VOICES



VOICES

India Inc on Call

VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results earnings calls attended by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research updates, and transcripts links of the respective conference calls.

This quarterly report contains

- Key takeaways from the post results management commentary for 340 companies, with links to the full earnings call transcripts
- Links to our Results Updates on each of the companies included

Research & Quant Team: Deven Mistry (Deven@motilaloswal.com)

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

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

VOICES - INDIA INC ON CALL

Summary

Page #3

Sectors & Companies

Page #10



AUTOMOBILES – Pg10



CAPITAL GOODS – Pg68



CEMENT – Pg98



CHEMICALS – Pg117



CONSUMER – Pg138



CONSUMER DURABLES – Pg179



EMS – Pg197



FINANCIALS: BANKS – Pg212



FINANCIALS: NBFCs – pg248



FINANCIALS: INSURANCE – pg344



HEALTHCARE – Pg357



LOGISTICS – Pg379



METALS – Pg395



OIL & GAS – Pg412



REAL ESTATE – Pg432



RETAIL – Pg448



TECHNOLOGY – Pg483



TELECOM – Pg513



UTILITIES – Pg520



OTHERS – Pg539

Note: All stock prices are as on 19ht August 2026, unless otherwise stated.

Voices

BSE Sensex: 77,538 **S&P CNX: 24,232**



FY27 commentary begins on a constructive note; 1Q earnings – A picture-perfect quarter!

In this report, we present the detailed takeaways from our 4QFY26 conference calls with various company managements as we refine the essence of India Inc.'s 'VOICES'.

- **Corporate earnings 1QFY27 – a broad-based beat:** The 1QFY27 corporate earnings season concluded on a strong note, demonstrating widespread outperformance across all key aggregates. The earnings growth and beat were fueled by Financials, Metals, Oil & Gas (ex-OMCs), and Automobiles as well as sectors such as Chemicals, Textiles, and Real Estate. OMCs expectedly dragged the overall aggregates (Detailed report).
- The **Banking** sector's management takeaways remains constructive, with most banks expecting healthy credit growth across corporates, SMEs, and retail segments. Deposit mobilization, particularly granular retail deposits, CASA, and FCNR(B), remains a key focus, while improving loan demand and strong pipelines provide growth visibility. Asset quality remains a priority, with banks expecting the ECL transition to have a manageable impact on capital and credit costs.
- **Technology:** The key takeaways from management commentary remained mixed, with clients continuing to prioritize AI-led modernization, cloud migration, and cost optimization. In contrast, discretionary spending remained subdued amid macroeconomic and geopolitical uncertainties.
- **Metals:** Management indicated that NSRs in the ferrous segment are likely to moderate in 2QFY27 amid seasonal weakness, while coking coal costs are expected to increase by USD5–15/t. Margin resilience, however, is expected to be supported by improving volumes as maintenance shutdowns are largely complete and new capacities ramp up. In the non-ferrous segment, management expects the cost of production to remain stable, while favorable pricing trends should drive margin expansion over the coming quarters.
- Overall, management teams across **Oil & Gas** companies remained constructive on the medium-term outlook, with CGDs expecting strong CNG volume growth, aided by robust CNG vehicle sales and expanding infrastructure. Conversely, input gas costs are likely to remain elevated in the near term.
- For **Capital Goods**, management commentary remained constructive, with T&D and defense emerging as the key structural growth drivers. T&D demand is supported by grid expansion, renewable evacuation, HVDC, and distribution investments, while defense continues to benefit from indigenization and strategic programs across missiles, radars, EW, and aerospace.
- **Consumer:** The commentary indicated that staples consumption trends remained steady in 1QFY27, with limited impact from geopolitical uncertainties and inflation. Most categories reported better YoY revenue growth versus 4QFY26, supported by calibrated low-to-mid single-digit price hikes that helped sustain volumes. Rural and urban demand remained healthy, although erratic rains affected a few summer-centric categories, while food continued to outperform BPC. Management also indicated that West Asia tensions affected input costs and supply chains.
- **Automobiles:** Management teams remained positive on the underlying demand environment across vehicular segments, despite supply-chain disruptions arising

from the West Asia conflict and recent price hikes implemented to partially offset commodity cost inflation. 2W OEMs now expect high-single-digit growth, while PV OEMs are guiding for double-digit industry growth.



Autos

- Management teams remained positive on the underlying demand environment across vehicular segments, despite supply-chain disruptions arising from the West Asia conflict and recent price hikes implemented to partially offset commodity cost inflation. 2W OEMs now expect high-single-digit growth, while PV OEMs are guiding for double-digit industry growth. Despite near-term concerns around demand, CV OEMs anticipate strong double-digit volume growth in 2Q. Export momentum is expected to remain robust, although logistics disruptions are resulting in higher lead times. Commodity inflation were elevated in 1Q and is expected to persist in 2Q too. Consequently, most OEMs have undertaken price hikes to mitigate the impact on margins.



Capital Goods

- Management commentary remained constructive, with T&D and defense emerging as the key structural growth drivers. T&D demand is supported by grid expansion, renewable evacuation, HVDC, and distribution investments, while defense continues to benefit from indigenization and strategic programs across missiles, radars, EW, and aerospace. Data centers/AI-led power demand, renewables, storage, and energy transition are adding further opportunities across the power infrastructure value chain. Private sector capex is improving, though a broad-based recovery is yet to emerge. However, exports remain an incremental growth driver.
- Near-term risks include higher freight, insurance, and input costs amid the Middle East disruptions, particularly for exports. However, better sourcing, local procurement, logistics optimization, price pass-through and contractual protections should help limit margin pressure. Overall, T&D, defense, data centers, energy transition and a gradual private-capex recovery should drive the next leg of order inflows.



Cement

- Cement companies' management remained positive on cement demand, with most players expecting healthy demand and improved profitability in 2HFY27. Demand in 1Q was strong, aided by government infrastructure spending, housing, and urban real estate. Cement prices are expected to remain broadly stable in the near term, with any hikes likely to be gradual. Input costs are expected to peak in 2QFY27, with easing cost pressures thereafter. Overall, healthy demand, gradual price improvement, and moderating input costs should support profitability recovery in 2HFY27.



Chemicals

- Chemical companies remained cautiously optimistic, supported by improving customer offtake, gradual demand recovery, capacity additions, and commercialization of new products. However, volatile feedstock prices, Chinese competition, tariff uncertainties, and geopolitical risks remained the key headwinds. Continued investments in specialty chemicals, CDMO, backward integration, and innovation, along with healthy order visibility and a strong capex pipeline, should support medium-term growth and gradual margin recovery.



Consumer

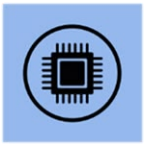
- Management commentary indicated that staples consumption trends remained steady in 1QFY27, with limited impact from geopolitical uncertainties and inflation. Most categories reported better YoY revenue growth vs. 4QFY26,

supported by calibrated low-to-mid single-digit price hikes that helped sustain volumes. Rural and urban demand remained healthy, although erratic rains affected a few summer-centric categories, while food continued to outperform BPC. Management also indicated that West Asia tensions affected input costs and supply chains. Despite an 8–10% increase in the RM basket, margins remained healthy, supported by ~5% price hikes, premiumization, productivity, and cost-management initiatives. However, RM pressures are expected to remain elevated in 2QFY27 due to the flow-through of high-cost inventory.



Consumer Durables

- Management views remained positive on domestic C&W demand, supported by power T&D, data centers, renewables, EVs, and infrastructure, while exports have been recovering from the Middle East disruptions, with a healthy global order book. In UCP, RAC primary volumes grew ~20–22% YoY and value ~25–26%, while costs increased ~10–12% due to BEE rating changes, commodity inflation, rupee depreciation, and higher freight costs; most of the cost inflation was passed through via price hikes. Other categories, including fans, lighting, switches, switchgears, conduits, and pipes & fittings, also delivered healthy growth, supported by sustained real estate and construction demand. New product launches, portfolio expansion, and continued investments in market development further reinforced growth.



EMS

- Management perspective remained optimistic on the medium-term outlook, bolstered by strong order visibility, healthy demand, timely ramp-up of new programs, and scaling benefits from the recently commissioned capacities. Growth is expected across EMS, semiconductor equipment, telecom, defense, railways, electronics, and exports, aided by global supply-chain diversification, rising defense spending, and increasing AI-led demand. Continued investments in capex, R&D, backward integration, and higher-value products are expected to drive operational efficiencies, support margin resilience, and strengthen long-term competitive positioning.



Financials

Banks

- Management takeaways were constructive on the banking sector, with most banks expecting healthy credit growth across corporates, SMEs, and retail segments. Deposit mobilization, particularly granular retail deposits, CASA, and FCNR(B), remains a key focus, while improving loan demand and strong pipelines provide growth visibility. Asset quality remains a priority, with banks expecting the ECL transition to have a manageable impact on capital and credit costs.
- Profitability is expected to remain broadly stable, with resilient NIMs supported at select banks by retirement of high-cost borrowings, FCNR(B) mobilization, loan repricing, and a favorable loan mix. Credit costs are expected to remain contained, while lower opex intensity and normalization of credit costs should support an improvement in RoA. Overall, banks remain focused on balancing growth with risk-adjusted returns and healthy capital buffers.

NBFC

- Insights from the management commentary indicated that NBFCs delivered a strong performance in 1QFY27, supported by healthy disbursement growth,

improving asset quality, and gradual normalization of stress across unsecured segments. Rural demand remained healthy, supporting growth across vehicle finance, gold loans, and affordable housing. However, high competitive intensity in secured retail segments, particularly housing finance and gold loans, is expected to limit yield expansion and weigh on margins. While the overall outlook remains positive, West Asia tensions and the potential impact of El Niño on monsoons and asset quality remain key near-term monitorables.

Capital Markets

- Management outlook and industry trends in 1QFY27 remained mixed across financial market intermediaries. Cash ADTO rose 13% QoQ, while F&O ADTO and options premium ADTO declined 10%/11% QoQ. Monthly demat additions remained broadly stable at ~2.3m during the quarter (~2.6m in Jun'26). Angel One maintained strong cash volumes, though its F&O activity was weak, in line with industry trends. This weighed on its broking revenue and profitability. The company's MTF book saw a sharp sequential recovery. Groww also witnessed moderation in order volumes, while its MTF book expanded. Commodities continued to scale new highs.
- Among exchanges, BSE benefited from rising options ADTO, while MCX's sequential performance was weak due to a sharp decline in volumes from a high 4Q base. The AMC industry sustained monthly SIP inflows above INR310b, with yields improving marginally QoQ on a richer product mix and regulatory pass-through; treasury/other income also remained healthy. Among wealth managers, 360 ONE reported lower ARR yields despite healthy net inflows, while PAT growth remained double-digit, supported by higher treasury income. KFin Technologies delivered a profitability beat despite a significant increase in low-margin international business, while CAMS reported strong growth across non-MF businesses. Depository revenues improved sequentially with higher market activity, while non-depository segments continued to scale.

Insurance

- Management views remained mixed in life insurance, with private players reporting varied APE growth and VNB performance. LIC continued to witness strong VNB margin expansion, driven by a rising contribution from non-par products and improving product-level margins.
- In general insurance, the industry maintained strong momentum in 1QFY27, with health growing ~20% and motor recording 10%+ growth. Sustained demand, particularly in health insurance following GST exemption, is supporting growth, while insurers are focusing on profitable opportunities across motor and fire segments.
- PB Fintech continued to deliver volume growth above its 30% guidance, supported by strong momentum in protection, higher renewals, and improved productivity, resulting in robust profitability growth.

Healthcare



- **Domestic formulations:** Management teams remained constructive on the domestic formulations outlook for FY27, supported by continued recovery in acute therapies, sustained growth in chronic segments, new product launches, and ongoing investments in field-force productivity and doctor engagement. Management sees significant potential in obesity/diabetes, with GLP-1s likely to emerge as a structural growth driver for IPM over the medium term.
- **US business:** The US market outlook remains mixed, with several companies confident of sustained growth supported by strong launch pipelines across respiratory, complex generics, injectables, and specialty products, while others

remain cautious amid continued base-business price erosion and product-specific competition. SUNP expects innovative medicines to drive growth and partly offset generic pressure, while Aurobindo expects sustained growth from its base business and Lannett-led launches/synergies. DRRD expects double-digit underlying growth excluding Lenalidomide, while Zydus expects single-digit growth despite a rising branded/specialty mix.

- **CDMO:** The CDMO outlook is optimistic, bolstered by improving US biopharma funding, healthy RFP activity, stronger customer engagement, and increasing demand for differentiated capabilities such as ADCs. Growth is expected to be driven by new customer wins, deeper relationships with existing customers, higher utilization of overseas facilities, and integrated global manufacturing networks, alongside continued investments in differentiated offerings.
- **Hospitals:** The hospital sector outlook is broadly positive, reinforced by strong underlying healthcare demand, healthy occupancy levels, and continued expansion opportunities across select micro-markets and existing clusters. While operating momentum is expected to remain strong, near-term profitability could face some pressure from the ramp-up of newly commissioned facilities and geopolitical disruptions impacting international patient flows. The sector continues to focus on adding doctors, strengthening existing specialties, and investing in advanced technologies such as robotic surgery, LINACs, radiation oncology, CT/MRI, and other high-end procedural capabilities.

Logistics



- The logistics sector maintained healthy volume momentum in 1QFY27, supported by general price hikes and higher fuel-cost pass-throughs. The full impact of fuel price hikes is expected from 2QFY27, with companies indicating confidence in sustaining volumes as these are largely pass-through costs. Rail logistics remained subdued in volumes and realizations, although the completion of DFC connectivity is expected to drive a revival through double-stack container movement and support growth from FY27, with companies prioritizing profitability over low-margin volumes. In ports, Adani Ports witnessed muted domestic volumes due to the West Asia crisis and temporary disruptions at select ports, but expects recovery in the coming quarters. JSW Infrastructure saw volumes impacted by lower Fujairah terminal volumes, partly offset by higher anchor cargo, and now expects FY27 volumes to remain muted at ~127mt, while retaining its revenue and EBITDA guidance.

Metals



- In Metals, management indicated that NSRs in the ferrous segment are likely to moderate in 2QFY27 amid seasonal weakness, while coking coal costs are expected to increase by USD5–15/t. Margin resilience, however, is expected to be bolstered by improving volumes as maintenance shutdowns are largely complete and new capacities ramp up. In the non-ferrous segment, management expects the cost of production to remain stable, while favorable pricing trends should drive margin expansion over the coming quarters.
- Overall, management attributed the 1QFY27 earnings outperformance primarily to the strong pricing environment and expects this momentum to sustain broadly in 2QFY27, supported by better volumes and favorable pricing, which should partly offset elevated cost structures. While global uncertainties could weigh on international metal and raw-material prices, companies remain relatively confident about domestic operations, supported by safeguard duties in ferrous metals and favorable pricing dynamics in the non-ferrous segment.

Oil & Gas



- Overall, management across Oil & Gas companies remains constructive on the medium-term outlook, with CGDs expecting strong CNG volume growth, supported by robust CNG vehicle sales and expanding infrastructure, although input gas costs are likely to remain elevated in the near term. Among OMCs, IOCL's Panipat/Gujarat/Barauni refinery expansions are targeted for commissioning by Dec'26/Nov'26/Dec'26, while HPCL's capex cycle is tapering off and BPCL plans to incur INR250b capex in FY27. Upstream production growth remains back-ended, with ONGC targeting modest gas growth in FY27 and OIL's more meaningful ramp-up expected from 2HFY28, supported by NRL and pipeline commissioning. Gas utilities are focused on expansion, with GAIL's FY27 capex directed towards pipeline expansion and downstream integration, while PLNG enters a higher capex phase driven by Kochi connectivity and its petrochemical complex.

Real Estate



- Management teams at several real estate companies indicated that the overall real estate sector witnessed a ~30% YoY decline in bookings in 1QFY27 to INR 313Bn, largely due to the lack of meaningful project launches during the quarter. Average price realizations also declined by ~6% YoY. With regulatory approval processes gradually improving, companies expect a much stronger project launch pipeline for the remainder of FY27. Additionally, companies continue to actively pursue land acquisitions to strengthen their future development pipelines and support long-term growth.

Retail



- **Retail:** Management comments indicated that demand remained broadly resilient in 1QFY27, with trends largely in line with 4QFY26. Occasion-led categories witnessed some moderation due to fewer wedding dates and Adhik Maas, while a delayed summer season weighed on demand during Apr-May. Demand momentum improved from mid-Jun'26, supported by higher footfalls, better merchandising, and improving productivity, with several retailers reporting healthy SSSG across formats and channels. Premiumization, higher ASPs, and improved product relevance continued to support growth, while new customer additions and higher purchase frequency aided consumption. Footwear players witnessed healthy secondary demand, with record dealer orders and limited demand disruption. Retailers remain optimistic about 2HFY27, supported by festive demand, store expansion, and increasing premiumization, although elevated input-cost inflation, household budget pressures, geopolitical uncertainties, and a deficient monsoon remain key near-term monitorables.
- **Jewelry:** Management commentary from listed jewelry companies indicated that demand remained resilient despite about three-week disruption in May due to customs duty changes and the wedding calendar, with most deferred demand recovering in June. Despite elevated gold prices in 1QFY27 (~60% YoY and ~1% QoQ), consumer demand remained healthy, supporting robust SSSG. Strong traction in old-gold exchange programs continued, contributing ~50% of revenues for some players. Demand remained strong for lightweight jewelry, lower-karat products, and affordable formats, with companies continuing to focus on maintaining affordability amid elevated gold prices.
- **QSR:** Management commentary across listed QSR companies indicated that the SSSG recovery seen since 2HFY26 continued into 1QFY27, with July trends

remaining encouraging despite a volatile demand environment. Companies are taking calibrated price hikes to offset RM inflation while focusing on cost control to limit margin pressure. Affordability remains a key focus, with value offerings and targeted promotions supporting traffic and order frequency. Management teams remain focused on improving store productivity and execution, while maintaining their store addition guidance for FY27.



Technology

- Key takeaways from IT management commentary remained mixed, with clients continuing to prioritize AI-led modernization, cloud migration, and cost optimization, while discretionary spending remained subdued amid macroeconomic and geopolitical uncertainties. TCS and LTIMindtree indicated signs of improving demand and expect growth to pick up from 2QFY27, whereas Infosys adopted a more cautious stance and lowered its FY27 revenue growth guidance. Tech Mahindra maintained its above-peer growth outlook, while HCLTech reiterated its FY27 guidance, supported by healthy deal wins and increased account mining.
- Across verticals, commentary remained broadly unchanged. Companies highlighted that AI-led productivity gains are increasingly being shared with clients, although management continues to see incremental opportunities from AI emerging gradually. BFSI remained the strongest vertical across most companies, supported by modernization and AI-led investments. In contrast, Manufacturing, Consumer/Retail, and Healthcare continued to face pressure from tariff uncertainties, subdued discretionary spending, and client-specific challenges.



Telecom

- Telecom players reported steady operational momentum in 1QFY27, supported by continued 5G adoption, premiumization-led ARPU growth, and sustained investments in network capacity. Home broadband remained a key growth driver, although net additions moderated amid tighter customer acquisition and FWA economics, with operators balancing fiber and FWA deployments. Enterprise and digital services continued to scale, driven by increasing demand for cloud, IoT, managed services, and data centers. Infrastructure demand remained healthy, with strong tower order books providing visibility despite temporary supply disruptions during the quarter. Operators remained focused on disciplined capital allocation, directing investments towards fiber, transport networks, 5G densification, and data centers.



Utilities

- Management teams remain optimistic about the FY27 power sector outlook, supported by strong demand growth amid prolonged summer conditions, delayed monsoons, higher cooling requirements, and improving industrial activity. Power demand grew 8.5% YoY in 1QFY27, with peak demand reaching 271GW in May and again in July. The medium-term outlook remains robust, with power demand expected to sustain a 5–6% CAGR and peak demand projected to reach ~388GW by FY32, driven by industrialization, urbanization, rising per-capita consumption, and increasing electrification. Policy support through PLI, ALMM, import duties, and schemes such as PM Surya Ghar and PM-KUSUM, coupled with growing demand from the US and Europe, is expected to strengthen domestic manufacturing capabilities and support a strong multi-year order pipeline.

Key takeaways from management commentary

AUTOMOBILES

- **Management teams remained positive on the underlying demand environment across vehicular segments, despite supply-chain disruptions arising from the West Asia conflict and recent price hikes implemented to partially offset commodity cost inflation. 2W OEMs now expect high-single-digit growth, while PV OEMs are guiding for double-digit industry growth. Despite near-term concerns around demand, CV OEMs anticipate strong double-digit volume growth in 2Q. Export momentum is expected to remain robust, although logistics disruptions are resulting in higher lead times. Commodity inflation were elevated in 1Q and is expected to persist in 2Q too. Consequently, most OEMs have undertaken price hikes to mitigate the impact on margins.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Demand outlook	Other takeaways from management interaction
Ashok Leyland	▪ Management indicated that domestic CV demand improved materially from June, with the momentum sustaining in July and remaining favorable in August. It expects 2Q industry growth to be stronger than the ~13-14% recorded in 1Q ▪ Even after assuming a more conservative second half, management believes the M&HCV industry can deliver high-single-digit growth in FY27, with an even stronger growth outlook for LCVs.	▪ Cumulative price increases since the beginning of FY27 were ~2.0-2.25% in MHCVs and more than 3.5% in LCVs. Management is evaluating another price increase before 2Q end and is also working on discount optimization to improve overall price realization ▪ Management currently expects commodity cost pressure to peak in 2Q, begin easing in 3Q and see a more visible turnaround in 4Q. 2Q is expected to be the most challenging quarter from a raw material cost perspective, based on management's current expectations.
Bajaj Auto	▪ Labor shortages, energy-supply constraints, and other operational disruptions collectively affected volumes by approximately 10-15%, with the impact concentrated in electric vehicles, premium motorcycles and exports. ▪ BJAUT plans to launch one new Pulsar model in the 150cc segment featuring new styling, electronics, colors, graphics and revised powertrain performance, along with 10 product refreshes in the 160-400cc segment, over the next six weeks. ▪ Management aims to increase monthly export volumes to ~250k units from 2QFY27 onward.	▪ For EV, demand continues to exceed supply, and the company is expanding capacity to support further growth. In the near term, BJAUT aims to expand capacities from 50,000 units per month to 60,000 units per month. ▪ EBITDA margin remained flat QoQ as favorable USD/INR realizations, an improved product mix, operating leverage and dynamic P&L management through judicious pricing and cost-saving initiatives offset the impact of higher input costs.
Eicher Motors	▪ Despite a higher base in 2H, management expects volume momentum to continue in the coming quarters on the back of enquiry and booking growth, lean inventory, planned product interventions, renewed marketing activity, and the planned production ramp-up. ▪ CV demand continued to grow across most segments despite external challenges and management remains positive on the demand trend in FY27.	▪ The first brownfield expansion module in Cheyyar became operational in July, taking the total capacity to 1.5m units per year. By the end of this brownfield by FY28, the total capacity would rise to 2m units pa ▪ Dealer inventory stood at only 10-12 days at the end of the quarter because retail demand had remained ahead of production. A further four to five days' worth of stock is typically held in depots and transit. The company is increasing direct billing to dealers to reduce the time spent in depots and secondary transportation.
Hero MotoCorp	▪ **Outlook**: Following the 14% volume growth achieved in 1QFY27, management expects growth momentum to continue in 2QFY27, before the growth decelerates over a high base of 2H. For FY27, management expects 2W industry to post high-single-digit growth. ▪ Motorcycle dealer inventory currently stands at about six weeks and is expected to gradually increase in the	▪ Overall, scooter production currently stands at ~65k units per month, with management targeting doubling of total capacity by FY27-end. EV manufacturing capacity has increased from 15k units per month in FY26 end to 30k units per month by 1Q end. Capacity is targeted to increase further to 45k units per month by the end of FY27.

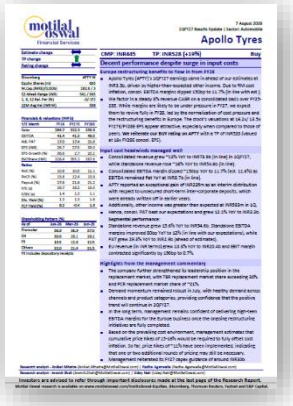
	coming months as dealers prepare for the festive season.	▪ Management expects commodity costs to witness only a marginal uptick in 2Q, which is likely to be offset by mix improvement and cost-cutting initiatives.
Hyundai	▪ Hyundai remains confident of delivering 8–10% YoY domestic volume growth and 8–10% export growth in FY27, despite the weak 1QFY27 performance. ▪ Export growth is expected to accelerate from 2QFY27, supported by the recovery in the Middle East volumes, continued momentum in Central and South America, new Venue exports, and wider availability of Exter LHD and Verna PE. ▪ Capacity expansion should support the growth outlook, with the Pune plant's third shift commencing in Oct'26.	▪ On profitability, management reiterated its 11–14% EBITDA margin guidance for FY27, with the recovery in margins likely to be supported by higher volumes, improved product mix, new model launches, lower initial discounts and better capacity utilization. ▪ The upcoming mid-size SUV is scheduled for launch during the festive season, while the second new model is also expected in 2HFY27. Both are expected to drive market share recovery and higher realizations due to low discounts.
M&M	▪ **Auto:** Strong demand continues across urban and rural markets, supported by healthy enquiry levels and sustained momentum across ICE SUVs, EVs and LCVs. Capacity expansion from 64.5k units to 68k units per month is expected to support festive season demand, although supply-chain bottlenecks continue to limit production at times. ▪ **Tractors:** The tractor channel inventory remains healthy at 30-40 days, with Swaraj operating below normal inventory levels due to temporary supply constraints.	▪ Auto SUV capacity is set to increase from 64.5k units per month (56.5k ICE + 8k EV) to 68k units per month (60k ICE + 8k EVs) by the end of 1HFY27. This is expected to further increase to 82k units per month (70k ICE + 12k EVs) by FY27 end. ▪ Management expects auto margins to recover gradually from 2Q through pricing actions, operating leverage, and cost optimization, while commodity prices remain the key monitorable. ▪ Farm profitability is expected to improve from H2 as seasonal demand strengthens and commodity inflation moderates.
Maruti	▪ **Demand outlook**: Management expects demand to remain strong and has maintained its guidance of 10% volume growth in the domestic market for FY27, which is likely to be constrained only by capacity. ▪ Order book stood at ~130k units by the end of 1Q (vs 190k units QoQ). Inventory levels stood at 13 days as of 1Q-end, below the optimum level of four weeks, indicating healthy demand macro	▪ The Kharkhoda plant commenced operations in May 2026, followed by the commencement of production at the company's fourth plant in Hansalpur in July 2026. With these additions, the company's total installed capacity has increased to 2.9m units pa. ▪ The company undertook a 50bp price hike in June, followed by another price increase in Aug. The benefits of these price hikes are expected to flow through to margins largely in 2Q.
Tata Motors PV	▪ The company aims to grow at a high double-digit pace and approximately twice the industry growth rate in the India business. ▪ JLR maintained its FY27 guidance despite the weaker-than-planned first quarter. However, the company acknowledged that execution pace will need to accelerate through the remainder of the year to offset the 1Q shortfall. The company remains focused on protecting margins, maintaining inventory discipline, delivering upcoming product launches, and strengthening its position in key premium markets, particularly North America	▪ The EBITDA margin was broadly flat YoY despite a significant commodity headwind of ~4.5% in 1Q. A further residual commodity impact of ~3% is expected in 2Q. A significant portion of commodity cost inflation will need to be offset by structural cost-reduction initiatives. ▪ The EV order pipeline continues to strengthen, with current bookings ~3.5x higher than Jan-Feb levels. While supply constraints limit the ability to fully meet current demand, TMPV is rapidly scaling up production capacity.
Tata Motors CV	▪ The company expects 2QFY27 to witness healthy double-digit YoY growth for the CV industry. However, growth trends from September onwards will need to be assessed against a higher base. ▪ TMCV expects to further ramp up exports in non-Middle East markets, including a significant increase in supplies under the Indonesia order.	▪ Key focus areas for 2QFY27 include managing commodity inflation, addressing supply chain constraints, accelerating truck growth, executing pending bus orders, and ramping up exports. ▪ EV financing trends are improving every month, supported by the offering of battery warranties beyond loan tenure, thereby improving customer confidence and financing availability.

	▪ Supply chain bottlenecks were observed in sheet metal, castings, and forgings due to strong demand. These constraints eased by the end of 1Q and are expected to further ease in 2Q.	▪ To mitigate commodity inflation, TMCV implemented a price increase of ~2.5% effective 1st Jul'26. The company expects continued pressure from commodities, particularly steel and rubber, in the near term.
TVS Motors	▪ Management expects the domestic two-wheeler industry to deliver double-digit growth in 2QFY27, with momentum likely to remain similar to or slightly better than 1Q despite uncertainties around monsoon progression and food inflation. ▪ Export markets are expected to maintain current growth rates or improve further, supported by capacity additions, expanding product offerings, and continued strength across Africa, Asia, and LATAM.	▪ Management expects to outperform industry growth across both domestic and international markets, supported by a strong product portfolio, premiumization, new launches, and capacity expansion. Dealer inventory continues to be tightly managed at 25-30 days. ▪ TVS will continue investing ~INR35b in new products and capacity expansion, increasing annual two-wheeler capacity from 6.8m units to 8.3m units, while three-wheeler capacity will rise from 250k to 420k units p.a. by the end of FY27.
BIL	▪ The company estimates its current market share at ~18-19% in India, 7-8% in Europe, and 3-4% in the US, with substantial opportunity for further penetration, particularly in the Americas. ▪ Management expects growth to continue in the Americas, supported by BKT's premium brand positioning, sharper go-to-market strategy, and significant headroom for market share expansion. ▪ Management remains focused on balancing volume growth with margin discipline, while leveraging expanded Carbon Black capacity to improve manufacturing efficiency and progressively scaling the On-Highway business.	▪ Dealer inventory across major export markets remains at normal levels, with management observing no meaningful pre-buying due to recent price increases ▪ About INR10b of capex has already been incurred in 1Q, with an additional INR15-20b planned during the remaining 9MFY27. Overall, growth capex is likely to taper off meaningfully from FY28 onwards.
BHFC	▪ Management indicated that the overall demand environment remains favorable despite cost escalations. India and the US continue to witness firm demand. In the EU, CV demand remains strong, while PV demand is stable. ▪ BHFC maintained its FY27 growth outlook of 20–25% for the Indian manufacturing business, with growth expected to be more pronounced in 2HFY27 and a sustained momentum expected even in FY28.	▪ Over the next five years, automotive growth is expected to be primarily led by new products from JSA and K-Drive, while growth in non-automotive businesses will likely be driven by defense, aerospace, power generation, semiconductors, data centers, and other industrial segments. ▪ The company plans to raise up to INR25b through either debt or equity to support organic growth and M&A opportunities.
SAMIL	▪ The company continued to outperform underlying automotive industry production across key markets through a combination of content growth, customer diversification and new program launches. ▪ During the quarter, three new manufacturing plants were commissioned. Management expects a total of ten new facilities to become operational during FY27, further supporting future growth and capacity expansion.	▪ It has also announced the acquisition of Shenzhen Autocruis (China), a manufacturer of advanced digital vision and monitoring systems for PVs/CVs. ▪ In the consumer electronics segment, the third manufacturing facility remains on track for commissioning in 3QFY27. Upon full ramp-up, the facility will have an annual manufacturing capacity of approximately 40m units.
ENDU	▪ Endu secured INR3.9b of new business wins in India during 1QFY27, excluding new Bajaj Auto orders. Of this, ~INR3.7b was replacement business, INR113m was EV-related, and INR803m was ICE business. Two-wheelers accounted for the bulk of wins at INR3.7b, while four-wheelers contributed INR186m.	▪ Endu has an aggregate capacity of 4.8m wheel sets p.a. (equating 9.6m wheels) across its Chakan and Bidkin facilities. The Chakan capacity is fully utilized, while the balance capacity is currently operating at around 60% utilization. The Bidkin alloy wheel plant remains in the ramp-up phase and has not yet reached optimal sales levels. Management expects optimum utilization by 3QFY27.

Apollo Tyres — Buy

Current Price INR 427

Click below for Results Update



Update on India business

- The India business delivered its highest quarterly revenue to date, driven by broad-based demand across end markets and product categories. The company continued to outperform the domestic tyre industry, recording double-digit growth across almost all product segments and gaining market share in key categories. Strong brand equity, coupled with enhanced consumer visibility through the company's BCCI sponsorship, contributed meaningfully to higher customer traction and incremental volumes.
- Volumes grew across all major channels, with replacement volumes growing by 13%, OEM volumes up 10%, and exports rising by 15% during the quarter.
- Excluding the TBB product category, every major product segment registered double-digit volume growth, highlighting the strength of the underlying demand environment.
- Sales of passenger vehicle tyres witnessed a significant improvement, supported by GST-related demand stimulus and higher brand visibility from the cricket sponsorship campaign.
- The company further strengthened its leadership position in the replacement market, with Truck & Bus Radial (TBR) replacement market share exceeding 30% and Passenger Vehicle replacement market share of ~21%.
- Approximately 12% of the revenue growth during the quarter was volume-led, while the balance was driven by pricing. Management indicated that the full benefit of price increases taken with OEMs will be reflected from 2QFY27 onwards.
- Advertising and sales promotion expenditure reduced by nearly 50% during the quarter following the completion of major marketing campaigns.
- Export performance remained healthy despite mixed regional trends. Europe continued to be the primary export market during the quarter, while exports to West Asia were adversely impacted by geopolitical disruptions. Demand from the US remained subdued as elevated inflation slowed dealer inventory liquidation, leading to slower sales to the US.
- Demand momentum remained robust in July, with healthy demand across channels and product categories, providing confidence that the positive trend will continue in 2QFY27.
- In response to rising input costs, the company implemented a 1-2% price increase in July and announced another ~2% increase in August. While the initial hikes will benefit 2Q, the complete pricing impact is expected to be realized during 2HFY27. The broader industry has also implemented similar price revisions. The company has also undertaken several cost optimization operations to offset RM cost inflation.

Europe business updates

- The Europe business recorded low-single-digit volume growth YoY during the quarter. The Passenger Car Radial (PCR) replacement business continued to outperform the market, delivering double-digit growth, significantly ahead of industry trends. Management expects this positive momentum to continue over the coming quarters.

- Revenue growth in Europe was partially impacted by strategic business transitions, including the migration of agricultural tyre production and the transfer of TBR manufacturing from Hungary to India.
- Sequential decline in agricultural tyre volumes was primarily attributable to the ongoing transition, with volumes declining by high-teens. Around 25% of the agricultural tyre business is currently fulfilled through off-take partnerships.
- Given the limited expansion potential at the Kalamassery facility, the company has adopted an off-take/outsourcing model for premium agricultural tyres rather than investing in a new dedicated manufacturing plant. The Enschede facility had ~20 metric tons per day of capacity in this segment, and setting up a new facility with similar capacity would not be economically viable.
- The closure of the Enschede manufacturing facility at the end of Jun'26 resulted in a temporary overlap of fixed costs and some revenue disruption during the quarter. These transitional costs are expected to normalize over time.
- Management indicated that, excluding the temporary overlap costs associated with the Enschede closure, the Europe business would have delivered EBITDA margins of ~11% during the quarter. The financial benefits from the Netherlands plant closure are expected to begin accruing from 2HFY27, improving both cost efficiency and profitability.
- The Enschede facility previously produced ~750,000 tyres annually, with a substantial portion of this production being transferred to the Hungary facility.
- Production of 14-15-inch passenger car tyres is also being shifted from Hungary to India. This transition began in Sep'25 and is expected to be fully completed by Sep-Oct'26.
- Post the ongoing capacity expansion, passenger car tyre capacity at the Hungary plant is expected to increase from approximately 17,000 tyres per day to around 21,000 tyres per day.
- Management expects recently introduced anti-dumping measures on China imports to support the European business over the medium term.
- Over the longer term, management remains confident of delivering high-teen EBITDA margins for the Europe business once the ongoing restructuring and capacity optimization initiatives are fully completed.
- Reifen financials: Revenue of EUR43m, EBITDA margin of around 3%.

Raw material updates and margin outlook

- Raw material costs in India increased by ~17% YoY in 1QFY27, while management expects a further ~8% QoQ increase in input costs in 2QFY27.
- In 1Q, the company implemented cumulative price increases of ~7-9%. After additional hikes announced in 2QFY27, the total hikes now stood at ~9% for TBR tyres and 11% across other product categories.
- Based on the prevailing cost environment, management estimates that cumulative price increases of ~15-16% would be required to fully offset cost inflation. Approximately 7-8% of the overall cost increase was attributable to INR depreciation. So far, price hikes of ~11% have been implemented, indicating that one or two additional rounds of pricing may still be necessary.
- Average raw material prices in India during the quarter were ~INR225/kg for natural rubber, INR250/kg for synthetic rubber, INR125/kg for carbon black, and INR160/kg for steel cord.

- Management expects domestic rubber prices to gradually correct over the coming quarters, which could provide meaningful cost relief for the industry.
- Cost inflation in Europe was relatively lower than India, with raw material costs increasing by ~8% during the quarter. However, the full impact will be reflected only in 2QFY27.

Update on capex and debt

- Consolidated net debt stood at ~INR17b as of 1Q end, with consolidated net debt-to-EBITDA ratio remaining stable at around 0.4x.
- Management reiterated its FY27 capex guidance of around INR30b, reflecting continued investments in capacity expansion and manufacturing optimization.
- Consolidated capex during 1QFY27 amounted to ~INR6.5b, of which nearly INR5b was invested in the India business.
- Capex is expected to accelerate over the remaining quarters of FY27 as several expansion projects enter execution.
- Management indicated that leverage is expected to increase moderately during the remainder of FY27 as capex spending intensifies, although the balance sheet is expected to remain comfortably positioned.
- The company has established manufacturing capacity for Spacemaster tyres at its Baroda facility, received OEM approvals, and expects commercial supplies to commence shortly.

Other highlights

- India manufacturing facilities operated at a healthy 91% capacity utilization in 1Q, reflecting strong domestic demand and efficient production planning.
- European manufacturing operations recorded an even higher 94% capacity utilization, despite ongoing capacity transfers and restructuring activities.
- The company secured multiple new OEM approvals for EV platforms, strengthening its positioning in the fast-growing EV segment and creating opportunities for future business wins.

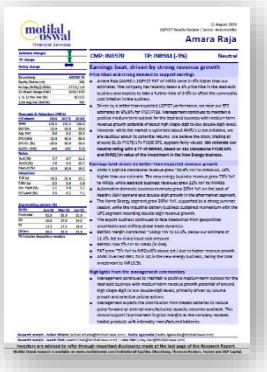
AMARA RAJA | ENERGY & MOBILITY

Amara Raja Energy — Neutral

Current Price INR 929

Click below for Detailed Concall Transcript & Results Update





1Q performance

- The lead-acid battery business continued to remain the primary contributor to revenues, accounting for ~95% of consolidated revenue during the quarter. The segment recorded revenue growth of ~22% YoY, driven by healthy demand across automotive, home energy, and industrial applications.
- The New Energy business witnessed robust growth of 70%+ YoY, generating revenue of approximately INR2.09b, driven by increasing demand for lithium-ion battery packs, particularly in telecom and three-wheeler applications. Lithium-ion telecom battery volumes grew ~50% YoY.
- Aftermarket revenues grew 15% YoY, while 2W OEM volumes grew 35%+ and PV OEM volumes grew 24% YoY.
- The home energy segment recorded growth of more than 50% YoY during Q1 FY27, driven by strong demand for tubular batteries and Home UPS solutions.
- The industrial lead-acid battery business reported modest revenue growth of ~2% YoY during Q1 FY27. Within the segment, UPS battery volumes grew by ~10% YoY, supported by healthy demand. However, telecom lead-acid battery volumes continued to decline due to the ongoing migration towards lithium-ion technology.

- The company's international automotive business declined by ~20% YoY during Q1 FY27 due to a volume drop in the Middle East market. Management expects recovery in these markets over the subsequent quarters.
- Trading revenue contributed ~15% of lead-acid battery revenue during the quarter, primarily due to the strong tubular battery season. Management indicated that the contribution from trading is expected to moderate in subsequent quarters as internal manufacturing capacity becomes sufficient to meet demand.
- The company witnessed a significant increase in input costs, particularly for sulphuric acid and poly materials. Although price increases were implemented during Q4 FY26, continued inflation in raw material prices during Q1 resulted in partial cost absorption. To offset the increase in input costs, the company implemented an additional price increase of ~3% during June'26. However, as RM prices continued to remain elevated, the company plans to undertake a further 2–3% price increase across product segments during the current month. Management indicated that if commodity prices stabilize at current levels, these price increases should largely compensate for the cost escalation but also mentioned that materials like poly, sulphuric acid and tin are showing a tendency of further price escalation.
- The company highlighted that operating margins were impacted by ~0.9% during the quarter due to strategic investments undertaken to strengthen long-term competitiveness, increased warranty and freight costs.
- During Q1 FY27, the company incurred approximately INR4.5b of capex of the planned INR17b for FY27, with the majority directed towards New Energy projects.

Update on new energy business

- ARE&M inaugurated its Customer Qualification Plant (CQP) during the quarter. The facility has multi-format and multi-chemistry capabilities and is expected to play an important role in accelerating customer qualification and improving manufacturing readiness.
- The company is currently developing 2170 NMC cylindrical cells and plans to supply B-samples to OEM customers after completing internal testing.
- While the company will continue to evaluate technology partnerships selectively, future collaborations will focus on areas where external expertise can complement internal capabilities.
- ARE&M's lithium-ion Gigafactory projects remain on track, with commercialization expected during 2QCY27 with initial capacity of 2GWh. Management indicated that the equipment for the 2GWh NMC line is expected to be delivered during Q3 FY27.
- Management clarified that the previously communicated target of 16 GWh capacity by FY30 remains a long-term strategic ambition; however, actual capacity expansion will depend on market demand, customer requirements, and product mix.
- Management believes the long-term opportunity remains attractive and aims to capture approximately 15–20% market share opportunity in the addressable lithium-ion cell market.
- It aims to spend INR2.5-3b in the new BESS plant, which is expected to commercialize in CY26 with a capacity of 10GWh. The company sees significant

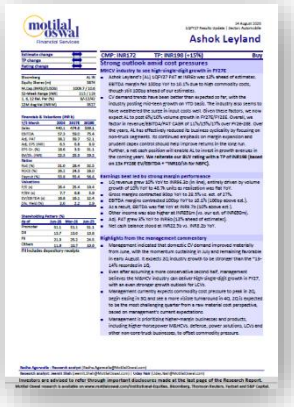
long-term potential in BESS due to increasing demand from renewable energy integration, grid-scale storage, and solar power projects. The company expects the BESS facility to achieve approximately 5 GWh utilization within six months of commissioning, depending on market demand and order inflows.

- Management expects BESS operating margins to be in the range of approximately 5–6% initially, with potential improvement towards 7–8% as localization increases.
- For the BESS business, management indicated that the expected cash conversion cycle is around 90–100 days, although the actual working capital requirement will depend on the customer mix, project structure, EPC payment terms, and credit arrangements for imported cell procurement.
- Management highlighted that certain critical lithium-ion raw materials, particularly cathode-related materials, will continue to be sourced from China.

Ashok Leyland

Click below for Detailed Concall Transcript & Results Update





Ashok Leyland — Buy

Current Price INR 174

1Q performance

- Domestic M&HCV industry volumes grew 13% YoY in 1Q, while the domestic LCV industry grew 17% YoY, based on Vahan registrations. Industry growth was relatively moderate in April-May due to fuel-supply disruptions, pricing-related factors and geopolitical uncertainty, before recovering sharply in June.
- For AL, M&HCV truck volumes grew 15% YoY to 22,998 units. AL outperformed the industry and reported a domestic M&HCV market share of ~29%. M&HCV bus volumes declined during the quarter as the company consciously stayed away from certain low-margin tender orders.
- Export volumes declined 18% YoY to 2,461 units, primarily due to geopolitical disruptions affecting production at the RAK assembly facility in the UAE. Labor constraints and disruptions to locally sourced components resulted in materially lower plant utilization during April and part of May. Strong growth in SAARC and Africa partly offset weakness in GCC markets, with management indicating growth of approximately 40-60% YoY in these regions.
- In the non-CV businesses, domestic aftermarket revenue grew 12.7% YoY, power solutions revenue increased 51% YoY, and defense revenue grew 64% YoY. Management indicated that the defense order book and the tender pipeline remain healthy, supporting continued growth.
- Capex during 1Q stood at INR1.5b, while investments were INR100m.
- The company ended 1Q with net cash of INR22.5b, an improvement of more than INR14.3b YoY.
- Switch Mobility delivered 225 electric buses and close to 300 electric LCVs during the quarter. Switch Mobility India also secured an order for 650 electric buses, taking its electric-bus order book to approximately 2,100 units.
- OHM Mobility's operational fleet increased to more than 1,900 electric buses, with over 500 buses added during 1Q. Management expects the business to move toward PAT breakeven in the near term.
- Hinduja Leyland Finance's (HLF) AUM increased 20% YoY to INR603b, while PAT rose 37% YoY to INR1.2b from INR890m in the year-ago quarter. Hinduja Housing Finance's AUM increased 13% YoY to INR161.6b, while PAT was broadly flat YoY at INR690m.

- The reverse-merger process, involving Hinduja Leyland Finance and NDL Ventures, continues to progress. The entities have received approvals from equity shareholders and unsecured creditors and will next seek NCLT approval, following which they will proceed with the merger and listing process.
- AL added 33 new touchpoints during 1Q across its M&HCV and LCV businesses, continuing to expand its sales and service network. New additions are being concentrated primarily in North and East India, where management sees meaningful headroom to improve penetration and market share. At the end of 1Q, the company had 2,137 touchpoints, comprising 1,177 M&HCV and 960 LCV touchpoints.
- The company launched an air-suspension solution for multi-axle trucks, which management described as an industry-first in India.

Update on domestic performance

- Management indicated that domestic CV demand improved materially from June, with the momentum sustaining in July and remaining favorable in August. It expects 2Q industry growth to be stronger than the ~13-14% recorded in 1Q.
- Even after assuming a more conservative second half, management believes the M&HCV industry can deliver high-single-digit growth in FY27, with an even stronger growth outlook for LCVs.
- Management believes GST optimization/recalibration has acted as a trigger for customers to accelerate fleet replacement by improving the economics of purchasing new trucks relative to continuing to operate older vehicles.
- The TCO advantage of newer vehicles has improved relative to older BS3/BS4 trucks, further supporting replacement demand. Lower interest rates, improved financing availability and higher infrastructure activity are also contributing to CV demand.
- Multiple additional product launches are planned during the remainder of FY27.
- Management expects the industry mix to progressively shift toward heavier vehicles as fleet operators respond to improving economics.
- AL's strategy remains focused on protecting profitability in heavy-duty tender buses while expanding its presence in the larger private medium-bus segment, particularly school and staff transportation applications.

Update on exports

- Management indicated that the company did not experience a material loss of retail sales in GCC markets. The main impact was lower wholesales and depletion of inventory at various points in the distribution chain.
- The UAE plant has resumed operations following stabilization of labor and component availability. Management indicated that the plant produced around 600 units in the latest month and is expected to progressively move back toward its peak run-rate of approximately 800 units per month. Because retail demand remains intact, management expects to rebuild dealer inventory and recover a meaningful part of the 1Q wholesale shortfall during the remainder of FY27.
- AL is seeking to accelerate its proposed manufacturing facility in Saudi Arabia. The original timeframe was ~18-24 months, but management is evaluating whether the project can be brought forward.

Update on margins

- Management acknowledged that raw-material costs increased in 1Q, but the entire increase did not flow through the P&L because AL consumed a major portion of its opening inventory, which had been produced at lower costs. ~20-

25% of 1Q requirements were met from opening inventory. This reduced the amount of higher current-quarter commodity costs recognized in 1Q P&L.

- Some of the commodity and overhead cost increases incurred in 1Q were capitalized into closing inventory rather than immediately recognized in P&L. These costs will flow through the P&L as the inventory is sold in subsequent quarters. Management expects the deferred inventory-related cost to affect subsequent quarters as vehicles are sold, but does not expect the effect to be particularly large.
- Cumulative price increases since the beginning of FY27 were ~2-2.25% in MHCVs and more than 3.5% in LCVs. Management is evaluating another price increase before 2Q end and is also working on discount optimization to improve overall price realization.
- Management is prioritizing higher-margin businesses and products, including higher-horsepower M&HCVs, defense, Power Solutions, LCVs and other non-core-truck businesses, to offset commodity pressure.

Other updates

- Capex is expected to increase further over the next two to three years as the company invests in new technologies, new products and portfolio white spaces. Management intends these investments to support the company's growth over the next five years.
- Management reiterated its plan to repay Optare-related debt rather than continue incurring interest expense. Approximately GBP80m of debt existed previously; part has already been repaid, leaving around GBP50m. The plan is to repay ~GBP25m in FY27 and another GBP25m in the following year.

Bajaj Auto — Buy

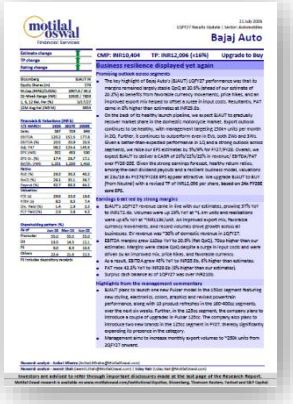
Current Price INR 11,700

Update on domestic two-wheeler segment

- Domestic two-wheeler retail volumes grew 14% in 1Q, led by electric scooters and the 150–400cc motorcycle segment, while the 100–125cc segment grew in low single digits. While domestic motorcycle retail volumes grew 7%, the 150cc+ segment grew by more than 20%.
- BJAUT's domestic sports motorcycle volumes grew at 50%, almost 1.5x the industry growth rate, supported by product interventions across the Pulsar range. The N and NS series contribute more than 60% of BJAUT's volumes in the 150cc+ segment.
- While BJAUT continues to do well in the 125cc+ segment, it is not actively participating in the 100cc segment due to the category's underperformance over the past few years.
- KTM and Triumph revenue grew 60% YoY in 1Q, while its retail network expanded to more than 90 towns. The combined portfolio holds a leading position in India's adventure motorcycle category.
- BJAUT's domestic motorcycle business, excluding KTM and Triumph, contributes approximately 25% of revenue. The overall domestic two-wheeler business, comprising domestic motorcycles, KTM and Triumph, and electric vehicles, accounts for approximately 40% of revenue.

Click below for Detailed Concall Transcript & Results Update




Bajaj Auto

- Labor shortages, energy-supply constraints and other operational disruptions collectively affected volumes by approximately 10-15%, with the impact concentrated in electric vehicles, premium motorcycles and exports.

Update on product launches

- BJAUT plans to launch one new Pulsar model in the 150cc segment featuring new styling, electronics, colors, graphics and revised powertrain performance, along with 10 product refreshes in the 160-400cc segment, over the next six weeks.
- Further, in the 125cc segment, the company plans to introduce a couple of upgrades in Pulsar 125cc. The company also plans to introduce two new brands in the 125cc segment in FY27, thereby significantly expanding its presence in the category.

Update on EV segment

- Electric vehicle revenue across two-wheelers and three-wheelers accounted for ~30% of domestic revenue in 1QFY27, up from ~15% in 1QFY26, despite capacity and supply constraints limiting growth. The combined electric two-wheeler and three-wheeler business is operating at a double-digit EBITDA margin, with Chetak now delivering positive EBITDA.
- Chetak volumes grew 80% YoY in 1QFY27, compared with industry growth of approximately 65%. The Chetak 2501 has performed well and contributes approximately 12% of volumes across the five-model portfolio.
- Demand continues to exceed supply, and the company is expanding capacity to support further growth. In the near term, BJAUT aims to expand capacities from 50,000 units per month to 60,000 units per month.
- Chetak has 530 exclusive stores across 850 cities and approximately 4,500 customer touchpoints. Management believes the exclusive store network can scale up to around 1,000 stores over the next few years.
- The three-wheeler segment, including e-rickshaws, grew 11% YoY in 1QFY27. Sales of electric autos doubled, and e-autos now account for 44% of the L5 segment. Management estimates the e-rickshaw or L3 category at approximately 45,000 units per month, with a sustainable addressable market of around 30,000–40,000 units per month. Around 90% of the e-rickshaw category currently uses lead-acid batteries, and management expects a migration from lead-acid to lithium-ion vehicles due to regulators being less supportive of lead-acid e-rickshaws.
- BJAUT has a 12-model electric three-wheeler portfolio covering passenger and cargo applications, from smaller e-rickshaws to larger vehicles, with different range requirements. It aims to upgrade customers from unorganized, lead-acid e-rickshaws by offering better quality, reliability and ownership experience.
- Update on exports
- Exports contribute ~40% of BJAUT's revenue at USD735m in 1QFY27.
- BJAUT sold 732k units in the export markets, having crossed the 700k mark in a single quarter for the first time in 1QFY27. The company continues to grow at ~2x the industry in its top 30 export markets, which contribute 80% of export volumes.
- Export volumes to Africa more than doubled YoY in 1QFY27, compared with ~50% growth for the industry. BJAUT's outperformance was supported by the upgraded Boxer 125cc, with the company holding approximately 60% retail market share.

- Volumes in Nigeria grew ~3x YoY despite logistical constraints and geopolitical challenges across the Middle East and North Africa region.
- Mexico recorded the highest growth within BJAUT's LATAM operations and remains the region's largest two-wheeler market, as well as one of the five largest globally. Retail volumes in Brazil grew more than 50% YoY.

Update on margins

- EBITDA margins remained flat QoQ as favorable USD/INR realizations, an improved product mix, operating leverage and dynamic P&L management through judicious pricing and cost-saving initiatives offset the impact of higher input costs. USD realization improved to INR94.4/USD in 1QFY27 from INR90.6/USD QoQ and INR85.6/USD YoY, helping mitigate the impact of input cost inflation.
- Input cost in 1Q was approximately 4.5% of revenue. Prices of aluminum, platinum and rhodium increased by around 40%, while steel prices rose approximately 10%; conversion costs also increased.
- Price increases implemented in April and June offset ~50% of the raw material cost impact, with favorable currency realizations providing an additional cushion.

Other highlights

- The spares business generated revenue of ~INR17-18b.
- BJAUT is expanding capacity by ~25% across electric 2Ws/3Ws, premium motorcycles and three-wheelers, increasing its total annual capacity from 7m units to 9m units.
- Free cash flow generation reached INR23b in 1QFY27, doubling YoY and representing approximately 80% cash conversion of PAT. The company has surplus cash of approximately INR210b, of which INR100b will be distributed through dividends and the share buyback. Management expects the surplus cash balance to rebuild to ~INR150b by the end of FY27.
- BACL – Revenue stood at INR11b with PAT of INR2.27b. AUM crossed INR200b (+70% YoY) with capital adequacy ratio of 19% and RoE at 25%+.

Balkrishna Inds — Neutral

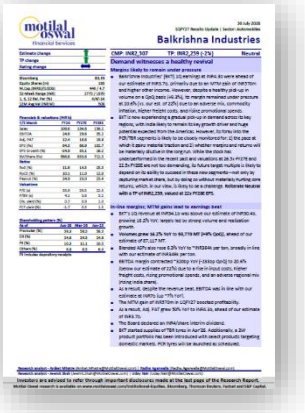
Current Price INR 2,367

Regional performance updates

- The company delivered the highest-ever quarterly sales volume in the Off-Highway (OHT) segment, with volumes increasing 16% YoY to 93,770 MT, supported by healthy demand across key geographies and end markets despite persistent geopolitical and supply chain disruptions.
- Europe witnessed a stable operating environment, aided by a favorable agricultural season and a low base. Management continues to work closely with channel partners to strengthen market share, which currently stands at ~7–8%, while dealer inventory levels remain at normal levels with no evidence of channel stocking.
- India delivered an exceptionally strong performance despite a high base, driven by sustained market share gains, an expanding product portfolio, and robust infrastructure-led demand. Growth was broad-based across agriculture, mining and industrial, and construction applications, supported by both replacement demand and increasing mining activity.

Click below for Detailed Concall Transcript & Results Update




Balkrishna Industries

- India now accounts for ~40% of total OHT volumes, reflecting the strong domestic demand environment. While domestic margins remain marginally below export margins, the gap has narrowed significantly compared to earlier years.
- The Americas showed improving momentum, led by the US, following stabilization of tariff rates at 10%. Management expects growth to continue, supported by BKT's premium brand positioning, sharper go-to-market strategy and significant headroom for market share expansion.
- BKT estimates its current market share at approximately 18-19% in India, 7-8% in Europe, and 3-4% in the US, with substantial opportunity for further penetration, particularly in the Americas.
- Dealer inventory across major export markets remains at normal levels, with management observing no meaningful pre-buying due to recent price increases.

Raw material and margin updates

- EBITDA margin stood at 20.6% (-320bps YoY), impacted primarily by higher raw material costs arising from geopolitical disruptions, supply chain constraints, and elevated freight costs.
- Higher contribution from the Indian business, which carries slightly lower margins than exports, also had a modest impact on consolidated profitability.
- The company implemented ~5% cumulative price hikes across different markets during 1Q, with the full benefit expected to flow through from 2Q onwards, partially mitigating input cost inflation.
- Management expects raw material inflation to continue through 2Q and partly into 3Q, with raw material costs expected to increase by ~5%, translating into an estimated ~3% impact on sales realization. As a result, management expects ~2% margin pressure to persist in the near term if current cost conditions continue.
- Freight costs remain elevated amid ongoing geopolitical uncertainties. While rates had briefly moderated, management expects additional pressure if disruptions persist, and will evaluate further pricing actions as required.
- EUR rate for the quarter stood at INR102.

Updates on Carbon Black

- The Carbon Black business recorded healthy YoY volume growth, with third-party sales contributing ~10% of revenue during the quarter.
- BKT successfully commissioned Phase II of the Carbon Black plant, increasing installed capacity to 360k MTPA, supported by an investment of INR8b.
- Captive power generation capacity expanded from 40 MW to 64 MW at an investment of INR1.25b.
- Management expects geopolitical developments and higher crude oil prices to drive further increases in Carbon Black input costs, with corresponding price increases likely across the industry to protect profitability.
- Demand outlook for the Carbon Black business remains robust despite the expected pricing volatility.

On-highway segment updates

- Commercial operations commenced during 1Q with the establishment of the distribution network and channel infrastructure, marking the company's formal entry into the TBR and 2W segment.
- Initial market response to the newly launched truck and bus radial products has been encouraging.

- BKT also launched the two-wheeler tyre portfolio in the domestic market, with early customer feedback remaining positive across selected products.
- Additionally, BKT introduced the 'YOU Forward' 24x7 roadside assistance program for two-wheeler customers, which positioned the company beyond product sales towards lifecycle customer support and enhanced brand engagement. Early customer adoption has met management's expectations.
- 1Q was largely focused on building the distribution ecosystem, seeding products and establishing operating systems, with a gradual sales ramp-up expected from 2Q onwards.
- Management reiterated its long-term target of achieving INR50b revenue from the On-Highway business by FY30, with FY27 dedicated to portfolio expansion and FY28 onwards expected to witness meaningful business scale-up.

Updates on capex

- Approximately INR10b of capex has already been incurred in 1Q, with an additional INR15-20b planned during the remaining 9MFY27.
- Management reiterated that the overall expansion plan through FY30 remains unchanged, with a total planned capex of approximately INR68b, of which around INR38b has already been invested.
- Of the balance INR30b, about INR 15-20b is expected to be invested in 9MFY27.
- Thus, growth capex is likely to taper off meaningfully from FY28 onwards.

Other updates and guidance

- Management remains focused on balancing volume growth with margin discipline, while leveraging expanded Carbon Black capacity to improve manufacturing efficiency and progressively scaling the On-Highway business.
- Near-term operating environment remains uncertain due to geopolitical developments, supply chain disruptions, vessel and container availability, elevated freight costs, adverse weather conditions in Europe, and an uneven monsoon outlook in India.
- Gross debt stood at INR46.9b, with cash and cash equivalents at INR29.65b, resulting in a net debt of approximately INR17.25 as of June quarter-end.
- The Board declared a first interim dividend of INR4 per equity share.

Bharat Forge — Neutral

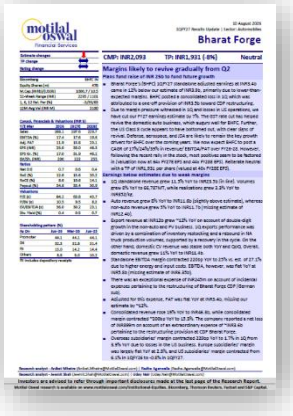
Current Price INR 2,065

1Q highlights

- Escalation in energy prices, other input costs, and logistics had an overall impact of ~160bp on EBITDA margin. Management continues to work with customers to recover these indirect cost increases. Normalizing for these pressures, EBITDA margin would have been ~28% in 1Q, according to management.
- Management expects EBITDA margin to continue recovering QoQ in 2Q as cost pressures ease and recovery mechanisms with customers progress.
- Operations faced supply chain challenges during the middle of 1Q due to energy-related disruptions and manpower shortages across several sub-suppliers. Despite these constraints, the company maintained production and delivery schedules and expects execution to improve going forward.
- Manpower availability across the supplier ecosystem has improved, with management indicating that requirements have already reached ~75% of normal levels.

KALYANI BHARAT FORGE

Click below for Results Update


Bharat Forge

Update on Fund Raise

- The company plans to raise up to INR25b to support organic capex and M&A opportunities.
- Management has earmarked an INR18b capex program over the next 18 months to support capacity expansion across existing businesses sectors, including large engines, power generation, semiconductor components, aerospace, and defense energetics. The capex plans will enhance capacities across forging, machining, and heat-treatment capabilities for both automotive and non-automotive applications, with estimated asset turn in excess of 1.5x.

Update on order wins

- During the quarter, the forging business secured new orders worth INR5.22b, defense won INR6.81b of orders, and the ferrous casting business secured ~INR1.5b of new orders. The outstanding defense order book stood at INR112b as of June 30, 2026.
- The company signed its largest-ever naval order for 12 Marine Gas Turbine Generator sets with the Ministry of Defense. Bharat Forge's naval presence is expanding beyond shafting and propellant-related products into power-generation systems. Management expects the Indian Navy to become a larger customer, supported by the announced program to build ~140 new ships.

Business outlook

- Management indicated that the overall demand environment remains favorable despite cost escalations. India and the US continue to witness firm demand. In EU, CV demand continues to remain strong, while PV demand is stable.
- Management maintained its FY27 growth outlook of 20–25% for the Indian manufacturing business, with growth expected to be more pronounced in 2HFY27. This is expected to be followed-up with strong growth even in FY28.
- Business sentiment in North America is being supported by higher corporate capex, which is driving demand across construction, mining, data centers, and power systems.
- Over the next five years, automotive growth is expected to be driven primarily by new products from JSA and K-Drive, while growth in non-automotive businesses will likely be driven by defense, aerospace, power generation, semiconductors, data centers, and other industrial segments.

Update on defense/aerospace segment

- The company plans to invest in a defense energetics facility in Andhra Pradesh for shell filling, propellants, and other energetics used in defense applications. This facility is planned as a modular plant, allowing capacity to be expanded progressively as demand scales.
- The company has applied for the required license of explosives for the Andhra Pradesh energetics facility but has not yet received approval.
- Management expects the defense business to expand across a wider range of products and applications as new programs move into production. A new defense facility is expected to enter serial production during FY27 and will support deliveries of assault rifles and CQB carbines to the Indian Armed Forces.
- Once the final ATAGS approval is received, management expects production to ramp up within 2–3 months. Approval has been delayed by a few weeks due to procedural issues.

Update on semiconductor/data center segments

- Management targets USD30–40m of semiconductor-related revenue organically over the next two years. The company expects the semiconductor business to potentially double again beyond this level as additional machining lines come onstream.
- On the data center space, BHFC has been supplying components to the data center ecosystem for ~18 years. The company already has long term contracts in the data center segment and is adding capacity to service the expected increase in demand. Management expects the data center business to double over the next four years.

Update on overseas business

- The US steel forging operation suffered a major maintenance breakdown during 1Q, resulting in almost three months without production. Management expects performance and margins to improve as the plant resumes normal operations.
- Management indicated a normalized EBITDA margin aspiration of about 12% for the US steel business and around 15–16% for the US aluminum business.

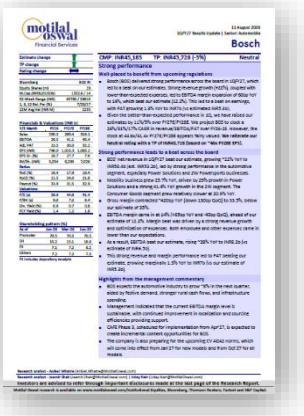
Update on CDP restructuring

- The company plans to close its European CDP entity around 2Q–3QCY27. The entity will cease to exist after restructuring, and a sizeable portion of the remaining orders will be transferred to India and supplied from India at better margins.
- Not all European CDP orders will move to India because some programs/products are already being phased out. The remaining live business is expected to migrate to India at or before the plant closure.

BOSCH

Click below for Detailed Concall Transcript & Results Update





BOSCH — Neutral

Current Price INR 48,360

Overall guidance and outlook:

- BOS expects the automotive industry to grow ~8% in the next quarter, aided by festive demand, stronger rural cash flows, and infrastructure spending.
- Over the medium term, BOS expects volume growth, premiumization, product-mix improvement, and new technology introductions to remain the key drivers of revenue growth across its mobility portfolio.
- Management indicated that the current EBITDA margin level is sustainable, with continued improvement in localization and sourcing efficiencies providing support. BOS' global purchasing organization is also helping mitigate commodity and sourcing volatility.
- The company continues to increase localization and expects the localization trajectory to remain favorable over the coming quarters.
- Export revenue currently accounts for ~8-8.5% of overall revenue, with management targeting a gradual increase in this contribution over the next few years.

Segmental Updates:

Power Solutions Business

- The Power Solutions business delivered 29% YoY growth in 1QFY27, significantly outperforming the broader automotive market and emerging as the largest contributor to mobility growth.

- Growth was broad-based across passenger vehicles, commercial vehicles, tractors and off-highway applications, supplemented by new product introductions launched over the past two quarters.
- BOS expects the Power Solutions business to maintain its strong growth trajectory, with upcoming regulatory changes providing additional opportunities.
- CAFE Phase 3, scheduled for implementation from Apr'27, is expected to create incremental content opportunities for Bosch.
- The company is also preparing for upcoming commercial vehicle regulations, including the CV ADAS norms, which will take effect from Jan'27 for new models and from Oct'27 for all models.

2W and Powersports Business

- The two-wheeler and powersports business recorded 41.4% YoY growth in 1QFY27, supported by higher volumes, value-added EMS products, premium motorcycle platforms, and sustained demand from major domestic OEMs. Sequentially, the business grew 20.5%, driven by higher production volumes at two-wheeler OEMs and replenishment of channel inventories.
- BOS' advanced safety systems were integrated into the first electric motorcycle of a leading two-wheeler manufacturer for commercial launch, highlighting its growing presence in EV-related technologies.

Aftermarket Business

- The mobility aftermarket business grew 9.6% YoY in 1QFY27, while sequential growth stood at 8.7%, marking a significant improvement from the subdued growth witnessed during the previous year. Lubricants, wiper systems, and spark plugs were the key contributors to growth.
- The independent aftermarket business was particularly strong and achieved its highest-ever monthly sales in June, with growth led by lubricants, batteries, spark plugs, braking systems, and rotating machines.
- Management attributed the improvement to strategic corrections made over the past year, including a stronger go-to-market approach, better product positioning, and an accelerated workshop-program rollout.
- BOS is rapidly expanding its workshop program, which management expects will remain an important driver of sustainable aftermarket growth.

Consumer business

- The consumer business, primarily represented by power tools, grew 20.9% YoY in 1QFY27, supported by strong demand for tools and marketing initiatives. Sequentially, however, the business declined 15.7%, primarily due to seasonal factors.
- Demand was particularly driven by the construction and automotive sectors, supporting sequential improvement in the underlying business momentum.
- Online sales channels continued to contribute significantly to overall sales.
- BOS remains focused on driving cordless conversion, expanding its product portfolio, and increasing penetration among key users and SMEs.
- The company expects new product introductions and greater market reach to support growth in the consumer business over the medium term.

Update on Bosch Chassis Systems:

- BOS completed the acquisition of Bosch Chassis Systems business in July'26, with the business expected to be consolidated into Bosch Limited from 2QFY27 onwards.
- Management sees limited cost synergies from the transaction, as the acquired business is already operating efficiently. The primary rationale is to expand BOS' product portfolio rather than cost optimization.
- The acquired business has a strong existing order book, good market share, and attractive growth and profitability characteristics, which management expects to contribute meaningfully to Bosch Limited going forward.

Update on JV with TSF:

- BOS is in the process of establishing a joint venture with TSF Group for air systems, operating out of Chennai.
- The transaction is currently in the final stages of obtaining merger-control and other regulatory clearances across relevant jurisdictions.
- BOS expects the JV to begin generating revenue by late FY27.
- The JV is expected to begin engaging more actively with customers by the end of 2QFY27.

Tata Autocomp JV:

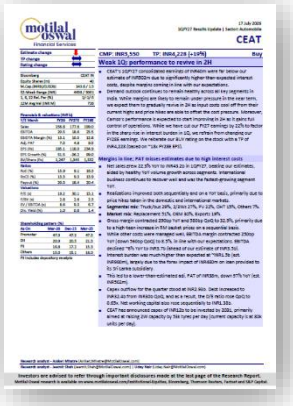
- BOS is setting up a joint venture with Tata AutoComp, which will manufacture e-axles and will be based out of Nashik.
- The JV is currently in the final stages of merger-control and other regulatory approvals. Management expects the JV to become operational and begin contributing revenue by late FY27.
- The company indicated that the JV has been formed against a healthy order pipeline from both BOS and Tata AutoComp.

CEAT — Buy

Current Price INR 3,537

Click below for Detailed Concall Transcript & Results Update





Result performance

- Consolidated revenue increased 22.3% YoY to INR 43.2b, driven by robust volume growth and favorable pricing across segments. Approximately two-thirds of revenue growth was volume-led, with the balance contributed by price/mix improvements.
- Standalone volumes grew ~13-14% YoY, supported by broad-based growth across replacement, OEM and international businesses. Replacement demand grew in the mid-teens, OEM in the low teens, while international business expanded by ~30% YoY.
- Replacement business remained the key growth driver, with double-digit growth in PC/UV tyres, high single-digit growth in 2Ws, double-digit growth in TBR, and high-teen growth in farm tyres, aided by strong rural demand.
- OEM performance was led by record PV tyre volumes, driven primarily by premium 17-inch+ fitments, while farm tyres posted high single-digit growth, 2Ws recorded mid-single-digit growth and truck bus OEM volumes remained largely flat.
- International business delivered robust growth across most segments despite disruptions in the Middle East, supported by strong momentum in passenger car, two/three-wheeler and agriculture tyres, while truck and bus exports grew in single digits.

- While consolidated margins were in line with estimates, PAT declined sharply to INR40m and was impacted by sharp rise in interest burden, led by MTM loss of ~INR480m arising from Sri Lanka currency depreciation vs USD on the forex loan of USD80m provided to its Sri Lanka subsidiary by the parent.

Update on demand outlook

- Demand remains healthy across most segments, supported by strong rural consumption and the structural tailwinds from GST-led reforms. However, management expects demand to moderate in the near term due to elevated tyre prices, rainfall deficit risks arising from El Niño, and supply chain disruptions linked to the ongoing West Asia conflict.
- Replacement demand is expected to remain resilient, with MHCV and PV tyres projected to grow in the mid-single digits and two-wheeler tyres in the high single digits, supported by consumption levels that have already surpassed pre-COVID levels and continued strength in rural markets.
- OEM demand continues to remain robust across key segments. Management expects MHCV OEM demand to grow in the mid-to-high single digits, while passenger vehicle and two-wheeler OEM demand are expected to register double-digit growth, supported by healthy production schedules and continued premiumization.
- International business outlook remains positive, backed by a strong order book despite disruptions in the Middle East. While sales to the region remains subdued due to geopolitical tensions, demand recovery across other geographies is expected to support growth, with particularly healthy traction in passenger car, two/three-wheeler and agriculture tyre segments.

Update on raw materials

- Raw material costs increased sharply, rising 16-18% QoQ in Q1 due to elevated natural rubber prices, crude-linked derivatives, and rupee depreciation.
- Natural rubber prices remained at multi-year highs, with domestic prices at ~INR280/kg, the highest level in over 15 years and trading at an INR15-20/kg premium to international prices.
- Management expects raw material inflation to remain elevated in 2Q, with an additional 8-10% cost increase over 1Q, primarily due to higher opening inventory costs, elevated rubber prices, and currency depreciation.
- Commodity prices are expected to stabilize only after easing of geopolitical tensions in West Asia.
- The company implemented multiple price hikes to offset RM inflation: 1) Replacement segment saw an ~11% cumulative increase till July (7-8% in 1Q), with an additional 4-6% planned during July-August, 2) OEM segment saw a 3% increase implemented in 1Q, followed by further index-linked increases from July, and 3) International business saw a 5-7% price increase.

Update on Camso

- Camso reported negative operating margins in 1Q, driven by upfront investments in warehouses, offices, systems, and employee hiring across Europe before meaningful revenue generation. Management expects operating performance to improve over the next 1-2 quarters as the customer transition is completed.

- Integration is progressing as planned, with ~60% of customers transitioned by end-Q1 and ~90% expected by end-Q2, enabling CEAT to directly manage customer relationships from 2HFY27.
- The current business is operating at a ~USD10m monthly revenue run-rate (at customer prices), although reported revenue remains lower as Michelin continues to handle part of the customer interface during the transition.
- Customer transition is expected to materially improve revenue realization from 2HFY27 as CEAT begins invoicing customers directly rather than supplying through Michelin.

Capex and debt

- CEAT incurred INR2.9b of standalone capex in 1Q, primarily towards capacity expansion, while maintaining high utilization across most manufacturing facilities.
- The company maintained FY27 capex guidance of INR13-14b, focused on capacity augmentation to support future demand.
- Working capital increased in 1Q by ~INR1.4b due to higher raw material inventory maintained to mitigate supply chain disruptions, along with temporary GST credit accumulation expected to normalize over the next two quarters.
- Consolidated debt increased to INR32.4b, with Net Debt/EBITDA at 1.6x and Debt/Equity at 0.65x, reflecting a comfortable leverage position despite ongoing investments.
- To reduce forex risk and interest burden at the Sri Lankan subsidiary, the Board approved conversion of USD24.5m of debt into equity, improving the capital structure and lowering future currency-related volatility.

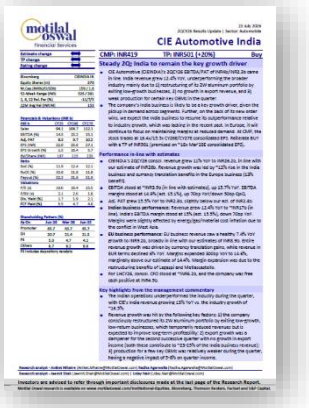
CIE Automotive — Buy

Current Price INR 407

CIE Automotive

Click below for Detailed Concall Transcript & Results Update




motilal oswal Financial Services

CIE Automotive India

India performance update

- The Indian operations underperformed the industry during the quarter, with CIE's India revenues growing at 13%, which compares to industry growth of ~16.5%.
- Growth was driven by an 18% rise in gears, 17% in composites, and 16% in stampings.
- Revenue growth was hit by the following key factors: 1) the company consciously restructured its 2W aluminum portfolio by exiting low-growth, low-return businesses, which temporarily reduced revenues but is expected to improve long-term profitability; 2) export growth was a dampener for the second successive quarter with no growth in export income (both these contribute to ~23-25% of the India business revenue); 3) production for a few key OEMs was relatively weaker during the quarter, having a negative impact of 5-6% on quarter income.
- EBITDA margins declined by ~80bps during the quarter. Management expects this temporary impact to be fully recovered over the next two quarters through operating leverage, improved product mix and execution of new business.
- Raw material inflation remained largely benign in India. Steel prices continued to remain stable, while aluminum prices increased during the quarter. However,

the impact of higher aluminum costs is expected to reflect only from the next quarter due to contractual pass-through mechanisms.

- CIE secured approximately INR5b of new orders during 1HCY26, in line with its internal expectations and annual order win targets.
- The company is ramping up production for a large American customer, backed by an order worth nearly INR2bn, which will require expansion of its iron casting capacity to support future volumes. Dispatches have begun, with revenue recognition to take place from the next quarter.
- The company plans to focus on four key segments:
- The company continues to focus on forgings for BS-VII emission norms, which are expected to be implemented around CY28 and are likely to create meaningful content expansion opportunities.
- 4W aluminum forgings remained an important long-term growth area. While the business currently forms a small part of the portfolio, management expects it to scale meaningfully over the coming years.
- The company has secured a large export order in iron castings, which will support capacity expansion and improve export revenues going forward.
- EV-related opportunities within the composites segment continue to remain a key growth driver due to increasing light weighting requirements.
- Management indicated that magnets remain a relatively low strategic priority, with limited incremental investments planned.
- Similar to magnets, the plastics business is not a strategic priority, with management focusing capital allocation on higher-growth and higher-return segments.

Europe performance update

- Revenue from the European operations was impacted by developments at one of its key customers, GKN. A change in ownership and revised sourcing timelines resulted in nearly a 20% decline in revenues from this business. Management highlighted that this was a relatively low-margin program.
- Management expects the European automotive industry to decline by 2-3% in CY26, reflecting weak demand conditions across the region.
- Chinese OEMs continue to strengthen their presence in Europe, particularly in the plug-in hybrid (PHEV) and hybrid vehicle segments. The tariff measures
- introduced by Europe have largely targeted ICE vehicle imports, while plug-in hybrids have remained relatively unaffected, allowing Chinese manufacturers to continue gaining market share. ・Chinese OEMs currently account for nearly 10% of the European plug-in hybrid market, and management expects this share to increase further. At present, Chinese manufacturers have limited local supplier ecosystems in Europe.
- Chinese manufacturers are reportedly evaluating acquisitions of European manufacturing facilities, including Volkswagen plants, to localize production and mitigate tariff-related risks. CIE intends to actively participate in this transition and plans to supply to Chinese OEMs as and when they establish manufacturing operations in Europe.

Update on Metalcastello

- Management reiterated that Metalcastello continues to perform strongly and does not face any operational challenges.

- The business generated quarterly revenues of ~EUR17m, up nearly 15% YoY, supported by continued strength in its precision gear business and export demand.
- This business has been able to maintain a healthy EBITDA margin of around 20%.

Capex updates

- During the quarter, the company also commissioned three new forging presses
- the Bill Forge plant, adding incremental capacity to support future growth.
- The stampings business continues to witness healthy demand, with a new stamping line that is expected to commence SOP by mid-CY27.
- CIEINDIA incurred approximately INR2.1b of capex during 1HCY26, with the majority of growth investments directed towards growth capex for Indian operations.
- Management indicated that capex deployment will accelerate significantly during 2HCY26, as multiple approved projects enter execution.
- The company is expanding capacity across all segments except magnets.
- The company is expanding its Chakan and Bengaluru forging facilities to cater to recently secured customer programs.
- They are already investing in a machining project for its iron casting business. Management is also evaluating brownfield expansion in casting and moldings capacity at its iron foundry operations, along with additional expansion opportunities across multiple business verticals, including potential greenfield projects.

Craftsman Automation — Neutral

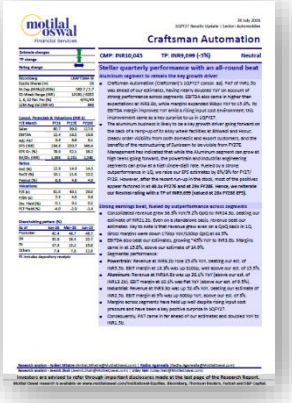
Current Price INR 10,778

Update on the overall business and outlook

- The company remains constructive on the medium-to-long-term outlook, highlighting that India has entered a structural manufacturing capex cycle led by OEMs as well as Tier-1 and Tier-2 suppliers, creating significant growth opportunities for component manufacturers.
- Customer enquiries remain healthy across businesses, prompting the company to continue investing ahead of demand while retaining flexibility in execution amid global macro uncertainties.
- Capacity utilization remains healthy, with the aluminum business operating at over 80% utilization and the powertrain segment averaging around 70%, providing scope for incremental operating leverage as volumes improve.
- The industrial business is witnessing sustained demand across material handling systems and storage solutions, supported by the domestic industrial capex cycle. Management expects the improved profitability in this segment to be sustainable rather than a one-off quarterly spike.
- Raw material cost increases, particularly aluminum prices, are likely to remain pass-through in nature. While timing varies across customers, management expects all customers to eventually align pricing with higher input costs.
- Sunbeam's restructuring is mostly complete and is expected to be concluded by Dec'26. The company expects sequential improvement in profitability from Q2 onwards, targeting mid-teen EBITDA margins by Q4FY27.

Click below for Detailed Concall Transcript & Results Update




Craftsman Automation

- The exit from low-margin legacy businesses at Sunbeam is being offset through replacement orders and business transfers from Craftsman, resulting in improved value addition, operating leverage and profitability despite a 10-20% decline in revenue.

Update on powertrain business

- The conventional powertrain business has returned to normal operating levels after a softer phase, with management expecting current demand trends to continue.
- The heavy horsepower (stationary engine) program remains firmly on track, with the company reiterating its target of USD100m revenue by FY30. The initial opportunity has already been secured through orders from five global customers, while discussions with a sixth customer are in the final stages.
- Pilot supplies of machining have commenced for two customers, with validation of castings currently underway. Revenue contribution is expected to begin from FY28, while the business is expected to achieve its full revenue potential during FY30.
- Craftsman highlighted that the biggest hurdle, i.e., customer qualification and supplier approval, is now behind after nearly four years of joint development, notably reducing development timelines for incremental programs.
- Future orders from existing customers are expected to move from development to production within around two years, compared with nearly four years for the initial programs, improving the pace of order execution from here on.
- Management is witnessing increasing enquiries for additional product lines from existing customers, which could create revenue opportunities beyond the initial USD100m target from FY31 onwards.
- Current production is largely focused on general engineering castings, with automotive-related heavy horsepower programs expected to ramp up gradually over the next few quarters as capacity utilization improves.
- Development costs and start-up expenses for the heavy horsepower business have largely been absorbed over the last few years and are already reflected in reported profitability.
- Although margins may remain temporarily subdued during the initial capacity ramp-up due to lower utilization and higher depreciation, management expects return ratios to converge with the existing powertrain business over the next couple of years as operating leverage improves.

Update on the aluminum business

- Aluminum remains the company's fastest-growing business and is expected to continue outperforming the other segments in both absolute and percentage growth over the coming quarters.
- Growth is being driven by significant investments undertaken over the past few years, while several recently commissioned capacities are still in the ramp-up phase, providing a multi-quarter growth runway.
- The company continues to secure a healthy pipeline of orders across varying timelines, with some programs entering production over the next few quarters while larger development programs are scheduled for commercialization over FY29 and beyond.

- Combined alloy wheel capacity stands at 5.8m wheels, with production expected to touch or exceed 4m wheels during FY27 across the Hosur and Shool Agriculture facilities.
- The company does not intend to undertake a major alloy wheel expansion immediately and will only add incremental capacity once utilization sustainably exceeds the 80% threshold.
- The newly announced Hosur Unit will be dedicated to high-pressure die-casting components for automotive applications across both two-wheelers and four-wheelers, rather than alloy wheels.

Update on capex guidance

- Craftsman expects to incur standalone capex of around IN10b during FY27, broadly in line with its recent investment trajectory.
- The Board has approved an expansion plan of approximately INR4.3b in DRA, which will be executed in phases depending on order inflows and production timelines. Some expenditure may spill over into the following year based on demand.
- Sunbeam's investments will largely remain restricted to maintenance capex and selective capacity additions, with no major expansion planned.
- On a consolidated basis, management indicated a conservative FY27 capex estimate of around INR15b, while leaving room for upward revision should business momentum remain strong during Q2 and Q3.
- Management highlighted that greenfield projects now involve significantly higher upfront infrastructure investments, with land, buildings, utilities and plant infrastructure alone requiring INR1-2.5b before installation of production equipment.
- A significant portion of powertrain capex will be directed towards the heavy horsepower/stationary engine business, including foundry capabilities, while aluminum investments will support continued capacity expansion across multiple locations.
- Despite the elevated capital intensity, management expects robust revenue growth and EBITDA expansion to preserve healthy return ratios as new capacities are ramped up.
- The company reiterated that future capex will be funded primarily through internal accruals, with no requirement to raise equity capital while maintaining a comfortable debt-to-EBITDA profile.

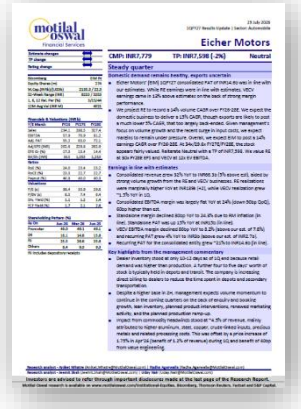
Eicher Motors — Neutral

Current Price INR 7,962

Update on domestic demand

- Domestic volumes grew about 32% YoY, while retail growth was around 20%. Further, bookings, showroom walk-ins and telephonic enquiries grew slightly faster than volume growth, indicating a healthy demand momentum.
- Classic 350, Bullet 350, Hunter 350 and Meteor 350 collectively grew about 34% YoY in Q1 FY27, outperforming the broader industry.
- The 450cc and 650cc volumes have returned to pre-GST volume levels; demand had previously been affected by the higher GST burden. RE launched the

Click below for Detailed Concall Transcript & Results Update


Eicher Motors

Guerrilla 450 Apex variant and Bullet 650, which also supported category growth.

- RE began customer deliveries of the Flying Flea C6, its first electric motorcycle under the Flying Flea city-plus mobility brand, from its initial store in Jayanagar, Bengaluru. The company delivered more than 100 motorcycles in the first two months of the launch, with initial buyers being in the age group of 25-30 years.
- The company plans to add five touchpoints in Bengaluru for its EV brand, followed by another five, taking the city network to around 10 locations over the next two months. After that, RE plans to enter six additional identified markets in the coming quarters.
- Dealer inventory stood at only 10-12 days at the end of the quarter because retail demand had remained ahead of production. A further four to five days' worth of stock is typically held in depots and transit. The company is increasing direct billing to dealers to reduce the time spent in depots and secondary transportation.
- Despite a higher
- base in 2H, management expects volume momentum to continue in the coming quarters on the back of enquiry and booking growth, lean inventory, planned product interventions, renewed marketing activity, and the planned production ramp-up.

Update on product launches

- RE expanded the Hunter 350 range with a new base-premium variant and new colors, including Black, Mumbai Yellow and Moonshot White. It also launched the Guerrilla 450 Apex variant in India, Australia and New Zealand.
- RE launched the 2026 Goan Classic 350 in Nepal and Malaysia as part of its international portfolio expansion.

Update on exports

- Export revenue crossed INR10b for the first time and now accounts for 15% of total revenue.
- Brazil remained RE's largest market outside India and the principal driver of international growth. Retail volumes in the country increased more than threefold over the preceding three years. RE reached the No. 2 position in Brazil's middleweight motorcycle segment. Brazil now accounts for 25% of RE's exports. RE is establishing its own CKD assembly facility in Brazil. The investment is intended to support local demand, improve market responsiveness and deepen the company's presence in its largest overseas market. Demand across the rest of Latin America remained favorable, led by Colombia.
- APAC markets had been affected by macroeconomic and geopolitical uncertainty but management observed early signs of improvement in 1QFY27, with growth beginning to emerge in both retail sales and wholesale shipments.
- SAARC business grew ~60% in FY26, led by Nepal and Bangladesh due to increased brand awareness.

Update on margins

- 1Q margins were impacted by commodity inflation and supply-chain and logistics disruptions, partly offset by price increases, value engineering, a richer international mix and lower marketing expenditure.

- Impact from commodity headwinds stood at ~4.5% of revenue, mainly attributed to high aluminum, steel, copper, crude-linked inputs, precious metals and related processing costs. This was offset by a price increase of 1.75% in Apr'26 (benefit of 1.2% of revenue) during 1Q and benefit of 40bp from value engineering.
- RE reduced marketing activity during 1Q because product availability remained constrained. Other expenses were lower partly because the quarter did not include around INR200m of Cricket World Cup advertising and INR100m of launch-related expenditure incurred in 4Q, while a further ~INR220m of marketing expenditure was controlled. Management plans to ramp up brand-awareness campaigns and market activations in coming quarters.

Update on Capacity expansion

- RE produced around 116k motorcycles in June and reached a production rate of approximately 4,500 units per day after resolving LPG availability, labor shortages and commodity supply constraints earlier in the quarter.
- The first brownfield expansion module in Cheyyar became operational in July, taking the total capacity to 1.5m units per year. By the end of this brownfield by FY28, the total capacity would rise to 2m units pa.
- The board also approved INR12.25b for the first phase of a greenfield manufacturing facility in Andhra Pradesh, which will add 450k units of annual capacity at full utilization. The new plant will be developed in modules and is expected to be completed by FY30, taking total installed capacity to ~2.45m motorcycles pa.

VECV update

- VECV launched the Volvo FMX Edge for mining applications during the quarter. The vehicle provides optimized payload capacity, safety, uptime and lifecycle value to improve mining productivity.
- VECV added 30 customer touchpoints during 1QFY27, including in Northeast India.
- Spare revenue grew 15.3% to INR9.3b in 1Q.
- VECV signed an MoU related to the government's Parivartan fleet-modernization program for the NCR. The program targets the replacement or modernization of more than 200,000 vehicles, although implementation details were still being finalized.
- CV demand continued to grow across most segments despite external challenges and management remains positive on the demand trend in FY27.

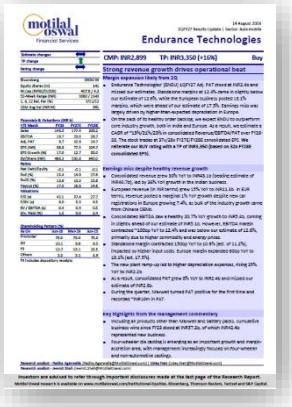
Endurance Technologies — Buy

Current Price INR 2,987

Order wins

- Endurance secured INR3.9b of new business wins in India during 1QFY27, excluding new Bajaj Auto orders. Of this, ~INR3.7b was replacement business, INR113m was EV-related, and INR803m was ICE business. Two-wheelers accounted for the bulk of wins at INR3.7b, while four-wheelers contributed INR186m.
- The company had INR4.5b of RFQs in hand at the end of 1QFY27, providing a healthy pipeline for future order conversion.

Click below for Detailed Concall Transcript & Results Update


Endurance Technologies

- Around INR3.4b of HMSI business was won during the quarter, including INR2.2b of suspension facelift business, which management highlighted as having better margins. In addition, INR350m of TVS business was added, taking the total TVS brakes business to INR2.5b per annum.
- ENDU also won INR105m of business from a leading US EV OEM, taking the cumulative annual business wins from this customer to INR2.2b. Cumulative EV business wins in conventional product areas stood at ~INR15b excluding Bajaj Auto and INR18.1b including Bajaj Auto.
- Including all products other than Maxwell and battery packs, cumulative business wins since FY23 stood at INR57.2b, of which INR42.4b represented new business.
- In suspension, ENDU won new program for Bajaj Auto, including mono-shock absorbers and inverted front forks, with SOP planned at 25k sets per month from 4QFY27. It also secured suspension program for Hero MotoCorp and Suzuki, together worth approximately INR1.2b per year, with SOPs expected in 3QFY27.
- In four-wheeler castings, the company secured a INR5.1b peak annualized business potential at its Shendra facility, including programs from a large US OEM, Jaguar Land Rover and Valeo for Mahindra, and Tata Motors EV platforms. SOPs are scheduled from Sept'26, with a significant revenue ramp-up expected from 4QFY27.
- ENDU also won INR800m per annum of new business from Hyundai and Kia, with SOP having commenced in July'26 and peak sales expected in FY28.

Update on alloy wheels

- The alloy wheel business continues to ramp up, with the Bajaj Auto program having commenced in Oct'25 and the Royal Enfield program expected to commence by the end of Aug'26. Peak volumes from the Royal Enfield program are expected in 3QFY27.
- ENDU has an aggregate capacity of 4.8m wheel sets p.a. (equating 9.6m wheels) across its Chakan and Bidkin facilities. The Chakan capacity is fully utilized, while the balance capacity is currently operating at around 60% utilization.
- The ramp-up with Royal Enfield, Suzuki, and Piaggio, along with existing programs for Bajaj Auto, Yamaha, and HMSI, is expected to take the alloy wheel business to full capacity by the end of FY27.

Update on die casting

- Four-wheeler die casting is emerging as an important growth and margin-accretion area, with management increasingly focused on four-wheeler and non-automotive castings.
- Four-wheeler casting revenue was approximately INR1.8b in 1QFY27, representing around 6% of business. This does not yet include the major programs scheduled to commence from 2QFY27 onward.
- The Shendra facility has accumulated bookings representing INR5.1b of peak annualized revenues, with programs from a large US OEM, Jaguar Land Rover and Valeo/Mahindra/Tata EV platforms. Revenue and profitability should scale meaningfully from 4QFY27, with peak volumes expected only around FY28/FY29 due to long program lead times.

- At the Chennai facility, ENDU has secured hybrid-model programs from Isuzu, with SOP expected in 4QFY27. The company is also seeing strong traction from Tata Motors and Mahindra for machined aluminum castings across existing and new programs.

Update on braking business

- The braking business remains a key growth driver, having delivered over 30% CAGR over the past four years. ENDU's FY26 market share stood at 34.5% in brake assemblies and 42% in brake discs.
- ABS and CBS hydraulic brake capacity expansion is progressing as planned, with SOP expected in September/early October 2026. A dual-channel ABS program for Bajaj Auto, with annual capacity of 12m units, is scheduled to commence in 2QFY27, while a second 12m unit program is expected to start in 3QFY27.
- ENDU is enhancing its ABS offering with ride modes and traction control, which should support higher product value and margins. A new SMT line for manufacturing ABS electronic control units and meeting higher BMS demand is also scheduled to commence shortly.
- The new Chennai disc brake assembly plant is nearing completion and is strategically located close to key OEMs, enabling better service levels and lower freight costs. Phase-one machinery is being transferred from Waluj, while phase two is scheduled for completion in 3QFY27.
- The Chennai plant will have capacity for 3m disc brake assemblies and 4m brake discs per annum, supporting the company's targeted aggregate capacity of 9m disc brake assemblies and 9.6m brake discs by 1QFY28. Royal Enfield SOP is expected shortly, followed by other OEM programs in 3QFY27.

Update on EU operations

- European operations delivered profitable growth despite a challenging operating environment, characterized by high energy costs, elevated interest rates, geopolitical uncertainty, US tariffs, Chinese OEM competition, and muted automotive production.
- European revenue stood at EUR104.3m, up 1.1% YoY, while EBITDA increased 5.5% to EUR18.9m. EBITDA margin expanded to 18.2% from 17.4%. Net profit declined to EUR4.4m due to higher depreciation following the accelerated depreciation of assets related to ICE projects being phased out.
- European order wins stood at EUR13.9m in 1QFY27, including a major Mercedes hybrid program and an ICE program from Stellantis.
- The Mercedes program is particularly significant because ENDU will take over 100% of the relevant business, with SOP scheduled for Jan'27 and annual business potential of approximately EUR40m. The opportunity arose as the incumbent competitor is exiting production.

Update on Maxwell

- Maxwell delivered 21% QoQ growth in 1QFY27, with total income increasing to INR5.7b from INR463m in 4QFY26. Maxwell also achieved positive PAT for the first time in 1QFY27.
- Maxwell supplied more than 100k BMS units during the quarter across scooters, three-wheelers, tractors, e-bikes and construction equipment. It is also engaged with a key electric two-wheeler OEM for a potentially large BMS program, for which prototypes have been requested.

- Maxwell won INR130m of new business during 1QFY27, taking cumulative annual business wins to INR2.4b, with peak revenue expected in 2QFY28.
- The subsidiary has a strong INR3.b+ RFQ pipeline spanning truck and two-wheeler applications, providing visibility for further growth.
- Beyond BMS, Maxwell is developing other electronics products such as motor control units and DC-DC converters, while Endurance is also evaluating additional EV-specific products over time.

Update on capex

- ENDU's India capex was approximately INR8b in FY26, up from INR6.1b in FY25, driven by investments in new growth areas. Management expects FY27 capex to remain broadly similar to FY26 levels.
- Automation remains a key priority for FY27 capex, with investments across existing plants aimed at improving quality, consistency and operating efficiency.
- ENDU is investing INR620m in four-wheeler battery pack manufacturing, with SOP targeted for 4QFY27. The business is expected to leverage ENDU's own BMS and aluminum casting capabilities.
- The company is adding suspension assembly capacity to cater to increasing adoption of inverted front forks and mono-shock absorbers, targeting 100k units/month by FY27-end.

Other highlights

- Management expects margin expansion from 2QFY27 onward as OEM price settlements incorporate higher raw material, fuel, gas and manpower costs. Aluminum alloy prices have also softened, while settlements for steel, rubber, plastics and other inputs are expected during 2QFY27.
- Standalone net cash remained strong at approximately INR44.2b at the end of 1QFY27.
- Indian EV revenue increased 87.4% YoY to INR1.3b, while overseas EV and plug-in hybrid revenue grew 14.4% to INR8.b. Consolidated EV and PHEV sales increased 20.9% YoY to INR9.3b.

Escorts Kubota — Neutral

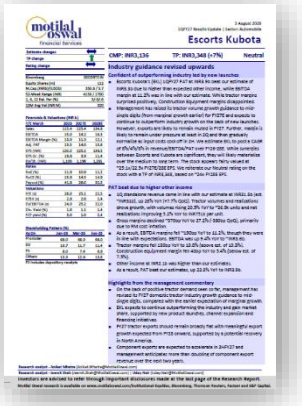
Current Price INR 3,058

Tractor segment update:

- Domestic tractor industry recorded its highest-ever 1Q volumes of ~339k units (+18.6% YoY), supported by healthy farm cash flows, favorable crop economics, adequate reservoir levels, strong Rabi harvest and higher government procurement.
- EKL outperformed the industry with domestic tractor sales of 35,457 units (+22.9% YoY), the company's highest-ever 1Q volumes. As a result, it gain 36bp market share gain, driven by product portfolio enhancement, improved channel effectiveness and stronger retail execution.
- The company continued to gain share in its key North and Central markets, where industry growth (~22%) exceeded the growth EKL recorded in the rest of the country (~15%), while improving traction in the South through targeted product interventions.
- The Powertrac Shaurya series launched in South India continues to witness encouraging acceptance, supporting market share gains in the region.

Click below for Detailed Concall Transcript & Results Update




Escorts Kubota

- Promax has emerged as a key growth driver, contributing 20-22% of Farmtrac volumes, while enabling the company to strengthen its presence in the growing four-wheel drive segment.
- The expanded Digitrac portfolio, including the introduction of a 4WD variant, now contributes 23-25% of Powertrac volumes.
- The company continues to address portfolio white spaces, particularly in the 35-50 HP four-wheel drive segment, where demand is growing faster than the overall tractor industry.
- Kubota-branded tractors continue to strengthen their footprint beyond traditional western and southern strongholds, with increasing penetration in North India through refreshed products.
- Dealer inventory remains at a comfortable level of ~30 days, with inventory expected to be built ahead of the festive season.
- Captive financing penetration improved to 10-12% in 1Q and exceeded 15% in July across the currently covered network (~250 dealers). Management targets 40-50% dealer coverage by the end of FY27 and pan-India rollout by FY28.
- Non-tractor agri businesses (agri solutions, engines, spares and services) contributed 19% of Agri Machinery segment revenue vs. 18% in the previous year.

Product pipeline/launches:

- Expanded the Digitrac range under the Powertrac brand and launched the new Star Series under the Kubota brand during the quarter, strengthening offerings across customer segments and applications.
- Multiple product launches are planned over the coming months across core, premium and application-specific segments to further enhance competitiveness.
- On the Powertrac platform, management plans to launch additional 4WD products to bridge portfolio gaps in high-growth states.
- Within the Kubota brand, the focus remains on expanding offerings in the 20-30 HP compact/orchard segment and the 41-50 HP category, which together account for nearly 77-78% of industry demand.
- In the Construction Equipment business, new crane models, application-specific variants and entry-level products are scheduled for launch from Oct'26 onward to support further market share gains.

Update on exports

- Industry tractor exports increased 17.7% YoY to 29,778 units, led by strong growth in the >40 HP segment (+30%), where EKL currently has limited presence.
- Exports declined to 1,405 tractors (vs. 1,733 units last year) due to weakness in the <40 HP compact tractor segment (down ~8%) and container availability constraints arising from geopolitical disruptions.
- About 61% of export volumes were supplied to the Kubota Global Network.
- Management continues to work closely with Kubota to strengthen the export portfolio and expand into targeted international markets.
- FY27 tractor exports are expected to remain broadly flat, with the 1Q shortfall likely to be recovered over the remaining quarters.
- Management expects meaningful export growth from FY28 onward, supported by a potential recovery in North American demand.

- Component exports remained largely flat in 1Q. However, management expects growth to accelerate in 2HFY27 and anticipates more than doubling of component export revenue over the next two years.

Update on Construction Equipment segment

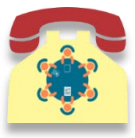
- Industry construction equipment volumes grew ~23% YoY, led by 46% growth in cranes, supported by improving infrastructure activity.
- EKL's CE business outperformed the industry, with volumes of 1,344 machines (+27.4% YoY) and revenue growth of 39.2% YoY to INR4.2b.
- The segment's EBIT margin moderated to 5.8%, impacted by commodity cost inflation.
- Demand remains supported by higher government focus on roads, metro projects, solar installations, industrial development and urban infrastructure, with improved project execution across several states.
- Management expects 12-15% industry growth in FY27, driven primarily by cranes and mini excavators, while backhoe loaders and compactors are expected to grow at 5-7% and 5-6%, respectively.
- Crane demand remains healthy despite multiple price increases, supported by strong corporate and infrastructure project activity, particularly in higher-capacity cranes.
- Price increases implemented in cranes total around 6% (effective ~6% including lower channel discounts) to offset commodity inflation, while BS-V related pricing had largely been implemented last year.

