

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	76,766	-0.1	-9.9
Nifty-50	23,985	0.0	-8.2
Nifty-M 100	62,352	0.1	3.1
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,429	0.2	8.5
Nasdaq	24,877	-0.2	7.0
FTSE 100	10,871	0.8	9.5
DAX	25,464	0.4	4.0
Hang Seng	8,436	0.8	-5.4
Nikkei 225	62,365	-4.0	23.9
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	86	-5.3	37.3
Gold (\$/OZ)	4,030	-1.1	-6.7
Cu (US\$/MT)	13,715	-0.4	10.1
Almn (US\$/MT)	3,163	-0.6	6.6
Currency	Close	Chg .%	CYTD.%
USD/INR	95.9	0.0	6.7
USD/EUR	1.1	0.2	-3.1
USD/JPY	163.9	0.1	4.6
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.8	0.00	0.2
Flows (USD b)	28-Jul	MTD	CYTD
FII's	0.08	1.34	-27.7
DII's	0.17	3.69	53.6
Volumes (INRb)	28-Jul	MTD*	YTD*
Cash	1,331	1290	1361
F&O	5,92,309	2,31,937	2,67,459

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Avenue Supermarts: Store additions and SSSG expectations tempered; downgrade to Neutral

- ❖ We attended Avenue Supermarts (DMart)'s FY26 analyst call, wherein the new CEO reaffirmed continuity of the company's philosophy around disciplined execution with a target of ~15% YoY annual store additions, noting that the store acceleration seen in FY26 (+20% YoY) may not be feasible in FY27.
- ❖ Management aims to maintain SSSG at levels similar to FY26 (~8%) in the near term, as high-throughput metro stores continue to face capacity constraints and increased competition from Quick Commerce (QC).
- ❖ Further, the focus in DMart Ready would be to achieve profitability in the existing footprint before looking at geographical expansion. With expectations on store acceleration tempered and rising competition denting growth in metros, we believe there are limited positive triggers for the stock.
- ❖ Consequently, we downgrade DMart to Neutral with a revised TP of INR4,015.



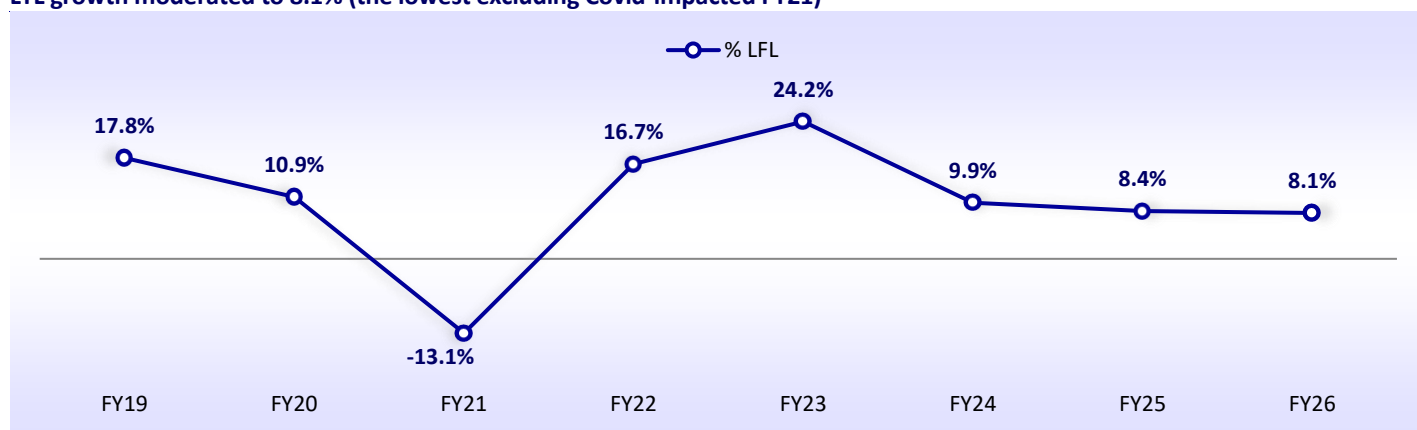
Research covered

Cos/Sector	Key Highlights
Avenue Supermarts	Store additions and SSSG expectations tempered; downgrade to Neutral
Larsen & Toubro	Better than expected performance
Hindustan Unilever	Healthy revenue; home care margins under pressure
Other Updates	Varun Beverages Cholaman. Inv. & Fin. Tata Capital Tata Power Ambuja Cements Indus Towers Suzlon Energy Coforge SAIL Supreme Inds. Gravita India Home First Fin. P N Gadgil Textiles EcoScope Phoenix Mills Radico Khaitan Equitas Small Fin.



Chart of the Day: Avenue Supermarts (Downgrade to Neutral)

LTL growth moderated to 8.1% (the lowest excluding Covid-impacted FY21)



Source: MOFSL, Company

Research Team

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



In the news today



Kindly click on textbox for the detailed news link

1

Infra projects see cost overrun of Rs 4.92 lakh cr: MoSPI

A significant number of infrastructure projects, each exceeding Rs 150 crore, have encountered notable cost escalations. Out of 1,847 projects currently underway, many are at advanced stages of development.

2

L&T secures TenneT deal for Europe's 2 GW offshore wind programme

Larsen & Toubro (L&T) has secured a Framework Cooperation Agreement (FCA) with Dutch-German transmission system operator TenneT for its 2 GW offshore wind programme, strengthening the Indian engineering giant's presence in Europe's fast-growing renewable

3

Unilever India signals more price hikes as commodity inflation persists

Hindustan Unilever signalled more selective price hikes to offset persistent commodity inflation, joining other consumer goods peers as the Middle East conflict keeps input costs elevated.

4

Standard Chartered India loses top wealth executives amid strategy revamp

Standard Chartered Plc. has seen several senior executive departures from its Indian operations as the lender reorganizes its wealth business and shifts away from mass-market retail banking.

5

Rapido integrates food delivery platform Ownly in its primary app

Ride-hailing firm Rapido has integrated Ownly, its standalone food delivery platform, into its primary mobile application, making the service available to its monthly active users on a single platform. Following the integration, customers can order food from Ownly directly through the Rapido app alongside booking rides.

6

HyFun Foods to invest ₹1,500 cr in Gujarat, MP; eyes IPO in 2-3 years

Frozen potato products manufacturers and exporters HyFun Foods is planning to invest Rs 1,500 crore to set up units in Gujarat and Madhya Pradesh to support its expanding exports and domestic market presence, a senior company executive has said.

7

RVNL secures ₹359 crore Letter of Acceptance from East Central Railway for EPC project

State-owned Rail Vikas Nigam Ltd (RVNL) on Tuesday (July 28) said it has received a Letter of Acceptance (LoA) from East Central Railway for an EPC project valued at ₹358.97 crore, including 18% GST.

Avenue Supermarts

BSE SENSEX 76,766 S&P CNX 23,985



Bloomberg	DMART IN
Equity Shares (m)	651
M.Cap.(INRb)/(USDb)	2508.9 / 26.2
52-Week Range (INR)	4950 / 3529
1, 6, 12 Rel. Per (%)	-10/8/0
12M Avg Val (INR M)	2293
Free float (%)	25.5

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY28E
Sales	811	937	1080
EBITDA	61.6	71.9	83.8
Adj. PAT	34.7	40.2	47.3
EBITDA Margin (%)	7.6	7.7	7.8
Adj. EPS (INR)	53.2	61.6	72.5
EPS Gr. (%)	17	16	18
BV/Sh. (INR)	428	490	563

Ratios

Net D:E	0.1	0.1	0.1
RoE (%)	13.2	13.4	13.8
RoCE (%)	12.5	12.7	13.1
Payout (%)	0.0	0.0	0.0

Valuations

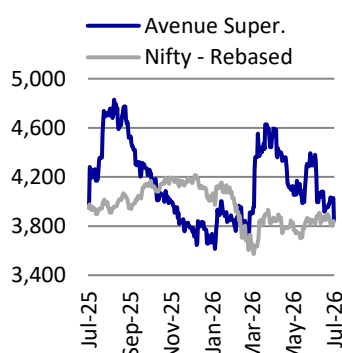
P/E (x)	72.4	62.5	53.1
EV/EBITDA (x)	41.2	35.3	30.3
EV/Sales (X)	3.1	2.7	2.3
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.1	0.4	0.6

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	74.5	74.5	74.7
DII	8.7	8.9	9.3
FII	9.2	9.0	8.3
Others	7.6	7.6	7.8

FII includes depository receipts

Stock Performance (1-year)



CMP: INR3,851 TP:INR4,015 (+4%) Downgrade to Neutral

Store additions and SSSG expectations tempered; downgrade to Neutral

We attended Avenue Supermarts (DMart)'s FY26 analyst call, wherein the new CEO reaffirmed continuity of the company's philosophy around disciplined execution with a target of ~15% YoY annual store additions, noting that the store acceleration seen in FY26 (+20% YoY) may not be feasible in FY27. Management aims to maintain SSSG at levels similar to FY26 (~8%) in the near term, as high-throughput metro stores continue to face capacity constraints and increased competition from Quick Commerce (QC). Further, the focus in DMart Ready would be to achieve profitability in the existing footprint before looking at geographical expansion. With expectations on store acceleration tempered and rising competition denting growth in metros, we believe there are limited positive triggers for the stock. Consequently, we downgrade DMart to Neutral with a revised TP of INR4,015.

Expectations around acceleration in store additions tempered

- DMart continues to target ~15% YoY annual store additions, with some variation on a year-to-year basis, depending on land acquisition, approvals, and project execution.
- Management noted that acceleration seen in FY26 (20% YoY) may not be feasible, and the internal target for the company remains ~15% store additions on an annual basis.
- Land acquisition and regulatory approvals are the key bottlenecks in ramping up store additions rather than constraints on capital or management's bandwidth.
- Management remains open to taking leverage on the balance sheet to fund the store additions over the medium term and expects internal accruals to be sufficient to fund store additions in the long run.
- The constraints of getting the right properties also exist in the leased model, but management is open to long-term leases for store openings. The company has 68 stores (~13.5% of overall) on leases, with slightly higher: 15 out of the 85 stores opened in FY26 under the leased model.
- DMart's store expansion is focused on adding stores to reduce the load on high-throughput metro stores as well as forays into newer cities through a cluster-based approach.
- We now build in ~75/85 store additions in FY27/FY28 (vs. 85/90 earlier), reflecting management's measured outlook on store expansion.

Targets to deliver high single-digit SSSG, with growth constrained in high-throughput metro stores

- SSSG is expected to remain around the FY26 levels (~8%, the lowest since Covid-19 hit FY21), though better than ~5.5% SSSG reported in 1QFY27.

- Management indicated that growth in high-throughput metro stores is hit by capacity constraints, self-cannibalization from new stores opened in the vicinity, and also rising competition from QC.
- Further, as new stores in tier 2 cities typically operate at lower productivity than metros, the blended SPSF for DMart could remain range-bound as the share of non-metro stores increases in the mix.

QC dent limited to metro cities; DMart Ready to focus on profitability over expansion

- Competitive intensity from QC is likely to remain elevated for the foreseeable future with the entry of large online e-com and offline retailers.
- However, management noted that competitive pressures from QC on DMart remain largely restricted to high-density metro catchments (for now), with minimal impact in tier 1 and tier 2 stores.
- Management believes DMart's focus on providing greater value to consumers on monthly/weekly baskets continues to resonate with consumers.
- Further, management noted that organized retail (brick & mortar, QC, and e-com) put together accounts for a small fraction of overall retail in India, and it expects multiple retail formats to co-exist over the long run.
- The rationalization of the footprint in DMart Ready was a conscious choice, given limited contribution from the exited cities.
- DMart Ready is focused on building a profitable business in its top 11 cities, where contribution is meaningful rather than aggressive geographic expansion.
- The key priorities for DMart Ready are improving assortment, delivery speed (slotted deliveries of large basket-size orders in <6 hours, rather than rapid delivery of more frequent but smaller-ticket orders), and customer experience.

Improving the value proposition remains a priority over margin expansion

- D-Mart **remains committed to its value-first strategy**, with incremental productivity gains from better sourcing efficiencies and operating leverage expected to be reinvested into pricing, technology, and organizational capabilities rather than boosting margins.
- Management expects to operate within its long-term profitability framework of 14-15% gross margins and ~5% PAT margins to maintain the customer value proposition.
- Further, it noted that while the throughput of stores in tier 2 is lower than Metros, the operating as well as capital costs are meaningfully lower.

Valuation and view

- Competitive intensity is likely to remain elevated, with continued investments by QC players and increasing participation from large offline and online retailers.
- While the QC dent remains concentrated in dense metro catchments for now, we believe overall discounting and customer acquisition intensity are unlikely to moderate in the near term and could weigh on DMart's growth and margins over the medium term.

- We moderate our FY27 store opening assumption to 75 stores (~15% YoY) from 85 earlier, reflecting a more measured expansion outlook. Consequently, we cut our FY27–29E EBITDA estimates by ~2% each.
- We now build in a consol. Revenue/EBITDA/PAT CAGR of 16%-17% over FY26–29E, supported by ~250 store additions and mid-to-high single-digit LFL growth.
- We assign a 35x Sep'28 pre-IND AS EV/EBITDA multiple (implying ~60x Sep'28 P/E) to arrive at our revised TP of INR4,015 (from INR4,800 earlier).
- Acceleration in store additions remains the most important growth lever for DMart. However, with management's conservative outlook, we believe the stock lacks triggers to outperform, and hence, we **downgrade DMart to Neutral**.

Valuation based on Sep'28E EBITDA

	Methodology	Driver (INR b)	Multiple	Value (INR b)	Value/sh (INR)
Pre-IND AS EBITDA	Sep'28 EV/EBITDA	75	35.0	2,625	4,027
Less Net debt				8	12
Equity value				2,617	4,015
Shares o/s (m)				652	
CMP (INR)					3,851
Upside (%)					4.2

Source: MOFSL, Company

Key operational metrics

	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Stores	284	324	365	415	500	575	660	750
net adds	50	40	41	50	85	75	85	90
Area	11.5	13.4	15.2	17.2	20.6	24.0	27.6	31.2
net adds	2.7	1.9	1.8	2.1	3.4	3.4	3.6	3.6
Avg. store size	40,528	41,327	41,507	41,446	41,200	41,739	41,818	41,600
Consol Revenue (INR b)	310	428	508	594	688	811	937	1,080
YoY (%)	28.3	38.3	18.6	16.9	15.9	17.9	15.5	15.3
SSSG (%)	16.7	24.2	9.9	8.4	8.1	6.9	6.7	6.5
Rev/sq. ft (INR)	30,549	34,409	35,591	36,697	36,413	36,388	36,327	36,742
Rev/store (INR m)	1,196	1,409	1,474	1,522	1,504	1,510	1,518	1,532
EBITDA (INR b)	25.0	36.4	41.0	44.9	51.9	61.6	71.9	83.8
EBITDA margin	8.1	8.5	8.1	7.6	7.5	7.6	7.7	7.8
Pre IND AS EBITDA (INR b)	23.2	34.2	38.8	42.3	48.7	56.7	65.7	76.5
Pre IND AS EBITDA Margin	7.5	8.0	7.6	7.1	7.1	7.0	7.0	7.1

Source: MOFSL, Company

Larsen & Toubro

Estimate changes



TP change



Rating change



Bloomberg	LT IN
Equity Shares (m)	1376
M.Cap.(INRb)/(USDb)	5272.3 / 55
52-Week Range (INR)	4440 / 3288
1, 6, 12 Rel. Per (%)	-9/6/15
12M Avg Val (INR M)	9595

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	3,157.8	3,727.6	4,380.2
EBITDA	321.3	380.8	443.3
PAT	203.4	246.6	294.6
EPS (INR)	147.9	179.4	214.3
GR. (%)	19.6	21.3	19.4
BV/Sh (INR)	898.3	1,019.5	1,164.2

Ratios

ROE (%)	17.5	18.7	19.6
RoCE (%)	10.4	11.5	12.3

Valuations

P/E (X)	25.9	21.4	17.9
P/BV (X)	4.3	3.8	3.3
EV/EBITDA (X)	16.4	13.8	11.9
Div Yield (%)	1.3	1.5	1.8

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	42.9	43.1	43.2
FII	19.9	19.6	20.2
Others	37.3	37.2	36.5

FII Includes depository receipts

CMP: INR3,833
TP: INR4,550 (+19%)
Buy

Better than expected performance

LT's consolidated results and core EPC segment outperformed our estimates in 1QFY27. We see positives in 1) healthy 14% YoY growth in core E&C order inflows, 2) core E&C revenue growth of 3% YoY, and 3) flat margins at 7.6%. NWC at 4.9% of sales and RoE at 16.1% remained strong despite a challenging environment across domestic and international markets. The prospect pipeline for the remaining 9MFY27 is strong at INR15t, with ordering activity in the Middle East likely to ramp up from 2QFY27 onward. Despite lower ordering from the Middle East region, LT has diversified its order inflow mix from other geographies such as Europe and has also seen stable inflows from the domestic private sector. We marginally revise our estimates to bake in 1QFY27 performance and retain BUY on LT with an SoTP-based TP of INR4,550, valuing core business at 25x Sep'28E earnings and 25% holding company discount for subsidiaries.

Beat across all metrics in core business

LT reported consolidated revenue/PAT of INR679b/INR41b (+7%/+14% YoY), which were 6%/7% ahead of our estimates. Absolute consolidated EBITDA declined 3% YoY to INR61b (in line with our est.), while EBITDA margin stood at 9.0% vs. our estimate of 9.7%. For the core E&C business, order inflows came in 27% above our estimates at INR873b (+14% YoY), taking the closing order book to INR7.8t (+27% YoY). Core E&C revenue came in at INR471b (up 3% YoY), 4% above our estimates, while core E&C EBITDA margin stood at 7.6%, flat YoY vs. our estimate of 7.3%. Beat on inflows was driven mainly by multiple order wins in the infra segment across residential & commercial buildings and ferrous metal projects, and an ultra-mega win in the offshore wind business. NWC to revenue ratio improved 520bp YoY to 4.9%, whereas RoE (TTM) stood at 16.1%, which included a 100bp impact on labor code provisions in 3QFY26.

Core E&C margins remain healthy

For 1QFY27, core E&C EBITDA margin (including realty) remained flat YoY at 7.6% vs. our estimate of 7.3%, while consolidated EBITDA margin declined to 9.0% in 1QFY27 from 9.9% YoY, mainly due to slower project execution, higher ECL provisions and forex impact in IT businesses.

- **Infrastructure and utility segment** margin contracted 40bp YoY to 5.1%, mainly due to change in revenue mix and an increase in credit provisions on account of expected delays in collection of receivables.
- **Energy – conventional segment** margin stood at 7.6% vs. 7.5% last year.
- **Energy – green segment**, which includes the renewables and offshore wind business, reported margin of 6.0% vs. 6.1% last year.
- **Manufacturing and products segment**, which includes the hi-tech business, along with construction equipment and industrial product design and development businesses (reported in Others segment earlier), reported an EBITDA margin of 15.2% vs. 17.5% last year.
- **Realty business** (earlier part of Others segment) reported margin of 36.9% vs. 48.8% last year.

Prospect pipeline remains healthy despite ongoing geopolitical tensions

Prospects pipeline for the remaining 9MFY27 stands at INR15.1t vs. INR14.8t last year. Of this, INR7.45t is from domestic and the balance is from international. Under the new segment classification, **infrastructure and utility** prospects stand at INR7.8t (vs. INR6.9t last year), within which the share of transportation is 24%, heavy civil is 22%, power T&D is 17%, B&F is 15%, water is 12%, and metals and minerals is 10%. Prospect pipeline of **conventional energy** is INR4.4t (vs. INR5.2t last year), which includes hydrocarbon prospects of INR3.7t and carbonlite solutions of INR0.7t. Further, the **green energy** segment's prospects stand at INR2.43t (vs. INR2.46t last year), consisting of solar EPC prospects of INR1.8t, offshore wind of INR0.4t, and onshore wind of INR0.22t. The **manufacturing and product** pipeline is INR460b (vs. ~INR300b last year), including INR368b from precision engineering and electronics, and INR92b from heavy engineering business.

Share of ordering from domestic private sector has remained strong

During the quarter, order inflow stood at INR873b and was up 14% YoY. Domestic order inflows contributed 46% of total order inflows and were supported by strong inflows across metals and mining and residential and commercial buildings. In the last few quarters, domestic ordering was also supported by thermal power projects. Within the prospect pipeline, nearly 50% comes from domestic projects, in which the share of private sector prospects is around 45%, thereby offsetting any weakness from government projects. International order inflows formed 54% of total order inflows in 1QFY27 despite weak ordering from the Middle East and were boosted by ultra-mega projects in offshore wind from Europe. This geographical diversification has helped the company mitigate weakness in order inflows from domestic government projects or international projects from the Middle East.

International prospect pipeline remains healthy

Order inflows from international business grew 28% YoY to ~INR473b, while revenue declined 2% YoY. LT continues to see a healthy outlook across international markets despite ongoing geopolitical uncertainties, with the 9MFY27 international prospect pipeline at ~INR7.6t. The Middle East continues to offer healthy hydrocarbon and renewable opportunities, with tendering and project awards expected to improve from 2QFY27. Existing projects remain largely unaffected as 70-80% of hydrocarbon projects are still in the engineering and procurement phase, while only peak construction projects are facing logistics disruptions, with execution plans and costs reviewed monthly with customers. In Europe, cumulative 8GW of offshore wind projects have been secured under the TenneT North Sea HVDC program (worth ~INR570-600b), which will be executed over 4-5 years. The company continues to pursue additional opportunities across Europe, the UK and other global markets.

Execution delays weigh on margins, though outlook remains intact

Group EBITDA margin declined to 9.0% from 9.9% YoY, while PP&M EBITDA margin (excl. realty) fell to 7.0% (vs. FY27 guidance of ~7.8%) due to lower execution, INR2.5b of higher ECL provisions (primarily in the water business) and adverse forex movement in IT business. 50% of the current order book is fixed price in nature. Current margins fully reflect costs incurred and estimated future completion costs, while any additional logistics or supply-chain costs are recognized only after formal

customer agreement. LT defers non-critical procurement until reimbursement is agreed upon, and hence does not expect any structural margin erosion.

Guidance maintained

LT maintained its FY27 guidance across all key metrics, targeting 10-12% YoY order inflow growth, 10-12% revenue growth, 7.8% core E&C EBITDA margin (excluding realty), and ~10% working capital-to-sales. While acknowledging near-term execution challenges from the Middle East conflict, the company expects tendering and project awards to pick up from 2QFY27.

Financial outlook

We tweak our estimates slightly to bake in 1QFY27 performance. We expect core E&C order inflow/revenue/EBITDA/PAT to clock a CAGR of 10%/17%/19%/19% over FY26-29.

Valuations and view

At the current price, for core E&C, LT is trading at 31x/28x/22x P/E on FY27/28/29E earnings. We arrive at a revised SoTP-based TP of INR4,550 (INR4,500 earlier), based on 25x on Sep'28E earnings for core business and a 25% holding company discount to subsidiaries. Adjusted with subsidiary valuations, the stock trades at 22x P/E Mar'28E for core E&C.

Key risks and concerns

A slowdown in order inflows, delays in the completion of mega and ultra-mega projects, a sharp rise in commodity prices, an increase in working capital, and increased competition are a few downside risks to our estimates.

