Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	80,710	-0.4	3.3
Nifty-50	24,650	-0.3	4.2
Nifty-M 100	57,207	-0.4	0.0
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	6,299	-0.49	7.1
Nasdaq	20,917	-0.65	8.3
FTSE 100	9,143	0.2	11.9
DAX	23,846	0.4	19.8
Hang Seng	8,951	0.6	22.8
Nikkei 225	40,550	0.6	1.6
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	69	-2.0	-6.4
Gold ($/OZ)	3,381	0.2	28.8
Cu (US$/MT)	9,571	-0.7	10.6
Almn (US$/MT)	2,563	0.4	1.4
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	87.8	0.2	2.6
USD/EUR	1.2	0.0	11.8
USD/JPY	147.6	0.4	-6.1
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.3	0.01	-0.4
10 Yrs AAA Corp	7.1	0.01	-0.1
Flows (USD b)	**5-Aug**	**MTD**	**CYTD**
FIIs	0.0	-0.39	-11.4
DIIs	0.44	1.74	49.8
Volumes (INRb)	**5-Aug**	**MTD***	**YTD***
Cash	991	972	1071
F&O	1,09,518	1,17,340	2,11,818

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Adani Ports & SEZ: Performance marginally above expectation; focus on becoming an integrated transport utility company

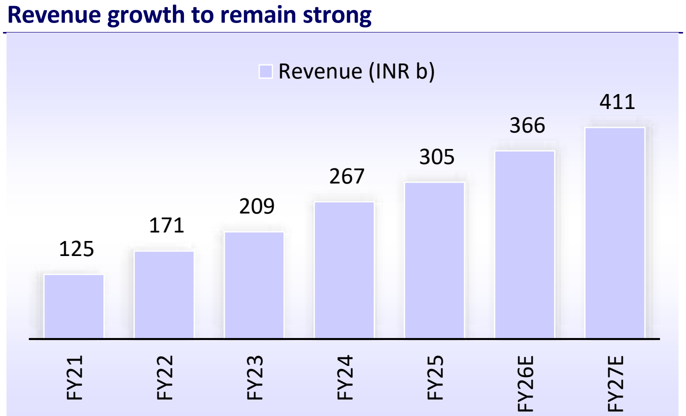
- Adani Ports & SEZ (APSEZ) delivered a strong 1Q FY26 performance with revenue rising 31% YoY to INR91b and cargo volumes up 11% YoY to 121mmt, led by container growth. EBITDA grew 29% YoY to INR55b with a margin of 60.2%, while APAT rose 28% YoY to INR34b. Market share improved to ~28%.
- Strong growth in international ports and logistics—with enhanced network scale and last-mile reach—boosted performance, alongside traction in the marine segment. With continued capacity expansion and market share gains, APSEZ is poised to outpace industry growth.
- We expect APSEZ to report a 10% growth in cargo volumes over FY25-27. This would drive a CAGR of 16%/16%/21% in revenue/EBITDA/PAT over FY25-27E. We reiterate our BUY rating with a TP of INR1,700 (premised on 16x on FY27E EV/EBITDA).

Research covered

Cos/Sector	Key Highlights
Adani Ports & SEZ	Performance marginally above expectation; focus on becoming an integrated transport utility company
India Strategy | Aug'25	The Eagle Eye | Market sentiment softens amid tariff tension
DLF	Privana launch lifts sales; but collections disappoint
Bosch	Strong earnings beat led by improved margins
Aurobindo Pharma	Growth in EU/ARV; margin contraction drags PAT
Other Updates	Exide | Gland Pharma | Navin Fluorine International | Eris Lifesciences | Alembic Pharma | Triveni Turbine | EPL | Infrastructure | Angel One | Bharti Airtel | Britannia Industries | Bharti Hexacom | Lupin | Prestige Estates Projects | Container Corporation of India | Gujarat Gas | Castrol India | Avalon Technologies | MTAR Technologies

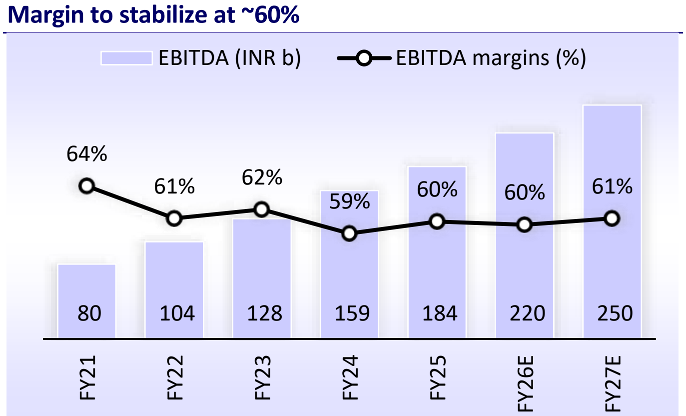
Chart of the Day: Adani Ports & SEZ: Performance marginally above expectation)

Revenue growth to remain strong



Source: Company, MOFSL

Margin to stabilize at ~60%



Source: Company, MOFSL

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In the news today

Kindly click on textbox for the detailed news link

1

Defence Ministry clears ₹67,000 crore military upgrade for armed forces

The Defence Ministry has cleared proposals worth ₹67,000 crore to boost the operational capabilities of the Army, Navy, and Air Force, including drones, radars, missile systems, and maintenance deals

2

NTPC Green plans ₹2,000-3,000 cr bond sale after RBI policy decision

A unit of the nation's largest power generator, the company is weighing an issuance of ₹2,000 crore ($228 million) to ₹3,000 crore rupees through five- or 10-year note

3

NARCL offers ₹550 crore for Jaypee Cement & Reliance Infra assets

For the Salem-Ulundurpet toll road, NARCL has offered ₹280 crore against total debt of about ₹600 crore. The bid for Jaypee Cement stands at ₹270 crore against outstanding debt of ₹2,200 crore. Dalmia Bharat had earlier shown interest in acquiring Jaypee's cement assets.

4

Centre shortlists 18 proposals for R&D of EV components

The Centre has shortlisted 18 proposals for R&D of electric vehicle (EV) subsystems to cut reliance on imports and boost domestic manufacturing. These include projects on wireless chargers and traction motors, to be executed in collaboration with academia, industry, and government.

5

Indian airlines seek fair play as Europe squeezes slots

Indian airlines are facing difficulties in securing slots at key international airports. Amsterdam and London Heathrow are posing challenges. This restricts their ability to fully utilize allocated flying rights. IndiGo's Amsterdam flight faces uncertainty. Air India also encountered slot issues previously. The airlines are urging government intervention to ensure fair access. They want a level playing field with foreign carriers.

6

Indian generics wave next year set to sink obesity drug price

Leading Indian drugmakers are preparing to launch generic versions of semaglutide by March. Analysts predict a significant price drop, potentially up to 80%. This will make the drug more accessible to obese and diabetes patients.

7

June sees first decline in SUV sales in India in over five years amid economic challenges

India's SUV sales experienced their first monthly decline in over five years in June, dropping by 2.1% due to IT sector layoffs, geopolitical issues, and economic challenges.

Adani Ports & SEZ

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ADSEZ IN
Equity Shares (m)	2160
M.Cap.(INRb)/(USDb)	2933.7 / 33.4
52-Week Range (INR)	1563 / 994
1, 6, 12 Rel. Per (%)	-1/15/-12
12M Avg Val (INR m)	4126

Financial Snapshot (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	305	366	409
EBITDA	184	220	259
Adj. PAT	108	135	158
EBITDA Margin (%)	60.4	60.2	60.7
Adj. EPS (INR)	50	63	73
EPS Gr. (%)	21.6	24.9	16.6
BV/Sh. (INR)	289	342	404
Ratios			
Net D:E	0.5	0.5	0.4
RoE (%)	18.8	19.9	19.6
RoCE (%)	12.2	13.4	14.0
Payout (%)	14.0	11.2	9.6
Valuations			
P/E (x)	27.1	21.7	18.6
P/BV (x)	4.7	4.0	3.4
EV/EBITDA(x)	17.7	14.9	13.0
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	3.1	2.4	2.4

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	65.9	65.9	65.9
DII	15.1	14.7	12.5
FII	13.5	13.4	15.2
Others	5.5	6.0	6.4

FII Includes depository receipts

CMP: INR1,358 TP: INR1,700 (+25%) Buy

Performance marginally above expectation; focus on becoming an integrated transport utility company

- Adani Ports & SEZ (APSEZ) reported revenue growth of 31% YoY to INR91b in 1QFY26 (in-line). Cargo volumes grew 11% YoY to 121mmt. The growth was primarily led by containers.
- EBITDA margin came in at 60.2% in 1QFY26 vs our estimate of 60.1% (-80bp YoY, +120bp QoQ). EBITDA grew 29% YoY to INR55b (7% above our estimate), while APAT increased 28% YoY to INR34b (9% above our estimate).
- The all-India cargo market's share increased to 27.8% (vs 27.2% in 1QFY25). The container market's share stood at 45.2% (vs 45.9% in 1QFY25).
- APSEZ reported a strong performance in 1QFY26, marked by robust growth in international port operations. Its logistics business emerged as a key growth driver, with significant improvement in network scale and last-mile connectivity, further complementing port operations. The marine business also saw strong traction, reflecting operational scale-up and integration. Overall, with continued market share gains, capacity additions, and expansion in value-added segments like logistics, APSEZ is well-positioned to grow faster than the broader industry.
- We largely retain our estimates for FY26 and FY27. We expect APSEZ to report a 10% growth in cargo volumes over FY25-27. This would drive a CAGR of 16%/16%/21% in revenue/EBITDA/PAT over FY25-27E. **We reiterate our BUY rating with a TP of INR1,700 (premised on 16x on FY27E EV/EBITDA).**

Performance led by strong growth in container cargo

- APSEZ reported strong operational momentum in 1QFY26, handling 121 MMT of cargo, marking an 11% YoY increase. The growth was primarily driven by a 19% YoY surge in container volumes, reflecting the continued strength of India's export-import trade and APSEZ's focus on enhancing container handling capabilities.
- Domestic cargo volumes rose 6% YoY to 112.9MMT, supported by growth across key ports. Mundra Port, while slightly lower in share compared to last year (48% in 1Q FY26 vs. 51% in 1Q FY25), remained the largest contributor to overall volumes. Krishnapatnam Port achieved a milestone by handling its highest-ever monthly volume of 5.85MMT in Jun'25.
- International cargo volumes witnessed a sharp ~250% YoY growth, rising from 2.2MMT to 7.7MMT, driven by a ramp-up at Haifa Port and the commencement of operations at the Colombo West International Terminal (CWIT).

Logistics and marine businesses gain momentum

- Logistics' revenue doubled YoY to INR11.7b. APSEZ also saw strong traction in rail-based and integrated cargo movement. It handled 0.18m TEUs of container rail volume (+15% YoY) and ~6 MMT of GPWIS cargo (+9% YoY). Furthermore, APSEZ launched double-stack container rake movements between ICD Tumb and ICD Patli, further strengthening its multimodal logistics capabilities.
- The marine business revenue surged nearly 3x YoY to INR5.4b, with vessel count increasing to 118 from 76. Together, these segments contributed significantly to overall revenue growth in 1QFY26.
- As of Jun'25, APSEZ strengthened its integrated logistics network with a total rake count of 132. It operates 12 multi-modal logistics parks (MMLPs) and has expanded its warehousing capacity to 3.1m sq. ft. Agri silo capacity rose to 1.3MMT, with a target of 4MMT.
- In the marine business, APSEZ has significantly increased marine vessels to 118 as of Jun'25 (v/s 76 in 1Q FY25) and aims to increase revenue to INR33b in FY27.

Highlights from the management commentary

- The company continued to deepen its international presence by commencing operations at the Colombo West International Terminal and reporting record performance at Haifa Port. It also approved the acquisition of NQXT Port in Australia, positioning itself for future growth in global trade corridors.
- The integration of its marine services business (which includes Ocean Sparkle, Astro, and TAHID) has been progressing well, and APSEZ expects its marine business revenue to increase to INR33b in FY27 (3x FY25 revenue).
- Management expects to handle 505-515MMT of cargo in FY26, with containers being the primary growth driver, followed by dry cargo and liquid cargo.
- Volumes in July have been weak due to adverse weather conditions, but the situation is expected to normalize in August.

Valuation and view

- With strong cash flows, a healthy cash balance of INR169b, and net debt to EBITDA at 1.8x, Adani Ports is well-positioned for further expansion. Capacity enhancements at key ports, ongoing infrastructure projects, and global port acquisitions provide visibility for sustained growth in FY26 and beyond.
- **We broadly maintain our estimates for FY26/27 and expect APSEZ to report a 10% growth in cargo volumes over FY25-27. This would drive a revenue/ EBITDA/PAT CAGR of 16%/16%/21% over FY25-27E. We reiterate our BUY rating with a TP of INR1,700 (premised on 16x FY27 EV/EBITDA).**

Quarterly Snapshot - Consolidated (INR b)

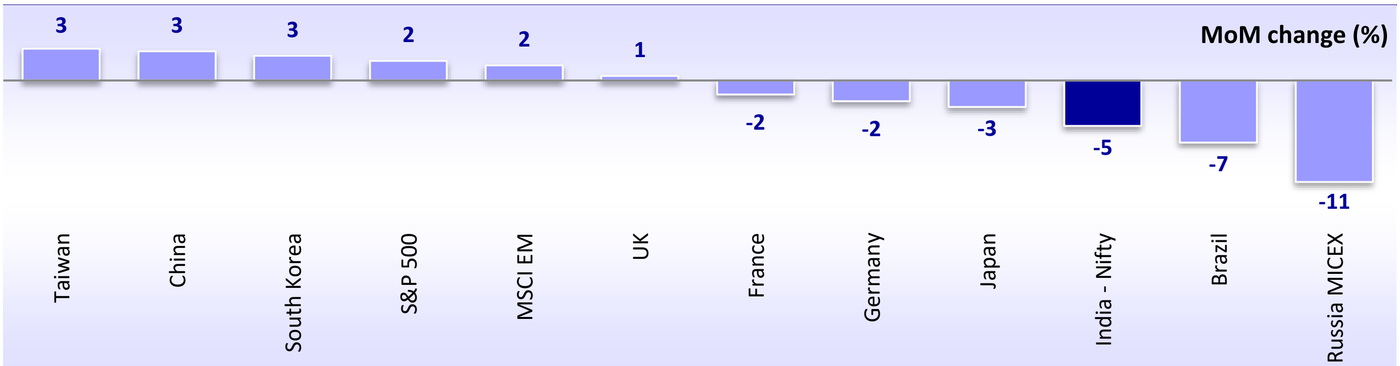
Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
Net Sales	**70**	**71**	**80**	**85**	**91**	**88**	**93**	**94**	**305**	**366**	**86**	**6**
YoY Change (%)	11.3	6.3	15.1	23.1	31.2	24.5	16.5	10.6	14.1	20.1	23.4	
EBITDA	**42**	**44**	**48**	**50**	**55**	**53**	**56**	**56**	**184**	**220**	**52**	**7**
Margins (%)	61.0	61.8	60.3	59.0	60.2	60.3	60.2	60.0	60.4	60.2	60.1	
Depreciation	10	11	11	12	13	12	13	13	44	50	12	
Interest	7	7	8	7	8	7	6	5	28	26	7	
Other Income	5	3	2	3	3	3	4	4	13	14	3	
PBT before EO expense	**31**	**29**	**32**	**34**	**38**	**38**	**40**	**43**	**126**	**159**	**36**	
Extra-Ord expense	-6	0	2	1	1	0	0	0	-3	1	0	
PBT	**37**	**29**	**30**	**34**	**37**	**38**	**40**	**43**	**129**	**158**	**36**	
Tax	5	5	5	5	5	6	6	6	20	24	6	
Rate (%)	13.2	16.4	16.9	15.1	14.6	15.2	15.2	15.1	15.3	15.0	15.3	
MI and Associates	1	0	-1	-2	-2	0	0	2	-2	0	0	
Reported PAT	**31**	**24**	**25**	**30**	**33**	**32**	**34**	**35**	**111**	**135**	**31**	
Adj PAT	**26**	**25**	**27**	**31**	**34**	**32**	**34**	**35**	**108**	**135**	**31**	**9**
YoY Change (%)	28.7	10.9	13.6	33.7	27.7	31.3	28.6	14.2	21.6	25.0	16.9	

INDIA STRATEGY – Aug'25 (The Eagle Eye): Market sentiment softens amid tariff tension

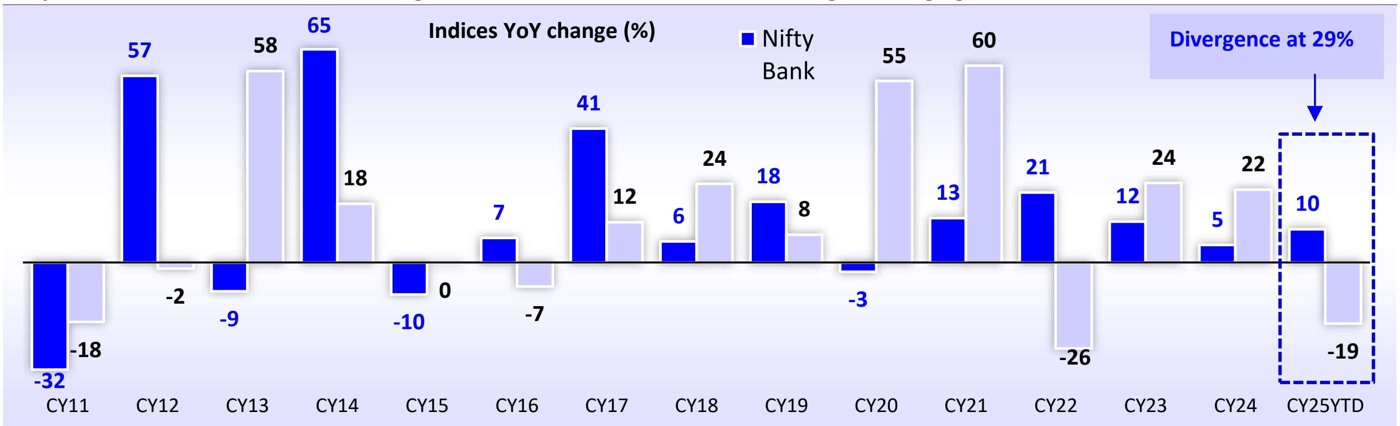
The key highlights of the 'The Eagle Eye' are as follows:

- (a) The Indian market declines and underperforms major global peers during the month and YTD; b) Decade in review: Nasdaq dominates, Nifty Midcap-100 shines, while China underperforms; c) Broad-based market dips; Healthcare and Consumer witness modest gains; d) About 70% of the Nifty constituents end lower in Jul'25; e) Institutional holdings: DIIs continue to lead institutional ownership; f) The Magnificent Seven continue to dominate the US and global markets; g) The 10-year yield spread between India and the US hovers close to historical lows; h) FII flows turn negative after four months of net inflows, while DII inflows remain strong. i) Bank vs. IT divergence persists, now at a three-year high; j) Breadth of YoY gains narrows to a three-year low; k) Auto and Pvt. Banks trade below their average valuations.
- Notable Published reports in Aug'25: Initiating coverage on: a) Bharat Dynamics; b) Vishal Mega Mart; c) Laxmi Dental; d) Va Tech Wabag; e) Delhivery; f) Inox Wind

MoM performance of global equity indices in USD terms (%)



Nifty Bank and IT remained volatile during the decade, with combined return divergence ranging between ~10% and 60%



DLF

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	DLFU IN
Equity Shares (m)	2475
M.Cap.(INRb)/(USDb)	1932.5 / 22
52-Week Range (INR)	929 / 601
1, 6, 12 Rel. Per (%)	-3/-2/-6
12M Avg Val (INR M)	2844

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	79.9	81.7	81.7
EBITDA	21.1	30.1	17.9
EBITDA (%)	26.4	36.8	21.9
PAT	43.7	47.2	38.5
EPS (INR)	17.6	19.1	15.6
EPS Gr. (%)	60.3	8.2	-18.5
BV/Sh. (INR)	238.5	260.8	278.2
Ratios			
Net D/E	0.0	-0.1	-0.1
RoE (%)	10.7	10.6	8.0
RoCE (%)	9.5	5.2	3.1
Payout (%)	30.0	15.7	19.3
Valuations			
P/E (x)	44.3	40.9	50.2
P/BV (x)	3.3	3.0	2.8
EV/EBITDA (x)	91.6	62.5	104.6
Div Yield (%)	0.8	0.4	0.4

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	74.1	74.1	74.1
DII	5.0	4.7	4.8
FII	16.0	16.3	16.2
Others	4.9	4.9	5.0

CMP: INR781 TP: INR1,005 (+29%) Buy

Privana launch lifts sales; but collections disappoint

Robust medium-term pipeline

- In 1QFY26, bookings surged 78% YoY/5x QoQ to INR114b (11% below our est.), fueled by healthy sales from the luxury project, DLF Privana North, launched during the quarter. Privana North contributed INR110b or ~96% of total presales, while the remaining 4% came from Dahlias.
- Collections declined 6% YoY/16% QoQ to INR28b (45% below est.). As a result, OCF fell 14% YoY/37% QoQ to INR16b. Net cash stood at INR80b vs. INR68b in 4QFY25.
- After the DLF Privana North launch, the medium-term launch pipeline stands at INR629b. DLF has guided for INR172b+ in launches in FY26, of which it has already achieved 64% in 1QFY26.
- **P&L performance:** In 1QFY26, revenue came in at INR27.2b, up 2x YoY and down 13% QoQ (62% above estimate).
- EBITDA was up 59% YoY/down 63% QoQ at INR3.6b. EBITDA was 41% below our estimate because the gross margin was hit by 30%. This was due to the recognition of One Midtown (a JV with GIC), which is a low-margin product. Employee and other expenses were largely stable vs. our expectations. EBITDA margin stood at 13.4% (down 3.4pp YoY).
- However, this gap was reduced in PAT as a higher contribution of other income led to PAT of INR7.6b, up 18% YoY (18% below estimate).

DCCDL: Healthy growth; debt-to-GAV dips 1% to 20% (down 13% from FY21)

- Total occupancy in DCCDL's office portfolio was stable at 94% (98% non-SEZ/ 87% SEZ / 98% Retail).
- Rental income grew 15% YoY to INR13.3b, led by steady growth across the portfolio.
- Net debt declined to INR173b from INR175b in 4QFY25, with a net debt-to-GAV ratio of 0.20x. The cost of debt fell to 7.67% from 8.06% in 4QFY25.

Key management commentary

- Housing demand in Gurgaon remains strong, aided by the rising preference for quality homes across ownership and rental segments.
- Gross margins were impacted by revenue recognition from One Midtown, a JV project with GIC.
- Collections remained muted due to construction delays, though they are expected to gain momentum shortly.
- Key upcoming launches include Goa (FY26), Mumbai Phase 2 (1.2msft, FY27), Dahlias (Mar/Apr 2027), and DLF City (FY27).
- Privana North was launched in 1QFY26 with 39% embedded margins, followed by a Mumbai project (~0.9msft) in 2QFY26.

- Projects worth INR629b are planned in the medium term, with FY26 presales guidance at INR200-220b (~50% achieved in 1QFY26).
- Cash escrowed under RERA stands at ~INR78b and is expected to reduce as high-rise projects progress; ~INR25b remains available for dividend payouts.
- The company remains focused on NCR, Tri-City, MMR, and Goa, with limited near-term acquisition scope but openness to future opportunities.
- Capex is guided at INR50b annually for FY26 and FY27 to support ongoing and upcoming residential projects.
- The effective tax rate is expected to remain steady over the next few years, based on current business visibility.

