Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	78,581	0.2	-7.8
Nifty-50	24,625	0.0	-5.8
Nifty-M 100	63,605	0.2	5.2
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,724	-0.2	12.8
Nasdaq	26,363	-0.8	13.4
FTSE 100	10,888	0.1	9.6
DAX	26,126	-0.3	6.7
Hang Seng	8,604	0.3	-3.5
Nikkei 225	66,300	3.7	31.7
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	85	-1.1	36.5
Gold ($/OZ)	4,247	4.1	-1.7
Cu (US$/MT)	14,219	0.4	14.2
Almn (US$/MT)	3,246	0.2	9.4
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	95.1	-0.3	5.8
USD/EUR	1.2	0.2	-1.6
USD/JPY	157.8	0.0	0.7
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.8	-0.04	0.2
Flows (USD b)	**5-Aug**	**MTD**	**CYTD**
FIIs	-0.10	1.03	-25.4
DIIs	0.30	0.67	54.1
Volumes (INRb)	**5-Aug**	**MTD***	**YTD***
Cash	1,423	1368	1362
F&O	98,944	2,69,691	2,63,996

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Bharti Airtel: Strong start to FY27; FCF generation robust despite higher capex

- Bharti Airtel reported a strong performance in 1QFY27, with consolidated EBITDA rising 6% QoQ (3% ahead), driven by outperformance in India wireless and strong show continuing in Airtel Africa (AAF).
- India wireless revenue/EBITDA each grew ~4% QoQ (vs. ~2.5-3.3% QoQ for RJio), driven by benefits from subscriber mix premiumization (wireless ARPU up ~2.6% QoQ vs. ~0.7% QoQ for RJio) and one additional day QoQ.
- Reported consolidated capex surged ~61% YoY to INR134b (though -17% QoQ), due to front-ending of capex in Airtel Africa. India capex (ex-Indus) also rose ~50% YoY on a low base to INR80b (though -29% QoQ).
- Consolidated free cash flow (after leases and interest payments) came in at INR140b (vs. ~INR143b YoY, INR542b in FY26), driven by improvement in profitability (OCF up by INR39b YoY), offset by WC build-up (INR10b), high capex (up INR29b YoY) and lease payments (up INR5b YoY). Bharti's consolidated net debt (ex-lease) declined INR92b QoQ to INR818b, with leverage moderating to 0.69x (vs. ~0.79x QoQ).
- We model a CAGR of ~14% in Bharti's consolidated revenue/reported EBITDA over FY26-29E, driven by 1) flow-through of the ~15% tariff hike in India wireless from 3QFY27, 2) a strong growth opportunity in Homes, 3) double-digit CC growth in Africa, and 4) steady growth in B2B offerings. We reiterate our BUY rating with SoTP-based revised TP of INR2,335.

Research covered

Cos/Sector	Key Highlights
Bharti Airtel	Strong start to FY27; FCF generation robust despite higher capex
Other Updates	ONGC | Pidilite Inds. | Bharti Hexacom | PB Fintech.| Multi Comm. Exc. | Navin Fluo. Intl. | United Breweries | PNB Housing | Metro Brands | Castrol India | Happy Forgings | Ventive Hospital | Avalon Tech. | Blue Dart Express | VRL Logistics | Insurance | Eco (a. RBI Policy; b. EAI); Angel One | Novelis (Hindalco) | Power Grid Corporation of India | Cummins India | GE Vernova T&D | Aurobindo Pharma | Biocon | Inventurus Knowl. | Bikaji Foods | Godrej Agrovet | Time Technoplast | Pearl Global Ind. | JK Lakshmi Cement

Chart of the Day: Bharti Airtel (Strong start to FY27; FCF generation robust despite higher capex)

Summary of Bharti's India wireless business valuations and upside/downside skew, FY2026-36E

	Base	Bear	Bull
Bharti - India wireless			
10-year subscriber CAGR	1.7%	1.4%	1.4%
10-year ARPU CAGR	**6.0%**	**4.8%**	**7.1%**
INR300 ARPU achieved by	FY2028	FY2029	FY2028
10-yr revenue CAGR	7.9%	6.4%	8.8%
10-yr EBITDA CAGR	**8.9%**	**7.1%**	**10.0%**
Enterprise value (INR b)	**10,773**	**8,420**	**13,247**
Exit EV/EBITDA (X)	10.7	8.9	13.1
Implied Sep'28E EBITDA (X)	11.9	10.0	14.0
India wireless Enterprise value (INR/share)	**1,821**	**1,412**	**2,255**
Bharti SoTP based TP (INR/share)	**2,335**	**1,830**	**2,860**
Upside / downside to CMP	19%	-7%	46%

Source: Company, MOFSL

Research Team

In the news today

Kindly click on textbox for the detailed news link

1

RBI holds repo rate at 5.25%, raises FY27 growth forecast, cuts inflation outlook

The RBI kept the repo rate unchanged at 5.25% for the fourth straight policy review, retained its neutral stance, raised its FY27 growth forecast to 6.7%, and lowered the inflation projection to 5%.

2

Air India names ex-Ethiopian Airlines chief Tewolde Gebremariam CEO

Air India on Wednesday appointed former Ethiopian Airlines group chief Tewolde Gebremariam its chief executive officer and managing director.

3

Reliance Brands to launch Kim Kardashian's SKIMS in India market

Reliance Brands Limited (RBL) and Kim Kardashian’s shapewear and innerwear brand-SKIMS on Wednesday announced an exclusive partnership to bring the brand to India. Under the agreement, RBL will operate SKIMS in India, including its retail stores and digital channels.

4

Infosys expands partnership with Metsa for AI-ready IT transformation

Infosys has expanded its partnership with Metsa Group, a Finnish forest industry company, under which the IT services firm will support the transformation of Metsä's IT landscape into a more efficient, unified and AI-ready operating model while delivering end-to-end IT services across the company's global

5

USFDA issues warning letter to Dabur over CGMP lapses at Silvassa plant

The US Food and Drug Administration (USFDA) has issued a warning letter to home-grown FMCG major Dabur India citing significant violations of current good manufacturing practices (CGMP) at its pharmaceutical manufacturing facility in Silvassa.

6

Ola Electric signs MoU for 20 GWh of battery storage deployment by 2032

Ola Electric Mobility on Wednesday announced the signing of a memorandum of understanding (MoU) with renewable energy company Axis Energy for the potential deployment of up to 20 gigawatt hours (GWh) of battery energy storage systems by 2032.

7

Park Medi World to add over 2,100 beds by FY28, eyes growth from new hospitals

Sanjay Sharma, Group CEO & Whole-time Director of Park Medi World, expects the hospital chain's newly launched and acquired facilities to drive growth over the next two years, with the company planning to add more than 2,100 beds by 2027-28 (FY28).

Bharti Airtel

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	BHARTI IN
Equity Shares (m)	6241
M.Cap.(INRb)/(USDb)	12343.4 / 129.8
52-Week Range (INR)	2175 / 1741
1, 6, 12 Rel. Per (%)	2/3/2
12M Avg Val (INR M)	15826

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Net Sales	2,436	2,772	3,083
EBITDA	1,373	1,595	1,781
Adj. PAT	361	505	630
EBITDA Margin (%)	56.4	57.6	57.8
Adj. EPS (INR)	57.8	80.9	101.0
EPS Gr. (%)	34	40	25
BV/Sh. (INR)	304	357	418
Ratios			
Net D:E	0.7	0.3	-0.1
RoE (%)	22.6	27.3	29.1
RoCE (%)	16.6	20.0	22.4
Div. Payout (%)	56.9	55.6	54.4
Valuations			
EV/EBITDA (x)	9.9	8.1	6.9
P/E (x)	34.0	24.3	19.4
P/BV (x)	6.5	5.5	4.7
Div. Yield (%)	1.7	2.3	2.8

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	50.1	48.9	51.3
DII	20.8	20.7	19.2
FII	26.5	27.8	26.8
Others	2.6	2.6	2.7

FII Includes depository receipts

CMP: INR1,964 TP: INR2,335 (+19%) Buy

Strong start to FY27; FCF generation robust despite higher capex

- Bharti Airtel reported a strong performance in 1QFY27, with consolidated EBITDA rising 6% QoQ (3% ahead), driven by outperformance in India wireless and strong show continuing in Airtel Africa (AAF).
- India wireless revenue/EBITDA each grew ~4% QoQ (vs. ~2.5-3.3% QoQ for RJio), driven by benefits from subscriber mix premiumization (wireless ARPU up ~2.6% QoQ vs. ~0.7% QoQ for RJio) and one additional day QoQ.
- Enterprise continued to witness growth recovery and margin expansion (to 44% now), though growth moderated in Homes due to calibration in subscriber acquisition amid rising FWA CPE prices.
- Reported consolidated capex surged ~61% YoY to INR134b (though -17% QoQ), due to front-ending of capex in Airtel Africa. India capex (ex-Indus) also rose ~50% YoY on a low base to INR80b (though -29% QoQ).
- Consolidated free cash flow (after leases and interest payments) came in at INR140b (vs. ~INR143b YoY, INR542b in FY26), driven by improvement in profitability (OCF up by INR39b YoY), offset by WC build-up (INR10b), high capex (up INR29b YoY) and lease payments (up INR5b YoY).
- Bharti's consolidated net debt (ex-lease) declined INR92b QoQ to INR818b, with leverage moderating to 0.69x (vs. ~0.79x QoQ).
- Our FY27-28E consolidated EBITDA remains broadly unchanged as higher ARPU estimate (up ~2%) is largely offset by 7-10% cut in Homes EBITDA.
- We model a CAGR of ~14% in Bharti's consolidated revenue/reported EBITDA over FY26-29E, driven by 1) flow-through of the ~15% tariff hike in India wireless from 3QFY27, 2) a strong growth opportunity in Homes, 3) double-digit CC growth in Africa, and 4) steady growth in B2B offerings.
- We **reiterate our BUY rating with SoTP-based revised TP of INR2,335.** The India wireless and homes businesses are valued at DCF-implied ~12x Sep'28E EV/EBITDA. Risk-reward remains favorable (bull: INR2,860; bear: INR1,830).

Strong show in India Wireless and Airtel Africa; generates INR140b FCF

- Bharti's consolidated revenue grew 6% QoQ (+18% YoY) to INR585b, led by robust growth in AAF (~10% QoQ) and India Wireless (~3.8% QoQ).
- India wireless revenue grew ~3.8% QoQ, driven by 2.6% QoQ growth in ARPU to INR264 (+5.5% YoY) due to one additional day QoQ and continued premiumization of subscriber mix. Net adds were resilient at 3.3m.
- Consolidated EBITDA rose 6% QoQ to INR333b (up 20% YoY, 3% ahead), driven by strong performance in Africa (+9% QoQ, 6% above) and Airtel Business (+6% QoQ). India wireless EBITDA grew ~4% QoQ (+12% YoY) to INR182b, driven by healthy ~65% incremental margins.
- Consolidated EBITDAaL grew 4% QoQ to INR298.4b, with India EBITDAaL rising 2.8% QoQ to INR228b (margin moderated ~70bp QoQ).
- Growth in Homes moderated as higher FWA CPE costs and calibrated customer acquisition weighed on subscriber net adds (0.47m in 1QFY27 vs. ~1.13m QoQ) and ARPU declined further ~1% QoQ to INR523 (-3% YoY).

- Enterprise (B2B) revenue grew 3% QoQ (+12% YoY), while EBITDA margin expanded ~105bp QoQ to 44%.
- AAF continued to report strong double-digit YoY constant-currency growth. AAF's reported revenue (in INR terms) was up ~10% QoQ (+45% YoY, 4% ahead), while EBITDA rose ~9% QoQ (52% YoY, ~6% ahead), driven by higher revenue growth, lower impact from higher fuel costs, and cross-currency tailwinds.
- Reported PBT (before share of JVs) at INR140b (+7% QoQ, +35% YoY) was 3% below our estimate, due to higher net finance costs (+7% QoQ, 23% above) and D&A (+4% QoQ, 3% ahead).
- Adj. for exceptional items, attributable PAT at INR80.6b grew 11% QoQ (+36% YoY), though it was 7% below our estimate largely due to high net finance costs.

Key highlights from the earnings webinar

- **ARPU growth levers:** Medium-term ARPU growth would be driven by premiumization initiatives such as customer upgrades to unlimited plans, rising postpaid adoption led by Fastlane, feature phone-to-smartphone upgrades, international roaming and higher data consumption.
- **Change in tariff construct:** While there is a significant runway in premiumization-driven ARPU growth, management reiterated the need for repair in the industry's pricing construct to consumption-linked plans to drive long-term sustainable ARPU growth. It believes that fixing the pricing construct could drive ~4-5% annual ARPU increase for a long period without the need for regular large tariff hikes and increasing the entry-level pricing.
- **Postpaid:** Bharti added 1m+ postpaid connections in 1Q, now accounting for ~8% of the wireless base. Management noted that Fastlane (5G slicing) is emerging as a key driver for accelerating the postpaid adoption and driving premiumization.
- **Homes:** Bharti has deliberately tightened its customer acquisition in Homes after aggressive low-entry pricing resulted in weaker customer quality, high churn and poor continuity in certain cohorts. Rising memory and chipset prices have also led to deterioration in FWA economics. Bharti continues to prioritize fiber, which offers better longevity, customer experience and lower churn, while deploying FWA selectively where fibre is unavailable and economics are attractive.
- **Capex: Management reiterated that the radio capex has moderated over the past few years, with the bulk of investments now directed towards building out stronger transport back-bone, fibre rollout and data centers. The spend on standalone 5G remains marginal.** Data-center investments are inherently lumpy in nature, but the company has laid out clear targets to raise its capacity and market share over next few years. Overall, priority for capital allocation is to drive disciplined growth.

Valuation and view

- Bharti is our preferred pick in the telecom space given its robust FCF generation, improving return ratios and outperformance (vs. peers) in driving organic ARPU growth through premiumization.
- Further, with a potential tariff hike (15% from 3QFY27) and broadly range-bound core capex, Bharti could deliver ~INR2.25t+ FCF over FY26-29 and become net cash (ex-leases) by FY28E, with RoCE climbing to ~20%+ by FY28E.

- We model a CAGR of ~14% in Bharti's consolidated revenue/reported EBITDA over FY26-29E, driven by 1) flow-through of the ~15% tariff hike in India wireless from 3QFY27, 2) a strong growth opportunity in Homes, 3) double-digit CC growth in Africa, and 4) steady growth in B2B offerings.
- We **reiterate our BUY rating with SoTP-based revised TP of INR2,335.** We value the India wireless and homes businesses on DCF-implied ~12x Sep'28E EV/EBITDA, DTH/Enterprise at 5x/10x Sep'28E EBITDA and Bharti's stake in Indus Towers and Airtel Africa at a 25% holding company discount to our TP/CMP.
- The impending tariff hike and upcoming JPL IPO remain the key near-term triggers. Long-term risk-reward remains attractive with significant upside and limited downside at CMP (bull: INR2,860; bear: INR1,830).

Consolidated - Quarterly Earnings Summary (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Revenue	**495**	**521**	**540**	**554**	**585**	**593**	**621**	**637**	**2,110**	**2,436**	**576**	1.6
YoY Change (%)	28.5	25.7	19.6	15.7	18.4	13.7	14.9	15.0	22.0	15.5		
Total Expenditure	216	226	232	239	252	258	270	282	913	1,063	253	-0.3
EBITDA	**278**	**296**	**308**	**315**	**333**	**335**	**350**	**355**	**1,197**	**1,373**	**323**	3.1
YoY Change (%)	41.3	35.3	25.2	16.6	19.6	13.3	13.8	12.7	28.5	14.7		
Depreciation	125	132	134	136	142	143	146	153	527	585	139	2.4
Net Finance cost	54.6	48.7	56.2	56.1	59.6	50.4	50.4	49.5	216	210	49	22.1
Other Income and JV share	5.9	8.1	8.2	9.6	10.1	9.3	9.3	9.3	31.8	38.1	9	9.0
PBT before EO expense	**105**	**123**	**126**	**132**	**141**	**150**	**163**	**161**	**486**	**616**	**145**	-2.3
Extra-Ord expense	0.0	0.0	2.6	31.6	3.5	0.0	0.0	0.0	34.2	3.5	0	
PBT	**105**	**123**	**123**	**100**	**138**	**150**	**163**	**161**	**452**	**612**	**145**	-4.7
Tax	30.8	36.7	38.0	8.0	37.6	44.1	48.7	53.3	113	184	41	-9.3
Rate (%)	29.3	29.8	30.9	7.9	27.3	29.3	29.9	33.0	25.1	30.0	28.7	
Minority Interest	14.7	18.6	18.7	19.2	18.4	16.8	16.8	15.1	71.3	67.1	17	
Reported PAT	**59.5**	**67.9**	**66.3**	**73.3**	**81.7**	**89.6**	**97.5**	**93.0**	**267**	**362**	**86**	-5.3
Adj PAT	**59.5**	**67.9**	**69.2**	**72.4**	**80.6**	**89.6**	**97.5**	**93.0**	**269**	**361**	**86**	-6.6
YoY Change (%)	103.3	73.6	25.5	38.7	35.5	31.9	40.8	28.4	53.1	34.1		

E: MOFSL Estimates

Our SoTP-based TP for Bharti stands at INR2,335

	Valuation base (INR b)		Multiple (x)		Valuation	
SoTP-based on Sep'28	Sep'28 EBITDA	Other	EBITDA	Other	(INR b)	(INR/share)
India business						
India wireless (including Hexacom)	**953**		**11.9**	**DCF implied**	**11,365**	**1,821**
Less: Hexacom minority (30% minority)	75		13.9	At our FV	313	50
Homes	73		11.9	DCF implied	871	140
India homes + wireless attributable value					**11,923**	**1,911**
DTH	13		5.0		67	11
Enterprise	115		10		1,152	185
Indus Towers attributable value	**199**	**589**	**5.8**	**0.75**	**442**	**71**
Other investments (Nxtra, APB)		219		1.0	219	35
India business enterprise value	**1,265**		**10.9**	**Implied**	**13,803**	**2,212**
India business net debt (including leases)					**383**	**61**
India business equity value (a)					**13,420**	**2,151**
International business						
Airtel Africa	447		4.5	At CMP	1,996	347
Airtel Africa net debt					471	82
Airtel Africa attributable value		**1,210**		**0.75**	**908**	**145**
Robi Axiata + Dialog SL attributable value		48		0.75	36	6
International business equity value (b)					**944**	**151**
Dividends (c)					**206**	**33**
Bharti Airtel Fair Value based on Sep'28 (d) = (a) + (b) +(c)					**14,570**	**2,335**

Source: Company, MOFSL

ONGC

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	ONGC IN
Equity Shares (m)	12580
M.Cap.(INRb)/(USDb)	3025.2 / 31.8
52-Week Range (INR)	308 / 228
1, 6, 12 Rel. Per (%)	0/-7/3
12M Avg Val (INR M)	4046

Financials & Valuations (consol.) (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	6,622	6,933	6,619
EBITDA	1,133	1,122	1,201
Adj. PAT	501	523	530
Adj. EPS (INR)	39.8	41.6	42.1
EPS Gr. (%)	30.4	4.4	1.3
BV/Sh. (INR)	289.7	315.1	340.7
Ratios			
Net D:E	0.3	0.2	0.2
RoE (%)	14.0	13.5	12.6
RoCE (%)	15.4	15.0	15.7
Payout (%)	33.5	37.6	38.0
Valuations			
P/E (x)	6.0	5.7	5.7
P/BV (x)	0.8	0.8	0.7
EV/EBITDA (x)	3.6	3.4	3.1
Div. Yield (%)	5.5	6.5	6.7
FCF Yield (%)	19.8	20.4	19.1

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	58.9	58.9	58.9
DII	29.6	29.6	30.1
FII	8.0	8.0	7.1
Others	3.5	3.5	3.9

FII includes depository receipts

CMP: INR240 TP: IN290 (+21%) Buy

KG-98/2 challenges persist; Mumbai High delivers above-baseline output

- ONGC's 1QFY27 standalone revenue came in line with our est. at INR465b. Crude oil/gas sales were 9%/8% below our est. at 4.4mmt/3.7bcm. However, reported oil realization was USD99.5/bbl. Crude oil production was flat QoQ and declined 6% YoY, while natural gas production declined 1%/2% QoQ/YoY. SA EBITDAX/APAT stood 5%/16% above our est. at INR295b/INR170b. Other income came in higher than our estimate.
- **Things we liked about the result:** 1) New well gas contribution continues to increase, with volume share rising to ~24% in 1QFY27 (vs. 17% in FY26). NWG now contributes ~38% of nomination gas revenue, generating INR40b in 1QFY27 and ~INR19b incremental realization over APM pricing. 2) Under the "Samudra Manthan" initiative, ONGC commenced drilling of an exploratory well in the Mahanadi deepwater block. 3) OVL reported PAT of INR29.4b in the last 2 quarters vs. INR12.2b in FY26. Performance improvement has been primarily driven by the re-inclusion of the Sakhalin-1 asset from Jan'26. 4) Under TSP-1, natural decline has been arrested successfully at the Mumbai High field.
- **Key investor concerns:** 1) crude oil production was flat QoQ and declined 6% YoY, while natural gas production declined 1%/2% QoQ/YoY, largely due to reservoir complexities at KG-98/2 and commissioning-related shutdowns; 2) management has guided for flat YoY standalone volumes in FY27; and 3) OPaL's performance weakened in 1QFY27, reporting a loss of INR6.1b (vs. loss of INR0.7b in 4QFY26) with capacity utilization declining to 75% (vs. 93% in 4QFY26). Performance was impacted by elevated feedstock costs.
- **Valuation and view:** We model ~1% volume growth overall and value the standalone business at 6.5x Dec'27E EPS, investments at a 25% discount to CMP, and OVL stake at 0.5x FY25 BVPS to arrive at our TP of INR290. **Reiterate BUY**.

Higher-than-expected realization offsets weak production performance

- In 1QFY27, ONGC's revenue came in line with our est. at INR465b.
- Crude oil/gas sales were 9%/8% below our est. at 4.4mmt/3.7bcm. VAP sales stood at 471tmt (est. 570tmt).
- The reported oil realization was USD99.5/bbl.
- Crude oil production was flat QoQ and declined 6% YoY, while natural gas production declined 1%/2% QoQ/YoY.
- Weakness in oil and gas production was attributed to 1) reservoir complexities at KG-98/2, 2) weather-led delays in Western Offshore pipeline projects, 3) commissioning-related well shutdowns (MTPBP & DUDP), and 4) lower gas offtake from isolated fields.
- EBITDAX stood 5% above our estimate at INR295b.
- Other expenses were above our estimate. Exchange loss stood at INR2.3b during the quarter.

- APAT stood 16% above our estimate at INR170b.
  - Dry well write-offs stood below our estimate. Finance costs also came below our estimate, while other income was above our expectation.
- **ONGC Videsh:**
  - OVL's oil and gas production was flat YoY at 1.80mmt/0.68bcm (1.75mmt/0.70bcm in 1QFY26).
  - Crude oil sales stood at 1.1mmt, while gas sales came in at 0.4bcm.
  - OVL's revenue (incl. other income) was INR42.1b, and PBDT stood at INR20.5b.
  - Provisions and write-offs stood at INR6.3b in 1QFY27.
- **ONGC Petro additions Limited (OPaL)**:
  - OPaL's average capacity utilization for 1QFY27 stood at 75% (vs. 93%/81% in 4QFY26/1QFY26).
  - OPaL reported a loss of INR6.1b in 1QFY27 (vs. a loss of INR0.7b/INR6.2b in 4QFY26/1QFY26).
- New Well Gas contributed ~38% of ONGC's nomination gas revenue, generating INR40b in Q1 FY27 and delivering INR19b incremental revenue over APM gas pricing.
- ONGC spudded an exploratory well in the Mahanadi deepwater block under the 'Samudra Manthan' initiative, targeting the Pliocene Shallower Channel.
- Following positive TSP-1 results, ONGC expanded its partnership with BP across the Western Offshore portfolio, with INR400b+ projects under implementation. The company expects benefits to materialize from FY28.
- ONGC made two discoveries during 1QFY27, comprising one offshore prospect and one onshore new pool discovery.

Valuation and view

- ONGC currently trades at 5.7x FY28E consol. P/E, below its long-term average one-year forward P/E of 6.4x. Adjusting for the value of listed investments (INR64/share) and our valuation of OVL (INR23/share), the implied valuation of the core business suggests that the market is effectively discounting a Brent crude price of only ~USD65/bbl over 2QFY27-FY28, which we believe is overly conservative given the current industry backdrop.
- We model ~1% volume growth overall and value the standalone business at 6.5x Dec'27E EPS, investments at a 25% discount to CMP, and OVL stake at 0.5x FY25 BVPS to arrive at our TP of INR290. **Reiterate BUY**.

Standalone - Quarterly Earnings Model (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Sales	**320.0**	**330.3**	**315.5**	**359.3**	**464.6**	**383.1**	**388.6**	**389.7**	**1,325.1**	**1,626.0**	**460.2**	**1%**
YoY Change (%)	-7.6	-6.3	-6.9	6.6	32.8	19.7	17.6	23.5	-3.87%	22.71%	31.6	
EBITDAX	**186.6**	**177.0**	**173.2**	**177.7**	**294.5**	**213.8**	**223.9**	**209.7**	**714.5**	**941.9**	**281.0**	**5%**
Margin (%)	58.3	53.6	54.9	49.5	63.4	55.8	57.6	53.8	53.9	57.9	61.1	0.0
Depreciation	65.3	63.7	66.1	56.2	62.8	66.9	69.4	64.9	251.3	264.0	70.2	-11%
Exploration cost written off	14.7	11.0	20.5	51.1	11.0	11.0	20.5	54.8	97.3	97.3	14.7	-25%
Interest	11.2	11.1	11.5	11.4	10.9	11.5	12.0	12.7	45.3	47.0	11.6	-7%
Other Income	12.1	34.2	30.9	26.3	18.6	29.6	26.7	14.6	103.6	89.5	10.5	78%
PBT	**107.4**	**125.4**	**106.0**	**85.2**	**228.5**	**154.0**	**148.7**	**91.9**	**424.1**	**623.1**	**194.9**	**17%**
Tax	27.2	27.0	22.3	18.7	58.1	37.7	36.4	22.5	95.2	154.8	47.8	22%
Rate (%)	25.3	21.5	21.0	22.0	25.4	24.5	24.5	24.5	22.4	24.8	24.5	0.0
Reported PAT	**80.2**	**98.5**	**83.7**	**66.5**	**170.3**	**116.3**	**112.3**	**69.4**	**328.9**	**468.3**	**147.2**	**16%**
Adj PAT	**80.2**	**98.5**	**83.7**	**66.5**	**170.3**	**116.3**	**112.3**	**69.4**	**328.9**	**468.3**	**147.2**	**16%**
YoY Change (%)	-10.2	-17.8	1.6	3.1	112.3	18.1	34.1	4.3	-7.6	42.4	83.4	
Margin (%)	25.1	29.8	26.5	18.5	36.7	30.4	28.9	17.8	24.8	28.8	32.0	
Key Assumptions (USD/bbl)												
Oil Realization (pre-windfall tax)	66.1	67.3	61.6	78.3	99.5	78.5	78.5	78.5	68.4	83.7	95.2	4%
Crude Oil Sold (mmt)	4.7	4.8	4.7	4.6	4.4	4.7	4.6	4.6	18.8	18.3	4.9	-9%
Gas Sold (bcm)	3.9	3.9	3.9	3.8	3.7	3.9	4.0	3.9	15.5	15.5	4.0	-8%
VAP Sold (tmt)	616	592	662	595	471	570	599	599	2,465	2,239	570	-17%

Pidilite Industries

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	PIDI IN
Equity Shares (m)	1018
M.Cap.(INRb)/(USDb)	1694.6 / 17.8
52-Week Range (INR)	1665 / 1259
1, 6, 12 Rel. Per (%)	3/17/11
12M Avg Val (INR M)	1223

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	146.0	171.7	191.5
Sales Gr. (%)	11.1	17.6	11.5
EBITDA	35.7	41.4	46.7
EBITDA Margin (%)	24.5	24.1	24.4
Adj. PAT	25.1	29.8	33.8
Adj. EPS (INR)	24.7	29.2	33.2
EPS Gr. (%)	19.6	18.3	13.4
BV/Sh.(INR)	106.4	121.6	138.8
Ratios			
RoE (%)	24.4	25.6	25.5
RoCE (%)	22.8	24.1	24.0
Payout (%)	46.5	48.2	48.1
Valuations			
P/E (x)	66.6	56.3	49.6
P/BV (x)	15.5	13.5	11.9
EV/EBITDA (x)	45.6	39.3	34.4
Div. Yield (%)	0.7	0.9	1.0

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	69.2	69.3	69.4
DII	9.9	9.6	9.2
FII	11.7	11.8	12.1
Others	9.2	9.3	9.4

FII includes depository receipts

CMP: INR1,665 TP: INR1,700 (+2%) Neutral

Encouraging performance; near-term margin pressure

- Pidilite Industries (PIDI) reported strong consolidated revenue growth of 21% YoY in 1QFY27. Standalone revenue grew 22% YoY, led by underlying volume growth of 11% (est. 11%). In the C&B business, value/volume growth stood at 22%/12% YoY. B2B segment saw 14% value growth and 7% volume growth. Export business declined 8% due to the ongoing West Asia conflict.
- Gross margin (GM) contracted 70bp YoY to 53.5% due to higher RM prices. Due to the West Asia conflict, VAM prices increased to USD1,370/ton from USD924/ton in 1QFY26. To mitigate the cost, PIDI is taking a calibrated price hike (2-12% in 1Q) across products.
- EBITDA grew strongly by 27% YoY (est. 15%). Consolidated EBIT growth for the consumer business was healthy at 26% YoY (20% in FY26) and B2B business EBIT was up 30% (10% in FY26).
- PIDI's volume growth trajectory remains encouraging, especially amid a challenging demand environment. Operating margins could contract in the near term owing to cost inflation. Given its market leadership, PIDI is better placed in such an inflationary scenario. We model a CAGR of 15% in revenue and 14% in EBITDA over FY26-28E. Given the limited upside, we reiterate our Neutral rating on the stock with a TP of INR1,700 (50x FY28E EPS).