Consolidated - Quarterly Earning Model

(INR b)

Y/E March - INR b	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	637	680	714	828	679	747	801	931	2,859	3,158	643	6
YoY Change (%)	15.5	10.4	10.5	11.3	6.7	9.8	12.2	12.4	11.8	10.5	1.0	
Total Expenditure	574	612	640	742	618	673	722	823	2,567	2,836	581	
EBITDA	63	68	74	86	61	73	80	107	292	321	62	-2
YoY Change (%)	12.5	7.0	18.6	5.0	-3.2	7.7	7.4	24.5	10.3	10.2	-1.1	
Margins (%)	9.9	10.0	10.4	10.4	9.0	9.8	9.9	11.5	10.2	10.2	9.7	
Depreciation	10	11	11	12	10	10	10	10	44	41	10	4
Interest	8	8	6	7	5	5	5	5	28	20	4	23
Other Income	14	14	14	16	24	10	8	8	58	49	10	141
PBT before EO expense	59	63	72	83	69	68	72	100	277	309	58	19
Extra-Ord expense	-	-	13	-1	-	-9	-	-	13	-9	-9	
PBT	59	63	58	84	69	78	72	100	264	319	67	3
Tax	15	16	20	21	19	17	19	24	73	80	15	
Rate (%)	26.2	26.0	34.2	24.9	28.0	22.5	26.0	24.1	27.5	25.0	22.0	
MI & P/L of Asso. Cos.	7	8	6	10	9	7	7	6	31	29	7	
Reported PAT	36	39	32	53	41	53	46	70	161	210	45	-9
Adj PAT	36	39	41	54	41	46	46	71	170	203	38	7
YoY Change (%)	29.8	15.6	22.1	4.5	14.0	16.7	11.7	31.4	15.9	19.6	6.0	
Margins (%)	5.7	5.8	5.7	6.5	6.1	6.1	5.7	7.6	5.9	6.4	6.0	

Y/E March - INR b	FY26				FY27E				FY26	FY27E	YoY (%)	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	1QE	Var (%)
Segmental revenue													
Consolidated (ex-services)	458	490	523	628	472	550	598	725	2,100	2,346	2.9	456	4
Infrastructure Projects	288	318	337	397	275	347	398	480	1,339	1,500	-4.5	303	-9
Energy Projects	125	131	127	166	142	150	145	193	549	630	14.2	106	35
Hi-Tech Manufacturing	32	28	33	49	35	29	28	12	141	104	9.3	26	37
Others	14	14	26	17	20	25	27	41	71	112	41.3	21	-7
IT & Technology Services	126	133	135	141	146	149	151	157	535	603	15.8	142	3
Financial Services	40	42	45	47	50	48	51	49	173	199	27.0	46	10
Development Projects	12	15	12	12	11	0	0	0	51	11	-13.5		
Total Revenues	637	680	714	828	679	747	801	931	2,859	3,158	6.7	643	6
Net reported revenue	637	680	714	828	679	747	801	931	2,859	3,158	6.7	643	6
Segmental EBITDA													
Consolidated (ex-services)	35	38	43	59	36	42	47	71	175	196	2.6	33	8
Infrastructure Projects	16	20	21	35	15	21	25	43	92	103	-11.5	17	-13
Energy Projects	9	10	8	11	11	10	10	12	37	42	18.9	7	62
Hi-Tech Manufacturing	5	4	6	9	7	4	4	2	24	17	39.9	4	75
Others	5	4	9	5	4	7	8	15	22	34	-18.8	6	-37
IT & Technology Services	25	27	27	26	28	29	31	30	104	117	14.0	26	6
Financial Services	10	10	11	11	13	12	13	11	42	49	32.1	11	16
Development Projects	2	2	2	2	1	0	0	0	9	1	-42.7		
Total EBITDA	72	77	82	99	78	83	90	112	330	364	9.2	71	10
Less: Implied eliminations	-8	-9	-8	-13	-17	-10	-11	-5	-39	-42		-8	
Net reported EBITDA	63	68	74	86	61	73	80	107	292	321	-3.2	62	-2
EBITDA margin (%)													
Consolidated (ex-services)	7.6	7.8	8.1	9.4	7.6	7.7	7.8	9.8	8.3	8.4	0bp	7.3	33 bp
Infrastructure Projects	5.7	6.3	6.1	8.8	5.3	6.0	6.3	8.9	6.9	6.9	-40bp	5.5	-22 bp
Energy Projects	7.3	7.3	5.9	6.5	7.6	6.7	6.7	6.1	6.7	6.7	30bp	6.3	130 bp
Hi-Tech Manufacturing	15.1	14.7	18.3	17.9	19.3	15.0	15.0	17.1	16.7	16.7	420bp	15.1	423 bp
Others	32.9	31.3	32.8	27.7	18.9	29.0	29.0	36.6	31.3	30.0	-1400bp	28.0	-908
IT & Technology Services	19.5	20.2	19.7	18.6	19.2	19.5	20.3	19.0	19.5	19.5	-30bp	18.6	60 bp
Financial Services	24.8	25.0	24.1	24.4	25.8	24.5	24.5	23.4	24.6	24.6	100bp	24.5	130 bp
Development Projects	17.8	10.9	20.6	20.6					17.0				0 bp
Total EBITDA margin (%)	11.2	11.3	11.5	12.0	11.5	11.1	11.3	12.1	11.5	11.5	30bp	11.0	51 bp
Net reported EBITDA margin	9.9	10.0	10.4	10.4	9.0	9.8	9.9	11.5	10.2	10.2	-90bp	9.7	-71 bp
Order inflow	766	968	1,164	699	873	930	1,069	942	3,597	3,814	13.9	686	27
Order book	6,129	6,672	7,333	7,406	7,828	8,208	8,679	8,896	7,406	8,875	27.7	7,637	3

Please note that we have taken certain assumptions in Hi-tech Manufacturing and Other segments as the reporting format of LT was changed in the current quarter.

Hindustan Unilever

Estimate changes



TP change



Rating change



Bloomberg	HUVR IN
Equity Shares (m)	2350
M.Cap.(INRb)/(USDb)	4752.5 / 49.6
52-Week Range (INR)	2737 / 2016
1, 6, 12 Rel. Per (%)	-7/-10/-14
12M Avg Val (INR M)	4302

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	644.7	706.2	763.7
Sales Gr. (%)	5.1	9.5	8.1
EBITDA	151.7	164.2	180.8
EBITDA mrg. (%)	23.5	23.3	23.7
Adj. PAT	103.6	114.9	127.3
Adj. EPS (INR)	44.1	48.9	54.2
EPS Gr. (%)	-0.4	10.9	10.8
BV/Sh.(INR)	207.4	212.3	219.5

Ratios

RoE (%)	21.1	23.3	25.1
RoCE (%)	29.6	31.9	34.3
Payout (%)	93.0	90.0	86.7

Valuations

P/E (x)	45.8	41.3	37.3
P/BV (x)	9.7	9.5	9.2
EV/EBITDA (x)	31.1	28.7	25.9
Div. Yield (%)	2.0	2.2	2.3

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	61.9	61.9	61.9
DII	17.0	16.4	16.1
FII	9.5	10.1	10.2
Others	11.6	11.6	11.9

FII includes depository receipts

CMP: INR2,023
TP: INR2,500 (+24%)
Buy

Healthy revenue; home care margins under pressure

- Hindustan Unilever (HUVR) registered consolidated revenue growth of 10% (adjusted for the ice-cream demerger) to INR171.8b (est. INR170.2b). HUL clocked healthy double-digit revenue growth after 12 quarters of single-digit growth. Underlying volume growth stood at 5% YoY (est.6%, 6% in 4QFY26), partially impacted by softer volumes in Tea and Soaps, while the rest of the portfolio witnessed an acceleration in volume growth.
- Home Care revenue rose 13% YoY on high-single-digit UVG. However, EBIT remained flat, resulting in a 220bp YoY margin contraction to 17.3% (the lowest in 15 quarters) amid elevated raw material inflation. Beauty & Wellbeing delivered 12% revenue growth and 13% EBIT growth; Personal Care reported 3% revenue growth and 9% EBIT growth; and Food & Refreshment posted 7% revenue growth and 14% EBIT growth.
- Gross margin remained under pressure, contracting 80bp YoY to 49.5% (vs est. 50.5%, 50.3% in 4QFY26). Ongoing geopolitical uncertainties have led to 10% RM inflation. HUL has taken ~5% cumulative price hike in 1QFY27 and indicated that it will implement further calibrated pricing actions if commodity inflation persists. EBITDA margin contracted 30bp YoY to 22.8% (est. 23.2%). Management reiterates its medium-term EBITDA margin guidance range of 22.5-23.5%.
- HUVR continues to remain focused on driving volume-led revenue growth. Despite concerns around rising crude prices and macro volatility, HUL believes it is well-positioned to navigate the environment through commodity hedges, accelerated cost-saving initiatives, portfolio transformation strategies, and strengthening omnichannel capabilities. Management remains optimistic about delivering better performance in FY27 vs FY26. We reiterate our BUY rating on the stock with a TP of INR2,500 (45x on Mar'28E EPS).

In-line show at 5%; flat home care EBIT

- Double-digit revenue growth post 12 quarters, UVG at 5%:** Net sales grew 10% YoY to INR171.8b (est. INR170.2.6b), adjusted for the ice cream demerger. Underlying volume growth stood at 5% YoY (est. 6% and 6% in 4QFY26/+4% in 1QFY26).
- Home Care delivered high-single-digit volume growth**, with revenue growing 13% YoY to INR65.5b. Fabric Wash and Household Care delivered double-digit growth. Liquid portfolio accelerated its robust double-digit growth trajectory, while powders and bars also sustained their strong momentum. EBIT was flat YoY, while margin contracted 220bp YoY to 17.3%.
- Beauty & Wellbeing witnessed high-single-digit volume growth**, with revenue increasing 12% to INR40.8b (consol.). Hair Care reported strong double-digit growth. In Skin Care and Colour Cosmetics, strong performance in the premium portfolio was offset by subdued performance in mass skin care. EBIT grew 13% and margin expanded 10bp YoY to 27.6%.

- **Personal Care UVG declined to low single digits**, with consol. sales growing 3% YoY to INR26.2b. Skin Cleansing delivered mid-single-digit growth, driven by pricing actions amid continued palm oil inflation, while Premium Soaps and Bodywash posted double-digit competitive growth. Oral Care reported mid-single-digit growth. Personal Care EBIT grew 9% and margin expanded 100bp YoY to 19.7%.
- **Food & Refreshment (F&R) delivered mid-single-digit UVG**, with consol. sales growing 7% to INR34.8b. Premium Tea reported low-single-digit UVG. Coffee continued its strong double-digit growth momentum, supported by volume. Lifestyle Nutrition achieved double-digit growth. Packaged Foods reported high-single-digit growth. The Food & Refreshment segment's EBIT grew 14% YoY and margin expanded 120bp YoY to 20% (LFL basis).
- **EBITDA growth at 8% YoY**: Gross margin for the quarter contracted 80bp YoY to 49.5% (est. 50.5%). Employee expenses grew 12% YoY, other expenses rose 11% YoY, and ad spends rose 4% YoY. EBITDA margin contracted 30bp YoY to 22.8% (est. 23.2%). EBITDA grew 8% YoY at INR39.5b (est. INR40b – adjusted for the ice-cream demerger). PBT grew 9% YoY to INR37.1b (est. INR37.2b), while PAT (bei) grew 8% YoY to INR27.3b (est. INR27.8b).

Management conference call highlights

- The company expects FY27 to be better than FY26, supported by stable demand, portfolio transformation, market development, and channel expansion, while remaining watchful of global uncertainties and the monsoon.
- Quick Commerce continues to grow 40–50% despite increased competition from new entrants. Growth is being driven by better availability, channel-specific assortments, price pack architecture, stronger platform partnerships, and data-led execution.
- The soaps category remains under pressure due to two consecutive years of palm oil inflation, resulting in pricing-led growth for the category.
- Health & Wellbeing remained soft due to the OZiva transition, although the company continues to invest in new offerings and remains confident of its long-term growth potential.

Valuation and view

- We largely maintain our EPS estimates for FY27 and FY28.
- HUVR remains focused on topline growth, backed by volume acceleration alongside new launches across categories and channels. The company has unveiled its 'Unified India' strategy to streamline the organizational structure, accelerating decision-making and execution.
- HUVR continues to remain focused on driving volume-led revenue growth, even if it comes at the expense of near-term margins. Despite concerns around rising crude prices and macro volatility, HUL believes it is well positioned to navigate the environment through commodity hedges, accelerated cost-saving initiatives, portfolio transformation strategies, and strengthening omnichannel capabilities. Further, the company announced INR20b of capex toward premium and high-growth categories and remains optimistic about delivering better performance in FY27 vs FY26. We reiterate our BUY rating on the stock with a TP of INR2,500 (45x on Mar'28E EPS).

Quarterly performance (Consolidated)

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Domestic volume growth (%)	4.0	0.0	4.0	6.0	5.0	6.0	6.0	7.0	4.0	6.0	6.0	
Net sales	155,790	157,420	162,350	162,070	171,840	173,259	176,907	176,806	644,680	706,214	170,199	
YoY change (%)	5.2	2.1	5.7	8.2	10.3	10.1	9.0	9.1	5.1	9.5	9.2	
Total sales (Inc. Other Oper.inc.)	157,570	159,190	164,410	163,510	173,410	175,113	179,028	178,663	644,680	706,214	172,147	0.7
YoY change (%)	5.1	2.0	5.7	7.6	10.1	10.0	8.9	9.3	5.1	9.5	9.3	
COGS	78,290	77,140	79,910	81,310	87,530	86,856	87,187	88,003	316,650	349,576	85,213	
Gross Profit	79,280	82,050	84,500	82,200	85,880	88,257	91,842	90,660	328,030	356,638	86,934	-1.2
Margin %	50.3	51.5	51.4	50.3	49.5	50.4	51.3	50.7	50.9	50.5	50.5	
Operating Exp	42,880	44,200	45,490	43,790	46,410	47,391	49,724	48,869	176,360	1,92,394	47,066	
% to sales	27.2	27.8	27.7	26.8	26.8	27.1	27.8	27.4	27.4	27.2	27.3	
EBITDA	36,400	37,850	39,010	38,410	39,470	40,866	42,117	41,791	151,670	164,245	39,869	-1.0
YoY change (%)	-0.7	-1.7	5.7	6.1	8.4	8.0	8.0	8.8	3.1	8.3	9.5	
Margins (%)	23.1	23.8	23.7	23.5	22.8	23.3	23.5	23.4	23.5	23.3	23.2	
Depreciation	3,260	3,220	3,370	3,480	3,530	3,600	3,600	3,666	13,330	14,396	3,550	
Interest	1,170	1,290	880	760	750	1,050	1,050	1,455	4,100	4,305	1,100	
Other income	2,010	1,470	1,390	2,640	1,880	2,000	2,000	2,381	7,510	8,261	2,000	
PBT	33,980	34,810	36,150	36,810	37,070	38,216	39,467	39,051	141,750	153,804	37,219	-0.4
Tax	5,260	9,110	8,010	9,220	9,520	9,554	9,867	9,772	31,600	38,713	9,379	
Rate (%)	16.1	24.6	27.4	23.5	25.7	25.0	25.0	25.0	22.9	0.0	25.2	
PAT bei	25,265	24,986	26,219	27,110	27,310	28,612	29,551	29,259	103,646	114,902	27,790	-1.7
YoY change (%)	-4.5	-4.0	0.3	5.2	8.1	14.5	12.7	7.9	-0.4	10.9	10.0	
Extraordinary Inc/(Exp)	-2,285	-2,784	4,999	-2,890	580	0	0	0	-2,684	0	0	
Reported Profit	27,550	27,770	21,220	30,000	26,730	28,612	29,551	29,259	106,330	114,902	27,790	-3.8

E: MOFSL Estimates

Varun Beverages

Estimate change	↔
TP change	↓
Rating change	↔

CMP: INR430 TP: INR560 (+30%) Buy

Healthy volume growth drives performance

Earnings below our estimates

- Varun Beverages (VBL) posted a healthy quarter with ~20% YoY volume growth, led by ~14% in India and ~38% in international geography. Further, net realization per case improved 1.2% at the consolidated level, fueled by realization growth in international territories
- Going forward, VBL is expected to deliver healthy performance, driven by capacity expansion, a strong distribution reach, and continued expansion of its beverage portfolio. Additionally, the ramp-up of international operations, recovery in Zimbabwe, and expansion of the snacks business are expected to support revenue growth and margins.
- We largely maintain our CY26/CY27 earnings estimates and **reiterate our BUY rating with a TP of INR560 (based on 45x CY27E EPS, ie. 10% discount to one-year forward five-year average P/E).**

Subsidiaries emerge as key growth drivers

- Consol. revenue grew 21% YoY to INR84.5b (est. in line), driven by a 20% YoY growth in volume to 467m cases and an improvement in realization per case by 1.2% to INR175. Sales volumes in India/International grew 14.4%/38.4% YoY.
- EBITDA margin contracted ~80bp YoY to 27.7% (est. 28.5%). EBITDA per case declined 2% YoY to INR50.2. EBITDA grew 17% YoY to ~INR23.4b (est. INR24.6b).
- Depreciation increased by 33.6%, driven by the commissioning of new plants in India last year, which were not present in the base quarter, alongside the acquisition of Twizza in South Africa. Further, finance cost increased by 55.8% on account of the acquisition of Twizza in South Africa in the current quarter.
- In 1HCY26, Revenue/EBITDA/Adj PAT grew 19%/19%/18% to INR150b/INR39b/INR24b. In 1HCY26, consolidated sales volume grew 18% YoY.
- India business revenue/EBITDA/adj. PAT grew 13%/14%/14% to INR59b/INR18b/INR13b in 2QCY26. Sales volume in India business grew 14.4% YoY. EBITDA per case stood flat at INR54.
- The International business (consolidated minus standalone) revenue/EBITDA/adj. PAT jumped 43%/30%/25% YoY to INR26.5b/INR4.6b/INR1.9b in 2QCY26. Sales volume in the international business grew 38.4% YoY. EBITDA per case declined 6% to INR39.
- For 1HCY26, consolidated/standalone/subsidiary business volumes grew 18%/14%/30% YoY. India business EBITDA per case stood flat YoY. Further, international business EBITDA per case stood at 3.5% YoY.
- Overall business CSD/Juice/Water mix stood at 75%/7%/18% in 2QCY26.
- Gross debt stood at INR29.4b as against INR20.2b as of Mar'26. Further, CFO stood at INR25.4b as against INR19.9b as of Mar'26

Bloomberg	VBL IN
Equity Shares (m)	3382
M.Cap.(INRb)/(USDb)	1454.5 / 15.2
52-Week Range (INR)	556 / 381
1, 6, 12 Rel. Per (%)	-15/-3/-9
12M Avg Val (INR M)	3117

Financials & Valuations (INR b)

Y/E Dec	2025	2026E	2027E
Sales	216.9	255.7	287.5
EBITDA	50.6	59.6	67.3
Adj. PAT	30.5	34.8	42.0
EBITDA (%)	23.3	23.3	23.4
EPS (INR)	9.0	10.3	12.4
EPS Gr. (%)	17.4	14.3	20.6
BV/Sh. (INR)	57.9	65.7	75.6

Ratios

Net D/E	0.0	-0.0	-0.2
RoE (%)	16.8	16.7	17.6
RoCE (%)	15.8	16.3	17.2
Payout (%)	27.9	24.3	20.1

Valuations

P/E (x)	47.7	41.8	34.6
EV/EBITDA (x)	28.8	24.3	21.0
Div Yield (%)	0.6	0.6	0.6
FCF Yield (%)	0.5	1.3	2.9

Shareholding pattern (%)

	Jun-26	Mar-26	Jun-25
Promoter	59.4	59.4	59.8
DII	15.2	14.4	10.5
FII	19.0	19.5	21.9
Others	6.3	6.7	7.8

Note: FII includes depository receipts

Highlights from the management commentary

- **Product diversification:** Juice, value-added dairy (VAD), and hydration remain the key focus points for VBL. During 2QCY26, the Nimbooz and VAD portfolios delivered robust growth of ~30% and ~40% YoY, respectively. Further, VBL's energy portfolio witnessed a temporary slowdown in June–July due to regulatory changes around the use of the term 'energy'. However, management indicated that the impact was short-lived, with volumes initially shifting to CSDs and subsequently recovering following updated product labels and regulatory clarity.
- **CALPIS:** VBL has entered into a strategic alliance with Asahi Group Holdings to introduce the Japanese 'CALPIS' brand in India, marking its entry into the value-added fermented dairy beverage segment. VBL is planning an initial launch with Original and Mango variants across concentrate and ready-to-drink (RTD) formats.
- **Input sourcing:** Early stocking of key raw materials (RM) and savings in sugar consumption (no sugar/low sugar portfolio at 73% of total volumes) helped in maintaining gross margins during 2QCY26 despite the high inflationary environment. Management indicated that RM requirements for 3QCY26 have largely been secured, with average prices expected to mitigate input cost volatility and keep overall margins broadly stable.

Valuation and view

- We expect VBL to deliver healthy performance due to: 1) a scale-up in the international market, driven by all geographies; 2) strengthening distribution network domestically and globally; 3) scale-up of the snacking business, backed by the operationalization of the Morocco and Zimbabwe markets in 2HCY25; and 4) an expanding product portfolio (recently entered into a franchise agreement with Calpis in Jun'26).
- We expect a CAGR of 15%/15%/17% in revenue/EBITDA/PAT over CY25-27. We largely maintain our CY26/CY27E earnings estimates and **reiterate our BUY rating on the stock with a TP of INR560 (based on 45x CY27E EPS, ie. 10% discount to the one-year forward five-year average P/E).**

Consolidated - Quarterly Earning Model

Y/E December	CY25				CY26E				CY25	CY26E	CY26E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2Q	
Net Sales	55,669	70,174	48,967	42,044	65,742	84,512	53,087	52,361	2,16,854	2,55,702	86,310	-2
YoY Change (%)	28.9	-2.5	1.9	14.0	18.1	20.4	8.4	24.5	8.4	17.9	23.0	
Total Expenditure	43,030	50,186	37,493	35,512	50,453	61,082	40,611	43,983	1,66,220	1,96,129	61,726	
EBITDA	12,640	19,988	11,474	6,533	15,289	23,430	12,475	8,378	50,634	59,573	24,584	-5
Margins (%)	22.7	28.5	23.4	15.5	23.3	27.7	23.5	16.0	23.3	23.3	28.5	
Depreciation	2,725	3,062	3,076	3,302	3,568	4,090	4,100	4,100	12,165	15,858	3,700	
Interest	411	365	452	467	485	569	450	400	1,696	1,904	400	
Other Income	281	772	1,464	991	435	1,044	1,200	571	3,507	3,250	500	
PBT before EO expense	9,784	17,332	9,410	3,755	11,671	19,815	9,125	4,449	40,281	45,060	20,984	
Extra-Ord expense	0	0	0	140	0	0	0	0	140	0	0	
PBT	9,784	17,332	9,410	3,615	11,671	19,815	9,125	4,449	40,141	45,060	20,984	-6
Tax	2,465	4,066	1,957	989	2,845	4,518	1,780	770	9,476	9,913	4,518	
Rate (%)	25.2	23.5	20.8	27.4	24.4	22.8	19.5	17.3	23.6	22.0	22	
Minority Interest & P/L of Asso. Cos.	54	97	57	108	103	88	44	90	316	326	93	
Reported PAT	7,265	13,170	7,396	2,518	8,724	15,208	7,302	3,588	30,349	34,821	16,372	
Adj PAT	7,265	13,170	7,396	2,658	8,724	15,208	7,302	3,588	30,489	34,821	16,372	-7
YoY Change (%)	35.2	5.1	19.4	43.6	20.1	15.5	-1.3	35.0	17.5	14.2	24.3	
Margins (%)	13.1	18.8	15.1	6.3	13.3	18.0	13.8	6.9	14.1	13.6	19.0	

Cholamandalam Inv. & Finance

Estimate change



TP change



Rating change



Bloomberg	CIFC IN
Equity Shares (m)	844
M.Cap.(INRb)/(USDb)	1497.2 / 15.6
52-Week Range (INR)	1875 / 1299
1, 6, 12 Rel. Per (%)	-2/12/20
12M Avg Val (INR M)	2923

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	170.7	213.9	252.4
PPP	105.0	133.7	157.6
PAT	52.2	71.7	84.1
EPS (INR)	61.2	83.7	98.1
EPS Gr. (%)	21	37	17
BV (INR)	357	444	539

Ratios

NIM (%)	7.0	7.3	7.1
C/I ratio (%)	38.5	37.5	37.6
RoAA (%)	2.3	2.7	2.7
RoE (%)	19.3	21.0	20.0
Payout (%)	3.3	2.6	2.4

Valuations

P/E (x)	28.6	20.9	17.9
P/BV (x)	4.9	3.9	3.2
Div. Yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	49.2	49.3	49.9
DII	20.6	19.9	16.1
FII	24.5	24.9	28.0
Others	5.7	6.0	6.1

FII includes depository receipts

CMP: INR1,753
TP: INR2,140 (+22%)
Buy

Healthy start to the fiscal year indicates strong profitability in FY27

Business AUM rises ~22% YoY; seasonal deterioration in asset quality

- Cholamandalam Inv. & Finance's (CIFC) 1QFY27 PAT grew ~46% YoY to INR16.5b (~14% beat). NII in 1QFY27 grew ~27% YoY to ~INR40.4b (in line). Other income grew ~31% YoY to ~INR8.9b. Opex rose ~23% YoY to ~INR17.9b (in line), and the cost-to-income ratio declined ~140bp QoQ to ~36.3% (PQ: 37.7% and PY: 37.6%).
- PPop grew ~30% YoY to INR31.4b (~7% beat). Credit costs in 1QFY27 stood at ~INR9.2b (~8% lower than MOFSLe). This translated into annualized credit costs of ~160bp (PY: 185bp and PQ: 155bp).
- CIFC remains confident of sustaining its growth momentum, with management reiterating its FY27 loan growth guidance of ~20-23%. Growth is expected to be driven by continued traction across VF, MSME, consumer finance, and gold loans, supported by healthy demand, deeper market penetration, and incremental market share gains.
- The company is witnessing strong customer acquisition in MSME and consumer businesses, while the gold loan segment is gaining scale through branch expansion and improving productivity. Management also sees potential to leverage its expanding customer base for cross-selling opportunities over time, providing additional growth avenues.
- CIFC attributed the sequential increase in GNPA during 1QFY27 to normal seasonal trends, rather than any underlying portfolio stress. The company has not witnessed any adverse impact from monsoon conditions or external geopolitical conditions, and it remains positive on credit cost trends. However, given the macroeconomic uncertainties, management retained its FY27 credit cost guidance of ~1.5%, with scope for moderation in the coming quarters.
- CIFC is well positioned to sustain its growth trajectory, driven by a strong franchise, diversified product portfolio, and expanding customer reach. The company's focus on scaling newer growth engines such as gold loans, while deepening its presence across core segments, provides multiple avenues for sustained expansion. Healthy profitability, supported by operating leverage and benign credit trends, coupled with a strong capital position, should enable CIFC to capitalize on the favorable lending environment while maintaining a disciplined risk framework.
- We increase our FY27/FY28 estimates by 9%/4% to factor in lower credit costs and higher other income. The stock currently trades at ~3.9x FY27 P/B. We model a CAGR of ~20%/~21%/~27% in disbursement/AUM/PAT over FY26-28E. We estimate an RoA/RoE of ~2.7%/20% in FY28E. **We reiterate our BUY rating with a TP of INR2,140 (premised on 4x Mar'28E BVPS).**

AUM up ~22% YoY; new business lines contribute ~22% to the disbursement mix

- Business AUM grew 22% YoY to INR2.34t. Total disbursements grew ~22% YoY and declined ~10% QoQ to ~INR296b. The newer lines of business contributed ~22% to the disbursement mix (PQ: ~21% and PY: ~17%). VF disbursements grew ~21% YoY.