Valuation and view: Growth trajectory remains intact

- DLF continues to enhance its growth visibility as it replenishes its launches with its existing vast land reserves. However, our assumption of a 12-13-year monetization timeline for its remaining 150msf of land bank (including TOD potential) adequately incorporates this growth.
- DLF's business (Devco/DLF commercial) is valued at INR1,726b, wherein land contributes INR1,304b. DCCDL is valued at INR708b. GAV is at INR2,434b. After taking FY26E net cash of INR54b (incl. DCCDL) into consideration, NAV stands at INR2,488b. **We reiterate our BUY rating with a revised TP of INR1,005** (vs. INR967 earlier).

Quarterly performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26	FY26E	1QE Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q Est.	(%/bp)
Gross Sales	**13,624**	**19,750**	**15,287**	**31,276**	**27,167**	**19,621**	**20,056**	**14,901**	**79,937**	**81,745**	**16,750**	**62**
YoY Change (%)	-4.3	46.5	0.5	46.5	99.4	-0.7	31.2	-52.4	24.4	2.3	22.9	
Total Expenditure	11,337	14,730	11,287	21,496	23,525	12,393	12,668	3,046	58,850	51,633	10,580	
EBITDA	**2,286**	**5,020**	**4,000**	**9,780**	**3,642**	**7,228**	**7,388**	**11,855**	**21,086**	**30,113**	**6,170**	**-41**
Margins (%)	16.8	25.4	26.2	31.3	13.4	36.8	36.8	79.6	26.4	36.8	36.8	-2343bps
Depreciation	373	377	387	369	345	382	390	473	1,507	1,589	326	
Interest	1,012	935	939	1,086	786	772	789	870	3,972	3,217	659	
Other Income	3,675	2,058	2,088	2,202	2,642	1,275	1,304	93	10,022	5,313	1,089	
PBT before EO expense	**4,576**	**5,766**	**4,761**	**10,527**	**5,153**	**7,350**	**7,512**	**10,605**	**25,630**	**30,620**	**6,274**	**-18**
Extra-Ord expense	0	0	3,024	0	0	0	0	0	3,024	0	0	
PBT	**4,576**	**5,766**	**1,737**	**10,527**	**5,153**	**7,350**	**7,512**	**10,605**	**22,606**	**30,620**	**6,274**	**-18**
Tax	1,183	-4,668	-8,396	1,666	1,332	933	933	4,904	-10,214	7,704	1,992	
Rate (%)	25.9	-81.0	-483.3	15.8	25.8	12.7	12.4	46.2	-45.2	25.2	31.8	
Minority Interest & Profit/Loss of Asso. Cos.	3,054	3,378	6,183	4,108	3,806	5,836	5,965	8,706	16,723	24,312	4,982	
Reported PAT	**6,447**	**13,812**	**16,316**	**12,969**	**7,627**	**12,252**	**12,544**	**14,406**	**49,544**	**47,228**	**9,263**	**-18**
Adj PAT	**6,447**	**13,812**	**10,587**	**12,822**	**7,627**	**12,252**	**12,544**	**14,406**	**43,668**	**47,228**	**9,263**	**-18**
YoY Change (%)	22.5	122.1	61.5	39.4	18.3	-11.3	18.5	12.4	60.3	8.2	43.7	
Margins (%)	47.3	69.9	69.3	41.0	28.1	62.4	62.5	96.7	54.6	57.8	55.3	-2723bps
Operational Metrics												
Residential (INR b)												
Pre-sales	64	7	121	20	114	47	35	37	212	233	128	**-11**
Collections	30	24	31	33	28	44	41	57	118	170	51	**-45**
Net Debt	-29	-28	-45	-68	-80	0	0	-51	-68	-51		

Source: Company, MOFSL

Bosch

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BOS IN
Equity Shares (m)	29
M.Cap.(INRb)/(USDb)	1197.3 / 13.6
52-Week Range (INR)	41299 / 25922
1, 6, 12 Rel. Per (%)	16/39/23
12M Avg Val (INR m)	1034

Financials & Valuations (INR b)

INR b	FY25	FY26E	FY27E
Sales	180.9	198.6	222.4
EBITDA	23.1	26.0	30.0
Adj. PAT	20.1	24.0	28.3
EPS (INR)	682.4	814.0	958.0
EPS Gr. (%)	10.0	19.3	17.7
BV/Sh. (INR)	4,686	5,218	5,676
Ratios			
RoE (%)	15.6	16.4	17.6
RoCE (%)	21.1	21.6	23.0
Payout (%)	75.0	44.4	52.2
Valuations			
P/E (x)	59.6	49.9	42.4
P/BV (x)	8.7	7.8	7.2
Div. Yield (%)	1.3	1.0	1.2
FCF Yield (%)	1.7	2.8	1.2

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	70.5	70.5	70.5
DII	16.0	16.0	15.8
FII	6.2	6.1	6.0
Others	7.3	7.4	7.7

FII Includes depository receipts

CMP:INR40,595 TP: INR35,967 (-11%) Neutral

Strong earnings beat led by improved margins

2W order wins impress

- Bosch (BOS)'s 1QFY26 PAT at INR6.7b was well above our estimate of INR4.9b, fueled by better-than-expected operational performance and higher other income. The key highlight of 1Q was a 75% YoY growth in the 2W segment.
- Given the better-than-expected operational performance in 1Q, we raise our FY26/FY27 estimates by 13%/12%. While BOS continues to work toward the localization of new technologies, given the long gestation of projects, its margin remains under pressure with no visibility of material improvement, at least in the near term. Following the recent run-up, the stock at ~50x FY26E/42.4x FY27E EPS appears fairly valued. **We reiterate our Neutral rating with a TP of INR35,967 (based on ~36x Jun'27E EPS).**

Strong earnings beat fueled by improved margins

- BOS's net revenue grew ~11% YoY to INR47.9b (est. INR46.2), driven by 14.3% YoY growth in the mobility solutions business, while the consumer goods division grew 9% YoY.
- Within mobility solutions, the power solutions business was up 13.7% YoY, driven by healthy demand for diesel components from OHVs and PVs. The 2W segment posted a robust 75% growth YoY, led by new order wins for OBD2 NOx sensors. The mobility aftermarket division grew 5% YoY, led by demand for lubricants, filters, and wiper systems.
- Gross margin expanded 220bp YoY to 37.7%, driven by a favorable mix and lower raw material costs. Manufactured components mix was higher in Q1.
- EBITDA margin improved 140bp YoY to 13.4% and was ahead of our estimate of 12.3%. Absolute EBITDA grew 23% YoY to INR6.4b, aided by revenue growth and improved margins.
- On a segmental basis, the auto segment margin improved 70bp to 14.2%. The non-auto segment's margin improved 410bp YoY to 12%.
- Other income was also higher at INR2.9b vs. our estimate of INR1.9b.
- PAT included a gain from the sale of the "video solutions, access and intrusion, and communication systems" business worth INR5.56b.
- Adj. PAT grew 44% YoY to INR6.7b, ahead of our estimate of INR4.9b.

Highlights from the management commentary

- The NOx sensor required for the OBD2 application has been localized and is produced from its Bidadi facility. It would also use this line for exports.
- For the EV business, BOS is in discussion with many OEMs for various solutions, and the company hopes to see some order wins soon.
- Several developed regions continue to experience a weak demand outlook for autos currently, given the uncertainty led by tariffs and an overall slowdown in their respective economies.
- The deadline for TREM V emission norms for tractors is currently on hold.

Valuation and view

- Given the better-than-expected operational performance in 1Q, we raise our FY26/FY27 estimates by 13%/12%. While BOS continues to work toward the localization of new technologies, given the long gestation of projects, its margin remains under pressure with no visibility of material improvement, at least in the near term. Following the recent run-up, the stock at ~50x FY26E/42.4x FY27E EPS appears fairly valued. **We reiterate our Neutral rating with a TP of INR35,967 (based on ~36x Jun'27E EPS).**

Quarterly performance (S/A) **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Net Sales	**43,168**	**43,943**	**44,657**	**49,106**	**47,886**	**48,337**	**49,569**	**52,795**	**180,874**	**198,587**	**46,190**
YoY Change (%)	3.8	6.4	6.2	16.0	10.9	10.0	11.0	7.5	8.1	9.8	7.0
RM Cost (% of sales)	64.6	65.1	61.6	62.4	62.3	63.5	63.0	64.3	63.4	63.3	63.8
Staff Cost (% of sales)	7.8	7.8	8.8	8.6	7.1	8.4	8.5	8.5	8.3	8.1	8.4
Other Expenses (% of sales)	15.7	14.3	16.5	15.8	17.2	15.2	15.5	14.2	15.6	15.5	15.5
EBITDA	**5,197**	**5,605**	**5,826**	**6,469**	**6,393**	**6,236**	**6,444**	**6,884**	**23,097**	**25,956**	**5,681**
Margins (%)	12.0	12.8	13.0	13.2	13.4	12.9	13.0	13.0	12.8	13.1	12.3
Depreciation	856	900	1,008	992	850	900	950	1,013	3,756	3,713	998
Interest	26	22	62	61	45	30	42	33	171	150	38
Other Income	1,793	2,089	1,891	2,369	2,881	2,150	2,200	2,262	8,142	9,493	1,900
PBT before EO expense	**6,108**	**6,772**	**6,647**	**7,785**	**8,379**	**7,456**	**7,652**	**8,100**	**27,312**	**31,587**	**6,546**
Extra-Ord expense	0	-485	471	0	5,560	0	0	0	0	0	0
PBT after EO Expense	**6,108**	**7,257**	**6,176**	**7,785**	**13,939**	**7,456**	**7,652**	**8,100**	**27,312**	**31,587**	**6,546**
Tax	1,453	1,898	1,594	2,248	2,785	1,976	1,913	2,241	7,193	8,915	1,636
Tax Rate (%)	23.8	26.2	25.8	28.9	20.0	26.5	25.0	27.7	26.3	28.2	25.0
Reported PAT	**4,655**	**5,359**	**4,582**	**5,537**	**11,154**	**5,480**	**5,739**	**5,859**	**20,119**	**22,671**	**4,909**
Adj PAT	**4,655**	**5,002**	**4,929**	**5,537**	**6,705**	**5,480**	**5,739**	**5,859**	**20,119**	**22,671**	**4,909**
YoY Change (%)	13.8	30.2	4.4	-1.9	44.0	9.6	16.4	5.8	11.4	12.7	5.5

E: MOFSL Estimates

Aurobindo Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ARBP IN
Equity Shares (m)	581
M.Cap.(INRb)/(USDb)	626.9 / 7.1
52-Week Range (INR)	1593 / 994
1, 6, 12 Rel. Per (%)	-6/-13/-27
12M Avg Val (INR M)	1531

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	317.2	329.0	366.4
EBITDA	67.5	70.3	80.2
Adj. PAT	35.4	37.1	45.1
EBIT Margin (%)	16.1	15.9	16.7
Cons. Adj. EPS (INR)	61.0	63.8	77.7
EPS Gr. (%)	7.9	4.6	21.7
BV/Sh. (INR)	562.2	622.0	695.7
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	11.4	11.7	12.3
RoCE (%)	10.5	11.0	11.8
Payout (%)	6.7	5.7	4.9
Valuations			
P/E (x)	18.2	17.4	14.3
EV/EBITDA (x)	9.6	8.9	7.3
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	1.2	3.7	5.8
EV/Sales (x)	2.0	1.9	1.6

Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	51.8	51.8	51.8
DII	26.9	26.2	24.8
FII	14.4	15.3	16.7
Others	6.9	6.6	6.7

FII includes depository receipts

CMP: INR1,079 TP: INR1,300 (+20%) Buy

Growth in EU/ARV; margin contraction drags PAT

Gearing up for scaling PEN-G/biosimilar production

- Aurobindo Pharma (ARBP) delivered lower-than-expected performance for 1QFY26. While revenue was in line with estimates, EBITDA/PAT missed our estimates by 7%/8% for the quarter. Higher operational costs related to newer plants and pricing headwinds in the API segment impacted earnings for the quarter.
- That said, the global specialty and injectables sales witnessed QoQ growth in 1QFY26.
- While the g-Revlimid-driven high base from the previous year led to a YoY decline in US sales for the quarter, ARBP continues to broaden its US generics portfolio by adding products across the peptides, respiratory, dermatology, oncology, and hormone categories. The company is also increasing its offerings in dosage forms like injectables, nasal sprays, and inhalers.
- ARBP has been delivering strong execution in the EU market, driven by a higher off-take of existing products and expanding offerings. Notably, with biosimilar approvals in place, the gradual uptake of these products is expected to drive growth momentum in the EU segment.
- ARBP is ramping up production at the PEN-G plant following encouraging yield results and clearance from the pollution control board.
- We cut our earnings estimates by 8%/7% for FY26/FY27, factoring in: a) initial operational costs associated with restarting the PEN-G and China plants and b) pricing headwinds in the API business. We value ARBP at 16x 12M forward earnings to arrive at a TP of INR1,300.
- ARBP is one of the most diversified players in the generics space, catering to developed markets of the US/EU. Recent hiccups related to manufacturing plant issues and tariff uncertainties have caused volatility in earnings and, subsequently, the stock price. However, with the plants now operational and limited scope of US tariffs on the generics space—coupled with an attractive valuation, we reiterate a BUY rating on the stock.

High base affects sales growth; margins impacted by product mix/opex

- ARBP's 1QFY26 sales grew 4% YoY to INR78.7b (our estimate: INR79.3b).
- Overall formulation sales grew 7.4% YoY to INR69.5b. Europe's formulation sales grew 18% YoY to INR23.4b (29% of sales + 9% YoY in CC). Growth market sales grew ~9% YoY to INR7.7b (10% of sales). US formulations revenue declined 1.9% YoY to INR34.9b (CC: -4.2% YoY to USD408m; 44% of sales). ARV revenue grew 55% YoY to INR3.6b (5% of sales).
- API sales declined 16.1% YoY to INR9.2b (11.6% of sales).
- Gross margin (GM) contracted 60bp YoY to 58.8% due to a change in the product mix.

- EBITDA margin contracted 200bp YoY to 20.4% (our estimate: 21.7%), led by a lower GM and increased employee costs (+145bp YoY as a % of sales).
- EBITDA declined 5% YoY to INR16b (our estimate: INR17.2b).
- PAT declined 8.5% YoY to INR8.3b (our est.: INR9b), led by a higher depreciation/tax.

Highlights from the management commentary

- On Ex-Revlimid basis, EBITDA grew 12% YoY for the quarter.
- ARBP maintained its EBITDA margin guidance of 20-21% for FY26.
- With the implementation of remediation measures at Eugia III, global specialty and injectables sales have normalized (pre-USFDA inspection level). In fact, ARBP has invited the USFDA for a re-inspection.
- ARBP is confident in improving Lanett's profitability post-acquisition, driven by portfolio-level synergies and enhanced operational efficiency at Lanett's manufacturing facilities.
- ARBP is scheduled to make its first biosimilar submission in the US in FY26.

Quarterly performance (Consolidated) (INR b)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
Net Sales	**75.7**	**78.0**	**79.8**	**83.8**	**78.7**	**81.1**	**82.7**	**86.4**	**317.2**	**329.0**	**79.3**	**-0.8%**
YoY Change (%)	10.5	8.0	8.5	10.6	4.0	4.1	3.7	3.1	9.4	3.7	4.8	
EBITDA	**16.9**	**15.7**	**16.3**	**18.6**	**16.0**	**16.6**	**17.4**	**20.3**	**67.5**	**70.3**	**17.2**	**-6.8%**
YoY Change (%)	47.2	11.6	1.7	10.4	-5.4	5.7	6.7	9.1	15.5	4.1	1.5	
Margins (%)	22.4	20.1	20.4	22.2	20.4	20.4	21.0	23.5	21.3	21.4	21.7	
Depreciation	4.0	3.8	4.2	4.4	4.1	4.6	4.6	4.8	16.5	18.0	4.4	
EBIT	**12.9**	**11.8**	**12.1**	**14.2**	**12.0**	**12.0**	**12.8**	**15.6**	**51.0**	**52.3**	**12.8**	
YoY Change (%)	56.5	20.1	2.6	6.4	-7.2	1.0	6.0	9.7	18.0	2.5	-0.7	
Interest	1.1	1.1	1.2	1.2	1.0	1.0	0.9	0.9	4.6	3.8	1.2	
Other Income	1.2	1.4	1.6	1.2	1.1	1.4	1.4	1.4	5.4	5.2	1.3	
PBT before EO expense	**13.0**	**12.1**	**12.5**	**14.3**	**12.1**	**12.3**	**13.3**	**16.0**	**51.8**	**53.7**	**13.0**	**-7.0%**
Forex loss/(gain)	0.0	0.0	0.5	-0.1	0.0	0.0	0.0	0.0	0.4	0.0	0.0	
Exceptional (expenses)/income	0.2	0.0	0.0	-0.7	0.0	0.0	0.0	0.0	-0.5	0.0	0.0	
PBT	**13.3**	**12.1**	**12.0**	**13.7**	**12.0**	**12.3**	**13.3**	**16.0**	**51.0**	**53.7**	**13.0**	**-7.0%**
Tax	4.1	3.9	3.5	4.3	3.8	3.6	3.6	5.3	15.8	16.3	3.9	
Rate (%)	30.6	32.3	29.6	31.6	31.8	29.0	27.0	33.2	31.0	30.4	30.0	
Minority Interest	0.0	0.0	0.0	0.3	0.0	0.1	0.1	0.1	0.3	0.3	0.1	
Reported PAT	**9.2**	**8.2**	**8.5**	**9.0**	**8.2**	**8.6**	**9.6**	**10.6**	**34.9**	**37.1**	**9.0**	**-7.9%**
Adj PAT	**9.0**	**8.2**	**8.8**	**9.4**	**8.3**	**8.6**	**9.6**	**10.6**	**35.4**	**37.1**	**9.0**	**-7.8%**
YoY Change (%)	51.9	5.1	-2.4	-6.6	-8.5	5.8	8.7	12.4	7.9	4.6	-0.7	
Margins (%)	11.9	10.5	11.0	11.3	10.5	10.7	11.6	12.3	11.2	11.3	11.3	
EPS	**15.4**	**14.0**	**15.1**	**16.1**	**14.1**	**14.8**	**16.4**	**18.1**	**61.0**	**63.8**	**15.3**	

E: MOFSL Estimates

Exide

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	EXID IN
Equity Shares (m)	850
M.Cap.(INRb)/(USDb)	327 / 3.7
52-Week Range (INR)	535 / 328
1, 6, 12 Rel. Per (%)	4/-4/-23
12M Avg Val (INR M)	1331

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Net Sales	165.9	178.0	194.6
EBITDA	18.9	21.4	23.6
Adj. PAT	10.8	12.3	13.5
Adj. EPS (INR)	12.7	14.5	15.8
EPS Gr. (%)	2.3	14.7	9.0
BV/Sh. (INR)	169.9	181.4	194.0
Ratio			
RoE (%)	7.5	8.0	8.2
RoCE (%)	7.8	8.3	8.5
Payout (%)	15.8	20.6	20.5
Valuations			
P/E (x)	29.2	25.5	23.4
P/BV (x)	2.2	2.0	1.9
Div Yield (%)	0.5	0.8	0.9
FCF Yield (%)	2.8	3.5	3.8

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	46.0	46.0	46.0
DII	17.4	17.2	17.9
FII	11.5	11.6	13.7
Others	25.1	25.3	22.4

FII Includes depository receipts

CMP: INR385 TP: INR379 (-1%) Neutral

Margin improvement led by cost control

Replacement, solar and industrial UPS are key growth drivers

- EXID's 1QFY26 PAT of INR3.2b came in ahead of our estimate of INR2.8b, aided by better-than-expected margins even as revenue was in line.
- While the market appears to be upbeat on EXID’s lithium-ion foray, we remain cautious about the returns from the business. Besides, the stock at ~25.5x/23x FY26/27E EPS appears fairly valued. **Reiterate Neutral with a TP of INR379 (based on 20x Jun’27E EPS)**.

Better-than-expected operational performance

- Standalone revenue grew 4.6% YoY to INR 45.1b (in line), while EBITDA/adj. PAT rose ~11%/15% YoY to INR 5.5b/INR3.2b (est. INR5.1b/INR2.8b).
- Solar business proved to be the fastest-growing segment, supported by various government programs.
- 2W and 4W replacement segments remained buoyant, with double-digit growth in the mobility business.
- Industrial UPS posted strong growth amid increasing demand for critical power backup solutions in several sectors. Industrial infrastructure also improved YoY as order inflow and execution picked up in sectors like power, railways, tractions, etc.
- Auto OEM business continued to be impacted by lower demand from vehicle manufacturers in both PV and 2W segments. Automotive exports also declined amid geopolitical disruptions.
- Gross margin remained largely flat YoY (down 40bp QoQ) at 30.8% (in line).
- Employee expenses came in much lower than our estimate at 3.4% (down 280bp YoY/290bp QoQ). Even other expenses were about 30bp lower than our estimate at 12.6% of revenue.
- As a result, EBITDA margin improved 70bp YoY to 12.2% (vs. est. 11.4%).
- Adj. PAT at INR3.2b came in ahead of our estimate of INR2.8b.
- EXID invested INR3b in 1Q and additional INR1b in Jul’25 in the Exide Energy Solutions project site. Total equity investment till date stands at INR37b. Equipment installation and construction work are nearing completion and production is expected to begin toward FY26 end.

From the Press Release

- Total sales growth was marginal in 1Q due to a slowdown in manufacturing sector growth, decline in most of the auto OEM segments and lower international business due to global tariff uncertainties. The auto replacement, solar and industrial UPS verticals showed promising double-digit growth.
- The near-term outlook remains positive, supported by an improved product mix, innovative products and cost efficiencies in manufacturing facilities.
- Construction for the lithium-ion cell manufacturing project is progressing rapidly, with the team focusing on timely completion. Commercial operations are targeted to begin in FY26.

