

HSIE Results Daily

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Results Reviews

- Life Insurance Corporation of India:** Life Insurance Corporation of India (LICI) posted a beat on APE growth (+8.2% YoY) to INR136.9bn, while VNB margins clocked in at an impressive 22.9% (+750bps YoY). Absolute VoNB expanded to INR31.4bn (+61.3% YoY), far ahead of our estimates, driven by efficiency gains and structural shift of product mix. Traditionally focused on the mass customer segment, LICI has engineered a shift in its product strategy towards higher sum-assured, non-PAR policies (Q1FY27: 32.5% of individual APE). LICI derives its moats from a large agency channel targeted at the mass customer, while undertaking a strategic shift to its individual product proposition in order to align itself with the new surrender guidelines. We maintain our APE/VoNB CAGR to 6%/9% over FY27-FY28E and expect VNB margins to expand to 22.5% by FY28E - while we see an upside risk to our FY27 VNB margin forecasts, we continue to watch out for how H2FY27 pans out, considering the higher base of H2FY26. The Govt of India has reduced its stake in LICI to 90% during Aug-26, providing better liquidity and higher float in the market. We maintain BUY with a TP of INR555 (0.7x Mar-28 EV).
- Trent:** Trent's standalone revenue grew 18.5% YoY to INR 56.7bn, largely expansion led as LFL growth for Q1FY27 remained in low single digits. Trent added 1/19 (net) stores of Westside/Zudio respectively in Q1FY27. Expansion remained tier 2/3 focused for Zudio (comprising 80% of new stores additions). Star remains a work-in-progress. While geopolitical disruptions and input cost inflation present near-term supply chain headwinds, the company is mitigating these pressures through value-chain interventions, calibrated price architecture, strategic sourcing, and broader supplier engagements. Margins beat expectations - GM/EBITDAM expanded by 149/208bps YoY to 46.6/19.6% (HSIE: 45.1/18%) potentially due to Westside's rising salience and operational efficiencies. Pre-IND-AS EBITM improved ~140bps YoY to 12.9% in Q1. APAT grew 25.8% YoY to INR 5.32bn (HSIE: INR4.9bn). We marginally raise our APAT estimates by 1.5% each for FY28/29 and maintain ADD with an SOTP-based TP of INR 3,060 (including ~55x Jun-28 adj. P/E for standalone business and 2x Jun-28 EV/sales for Star).
- Samvardhana Motherson International:** The company's medium- to long-term growth potential is intact, considering expansion of the newer segments (including non-auto), content addition due to premiumization, addition of new customers, as well as any potential future acquisitions (considering its low leverage ratio). Considering structurally improving underlying margins due to benefits from the restructuring exercise in Europe and increasing share of the non-auto business, which provides benefits of diversification, faster growth and lower cyclicity, we raise our target PE multiple to 22x Jun-28 EPS (vs 21x earlier) for a TP of INR 165; maintain ADD.
- Cummins:** Cummins India Ltd (CIL) reported improved strong execution on the back of Powergen Data Centre orders, with revenue/EBITDA/APAT beat/miss on our estimates by +4.4/-9.8/-11.2%. CIL highlighted demand from data centre segment remained strong, driven by volume-led growth, albeit Q1FY27 was impacted by commodity cost increases for pig iron, copper, and aluminium due to the Middle East (ME) disruptions, as well as labour shortages and higher freight costs. Exports were flat in Q1FY27 YoY, although CIL remains upbeat on domestic demand, led by volumes. The large level of

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localization in product line has provided a buffer for shocks, with price increase undertaken in Q1FY27 being passed on to customers. This is expected to yield positive margins outcome from Q2/Q3FY27. We expect this to more than cover up commodity inflation and CIL may retain some benefit owing to demand outstripping supply in HHP/data centre nodes. The company has multiple tailwinds; namely, strong data centre demand, capex cycle recovery, revival in industrials/rail/construction segments and exports, including strong upcoming real estate deliveries and support for manufacturing policies. CIL remains a play on data centre and capex recovery. We have recalibrated our estimates lower to factor in commodity inflation and impact on margins. We maintain BUY, with a revised SOTP of INR 7,177 (60x Sep-28 EPS roll-over).