- The company plans to open 360 gold loan branches during FY27 to support business expansion. We expect CIFIC to deliver a disbursement/AUM CAGR of ~20%/~21% over FY26-28.

Seasonal deterioration in asset quality; 30+ dpd rises ~50bp QoQ

- GS3/NS3 increased 25bp/15bp QoQ to 3.3%/1.8%, while PCR on S3 declined ~1.6pp QoQ to ~45.7%. ECL/EAD increased ~5bp QoQ to 2.04% (PQ: ~1.97%).
- Stage 2 + Stage 3 [30+ dpd] increased ~50bp QoQ to ~6%. In 1QFY27, write-offs stood at ~INR5.9b, translating into ~1.2% of TTM AUM (PY: ~1.3% and PQ: ~1.5%). Net slippages increased to ~INR13.9b, amounting to 2.6% (PY: ~3% and PQ: 0.9%).
- The ~INR2b management overlay remains intact and will be reviewed at the end of FY27. We estimate CIFIC's credit costs (as a % of average assets) at ~1.4% in FY27/FY28.

NIM to expand due to improvement bias on yields and stable CoF

- NIM (calc.) improved ~10bp QoQ to ~7.1%. Management expects the cost of funds to remain broadly stable in FY27, with any increase limited to ~5-10bp, as lower funding costs in 1HFY27 are expected to offset a potential increase in borrowing costs in 2HFY27. The company expects NIM improvement to be driven by a better funding mix, including continued access to bank funding, while maintaining discipline on lending yields.
- We model NIMs of 7.3%/7.1% for FY27E/ FY28E.

Key highlights from the management commentary

- Gold loan branches continue to scale well, with average branch AUM reaching INR120-150m, and management expects all new branches opened during the year to become profitable by next year. Gold loan yields are expected to remain in the 16-17% range.
- Of the ~INR20b compulsory convertible debentures (CCD) issuance, INR13.7b was converted into equity during FY26, followed by a further INR2b conversion in Jul'26. The remaining CCD of ~INR4.3b is scheduled for conversion into equity in Oct'26, which will further strengthen the company's capital base.

Valuation and View

- CIFIC delivered a strong operating performance, supported by healthy disbursement momentum, ~22% YoY AUM growth, and steady margins. While asset quality witnessed some sequential deterioration, management attributed it to normal seasonal trends rather than any underlying portfolio stress and remains confident of asset quality improvement going forward.
- The stock currently trades at ~3.9x FY27 P/B. We model a CAGR of 20%/21%/27% in disbursement/AUM/PAT over FY26-28E. We estimate an RoA/RoE of ~2.7%/20% in FY28E. **We reiterate our BUY rating with a TP of INR2,140 (premised on 4x Mar'28E BVPS).**

Quarterly Performance

(INR M)

Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	66,501	68,942	72,238	76,046	80,399	83,696	87,713	92,617	2,83,726	3,44,424	79,544	1
Interest Expenses	34,663	35,155	36,430	37,494	40,031	41,713	43,340	45,390	1,43,742	1,70,474	39,556	1
Net Interest Income	31,838	33,787	35,808	38,551	40,368	41,983	44,373	47,226	1,39,984	1,73,951	39,987	1
YoY Growth (%)	23.70	24.5	24.0	26.2	26.79	24.3	23.9	22.5	24.6	24.3	25.6	
Other Income	6,807	6,959	7,616	9,340	8,930	9,477	10,290	11,214	30,722	39,912	7,671	16
Total Income	38,645	40,746	43,423	47,892	49,298	51,460	54,664	58,441	1,70,706	2,13,863	47,658	3
YoY Growth (%)	27.4	25.9	22.6	27.4	27.6	26.3	25.9	22.0	25.8	25.3	23.3	
Operating Expenses	14,528	16,169	16,991	18,054	17,875	19,564	20,475	22,270	65,742	80,184	18,160	-2
Operating Profit	24,117	24,578	26,432	29,838	31,423	31,896	34,189	36,171	1,04,965	1,33,679	29,498	7
YoY Growth (%)	30.4	27.9	24.2	28.0	30.3	29.8	29.3	21.2	27.5	27.4	22.3	
Provisions & Loan Losses	8,821	8,970	9,103	8,464	9,219	9,500	9,700	9,218	35,358	37,636	10,000	-8
Profit before Tax	15,296	15,608	17,329	21,374	22,205	22,396	24,489	26,953	69,607	96,043	19,498	14
Tax Provisions	3,937	4,054	4,452	4,967	5,669	5,711	6,171	6,748	17,411	24,299	4,972	14
Net Profit	11,359	11,553	12,877	16,407	16,536	16,685	18,318	20,205	52,196	71,744	14,526	14
YoY Growth (%)	20.6	20.0	18.5	29.5	45.6	44.4	42.3	23.1	22.6	37.5	27.9	
Key Parameters (Calc., %)												
Yield on loans	14.40	14.45	14.49	14.40	14.5	14.5	14.6	14.6	14.2	14.4		
Cost of funds	7.78	7.63	7.56	7.34	7.4	7.5	7.5	7.5	7.5	7.5		
Spread	6.6	6.8	6.9	7.1	7.1	7.1	7.1	7.1	6.8	6.9		
NIM	6.76	6.91	6.99	7.09	7.05	7.04	7.10	7.15	7.0	7.3		
C/I ratio	37.6	39.7	39.1	37.7	36.3	38.0	37.5	38.1	38.5	37.5		
Credit cost	1.87	1.83	1.78	1.56	1.61	1.59	1.55	1.40	1.7	1.5		
Tax rate	25.7	26.0	25.7	23.2	25.5	25.5	25.2	25.0	25.0	25.3		
Balance Sheet Parameters												
Disbursements (INR b)	243	244	300	329	296	313	345	386	1,116	1,340		
Growth (%)	0.0	0.5	16.1	24.6	21.7	28.0	15.0	17.3	10.7	20.0		
AUM (INR b)	1,921	1,992	2,107	2,243	2,336	2,436	2,561	2,720	2,243	2,720		
Growth (%)	23.6	21.0	20.7	21.4	21.6	22.3	21.6	21.3	21.4	21.3		
AUM mix (%)												
Vehicle finance	54.5	54.0	53.6	53.3	53.1	52.6	52.6	51.4	53.3	51.4		
Home Equity	22.9	23.2	23.3	23.3	23.2	24.1	24.3	24.2	23.3	24.2		
Home loans & Others	22.6	22.7	23.1	23.4	23.7	23.3	23.1	24.4	13.3	14.2		
Borrowings (INR b)	1,813	1,875	1,978	2,109	2,202	2,266	2,357	2,462	2,109	2,462		
Growth (%)	20.9	18.8	18.4	20.5	21.5	20.8	19.1	16.7	20.5	16.7		
Asset Quality Parameters												
GS 3 (INR B)	60.4	66.3	70.1	67.7	75.7				67.7	81.6		
GS 3 (%)	3.16	3.4	3.4	3.1	3.29				3.0	3.0		
NS 3 (INR B)	34.0	37.6	40.0	35.7	41.1				35.7	45.7		
NS 3 (%)	1.81	1.9	2.0	1.6	1.82				1.9	1.8		
PCR (%)	43.7	43.2	43.0	47.3	45.7				47.3	44.0		
Vehicle finance AUM mix (%)												
LCV	19.2	19.3	18.7	18.5	18.5				19.8	19.2		
Cars & MUV	24.5	24.8	25.3	25.5	26.1				23.1	23.7		
3W & SCV	3.5	3.5	3.5	3.4	3.4				3.6	3.6		
Used CV	27.6	27.6	27.2	27.0	26.4				27.6	27.6		
Tractor	5.3	5.1	5.0	4.7	4.5				6.2	6.0		
HCV	6.7	6.7	6.9	7.3	7.3				6.6	6.6		
CE	6.3	6.1	6.2	6.3	6.2				6.3	6.4		
Two wheeler	6.8	6.9	7.3	7.4	7.6				6.7	6.8		

E: MOFSL estimates

Tata Capital

Estimate change 

TP change 

Rating change 

Bloomberg	TATACAP IN
Equity Shares (m)	4245
M.Cap.(INRb)/(USDb)	1506.7 / 15.7
52-Week Range (INR)	380 / 296
1, 6, 12 Rel. Per (%)	-2/10/-
12M Avg Val (INR M)	1432

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	126.7	156.0	198.2
PPP	96.2	123.0	159.8
PAT	48.9	67.4	89.5
EPS (INR)	11.6	16.0	21.2
EPS Gr. (%)	19	38	33
BV/Sh. (INR)	109	125	147

Ratios (%)

NIM	5.2	5.2	5.4
C/I ratio	38.3	35.5	32.9
RoA	1.8	2.1	2.3
RoE	12.4	13.7	15.6

Valuation

P/E (x)	30.6	22.2	16.7
P/BV (x)	3.3	2.8	2.4
Div. Yield (%)	0.2	0.2	0.3

Shareholding pattern (%)

As On	Jun-26	Mar-26
Promoter	85.4	85.4
DII	3.6	3.6
FII	5.8	5.5
Others	5.2	5.4

FII Includes depository receipts

CMP: INR355

TP: INR390 (+10%)

Neutral

Steady quarter; NIM expansion is critical for RoA improvement

NIM (calc.) declined ~15bp QoQ; minor improvement in asset quality

- Tata Capital's consolidated 1QFY27 PAT (pre-NCI) grew 56% YoY to ~INR16.3b (~9% beat). Consol PAT (post-NCI) rose 56% YoY to INR15.5b (in line).
- NII grew 25% YoY to ~INR35.7b (in line). Other income rose ~16% YoY to ~INR8.8b (~25% above MOFSLe), primarily driven by higher rental income and investment income. Opex grew ~21% YoY to ~INR16.2b (in line). The cost-to-income ratio declined 40bp YoY to 36.4% (PY: 36.8% | PQ: 38.3%).
- PPop stood at INR28.3b, up 24% YoY (~5% beat). Credit costs stood at ~INR6.8b (8% lower than est.), translating into annualized credit costs of ~0.95% (PQ: 0.87%).
- Management expects unsecured retail to regain growth momentum, with the segment likely to grow faster than the overall book by 3Q/4QFY27 as elevated runoff moderates. The company remains confident of delivering 23-25% AUM growth in FY27, supported by broad-based growth across retail, SME, housing and unsecured lending. We model AUM growth of ~22% in FY27E.
- The company expects to scale up high-margin products and optimize portfolio mix to sustain margin resilience and profitability over the medium term. Management shared that the targeted RoA improvement will be driven by NIM expansion (contribution of 2/3rd) and operating leverage (1/3rd contribution). Any further improvement in credit costs (below 1%) would provide further levers for RoA expansion.
- Tata Capital shared that it maintained a calibrated approach to motor finance business during the quarter amid geopolitical uncertainties and elevated fuel costs, resulting in a sequential moderation in the vehicle finance portfolio. It remains focused on achieving its broader objective of a ~2% RoA in the motor finance business by FY28.
- We keep our FY27/FY28 EPS estimates broadly unchanged. We estimate a CAGR of 23%/35% in AUM/PAT over FY26-28E, with RoA/RoE of ~2.3%/15.6% in FY28. **Reiterate Neutral with a TP of INR390 (based on 2.7x Mar'28E BVPS).**

Consol AUM grew ~22% YoY; unsecured disbursements gaining traction

- AUM (excl. motor finance) grew ~28% YoY and ~5.6% QoQ to INR2.66t, while AUM (incl. motor finance) grew ~22% YoY and ~4.8% QoQ to INR2.91t.
- Retail/SME/Corporate segments grew 17%/31%/46% YoY. Management shared that retail and SMEs are expected to remain the key growth engines, with the Retail + SME to form ~85-88% of overall AUM.
- TCHFL AUM grew 24% YoY/3.2% QoQ to INR894b as of Jun'26.
- Net loan book stood at INR244b as of Jun'26 (PQ: INR254b) and disbursements stood at INR20b in 1QFY27. Currently, the focus is on transforming and integrating the motor finance business. It aims to maintain a used vehicle disbursement mix of ~40-42%, with the mix gradually shifting to ILMCV.

Minor improvement in asset quality; credit costs within guided range

- Consolidated GNPA/NNPA ratios declined ~10bp QoQ each to 1.9%/0.8%.
- Asset quality was stable or improved across all products, including unsecured, SME and corporate segments.
- CRAR stood at 18.5%, with Tier 1 capital of 15.6%. D/E ratio stood at 5.3x.
- Tata Capital highlighted that asset quality remained resilient despite geopolitical uncertainties, supported by disciplined underwriting and a robust collection infrastructure. Management remains confident of keeping credit costs below 1% on a full-year basis, aided by continued improvement in portfolio quality. We estimate credit costs (as % of avg. loans) of ~1% each in FY27/FY28E.

NIMs declined ~15bp QoQ driven by increase in borrowing costs

- Yields (calc.) expanded ~5bp QoQ to 11.2%, while CoB (Calc.) rose ~20bp QoQ to 7.25%, leading to spreads declining by 15bp QoQ to 3.9%. NIMs (calc.) declined 15bp QoQ to 5.05%.
- Disbursals for high-margin products (PL, BL, MFI, affordable, micro-LAP, 2W and vehicle finance) grew 38% YoY in 1QFY27, while AUM for the corresponding period grew 10%. AUM growth will catch up with disbursal growth over the next few quarters.
- The company expects margins to expand by ~10bp in FY27, driven by a focus on high-yielding segments. We model NIMs of ~5.2%/5.4% in FY27/FY28E (vs. 5.2% in FY26).

Key highlights from the management commentary

- Affordable and micro-housing segments are expected to grow ~30% in FY27, with micro-housing AUM targeted to grow ~100% in FY27 (on a smaller base) and 50-60% in FY28.
- The acquisition of gold loan business is subject to regulatory approvals and customary closing conditions, with RBI approval expected by end-CY26 following the company's application. Over the next 2.5-3 years, the company targets adding ~500 branches and scaling up the gold loan portfolio to >INR40b.

Valuation and view

- Tata Capital delivered a steady quarter with healthy AUM growth, supported by broad-based momentum across retail, SME and housing finance. Asset quality improved marginally during the quarter, with GS3 and NS3 declining by ~10bp each QoQ. While NIMs moderated amid CoF pressure, driven by high volatility on the back of geopolitical uncertainties, management remains confident of margin expansion, supported by a rising contribution from higher-yielding product segments in the coming quarters.
- TATACAP currently trades at 2.8x FY27E P/BV. We estimate a CAGR of 23%/35% in AUM/PAT over FY26-28, with RoA/RoE of ~2.3%/15.6% in FY28E. While the outlook remains favorable, we believe the current valuations adequately reflect the company's near-term growth and earnings potential. We reiterate our **Neutral rating on the stock with a TP of INR390**, based on 2.7x Mar'28E P/BV.

Quarterly Performance

(INR M)

Y/E March	FY26				FY27				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	69,318	69,795	72,424	74,940	79,409	83,776	89,138	96,080	2,86,522	3,48,402	79,586	0
Interest Expenses	40,656	39,756	39,276	40,165	43,699	46,277	49,285	53,162	1,59,853	1,92,424	43,378	1
Net Interest Income	28,662	30,040	33,148	34,775	35,710	37,499	39,852	42,918	1,26,669	1,55,979	36,208	-1
YoY Growth (%)	16.8	17.3	20.5	18.8	24.6	24.8	20.2	23.4	18.4	23.1	26.3	
Other Income	7,598	7,701	7,362	6,683	8,845	9,175	8,741	8,064	29,304	34,826	7,074	25
Total Income	36,260	37,741	40,510	41,458	44,555	46,674	48,594	50,983	1,55,973	1,90,805	43,282	3
YoY Growth (%)	20.2	7.9	23.7	16.8	22.9	23.7	20.0	23.0	16.9	22.3	19.4	
Operating Expenses	13,347	14,974	15,546	15,861	16,206	16,728	17,111	17,724	59,729	67,770	16,193	0
Operating Profit	22,913	22,767	24,965	25,597	28,349	29,946	31,482	33,259	96,244	1,23,035	27,089	5
YoY Growth (%)	42.8	12.3	29.7	16.8	23.7	31.5	26.1	29.9	24.2	27.8	18.2	
Provisions & Loan Losses	9,086	7,732	7,589	5,822	6,764	7,065	7,035	9,402	30,229	30,266	7,088	-5
Profit before Tax	13,827	15,035	17,376	19,775	21,585	22,881	24,447	23,856	66,016	92,769	20,001	8
Share of Profit/Loss from Associate	-6	35	9	10	6	10	10	32	49	58	15	
Profit before Tax (post inc. from Associate)	13,822	15,070	17,385	19,785	21,591	22,891	24,457	23,889	65,624	92,828	20,016	
Tax Provisions	3,413	3,881	4,300	5,122	5,309	5,812	6,210	6,140	16,715	23,471	5,080	5
Profit After Tax (incl. minority interest)	10,409	11,190	13,085	14,663	16,282	17,079	18,248	17,749	48,909	69,357	14,936	9
Non-controlling interest (MI)	510	217	79	-358	808	300	200	692	448	2,000	0	
PAT (post MI)	9,899	10,973	13,007	15,020	15,474	16,779	18,048	17,057	48,461	67,357	14,936	4
YoY Growth (%)	109.6	-3.1	23.8	50.2	56.3	52.9	38.8	13.6	32.6	39.0	43.5	
Key Parameters (Calc., %)												
Yield on loans	11.9	11.6	11.5	11.14	11.19	11.3	11.4	11.6				
Cost of funds	7.7	7.5	7.3	7.05	7.26	7.3	7.4	7.5				
Spread	4.1	4.1	4.2	4.10	3.93	3.9	4.0	4.1				
NIM	4.9	5.0	5.3	5.17	5.03	5.0	5.1	5.2				
C/I ratio	36.8	39.7	38.4	38.26	36.37	35.8	35.2	34.8				
Credit cost	1.6	1.3	1.2	0.87	0.95	1.0	0.9	1.1				
Tax rate	24.7	25.8	25.4	25.90	24.60	25.4	25.4	25.7				
Balance Sheet Parameters												
AUM (INR b)	2,375	2,439	2,607	2,773	2,905	3,044	3,209	3,395				
Growth (%)	0.0	0.0	0.0	20.3	22.3	24.8	23.1	22.4				
Borrowings (INR b)	2,119	2,129	2,199	2,360	2,455	2,588	2,740	2,919				
Growth (%)	15.7	11.0	11.0	13.2	15.9	21.6	24.6	23.7				
Asset Quality Parameters												
GS 3 (INR B)	47.9	52.8	56.6	54.7	54.4							
GS 3 (%)	2.1	2.2	2.2	2.0	1.9							
NS 3 (INR B)	22.1	24.9	26.2	23.9	23.5							
NS 3 (%)	1.0	1.1	1.0	0.9	0.8							
PCR (%)	53.9	52.8	53.6	56.2	56.9							

E: MOFSL estimates

Tata Power

Estimate change	↔
TP change	↓
Rating change	↔

CMP: INR371 TP: INR454 (+22%) Buy

Strong earnings momentum to continue

Bloomberg	TPWR IN
Equity Shares (m)	3195
M.Cap.(INRb)/(USDb)	1186.6 / 12.4
52-Week Range (INR)	465 / 342
1, 6, 12 Rel. Per (%)	-4/10/-4
12M Avg Val (INR M)	2316

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	624.3	780.9	869.6
EBITDA	131.0	171.4	210.4
Adj. PAT	38.2	49.4	64.2
EPS (INR)	11.9	15.5	20.1
EPS Gr.%	-11.1	29.5	30.0
BV/Sh. (INR)	123.5	136.2	153.3

Ratios

Net D:E	1.2	1.3	1.3
RoE (%)	10.1	11.9	13.9
RoCE (%)	6.5	8.1	8.9
Payout (%)	20.9	17.8	14.9

Valuation

P/E (x)	31.1	24.0	18.5
P/B (x)	3.0	2.7	2.4
EV/EBITDA (x)	14.0	11.4	9.8
Div. yield (%)	0.7	0.7	0.8

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	46.9	46.9	46.9
DII	18.4	18.3	16.3
FII	10.0	10.0	10.1
Others	24.7	24.8	26.8

FII Includes depository receipts

- **Strong 1QFY27:** Tata Power (TPWR) reported revenue of INR190.5b, 4% above our estimate. EBITDA came in at INR40.1b, 6% above our estimate. Adj PAT beat our estimate by 9%, reaching INR11.8b. The strong results were driven by healthy performances in the solar cell & module manufacturing and the Indonesian coal mining businesses.
- **Key things we liked:** 1) Solar manufacturing business revenue/EBITDA grew to INR24.6b/INR6.2b (+53%/+113% YoY), aided by better realizations and higher external sales (over 63% of modules and 50% of cells sold to third parties); 2) share of profit from JVs & associates jumped 86% YoY to INR2.4b, led by the Indonesian coal mining business; 3) TBCB projects remained on track, with the Khurja line COD expected shortly and the Bikaner line by Oct'26; 4) rooftop installations rose 37% YoY to 371MWp in 1QFY27, and management targets to increase market share from 12–13% currently to ~25% over the medium term, supported by the launch of BESS solutions; and 5) Bhivpuri PSP (1GW) remains on track for CY29 commissioning with one 330MW unit securing a SECI bid, while discussions are underway with Tata Steel and other customers.
- **Key monitorables:** 1) the pace of RE commissioning with unchanged FY27 guidance of 2.5-2.7GW (0.2GW was commissioned in 1QFY27), 2) for the Mundra SPPA approval pending from four states, approval from three is expected by Aug'26 and from the fourth one by Sep'26, and 3) capex run rate, since for FY27, the guidance is maintained at INR250b (50% earmarked for RE projects) and 2QFY27 capex is likely to exceed INR60b.
- **Valuation and view:** We value the regulated business at 2.5x regulated equity; the coal segment is valued at 1x book value; the renewables segment is valued at 12x FY28E EBITDA; the pumped storage segment and other segments are valued at 1x P/B and cash; and investments add INR69/share. The sum of these contributions results in our TP of INR454.

Coal and solar cell manufacturing drive beat

Financial Highlights

- TPWR's consolidated revenue was 4% above our estimate at INR190.5b (+6% YoY, +28% QoQ).
- EBITDA came in at INR40.1b (-3% YoY, +54% QoQ), 6% above our estimate.
- Adj PAT beat our estimate by 9%, reaching INR11.8b (+11% YoY, +10% QoQ).
- The strong results were driven by robust performance in the solar cell and module manufacturing business, along with the Indonesian coal mining business.
- Solar cell and module revenue/EBITDA grew to INR24.6b/INR6.2b (+53%/+113% YoY), aided by better realizations and higher external sales (over 63% of modules and 50% of cells sold to third parties).

Other Highlights

- Operational capacity stood at 16.8GW by end-1QFY27, with 0.2GW of capacity commissioned during the quarter (FY27 target- 2.5GW).
- During 1QFY27, the Mundra plant continued to operate under Section 11, with the terms of the SPPA signed with GUVNL extended till Sep'26.
- Module/cell production stood at 1.0GW/0.9GW (+5%, -4% YoY).
- Revenue/EBITDA from the solar EPC and rooftop business declined 22%/48% YoY to INR17b/INR1.4b due to lower billing in the third-party EPC business.
- TPWR recorded capex of INR53.8b in 1QFY27.