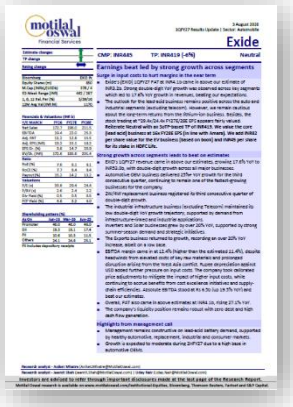
Outlook/Guidance:

- Management has turned more constructive on the tractor industry outlook following stronger-than-expected demand trends over the past 45-50 days.
- FY27 domestic tractor industry growth guidance has been revised to mid-single digits, compared with the earlier expectation of marginal growth.
- EKL expects to continue outperforming the industry and gain market share, supported by new product launches, channel expansion and financing initiatives.
- Demand outlook remains favorable on the back of healthy farm economics, good monsoon progress, favorable reservoir levels and positive rural sentiment, although monsoon distribution remains key variable.
- Commodity cost pressure remains elevated, with ~5% cost inflation seen in 1Q and an additional 1.5-2.0% increase expected during 2Q.
- The company has already implemented a 1.5% tractor price increase in Apr'26, while additional price hikes are under evaluation. Management expects commodity costs to begin easing from 4QFY27 if geopolitical conditions stabilize.
- FY27 capex guidance stands at INR8.5-9.0b, comprising INR4.5-5.0b for the greenfield project and INR3.5-4b for regular capex.
- Groundbreaking for the greenfield facility is expected during Aug'26, with the pace of subsequent investments dependent on demand conditions.

EXIDE

Click below for
Detailed Concall Transcript &
Results Update





Exide Inds — Neutral

Current Price INR 459

Update on lead-acid business

- EXID delivered a strong operational performance with standalone revenue growing 17.6% YoY, driven by broad-based double-digit growth across key business segments despite elevated input costs and currency headwinds. Growth was primarily volume-led, with most key segments reporting double-digit volume growth.
- The Automotive OEM business recorded its third consecutive quarter of ~25% YoY growth, aided by strong demand across key vehicle platforms.
- The Replacement business remained healthy, with robust growth across both two-wheeler and four-wheeler segments. Management highlighted volume growth of ~10% in 4W replacement, ~20% in 2W OEM and ~21% in 4W OEM.
- Home UPS, inverter, and solar businesses continued to outperform, benefiting from a strong summer season and focused market initiatives. Solar business crossed INR4b quarterly revenues for the first time. The home inverter and solar segment delivered over 20% YoY growth.
- The Industrial infrastructure business (excluding telecom) maintained double-digit growth, supported by industrial UPS and traction battery demand, although government tender activity remained subdued and is expected to improve in 2HFY27.
- Export revenues grew over 20% YoY after five consecutive quarters of decline, albeit on a low base.
- Management continues to invest around INR5b annually in the lead-acid business towards automation, manufacturing technology, and debottlenecking projects.
- Capacity expansion is being pursued largely through brownfield debottlenecking, particularly in four-wheeler battery plants, to prepare for future OEM demand and the expected replacement cycle over the next 2.5-3 years.
- Management expects replacement demand to remain structurally strong as the elevated OEM vehicle production over the last few quarters gradually translates into battery replacement.

Update on raw materials

- Lead prices on the LME remained largely range-bound during the quarter; however, rupee depreciation against the US dollar materially increased input costs.
- Price hikes of around 4-6% YoY were implemented across product categories during 1QFY27, with management indicating that further calibrated increases may be considered in 2Q depending on commodity and currency movements.
- Despite cost pressures, margin expansion was achieved through cost optimization programs, operational efficiencies, and supply chain improvements.

Update on lithium-ion battery business

- All four production lines at the Bengaluru Gigafactory have been installed, with utilities fully commissioned.

- Commercial customer deliveries have commenced from the NMC cylindrical cell line, marking EXID's first locally manufactured lithium-ion cells. LFP prismatic line has begun supplying samples for three-wheeler and telecom applications.
- The company has completed multiple BIS registrations and certification requirements, with commercial revenue expected to commence during FY27. Initial commercial focus will be on two-wheelers, three-wheelers, telecom and stationary storage, where imported cells are expected to be progressively substituted with domestically manufactured cells.
- Management expects to ramp up the first two production lines quickly, subject to yield improvements, as demand visibility remains strong.
- Management reiterated its expectation of 25-30% plant utilization during the first year of operations, with utilization expected to increase materially thereafter.
- The three-wheeler market represents an attractive early opportunity, with nearly 70-75% of demand coming from retrofit/replacement, where EXID can leverage its existing distribution network.
- The company is currently engaged with three major two-wheeler EV OEMs, collectively accounting for nearly 80-85% of India's EV two-wheeler market, with products undergoing homologation.
- Discussions with major passenger vehicle OEMs have accelerated following commissioning of the facility, with stronger interest emerging amid rising import costs and supply chain diversification needs.
- The fourth production line, intended for passenger vehicle applications, is expected to be commissioned by the end of FY27, after which customer validation and commercial supplies are expected to progress.
- Battery pack manufacturing capacity currently stands at 1.5GWh, with plans to augment capacity through a combination of in-house expansion and ecosystem partners.
- Management indicated that battery energy storage systems (BESS) will become an important growth avenue once additional LFP production lines are commissioned, with shorter qualification timelines than automotive applications.

Supply chain localization plans

- For lithium-ion operations, critical raw materials continue to be sourced from China through the technology partner's established supply chain to ensure quality and reliability.
- Management does not foresee immediate disruption from China's export control measures, although inventory levels may be increased if approvals create longer procurement timelines from November onwards.
- EXID is actively working with multiple Indian companies to localize the battery supply chain, with electrolyte expected to be among the first components to be manufactured domestically.
- The company aims to localize 50-60% of the lithium-ion bill of materials over the next 2-3 years.

Other Highlights

- The company remains debt-free.

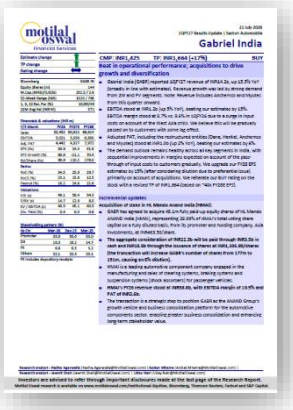
- Cumulative equity investment in Exide Energy stood at INR49.02b as of July-end, including an additional INR1b invested during July.
- Board-approved investment into Exide Energy for FY27 currently stands at INR14b, to be reviewed depending on project requirements.
- Management indicated that Phase-II expansion (from 6GWh to 12GWh) will require materially lower capital than Phase-I, as common infrastructure and utilities have already been established.
- Existing lithium battery pack business remains relatively small (~INR1-2b revenue in FY26) and is currently not profitable due to limited value addition without in-house cell manufacturing.

Outlook

- Management remains constructive on lead-acid battery demand, supported by healthy automotive, replacement, industrial and consumer markets.
- Growth is expected to moderate in percentage terms during 2HFY27 due to a high base in automotive OEMs following the post-GST demand recovery witnessed last year.
- Government tenders in the industrial segment are expected to improve in the second half of FY27, supporting infrastructure battery demand.
- Commercial revenues from the lithium-ion business are expected to begin during FY27, with gradual utilization ramp-up as customer approvals and production yields improve.
- Demand visibility for lithium-ion cells remains strong for 2W and 3W applications, as the company would look to largely replace imported cells with domestically manufactured products rather than creating a new market.
- Management expects the localization ecosystem for advanced chemistry cells to improve steadily over the next few years, aided by government support and increasing domestic investments.
- EXID intends to fund future lithium-ion expansion primarily through internal cash generation.

GABRIEL

Click below for Results Update


Gabriel India

Gabriel India — Buy

Current Price INR 1,439

- **HMAI acquisition:** The acquisition of HL Mando is viewed as complementary, enabling GABR to offer integrated braking, steering and ADAS solutions to OEMs. HMAI has a strong business pipeline and its customer base includes M&M, Tata Motors and Maruti Suzuki, in addition to Korean OEMs. Localization has improved significantly, with ~40% of business now derived from non-Korean customers, while exports currently account for only 7-8%, providing scope for India to emerge as a manufacturing and export hub.
- **HL Klemove acquisition:** GABR plans to fund the acquisition through a mix of internal accruals and debt. The business offers significant growth potential, with content per vehicle estimated at INR20,000-60,000, depending on the level of ADAS content adopted by OEMs. ADAS regulatory tailwinds: Increasing adoption and regulation of ADAS across CVs and PVs is expected to benefit HL Klemove and GABR. Management sees high entry barriers in ADAS and believes GABR's ability to combine braking, steering and ADAS technologies will create a differentiated proposition for OEMs. HL Klemove's immediate objective is to

build its ADAS business independently while leveraging the broader HMAI technology ecosystem and securing business with M&M and Tata Motors.

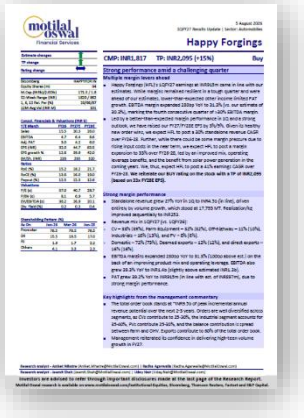
- **030 growth ambition:** GABR is increasingly becoming the key growth vehicle for the ANAND Group, already contributing ~70% of group revenue, with an ambition of achieving INR500b in revenue by 2030. The company remains focused on automotive components while prioritizing the off-highway segment as a growth avenue.

Happy Forgings — Buy

Current Price INR 2,306

Click below for Detailed Concall Transcript & Results Update





Overall Business Updates

- HFL reported its highest-ever quarterly revenue and profitability, supported by healthy volume growth and an improved product mix.
- Finished goods volumes increased 23.1% YoY, while realizations improved 3.2% YoY to INR253/kg.
- The company concluded negotiations with domestic OEMs for price revisions to offset manufacturing cost inflation. Around 30% of the benefit was reflected in Q1, with the full benefit expected from Q2FY27 onwards. Exports benefited from a depreciating currency.
- Product mix continued to be enhanced, with the share of machined components increasing to 90% of revenue in 1QFY27 from 88% in 1QFY26, supporting better realizations and margins.
- Revenue diversification continued, with industrials and passenger vehicles increasing their contribution, reducing dependence on traditional CV and farm segments.
- 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 25-30%, the Industrial segment accounts for 35-40%, PVs contribute 25-30%, and the balance is spread between farm and OHV. Exports contribute to 60% of the total order book.
- Export enquiry pipeline, particularly from Europe, remains robust as global OEMs increasingly evaluate India as an alternative sourcing base, although order conversion timelines remain long due to customer qualification processes.
- While export demand is witnessing a gradual recovery across key end-markets, Europe currently contributes ~60% of export revenues.
- Working capital remained well controlled, with inventory reducing to ~50 days, reflecting improved operating efficiency.

Update on CV segment

- Commercial vehicles remained the largest business segment, contributing 33% of Q1FY27 revenue.
- The segment delivered healthy single-digit growth, with the domestic business growing ~18%, outperforming industry production growth, supported by infrastructure activity, replacement demand, healthy freight movement and sustained transportation activity.
- Exports declined 12% YoY and were hit by geopolitical disruptions, which led to longer transit times, elevated inventory in transit and delayed revenue recognition.

- Freight costs increased sharply from ~USD2k to ~USD6k per container. However, 75-100% of the increase is contractually recoverable from customers, limiting the margin impact.
- Around 25-30% of the INR9.5b order book is attributable to commercial vehicle programs.

Update on farm segment

- Farm equipment accounted for 32% of revenue, making it the second-largest business segment.
- The segment delivered mid-20% growth, with the domestic business growing over 20% supported by healthy demand in the Indian farm equipment market.
- Export business continued to grow despite weak underlying demand in the US and Europe, where tractor demand remained subdued due to lower farm incomes, elevated interest rates, weak commodity prices and softer farm spending.

Update on industrials segment

- Industrials contributed 16% of revenue and delivered ~50% YoY growth across both domestic and export markets.
- Demand remained robust across power generation, renewable energy (including wind), railways, oil & gas and digital infrastructure, supported by continued government and private sector investments.
- Management expects sustained investments in renewable energy, power transmission, grid infrastructure, railway modernization and data centers to remain key long-term demand drivers.
- Around 35-40% of the current order book pertains to industrial applications, with exports accounting for a majority of these opportunities.
- The upcoming heavy forging facility is expected to significantly expand the company's addressable market by enabling production of components weighing up to 3 tons, compared with the current capability of ~200 kg.
- The new heavy forging line is expected to cater primarily to energy, data centers, mining, wind and earthmoving equipment, where global capacity remains constrained.
- Management expects the industrial business to approximately double over the next 3-4 years, driven by heavy forging capabilities and strong global demand.
- The 14,000-tonne press is currently operating at 65-70% utilization, largely servicing industrial applications, with further capacity expected to become available through production optimization.
- New industrial programs are expected 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.

Update on PV segment

- Passenger vehicles contributed ~8% of revenue and recorded over 70% YoY growth.
- Domestic PV business grew more than 50%, driven by healthy industry demand, increased wallet share and strong performance across major OEM customers.
- Export PV revenue more than doubled, supported by execution of previously secured export orders.

- Management highlighted that current PV growth is concentrated across a limited customer base, leaving significant headroom for further customer additions and wallet share expansion.
- Passenger vehicles are expected to contribute 12-15% of revenue over the next 3-4 years, supported by strong order inflows and expanding export opportunities.

Capex updates

- The company commissioned an additional 4,000-tonne forging line, taking total installed forging capacity to 152k MT pa, and the machining capacity has been increased to 75,200 MTPA.
- Capacity utilization during the quarter stood at 59% for the forging line and at 78% for machining, leaving adequate headroom for future growth.
- The 18,000-tonne vertical press is under commissioning, with trial production expected in Q3FY27 and commercial contribution beginning from 4QFY27.
- The ongoing INR6.5b expansion program remains on schedule and is expected to begin contributing meaningfully from FY28, while larger revenue benefits are expected from FY29 onwards.
- The captive solar power project is progressing as planned, with commissioning targeted from January 2027. The solar power project is expected to deliver 1-1.5% EBITDA margin improvement once fully operational.
- Management expects the majority of future growth capex to be funded through internal accruals, with the requirement of only limited bridge financing, if at all.

Outlook

- Management reiterated confidence in delivering high-teen volume growth in FY27, supported by a strong order pipeline, improving export demand and continued diversification.
- EBITDA margins are expected to remain broadly in line with FY26 levels, with scope for further improvement through pricing actions, richer product mix and benefits from the solar power project.
- Full benefit of recently negotiated domestic price revisions will accrue from Q2FY27 onwards, providing additional margin support.
- New capacity additions are expected to drive the next phase of growth, with meaningful contribution beginning from FY28, while large industrial and heavy forging programs are expected to scale up from FY29 onwards.
- Over the medium term, industrials and passenger vehicles together are expected to contribute 45-50% of total revenues, resulting in a more diversified and resilient business mix.

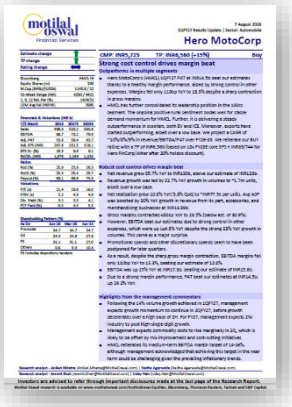
Hero MotoCorp — Buy

Current Price INR 5,695

Demand trends and outlook

- Demand remained robust throughout the quarter, with the company delivering strong growth across both ICE and EV businesses. The 2W industry grew by 14% YoY this quarter, with ICE 2Ws growing 11% and EVs up 67% YoY.
- Volumes for HMCL grew 23% YoY, driven by 21% growth in the ICE portfolio and an exceptional 151% YoY increase in EV volumes.
- Domestic business continued to witness healthy momentum, with volumes growing 18% YoY and exports rising 63% YoY.

Click below for Detailed Concall Transcript & Results Update


Hero MotoCorp

- In the 100cc motorcycle segment, although industry growth was relatively subdued, the company outperformed the market and expanded its already dominant market share by nearly 230bp to ~86%.
- The company strengthened its commuter motorcycle portfolio through multiple launches during the quarter, including the Super Splendor XTEC 2.0 and the Passion Plus Disc Variant, further enhancing its 100cc product lineup.
- In ICE scooters, the company continued to gain traction, increasing market share by around 230bp to nearly 7%.
- Motorcycle dealer inventory currently stands at about six weeks and is expected to gradually increase in the coming months as dealers prepare for the festive season.
- Inventory levels for the Xoom and Destini scooters remain significantly lower, around half of other ICE models, reflecting stronger retail demand and lean channel stocking.

EV business updates

- EV business continued its rapid expansion, registering 151% YoY growth in 1Q and increasing its market share by 400bp YoY.
- Monthly retail sales are now consistently clocking 20,000 units, reflecting strong consumer acceptance of the VIDA portfolio.
- Two new VIDA products were introduced during the quarter. 1) VIDA VX2+, a premium variant with 4.2 kwh battery featuring IDC-certified range of 187km, fast-charging capability and removable battery technology. Dispatches commenced during the quarter, with nearly 1,000 units sold so far. 2) More affordable variant, VIDA VX2 GO, with 3.1 kwh battery and IDC range of 120km and fixed battery, is scheduled to begin dispatches shortly.
- Management expects both models to significantly increase VIDA sales volumes over the coming quarters.
- Channel inventory across the VIDA portfolio remains virtually negligible, at only 2-3 days, indicating strong retail off-take and significant pent-up demand.
- An additional 10,000 units of monthly EV capacity is being added during August to cater to rising demand.
- Hero unveiled two new EV motorcycles that are scheduled for commercial launch during FY28: Project UBEX, a naked electric motorcycle targeted at performance enthusiasts, and VXZ, positioned as an aspirational electric motorcycle based on a new platform.

International business

- International business grew 63% YoY in 1Q, which helped improve its export market share by 110bp YoY.
- Growth was driven by continued expansion into newer geographies and portfolio diversification across overseas markets.
- The company entered the German market in 1Q.
- VIDA electric scooter was also launched in Nepal, expanding Hero's EV presence beyond India.

Capex expansion updates

- The company maintained its FY27 capex guidance of INR15b.
- Overall, scooter production currently stands at ~65k units per month, with management targeting doubling of total capacity by FY27-end. Around two-

thirds of the planned expansion has already been completed, with the remaining expansion expected to be commissioned by 4QFY27.

- EV manufacturing capacity has increased from 15k units per month in FY26 end to 30k units per month by 1Q end. Capacity is targeted to increase further to 45k units per month by the end of FY27.
- Splendor capacity was increased by nearly 2k units per day (~50k units per month incremental capacity). Capacity for Xoom has been increased by nearly 50%, while Destini capacity has nearly doubled.
- Overall ICE scooter capacity has been increased by nearly 1.5k units per day, taking total incremental scooter capacity (ICE and EV combined) to roughly 2.5k units per day.

Raw material updates and margin performance

- The quarter witnessed headwinds from higher raw material costs, high freight expenses and adverse foreign exchange movements.
- Net commodity inflation stood at 4.5% for 1Q. Forex had a modest adverse impact of ~35bp in 1Q.
- Since Feb'26, Hero has implemented cumulative blended price increases of ~4.5% across its ICE portfolio. Double-digit price hikes were also undertaken in the EV portfolio.
- A marginal price increase was implemented during July.
- EBITDA margins in the VIDA business remained largely stable despite continued investments in expansion. Management highlighted that several EV models have already achieved positive gross margins, indicating improving unit economics as scale increases.
- Around 60% of the EV portfolio is now certified under the PLI scheme, with management targeting 100% certification by end-CY26. The company recognized ~INR480m of PLI incentives during 1QFY27.

Outlook

- Following the 14% volume growth achieved in 1QFY27, management expects growth momentum to continue in 2QFY27, before the growth decelerates over a high base of 2H. For FY27, management expects 2W industry to post high-single-digit growth.
- Management expects commodity costs to witness only a marginal uptick in 2Q, which is likely to be offset by mix improvement and cost-cutting initiatives.
- The company reiterated its medium-term EBITDA margin aspiration of 14-16%, although management acknowledged that achieving this target in the near term could remain challenging given the prevailing inflationary environment.

Other highlights

- Parts and spares revenue increased nearly 30% YoY in 1Q to INR16.9b. A capex of INR7.5b was announced for the GPC 2.0 facility, a greenfield plant in Tirupati to enhance parts availability in India and global markets.
- Hero introduced flex-fuel commuter motorcycle range during July with Splendor and HF launches. The flex-fuel variants of Splendor and HF are capable of operating seamlessly across ethanol blends ranging from 20% to 85%, enabled by smart engine technology. Nearly 5,000 units of these variants have already been sold since commercial launch.

- EV revenue during the quarter stood at ~INR6.6b, making up 5% of HMCL's consol. revenue.
- EV segment's EBITDA loss per vehicle narrowed to ~INR40k in 1Q, improving from around INR50k in 4Q, reflecting improving operating leverage and unit economics. Overall, loss in the EV business amounted to ~INR2.3b in 1Q, flat QoQ.

Hyundai Motor — Buy

Current Price INR 2,178

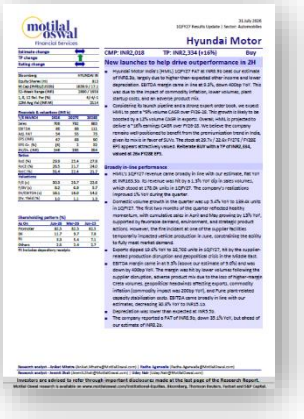
Update on the domestic business

- Domestic volumes grew 5.4% YoY to 139,374 units in 1QFY27, despite production disruption following a fire at a key supplier facility, with ~13,900 units of Creta production lost in June. Most of the production shortfall has already been recovered in July, with the remaining shortfall expected to be addressed during August-September.
- SUVs remained the core of the domestic portfolio, accounting for ~70% of volumes, while CNG contribution reached a record 18.2%. CNG models offer broadly similar margins to ICE models but remain strategically important as a cost-effective solution for CAFE compliance and volume growth, particularly in the sub-INR15-20 lakh segment.
- Rural demand remained a key growth driver, with rural contribution increasing to 25.9% in 1QFY27 vs. 22.6% in 1QFY26 and volumes growing 23.2% YoY, significantly ahead of 2.8% urban growth. The company attributes the sustained momentum to rural outlet expansion, mobile service vans, rising SUV acceptance, improved road infrastructure, greater product awareness and better after-sales service availability.
- Hyundai Venue recorded its highest-ever quarterly volumes, while the company expects higher Venue availability following the Pune plant's third-shift ramp-up to support domestic growth and market-share recovery.
- Dealer inventory declined in June due to the production disruption, although retail momentum remained healthy. With production largely normalized, the company plans to rebuild inventory through July-September while maintaining optimum levels and avoiding excessive dealer stocking ahead of the festive season.
- Discounts declined to 2.8% in 1QFY27 vs. 3.4% in 1QFY26, reflecting pricing discipline and supporting realizations. Management expects the launch of new models, where initial discounts are typically low, to provide further support to realizations.

Update on exports

- Exports declined 19.6% YoY to 38,708 units in 1QFY27, impacted by the supplier-related production disruption and geopolitical challenges in the Middle East.
- With production now largely normalized and Middle East orders recovering, management expects a strong rebound from July and quarterly exports to exceed the ~48,000-unit level recorded in 1QFY26 in the coming quarters.
- Export recovery should be supported by a strong order backlog, normalization of Middle East volumes, and continued traction in Central and South America (CSA), where exports grew 23% YoY, and demand remains healthy. Mexico is also witnessing healthy order inflows despite tariff-related challenges.

Click below for Detailed Concall Transcript & Results Update


Hyundai Motor

- New product introductions are expected to broaden the export opportunity. The new Venue has received orders from 29 markets, with coverage targeted at 35 markets. Further, left-hand-drive Exter shipments have commenced, with 13 markets targeted by 3QFY27. Also, Verna PE exports, which started in June, are expected to reach more than 25 markets by 3QFY27.
- Export ASPs should improve as Middle East volumes recover, given the region's higher mix of Verna and automatic models. The recent shift towards CSA had increased the hatchback mix and weighed on ASPs, while Hyundai is also targeting a higher SUV mix in exports, which currently stands at only ~13-14% vs. ~70% domestically, providing scope for mix improvement.
- The Pune plant's third production line will cater to both domestic and export demand, with the facility expected to produce approximately 14,000-15,000 units per month once fully operational, providing flexibility to allocate capacity based on market demand.

CAFÉ norms/regulations

- Management expects to fully comply with CAFE II requirements for FY23–FY27, including FY27, and does not anticipate any penalty under the current framework.
- The company remains aligned with the proposed CAFE III framework and is awaiting the final notification, while continuing to prepare its product portfolio for the more stringent future emission requirements.
- The absence of an expected CAFE II penalty provides greater visibility on regulatory costs, while Hyundai continues to pursue a diversified powertrain strategy comprising 5–6 CNG models, 4–5 hybrids and 4–5 EVs by 2030.

New product launches

- The upcoming mid-size SUV is scheduled for launch during the festive season, while the second new model is also expected in 2HFY27.
- The new mid-size SUV will have a distinct, technology-first positioning versus Creta, with greater emphasis on software-defined vehicles, connected mobility and digitally oriented features. Management sees sufficient headroom for an additional model in the broader 4.0–4.4m space and does not expect significant cannibalization of Creta volumes.
- The upcoming mass-market dedicated EV is being developed with a focus on PLI eligibility from day one, with Hyundai targeting the required 50% domestic value addition through localization of battery packs, power electronics and other components. Administrative approval could, however, take some time.
- Hyundai is also building a broader EV ecosystem through access to ~30,000 charging points via the MyHyundai app, alongside AI-led features and an enhanced customer proposition. Management remains confident in the EV's volume potential but has not disclosed its expected profitability or cost structure.

Updates on capex

- The Pune plant's third shift is scheduled to commence in October 2026, significantly ahead of the earlier mid-2028 timeline, driven by strong demand for the Venue in both domestic and export markets.

- Pune's phase-1 capacity stands at 170,000 units on a three-shift basis, with the additional capacity expected to be allocated across domestic and export demand depending on market requirements.
- Chennai Plant 1 utilization is currently ~72%, following the shift of Venue production to Pune. With the two new models ramping up, utilization is expected to rise to ~90–92% in CY27, providing better fixed-cost absorption and operating leverage.
- Overall, the accelerated Pune capacity ramp-up and higher utilization at Chennai Plant 1 should support volume growth, cost optimization and operating leverage, while providing sufficient capacity headroom for new product launches.

Margins

- 1QFY27 EBITDA margin declined YoY, impacted by lower volumes following the supplier disruption, adverse product mix due to the loss of higher-margin Creta volumes, geopolitical headwinds affecting exports, commodity inflation and Pune plant-related capacity stabilization costs.
- Commodity costs impacted margins by approximately 100bps QoQ and 200bps YoY, primarily due to higher precious metal and copper prices.
- The commodity headwinds were partly offset by calibrated pricing actions, cost-reduction initiatives and the absence of certain one-off commodity-related costs incurred in 4QFY26.
- Hyundai undertook three price hikes in CY26, cumulatively amounting to ~100bps, while maintaining pricing discipline. Discounts declined to 2.8% in 1QFY27 vs. 3.4% in 1QFY26, providing some support to realizations.
- Employee costs increased 20% YoY, primarily due to the commencement of Pune plant operations and annual salary revisions, while other expenses rose ~10% YoY, largely due to higher export freight costs. Management noted that freight cost increases are generally recovered from distributors, limiting the direct margin impact.
- The company continues to offset cost pressures through localization, value engineering, supply-chain efficiencies and employee-led cost-reduction initiatives. Localization has increased to ~83% from ~77–78% a few years ago, with a target of ~90% by 2030.

Outlook

- Management remains confident of delivering 8–10% YoY domestic volume growth and 8–10% export growth in FY27, despite the weak 1QFY27 performance. The recovery is expected to be led by normalization of production, a healthy export order backlog, and new product launches.
- 2HFY27 is expected to be stronger, with Hyundai targeting growth ahead of the industry (Industry growth is expected to moderate to the low-single-digit range in 2HFY27 due to the high base effect), supported by the launch of two new models, higher Venue volumes following the Pune third-shift ramp-up, and higher fleet sales. Management expects FY27 exit market share to be meaningfully above the ~12.3% recorded in FY26.
- Domestic demand remains healthy, with rural growth providing a key structural support. Rural volumes grew 23.2% YoY in 1QFY27, and management expects

continued traction, aided by network expansion, mobile service vans, improving road infrastructure and rising SUV penetration.

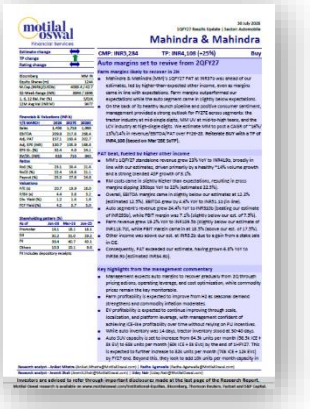
- Export growth is expected to accelerate from 2QFY27, supported by the recovery in Middle East volumes, continued momentum in Central and South America, new Venue exports and wider availability of Exter LHD and Verna PE. Management expects quarterly exports to exceed the ~48,000-unit level recorded in 1QFY26 in the coming quarters.
- The new mid-size SUV and mass-market dedicated EV are expected to be key growth catalysts. The mid-size SUV will adopt a differentiated, technology-first positioning, while the EV is being developed with high localization and targeted PLI eligibility.
- Capacity expansion should support the growth outlook, with the Pune plant's third shift commencing in October 2026, while Chennai Plant 1 utilization is expected to improve materially as the two new models ramp up.
- On profitability, management reiterated its 11–14% EBITDA margin guidance for FY27, with the recovery in margins expected to be supported by higher volumes, improved product mix, new model launches, lower initial discounts and better capacity utilization. Pricing actions will remain calibrated to balance volume growth and profitability.

Mahindra & Mahindra — Buy

Current Price INR 3,412

Click below for
Detailed Concall Transcript &
Results Update





Group Outlook & Management Commentary

- Despite commodity inflation, supply chain disruptions and weather-related production interruptions, Mahindra delivered a steady Q1FY27 performance, highlighting its business resilience.
- Management remains cautiously optimistic on the outlook, expecting margin recovery from Q2 onwards as pricing actions, operating leverage and cost initiatives offset raw material inflation.
- AI continues to be a strategic differentiator, with proprietary models being developed across businesses for product development, manufacturing, lending, customer acquisition and field intelligence, leveraging Mahindra's proprietary data and process expertise.

Auto update

- Auto business delivered another strong quarter with 32% revenue growth and 21% PAT growth, despite a high base. While SUV volumes grew 14.9%, LCV volumes grew 20%, and EV SUV volumes were up 77% YoY.
- The combined XEV brand crossed 16k quarterly volumes, with the XEV 9S emerging as the highest-selling premium SUV despite its premium pricing.
- Strong demand continues across urban and rural markets, supported by healthy enquiry levels and sustained momentum across ICE SUVs, EVs and LCVs.
- Customer preference is gradually shifting towards diesel vehicles owing to superior fuel efficiency, while the sub-4 meter segment is simultaneously witnessing higher CNG adoption.
- EV penetration increased to 12% of SUV sales, with the EV business now EBITDA positive even without PLI incentives, reflecting meaningful progress on profitability.

- Management expects 20-25% EV penetration to become the key inflection point for the industry, after which scale benefits will help drive sustainable growth in the long run, limiting the need for further Govt incentives.
- Management expects EV profitability to improve further through scale benefits, localization, platform sharing and supply-chain cost reductions, while maintaining that EV margins should converge with ICE over the medium term.
- Capacity expansion from 64.5k units to 68k units per month is expected to support festive season demand, although supply-chain bottlenecks continue to limit production at times.
- Dealer inventory remains healthy at around 15 days, while supplier disruptions, flooding and component shortages continue to create short-term production volatility.

FES segment update

- Farm business delivered a resilient 1Q despite geopolitical disruptions and commodity inflation, with management indicating that sentiment has improved meaningfully following the recent revival in monsoon activity.
- Core international markets continued to perform well despite broader global headwinds.
- Tractor channel inventory remains healthy at 30-40 days, with Swaraj operating below normal inventory levels due to temporary supply constraints.
- Higher farm mechanization continues to drive premiumization, with 40-50 HP tractors now accounting for nearly 70% of industry demand, supported by increasing adoption of advanced implements.
- Farm implement revenues stood at approximately INR3.62b during the quarter, up 17% YoY.
- Management expects 2Q margins to remain under pressure from steel and rubber inflation and seasonal volume shifts, with improvement expected from Q3 onwards, provided input costs cool off by then.

Commodity Costs & Margins

- Commodity inflation impacted auto margins by roughly 450 bps during Q1.
- Auto segment margins were also impacted to the extent of 85 bps arising from MTM losses on commodity hedges.
- Mahindra implemented cumulative price increases of around 4.2% (1.5% in 1Q and 2.7% in July) to mitigate rising input costs.
- Auto margins are expected to stabilize and gradually improve from 2Q, assuming commodity prices do not witness another sharp spike.
- Tractor margins are likely to remain under pressure in 2Q owing to elevated steel and rubber prices, although seasonal demand recovery should support profitability in H2.

Update on Growth Gems

Trucks & Buses (SML Mahindra)

- The SML Isuzu acquisition significantly strengthens Mahindra's position in the commercial vehicle industry, creating opportunities for revenue growth and margin expansion through product, network, procurement and cost synergies.
- Mahindra became the No. 2 player in the sub-12T LCV bus segment during Q2 and continues to hold leadership positions in LCV trucks, while remaining committed to scaling its heavy truck business.

Aerospace

- Aerospace remains a key long-term growth engine, supported by a strong order pipeline (USD1.5b), rising customer wins and opportunities for both organic expansion and strategic acquisitions.
- Leveraging its global top-five quality ranking, MM is moving up the value chain from precision components to high-value sub-assemblies and complete fuselage structures, with management expecting organic growth to outpace its earlier 10x decade-long target.

Logistics

- Warehouse utilization improved sharply, with white space reduced from 1.6m sq. ft. to 200k sq. ft., converting previously idle assets into revenue-generating facilities.
- Strong deal wins across manufacturing, e-commerce, consumer, pharma and telecom, coupled with the turnaround in the core logistics business after 11 loss-making quarters, are expected to sustain earnings momentum.

Mahindra Lifespaces

- The company remains focused on premium residential projects in Mumbai, Pune and Bengaluru, supported by an INR500b development pipeline, while avoiding aggressive geographic expansion.
- Premiumization and execution remain key priorities, reflected in 99% first-time acceptance of over 1,500 recently delivered apartments.
- Management reiterated its aspiration to build a INR100b pre-sales business by FY30, while maintaining a disciplined approach towards redevelopment opportunities.

Mahindra Finance

- Asset quality, margins and profitability continued to improve, with Stage-3 assets remaining below 10% for seven consecutive quarters, NIMs recovering to 7.3% and RoA improving to 2.4%.
- The non-wheel portfolio (mortgages, SME and personal loans) grew 79% YoY, with the company targeting a 70:30 mobility-to-non-mobility loan mix and an INR3,000b loan book by FY31.
- Used vehicle financing remains a key margin-accretive business, with leadership in used tractors and a top-tier position in used car financing.

MARUTI SUZUKI

Maruti Suzuki — Buy

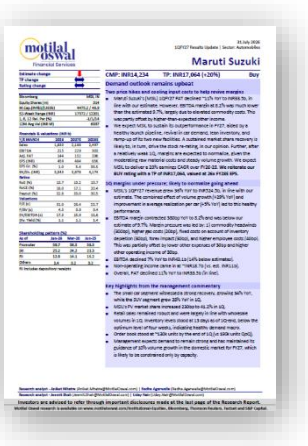
Current Price INR 13,688

Performance highlights and outlook

- The reduction in GST rates has created a positive demand momentum for the company. The small car segment has witnessed a strong recovery, growing 34% YoY, while the SUV segment grew 28% YoY. CNG contribution in 1Q stood at 40%.
- MSIL's market share increased 230bp in 1Q to 41.2%.
- Retail sales remained robust and were largely in line with wholesale volumes. Inventory levels stood at 13 days as of 1Q-end, significantly below the optimum level of around four weeks, indicating healthy demand conditions.
- Order book at the end of 1Q stood at ~130k units (down from 190k units QoQ).
- The share of first-time buyers improved to 54% in 1QFY27 from 51% in 4Q, attributable to a rise in small car sales.

Click below for Detailed Concall Transcript & Results Update





- The customer mix remained diversified, with salaried customers contributing 40% of sales, business owners at 34%, and self-employed customers at 20%. Contribution from government employees remained stable at 15%.
- Management expects demand to remain strong, and has maintained its guidance of 10% volume growth in the domestic market for FY27, which is likely to be constrained only by capacity, given demand conditions remained robust.

Update on product launches

- The company launched the new Brezza with a 1.0L powertrain, which is expected to enhance competitiveness in the segment as it is eligible for the lower 18% GST rate vs 40% for the 1.5 ltr variant.
- While it is a bit early to provide any tangible feedback, customer response so far for the new model has been strong, with bookings reaching approximately 2,000 units per day.
- MSIL has a healthy launch pipeline of seven new SUVs by 2030.

Update on exports

- Despite challenges arising from the West Asia situation, exports grew 28.6% YoY, significantly outperforming the overall industry. For the rest of the industry, exports have declined by 8.4% in 1Q.
- During the quarter, South Africa, Japan, and Europe emerged as the key export growth markets for MSIL, which helped offset the slowdown in the Middle East.
- MSIL's export share has now increased to 55%
- Export revenue during the quarter stood at INR115b.

Update on capacity expansion:

- The Kharkhoda plant commenced operations in May 2026, followed by the commencement of production at the company's fourth plant in Hansalpur in July 2026.
- The Hansalpur plant capex outlay stood at ~INR39b. This will predominantly be an EV line.
- Each of these plants has an installed capacity of 250k units pa. With these additions, the company's total installed capacity has increased to 2.9m units pa.

Update on margins:

- Margins were impacted by higher commodity prices, energy costs, and logistics expenses due to geopolitical issues, including the West Asia situation.
- On account of the sharp surge in commodity costs and to ensure continuity of supply, MSIL decided to support its vendors by moving to a monthly settlement contract in certain commodities like aluminum, plastics, and rubber from quarterly settlement. This resulted in a double impact due to both higher input costs and accelerated pass-through of the same to suppliers.
- Margin pressure in 1Q was led by: 1) commodity headwinds (300bp), higher gas costs (20bp), fixed costs on account of inventory depletion (30bp), forex impact (30bp), and higher employee costs (40bp). This was partially offset by lower other expenses of 30bp and higher other operating income of 30bp. Of the commodity headwind impact, ~110bp was due to the temporary change in the commodity settlement cycle from quarterly to monthly. The company expects to transition back to a quarterly lag settlement cycle in the coming quarters as commodity prices cool off. Further, raw materials like Al have started cooling off materially, the benefits of which could also be reflected from 2Q onwards

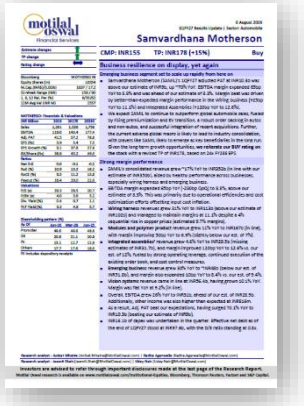
- The company undertook a 50bp price hike in June, followed by another price increase in Aug. The benefits of these price hikes are expected to flow through largely in 2Q.
- Discounts remained flat on a QoQ basis.

Samvardhana Motherson — Buy

Current Price INR 170

Click below for Detailed Concall Transcript & Results Update





Overall business update

- Revenue increased QoQ, despite Q1 historically being a seasonally weaker quarter, supported by healthy growth across all key segments.
- The company continued to outperform underlying automotive industry production across key markets through a combination of content growth, customer diversification and new program launches.
- During the quarter, three new manufacturing plants were commissioned. Management expects a total of ten new facilities to become operational during FY27, further supporting future growth and capacity expansion.

Capital allocation and capex

- FY27 capex guidance has been maintained at INR60b (+/-10%), reflecting the company's continued investment-led growth strategy.
- Approximately 50% of the planned capex will be directed towards growth initiatives, while the remaining 50% will be allocated towards regular maintenance and capacity enhancement.
- Of the growth capex, nearly 60% will be invested in non-automotive businesses, highlighting the company's increasing diversification beyond traditional automotive operations.
- Capex of INR16.1b was incurred during Q1FY27, with investments focused on capacity expansion, backward integration, innovation and new technology capabilities.

Acquisition updates

- Completed the acquisition of Nexans Auto-electric on 3 July 2026.
- The acquisition significantly expands the addressable market across both PV and CV wiring harness segments.
- It provides access to an expanded global customer base, including stronger relationships with OEMs.
- The business will begin contributing from Q2FY27 onwards.
- Completed the acquisition of Yutaka Giken on 21 July 2026, representing the third acquisition associated with Honda's supplier ecosystem.
- The business will operate under a newly created business vertical within the emerging business.
- The acquisition broadens the company's product portfolio while opening up new long-term growth avenues across automotive systems.
- Collectively, the acquisitions of Nexans Autoelectric and Yutaka Giken are expected to contribute nearly USD2b of annualized revenue.
- Announced the acquisition of Shenzhen Autocruis (China), a manufacturer of advanced digital vision and monitoring systems for PV and CVs.
- The acquired company generates annual revenue of approximately USD6.8m, with transaction completion expected during Q3FY27.

- Product portfolio includes Camera Monitoring Systems (CMS), Full Display Mirrors (FDM), 360-degree Around View Monitoring (AVM), Driver Monitoring Systems (DMS) and Dashcam Video Recording (DVR) solutions.
- Expands the company's technology portfolio in next-generation vehicle safety and digital vision solutions.

Segmental updates

Update on Wiring Harness business

- Delivered healthy revenue growth during the quarter, supported by strong momentum in the Indian business and a recovery in the North American CV segment.
- The integration of Nexans Autoelectric will significantly strengthen the company's global wiring harness presence and materially expand its addressable market from 2QFY27.
- This segment was able to demonstrate strong business resilience as margins were down just 30bp to 11.1% despite a surge in Cu prices. Business benefited from a pick-up in international business, including the revival of the US Class8 truck segment.
- India wiring harness business saw a higher impact of surge in input costs relative to International operations due to the currency depreciation impact.

Update on Modules & Polymer segment

- Business performance remained subdued as automotive demand stayed soft across several key end markets.
- The company continues to focus on expanding its presence in faster-growing geographies and increasing business with high-growth customers to improve medium-term growth prospects.
- Elevated crude-linked polymer prices continued to pressure profitability.
- Margin impact was partly offset through ongoing transformation initiatives and cost-saving measures, particularly in Europe, resulting in an improvement of approximately 50bp YoY.
- Continued raw material pass-through mechanisms, combined with ongoing cost optimization initiatives, are expected to support gradual margin improvement going forward.

Update on Vision Systems

- Delivered approximately 10% YoY revenue growth, demonstrating resilient execution despite a challenging industry environment.
- Margins remained stable during 1QFY27, broadly reflecting normal seasonal business trends.
- Management remains focused on increasing content per vehicle, expanding the premium product mix, and driving operational efficiencies to sustain profitability amid softer industry demand.

Update on Integrated Assemblies segment

- Revenue performance was impacted by weaker demand across key end markets where the business has relatively higher customer exposure.
- Management remains confident of sustained growth, supported by a healthy order book and multiple customer program launches scheduled during FY27.
- Cost optimization initiatives and improved operational efficiency led to margin expansion YoY despite weaker volumes.

- Ongoing investments in digitization and automation are expected to further enhance operational excellence and improve margin resilience over the medium term.

Emerging businesses

Consumer Electronics

- The third manufacturing facility remains on track for commissioning in Q3FY27.
- The facility represents the largest manufacturing site within the Motherson group and is expected to ramp up materially faster than traditional automotive businesses.
- Planned investment for the third facility is approximately INR65b, to be deployed over the next three years.
- Upon full ramp-up, the facility will have an annual manufacturing capacity of approximately 40m units.
- Total planned investment in the consumer electronics business stands at around INR75b. One-third of this capex is done, while the balance capex will be incurred over the next two to three years.
- SAMIL currently owns 90% of the venture, while the joint venture partner holds 10%, with an option to increase its stake up to 49% in the future.

Aerospace

- Aerospace business continued its strong growth trajectory, delivering 20%+ YoY revenue growth during the quarter.
- Order book expanded by 17%+ compared to FY26-end levels, providing strong medium-term revenue visibility.

New Technologies

- New growth businesses remain in the "building block" phase, with investments continuing across multiple future technology areas.
- The company's healthcare ventures have seen slower-than-expected global adoption. However, management remains confident of generating meaningful value over its five-year strategic plan.
- The company has already commenced supplying semiconductor-related products to customers.

SONA BLW Precision — Neutral

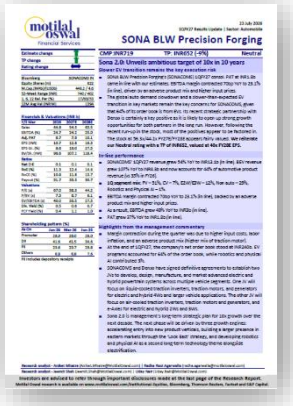
Current Price INR 823

Update on 1QFY27 performance

- BEV revenue more than doubled YoY to INR 4.36b and accounted for 44% of automotive product sales, supported by traction motor and suspension motor ramp-up.
- Margin contraction during the quarter was due to higher input costs, labor inflation, and an adverse product mix (higher mix of traction motor).
- India remained one of the fastest-growing markets in 1Q. European demand was better than expected, with the market remaining stable and beginning to grow. Electrification in the region is accelerating across BEVs, plug-in hybrids and strong hybrids. Demand in the US improved as the quarter progressed, although BEV adoption remained weak. China demand remained weak. However, it was SONACOMS' fastest-growing region in 1Q due to the ramp-up of suspension motor program.

Click below for Detailed Concall Transcript & Results Update




SONA BLW Precision Forging

- Suspension motors and traction motors are expected to remain the fastest-growing segments for SONACOMS in the near term.

Updates on order wins

- SONACOMS secured an order from an existing North American OEM of ICE and electric passenger vehicles to supply differential assemblies for a hybrid passenger vehicle platform. The program added INR6.4b to the company's order book, with production expected to commence in 2HFY29.
- The company also received two orders from a new-age Indian electric two-wheeler OEM to supply hub-wheel traction motors. These programs added INR900m to the order book.
- In addition, SONACOMS won an order from an existing North American OEM of ICE and electric passenger vehicles to supply differential gears for an ICE passenger vehicle platform. The program added INR2.1b to the order book, with production likely to commence in 2HFY28.
- At the end of 1QFY27, the company's net order book stood at INR240b. EV programs accounted for 64% of the order book, while robotics and physical AI contributed 3%.

Update on Sona 2.0

- Sona 2.0 is management's plan to for 10x growth over the next decade. Management noted that more than 85% of its revenue growth between 2015 and 2025 came from three decisions: entering new product verticals, expanding into global markets, and investing early in electrification. Sona 2.0 is, therefore, based on making a limited number of transformational decisions and executing them over several years, rather than relying on incremental initiatives.
- The next phase will be driven by three platforms: accelerating entry into new product verticals, building a larger presence in eastern markets through the "Look East" strategy, and developing robotics and physical AI as a second long-term technology theme alongside electrification.

New product verticals

- The first growth engine remains the creation of new businesses through internal R&D. More than 35% of current revenue comes from products that were not part of the portfolio seven years ago, including 19 products conceived, designed, industrialized, and scaled internally. Based on annualized 1QFY27 performance, products developed over the past seven years represent an approximately INR18b revenue business and generate more than INR2.3b of annual profit. Management intends to increase investment in internally developed products and convert additional engineering capabilities into independent revenue verticals.
- SONACOMS will complement organic development with acquisitions, joint ventures, and technology partnerships where external capabilities are difficult or time-consuming to build. The company has invested approximately INR27.5b in Comstar, railway acquisitions, and Novelic over the last seven years; the acquired businesses now contribute around 40% of revenue with an estimated INR2.7b of annual net profit on comparable margins.

Look East strategy

- The 'Look East' strategy is intended to create an Eastern-market franchise comparable with SONACOMS' presence in Europe and North America. The JV

with Denso represents a step in the "Look East" strategy as the joint ventures address the largest remaining gap in SONACOMS' electrification portfolio: high-voltage electric and hybrid powertrain systems for passenger and commercial vehicles.

- The partnership comprises one venture for high-voltage electric and hybrid systems for passenger and commercial vehicles, in which Denso will hold the majority stake (51%) and contribute technology and intellectual property, and another for two- and three-wheelers, in which SONACOMS will retain majority ownership and management control. Suspension motors and other non-traction motor businesses remain outside this transaction. The royalty arrangements are reciprocal: the high-voltage PV and CV JV will pay Denso for its technologies, while the two- and three-wheeler JV will pay SONACOMS for its traction technologies. The partnership should also offer SONACOMS access to customer groups and export markets where its brand and relationships are currently limited. The initial focus of the high-voltage partnership will be India, followed by potential expansion into global markets.
- Management expects the high-voltage motor and control-system business to be tech-intensive rather than capital-intensive. It indicated a potential asset-turnover range of ~11–12x, compared with ~8–9x in the two-wheeler traction motor business. SONACOMS currently has approximately 25% share in India's two- and three-wheeler traction motor market but intends to pursue a market share above 50% with Denso.

Robotics and physical AI

- Robotics and physical AI form the third growth engine. Management believes that AI will progressively move from digital applications into machines that sense, interpret, act and learn, creating demand for motors, gearboxes, actuators, sensors, electronics and embedded software.
- Under this new vertical, it will focus on: 1) Building mission-critical components and subsystems for Robotics and Physical AI, 2) Developing perception stack and providing ER&D services for all types of Robotics and Physical AI platforms, and 3) Developing and manufacturing selected types of full-stack robot platforms.
- The company has already secured orders for advanced robotics subsystem, radar perception stack for AMR for farm application, and order for Short Range Radar Sensors for an Indian CV OEM leading to a total order book of INR8b at the end of 1QFY27, including INR6b of new orders during 1QFY27, with SOP starting as early as 2QFY27.

TATA MOTORS COMMERCIAL VEHICLES | Better Always

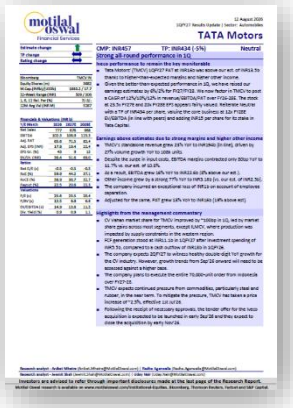
Click below for Detailed Concall Transcript & Results Update

Tata Motors CV — Neutral

Current Price INR 478

1Q performance

- TMCV reported a strong performance in 1QFY27, supported by healthy industry demand and broad-based growth across segments. Industry TIV volume grew 18% YoY, while TMCV volume increased 26% YoY, outperforming the overall market. All segments witnessed double-digit growth, indicating broad-based momentum.
- CV VAHAN market share improved by ~100bp during the quarter. However, ILMCV share was impacted by supply constraints in the western region.


TATA Motors

- The company strengthened its SCV portfolio with the launch of multiple new products, including Ace Gold+ XL, Intra V40, and Intra EV, across ICE, CNG, and electric powertrains.
- TMCV commenced deliveries for its Indonesia export order of 70,000 units, marking progress on its international expansion strategy. The company shipped ~2,000 units in 1QFY27, leading to 35% YoY growth in export volumes.
- EV penetration in SCVPU reached ~10% during May and June. SCV EV retail volumes stood at 3.2k units in 1QFY27.
- The company acquired an additional ~18.1% equity stake in Freight Tiger in May'26 for INR956.6m, increasing its total ownership to ~63.6%. The acquisition aims to integrate FleetEdge and Freight Tiger to create an end-to-end digital ecosystem across the logistics value chain, covering both truck and trip ecosystems.
- TMCV reported a net cash position of INR71b as of Jun'26 in its standalone financials, after accounting for a dividend payout of INR15b. FCF generation stood at INR11.1b in 1QFY27 after investment spending of INR5.5b compared to a cash outflow of INR18b in 1QFY26.
- Working capital requirements improved significantly to INR2.3b in 1Q FY27 from INR35b in 1QFY26, supporting cash flow generation. The improvement was aided by better operating performance, higher discipline in working capital management, and advance receipts from the Indonesia order.
- In the buses and vans segment, TMCV secured orders for 562 units during 1Q across government, institutional, and STU segments.
- The company has received orders for 850 electric buses from private customers and tenders from Chennai, Odisha, Ahmedabad, and Hyderabad under the government electrification initiatives.
- Parts and services business recorded a strong double-digit growth in 1Q.

Update on Iveco transaction

- Regulatory approvals for the transaction are in the final stages, with only one pending approval remaining. All regulatory queries and requirements have been addressed, and the final clearance is expected by the end of Aug'26.
- Following the receipt of necessary approvals, the tender offer is expected to be launched in early Sep'26 and is targeted to close by early Nov'26.

Business outlook

- Key focus areas for 2QFY27 include managing commodity inflation, addressing supply chain constraints, accelerating truck growth, executing pending bus orders, and ramping up exports.
- The company expects 2QFY27 to witness healthy double-digit YoY growth for the CV industry. However, growth trends from September onwards will need to be assessed against a higher base.
- TMCV expects to further ramp up exports in non-Middle East markets, including a significant increase in supplies under the Indonesia order. The company plans to supply 70,000 units across FY27 and FY28 under the Indonesia program.
- In the truck segment, TMCV aims to accelerate growth through the MY26 product portfolio, higher-payload trucks, and expansion of its BEV offerings. Acceptance of higher-payload trucks in the market has been encouraging, supporting gradual market share gains.

- In the SCV segment, the company plans to build on the momentum of Ace and Intra platforms and leverage the transition toward EVs to drive further market share gains.
- SCV EV performance continues to be strong. The Intra Ace Pro EV offers an attractive TCO proposition and is witnessing increasing customer acceptance.
- EV financing trends are improving every month, supported by the offering of battery warranties beyond loan tenure, thereby improving customer confidence and financing availability.
- EV demand outlook remains positive in the CV passenger segment, with additional tenders expected under the PM E-Bus Sewa initiative.
- In-house manufacturing capacity is not a constraint for EVs; however, cell supply from China remains a bottleneck. The company expects supply constraints to ease by the end of 2Q.

Update on margins

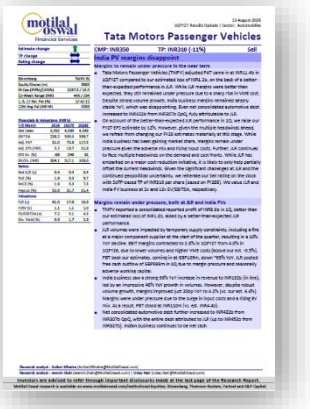
- EBITDA margin compression during 1QFY27 was primarily due to commodity cost inflation. However, operating leverage benefits and improved ASP helped partially offset the adverse impact of commodity costs.
- The company expects continued pressure from commodities, particularly steel and rubber, in the near term.
- To mitigate commodity inflation, TMCV implemented a price increase of ~2.5% effective 1st Jul'26.
- The company remains focused on calibrated price increases and internal cost-management initiatives to protect margins.

Tata Motors PV — Sell

Current Price INR 322

TATA MOTORS PASSENGER

Click below for Detailed Concall Transcript & Results Update



Update on JLR

- JLR's 1Q volume was impacted by a combination of temporary supply constraints, market disruption arising from the Middle East conflict, and the planned wind-down of outgoing Jaguar models ahead of the launch of Jaguar Type 01.
- 1Q wholesales stood at 79.3k units, down 9.2% YoY. Volumes were ~3k units below the company's original estimate for the quarter, primarily due to supply disruptions.
- Adjusted 1Q EBIT margin was 2.8%, down from 4.0% in 1QFY26 due to lower volumes and weaker market conditions. Retail variable marketing expenditure (VME) increased from 4.1% to 7.1% YoY as competitive intensity increased, particularly in China, while the US market also experienced elevated discounting activity. The combined impact of lower volumes and higher VME resulted in an adverse 270bp impact on profitability YoY.
- Free cash outflow was GBP998m in 1Q, largely due to lower profitability and the seasonal working capital impact typically seen in the first quarter.
- Working capital was elevated due to higher production levels and lower sales volumes, resulting in increased inventory levels. The company expects cash performance to improve as volumes recover through the year.
- The supply disruption caused by a fire at a major component supplier at the beginning of the quarter primarily impacted Range Rover and Range Rover Sport production.

- China remained the most challenging market, with wholesales declining 25% YoY. The broader market continues to face significant overcapacity issues, affecting all manufacturers. JLR expects conditions in China to remain difficult
- until excess capacity is addressed, but it keeps inventory days under control and is avoiding volume growth through excessive discounting. • The mix of premium models continued to improve, with Range Rover, Range Rover Sport, and Defender accounting for 80.8% of 1Q wholesales compared with 77.2% YoY.
- JLR expects to sell the remaining inventory of outgoing Jaguar models over the next six months in wholesales. Production of new Jaguar models is expected to begin in early 2027, with the financial impact of these launches expected to be more meaningful from FY28 onward.
- Feedback on the Jaguar Type 01 has been positive with strong customer reactions.
- The company's upcoming launch cycle remains strong, beginning with the Range Rover Electric launch in Sep'26, followed by a series of new product introductions over the subsequent six months and beyond.
- JLR is targeting approximately 12k EV wholesales in FY27.
- ASP is expected to continue increasing, reaching above GBP80k within the next 18 months from GBP75.3k in 1QFY27, supported by improved product mix and the continued focus on premium positioning.
- JLR maintains its target to achieve double-digit revenue growth over the next five years. The strategy is centered around greater propulsion flexibility, strengthening its premium positioning and increasing strategic focus on North America.
- JLR and Stellantis have signed a MoU to explore opportunities for collaboration on new Defender products specifically designed for the US market.
- Investment levels and capitalization remained high during the quarter, with a capitalization rate of 74%.
- JLR expects the transition towards higher EV sales to be margin neutral or potentially margin accretive. New EMA vehicles (smaller vehicles) are expected to replace end-of-life models that currently generate lower margins, supporting overall profitability.

Update on India PV business

- The Indian PV industry recorded strong volumes of 1.3m units, supported by a robust post-GST 2.0 demand environment. Industry volumes grew 24% YoY, driven by strong growth in alternative powertrains, particularly EVs and CNG vehicles, along with a favorable low base effect.
- Alternative fuel vehicles now account for 31% of industry volumes. The EV segment witnessed strong momentum, growing 77% YoY, supported by wider OEM participation, improving customer acceptance, and favorable government regulations and policy support. EV penetration for the industry increased to ~8% in Jun'26.
- Despite strong demand, the industry continues to face challenges from supply chain constraints and inflationary pressures, particularly elevated commodity costs. Industry growth is expected to moderate in the second half of the year due to the higher base created by the GST-led demand acceleration.

- TMPV significantly outperformed the industry, delivering strong growth across both PV and EV segments. Overall wholesale volumes reached 182k units, representing 46% YoY growth and approximately twice the industry growth rate.
- The company witnessed strong demand across its product portfolio, with Punch and Nexon emerging among the top three best-selling passenger vehicle models in India.
- TMPV further strengthened its portfolio competitiveness through product interventions, including the Tiago ICE and EV facelift, along with portfolio expansion through the launch of Sierra EV.
- TMPV achieved its highest-ever EV volumes of over 34k units during the quarter, maintaining its leadership position with ~40% market share.
- EVs contributed 19% of TMPV's 1Q volumes, while CNG vehicles accounted for 27%, highlighting the company's strong positioning in the ongoing shift towards alternative powertrains.
- The company's EV market share increased from 37% last year to 43% in the latest month, driven by stronger value propositions across existing products such as Punch EV. Demand remains robust, with Punch EV currently experiencing waiting periods of 8–10 months.

TVS Motors — Buy

Current Price INR 4,362

Update on the domestic market

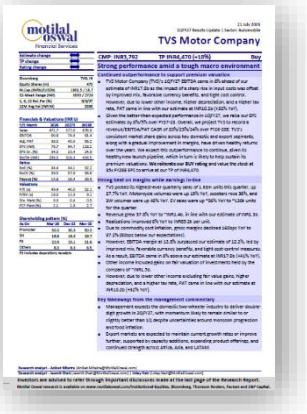
- TVS domestic 2W volumes grew 21% YoY, significantly outperforming the industry growth of 13%.
- Management highlighted healthy retail demand across urban, semi-urban and rural markets, aided by GST rationalization, income tax relief measures, improving affordability and continued replacement demand.
- The scooter portfolio continued to outperform, with Jupiter and NTORQ benefiting from continuous product refreshes, feature upgrades and strong brand positioning. Management expects the scooter category to witness sustained
- structural growth, with scooters (ICE + EV) already accounting for nearly 40% of the domestic 2W market.
- Three-wheeler domestic demand remained robust, with management continuing to invest behind capacity expansion to meet growing demand across passenger and cargo applications.
- TVS reiterated its strategy of focusing on customer-centric product innovation, premiumization, quality, technology and dealer network strength rather than participating in aggressive discounting.

Update on EVs

- EV sales increased 86% YoY to approximately 130k units during Q1, substantially ahead of industry growth.
- Management noted that EV adoption is entering the mass-market phase, with demand increasingly expanding beyond early adopters into mainstream customers across semi-urban markets, while rural penetration is expected to gradually improve.

Click below for Detailed Concall Transcript & Results Update




TVS Motor Company

- EV penetration in the domestic 2W industry reached 10.6% in June'26, while electric 3W penetration crossed 40% for the first time, reinforcing confidence in long-term electrification trends.
- Capacity is being expanded in a phased manner, with electric scooter capacity increasing from ~40k units/month to over 50k units/month, while 3W capacity is also being significantly enhanced from ~20k to ~30k units/month to cater to rising EV demand.
- Management indicated that EV profitability continues to improve sequentially, with contribution margins strengthening as volumes scale, although profitability remains a journey over the coming quarters.
- TVS continues to expand its EV ecosystem through strategic initiatives, including a partnership with IOC for sustainable last-mile LPG cylinder distribution using electric cargo three-wheelers.

Update on International Business

- International business recorded its highest-ever quarterly sales, with exports growing 33% YoY to 468k units, driven by strong demand across key global markets.
- Export momentum was broad-based, with Africa remaining the largest growth driver, supported by strong demand for both motorcycles and three-wheelers, while Asia and Latin America (LATAM) also delivered healthy growth.
- Management highlighted that demand currently exceeds available production, prompting ongoing investments in capacity expansion to support future export growth.
- TVS continues to strengthen its global footprint through market expansion, premium product introductions, channel development and brand investments, while leveraging products manufactured in both India and Indonesia.
- The HLX series continues to witness exceptionally strong traction across export markets, while premium motorcycles such as Apache and Ronin are expected to become important international growth drivers.

Update on subsidiaries and investments

- TVS Credit continued its strong performance, supported by healthy consumer demand, premiumization and improving financing penetration across semi-urban and rural India. TVS expanded its network to nearly 63k touchpoints, added over 1.4m new customers and increased its customer base to 26m. Loan book grew 19% YoY to INR320.5b with PBT increasing 16% YoY to INR2.8b, supported by investments in AI, data analytics and technology to improve underwriting, customer experience and operating efficiency.
- Norton Motorcycles entered a significant commercialization phase with production of the Atlas platform commencing at Hosur, while launches across the UK, Europe, India and the US are planned over the coming months. Management reiterated that Norton will initially focus on customer experience, premium positioning and distribution expansion, with profitability expected to follow as volumes scale. TVS has invested approximately INR25b in Norton over the past four to five years, with the initial product portfolio comprising the ManX superbike in naked and sport variants and the Atlas Adventure and Atlas GT Sport Touring motorcycles.

- TVS announced TVS Paddock, a premium ownership ecosystem aimed at enhancing customer engagement through personalization and immersive ownership experiences.

Other highlights

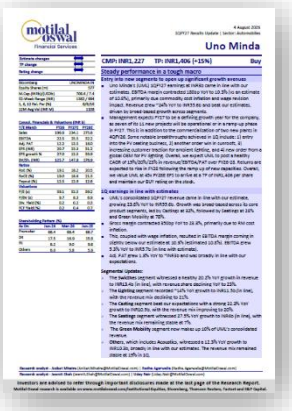
- Spares revenue for 1QFY27 was INR11.73b.
- The company successfully navigated commodity inflation and supply chain disruptions arising from the West Asia conflict, which had led to higher prices of steel, aluminum, plastics and other crude-linked inputs, as well as intermittent component shortages during April. Supply conditions improved materially during May and June.
- Commodity inflation during Q1 was estimated at around 3.5%, with management expecting only a modest incremental impact during Q2.
- The company continues to undertake phased price increases where necessary while maintaining competitiveness and customer affordability. So far, the company has taken a 1.5% price hike in 1QFY27, with management considering a 0.5% increase in 2QFY27.
- The company continues to leverage premiumization across its portfolio, supported by ongoing investments in technology, product differentiation, customer experience and brand-building initiatives, while also preparing multiple new product launches ahead of the festive season in Nov'26.
- Dealer inventory continues to be tightly managed at 25-30 days, ensuring healthy retail throughput while adequately preparing for the festive season without excessive channel stocking.

Uno Minda — Buy

Current Price INR 1,275

Click below for Detailed Concall Transcript & Results Update





- In the 2W lighting business, management expects meaningful market share gains over the coming years, supported by previously announced order wins with an annual peak revenue potential of ~INR4.5b.
- The company secured its first business nomination from a global OEM for the domestic PV lighting business.
- Interior ambient lighting has started gaining commercial traction, opening a new growth avenue within the lighting portfolio.
- Indonesia's four-wheeler lighting plant has secured a second customer order, with SOP expected in 2QFY28, validating the company's international manufacturing strategy.
- In alloy wheels, the new 60k wheels/month line at Kharkhoda is expected to be fully ramped up from 2QFY27, while an additional 30k wheels/month capacity is scheduled for commissioning in 2HFY27.
- The two-wheeler alloy w heel business is set for a significant ramp-up, with four of the planned six Bawal production lines expected to become operational in 2HFY27, adding ~1m units of annual capacity.
- In the seatings business, growth visibility is supported by export orders worth ~INR3.8b annual peak revenue from three new customers across Europe and North America (announced in 4Q).
- UML has entered the PV seating business through its JV with Tachi-S. It has already won an order from an anchor customer for PV seatings, for which it is

setting up a new plant at Chhatrapati Sambhaji Nagar at a capex of INR3.2b (asset turn expected of over 2x). The facility is expected to commence operations in 2QFY28.

- UML has now secured an additional panoramic sunroof order from a new OEM with annual peak revenue potential of INR1.3b, along with an electric roller shade order worth INR400m. Total sunroof order book has now exceeded INR5b, with production expected to commence from end-FY27.
- Management reiterated its FY27 EBITDA margin guidance of 11% +/-50bp.
- The company has maintained its current capex guidance of ~INR17.5b for FY27.

CAPITAL GOODS

- **Management commentary remained constructive, with T&D and defense emerging as the key structural growth drivers. T&D demand is supported by grid expansion, renewable evacuation, HVDC, and distribution investments, while defense continues to benefit from indigenization and strategic programs across missiles, radars, EW, and aerospace. Data centers/AI-led power demand, renewables, storage, and energy transition are adding further opportunities across the power infrastructure value chain. Private sector capex is improving, though a broad-based recovery is yet to emerge. However, exports remain an incremental growth driver.**
- **Near-term risks include higher freight, insurance, and input costs amid the Middle East disruptions, particularly for exports. However, better sourcing, local procurement, logistics optimization, price pass-through and contractual protections should help limit margin pressure. Overall, T&D, defense, data centers, energy transition and a gradual private-capex recovery should drive the next leg of order inflows.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Outlook	Domestic Capex Cycle
Larsen and Toubro	▪ Order inflow growth at 10-12% ▪ Revenue guidance of 10-12% YoY. ▪ 7.8% core E&C margin (excluding realty). ▪ NWC-to-sales ratio to normalize to ~10% in FY27.	▪ The prospect pipeline for the remaining 9MFY27 stands at INR15.1t ▪ Of this: infrastructure and utility prospects stand at INR7.8t, energy conventional at INR4.4t, green energy at INR2.4t, and manufacturing and product at INR460b.
Kalpataru Projects	▪ FY27 order inflows to exceed INR300b. ▪ Revenue growth of at least 15% YoY. ▪ Consolidated PBT margins expected to improve more than 75bp YoY.	▪ Domestic T&D addressable market at INR1.0-1.25t annually over next five years, including 1-2 HVDC and GIS projects annually. ▪ Internationally, grid-capacity constraints across Europe, the Middle East, and parts of South America provide additional growth opportunities. ▪ The water segment secured its first Middle East order, a treatment project win with a large regional developer, which management views as the start of a broader multi-year opportunity.
KEC International	▪ FY27 revenue growth of ~12-15% YoY. ▪ Consolidated margins unlikely to be double-digit in FY27, but expects high single-digit margins to be achievable starting FY28. ▪ Interest costs are expected to moderate to around 2.3% for FY27 against 3.3% in 1Q.	▪ Management pointed to a strong tender pipeline exceeding INR2t across domestic and international markets, split roughly evenly between T&D and non-T&D opportunities. ▪ Management sees a larger opportunity on the T&D side, where growing power evacuation and connectivity needs around data centers are generating fresh transmission line inquiries, including from private developers in the US.
Cummins	▪ HHP volume growth has scope to improve further. ▪ Distribution to grow ~20% YoY in FY27.	▪ Domestic Powergen demand to remain healthy, supported by a strong order pipeline, although it remains watchful of inflationary pressures. ▪ Strong multi-year pipeline in data centers, with inquiries now covering FY27 as well as FY28. ▪ industrial demand to remain supported by healthy railway execution, improving mining activity and stable construction demand.
KOEL	▪ Management reiterated its five-year plan to build a USD2b revenue by FY2030, translating to roughly INR166b in revenue. ▪ EBITDA margin to improve going forward.	▪ The 192 MW hyperscale data center order to be a key reference project and plans to leverage successful execution to build credibility and pursue further opportunities across hyperscale, co-location and enterprise data centers. ▪ Continued customer engagement across segments provides a potential growth avenue, while the O&M

		component offers visibility for recurring revenues over the next 5–6 years.
Hitachi Energy	▪ Data center capacity is expected to increase to 5-8GW by 2030. The company expects data center to remain a significant growth driver. ▪ Ongoing investments in localization, manufacturing expansion, and backward integration are expected to further strengthen competitiveness while improving cost efficiency over time. ▪ The company expects exports to remain supported by increasing investments in renewable integration and transmission infrastructure globally, while capacity.	▪ The medium-term project pipeline remains healthy across transmission, HVDC, railways and metros. ▪ Management expects transmission ordering to improve as project approvals gather pace, while railway and metro orders that were delayed during the quarter are expected to recover in 2HFY27. ▪ On HVDC, at least one major greenfield project is already under bidding and is expected to be awarded over the next six months.
ABB India	▪ Nearly 40% of order book is expected to be executed over the next two quarters and the balance over the subsequent four quarters of CY27. ▪ ABB is investing in capacity for data-center specific products, including breakers, as management expects demand to increase multi-fold and potentially strain capacity in CY27-28.	▪ Management sees healthy traction across most markets, supported by electrification, grid modernization, infrastructure, and manufacturing capex. ▪ Data centers remain the standout opportunity across hyperscale and colocation customers, while commercial buildings are witnessing faster decision-making than residential.
CG Power	▪ Power System- The order pipeline has nearly doubled YoY, and the company continues to see healthy opportunities across utilities as well as newer applications such as data centers. ▪ Industrial business - Motors business to continue delivering high-teen growth	▪ Data centers are emerging as a meaningful growth opportunity within the Power Systems business, with customer enquiries and order pipelines continuing to strengthen. ▪ Overseas growth to remain well diversified across the US, Europe, and the MENA region, rather than relying on a single geography.
GE Vernova T&D	▪ Base order inflows of ~INR70-80b for FY27. ▪ Management reiterated its full-year EBITDA margin guidance of being in the mid-20s percentage range. ▪ Given the back-ended execution profile of HVDC projects, meaningful revenue contribution from HVDC is expected from FY29 onward, while the existing order backlog will continue to support growth over FY27-FY28.	▪ The domestic TBCB pipeline has improved materially during Jun-Jul'26, with several large projects already under developer evaluation. TBCB market expected to grow 6-7% YoY in FY27. ▪ HVDC Pipeline- The HVDC project pipeline remains strong, though some projects are experiencing slight delays. ▪ RTP of INR30b and INR13b tied to a US data center yet to be booked.
Atlanta Electricals	▪ Maintained guidance of 40% revenue CAGR over FY25-28. ▪ The current executable order book stands at ~INR32b, of which ~INR24b is executable within FY27. ▪ Overseas business to account for nearly 15% of total revenue over the next three years. ▪ EBITDA is estimated around 17-18% margin.	▪ Management continues to see strong demand in the power transformer market, supported by ongoing transmission investments.
Bharat Electronics	▪ FY27 order inflow guidance of ~INR550b (including QRSAM of INR300b). ▪ FY27 revenue growth guidance of 15% YoY, with EBITDA margin of ~28%. ▪ R&D investment is guided at INR22b in FY27. ▪ Capex is expected to be ~NR12b in FY27. ▪ The defense to-non-defense revenue mix is expected to remain around 90:10.	▪ Key orders expected in FY27 include next-generation corvettes (NGC), Project 75(I), Project Shatrughat, Samaghat (~INR90b), Project Shakti Phase IV (~INR20b), and the HAMMER weapon integration program (over INR25b). ▪ Beyond FY27, BHE expects orders for large projects such as Project Kusha (worth ~INR400b by FY29), Next Generation Destroyers (NGD), Project 17B (P-17B), AMCA, missile electronics, counter-drone systems, next-generation radar, and exports.
Astra Microwave	▪ For next Five years, ASTRA aims to reach ~6-7x FY26 revenue. FY27 revenue guidance of ~INR13.5b, plus or minus INR250m, followed by around INR16b in FY28 plus or minus INR500m.	▪ Management sees ~INR80-90b of identifiable order opportunities over the next three-four years, to be executed over the following five-six years.

	▪ Growth is expected to accelerate from FY29 onward as Uttam and QRSAM transition into larger-scale production. ▪ FY27 EBITDA margins to remain broadly similar to FY26, with some scope for improvement. ▪ The non-defence entity is targeted to generate >INR3b of first-year revenue and potentially 18-20% PBT margins.	▪ Astra is expanding beyond DWRs into avalanche radars and weather-forecasting applications. ▪ The company expects additional QRSAM orders as the program progresses, with around INR7-8b of further opportunity identified for the first three regiments.
Zen Technologies	▪ Order book of ~INR25b is expected by the end of FY27, supported by a healthy pipeline across simulators and anti-drone systems. ▪ Cumulative consolidated revenue of ~INR40b over next two years. ▪ EBITDA margin for FY27 is expected to be mid-30%.	▪ Simulator orders worth INR7-8b remain in the pipeline, with additional orders expected over the next few months as government procurement gains momentum. ▪ Management expects exports to become a more meaningful growth driver, supported by rising global defense spending and increasing demand for training simulators and anti-drone solutions. ▪ The company is expanding beyond its traditional export markets in the Middle East, Africa, Southeast Asia, and CIS countries into North America and Europe.
Thermax	▪ Thermax's ~INR140b backlog provides strong execution visibility, with only ~INR25b scheduled beyond FY27, implying >INR30b quarterly revenue over the next 2-3 quarters. ▪ Industrial products: YoY growth to sustain. Margins could remain under pressure in 2QFY27 before improving in 3Q-4QFY27 as commodity inflation is absorbed ▪ Industrial infra: Full-year margin to reach +10%. ▪ Chemicals: ~20% YoY revenue growth in FY27 with double-digit margins. ▪ Green solutions: Visibility of ~INR8b-9b revenue for the full year.	▪ The opportunity pipeline remains strong across domestic supercritical, subcritical and captive thermal power, the Middle East and Africa, waste-to-energy, selective EPC projects and US data centers, which should support order inflow growth in FY27. ▪ TBWES is also expanding its capacity and vendor ecosystem to address the rising thermal and US data center power pipeline. ▪ Bio-CNG ordering could revive from 3Q-4QFY27 if expected policy changes raise prices by 20-30% and improve project economics.
Triveni Turbine	▪ Management remains confident of full-year revenue and profit growth, with growth expected to be back-ended in 2H. ▪ PBT margin to be above 20% over the medium to long term as the level the company aims to sustain.	▪ Domestic inquiry book falling across industries. ▪ The company sees a large and growing opportunity in powering US data centers, as extended lead times of three to four years for gas turbines are pushing customers toward alternative routes such as combined cycle configurations using steam turbines. ▪ The Company continues to invest in developing new product lines, including its Organic Rankine Cycle offering, which it intends to expand further in the coming year, particularly for low-heat power generation opportunities globally, including in the Americas

Click below for
Detailed Concall Transcript &
Results Update

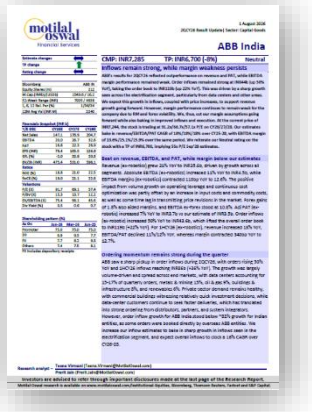


ABB India — Neutral

Current Price INR 7,400

- **Overall ordering activity:** Orders grew 50% YoY in 2QCY26, while 1HCY26 orders rose 36% YoY to ~INR86b, with growth largely volume-led as pricing continues to flow through with a lag. Data centers contributed ~15-17% of 2Q orders, followed by metals & mining at ~15%, oil & gas at ~9%, buildings & infrastructure at ~8%, and renewables at ~6%, with the balance spread across other end markets. Parent entity reported ~82% order growth for India vs. ABB India's reported order inflow growth of 50%. This gap was mainly because certain Indian customer orders were booked directly by overseas ABB entities. Order backlog stood at ~INR119b, with no slow-moving orders. Nearly 40% of order book is expected to be executed over the next two quarters and the balance over the subsequent four quarters of CY27. Management sees healthy traction across most markets, supported by electrification, grid modernization, infrastructure, and manufacturing capex.
- **Execution momentum:** Revenue growth was aided by backlog conversion and normalization of 1Q disruptions. 1QCY26 execution was affected by the West Asia crisis across both exports and domestic revenues, as domestic production also relies on inputs from global feeder factories. Exports formed ~13% of 2QCY26 revenue versus ~17% in 2QCY25, though the 1H mix remained broadly stable YoY.
- **Margin outlook:** Operational EBITDA margin stood at ~12.6% in 2QCY26 versus ~13.6% in 2QCY25, while ~210bp scale benefit and ~180bp forex gain benefit were offset by ~270bp material-cost impact and ~220bp higher employee and other expenses. Pressure was driven by elevated copper/metal prices, forex volatility, lower exports, and execution of some lower-margin projects to maintain factory loading. Price hikes are being implemented with a lag, particularly in short-cycle businesses. Near-term focus remains on protecting current margins, with recovery dependent on commodity/forex stabilization and operating leverage.

Segment-wise performance highlights

Electrification – Sharp increase in order wins

- **Ordering:** Electrification orders grew ~77% YoY in 2QCY26, supported by data centers, metals & mining, buildings & infrastructure, and renewables. Key wins included gas-insulated switchgear for buildings, ring main units for data centers, and smart-power products for renewables. Data-center demand remains strong across hyperscale and colocation facilities, while commercial-building decisions have been faster than residential. Strong end-demand also drove higher ordering from distributors, partners, and system integrators.
- **Execution:** Electrification revenue growth was supported by backlog conversion and healthy short-cycle product demand. Within Distribution Solutions, ~60% of business is product/flow business sold through partners, with the balance largely system/project business. ABB is investing in capacity for data-center-specific products, including breakers, as management expects demand to increase multi-fold and potentially strain capacity in CY27-CY28. The second Nelamangala facility is also supporting localization and new data-center products.

- **Margins:** Electrification profitability stood at ~15%, with higher copper/metal costs and forex volatility weighing on margins. ABB has implemented two price hikes, with customer acceptance gradually improving. Within Distribution Solutions, higher prices have already been passed through in the flow business and should reflect in coming quarters, while pass-through remains harder in competitively tendered system orders. Margin recovery should, therefore, follow with a lag if input costs stabilize.

Motion – Strong ordering while margins remain weak

- **Ordering:** Motion maintained healthy order momentum, with management indicating ~26% growth and traction across railways, metros, and industrial applications. Key wins included traction and auxiliary converters for railways, motors for food & beverage, and large AC motors for building infrastructure. Railways are supported by long-term contracts, while metro opportunities remain healthy alongside expansion by key OEM customers. Management continues to see predictability in railway orders and pricing.
- **Execution:** Motion revenue growth was relatively softer due to the longer execution cycle of railway orders, which are expected to be booked in future quarters. Changes in railway configurations affected execution timing rather than underlying revenue visibility. West Asia exports were also temporarily held back during the early part of 2QCY26, although the situation subsequently eased. Metro execution continues to benefit from traction among ABB's OEM customers.
- **Margins:** Motion profitability stood at ~12% due to commodity inflation and an unfavorable revenue mix. Margins were also affected by the temporary disruption to West Asia exports during the quarter. Management does not see specific pricing pressure in railways/metros, given long-term visibility on pricing and associated services. Execution timing rather than contract economics remains the key variable for railway profitability.

Automation – Weakness continues

- **Ordering:** Automation orders grew ~24% YoY, although management highlighted the cyclical nature of project ordering and indicated that growth could have been stronger. Key wins included marine and ports electrical/drive systems, power-distribution solutions for power generation, and electrical control systems for refineries. Refining and downstream industries saw some sluggishness following the West Asia crisis and higher crude prices, while announced capex projects continued to progress. Management sees potential improvement in upstream and conventional power-generation opportunities.
- **Execution:** Automation revenue grew ~7% YoY, reflecting the relatively longer conversion cycle of project businesses. Refining-sector projects continued to progress, albeit slowly, while customers temporarily curtailed non-essential services amid higher crude prices; this pressure has started easing. Marine & ports projects currently leverage ABB's sales, service, and installation capabilities, while certain main systems continue to be supplied by parent entities. Local competencies are expected to develop progressively as execution experience increases.
- **Margins:** Automation profitability was supported by services, which accounted for ~30% of segment revenue during 2QCY26. The relatively higher service mix

helped maintain the segment's margin corridor despite slower project execution. Management did not highlight any separate material pricing or commodity-related margin issue specific to Automation beyond company-wide headwinds. Profitability should, therefore, remain supported by services while project activity improves.

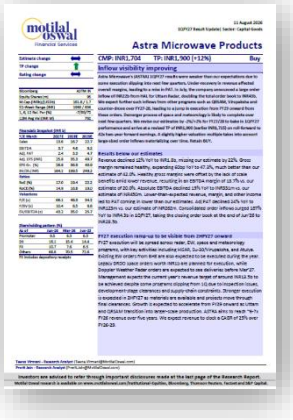
Astra Microwave — Buy

Current Price INR 1,703

Astra Microwave Products Limited

Click below for Detailed Concall Transcript & Results Update




Astra Microwave Products

- **Airborne & EW:** Astra has exposure across Tejas, Su-30, LCH and AMCA, spanning radar and EW systems. For Tejas LCA Mk1A, its AATRU subsystem has been qualified and the broader EW suite is in the final qualification stage, while Astra also supplies certain subsystems for LCH. In Su-30, the company is a development-cum-production partner for the Angad EW program and has Tier-1 participation on the radar side. In AMCA, Astra and BEL are L1/L2 for the AAAU development program, with four units under prototyping. Separately, Astra expects at least 25% of the designated Tejas Mk1 supply chain and sees the recently added Mk1A opportunity contributing around INR5-6b to the longer-term pipeline.
- **QRSAM execution:** QRSAM should provide a combination of near-term execution and medium-term order potential. Astra has already received FOPM-related orders from BEL, which are expected to be executed before Mar'27, while Atulya are also scheduled for execution during FY27. Management expects these programs to remain largely production-oriented and does not currently see major execution challenges. The company expects additional QRSAM orders as the program progresses, with around INR7-8b of further opportunity identified for the first three regiments.
- **Naval & missile:** Astra is participating in the development of subsystems for Shatrughat and Samaghat, with production orders expected as the respective platforms receive orders; the combined opportunity is estimated at around INR1-1.2b. The company also has some subsystem exposure to P75I, although no specific opportunity size was provided. In BrahMos, Astra supplies critical RF components for the gimbal-based RF seeker and telemetry products, while the BrahMos-NG seeker remains under development and is expected to require a few more months before testing and qualification. The new BrahMos-NG opportunity has not been included in current projections, leaving scope for incremental orders if development progresses successfully.
- **Counter UAV:** Astra demonstrated its electromagnetic wall and vehicle-mounted counter-UAV system in July, with the solutions designed around a modular architecture that can be customized for individual end-user requirements. The company is developing the radar, detection and tracking layer along with an interceptor-drone capability, while it does not intend to manufacture guns or directed-energy weapons in-house. Customers would therefore have the flexibility to integrate their preferred hard-kill solution onto Astra's system. Astra expects to have at least two indigenous radars and one drone-mounted electronic-intelligence product ready around Diwali, although these products have not been included in existing revenue or order guidance.

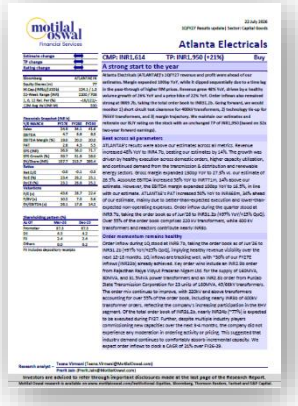
- **Export opportunity:** Astra's direct export business remains at an early stage, following a historical focus on offset-related business. The company is now pursuing BTS solutions and MMIC component opportunities, with leads from the US and Europe, although meaningful component orders could take another two years to materialize. For complete defense systems, Astra is first focusing on establishing its solutions in the domestic market before pursuing overseas customers, which are seeking broader offerings incorporating multiple sensors.
- **Execution readiness:** The sharp increase in order visibility is shifting the focus towards execution, with management highlighting supply-chain continuity and organizational capacity as key requirements. Over the past 18 months, Astra has added leadership across technology, HR, quality, procurement, R&D and sales, while procurement functions are being strengthened to handle higher volumes. Management expects the company to leverage its prior experience of managing large-scale businesses, but the planned increase in volumes will require continued strengthening of internal processes and supply chains. This is particularly relevant as global defence inventory restocking could put pressure on availability and lead times across suppliers.
- **Revenue roadmap:** Astra continues to target FY27 revenue of around INR13.5b, with a range of approximately plus or minus INR250m, followed by around INR16b in FY28 with a range of plus or minus INR500m. Management expects a more pronounced change in the growth trajectory from FY29 onwards as production orders for Uttam and QRSAM scale up. Over the next five years, it has indicated an ambition of reaching around 6-7x FY26 revenue, although this guidance currently refers to the combined Astra business before the separation of space and weather. The INR80-100b medium-term order-intake roadmap is expected to be built over three-four years and executed over roughly five-six years, rather than representing near-term revenue execution.

Atlanta Electricals — Buy

Current Price INR 1,717

Click below for
Detailed Concall Transcript &
Results Update

- **Power transformer industry outlook:** Management continues to see strong demand in the power transformer market, supported by ongoing transmission investments. The company noted that supply shortages persist across the IDT segment despite capacity additions by industry participants, indicating that demand continues to outpace available supply. Despite multiple industry players announcing capacity additions in the high-voltage transformer segment, management does not anticipate meaningful pricing pressure. It believes the market continues to witness strong demand, allowing newly commissioned capacities to be absorbed. The company also highlighted that approvals, certifications, technology requirements, and customer qualifications create significant entry barriers, particularly in the 400 kV and above transformer categories.
- **Key order won during 1QFY27:** An order worth INR3b from Rajasthan Rajya Vidhyut Prasaran Nigam Ltd. (RRVPNL) for the supply of four units of 160 MVA, 220/132 kV, 63 units of 50 MVA, 132/33 kV & 12 units of 31.5 MVA, 132/33 kV Power Transformers.



- **Execution momentum:** ATLANTAE reported healthy execution during the quarter, supported primarily by higher volumes, improved capacity utilization, and strong execution across domestic orders. Total volumes sold were 4,381 MVA in 1QFY27 versus 3,605 MVA in the corresponding period last year. Out of the total 4,381 MVA produced, approximately 1,520 MVA was manufactured at the Vadodara facility and 320MVA from the Ankhi facility, with the remaining production coming from its other manufacturing locations. Management expects utilization to improve further as recently commissioned capacities ramp up and new facilities become operational. Management indicated that volume growth remained the primary driver of operational performance.
- **Margin drivers:** Operating margins benefited from improved plant utilization and better absorption of fixed costs as production volumes increased. The company highlighted that raw material procurement continues to be undertaken on a job-to-job basis, limiting inventory-related pricing risks. Management expects margins to remain stable as operating leverage improves further with higher utilization levels.
- **Higher-voltage progress:** ATLANTAE made meaningful progress in expanding into higher-voltage transformers. The Vadodara facility has already received design approvals from PGCIL for 400 kV transformers, with the first deliveries expected during the current year. Short-circuit testing is scheduled for the early part of 3QFY27, while discussions with a technology partner for the 765 kV segment are at an advanced stage, with the approval process still underway.
- **Healthy order pipeline:** Order inflows during 1QFY27 were the highest achieved by the company in a quarter, with management indicating that competitive intensity has not affected either order wins or pricing. The current executable order book stands at ~INR32b, of which ~INR24b is executable within FY27.
- **Export opportunity:** The company continues to witness healthy enquiry traction from international markets, particularly across Europe, Africa, and the US. While exports did not contribute to revenue during the quarter, management expects overseas business to account for nearly 15% of total revenue over the next three years. Initial export orders have already been secured, providing confidence in the company's medium-term international growth strategy.
- **Manufacturing expansion:** The company continues to strengthen its manufacturing capabilities through ongoing capacity expansion and backward integration initiatives. The new Instrument Distribution Transformer (IDT) facility is progressing as planned and is expected to add around 5,000 MVA of annual capacity upon commissioning. Additionally, captive tank and radiator manufacturing facilities adjacent to the Vadodara plant are expected to enhance product quality while reducing dependence on third-party suppliers.
- **Capex:** The company has invested around INR500-600m towards expanding its manufacturing footprint, including the Vadodara high-voltage transformer facility and the new IDT plant. These investments are aimed at enhancing production capacity, improving technological capabilities, and enabling participation in higher-value transmission projects. Management expects these capex initiatives to support sustained growth over the coming years without materially affecting margin stability.

- **Guidance maintained:** Management maintained its guidance of 40% revenue CAGR over FY25-28, with margins to remain stable or improve as utilization levels improve.

Bharat Electronics — Buy

Current Price INR 409

Click below for Results Update


Bharat Electronics

- **Order book mix:** The current order book remains well diversified across the three armed services, with the Army, Navy and Air Force each accounting for roughly one-third of the defense order book. Around 90% of the overall order book continues to be defense-related, with major programs including electronic fuzes, LRSAM, LCA Mk1A LRUs, BMP-2 upgrades, Ashwini Radar, Mi-17 V5 EW Suite and Multi-Platform Radar (Arudhra).
- **Key orders expected in FY27:** Besides QRSAM, management expects order inflows from several strategic programs during FY27, including Project Shakti Phase IV, HAMMER integration, and additional defense subsystem contracts. While some large naval and air defense programs continue to progress through evaluation and approval stages, management expects meaningful ordering activity across these programs over the medium term.
- **Updates on QRSAM:** The company continues to expect approval for the QRSAM program during FY27, with all internal activities already completed and only the final government approval from CCS pending.
- **Updates on AMCA project:** BHE, along with L&T, has largely finalized pricing, subsystem responsibilities, and internal commercial arrangements for the AMCA program. Management indicated that the RFP submission deadline has been extended by around two months to 27 August 2026, and the consortium expects to complete its bid submission well before the revised timeline.
- **Updates on other large projects:** Project Kusha continues to progress through multiple stages of testing under DRDO, with BEL remaining a key development and subsystem partner. Commercial ordering is still expected only around FY29 after completion of extensive trials and evaluations. For naval programs including Next Generation Corvettes (NGC), Project 17B and follow-on submarine programs, technical discussions and configuration finalization are ongoing, with meaningful order visibility expected only over the next few years.
- **Execution visibility:** Key large orders expected to be executed in FY27 include Akash for the Indian Army, D-29 Electronic Warfare (EW) Systems, BMP-2 Upgrade, LCA LRUs, and several other ongoing programs.
- **Counter-drone focus:** BEL expects the drone and counter-drone opportunity to expand significantly following recent global conflicts. The company is focusing primarily on higher-end counter-drone solutions such as directed-energy weapons, including laser- and microwave-based systems, while also strengthening collaborations with startups for smaller and innovative counter-drone technologies. Several laser-based systems have already been supplied, while customized variants are being developed for export opportunities.
- **Indigenization:** The company plans to eliminate imports of electronic modules over the next five years, excluding semiconductor components, through an accelerated indigenization program. Incremental R&D spending will support indigenous module development, technology upgrades, AI integration, radar,

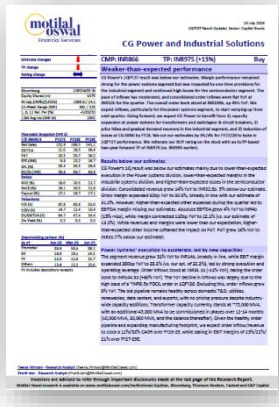
sonar, electronic warfare, civilian diversification and collaborations with MSMEs and startups, with management expecting these initiatives to support long-term competitiveness rather than pressure margins.

- **Exports:** BEL continues to target exports contributing around 10% of revenue over the medium term. Growth is expected to be driven by software-defined radios, counter-drone systems, radar-related products, airborne modules and weapon locating radars, while the company indicated that its export opportunity pipeline is several times larger than the current export order book.
- **Guidance maintained:** Management reiterated its FY27 guidance, expecting revenue growth of ~15%, EBITDA margin of ~28% and order inflows exceeding INR550b, including the QRSAM program. It also expects to invest over INR22b in R&D and more than INR12b in capex during the year, while maintaining a business mix of around 90% defense and 10% non-defense.

CG Power and Industrial Solutions Ltd.

Click below for Detailed Concall Transcript & Results Update




CG Power and Industrial Solutions

CG Power — Buy

Current Price INR 863

- **Power systems:** Management remained constructive on the Power Systems business, indicating that the current wave of industry capacity additions is still insufficient to meet the growing domestic and global demand. The order pipeline has nearly doubled YoY, and the company continues to see healthy opportunities across utilities as well as newer applications such as data centers, supporting confidence in sustained order inflows and pricing discipline.
- **Industrial business:** Management expects the Motors business to continue delivering high-teen growth, supported by healthy demand across industrial applications. Pricing actions remain a continuous exercise, with periodic revisions being undertaken to offset raw material inflation. Healthy momentum was seen across cement, metals & mining, and the OEM segment for the motors business.
- **Semiconductor:** The company commenced commercial production at its facility in Sanand on 4 Jul'26. The company continues to strengthen its semiconductor initiatives through its CG Semi subsidiary and remains focused on design-led opportunities, particularly in RF and SATCOM applications. Management indicated that the current priority is to establish capabilities in these segments before expanding into broader semiconductor product areas, while continuing to evaluate opportunities arising from India's semiconductor ecosystem.
- **Switchgear expansion:** The company is expanding its Extra High Voltage (EHV) switchgear manufacturing capabilities through the commissioning of the second manufacturing unit at Nashik. The expansion will increase EHV circuit breaker manufacturing capacity by ~80%, covering products from 33kV to 800kV.
- **Data centers:** Management indicated that data centers are emerging as a meaningful growth opportunity within the Power Systems business, with customer enquiries and order pipelines continuing to strengthen. While execution of initial data centre orders is yet to begin, the company expects deliveries to commence as projects progress and sees this segment becoming an important contributor alongside traditional T&D, utilities, oil & gas and renewable energy customers.

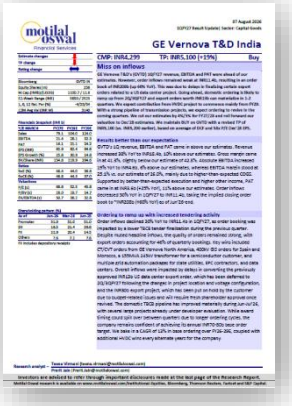
- **Global opportunities:** Management expects overseas growth to remain well diversified across the US, Europe, and the MENA region, rather than relying on a single geography. The company is pursuing a balanced go-to-market strategy across these regions, with exports expected to benefit from growing investments in power infrastructure and data centre-related opportunities globally.

GE Vernova T&D India — Buy

Current Price INR 4,119

Click below for
Detailed Concall Transcript &
Results Update




GE Vernova T&D India

- **Order backlog quality:** Total order backlog stood at approximately INR209.9b as of Jun'26, moderating by 2.4% sequentially from the record levels seen at FY26 close, which management characterized as a healthy outcome given the pace of backlog-to-revenue conversion. On counterparty composition, private customers now account for 77% of the backlog, central utilities and PFC-related entities contribute another 21%, and state utility exposure has been reduced to just 2%, consistent with a counterparty de-risking approach management has discussed in prior calls. Management estimated export orders make up roughly 10-15% of the total backlog.
- **Order intake moderation:** Order intake for the quarter moderated to INR11.4b, down 30% YoY, with management attributing this decline primarily to a softer T&D tendering pipeline during the January-March period that fed through into weaker April-June bookings. Execution outpaced new order inflows during the quarter, causing the order backlog to ease modestly on a sequential basis even as it remained at a multi-year high, equivalent to over three years of FY26 revenue. Management noted that the TBCB pipeline and decision-making visibly improved through June and July compared to the softer January-March period, though it remains to be seen whether this translated demand converts into bookings within the current quarter or spills into the next. On the broader domestic market outlook for the year, management indicated it does not expect double-digit growth but also does not foresee a slowdown, guiding toward flat to high-single-digit growth of 6-7% in the overall TBCB market for the year.
- **Data center order delays:** Management confirmed that neither of its two previously flagged large related-party transaction (RPT) approvals—one worth roughly INR30b and another roughly INR13b tied to a US data center opportunity—has converted into bookings so far. The larger INR30b approval for a project unrelated to the US data center has been placed on hold by the customer due to internal budget-related issues, and management said it would need to seek shareholder revalidation once the opportunity becomes active again, noting this is unlikely before the September AGM given the timeline. The US data center order was delayed due to a change in project location and state, which required reworking the technical solution because of differing voltage requirements, the factors management described as outside the company's control. Management said current order book contribution from data centers remains limited, largely limited to smaller product orders, though it sees a larger pipeline of higher-voltage data center capacity being planned with customers, with conversion timing uncertain over the next two to three quarters.
- **HVDC pipeline and competitive landscape:** On the HVDC opportunity pipeline, management acknowledged that certain projects such as Lakadia have been

placed on hold and Begunia was converted to an alternative technology configuration, while the South Kallam project remains unawarded. However, management characterized the overall HVDC pipeline as intact, with pacing slower than desired rather than opportunities disappearing. Developer-stage bidding is expected to conclude in August or September, and management said it anticipates one or two additional HVDC projects entering the pipeline going forward. On competitive dynamics, management noted that recently approved Chinese suppliers have not yet begun active negotiations on private TBCB-won projects, and flagged uncertainty around Chinese players' ability to meet India's 60-70% local content requirements within compressed delivery timelines, given their limited recent operating presence in the country. Separately, management said Tier 2 supplier competition is not a new phenomenon and varies significantly by product category, being more pronounced in some segments like circuit breakers and largely absent in others such as automation and software.

- **Export order strength:** Export orders came in unusually strong in 1Q, now constituting 46% of total 1Q bookings, a mix management said it has been building toward and had flagged in earlier calls. This included CT/CVT orders from a GE Vernova entity in North America, 400 kV GIS orders from GE Vernova entities in Spain and Morocco, a large transformer order for a semiconductor customer, and multiple grid automation packages from state utilities, EPCs and data centers. Management explained that the strength was driven by a broader opportunity pipeline maturing in the quarter, including incremental utility-side demand in the US due to data center development activities, alongside a couple of large 400kV GIS packages won internationally. Management clarified that roughly INR5b of quarterly orders came from group entities, implying about INR6.5b from third-party customers in domestic and export segments.
- **Powergrid approval timeline extension:** On Powergrid's TBCB project approval timelines extending from roughly 18-24 months to 24-30 months, management clarified that this does not affect the company's capex plans but could stretch the ordering cycle, since customers under the extended timeline now have a longer window (roughly three to four months) before finalizing orders after bid win, compared to the one-to-two-month window under the earlier structure. Management does not see this as impacting capacity utilization for orders already in hand, which carry defined delivery timeframes, but acknowledged it introduces some elongation risk to the pace of future order finalization industry-wide.
- **Capital allocation:** The company generated INR4.2b of cash during the quarter, taking total available cash, including amounts placed in the group cash pool, to INR29.3b. Of this, the company has already earmarked approximately INR13b for utilization, comprising INR10b for a previously announced capacity expansion program and roughly INR2.5b for a proposed dividend in the second quarter, subject to shareholder approval. Management said the remaining surplus cash continues to be evaluated by the board for options to optimize shareholder returns, noting that much of the announced capacity expansion is being executed on existing owned land acquired at historically lower cost, which management believes improves the return profile of that investment. Management also pointed to ongoing lean and continuous-improvement

initiatives at existing facilities as a lower-capex lever for improving output and shareholder returns.

- **EBITDA guidance maintained:** Despite the gross margin compression, management reiterated that roughly half of the gross margin impact is offset at the EBITDA level due to better operating leverage from the ramp-up of high-voltage business, resulting in EBITDA margin of 25.1% for the quarter, consistent with the company's guided mid-20s band. Management confirmed no change in its full-year EBITDA guidance of mid-20s percentage points, stating there is no reason to deviate from that outlook at this stage.