Valuation and view

- Given the significant imminent risk to its core business, EXID has forayed into the manufacturing of lithium-ion cells in partnership with S-Volt at a total investment of INR60b in two phases. While the market appears to be upbeat on EXID's lithium-ion foray, we remain cautious about the returns from the business. Besides, the stock at ~25.5x/23x FY26/27E EPS appears fairly valued. **Reiterate Neutral with a TP of INR379 (based on 20x Jun'27E EPS).**

S/A Quarterly Performance (INR M)

Y/E March	FY25				FY26E				FY25	FY26E	1QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	**43,128**	**42,673**	**38,486**	**41,594**	**45,098**	**44,807**	**43,105**	**45,037**	**165,881**	**178,046**	**44,421**	**1.5**
Growth YoY (%)	5.9	3.9	0.2	3.7	4.6	5.0	12.0	8.3	3.5	7.3	3.0	
RM cost (%)	69.3	68.5	68.0	68.8	69.2	69.0	68.5	68.5	68.7	68.8	69.2	
Employee cost (%)	6.1	6.3	6.8	6.3	6.1	6.5	6.6	6.5	6.4	6.4	6.5	
Other Exp(%)	13.1	13.9	13.5	13.7	12.6	12.6	13.0	12.8	13.6	12.8	12.9	
EBITDA	**4,943**	**4,836**	**4,486**	**4,667**	**5,482**	**5,332**	**5,129**	**5,503**	**18,931**	**21,447**	**5,064**	**8.3**
EBITDA Margin(%)	11.5	11.3	11.7	11.2	12.2	11.9	11.9	12.2	11.4	12.0	11.4	
Change (%)	14.4	0.1	2.0	-9.6	10.9	10.3	14.4	17.9	1.2	6.6	2	
Non-Operating Income	142	528	132	161	182	398	144	167	962	891	165	
Interest	87	103	120	130	91	130	127	157	439	505	125	
Depreciation	1,257	1,270	1,244	1,268	1,276	1,290	1,350	1,385	5,039	5,301	1,300	
PBT after EO Exp	**3,741**	**3,991**	**3,253**	**3,430**	**4,297**	**4,310**	**3,796**	**4,128**	**14,415**	**16,532**	**3,804**	**13.0**
Effective Tax Rate (%)	25.3	25.4	24.7	25.8	25.4	25.6	24.8	25.3	0.0	25.3	25.1	
Adj. PAT	**2,796**	**2,978**	**2,450**	**2,546**	**3,205**	**3,207**	**2,855**	**3,083**	**10,769**	**12,349**	**2,849**	**12.5**
Change (%)	15.6	3.8	2.0	-10.3	14.6	7.7	16.5	21.1	2.3	14.7	1.9	

Key performance indicators

Cost Break-up												
RM(%)	69.3	68.5	68.0	68.8	69.2	69.0	68.5	68.5	68.7	68.8	69.2	0bp
Employee cost (%)	6.1	6.3	6.8	6.3	6.1	6.5	6.6	6.5	6.4	6.4	6.5	-40bp
Other Exp(%)	13.1	13.9	13.5	13.7	12.6	12.6	13.0	12.8	13.6	12.8	12.9	-30bp
Gross Margin (%)	30.7	31.5	32.0	31.2	30.8	31.0	31.5	31.5	31.3	31.2	30.8	0bp
EBITDA Margin(%)	11.5	11.3	11.7	11.2	12.2	11.9	11.9	12.2	11.4	12.0	11.4	80bp
EBIT Margin(%)	8.5	8.4	8.4	8.2	9.7	9.9	9.1	9.5	8.4	9.6	8.8	90bp

Gland Pharma

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	GLAND IN
Equity Shares (m)	165
M.Cap.(INRb)/(USDb)	323.7 / 3.7
52-Week Range (INR)	2221 / 1200
1, 6, 12 Rel. Per (%)	8/27/-10
12M Avg Val (INR M)	562

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	56.2	63.3	72.4
EBITDA	12.7	15.1	18.2
Adj. PAT	7.0	9.2	11.3
EBITDA Margin (%)	22.6	23.8	25.1
Cons. Adj. EPS (INR)	42.4	55.6	68.4
EPS Gr. (%)	(10.9)	31.2	23.0
BV/Sh. (INR)	555.4	611.0	679.5
Ratios			
Net D:E	(0.2)	(0.2)	(0.3)
RoE (%)	7.8	9.5	10.6
RoCE (%)	7.8	9.5	10.4
Payout (%)	50.0	27.7	29.0
Valuations			
P/E (x)	46.3	35.3	28.7
EV/EBITDA (x)	23.7	20.1	16.1
Div. Yield (%)	1.2	0.0	0.0
FCF Yield (%)	1.6	(1.1)	2.3
EV/Sales (x)	5.4	4.8	4.1

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	51.8	51.8	51.8
DII	32.9	33.3	32.8
FII	7.4	6.9	6.9
Others	7.9	8.0	8.5

FII Includes depository receipts

CMP: INR1,965 TP: INR2,340 (+19%) Buy

Strong margin gain boosts PAT by 50% YoY

Reviving core markets and driving Cenexi efficiency

- Gland Pharma (GLAND) posted revenue in line with our estimate in 1QFY26. However, EBITDA/PAT exceeded our estimates (13%/16% beat). Strong traction in Europe, Canada, Australia, NZ and the rest of the world, along with better operational efficiency at Cenexi, led to improved performance for the quarter.
- After four quarters of earnings decline, GLAND delivered strong 50% YoY growth in earnings for the quarter.
- Strong 20% YoY growth in Cenexi revenue led to improved operating leverage, driving EBITDA break-even in 1QFY26. The profitability is expected to further improve 2HFY26 onward.
- GLAND's core market sales remained moderate due to lower off-take of Enoxaparin for the quarter. Having said this, new launches across core markets will improve the outlook of more markets going forward.
- We raise our earnings estimates by 9%/3% for FY26/FY27, factoring in a) scale-up of GLP-1 products in other core markets, b) faster turnaround of Cenexi and c) potential launches in the US/EU. We value GLAND at 33x 12M forward earnings to arrive at a TP of INR2,340.
- After three years of earnings decline, we expect a CAGR of 14%/20%/27% in revenue/EBITDA/PAT over FY25-27. GLAND is fortifying its positioning in the complex injectable space through in-house product development as well as partnerships. It is in the process of adding capacity to cater to upcoming GLP-1 opportunities as well. Considering 1Q earnings growth and valuation, we maintain BUY on the stock.

Modest revenue growth; strong profitability uplift in 1QFY26

- 1QFY26 revenues grew 7.4% YoY to INR15b (our estimate: INR15.2b). The base business (ex-Cenexi) grew 3% YoY to INR10.4b.
- Core markets sales rose 2% YoY to IN8.5b (56.8% of sales). RoW sales increased by 4% YoY to INR2.4b (10.2% of sales). India sales grew 13%YoY to INR594m (4% of sales).
- Gross margin (GM) expanded 560bp YoY to 65.4% due to a cut in the cost of finished goods purchase and a favorable change in the product mix in the business.
- EBITDA margin expanded by 560bp YoY to 24.4% (our estimate: 21%), led by better gross margins. Higher employee costs (+170bp YoY as % of sales) were offset by lower other expenses (down 170bp YoY as % of sales).
- Excl. Cenexi, EBITDA margin was 34.5% (up 550bp YoY). The milestone income/profit share for the quarter was 9%/12% of the base business sales for 1QFY26.
- EBITDA grew 39% YoY to INR3.7b (our estimate: INR3.3b) owing to lower revenue.
- Adj. PAT surged 50% YoY to INR2.2b (our estimate: INR1.9b).

Highlights from the management commentary

- Gland guided for mid-teens YoY growth in revenue for FY26 and EBITDA margin of 24-25% for FY26.
- While Cenexi achieved EBITDA breakeven in 1QFY26, it might see subdued performance in 2Q due to summer shutdown. In the subsequent quarters, the profitability is expected to improve on the back of a healthy order book and reduced downtime.
- US sales for the quarter were impacted by reduced sales of Enoxaparin (INR700m in 1QFY26 vs. INR1.4b QoQ/YoY).
- Gland indicated g-Dalbavancin to be a potential opportunity for the US market from Sep'25 onward. The CMS contract for US/EU markets would also support growth in those markets for FY26.

Consol. - Quarterly perf. (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**14,017**	**14,058**	**13,841**	**14,249**	**15,056**	**15,159**	**16,065**	**17,055**	**56,165**	**63,335**	**15,196**	-0.9
YoY Change (%)	16.0	2.4	-10.4	-7.3	7.4	7.8	16.1	19.7	-0.9	12.8	8.4	
Total Expenditure	11,373	11,088	10,241	10,774	11,378	11,718	12,258	12,910	43,476	48,264	11,944	
EBITDA	**2,644**	**2,970**	**3,600**	**3,475**	**3,678**	**3,441**	**3,807**	**4,144**	**12,689**	**15,071**	**3,252**	13.1
YoY Change (%)	-10.1	-8.3	-3.8	-3.1	39.1	15.9	5.8	19.3	-6.1	18.8	23.0	
Margins (%)	18.9	21.1	26.0	24.4	24.4	22.7	23.7	24.3	22.6	23.8	21.4	
Depreciation	920	938	963	958	1,011	948	1,005	1,067	3,779	4,030	922	
Interest	56	61	228	75	115	76	68	59	420	318	59	
Other Income	514	597	585	440	575	599	623	647	2,136	2,444	479	
PBT before EO expense	**2,182**	**2,567**	**2,993**	**2,883**	**3,128**	**3,016**	**3,358**	**3,666**	**10,626**	**13,167**	**2,751**	13.7
One-off income/(expense)	0	0	0	0	0	0	0	0	0	0	0	
PBT	**2,182**	**2,567**	**2,993**	**2,883**	**3,128**	**3,016**	**3,358**	**3,666**	**10,626**	**13,167**	**2,751**	13.7
Tax	745	932	946	1,018	973	947	1,007	1,074	3,641	4,001	889	
Rate (%)	34.1	36.3	31.6	35.3	31.1	31.4	30.0	29.3	34.3	30.4	32.3	
Reported PAT	**1,438**	**1,635**	**2,047**	**1,865**	**2,155**	**2,069**	**2,351**	**2,592**	**6,985**	**9,166**	**1,862**	15.7
Adj PAT	**1,438**	**1,635**	**2,047**	**1,865**	**2,155**	**2,069**	**2,351**	**2,592**	**6,985**	**9,166**	**1,862**	15.7
YoY Change (%)	-25.9	-15.8	0.4	-2.7	49.9	26.5	14.8	38.9	-10.9	31.2	29.6	
Margins (%)	10.3	11.6	14.8	13.1	14.3	13.6	14.6	15.2	12.4	14.5	12.3	
EPS	**8.7**	**9.9**	**12.4**	**11.3**	**13.1**	**12.6**	**14.3**	**15.7**	**42.4**	**55.7**	**11**	

Navin Fluorine International

BSE SENSEX	S&P CNX
80,710	24,650

CMP: INR5,177 **TP: INR5,100 (-1%)** **Neutral**

Steady earnings visibility amid strategic expansion initiatives

We attended the Navin Fluorine International Limited (NFIL) analyst meet, where management discussed demand trends, company strategy, and outlook across key segments. The planned capex of INR7b-10b will be deployed without impacting return ratios. Detailed capex plans will be announced in the next six months.

- **Strategic focus remains on scaling the HF business and accelerating the adoption of electronic-grade HF through its partnership with Buss ChemTech. R32 sales to the US comprise ~25% of total revenue, with 15% protected under anti-dumping duties, offering partial pricing support.**
- **The CDMO segment also gained traction, with Phase 1 completed and 5-6 molecules currently under development, while Phase 2 will begin once utilization hits 60-65%.**
- **The Advanced Materials segment is emerging as a long-term growth driver, targeting ~15% revenue share by FY30, supported by products co-developed with Chemours for semiconductors and data centers. The TFMAP segment continues to face pricing pressure, though volumes are improving.**
- **We expect a revenue/EBITDA/adj. PAT CAGR of 28%/37%/41% over FY25-27. The stock is trading at ~46x FY27E EPS of INR116.1 and ~27x FY27E EV/EBITDA. We reiterate our Neutral rating.**

Stock Info

Bloomberg	NFIL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	265 / 3
52-Week Range (INR)	5444 / 3160
1, 6, 12 Rel. Per (%)	8/18/47
12M Avg Val (INR M)	812
Free float (%)	72.9

Financials & Valuations (INR b)

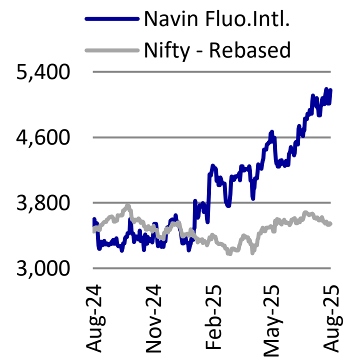
Y/E March	FY25	FY26E	FY27E
Sales	23.5	32.0	38.3
EBITDA	5.3	8.2	10.0
PAT	2.9	4.5	5.8
EPS (INR)	58.2	88.5	112.4
EPS Gr. (%)	26.2	52.0	27.1
BV/Sh.(INR)	529.5	729.6	818.9
Ratios			
Net D:E	0.5	0.2	0.2
RoE (%)	11.5	14.2	14.5
RoCE (%)	8.8	11.8	12.8
Payout (%)	20.6	20.6	20.6
Valuations			
P/E (x)	89.2	58.7	46.2
P/BV (x)	9.8	7.1	6.3
EV/EBITDA (x)	50.9	33.7	27.7
Div. Yield (%)	0.2	0.4	0.4
FCF Yield (%)	0.0	-0.2	0.4

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	28.0	28.4	28.8
DII	28.7	30.0	27.4
FII	21.6	20.2	18.0
Others	21.7	21.4	25.8

FII Includes depository receipts

Stock performance (one-year)



HPP business positioned as a long-term strategic initiative

- The company has seen strong volume growth in the High-Performance Products (HPP) segment (contributed 51% of sales in FY25), driven by increased sales and higher utilization of R32, R22, and HFO products.
- The company is actively exploring value-added opportunities within the hydrofluoric acid segment. With anticipated customer interest, the focus is on accelerating market adoption and creating a network effect.
- The company plans to undertake targeted investments aimed at facilitating faster adoption and enhancing its positioning in the HF value chain.
- The newly commissioned R32 production facility was scaled up efficiently, supported by robust demand from both domestic and international markets.
- The company expects limited downside risk to R32 prices, underpinned by stable demand conditions. This is likely to support short-term pricing stability in further quarters.
- R32 enables a cost-effective shift from high-global warming potential (GWP) to low-GWP refrigerants, positioning it as a strategic product within the company's portfolio.
- HFO and R32 operations continued at an optimum level with higher R32 sales, followed by improved realizations across key products.
- Demand for HFO products is largely dependent on infrastructure growth in the US and Europe. Future capital expenditure in this segment will be contingent on the pace of infrastructure development in these key regions.
- Recent tariff changes have introduced uncertainty around demand visibility and the timing of potential capacity expansion in the HFO segment.

- India exports approximately 60% of R32 volume. Capacity expansion for R32 globally is expected to be completed by Dec'26, with no further expansions planned from FY27 onwards. The company has also scheduled the addition of 15,000MT of R32 production capacity by Dec'26.
- R32 sales to the US market account for approximately 25% of the company's total business. Of this, around 15% is safeguarded under anti-dumping duty protection, ensuring partial insulation from pricing pressure.
- The company has an exclusive partnership with Buss ChemTech AG, Switzerland, to commercialize its high-purity electronic grade HF, making significant progress in engaging global customers in the electronic market. This serves as a foundation for advancing its broader product portfolio, with several products currently in the development and pilot stages.

CDMO business on the right track

- CDMO (15% of sales in FY25) has successfully completed Phase 1, with operations now stabilized. Phase 2 expansion will commence once capacity utilization reaches 60-65%.
- The company is evaluating additional capex opportunities, driven by a ramp-up in existing products and ongoing discussions with prospective clients.
- Currently, 5-6 molecules are in the development stage, indicating a healthy project pipeline that could support future scale-up and incremental investments.
- The company has observed strong performance in both the HPP and CDMO segments, with superior asset turnover and EBITDA generation compared to the specialty chemicals segment. This trend is expected to continue going forward.

Scale specialty, build advanced materials

- The company is expanding the capacity of its specialty chemicals segment (contributes 34%) through debottlenecking. The capacity expansion is focused on three key molecules, two of which present large opportunities. The company aims to enhance both capacity and operational efficiency. The segment's asset turnover stands at 1.1x
- Contribution from the pharmaceutical segment is gradually declining, primarily due to the phasing out of generic pharma contracts.

TFMAP (3-trifluoro methyl acetophenone)

- The TFMAP segment is expected to see an uptick in demand at competitive prices.
- Contribution margins are expected to remain at a healthy level.
- The company does not expect a material impact on absolute EBITDA. Greater clarity on demand trends for FY26 is anticipated by the end of 2QFY26.

Advanced materials

- The company anticipates that the advanced materials segment will contribute approximately 15% to its expanded revenue capacity by FY30. Management believes this segment will be a key future growth driver for the specialty segment, with the potential to reach the scale of the CDMO business.
- The asset turnover ratio for the advanced materials segment is expected to remain in the range of 1.6 to 1.7.

- The global liquid electronic chemicals market is currently valued at INR55b and is expected to reach INR130b by 2030.
- The company has co-developed liquid electronic chemical products in collaboration with Chemours, and the patents are not owned by the company.
- India's rapidly growing data center industry presents a significant opportunity. There are several liquid electronic products in the market that are widely used in data center operations.
- The Advanced Materials portfolio will target niche and high-value areas such as immersion cooling technologies and electronic-grade materials.

Valuation and view

- We believe the company is well-positioned to sustain its growth momentum in FY26, supported by the commercialization of three new molecules in 2QFY26 and material contributions expected from the Fluoro Specialty unit at Dahej, which commenced operations in Dec'24. The company reiterated its EBITDA margin guidance of approximately 25%. We believe the EBITDA margin guidance has a potential upside risk, driven by improved operating leverage and segmental mix.
- The medium-term outlook is further supported by: 1) a strategic partnership with Chemours to foray into high-growth advanced materials and 2) the approval of a key molecule by both the US and EU, enabling expanded applications in the CDMO segment.
- We expect a revenue/EBITDA/adj. PAT CAGR of 28%/37%/41% over FY25-27. The stock is trading at ~45x FY27E EPS of INR116.1 and ~27x FY27E EV/EBITDA. We value the company at 45x FY27E EPS to arrive at our TP of INR5,100. Valuations remain expensive; thus, we reiterate our Neutral rating.

Eris Lifesciences

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	ERIS IN
Equity Shares (m)	136
M.Cap.(INRb)/(USDb)	246.3 / 2.8
52-Week Range (INR)	1910 / 1035
1, 6, 12 Rel. Per (%)	9/26/65
12M Avg Val (INR M)	335

Financials & valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	28.9	33.5	38.7
EBITDA	10.2	12.1	14.1
Adj. PAT	3.5	5.2	7.5
EBIT Margin (%)	24.3	26.2	27.5
Cons. Adj. EPS (INR)	25.6	37.7	54.4
EPS Gr. (%)	-12.4	47.1	44.3
BV/Sh. (INR)	207.6	239.7	288.6
Ratios			
Net D:E	0.8	0.5	0.2
RoE (%)	12.9	16.8	20.6
RoCE (%)	10.4	13.1	16.2
Payout (%)	21.5	14.6	10.1
Valuations			
P/E (x)	70.7	48.1	33.3
EV/EBITDA (x)	26.7	22.0	18.2
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	3.7	3.3	4.2
EV/Sales (x)	9.4	7.9	6.7

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	54.8	54.9	54.9
DII	18.2	18.1	16.2
FII	8.4	8.4	14.6
Others	18.6	18.7	14.3

FII includes depository receipts

CMP: INR1,808 TP: INR1,700 (-6%) Neutral

Domestic formulations business drives earnings

Strategic reset lowers trade generics and intensifies focus on GLP-1/ CDMO outlook

- Eris Lifesciences (ERIS) delivered in-line revenue for 1QFY26. However, its EBITDA and PAT were lower than our expectations (3%/7% miss). Higher operating costs and the reduced international business led to lower profitability for the quarter.
- ERIS is transitioning its domestic branded formulation (DBF) business by increasing its focus on the anti-diabetes portfolio and minimizing its efforts in the trade generics business.
- It is enhancing its business prospects in Insulin and GLP-1 products by solving shortage issues (Insulin) and adding capacities at the Bhopal plant.
- Through the EU-accredited Swiss parenteral facilities, ERIS is garnering CDMO contracts in Europe and building a further growth lever in the international business.
- We broadly maintain our earnings estimate for FY26/FY27. We value ERIS at 30x 12M forward earnings to arrive at our TP of INR1,700.
- We expect a 16%/18% revenue/EBITDA CAGR over FY25-27, led by improved traction in its flagship therapies (anti-diabetes and cardiac) and emerging therapies (women's health, critical care, and oncology). The reduction in net debt is likely to lower the interest outgo and drive a 46% PAT CAGR over FY25-27.
- However, we **reiterate our Neutral rating** on ERIS due to its rich valuations.

Segmental mix drives better profitability YoY

- ERIS' 1QFY26 revenue grew 7% YoY to INR7.7b (vs. our est: INR7.8).
- Gross margin expanded 120bp YoY to 76% due to lower cost of buying finished goods and a better business mix.
- However, EBITDA margin expanded 100bp YoY to ~36% (our est. 37%), due to increased gross margins. Employee costs and other expenses (+30bp/-10bp YoY as a % of sales) were stable for the quarter.
- EBITDA rose 11% YoY to INR2.7b (vs. our estimate of INR2.8)
- Adj. PAT increased 41% YoY to INR1.2 (vs. our estimate of INR1.3b).

Highlights from the management commentary

- ERIS reaffirmed its overall revenue guidance of INR33.2b-INR35b with EBITDA of INR11.9b-INR12.5b for FY26.
- While its 1Q sales declined in the international business, ERIS remains confident of achieving a revenue of INR3.8b in FY26.
- Management could not get approval to launch liraglutide 3mg in India, and hence, the business from this product has been lower. It is expected to pick up in the coming months.

- The patient enrolment for semaglutide would be completed by Aug'25. Six months would be required for the study. Subsequently, it would take two months for approval. Hence, ERIS remains confident to launch semaglutide in India in the first wave of market formation.
- While net debt increased by INR1b QoQ in 1QFY26, Eris is expected to reduce the net debt to INR18b by the end of FY26.

Consolidated - Quarterly Earnings (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	Estimate	Var %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Gross Sales	**7,197**	**7,412**	**7,275**	**7,053**	**7,730**	**8,079**	**8,657**	**9,028**	**28,936**	**33,493**	**7,773**	-0.6
YoY Change (%)	54.2	46.7	49.6	28.0	7.4	9.0	19.0	28.0	44.0	15.7	8.0	
Total Expenditure	4,697	4,767	4,771	4,529	4,963	5,154	5,558	5,742	18,764	21,417	4,920	
EBITDA	**2,500**	**2,645**	**2,503**	**2,524**	**2,767**	**2,925**	**3,099**	**3,286**	**10,172**	**12,077**	**2,853**	-3.0
Margins (%)	34.7	35.7	34.4	35.8	35.8	36.2	35.8	36.4	35.2	36.1	36.7	
Depreciation	759	805	812	773	705	809	867	904	3,149	3,286	778	
Interest	604	595	572	543	487	419	419	419	2,313	1,744	419	
Other Income	16	46	42	80	27	51	55	57	184	190	49	
PBT before EO expense	**1,153**	**1,291**	**1,162**	**1,288**	**1,602**	**1,747**	**1,868**	**2,020**	**4,894**	**7,237**	**1,705**	-6.1
Extra-Ord expense	0	0	0	-1	-9	0	0	0	-1	-9	0	
PBT	**1,153**	**1,291**	**1,162**	**1,289**	**1,611**	**1,747**	**1,868**	**2,020**	**4,895**	**7,246**	**1,705**	
Tax	259	328	292	265	360	381	426	487	1,144	1,654	358	
Rate (%)	22.5	25.4	25.2	20.6	22.3	21.8	22.8	24.1	23.4	22.8	21.0	
MI & Profit/Loss of Asso. Cos.	62	48	33	85	71	95	110	129	228	405	80	
Reported PAT	**832**	**916**	**836**	**938**	**1,180**	**1,272**	**1,332**	**1,405**	**3,522**	**5,188**	**1,267**	-6.9
Adj PAT	**832**	**916**	**836**	**938**	**1,173**	**1,272**	**1,332**	**1,405**	**3,522**	**5,181**	**1,267**	-7.4
YoY Change (%)	-12.3	-25.8	-18.6	15.0	41.0	38.8	59.3	49.8	-12.4	47.1	52.3	
Margins (%)	11.6	12.4	11.5	13.3	15.2	15.7	15.4	15.6	12.2	15.5	16.3	

E: MOFSL Estimates

Alembic Pharma

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ALPM IN
Equity Shares (m)	197
M.Cap.(INRb)/(USDb)	186 / 2.1
52-Week Range (INR)	1304 / 725
1, 6, 12 Rel. Per (%)	-2/2/-23
12M Avg Val (INR M)	299

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	66.7	71.8	79.0
EBITDA	10.1	12.2	14.4
Adj. PAT	5.7	7.2	8.8
EBIT Margin (%)	11.0	12.6	13.8
Cons. Adj. EPS (INR)	29.1	36.4	44.8
EPS Gr. (%)	-7.4	25.1	23.1
BV/Sh. (INR)	264.1	294.9	334.0
Ratios			
Net D:E	0.2	0.2	0.1
RoE (%)	11.5	12.9	14.1
RoCE (%)	10.9	11.8	12.9
Payout (%)	20.3	16.5	13.4
Valuations			
P/E (x)	33.2	26.5	21.5
EV/EBITDA (x)	19.9	16.4	13.6
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	1.5	2.9	3.4
EV/Sales (x)	3.0	2.8	2.5

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	69.7	69.7	69.6
DII	16.5	16.4	15.5
FII	4.0	3.9	4.3
Others	9.9	10.0	10.6

FII Includes depository receipts

CMP: INR947 **TP: INR990 (+5%)** **Neutral**

Export strength offsets muted DF/API show

Re-assessing DF business for higher productivity and sustainable growth

- Alembic Pharma (ALPM) delivered a largely in-line performance for 1QFY26. Superior execution in the export market led to YoY growth in revenue/EBITDA/PAT for the quarter. This benefit was offset, to some extent, by a muted show in the domestic formulation (DF) and API segments.
- ALPM sustained its growth momentum in the US market on the back of new launches. Notably, upcoming introductions such as g-Entresto have the potential to further strengthen growth in the US generics segment. That said, a broader scope of business would be necessary to enhance capacity utilization and, in turn, improve the profitability of the US generics segment.
- Growth of non-US exports has been broad-based across focus markets.
- The DF segment continues to struggle with growth. In 1QFY26, ALPM undertook measures to address certain challenges in this segment, which impacted the growth of the DF segment's specialty category.
- We tweak our estimates for FY26/FY27 (+3%/+2%), factoring in: a) improved business prospects in the export market and b) near-term disruption in the DF segment. We value ALPM 22x 12M forward earnings to arrive at a TP of INR990.
- After a muted performance in FY25, ALPM is working to improve business prospects across its key markets. Growth in export markets is strengthening on the back of new launches and superior supply chain management. However, this is being offset to some extent by an inferior show in the DF and API segments. Considering these aspects, we expect a 24% earnings CAGR over FY25-27. The current valuation largely factors in the earnings upside. Hence, we reiterate a Neutral rating on the stock.