Highlights of 1QFY27 performance

- Commissioned ~200MW RE capacity in 1QFY27. The delay in 1Q was primarily due to transmission connectivity constraints.
- Rooftop solar order book stands at INR6.3b, and management expects its INR30b revenue target to be achieved by 2029 vs. 2030 guided earlier.
- Mundra, coal & shipping EBITDA declined, though PAT improved due to higher coal profits.
- Capex stood at INR53b in 1QFY27, with 40–45% allocated to renewables; FY27 capex guidance remains INR250b (~50% for renewables), while 2QFY27 capex is expected to exceed INR60b.
- Net debt/EBITDA stands at 3.41x, Net debt/equity at 1.25x.
- Nuclear project preparatory work is underway, with execution plans to follow the government's regulatory framework.
- Odisha and Delhi DISCOM performance was impacted by temporary collection delays, not operational issues.
- Management indicated the ALMM-II relaxation affects only ~10% of India's domestic demand, with TPWR's ingot and wafer expansion plans unchanged.

Valuation

- The valuation of TPWR is segmented across various business units:
- The regulated business is valued using a 2.5x multiple on regulated equity.
- The coal segment is valued at 1x book value.
- The renewables segment is valued at 12x FY28E EBITDA.
- The pumped storage segment and other segments are valued at 1x PB. Cash and investments add INR69/share.
- The sum of these contributions results in a TP of INR454/share, reflecting the comprehensive valuation of TPWR's diverse business segments.

Consolidated performance

(INRb)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%	%	%
Net Sales	180.4	155.4	139.5	149.0	190.5	201.0	192.8	196.6	624.3	780.9	183.5	3.8	5.6	27.9
YoY Change (%)	4.3	-1.0	-9.4	-12.8	5.6	29.3	38.2	32.0			1.8			
EBITDA	41.4	33.0	30.5	26.0	40.1	44.1	44.2	42.9	131.0	171.4	38.0	5.6	-3.0	54.4
EBITDA Margin	22.9%	21.2%	21.9%	17.4%	21.1%	22.0%	23.0%	21.8%	21.0%	22.0%	20.7%			
Depreciation	11.6	11.6	12.1	12.8	12.6	12.9	13.0	13.3	48.1	51.8	12.9	-2.1	8.5	-1.6
Interest	12.8	13.2	13.6	13.0	14.1	15.1	15.6	15.4	52.6	60.1	13.2	6.8	10.0	8.6
Other Income	3.6	5.1	3.2	5.6	3.9	5.7	3.6	6.5	17.4	19.8	4.1	-5.5	7.4	-30.1
Rate regulated activity	-5.7	2.2	5.4	10.6	-1.5	0.0	0.0	0.0	12.5	-1.5	0.0		-73.2	-114.4
PBT before EO items	14.9	15.5	13.4	16.4	15.8	21.9	19.3	20.8	60.2	77.8	16.1	-1.6	6.2	-3.6
Extra-ord items	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	0.0	-0.9	0.0	0.0			
PBT	14.9	15.5	13.4	15.5	15.8	21.9	19.3	20.8	59.3	77.8	16.1	-1.6	6.2	2.3
Tax	3.6	4.3	3.5	3.8	4.2	5.1	4.5	4.8	15.2	18.0	3.6	15.7	18.3	10.7
Rate (%)	24.0	28.0	25.8	24.7	26.7	23.2	23.2	23.2	25.6	23.2	22.7			
Share of associates and JV	1.3	1.3	2.0	2.5	2.4	0.5	0.7	-1.1	7.1	2.5	0.5			
Minority Interest	2.0	3.3	4.2	4.2	2.2	3.1	4.0	3.6	13.7	12.9	2.1			
Reported PAT	10.6	9.2	7.7	10.0	11.8	14.2	11.6	11.3	37.5	49.4	10.8	9.0	11.0	18.1
Adj PAT	10.6	9.2	7.7	10.7	11.8	14.2	11.6	11.3	38.2	49.4	10.8	9.0	11.0	10.2

Our SoTP valuation

Segment	Metric type	Metric value	Multiple	Value (INR/sh.)
Regulated business	Regulated equity	1,38,043	2.5	110
Coal	Equity		1x BV	5
Renewables	FY28 EBITDA	97,756	12	240
Pumped storage	Equity	37,650	1x PB	13
Others	Equity		1x PB	17
Cash and investments				69
Target price				454
CMP				371
Upside / (Downside)				22%

Ambuja Cements

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR426 TP: INR500 (+17%) Buy

Subdued volume; operating performance in line

Cost optimization to drive margin recovery

- Ambuja Cements' (ACEM) 1QFY27 operating performance was in line with our estimates as lower-than-estimated opex/t was offset by lower-than-estimated volume and realization/t. Consolidated revenue/EBITDA declined ~8%/19% YoY to INR95.0b/INR15.9b. It reported EBITDA/t of INR929 (down ~13% YoY; ~9% above estimates). However, EBITDA/t adjusted for gain on sale of renewable power works out to be INR850-860/t. Adj. PAT before MI declined ~40% YoY to INR5.8b (~21% beat led by lower depreciation and ETR).
- Management highlighted its strategy of prioritizing profitable growth over volume, with trade sales increasing to ~78% of total volumes (vs. 74% YoY). It is consciously reducing low-margin non-trade business in acquired assets. This strategic shift impacted near-term capacity utilization but is expected to improve profitability. It is targeting volume growth of ~8% YoY in FY27. Cost improvement QoQ was driven by a higher trade mix, lower clinker factor, logistics optimization and fixed-cost efficiencies. Its consolidated grinding capacity is estimated to increase to ~119mtpa by FY27-end vs. 109mtpa currently, for which expansion plans at various locations are progressing.
- We largely maintain our earnings estimates for FY27/FY28. We value the stock at 16x FY28E EV/EBITDA to arrive at our TP of INR500. **Reiterate BUY.**

Volume down ~7% YoY; blended realization/t declines ~1% YoY

- Consol. revenue/EBITDA/adj. PAT (before MI) stood at INR95.b/INR15.9b/INR5.8b (-8%/-19%/-40% YoY, and -6%/+4%/+21% vs. our estimates) in 1Q. Consol. volume declined ~7% YoY to 17.1mt (~4% below our estimates). Realization/t fell ~1% YoY (+1% QoQ; ~1% below our estimates).
- Opex/t was up ~2% YoY (~3% below estimates), led by ~10% increase in other expense per ton. EBITDA/t declined ~13% YoY to INR929, and OPM contracted 2.3pp YoY to ~17%. Depreciation increased ~4% YoY (-21% QoQ); while interest cost declined ~15% YoY. Other income declined ~77% YoY. Power sales from renewable sources contributed an incremental INR60-70/t to EBITDA.
- Cash balance stood at INR8.4b vs. INR17.7b as of Mar'26 and INR101.3b as of Mar'25.

Highlights from the management commentary

- Overall, trade volume declined ~2% YoY, and non-trade volume declined ~21%. It has witnessed healthy demand momentum in Jul'27, with trade volumes growing ~8% YoY.
- Kiln fuel stood at INR1.66/Kcal in 1QFY27 vs. INR1.59/INR1.61 in 1Q/4QFY26. The share of green power increased to ~34% from ~28%/32% in 1Q/4QFY26.
- Relatively lower volume share from the South market (10% of total volume), which is typically a higher clinker factor and higher-cost market, also supported overall cost reduction during the quarter amid elevated fuel prices.

Bloomberg	ACEM IN
Equity Shares (m)	2472
M.Cap.(INRb)/(USDb)	1058.5 / 11
52-Week Range (INR)	625 / 394
1, 6, 12 Rel. Per (%)	1/-15/-27
12M Avg Val (INR M)	1426
Free float (%)	32.7

Consol. Financial Snapshot (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	406.6	420.5	459.7
EBITDA	65.4	63.6	85.0
Adj. PAT	19.6	15.5	24.1
EBITDA Margin (%)	16.1	15.1	18.5
Adj. EPS (INR)	7.9	6.3	9.8
EPS Gr. (%)	-3.6	-21.3	56.1
BV/Sh. (INR)	240	245	252

Ratios

Net D:E	-0.0	0.0	0.0
RoE (%)	3.5	2.6	3.9
RoCE (%)	9.1	3.5	5.2
Payout (%)	25.2	40.0	25.6

Valuations

P/E (x)	47.2	59.9	38.4
P/BV (x)	1.6	1.5	1.5
EV/EBITDA(x)	16.4	17.9	13.5
EV/ton (USD)	104	94	89
Div. Yield (%)	0.5	0.6	0.6
FCF Yield (%)	-0.6	-1.2	0.9

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	67.3	67.6	67.5
DII	19.6	20.1	18.7
FII	5.7	5.9	7.5
Others	7.4	6.4	6.3

FII includes depository receipts

Valuation and view

- ACEM's 1QFY27 operating performance was broadly in line with our estimates. While volume growth remained subdued due to its deliberate focus on improving overall trade mix, the reduction in opex/t QoQ was encouraging amid high fuel prices and inflationary pressure. We believe that going forward, improvement in the cost curve, capacity utilization and volume growth, the integration of acquired assets, and the timely completion of ongoing expansions would remain key variables to watch out for.
- We estimate a CAGR of ~6%/14%/11% in consol. revenue/EBITDA/PAT over FY26-28, led by volume growth of ~6%. We estimate its EBITDA/t at INR839/INR1,035 in FY27/FY28 vs. INR887 in FY26. ACEM currently trades at 18x/14x FY27E/FY28E EV/EBITDA. We value the stock at 16x FY28E EV/EBITDA to arrive at our TP of INR500. **Reiterate BUY.**

Consolidated quarterly performance

	FY26				FY27E				FY26	FY27E	(INR b)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			FY27 1QE	Var. (%)
Net Sales	102.9	91.7	102.8	109.2	95.0	96.7	107.1	121.7	406.6	420.5	100.7	(6)
YoY Change (%)	22.6	24.3	19.7	9.4	-7.7	5.4	4.3	11.5	18.4	3.4	-2.1	
EBITDA	19.6	17.6	13.5	14.6	15.9	11.9	14.7	21.0	65.4	63.6	15.3	4
YoY Change (%)	53.2	80.9	52.8	-21.6	-19.0	-32.1	8.8	43.5	30.6	-2.8	-19.0	
Margins (%)	19.1	19.2	13.2	13.4	16.7	12.4	13.7	17.3	16.1	15.1	15.2	156
Depreciation	8.0	8.9	9.6	10.5	8.3	8.8	9.2	9.2	37.0	35.6	10.6	(21)
Interest	0.7	0.8	0.6	0.2	0.6	0.8	0.8	0.8	2.2	2.9	0.7	(12)
Other Income	2.6	2.6	0.9	2.3	0.6	0.6	0.9	0.9	8.3	2.9	2.5	(77)
PBT before EO Item	13.5	10.6	4.2	6.2	7.6	3.0	5.6	11.8	34.5	28.0	6.5	16
Share of profit of JVs	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.2	0.2	0.0	-
Extraordinary Inc/(Exp)	0.4	-2.2	-0.2	-1.0	0.9	0.0	0.0	0.0	-3.0	0.9	0.0	
PBT after EO Exp/(Inc)	14.0	8.4	4.1	5.3	8.5	3.0	5.6	11.9	31.7	29.1	6.6	29
Tax	4.0	2.5	1.5	-15.4	2.0	0.7	1.3	2.9	-7.4	7.0	1.8	
Prior period tax adj.	-0.3	-17.1	-1.0	2.1	-0.2	0.0	0.0	0.0	-16.3	-0.2	0.0	
Rate (%)	29.0	29.3	35.9	-292.1	24.1	23.7	23.8	24.3	-74.7	23.5	26.9	
Reported Profit	10.2	23.0	3.7	18.6	6.6	2.3	4.3	9.0	55.4	22.2	4.8	38
Adj PAT (before MI)	9.6	7.6	2.7	5.4	5.8	2.3	4.3	9.0	25.4	21.4	4.8	21
Minority Interest	1.8	5.4	1.6	0.3	0.8	1.0	1.5	2.6	9.1	5.9	2.0	(59)
Adj PAT (after MI)	7.8	5.6	1.1	5.1	4.9	1.3	2.8	6.4	19.6	15.5	2.8	77
YoY Change (%)	22.0	13.6	(75.7)	16.4	(36.6)	(76.3)	151.1	24.4	(3.2)	(21.3)	(64.2)	

Note: Adj. PAT (after MI) of 2QFY26 is also adjusted for ACC's tax reversal impact

Per ton analysis

Y/E March	FY26				FY27E				FY26	FY27E	FY27 1QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Volume	18.4	16.9	18.9	19.9	17.1	17.4	19.5	21.7	74.1	75.7	17.9	(4)
Change (YoY %)	20	19	15	9	(7)	3	3	9	15	2	(5)	
Blended Realization	5,592	5,429	5,437	5,485	5,556	5,556	5,496	5,597	5,487	5,552	5,639	(1)
Change (YoY %)	1.9	4.8	4.5	0.0	-0.6	2.3	1.1	2.0	2.7	1.2	3.0	
Raw Material	829	774	1,008	1,007	812	950	970	1,010	910	941	995	(18)
Staff Cost	227	240	203	199	226	242	218	214	216	224	228	(1)
Power and fuel	1,366	1,349	1,380	1,317	1,397	1,477	1,327	1,264	1,353	1,359	1,400	(0)
Freight	1,317	1,221	1,250	1,331	1,320	1,305	1,345	1,351	1,282	1,332	1,320	0
Other expenditure	788	803	880	895	870	895	880	791	844	856	840	4
Total cost	4,526	4,387	4,721	4,750	4,626	4,869	4,740	4,630	4,604	4,713	4,783	(3)
EBITDA	1,066	1,042	716	736	929	686	755	966	882	839	855	9
Change (YoY %)	27	52	33	(28)	(13)	(34)	5	31	23	(5)	(18)	

Indus Towers

Estimate changes

TP change

Rating change



Bloomberg	INDUSTOW IN
Equity Shares (m)	2638
M.Cap.(INRb)/(USDb)	1007 / 10.5
52-Week Range (INR)	482 / 313
1, 6, 12 Rel. Per (%)	-3/-5/2
12M Avg Val (INR M)	2957

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Net Sales	345.4	358.0	372.2
EBITDA	184.9	194.6	202.7
Adj. PAT	72.7	76.0	81.0
EBITDA Margin (%)	53.6	54.3	54.4
Adj. EPS (INR)	27.6	28.8	30.7
EPS Gr. (%)	4.8	4.5	6.7
BV/Sh. (INR)	160.3	168.9	174.5

Ratios

Net D:E	-0.2	-0.2	-0.2
RoE (%)	17.5	17.1	17.5
RoCE (%)	20.6	20.3	20.7

Valuations

EV/EBITDA (x)	6.2	5.8	5.4
P/E (x)	13.8	13.2	12.4
P/BV (x)	2.4	2.3	2.2
Div. Yield (%)	5.3	6.6	7.9

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	51.3	51.3	50.0
DII	21.5	19.7	18.2
FII	23.2	25.1	27.5
Others	4.1	3.9	4.3

FII includes depository receipts

CMP: INR381
TP: INR435 (+14%)
Neutral

Vi's fundraise and RJio's tenancy renewals remain key monitorables

- Indus Towers' (Indus) 1QFY27 was slightly weaker than our estimates, with recurring EBITDA (excl. provisions) rising 1% QoQ to INR45b, largely due to higher under-recoveries and marginally lower ARPT (flat QoQ).
- Operationally, tower and tenancy additions moderated QoQ due to manufacturing constraints imposed by the West Asia conflict during 1Q.
- Management indicated that constraints have eased and the order book visibility remains robust for the next 3-4 quarters, driven by network build-out as well as movement of expiring tenancies from other towercos.
- Capex moderated 26% QoQ (in line with moderation in tower additions), leading to healthy FCF generation of INR14.4b in 1Q (vs. ~INR38b in FY26).
- Delays in Vi's potential fundraise could weigh on tenancy additions (currently bake in ~30k/~50k tenancies/5G loadings from Vi over FY26-29), while there is a risk of RJio's tenancy exits (bake in ~5k exits from RJio in 2H FY27, which is ~10% of its overall portfolio with Indus).
- We fine-tune our estimates and build in a CAGR of 4-5% in revenue/pre-IND AS EBITDA/adj. PAT over FY26-29E.
- We reiterate our **Neutral rating** with a revised **DCF-based TP of INR435**, premised on 6.4x Sep'28E pre-IND AS EV/EBITDA. We believe the risk-reward remains balanced after the recent correction in its stock price.

Slightly weaker 1Q; energy under-recoveries higher, ARPT lower

- Tower additions moderated QoQ to ~3.1k (vs. ~4.9k in 4Q, though ahead of our est. of 2.5k), while tenancy additions remained higher than tower adds at ~4.2k (though witnessed moderation from ~6.1k QoQ and our est. of 5k).
- Reported average revenue per tenant (ARPT) was stable QoQ at INR41.1k (flat YoY, slightly below our estimate of INR41.6k).
- Consolidated revenue grew 4% QoQ to INR84.3b (+5% YoY), as service revenue grew 1.2% QoQ (+5% YoY), and energy reimbursements rose ~10% QoQ (+4% YoY) due to higher diesel prices and seasonality.
- Reported EBITDA inched up 1% QoQ to INR44.8b (+3% YoY) and was ~2% below our estimate due to higher energy under-recovery and lower ARPT.
 - Adjusted service EBITDA at INR46.4b (+2.3% QoQ, +6% YoY) was ~1% below our estimate, largely due to weaker ARPT.
 - Energy under-recovery was higher at ~INR1.4b (vs. our estimate and YoY under-recovery of INR1.25b).
 - Indus reported a bad debt provision of INR233m in 1Q (vs. INR153m QoQ, our est. of NIL and reversal of INR0.9b YoY).
- Adjusted for bad debt provisions, recurring EBITDA at INR45b (+1% QoQ, +6% YoY) was slightly weaker than our estimate of INR45.6b.
- Reported PAT declined 3% QoQ to INR17.5b (+5.5% YoY). Adjusted PAT also declined 3% QoQ to INR17.6b (+6% YoY), ~5% below our estimate.

Healthy FCF generation as capex moderates; net cash rises ~INR15b QoQ

- With moderation in tower additions, capex declined ~26% QoQ to ~INR17.2b.
- Receivables remained largely stable at ~INR49.3b (though INR5.6b higher YoY).
- Reported FCF came in at INR14.4b in 1Q (vs. INR37.6b in FY26).
- Net cash (excluding leases) improved to ~INR64b (up ~INR14.9b QoQ).

Key highlights from the management commentary

- **Africa foray:** Management indicated that the Africa expansion remains on track, with regulatory approvals and operating licenses received across Nigeria, Uganda and Zambia. Orders have been secured from the anchor customer, supplier orders have been placed, and partner onboarding has commenced, with rollouts expected to begin in the next quarter. Management highlighted that Bharti's presence as the anchor tenant enables faster market entry and supports the business case, while engagement with other operators continues. Initial Africa capex is expected to be largely debt-funded.
- **Order book:** Management indicated that the order book remains healthy with visibility for the next 3-4 quarters, comprising both network expansion and movement of existing tenancies.
- **Moderation in tower additions during 1Q:** The initial part of 1QFY27 was impacted by supply disruptions arising from the West Asia conflict, which affected tower manufacturing. Management noted that suppliers have reconfigured manufacturing processes and constraints are now largely behind.
- **Energy under-recoveries:** Energy under-recoveries increased primarily due to seasonality and partly due to the adverse impact of past-period settlements. Over the longer term, increased solarization of sites, deployment of lithium-ion batteries and digital energy management should reduce diesel dependence and gradually reduce the energy under-recoveries.

Valuation and view

- Delays in VI's potential fundraise could weigh on tenancy additions (currently bake in ~30k/~50k tenancies/5G loadings from Vi over FY26-29), while there is a risk of RJio's tenancy exits (bake in ~5k exits from RJio in 2HFY27, which is ~10% of its overall portfolio with Indus).
- We fine-tune our estimates and build in a CAGR of ~4-5% in revenue/pre-IND AS EBITDA/adj. PAT over FY26-29E.
- We **reiterate our Neutral rating with a revised DCF-based TP of INR435** (earlier INR440), premised on 6.4x Sep'28E pre-IND AS EV/EBITDA. We believe the risk-reward remains balanced after the recent correction in the stock price.

Quarterly Performance

(INR b)												
Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var. (%)
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
Revenue from operations	80.6	81.9	81.5	81.0	84.3	87.0	87.0	87.0	325	345	84.2	0.2
YoY Change (%)	9.1	9.7	7.9	4.8	4.6	6.2	6.9	7.4	7.9	6.3		
Total Expenditure	37.1	36.2	36.7	36.8	39.5	41.0	40.2	39.7	147	160	38.5	2.5
Provisions / (reversals)	-1	-2	0	0	0	0	0	0	-2.7	0.2	-	
Recurring EBITDA	42.6	43.8	44.7	44.4	45.0	46.0	46.9	47.3	176	185	45.6	-1.3
EBITDA	43.5	45.7	44.8	44.2	44.8	46.0	46.9	47.3	178	185	45.6	-1.9
YoY Change (%)	-3.4	-6.0	-35.7	2.3	3.0	0.5	4.8	6.9	-13.7	3.8		
Depreciation	17.0	18.0	18.0	18.4	18.9	19.2	19.5	19.8	71.4	77.5	18.7	1.5
Interest	4.0	3.8	4.0	3.8	3.6	3.9	4.0	3.0	15.5	14.5	3.6	-0.2
Other Income	0.9	0.8	1.5	1.6	1.2	1.0	1.0	1.0	4.8	4.2	1.4	-10.2
PBT before EO expense	23.3	24.8	24.3	23.7	23.5	23.8	24.3	25.4	96.0	97.0	24.7	-5.1
Extra-Ord expense	(0.9)	(2.0)	(0.0)	0.2	0.2	-	-	-	-2.7	0.2	-	
PBT	22.5	22.8	24.3	23.8	23.7	23.8	24.3	25.4	93.4	97.2	24.7	-4.1
Tax	6.0	6.4	6.4	5.7	6.0	6.0	6.1	6.4	24.5	24.5	6.2	
Rate (%)	25.6	25.8	26.5	24.2	25.6	25.2	25.2	25.2	25.5	25.3		
Reported PAT	17.4	18.4	17.8	17.9	17.5	17.8	18.2	19.0	71.5	72.5	18.5	-5.6
Adj PAT	16.7	16.9	17.8	18.0	17.6	17.8	18.2	19.0	69.4	72.7	18.5	-4.7
YoY Change (%)	23.1	19.4	2.4	12.1	5.6	5.1	2.1	5.5	13.4	4.6		

E: MOFSL Estimates

We ascribe a TP of INR435/share to Indus (implies ~6.4x Sep'28E pre-IND AS EBITDA)

	2026	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Assumptions													
Average macro tenancies ('000)	428	445	465	483	497	509	519	527	534	540	546		
Net macro tenancy additions ('000)	22.6	17.0	20.0	18.0	14.0	12.0	10.0	8.0	7.0	6.0	5.5		
Sharing revenue per macro tenant (INR/month)	41,302	41,422	41,626	41,831	42,026	42,212	42,388	42,554	42,711	42,857	42,993		
YoY	1.1	0.3	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.3		
Revenue contribution from leaner sites (INR b)	2.7	2.8	2.9	3.1	3.4	3.8	4.2	4.7	5.4	6.1	7.0		
DCF model													
pre Ind-AS 116 EBITDA	136	139	146	151	158	163	167	171	173	176	178		
Adjusted tax expense	(19.9)	(24.5)	(25.6)	(27.3)	(28.6)	(29.7)	(30.6)	(31.3)	(31.9)	(32.4)	(32.8)		
Change in working capital	4.7	(0.1)	(1.0)	(1.1)	(1.2)	(1.2)	(1.2)	(1.3)	(1.3)	(1.3)	(1.3)		
Operating cash flow	121	115	119	123	128	132	135	138	140	142	144		
Capital expenditure	(86.3)	(68.6)	(60.2)	(54.0)	(50.9)	(48.1)	(45.2)	(42.3)	(41.2)	(40.1)	(39.5)		
Free cash flow	35	46	59	69	77	84	90	96	99	102	104	106	108
Discounted cash flow-now	-	43.8	50.3	52.5	52.6	51.4	49.5	47.2	43.7	40.4	37.0	-	-
Discounted cash flow-Y+1		-	56.1	58.5	58.7	57.3	55.2	52.6	48.8	45.0	41.2	37.7	-
Discounted cash flow-Y+2			-	65.2	65.4	63.9	61.5	58.6	54.4	50.2	46.0	42.0	38.4
	Now	Y+1	Y+2										
Discount rate (%)	11.5%	11.5%	11.5%										
Total PV of free cash flow	468	511	546										
Terminal value assumption													
Growth in perpetuity	2.0%	2.0%	2.0%										
FCF in terminal year	104.0	106.1	108.2										
Exit FCF multiple (X)	10.7	10.7	10.7										
Exit EV/EBITDA multiple (X)	6.3	6.4	6.5										
Terminal value	1,117	1,139	1,162										
PV of terminal value	397	405	413										
Enterprise value	865	916	959										
Implied EV/EBITDA multiple	6.3	6.4	6.4										
Net debt (ex leases)	-30	-58	-73										
Equity value (INR b)	895	973	1,032										
Equity value (INR/share)	339	369	391										
Shares outstanding (m)	2.6	2.6	2.6										
Fair value including dividends (INR/share)	353	389	435										

Suzlon Energy

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SUEL IN
Equity Shares (m)	13,712
M.Cap.(INRb)/(USDb)	660 / 6.9
52-Week Range (INR)	67 / 38
1, 6, 12 Rel. Per (%)	-16/6/-18
12M Avg Val (INR M)	4313

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	167.3	228.6	269.2
EBITDA	30.2	39.2	45.5
Adj. PAT	20.9	26.1	29.9
EPS (INR)	1.5	1.9	2.2
EPS Gr. (%)	41.6	24.2	14.8
BV/Sh. (INR)	6.9	8.8	11.0

Ratios

ND/Equity	-0.1	-0.1	-0.2
ND/EBITDA	-0.3	-0.3	-0.5
RoE (%)	26.9	24.2	22.0
RoIC (%)	37.2	30.8	28.5

Valuations

P/E (x)	31.5	25.4	22.1
EV/EBITDA (x)	21.5	16.6	14.0

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	11.7	11.7	11.7
DII	11.1	9.2	10.2
FII	24.2	23.9	23.0
Others	53.0	55.2	55.1

CMP: INR48 TP: INR65 (+35%) Buy

Soft quarter but on track for growth

- **Financial performance:** Suzlon Energy's (SUEL) consolidated revenue missed our estimate by 2% as deliveries came in at 506MW (5% lower than our est.). EBITDA stood at INR6.0b, 13% below our estimate, as EBITDA margin contracted to 15.6%, mainly due to lower Wind Turbine Generator (WTG) contribution margin and higher-than-expected other expenses. APAT stood at INR3.1b, missing our estimate by 26%.
- **Key things we liked about the result:** 1) Management expects to secure confirmed repowering orders in India by FY27-end, opening up an incremental growth opportunity; 2) Management reiterated its FY31 sales target of 10GW, with a 75:25 wind-solar mix, implying ~7.5GW of wind sales. Ongoing investments in new plants are aimed at facilitating the shift from 3MW to 5MW turbine manufacturing; 3) In the solar O&M business, SUEL has identified a 20GW+ addressable asset base, located within a 25km radius of customer sites; and 4) It expects to finalize BESS partnerships over a couple of months.
- **Key monitorables:** 1) The pace of fresh order inflows, project deliveries, and installations across FY27/FY28, which will be critical for sustaining the current growth momentum, 2) WTG contribution margin for the quarter declined to 23.4% (vs 26%/24.5% in 1QFY26/4QFY26) on account of the changing scope mix, and 3) EBITDA margin stood lower at 15.5% due to deliveries being affected by temporary supply chain and logistics disruptions arising from Middle East geopolitical tensions, impacting fuel availability and the movement of critical WTG execution equipment (cranes, trailers, and transport vehicles).
- **Valuation and view:** We arrive at our TP of INR65 by applying a target P/E of 30x to FY28E EPS, a slight premium to its historical average two-year fwd P/E of 27x.