- **Siemens Energy:** Siemens Energy Ltd (SEL) delivered a strong quarter, with revenue/EBITDA/APAT at INR 24.9/5.9/4.4bn, a beat on estimates by +9.4/+24.4/+24.1%. SEL received Q3FY26 PT/PG new orders worth INR 13.9/11bn, a growth of 36.4/(35.4%) YoY, which led to an order backlog of INR 193.3bn (+16.4% YoY). Exports (largely PT-driven) revenue share increased to 28.4% in 9MFY26 (9MFY25: 21.4%). SEL continued to benefit from sustained traction in the power transmission segment, backed by rising demand for grid infrastructure. Major deliveries in Q3FY26 included GIS solutions for Data Centre, hydro power project, giga factory, metro project for export to Africa, to name a few. SEL is investing ~INR 28bn for the ongoing expansion (Kalwa, Chhatrapati Sambhajnagar) and a new greenfield transformer factory. The new facility is tentatively scheduled to become operational in phases starting H2FY27. The bid pipeline remained strong and new awards are expected to pick up pace in the coming quarters. We have increased our estimates. Given the strong cash flow, robust order book, limited competitive intensity, and export opportunities, we maintain BUY on SEL with an increased TP of INR 4,344/sh (60x Sep-28E EPS, roll-over from Jun-28).
- **Aurobindo Pharma:** EBITDA grew 20% YoY, which was ~4% ahead of our/consensus estimates, as sales increased 16% YoY (US +3% QoQ; EU up 26% YoY) and GM improved by 153bps YoY, though this was offset by a 20/24% YoY rise in staff costs/SG&A. ARBP retains its guidance of double-digit revenue growth and EBITDA in excess of INR 80bn with margin at 21+% in FY27. The US quarter sales run rate at ~USD 400mn will sustain through new launches. Eguia injectable business is expected to remain muted (single-digit growth due to Eugia-3 plant issues). It expects Lannett to contribute to help achieve its target of USD 2bn US sales in next 2-3 years. EU business to sustain growth with EBITDA margin (north of 20% in FY26) improvement. The ramp-up in its Pen-G/ 6-APA plant helped to improve supply chain efficiencies – it is targeting 10k MT in FY27 to support the margin (captive) and external sales (MIP support; PLI incentives). Long-term drivers are (1) capital allocation in high-value and margin accretive assets across injectables, specialty, biologics, and CDMO; (2) scale-up in biosimilar from FY27 (7-8 product portfolio); (3) Lannett acquisition will complement the US OSD and respiratory business with margin improvement over the next 2-3 years; and (4) CDMO business scale-up with commercialization of Unit 1 from CY28 and Unit 2 in CY31; targeting USD 150-200mn revenues with 35-50% EBITDA margin from CY32. Factoring in Q1, we raised FY27/28E EPS by ~1/2% and revised the TP to INR 1,730 (18x Q1FY29E). ADD stays, led by steady US base business and EU growth, ramp-up in Pen-G/China/US plants, and biosimilar scale-up, all likely to drive steady mid- to long-term growth.
- **Crompton Consumer:** Crompton Consumer's revenue grew 12% YoY to INR 22.3bn. Electricals consumer durable segment grew 11% YoY, lighting segment grew 15% YoY, while butterfly segment grew 18% YoY. EBITDAM

expanded 40bps YoY to 10%, leading to EBITDA/APAT growth of 17/15% YoY. Company witnessed double-digit revenue growth across all the segments, led by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC (~44% YoY growth), followed by TPW and ceiling fans with market share gains. Pumps witnessed broad-based strong performance with market share gains. Domestic and kitchen appliances also witnessed a strong momentum. Lighting saw growth in both B2B and B2C categories. Management indicated that supply constraints in fans and ECD segments led to an opportunity loss of INR 2bn in Q1; however, supply conditions have now normalized. Company highlighted that commodity cost inflation drove input-cost pressure across categories, and it had to undertake price hikes to offset ~80% cost pressure. Also, management indicated a favorable start for Q2FY27. Wires business continued to gain traction with encouraging trends. Factoring Q1 performance and outlook, we broadly maintain our estimates and retain BUY by valuing the stock at 28x Sep'28 EPS at an unchanged TP of INR 320/sh.

- **Bikaji Foods International:** We maintain BUY on Bikaji Foods with a Jun-27 TP of INR750, valuing the stock at 50x P/E, which implies roughly a 10% discount to its 3Y avg. fwd. multiple. The company continues to drive execution-led market share gains in the salty snacks category, where it expects double-digit category growth post the GST reduction (vs. single-digit growth in recent years). We believe management's aspirations of achieving mid-teen revenue growth and 13-13.5% OPM (ex-PLI) by FY27E are credible. Q1 performance, however, was muted, with 12.5% revenue growth, impacted by an est. 3-4% drag from supply chain disruptions. Despite two rounds of price hikes helping Bikaji protect its gross margin (ex-PLI) at 34.6%, elevated A&P spending and higher production costs weighed on profitability, resulting in an OPM (ex-PLI) of 12%.
- **JK Lakshmi Cement:** We retain BUY on JK Lakshmi (JKLC), with an unchanged TP of INR 780/share (9x FY28E consolidated EBITDA). In Q1FY27, JKLC's volume growth remained firm (+8% YoY) as it continued to outpace the industry for the sixth consecutive quarter. NSR firmed up 9% QoQ, which mostly offset the 10% opex rise, while the margin fell a modest INR 15/MT QoQ to INR 719/MT. We maintain our estimates of 5/11% consolidated volume/EBITDA CAGRs for FY26-28E. We also expect the ongoing expansion in the eastern region and UP to be fully operational over FY28-29E. We estimate net debt to EBITDA will double to 2.3x in Mar-28E vs 1.2x in Mar-26.
- **Bajaj Electricals:** Bajaj Electricals' Q1FY27 revenue grew only 2% YoY (two-year CAGR -3%). Consumer products segment (75% revenue mix) grew 2% YoY, while lighting segment (25% revenue mix) grew by 5% YoY. Consumer products segment saw strong growth in appliances and Morphy Richards, which offsets muted performance in summer category products. In lighting, healthy growth was witnessed in consumer lighting while professional lighting remained muted. EBITDAM expanded 390/360bps YoY/QoQ to 7.1%. Consequently, EBITDA grew 131% YoY. APAT stood INR 414mn vs INR 83/18mn YoY/QoQ, driven by increased EBITDA and lower depreciation, while partially offset by lower other income. Management expects the industry to grow 6-7%, while targeting ~8% medium-term growth, led by market share gains, although it has refrained from providing a formal guidance. We broadly maintain our estimates. We maintain REDUCE with an unchanged TP of INR 320/share, based on 25x Sep-28E EPS.