Cummins India — Buy

Current Price INR 5,240

Click below for
Detailed Concall Transcript &
Results Update




Cummins India

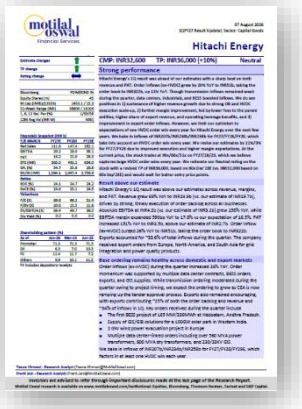
- **Powergen:** The domestic Powergen business delivered a strong quarter with revenue increasing 35% YoY/10% QoQ to INR14.2b. Management highlighted that demand remains strong across both the CPCB IV+ portfolio and HHP gensets, with order inflows continuing from manufacturing, data centers, residential and commercial real estate. While demand continues to outpace supply in the HHP category across the industry, KKC is expanding its capacity at specific bottleneck nodes and is largely able to cater to customer requirements. The company acknowledged some supply constraints in the quarter, particularly in the non-data-center business. Looking ahead, management expects domestic Powergen demand to remain healthy, supported by a strong order pipeline, although it remains watchful of inflationary pressures that could impact project ordering.
- **Data Centers** formed ~40% of domestic powergen revenue in 1QFY27 vs. 23% in 1QFY26. Management stated that hyperscaler customers continue to prioritize product availability and lead times over pricing, with several customers requesting earlier deliveries rather than postponements. Indian market continues to be dominated by the QSK60 platform, while demand for QSK78 and QSK95 has started improving, although not yet at a scale that warrants local manufacturing capacity for these platforms. Aftermarket revenues from recently installed data-center gensets are yet to materialize meaningfully, as comprehensive service contracts begin only after the two-year warranty period, providing a future growth avenue for the Distribution business from data centers.
- **Industrial segment:** The domestic Industrial business reported revenue of INR4.6b, increasing 10% YoY/20% QoQ, supported by strength in marine and improving mining activity. Within the portfolio, construction contributed INR1.48b, railways INR1.45b, compressors INR520m and marine INR500m, with the balance coming from mining, defence and other industrial applications. Railway demand continues to remain healthy, driven by strong order inflows and execution in power cars and diesel-electric tower cars, while the recently launched hotel-load converter has received encouraging customer acceptance. Mining activity has also improved as coal-mining tenders have gradually resumed after a weak FY26, whereas construction remained broadly flat owing to a slowdown in highway project awards and the seasonal impact of monsoons, although rural road activity continues. Marine continues to remain a lumpy business with order inflows varying across quarters, but overall management

expects industrial demand to remain supported by healthy railway execution, improving mining activity and stable construction demand.

- **Distribution segment:** The Distribution business recorded revenue of INR8.9b, growing 14% YoY/16% QoQ. Management mentioned temporary supply-chain disruptions affected parts availability during 1QFY27 and reiterated its confidence that the business can continue to sustain ~20% growth over FY27 and the following few years. This will be driven by deeper penetration of the installed base, digital solutions, comprehensive service offerings and greater cross-selling through its distribution network. Growth opportunities include engine rebuilding, retrofit solutions for emission compliance, higher service-contract penetration and expanding one-stop lifecycle support.
- **Exports stood** at INR5.2b, with HHP increasing 16% YoY/37% QoQ to INR3.0b, while LHP exports declined 20% YoY to INR1.8b, reflecting continued weakness in West Asia. The decline in Middle East demand due to geopolitical disruptions has largely been offset by stronger demand from Europe and Asia-Pacific. The higher related-party transaction approvals are taken in advance for potential export opportunities during FY27.
- **Margins** remained under pressure from unprecedented commodity inflation and higher logistics costs. Significant increases across steel, pig iron, aluminum and copper, along with elevated freight costs, labor shortages at suppliers and ongoing supply-chain disruptions, weighed on gross margins during the quarter. To mitigate these pressures, the company implemented a price hike at the beginning of 2QFY27. The initial price increase alone is unlikely to fully recover commodity inflation, and additional pricing actions remain possible depending on customer acceptance.

Hitachi Energy

Click below for Detailed Concall Transcript & Results Update



Hitachi Energy — Neutral

Current Price INR 33,550

- **Project pipeline:** The medium-term project pipeline remains healthy across transmission, HVDC, railways and metros. The company expects transmission ordering to improve as project approvals gather pace, while railway and metro orders that were delayed during the quarter are expected to recover in 2HFY27. On HVDC, at least one major greenfield project is already under bidding and is expected to be awarded over the next ~6 months. Combined with healthy opportunities across utilities, renewables, industries and exports, the company remains optimistic about sustaining strong ordering momentum.
- **Order inflows and order book position:** Underlying order inflows remained healthy despite the absence of large domestic HVDC awards, with base ordering (excluding HVDC) growing 26.1% YoY and 39% QoQ. Total order inflows stood at INR51b, while the order backlog reached INR322.2b, providing strong revenue visibility over the coming quarters. Key wins during the quarter included a ~INR17b export order for Europe's 2GW wind power evacuation program, the company's maiden 165MW/330MWh BESS project, GIS/GIB packages for a 100GW solar park in western India and multiple data center projects, including a 42.5MVA project in Hyderabad. The company indicated that transmission ordering was impacted by project timing rather than demand fundamentals and expects ordering momentum to improve as the CEA approval process accelerates and large transmission projects move towards award.

- **Strong execution:** Execution remained healthy across products as well as large systems projects, enabling conversion of the sizeable order backlog into revenue growth. During the quarter, the company executed several strategic projects including GIS installations for an iron ore processing plant in Chhattisgarh, 220kV GIS projects in Odisha and Mumbai, and continued execution of the 1,000MW Kurnool-Raichur HVDC transmission project. On HVDC execution, the company reiterated that revenues typically remain limited during the first year before accelerating in the second and third years, implying that current execution continues to be largely driven by its base business. The company expects its record backlog to provide healthy execution visibility over the medium term.
- **Data center opportunity:** Data centers continue to be one of the fastest-growing end markets, with the company securing multiple orders from hyperscale customers during the quarter, including a 42.5MVA project in Hyderabad. Its offerings span GIS, GIB, substations, grid integration, distribution transformers, power transformers, services and digital solutions, while the recently launched modular "Grid-to-Rack" platform integrates these offerings into a standardized solution for hyperscale developments. The company highlighted that developers are increasingly placing orders for long-lead electrical equipment well before construction, improving order visibility. With industry estimates indicating nearly 5-8GW of data center capacity by 2030, the company expects this segment to remain a significant growth driver over the medium term.
- **Export momentum:** Exports continued to remain a meaningful contributor, accounting for nearly 25% of both revenues and the INR322.2b order backlog. During the quarter, the company secured an approximately INR17b order linked to Europe's 2GW wind power evacuation program involving three transmission links that will collectively evacuate 6GW of renewable power, with Hitachi supplying both products and services. The company expects exports to remain supported by increasing investments in renewable integration and transmission infrastructure globally, while capacity expansion in India should further strengthen export competitiveness.
- **BESS opportunity:** Battery Energy Storage Systems (BESS) have emerged as an important growth vertical, with the company securing its first-ever BESS order during the quarter - a 165MW/330MWh project. The initial focus remains on the domestic market where renewable projects increasingly require mandatory energy storage, resulting in a robust pipeline. Rather than supplying battery cells, the company offers the complete balance-of-system solution including power conversion systems (PCS), grid integration, automation, battery management software integration, digital monitoring, engineering and commissioning, while customers procure batteries separately. Although margins are currently below portfolio averages given the early stage of the business and ongoing localization, the company expects profitability to gradually converge with the rest of its portfolio as scale improves.
- **Competitive positioning:** The company remains confident of maintaining its market position despite the potential entry of additional global competitors into the Indian power equipment market. It believes increased competition is necessary to address industry demand-supply gaps and expects no material

impact provided a level playing field is maintained. Ongoing investments in localization, manufacturing expansion and backward integration are expected to further strengthen competitiveness while improving cost efficiency over time. The company also indicated that it already competes successfully against global manufacturers, including Korean and Mexican players, across several product categories.

- **Capacity expansion:** To support rising domestic and export demand, the company commenced construction of its 30th manufacturing facility at Karjan, Vadodara in Jun'26. The digitally enabled plant is targeted to be commissioned by 4QCY28 and will strengthen manufacturing capacity, supply chain resilience and localization while supporting India's energy transition and export opportunities. The company also highlighted that higher localization and backward integration should improve operational leverage over time while enhancing competitiveness in global markets. The ongoing investments are aimed at supporting long-term growth rather than addressing any near-term capacity constraints.

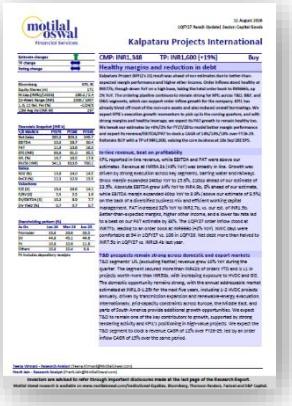
KALPATARU PROJECTS INTERNATIONAL LIMITED

Kalpataru Projects — Buy

Current Price INR 1,377

Click below for Detailed Concall Transcript & Results Update




Kalpataru Projects International

- **T&D Market Opportunity:** Management sees the domestic transmission and distribution addressable market at INR1-1.25t annually for at least the next five years, with incremental HVDC project opportunities each year, driven by rising power demand and renewable energy evacuation needs. Internationally, grid capacity constraints in Europe, the Middle East, and parts of South America are seen as structural tailwinds. Among international geographies, Latin America (ex-Brazil) remains the largest current exposure, followed by Europe (via Linjemontage) and the Middle East, with the company noting it has grown more constructive on the Middle East in recent months.
- **Middle East O&G push:** Management continues to see the Middle East (Saudi, ADNOC, Kuwait, Qatar) as the primary growth driver for the oil and gas business over the next one to two years, building on its track record with large Saudi Aramco projects. Bids submitted in the region range between USD100m and USD500m, with order finalization expected within the next three to six months, likely by 2Q-end or 3Q. The company attributed the delay in awards to broader disruption across the region rather than any loss of competitiveness. Offshore opportunities remain outside the current strategy, with focus staying on onshore plants, process lines and pipelines; a small team has also been formed to explore hydrogen and new-energy/hydrocarbon adjacencies, though this remains at an early stage.
- **B&F momentum:** The B&F business continues to benefit from industrial capex by PSUs (including entities like NMDC and NALCO) and select private developers, alongside sustained demand in residential, commercial, data-center, and airport segments. Management does not see a meaningful margin differential between residential and industrial work, with the segment broadly delivering EBITDA margins in the 10-12% range depending on project scale and client mix. The company remains open to government-linked projects where it qualifies, including opportunities of the Central Vista type. Capability-building in this

segment is described as continuous, with the company steadily moving toward larger and more complex projects.

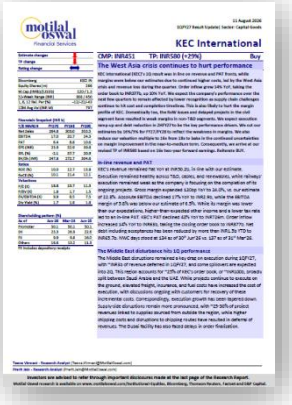
- **Water business developments:** The water segment secured its first Middle East order, a treatment project win with a large regional developer, which management views as the start of a broader multi-year opportunity as further plant, pipeline, and desalination-related bids are pursued in that market. Margins in this new international water business are currently below the levels achieved in T&D, B&F, and oil and gas, though management expects improvement as the business scales given limited competition of comparable size. On the domestic side, the pending JJM order book stands at roughly INR40b, with billed-plus-unbilled receivables of about INR15b; the company is not currently bidding for major new domestic tenders and does not expect much fresh domestic tender activity this year.
- **Urban Infrastructure & Metro Execution:** The urban infra business, restarted about four years ago, now operates six TBMs, all fully deployed, with tunneling nearly complete on its first underground metro project in Kanpur. Management expects double-digit growth in this segment this year and plans to keep exploring opportunities in metro, tunneling, pump storage, and nuclear power domestically, alongside overseas prospects further out. Tendering activity in urban infra has been muted in recent months, though management expects a pickup. The company's road-project exposure at the domestic level remains deliberately minimal, and plain highway projects lacking engineering complexity are not being actively pursued.
- **Order Book & Inflow Guidance:** KPIL closed the quarter with its highest-ever order book, aided by a strong L1 pipeline. Management reiterated the full-year order inflow target of INR300b and indicated a possible upward revision. The delay in inflows was attributed to slower tender finalization globally rather than any demand weakness. Management sees this large order book as extending revenue visibility to roughly 2.5 years, including L1 positions.
- **Margin outlook:** Management maintained its full-year guidance of at least 75 basis points of PBT margin improvement, noting that the improvement is expected to be broad-based across the order book but led primarily by the T&D, B&F, and O&G segments at double-digit EBITDA margins versus single-digit levels in water and railways. Roughly half the order book carries variable pricing with certain commodities hedged; steel and diesel costs on fixed-price contracts remain the key watch items, though steel prices have been broadly stable to favorable in recent months. Price movements within a 5-10% band can typically be absorbed through project-level contingencies without affecting overall guidance.
- **Balance sheet:** Receivables tied to the Indore project have been fully collected, and Shubham Logistics has become debt-free after repaying all lenders, removing near-term capital infusion needs into either entity. NWC days improved YoY, and management reaffirmed the target of ~100 days for the full year. Interest costs are expected to stay in a similar range as a percentage of sales going forward, with any absolute increase tied mainly to working capital growth rather than rate pressure. Full-year capex guidance remains at around INR8b, which management expects to meet or modestly exceed.

KEC International — Buy

Current Price INR 423

Click below for Detailed Concall Transcript & Results Update





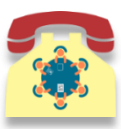
- **Order Pipeline:** Management pointed to a strong tender pipeline exceeding INR2t across domestic and international markets, split roughly evenly between T&D and non-T&D opportunities. The company also holds an L1 position of nearly INR30b, predominantly in T&D, expected to convert into firm orders soon.
- **Middle East Disruptions:** The company highlighted that its Dubai manufacturing facility and ongoing project execution in the Middle East continue to operate near normal, though the region accounts for roughly 25% of the overall order book. Tendering activity remains strong, but management flagged delays in finalizing and awarding new orders. Supply chain and logistics shipments from Europe, China and India to GCC countries have gradually resumed after coming to a standstill, though with continued delays. Elevated freight costs, including war-related surcharges and insurance, have also had a cascading effect on logistics, fuel and power costs at Indian manufacturing facilities, and management noted these disruptions are expected to spill over into 2Q as well.
- **Segment Performance:** In T&D, new order wins included HVDC orders in India, a first transmission line order for a data center in Western India, an African transmission line win, and an expanded Middle East tower supply presence. SAE Towers delivered strong order momentum, including the largest-ever US tower supply order, taking its order book and L1 to a record level, with utilization at essentially full capacity. Civil segment growth was impacted by labor shortages tied to elections and delayed customer payments in the water vertical, though the company commissioned a large water supply project in Odisha and continues to expand its high-rise and industrial client base. Cables & Conductors delivered strong year-on-year growth aided by robust infrastructure demand. The company mentioned that it can generate INR30b of revenue on existing assets of this segment, and new specialty products (elastomeric cables, E-Beam plant) are expected to support margin expansion going forward.
- **Standalone Margin Weakness:** Management attributed the sharp decline in standalone EBITDA margin primarily to the transportation and civil businesses, while T&D was described as performing reasonably well. The drag stems from a handful of legacy metro projects (two DMRC and two Chennai Metro) that are ready for commissioning but have not yet been formally handed over by clients, forcing the company to continue bearing maintenance costs of roughly INR100m per project per month without corresponding revenue recognition. Management expects this pattern to persist through 2Q.
- **Key Receivables:** Total receivables from Afghanistan stood at around INR3b, pending for quite some time, with management hopeful of realization in the coming quarter. Jal Jeevan Mission receivables across Madhya Pradesh and Odisha totaled roughly INR8-9b, of which INR4-5b were overdue, with about INR1.1b already collected in July-August. Management expects INR3-4b of pending water-segment collections to come in through the rest of the year if government fund releases materialize as indicated. Separately, the company expects to recover INR3-4b from Saudi and other Middle East projects nearing completion, largely through 50% retention release on physical handover.

- **Debt & Working Capital:** Management reiterated a target of bringing net debt down to about INR55b by March, implying roughly INR12b of reduction over the year while working capital days guided at around 110 by fiscal year-end. The reduction is expected to be driven by collections from Afghanistan and Jal Jeevan Mission dues, unwinding of elevated inventory built up due to Middle East disruptions, retention money recovery from near-complete Saudi projects, and recovery of railway arbitration claims decided in the company's favor.
- **Oil & Gas Integration:** The company disclosed the initiation of a merger of its wholly owned subsidiary handling oil and gas pipeline infrastructure with the parent entity. Post-merger, the oil and gas pipeline portfolio will be integrated into a unified civil-hydrocarbon segment. Management indicated this restructuring is intended to enable a more cohesive approach to hydrocarbon-related projects going forward, with plans to expand this business across both domestic and international markets.
- **Data Center Opportunity:** Management described the data center EPC opportunity as attractive in scale but fragmented, since most developers split orders into smaller civil, MEP, and power packages rather than awarding integrated contracts. The company's differentiation is positioned around its ability to execute both civil and MEP scope together, and it expects to secure its first data center wins in the civil segment in the coming quarter after having completed a few smaller projects previously. Management sees a larger opportunity on the T&D side, where growing power evacuation and connectivity needs around data centers are generating fresh transmission line inquiries, including from private developers in the US.
- **Margin & Growth Outlook:** Management maintained its full-year revenue growth guidance of 12-15%, while declining to give specific margin guidance, noting outcomes remain contingent on how the Middle East geopolitical situation evolves. T&D margins are expected to stay in double digits or close to it despite input cost pressures, aided by hedging, while civil and transportation margins are expected to remain under pressure through Q2 before gradual improvement from Q3 onward. Management indicated double-digit consolidated margins are unlikely in FY27 but expects high single-digit margins to be achievable starting FY28, with FY28 profitability expected to be meaningfully better than FY26. Interest costs are expected to moderate to around 2.3% for the full year against 3.3% in the reported quarter, translating to roughly INR6b of annual interest expense.

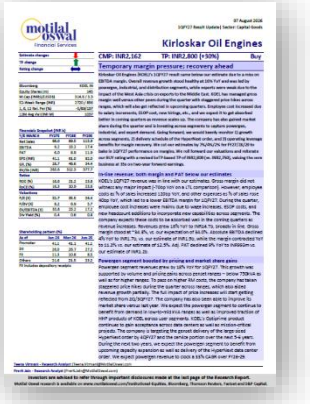
Kirloskar Oil — Buy

Current Price INR 2,082

Click below for Detailed Concall Transcript & Results Update



- **Domestic Growth Momentum:** The company saw broad-based growth across all major domestic operating segments during the quarter, even as export markets remained weak due to geopolitical uncertainty. Management attributed this to strategic actions taken over the past few years translating into stronger execution and improved market positioning. Powergen, industrial, and distribution & aftermarket businesses all posted strong double-digit domestic growth. Management views this consistent multi-segment performance as validation of its broader transformation strategy rather than a one-off outcome.


Kirloskar Oil Engines

- **Powergen portfolio strategy:** Management highlighted a fundamental redesign of its approach to the sub-30 kVA powergen market over the last year, moving away from competing product-by-product toward building a comprehensive portfolio architecture spanning multiple customer segments, technologies, and price points. This repositioning is credited with strengthening the company's competitive standing in India's largest genset segment and contributing meaningfully to domestic market share gains. Management clarified that most of the reported market share gains are concentrated in the below-750 kVA category, given the company's larger installed base and stronger distribution presence there. Above 750 kVA, share gains have also occurred, but management noted this remains less significant given the smaller base in that category. The company said its full strategic focus going forward is on building out capability and share in the above-750 kVA, high-horsepower range.
- **Data Center Opportunity:** The company secured its first hyperscale data center order of approximately 192 MW during the quarter, viewed internally as a reference point rather than an endpoint. Management indicated the immediate focus is on executing this order well to establish credibility as a high-horsepower alternative for hyperscalers, co-location players, and EPC partners. The order is structured as a composite contract covering genset supply plus an O&M component; genset revenue recognition is expected within the current financial year, while the O&M contract could run five to six years. Management declined to comment on further pipeline orders, citing proprietary/competitive reasons, but noted continued strong customer engagement across edge, enterprise, and larger data center segments.
- **Industrial segment diversification:** Within the industrial business, construction saw double-digit growth despite a muted overall construction industry, while marine revenue more than doubled and railways grew strongly. Management clarified that the marine strength this quarter was largely execution/billing-related rather than indicative of a structural step-up, while railway growth is supported by new engine application and repowering opportunities, albeit with lumpy quarter-to-quarter revenue due to program timing. A new order win in natural gas gensets for the oil & gas segment was also highlighted, with management emphasizing this validates the company's CPCB IV+ compliant gas engine capabilities across biogas, wellhead gas, piped natural gas, and LPG applications rather than the immediate order size itself.
- **Defense vertical buildout:** A dedicated subsidiary, Kirloskar Advanced Systems Limited, was established last quarter to house the company's defense business. Management highlighted that the underlying research, development, and intellectual property are entirely indigenous, positioning the company to offer globally competitive solutions while supporting national capability goals. This is framed as a long-term, deliberately built growth platform rather than a near-term revenue driver. No specific contribution from defense-related orders was reported for the quarter.
- **Distribution & aftermarket:** Management described the distribution and aftermarket business as the truest measure of the franchise, since it depends on installed base scale, service network reach, and repeat customer trust rather than one-time pricing benefits. Growth was broad-based across channels and

has been sustained in double digits for twelve consecutive quarters, aided by service channel restructuring, engineer upskilling, and new product launches. The company noted its first end-to-end turnkey repowering project for a high-horsepower installation, won in direct competition, as evidence of expanding capability. Management also indicated it offers two-hour service response guarantees in several mission-critical cases, though it acknowledged there remains further room to build out this capability nationally.

- **Export headwinds**: International performance was impacted by geopolitical developments and delayed customer investment decisions, particularly in the Middle East, an important export market that continued operating below normal levels. Management attributed the weakness specifically to conflict-related logistics disruptions in West Asia that choked fulfillment even where orders existed. These conditions affected both business mix and operating leverage during the quarter. Management expects gradual normalization over the next three to six months as supply chains and fulfillment channels reopen, though it flagged this depends on execution readiness on both ends.
- **Margin to improve in coming quarters:** Management explained that margin contraction during the quarter was driven by lower export volumes, elevated global commodity costs, and a timing lag between cost inflation and price realization, rather than any deterioration in underlying business competitiveness. Pricing actions have already been implemented across most businesses, but realization timing varies by segment—faster in distribution-led businesses, slower where sales are governed by long-term contracts or tenders, as in industrial. Cost optimization and operational excellence initiatives are expected to support margin recovery as these price increases flow through in coming quarters. Management noted margins have already improved by more than 400 basis points over the past three years and reiterated intent to keep improving from current levels without committing to a specific target range.
- **Employee cost increase:** Management addressed a sharp YoY rise in employee-related expenses, attributing it to annual increments, ESOP-related charges tied to rewarding high performers, and capability investments supporting future growth programs. It characterized some of these costs as structural and others as timing-related, declining to label the entire increase as one-off. As revenue scales further, particularly in the international high-horsepower and aftermarket businesses, management stated that improving fixed-cost absorption and productivity is now an explicit internal priority.
- **KOEL Fluid Dynamics update:** The Fluid Dynamics business was broadly flat YoY, with domestic sales growth offset by export declines, though management pointed to underlying strengthening beneath the flat headline. The channel pump business more than doubled, and the segment recorded its highest-ever V8 submersible output during the quarter. Total borrowings were sharply reduced, working capital improved, and the credit rating was upgraded, which management described as evidence the business is becoming structurally healthier while awaiting export market recovery.
- **Arca long-term strategy:** Arca Financial Services continued to grow revenue and assets under management, with headcount and branch network both expanding to give it a stronger platform going forward. Management confirmed a long-

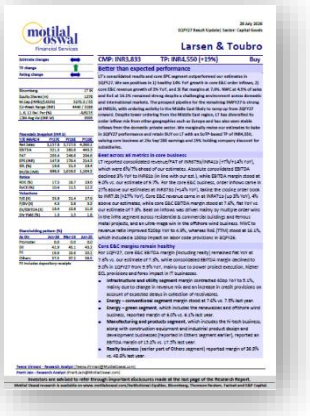
term intention to hive off the financial services business in a stepwise manner over time, without committing to a specific timeline. Separately, on group-level ambitions, management reiterated its five-year plan to build a USD2b revenue enterprise by FY2030, translating to roughly INR166b in revenue, alongside continued efforts to sustain higher double-digit EBITDA margins already achieved in recent years.

Larsen & Toubro — Buy

Current Price INR 4,030

Click below for Detailed Concall Transcript & Results Update





- **Order book -** The order book stood at INR7.8t as of Jun'26, up 27% YoY. Approximately 45% of total order book is from infrastructure and utilities, 28% from energy conventional, and 19% from energy green. In terms of geographic mix, 48% of the order book is domestic, while 52% is international. Within the domestic order book of INR3.54t, the mix was 9% central government, 21% state government and local authorities, 30% public sector corporations or state-owned enterprises, and 40% private sector. Within the international order book of INR4.1t, around 71% came from the Middle East, 14% from Europe, and balance 15% from the rest of the world, including Central Asia and the SAARC regions.
- **Prospect pipeline -** Prospect pipeline for the remaining 9MFY27 stands at INR15.1t vs. INR14.8t last year. Of this, INR7.45t is from domestic and the balance is from international. Under the new segment classification, infrastructure and utility prospects stand at INR7.8t (vs. INR6.9t last year), energy conventional at INR4.4t (vs. INR5.2t last year), green energy at INR2.43t (vs. INR2.46t last year), and manufacturing and product at INR0.46t (vs. INR0.3t last year).
- **Offshore wind opportunity -** LT further strengthened its offshore wind business by securing another 4GW under the TenneT HVDC program, taking cumulative wins to around 8GW over the last three quarters. These projects carry execution timelines of 4-5 years and management expects margins to be higher than its traditional Middle East EPC business. The company continues to pursue additional offshore wind opportunities across Europe, the UK and selected global markets while investing in automation and manufacturing capacity to support future growth.
- **Order inflows:** LT reported order inflows of INR873b, up 14% YoY, driven by strong international awards and robust private-sector demand in India. The Infrastructure & Utilities segment more than doubled its order inflows to INR444b, while the Energy Green segment grew 58% YoY to INR330b, supported by large offshore wind HVDC orders in Europe. Domestic private sector orders remained strong, particularly across metals & minerals and buildings & factories, with private sector contributing 77% of domestic infrastructure orders during the quarter.
- **Execution impact -** Revenue growth remained stable at 7% YoY due to slower execution across select Middle East projects affected by geopolitical disruptions and supply chain constraints, as well as weakness in some domestic projects. Hydrocarbon execution remained largely stable as most large projects are still in engineering and procurement stages, while solar projects in GCC experienced

intermittent logistics disruptions. Management indicated that execution should improve as alternate logistics routes are implemented, although revenue normalization depends on the duration of the Middle East conflict.

- **Margin performance -** Group EBITDA margin declined to 9.0% in 1QFY27 from 9.9% YoY, mainly due to slower project execution, higher ECL provisions and forex impact in IT businesses. Management indicated that commodity prices have remained broadly in line with expectations, with no material raw material inflation pressure, while cost pressures were primarily linked to logistics disruptions in the Middle East rather than commodities. Higher ECL provisions of around INR2.5b, largely related to legacy water and **infrastructure projects in** India, also impacted margins but are expected to normalize over the remaining quarters.
- **Strategic partnerships -** The company strengthened its technology portfolio through multiple strategic partnerships during the quarter. Key developments included collaboration with a France-based company, Exail, for unmanned mine countermeasure systems for the Indian Navy, partnership between L&T Cloudfiniti and other AI companies for sovereign AI and secure cloud offerings, and tie-up with EVR Motors to manufacture next-generation EV traction motors in India. Additionally, LT secured a Baa1 long-term issuer rating with a Stable outlook from Moody's. It is progressing with portfolio optimization through the Nabha Power divestment and Hyderabad Metro stake sale targeted for completion by 30th Sep'26.
- **FY27 guidance -** Management maintained all FY27 guidance despite geopolitical uncertainties. The company continues to target 10-12% order inflow growth, 10-12% revenue growth, 7.8% PP&M EBITDA margin, and ~10% net working capital-to-sales. It expects tendering activity in the Middle East to accelerate from 2QFY27, while it maintains confidence in achieving its guidance, supported by a healthy INR15t opportunity pipeline and improving execution visibility.

MTAR Technologies — Buy

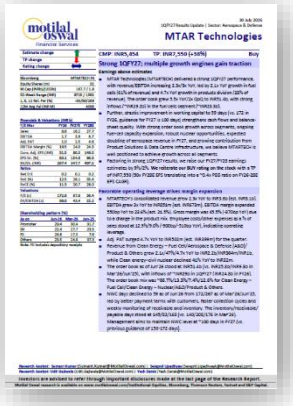
Current Price INR 6,917

Guidance & Outlook

- Management reiterated FY27 guidance of ~80% revenue growth with EBITDA margin of 24% (±100bp) while indicating confidence of outperforming the current guidance.
- Order book has already crossed management's FY27 target, providing strong visibility for the next several years.
- Management expects 2HFY27 to be significantly stronger than 1HFY27 for Clean Energy, Nuclear and Product Solutions businesses.
- The company believes it is at an inflection point in all three major verticals—Civil Nuclear, Clean Energy and A&D.
- Focus remains on scaling up execution, improving operating leverage, expanding capacities and improving EBITDA margins as revenues ramp up.
- Management expects A&D revenue to double in FY27, while Clean Energy remains the largest growth driver.
- Long-term growth visibility remains strong due to favorable industry tailwinds in Nuclear, Clean Energy, Data Centers and Aerospace.

Click below for Detailed Concall Transcript & Results Update




MTAR Technologies

Order Book & Execution

- Closing order book stood at INR51.4b at 1QFY27 end, exceeding management's earlier FY27-end target of INR50b.
- The company subsequently received an additional ~INR8b order, taking total order book to ap proximately INR59b+.
- Record order inflows were witnessed during the quarter across key segments.
- Nuclear order book is expected to reach approximately INR8.1b (incl. expectation of INR1.3b), the highest in company history.
- Nuclear orders are expected to be executed over the next 3-3.5 years, while refurbishment projects have a two-year execution cycle.
- Management highlighted that many long-cycle projects are entering the execution phase, supporting strong revenue growth over the next few years.
- Demand visibility remains substantially ahead of current production capacity in several businesses.

Clean Energy, Fuel Cells & Data Centre Infrastructure

- Clean Energy continues to be the largest revenue driver and remains the company's highest-growth business.
- Fuel-cell expansion is progressing as planned: Phase 1 already commissioned, Phase 2 to be operational by Sep-Oct'26 and Phase 3 (multi-fold capacity expansion) to be commissioned by Mar'27.
- Management indicated Phase 3 capacity expansion is significantly larger than previously disclosed, though exact numbers cannot be shared due to NDA restrictions.
- Extensive manpower hiring, training and automation initiatives have already begun ahead of capacity commissioning.
- Product demand remains extremely strong, with continuous order inflows from key customers.
- MTAR has entered the Data Centre Infrastructure Solutions segment and secured an initial order of approximately INR450m.
- The company is currently completing first-article qualifications and expects meaningful scale-up thereafter.
- Management indicated potential demand for eight similar infrastructure sets annually, creating a sizeable long-term opportunity.

Civil Nuclear & PFBR Opportunity

- MTAR received its largest-ever nuclear order during the quarter for Kaiga Units 5 & 6.
- The company expects additional INR1.3-1.4b refurbishment orders during the current quarter.
- Total refurbishment opportunity across existing reactors exceeds INR2b.
- Execution of major nuclear orders is expected to accelerate from 2HFY27 onward.
- Management highlighted that the Civil Nuclear business has transitioned into a more sustainable growth phase with significantly lower cyclicality than in the past.
- MTAR supplied a majority of critical assemblies for India's Prototype Fast Breeder Reactor (PFBR) program, which recently achieved criticality.

- Following PFBR criticality, management expects meaningful opportunities from future breeder reactor programs.

A&D and Product Solutions

- A&D continues to witness strong momentum as several qualified products enter commercial production.
- Management expects A&D revenue to double in FY27.
- Key domestic defense opportunities include: LCA Tejas Mk-1A actuator assemblies, Wing flaps and electromechanical actuators and Multiple niche defense programs.
- MNC aerospace customers are increasing order volumes for already-qualified products, providing multi-year visibility.
- Dedicated aerospace facilities and NADCAP-approved special process facilities are supporting future volume growth.
- Auckland aerospace facility is expected to become operational by Oct'26.
- Product Solutions revenue has increased sharply and now contributes nearly 50% of the Clean Energy run-rate.
- Growth is being driven by a combination of aerospace, defense, clean energy and other engineered products developed over the past few years.
- Ball screw assemblies are witnessing strong export demand, including a large contract from a multinational customer.
- Management expects Product Solutions to continue growing rapidly as more qualified products move into volume production.

Other Points

- Working capital days improved significantly to 59 from 172 in FY26.
- Management now expects working capital to remain below 100 days, driven by: better customer payment terms, improved credit arrangements, faster collection cycles and weekly monitoring of receivables and inventory.
- Operating cash flow remained strong at INR2.48b.
- Net debt is effectively negligible after adjusting investments and cash balances.
- MTAR plans to invest approximately INR5b capex over FY27-FY28.
- Around 70% of capex will be directed toward Clean Energy, while 30% will support Nuclear, Aerospace and Defense.
- 1QFY27 capex stood at approximately INR350m.
- Future growth investments will be funded through a combination of internal accruals and debt.
- Management targets 4-5x asset turnover on incremental capex, indicating strong capital efficiency expectations.

Thermax — Sell

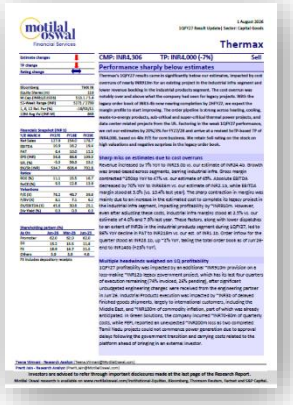
Current Price INR 4,025

THERMAX

Click below for Detailed Concall Transcript & Results Update

Industrial Products

- **Ordering/Pipeline:** Inflows grew 8% YoY to INR14b. The segment continues to see healthy opportunities across water, clean air, cooling, process heating, heat pumps and biomass boilers, with ZLD/ETP becoming the largest part of the water business from negligible levels two years ago and desalination emerging as another opportunity. Data center cooling remains a key growth area, where Thermax sees only 1-2 comparable global competitors, has MoUs with two major US solution providers after its first US win last year and expects two additional US cooling wins in 3Q-4QFY27.


Thermax

- **Execution:** The segment delivered double-digit YoY growth in 1QFY27 despite ~INR3b of finished-goods shipments being delayed, largely for international customers, including the Middle East, with only part shipped by the time of the call. Management expects the double-digit growth trajectory seen over the past 2-3 years to continue in FY27, with the higher-margin cooling backlog largely scheduled for execution in 3Q-4QFY27.
- **Margins:** Profitability was impacted by ~INR100m of commodity inflation, with steel plate prices rising ~18% over two months from ~INR50-53/kg to >INR61/kg, particularly affecting steel-intensive air-pollution-control equipment. Management expects some pressure in 2QFY27 before improvement in 3Q-4QFY27 as commodity costs get absorbed and cooling execution increases, with water and air-pollution-control structurally carrying lower margins than cooling and boilers.

Industrial Infrastructure

- **Ordering/Pipeline:** Despite muted 1QFY27 ordering, management expects FY27 inflows to exceed FY26, supported by domestic supercritical, subcritical and captive thermal, waste-to-energy and selected EPC opportunities, alongside a healthy Middle East pipeline, refining/petrochemical opportunities in Africa and emerging US data center demand. An African project was commercially agreed in 1QFY27 but awaits advance for booking, while management expects another supercritical order and international ordering to at least match or exceed FY26.
- **Execution:** The ~INR12b government project booked in FY22 took another ~INR910m cost-to-completion provision following significant engineering changes received in Jun'26, taking cumulative expected losses to ~INR1.5b, with ~74% invoiced and the remaining 26% execution-heavy over the next four quarters through 1QFY28. HRRL was completed in 1QFY27, while the remaining FGD projects are targeted for handover in 2QFY27 and 4QFY27, leaving only ~INR3b-4b of legacy government exposure.
- **Margins:** Management expects the material cost impact on the loss-making government project to have been absorbed in FY27 and sees Industrial Infra profitability reaching 10%+ once legacy projects wind down, supported by a better mix of private/export orders taken at reasonable margins. TMX has avoided long-duration government projects involving significant civil/construction exposure for the past three years and indicated that, excluding the exceptional PSU project, execution across the broader project portfolio has generally added to rather than diluted as-sold margins.

Green Solutions

- **Ordering/Pipeline:** TOESL recorded healthy ordering in 1QFY27 with inflows growing 149% YoY to INR4b, and it retains a strong pipeline, with annual revenue run rate already at >INR6b and visibility toward ~INR8b-9b and eventually an ~INR8b-10b annual business over the next two years. Bio-CNG ordering could restart from 3Q-4QFY27 if expected policy changes raise prices by ~20-30% and improve project economics. The first Green Hydrogen order is expected in 2QFY27 and green-methanol opportunities are emerging, with Kandla being prioritized as the initial technology showcase.
- **Execution:** Of four legacy Bio-CNG projects with performance obligations, one has completed PGTR, another is more than halfway through successfully and the remaining two are targeted for Aug-Sep'26 after monsoon-related disruptions, following which management expects legacy liabilities to largely end. FEPL's two completed Tamil Nadu projects are awaiting approvals to begin power generation, while the SOEC Green Hydrogen demonstration plant is targeted for commissioning by end-FY27, with hydrogen revenue expected from FY28.

- **Margins:** The segment was impacted by an unexpected ~INR200m FEPL loss in 1QFY27 due to delayed power-generation approvals for the two Tamil Nadu projects and platform carrying costs, while Bio-CNG is carrying ~INR70m-80m of quarterly costs and requires roughly two projects aggregating ~INR2.5b to absorb the team cost. FEPL profitability should improve once completed projects start generating power, while Thermax plans to bring in an external investor during FY27 that would acquire a substantial majority of the platform.

Chemicals

- **Ordering/Pipeline:** Chemicals saw volumes recover in 1QFY27, with management expecting at least ~20% growth in FY27, supported by the recovery in demand. The business remains significantly export-oriented and competes with Chinese suppliers, although some of Thermax's larger customers are looking to reduce sourcing from China.
- **Execution:** Volume recovery supported the improvement in 1QFY27, while the export business is navigating commodity-price volatility and the 10% US tariff. Thermax is attempting to pass on higher costs to customers through price increases, with customers remaining supportive so far despite the increases.
- **Margins:** Chemicals returned to double-digit EBITDA margins in 1QFY27, which management expects to sustain, although raw-material inflation and the US tariff remain key near-term pressures. Management remains cautious about whether it can continue passing through commodity inflation to customers if elevated input costs persist for an extended period.

Triveni Turbine — Buy

Current Price INR 570

Click below for Detailed Concall Transcript & Results Update





- **Domestic demand:** Management indicated a slowdown in the domestic market during the quarter, with the domestic inquiry book declining across industries. Order finalization cycles have extended, with customers taking longer to conclude orders compared to earlier quarters. Management clarified that current-quarter inquiry softness will only translate into order bookings several quarters later given typical gestation periods of six to twelve months for products. Despite the near-term dip, the company remains hopeful of a gradual recovery in domestic demand in the coming months.
- **Export outlook:** Export order booking grew strongly during the quarter, led by a surge in aftermarket exports, and now accounts for a majority of total order bookings vs. a much smaller share a year ago. This momentum was attributed to continued traction across Southeast Asia, Africa and Europe, along with new segments like biomass and waste-to-energy. However, execution on certain export orders was delayed by one to two quarters as customers faced a sharp rise in freight rates and reduced vessel availability, delaying revenue recognition rather than reflecting any demand issue. Management noted that logistics and freight costs are borne entirely by clients on an FOB basis, so this delay does not directly affect the company's margins, only its execution timing.
- **US data center demand:** The company sees a large and growing opportunity in powering US data centers, as extended lead times of three to four years for gas turbines are pushing customers toward alternative routes such as combined-cycle configurations using steam turbines. Management indicated a meaningful rise in inquiries from this market and expressed hope that some of these could convert into orders within the current year. Inquiry-to-order conversion timelines in the US are generally longer than in other markets, running beyond 12 months, partly due to state-level certification and licensing requirements for

service work. The refurbishment side of the US business is still in a qualification and registration phase and is expected to follow initial product order wins.

- **Execution and margin Impact:** Profitability was impacted by a higher share of domestic execution in the revenue mix this quarter, since orders taken roughly a year ago were priced at prevailing lower margins that have now flowed through into execution. Certain export orders that would have supported margins got deferred into later quarters due to the freight and logistics disruptions, further compressing the reported margin for the quarter. Management clarified that orders are taken on a fixed-price, fixed-BOP-cost basis, so this is not a case of unabsorbed commodity cost inflation, but rather a reflection of the margin environment prevailing when those orders were booked. They expressed confidence that margins should improve going forward as more recent, higher-margin order bookings get executed, aided also by currency tailwinds.
- **Product and aftermarket mix:** Aftermarket order booking rose sharply during the quarter and now forms a much larger share of total bookings than a year ago, driven by both the installed base-led spares and services business as well as the larger refurbishment opportunity tied to the broader universe of rotating equipment. Growth in aftermarket has been supported by expanding local capabilities in export markets, including gains in utility-segment refurbishment, which management believes offers better long-term margin visibility. In contrast, domestic and product order bookings were weaker YoY, consistent with the broader domestic demand softness. The company continues to view the growing aftermarket mix as a structural positive for its order book quality.
- **NTPC order update:** The company reiterated that its NTPC CO2-based energy storage project is a technology-validation order taken at near-zero margin, primarily to prove the use case for its equipment rather than to contribute to profitability. Around 40% of the remaining executable value on this order was expected to be recognized in 1HFY27, with the balance in 3Q, and the commissioning is expected around 2Q end or in 3Q. Management noted that a similar pilot plant for this technology is already running in Europe and has shown encouraging results, with site execution in India also progressing at a faster pace. TRIV sees this as an emerging opportunity, but considers it too early to quantify the scale of future orders that could follow successful validation.
- **R&D initiatives:** TRIV continues to invest in developing new product lines, including its Organic Rankine Cycle offering, which it intends to expand further in the coming year, particularly for low-heat power generation opportunities globally, including in the Americas. Its heat pump technology is being positioned not as a standalone product but in combination with mechanical vapor recompression, offering an integrated solution for customers with low-pressure, low-quantity steam requirements that could substitute for small packaged boilers. Management acknowledged that customer adoption of this combined solution is taking time as customers evaluate efficiency and return-on-investment outcomes, but expressed confidence in its long-term value. The broader R&D philosophy is to combine multiple technologies into efficient, cost-effective solutions for customers rather than pursuing EPC-style scope expansion.
- **Opportunities from US:** Management indicated that the company only includes inquiries in its book where it is already technically qualified by consultants, OEMs and EPCs, meaning the competitive intensity in markets like the US combined-cycle space is limited to a similar group of global players that the company already competes with elsewhere. TRIV believes its local workshop presence and growing market reach in the US give it a competitive edge as it

builds customer confidence in that market. On small modular reactors, the company is engaging closely with developers at an early, concept-stage level, but expects this opportunity to take longer to materialize than combined-cycle applications for data centers given the nascent nature of the technology.

- **Guidance:** Management reiterated confidence in achieving both revenue and profit growth for the full year, though this growth is expected to be more back-ended in the second half, consistent with the prior year's pattern. On sustainable margins, management pointed to its long-stated framework of maintaining a PBT margin above 20% over the medium to long term as the level the company aims to sustain. The company also flagged continued QoQ volatility from geopolitical factors as a near-term risk.

Unimech Aerospace — Buy

Current Price INR 1.498

Key business development

- Strong 1Q performance was driven by improved traction in the aero tooling segment and consolidation of Hobel Bellows.
- The strategic investments made over the past quarters are now beginning to translate into tangible business outcomes.
- Growing customer engagements across aerospace, semiconductor and energy sectors.
- Signed a long-term supply agreement with FACC Operations GmbH, Austria, for precision-engineered aerospace components and flying parts, marking a step up in the aerospace value chain
- FACC is an aerospace Tier-1 supplier and a strategic partner to major global aerospace OEMs.
- RFQ received from one large Semiconductor equipment OEM
- Discussion with Tier-1 aero engine OEMs on advance stage
- Qualification-led growth remains central to the company's strategy, which will steadily strengthen its position as an integrated precision manufacturing partner for global OEMs / Tier-1
- Kanoo JV: Earmarks USD10m investment in 2Q27
- Dheya Engg. is seeing good traction; looking to raise USD10m in this entity to fund growth.
- Hobel Bellows business was successfully integrated; aims 15-20% revenue CAGR with focus on adding new segments and customers; in advance discussion with 2 new automotive customers; required qualification certificate for aerospace orders is expected to be in place 4Q27
- FTWZ (Free Trade Warehousing Zone) is fully functional now at near optimum level
- Works mostly with tier-1 OEMs across industries except aerospace, where it deals with the appointed licensee
- Nuclear order book of ~INR800m to be 50% executed in 2HFY27 and balance in FY28; sees stronger opportunity with more large-size reactors coming in.
- QIP: Enabling resolution for INR7.5b to meet promoter minimum shareholding criteria of 75% and to make the company flexible in cashing in on any opportunity that comes its way

Click below for Detailed Concall Transcript & Results Update



Guidance & outlook

- Expects coming quarters to be even stronger given robust order book of INR2.8b, healthy order pipeline, expanding customer relationships and sustained margin discipline
- Tooling business demand visibility strong for next few quarters
- Expects gross margin at ~65% and EBITDA margin at 35%+ in FY27
- 2H will be increased execution in PCA segment, including nuclear orders
- Comfortable with 34-35% EBITDA margin and 20% ROCE to achieve in the next 1-2 years as capacity utilization improves owing to qualification programs transitioning into serial production
- Asset Turn: 3x+ in aero tooling, 2x in aero, so blended should be 2-3x in the coming years
- Gross block to double by FY27-end, mainly due to commissioning of the Kanoo

JV

- Working capital cycle to elongate with the execution of nuclear orders; sees it to
- gradually increase to 160 days by FY27-end

1QFY27 key highlights

- Revenue/EBITDA/PAT up 71%/98%/46% YoY.
- Revenue grew ~35% YoY organically, driven mainly by the aero-tooling segment.
- Hobel Bellows added INR220m in additional revenue (two months' contribution).
- 1Q revenue mix: Aero tooling 76%, Hobel 21% EBITDA margin high at 36.5%, despite 510bps YoY contraction in gross margin
- Other Income declined 36% YoY and 50% QoQ as the IPO proceeds got utilized despite this, PAT margin stood high at ~26%.

CEMENT



- **Cement companies' management remained positive on cement demand, with most players expecting healthy demand and improved profitability in 2HFY27. Demand in 1Q was strong, aided by government infrastructure spending, housing, and urban real estate. Cement prices are expected to remain broadly stable in the near term, with any hikes likely to be gradual. Input costs are expected to peak in 2QFY27, with easing cost pressures thereafter. Overall, healthy demand, gradual price improvement, and moderating input costs should support profitability recovery in 2HFY27.**

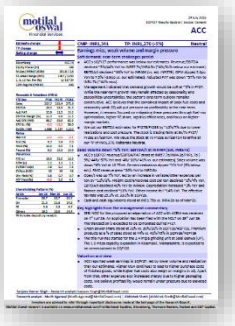
KEY HIGHLIGHTS FROM CONFERENCE CALL

	Insights and future outlook	Capex plans
UltraTech Cement	▪ It remains confident on cement demand, supported by a strong pipeline of infrastructure, housing, and urban real estate projects. Domestic volumes grew ~13% YoY vs. industry growth of ~7–8%, while capacity utilization improved to ~81% (vs. 76% YoY), reflecting healthy demand and market share gains. ▪ Cement prices improved QoQ and are expected to remain broadly stable through the monsoon, supported by higher input costs. Rising premium/blended cement mix and a strong retail franchise continue to support pricing power and brand-led growth.	▪ It commissioned 8.7mtpa of new cement capacity during the quarter, taking domestic grey cement capacity to 200.1mtpa and total capacity to 205.5mtpa. The C&W project remains on track, with facility setup completed, trial runs underway, and key regulatory approvals in place; commercial commissioning and product launch are targeted for 3QFY27E. ▪ Operating cash flows will continue to be reinvested into growth projects while supporting shareholder dividends, with capital allocation focused on strengthening the core cement business and delivering shareholder returns.
Ambuja Cements	▪ Demand momentum remained healthy in Jul'27, with trade volumes growing ~8% YoY, in line with the company's FY27 volume growth guidance of ~8%. Sales are diversified across regions, with ~30% from West, ~25% each from North and East, and ~10% each from Central and South. ▪ North remained the strongest profitability region, supported by ~2% YoY trade volume growth, while Central continued to deliver healthy EBITDA margins, aided by a higher mix of premium and blended cement.	▪ Consolidated capacity stood at ~109mtpa, with the ongoing expansion program progressing on schedule. Trial runs have commenced at the Prayagraj (1.2mtpa), Bhatinda (2.4mtpa), and Jodhpur (2mtpa) grinding units, while Kalamboli, Warisaliganj, and the Maratha clinker line are targeted for commissioning in 2HFY27, taking installed capacity to ~119mtpa by FY27-end. ▪ FY27 capex is pegged at INR65b towards growth and efficiency projects, with INR15–16b incurred in 1QFY27
Shree Cement	▪ The South region led growth, with dispatches rising ~50% YoY to 1.69mt from 1.1mt, driven by new capacity commissioning, and supplies to Maharashtra and Gujarat. North volumes grew ~20% YoY, while East remained broadly flat. ▪ The company maintained its FY27 volume guidance of ~40mt, with Jul'27 volumes at ~3.1mt, indicating a healthy start to 2QFY27.	▪ The company currently operates 33 RMC plants, up from 26 at the beginning of the year, and plans to commission another 10 plants in the next quarter to further expand its footprint. ▪ FY27 capex guidance remains unchanged at INR15b, with INR4.6b incurred in 1QFY27. Planned investments remain on track.
Dalmia Bharat	▪ It remains constructive on FY27 cement demand, with industry growth expected at ~7–8%, supported by infrastructure and housing. Demand improved from June after election disruptions eased, with 1QFY27 volumes growing ~9% YoY. Acquired JP assets and new capacity should provide additional growth. ▪ Price hikes of INR10–15/bag in the South and INR15–20/bag in the East were implemented in 1QFY27. Jun'26-exit prices remained broadly stable, with a modest improvement in the South, while El Niño remains a key monitorable.	▪ JPA Cement acquisition adds 5.2mtpa cement and 3.3mtpa clinker capacity in Central India, with integration progressing rapidly. Chunar operations have commenced and Rewa trial production started within 50 days, while further expansion opportunities remain. ▪ Management reiterated its 110–130mtpa long-term capacity target, with FY27 capex guidance at INR22–24b, including ~INR22b for expansion.
J K Cement	▪ Grey cement volumes grew on recently commissioned Central India capacity, including the Bihar grinding unit, with market share gains across the region. Management expects double-digit volume growth in FY27, targeting ~23mt, while North and South plants operate at ~85–90% utilization. ▪ Cement prices remained broadly stable, with 1Q price hikes sustained. Management does not expect a meaningful monsoon price decline, supported by higher industry fuel costs.	▪ Expansion projects remain on track, with the 4mtpa clinker/3mtpa grinding Jaisalmer plant, 2mtpa Bikaner and Punjab grinding units targeted for commissioning in 1HFY28. The 0.6mtpa Nathdwara wall putty plant is nearing completion. ▪ Management reiterated its 40mt FY28 and 50mt FY30 capacity targets, with planned capex of INR35b in FY27 and INR12b in FY28. Line II clinker capacity is expected to rise to 4mtpa in FY27, while the next clinker expansion decision is likely by 4QFY27.

Birla Corp	■ Cement demand remained strong from mid-May through Jun'26, supported by the delayed monsoon and healthy rural housing and infrastructure activity, although prolonged rainfall could impact agricultural income and 2HFY27 demand. It maintained its FY27 volume guidance of ~20mt (mid-single-digit growth). ■ Realization growth lagged the industry due to its higher trade and blended cement exposure, while OPC and non-trade segments saw stronger price recovery. Central India remained under pricing pressure due to intense competition, with the company prioritizing profitable geographies and product mix over chasing OPC volumes in Maharashtra.	■ FY27 capex guidance remains unchanged at INR9b, with INR1.2b incurred in 1QFY27. The company remains on track with its expansion plans. ■ The company reiterated its 27.6mtpa capacity target by FY29, with the Maihar Line-II clinker expansion progressing as scheduled following environmental approvals and commencement of pre-project activities.
JK Lakshmi Cement	■ Industry demand remained resilient, growing ~8% YoY in 1QFY27, supported by infrastructure and housing. ~11mtpa capacity was added in 1QFY27, taking industry capacity to ~725mtpa, with ~52mtpa additions planned for FY27. ■ Realizations improved on higher non-trade prices and geo-mix optimization, while trade prices saw modest gains. Prices remained stable in Jul–Aug'26, though management sees scope for further hikes to offset elevated costs, particularly in the North.	■ Expansion remains on track to reach 30mtpa capacity by FY30 from the current 18mtpa. The company incurred INR3.0b capex in 1QFY27, taking cumulative Durg project spending to INR4.0b, with FY27/FY28 capex planned at INR15b/INR20b. ■ Major equipment orders for Durg, Patratu, Madhubani and other projects have been placed. Northeast expansion is progressing with mining approvals, land acquisition and regulatory clearances underway, while land acquisition at Kutch and Nagaur will be undertaken separately.
JSW Cement	■ Cement demand grew ~6% YoY in South/West/East and ~11% in North; government and state infrastructure capex remained key drivers. 2QFY27 demand is expected to improve despite monsoon, with early July recovery visible. ■ GGBS volumes grew 2.6% YoY, with FY27E growth expected at high-single digits. Including North operations, overall FY27E volume growth is expected at high-teens.	■ FY27/28 capex is planned at INR23b/20b, supporting capacity expansion from 24.1mtpa to ~43.5mtpa with total capex of INR75–76b. Central India remains a key expansion focus, with an announcement expected in coming quarters. ■ RMC network is planned to expand from 15 to ~35 plants, aligned with the cement footprint. North India operations have commenced, with 2 of the existing 15 plants already in the region.

adani ACC

Click below for Results Update



ACC — Neutral

Current Price INR 1,289

Cement demand

- Cement demand is expected to grow by ~5% in FY27, although near-term growth may be impacted by seasonal monsoon disruptions, geopolitical uncertainties, and input cost volatility.
- The industry faced cost pressures in Q1FY27 due to higher prices of imported fuels (petcoke and thermal coal) and elevated freight and logistics costs amid geopolitical tensions in West Asia. Given the 60–90-day fuel inventory cycle, the peak impact of higher fuel costs is expected to be reflected in Q2FY27.

Operational highlights

- Green power share stood at 31% vs. 26%/31% in 1QFY26/4QFY26. Premium products as a % of sales stood at 44% vs. 41%/45% in 1QFY26/4QFY26
- Fuel cost stood at INR1.67/kcal vs. INR1.56/INR1.65/kcal in 1QFY26/4QFY26. Lead distance was 254km vs. 290km/273km in 1QFY26/ 4QFY26. Direct dispatches stood at 52% vs. 51%/50% in 1QFY26/4QFY26.
- It continues to mitigate cost pressures through fuel mix optimization, increased renewable energy usage, logistics efficiencies, a focus on higher-margin markets, and disciplined cost management to protect profitability.

Capex and other highlights

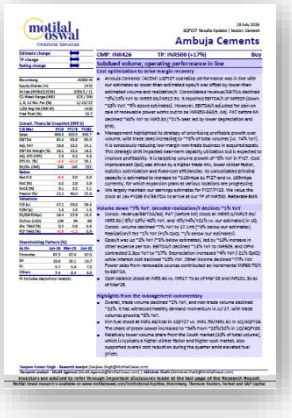
- The Company has commenced trial operations at its 2.4mtpa grinding unit in Salai Banwa, Uttar Pradesh, marking progress in its ongoing capacity expansion program.
- The Kalamboli expansion is on track to add 1.0mtpa of grinding capacity, with commercial commissioning expected in 2QFY28.

Ambuja Cements — Buy

Current Price INR 406

Click below for Detailed Concall Transcript & Results Update





Demand and regional performance

- Region-wise, the company's sales mix comprises ~25% each from the North and East, ~30% from the West, and ~10% each from the Central and South regions.
- Regionally, the North remained the strongest profitability region, supported by~2% YoY growth in trade volumes. The Central region continued to deliver healthy EBITDA margins, aided by a higher share of premium and blended cement.
- In the West, the company maintained a balanced mix of trade and non-trade sales and recorded positive growth across both channels, benefiting from strong realizations in key markets such as Mumbai and Gujarat. The East sustained trade volumes and healthy profitability.
- In the South, it consciously reduced lower-margin volumes while expanding its dealer network and increasing focus on trade sales.
- Overall, trade volumes declined ~2% YoY, while non-trade volumes were down~21% YoY.
- It has witnessed healthy demand momentum in Jul'27, with trade volumes growing ~8% YoY. It guided volume growth of ~8% YoY in FY27.

Shift in higher trade mix

- Trade sales contribution increased to ~78% of total sales (vs. 74% YoY), while premium products accounted for 34% of trade sales (vs. 33%/36% in1Q/4QFY26).
- It indicated that Ambuja and ACC have historically maintained a higher share of trade sales. However, following recent acquisitions, the acquired assets witnessed a higher proportion of non-trade volumes, many of which generated either marginal EBITDA or EBITDA loss, weighing on the company's overall profitability.
- Consequently, the company has consciously shifted its focus to profitable growth by reducing low-margin non-trade volumes rather than pursuing capacity utilization at the expense of profitability.
- While this strategy has resulted in lower capacity utilization in the near term, it believes it has not sacrificed value. As structural cost reductions improve competitiveness, the company expects these volumes to gradually return on more profitable terms.
- It stated that this strategic recalibration is largely limited to the acquired assets, while the legacy Ambuja and ACC businesses have maintained a strong trade-oriented sales mix.

Operational and cost highlights

- During 1QFY27, ~450m units of renewable power were sold externally due to initial transmission and policy-related constraints. It works out to INR60-70/t of additional EBITDA/t, while these are temporary in nature.
- It indicated that QoQ improvement in profitability was led by an increase in the trade sales mix from ~74% to 78%, contributing meaningfully to the sequential cost reduction of INR206/t.
- During the quarter, the company undertook scheduled maintenance of ~12% of its kiln capacity, resulting in an additional cost of ~INR50/t. It built clinker inventory equivalent to one month and core fuel inventory of around three months, which helps in 2Q.
- It indicated that the relatively lower contribution from the South, which is typically a higher-clinker-factor and higher-cost market, also supported overall cost performance during the quarter amid high fuel prices.
- The clinker factor improved to ~64% (vs. 67% YoY) and blended cement share increased to ~85% (vs. 80% in 1QFY26).
- Opex/t declining by INR206/t QoQ to INR4,241/t. Breaking down the cost savings, it highlighted benefits of ~INR30-50/t from raw material and operational efficiencies, ~INR50/t from logistics optimization, ~INR50/t from lower clinker factor and ~INR80/t from fixed cost optimization. FY27 cost target is ~INR4,250/t despite absorbing the impact of elevated fuel costs arising from geopolitical tensions.
- Renewable power capacity increased to 973MW (up ~500MW YoY), while waste heat recovery (WHRS) capacity reached 228MW. These initiatives reduced average power cost by ~INR1/Kwh to ~INR4.9/kWh from INR5.9/kWh.
- Cost saving initiatives: A 15km reduction in lead distance is expected to deliver savings of INR30-35/t, while logistics optimization through greater use of BCFC rakes and sourcing initiatives should contribute another ~INR30/t.
- Commissioning of an additional 75MW of green power capacity, along with targeted reduction in heat consumption (~5 kcal/kg of clinker) and power consumption (2-3 units/t of cement), is expected to generate incremental savings of ~INR50/t.
- In addition, it sees further scope for reducing other operating expenses byINR10-15/t. Overall, the combined initiatives are expected to deliver cumulative cost savings of INR130-150/t.

Capacity expansion and capex guidance

- Its consolidated capacity stood at ~109mtpa. The ongoing expansion program remains on schedule. Trial runs have commenced at the 1.2mtpa GU in Prayagraj (UP), ~2.4mtpa at Bhatinda (Punjab) and the 2mtpa Jodhpur GU. In addition, the 1mtpa Kalamboli (Mumbai), the 2.4mtpa Warisaliganj (Bihar) and Maratha clinker line are targeted for commissioning in 2HFY27. These projects are expected to increase installed cement capacity to 119mtpa by the end ofFY27.
- Capex is pegged at INR65b for growth plans and efficiency capex. It incurred capex of INR15-16b in 1QFY27.

Acquired assets performance

- On acquired assets, it stated that the Orient Cement assets are operating at~87% capacity utilization with healthy profitability and expects further improvement with limited incremental capex.
- Penna Cement remains the key opportunity for operational improvement. It indicated that the focus is less on capacity expansion and more on strengthening the distribution network, increasing trade sales and enhancing market penetration to improve capacity utilization.
- Sanghi continues to witness steady operational improvement, with higher clinker and cement capacity utilization. The company has planned an investment of ~INR6b in jetty expansion, primarily to enhance clinker logistics and improve operational efficiencies.

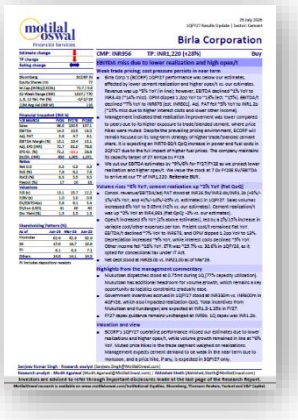
Birla Corp — Buy

Current Price INR 884

MP BIRLA GROUP

Click below for Detailed Concall Transcript & Results Update





Demand and pricing

- Cement demand remained strong from mid-May through Jun'26, aided by a delayed monsoon, supporting both rural housing and infrastructure activity.
- It indicated that delayed monsoon has supported rural demand, although prolonged rainfall later in the season could affect agricultural income and consequently demand in 2HFY27.
- Mukutban dispatched 0.75mt during 1QFY27 (~77% capacity utilization), while logistics disruptions due to diesel availability and truck shortages restricted some sales, leaving headroom for more volume growth. It expects Mukutban to continue ramping up as logistics normalize and focus remains on nearby profitable markets rather than distant low-margin regions.
- BCORP reiterated that it will not alter its long-term strategy despite current pricing dynamics. The company remains committed to high trade exposure, Blended cement and premium retail positioning.
- The company maintained its FY27 volume growth guidance (close to 20mt, mid-single digit growth).

Pricing and realization

- Management indicated that realization improvement lagged the industry as the company has a higher exposure to trade and blended cement, where price hikes remained muted. In contrast, price recovery was stronger in the non-trade and OPC segments, where the company has a relatively lower presence owing to its strategic focus on blended cement.
- Central India continued to witness weak pricing due to higher competitive intensity, limiting its ability to benefit from price increases seen in other regions.
- In Maharashtra, it continues to prioritize geographically profitable sales and product mix optimization rather than chasing higher-value OPC volumes in distant markets. It remains focused on maximizing profitability while maintaining volumes.
- Central India prices have been soft for almost a year because of competitive intensity, affecting the company more than peers due to its high regional exposure.

- Government incentives accrued in 1QFY27 stood at INR330m vs. INR600m in 4QFY26, which also impacted realization QoQ. Total incentives from Mukutban and Kundanganj are expected at INR1.3-1.35b in FY27.

Operational performance

- Blended cement sales stood at ~88% vs. ~89%/87% of total volumes in 1QFY26/4QFY26.
- The company's capacity utilization stood at ~98% in 1QFY27 vs. ~99%/108% in 1QFY26/4QFY26. Trade share stood at ~82% of total volumes vs. ~78%/~79% in 1QFY26/4QFY26.
- Premium products contributed ~62% of trade volumes vs. ~59%/63% in 1QFY26/4QFY26. Sales of premium products grew 18% YoY, driven by the flagship brand Perfect Plus, which recorded 24% YoY growth. The company further strengthened its sustainability initiatives by commissioning a 5 MW solar power plant at Mukutban.
- Renewable energy contribution stood at ~33% in 1QFY27 vs. ~31% in FY26.
- Combined impact of higher fuel, diesel and packaging costs increased overall opex/t. Industrial diesel inflation has increased mining costs, particularly because Rajasthan operations rely heavily on mechanical mining. Packaging cost increased materially to INR269/t vs. INR191/t in 1QFY26.
- Overall kiln fuel costs stood at INR1.64/kcal vs. INR1.53/kcal in 4QFY26.
- Current waste heat recovery capacity stands at 43-44 MW. Ongoing projects will increase WHRS utilization to ~50%. Maihar Line-II will further add 17-18MW of WHRS capacity.
- Bikram coal mine production targets 0.12m in FY27 and 0.35m in FY28.
- Coal will primarily supply captive power plants (CPPs), with approximately one-third of CPP coal requirement expected to be met through Bikram next year.
- It expects fuel cost inflation to continue, with 2QFY27 power & fuel costs projected to increase by another INR70-80/t sequentially.

Capacity expansion and net debt

- FY27 capex guidance remains unchanged at INR9b. 1Q capex stood at INR1.2b.
- The company continues to target 27.6mtpa capacity by FY29 with no change to the expansion timelines.
- Maihar Line-II clinker expansion remains on schedule with environmental approvals and pre-project activities progressing as planned.
- Net debt stood at INR23.b as of 1Q end and FY27 debt guidance stood at INR20b.

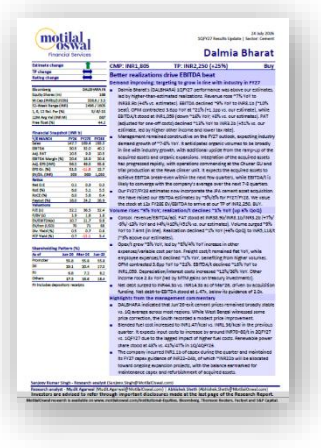
Dalmia Bharat — Buy

Current Price INR 1,875

Click below for Detailed Concall Transcript & Results Update

Demand and pricing

- The company maintained a constructive outlook on FY27 cement demand, supported by structural drivers such as infrastructure and housing. However, the potential impact of El Niño remains a key monitorable in the near term.
- In 1QFY27, cement demand exceeded expectations despite temporary disruptions from state elections across several key markets, which slowed construction activity. Demand has improved meaningfully since June following the return of labor to construction sites after the elections and the delayed onset of monsoon. The company delivered ~9% YoY volume growth.


Dalmia Bharat

- It expects the cement industry to grow ~7–8% in FY27, with organic volumes broadly in line with industry growth. Additional volume growth is expected from the ramp-up of the acquired JP assets and new capacity additions.

Cement price and premiumization

- In 1Q, price hikes of INR10–15/bag were undertaken in the South and INR15–20/bag in the East.
- The company indicated that Jun'26-exit cement prices remained broadly stable compared to the 1QFY27 average across most regions. While West Bengal witnessed some price correction, the South recorded a modest price improvement.
- Premiumization continued to gain traction, with the share of premium products increasing to 25% of sales during the quarter (vs. 22%/24% in 1Q/4QFY26).

Cost guidance

- Petcoke prices increased to ~USD160/t before easing to USD130–135/t, still above historical levels. During the quarter, the company achieved cost savings of over INR150/t through procurement optimization, inventory management, sourcing diversification, and fuel mix optimization.
- Raw material cost/t increased primarily due to higher limestone raising costs and other input cost pressures.
- Blended fuel cost increased to INR1.47/kcal during the quarter from INR1.36/kcal in the previous quarter. The company expects input costs to increase by around INR70–80/t in 2QFY27 vs. 1QFY27 due to the lagged impact of higher fuel costs. Renewable power share was 48% vs. 41%/47% in 1Q/4QFY26.
- Cement freight cost/t remained largely flat QoQ, while clinker freight cost/t increased 11% QoQ, primarily due to higher clinker transportation through road routes.
- Other expenses rose, mainly driven by a sharp increase in packing material costs, with bag prices rising from around INR9.5/bag pre-conflict to nearly INR14/bag in 1QFY27.

JPA cement assets acquisition

- The acquisition of JPA Cement assets adds 5.2mtpa cement capacity and 3.3mtpa clinker capacity in Central India, strengthening DALBHARA's presence in a key growth region. The assets also offer debottlenecking and brownfield expansion opportunities.
- Integration of the acquired assets has progressed rapidly, with operations commencing at the Chunar grinding unit and trial production at the Rewa clinker unit within 50 days of acquisition. It expects to leverage its existing brand presence in the region to accelerate market penetration.
- The company expects capacity utilization to improve over the next few quarters but has refrained from providing formal utilization guidance at this stage.
- It expects the acquired assets to achieve EBITDA break-even within the next few quarters, while EBITDA/t is likely to converge with the company's average over the next 7–8 quarters as volumes ramp up and operational efficiencies improve.

Other organic expansion

- Including the Jaypee acquisition and ongoing expansions at Belgaum, Kadapa and Pune, cement capacity is expected to reach ~67mtpa, with additional expansion projects under evaluation to support future growth.

- The Belgaum expansion project is ahead of schedule and is expected to commence commercial production within the next six months. At the Pune site, excavation has started, with civil and mechanical contractors mobilized for project execution.
- It reiterated its long-term ambition of reaching 110–130mtpa capacity. The pace of expansion will remain aligned with industry demand and macroeconomic conditions. It remains committed to disciplined, value-accretive capital allocation, and flexible in terms of timelines.
- The company incurred INR1.1b of capex during the quarter and maintained its FY27 capex guidance of INR22–24b, of which around INR22b will be allocated towards ongoing expansion projects, with the balance earmarked for maintenance capex and acquisition-related catch-up capex.

Other key highlights

- Gross debt increased to INR91.1b and net debt to INR44.3b at the end of the quarter, largely reflecting acquisition funding. Despite the increase, net debt-to-EBITDA stood at 1.47x, remaining comfortably below the company's internal threshold of 2.0x, highlighting a disciplined capital allocation approach.
- The average cost of debt remained stable at ~7%.
- During the quarter, the company accrued INR550m of incentives and collected INR600m, taking total incentive receivables to INR8.2b. It expects incentive accruals to remain at INR450–500m per quarter over the next few years.

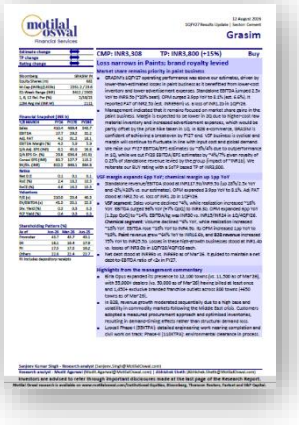
Grasim Industries — Buy

Current Price INR 3,293

Paint segment

- Birla Opus reported revenue of INR16.6b, up ~64% YoY/17% QoQ, with market share increasing 30bp QoQ. Capacity utilization improved across plants.
- Cumulative price hikes stood at 8.8% in 1QFY27, with some benefits flowing into 2QFY27. The company remains focused on market-share gains and guided revenue growth.
- Losses narrowed, aided by lower-cost inventory and lower advertising spends; however, older inventory has largely been consumed and higher-cost raw material inventory is now being utilized, while advertising intensity is expected to remain elevated.
- 1QFY27 industry growth was partly supported by dealer inventory stocking ahead of double-digit price hikes, which is expected to normalize going forward. 2QFY27 margins are likely to remain under pressure as higher-cost inventory is sold and the full benefit of price hikes flows through, with margins remaining sensitive to commodity prices and inventory costs.
- Birla Opus expanded its presence to 12,100 towns with 55,000+ dealers and 1,450+ exclusive branded franchise outlets across 800 towns, strengthening its distribution network.
- Institutional revenue grew ~85% YoY/11% QoQ, with ~11,000 project sites billed during the quarter and a pipeline of ~47,000 sites, providing significant growth headroom.
- Birla Opus' Architect & Interior Designer (AID) partner network crossed 4,400 active firms across 100+ cities, making it the second-largest network in the industry.

Click below for Detailed Concall Transcript & Results Update



- The product portfolio expanded to 228 products and 1,945 SKUs, with premium and luxury products contributing ~65% of sales value; the company also launched 10 new products in 1QFY27.

B2B E-commerce

- B2B e-commerce revenue grew ~75% YoY to INR25.5b, with the annualized revenue run rate remaining above INR100b; sequential growth moderated due to a high base and commodity-market volatility following the Middle East crisis.
- Platform health remained strong, with improving transaction volumes, new-buyer additions and repeat purchases, indicating continued strengthening of customer engagement and platform stickiness.
- Private-label revenue more than doubled YoY, providing an important potential margin lever as penetration increases.
- The company continues to expand its SKU base and deepen penetration across building materials, non-ferrous metals and chemicals, while focusing on customer retention and private-label penetration.
- It remains confident of achieving B2B e-commerce breakeven by end-FY27, supported by continued scale-up, improving monetization and operating leverage.

VSF segment

- The INR13.5b Phase-I project for 55,000 TPA is progressing well, with detailed engineering underway and civil work on track; the recently approved INR30.94b Phase-II project for 110,000 TPA is progressing through the environmental clearance process.
- Cellulosic fiber sales volumes declined 4% YoY due to planned maintenance, lower production and subdued downstream demand, while specialty fibers' contribution to the sales mix increased to 27% from 21%, driven by stronger exports.
- China's operating rates increased to 93% in 1QFY27 vs. 82%/92% in 1QFY26/4QFY26, indicating robust global demand; CSF Jun'26 exit prices increased ~16% QoQ to USD1.85/kg. The average inventory holding declined to 7 days vs. average of 20/11 days in 1QFY26/4QFY26
- The cellulosic fiber industry remains cyclical, with margins sensitive to input costs and demand; however, strong operating rates, established customer relationships and brand strength should support the company's competitive position through industry cycles.

Chemical business

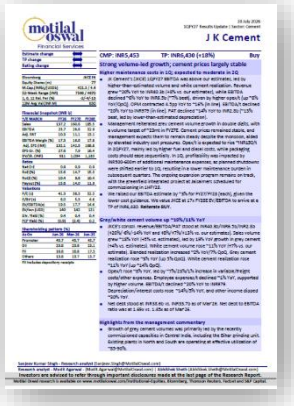
- Chlorine integration is expected to reach ~68% by the end of FY27, supporting greater value capture and improving the business mix.
- Caustic volumes declined due to planned preventive maintenance at a major Indian plant and softer domestic downstream demand, partly offset by higher exports amid healthy overseas demand.
- Domestic caustic soda prices are expected to remain linked to international prices, as incremental Indian capacity is relatively small compared with global traded volumes.
- Additional PVC capacity in India is expected to primarily substitute imports and is unlikely to result in a meaningful increase in global caustic capacity.

Other highlights

- The Birla group will charge a 0.25% royalty on standalone revenue, effective Jun'26, with the annual financial impact on Grasim estimated at ~INR1.0b.
- In the renewable business, Grasim's equity contribution is expected to be INR10b in FY27E; further details on post-transaction shareholding, revenue and EBITDA guidance will be provided upon completion of the transaction.

JKCement

Click below for Results Update



JK Cement — Buy

Current Price INR 5,281

Demand and pricing

- Grey cement volumes increased primarily due to recently commissioned capacities in Central India, including the Bihar grinding unit. The company gained market share across most Central Indian markets while maintaining market share in North and South India.
- Demand continues to remain supportive, and management expects volumes to grow in double digits in FY27, targeting to reach ~23mt. In North and South India, plants are already operating at optimum levels of ~85%–90% utilization.
- Cement prices have remained broadly stable, with 1Q price hikes sustaining. It does not expect any meaningful price decline during the monsoon due to industry-level cost headwinds of higher fuel prices.

Operational highlights

- Lead distance was 418km vs. 436km/418km in 1Q/4QFY26. Fuel consumption cost/kcal was INR1.53 vs. INR1.53/INR1.48 in 1QFY26/ 4QFY26. Fuel mix during the quarter comprised ~40% pet coke, ~45% domestic coal, with the balance met through alternate fuels.
- It undertook major kiln maintenance during the quarter, which was shifted earlier from 2QFY27. Management clarified that the shutdown did not impact volumes, as adequate clinker inventory was available, with only a small quantity of clinker procured for South India. Around INR500m of maintenance expenses were shifted into 1QFY27.
- The company expects operating cost to increase by around INR150/t in 2QFY27, primarily due to higher fuel (INR100/t) and diesel costs (INR50/t). Higher packaging costs incurred in 1Q are expected to moderate in 2Q, while maintenance expenses will be lower following advance maintenance carried out in 1Q.
- Green energy contributed ~53.5% of total energy requirements in Jun'26 vs. 52% in FY26. The company aims to raise the green power share to ~75% by FY30. Current green power capacity stands at 342.3MW. Green power share is expected to increase by 4pp–5pp annually from next year, keeping the company on track to achieve its long-term renewable energy targets.
- The thermal substitution rate increased to 11.3% in 1QFY27 from 13.2% in 1QFY26, with the company targeting a further increase to ~35% by FY30.
- Blended cement sales were 67% vs. 65% in 4QFY26. Trade sales were 69% vs. 68% in 1QFY26/4QFY26 (each). Premium products' share stood at 18% from 14%/18% in 1QFY26/4QFY26.
- It indicated that the Mahan captive coal block is expected to commence production by end-FY28, with the second block likely to follow a year later.

Captive coal is expected to reduce fuel costs and dependence on imported fuels, while the company will evaluate selling surplus coal based on market conditions.

- The company has also started using imported US coal in North India whenever it is more economical than pet coke. It indicated that the fuel mix will continue to evolve depending on fuel availability and geopolitical developments.
- Central India plants continue to operate entirely on domestic coal, while North and South plants rely on a mix of domestic coal, imported coal, pet coke and alternate fuels.

Capacity expansion and capex update

- Construction work for the greenfield integrated plant with 4mtpa clinker and 3mtpa grinding, at Jaisalmer, Rajasthan is progressing as per schedule. Capex incurred ~INR11.6b YTD (total cost: INR36.3b), with commissioning planned in 1HFY28.
- Civil work has started and is progressing for the 2mtpa split grinding unit in Bikaner. Capex incurred on this project is INR1.8b YTD (total cost: INR5.7b), and the unit is expected to be commissioned by 1HFY28. Equipment for the 2mtpa split grinding unit in Punjab has been ordered. Capex incurred on this project is INR850m YTD (total cost: INR6.1b), which is expected to be commissioned by 1HFY28.
- Construction work is nearing completion for the 0.6mtpa wall putty plant at Nathdwara, Rajasthan. Capex incurred on this project is INR1.4b YTD (total cost: INR1.95b), which is expected to get commissioned in Jul'26.
- Management has reiterated its target of reaching 40mt capacity by FY28 and remains committed to its 50mt capacity target by FY30, with no plans to defer the ongoing expansion program so far.
- Planned capex remains around INR35b through FY27 and INR12b during FY28. Any investment towards the next phase of expansion will be incremental to the planned FY28 capex.
- The company expects to ramp up Line II clinker capacity to 4mtpa (from the current capacity of 3.3mtpa) in FY27 and does not foresee any clinker shortage in Central India despite strong demand.

Other highlights

- White cement and putty volumes benefitted from lower imports from UAE due to geopolitical disruptions. Management expects some benefit to continue into 2Q, although competitive intensity is likely to normalize as imports gradually resume.
- Paint revenue stood at INR1.25b, with the business achieving EBITDA break-even during the quarter. JKCE expects FY27 paint revenue of INR5b–5.5b and targets ~5-7% EBITDA margins in FY28, supported by an additional INR1.5b of revenue. The Board has capped investment in the paints business at INR6b.
- The paints business remains strategically important to strengthen dealer relationships and support putty sales, while future expansion will largely be funded through internal accruals.
- The company currently operates 17 RMC plants and plans to expand to 50 plants by FY27-end and 100 plants by FY28. RMC revenue stood at INR350–400m during the quarter and is expected to reach INR2.5b–3b in FY27.

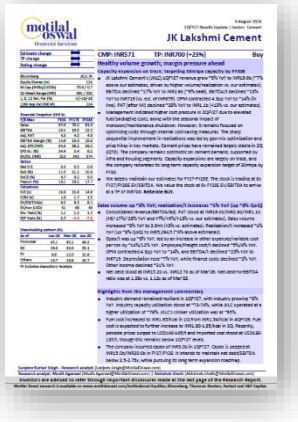
- The company leverages its existing distribution network for paints, with platform and service charges recovered from the paints business. Revenue from the Maxx brand is reflected in the standalone financials, while paints performance is monitored separately.
- JKCE expects the business to gradually achieve break-even as new plants stabilize. It views RMC as a strategic offering to strengthen project sales rather than a high-margin business.
- Incentive income during the quarter stood at INR500m. JKCE expects annual incentives to increase to around INR3b from FY29, after the commissioning of ongoing expansion projects.

JK Lakshmi Cement — Buy

Current Price INR 557

Click below for Detailed Concall Transcript & Results Update





Demand and outlook:

- The industry demand remained resilient in 1QFY27, with the industry growing ~8% YoY. It expects demand to remain strong, supported by infrastructure and housing activities. However, 2Q remains seasonally weak due to monsoons and maintenance shutdowns.
- The industry witnessed ~11mtpa capacity addition in 1Q, out of planned capacity addition of ~52mtpa in FY27E. Overall industry installed capacity stood at 725mtpa.
- Industry capacity utilization stood at ~73-74%, while JKLC operated at a higher utilization of ~76%. JKLC's clinker utilization stood at ~95%.

Pricing and realizations

- The improvement in realizations was driven primarily by higher non-trade prices across Gujarat, Mumbai, East, and North markets, alongside modest trade price improvements in West and East. Additionally, geo-mix optimization helped in better realization.
- By increasing sales in nearby markets, it reduced lead distance by around 20km/10km YoY/QoQ to 368km, improving net-plant realization by INR60-70/t.
- Prices have largely remained stable in Jul-Aug'26. However, the company believes further price increases are necessary as current realizations do not adequately compensate for elevated costs, mainly in the Northern region.

Cost and other operating highlights

- It expects cost pressures to intensify further in 2Q due to higher imported fuel prices. Fuel costs increased to INR1.65/kcal in 1Q from INR1.54/Kcal in 4QFY26, and is expected to rise further toward INR1.80-1.85/kcal in 2Q. The green power share was at 49% vs. 49%/46% in 1Q/4QFY26. Power consumption increased to 72Kwh vs. 69Kwh/70Kwh in 1Q/4QFY26. Recently, petcoke prices increased to USD140-141/t, though this remains below the Mar-May'26 levels.
- Packaging costs are also increasing, with granule prices rising sharply, resulting in an incremental impact of around INR3.5-4.0 per bag.
- Additionally, higher diesel prices, elevated fly ash procurement costs due to temporary shortages, imported coal and petcoke inflation, and seasonal maintenance shutdowns are expected to weigh on margins.
- It will continue pursuing internal cost-mitigation initiatives through higher indigenous coal usage, alternative fuels (AFR), renewable energy, logistics optimization, and operational efficiencies.

- Non-cement revenue stood at ~INR1.85bn during the quarter, including ~INR930m from the RMC business.
- Trade cement share stood at ~59% vs 56%/58% in 1Q/4QFY26. Blended cement share was at 64% vs. 63%/62% in 1Q/4QFY26.

Capex and expansion plans

- Expansions remains on track with a target of achieving 30mtpa by FY30 (currently at 18mtpa capacity). The company incurred capex of INR3.0b during 1QFY27, and cumulative spending on the Durg expansion project stood at INR4.0b. Capex is pegged at INR15.0b/INR20.0b in FY27/FY28. Apart from this, it will spend on land acquisition at Kutch and Nagaur.
- Major equipment orders for Durg, grinding units at Patratu and Madhubani, and other ongoing projects have already been placed. The Northeast expansion is progressing, with mining approvals, land acquisition, and regulatory clearances underway, and remains included within the guided capex.
- Net debt stood at INR15.2b vs. INR12.7b as of Mar'26. Net debt-to-EBITDA ratio was at 1.38x vs. 1.12x as of Mar'23. The company intends to maintain net debt/EBITDA below 2.5-2.75x, while pursuing the 30mt expansion roadmap.

JSW Cement — Neutral

Current Price INR 124

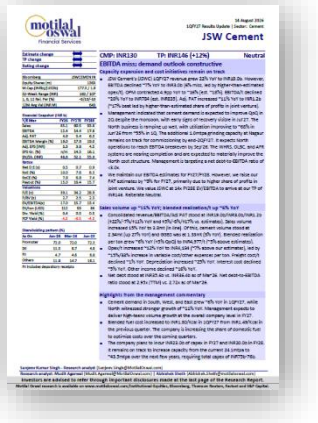
Demand and volume guidance

- Cement demand in South, West, and East grew ~6% YoY in Q1FY27, while North witnessed stronger growth of ~11% YoY. Government capex remained a key demand driver; state capex and infrastructure output also remained strong.
- Despite the monsoon season, the company expects 2QFY27 demand to be better than 1Q, with early signs of improvement already visible in July.
- GGBS volumes grew 2.6% YoY in 1QFY27. While growth remained modest, it remains optimistic about the outlook, supported by approvals for large infrastructure projects during the quarter and a robust project pipeline. It expects GGBS volumes to deliver high-single-digit growth for FY27.

North plant progress

- Market response to the North region has been encouraging, with average utilization of ~55% in 1QFY27, rising sharply to ~68% in Jun'26.
- Installation of the waste heat recovery system, OLBC, and AFR co-processing systems at the integrated unit in North are nearing completion, with commissioning expected in the coming weeks. These initiatives are expected to materially improve the cost structure.
- The company continues to invest in brand building, influencer engagement, and stronger ground-level connectivity with the dealer network and key decision makers. These initiatives are helping strengthen brand positioning, improve price realization, and reduce the pricing gap versus A-category brands. It is actively working to reduce discount structures, which should provide further support to cement realizations over time.
- The additional 1mt grinding capacity at Nagaur remains on track for commissioning by end-2QFY27.

Click below for Detailed Concall Transcript & Results Update



- The company has submitted the required documentation and is awaiting the eligibility certificate for the incentive scheme and expecting approval within ~2 months, following which incentive recognition will commence.
- The incentive is structured at 50% for the first four years, followed by 65% and 80% thereafter. The initial 50% incentive is linked to the amount of eligible capex capitalized. It expects greater clarity on the quantum to be recognized in FY27 after completion and capitalization of ongoing projects.
- The company has already spent INR500-600m on land for the Punjab project, with almost the entire plant land parcel already in place. Only a small portion, mainly related to the approach road, remains to be acquired. The company is awaiting the EC and work is expected to commence once the EC is received.
- It expects the North operations to reach EBITDA breakeven by Sep'26 and turn positive thereafter. The current profitability is impacted by the need to transport limestone by road and the absence of certain supporting infrastructure. Consequently, the breakeven utilization level is currently higher at ~55-60%, but is expected to decline as infrastructure and utilization improve.

Operational highlights

- GGBS's realization improvement in 1QFY27 was primarily a function of the geographic mix, with no changes in the underlying pricing strategy.
- Trade mix remained stable at ~51%. The clinker-to-cement ratio increased to ~55% following the commencement of North operations, though it remains among the lowest in the industry.
- The company added 56MW of wind capacity during 1QFY27, taking the renewable energy share to ~30% of total power consumption in the quarter.
- Logistics cost per ton declined 2% QoQ, supported by a ~4km reduction in lead distance and operational efficiency measures.
- Other expenses rose sharply due to higher marketing investments in the North region and increased packing costs.
- While North operations accounted for INR330m of marketing expenditure in 1QFY27, total company-level marketing spend is expected to be INR1.3b for FY27, vs. the historical annual run rate of INR800-850m.
- Profitability gap between the North and South markets is higher (as high as INR600-700/t). With the North operations still in the early stages of ramp-up, it expects the business to reach breakeven by Sep'26 and move into positive territory thereafter. Greater visibility on sustainable profitability is expected by Mar'27.
- Blended cement mix was 63% vs. 65%/63% in 4QFY26/3QFY26. Average fuel cost was INR1.80/kcal vs. INR1.49/1.55 kcal in 4QFY26/1QFY26. It is increasing the share of domestic fuel to optimize costs over the coming quarters.

RMC business performance

- The company currently operates 15 RMC plants and plans to expand the network to ~35 units over the next few years. The expansion will be geographically diversified and closely aligned with the company's cement footprint.
- New RMC plants are being established primarily in locations where the company can leverage its cement and GGBS supply capabilities. Commercial and dedicated RMC operations are typically established around the company's

cement footprint, while captive operations largely cater to JSW Group requirements.

- The company has started RMC operations in North India, in line with its strategy of building RMC capacity alongside its cement presence. Of the existing 15 units, two are already located in the North.
- RMC revenue stood at INR1.8b in 1QFY27, with scale up expected progressively as the plant network expands.
- The RMC business is targeting revenue of >INR10b, including captive operations.

Expansion plans and capex

- It plans to incur INR23.0b of capex in FY27 and INR20.0b in FY28. It remains on track to increase capacity from the current 24.1mtpa to ~43.5mtpa over the next few years, requiring total capex of INR75b-76b.
- It indicated that Central India remains on the priority list for expansion and indicated that an announcement could be made over the coming quarters.
- The Board's internal guidance is to keep net debt/EBITDA below 3x, with management reiterating its commitment to maintaining leverage within this threshold.
- Following completion of the current capacity expansion toward ~43.5mtpa, the company plans to add a further ~25mtpa over the subsequent 3-4 years.

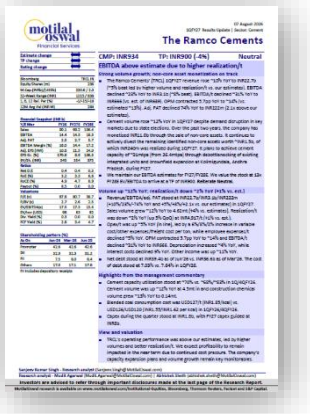
The Ramco Cement — Neutral

Current Price INR 901

Capacity utilization and volume

- Cement capacity utilization stood at ~70% vs. ~68%/~83% in 1QFY26/4QFY26. Cement volume was up 12% YoY (-17% QoQ) at 4.48mt in 1QFY27. Construction chemical sales volume jumped 13% YoY (down 18% QoQ) to 0.135mt.
- Volume share from South/East stood at ~73%/~27% in 1QFY27, v/s ~79%/21% in 1QFY26.

Click below for Results Update



Operational highlights

- Trade prices in 1Q in the South increased ~5% from the Mar'26-end level, while prices in the East improved ~6%.
- TRCL used 16% petcoke vs. 54%/30% in 1QFY26/4QFY26. Alternative fuel share remained at low at 1%. Green energy contributed 37% of power requirements vs. ~31%/34% in 1QFY26/4QFY26.
- Blended coal consumption cost was USD127/t (INR1.85/kcal) vs. USD126/USD120 (INR1.55/INR1.62 per kcal) in 1QFY26/4QFY26. Avg. lead distance was 264km in 1QFY27 vs. 246km in 1QFY26 and 276km in 4QFY26.
- The share of premium products was ~28% vs. ~29%/28% in 1QFY26/4QFY26 in the South region. It was ~23% vs. ~22% in 1QFY26/4QFY26 (each) in the East region.
- For the Karnataka Greenfield project, ~60% of total mining land and ~13% of total factory land have been acquired so far.
- RM cost/ton includes the impact of mineral-bearing land tax levied in TN from Apr'25, amounting to INR84/ton of cement in 1QFY27 and INR390m at the company level.
- It targets 31mtpa cement capacity in FY27 through debottlenecking of existing integrated units and brownfield expansion at Kolimigundala. A 15MW WHRS and Kiln Line-2 are also expected to be commissioned at Kolimigundala in FY27.

Debt and other highlights

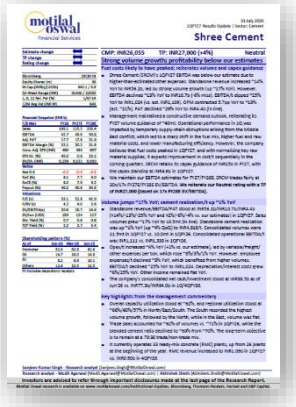
- Gross debt stood at INR40.1b vs. INR38.5b as of Mar'26. Net debt stood at INR39.4b vs. INR36.6 as of Mar'26.
- Capex during the quarter stood at INR1.8b, with FY27 capex was guided at INR8b.

Shree Cement — Neutral

Current Price INR 24,360

Click below for Detailed Concall Transcript & Results Update




Shree Cement

Capacity utilization and volume growth guidance

- Overall capacity utilization stood at ~62% and regional utilization was ~66% in North, ~60% in East India and ~57% in South India. The South region recorded the highest growth, with dispatches increasing by ~50% YoY from 1.1mt to 1.69mt, primarily driven by the commissioning of new capacity. The North region reported ~20% YoY volume growth, while volumes in the East remained broadly flat compared with the previous year. It indicated that strong growth in the South was also led by supplies to Maharashtra and Gujarat markets.
- It maintained its FY27 volume guidance of ~40mt. It indicated Jul'27 volume at ~3.1mt, indicating a healthy demand trend at the beginning of 2QFY27.

Operational performance and guidance

- It highlighted that the Middle East conflict created unprecedented supply-chain disruptions during the quarter. Contracted petcoke shipments could not be delivered on schedule, forcing it to sharply alter its fuel mix, with the share of petcoke declining to ~9% from ~54%, while coal usage increased to ~74% from ~26%. Also, the contracted gypsum imports from Oman were disrupted, requiring procurement of relatively expensive domestic gypsum. These disruptions resulted in higher fuel costs (from ~INR1.82/kcal to ~INR1.95/kcal) and raw material costs during the quarter.
- The shift towards lower-quality coal had an adverse impact on manufacturing efficiency. The higher ash content in coal increased ash absorption in clinker, limiting its ability to maximize the use of supplementary cementitious materials. This resulted in a lower conversion factor (1.5x vs. 1.58x in 1QFY26), and structurally higher production costs.
- The deterioration in the conversion factor led to a higher proportion of OPC. Since OPC demand is relatively higher in the non-trade segment, it increases sales through lower-margin non-trade channels. This resulted in a dual impact of higher production costs and relatively weaker realizations, leading to margin pressure.
- These were temporary disruptions, and there has been no change in its long-term operating strategy. It intends to restore its historical operating model by improving the clinker conversion factor, optimizing fuel consumption, reducing production costs, and gradually increasing the share of higher-margin trade sales once raw material availability normalizes.
- It believes fuel costs have largely peaked during 1QFY27, earlier than its previous expectation of peaking in 2QFY27. The contracted petcoke shipments have now started arriving, which should gradually normalize the fuel mix. In addition, PVC prices have begun declining, leading to lower packing material costs, while raw material costs are also expected to soften as gypsum supply normalizes, subject to no further escalation in geopolitical tensions.
- Cement realization was at INR4,919/t in 1QFY27 vs. INR4,884/t in 1QFY26.

- Trade sales accounted for ~62% of volumes vs. ~71% in 1QFY26, while the blended cement ratio declined to ~60% from ~70%. It stated that its long-term objective is to restore the trade/non-trade mix to around 70:30, in line with its historical strategy.
- The share of renewable energy in total power consumption increased to 65% in 1QFY27 from 61% in the previous quarter.
- The average lead distance reduced to 445km from 459km, supporting logistics cost optimization.
- Rail dispatches accounted for approximately 9% of sales, largely unchanged from the previous year.

UAE and subsidiaries performance:

- It indicated that sales in the UAE were significantly disrupted during April and May due to the war-related situation. The UAE capacity expansion is expected to take total capacity to ~7mt by 3QFY27, increasing the contribution of international operations over time.
- It indicated that consolidated financials now provide a more accurate representation of the business, as subsidiaries contributed nearly ~10% of total revenue during the quarter while the standalone business accounted for ~89-90%.
- Going forward, the contribution from subsidiaries is expected to increase further, supported by the commissioning of the Ras Al Khaimah (UAE) capacity expansion in 3QFY27 and improving performance of the eastern operations under Shree Cement East. Over the medium term, it expects the standalone business to account for ~75-80% of consolidated revenue, with subsidiaries contributing the remaining 20-25%.

RMC performance:

- It currently operates 33 ready-mix concrete (RMC) plants, up from 26 plants at the beginning of the year. It plans to commission another 10 plants in the next quarter. While the RMC business is currently largely profit-neutral, it expects operating leverage and improved scale to gradually lift EBITDA margins to around ~5% over time. At present, the business does not make a meaningful contribution to consolidated profitability.
- Ready-mix concrete (RMC) revenue increased to INR1.09b in 1QFY27, compared with INR0.90b in 4QFY26 and INR0.44b in 1QFY26.

Capex

- It reiterated its FY27 capex guidance of INR15b, having incurred INR4.6b during 1QFY27. It indicated that the planned investments remain on track.

UltraTech CEMENT The Engineer's Choice

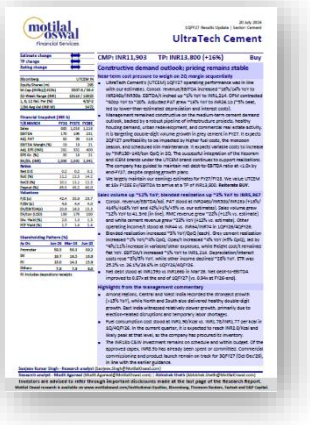
Click below for Detailed Concall Transcript & Results Update

Ultratech Cement — Buy

Current Price INR 11,460

Demand trends

- Management has reiterated its confidence in the cement demand outlook, supported by a healthy project pipeline across infrastructure, housing, and urban real estate.
- It highlighted a strong pipeline of large infrastructure projects, which is expected to support cement demand over the coming years. Key announcements include Maharashtra's Greenfield shipbuilding cluster (INR200b), Odisha's Paradip deep-sea port and shipbuilding project (>INR500b), Tamil Nadu's data center and shipbuilding investments (INR180b), the Ahmedabad-Dholera semi-high-speed rail


UltraTech Cement

corridor (>INR200b), continued metro expansions across major cities, higher investments through the National Infrastructure Fund (NIF), and sustained spending on roads, ports, power, and data centers.

- Housing and urban real estate account for ~55-60% of India's cement consumption and continue to witness healthy momentum. Residential demand remains strong across major cities, supported by improving property registrations, healthy housing sales, and stable pricing, indicating a structurally mature, end-user-driven market.
- Redevelopment activity, particularly in Mumbai under the Slum Rehabilitation Authority (SRA), along with continued land acquisitions by real estate developers, is expected to sustain construction activity. Additionally, Grade-A office leasing, premium residential projects, hotels, and commercial developments are witnessing healthy growth, further strengthening medium-term cement demand.
- The company's domestic cement volumes grew ~13% YoY, significantly ahead of industry growth, while capacity utilization improved to ~81% (vs. 76% YoY), reflecting healthy demand and market share gains. Industry cement volume growth reached ~7-8% YoY in 1QFY27.

Cement price and brand transition

- Cement prices improved sequentially during the quarter, and management expects prices to remain broadly stable even during the monsoon, given the higher input costs. The company continues to benefit from an increasing share of premium products and blended cement in its retail mix. The strong retail franchise and brand strength enable pricing power, as consumers increasingly prioritize quality and trusted brands over price.
- It completed 100% integration of the Kesoram and ICEM brands under the UTCEM brand. The transition did not lead to a loss of market share in the value segment, with the UTCEM brand recording ~21% growth YoY as customers successfully migrated to the premium brand, supporting better realizations.
- The ICEM acquisition has evolved into a strong turnaround story, with operational and financial performance improving steadily since acquisition. It continues to target INR1,000/t EBITDA for ICEM, with the full benefit of the capex program expected to flow through the P&L from 4QFY28 onwards.

Operational and other highlights

- Lead distance stood at 360km in 4Q (down 9km YoY/down 7km QoQ) and 367km in FY26. C:C ratio stood at 1.5x in 1QFY27 vs 1.48 in 1QFY26. The green power mix stood at ~45.6% in 1QFY27 vs. 35.9%/43% in 1QFY26/4QFY26 and targets ~85% by FY30.
- The trade mix stood at ~66.3% in 4QFY26 vs. ~66.3%/65.8% in 1QFY26/4QFY26. Direct dispatched stood at ~61.9% in 1QFY27. The road/rail/sea mix stood at ~75%/23%/2% in 1QFY27.
- The captive thermal power mix stood at ~33.9% vs ~38.4% in 1QFY26, while renewable power mix stood at ~26% vs ~19.1% in 1QFY26. The alternative fuel/WHRS mix stood at ~6.9%/22.2% vs 6.5%/20.4% in 1QFY26.
- Fuel consumption cost was INR1.90/Kcal vs. INR1.78/INR1.77 per kcal in 1Q/4QFY26. Petcoke consumption was at 39% vs. 52%/41% in 1Q/4QFY26.

- It expects 2QFY27 profitability to be impacted by the full-quarter effect of higher fuel costs, the monsoon season, and scheduled kiln maintenance. Overall, cost inflation is expected to increase by INR130–140/ton sequentially.
- Cement lead distance declined further to 360km from 367km, reflecting continued improvements in logistics optimization and distribution efficiency. Green power share continues to rise. Fuel cost stood at INR1.9/Kcal. In the current quarter, it is expected to reach INR2.0/Kcal and likely peak at that level, as the company has procured its inventory.
- Industrial diesel prices increased sharply during the quarter due to geopolitical disruptions, while higher limestone mining costs also added to raw material inflation, contributing to overall cost pressures.