In-line 1Q; margin gain from product mix supports PAT growth

- ALPM sales grew 9.5% YoY to INR17b (in line).
- US generics sales grew 13% YoY to INR5.2b (USD61m; 31% of sales). Ex-US generics, export sales grew 21% YoY to INR3.3b (19% of sales). DF sales grew 5% YoY to INR6b (35% of sales).
- API sales were stable YoY at INR2.6b (15% of sales).
- Gross margin expanded 140bp YoY to 76% due to a better product mix.
- EBITDA margin expanded 130bp YoY to 16.4% (in line), led by a better gross margin. Higher R&D spend (+150bp YoY as a % of sales) was offset by lower other expenses (down 170bp as a % of sales).
- Consequently, EBITDA grew 19% YoY to INR2.8b (our est: INR2.7b).
- Adj. PAT grew 14.6% YoY to INR1.5b (in line).

Key highlights from the management commentary

- ALPM has guided for US sales to grow 10-15% YoY in FY26.
- Non-US sales are also guided to grow at 10-15% YoY in FY26.
- ALPM is addressing certain challenges in the DF business and has gained better control over channel inventory for its products. This, however, impacted specialty segment growth for the quarter.
- Data leakage by certain Chinese traders regarding exports from India has impacted ALPM's API business.
- APLM expects to launch 4-5 products in the US in 2QFY26.
- Gross/net debt stood at INR11.8b/INR9.7b at the end of 1QFY26.

Quarterly perf. (Consol.) (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	vs Est
Net Sales	**15,617**	**16,480**	**16,927**	**17,696**	**17,107**	**17,963**	**18,313**	**18,645**	**66,721**	**72,028**	**17,086**	**0.1%**
YoY Change (%)	5.1	3.3	3.8	16.7	9.5	9.0	8.2	5.4	7.1	8.0	9.4	
Total Expenditure	13,249	14,087	14,325	14,977	14,294	14,819	15,035	15,409	56,639	59,557	14,352	
EBITDA	**2,368**	**2,393**	**2,602**	**2,719**	**2,813**	**3,144**	**3,278**	**3,237**	**10,082**	**12,471**	**2,734**	**2.9%**
YoY Change (%)	19.2	14.9	-2.4	4.6	18.8	31.4	26.0	19.0	8.0	23.7	15.4	
Margins (%)	15.2	14.5	15.4	15.4	16.4	17.5	17.9	17.4	15.1	17.3	16.0	
Depreciation	690	705	700	690	738	800	816	831	2,786	3,184	762	
EBIT	**1,678**	**1,688**	**1,902**	**2,029**	**2,075**	**2,343**	**2,462**	**2,406**	**7,297**	**9,287**	**1,972**	**5.3%**
YoY Change (%)	26.6	19.9	-3.6	6.5	23.7	38.9	29.5	18.6	10.4	27.3	17.5	
Interest	132	188	223	245	235	215	205	186	788	841	230	
Other Income	21	167	95	142	65	167	171	277	425	680	155	
PBT before EO expense	**1,567**	**1,667**	**1,774**	**1,926**	**1,905**	**2,295**	**2,428**	**2,497**	**6,934**	**9,125**	**1,897**	**0.4%**
Extra-Ord expense	0	-129	0	0	0	0	0	0	129	0	0	
PBT	**1,567**	**1,796**	**1,774**	**1,926**	**1,905**	**2,295**	**2,428**	**2,497**	**7,063**	**9,125**	**1,897**	**0.4%**
Tax	225	273	401	353	365	418	440	449	1,252	1,671	343	
Rate (%)	14.4	15.2	22.6	18.3	19.1	18.2	18.1	18.0	17.7	18.3	18.1	
MI & P/L of Asso. Cos.	-5	-11	-11	4	-3	7	9	11	-23	24	5	
Reported PAT	**1,347**	**1,534**	**1,384**	**1,569**	**1,544**	**1,871**	**1,980**	**2,036**	**5,834**	**7,430**	**1,549**	**-0.3%**
Adj PAT	**1,347**	**1,425**	**1,384**	**1,569**	**1,544**	**1,871**	**1,980**	**2,036**	**5,725**	**7,430**	**1,549**	**-0.3%**
YoY Change (%)	11.6	3.6	-23.5	-12.3	14.6	31.3	43.0	29.8	-7.4	29.8	15.0	
Margins (%)	8.6	8.6	8.2	8.9	9.0	10.4	10.8	10.9	8.6	10.3	9.1	
EPS	**6.9**	**7.2**	**7.0**	**8.0**	**7.9**	**9.5**	**10.1**	**10.4**	**29.1**	**36.4**	**7.9**	

Key performance indicators (Consolidated) (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
India	5,720	6,090	6,140	5,450	5,990	6,404	6,447	5,874	23,400	24,715	5900	2%
YoY Change (%)	9.2	5.5	3.0	8.3	4.7	5.2	5.0	7.8	6.4	5.6	3.1	
Exports	7,320	7,650	8,200	8,830	8,510	8,690	8,965	9,505	32,000	35,670	8,441	1%
YoY Change (%)	11.4	9.9	9.9	28.9	16.3	13.6	9.3	7.6	15.0	11.5	15.3	
APIs	2,590	2,740	2,590	3,420	2,610	2,850	2,901	3,266	11,340	11,627	2,745	-5%
YoY Change (%)	(15.1)	(14.9)	(10.4)	3.6	0.8	4.0	12.0	(4.5)	(9.0)	2.5	6.0	
Cost Break-up												
RM Cost (% of Sales)	25.2	26.0	26.0	30.0	23.8	28.2	28.0	29.0	26.9	27.3	29.0	
Staff Cost (% of Sales)	24.3	23.8	23.5	22.2	24.7	22.4	22.2	22.4	23.4	22.9	22.4	
R&D Expenses (% of Sales)	7.0	8.0	7.0	9.1	8.5	8.2	8.3	8.0	7.8	8.2	8.0	
Other Cost (% of Sales)	28.3	27.7	28.2	23.3	26.5	23.7	23.6	23.2	26.8	24.2	23.2	
Gross Margins (%)	74.8	74.0	74.0	70.0	76.2	71.8	72.0	71.0	73.1	72.7	71.0	
EBITDA Margins (%)	15.2	14.5	15.4	15.4	16.4	17.5	17.9	17.4	15.1	17.3	17.4	
EBIT Margins (%)	10.7	10.2	11.2	11.5	12.1	13.0	13.4	12.9	10.9	12.9	12.9	

E: MOFSL Estimates

5 August 2025

1QFY26 Results Update | Sector: Capital Goods

Triveni Turbine

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	TRIV IN
Equity Shares (m)	318
M.Cap.(INRb)/(USDb)	169.4 / 1.9
52-Week Range (INR)	885 / 455
1, 6, 12 Rel. Per (%)	-14/-12/-13
12M Avg Val (INR M)	1461

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	21.1	24.9	30.1
EBITDA	4.5	5.4	6.4
PAT	3.7	4.5	5.3
EPS (INR)	11.8	14.0	16.8
GR. (%)	4.4	19.0	19.8
BV/Sh (INR)	46.7	56.8	68.9
Ratios			
ROE (%)	27.7	27.1	26.7
RoCE (%)	27.9	27.2	26.9
Valuations			
P/E (X)	45.3	38.1	31.8
P/BV (X)	11.4	9.4	7.7
EV/EBITDA (X)	36.0	30.4	25.1
Div Yield (%)	0.6	0.7	0.9

Shareholding pattern (%)

As Of	Jun-25	Mar-25	Jun-24
Promoter	55.8	55.8	55.8
DII	12.2	10.6	12.3
FII	25.4	28.0	27.5
Others	6.6	5.5	4.3

FII includes depository receipts

CMP: INR534 TP: INR620 (+16%) Buy

Weak export pipeline

Triveni Turbine (TRIV)'s 1QFY26 result was significantly lower than our expectations due to deferred dispatches and order execution. Geopolitical issues resulted in delayed customer decision-making regarding dispatches. Though the inquiry pipeline remains strong and domestic order inflows are witnessing improvement, a decline in the export pipeline and export order inflows is a negative. This is likely to result in export revenue volatility, while domestic revenue was already weak due to muted ordering last year. We thus expect FY26 to be a weaker year for the company and expect recovery to start getting visible from FY27 onwards. We thus cut our estimates by 8%/13% for FY26/27 due to subdued order inflow and execution, particularly on the export side, and arrive at our revised TP of INR620 (based on 40x Sep'27E earnings). Our revised target multiple of 40x (vs. 42x earlier) takes into account lower growth assumptions compared to earlier estimates. We reiterate our BUY rating as TRIV is continuously introducing new products and can ramp up sharply as demand starts reviving.

Result materially below our estimates

TRIV's 1QFY26 performance was hit by deferred dispatches and order execution, as geopolitical tensions led to inspection delays from international customers. Revenue stood at INR3.7b (-20% YoY). Domestic/export sales declined 24%/15% to INR1.9b/INR1.8b. Exports as a % of sales increased to 49% in 1QFY26 compared to 47% in 1QFY25. The EBITDA at INR736m declined 23% YoY, while the EBITDA margin contracted 80bp YoY to 19.8% vs. our estimate of 20.3%. Its PAT at INR644m declined 20% YoY. Order inflows declined 16% YoY to INR5.4b due to lower export demand across products and aftermarkets. Order booking was also impacted by geopolitical tensions, which delayed advance collections. The total order book stood at INR20.7b as of 30th Jun'25 (+20% YoY).

Domestic inquiry conversion visible

In 1QFY26, TRIV reported a significant recovery in domestic order inflows, which jumped 32% YoY to INR2.9b, reversing the softness seen in FY25. The inquiry pipeline from the domestic market has increased by ~130% YoY, driven by strong traction across key sectors, including steel, cement, sugar, waste-to-energy, and process cogeneration industries. Management indicated that the overall steam turbine market itself has grown substantially in the quarter, and TRIV's market share has increased from ~46%-48% last year to nearly 53%-55%.. The company believes that this momentum will be maintained through FY26, backed by the elevated inquiry levels and a healthy mix of sectors. However, while the increased domestic inquiry pipeline indicates elevated customer interests, conversion of these into actual orders may take longer. We thus expect domestic order bookings to decline 5% in FY26 on a high base, as FY25 consisted of a large order from NTPC. From thereon, we expect improved inquiry conversions, translating into an 18-20% YoY growth from FY27 onwards.

Export orders slowing down amid global uncertainty

Export order inflows declined 40% YoY to INR2.5b in 1QFY26, hit by the geopolitical turmoil in the Middle East and South Asia. Several clients deferred decisions or shifted to European suppliers, leading to a 5% YoY contraction in TRIV's international enquiry pipeline. While traction declined in Europe, Southeast Asia, and SAARC, select markets like the US (+175% YoY), Central Asia, and Africa remained active, though conversions are slower. The US saw strong inquiry momentum, but order finalizations were delayed due to tariff and localization uncertainties. Triveni has invested in its US subsidiary, absorbing near-term losses to build presence. Europe saw a pause in investment activity but remains a key region for the company, contributing ~20% of export revenue, especially in waste-to-energy and renewables. Export markets continue to be an important long-term growth lever, but near-term visibility is clouded by extended sales cycles and geopolitical caution. We expect export order inflows to clock a CAGR of 19% over FY25-28, with export revenue to grow moderately at 9% in FY26. We further project a ramp-up thereon as geopolitical concerns ebb, and the current year's inquiry conversions start reflecting on execution from the next fiscal year.

Focus on higher margin projects in the aftermarket business

TRIV's aftermarket business continued to be a steady contributor, accounting for 31% of revenue in 1Q. However, growth in this segment was subdued, with management admitting underperformance in refurbishment activities, particularly in the Southern African Development Community (SADC) market where one project was taken at lower margins. The company emphasized that turbine-related aftermarket offers better margin potential compared to relatively newer areas like heat pumps, primarily due to the higher frequency of spares and servicing required for rotating equipment. Going forward, TRIV aims to focus on higher-margin refurbishment projects rather than generic service contracts, although the conversion cycle for such projects tends to be longer.

Expanding portfolio through product innovations

TRIV has launched India's first CO_2-based ultra-efficient high-temperature heat pump with primary application across industrial sectors such as food and beverage, pharmaceuticals, textiles, and district heating. The product can deliver heat at 122°C using carbon dioxide as a natural refrigerant, offering a climate-friendly alternative to conventional synthetic refrigerants. Although the technology is innovative, management indicated that commercial adoption will be gradual given its early-stage nature and technical complexity. Consequently, near-term revenue contribution is expected to remain modest, likely in low single digits of overall sales over the next couple of years.

Financial outlook

We cut our estimates by 8%/13% for FY26/27 due to subdued order inflow and execution, particularly on the export side. We expect TRIV's revenue/EBITDA/PAT to clock a CAGR of 14%/14%/14% over FY25-28. Backed by a comfortable negative working capital cycle, strong margins, and low capex requirements, we expect its OCF and FCF to report a CAGR of 48% and 55% over the same period, respectively.

Valuation and view

The stock is currently trading at 45.3x/38.1x/31.8x on FY26E/27E/28E earnings. We revise our TP to INR620 (from INR700) based on 40x Sep'27E EPS. Our revised target multiple of 40x (vs. 42x earlier) takes into account lower growth assumptions than earlier estimates.

Key risks

Slowdown in capex initiatives, intensified competition, technology disruption, inability to innovate and launch new products, and geopolitical headwinds that are resulting in a sharp slowdown in exports and aftermarket segments are some of the key risks.

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**4,633**	**5,011**	**5,034**	**5,380**	**3,713**	**4,548**	**5,709**	**7,174**	**20,058**	**21,144**	**4,933**	**-25**
YoY Change (%)	23.1	29.2	16.6	17.5	-19.9	-9.2	13.4	33.3	21.3	5.4	6.5	
Total Expenditure	3,677	3,897	3,941	4,176	2,977	3,579	4,481	5,571	15,691	16,609	3,932	
EBITDA	**956**	**1,114**	**1,093**	**1,204**	**736**	**969**	**1,227**	**1,603**	**4,367**	**4,535**	**1,001**	**-27**
Margins (%)	20.6	22.2	21.7	22.4	19.8	21.3	21.5	22.3	21.8	21.5	20.3	
Depreciation	62	61	65	75	77	74	76	77	263	305	73	6
Interest	10	8	4	7	8	8	8	8	29	32	9	-12
Other Income	194	196	221	199	222	219	230	230	810	902	207	7
PBT before EO expense	**1,078**	**1,241**	**1,245**	**1,321**	**873**	**1,106**	**1,374**	**1,748**	**4,885**	**5,101**	**1,127**	**-23**
PBT	**1,078**	**1,241**	**1,245**	**1,321**	**873**	**1,106**	**1,374**	**1,748**	**4,885**	**5,101**	**1,127**	**-23**
Tax	274	331	320	375	228	294	366	469	1,300	1,357	300	
Rate (%)	25.4	26.7	25.7	28.4	26.1	26.6	26.6	26.9	26.6	26.6	26.6	
MI & P/L of Asso. Cos.	0	0	1	0	-1	0	0	1	1	0	0	
Reported PAT	**804**	**910**	**926**	**946**	**644**	**812**	**1,008**	**1,280**	**3,586**	**3,744**	**827**	**-22**
Adj PAT	**804**	**910**	**926**	**946**	**644**	**812**	**1,008**	**1,280**	**3,586**	**3,744**	**827**	**-22**
YoY Change (%)	31.8	41.4	35.0	25.9	-19.9	-10.8	8.9	35.3	33.3	4.4	2.9	
Margins (%)	17.4	18.2	18.4	17.6	17.3	17.9	17.7	17.8	17.9	17.7	16.8	

EPL

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	EPLL IN
Equity Shares (m)	320
M.Cap.(INRb)/(USDb)	70.5 / 0.8
52-Week Range (INR)	290 / 175
1, 6, 12 Rel. Per (%)	-4/-8/3
12M Avg Val (INR M)	366

Financials & Valuations (INR b)

Y/E Mar	2025	2026E	2027E
Sales	42.1	46.2	50.3
EBITDA	8.4	9.7	10.8
PAT	3.6	4.4	5.3
EBITDA (%)	19.8	20.9	21.4
EPS (INR)	11.3	13.8	16.7
EPS Gr. (%)	39.9	21.7	21.5
BV/Sh. (INR)	73.7	82.5	94.2
Ratios			
Net D/E	0.2	0.1	-0.0
RoE (%)	16.3	17.6	18.9
RoCE (%)	15.6	16.8	18.2
Payout (%)	44.5	36.3	29.9
Valuations			
P/E (x)	19.4	15.9	13.1
EV/EBITDA (x)	8.9	7.5	6.4
Div Yield (%)	2.3	2.3	2.3
FCF Yield (%)	6.3	5.6	7.8

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	26.4	51.3	51.5
DII	10.5	11.0	11.6
FII	17.2	16.5	11.4
Others	45.9	21.2	25.6

Note: FII includes depository receipts

CMP: INR220 TP: INR280 (+27%) Buy

Margin expansions in Europe and the Americas drive profitability

In-line operating performance

- EPL reported an EBITDA of INR2.3b (+22% YoY) in 1QFY26, in line with our estimate. This was driven by EBITDA growth across all regions, with Europe/America/EAP/AMESA witnessing a growth of 52%/35%/8%/2% YoY.
- EPL continued its trajectory of margin expansion (up 200bp YoY), supported by gains in Europe and the Americas. This was fueled by strategic restructuring, cost optimization, and an improving mix of the personal care segment in the overall portfolio (~54% in 1QFY26 vs. ~47% in 1QFY25).
- We maintain our estimates for FY26/FY27 and value the stock at 17x FY27E EPS to arrive at our TP of INR280. **Reiterate BUY.**

Product mix continues to improve and boost operating performance

- EPL's revenue grew ~10% YoY to INR11b (in line). Gross margin expanded 70bp to 60%. EBITDA margin expanded 200bp YoY to 20.5% (est. 20.4%), led by improving margins in the Americas and Europe.
- The company's EBITDA stood at INR2.2b (est. in line), up 22% YoY. Adj. PAT grew 56% YoY to INR1b (in line).
- Revenue from the Americas/Europe/EAP/AMESA grew 13%/15%/10%/2% YoY to INR2.9b/INR2.7b/INR2.6b/INR3.7b.
- EBITDA margin improved 300bp/400bp for the Americas/Europe to 18.8%/ 17.9%, while EBITDA margin for AMESA remained flat at 19%, and that of EAP contracted 30bp YoY to 21.6%.
- EBITDA for Americas/Europe/EAP/AMESA grew 35%/52%/8%/2% YoY to INR551m/INR478m/INR420m/INR714m during the quarter.

Highlights from the management commentary

- **Guidance**: EPL expects to maintain **double-digit revenue growth,** with **EBITDA growth expected to be higher than revenue growth**, driven by strong traction in the Beauty and Cosmetics (**BNC)** segment and the anticipated recovery in the oral care segment.
- **Expansion:** EPL has doubled its capacity in the BNC segment in Brazil, and this expansion is expected to enable the company to onboard new clients in the region. The **Thailand plant** is set to commercialize from 2HFY26.
- Personal care and beyond: Management is actively pursuing M&A opportunities in the BNC segment, targeting both geographic and product expansion. The growth momentum in the BNC segment is expected to continue, led by new customer additions due to capacity expansions.