Life Insurance Corporation of India

Strategic re-alignment drives VNB expansion

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

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

Financial summary

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

Source: Company, HSIE Research

BUY

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

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

KEY STOCK DATA

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

STOCK PERFORMANCE (%)

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

SHAREHOLDING PATTERN (%)

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

Source : BSE

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Trent

Margins beat expectations despite macro headwinds

Trent's standalone revenue grew 18.5% YoY to INR 56.7bn, largely expansion led as LFL growth for Q1FY27 remained in low single digits. Trent added 1/19 (net) stores of Westside/Zudio respectively in Q1FY27. Expansion remained tier 2/3 focused for Zudio (comprising 80% of new stores additions). Star remains a work-in-progress. While geopolitical disruptions and input cost inflation present near-term supply chain headwinds, the company is mitigating these pressures through value-chain interventions, calibrated price architecture, strategic sourcing, and broader supplier engagements. Margins beat expectations – GM/EBITDAM expanded by 149/208bps YoY to 46.6/19.6% (HSIE: 45.1/18%) potentially due to Westside's rising salience and operational efficiencies. Pre-IND-AS EBITM improved ~140bps YoY to 12.9% in Q1. APAT grew 25.8% YoY to INR 5.32bn (HSIE: INR4.9bn). We marginally raise our APAT estimates by 1.5% each for FY28/29 and maintain ADD with an SOTP-based TP of INR 3,060 (including ~55x Jun-28 adj. P/E for standalone business and 2x Jun-28 EV/sales for Star).

- Q1FY27 highlights:** Standalone revenue grew by 18.5% YoY to INR 56.7bn. Growth was primarily led by new store additions as LFL growth for Q1FY27 was in low single digits. Westside/Zudio added 1/19 stores (net) in Q1, taking their total store count to 301/982 respectively. In Zudio, over 80% of new stores additions were in tier 2/3 cities and peripheral micro-markets. Westside's online business continued to witness traction and grow profitably, contributing over 6% to Westside's revenue. Star revenue grew by 8.7% YoY to INR 8.85bn. Staples/FMCG/Fresh/GM&A grew by ~4/4/14/12% YoY in Q1FY26. Standalone GM improved by 149bps YoY to 46.6% (HSIE: 45.1%), potentially due to a favorable revenue mix from Westside. Consequently, EBITDAM expanded further by 208bps YoY to 19.6% (HSIE: 18%) as investments in technology and automation across the value chain enabled the company to optimize costs. Operating EBIT margin (Pre-IND AS 116) improved to 12.9% in Q1FY27 vs 11.5% in Q1FY26. APAT grew 25.8% YoY to INR 5.32bn (HSIE: INR 4.9bn).
- Outlook:** Trent's ability to sustain strong margin expansion despite ongoing macro and supply-chain headwinds is commendable. We marginally raise our APAT estimates by 1.5% each for FY28/29 and maintain ADD with an SOTP-based TP of INR 3,060 (including ~55x Jun-28 adj. P/E for standalone business and 2x Jun-28 EV/sales for Star).

Quarterly financial summary (standalone)

(INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	56,663	47,813	18.5	49,366	14.8	1,66,681	1,97,014	2,36,986	2,79,072	3,22,524
EBITDA	11,106	8,377	32.6	9,190	20.8	21,253	27,255	33,798	39,570	46,577
APAT	5,318	4,226	25.8	4,548	16.9	15,848	19,936	22,754	27,250	31,882
EPS (Rs)	10.0	11.9	(16.1)	12.8	(22.0)	29.7	37.4	42.7	51.1	59.8
P/E (x)						104.5	83.0	72.8	60.8	51.9
EV/EBITDA (x)						51.7	40.3	32.0	26.7	22.0
Core RoCE(%)						31.8	29.6	26.0	27.1	29.5

Source: Company, HSIE Research, Standalone Financials

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,36,986	2,36,986	-	2,79,072	2,79,072	-	3,22,524	3,22,524	-
EBITDA (Pre-IND-AS 116)*	33,798	33,254	1.6	39,570	38,917	1.7	46,577	45,825	1.6
EBITDA margin (%)*	14.3	14.0	23 bps	14.2	13.9	23 bps	14.4	14.2	23 bps
APAT	22,754	22,418	1.5	27,250	26,843	1.5	31,882	31,409	1.5
APATM (%)	9.6	9.5	14 bps	9.8	9.6	15 bps	9.9	9.7	15 bps

Source: Company, HSIE Research

ADD

CMP (as on 06 Aug 2026)	INR 3,105
Target Price	INR 3,060
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,000	INR 3,060
APAT %	FY28E +1.5	FY29E +1.5

KEY STOCK DATA

Bloomberg code	TRENT IN
No. of Shares (mn)	533
MCap (INR bn) / (\$ mn)	1,657/17,399
6m avg traded value (INR mn)	4,661
52 Week high / low	INR 3,783/2,184

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.6	13.3	(13.0)
Relative (%)	7.4	18.8	(11.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	37.01	37.01
FIs & Local MFs	21.50	23.27
FPIs	15.62	15.14
Public & Others	25.87	24.58
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Samvardhana Motherson International