Beat on profitability; volume up 11%

- **Consistent double-digit volume growth:** Consol. sales grew by a strong 21% YoY to INR45.5b (est. INR44.3b). Underlying volume growth remained strong at 11% (est. 11%, 15% in 4QFY26). UVG was 12% for C&B businesses and 7% for B2B businesses.
- **Strong twenties growth in C&B**: Consumer & Bazaar (C&B) segment revenue rose 22% YoY to INR36.8b (est. INR35.3b), EBIT grew 26% YoY to INR11.9b (est. INR10.7b) and EBIT margins expanded by 90bp YoY to 32.3%.
- **Mid-teens growth in B2B:** B2B segment revenue was up 14% YoY at INR9.2b (est. INR9.3b), EBIT increased by 30% to INR1.7b (est. INR1.5b), and EBIT margins expanded by 230bp YoY to 18.8%.
- **Better operating margin delivery continues**: GM contracted by ~70bp YoY to 53.5% (est. 54.0%), impacted by the West Asia crisis. Employee expenses rose 11% YoY and other expenses increased by 16% YoY. EBITDA margin expanded by 120bp YoY to 26.2% (est. 24.4%).
- **Strong profitability growth in twenties:** EBITDA was up 27% YoY (est. 15%). PBT grew 28% YoY to INR11.8b (est. INR10.3b). Adj. PAT increased 28% YoY to INR8.6b (est. INR7.7b).

Highlights from the management commentary

- Price hikes varied across categories and brands, ranging from nearly 2% to 12%, and were implemented in a phased manner during the quarter.
- Management expects the current healthy demand environment to continue and remains confident about sustaining healthy UVG during the year.
- GM declined 90bp YoY to 52.5% due to significantly higher raw material costs. VAM average price increased to USD1,370/ton from USD924/ton in 1QFY26.
- PIDI maintains its EBITDA margin guidance of 20-24% in the medium term.

Valuations and view

- We increase our EPS estimates by 4-5% for FY27 and FY28.
- PIDI's volume growth trajectory remains encouraging, especially amid a challenging demand environment. PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet.
- Operating margins could moderate in FY27 from the high level of over 24% in FY26 due to rising input cost inflation. We model a CAGR of 15% in revenue and 14% in EBITDA over FY26-28E.
- Given the limited upside, we reiterate our Neutral rating on the stock with a TP of INR1,700 (50x FY28E EPS).

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

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Volume growth (%)	**9.9**	**10.3**	**9.3**	**15.3**	**11.3**	**13.4**	**11.1**	**7.4**	**11.2**	**10.8**	**11.5**	
Net Sales	**37,531**	**35,544**	**37,099**	**35,834**	**45,516**	**42,652**	**43,398**	**40,486**	**1,46,008**	**1,71,731**	**44,344**	2.6
YoY change (%)	10.5	9.9	10.1	14.1	21.3	20.0	17.0	13.0	11.1	17.6	18.2	
Gross Profit	**20,314**	**19,563**	**20,961**	**20,281**	**24,334**	**22,947**	**23,956**	**22,700**	**81,118**	**93,936**	**23,946**	1.6
Margin (%)	54.1	55.0	56.5	56.6	53.5	53.8	55.2	56.1	55.6	54.7	54.0	
EBITDA	**9,410**	**8,507**	**9,468**	**8,329**	**11,939**	**9,846**	**10,502**	**9,187**	**35,713**	**41,444**	**10,829**	10.2
YoY change (%)	15.8	10.7	18.6	31.7	26.9	15.7	10.9	10.3	18.5	16.0	15.1	
Margins (%)	25.1	23.9	25.5	23.2	26.2	23.1	24.2	22.7	24.5	24.1	24.4	
Depreciation	967	1,000	1,010	971	973	1,000	1,100	1,104	3,947	4,177	1,050	
Interest	138	133	133	139	133	140	140	155	542	569	140	
Other Income	857	502	655	648	920	815	815	727	2,662	3,277	643	
PBT	**9,162**	**7,877**	**8,980**	**7,867**	**11,753**	**9,521**	**10,077**	**8,654**	**33,886**	**39,975**	**10,283**	14.3
Tax	2,383	2,027	2,159	1,925	3,085	2,380	2,519	2,010	8,495	9,994	2,571	
Rate (%)	26.0	25.7	24.0	24.5	26.2	25.0	25.0	23.2	25.6	25.0	25.0	
Reported PAT	**6,724**	**5,792**	**6,180**	**5,793**	**8,724**	**7,086**	**7,503**	**6,622**	**24,489**	**29,761**	**7,657**	13.9
Adj PAT	**6,724**	**5,792**	**6,761**	**5,873**	**8,580**	**7,086**	**7,503**	**6,622**	**25,149**	**29,761**	**7,657**	12.1
YoY change (%)	18.6	8.4	22.4	31.3	27.6	22.3	11.0	12.8	19.7	18.3	13.9	
Margins (%)	17.9	16.3	18.2	16.4	18.9	16.6	17.3	16.4	17.2	17.3	17.3	

E: MOFSL Estimates

Bharti Hexacom

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BHARTIHE IN
Equity Shares (m)	500
M.Cap.(INRb)/(USDb)	776.3 / 8.2
52-Week Range (INR)	1956 / 1430
1, 6, 12 Rel. Per (%)	5/-1/-16
12M Avg Val (INR M)	374

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Net Sales	105.0	121.6	136.1
EBITDA	56.9	69.5	80.4
Adj. PAT	22.8	31.2	38.4
Adj. EPS (INR)	45.6	62.5	76.8
EPS Gr. (%)	33.3%	36.9%	22.9%
BV/Sh. (INR)	170.9	206.4	247.2
Ratios			
RoE (%)	29.0	33.1	33.9
RoCE (%)	19.5	25.8	31.3
Valuations			
P/E (x)	34.0	24.9	20.2
P/BV (x)	9.1	7.5	6.3
EV/EBITDA (x)	14.5	11.6	9.8
Div. Yield (%)	1.7	2.3	2.9

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	70.0	70.0	70.0
DII	10.6	10.6	9.8
FII	3.6	3.7	4.3
Others	15.8	15.7	15.9

FII includes depository receipts

CMP: INR1,553 TP: INR 2,050 (+32%) Buy

Robust FCF generation and deleveraging continues in 1Q

- Bharti Hexacom (BHL) reported a strong 1QFY27, with ~4% QoQ growth in customer wireless revenue and overall EBITDA, driven by ~2.6% QoQ growth (similar to BHARTI) in wireless ARPU to INR259.
- Similar to BHARTI, BHL's subscriber net adds moderated in homes and offices due to calibration in subscriber acquisition strategy amid higher FWA CPE prices. However, BHL's share of Airtel's WiFi net adds surged to ~16% (vs. its ~6.3% share in BHARTI's overall WiFi base).
- Reported segmental capex surged~68% YoY to INR3.8b (though down ~35% QoQ), while cash capex spiked ~23% YoY (+3% QoQ).
- Despite elevated cash capex, FCF generation (after leases and interest payments) improved to INR10.5b (vs. INR8.9b YoY, INR23.1b in FY26), which led to a further ~INR10b reduction in net debt (leverage now modest at 0.2x).
- Over the last one year, BHL has underperformed BHARTI (market cap -16% vs. +12% for BHARTI); as a result, its implied premium to BHARTI's India business on one-year forward EV/EBITDA has shrunk from ~40% to ~11% currently. We believe the GoI stake sale remains a key overhang; however, given better return ratios and lower capital misallocation risks (vs. BHARTI), we believe there is a case for BHL to trade at a premium (though it has lower growth avenues).
- We raise our FY27-28E revenue and EBITDA by ~1-2%. We model a ~14%/18%/31% CAGR in BHL's customer revenue/EBITDA/adj. PAT over FY26-29E, driven by ~15% tariff hike in 3QFY27 and continued premiumization and market share gains.
- We ascribe a DCF-based FY28E EV/EBITDA of 13.9x to BHL (which is at ~20% premium to our multiple for Bharti's India business). We reiterate **our BUY rating with a revised TP of INR2,050** (earlier INR1,875).

Robust ~INR10.5b FCF generation drives INR10b+ QoQ dip in net debt

- Overall 1Q revenue at INR25.1b (+11% YoY) grew 4% QoQ, with customer revenue rising ~3.8% QoQ to INR23.6b.
- Reported wireless revenue/EBITDA grew ~4% QoQ, driven by 2.6% QoQ (similar to BHARTI, 5% YoY) growth in ARPU to INR259, on the back of one additional day QoQ and an improving subscriber mix.
- Homes' revenue was up ~8% QoQ to INR 1.27b (61% YoY, 8% below) while EBITDA at INR 0.5b (17% below) rose 12% QoQ, led by moderation in net adds to 75k (vs. 148k QoQ) and ARPU stable QoQ at INR 482/month.
- Reported EBITDA grew ~4% QoQ to INR13.2b (+14% YoY, 3% above) as margin expanded ~20bp QoQ to 52.7%.
- Reported EBITDAaL grew 4.8% QoQ to INR12.1b, with pre-IND AS EBITDA margin rising ~40bp QoQ to 48.2%. Incremental pre-IND AS EBITDA margin stood at ~58% (similar to 4Q).
- Adjusted PAT at INR4.8b grew 4% QoQ (vs. our est. of INR 4.7b).
- Overall 1Q capex surged 68% YoY to INR3.8b (though down 35% QoQ), while cash capex spiked 23% YoY (+3% QoQ).

- Despite elevated cash capex, FCF generation (after leases and interest payments) improved to INR10.5b (vs. INR8.9b YoY, INR23.1b in FY26), driven by improved operating profitability (OCF up INR2.9b YoY), which was partly offset by lower working capital release (lower by INR0.7b YoY).
- Net debt (ex-leases) declined ~INR10.7b QoQ to INR 9.6b, with leverage now at a modest ~0.2x (vs. 0.44x QoQ).

A healthy wireless performance led by a strong ARPU uptick

- Wireless ARPU grew 2.6% QoQ (similar to Airtel) to INR259 (+5% YoY, above our est. of INR256), due to one extra day QoQ and continued premiumization of subscriber mix.
- The paying subscriber base inched up ~210k (vs. our est. +200k).
- Reported wireless revenue grew 3.7% QoQ to INR24b (+9% YoY, vs. our est. INR23.4b). Underlying customer revenue grew ~3.6% QoQ (+8% YoY, vs. ~2.5/3.8% QoQ for RJio/Bharti).
- Wireless EBITDA at INR13.2b (+11% YoY, vs. our est. 12.7b) was up ~4.4% QoQ (vs. ~3.3% QoQ R-Jio, including FTTH) and was also slightly ahead of ~4.1% QoQ growth for Airtel's India wireless business.
- Wireless EBITDA margins expanded ~35bp QoQ to 55.3% (+90bp YoY, vs. +40bp QoQ to 54.7% for R-Jio including FTTH) and were stronger than ~15bp QoQ improvement for Airtel's India wireless business to 60.8%.
- Incremental wireless EBITDA margins stood at ~64% for BHL (vs. ~72%/65% for RJio/Bharti).

Key takeaways from the management interaction

- **Capex:** Management highlighted that capex remains focused on 5G densification and scaling the Homes business. While BHL does not have large B2B and data center opportunities as available to its parent, management stated that the company would continue to invest wherever required to maintain healthy, competitive, and profitable growth, aided by its strengthening balance sheet.
- **Home broadband (HBB):** Management indicated that out of 400 cities pan-India, which accounted for ~95% of the HBB market, 15-17 cities fell within BHL's circles. Given the difficult terrain across Rajasthan and the Northeast, the company continues to adopt a combination of FWA and fiber deployment. Management reiterated that HBB remains a large opportunity, with no change in its market assessment or growth expectations, despite the deliberate moderation in net adds during 1Q.
- **Mobile subs trends:** Management attributed the relatively softer mobile subscriber additions to seasonality, noting that customer additions have historically been stronger during 2H.
- **Energy costs:** Despite higher diesel costs, energy costs declined YoY driven by seasonally strong solar generation and certain one-offs. Management noted that the full impact of higher diesel prices was not reflected in 1Q as the price increase occurred only during part of the quarter and existing diesel inventory was available at sites. Consequently, the underlying sequential trend in energy costs remained stable, with partial impact from higher diesel prices likely in coming quarters.

Valuation and view

- BHL provides a pure-play exposure to BHARTI's fast-growing wireless and HBB segments in circles with lower data and HBB penetration.
- Over the last one year, BHL has underperformed BHARTI (market cap -16% vs. +12% for BHARTI); as a result, its implied premium to BHARTI's India business on one-year forward EV/EBITDA has shrunk from ~40% to ~11% currently. We believe the GoI stake sale remains a key overhang; however, given better return ratio and lower capital misallocation risks (vs. BHARTI), we believe there is a case for BHL to trade at a premium (though it has lower growth avenues).
- Driven by stronger performance in 1QFY27, we raise our FY27-28E revenue and EBITDA by ~1-2%. We model a ~14%/18%/31% CAGR in BHL's customer revenue/EBITDA/adj. PAT over FY26-29E, driven by ~15% tariff hike in 3QFY27, continued premiumization and market share gains.
- We ascribe a DCF-based Sep'28E EV/EBITDA of 13.9x to BHL (which is at ~20% premium to our multiple for Bharti's India business). We reiterate our Buy rating on BHL, **with a revised TP of INR2,050** (earlier INR1,875). The LT risk-reward remains favorable (bull case: INR2,535; bear case: INR1,530).

Consolidated - Quarterly earnings summary (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Revenue	**22,630**	**23,173**	**23,598**	**24,137**	**25,099**	**25,599**	**26,491**	**27,846**	**93,538**	**1,05,035**	**24,638**	**1.9**
YoY Change (%)	18.4	10.5	4.8	5.4	10.9	10.5	12.3	15.4	9.4	12.3		
Total Expenditure	11,023	11,092	11,054	11,465	11,877	11,866	12,062	12,349	44,634	48,155	11,764	1.0
EBITDA	**11,607**	**12,081**	**12,544**	**12,672**	**13,222**	**13,733**	**14,428**	**15,497**	**48,904**	**56,880**	**12,874**	**2.7**
YoY Change (%)	32.5	20.6	8.9	8.5	13.9	13.7	15.0	22.3	52.3	54.2		
Depreciation	5,273	5,543	5,668	5,648	5,925	5,984	6,044	5,878	22,132	23,831	5,695	4.0
Net Finance cost	1,541	1,509	1,470	1,492	1,488	1,339	1,232	1,214	6,012	5,273	1,343	10.8
Other Income	475	612	375	776	721	650	650	679	2,238	2,700	500	44.2
PBT before EO expense	**5,268**	**5,641**	**5,781**	**6,308**	**6,530**	**7,060**	**7,802**	**9,085**	**22,998**	**30,477**	**6,336**	**3.1**
Extra-Ord expense	0	0	91	246	0	0	0	0	337	0	0	
PBT	**5,268**	**5,641**	**5,690**	**6,062**	**6,530**	**7,060**	**7,802**	**9,085**	**22,661**	**30,477**	**6,336**	**3.1**
Tax	1,352	1,429	953	1,595	1,706	1,777	1,964	2,224	5,329	7,671	1,594.7	7.0
Rate (%)	25.7	25.3	16.7	26.3	26.1	25.2	25.2	24.5	23.5	25.2		
Reported PAT	**3,916**	**4,212**	**4,737**	**4,467**	**4,824**	**5,283**	**5,838**	**6,861**	**17,332**	**22,806**	**4,741**	**1.7**
Adj PAT	**3,916**	**4,212**	**4,805**	**4,658**	**4,824**	**5,283**	**5,838**	**6,861**	**17,104**	**22,806**	**4,741**	**1.7**
YoY Change (%)	103.0	66.4	31.1	22.5	23.2	25.4	21.5	47.3	43.8	33.3		

E: MOFSL Estimates

PB Fintech

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	POLICYBZ IN
Equity Shares (m)	463
M.Cap.(INRb)/(USDb)	749.6 / 7.9
52-Week Range (INR)	1974 / 1334
1, 6, 12 Rel. Per (%)	0/8/-7
12M Avg Val (INR M)	3244
Free float (%)	100.0

Financial & Valuation (INRb)

Y/E March	2026	2027E	2028E
Revenue	67.9	89.2	112.9
YoY growth %	36.5	31.2	26.6
Opex	62.8	79.0	96.6
Adj EBITDA	7.3	12.2	18.2
PAT	6.7	10.2	13.9
YoY growth %	89.8	52.2	36.1
EPS (INR)	14.6	22.0	30.0
BVPS (INR)	158	180	210
Ratios (%)			
EBITDA Margin	7.5	11.4	14.4
PAT Margin	9.9	11.4	12.3
RoE	9.7	13.0	15.4
Valuations			
P/E (x)	111.1	73.5	54.0
P/B (x)	10.2	9.0	7.7
EV/ EBITDA (x)	136	68	43

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	40.4	36.7	23.3
FII	37.4	40.1	47.1
Others	22.1	23.2	29.7

FII Includes depository receipts

CMP: INR1,620 TP: INR1,820 (+12%) Neutral

Strong top-line growth; operational efficiency drives PAT beat

- PB Fintech (POLICYBZ) reported revenue of INR18.9b (in line), growing 40% YoY, driven by 43% YoY growth in online revenue to INR11.9b (5% beat) and 35% YoY growth in new initiatives revenue to INR6.9b (in line).
- Adj. EBITDA stood at INR1.9b (13% beat; doubling YoY), while Adj. EBITDA margin stood at 9.9% (vs our est. of 9.1%). Core online adjusted EBITDA margin was 18.6% (14.4% in 1QFY26), while for new initiatives, it was negative at 5.2% (-6.0% in 1QFY26).
- Strong revenue growth, along with robust operational efficiency, resulted in a 14% PAT beat, which came in at INR1.6b, up 93% YoY.
- The insurance segment's 12M trailing core renewal revenue grew 55% YoY and is expected to outpace fresh business growth, which is also likely to maintain healthy momentum, backed by continued protection demand. Management has maintained its guidance of ~3% PAT yield for FY27.
- We have increased our revenue estimates by 3%/2% for FY27/28, considering the 1QFY27 performance. Robust operational efficiency has resulted in a 5%/4% increase in PAT estimates for FY27/28. Uncertainty around commission regulations remains a key risk. We reiterate our **Neutral** stance with a revised TP of INR1,820 (based on DCF valuation), implying FY28E EV/EBITDA of 49x**.**

53% YoY growth in protection; core lending recovers

- Core online premium grew 41% YoY to INR57.6b, while new initiative premium grew 42% YoY to INR26.2b.
- Lending disbursal for the quarter was INR43.7b (-38% YoY), of which core online lending at INR27.8b continues to grow sequentially. Secured lending (PB Connect) disbursals declined to INR15.9b (INR49.1b in 1QFY26), as the company discontinued credit from wholesale agents.
- Supported by strong momentum in fresh business, the core online insurance take rate improved to 18.5% (17.9% in 1QFY26), resulting in core insurance revenue growth of 46% YoY to INR10.7b. Core online credit revenue grew 25% YoY to INR1.3b, maintaining a sequential growth trajectory.
- New initiatives revenue grew 35% YoY to INR6.9b, backed by 42% YoY growth in new initiative insurance premiums and improved insurance take rates on a YoY basis. This was offset by a decline in secured lending disbursals to INR15.9b.
- Based on 1Q performance, the annualized run rate for insurance renewal revenue stood at INR10b (INR6.7b in 1QFY26), providing strong visibility for continued revenue growth and margin expansion.
- Contribution profit of INR5.5b (6% beat) grew 48% YoY, reflecting contribution margin of 29.1% (vs our est. of 28.7%).
- ESOP expenses for 1Q were INR470m. Other income was at INR930m.

- The PolicyBazaar platform's registered customer base grew to 158.9m (111.6m in 1QFY26), with transacting customers at 28.1m (21.8m in 1QFY26). The platform has sold 71.6m policies to date.
- The PaisaBazaar platform witnessed 7.8m transacting customers (6.5m in 1QFY26), with 60.6m credit scores accessed and 12.1m transactions to date. 91,000 credit cards were issued during the quarter.

Highlights from the management commentary

- Management targets an annualized revenue run-rate of INR5bW and breakeven by Mar'27 in PB Health. The second hospital has received billing approval recently.
- Higher motor TP rates, if implemented, could further benefit ticket sizes of fresh business. It will be more beneficial to PB if enforcement is strict.
- In PolicyBazaar, the focus remains on outpacing industry in fresh business with headcount addition, marketing spends, and AI-led productivity improvement. In PaisaBazaar, new savings products, including bonds, are scheduled for launch by the end of August.

Valuation and view

- POLICYBZ continues to deliver volume growth above its guidance of 30%, driven by GST exemption-led boost in term and health insurance. Strong momentum in the protection segment, along with stronger renewal growth and productivity improvement, resulted in robust profitability. Additionally, the company continues witness recovery in unsecured lending and stable momentum in retail secured lending.
- Over FY26-28, we expect POLICYBZ to post a strong CAGR of 29%/79%/44% in revenue/EBITDA/PAT, factoring in a strengthening position in the under-penetrated credit and insurance industries.
- We have increased our revenue estimates by 3%/2% for FY27/28, considering the 1QFY27 performance. Robust operational efficiency has resulted in a 5%/4% increase in PAT estimates for FY27/28. Uncertainty around commission regulations remains a key risk. We reiterate our Neutral stance with a revised TP of INR1,820 (based on DCF valuation), implying an FY28E EV/EBITDA of 49x.

Quarterly Performance												(INR b)		
Y/E March	FY26				FY27				FY26	FY27E	1Q FY27E	act v/s Est. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE						
Revenue	**13.5**	**16.1**	**17.7**	**20.6**	**18.9**	**20.7**	**23.2**	**26.3**	**67.9**	**89.2**	**18.1**	4.2	40.1	-8.4
Change YoY (%)	34.4	38.1	37.2	36.7	40.1	28.2	31.3	27.7	36.5	31.2	34.5			
Core Online Business	8.3	9.6	10.4	12.5	11.9	13.1	13.9	15.3	40.8	54.3	11.4	4.9	43.2	-4.4
New initiatives	5.1	6.6	7.3	8.1	6.9	7.6	9.3	11.0	27.2	34.9	6.7	3.0	35.0	-14.6
Direct costs	**9.8**	**11.5**	**12.7**	**14.5**	**13.4**	**14.5**	**16.3**	**18.4**	**48.4**	**62.6**	**12.9**	3.6	37.1	-7.5
Core Online Business	4.9	5.3	5.8	6.7	6.9	7.2	7.5	8.1	22.7	29.7	6.5	5.9	40.8	3.0
New initiatives	4.9	6.2	6.9	7.8	6.5	7.3	8.8	10.3	25.8	32.9	6.4	1.3	33.3	-16.6
Contribution profit	**3.7**	**4.6**	**5.1**	**6.1**	**5.5**	**6.2**	**6.9**	**8.0**	**20**	**27**	**5.2**	5.5	48.0	-10.6
Change YoY (%)	30.6	45.5	53.0	41.8	48.0	33.6	37.2	29.7	43.0	36.1	40.3			
Core Online Business	3.4	4.3	4.6	5.8	5.0	5.9	6.5	7.3	18.1	24.6	4.9	3.5	46.5	-13.0
New initiatives	0.3	0.4	0.4	0.4	0.5	0.3	0.5	0.7	1.4	2.0	0.3	33.6	66.7	28.6
Adjusted EBITDA	**0.9**	**1.6**	**2.0**	**2.8**	**1.9**	**2.6**	**3.5**	**4.3**	**7.3**	**12.2**	**1.7**	12.5	109.0	-33.6
Core Online Business	1.2	1.8	2.2	3.1	2.2	3.0	3.8	4.4	8.4	13.3	2.0	10.9	85.0	-29.3
New initiatives	-0.3	-0.3	-0.2	-0.3	-0.4	-0.4	-0.3	-0.1	-1.2	-1.2	-0.3	3.6	16.1	5.9
EBITDA	**0.3**	**1.0**	**1.6**	**2.2**	**1.4**	**2.1**	**3.0**	**3.7**	**5.1**	**10.2**	**1.2**	20.5	308.8	-36.2
Other Income	1.0	0.9	0.9	1.0	0.9	1.0	1.0	1.0	3.7	4.0	1.0	-8.8	-5.8	-10.6
PBT	0.9	1.4	2.0	2.7	1.8	2.6	3.5	4.3	7.1	12.1	1.7	5.4	94.1	-34.1
Tax	0.1	0.1	0.1	0.1	0.2	0.3	0.6	0.8	0.4	1.9	0.3	-41.0	108.1	45.5
PAT	**0.8**	**1.4**	**1.9**	**2.6**	**1.6**	**2.2**	**2.9**	**3.5**	**6.7**	**10.2**	**1.4**	14.2	92.9	-37.5
Profitability Ratios (%)												**bp**		
Contribution margin	27.5	28.8	28.5	29.8	29.1	30.0	29.8	30.2	28.8	29.8	28.7	36	156	-70
Adjusted EBITDA margin	6.6	9.7	11.3	13.6	9.9	12.4	15.0	16.2	10.7	13.7	9.1	73	325	-373
Operational Highlights (INRb)														
Premiums	**59.3**	**68.2**	**79.7**	**92.2**	**83.7**	**93.7**	**105.3**	**120.6**	**299.3**	**403.3**	**80.8**	3.6	41.2	-9.2
Core Online Business	40.9	47.5	53.6	62.0	57.6	65.5	70.8	80.0	203.9	273.8	56.0	2.8	40.8	-7.1
New initiatives	18.4	20.8	26.1	30.2	26.2	28.2	34.5	40.6	95.4	129.4	24.9	5.3	42.2	-13.4
Lending Disbursal	**70.0**	**85.7**	**99.9**	**51.8**	**43.7**	**52.3**	**57.8**	**65.2**	**307.4**	**218.9**	**55.8**	-21.8	-37.7	-15.7

MCX

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	MCX IN
Equity Shares (m)	255
M.Cap.(INRb)/(USDb)	662.6 / 7
52-Week Range (INR)	3480 / 1461
1, 6, 12 Rel. Per (%)	-9/12/65
12M Avg Val (INR M)	8064
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	23.0	29.3	32.6
EBIT Margin (%)	68.1	68.3	66.7
PAT	13.3	17.1	18.8
EPS (INR)	52.2	67.0	73.5
EPS Gr. (%)	137.8	28.4	9.7
BV/Sh. (INR)	111.7	165.3	224.1
Ratios			
RoE (%)	56.3	48.4	37.8
Valuations			
P/E (x)	49.8	38.8	35.3
P/BV (x)	23.3	15.7	11.6
Div Yield (%)	0.3	0.3	0.3

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	50.8	54.4	59.1
FII	30.0	26.3	21.9
Others	19.1	19.4	19.0

FII includes depository receipts

CMP: INR2,599 TP: INR2,790 (+7%) Neutral

Higher expenses lead to EBITDA miss

- MCX's operating revenue stood at INR7b (in line), up 88% YoY but down 21% QoQ, reflecting normalization after an exceptionally strong volatility-driven 4QFY26. Meanwhile, underlying business fundamentals remained healthy.
- Opex grew 58% YoY to INR2.1b, driven by staff costs (+28% YoY/+25% QoQ to INR575m; 19% above estimates), while other expenses rose 74% YoY but declined 15% QoQ to INR1.5b (11% above estimates). EBITDA nearly doubled YoY to ~INR4.9b but declined 26% QoQ, with margins at 70.4% (vs. 64.8% in 1QFY26 and 74.9% in 4QFY26).
- PAT stood at ~INR4.1b (4% below estimates due to higher operating expenses), doubling YoY but declining 22% QoQ.
- Strong traction in Silver 100 Gram Futures, electricity derivatives, and 10-gram gold contracts, along with upcoming metal and commodity index products and the commercial launch of the Coal Exchange of India, should support product diversification and broader market participation.
- We have cut our EPS estimates for FY27/FY28 by 5%/4%, respectively, to factor in the current volume run-rate and higher costs owing to 1Q trends. We expect revenue/EBITDA/PAT to expand at 19%/17%/19% CAGR over FY26-28. **We reiterate a Neutral rating on the stock with a one-year TP of INR2,790 (premised on 38x FY28E EPS).**

Strong volume growth supported by options contract

- The transaction fee for 1QFY27 stood at ~INR6.5b, up 92% YoY/down 20% QoQ, comprising options and futures in the ratio of 75:25 (vs. 1QFY26 at INR3.4b in the ratio of 68:32).
- Overall ADT grew 238% YoY/58% QoQ to INR10.5t, driven by 427%/83%/445% growth in bullion/energy/base metals contracts, respectively.
- Options notional ADT grew 266% YoY/72% QoQ to INR9.9t due to a 541% YoY growth in bullion contracts; meanwhile, options premium ADT surged 114% YoY but declined 15% QoQ to ~INR91b, led by strong volume growth across segments.
- Futures ADT rose 47% YoY to INR596b, driven by 27%/102%/126%/43% growth in Bullion/Energy/Base Metal/Agri, respectively, while index declined 93% YoY.
- MCX retained more than 99% market share in commodity futures in 1QFY27, with gold and silver contributing ~77% of futures turnover.
- Client participation rose 8% YoY to 597 members as of Jun'26, while traded clients reached 1.4m (almost doubled YoY, reflecting a broader retail and institutional participation), with the futures-to-options participation mix at 52%:43%.
- The number of UCCs at the end of 1QFY27 stood at 40.5m, compared to 34.7m in 1QFY26 and 46.5m in 4QFY26. The underlying trend in new member additions and market participation remains positive, with FY27 traded UCCs expected to exceed FY26.