Capacity expansion, leverage, and other highlights

- During the quarter, the company commissioned 8.7mtpa of new capacity (out of 12mtpa industry additions), increasing domestic grey cement capacity to 200.1mtpa and total cement capacity to 205.5mtpa.
- Net debt-to-EBITDA improved to 0.87x at the end of 1QFY27 (vs. 0.94x at FY26-end). It remains confident of maintaining leverage below 1.0x through FY27 despite ongoing expansion investments.
- Operating cash flows will continue to be reinvested into growth projects while also supporting shareholder dividends. Capital allocation priorities remain cantered on the core cement business and shareholder returns.
- Its extensive pan-India distribution network comprises 76 operating facilities, 2,000 warehouses, ~150,000 channel partners, 477 Ready-Mix Concrete (RMC) plants, and 5,000+ UltraTech Building Solutions (UBS) stores. Additionally, over 50% of its transport fleet is dedicated to UltraTech, providing a structural advantage in servicing customers across the country.
- **Cables & Wires project on track:** Facility setup has been completed, trial runs have commenced, key regulatory approvals are in place, and the leadership, ERP/SAP and CRM systems are being operationalized. Commercial commissioning and product launch are on track for 3QFY27E. The company indicated that the current investment program is sufficient for the initial phase, and it does not foresee any additional investment requirement in the C&W business at this stage. The focus will now be on ramp-up and monetization of the existing investment.

CHEMICALS

- **Chemical companies remained cautiously optimistic, supported by improving customer offtake, gradual demand recovery, capacity additions, and commercialization of new products. However, volatile feedstock prices, Chinese competition, tariff uncertainties, and geopolitical risks remained the key headwinds. Continued investments in specialty chemicals, CDMO, backward integration, and innovation, along with healthy order visibility and a strong capex pipeline, should support medium-term growth and gradual margin recovery.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Outlook for FY27	Quarterly snapshot
Clean Science	▪ 1QFY27 saw raw material (RM) and logistics disruptions due to global crisis, impacting volumes and delivery time periods, while demand remained steady. RM availability is improving, though prices remain elevated due to crude volatility. Currently, there is no pressure from China in the MEHQ supply chain.	▪ The company reported revenue of INR2.7b, up 11% YoY (in line), led by performance chemicals (~81% of the revenue in 1Q), with revenue growth of ~21% YoY to INR2.1b. This growth was partially offset by a revenue decline of 17%/23% in Pharma & Agro Intermediates/ FMCG Chemicals. ▪ Gross margin was 60.9% (compared to 65.5% in 1QFY26), while EBITDA margin stood at 35.9% (compared to 41.1% in 1QFY26). ▪ Employee expenses as % of sales were flat YoY at 6% in 1QFY27, while other expenses as % of sales stood at 19% vs. 18% in 1QFY26. ▪ EBITDA declined 3% YoY to INR964m (est. INR1b). Adj. PAT grew 5% to INR734m in 1QFY27 (est. INR706m) on account of ~65% growth in other income.
Deepak Nitrite	▪ The industry continues to face pricing volatility, evolving geopolitical dynamics, and an uneven demand recovery. DN continues to focus on continuous process refinements and cost optimization initiatives, which are expected to drive operational performance and fortify its competitive positioning. Further, commercialization of new products, along with a healthy pipeline of new product launches, is also expected to drive earnings growth	▪ DN reported a strong 1QFY27 revenue growth of 36% YoY to INR25.8b (vs. est. INR21.5b), driven by robust performance in both the phenolics segment (up 36% YoY to INR17.7b) and advanced intermediates (up 33% YoY to INR8.0b) ▪ Gross margin came in at 36.8% (up 880bp YoY), while EBITDAM stood at 21% (compared to 10% in 1QFY26). Employee costs as a % of sales stood at 4.6% (vs. 5.6% in 1QFY26), while other expenses stood flat at 11.3%. EBITDA grew 2.8x YoY to INR5.4b (our est. INR4b), and EBIT for Phenolics grew 3.5x YoY, while EBIT for advanced intermediates grew 89%. ▪ The EBIT margin for advanced intermediates stood at 8.3% vs. 6% in 1QFY26, while the same for Phenolics stood at 23.5% vs. 9% in 1QFY26. Adj. PAT stood at INR3.4b (est. of INR2.6b), up 3.1x YoY
Ellenbarrie	▪ Ramp-up of the Kurnool and Uluberia-II merchant plants is expected to be a key FY27 growth driver, with capacity utilization improving through the year. ▪ Demand outlook remains healthy, supported by India's manufacturing-led growth and a strong pipeline of large-volume inquiries, particularly from the steel sector. Management expects EBITDA margins to sustain at 40% or higher, driven by improving operating efficiencies. ▪ Capacity expansion remains on track, with the 320 TPD East India on-site plant under commissioning and expected to contribute from 2QFY27, while planned North and Central/West India merchant plants will add 440–500 TPD of capacity, deepen the company's presence across key industrial clusters, and support long-term growth.	▪ ELLEN reported a total revenue of INR987m (in line) in 1QFY27, up ~18% YoY. ▪ Its EBITDA margin was 38.1% (est. 35%) vs. 36.7% in 4QFY26, supported by higher volumes, disciplined cost control, and a modest rise in Argon prices. ▪ EBITDA grew 23% YoY to INR376m (est. INR333m) for the quarter. ▪ Adj. PAT grew 87% YoY to INR350m (est. INR227m), led by higher other income (up 2.5x YoY). ▪ Gases and related products & services revenue grew 20% YoY to IN947m, EBIT grew 21% YoY to INR367m, and EBIT margin was 38% (flat YoY). ▪ Project engineering revenue declined 50% YoY to INR14m. EBIT stood at INR3m, up 1% YoY. EBIT margin stood at 22% (vs. 11% in 1QFY26).

Galaxy Surfactants	▪ Management expects to exit the year on a stronger footing, maintaining its 6-8% volume growth guidance while raising full-year EBITDA/MT guidance to INR24,000-25,000 from INR19,000-21,000 ▪ Management expects India volumes to remain strong, supported by the festive season, elevated alcohol prices, GST 2.0 and continued recovery in Tier-1 markets ▪ The Mexico project remains on track for commercialization over the next 12 months, supporting the region's return to a stronger growth trajectory.	▪ Galaxy Surfactants (GALSURF) delivered a strong 1QFY27 performance, with EBITDA growing 2x YoY, while EBITDA/kg increased 77% YoY to ~INR35, driven by strong performance in the US Specialty business, continued momentum in premium specialties and a sharp recovery in India volumes ▪ The India volumes grew in low double digits YoY while Africa, Middle East & Turkey (AMET) region witnessed a low-single-digit YoY decline due to geopolitical disruptions in West Asia. Rest of the World (RoW) delivered mid-single-digit growth, led by Asia -pacific and improving momentum in the Americas following the revision of US tariffs ▪ Adj. PAT stood at INR1.7b (est. INR897m), up 2.1x YoY
Navin Fluorine	▪ The outlook remains positive, underpinned by a well-diversified portfolio across products, customers, and geographies. ▪ We expect the HPP segment to continue delivering sustainable growth, supported by a firm pricing environment and ongoing capacity expansion initiatives, while the Specialty Chemicals business is poised to maintain its strong momentum, backed by robust order visibility and meaningful scale-up across existing molecules ▪ The outlook for the CDMO segment remains equally healthy, NFIL initiated phase 2 of cGMP4 capex of INR1.3b funded through internal accruals which is likely to be operationalized by 4QFY27. The expansion deepens engagement with European customers, with management targeting a 3x Asset T/O by FY29.	▪ 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) ν 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.
PI Industries	▪ Management has guided for low single-digit revenue growth, driven by a gradual recovery in exports during 2HFY27, new product launches, and scaling of its biologicals and pharma businesses. ▪ The company remains committed to investing 3-4% of revenue in R&D while continuing to build capabilities in biologicals, pharma CRDMO, electronic chemicals, and specialty chemicals	▪ PI Industries (PI) reported a weak quarter as revenue declined 10% YoY, primarily due to a 13% YoY dip in the CSM business, attributed to muted global agrochemical demand and continued pricing pressure ▪ Domestic Agri reported a muted revenue growth of 3% YoY, while the Pharma business declined 25% YoY. ▪ Gross margin contracted 70bp YoY, while lower volumes led to adverse operating leverage, resulting in an overall EBITDA margin contraction of 570bp YoY. ▪ Adj. PAT declined 39% YoY to INR2.4b
Privi Speciality	▪ PRIVI's growth trajectory is expected to be driven by multiple levers, including 1) capacity expansion across both existing and new products to cater to rising demand, 2) backward integration initiatives aimed at improving cost efficiencies and supply security, 3) entry into the biomass segment to tap emerging biotech opportunities, 4) increasing traction and scale-up in Prigiv, and 5) the proposed amalgamation with PFSPL and PBPL, which is expected to simplify the group structure and enhance operational synergies.	▪ Consolidated revenue grew 19% YoY to INR6.7b (est. in line). Gross margin contracted 650bp YoY to 44% ▪ EBITDA grew 15% YoY to INR1.5b (est. INR1.6b). EBITDA margin contracted 70bp YoY to 22.9% (est. 25.0%), led by lower gross margin. ▪ This was partially offset by lower other expenses as a % of sales (down 530bp). Adj. PAT grew 36% YoY to INR842m.
SRF	▪ Going forward, SRF's overall business is expected to show healthy performance despite a volatile global environment, supported by diversification, capacity ramp-up and a strong capex pipeline. Growth in FY27 is expected to be led by refrigerant gases, ramp-up in fluoropolymers, margin-lucrative capacitor-grade BOPP, and increasing traction of aluminum foil in export markets. Further, outlook for technical textiles is positive due to US tariff rationalization and higher export demand.	▪ SRF delivered a strong performance in 1QFY27 as EBIT grew 61% YoY, led by a 27%/1.9x/1.5x YoY jump in EBIT of chemicals/technical textiles business (TTB)/ performance films and foil (PFF) businesses. The company delivered a robust performance despite a volatile environment due to supply disruptions and uneven demand trends. ▪ SRF reported overall revenue of INR50.3b (est. INR44.7b) in 1QFY27, up 32% YoY. ▪ Adj. PAT grew 96% YoY to INR8.4b (est. of INR5.5b), adjusted for forex loss impact of INR1b in 1Q.

Tata Chemicals

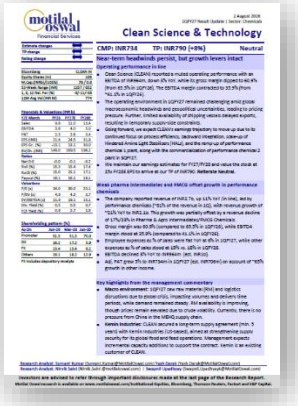
- The global soda ash market remains challenging, with persistent oversupply driven by China, where producers continue to operate at high utilization rates, resulting in elevated exports and intense pricing pressure, particularly in Southeast Asia.
- India remains the strongest market with healthy demand, while the US and China are largely flat. Management expects global soda ash prices to remain under pressure until supply rationalization occurs, although domestic pricing is likely to remain stable, supported by steady demand.
- Tata Chemicals (TTCH) posted a muted performance in 1QFY27, with consol. EBITDA declining 15% YoY to INR5.6b (est. INR4.5b). The muted performance was primarily driven by TCNA/TCAHL witnessing sharp EBITDA declines of 98%/94% and TCEHL reporting an EBITDA loss of INR50m. However, standalone India/Rallis reported EBITDA growth of 35%/23%.
- TTCH reported overall revenue of INR42.6b (est. INR39.6) in 1QFY27 (up 14% YoY). EBITDA margin contracted by 450bp YoY to 13% (est. ~11.4%); EBITDA stood at INR5.6b (est. INR4.5b), down 15% YoY.
- posted an adj. net loss of INR170m vs. adj. net profit of ~INR2.5b in 1QFY27 (est. adj net profit of ~INR351m).

Clean Science & Technology — Neutral

Current Price INR 817

Click below for Detailed Concall Transcript & Results Update




Clean Science & Technology

Operating performance

- Steady performance during the quarter despite global headwinds
- Revenue mix: Performance chemicals (81%), Pharma & Agro intermediaries (12%) and FMCG (7%)
- On a sequential basis, Increase in realizations across product portfolio helped in increasing standalone revenue.
- Standalone Sales were moderated YoY due to a decrease in sales volume due to affected trade routes. Raw materials were also not available due to a key supplier shutting down (~2 weeks shutdown). Demand is steady
- For standalone business, volumes are not an issue now, but RM pricing is high due to ME conflict. End-product prices have remained stable.
- 65-35% export-domestic mix for standalone business
- HALS business helped in increasing revenue on a consolidated basis
- Supply issues have come down in 2Q, but crude volatility is affecting RM prices

HALs

- HALS accounted for ~22% of total sales
- Company de-risked product concentration in HALS, with the top four legacy products' contribution declining from ~85% in 4QFY23 to ~60% this quarter
- HALS strong growth driver in the coming years due to higher exports and customer acceptances moving to high margins
- More diversified mix; 50% of sales were exports. Company's HALS are competitive
- Product mix has improved from 770 to higher grades ~35% (50% YoY), 440 to 550 price increase. Volumes are 1k tons. 40%/60% low/high grade
- HALS INR2.5-3b of annual revenue for FY27. ~30-35% of overall revenue
- 2 major competitors in Europe (BASF and Sabo) and some in China (United Chem)
- 40%+ sustainable margins
- EBITDA margins will keep improving as high-grade sales increase and operational efficiencies improve

Geneus

- Company's WOS entered into an agreement with Geneus Chem AG for manufacturing and supply of advanced grades of HALS product on an exclusive basis. Geneus Chem AG will issue warrants to the WOS; acquisition of 25% stake post warrants exercise.

- Geneus has developed patented products in the US, Europe and China which will be made in the company's premises and supplied globally. Technology transfer will happen with expected commissioning by 3QFY27. No tech transfer fees are payable by the company.
- Manufacturing and marketing: Geographies are defined between parties, and products will be co-branded.
- Geneus is based out of Europe, and they have good networks. Where the company has a good network, the company will sell there and vice versa
- In 3-4 years, INR3-3.5b of cumulative revenue for the company from this partnership. This revenue potential is sales to Geneus only. Any additional volume sold by the company will be added revenue.
- Alkoxy (NOR) HALS will be made by the company for Geneus, which are high grades and more expensive than traditional HALS. Applications are niche-Agricultural fills business for harsher and tougher environments. Cross-selling opportunities are also present as Geneus also uses traditional HALS grade. New product market for company. Alkoxy HALS are not replaceable by traditional
- INR2.5b capex for Geneus

Market Environment

- Non-availability of shipping vessels affected delivery times and exports
- RM costs in China were not impacted as much as in India
- Chinese pressure is not currently threatening the MEHQ supply chain

Capacity Expansion & Strategic Projects

- The Performance Chemicals-2 capex is expected to be commercialized by 3QFY27 (Nov/Dec'26). 3/4Q will be for stabilization (setting up lines), so major revenue from 1QFY28
- Necessary customer approvals are received for hydroquinone catechol plant, ramp-up in progress.
- INR1b capex was incurred in 1Q towards investment in Clean Fino Chem Ltd. (CFCL), WOS of the company. INR8.5b total investment in subsidiary

Kemin

- Company has a close relationship with the customer. Long-term agreement (min. 5years) for supply of Food and feed chemicals. Key ingredients will be sold to all global locations of Kemin. This is an existing customer, but scale has increased. Additional capacity will be required, and the company has started the process for that.
- Company is not seeing any competition for this alliance
- Contract is mainly for supply security
- 20-40% outtake in the next 2-3 months

Netherlands subsidiary

- Company's BOD approved incorporating a wholly-owned stepdown subsidiary in the Netherlands for selling/ distribution/ trading/ Job work of specialty chemicals.
- Initial capital is expected to be at EUR50k planned to be infused in tranches.
- CFCL recovered operational expenses fully. All new products in the coming time will be launched through CFCL.
- Starting in mid-Sep'26 and will cater to European markets

Others

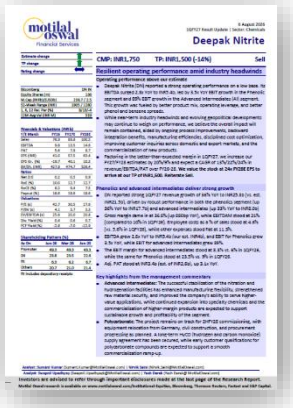
- CLEAN is a zero-debt company

- Other expenses higher due to CSR expenses/ other provisioning. 1QFY27 number is sustainable for other expenses
- Exports to the US are steady.

Deepak Nitrite — Sell

Current Price INR 1,768

Click below for Results Update



Operational highlights:

- 1QFY27 marked a strong start to the year, with robust revenue and earnings growth despite a challenging operating environment marked by geopolitical tensions, supply chain disruptions, feedstock constraints, and raw material price volatility.
- Performance was driven by Deepak Nitrite's integrated operating model, supported by disciplined execution, healthy capacity utilization, a favorable product mix, and benefits from recent integration initiatives across key businesses.
- Recently added products are progressing through customer qualification and approval processes, with commercialization expected upon successful approvals.
- Domestic business remained resilient, with revenue mix stable at 85% domestic and 15% exports.
- Margin expansion was driven by higher operating leverage, a favorable product mix, benefits from backward integration, improved manufacturing efficiencies, and continued cost discipline.
- The company continues to deploy capital in a disciplined manner, prioritizing investments that deepen backward integration, expand value-added offerings, and strengthen its competitive positioning.

Advanced Intermediates

- Procurement strategy supported higher segment contribution on a QoQ basis.
- Strong performance across key products, record quarterly output in select products, and uninterrupted plant operations drove improved utilization of recently commissioned capacities.
- Management remains optimistic on the outlook, supported by debottlenecking opportunities, new product additions, increasing contribution from nitric acid, nitration- and hydrogenation-based products, and the upcoming commissioning of specialty agrochemical and multipurpose plants.
- Performance was driven by improving domestic demand, a favorable product mix, and increasing benefits from backward integration, supported by higher contributions from recently commissioned manufacturing assets.
- Expanded its presence in specialty chemical applications, strengthening its footprint across high-value customer segments.
- Raw material cost pressures persisted for certain products; however, improving customer engagement, strengthening demand across select export markets, and growing traction for new products helped offset the impact.
- Management expects the new products to deliver margins that are in line with or higher than the average margin profile of its Advanced Intermediates business.

Phenolic

- Delivered a record quarterly performance, driven by favorable product spreads, strong domestic realizations, and stable demand across key products.
- Maintained high operating rates across the phenolics value chain through proactive feedstock procurement and efficient operations.
- Profitability was supported by disciplined commercial execution, strategic benzene sourcing, process optimization, and debottlenecking initiatives, enabling the company to capitalize on favorable market conditions and strengthen its market leadership.
- DN does have operational excellence leverage compared to other players, and it can secure its feedstock and raw materials at competitive prices.
- The global phenol market remains balanced, with limited new capacity additions and China largely self-sufficient; India continues to face a supply deficit.
- Deepak Nitrite's integrated phenolics value chain and the reimposition of import duty on phenol are expected to support its competitive positioning and profitability.

Polycarbonate

- Plant dismantling at Stade, Germany is progressing as planned, with partial equipment shipments already received at the Dahej site.
- Procurement of major OSBL equipment has been completed, taking the total project commitment to ~INR29b.
- Civil infrastructure work has commenced following contractor mobilization, with project execution progressing as scheduled.
- Signed a long-term agreement with a leading partner to establish a dedicated HyCO plant, ensuring a reliable supply of critical feedstocks, improving operational efficiency, and enhancing supply chain security. Commissioning is targeted for CY28, in line with DCTL's polycarbonate project.
- Made significant inroads in seed marketing of its polycarbonate compounds, securing qualifications with marquee customers across diverse applications.

Outlook

- Management remains optimistic on the outlook, supported by improving demand visibility, expanding downstream capacities, and a healthy pipeline of new product launches.
- While cyclical pricing pressures and geopolitical uncertainties may weigh on near-term industry dynamics, they are expected to accelerate the ongoing realignment of global manufacturing.
- Newer molecules are also being added for the commercial pipeline product
- The quarter reflects continued progress in executing the company's long-term strategy, strengthening its competitive positioning and structural growth drivers.
- Demand visibility continues to improve across multiple product categories, supported by stronger customer inquiries in domestic and export markets, ongoing capacity expansion, commercialization of new products, and a gradual recovery in downstream demand.
- While the industry continues to face pricing volatility, evolving geopolitical dynamics, and an uneven demand recovery, management believes the operating environment is becoming increasingly favorable for manufacturers with integrated and diversified platforms.

New projects

- The Multipurpose Agrochemical Intermediate Facility, along with MIBK and MIBC projects, remained on track
- MIBK as well as MIBC will be commissioned along with Acetophenone in August itself, and the rest of them will be commissioned within 2Q.
- These projects will strengthen downstream integration, broaden our basket and support future margin expansion.
- MIBK and MIBC product quality has been approved by the clients. The product quality is best in class by a margin on both of these products.

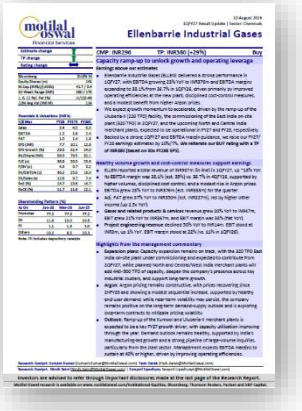
Others

- Renewable energy investments began accruing benefits, delivering ~INR45m in cost savings during 1QFY27 and on track for further increase in annual savings, while advancing ESG goals.
- The successful completion and stabilization of the ammonia-to-amines integration chain marks one of the company's most strategic and significant achievements in recent quarters.
- The company's R&D pipeline remains robust, with a healthy portfolio of products progressing through various stages of development and commercialization.

ELLENBARRIE INDUSTRIAL GASES LTD

Click below for Detailed Concall Transcript & Results Update





Ellenbarrie Industrial — Buy

Current Price INR 328

Operational highlights

- Revenue grew 18% YoY, driven by the continued ramp-up of the Kurnool and Uluberia 2 plants.
- The East India onsite plant is ready for commissioning, with operations expected to commence this month and revenue contribution from 2QFY27.
- Margin expansion was primarily driven by improved operating efficiencies at the new plants and disciplined cost control, with a modest benefit from higher Argon pricing.
- India remains a key growth market, although the business continues to operate in an uneven demand environment amid macroeconomic uncertainties.

Expansion projects

- East India on-site plant is under commissioning, with a capacity of 320 TPD and revenue contribution expected from 2QFY27.
- The capacity expansion roadmap remains on track, with new merchant plants planned across North and West/Central India over the next few years.
- The planned merchant plants are expected to deepen the company's customer network across key industrial clusters and support long-term growth despite near-term macroeconomic volatility.
- Merchant plants are typically established based on local demand-supply dynamics and market assessment rather than advance customer contracts. The company has identified potential target customers for the proposed North India plant.
- The North and Central India plants are expected to add 440-500 TPD of cumulative capacity.

New-age industries

- A significant portion of electronic gases used in India is likely to continue to be imported, given the specialized nature of the segment.

- EBITDA margins in electronic gases are expected to be lower than those achievable in the company's traditional business.
- Entering the electronic gases segment would require investments in specialized capabilities and infrastructure.

Argon

- Argon prices continued their recovery trajectory, with a modest sequential increase, although levels remain below 1HFY26.
- Argon prices have been on an upward trend since the second half of 4QFY26, following significantly lower levels in 3QFY26, and the company remains constructive on the long-term pricing outlook.
- Growing end-user industries are supporting structural demand for Argon, while supply remains linked to oxygen production, as Argon is a by-product of the air separation process.
- While Argon prices may remain volatile on a quarter-on-quarter basis, the company believes the long-term demand-supply outlook remains favorable for producers.

Power costs

- Power remains the company's largest cost component, making cost optimization a key focus area.
- The company continues to manage power costs through operational efficiencies and improved plant economics, with newer plants being more efficient and consuming fewer units of power.
- In addition to improving energy efficiency, the company is focused on reducing the per-unit cost of power through renewable energy initiatives.
- The company has already signed a renewable energy PPA and is evaluating an additional PPA, which should help keep power costs under control.
- Power cost management will remain a key monitorable, with renewable energy adoption and improving plant efficiency expected to support margins going forward.

Outlook

- Ramp-up at the Kurnool and Uluberia 2 merchant plants is progressing well, with continued focus on improving capacity utilization through FY27. Both plants are expected to remain key growth drivers in FY27.
- The operating environment remains positive, supported by the long-term India manufacturing growth story and increasing industrial activity.
- The company's strategy remains focused on ramping up new capacities, improving realizations, expanding capacity and protecting margins.
- Renewable energy savings are expected to provide further support to margin expansion going forward.
- Management expects EBITDA margins to stabilize at 40% or higher as the newly added capacities ramp up and operating efficiencies improve.
- The company continues to see a strong pipeline of large-volume enquiries, including projects requiring significantly higher plant capacities, with steel being a key demand driver.

Others

- Oxygen and Nitrogen prices remained stable, providing a steady pricing environment for the core gases business.

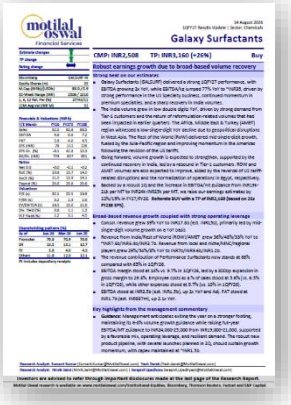
- Profitability improvement was driven by the ramp-up of newer energy-efficient plants, higher production volumes, cost rationalization and a modest increase in Argon prices.
- Capex guidance remains unchanged at INR2.5b for FY27 and INR2.0b for FY28, primarily towards the planned North India and Central India plants.
- 4QFY26 margins were impacted by certain one-off costs, which did not recur in 1QFY27.

Galaxy Surfactants — Buy

Current Price INR 2,362

Click below for Detailed Concall Transcript & Results Update




Galaxy Surfactants

CMP: INR2,508 TP: INR3,160 (+26%) Buy

Robust earnings growth due to broad based volume recovery

Operating performance

- Consolidated volume grew 5% YoY, with a balanced contribution from both Performance Surfactants and Specialty Care.
- EBITDA/MT improved to INR35,458, driven by a favorable product mix, particularly within Specialty Care, disciplined pricing, operating leverage and continued focus on operational excellence.
- Improvement in EBITDA/MT was supported by a better Specialty Care mix, as easing US tariffs and emerging market opportunities aided demand and enabled higher-margin products to gain share.
- Earnings recovery remained strong despite a volatile raw-material environment, supported by improved mix, operating leverage, disciplined pricing and robust risk management.

Guidance and outlook

- Management expects to exit the year on a stronger footing, while maintaining its 6-8% volume growth guidance.
- EBITDA/MT guidance has been raised significantly to INR24,000-25,000/MT for the full year, from the earlier guidance of INR19,000-21,000/MT, reflecting improved mix, operating leverage, and stronger-than-expected profitability.
- EBITDA/MT is likely to moderate from the current elevated levels and normalize going forward as the benefit from favorable mix and other near-term tailwinds tapers off.
- Capex is expected to remain normalized at ~INR1.5b for the year, with no major change to the company's planned investment outlay.
- The new product pipeline remains robust, with several products expected to be launched in 2Q, providing additional growth opportunities.
- Industry demand remains resilient, and management expects the healthy demand momentum to sustain going forward, supported by a strong product pipeline.

Domestic market

- India returned to double-digit volume growth after nearly two years, with volumes increasing 11% YoY and 18% QoQ, significantly outperforming overall market growth.
- Growth was broad-based, with both Tier-1 and non-Tier-1 customers contributing, while non-Tier-1 volumes also grew at a double-digit pace.
- Tier-1 demand recovered strongly following the normalization of reformulation-related disruptions that had impacted the business last year, particularly in major cities.

- Demand momentum is expected to remain healthy, supported by the upcoming festive season, continued recovery in Tier-1 markets and a positive customer commentary.
- Elevated alcohol prices could sustain reformulation-related volume gains, providing an additional tailwind to the India business.
- The company expects demand momentum to remain strong following GST 2.0, while rural demand continues to outpace urban growth, indicating a broad-based recovery in consumption.

International market

- AMET volumes declined 4% YoY but grew 18% QoQ, with the YoY weakness largely attributable to geopolitical disruptions in West Asia. The strong sequential recovery indicates improving market conditions, with June showing a meaningful improvement.
- AMET is expected to return to its growth trajectory, as market conditions have started to normalize since the last week of May, with management expecting a stronger 2Q.
- ROW delivered mid-single-digit volume growth, led by APAC and supported by improving momentum in the Americas following the rationalization of US tariffs.
- North America emerged as a key growth driver for ROW, following the reduction in US tariffs to 10% in February, which improved the demand environment.
- TRI-K Industries, the company's US-based premium Specialty Care business, continued to perform strongly, supporting growth in the ROW segment.
- The Mexico project remains on track for commercialization over the next 12 months, providing an additional growth opportunity for the international business.

Raw material

- Fatty alcohol prices remained elevated, averaging USD2,806/MT in the quarter, up from USD2,751/MT in 4QFY26 and USD2,723/MT in 1QFY26.
- Raw material costs remained volatile, with elevated fatty alcohol prices and higher petrochemical feedstock costs, following the rise in crude oil prices.
- Crude oil prices remained elevated throughout the quarter, keeping overall feedstock costs under pressure and creating a challenging raw material environment.

Navin Fluorine Intl — Neutral

Current Price INR 8,282

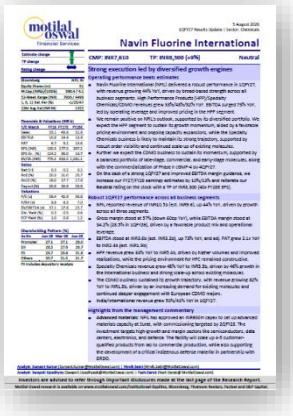
Click below for Detailed Concall Transcript & Results Update

Specialty Chemicals

- Revenue increased 48% YoY to INR3.3b, with exports at 62%.
- The product pipeline continues to remain strong, with meaningful scale-up across existing molecules and a strong line-up of new launches.
- The Chemours project is targeted for completion by the end of 2QFY27. The scale-up, however, will require some time.
- MPP debottlenecking capacity is on track for commissioning in 3QFY27, with revenue potential of ~INR1.4-1.6b.
- 4-5 new molecules will be pitched in the Spec Chem business in FY27. Three are already patented, and pricing pressure is not likely.

CDMO

- Revenue increased 82% YoY to INR1.8b, with exports at 98%.


Navin Fluorine International

- The company continued to deepen its engagement with European CDMO majors, supported by increasing demand for existing molecules and an expanding footprint within their supply chain. It is now pursuing an MSA for an additional molecule in the same supply chain (API minus 1 stage) with an existing customer. It is also working on an early-phase molecule for the same customer.
- BOD initiated phase 2 of cGMP4 capex of INR1.3b (internal accruals) likely to operationalize by 4QFY27, deepening partnership with European majors. The company is targeting Asset T/O of ~3x. Phase 1 was operationalized in 3QFY26, with a capex of ~INR1.6b.
- The company is increasing footprint across a range of promising therapeutic areas with leading global innovators - Oncology, Respiratory, Cardiovascular, Neurology, and Animal Health.
- The company is currently working on 13-14 molecules, of which 10 are in the late stages of development and 3 are expected to receive FDA readouts in the next 8-12 months.

HPP

- Revenue increased 33% YoY to INR5.4b, with exports at 54%.
- Revenue growth was driven by higher realizations and healthy volumes.
- Pricing environment for HFC continues to be constructive, supported by demand-supply dynamics and an increasing interest for contractual offtakes in new capacities.
- The AHF facility commenced operations in 4QFY26 and continues to be ramped up.
- The additional 15k MTPA capacity of R32 is on track and likely to be commissioned in 3QFY27. The project entails a total capex of INR2.4b and is expected to generate revenue of ~INR6-8.3b per annum. The company intends to adopt competitive pricing while benefiting from operational leverage.
- Long-term demand appears constructive for R32; demand is expected to double in a decade with supply being cut half.
- India's R32 market is expected to remain oversupplied, prompting the company to focus on export markets. Customers are seeking long-term contracts (5 years) to secure R32.
- HF ~60k MTPA capacity is good on consol. level for the company.
- The company has signed a 7-year contract relating to HFOs with Honeywell, which had commenced in Aug'22, with a further extendible period of three years.

Advanced materials

- The BOD has approved a capex of INR900m to set up adoption capacities for advanced materials at the Surat unit funded through internal accruals. This facility is expected to be commissioned by 2QFY28.
- 4-5 lab-scale products have already been approved by customers, and the new capacity will enable their transition to commercial-scale qualification.
- The company has partnered with DRDO for indigenous process development of a critical defense material. Currently imported, this chemical is expected to be localized by the company. The application of this product extends beyond defense.

- High-growth, high-margin segments focusing on data centers, semiconductor, electronics, and defense leverage the company's core fluorinated expertise.
- Management highlighted specific applications within this vertical - Chip cooling process and display manufacturing, high-voltage electric applications, and advanced intermediates for films/coatings.
- The vertical is currently being incubated and is likely to evolve into a CDMO-like business in some years.

Outlook

- Growth through FY28 is largely baked in by the current capex. Growth factors for further years will be planned ahead as the current capex gets qualified.
- EBITDA margin is guided at ~33% (+/- 2pp) for FY27.

Subsidiary performance

- Since the subsidiary business is campaign-driven, the product mix plays a major role.
- The AHF capacity has been commissioned at the subsidiary, resulting in transfer pricing adjustments.
- The subsidiary is evaluating downstream products, which are expected to improve its margin profile.

Others

- Investment in SPV for setting up a hybrid power plant - Investment of INR157m for 14.9 MW of Hybrid capacity across NFIL and NFASL. More than 60% requirement will be met by this project through renewable sources.
- The company became net debt-free during the quarter.
- Net WC days stood at 81.
- Gross margins contracted sequentially, but operational leverage helped in sustaining margins.
- RM costs are being passed on to customers, wherever possible.

Inspired by Science

Click below for Detailed Concall Transcript & Results Update



P I Industries — Buy

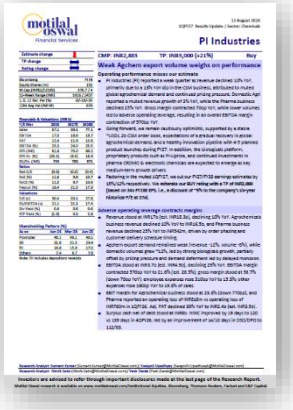
Current Price INR 2,496

Management Guidance and Outlook

- Management reiterated expectations of positive revenue growth in FY27, likely in low single digits.
- FY27 is expected to be better than FY26, supported by export recovery in 2HFY27, new product launches, and scaling of biologicals and pharma businesses.
- The company remains committed to maintaining R&D investments at 3-4% of revenue despite near-term margin pressures.
- PI is transforming from a traditional agrochemical company into a broader innovation-led technology platform.
- Current investments in biologicals, pharma, electronics, and R&D are intended to create future growth engines rather than maximize near-term profitability.
- Long-term focus remains on innovation, intellectual property creation, customer partnerships, and commercialization of differentiated technologies across global markets.

Industry Outlook & Business Environment

- Global crop protection markets are showing early signs of stabilization after a prolonged downturn, though recovery remains gradual.


PI Industries

- Demand remains impacted by weak crop economics, soft commodity prices, channel inventory overhang, and muted farmer spending globally.
- Geopolitical disruptions, tariffs, and supply chain uncertainties continue to increase compliance and operating costs across the industry.
- Management believes the industry is structurally shifting toward innovation-led, sustainable, and differentiated technologies, while older chemistries face increasing regulatory scrutiny.
- Future competitive advantages are expected to come from innovation, process excellence, commercialization capabilities, and deep customer partnerships rather than manufacturing scale alone.
- Management remains constructive on the long-term outlook, given growing food demand, sustainability requirements, and increasing adoption of advanced chemistry and biological solutions.

Financial Performance, Margins & Balance Sheet

- Gross margin remained strong at 57% despite weak industry conditions.
- Domestic business delivered ~12% volume growth, while export volumes declined ~8% YoY.
- Working capital improved significantly with a reduction of 19 days, releasing approximately INR3b of cash.
- The company maintained a debt-free balance sheet with net cash of approximately INR38b.
- R&D investments continue at 3-4% of revenue despite industry weakness.
- Management expects FY27 EBITDA margin to remain around 24%.
- Gross margin protection remains a key focus through product mix optimization and operational agility.

Export (CSM) Business & New Molecule Pipeline

- Export revenue declined ~12% YoY due to continued weakness in the global agrochemical industry.
- Pricing pressure persists because of weak demand, lower consumption, and subdued commodity prices.
- Input-cost inflation continues to create margin pressure across the value chain.
- Management expects industry conditions to gradually improve from 2HFY27.
- Export order book remains healthy at approximately USD1.2b.
- New products contributed around 16-18% of CSM revenue during the quarter.
- The company currently has around 60 active projects under development across agchem, biologicals, electronics, and specialty chemicals.
- Management described the overall pipeline as aggressive and expects several projects to become meaningful growth drivers over the medium term.
- PI plans to launch 4-5 new products during FY27.

Domestic Agri Business & Proprietary Products

- Domestic business delivered approximately 12% volume growth despite delayed monsoon and elevated channel inventories.
- Revenue growth remained modest at around 3% due to pricing pressure.
- Delayed sowing impacted replacement demand during the quarter, though sowing has subsequently recovered to near last year's levels.
- Flagship brands such as Nominee Gold, Roket, and Pivota continued to maintain leadership positions.

- Management expects improving monsoon conditions and new product launches to support growth in coming quarters.
- PI's first internally discovered insecticide molecule is approaching commercial launch subject to regulatory approvals.
- The proprietary diamide insecticide (Pi-Liprole) is expected to be launched during FY27.

Biologicals Business – Key Growth Engine

- Biologicals recorded more than 50% growth during the quarter.
- The business has delivered approximately 15% CAGR over the last three years.
- PI has built one of India's largest biological portfolios and is now expanding aggressively into international markets.
- More than 500 field trials and 1,000+ grower engagements are underway globally.
- Significant investments are currently being made in market development, farmer education, demonstration programs and commercial infrastructure.
- Management views current losses in the biologicals business as growth investments rather than operating losses.
- These investments are expected to continue over the next few quarters as the platform scales.
- The global biologicals market is estimated at around USD10b and continues to grow at a double-digit rate.
- PI's biological nematicide is registered in Brazil, Mexico, and the US.
- The product offers unique flexibility through foliar, seed-treatment, and soil application options.
- Brazil alone represents an approximately USD750m nematicide market opportunity.

Pharma CRDMO Business

- Management continues to build an integrated CRDMO platform across India and Europe.
- The company remains focused on becoming a fully integrated discovery-to-commercialization partner over time.
- Several customer inquiries have progressed toward commercial-stage discussions.
- Pharma revenues continue to experience quarterly volatility due to customer development timelines and regulatory milestones.
- Certain orders were delayed during the quarter due to customer scheduling changes rather than business loss.
- Management indicated that most opportunities remain intact and are primarily timing-related.
- Portfolio diversification and customer additions are expected to reduce volatility over time.
- PI continues to invest heavily in regulatory capabilities, discovery infrastructure, and customer acquisition.
- The company has strengthened its integrated drug discovery capabilities through partnerships and early-stage development programs.

Electronic Chemicals, Specialty Chemicals & Technology Investments

- Electronic chemicals remain a strategic long-term diversification opportunity.

- Management acknowledged that the business has a long gestation period before meaningful revenue contribution.
- Commercial-scale manufacturing operations have commenced and commercial supplies have started.
- The company is targeting high-value, technology-intensive opportunities rather than commoditized products.
- Customer inquiries and commercialization activities continue to progress positively.
- Investments in advanced manufacturing assets are proceeding as planned.
- PI commissioned one of the world's largest advanced flow chemistry facilities during the quarter.
- The facility is expected to improve safety, sustainability, process control, and manufacturing efficiency.
- Advanced flow chemistry capabilities strengthen PI's ability to handle complex chemistries and meet stringent regulatory requirements.
- FY27 capex guidance remains INR7-8b.
- Capex is being deployed across existing manufacturing assets, innovation platforms, electronic chemicals, biologicals, pharma, and future growth businesses.

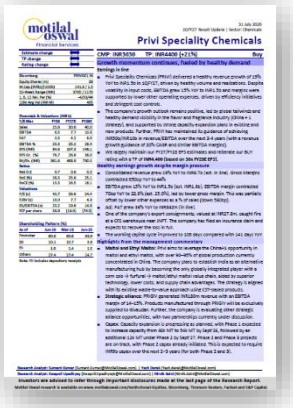
PRIVI SPECIALITY CHEMICALS LIMITED

Privi Speciality — Buy

Current Price INR 3,465

Click below for Detailed Concall Transcript & Results Update





Capex

- Capacity expansion is progressing as planned. Phase 1: Capacity expected to increase from 48k MT to 54k MT by Sept'26. Phase 2: Additional 12k MT capacity targeted by Sept'27.
- Phase 2 and Phase 3 projects are progressing as per schedule.
- Phase 2 capex has already commenced.
- Capex is primarily funded through internal accruals, followed by bank borrowings at competitive rates.
- Management remains focused on maintaining prudent debt levels.
- Planned capex of approximately INR9b over the next 2–3 years.

Operations

- One of the company's export consignments, valued at INR27.8m, was damaged in a fire at a CFS warehouse near JNPT. The company has filed an insurance claim and expects to recover the loss.
- The business has remained resilient despite challenging global macroeconomic conditions. A diversified geographic presence has helped maintain stability across markets.
- The company has not faced any operational or supply chain disruptions, highlighting the structural strength of its business.
- New products are expected to expand the addressable market, strengthen customer relationships, and contribute meaningfully to future growth.
- Expansion projects are progressing as planned and are expected to commence commercial operations in 2HCY28.
- Supported by a strong balance sheet, healthy cash flows, and a well-defined strategic roadmap, the company remains well positioned for future growth.
- Input costs remained volatile; however, the company continues to focus on:

- Improving utilization levels, Cost reduction initiatives, and Better product mix.
- RM cost as a percentage of sales is expected to remain in the range of 52–54%, primarily impacted by GTO price volatility.
- Company manufactures 75+ products using ~60 different raw materials, providing diversification.
- EBITDA margins are expected to improve towards 25%+ (including other income).
- Alpha pinene prices have increased significantly and are currently at historical highs; however, the company has been able to pass on higher costs to customers.

Biomass

- Progressing well on conversion of biomass into patented products.
- Multiple patents have been filed.
- A demonstration plant is being established to process ~2 tons of biomass per day, enabling validation and subsequent scale-up.

Merger

- Merger process continues to progress as planned and is expected to be completed in FY27.
- Scheme has already been filed with the NCLT.
- Company is currently not pursuing backward integration in PFS.
- Backward integration opportunities will be evaluated once PFS becomes part of the Privi portfolio.

Continuous chemistry

- Existing molecules typically involve 3–4 reaction steps, with some steps already converted to continuous processes.
- Most distillation processes have already moved to continuous operations.
- The company is evaluating continuous manufacturing for upcoming projects wherever technically feasible.
- Large-scale molecules are being designed with continuous manufacturing capabilities.
- Certain specialty molecules will continue to be manufactured through batch processes due to process requirements.

Guidance

- Management reiterated its long-term guidance of achieving INR50b revenue and INR10b EBITDA over the next 3–4 years, with revenue growth expected at around 20% CAGR while maintaining EBITDA margins at similar levels.
- The company has made no changes to its existing guidance.

SRF — Buy

Current Price INR 2,575

Overview

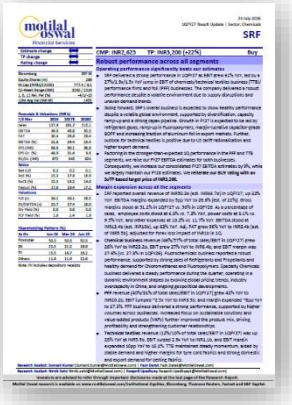
- Operating environment was volatile due to geopolitical crisis and supply disruptions. Demand trend was uneven.
- Inventory gains supported the 1QFY27 performance.

Guidance and outlook

- Management indicated that its 2QFY27 numbers will be lower QoQ due to seasonality factors, though YoY growth will be seen. In 2QFY27, volumes might be softer QoQ for refrigerants but they could post YoY growth.

Click below for Detailed Concall Transcript & Results Update





- Management maintains ~15-20% growth guidance for Chemicals business. Refrigerant gases volumes and prices are expected to be favorable in FY27.

Capex

- SRF's board has approved a capex proposal to set up a BOPET thick film line in India at a projected cost of INR2.5b (Bruckner made production line and a Kampf primary slitter). Capacity of 25kt per annum. Expanding into new substrate, wider product portfolio, electronics industry. 24-month timeframe to commission this line.
- Dahej space is available specifically for specialty, so new developments in the next 24 months will have space in Dahej to commercialize.

Chemicals business: Specialty chemicals

- Steady performance despite volatile environment
- Technology-led cost initiatives helped sustain market share in key products
- Growing customer participation has broadened the opportunity funnel for both Agro and Pharma products
- Management indicated that pricing pressure continues for the company and customer end-markets due to competition from Chinese players.
- AI and intermediate molecules (6-7) development journey remains on track. New customer segments targeted. Green shoots in volume. Pricing trend in upward direction. Innovator world is cautious on acceptances. Management has not indicated exact timelines for molecule commercialization.
- Early signs of recovery are emerging in agrochemical demand. However, broad-based demand is yet to pick up.
- Ongoing geopolitical tensions may continue to disrupt some global supply chains and drive volatility in raw material costs.
- New pharma products are demonstrating early market acceptance, with volumes expected to scale up in the medium term.
- The product portfolio is set to expand further, with new launches planned for the coming quarters.
- Continued efforts on cost reduction through operational excellence and technology-driven initiatives
- Generics pressure on innovator Agrochemical players continues.

Chemical: Fluorochemicals

- The business delivered robust performance, driven by higher volumes across domestic and exports market, along with steady performance from Industrial Chemicals and Fluoropolymers. No impact on refrigerant volumes in ME in 1Q and expected to continue this momentum in 2Q.
- Increase in raw material costs due to supply chain disruptions was offset by higher realizations.
- PVDF plant set to be commissioned at 2QFY27 end and meaningful volumes from FY28
- On Chemours contract front, Chemours has requested a few design changes in plant and equipment requirements from Europe. Full stream revenue from FY28/29
- Continued focus on high utilization of HFC capacities. The company will continue to focus on maximizing HFC production and capacity expansion.
- Newly approved capex in Odisha is progressing as per plan, with site regulatory approvals being applied for as per schedule. All other ongoing capex projects are

progressing as planned. Among the top 3-4 global refrigerant manufacturers globally after the Odisha plant.

- Refrigerant gases and propellants expected to see stable a demand-price environment globally, with business remaining steadfast to navigate domestic competition and maintain position.

PFF business

- Supply disruptions linked to geopolitical factors positively impacted margins across all regions. BOPET and BOPP prices were volatile in 1QFY27.
- If crude holds around USD70, then this segment will be corrected.
- Capacitor-grade BOPP film product approval process progressing well; approvals secured from some of the key customers. Commercial volumes to ramp up as more approvals are received. Testing by customers takes time. Full capacity by 1Q/2QFY28. Pricing is better than vanilla film, which will help to improve the margin profile.
- Continued emphasis on expanding sustainable product offerings and increasing VAP sales supported profitability and strengthened customer engagement.
- Global demand for both BOPET and BOPP expected to revert to normal levels as customers rationalize inventories.
- South Africa is expected to remain stable; Thailand likely to have some negative impact due to surge in ocean freights & high inventory levels with customers; Hungary may witness demand slow down due to holiday season in Aug'26.
- Aluminum Foil business is gaining traction in export markets and progressing well on customer approvals in higher-value applications. The company is more export-oriented in aluminum foil and expects more growth from this business in FY28. No expansion plans made yet. Full utilization as SRF expands into European markets.
- Commissioning of new metallizers in Thailand and South Africa and offline coating machine in India likely to provide some cushion.
- Competitive pressures remain in this segment.

Technical textiles:

- Belting fabrics business benefitted from improved domestic demand and robust exports to the US.
- PIY has done well in the quarter, supported by improved share in geotextile and seatbelt segments, due to QCO stay order from May'26; some benefits may normalize overtime.
- Operations de-risked through conversion from LPG to PNG, enhancing fuel security and improving operational resilience.
- Outlook positive due to US tariff rationalization and further strategy will be increasing volumes.
- TCF (N6, N66, PTCF) demand expected to be flat or marginally positive. After the commissioning of new dipping line, the segment is expected to increase its share, leading to improved performance over time.

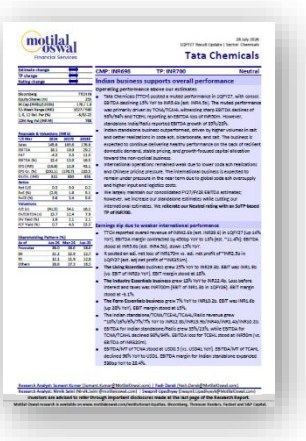
Other

- Demand for coated fabrics remained steady and SRF maintained its leadership position in the domestic market.
- Laminated products saw steady performance.
- ETH Bronze award.

TATA CHEMICALS LIMITED

Click below for
Detailed Concall Transcript &
Results Update





Tata Chemicals — Neutral

Current Price INR 637

Demand-supply scenario

- Global soda ash demand growth is expected to remain broadly flat in the near term, weighed down by weak macroeconomic conditions and excess capacity. No major demand disruptions in soda ash.
- The ME conflict has increased energy, raw material and freight costs, raising soda ash production costs across Europe, Turkey, and India.
- China and US recorded flat demand; Southeast Asian markets witnessed marginal demand growth.
- Despite near-term margin pressure, sustainability-driven demand from solar PV and EVs, coupled with potential synthetic capacity rationalization, supports a positive medium-to-long-term outlook.
- Additional bicarb supply is coming from competition. The company supplies premium-grade bicarbs in the UK and Singapore. Capacity is expected to get absorbed due to demand.

Operational highlights

- Higher revenue in CQ as compared to PY, driven by higher sales volumes.
- Living essentials (Salt & Bicarb) sales volume at 544kts.
- Industrial essentials (Soda ash) sales volume at 844kts.
- Lower realizations in overseas subsidiaries, especially US exports to South East Asia, led to a YoY decline in consolidated EBITDA.
- PAT declined YoY, primarily due to lower realizations, reduced other income, and lower JV income.
- Standalone performance was strong in terms of realizations and volumes, higher depreciation due to capitalization, and higher input costs due to the ME conflict.

Guidance & Outlook

- Living essentials: Demand outlook remains positive, supported by premiumization in food, feed, pharma, and beverage. Core products such as salt and bicarbonates should deliver stable growth, while prebiotics are expected to grow faster due to rising health and wellness consumption trends.
- Industrial essentials: The near-term outlook remains challenging due to global oversupply (especially from China), weak demand conditions, and excess industry capacity.
- Farm essentials: India's farm sector outlook remains moderately positive, supported by improved irrigation, technology adoption, government initiatives, and resilient rural demand. However, monsoon variability, potential El Nino conditions, and higher input costs remain key risks to agricultural output
- The company wants to move from cyclical business (soda ash) to non-cyclical (Living essentials/silica).

Expansion

- 82.5ktpa Iodized Vacuum Salt Dried (IVSD) plant at Mithapur, Gujarat operational by end of FY27; commissioning by 1QFY28.
- 50ktpa Precipitated Silica Plant at Cuddalore, Tamil Nadu- 24 execution time-during FY28.
- 210ktpa IVSD plant at Valinokkam, Tamil Nadu - 24m execution time.
- 40ktpa Bicarbonate at Singapore.

- Annualized capex will be around the depreciation number for FY27.

India

- Higher volumes in Salt, but marginally lower in Soda ash & Bicarb.
- Higher realization in Soda ash, Bicarbonate & Salt drove margin expansion.
- Margin expansion due to operational efficiency and realizations.
- Bicarb volumes were low due to contract restructuring due to pricing issues.
- INR2k per ton price increase in soda ash was taken but contracts are quarterly
- Margins guided ~18%.
- Logistic costs have increased due to Indonesian coal imports. Limestone is very expensive based on prevailing rates.
- Certain inventory gains in coal might occur, which could impact costs during the next quarter.

Battery

- The company made its first prototype sodium-ion battery pack, which is currently in the testing process.
- Soda ash is used as feedstock for sodium-ion cathode chemistry.
- The company sees opportunity in stationary storages (ESS/data centers) rather than mobility applications.
- The company is planning for full battery pack for data centre and storage applications.
- Domestic demand is looking very attractive, but the company will also consider export opportunities.

North America

- In 1QFY27, EBITDA dropped due to lower realizations in the export market (particularly South East Asian markets).
- Fixed costs were stable in USD but INR depreciation led to an increase.
- Exports volume achieved breakeven in South Asia, which is likely to remain the same for the rest of the year.
- Domestic part of the US is doing well as prices are stable.
- Cost pressures due to logistics.
- No impact on input side.

Europe & UK

- Higher volumes partially offset by lower pricing during the CQ.
- EBITDA impacted by elevated variable costs due to higher gas prices and fixed costs.
- Includes one-off GBP2.4m loss on sale of UK ETS; likely to comeback by Oct'26.
- Prior-period items also affected performance.
- Breakeven targeted for FY27 and from next quarter due to no one-offs.

Africa

- In 1QFY27, higher volumes were partially offset by lower pricing during the quarter.
- HFO prices increased for Kenya due to crude oil increase. Kenya margins recovered as prices eased. Hedged till Oct'26 as contracts are cleared.

Singapore

- Volumes were in line with 4QFY26.
- Fixed costs remained under control in 1QFY27.

Situation in China

- China has all time high inventory at 1.73mt.
- Elevated export volumes and no significant cuts announced by China.
- USD160-180 FOB and USD172-190 CIF for South Asia.

- The company is not expecting prices to drop below USD160 as most Chinese players are losing money.

Others

- Net debt was lower than PQ on account of monetization of assets (land and some shares were sold).
- 85tph Biomass Boiler Project at Mithapur is progressing as per plan.
- Objective of segment change is to show portfolio as non-cyclical, capital allocation, customer engagement, focusing on each business, investor feedback.
- Segmentation benefit - administration control, ownership outcome, product-wise analysis rather than geographic.

CONSUMER

- **Management commentary indicated that staples consumption trends remained steady in 1QFY27, with limited impact from geopolitical uncertainties and inflation. Most categories reported better YoY revenue growth vs. 4QFY26, supported by calibrated low-to-mid single-digit price hikes that helped sustain volumes. Rural and urban demand remained healthy, although erratic rains affected a few summer-centric categories, while food continued to outperform BPC. Management also indicated that West Asia tensions affected input costs and supply chains. Despite an 8–10% increase in the RM basket, margins remained healthy, supported by ~5% price hikes, premiumization, productivity, and cost-management initiatives. However, RM pressures are expected to remain elevated in 2QFY27 due to the flow-through of high-cost inventory.**

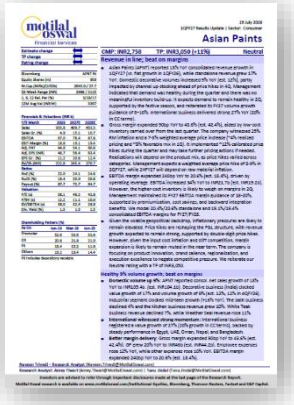
KEY HIGHLIGHTS FROM CONFERENCE CALL

	Highlights from 1QFY27 commentary	Outlook for FY27
Asian Paints	■ The company witnessed 25% material inflation and has implemented a weighted average price increase of 7% during the quarter. ■ Decorative value growth of ~16.6% in 1QFY27 was supported by ~9% volume growth, ~4-5% realized pricing, and a favorable ~3% product mix. ■ Despite the volatility in input costs, management remains comfortable with its 18–20% EBITDA margin guidance, supported by pricing actions, premiumization and disciplined sourcing.	■ Management expects demand to remain healthy in 2Q, supported by the festive season, and reiterated its FY27 volume growth guidance of 8–10%. ■ From 2QFY27, high-cost raw materials will begin flowing through the P&L, creating some cost pressure. ■ The company does not intend to take further price hikes at present and will consider additional pricing actions only if raw material inflation worsens materially.
Britannia	■ The company was only able to mitigate half of the 1Q inflation through price increases, primarily executed via shrinkflation. ■ Following the pressure from competitor pricing tactics in early 1Q, BRIT witnessed a sequential market share gain across a large number of biscuit categories, aided by focused regional interventions and stepped-up media investments. ■ 1QFY27 volume growth stood at 9%	■ Management indicated that additional pricing of 1-2% is likely over the coming quarters as shrinkflation implementation progresses. ■ The BRIT continues to focus on cost optimization and efficiency initiatives across the business.
Dabur	■ April was impacted by unseasonal rains, affecting seasonal categories like beverages and glucose; however, demand rebounded in May and June, implying the weakness was weather-led rather than structural. ■ Hair oil grew ~18% with volumes growing ~8%. ■ Badshah grew 13.3%, driven by ~11% volume growth despite deflationary trends in spices. Dabur has expanded Badshah from Maharashtra and Gujarat to MP, Rajasthan and Delhi NCR region. The business now has ARR of INR4b vs. ~INR2.2b at the time of acquisition.	■ For the full-year FY27, Dabur targets a double-digit consolidated revenue growth. ■ Volume growth is expected to remain healthy but pricing will contribute a larger share of growth due to commodity inflation. ■ Quick commerce and e-commerce now contribute ~6% of Badshah sales and are growing at triple-digit rates.
Godrej Cons.	■ GCPL raised average prices in India by 5% in 1Q and expects a similar sequential pricing carryover into 2Q. No further post-quarter hikes are planned as Brent crude remains volatile but manageable in the USD80 to USD85 range. ■ GCPL delivered a strong start to the year in 1QFY27, with consolidated revenue growth of 19% YoY, supported by underlying volume growth of 9%. ■ Indonesia delivered 10% volume growth in 1Q, substantially ahead of GCPL's expectations. The 10% UVG and 15% sales growth was led by Shampoo, HC, and HI.	■ Management is firmly on track to deliver full-year FY27 guidance and expects to exceed it in select areas, with revenue growth certainly exceeding notably. ■ EBITDA and volume growth may also exceed original targets, though volume growth could face pressure from pricing. ■ Management expects India's normative margins to recover by the second half of FY27, and continue targeting 22-26% assuming current costs stabilize.
Hindustan Unilever	■ The moderation in 1QFY27 volume growth (5% vs. 6% in 4QFY26) was largely due to slower volumes in Tea and Soaps, while most other categories improved sequentially. ■ The company implemented calibrated price hikes during the quarter. The RM basket rose 10%, while the company took a 5% price hike. ■ Skin Care and Color Cosmetics posted high single-digit growth, driven by double-digit growth in Premium Skin Care, while Minimalist sustained strong double-digit momentum.	■ The company expects FY27 to be better than FY26, supported by stable demand, portfolio transformation, market development, and channel expansion, while remaining watchful of global uncertainties and the monsoon. ■ **The company maintains the consolidated EBITDA margin guidance in range of 22.5-23.5%, adjusted for the Ice cream business demerger.** ■ Despite gross margin pressure, HUL expects to maintain EBITDA margins through savings across the P&L rather than relying solely on pricing.

Marico	■ Crude has corrected moderately from its peak in 1Q; however, prices remain volatile due to the ongoing developments in the Middle East. Vegetable oil prices have increased further and remain at elevated levels. ■ While copra prices have corrected and are expected to remain 35% below the peak levels, costs for crude derivatives (like polymers) and vegetable oils are showing an upward bias, which may impact 2Q input costs. ■ The digital-first portfolio, led by brands such as Purite and Plix, is scaling up profitably and has achieved an ARR of over INR11b.	■ Management guided a consolidated effective tax rate of 18% for FY27, which is expected to increase to 19-20% in FY28. ■ Management expects 140-150bp operating margin expansion in FY27 considering the uncertain operating environment. ■ The company targets double-digit consolidated revenue growth in FY27, with revenue expected to cross INR150b.
ZYWL	■ Management reiterated that Comfort Click has been EPS-accretive since 4QFY26, with profitability continuing to improve in 1QFY27. ■ The company continued to expand its international footprint through the launch of the WeightWorld D2C platform in the US, expansion into Walmart Marketplace, and further growth across the Middle East. ■ Max Protein continues to grow at more than double its historical growth rate, driven by higher brand investments, wider distribution and continued portfolio innovation.	■ The company expects its FY27 effective tax rate to remain around 25%, although the cash tax outflow will be lower. ■ Management highlighted that both Glucon-D and Nycil witnessed improving growth momentum during the latter part of the quarter, and expects a more positive performance over the remainder of FY27. ■ Management does not expect the weak summer season to create an inventory overhang next year, noting that inventory levels in the company's distribution system are broadly in line with or lower than last year.
PIDI	■ Overall export growth declined by 8%, primarily because of lower B2B exports. Export business remained weak during the quarter due to geopolitical disruptions in certain international markets. ■ Price hikes varied across categories and brands, ranging from nearly 2% to 12%, and were implemented in a phased manner during the quarter. ■ PIDI's 1QFY27 margins benefited from three factors: proactive pricing, consumption of lower-cost inventory carried from previous quarters, and moderation in trade schemes following industry-wide price hikes.	■ Margin moderation is expected in 2QFY27 due to high-cost inventory flowing through, but full-year profitability is expected to remain comfortably within the guided range. ■ PIDI maintains its EBITDA margin guidance of 20-24% in the medium term. ■ Management expects the current healthy demand environment to continue and remains confident about sustaining healthy UVG during the year.
UNSP	■ Smirnoff delivered ~INR2.5b NSV in 1QFY27 vs INR3.5b in FY26. It was led by the strong success of the Minty Jamun and Mango Mirchi variants. ■ The CCI approval has already been received for the Royal Challengers Sports transaction, while approvals from BCCI and other regulatory authorities are expected over the next 60–90 days ■ Karnataka contributes 6-7% of the company P&A portfolio in value terms. Following the policy changes, prices of P&A products have reduced by 10–15%, while prices in the Popular segment have increased.	■ The company reiterated its long-term growth guidance and continues to target 5-6% volume growth and 6-7% price/mix growth in the P&A portfolio, which should support double-digit revenue growth. ■ Management indicated that the cost pressures seen during 1QFY27 are likely to continue into 2QFY27. ■ Management highlighted that the weighted average consumer price reduction for the imported (BIO/IMFL) portfolio is expected to be 7–9%, although the reduction could be higher in some states depending on local taxation structures.
RDCK	■ The brand reported a record 3.25m cases, delivering 43% YoY volume growth, while value growth stood at 51%. The growth is led by consumer demand, with no channel loading. ■ Gross margin expanded 610bp YoY and 110bp QoQ to 49.1% in 1QFY27, supported by a benign raw material environment and ongoing premiumization. ■ Following the latest policy changes, the P&A category grew 9% in 1QFY27, while RDCK's Prestige & Above portfolio surged 83%, significantly outperforming the market.	■ Net debt has declined INR1.38b since Mar'26, with management targeting a net debt-free balance sheet by 2QFY27. ■ Management upgraded its FY27 P&A volume growth guidance to >25% (vs. earlier 20%), supported by strong premiumization trends. ■ The company expects to deliver an EBITDA margin of ~20% in FY27, driven by an increasing contribution from premium and luxury brands.

Click below for Detailed Concall Transcript & Results Update





Asian Paints — Neutral

Current Price INR 2,619

Business and Environment

- Domestic decorative volume rose 9% despite some channel stocking in 4Q ahead of price hikes.
- Growth in rural markets and the B2B segment helped offset relatively weaker demand in Tier-1 and Tier-2 cities, and the company believes demand could have reached double-digit growth under more favorable conditions.
- Management highlighted that premium products are witnessing healthy acceptance even in Tier-3 and Tier-4 cities, supporting realization growth.
- The company witnessed 25% material inflation and has implemented a weighted average price increase of 7% during the quarter.
- Management expects demand to remain healthy in 2Q, supported by the festive season, and reiterated its FY27 volume growth guidance of 8–10%.
- Value growth exceeded volume growth, led by an improving product mix and pricing. Management expects the value and volume gap to remain positive over the next few quarters.
- The weighted average price increase in 1QFY27 was ~7%. Although some products witnessed 13–14% price hikes, the overall realization impact depends on the product mix, as price increases varied across categories.
- Decorative value growth of ~16.6% in 1QFY27 was supported by ~9% volume growth, ~4-5% realized pricing, and a favorable ~3% product mix.
- Management expects the weighted average pricing benefit to improve to 8-9% in the coming quarters, subject to the sales mix.
- The increase in inventory value is primarily due to high-cost raw material inventory rather than higher finished goods inventory. Most of the low-cost finished goods inventory benefit was already realized in 1QFY27. The company used to maintain 35-40 days of inventory.
- From 2QFY27 onwards, high-cost raw materials will begin flowing through the P&L, creating some cost pressure.
- Management expects the impact of raw material inflation to be partly offset by the recent price hikes and a favorable product mix.
- Recent supply chain disruptions benefited larger organized players. The company's strong supply chain and wider distribution network enabled it to capture incremental demand while smaller players faced supply constraints. It is expected to outpace industry growth.
- Growth was witnessed across rural and urban markets, with rural growing ahead of urban markets.
- New products contributed to ~17% of overall revenues. New launches are more focused on premium and luxury segments. Innovation revenue includes products launched over the last three years. New launches span emulsions, construction chemicals, waterproofing, and premium/luxury offerings.
- VAM-VAE project is on track, and the company expects to commission the first phase in 2QFY27. It has annual production capacity of 1,00,000MT (VAM) and 1,50,000MT (VAE).

- Management highlighted that the project should continue delivering 300–500bp of gross margin benefit for products utilizing the in-house emulsion, although the exact benefit will depend on sourcing economics and product formulations.

Cost and margins

- Gross margin expansion was driven by a better premium product mix and higher realizations. Margins also benefited from the carryover of low-cost inventory during the quarter.
- Recent price hikes were calibrated, with the mix contributing more than pricing to margin expansion.
- Management highlighted that raw material inflation remains higher than the cumulative price hikes taken so far, implying some cost pressure could flow through in the coming quarters.
- Management indicated it is not appropriate to benchmark price hikes against crude oil, as the raw material basket comprises multiple inputs with different cost drivers. While TiO_2, the largest raw material, is independent of crude prices, monomers, polymers and additives follow different pricing trends.
- Raw material prices continue to remain volatile. Management highlighted that TiO_2 prices started increasing towards the end of June, while certain monomer prices have begun to soften, making it difficult to estimate a normalized cost base.
- Management indicated that 2Q margins are typically lower than 1Q due to seasonal product mix, and expects the same trend to continue this year.
- The company does not intend to take further price hikes at present and will consider additional pricing actions only if raw material inflation worsens materially.

Segmental Information

- White Teak (decorative and designer lighting) net sales declined 7% YoY. Weatherseal (uPVC windows and doors) posted net sales growth of 11% YoY.
- The Kitchen business witnessed revenue growth of ~10% in 4Q, with some improvement in profitability.
- The Bath business reported revenue decline of ~4%, with losses increasing.
- PPG Asian Paints (PPGAP) delivered 14% revenue growth, driven by Automotive and General Industrial segments.
- Asian Paints PPG (APPPG) posted revenue growth of 21%, driven by the Protective Coatings and powder segment.

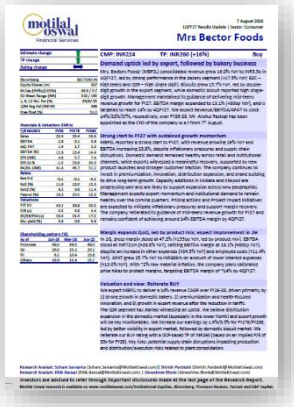
International performance

- The international business delivered strong 27% growth in INR terms and 20% in constant currency, led by steady performance in key markets of Egypt, UAE, Oman, Nepal, and Bangladesh.
- Significant improvement in profitability was driven by cost optimization.
- Profit grew 95%, led by the Asia and Middle East markets.

Mrs Bectors Food Specialities Ltd

Click below for
Detailed Concall Transcript
& Results Update





Mrs Bectors Foods — Buy

Current Price INR 263

Business Update

- The company reported a strong start to FY27, with revenue growing 16% YoY to INR5.5b, supported by healthy demand across domestic and export businesses.
- EBITDA grew 23.8% YoY with margin expanding to 13.1%, despite inflationary pressures and supply chain disruptions.
- The company remains focused on expanding manufacturing capacity, strengthening distribution, and increasing investments in key brands.

Domestic Biscuit

- Domestic biscuit sales recorded high single-digit growth, driven by a combination of volume growth and calibrated price increases.
- Growth strategy remains focused on expanding distribution, increasing marketing investments, and driving premium product penetration.
- The company plans to add around 4k outlets during FY27 while strengthening its presence beyond the Upper North markets.
- Management continues to target low teens growth for the domestic biscuit business in FY27, supported by market share gains.

Export

- Export business delivered healthy double-digit growth despite higher freight costs and shipping disruptions.
- Management clarified that growth was driven by underlying demand and product innovation rather than inventory restocking.
- Exports are expected to continue delivering mid-teens growth during FY27, supported by a healthy pipeline across key international markets.

Bakery B2C

- The bakery business continued its strong momentum with robust growth led by English Oven and premium product offerings.
- Nature Baked has crossed a monthly revenue run rate of INR10m, reflecting encouraging consumer acceptance.
- The Kolkata and Khopoli plants are ramping up well and will support expansion across Eastern and Western India.
- Management remains focused on expanding English Oven into a strong pan India bakery brand through distribution expansion and sustained brand investments.

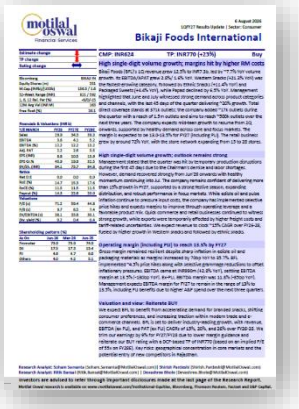
Bakery B2B

- Institutional bakery business witnessed a strong recovery during the quarter as demand from QSR customers improved.
- Management indicated that the positive demand trends are expected to sustain over the coming quarters.

FY27 Outlook

- Management maintained its guidance of delivering mid-teen revenue growth for FY27.
- Commodity inflation is expected to remain elevated in 2Q, but pricing actions and Project Impact initiatives are expected to offset most of the pressure by 3Q.
- The company targets EBITDA margin of around 14% by 4QFY27 while continuing to invest in growth initiatives.

Click below for
Detailed Concall Transcript
& Results Update



Bikaji Foods — Buy

Current Price INR 609

Highlights from Management Commentary

- Demand environment improved after a weak start to the quarter.
- The first 45 days of the quarter were impacted by temporary production and supply disruptions following the demise of the chairman and labor availability issues due to the West Bengal elections. Demand recovered strongly in the second half of the quarter.
- Management highlighted that June and July witnessed strong demand across product categories and channels, with the last 45 days of the quarter delivering around 20% growth.
- Organized retail partners have shared positive demand outlooks for the festive season, and management continues to target overall growth of more than 15% during FY27.
- The company expects mid-teen growth to resume from 2Q onwards, supported by healthy demand across core and focus markets.

Commodity inflation remains elevated while pricing actions continue

- Input costs remained under pressure due to higher edible oil prices arising from geopolitical issues and increasing prices of key pulses including moong dal and chana dal.

Gross margins remained resilient despite inflationary pressures

- Gross margins improved during the quarter despite raw material inflation due to timely pricing actions.
- Management expects EBITDA margin for FY27 to remain in the range of 13% to 13.5%, including PLI benefits.

Distribution expansion continues to strengthen market reach

- Direct distribution expanded by 17,000 outlets during the quarter, taking total direct reach to more than 370,000 outlets.
- Increasing distribution reach continues to remain one of the company's key growth drivers.

Product portfolio delivered broad-based growth

- Overall volume growth stood at 7.7% while value growth was 12.5%.
- Ethnic snacks grew by 11.4%, western snacks by 21.3% and sweets by 4.4%.
- Papad remained weak due to weather-related production disruptions caused by the early monsoon.
- Family packs grew by 11% while impulse packs grew by 10.5%.
- Focus markets continued to outperform core markets
- Core markets recorded around 11% growth while focus markets delivered around 19% growth during the quarter.
- Uttar Pradesh remained one of the strongest performing focus markets with around 37% growth.
- Management expects focus markets to continue growing above 30% during FY27, while core markets are expected to grow broadly in line with category growth.

Retail business expansion remains on track

- The retail business grew by around 72% YoY, with the store network expanding from 15 to 28 stores.

- THF plans to open around 10 stores during FY27 and targets around 35 stores by the end of the year and around 50 stores over the next two and a half to three years.
- Management expects the retail business to grow by around 50% to 60% annually over the next few years, supported by premium sweets and gifting.

Export business faced temporary disruption

- Export revenue declined due to uncertainty arising from US tariffs and a sharp increase in freight costs following higher crude oil prices.
- Management clarified that demand remains healthy and the weakness was primarily due to shipment delays rather than lower consumption.

Manufacturing footprint is being diversified

- The company plans to manufacture Bikaneri Bhujia outside Bikaner to reduce dependence on a single manufacturing location.
- This strategy follows the operational disruptions experienced during the quarter and is aimed at improving business continuity.

International expansion initiatives continue

- The Nepal joint venture is progressing as planned and commercial production is expected to commence within the next eight to nine months.
- Local manufacturing in Nepal is expected to improve competitiveness by reducing import duties.
- The US business is expected to grow nearly three times over the next two years, while international operations are expected to contribute around 5.5% to 6% of overall revenue over the medium term.

Bakery business remains in the pilot phase

- Production trials for the bakery business are currently underway.
- Initial focus will be on exports, the company's own e-commerce platform and Eureka.
- Management does not expect a meaningful revenue contribution during FY27, with larger-scale commercialization expected thereafter.

Long-term margin outlook remains intact

- Management reiterated its long-term aspiration of achieving EBITDA margins above 15% over the next three years.
- The company expects margin improvement of at least 50 basis points annually, supported by better gross margins, operating leverage and pricing actions.

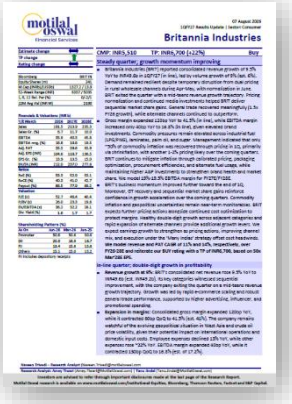
Britannia Inds — Buy

Current Price INR 5,410

Click below for Detailed Concall Transcript & Results Update

Business environment and performance

- The demand environment has remained steady over the last few months.
- 1QFY27 volume growth stood at 9%
- Dual-pricing challenges (where competitors temporarily priced packs at INR4.5 versus Britannia's INR5) caused volume disruptions in rural and wholesale channels during April and early May. This pricing gap was resolved by June, prompting wholesale buyers and small retailers to return in strong numbers.
- Supported by the resolution of dual pricing and resilient consumer demand, the company exited 1Q on a highly positive note, registering mid-teens sales growth in the month of June.



- The company was only able to mitigate half of the 1Q inflation through price increases, primarily executed via shrinkflation.
- Management indicated that additional pricing of 1-2% is likely over the coming quarters as shrinkflation implementation progresses.
- BRIT stated that key states delivered 1.8x of FY26 growth in 1QFY27. Other states grew double-digits at 1.3x of key states.
- The impact of GST rate cuts is not instantaneous on the high-volume INR5 and INR10 packs, which make up over 60% of Britannia's portfolio. Because the end consumer price point remains fixed, the tax benefit is passed on gradually via extra grammage (more cookies per pack), meaning volume elasticity takes longer to manifest compared to larger packs where shelf-price drops are immediately visible.
- Following the pressure from competitor pricing tactics in early 1Q, BRIT witnessed a sequential market share gain across a large number of biscuit categories, aided by focused regional interventions and stepped-up media investments.
- General Trade grew 1.5x of FY26 growth in 1QFY27.
- The overall GT business, which was under pressure in the last two quarters, has recovered, with BRIT now witnessing good momentum.
- Other Channels continued to witness steady momentum, growing 2.5x of General Trade; E-Commerce leads with strong double digits.
- Quick Commerce is growing at a rapid double-digit pace and now constitutes 80% to 85% of overall E-Commerce sales. Unlike GT, which is dominated by INR 5/10 packs, E-Commerce/QC is driven by larger packs, impulse purchases, and adjacent categories.
- The international business witnessed flat growth for the quarter, with business stabilizing in the last part of the quarter. Management indicated that the impact of current developments in West Asia is being closely monitored.
- Management further stated that the international business experienced localized headwinds, particularly with North America and the Middle East facing challenges, whereas markets in Africa (led by Kenya) showed robust performance. Sequentially, international markets are beginning to stabilize and improve.
- Operations are focusing on packaging cost optimization, waste reduction at the manufacturing level, utilizing biomass/alternate fuels to lower LPG/PNG dependence, and maximizing buying efficiencies.
- Innovations continue to gain traction. During 1Q, BRIT launched ‘Dubai Kunafa Croissant’.
- No PLI scheme benefits were recognized in 1QFY27 as BRIT did not hit the threshold growth required under the program.
- Management plans to prioritize localization to meet the needs of ‘Many Indias’ through region-specific business strategies, which will be more agile in taking decisions. BRIT has formed regional teams supported by marketing, innovation, research, and development to tackle these markets at a more local level.
- BRIT continues to focus on cost optimization and efficiency initiatives across the business.

Adjacent categories

- The non-biscuit adjacency portfolio (comprising Cake, Rusk, and Wafers) grew in healthy double digits, outpacing the company's average growth rate.
- Cake, Rusk & Wafers delivered double-digit growth led by portfolio innovations and new variants.
- The Croissant business continues to grow at over 30%, with its Annualized Run Rate (ARR) doubling from INR1b to INR2b. Its gross margins are in line with or slightly accretive to the overall company margins.
- The dairy portfolio grew in double-digits, fueled by Ghee and Cheese.
- The company is actively working internally on future wellness and health platforms, specifically including high-protein products, to diversify its portfolio beyond standard bakery items.

Cost and margins

- Commodity and fuel costs remain elevated compared to February levels. Key pressure points include industrial fuel (LPG/PNG), which spiked 2.5x in April/May before stabilizing around 1.5x (up +69% YoY). Palm oil continues to witness sequential inflation, while sugar prices rose 3% YoY/QoQ in 1Q and surged by another INR7/kg in the weeks following 1Q. Flour and milk prices also remain high.
- Laminate prices rose 14% YoY/21% QoQ in 1QFY27.
- Advertising investments are outpacing sales growth to restore tracking metrics after cuts in prior fiscal years.

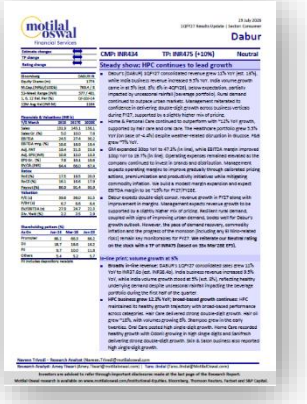
Dabur — Neutral

Current Price INR 399

Demand environment

- Consumption environment remained stable despite weather disruptions, inflationary pressures and geopolitical uncertainties.
- April was impacted by unseasonal rains, affecting seasonal categories like beverages and glucose; however, demand rebounded in May and June, implying the weakness was weather-led rather than structural.
- Rural India continues to be a bright spot in the consumption landscape, outperforming urban markets for the eighth consecutive quarter. The gap between urban and rural demand growth has narrowed, with urban growth supported by strong performance of modern trade, quick commerce and other emerging channels.
- Rural GT growth for Dabur was ~550bp ahead of urban growth, while Nielsen data suggests rural is growing ~170bp ahead of urban. Management expects improving monsoon trends and government MSP support to aid rural demand.
- In this hyperinflationary environment, Dabur's disciplined cost management with Project Samriddhi, operational efficiencies and judicious price increases helped deliver healthy profit growth during the quarter.
- War-related disturbances in the Middle East impacted input cost trends and supply chain efficiency across businesses, including India.
- High inflation in several input categories and continued cost pressure were witnessed in most international markets, though healthy margin performance was delivered through premiumization, productivity, and cost management.
- Odonil experienced shortages in raw material availability during the quarter.

Click below for Detailed Concall Transcript & Results Update



- The hair oil business is projected to achieve double-digit value growth in the next quarter and subsequent quarters.
- Badshah business achieved double-digit growth, backed by volume, with no price increases, as most spices saw deflationary trends.
- Nutraceutical brand 'Siens' delivered 3x growth and is expected to achieve ARR of ~INR500m by FY27-end.
- Around INR4-5b annual capex will continue, including investments in the new Tamil Nadu manufacturing facility.
- Management indicated that larger acquisitions remain a possibility should attractive opportunities arise.

Guidance

- Management expects sequential acceleration in revenue growth and aims for profitable growth in the coming quarters, supported by stable consumption, Saksham GTM transformation, premiumization, innovation and brand investments.
- For the full year FY27, Dabur targets double-digit consolidated revenue growth.
- Volume growth is expected to remain healthy but pricing will contribute a larger share of growth due to commodity inflation.
- International business is expected to remain supportive, aided by favorable currency movements.
- Management is confident that margins will be better YoY and support profit growth. That said, profit growth is contingent on geopolitical stability and inflation.

Segmental performance

HPC

- The portfolio delivered 12.3% YoY growth, driven by broad-based performance across categories.

Oral Care

- Toothpastes recorded high-single-digit growth, with Dabur Red, Meswak and Dabur Herb'l being the key growth drivers.
- Lal Dant Manjan continued to show high growth momentum, driven by a new campaign.
- The segment continued to gain market share.

Skin Care

- Dabur's Skin & Salon business grew in high single digits.
- Skin Care saw high-single-digit growth, backed by strong growth in Gulabari, OxyLife and Fem Franchise.

Home Care

- Odonil grew in high single digits, supported by strong growth momentum in aerosols and zippers. Portfolio continued to strengthen its position and gained market share.
- Sanifresh performed well with strong double-digit growth.

Hair Care

- Hair oils sustained the growth momentum with strong double-digit growth, driven by Amla franchise, Dabur Almond, Anmol and Vatika coconut portfolio.
- **Hair oil grew ~18% with volumes growing ~8%.**
- Hair oils portfolio registered market share gains.
- Shampoo category registered growth in early twenties.

Healthcare

- Healthcare grew 5.5% YoY.

Health Supplements

- Dabur Honey reported high-single-digit growth.
- Dabur Glucose sales were impacted by unseasonal rainfall in first half of the quarter; however, it showed signs of strong recovery in the second half.

Digestives

- The business grew in double digits YoY.
- Hajmola tablets and Pudin Hara grew in double digits.
- Isabgol continued to perform well and delivered strong growth in twenties.

OTC & Ethicals

- Dabur Honitus continued its strong double-digit growth, aided by the media campaigns highlighting safety and efficacy.
- Health juices sustained strong double-digit growth momentum.

Food & beverages

- Culinary portfolio continued its strong growth momentum and reported growth in high twenties with broad-based growth across brands.
- Badshah grew 13.3%, driven by ~11% volume growth despite deflationary trends in spices. Dabur has expanded Badshah from Maharashtra and Gujarat to MP, Rajasthan and Delhi NCR region. The business now has ARR of INR4b vs. ~INR2.2b at the time of acquisition.
- Quick commerce and e-commerce now contribute ~6% of Badshah sales and are growing at triple-digit rates.
- Unseasonal rainfall in the first half impacted beverage business; however, the business made a strong comeback in May and June.
- Activ range, including Juices and Coconut water, maintained its strong double-digit growth momentum.
- Fizz portfolio (comprising of real fizz and Hajmola jeera) grew in high teens.

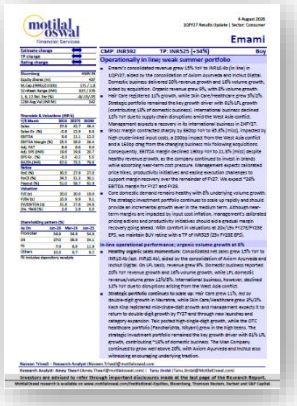
Emami — Buy

Current Price INR 401

Click below for Detailed Concall Transcript & Results Update

Performance and outlook

- The operating environment remained challenging, marked by elevated crude prices, inflationary pressures and disruptions stemming from the West Asia conflict, which led to higher input costs across the sector.
- Despite these external headwinds, the company delivered a strong quarter, backed by diversified portfolio, sharper execution and the increasing scale of its new-age growth engines.
- The summer season experienced significant regional divergence in consumer demand.
- Domestic business grew by 20%; on a like-to-like basis, growth stood at a healthy 12%, with volume growth of 8% after considering the previous year's numbers of Axiom Ayurveda and IncNut Digital.
- In 1QFY27, measured price increases were implemented to mitigate cost inflation, but the sharp rise in input costs still impacted profitability.
- The company is implementing measured price increases to more than offset absolute input cost increases over the remainder of FY27.



- Emami maintains a robust innovation pipeline, positioning it for sustained growth through FY27.
- The strategic investment portfolio is expected to reach high single-digit EBITDA margin in three years.
- Emami expects the strategic investment portfolio to reach an annual revenue run rate of INR7.5-8.0b by the end of the year.
- Three core transformation initiatives – supply chain planning, Sales Code AI and an Analytical Hub – are expected to be completed in FY27. This will improve efficiency going ahead.
- Kesh King is projected to return to double-digit growth by year-end through new D2C launches and entry into new categories.
- Looking ahead, the company remains optimistic about its growth prospects. 2QFY27 is expected to benefit from healthy demand trends across the portfolio and continued momentum in the strategic investment businesses.

Cost and margins

- Gross margins contracted by 360bp to 65.8%, with a 200bp impact due to the West Asia conflict and 160bp from the changing business mix following the integration of newly acquired startups.
- Input cost increase was driven by higher crude oil prices and inflation across packaging materials and several other key inputs.
- Strategic investment startups are aggregate EBITDA neutral, though they maintain high gross margins ranging from 55% to over 70%.
- The effective tax rate is expected to settle between 25% and 26% for FY27, compared to lower rates enjoyed previously.

Channel-wise performance

- The company's channel transformation journey continued to gather pace.
- Organized channels grew by 19% on a like-to-like basis and now contribute 32% of domestic business.
- Modern Trade and Ecommerce maintained strong momentum. Quick Commerce now contributes 35% of Ecommerce sales, underscoring the strength of Emami's omnichannel strategy.
- The company is deploying Sales Code AI to enhance sales force productivity through better planning and real-time decision support.
- For the strategic investment portfolio, the channel split is ~20% offline, 25-30% own digital assets, and the remainder through third-party platforms.

Segment performance

- Hair and Scalp Care grew by 11%, led by strong double-digit growth in Navratna Cool Oil and mid-single digit growth in Kesh King.
- Healthcare grew by 2% overall, but the OTC portfolio (Pancharishta, Nityam) saw high-teen growth.
- Skin Care grew by 3%; the Talc portfolio delivered high single-digit growth and is expected to recover to FY25 revenue levels for the full year.
- In startups, The Man Company grew well over 20%, and the recently acquired Axiom and IncNut are showing encouraging underlying growth.
- The Strategic Investment portfolio continued to be the standout performer. On a like-to-like basis, this portfolio grew by an impressive 61% and now

contributes ~18% of domestic business, highlighting the increasing relevance of Emami's new-age growth engines.

International performance

- International business declined by 12% during the quarter, primarily due to disruptions arising from the West Asia conflict, which constrained the company's ability to execute orders.
- While the personal care segment (produced in UAE and Germany) is balanced, the OTC pain management segment is struggling as it is produced exclusively in India.
- Despite these near-term headwinds, the underlying strength of the international business remains intact.
- The company has used this period to strengthen market fundamentals, improve pricing architecture and enhance operational agility, and remains confident of progressively regaining momentum as market conditions stabilize.
- Management expects to regain growth momentum from 2HFY27 onward.

Gopal Snacks — Buy

Current Price INR 289

Click below for Detailed Concall Transcript & Results Update





Business Updates

- Operations at the Rajkot plant have been successfully recommenced, with production consolidated from Gondal to Rajkot. The transition caused a temporary disruption of 5-6 working days in April, primarily impacting core markets; operations have since stabilized, with the company maintaining a revenue run rate of INR1.5b+ in both May and June.
- The company has taken price hikes and implemented grammage reductions in Q1 to offset raw material inflation. Total raw material inflation stood at ~5%, of which ~4.2% has been passed through, while the remaining impact is currently absorbed in the P&L. Further grammage adjustments or pricing actions may be taken if required.

Distribution

- The company currently reaches ~4.24 lakh retail touchpoints through distributors mapped on its DMS portal. As ~15-20% of distributors are not yet on DMS, the actual retail reach is estimated at ~5.25-5.5 lakh outlets. Management targets ~6 lakh outlets by FY27-end through further footprint expansion.
- Biweekly servicing is currently provided to ~38% of distributors in core markets. The company restarted biweekly servicing in January after a temporary pause due to the Gondal-Rajkot transition and inability to provide the full product basket. The initiative increased run rates by ~20-25% in some markets and ~15-20% in others.
- The company is targeting a core-market revenue run rate of >INR 1b, with growth driven by biweekly servicing, distribution automation and improved availability.
- Product Portfolio
- Core-market product hierarchy remains gathiya as the hero category, followed by namkeen, fryums, and wafers. Wafers grew ~15% YoY in core markets during Q1FY27, while the company plans multiple initiatives to improve consumer traction in potato wafers.

Market & Regional Updates

- UP grew ~41% YoY, although the market remains concentrated in two key products—Champakali gathiya and papdi gathiya.
- Maharashtra remains a key expansion market, with the company focusing on increasing its footprint in Marathwada and areas around Nagpur, while existing distribution remains concentrated in Vidarbha and Khandesh.

Other Updates

- Trade spends and discounts stood at ~2.5% of sales in Q1FY27.
- Marketing expenditure was ~1% of topline in Q1FY27 against an annual A&P budget of ~2.2% of sales. Management may increase spending further if raw material inflation moderates.

Outlook

- Management expects FY27 revenue of ~INR18-19b, implying minimum ~20% YoY growth, with ~75% of growth expected to be volume-led and ~20% value-led. The company maintains its ~20% CAGR growth guidance, supported by distribution expansion and higher servicing frequency.
- Management targets FY27 EBITDA margin of ~8-9%, with an exit margin of ~11% and PAT margin of ~7%.
- Management is targeting sustainable EBITDA margins of ~11-11.5%, which are expected to be achieved gradually, potentially by mid-FY28.

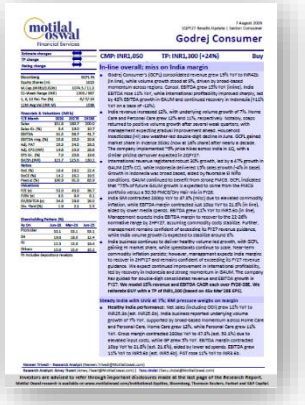
Godrej Consumer — Buy

Current Price INR 930

Business operations and environment

- GCPL delivered a strong start to the year in 1QFY27, with consolidated revenue growth of 19% YoY, supported by underlying volume growth of 9%.
- Volume-led sequential growth was driven by stable performance in India, a turnaround in Indonesia, and strong FMCG expansion in Africa.
- The operating environment remained difficult with elevated and volatile input costs, especially during the early part of the quarter.
- GCPL raised average prices in India by 5% in 1Q and expects a similar sequential pricing carryover into 2Q. No further post-quarter hikes are planned as Brent crude remains volatile but manageable in the USD80 to USD85 range.
- El Niño conditions introduced weather volatility, risking agricultural output, and rural demand. For India, a highly dry and hot June (contrasting with last year's heavy rainfall) led to a double-digit volume decline in HI. The first half of July was also weak. However, a warmer winter is expected to act as a demand tailwind for HI in 2HFY27. In Indonesia, El Niño acted as a strong positive catalyst for HI demand, driving earlier-than-expected growth in 1Q with further benefits expected in 2Q.
- Geopolitical developments contributed to significant price fluctuations in crude and other key commodities.
- Speedboats consist of Godrej Fab, GK Incense Stick, and Godrej Air globally. The target is to increase their revenue contribution from 15% to 20% in FY27, which is on track as salience increases by 100–150bp sequentially each quarter.
- GCPL announced its entry into the INR 30b Liquid Dishwash category (which is growing in double digits) with the launch of 'Godrej Rizz' in select states.

Click below for Results Update


Godrej Consumer

- Muuchstac grew 70% to 80% from its pre-acquisition run rate. It is digital-first, highly profitable, EPS accretive from day one, and GCPL is actively applying its capabilities to other brands.
- GCPL is progressing towards its three core goals: consistent double-digit volume growth, turning around Africa/GAUM profitably, and decisively turning around Indian HI.

Guidance

- Management is firmly on track to deliver full-year FY27 guidance and expects to exceed it in select areas, with revenue growth certainly exceeding significantly.
- EBITDA and volume growth may also exceed original targets, though volume growth could face pressure from pricing.
- Standalone Indian volume growth is projected to stabilize around 8% for the full year.
- Management expects India's normative margins to recover by the second half of FY27, and continue targeting 22-26% assuming current costs stabilize.

Costs and margins

- Management remains firmly on track to deliver full-year FY27 guidance and expects to outperform in select areas, particularly on revenue growth.
- EBITDA and volume growth may also exceed original targets, though volume growth could face pressure from pricing.
- Standalone Indian volume growth is projected to stabilize around 8% for the full year.
- Management expects India's normative margins to recover by the second half of FY27, and continue targeting 22-26% assuming current costs stabilize.

Home care

- GCPL's home care strategy focuses on launching highly differentiated, premium-media backed products at attractive price points.
- In HI, GCPL gained overall market share in 1QFY27 for the first time in nearly a decade. The share gain in HI is structural, driven by sharp gains in incense sticks and de-influencing of illegal incense sticks.
- The company holds a 16% share of incense sticks.
- Non-mosquito portfolio continues to perform well, led by HIT ARG double-digit growth.
- Growth in the Air category in India saw temporary softness due to LPG supply and fill-rate issues for aerosols. Despite that, Air Freshener continued to gain market share and enjoy market leadership.
- Aer Spray INR99 continues to reset the category landscape and grow significantly ahead of peers and gain share
- Management indicated that Godrej Fab grew top-line significantly and successfully expanded the overall liquid detergent market, despite absorbing high LABSA and LPG raw material costs.
- Spic has been expanded pan-India from initial test markets due to exceptional traction.
- The company launched Godrej Rizz in select states, with entry into Liquid Dishwash. GCPL indicated that the category has a huge headroom for growth, with household penetration in the mid-teens.

Personal care

- Soaps recorded positive volume growth in 1Q after several quarters of negative trajectory. Growth is expected to accelerate into early single digits in 2Q and 3Q. Soap gross margins were successfully sustained at normative levels.
- Magic Handwash continues to scale and enjoy market leadership in the handwash segment.
- Cinthol Bodywash witnessed the highest-ever offtake in 1Q.
- Muuchstac performance and scale up are in line with the business plan.
- Upgrading the consumers to liquids remains a key focus for GCPL.
- Hair Color had an exceptional quarter. The INR15 Creme Pack has become a massive rural disruptor, capturing wider distribution than the market leader in henna. Its growth curves have intersected, with consumers successfully transitioning from larger crèmes to this pack.
- Both Crème and Shampoo Hair Colour continue strong growth performance.

Perfume business continued to deliver strong growth momentum.

- Market restructuring actions are underway to strengthen the Perfumes & Deodorants business.

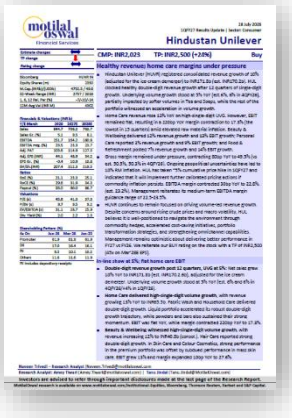
International business

- Indonesia delivered 10% volume growth in 1Q, substantially ahead of GCPL's expectations. The 10% UVG and 15% sales growth was led by Shampoo, HC, and HI.
- Stella LV relaunch has witnessed robust consumer traction and sell-outs.
- GCPL stated that the Indonesia growth was driven by a lower base from last year, doubling media investments in the core Air Freshener business, and early positive tailwinds from El Niño boosting HI demand.
- GAUM led by the FMCG portfolio, which delivered strong 25% CC revenue growth.
- Operational execution was enhanced by portfolio simplification, cost discipline, doubling media spend on priority brands, and curbing wasted governance/operational costs.
- Management alluded that in FY26, the GAUM business had a 50-50 revenue split between FMCG and dry hair. However, 75% of future growth is expected to come from FMCG.
- The company achieved a double-digit market share in South Africa within six months of launching Air Care. It is also experiencing strong FMCG traction in Nigeria, Kenya, Argentina, Chile, and the US.
- GAUM margin remained stable in the mid-teens, which is highly sustainable even though local currency appreciation historically hits profitability.
- The FMCG air care expansion strategy has successfully penetrated Latin American markets, seeing notable traction in Argentina and Chile.

Hindustan Unilever Limited

Click below for
Detailed Concall Transcript &
Results Update





Hindustan Unilever — Buy

Current Price INR 2,016

Operational environment

- The company highlighted that there were geopolitical tensions, commodity volatility, and currency fluctuations during the quarter, but India remained resilient, supported by strong macro fundamentals and coordinated fiscal and monetary policy actions.
- FMCG demand remained stable, reflecting healthy underlying consumption despite the uncertain global environment.
- Management highlighted that although monsoon began with a significant rainfall deficit, it has narrowed to ~15%, and as long as the deficit remains within the 15–20% range, it does not expect any meaningful impact on the Indian economy.
- The company expects FY27 to be better than FY26, supported by stable demand, portfolio transformation, market development, and channel expansion, while remaining watchful of global uncertainties and the monsoon.
- Both rural and urban markets delivered robust growth, with rural seeing a step-up over the last few quarters.
- The moderation in 1QFY27 volume growth (5% vs. 6% in 4QFY26) was largely due to slower volumes in Tea and Soaps, while most other categories improved sequentially.
- The company delivered 10% revenue growth, led by 5% UVG and 5% pricing. It gained turnover-weighted market share during the quarter.
- The company implemented calibrated price hikes during the quarter. The RM basket rose 10%, while the company took a 5% price hike.
- Management does not expect a meaningful impact from monsoon uncertainty, stating agriculture's lower share in GDP, MSP hikes of 5–6%, and improving rainfall trends. Even with weather-related risks, management remains confident in its ability to navigate demand volatility due to its diversified portfolio.
- Growth is broad-based in the mass and premium segments. The Premium category is growing faster than the mass category. Management indicated that the mass portfolio is also important for the company.
- General trade distribution expanded further into small towns and rural markets. Offline expansion of digital-first brands such as Minimalist and Simple continued during the quarter.
- Quick Commerce continues to grow 40–50% despite increased competition from new entrants. Growth is being driven through better availability, channel-specific assortments, price pack architecture, stronger platform partnerships, and data-led execution. Management expects Quick Commerce to remain a structurally attractive, high-growth channel.
- The company has embedded AI across its value chain, including an AI-enabled digital distribution center in Vijayawada, to improve demand sensing, warehouse operations, logistics, and delivery efficiency.

Costs and margins

- Despite gross margin pressure, HUL expects to maintain EBITDA margins through savings across the P&L rather than relying solely on pricing.

- Advertising spends remain elevated in absolute terms, reaching their highest level in the last 12 quarters.
- The company maintains the consolidated EBITDA margin guidance in the range of 22.5-23.5%, adjusted for the ice cream business demerger.
- Management indicated that EBITDA margins remain manageable across a crude oil range of USD 75–100 per barrel, supported by pricing actions and cost efficiencies.

Segmental highlights

Home Care

- Home Care posted 13% USG, driven by high-single-digit UVG.
- Fabric Wash delivered broad-based double-digit growth, led by strong volume expansion. Bars and powders sustained their momentum, while liquids further accelerated their double-digit growth trajectory.
- The soaps category remains under pressure due to two consecutive years of palm oil inflation, resulting in pricing-led growth for the category.
- Household Care delivered double-digit volume and value growth, led by strong momentum in Vim Liquids.
- Management reiterated that pricing actions in Home Care will remain calibrated, balancing price hikes, procurement savings, and cost efficiencies to manage crude-linked inflation while remaining competitive.

Beauty & Wellbeing

- Beauty & Wellbeing reported 12% USG, supported by high-single-digit UVG.
- Hair Care delivered another quarter of double-digit, volume-led growth, with Premium Hair Care and future formats continuing to outperform.
- Skin Care and Colour Cosmetics posted high single-digit growth, driven by double-digit growth in Premium Skin Care, while Minimalist sustained strong double-digit momentum.
- Health & Wellbeing remained soft due to the OZiva transition, although the company continues to invest in new offerings and remains confident of its long-term growth potential.
- The temporary slowdown in OZiva reflects the non-linear nature of emerging wellness categories rather than any structural weakness.
- Management will continue to invest in category development initiatives such as de-seasonalizing moisturization and democratizing sunscreen usage.

Personal care

- Personal Care registered 3% growth during the quarter. The UVG declined to low single digits.
- Skin Cleansing delivered mid-single-digit growth, driven by pricing actions amid continued palm oil inflation, while premium brands and Bodywash sustained double-digit volume-led growth.
- Oral Care reported mid-single-digit growth, supported by continued traction in premium innovations across whitening, gum, and sensitive care.

Food & Refreshment (F&R)

- Foods reported 7% USG, driven by mid-single-digit UVG.
- Coffee delivered double-digit volume-led growth, while Premium Tea reported low single-digit volume growth.

- Management noted that the early tea season indicates inflationary trends. Pricing actions will depend on how tea prices evolve through the procurement season.
- Lifestyle Nutrition sustained double-digit growth. Boost crossed INR10b revenue, while the Horlicks Superfoods relaunch and RTD continued to witness encouraging traction.
- Packaged Foods posted high-single-digit growth, led by strong performance in Unilever Food Solutions, Mayonnaise, and International Sauces.