Builds on diversification as it dodges near-term headwinds

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

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

Quarterly/annual financial summary

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

Source: Company, HSIE Research

ADD

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

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

KEY STOCK DATA

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

STOCK PERFORMANCE (%)

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

SHAREHOLDING PATTERN (%)

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

Source : BSE

Pledged shares as % of total shares

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Cummins

Solid execution; margins miss

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

- **Q1FY27 financial highlights:** Revenue: INR 34.3bn (+17.9/+13.8% YoY/QoQ, beat by 4.4%). Domestic sales: INR 28.5bn (+22/+14% YoY/QoQ) and export of INR 5.2bn (flat/+16% YoY/QoQ). EBITDA: INR 6.2bn (-1.2/-4% YoY/QoQ, miss by 9.8%). EBITDA margin came at 18% (-346.5/-334.1bps YoY/QoQ) vs our estimate of 20.8%. Other income: INR 1.6bn (+5.4/-30.4% YoY/QoQ). APAT: INR 5.4bn (-2.4/-13.2% YoY/QoQ, a 11.2% miss). Plant capacity utilization stood at ~70-75% in Q1FY27.
- **Pricing revised to accommodate commodity inflation, strong demand remains a buffer:** In Q1FY27, the domestic power gen revenue stood at INR 14.3bn (+35/+10% YoY/QoQ), driven by volume-led growth; distribution stood at INR 8.9bn (+14/+16% YoY/QoQ), led by increase in demand for service packages as warranties lapse for CPCB4+, while industrials were at INR 4.6bn (+10/+20% YoY/QoQ), driven by incremental demand in rail, realty, and construction segments. CIL has undertaken price increases to accommodate commodity price inflation, demand is outstripping supply in HHP nodes, and increased competition in LHP nodes remains. CIL focus is now on managing the gross margin amid commodity price increases and gradual recovery on the back of volumes and revised prices.
- **Powergen demand healthy; distribution segment strong:** Powergen demand is healthy, driven by data center orders in Q1FY27. Data center contributed 40% to overall power gen revenue vs. 23% YoY. Distribution growth is fueled by increasing on-ground presence and upgrades; with CPCB 4+ two-year warranty period ending at the start of Jul-26, CIL expects next three years this segment to grow at 20%+.

Standalone financial summary

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

Source: Company, HSIE Research

Change in Estimates

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

Source: HSIE Research

BUY

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

Target Price INR 7,177

NIFTY 24,636

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

KEY STOCK DATA

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

STOCK PERFORMANCE (%)

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

SHAREHOLDING PATTERN (%)

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

Source: BSE

Pledge shares as a % of total shares

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Siemens Energy

Robust performance

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

- **Q3FY26 financial snapshot:** Revenue came in at INR 24.9bn (+39.3/+3.8% YoY/QoQ, beat by 9.4%). EBITDA was INR 5.9bn (+72.1/17.5% YoY/QoQ, a beat of 24.4%). EBITDA margin came in at 23.6% (+449/275bps YoY/QoQ, vs our estimates of 20.7%). Consequently, RPAT/APAT came in at INR 4.4bn (67.8/17.7% YoY/QoQ, a 24.1% beat). Revenue growth is supported by robust order backlog, steady demand from utilities and industries, exports and execution. EBITDA performance is led by better operating leverage, higher export contribution, and disciplined order execution.
- **Robust order book:** With a strong order intake in PT/PG of INR 67/33.4bn in 9MFY26 and OB of INR 134.9/58.4bn (+27.6/-3.2% YoY), the core power transmission segment continues to outperform on growth, supported by domestic grid expansion (notably 765kV lines) and export opportunities.
- **Power transmission (PT) exports ramping up, power generation (PG) more of domestic story:** SEL is looking to strengthen the Indian footprint through PT capacity expansion (INR 28bn of capex outlay), backed by strong electricity demand from domestic consumption, public infrastructure capex, industrial growth, data centers, and exports. SEL is expanding capacities across 1) transformer manufacturing, 2) high-voltage switchgear, and 3) a new Industrial Steam Turbine Service Centre in Raipur.

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

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

Source: Company, HSIE Research

Change in Estimates (INR mn)

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

Source: HSIE Research

BUY

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

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

KEY STOCK DATA

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

STOCK PERFORMANCE (%)

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

SHAREHOLDING PATTERN (%)

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

Source: BSE

Pledge share as a % of total shares

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Aurobindo Pharma

Strong Q1; steady growth and margin visibility

EBITDA grew 20% YoY, which was ~4% ahead of our/consensus estimates, as sales increased 16% YoY (US +3% QoQ; EU up 26% YoY) and GM improved by 153bps YoY, though this was offset by a 20/24% YoY rise in staff costs/SG&A. ARBP retains its guidance of double-digit revenue growth and EBITDA in excess of INR 80bn with margin at 21+% in FY27. The US quarter sales run rate at ~USD 400mn will sustain through new launches. Eguia injectable business is expected to remain muted (single-digit growth due to Eugia-3 plant issues). It expects Lannett to contribute to help achieve its target of USD 2bn US sales in next 2-3 years. EU business to sustain growth with EBITDA margin (north of 20% in FY26) improvement. The ramp-up in its Pen-G/ 6-APA plant helped to improve supply chain efficiencies – it is targeting 10k MT in FY27 to support the margin (captive) and external sales (MIP support; PLI incentives). Long-term drives are (1) capital allocation in high-value and margin accretive assets across injectables, specialty, biologics, and CDMO; (2) scale-up in biosimilar from FY27 (7-8 product portfolio); (3) Lannett acquisition will complement the US OSD and respiratory business with margin improvement over the next 2-3 years; and (4) CDMO business scale-up with commercialization of Unit 1 from CY28 and Unit 2 in CY31; targeting USD 150-200mn revenues with 35-50% EBITDA margin from CY32. Factoring in Q1, we raised FY27/28E EPS by ~1/2% and revised the TP to INR 1,730 (18x Q1FY29E). ADD stays, led by steady US base business and EU growth, ramp-up in Pen-G/China/US plants, and biosimilar scale-up, all likely to drive steady mid- to-long-term growth.