- The company added 12 new members and 35 new FPIs during the quarter, taking the FPI base to ~220. FPIs currently contribute ~2.5% of overall MCX ADT. Strong onboarding momentum has continued with a healthy future pipeline.
- The product pipeline remains robust, with a strong focus on metals and commodity index products. Electricity derivatives, 10-gram gold contracts, and Silver 100 Gram Futures continue to gain traction, while MCX has received approval to establish the Coal Exchange of India subsidiary.
- Total expenses jumped 58% YoY/declined 7% QoQ to INR2.1b, with CIR at 29.6% vs 35.2% in 1QFY26 and 25.1% in 4QFY26.
- Staff costs grew 28% YoY/25% QoQ to INR575m. Employee costs increased due to annual salary revisions, new hires, and higher subsidiary-level variable pay-outs. ~8-9% of the increase relates to one-off employee expenses that are not expected to recur, with the underlying cost run rate remaining broadly stable.
- Other expenses grew 74% YoY/declined 15% QoQ to INR1.5b, primarily comprising computer tech costs/contribution to SGF/other expenses/software charges, which grew 80%/102%/104%/18% YoY to INR397m/INR542m/INR286m/INR281m.
- Technology remains a key investment priority alongside risk management and compliance. Daily processing capacity has increased to >3b transactions/day from <1b/day a year ago, with existing infrastructure capable of supporting more than 2x current peak volumes (i.e. >6b transaction/day).
- Other income at INR498m grew 53% YoY/37% QoQ (vs MOFSL est. at INR400m).

Key takeaways from the management commentary

- Data services remain a long-term monetization opportunity, with the current focus on wider adoption of MCX benchmark prices across AMCs.
- RBI's revised bank guarantee norms have had no material impact on trading activity so far, though they may increase funding costs for some participants. However, the impact cannot yet be quantified, as collateral utilization varies daily across members.
- Discussions with the regulator continue on key initiatives, including expanded FPI participation, position limits, and co-location, although no implementation timelines were provided.

Valuation and view

- While the long-term story of under-penetration and optionality from new products continues to remain intact, in the near to medium term, we expect volumes to remain at risk, given the current run rate has remained highly volatile. In addition, the impact of the RBI’s regulations on prop books may not have taken full effect yet.
- We have cut our EPS estimates for FY27/FY28 by 5%/4%, respectively, to factor in the current volume run rate and higher costs owing to 1Q trends. We expect revenue/EBITDA/PAT to expand at 19%/17%/19% CAGRs over FY26-28. **We reiterate a Neutral rating on the stock with a one-year TP of INR2,790 (premised on 38x FY28E EPS).**

Quarterly Performance INRm

	FY26				FY27				FY26	FY27E	Est.	Var.		
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27E	(%/bp)	YoY (%)	QoQ (%)
Sales	**3,732**	**3,742**	**6,656**	**8,889**	**7,020**	**7,224**	**7,449**	**7,645**	**23,020**	**29,338**	**7,164**	**(2.0)**	**88.1**	**(21.0)**
Yo-Y Gr. (%)	59.2	31.0	120.9	205.1	88.1	93.0	11.9	-14.0	106.9	27.4	92.0			
Staff Costs	448	448	444	461	575	540	540	543	1,801	2,197	484	18.6	28.1	24.7
Other expenses	867	858	1,260	1,768	1,506	1,527	1,579	1,625	4,753	6,237	1,363	10.5	73.6	(14.8)
EBITDA	**2,417**	**2,436**	**4,952**	**6,661**	**4,940**	**5,158**	**5,329**	**5,477**	**16,466**	**20,903**	**5,317**	**(7.1)**	**104.4**	**(25.8)**
Margins (%)	64.8	65.1	74.4	74.9	70.4	71.4	71.5	71.6	71.5	71.3	74.2			
Depreciation	173	198	219	191	207	213	220	229	780	869	197	5.3	19.7	8.5
EBIT	**2,244**	**2,239**	**4,733**	**6,471**	**4,733**	**4,944**	**5,109**	**5,248**	**15,685**	**20,034**	**5,121**	**(7.6)**	**110.9**	**(26.9)**
Interest Costs	1	1	0	2	2	1	1	0	4	4	1	60.0	166.7	(23.8)
Other Income	326	266	315	364	498	448	471	468	1,271	1,885	400	24.4	52.7	36.8
PBT bef. Exceptional items	**2,569**	**2,504**	**5,047**	**6,832**	**5,229**	**5,391**	**5,579**	**5,716**	**16,952**	**21,916**	**5,520**	**(5.3)**	**103.5**	**(23.5)**
Tax	532	514	1,021	1,520	1,097	1,186	1,227	1,311	3,588	4,821	1,214	(9.7)	106.1	(27.8)
Rate (%)	20.7	20.5	20.2	22.3	21.0	22.0	22.0	22.9	21.2	22.0	22.0			
Profit from associate	-5	-15	-15	-14	2	0	0	0	49	0	0.0			
PAT	**2,032**	**1,975**	**4,011**	**5,298**	**4,134**	**4,205**	**4,352**	**4,405**	**13,316**	**17,094**	**4,305**	**(4.0)**	**103.5**	**(22.0)**
Y-o-Y Gr. (%)	83.2	28.5	150.6	291.1	103.5	113.0	8.5	-16.8	137.8	28.4	112			
EPS (INR)	**8.0**	**7.7**	**15.7**	**20.8**	**16.2**	**16.5**	**17.1**	**17.3**	**52.2**	**67.0**	**16.9**	**(4.0)**	**103.5**	**(22.0)**
Total volumes (INR t)	**198.9**	**267.3**	**480.1**	**426.0**	**671.6**	**636.1**	**655.4**	**675.2**	**1,372.3**	**2,638.3**	**671.6**	**(0.0)**	**237.6**	**57.7**
Q-o-Q Gr. (%)	24.1	34.4	79.6	-11.3	57.7	-5.3	3.0	3.0			57.7			
Y-o-Y Gr. (%)	77.1	86.7	223.6	165.9	237.6	137.9	36.5	58.5	143.3	92.3	237.6			

E: MOFSL Estimates

Change in Estimates

INRm	New estimates		Old estimates		Change in est.	
	2027E	2028E	2027E	2028E	2027E	2028E
Sales	29.3	32.6	30.0	32.8	-2%	0%
EBIT margin (%)	68.3	66.7	70.3	68.9	-198bp	-219bp
PAT	17.1	18.8	17.9	19.4	-5%	-4%
EPS (INR)	67.0	73.5	70.3	76.3	-5%	-4%
EPS Gr. (%)	28.4	9.7	34.5	8.6		
BV/Sh. (INR)	165.3	224.1	167.9	228.9	-2%	-2%
Ratio						
RoE (%)	48.4	37.8	50.3	38.4	-185bp	-68bp

Navin Fluorine International

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	NFIL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	390.4 / 4.1
52-Week Range (INR)	7936 / 4499
1, 6, 12 Rel. Per (%)	-1/25/47
12M Avg Val (INR M)	1322

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	33.1	43.8	52.8
EBITDA	10.8	14.4	16.9
PAT	6.7	9.1	10.6
EPS (INR)	130.5	177.5	207.2
EPS Gr. (%)	124.2	36.0	16.7
BV/Sh.(INR)	775.5	916.5	1,081.1
Ratios			
Net D:E	0.3	0.2	0.2
RoE (%)	20.3	21.0	20.7
RoCE (%)	16.0	17.7	17.8
Payout (%)	20.6	20.6	20.6
Valuations			
P/E (x)	58.4	42.9	36.8
P/BV (x)	9.8	8.3	7.0
EV/EBITDA (x)	37.1	27.8	23.7
Div. Yield (%)	0.3	0.5	0.6
FCF Yield (%)	1.0	0.8	1.2

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	27.1	27.1	28.0
DII	28.5	27.6	28.7
FII	23.7	23.8	21.6
Others	20.7	21.5	21.7

FII includes depository receipts

CMP: INR7,610 TP: INR8,300 (+9%) Neutral

Strong execution led by diversified growth engines

Operating performance beats estimates

- Navin Fluorine International (NFIL) delivered a robust performance in 1QFY27, with revenue growing 44% YoY, driven by broad-based strength across all business segments. High Performance Products (HPP)/Specialty Chemicals/CDMO revenues grew 33%/48%/82% YoY. EBITDA surged 73% YoY, led by operating leverage and improved pricing in the HPP segment.
- We remain positive on NFIL's outlook, supported by its diversified portfolio. We expect the HPP segment to sustain its growth momentum, aided by a favorable pricing environment and ongoing capacity expansions, while the Specialty Chemicals business is likely to maintain its strong trajectory, supported by robust order visibility and continued scale-up of existing molecules.
- Further we expect the CDMO business to sustain its momentum, supported by a balanced portfolio of late-stage, commercial, and early-stage molecules, along with the commercialization of Phase II cGMP-4 by 4QFY27.
- On the back of a strong 1QFY27 and improved EBITDA margin guidance, we increase our FY27/FY28 earnings estimates by 10%/13% and reiterate our **Neutral** rating on the stock with a TP of INR8,300 (40x FY28E EPS).

Robust 1QFY27 performance across all business segments

- NFIL reported revenue of INR10.5b (est. INR9.6), up 44% YoY, driven by growth across all three segments.
- Gross margin stood at 57% (down 60bp YoY), while EBITDA margin stood at 34.2% (28.5% in 1QFY26), driven by a favorable product mix and operational leverage.
- EBITDA stood at INR3.6b (est. INR3.2b), up 73% YoY, and adj. PAT grew 2.1x YoY to INR2.4b (est. INR1.9b)
- HPP revenue grew 33% YoY to INR5.4b, driven by higher volumes and improved realizations, while the pricing environment for HFC remained constructive.
- Specialty Chemicals revenue grew 48% YoY to INR3.3b, driven by 46% growth in the international business and strong scale-up across existing molecules.
- The CDMO business sustained its growth trajectory, with revenue growing 82% YoY to INR1.8b, driven by an increasing demand for existing molecules and continued deeper engagement with European CDMO majors.
- India/International revenue grew 50%/41% YoY in 1QFY27.

Highlights from the management commentary

- **Advanced materials**: NFIL has approved an INR900m capex to set up advanced materials capacity at Surat, with commissioning targeted by 2QFY28. The investment targets high-growth and margin sectors like semiconductors, data centers, electronics, and defense. The facility will scale up 4-5 customer-qualified products from lab to commercial production, while also supporting the development of a critical indigenous defense material in partnership with DRDO.

- **CDMO**: NFIL initiated phase 2 of cGMP4 capex of INR1.3b funded through internal accruals which is likely to get operationalized by 4QFY27. The expansion deepens engagement with European customers, with management targeting a 3x Asset T/O by FY29. The company is also moving up the value chain by expanding into API minus-one-stage manufacturing while progressing an early-phase molecule for a key customer.
- **Specialty chemicals**: Revenue grew 48% YoY during 1Q, driven by strong scale-up across existing molecules. MPP capacity expansion and Chemours project remain on track, supported by strong product pipeline. NFIL plans to pitch 4-5 new molecules in FY27, including three patented molecules, strengthening growth visibility and pricing resilience
- **HPP**: The 15kMTPA R32 capacity expansion remains on track for commissioning in 3QFY27. Management indicated that pricing environment for HFC continues to be constructive supported by demand-supply dynamics and rising interest for contractual offtakes in new capacities.

Valuation and view

- We believe NFIL is well-positioned to sustain its growth momentum, supported by the constructive pricing environment, growing international exposure, robust order visibility, and operational leverage, led by capacity ramp-up.
- The outlook is further supported by: 1) a strategic partnership with Chemours to foray into high-growth advanced materials (likely to be operational by 2QFY27), 2) planned investment for increasing the R32 capacity (likely to be operational by 3QFY27) and MPP debottlenecking for the specialty chemical plant at Dahej (targeted commissioning by 3QFY27), 3) the ramp-up of the AHF plant, and 4) the new advanced materials facility at Surat, to be commissioned by 2QFY28, targeting high-growth sectors and scaling customer-qualified products.
- We expect a CAGR of 26%/25%/26% in revenue/EBITDA/adj. PAT over FY26-28. The stock is trading at ~37x FY28E EPS of INR207 and ~24x FY28E EV/EBITDA. We value the company at 40x FY28E EPS to arrive at our TP of INR8,300, and **we reiterate our Neutral rating.**

Consolidated - Quarterly Snapshot **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Gross Sales	**7,254**	**7,584**	**8,924**	**9,377**	**10,451**	**10,018**	**11,295**	**12,020**	**33,139**	**43,784**	**9,634**	**8**
YoY Change (%)	*38.5*	*46.3*	*47.2*	*33.8*	*44.1*	*32.1*	*26.6*	*28.2*	*41.1*	*32.1*	*32.8*	
Total Expenditure	5,186	5,123	5,848	6,166	6,880	6,802	7,568	8,089	22,322	29,339	6,435	
Gross Margin (%)	*57.6%*	*58.7%*	*58.8%*	*58.6%*	*57.0%*	*58.5%*	*59.0%*	*58.0%*	*58.5%*	*58.1%*	*58.0%*	
EBITDA	**2,068**	**2,462**	**3,076**	**3,212**	**3,571**	**3,216**	**3,727**	**3,930**	**10,817**	**14,444**	**3,198**	**12**
Margin (%)	*28.5*	*32.5*	*34.5*	*34.2*	*34.2*	*32.1*	*33.0*	*32.7*	*32.6*	*33.0*	*33.2*	
Depreciation	352	366	362	412	417	430	500	530	1,492	1,877	420	
Interest	304	303	283	289	321	340	350	360	1,179	1,371	293	
Other Income	139	182	156	176	351	191	164	185	653	891	149	
PBT before EO expense	**1,551**	**1,975**	**2,587**	**2,686**	**3,184**	**2,637**	**3,041**	**3,225**	**8,799**	**12,087**	**2,634**	
Extra-Ord. expense	0	0	205	-137	0	0	0	0	68	0	0	
PBT	**1,551**	**1,975**	**2,383**	**2,823**	**3,184**	**2,637**	**3,041**	**3,225**	**8,732**	**12,087**	**2,634**	
Tax	379	491	529	697	751	664	765	812	2,096	2,991	663	
Rate (%)	*24.5*	*24.9*	*22.2*	*24.7*	*23.6*	*25.2*	*25.2*	*25.2*	*24.0*	*24.7*	*25.2*	
Reported PAT	**1,172**	**1,484**	**1,854**	**2,126**	**2,433**	**1,973**	**2,276**	**2,414**	**6,636**	**9,096**	**1,984**	
Adj. PAT	**1,172**	**1,484**	**2,008**	**2,023**	**2,433**	**1,973**	**2,276**	**2,414**	**6,686**	**9,096**	**1,984**	**23**
YoY Change (%)	*128.9*	*152.2*	*140.1*	*112.9*	*107.6*	*33.0*	*13.4*	*19.3*	*131.7*	*36.0*	*69.3*	
Margin (%)	*16.2*	*19.6*	*22.5*	*21.6*	*23.3*	*19.7*	*20.1*	*20.1*	*20.2*	*20.8*	*20.6*	

United Breweries

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	UBBL IN
Equity Shares (m)	264
M.Cap.(INRb)/(USDb)	367.7 / 3.9
52-Week Range (INR)	1946 / 1276
1, 6, 12 Rel. Per (%)	2/-2/-28
12M Avg Val (INR M)	311

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Net Sales	92.3	104.2	115.3
Sales Gr. (%)	3.7	12.8	10.7
EBITDA	8.1	9.7	12.4
Margin (%)	8.7	9.3	10.7
Adj. PAT	3.7	5.2	7.3
Adj. EPS (INR)	14.1	19.6	27.7
EPS Gr. (%)	-19.9	38.4	41.3
BV/Sh. (INR)	170.9	181.3	196.2
Ratios			
RoE (%)	8.4	11.1	14.7
RoCE (%)	9.5	12.5	15.6
Valuations			
P/E (x)	98.3	71.0	50.3
P/BV (x)	8.1	7.7	7.1
EV/EBITDA (x)	45.0	36.9	28.6

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	70.8	70.8	70.8
DII	18.9	19.2	17.5
FII	4.9	4.9	6.7
Others	5.4	5.0	4.9

FII includes depository receipts

CMP: INR1,391 TP: INR1,400 (+1%) Neutral

Steady performance; focusing on margin recovery

- United Breweries (UBBL) reported 7% YoY revenue growth (est. +9%, -3% in 4QFY26), driven by 9% volume growth (est. +8%). Consumer sell-out growth remained stronger at 13%, in line with industry growth, while lower primary growth was due to a deliberate 20% reduction in channel inventory to improve working capital and ensure fresher beer in the market. Premium portfolio volume growth moderated to 7%, while Heineken Silver continued to outperform with 28% growth. The beer industry delivered 13% growth, supported by a favorable summer, premiumization and continued regulatory reforms across key states.
- GM contracted 160bp YoY to 41% (in line) due to high costs of packaging, logistics and forex amid geopolitical disruptions. EBITDA margin declined 160bp YoY to 9.2% (in line), although it improved sequentially from 6.2% in 4QFY26. Management highlighted that premium margins turned accretive for the first time, aided by localization, revenue management and network optimization, while cost-saving initiatives offset nearly half of the inflationary impact.
- Pricing actions have been implemented across 22 states (2.5-3.0%), while productivity initiatives and procurement savings are expected to support margin recovery over the coming quarters. Management has also lowered the estimated FY27 geopolitical cost impact to INR3.5-4.0b (earlier INR4-5b) and expects regulatory reforms across additional states to remain a key structural growth catalyst for the beer category.
- Management expects high-single-digit growth for the industry and double-digit revenue growth for UBBL in FY27. Growth is expected to be supported by healthy industry demand, continued premiumization and favorable regulatory reforms across key states. While geopolitical disruptions continue to weigh on GM, procurement savings and productivity initiatives should support a gradual margin recovery. We model 9.3% EBITDA margin for FY27, but there can be a downside risk if cost inflation persists. Given rich valuations and lingering cost headwinds, we maintain our Neutral stance on the stock with a TP of INR1,400 (50x Mar’28E EPS).

Operationally in line; premium volume growth low at 7%

- **Healthy revenue growth; premium volumes moderate:** UBBL's standalone net sales grew 7% YoY to INR30.6b (est. INR31.2b), driven by 9% volume growth (est. +8%). The beer category posted 13% growth in 1Q, while the premium portfolio delivered 7% volume growth (albeit on a base of 46%), moderating from recent quarters. Heineken Silver continued its strong momentum with 28% YoY growth. UBBL deliberately reduced inventory by 20% in 1Q. Premium volumes turned margin accretive for the first time.
- **Operating performance in line:** Gross margin contracted 160bp YoY to 41% (est. 41.5%). Employee expenses rose 9% YoY and other expenses were up 7% YoY. EBITDA margin fell 160bp YoY to 9.2% (est. 8.9%) but improved QoQ from 6.2% in 4QFY26. Quarterly margin trajectory remains volatile.

- **Profitability impacted by higher interest cost:** EBITDA declined 9% YoY to INR2.8b, broadly in line with our estimate (INR2.8b). Interest cost more than doubled (+106% YoY) to INR230m (est. INR150m), while other income jumped to INR506m (vs. est. INR150m). Consequently, APAT declined 9% YoY to INR1,664m, albeit ahead of our estimate (INR1,535m).

Highlights from the management commentary

- Beer industry volumes grew ~13% YoY in 1QFY27, supported by a favorable summer and continued premiumization.
- Karnataka's ABV-based taxation reform continues to drive category growth (30-35%, exceeding 50% in recent months).
- Several states are evaluating Karnataka-like reforms, although discussions remain at an early stage.
- Selling volumes grew 9% YoY, while consumer sell-out increased 13%, in line with industry growth. The gap between sell-in and sell-out was intentional, as the company reduced channel inventory by ~20% YoY to improve cash flow and ensure fresher beer.
- Premium contributes 10-11% of revenue, with management targeting ~20% over the longer term.
- The Middle East conflict created an estimated 300bp margin headwind through higher costs of packaging, logistics, forex and supply chain. Recovery initiatives contributed over INR500m, offsetting roughly half of the inflationary impact through pricing, procurement and productivity initiatives.
- The company expects high-single-digit volume growth in FY27, which will lead to double-digit revenue growth.

Valuation and view

- We broadly maintain our EPS estimates for FY27 and FY28.
- The beer industry is seeing a recovery, supported by favorable regulatory developments, improved affordability and stable demand conditions. F**avorable policy environment** remains a key growth driver, with no major tax hikes on beer across most recent state policies and relatively higher taxation on spirits improving beer affordability.
- Management expects high-single-digit growth for the industry and double-digit revenue growth for UBBL in FY27. Growth is expected to be supported by healthy industry demand, continued premiumization and favorable regulatory reforms across key states. While geopolitical disruptions continue to weigh on GM, procurement savings and productivity initiatives should support a gradual margin recovery. We model 9.3% EBITDA margin for FY27, but there can be a downside risk in margin if cost inflation persists. Given rich valuations and lingering cost headwinds, we maintain our Neutral stance on the stock with a TP of INR1,400 (50x Mar’28E EPS).

Standalone Quarterly Performance **(INRm)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Variance
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Volume growth (%)	**11**	**-3**	**-1**	**4**	**9**	**10**	**8**	**9**	**3**	**9**	**8**	
Net Sales	**28,624**	**20,511**	**20,714**	**22,478**	**30,649**	**23,177**	**23,406**	**26,926**	**92,327**	**1,04,158**	**31,200**	-1.8%
YoY Change (%)	15.7	-3.0	3.7	-3.2	7.1	13.0	13.0	19.8	3.7	12.8	9.0	
Gross Profit	**12,176**	**8,779**	**9,393**	**10,209**	**12,563**	**9,734**	**10,416**	**11,971**	**40,557**	**44,684**	12,948	-3.0%
Margin (%)	42.5	42.8	45.3	45.4	41.0	42.0	44.5	44.5	43.9	42.9	41.5	
EBITDA	**3,105**	**1,301**	**2,255**	**1,391**	**2,827**	**1,696**	**2,814**	**2,366**	**8,053**	**9,702**	2,786	1.5%
YoY Change (%)	9.1	-42.6	59.8	-25.3	-9.0	30.3	24.8	70.0	-4.0	20.5	-10.3	
Margins (%)	10.8	6.3	10.9	6.2	9.2	7.3	12.0	8.8	8.7	9.3	8.9	
Depreciation	628	640	689	759	857	825	825	743	2,716	3,250	740	
Interest	112	147	169	290	230	210	200	210	717	850	150	
Other Income	110	150	109	78	506	300	300	194	446	1,300	150	
PBT before EO expense	**2,475**	**665**	**1,506**	**420**	**2,246**	**961**	**2,089**	**1,607**	**5,066**	**6,902**	2,046	9.8%
Tax	638	196	510	144	582	240	522	381	1,487	1,726	512	
Rate (%)	25.8	29.4	33.9	34.2	25.9	25.0	25.0	23.7	27.3	25.0	25.0	
Reported PAT	**1,837**	**469**	**808**	**1,017**	**1,664**	**721**	**1,566**	**1,226**	**4,132**	**5,177**	**1,535**	
Adj PAT	**1,837**	**469**	**932**	**530**	**1,664**	**721**	**1,566**	**1,226**	**3,741**	**5,177**	1,535	8.4%
YoY Change (%)	6.0	-64.5	45.6	-45.6	-9.4	53.5	68.1	131.4	-19.9	38.4	-16.5	
Margins (%)	6.4	2.3	4.5	2.4	5.4	3.1	6.7	4.6	4.1	5.0	4.9	

E: MOFSL Estimates

PNB Housing

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	PNBHOUSI IN
Equity Shares (m)	261
M.Cap.(INRb)/(USDb)	292.3 / 3.1
52-Week Range (INR)	1154 / 730
1, 6, 12 Rel. Per (%)	4/36/46
12M Avg Val (INR M)	1440

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	30.7	34.3	44.3
PPP	25.8	30.1	40.2
PAT	22.9	24.9	29.1
EPS (INR)	88	95	112
EPS Gr. (%)	18	8	17
BV/Sh. (INR)	738	825	928
Ratios			
NIM (%)	3.8	3.6	3.8
C/I ratio (%)	26.3	25.5	22.6
RoAA (%)	2.6	2.4	2.3
RoE (%)	12.7	12.2	12.7
Valuations			
P/E (x)	12.8	11.8	10.0
P/BV (x)	1.5	1.4	1.2
Div. Yield (%)	0.7	0.8	1.0

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	28.0	28.0	28.1
DII	45.7	44.1	38.0
FII	16.8	16.6	24.2
Others	9.4	11.3	9.7

FII Includes depository receipts

CMP: INR1,122 TP: INR1,390 (+24%) Buy

On track for stronger loan growth; NIM to expand from 2HFY27

Repayments declined to ~16%; credit costs remain benign

- PNB Housing's (PNBHF) 1QFY27 PAT grew 4% YoY to ~INR5.6b (in line). NII rose ~7% YoY to ~INR8b (in line). Other income grew ~25% YoY to ~INR1.3b (~13% higher than estimate). Opex rose ~10% YoY to ~INR2.4b (in line).
- PPOP grew ~9% YoY to INR6.9b (in line). Credit costs (net of recoveries) resulted in a provision writeback of INR291m (vs est. writeback of INR529m). This resulted in net credit costs of -13bp (PQ: -83bp and PY: - 29bp).
- PNBHF's NIMs moderated ~19bp QoQ, primarily due to higher leverage and moderation in asset yields. The reported decline was partly due to the annualization benefit in 4QFY26, wherein NIMs were supported by a shorter quarter and monthly convention-based calculation, resulting in a ~7bp impact. Adjusting for this, the underlying NIM contraction was 12bp.
- PNBHF is transitioning toward a higher-growth and higher-yielding business mix, with affordable and emerging housing segments serving as key pillars of expansion. The company's focus on building a stronger franchise across these segments, coupled with expanding margins and resilient asset quality, provides visibility on sustainable performance. The favorable portfolio mix and operating efficiencies are expected to support a gradual recovery in profitability, enabling the company to sustain RoA in the ~2.3%-2.4% range over the medium term.
- We estimate PNBHF to deliver a CAGR of 21%/13% in loans/PAT over FY26-28E and RoA/RoE of ~2.3%/13% in FY28E. **Reiterate BUY with a TP of INR1,390 (based on 1.5x FY28E BVPS).**

Healthy business momentum, led by affordable and emerging segments

- Total loan book grew ~15% YoY/2.7% QoQ to ~INR897b. Retail loans grew ~16% YoY/2.6% QoQ to INR892b as of Jun'26, driven by a change in disbursement recognition.
- Total disbursements in 1QFY27 (after a change in disbursement recognition) grew 18% YoY to ~INR59b. Gross disbursements grew 56% YoY to INR78b. Retail disbursements (net) grew 14% YoY to INR56.7b.
- Corporate disbursements in 1QFY27 stood at INR2.1b. Affordable and emerging market segment contributed ~46% to retail disbursements. Disbursements in the affordable segment declined ~27% YoY to ~INR5.5b (after a change in disbursement recognition). On a cheque handover basis, affordable segment disbursement grew ~11% YoY to INR8.5b.
- Repayments (annualized) declined to ~16.3% (PY: ~20.5%). Affordable and emerging loans form ~41% of the retail loan assets. As of Jun'26, the affordable book grew to ~INR85.6b, rising ~49% YoY.
- Growth is expected to be supported by deeper affordable housing penetration along with the rollout of micro housing finance, which will provide an additional avenue for higher-yielding portfolio expansion. We expect PNBHF to deliver an AUM CAGR of ~21% over FY26-28.

NIMs moderate; improving portfolio mix to drive margin recovery

- Reported NIM in 1QFY27 contracted ~19bp QoQ to 3.5% due to an increase in leverage and the true-up of 4QFY26 NIM. However, adjusted NIMs contracted ~12bp QoQ.
- Portfolio CoB was stable QoQ at 7.36%. Yields were also stable QoQ at 9.48%. We expect NIMs to contract to ~3.6% in FY27 and gradually improve to ~3.8% in FY28.
- The moderation in asset yields was largely driven by competitive intensity in the prime housing segment, although this was partly mitigated by a favorable portfolio and customer mix shift towards non-home loans and self-employed borrowers. We expect a gradual margin expansion from 2HFY27, supported by improving incremental yields, a higher mix of affordable, emerging and developer finance businesses, and lower funding costs.

Asset quality remains stable; recoveries to support credit costs

- Total GNPA/NNPA was broadly stable QoQ at ~0.95%/0.58%. Asset quality remained stable during the quarter, with GNPA contained below 1% at 0.95%. The marginal increase was viewed as a cyclical movement and is expected to reverse in the near term. While one legacy account was classified as fraud during the quarter, the exposure was already fully provided for, limiting any incremental financial impact.
- RoA/RoE stood at 2.4%/11.5% for 1QFY27.
- The company recovered INR670m in 1QFY27 from the total written-off pool. Management expects recoveries from the written-off pool to continue in FY27, while we estimate credit costs of ~25bp for FY28.

Highlights from the management commentary

- The affordable loan business continues to be driven predominantly by new customer acquisition rather than BT-IN, which declined to ~4.4% in 1QFY27 (from ~5.0% in 1QFY26), indicating lower dependence on refinance-led growth.
- The company aims to increase the contribution of affordable and emerging segments to the retail portfolio from ~41% currently to ~45% by FY27-end and ~50% over the next two years.

Valuation and view

- PNBHF is expected to maintain a healthy growth trajectory, driven by sustained momentum in affordable and emerging housing segments, along with renewed growth opportunities in the prime segment. The evolving business mix, coupled with improving yields, is expected to support gradual margin recovery over the medium term.
- PNBHF currently trades at 1.4x FY28E P/BV. We estimate PNBHF to deliver a CAGR of 21%/13% in loans/PAT over FY26-28 and RoA/RoE of ~2.3%/13% in FY28. Reiterate BUY with a TP of INR1,390 (based on 1.5x FY28E BVPS).
- **Key risks:** a) limited NIM expansion in FY27 due to high competitive intensity in the mortgage segment; and b) asset quality deterioration and elevated credit costs arising from seasoning in the affordable, emerging, and developer finance portfolios.