EBITDA and APAT miss amid margin contraction

Financial Performance:

- 1QFY27 revenue came in at INR38.3b (+22% YoY, -30% QoQ), missing our estimate by 2% as WTG deliveries for the quarter stood at 506MW (vs our estimate of 532MW).
- EBITDA stood at INR6.0b (-1% YoY, -38% QoQ), 13% below our estimate, as EBITDA margin contracted 358bp YoY to 15.6% (vs. our est. of 17.6%), mainly due to lower WTG contribution margin and higher-than-expected other expenses.
- Adjusted PAT was reported at INR3.1b (-6% YoY, -60% QoQ), missing our estimate by 26%.

Operational Performance:

- New order book increased to ~6.1GW (84% from PSU and C&I customers).
- Commissioning for the quarter stood at 269MW (2.3x YoY).

- WTG contribution margin for the quarter contracted to 23.4% (vs 26% in 1QFY26) on account of the scope mix.
- ~83% share in revenue was from the renewable energy solutions (EPC and WTG supply) segment and ~16% from the RE asset management business (O&M) segment.

Highlights of 1QFY27 performance

- SUEL delivered 506MW, its highest-ever first quarter deliveries, with ~10% to 20% of deliveries deferred on account of temporary supply chain and logistics disruptions arising from geopolitical tensions in West Asia.
- More than 1,257MW of turbines are erected but waiting for commissioning, which paves the way for an uptick in COD going forward.
- Order book stands at a healthy 6.1GW.
- DevCo has witnessed strong market acceptance, reflected in 600MW+ of orders booked within four months, with DevCo accounting for 60% of orders.
- Avg. realization increased from INR56m/MW to INR63m/MW, aided by the project mix, with the EPC share rising from 22% in 1QFY26 to 32% this year.
- EBITDA margin for FY27 is likely to stand at 17-18%, with a +/- 1%-2% variation around this range.
- Capex of about INR7b in FY27 is guided to support growth and capacity expansion.
- Management is targeting 10GW of sales by FY31, with a 75:25 split between wind and solar, implying about 7.5GW of wind sales.
- Management is confident that the company should secure confirmed repowering orders before FY27-end.

Valuation and view

- We arrive at our TP of INR65 by applying a target P/E of 30x to FY28E EPS, which is at a slight premium to its historical average two-year fwd P/E of 27x.

Consolidated performance

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)	(%)	(%)
Net Sales	31,317	38,708	42,361	54,933	38,291	40,814	67,122	82,362	167,318	228,589	38,946	-2	22	-30
YoY Change (%)	55	84	42	45	22	5	58	50	54	37	24			
Total Expenditure	25,327	31,499	34,976	45,293	32,339	33,979	55,579	67,539	137,095	189,435	32,072	1	28	-29
EBITDA	5,991	7,208	7,385	9,640	5,952	6,836	11,543	14,823	30,224	39,155	6,874	-13	-1	-38
Margin (%)	19	19	17	18	16	17	17	18	18	17	18			
Depreciation	702	752	800	930	1,056	947	959	855	3,185	3,817	905	17	50	14
Interest	1,031	1,097	1,143	1,352	1,336	1,164	1,212	1,192	4,622	4,904	1,203	11	30	-1
Other Income	335	266	225	274	334	356	586	90	1,099	1,367	253	32	0	22
PBT before EO expense	4,592	5,625	5,668	7,632	3,895	5,082	9,958	12,867	23,517	31,801	5,019	-22	-15	-49
Extra-Ord income/(exp.)	0	7,182	0	3,543	0	0	0	0	10,725	0	0			
PBT	4,592	12,807	5,668	11,176	3,895	5,082	9,958	12,867	34,242	31,801	5,019	-22	-15	-65
Tax	1,349	12	1,215	32	843	1,099	2,154	1,628	2,608	5,724	903			
Rate (%)	29	0	21	0	22	22	22	13	8	18	18			
Minority Interest	0	0	0	0	0	7	7	13	0	26	7			
Reported PAT	3,243	12,794	4,453	11,144	3,052	3,976	7,797	11,225	31,634	26,051	4,109	-26	-6	-73
Adj PAT	3,243	5,613	4,453	7,600	3,052	3,976	7,797	11,225	20,909	26,051	4,109	-26	-6	-60
YoY Change (%)	7%	179%	14%	31%	-6%	-29%	75%	48%	42%	25%	27%			
Margin (%)	10.4	14.5	10.5	13.8	8.0	9.7	11.6	13.6	12.5	11.4	10.6			

Estimate change



TP change



Rating change



Bloomberg	COFORGE IN
Equity Shares (m)	335
M.Cap.(INRb)/(USD\$)	746.8 / 7.8
52-Week Range (INR)	1990 / 1008
1, 6, 12 Rel. Per (%)	13/5/1
12M Avg Val (INR M)	4260

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	164.0	251.3	300.6
EBIT Margin (%)	14.4	16.1	16.1
PAT	14.7	25.3	32.2
EPS (INR)	35.2	59.8	76.2
Adj. PAT	17.0	25.7	32.2
Adj. EPS (INR)	40.2	60.8	76.2
Adj. EPS Gr. (%)	102.5	51.1	25.3
BV/Sh. (INR)	226.9	547.9	586.1

Ratios

RoE (%)	16.5	15.4	13.4
RoCE (%)	19.5	14.6	11.9
Payout (%)	43.8	50.0	50.0

Valuations

P/E (x)	47.9	28.2	22.1
P/BV (x)	7.4	3.1	2.9
EV/EBITDA (x)	22.9	13.6	11.3
Div Yield (%)	0.9	1.8	2.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	42.6	56.2	52.3
FII	24.3	30.7	37.4
Others	33.1	13.2	10.3

FII Includes depository receipts

CMP: INR1,686
TP: INR2,200 (+30%)
Buy

Ticks all the boxes

Delivers on growth, margin, and cashflow

- COFORGE reported 1Q revenue growth of 1.1% QoQ in CC terms, above our estimate of flat QoQ CC. The company reported an order intake of USD691m (up 36.3% YoY) in 1Q with four large deals. Consolidated EBIT margin stood at 16%, above the consensus estimate of 15.6%. Consolidated adjusted PAT stood at INR5.6b (down 14.4% QoQ and up 83.2% YoY) vs. the consensus estimate of INR5.4b. Our PAT estimate of INR5.1b reflects only the organic business and is, therefore, not directly comparable, as the reported results include Encora's contribution and the higher post-acquisition share count.
- 1QFY27 revenue/EBIT/adj. PAT grew 49.2%/80.8%/83.2% YoY. In 2QFY27, we expect revenue/EBIT/adj. PAT growth of 57%/82.2%/70.4% YoY in INR terms. **We value COFORGE at 29x FY28E EPS with a TP of INR2,200**, implying a 31% potential upside. We reiterate our BUY rating on the stock.

Our view: Strong deal pipeline and structurally better cash flow profile keep us positive

- Large deal momentum remains strong; executable order book provides better growth visibility:** COFORGE reported another strong quarter of deal wins with order intake of USD691m, taking the **next 12-month executable order book to an all-time high of USD2.23b (+44% YoY)**. More importantly, large-deal momentum has continued into 2Q, with the recently announced USD230m European transformation deal already ramping up.
- While most of these wins should start contributing meaningfully from 3QFY27**, management expects 2Q itself to be a strong growth quarter. We believe the current order book, along with healthy deal momentum, **provides strong revenue visibility over the next 14-16 months**.
- Cash flow profile appears structurally better:** Free cash flow-to-PAT conversion improved to 95% in 1QFY27. We believe this is not just a strong quarter but **reflects structural changes made over the last few years (refer to Exhibit 1)**, with the historically weak 1H cash flow pattern largely behind the company. **Management has reiterated its target of 100%+ FCF-to-PAT conversion for FY27**. We would still like to see this sustained over the next few quarters; but if it does, **it would be a meaningful improvement in COFORGE's cash generation profile** and one of the key positives from this quarter.
- Underlying organic growth remains healthy:** Reported revenue grew 22.3% QoQ CC, while organic revenue (excluding Encora) grew 1.1% QoQ CC. However, this number is impacted by the planned exit from the India government and data center businesses. **Adjusting for these exits, underlying organic growth stood at 5.2% QoQ CC, which, in our view, points to the continued strength of the core business.**

- **Growth becoming more broad-based across verticals:** Healthcare & Hi-tech (+11.6% QoQ CC) remained the strongest vertical, while Insurance (+4.6% QoQ CC) and BFSI (+2.9% QoQ CC) also delivered healthy growth. We believe this is encouraging as growth is no longer dependent on one or two verticals. Management also highlighted healthy **demand across key markets, and we expect most major verticals to contribute to growth over the next few quarters.**
- **Margins already ahead of guidance; further upside possible:** Consolidated EBIT margin came in at 16.0%, already ahead of the company's FY27 guidance of 15.5%, while standalone margin stood at 16.7%.
- Management indicated that Encora integration is progressing faster than planned, with nearly 40% of G&A costs already removed, **and expects further synergy benefits from 2Q onwards.** In our view, **if execution remains on track, there could be room for further margin expansion. Hence, we build in a 16.1% EBIT margin for FY27/FY28.**

Valuation and view

- We expect COFORGE to be the growth leader within our coverage universe, and we reiterate it as our top pick. Strong deal wins, continued execution, improving cash conversion, and further margin upside from the Encora integration provide confidence in the medium-term growth outlook.
- **We value COFORGE at 29x FY28E (earlier 26x) EPS with a TP of INR2,200,** implying a 31% potential upside. We reiterate our BUY rating on the stock.

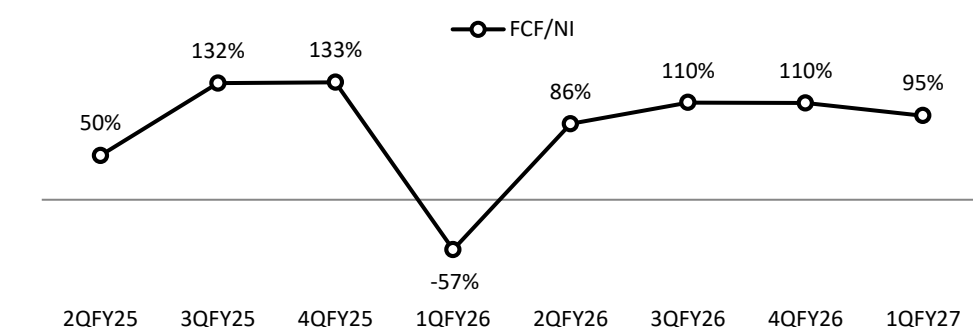
Beat on revenue and margins; 4 large deal wins in 1Q; FCF/NII stands at 95%

- COFORGE's organic revenue grew 1.1% QoQ CC (vs. our estimate of flat QoQ CC). Excluding the exited businesses^{^^}, organic revenue grew 5.2% QoQ CC.
- Consolidated revenue (1QFY27 includes two months of Encora's contribution following its consolidation effective 1st May 2026) grew 22.3% QoQ CC to USD592.2m (up 21.1% QoQ and 33.3% YoY in USD terms).
- Organic growth was led by Healthcare & HiTech (up 11.6% QoQ CC) and Insurance (up 4.6% QoQ CC), while others declined 8.0% QoQ CC.
- Order intake stood at USD691m (up 36.3% YoY). The company signed four large deals during the quarter.
- Consolidated EBIT margin came in at 16.0%, above the consensus estimate of 15.6%.
- Utilization remained flat QoQ at 82.5%. Net headcount increased by 10,451, primarily due to the Encora acquisition, while attrition declined 40bp QoQ to 10.4%.
- Consolidated adjusted PAT stood at INR5.6b (down 14.4% QoQ and up 83.2% YoY) vs. consensus estimate of INR5.4b. Our PAT estimate of INR5.1b reflects only the organic business and is, therefore, not directly comparable, as the reported results include Encora's contribution and the higher post-acquisition share count.
- Note ^{^^}: adjusting for the planned discontinuation of a USD15m low-margin India Government portfolio and a USD4m revenue impact from the divestment of a data center asset during the quarter.

Key highlights from the management commentary

- Management believes the AI-driven disruption will create select but outsized winners, with the industry pivoting from a scale of people to a scale of intelligence.
- Differentiation is expected to come from applying AI within business context, process, and risk, not from model ownership, given ubiquitous access to models, cloud, and agents.
- Delivery model is evolving around Neuron + forward-deployed engineers + 'Mod Squads' (hybrid agent-human pods), shifting from effort-based to outcome-based engagement models.
- The enterprise conversation has shifted from AI adoption to operationalization, governance, and measurable outcomes, a shift management refers to as enterprise autonomy.
- Over the last nine years, COFORGE has delivered a 21.9% revenue CAGR, 24.6% EBIT CAGR, and 24.1% PAT CAGR, reflecting sustained, profitable growth.
- Coforge Neuron, the company's AI operationalization platform, integrates enterprise knowledge, workflows, governance, and agents to help enterprises move from AI pilots to production.

Exhibit 1: Management has reiterated its target of 100%+ FCF-to-PAT conversion for FY27



Source: Company, MOFSL

Quarterly Performance (IND-AS)

Y/E March (Consolidated)	FY26				FY27E				FY26*	FY27E*
	1Q*	2Q	3Q*	4Q*	1Q*	2QE	3QE	4QE		
Rev. (USD m)	444	462	481	489	592	663	693	720	1,870	2,668
QoQ (%)	10.1	4.0	4.1	1.7	21.1	11.9	4.5	4.0	29.1	42.7
Revenue (INR m)	37,044	39,857	42,315	44,504	55,277	62,579	65,395	68,011	1,64,027	2,51,262
YoY (%)	56.0	30.2	29.9	30.0	49.2	57.0	54.5	52.8	35.9	53.2
GPM (%)	34.0	34.0	33.6	34.4	34.3	34.5	34.1	34.5	33.8	34.3
SGA (%)	16.5	15.7	15.3	13.8	13.9	13.5	13.5	13.5	15.3	13.6
EBITDA (INRm)	6,471	7,282	7,735	9,168	11,233	12,641	12,948	13,738	30,464	50,560
EBITDA Margin (%)	17.5	18.3	18.3	20.6	20.3	20.2	19.8	20.2	18.6	20.1
EBIT (INRm)	4,879	5,563	6,027	7,368	8,822	10,138	10,332	11,154	23,645	40,446
EBIT Margin (%)	13.2	14.0	14.2	16.6	16.0	16.2	15.8	16.4	14.4	16.1
Other income	-477	18	-710	-582	-1251	-814	-850	-884	-2,058	-5,574
ETR (%)	21.7	23.8	22.8	-6.6	24.3	25.0	25.0	25.0	13.4	24.9
Minority Interest	-390.0	-496.0	-465.0	-539.0	-131.0	-130.0	-130.0	-130.0	-1,890.0	-521.0
Reported PAT	2,471	3,757	2,501	6,123	5,186	6,403	6,528	7,154	14,854	25,272
QoQ (%)	-4.9	52.0	-33.4	144.8	-15.3	23.5	2.0	9.6		
YoY (%)	88.6	85.9	18.0	135.7	109.9	70.4	161.0	16.8	76.9	70.1
Adj. PAT	3,057	3,757	3,640	6,541	5,602	6,403	6,528	7,154	16,996	25,686
EPS (INR)	5.9	8.9	5.9	14.5	12.3	15.2	15.5	16.9	35.2	59.8

Note: *Figures are adjusted for the change in the revenue recognition accounting policy. In addition, 1QFY27 figures include two months of contribution from Encora.

Estimate change



TP change



Rating change



Bloomberg	SAIL IN
Equity Shares (m)	4131
M.Cap.(INRb)/(USDb)	685 / 7.1
52-Week Range (INR)	210 / 118
1, 6, 12 Rel. Per (%)	-3/12/35
12M Avg Val (INR M)	3409
Free float (%)	35.0

Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	1,106	1,308	1,370
EBITDA	118	161	170
APAT	37	66	68
EBITDA Margin (%)	10.7	12.3	12.4
Cons. Adj. EPS (INR)	8.9	16.1	16.5
EPS Gr. (%)	175.1	80.3	2.3
BV/Sh. (INR)	146	158	171

Ratios

Net D:E	0.5	0.6	0.7
RoE (%)	6.2	10.6	10.0
RoCE (%)	6.7	10.3	9.7
Payout (%)	26.3	20.0	20.0

Valuations

P/E (x)	18.6	10.3	10.1
P/BV (x)	1.1	1.0	1.0
EV/EBITDA(x)	8.4	6.8	6.8
Div. Yield (%)	1.4	1.9	2.0
FCF Yield (%)	16.0	(11.0)	(3.1)

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	65.0	65.0	65.0
DII	16.9	18.4	17.3
FII	7.1	5.0	3.7
Others	11.1	11.6	14.0

FII Includes depository receipts

CMP: INR166
TP: INR195 (+18%)
Buy

Strong earnings in 1Q supported by strong NSR; outlook bright

- In 1QFY27, SAIL's reported revenue included a one-time downward revision of INR3.1b in rail prices for FY25. For a like-for-like comparison, we have adjusted 1QFY27 financials by adding back this one-time downward revision.
- Adj. revenue stood at INR266b (+3% YoY; against our est. INR258b), declining 14% QoQ. This was mainly driven by muted volumes, partially offset by healthy NSR.
- Crude steel production stood at 4.8mt, declining 2% YoY and 6% QoQ, as the company advanced certain scheduled repairs and maintenance in 1QFY27. Sales volume stood at 4.2mt, declining 9% YoY and 22% QoQ, aligned with muted production volume during the quarter. Of the total sales volume in 1QFY27, third-party contribution from RINL stood at 95kt.
- ASP for the quarter stood at INR63,800/t, rising 13% YoY and 10% QoQ, driven by an increase in steel prices during the quarter.
- Iron ore sales increased to 1.1mt in 1QFY27 (vs 0.31mt YoY), with mining revenue rising to INR5.74b (vs INR1.57b in 1QFY26) and generating ~INR1.5b of incremental EBITDA.
- Adj. EBITDA stood at INR44.6b (+72% YoY and +1% QoQ), higher than our estimate of INR40b during the quarter. This translated into Adj. EBITDA/t of INR10,725/t (vs. our est. of INR9,600/t), rising 88% YoY and 29% QoQ over strong NSR improvement.
- APAT stood at INR19.8b in 1QFY27 (vs. our est. of INR17.3b), compared to INR20.7b in 4QFY26 and INR5.7b in 1QFY26. This was mainly driven by strong operating performance.

Highlights from the management commentary

- Management targets to achieve FY27 volume guidance of ~22.5mt despite weak volumes in 1QFY27. It expects volumes to recover over the coming quarters.
- Management targets iron ore external sales of ~8mt in FY27, compared to ~3.5mt in FY26, driven by higher dispatches from Odisha mines and commencement of sales from Chhattisgarh and Jharkhand mines.
- Management expects 2QFY27 blended NSR to decline ~INR1,000-2,000/t QoQ due to seasonal monsoon weakness. The long prices have corrected by ~INR2,000-3,000/t during Jun-Jul'26, while flat prices fell INR1,000/t over the same period.
- Imported coking coal procurement costs increased ~INR3,200/t to ~INR21,300/t in 1QFY27. Management expects costs to soften, with procurement prices likely to start moderating by ~INR1,000-2,000/t progressively over Aug-Sept'26, driven by lower international prices and seasonally weak demand.
- Management targets cost reduction of ~INR2,000-3,000/t during FY27 through operational improvements following the completion of planned shutdowns, better productivity, and ongoing efficiency initiatives.

