lohchab, PGDM, Amit Kumar, CFA & Aryan Singh Dalal, B.Com(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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