- **Q1 highlights:** Sales grew 16% YoY to INR 91.5bn as the US (41% of sales), was up 3% QoQ to USD 399mn (-2% YoY); EU sales (32%) grew 26% YoY, RoW (10%) grew 37% YoY, ARV sales (4%) declined 7% YoY, and API (11%) was up 15% YoY. Higher GM of 60.4% (+153 bps YoY), higher staff/SG&A (+20/24%), and lower R&D (-6%) led to an EBITDA of INR 19.2bn (+20% YoY) and margin of 21% (+65 bps). Higher other income (+101%), muted interest (+4%) and higher depreciation (+20%) led to PAT[^] of INR 10.5bn (+28% YoY).
- **Con call takeaways: China OSD facility:** Revenues doubled in last 12 months; EU has increased and expects to start US supplies in the near term. In FY26, EBITDA loss was at ~USD 7mn, which is expected to improve in FY27. It expects to launch generic Advair in Aug-26 and a few more launches over the next 2-4 quarters through Lannett; its controlled substance business will remain stable, given limited quota in the US. While Lannett has under-utilized facilities (~40% currently and plans to improve in the next few months), the company is looking for site transfer products (approved/under approval) to improve utilization. EU business has achieved ~20% EBITDA margin in FY26, led by captive supply and cost optimization. Guides for lower R&D at INR 14-15bn in FY27 and ETR will reduce to 28-29% by FY27-end.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	91,504	78,681	16	88,533	3	317,237	336,531	398,958	444,196	480,835
EBITDA	19,243	16,034	20	18,009	7	67,331	68,659	84,180	95,502	104,822
APAT	10,536	8,250	28	9,556	10	35,558	35,564	44,968	53,391	61,020
EPS (INR)	18.3	14.3	28	16.6	10	61.2	61.2	78.2	92.8	106.0
P/E (x)						26.0	26.0	20.3	17.1	15.0
EV/EBITDA (x)						13.7	13.1	10.9	9.4	8.2
RoCE (%)						14	13	14	15	15

Source: Company, HSIE Research, ^Adjusted for forex gain of INR 526 mn and one-off INR 834mn

ADD

CMP (as on 06 Aug 2026) INR 1,590

Target Price INR 1,730

NIFTY 24,636

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1630	INR 1730
	FY27E	FY28E
EPS %	0.5	2.5

KEY STOCK DATA

Bloomberg code	ARBP IN
No. of Shares (mn)	575
MCap (INR bn) / (\$ mn)	914/9,600
6m avg traded value (INR mn)	2,202
52 Week high / low	INR 1,637/1,016

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	7.1	33.4	48.2
Relative (%)	5.8	38.9	50.1

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	51.82	51.88
FIs & Local MFs	25.82	25.10
FPIs	15.24	16.38
Public & Others	7.12	6.64
Pledged Shares	23.65	13.75

Source: BSE

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Crompton Consumer

Decent quarter; Q2 kicks off well

Crompton Consumer's revenue grew 12% YoY to INR 22.3bn. Electricals consumer durable segment grew 11% YoY, lighting segment grew 15% YoY, while butterfly segment grew 18% YoY. EBITDAM expanded 40bps YoY to 10%, leading to EBITDA/APAT growth of 17/15% YoY. Company witnessed double-digit revenue growth across all the segments, led by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC (~44% YoY growth), followed by TPW and ceiling fans with market share gains. Pumps witnessed broad-based strong performance with market share gains. Domestic and kitchen appliances also witnessed a strong momentum. Lighting saw growth in both B2B and B2C categories. Management indicated that supply constraints in fans and ECD segments led to an opportunity loss of INR 2bn in Q1; however, supply conditions have now normalized. Company highlighted that commodity cost inflation drove input-cost pressure across categories, and it had to undertake price hikes to offset ~80% cost pressure. Also, management indicated a favorable start for Q2FY27. Wires business continued to gain traction with encouraging trends. Factoring Q1 performance and outlook, we broadly maintain our estimates and retain BUY by valuing the stock at 28x Sep'28 EPS at an unchanged TP of INR 320/sh.