Valuation and view

- SAIL reported strong earnings during the quarter despite muted volumes, as they were offset by elevated NSR.
- This earnings trend is expected to moderate over the coming quarters, led by moderation in long steel prices and escalation of input costs. However, higher/incremental volumes from captive/third-party, along with inventory liquidation, could limit earnings moderation.
- We increased our FY27/28 estimates marginally to reflect healthy steel prices and recent moderation in international coal costs. We believe any meaningful earnings upside and re-rating opportunity lies in volume growth, supported by third-party agreements or captive expansion. **We reiterate our BUY rating on the stock with a TP of INR195 (premised on 7.5x EV/EBITDA on FY28 estimate).**

Quarterly performance (INR b)

Y/E March	FY26				FY27				FY26	FY27E	FY27	Vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Sales (m tons)	4.6	4.9	5.2	5.3	4.2	5.0	5.8	6.6	19.9	21.5	4.2	(1.0)
Change (YoY %)	13.5	19.8	16.3	(0.2)	(8.6)	0.8	11.7	24.8	11.5	7.9		
Realization (INR per ton)	56,590	54,387	53,148	57,920	63,833	58,833	59,833	61,251	55,503	60,815	61,420	3.9
Change (YoY %)	(5.4)	(3.2)	(3.9)	5.3	12.8	8.2	12.6	5.8	(1.6)	9.6		
Net Sales	257.5	267.0	273.7	308.1	265.5	291.2	344.0	406.7	1,106.4	1,307.5	258.0	2.9
Change (YoY %)	7.3	15.9	11.8	5.1	3.1	9.1	25.7	32.0	9.7	18.2		
Change (QoQ %)	(12.2)	3.7	2.5	12.6	(13.8)	9.7	18.1	18.2				
Total Expenditure	231.5	241.8	250.8	264.0	220.9	260.0	306.3	359.3	988.1	1,146.6		
EBITDA	26.0	25.3	22.9	44.1	44.6	31.2	37.7	47.4	118.3	160.9	40.3	10.6
Change (YoY %)	16.9	98.2	13.0	26.5	71.9	23.4	64.4	7.5	31.3	36.1		
Change (QoQ %)	(25.5)	(2.6)	(9.3)	92.2	1.2	(30.1)	20.9	25.6				
EBITDA per ton (INR)	5,704	5,149	4,455	8,287	10,725	6,302	6,561	7,138	5,934	7,485	9,602	11.7
Interest	5.9	4.8	5.5	5.3	4.9	5.5	6.0	7.6	21.6	24.0		
Depreciation	14.4	14.5	15.2	15.8	15.6	15.2	15.2	15.3	59.9	61.3		
Other Income	1.6	2.1	1.7	3.5	2.1	2.2	2.5	2.7	8.9	9.4		
Share of Asso/JVs	0.7	1.0	0.7	1.8	0.3	1.6	1.6	1.8	4.3	5.2		
PBT (before EO Inc.)	7.9	8.9	4.8	28.3	26.4	14.3	20.6	29.0	50.0	90.3		
EO Income(exp)	1.7	(3.4)	-	(3.3)	(4.5)	-	-	-	(4.9)	(4.5)		
PBT (after EO Inc.)	9.7	5.6	4.8	25.0	21.9	14.3	20.6	29.0	45.1	85.7		
Total Tax	2.2	1.4	1.1	6.7	5.4	3.8	5.6	8.0	11.3	22.7		
% Tax	23.1	24.7	22.0	26.6	24.8	26.5	27.0	27.4	25.1	26.5		
Reported PAT	7.4	4.2	3.7	18.4	16.4	10.5	15.0	21.1	33.7	63.0		
Adjusted PAT	5.7	6.7	3.7	20.7	19.8	10.5	15.0	21.1	36.8	66.4	17.3	14.5
Change (YoY %)	75.7	(277.1)	229.9	61.4	247.4	56.2	301.5	1.9	175.1	80.3		
Change (QoQ %)	(55.4)	17.8	(44.4)	452.4	(4.0)	(47.0)	42.9	40.2				

Source: MOFSL, Company

Supreme Industries

Estimate change	↔
TP change	↔
Rating change	↓

Bloomberg	SI IN
Equity Shares (m)	127
M.Cap.(INRb)/(USD\$)	431.3 / 4.5
52-Week Range (INR)	4665 / 3140
1, 6, 12 Rel. Per (%)	0/2/-18
12M Avg Val (INR M)	976

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	112.2	128.2	140.5
EBITDA	15.5	18.6	20.6
Adj. PAT	9.5	12.2	13.0
Adj. EPS (INR)	75.1	95.6	102.5
EPS Gr. (%)	-0.7	27.3	7.2
BV/Sh. (INR)	486	540	597

Ratios

RoE (%)	15.5	17.7	17.2
RoCE (%)	19.7	21.5	21.8
Payout (%)	47.9	42.9	44.9

Valuations

P/E (x)	45.2	35.5	33.1
P/BV (x)	7.0	6.3	5.7
EV/EBITDA (x)	27.4	22.9	20.3
Div. Yield (%)	1.1	1.2	1.4

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	49.0	49.0	48.9
DII	19.1	19.2	14.6
FII	17.1	17.1	22.0
Others	14.9	14.7	14.6

CMP: INR3,395 TP: INR3,690 (+9%) Downgrade to Neutral
Weak volume in 1Q, likely to revive 2Q onward

Volume/revenue/EBITDA miss our estimates by 6-15%

- Supreme Industries (SI) reported a 14% YoY decline in overall volume in 1QFY27, whereas its revenue/EBITDA/PAT increased by 4%/25%/39% YoY.
- Lower-than-expected volume led to a miss in operating results. However, a higher share of JV profits (INR731m, up 1.9x YoY) led to a beat in PAT.
- Volume in the agri segment was severely impacted by falling PVC prices, which led to channel inventories falling much below the normal levels.
- Healthy EBITDA margin of 14.6% was driven by a lower mix of low-margin pipe volume and a 22% YoY increase in value-added products.

Key highlights from the management commentary

- Management expects a strong revival from 2Q onward, driven by stable PVC prices, removal of customs duty exemption w.e.f. 16th July and MIP implementation for suspension grade PVC resin.
- Management maintained its FY27 volume growth guidance at 15%+ in piping system and 12%+ in the remaining segments. This is despite a 14% YoY dip in overall volume reported in 1Q.
- EBITDA margin is expected to remain around 14-14.5% (vs. 14.6% in 1Q).
- A capex of INR10b in FY27 will be majorly used for new greenfield plants in Bihar, Jammu and MP (Malanpur). These plants are expected to be completed in phases over the next two years. The company has already ordered machinery worth INR5b in 1Q. SI is also looking to acquire land parcels in Puducherry and Erode to set up additional capacities in future.
- Composite cylinders business is seeing improved traction. It is now supplying to all three major OMCs, after adding BPCL last year. LPG cylinders capacity stands at ~1m units and is operating at ~35% utilization.
- SI has also commenced supplying cascades for CNG applications and continues to expand its presence in international markets.

Valuation and view

- After a 14% YoY dip in 1Q volume, we model ~6% YoY growth in FY27 against management guidance of 15%, which we believe is too optimistic.
- We increase our FY27 earnings estimate by 16%, aided by better than earlier expected margins (in line with management guidance) and JV profit share following a strong performance in 1Q. Supreme Petro (JV) is into polymer business and earnings are too volatile and unpredictable.
- However, we keep our estimates unchanged for FY28 and expect ~11% YoY growth in overall volume.
- Overall, we expect a CAGR of 12%/15%/17% in revenue/EBITDA/APAT over FY26-28, with a ~9% volume CAGR, 14.5-15% EBITDA margin, strong FCF and return ratios.
- Our TP remains unchanged at INR3,690, based on 36x FY28E P/E. We downgrade our rating to Neutral due to a low upside potential.
- Higher-than-expected volume growth is the key upside risk to our call.

Consolidated quarterly performance

(INR m)

	FY26				FY27E				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q Est.	%
Net Sales	26,092	23,939	26,869	35,277	27,177	28,570	32,891	39,531	1,12,177	1,28,169	31,888	-15
YoY Change (%)	-1	5	7	17	4	19	22	12	7.4	14.3	22.2	
Total Expenditure	22,903	20,965	23,731	29,045	23,197	24,479	28,247	33,686	96,645	1,09,609	27,670	
EBITDA	3,189	2,974	3,138	6,231	3,980	4,090	4,645	5,845	15,532	18,560	4,217	-6
Margins (%)	12.2	12.4	11.7	17.7	14.6	14.3	14.1	14.8	13.8	14.5	13.2	
Depreciation	930	1,044	1,095	1,214	1,223	1,233	1,243	1,253	4,283	4,953	1,224	
Interest	28	58	114	90	42	50	50	50	290	192	50	
Other Income	169	155	38	86	91	100	100	100	448	391	100	
PBT before EO expense	2,400	2,028	1,967	5,013	2,806	2,907	3,451	4,642	11,407	13,807	3,043	
PBT	2,400	2,028	1,967	5,013	2,806	2,907	3,451	4,642	11,407	13,807	3,043	-8
Tax	629	529	527	1,195	729	756	897	1,207	2,879	3,589	791	
Rate (%)	26.2	26.1	26.8	23.8	26.0	26.0	26.0	26.0	25.2	26.0	26.0	
Profit/(Loss) - Associates	252	149	94	517	731	400	300	500	1,012	1,931	250	
Reported PAT	2,023	1,647	1,534	4,336	2,807	2,551	2,854	3,935	9,540	12,148	2,502	12
Adj PAT	2,023	1,647	1,534	4,336	2,807	2,551	2,854	3,935	9,540	12,148	2,502	12
YoY Change (%)	-26.0	-20.3	-18.0	47.5	38.8	54.9	86.1	-9.2	-0.7	27.3	23.7	
Margins (%)	7.8	6.9	5.7	12.3	10.3	8.9	8.7	10.0	8.5	9.5	7.8	

E: MOFSL Estimates

Quarterly operating metrics

	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	YoY %	QoQ %
Segment revenue (INRm)							
Plastic Piping System	17,923	16,021	18,232	25,583	17,909	(0)	(30)
Packaging Products	4,016	3,935	3,903	4,569	4,382	9	(4)
Industrial Products	3,016	2,826	3,355	3,585	3,733	24	4
Consumer Products	984	1,033	1,119	1,235	874	(11)	(29)
Others	154	124	260	305	280	82	(8)
Volume (t)							
Plastic Piping System	1,48,768	1,19,860	1,46,986	1,91,873	1,25,812	(15)	(34)
Packaging Products	16,178	16,263	16,533	18,373	14,627	(10)	(20)
Industrial Products	14,649	13,927	15,453	16,529	13,803	(6)	(16)
Consumer Products	4,198	4,381	4,822	5,112	3,265	(22)	(36)
Total	1,83,793	1,54,431	1,83,794	2,31,887	1,57,507	(14)	(32)
Realisation (INR /kg)							
Plastic Piping System	120	134	124	133	142	18	7
Packaging Products	248	242	236	249	299	21	20
Industrial Products	206	203	217	217	270	31	25
Consumer Products	233	235	232	242	266	14	10
Segment EBIT (%)						YoY (bps)	QoQ (bps)
Plastic Piping System	8.8	7.9	7.4	14.9	11.4	265	(349)
Packaging Products	11.4	12.1	8.6	12.8	12.5	107	(36)
Industrial Products	5.8	4.2	8.0	11.6	6.2	35	(541)
Consumer Products	14.0	13.7	15.3	25.5	11.3	(275)	(1,420)
Value-add products - revenue mix (%)	35.8	44.8	41.6	44.0	42.0		

Gravita India

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	GRAV IN
Equity Shares (m)	74
M.Cap.(INRb)/(USDb)	120.9 / 1.3
52-Week Range (INR)	1950 / 1267
1, 6, 12 Rel. Per (%)	-2/11/-7
12M Avg Val (INR M)	492

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	42.7	62.8	79.7
Adj. EBITDA	4.5	6.1	7.8
Adj. EBITDA Margin (%)	10.6	9.8	9.8
Adj. PAT	3.8	4.5	5.8
Cons. Adj. EPS (INR)	51.3	61.6	78.7
EPS Gr. (%)	21	20	28
BV/Sh. (INR)	332	393	470
Ratios			
Net D:E	0.1	0.1	0.2
RoE (%)	16.8	17.0	18.2
RoCE (%)	14.4	14.2	15.3
Valuations			
P/E (x)	31.9	26.6	20.8
EV/EBITDA (x)	28.1	21.6	16.5

Shareholding pattern (%)

As on	Jun-26	Mar-26	Jun-25
Promoter	55.9	55.9	55.9
DII	5.5	5.1	4.4
FII	14.2	15.3	16.4
Others	24.4	23.7	23.3

Note: FII includes depository receipts

CMP: INR1,639 TP: INR2,100 (+28%) Buy

West Asia crisis dampens volumes, but is favorable for margins

Operating performance in line

- Gravita India (GRAV) reported adj. EBITDA growth of 29% YoY, supported by an increase in EBITDA/MT in lead due to supply constraints and consolidation of the acquired copper business.
- The company remains on track to scale installed recycling capacity from 497KTPA currently to 800KTPA+ by FY29. While copper is emerging as a key growth pillar with plans to double RMIL capacity to ~60KTPA, with improving EBITDA/MT to INR70-75k over the next 2-3 years (driven by backward integration, debottlenecking, and product mix) and achieve 25%+ ROIC. Additionally, procurement diversification in developed countries (e.g., the US), expansion into lithium-ion, and a continued focus on increasing value-added products (63% in 1QFY27 vs. 42% in 4QFY26) are expected to support the next leg of growth.
- **We largely maintain our earnings estimates and reiterate our BUY rating on the stock with a TP of INR2,100 (premised on 27x FY28E EPS, i.e., at a 10% premium to its five-year average P/E).**

Margin strength and copper contribution underpin growth

- Consolidated revenue grew 42% YoY to INR14.8b (est. INR14b) in 1QFY27. Consolidated sales volume grew 4% YoY to 55.5KMT.
- Adjusted EBITDA rose 29% YoY to INR1.4b (est. in-line). Adjusted EBITDA margins contracted ~90bp YoY to 9.8% (est. 10%). Adj. PAT declined 14% YoY to INR1.1b (est. in line).
- Lead business revenue grew 3% YoY to INR9.5b, led by 8% YoY realization growth. Volume stood at 44KMT, EBITDA/MT stood at INR24,181 (+11% YoY) for the quarter, and EBITDA came in at INR1.1b.
- Copper business (RMIL) revenue stood at INR3.8b, volume stood at 4.1KMT, EBITDA/MT was INR55,151, and EBITDA came at INR224m.
- Aluminum business revenue grew 17% YoY to INR1.1b. Volumes stood at 3.4KMT, down 21% YoY. EBITDA/MT grew 47% YoY to INR25,175.
- Plastic business revenue grew 62% YoY to INR266m, volume grew 53% YoY to 3.7KMT, and EBITDA/MT was flat YoY at INR10,197.
- The company's net debt stood at ~INR1.5b as of Jun'26.

Highlights from the management commentary

- **Lead:** The Middle East conflict affected RM availability (15-20% of imports and transshipment volume); as a result, newly commissioned capacities could not be fully utilized (expanded Mundra at ~50% utilization). The company commissioned an additional 40.5k MTPA capacity at Fagi (Jaipur), taking total plant capacity to 75.8k MTPA (peak revenue INR500m/month at 70% utilization). Although volume growth was constrained by scrap shortages, tighter supply conditions improved EBITDA/kg. Management expects supply conditions to gradually normalize, which will improve capacity utilization.

- **Copper:** RMIL integration progressing well and synergies emerging gradually. Copper EBITDA/kg is expected to improve from the current ~INR55 to ~INR60 by FY27-end and INR70-75 over the next 2-3 years, driven by debottlenecking, better product mix, higher utilization, procurement optimization, and backward integration. Copper utilization is expected to be 60%+ by FY27-end (50% in 1QFY27), while capacity is targeted to double to ~60k MTPA over the next three years. All these support a gradual improvement in segment ROIC towards 25%+.
- **Procurement strategy:** The Middle East conflict affected the scrap sourcing network; to mitigate this, the company is establishing its own sourcing yards and procurement infrastructure in developed markets (e.g., the US will be operational by the end of FY27). Historically, the procurement network was concentrated in developing countries and catered primarily to lead, aluminum, and plastic recycling; however, the addition of copper has created sufficient scale to justify investments in developed markets. This should reduce dependence on Gulf-origin scrap and improve raw material security. For 1QFY27, the domestic procurement mix stood at 35%.

Valuation and view

- As a leading player in India's rapidly expanding recycling industry, GRAV is well-positioned to deliver healthy earnings growth, supported by: 1) strategic capacity expansion across verticals and geographies, 2) an increased focus on VAPs (63% in 1QFY27 vs. 42% in 4QFY26), 3) increased domestic scrap availability, driven by favorable regulatory tailwinds, 4) acquisition of RMIL, one of India's oldest copper and copper alloy manufacturers, and backward integration in to copper recycling, and 5) the commercialization of the pilot project of lithium ion.
- We largely maintain our earnings estimates and expect a CAGR of 37%/31%/24% in revenue/adj. EBITDA/adj. PAT over FY26-28. **We reiterate our BUY rating on the stock with a TP of INR2,100 (premised on 27x FY28E EPS, i.e., at a 10% premium to its five-year average P/E).**

Consolidated - Quarterly Earnings

(INR m)

Y/E March	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%
Sales	10,399	10,355	10,171	11,728	14,751	14,836	15,841	17,331	42,653	62,759	14,047	5
YoY Change (%)	14.5	11.7	2.1	13.1	41.8	43.3	55.7	47.8	10.2	47.1	35.1	
Total Expenditure	9,282	9,237	9,010	10,598	13,305	13,399	14,334	15,587	38,128	56,626	12,640	
Adjusted EBITDA	1,117	1,118	1,161	1,129	1,445	1,437	1,506	1,744	4,525	6,133	1,407	3
Margins (%)	10.7	10.8	11.4	9.6	9.8	9.7	9.5	10.1	10.6	9.8	10.0	
Depreciation	87	92	98	111	145	150	153	154	388	602	120	
Interest	61	78	65	44	115	120	130	130	248	495	100	
Other Income	190	165	154	85	127	80	80	80	594	367	80	
PBT before EO expense	1,159	1,113	1,151	1,060	1,313	1,247	1,303	1,540	4,483	5,403	1,267	
PBT	1,159	1,113	1,151	1,060	1,313	1,247	1,303	1,540	4,483	5,403	1,267	
Tax	229	153	176	141	249	188	196	232	699	865	203	
Rate (%)	19.7	13.8	15.3	13.3	19.0	15.0	15.0	15.0	15.6	16.0	16.0	
MI & Profit/Loss of Asso. Cos.	-2	0	-2	-1	0	-1	-2	-2	-5	-5	-1	
Reported PAT	933	960	977	919	1,064	1,060	1,109	1,310	3,788	4,543	1,065	
Adj PAT	933	960	977	919	1,064	1,060	1,109	1,310	3,788	4,543	1,065	0
YoY Change (%)	38.5	33.3	25.3	-3.4	14.1	10.5	13.5	42.6	21.3	19.9	14.2	
Margins (%)	9.0	9.3	9.6	7.8	7.2	7.1	7.0	7.6	8.9	7.2	7.6	

Home First Finance

Estimate change



TP change



Rating change



Stock Info

Bloomberg	HOMEFIRS IN
Equity Shares (m)	104
M.Cap.(INRb)/(USD\$)	123.5 / 1.3
52-Week Range (INR)	1441 / 894
1, 6, 12 Rel. Per (%)	-1/5/-11
12M Avg Val (INR M)	432
Free float (%)	93.0

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	8.7	11.1	13.2
PPoP	7.6	9.7	11.1
PAT	5.4	6.9	7.9
EPS (INR)	51.8	66.4	76.1
EPS Gr. (%)	22.1	28.2	14.7
BV/Sh. (INR)	418	479	551
ABV/Sh. (INR)	404	463	530

Ratios

NIM (%)	6.1	6.2	5.9
C/I ratio (%)	32.4	32.0	33.6
RoAA (%)	3.9	4.1	3.8
RoAE (%)	15.7	14.8	14.8

Valuations

P/E (x)	22.8	17.8	15.5
P/BV (x)	2.8	2.5	2.1
P/ABV (x)	2.9	2.6	2.2
Div. yield (%)	0.3	0.4	0.4

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	7.0	7.0	12.4
DII	29.8	27.5	21.9
FII	43.9	45.7	37.2
Others	19.3	19.8	28.5

FII includes depository receipts

CMP: INR1,181
TP: INR1,425 (+21%)
Buy

Healthy execution on AUM growth and asset quality

AUM up ~26% YoY; NIM expands ~10bp QoQ

- Home First Finance (HOMEFIRST)'s 1QFY27 PAT grew 34% YoY to INR1.6b (in line). NII in 1QFY27 grew 31% YoY to INR2.5b (in line). Other income grew 28% YoY to INR779m (vs. MOFSL of INR682m).
- Opex grew 24% YoY to INR1.1b (~6% higher than MOFSL). PPOP rose ~33% YoY to INR2.2b (in line). Credit costs were INR159m (vs MOFSL of ~INR124m), translating into an annualized credit cost of ~47bp (PQ: ~50bp and PY: ~43bp).
- Management shared that housing loan originations and disbursement volumes remained strong during the quarter. Growth was broadly balanced between higher origination volumes and an increase in average ticket sizes. The company remains confident of sustaining ~25% AUM growth in FY27, supported by healthy demand, a granular secured portfolio, disciplined underwriting, and stable asset quality.
- HomeFirst does not anticipate any meaningful compression in spreads despite the gradual increase in ticket sizes, as the higher ticket sizes are primarily driven by rising customer incomes within its existing target segment. The company remains committed to sustaining long-term spreads between ~5.0% and 5.25%. We model NIMs of 6.2%/5.9% in FY27E/FY28E.
- HomeFirst has entered FY27 on a strong footing, supported by healthy disbursements and AUM growth, strengthening asset quality trends and resilient margins. The company remains confident of sustaining stable spreads, aided by its 100% floating-rate balance sheet, which limits interest rate risk and preserves pricing flexibility. Overall, with improving operational momentum and a steady credit environment, the franchise is well-positioned for the next phase of strong growth.
- The stock currently trades at ~2.5x FY27E P/B. We estimate a CAGR of ~24%/~21% in AUM/PAT over FY26-28E and RoA/ RoE of ~3.8%/14.8% in FY28E. **Reiterate BUY with a TP of INR1,425 (based on 2.6x FY28E BV).**

1+DPD stable QoQ; overall asset quality steady sequentially

- GS3 was stable QoQ at 1.8%, and NS3 was also steady QoQ at 1.4%. PCR declined ~50bp QoQ to ~23.4%. 1+dpd was stable QoQ at 4.7%. Bounce rates rose ~40bp QoQ to ~16.3% in 1QFY27 (vs. ~15.9% in 4QFY26). The Jul'26 bounce rates came in at 15.2%
- Management highlighted that asset quality remained stable despite the seasonal weakness typically observed in 1Q. Additionally, bounce rates have improved marginally over the past two quarters, and collection performance continues to remain healthy. We estimate credit costs of ~43bp/35bp in FY27E/FY28E.
- Capital adequacy stood at 42.6% (Tier 1: 42.2%) as of Jun'26.

Healthy AUM growth of ~26% YoY; BT-OUT rate declines YoY/QoQ

- Disbursements grew 31% YoY/4% QoQ to ~INR16.3b, and this increase led to an AUM growth of 26% YoY/6.7% QoQ to ~INR169b. The BT-OUT rate (annualized) in 1QFY27 declined to ~4.5% (PQ: ~6.4% and PY: ~6.0%).
- Management highlighted that BT-OUTs improved during the quarter, supported by the benefits of recent internal process improvements. The company has implemented internal processes to control BT outflows and expects to maintain BT-OUTs between 5-6% going forward. We expect HOMEFIRST to deliver an AUM CAGR of ~24% for FY26-28E.

Spreads stable; NIM improves ~10bp QoQ

- Reported yields dipped ~10bp QoQ to ~13%. The reported CoF also declined ~10bp QoQ to ~7.8%. Overall spreads were stable QoQ at 5.2%.
- Incremental CoF and origination yield in 1QFY27 were stable QoQ at 7.6% and 13%, respectively. Reported NIM improved ~10bp QoQ to 6.0%. We model NIMs (calc.) of ~6.2%/~5.9% for FY27E/FY28E.

Highlights from the management commentary

- The company expects opex/assets to remain broadly range-bound at 2.6-2.7% for FY27, implying ~10bp YoY improvement despite continued investments in branch expansion and growth.
- Management shared that Maharashtra, Gujarat, and MP will remain key growth markets, while TN, Rajasthan, UP, and other southern markets are gaining traction.