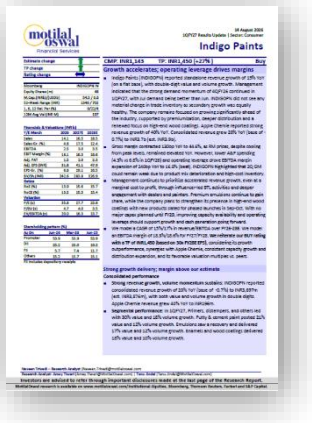
Indigo Paints — Buy

Current Price INR 1,149

Performance and outlook

- The strong demand momentum of 4QFY26 continued in 1QFY27. July demand has been better than June.
- INDIGOPN experienced double-digit revenue growth for the first time in two years. The volume growth also stood at double digits despite price hikes.
- The Iran war led to severe supply chain disruptions and unprecedented inflation in raw material prices.
- RM prices have cooled off from peak level but continue to stay elevated YoY. The company continues to closely monitor the RM prices movement.
- Indigo Paints have not seen any channel inventory filling in 1Q.
- Because of product mix deterioration, 2Q margins are generally the lowest. Moreover, given high inventory cost coming in 2Q, the margins can see further pressure.
- The company continues to invest heavily in influencer-led BTL activities to strengthen market penetration and premium product adoption.
- Premium emulsions continue to gain share within Indigo's portfolio, helping improve profitability and brand positioning.
- Indigo operates dealer, contractor, and painter loyalty programs entirely in-house. Strong engagement with contractors and painters has played a key role in driving premium emulsion growth.
- The company will increase its focus on wood coatings. It has been present in the low-end range but will now focus on high-end wood coatings where there is a healthy demand.
- It has recruited a team for select parts of India, which are large wood coating markets. Moreover, they have developed in-house products. It expects to launch these products in the market during September and October in a phased manner.
- Management remains focus on achieving accelerated revenue growth, even at a marginal cost to the bottom-line growth.
- The company aspires to grow significantly ahead of industry growth.
- Company said that despite JSW's acquisition of Akzo Nobel, both entities continue to operate independently with no visible change in competitive behavior on the ground.
- Since the company's IPO five years ago, differentiated products have increased their share of the total sales basket from 25-26% to ~29.5%. Because these higher-margin products are growing faster than standard "Me Too" products, the company remains satisfied maintaining their contribution within a stable 28-

Click below for Detailed Concall Transcript & Results Update



30% band, especially given the lack of recent additions to that specific product group.

Guidance

- The strong EBITDA growth was on the back of operating leverage with continued cost optimization.
- In 1Q, Advertising and promotion expenses decreased to 4.3% of revenue from 6.8% in the base. This shift reflects a strategic pause in advertising during the IPL season, with funds redirected instead toward influencer partnerships and deeper painter and contractor engagement.
- The strong PAT growth was partly aided by mark to market gain in their treasury income.
- 2QFY27 gross margins may remain volatile due to high-cost inventory, but management expects industry margins to normalize over time.

Distribution network

- INDIGOPN added 266 tinting machines in 1QFY27, bringing the total count to 12,395.
- As of Jun'26, the number of active dealers stood at 19,382, reflecting a QoQ increase of 30.
- Indigo continues to deepen presence in Tier-3 and Tier-4 markets while simultaneously expanding in Tier-1 and Tier-2 cities.
- Management stated that dealer additions remain strong because differentiated products already enjoy strong awareness through advertising and word-of-mouth.

Apple Chemie

- Apple Chemie delivered strong 1QFY27 revenue growth of 40% YoY to INR197m.
- Profitability was compressed due to sharp increases in input costs from supply disruptions, which Apple (predominantly a B2B business) had limited immediate ability to pass on to customers. Additionally, the company was heavily impacted by purchasing significant high-cost inventory at elevated prices during the peak of those disruptions. However, management expects this to be transitory in nature and margins to recover gradually.
- Indigo has proposed to acquire a further 11% stake taking Indigo Paints aggregate holding in alchemy up to 62%.

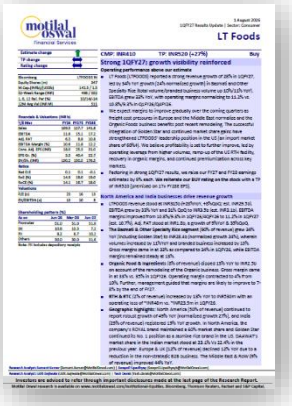
Capex and cash flows

- The new water-based paint plant at Jodhpur with annual capacity of 90,000 KL is in final stages of commissioning and expected to begin trial production in Aug'26.
- Indigo's ability to serve demand across northern, eastern and central India to improve materially, both in terms of lead times and in freight economics from this plant.
- The solvent-based plant and expanded putty plant at Jodhpur have already commenced production in FY26.
- Management stated that no major capex is planned until FY29 as the heavy investment cycle is now largely complete. This is expected to significantly improve free cash flow generation from FY27 onwards.
- The company believes operating leverage and absence of large capex commitments will drive stronger cash generation over the next three years.

LT FOODS
NURTURING GOODNESS

Click below for
Detailed Concall Transcript &
Results Update





LT Foods — Buy

Current Price INR 430

Guidance and outlook

- Management reiterated confidence in achieving FY27 targets and stated that performance remains on track across all key financial parameters.
- Core Basmati business is expected to sustain double-digit growth, supported by premiumization, distribution expansion and increasing branded penetration globally.
- Organic Foods business is expected to witness gradual improvement every quarter, with margins likely to improve to 7-8% by FY27-end and return to double-digit levels over the next 18 months.
- Ready-to-Heat (RTH) and Ready-to-Cook (RTC) categories remain key growth drivers, with management targeting 15-20% annual growth in the segment.
- The company aims to double its Ready-to-Eat business over the next three years, aided by the commissioning of the new US RTH facility.
- Management expects Basmati prices to remain firm in the upcoming season and remains confident of passing any raw material inflation to consumers.
- Core Basmati EBITDA margins are expected to remain broadly in the 13-14% range despite commodity price fluctuations.
- Middle East operations are expected to continue growing at around 15% annually despite a highly competitive market environment.

Organic Foods & Ingredients

- EBITDA margins declined to 4% due to the transition from a wholesale-led model to a direct consumer packaged goods (CPG) model.
- The company has completed most of the infrastructure, distribution, and organizational investments required for this transformation.
- Management remains confident that the organic business will return to double-digit growth and profitability over the medium term.

Ready-to-Heat / Ready-to-Cook

- Biryani Kits continued to witness strong traction, recording 42% YoY growth.
- The new US RTH facility is expected to become operational during the current quarter and should support future growth acceleration.
- Management continues to view convenience foods as a strategic long-term growth category.

Geography-wise Performance

- India revenue grew 23% YoY, supported by market share gains, premiumization, and deeper distribution reach.
- Household penetration increased to 6.44m households, reflecting strong consumer adoption of branded products.
- LT Foods strengthened its leadership position across e-commerce and quick-commerce channels, where market share remains above 40%.
- Management remains focused on converting loose rice consumers into branded Basmati consumers while expanding presence across underpenetrated markets.
- Revenue from North America grew 49% YoY, while normalized growth was 27%.
- LT Foods' US import market share has crossed 60%, further strengthening its category leadership position.

- Management highlighted that tariff-related price increases have been successfully passed on without impacting consumer demand.
- Europe and the UK remain investment-led markets where the company is investing in capacity, distribution and cost optimization.
- Elevated freight costs and geopolitical disruptions impacted profitability during the quarter.
- Management expects these investments to translate into improved profitability over the medium term.
- Revenue from the Middle East and Rest of World markets grew 44% YoY.
- Freight costs increased sharply during the quarter, with shipping rates rising from around USD200 to nearly USD4,000 per container.
- Competitive intensity restricted the company's ability to fully pass on these higher logistics costs.
- LT Foods continues to focus on premium and mid-premium segments where it sees better profitability opportunities.

Balance Sheet, Working Capital & Inventory

- Inventory days improved significantly from 221 days to 187 days, reflecting better inventory management.
- Receivable days reduced from 30 days to 26 days during the quarter.
- Overall working capital cycle improved from 195 days to 170 days, strengthening cash conversion.
- ROCE remained healthy at 21.1%, demonstrating efficient capital utilization.
- Net Debt-to-EBITDA improved to 0.48x, while Net Debt-to-Equity remained comfortable at 0.15x.
- Rice inventory stood at 346,000 MT with an average carrying cost of INR56/kg.
- Paddy inventory stood at 164,000 MT with an average carrying cost of INR38/kg.
- Management indicated that current inventory levels are sufficient to support branded demand for the next year.
- Approximately 80-85% of Basmati cultivation is supported by canal and groundwater irrigation, limiting rainfall dependency.
- Management does not currently see any major threat to crop availability, although a clearer assessment is expected by the end of August.
- Firm crop prices are expected in the upcoming season due to healthy farmer realizations and stable demand.

Other Points

- LT Foods continues to focus on three long-term growth pillars: Basmati & Specialty Rice, Organic Foods, and Ready-to-Heat/Ready-to-Cook products.
- The company has largely completed the restructuring of its Organic Foods business and expects steady improvement in performance going forward.
- Management believes the Middle East remains a strategically important market despite intense competition and challenging industry dynamics.
- Revenue growth during the quarter outpaced volume growth due to commodity inflation pass-through, tariff-related pricing actions, and favorable product mix.
- Supplier financing optimization has largely been completed, with only limited room for further improvement.

- Partial US duty refunds have already been received; however, the company has not yet recognized any related income in the P&L as discussions with customers are ongoing.
- Management reiterated that Basmati remains an underpenetrated category globally, providing a long runway for growth through branded market expansion and premiumization.

Marico — Buy

Current Price INR 849

Business environment and outlook

- During the quarter, demand trends remained steady, supported by resilient economic activity. While MRCO remains optimistic about the consumption trends, it continues to closely monitor inflationary conditions and the progression of monsoon amid the evolving El Nino forecast.
- Over 96% of its business gained or sustained market share and over 99% of the business gained or sustained penetration on a MAT basis.
- Management is strategically shifting the portfolio toward more profitable categories and reducing commodity-linked businesses.
- Both traditional and organized trade recorded double-digit growth, while e-commerce continued to grow at an accelerated pace, led by >50% growth in quick commerce.
- QC now contributes approximately 5% of total India business revenue.
- All digital channels combined, including digital-first brands, now account for over 20% of Marico's India business revenue.
- Project SETU investments have significantly improved direct distribution reach and GT execution capabilities.
- Management believes GT remains a key competitive advantage despite rising importance of organized retail and e-commerce.
- Management guided for a consolidated effective tax rate of 18% for FY27, which is expected to increase to 19-20% in FY28.

Near-term outlook

- India business is expected to sustain high single-digit volume growth in FY27.
- International business is likely to maintain healthy momentum, with mid-teen constant-currency growth, aided by broad-based performance across geographies.
- The company targets double-digit consolidated revenue growth in FY27, with revenue expected to cross INR150b.
- Management guided for high-teen EBITDA growth in FY27.

Material costs, margin, and guidance

- Among key inputs, copra prices have corrected meaningfully from its peak levels and are expected to remain range-bound with a slight upward bias.
- Crude has corrected moderately from its peak in 1Q; however, prices remain volatile due to the ongoing developments in the Middle East. Vegetable oil prices have increased further and remain at elevated levels.
- While copra prices have corrected and are expected to remain 35% below the peak levels, costs for crude derivatives (like polymers) and vegetable oils are showing an upward bias, which may impact 2Q input costs.

Click below for Detailed Concall Transcript & Results Update



- Advertising expenses surged by 25% as the company chose to invest heavily in brand equity, innovation, and consumer salience.
- Management expects 140-150bp operating margin expansion in FY27 considering the uncertain operating environment.

Segmental performance

Parachute coconut oil

- Parachute Rigids reported 10% volume growth, delivering one of its strongest performances in the recent years.
- Revenue grew 23% and price growth moderated as MRCO took selective price actions to pass on value to consumers amid easing copra prices.
- Management currently expects copra prices to remain rangebound and does not foresee an immediate need for further major pricing actions.
- Parachute Rigid's revenue grew 23% due to the prior year's price increase anniversarization and proactive price reductions (~10%) in non-price point large 'loyalty' packs.
- The brand strengthened its leadership, expanding its volume market share by over 400bp to a new high of 59%.

Saffola oil

- Saffola edible oils reported 7% revenue growth during the quarter with a high-single-digit volume decline as MRCO rationalized the supply of select variants to maintain threshold profitability in the trade-off with volume growth.
- The brand continued to see strong consumer traction in its cold-pressed oil portfolio, supported by its focus on premium offerings.
- Selective price increases were taken during the quarter in response to rising input costs.

VAHO

- The segment sustained its strong growth trajectory, registering 22% value growth in 1Q and increasing its value market share by 80bp on a MAT basis.
- The growth was driven by strong performance across key franchises.
- Almond hair oil franchise is scaling up well, with healthy offtake growth. It is showing encouraging progress, and MRCO aims to scale it up to an annualized revenue run rate of INR1b+ by FY28.

Foods

- Foods portfolio registered 43% growth, crossing INR13b+ in annualized revenue run rate.
- Saffola Foods portfolio delivered double-digit growth, led by Saffola Soya Chunks, Oats and Muesli.
- Saffola Oats gained market share and further strengthened its leadership position. True Elements scaled up in line with MRCO's aspirations, while the recently acquired brands 4700BC and Cosmix, delivered healthy sequential growth.
- Cosmix further expanded its portfolio with the launch of fermented yeast protein across multiple flavours such as Ratnagiri Mango and Indonesian Cacao.

Premium Personal Care

- Premium Personal Care delivered strong growth during the quarter.
- The portfolio, including Premium Hair Nourishment, Hair Cleansing, Male Grooming and Skin Care, recorded an ARR of ~INR4.5b. The recently launched

Parachute Advanced Protein Shampoo had an encouraging start with healthy consumer offtakes.

- Marico aspires for its new shampoo category to achieve nearly INR1b of revenue in FY27, leveraging strong equity and distribution advantages.
- The digital-first portfolio continued to deliver strong growth, supported by healthy consumer traction in both Beardo and Plix.
- The digital-first portfolio, led by brands like Purite and Plix, is scaling up profitably and has achieved an ARR of over INR11b.
- Purite has double-digit profitability, Plix is in high-single digits, and Cosmix was acquired with mid-to-high teens profitable growth.

International business

- International business delivered 15% CCG during the quarter, driven by outperformance in Vietnam and MENA and positive contribution from all markets.
- Certain international markets faced transient headwinds, such as persistently high inflation and sharp rises in energy costs, particularly in Bangladesh.
- Bangladesh delivered 4% CCG on a high base of last year. The business witnessed a transient moderation in growth due to pricing anniversarization and consumer demand softness amid elevated inflation. MRCO continued to strengthen its market position through focused category initiatives and consistent market share gains.
- Vietnam continued to deliver strong performance and recorded 27% CCG during the quarter, with robust growth in male/female grooming portfolios. Growth was driven by MRCO's focused investments in innovation, go-to-market and e-commerce capabilities.
- MENA delivered 24% CCG, with both Gulf and Egypt delivering resilient performance on the back of strong execution.
- South Africa registered 8% CCG, led by Hair Care.
- NCD and exports grew 16% in 1QFY27.

JOCKEY

Click below for Detailed Concall Transcript & Results Update

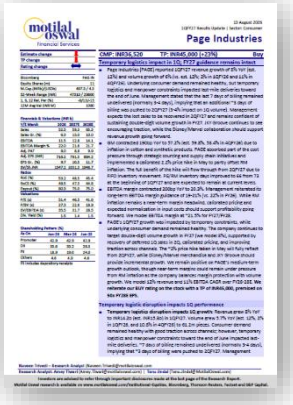


Page Inds — Buy

Current Price INR 35,400

Demand environment & business performance

- Consumer demand remained healthy with good traction across channels.
- Underlying demand was better than the reported growth. Revenue growth during 1Q was moderated by temporary logistics and manpower related constraints.
- Management stated that the last-mile delivery was impacted toward the end of June due to third-party logistics disruptions. This was driven by speculations about fuel price hikes, availability issues, and third-party labor constraints during the month.
- Approximately 7 days of quarterly billing went undelivered and had to be pushed to the next quarter, compared to the normal 3 to 4 days. This created a net delta of roughly 3 days of invoiced billing that could not be reported as revenue in 1Q. Thus, all the lost 1Q sales will be realized in 2Q.
- PAGE stated that secondary growth was better than primary growth in 1Q, largely due to undelivered inventory.



- The company continues to target volume-led growth and expects double-digit volume momentum to sustain in FY27.
- Management highlighted that the January price increase was majorly aimed at enhancing product quality and was not linked to input costs.
- PAGE took calibrated pricing action of ~2% in mid-May to partly offset RM pressure. The full benefit of the price hike will be realized in 2QFY27 due to FIFO inventory flow.
- The lower gap between volume and value in 1Q is attributable to the mix (higher mix of accessories and socks in 1QFY27) as well as the price increase taken in May, which will start kicking in by 2Q.
- The difference between volume and value is expected to be much larger from 2Q onwards, driven by product mix and the full realization of the May price increase.
- The company collaborated with Disney and Marvel for character merchandise, which is expected to support revenue from 2Q onwards.
- JKY Groove is witnessing an encouraging response from consumers.
- PAGE follows a uniform consumer pricing principle, irrespective of the channel of purchase. Hence, it does not offer quick deals, flash sales, or any kind of markdowns to end consumers at any point in time.
- The steady scale-up of its new manufacturing facilities at Orissa and KR Pet is progressing as planned.
- The company is now working on implementing a new distribution management system (DMS) to further strengthen supply chain visibility and operational efficiency. PAGE expects all its distributors to be on the DMS by 4QFY27 or 1QFY28.

Pricing & inflation

- Key inputs, particularly cotton and synthetic products, witnessed a temporary phase of inflation. PAGE absorbed a meaningful part of this through strategic sourcing decisions and a series of supply chain initiatives, with the balance expected to ease as input prices normalize.
- Management clarified that the January price increase was linked to product enhancements and not inflation pass-through, while the price hike taken in May was to partly offset RM inflation.
- Management emphasized that price increases will be calibrated carefully to avoid impacting volume growth materially.
- The company indicated willingness to absorb part of the inflationary pressure through margins if required to protect market share and demand momentum.

Cost and margins

- Management chose to absorb part of the input cost increase, balancing margin protection with consumer value and competitiveness. Moreover a stronger EBITDA margin of 22.4% in 1QFY25 was due to stable input costs at that time. Thus, 1QFY26 contraction appears steep YoY.
- The company continues to witness inflationary pressure in cotton and other raw materials.
- Management reiterated its long-term EBITDA margin guidance of 19-21%.
- Inventory & working capital

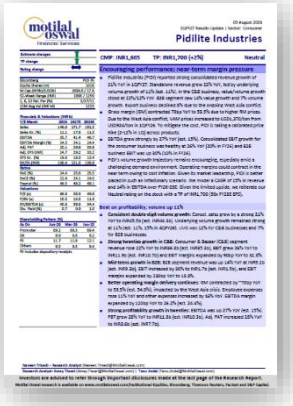
- Inventory days increased to 66 days at the end of 1QFY27 vs 73 days at the beginning of 1QFY27. PAGE expects inventory days to sustain at currently levels going forward.
- Net working capital days improved marginally to 54 days from 56 days.

Pidilite Industries — Neutral

Current Price INR 1,650

Click below for Detailed Concall Transcript & Results Update




Pidilite Industries

Demand environment and outlook

- Price increases across categories were aimed at offsetting high raw material costs and were largely accepted by the market without affecting demand.
- Price hikes varied across categories and brands, ranging from nearly 2% to 12%, and were implemented in a phased manner during the quarter.
- Management indicated that demand conditions remained healthy across markets and that it did not observe any slowdown despite the multiple price hikes taken during the quarter.
- Management expects the current healthy demand environment to continue and remains confident about sustaining healthy UVG during the year.
- The company indicated that it continues to closely monitor raw material movements and may pass on temporary rebates wherever appropriate rather than making permanent price corrections.
- Overall export growth declined by 8%, primarily because of lower B2B exports. Export business remained weak during the quarter due to geopolitical disruptions in certain international markets.
- The newly launched Fevicol product addresses the common issue of door bending in furniture by providing superior dimensional stability, solving a prevalent customer pain point.
- The new M-Seal/adhesive innovation offers lower VOC emissions, reduced odor, easy washability and compatibility across multiple plastic pipe applications.
- Management highlighted increasing competition in tile adhesives, including entry from regional cement manufacturers, but remains confident about defending and expanding its market leadership.
- Premium tile adhesive brand "NuPro", developed through its Spanish JV, is witnessing encouraging momentum and is now being expanded from one manufacturing plant to four to improve availability.
- Management reiterated that tile adhesive penetration in India remains only around 25-30%, providing a significant runway for category growth.
- PIDI's paint business continues to expanding in the geographies where it operates.
- Management indicated that its electronics adhesives business is making encouraging progress beyond consumer electronics into automotive and electric vehicle applications.
- Management stated that the establishment of a VAM manufacturing facility by a large paint company does not materially change PIDI's business model.
- PIDI reiterated its preference for an asset-light procurement model rather than backward integration, believing that sourcing through global suppliers remains an efficient approach.

- The company stated that its long-term goal is to gradually improve UVG beyond the current double-digit levels through category expansion and market share gains.

Cost and margin

- Gross margin 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.
- 1QFY27 margins benefited from three factors: proactive pricing, consumption of lower-cost inventory carried from previous quarters, and moderation in trade schemes following industry-wide price hikes.
- Margin moderation is expected in 2QFY27 due to high-cost inventory flowing through, but full-year profitability is expected to remain comfortably within the guided range.
- PIDI maintains its EBITDA margin guidance of 20-24% in the medium term.

Radico Khaitan — Buy

Current Price INR 4,677

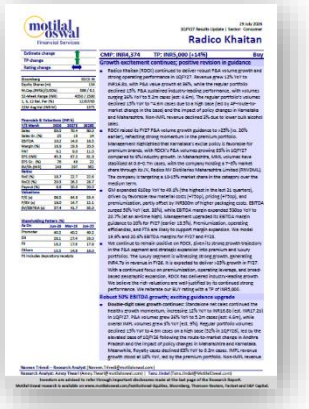
Operating environment

- Management upgraded its FY27 P&A volume growth guidance to >25% (vs. earlier 20%), supported by strong premiumization trends.
- Regular volume declined 15% due to a higher base of 1QFY26 after the change in the route-to-market in Andhra Pradesh, and the impact of policy change in Maharashtra and Karnataka.
- Net debt has declined by INR1.38bn since Mar'26, with management targeting a net debt-free balance sheet by 2QFY27.
- Capital allocation will continue to remain disciplined, with capex focused primarily on maintenance, operational efficiency, and essential capacity optimization.
- Following the announcement of a minimum 20% dividend payout policy, management indicated that any future increase in shareholder payouts will be evaluated after the company achieves its debt-free status.
- Annual maintenance capex is expected to remain at INR1.5–1.7b.
- The company remains open to acquisitions only if it creates a meaningful shareholder value, while emphasizing that it has historically delivered growth through organic expansion rather than acquisitions.
- Management estimates that while luxury spirits account for only ~3% of industry volumes, they contribute roughly double that share in value terms (~6%), reflecting the category's premium pricing.
- RDCK's brands are now available in over 100 countries, with its international strategy focused on building brands rather than merely exporting volumes.
- Exports currently contribute ~5–6% to total volumes.

Brand Performance

- Management reiterated its guidance of 25% value growth for the luxury portfolio in FY27 and indicated that the business is on track to achieve the target. Luxury portfolio generated ~INR4.75b revenue in FY26.
- Royal Ranthambore received encouraging consumer response for its limited-edition "Roy Pack", which celebrates India's six legendary tigers and reinforces the brand's premium positioning while supporting wildlife conservation.

Click below for
Detailed Concall Transcript &
Results Update



- 8PM Premium Black gained market share during the quarter, aided by its partnership with Sunrisers Hyderabad during the IPL season, which enhanced brand visibility and consumer engagement.
- The newly introduced contemporary packaging for After Dark Whisky is expected to strengthen the brand's premium appeal and support market share gains in India's largest whisky segment.
- After Dark delivered ~50% volume growth in FY26, crossing 3m cases. The launch of After Dark Blue is a packaging refresh rather than a product reformulation, based on extensive consumer research aimed at enhancing the brand's premium appeal. The refreshed packaging has been initially launched in Uttar Pradesh, where the company has received encouraging consumer feedback.
- Morpheus Whisky has been launched across 10–12 states in the highly competitive upper prestige whisky segment. Initial consumer response has been

Cost and margins

- Gross margin expanded 610bp YoY and 110bp QoQ to 49.1% in 1QFY27, supported by a benign raw material environment and ongoing premiumization.
- Raw material costs contributed 75bp to GM expansion, partially offset by ~INR300m impact from higher packaging material prices.
- Price hikes implemented during the quarter contributed approximately 75bp to gross margin expansion.
- Management remains confident of sustaining its margin expansion trajectory in FY27, despite monitoring geopolitical risks and input cost volatility.
- The company expects to deliver an EBITDA margin of ~20% in FY27, driven by an increasing contribution from premium and luxury brands.
- A&P spend increased to 6.9% of IMFL sales in 1QFY27 from 5.8% in 1QFY26, reflecting higher brand investments. Management expects A&SP spend to remain in the 6-8% of IMFL revenue.
- Despite geopolitical uncertainties and supply chain disruptions, the company expanded operating margins through a richer product mix, disciplined cost management, and operational efficiencies.
- The non-IMFL business generated EBITDA margins of 11–11.5% during the quarter. Historically, it used to delivered 8–11%.
- Based on the consolidated EBITDA margin of 20.7%, management indicated that the IMFL business generated EBITDA margins of over 23%.
- RDCK's total ENA requirement (IMFL and non-IMFL combined) is ~280–300m liters, while its captive capacity, including the Rampur plant and JV, stands at ~330mn liters. Due to logistics cost, the company sells excess ENA from Uttar Pradesh while procuring ENA in Southern and Eastern markets, where transportation is more economical.

India UK FTA

- Management believes it is too early to assess the impact of the India-UK FTA on competitive dynamics.
- Even if imported Scotch players pass on the entire duty benefit, management estimates retail prices would decline by only 7–8%, limiting the competitive impact.

State Policy

- Management highlighted that Karnataka's recent excise policy changes are progressive, particularly the rationalization of pricing for premium brands. The previous round of premium pricing rationalization (around 18 months ago) led to ~28% growth in the premium category, while RDCK's premium portfolio grew at roughly 2x the category rate.
- Following the latest policy changes, the P&A category grew 9% in 1QFY27, while RDCK's Prestige & Above portfolio surged 83%, significantly outperforming the market.
- Management attributed the strong performance to its broad premium portfolio, including Rampur Single Malt, Jaisalmer Gin, Sangam World Malt, Indian Virasat, Royal Ranthambore, Morpheus Brandy, Magic Moments and After Dark.
- Tamil Nadu remains a brandy-dominated market, where Morpheus Brandy already enjoys a strong position in the premium segment.
- After change in Andhra Pradesh policy, the company's market share increased to 26%.
- In Maharashtra, MML has been stabilized at 0.6-0.7m cases, and the company holds a 7-8% market share.

Vodka category

- Management believes the Indian vodka category has entered a multi-year structural growth phase, supported by changing consumer preferences, favorable demographics, premiumization, and evolving consumption occasions.
- The Vodka category has expanded at over 20% CAGR during FY22-26, significantly ahead of the broader IMFL industry.
- Vodka's share in the Indian spirits industry increased from 4.6% in 1QFY26 to 6.0% in 1QFY27.
- Vodka accounts for ~28% of the global spirits market; penetration in India remains relatively low, offering significant long-term growth potential.
- Vodka now contributes 75% of RDCK's premium brand volumes, up from 65% last year.
- Management also highlighted that the category offers superior unit economics due to lower production costs and significant premiumization opportunities.
- Magic Moments maintained its leadership position with over 60% market share in the vodka category and an even stronger presence in its core price segment.
- The brand reported a record 3.25m cases, delivering 43% YoY volume growth, while value growth stood at 51%. The growth is led by consumer demand, with no channel loading.

TATA CONSUMER PRODUCTS

Tata Consumer Products — Buy

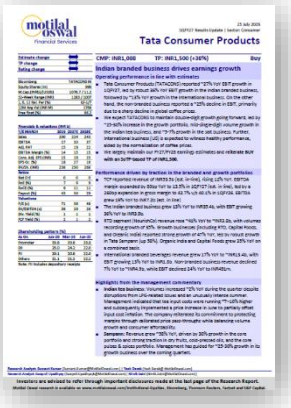
Current Price INR 1,068

Click below for Detailed Concall Transcript & Results Update



Guidance

- The company expects ~25-30% expansion in the growth business over the coming quarters.
- Management has maintained its double-digit growth stance.
- Growth businesses are expected to be the key growth driver, as the company holds a decent share in other businesses.
- The company has guided for ~50-70bp margin expansion for FY27.
- It has guided for mid-single-digit volume growth in the Indian tea business.


Tata Consumer Products

- Additionally, it anticipates high-single-digit growth in Tata Starbucks.
- In the salt business, the company is targeting 5-7% growth.

India Tea/Coffee

- India Tea volumes grew 2%, but revenue declined 4% as the benefit of lower tea cost was passed on to consumers. Minor disruptions are expected due to LPG issues and a very hot summer.
- Coffee business grew 24% YoY during the quarter.
- ~7-10% inflation was witnessed in tea, but the company will decide pricing in ~15 days as buying goes up. Crops are looking good for Jul'26.
- As per publicly disclosed data and reports from distributors, the company has gained market share in relative terms.
- If tea prices shoot up due to El Nino, pass-through is likely. Margins will be maintained.

Salt

- The business reported 7% revenue growth, led by 7% volume growth.
- Calibrated price increases were undertaken to offset input cost inflation. Prices were increased in Jun'26.
- Orange bags pricing increased from INR30 to INR32.
- Value-added salts delivered volume growth of 13% YoY.
- The company is targeting 5-7% growth in this business.

Growth businesses

- Growth businesses grew 47% YoY and scaled to 36% of the India business.
- Tata Sampann's revenue rose 58% YoY, led by strong performance in dry fruits, cold-pressed oils, and core pulses and spices. The company strengthened category presence by building a complete whole spices portfolio.
- Dry fruits and cold-pressed oils have boosted the Sampann business growth, as the core portfolio grew ~30%. The 6-7b pulses business represents only a small share of the entire pulses market.
- RTD revenue rose 41% YoY, driven by 35% volume growth. The company introduced two variants under Kombucha Zero to strengthen the zero-sugar beverages portfolio. Broad-based growth across the portfolio, with continued pursuit of premiumization and innovation.
- Capital goods revenue grew 40% YoY and Organic India revenue rose 27% YoY. Both domestic and export businesses performed well. Health and Wellness and Convenience focused launches continue to expand the addressable market and drive category growth. GTM restructuring initiatives to drive focus are showing encouraging early results
- For both Organic India and Capital Foods, most of the manufacturing is done in-house. IP is also done by the company itself, though some third parties may sometimes be approached. RTD is primarily done by co-packers. The company carries out significant outsourcing for Sampann. However, it remains open to incurring capex if bringing production in-house makes financial sense.
- Going forward, cost inflation will be passed on to customers, ensuring margin gains.
- Blended spices have regional taste;

- The water business is likely to continue witnessing margin gains, driven by improving utilization, an increasing mix of value-added water products, a growing share of Capital Foods, and operational leverage.
- The company has water availability across 75% of the country, while its actual distribution is limited to ~40-50%. The water business is mostly concentrated in the South and some parts of the North, providing ample headroom for expansion.
- It expects significant premium launches in Tata Soulful over the next 3-6 months. Muesli is currently its top-performing product, primarily sold through modern trade and online channels.
- The company expects to launch cup noodles, chilly oils, and Korean noodles soon.
- Organic pulses are witnessing aggressive expansion, with favorable outcomes expected in the coming months.

Tata Starbucks

- Revenue grew 11% YoY, recording a healthy SSSG. Excluding the low base YoY, it recorded mid-single-digit SSSG.
- Strong operating leverage drove margin expansion.
- The company opened four new cafés, including two Reserve stores in Kolkata and New Delhi, strengthening the premium portfolio.
- It relaunched Starbucks Rewards to drive engagement and visit frequency.
- The total store network stands at 498.

Non-branded business

- Revenue declined 7% (10% in CC terms) as a sharp fall in global coffee prices impacted realizations (Average Robusta prices down 26%).
- Proactive hedging helped mitigate some impact of coffee price corrections, while strong execution supported volumes.

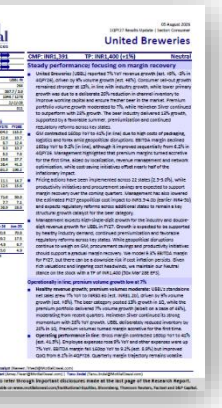
International operations

- International business grew 16% (3% in CC terms), with the US business delivering 7% CC growth.
- US business: Delivered 7% CC growth. Margins are expanding as coffee prices are normalizing.
- UK business: Declined 2% CC, impacted by an intense summer, which drove a slowdown in the everyday black tea category.
- Teapigs and Good Earth continue to gain share in the attractive Specialty and Fruit and Herbal segments.
- Canada revenue remained flat; however, value share improved across regular and specialty, driven by strong execution.

Other highlights

- 14 new products were launched during the quarter, and the company has a robust pipeline for the remaining fiscal year.
- Adjusted EPS stands at INR4.67 (v/s INR3.73 YoY).
- Indian business margin is expected to expand, excluding the salt business.
- The company has stepped up A&P in India. A&P to sales stood at 6.1% in 1QFY27.
- Key growth drivers - Full price impact taken, recovery in the US coffee business as price stabilizes, and continued operational efficiencies.

Click below for
Detailed Concall Transcript &
Results Update



United Breweries — Neutral

Current Price INR 1,353

Demand environment

- Beer industry volumes grew ~13% YoY in 1QFY27, supported by a favorable summer and continued premiumization.
- Management believes the industry is entering a structural growth phase, driven by increasing regulatory differentiation between beer and spirits.
- Karnataka's ABV-based taxation reform continues to drive category growth (30-35%, exceeding 50% in recent months).
- Maharashtra maintained 20%+ category growth, while Jharkhand (retail privatization) and Andhra Pradesh also witnessed healthy momentum.
- Management believes recent category growth is increasingly being driven by policy reforms rather than weather alone.
- Several states are evaluating Karnataka-like reforms, although discussions remain at an early stage.
- Tier II and Tier III markets continue to emerge as attractive long-term growth opportunities through targeted activations and retail expansion.
- Management expects beer demand to remain healthy, supported by premiumization and favorable regulatory reforms.
- The company continues to target double-digit revenue growth, market share gains and further premiumization.
- Pricing actions, productivity initiatives and procurement savings are expected to support margin recovery over the coming quarters.
- Capacity expansion and localization will continue in markets with strong long-term demand visibility.

Business and operating performance

- 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.
- Working capital improved 38% YoY, supported by inventory optimization.
- Management has reiterated its focus on profitable growth, prioritizing profitability and cash generation over volumes.
- The company balanced healthy volume growth, margin protection and stronger cash generation despite elevated cost pressures.

Premiumization and brand performance

- Premium portfolio volumes grew 7% YoY, while Heineken Silver volumes increased 28% YoY.
- Premium margins turned accretive for the first time, aided by localization, improved revenue management and network optimization.
- Premium contributes 10-11% of revenue, with management targeting ~20% over the longer term.
- Kingfisher Ultra remained the key premium growth driver.
- Consumer brand health improved across Kingfisher, Kingfisher Ultra and Heineken, supported by continued marketing investments.

Innovation

- Kingfisher Strong Smooth continued gaining market share, driven by rising consumer preference for smoother beer.

- Heineken Silver expanded into additional markets, including Kerala and Haryana.
- The company continues investing in craft beer and maintains a healthy innovation pipeline focused on expanding beer consumption occasions.
- Management highlighted innovation as a key lever to improve consumer retention and premiumization.

State-wise performance and regulatory developments

- Karnataka remained the strongest market following ABV-based taxation reforms, with category growth accelerating significantly.
- Maharashtra continued to deliver robust growth, supported by favorable regulatory changes and affordability trends.
- Jharkhand's retail privatization continues to expand category size, while Andhra Pradesh maintained healthy momentum.
- Haryana remained challenging as the company reduced trade discounts to protect profitability amid aggressive competitive pricing.
- West Bengal remained weak due to high logistics costs; local capacity additions are expected to improve competitiveness over the coming months.
- Management expects policy reforms in other states to remain a key long-term growth catalyst.

Pricing

- Pricing actions have been implemented across 22 states, with weighted average price increases of ~2.5-3.0%.
- Revenue management initiatives included price laddering, trade-spend optimization and SKU mix improvement.
- Management reiterated that pricing discipline remains critical given high input costs and the structurally low-margin nature of the beer business.
- Commercial investments continue to be allocated selectively to profitable markets.

Cost and margins

- The Middle East conflict created an estimated 300bp margin headwind through higher packaging, logistics, forex and supply-chain costs.
- Gross margin declined 155bp YoY to 41%.
- Recovery initiatives contributed over INR500m, offsetting roughly half of the inflationary impact through pricing, procurement and productivity initiatives.
- Management revised the FY27 geopolitical cost impact to INR3.5-4.0b from the earlier estimate of INR4-5b.

Cash flow and working capital

- Cash generation remained a priority amid heightened geopolitical uncertainty.
- Channel inventory was reduced by ~20% YoY, improving working capital and ensuring fresher beer in the market.
- Inventory optimization contributed to a 38% YoY improvement in working capital.

Capacity

- Successfully closed the Punjab brewery and transitioned production to ABB partnership to improve long-term profitability.
- Commissioned a new can line in Telangana and completed brownfield can-line expansions in Maharashtra and Telangana.
- Greenfield brewery in Uttar Pradesh remains on track.

- Continued localization of premium production and network optimization to improve asset utilization and returns.
- Management will continue to balance owned breweries with contract manufacturing based on demand and ROCE.

Contract manufacturing

- Contract manufacturing volumes continued to grow ahead of the company's overall volume growth.
- Higher contribution from contract brewing impacted reported revenue growth due to accounting treatment, although underlying price/mix remained positive (~4%).
- Management reiterated that the hybrid model of owned breweries and contract manufacturing remains the preferred long-term strategy.
- Future capacity additions will depend on state growth potential, policy stability and capital returns.

United Spirits — Neutral

Current Price INR 1,520

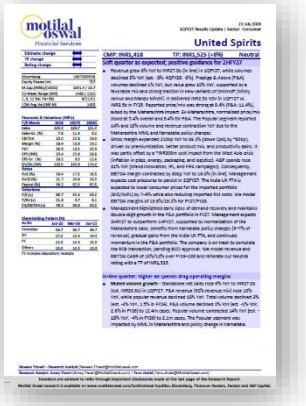
Demand environment

- There has been no sequential deterioration in Maharashtra, and management expects business to normalize once the company laps the high base in 2HFY27.
- The Popular segment (<10% of revenue) was impacted by the Maharashtra policy changes. However, the Karnataka policy changes were favourable for the P&A portfolio, providing some benefit during the quarter.
- Management highlighted that the reported price/mix growth was elevated due to the Maharashtra impact. Reported overall price/mix stood at 9.4% (P&A: 11.4%), while ex-Maharashtra, normalized price/mix was 5.4% overall and 8.4% for P&A.
- Management remains confident that 2HFY27 will be stronger than 1HFY27, supported by: 1) Maharashtra policy impact becoming part of the base, 2) benefits from the Karnataka policy changes, 3) gradual realization of benefits from the India–UK FTA, and 4) ongoing momentum in the P&A portfolio.
- The company reiterated its long-term growth guidance and continues to target 5-6% volume growth and 6-7% price/mix growth in the P&A portfolio, which should support double-digit revenue growth.
- Management highlighted that premium demand continues to remain healthy across most markets, although inflation, the West Asia situation and AI-led employment uncertainty could affect consumer sentiment in some pockets.
- Management undertook a broader organizational restructuring during the quarter by reducing management layers, increasing automation, and simplifying the organizational structure to improve execution speed and operational efficiency.

Cost and Margins

- The company absorbed ~INR300m cost impact during the quarter due to the West Asia crisis. Inflationary pressure persisted in the glass, energy, packaging, and logistics costs.
- Management indicated that the cost pressures seen during 1QFY27 are likely to continue into 2QFY27.

Click below for Detailed Concall Transcript & Results Update



- A&P spends increased to 11.3% of net sales during the quarter, driven by a heavy innovation and renovation calendar, IPL and FIFA-related campaigns, and continued investments behind the premium portfolio.
- Management maintained its full year A&P guidance of 10.5–11% of net sales.
- Management indicated that price hikes across states have remained limited during the quarter. It believes the implementation of the India–UK FTA has reduced the need for aggressive pricing actions in the near term.
- Management indicated that if crude prices remain significantly elevated for a prolonged period, the company would evaluate additional mitigation measures, including seeking price revisions from state governments where feasible.

Royal Challengers transactions

- The CCI approval has already been received for the Royal Challengers Sports transaction, while approvals from BCCI and other regulatory authorities are expected over the next 60–90 days.
- The company remains on track to complete the transaction within the previously guided 6 to 7 month timeline during Mar'26.

Industry & regulatory updates

- The Karnataka policy changes have already started benefiting the business, with June witnessing the first full month of implementation.
- Karnataka contributes 6-7% of the company P&A portfolio in value terms. Following the policy changes, prices of P&A products have reduced by 10–15%, while prices in the Popular segment have increased.
- Management stated that the Maharashtra made liquor market has now largely stabilized after the disruption caused by the policy changes.
- The MML category is currently witnessing stable monthly volumes of around 0.8-1.0m cases, with management noting that volumes have remained broadly unchanged over the past 4-5 months.
- The company reiterated that the legal proceedings regarding the Maharashtra policy are under judice, and the industry continues to pursue the matter through the industry association.

India-UK FTA

- The India–UK FTA is now operational, and the company has already cleared its first Scotch shipment at the concessional import duty. However, the financial benefits will not be immediate, as there is 60–70 days of inventory already present across state corporations, distributors and wholesalers.
- Management expects the benefit to start reflecting in the business from early October onwards.
- While lower import duties will reduce the cost of imported Scotch, management cautioned that part of the benefit could be offset by rupee depreciation and normal sourcing inflation, and therefore the net benefit may be lower than the headline duty reduction.
- Management indicated that the weighted average consumer price reduction for the imported (BIO/IMFL) portfolio is expected to be 7–9%, although the reduction could be higher in **some states depending on local taxation structures.**

Brand performance

- Royal Challenge crossed the 10m case milestone on a TTM basis. The brand continues to gain market share through strong consumer recruitment and remains confident of sustaining the growth momentum.
- Signature crossed INR10b NSV on TTM, becoming the fourth brand to achieve this milestone after McDowell's No.1, Royal Challenge and Johnnie Walker.
- Smirnoff delivered ~INR2.5b NSV in 1QFY27 vs INR3.5b in FY26. It was led by the strong success of the Minty Jamun and Mango Mirchi variants.
- Management highlighted that the success of Minty Jamun has created a new flavour trend in the market, with several brands across alcohol and adjacent categories launching similar Jamun-based products. The innovation has also helped improve demand for Smirnoff's core variants.
- The company has several new product innovations under development through The Good Craft Company, which will support future growth.
- The renovated McDowell's blend has been launched in Uttar Pradesh, Rajasthan, and Haryana. Initial consumer feedback has been encouraging, and the company plans to roll out the new blend across ~85% of key markets before the festive season.
- Royal Challenge continued to perform well during the quarter, supported by the 180ml pack, IPL advertising, and retail activations across around 8,000 outlets.
- Management acknowledged that brands such as Imperial Blue, Iconiq White, McDowell's No.1, and Royal Challenge all compete for the same consumer. To strengthen its position, the company has undertaken the McDowell's No.1 renovation, which is aimed at improving the brand's competitiveness within this broader segment.

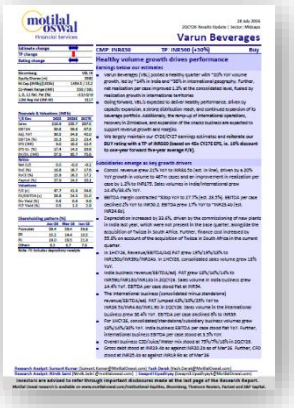
Varun Beverages — Buy

Current Price INR 433

Operating performance

- VBL's sales volume grew ~20% YoY in 2QCY26, driven by volume growth of ~14% in India and ~38% in International market.
- International volumes include 11.8m cases during the quarter from the acquisition of Twizza in South Africa.
- Realization per case - Beverages improved by ~1.2% at the consol. Level, with improved realizations in international territories.
- Gross margins expanded by 44 bp to 55% in 2QCY26, with a higher mix of the International business.
- EBITDA margin contracted ~80bp YoY due to lower margins in the Twizza business.
- Depreciation increased by 33.6% on account of the commissioning of new plants in India last year, which were not present in the base quarter, alongside the acquisition of Twizza in South Africa.
- Finance cost increased by 55.8% on account of the acquisition of Twizza in South Africa in the current quarter. The income on surplus cash in India is accounted as other income.
- Juice, value-added diary, and hydration have been high-growth segments for the company.
- Nimbooz ~30% growth; VAD 40% growth.

Click below for Detailed Concall Transcript & Results Update



Guidance and outlook

- RMs for 3Q have been largely sourced, with continuous price averaging underway. As prices remain below current trading prices, the overall effect might be limited. Pricing flows through the P/L based on average prices.
- July is continuing with a strong trend.
- Margins were maintained by the company even during turbulent times.
- The company struck off the word 'Energy', due to which a temporary dip was seen and volumes were shifted to CSD. However, volumes are now recovering.

India business

- The business reported healthy volume growth in 20s since the onset of the season, i.e., from Mar onwards except for the month of Apr, which remained flat.
- INR10 products were not scaled significantly as they are not much profitable and currently are not a big mix. The company is delivering ~20% growth so it is not interested in fighting at lower price points.
- Campa is competing in low pricing points and is also expanding territories.
- Pack sizes are changed frequently in the normal business course. Benefits are passed on to customers.
- Expanded manufacturing footprint, extensive distribution network, and continued investments in chilling infrastructure continued to drive growth.
- Early stocking of key raw materials and savings in sugar consumption with higher mix of low sugar/no sugar products helped the business maintain gross margins despite the high inflationary raw material environment.
- EBITDA margins expanded by ~40bp, driven by operational efficiencies from healthy volume growth, which were partially offset by higher other expenses, primarily transportation and distribution costs

International business

- Healthy growth with volumes increasing ~38% YoY.
- Twizza, in South Africa, helped the company overcome capacity constraints while strengthening its manufacturing footprint and route-to-market capabilities in South Africa.
- Realizations marked an improvement.
- All countries except for Zambia are growing fast. Zimbabwe has also recovered post issues relating to sugar tax.
- Food distribution is growing ~50% YoY.

Capex

- During 1HCY26, the net capitalized capex amounted to INR9.5b.
- CWIP of INR4.9b was primarily towards expansion in South Africa and a CSD line in Kenya.

Agreement with PepsiCo

- The company extended the exclusive bottling and trademark licence agreement with PepsiCo in India until Apr'CY49 (earlier CY39), which removed the earlier restriction requiring VBL to operate solely as an SPV for PepsiCo's business.
- The company is strengthening long-term partnership and creating greater operational flexibility to pursue opportunities that can deliver scale and synergies.

CALPIS brand

- The company has formed a strategic alliance with Asahi Group Holdings to introduce the iconic CALPIS brand in India, marking entry into the value-added fermented dairy beverage category.
- Product portfolio: Concentrate and RTD.
- VBL plans to launch CALPIS in India with Original and Mango variants.
- The company is strengthening the brand's manufacturing capability by leveraging Japanese technology.

Devyani Foods Kenya

- VBL Kenya has entered into an agreement to acquire the business of Devyani Foods Kenya for a consideration of USD32m (~INR3.1b).
- Devyani Kenya has net revenue of ~INR3b (FY26) for value-added dairy, juices, packaged drinking water, etc.
- DFIKL also has an existing GTM infrastructure in place in Kenya for CSD and soft drinks.

Others

- The BOD approved an interim dividend of INR0.5 per share.
- In 1HCY26, the mix of low sugar/no sugar products increased to ~73% of consolidated sales volumes. Major portfolio is zero/low sugar.
- Net debt stood at INR3730m; debt was due to the Twizza acquisition.
- The company is hiring for new ventures and is currently shifting its focus away from Bira products.
- The industry is expected to grow ~20%.
- The El-Nino effect has changed seasonality patterns.
- Cans accounts for a small proportion (~1-2%) of the entire business.

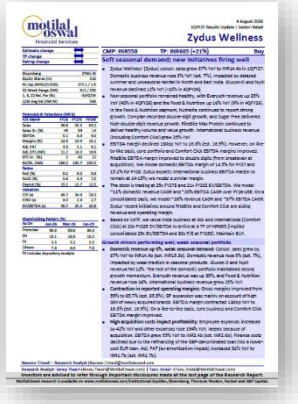
Zydus Wellness — Buy

Current Price INR 493

Business Environment

- Management attributed the 12% decline in the summer portfolio primarily to unseasonal rainfall in the East, which is the most important market for both Glucon-D and Nycil.
- Glucon-D reported flat sales, with double-digit growth in the West and South being offset by weather-related weakness in the East.
- Nycil was impacted by both unseasonal rainfall and higher retailer inventory, particularly in the North and East, resulting in weaker primary sales despite healthy demand in the West and South.
- Management highlighted that both Glucon-D and Nycil witnessed improving growth momentum during the latter part of the quarter, and expects a more positive performance over the remainder of FY27.
- The company has launched multiple innovations for Complan, Sugar Free, Max Protein, Glucon-D and Nutralite over the last few quarters.
- Management does not expect the weak summer season to create an inventory overhang next year, noting that inventory levels in the company's distribution system are broadly in line with or lower than last year.
- Given the three-year shelf life of its summer products, management believes any excess inventory can be absorbed over time without materially impacting the next season.

Click below for Detailed Concall Transcript & Results Update



Cost and tax

- Effective tax rate stood at ~27% in 1QFY27, primarily due to disallowances under the UK capitalization rules.
- The company expects its FY27 effective tax rate to remain around 25%, although the cash tax outflow will be lower.
- From FY28 onward, management expects the entire 25% effective tax rate to translate into cash tax payments.
- Finance costs declined during the quarter due to the refinancing of the GBP-denominated loan into a lower-cost EUR loan, and management expects interest expenses to remain broadly at current levels, subject to movements in EUR benchmark rates.

Comfort Click

- Management reiterated that Comfort Click has been EPS-accretive since 4QFY26, with profitability continuing to improve in 1QFY27.
- All support functions for the international business continue to be based in India, despite expanding its presence in the US and the Middle East.
- Comfort Click portfolio is entirely OTC (over-the-counter), with none of its products requiring a doctor's prescription.
- The company believes any incremental demand arising from the growing adoption of GLP-1 weight-loss therapies is likely to benefit its portfolio, given its focus on vitamins, supplements and wellness products that support consumers' broader health and nutrition needs.
- The company continued to expand its international footprint through the launch of the WeightWorld D2C platform in the US, expansion into Walmart Marketplace, and further growth across the Middle East.
- Management indicated that the US business remains relatively smaller but is growing in line with expectations, while Europe continues to be the primary contributor.

RiteBite

- Max Protein continues to grow at more than double its historical growth rate, driven by higher brand investments, wider distribution and continued portfolio innovation.
- While the core portfolio continues to contribute the majority of revenue, the company has successfully expanded into new categories such as wafer protein bars, Roots nutrition bars, protein chips, ready-to-drink beverages and an expanded cookies portfolio.
- Zydus saw encouraging traction across Tier-2 and Tier-3 cities, supported by deeper distribution and improving consumer acceptance.

Complan

- The company has strengthened the brand through celebrity endorsements, expansion into specialized nutrition categories such as toddler nutrition and adult nutrition (Vmax and Vmax Diabetes Care), and entry into the ready-to-drink (RTD) nutrition segment with Complan Power Play.
- Management believes these initiatives are collectively improving consumer acceptance and helping Complan outperform the broader nutrition category despite industry headwinds.

- Growth continues to be primarily driven by the kids' nutrition business, which remains the largest contributor to the brand, while newer nutrition segments are providing incremental support.

Everyuth

- Management continues to see significant headroom for growth within the facial cleansing category, which remains the brand's primary strategic focus.
- The company is expanding the portfolio through new propositions such as tan removal and anti-pollution while continuing to strengthen its core offerings across scrubs, peel-off masks and face washes.
- Management indicated that it is selectively exploring adjacent skincare categories, but intends to scale up them gradually while prioritizing profitable growth in its core facial cleansing business.

CONSUMER DURABLES



- **Management views remained positive on domestic C&W demand, supported by power T&D, data centers, renewables, EVs, and infrastructure, while exports have been recovering from the Middle East disruptions, with a healthy global order book. In UCP, RAC primary volumes grew ~20–22% YoY and value ~25–26%, while costs increased ~10–12% due to BEE rating changes, commodity inflation, rupee depreciation, and higher freight costs; most of the cost inflation was passed through via price hikes. Other categories, including fans, lighting, switches, switchgears, conduits, and pipes & fittings, also delivered healthy growth, supported by sustained real estate and construction demand. New product launches, portfolio expansion, and continued investments in market development further reinforced growth.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Insights and future outlook	Capex plans
Blue Star	▪ RAC industry grew ~21% YoY in volume and ~25% in value in 1QFY27, while BLSTR delivered ~18% volume and ~21% revenue growth. Only ~5% of the planned ~13% cost inflation was passed through due to delayed summer and competitive pricing. ▪ It targets ~6.5% UCP EBIT margin in FY27, focusing on portfolio optimization to improve profitability while maintaining market share. Its long-term margin aspiration remains 7–7.5%.	▪ It remains confident on B2B growth, supported by a healthy order book, but remains cautious on FY27 amid West Asia uncertainties, volatile commodity prices and currency movements. ▪ It incurred INR600–700m capex in 1QFY27 and maintained its FY27 growth capex guidance of INR3.0–3.5b, covering manufacturing, R&D/product development, and digital initiatives.
Crompton	▪ Management highlighted commodity volatility and supply disruptions, with price hikes of high-single to low-double digits covering ~80% of inflation. The hikes have been well accepted, and no major further increases are currently expected, supported by cost savings and operating leverage. ▪ Demand remained healthy, with price hikes only delaying purchases rather than affecting underlying demand. Crompton will maintain its disciplined pricing and lean inventory strategy despite temporary supply disruptions.	▪ The wire business has been launched across 14 towns/ cities in Tamil Nadu and Karnataka and remains at an early stage. Crompton will continue with an asset-light outsourcing model rather than setting up dedicated manufacturing. ▪ It plans to invest INR3.5b in a greenfield manufacturing and integrated warehousing facility over the next 2–3 years. The first phase of its brand transformation will be unveiled in Aug'26, followed by new product launches over the next 3–4 months.
Havells	▪ Lloyd and ECD remained the most volatile businesses, with staggered price hikes of ~7–8% across the portfolio and up to ~20% in copper/aluminium-intensive categories. Most hikes have been implemented, with benefits expected from 2QFY27. ▪ It remains positive on the long-term C&W outlook, supported by investments in capacity, brand and distribution. Contribution margins are likely to stabilize as pricing catches up with input costs, with double-digit operating margins expected in normal quarters.	▪ It indicated that the quarter has started on a positive note, with business momentum expected to continue. Besides periodic price increases, profitability improvement is expected to be driven by a richer product mix and faster growth in higher-margin categories. ▪ Capex was pegged at INR8.0b for the cables business, INR2.0b was marked for establishing a new R&D center, and the balance was allocated to other businesses.
Polycab	▪ It remains constructive on domestic W&C demand, supported by renewable energy, T&D, private capex, railways, manufacturing and other structural drivers. Data centers, defense, and EV charging offer additional growth opportunities, with demand expected to remain strong over the next 2–3 years. ▪ W&C margins improved sequentially on better product mix and operational efficiencies, with the 11–13% medium-term EBITDA margin guidance retained. Copper and aluminium price corrections have affected channel stocking, with a ~3–4% decline in prices expected to gradually support volumes	▪ It has secured optical fiber requirements for the BharatNet execution period, insulating it from recent fiber price increases. BharatNet's execution is expected to accelerate, with INR8–10b revenue targeted in FY27; the EPC order book, including BharatNet and DSS, stands at INR109b. ▪ Capex stood at INR3.2b during the quarter, while the INR80b BharatNet project provides strong medium-term revenue visibility, with ~INR45b of execution spread over three years.
KEI Inds	▪ Existing wire and flexible cable capacity can support 2–3 years of growth, with strong domestic/export demand and an expanding portfolio driving 20%+ medium-term growth. Demand remains robust across T&D, data centers, renewables, EVs, railways, and infrastructure. ▪ Operating leverage, better product mix, higher EHV and retail contribution (~59%), and higher-margin exports should support 11–12% operating margins, while the	▪ 1QFY27 capex stood at INR1.8b, with another INR3b planned for 9MFY27. Annual capex is expected at INR6b–7b over the next 3–4 years, mainly to expand LV/MV cable capacity. ▪ The board approved a INR7b greenfield plant at Salarpur, with commissioning expected within two years. FY27 spending includes INR3b for Sanand completion and INR3b–3.5b for Salarpur, while future

	company remains focused on disciplined growth without sacrificing market share.	EHV expansion will be undertaken at Sanand as demand scales.
RR Kabel	▪ Demand remained healthy across infrastructure, construction, industrial and power applications, with C&W driving growth across domestic and export markets. The Middle East exports were temporarily hit but normalized during May–Jun'26, while stronger demand from other markets offset the weakness. Data centers remain an emerging opportunity, with initial conventional cable orders received as the company focuses on customer acquisition. ▪ Margin improvement is being driven by operating leverage, better fixed-cost absorption, product mix and cost optimization. The company aims for double-digit EBITDA margins in W&C over time, while maintaining its FY28 EBITDA margin guidance of ~10.5%.	▪ Silvassa wire capacity will be commissioned in the current quarter, followed by Waghodia cable capacity later in FY27. The INR12b capex plan remains on track, with ~80% focused on cables; INR6.0–6.5b is expected in FY27 vs INR3b in FY26. ▪ Expansion remains focused on power cables and higher-value HV/specialized products, with cable utilization at ~90% and wire utilization at ~65%–70%, providing scope to support growth and improve the product mix.
Voltas	▪ RAC volumes grew ~44% YoY and value ~50% in 1QFY27, significantly ahead of industry growth, with market share rising to 17.3% vs. 15.9% in FY26 and the lead over the nearest competitor widening to 4pp. ▪ RAC costs increased ~10–12% due to BEE rating changes, commodity inflation and higher freight costs; the company passed through most of the cost increase through calibrated price hikes.	▪ It entered a proposed 50:50 JV with Atomberg to develop and manufacture high-efficiency RAC compressors in India, aimed at reducing import dependence and strengthening supply security, while EMPS continued to secure selective, value-accretive orders across key infrastructure segments. ▪ EMPS carry-forward order book stood at over INR63.5b as of Jun'26.
LG Electronics	▪ Broad-based double-digit growth was supported by premiumization, calibrated price hikes and operating leverage, driving margin expansion despite input-cost pressures. ▪ Management remains positive on near-term demand, with monsoon and festive stocking supporting growth, and remains confident of sustaining a ~20% growth trajectory.	▪ Sri City plant remains on track, with compressor production in 3QFY27 and RAC production in 4QFY27; the ~INR50b investment is expected to nearly double manufacturing capacity and deepen localization. ▪ Management sees data centers as a key long-term B2B opportunity, with an established presence in mid-scale projects and potential to expand into the larger hyperscale segment.
KEI Inds	▪ In 4Q, Domestic institutional cable (B2B) sales grew modestly by ~6% YoY to INR8b, while extra high voltage cable (B2B) sales witnessed sharp growth of ~64% YoY to INR1.9b, indicating strong traction in high-value projects. ▪ It expects volume growth of ~17%–18% in FY27, backed by incremental capacity from its Sanand facility for cables. Margin is expected to remain stable (~10.5%–11%); further improvement is likely from FY28 onward as economies of scale kick in with full utilization of the Sanand facility.	▪ It outlined plans to invest cumulative INR20.0b over the next 3–4 years, including land acquisition in Baroda. This investment will be largely funded through internal accruals, with a disciplined allocation framework wherein ~60–70% of operating cash flows will be directed toward capex and the remaining ~30–40% toward incremental working capital needs.
RR Kabel	▪ Volume growth in wires was in single digits, while cables grew in the high teens. Export volumes were slightly higher than domestic volumes during the quarter, with the management remaining confident of sustaining ~16%–18% volume growth in FY27 and expecting growth to remain better than industry levels. ▪ The company continues to focus on scaling its B2B business, particularly in cables, where growth is expected to be stronger than in wires. While wire growth is expected to remain at ~11%–12%, cable volumes are expected to grow at ~25% over the next two years	▪ The company's INR12b capex program for FY26–FY28 is progressing as planned and is primarily focused on expanding cable capacity, along with wire capacity enhancement and operating efficiency improvements. INR3.5b was invested in FY26, while the majority of the capex is expected to be deployed during FY27. ▪ The capex will also enable the company to expand manufacturing capability from 66kV to 220kV cables, strengthening its presence in higher-value cable categories and improving delivery speed, operating leverage, and execution capabilities in the B2B business.
Voltas	▪ During 4Q, ~5% price increase was implemented in 3-star RACs and ~10% in 5-star RACs, for the BEE rating changes, followed by another ~2% increase due to commodity inflation. ▪ It remains optimistic on FY27 demand across cooling and appliances, supported by stronger consumer sentiment, premiumization and infrastructure demand. April and May showed strong traction with faster secondaries, healthy primary recovery and good absorption of higher-priced inventory, with 1QFY27 expected to be strong.	▪ The RAC industry witnessed a ~10-12% decline in FY26, with primary sales at 14.3m units. VOLT sold 2.25m units and maintained market leadership with a ~5% gap over peers. It expects RAC industry growth of ~15-20% in FY27, supported by a weak base and stronger summer demand. Commercial refrigeration declined ~5% in FY26 but is likely to grow ~10%+ in FY27. CAC will grow ~12-15%, driven by manufacturing and infrastructure demand. ▪ EMP order book stood at INR62b as of Mar'26, including INR45b from domestic projects.

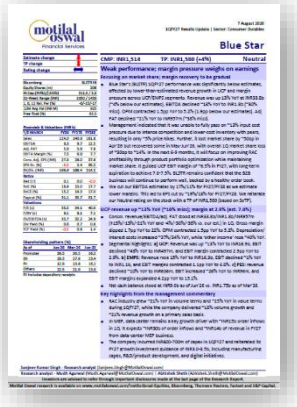
LG Electronics

- 4QFY26 saw broad-based demand growth, led by H&A. Premium categories such as fully automatic washing machines, French-door refrigerators and 5-star RACs performed strongly, driving higher ASPs and richer mix. It also crossed the 1m RAC sales milestone during FY26.
- It indicated that AC demand momentum strengthened significantly during AprMay'26, supported by heatwave conditions and India's low AC penetration of ~13%, which continues to offer a large long-term growth opportunity. It is guiding for mid-teen revenue growth and early double-digit EBITDA margins in FY27.
- FY26 capex stood at ~INR5.51b for existing operations. For the Sri City plant, it has committed ~INR50b over the next few years, with ~INR6.57b already deployed as of FY26 for construction and machinery.
- The company's localization level reached 55.2% in FY26, up by 140bp YoY. It targets annual localization improvement of ~1-2pp going forward.

BLUE STAR

Click below for Detailed Concall Transcript & Results Update





Blue Star — Neutral

Current Price INR 1,498

Unitary cooling products (UCP)

- It estimated the RAC industry grew ~21% YoY in volume terms and ~25% YoY in value terms during 1QFY27, while the company delivered ~18% volume growth and ~21% revenue growth on a primary sales basis.
- It had planned to pass on ~13% cost inflation through price hikes at the start of the season but was able to implement only ~5%, as the delayed onset of summer weakened demand and intensified competitive pricing.
- Competitive pricing by peers, supported by lower-cost inventory, limited the industry's ability to raise prices despite higher commodity costs.
- It prioritized market share over margins, aligning prices with prevailing market levels and increasing consumer promotional spending. Consequently, its RAC market share declined 50bp in April, but recovered with gains of 10bp in May and 50bp in June, limiting the overall 1QFY27 market share loss to 30bp. It expects to close the period with a market share of ~14% (vs. 14.25% earlier).
- It prioritized protecting market share by increasing spending on consumer finance schemes, dealer incentives, advertising, and field marketing to accelerate secondary and tertiary sales.
- Although commodity costs remain elevated, it expects industry-wide price increases in the coming quarters, which should help restore margins as pricing gradually catches up with input cost inflation.
- It expects industry-wide price realization to improve as low-cost inventory across the industry gets exhausted, which should support a gradual recovery in operating margins.
- Channel inventory remains elevated but is not at alarming levels, as demand weakened sharply after mid-June following an earlier-than-expected end to the summer season. Inventory normalization is expected to begin ahead of the Onam festival in Kerala and accelerate during Ganesh Chaturthi.
- It noted that trad e inventory of 45-50 days is considered normal, although overall inventory levels appear higher due to stocks held at both its warehouses and dealer channels. High inventory was largely driven by pre-season stocking in anticipation of a longer summer, which did not materialize.
- It is undertaking comprehensive product portfolio rationalization and cost-saving initiatives, including greater use of alternate components, outsourcing of select models and product redesign, with a focus on competitive entry-level products. It aims to position ~90% of its portfolio at competitive price points while retaining its premium brand positioning, supporting sequential margin improvement in 2Q and a stronger recovery in 2HFY27.

- It guided for UCP EBIT margin of ~6.5% in FY27. The near-term focus remains on balancing market share and profitability; the focus will gradually shift from defending market share to improving margins through portfolio optimization.
- The commercial refrigeration business declined during the current quarter as demand for deep freezers from ice cream OEMs was muted, while it maintained market share. It expects demand to pick up during the festive season.
- Over the next 6-9 months, BLSTR will focus on improving RAC profitability through product portfolio optimization while maintaining market share. Although the long-term aspiration is to achieve 7-7.5% UCP segment EBIT margin, it believes a ~6.5% margin in FY27 is a more realistic target given the uncertainty around commodity prices, exchange rates, and the competitive environment.

Electro-mechanical projects and services

- Revenue grew 15.1% YoY, while EBIT margin contracted 112bp YoY, primarily due to high commodity prices and adverse currency movements. However, it guided for margin of 6.5-7.0%.
- The Data Center MEP business continues to be a key growth driver, with INR15b of order inflows in 1QFY27, taking the total order book to INR77b as of Jun'26. It expects FY27 order inflows of INR30b from Data Center MEP projects, translating into ~INR14b of revenue. It is targeting revenue contribution of INR40b (~20% of revenue) from the Data Center MEP business by FY29.
- All key product categories like ducted, VRF and chillers registered growth during the quarter from the inquiries and order inflow. Growth outlook for the rest of the year appears reasonably good. However, higher commodity prices and a depreciating currency will continue to put pressure on margins in this business.
- It remains confident that the B2B business will continue to perform well, backed by a healthy order book.

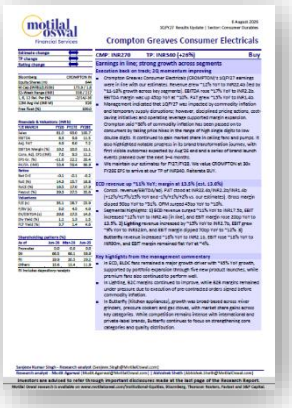
Outlook and other highlights

- It remains cautious on FY27 given West Asia-related uncertainties, volatile commodity prices and currency movements, but is confident about the medium-term HVAC industry outlook.
- BLSTR incurred INR600-700m of capex in 1QFY27 and reiterated its FY27 growth investment guidance of INR3.0-3.5b, including manufacturing capex, R&D/product development, and digital initiatives.

Crompton

Click below for Detailed Concall Transcript & Results Update





Crompton Greaves Consumer — Buy

Current Price INR 245

Demand and pricing

- Management highlighted that the quarter was marked by commodity price volatility and supply disruptions across multiple categories due to global events. It implemented price hikes ranging from high-single digits to low-double digits, covering nearly ~80% of inflationary pressure. It indicated that these hikes have now been well accepted by the market and does not foresee any major additional price increases currently, supported by cost-saving initiatives and operating leverage.
- Demand remained healthy during the quarter, and the price hikes only delayed purchases rather than impacting underlying demand. Crompton reiterated that it will continue to follow its disciplined pricing and lean inventory strategy, emphasizing that the temporary supply disruptions do not warrant any structural change to its working capital approach. Advertising and promotional spends are expected to remain similar to FY26 levels.

ECD segment

- ECD revenue grew despite supply shortages across multiple categories, particularly fans. It attributed INR2b of lost primary sales largely to supply constraints rather than weak demand.
- Its premiumization strategy continued to gain traction, as BLDC fan revenue grew, supported by focused portfolio interventions over the past four quarters and the launch of five new BLDC fan models during the quarter. It also continued to gain market share in ceiling fans.
- It expects the upcoming fan efficiency regulations to accelerate industry consolidation. Crompton is well positioned to gain market share, particularly in the entry-level segment, while premium induction fans are also witnessing encouraging traction.
- Pumps delivered strong growth with market share gains across various sub-categories, while domestic appliances registered double-digit growth, led by water heaters. The company has now achieved leadership in water heater volumes within the general trade channel.
- Despite commodity volatility and supply disruptions, pricing actions, operating leverage and cost management initiatives enabled the segment better margins.

Lighting segment

- Lighting revenue was driven by healthy growth across both B2B and B2C businesses. It reiterated that the lighting business has witnessed a structural improvement in growth trajectory over the past several quarters.
- B2C margins continued to improve during the quarter, while B2B margins remained under pressure due to pre-contracted project pricing that limited its ability to pass on higher input costs immediately. Growth could have been even stronger in the absence of temporary supply disruptions.

Butterfly Gandhimathi Appliances (BGAL)

- Growth was driven by healthy momentum across core channels and market share gains in mixer grinders, pressure cookers and glass-top cooktops. Core retail channels, including modern trade and e-commerce, continued to deliver ~20%+ growth during the quarter.

- Crompton highlighted that Butterfly's growth was driven by its core product portfolio rather than induction cooktops, unlike certain peers. Pressure cookers and glass-top cooktops outperformed competitors, while recently launched product portfolios and brand refresh initiatives have started contributing positively.
- It reiterated its strategy of focusing on core categories and sustainable channel expansion rather than pursuing episodic growth opportunities. The segment's performance was also impacted by lower institutional gas stove sales due to procurement delays by oil marketing companies.

Other highlights

- It continues to execute its INR5b solar rooftop order book, of which ~INR4.5b is expected to be executed over the next 6-8 months. Revenue recognition is linked to installations, with execution accelerating and a larger contribution expected from 2QFY27 onward. The company has also started receiving B2C rooftop solar orders.
- It stated that government payments for renewable projects have remained timely, while solar rooftop margins are comparable to the overall margin. Solar pump execution continues across multiple states, although heavy monsoons may temporarily impact installations.
- The wire business has been launched across 14 towns/cities in Tamil Nadu and Karnataka. Crompton reiterated that the business remains at an early stage and that it will continue with an asset-light outsourcing model rather than establishing a dedicated manufacturing facility.
- The company reiterated its disciplined capital allocation philosophy and plans to establish a greenfield manufacturing and integrated warehousing facility over the next 2-3 years, with investment of INR3.5b.
- Crompton announced that the first phase of its brand transformation program will be unveiled during Aug'26, followed by multiple product launches over the next 3-4 months.
- It strengthened its senior leadership team through key appointments across Home Electricals, Integrated Supply Chain, Sales, Lighting, Solar Rooftops, Wires and Kitchen Appliances.

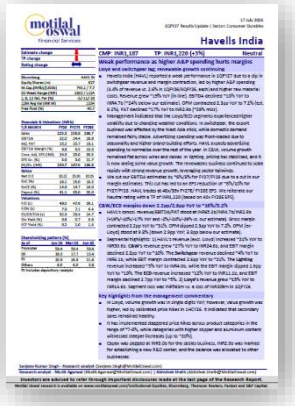
Havells India — Neutral

Current Price INR 1,278

Lloyd/Consumer Durables (ECD):

- Lloyd and the overall ECD business continued to experience the highest volatility across the portfolio.
- The company has implemented staggered price hikes, strengthened its distribution strategy, and focused on improving return on capital while protecting market share.
- It indicated that the company has gained market share despite pricing actions.
- Lloyd AC volumes registered single-digit growth, while value growth outpaced volume growth, aided by price increases.
- It reiterated that Lloyd's advertising strategy is focused on two objectives: maintaining strong consumer recall during the peak season and building a long-term premium brand image.

Click below for Detailed Concall Transcript & Results Update



- Elevated A&P spending for Lloyd is expected to continue over the next couple of years, as the company invests in communicating product quality, features, and premium positioning across categories.
- Higher advertising investments during 1QFY27 were not limited to seasonal products but also supported other product categories, with additional marketing activity expected during the festive season.

Advertising & Brand Investments

- Higher advertising spends in 1QFY27 reflect a strategic timing shift rather than a structural increase.
- Marketing investments were front-loaded due to the seasonal nature of products, with a reallocation between ATL and BTL spending across categories.
- A&P expenditure is expected to normalize over the remainder of the year. It intends to maintain advertising spend at its long-term average of ~2.7% of revenue. Advertising is viewed as a long-term investment supporting premiumization, value growth and market share gains.

Cables & Wires (C&W)

- Volume growth remained largely flat across both wires and cables during the quarter.
- In the domestic wires business, the company successfully protected contribution margins despite commodity price volatility through disciplined pricing and improved distribution strategy.
- It is shifting towards a sell-out-driven distribution model, strengthening retail demand rather than relying on channel inventory build-up.
- Temporary volume impact in wires during the quarter reflected falling commodity prices and channel adjustments rather than underlying demand weakness.
- The cables business continued to witness strong growth, supported by ongoing capacity expansion, with emphasizing that future growth being driven by sustained capacity additions.
- It remains positive on the long-term outlook for both cables and wires, supported by continued investments in manufacturing capacity, brand building and distribution.

Lighting

- Pricing has largely stabilized after a prolonged period of deflation, supporting a return to value-led growth. It expects the lighting business to transition from price-led pressure to healthier value growth.
- It indicated that price hikes could be undertaken in the coming quarters, primarily to offset rising electronic component costs.

Switchgear

- The international switchgear business was impacted during 1QFY27 due to geopolitical disruptions. International business accounted for ~15% of switchgear revenue in 1QFY27.
- It expects a strong recovery in international switchgear in 2QFY27, while domestic demand remains stable.

Renewables

- The renewable energy business continues to maintain healthy margins despite an adverse product mix.

- Solar pump contribution remains insignificant currently, but is expected to improve in the coming quarters.
- Higher contribution from solar panels (lower-margin products) impacted margins; increasing mix of inverters and consumer-focused products should support margin improvement going forward.
- It remains positive on the long-term renewable opportunity, supported by favorable government policies and structural demand.
- Strategic focus is on residential, commercial, and industrial (C&I) renewable solutions rather than utility-scale projects.
- The company is expanding into adjacent categories, including Battery energy storage solutions (BESS), EV chargers, and other renewable energy solutions, leveraging its existing brand and distribution network.
- Manufacturing strategy is increasingly focused on insourcing, supported by the strategic investment in Goldi Solar, which provides supply chain security, while additional renewable products will progressively be manufactured in-house or through technology partnerships.

Pricing and contribution margin

- The company has implemented staggered price hikes across product categories, with the extent of increases varying based on raw material exposure.
- Average price hikes across the portfolio are estimated at ~7%–8%, while categories with higher copper and aluminum content witnessed steeper increases (up to ~20%).
- Most of the required price hikes have already been implemented, with the full benefit expected to flow through from 2QFY27.
- It expects contribution margins to stabilize in the coming quarters as raw material volatility moderates and pricing actions take full effect.
- Double-digit operating margins are expected to return in the normal (non-seasonal) quarters, with recent margin pressure largely reflecting timing differences between cost inflation and price pass-through.

Others

- It indicated that the quarter has started on a positive note, with business momentum expected to continue. Besides periodic price increases, profitability improvement is expected to be driven by a richer product mix and faster growth in higher-margin categories.
- Capex was pegged at INR8.0b for the cables business, INR2.0b was marked for establishing a new R&D center, and the balance was allocated to other businesses.

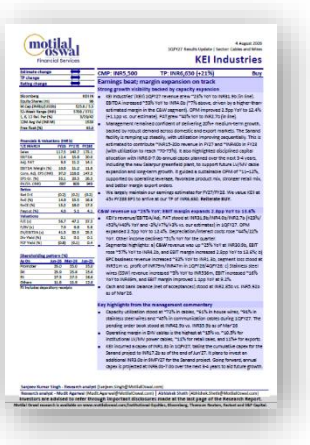
KEI Industries — Buy

Current Price INR 5,676

Click below for Detailed Concall Transcript & Results Update

Demand and capacity utilization

- Capacity utilization stood at 72% in cables, 61% in house wires, 91% in stainless steel wires and 45% in communication cables during 1QFY27. The Sanand facility is gradually ramping up, with utilization expected to improve steadily over the coming months.
- Its existing capacities in the wires and flexible cable segments are sufficient to support growth over the next 2-3 years. Backed by healthy demand across both



domestic and export markets, it remains confident of delivering 20%+ growth over the medium term.

- Optimistic on industry demand, driven by power transmission & distribution, data centers, renewable energy, electric vehicles, railways, urban infrastructure, manufacturing, housing and commercial real estate. It indicated robust demand across global export markets. It expects to continue outperforming industry growth, supported by strong market fundamentals and an expanding product portfolio.
- Exports: It focuses on diversifying its export portfolio across geographies. In the US, it is targeting oil & gas, data centers and power distribution projects; in Australia, it is focusing on renewables and industrial projects; in the Middle East, demand is driven by oil & gas refineries and upstream facilities, while in Africa, it is supplying power transmission & distribution utilities and refinery projects.

Pricing and margin

- The pricing is linked to fluctuations in copper prices rather than fixed percentage increases. Accordingly, changes in raw material costs are largely passed through to customers based on the prevailing commodity price formula.
- Expects operating leverage from higher utilization and incremental sales, along with a favorable product mix and better-margin export orders, to support profitability. It expects to sustain ~11%–12% operating margins going forward (vs. earlier threshold of ~10%-11%).
- The increase in retail sales contribution to ~59% (vs. ~51% earlier) has also aided profitability. It is not losing market share, but is instead prioritizing disciplined growth within its available capital.
- The improvement in margins is a combination of higher contribution from EHV cables, an increasing share of retail channel sales, and operating leverage, which reduced the fixed cost-to-sales ratio amid higher revenue.
- EHV cables generate operating margins of ~15%, compared with ~10.5% for institutional LV/MV power cables, ~11% for retail sales, and above 11% for exports.
- Increase in inventory is primarily attributable to the Sanand plant, where inventory across raw materials, work-in-progress and finished goods is being built up as part of the commissioning and ramp-up process.
- A temporary rise in finished goods inventory was also due to quarter-end export dispatches, where sales are reversed under accounting standards until the goods are delivered to customers. The metal price fluctuations are not the key driver of the higher inventory levels.

Sanand plant progress

- It expects the Sanand facility to contribute INR15b-20b of revenue in FY27E.
- The Sanand plant is ramping up gradually due to initial challenges related to manpower, machine stabilization, and operational efficiencies. It expects production and utilization to improve progressively on a month-on-month basis.
- It has already invested INR17b in the Sanand facility and plans to spend an additional INR30b. It reiterated its long-term expectation that the facility has the potential to generate INR60b of annual revenue once fully ramped up.
- Under Phase-I of the Sanand project, low-voltage (LV) and medium-voltage (MV) power cables have been completed. The electron beam cable facility became

operational in 2QFY27, while the extra-high-voltage (EHV) cable project, including the construction of a 152-metre vertical curing tower, is on track for commissioning by Mar'27.

- With the full Sanand project expected to be operational by FY28, it expects the facility to achieve 70%–75% capacity utilization next year, implying a revenue potential of INR40b.
- Of the facility's long-term INR60b revenue potential, it expects INR13b to come from EHV cables, with the balance contributed by LV/MV power cables and electron beam cables.
- It plans to invest an additional INR1b–2b in balancing equipment after full commissioning, which is expected to increase the plant's revenue potential by INR10b.

Capex and capacity expansion

- It incurred capex of INR1.8b in 1QFY27, taking cumulative capex for the Sanand project to INR17.2b as of Jun'27-end. It plans to invest an additional INR3b in 9MFY27. Expects annual capex of INR6b-7b over the next 3-4 years to support future growth.
- The board has approved an INR7b greenfield plant at Salarpur, which is expected to be commissioned over the next two years. The project forms part of the company's ongoing capacity expansion roadmap.
- Of the planned FY27 capex, INR3b will be spent on completing the Sanand project, while INR3b–3.5b will be deployed towards the Salarpur facility. The balance investment in Salarpur will be incurred in FY28, alongside investments for another expansion project, likely at Vadodara or an existing manufacturing location.
- The planned INR7b annual capex will primarily be directed towards expanding low-and medium-voltage (LV/MV) cable capacity. Any future expansion in extra high-voltage (EHV) cables will be undertaken at the Sanand facility by adding production lines as demand scales up.
- The company's gross debt stood at INR2.0b vs. INR1.9b as of Mar'26. Cash & bank balance (incl. unutilized QIP proceeds of INR3.0b) stood at INR10.5b vs. INR15.1b as of Mar'26. Net cash balance (ex-acceptances) stood at INR2.9b vs. INR5.9b in Mar'26.

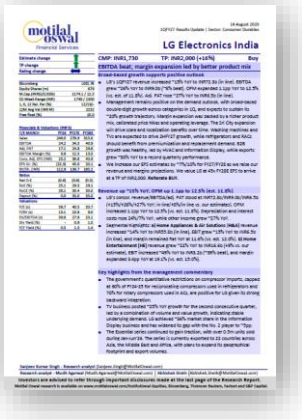
LG Electronics — Buy

Current Price INR 1,644

1Q performance and outlook

- Revenue growth was broad-based across categories, with every major category delivering double-digit growth on a combination of volume and value.
- Margin expansion was driven by a richer product mix, calibrated price increases across select categories to offset input cost inflation, and operating leverage from higher volumes.
- Initial ramp-up of the Sri City facility is expected to drive incremental costs, but LG expects in-house manufacturing and scale benefits to more than offset these costs over time.
- LG remains positive about the near-term demand environment, with the monsoon supporting washing machine demand and festive inventory stocking

Click below for Detailed Concall Transcript & Results Update


LG Electronics India

already underway. Industry pricing has also remained firm following calibrated price increases to offset higher input costs.

- It expects televisions and washing machines to be the key contributors to 2H growth, supported by the seasonal demand cycle, while refrigerators and ACs should benefit from premiumization and replacement demand.
- Supported by multiple growth drivers across consumer appliances, B2B, premiumization and exports, LG remains confident of sustaining its ~20% growth trajectory, consistent with the growth delivered during FY22-25.

Home appliance and air solution

- French-door refrigerators, 8kg+ washing machines and dishwashers grew significantly faster than the overall portfolio, highlighting continued consumer shift toward premium and feature-rich products.
- The government's quantitative restrictions on compressor imports–capped at 60% of FY24-25 levels for reciprocating compressors used in refrigerators and 70% for rotary compressors used in ACs–are positive for LG given its strong backward integration.
- LG currently has ~1m compressor capacity for ACs at Greater Noida, with an additional ~2mn capacity being added, while its refrigerator compressor capacity stands at ~7m units, above internal requirements.
- Strong backward integration and localization should ensure supply continuity, reduce sourcing-cost pressure and improve cost competitiveness, particularly for refrigerators and ACs.
- It is broadening its commercial AC business beyond the traditional enterprise segment by expanding its distribution network, with greater focus on cassette ACs and a wider 2-star to 4-star product portfolio.
- The company is broadening its refrigerator range across 222L, 251L and 276L capacities while introducing newer designs to enhance product appeal without compromising affordability. Higher-capacity top-load washing machines are also planned.

Home entertainment division

- Sports season helped accelerate consumer upgrade decisions, while timely product launches ensured that LG was well positioned to capture the demand uptick.
- The Information Display business-maintained momentum, supported by government and institutional orders, while new products such as electronic blackboards and second-generation Micro LED displays are moving from launch to scale.
- Channel stocking has commenced ahead of the Onam, Durga Puja and Diwali. LG sees continued momentum toward larger screens and premium technologies, with an expanded OLED and QNED portfolio supporting further market-share gains.
- TV business delivered ~25% YoY growth for the second consecutive quarter, supported by a combination of volume and value growth, indicating stable underlying demand rather than seasonality-driven growth.
- Consumers continue to upgrade to larger screen sizes to enhance viewing experience. The 55-inch+ segment grew ~53% YoY in 1Q and now contributes

~50% of the overall TV business, providing a strong growth runway ahead of the festive season.

- The company launched its new TV range significantly ahead of the festive season, including 16 new models, Micro RGB TVs and AI-enabled TVs with Microsoft Copilot and Google Gemini. OLED and other premium models also received upgraded processors.
- TV market share has increased to ~26%, while OLED market share reached ~59%, with the company continuing to widen its gap with the No. 2 player.
- LG believes TV growth is structural rather than seasonal, driven by a shift toward larger and premium formats. The richer product mix is also supporting margin expansion, resulting in high-quality growth.

Essential series performance

- The Essential series continued to gain traction, with over 0.5m units sold during Jan-Jun'26, strengthening the company's presence at the entry level while maintaining leadership in premium categories.
- The range is gaining traction among first-time buyers, particularly in Tier-2 and Tier-3 cities, with strong acceptance from both consumers and channel partners.
- Essential series margins are broadly in line with the rest of the B2C portfolio, supported by value engineering and smart product design rather than compromising product quality.
- The Essential series is currently exported to 22 countries across Asia, the Middle East and Africa, with plans to expand both its geographical footprint and export volumes.

Export

- The company delivered its highest-ever quarterly export performance, now serving 61 countries (from 45-47 countries at the time of IPO). Premium products are gaining traction in developed markets, while the Essential series is expanding across neighboring markets. Exports generate higher margins than the domestic business.
- Export revenue increased ~30% YoY in 1Q, remaining on track with the company's full-year ambition.

Expansion plan and capex

- The third manufacturing facility at Sri City, Andhra Pradesh, remains on track, with compressor production expected to commence in 3QFY27 and RAC production in 4QFY27. The facility will expand capacity, deepen localization and serve as a hub for both domestic and export markets.
- 1QFY27 capex stood at INR7.4b, including INR5.8b toward Sri City. Investment is also continuing at the Pune and Greater Noida facilities to expand Essential and premium product capacity.
- The company is investing ~INR50b in the Sri City plant (funded entirely from internal accruals) in phases over the next few years. The project is expected to nearly double manufacturing capacity, strengthen exports and establish India as a global export hub.
- Cash and bank balances stood at INR57.1b. As the Sri City investment progresses and cash generation improves through revenue growth and margin expansion, the company intends to review its dividend payout plans.

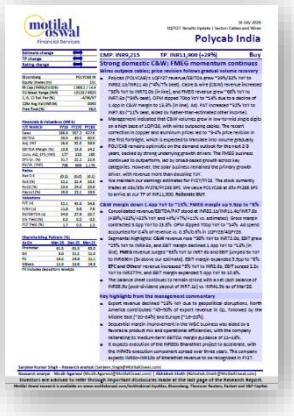
Other important highlights

- Localization stood at 55.2% in FY26, with the company consistently improving the rate by 2-3% annually. It expects this trajectory to continue, targeting 65% localization over the next 3-4 years.
- It sees India's rapidly expanding data center industry as a meaningful long-term opportunity within its B2B business, particularly in data center cooling solutions.
- It has an active presence in the mid-scale data center segment, having executed multiple projects using its Multi V VRF systems and chiller portfolio. The company continues to win projects and generate revenue from the segment.
- The hyperscale data center segment offers a significantly larger addressable market, but it remains in the preliminary stage, given materially higher scale and technical specification requirements.

POLYCAB
IDEAS. CONNECTED.

Click below for Detailed Concall Transcript & Results Update




motilal oswal Financial Services

Polycab India

CMP: INR9,215 TP: INR11,900 (+29%) Buy

Strong domestic C&W; FMEG momentum continues

Wires outpace cables; price revision follows gradual volume recovery

- Polycab (POLYCAB) is 1QFY27 revenue (Rs75bn, +39% YoY) is in line with MOFSLe (Rs77.4bn). Cable & wire (C&W) revenue increased ~39% YoY to INR72.2bn (in line), and FMEG revenue grew ~48% YoY to INR1.6bn (+34% QoQ). EBIT stood at Rs9.1bn, down ~1% YoY due to a decline of 1.4pp in C&W margin to 12.4% (in line). Adj. PAT increased ~12% YoY to INR7.8bn (~11% beat, aided by higher-than-estimated other income).
- Management indicated that C&W volumes grew in low-to-mid single digits on a flattish base of 1QFY26, with wires outpacing cables. The recent correction in copper and aluminium prices and a ~3-4% price revision in the first fortnight, which is expected to translate into volume gains in 2Q, could support further momentum in the coming quarters. Management indicated that C&W volumes grew in low-to-mid single digits on a flattish base of 1QFY26, with wires outpacing cables. The recent correction in copper and aluminium prices and a ~3-4% price revision in the first fortnight, which is expected to translate into volume gains in 2Q, could support further momentum in the coming quarters.
- POLYCAB remains optimistic on the demand outlook for the next 2-3 years, backed by strong underlying growth drivers. The FMEG business continues to outperform, led by broad-based growth across key categories. However, the solar business remained the primary growth driver, with revenues more than doubling YoY.
- We maintain our earnings estimates for FY27/FY28. The stock currently trades at 45x/35x FY27E/FY28E EPS. We value POLYCAB at 45x FY28E EPS to arrive at our TP of INR11,900. Reiterate Buy.

C&W margin down 1.4pp YoY to ~12%; FMEG margin up 5.9pp to ~6%

- Consolidated revenue (Rs75bn/+39% YoY) stood at INR72.2bn/+11.4% QoQ/+39% YoY (+38%/+42%/+12% YoY and +4%/+7%/+12% vs. estimates). Gross margin contracted 1.6pp YoY to 33.8%. OPM dipped 70bp YoY to ~14%. Ad-spend accounted for 0.4% of revenue vs. 0.5%/0.6% in 1QFY26/4QFY25.
- Segmental highlights: C&W revenue rose ~39% YoY to INR72.2bn, EBIT grew ~12% YoY to INR9.0bn, and EBIT margin declined 1.4pp YoY to ~12.4% (in line). FMEG revenue surged ~48% YoY to INR1.6bn and EBIT jumped to YoY to INR96m (3x above our estimate). EBIT margin expanded 5.9pp to ~6%. EPC and Others' revenue increased ~3% YoY to INR3.4bn. EBIT surged 2.2x YoY to INR277m, and EBIT margin expanded 5.4pp YoY to 10.4%.
- The balance sheet continues to remain strong with a net cash balance of INR8.9bn (post dividend payout of INR7.1bn) vs. INR4.5bn as of Mar'26.

Key highlights from the management commentary

- Export revenue declined ~12% YoY due to geopolitical disruptions. North America contributed ~40–45% of export revenue in 1Q, followed by the Middle East (~20–24%) and Europe (~18–20%).
- Sequential margin improvement in the W&C business was aided by a favorable product mix and operational efficiencies, with the company reiterating its medium-term EBITDA margin guidance of 14–16%.
- It expects execution of the INR5bn Shantidoot project to accelerate, with the INR2bn execution component spread over three years. The company expects INR5bn–INR10bn of Shantidoot revenue to be recognized in FY27.

Polycab India — Buy

Current Price INR 9,100

C&W segment

- The Wires & Cables (W&C) segment reported ~39% YoY revenue growth, with the domestic W&C business growing ~43% YoY.
- Volume growth was in the low-to-mid single digits, reflecting a high base from Q1FY26. Within the portfolio, wires outperformed cables (last year, cables had grown faster), while channel sales grew faster than institutional sales, underscoring the strength of the distribution network.
- Regionally, the western market remained the strongest contributor, followed by the north, south, and east.
- Export business was temporarily impacted by geopolitical disruptions in the Middle East; however, momentum has started improving with a healthy order book across North America, Europe, and Latin America. North America contributed ~45–50% of export revenue in Q1, followed by the Middle East (~20–24%) and Europe (~18–20%). The company also expanded its global footprint into 10 new geographies last year, which should support export growth going forward.
- It remains constructive on the domestic demand environment, supported by multiple structural growth drivers. Strong investments in renewable energy (50–60GW annual additions), accelerated transmission & distribution (T&D) expansion, private sector capex, railways, logistics, manufacturing, semiconductors, and metals are expected to sustain robust demand for cables and wires. Additional opportunities from data centers, defense and EV charging infrastructure are yet to be fully reflected and could create another leg of growth. The company expects the favorable demand environment to persist over the next 2–3 years.
- Data Centre Opportunity: India's installed data center capacity is expected to increase from ~1.6GW currently to 16–18GW over the next 5–8 years. The 1MW of data center capacity creates a cable demand of INR350m, with ~50–60% conventional cables and the balance optical fiber, implying a potential INR200b–250b market over the medium term.
- The transmission & distribution (T&D) opportunity will substantially go to 20k-21k circuit km annually over FY26-30 from 15K km annually over FY20-25. FY27 set target of ~17k circuit km (with ~2k circuit km already done in the first 2months).

FMEG segment

- Continued its strong momentum, recording ~68% YoY growth. The solar business remained the key growth driver, delivering more than two-fold YoY growth, supported by structural tailwinds such as the PM Surya Ghar Yojana, state-level incentives and rising adoption of rooftop solar solutions.
- Other categories, including fans, lighting, switches, switchgear, conduits, pipes and fittings, also reported healthy growth, benefiting from sustained demand in the real estate and construction sectors along with continued investments in product expansion and market development.
- The FMEG business further improved its profitability, reporting an EBITDA margin of 8%, in line with its Project Spring roadmap and on track to achieve its 8–10% margin target by FY30. The continued improvement in profitability was led by operating leverage and a richer premium product mix.
- Premium products accounted for ~25% of the overall FMEG portfolio during the quarter, increasing to ~33% in fans and ~38% in lighting, supporting both revenue growth and margin expansion.
- The company also highlighted its category-specific regional strategy, cross-selling initiatives, and strong on-ground execution as key drivers of market share gains.

EPC segment

- It highlighted that it has already secured optical fiber requirements for the execution period of the BharatNet project, insulating it from the recent rise in fiber prices.
- EPC margins are expected to remain in the high single-digit range over the long term despite reporting 11% margins in Q1.
- It expects execution of the INR80b BharatNet project to accelerate, with the INR45b execution component spread over three years. It expects INR8b–INR10b of BharatNet revenue to be recognized during FY27. Including BharatNet and DSS projects, the EPC order book currently stands at INR109b, providing strong revenue visibility over the medium term.
- Quarterly EPC revenue can remain volatile due to milestone-based revenue recognition, and management advised evaluating the business on an annual rather than quarterly basis.

Capex and working capital

- During the quarter, capital expenditure stood at INR3.2b.
- Working capital days improved significantly to 15 days, aided by a temporary increase in payable days due to the use of a letter of credit for raw material procurement. However, it expects the cycle to normalize to its long-term range of 45–50 days.

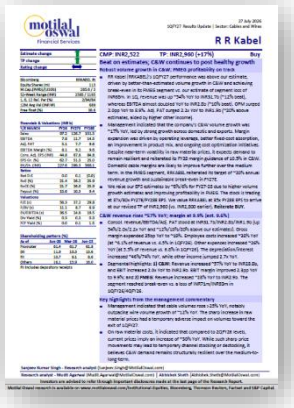
RR Kabel — Buy

Current Price INR 2,897

C&W demand and outlook

- C&W volumes grew ~17% YoY, driven by broad-based growth across domestic and export markets. Cable volumes increased by >25% YoY, significantly outpacing wire volume growth of ~12% YoY.
- It remains focused on improving product availability, expanding its distribution network, and strengthening dealer engagement.
- Industry C&W demand growth is estimated at ~10%–12%. The company's geographically diversified export portfolio helped offset temporary disruptions in the Middle East.

Click below for Detailed Concall Transcript & Results Update


R R Kabel

- It indicated that despite continued volatility in metal prices, foreign exchange movements and global macro uncertainty, demand remained healthy across infrastructure, construction, industrial projects and power applications.
- C&W continued to remain the key growth driver, with healthy growth across both domestic and export markets. Although exports were impacted by the temporary disruption in the Middle East, the weakness was largely offset by stronger demand from other export markets. Shipments to the Middle East normalized during May-Jun'26, though some supply chain challenges continue to persist.
- In the B2B segment, it continues to invest in project, industrial and power cable capabilities, which it believes will become an increasingly important growth driver over the medium term.
- Its export strategy is increasingly focused on higher-value cable products rather than wires, which has supported stronger export growth despite ongoing global uncertainties. It views the current performance as the beginning of a broader global expansion, with efforts underway to strengthen its presence across new geographies, expand the product portfolio and secure customer approvals in additional international markets.
- On the data center opportunity, it indicated that the business is currently in the customer acquisition and relationship-building phase rather than a rapid scale-up stage. The company has started receiving initial orders for conventional cable products and expects to gradually expand its customer base as engagement with data center operators deepens.
- On domestic regional performance, it highlighted that growth in South India continues to improve. It has a strong presence in the North and West, which together contribute ~65% of domestic revenue. While growth in the East remains relatively modest, the company continues to strengthen its presence in the region.

C&W margin and near-term outlook

- Margin improvement is attributed primarily to operating leverage and scale benefits, supported by better fixed-cost absorption, an improving product mix and various cost optimization initiatives. It indicated that while it aims to achieve double-digit EBITDA margins in the W&C business over time, it continues to maintain its FY28 EBITDA margin guidance of ~10.5%
- On raw material costs, it indicated that compared to 2QFY26 levels, current prices imply an increase of ~30% YoY. While such sharp price movements may lead to temporary channel stocking or destocking, it believes C&W demand remains structurally resilient given its broad-based end-market exposure.
- The sharp increase in raw material prices had a temporary adverse impact on volumes toward the exit of 1QFY27, but management expects business trends to normalize over the longer term.
- It indicated that domestic cable margins currently stand at ~6–7%, but expects them to improve to ~10–11% over the medium term as scale increases, capacity utilization improves, and market share expands. While export wire margins remain relatively lower, domestic wires continue to enjoy superior profitability, and export cables already generate healthy margins.

FMEG segment

- In FMEG, business growth was supported by healthy demand across lighting, appliances and switches, while fans benefited from better realizations and an

improved premium product mix. Fan volumes remained broadly flat. Premium products now contribute ~25% of fan revenues.

- It indicated that 1/3rd of FMEG production is in-house, while the remaining 2/3rd is outsourced. Ceiling fans and switches are primarily manufactured in-house, and the company intends to broadly maintain this manufacturing mix while focusing on expanding market share through product innovation, R&D, and brand building.
- Within the FMEG portfolio, it highlighted that commercial lighting is partly manufactured in-house, whereas most lighting and appliance products are outsourced. Appliances contribute ~10%–11% of FMEG revenue, with key categories including geysers, air coolers and small domestic appliances.
- Outlook: It reiterated its target of delivering ~20% annual revenue growth while achieving sustainable break-even in FY27. Over the medium term, it aims to build the business into a consistently profitable growth engine, supported by sustained top-line growth, premiumization and operating leverage.

Capex plans

- On capacity expansion, new wire capacity at Silvassa will be commissioned during the current quarter, while additional cable capacity at Waghodia will be added later in the year. The capex program has been aligned with the company's targeted volume growth and is expected to adequately support future demand.
- The future capacity additions will remain focused on the power cable segment, while simultaneously expanding into higher-value and specialized cable categories. It aims to strengthen its presence in high-voltage (HV) cables, where its current market share remains relatively low compared to the low-voltage (LV) segment.
- It reiterated that its INR12b capex program remains on track, with nearly ~80% allocated toward the cable business. Of the total planned investment, around INR3b was deployed in FY26, while INR6.0–6.5b is expected to be invested during FY27. The capex is primarily aimed at expanding cable capacity, where utilization remains high at ~90%. In the wire segment, utilization is at ~65%–70% utilization.

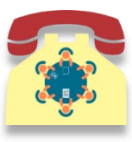
Voltas — Neutral

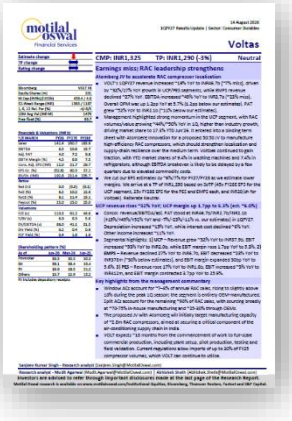
Current Price INR 1,222

Unitary Cooling Products

- RAC volumes rose ~44% YoY and value growth was ~50% in 1Q. Industry RAC secondary sales grew ~15%, while VOLT estimates that primary volumes grew ~20-22% YoY and value by ~25-26% YoY.
- Its secondary RAC market share reached 17.3% in FY27 YTD June vs. 15.9% in FY26, with its lead over the nearest competitor widening to 4pp in 1Q.
- RAC costs increased by ~10–12%, driven by a combination of BEE rating changes, commodity inflation, INR depreciation, higher ocean/freight costs and higher plastic costs. The revised energy-efficiency norms increased prices by ~5% for 3-star RACs and ~15% for 5-star RACs, translating into a weighted-average impact of ~7–8%. It has passed on almost the entire cost increase to the market, with the effective price increase estimated at only ~1-2pp below the overall cost inflation.

Click below for Detailed Concall Transcript & Results Update





- The ongoing cost-optimization program started yielding savings at the right time, partially offsetting cost inflation and supporting profitability.
- Further price hikes will depend on the evolution of West Asia-related commodity and supply-chain risks. If costs remain stable, the company may instead seek to improve margins through calibration of channel schemes.
- Window ACs account for ~7-8% of annual RAC sales, rising to slightly above 10% during the peak 1Q season; the segment is entirely OEM-manufactured. Split ACs account for the remaining ~90% of RAC sales, with sourcing broadly at ~70–75% in-house manufacturing and ~25–30% through OEMs.
- The strong buoyancy seen in RACs was not replicated in commercial Refrigeration (freezers, water coolers and dispensers). The category is estimated to have grown ~15%, including the impact of price increases. Price increased significantly across Commercial Refrigeration, with freezers up ~10%, water coolers ~15% and water dispensers ~10%, necessitating corresponding price increases.
- Sharp price hikes initially led to a wait-and-watch approach from the channel, delaying demand recovery. Channel partners are increasingly accepting the higher prices as a necessary cost pass-through. VOLT expects Commercial Refrigeration demand to gradually normalize as channel inventory and pricing adjust to the higher cost environment.
- ■ It does not expect a meaningful increase in outsourcing, given its expanded in-house manufacturing capacity of ~1.4m units at Pantnagar and ~1.2m units at Chennai. Both plants are now sufficiently ramped up to support demand internally.
- Channel partners are maintaining relatively cautious inventory levels, with channel inventory estimated at ~4 weeks. Inventory build-up will depend primarily on secondary sales.
- It is still early to assess the festive-season demand outlook; it expects greater relevance for home appliances, with a clearer view likely over the next 4–6 weeks.