Quarterly performance **(INR M)**

	FY26				FY27E				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	19,804	20,175	20,194	20,540	21,384	22,389	23,778	25,332	80,712	92,883	21,382	0
Interest Expenses	12,344	12,670	12,528	12,461	13,386	14,230	15,055	15,924	50,002	58,595	13,196	1
Net Interest Income	**7,460**	**7,505**	**7,666**	**8,079**	**7,998**	**8,160**	**8,723**	**9,408**	**30,709**	**34,288**	**8,186**	**-2**
YoY Growth (%)	16.2	13.4	11.0	11.0	7.2	8.7	13.8	16.4	12.8	11.7	9.7	
Other income	1,015	1,132	1,013	1,179	1,269	1,523	1,904	1,466	4,339	6,162	1,120	13
Total Income	**8,475**	**8,636**	**8,678**	**9,258**	**9,267**	**9,683**	**10,626**	**10,874**	**35,048**	**40,450**	**9,306**	**0**
YoY Growth (%)	15.3	13.5	10.5	7.8	9.3	12.1	22.4	17.4	11.6	15.4	9.8	
Operating Expenses	2,158	2,172	2,399	2,474	2,374	2,446	2,641	2,861	9,203	10,322	2,400	-1
YoY Growth (%)	11.9	7.5	16.7	16.5	10.0	12.6	10.1	15.6	13.2	12.2	11.2	
Operating Profits	**6,317**	**6,465**	**6,279**	**6,784**	**6,893**	**7,237**	**7,985**	**8,013**	**25,845**	**30,129**	**6,906**	**0**
YoY Growth (%)	16.5	15.6	8.4	5.0	9.1	12.0	27.2	18.1	11.1	16.6	9.3	
Provisions	-562	-1,132	-405	-1,762	-291	-437	-306	-701	-3,862	-1,735	-529	-45
Profit before Tax	**6,879**	**7,596**	**6,684**	**8,546**	**7,184**	**7,674**	**8,291**	**8,714**	**29,706**	**31,864**	**7,435**	**-3**
Tax Provisions	1,544	1,781	1,481	1,988	1,611	1,704	1,841	1,855	6,794	7,010	1,651	-2
Profit after tax	**5,335**	**5,816**	**5,204**	**6,558**	**5,573**	**5,971**	**6,451**	**6,859**	**22,912**	**24,854**	**5,784**	**-4**
YoY Growth (%)	23.3	23.8	7.7	19.2	4.5	2.7	24.0	4.6	18.3	8.5	8.4	
Key Operating Parameters (%)												
Rep. Yield on loans	9.99	9.95	9.72	9.47	9.48							
Rep. Cost of funds	7.76	7.69	7.50	7.35	7.36							
Spreads	2.23	2.26	2.22	2.12	2.12							
Net Interest Margins	3.74	3.67	3.63	3.69	3.50							
Cost to Income Ratio	25.5	25.1	27.6	26.7	25.6							
Credit Cost	-0.29	-0.57	-0.20	-0.83	-0.13							
Tax Rate	22.4	23.4	22.2	23.3	22.4							
Balance Sheet Parameters												
Loans (INR B)	777	798	822	873	897	945	998	1,064				
Change YoY (%)	16.0	14.8	14.3	15.3	15.4	18.5	21.4	21.8				
AUM (INR B)	821	839	860	909	930	978	1,032	1,099				
Change YoY (%)	13.2	12.3	12.0	13.1	13.3	16.6	19.9	20.8				
Borrowings (Ex Assgn.) (INR B)	648	652	671	712	737	789	839	896				
Change YoY (%)	16.3	14.3	12.0	14.3	13.7	21.1	25.0	25.8				
Loans /Borrowings (%)	119.9	122.4	122.5	122.7	121.7	119.8	118.9	118.8				
Off BS loans/AUM (%)	5.3	4.9	4.5	3.9	3.6	3.4	3.3	3.2				
Debt/Equity (x)	3.7	3.6	3.6	3.7	0.0	0.0	0.0	0.0				
Asset Quality Parameters (%)												
GS 3 (INR Mn)	8,250	8,300	8,550	8,090	8,510							
Gross Stage 3 (% on loans)	1.06	1.04	1.04	0.93	0.95							
NS 3 (INR Mn)	5,330	5,460	5,580	4,990	5,160							
Net Stage 3 (% on loans)	0.69	0.69	0.68	0.57	0.58							
PCR (%)	35.39	34.2	34.7	38.3	39.37							

E: MOFSL Estimates

Metro Brands

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	METROBRA IN
Equity Shares (m)	273
M.Cap.(INRb)/(USDb)	273.9 / 2.9
52-Week Range (INR)	1340 / 883
1, 6, 12 Rel. Per (%)	-4/1/-15
12M Avg Val (INR M)	91

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	33.2	37.6	42.4
EBITDA	10.1	11.5	13.1
Adj. PAT	4.6	5.3	6.0
EBITDA Margin (%)	30.5	30.7	30.9
Adj. EPS (INR)	17.1	19.3	22.0
EPS Gr. (%)	12.1	13.4	13.8
BV/Sh. (INR)	86.6	99.5	114.2
Ratios			
Net D:E	0.3	0.2	0.1
RoE (%)	21.7	21.3	21.1
RoCE (%)	14.9	14.8	14.9
Payout (%)	34.7	35.7	35.6
Valuations			
P/E (x)	58.6	51.7	45.4
EV/EBITDA (x)	28.2	24.6	21.5
EV/Sales (X)	8.6	7.5	6.6
Div. Yield (%)	0.6	0.7	0.8

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	71.8	71.8	71.9
DII	7.7	7.6	7.5
FII	3.7	3.8	3.7
Others	16.8	16.9	17.0

FII includes depository receipts

CMP: INR1,005 TP: INR1,200 (+19%) Buy

Remains with in the growth and profitability guidance

- Metro Brands' (MBL) revenue grew 15% YoY in 1QFY27, driven by demand recovery from mid-Jun'26, despite a muted Apr-May period due to weak consumer sentiment amid challenging the global backdrop.
- EBITDA growth was weak at 11% YoY (6% miss) as margin contracted 110bp YoY to 29.8%, due to higher investments in talent and brand-building and a slower ramp-up in new formats.
- MBL's growth trajectory remains within the guided range (15-18%), supported by store expansion, healthy demand across core formats, incubation of new banners and premiumization.
- Higher investments in brand-building, talent and incubating new formats weighed on margins; however, management expects profitability to remain within the guided range (~30% EBITDA and 13-15% PAT margin).
- We cut our FY27-28E EBITDA/PAT by 2-5% and model a 14-15% CAGR in revenue/pre-IND AS EBITDA/PAT over FY26-29E.
- We reiterate our **BUY rating with a revised TP of INR1,200** (vs. INR1,250 earlier), premised on ~38x Sep'28E pre-IND AS EV/EBITDA (implies ~58x Sep'28E P/E).

Robust revenue growth (+15% YoY), profitability weak (EBITDA margin -110bp YoY)

- Consolidated revenue **grew ~15% YoY** to INR7.2b, though slightly weaker than our est. of 18% YoY growth due to a moderation in ecom sales and an adverse impact from lower weddings due to Adhikmaas.
  - In-store sales growth remained robust at ~15.5% (vs. ~16% YoY in 4Q), driven largely by 12% YoY store additions.
  - Revenue per sqft (on closing area) was stable YoY at INR4,350.
  - MBL added 13 new stores and closed four stores in 1Q to bring the total store count to 1,041 (up ~12% YoY).
  - Format-wise, MBL added one net store each in Metro/Mochi/Fitflop/ New Era, two net stores in Crocs and three net stores in Walkway.
  - E-commerce & omni channel revenue growth moderated to ~10% YoY (flat QoQ) to INR920m, with revenue share moderating to 13.1% (vs. 13.7% YoY) due to lower growth in SoR led 3P channel.
- Gross profit rose 15% YoY to INR4.3b (vs. our est. INR4.4b) as margins expanded ~15bp YoY to 59.5% (**~40bp beat**).
- Employee costs grew 21% YoY and other expenses jumped 19% YoY, offsetting better gross margins.
- As a result, EBITDA at INR2.15b **grew 11% YoY (6% miss)**.
  - EBITDA margin contracted ~110bp YoY to 29.8% (**~120bp miss**) due to increased investments in talent and brand-building.
- Depreciation (+23% YoY) and finance costs (+25% YoY) increased, likely due to higher rentals from new format additions. Other income declined ~8% YoY (16% below our est.).
- Resultantly, reported PAT at INR938b declined 5% YoY (12% miss).

Key takeaways from the management commentary

- **Demand outlook:** Apr-May'26 saw weak demand due to the impact of geopolitical uncertainties on consumer sentiment and the lack of weddings due to Adhikmaas. However, demand rebounded from mid-Jun'26.
- **Long-term growth outlook:** Improving customer traffic, conversion rates and new customer acquisition indicate that marketing initiatives are translating into healthy business momentum. While quarterly growth may be influenced by the timing of festivals and weddings, the long-term growth outlook remains intact.
- **Margin outlook:** Margin pressure during the quarter reflected in higher investments in brand marketing (~100bp), talent, technology and incubation of new store formats, along with lower treasury income. These investments are intended to support long-term growth. Management reiterated its guidance of maintaining **gross margins of 55-57%, EBITDA margins of ~30% and PAT margins in the range of 13-15%** for FY27.
- **E-commerce:** E-commerce growth during 1Q was adversely impacted by lower sales in SoR-led 3P channel, while brand website and marketplace reported strong performance.
- **Clarks** continues to exceed expectations, with encouraging customer response, minimal cannibalization and a localized manufacturing base strengthening confidence in a faster scale-up. Distribution is expected to expand to ~700 MBOs by FY27-end, with EBO rollout commencing from 3QFY27.

Valuation and view

- MBL's growth trajectory remains within the guided range (15-18%), supported by store expansion, healthy demand across core formats and premiumization.
- Higher investments in brand-building, talent and incubating new formats weighed on margins; however, management expects profitability to remain within the guided range (~30% EBITDA and 13-15% PAT margin).
- While BIS-related challenges persist for the S&A portfolio (Foot Locker, FILA and MetroActiv), MBL continues to diversify its growth drivers through rapid expansion of Walkway and strategic partnerships with Clarks and New Era, supporting sustained double-digit growth over the medium term.
- We remain positive on MBL's long-term outlook, supported by (1) industry-leading store productivity and disciplined cost controls, (2) strategic partnerships with global brands, and (3) a long runway for growth across both core and emerging formats, funded largely through internal accruals.
- We cut our FY27-28E EBITDA/PAT by 2-5% and model a 14-15% CAGR in revenue/pre-IND AS EBITDA/PAT over FY26-29E.
- Reiterate our BUY rating with a revised TP of INR1,200 (earlier INR1,250), premised on ~38x Sep'28E Pre-Ind AS EV/EBITDA (implies ~58x Sep'28E P/E).
- Continued double-digit revenue growth and a successful scale-up of Clarks, MetroActiv, FILA and Foot Locker remain the key re-rating triggers.

Exhibit 1: Our TP of INR1,200 implies ~58x Sep'28E EPS

(INR/share)	Sep'28
EPS (INR)	20.7
Target P/E (x)	58
Target Price	**1,200**
CMP	1,000
Upside (%)	20.1%

Consolidated - Quarterly Earnings Summary **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Revenue	**6,282**	**6,511**	**8,113**	**7,730**	**7,204**	**7,646**	**9,410**	**9,448**	**28,636**	**33,231**	**7,408**	**-2.8**
YoY Change (%)	9.1	11.2	15.4	20.3	14.7	17.4	16.0	22.2	14.2	16.0	-68.6	
Total Expenditure	4,343	4,804	5,429	5,351	5,057	5,612	6,296	6,462	19,927	23,113	5,113	-1.1
EBITDA	**1,939**	**1,707**	**2,684**	**2,379**	**2,147**	**2,034**	**3,114**	**2,986**	**8,709**	**10,119**	**2,295**	**-6.5**
EBITDA Margin (%)	30.9	26.2	33.1	30.8	29.8	26.6	33.1	31.6	30.4	30.5	31.0	-118 bp
Depreciation	688	784	799	838	850	884	910	1,149	3,110	3,758	880	-3.5
Interest	237	294	288	290	296	326	358	332	1,109	1,293	296	0.1
Other Income	286	282	161	314	263	313	313	362	1,042	1,199	313	-15.9
PBT	**1,300**	**911**	**1,723**	**1,564**	**1,264**	**1,137**	**2,158**	**1,867**	**5,497**	**6,266**	**1,431**	**-11.7**
Tax	320	221	423	389	315	286	543	473	1,354	1,577	360	-12.6
Rate (%)	24.6	24.3	24.6	24.9	24.9	25.2	25.2	25.3	24.6	25.2	25.2	
MI & Profit/Loss of Asso. Cos.	9	-15	-16	-9	-11	-11	-11	-2	-32	-40	-9	
PAT before MI	**979**	**689**	**1,300**	**1,175**	**949**	**851**	**1,615**	**1,394**	**4,144**	**4,689**	**1,071**	**-11.4**
Adj PAT post MI	**988**	**674**	**1,318**	**1,166**	**938**	**840**	**1,604**	**1,392**	**4,146**	**4,649**	**1,062**	**-11.7**
YoY Change (%)	7	-6	10	23	-5	25	22	19	9.4	12.1	12	

E: MOFSL Estimates

Castrol (India)

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	CSTRL IN
Equity Shares (m)	989
M.Cap.(INRb)/(USDb)	189.5 / 2
52-Week Range (INR)	225 / 170
1, 6, 12 Rel. Per (%)	2/7/-14
12M Avg Val (INR M)	347

Financials & Valuations (INR b)

Y/E Dec	CY25	CY26E	CY27E
Sales	57.2	62.5	64.9
EBITDA	13.5	13.7	15.1
PAT	9.7	9.8	10.8
EPS (INR)	9.8	9.9	10.9
EPS Gr. (%)	4.2	1.7	10.1
BV/Sh.(INR)	19.2	20.1	21.1
Ratios			
Net D:E	-0.6	-0.6	-0.6
RoE (%)	46.3	50.5	53.2
RoCE (%)	46.6	50.9	53.5
Payout (%)	91.1	91.1	91.1
Valuations			
P/E (x)	19.6	19.3	17.5
P/BV (x)	10.0	9.6	9.1
EV/EBITDA (x)	13.2	12.9	11.7
Div. Yield (%)	4.6	4.7	5.2
FCF Yield (%)	5.2	5.3	5.8

Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	51.0	51.0	51.0
DII	15.0	14.9	15.2
FII	10.3	10.3	10.0
Others	23.8	23.8	23.8

FII includes depository receipts

CMP: INR192 TP: INR230 (+20%) Buy

Healthy volume momentum; near-term margin pressure

- Castrol's (CSTRL) 2QCY26 EBITDA came 41% above our estimate. EBITDA margin expanded 310bp YoY to 26.4%. Reported PAT came 41% above our estimate at INR3.5b. Other income came above our estimate at INR140m.
- **Things we liked about the result:** 1) The company implemented low double-digit price hikes during 1HCY26, including one in 2QCY27, to offset supply chain volatility and input cost inflation. This enabled CSTRL to deliver strong EBITDA margin of 26.4% despite cost pressures; 2) The Industrial segment (15% of total volumes) is growing at a higher pace than the other segments; 3) Rural volume growth remained strong, supported by continued expansion in distribution (45,000+ touch points); and 4) Management remains focused on brand building, distribution expansion, and new product launches, which we believe should support sustained volume growth and market share gains.
- **Key monitorables:** 1) Gross margin will be impacted in 3QCY26 by elevated crude, base oil, and packaging costs due to inventory lag; 2) Progress in the commercialization of data center cooling lubricants remains in focus; and 3) Clarity on the timeline for completion of the BP-Stonepeak transaction and the subsequent open offer remains a key monitorable.
- CSTRL has always enjoyed a strong brand legacy, and we are confident in its ability to maintain profitability through an improved product mix, stringent cost-control measures, and the launch of advanced products that command better realization. **We value the stock at 21x Dec'27 EPS to arrive at our TP of INR230. We reiterate our BUY rating.**

Higher-than-estimated margin drives beat

- CSTRL's 2QCY26 revenue stood 19% above our est. at ~INR18.7b (up 25% YoY).
- EBITDA also stood 41% above our est. at INR4.9b (up 41% YoY).
- EBITDA margin expanded 310bp YoY (420bp above est.).
- Reported PAT stood 41% above our estimate at INR3.5b.
- Other income came in above our estimate.
- The Board has declared an interim dividend of INR6.25/sh.

Press release KTAs

- **Expanded market reach and reinforced distribution presence:**
  - Maintained a nationwide distribution network of ~160,000 outlets, while expanding the Auto Care portfolio to ~40,000 physical outlets.
  - Strengthened the service ecosystem through over 850 Castrol Auto Service (CAS) centres, 34,000+ independent bike workshops, and 16,000+ multi-brand workshops.
  - Expanded rural distribution to ~45,000 outlets, supported by more than 950 Rural Service Express centers, delivering sustained double-digit growth.
  - Reinforced its leadership position in the premium passenger vehicle lubricant segment through focused execution across key urban markets.

- **Strengthened the product portfolio through localization and innovation:**
  - Expanded the full synthetic lubricant range with the launch of Castrol Activ Full Synthetic 10W-30 and 5W-30, upgraded Castrol GTX 5W-30 to Castrol GTX Full Synthetic 5W-30, and introduced Castrol GTX Full Synthetic 0W-20.
  - Advanced localization efforts by launching Alusol SL 61 XBB, a water-soluble coolant designed for high-performance machining of aluminum alloys, while also suitable for cast iron and low-alloy steel applications.
- **Deepened consumer engagement through targeted brand initiatives:**
  - Launched a television campaign for Castrol Activ Full Synthetic featuring Zombie, using humour to highlight the product's differentiated proposition and reaching over 150m consumers.
  - Brand and trade engagement initiatives connected with more than 22m consumers and trade audiences.
  - Engaged over 10,000 riders through Road Trip United, strengthening relationships with leisure biking communities and reinforcing the performance positioning of Castrol POWER1.
- **Continued to prioritize safety and operational excellence:**
  - Paharpur and Silvassa facilities completed nine and three consecutive years, respectively, without any significant safety incidents.
  - The Silvassa plant received the NAMC Gold Award in recognition of its operational excellence and safety performance.
  - Castrol India was honoured with the Special Jury Award for Championing Sustainable Procurement Practices.

Valuation and view

- We build in EBITDA margins of 22%/23.3% for CY26/CY27, within the company’s guided range of 21-24%, as we factor in the impact of a sharp rise in crude oil prices and ongoing supply chain disruptions, which are likely to exert near to mid-term pressure on profitability. Further, we build in volumes to clock a 6% CAGR over CY25-27, primarily driven by strong growth in the industrial and rural segment. The stock currently trades at 17.5x CY27 EPS with a 5% dividend yield and ~53% RoE/RoCE in CY27.
- We value the stock at 21x Dec’27 EPS to arrive at our TP of INR230. **We reiterate our BUY rating.**

Quarterly Performance (INR m)

Y/E December	CY25				CY26				CY25	CY26E	CY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Volume (m litres)	**63.0**	**66.0**	**59.0**	**63.7**	**67.7**	**70.0**	**62.0**	**67.2**	**251.7**	**266.8**	**70.0**	**0%**
Realization	**226**	**227**	**231**	**226**	**228**	**268**	**238**	**203**	227	234	**226**	**19%**
Net Sales	**14,220**	**14,968**	**13,628**	**14,399**	**15,452**	**18,715**	**14,738**	**13,632**	**57,215**	**62,467**	**15,787**	**19%**
YoY Change (%)	7.3	7.1	5.8	6.4	8.7	25.0	8.2	-5.3	6.6	9.2	5.5	
EBITDA	**3,074**	**3,495**	**3,228**	**3,678**	**3,293**	**4,942**	**2,829**	**2,878**	**13,475**	**13,740**	**3,507**	**41%**
YoY Change (%)	4.6	8.4	12.8	-2.1	7.1	41.4	-12.4	-21.7	5.4	2.0	0.3	
Margin (%)	21.6	23.4	23.7	25.5	21.3	26.4	19.2	21.1	23.6	22.0	22.2	**19%**
Depreciation	246	266	252	245	277	305	274	267	1,008	1,099	284	
Interest	23	26	21	23	19	17	22	24	93	98	28	
Other Income	322	93	123	136	233	140	121	99	674	593	105	
PBT before EO expense	**3,127**	**3,295**	**3,079**	**3,547**	**3,231**	**4,760**	**2,655**	**2,686**	**13,048**	**13,136**	**3,301**	**-2%**
Extra-Ord expense	0	0	0	225	0	0	0	0	225	0	0	
PBT	**3,127**	**3,295**	**3,079**	**3,322**	**3,231**	**4,760**	**2,655**	**2,686**	**12,823**	**13,136**	**3,301**	**44%**
Tax	793	855	801	875	809	1,283	669	677	3,324	3,310	832	
Rate (%)	25.3	26.0	26.0	26.3	25.0	27.0	25.2	25.2	25.9	25.2	25.2	
PAT	**2,335**	**2,440**	**2,278**	**2,447**	**2,422**	**3,477**	**1,986**	**2,009**	**9,499**	**9,826**	**2,469**	**41%**
Adj PAT	**2,335**	**2,440**	**2,278**	**2,613**	**2,422**	**3,477**	**1,986**	**2,009**	**9,666**	**9,826**	**2,469**	**-2%**
YoY Change (%)	8.0	5.1	9.8	-3.7	3.7	42.5	-12.8	-23.1	4.2	1.7	1.2	
Margins (%)	16.4	16.3	16.7	18.1	15.7	18.6	13.5	14.7	16.9	15.7	15.6	
E: MOFSL Estimates												
Operational Details (INR/lit)												
Volume (m litres)	63.0	66.0	59.0	63.7	67.7	70.0 (#)	62.0	67.2	251.7	266.8	70.0	0%
YoY Change (%)	8.6	8.2	7.3	8.0	7.5	6.0	5.0	5.4	8.0	6.0	6.0	25%
Realization	225.7	226.8	231.0	226.0	228.2	267.5	237.9	202.9	227.3	234.1	225.7	19%
Gross margin	108.5	109.9	115.1	112.2	111.9	136.0	107.1	91.5	111.3	111.2	107.6	26%
EBITDA	48.8	53.0	54.7	57.7	48.6	70.6	45.7	42.8	53.5	51.5	50.1	41%
PAT	37.1	37.0	38.6	41.0	35.8	49.7	32.1	29.9	38.4	36.8	35.3	41%

Note: # We have assumed volume growth of 6% YoY in 2QCY26

Happy Forgings

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	171.5 / 1.8
52-Week Range (INR)	1829 / 862
1, 6, 12 Rel. Per (%)	20/66/87
12M Avg Val (INR M)	101

Consol. Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	15.5	20.3	26.0
EBITDA	4.7	6.4	8.6
Adj. PAT	3.0	4.2	6.0
EPS (INR)	32.0	44.7	63.5
EPS growth %	12.6	39.9	42.0
BV/Sh. (INR)	226	265	320
Ratios			
RoE (%)	15.2	18.2	21.7
RoCE (%)	13.6	16.0	19.0
Payout (%)	12.5	12.3	12.6
Valuations			
P/E (x)	57.0	40.7	28.7
P/BV (x)	8.1	6.9	5.7
EV/EBITDA (x)	36.2	26.9	20.1
Div. Yield (%)	0.2	0.3	0.4

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	78.5	78.5	78.5
DII	15.5	16.5	17.0
FII	1.9	1.7	2.2
Others	4.1	3.3	2.3

CMP: INR1,817 TP: INR2,095 (+15%) Buy

Strong performance amid a challenging quarter

Multiple margin levers ahead

- Happy Forgings (HFL)'s 1QFY27 earnings at INR915m came in line with our estimates. While margins remained resilient in a tough quarter and were ahead of our estimates, lower-than-expected other income limited PAT growth. EBITDA margin expanded 280bp YoY to 31.3% (vs. our estimate of 30.3%), marking the fourth consecutive quarter of >30% EBITDA margin.
- Led by a better-than-expected margin performance in 1Q and a strong outlook, we have raised our FY27/FY28E EPS by 3%/9%. Given its healthy new order wins, we expect HFL to post a 30% standalone revenue CAGR over FY26-28. Further, while there could be some margin pressure due to rising input costs in the near term, we expect HFL to post a margin expansion to 33% over FY26-28, led by an improved mix, operating leverage benefits, and the benefit from solar power generation in the coming years. We, thus, expect HFL to post a 41% earnings CAGR over FY26-28. **We reiterate our BUY rating on the stock with a TP of INR2,095 (based on 33x FY28E EPS).**

Strong margin performance

- Standalone revenue grew 27% YoY in 1Q to INR4.5b (in line), driven entirely by volume growth, which stood at 17,793 MT. Realization/kg improved sequentially to INR253.
- Revenue mix in 1QFY27 (vs. 1QFY26):
  - CV – 33% (39%), Farm Equipment – 32% (32%), Off-highway – 11% (10%), Industrials – 16% (13%), and PV – 8% (6%).
  - Domestic – 72% (73%), Deemed exports – 12% (12%), and direct exports – 16% (16%).
- EBITDA margins expanded 280bp YoY to 31.3% (100bp above est.) on the back of an improving product mix and operating leverage. EBITDA also grew 39.3% YoY to INR1.4b (slightly above estimated INR1.3b).
- PAT grew 39.2% YoY to INR915m (in line with est. of INR897m), due to strong margin performance.

Key highlights from the management commentary

- The total order book stands at ~INR9.5b of peak incremental annual revenue potential over the next 2-3 years. Orders are well diversified across segments, as CVs contribute to 25-30%, the Industrial segment accounts for 35-40%, PVs contribute 25-30%, and the balance contribution is spread between farm and OHV. Exports contribute to 60% of the total order book.
- Management reiterated its confidence in delivering high-teen volume growth in FY27.

- Management expects the Industrial business to double over the next 3-4 years.
- New industrial programs are likely to generate superior economics, with gross margins of 80-85% for machined crankshafts and 60-65% for forged crankshafts. 50% of the gross profits can potentially translate into EBITDA.
- Passenger vehicles are expected to contribute 12-15% of revenue over the next 3-4 years.
- The SOP for the captive solar power project is Jan’27, and it is expected to deliver a 1.0-1.5% EBITDA margin improvement once fully operational.

Valuation and view

HFL’s cost-competitive advantage is expected to help the company drive sustainable outperformance to the core. Supported by a better-than-expected margin performance in 1Q and a strong outlook, we have raised our FY27/FY28E EPS by 3%/9%. Given its healthy new order wins, we expect HFL to post a 30% standalone revenue CAGR over FY26-28. Further, while there could be some margin pressure due to rising input costs in the near term, we expect HFL to post a margin expansion to 33% over FY26-28, led by an improved mix, operating leverage benefits, and the benefit from solar power generation in the coming years. We, thus, expect HFL to post a 41% earnings CAGR over FY26-28. **We reiterate our BUY rating on the stock with a TP of INR2,095 (based on 33x FY28E EPS)**.

Quarterly (Standalone) **(INR M)**

	FY26				FY27E				FY26	FY27E	1QE	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				(%)
Net operating income	**3,538**	**3,774**	**3,913**	**4,238**	**4,494**	**4,906**	**5,244**	**5,609**	**15,463**	**20,253**	**4,458**	**0.8**
Change (%)	3.6	4.5	10.4	20.4	27.0	30.0	34.0	32.3	9.8	31.0	26.0	
RM/Sales (%)	42.1	39.7	41.1	40.6	39.3	41.0	41.0	40.9	40.9	40.6	42.0	
Staff Cost (%)	9.1	8.9	8.8	8.6	8.6	8.1	7.8	8.4	8.8	8.2	8.2	
Other Exp. (%)	20.3	20.7	19.3	19.3	20.7	19.5	19.4	18.6	19.9	19.5	19.5	
EBITDA	**1,012**	**1,158**	**1,204**	**1,333**	**1,409**	**1,540**	**1,667**	**1,798**	**4,707**	**6,415**	**1,351**	**4.3**
EBITDA Margins (%)	28.6	30.7	30.8	31.5	31.3	31.4	31.8	32.1	30.4	31.7	30.3	100bp
Change (%)	3.6	9.9	18.7	30.4	39.3	33.0	38.5	34.8	15.7	36.3	33.5	
Non-Operating Income	104	63	82	60	111	110	90	109	308	420	120	
Interest	23	19	25	38	31	28	30	25	105	114	25	
Depreciation	206	216	224	245	262	270	280	283	890	1096	250	
PBT after EO items	**886**	**986**	**1,037**	**1,111**	**1,226**	**1,352**	**1,447**	**1,599**	**4,020**	**5,625**	**1,196**	
Tax	230	252	247	275	312	338	362	394	1004	1406	299	
Eff. Tax Rate (%)	25.9	25.5	23.9	24.8	25.4	25.0	25.0	24.7	25.0	25.0	25.0	
Rep. PAT	**657**	**734**	**789**	**836**	**915**	**1,014**	**1,086**	**1,204**	**3,016**	**4,219**	**897**	
Change (%)	2.9	2.8	22.4	23.3	39.2	38.1	37.5	44.1	12.7	39.9	36.5	
Adj. PAT	**657**	**734**	**789**	**836**	**915**	**1,014**	**1,086**	**1,204**	**3,016**	**4,219**	**897**	**2.0**
Change (%)	2.9	10.2	22.4	23.3	39.2	38.1	37.5	44.1	12.7	39.9	36.5	

E: MOFSL Estimates

Ventive Hospitality

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	VENTIVE IN
Equity Shares (m)	234
M.Cap.(INRb)/(USDb)	145.1 / 1.5
52-Week Range (INR)	798 / 542
1, 6, 12 Rel. Per (%)	-3/-16/-19
12M Avg Val (INR M)	61

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	24.6	27.0	32.3
EBITDA	10.9	11.7	14.1
PAT	4.3	5.0	5.9
EBITDA %	44.4	43.1	43.5
EPS (INR)	18.6	21.5	25.4
EPS Gr. (%)	243.1	15.8	18.3
BV/Sh.(INR)	235.8	257.3	282.7
Ratios			
Net D:E	0.3	(0.0)	(0.1)
RoE (%)	8.4	8.7	9.4
RoCE (%)	9.1	10.0	10.5
Valuations			
P/E (x)	33.5	28.9	24.4
P/BV (x)	2.6	2.4	2.2
EV/EBITDA (x)	15.9	13.5	10.7
FCF per share	32.3	76.3	38.9

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	89.0	89.0	89.0
DII	5.2	5.2	5.3
FII	1.2	1.4	2.7
Others	4.6	4.4	3.1

Note: FII includes depository receipts

CMP: INR621 TP: INR750 (+21%) Buy

International headwinds outstrip resilient India performance

Operating performance below our estimates

- Ventive Hospitality (VENTIVE) reported an EBITDA decline of 7% YoY to INR1.9b in 1QFY27. This decline was primarily due to a 32% YoY dip in the international business EBITDA, which was partially offset by a 16% growth in the Indian hospitality business. The annuity business remained flat in 1Q.
- The India hospitality business is expected to be driven by sustained MICE, Global Capability Center (GCC)-led office expansions, and limited new luxury hotel supply in Pune. Further, captive solar investments are expected to support margin expansion through lower energy costs.
- The Maldives business is likely to witness a recovery as the one-off impact of elevated diesel prices subsides (adj. EBITDA would have grown 10% without fuel impact), supported by resilient international leisure demand and global connectivity. The company's ongoing transition towards renewable energy, including increased solar adoption across its resorts and Raaya's target of ~80% solar utilization (by Apr'27), is expected to reduce fuel cost volatility and promote sustainable profitability of its international portfolio.
- Factoring in the expected recovery in international business in 2HFY27, we largely maintain our FY27 EBITDA estimates (cut by 2%). We cut our FY28 EBITDA estimates by 7% due to a delay in the commencement of operations at the 73-key Ritz-Carlton Reserve, Pottuvil (Sri Lanka). **We reiterate our BUY rating with a TP of INR750 (based on FY28E SoTP).**

India strength offsets international weakness

- VENTIVE's consolidated revenue grew 7% YoY to INR5.4b (in line). This was led by a 13%/5% YoY growth in the India/International Hospitality businesses to INR2b/INR2.1b. The annuity business revenue grew 3% to INR1.3b.
- India business ARR grew 8% to INR12,183, with occupancy increasing 7pp to 67%. International business TrevPAR grew 5% to INR46,410, with occupancy contracting 2pp to 52%.
- VENTIVE's EBITDA declined 7% YoY to INR1.9b (est. INR2.2b). EBITDA margin contracted 540bp YoY to 35.6% (est. 40.7%), led by higher other expenses (up 400bp), employee expenses (up 120bp) and RM expenses (up 20bp).
- The Indian business EBITDA grew 16% YoY to INR737m, while the International business EBITDA declined 32% to INR324m. Annuity business EBITDA stayed flat at INR1,112m.
- The company remeasured its deferred tax assets and liabilities and has recognized a net deferred tax credit of INR1,022m.
- Consequently, adj. PAT jumped 3x to INR807m (est. INR487m).
- Gross debt stood at INR20.9b vs. INR19.9b as of Mar'26. Cash stood at INR5.8b vs. INR5.2b as of Mar'26.