Valuation and view

- HomeFirst reported a healthy quarter driven by robust disbursements and AUM growth, indicating sustained business momentum. Yield compression was offset by a decline in borrowing costs. The company managed balance transfers effectively, with BT-OUT notably moderating to ~4.5% (from 6.4% in 4QFY26). The asset quality was stable despite weak seasonality, and credit costs remained within the guided range of 45-50bp.
- The stock currently trades at ~2.5x FY27E P/B. We estimate a CAGR of ~24%/~21% in AUM/PAT over FY26-28E and RoA/ RoE of ~3.8%/14.8% in FY28E. **Reiterate BUY with a TP of INR1,425 (based on 2.6x FY28E BV).**

Quarterly Performance

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E	1Q FY27E	Act v/s est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	3,944	4,091	4,288	4,317	4,620	4,896	5,177	5,446	16,640	20,138	4,568	1
Interest expenses	2,003	2,026	1,941	1,953	2,084	2,178	2,309	2,489	7,923	9,061	2,080	0
Net Interest Income	1,941	2,065	2,347	2,364	2,535	2,717	2,868	2,957	8,717	11,077	2,488	2
YoY Growth (%)	32.6	31.8	43.9	37.0	30.6	31.6	22.2	25.1	36.5	27.1	28.2	
Other Income	609	699	549	730	779	775	795	839	2,587	3,187	682	14
Net Income	2,550	2,764	2,896	3,094	3,314	3,492	3,663	3,795	11,304	14,265	3,170	5
YoY Growth (%)	38.2	39.1	34.8	37.0	30.0	26.3	26.5	22.7	37.2	26.2	24.3	
Operating Expenses	868	879	926	984	1,079	1,104	1,176	1,213	3,658	4,572	1,018	6
Operating Profit	1,682	1,885	1,970	2,110	2,235	2,388	2,488	2,582	7,646	9,693	2,152	4
YoY Growth (%)	41.2	49.5	41.1	44.9	32.9	26.7	26.3	22.4	44.2	26.8	27.9	
Provisions and Cont.	117	152	142	158	159	155	160	163	569	637	124	28
Profit before Tax	1,565	1,732	1,828	1,952	2,076	2,233	2,328	2,419	7,078	9,056	2,028	2
Tax Provisions	376	414	426	457	478	525	547	578	1,674	2,128	476	0
Net Profit	1,189	1,318	1,402	1,494	1,599	1,708	1,781	1,840	5,404	6,928	1,551	3
YoY Growth (%)	35.5	43.0	44.0	42.7	34.5	29.6	27.0	23.1	41.4	28.2	30.5	
Key Operating Parameters (%)												
Other income to Net Income Ratio	23.9	25.3	18.9	23.6	23.5	22.2	21.7	22.1				
Credit Cost	0.43	0.53	0.47	0.50	0.47	0.43	0.42	0.40				
Cost to Income Ratio	34.0	31.8	32.0	31.8	32.5	31.6	32.1	32.0				
Tax Rate	24.0	23.9	23.3	23.4	23.0	23.5	23.5	23.9				
Balance Sheet Parameters												
AUM (INR b)	134.8	141.8	149.2	158.8	169.4	179.2	189.0	198.8				
Change YoY (%)	28.6	26.3	24.9	24.9	25.7	26.4	26.6	25.2				
Loans (INR b)	112.5	118.1	123.5	131.3	139.9	148.8	156.8	165.6				
Change YoY (%)	27.9	25.0	22.7	23.3	24.3	26.0	27.0	26.1				
Borrowings (INR b)	118.5	119.7	124.5	132.8	137.2	114.2	120.6	134.1				
Change YoY (%)	24.6	13.1	12.8	14.9	15.8	-4.6	-3.1	1.0				
Loans/Borrowings (%)	95.0	98.6	99.2	98.9	101.9	130.3	130.1	123.5				
Asset Quality Parameters (%)												
GS 3 (INR m)	2,082	2,297	2,551	2,404	2,496							
Gross Stage 3 (% on Assets)	1.84	1.93	2.05	1.82	1.77							
NS 3 (INR m)	1,623	1,815	1,990	1,829	1,911							
Net Stage 3 (% on Assets)	1.43	1.53	1.60	1.38	1.36							
PCR (%)	22.0	21.0	22.0	23.9	23.4							
ECL (%)	0.77	0.77	0.81		0.78							
Return Ratios (%)												
ROAA (Rep)	3.7	3.8	4.0	4.1	4.2							
ROAE (Rep)	14.9	13.4	13.7	14.0	14.5							

E: MOFSL Estimates

P N Gadgil Jewellers

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	PNGJL IN
Equity Shares (m)	136
M.Cap.(INRb)/(USDb)	92.2 / 1
52-Week Range (INR)	736 / 503
1, 6, 12 Rel. Per (%)	28/27/19
12M Avg Val (INR M)	205

Financials & Valuations (INR b)

Y/E March (INR b)	FY26	FY27E	FY28E
Sales	107.4	131.1	152.0
Sales Growth (%)	39.6	22.0	16.0
EBITDA	6.1	7.9	9.5
Margins (%)	5.6	6.1	6.2
Adj. PAT	4.0	4.9	5.8
Adj. EPS (INR)	29.7	36.4	42.5
EPS Growth (%)	70.6	22.4	16.9
BV/Sh.(INR)	144.6	181.0	223.5

Ratios

Debt/Equity	0.8	0.7	0.7
RoE (%)	22.9	22.3	21.0
RoC (%)	18.3	17.0	17.2

Valuations

P/E (x)	22.9	18.7	16.0
EV/EBITDA(x)	14.6	10.8	8.8

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	83.1	83.1	83.1
DII	4.8	4.7	5.3
FII	0.5	0.7	0.6
Others	11.6	11.5	10.9

FII includes depository receipts

CMP: INR679 TP: INR825 (+21%) Buy

Growth trend persists; store expansion picks up in 2HFY27

- PN Gadgil Jewellers (PNG) reported 41% YoY consolidated revenue growth to INR24.1b (vs. est. INR24.1b) in 1QFY27. Retail revenue grew 56% YoY with 46% SSSG. Franchisee and e-commerce revenues increased 8% and 20%, respectively. Customer footfalls rose 26% with a healthy 92% conversion rate. Wedding demand shifted to 2Q and 3Q due to adhik mass.
- PNG added no stores during the quarter, and total store count stood at 78 (48 COCO, 17 FOCO, and 13 LiteStyle) across 36 cities. The company reiterated its FY27 target of 25 store additions, with a higher contribution from franchise-led stores, which are expected to open in 2HFY27. Over the medium term, PNG targets 140 stores by FY28 and 177 stores by FY29. Strong customer response in Uttar Pradesh has prompted plans to add 8–10 franchise stores in the state during FY27.
- Adjusted for the INR97m inventory gains on unhedged gold, gross margin expanded 30bp YoY to 12.8% (vs. est. 12.5%). Studded jewelry mix improved to 10.9% (vs. 10.0% in 1QFY26), while newly opened stores in Uttar Pradesh and Central India reported a higher 15–18% studded mix. Other expenses rose by ~5% due to cost-control efficiencies. EBITDA margin expanded 130bp YoY to 7.2% (est. 6.5%). Management retained its FY27 PAT margin guidance of ~4%. We model a PAT margin of ~4% for FY27/FY28.
- We model a revenue, EBITDA, and APAT CAGR of 19%, 25%, and 20% over FY26-28E, respectively. PNG continues to focus on increasing the old-gold contribution to ~50% (from ~40%) through its Suvarna Swarajya initiative. It has increased hedge coverage to ~70%, targeting 80%+ in the near term and ~100% over time. Given the ongoing strategic initiatives and long-term growth visibility, **we reiterate our BUY rating with a TP of INR825.**

Beat on operating performance; SSSG up 46%

- **SSSG up 46%:** Consolidated sales rose 41% YoY to INR24.1b (est. INR24.1b) in 1QFY27. The retail segment (78% of total sales) recorded robust revenue growth of 56% to INR18.9b. The company recorded 80% YoY revenue growth on Akshay Tritiya to reach INR2,514m. SSSG for the quarter stood at 46%. Gold reported value growth of 54% while volume is broadly stable. Silver delivered 131% YoY growth in value while volume declined 7% YoY. Diamond posted a value/volume growth of 29%/26% YoY.
- **Expansion in margins:** Gross margin expanded 30bp YoY to 12.8% (vs. est. 12.5%; 9.7% in 4QFY26). GP is adjusted to an inventory gain of INR97m on unhedged inventory. Employee expenses up 50% YoY and other expenses up 5% YoY. EBITDA up 73% YoY to INR1.7b (est. INR1.6b). EBITDA margin expanded 130bp YoY to 7.2% (est. 6.5%, 3.8% in 4QFY26).
- APAT grew 61% YoY to INR956m (est. INR941m). PAT margin came in at 4% (est. 3.9%) for the quarter.

Key takeaways from the management commentary

- The company ended 1Q with 78 stores and plans to open around 25 stores during FY27, taking the network to ~103 stores by year-end. Most store openings are planned during 3Q and 4Q, with the first half primarily focused on site identification, franchise onboarding, and execution planning.
- Other expenses have been up only by 5% due to disciplined cost-control measures. For FY27, management expects other operating expenses to normalize as store expansion accelerates in 2H, but they still remain ~3% of sales.
- FY26 included several one-off marketing investments, including the Uttar Pradesh launch campaign, celebrity endorsements, Foundation Day campaigns, and INR100b revenue celebrations, all of which will not recur in FY27. This will boost profitability.
- Total borrowings currently stood at INR15b, including INR3-4b of gold metal loans. Management targets reducing total debt by INR5-6b by FY29, bringing borrowings below INR10b with an aspiration of becoming debt-free over the following four to five years.

Valuation and view

- We increase our EPS estimates by 8-10% for FY27 and FY28, driven by better operating performance.
- We model revenue, EBITDA, and APAT CAGR of 19%, 25%, and 20% over FY26–28E, respectively. PNG continues to focus on increasing the old-gold contribution to ~50% (from ~40%) through its Suvarna Swarajya initiative. The company has increased hedge coverage to ~70%, targeting 80%+ in the near term and ~100% over time. Given the ongoing strategic initiatives and long-term growth visibility, we **reiterate our BUY rating** on the stock with a TP of INR825.

Consol. Quarterly Performance

Y/E March	FY26				FY27E				FY27		(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY26	FY27E	FY27 1QE	Variance (%)
Net Sales	17,146	21,776	33,026	35,443	24,130	28,879	41,126	36,918	1,07,391	1,31,054	24,084	0%
YoY change (%)	2.8	8.8	35.6	123.2	40.7	32.6	24.5	4.2	39.6	22.0	40.5	
Gross Profit	2,158	2,581	4,739	3,442	3,099	3,379	5,141	3,629	12,921	15,248	3,011	3%
Margins (%)	12.6	11.9	14.4	9.7	12.8	11.7	12.5	9.8	12.0	11.6	12.5	
EBITDA	999	1,071	2,443	1,352	1,727	1,822	3,009	1,376	6,058	7,934	1,555	11%
Margins (%)	5.8	4.9	7.4	3.8	7.2	6.3	7.3	3.7	5.6	6.1	6.5	
YoY growth (%)	55.2	48.6	99.0	43.6	72.9	70.1	23.2	1.8	71.2	31.0	41.4	
Depreciation	112	139	152	169	178	182	188	195	572	742	175	
Finance Cost	189	198	251	276	341	275	275	314	916	1,205	275	
Other Income	129	358	274	311	100	150	150	200	881	600	150	
PBT	826	1,092	2,315	1,219	1,309	1,515	2,696	1,066	5,452	6,586	1,255	4%
YoY growth (%)	73.2	71.0	101.3	44.2	58.4	38.8	16.5	-12.5	75.2	20.8	35.3	
APAT	618	793	1,743	903	981	1,136	2,022	722	4,031	4,933	941	4%
Margins (%)	3.6	3.6	5.3	2.5	4.1	3.9	4.9	2.0	3.8	3.8	3.9	
YoY change (%)	75.0	49.9	102.6	45.6	58.7	43.3	16.0	-20.1	70.6	22.4	35.7	

E: MOFSL estimates

Textiles

Relative valuation

Ratings	CMP (INR)	TP (INR)	Upside (%)
Gokaldas Exports	834	1,110	33
Arvind	523	670	28
Pearl Global	2,017	2,460	22
KPR Mill	1,056	1,200	14
Indo Count Industries	401	550	37
Welspun Living	164	200	22
Trident	25	28	10
Vardhman Textile	628	700	11

Strong 1H growth expected; major capex announcement awaited

Stability in US tariffs and improving retailer outlook offer momentum

- US tariffs weighed heavily on Indian textile exports this year, prompting buyers to shift sourcing toward Vietnam, Cambodia, and Indonesia. In FY26, tariffs stood at 50% for four months before easing to 10% under Section 122 and later Section 301. Currently, India and Bangladesh are subject to a 10% tariff vs Vietnam's 12.5%, narrowing the tariff gap. Bangladesh's labor costs remain ~35-40% lower than India's (labor makes up ~30% of manufacturing costs), keeping it structurally cheaper. Hence, despite improved tariff parity, competition in the US market is expected to remain intense, particularly in knitwear, where Bangladesh holds a dominant position. Even so, we believe the added clarity on the US tariff framework is a sentimentally positive development for the sector. US apparel retail continues to witness strong momentum, with clothing and accessories store sales rising 0.63% MoM and surging 13.65% YoY in Jun'26. Apparel was also part of the strongest-performing category, with sporting goods, electronics, and apparel posting a combined 18.53% YoY growth, underscoring resilient consumer demand for the sector.

India-UK FTA: A structural growth catalyst for textile exporters

- The India-UK FTA (effective as of July 15, 2026) eliminates UK import duties of 8-12% on Indian apparel, significantly improving India's competitiveness against countries such as Bangladesh, Vietnam, Pakistan, and Turkey. While the near-term impact is expected to be gradual, the agreement provides a meaningful long-term opportunity to increase India's UK market share from ~6% to low double digits over the next few years. Exporters with an established UK presence are likely to be the earliest beneficiaries, although the pace of gains will depend on effective utilization of FTA benefits and compliance with rules of origin.

India-Europe FTA: Expected to be implemented by CY27

- India and the EU concluded FTA negotiations on January 27, 2026, with the deal expected to come into force in 2027 following parliamentary ratification by both sides. It will eliminate the current ~10-12% EU duty on Indian textiles and apparel, leveling the playing field with duty-free competitors like Bangladesh, Vietnam, Pakistan, and Turkey in the world's largest apparel import market. The EU currently sources heavily from China and Bangladesh but only marginally from India, reflecting decades of tariff-driven stagnation. The FTA unlocks a meaningful incremental export opportunity as European brands actively look to diversify away from China and Bangladesh, though the ramp-up will likely be gradual given the EU's fragmented market structure compared to the more homogeneous US market.

Higher cotton prices: Tailwind for spinners, headwind for made-ups

- Indian cotton prices rose ~9% over three months to ~INR174/kg, improving spreads by INR20-25/kg, a margin tailwind for spinners but a near-term headwind for made-ups. Given the typical 3-5-month pass-through lag, this appears to be a margin challenge (1HFY27) rather than a structural concern. With cotton prices likely near their peak, we expect them to ease over the next couple of quarters. The government's cotton import duty waiver (11%, until Oct'26) adds

relief by neutralizing India's ~5% price premium over US cotton, supporting exporter competitiveness in the interim.

India emerges as the preferred full-chain sourcing destination

- India is the world's second largest cotton producer and holds the second-largest spinning capacity globally. China, India, Pakistan, Bangladesh, and Vietnam together account for ~65% of global spinning capacity. China has been reducing its spindle base, partly due to the shift away from Xinjiang-linked cotton and a growing focus on MMF, while Pakistan and Bangladesh remain reluctant to invest in backward integration, given the high capex and low asset turnover. In addition, Vietnam is gradually shifting toward electronics and services as per capita income rises. This leaves India as the only major sourcing hub still adding spindle capacity, while also having meaningfully closed the compliance gap with peer exporting nations over the past decade. From a retailer's standpoint, this makes India the more attractive long-term choice, given its full, integrated supply chain.

Global retailers' consolidation play benefits scaled Indian exporters

- Global retailers are increasingly consolidating sourcing among fewer, scaled vendors capable of executing high-volume orders, a trend Bangladesh is better positioned for today, with its top 10 apparel exporters all above USD350m in revenue and at least 15 players above USD230m. India's bench remains thinner, with only five players above USD350m and no manufacturer beyond the 11th rank combining a USD115m + topline with 10m piece capacity. As retailers consolidate their vendor base further, we expect incremental volumes to disproportionately favor scaled, execution-capable players, potentially lifting the top 10's combined market share, reinforcing our preference for names like Arvind, Gokaldas, and Pearl Global.

Outlook & valuation

- The government has taken an aggressive stance on textiles, targeting incremental share from Bangladesh in garmenting and Pakistan in home textiles. RoSCTL and RoDTEP together provide ~5.5-7.5% of FOB value; despite an earlier flagged rate cut, both schemes have been extended through Sep 30, 2026, with rates remaining unchanged. These incentives reportedly contribute ~35%/65% to EBITDA/PAT in our coverage, supporting continued export competitiveness. Most exporters expect mid-teens growth over FY26-28, led by mid-single-digit volume capex tied to the UK FTA and a US demand recovery, with the EU FTA not yet factored in, given its longer timeline. UK FTA-led volume clarity is expected by 1H, though major capex announcements remain awaited, and closing the gap with Bangladesh's scale would require far larger capex than currently visible.
- Historically, the textile sector has traded at a 10-year mean of 24x P/E and 14x EV/EBITDA (our coverage universe), with topline, EBITDA, and PAT growing just 6%, 4%, and 3%, respectively, over the last decade. Given the improved visibility, we expect our coverage to grow 14%, 26%, and 38%, respectively, over FY26-28. We have, therefore, assigned a 10% premium to the mean EV/EBITDA multiple, which we believe provides scope for a further re-rating, even though most stocks have already rallied 10-12% over the past month. We prefer Gokaldas Export, Arvind, and Pearl Global from the apparel space, while Indo Count Industries from the HT space.

EcoSCOPE

The Economy Observer

Jun'26 IIP: Manufacturing and power demand strong

- Industrial production accelerated to 7.3% YoY in Jun'26 from 5% in May'26, the fastest pace in almost two years (23 months). The growth was broad-based, led by electricity generation and manufacturing. Mining returned to positive territory after five months of degrowth.
- Manufacturing, accounting for over 76% of the IIP basket, grew 7.8% YoY in Jun'26, with 19 out of 23 industry groups recording positive growth. The expansion was led by electrical equipment (+34.0%), motor vehicles (+17.5%), and food products (+10.8%). Switchgear, UPS, and end-face connectors for optical fibers and cables drove the growth within electrical equipment. Auto ancillaries, passenger cars, and commercial vehicles drove growth in motor vehicles.
- Electricity & Gas Supply remained the fastest-growing major sector, expanding 10.6% YoY in Jun'26. The composition of this growth shifted notably from May. Non-renewable generation (+13.0%) outpaced renewables (+7.3%) this month, a reversal that likely reflects both a higher renewable base and sustained thermal power generation to meet cooling demand through an extended hot summer.
- Mining, the weak link through most of FY26, turned positive at +1.0% YoY in Jun'26. It is the first expansion after five months of degrowth. The move was driven almost entirely by a 38.9% surge in metallic minerals, which more than offset continued contraction in fuel minerals (-1.5%) and a sharp 13.4% decline in non-metallic minerals.
- The use-based classification continued to indicate healthy investment activity. Capital goods production rose 14.2% YoY, moderating marginally from 15.5% in May but holding comfortably in double digits for a second straight month. Infrastructure & construction goods accelerated to 7.5% YoY from 6.6% in May.
- Consumption indicators remained supportive. Consumer non-durables growth swung to 4.9% YoY in Jun'26 from -0.4% in May, a sharp reversal that eases some concerns around rural demand. Consumer durables growth held steady at 7.7%, a modest step down from 8.0% in May but still firmly urban-led.
- **Outlook:** Domestically, monsoon distribution remains uneven, with persistent El Niño-linked risks to kharif output. The cumulative rainfall deficit stood at 16% below LPA (as of 27 July), and Kharif sowing stands at 4.7% YoY. Electricity generation should stay supported by cooling demand, but the June bounce in consumer non-durables will need confirmation before it changes the read on rural purchasing power. The underlying agricultural income risk remains.
- Globally, the bounce back in oil prices could prove negative to the strong manufacturing sector working through higher input costs, inflated inventory prices, and shipping backlogs. A durable reopening of the Strait of Hormuz cannot still be assumed as a base case.

IIP and its components

(% YoY)	Old Weight	New Weight	Apr'25	May'25	Jun'25	Mar'26	Apr'26	May'26	Jun'26
Industry-based Classification									
Mining & Quarrying	14.4	11.1	0.6	5.8	4.1	-2.6	-3.8	-1.4	1.0
Manufacturing	77.6	76.1	5.8	4.2	2.4	4.0	6.1	5.2	7.8
Electricity / Electricity & Gas Supply	8.0	10.9	1.9	-5.1	-2.0	1.2	4.6	10.3	10.6
Water Supply, Sewerage & Waste Management	—	2.0	8.2	8.5	7.9	6.4	6.6	5.5	6.1
General IIP	100.0	100.0	4.8	3.4	2.2	3.0	4.9	5.0	7.3
Use-based Classification									
Primary Goods	34.0	31.1	1.2	0.7	2.1	0.2	0.8	2.7	4.9
Capital Goods	8.2	8.1	14.5	9.5	3.4	8.5	12.0	15.5	14.2
Intermediate Goods	17.2	22.4	7.1	4.8	3.1	6.0	10.3	5.8	9.3
Infrastructure / Construction Goods	12.3	10.9	6.0	5.7	6.6	5.2	6.0	6.6	7.5
Consumer Durables	12.8	11.3	5.2	1.9	1.4	2.4	5.6	8.0	7.7
Consumer Non-Durables	15.3	16.1	3.3	3.3	-2.0	-0.6	0.2	-0.4	4.9

Comparison of item basket and weights of the new IIP series with the old series

Sector	Base Year 2011-12 Weight (%)	Item Groups	Base Year 2022-23 Weight (%)	Item Groups
Mining & Quarrying	14.372	1	11.053	3
Manufacturing	77.633	405	76.062	455
Electricity & Gas Supply	7.995	1	10.865	3
Water Supply, Sewerage & Waste Management	-	-	2.020	2
Total	100.0	407	100.0	463

Data highlights

Industrial production hits a 23-month high

India's industrial production increased sharply to 7.3% YoY in Jun'26 from 5.1% in May, its fastest pace in 23 months. The growth was broad-based. Manufacturing, electricity, and, for the first time in months, mining all contributed positively to the headline growth.

Manufacturing continues to drive industrial growth

- Manufacturing, which carries over three-fourths of the weight in the IIP basket, expanded 7.8% YoY in Jun'26, up from 5.5% in May and remaining the primary contributor to headline growth. Of the 23 manufacturing industries, 19 registered growth, up from 16 in May, a genuine broadening of the expansion.
- The strongest contributors were electrical equipment, motor vehicles, and food products. Electrical equipment surged 34.0%, more than doubling its May pace, led by switchgear/circuit-breaker components, UPS and solid-state drives, and optical-fiber connectors. Motor vehicles grew 17.5%, driven by auto components, passenger cars, and commercial vehicles. Food products grew 10.8%, led by tea, non-basmati rice, and starch.
- Other sectors posting healthy growth included textiles (+13.7%), other non-metallic mineral products (+12.9%), computer, electronic & optical products (+12.6%), other transport equipment (+11.9%), other manufacturing (+11.7%), beverages (+12.5%), and furniture (+11.1%).
- Weakness was confined to a narrower band, including sectors like wood products (-7.4%), wearing apparel (-6.9%), coke & refined petroleum products (-0.5%), and chemicals (-0.3%), which remained in contraction, while pharmaceuticals barely held positive at +0.8%.

Investment cycle remains healthy

- The use-based classification continues to signal a healthy investment cycle. Capital goods output grew 14.2% YoY in Jun'26, moderating slightly from May's 15.5% but holding comfortably in double digits for a second consecutive month. It is still an encouraging read on machinery and equipment demand.
- Infrastructure & construction goods production grew 7.5% YoY in Jun'26, actually a step up from 6.6% in May and the first sequential pickup in this segment since the normalization that set in after the exceptionally strong Nov'25-Feb'26 run. One month doesn't confirm strong growth in the sector, but it's worth tracking whether this holds into July.

Consumer demand: durables steady, while non-durables picked up

- Consumer durables production grew 7.7% YoY in Jun'26, slightly lower than 8.0% in May, but it continues to reflect resilient urban discretionary spending.
- Consumer non-durables growth came in at 4.9% YoY. But this compares against a May'26 figure that has been revised down to -0.4% YoY in this release, from the 3.6% originally reported as a quick estimate. That's a meaningful swing (nearly 4 percentage points), and it changes the read on where rural/mass consumption actually stood heading into the monsoon. Taken at face value, June's bounce is encouraging, but given how much the prior month's print moved on revision, it's premature to treat the swing as a clean turnaround rather than base-effect noise. It is worth waiting for the next one or two prints, and the first revision of June itself, before updating the rural demand view.

Electricity generation stays strong

- The electricity and gas supply sector grew 10.6% YoY in Jun'26, again the fastest-growing major sector, picking up marginally from 10.3% YoY in May'26. Notably, the composition shifted with non-renewable generation growing 13.0% YoY, outpacing renewables at 7.3%, a reversal from May, when renewables (+18.0%) ran well ahead of non-renewable output (+8.8%). This likely reflects a higher renewable base a year on, alongside sustained thermal power demand to meet cooling demand through an extended hot summer. Gas supply remained a modest drag, contracting 0.1% (an improvement from the 7.1% decline in May).

Mining turns positive for the first time in five months

- Mining, the clearest drag on headline growth through most of FY26, swung to +1.0% YoY growth in June'26 from a 1.6% contraction in May. The move was driven almost entirely by metallic minerals, which surged 38.9% YoY (up from 18.3% in May), more than offsetting continued weakness in fuel minerals (-1.5%, an improvement from -6.4%) and a sharper-than-before decline in non-metallic minerals (-13.4%).
- The recovery is narrow and concentrated in one sub-segment.