Strategic JV for RAC compressors

- It has entered into a binding term sheet with Atomberg Innovation to establish a proposed 50:50 JV for developing and manufacturing high-efficiency RAC compressors in India.
- The JV is expected to strengthen domestic sourcing, reduce import dependence and improve long-term supply security for key RAC components. Atomberg's strong capabilities in motor technology, developed through its large-scale ceiling-fan business, provide a key technological advantage for compressor development.
- It does not have prior experience in component manufacturing, particularly compressor motors; hence, partnering with Atomberg allows it to leverage proven technology and accelerate capability development rather than building the expertise independently.
- The proposed JV with Atomberg will initially target manufacturing capacity of ~2.8m RAC compressors, aimed at securing a critical component of the air-conditioning supply chain in India. This is important for localizing compressor manufacturing amid QCO restrictions, import quotas and transition rules.
- The JV is still at an early stage, and total capex requirements will be determined as definitive agreements and project details are finalized.
- The proposed compressor platform will cater to both 3-star and 5-star RACs, initially focusing on the high-volume 1.5-ton segment.

- The platform is being designed with flexibility to accommodate future energy-efficiency upgrades, reducing the need for complete product redesign with every regulatory change.
- It expects ~18 months from commencement of work to full-scale commercial production, including plant setup, pilot production, testing and field validation.
- Current regulations allow imports of up to 30% of FY25 compressor volumes, which the company can continue to utilize.
- Even after its own compressor production begins, it intends to continue sourcing from existing suppliers while manufacturing compressors in-house, creating a diversified and more resilient supply chain.

Voltbek

- Voltbek YTD market share reached 9.4% in Washing Machines and 7.4% in Refrigerators. Maintained its No. 2 position, with market share reaching a record 15.6%.
- Refreshed product portfolios across Frost-Free Refrigerators and Fully Automatic Washing Machines helped improve product mix and strengthen presence in higher-value segments.
- Voltbek was initially expected to achieve EBITDA breakeven in FY27, but the sharp increase in commodity prices following the West Asia crisis, coupled with limited ability across the industry to fully pass on cost inflation, is likely to delay the breakeven by a few quarters.

Electro-Mechanical projects and services

- Domestic projects secured key orders across Industrial Infrastructure, Electronics Manufacturing, Metro & Tunnelling and Data Centers, supporting healthy order-book growth.
- It remained selective in pursuing fast-track and value-accretive projects, improving order-book quality and revenue visibility.
- Following the court award, Sidra Bank Guarantees worth QAR167m (INR4.33b) were cancelled during the quarter.
- Carry-forward order book stood at over INR63.5b as of Jun'26.
- It is increasingly focusing on manufacturing, data centres and MEP projects, with preference for faster-gestation opportunities and a greater share of private-sector projects.
- The strategy is shifting away from projects with longer execution cycles and higher payment-delay risks, particularly government-led projects, towards opportunities with better cash-flow visibility.

Engineering Products & Services

- Reported high double-digit revenue growth in 1QFY27, increasing the scale and contribution of its engineering products and services portfolio.
- Mining & Construction Equipment reported strong growth, supported by sustained demand for Crushing & Screening equipment, continued execution of Operations & Maintenance contracts and stable performance from Mozambique operations.
- The division continued to strengthen its aftermarket and service annuity business through deeper customer engagement, enhanced lifecycle support and expanded service capabilities.
- Textile Machinery delivered double-digit growth despite geopolitical uncertainties and cautious industry sentiment. Textile Machinery witnessed improving order-book momentum, indicating early signs of a gradual market

EMS

- **Management perspective remained optimistic on the medium-term outlook, bolstered by strong order visibility, healthy demand, timely ramp-up of new programs, and scaling benefits from the recently commissioned capacities. Growth is expected across EMS, semiconductor equipment, telecom, defense, railways, electronics, and exports, aided by global supply-chain diversification, rising defense spending, and increasing AI-led demand. Continued investments in capex, R&D, backward integration, and higher-value products are expected to drive operational efficiencies, support margin resilience, and strengthen long-term competitive positioning.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Insights and future outlook	Other key highlights
Amber Entp	▪ Consumer Durables- Management expects full-year growth to be in line with the RAC industry, estimated at 13-15%. ▪ Electronics Division- Management maintained its full-year revenue growth guidance of over 40%. ▪ Railways & Defense- Guidance for the full-year revenue growth is 30-35%, with expected margins around 15-16%. ▪ The business continues to face headwinds from elevated commodity prices such as Copper Clad Laminate, Currency depreciation and wage revisions, which are expected to persist through 1HFY27.	▪ Significant capex is planned for the PCB segment, with INR32b allocated for Jevar, INE10b for Hosur and INR5b in Shogini Pune, all under ECM scheme approvals for HDI PCB. ▪ The Company is exploring JV for Copper Clad Laminate (CCL) plants, aiming to have their own operational by FY29-FY30 to support backward integration for the PCB business.
Avalon Tech	▪ **Outlook/Guidance:** Given strong execution, healthy order inflows and visibility on program ramp-ups, management raised FY27 revenue growth guidance to 26-30% from 24–27% earlier. Management reiterated its medium-term aspiration of doubling revenue from INR16.03b in FY26 to ~INR32b by FY29, after achieving its previous FY24-FY27 revenue doubling target nearly one year ahead of schedule. ▪ **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. ▪ **Geographical expansion and defense:** Management is expanding the opportunity pipeline across Europe and Southeast Asia.	▪ Growth was visible across almost all business segments, including industrial, aerospace, rail, medical and energy storage. Management highlighted that the company also possesses long-duration contracts extending 3–15 years, which are intentionally excluded from reported order-book figures. ▪ Box-build contribution increased significantly from 44.5% in FY22 to 59.9% in 1QFY27, reflecting Avalon's strategy of moving customers toward higher-value integrated manufacturing solutions.
Cyient DLM	▪ **New verticals:** The company is expanding into AI data center infrastructure, robotics and semiconductor capital equipment to drive the next phase of growth. Management expects initial order wins during FY27, with revenue contribution scaling up over time. ▪ **Aerospace:** Management highlighting strong positioning across leading global aerospace OEMs and Tier-1 suppliers, including most major European aerospace players. Previously secured programs like Honeywell are expected to ramp up significantly over the next 12-18 months, while Thales is also expected to contribute meaningfully to growth in FY27. ▪ **Margin expansion:** Management expects margins to improve to 11-13% over FY27-29 through increasing contributions from AI infrastructure, robotics, and semiconductor equipment.	▪ Inventory days increased to 162 as the company continued strategic inventory stocking to mitigate supply-chain disruptions and support future growth. ▪ Net working capital increased to 161 days, driven by higher inventory and lower customer advances ▪ The West Asia crisis continues to cause logistics delays and high freight costs across supply chains. Management stated that proactive procurement planning, inventory stocking and alternate sourcing initiatives have successfully prevented any operational disruptions.
Data Pattern	▪ **Outlook:** Management reiterated FY27 guidance of 25% revenue growth and 35-40% EBITDA margin, with 1Q hurt by temporary customer approval delays. The company remains confident of strong execution supported by an INR26.54b opportunity pipeline ▪ **Technology Investments:** The company continues to invest aggressively in proprietary defense technologies, with key focus areas including the Su-30 Jammer Pod, Hawk radar, electronic warfare systems, radar warning receivers, advanced communication systems, and RF technologies	▪ DATAPATT's 1QFY27 order book stood at INR9.2b, while including July orders and negotiated contracts, the executable opportunity pipeline currently stands at approximately INR26.5b. ▪ Around INR17.26b of contracts have already been negotiated and are awaiting final customer approvals and formal order placement.

	■ **Exports:** DATAPATT is experiencing increasing traction in export markets across radar systems, fighter aircraft subsystems, and surveillance applications, supported by engagements with global defense OEMs.	
Dixon Tech	■ Without Vivo, the company expects smartphone volume growth of roughly 20-25% QoQ. ■ Exports were ~INR11b/~0.6-0.7m units in 1QFY27 and could add ~15-20m units or INR180-200b of revenue over the next two years through two anchor customers. ■ Management characterized the elevated working capital as a temporary phenomenon that should unwind and normalize over the coming quarters.	■ Telecom/IT — The telecom and networking business is expected to continue growing on the back of 5G fixed-wireless and broadband equipment demand, supported by a healthy order book and scaled manufacturing. ■ Home Appliances - The washing machine business is set to expand into higher capacity semi-automatic categories and will introduce fully automatic frontloading machines in 3QFY27, a category the company says it is the first domestic ODM to enter, backed by a new facility adding incremental annual capacity.
Kaynes Tech	■ **PCB:** Kaynes has planned INR3b capex in FY27 for PCB (INR3.2b capex in FY26), with commercial production and revenue expected from 3Q/4QFY27. Initial capacity has been fully sought by a large global customer, which has completed validation and provided a vendor code. ■ **OSAT business:** Kaynes has planned INR3b capex in FY27 for OSAT (INR4.7b in FY26), with commercial revenue expected to commence from 3Q/4QFY27 and the project remaining on track despite minor delays from West Asia-related equipment and logistics disruptions ■ **Space tech:** Kaynes is developing its first prototype satellite, with launch targeted for mid-FY28	■ The increase in inventory of ~INR1.5b was a strategic decision taken in February, considering the global market situation and supply-chain volatility. ■ Escalation in West Asia has resulted in a slippage in the ramp-up schedule for PCB and OSAT. ■ Overall revenue growth has been achieved despite a decline in the smart metering business, with strong growth in the core EMS business

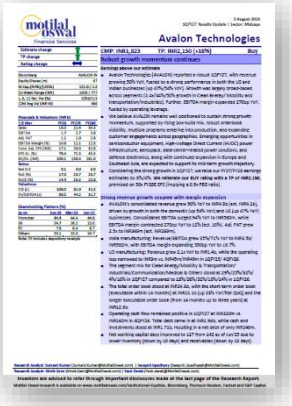
Avalon
manufacturing your success

Avalon Technologies — Buy

Current Price INR 2,241

Click below for Detailed Concall Transcript & Results Update




Avalon Technologies

Guidance and outlook

- Given strong execution, healthy order inflows and visibility on program ramp-ups, management raised FY27 revenue growth guidance to 26-30% from 24–27% earlier.
- Management reiterated its medium-term aspiration of doubling revenue from INR16.03b in FY26 to ~INR32b by FY29, after achieving its previous FY24-FY27 revenue doubling target nearly one year ahead of schedule.
- The company continues to manage the business on a multi-year horizon, as most programs have long product life cycles, recurring revenue streams and multi-year customer engagements.
- Management stated that it has never been more excited about the current opportunity pipeline, particularly in semiconductor equipment, power infrastructure, aerospace, industrial automation, Europe and Southeast Asia.
- Several new opportunities are currently in pilot, qualification or prototype stages and are yet to be fully reflected in reported revenues.
- The company remains comfortably within its targeted working-capital range of 120–130 days.
- Gross margin guidance remains unchanged at 33–35%, despite increasing box-build mix, as newer programs typically start at lower profitability before maturing.
- Management expects U.S. operations to achieve steady-state EBITDA breakeven by FY27-end, followed by PAT-level breakeven.
- Over the medium term, management intends to keep the US manufacturing contribution around 20% of consolidated revenue, while most future growth is expected to come from India.

Operating performance

- Management indicated that EBITDA margin would have been approximately 90bps higher excluding tariff pass-through impact.
- Box-build contribution increased significantly from 44.5% in FY22 to 59.9% in 1QFY27, reflecting Avalon's strategy of moving customers toward higher-value integrated manufacturing solutions.
- Management reiterated that box-build programs inherently carry superior margins; however, profitability improves gradually as volumes scale and procurement efficiencies emerge.
- Around 45–50% of costs below gross margin are fixed or semi-fixed, allowing operating leverage benefits as revenue scales.
- Asset turns remained strong at 9.9x, with management targeting a long-term range of 8–10x, while continuing to improve capital efficiency.
- Management clarified that growth has been driven by underlying business expansion and program ramp-ups rather than raw-material inflation or component price increases.
- Rail accounted for approximately 15% of revenue, growing 37% YoY.
- Aerospace accounted for ~8% of revenue, growing 47% YoY.

Order Book & Growth Drivers

- Growth was visible across almost all business segments, including industrial, aerospace, rail, medical and energy storage.
- Management highlighted that the company also possesses long-duration contracts extending 3–15 years, which are intentionally excluded from reported order-book figures.
- These longer-tenure contracts represent approximately INR34.65b of additional business visibility.
- Several ongoing pilot programs are likely to transition into larger commercial production opportunities over time.

New Programs, Industry Opportunities & Market Expansion

- Aerospace cabin sub-assembly programs are progressing toward volume production.
- Production of locomotive engine subsystems has commenced.
- The Kavach railway anti-collision system remains on track for commercial production.
- Avalon expanded its engagement with a leading global semiconductor equipment manufacturer, increasing content beyond power-box assemblies into additional products.
- Management confirmed that both HVDC power systems and semiconductor equipment programs started contributing revenue during 1QFY27, with gradual ramp-up expected over subsequent quarters.
- The company is participating in the global power infrastructure super-cycle through engagements with leading HVDC players.
- Management sees substantial opportunities emerging from data-center investments globally.
- Avalon is already supplying products to customers involved in power infrastructure and off-grid power solutions serving data centers.
- The company is actively pursuing opportunities in rack systems and cooling infrastructure, though commercial wins are yet to be secured.
- Management clarified that Avalon currently does not participate in server-board manufacturing and instead focuses on adjacent higher-value opportunities.

- Europe is emerging as a meaningful growth geography and management expects its contribution to increase significantly over the next two years.
- Southeast Asia is another strategic focus area that management believes can become a major growth driver in the coming years.

Manufacturing Expansion, US Operations & Organization Building

- India manufacturing operations contributed 72% of consolidated revenue and delivered an EBITDA margin of 16.7% and PAT margin of 11.1%.
- The US operations contributed the remaining 28% of revenue.
- The US manufacturing losses narrowed significantly to approximately INR40m in 1QFY27, compared with INR90m a year ago and INR140m two years ago.
- The U.S. facility continues to serve as a customer-acquisition and validation platform, with large-scale production gradually transitioning to India after customer qualification.
- The new Chennai manufacturing facility focused on domestic demand has been completed and will commence commercial production from 2QFY27.
- Avalon is evaluating the acquisition of a large parcel of land in Chennai to support growth over the next decade.
- As the company moves toward larger and more complex box-build solutions, land and infrastructure are being created ahead of machine investments.
- Management continues investing in leadership, automation, AI capabilities, digital systems and process improvements to prepare for the next growth phase.

Others

- New programs may temporarily require higher working capital initially, though efficiencies improve as programs mature.
- Operating cash flow remained positive at INR320m, compared with INR160m in 4QFY26.
- Total debt stood at INR1.96b, while cash and investments stood at INR1.71b, resulting in net debt of only INR240m.
- Net debt-to-equity remained extremely comfortable at 0.03x.
- Management indicated that supply-chain conditions remain manageable despite periodic tightness in PCBs, fiberglass and other specialized inputs.
- The company has proactively secured critical supplies and continues to closely monitor procurement risks.
- Management reiterated that Avalon remains focused on complex, high-value, mission-critical electronics manufacturing rather than commodity EMS opportunities.

Cyient DLM — Buy

Current Price INR 715

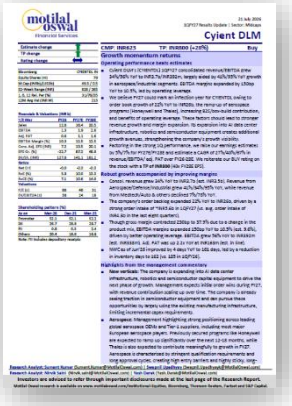
Click below for Detailed Concall Transcript & Results Update



Order book remains at record high; visibility strengthens

- CYIENTDL closed 1QFY27 with its highest-ever order book of INR26b, providing strong revenue visibility for the coming quarters.
- The company reported order intake of INR5.52b during the quarter, translating into a healthy book-to-bill ratio of 1.5x.
- Management indicated that order inflows were broad-based without any large one-off orders and were driven by both existing and newly acquired customers.
- Around 70% of quarterly order intake came from existing customers, while the balance 30% was contributed by customers added over the last four quarters.
- The sales pipeline remains robust, with management indicating a substantially larger opportunity pool than currently reflected in the order book.

Expansion into AI infrastructure, robotics and semiconductor equipment



- Cyient DLM has formally identified AI infrastructure, data centers and robotics as its next growth vectors under the FY27-FY29 expansion phase.
- Dedicated leadership resources have been onboarded to drive customer acquisition and market development in these emerging segments.
- Management expects order wins from these sectors to start materializing during FY27, while meaningful revenue contribution could emerge over the medium term.
- The company is already engaged with customers in semiconductor capital equipment and expects stronger revenue traction from this segment over the next 6-12 months.
- Existing manufacturing infrastructure is largely sufficient to address these opportunities, limiting the requirement for incremental capex.

Aerospace continues to anchor growth

- Aerospace remained the largest business segment, contributing 42% of revenue and delivering 40% YoY growth.
- Management highlighted strong positioning with leading global aerospace OEMs and Tier-1 suppliers, creating a significant competitive moat.
- Several previously awarded aerospace programs, particularly with Honeywell, are expected to ramp up over the next 12-18 months.
- The company also expects healthy growth from key customers such as Thales and other global aerospace players.
- Management reiterated that aerospace offers long-term revenue stability owing to high entry barriers, lengthy qualification cycles and strong customer stickiness.

Margin expansion strategy remains intact

- EBITDA margin improved 147bp YoY to 10.5%, marking the fourth consecutive quarter of double-digit EBITDA margins.
- Near-term margin expansion continues to be driven by operating leverage, better revenue mix and disciplined cost management.
- Management expects EBITDA margins to improve toward 11-13% during the FY27-FY29 expansion phase through increasing exposure to AI infrastructure, robotics and semiconductor equipment.
- Over the longer term, higher contribution from build-to-specification (B2S) products and platform-led offerings is expected to drive margins toward the 13-18% range.
- B2S products are expected to contribute an additional 250-300bp of consolidated EBITDA margin improvement over time.

Working capital elevated amid growth investments

- Inventory days increased to 162 as the company continued strategic inventory stocking to mitigate supply-chain disruptions and support future growth.
- Net working capital increased to 161 days, driven by higher inventory and lower customer advances.
- Management emphasized that inventory investments remain a deliberate strategy to ensure uninterrupted execution amid geopolitical uncertainties.
- Free cash flow remained impacted by working capital investments, though management expects normalization as inventory levels stabilize.

West Asia challenges managed through proactive planning

- The West Asia crisis continues to cause logistics delays and high freight costs across supply chains.

- Management stated that proactive procurement planning, inventory stocking and alternate sourcing initiatives have successfully prevented any operational disruptions.
- Similar mitigation measures have already been implemented for 2QFY27.
- Importantly, order momentum from Israeli customers remains healthy, with management expecting continued traction in the coming quarters.

Other

- MedTech growth remained muted due to seasonality at one customer, though management sees no structural weakness and maintains a healthy opportunity pipeline.
- The company expanded its B2S lab capacity from 6,000 sqft to 15,000 sqft and completed the NADCAP certification audit for cable harness assembly at its Mysore facility.
- Management remains confident of sustaining current growth momentum and maintaining a book-to-bill ratio of around 1.5x through FY27.

Data Patterns — Neutral

Current Price INR 4,775

Outlook and guidance

- Management reiterated confidence in achieving its FY27 growth targets despite quarterly revenue volatility caused by customer inspection and approval delays.
- EBITDA margin guidance of 35-40% for FY27 was maintained, with management emphasizing that quarterly fluctuations should not be extrapolated due to the project-based nature of defense contracts.
- The company remains focused on building a much larger and sustainable order book, targeting visibility of over three years of revenue, which should gradually reduce quarter-to-quarter volatility.
- Defense sector outlook remains highly encouraging, supported by strong indigenization trends, a robust procurement pipeline, expanding export opportunities and favorable government policies.
- Management indicated that Data Patterns is entering a new phase of growth driven by proprietary products, large platform opportunities, export markets and next-generation defense programs.
- The company expects substantial order inflows over the coming quarters and remains optimistic about scaling the business multiple times over the next few years.

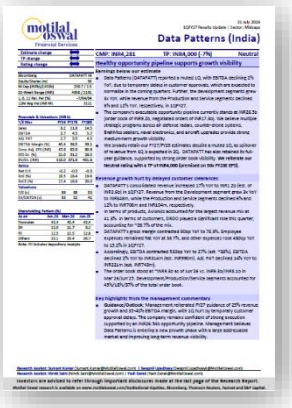
Order Book, Pipeline & Revenue Visibility

- 1QFY27 order book stood at INR9.2b, while including July orders and negotiated contracts, the executable opportunity pipeline currently stands at approximately INR26.5b.
- Around INR17.26b of contracts have already been negotiated and are awaiting final customer approvals and formal order placement.
- Management expects a large part of these negotiated contracts to convert into firm orders within the next two months.
- In addition to negotiated contracts, the company is pursuing INR20b+ of large single-vendor opportunities expected to progress during FY27.
- Potential opportunities include major HAL programs, BrahMos seeker orders, electronic warfare systems and multiple radar-related contracts.

DATA PATTERNS

Click below for Detailed Concall Transcript & Results Update




motilal oswal
Financial Services

Data Patterns (India)

- Several upcoming opportunities have deliberately not been included in the visible order pipeline as tendering activity is still evolving.
- Management highlighted a long-term addressable opportunity of INR400b+ across existing and upcoming product categories.
- Revenue recognition during 1Q was impacted by delays in customer inspections despite products being ready for delivery, but management expects normalization over subsequent quarters.

Product Development, Technology & Strategic Programs

- Data Patterns continues to invest aggressively in indigenous product development and remains focused on building differentiated products where it enjoys strong competitive advantages.
- The indigenous Jammer Pod for Su-30 is progressing well, with flight trials expected to commence before December 2026 and commercialization expected after successful qualification.
- Management highlighted opportunities exceeding INR70b across electronic warfare programs where the company currently enjoys a unique competitive position.
- The company has already developed Hawk radar hardware for Su-30 and MiG-29 upgrade programs and is evaluating multiple software integration approaches, including in-house development.
- Discussions are ongoing with OEMs and stakeholders, with meaningful progress expected over the next few months.
- Data Patterns has started developing its own software stack and is using UAV platforms for testing and validation.

Exports, Capex & Acquisitions

- Export opportunities continue to strengthen across radar systems, fighter aircraft subsystems, civil aviation upgrades and offshore surveillance applications.
- Data Patterns is already supplying radar-related products to international customers and expects exports to evolve into a meaningful multi-million-dollar business over the next few years.
- Large European and global defense OEMs are increasingly engaging with the company due to its engineering capabilities and faster development timelines.
- The company plans to invest INR2b+ over the next two years towards infrastructure expansion and future growth requirements.
- Planned investments include a new engineering and manufacturing facility, clean rooms, integration facilities, production lines, testing infrastructure and reliability laboratories.
- Foundation work has already commenced, and procurement of key infrastructure equipment is underway.
- Data Patterns is also investing heavily in AI computing infrastructure and server capacity to accelerate engineering productivity and product development.
- The acquisition of FP Advanced strengthens the company's composites capability and enhances its ability to provide integrated end-to-end defense solutions.

- Management expects acquisitions to create value through market access, process improvements, customer reach, quality systems and larger business opportunities rather than technology alone.

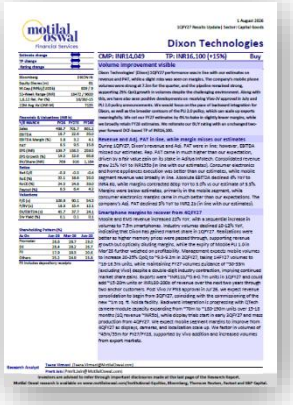
Others

- The company remains net debt-free with cash, bank balances and investments of approximately INR5.3b.
- EBITDA margin during the quarter was hit by higher employee costs related to capability expansion, facility revamping expenses and an additional receivables provision of approximately INR20m.
- Management reiterated that gross margins remain healthy and business fundamentals remain intact despite quarterly margin volatility.
- Data Patterns continues evaluating opportunities in the satellite and space segment and possesses the technical capability to develop satellites; however, larger investments will be made only after better visibility on commercial opportunities and government support.
- AI has become a strategic focus area, with investments being made to improve engineering productivity, accelerate product development and modernize internal processes.
- Management repeatedly emphasized that the company is preparing for a significantly larger scale of operations through investments in products, technology, infrastructure and talent, while maintaining a strong balance sheet and long-term growth orientation.

Dixon®
The brand behind brands

Click below for Detailed Concall Transcript & Results Update




Dixon Technologies

Dixon Technologies — Buy

Current Price INR 14,495

- **Mobile phones:** Management guided to sequential smartphone volume growth of roughly 20-25% QoQ, ex-Vivo, supported by a strong order book, and expects full-year volumes to remain broadly in line with the prior year despite an industry-wide double-digit volume decline, implying market share gains. Margins in the mobile segment are expected to remain under pressure through the rest of the current fiscal year due to elevated memory costs, with the company not anticipating margin improvement until the display and component backward-integration business ramps up meaningfully from next fiscal year. Revenue realization in the segment benefited from higher average selling prices tied to input cost pass-through even as underlying volumes softened. Exports were ~INR11b/~0.6-0.7m units in 1QFY27 and could add ~15-20m units or INR180-200b of revenue over the next two years through two anchor customers. In the longer term, management expects the export opportunity tied to anchor customers and the anticipated PLI 2.0 scheme to be a key incremental growth and margin driver for this segment.
- **Vivo JV:** Dixon received the PN3 approval for its joint venture with Vivo, and management indicated the transaction is expected to be concluded and operations to commence within the next couple of months. Financial consolidation of the JV is expected to begin reflecting in the company's numbers from 3QFY27 onward. A related large facility for an anchor customer in Noida is also nearing completion, with operations expected to start around the same

time. Management sees this as a meaningful structural addition to volumes once fully operational.

- **PLI 2.0 expectations:** Management expects the mobile PLI 2.0 scheme to be a combination of volume-led and localization-led incentives, with the incremental production incentive pegged in a 2.5–5% band and a further ~1.5% tied to component localization (display, camera module, battery, mechanical, and charger, at roughly 0.3% each). The company views the scheme as brand-wise rather than company-wise, meaning incentives would apply to production above each brand's FY26 base rather than Dixon's own base. Since domestic volumes are expected to remain under pressure, management sees exports as the primary lever through which incremental PLI benefits will accrue. Detailed guidelines are awaited and expected within a few weeks, after which the company plans to formulate its go-to-market approach, including scope for adding customers beyond its two existing anchor relationships.
- **IT Hardware:** The IT hardware vertical is being positioned as a major growth pillar, with the Chennai campus evolving into a large-scale manufacturing hub for laptops, desktops, AIOs, and now tablets, alongside a newly onboarded gaming-notebook customer. A 60:40 joint venture with a top global ODM is expected to become operational by 4QFY27, adding PCBA capability and setting the stage for entry into general and data-center servers. The company is also exploring backward integration into SSDs, power supplies, and mechanical components to improve value capture. Management expressed confidence that this segment could replicate the scale trajectory seen in mobile, albeit over a smaller addressable opportunity.
- **Telecom:** The telecom and networking business is expected to continue growing on the back of 5G fixed-wireless and broadband equipment demand, supported by a healthy order book and scaled manufacturing. The company has moved into more complex products such as microwave backhaul radios, with exports of these expected to begin this fiscal year. A new joint venture with a Taiwanese ODM for optical transceivers and pluggable modules is intended to address both telecom and data-center demand. Separately, management disclosed a new government-backed telecom manufacturing zone opportunity in Madhya Pradesh, citing subsidized land, capital subsidies, and power and skilling incentives as reasons for setting up a footprint there.
- **Backward integration update:** Camera module capacity (via its QTech subsidiary) is being scaled up substantially over the next 15-18 months to largely serve captive smartphone volumes. New display facility construction was completed, with trial production expected from the start of 3QFY27 and mass production by 2HFY27, catering to mobile, IT hardware, and automotive display applications. Management noted that QTech's margin contribution has been running below original expectations due to slower-than-planned ramp-up and adverse currency movements, though it expects steady improvement as capacity utilization deepens. Overall, component contribution to margins is expected to become more meaningful from the display business starting 4QFY27 and to compound further into FY28.
- **Consumer electronics:** Industry demand for value and mid-range LED TVs stayed soft during the quarter, which management attributed to sharp input cost

inflation driven by tight global memory supply, though demand for larger-screen and premium models held up better. Looking ahead, the company is initiating mini-LED production and transitioning toward an ODM model by 2QFY27, alongside the launch of soundbar-integrated TV sets, as it pushes further into the premium segment. The IFPD and digital signage business was also impacted by rising memory costs during the quarter. Management did not point to any near-term margin recovery catalysts specific to this segment beyond the shift toward premiumization and ODM. Refrigerator demand was impacted by commodity price spikes prompting channel destocking, along with a milder summer and unseasonal rain reducing fresh purchases, though the company continues to see healthy order flow in direct-cool and minibar categories. Capacity for two-door, deep freezer, and side-by-side refrigerator formats is being expanded meaningfully, and new categories such as robotic vacuum cleaners have begun production, with dishwashers and microwave ovens slated to start in 3QFY27.

- **Home appliances:** The washing machine business is set to expand into higher-capacity semi-automatic categories and will introduce fully automatic front-loading machines in 3QFY27, a category the company says it is the first domestic ODM to enter, backed by a new facility adding incremental annual capacity.
- **Long-term technology vision:** Management acknowledged that India's EMS industry will need to move beyond scale-led manufacturing toward deeper technology, design, and materials capability to remain competitive over the next several years. To build this capability, Dixon has set up a Centre of Excellence at BITS Pilani, launching an M.Tech program focused on display, optics, AI, robotics, and precision engineering, with a similar initiative planned at BITS Hyderabad and another program at a university in Chandigarh/Mohali. The company is also bringing in specialized global talent, citing the hiring of a senior R&D leader from a large Korean conglomerate to lead development of its front-loading washing machine platform as an example of this knowledge-transfer approach. Management indicated it is separately pursuing initiatives in precision engineering, though specifics were not disclosed on the call.
- **Working capital movement:** The company saw incremental working capital deployment during the quarter, which it attributed to building strategic inventory ahead of anticipated further increases in memory prices, along with settlement of payables that were outstanding as floating cash at the end of March. Capex for the quarter stood at a modest level relative to the working capital build. Management characterized the elevated working capital as a temporary phenomenon that should unwind and normalize over the coming quarters as these one-off factors reverse.

KAYNES TECHNOLOGY

Kaynes Technology — Buy

Current Price INR 3,811

Click below for Detailed Concall Transcript & Results Update

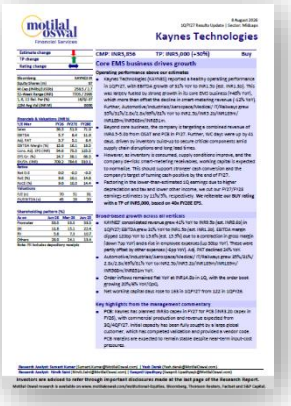
Guidance

- The company expects to grow at ~2x the market growth rate.
- The company expects INR4.5–5b of combined revenue from OSAT and PCB.

Operations

- Escalation in West Asia has resulted in a slippage in the ramp-up schedule for PCB and OSAT.




Kaynes Technologies

- Overall revenue growth has been achieved despite a decline in the smart metering business, with strong growth in the core EMS business.
- The standalone EMS business has delivered strong growth.
- The delayed delivery of a government product, which was highlighted earlier, has now largely normalized, with ~30–40% of the pending business executed during the quarter, supporting growth across various segments.
- Other income has declined as income earned on QIP funds has reduced, while depreciation has increased due to higher capex.
- Standalone business revenue grew 53% YoY, from INR4.2b to INR6.4b. Overseas entities grew 327%, from INR240m to INR1b.
- The EMS market grew by 17%, while the company's EMS business grew by 48%, significantly outperforming the industry.
- The company reiterated its expectation of achieving ~2x market growth, irrespective of the underlying market growth rate.
- ETR remains elevated due to loss-making entities contributing to the consolidated business.
- Debt stood at ~INR8b.

Component price inflation

- MCUs and power devices: Prices have increased by 15–85%, reflecting tight semiconductor capacity and stronger demand for power-management components.
- DRAM and NAND: Prices have risen by 40–105%, driven by strong AI/data-center demand and the reallocation of memory capacity toward server applications.
- MLCCs and tantalum capacitors: Prices have increased by 15–60%, particularly across high-end and automotive-grade products.
- Chip resistors: Prices have risen by 15–25%, amid tighter supply and higher input costs.
- Diodes and MOSFETs: Prices are up 10–20%, with automotive and SiC products witnessing relatively higher supply constraints.
- Connectors: Prices have increased by 5–30%, reflecting higher demand across automotive, EV and AI-server applications.
- Overall, the combination of geopolitical disruptions, AI-led capacity crowd-out, elevated energy/input costs and precautionary inventory building is creating a tighter component market, with lead times extending and procurement costs rising across key electronics categories.
- Component availability has become challenging, with supply conditions resembling the tightness witnessed during the COVID period.

Working capital and cash flow

- The increase in inventory of ~INR1.5b was a strategic decision taken in February, considering the global market situation and supply-chain volatility.
- The higher inventory enabled the company to maintain strong growth, with overall growth exceeding 40% and EMS growth at ~48%.
- Inventory increased by INR1.6b.
- Receivables increased by ~INR900m.
- Negative cash flow stood at ~INR2.5b, compared with ~INR3b last year.

- Total receivables, including current and non-current assets, increased from INR 17.65b to INR19.25b during the quarter.
- EMS receivables remained broadly stable, increasing from INR6b to INR6.1b, indicating that collections were largely completed, including GST-related amounts.
- Receivables in the metering business increased from INR 11b to INR 13b, reflecting the weaker topline in the segment.

OSAT

- Capex of INR4.7b has been incurred/planned for the OSAT and semiconductor business.
- Received INR1.7b of government subsidy in July.
- Commercial revenue booking is expected to begin from 3Q/4Q.
- Trials and validation processes are nearing completion.

PCB

- Planned capex of INR3b.
- PCB has entered a phase of global supply shortage, with suppliers increasingly demanding advance payments and lead times of 6–8 months even for order booking.
- The company's timing of entry into PCB is therefore favorable, with commercial production expected to commence from the next quarter.
- Commercial revenue booking is expected from 3Q/4Q.
- The entire initial capacity has been sought by a large global customer, which has approved the company and provided the vendor quote.

Space tech

- Satellite development: Kaynes' first prototype satellite is currently under development, with the company targeting launch by mid-FY28, subject to completion of regulatory testing.
- ISRO: The company is awaiting a confirmed launch date from ISRO, with the satellite expected to be launched aboard either on a Polar Satellite Launch Vehicle (PSLV) or on a Geosynchronous Satellite Launch Vehicle (GSLV).
- Management highlighted that the initiative is aimed at establishing Kaynes' capabilities in the emerging satellite electronics segment and creating opportunities for broader participation in India's space ecosystem.
- DRDO: At the request of ISRO, Kaynes' subsidiaries Creo Precision and Kaynes Technology's aerospace subsidiary are entering titanium gas-bottle manufacturing to support ISRO's flight programs.
- Defense opportunity: DRDO has a similar requirement for titanium gas bottles across several missile programs, providing Kaynes with a second anchor customer in the space/defense segment from the outset.

Capex

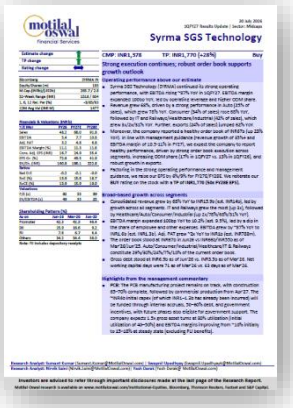
- Planned capex for FY27 includes INR3b for OSAT, INR3b for PCB and INR2.5b for EMS.
- Capex incurred during 1Q stood at ~INR1.8b.
- Funding is not a constraint for the planned capex program.
- Government subsidies are also expected to support the company's capex requirements.

Syrma SGS Technology — Buy

Current Price INR 1,492

Click below for Detailed Concall Transcript & Results Update





Guidance and Outlook

- The company delivered a strong start to the year despite geopolitical uncertainties, providing confidence in achieving its FY27 targets.
- Management reiterated 35%+ revenue growth guidance and 10.5–11.0% EBITDA margin for FY27, while indicating that performance could exceed guidance. It also remains confident of sustaining 35%+ revenue growth through FY29.
- Demand across end-markets remains healthy, with supply chain constraints and longer component lead times being the primary challenge rather than demand.
- To ensure uninterrupted customer deliveries, the company is proactively increasing inventory levels, which is expected to remain elevated over the next couple of quarters. Industry-wide inventory is also expected to rise over the next six months.
- Management emphasized that it will not compromise long-term customer relationships or growth opportunities for short-term profitability.

Export business

- Exports continued to outperform, growing 61% YoY during the quarter, reflecting deeper integration with global supply chains.
- Management expects 30–40% export growth for FY27, with export revenue targeted to reach INR15–16bn over the medium term.
- Geographic mix comprises Europe (40%), US (22%), and the balance from other regions.
- Growth will primarily be driven by automotive, industrial and medtech, with automotive exports already crossing INR1.2bn last year.

Business update

- ODM: Revenue nearly doubled to INR2.69b (vs. INR1.25bn YoY). Healthcare, defense, consumer and industrial remain the key ODM segments, with management expecting further scaling in medtech and defense.
- Consumer: Healthy growth driven by faster customer ramp-up. Consumer is expected to contribute around 30% of revenue going forward.
- Automotive: Continues to benefit from rising EV penetration, growth in charging infrastructure and increasing electronics content per vehicle. The company is also building capabilities in power management and cooling solutions for data centers.
- Healthcare: Business remains robust with an order book of nearly INR5bn. Two new CDMO/design customers were added during the quarter, while the medtech business is expected to grow ~50% this year.
- Defense: Management expects 25–35% growth, supported initially by the Elcome portfolio while expanding into new technologies over the medium term.
- Industrial: Growth moderated due to the timing of defense maritime orders and slower smart meter execution. Excluding maritime, the industrial business remained broadly stable, supported by fuel injection systems and utility metering.
- Higher inventory levels led to increased working capital requirements and an increase in short-term borrowings of INR3.4bn during the quarter.

- Despite this, the company maintains a net cash position of INR1.22bn, supported by cash and investments exceeding INR8bn.
- Management reiterated that inventory build-up is a deliberate strategy to ensure uninterrupted supplies amid component shortages.

Order Book, Vertical Commentary & Competitive Positioning

- The company onboarded 18 new customers during the quarter across segments (five in automotive, three in industrial, two in healthcare, and the balance across telecom, IT and railways segments).
- These customers are unlikely to materially contribute in FY27, but are expected to ramp up gradually, with potential revenue exceeding INR10bn at full scale by FY29.
- Order book stands at INR67.7bn, of which INR54bn is expected to be executed over the next 12 months.
- Order book mix: Consumer (30%), Automotive (29%), Industrial (24%), IT & Railways (9%), and Healthcare (7%).

PCB

- The PCB manufacturing project remains on schedule, with the building around 65–70% complete.
- Equipment installation is scheduled for 3QFY27 (Jan–Mar'27), followed by sample production and customer qualification. Commercial operations are targeted from Apr'27.
- Initial investment is approximately INR4bn, funded through a mix of internal accruals and 50–60% debt, with future phases likely benefiting from 50% government capex incentives.

Capex

- 1QFY27 capex was ~INR900mn, excluding PCB investments, with an additional INR2.7b planned for PCB and ~INR1.1-1.5b for others.
- Existing facilities are operating at 65–70% utilization.
- The company is expanding medtech manufacturing capacity in Jodhpur and entering medical-grade plastics, creating an additional long-term growth avenue.

QIP

- The company has obtained approval for a QIP, although there is no immediate requirement for fundraising.
- Management intends to keep capital-raising flexibility to capitalize on future opportunities across EMS and semiconductor businesses.

Others

- For Kaga, both partners will invest INR250mn each in the JV.
- Kaga brings strong customer access in Japanese automotive and white goods markets along with component sourcing capabilities.
- Management expects the partnership to generate INR3–5bn of revenue over the next 4–5 years.
- The company is not evaluating Mobile PLI opportunities.
- Under ISM 2.0, management remains interested in both backend assembly and packaging, and is currently in discussions with potential technology partners.
- In renewables, the company is negotiating with a strategic partner and views the segment as a key long-term growth opportunity.

- Management intends to pursue JVs or partnerships primarily in areas where the company lacks technology, regulatory approvals or market access, rather than duplicating existing capabilities.
- Mature products typically scale up within 12–18 months, while new products require 18–30 months.
- For global customers, Syrma expects wallet share to gradually increase from low-single digits to 4–6% over time, creating meaningful revenue opportunities despite relatively low market share.
- In the domestic market, the company is generally among the top one or two suppliers and continues to increase wallet share with existing customers.

FINANCIALS/BANKS

- **Management takeaways were constructive on the banking sector, with most banks expecting healthy credit growth across corporates, SMEs, and retail segments. Deposit mobilization, particularly granular retail deposits, CASA, and FCNR(B), remains a key focus, while improving loan demand and strong pipelines provide growth visibility. Asset quality remains a priority, with banks expecting the ECL transition to have a manageable impact on capital and credit costs.**
- **Profitability is expected to remain broadly stable, with resilient NIMs supported at select banks by retirement of high-cost borrowings, FCNR(B) mobilization, loan repricing, and a favorable loan mix. Credit costs are expected to remain contained, while lower opex intensity and normalization of credit costs should support an improvement in RoA. Overall, banks remain focused on balancing growth with risk-adjusted returns and healthy capital buffers.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	FY27 outlook	Asset quality and collection efficiency
Axis Bank	▪ AXSB continues to target credit growth ~300bp ahead of system, with growth expected to remain broad-based across retail, SME and wholesale. ▪ The bank expects NIMs to recover towards its structural guidance of ~3.8%, with 1QFY27 marking the cyclical bottom. Around 45% of the fixed-rate book is due to mature over the next year, while improving retail disbursements and incremental FCNR(B) deposits should support margin recovery. ▪ Deposit growth is expected to remain ahead of the industry, supported by granularization, CASA deepening, and salary relationships. NTB salary average balances grew 30% YoY, while the existing-to-bank salary book grew 18% YoY, supporting further customer deepening.	▪ Asset quality is expected to remain stable, supported by prudent underwriting and improving recoveries from the technical pool. ▪ Credit costs are expected to remain controlled, with net credit cost declining 75bp YoY to 0.63% in 1QFY27. ▪ The bank also did not draw down the INR20b additional standard-asset provision created in 4QFY26, which remains available as a precautionary buffer. ▪ The transition to the ECL framework is expected to have only a marginal impact on net worth at transition, although provisions-to-assets could be higher during the first year as Stage 1 and Stage 2 provisions replace the existing standard-asset provisioning framework.
HDFC Bank	▪ HDFCB expects broad-based loan growth, led by corporate/wholesale, MSME and retail, while retail disbursements remain strong across mortgages, VF and unsecured loans. ▪ NIM is likely to recover gradually, led by lower funding costs and a higher retail mix. INR400b–500b of borrowings mature over the next couple of years, offering ~100–125bp savings on replacement with term deposits. Retail mix at ~52% is expected to move towards ~60% in the longer term. ▪ Deposit growth and CASA rebuilding remain key priorities, with CASA targeted at 38–40% over the medium term. Customer acquisition, time deposits and FCNR mobilization provide further liability-side opportunities. ▪ Operating leverage should improve, as investments in digital adoption, AI and process re-engineering should drive efficiencies over the next quarters.	▪ Provision buffers remain adequate for the transition to the ECL framework, with Stage-3 provisioning comfortable and Stage-2 coverage well above the required 5% level. ▪ The transition to ECL is not expected to have a material impact on credit costs, although some marginal changes in flow provisions could occur depending on portfolio characteristics and forward-looking assumptions. ▪ Provision coverage is expected to remain adequate post-ECL transition, with PCR at ~66% and around 70% excluding agriculture, while the unsecured portfolio also carries ~70% PCR. ▪ Overall credit risk remains controlled, with healthy underwriting standards and adequate provision buffers providing comfort despite potential changes in provisioning under the ECL framework.
ICICI Bank	▪ ICICIBC expects healthy loan growth, led by business banking, corporate, and retail, with business banking rising 28% YoY. Overall growth could moderate from 19.6% YoY due to base effects. ▪ NIMs are expected to remain range-bound, supported by a strong funding franchise, disciplined pricing and treasury management. Ex-tax refund, NIM was stable at 4.28%; 57% of domestic loans are repo-linked. ▪ Deposit growth remains focused on granular funding, with CASA up 12.1% YoY. FCNR(B) offers an incremental funding opportunity at ~6.3–6.4% all-in cost, although management has set no mobilization target. ▪ Profitability remains the key focus, with PBT ex-treasury driving the 360-degree customer strategy. Fee income grew 23.5% YoY, supported by broad-based traction across	▪ Asset quality remains well-controlled. Overall GNPA additions dipped YoY, though corporate/business banking net additions increased to INR5.9b. ▪ Credit costs are expected to normalize towards ~50bp, with reported 1QFY27 credit costs at 32bp aided by a chunky NCLT recovery. ▪ ECL transition is expected to be manageable, with higher Stage-2 provisions partly offset by lower Stage-3 provisioning. Existing buffers should limit the one-time net-worth impact, though ongoing credit costs could rise. ▪ Retail asset quality remains comfortable, with lower GNPA additions and improving personal loan growth. ▪ Strong provision buffers with PCR at 74.7%, contingency provisions of INR131b (~0.8% of advances), and non-specific provisions of INR229.6b (~1.4% of loans).

	transaction banking, trade/forex and loan-linked fees, while card fees remain subdued.	
IndusInd Bank	▪ IIB expects loan growth broadly in line with system growth, with acceleration from 2QFY27 as MFI seasonality normalizes and retail, vehicle finance, and SME traction improves. ▪ IIB targets ~1% exit RoA in FY27, driven 60:40 by PPOP improvement and lower credit costs respectively. ▪ NIMs are to remain under pressure in 2Q, before recovering in 3Q/4Q as higher-yielding businesses regain traction. ▪ Deposit strategy remains focused on granular, low-cost funding, with further retail/SBC traction. FCNR(B) offers an opportunity given IIB's ~3.6% NRI deposit market share. ▪ CoD has further scope to improve, with management targeting closure of the ~150bp gap versus its closest peer. Also highlighted significant headroom in retail fees	▪ Consumer asset quality is nearing the end of corrective cycle, with personal loan & credit-card slippages expected to moderate as portfolio quality improves. ▪ MFI stress is normalizing, with gross slippages going down and 31–90 DPD at 0.6%; ~74% of the portfolio is covered by CGFMU, supporting growth recovery from 2Q. ▪ Vehicle finance asset quality should improve in 2H, with no broad-based CV stress. ▪ Credit costs are expected to dip as slippages moderate and portfolio mix improves. ECL's ongoing impact should be marginal, with one-time transition impact estimated at ~1.0–1.5% of loans.
Kotak Mahindra	▪ KMB expects advances to grow ahead of system over the longer term, led by Corporate, SME and selective growth in MFI and credit cards, with focus on profitable and responsible growth. ▪ NIMs remain resilient at 4.53%, despite higher term-deposit pricing. The CoF stood at 4.46%, with no specific forward NIM guidance. ▪ Deposit strategy remains focused on granular funding, with average deposits up 13.6% YoY and Kotak 811 savings balances up 32%. FCNR(B) offers an incremental opportunity, with deployment options under evaluation. ▪ SME remains a key growth driver, with advances up 20.5% YoY to INR1.26t, while corporate advances grew 15.5%. Gold loans are emerging as a strategic secured growth opportunity.	▪ Asset quality remains comfortable, with earlier credit-card and personal-loan stress largely cleaned up. Unsecured growth will continue, but underwriting remains cautious in Business Loans. ▪ The ECL impact is expected to be manageable, with one-time impact below 2% of net worth and steady-state credit-cost increase limited to ~12–15bp. ▪ Credit costs remain controlled, with 1Q credit cost at 46bp vs. 39bp in 4QFY26, impacted by CV and tractor finance. Improving collections and moderating seasonal stress should support normalization. ▪ MFI asset quality remains comfortable, supported by risk-based underwriting and full CGFMU coverage, while tractor finance remains an area to monitor.
SBI	▪ SBIN maintains its FY27 credit growth guidance of 14–15%, supported by broad-based demand across corporate, MSME and retail, with a strong ~INR9t corporate pipeline providing growth visibility. ▪ Domestic NIM is expected to remain >3%, supported by disciplined corporate pricing, stable funding costs and greater MCLR-linked lending. FCNR(B) mobilization should have limited margin impact. ▪ SBIN targets USD10b FCNR(B) deposits vs. USD6b currently, while INR3t excess SLR provides ample liquidity to support growth. ▪ Fee income offers further diversification, with contribution targeted at 20% vs. 15% currently, supported by digital sourcing, YONO and analytics-led cross-selling.	▪ Asset quality remains well controlled, with seasonal 1Q slippages expected to moderate through FY27 and continued monitoring of agriculture, SME and retail portfolios. ▪ ECL is not expected to materially increase credit costs, although higher Stage-1/Stage-2 provisioning floors could have a modest run-rate impact. ▪ Xpress Credit remains largely salaried-led, with 99% of borrowers salaried, while collection infrastructure for self-employed borrowers is being strengthened. ▪ PRISM-led early-warning systems continue to strengthen stress monitoring, supporting timely identification and resolution of emerging risks.

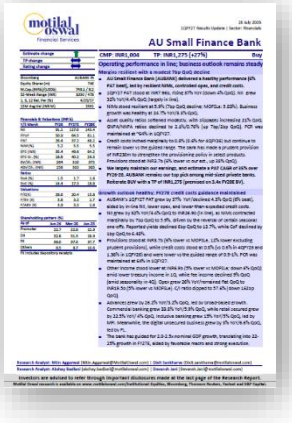
AU Small Finance Bank — Buy

Current Price INR 1,071

Click below for Detailed Concall Transcript & Results Update

Opening Remarks

- Mr. Yogesh Jain has been elevated as the Deputy CEO of the bank.
- The franchise has become more diversified and scalable, supported by continued investments in technology, talent, and balance sheet strength.
- 1QFY27 began with an uncertain macro environment due to the West Asia conflict; however, the overall operating environment remained healthy.
- Unsecured portfolio grew 5% QoQ, led by MFI and personal loans.
- Disbursements increased 42% YoY.
- Slippages declined 22% YoY, driven by improvement in the unsecured portfolio, while secured asset quality remained stable.
- Strong disbursement growth resulted in a modest increase in operating expenses.


AU Small Finance Bank

- Credit cost declined to 0.8%, while RoA stood at 1.7%. The bank also created a one-time prudent provision of INR230m.
- The bank has expanded the use of AI and automation across multiple business segments. The mobile gold loan platform has already been rolled out across branches and will be extended to the home loan business.
- Deposits grew 24% YoY. The liability franchise has now been organized into four verticals – Branch Banking, Government, Financial Institutions, and Bulk Deposits.
- The bank plans to add 100 liability branches in FY27 to support deposit mobilization.
- Within bulk deposits, the focus remains on non-callable deposits.
- The asset franchise delivered healthy growth during the quarter, with newer geographies contributing meaningfully.
- Mortgage disbursements grew 28% YoY.
- NIM contracted 7bp QoQ due to the seasonal benefit seen in 4QFY26.
- Provisions were higher on a sequential basis due to seasonal factors, along with the one-time prudent provision.

Advances

- Credit card business remains in the investment phase.
- The bank remains comfortable with its funding profile and does not intend to optimize the balance sheet based on the reported CD ratio. Excluding refinance, the CD ratio remains below 80%, which the bank considers a comfortable operating level.
- The bank continues to operate with an NSFR of 105–115% and is comfortable maintaining liquidity within this range.
- The bank remains confident of growing loans at around 2.0–2.5x nominal GDP over the next decade, supported by its transition into a pan-India franchise and increasing contribution from newer markets.
- The next phase of growth is expected to be driven by deeper geographic penetration and wider distribution, with newer geographies already showing encouraging traction.
- The bank believes its diversified retail portfolio across mortgages, gold loans, MFI, commercial banking, personal loans, consumer finance, and credit cards provides a long runway for sustainable growth.
- The gold loan business has benefited from Fincare's expertise and distribution network, enabling the bank to expand into markets where its presence was earlier limited.
- The gold loan portfolio remains granular, with an average ticket size of around INR250k and most loans below INR500k.
- More than 80% of the gold loan portfolio is sourced from rural markets. The portfolio generates yields of around 15.5% and is supported by an established origination and operating infrastructure.

Deposits

- FCNR deposits – The bank had to increase deposit rates to 7.4% as it does not enjoy the same pricing advantage on customer acquisition as larger banks. While the benefit to AU may be limited, improving system liquidity is positive for the overall banking sector.

Yields, Cost and Margins

- CC and PL are relatively new businesses for the bank; therefore, current risk-adjusted yields do not fully reflect their long-term earnings potential. The credit card business continues to remain loss-making at this stage.
- Credit card revolving balances have moderated following prudent underwriting measures implemented around 18 months ago, resulting in lower yields within the digital unsecured portfolio.
- NIM remains difficult to predict given multiple moving parts. While the cost of funds appears to have bottomed out and select savings and term deposit rates have been increased, the bank has also taken pricing actions on the asset side to offset the impact.
- Average cost of savings deposits stood at 5.05%, while the average cost of term deposits was 7.25%.

Asset Quality

- Asset quality improved on a YoY basis, with lower slippages. The SME portfolio continues to witness some seasonal weakness during the first quarter.
- MFI industry witnessed broad-based moderation over the past few quarters; however, activity has started improving following the implementation of MFIN guardrails.
- The bank expects vehicle finance growth to be supported by an expanding distribution network across South India, Uttar Pradesh and the East.
- Around 96% of the MFI portfolio is covered under the CGFMU scheme.
- Claims under the FY26 CGFMU pool are expected to be lodged by the end of 2QFY27 after the mandatory six-month seasoning period, with recoveries likely by December.

Opex

- Technology expenses account for around 12–13% of total operating expenses.
- Employee count has been rationalized since April, with AI increasingly handling operational processes. However, hiring will continue in newer geographies to support expansion.

Credit Cost (Provisions)

- Under the ECL framework, the bank is refining its PD and LGD models. The final impact will depend on the outcome of the revised provisioning assessment, with a relatively higher benefit expected in Stage 3 assets.
- The bank continues to follow a prudent provisioning policy and remains comfortable with the quality of its secured portfolio as well as its PD and LGD assumptions.
- The bank created an additional prudent provision of INR230m during the quarter.
- Transition to the ECL framework is expected to be broadly neutral, with greater clarity likely from 3QFY27 onwards.
- Earlier benchmark of around 3% MFI credit cost is no longer directly comparable, as the portfolio is now supported by guarantee cover, changing the overall credit cost framework.

RoA

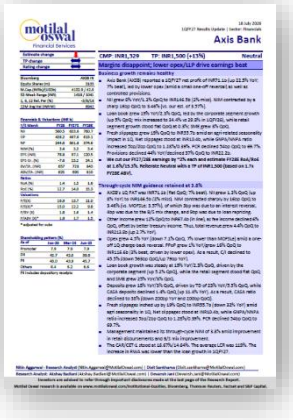
- The bank sees scope for improvement in both operating expenses and NIM, and remains comfortable with an RoA range of 1.7–1.8%. It continues to target an

RoA of around 1.8%, supported by lower credit costs and improvement in other income.

AXIS BANK

Click below for Detailed Concall Transcript & Results Update





Axis Bank — Neutral

Current Price INR 1,232

Opening remarks by the management team

- Growth momentum remained healthy, with market share gains in both advances and deposits.
- Retail disbursements continued to witness healthy traction, while the SME franchise delivered strong growth.
- Wholesale banking growth remained broad-based across segments.
- Deposit growth outpaced the industry during the quarter.
- FCNR deposits present a meaningful growth opportunity.
- Cost of funds declined 2bp QoQ, while the focus remains on maintaining a well-diversified funding profile.
- Corporate salary accounts grew 30% YoY, while ETB salary accounts increased 18% YoY.
- 1QFY27 marked the cyclical bottom for NIMs. Consolidated RoA stood at 1.56%.
- GNPA and NNPA remained healthy at 1.28% and 0.39%, respectively.
- INR600m was raised through Tier-II instruments during the quarter.
- CET-1 ratio improved by 26bp in 1QFY27.
- Existing capital levels remain adequate to support future growth without the need for additional capital raising.
- Trading income declined 62% YoY due to higher treasury gains recognized in 1QFY26.
- Operating expenses increased by INR4.2b, with around 38% attributable to business volumes, 44% to technology investments, and the balance to regular business operations.
- Operating expenses also included a one-time impact of INR2.71b related to changes in employee costs.
- No drawdown was made from the cumulative additional provisions during the quarter.
- Around 45% of the loan book is scheduled to reprice over the next one year.

Retail disbursements grew 18% YoY, led by:

- Home loans: +24% YoY
- Vehicle finance: +21% YoY
- Retail agriculture: +16% YoY
- Personal loans: +23% YoY

Total slippages stood at INR55.7b, comprising:

- Retail: INR51.76b
- CBG: INR2.66b
- Wholesale: INR1.24b

Profitability & Margins

- NIM contracted 16bp QoQ, driven by a 3bp impact from interest income reversals, a 4bp impact from balance sheet mix changes, and the remaining 9bp due to loan repricing.

Advances

- Corporate loan growth continues to be funded through wholesale liabilities while maintaining positive lending spreads.
- Around 91% of the corporate portfolio is rated A- or above, and the portfolio mix is expected to remain broadly unchanged.
- The strong corporate loan momentum witnessed in the previous quarter continued into 1QFY27.
- CASA balances remained stable on both a period-end as well as QAB basis.
- Corporate lending is spread across project finance and working capital loans. While some project finance exposures are expected to migrate to the bond market over time, working capital loans are expected to remain relatively sticky.
- Opportunistic growth was witnessed in foreign currency loans, with no structural change expected in the overall portfolio mix.
- Retail disbursement growth moderated to 18% YoY from 24% in the previous quarter, although continued improvement in retail disbursements is expected to support margins.
- The medium-term guidance of growing around 300bp faster than industry loan growth remains unchanged.
- Corporate lending spreads generally remain unchanged after loan origination, with repricing primarily linked to changes in the repo rate.

Asset Quality related

- Credit costs in 1QFY27 remained broadly similar to 3Q levels. Recoveries from technical slippages are expected to improve going forward.
- Transition to the ECL framework is expected to have only a marginal impact on net worth, as ECL is exposure-based while IRAC follows an outstanding-based approach. However, flow provisions during the initial year following implementation could be relatively higher.

Opex and Other Income

- A provident fund charge of INR1.29b had been recognized earlier due to government fund-related requirements. The easing in G-sec yields resulted in a reversal during the current quarter.
- Excess variable pay provisions created earlier were reversed during the quarter.

NIMs

- NIM contracted 16bp QoQ, driven by a 3bp impact from interest income reversals, a 4bp impact from balance sheet mix changes, and a 9bp impact from loan repricing.
- The structural margin guidance remains unchanged, with 1QFY27 expected to mark the cyclical bottom. Margins are expected to gradually move towards the through-cycle NIM target of 3.8%.
- Incremental FCNR deposits are expected to improve liquidity, with deployment into higher-yielding assets supporting margins.
- Despite the 9bp impact from loan repricing, the cost of assets improved by around 8bp.
- Investment yields, which had declined in the previous quarter, improved by 6bp QoQ during 1QFY27.

Others

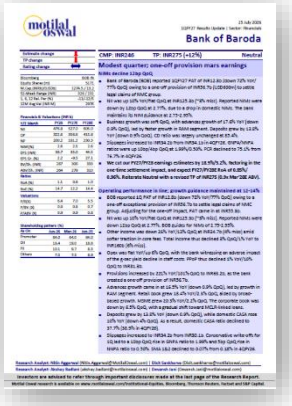
- The proposed increase in the stake in Max Life continues to be under internal evaluation, following which the necessary regulatory approvals will be sought. The intention remains to increase the shareholding in the subsidiary.

Bank of Baroda — Neutral

Current Price INR 245

Click below for Detailed Concall Transcript & Results Update




Bank of Baroda

Opening remarks

- Bank's YoY growth was strong; doing better than system.
- Benign asset quality continues, with collection efficiency, excluding agriculture, at an all-time high of 99.2%.
- MSME segment protected well now with ECLGS; hence, the bank does not envisage any unexpected stress on the book.
- Marginal uptick in GNPA was owing to conservative write-offs during the quarter.
- Claim settlement allows to close a legacy matter and focus on customers, stakeholders and long-term sustainable growth.
- PAT at INR55.3b, excluding one-offs.
- RoA, excl. one-off impact, at 1.10% vs. 1.15% in 4QFY26.

Advances and deposits

- Domestic advances grew 16.1% YoY, with focus on growing RAM advances.
- Organic retail book grew 18.4%YoY and the organic SME book grew by 20.3% YoY.
- Corporate book declined by 6.5% QoQ, with the bank's focus shifting from non-MCLR linked portfolios to MCLR/near MCLR.
- Gold loan declined QoQ, which was more seasonal in nature.
- Domestic CASA deposits grew by 10% YoY with domestic CASA ratio at 37.72%.
- Domestic C/D now at 83.3% vs. 83.5% as of Mar'26.
- Mobilized +USD600m FCNR(B) deposits until now and endeavors to capture total flows of USD4-5b with a combination of FCNR (B) deposits and OFCBs.
- Intends to maintain LCR at ~120% levels.

Cost, margins and yields

- Core NIMs 2. 77% vs. 2.83% in 4QFY26. Overseas NIMs dented the overall NIM.
- Incremental bulk deposits cost now less compared to Mar'26, especially after FCNR(B) deposit announcement.
- Duration of investment book increased, as the bank chose to take advantage of g-sec yield movement during the quarter. The bank remains adequately protected in case the rate goes up in the future.
- The domestic pricing on FCNR(B) deposits is quite competitive. While overseas branches have more discretion on lending price keeping in mind the borrower's cost of funds.
- Interest on IT refund was INR3.75b for the quarter.

Other income and opex

- Pricing strategy on commission and exchange needs to have a re-look; in case of high loan growth, the bank has to sacrifice some commission fees.
- Staff costs rose 30% QoQ owing to AS-15 provision tracking the bond yield movement.
- IT budget of the bank both opex and capex is +INR40b.

One-time settlement

- Paid USD600m in an out-of-court settlement on 1st Jul'26. Bank liability is limited to USD600m.
- Commercially prudent decision taken with the advice of legal counselors.
- Domestic book is insulated from this case.
- The claim against the bank has been discontinued. Financial impact fully taken in this quarter.
- Claim against a principal individual shall continue both in India and outside.

Asset quality

- Fresh slippages at 0.91%, flat QoQ and up 25bp YoY.
- SMA1+2 reduced to 7bp from 18bp in Mar'26.
- Floating provision remains at INR25b.
- This quarter, the bank maintained a conservative write-off policy to protect PCR.
- GNPA and NNPA slightly high QoQ but still comfortable compared to system.
- ECL transition impact would be 110bp on CRAR (INR120b), which can be spread over a few years (lowered impact by 15bp owing to favorable project finance guidelines).
- ECL steady-state impact on credit cost could be 15-20bp.

Guidance

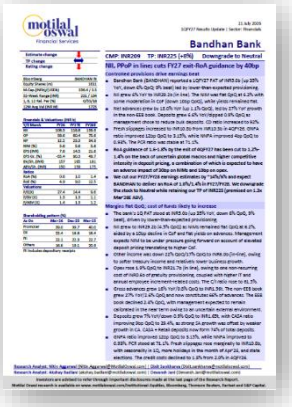
- Credit growth guidance maintained at 12-14%.
- Deposit growth guidance maintained at 10-12%.
- C/D ratio 84-86%.
- Credit cost to maintain below 0.6%.
- Slippage in the range of 1-1.25%.
- NIM guidance stands at 2.75–2.95%.
- 2Q, 3Q and 4Q RoA expected to be >1%.
- Intends to raise INR85b equity in the medium term.

Bandhan Bank — Neutral

Current Price INR 169

Click below for Detailed Concall Transcript & Results Update





Guidance

- RoA guidance of 1.6-1.8% by exit of 4QFY27 cut to 1.2%-1.4% largely owing to uncertain external factors.
- 40 bps cut in RoA guidance factoring in adverse impact of 30bp on NIM and 10bp on opex.
- To keep EEB book at 33-35%, overall mix to grow at 5-10% YoY, based on external environment.
- 10-20bps improvement in other income expected on the back of scaling the wholesale business and new sources of revenue like FX, LC, trade finance, etc.
- Credit cost guidance maintained at 1.6-1.8%.
- Will be challenging to maintain the NIMs at current levels of 6.2%.
- Credit growth guidance at 14% YoY, EEB book growth at 5-10% YoY, and Non-EEB book growth at 20%+ YoY.
- Opex-to-asset ratio guidance at 4.2%. After FY28, the bank should start witnessing further efficiencies to come through.

Opening remarks by management

- In 1QFY27, demonstrated significantly better resilience compared to previous years, despite being a seasonally weak quarter.

- Moderation in EEB book was considerably lower compared to previous 1Qs.
- Taking a conscious decision to reduce high-cost bulk deposits.
- Focus on strengthening CASA, improving operational efficiency and customer engagement, and maintaining robust asset quality.
- The external environment has become uncertain owing to global uncertainty, a less predictable monsoon, and rising tech and operational costs.
- Impact of higher funding cost is visible despite a flat rate environment.
- Tech expenses have increased owing to uncertain global macros and disrupted supply chain.
- Until now, the Indian economy is doing well; there could be higher operational costs, but it may not translate into delinquencies.

Loans and deposits

- Will remain the leader in the MFI space. However, will remain more watchful. Can grow up to 10% YoY if the situation improves.
- The Non-EEB book grew by 27% YoY and now contributes 2/3rd of the overall loan book.
- Retail assets grew 45% YoY, led by CV, CE and auto loans.
- Revamping of the housing segment into three different verticals impacted the growth in the housing segment.
- Implemented new RBI circular in the gold loans segment has impacted initial sourcing in Apr and May'26; now sourcing is back to normal.
- Bulk deposits declined by 13% YoY, reducing to 26% of total deposits v/s 32% a year ago.
- Quality of bulk deposit book remains strong with 86% being non-callable.
- Liquidity is comfortable with LCR at 140% and C/D ratio of 92%.

Opex and other income

- Decline in non-interest income YoY owing to higher treasury income in 1QFY26.
- Third-party distribution recorded 47% YoY growth.
- Aim to get more wallet share in the wholesale banking business, which currently has muted RoAs.
- Opex higher because of an increase in IT costs and higher annual employee-related expenses.
- INR0.6b additional one-time gratuity provision owing to new wage bill.
- Tech cost has increased by 65% owing to external factors.
- 40% of MFI book is PSL compliant. Post 1Q should be comfortable with PSL compliance.
- IT cost is 9% of total opex, and the endeavor is to remain within the 10% range.
- Leveraging of investments will not happen immediately since the last 2-3 years' major costs were on CBS, and now costs will be towards LOS and partly on CRM.
- Not all secured book is sourced from DSA. Focusing on cross-sell of retail assets via branch channel.

Yields and margins

- Received some benefit of Dec-25 rate cut in 1Q, which shall not be available going forward.
- Higher competitive intensity in deposit pricing, because of which NIMs could get impacted.
- Yields for EEB book hiked from Feb-26 by 100bps.

- Might have to raise interest rates on deposits in certain buckets going forward
- Aim to offset pressure on NIM by an increase in other income from wholesale income (LC, FX and trade finance, etc).
- Cost of SA already up 20bps.

Asset quality

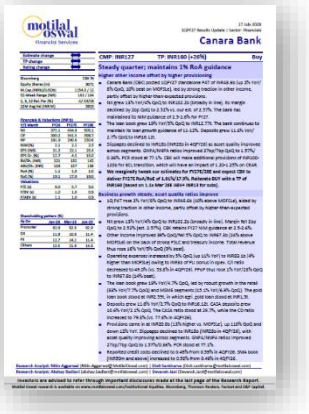
- Total slippages were INR10.8b, of which EEB was INR 6.0b.
- The Collection efficiency excluding NPA remained healthy at 98.5% despite 1Q being a seasonally weak quarter.
- SMA 0 increased, primarily because of multiple holidays in April and the impact of elections.
- Sale of housing NPA of INR 2.9b during the quarter.
- Credit cost moderated to 1.8% v/s 2.0% in 4Q. Credit cost of EEB book came down to 3.3% in 1Q.
- INR 1.2b of ARC-related cash recovery during the quarter.
- Recoveries shall remain robust, and asset quality is expected to improve further from hereon.

Canara Bank — Buy

Current Price INR 129

Click below for Detailed Concall Transcript & Results Update





Opening Remarks

- Met most of the guidance across metrics.
- Business growth came in at 14% YoY against guidance of 10-11%.
- Advances growth was 19% YoY, well ahead of guidance of 11-12%.
- Deposits growth came in at 11.6% YoY, with CASA growing at 9% YoY.
- NIM came in at 2.52%, largely stable QoQ.
- First focus will be on efficiency over growth, but shall try to strike a balance between the two.
- RoA/RoE stood at 1.04%/18.31%.

Advances and deposits

- INR180b of advances eligible in the ECLGS scheme, against which sanction of INR110b is made and INR100b is already disbursed.
- Individual savings have increased by 12.8% YoY, while retail TD is growing at 9% YoY. Launched new products in retail TD and individual savings space.
- Aims to mobilize USD2.3-2.5b in FCNR(B) deposits + OFCBs + ECBs. Endeavors to cross USD1b in July, with USD775m already raised.
- Getting better pricing in corporate lending even for higher-rated corporates. 86% of the corporate book is A&+ rated.
- Around INR500b is credit pipeline with 100 a/cs in the corporate space.
- 53% of portfolio is repo-rate linked.
- INR2.59t of gold loan book is outstanding as of Jun'26. Agri gold loan book is at INR1.51t, while retail gold loan book is at INR1.08L. LTV of gold loan book is around 60-65%.
- Avg. LCR for the quarter was 119%.

Yields and margins

- Incremental lending is happening at better rates.
- A 29-30bp favorable gap in bulk deposits inflow over outflow. Rate of bulk deposits in June was 6.58%.
- Interest on IT refund was INR2.5b in 1QFY27 vs. INR6.9b in 1QFY26.

- Interest on recovery from TWO was INR2.6b in 1QFY27 vs. INR3.8b in 1QFY26.
- Yields have largely stabilized at current levels.
- Blended yield on RAM is higher compared to corporate. Corporate has few a/c with less than 7% yield. Difference in corporate and RAM yield could be about 50bp.

Other income and Opex

- Treasury income of INR10.6b relatively muted vs. INR19.9b in 1QFY26.
- PSLC income largely accrues in 1Q and 2Q of a year. Earned INR19b vs. INR16.8b in 1QFY26.
- INR3b for staff PLI recorded in opex.
- More than INR30b allocated for digital spends. Total IT spends to be 8% of total opex.
- Wants to do AI investments in a more calibrated manner.

Asset quality

- Credit costs declined to 0.49% in 1QFY27 from 0.59% in 4QFY26.
- 3-4 big government accounts keep on oscillating between SMA 0,1 and 2; however, they shall never turn NPA.
- This quarter's provisions of INR37.8b include higher income tax provision of INR17b.
- Total fresh slippages came in at INR17.8b. Breakup: INR7.3b in Agri, INR6.8b in MSME, INR3.4b in retail, INR0.3b in Corporate.
- Districts that are adversely impacted by rains receive some kind of dispensation from the government. KCC portfolio could be impacted but that is not a big portfolio for the bank.

ECL

- INR100-120b of additional provisioning shall be needed for ECL transition.
- As a % of RWA, the impact shall be 1.20-1.25% if it is providing the entire provision together in 1 year.
- CAR at 17.17%. Tier-I at 15%. Comfortably placed in CAR.
- Plans to spread ECL transitional provision impact over two years.
- No floating provisions have been created for ECL as of now.
- Steady state credit costs should not sustainably increase. Impact could be less than 10bp.

Key focus areas for new MD

- CBK is little challenged on efficiency parameter, especially in CASA. Aspires to improve the same.
- To further work in the HR function. Believe it is a key differential between banks.
- Ethics too would be an area of priority.

DCB BANK

Click below for Detailed Concall Transcript & Results Update

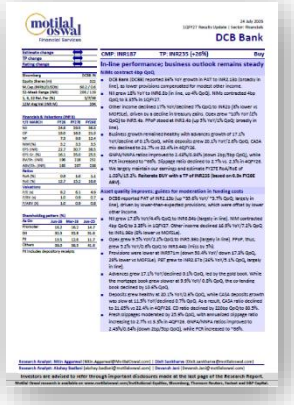


DCB Bank — Buy

Current Price INR 182

Opening Remarks

- Deposits grew 20.6% YoY, while advances grew 17% YoY.
- Profit after tax stood at INR2.13b, marking the highest-ever quarterly profit and the fourth consecutive quarter of record earnings.
- NIM expanded 15bp YoY to 3.35%, primarily driven by lower cost of deposits and improved recoveries despite moderation in lending yields.


DCB Bank

- Strong growth in core fee income (INR175cr vs INR134cr in 1QFY26) has offset the sharp decline in one-off treasury gains (INR16cr vs INR101cr last year), highlighting improving quality of earnings.
- RoE stood at 13.61%, while cost-to-average assets improved to 2.42% from 2.50% in 1QFY26, aided by productivity improvements and record revenue per employee of INR11.06cr.
- Management reiterated key operating benchmarks of maintaining cost-to-assets below 2.5%, GNPA below 2.5%, NNPA below 1%, and RoE above 13.5%.

Advances and deposits related

- Management expects deposit repricing benefits to continue through 2QFY27, supporting funding costs over the coming quarters.
- Liability strategy remains focused on reducing cost of deposits rather than maximizing CASA ratio; current account acquisition remains the key improvement area.
- Cost of deposits continues to decline sequentially as the bank prioritizes granular liability growth over aggressive pricing.
- Loan mix is gradually shifting towards higher-yield mortgages, which are expected to offset the increasing share of lower-yield gold loans.
- Mortgage portfolio continues to transition toward organic branch-led sourcing, with the bank completely discontinuing the Direct Assignment (DA) model.
- Management clarified that there is no intentional slowdown in mortgages, and mortgage growth should accelerate if the current disbursement momentum is maintained.
- LAP-to-retail home loan mix remains at 70:30, which management considers the optimal steady-state portfolio mix.
- Gold loans are expected to stabilize at around 20-22% of the total loan book, with conservative underwriting through a maximum 75% LTV despite higher regulatory limits.
- Co-lending exposure is expected to remain between 12.5-15% of advances, with management preferring organic balance sheet growth over aggressive expansion.
- MSME growth is expected to improve from 3QFY27, supported by investments in relationship managers to improve CD accounts, overdraft products, and trade finance capabilities.
- The Commercial Vehicle portfolio continues to be a run-down portfolio, with no dedicated expansion strategy.
- Branch expansion remains measured, with around 20 new branches planned in FY27, while management continues to prioritize deeper penetration in existing geographies through manpower addition.

Income and cost related

- Processing fee income declined sequentially due to seasonal factors but management expects normalization in subsequent quarters.
- Trade finance, MSME banking, and current account acquisition remain the key drivers for improving fee income over FY27.
- Management continues to target cost-to-assets below 2.5%, even while expanding employee strength towards 13,000 over time.

- Productivity improvements have resulted in record revenue per employee of INR110.6m, helping offset investments in manpower.

Yield and margins

- Lending yields declined 23bp YoY, largely due to a higher mix of lower-yield gold loans.
- Management expects yields to improve over the next three quarters through increasing contribution from mortgages, LAP, and agriculture lending, while the proportion of gold loans normalizes.
- NIM expansion is expected to be driven primarily through continued reduction in funding costs rather than chasing high-yield lending segments.
- Management reiterated that it remains disciplined on asset mix and is not willing to sacrifice asset quality merely to improve margins.
- Deposit repricing and continued liability optimization are expected to remain the key margin drivers during FY27.

Asset quality

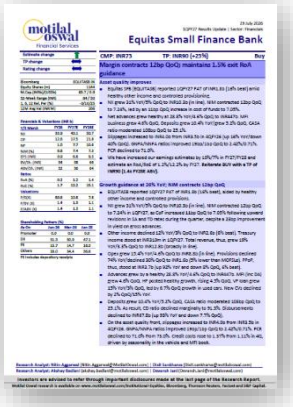
- Management indicated that non-gold portfolio slippages remain healthy, while gold loan slippages are operationally manageable given the fully secured nature of the portfolio.
- Conservative underwriting continues in the gold loan portfolio with a maximum 75% LTV, providing additional protection against volatility.
- MSME portfolio remains largely service-sector focused, with management not witnessing any meaningful stress despite inflationary pressures.
- Floating provisions continue to be strengthened, with INR60-70m added every quarter, taking the total floating provision buffer to around INR2.10b.
- Management reiterated its objective of maintaining GNPA below 2.5% and NNPA below 1%.

Guidance

- Management reiterated guidance of maintaining RoE above 13.5% in FY27, with an aspiration to improve it to 14.5% in FY28.
- Cost-to-assets is expected to remain below 2.5% despite planned investments in manpower and branch expansion.
- Capital position remains comfortable, with no immediate requirement for fund raising; however, approval for INR20b capital raising has been obtained to support future growth opportunities if required.
- CD ratio of 80.5% is expected to gradually increase as excess liquidity is deployed.

Click below for
Detailed Concall Transcript &
Results Update




Equitas Small Finance Bank

Equitas Small Finance Bank — Buy

Current Price INR 75

Opening remarks

- Gross advances grew 27% YoY, reflecting steady business momentum despite geopolitical uncertainties.
- CASA ratio stood at 25.1%, while CASA + retail deposits contributed 66% to total deposits.
- Deposit growth is expected to improve meaningfully from 2QFY27 onwards.
- NIM stood at 7.24%, based on the revised methodology using daily average interest earning assets (IEA).
- The bank continues to target MFI at ~10% of the loan book (currently 12.6%).
- The strategic focus remains on used CVs and used cars within the vehicle finance portfolio.
- Credit cost stood at 1.37%; adjusting for the provision reversal in 4QFY26, it remained broadly stable QoQ.
- Deposits grew 5% QoQ despite higher SA/TD pricing, with CoF increasing 11bp QoQ to 7.05%.
- Treasury performance was impacted by Rupee depreciation, although RBI's FCNR(B) relaxation helped soften the impact through improved system liquidity.
- Management reiterated that there is no visible stress in the loan portfolio arising from the ongoing West Asia conflict.

Advances and deposits

- Bulk deposits increased during the quarter, though the bank plans to gradually move towards a 70:30 (or 72:28) mix between individual/HNI and institutional deposits over the coming quarters.
- Deposit franchise continues to strengthen, with the Elite portfolio reaching INR185b, contributing nearly 40% of total deposits.
- The bank is focused on adding around INR2b of monthly deposits from NTB customers and INR1b every month from Elite accounts.
- Gold loan expansion remains a key focus, with the bank targeting a portfolio of ~INR16b by FY27-end.
- Sequential moderation in the gold loan portfolio was attributed to branch expansion, with 120 new branches planned by 4QFY27, after which growth is expected to accelerate.
- Excess liquidity drag is expected to reduce as surplus liquidity is deployed and IBPC/refinance balances normalize.
- CD ratio remains comfortable at 93%, while on a daily average basis, LCR stood at a healthy 143%.

Yields, cost of funds, margins, and opex

- Yield on gross advances improved 23bp QoQ to 15.74%, while non-MFI yields increased 4bp QoQ to 14.89%.
- Increase in lending yields partially offsets the rise in funding costs during the quarter.
- Cost of funds increased 11bp QoQ, primarily due to higher SA and TD rates, while the effective funding cost is expected to remain broadly around current levels.

- Funding through refinance continues to remain attractive due to CRR and SLR benefits, lowering the effective funding cost.

Asset quality

- Non-MFI slippages stood at ~INR1.2b, improving on a YoY basis despite seasonal factors.
- Total gross slippages were INR4.0b, comprising INR0.4b from MFI and INR3.6b from non-MFI.
- Provisioning during the quarter included INR1.26b for non-MFI and INR0.34b for MFI.
- Standard asset provisions of INR0.4b are available for the MFI portfolio, with a possibility of it being reversed over the next couple of quarters if the MFI industry's conditions normalize.
- Write-offs included INR1.44b from MFI and the rest from vehicle finance, all of which was fully provided for.
- Management reiterated that no stress has emerged from geopolitical developments, while the secured portfolio continues to benefit from extensive guarantee cover.

Others:

- Capital optimization initiatives continue, including INR5b of direct assignment in affordable housing.
- Around 87% of the MFI portfolio (excluding DA) is covered under CGFMU, supporting capital efficiency.
- The bank is evaluating a Tier-1 capital raise of INR12.5b by 4QFY27, subject to business requirements.
- The MFI DA book currently stands at INR8.4b and is expected to reduce to nearly INR1.5b by 4QFY27.
- The bank continues to evaluate the universal banking license, while the remaining is compliant with regulatory requirements; no timeline for application has been provided.
- Employee count declined marginally due to limited branch additions during the quarter. Management expects to add around 300 to 400 in liabilities franchise and a total of 500 employees during FY27.
- The insurance distribution strategy will increasingly focus on health and life insurance products going forward.

Guidance and outlook:

- FY27 RoA guidance is maintained at ~1.2%, with an exit RoA target of ~1.5%.
- Management indicated that guidance could be revised upward by the next quarter if current trends continue.
- NIM is expected to settle at around ~7.1% over the next two to three quarters.
- The MFI portfolio mix will gradually reduce to ~10% of the overall loan book.
- Credit cost is expected to remain at steady-state levels or improve marginally.
- Deposit growth is expected to strengthen from 2QFY27, supported by retail and Elite customer acquisition.

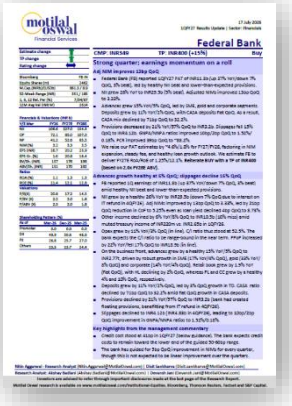
Federal Bank

Buy

Current Price INR 359

Click below for
Detailed Concall Transcript &
Results Update





Opening Remarks

- 1QFY27 was one of the strongest first quarters for the bank in recent years.
- Quarter was challenging from a treasury perspective; however, excluding treasury, overall performance remained positive.
- The bank's focus on improving the CASA mix remains unchanged. CA balances were impacted by seasonal factors during the quarter.
- FB highlighted three key developments: the appointment of the new Chairman, the ongoing acquisition of the Standard Chartered portfolio, and the receipt of S&P credit ratings, which will facilitate global borrowings and diversify the funding profile.
- It has launched its FCNR product. Unlike 2013, it now has a GIFT City RBU in place, enabling it to offer leverage products and engage with foreign banks.
- A significant portion of deposit repricing has already been completed, with only a small balance remaining in 2QFY27.
- FB expects CA balances to improve after the seasonally weak 1Q, with no change in its CASA guidance.
- Commercial Banking continues to be the fastest-growing business segment.
- Granular Retail delivered healthy growth, led by gold loans (+33% YoY), which remain a key focus area. LAP also continued to be a priority segment, registering 21% YoY growth.
- Business Banking grew 7% YoY, with the bank focusing on improving yields.
- Fee income declined QoQ due to the seasonally strong performance in 4Q.
- GNPA improved by 39bp YoY to 1.52%, while NNPA declined to a record low.
- Slippage trends continued to improve, with the slippage ratio witnessing a steady decline.
- On the ECL transition, the one-time impact is estimated at 1.5-2.0% of net worth and is not expected to have any material impact on the P&L.

Loans and deposits

- FCNR(B) deposits: FB expects to secure its fair share of business. The availability of leverage products should support customer acquisition this time.
- CASA deposits increased by 18-23% YoY. The bank continues to focus on both CA and SA mobilization, while branch KPIs have been realigned toward liabilities as part of a medium-term strategy.
- Corporate loan growth remained strong in 1Q amid favorable short-term opportunities. At the same time, the bank continued to witness healthy growth in its focus segments, with an improved asset mix and stable yields.
- Portfolio mix continues to shift towards the mid-market segment, with nearly 70-80% of new customer onboarding coming from this segment.
- Home Loans, the bank remains focused on competitive pricing while leveraging cross-selling opportunities across other banking products.
- Loan growth guidance remains unchanged, with a positive bias. Bank continues to guide for loan growth at the higher end of the mid-teen range.
- Gold Loan LTV remains around 60%. Bank does not expect gold prices to fall sharply from current levels and believes the medium-term growth trajectory for Gold Loans remains intact.

- Auto Loans and Business Loans remain key growth areas, with a particular focus on expanding the small business portfolio.

Yields, cost and margins

- NIMs are driven by both the liability franchise and the advances portfolio. FB remains focused on improving CASA while continuing to optimize the asset mix through chosen business segments.
- Cost of deposits declined 22bp QoQ, while the adjusted cost of deposits fell 11bp QoQ. The bank indicated that there is limited scope for further reduction from current levels.
- Going forward, NIM performance will be supported by improvements in CASA as well as the evolving asset mix.
- Yield on advances declined 4bp QoQ. FB indicated that yields should not be viewed in isolation, as higher-yielding segments such as MFI have remained stable and continue to offer growth opportunities.
- Deposit repricing during 4Q had an 11bp impact.
- FCNR leverage deposits do not necessarily lower the cost of deposits but increase lending opportunities on the asset side, thereby supporting RoA improvement.
- The bank has guided for 5bp QoQ improvement in NIMs for every quarter, and is not expected to be linear improvement over the next quarter.

Other income and opex

- Processing fee income varies with loan disbursement volumes. Since disbursements were lower in 1QFY27 compared to the seasonally stronger 4QFY26, processing fee income was correspondingly lower.

Asset Quality

- Asset quality remains well under control, with slippages continuing to moderate.
- Credit cost stood at 41bp in 1QFY27, below guidance. The bank expects credit costs to remain toward the lower end of the guided 50-60bp range.
- The bank extends ECLGS support only in cases where customers face temporary liquidity issues and the underlying stress is short term.

HDFC BANK

Click below for Detailed Concall Transcript & Results Update

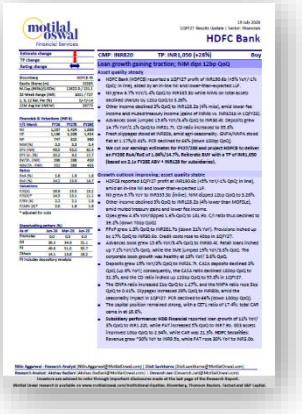


HDFC Bank — Buy

Current Price INR 720

Opening remarks by MD and CEO – Mr. Sashidhar Jagdishan

- Deposit growth remained relatively stronger than the historical 1Q trend, enabling the bank to gain market share.
- On the advances side, the bank is accelerating growth by targeting select customer segments and enhancing the customer experience.
- Credit demand across the system continues to remain healthy.
- FCNR deposits present a meaningful opportunity, and the bank is actively focusing on this segment.
- ECLGS scheme offers a strong opportunity, particularly in the mid-market segment.
- Pricing in granular deposits has remained stable, while non-granular deposit rates continue to be elevated.
- While risks such as El Niño and geopolitical developments in West Asia persist, the domestic economy has navigated these challenges well.


HDFC Bank

Yields, Cost, Margins, and Earnings

- The biggest opportunity for NIM expansion remains the decline in the cost of funds, although the pace of improvement will depend on system liquidity conditions.
- Average system liquidity stood at INR2.1t. Non-retail deposit costs remain elevated, while the borrowing mix has largely remained unchanged.
- NIM moderated to 3.4%, while borrowings declined to 11% of liabilities. As higher-cost borrowings mature, they are expected to gradually reprice, although the borrowing mix can remain volatile.
- Anticipated cost of funds benefits remain intact. On the asset side, the retail loan mix currently stands at 50% and is expected to gradually move towards 60%, supporting margins.
- Reported PAT grew 5% YoY, impacted by one-off gains in the base period and the creation of floating provisions. Adjusted PAT growth stood at 9.8%, remaining below balance sheet growth, although the bank expects earnings growth to converge with business growth over time.

Deposits

- Household deposit growth continues to lag growth in government, corporate, and other deposit categories.
- The focus remains on improving unit economics while maintaining cost efficiency across the savings account franchise. The customer base has surpassed 100m.
- Healthy growth in savings accounts is expected over the next three years.
- During the previous FCNR(B) mobilization window, deposit inflows accelerated from the second month, and a similar trend is expected during July–September this year. The bank aims to strengthen its market share further.
- The long-term objective is to increase the CASA ratio to 38–40% from the current 32%. The decline has been driven by a shift in household savings towards term deposits, a trend witnessed across the industry. Customer acquisition efforts will continue to support CASA growth.

Loans Related

- Corporate and wholesale lending continued to witness healthy growth, sustaining the momentum seen in previous quarters.
- MSME and Business Banking segments also delivered healthy growth. Although June is seasonally softer, business traction remains encouraging.
- Under ECLGS 5.0, the bank has disbursed ~INR140b, the highest among peers.
- Core retail lending continues to perform well, with healthy disbursement growth in vehicle finance and unsecured loans.
- Mortgage growth of 14% remained healthy, aided by sustained credit demand.
- Loan growth will continue to be driven by overall economic growth while maintaining prudent underwriting standards.
- Strong traction in the mid-market and corporate segments is expected to continue through the year.
- Gold loans have started contributing meaningfully to growth, while microfinance has also begun witnessing healthy traction, further diversifying the retail portfolio.

LDR and LCR

- Around INR400–500b of borrowings are expected to mature over the next two years. The spread between term deposit costs and borrowing costs is estimated at 100–125bp, creating an opportunity for funding cost optimization.

Opex and Other income

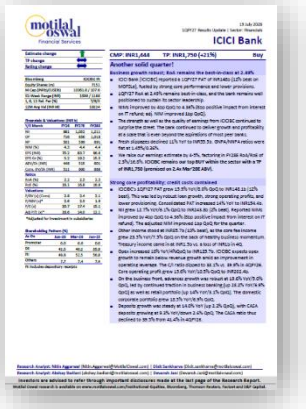
- Significant investments have been made over the past five years across distribution, technology, and human resources. While investments in physical distribution are expected to moderate, spending on technology and AI will continue.
- A meaningful portion of investments has already been front-loaded, providing operating leverage going forward.

Asset Quality

- Existing provision buffers are considered adequate for a smooth transition to the ECL framework. Provisioning under ECL will depend on portfolio characteristics, historical performance, and 12-month forward-looking assumptions. Stage-3 provisioning remains comfortable, while Stage-2 coverage is well above the required 5% level.
- The transition to ECL is not expected to have any material impact on credit costs, although minor changes in flow provisions may occur.

Click below for Detailed Concall Transcript & Results Update





ICICI Bank — Buy

Current Price INR 1,402

Opening remarks

- Focus on growing PBT (ex-treasury) through a 360 customer-centric approach.
- Loan book grew 19.6% YoY/5.0% QoQ, with domestic advances up 18.8% YoY/ 5.6% QoQ.
- Deposits rose 14.0% YoY/2.2% QoQ; average CASA grew 12.1% YoY/4.7% QoQ.
- NIM improved marginally by 4bp QoQ (+1bp excluding interest on IT refund) to 4.36%
- Loan mix: ~30% fixed-rate, ~57% linked to repo/external benchmarks, and ~13% linked to MCLR/legacy benchmarks.
- Technology expenses account for ~11.4% of total opex.
- Credit costs stood at 32bp in FY26, aided by a one-off recovery from NCLT.
- Treasury gains stood at INR1.51b vs. a loss of INR1.06b in 4QFY26.
- The written-back tax provision was INR4.46b for the quarter.

Advances

- High-frequency indicators showcasing positive momentum.
- Business banking grew by 28.2% YoY/6.9% QoQ and continues to show robust momentum.
- Corporate book grew by 18.5%YoY/6.9% QoQ with unfavorable conditions in bond markets, higher liquidity buffers for corporates, and higher working capital utilization.
- Credit card book de-grew 1.7% QoQ/1.9% YoY as revolver mix continues to be low.
- 4.5% of total advances are to HFCs and NBFCs, and they saw good traction this quarter.
- Builder book was 4.3% of total advances and comprises well-established builders.

- Personal loan growth of 12% YoY/4% QoQ has picked up well after some time.
- Overseas advances have been seeing traction in trade-related books and overseas operations of well-rated domestic companies. Loans against FCNRB deposits shall also grow the overseas book further.
- Received some inquiries on the ECLGS scheme and participated in the same.
- Demand in retail advances remains robust.

Deposits

- Deposits grew by 14% YoY /2% QoQ while CASA growth was 9%YoY/ down 3% QoQ
- Avg LCR was 124% for the quarter
- FCNR(B) deposit is a good scheme, and the bank shall look to mobilize as much as possible.
- FCNR(B) deposit rates were lower than wholesale lending rates and shall provide an incremental loan growth opportunity.

Asset quality

- Credit cost came in at 32bp for the quarter as against 53bp in 1QFY26.
- PCR was flat at 75.2% along with a strong contingent provision buffer of 131b (0.8% of total advances).
- Kisan credit card book addition was 7.67b in 1QFY27 v/s 7.06b in 1QFY26
- In the process of discussing with RBI on write-back of provisions on standard advances.
- NCLT judgment recovery came in this quarter. Credit cost on a normalized basis should be ~50b.
- ECL transition – Higher Stage 1 & 2 provisioning to be offset by lower Stage 3 provisioning. Ongoing credit costs shall increase, but that will be for the entire industry.
- ICICBC is monitoring the business banking portfolio carefully. Fundamentally, it remains confident due to stable asset quality and the granularity of the book.

Margins and Yields

- Interest on IT refund saw a benefit of 8bp in 1Q on NIM, compared to 5bp in the previous quarter and 7bp in 1QFY26.
- The NIM reflects a healthy funding franchise and ICICIBC's disciplined approach to pricing in loans and deposits and management of the G-sec book.
- The NIM should be range-bound going forward, in case of no rate movement. Impact of FCNR(B) deposits could also be there.

Other income

- There is some base effect in fee income growth of 23% YoY/7% QoQ; the previous quarter last year had seen a QoQ decline in fee income.
- Fee income growth is also aided by underlying business momentum.
- At different times there will be more opportunities than other and we have a diversified fee income pool.
- Cards is an area where fee growth should be better. However, at the PBT level, the business is doing well.

Subsidiaries

- ICICI Pru Life had VNB of INR5.7b in 1QFY27 vs INR4.6b in 1QFY26. New business sum assured grew by 31.8% YoY in 1QFY27.
- ICICI Lombard's GDPI grew to INR83.1b in 1QFY27 vs INR77.4b in 1QFY26. The combined ratio was 107.2% in 4Q.

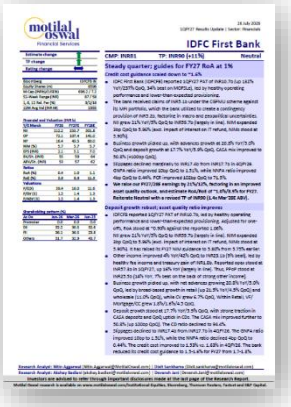
- ICICI Securities' total assets grew 7.9% YoY to INR8.9t in 1QFY27. It had a market share of 16.5% in MTF as of 30th Jun'26.

IDFC First Bank — Neutral

Current Price INR 85

Click below for Detailed Concall Transcript & Results Update





Opening remarks by management

- Loans and advances, including credit substitutes, grew 20.6% YoY to INR3.05t, with healthy traction across mortgages, vehicle loans, consumer loans and corporate banking.
- Total deposits grew 16.6% YoY/5.3% QoQ, while customer deposits increased 17.7% YoY, reflecting continued strength in the liability franchise.
- CASA ratio stood at 50.8%, while average CASA was 50.1% (vs. 50.8% in 4QFY26), with strong growth in granular CASA balances.
- Fee income increased 22.9% YoY, led by resilient businesses, such as trade finance, FX and commercial banking, and healthy gains in treasury income of INR1.81b.
- Reported NIM included a 6bp benefit from interest on income-tax refund. Core NIM, excluding this benefit, stood at around 5.90% (down 3bp QoQ).
- Asset quality trends remained healthy across portfolios, with management highlighting a strong start to FY27.
- The bank created a voluntary floating contingency provision of INR5.15b against recoveries under the CGFMU scheme for the MFI portfolio.
- Management upgraded its FY27 RoA guidance to 1.0%, led by ~5bp improvement in NIM guidance and 20bp reduction in expected credit cost.

Opex and other income

- Fee income remained robust with 22.9% YoY growth, supported by trade finance, foreign exchange and commercial banking businesses.
- Treasury income contributed positively during the quarter with gains of around INR1.81b.
- Operating expenses remained well controlled, with core opex growing 2.3% QoQ, significantly lower than growth in operating income.
- Management reiterated its operating leverage target of maintaining around 500bp positive jaws (operating income growth exceeding operating expense growth).
- Technology investments remain elevated at around 9% of total opex, with significant investments in building its proprietary cloud infrastructure and modern technology architecture.

Loan and deposits

- Management continues to target healthy loan growth while maintaining a focus on higher-quality borrowers.
- Institutional deposits witnessed healthy traction during the quarter; however, the long-term strategy remains to grow granular retail deposits faster than institutional deposits.
- Average CA a/c deposits grew ~30% YoY, while SA a/c deposits increased by 25% YoY, reflecting continued strength in the retail liability franchise.
- The bank currently has an NRI deposit base of around INR250b, representing nearly 1.7% market share, with management targeting around 2.5% market share over time.

- FCNR(B) mobilization is still at an early stage and management will give an update in the coming quarters.

Yields and margins

- Reported NIM saw a ~6bp benefit due to interest income on the income-tax refund; excluding this one-off benefit, core NIM stood at ~5.90%.
- Management raised has its FY27 NIM guidance by 5bp to ~5.80%.
- While the increasing mix of corporate and other secured businesses could be slightly margin dilutive, the lower cost of funds and an improving business mix are expected to support overall profitability.
- Cost of funds is expected to continue improving and remain ~6%, with no assumption of future policy rate hikes embedded in the guidance.
- Management emphasized that business mix decisions will continue to prioritize RoA improvement rather than maximizing headline NIM.

Asset quality

- Gross slippages declined 2% QoQ, while net slippages improved 4% QoQ.
- Slippage ratio improved to 2.49% from 2.68% in the previous quarter.
- MFI book remained stable at around INR67b, with 93% insurance cover under the CGFMU scheme.
- MFI slippages remained low, while MFI disbursements more than doubled YoY, with management targeting ~15% YoY growth in MFI disbursements.
- Reflecting improving portfolio performance, management reduced its FY27 credit cost guidance to 150-160bp from the earlier 170-180bp.
- The bank created an additional floating provision of INR5.15b as a prudent measure despite improving asset quality.
- Management indicated that recoveries under the CGFMU scheme for the year have largely been completed.

Others

- The transition to the ECL framework is expected to have a broadly capital-neutral impact, with EIR benefits largely offsetting higher provisioning requirements.
- On the fraud incident disclosed in the previous quarter, management stated that investigations and recovery efforts are progressing well, although no specific timeline was provided.
- Channel sourcing expenses account for nearly 20% of operating expenses and are expected to remain broadly range-bound, with greater focus on increasing in-house sourcing over time.
- The bank continues to invest heavily in technology, including proprietary cloud infrastructure and modern digital architecture, to improve long-term scalability and operating efficiency.

Indian Bank — Buy

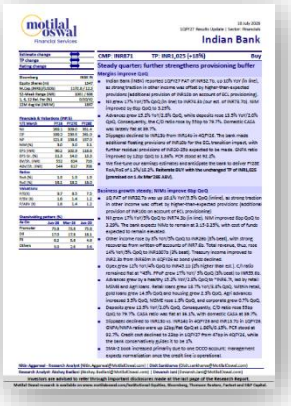
Current Price INR 872

Click below for Detailed Concall Transcript & Results Update

Opening remarks

- Good balanced growth between advances and deposits, only a difference of 40bp.
- CASA deposits grew 15.3%, with the domestic CASA ratio improving to 39.7%, in line with guidance.
- NIM expanded 6bp to 3.29%.





- Corporate book grew 11.5% YoY and RAM grew 18.7%.
- Agriculture growth was modest at ~10% owing to the transition impact in gold loans with new regulations coming in. The bank aims to maintain a growth rate of 15-16% in agriculture book.
- Other income was healthy with strong recoveries from written-off accounts and debt syndication fees.
- RoA improved 6bp QoQ to 1.34%.
- The bank made additional floating provisions of INR10b for the ECL transition impact and expects to make further residual provisions of INR20-25b.
- Provision coverage ratio remains strong at 98.6%.
- Asset quality improved, with GNPA declining to 1.86%.
- The bank continues to invest in technology, budgeting ~INR7.5b for AI, cyber resilience and data lake initiatives within its overall IT capex plan.

Advances and deposits

- Endeavor to maintain a balance between loan and deposit growth.
- Gold loan growth is expected at 15-16%, despite moderation on gold prices, majorly driven by volume growth, which is supported by comfortable LTV levels.
- Total gold loan book stood at ~INR1.3t.
- NBFC lending growth remains muted at around 2.0-2.5%, significantly below industry growth, as the bank continues to focus selectively on highly rated (AAA/AA) borrowers.
- FCNR(B) deposits mobilized during the quarter stood at ~USD150m, with the bank expecting USD1.5-2.0b of FCNR(B) deposits + ECB borrowings.
- The bank intends to utilize FCNR(B) deposits and ECB borrowings to support liquidity, which would lower funding costs.
- Domestic credit demand is expected to absorb the incremental liquidity generated through overseas borrowings.
- Borrowings remain the preferred funding source over bulk deposits, given a funding cost advantage of nearly 100-150bp.
- Bulk deposit pricing was unchanged QoQ.