Highlights from the management commentary

- **Pune:** Pune's position as one of India's fastest-growing GCC hubs, limited luxury hotel supply, and a strong pipeline of office additions are expected to sustain pricing power and demand. The company commands ~65% of Pune's luxury hotel inventory and is enhancing profitability through a ~INR600m captive solar investment, which is expected to raise green power usage to ~85% (reduce electricity cost by 45%) by 1QFY28 and improve margins by ~5–6%.
- **Maldives:** The spike in diesel prices following the West Asia crisis temporarily hurt the Maldives' profitability, doubling fuel costs from the pre-crisis levels despite benefits from cluster-level procurement. Excluding this one-off impact, Maldives EBITDA would have grown by ~10%, with management expecting earnings recovery in 2H as fuel prices normalize and tourism demand remains supported by global connectivity and leisure travel. The company is accelerating renewable energy adoption across its Maldives portfolio through 4.1MW of solar capacity, which is expected to reduce diesel consumption and generate annual cost savings of ~USD1.5–2.0m from FY28–29.
- **Ritz-Carlton, Sahyadri:** The company has entered into luxury wellness through the acquisition of Kelzai Eco Reserves (~420+ acres). This comprises an 80+ key Ritz-Carlton Reserve resort and 33 premium villas. The project will be funded through a mix of internal accruals and debt, while villa sale proceeds are expected to reduce acquisition costs and enhance long-term returns.

Valuation and view

- VENTIVE's growth is expected to be driven by rapid multi-city expansion, infrastructure-led demand, limited supply conditions in key markets such as Pune, and diversification into membership-led hospitality through Soho House. Additionally, high-ADR Maldives assets and a strong pipeline of 1700+ keys across eight hotels bolster the growth outlook.
- **Based on pro forma financials, we model a CAGR of 15%/13%/17% in revenue/ EBITDA/adj. PAT over FY26-28E. We largely retain our FY27 EBITDA estimates (cut by 2%), while we reduce our FY28 EBITDA estimates by 7%. We reiterate our BUY rating with a TP of INR750 (based on FY28E SOTP).**

Consolidated - Quarterly Earnings INRm

Y/E March	FY26				FY27E				FY26	FY27	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	%
Gross Sales	**5,075**	**4,893**	**6,855**	**7,788**	**5,428**	**5,352**	**7,413**	**8,847**	**24,610**	**27,040**	**5,302**	**2**
YoY Change (%)	341.7	89.7	28.4	11.6	7.0	9.4	8.1	13.6	53.4	9.9	4.5	
Total Expenditure	2,997	2,997	3,745	3,935	3,498	3,426	4,039	4,423	13,674	15,386	3,142	
EBITDA	**2,078**	**1,896**	**3,110**	**3,852**	**1,930**	**1,927**	**3,374**	**4,423**	**10,937**	**11,654**	**2,160**	**-11**
Margins (%)	40.9	38.8	45.4	49.5	35.6	36.0	45.5	50.0	44.4	43.1	40.7	
Depreciation	798	789	843	843	897	900	900	900	3,274	3,597	850	
Interest	601	559	601	534	522	500	485	450	2,295	1,957	500	
Other Income	124	652	365	909	116	200	250	259	2,050	824	100	
PBT before EO expense	**803**	**1,200**	**2,032**	**3,384**	**627**	**727**	**2,239**	**3,332**	**7,418**	**6,924**	**910**	
Extra-Ord expense	0	0	30	51	0	0	0	0	81	0	0	
PBT	**803**	**1,200**	**2,001**	**3,333**	**627**	**727**	**2,239**	**3,332**	**7,337**	**6,924**	**910**	
Tax	424	557	597	745	-629	183	563	839	2,323	956	273	
Rate (%)	52.8	46.5	29.8	22.4	-100.3	25.2	25.2	25.2	31.7	13.8	30.0	
MI & Profit/Loss of Asso. Cos.	110	117	239	293	449	100	150	249	758	948	150	
Reported PAT	**269**	**526**	**1,166**	**2,295**	**807**	**444**	**1,525**	**2,244**	**4,256**	**5,020**	**487**	
Adj PAT	**269**	**526**	**1,187**	**2,335**	**807**	**444**	**1,525**	**2,244**	**4,311**	**5,020**	**487**	**66**
YoY Change (%)	2.0	-193.4	367.0	82.6	199.8	-15.6	28.5	-3.9	248.1	16.4	-61.9	
Margins (%)	5.3	10.7	17.3	30.0	14.9	8.3	20.6	25.4	17.5	18.6	9.2	

Avalon Technologies

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	AVALON IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	121.8 / 1.3
52-Week Range (INR)	1859 / 777
1, 6, 12 Rel. Per (%)	0/83/113
12M Avg Val (INR M)	466

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	16.0	22.4	30.3
EBITDA	1.7	2.7	3.8
Adj. PAT	1.1	1.9	2.8
EBITDA Margin (%)	10.8	12.1	12.5
Cons. Adj. EPS (INR)	17.1	29.3	42.6
EPS Gr. (%)	78.4	71.3	45.5
BV/Sh. (INR)	109.1	138.4	181.0
Ratios			
Net D:E	0.1	0.0	0.0
RoE (%)	17.0	23.7	26.7
RoCE (%)	14.4	20.2	23.9
Valuations			
P/E (x)	106.0	61.9	42.5
EV/EBITDA (x)	69.5	44.2	31.7

Shareholding Pattern (%)

As on	Jun-26	Mar-26	Jun-25
Promoter	44.4	44.4	44.6
DII	24.7	26.2	22.0
FII	7.8	6.4	8.7
Others	23.1	23.0	24.7

Note: FII includes depository receipts

CMP: INR1,823 TP: INR2,150 (+18%) Buy

Robust growth momentum continues

Earnings above our estimate

- Avalon Technologies (AVALON) reported a robust 1QFY27, with revenue growing 50% YoY, fueled by a strong performance in both the US and Indian businesses (up 47%/54% YoY). Growth was largely broad-based across segments (2.4x/44%/50% growth in Clean Energy/ Mobility and transportation/Industrials). Further, EBITDA margin expanded 270bp YoY, fueled by operating leverage.
- We believe AVALON remains well positioned to sustain strong growth momentum, supported by rising box-build mix, robust orderbook visibility, multiple programs entering into production, and expanding customer engagements across geographies. Emerging opportunities in semiconductor equipment, High-Voltage Direct Current (HVDC) power infrastructure, aerospace, data-center-related power solutions, and defense electronics, along with continued expansion in Europe and Southeast Asia, are expected to support its mid-term growth trajectory.
- Considering the strong growth in 1QFY27, we raise our FY27/FY28 earnings estimates by 8%/4%. **We reiterate our BUY rating with a TP of INR2,150**, premised on 50x FY28E EPS (implying a 0.9x PEG ratio).

Strong revenue growth coupled with margin expansion

- AVALON's consolidated revenue grew 50% YoY to INR4.8b (est. INR4.2b), driven by growth in both the domestic (up 54% YoY) and US (up 47% YoY) businesses. Consolidated EBITDA surged 94% YoY to INR580m, while EBITDA margin contracted 270bp YoY to 12% (est. 10%). Adj. PAT grew 2.5x to INR349m (est. INR269m).
- India manufacturing: Revenue/EBITDA grew 35%/71% YoY to INR3.5b/ INR582m, with EBITDA margin expanding 350bp YoY to 16.7%.
- US manufacturing: Revenue grew 2.1x YoY to INR1.4b, while the operating loss narrowed to INR3m vs. INR45m/INR49m in 1QFY25/ 4QFY26.
- The segment mix for Clean Energy/Mobility & Transportation/ Industrials/Communication/Medical & Others stood at 29%/25%/32%/ 4%/10% in 1QFY27 compared to 18%/26%/32%/10%/14% in 1QFY26.
- The total order book stood at INR34.6b, with the short-term order book (executable within 14 months) at INR22.1b (up 23% YoY/flat QoQ) and the longer executable order book (from 14 months up to three years) at INR12.6b.
- Operating cash flow remained positive in 1QFY27 at INR320m vs. INR160m in 4QFY26. Total debt came in at INR1.96b, while cash and investments stood at INR1.71b, resulting in a net debt of only INR240m.
- Net working capital days improved to 117 from 142 as of Jun'25 due to lower inventory (down by 10 days) and receivables (down by 13 days).

Highlights from the management commentary

- **Outlook/Guidance:** Management raised its FY27 revenue growth guidance to 26–30% (from 24–27% earlier), targeting to double revenue to INR32b over FY26- FY29 and maintaining its gross margin guidance of 33-35%. The company expects US operations to achieve steady-state EBITDA breakeven by FY27-end. Management remains conservative on near-term forecasts due to the timing uncertainty of large program ramp-ups; it highlighted that the medium-term opportunity pipeline is the strongest it has seen in recent years.
- **New program ramp-up:** Aerospace cabin sub-assemblies, locomotive engine subsystems, and Kavach are progressing toward commercialization, while semiconductor equipment and HVDC programs have started contributing revenue and are expected to scale further. Management also sees growing opportunities in data center infrastructure, particularly power systems, rack solutions, and cooling infrastructure.
- **Geographical expansion & defense:** Management is expanding the opportunity pipeline across Europe and Southeast Asia, which are expected to become important growth contributors over the next few years. The company believes India is increasingly emerging as a preferred destination for complex electronics manufacturing. The company is also gradually bolstering its presence in defense electronics through dedicated investments in leadership and capability building.

Valuation and view

- The US business is expected to achieve steady-state breakeven by the later part of FY27; a rising share of higher-margin business and operating leverage benefits are expected to support margin expansion.
- Further, AVALON's medium-term revenue trajectory is likely to remain strong, backed by: 1) its entry into the semiconductor equipment, 2) strong order book visibility across segments, 3) increasing demand for industrial automation, power electronics, and railway/aerospace electronics in the industrial segment, 4) rising deployments of battery energy storage systems and grid modernization initiatives in the clean energy segment, and 5) India's emergence as a global manufacturing base, supported by structural reforms and favorable government policies.
- Considering the strong growth in 1QFY27, we raise our FY27/FY28 earnings estimates by 8%/4%. **We reiterate our BUY rating with a TP of INR2,150**, premised on 50x FY28E EPS (implying a 0.9x PEG ratio).

Consolidated - Quarterly Earnings (INR m)

Y/E March	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	%
Gross Sales	**3,233**	**3,825**	**4,175**	**4,799**	**4,844**	**5,132**	**5,823**	**6,646**	**16,032**	**22,445**	**4,203**	**15**
YoY Change (%)	62.1	39.1	48.7	40.0	49.8	34.2	39.5	38.5	46.0	40.0	30.0	
Total Expenditure	2,934	3,438	3,692	4,230	4,265	4,542	5,107	5,808	14,295	19,722	3,784	
EBITDA	**299**	**386**	**483**	**569**	**580**	**590**	**716**	**837**	**1,737**	**2,723**	**419**	**38**
Margins (%)	9.2	10.1	11.6	11.8	12.0	11.5	12.3	12.6	10.8	12.1	10.0	
Depreciation	85	89	79	83	86	92	98	103	336	379	90	
Interest	38	41	30	42	35	40	40	40	150	154	45	
Other Income	17	79	74	119	28	107	109	161	289	405	75	
PBT before EO expense	**193**	**336**	**448**	**563**	**487**	**565**	**687**	**856**	**1,540**	**2,595**	**359**	
Extra-Ord expense	0	0	3	0	0	0	0	0	3	0	0	
PBT	**193**	**336**	**445**	**563**	**487**	**565**	**687**	**856**	**1,536**	**2,595**	**359**	
Tax	51	86	119	151	139	138	168	209	407	653	90	
Rate (%)	26.4	25.6	26.7	26.9	28.5	24.4	24.4	24.4	26.5	25.2	25.2	
Reported PAT	**142**	**250**	**326**	**412**	**349**	**427**	**519**	**647**	**1,129**	**1,942**	**269**	
Adj PAT	**142**	**250**	**328**	**412**	**349**	**427**	**519**	**647**	**1,132**	**1,942**	**269**	**30**
YoY Change (%)	NA	42.9	36.9	69.5	145.3	71.0	58.1	57.2	78.4	71.6	88.9	
Margins (%)	4.4	6.5	7.9	8.6	7.2	8.3	8.9	9.7	7.1	8.7	6.4	

Blue Dart Express

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	BDE IN
Equity Shares (m)	24
M.Cap.(INRb)/(USDb)	125.4 / 1.3
52-Week Range (INR)	7036 / 4629
1, 6, 12 Rel. Per (%)	7/-6/-9
12M Avg Val (INR M)	387

Financial Snapshot (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	61.4	68.0	74.8
EBITDA	5.7	7.4	8.6
Adj. PAT	2.7	3.8	4.5
EBITDA Margin (%)	9.3	10.8	11.5
Adj. EPS (INR)	119.7	159.8	190.0
EPS Gr. (%)	16.1	33.5	18.9
BV/Sh. (INR)	771.7	906.5	1071.5
Ratios			
Net D:E	-0.1	-0.2	-0.2
RoE (%)	18.4	19.0	19.2
RoCE (%)	18.7	21.1	20.9
Payout (%)	24.8	15.6	13.2
Valuations			
P/E (x)	44.2	33.1	27.9
P/BV (x)	6.9	5.8	4.9
EV/EBITDA(x)	20.6	15.6	13.0
Div. Yield (%)	0.5	0.5	0.5
FCF Yield (%)	1.8	2.5	3.0

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	75.0	75.0	75.0
DII	14.5	14.5	13.0
FII	3.4	3.4	5.5
Others	7.2	7.0	6.4

FII includes depository receipts

CMP: INR5,284 **TP: INR6,100 (+15%)** **Buy**

Steady volumes; improved pricing drives earnings

- Blue Dart Express (BDE)'s revenue grew ~15% YoY to INR16.5b in 1QFY27 (5% above our estimate).
- EBITDA margin came in at 10.3% in 1QFY27 (up 340bp YoY and 220bp QoQ) vs. our estimate of 10%. EBITDA jumped ~70% YoY on account of a low base to INR1.7b (8% above our estimate).
- APAT was INR867m vs. INR469m in 1QFY26 (15% above our estimate).
- In 1QFY27, BDE reported steady volume growth of 7% YoY, while revenue increased 15% YoY, driven by the annual general price increase (GPI) and higher fuel surcharge, resulting in a 7% improvement in realizations.
- BDE posted strong earnings performance in 1Q, driven by healthy realizations. Going forward, both the ground and air express segments would likely continue to witness healthy traction, and margins are expected to improve gradually. We broadly maintain our FY27 and FY28 estimates and **reiterate our BUY rating with a TP of INR6,100 (based on 15x FY28E EV/EBITDA).**

Steady volume growth; Air:Surface mix at 60:40

- In 1QFY27, BDE reported a shipment volume of 96.15m (+2% YoY) and tonnage of 0.36mt (+7% YoY).
- Air Express contributed ~60% and Surface Express ~40% of total revenue. B2B/B2C segments accounted largely for 70%/30% of revenue. B2C mainly included e-commerce shipments.

Highlights from the management commentary

- Revenue grew 15% YoY during the quarter, driven by a mix of GPI and fuel surcharge, while volume grew 7% YoY.
- Air volume increased ~2.6% YoY, while surface volume grew ~9% YoY.
- The company holds an estimated market share of ~70% in the organized document express services segment. Documents and small parcel business together contribute around 25-30% of revenue. The BFSI segment accounted for ~10-15% of the revenue.
- FY27 capex is expected at INR1.0-1.5b.
- Automotive continues to be a key vertical and has been growing in the high teens, largely driven by express movement of spare parts.
- Despite higher fuel prices, the company was able to manage and improve margins due to the fuel cost pass-through mechanism in place.

Valuation and view

- The ground and air express segments continued to witness healthy traction, driven by sustained growth in B2B, B2C, and e-commerce volumes. Despite an increasingly competitive environment, the company maintained its market share, supported by its differentiated premium service offerings.
- We broadly maintain our FY27 and FY28 estimates and reiterate our BUY rating with a TP of INR6,100 (based on 15x FY28E EV/EBITDA).

Quarterly snapshot - Standalone INR m

Y/E March (INR m)	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
Net Sales	**14,419**	**15,493**	**16,162**	**15,335**	**16,577**	**16,744**	**17,629**	**17,030**	**61,409**	**67,980**	**15,737**	**5**
YoY Change (%)	7.4	7.0	6.9	8.2	15.0	8.1	9.1	11.1	7.4	10.7	9.1	
EBITDA	**1,002**	**1,572**	**1,901**	**1,247**	**1,702**	**1,758**	**1,939**	**1,967**	**5,721**	**7,366**	**1,574**	**8**
Margins (%)	6.9	10.1	11.8	8.1	10.3	10.5	11.0	11.5	9.3	10.8	10.0	
YoY Change (%)	-8.5	29.0	30.0	5.6	70.0	11.9	2.0	57.7	15.4	28.8	57.1	
Depreciation	505	594	710	664	646	660	670	678	2,472	2,654	650	
Interest	72	105	126	117	112	115	115	105	420	447	110	
Other Income	207	194	189	182	220	200	210	180	771	809	190	
PBT before EO expense	**632**	**1,066**	**1,253**	**649**	**1,164**	**1,183**	**1,364**	**1,363**	**3,599**	**5,074**	**1,004**	
Extra-Ord expense	0	0	442	1	0	0	0	0	444	0	0	
PBT	**632**	**1,066**	**810**	**647**	**1,164**	**1,183**	**1,364**	**1,363**	**3,156**	**5,074**	**1,004**	
Tax	163	271	110	215	297	298	344	343	759	1,282	253	
Rate (%)	25.7	25.4	13.6	33.2	25.5	25.2	25.2	25.2	24.0	25.3	25.2	
Reported PAT	**469**	**795**	**700**	**432**	**867**	**885**	**1,020**	**1,020**	**2,397**	**3,792**	**751**	
Adj PAT	**469**	**795**	**1,032**	**433**	**867**	**885**	**1,020**	**1,020**	**2,730**	**3,792**	**751**	**15**
YoY Change (%)	-8.9	30.8	30.5	-18.6	84.7	11.3	-1.1	135.5	11.6	38.9	60.0	
Margins (%)	3.3	5.1	6.4	2.8	5.2	5.3	5.8	6.0	4.4	5.6	4.8	

VRL Logistics

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	VRLL IN
Equity Shares (m)	175
M.Cap.(INRb)/(USDb)	48.8 / 0.5
52-Week Range (INR)	313 / 225
1, 6, 12 Rel. Per (%)	16/4/-6
12M Avg Val (INR M)	61

Financial Snapshot (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	32.2	37.0	40.0
EBITDA	6.5	7.8	8.1
Adj. PAT	2.4	3.2	3.2
EBITDA Margin (%)	20.2	21.0	20.1
Adj. EPS (INR)	13.5	18.6	18.3
EPS Gr. (%)	29.5	37.1	-1.5
BV/Sh. (INR)	65.3	73.9	80.1
Ratios			
Net D:E	0.4	0.2	0.1
RoE (%)	21.3	26.7	23.7
RoCE (%)	18.7	23.4	22.0
Payout (%)	36.9	53.9	65.6
Valuations			
P/E (x)	20.6	15.0	15.3
P/BV (x)	4.3	3.8	3.5
EV/EBITDA(x)	8.2	6.6	6.3
Div. Yield (%)	1.8	3.6	4.3
FCF Yield (%)	7.4	7.8	8.4

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	60.2	60.2	60.2
DII	24.9	25.1	24.6
FII	2.7	3.0	4.0
Others	12.2	11.7	11.2

FII includes depository receipts

CMP: INR279 TP: INR340 (+22%) Buy

Strong volume and price hikes drive earnings; outlook bright

- VRL's 1QFY27 revenue grew 18% YoY to INR8.8b (11% above est.). EBITDA rose 23% YoY to INR1.87b (21% above est.). EBITDA margin stood at 21.2% (+80bp YoY and +40bp QoQ) vs. our est. of 19.5%.
- APAT increased to INR805m from INR500m in 1QFY26 (55% beat).
- Volume grew 9% YoY to 1.02MT, driven by the regaining of customers lost during earlier freight rate rationalization and the addition of new contractual customers. Realization rose 9% YoY to INR8,546/ton. VRL hiked prices in 1Q to offset the increase in fuel prices, which supported realization.
- Fuel costs remained stable at 25.4% of total income (vs. 25.4% in 1QFY26). However, lorry hire charges increased to 4.4% of total income (vs. 3.9% YoY), driven by higher lead distances, while vehicle running expenses rose to 5.5% from 4.6%, owing to longer lead distances and higher driver incentives.
- The board approved a buyback of up to 8750,000 fully paid-up equity shares, representing 5% of the total paid-up equity shares through a tender offer at INR320 per share for an aggregate consideration not exceeding INR2.8b.
- VRL delivered a strong performance in 1QFY27, driven by higher realizations and healthy 9% volume growth, the first meaningful volume recovery in over two years while sustaining robust EBITDA margins. Going ahead, management will continue to focus on driving tonnage growth as realization is expected to remain broadly stable. We raise our FY27/FY28 EPS estimates by 21%/9%, factoring in stronger-than-expected volume and realization growth, along with stable margins. We expect healthy volume growth in FY27, supported by branch additions, the recovery of previously lost customers, and higher tonnage from existing customers. **We expect VRL to clock a CAGR of 7% in volume and 11%/11%/16% in revenue/EBITDA/PAT over FY26-28. Reiterate BUY with a revised TP of INR340 (based on 18x FY28E EPS).**

Highlights from the management commentary

- Management expects to at least sustain the current realization level of INR8,546/ton or improve it further in the coming quarters, as the full impact of the freight rate hike taken in the middle of 1Q flows through.
- Internal fuel procurement declined to NIL during the quarter, as bulk fuel prices remained higher than retail pump prices. Average fuel procurement costs increased to INR93.73/liter from INR83.09/liter YoY.
- Management expects volume growth to remain healthy, aided by increasing tonnage from existing customers and the onboarding of new clients.
- Capex during the quarter stood at INR760m. Management maintained its FY27 capex guidance of INR2.2-2.4b, comprising INR1.0-1.2b for vehicle additions to support incremental volumes and INR1.2-1.6b for property-related investments.

Valuation and view

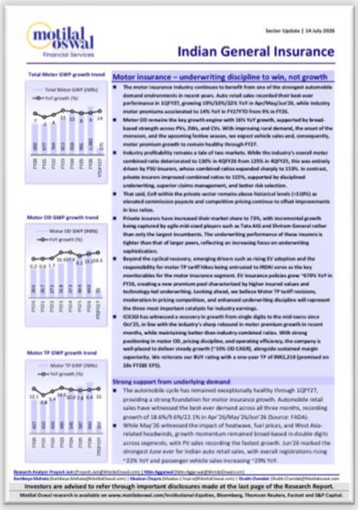
- Management expects to drive volume growth through higher business from existing customers and the addition of new clients while maintaining realizations at current levels and sustaining margins.
- We raise our FY27/FY28 EPS estimates by 21%/9%, factoring in stronger-than-expected volume and realization growth, along with stable margins. We expect healthy volume growth in FY27, supported by branch additions, the recovery of previously lost customers and higher tonnage from existing customers. **We expect VRL to clock a 7% volume CAGR and a revenue/EBITDA/PAT CAGR of 11%/11%/16% over FY26-28. Reiterate BUY with a revised TP of INR340 (based on 18x FY28E EPS).**

Quarterly performance **INR m**

Y/E March (INR m)	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
Net Sales	**7,443**	**7,970**	**8,270**	**8,529**	**8,788**	**8,943**	**9,446**	**9,866**	**32,211**	**37,043**	**7,938**	**11**
YoY Change (%)	2.4	-0.3	0.2	5.4	18.1	12.2	14.2	15.7	1.9	15.0	6.6	
EBITDA	**1,516**	**1,511**	**1,700**	**1,775**	**1,866**	**1,876**	**1,982**	**2,067**	**6,502**	**7,791**	**1,546**	**21**
Margins (%)	20.4	19.0	20.6	20.8	21.2	21.0	21.0	21.0	20.2	21.0	19.5	
YoY Change (%)	74.5	13.6	2.1	-4.9	23.1	24.1	16.6	16.5	13.5	19.8	2.0	
Depreciation	647	648	681	635	624	650	670	699	2,610	2,643	665	
Interest	262	242	219	227	227	260	270	306	950	1,063	240	
Other Income	65	70	38	64	60	60	65	71	237	256	55	
PBT before EO expense	**672**	**691**	**838**	**977**	**1,075**	**1,026**	**1,107**	**1,133**	**3,179**	**4,341**	**696**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**672**	**691**	**838**	**977**	**1,075**	**1,026**	**1,107**	**1,133**	**3,179**	**4,341**	**696**	
Tax	172	192	191	255	270	259	279	287	811	1,094	175	
Rate (%)	25.6	27.8	22.8	26.1	25.1	25.2	25.2	25.3	25.5	25.2	25.2	
Reported PAT	**500**	**499**	**648**	**721**	**805**	**768**	**828**	**846**	**2,368**	**3,247**	**521**	
Adj PAT	**500**	**499**	**648**	**721**	**805**	**768**	**828**	**846**	**2,368**	**3,247**	**521**	**55**
YoY Change (%)	272.4	39.2	9.0	-2.8	60.9	53.9	27.8	17.3	29.5	37.1	4.1	
Margins (%)	6.7	6.3	7.8	8.5	9.2	8.6	8.8	8.6	7.4	8.8	6.6	

Insurance


Life Insurance


Indian General Insurance

Reading the regulatory signals!

Insurance ecosystem at an inflection point

- **The conversation around insurance commissions is moving beyond white noise to a clear regulatory priority. Over the past year, regulatory bodies have consistently emphasized on better affordability, customer experience and transparency in the insurance industry.**
- **Enhanced disclosure of distributor commissions required by IRDAI and the tightening of insurance distribution through banks by the RBI (effective Jan'27) have already strengthened the transparency pillar of the insurance ecosystem.**
- **For affordability, while the quantum of the final framework remains uncertain, the regulatory direction appears to be moving away from upfront, volume-driven incentives toward a model that rewards long-term customer outcomes and policy servicing.**
- **The growth of insurance commissions (+18% YoY) materially outpaced premium growth (+7% YoY) in FY25, with the top private bank-led players reporting a first-year commission ratios of 25%+, double of what PSUs charge, and distributors like PolicyBazaar witnessing an increase in take rates every year, supported by strong fresh business growth.**
- **The widely discussed commission reforms, if implemented, could represent one of the most meaningful change in India's insurance distribution landscape since the introduction of the EoM framework. Although near-term disruption seems inevitable, the changes could improve affordability and support insurance penetration over the medium term.**
- **We believe that the pure commission-based revenue models of distribution platforms with meaningful dependance on upfront payouts have the highest exposure to the commission regulations. We have a Neutral stance on PB Fintech, with a material downside risk owing to commission caps.**
- **Private bank-led life insurers, with (1) double-digit commission ratio and 25%+ first-year commission ratio and (2) bancassurance dominated business, could see some pressure on new business growth and acquisition economics. However, PSU-bank-led insurers, despite their bancassurance dependance, operate at low commission ratios and hence are likely insulated from a material impact. SBILIFE and CANHLIFE are our top picks in the life insurance sector.**
- **Diversified distribution architecture and operations, already managed within the EoM framework for general insurers, make the segment relatively insulated from commission reforms.**
- **A consultation paper on commission reforms (likely in late Aug'26 as per media articles), the implementation of the RBI's bancassurance conduct framework (Jan'27), traction on Bima Sugam, and management commentary on evolving distribution strategies remain the key monitorables.**

Regulatory priority to reduce costs

- Over the past few months, the narrative around insurance distribution has been about improving insurance penetration at lower costs, with the media reports pointing toward moving away from an upfront volume-driven selling toward a more sustainable model.
- The most consistent message from the regulators has been to break the link between a large first-year payout and the incentive to mis-sell or churn policies. Regulators increasingly view front-loaded payouts as a key driver of mis-selling, policy churn and weak persistency, with incentives expected to shift toward long-term policy servicing and customer retention.