Water supply and waste management maintain steady growth

- The Water Supply, Sewerage & Waste Management sector grew 6.1% YoY in June'26, from 5.5% in May'26. Sewerage & waste management led at +8.3%, while water supply grew a steadier +4.5%

Outlook:

- Domestically, monsoon distribution remains uneven, with persistent El Niño-linked risks to kharif output. The cumulative rainfall deficit stood at 16% below LPA (as of 27 July), and Kharif sowing stands at 4.7% YoY. Electricity generation should stay supported by cooling demand, but the June bounce in consumer non-durables will need confirmation before it changes the read on rural purchasing power. The underlying agricultural income risk remains.
- Globally, the bounce back in oil prices could prove negative to the strong manufacturing sector working through higher input costs, inflated inventory prices, and shipping backlogs. A durable reopening of the Strait of Hormuz cannot still be assumed as a base case.

The Phoenix Mills

BSE Sensex
76,766

S&P CNX
23,985

CMP: INR2,023

Buy

Conference Call Details



Date: 29 July 2026

Time: 11:00 IST

Dial-in details:

+91-22 6280 1341 / 7115
8242

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	44.2	48.8	57.3
EBITDA	26.4	29.1	34.3
EBITDA (%)	59.6	59.7	59.8
PAT	12.5	15.9	19.8
EPS (INR)	35.0	44.3	55.4
EPS Gr. (%)	28.9	26.5	24.9
BV/Sh. (INR)	307.3	348.6	401.0

Ratios

Net D/E	0.4	0.4	0.2
RoE (%)	11.7	13.5	14.8
RoCE (%)	11.9	12.8	14.1
Payout (%)	7.3	6.8	5.4

Valuations

P/E (x)	57.8	45.6	36.5
P/BV (x)	6.6	5.8	5.0
EV/EBITDA (x)	29.1	26.5	22.1
Div Yield (%)	0.1	0.1	0.1

Broadly in-line performance

Financial performance

- In 1QFY27, PHNX reported revenue of INR10.7b, up 13% YoY (broadly in line with our estimate), while EBITDA came in at INR6.4b, up 14% YoY (broadly in line with our estimate). EBITDA margin stood at 59.7%, up 50bps YoY. Before the MI impact, PAT was INR3.9b (broadly in line with our estimate). Reported PAT stood at INR3.0b, up 23% YoY (16% below our estimate). The PAT margin stood at 27.6%.

Consumption momentum driving retail scale-up

- In 1QFY27, consumption increased 32% YoY to INR47.3b, driven by healthy consumption trends across the operational portfolio. Consumption recorded a 15% CAGR over FY13-26. Newer malls, Phoenix Mall of Asia, Bengaluru (+96% YoY) and Phoenix Mall of the Millennium, Pune (+34% YoY), continued to scale up well.
- Consumption growth in 1QFY27 remained robust, underscoring resilient demand from the electronics segment, which grew 61% YoY, followed by the jewelry segment, showcasing 55% YoY consumption growth. Other segments such as FnB and Fashion continued to perform well, growing at 26% and 24% YoY, respectively. This growth was seen despite select assets continuing to undergo planned revamp and premiumization initiatives, which were ongoing in 2H FY26. The company foresees retail scaling up to >18msf in GLA from current levels of 11.5msf by FY30.
- In 1QFY27, the company reported rental income of INR5.9b, up 17% YoY, while retail EBITDA stood at INR6.2b, up 17% YoY.

Leasing traction strengthens office portfolio growth

- In 1QFY27, operational assets recorded 72% occupancy, while the established office assets in Mumbai and Pune (combined GLA of ~2.0 msf) maintained a healthy 84% occupancy. Leased occupancy across new developments (combined GLA of ~2.9 msf) stood at 79% in Pune, 63% in Bengaluru, and 40% in Chennai.
- The company foresees the office scaling up to 9msf in GLA from the current levels of ~5msf by FY30.
- Income from commercial offices in 1QFY267 stood at INR750m, up 44% YoY, and EBITDA came in at INR420m, up 31% YoY. Margin stood at 56%, down 9pp YoY.

Hospitality portfolio maintains healthy operating performance

- **St. Regis:** For 1QFY27, occupancy stood at 85% vs. 83% YoY. ARR stood at INR20,862, up 13% YoY, and RevPAR stood at INR17,763, up 15% YoY. Total income in 1QFY27 was INR1.3b, up 19% YoY. EBITDA stood at INR600m, up 20% YoY, with a margin of 45%, flat YoY.
- **Courtyard by Marriott, Agra:** For 1QFY27, occupancy stood at 79% vs. 71% YoY. ARR stood at INR4,948, up 13% YoY, while RevPAR was also up 26% YoY to INR3,921. Total income in 4QFY26 for Marriott was INR120m, up 5% YoY. EBITDA stood at INR13m, down 22% YoY, with margins of 11%, down 4pp YoY.

Residential business remains muted; portfolio expansion on track

- The company achieved gross residential sales of INR640m in 1QFY27, down 62% YoY. The company recorded collections of INR510m, down 48% YoY. The blended realization stood at INR36,000 psf, up 33% YoY. PHNX aims to add 1msf each year in the residential segment to be able to grow the portfolio to 7msf by FY30 from current levels of 2.8msf.

Debt and cash flow

- Operating free cash flow (after interest and taxes) in 1QFY27 was INR6.0b, up 20% YoY. Excluding the residential business, it stood at INR5.8b, up 31% YoY. Consolidated net debt stood at INR36.6b (vs. INR31.6b in 4QFY26).

Quarterly Performance

Y/E March	FY26				FY27E				FY26	FY27	FY27 1QE Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1Q Est. (%/bp)
Net Sales	9,530	11,154	11,212	12,332	10,749	11,179	11,627	15,253	44,228	48,809	11,150 -4%
YoY Change (%)	5.4	21.5	15.0	21.3	12.8	0.2	3.7	23.7	16.0	10.4	17.0
Total Expenditure	3,887	4,485	4,649	4,836	4,334	4,735	4,916	5,703	17,857	19,689	4,499
EBITDA	5,643	6,669	6,563	7,496	6,415	6,444	6,711	9,550	26,371	29,120	6,651 -4%
Margins (%)	59.2	59.8	58.5	60.8	59.7	57.6	57.7	62.6	59.6	59.7	59.6 3bps
Depreciation	934	912	863	894	955	979	1,003	869	3,603	3,806	916
Interest	951	919	1,023	974	938	943	948	1,092	3,868	3,921	979
Other Income	315	308	473	612	402	344	357	397	1,708	1,500	343
PBT before EO expense	4,072	5,145	5,149	6,240	4,924	4,866	5,117	7,987	20,607	22,893	5,099 -3%
Extra-Ord expense	0	0	-250	-40	0	0	0	0	-290	0	0
PBT	4,072	5,145	4,900	6,200	4,924	4,866	5,117	7,987	20,317	22,893	5,099 -3%
Tax	873	1,317	1,218	1,343	989	973	1,023	1,594	4,751	4,579	1,020
Rate (%)	21.4	25.6	24.9	21.5	20.1	20.0	20.0	20.0	23.4	20.0	20.0
MI & P/L of Asso. Cos.	792	788	923	824	967	564	586	344	3,328	2,461	562
Reported PAT	2,407	3,040	2,758	4,033	2,969	3,329	3,507	6,049	12,238	15,854	3,517 -16%
Adj PAT	2,407	3,040	3,008	4,073	2,969	3,329	3,507	6,049	12,528	15,854	3,517 -16%
YoY Change (%)	3.3	39.4	20.9	50.0	23.3	9.5	16.6	48.5	29.0	26.5	46.1
Margins (%)	25.3	27.3	26.8	33.0	27.6	29.8	30.2	39.7	28.3	32.5	31.5 -392bps

Source: Company, MOFSL

BSE SENSEX

76,766

S&P CNX

23,985

Conference Call Details


Date: 29th July 2026

Time: 4:00pm IST

Dial-in details:
[Diamond Pass](#)
[Registration](#)

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	60.5	70.3	79.8
Sales Gr. (%)	25	16	14
EBITDA	10.2	12.7	15.4
EBITDA Margin (%)	16.9	18.1	19.3
PAT	6.1	8.1	10.2
EPS (INR)	45.3	60.6	75.9
EPS Gr. (%)	76	34	25
BV/Sh.(INR)	243	291	352
Ratios			
RoE (%)	18.7	20.8	21.6
RoIC (%)	20.3	23.7	26.6
Payout (%)	8.8	20.0	20.0
Valuations			
P/E (x)	95.9	71.8	57.2
P/BV (x)	17.9	14.9	12.3
EV/EBITDA (x)	57.0	45.6	37.4
Sales	60.5	70.3	79.8

CMP: INR4,345
Buy

Strong quarter; P&A volume growth guidance raised to over 25% for FY27

- Standalone net sales maintained a robust growth momentum, up 12% YoY to INR17b (est. INR17b) in 1QFY27.
- Prestige & Above (P&A) volumes grew 36% YoY to 5.2m cases (est: 4.6m), while overall IMFL volumes grew 3% YoY (est. 9%).
- Management highlighted that the vodka category's saliency in IMFL has increased from 4.6% in 1QFY26 to 6.1% in 1QFY27. As the clear market leader, Magic Moments is well positioned to capitalize on this opportunity, delivering an impressive 43% volume growth during the quarter. RDCK's flavor-led innovation strategy continues to differentiate the brand, deepen consumer engagement, and reinforce its leadership in this rapidly expanding category.
- Regular portfolio's volume declined 15% YoY to 4.6m cases on a high base (52% in 1QFY26), while Royalty cases declined 63% YoY to 0.2m cases. The decline in Regular's volumes was due to a higher base of 1QFY26 following the route-to-market change in Andhra Pradesh, along with the impact of the policy changes in Maharashtra and Karnataka.
- IMFL revenue growth was 18% YoY, led by the premium portfolio. Non-IMFL revenue declined 3% YoY, driven by higher captive consumption and lower bulk alcohol sales in 1QFY27.
- Gross margin expanded 610bp YoY (+110bp QoQ) to 49.1% (the highest in the last 21 quarters), backed by a relatively benign raw material scenario (RM benefit +75bp YoY), coupled with premiumization. This was despite the recent volatility in packing material prices, which resulted in approximately INR300m of impact to RDCK.
- Despite the West Asia crisis, RDCK remains confident of its margin expansion trajectory in FY27.
- Employee costs rose 24%, other expenses rose 7% YoY, while S&D rose 23%. Management alluded that in 1QFY27, A&SP was 6.9% of IMFL sales compared to 5.8% in 1QFY26. It expects to maintain A&SP spend at around 6% to 8% of IMFL revenues.
- EBITDA margin expanded 530bp YoY to 20.7% (highest ever), benefiting from robust GM expansion.
- EBITDA rose by a robust 50% YoY (est 38%).
- PBT/APAT grew 63%/61% YoY in 1QFY27.
- Net debt reduced to INR1.06b (vs INR2.4b in 4QFY26), implying a reduction of INR1.38b since March 2026. The company aspires to become net debt free by 2QFY27.
- RDCK expects its P&A portfolio to continue delivering strong growth and has raised its P&A volume growth guidance to over 25% for FY27. With premium and luxury brands contributing a larger share of the business, management remains confident of continued margin expansion and expects to deliver an EBITDA margin of ~20% for full-year FY27.

Standalone Quarterly Performance

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
IMFL volume growth %	37.5	37.7	16.6	4.0	2.9	9.4	10.4	18.8	22.2	10.3	9.0	
P&A volume growth (%)	40.7	21.6	25.9	27.9	35.9	20.0	20.0	11.7	28.5	21.5	20.0	
Regular volume growth (%)	51.8	79.4	32.8	-10.2	-14.9	2.0	2.0	20.9	31.0	1.8	2.0	
Total revenues	15,060	14,939	15,467	15,037	16,837	17,253	18,050	18,139	60,504	70,279	17,206	-2%
YoY change (%)	32.5	33.8	19.5	15.3	11.8	15.5	16.7	20.6	24.7	16.2	14.2	
Gross Profit	6,477	6,520	7,194	7,218	8,268	7,729	8,393	8,430	27,409	32,821	8,001	3%
Margin (%)	43.0	43.6	46.5	48.0	49.1	44.8	46.5	46.5	45.3	46.7	46.5	
EBITDA	2,322	2,376	2,672	2,845	3,489	2,858	3,158	3,216	10,215	12,721	3,198	9%
Margins (%)	15.4	15.9	17.3	18.9	20.7	16.6	17.5	17.7	16.9	18.1	18.6	
EBITDA growth (%)	55.8	45.6	45.2	60.2	50.3	20.3	18.2	13.0	51.6	24.5	37.8	
Depreciation	363	374	372	422	412	395	395	423	1,530	1,625	410	
Interest	159	163	164	154	117	100	100	126	640	443	140	
Other income	47	24	26	58	54	40	40	41	154	175	50	
PBT	1,846	1,863	2,162	2,327	3,014	2,403	2,703	2,708	8,199	10,828	2,698	12%
Tax	443	474	515	576	754	603	678	685	2,008	2,720	677	
Rate (%)	24.0	25.4	23.8	24.7	25.0	25.1	25.1	25.3	24.5	25.1	25.1	
Extraordinary inc/(Exp)	-70	0	-96	0	0	0	0	0	-166	0	0	
Reported PAT	1,473	1,390	1,742	1,752	2,260	1,800	2,025	2,024	6,356	8,108	2,021	12%
Adj.PAT	1,403	1,390	1,647	1,752	2,260	1,800	2,025	2,024	6,066	8,108	2,021	12%
YoY change (%)	83.9	69.1	71.6	93.1	61.1	29.5	23.0	15.5	75.7	33.7	44.0	

E: MOFSL Estimate

Key operational metrics

Revenue Split (INR M)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
P&A	4,995	5,780	6,479	6,148	7,132	7,184	8,383	7,937	9,700
Regular	2,363	1,766	2,294	3,440	3,499	3,228	2,952	2,945	2,893
Royalty	96	93	158	104	65	62	62	104	32
IMFL	7,454	7,639	8,931	9,692	10,696	10,474	11,397	10,986	12,625
Non IMFL	3,911	3,523	4,011	3,349	4,364	4,465	4,070	4,050	4,212
Total	11,365	11,162	12,942	13,041	15,060	14,939	15,467	15,036	16,837
Rev Growth YoY (%)									
P&A	19%	18%	25%	22%	43%	24%	29%	29%	36%
Regular	-15%	-12%	15%	101%	48%	83%	29%	-14%	-17%
Royalty	25%	16%	58%	-16%	-32%	-33%	-61%	0%	-51%
IMFL	6%	9%	22%	41%	43%	37%	28%	13%	18%
Non IMFL	57%	56%	-7%	-14%	12%	27%	1%	21%	-3%
Total	19%	21%	11%	21%	33%	34%	20%	15%	12%
IMFL Volume details (Mn Cases)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Prestige & Above	2.7	3.2	3.7	3.4	3.8	3.9	4.6	4.4	5.2
Regular	3.6	2.8	3.5	5.3	5.4	5.0	4.7	4.8	4.6
Royalty	0.8	0.8	1.2	0.5	0.5	0.4	0.4	0.4	0.2
Total	7.1	6.8	8.4	9.1	9.7	9.4	9.8	9.5	10.0
Chg YoY (%)		9.60	22.22		0.29	12.35	28.82	28.61	29.26
Prestige & Above	14%	13%	18%	16%	41%	22%	26%	28%	36%
Regular	-14%	-12%	13%	78%	52%	79%	33%	-10%	-15%
Royalty	-7%	-16%	14%	-65%	-40%	-46%	-63%	-9%	-63%
Total	-4%	-2%	15%	27%	37%	38%	17%	4%	3%

Equitas Small Finance Bank

BSE SENSEX
76,766

S&P CNX
23,985

CMP: INR75

Buy

Conference Call Details



Date: 29th July 2026
Time: 11.00 am IST
Dial-in details:
+91-22 6280 1102

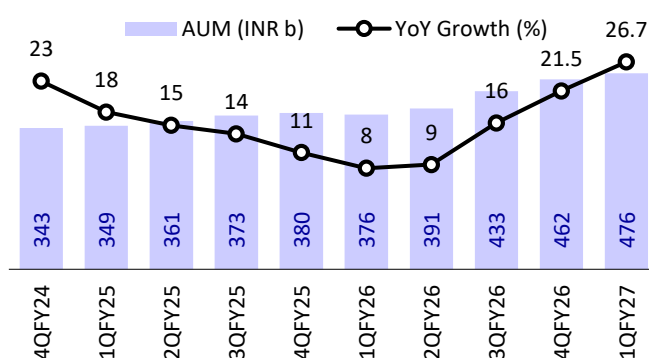
Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	33.9	42.4	50.0
OP	12.6	16.7	21.1
NP	1.0	7.1	10.0
NIM (%)	6.8	7.3	7.3
EPS (INR)	0.9	6.2	8.7
BV/Sh. (INR)	54	57	65
ABV/Sh. (INR)	52	55	63
Ratios			
RoA (%)	0.2	1.1	1.3
RoE (%)	1.7	11.1	14.3
Valuations			
P/E(X)	83.0	12.1	8.6
P/BV (X)	1.4	1.3	1.2
P/ABV (X)	1.4	1.4	1.2

Earnings beat led by healthy other income and lower provisions; margin declines 12bp QoQ to 7.24%

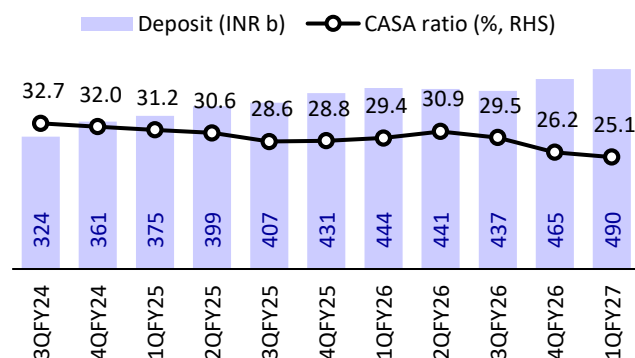
- Equitas SFB reported 1QFY27 PAT at ~INR1.8b (down 14% QoQ, 16% beat), aided by healthy other income and lower-than-expected provisions.
- NII grew 31% YoY/5% QoQ to INR10.3b (in line). NIM contracted 12bp QoQ to 7.24% in 1QFY27, led by an increase in the cost of funds by 11bp QoQ to 7.05% as there was an upward revision in interest rates in SA and TD.
- Other income was down 13% YoY/3% QoQ at INR2.6b (6% beat). Treasury income stood at INR310m in 1QFY27. Total revenue thus grew 19.2% YoY/3.3% QoQ to INR12.8b (broadly in line).
- Opex rose 15% YoY/5% QoQ at INR8.8b (in line). Provisions declined 74% YoY/rose 29.5% QoQ to INR1.6b (7% lower than MOFSLe). PPop thus stood at INR4b (up 29% YoY and 1% QoQ, 5% beat), led by higher other income.
- Net advances grew by a healthy 28.8% YoY/4.6% QoQ to INR447b. MFI grew 4.6% QoQ/70% YoY. Property finance posted healthy growth of 3.9% QoQ. VF grew 15% YoY/3% QoQ, led by 3.4% QoQ growth in used CV. Deposits grew 10.4% YoY/5.2% QoQ. CASA ratio moderated 108bp QoQ to 25.1%. CD ratio improved to 91.3%.
- Disbursements grew to INR67.8b in 1QFY27 (up 93% YoY/down 7.7% QoQ), with MFI disbursements at INR13.4b vs. INR15.1b in 4QFY26 and INR2.7b in 1QFY26. The share of MFI AUM increased to 12.6% from 12.5% in 4QFY26, and is guided to be maintained at ~10% going forward.
- On the asset quality front, slippages stood at INR4b vs. INR3.45b in 4QFY26. GNPA/NNPA ratios improved by 18bp/1bp QoQ to 2.42%/0.71%. PCR declined to 71%. Credit cost increased to 1.37% from 1.11% in 4QFY26.
- Valuation and view:** The bank reported a steady performance. Earnings beat was led by healthy other income and lower-than-expected provisions with healthy broad-based growth in AUM across segments. Margins contracted by 12bp QoQ to 7.24%. Deposit growth was healthy sequentially, while the CASA mix deteriorated. The increase in SA and TD pricing weighed on margins. On the asset quality front, GNPA/NNPA ratios improved marginally. The earnings call is scheduled for 29th Jul'26 at 11.00 am IST.

Exhibit 1: AUM growth healthy at 26.7% YoY/3.2% QoQ



Source: MOFSL, Company

Exhibit 2: Deposit grew 5.2% QoQ; CASA moderates to 25.1%



Source: MOFSL, Company

Quarterly Snapshot

(INR m)

Profit and Loss, INRb	FY26				FY27	Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Net Interest Income	7.9	7.7	8.5	9.8	10.3	31	5
Other Income	2.9	2.3	2.9	2.6	2.6	-13	-3
Trading profits	1.2	0.3	0.3	0.0	0.3	-74	-1,133
Total Income	10.8	10.0	11.4	12.4	12.8	19	3
Operating Expenses	7.6	7.6	8.3	8.4	8.8	15	5
Employee	4.6	4.7	5.2	5.1	5.5	19	7
Others	3.0	2.9	3.2	3.3	3.3	9	1
Operating Profits	3.1	2.4	3.1	4.0	4.0	29	1
Core Operating Profits	1.9	2.1	2.7	4.1	3.7	92	-8
Provisions	6.1	2.1	1.9	1.2	1.6	-74	29
PBT	-3.0	0.3	1.1	2.8	2.4	NA	-12
Taxes	-0.7	0.1	0.2	0.7	0.6	NA	-8
PAT	-2.2	0.2	0.9	2.1	1.8	NA	-14
Balance Sheet							
Loans	347	364	398	428	447	29	5
AUM's	376	391	433	462	476	27	3
Deposits	444	441	437	465	490	10	5
CASA Deposits	131	136	129	122	123	-6	1
-Savings	108	119	116	107	110	2	3
-Demand	23	18	13	15	13	-42	-15
Loan mix (%)							
MFI	9.4	8.7	11.9	12.5	12.6	323	16
Vehicles	25.3	25.1	23.4	23.0	23.0	-231	-4
Small Business loans (incl HF)	57.5	56.9	53.4	52.7	53.1	-443	36
MSE Finance	4.5	4.7	4.7	4.5	4.6	6	4
Corporate loans	1.5	2.8	4.4	4.2	3.7	224	-47
Others	0.8	0.9	0.8	1.1	0.9	10	-18
Asset Quality (INRb)							
GNPA	10.4	10.8	11.2	11.3	11.0	6	-3
NNPA	3.4	3.6	3.7	3.1	3.2	-7	4
Slippages	6.6	6.0	5.2	3.4	4.0	-40	16
Asset Quality Ratios (%)							
GNPA (%)	2.92	2.92	2.75	2.60	2.42	-50	-18
NNPA (%)	0.98	0.98	0.92	0.72	0.71	-27	-1
PCR (Calc, %)	67.0	66.9	67.1	73.0	71.0	399	-201
Slippage ratio	8.0	6.8	5.5	3.3	4.0	-394	69
Business Ratios (%)							
Loan/Deposit	78.3	82.4	91.2	91.9	91.3	1,305	-54
CASA	29.4	30.9	29.5	26.2	25.1	-428	-108
Cost to Income	70.8	76.0	73.1	67.6	68.5	-229	86
Cost to Assets	6.1	5.9	6.3	5.8	6.0	-12	17
Tax Rate	24.8	28.0	20.8	23.6	24.8	0	119
Capitalization Ratios (%)							
Tier-1 (incl profit)	17.2	16.4	16.6	16.7	16.0	-115	-67
- CET 1 (incl profit)	17.2	16.4	16.6	16.7	16.0	-115	-67
CAR (incl profit)	20.5	20.7	20.5	20.3	19.4	-104	-87
LCR	179.6	170.9	137.0	138.5	178.5	-118	4,001
Profitability Ratios (%)							
Yield on gross advances	16.0	15.7	15.4	15.5	15.7	-27	23
Cost of Funds	7.5	7.4	7.1	6.9	7.3	-20	35
Margins	6.4	6.3	6.8	7.4	7.2	87	-12
Other Details							
Branches	1,035	1,042	1,053	1,060	1,063	28	3
Employees (K)	25.9	27.1	28.5	28.1	27.7	2	0



HUDCO | Targeting Around ₹2 Lakh Cr Loan Book For FY27; Sanjay Kulshrestha, CMD

- Urban infrastructure remains 75%+ mix
- Paperless operations drive cost efficiency
- AI adoption improves appraisal process
- Net NPA target reduced to zero
- No new NPAs for 15 quarters
- Asset resolution boosts future income

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- Cables outperform wires segment growth
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- Exports contribute 31% of revenues
- Domestic-export mix stays balanced

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- Export challenges due to disruptions
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- ₹325 crore polystyrene capex planned
- Capex completion targeted December 2028
- War impacts supply chain visibility

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- Discom privatization interest remains strong
- Solar business margins remain sustainable
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- Wafer plant commissioning by January 2028
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