Valuation and view

- EPL continues to deliver healthy operating performance across geographies, supported by a favorable product mix, product innovations, an improving sustainable mix (38% of total volume), and continued capacity expansion. We expect this positive trend to continue.
- With improved operational efficiencies, a focus on improving market share across geographies in the BNC segment, and a recovery in the Oral Care segment, we expect a CAGR of 9%/14%/22% in revenue/EBITDA/adjusted PAT over FY25-27. We value the stock at 17x FY27E EPS to arrive at our TP of INR280. **Reiterate BUY.**

Consolidated - Quarterly Earnings Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%
Gross Sales	**10,074**	**10,862**	**10,143**	**11,054**	**11,079**	**12,124**	**11,019**	**11,958**	**42,133**	**46,180**	**11,222**	**-1**
YoY Change (%)	10.7	8.4	4.0	7.4	10.0	11.6	8.6	8.2	7.6	9.6	11.4	
Total Expenditure	8,216	8,657	8,127	8,774	8,811	9,467	8,803	9,439	33,774	36,520	8,933	
EBITDA	**1,858**	**2,205**	**2,016**	**2,280**	**2,268**	**2,657**	**2,216**	**2,519**	**8,359**	**9,660**	**2,289**	**-1**
Margins (%)	18.4	20.3	19.9	20.6	20.5	21.9	20.1	21.1	19.8	20.9	20.4	
Depreciation	836	852	863	876	896	920	1,000	1,046	3,427	3,862	900	
Interest	290	291	274	284	281	250	155	152	1,139	838	180	
Other Income	65	140	127	104	80	120	135	138	436	473	115	
PBT before EO expense	**797**	**1,202**	**1,006**	**1,224**	**1,171**	**1,607**	**1,196**	**1,459**	**4,229**	**5,433**	**1,324**	
Extra-Ord expense	0	0	0	36	0	0	0	0	36	0	0	
PBT	**797**	**1,202**	**1,006**	**1,188**	**1,171**	**1,607**	**1,196**	**1,459**	**4,193**	**5,433**	**1,324**	
Tax	139	301	64	73	159	321	239	292	577	1,011	265	
Rate (%)	17.4	25.0	6.4	6.1	13.6	20.0	20.0	20.0	13.8	18.6	20.0	
MI & Profit/Loss of Asso. Cos.	-16	-31	-7	28	-12	-20	-3	14	-26	-21	-21	
Reported PAT	**642**	**870**	**935**	**1,143**	**1,000**	**1,266**	**954**	**1,181**	**3,590**	**4,401**	**1,038**	
Adj PAT	**642**	**870**	**935**	**1,170**	**1,000**	**1,266**	**954**	**1,181**	**3,617**	**4,401**	**1,038**	**-4**
YoY Change (%)	18.2	72.3	8.6	72.9	55.8	45.5	2.0	1.0	39.9	21.7	61.7	
Margins (%)	6.4	8.0	9.2	10.6	9.0	10.4	8.7	9.9	8.6	9.5	9.3	

Key performance indicators

Y/E March	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Segment Revenue Gr. (%)									
AMESA	5%	5%	-1%	5%	9%	4%	1%	0%	2%
EAP	11%	13%	12%	4%	14%	9%	-1%	9%	10%
Americas	10%	13%	12%	16%	19%	9%	7%	14%	13%
Europe	8%	6%	9%	2%	9%	21%	9%	5%	15%
Segment EBITDA Margin (%)									
AMESA	22%	20%	21%	20%	19%	18%	18%	18%	19%
EAP	23%	23%	22%	18%	22%	22%	21%	22%	22%
Americas	10%	12%	16%	18%	16%	18%	20%	17%	19%
Europe	11%	10%	9%	11%	14%	17%	18%	15%	18%
Cost Break-up (%)									
RM Cost (% of sales)	42%	43%	42%	43%	40%	42%	40%	42%	40%
Employee Cost (% of sales)	20%	19%	20%	19%	21%	19%	21%	19%	20%
Other Cost (% of sales)	20%	20%	20%	20%	20%	19%	20%	18%	19%
Gross Margins (%)	58%	57%	58%	57%	60%	58%	60%	58%	60%
EBITDA Margins (%)	17%	18%	19%	19%	18%	20%	20%	21%	20%
EBIT Margins (%)	9%	10%	10%	10%	10%	12%	11%	13%	12%

NHAI awarding remains muted as of FY26YTD

- **The pace of project awarding by NHAI has remained subdued in the initial months of FY26. Only ~180km of projects were awarded during Apr'25–Jul'25, against the annual target of 5,000km. The slow start is attributed to a mix of factors, including post-election policy reviews, procedural delays, and a temporary shift in focus towards project execution rather than new awards. The overall muted awarding hurt order inflows for several road construction companies.**
- **On the construction front, NHAI built 1,238km of national highways during Apr–Jul'25, against the full-year target of ~6,000km. The focus remains on ramping up execution in the coming quarters to meet the annual goals. NHAI exceeded its highway construction target of 5,150km and built 5,614km in FY25.**
- **FASTag toll collections grew ~16% YoY in terms of volume and ~20% YoY in terms of value during Apr'25-July'25, supporting asset monetization plans.**
- **For FY26, NHAI has set an asset monetization target of INR300b (vs INR287b achieved in FY25). The monetization will primarily be routed through the Toll-Operate-Transfer (ToT) model and Infrastructure Investment Trusts (InvITs). To support this goal, NHAI has identified a pool of 24 assets spanning 1,472km for monetization in FY26. The proceeds will be deployed for highway development, debt repayment, and generating returns for investors.**
- **The Dedicated Freight Corridor Corporation of India (DFCCIL) has commissioned 2,741km of the planned 2,843km for both the Eastern and Western Dedicated Freight Corridors (DFCs). The completion deadline has been extended to Dec'25 due to delays in land acquisition.**

Key Indicators

	FY24	FY25	FY26E
Daily average FASTag toll collections (INR b)	1.8	2.0	2.15
Tenders awarded by NHAI (km)	2,500	4,080	180
Road construction by NHAI (km)	6,644	5,614	1,238

NHAI's awarding off to a slow start in FY26

The pace of project awarding by NHAI has been notably sluggish in the early months of FY26. As of Jul'25, only **~180km** has been awarded—far short of the **~5,000km annual target.** This slow start reflects lingering post-election policy reviews, procedural delays, and a transition-focused approach that emphasized execution over new project initiation. Muted awarding over the past two fiscals has significantly affected order inflows for many road construction companies. On the construction front, NHAI built 1,238km of national highways during Apr–Jul'25, against the full-year target of ~6,000km.

FASTag toll collections consistently improving

FASTag toll collection volume improved ~16% YoY over Apr'25-July'25, while the collection value increased ~20% YoY. During FY25, FASTtag toll collections increased 13% YoY. Higher toll collections play a crucial role in expediting the monetization process of road assets by the Ministry. Additionally, toll collections benefit companies that aim to monetize their existing toll assets.

Declining input prices to support margins for contractors

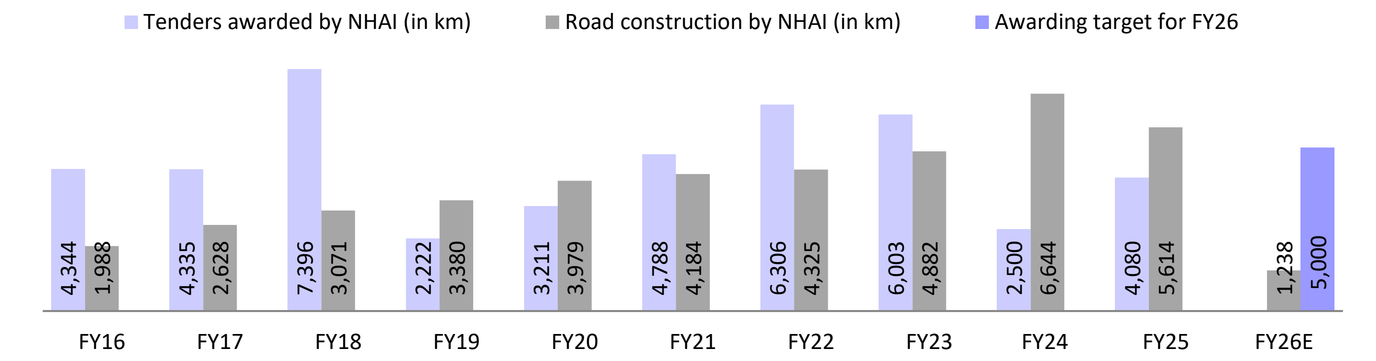
Steel and aluminum prices have decreased ~27% and ~22%, respectively, from their highs seen in Apr'22. Cement prices have decreased ~7% from their highs seen in Oct'23. With higher construction activities and stability in commodity prices, road contractors anticipate some improvement in profitability and margins in FY26.

Players with robust order books, strong balance sheets, and diversified operations well-positioned

Although there has been a slowdown in project awarding in FY24 and FY25, the tender pipeline is currently robust. Entities with significant order backlogs, strong financial standings, and involvement across diverse sectors are well-positioned to benefit.

NHAI awarding remains subdued as of FY26YTD

NHAI's awarding and construction trends (in km)



Sources: NHAI, MOFSL

NHAI focuses on asset monetization

For FY26, NHAI has set an asset monetization target of INR300b (INR 287b achieved in FY25). A mix of models, focusing primarily on the Toll-Operate-Transfer (ToT) and Infrastructure Investment Trusts (InvITs) routes, will achieve this target. Specifically, NHAI plans to raise about half the total amount (INR150b) through ToT and InvIT mechanisms. For FY26, NHAI has identified a pool of 24 assets, stretching over 1,472km, for monetization. The proceeds will support highway development, debt repayments, and returns to investors.

TOT bundles bid out by NHAI

Sl. no	Bundle	Date	Length	Value (INR b)
1	TOT Bundle 1	Aug-18	682 km	96.8
2	TOT Bundle 2	Feb-19	586 km	Bid cancelled
3	TOT Bundle 3	Nov-19	566 km	50.1
4	TOT Bundle 4	Sep-20	401 km	Bid cancelled
5	TOT Bundle 5A-1	Jan-21	54 km	10.1
6	TOT Bundle 5A-2	Jan-21	106 km	12.5
7	TOT Bundle 6	Mar-22	108km	Bid cancelled
8	TOT Bundle 7	Mar-22	135km	62.7
9	TOT Bundle 8	Mar-22	139km	Bid cancelled
10	TOT Bundle 9	Apr-22	73km	30.1
11	TOT Bundle 10	Apr-22	125km	Bid cancelled
12	TOT Bundle 11	Oct-23	84km	21.5
13	TOT Bundle 12	Oct-23	316km	44.3
14	TOT Bundle 13	Dec-23	135km	16.8
15	TOT Bundle 14	Dec-23	138km	77.0
16	TOT Bundle 15	Dec-24	124km	16.9
17	TOT Bundle 16	Sep-24	251km	66.6
18	TOT Bundle 17	Jun'25	333km	Bids invited
19	TOT Bundle 18	Jun'25	284km	Bids invited
20	TOT Bundle 19	Jun'25	185	Bids Invited

Sources: NITI Aayog, News Articles, MOFSL motilal oswal Financial Services | MORNING INDIA

RESULTS FLASH

05 August 2025

Update | Sector: Capital Market

Angel One

BSE SENSEX	S&P CNX
80,710	24,650
Bloomberg	ANGELONE IN
Equity Shares (m)	91
M.Cap.(INRb)/(USDb)	235.5 / 2.7
52-Week Range (INR)	3503 / 1941
1, 6, 12 Rel. Per (%)	-3/0/20
12M Avg Val (INR M)	4565
Free float (%)	71.0

CMP: INR2,601

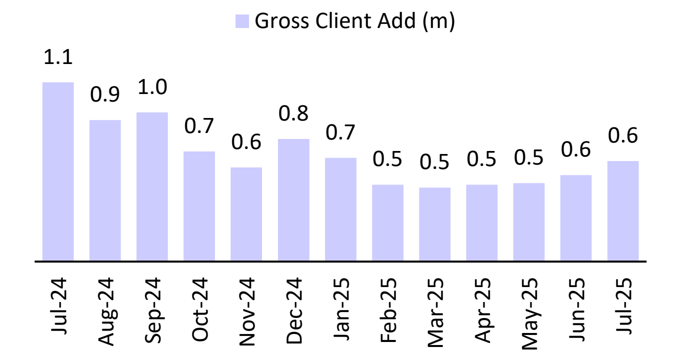
Order run-rate declines less than the decline in industry volume; MTF book scales new heights

Angel One (ANGELONE) released its key business numbers for Jul'25. Here are the key takeaways:

- ANGELONE's gross client acquisition grew 16% MoM to ~0.64m in Jul'25 (-44% YoY), taking the total client base to 33.1m.
- The average MTF book grew ~8% MoM to ~INR50.8b, an all-time high (+36% YoY) in Jul'25.
- The number of orders rose 7% MoM to 123m for Jul'25 (down 28% YoY), but the run-rate in number of orders per day declined ~2% MoM to 5.4m.
- The overall ADTO was up 19% MoM, owing to a 19% MoM increase in F&O ADTO, but the cash ADTO dipped 12% MoM. The commodity ADTO grew 4% MoM. The overall premium ADTO inched up 1% MoM, but the F&O premium ADTO witnessed a 10% MoM decline.
- Based on the option premium turnover, the overall market share was up 50bp MoM, with the F&O premium market share rising 40bp MoM to 20.1%/21.2%. Market share for the cash segment was up 60bp MoM to 18.6% and the commodity segment was up 540bp MoM to 63.7%.
- The number of registered unique MF SIPs surged 21% MoM to ~0.89m in Jul'25 (+16% YoY).

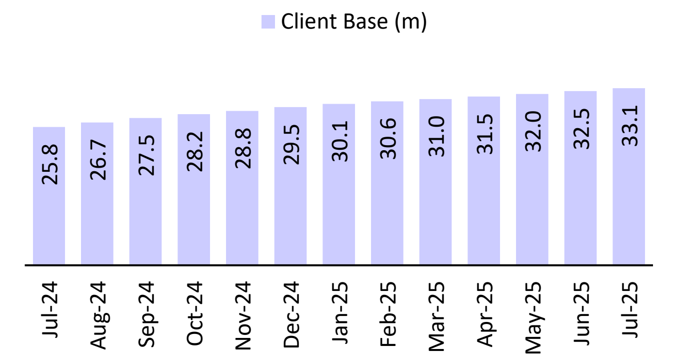
Key Metrics	Jul-24	Sep-24	Dec-24	Mar-25	Apr-25	May-25	Jun-25	Jul-25	% YoY	% MoM
No of Days	22	21	21	19	19	21	21	23		
Client Base (m)	25.8	27.5	29.5	31.0	31.5	32.0	32.5	33.1	28.2	1.8
Gross Client Add (m)	1.14	0.95	0.78	0.47	0.49	0.50	0.55	0.64	-43.9	16.4
Avg MTF book (INR b)	37.3	40.9	40.7	38.5	39.1	40.1	47.1	50.8	36.1	7.9
Orders (m)	171.3	156.7	119.5	102.1	106.6	121.6	115.0	123.0	-28.2	7.0
Per day orders (m)	7.8	7.5	5.7	5.4	5.6	5.8	5.5	5.4	-31.3	-2.2
Unique MF SIPs registered (In m)	0.77	0.81	0.87	0.56	0.56	0.63	0.74	0.89	16.0	20.8
Angel's ADTO (INR b)										
Overall	43,486	47,930	29,017	36,383	36,957	35,815	34,995	41,502	-4.6	18.6
F&O	42,790	47,173	28,310	35,644	36,024	34,983	34,020	40,501	-5.3	19.1
Cash	113	91	74	65	71	86	85	75	-33.6	-11.8
Commodity	583	666	634	673	862	745	890	926	58.8	4.0
Angel's Premium T/O (INR b)										
Overall	858	904	836	860	1,067	975	1,102	1,115	30.0	1.2
F&O	162	147	128	122	134	144	126	114	-29.6	-9.5
Retail T/o Market Share									**Bps YoY**	**bps MoM**
Overall Equity - based on option premium T/O	19.3	19.4	19.4	19.5	19.6	20.0	19.6	20.1	80	50
F&O - based on option premium T/O	20.7	20.7	21.6	21.0	20.6	21.4	20.8	21.2	50	40
Cash	17.5	17.5	16.5	17.2	18.0	18.0	18.0	18.6	110	60
Commodity	61.5	61.8	59.9	56.9	56.1	56.5	58.3	63.7	220	540

Client addition run-rate improved MoM in Jul'25



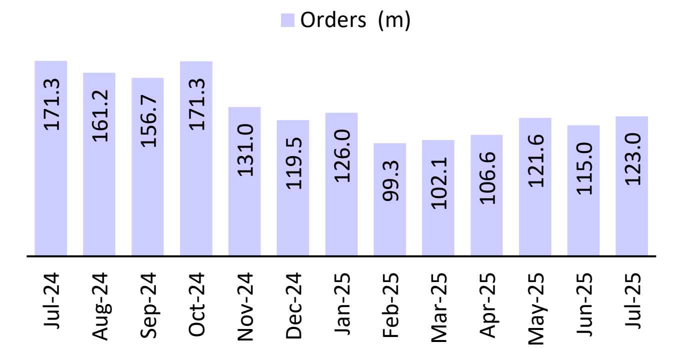
Source: MOFSL, Company

Total client base reached 33.1m in Jul'25



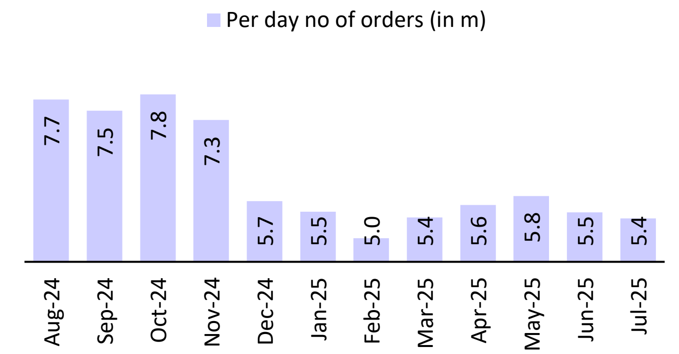
Source: MOFSL, Company

No. of orders increased MoM in Jul'25



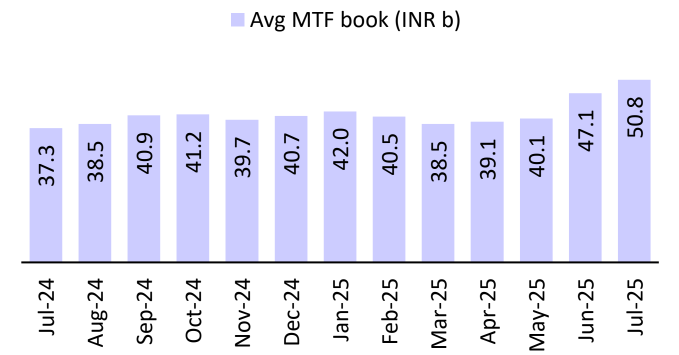
Source: MOFSL, Company

Order run-rate declined on a MoM basis



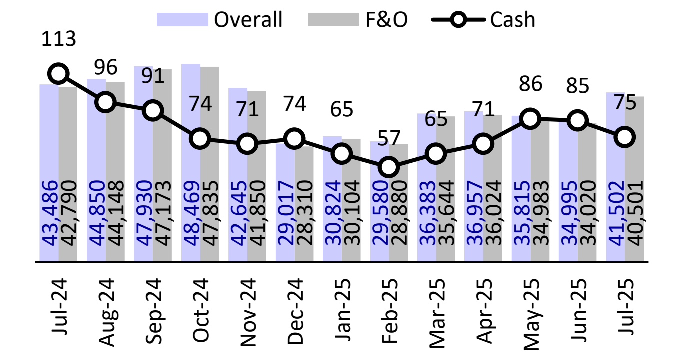
Source: MOFSL, Company

Client funding book inched up MoM



Source: MOFSL, Company

ADTO trend (INR b)



Source: MOFSL, Company

Bharti Airtel

BSE SENSEX	S&P CNX
80,710	24,650

Conference Call Details

Date: 06th August 2025
Time: 14:30 hours IST

Financial Valuations (INR b)

INRb	FY26E	FY27E	FY28E
Net Sales	2,039	2,299	2,589
EBITDA	1,150	1,308	1,488
Adj. PAT	279	388	510
EBITDA Margin (%)	56.4	56.9	57.5
Adj. EPS (INR)	48.1	63.7	83.7
EPS Gr. (%)	59	32	31
BV/Sh. (INR)	236	305	352
Ratios			
Net D:E	1.4	0.6	0.3
RoE (%)	22.7	25.7	27.8
RoCE (%)	14.6	16.9	19.7
Div. Payout (%)	58.0	62.8	71.7
Valuations			
EV/EBITDA (x)	11.2	9.8	8.3
P/E (x)	40	30	23
P/BV (x)	8.2	6.3	5.5

CMP: INR1,930 — Buy

Slightly ahead of estimates on better performance by Airtel Africa and India Wireless

Bharti Airtel's 1QFY26 consolidated financials are not strictly comparable on a YoY basis, as Indus Towers (Indus) was consolidated starting mid-November 2024.

Quick summary: Overall, Bharti reported a good 1QFY26, with a slightly better performance in Airtel Africa (5% beat). India Wireless was also slightly ahead of estimates with ~3% QoQ increase in both revenue and EBITDA. The growth was driven by higher ARPU and better incremental margins, which offset a slight moderation in subscriber net adds. Homes continue to benefit from acceleration in subscriber additions, while Enterprise margins expanded further, driven by the exit of low-margin businesses. Capex normalized after a sharp increase in 4QFY25, while reported net debt witnessed a sharp decline of ~INR130b, driven by robust ~INR143b FCF (after interest and leases) generation (vs. ~INR97b for 4QFY25).

- Consolidated revenue at INR495b (+29% YoY, our est. INR486b) rose 3% QoQ, driven by robust growth in Africa (+6% QoQ) and the Home Broadband business (+8% QoQ).
- India revenue (including Indus) grew 2% QoQ to INR376b (+16% YoY) and was slightly above our estimates, largely driven by India Wireless (+3% QoQ).
- Consolidated EBITDA at INR278b (21% YoY, 2% above) increased 3% QoQ, driven by robust performance in Home Broadband and Airtel Africa (both up 8% QoQ).
- India EBITDA (including Indus) at INR224b (+1.5% QoQ, 20% YoY) was 1% above our estimate, largely driven by better performance in India Wireless (+3% QoQ) and Airtel Business (5% above).
- Reported EBITDA margin moderated ~10bp QoQ to 56.3% (+130bp YoY), in line with our estimate.
- Reported PBT (before the share of JVs) at INR104b (+8% QoQ, +2.4x YoY) was broadly in line with our estimate.
- Reported attributable PAT at INR59.5b grew 43% YoY, but was ~3% below our estimate due to higher interest expenses (+11% YoY).
- Adjusted for exceptional items in the past quarters, PAT at INR59.5b grew 14% QoQ (+103% YoY).

Net debt declines sharply due to improvement in FCF generation; capex normalizes

- After sharp increase in capex in 4QFY25, Consolidated capex normalized to INR83b (-42% QoQ, -15% YoY). India capex (ex-Indus) at INR73b declined ~42% QoQ (-15% YoY) and was ~19% below our estimate.

- Bharti's consolidated free cash flow (after leases and interest payments) improved further to INR143b (vs. ~INR97b QoQ), driven by favorable movement in working capital (payable up ~INR44b QoQ).
- Bharti's consolidated net debt (ex-leases) declined ~INR130b QoQ to INR1.255t (vs. INR1.385t QoQ) due to robust FCF generation. Including the impact of leases, Bharti's consolidated net debt declined by ~INR123b QoQ to INR1.92t (vs. INR2.04t QoQ).
- Bharti's consolidated net debt (including leases) to EBITDA (annualized) declined to 1.7x (vs. 1.86x QoQ). India SA net debt to EBITDA moderated to 1.62x (vs. 1.79x QoQ).
- Excluding lease impact, Bharti's net debt to EBITDAaL dipped to 1.26x (vs. 1.42x QoQ) for consolidated business and 1.35x (vs. 1.53x QoQ) for India SA.

India Wireless: Slightly above estimate on higher ARPU and better incremental margins; subscriber net adds moderate

- Bharti's India wireless ARPU at INR250 (+19% YoY, our est. INR248) was up 2% QoQ (vs. +1.2% QoQ for RJio at INR209), driven by subscriber mix improvement and one extra day QoQ.
- However, Bharti subscriber net adds moderated to 1.2m paying net adds (vs. 5m net adds QoQ, ~7.3m wireless net adds for RJio) and were weaker than our estimate of ~3.5m.
- Subscriber mix continues to improve as Bharti added further ~0.7m postpaid net adds (+2.7% QoQ, 11% YoY). Furthermore, its 4G/5G net additions remained resilient at 3.9m (though moderation vs. ~6.6m 4G net adds QoQ).
- Bharti's India wireless revenue rose 2.9% QoQ (vs. 2.9% QoQ for RJio, including FTTH) to INR274b (+22% YoY, our est. INR272b).
- India wireless EBITDA rose 3.3% QoQ (vs. 5.3% QoQ for RJio, including FTTH) to INR163b (30% YoY, our est. INR161b).
- Reported wireless EBITDA margin expanded further ~20bp QoQ to 59.4% (+380bp YoY, vs. +125bp QoQ for RJio to 54%) and was 10bp ahead of our estimate.
- Incremental margin remained resilient at ~67% (vs. ~85% in 4QFY25 and ~97% for RJio) and was slightly better than our est. of 63%.
- On a YoY basis, Bharti's incremental margin stood at 77% (vs. ~63% for RJio), driven by better flow-through of tariff hikes.
- India Wireless capex declined by a sharp ~51% QoQ to INR30b (-39% YoY) and was ~36% below our estimate.