- The evolving framework points to linking remuneration more closely to distributor efforts, customer outcomes and persistency rather than uniform payouts across channels. This implicitly favours advisory-led distributors over high-volume, convenience-driven bancassurance models, even if explicit channel-specific restrictions are not introduced.
- The near-term regulatory vehicle of disclosure of high commissions seems like a lower-friction step designed to build the case before any binding cap is proposed.
- The RBI has already finalised stricter conduct regulations for banks, including prohibitions on product bundling, mandatory customer consent, restrictions on incentive-linked selling, and a formal grievance and refund mechanism. Effective 1st Jan'27, these measures tighten distribution practices regardless of IRDAI's eventual stance on commissions.
- IRDAI is not currently inclined to mandate open architecture for banks. As a result, bank-promoted insurers are likely to retain the strategic advantage of exclusive distribution partnerships, even as remuneration structures become more disciplined.
- The direction of regulations seems unambiguous with the focus clearly shifting toward lower and more transparent acquisition costs, remuneration linked to long-term customer outcomes, and stronger conduct standards across distribution channels. The uncertainty lies in the magnitude and binding form of the regulations with the upcoming IRDAI consultation paper, expected by Jul'26 end, likely to provide the first concrete indication of the regulator's preferred implementation framework.

Focus across regulatory bodies toward improving experience of insurance customers across regulatory bodies

Speaker	Period	Communication	Source
Ajay Seth, IRDAI Chairman	Jul'26	❖ Proposed Public Insurance Registry being developed; will help trace every policy to individual seller, improve accountability, curb mis-selling and make insurers rethink incentives, transparency and distribution costs.	https://tinyurl.com/yzmuzvbe
IRDAI	Jul'26	❖ Reportedly opposing the mandate for open architecture in bancassurance; relief for players like SBI Life, HDFC Life, Canara HSBC Life with significant business coming from banca channel	https://tinyurl.com/2b2a35xs
Ajay Seth, IRDAI Chairman	Jul'26	❖ Preparing a consultation paper on distribution reforms, which is expected to be released by the end of July. Sources have informed about deferment to late-August.	https://tinyurl.com/3xmk635v
IRDAI Consultation Paper	Jun'26	❖ Enhanced disclosure norms for insurance intermediaries earning >INR10m in commission in a financial year	https://tinyurl.com/ynsxvyse
RBI	Jun'26	❖ Banks and NBFCs cannot engage in compulsory bundling and required to get explicit consent from users before selling any financial product or service	https://tinyurl.com/2s3esch9
Nirmala Sitharaman, Finance Minister	Feb'26	❖ While bancassurance has improved insurance penetration, it has also led to mis-selling. Such practices contribute to higher borrowing costs for customers.	https://tinyurl.com/ms9x8nca

Source: MOFSL, IRDAI, Media articles

Possible shift in distribution economics for insurers

- As per IRDAI data, insurance commissions grew 18% YoY in FY25 compared to 7% YoY growth in premiums, which has led to increasing discussions around renewing commission structures. First-year commission of key private insurers is above 30% in FY26.
- If commission caps are introduced, it can lead to certain risks: (1) Insurers with high commission payouts will likely have to renegotiate, which may impact the

volume of new business; (2) Lower upfront commissions could impact the profitability of distributors/agents, potentially slowing penetration.

- Insurers with well-diversified distribution networks would be relatively better positioned to absorb regulatory changes. Lower dependence on any single channel reduces earnings volatility while providing greater flexibility to optimise business mix and acquisition costs.
- Distributors like PolicyBazaar (take rate at ~25% for fresh business) are likely to experience the most direct financial impact. Large upfront commissions have historically supported cash flows. Any transition toward deferred remuneration would elongate cash conversion cycles and increase dependence on renewal income and policy persistency.
- For banks, in addition to the RBI's amendments (applicable from Jan'27), bancassurance fee income may be impacted if the commission structure is revised. For PSUs like SBI, commission income contributes <1% of total income, and for private banks like HDFC, commission income is ~3% of total income.
- Commission (TER) regulations for AMCs in 2018 had a short-term disruption in yields and revenue growth. However, the improved transparency has resulted in strong AUM growth, leading to consistent growth momentum for AMCs.
- Similarly, there can be some near-term disruption in the distributor economics if insurers pass on the full impact to distributors, especially among some private bank-led players, which pay higher commission rates in high teens. For PSU bank-led players, the impact should be lower given single-digit commission ratios. However, with better affordability, volumes will likely improve in the longer term, offsetting the impact of lower commissions.

Commissions grew 18% YoY in FY25 compared to 7% YoY growth in premiums

	FY24			FY25			YoY growth (%)		
INRb	**Public**	**Private**	**Industry**	**Public**	**Private**	**Industry**	**Public**	**Private**	**Industry**
First year premium	390	765	1,155	370	880	1,250	-5.2	15.1	8.3
Single premium	1,836	793	2,629	1,898	830	2,727	3.3	4.7	3.7
Renewal premium	2,531	1,984	4,515	2,621	2,259	4,880	3.5	13.9	8.1
Total premium	**4,758**	**3,542**	**8,299**	**4,888**	**3,969**	**8,858**	**2.8**	**12.1**	**6.7**
First year commission	111	168	279	100	236	336	-9.9	40.2	20.3
Single premium commission	8	45	53	8	65	72	-2.9	43.8	36.9
Renewal commission	141	42	183	146	54	200	3.3	28.0	9.0
Total commission	**260**	**256**	**515**	**253**	**355**	**608**	**-2.5**	**38.8**	**18.0**
First year commission %	28.4	22.0	24.2	27.0	26.8	26.9			
Single premium commission %	0.4	5.7	2.0	0.4	7.8	2.7			
Renewal commission %	5.6	2.1	4.1	5.6	2.4	4.1			
Total commission %	5.5	7.2	6.2	5.2	8.9	6.9			

Source: MOFSL, IRDAI annual report

Contribution of life insurance commissions to revenue of key banks

Commission from life insurance (INRm)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY21-26 CAGR %**
HDFC Bank	21,828	14,814	15,565	18,993	30,593	50,270	56,875	31
% of total income	2.7	1.6	1.5	1.6	1.9	3.0	3.0	
ICICI Bank	8,500	6,364	5,776	3,821	3,161	3,275	2,882	-15
% of total income	1.7	1.1	0.9	0.5	0.3	0.3	0.2	
Axis Bank	6,920	9,635	11,873	13,594	19,793	27,469	32,338	27
% of total income	1.7	2.3	2.5	2.3	2.7	3.5	3.9	
SBI	11,169	12,398	15,675	20,399	22,322	23,559	23,846	14
% of total income	0.8	0.8	1.0	1.1	1.1	1.0	1.0	
Canara Bank	1,048	1,879	2,493	3,001	3,100	3,733	4,578	19
% of total income	0.5	0.5	0.6	0.6	0.6	0.6	0.7	

Source: MOFSL, Companies

RBI's long halt: steady through 2026

- **The MPC unanimously kept the repo rate unchanged at 5.25% and retained the neutral policy stance, as widely expected. The RBI acknowledged that domestic macroeconomic fundamentals remain resilient despite an uncertain global backdrop. It raised its FY27 GDP growth forecast to 6.7% (from 6.6%), while lowering its FY27 CPI inflation forecast to 5.0% (from 5.1%). The RBI expects inflation to peak at 5.9% in 3QFY27 before moderating gradually.**
- **No urgency to raise rates: The RBI highlighted that greater clarity is needed on the path and composition of inflation before taking any policy action. This indicates that the MPC is focused on whether the current food- and fuel-driven inflation spills over into broader price pressures and pushes up core inflation (core inflation is expected at 4.3% in FY27 in the Aug'26 policy, lower from 4.7% in the Jun'26 policy). As a result, the Governor effectively signaled that there is no urgency to raise policy rates despite headline CPI moving above the 4% target.**

We continue to expect no rate hike during CY26. A higher probability appears to be next year (El Niño impact, manufacturing cost passthrough, high credit growth feeding into inflation, global interest rate hike cycle).

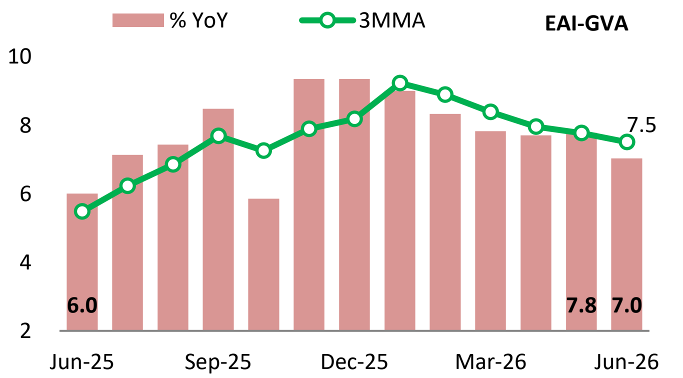
- **Liquidity conditions remain comfortable, with the average daily liquidity surplus moderating to around INR1.0t (Jul'26). The capital-flow measures announced in the June policy, particularly the FCNR(B) deposit scheme, have already started yielding results, reflected in improving debt FPI inflows, a stronger BoP outlook, and rising foreign exchange reserves (USD692.9b). We continue to expect these measures to generate cumulative inflows of around USD75–80b in FY27, supporting the INR, forex reserves, and domestic bond markets.**
- **Inflation is projected to remain above 5%—at 5.9% in 3QFY27, 5.5% in 4QFY27, and 5.3% in 1QFY28. This implies that the real policy rate is likely to turn negative if the repo rate remains unchanged at 5.25%. At the same time, bank credit growth remains exceptionally strong at 18.6% YoY (as of 27th June 2026), a pace that, if sustained, could become increasingly inflationary by supporting robust domestic demand. We believe the inflation risk is still tilted to the upside if El Niño intensifies during the rabi season, leading to higher food inflation than currently envisaged by the RBI. Under such a scenario, inflation could exceed the RBI's current baseline forecast of 5.3% for 1QFY28. In addition, we expect the US Fed to deliver a 25bp rate hike in Dec'26/Jan'27 as sticky inflation keeps policy restrictive. A stronger US dollar and tighter global financial conditions would increase pressure on EM currencies, including the INR. Accordingly, while we expect the RBI to remain on hold through CY26, the window for policy tightening is likely to open next year. We expect the RBI to deliver a cumulative 75–100bp rate hike depending on data, implemented through calibrated 25bp increases at successive MPC meetings.**

Repo Rate **5.25%** Unchanged — Unanimous	**GDP Growth Forecast FY27** **6.7%** Increased by 10bp vs Jun policy	**CPI Inflation Forecast FY27** **5.0%** Lowered by 10bp vs Jun policy
Forex Reserves **USD 692.9b** As of 31st July, 2026	**Core CPI Forecast FY27** **4.3%** Reduced from 4.7% vs. Jun policy	**Bank Credit Growth** **18.6% YoY** As of 27th June, 2026

EAI – Monthly Dashboard: Domestic resilience offsets monsoon headwinds

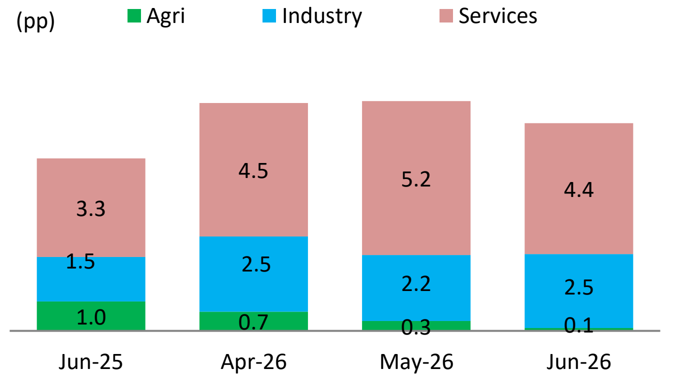
- **Preliminary estimates indicate that India's EAI-GVA grew 7.0% YoY in Jun'26, moderating from 7.8% in May'26, reflecting weaker agricultural activity amid a deficient monsoon, while non-farm sectors remained resilient. The moderation in headline growth was primarily driven by a sharp slowdown in agriculture (0.7% YoY in Jun'26 vs. 2.4% in May'26), although industrial activity strengthened further (9.2% YoY in Jun'26 vs. 7.7% in May'26), led by robust manufacturing and construction growth. Services activity remained healthy despite moderation from the previous month (7.4% YoY in Jun'26 vs. 9.1% in May'26). Consequently, non-farm EAI-GVA remained strong, printing a growth of 8.0% YoY in Jun'26 (vs. 8.6% in May'26). Notably, EAI-GVA averaged 7.5% YoY in 1QFY27, moderating from 8.4% YoY in 4QFY26.**
- **EAI-GDP growth edged up to 5.8% YoY in Jun'26 from 5.3% in May'26, supported by stronger domestic demand. Consumption growth accelerated to 10.9% YoY in Jun'26 (vs. 6.3% in May), driven by higher govt. revenue spending, robust auto sales, and healthy personal credit growth. Investment activity also strengthened, with EAI investment growth rising to 11.1% YoY in Jun'26 from 8.1% in May'26, supported by stronger govt. capex, resilient credit growth, and higher capital goods imports. On the external front, real exports accelerated by 16.2% YoY in Jun'26, but real imports grew faster at 31.8% YoY, resulting in a negative contribution from net exports to GDP growth. Overall, EAI-GDP averaged 7.3% YoY in 1QFY27, moderating from 9.4% in 4QFY26 but remaining above 6.5% in 1QFY26.**
- **High-frequency indicators for Jul'26 present a mixed picture. On the positive side, PV sales accelerated sharply, while CV sales remained robust, pointing to continued resilience in domestic demand. Registered motor vehicle sales also remained healthy, and foreign exchange reserves remained strong, supporting external stability. However, business sentiment softened, with both the manufacturing and services PMIs easing, although they continued to remain in the expansionary territory. Meanwhile, reservoir levels remained significantly below last year's levels, underscoring persistent weather-related risks despite the recent improvement in monsoon rainfall.**
- **Our EAI-GVA suggests that economic activity remained robust in 1QFY27, with EAI-GVA growth averaging 7.5% YoY. Consistent with this, we peg real GDP growth at ~7.2% YoY in 1QFY27. Reflecting the stronger-than-expected economic momentum, the RBI has also revised its 1QFY27 real GDP growth forecast upward to 7.0% in the Aug'26 policy from 6.6% in the Jun'26 policy, while also raising its FY27 growth forecast to 6.7% from 6.6%. In line with the improving domestic macroeconomic outlook, we also revise our FY27 real GDP growth forecast upward, likely within a range of 6.8–7.0%. Strong manufacturing and services activity, healthy credit growth, and sustained government infrastructure spending continue to underpin growth. However, the progress and spatial distribution of the Southwest monsoon, together with the evolution of El Niño conditions, will remain critical for agricultural output, rural demand, and food inflation, making weather-related developments the key downside risk to our FY27 growth outlook.**

Exhibit 1: EAI-GVA grew 7.0% in Jun'26 vs. 7.8% in May'26



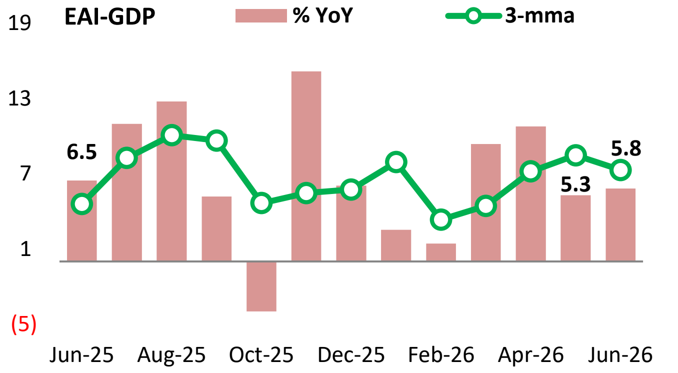
Please refer to our earlier report for details

Exhibit 2: Industrial sector remained the key growth driver



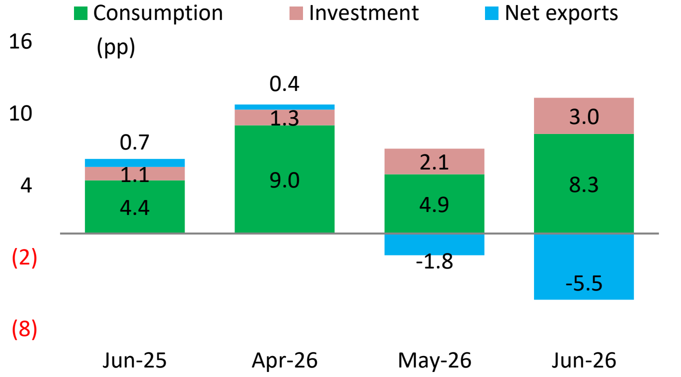
Source: Various national sources, CEIC, MOFSL

Exhibit 3: EAI-GDP growth improved to 5.8% YoY in Jun'26 from 5.3% in May'26



Please refer to our earlier report for more details

Exhibit 4: Net exports remained a negative contributor to GDP in Jun'26, as imports outpaced exports



Contribution of various components to EAI-GDP
Source: Various national sources, CEIC, MOFSL

Preliminary estimates indicate that India's EAI-GVA grew 7.0% YoY in Jun'26, moderating from 7.8% in May'26, reflecting weaker agricultural activity amid a deficient monsoon, while non-farm sectors remained resilient.

- **EAI-GVA grew 7.0% in Jun'26:** Preliminary estimates indicate that India's EAI-GVA grew 7.0% YoY in Jun'26, moderating from 7.8% in May'26, reflecting weaker agricultural activity amid a deficient monsoon, while non-farm sectors remained resilient. The moderation in headline growth was primarily driven by a sharp slowdown in agriculture (0.7% YoY in Jun'26 vs. 2.4% in May'26), although industrial activity strengthened further (9.2% YoY in Jun'26 vs. 7.7% in May'26), led by robust manufacturing and construction growth. Services activity remained healthy despite moderation from the previous month (7.4% YoY in Jun'26 vs. 9.1% in May'26). Consequently, non-farm EAI-GVA grew 8.0% YoY in Jun'26 (vs. 8.6% in May'26) *(Exhibits 1 and 2).*
- **EAI-GVA averaged 7.5% YoY in 1QFY27, moderating from 8.4% YoY in 4QFY26**, primarily due to a slowdown in agricultural activity following the delayed onset of the Southwest monsoon. Agriculture growth eased to 2.2% YoY in 1Q, while industry (8.1% YoY) and services (8.7% YoY) remained resilient, supported by robust manufacturing activity, healthy construction, and continued strength in services. Consequently, non-farm EAI-GVA growth stood at 8.4% YoY in 1QFY27, highlighting the resilience of the broader economy despite weather-related headwinds *(Exhibit 10).*
- **EAI-GDP growth edged up to 5.8% YoY in Jun'26 from 5.3% in May'26, supported by stronger domestic demand.** Consumption growth accelerated to 10.9% YoY in Jun'26 (vs. 6.3% in May), driven by higher government revenue spending, robust auto sales, and healthy personal credit growth. Investment activity also strengthened, with EAI investment growth rising to 11.1% YoY in Jun'26 from 8.1% in May'26, supported by stronger government capex, resilient credit growth, and higher capital goods imports. On the external front, real exports accelerated to 16.2% YoY in Jun'26, but real imports grew faster at 31.8% YoY, resulting in a negative contribution from net exports to GDP growth. Overall, EAI-GDP averaged 7.3% YoY in 1QFY27, moderating from 9.4% in 4QFY26 but remaining above 6.5% in 1QFY26 *(Exhibits 3 and 4).*

Angel One

BSE SENSEX	S&P CNX
78,581	24,625

CMP: INR299

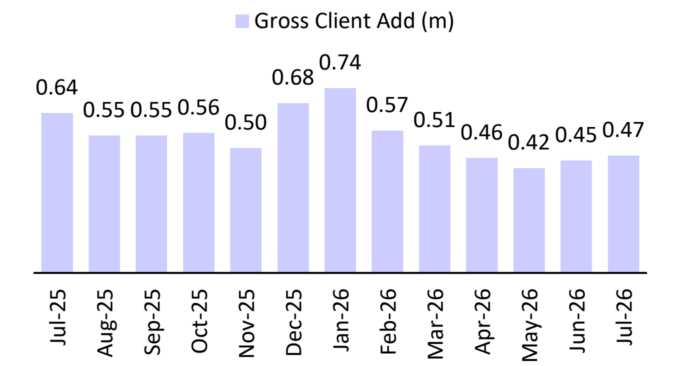
Order run-rate declines while MTF achieves new peak; market share improves

Angel One (ANGELONE) released its key business numbers for Jul'26. Here are the key takeaways:

- ANGELONE's gross client acquisition stood at 0.47m in Jul'26 (+4% MoM), taking the total client base to ~39m.
- The average MTF book grew 4% MoM to ~INR70.8b, (+39% YoY) in Jul'26.
- The number of orders declined 4% MoM to 134.7m for Jul'26 (up 10% YoY), and the order run-rate declined 12% MoM to 5.9m (+10% YoY).
- The overall ADTO declined 8% MoM, with a 6% MoM decline in F&O ADTO, 6% MoM decline in cash ADTO, and 34% MoM decline in commodity ADTO. The overall premium ADTO declined 32% MoM, while F&O premium ADTO declined 9% MoM.
- The overall premium turnover market share grew 20bp MoM to 20%, with F&O premium market growing 10bp MoM to 22.2%. Market share for the cash segment grew 20bp MoM to 17.1%, while the commodity segment market share declined 400bp MoM to 48%.
- The number of registered unique MF SIPs rose 10% MoM to ~0.62m in Jul'26 (declined 30% YoY).

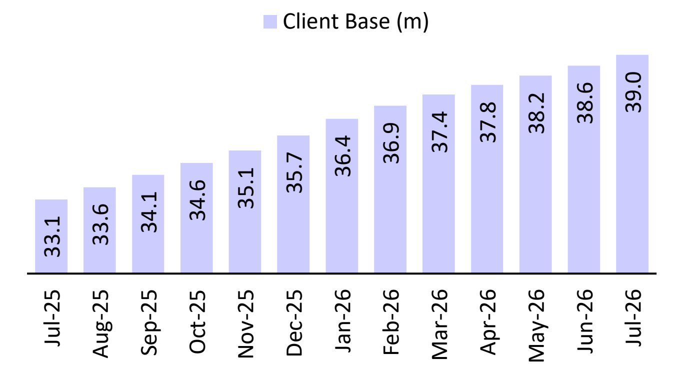
Key Metrics	Jul-25	Sep-25	Nov-25	Jan-26	Mar-26	May-26	Jun-26	Jul-26	% YoY	% MoM
No of Days	23	22	19	20	19	19	21	23		
Client Base (m)	33.1	34.1	35.1	36.4	37.4	38.2	38.6	39.0	18.1	1.1
Gross Client Add (m)	0.64	0.55	0.50	0.74	0.51	0.42	0.45	0.47	-26.6	4.4
Avg MTF book (INR b)	50.8	55.5	59.5	61.2	55.1	63.1	67.8	70.8	39.4	4.4
Orders (m)	123.0	127.6	117.3	146.7	140.0	130.4	140.0	134.7	9.5	-3.8
Per day orders (m)	5.4	5.8	6.2	7.3	7.4	6.9	6.7	5.9	9.5	-12.1
Unique MF SIPs registered (In m)	0.89	0.79	0.74	0.87	0.59	0.58	0.56	0.62	-30.1	10.1
Angel's ADTO (INR b)										
Overall	41,502	48,183	53,486	64,075	49,957	52,006	52,943	48,787	17.6	-7.8
F&O	40,501	46,712	51,752	62,451	48,032	49,814	50,086	46,889	15.8	-6.4
Cash	75	76	73	80	69	95	86	81	8.0	-5.8
Commodity	926	1,395	1,661	1,545	1,855	2,097	2,771	1,817	96.2	-34.4
Angel's Premium T/O (INR b)										
Overall	1,115	1,594	1,874	1,790	2,109	2,355	3,004	2,032	82.2	-32.4
F&O	114	123	140	165	184	163	147	134	17.5	-8.8
Retail T/o Market Share									**bps YoY**	**bps MoM**
Overall Equity - based on option premium T/O	20.1	20.6	20.3	20.6	19.7	20.3	19.8	20.0	-10	20
F&O - based on option premium T/O	21.2	21.8	21.5	22.4	21.6	22.4	22.1	22.2	100	10
Cash	18.6	19.0	18.3	17.6	16.0	17.5	16.9	17.1	-150	20
Commodity	63.7	64.3	52.5	48.5	57.2	48.6	52.0	48.0	-1,570	-400

Client addition run-rate grew MoM in Jul'26



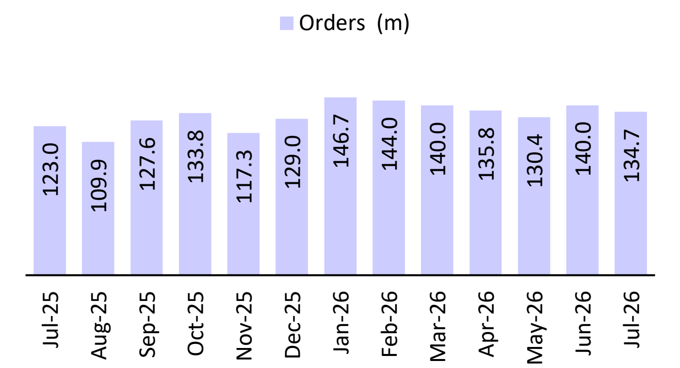
Source: MOFSL, Company

Total client base reached 39.0m in Jul'26



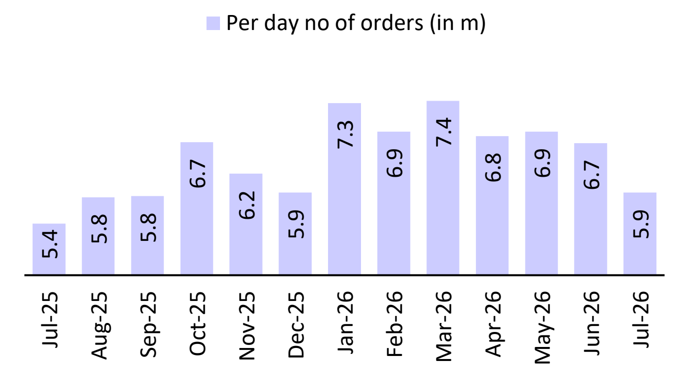
Source: MOFSL, Company

Total orders trend saw a sequential decline in Jul'26



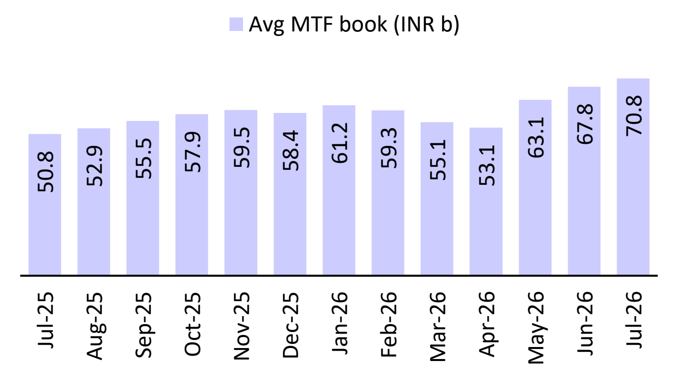
Source: MOFSL, Company

Order run-rate declined in Jul'26



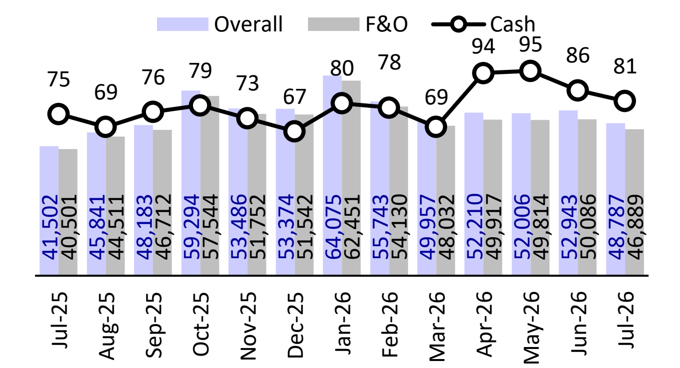
Source: MOFSL, Company

Client funding book reached all-time high



Source: MOFSL, Company

ADTO trends (INR b)



Source: MOFSL, Company

Hindalco

BSE SENSEX	S&P CNX
78,581	24,625

CMP: INR1,036 **Buy**

Novelis 1Q: Beat on earnings, led by favorable prices

- Revenue stood at USD5.8b, up 23% YoY and 21% QoQ against our estimate of USD4.8b during the quarter. The increase was primarily due to favorable aluminum prices, partially offset by a 33kt estimated shipment loss related to the Oswego production disruption from the fire.
- NSR stood at USD6,324/t (+29% YoY and +12% QoQ), driven by a surge in aluminum prices amid the Middle East supply disruption.
- The total rolled product shipments stood at 916kt, down 5% YoY but recovered 9% QoQ during the quarter.
- Adj. EBITDA stood at USD516m, up 24% YoY and 12% QoQ against our est. USD422m during the quarter, driven primarily by lower aluminum scrap prices and cost efficiencies. This includes a ~USD18m net positive impact from the Oswego fire (inclusive of USD47m business interruption insurance proceeds).
- North America EBITDA declined 17% YoY due to the Oswego disruption, while Europe (+44%), Asia (+30%) and South America (+56%) delivered strong EBITDA growth supported by higher shipments and favorable metal prices.
- Adjusted EBITDA/t stood at USD563 (vs. our est. USD480), up 30% YoY and 4% QoQ in 1QFY27.
- Adj. PAT stood at USD217m, up 39% YoY and 21% QoQ vs. our estimate of USD138m during the quarter.