- **Q1FY27 highlights:** Revenue grew by 12% YoY to INR 22.3bn. Electricals consumer durable segment (79% revenue mix) grew 11% YoY, lighting segment (12% revenue mix) grew 15% YoY, while butterfly segment (9% revenue mix) reported 18% YoY growth. Gross margins declined 90/40bps YoY/QoQ to 31.2%. Employee cost/other cost declined 10/120bps YoY in relative terms, causing EBITDAM to expand by 40bps YoY (-180bps QoQ). Consequently, EBITDA/APAT grew 17/15% YoY. Company saw double-digit revenue growth across all the segments, driven primarily by price hikes taken to offset rising cost inflation. Fans grew with strong performance in BLDC (~44% YoY growth), followed by TPW and ceiling fans with market share gains. Pumps witnessed broad-based strong performance with market share gains. Domestic and kitchen appliances also witnessed strong momentum. Lighting witnessed growth in both B2B and B2C categories.
- **Earnings call takeaways and outlook:** Management indicated that supply constraints in fans and ECD segments led to an opportunity loss of INR 2bn in Q1, albeit supply conditions have since normalized. Company highlighted that commodity cost inflation drove input-cost pressure across categories, and it undertook price hikes to offset ~80% cost pressure. Also, management indicated a favorable start for Q2FY27. Wires business continued to gain traction with encouraging trends. Factoring Q1 performance and outlook, we broadly maintain our estimates and retain BUY by valuing the stock at 28x Sep'28 EPS at an unchanged TP of INR 320/sh.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	22,350	19,983	11.8	22,833	(2.1)	78,641	80,955	90,944	1,01,844	1,11,535
EBITDA	2,245	1,917	17.1	2,707	(17.1)	9,013	8,274	9,668	11,219	12,319
APAT	1,405	1,223	14.9	1,821	(22.9)	5,560	5,043	5,822	6,922	7,748
EPS (INR)	2.2	1.9	14.8	2.8	(22.9)	8.6	7.8	9.0	10.7	12.0
P/E (x)						31.0	34.2	29.6	24.9	22.3
EV / EBITDA (x)						18.3	19.5	16.4	13.7	12.0
RoE (%)						15.2	13.8	16.0	17.0	17.0

Source: Company, HSIE Research

BUY

CMP (as on 06 Aug 2026)	INR 270
Target Price	INR 320
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 320	INR 320
EPS %	FY27E	FY28E
	0.2	-0.5

KEY STOCK DATA

Bloomberg code	CROMPTON IN
No. of Shares (mn)	644
MCap (INR bn) / (\$ mn)	174/1,826
6m avg traded value (INR mn)	1,003
52 Week high / low	INR 338/217

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.9)	10.2	(15.4)
Relative (%)	(6.2)	15.7	(13.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	0.00	0.00
FIs & Local MFs	66.11	66.46
FPIs	20.49	19.89
Public & Others	13.40	13.65
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Bikaji Foods International

Enhanced growth outlook for the rest of FY27

We maintain BUY on Bikaji Foods with a Jun-27 TP of INR750, valuing the stock at 50x P/E, which implies roughly a 10% discount to its 3Y avg. fwd. multiple. The company continues to drive execution-led market share gains in the salty snacks category, where it expects double-digit category growth post the GST reduction (vs. single-digit growth in recent years). We believe management's aspirations of achieving mid-teen revenue growth and 13-13.5% OPM (ex-PLI) by FY27E are credible. Q1 performance, however, was muted, with 12.5% revenue growth, impacted by an est. 3-4% drag from supply chain disruptions. Despite two rounds of price hikes helping Bikaji protect its gross margin (ex-PLI) at 34.6%, elevated A&P spending and higher production costs weighed on profitability, resulting in an OPM (ex-PLI) of 12%.

- **Q1 muted due to multiple disruptions:** Bikaji delivered 12.5% revenue growth in Q1, supported by 7.7% volume growth. Performance, however, was dampened by product-supply disruptions, which led to ~3-4% loss in primary sales. Unlike most FMCG categories, Bikaji's portfolio has a short shelf life and high inventory turns, making inventory expansion in trade channels slower. For the remainder of FY27E, management aims to calibrate growth back to mid-teen to high-teen levels. Within sweets, the company expects 12-13% growth, while the gifting portfolio is targeted to grow at 17-18%. In Q1, Bikaji also launched a no-palm-oil range on Q-commerce platforms—an initiative that, in our view, strengthens engagement with younger and more affluent consumers, many of whom increasingly prefer D2C brands for healthier snacking options. We believe strategic partnerships with Q-commerce players are becoming increasingly important, both in shaping emerging consumption trends and in unlocking a larger gifting opportunity.
- **13-13.5% EBITDA margin (ex-PLI) for FY27; 15% medium-term aspiration:** In Q1FY27, the company protected gross margins well, supported by two price hikes that drove ~90bps expansion to 34.6% (ex-PLI). Management is monitoring edible oil and pulses inflation, but pricing will remain unchanged in the near term as festive-season rates have already been finalized. With a moderate inflation outlook, we expect favourable mix shifts to support margin improvement ahead. In Q1, it incurred higher A&P spends (up 40-50 bps YoY) and witnessed ~40 bps increases in manufacturing related costs, resulting in ~115 bps YoY contraction in EBITDA margin to 12% (ex-PLI). Looking forward, mix benefits and operating leverage should aid margin recovery, although elevated brand-building investments are likely to keep FY27 EBITDA margins in the 13-13.5% range.
- **Strong narrative to protect valuations:** Stock valuations are likely to remain well-supported as Bikaji continues to gain market share in an attractive and fast-growing category. With consistent execution, the company is also targeting further margin improvement, which should translate into stronger earnings delivery ahead. We maintain our expectation of mid-teen revenue growth and high-teen earnings CAGR over FY26-29E.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	7,343	6,527	12.5	7,209	1.9	29,939	34,390	39,255	45,064
EBITDA	990	963	2.8	877	12.8	4,106	4,898	5,319	6,372
EBITDA Margin (%)	13	15	-127bps	12	132bps	14	14	14	14
APAT	595	585	1.6	560	6.1	2,626	3,200	3,535	4,324
Adj. EPS (INR/Share)	2.4	2.4	0.4	2.3	6.6	10.5	12.8	14.1	17.3
P/E (x)						59	49	44	36