Homes: In-line results; acceleration in subscriber net additions offset by continued ARPU declines

- The company's Homes BB net adds accelerated further to ~940k net adds (vs. ~810k QoQ, our estimate of ~900k net adds) to reach ~11m subs (+38% YoY), likely on the ramp-up of FWA services.
- Reported ARPU decline continued with a further ~1% QoQ dip to INR537/month (-6% YoY, our est. INR539).
- Homes' revenue was up 8% QoQ to INR17.2b (+26% YoY, inline). Homes' EBITDA at INR8.6b (+8% QoQ, 25% YoY) was also in line with our estimate.

- EBITDA margin expanded ~15bp QoQ to 50% (-25bp YoY) and was ~10bp below our estimate.
- Capex in Homes Business remained elevated and was up 2.1x YoY to INR14.6b (-4% QoQ, 13% higher than our estimate), likely on the ramp-up of FWA offerings.

Enterprise: Revenue decline continues but EBITDA margin improves further; capex normalizes

- Airtel Business (Enterprise) revenue declined further ~5% QoQ to INR50.6b (-8% YoY, 3% below), driven by Bharti exiting lower-margin business.
- EBITDA at INR21.5b declined ~4% QoQ (+9% YoY) and was ~5% above our estimate as EBITDA margins expanded by ~50bp QoQ to 42.6% (vs. our estimate of 39.5% and 36.3% YoY), likely due to an improved product mix.
- After a high capex in 4QFY25, capex for the Airtel business normalized to INR7.3b (-71% QoQ, -11% YoY).

Other businesses: Strong growth in Africa; DTH impacted by net subscriber declines

- Airtel DTH's revenue at INR7.6b (2% below) was flat QoQ (-2% YoY) as subscriber trends were weaker with 204k net declines (vs. 75k QoQ net adds in 4QFY25, our est. 200k net adds). ARPU was broadly stable QoQ at INR161 (+1% YoY, inline). DTH EBITDA at INR3.9b (+1% QoQ, -12% YoY) was ~1% below, as margins expanded ~55bp QoQ to 50.9% (-575bp YoY and ~50bp ahead of our estimate).
- Airtel Africa (AAF) continued to report strong double-digit YoY constant currency growth. AAF's reported revenue (in rupee terms) rose ~6% QoQ (+25% YoY, 4% beat), while EBITDA rose ~8% QoQ (33% YoY, 5% above our estimate), driven by the flow-through of tariff hikes in Nigeria.

Other highlights: Data volume surge on IPL boost; tower additions moderate further

- Data volume for the India Wireless business rose ~8% QoQ (vs. 5% QoQ in 4QFY25, +12% QoQ for RJio including FTTH), while data usage per sub improved to 26.9GB/month (vs. 25.1GB QoQ, 37GB/month reported by RJio, including FTTH).
- Voice usage on the network in India Wireless declined 1% QoQ (vs. +2% QoQ in 4QFY25 and flat QoQ for RJio), with the minute of usage (MoU) per subscriber moderating to 1,143mins (vs. 1,163min QoQ and 1,007mins for RJio).
- Bharti's tower additions moderated further to ~1.8k towers QoQ (vs. 3.3k in 4QFY25), bringing the total tower count to ~340k, while revenue per site inched up 2% QoQ to INR267k/month (+16% YoY).

Consolidated results

	1QFY25	4QFY25	1QFY26	YoY	QoQ	1QFY26E	vs est
Revenue	**3,85,064**	**4,78,762**	**4,94,626**	**28.5**	**3.3**	**4,85,916**	**1.8**
Access charges	19,084	14,782	12,571	(34.1)	(15.0)	14,352	(12.4)
License and spectrum fee	31,564	36,370	37,200	17.9	2.3	37,041	0.4
Network operating costs	77,606	91,055	95,456	23.0	4.8	91,337	4.5
Employee costs	13,728	18,313	17,380	26.6	(5.1)	18,078	(3.9)
SG&A expenses	46,006	48,154	53,632	16.6	11.4	51,632	3.9
Total costs	1,87,988	2,08,674	2,16,239	15.0	3.6	2,12,440	1.8
EBITDA	**1,97,077**	**2,70,088**	**2,78,387**	**41.3**	**3.1**	**2,73,476**	**1.8**
EBITDA margin (%)	51.2	56.4	56.3	510 bps	(13)bps	56.3	0 bps
Depreciation and amortization	1,05,401	1,23,260	1,24,651	18.3	1.1	1,23,237	1.1
EBIT	**91,676**	**1,46,828**	**1,53,736**	**67.7**	**4.7**	**1,50,239**	**2.3**
EBIT margin (%)	23.8	30.7	31.1	727 bps	41 bps	30.9	16 bps
Net finance cost	47,889	50,165	49,520	3.4	(1.3)	44,561	11.1
PBT	**43,787**	**96,663**	**1,04,216**	**138.0**	**7.8**	**1,05,678**	**(1.4)**
Tax provision	13,078	(28,919)	30,826	135.7	(206.6)	30,691	0.4
PAT before minority interest	30,709	1,25,582	73,390	139.0	(41.6)	74,987	(2.1)
Share of associates / JVs	9,117	577	828	(90.9)	43.5	-	#DIV/0!
Minority interest	5,576	14,540	14,739		1.4	13,975	5.5
Extraordinary items	(7,350)	1,401	-			-	
Reported net income	**41,600**	**1,10,218**	**59,479**	**43.0**	**(46.0)**	**61,011**	**(2.5)**
Adjusted net income	**29,251**	**52,223**	**59,479**	**103.3**	**13.9**	**61,011**	**(2.5)**
Reported EPS (Rs)	7.2	19.0	10.3	42.4	(46.1)	10.5	(2.5)
Adjusted EPS (Rs)	5.1	9.0	10.3	102.5	13.9	10.5	(2.5)

Net debt trends

	Mar-23	Sep-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Debt and cash trends								
Reported gross debt	**1,655**	**1,578**	**1,520**	**1,415**	**1,465**	**1,418**	**1,484**	**1,374**
LT debt	401	333	276	195	197	208	202	208
ST debt (inc. current maturities)	135	162	204	253	291	265	376	258
Deferred payment liabilities	1,119	1,084	1,040	968	977	944	906	908
Cash and Cash Equivalents	**128**	**103**	**110**	**64**	**54**	**81**	**99**	**119**
Net Debt excluding Lease Obligations	**1,527**	**1,475**	**1,410**	**1,351**	**1,410**	**1,337**	**1,385**	**1,255**
Lease Obligation	605	596	637	675	792	629	653	661
Net Debt including Lease Obligations	**2,131**	**2,070**	**2,046**	**2,026**	**2,202**	**1,966**	**2,038**	**1,916**
Net debt (including leases) to EBITDA	**2.83**	**2.63**	**2.61**	**2.54**	**2.50**	**1.69**	**1.86**	**1.70**
Net debt (excluding leases) to EBITDAaL	**2.35**		**1.85**	**1.70**	**1.60**	**1.28**	**1.42**	**1.26**

FCF (post interest and leases) trends

	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26	FY25	FY24	FY23	FY22
Cashflow from operations	**208**	**191**	**214**	**175**	**218**	**249**	**257**	**259**	**307**	**983**	**789**	**653**	**550**
Lease payments	(20)	(21)	(20)	(18)	(18)	(20)	(16)	(17)	(17)	(72)	(79)	(76)	(76)
Capex in tangible assets	(91)	(97)	(99)	(94)	(99)	(96)	(84)	(98)	(111)	(376)	(381)	(260)	(251)
Capex in intangible assets	(13)	(44)	(4)	(80)	(71)	(57)	(35)	(69)	(2)	(231)	(140)	(129)	(183)
Paid finance cost	(23)	(55)	(23)	(39)	(42)	(64)	(33)	(38)	(33)	(175)	(140)	(67)	(132)
FCF, post lease and interest payment	**62**	**(25)**	**69**	**(56)**	**(12)**	**14**	**90**	**37**	**143**	**129**	**49**	**122**	**(92)**
Spectrum prepayments	-	80	-	83	79	85	36	60	-	260	163	62	243
Adjusted FCF post leases and interest	**62**	**55**	**69**	**27**	**68**	**98**	**126**	**97**	**143**	**389**	**213**	**185**	**152**

Segment result

	1QFY25	4QFY25	1QFY26	YoY	QoQ	1QFY26E	vs est
Segmental revenue (INR b)							
India (incl. Indus)	**324**	**367**	**376**	**16.0**	**2.3**	**373**	**0.6**
Wireless	**225**	**266**	**274**	**21.6**	**2.9**	**272**	**0.6**
Homes	13.7	16.0	17.2	25.7	7.6	17.2	(0.2)
DTH	7.8	7.6	7.6	(1.8)	(0.2)	7.8	(2.1)
Airtel Business	55	53	51	(7.7)	(4.9)	52	(2.8)
Passive infra	74	77	81	9.1	4.3	80	0.3
Africa	**96**	**114**	**121**	**25.4**	**6.2**	**116**	**4.5**
Consolidated	**419**	**479**	**495**	**18.2**	**3.3**	**486**	**1.8**
Eliminations	(54)	(55)	(56)			(59)	
Segmental EBITDA (INR b)							
India (incl. Indus)	**187**	**220**	**224**	**19.6**	**1.5**	**220**	**1.4**
Wireless	**125**	**158**	**163**	**29.9**	**3.3**	**161**	**0.8**
Homes	6.9	8.0	8.6	25.1	7.9	8.6	(0.3)
DTH	4.4	3.8	3.9	(11.8)	0.9	3.9	(1.0)
Airtel Business	20	22	22	8.5	(3.7)	21	4.9
Passive infra	46	45	45	(2.9)	(0.5)	44	1.7
Africa	**44**	**54**	**58**	**33.3**	**8.1**	**55**	**5.2**
Consolidated	**230**	**270**	**278**	**20.9**	**3.1**	**273**	**1.8**
Eliminations	(16)	(20)	(21)			(20)	
Segmental EBITDA margin (%)							
India (incl. Indus)	**57.7**	**60.0**	**59.5**	**181.3**	**(48.4)**	**59.0**	**44.3**
Wireless	**55.6**	**59.2**	**59.4**	**379.3**	**21.6**	**59.3**	**12.9**
Homes	50.2	49.9	50.0	(23.7)	14.5	50.1	(8.6)
DTH	56.6	50.4	50.9	(575.5)	53.7	50.4	51.6
Airtel Business	36.3	42.1	42.6	632.9	52.0	39.5	311.1
Passive infra	62.3	58.1	55.4	(688.8)	(263.4)	54.7	78.8
Africa	**45.3**	**47.3**	**48.1**	**287.0**	**83.1**	**47.8**	**32.1**
Consolidated	**55.0**	**56.4**	**56.3**	**127.6**	**(13.2)**	**56.3**	**0.2**
Segmental capex (INR b)							
India (incl. Indus)	**85**	**126**	**73**	**(14.5)**	**(42.1)**	**90**	**(18.8)**
Wireless	**48**	**60**	**30**	**(39.0)**	**(51.0)**	**46**	**(36.1)**
Homes	7.1	15.2	14.6	106.0	(3.9)	12.9	12.9
DTH	4.1	3.7	3.1	(25.0)	(17.3)	4.1	(25.2)
Airtel Business	8	25	7	(10.6)	(70.6)	12	(37.5)
Passive infra	19	23	20		(13.2)	15	34.1
Africa	**12**	**18**	**10**	**(15.7)**	**(44.1)**	**10**	**7.5**
Consolidated	**97**	**144**	**83**	**(14.6)**	**(42.3)**	**99**	**(16.2)**

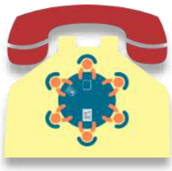
Key performance indicators

	1QFY25	4QFY25	1QFY26	YoY	QoQ	1QFY26E	vs est.
Operating metrics							
India wireless							
Wireless ARPU	**211**	**245**	**250**	**18.8**	**2.1**	**248**	**0.9**
EoP reported subs (m)	**354.5**	**361.6**	**362.8**	**2.3**	**0.3**	**365.1**	**(0.6)**
Net adds (m)	2.3	5.0	1.2			3.5	
EoP prepaid subs	330.6	335.7	336.2	1.7	0.2	338.5	(0.7)
EoP post paid subs	23.9	25.9	26.6	11.2	2.7	26.6	(0.1)
EoP data subs (m)	**267.1**	**281.2**	**284.8**	**6.6**	**1.3**	**286**	**(0.51)**
Data net adds (m)	6.3	3.6	3.5			5.0	
Data subs proportion (%)	75.4	77.8	78.5	314 bps	72 bps	78.4	9 bps
EoP 4G subs (m)	**259.4**	**276.8**	**280.7**	**8.2**	**1.4**	**282**	**(0.56)**
4G net adds (m)	6.7	6.6	3.9			5.5	
Data volume (b MBs)	19,240	21,584	23,388	21.6	8.4	23,472	(0.4)
Data usage per data sub (GB/month)	23.7	25.1	26.9	13.4	7.2	26.9	(0.0)
Average data realization (INR/GB)	11.9	12.5	11.9	0.2	(5.1)	11.8	0.9
Voice usage on network (b mins)	1,195	1,254	1,242	3.9	(0.9)	1,243	(0.1)
Minute of usage per sub (min/month)	1,128	1,163	1,143	1.4	(1.7)	1,140	0.3
Network towers ('000)	324.5	338.0	339.9	4.7	0.5	341.8	(0.6)
MBB sites ('000)	947.4	992.5	999.9	5.5	0.8	1,001.8	(0.2)
Revenue per tower (INR/month)	2,31,474	2,61,769	2,67,276	15.5	2.1	2,65,153	0.8
Homes							
Cities covered (#)	1,317	1,476	1,512	14.8	2.4		
Reported ARPU (INR/month)	**572**	**543**	**537**	**(6.1)**	**(1.1)**	**539**	**(0.2)**
Calculated ARPU (INR/month)	585	552	545	(6.8)	(1.3)	547	(0.3)
EoP reported subs (m)	**8.0**	**10.0**	**11.0**	**37.7**	**9.3**	**10.9**	**0.3**
Net adds ('000)	348	812	938			900	
DTH*							
ARPU (Rs/month)	**159**	**162**	**161**	**1.0**	**(0.5)**	**161**	**(0.4)**
EoP active DTH subs (m)	**16.3**	**15.9**	**15.7**	**(4.0)**	**(1.3)**	**16.1**	**(2.5)**
Net adds ('000)	194.2	75.6	(203.5)			200.0	
Airtel Business							
M2M subs (m)	**28.3**	**34.8**	**44.7**	**57.9**	**28.3**		
Net adds ('000)	149	4,720	9,852				
Airtel Africa							
Reported ARPU (US$)	**2.2**	**2.4**	**2.4**	**12.8**	**1.5**	**2.7**	**(9.6)**
EoP subscriber base (m)	**155.4**	**166.1**	**169.4**	**9.0**	**2.0**	**168.6**	**0.5**
Net adds (m)	2.7	2.9	3.3			2.5	
EoP data subscriber base (m)	64.4	73.4	75.6	17.4	3.0		
Net adds (m)	1.7	7.4	2.2				
Data subs proportion (%)	41.4	44.2	44.6	319 bps	42 bps		
EoP mobile money subs base (m)	39.5	44.6	45.8	16.1	2.8		
Net adds (m)	2.0	3.1	1.3				

Britannia Industries

BSE SENSEX	S&P CNX
80,710	24,650

Conference Call Details



Date: 6th May 2025
Time: 10:00 AM
Dial-in details:
+91 22 6280 1313 /
+91 22 7115 8214

Diamond Pass Registration

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	195.9	214.3	235.4
Sales Gr. (%)	9.2	9.4	9.8
EBITDA	35.1	39.7	43.6
EBITDA mrg. (%)	17.9	18.5	18.5
Adj. PAT	24.8	28.4	31.3
Adj. EPS (INR)	103.0	118.0	130.1
EPS Gr. (%)	12.1	14.6	10.2
BV/Sh.(INR)	206.4	244.9	293.6
Ratios			
RoE (%)	53.2	52.3	48.3
RoCE (%)	40.7	41.9	40.6
Payout (%)	74.7	66.9	62.3
Valuation			
P/E (x)	54.7	47.8	43.4
P/BV (x)	27.3	23.0	19.2
EV/EBITDA (x)	38.0	33.3	30.0
Div. Yield (%)	1.4	1.4	1.4

CMP: INR5,640

In-line revenue; pressure on margin sustains

- BRIT's consolidated revenue rose 10% YoY to INR45.3b (est. INR44.8b).
- We estimate that the company recorded ~4% volume growth in 1QFY26 (est. 3%, and 3% in 4QFY25).
- Consolidated gross margin contracted 310bp YoY to 40.3% (est. 40.8%) due to a rise in commodity prices.
- Employee expenses jumped 20% YoY, while other expenses declined 3% YoY, leading to a 140bp YoY dip in EBITDA margin to 16.4% (est. of 17.3%).
- EBITDA was flat YoY at INR7.6b (est. INR7.9b).
- APAT declined 2% YoY to INR5.2b (est. INR5.5b).

Other key highlights

- The growth was driven by focused execution across its distribution network and improved servicing of key outlets.
- Robust double-digit growth was recorded in the four core focus states, as well as in adjacent bakery categories such as rusk, wafers, and croissants.
- A marginal uptick was seen in both urban and rural consumption, boosted by easing inflation, which aided a return to double-digit growth after a few muted quarters.
- Premiumization efforts continued with the launch of new offerings under the premium biscuit portfolio, including the Pure Magic range and Crafted Cookies under the Good Day brand.
- Core brands were further strengthened through targeted media campaigns and marketing initiatives.
- The company remains focused on sustaining healthy growth while safeguarding margins amid intensifying competition.
- Ongoing investments in innovation and brand-building are expected to reinforce market leadership going forward.

Consol. Quarterly Performance **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Base business volume growth (%)	**8.0**	**8.0**	**6.0**	**3.0**	**4.0**	**4.0**	**5.0**	**6.0**	**6.3**	**4.5**	**3.0**	
Net Revenue	**41,299**	**45,662**	**44,633**	**43,756**	**45,349**	**49,772**	**48,873**	**47,763**	**1,75,350**	**1,91,757**	**44,810**	1.2
YoY change (%)	4.0	4.5	6.5	9.0	9.8	9.0	9.5	9.2	6.0	9.4	8.5	
Other operating income	1,204	1,013	1,293	566	874	1,013	1,035	1,202	4,077	4,124	1,023	(14.6)
YoY change (%)	194.6	62.4	100.5	2.4	-27.4	0.0	-20.0	112.3	82.8	1.2	-15.0	
Total Revenue	**42,503**	**46,676**	**45,926**	**44,322**	**46,222**	**50,785**	**49,908**	**48,965**	**1,79,427**	**1,95,880**	**45,833**	0.8
YoY change (%)	6.0	5.3	7.9	8.9	8.8	8.8	8.7	10.5	7.0	9.2	7.8	
Gross Profit	**18,449**	**19,381**	**17,784**	**17,773**	**18,631**	**20,974**	**20,712**	**20,386**	**73,386**	**80,703**	**18,700**	(0.4)
Margins (%)	43.4	41.5	38.7	40.1	40.3	41.3	41.5	41.6	40.9	41.2	40.8	
EBITDA	**7,537**	**7,834**	**8,449**	**8,052**	**7,571**	**8,532**	**9,333**	**9,688**	**31,872**	**35,124**	**7,929**	(4.5)
Margins (%)	17.7	16.8	18.4	18.2	16.4	16.8	18.7	19.8	17.8	17.9	17.3	
YoY growth (%)	9.4	-10.2	2.9	2.3	0.4	8.9	10.5	20.3	0.5	10.2	5.2	
Depreciation	739	761	824	810	820	837	865	835	3,133	3,357	828	
Interest	290	346	446	307	262	300	300	326	1,388	1,187	300	
Other Income	556	460	625	630	570	625	650	740	2,271	2,585	625	
PBT	**7,064**	**7,187**	**7,804**	**7,566**	**7,059**	**8,020**	**8,818**	**9,267**	**29,621**	**33,164**	**7,426**	(4.9)
Tax	1,762	1,836	1,961	1,928	1,809	2,021	2,222	2,295	7,487	8,347	1,871	
Rate (%)	24.9	25.5	25.1	25.5	25.6	25.2	25.2	24.8	25.3	25.2	25.2	
Adjusted PAT	**5,295**	**5,317**	**5,823**	**5,591**	**5,201**	**5,972**	**6,567**	**6,969**	**22,027**	**24,709**	**5,532**	(6.0)
YoY change (%)	16.3	-9.3	4.3	4.2	-1.8	12.3	12.8	24.6	3.1	12.2	4.5	

E: MOFSL Estimates

Bharti Hexacom

BSE SENSEX	S&P CNX
80,710	24,339

CMP: INR1,855 | **Neutral**

Conference Call Details

Date: 06th August 2025

Time: 14:30 hours IST

Financial Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	98.6	112.1	127.1
EBITDA	51.7	62.4	73.6
Adj. PAT	19.1	27.7	36.5
Adj. EPS (INR)	38.3	55.5	72.9
EPS Gr. (%)	49.4%	44.8%	31.5%
BV/Sh. (INR)	146.9	182.4	225.3
Ratios			
RoE (%)	28.8	33.7	35.8
RoCE (%)	17.1	23.8	31.4
Valuations			
P/E (x)	48.4	33.5	25.4
P/BV (x)	12.6	10.2	8.2
EV/EBITDA (x)	19.0	15.4	12.6

Slightly weaker 1Q due to higher SG&A and network opex; reported revenue declines likely due to change in ICR rates

- Overall 1QFY26 reported revenue at INR22.6b (+18% YoY, ~4% below our estimate) declined ~1% QoQ, likely due to a change in inter-circle roaming (ICR) rates. **Customer revenue grew 3% QoQ** to ~INR21.5b and was broadly in line with estimates.
- EBITDA at INR12.1b (+33% YoY, 4% miss) declined ~1% QoQ due to higher network opex (+10% QoQ) and SG&A costs (+26% QoQ).
- Reported EBITDA margin expanded ~25bp QoQ to 51.3% (+545bp YoY, 15bp below our estimate) and remained significantly below 58.1% (up 30bp QoQ) for Bharti's India operations (ex-Indus).
- Depreciation and amortization remained flat QoQ at INR5.3b (+6% QoQ), while net finance cost declined ~13% QoQ (-12% YoY) to INR1.1b.
- Reported PAT came in at INR3.9b. Adjusted for exceptional items in earlier quarters, PAT at INR3.9b declined 16% QoQ (but up 2x YoY) and came in 5% below our estimate, due to a miss on EBITDA.

Capex normalized; net debt declines further ~INR9b driven by robust FCF generation

- Similar to Bharti, overall capex fell ~47% QoQ to INR2.3b (-29% YoY).
- Hexacom's overall net debt (ex-leases) declined further ~INR8.8b QoQ to INR28.1b (vs. INR36.9b QoQ). Including the impact of leases, Hexacom's consolidated net debt declined by ~INR9.5b to INR63.1b (vs. INR72.6b QoQ).
- Net debt (ex-leases) to EBITDAaL declined further to 0.65x (vs. 0.87x QoQ, vs. 1.35x for Bharti's India SA business).
- Hexacom's consolidated free cash flow (after leases and interest payments) improved to INR8.9b (vs. INR6.6b QoQ), driven by better operational cash flows and favorable working capital changes.

Wireless: Optical decline in revenue due to likely adjustment in ICR rate; core revenue growth in line with estimates, EBITDA impacted by higher SG&A and network opex

- Hexacom's wireless ARPU grew 2% QoQ (similar to Airtel) to INR246 (20% YoY, vs. our est. of INR245), driven by subscriber mix improvements and one extra day QoQ.
- Hexacom reported modest 17k paying net adds (vs. 515k net adds QoQ and our est. 265k net adds) and contributed just ~1% of Bharti's 1QFY26 subscriber net adds (vs. ~7.8% share in Airtel's paying subs base).
- The subscriber mix continued to improve as Hexacom added 283k smartphone net adds QoQ. Hexacom's share of Bharti's 4G/5G net adds was robust at ~7.2% (though lower vs. 10% QoQ and ~7.8% share of Airtel's 4G subscriber base). The share of data subs in Hexacom's mix improved further ~95bp QoQ to 77.6%, but remained below Airtel's 78.5% (+70bp QoQ).