Yield, costs, and margin

- NIM guidance remains unchanged at 3.15-3.25%, with management expecting margins to sustain toward the upper end of the range.
- Pricing is still competitive in housing and corporate loans.
- No major drivers are currently visible for either margin expansion or contraction.
- Cost of funds is expected to witness only a marginal impact (~2-3bp) from deposit repricing, largely offset by an increase in MCLR pricing.
- The bank continues to focus on improving CASA while optimizing its funding mix through lower-cost borrowings.
- Liquidity requirements for future credit growth will primarily be met through borrowings, with CDs being used only if required.

Other income and opex

- Treasury income boosted by a stronger-than-expected improvement in AFS reserves.
- AFS reserves increased by nearly INR5b during the quarter and stood at ~INR3b, compared with a negative impact of around INR2b in the previous quarter.
- Management continues to expect treasury contribution of ~INR6-7b for FY27.

- Fee income was supported by higher syndication fees (~INR2.7b), development incentives (~INR300m) and CBDC-related income (~INR720m).
- Growth in loan processing charges was entirely volume-driven, with no increase in pricing.
- PSLC income registered healthy YoY growth.
- The bank falls under the highest commission bracket (Bracket-I) for insurance distribution.

Asset quality

- MSME stress remains under control, with ECLGS providing additional comfort.
- SMA-2 book increased primarily due to one DCCO account; management expects normalization once the credit line is operational.
- Total SMA-1 book (all ticket sizes) stands at ~INR70b, while SMA-2 book is around INR77b.
- Around INR110b of MSME loans are eligible under ECLGS, of which nearly INR50b have already been disbursed.
- The bank made additional floating provision of INR 10b for ECL transition impact, with further residual provisions of INR20-25b expected to be made.
- Intend to provide an additional ECL provision of INR5-10bn in F27 itself.
- A 100bp increase in standard asset provisioning is expected on a steady-state basis owing to ECL provisioning.

Guidance for FY27

- Credit growth guidance maintained at 13-14%, broadly aligned with deposit growth.
- CASA ratio target remains around 40%.
- Gold loan growth is expected at 15-16%.
- NIM is expected to remain within 3.15-3.25%, with management confident of sustaining margins near the upper end.
- Funding strategy will continue to prioritize CASA, overseas borrowings and FCNR(B) deposits over bulk deposits to optimize funding costs.

IndusInd Bank — Neutral

Current Price INR 1,012

Click below for Detailed Concall Transcript & Results Update

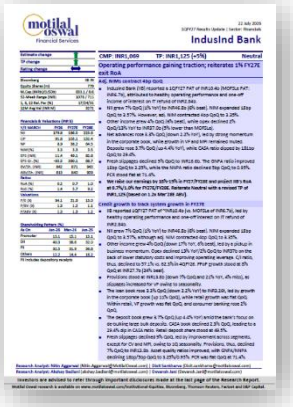


Opening Remarks

- Despite an uncertain global backdrop, India's economic momentum remains resilient, supported by a strong macro and stable financial system.
- 1QFY27 marked a clear inflection point for the bank, entering the next phase of journey.
- Deposits and advances grew 3.7%/3.3% QoQ, reversing the moderation trends of the previous year.
- Improvement is visible in asset quality across portfolios.
- The company remains focused on embedding in customer engagement, credit decisioning, risk management and employee productivity.
- NII includes a one-off interest on IT refund of INR2.8b.
- RoA improved to 0.63% (excluding one-offs) vs 0.45% in 4QFY26.

Vehicle Finance

- The INR997b book grew at 3% YoY/flat QoQ due to seasonality in 1Q.
- Disbursements excluding 2-wheeler grew 3% YoY.
- Annualized net slippage declined to 2.0% vs 2.3% in 1QFY26.
- The company expects asset quality trends to improve in 2H.



MFI business

- Asset quality improved QoQ, with slippages and early delinquencies lowering to normalized levels.
- 31-90 dpd declined to 0.6% v.s 0.9% in 4QFY26.
- Disbursements were similar to the previous quarter at INR52b despite a seasonally weak quarter.
- MFI book declined 3% QoQ.
- 74% book is covered under CFGMU.
- Merchant finance grew 11% YoY, while affordable housing grew 21% YoY.

Consumer Banking

- INR316b book grew by 2% QoQ, with disbursements growing 16% QoQ.
- HL grew 6% QoQ, while PL growth was down 4% QoQ and CC growth was down 3% QoQ.
- The company's strategy is to scale secured retail assets, with growth in unsecured being more calibrated.

SME

- INR432b book declined by 5% YoY/2% QoQ.
- The company remains focused on strengthening its franchise operating model under the new leadership team.

Corporate

- The INR1,202b book grew by 11% QoQ, with growth in LC at 16% QoQ, Mid-market group at 7% QoQ, and Institutional and government group at 6% QoQ.
- A & above rated book was steady at 82%.
- Transaction banking now contributes 55% of the total wholesale and SME fees.

Liabilities

- Building a granular stable and cost-effective franchise remains key focus.
- Avg LCR stood at 127%, with retail deposits at 49.5%.
- The share of CDs in total deposits and borrowings stood at 5.9% and 7.9%, respectively.
- The share of average borrowings in total liabilities stood at 8%.

Loans

- Average advances grew 2% QoQ, driven by wholesale and secured retail.
- MFI and CV 1Q are typically seasonally weak; management should witness meaningful acceleration in the MFI business from 2Q onwards.
- VF ex 2-wheelers is accelerating. The company aims to regain the lost market share in VF.
- Traditional retail asset businesses declined earlier, while now, disbursements are growing QoQ.
- Portfolio quality in the PL and CC segments continues to improve, with management indicating that the corrective cycle is now in the tail-end of the journey.

Deposits

- Average deposits grew 1% QoQ, with average retail deposits growing at 4% QoQ
- Increasing share of RSBD deposits is aiding in cost of deposits benefit, and there shall be further scope of it improving.
- There is a 50bps difference in wholesale and retail TDs.
- The company has let off some of the lumpier SA balances in GIFT city and intends to replace it with more granular SA balances.

- It is confident on FCNR(B) deposits mobilization, leveraging through GIFT city and partner banks.
- NRI deposit market share stands at 3.6%. The company aim to garner FCNR(B) deposits to the extent of NRI market share.

Margins, yields, costs, and RoA

- Reported NIM rose 18bps QoQ to 3.57%; however, excluding one-offs, NIM declined 4bps QoQ to 3.35%.
- The company aims to close the CoF gap of ~150bps compared to the closest peer in the medium term.
- Some pressure is expected on NIM in near term. In the long term, management expect NIMs to improve.
- The loan mix witnessed a 4bp drop due to the increase in wholesale mix from 34% to 36% as well as a rise in the share of RIDF deposits.

Other Income and Opex

- The company focuses on carrying out transactions in the wholesale banking where probability of getting reciprocal business is high.
- Other opex declined owing to lower statutory costs like DIGC, CSR, and PSLC.
- Management observed operating leverage to begin kicking in across line items.
- Disbursal-linked cost is likely to increase with a pick-up in business momentum.
- Management sees significant scope for improving fee income, given that its fee charges remain below those of peers.
- Locker fees, higher bancassurance distribution, and the continued scaling of the retail asset franchise is expected to boost fee income growth.

Asset Quality

- GNPA and NNPA improved QoQ at 3.25% and 0.95%. Net slippages improved due to lower MFI slippages in SMA1 and 2 at 11bp vs 17bp QoQ.
- Annualized net slippage improved to 1.5% vs 1.7% in 4QFY26.
- The ECL transition impact is expected to be 1-1.5% of loans. Management does not expect a material increase in steady-state credit costs.
- The consumer business is expected to witness lower slippages going forward.
- No claims have been made on CGFMU as of now.

Guidance

- Credit growth is expected to be in line with the system for FY27.
- The company has guided for FY27 exit RoA of 1%, driven by an improving business momentum, lower credit costs, and operating leverage.
- Over the next three years, the company is expected to witness a decline in the overall mix of wholesale, with retail picking up.

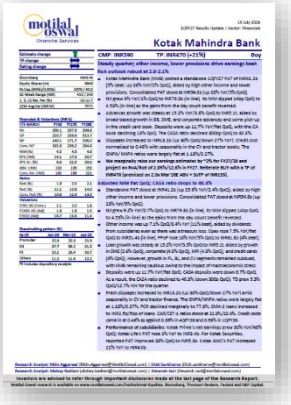
Kotak Mahindra Bank — Buy

Current Price INR 392

Click below for Detailed Concall Transcript & Results Update

Opening remarks

- KMB calibrated growth in low-RoE businesses and the businesses potentially hit by geopolitical crises.
- Taken advantage of better spreads in the corporate segment and volatility in treasury markets.
- SME and institutional businesses have been the major growth drivers.
- Credit cards and the MFI business have also started to witness sequential growth.


Kotak Mahindra Bank

- NIM was steady at 4.53% and has been stable for the last three quarters, adjusting for one-offs in 4Q.
- Geopolitical challenges hit capital markets, especially IB and IE.
- The operating environment remained dynamic; FCNR(B) deposits and the ECLGS scheme provided some relief.

Advances

- KMB's 1Q growth was driven by the corporate and SME segments; MFI and credit card business witnessed a sequential pick-up.
- Gold loan has continued to gain traction and remains a key scalable product for the bank.
- PL, BL, and CD books grew 5%, with the Standard Chartered PL book still running down. Excluding the same, PL growth remains in double digits.
- CC book has been strategically re-stacked and has now witnessed 4% QoQ growth in spending.
- MFI book is largely covered under the CGFMU scheme and is performing well.
- Tractor finance book grew 11% YoY. KMB remains watchful of any adverse Impact of El Niño and shall continue to maintain market share in this segment.
- SME business now forms 24% of the bank's advances and continues to be capital efficient.
- GIFT City continues to scale both trade and non-trade loans.
- CV and CE make up 9% of total advances. Both businesses were seasonally weaker compared to the previous quarter, while continuing to see improvement in collections.
- Credit substitutes – A large part of growth has come from short-term instruments. CP was providing higher yields compared to bank loans. The bank does not have the PSL cost at the end of the quarter.
- PL sourcing – As a product, the focus is significantly on internal sourcing. PL O/D is a good product for the affluent segment and is gaining traction.

Deposits

- HNI – private banking + solitaire continues to deliver strong outcomes. The bank's relationship value stands at INR12.7t (vs 10.8t Jun-26), serving 78.2k families.
- Kotak 811 delivered 32% YoY in SA a/c and now contributes 12.7% of the total savings of KMB.
- More emphasis on average balances v/s end period balances in case of deposits.
- FCNR (B) Deposits – Encouraging start, should have a much better picture in the next month or so.
- The floating rate SA balance has gone down by 18% YoY.

Yields, Costs, and NIM

- KMB's NIM has been steady at 4.53% for the last three quarters, excluding the day count impact in 4Q.
- Fee income from corporate bank grew 27% YoY and contributed 20% of total fee income.
- The margin dip commentary last quarter was more from the industry perspective rather than KMB-specific.
- CoF was stable at 4.46% despite the rate hike in TD/wholesale deposits.

Other income and Opex

- Staff cost higher owing to annual increments and the reversal of the 4Q benefit in retirement costs arising from movement in discount rates.
- The trading gain on the fixed income book for 4QFY26 was reversed in 1QFY27 with adverse market movements.
- The bank continues to invest in technology, with investments in tech being 13% of total opex.
- Dividend from subsidiaries was included in 1Q; 4Q included higher insurance distribution income.
- FX surged this quarter, and DCM maintained its strong momentum.

Asset Quality and Credit Costs

- Credit cost 46bp compared to 39bp last quarter and 93b in 1QFY26.
- Increase in credit costs and slippages was owing to the seasonal impact of CV and tractor finance books.
- KMB is comfortable w.r.t the current asset quality metrics after unsecured stress was cleaned up.
- Have been more cautious in unsecured BL owing to macro stress.

Deutsche Bank Acquisition

- Acquisition comprised INR290b in assets, INR160b in deposits, and INR105b in wealth AUM.
- It is expected to be RoE-accretive, and the transaction is expected to close in Sep'27.
- However, it could consume some of the excess capital.

Others

- Dormant and inactive customers led to a reduced customer count.
- Lending in the ECLGS program was INR 30bn as of 1QFY27.
- Group LCR 143% from 134% in Mar-26. New LCR has added a 9-10% incremental buffer. Standalone 1Q LCR stood at 134%.
- Initial focus to cross-sell personal loans rather than credit cards. Secured credit cards have been doing well for the 811 customer segment.
- Yield on investments also has a number of days concept; thus, 4QFY26 was higher than 1QFY27.

Subsidiary performance

- Subsidiary business contributing 33% of total consolidated profit.
- 20% YoY PAT growth was partly aided by the reversal of MTM towards the end of 4QFY26 on capital markets-linked investments.
- Capital market business was muted owing to FII outflow and geopolitical uncertainties.
- Kotak Prime's PAT grew 30% YoY. Customer asset growth was healthy at 11% YoY.
- Kotak Securities' PAT was up 14% YoY. Cash and derivative market share improved. Interest income also benefited from growth in the MTF book with a 14% market share.
- Kotak AMC witnessed 16% YoY growth in AUM to 6.1t.
- Kotak Alternate assets saw PAT up by 112% YoY, driven by gains from exits during the quarter.
- Kotak Life Insurance witnessed GWP growing at 28% YoY. Retail sum assured growth was strong at 57% YoY.

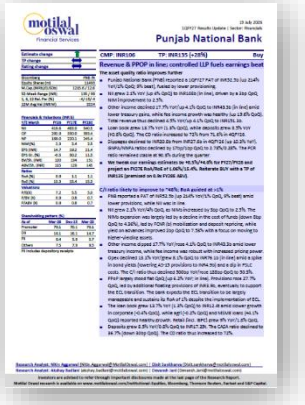
Punjab National Bank

Buy

Current Price INR 117

Click below for Detailed Concall Transcript & Results Update





Opening remarks

- The bank continued to deliver steady performance in 1QFY27 with a growth strategy centered on the higher-yielding RAM portfolio, while maintaining focus on profitability, digital transformation and operational efficiency.
- Management reiterated that improving profitability remains the core agenda, with RoA sustaining above 1%, currently at 1.04%.
- Global business increased 10.2% YoY to INR29.98t, while the CD ratio improved to 73.8%.
- CASA deposits grew 9.3% YoY, supported by steady customer acquisition and stronger customer engagement.
- The cost-to-income ratio improved sharply to 50.3% from 55.3% a year ago, reflecting continued focus on operating efficiency.
- The bank plans to open 250 new branches during FY27 while continuing to strengthen its digital capabilities.
- Digital lending continues to gain traction, with every second loan now being sanctioned digitally compared with every third loan a year ago.
- Management indicated that there has been no material geographical stress on the loan book and the SMA pool remains under control.
- Slippages remained well below guidance at 0.68% against the full-year guidance of 0.9%.

Business related

- Credit growth continued to be driven by RAM segments, despite an ongoing reduction in low-yielding PSLC/IBPC exposures.
- Retail advances (core retail) grew 17.5% YoY, MSME 20%, Agriculture 16.4%, while Corporate advances grew around 10%.
- Overall loan book growth stood at 12.7% YoY, with management attributing the moderation to conscious portfolio rebalancing.
- The bank has already reduced around INR220b of PSLC exposure while maintaining credit growth.
- On the IBPC portfolio, management indicated that ~80% of the outstanding book is earning attractive yields.
- Around INR70-80b will mature during the current quarter and will be exited, while the remaining outspending of INR160-170b (with 90-120 days) is currently at favorable pricing.
- Management highlighted that nearly INR15-17b of low-yielding advances could not be repriced competitively and were allowed to run off, creating room for higher-yielding replacement assets.
- Gold loan portfolio more than doubled to INR31.8b from INR15.7b last year (up 103% YoY). With RBI regulations in place, an additional 3,400 branches will start originating gold loans, with the bank targeting a portfolio of INR590-600b by FY27-end.
- Personal loan portfolio remains largely salaried-focused, with no meaningful exposure to non-salaried personal loans; outstanding book stands at around INR235b.

Margins and deposits

- FCNR(B) mobilization has reached USD425m against the FY27 target of USD2.5b, which is expected to further reduce funding costs.
- Around USD200m of FCNR(B) mobilization has been through the leverage product.
- Deposit repricing remains the key driver for margin stability, with the cost of deposits already improving by around 34bp.
- Management reiterated that the bank is not aggressively participating in the bulk deposit market despite maintaining healthy deposit growth of 8.5%.
- Bulk deposits constitute around 18% of total deposits.

Asset quality

- Asset quality continued to remain stable with no visible stress emerging across geographies.
- Total SMA pool declined to around 2.9% of advances, comprising SMA-0 at 1.59%, SMA-1 at 0.64% and SMA-2 at 0.75%.
- Estimated one-time provisioning requirement on ECL transition remains around INR95-100b, with an ongoing quarterly impact of around 10-12bps thereafter.
- Floating provisions increased to INR24.4b, including an additional INR3.9b created during the quarter, and management expects these provisions to largely support the eventual ECL transition.
- The bank continues to hold INR10b provision against the Tamil Nadu Power exposure and currently has no plans to utilize the provision.

Fee income, treasury, and operating expenses

- Processing fee income grew 27% YoY to INR9.4b from INR7.3b, driven by faster turnaround time and stronger pricing power.
- Treasury income guidance remains healthy at around INR9-10b per quarter.
- Lower PSLC purchase costs significantly supported operating expenses, with PSLC costs declining to INR3.6b from INR8.9b in 1QFY26.
- Management aims to become a net seller of PSLC and has internally set a target of around INR100b in PSL.
- The cost-to-income ratio is expected to improve further to 47-48% over the medium term.

Recovery and provisions

- Under ECLGS, the bank had around INR400b of eligible loans, with sanctions of INR158b against applications of around INR200b and disbursements of INR123.4b.
- Recovery guidance for FY27 has been maintained at around INR130b, of which nearly INR40b is expected through technically written-off (TWO) accounts.
- Management reiterated that underwriting standards have materially improved, particularly after the ECLGS period.

Technology and digital

- Digital transformation remains one of the bank's highest strategic priorities.
- FY27 digital capex budget has been earmarked at around INR34b for technology initiatives, including a new data center and investments in Quantum AI capabilities.
- Last year's technology budget stood at INR35b, of which around 82-84% was utilized.

- Improvement in digital loan processing and turnaround time continues to support both customer acquisition and fee income growth.

Others

- LCR improved further to around 135%, providing an ample liquidity cushion.
- Infrastructure accounts for around 9% of the corporate loan book, followed by metals (8%) and energy (4%).
- The bank reiterated that it has no plans to increase stakes in subsidiaries and remains focused on maximizing value from existing investments.

Guidance

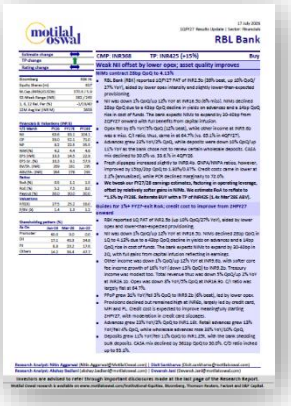
- FY27 slippage guidance maintained at around 0.9%; 1QFY27 slippages at 0.68% remain comfortably within the guidance.
- GNPA is expected to remain below 2.5%, while NNPA is guided around 0.3%.
- MSME advances are expected to grow by around 25% during FY27.
- Gold loan portfolio is targeted to nearly double further to INR590-600b by FY27-end.
- The cost-to-income ratio is expected to improve further to 47-48%.
- Treasury income is expected to remain around INR9-10b per quarter.
- FCNR(B) mobilization target for FY27 remains USD2.5b.

RBL Bank — Buy

Current Price INR 381

Click below for Detailed Concall Transcript & Results Update





Opening Remarks

- Emirates NBD completed the capital infusion of INR26b at INR280/share in 1Q to significantly strengthen the bank's capital position.
- Capital infusion proceeds were utilized prudently, with INR100b deployed for the repayment of deposits and the remaining INR160b invested in short-term securities pending credit deployment.
- Management indicated no material impact from the West Asia conflict, with retail collections, including rural portfolios, remaining stable.
- New key additions to senior management team include Bhavin Lakhpatwala (CFO), Ashwin Chaudhury (Head of Internal Audit) and Naveen Sharma (CRO).
- It aims to leverage the Emirates NBD partnership for the Middle East expansion, by tapping into remittance flows from the region and cross-selling of RBL credit cards.

Advances and deposits

- RBK consciously allowed high-cost wholesale deposits to run off, which is expected to support a gradual reduction in funding costs over the coming quarters.
- SA deposits were impacted by seasonality in 4Q warring off, while the bank continued rationalization of high-cost savings accounts, resulting in subdued SA account growth.
- Retail deposit mobilization remains a key focus area, supported by branch expansion and a planned entry into wealth management.
- The bank has already opened 20 new branches and will continue expanding the franchise.

- Management aims to increase its FCNR(B) market share to 1.5-2.0%, nearly 3-4x its current overall deposit market share, leveraging Emirates NBD's overseas network without opening overseas branches.
- FY27 overall deposit growth will remain calibrated over the next two quarters given surplus capital, while retail deposits are expected to grow ~23-24% YoY, excluding FCNR(B) deposits.
- Granular deposits (<INR30m) now account for 52.4% of total deposits.
- Built traction in direct sourcing in credit card business with branch sourcing improving to INR12b from INR7b in 1QFY26.
- Secured retail advances grew 18% YoY, while unsecured advances increased 8% YoY, reflecting continued portfolio shift toward lower-risk assets.
- Around INR2b has been disbursed under the ECLGS scheme.

Margins and profitability

- Following the run-off of expensive deposits, management expects 30-40bp NIM improvement from 2QFY27 onward, supported by lower funding costs.
- Savings a/c rates currently peak at 6%, with gradual repricing expected over the next 18 months.
- Unsecured lending (cards, MFI and personal loans) continues to generate yields of around 20%, and secured businesses generate ~10%.
- Employee cost increase is expected to remain manageable as productivity improvements and technology investments offset wage inflation.

Asset quality

- Management reiterated that there has been no change in underwriting or recognition policies, with improvement in asset quality being driven by lower slippages rather than accounting changes.
- Early delinquencies in credit card book have materially come down with better in-house sourcing and collections.
- Credit card slippages are expected to begin moderating from 2QFY27, with a more meaningful decline by 3QFY27.
- The bank does not intend to accelerate the transition to the ECL framework owing to the change in parentage.
- 95-96% of the MFI portfolio is covered under CGFMU scheme.

Capital position and business strategy

- CET ratio improved to 32% after the capital infusion.
- Capital infusion provides significant flexibility for balance sheet growth while allowing the bank to optimize its liability profile.
- Management intends to continue reducing high-cost bulk borrowings; ~INR100b has already run off and further reduction will continue.
- Its Middle East expansion strategy will primarily leverage Emirates NBD's existing network rather than establishing overseas branches.
- PSL compliance will be managed through alternate instruments such as PSL certificates, while growth in the GIFT City business naturally reduces PSL requirements.

Guidance and outlook

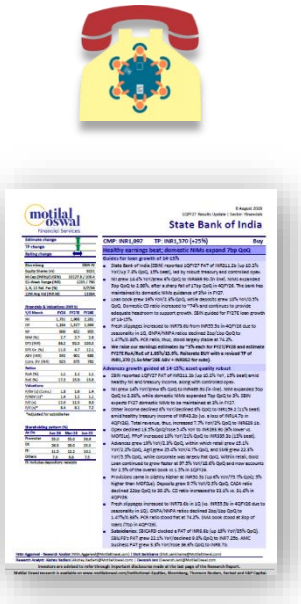
- Deposit growth will remain moderate over the next two quarters given surplus capital following the Emirates NBD investment.
- Retail deposits are guided to grow 23-24% during FY27, excluding FCNR(B) deposits.

- NIM is expected to improve by 30-40bp from 2QFY27, driven primarily by lower funding costs following wholesale deposit repricing.
- Credit card asset quality is expected to improve sequentially, with slippages normalizing by 3QFY27.
- ROA is expected to reach ~1% by 3Q/4QFY27 and improve further thereafter as the benefits of capital deployment, lower funding costs and normalization in credit costs begin to flow through.

State Bank of India — Buy

Current Price INR 1,046

Click below for Detailed Concall Transcript & Results Update



Opening remarks

- The Indian economy remains resilient despite geopolitical uncertainty, evolving trade dynamics, and continued volatility across commodities.
- Credit demand remained healthy and broad-based.
- The company has integrated trade finance in YONO and continues to revamp the YONO journey.
- It has launched MSME Dreams and extended the business engine rule to cover SME loans up to INR100m.
- It has expanded digital documentation for KCC and Agri gold loans.
- It is leveraging PRISM, a predicative stress management platform to identify early stress signals.
- Customer adoption of new YONO platform is encouraging.
- Subsidiaries have done well and remain important in creating value for shareholders.
- Analytical leads is helping in sourcing retail loans and have aggregated to INR220b during the quarter.

Advances and deposits

- 18% credit growth has to be seen from base effect. FY27 credit guidance of 14-15% is anchored on nominal GDP expectations of 12-12.5%.
- Centre of excellence is developing deep expertise in sun-rise sectors for greenfield projects and M&A financing. It is updating risk models through deeper engagement with industry players.
- Xpress credit is seeing good amount of sourcing and disbursements, but is not going into double-digit growth because of cannibalization into gold loans, as there is interest rate arbitrage of 300bp.
- The company has an INR9t credit pipeline in corporate credit, including term loan undisbursed and working capital not utilized.
- O/s gold loan book: Retail GL is INR1.25t and Agri GL is INR1.85t. Lower ticket size has better pricing option, while SBIN is largely is ticket size above 2.5L. LTV is at 55-56%.
- Deposit market is extremely competitive. Wholesale deposit rates have increased and shall be selective in participating in the same.
- USD6b of FCNR(B) deposits, USD1b of OFCBs, and USD300m of ECBs have been mobilized by foreign offices. The company expect to mobilize USD10b of FCNR(B) deposits going forward.
- FCNR(B) flows are expected to be spread out rather than back-ended. FCNR(B) deposits do have insurance cover.

- Excess SLR stood at INR3t as of Jun'26. Including FCNR(B) deposits, excess SLR currently stands at INR4t.
- Current a/c overall market is going through a difficult time, while govt. CA a/cs are virtually drying up, accounting for only 14%.

Yields, cost, and margins

- The company realized INR2.2b interest on IT refund v/s nil in 1QFY26 and INR10b in 4QFY26.
- Shift from T-bill linked pricing to MCLR-based pricing in the corporate book continues. T-bill pricing is also re-negotiated multiple times.
- It does not see any impact on domestic NIMs owing to FCNR(B) deposit mobilization.
- On the overseas book too, it does not see an major NIM impact from FCNR(B) deposits due to a large trade finance book.
- Retail gold loan yields are higher than agri gold loans in the range of 8.5-9.0%. The company does not expect to take yields above 10%.
- Corporate pricing will more be determined by liquidity in the system. The company does not plan to deviate significantly from its pricing strategy.

Other income and opex

- Fee income is one of the positive developments, with potential to reach 20% of overall fee from current 15%.
- Fee income uptick of INR5b QoQ is owing to a change in the accounting treatment in cash management system to accrual basis.
- Excluding insurance expenses, miscellaneous expenses stand at INR24b as against INR23b in 1QFY26.
- The company has decided to amortize some of the bulk expenses on a quarterly basis.
- Incrementally, pension liability is in a declining trend even though significant decline is expected in 2035.
- MTM gains on pension and gratuity income were INR9b v/s INR11b in 1QFY26.

Asset quality

- Fresh slippages are normally higher in 1Q owing to seasonality. INR14.5b has already been pulled back.
- Segmental slippage: Agri: INR26b, SME: INR23b and Retail: INR21b.
- Xpress Credit: 99% of borrowers are salaried customers. The company highlighted the need to build a strong collection mechanism for the self-employed segment and has embarked on developing a full-scale collection mechanism.
- ECL guidance will be given for 2QFY27. The company does not envisage any major impact, with some capital augmentation through MF and some other divestments during the year.
- Higher floor rates on Stage 1 and 2 assets might have a run-rate impact. However, the company does not envisage a significant uptick in credit costs.
- INR12.7b of provisions includes INR8.5b for PLI provision. Last year, PLI provision was back-ended; however, this year, the company has decided to spread it out quarterly.

Guidance

- Credit guidance of 14-15% is anchored on nominal GDP expectations of 12-12.5%.

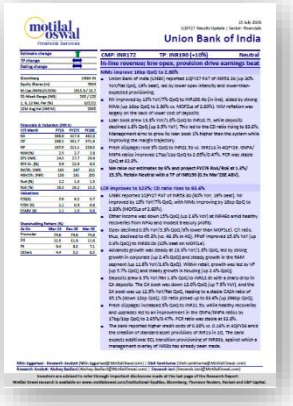
- The bank expects domestic NIMs to remain above 3% in FY27.
- SBI General remains a listing candidate.

Union Bank of India — Neutral

Current Price INR 186

Click below for Detailed Concall Transcript & Results Update




Union Bank of India

Opening remarks

- The RBI and the government have taken proactive measures to better navigate the macroeconomic headwinds.
- The bank remains resilient, supported by five strategic pillars: operational efficiency, asset quality, robust growth, profitability, customer centricity and ease of working for employees.
- Structural changes in technology and operations continue to improve productivity, while Project Muskan is delivering encouraging benefits.
- Management is confident of sustaining CASA through focused efforts.
- The bank continues to improve portfolio quality by increasing exposure to borrowers with higher CIBIL scores.
- Deposit mobilization remains comfortable, with CASA and retail term deposits being the primary focus areas.
- Management aims to improve NIMs going forward rather than merely defend margins.

Advances and deposits

- CD ratio has increased to 83.6% from 80.6% in 4QFY26.
- Average CASA balances of ~INR240b and retail term deposits of ~INR170b were maintained during the quarter.
- The bank consciously reduced bulk deposits by ~INR180-200b during the quarter. Bulk deposits stood at ~INR1.39t as of 1QFY27.
- Share of bulk deposits has reduced from 27% to 19% a year back.
- The bank has mobilized USD106m of FCNR (B) deposits so far and targets USD1.5-2.0b (around INR200b) during the FCNR(B) window. No leverage has been raised under the current FCNR(B) window.
- Planning to raise overseas borrowings of USD200-300m.
- Corporate sanctions worth ~INR1t remain pending disbursement.
- Agriculture and MSME advances are expected to grow by 18-20%, supported by various government schemes.
- Gold loan growth moderated due to the impact of ~INR25b related to tighter compliance after the revised RBI guidelines.
- The bank is currently a seller of IBPC assets and has no plans to purchase or take IBPC exposure.

Yields, costs, and margins

- The cost of deposits declined by 18bp during the quarter, with the shedding of bulk deposits.
- NIM improved to 2.80% from 2.64% in 4QFY26 largely on the back of lower cost of deposits.
- Tier-II bonds worth ~INR25b were raised at ~9%, temporarily increasing funding costs.
- Domestic yield on advances stood at 8.01%, while global yield on advances was 7.90%.

Other income and opex

- PSLC income stood at INR2.17b during the quarter.
- SMF business is not dependent on the agriculture gold loan portfolio.
- Interest income on income-tax refunds was INR5.32b in 1QFY27 compared with INR5.62b in 4QFY26.

Asset quality

- MSME stress persists but remains manageable, supported by government guarantee schemes. Stress is largely confined to lower-ticket MSME accounts.
- Recovery quartering 4Qwas aided by one large security receipt (SC) recovery, while current recoveries in 1Q are largely through one-time settlements (OTS).
- Slippages remain well contained, with recoveries continuing to exceed fresh slippages.
- Under ECLGS, the bank expects cumulative disbursements of INR140-150b, of which INR100b has already been disbursed.
- Higher utilization of cash credit limits by corporates reflects liquidity management rather than stress.
- Around 140 MSME customer outreach programs were conducted across India to assess borrower-level stress and undertake corrective action.
- Do not expect any material impact from the Maharashtra farm loan waiver, as adequate provisions have already been made.

ECL provisioning

- Additional standard provisions of INR1b were created during the quarter.
- Total provisioning requirement under ECL is estimated at ~INR115b, of which INR55b has already been provided for and an overlay of INR8b has been created.
- Even if the full ECL transition impact is recognized in one year, CRAR is expected to remain comfortable at around 17.5%.
- SMA book declined by ~INR14b compared with Mar'26.

Miscellaneous

- AFS reserve improved to negative INR3.46b from negative INR8.0b in the previous quarter.
- LCR remains comfortable at 121% against the board-approved threshold of 107%, providing a buffer of ~INR420b.
- Revised LCR guidelines have provided liquidity benefits of INR40-50b and improved LCR by around 2.5-3%.
- Lower run-off factors for society and trust deposits have aided liquidity metrics.

Guidance

- Management aims to grow advances at around 1% above industry growth.
- Deposit growth to be 100-200bp lower than credit growth.
- Loan mix expected to be at 58%/42% for RAM/corporate segments.
- CD ratio is expected to remain comfortable in the 84-85% range.
- CASA balances are expected to be sustained at the current levels or marginally improve.
- Aims to reduce bulk deposits to 15% of overall mix.
- Management expects further NIM improvement to be driven by a lower cost of funds while maintaining comfortable LDR and LCR levels.

FINANCIALS/NBFC



- **Insights from the management commentary indicated that NBFCs delivered a strong performance in 1QFY27, supported by healthy disbursement growth, improving asset quality, and gradual normalization of stress across unsecured segments. Rural demand remained healthy, supporting growth across vehicle finance, gold loans, and affordable housing. However, high competitive intensity in secured retail segments, particularly housing finance and gold loans, is expected to limit yield expansion and weigh on margins. While the overall outlook remains positive, West Asia tensions and the potential impact of El Niño on monsoons and asset quality remain key near-term monitorables.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Outlook for FY27	Highlights - 1QFY27
ANGEL ONE	■ AI will progressively become an important source of operating leverage and a key competitive differentiator over the medium term. ■ Employee expenses to remain broadly flat at around INR11b for FY27. ■ Wealth management unit economics are improving with breakeven likely within the next 3-4 years.	■ Evaluating further enhancements to the US offering following receipt of the GIFT City license. ■ Profitability was impacted by lower market activity, elevated IPL-related marketing spends, and fresh ESOP expenses during the quarter. ■ ~40% of new customer acquisitions were sourced from non-broking businesses.
Bajaj Fin.	■ BAF guided the growth momentum to sustain through FY27 and expects for asset quality to improve further. However, it will revisit (or rather increase) the guidance for the full-year post-2QFY27 results. ■ Gold loan AUM is targeted to grow to ~INR290-300b by the end of FY27, supported by an expansion to ~2,700-2,800 branches by Mar'28. ■ The company maintained its guidance of ~10 15bp moderation in NIMs in FY27 and will assess the outlook again in 2QFY27.	■ BAF recognized an additional INR2.96b management and macroeconomic overlay in 1Q, reflecting geopolitical uncertainties and monsoon-related risks. Excluding the additional overlay, the loan loss ratio would have been ~1.31%. ■ Vintage performance across 3 MOB, 6 MOB and 9 MOB cohorts continues to show sustained improvement and is now at or below pre-COVID benchmarks. ■ Management expects opex-to-NTI to improve by 25-40bp during FY27 despite continued investments in growth initiatives.
GROWW	■ The MTF book should maintain the trajectory of INR 6–7b expansion every quarter. ■ Cash yields to improve 1-2% sequentially with higher average ticket sizes and improving MTF penetration. ■ Cost structure to remain stable with strong operating leverage of existing products and scaling of new ones.	■ The US stocks are currently under testing and are expected to be launched shortly. ■ Marketing spends increased during the quarter due to the IPL season. ■ Customers acquired during FY26 are generating higher ARPU vs first-year cohorts acquired in earlier years,
BSE	■ New product planned - corporate bonds, NPS, EGRs, market data services, and index offerings. ■ Double-digit cash market share targeted by CY27. ■ Monitoring potential implications of RBI's restrictions on use of BGs, which could potentially influence market participation in near term.	■ Regulatory approval received for trading in two new indices; to be launched post-scaling of Focused IT index. ■ Colocation order charges currently remain at ~20% of prevailing market rates, pricing could be revisited ■ Launched Star NPS, a platform aimed at increasing penetration of the NPS.
360ONE	■ CI ratio to improve 100–150bp, driven by operating leverage and breakeven in HNI and ET Money. ■ Retention likely to remain stable within the 70–75bp range. ■ TBR contribution to increase to 12–15% of overall revenue vs. 8–10% currently.	■ ~2–2.5 bp of yield decline was due to lower carry income and remaining due to changing business mix. ■ AMC flows were impacted by subdued FII allocations and the redemption of one large institutional mandate ■ HNI business has scaled meaningfully, with AUM crossing INR 51b serviced through 65–70 people.
IPRU AMC	■ Robust product pipeline around SIFs, alternates and life cycle funds. ■ ESOP expense would be in the range of INR640-680m in FY27 and INR1.3b spread over 3 years.	■ Growth in fees and commission expense reflects higher distribution payouts in AIF and PMS businesses. ■ Two SIFs launched during the quarter taking the count to four and approval received for another fund.
HDFC AMC	■ ESOP guidance FY27/FY28/FY29/FY30: INR790-800m/ INR630m/INR410m/ INR110m. ■ Launch of first SIF strategy expected shortly with senior resource hired for the business.	■ Debt redemptions migrated to liquid and overnight funds where market share is healthy. ■ Approval received for Venture capital fund, while the private credit platform continues to grow.
KFin	■ Revenue to clock an 18-20% CAGR, EBITDA at 17-20%, and PAT at 12-15%. ■ Revenue growth at Ascent to remain ~25% over the medium term despite quarterly fluctuations.	■ Pension business achieved EBITDA breakeven last quarter and now generates ~15% EBITDA margins. ■ MF revenue contributed declined to 55% and should go below 50% over three years with diversification.

	■ Ascent to become EBITDA-accretive by FY27-end or early FY28, taking consolidated margins to 40%+.	■ Yield decline in 1Q was due to asset mix change towards lower-yield liquid funds and provision for contract renewal
MMFS	■ MMFSL reiterated its target of delivering ~16-18% AUM CAGR over the next five years, led by sustained investments in non-wheel businesses while retaining healthy momentum in the core mobility franchise. ■ Management expects the wheels business to grow at ~11-12%, while new growth engines would grow at ~30%, resulting in an overall AUM CAGR of ~16 18%. ■ Management reiterated its long-term aspiration of achieving a ~2.5% RoA.	■ MMFSL reiterated its through-cycle credit cost guidance of ~1.3-1.7%, supported by prudent underwriting, proactive monitoring and adequate contingency buffers. ■ The company guided opex -to-average assets in the range of ~2.5-2.7% as it continues to invest in growth businesses while benefiting from operating leverage. ■ The housing finance business has largely moved past its earlier asset quality concerns and is now operating from a position of strength, supported by healthy profitability and stable portfolio performance.
Muthoot Fin.	■ Muthoot reiterated its AUM growth guidance of ~15% for FY27 and expects to review and revise the guidance after assessing business performance in 2Q. ■ Muthoot plans to add another ~500-600 branches (across the group) during FY27 to strengthen its distribution network across key markets.	■ Incremental yields continue to be repriced frequently given the short-tenure nature of gold loans, providing flexibility to maintain yields within the guided range of ~18.0-18.5%. ■ The company continues to witness healthy traction from both existing and new customers, although gold tonnage growth remains influenced by fluctuations in gold prices.
NSDL	■ Stronger issuances expected over the rest of CY26, supported by the current IPO pipeline. ■ Banking profitability is expected to improve with higher customer activity and cross-selling. ■ Investments in tech and manpower to generate operating leverage over the medium term and normalize margins.	■ Insurance repository business transferred to dedicated subsidiary in line with IRDAI guidance. ■ Weakness in KYC pricing following regulatory fee reductions partly offset by growth in other businesses. ■ Employee cost increased due to 98 net hires in FY26, with the full impact flowing into FY27.

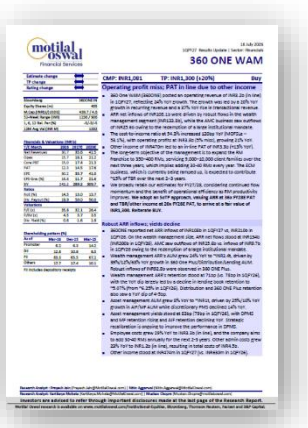
360ONE WAM — Buy

Current Price INR 1,177

Performance

- The Wealth Management business remained the key growth driver during the quarter, delivering strong net inflows supported by sustained momentum in the core UHNI franchise as well as a meaningful contribution from recently onboarded RM teams.
- Asset Management reported negative net flows during the quarter, largely due to the redemption of a single large institutional mandate. Excluding this one-off outflow, underlying flow trends remained healthy.
- Management expects a gradual improvement in the consolidated CI ratio as recently incubated businesses scale up, strategic initiatives begin delivering synergies, and productivity of newly hired RMs improves over time.
- Going forward, management expects ~70–75% of incremental net flows to originate from the Wealth Management business, with the balance contributed by Asset Management.
- The consolidated CI ratio is expected to improve by 100–150 bps over the medium term, supported by operating leverage in the core wealth and AMC businesses, alongside breakeven in the HNI platform and ET Money.
- Retention yields moderated from ~78 bps to ~73–74 bps during the quarter, with ~2.0–2.5bp of the decline attributable to lower carry income and the remaining decline reflecting a changing business mix. Retention yields are likely to stabilize within the 70–75 bps range, albeit with normal quarterly volatility.

Click below for Detailed Concall Transcript & Results Update



- Pure advisory assets typically generate 30–35 bps, discretionary mandates 40–45 bps, while distribution assets earn 60–70 bps, making overall yields dependent on the composition of client assets.
- Competition across both the wealth and asset management industries remains elevated. Newly hired RMs generally require 24–30 months to reach optimal productivity, building up client assets gradually while employee costs are incurred upfront.

Wealth Management

- The HNI platform is expected to achieve direct-cost breakeven by the end of FY27, with ET Money also nearing profitability over the same period.
- The company continues to strengthen its ECM franchise and investment banking capabilities, where initial traction has been encouraging.
- The HNI business has scaled meaningfully, with AUM crossing INR51b and the platform now operating with 65–70 professionals. Management also plans to migrate selected clients from the INR 20–100m segment into the dedicated HNI platform, alongside organic client additions.
- The strategic partnership with UBS is progressing well. Management expects the first set of reciprocal fund launches over the next quarter, with both organizations distributing each other's products and referring clients across platforms. Over time, management expects USD 500–600m of AUM to be exchanged between the two firms.
- The long-term objective remains to expand the RM franchise to 350–400 RMs, servicing 9,000–10,000 client families over the next three years. This implies adding 30–40 RMs annually while maintaining disciplined productivity targets.
- Within the core UHNI business, the CI ratio remains around 45%. Management is willing to operate in the 46–47% range over the near term to accommodate continued RM hiring, with productivity gains expected to offset the incremental investments over time.
- TBR has been maintained at INR 1.5–1.6b per quarter, supported by contributions from B&K. Management expects TBR contribution to increase to 12–15% of overall revenues, compared to 8–10% currently, driven by growth across fixed income, equities, and merchant banking.
- The ECM team continues to be strengthened through senior hiring, with meaningful business traction likely to commence from early next calendar year.
- While the business currently remains small (revenue of ~INR 80mn in the previous quarter), management expects ECM to contribute ~15% of TBR over the next 2–3 years, with annual TBR likely to reach INR7.5-10b. Existing UHNI client relationships are expected to provide meaningful cross-selling synergies.
- Advisory clients generate nearly 3x higher cross-pollination opportunities than distribution clients. Consequently, while headline retention yields on distribution assets appear higher, the overall economic value of advisory clients remains broadly comparable due to significantly greater product penetration across the platform.

Asset management

- AUM crossed the important milestone of INR1t during the quarter.

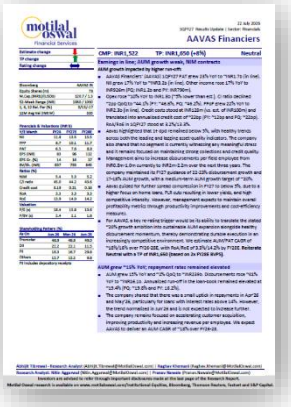
- Net flows were impacted by subdued FII allocations and the redemption of one large institutional mandate. Excluding this outflow, the remainder of the institutional business remained resilient.
- Global allocations towards Indian equities have remained muted over the past 6–9 months, while flows into alternative assets have continued to remain healthy.
- A robust product pipeline is expected to support incremental flows going forward, with management targeting a more balanced 75:25 mix between Wealth Management and Asset Management net flows over time.
- Retention yields within Asset Management have moderated primarily due to changes in business mix.
- Some pressure on retention in listed asset strategies is expected to persist, although management believes overall economics remain healthy as the alternatives franchise continues to scale.

Aavas Financiers — Neutral

Current Price INR 1,375

Click below for Detailed Concall Transcript & Results Update





Guidance

- FY27 AUM growth guidance remains at 17-18%, with a medium-term AUM growth target of ~20%.
- Management remains committed to delivering ~22-23% disbursement growth in FY27.
- Management expects full-year spreads to decline below 5%, with the higher focus on home loans likely to result in further yield compression.
- Despite spread pressure, management remains reasonably confident of maintaining RoA/RoE through cost reduction measures, productivity improvement and income-side levers.
- The company remains focused on maintaining asset quality within the guided range and does not currently see stress in any segment.
- Branch expansion will continue, with a focus on faster breakeven and improving productivity and profitability of new branches.

Business highlights

- Disbursements grew 41% YoY to INR16.1b, albeit on a low base, driven by strong volume pickup, productivity improvement and 38% YoY growth in home loan disbursements.
- AUM grew 15% YoY to INR239b, supported by improvement in customer acquisition and productivity.
- The company remains focused on regaining market share in the home loan segment, with home loan disbursements growing 17% YoY in volume terms during 1QFY27.
- Management remains committed to delivering 22-23% disbursement growth in FY27, with June disbursements exceeding INR6b.
- The company aims to maintain a 65:35 home loan to non-home loan disbursement mix.
- There was a small uptick in repayments in April and May, particularly for loans with interest rates above 14%; however, the trend normalized in June and it is not expected to increase further.

- Part-prepayments also saw an uptick in April and May but moderated in June. The company does not see any specific or alarming trend in repayments and remains focused on improving AUM growth.

Asset quality

- The company's credit-first approach continues to support industry-leading asset quality.
- 1+ DPD remained below 5%, while management highlighted healthy trends across leading and lagging asset-quality indicators.
- No segment is currently witnessing stress, and management remains focused on keeping collections and credit quality under control.
- The company remains cautious on segments such as tourism, travel and restaurants amid the Middle East crisis.
- Management is also monitoring broader industry indicators, including rainfall expectations and tractor sales, which have shown a rebound.

Margins and Cost of funds

- The company continues to witness healthy competitive intensity across geographies, resulting in pressure on spreads.
- Management expects spreads to decline below 5% for the full year.
- The increasing focus on home loans is expected to result in further yield compression, with the yield differential between home loans and non-home loans at ~150-200bp.
- Management remains focused on regaining market share in home loans, which may have some impact on NIMs.
- The impact of margin pressure is expected to be offset through cost measures and income-side levers, with management reasonably confident of maintaining RoA/RoE.
- The gap between disbursement yields and book yields has narrowed significantly and is now very small.
- The company implemented a 10bp PLR reduction effective Jun'26, taking the cumulative reduction to 25bp, with the benefit passed on to customers.
- PLR derivation is based on detailed internal guidelines considering both internal and external factors and is finalized through ALCO discussions.

Financial highlights

- PAT grew 23% YoY to INR1.7b, supported by 18% YoY growth in NII.
- PPOP grew 22% YoY to INR2.33b.
- RoA and RoE stood at 3.19% and 13.3%, respectively.
- Cost-to-income ratio improved 254bp YoY to 43.7%, driven by better cost efficiencies.
- Management expects operating levers to continue supporting profitability, with further scope for improvement in cost-to-income ratio.
- The company remains focused on productivity and revenue per resource across branches to support RoA/RoE.

Opex and productivity

- The company remains focused on accelerating customer acquisition, improving productivity and increasing revenue per employee.
- Aavas is focused on enhancing branch profitability and getting the product and sourcing mix right through increased operating leverage.

- Increasingly using data and technology to improve decision-making, conversion across the login-to-disbursement funnel, processes and customer satisfaction.
- Sourcing is increasingly shifting towards direct channels, with branches being equipped to source directly, which should help lower customer acquisition costs.

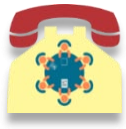
Others

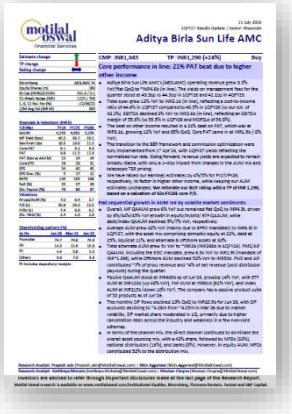
- The branch network stood at 440 branches across 15 states. It will continue to invest in branch expansion.
- The key focus remains on ensuring faster branch-level breakeven, with newly opened branches expected to improve productivity and profitability.
- Management emphasized greater execution discipline and rigor at every level of the business.

Aditya Birla AMC — Buy

Current Price INR 1,002

Click below for Detailed Concall Transcript & Results Update




motilal oswal Financial Services

Aditya Birla Sun Life AMC

Business

- Closing total AUM surpassed INR10t as of Jun'26, following the onboarding of the ~INR6.1t EPFO mandate.
- Investment performance improved across equity and hybrid portfolios, supported by enhancements in investment capability, team strength, and portfolio construction.
- Improved fund performance drove stronger inflows across flagship categories including Flexi Cap, Balanced Advantage, Mid Cap, Multi Cap, Small Cap, and Index Funds.
- Several flagship schemes were added to the recommended product lists of banking partners, including two large banks during the quarter, supporting future distribution-led growth.
- Duration-oriented debt funds experienced temporary outflows during May, driven by interest rate volatility. Most of the redeemed assets returned during Jun'26 and Jul'26, although the timing impacted quarterly average AUM.
- The company launched the first SIF Hybrid Long-Short Fund and plans to launch two additional SIF products, including the Equity X Top 100 Long-Short Fund, following initial performance track record. Additionally, it has strengthened the SIF investment team with two additional specialists.
- It continues to expand the distributor base and has empaneled 1,900+ new MFDs in 1QFY27.
- Total investor folios reached 11.1m, with ~0.6m new folios added during the quarter.

SIP

- SIP AUM stood at ~INR870b. Quarterly SIP collections were ~INR33b, broadly stable vs Q4FY26.
- Monthly flows were the strongest in Apr'26, while May'26 and Jun'26 witnessed softer trends amid broader market conditions. Full-year FY26 run-rate remains below the current quarterly run-rate, indicating improving flow momentum.
- Strongest inflows continue to be driven by core flagship funds, particularly Flexi Cap, Balanced Advantage, Multi Asset, Small Cap, and to a lesser extent Mid Cap and thematic funds. Sales efforts remain focused on these flagship products.

- Focus remains on improving absolute flows in flagship products, with market share gains expected to follow as product performance and distribution improve.

Alternates/PMS & Offshore

- PMS and AIF contributed ~7% of gross revenue and ~4% of net revenue (post distributor pay-outs) during the quarter.
- Real estate AUM grew 20% YoY, with fundraising underway for Real Estate Credit Opportunities Series II.
- Following receipt of the GIFT City retail license, commenced fundraising for the ABSL Flexi Cap Feeder Fund targeting global and NRI investors.
- Retail product launches through GIFT City, including Emerging Market Equity Fund, India Growth Fund and global index funds, remain on track.
- Excluding the EPFO and SEBI mandates, the long-term objective is to materially scale the alternatives platform over the next 2–3 years, driven by private credit, performing credit, money market AIFs, real estate credit funds, GIFT City products, and passive offerings.
- Existing alternative strategies have established strong investment track records, supporting fundraising momentum. The AMC will continue to provide seed capital (up to 10% of fund size) and temporary bridge funding to accelerate scaling of AIF strategies.
- Alternatives are expected to contribute meaningfully to both AUM growth and profitability.
- EPFO and SEBI mandates contribute minimal direct revenue despite their large AUM. The company is actively targeting ~1,350 EPFO trusts to capture additional investment flows.
- Passives
- ETF average AUM grew 47% YoY, significantly ahead of industry growth of 29%.
- The company has appointed a new Head of Passive Business to accelerate product innovation, investment capabilities, and customer acquisition.
- Growth strategy focuses on building scale in passive offerings while continuing to prioritize expansion of core active funds, supported by improving investment performance.

Yields

- Current yield profile: Equity/Debt/Liquid/ETF: ~63–64 bp/~24–25 bp/~12–13 bp/~8 bp.
- The transition to the BER framework and optimization of commission structures have been fully implemented from 1st Apr’26, with 1QFY27 yields reflecting the normalized run-rate.
- Commission structures were comprehensively recalibrated following the BER transition to ensure a broadly neutral outcome for both the AMC and distributors.
- Revenue yields are expected to remain broadly stable going forward, with only 1–2bp movement from AUM mix changes and telescopic TER pricing.

Channel Mix & Distribution

- Banking channel traction is improving as more flagship schemes are being added to approved product lists.

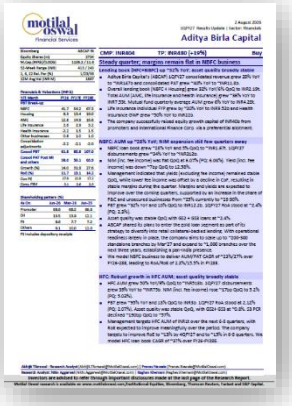
- Kotak, HSBC, Standard Chartered, and wealth platforms including LGT Wealth, ASK Wealth, and 360 ONE have added or expanded recommendations for flagship schemes.
- Total employee count stood at 1,638 as of Jun'26.

Aditya Birla Capital — Buy

Current Price INR 397

Click below for Detailed Concall Transcript & Results Update





Opening remarks

- The company delivered a strong quarter, with healthy growth across lending and insurance businesses, supported by improving asset quality, stronger profitability and continued investments in AI and digital capabilities.
- Asset quality across the lending businesses remained resilient despite a volatile macroeconomic and geopolitical environment.

Capital raise

- The company raised INR40b of growth capital, including INR30.8b from promoters and INR9.2b from IFC, strengthening its balance sheet and supporting the next phase of growth.
- ~87.5% of the proceeds will be deployed towards growth initiatives, with the balance allocated to general corporate purposes, including investments in subsidiaries and joint ventures.
- The capital raise is expected to adequately support the NBFC's growth requirements over the next three years.
- Management does not anticipate the need for any further capital raise across the NBFC, HFC or other entities in the near term.

NBFC

- NBFC AUM grew 28% YoY to INR1.67t, driven by broad-based growth across segments, while PAT increased 35% YoY and 12% QoQ.
- Retail and MSME remained key growth drivers, contributing 72% of total disbursements, up from 68% in the previous quarter, with disbursements in these segments growing 39% YoY.
- P&C segment disbursements grew 41% YoY and 13% QoQ to INR55.5b, supported by new product launches, simplified customer journeys, process automation and AI-led efficiencies.
- Secured MSME grew 27% YoY, with GS3 improving 50bp YoY to 1.1%. Unsecured business loan disbursements grew 27% YoY, with 1QFY27 disbursements, including first-tranche LOCs, at INR24.5b.
- Credit costs declined to 1.03%, supported by continued cohort correction across the unsecured and secured portfolios.
- Stage 3 in the unsecured business loan portfolio stood at 1.1%, with ~40% covered under government guarantee schemes, translating into an adjusted Stage 3 of ~0.7%. Overall, ~72% of the portfolio remains secured.
- NIM including fees remained stable QoQ at 6.07%, with lower fee income and cost-of-funds benefits offsetting each other. Management expects margins to improve as the share of higher-yielding products increases.
- The share of personal and consumer finance increased to 14% from 13% QoQ, while unsecured loans remained at 11%, taking the overall unsecured mix to ~25%. Management expects margins to start improving once the unsecured mix rises to ~28-30%, although this is likely to take a few quarters.

- AI-led interventions are improving operating efficiency and customer service, with 63% of contact-center interactions and 71% of service emails processed through AI during the quarter.

Gold loan business

- The company plans to enter the gold loan segment as part of its strategy to diversify into retail, collateral-backed lending.
- Gold loan operations are in the final stages of readiness, with branch infrastructure, locations and teams in place; the business is expected to launch in 2QFY27.
- Management plans to scale the business to ~200-300 standalone gold loan branches by Mar'27 and become a pan-India player.
- Over the next three years, the company aims to build a significant branch network, with plans to add ~1,000 branches across the gold loan business.
- Management intends to pursue organic growth initially, although it remains open to evaluating small acquisition opportunities if attractive assets become available.

HFC

- The HFC business delivered a strong quarter, with AUM growing 50% YoY and crossing the INR500b milestone.
- The company completed a primary capital infusion of ~INR23.5b from Advent International, further strengthening its capital base and supporting the next phase of growth.
- Distribution expansion remains a key growth lever, with 50 new branches added across metro, Tier 1, 2 and 3 markets. New branches are achieving mature-branch-level productivity faster than expected.
- The partner network expanded further, crossing 40k partners, supported by digital onboarding and engagement initiatives.
- Asset quality remained best-in-class, with Stage 2+3 at 0.78% and Stage 3 improving to 0.41%, supported by disciplined underwriting, analytics, digital collections and early-warning mechanisms.
- AI and digital initiatives are improving employee productivity and operating efficiency, while the Partner One platform is enhancing the digital experience for channel partners.
- Branch expansion remains on track, with ~200 additional branches planned during the remainder of FY27. Despite continued investment in distribution and manpower, opex-to-AUM is expected to remain broadly range-bound at 2.15-2.19%.

AMC

- Fund performance remained healthy, with ~75% of equity AUM positioned in the top two quartiles.
- Average AUM in alternate assets reached INR6.2t, up 42% YoY, supported by mandates from Citi and EPFO. Closing AUM crossed INR10t as of Jun'26.
- SIP contributions stood at INR30.1b in Jun'26, supported by ~4m SIP accounts, while total investor folios reached 11.1m. New SIP registrations during the quarter stood at ~550k.

- Investment performance continued to improve across equity and hybrid portfolios, supported by investments in the investment team, capabilities and portfolio construction framework.

Life Insurance

- Individual life premium grew 20% YoY in 1QFY27, outperforming the private industry growth of 15%, driven by 7% growth in proprietary business and 25% growth in partnership business.
- Proprietary growth was supported by improved productivity and retail momentum, with the branch network exceeding 450 branches. The company plans to add ~10% to its branch network during the remainder of FY27.
- Partnership business grew 25% across all 11 partner banks, with the company continuing to deepen its presence with existing partners while adding new banking relationships.
- The product mix improved, with traditional products, including protection, accounting for 71% of individual business, while ULIP contribution moderated to 29%, supporting margin expansion. Annuity contributed 16% of retail new business.

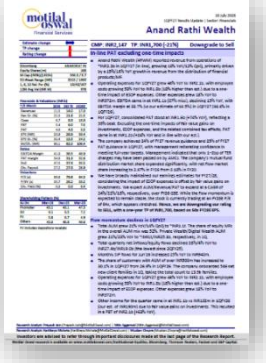
Health Insurance

- Health insurance delivered a strong start to FY27, with gross premium on sales basis growing >50% YoY to INR22b. Market share increased 200bp YoY to 16.2%.
- Growth remained broad-based, with retail premium growing 47% YoY and the proprietary agency channel, supported by ~200k agents, growing 56% YoY. Corporate business grew 55% YoY.
- The company launched the digital-first Active Yuva product, combining comprehensive health coverage with wellness-led engagement and incentivized healthy behavior, targeting the under-penetrated young customer segment.
- Management remains focused on achieving 100% cost coverage this year, supported by strong growth and improving unit economics from its differentiated Health First model.

ANANDRATHI
Private Wealth. uncomplicated

Click below for Detailed Concall Transcript & Results Update





Anand Rathi Wealth — Sell

Current Price INR 2,188

Performance

- Net equity mutual fund sales stood at INR19b in 1QFY27.
- Client attrition remained exceptionally low at 0.09% in 1QFY27, reflecting strong client stickiness.
- Digital Wealth business continued to scale, with AUM growing 23% YoY and the client base increasing 16% YoY to 7,320.
- OFA business expanded to 6,890 subscribers, with platform assets reaching INR1.66t.
- The company commenced operations in the UK, with business traction expected over the coming quarters. It has also applied for a GIFT City license to expand its international offerings.
- The company achieved 24% of FY27 revenue guidance and 25% of FY27 PAT guidance in 1QFY27, with management reiterating confidence in meeting full-year targets.
- Other income of INR1.1b primarily comprised MTM gains of INR960m on the holding in Anand Rathi Global Finance Ltd., with the balance representing

investment income. The valuation of this holding is reassessed every six months, with changes routed through the P&L.

- Management continues to expect 10–12% AUM growth from market appreciation and 10–12% from net inflows, supporting an overall ~25% AUM growth trajectory.

Structured Products

- The platform currently offers 20 structured product variants. A larger share of the portfolio comprises products originated by Anand Rathi Global Finance compared to third-party issuances.
- Structured products are used to reduce portfolio beta and provide downside protection.
- The company maintains a disciplined approach towards concentration risk, retaining control over lending exposure to individual corporates and following a conservative risk framework.

Wealth Management

- Clients are segmented into Gold and Platinum categories, with 15–20 client families upgraded to Platinum each quarter. The Platinum segment has expanded to ~230 families, compared to 40–45 families at the time of launch.
- Management does not maintain a cap on AUM per RM. At the time of listing, productivity was approximately INR1b per RM; both RM productivity and AUM per RM have increased materially since then, with several RMs now managing over INR10b of client assets.
- Portfolio allocation follows a disciplined risk framework based on portfolio beta, with the highest portfolio beta maintained at 0.60–0.65. Management continues to maintain a conservative equity allocation and a relatively low-beta portfolio.

RM

- During 3QFY26, three RMs exited the organization.
- The departing RMs managed INR7.58b of AUM, of which the company successfully retained INR6.58b, implying an industry-leading ~90% AUM retention.

AMC

- The Board has approved the application for an AMC license, with the company working toward building the required capabilities.
- The long-term strategy remains focused on inter-generational wealth creation rather than expanding into investment banking-led capital market businesses.

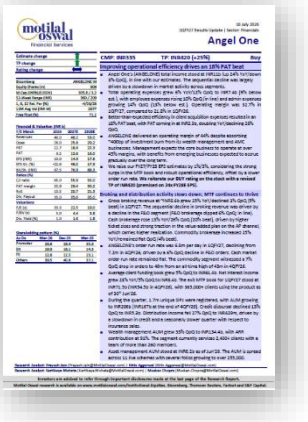
Regulations

- While TER revisions typically involve some negotiation between AMCs and distributors, ARWM's scale as one of the largest distributors limits the extent of pass-through.
- Management indicated that only 1–2bp of TER changes may have been passed on by AMCs. The company's mutual fund distribution market share has expanded significantly, with net flow market share increasing to 2.47% in FY26 from 0.18% in FY20.
- Management believes the recent regulatory measures could moderate HFT-driven trading activity and reduce excessive market volatility, particularly around expiry days. The regulations are expected to create a more balanced market structure, ultimately benefiting long-term retail and wealthy investors.

Angel One — Buy

Current Price INR 290

Click below for Detailed Concall Transcript & Results Update



Performance

- Broking continues to serve as the primary customer acquisition engine, with ~60% of mutual fund clients initially engaging through the broking platform, highlighting strong cross-sell opportunities across the ecosystem.
- AI adoption has been scaled across both customer-facing applications and the technology stack. Beyond enhancing customer experience, AI is increasingly being deployed across onboarding, analytics, and internal workflows, driving operational efficiencies.
- Management believes AI will progressively become an important source of operating leverage and a key competitive differentiator over the medium term.
- Despite moderation in capital market activity on a sequential basis, the company's diversified business model has enabled it to deliver healthy profitability during the quarter.
- Gross revenue grew 25% YoY, while declining 2% QoQ, largely reflecting softer trading activity across capital markets.
- Nearly 40% of new customer acquisitions were sourced from non-broking businesses, reflecting the company's increasing success in building a diversified financial services platform beyond its core brokerage franchise.
- Interest income remained a key earnings contributor, supported by continued expansion of the client funding book.
- Distribution income moderated sequentially due to seasonal weakness in insurance sales as well as softer credit distribution activity.
- Profitability was impacted by lower market activity, elevated IPL-related marketing spends, and fresh ESOP expenses during the quarter. However, disciplined customer acquisition spending helped partially offset these headwinds.
- Management expects employee expenses to remain broadly flat at around INR11b for FY27, indicating limited incremental hiring and continued focus on productivity improvements.
- The platform currently has ~10,000 Authorized Persons (APs).
- Management is expanding the multi-product capabilities of the AP network and has also started onboarding mutual fund distributors, with the objective of building a comprehensive multi-product, multi-channel distribution ecosystem.
- The consolidated business delivered an operating margin of 44%, despite absorbing approximately 400bp of investment burn from the wealth management and AMC businesses.

Broking business

- The company already offers international investing through US equities and is evaluating further enhancements to the offering following receipt of the GIFT City license, which is expected to strengthen its global investing proposition.

Distribution

- Credit product penetration among the existing customer base remains low, providing a significant runway for future growth.
- Credit disbursements continue to depend on customer demand, lender underwriting standards, pricing, and the customer experience on the platform.

- Management is working closely with lending partners to improve conversion rates and drive sustainable long-term growth.
- Lenders continue to recalibrate risk appetite periodically, resulting in quarter-to-quarter volatility in disbursements. Management has identified certain operational friction points and is implementing corrective measures to improve execution.
- Mutual fund distribution continues to perform well. The company is increasingly focusing on assisted mutual fund distribution while leveraging AI-driven analytics to improve customer targeting, engagement, and conversion.

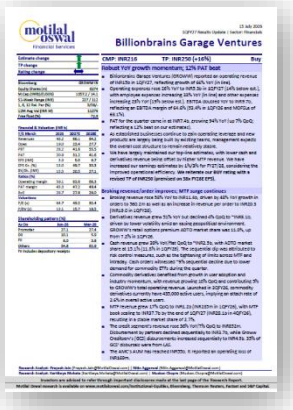
AMC and Wealth management

- AMC AUM crossed INR56.2b, with the business expected to complement ANGELONE's existing product suite and deepen customer engagement across the platform.
- The immediate focus remains on strengthening both the product portfolio and distribution capabilities, while management continues to evaluate opportunities across the broader asset management spectrum.
- The AMC currently follows a passive-only strategy, which naturally requires a longer gestation period to achieve scale. Growth has largely been driven by content-led customer acquisition and DIY investing. Management expects to have greater clarity on the long-term product strategy over the next 3-4 quarters.
- The wealth management business continues to witness healthy asset growth, with a strategic focus on building a high-annuity revenue model. Unit economics are steadily improving, and management remains confident of achieving breakeven within the next 3-4 years.

Groww

Click below for Detailed Concall Transcript & Results Update





Billionbrains Garage — Buy

Current Price INR 194

Performance

- Employee expenses increased during the quarter, primarily due to the annual appraisal cycle in April rather than incremental hiring. Management does not expect a significant increase in headcount going forward.
- 10% of employee expenses came from ESOPs during the quarter.
- As established businesses continue to gain operating leverage and new products are largely built by existing teams, the overall cost structure is expected to remain relatively stable.
- Float income benefited from higher interest rates, while average customer balances remained broadly stable QoQ.
- Marketing spends increased during the quarter due to the IPL season, resulting in higher customer acquisition costs.
- Customers acquired in FY26 are generating higher ARPU compared to first-year cohorts acquired in earlier years, reflecting improving customer quality.

Broking

- Derivative trading activity moderated sequentially as 4QFY26 had benefited from elevated market volatility, driven by geopolitical events.
- The company has received the license to offer US stock investing. The product is currently under testing and is expected to be launched shortly. The initial

offering will focus on US equities, with expansion into other international markets to be evaluated based on customer demand.

- The decline in F&O activity during late Jun'26 and Jul'26 was primarily driven by lower market volatility following the easing of geopolitical tensions rather than regulatory changes. Trading volumes recovered as volatility returned, suggesting that market conditions, rather than regulations, remain the key driver of activity.
- Management does not expect any material impact on retail participation from the RBI's tightening of bank guarantee norms for proprietary trading.
- Cash order volumes declined as ETF trading, which contributed significantly in 3QFY26 and 4QFY26, moderated amid weaker market performance.
- Higher average ticket sizes, along with increasing MTF penetration, continue to support improvement in cash yields.

MTF

- Cash yields improved ~5% YoY, and management expects a further 1–2% sequential improvement every quarter as MTF penetration continues to increase.
- The MTF book continues to expand by INR 6–7b every quarter, with a similar growth trajectory expected going forward.

Wealth and asset management

- The company has received approvals from SEBI and the Competition Commission of India (CCI) for State Street's acquisition of a stake in the AMC business.
- The wealth management business will continue to build its RM franchise while leveraging AI to enhance productivity. Management does not expect this expansion to materially increase employee costs.
- The Fisdom business is yet to witness a meaningful improvement in profitability and continues to remain in the investment and gestation phase.

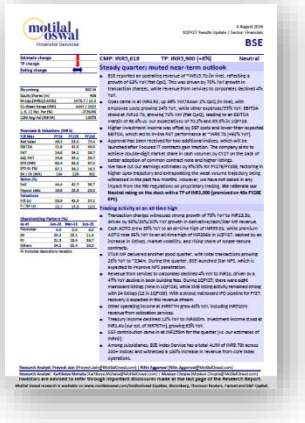
BSE — Neutral

Current Price INR 3,352

Performance

- BSE reported its best-ever quarterly performance, marking the 14th consecutive quarter of record revenues.
- Investor accounts registered on the exchange increased to 258m, with 35m new investor accounts added over the past year.
- Operating expenses declined by INR400m during the quarter following the reversal of a provision created in the previous quarter relating to outstanding dues from a counterparty.
- The exchange continues to broaden its product ecosystem, with initiatives spanning corporate bonds, market data services, and index offerings.
- During the quarter, BSE launched 16 new indices, with management highlighting strong demand for index-based products.
- The company also launched Star NPS, a dedicated platform aimed at increasing penetration of the NPS, with discussions underway to introduce Electronic Gold Receipts (EGR) trading.

Click below for Detailed Concall Transcript & Results Update



- Technology investments will continue to rise as BSE expands infrastructure capacity and modernizes its technology architecture to support higher trading volumes and new product launches.
- Higher other income during the quarter was primarily driven by mark-to-market gains on investments.
- Depreciation declined as the written-down value of existing assets continued to reduce.
- Trading segment
- The recently launched BSE-focused IT Index derivatives have successfully completed three expiry cycles, with trading activity and liquidity continuing to improve.
- The exchange has received regulatory approval for two additional indices for derivatives trading, which will be launched after the Focused IT contract gains adequate scale.
- Liquidity in contracts with one-week-forward expiries continues to improve, indicating increasing market depth.
- While regulatory approval has been received for the Common Contract Note framework, industry-wide implementation remains at an early stage. Management believes successful adoption of CCN will improve execution efficiency and support further gains in BSE's cash market share.
- Continued growth in listed companies, combined with improving market infrastructure, is expected to further strengthen cash market share. Management's aspiration is to achieve a double-digit share of the cash market by CY27.

Listing business

- Management is witnessing early signs of recovery in the mainboard IPO market, with primary market activity gradually improving.
- The SME listing segment continues to remain robust, attracting strong participation from both issuers and investors.

Colocation

- Colocation continued to witness healthy momentum, generating INR510m of revenue during 1QFY27.
- The exchange remains committed to expanding colocation infrastructure in line with growing client demand and higher market participation.
- Current infrastructure of around 500 racks is expected to adequately support demand over the next 1.5 years.
- Colocation order charges currently remain at ~20% of prevailing market rates, with management indicating pricing could be revisited at an appropriate stage.

Regulations

- The impact of recent regulatory changes remains difficult to isolate, given the simultaneous influence of heightened geopolitical uncertainty and elevated market volatility.
- As futures constitute a relatively small portion of BSE's derivatives business, the exchange saw minimal impact from recent futures-related regulatory changes.
- The effect on options volumes remains inconclusive, with management indicating that current trends could be driven by either regulatory developments or prevailing market volatility.

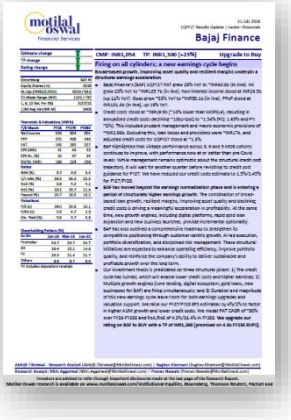
- The exchange is closely monitoring the potential implications of the RBI's restrictions on the use of bank guarantees, which could influence market participation over the coming months.

Bajaj Finance — Buy

Current Price INR 1,079

Click below for Detailed Concall Transcript & Results Update





Guidance

- BAF guided for growth momentum to sustain through FY27 and expects for asset quality to improve further. However, it will revisit (or rather increase) the guidance for the full year post 2QFY27 results.
- Gold loan AUM is targeted to grow to ~INR290-300b by end-FY27, supported by expansion to ~2700-2800 branches by Mar'28.
- Opex-to-NTI is expected to improve by 25-40bp in FY27.
- CoF should remain range-bound with a modest upward bias in the near term.
- The company expects credit costs to continue improving but will wait for another quarter before providing updated FY27 guidance.
- Management guided for profit growth to be higher than balance sheet growth, supported by internal capital generation and improving capital resilience.
- BAF expects digital platforms to facilitate ~INR400-450b of business in FY27, with a medium-term ambition of ~INR1t.

Growth and business momentum

- BAF remains focused on balancing growth with a conservative risk appetite and continued investments in technology, distribution and new business lines.
- Rural sales finance/urban sales finance grew 49% YoY and 38% YoY, supported by a combination of organic volume growth and higher SKU prices. Of the ~40% average growth, ~20% was driven by higher SKU prices, while the remaining ~20% came from organic volume growth. The company expects further support from potential SKU price increases, providing an additional growth tailwind.
- MSME growth remained subdued at 2% YoY as the company continued to prune the portfolio since Jul'25 as part of its risk-calibration measures. It expects growth momentum to resume by 3QFY27.
- The company continues to see strong long-term opportunity in India and remains focused on reinvesting in existing businesses while exploring two new business lines targeted for launch by Jan-Feb'27.
- Management believes competitive intensity remains high across all businesses, with PSU banks, private banks and NBFCs competing aggressively.

Margins and opex

- NIMs remained steady in 1QFY27. The company maintained its guidance of ~10-15bp moderation in NIMs in FY27 and will assess the outlook again in 2QFY27.
- Incremental borrowing costs have increased by ~30-60bp in fixed-income markets, while the company has maintained a relatively stable cost of funds over the past three quarters.
- Management expects CoF to remain range-bound with a modest upward bias, although the trajectory will depend on the resolution of geopolitical uncertainties and broader liquidity conditions.

- Opex-to-NTI stood at 33.4%, with the marginal increase driven by accelerated investments in gold loans and MFI branch expansion, along with ~10bp impact from the new labor code.
- Management expects opex-to-NTI to improve by 25-40bp during FY27 despite continued investments in growth initiatives.

Asset quality and credit costs

- Credit performance remained strong, with loan losses-to-average AUM improving to 1.54% from 1.87% YoY.
- BAF recognized an additional INR2.96b management and macroeconomic overlay in 1Q, reflecting geopolitical uncertainties and monsoon-related risks. Excluding the additional overlay, the loan loss ratio would have been ~1.31%.
- New Stage 2 and Stage 3 additions improved to 1.87% from 1.94% QoQ, with management expecting further improvement over the coming quarters.
- Vintage performance across 3 MOB, 6 MOB and 9 MOB cohorts continues to show sustained improvement and is now at or below pre-COVID benchmarks.
- GNPA/NNPA stood at 0.96%/0.39%, while PCR remained healthy at ~60%.

Provisioning and risk framework

- BAF reiterated its ambition to build one of India's lowest-risk companies, viewing risk management as a strategic choice rather than a function of the macro environment.
- The company continues to benchmark its credit performance against industry bureau data and maintains stringent risk thresholds. Risk thresholds are targeted at ~30–40% of industry levels across 30+ and 60+ DPD metrics.
- 30+ dpd trends in businesses more vulnerable to higher leverage have stabilized, with YoY improvement visible across business loans, personal loans and professional loans.

Gold Loans

- The business is primarily driven by standalone branch expansion and process excellence, with the company adding 110 branches per month.
- Gold loan branches are expected to increase to ~2,700-2,800 by end-FY27, with AUM targeted at ~INR290b-310b.
- At ~INR140m AUM per branch, the planned branch network implies a potential Gold AUM of ~INR380b.
- Digital platforms currently contribute ~25% of gold loan business, supporting customer acquisition and improving sourcing efficiency.

Digital Transformation & AI

- The company is accelerating its digital transformation, with the AI team expected to expand from 230 to 400 employees and the digital platforms team to add ~300 employees.
- Digital platforms are expected to facilitate ~INR400-450b of business in FY27, with a medium-term target of ~INR1t.
- AI initiatives analyzed ~45m customer interactions through voice and text during the quarter, generating ~400k additional offers and supporting ~INR5.2b of disbursements.
- AI-driven underwriting is delivering >20% efficiency gains, while voice and text bots facilitated ~INR25b of disbursements in 1QFY27.
- Management expects AI-led voice and text disbursements to scale up to ~INR110-120b in FY27.

- 17 AI agent applications have been deployed out of 118 identified use cases, with deployment expected to accelerate through FY27.
- A custom AI model is expected to go live in 2QFY27 for the B2B business, potentially enabling access to 0.5m incremental customers; a similar B2C application is expected by Oct-Nov'26.

Capital raise

- CRAR was healthy at 21%, providing adequate capital headroom to aid growth.
- Management does not see an immediate need to raise capital and intends to first consider dilution of its stake in BHFL, currently at ~86.7%, before evaluating a fresh capital raise.
- Its preference is for profit growth to outpace balance sheet growth, thereby allowing internal capital generation to strengthen balance sheet resilience.

Succession planning

- Management expects to take a decision on succession by Dec'27-Jan'28.

Consumer durable finance

- Smartphone financing continues to grow at ~20-23% despite a decline in overall smartphone shipments, supported by a ~32-33% increase in average ticket size.
- Higher volumes from Apple and increasing ATS across other mobile manufacturers are key drivers of ticket-size growth.
- Air-conditioner and washing-machine prices have remained broadly stable despite the 10% GST reduction on air conditioners, as higher input costs have offset some of the GST reduction benefit.

Others

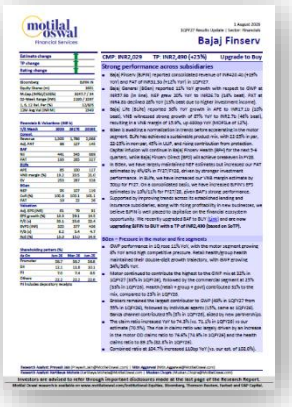
- The combination of a strong customer franchise and expanding distribution network continues to support higher product penetration and attach rates.

Bajaj Finserv — Buy

Current Price INR 2,010

Click below for Detailed Concall Transcript & Results Update




Bajaj Finserv

Bajaj General

- The recent Supreme Court ruling on motor TP claims has limited immediate implications, and the company is monitoring future judicial developments before revisiting its reserving methodology.
- Bajaj General already maintains a conservative reserving philosophy and is well positioned to absorb any adverse outcomes. Additionally, GIC has filed a review petition against the judgment.
- The company continues to engage with the regulator regarding a revision in motor TP premium rates.
- Combined ratio continues to outperform the industry, supported by disciplined underwriting and prudent business selection. Robust reinsurance program provides adequate protection against NATCAT events
- The crop insurance business is expected to grow in FY27, backed by the tender wins for this year.
- The government health portfolio, which operated under a 2+1-year contract, is also due for renewal during the year.
- Under IFRS, the most significant impact for the general insurance business will arise from changes in the accounting treatment of acquisition costs. In addition, long-duration liabilities, particularly the motor TP book, will move from an

undiscounted to a discounted valuation basis, resulting in a meaningful reserve release at transition.

- IFRS will require insurers writing loss-making contracts to recognize expected losses upfront, leading to greater earnings transparency across the industry.
- The company has adopted a cautious stance in the motor segment by moderating growth, but intends to accelerate expansion once pricing and claims trends stabilize.

Bajaj Life

- Demand for annuity products continues to strengthen, supported by favorable demographic trends and the growing retirement planning needs of India's 50+ population.
- While non-par savings demand has remained relatively subdued, management expects the segment to enter an upcycle over the coming quarters.
- The MFI business has witnessed a healthy recovery, aided by 20 new partnerships added over the last 15 months.
- Retail protection has increased meaningfully, with contribution rising from 8.5% to 12%. Management expects growth to normalize following the strong expansion seen over the last few quarters.
- The product mix has now reached a sustainable level, comprising 22-25% par, 22-25% non-par, around 45% ULIPs, with the balance contributed by protection products.
- Customer engagement in protection continues to improve, with 34% of customers purchasing term plans during the quarter, while 16% opted for enhanced riders, supporting both ticket sizes and profitability.
- Riders attached to both term and savings products currently account for around 22% of NOPs, with management aiming to steadily increase rider penetration going forward.

Bajaj Finserv Health

- Revenue declined during the quarter due to business restructuring undertaken to comply with evolving regulatory requirements.
- The company continues to invest aggressively in technology capabilities and network expansion, with these investments expected to begin delivering returns from next year onwards.
- Capital infusion into the business will continue over the next six quarters, with planned investments of approximately INR2-3b.

Bajaj Finserv Markets

- Industry-wide credit quality concerns that persisted over the past 2-3 years have started easing, as lending partners have progressively tightened underwriting standards and improved portfolio quality.
- The business was originally expected to achieve breakeven during 3Q/4QFY26. However, profitability was delayed due to the ongoing CRM platform transformation, implementation of RBI digital lending guidelines, and the transition toward a trail-based commission model.
- Management now expects the platform to achieve full-year breakeven in FY27.

Bajaj Finserv AMC

- The AMC business will require incremental capital to support future growth.

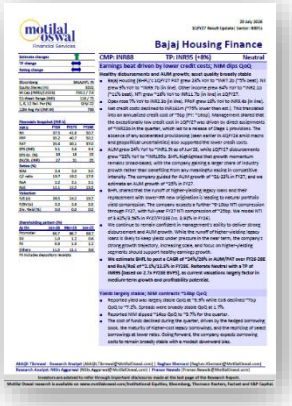
- Beyond the mutual fund platform, management also expects additional capital requirements for building its alternatives franchise and the proposed reinsurance business.

Bajaj Housing — Neutral

Current Price INR 85

Click below for Detailed Concall Transcript & Results Update




Bajaj Housing Finance

Guidance

- Management guided for FY27 AUM growth of ~21-23% supported by moderating BT-outs and strong disbursement momentum.
- The company expects ~20bp-25bp decline in NIM in FY27, primarily driven by portfolio yield compression.
- Expects cost of funds to remain broadly stable with a modest downward bias.
- Guided for opex-to-NTI of ~19-20%, GNPA of ~30-35bp, Credit cost of 10-15bp, PCR of ~50-60%, RoA of 2.1-2.3% and RoE of 12-13% in FY27
- Guided for Monthly disbursements in Sambhav Housing at INR6b+ over the next nine months.

Growth and BT-out trends

- Growth momentum is broad-based, with the company gaining a larger share of industry growth rather than benefiting from any meaningful reduction in competitive intensity.
- Prime housing remains the segment most susceptible to BT-outs from PSU and private banks, while the newer near-prime and affordable portfolios have limited BT-out risk due to shorter seasoning.
- Aggregate attrition also includes natural run-off in developer finance and other businesses, driven by project cash flows and asset sales rather than balance transfers.
- Management is awaiting another quarter of data to assess whether the moderation in BT-outs is sustainable. If there is further improvement, it could provide upside to growth.
- Other income growth was supported by higher disbursements, driving growth in insurance income, foreclosure charges and bounce charges.

Sambhav Housing

- Sambhav Housing continued to scale, with monthly disbursement run-rate increasing to INR4.5-4.65b from INR4.1-4.25b in 4QFY26.
- Average ticket size remained stable, with ~65% of customers having bureau scores above 750 and a salaried mix at 68%.
- The business is operational across 73 urban and 72 rural locations and remains on track to achieve monthly disbursements of INR6b+ over the next nine months.
- Affordable housing disbursements are expected to remain at ~33-36% of the Sambhav segment disbursements, with the balance comprising near-prime housing.
- Affordable housing ticket size is ~INR1.7-1.8m, with the company focused on the upper end of the affordable segment and limited exposure to sub-INR1-1.2m loans.

- Overall ticket size is expected to remain broadly stable in FY27, with a modest INR100-200k downward bias as the company expands into Tier 2/3 and non-metro markets.

Margins and cost of funds

- Gross spread remained stable at 1.7%, while NIM moderated to 3.7% from 3.8% QoQ.
- The ~25bp NIM compression in FY27 is primarily driven by yield moderation.
- Higher-yielding legacy loans are running off and being replaced by lower-IRR new originations, resulting in natural portfolio yield compression.
- Acquisition pricing remains broadly stable amid competitive intensity, limiting scope for upward repricing.
- Cost of funds declined 7bp QoQ, supported by the hedged borrowing book, maturity of higher-cost legacy borrowings and repricing of select borrowings at lower rates.
- Management expects cost of funds to remain broadly stable with a modest downward bias going forward, providing some offset to yield compression.

Asset quality and provisioning

- Asset quality remained strong, with GNPA at 29bp, NNPA at 12bp and annualized credit cost at 5bp vs. 15bp in 1QFY26.
- Home loan GNPA improved 1bp QoQ to 34bp, while LAP GNPA increased to 62bp from 46bp.
- LAP GNPA remains within its historical 50-70bp range, with the recent increase viewed as normal portfolio volatility rather than structural deterioration.
- Management sees no specific stress across cohorts, geographies or customer segments, including no material stress in salaried borrowers in Bengaluru.
- Developer finance GNPA stood at 12bp, as a result of one account moving from Stage 2 to Stage 3. The company shared that the resolution efforts are underway for this account.
- Overall asset quality remains healthy, with no meaningful deterioration in credit behavior across products.
- 1QFY27 credit cost of 5bp was exceptionally low and benefited from one-off factors rather than a structural change in credit costs.
- During the quarter, direct assignments of ~INR23b resulted in a release of Stage 1 provisions, while 4QFY26 had witnessed accelerated provisioning amid macroeconomic and geopolitical uncertainties, which was not there in 1QFY27. Both factors resulted in lower credit costs during the quarter.

Financial highlights

- Strong quarter across operating and financial metrics, with highest-ever quarterly AUM growth and disbursements.
- AUM grew 24% YoY and 6% QoQ to INR1.5t. Disbursements rose 33% YoY and 11% QoQ to INR195b, marking the highest-ever quarterly disbursement.
- Opex-to-NTI improved to 19.6% (from 21.2% in 1QFY26), despite continued investments in growth.
- Product growth remained broad-based, with home loans, LAP, LRD and developer finance growing 20%, 22%, 41% and 19% YoY, respectively.

Opex and digital initiatives

- Opex-to-NTI improved to 19.6% in 1QFY27 and is expected to remain broadly within the 19-20% range for FY27.
- While operating leverage is expected to improve, the benefit will be partly offset by NIM compression and continued investments in near-prime and affordable housing.
- The company continues to strengthen its tech-enabled mortgage platform through AI-led initiatives across the loan lifecycle.
- Key initiatives include voice agents for lead generation, credit call intelligence, collateral assessment, geo-analytics, AI customer assistance, employee training and AI-led frontline hiring.
- These initiatives are expected to improve conversion, enable evidence-based underwriting, reduce collateral risk, provide 24x7 customer support and enhance employee productivity.

Industry outlook

- Management expects home loan industry growth of ~9-10.5% in FY27, broadly in line with FY26 growth of 9.4%.
- Housing demand remains somewhat muted, with the market viewed as being in a stabilization phase rather than a downturn.
- Moderating property price momentum has reduced the urgency among customers to accelerate purchases, resulting in softer near-term demand.
- Geopolitical uncertainty, inflation risks and volatile money-market borrowing costs remain key external factors to monitor.

Can Fin Homes — Neutral

Current Price INR 818

Guidance

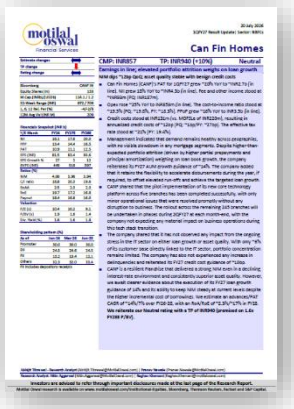
- Reiterated FY27 AUM growth guidance of 14%, despite higher-than-expected repayments.
- Targets disbursements of ~INR30b in 2QFY27 and remains confident of achieving the FY27 disbursement target of ~INR130b. Disbursements may be accelerated during the year if required to offset elevated run-offs.
- Reiterated NIM guidance of >3.8% for FY27.
- Credit cost guidance remains unchanged at ~10bp.
- The cost-to-income ratio is expected to remain at ~19.5% during FY27 before improving further over the medium term.
- The company does not anticipate any material disruptions to its business operations from the rollout of the new technology platform.

Business growth & disbursements

- Demand remains healthy across geographies, with no visible slowdown in the housing market or project finance segment.
- Affordable housing demand continues to remain resilient, supported by stable customer enquiries and healthy project launches.
- Disbursements stood at INR26.1b in 1QFY27, driven by healthy growth across all six operating zones, including Karnataka and Telangana.

Click below for Detailed Concall Transcript & Results Update




Can Fin Homes

- Karnataka recorded the slowest regional growth at 18% YoY, although all geographies delivered positive growth during the quarter.
- Growth was supported by improved contribution from the sales team as well as from branches opened after Mar'23.
- In 1QFY27, salaried customer disbursements grew 21% YoY, while the SENP disbursements grew a stronger 44% YoY. Housing loan disbursements increased 28% YoY; non-housing loans grew 32% YoY, resulting in an overall disbursement growth of 29% YoY.
- Demand remains healthy, and the slight weakness in AUM growth was entirely due to higher part pre-payments and principal amortization rather than weaker originations. BT-OUTs were also broadly stable QoQ at ~INR4b-4.1b.
- Approved projects increased from 271 to 331 during the quarter, with the addition of 60 new APF projects. APF approvals now include projects with up to around 150 units, including select marquee developers.
- Exposure to any individual project remains capped at 10% of project units, alongside additional internal concentration limits.

Repayments

- Elevated repayments remained the key reason behind lower-than-expected loan book growth during the quarter.
- Total loan run-off increased to INR18.6b in 1QFY27, up ~INR1.3b QoQ.
- BT-outs remained broadly stable at around INR4.1b versus INR4b in 4QFY26, indicating that competitive refinancing was not the primary reason behind higher repayments.
- Pre-closures from own funds or because the customer sold his/property increased modestly to ~INR3.8b (from INR3.6b in 4Q).
- The largest contributor to higher repayments was regular amortization and customer part-prepayments.
- Following the transition from annual to quarterly loan resets, EMIs remained largely unchanged while loan tenures reduced, resulting in a higher proportion of repayments being allocated towards principal.
- Part-prepayments and scheduled amortization together increased materially during the quarter and remained the largest contributor to higher run-offs.
- The company expected quarterly resets to reduce balance transfers; however, this benefit has not materialized so far.
- To improve customer retention, the company is evaluating initiatives such as cross-selling deposit products and proactively engaging customers through bureau enquiry alerts before refinancing occurs.

Asset quality

- Stage 2 and Stage 3 assets declined sequentially in absolute terms during the quarter. NACH bounce rates have consistently improved over the last six quarters.
- The company has not witnessed any increase in delinquent accounts and continues to maintain its credit cost guidance of ~10bp.
- Customer quality continues to improve, with approximately 82% of borrowers having CIBIL scores above 700.

- The company did not observe any meaningful impact from stress in the IT sector on either loan growth or asset quality.
- Karnataka and Telangana continue to report healthy business growth, with Karnataka growing at ~18% YoY.
- Although layoffs have occurred in certain IT companies, many affected borrowers have secured alternate employment, limiting any meaningful impact on collections.

Yields, Margins, and Cost of Funds

- Blended lending yield remained broadly stable at 9.81% (versus 9.82% last year).
- Cost of funds declined to 6.98% during the quarter and continued to improve after April.
- Improvement in funding costs was driven by repayment of high-cost NCDs, timely CP issuances, and lower-cost bank borrowings.
- Incremental bank term loans are currently being raised at ~7.25%, while existing borrowings remain linked to T-bills or Repo rates.
- Banks continue to remain the cheapest long-term funding source for the company. To offset the marginal increase in incremental borrowing costs, the company has revised internal pricing policies.
- The threshold for special pricing has been increased from loans above INR2m to loans above INR2.5m, which will support portfolio yields.

Operating expenses & technology

- No major surprises are expected on the operating expense front.
- Previously guided incremental IT expenditure of approximately INR400m (for the full year) has not yet been fully reflected in the P&L.
- Certain project costs are yet to be capitalized and will gradually flow through depreciation over the coming quarters.
- AMC expenses have already started flowing into operating expenses.
- Around INR50-60m of IT expenses were recognized during 4QFY26 as certain technology modules became operational.
- Management continues to target a cost-to-income ratio of ~19.5% for FY27.
- As loan book growth accelerates, operating leverage is expected to reduce the cost-to-income ratio to nearly 18% over the next three years.

Technology transformation

- Pilot implementation of the new core technology platform has been completed across five branches.
- All major customer journeys, including onboarding, sanctions, disbursements, repayments, collections, and closures, have been successfully processed through the new platform.
- Minor operational issues during implementation were resolved quickly without disrupting business.
- Pilot branches stabilized within 10-12 days, while branch staff adapted to the new platform within 3-4 days.
- Rollout across the remaining 245 branches will be completed in phases during 2QFY27, with implementation taking place at month-end.

- Management remains confident that the technology migration will not disrupt business momentum.

Competitive environment

- Competitive intensity remains broadly unchanged.
- Primary competition continues to come from private HFCs and NBFCs rather than banks. LICHF and BAF remain the key competitors across most operating markets.
- Larger HFCs entering smaller-ticket housing loans have not materially impacted business. Stable balance transfer outflows suggest competitive intensity has not increased materially.

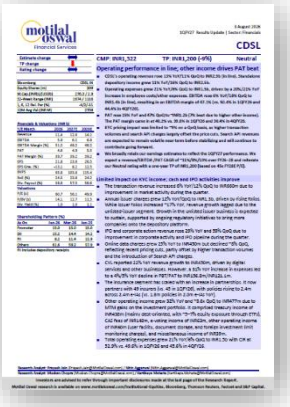
Others

- SENP customers continue to remain an attractive segment despite moderately higher risk.
- SENP loans generate approximately 50bp higher yields than those of salaried customers.
- GNPA remains around 0.6-0.63% for salaried customers compared with ~1.45-1.5% for SENP borrowers.
- Management remains confident of achieving its targeted RoA and RoE, despite higher repayments.

CDSL
Convenient • Dependable • Secure

Click below for Detailed Concall Transcript & Results Update





CDSL — Neutral

Current Price INR 1,329

Business:

- KYC pricing impact was limited to ~9%, as higher transaction volumes and Search API charges largely offset the price cut. Search API revenues are expected to remain volatile near term before stabilizing and continue to contribute further.
- Overall KYC revenue will continue to be driven by the interplay between pricing revisions and transaction volumes.
- Unified KYC integration is currently in the testing phase with ecosystem participants. Commercial rollout will depend on successful testing and regulatory readiness, and it is too early to assess the potential revenue impact.
- Total issuer folios stood at 387.3m (332m in FY26) during the quarter.
- The issuer folios grew faster than issuer charge revenue, with the gap primarily attributable to the unlisted issuer segment. Growth in the unlisted issuer business is expected to remain driven by regulatory initiatives aimed at bringing more companies onto depository platforms.
- Technology investments will continue to be driven by regulatory changes, new product launches, and evolving technology requirements, with no predefined investment cycle.
- Continues to engage with regulators on the proposed ISIN issuance capability. The initiative is yet to go live, with implementation subject to completion of the regulatory process.

CVL

- Revenue: INR450m vs INR360m (up 22% YoY) – driven by growth in digital services and other businesses.

- Total income: INR500m vs INR430m (up 18% YoY)
- Expenses: INR346.7m vs INR264.3m (up 31% YoY)
- PBT: INR156.8m vs INR166.1m (decline of 4% YoY) led by higher opex
- PAT: INR121.1m vs INR127.1m (decline of 5% YoY) led by higher opex

Financials

- Standalone PAT declined by 5% YoY, largely due to lower dividend income from subsidiaries (INR395m vs INR620m in 1QFY26).
- Margin pledge income stood at INR62m during the quarter.
- Unlisted issuer revenue related to companies admitted this quarter was at INR3m.
- Application processing fee income stood at INR23m.
- The vast majority of annual custody fee (issuer charge) revenue continues to come from listed companies.
- The sequential increase in other income was primarily driven by mark-to-market gains on the investment portfolio.
- Consolidated other income comprised treasury income of INR438m (including MTM gains and investment income, with ~5–7% equity exposure through ETFs), CAS fees of INR148m, e-voting income of INR63m, other operating income of INR60m (user facility, document storage and foreign investment limit monitoring charges), and miscellaneous income of INR39m.
- Higher employee expenses reflected annual salary revisions, variable pay, and incremental hiring, with the annual appraisal cycle typically recognized in 1Q.
- Impairment provision for the quarter stood at INR22m.

Others

- Shareholders approved the appointment of two Executive Directors following SEBI approval.
- The company made a strategic investment in Sahamati Foundation, an RBI-recognized Self-Regulatory Organization (SRO) for the Account Aggregator ecosystem.

Cholamandalam Inv. & Finance — Buy

Current Price INR 1,866

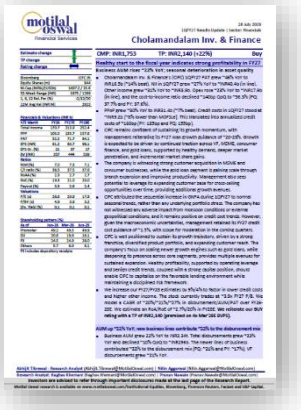
Guidance

- Chola reiterated its FY27 loan growth guidance of ~22-23% and continues to witness healthy demand across all business segments, with July trends remaining encouraging. Management expects growth momentum to continue over the coming quarters, supported by healthy market conditions and incremental market share gains across vehicle finance and other businesses.
- Credit cost guidance for FY27 is unchanged at ~1.5%, with management expecting further improvement over time, supported by lower normalized credit losses across businesses.
- The company expects cost of funds in FY27 to remain broadly in line with FY26 as lower funding costs in 1HFY27 are likely to offset a potential increase in 2HFY27. At best, cost of funds could increase by ~5-10bp, while NIMs are likely to improve.

Chola
Enter a better life

Click below for Detailed Concall Transcript & Results Update




Cholamandalam Inv. & Finance

- Gold loan AUM is targeted to reach ~INR50b by end-FY27, supported by continued branch expansion and improving branch productivity.
- Management expects the current business upcycle to continue, although it remains watchful of global uncertainties such as geopolitical tensions and any tariff-related developments.

Business Updates

- Chola continued its strong growth trajectory in 1QFY27, with disbursements increasing 22% YoY to INR296b, reflecting healthy performance across all major businesses, robust customer demand and the strength of its distribution and operating model.
- Growth during the quarter was supported by healthy demand across key vehicle categories and continued deep market penetration.
- The MSME business remained resilient, benefiting from sustained customer acquisition and continued expansion into underpenetrated markets.
- The consumer business delivered robust growth driven by broad-based traction across product categories and healthy customer acquisition.
- Gold loans witnessed strong growth during the quarter, supported by increasing customer acceptance and continued network expansion.

Disbursement recognition

- Chola has aligned disbursement recognition for home loans, LAP, small business loans and used vehicle finance with cheque clearance rather than cheque issuance.
- This one-time accounting change resulted in relatively lower reported disbursements during the quarter, although on a like-for-like basis these businesses recorded over 20% growth.
- Management expects this timing impact to normalize from 2QFY27 onwards.
- The change aligns with regulatory guidance, as assets will now be recognized only after cheque realization, eliminating the period during which loans remained on the books without earning interest.

Asset Quality

- Chola attributed the sequential increase in GNPA, Stage 2 and Stage 3 assets primarily to the usual seasonal trend observed between the fourth and first quarters.
- Overall asset quality continued to improve on a YoY basis despite seasonal movements, with around ~94-96% of customers continuing to service their loans on time.
- Management remains confident of improving credit costs from current levels as there are no visible signs of deterioration across portfolios. The company has not observed any adverse impact from monsoon conditions or other external factors on asset quality and remains optimistic about portfolio performance through the coming quarters.
- The INR2b management overlay remains intact and will be reviewed at the end of the financial year.

Gold loan Business

- Chola plans to open 360 gold loan branches during FY27 to support business expansion.

- Gold loan branches continue to scale well, with average branch AUM reaching INR120-150m, and management expects all new branches opened during the year to become profitable by next year.
- Gold loan yields are expected to remain in the 16-17% range.
- Nearly 90% of gold loan customers acquired so far are new to the company, reflecting successful penetration into targeted micro-markets.
- While the current focus remains on acquiring customers in new markets, management sees a significant opportunity to leverage its existing customer base for cross-selling over time.

Profitability

- Chola achieved its targeted 3.5% PBT RoA, supported by lower operating costs, a decline in funding costs and healthy income growth.
- Management continues to view 3.5% PBT RoA as a sustainable minimum benchmark while remaining conservatively positioned given potential macroeconomic uncertainties.
- Credit cost improvements could provide additional support to profitability going forward, with the company already achieving its FY27 credit cost guidance of 1.5% in 1QFY27.