Source: Company, HSIE Research

BUY

CMP (as on 06 Aug 2026)	INR 624
Target Price	INR 750
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 750	INR 750
EPS %	FY27E	FY28E
	+2%	+0%

KEY STOCK DATA

Bloomberg code	BIKAJI IN
No. of Shares (mn)	250
MCap (INR bn) / (\$ mn)	156/1,644
6m avg traded value (INR mn)	112
52 Week high / low	INR 821/592

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.6)	(3.9)	(14.9)
Relative (%)	(9.8)	1.6	(12.9)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	73.9	73.9
FIs & Local MFs	17.3	17.5
FPIs	4.7	4.6
Public & Others	4.1	4.0
Pledged Shares	0.00	0.00

Source : NSE

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JK Lakshmi Cement

Healthy volume momentum continues

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

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

Quarterly/annual financial summary (consolidated)

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

Source: Company, HSIE Research

BUY

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

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

KEY STOCK DATA

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

STOCK PERFORMANCE (%)

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

SHAREHOLDING PATTERN (%)

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

Source : BSE

Pledged shares as % of total shares

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Bajaj Electricals

Topline disappoints; margin shows healthy recovery

Bajaj Electricals' Q1FY27 revenue grew only 2% YoY (two-year CAGR -3%). Consumer products segment (75% revenue mix) grew 2% YoY, while lighting segment (25% revenue mix) grew by 5% YoY. Consumer products segment saw strong growth in appliances and Morphy Richards, which offsets muted performance in summer category products. In lighting, healthy growth was witnessed in consumer lighting while professional lighting remained muted. EBITDAM expanded 390/360bps YoY/QoQ to 7.1%. Consequently, EBITDA grew 131% YoY. APAT stood INR 414mn vs INR 83/18mn YoY/QoQ, driven by increased EBITDA and lower depreciation, while partially offset by lower other income. Management expects the industry to grow 6-7%, while targeting ~8% medium-term growth, led by market share gains, although it has refrained from providing a formal guidance. We broadly maintain our estimates. We maintain REDUCE with an unchanged TP of INR 320/share, based on 25x Sep-28E EPS.

- Q1FY27 highlights:** Revenue grew only 2% YoY (2-year CAGR -3%). Consumer products segment (75% revenue mix) grew 2% YoY, while lighting segment (25% revenue mix) grew by 5% YoY. Consumer products segment saw strong growth in appliances and Morphy Richards, which offsets muted performance in summer category products. In lighting, healthy growth witnessed in consumer lighting while professional lighting remained muted. General trade witnessed 2% YoY decline, while the alternative channel grew 11% YoY. Double-digit growth was witnessed in e-com, while exports witnessed high double-digit growth. Gross margins improved 130/290bps YoY/QoQ to 32.3%. Employee cost and other expenses declined 40bps and 230bps YoY in relative terms, while in absolute terms, both declined 2% and 10% YoY. Consequently, EBITDA grew 131% YoY. APAT stood INR 414mn vs INR 83/18mn YoY/QoQ, led by increased EBITDA and lower depreciation, while partially offset by lower other income. The company recognized INR 88mn exceptional gain on sale of immovable property.
- Con call KTAs and valuation:** Management expects the industry to grow 6-7%, while targeting ~8% medium-term growth, led by market share gains, although it has refrained from providing a formal guidance. Input-cost inflation remains elevated at 6-10% across key categories, and margins are expected to further improve from here, as per management. The company has appointed Mr. Krishnan Sundaram as the 'Chief Growth & New Business Officer' (ex-VP and Business Head at HUL). In fans, BLDC penetration for the company remained below the industry level of 30-35%, but management expected this to improve meaningfully through new launches and continued premiumization. We broadly maintain our estimates. We maintain REDUCE with an unchanged TP of INR 320/share, based on 25x Sep-28E EPS.

Financial summary

(INR mn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Sales	10,894	10,646	2.3	12,395	(12.1)	48,284	44,622	49,308	52,517	55,939
EBITDA	771	333	131.3	432	78.7	3,075	1,513	2,679	3,120	3,355
APAT	414	83	397.2	18	2,223.9	1,121	139	1,165	1,434	1,521
EPS (INR)	3.6	0.7	397.2	0.2	2,223.9	9.7	1.2	10.1	12.4	13.2
P/E (x)						39.3	317.3	37.8	30.7	29.0
EV/EBITDA (x)						13.7	25.7	14.0	11.7	10.8
RoE (%)						7.5	0.9	7.8	9.0	8.9

Source: Company, HSIE Research

REDUCE

CMP (as on 06 Aug 2026)	INR 382
Target Price	INR 320
NIFTY	24,636

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 320	INR 320
	FY27E	FY28E
EPS %	-	-

KEY STOCK DATA

Bloomberg code	BJE IN
No. of Shares (mn)	115
MCap (INR bn) / (\$ mn)	44/463
6m avg traded value (INR mn)	111
52 Week high / low	INR 654/301