- Hexacom's reported wireless revenue declined ~1.5% QoQ (vs. +2.9% QoQ for R-Jio, including FTTH and Airtel's India wireless) to INR21.9b (+18% YoY, ~3.5% miss) due to lower contribution from in-roamers.
- Hexacom's customer revenue grew ~3% QoQ (similar to QoQ growth rates for R-Jio, including FTTH and Airtel's India wireless) to INR20.8b (+23% YoY, in line).
- Wireless EBITDA at INR11.9b (+34% YoY, 3% below our estimate) was flat QoQ (vs. +5.3%/+3.3% QoQ R-Jio, including FTTH/Airtel) due to a significant increase in network opex (+10% QoQ) and SG&A (+26% QoQ).
- Wireless EBITDA margins improved ~60bp QoQ to 54.4% (+640bp YoY, vs. +125bp QoQ to 54% for RJio), better than 20bp QoQ improvement for Airtel (59.4%).
- Incremental margins on YoY basis were robust at 90% (vs. 63%/77% for RJio/ Bharti), driven by better flow-through of tariff hikes and continued market share gains.
- Similar to normalization in capex for Bharti's India wireless segment, Hexacom's wireless capex also declined ~66% QoQ to INR1.2b (-56% YoY).

Homes and Offices: Net subscriber additions remain elevated; margins contract (vs. expansion for Bharti)

- Hexacom's Homes BB subs base reached ~0.5m (+56% YoY) as net adds remained elevated at ~54k (vs. 53k QoQ). Hexacom accounted for ~5.7% of Airtel's Homes BB net adds (vs. ~4.6% share in Airtel's Homes BB subscriber base).
- However, similar to Airtel, reported Homes ARPU decline continued, with a further ~1% QoQ dip to INR485/month (-6% YoY, vs. ~1% QoQ dip for Airtel to INR537/month).
- Homes and Offices revenue was up ~11% QoQ at INR0.8b (+38% YoY, in line) and was better than ~8% QoQ growth for Airtel.
- Homes and Offices EBITDA at INR0.25b (15% below) was up ~7% QoQ (+38% YoY, vs. 8% QoQ growth for Airtel), as margins contracted ~110bp QoQ to 31.8% (-150bp YoY). Comparatively, Airtel's Home BB margins expanded ~15bp QoQ to 50%.
- Capex in Homes Business surged ~74% QoQ to INR1b (up ~3x YoY).

Other highlights: Data engagement remains ahead of Airtel's India wireless business

- Data volume for Hexacom surged 8% QoQ (vs. 6% QoQ in 4QFY25, +12%/8% QoQ R-Jio including FTTH and Airtel India), driven by boost from IPL.
- Data usage per sub improved to 29.4GB/month (vs. 27.7GB QoQ, 37GB reported by R-Jio including FTTH and higher than 26.9GB for Airtel on pan-India basis).
- Voice usage on network declined ~2% QoQ (+1% QoQ in 4QFY25, flat/-1% QoQ for R-Jio and Airtel), with minute of usage (MoU) per subscriber moderating slightly to 1,107mins/month (vs. 1,139 mins QoQ, ~1,007 mins for R-Jio, and slightly lower vs. 1,143 mins for Airtel on pan-India basis).
- Hexacom's tower count reduced by seven QoQ (vs. 162 additions in 4QFY25) to 26.5k towers. Revenue per site declined ~2% QoQ to INR275k/month (+15% YoY, vs. +2% QoQ to INR267k for Airtel).

Consolidated results

	1QFY25	4QFY25	1QFY26	YoY	QoQ	1QFY26E	vs est.
Bharti Hexacom							
Revenues	**19,106**	**22,890**	**22,630**	**18.4**	**(1.1)**	**23,441**	**(3.5)**
Access charges	2,209	2,468	1,630	(26.2)	(34.0)	2,414	(32.5)
License and spectrum fee	1,734	2,093	2,114	21.9	1.0	2,157	(2.0)
Network operating costs	4,674	4,756	5,219	11.7	9.7	4,875	7.1
Employee costs	297	431	210	(29.3)	(51.3)	371	(43.4)
SG&A expenses	1,434	1,464	1,850	29.0	26.4	1,566	18.1
Total costs	10,348	11,212	11,023	6.5	(1.7)	11,383	(3.2)
EBITDA	**8,758**	**11,678**	**11,607**	**32.5**	**(0.6)**	**12,058**	**(3.7)**
EBITDA margin (%)	**45.8**	**51.0**	**51.3**	**545 bps**	**27 bps**	**51.4**	**(15)bps**
Depreciation and amortization	4,957	5,312	5,273	6.4	(0.7)	5,403	(2.4)
EBIT	**3,801**	**6,366**	**6,334**	**66.6**	**(0.5)**	**6,655**	**(4.8)**
EBIT margin (%)	19.9	27.8	28.0	810 bps	18 bps	28.4	(40)bps
Net finance cost	1,216	1,234	1,066	(12.3)	(13.6)	1,126	(5.4)
PBT	**2,585**	**5,132**	**5,268**	**103.8**	**2.7**	**5,529**	**(4.7)**
Tax provision	656	448	1,352	106.1	201.8	1,392	(2.8)
Extraordinary items	(3,183)	-	-			-	
Reported net income	**5,112**	**4,684**	**3,916**	**(23.4)**	**(16.4)**	**4,137**	**(5.3)**
Adjusted net income	**1,929**	**4,684**	**3,916**	**103.0**	**(16.4)**	**4,137**	**(5.3)**
Reported EPS (INR)	10.2	7.6	7.8	(23.4)	3.0	8.3	(5.3)
Adjusted EPS (INR)	3.9	7.6	7.8	103.1	3.0	8.3	(5.3)
Costs as % of revenue							
Access charges	(11.6)	(10.8)	(7.2)	436 bps	358 bps	(10.3)	310 bps
License and spectrum fee	(9.1)	(9.1)	(9.3)	(27)bps	(20)bps	(9.2)	(14)bps
Network operating costs	(24.5)	(20.8)	(23.1)	140 bps	(228)bps	(20.8)	(226)bps
Employee costs	(1.6)	(1.9)	(0.9)	63 bps	95 bps	(1.6)	66 bps
SG&A expenses	(7.5)	(6.4)	(8.2)	(67)bps	(178)bps	(6.7)	(150)bps
Total costs	(54.2)	(49.0)	(48.7)	545 bps	27 bps	(48.6)	(15)bps

Net debt trends

Debt and cash trends	**Mar-23**	**Sep-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**	**Jun-25**
Reported gross debt	**62,693**	**62,353**	**48,347**	**40,032**	**48,901**	**43,033**	**37,800**	**29,155**
LT debt	19,999							
ST debt (inc. current maturities)	15,001	35,013	20,001	11,686	11,907	6,040	8,746	9
Deferred payment liabilities	27,693	27,340	28,346	28,346	36,994	36,993	29,054	29,147
Cash and Cash Equivalents	**11,015**	**15,775**	**2,774**	**211**	**340**	**187**	**910**	**1,091**
Cash and Cash Equivalents	555	463	398	153	334	169	171	351
Investments & Receivables	10,460	15,312	2,376	58	6	18	739	740
Net Debt excluding Lease Obligations	**51,678**	**46,578**	**45,573**	**39,820**	**48,561**	**42,846**	**36,890**	**28,064**
Lease Obligation	29,343	30,968	32,700	35,600	36,229	36,054	35,729	35,096
Net Debt including Lease Obligations	**81,021**	**77,546**	**78,273**	**75,420**	**84,790**	**78,900**	**72,619**	**63,160**
Net debt (including leases) to EBITDA	**2.63**	**2.35**	**2.23**	**2.15**	**2.12**	**1.71**	**1.55**	**1.36**
Net debt (excluding leases) to EBITDAaL			**1.46**	**1.29**	**1.35**	**1.03**	**0.87**	**0.65**

FCF (post interest and leases) trends

FCF, after lease and interest payment	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**FY2024**	**FY2025**
CF before WC changes	**8,676**	**8,369**	**8,770**	**8,949**	**8,610**	**8,569**	**10,207**	**9,577**	**10,963**	**34,764**	**36,963**
WC changes	305	2,537	646	(2,791)	4,475	1,826	631	1,932	2,474	697	8,864
Cashflow from operations	**8,981**	**10,906**	**9,416**	**6,158**	**13,085**	**10,395**	**10,838**	**11,509**	**13,437**	**35,461**	**45,827**
Lease payments	(666)	(826)	(736)	(702)	(755)	(750)	(1,004)	(953)	(914)	(2,930)	(3,462)
Capex in tangible assets	**(4,999)**	**(5,241)**	**(5,335)**	**(4,902)**	**(4,728)**	**(3,787)**	**(3,969)**	**(2,073)**	**(2,911)**	**(20,477)**	**(14,557)**
Capex in intangible assets	-	(352)	1	(0)	(0)	(1,465)	(56)	(9,094)	(45)	(352)	(10,615)
Paid finance cost	(1,771)	(1,531)	(739)	(1,315)	(1,728)	(1,661)	(671)	(1,335)	(625)	(5,356)	(5,395)
FCF, after lease and interest payment	**1,545**	**2,956**	**2,607**	**(761)**	**5,874**	**2,732**	**5,138**	**(1,946)**	**8,942**	**6,346**	**11,798**
Spectrum prepayments			-	-				8,576		-	8,576
Adjusted FCF after leases and interest	**1,545**	**2,956**	**2,607**	**(761)**	**5,874**	**2,732**	**5,138**	**6,630**	**8,942**	**6,346**	**20,374**

Segment Result

	1QFY25	4QFY25	1QFY26	YoY	QoQ	1QFY26E	vs est
Segmental revenue (INR b)							
Wireless	**18,604**	**22,249**	**21,916**	**17.8**	**(1.5)**	**22,721**	**(3.5)**
Homes	568	709	784	38.0	10.6	789	(0.7)
Overall	**19,106**	**22,890**	**22,630**	**18.4**	**(1.1)**	**23,441**	**(3.5)**
Eliminations	(66)	(68)	(70)			(69)	
Segmental EBITDA (INR b)							
Wireless	**8,928**	**11,969**	**11,923**	**33.5**	**(0.4)**	**12,265**	**(2.8)**
Homes	189	233	249	31.7	6.9	294	(15.2)
Overall	**8,758**	**11,678**	**11,607**	**32.5**	**(0.6)**	**12,058**	**(3.7)**
Eliminations	(359)	(524)	(565)			(500)	
Segmental EBITDA margin (%)							
Wireless	**48.0**	**53.8**	**54.4**	**641 bps**	**61 bps**	**54.0**	**(42)bps**
Homes	33.3	32.9	31.8	(150)bps	(110)bps	37.2	545 bps
Overall	**45.8**	**51.0**	**51.3**	**545 bps**	**27 bps**	**51.4**	**15 bps**
Segmental Capex (INR b)							
Wireless	**2,842**	**3,664**	**1,246**	**(56)**	**(66)**	**3,067**	**(59)**
Homes	337	590	1,024	204	74	900	14
Overall	**3,179**	**4254**	**2270**	**(28.6)**	**(46.6)**	**3967**	**(42.8)**

Key performance indicators

	1QFY25	4QFY25	1QFY26	YoY	QoQ	1QFY26E	vs. est
Operating metrics							
India wireless							
Wireless ARPU	**205**	**242**	**246**	**20.3**	**2.0**	**245**	**0.6**
EoP reported subs (m)	**27.6**	**28.1**	**28.1**	**2.0**	**0.1**	**28.4**	**(0.9)**
Net adds ('000)	255	515	17			265	(93.5)
EoP data subs (m)	**20.5**	**21.6**	**21.8**	**6.8**	**1.3**	**22.0**	**(0.7)**
Data net adds ('000)	687	530	278			423	(34)
Data subs proportion (%)	74.1	76.7	77.6	346 bps	94 bps	77.4	17 bps
EoP 4G subs (m)	**20.2**	**21.5**	**21.8**	**7.9**	**1.3**	**21.9**	**(0.7)**
4G net adds ('000)	703	710	283			434	(35)
Data volume (b MBs)	1,582	1,808	1,958	23.8	8.3	1,929	1.5
Data usage per data sub (GB/month)	**25.7**	**27.7**	**29.4**	**14.5**	**6.0**	**28.8**	**2.0**
Average data realization (INR/GB)	12.0	12.6	11.4	(4.8)	(9.2)	-	
Voice usage on network (b mins)	89.4	95.3	93.4	4.5	(2.0)	95.3	(2.0)
Minute of usage per sub (min/month)	**1,086**	**1,139**	**1,107**	**2.0**	**(2.8)**	**1,124**	**(1.5)**
Network towers ('000)	25,972	26,497	26,490	2.0	(0.0)	26,686	(0.7)
MBB sites ('000)	80,500	81,840	81,874	1.7	0.0	82,308	(0.5)
Revenue per tower (INR/month)	2,39,298	2,80,408	2,75,054	14.9	(1.9)	-	
Homes							
Cities covered (#)	97	114	115	18.6	0.9	-	
Reported ARPU (INR/month)	**514**	**490**	**485**	**(5.6)**	**(1.1)**	**488**	**(0.6)**
Calculated ARPU (INR/month)	**605**	**560**	**550**	**(9.0)**	**(1.8)**	**550**	**(0.0)**
EoP reported subs (k)	**321**	**448**	**502**	**56.3**	**12.0**	**508**	**(1.2)**
Net adds ('000)	16	53	54			60	
Implied other revenue (INR m)	85	89	93	8.8	4.6	89	3.6

Lupin

BSE SENSEX	S&P CNX
80,710	24,650

CMP: INR1865

Slightly better revenue/improved margin led to a beat on earnings

Conference Call Details

Date: 06th Aug 2025
Time: 16:00 pm IST
Dial-in details:
Zoom Link

- Lupin's (LPC) 1QFY26 revenues grew 11.9% YoY to INR62.7b. (our est. of INR60.5b).
- The US sales grew 24.3% YoY to INR24b (up 22% YoY in CC to USD282m; 39% of sales).
- Domestic formulation (DF) sales grew 7.8% YoY to INR20.9b (34% of sales).
- Other developed market sales grew 17.4% YoY to INR7.7b (13% of sales).
- Emerging market sales grew 5.2% YoY to INR 6.5b (10% of sales).
- API sales decreased 32.9% YoY to INR2.4b (4% of sales).
- The gross margin (GM) expanded 290bp YoY to 71.7% due to better product mix and a reduction in raw material cost.
- The EBITDA margin expanded 190bp YoY to 26.2% (our est: 24.6%), largely due to better GM. The benefit was partly offset by higher R&D spending (+150bp YoY as a % of sales).
- As a result, EBITDA grew 21% YoY to INR16.4b (vs our est: INR15b).
- Adj. PAT grew 27% YoY to INR11.5b (our est: INR9.3b), further supported by a lower tax rate.
- The EBITDA/PAT beat the Bloomberg Consensus estimate by 11%/19%, while its revenue was in line with the BBG estimates.

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	225.0	252.1	277.3
EBITDA	52.7	63.0	68.0
Adj. PAT	32.7	40.2	43.3
EBIT Margin (%)	18.2	20.0	20.2
Cons. Adj. EPS (INR)	71.6	88.5	95.3
EPS Gr. (%)	72.4	23.6	7.7
BV/Sh. (INR)	376.8	478.5	570.8
Ratios			
Net D:E	0.1	-0.1	-0.2
RoE (%)	20.8	20.7	18.2
RoCE (%)	17.7	17.5	16.1
Payout (%)	4.1	3.3	3.1
Valuations			
P/E (x)	27.0	21.8	20.3
EV/EBITDA (x)	17.1	13.6	12.0
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	0.2	5.1	4.8
EV/Sales (x)	4.0	3.4	2.9

Other highlights

- LPC received two ANDA approvals and launched three ANDAs in 1QFY26.
- The company launched five brands across therapies in the Domestic Formulation (DF) segment in 1QFY26.
- R&D was 7.9% of sales for the quarter.
- Capex for the quarter was INR2b.
- Cash surplus stood at INR12.4b at the end of Jun’25.

Quarterly Performance (Consolidated) **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	
Net Sales	**56,003**	**55,427**	**56,927**	**56,671**	**62,684**	**61,400**	**62,880**	**65,093**	**2,25,028**	**2,52,057**	**60,525**	3.6
YoY Change (%)	21.5	10.0	9.5	14.2	11.9	10.8	10.5	14.9	13.6	12.0	8.1	
Total Expenditure	42,389	43,059	43,162	43,750	46,269	46,542	47,600	48,690	1,72,361	1,89,100	45,636	
EBITDA	**13,614**	**12,368**	**13,765**	**12,921**	**16,415**	**14,859**	**15,280**	**16,403**	**52,668**	**62,958**	**14,889**	10.2
YoY Change (%)	109.0	34.0	34.7	29.6	20.6	20.1	11.0	26.9	46.6	19.5	9.4	
Margins (%)	24.3	22.3	24.2	22.8	26.2	24.2	24.3	25.2	23.4	25.0	24.6	
Depreciation	2,477	2,569	2,715	3,932	2,990	3,118	3,193	3,306	11,693	12,607	3,074	
EBIT	**11,137**	**9,799**	**11,050**	**8,989**	**13,425**	**11,741**	**12,087**	**13,098**	**40,975**	**50,351**	**11,815**	13.6
YoY Change (%)	167.3	45.1	44.5	21.3	20.5	19.8	9.4	45.7	57.7	22.9	6.1	
Margins (%)	19.9	17.7	19.4	15.9	21.4	19.1	19.2	20.1	18.2	20.0	19.5	
Interest	680	709	669	891	918	880	820	749	2,949	3,367	900	
Other Income	678	423	537	570	790	590	620	450	2,207	2,450	580	
EO Exp/(Inc)	1,204	-1,036	956	-291	-859	0	0	0	834	-859	0	
PBT	**9,930**	**10,549**	**9,963**	**8,958**	**14,156**	**11,451**	**11,887**	**12,798**	**39,401**	**50,293**	**11,495**	23.1
Tax	1,875	1,954	2,124	1,135	1,941	2,187	2,318	2,521	7,087	8,967	2,127	
Rate (%)	18.9	18.5	21.3	12.7	13.7	19.1	19.5	19.7	18.0	17.8	18.5	
Minority Interest	-42	-69	-37	-99	-24	-75	-70	-72	-246	-241	-85	
Reported PAT	**8,013**	**8,526**	**7,802**	**7,726**	**12,191**	**9,189**	**9,499**	**10,206**	**32,067**	**41,083**	**9,284**	31.3
Adj PAT	**8,990**	**7,682**	**8,554**	**7,472**	**11,450**	**9,189**	**9,499**	**10,206**	**32,698**	**40,342**	**9,284**	23.3
YoY Change (%)	214.9	55.5	42.6	47.0	27.4	19.6	11.0	36.6	73.2	23.4	3.3	
Margins (%)	16.1	13.9	15.0	13.2	18.3	15.0	15.1	15.7	14.5	16.0	15.3	
EPS	**20**	**17**	**19**	**16**	**25**	**20**	**21**	**22**	**72**	**89**	**20**	23.3

E: MOFSL estimates

Prestige Estates Projects

BSE SENSEX	S&P CNX
80,710	24,650

Conference Call Details

Date: 06 Aug 2025
Time: 15:30 IST
Dial-in details:
+91-22 6280 1145 / +91 22 7115 8046

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	73.5	114.3	140.7
EBITDA	25.6	27.2	29.3
EBITDA Margin (%)	34.8	23.8	20.8
PAT	5.1	8.5	9.7
EPS (INR)	12.7	21.1	24.2
EPS Gr. (%)	-8.8	77.2	99.3
BV/Sh. (INR)	384.7	404.2	426.8
Ratios			
RoE (%)	3.8	5.3	5.8
RoCE (%)	7.2	6.8	7.1
Payout (%)	15.2	7.6	6.7
Valuations			
P/E (x)	126.4	76.3	66.5
P/BV (x)	4.2	4.0	3.8
EV/EBITDA (x)	30.3	26.7	25.8
Div yld (%)	0.1	0.1	0.1

CMP: INR1,609 Buy

Robust operational and financial performance driven by successful launches

Operational performance

- **Pre-sales:** PEPL reported a 300%/74% YoY/QoQ increase in pre-sales to INR121.3b (in line with our estimates) due to stellar launches in NCR, Bengaluru, and Chennai.
- **Geographical contribution:** In FY25, 59% of the sales were contributed by NCR, followed by 21% from Bengaluru, 12% from Mumbai, 5% from Hyderabad, and 3% from other markets.
- **Launches:** Prestige launched four residential projects, totaling 14.94msf (GDV INR136b) during the quarter, featuring a mix of plotted developments and integrated townships that cater to diverse homebuyer segments.
  - Mulberry and Oakwood (Indirapuram) – NCR – 9.64msf
  - Gardenia Estates (Plotted) – Bengaluru – 1.06msf
  - Pallavaram Gardens – Chennai – 4.24msf
- **Business development:** The company acquired 102 acres of land with a GDV of INR204b in 1QFY26 across Hyderabad, Bengaluru, Chennai, and Mumbai.
- **Completions:** The company successfully completed five residential projects spanning a total of 5.45msf, marking its first-ever project completions in Mumbai and further strengthening its footprint in key urban centers. Additionally, the company completed and handed over the Prestige Turf Tower in Mahalaxmi, Mumbai, comprising a total developable area of 0.64 msf. This tower serves as the rehabilitation component for the marquee development, The Prestige, Mumbai.
- Post 1QFY26, PEPL has an ongoing inventory of INR207b across Hyderabad, Bengaluru, and Mumbai.
- **Total units sold** stood at 4,718 just during the first quarter, which is ~80% of units sold during the full year in 2025.
- **Office:** Total area leased in 1QFY26 was 1.21msf. Occupancy levels remained robust at 93.7%. Exit rentals for the quarter amounted to INR5.2b.
- **Retail:** Gross Turnover (GTO) across malls stood at INR5.9b. Occupancy levels remained strong at 98.9%. Exit rentals for the period stood at INR2.2b.

Ongoing and future pipeline

- GDV of upcoming launches planned for the rest of FY26 stands at INR299b.
- For under-construction and upcoming office projects, pending capex amounts to INR107b, while retail projects have INR43b in pending capex.

Cash flow

- PEPL's collections rose 57% YoY to INR42.3b (8% above our estimates) for 1QFY26.

- In 1QFY26, the company had net debt of INR68b, with a net debt/equity ratio of 0.42x (vs INR67b with a net debt/equity ratio of 0.42x as of Mar'25). The average borrowing cost stands at 10.14%.

Financial performance

- PEPL reported a 24% YoY/51% QoQ increase in revenue to INR23.1b (in line with estimates) for 1QFY26.
- EBITDA came in at INR8.9b, up 12% YoY/65% QoQ (60% above our estimates), with an EBITDA margin of 39%.
- PEPL reported an adjusted PAT of INR2.9b, up 26% YoY, with a margin of 13% (50% above estimates).

Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	(%/bp)
Net Sales	**18,621**	**23,044**	**16,545**	**15,284**	**23,073**	**28,062**	**28,215**	**34,963**	**73,494**	**1,14,313**	**23,510**	**-2**
YoY Change (%)	10.8	3.0	-7.9	-29.4	23.9	21.8	70.5	128.8	-6.7	55.5	26.3	
Total Expenditure	10,658	16,731	10,644	9,873	14,135	21,378	21,494	30,077	47,906	87,084	17,910	
EBITDA	**7,963**	**6,313**	**5,901**	**5,411**	**8,938**	**6,684**	**6,721**	**4,886**	**25,588**	**27,229**	**5,600**	**60**
Margins (%)	42.8	27.4	35.7	35.4	38.7	23.8	23.8	14.0	34.8	23.8	23.8	1,491.8
Depreciation	1,905	2,004	2,047	2,167	2,162	2,334	2,347	2,666	8,123	9,509	1,956	
Interest	3,461	3,565	3,451	2,861	3,839	2,602	2,616	1,543	13,338	10,600	2,180	
Other Income	1,624	1,194	434	609	1,614	1,543	1,552	1,578	3,861	6,287	1,293	
PBT before EO expense	**4,221**	**1,938**	**837**	**992**	**4,551**	**3,291**	**3,309**	**2,256**	**7,988**	**13,407**	**2,757**	**65**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**4,221**	**1,938**	**837**	**992**	**4,551**	**3,291**	**3,309**	**2,256**	**7,988**	**13,407**	**2,757**	**65**
Tax	1,023	-519	445	440	1,271	572	575	960	1,389	3,378	479	
Rate (%)	24.2	-26.8	53.2	44.4	27.9	17.4	17.4	42.6	17.4	25.2	17.4	
Minority Interest & Profit/Loss of Asso. Cos.	872	535	215	302	355	385	387	441	1,924	1,569	323	
Reported PAT	**2,326**	**1,922**	**177**	**250**	**2,925**	**2,334**	**2,346**	**854**	**4,675**	**8,460**	**1,955**	
Adj PAT	**2,326**	**1,922**	**177**	**250**	**2,925**	**2,334**	**2,346**	**854**	**4,675**	**8,460**	**1,955**	**50**
YoY Change (%)	-12.9	3.6	-84.8	-82.1	25.8	21.4	1,225.7	241.7	-34.0	81.0	-15.9	
Margins (%)	12.5	8.3	1.1	1.6	12.7	8.3	8.3	2.4	6.4	7.4	8.3	
Key metrics												
Sale Volume (msf)	2.9	3.0	2.2	4.5	9.6	4.1	3.7	6.1	12.6	23.5	10	**-7**
Sale Value (INRb)	30.3	40.2	30.1	69.6	121.3	52.5	46.4	42.1	170.2	262.3	118	**3**
Collections - PEPL share (INRb)	27	26	31	30	42.3	37.1	44.5	40.7	113.2	164.6	39	**8**
Realization (INR/sft)	10,593	13,409	13,513	15,495	12,698	12,698	12,698	6,870	13,532	11,175	11,505	**10**

Source: MOFSL, Company

Note: We may revisit our estimates after the concall

Container Corporation of India

BSE SENSEX	S&P CNX
80,710	24,650

CMP: INR580 Buy

Earnings miss with higher operating expenses

- Revenue grew 3% YoY to INR21.5b during 1QFY26 (6% below estimates).
- Total volumes rose 11% YoY to 1.3m TEUs, with EXIM/domestic volumes at 0.97m/0.32m TEUs (+12%/+9% YoY).
- Blended realization declined ~8% YoY to INR16,662/TEU. EXIM/domestic realization stood at INR14,384/INR23,676 per TEU (-5%/-12% YoY).
- EBITDA margins came in at 19.8% (vs. our estimate of 21.1%). EBITDA fell ~1% YoY and was 12% below our estimate.
- During the quarter, the company reviewed and revised the estimated useful life of its LNG trucks and trailers. Consequently, the useful life of these assets has been extended from eight years to 15 years. As a result, depreciation on these assets for the quarter stood at ~INR15m, down by INR15.4m. This change led to a corresponding increase in PBT for the quarter.

Other insights

- Land License fee for 1QFY26 stood at INR1.1b.
- The board has declared a dividend of INR1.6 per equity share.

Conference Call Details

Date: 5th August 2025
Time: 12:30 AM IST
Dial-in details:
+91 22 6280 1384

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	88.6	99.0	113.0
EBITDA	19.0	21.9	26.3
Adj. PAT	13.0	15.0	18.0
EBITDA Margin (%)	21.4	22.1	23.2
Adj. EPS (INR)	17.0	19.7	23.7
EPS Gr. (%)	4.9	15.7	20.1
BV/Sh. (INR)	162.1	174.4	187.8
Ratios			
Net D:E	(0.3)	(0.3)	(0.4)
RoE (%)	10.7	11.7	13.1
RoCE (%)	11.2	12.1	13.4
Payout (%)	43.1	43.1	43.1
Valuations			
P/E (x)	34.1	29.4	24.5
P/BV (x)	3.6	3.3	3.1
EV/EBITDA(x)	20.7	17.5	14.2
Div. Yield (%)	1.2	1.5	1.8
FCF Yield (%)	1.9	2.5	3.3

Standalone quarterly snapshot (INR m)

Y/E March	FY25				FY26	FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q			1QE	
Net Sales	**20,971**	**22,830**	**22,019**	**22,814**	**21,495**	**88,634**	**99,032**	**22,852**	**(6)**
YoY Change (%)	9.3	4.2	-0.1	-1.6	2.5	2.7	11.7	9.0	
EBITDA	**4,319**	**5,750**	**4,583**	**4,335**	**4,265**	**18,986**	**21,906**	**4,822**	**(12)**
Margins (%)	20.6	25.2	20.8	19.0	19.8	21.4	22.1	21.1	
YoY Change (%)	10.3	7.0	-10.4	-11.4	-1.3	-1.6	15.4	11.6	
Depreciation	1,649	1,617	810	1,552	1,570	5,628	5,952	1,530	
Interest	181	177	171	166	164	695	600	150	
Other Income	924	1,301	995	1,432	935	4,652	4,702	1,170	
PBT before EO expense	**3,413**	**5,257**	**4,596**	**4,049**	**3,465**	**17,314**	**20,056**	**4,312**	
Extra-Ord expense	0	333	0	0	0	-333	0	0	
PBT	**3,413**	**4,923**	**4,596**	**4,049**	**3,465**	**16,981**	**20,056**	**4,312**	
Tax	859	1,213	1,162	1,027	888	4,261	5,054	1,087	
Rate (%)	25.2	24.6	25.3	25.4	25.6	25.1	25.2	25.2	
Reported PAT	**2,554**	**3,711**	**3,434**	**3,021**	**2,577**	**12,720**	**15,002**	**3,225**	**(20)**
Adj PAT	**2,554**	**3,960**	**3,434**	**3,021**	**2,577**	**12,970**	**15,002**	**3,225**	**(20)**
YoY Change (%)	4.6	10.7	2.7	0.7	0.9	4.9	15.7	26.3	
Margins (%)	12.2	17.3	15.6	13.2	12.0	14.6	15.1	14.1	

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)
Revenue (INR m)							
EXIM	13,214	15,320	13,892	14,908	14,008	6%	-6%
Domestic	7,757	7,510	8,127	7,906	7,487	-3%	-5%
Total Segment Revenue	**20,971**	**22,830**	**22,019**	**22,814**	**21,495**	**3%**	**-6%**
Segmental EBIT							
EXIM	2,667	3,995	3,506	2,985	2,900	9%	-3%
Domestic	461	681	856	393	375	-19%	-5%
Total	**3,127**	**4,676**	**4,363**	**3,378**	**3,275**	**5%**	**-3%**
EBIT Margin (%)							
EXIM	20.2%	26.1%	25.2%	20.0%	20.7%		
Domestic	5.9%	9.1%	10.5%	5.0%	5.0%		
Total	**14.9%**	**20.5%**	**19.8%**	**14.8%**	**15.2%**		

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)
Volumes (TEU)							
EXIM	8,69,464	10,05,755	9,75,243	10,45,042	9,73,875	12%	-7%
Domestic	2,89,787	2,97,647	3,09,551	3,02,453	3,16,226	9%	5%
Total	**11,59,251**	**13,03,402**	**12,84,794**	**13,47,495**	**12,90,101**	**11%**	**-4%**
Realizations (INR / TEU)							
EXIM	15,197	15,232	14,245	14,265	14,384	-5%	1%
Domestic	26,768	25,231	26,254	26,140	23,676	-12%	-9%
Total	**18,090**	**17,516**	**17,138**	**16,930**	**16,662**	**-8%**	**-2%**
EBIT (INR/TEU)							
EXIM	3,067	3,972	3,595	2,856	2,978	-3%	4%
Domestic	1,589	2,287	2,767	1,300	1,186	-25%	-9%
Total	**2,698**	**3,588**	**3,396**	**2,507**	**2,539**	**-6%**	**1%**

Gujarat Gas

BSE SENSEX	S&P CNX
80,710	24,650

Conference Call Details

Date: 6th Aug’25
Time: 1600 hrs IST
Dial-in details:
+91 22 6280 1354
+91 22 7115 8233

CMP: INR423 **Buy**

EBITDA miss attributed to soft volume performance

- Total volumes declined 19% YoY to 8.9mmscmd in 1QFY26, below our est. of 9.5mmscmd.
  - CNG volumes were in line with our estimate, whereas I&C-PNG volumes came in 7% below estimates.
- EBITDA/scm came in marginally below our est. at INR6.4.
  - Realization decreased ~INR1.1/scm QoQ, while gas cost/opex declined INR1.7/INR0.5 per scm QoQ, leading to ~INR1.1/scm QoQ increase in EBITDA/scm margin.
  - Resultant EBITDA stood 8% below our estimate at INR5.2b (flat YoY).
- PAT came in line with our est. at INR3.3b (flat YoY), driven by higher-than-estimated other income.
- **GUJGA press release KTA’s:**
- **GUJGA expands into propane/LPG sales:**
  - With a vision to become a comprehensive energy solutions provider and a strong focus on empowering communities, businesses, and industries, the board of GUJGA has approved the sourcing and sale of propane/LPG to industrial customers. This move reinforces the company’s customer-centric approach and commitment to meeting diverse energy needs.
- **Quarterly operational performance:**
  - CNG segment maintained strong growth momentum, with volumes rising 12% YoY to a record 3.33mmscmd in 1QFY26, supported by a network of 830 CNG stations.
  - GUJGA is actively expanding through the FDODO model, having signed 69 agreements with various dealers to date, which is expected to further accelerate growth.
  - In 1Q, the company added over 35,000 new D-PNG connections, taking the total number of households served to more than 2.3m.

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

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Sales	**44,503**	**37,818**	**41,529**	**41,020**	**38,709**	**38,806**	**41,038**	**43,481**	**1,64,870**	**1,62,034**	**41,963**	**-8%**
YoY Change (%)	17.7	-1.7	5.7	-0.8	-13.0	2.6	-1.2	6.0	5.1	-1.7	-5.7	
EBITDA	**5,356**	**5,142**	**3,805**	**4,495**	**5,199**	**4,733**	**4,992**	**5,182**	**18,798**	**20,106**	**5,628**	**-8%**
Margin (%)	12.0	13.6	9.2	11.0	13.4	12.2	12.2	11.9	11.4	12.4	13.4	
Depreciation	1,231	1,295	1,294	1,286	1,314	1,357	1,355	1,321	5,106	5,348	1,289	
Interest	78	80	93	74	79	75	87	64	325	305	73	
Other Income	386	386	585	744	594	244	370	120	2,100	1,327	254	
PBT	**4,433**	**4,152**	**3,002**	**3,878**	**4,399**	**3,545**	**3,919**	**3,917**	**15,466**	**15,781**	**4,520**	**-3%**
Rate (%)	25.6	26.1	26.2	26.0	25.7	25.2	25.2	24.5	25.9	25.2	25.2	
Adj. PAT	**3,298**	**3,069**	**2,216**	**2,872**	**3,268**	**2,652**	**2,932**	**2,957**	**11,455**	**11,809**	**3,381**	**-3%**
YoY Change (%)	53.3	3.1	0.6	-22.0	-0.9	-13.6	32.3	3.0	4.0	3.1	2.5	
Total volume (mmscmd)	**11.0**	**8.8**	**9.5**	**9.3**	**8.9**	**9.0**	**9.5**	**10.2**	**9.6**	**9.1**	**9.5**	**-7%**
CNG	3.0	2.9	3.1	3.2	3.3	3.4	3.5	3.6	3.1	3.2	3.4	-3%
PNG – Industrial/Commercial	7.4	5.1	5.6	5.2	4.9	4.9	5.3	5.8	5.8	5.2	5.2	-7%
PNG – Households	0.6	0.8	0.7	0.9	0.7	0.7	0.7	0.8	0.8	0.8	0.9	-25%
EBITDA (INR/scm)	**5.4**	**6.4**	**4.4**	**5.4**	**6.4**	**5.7**	**5.7**	**5.7**	**5.4**	**5.6**	**6.6**	**-2%**

Castrol India

BSE SENSEX	S&P CNX
80,710	24,650

Conference Call Details

Date: 6th Aug'25
Time: 1215 hours IST
Dial-in details:
+91 22 6280 1164
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CMP: INR222 — Buy

Performance in line

- Castrol India's (CSTRL) 2QCY25 revenue came in at ~INR15b, in line with our estimate (up 7% YoY).
- EBITDA was also in line with our estimate at INR3.5b (up 8% YoY).
  - EBITDA margin expanded 30bp YoY/175bp QoQ.
  - Gross margin remained flat YoY/QoQ.
- PAT was also in line at INR2.4b. However, other income stood below our estimate.
- The Board has recommended an interim dividend of INR3.5/sh (FV: INR5/sh)
- **Other key highlights:**
  - **Remarks from Mr. Kedar Lele, MD:** The company remains optimistic about the road ahead. The industrial segment continues to be a key long-term growth driver, with the first half showing positive momentum—new customer additions, improved traction, and a growing share of locally manufactured products. Meanwhile, the rural strategy is progressing well and will be further strengthened in the coming months.
  - **Industrial Segment updated:**
- The recently launched **Rustilo DW 800** range of rust preventives—developed and manufactured locally—is now serving over 100 customers across the automotive, bearings, tube, and metal manufacturing sectors.
- **Localized production** of globally recognized metalworking fluids such as Hysol MB50 and the 20XBB range has enabled faster delivery and enhanced value creation.
- **Chemical Management Services (CMS)** have been successfully deployed at multiple new sites, further strengthening industrial service offerings.
  - **Focus on expanding distribution:**
- CSTRL now has a presence in over **0.16m outlets**, including **32,000+ bike points, 11,000+ multi-brand car workshops**, and a broad dealer network.
- The **Castrol Auto Service** network continues to grow, currently supporting over **730 workshops across 340+ cities**, offering reliable, professional services in the aftermarket.
- The **full range of autocare products** is now widely available across **e-commerce platforms, modern trade outlets**, and **50,000+ physical retail points** across India.

Quarterly Performance (INR m)

Y/E December	CY24				CY25					Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE	(%)	(%)	(%)
Net Sales	**13,252**	**13,975**	**12,882**	**13,539**	**14,220**	**14,968**	**13,179**	**13,463**	**14,617**	**2%**	**7%**	**5%**
YoY Change (%)	2.4	4.8	8.9	7.1	7.3	7.1	2.3	-0.6	4.6			
EBITDA	**2,937**	**3,224**	**2,861**	**3,759**	**3,074**	**3,495**	**2,987**	**3,294**	**3,403**	**3%**	**8%**	**14%**
YoY Change (%)	-0.4	4.1	6.5	14.2	4.6	8.4	4.4	-12.3	5.5			
Margin (%)	22.2	23.1	22.2	27.8	21.6	23.4	22.7	24.5	23.3	0%	1%	8%
Depreciation	237	261	245	254	246	266	251	260	267			
Interest	21	26	20	27	23	26	21	28	27			
Other Income	241	204	209	232	322	93	214	238	209			
PBT	**2,921**	**3,142**	**2,805**	**3,709**	**3,127**	**3,295**	**2,930**	**3,244**	**3,319**	**-1%**	**5%**	**5%**
Rate (%)	26.0	26.1	26.0	26.8	25.3	26.0	25.2	24.6	25.2			
Adj. PAT	**2,162**	**2,322**	**2,074**	**2,714**	**2,335**	**2,440**	**2,192**	**2,445**	**2,483**	**-2%**	**5%**	**5%**
YoY Change (%)	6.8	3.1	6.7	12.2	8.0	5.1	5.7	-9.9	6.9			
Margins (%)	16.3	16.6	16.1	20.0	16.4	16.3	16.6	18.2	17.0			

Motilal Oswal Financial Services | MORNING INDIA

RESULTS FLASH

5 August 2025
Results Flash | Sector: EMS

Avalon Technologies

BSE SENSEX	S&P CNX
80,710	24,650

Conference Call Details

Date: 6th Aug, 2025
Time: 3:30pm IST
Dial-in details:
Click Here

CMP: INR856 — Buy

Large beat on operating performance

- 1QFY26 consolidated revenue grew 62% YoY to INR3.2b (est.INR2.4b).
- Segmental mix for Clean Energy/Mobility/Transportation/Industrials/ Communication/ Medical and Others stood at 18%/26%/32%/10%/14% compared to 23%/22%/28%/8%/19% in 1QFY25.
- EBITDA margin expanded by 700bp to 9.2% (est. 5.7%), largely led by operating leverage (employee cost as % of sales stood at 19.6% vs. 22.8% in 1QFY25, while other expense stood at 7% vs. 8%).
- Gross margin expanded by 230bp YoY to 35.5%. EBITDA grew 6.8x YoY to INR299m (est. INR138m).
- Adj. PAT stood at INR142m (est. INR70m) vs. a net loss of INR23m in 1QFY25.
- As of 30th Jun’25, the order book stood at INR17.9b (up 22.5% YoY).

Consolidated - Quarterly Earning Model (INR m)

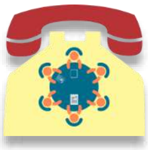
Y/E March	FY25				FY26E				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	%
Gross Sales	1,995	2,750	2,809	3,428	3,233	3,245	3,651	4,285	10,981	14,414	2,434	33
YoY Change (%)	-15.2	36.8	31.1	58.1	62.1	18.0	30.0	25.0	26.6	31.3	22.0	
Total Expenditure	1,951	2,449	2,462	3,014	2,934	2,965	3,170	3,692	9,876	12,761	2,296	
EBITDA	44	301	346	414	299	280	481	593	1,105	1,653	138	117
Margins (%)	2.2	11.0	12.3	12.1	9.2	8.6	13.2	13.8	10.1	11.5	5.7	
Depreciation	66	69	74	77	85	85	87	88	286	345	80	
Interest	42	37	45	42	38	30	20	19	167	107	35	
Other Income	44	39	100	32	17	65	75	61	215	218	71	
PBT before EO expense	-20	234	327	326	193	230	449	547	867	1,419	94	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	-20	234	327	326	193	230	449	547	867	1,419	94	
Tax	3	60	87	83	51	59	115	140	233	364	24	
Rate (%)	-14.5	25.4	26.7	25.5	26.4	25.5	25.5	25.5	26.8	25.6	25.5	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	-23	175	240	243	142	171	335	408	634	1,056	70	
Adj PAT	-23	175	240	243	142	171	335	408	634	1,056	70	103
YoY Change (%)	NA	140.1	264.7	243.8	NA	-2.0	39.5	67.9	126.7	66.4	NA	
Margins (%)	-1.2	6.4	8.5	7.1	4.4	5.3	9.2	9.5	5.8	7.3	2.9	

MTAR Technologies

BSE SENSEX	S&P CNX
80,710	24,650

CMP: INR1,590 | Buy

Conference Call Details



Date: 6th Aug'25
Time: 11:00am IST
Dial-in details:
click here

Healthy growth YoY but miss on margins

Performance in 1QFY26

- Consolidated revenue grew 22% YoY but declined 14% QoQ to INR1.6b (est.in line).
- EBITDA grew 71% YoY, while it declined 17% QoQ to INR284m (est. INR304m).
- EBITDA margin expanded 520bp YoY, while it contracted 50bp QoQ to 18.1% (est. 19%). Gross margin stood at 54.2% (+460bp YoY). Employee expenses/other expenses as a % of sales stood at 21.9%/14.2% (+10bp/110bp YoY).
- Adj. PAT grew 2.4x YoY, while it declined 21% QoQ to INR108m (est. INR153m) due to higher-than-expected depreciation and lower other income.

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%
Gross Sales	1,283	1,902	1,745	1,831	1,566	2,282	2,268	2,380	6,760	8,496	1,603	-2%
YoY Change (%)	-15.9	14	47.4	28.1	22.1	20	30	30	16.4	25.7	25	
Total Expenditure	1,117	1,534	1,412	1,489	1,282	1,820	1,775	1,852	5,552	6,730	1,299	
EBITDA	166	368	333	341	284	462	493	528	1,208	1,767	304	-7%
Margins (%)	12.9	19.4	19.1	18.7	18.1	20.2	21.7	22.2	17.9	20.8	19	
Depreciation	61	78	87	96	84	80	90	101	322	354	70	
Interest	48	52	63	59	58	50	40	25	222	173	55	
Other Income	5	14	31	0	6	20	20	4	52	49	25	
PBT before EO expense	62	253	214	186	148	352	382	406	716	1,289	204	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	62	253	214	186	148	352	382	406	716	1,289	204	
Tax	18	65	55	49	40	89	96	102	187	327	51	
Rate (%)	28.6	25.8	25.5	26.3	27	25.2	25.2	25.2	26.1	25.4	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	44	188	160	137	108	263	286	304	529	962	153	
Adj PAT	44	188	160	137	108	263	286	304	529	962	153	-29%
YoY Change (%)	-78.2	-8.2	52.8	181.7	144.2	40.3	79.2	121.5	-5.8	81.8	244.6	
Margins (%)	3.5	9.9	9.2	7.5	6.9	11.5	12.6	12.8	7.8	11.3	9.5	

Shree Cement: Maintain Revenue Growth Guidance Of 9% For FY26; Neeraj Akhoury,Director

- Shree Cement’s Q1 volumes fell 7%, underperforming peers
- Management guides for 4–5% FY26 volume growth
- Strong pricing drove 45% YoY EBITDA/ton jump
- UAE turnaround boosts confidence for capacity expansion.
- ₹7,000 crore cash to fund organic growth; no immediate plans for buyback or aggressive M&A.

Read More

Marico: Expect Margin Recovery In H2 As Raw Material Costs Are Stabilising; Saugata Gupta, MD & CEO

- Marico delivered 9% volume growth in Q1
- Management expects margin improvement in H2 as raw material inflation eases.
- Parachute volumes remain resilient; dependency on it has reduced.
- Value-added hair oils returned to double-digit growth, led by ATL focus and rural reach.
- FY26 revenue growth seen at ~25%, with strong international momentum and disciplined execution.

Read More

OneSource Specialty: Looking To Launch Semaglutide In Brazil & Canada Once The Patent Expires; Neeraj Sharma, MD

- Reported a 23% Q1 revenue dip due to its transition from service fees to commercial sales in FY26.
- H2FY26 is expected to be strong with GLP-1 device launches driving growth.
- Clients have raised forecasts, prompting early capacity expansion.
- FY28 target: $400M revenue, 40% margins.
- Supplies devices for semaglutide and next-gen GLP-1s; engaged with upcoming innovators.

Read More

Mindspace REIT: Occupancy At 93.7%, Will Take It To 95% By Year End; Ramesh Nair, MD & CEO

- Q1 revenue up 18%, EBITDA up 22%, leasing rose 55% to 1.7 mn sq. ft.
- FY26 leasing depends on new stock; FY25 hit 7.6 mn sq. ft.
- Hyderabad rents surged; new projects like B8, B15, B17 underway.
- SEZ denotification raised occupancy from 75% to 85%.
- ₹4,200 cr capex planned; growth via data centers, sponsor, and third-party acquisitions.

Read More

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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