Quarterly Performance (Novelis) USD m

Y/E March	FY26				FY27	FY26	FY27	FY27	vs. Est
	1Q	2Q	3Q	4Q	1Q			1QE	(%)
Sales (000 tons)	**963**	**941**	**809**	**844**	**916**	**3,557**	**3,600**	**880**	**4.1**
Change (YoY %)	1.3	(0.4)	(10.5)	(11.8)	(4.9)	(5.3)	1.2		
Change (QoQ %)	0.6	(2.3)	(14.0)	4.3	8.5	-	-		
Net Sales	**4,717**	**4,744**	**4,186**	**4,787**	**5,793**	**18,434**	**18,682**	**4,814**	**20.3**
Change (YoY %)	12.7	10.5	2.6	4.4	21.0	7.5	1.3		
Change (QoQ %)	2.8	0.6	(11.8)	14.4	21.0	-	-		
EBITDA (adjusted)	**416**	**422**	**348**	**459**	**516**	**1,645**	**1,718**	**422**	**22.2**
Change (YoY %)	(16.8)	(8.7)	(5.2)	(3.0)	24.0	(8.7)	4.5		
Change (QoQ %)	(12.1)	1.4	(17.5)	31.9	12.4	-	-		
EBITDA per ton (USD)	**432**	**448**	**430**	**544**	**563**	**462**	**477**	**480**	**17.4**
Interest	62	63	62	58	64	245	272		
Depreciation	148	152	155	161	150	616	680		
PBT (before EO item)	**206**	**207**	**131**	**240**	**302**	**784**	**766**		
Extra-ordinary Income	(60)	17	(286)	(439)	(74)	(768)	-		
PBT (after EO item)	**146**	**224**	**(155)**	**(199)**	**228**	**16**	**766**	**184**	**23.6**
Total Tax	50	61	4	(114)	64	1	192		
% Tax	34.2	27.2	(2.6)	57.3	28.1	6.3	25.0		
Reported PAT (after MI)	**96**	**163**	**(160)**	**(84)**	**164**	**15**	**575**		
Change (YoY %)	(36.4)	27.3	(245.5)	(128.6)	70.8	(97.8)	3,731.9		
Adjusted PAT	**156**	**146**	**69**	**179**	**217**	**550**	**575**	**138**	**57.1**
Change (YoY %)	(34.2)	(27.7)	(45.0)	(28.8)	39.3	(32.6)	4.5		
Change (QoQ %)	(38.1)	(6.4)	(52.9)	160.8	21.1				

Key highlights from the management commentary

Performance guidance and outlook

- The company has received USD300m of insurance recoveries through 1QFY27 and expects the cumulative USD1.4b negative free cash flow impact from the Oswego fire to improve further as additional recoveries are received.
- Management clarified that South America's 1Q EBITDA/t of USD1,114 is not sustainable, as earnings benefited from higher premiums, favorable scrap availability and temporary VAT benefits.
- The structural efficiency program delivered over USD225m of run-rate savings by 1QFY27, with management reiterating its target of ~USD300m by FY27-end and USD350-400m by FY28-end.
- Management reiterated that USD600/t remains the long-term normalized EBITDA/t target, assuming normalized metal prices and supported by structural cost improvements. Management reaffirmed its long-term expectation of +USD1,000 EBITDA/t from Bay Minette once fully ramped up.
- Management expects 2QFY27 to improve sequentially, while 3QFY27 should reflect a largely normalized operating environment, with 4QFY27 representing the first fully normalized quarter.
- Elevated working capital in 1Q was attributed to higher inventory levels led by extended supply chains and reduced scrap recycling, following the Oswego disruption. Management expects working capital to normalize progressively through FY27, with meaningful cash release beginning by calendar year-end.
- Management expects positive EBITDA contribution from Bay Minette in FY28, although up to USD150m of start-up costs during the ramp-up period will be classified below EBITDA under US GAAP.
- 1QFY27 tariff costs were ~USD70mn, driven by elevated interregional imports required to support customers during the Oswego outage. The tariff costs are expected to decline gradually as Oswego operation normalizes.

Capital allocation and capacity update

- The Oswego hot mill restarted in June, product requalification has been completed, and management expects the facility to return to full production capacity in 2QFY27.
- The company expects insurance recoveries of ~USD200m in 2QFY27, with cumulative recoveries continuing over more than 12 months. Management now expects the ultimate unrecovered Oswego cash impact to be ~USD600m, implying ~USD800m of insurance recoveries from the current USD1.4b cumulative cash impact.
- Bay Minette remains on schedule, with commissioning underway and Management guided that Bay Minette commissioning will continue through Nov-2026, followed by internal coil qualification and customer qualification, with commercial shipments expected to commence in 1QFY28.
- Bay Minette is expected to reach full utilization over 18–24 months, with management reiterating confidence that all production capacity can be commercially absorbed.
- Out of the USD5b total planned capex for Bay Minette, the company already incurred USD3.8b of capex until 1QFY27.

- The company maintained FY27 capex guidance of USD2.1-2.4b (including ~USD350m of maintenance capex), while cash and cash equivalents remained healthy at USD2.1b following a USD500m term loan raised in July.
- Management expects free cash flow to turn positive by the end of FY27 as Bay Minette capital spending moderates and insurance recoveries continue.
- Net leverage stands at 4.5x and is expected to reverse to 4x by the end of FY27, supported by limited Bay Minette capex outgo and insurance recoveries.
- Management confirmed that the recently raised US$500m term loan represents the final planned debt issuance, with the company's focus now shifting entirely toward deleveraging.

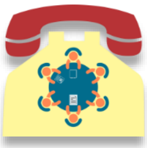
Demand outlook

- Global beverage packaging demand remains healthy, with long-term growth expected at ~4% annually, supported by energy drinks, carbonated soft drinks and specialty aluminum cans.
- North American automotive demand remains resilient, driven by aluminum-intensive truck and SUV platforms, while Europe remains weak and Asia continues to face competitive pressure from Chinese EV manufacturers.
- Aerospace outlook remains positive, over strong OEM order backlogs and gradually easing supply chain constraints, while specialty demand is showing early recovery signs across truck trailers, coffee capsules and battery foil.

Power Grid Corporation of India

BSE SENSEX	S&P CNX
78,581	24,625

Conference Call Details



Date: 7th Aug 2026
Time: 11:00 HRS IST

Financial & Valuation Summary			(INR b)
Y/E March	**FY26**	**FY27E**	**FY28E**
Sales	439.6	524.2	540.3
EBITDA	352.0	426.9	432.2
Adj. PAT	159.3	166.0	171.7
Adj. EPS (INR)	17.1	17.8	18.5
EPS Gr. (%)	2.6	4.2	3.4
BV/Sh.(INR)	108.1	115.4	123.3
Ratios			
Net D:E	1.5	1.5	1.6
RoE (%)	16.5	16.0	15.5
RoCE (%)	10.0	8.8	8.1
Payout (%)	52.6	53.2	51.5
Valuations			
P/E (x)	16.5	15.8	15.3
P/BV (x)	2.6	2.4	2.3
EV/EBITDA (x)	11.4	9.6	10.0
Div. Yield (%)	3.2	3.4	3.4

CMP: INR282 — Neutral

Miss across Revenue, EBITDA

Standalone (SA) Performance:

- Power Grid's SA revenue came in at INR98.0b (-1% YoY, -2% QoQ), missing our estimate by 8%.
- SA EBITDA was reported 7% below our estimate at INR81.1b (flat YoY, +8% QoQ).
- SA's APAT was 3% below our estimate at INR35b (+1% YoY, +7% QoQ), with other income for the quarter coming 29% above our estimates.

Consolidated Performance:

- PWGR's consolidated revenue for 1QFY27 came in at INR115b (+3% YoY, -1% QoQ)
- Reported consol. PAT was flat YoY and fell 21% QoQ.

Standalone Quarterly Performance (INRb)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%	%	%
Sales	**99.3**	**100.0**	**110.1**	**99.7**	**98.0**	**109.1**	**123.6**	**136.1**	**409.0**	**466.7**	**106.5**	**-8%**	**-1%**	**-2%**
YoY Change (%)	-1.4	-2.5	8.7	-9.2	-1.3	9.1	12.3	36.5	-1.3	14.1	7.2			
EBITDA	**81.2**	**80.1**	**94.2**	**75.0**	**81.1**	**91.1**	**101.7**	**110.8**	**330.5**	**384.6**	**87.5**	**-7%**	**0%**	**8%**
YoY Change (%)	-7.2	-8.8	10.5	-18.7	-0.1	13.7	8.0	47.7	-6.3	16.4	7.8			
As of % Sales	81.8	80.1	85.6	75.2	82.8	83.5	82.3	81.4	80.8	82.4	82.2			
Depreciation	29.7	30.6	32.1	31.0	29.2	32.0	32.3	34.4	123.3	127.9	30.8	-5%	-2%	-6%
Interest	23.0	25.6	25.7	26.1	25.1	26.7	26.9	26.2	100.5	105.0	24.1	4%	9%	-4%
Other Income	13.3	13.5	14.3	19.8	15.7	12.2	12.2	8.6	60.9	48.7	12.2	29%	19%	-21%
Regulatory/Extraordinary items	2.1	5.2	2.6	14.7	-1.1	0.0	0.0	0.0	24.6	-1.1	0.0			
PBT	**43.9**	**42.6**	**53.3**	**52.4**	**41.4**	**44.5**	**54.7**	**58.8**	**192.2**	**199.4**	**44.8**	**-8%**	**-6%**	**-21%**
Tax	7.3	7.1	11.7	6.9	7.3	8.6	10.6	12.1	33.0	38.6	8.7	-16%	-1%	6%
Effective Tax Rate (%)	16.7	16.6	21.9	13.1	17.6	19.4	19.4	20.6	17.2	19.4	19.4			
Reported PAT	**36.5**	**35.5**	**41.6**	**45.5**	**34.1**	**35.9**	**44.1**	**46.7**	**159.2**	**160.8**	**36.2**	**-6%**	**-7%**	**-25%**
YoY Change (%)	7.1	-4.2	6.8	5.0	-6.6	1.0	6.1	2.5	3.7	1.0	(1.0)			
Adjusted PAT	**34.7**	**31.2**	**39.6**	**32.8**	**35.0**	**35.9**	**44.1**	**46.7**	**138.3**	**161.7**	**36.2**	**-3%**	**1%**	**7%**
YoY Change (%)	0.4	-10.9	2.5	-23.6	0.7	15.0	11.5	42.4	-8.5	16.9	4.1			

RESULTS FLASH

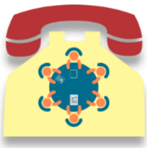
05 August 2026

1QFY27 Results Flash | Sector: Capital Goods

Cummins India

BSE SENSEX	S&P CNX
78,581	24,625

Conference Call Details



Date: 06th August 2026

Time: 03:00pm IST

Dial-in details:

Diamond pass

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	121.4	142.5	169.2
EBITDA	25.9	30.6	37.3
Adj. PAT	24.3	29.6	35.8
Adj. EPS (INR)	87.8	106.8	129.1
EPS Gr. (%)	22.4	21.7	20.8
BV/Sh.(INR)	284.9	327.2	378.8
Ratios			
RoE (%)	32.6	34.9	36.6
RoCE (%)	31.9	33.3	35.0
Valuations			
P/E (x)	61.6	50.6	41.9
P/BV (x)	19.0	16.5	14.3
EV/EBITDA (x)	56.9	47.7	39.0
Div. Yield (%)	0.9	1.1	1.3

CMP: INR5,408 — Buy

Beat on revenue, miss on profitability due to margin contraction

- Cummins India's 1QFY27 revenue beat our estimates, whereas lower-than-expect margin led to a miss on profitability.
- Revenue increased 18% YoY to INR34.3b, 7% above our estimates. This was above the parent entity's commentary on revenue from India, including JVs, increasing 6% YoY during the quarter.
- Domestic sales grew 22% YoY to INR28.5b (9% above our estimates), while export sales were flat YoY at INR5.2b (5% above our estimates).
- Gross margin stood at 33.5% vs. our estimate of 36.0%.
- Higher commodity prices due to ongoing geopolitical uncertainties led to lower-than-expected EBITDA margin of 18.0% vs. our estimate of 21.3%. Absolute EBITDA remained broadly flat YoY at INR6.2b vs. our estimate of INR6.8b.
- Adj PAT declined 2% YoY to INR5.4b vs. our estimate of INR6.2b. The miss was mainly due to lower-than-expected margins.
- Ms. Shveta Arya has resigned as the MD, Director and KMP of the company. She will cease to be the MD from 31st Aug'26. The company is currently evaluating suitable candidates for the aforesaid position.

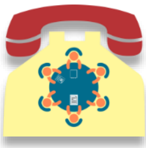
Standalone - Quarterly Earnings Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**29,068**	**31,703**	**30,549**	**30,112**	**34,260**	**36,187**	**37,324**	**34,747**	**1,21,432**	**1,42,517**	**32,142**	**7**
YoY Change (%)	26.2	27.2	-1.0	22.6	17.9	14.1	22.2	15.4	17.4	17.4	10.6	
Total Expenditure	22,833	24,755	24,205	23,690	28,099	28,407	29,299	26,071	95,483	1,11,875	25,296	
EBITDA	**6,235**	**6,948**	**6,345**	**6,422**	**6,162**	**7,780**	**8,025**	**8,676**	**25,949**	**30,642**	**6,846**	**-10**
YoY Change (%)	33.4	44.4	5.7	23.6	-1.2	12.0	26.5	35.1	25.5	18.1	9.8	
Margins (%)	21.4	21.9	20.8	21.3	18.0	21.5	21.5	25.0	21.4	21.5	21.3	
Depreciation	479	492	504	511	526	514	568	551	1,986	2,159	502	5
Interest	27	26	48	24	39	31	31	23	124	124	31	26
Other Income	1,529	1,964	1,397	2,315	1,611	2,048	2,150	2,792	7,205	8,601	1,870	-14
PBT before EO	**7,258**	**8,394**	**7,191**	**8,202**	**7,208**	**9,283**	**9,576**	**10,894**	**31,044**	**36,960**	**8,183**	**-12**
Extra-Ord expense	-442	0	1,265	-323	0	0	0	0	501	0	0	
PBT	**7,700**	**8,394**	**5,925**	**8,525**	**7,208**	**9,283**	**9,576**	**10,894**	**30,544**	**36,960**	**8,183**	**-12**
Tax	1,807	2,017	1,394	2,024	1,778	2,200	2,269	2,513	7,242	8,760	1,939	
Rate (%)	23.5	24.0	23.5	23.7	24.7	23.7	23.7	23.1	23.7	23.7	23.7	
Reported PAT	**5,893**	**6,377**	**4,531**	**6,501**	**5,430**	**7,083**	**7,306**	**8,381**	**23,302**	**28,201**	**6,244**	**-13**
Adj PAT	**5,555**	**6,377**	**5,499**	**6,253**	**5,430**	**7,083**	**7,306**	**8,381**	**23,684**	**28,201**	**6,244**	**-13**
YoY Change (%)	32.3	41.5	7.0	19.9	-2.2	11.1	32.9	34.0	24.3	19.1	12.4	
Margins (%)	19.1	20.1	18.0	20.8	15.8	19.6	19.6	24.1	19.5	19.8	19.4	

GE Vernova T&D India

BSE SENSEX	S&P CNX
78,581	24,625

Conference Call Details



Date: 07th August 2026
Time: 04:00pm IST
Dial-in details:
[Diamond pass]

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	62.1	79.4	103.9
EBITDA	16.8	22.2	29.1
Adj. PAT	12.8	16.8	22.1
Adj. EPS (INR)	50.0	65.5	86.3
EPS Gr. (%)	110.5	30.9	31.8
BV/Sh.(INR)	105.1	156.8	225.0
Ratios			
RoE (%)	57.4	50.0	45.2
RoCE (%)	57.9	50.4	45.5
Valuations			
P/E (x)	87.4	66.8	50.7
P/BV (x)	41.6	27.9	19.4
EV/EBITDA (x)	65.6	49.2	37.2
Div. Yield (%)	0.2	0.3	0.4

CMP: INR4,372 Buy

Results better than our expectation

- GE Vernova T&D's 1QFY27 results were better than our estimates across revenue, EBITDA, and PAT.
- Revenue increased 38% YoY to INR18.4b, 10% above our estimates
- Gross margin came in at 41.3%, slightly below our estimate of 42.8%.
- Absolute EBITDA increased 19% YoY to INR4.6b, 6% above our estimates, whereas EBITDA margin stood at 25.1% vs our estimate of 26.0%, mainly due to higher-than-expected COGS.
- Supported by better-than-expected execution and higher other income, PAT came in at INR3.6b (+25% YoY), 11% above our estimates.
- Order inflows decreased 30% YoY in 1QFY27 to INR11.4b, taking the implied closing order book to ~INR208b (+60% YoY) as of Jun'26-end.

Key order wins during 1QFY27:

- Secured multiple orders for supply of CTs and CVTs from GE Grid Renewable LLC for North America.
- Secured an order for supply of 400 kV GIS from GE Grid Solutions, S.A. for Spain.
- Secured an order for 150 MVA 245 kV transformer from a leading semiconductor player.
- Secured multiple orders for supply of Grid Automation packages from state utilities, EPCs, and data centers.
- Secured an order for supply of 400 kV GIS from GE Grid Solutions, Middle East, for Morocco.
- Secured multiple orders for 765kV/400kV AIS equipment from multiple EPC players.
- Secured multiple orders for the export of AIS/GIS equipment to North America, Europe, Middle East, and Africa.

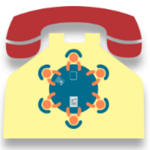
Standalone - Quarterly Earnings Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net sales	**13,301**	**15,385**	**17,006**	**16,371**	**18,361**	**19,595**	**21,978**	**19,502**	**62,063**	**79,436**	**16,680**	**10**
YoY Change (%)	38.8	38.9	58.4	42.0	38.0	27.4	29.2	19.1	44.6	28.0	25.4	
EBITDA	**3,876**	**3,965**	**4,546**	**4,449**	**4,608**	**5,428**	**6,242**	**5,966**	**16,836**	**22,243**	**4,337**	**6**
YoY Change (%)	112.7	93.7	153.0	76.5	18.9	36.9	37.3	34.1	105.6	32.1	11.9	
Margins (%)	29.1	25.8	26.7	27.2	25.1	27.7	28.4	30.6	27.1	28.0	26.0	
Depreciation	111	116	116	121	121	138	142	166	464	567	135	-10
Interest	28	22	28	70	34	40	41	48	148	162	39	-11
Other Income	163	186	188	372	418	263	270	128	908	1,080	257	63
PBT before EO expense	**3,900**	**4,013**	**4,590**	**4,630**	**4,871**	**5,513**	**6,329**	**5,881**	**17,133**	**22,595**	**4,420**	**10**
Extra-Ord expense	0	0	693	-57	0	0	0	0	636	0	0	
PBT	**3,900**	**4,013**	**3,897**	**4,687**	**4,871**	**5,513**	**6,329**	**5,881**	**16,497**	**22,595**	**4,420**	**10**
Tax	988	1,018	989	1,170	1,241	1,422	1,632	1,531	4,165	5,826	1,140	
Rate (%)	25.3	25.4	25.4	25.0	25.5	25.8	25.8	26.0	25.2	25.8	25.8	
Reported PAT	**2,912**	**2,995**	**2,908**	**3,518**	**3,630**	**4,092**	**4,698**	**4,350**	**12,333**	**16,769**	**3,281**	**11**
Adj PAT	**2,912**	**2,995**	**3,425**	**3,476**	**3,630**	**4,092**	**4,698**	**4,350**	**12,808**	**16,769**	**3,281**	**11**
YoY Change (%)	116.4	107.1	140.1	86.4	24.7	36.6	37.1	25.1	110.5	30.9	12.7	
Margins (%)	21.9	19.5	20.1	21.2	19.8	20.9	21.4	22.3	20.6	21.1	19.7	

Aurobindo Pharma

BSE SENSEX	S&P CNX
78,581	24,625

Conference Call Details



Date: 6th **August** 2026
Time: 8:30 AM IST
Dial-in details: Link

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	336.5	396.0	443.2
EBITDA	68.6	82.5	92.6
Adj. PAT	35.6	44.2	52.5
EBIT Margin (%)	15.1	15.7	16.1
Cons. Adj. EPS (INR)	61.3	76.0	90.3
EPS Gr. (%)	0.4	24.1	18.8
BV/Sh. (INR)	652.4	724.4	808.7
Ratios			
Net D:E	-0.1	0.0	-0.1
RoE (%)	10.1	11.0	11.8
RoCE (%)	8.9	10.0	11.0
Payout (%)	6.6	5.3	6.6
Valuations			
P/E (x)	26.3	21.2	17.9
EV/EBITDA (x)	13.0	10.8	9.1
EV/Sales (x)	2.6	2.3	1.9
Div. Yield (%)	0.2	0.2	0.4
FCF Yield (%)	3.2	-0.5	5.3

CMP: INR1,613

Slightly better than expectations

- Aurobindo's (ARBP) 1QFY27 sales grew 16.3% YoY to INR91.55b (our estimate: INR91.6b), driven by strong performance across all business areas.
- Overall formulation sales grew 16.5% YoY to INR81.0b.
- US formulations revenue grew 8.1% YoY to INR37.7b (CC: 2.6% YoY to USD399m (ex-gRevlimid); ~41% of sales). Europe formulation sales grew ~25.6% YoY to INR29.4b (10.8% YoY in CC terms; ~32% of sales). Growth Markets sales grew 37.7% YoY to INR10.6b (~12% of sales). ARV revenue declined 6.9% YoY to INR3.3b (~4% of sales).
- API sales grew ~14.6% on a YoY basis to INR10.5b (~11% of sales).
- Gross margin (GM) expanded 160bp YoY to 60.4%, driven by a better business mix.
- EBITDA margin expanded 60bp YoY to 21% (our estimate: 19.9%).
- EBITDA grew 20% YoY to INR19.2b (our estimate:INR18.2b).
- Exceptional items included a net loss of INR432.6m on the derecognition of lease receivables and acquisition and related costs of INR401.8m associated with the acquisition of a 100% membership interest in Lannett.
- Adj. for the same, PAT grew 27.7% to INR10.5b (our est.: INR9.8b).

Other key highlights

- ARBP received final approval for 10 ANDAs and launched 10 products during 1QFY27.
- As of Mar'26, ARBP filed 896 ANDAs with USFDA and received 737 final approvals and 33 tentative approvals.
- DF sales stood at INR1.04b in 1QFY27 (up 38.7% QoQ).
- The company generated USD98m of free cashflow during the quarter, while its net cash position (including investments) stood at USD42m as of Jun'26 (after the payment of the Lannett acquisition amounting to USD247m and buyback of USD85m).

Quarterly Performance (Consolidated)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
Net Sales	**78,681**	**82,857**	**86,459**	**88,533**	**91,504**	**97,754**	**101,408**	**105,344**	**336,531**	**395,996**	**91,634**	**-0.1%**
YoY Change (%)	4.0	6.3	8.4	5.6	16.3	18.0	17.3	19.0	6.1	17.7	16.5	
EBITDA	**16,034**	**16,781**	**17,733**	**18,009**	**19,243**	**20,626**	**21,296**	**21,385**	**68,558**	**82,536**	**18,235**	**5.5%**
YoY Change (%)	-5.4	7.1	8.9	-3.3	20.0	22.9	20.1	18.7	1.6	20.4	13.7	
Margins (%)	20.4	20.3	20.5	20.3	21.0	21.1	21.0	20.3	20.4	20.8	19.9	
Depreciation	4,057	4,292	4,647	4,786	4,868	4,915	5,177	5,378	17,782	20,339	4,748	
Interest	978	952	928	982	1,017	954	935	935	3,840	3,842	973	
Other Income	1,053	1,156	1,541	1,170	2,116	1,240	1,275	1,310	4,921	5,941	1,200	
PBT before EO expense	**12,053**	**12,693**	**13,700**	**13,412**	**15,475**	**15,997**	**16,458**	**16,381**	**51,857**	**64,297**	**13,715**	
Forex loss/(gain)	4	-50	-335	482	-526	0	0	0	101	-526	0	
Exceptional (expenses)/income	0	0	-653	0	-834	0	0	0	-653	-834	0	
PBT	**12,049**	**12,743**	**13,382**	**12,931**	**15,166**	**15,997**	**16,458**	**16,381**	**51,103**	**63,988**	**13,715**	
Tax	3,826	4,278	4,287	3,698	4,831	4,559	4,690	4,669	16,089	20,018	3,909	
Rate (%)	31.8	33.6	32.0	28.6	31.9	28.5	28.5	28.5	31.5	31.3	28.5	
Minority Interest	-25	-20	-9	20	10	30	30	30	-33	120	30	
Reported PAT	**8,248**	**8,485**	**9,103**	**9,213**	**10,326**	**11,408**	**11,737**	**11,682**	**35,048**	**43,850**	**9,776**	
Adj PAT	**8,250**	**8,451**	**9,319**	**9,557**	**10,536**	**11,408**	**11,737**	**11,682**	**35,577**	**44,158**	**9,776**	**7.8%**
YoY Change (%)	-8.5	3.4	5.8	1.3	27.7	35.0	25.9	22.2	0.4	24.1	18.5	
Margins (%)	10.5	10.2	10.8	10.8	11.5	11.7	11.6	11.1	10.6	11.2	10.7	
EPS	**14.1**	**14.4**	**15.9**	**16.3**	**18.3**	**19.8**	**20.4**	**20.3**	**61.3**	**76.0**	**0.0**	

Biocon

BSE SENSEX	S&P CNX
78,581	24,625

CMP: INR425

Biologics in line; research services hit 1Q performance

- BIOS' 1QFY27 revenue grew 10% YoY to INR43.4b (est. INR45.9b).
- Revenue growth was led by:
  - Biosimilars (66% of sales) rose 16% YoY to INR28.5b.
  - Generics (18% of sales) grew 21% YoY to INR7.6b.
  - However, research services (17% of sales) dipped 16% YoY to INR7.4b.
- Gross margin (GM) expanded 150bp YoY to 63.1%.
- EBITDA margin was stable at 19.5% (est: 21.9%); other expenses rose 90bp YoY as % of sales. R&D costs inched up (30bp YoY as % of sales) in 1Q.
- EBITDA grew 10.7% YoY to INR8.5b (est: INR10b).
- BIOS had an exceptional expense of INR130m related to the termination benefits extended to employees.
- Adj. for the same, PAT came in at INR1.5b, up 3.9x YoY due to tax benefit received during the quarter.
- For 1Q, Revenue/EBITDA/PAT missed BBG estimates (4%/12%/19% YoY).

Other highlights

- Excluding Syngene, Biocon's biologics EBITDA stood at INR7.2b, with margin at 26%, up 12% YoY.
- Syngene's (research services) EBITDA margin contracted 1,130bp YoY to 23.6%.
- During 1QFY27, the company acquired the remaining equity shares of BBL via a share-swap transaction by issuing 8.79m shares on a preferential basis (INR376.41/share), making BBL a wholly owned subsidiary.

Conference Call Details

Date: 6th Aug 2026
Time: 10:00 am IST
Dial-in details:
Zoom Link

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	169	198	226
EBITDA	35	44	50
Adj. PAT	4	10	14
EBIT Margin (%)	8.8	11.1	10.9
Cons. Adj. EPS (INR)	2.6	6.2	8.7
EPS Gr. (%)	72.9	137.1	41.5
BV/Sh. (INR)	283.6	291.6	302.8
Ratios			
Net D:E	0.3	0.3	0.3
RoE (%)	1.5	2.8	4.0
RoCE (%)	2.9	3.4	3.9
Payout (%)	5.1	5.6	5.6
Valuations			
P/E (x)	163.8	71.4	49.1
EV/EBITDA (x)	15.8	12.7	11.0
Div. Yield (%)	0.0	0.1	0.1
FCF Yield (%)	0.1	3.8	5.0
EV/Sales (x)	3.2	2.8	2.4

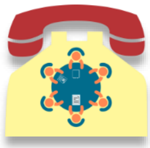
Quarterly performance

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	vs Est
Net Sales	39,420	42,960	41,730	45,170	43,360	49,759	51,079	53,154	169,280	197,352	45,888	-5.5%
YoY Change (%)	14.8	19.7	9.2	2.3	10.0	15.8	22.4	17.7	10.9	16.6	16.4	
Total Expenditure	31,770	34,610	33,390	34,970	34,890	38,464	39,841	41,353	134,740	154,549	35,838	
EBITDA	7,650	8,350	8,340	10,200	8,470	11,295	11,237	11,800	34,540	42,803	10,049	-15.7%
YoY Change (%)	23.2	21.6	6.1	-5.4	10.7	35.3	34.7	15.7	8.9	23.9	31.4	
Margins (%)	19.4	19.4	20.0	22.6	19.5	22.7	22.0	22.2	20.4	21.7	21.9	
Depreciation	4,550	4,730	5,150	5,130	5,480	5,558	5,706	5,937	19,560	22,681	5,061	
EBIT	3,100	3,620	3,190	5,070	2,990	5,737	5,532	5,863	14,980	20,121	4,988	
Interest	2,770	2,720	2,100	2,320	2,130	2,215	2,200	2,100	9,910	8,645	2,300	
Other Income	800	930	1,170	530	550	540	550	570	3,430	2,210	520	
Extraordinary Income	-170	-120	-2,930	-800	-130	0	0	0	-4,020	-130	0	
PBT	960	1,710	-670	2,480	1,280	4,062	3,882	4,333	4,480	13,556	3,208	
Rate (%)	8.3	22.8	23.9	19.8	-7.0	20.0	20.0	20.0	17.9	17.4	20.0	
Minority Interest	580	480	-1,960	730	-40	420	550	590	-170	1,520	550	
PAT	300	840	1,450	1,260	1,410	2,830	2,555	2,876	3,850	9,671	2,017	
Adj PAT	300	910	1,240	1,790	1,460	2,830	2,555	2,876	4,240	9,721	2,017	-27.6%
YoY Change (%)	-118.7	149.2	182.3	-45.0	386.7	211.0	106.1	60.7	72.9	129.3	572.2	
Margins (%)	0.8	2.0	3.5	2.8	3.3	5.7	5.0	5.4	2.3	4.9	4.4	

Inventurus Knowledge Solutions

BSE Sensex	S&P CNX
78,581	24,625

Conference Call Details



Date: **06th August 2026**

Time: **08:30 AM IST**

Diamond Pass

Registration

CMP: INR 1,878 Buy

Revenue in line; miss on margins and profit

- 1QFY27 USD revenue at USD97m was up 12% YoY (est. USD97m) and INR revenue at INR8.94b, up 21% YoY (est. INR8.96b).
- EBITDA at INR2.95b grew 24% YoY (est. INR3.14b). Margin was 33% vs. est. 35%).
- PAT at INR1.94b rose 28% YoY (est. INR2.09b).
- EPS was INR11.3 vs. est. INR12.3.
- Miss on margins and earnings was mainly on account of one-time acquisition costs, amortization costs and a slightly higher tax rate.
- Adjusted OCF and FCF grew 21% and 27% YoY, respectively.
- Net debt stood at INR2.65b.
- **Key deal wins included** (1) strategic partnership with premier integrated health system in California for a comprehensive clinical data migration for an acquired hospital; (2) reuniting with one of the leaders in musculoskeletal space and this collaboration focuses on modernizing end-to-end RCM functions; (3) Advocate Health, an existing client expanding its partnership across RCM, including coding in volume and value efforts across its entire network in the acute and ambulatory space; (4) StrideCare, an existing client extended RCM services for its acquired business.