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(8.5)	(7.3)	(35.8)
Relative (%)	(9.8)	(1.8)	(33.8)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	62.70	62.70
FIs & Local MFs	16.88	16.82
FPIs	6.50	5.37
Public & Others	13.92	15.11
Pledged Shares	1.60	1.60

Source : BSE

Pledged shares as % of total shares

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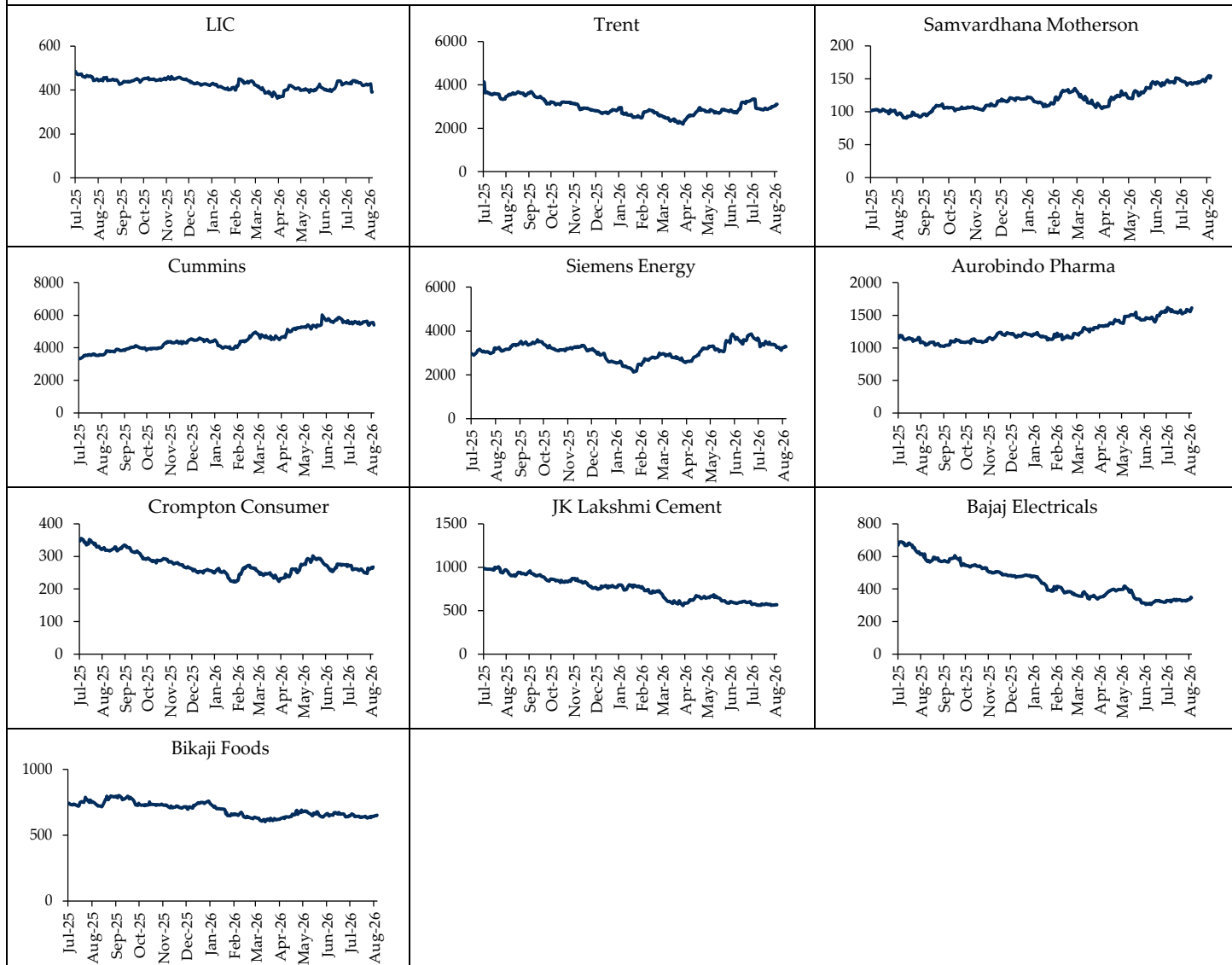
Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	Life Insurance Corporation of India	PGDM	NO
Samarth Desai	Life Insurance Corporation of India	MSc	NO
Jay Gandhi	Trent	MBA	NO
Vedant Mulik	Trent	CA	NO
Hitesh Thakurani	Samvardhana Motherson International	MBA	NO
Parikshit Kandpal	Cummins, Siemens Energy	CFA	NO
Aditya Sahu	Cummins, Siemens Energy	MBA	NO
Jay Shah	Cummins, Siemens Energy	CA	NO
Mehul Sheth	Aurobindo Pharma	MBA	NO
Keshav Lahoti	Crompton Consumer, JK Lakshmi Cement, Bajaj Electricals	CA, CFA	NO
Rajesh Ravi	Crompton Consumer, JK Lakshmi Cement, Bajaj Electricals	MBA	NO
Mahesh Nagda	Crompton Consumer, JK Lakshmi Cement, Bajaj Electricals	CA	NO
Kartikey	JK Lakshmi Cement	CA	NO
Nitin Gupta	Bikaji Foods International	CA	NO
Ishant Lalwani	Bikaji Foods International	BCom	NO

Price movement



Disclosure:

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