Valuation and view

We believe IKS is uniquely positioned to benefit from the long-term structural tailwinds in US healthcare technology, supported by its strong financial profile, differentiated tech-first platform, and expanding market opportunity. **Currently we have a BUY rating on IKS.**

IKS - Quarterly Performance (INR m)

Y/E March (INR m)	FY26				FY27E				FY26	FY27E	Est.	Act. Vs
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QFY27E	Est. (%)
Rev. (USD m)	86.7	90.2	92.5	95	97	100.4	103.4	106.5	364	407	97.4	-0.4
QoQ (%)	3.2	4	2.5	2.7	2.1	3.5	3	3	15.3	11.8		
Rev. (INRm)	7,401	7,811	8,150	8,577	8,936	9,236	9,513	9,799	31,938	37,485	8,959	-0.3
YoY (%)	15.6	21.5	24	18.5	20.7	18.2	16.7	14.3	19.9	17.4	21	
GPM (%)	46.5	47.9	50.2	51.2	49.1	51	51	51	49	50.5	51	
Other expenses (%)	14.4	13.1	15.6	16.2	16.1	16	16	16	14.9	16	16	
EBITDA (INRm)	2,378	2,718	2,816	3,002	2,949	3,233	3,330	3,430	10,913	12,941	3,135	-5.9
EBITDA Margin (%)	32.1	34.8	34.6	35	33	35	35	35	34.2	34.5	35	-200bp
EBIT (INRm)	2,098	2,416	2,496	2,662	2,606	2,863	2,949	3,038	9,672	11,456	2,777	-6.2
EBIT Margin (%)	28.4	30.9	30.6	31	29.2	31	31	31	30.3	30.6	31	-180bp
Other Income	31	37	56	49	57	46	48	49	172	200	45	
ETR(%)	22.2	20.6	20.1	18.6	22.8	22.8	22.8	22.8	20.3	22	22	
Reported PAT	1,515	1,807	1,833	2,060	1,937	2,165	2,230	2,297	7,216	8,630	2,098	-7.7
QoQ (%)	2.5	19.3	1.4	12.3	-6	11.8	3	3				
YoY (%)	58.7	59.9	41.4	39.3	27.8	19.8	21.7	11.5	48.5	19.6		
Margins (%)	20.5	23.1	22.5	24	21.7	23.4	23.4	23.4	22.6	23	23.4	
EPS (INR)	8.9	10.6	10.7	12.1	11.3	12.7	13	13.4	42.3	50.4	12.3	-8

RESULTS FLASH

05 August, 2026

Results Flash | Sector: Consumer

Bikaji Foods International

BSE Sensex	S&P CNX
78,581	24,625

Conference Call Details

Date: 06 August 2026

Time: 12:00 IST

Diamond pass link

CMP: INR650 **BUY**

Revenue rises 12.5% backed by 7.7% volume growth

- Consolidated revenue grew 12.5% YoY to INR7.3b (in line with estimates), backed by 7.7% volume growth.
- Western Snacks (+21.3% YoY) was the fastest-growing category, followed by Ethnic Snacks (+11.4% YoY) and Packaged Sweets (+4.4% YoY), while Papad declined by 6.5% YoY.
- Core markets registered growth of 10.8% YoY, while focus markets outperformed with growth of 18.9% YoY.
- Gross margin increased by 70bp YoY to 35.7%.
- EBITDA came in at INR990m (~1% miss) (+2.8% YoY), with EBITDA margin at 13.5% (-130bp YoY); Ex-PLI EBITDA margin stood at 11.8% (-85bp YoY).
- APAT grew 1.6% to INR595m, with APAT margin at 8.1% (~4% miss).
- We will update further after the conference call on 6th Aug'26.

Consolidated Qtrly performance (INR m)

Y/E March	FY26E				FY27E				FY26	FY27E	1Q	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			FY27E	(%)
Net Sales	**6,527**	**8,303**	**7,900**	**7,209**	**7,343**	**9,465**	**9,204**	**8,427**	**29,939**	**34,438**	*7,316*	*0%*
YoY Change (%)	*14.1*	*15.1*	*10.5*	*17.5*	*12.5*	*14.0*	*16.5*	*16.9*	*14.4*	*15.0*	*12.1*	
Gross Profit	**2,282**	**2,906**	**2,740**	**2,565**	**2,621**	**3,266**	**3,313**	**2,992**	**10,494**	**12,192**	*2,561*	*2%*
Total Expenditure	5,564	7,021	6,917	6,331	6,352	8,158	7,859	7,083	25,833	29,453	*6,318*	*1%*
EBITDA	**963**	**1,282**	**984**	**877**	**990**	**1,307**	**1,344**	**1,344**	**4,106**	**4,985**	*998*	*-1%*
Margin (%)	*14.8*	*15.4*	*12.5*	*12.2*	*13.5*	*13.8*	*14.6*	*15.9*	*13.7*	*14.5*	*13.6*	
Depreciation	230	237	240	243	262	261	269	265	950	1,058	*253*	*4%*
Interest	47	51	41	39	52	56	45	47	178	201	*52*	*0%*
Other Income	100	123	113	178	131	172	159	231	514	694	*140*	*-6%*
PBT before EO items	**786**	**1,117**	**816**	**773**	**807**	**1,162**	**1,189**	**1,262**	**3,491**	**4,420**	*834*	
PBT	**786**	**1,117**	**816**	**773**	**807**	**1,162**	**1,189**	**1,262**	**3,448**	**4,420**	*834*	*-3%*
Tax	200	296	194	213	213	299	295	299	904	1,105	*213*	*0%*
Rate (%)	*25.5*	*26.5*	*23.8*	*27.5*	*26.3*	*25.7*	*24.8*	*23.7*	*26.2*	*25.0*	*25.5*	
Reported PAT	**585**	**820**	**622**	**560**	**595**	**863**	**894**	**963**	**2,544**	**3,315**	*621*	*-4%*
Adj PAT	**585**	**820**	**622**	**560**	**595**	**863**	**894**	**963**	**2,197**	**2,940**	*621*	*-4%*
YoY Change (%)	*0.8*	*19.6*	*123.8*	*40.4*	*1.6*	*5.3*	*43.8*	*71.9*	*46.1*	*33.8*	*6.1*	
Margin (%)	*9.0*	*9.9*	*7.9*	*7.8*	*8.1*	*9.1*	*9.7*	*11.4*	*7.3*	*8.5*	*8.5*	

Godrej Agrovet

BSE SENSEX	S&P CNX
78,581	24,625

CMP: INR566 Buy

Conference Call Details

Date: 6th Aug 26
Time: 3:30pm IST
Dial-in details:
click here

Operating performance below our est. due to weaker-than-expected gross margin

- GOAGRO's consol. revenue stood at INR28.6b, up 9% YoY (in line).
- EBITDA margin contracted 190bp to 8.4% (est. 10.1%). Gross margin also dipped 270bp YoY to 24.9%. EBITDA declined 11% YoY to INR2.4b (est. INR2.9b).
- Adj. PAT decreased 16% YoY to INR1.3b (est. INR1.6b).

Segmental performance

- Animal feed (AF) biz revenue grew 13% YoY to INR13b. EBIT margin expanded 80bp YoY to 6.4%. EBIT stood at INR837m (+30% YoY).
- Palm oil business revenue grew ~24% YoY to INR6.2b. EBIT margin contracted 130bps YoY to 16.1%. EBIT stood at INR996m, up 15% YoY.
- Crop protection (CP) biz revenue declined ~13% YoY to ~IN3.5b. EBIT margin contracted 730bp YoY to 21.6%. EBIT stood at INR756m, down 35% YoY.
- Dairy business revenue increased ~12% YoY to INR4.6b. Operating loss stood at INR19m (EBIT of INR43m YoY).
- Poultry and processed food was flat YoY at INR1.9b. EBIT margin contracted 190bp to 0.5%. EBIT stood at INR9m, down 80% YoY.

Change in Management

- The company's CFO and Finance & Legal Head, Mr. S. Varadaraj, has resigned w.e.f. 30th Sep'26, and the Board approved the appointment of Mr. Ravishankar A. as the CFO.
- Mr. Ravishankar A. has over two decades of experience across finance functions, and most recently he served as the Vice President – Finance for Hindustan Unilever's Beauty and Wellbeing business.

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY26				FY27				FY26	FY27	FY27	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	(%)
Gross Sales	**26,143**	**25,674**	**27,183**	**23,327**	**28,552**	**29,316**	**31,526**	**26,901**	**1,02,327**	**1,16,295**	**28,572**	**0**
YoY Change (%)	11.2	4.8	11.0	9.3	9.2	14.2	16.0	15.3	9.1	13.7	9.3	
Total Expenditure	23,446	23,540	24,768	21,937	26,150	26,333	28,339	25,155	93,691	1,05,976	25,681	
EBITDA	**2,697**	**2,134**	**2,416**	**1,389**	**2,402**	**2,984**	**3,187**	**1,746**	**8,636**	**10,319**	**2,891**	**-17**
Margins (%)	10.3	8.3	8.9	6.0	8.4	10.2	10.1	6.5	8.4	8.9	10.1	
Depreciation	579	571	559	580	567	650	700	750	2,289	2,667	635	
Interest	355	396	347	286	298	400	360	269	1,383	1,327	390	
Other Income	119	78	183	678	148	100	190	141	1,058	579	80	
PBT before EO expense	**1,882**	**1,246**	**1,693**	**1,202**	**1,685**	**2,034**	**2,317**	**868**	**6,023**	**6,904**	**1,946**	
Extra-Ord expense	0	0	304	0	0	0	0	0	304	0	0	
PBT	**1,882**	**1,246**	**1,389**	**1,202**	**1,685**	**2,034**	**2,317**	**868**	**5,718**	**6,904**	**1,946**	
Tax	517	507	367	277	528	513	584	216	1,668	1,841	490	
Rate (%)	27.5	40.7	26.5	23.1	31.3	25.2	25.2	24.9	29.2	26.7	25.2	
MI & P/L of Asso. Cos.	-240	-187	-127	-124	-188	-170	-170	-202	-678	-730	-170	
Reported PAT	**1,605**	**926**	**1,148**	**1,049**	**1,345**	**1,691**	**1,903**	**854**	**4,728**	**5,794**	**1,626**	
Adj PAT	**1,605**	**926**	**1,377**	**1,049**	**1,345**	**1,691**	**1,903**	**854**	**4,956**	**5,794**	**1,626**	**-17**
YoY Change (%)	18.8	-17.6	23.5	48.1	-16.2	82.7	38.3	-18.5	15.3	16.9	0.0	
Margins (%)	6.1	3.6	5.1	4.5	4.7	5.8	6.0	3.2	4.8	5.0	5.7	

Time Technoplast

BSE Sensex	S&P CNX
78,581	24,625

Conference Call Details

Date: 6 Aug 2026
Time: 16:00 IST
Diamond pass link

CMP: INR207 **BUY**

Healthy operating performance

- TIME's volume/revenue/EBITDA/PAT jumped 11%/25%/15%/22% YoY.
- Operating performance was broadly in line. However, PAT missed our estimate by 8% due to higher-than-estimated depreciation, finance costs, and lower other income.
- Strong revenue growth of 25% YoY was driven by a healthy 11% YoY volume growth and better realization owing to a rise in polymer prices.
- EBITDA margin, at 13.3%, contracted 115bp YoY, affected by lower gross margin.
- A 15% growth in EBITDA over 11% growth in volume is a sign of healthy operating performance.
- TIME operates on an absolute EBITDA/t basis. Thus, margins optically look lower in an inflationary scenario.
- Despite the geopolitical crisis in the Middle East, TIME managed to grow its overseas volume/revenue by 14%/17% YoY.
- The India business saw a volume/revenue growth of 10%/30% YoY, aided by a surge in polymer prices.
- Established product: Volume/revenue grew 10%/25% YoY with a low 11.7% EBITDA margin (down 150bp YoY).
- Value-added Product: Volume/revenue grew ~12%/25% YoY with a stable 17.9% EBITDA margin (flat YoY).
- Composite cylinders continue to grow at a robust pace (up 29.3% YoY).
- CFO of INR1.55b in 1Q was utilized in debt reduction (by INR897m) and Capex (INR751m).
- Out of INR8b QIP proceeds, INR4b was used to repay debt, and INR3.43b is still unutilized.
- The decision to acquire an FIBC company is still under review.
- Capex plans across product lines are progressing well.

1QFY27 - Quarterly Performance

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q Est.	
Net Sales	**13,527**	**15,111**	**15,648**	**16,767**	**16,927**	**17,476**	**17,818**	**19,113**	**61,052**	**71,345**	**16,323**	**3.7**
YoY Change (%)	10.0	10.3	12.8	14.2	25.1	15.7	13.9	14.0	11.9	16.9	20.7	
Total Expenditure	11,578	12,884	13,313	14,357	14,684	14,904	15,149	16,292	52,131	61,028	13,991	
EBITDA	**1,949**	**2,228**	**2,335**	**2,410**	**2,244**	**2,573**	**2,670**	**2,820**	**8,921**	**10,317**	**2,332**	**(3.8)**
Margins (%)	14.4	14.7	14.9	14.4	13.3	14.7	15.0	14.8	14.6	14.5	14.3	
Depreciation	446	457	460	470	510	515	520	525	1,833	2,070	475	
Interest	218	215	188	176	169	150	150	150	798	619	150	
Other Income	9	11	23	49	11	20	20	20	92	71	30	
PBT before EO expense	**1,293**	**1,566**	**1,710**	**1,813**	**1,576**	**1,928**	**2,020**	**2,166**	**6,382**	**7,699**	**1,737**	
PBT	**1,293**	**1,566**	**1,710**	**1,813**	**1,576**	**1,928**	**2,020**	**2,166**	**6,382**	**7,699**	**1,737**	**(9.3)**
Tax	328	394	425	470	397	501	525	563	1,616	1,986	452	
Rate (%)	25.4	25.1	24.8	25.9	25.2	26.0	26.0	26.0	25.3	25.8	26.0	
MI & Profit/Loss of JV	15	18	22	25	16	25	25	25	79	91	25	
Reported PAT	**951**	**1,155**	**1,263**	**1,318**	**1,162**	**1,401**	**1,470**	**1,578**	**4,687**	**5,622**	**1,261**	
Adj PAT	**951**	**1,155**	**1,263**	**1,318**	**1,162**	**1,401**	**1,470**	**1,578**	**4,687**	**5,622**	**1,261**	**(7.8)**
YoY Change (%)	19.9	17.4	25.4	20.4	22.2	21.4	16.3	19.7	20.8	19.9	32.5	
Margins (%)	7.0	7.6	8.1	7.9	6.9	8.0	8.2	8.3	7.7	7.9	7.7	

Y/E March	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	% YoY	% QoQ
Volume Growth (% YoY)	**11**	**14**	**14.2**	**15.8**	**13.3**	**11.3**		
India								
Volume Growth (% YoY)	9	12	13	15	14	10		
Value Growth (% YoY)	3	8	9	12	16	30		
EBITDA Margin (%)	14.9	14.7	15.0	15.2	14.8	13.4		
PAT Margin (%)	7.3	6.5	7.3	7.6	7.8	6.5		
Overseas								
Volume Growth (% YoY)	15	17	16	17	11	14		
Value Growth (% YoY)	9	14	13	14	12	17		
EBITDA Margin (%)	14.2	14.1	14.5	14.8	14.1	13.1		
PAT Margin (%)	7.7	7.9	8.2	8.8	8.0	7.6		
Revenue Mix (%)								
Established Products	75	74	70	70	73	74		
Value-Added Products	25	26	30	30	27	26		
Established Products								
Revenue (INR m)	10,937	10,031	10,521	10,897	12,281	12,543	25	2
Packaging (Excl. IBC) (INR m)	10,153	9,487	9,700	10,101	11,391	11,892	25	4
% YoY growth	3	8	8	10	12	25		
PE Pipes (INR m)	784	544	821	797	890	651	20	(27)
% YoY growth	9	8	(4)	15	14	20		
EBITDA Margin (%)	13.3	13.2	13.1	13.4	13.1	11.7		
Value-Added Products								
Revenue (INR m)	3,771	3,505	4,601	4,773	4,535	4,395	25	(3)
IBC (INR m)	1,869	1,786	1,955	2,158	2,177	2,215	24	2
% YoY growth	6	17	15	15	16	24		
LPG Cylinders (INR m)	498	430	659	744	524	481	12	(8)
% YoY growth	-	6	4	3	5	12		
CNG Cascades (INR m)	1,156	875	1,250	1,316	1,380	1,040	19	(25)
% YoY growth	-	20	23	25	19	19		
Other Composite Products (INR m)	-	-	131	144	175	165	-	(6)
MOX Films (INR m)	247	414	606	411	278	494	19	78
% YoY growth	9	7	9	10	13	19		
EBITDA Margin (%)	18.5	18.0	18.7	18.8	18.9	17.9		

Pearl Global

BSE Sensex	S&P CNX
78,581	24,625

Conference Call Details

Date: 06 August 2026
Time: 15:30 IST
Diamond pass link

CMP: INR2,104 **BUY**

Revenue up 24% YoY, backed by 21% volume growth

For the quarter

- Consolidated 1QFY27 revenue grew 24% YoY to INR15b (~14% above our estimates), backed by 21% volume growth.
- India business revenue grew 29% YoY to INR3.4b.
- Capacity utilization stood at 83% during the quarter.
- Gross margin improved by 550bp YoY to 51.5%.
- EBITDA came in at INR1.6b (~27% ahead of estimates) (+46% YoY) with EBITDA margin at 10.7% (+159bp YoY).
- APAT grew 52% YoY to INR1b, with APAT margin of 6.8% (33% ahead of estimates).
- The board has recommended the issuance of bonus equity shares in the ratio of 1:1.

We will provide further updates after the conference call on 6th Aug'26.

Consolidated - Qtrly performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%
Net Sales	**12,279**	**13,129**	**11,702**	**13,136**	**15,283**	**14,862**	**12,849**	**14,414**	**50,246**	**57,407**	*13,384*	*14.2*
YoY Change (%)	*16.6*	*9.2*	*14.4*	*6.9*	*24.5*	*13.2*	*9.8*	*9.7*	*11.5*	*14.3*	*9.0*	
Gross Profit	**5,654**	**5,881**	**5,953**	**6,418**	**7,877**	**6,911**	**6,022**	**6,861**	**23,906**	**27,670**	*6,558*	*20.1*
Total Expenditure	11,158	11,919	10,742	11,791	13,644	13,231	11,646	13,030	45,607	51,551	*12,092*	*12.8*
EBITDA	**1,121**	**1,210**	**960**	**1,345**	**1,638**	**1,632**	**1,202**	**1,384**	**4,639**	**5,855**	*1,292*	*26.8*
Margin (%)	*9.1*	*9.2*	*8.2*	*10.2*	*10.7*	*11.0*	*9.4*	*9.6*	*9.2*	*10.2*	*9.7*	
Depreciation	197	224	224	228	257	250	270	272	873	1,048	*230*	*11.6*
Interest	274	274	221	263	266	258	248	238	1,032	1,010	*260*	*2.2*
Other Income	113	82	75	102	107	91	86	106	371	390	*110*	*-2.6*
PBT before EO items	**763**	**794**	**590**	**956**	**1,223**	**1,215**	**770**	**980**	**3,105**	**4,187**	*912*	*34.1*
Extraordinary Inc / (Exp)	-3	0	-4	-5	-27	0	0	0	-12	0	*0*	
PBT	**761**	**794**	**586**	**950**	**1,196**	**1,215**	**770**	**980**	**3,093**	**4,187**	*912*	*31.1*
Tax	108	74	70	141	203	182	116	147	393	628	*137*	*48.6*
Rate (%)	*14.2*	*9.3*	*12.0*	*14.8*	*17.0*	*15.0*	*15.0*	*15.0*	*12.7*	*15.0*	*15.0*	
JV and Associates	-23	-13	-17	-23	-13	0	0	0	-76	0	*0*	
Reported PAT	**676**	**733**	**533**	**833**	**1,005**	**1,032**	**655**	**833**	**2,777**	**3,559**	*775*	*29.6*
Adj PAT	**678**	**733**	**537**	**838**	**1,032**	**1,032**	**655**	**833**	**2,789**	**3,559**	*775*	*33.2*
YoY Change (%)	*9.5*	*31.8*	*11.2*	*29.0*	*52.2*	*40.8*	*22.0*	*-0.6*	*23.3*	*27.6*	*14.3*	
Margin (%)	*5.5*	*5.6*	*4.6*	*6.4*	*6.8*	*6.9*	*5.1*	*5.8*	*5.6*	*6.2*	*5.8*	

JK Lakshmi Cement

BSE Sensex	S&P CNX
78,581	24,624

Conference Call Details

Date: 06th August 2026
Time: 16:00 IST
Dial-in details:
+ 91 22 6280 1143
+ 91 22 7115 8044
Link for the call

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	67.6	72.0	79.7
EBITDA	10.1	10.7	12.4
Adj. PAT	4.3	4.5	4.8
EBITDA Margin (%)	14.9	14.8	15.6
Adj. EPS (INR)	34.3	36.4	38.6
EPS Gr. (%)	34.4	6.1	5.8
BV/Sh. (INR)	313	343	376
Ratios			
Net D:E	0.3	0.4	0.6
RoE (%)	11.5	11.1	10.7
RoCE (%)	9.7	9.3	8.9
Payout (%)	19.1	16.3	15.4
Valuations			
P/E (x)	16.6	15.6	14.8
P/BV (x)	1.8	1.7	1.5
EV/EBITDA(x)	8.5	8.2	7.9
EV/ton (USD)	50	48	46
Div. Yield (%)	1.1	1.1	1.1
FCF Yield (%)	5.8	-4.9	-7.5

CMP: INR571 **Buy**

EBITDA beat; EBITDA/t above our estimate

- JK Lakshmi Cement (JKLC)'s EBITDA was above our estimate due to higher volume and realization/t. EBITDA stood at INR2.6b (-17% YoY; +9% vs. estimates), and OPM stood at 14% in 1QFY27 (-4.3pp YoY; +20bp above estimates). Sales volume grew 8% YoY (in line). EBITDA/t declined ~23% YoY to INR719 (est. of INR679). Adj. Profit (after MI) declined 28% YoY to INR1.1b (+13% vs. estimates).
- The company commissioned the first phase of the railway siding at its Durg plant, with an investment of INR3.25b. It is also executing the Durg expansion project, which includes 2.3mtpa of clinker capacity, 1.2mtpa of integrated cement capacity, and three split grinding units totaling 3.4mtpa, at a capex of INR30b. The project is scheduled for phased completion by Mar'28. Over the longer term, the company targets expanding its cement capacity to 30mtpa by 2030 from the current 18mtpa.
- We have a **BUY rating** on the stock. We will review our assumptions following the conference call with the management.

Sales volume rises 8% YoY; realization/t increases 1% YoY

- Consolidated revenue/EBITDA/adj. PAT stood at INR19.0b/INR2.6b/INR1.1b (+9/-17%/-28% YoY and +7%/+9%/+13% vs. estimates). Sales volume increased 8% YoY to 3.6mt (in line). Realization/t increased 1% YoY (up ~8% QoQ) at INR5,294/t (~4% above estimates).
- Opex/t was up ~6% YoY, led by an increase in other expenses/variable cost per ton by ~14%/12% YoY. Employee /Freight cost/t declined ~5%/4% YoY. OPM contracted 4.3pp YoY to ~14%, and EBITDA/t declined ~23% YoY to INR719 in 1QFY27. Depreciation rose ~7% YoY, while finance costs declined ~2% YoY. Other income declined ~31% YoY.

Highlights from the management commentary

- The share of green power stood at ~49% in 1QFY27 vs. 46% in 4QFY26. A phased enhancement program is underway at the Sirohi plant to improve TSR substitution levels from 4% to 16%.
- Demand is supported by infrastructure and institutional projects, while fuel cost volatility due to Middle East tensions continues to weigh on margins. The industry remains focused on cost optimization and efficiency improvements, with easing fuel costs expected to support margin recovery.

Valuation and view

- The company's performance was above our estimate due to higher volume and realization/t. We will further seek management's clarity over the call. We have a **BUY** rating on the stock. However, we will review our assumptions after the conference call on 06th Aug'26 (Concall Link).

Quarterly performance (consolidated) **(INR b)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Sales Volumes (mt)	3.33	2.84	3.28	3.90	3.60	3.13	3.60	3.82	13.35	14.15	3.51	3
YoY Change (%)	10.0	14.8	8.3	8.3	8.2	10.1	9.7	(2.0)	10.0	6.0	5.4	
Net Sales	**17.4**	**15.3**	**15.9**	**19.0**	**19.0**	**16.6**	**18.9**	**17.6**	**67.6**	**72.0**	**17.8**	7
YoY Change (%)	11.3	24.1	6.1	0.2	9.4	8.2	18.8	(7.7)	9.2	6.5	2.2	
EBITDA	**3.1**	**2.1**	**2.1**	**2.9**	**2.6**	**2.6**	**3.5**	**2.0**	**10.1**	**10.7**	**2.4**	9
YoY Change (%)	39.9	133.3	1.7	(18.5)	(16.9)	25.4	68.9	(29.9)	16.9	5.6	(16.9)	
Margin (%)	17.9	13.6	12.9	15.0	13.6	15.8	18.4	11.4	14.9	14.8	13.4	20
Depreciation	0.8	0.8	0.9	0.8	0.8	0.9	0.9	0.9	3.2	3.4	0.8	(2)
Interest	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	2.1	2.2	0.6	(7)
Other Income	0.2	0.2	0.3	0.4	0.2	0.3	0.3	0.4	1.1	1.2	0.3	(45)
PBT before EO expense	**2.0**	**1.0**	**0.9**	**1.9**	**1.4**	**1.5**	**2.3**	**0.9**	**5.9**	**6.2**	**1.3**	10
Extra-Ord. expense	-	-	0.2	-	-	-	-	-	0.2	-	-	
PBT	**2.0**	**1.0**	**0.8**	**1.9**	**1.4**	**1.5**	**2.3**	**0.9**	**5.7**	**6.2**	**1.3**	10
Tax	0.5	0.2	0.2	0.5	0.3	0.4	0.6	0.2	1.5	1.6	0.3	
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-	-	
Rate (%)	26.5	21.5	24.2	27.6	23.6	26.0	26.0	26.9	25.7	25.6	25.6	
Reported PAT	**1.5**	**0.8**	**0.6**	**1.4**	**1.1**	**1.1**	**1.7**	**0.7**	**4.2**	**4.6**	**0.9**	13
Minority Interest	(0.0)	(0.0)	0.0	0.1	(0.0)	(0.0)	0.0	(0.0)	0.1	(0.0)	(0.0)	
Adj. PAT	**1.5**	**0.8**	**0.7**	**1.2**	**1.1**	**1.1**	**1.7**	**0.7**	**4.3**	**4.6**	**1.0**	13
YoY Change (%)	62.6	NM	(4.7)	(29.4)	(28.1)	40.6	139.4	(43.7)	36.6	8.5	(36.2)	
Per ton analysis (INR)												
Net realization	**5,234**	**5,388**	**4,841**	**4,881**	**5,294**	**5,294**	**5,241**	**4,596**	**5,067**	**5,092**	**5,076**	4
RM Cost	922	942	952	1,000	1,111	1,010	950	790	956	961	1,010	10
Employee Expenses	374	457	352	286	355	405	356	335	361	361	321	10
Power, Oil, and Fuel	1,137	1,295	1,131	1,077	1,190	1,260	1,210	1,143	1,152	1,198	1,170	2
Freight and Handling Outward	1,194	1,235	1,119	1,122	1,151	1,140	1,110	1,115	1,163	1,128	1,130	2
Other Expenses	672	725	662	661	769	645	652	688	678	690	765	0
Total Expenses	**4,299**	**4,655**	**4,216**	**4,146**	**4,575**	**4,460**	**4,278**	**4,071**	**4,310**	**4,338**	**4,397**	4
EBITDA	**936**	**733**	**625**	**734**	**719**	**834**	**963**	**525**	**757**	**754**	**679**	6

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