Funding and Capital

- Banks continue to remain the most competitive source of funding, particularly through priority sector lending, although market borrowings have witnessed a modest increase in funding costs.
- Management highlighted that fixed-rate bond borrowings provide better visibility compared to MCLR-linked borrowings, where future funding costs remain uncertain.
- Of the INR20b CCD issuance, INR13.7b was converted into equity during FY26, followed by a further INR2b conversion in Jul'26. The remaining INR4.3b is scheduled for conversion in Oct'26, which will further strengthen the company's capital base.

Collections and Digital Initiatives

- The company employs nearly 30,000 collection personnel across businesses, with collection strategies tailored to each product segment.
- Around 50% of collections are now completed through digital channels, supporting operational efficiency and collection effectiveness.

Other Highlights

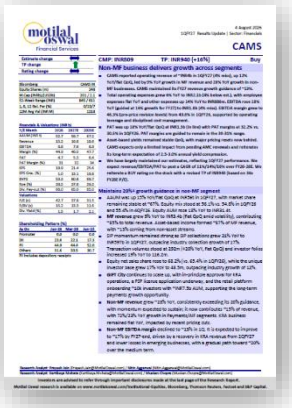
- The home loan business is gradually moving towards higher ticket-size loans.
- Management has not observed any meaningful impact from the monsoon or geopolitical developments on business performance so far and expects a healthy operating environment through the remainder of the year, subject to evolving macroeconomic conditions.

Computer Ages Management — Buy

Current Price INR 753

Click below for Detailed Concall Transcript & Results Update





MF segment

- MF AUM increased ~15% YoY to INR56t, with July witnessing a meaningful recovery.
- Equity AUM growth, equity net sales and SIP account additions continued to outperform industry growth.
- SIP collections remained resilient despite market volatility, reflecting sustained retail participation.
- One new AMC (Alpha) went live during the quarter, while Carnelian, Oaklane and Nio are expected to go live before Dec'26, strengthening future growth visibility.
- SIF follows the same pricing model as equity mutual funds, with the required operating infrastructure already established.
- The SIF platform has crossed INR120b in AUM with ~INR10b monthly net sales and ~50k investors within 10 months of launch, and CAMS views it evolving into a meaningful long-term growth platform.

Gift City and International Business

- CAMS received in-principal approval to commence KRA operations in GIFT City and is in the process of applying for a Payment Service Provider (PSP) license. It expects increasing overseas investment flows through GIFT City to support long-term growth in payments.
- The GIFT City retail platform has already onboarded ~10k investors with AUM of ~INR7.5b, marking an encouraging early start.

Yields

- Asset-based yields remained stable QoQ, with FY25 pricing resets largely absorbed and only limited impact expected from pending AMC renewals. Management continues to expect ~2.5-3.0% annual yield compression over the long term.

Non-MF Business

- Non-MF revenue grew 28%+ YoY and is expected to sustain 20%+ growth through FY27, led by Payments, Alternatives and KRA.
- Non-MF EBITDA margin declined to ~13% in 1Q due to KRA weakness and losses in emerging businesses but is expected to improve to ~17% by FY27-end and gradually toward ~20%.
- Payments grew ~70% YoY (led by cards), while Alternatives grew in the mid-20% range, crossing INR3.2t in AUM with 50 new mandates. KRA revenue is expected to recover from 2QFY27.
- Emerging businesses (Bima Central, ConsentPro, Account Aggregator, Pension and CAMS Repository) remain in the investment phase, while Think Analytics is nearing EBITDA breakeven, with at least one loss-making business expected to turn EBITDA positive during FY27.

Financials

- Operating EBITDA margin expanded 270bp YoY to 46.4%, driven by operating leverage and cost discipline, while revenue grew 11.5% YoY (MF ~10%, non-MF 28%+).

- Management reiterated FY27 guidance of ~13% revenue growth, ~16% EBITDA growth and 30–31% PAT margins, supported by improving AUM growth, stable yields and 20%+ non-MF growth.
- 2QFY27 costs will reflect deferred annual salary revisions (~2% of revenue), while FY27 operating cost growth is expected to remain <10% YoY and employee cost growth at ~5% YoY.
- FY27 on-premise capex is guided at ~INR750m, while the INR5b re-architecture project (INR2.9b capitalized) is expected to drive ~INR40–50m incremental depreciation in FY27 and ~INR120m in FY28.

Tech and AI

- Platform migration remains on track for completion by FY27-end, with AI processing already deployed across four transaction types and ~10% of transactions processed through AI; management targets 100% maker-level AI processing over the next 12 months.
- Automation-led productivity gains are expected to continue over the next 3-4 years, supporting ~100bp annual EBITDA margin expansion (up to ~150bp under strong execution), partly offset by higher cloud and AI infrastructure costs. Management also targets a 4-5% reduction in enterprise headcount during FY27 (from <8,300 employees, down 200+ QoQ and ~85 YoY).

CreditAccess Grameen — Buy

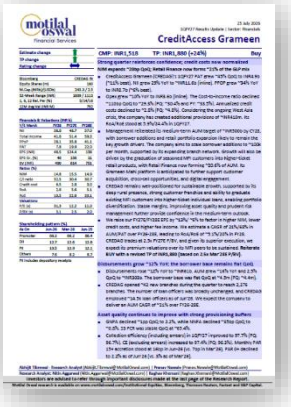
Current Price INR 1,518

Guidance

- CREDAG reiterated its medium-term AUM target of ~INR500b by CY28.
- Management expects the current borrower addition run rate to improve further, targeting an average addition of ~100k borrowers per month, which should remain the primary driver of MFI growth.
- The retail finance portfolio is expected to continue scaling through the graduation of high-quality, seasoned MFI customers into higher-ticket retail products.
- Management indicated that NIM will be calibrated in line with the credit cost trajectory. If annualized credit costs stabilize closer to ~3%, lending rates may be reduced gradually from 3QFY27 onwards by passing on a part of the benefit to customers. Any reduction in lending rates will be phased and will remain contingent on the sustainability of lower credit costs. If credit costs rise again, the company may defer any pricing cuts.
- The company expects write-offs to moderate in the coming quarters as they primarily relate to the stress witnessed during 2QFY26, while asset quality has been improving since Nov'25.
- Management reiterated its credit cost guidance of ~3-4% but indicated that credit costs could be at the lower end of this range if there are no adverse developments from geopolitical events or the progression of monsoon.
- It does not expect any incremental capital requirement to support its growth plans and believes internal accruals are sufficient to fund the targeted expansion.

Click below for Detailed Concall Transcript & Results Update




CreditAccess Grameen

Business Updates

- 1QFY27 was one of the strongest first quarters in CREDAG's history, supported by robust portfolio growth, normalized asset quality and profitability that reflects the underlying strength and resilience of the franchise.
- The company continues to maintain a comfortable liquidity position amid the ongoing West Asia crisis. However, management highlighted that there has been no discernible impact on business operations so far. Management also indicated that there are currently no visible signs of stress arising from El Niño or any other macro factors.
- CREDAG added ~250k new borrowers during 1QFY27, of which around ~35% were new-to-credit customers.
- Retail finance portfolio increased to ~20.6% of AUM (vs 18.1% in 4QFY26), reflecting the deliberate graduation of high-quality, seasoned MFI customers into retail lending products.
- The company opened ~42 new branches during the quarter, taking the total branch network to 2,276 branches across 457 districts.
- The Grameen Mahi customer application continued to witness strong traction, with ~400k customers onboarded in 1Q. As customer adoption of the Mahi platform increases, management expects it to evolve into a unified digital ecosystem enabling instant loan eligibility checks, small-ticket loan disbursements, new customer lead generation, retail product cross-sell and cashless collections.

Customer Franchise

- The current set of borrowers exhibits a significantly more diversified income and credit profile than in the past, with a meaningful proportion already having
- exposure to retail credit products such as business loans, gold loans and other secured lending products.
- Management believes portfolio quality will continue to improve as the company retains long-tenured customers and graduates them into retail lending products.
- In the retail finance portfolio, the average customer vintage stands at ~7 years, providing better underwriting visibility.

Retail Finance

- Most non-MFI lending products are profitable and accretive to RoE, with two-wheeler loans being the only exception.
- Lending rates across retail finance products remain healthy. Loans against property-backed business loans are currently originated at an average lending rate of ~20.5%, while benefiting from significantly lower operating expenses and credit costs than MFI.
- Management expects the non-microfinance portfolio to demonstrate better resilience than the MFI portfolio, supported by longer customer relationships and deeper knowledge of borrower behavior.
- All retail products, except mortgages, are currently offered only to existing customers, supporting better portfolio quality and cross-sell opportunities.
- New retail products are sourced entirely through the company's branch employees and customer referrals via the Mahi app. Two-wheeler loans are additionally sourced through dealership partnerships while remaining branch-led.

Margins and Borrowings

- NIM remained strong at ~14.4% in 1QFY27, supported by improving yields, lower interest reversals and a stable cost of borrowings.
- The company plans to increase the share of ECBs and NCDs with longer maturities. While these borrowings carry slightly higher pricing, the overall impact on cost of borrowings is expected to be limited to ~10-15bp, with the average CoB likely to remain at ~9.4%.

Credit Underwriting and Asset Quality

- CREDAG continues to refine its business rule engine (BRE) by incorporating product-specific, customer-specific and geography-specific underwriting parameters, allowing continuous calibration of credit policies.
- Management expects credit costs to remain well contained as industry-wide underwriting discipline has improved, customer quality has strengthened, and borrowers continue to graduate towards individual and mortgage loans.

Provisions and Credit Costs

- CREDAG may increase the provisioning coverage ratio depending on external developments, including geopolitical events and weather-related risks.
- The company has already created a management overlay of ~INR410m, with additional overlays remaining possible if macro risks materialize during the coming quarters.

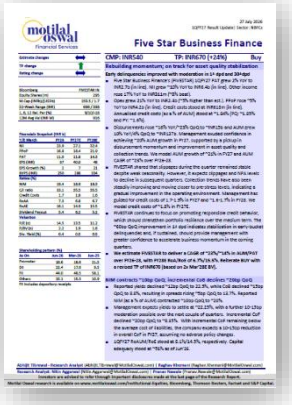
FIVE STAR

Five-Star Business — Buy

Current Price INR 521

Click below for Detailed Concall Transcript & Results Update





Guidance

- Management remains confident of achieving ~20% AUM growth in FY27, supported by strong disbursement momentum, with FY27 disbursement target of ~INR65-68b.
- Management has guided for FY27 credit costs (as a % of AUM) of 1.7-1.9%, trending towards ~1.7%, which is expected to moderate to ~1.6-1.7% in FY28. It expects write-offs to stand at ~INR2.25-2.5b in FY27.
- Slippages and NPAs are expected to trend down as collections improve.
- Management is targeting ~91-92% Stage 1 assets, 6-7% Stage 2 assets, and sub-3% Stage 3 assets, with a steady-state GNPA of ~2.5%.
- Yields are expected to settle at ~22.25%, with 10-15bp moderation possible.
- Incremental CoF is expected at ~8.5%, while overall CoF is expected to decline 10-15bp in FY27.
- Opex is expected to grow ~20-21% YoY, with opex/avg. assets at ~5.75% in FY27 and gradually declining towards 5.25–5.5%.
- The company targets to add ~50-60 every year.
- Leverage is expected to increase gradually over the next 6-8 quarters. RoA is expected to moderate towards 6.0%-6.5% as leverage rises, while RoE could reach ~18-20% at ~3x leverage.

Opening Remarks

- 1QFY27 was broadly in line with expectations, with the company benefiting from corrective actions taken over the past few quarters.
- Disbursements grew 23% QoQ and 16% YoY, reaching a historical high, while AUM stood at INR137b, up 4% QoQ.

- Strong disbursement momentum indicates that FIVESTAR is back on a growth trajectory, with management confident of comfortably achieving 20% AUM growth guidance in FY27.
- Collections remained robust despite the seasonally weak quarter, with unique customer collection efficiency at 97.9% and X-bucket efficiency at 99.2% vs. 99.3% in 4QFY26.
- Slippages remained stable at 0.7%, while credit costs declined to 1.85%.
- Cost of funds declined from 8.95% to 8.8%, largely offsetting the impact of lower yields and supporting spreads.
- Management expects continued improvement across growth, profitability, and asset quality in the coming quarters.

Financial Highlights

- Active loan customers crossed 500k as of Jun'26. The company added 12 branches during the quarter, largely in Maharashtra, while continuing expansion into newer states.
- Yields declined ~12bp QoQ, offset by lower cost of funds; NIMs contracted 10bp QoQ.
- RoAUM stood at 8.1% and RoE at 14.5%.
- 1+ dpd and 30+ dpd improved by 60bp and 30bp QoQ, respectively, despite the seasonally weak 1QFY27.

Asset Quality & Collections

- Management remains comfortable with the collection outlook, with trends improving consistently over the past 7-8 months and moving towards pre-crisis levels.
- Customer cash flows remain broadly intact, and the company currently sees no meaningful stress on collections.
- The focus remains on preventing forward flows rather than relying on rollbacks from higher DPD buckets.
- Slippages remained flat at 0.7% in 1QFY27 due to seasonal factors but are expected to decline in the coming quarters.
- Recoveries from written-off accounts increased to INR350m vs. INR260-270m in the previous quarter.
- Management expects NPAs to trend down as collection efficiency continues to improve.

Growth & Disbursement Momentum

- Underlying demand remains healthy, with recent growth moderation driven by internal risk-control measures rather than weak demand.
- The company had tightened approval rates and moderated disbursements over the past 3-4 quarters, prioritizing asset quality.
- Strong disbursement growth in 1QFY27 indicates a clear recovery in business momentum.
- June'26 disbursements reached INR6.7b, highlighting the improving run-rate.
- Logins and overall business volumes remain healthy, while improving sanction-to-MoD conversion should support disbursements.
- Management expects FY27 disbursements of ~INR65-68b, comfortably supporting ~20% AUM growth.

Yields and Margins

- Yield moderated ~12bp QoQ and was largely offset by lower cost of funds, protecting spreads.
- Yields are expected to settle at ~22.25%, with another 10-15bp moderation possible over the next couple of quarters.
- Incremental cost of funds is expected at ~8.5%, with a further 20-30bp compression possible over time. Overall cost of funds is expected to decline 10–15bp in FY27.

Opex and productivity

- Salary revisions and higher performance-linked incentives are expected to keep employee costs elevated amid increasing competition.
- Management does not expect meaningful operating leverage in FY27.
- Opex is expected to grow ~20-21% YoY, with a significant portion of increments and appraisals already absorbed in 1QFY27.
- Operating leverage is expected to emerge from FY28 onwards.
- Attrition remains broadly stable, with management expecting better retention going forward.
- Branch additions will remain at a normalized pace of ~50-60 annually.
- The company added 12 branches in 1QFY27, largely in Maharashtra.

Diversification & New Products

- Management is evaluating 2-3 additional products to diversify the portfolio and reduce concentration risk.
- The company sees significant opportunity in micro-LAP but believes diversification is important to manage risk through cycles.
- The housing product launched recently received limited focus as management prioritized stabilizing micro-LAP.
- New products are expected to provide incremental growth and improve capital utilization.

Ticket Size & Portfolio Mix

- The company is gradually diversifying its ticket-size mix to manage its portfolio risk. Target mix is ~25% at <INR300k ticket size, 50% at INR500k and 25% at INR500k-INR1m ticket sizes.
- Average ticket size is expected to remain around INR400-500k, with average ticket size on disbursements expected at ~INR500k for FY27.
- Around 85-90% of loans carry a seven-year tenure.

Others

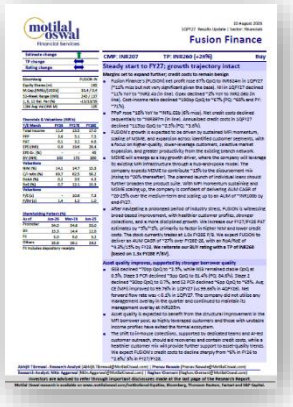
- Segregation of business and collections teams has improved productivity, allowing sales teams to focus on sourcing while specialized teams manage stressed accounts.
- Business teams continue to handle collections from current accounts for a defined vintage, retaining accountability for early-stage collections.
- Incentives remain linked to both collection efficiency and business growth.
- Higher repayment rates reflect improving collection efficiency after subdued repayments over the past year.
- The company has revised its policy to allow top-ups for strong repeat customers without requiring full prepayment of existing loans. This should help reduce customer migration and normalize repayment behavior.

- Repayment rates are expected to normalize towards ~27–28% vs. ~30% currently, implying a behavioral tenure of ~4.0–4.5 years.

Fusion Finance — Buy

Current Price INR 192

Click below for Results Update



Guidance

- FUSION remains confident of achieving ~20-25% CAGR over the medium term, with an AUM target of ~INR100b by end-FY27.
- The company has guided for FY27 credit costs of ~2%.
- FUSION increased lending yields by ~55bp, and blended yields are expected to improve further as the higher disbursement yields translate into higher portfolio yields. NIM is expected to expand ~15-25bp, even after offsetting any increase in the cost of funds.
- Management expects RoA to improve from ~3% currently to ~4% by the end of FY27.
- FY26 was focused on rebuilding the franchise, while FY27 is expected to demonstrate the benefits of the rebuilt platform.

Business updates

- The MFI industry has undergone a significant structural change, with heavily leveraged customers and those without steady income streams moving out of the formal MFI sector. The remaining customer base is better positioned to navigate the current headwinds.
- FUSION has used the stressed period to strengthen its portfolio through more selective customer acquisition, granular market expansion, tighter underwriting guardrails and technology-led processes.
- The company believes the strategy is working, with 1QFY27 reflecting strengthening across key operating parameters and continued improvement in asset quality.
- Even with muted demand, the decline in industry supply is creating opportunities for well-capitalized lenders with scaled operations, appropriate infrastructure and disciplined underwriting.
- Industry-wide deleveraging has reduced competition from weaker players, while new customer additions continue to increase.

Portfolio quality and collections

- FUSION has tightened credit guardrails, resulting in a ~4-5% decline in approval rates, while customers acquired over the past nine months have performed well.
- Around ~85% of customers disbursed to in 1QFY27 had fewer than two lenders, with ~37% being new to FUSION, supporting the targeted 40:60 mix of new versus existing customers.
- Collection efficiency remains strong at >99.7%, with no state exhibiting any deterioration.
- Net NPA stood at ~0.4%, while credit costs declined for the seventh consecutive quarter and remained in line with the expected annualized guidance of ~2%.
- The company has strengthened provisions on certain receivables, including insurance-related amounts, which formed a small component of credit costs.
- FUSION expects higher write-backs to continue, while the management overlay remained intact in 1QFY27 after a release of INR100m in the previous quarter.

- Collection operations have been moved completely in-house from external agencies, supported by AI-led customer outreach and dedicated collection teams.

MFI Business

- MFI remains one of the two core businesses going forward, alongside MSME, with the company continuing to focus on higher-quality and lower-leverage customers. The company has identified specific customer segments where it sees an opportunity to increase wallet share.
- In category-A branches, which account for ~80% of the branch network, FUSION has also started serving Fusion+2 borrowers.
- The company does not expect to rely on individual loan products to achieve the INR100b AUM target, as growth can be supported by the existing franchise and improved customer acquisition.
- MFI branches are being rationalized to focus on locations with adequate growth headroom, while the company continues to enter new markets selectively.
- FUSION plans to open ~50-60 branches while shutting down ~100 underperforming branches, resulting in a net reduction of ~40-50 branches. The objective is to have the right branches in the right locations serving the right customers, with MFI branches taking around 15 days to establish.

MSME Business

- MSME is emerging as a key growth driver, supported by the existing MFI branch infrastructure and selective expansion into new markets.
- MSME collection efficiency (CE) has remained above ~99.3%, providing confidence to pursue calibrated expansion.
- Disbursements moderated in April but returned to average monthly levels by May-June.
- The MSME portfolio has a typical ticket size of INR750-800k and has maintained collection efficiency above 99% over the past six months.
- The company plans to use its existing MFI branch network as a hub-and-spoke model for MSME sourcing.
- The company is initially starting MSME operations across 50 locations and is entering Tamil Nadu for the first time using the existing MFI branch infrastructure with a separate team.

Branch Network and Operating Efficiency

- Branch expansion will remain selective, with new locations being added only where adequate growth headroom exists and weaker branches are being rationalized.
- The company plans to leverage its existing branch network for both MFI and MSME, supporting capital-efficient growth and operating leverage.
- MFI branches take around 15 days to establish, while MSME branches require about one month.
- Since new products will be serviced through existing branches, the company does not expect a meaningful increase in workforce requirements. Opex-to-average AUM is expected to moderate to ~6-7% over the next few years.

New Products and Business Diversification

- FUSION has received Board approval to launch an individual loan product, with the product expected to be introduced by the first week of September 2026.

- Individual loans will have a dedicated credit team, with strong credit assessment before launch and pricing expected to be broadly similar to, or up to ~100bp lower than MFI.
- Beyond JLG lending, all new products will undergo stringent credit evaluation before launch. The initial ticket size for the new individual product is expected at around INR150k.
- The company will also evaluate opportunities to increase wallet share among identified customer segments through these new offerings.

Funding, Liquidity, and Capital

- FUSION continues to prioritize maintaining a strong liquidity buffer, reducing the cost of funds, and diversifying its funding franchise.
- Funding remains well-diversified across financial institutions, with INR4.8b of sanctions received under the Credit Guarantee Scheme and another INR5.2b in the pipeline from private sector banks.
- The credit guarantee funding is available at attractive pricing and should lower the marginal cost of borrowing while increasing the share of public sector banks in the overall funding mix.
- Liquidity has been maintained at slightly elevated levels, in line with the policy of keeping liquidity equivalent to a few months of disbursements.
- Following the improvement in the geopolitical environment, borrowings in July remained below INR500m, reflecting the company's limited incremental funding requirement during the month.

Profitability and Other Financials

- Credit costs continued to decline for the seventh consecutive quarter, supported by improving portfolio quality and collections.
- The MTM impact of ~INR39m recorded in 1QFY27 is not expected to recur in 2QFY27. The excess liquidity drag of around INR35-40m should also normalize if the company reduces its liquidity.
- The company did not release any amount from the management overlay in 1QFY27.

HDB Financials — Neutral

Current Price INR 681

Click below for Detailed Concall Transcript & Results Update

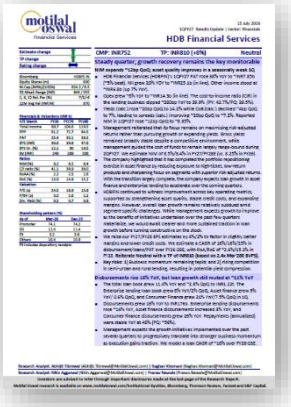


Guidance

- Business momentum is expected to improve progressively over the next 3-4 quarters as the benefits of product mix optimization, strengthened distribution, enhanced collections and AI-led operational initiatives begin to fully reflect in growth and profitability.
- Asset finance (Vehicle Finance) growth is expected to improve meaningfully over the next few quarters following completion of portfolio restructuring.
- The cost of borrowings is expected to remain broadly stable in 2Q.
- Long-term normalized credit cost is expected to remain at ~2.3%.
- Management continued to target RoA of >2.5%.

Macro environment

- The domestic economy remained resilient despite geopolitical tensions arising from the West Asia conflict.



- RBI maintained a neutral policy stance by keeping the repo rate unchanged, providing stability to the operating environment.
- Management continues to closely monitor supply chain disruptions arising from geopolitical events and potential El Niño-related risks, given their possible impact on rural cash flows, collections and asset quality.
- Freight rates for the company's customer base have remained largely stable over the past couple of months, supporting repayment capacity across transport customers.

Overall Business Performance

- 1QFY27 reflected disciplined execution across businesses, with customer additions, disbursement growth and profitability remaining healthy.
- Customer franchise expanded 19% YoY to 23.9m customers.
- Overall disbursements rose 16% YoY. PAT grew 38% YoY.
- Stage 3 assets improved to 2.34% (compared to 2.44% in Mar'26 and 2.56% in Jun'25) despite 1Q typically being a seasonally weaker quarter for collections. Increase in stage 2 of ~40bp QoQ was lower than in the previous year.
- Growth initiatives undertaken over the past several quarters are expected to gradually translate into stronger business momentum as execution matures.

Segmental highlights

Enterprise Lending

LAP / Mortgage

- LAP and enterprise business loan portfolio grew 13.2% YoY.
- Management expects the business to maintain its growth trajectory, supported by expansion initiatives across geographies and distribution.

Gold Loans

- Gold loan disbursements and loan book doubled YoY.
- Nearly 500 existing branches have now been enabled to offer gold loans alongside unsecured business loans.
- Management believes the current network itself has the capacity to approximately double the gold loan portfolio over time without requiring significant branch expansion.

Unsecured Business Loans

- Disbursements accelerated during the latter part of 1Q.
- Significant operational initiatives implemented over the past year have now been rolled out across the network.
- Management expects business momentum to improve from 2Q, with loan book growth in this segment expected to resume from 3QFY27.
- Asset quality has stabilized over the past 4-5 quarters, providing confidence to pursue growth.

Asset Finance

- CV book portfolio grew 10% YoY. Construction equipment portfolio rose 8% YoY.
- CV and other asset finance businesses continued to witness asset quality improvement.
- Over the past few quarters, management has undertaken a significant portfolio repositioning exercise aimed at improving risk-adjusted returns.
- Exposure to certain high-ticket, low-return products, such as tractor-trailers and high-end commercial vehicles, has been consciously reduced.

- Although average ticket sizes have moderated, underlying volumes have increased across targeted products.
- The transition has effectively been completed, and the business is now positioned to accelerate growth. The company expects visible improvement in asset finance growth over the next few quarters.
- Dealer relationships, manufacturer partnerships, and distribution capabilities are now aligned with the revised product strategy.

Consumer Finance

- Consumer finance remained the strongest-performing segment during the quarter with 7.5% QoQ and 21% YoY.
- Consumer durable financing expanded more than 50% YoY, supported by strong seasonal demand, deep distribution penetration and close partnerships with manufacturers.
- Management expects consumer finance momentum to remain healthy, supported by sustained demand and continued market penetration.

Asset Quality and credit costs

- There was broad-based improvement in asset quality across businesses.
- 1Q, which is typically weaker from a collection perspective, nevertheless witnessed sequential improvement in Stage 3 assets.
- Movements across Stage 1 and Stage 2 portfolios were also relatively contained. Operational improvements implemented since January have begun yielding measurable benefits.
- AI-driven collection initiatives have improved customer follow-up speed and bounce management.
- Actual credit costs will remain dependent on macroeconomic conditions, particularly monsoon performance and broader economic activity.
- The company continues to closely monitor multiple scenarios and has contingency plans in place should macro conditions deteriorate.

CoF and NIM

- Cost of funds is expected to remain largely range-bound during 2Q.
- The liability profile provides sufficient flexibility to optimize funding costs (through short-tenor borrowings) if market conditions change.
- Gross yields have remained broadly stable despite competitive intensity.
- Quarterly fluctuations in yields primarily reflect product mix changes driven by seasonal growth in consumer finance rather than pricing pressure.
- Technology and AI
- The company announced its integrated AI transformation program under the umbrella initiative "Shikhar"
- Management aims to shift from transaction-based lending to life-cycle-based customer engagement, using AI to build deeper and longer-lasting customer relationships.

Others

- Initial traction under the ECLGS program remains limited. Unlike previous ECLGS programs, current eligibility is focused on working capital support rather than asset purchases. Borrowers need to demonstrate genuine working capital gaps arising from delayed receivables or export-related disruptions. The additional

documentation and end-use verification requirements have slowed disbursement momentum under ECLGS.

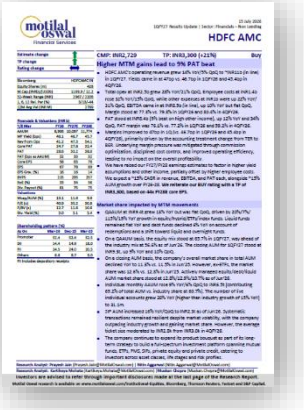
- The company now operates through 160,000 retail outlets. Presence across more than 1,200 cities and Partnerships with over 150 manufacturers.
- Extensive physical presence enables granular monitoring of customer behavior, local demand trends and product performance at the pin-code level.
- The company will focus on expanding unsecured business loans rather than materially increasing MFI exposure.

HDFC AMC — Buy

Current Price INR 2,538

Click below for Detailed Concall Transcript & Results Update





Business

- Equity-oriented assets constituted 65.7% of AUM, vs. industry average of 56.6%, reflecting a structurally superior equity mix.
- Debt AUM declined due to investor redemptions amid volatility in interest rates, currency rates and crude oil prices. However, flows migrated to liquid and overnight funds, where the company maintained healthy market share.
- Recent SEBI product categorization changes (including lifecycle funds) provide opportunities to make debt products more attractive.
- Hybrid products such as Balanced Advantage Funds, Multi Asset Funds, Equity Savings Funds continue to emerge as preferred vehicles for investors seeking fixed-income exposure.
- Sequential decline in active equity market share (12.8% vs. 13% in 4QFY26) was primarily driven by MTM movements rather than weaker flows. However, it remained broadly stable on a YoY basis at ~12.8%.
- Systematic transactions (SIP + STP) continued to witness healthy growth despite market volatility. The company maintains a healthy share of industry systematic flows and has consistently grown faster than the industry over recent quarters, resulting in market share gains.
- Management sees a significant long-term opportunity under alternatives in: Private Equity, Venture Capital, Private Credit, Segregated institutional mandates, and Customized family office solutions.
- Focus remains on individual investors growth, B30 market expansion, increasing wallet share among existing investors, and maintaining industry-leading profitability.
- Added 0.46m unique investors during the quarter vs. 0.53m added by the industry. Total unique investor base increased to 17.1m, taking industry penetration to 28% from 25% a year ago.
- Current investment team comprises 40+ investment professionals in Mutual Funds, six professionals in Private Equity/Venture Capital, six professionals in Private Credit and eight professionals across PMS
- Investor folios grew 28% YoY vs. 15% for the industry and at a 37% CAGR over the last three years, compared to a 23% CAGR for the industry.

Product launches

- Product bouquet has been significantly expanded across active funds, passive funds, ETFs, smart-beta strategies, sector/thematic funds and PMS offerings over the past two years.
- Category III PMS fundraising is underway.

- Venture Capital Fund approval has been received, while the private credit platform continues to scale up.
- Recent SEBI product categorization changes (including lifecycle funds) create opportunities to strengthen debt fund offerings.
- A senior resource has been hired for the SIF business. The board approved the launch of its first SIF strategy — Equity X Top 100 Long-Short Fund, with launch expected shortly.
- Long-term strategy is to build a full-spectrum investment platform spanning mutual funds, ETFs, PMS, CIFs, private equity and private credit, serving investors across asset classes, life stages and risk profiles.

Distribution mix

- Banks continue to grow in absolute terms and maintain a higher share of overall flows. However, fintechs have grown significantly faster over the last five years, leading to lower relative bank contribution.
- HDFC AMC partnered with fintech platforms early and continues to benefit from strong incremental retail acquisition.

Yields:

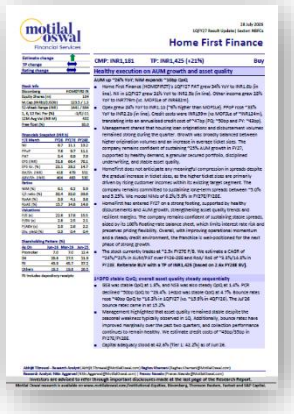
- Yields – Equity/Active Equity/Debt/Liquid: 58bp/61bp/28bp/13bp
- Management has mitigated margin pressure through: commission optimization, tight cost control and operating efficiency broadly maintaining the overall profitability.
- Alternatives remain a relatively small contributor to revenue but offer superior economics vs. MFs. Typical AIF fee yields remain around 80-90bp, depending on product strategy.
- Discretionary PMS margins are broadly comparable to equity mutual funds. Non-discretionary PMS continues to operate under significantly tighter economics.

Financials:

- Aims to maintain the net operating margins at 33-35bp of AUM while continuing to invest for future growth.
- Other income primarily comprises MTM gains on the company's treasury investments across equity and debt. Only a small portion represents realized gains from investment sales.
- Treasury surplus remains conservatively invested, predominantly in debt instruments.
- Employee costs increased 32% YoY/15% QoQ, driven by annual salary increments, variable compensation, actuarial valuation of employee benefit obligations and expansion of investment and distribution team; ESOP expense was disclosed separately.
- In 1QFY27, non-cash charge stood at INR227m (vs. INR57m in 1QFY26 and INR220m in 4QFY26).
- ESOP guidance FY27/FY28/FY29/FY30: INR790-800m/INR630m/INR410m/ INR110m.

Click below for
Detailed Concall Transcript &
Results Update





Home First Finance — Buy

Current Price INR 1,182

Guidance

- Management remains confident of delivering ~25% AUM growth in FY27.
- Long-term spread guidance remains at 5-5.25%, with management expecting spreads to remain broadly range-bound.
- HomeFirst guided Opex/assets to be in the range of ~2.6–2.7% in FY27, with management expecting ~10bp YoY improvement.
- The company aims to control BT-outs within a 5-6% range, supported by internal process improvements.
- Management expects 1+ DPD to remain around current levels in the near term.
- Co-lending volumes are expected to normalize and gradually pick up as partners adapt to revised policies and processes.
- Benefits from AI adoption are expected to accrue progressively through improved underwriting, collections, cost efficiency and customer experience.

Growth and Business Momentum

- The company delivered a strong start to FY27, with AUM growth of 25.7% YoY and 6.7% QoQ to INR169b, while disbursements grew 31% YoY to INR1,63b.
- Origination momentum remained healthy, with disbursements growing ~31% YoY. Management indicated that ~50% of growth was driven by higher origination volumes and the remaining ~50% by an increase in average ticket sizes.
- Housing loan originations and disbursement volumes remained strong, with gradual improvement in ticket sizes.
- Management continues to address the same underserved customer segment, with higher ticket sizes reflecting increasing borrowing capacity rather than a shift toward a materially different customer profile.
- The company remains confident of sustaining 25% AUM growth, supported by healthy demand, a granular secured portfolio, disciplined underwriting and stable asset quality.
- Maharashtra, Gujarat and MP remained key growth markets, while TN, Rajasthan, UP and other southern markets are gaining traction.
- Tamil Nadu growth had been impacted by tariff-related challenges and team issues, both of which have now been addressed. Successful team-building efforts in Madhya Pradesh have improved business momentum in the state.

Asset Quality and Collections

- Asset quality remained stable despite the seasonal weakness typically associated with 1Q, with 1+ dpd at 4.7%, 30+ dpd at 3.2%, and GNPA at 1.8%, broadly unchanged sequentially.
- Bounce rates have improved marginally over the past two quarters, while collection performance remains healthy.
- Stress was observed in pockets such as Surat and Tirupur, partly linked to tariff-related challenges and not due to the West Asia crisis; however, there was no impact on asset quality or collections for the company, and they are now showing signs of improvement.
- Home loan and LAP asset quality remain broadly comparable, although LAP constitutes only ~13% of the overall portfolio.

Yield, Spreads and Pricing

- Origination yield remained healthy at ~13%, while portfolio yield stood at 13.1%, reflecting continued pricing discipline.
- The company's fully floating-rate loan book provides flexibility to pass on any increase in borrowing costs through lending rate adjustments.
- Management remains committed to maintaining spreads in the 5-5.25% range over the long term.
- Current spreads remain slightly above the committed range, supported by healthy origination yields and disciplined pricing.
- Management does not expect a meaningful compression in spreads from the gradual increase in ticket sizes, as the increase is primarily driven by higher customer incomes within the existing target segment.
- Over the longer term, the company expects only marginal yield compression as customers become more rate-sensitive, particularly in larger-ticket property segments.

Funding and Co-lending

- Cost of borrowing declined 10bp QoQ to 7.8%, while incremental borrowing cost remained favorable at 7.6%, supporting spreads of 5.3%.
- NHB borrowings remained broadly unchanged at INR3.5b-4b as of Jun'26 vs. Mar'26, with management planning to raise additional funds through NHB in 4QFY27.
- Co-lending activity witnessed some temporary disruption due to changes in policies and processes, resulting in near-term execution challenges. Management is gradually resolving these issues, and volumes are expected to normalize as partners adapt to the revised processes.

Opex and productivity

- Management expects opex-to-assets to remain broadly range-bound at 2.6-2.7% for FY27, implying ~10bp YoY improvement despite continued investments in branch expansion and growth.
- Around 130 employees were added during the quarter, primarily in customer-facing branch functions, with total branch network expanding to 175 branches and 373 touchpoints.
- Management expects relationship manager productivity to improve gradually as origination per RM increases, although productivity will vary depending on the mix of new vs. experienced employees and attrition levels.
- The company believes higher ticket sizes and improving employee productivity should support operating leverage over time.
- AI-led underwriting tools, including bureau analysis and contextual bank statement analysis, have improved underwriting efficiency, reduced turnaround times, and enhanced lead qualification.

Customer Segment

- Management believes the definition of affordable housing has progressively moved up from the earlier INR1.5m threshold to INR2.5m and potentially INR5m+.
- As banks increasingly focus on larger-ticket home loans of INR5-7.5m and above, affordable housing lenders are gaining access to the underserved INR2.5-5m segment.

- Customers in this segment often face challenges in accessing bank credit due to documentation gaps, informal income sources and fragmented employment histories, creating a sizeable opportunity for specialized affordable housing lenders.
- The company continues to focus on this underserved customer segment, which provides pricing power and supports healthy yields and spreads.

BT-Outs and Customer Retention

- The company has implemented internal processes to control balance transfer (BT) outflows and expects to maintain BT-outs in the 5-6% range.
- BT-outs were particularly strong at ~4.5% during the quarter, supported by the benefits of recent internal process improvements.
- Management indicated that competitive intensity remains broadly unchanged, suggesting that the improvement in BT-outs has been primarily driven by internal process changes rather than a reduction in competitive pressure.
- The company expects to sustain the improvement in customer retention through continued strengthening of internal processes.

Others

- The login-to-sanction ratio remains broadly stable at ~40%, implying that around 60% of applications are declined, with trends largely consistent across channels and quarters.
- The stable approval funnel indicates continued underwriting discipline despite strong growth in originations.
- The company certified an additional 100 homes under its Green Homes initiative during the quarter, taking cumulative certified homes to 550 as of June 2026.

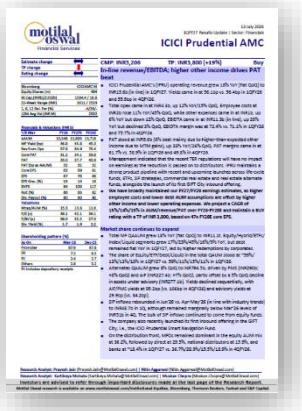
ICICI Prudential AMC — Buy

Current Price INR 3,262

Business

- IPRU reported among the highest net inflows in the industry during the quarter.
- It indicated no earnings impact from the revised TER regulations as the reduction is passed on to distributors.
- SIP inflows rebounded in Jun'26 vs. Apr-May'26 but remained marginally below Mar'26 levels; the bulk of SIP inflows continued to come from equity funds.
- Debt AUM remained flat YoY but declined sequentially due to institutional redemptions amid geopolitical uncertainty, with corporates deploying liquidity into their businesses rather than debt mutual funds.
- ETF and Index fund inflows remained healthy with flows largely in the gold and silver ETFs; excluding this, the flow trend remained in line with industry.
- Direct AUM mix remained healthy at ~29.5% of overall AUM during the quarter.
- The unique customer base stood at ~17.3m, with 7 out of every 10 new industry customers added by the company.
- Under the Specialized Investment Fund (SIF) platform, the company has launched 4 strategies to date, including 2 during the quarter, with approval received for another Sector Rotation Fund.
- The company launched its first offering in the GIFT City, i.e., the ICICI Prudential Smart Navigation Fund.

Click below for Detailed Concall Transcript & Results Update



- Product pipeline remains robust with planned launches including Life Cycle Funds (recently launched), additional ETFs in-line, the remaining SIF strategies (4 out of 7 launched with approvals received for 1 more), and multiple commercial real estate and real estate alternate funds.
- Management indicated the Life Cycle Fund will initially have a higher equity allocation, gradually shifting toward debt as the investment approaches maturity.
- AI adoption continued to improve customer service, with over 60% of customer queries resolved through AI-led channels.

Yields

- Gross yields across Equity/Debt/Liquid/Passive/Arbitrage stood at 66bp/32bp/ 12bp/12bp/30bp, while overall gross/net annualized yields were 52.4bp/48.3bp.
- In the alternatives business, AIF/PMS gross yields stood at 1.91%, while net yields were 0.95% after fees and commissions; advisory assets generated 30bp yields.

Financials

- Operating revenue mix remained diversified with Mutual Funds/Alternatives/ Advisory contributing ~90%/8.5%/1.4%, respectively.
- Other income increased sequentially, supported by higher mark-to-market (MTM) gains.
- Operating expenses rose 12% YoY/15% QoQ, primarily driven by 11% YoY/45% QoQ growth in employee costs due to ESOP accounting and reversal of provisions made in the previous quarter.
- ESOP expenses stood at INR640-680m for FY27, with total ESOP cost of INR1.25-INR1.30b spread over three years.
- Employee count increased 6% QoQ, led by sales hiring, campus recruitment and incremental additions from ICICI Venture integration.
- Fees and commission expenses increased 20% YoY, reflecting higher distribution payouts in the fast-growing AIF and PMS businesses.
- Around 50% of the investment book comprises seed capital investments.

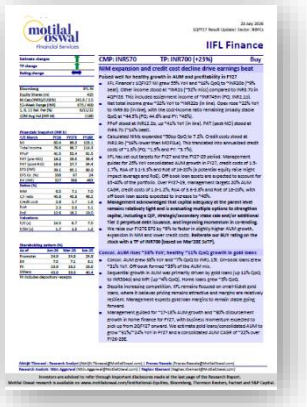
IIFL Finance — Buy

Current Price INR 631

Click below for Detailed Concall Transcript & Results Update

Guidance

- Management targets ~17-18% AUM growth and ~30% disbursement growth in home finance.
- RoA is expected to improve to 3.1-3.3% in FY27, supported by operating leverage, lower CoF and credit-cost normalization.
- Guided for credit costs of ~1.5-1.7% for FY27, while opex-to-AUM is expected to remain at ~3.3%–3.4%.
- Gold loan tonnage-led growth is expected to remain healthy.
- Expects NIM to remain broadly stable.
- Significant SR realization is expected over the next 12-18 months, with complete run-down targeted by Sep'27.
- Capital adequacy remains a key monitorable with CRAR at 17.8% in IIFL Finance Standalone. The company is evaluating various options, including QIP, strategic/secondary stake sale and/or additional Tier 2 perpetual debt issuance. Co-lending and assignments are expected to support capital-efficient growth.



Business updates

- Growth momentum remained healthy, with consolidated AUM growing 38% YoY to INR1.15t, led by strong gold loan traction and improving momentum in housing finance.
- Gold prices remain elevated despite the recent correction, supporting strong gold loan growth. Management remains mindful of the risk of a sharper price correction and continues to maintain disciplined LTVs.
- Gold loans remain the key growth engine, supported by higher gold prices and ~5-6% QoQ gold tonnage growth. Management expects tonnage-led growth to remain healthy despite some moderation in industry growth.
- The company continues to pivot towards secured lending, with gold loans, mortgages and secured MSME/LAP driving growth, while unsecured MSME/personal loans have been discontinued and are being wound down.
- Consolidated AUM grew 38% YoY/7% QoQ. Core product AUM (~96% of overall AUM), which includes gold, home finance, MSME Secured and MFI grew 43% YoY/8% QoQ.
- Gold loans remain the primary growth engine, while housing finance and secured LAP are expected to drive incremental growth as the company continues its pivot towards secured lending.

Gold Loans

- Gold loan growth was supported by higher gold prices and healthy tonnage growth, with tonnage increasing ~5-6% QoQ. Management expects tonnage-led growth to remain healthy despite moderation in industry growth.
- Gold LTV increased to ~70% from ~63% earlier. Management remains watchful of the impact of any sharp correction in gold prices on LTV and collections.
- Competitive intensity remains elevated, but management intends to protect its customer franchise rather than aggressively cut yields to gain market share. Gold loan margins are therefore expected to remain broadly stable.
- Operating leverage is expected to support gold loan profitability as the existing branch and employees deliver incremental AUM growth.
- Management remains confident about gold loan asset quality, noting that customers generally have low default propensity given the emotional value attached to gold.

Housing Finance

- Housing finance growth is expected to accelerate after a seasonally weaker 1Q, with management seeing stronger momentum from 2Q onwards.
- Disbursements grew 39% QoQ and onboarding yields improved by ~45bp, supported by a favorable portfolio mix.
- Management targets ~30% disbursement growth and ~17% AUM growth in mortgages in FY27, with momentum expected to strengthen through the rest of the year.
- The company is increasing its focus on affordable and emerging MSME segments, while reducing exposure to prime housing.

MFI & Unsecured Lending

- Management remains cautious on MFI, although the portfolio is showing signs of stabilization; the company is diversifying the business into retail and other lending products.

- MFI growth is expected to remain measured at ~3%-4% QoQ, with a targeted RoA of ~2.5-3%.
- Unsecured MSME and business lending are being discontinued, with the remaining portfolio being run down and recoveries continuing.

Margins

- Management expects margins to remain broadly stable, with future RoA expansion driven by lower credit costs, operating leverage and cost efficiencies rather than significant NIM expansion.
- Funding costs to moderate as FCNR liquidity improves system-level liquidity conditions, while margins in the gold loan business remain resilient given the company's focus on small-ticket lending.
- Gold loan yields improved as the earlier lower-yield portfolio originated post-embargo gradually runs off and is replaced by higher-yielding new loans.
- Despite increasing competition, IIFL Finance continues to focus on small-ticket gold loans, where it believes pricing remains attractive and margins are relatively resilient.

Operating Expenses & AI

- Opex-to-AUM stood at ~3.4%, with management guiding for this metric to remain stable at 3.3%-3.4%, despite continued branch expansion.
- While new branches could keep absolute opex elevated in the near term, higher AUM should provide operating leverage and improve branch productivity.
- AI-led initiatives, particularly in collection monitoring, are expected to support productivity and operating efficiency over the medium term.
- The AI-led operating model is moving from the pilot stage towards measurable benefits across collections, fraud detection and frontline productivity.
- AI benefits are expected to become more visible over the next 2–3 years, alongside operating leverage from the company's branch-led model. However, the planned addition of ~500 branches in FY27 could partially offset near-term operating leverage benefits.

Asset Quality

- Consolidated GNPA/NNPA stood at 1.6%/0.8%, marginally higher QoQ, with management remaining cautious on unsecured MSME and MFI portfolios.
- Credit costs are expected at ~1.5-1.7% in FY27 and should gradually normalize as the portfolio mix shifts towards secured lending.
- Gold loan asset quality remains comfortable, supported by strong collateral coverage and low LTV.
- Management expects gold loan GNPA to remain manageable despite potential gold price volatility, given the historically low LGD in the portfolio.

Borrowings & Capital

- The company raised ~INR17.2b through bonds, CPs and NCDs, while ~INR53b was raised through assignments, highlighting the growing importance of capital-light funding.
- Funding sources continue to diversify through international bond markets, including a USD500m social bond issuance, while management expects funding costs to benefit from easier liquidity conditions.
- Capital adequacy (Tier 1) at ~12.4% remains a key monitorable, with the company evaluating QIP, strategic/secondary stake sale and subordinated/perpetual debt options.

- Co-lending and assignment transactions are expected to help support growth while reducing balance-sheet intensity and capital requirements.
- Management acknowledged that capital adequacy at the parent level is relatively tight and is evaluating multiple options, including QIP, stake sale in subsidiaries, strategic divestment of microfinance assets, co-lending, Tier-2 debt and perpetual debt.

Co-Lending

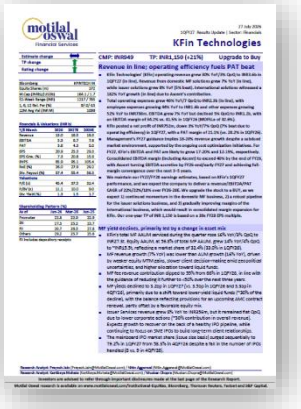
- Co-lending assets stood at ~INR147b, while the assigned book stood at ~INR263b. Momentum is scaling up, although partner onboarding has taken longer than initially expected.
- Management expects co-lending momentum to improve as more partners are onboarded, making it an increasingly important lever for capital-efficient growth.
- Greater reliance on co-lending and assignments should help alleviate pressure on standalone capital adequacy while supporting the company's targeted growth trajectory.

KFin Technologies — Buy

Current Price INR 947

Click below for Detailed Concall Transcript & Results Update





Mutual Fund Solutions

- MF fee revenue contribution declined to 55% from 66% in 1QFY26 and is expected to further reduce to <50% of revenue over the next three years.
- MF revenue growth moderated due to weaker equity mark-to-market gains, slower client decision-making amid geopolitical uncertainty, and higher allocation toward liquid funds.
- Pricing-led yield pressure has largely stabilized. The 1Q yield decline was primarily driven by asset mix changes, with the shift from debt funds to lower-yield liquid funds (~30% of the decline as debt fund yields are ~2–2.5x higher
- than liquid funds). The balance largely reflected provisions for an upcoming AMC contract renewal, partly offset by a favorable equity mix. ・Soon plans to launch a new MF solution, with additional product innovations expected going forward.
- The company launched an AI-native SIP onboarding solution, reducing processing time from ~21 days to three working days, with a long-term target of one day.
- Additional AI-led automation initiatives under the FinEx platform are scheduled for launch by calendar year-end, targeting three major mutual fund processes.

Non MF Solutions:

- Non-domestic MF businesses now contribute ~40% of consolidated revenue vs negligible contribution four years ago, driven primarily by Ascent integration and growth across other businesses.
- These businesses are profitable and margin accretive at the contract level, although consolidated margins remain impacted by transition and expansion costs.
- Higher SG&A, sales commissions, and implementation costs reflect investments in scaling newer businesses rather than margin pressure.

Issuer Solutions Business

- Strategy continues to focus on SME IPOs to build long-term client relationships before they graduate to larger listings.
- The temporary decline in issuer market share (to ~50% from ~54%) was due to client market-cap movements rather than client losses.
- Corporate actions contribute ~30% of Issuer Solutions revenue.
- 1Q remained seasonally weaker for Issuer Solutions due to softer corporate actions, particularly from the IT services sector.
- Won IPO mandates for Razorpay, Garuda, and Pushp Brands, with several large IPO opportunities (including marquee IPO mandates, like PhonePe, Zepto, Jio, Manipal Health, and Razorpay) expected over the coming quarters, supporting revenue growth.
- Mainboard IPO market share stood at ~80% by issue size during Q4. Current NSE issuer market share remains ~50%.

International Business

- International revenue grew ~192% YoY, including Ascent and ~32–33% organically, driven by new client wins and higher wallet share of existing clients.
- International revenue growth is expected to revert to ~25% as recent mandates begin contributing.
- Digital asset funds remained impacted by weak cryptocurrency markets, though new client wins and fund launches continue to offset the impact. A recovery in crypto markets would provide incremental MTM-led revenue upside.
- KFin continues to leverage its technology platform globally while expanding international product capabilities in India through GIFT City.
- Ascent revenue grew 32% YoY (USD5.9m in 1Q vs. USD5.7m in 4Q), driven by new client wins and improving Southeast Asia AUM.
- Ascent to sustain ~25% revenue growth despite quarterly fluctuations.
- Ascent's EBITDA margin stood at ~8.4% in 1Q, with double-digit margin targeted by the end of FY27.
- Following the Ascent integration, KFin won six fund managers with AUM exceeding USD100m, reflecting a strategic focus on larger, higher-margin clients.

Alternatives & Wealth Segment:

- Continued to benefit from existing client expansion, transitions, and GIFT City mandates.
- Platform now services 731 funds (added 15 new during the quarter) with ~37.3% market share, expected to approach 40% including committed wins.
- Wealth management platform secured three client mandates currently under implementation. Expects to onboard its first bank-led wealth management client, opening a larger addressable market.
- Mpower platform now serves 26 clients in India (three new deals won in 1Q). Strong implementation pipeline exists in Malaysia, Philippines, and Thailand.

NPS Platform

- Pension business achieved EBITDA breakeven last quarter and now generates ~15% EBITDA margins. Expects pensions to become one of the highest-margin businesses due to its platform-led operating model.
- Currently services over 2.5m pension accounts. International pension opportunities are becoming a strategic growth pillar, following the Philippines win.

Financials:

- Expects revenue to deliver an 18–20% CAGR despite a subdued market environment, as cost optimization initiatives are expected to drive margin expansion
- EBITDA growth is expected in the range of 17-20%, and PAT growth is expected in the range of 12-15%.
- Consolidated EBITDA margin stood at 34.2%, while the standalone KFin business delivered 39.4%. Margin dilution continues to reflect investments in scaling Ascent, including people and infrastructure.
- The company expects to restore consolidated EBITDA margins above 40%, including Ascent, by FY27-end.
- Expects Ascent to become EBITDA-accretive by FY27-end or early FY28, with full margin convergence expected over the next 3-5 years.
- Profit growth remained broadly flat during the quarter due to higher

Others

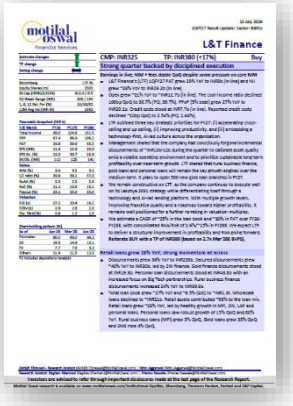
- Secured a large INR250m big-data analytics mandate (to be executed over the next 18 months) and signed several additional technology contracts worth INR30–50m during the quarter.
- Controllable revenue contributes ~6% of total revenue, with another ~5–6% from other non-market-linked businesses. Management targets 20%+ contribution over time through technology, banking, insurance, NBFC and data solutions.
- Management expects the new MF-only PMS regulatory framework to support long-term industry inflows.
- Pricing discussions with clients will be balanced against rising infrastructure costs. The company has conservatively provided for potential pricing concessions, with any unused provisions expected to be reversed.

L&T Finance — Buy

Current Price INR 315

Click below for Detailed Concall Transcript & Results Update




L&T Finance

Guidance

- Loan book CAGR target of 20%+ under Lakshya 2031 remains unchanged.
- Gold loans, rural business finance and personal loans remain the key growth engines over the medium term.
- Gold finance expansion remains a key focus, with a target of adding around 500 new branches during FY27.
- RoA target of 2.8% by 4QFY27 remains intact.
- Long-term RoA target of 3.0-3.2% continues to be driven by: Lower legacy portfolio drag (~20bp), Lower credit costs and improved collections (30-40bp), Operating leverage/technology-led productivity gains and Cross-selling and business mix improvements.
- Credit costs are expected to continue moderating toward below 2% over the Lakshya period.
- Management remains confident of further improvement in asset quality as newer portfolios season and AI-led underwriting capabilities mature further.
- Cost of funds is expected to increase by 5-7bp in 2QFY27, with the full-year FY27 CoF projected to rise marginally by 4-5bp to around ~7.35–7.40%.

Strategic Priorities for FY27

- Management outlined three strategic priorities for FY27: a) Driving cross-sell and up-sell opportunities, b) Improving organizational productivity and c) Embedding a technology-first and AI-led culture across the organization.
- Cross-sell opportunity remains significant. With a customer base exceeding 30m, management sees substantial opportunity to deepen customer relationships through cross-selling across multiple lending products.
- The company is developing a proprietary AI-based cross-sell framework to improve customer identification, origination and fulfilment.
- Customized productivity dashboards are being deployed across business verticals to improve frontline productivity.

NIMs, fee income and Funding

- The company is building an AI-led payments platform to diversify fee income. Initial focus will remain on servicing existing customers and reducing internal payment costs before expanding into higher-value AI-enabled payment solutions.
- Meaningful contribution from payments is expected over the next two to three years.
- Core NIMs declined by 25bp QoQ to 8.54% during 1QFY27. Portfolio yields remained largely stable, increasing by only 1bp.
- Debt-to-equity increased by around 0.24x, resulting in modest pressure on NIMs, while WACC increased by only 3bp.
- Higher borrowings were undertaken to support growth and maintain higher liquidity amid geopolitical uncertainty.
- Surplus liquidity generated additional treasury income, which was recognized under other income, although interest expenses also increased due to higher borrowings.

AI Investments

- Cyclops has been operational in the 2W Finance business for nearly two years and has underwritten a portfolio exceeding INR120b while delivering superior credit outcomes.
- The platform is currently operational across 2W Finance, Personal Loans and Small Business Loans. Rollout across Rural Business Finance and Mortgage businesses is expected during FY27.
- Nostradamus is currently operational across 2W Finance and Personal Loans. The platform will be extended to Rural Business Finance, SME and Farm Finance during FY27 to strengthen portfolio monitoring and risk management.
- LTF continues to expand its AI ecosystem through multiple proprietary platforms including: Helios: AI-based underwriting, Orion: Portfolio analytics, Argus: Fraud detection, Kenyan: Gold loan origination platform and Hercules: AI-led customer servicing and cross-selling platform, targeted for rollout by 3QFY27.
- RoA improvement is expected to be driven through cross-selling, lower acquisition costs, stronger credit outcomes and AI-led operating efficiencies.
- Technology-led efficiencies are expected to moderate employee addition and operating expenses over the longer term, with larger benefits expected from FY29 onwards.

Business performance

Gold Loan Expansion

- The company plans to open approximately 500 new Gold Loan branches during FY27 to strengthen its presence in the segment.
- Industry-wide gold loan origination slowed during April following the implementation of new RBI guidelines.
- Business volumes improved sequentially during May and June.
- Management expects further improvement in gold loan disbursements during 2QFY27.

Personal Loans

- Personal loan growth remained robust, driven by disciplined execution through large digital partners including CRED, Google Pay, PhonePe and Amazon.
- The company continues to improve customer journey and reduce friction across digital origination channels. Focus remains on salaried borrowers with high-quality customer acquisition.
- Project Cyclops is being increasingly embedded into digital underwriting. Nostradamus has also been implemented in Personal Loans.
- Average ticket size remains around INR260k-280k, with no exposure to small-ticket personal loans.
- Individual scorecards are developed separately for each digital partner depending on customer cohorts.
- Gross non-starters remain below 3%, while net non-starters are currently at their lowest levels over the past few quarters.

SME Business

- Management adopted a cautious approach in SME lending during the quarter owing to geopolitical uncertainty in West Asia.
- Disbursements were selectively reduced across certain sectors and customer cohorts.

Tractor Finance

- Tractor disbursements remained soft during 1QFY27 due to delayed monsoon activity.
- Management expects demand to improve during July and August.
- Asset quality remains healthy, with continued decline in Net Stage 3 assets.

Others

- Gold loans, Rural Business Finance and Personal Loans remain the company's key growth engines given their superior yield profile.
- Although the mix of Rural Business Finance may gradually decline as other businesses scale faster, management does not intend to moderate growth in the segment.
- Collection efficiency in Rural Business Finance remains strong at 99.8%.

Financial Performance

- Strong disbursement momentum was driven by granular distribution expansion, strengthening of digital acquisition capabilities, branch expansion, implementation of Project Cyclops and tighter risk guardrails.
- Credit cost moderated further to 2.54%, improving by another 10bp, supported by AI-led portfolio management and robust collection efficiency.

- The company consciously forgone ~INR10b-12b of incremental disbursements during the quarter to maintain portfolio quality amid a volatile operating environment.
- While this resulted in a marginal sacrifice in growth, management believes the approach will support sustainable long-term profitability.

Macro

- Management remains constructive on the overall macro environment, supported by healthy urban and rural demand despite delayed monsoon. Healthy reservoir levels reduce the risk from a potential El Niño impact.
- The microfinance industry has deleveraged meaningfully over the past year, reducing the probability of another severe credit cycle.
- Around 70% of the country received normal-to-above-normal rainfall during July, while the cumulative monsoon deficit narrowed to 14% below the long-period average.

Lakshya 2031 Strategy

- LTF remains on track towards its long-term objective of delivering over 20% CAGR, with current AUM growth of 27% significantly ahead of the targeted trajectory.
- Strong disbursement growth was witnessed across both secured and unsecured businesses.
- Project Cyclops continues to support underwriting across business segments and is currently being rolled out in the Rural Business Finance vertical, with full implementation expected by FY27.
- Collection efficiency remained strong, with the Rural Business Finance portfolio largely normalizing to pre-stress levels, providing confidence to accelerate growth within defined risk guardrails.

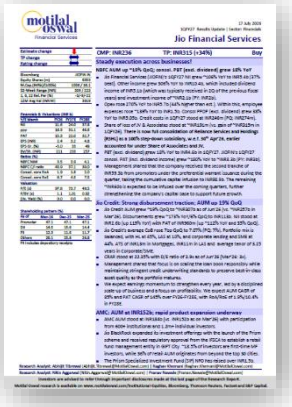
Credit Guarantee Utilization

- The company is selectively using CGFMU and CGTMSE guarantees rather than applying them across the entire portfolio.
- In microfinance, guarantee coverage is primarily used for new-to-credit borrowers, customers located in event-risk geographies and other vulnerable customer segments.
- In SME lending, guarantee coverage is focused on relatively higher-risk customer cohorts identified through the Cyclops underwriting engine.
- Management's objective is to maximize portfolio protection while minimizing the incremental cost associated with guarantee coverage.

Others

- Increase in Stage 3 assets was attributable to a previously anticipated settlement transition, with no further material impact expected.
- Remaining legacy assets continue to remain standard.
- PCR on Security Receipts improved from 58% to 68% owing to higher recoveries and additional provisioning buffers.
- Recoveries from legacy wholesale assets are expected over the next 2-3 years.
- Any excess recoveries from ARC resolutions will be utilized to create macro-prudential provisions rather than recognizing gains in the P&L.

Click below for Results Update



Jio Financial Services — Buy

Current Price INR 243

Opening remarks

- Strong growth across all business segments, reflecting increasing scale and traction of its full-stack financial services ecosystem.
- The quarter also marked the first full line-by-line consolidation of Reliance Strategic Business Ventures (formerly Reliance Services and Holdings) as a wholly owned step-down subsidiary.
- During the quarter, the company received the second tranche of INR59.3b from promoters under the preferential warrant issuance. Cumulative capital infusion through the preferential warrants now stands at INR98.9b, providing significant capital to support future growth initiatives. Remainder of ~INR60b will be infused in the subsequent quarters.
- Leveraging its technology platform, AI capabilities and strong capital base, management aims to scale up the business without proportionately increasing operating costs.

Jio Credit (NBFC)

- Gross AUM of the lending business (Jio Credit) increased 2.6x YoY to INR307b.
- NBFC business maintained strong momentum, with quarterly loan disbursements exceeding INR110b.
- JCL expands footprint to 18 cities with 25 offices.
- AUM mix remained resilient, with Home Loans accounting for 45.4% of the portfolio, Corporate & SME loans contributing 44.2%, and Loan Against Securities (LAS) comprising 10.4%.
- Quarterly disbursements surged 173% YoY/6% QoQ to INR113b, driven entirely by organic disbursements.
- Focus is on scaling up the loan book responsibly while maintaining stringent credit underwriting standards to preserve best-in-class asset quality as the portfolio matures.
- Average cost of funds stood at 7.07% (up ~7bp QoQ), among the lowest in the industry, supported by a diversified funding mix across multiple borrowing sources and market instruments.
- During the quarter, the company raised INR15b through an NCD issuance under its approved borrowing program of INR150b.

Jio payment solution

- Both Jio Payments Bank and Jio Payment Solutions have moved beyond the investment phase and are now contributing positively at the unit economics level
- Jio Payment Solutions launched cross-border payment settlement capabilities for Indian exporters.
- The company continues to focus on scaling payment solutions across enterprise, SME and cross-border commerce to drive margin-accretive transaction growth.
- Total payment volume (TPV) grew 2.5x YoY to over INR192b.
- Improving business mix and cost optimization initiatives led to expansion in both gross and net processing margins.
- Net processing margin expanded to 12bp in 1QFY27 from 9bp in 1QFY26, supported by a higher share of TPV from merchants outside the Jio ecosystem.

- Margin expansion, coupled with operating leverage, enabled an operational turnaround during the quarter.
- The company remains focused on acquiring high-ticket, high-value merchants with strong payment throughput.
- Offers an integrated payment suite spanning enterprise payments, SME solutions, POS-based affordability products and cross-border payment solutions.
- Focus is on delivering sustainable, profitable growth through improving unit economics and operating leverage.

Jio payment Banks

- Jio Payments Bank deposits grew 1.7x YoY to INR6.2b.
- Jio Payments Bank commenced FASTag and ANPR-based Multi-Lane Free Flow (MLFF) toll payment operations.
- Jio Payments Bank's business correspondent network has expanded over 10x YoY to more than 527k touchpoints.
- Jio Payments Bank continues to play a key role in driving daily customer engagement and enhancing ecosystem stickiness.
- CASA customer base increased 51% YoY to 3.9m.
- The bank has successfully diversified its fee income streams through multiple initiatives.
- Key growth drivers include managing digital toll processing across 20 major toll plazas (including the MLFF tolling project) and expanding high-margin assisted services such as Cash-on-UPI and Direct Benefit Transfer (DBT)/DPS through its extensive business correspondent network.

Jio AMC

- The company continues to invest in its early-stage businesses, particularly the joint ventures with BlackRock (asset management) and Allianz (insurance).
- Jio BlackRock expanded its investment offerings with the launch of the Prism scheme and received regulatory approval from the IFSCA to establish a retail fund management entity in GIFT City.
- Closing AUM increased 21% QoQ to INR184.1b, while average quarterly AUM grew 8% QoQ to INR179.8b.
- Around 18.5% of investors are first-time mutual fund investors, while 36% of retail AUM originates from beyond the top 30 cities.
- Liquid Fund AUM crossed INR100b during the quarter.
- The Prism Specialized Investment Fund (SIF) NFO successfully raised over INR1.5b.
- The company expects to launch the beta version of its securities broking platform in 2QFY27.

Reinsurance

- Jio Insurance Broking's POS network is now present across 25 states.
- The company incorporated Jio Allianz General Insurance Ltd., formalizing its general and health insurance joint ventures with Allianz.
- Allianz Jio Reinsurance completed its first full quarter with gross written premium of INR2.7b.
- The company has secured lead reinsurance status across a majority of treaty programs with leading private insurers.

- Regulatory approvals for Jio Allianz General Insurance are progressing, while discussions for the life insurance joint venture remain active.

Broking

- Jio Insurance Broking facilitated insurance premiums of INR2.4b, with fee and commission income increasing 131% YoY to INR610m.

Technology, distribution and AI

- The company shared its strategy of building a full-stack financial ecosystem comprising proprietary products, third-party financial products and AI-driven personalized financial advisory.
- The marketplace platform aggregates third-party products such as credit cards, insurance and fixed deposits, enabling greater customer choice while maintaining risk discipline.
- AI forms the core of its operating model, with over 130 AI agents supporting various business processes.
- AI-led underwriting has reduced credit assessment turnaround time at Jio Credit by 76%, improving customer experience and operational efficiency.
- The JioFinance app uses AI and consent-based customer data to deliver hyper-personalized financial recommendations and real-time financial insights.
- The platform offers a broad marketplace of third-party financial products, including insurance, credit cards, personal loans, digital gold, fixed deposits and tax services.

Financial Highlights

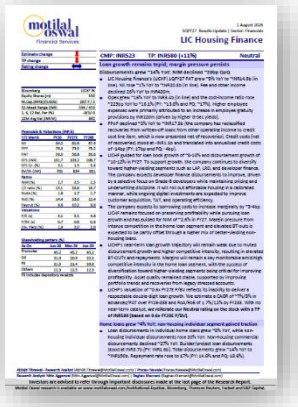
- Effective 30th Apr'26, Reliance Services and Holdings Ltd. (RSHL) became a wholly owned step-down subsidiary of RIIHL. Consequently, its financials are now consolidated line-by-line from 1QFY27, increasing reported revenue and PPOP, with no impact on PAT.
- During the quarter, Jio Allianz General Insurance was incorporated as a 50:50 JV with Allianz, subject to regulatory approvals.
- Fee and commission income rose 56% YoY and 47% QoQ to INR3.3b, led by higher activity across payments and insurance broking.
- Net gains on fair value changes increased 7% YoY and 36% QoQ to INR2.1b, supported by strategic treasury portfolio repositioning and improved treasury yields following RBI policy actions.
- Management reiterated its disciplined treasury strategy focused on safety, liquidity and yield while progressively deploying capital into high-growth businesses.
- The company continued to invest in incubating the BlackRock asset management, wealth management and broking businesses, along with the Allianz insurance joint ventures.
- Share of loss from associates/JVs stood at INR190m, reflecting continued investments in incubating new businesses.
- Dividend income during the quarter stood at INR5.1b, including dividends received through RIIHL's holdings in Reliance Industries.
- Excluding dividend income and the one-off gain related to the Payments Bank consolidation in 1QFY26, core PBT grew 18% YoY and 36% QoQ to INR4.6b.

LIC HOUSING FINANCE LTD

Building homes. Nurturing relationships.

Click below for Detailed Concall Transcript & Results Update





LIC Housing Finance — Neutral

Current Price INR 499

Guidance and outlook

- LICHF expects the loan book to grow at ~8-10% in FY27, supported by gradual improvement in disbursements, with disbursement growth guided at ~10-12% for the year.
- Disbursements grew ~14.5% YoY in 1QFY27, in line with guidance, and the company is targeting ~15% disbursement growth in 2QFY27.
- Management expects loan growth to remain gradual as disbursements improve, considering ongoing repayments, maturities, part prepayments, full prepayments, and balance transfers.
- The company has guided for NIM to remain around ~2.6% in FY27, while balancing growth ambitions with margin preservation.
- The company guided for credit costs of ~10-15bp for FY27, supported by improving asset quality and recoveries from stressed project loans. The company expects GNPA for FY27 to remain below ~2%.
- Management remains focused on product diversification, with increasing contribution from higher-yielding segments such as LAP and LRD to offset pressure in individual home loans.

Macro and opening remarks

- The global macroeconomic environment remains uncertain due to heightened geopolitical tensions, including renewed escalation in the US-Iran conflict, resulting in volatility in crude prices and global financial markets.
- Despite global uncertainties and cautious policy stance by major central banks, the Indian economy remains resilient, supported by strong domestic demand, healthy government capex and a robust financial sector.
- Inflation remains broadly within the RBI's comfort zone, although higher crude oil prices remain a potential upside risk. India's GDP growth is expected to remain among the strongest globally.
- A stable domestic interest rate environment is expected to support credit demand, particularly in the housing sector, while also benefiting funding costs and asset quality across the industry.

Loan growth and disbursements

- Disbursement growth stood at ~14.5% in 1QFY27, supported by business momentum, while the company continues to target higher growth through increased customer retention and origination volumes.
- BT-out activity remained elevated during the quarter, with net BT-out of ~INR15b impacting loan growth.
- LICHF continues to compete with banks in the individual home loan segment, which has resulted in some pressure on margins due to competitive pricing.
- Management highlighted the need to balance growth and profitability by increasing disbursements while maintaining NIM at ~2.6%.

Product diversification and higher-yielding segments

- LICHF has been pursuing product diversification over the past two years, with an objective to gradually reduce dependence on individual home loans and increase exposure to non-individual housing segments such as LAP and LRD.
- LAP and LRD portfolios offer ~150bp higher yields compared to individual home loans and are expected to support overall portfolio yields.

- The LAP and LRD portfolio is growing at ~20% in the current quarter, with incremental lending rates at ~9.4%. The company expects growth in higher-yielding segments to compensate for pressure on individual housing loan yields over time.

Developer finance

- The company expects developer finance to become a meaningful growth driver. Last year was challenging from a developer finance perspective due to pricing pressures from large developers, and the company remains cautious on lending below ~8% yields.
- Management is focusing on quality Grade-B developers rather than competing aggressively for large developers demanding lower pricing.
- The previous requirement of lending only to developers with a minimum BBB rating is being relaxed, enabling the company to evaluate a wider set of borrowers while maintaining credit discipline.
- The company does not have a fixed ticket size strategy for developer finance and is willing to consider loans ranging from INR250-300m for smaller developers to INR3-4b for larger developers.
- Developer finance lending rates are currently around ~10.5%, supporting the objective of balancing growth with margins.

Margins, yields and pricing

- LICHF has guided for NIMs of ~2.6% in FY27, with efforts focused on maintaining margins despite competitive pressures in the individual housing loan segment.
- Overall portfolio yields stood at ~9.12%
- The company reduced lending rates by 25bp across the portfolio in April last year, which impacted margins during the period.
- Incremental cost of funds stood at 7.06% in 1QFY27 compared to 6.86% in 4QFY26 and 6.97% in 1QFY26. Cost of borrowings is expected to increase marginally by ~3-4bp, although the company continues to benefit from diversified borrowing sources and prudent liability management.
- The company has adopted a flexible approach to repricing for select prime customers to reduce BT-out risk, with customer retention efforts focused on strong borrowers and large-ticket loans.

Asset quality and recoveries

- Asset quality continued to improve sequentially, supporting confidence in achieving the guided credit cost range of ~10-15bp for FY27.
- Stage 3 in individual housing loans stood at 1.09%, while Stage 3 in non-individual housing stood at ~3.06% and project loans at ~20.53%.
- Recovery efforts remain focused on legacy stressed loans, particularly from the developer finance portfolio, with accounts progressing through various stages of resolution.
- Recovery from NPAs stood at ~INR5.4b during the quarter, with management expecting further recoveries of INR5-6b over the coming quarters.
- Several large legacy accounts are in advanced stages of resolution, which should support a meaningful reduction in NPA.
- The company continues to pursue multiple recovery mechanisms, including legal actions and one-time settlements with borrowers.

Affordable housing initiatives

- Affordable Housing remains a work in progress and has not yet been rolled out. The company plans to initiate the business during FY27.
- Management intends to adopt a cautious approach in affordable housing, with strong credit guardrails given the higher risk profile of the segment.
- The company has not set any business targets for affordable housing at this stage and will focus on building the business prudently.

Digital transformation and technology initiatives

- LICHF is undertaking a complete overhaul of its LMS and LOS to improve customer experience, service delivery and turnaround times.
- Digital initiatives are being implemented across customer onboarding, credit appraisal, straight-through processing, and analytics to improve efficiency and reduce delinquencies.
- The company is integrating multiple applications and tools to create a more efficient operating ecosystem and improve productivity.
- Digital initiatives are expected to reduce overall costs by improving processes and enabling redeployment of manpower toward higher productivity areas rather than direct workforce reduction.
- The ultimate objective is to enhance customer experience, improve cost efficiency and create a scalable operating platform.

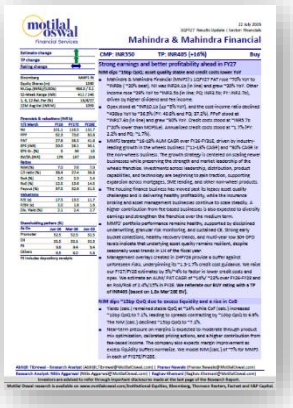
Financial and operating highlights

- High operating costs were primarily due to an increase in employee gratuity provision (driven by higher G-Sec yields) by INR220m, while overall costs remain within the expected range.
- Technology spending is expected to increase during FY27, with significant IT investments likely to be incurred from 2QFY27 onwards.

mahindra FINANCE

Click below for Detailed Concall Transcript & Results Update





Mahindra & Mahindra Financials — Buy

Current Price INR 390

Guidance

- MMFSL reiterated its target of delivering ~16-18% AUM CAGR over the next five years, driven by sustained investments in non-wheel businesses while maintaining healthy momentum in the core mobility franchise.
- Management expects the wheels business to grow at ~11-12%, while new growth engines would grow at ~30%, resulting in an overall AUM CAGR of ~16-18%.
- The company remains focused on accelerating growth across mortgages, SME, leasing and other non-wheel businesses, with investments in leadership, product capabilities, distribution and new markets already in place to support this expansion.
- MMFSL reiterated its through-cycle credit cost guidance of ~1.3-1.7%, supported by prudent underwriting, proactive monitoring and adequate contingency buffers.
- Management expects the cost of funds to remain largely stable within a ±10bp range, while any normalization in liquidity conditions could further improve borrowing costs.

- The company guided for opex -to-average assets in the range of ~2.5-2.7% as it continues to invest in growth businesses while benefiting from operating leverage.
- MMFSL indicated that NIM improvement will be driven through product mix optimization, pricing actions, higher fee income, and the gradual normalization of excess liquidity buffers.
- The company remains well-capitalized and does not anticipate any capital requirement over the next 6-8 quarters, while maintaining leverage at levels consistent with its targeted return profile.
- Management reiterated its long-term aspiration of achieving a ~2.5% RoA, supported by disciplined risk management, operational efficiencies and sustained business diversification.

Business updates

- MMFSL highlighted that investments made over the last few years in SME, personal loans and housing finance are beginning to yield results, providing confidence in the company's diversification strategy.
- The company continued to witness improving diversification within its lending franchise, with non-wheel businesses contributing an increasing share of growth without compromising the momentum of the core mobility portfolio.
- The housing finance business reported strong profitability, while the insurance broking business delivered robust growth across different segments. The relatively newer asset management business also started demonstrating encouraging growth and improving profitability.

Growth strategy & business diversification

- Management emphasized that growth in the non-wheel portfolio will augment, rather than replace, growth in the core mobility business, resulting in a more diversified and balanced franchise.
- The company highlighted that the addressable opportunity in the mortgage business remains substantial, although growth will continue to be calibrated after considering margin dynamics.

Wheels business

- MMFSL strengthened its leadership position across its core mobility businesses, with market share gains in passenger vehicles, tractors and three-wheelers, while commercial vehicles remained the only segment where market share did not improve.
- Management highlighted that its leadership in the tractor business continues to strengthen, supported by significant investments in dealer partnerships, distribution expansion and deeper channel engagement. The company attributed the strong tractor business performance to healthy rural demand, improving rural cash flows and favorable market conditions, with rural markets continuing to outperform urban markets.
- Management highlighted that delayed monsoon onset extended the pre-sowing buying season, benefiting tractor demand during the quarter, while healthy Rabi cash flows further supported rural purchasing activity.
- The company continues to recalibrate its CV portfolio by reducing exposure to fleet operators, as the segment has become less attractive following increased competition from banks after the pandemic.

- Management highlighted that extensive dealer engagement initiatives, including dedicated key account management, inventory funding, trade advances and broader relationship deepening, continue to enhance channel relevance and support incremental market share gains.

Asset quality & collections

- MMFSL highlighted that early bucket collections remained strong due to disciplined collection efforts, while higher reversals further supported overall collection performance.
- The company has implemented a highly sensitive stress monitoring framework that tracks portfolio performance at a granular geographic level and activates predefined action plans whenever stress indicators breach internal thresholds.
- The company had created additional overlays in 3Q and 4Q, resulting in a PCR of 58%, to safeguard the portfolio against any unforeseen deterioration and provide adequate buffers against potential disruptions.
- Management highlighted that responsible inventory practices by OEMs and dealers, particularly in the tractor segment, continue to support portfolio quality, with dealer inventory levels remaining well within comfortable limits.

Margins, funding & liquidity

- Management acknowledged that NIMs remained under pressure during the quarter and is actively working on improving margins through product mix optimization, calibrated pricing actions, higher fee income and other profitability initiatives.
- MMFSL continues to maintain an additional liquidity buffer of nearly INR50b as a prudent measure amid external uncertainties and expects to gradually unwind this buffer once liquidity conditions normalize. Management indicated that the release of excess liquidity, along with ongoing margin optimization initiatives, should provide a tailwind to NIM expansion over time.
- The company expects its cost of funds to remain broadly stable and believes borrowing conditions could improve further once geopolitical uncertainties ease and market liquidity normalizes.

Operating efficiency & digital transformation

- The company has transitioned its entire business to a phygital operating model, with 100% of disbursements, including nearly INR150b during 1Q, processed through the new technology stack.
- Management highlighted that the digital transformation has significantly improved frontline productivity, allowing business volumes to scale without any meaningful increase in manpower over the past two to three years.
- The company reported a decline in Opex-to-average assets to ~2.65%, driven by technology investments made over the last two years and sustained productivity gains across the operating platform.
- Management clarified that while operating efficiencies continue to improve, the company does not intend to aggressively reduce operating expenses, as maintaining adequate investments in customer service, distribution and collections remains critical for preserving asset quality.

Housing Finance and Insurance

- The housing finance business has largely moved past its earlier asset quality concerns and is now operating from a position of strength, supported by healthy profitability and stable portfolio performance.

- Management highlighted that the housing finance franchise remains focused on the affordable housing segment, particularly self-construction loans in deep rural and non-metro markets, where the company has established a strong distribution presence.
- The company has expanded insurance distribution across ~1,300 branches, with a deliberate focus on simple retail protection products rather than complex or market-linked offerings.
- Management highlighted that the addition of the corporate agency business has significantly expanded the addressable revenue opportunity, enabling the company to capture business pools that were previously inaccessible.
- The company continues to see significant headroom for growth in motor insurance, while newer segments such as reinsurance and commercial lines are also beginning to contribute meaningfully.

Capital Position & Balance Sheet

- MMFS remains comfortably capitalized, with Tier I and Tier II capital well above regulatory requirements, and does not foresee any need to raise capital over the next 6-8 quarters.
- Management indicated that the current capital position provides sufficient headroom to support the targeted growth trajectory while maintaining the desired return profile.
- The company remains comfortable operating at a leverage level of around ~6x debt to equity, which is considered adequate to deliver its targeted RoE without requiring incremental capital.

Manappuram Finance — Neutral

Current Price INR 340

Guidance

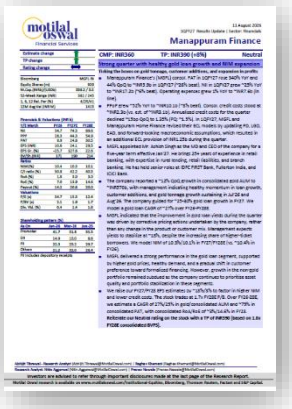
- The company guided for gold loan AUM growth of ~25-30% YoY in FY27.
- Gold loan yields are expected to stabilize at ~18%. Gold loan LTV is expected to normalize at ~64-66%.
- MGFL plans to add 500 branches in FY27.
- The company targets to maintain gold loan mix of ~75-80% in the consolidated AUM.
- It aims to maintain the MFI mix below ~10% of consolidated AUM.
- Non-gold loan growth: Focus on secured lending, particularly mortgage and affordable housing.
- RoA is targeted at ~3.5%-4% and RoE at ~16-18% over the medium term, with target RoE of ~18% at the end of three years.

Financial performance

- Operating environment remained resilient despite geopolitical uncertainties and commodity price volatility, supported by strong domestic consumption, improving rural demand, infrastructure spending, and a stable financial system.
- Consolidated AUM stood at ~INR700b, up 8% YoY, with gold AUM at ~INR570b, contributing ~82% of consolidated AUM (vs ~65% a year ago).
- Gold lending remained the key growth engine, with management continuing to prioritize risk management, asset quality, liquidity, and capital preservation.
- Balance sheet remained strong, supported by diversified funding sources, comfortable liquidity, and healthy capital adequacy.

Click below for Detailed Concall Transcript & Results Update





- Management remains focused on profitable and sustainable growth rather than aggressive balance sheet expansion, with emphasis on credit discipline and risk-adjusted returns.

Management transition

- Strategic priorities remain focused on strengthening senior management, customer-centric innovation, digital capabilities, operational efficiency, and governance.
- Mr. Ashish Singh has been appointed as the MD and CEO and is expected to join from Jan'27. He brings ~25 years of experience across banks and NBFCs, with extensive exposure to retail lending and liability management, including prior experience at IDFC First Bank.
- Under the new leadership, management plans to improve the performance of diversified businesses through disciplined underwriting, stronger portfolio management, and greater focus on sustainable profitability.
- Technology, governance, and operational efficiency will remain key strategic priorities as the company builds a more agile and scalable organization.

Gold loans

- Gold loans now constitute ~90% of standalone AUM and ~82% of consolidated AUM.
- The company added ~320k new gold loan customers during the quarter.
- Gold loan yields improved ~60bp QoQ to ~17.7%, driven by pricing actions taken as pricing had been overly corrected in the previous quarter.
- Management expects gold loan yields to remain around ~18%, with limited volatility of ~20-25bp.
- Standalone GNPA improved to 1.56% from 1.8% in 4QFY26, while standalone credit costs remained controlled at ~1%.

Gold loans: Growth and branch expansion

- Gold loan growth remained strong despite seasonally weaker 1Q, with management indicating healthy momentum in both customer additions and loan tonnage in Jul’26 and Aug’26.
- FY27 gold loan AUM growth guidance stands at ~25-30% YoY.
- The company plans to add ~500 gold loan branches in FY27, with ~60% of additions across South and Central India, including the five Southern states and Maharashtra. Bihar, West Bengal, and Odisha will also be key expansion markets for the company.
- Management sees significant whitespace in underpenetrated locations and does not view gold prices as a significant determinant of branch additions.

Gold loans: Yield, LTV, and customer profile

- Gold loan yields are expected to remain around ~18%, with the 1QFY27 improvement primarily driven by pricing rather than any change in customer or product mix.
- Reported LTV increased to ~65.6% from 57.3% in Mar'26, largely due to gold price movements and changes in the LTV calculation under the revised RBI framework. Management expects LTV to normalize around 64–65%.
- Gold loans are increasingly being used as a mainstream financing product, with growing adoption among entrepreneurs and self-employed customers for business funding.

- Loans above INR300k now account for ~49% of the portfolio, while INR100k–300k and below INR100k account for ~30% and ~21%, respectively.
- Despite the shift toward higher-ticket borrowers, management expects gold loan yields to remain broadly around ~18%.

Gold loans: Revised MFI framework and income-generating loans

- The revised MFI framework effective from 1 Apr'26 considers interest income while assessing borrower indebtedness.
- The company has introduced monthly repayment and EMI-based products, with management seeing encouraging customer response.
- Income-generating loans are being offered selectively to business customers with identifiable cash flows, with repayment frequencies aligned to their business cash-flow cycles.

Non-Gold Businesses

MFI

- MFI recovery remains calibrated, with focus on collections, asset quality, and regulatory compliance rather than aggressive growth.
- Management intends to keep MFI below ~10% of consolidated AUM.
- Improving Asirvad profitability provides early signs of recovery, although growth is likely to remain measured.

Vehicle finance

- Vehicle finance AUM stood at ~INR26b, down 14% QoQ and 43% YoY, as the company has paused incremental lending.
- Focus remains on collections and asset quality improvement, given the elevated GNPA, with growth likely to resume only after portfolio quality improves meaningfully.

MSME and housing finance

- MSME and allied loans stood at ~INR33b, with quarterly disbursements of ~INR1.9b. GNPA improved to 5.9% from 7.1%.
- Housing finance remained broadly flat QoQ and declined ~3% YoY.
- Incremental non-gold growth will remain focused on secured businesses, particularly mortgage and affordable housing.

Funding and Liquidity

- Despite elevated short-term rates and funding-market volatility, the company kept cost of funds broadly under control in 1QFY27.
- Incremental CoF stood at ~8.8%, broadly in line with the reported average CoF of ~8.8%.
- Management expects some transmission of higher market borrowing rates into CoF but continues to evaluate opportunities to optimize its funding mix.
- Strong capital adequacy, diversified funding sources, and comfortable liquidity provide sufficient headroom to support growth.

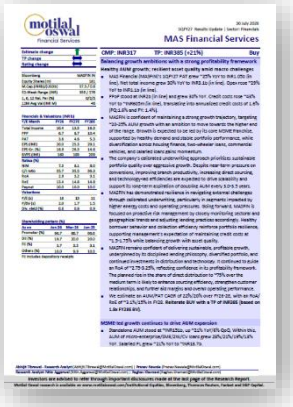
Others

- The online gold loan product is structured as a regular loan rather than an overdraft facility and has been vetted during regulatory inspections.
- Customers can avail the facility again after repayment, subject to prevailing LTV and collateral value.
- Management remains focused on technology and digital capabilities to improve customer acquisition, servicing, and operating efficiency.
- Employee attrition remains controlled at ~2-2.5% per month.

MAS Financials — Buy

Current Price INR 301

Click below for Results Update



Guidance and outlook

- MAS remains confident of sustaining strong growth momentum and continues to target ~20-25% AUM growth, with aspiration to grow towards the higher end of this range.
- The company is on track to double its AUM every 3-3.5 years, supported by a diversified asset mix and calibrated expansion strategy.
- Management expects the Housing finance business to scale up meaningfully and aspires to achieve ~35% CAGR growth over the medium term.
- The company aims to maintain RoA in the range of ~2.75-3.25%, with profitability expected to be driven by disciplined underwriting, product mix, and operating efficiency.
- Credit costs are expected to remain in the range of ~1.25-1.75%, depending on product mix.
- The company expects spreads to remain at ~7.0-7.5%, translating into NIM of ~8.0%-8.5%, supported by the asset composition.
- Cost of borrowings is expected to remain around ~9.2-9.3%, although a potential credit rating upgrade could provide further benefits.
- Company guided for direct distribution to increase to ~70% (of the AUM mix) over the next 1.0-1.5 years and further to ~75% over the next 8-12 quarters.
- The company remains focused on maintaining asset quality over aggressive growth and will continue to expand lending only where risk-adjusted returns remain attractive.

Business updates and opening remarks

- MAS delivered strong profitability along with stable asset quality and crossed INR160b in AUM during the quarter.
- Portfolio growth was supported by continued focus on the MSME segment, with Micro Enterprise Loans (MEL) and MSME portfolios witnessing steady growth and stable credit performance.
- The company continues to diversify its portfolio through products such as two-wheeler loans, commercial vehicle loans, and salaried loans.
- Despite potential macro headwinds, including geopolitical uncertainties and sector-specific challenges, the company maintained a strong asset quality profile due to proactive risk management.

Asset quality and credit outlook

- MAS maintained strong asset quality despite anticipated stress from external factors and remains confident about portfolio resilience. During periods of uncertainty, the company proactively tightened credit filters, particularly for energy-dependent segments such as restaurants and select manufacturing businesses.
- Borrowers have remained resilient, while cautious underwriting helped the company avoid significant portfolio stress.
- The company does not expect any material asset quality impact from floods in Gujarat, although temporary operational disruptions were witnessed. Normalcy is expected to return gradually.

- Collection efficiency remains healthy, and the company does not see any significant risk to portfolio quality.

MSME and lending strategy

- MAS continues to prioritize MSME lending as the core growth driver, supported by stable portfolio performance.
- Demand remains healthy; however, eligible demand has moderated due to tighter screening standards and a calibrated lending approach. The company witnessed some decline in login-to-disbursement conversion due to stricter filters, which has since stabilized.
- The company continues to balance demand opportunities with underwriting discipline amid rising input costs and increased working capital requirements for businesses.
- Growth in commercial vehicle financing is expected to take another two quarters as the company remains cautious and does not intend to aggressively scale the segment. In the commercial vehicle segment, the company is recalibrating distribution and product processes to achieve desired portfolio quality before accelerating growth.

Housing finance business

- The housing finance business remains a strategic growth opportunity, with the company prioritizing risk-adjusted returns and profitability over aggressive expansion.
- The housing finance portfolio is fully secured, providing a strong foundation for sustainable growth. The company is actively working on improving productivity, expanding branches, and strengthening the distribution network in the housing finance segment. Expansion has started in southern markets such as Tamil Nadu and Karnataka, with meaningful contribution expected from these geographies from 3QFY27 and 4QFY27 onwards.
- The company expects housing finance AUM growth to accelerate as branch productivity improves.

Liabilities, liquidity, and cost of funds

- Capital adequacy remained strong, with CAR at 23%, providing a strong base to raise liabilities and maintain liquidity at competitive rates. The company continues to maintain a diversified borrowing profile across banks, mutual funds, term loans, NCDs, and direct assignment transactions.
- Incremental borrowing cost stood at 9.2-9.25%, with expectations to remain around ~9.2-9.3% going forward.
- The company aspires to bring cost of borrowings below 9% over time, supported by favorable macro conditions and potential credit rating upgrades.
- The company aims to maintain 20-25% of AUM through direct assignment and other off-book transactions.

Technology and digital initiatives

- MAS follows a build-and-operate model with an in-house technology team of around 100 employees, including business analysts and software engineers.
- The company has implemented complete LOS and LMS platforms and continues to leverage technology to improve underwriting, operations, collections, and origination processes. AI initiatives are expected to drive further efficiency improvements across various functions during FY27.

Organization and human resources

- The company is strengthening the middle management layer and expects further evolution in senior leadership and management structures. The reduction in employee count reflects increasing technology adoption and operational efficiencies.
- The company continues to prioritize human resources as a key capability and remains focused on attracting and retaining quality talent.

Branch expansion and operating efficiency

- The company expects branches to reach optimal productivity levels by FY27-28 or earlier.
- Cost-to-income ratio is expected to stabilize or improve over time as productivity gains from technology and scale benefits emerge.
- Given the company's diversified business model, profitability focus remains centered around RoA rather than standalone cost ratios.

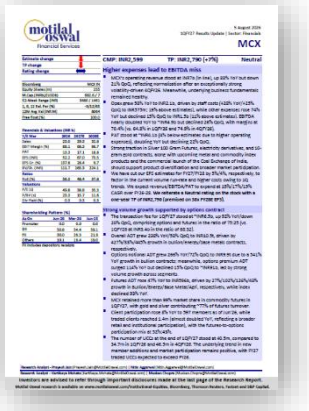
Other highlights

- Two-wheeler demand remains seasonally strong during 3Q and 4Q due to festive demand, while 1Q typically witnesses moderation.
- The company continues to monitor regional conditions, including weather-related disruptions, and adjusts credit filters accordingly.

MCX

Click below for Detailed Concall Transcript & Results Update





MCX — Neutral

Current Price INR 2,973

Business

- Near-term priorities remain expanding market participation, broadening products, deepening liquidity, and strengthening technology.
- Options ADT surged 266% YoY, led by stronger liquidity and commodity derivatives adoption.
- Bullion options remained strong: Gold options ADV doubled QoQ to ~300 tons; Silver options ADV rose 2x QoQ to ~9,400 tons.
- Electricity futures ADT stood at INR370m, with ~55% market share.
- Lower premium-to-notional ratios reflected normalized bullion volatility and higher gold/silver prices, with no structural change in participation or contract mix.
- Open interest improved despite lower option premiums: Gold OI rose to 17.3 tons (vs. 16.9 QoQ); Silver OI to 583 tons (vs. 522 QoQ).
- The company expanded its Good Delivery ecosystem by adding India's first domestic silver refiner and three gold refiners, while extending revised gold delivery norms across all contracts.
- Traded UCCs remained stable QoQ after strong additions, with FY27 traded UCCs expected to exceed FY26.
- Active traded clients doubled YoY to 1.4m, driven by broader retail and institutional participation.
- Over 15 AMCs adopted MCX Bullion Prices for ETF/NAV valuation, strengthening MCX's benchmark pricing.
- Data services remain an emerging monetization opportunity, with focus on wider AMC adoption and new data products.
- The company added 12 new members and 35 FPIs, taking the FPI base to ~220.

- FPIs contribute only ~2.5% of trading activity, leaving significant growth potential.
- Crude oil options volumes were flat QoQ despite higher crude prices due to a high 4QFY26 base; activity remains volatility-driven.
- Discussions with the regulator continue on FPI participation, position limits, and co-location, with no timelines.
- RBI's revised bank guarantee norms have had no material trading impact so far, though funding costs may rise for some participants.
- As per FIA 2025, MCX remains the world's largest commodity options exchange and fourth-largest commodity derivatives exchange by contracts traded.

Financials

- Sequential decline vs. 4QFY26 reflects normalization after a volatility-led quarter, while fundamentals remain healthy.
- Employee costs rose due to salary revisions, hiring, and higher variable pay; ~8–9% of the increase was one-off.
- SGF contributions continue to follow SEBI methodology and monthly reviews, reflecting regulatory calculations rather than transaction revenues.
- Technology remains a key investment area; processing capacity increased to >3bn transactions/day, with capacity for >6bn/day.
- Ongoing investments focus on scalability, resilience, and efficiency, supported by a new Executive Director – Technology & Critical Operations.
- Interest income on margin money (float income) was ~INR300m in 1QFY27.

Launches / Product Initiatives

- The company launched Silver 100 Gram Futures, improving accessibility with a lower-ticket-size contract.
- It incorporated the Coal Exchange of India; regulatory and procedural work is underway before launch.
- Metals remain a key product expansion focus.
- Contract rationalization, warehouse optimization, and simpler specifications improved participation, especially in copper.
- Crude oil and natural gas remain strategic despite potential volatility normalization.
- Smaller gold contracts, particularly 10-gram, continue to gain retail traction.
- Electricity derivatives are gaining traction with improving participation and open interest; derivatives-to-spot ratios are expected to gradually converge with global markets.
- Commodity indices remain a focus, with redesigned futures and options under development.

Nippon Life India Asset Management Ltd

Nippon Life India AMC — Buy

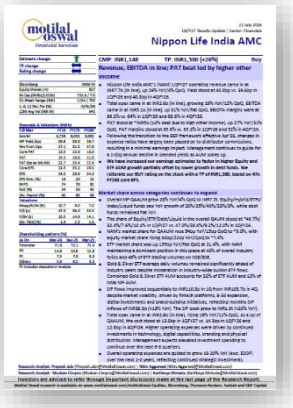
Current Price INR 1.210

Click below for Detailed Concall Transcript & Results Update

Business

- Equity net sales market share and equity AUM market share remained in high single digits and above overall market share.
- The company remains focused on strengthening long-term investor behavior through SIP-led engagement and digital initiatives amid volatile markets.




Nippon Life India AMC

- Fixed-income flows remained volatile across the industry due to interest rate movements, although the company continues to promote long-term asset allocation and debt portfolio adoption.
- NAM is ready to launch SIF products upon regulatory approvals and is led by four personnel.
- Retail assets continue to increase as a proportion of overall AUM, reflecting deeper penetration across India. Corporate AUM mix has declined as a percentage due to faster retail growth, although both retail and corporate assets continue to grow in absolute terms.
- The Vision Fund remains the primary driver of incremental equity inflows. Flexi Cap remains a relatively newer strategy and is expected to scale up gradually as market conditions normalize.
- Gold & Silver ETF average daily volumes remain significantly ahead of industry peers despite moderation in industry-wide bullion ETF flows. Combined Gold & Silver ETF AUM accounts for 32% of ETF AUM and 12% of total MF AUM.
- Flow restrictions remain voluntary and are aimed only at large-ticket/trading-oriented investors, while retail participation remains unaffected. Restrictions currently apply to: Gold ETF inflows above INR250m and Gold FoF investments above INR1m.
- A large share of flows comes through MFDs (Mutual Fund Distributors) with no single distributor contributing more than 5% of business, providing a well-diversified distribution franchise.
- Banking distribution continues to deliver stable inflows with no signs of weakness across PSU, private or multinational bank partners.
- NAM continues to rank among the top three AMCs across fintech platforms and expects to maintain this position going forward.
- NAM continues to have the largest investor base in the industry with 24.1m unique investors (39% market share).
- Digital purchase transactions and new SIP registrations grew 26% YoY to 4.5m in 1QFY27, with digital contributing 78% of new purchase transactions.

SIP

- SIP book continues to diversify across multiple schemes, reducing concentration risk from a few flagship funds.
- SIP growth is being driven by fintech platforms, B-30 expansion, digital investments and brand-building initiatives.
- Digital investor quality continues to improve, reflected in higher ticket sizes and better SIP persistence.
- DIY investors continue to exhibit relatively shorter holding periods vs. distributor-led investors, although investor education is improving retention.

Yields

- 1Q asset-wise yields – Equity (ex-arbitrage)/Equity (with arbitrage)/Liquid/ETF: 54bp/53bp/12bp/25bp. Overall blended yield was 43bp.
- Commodity ETF TERs are broadly comparable to equity TERs.
- Management reiterated guidance for 1-2bp annual decline in blended yields as AUM scales up.
- Expense ratio changes have largely been passed on to distributor commissions, resulting in a minimal earnings impact.

AIF and Offshore

- Alternative asset business (Category II & III AIFs) reported cumulative commitments of INR95.8b (+18% YoY), with INR2.5b raised across various asset classes during 1QFY27.
- Fundraising is currently underway for listed equity, private credit and direct investment funds.
- Multiple AIF schemes continued to deploy capital through subsequent drawdowns during the quarter.
- Offshore AUM increased to INR147b from INR139b QoQ.
- GIFT City AUM reached USD48m across two existing feeder funds.

Financials

- Other income increased due to mark-to-market gains on equity investments (particularly mid/small caps).
- Overall operating expenses are guided to grow 18-20% YoY (excl. ESOP) over the next 1-2 years, reflecting continued strategic investments.
- Higher operating expenses were driven by continued investments in technology, digital capabilities, branding and physical distribution. Management expects elevated investment spending to continue over the next 6-8 quarters.
- Employee costs increased due to annual salary revisions and are expected to remain broadly stable from current levels.
- ESOP expense is expected to remain broadly stable at ~INR600m for FY27.
- Expense-to-AUM ratio is expected to decline gradually despite higher investments.

Others

- DWS partnership is expected to materially strengthen European institutional fundraising capabilities.
- It believes the combination of European (DWS) and Japanese (Nissay) distribution networks provides a differentiated global fundraising platform as India gains importance among global investors.

Muthoot Finance — Neutral

Current Price INR 2,859

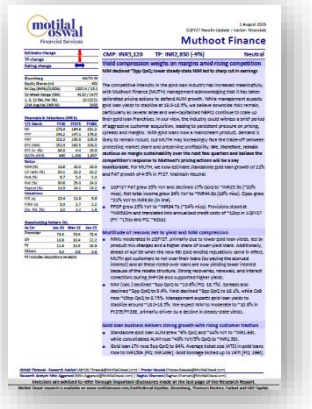
Click below for Detailed Concall Transcript & Results Update

Guidance

- Muthoot reiterated its AUM growth guidance of ~15% for FY27 and expects to review and revise the guidance after assessing business performance in 2QFY27.
- Management guided for a steady-state yield of ~18-18.5% and believes the business remains well positioned despite a competitive pricing environment.
- Muthoot plans to add another ~500-600 branches (across the group) during FY27 to strengthen its distribution network across key markets.

Business Updates

- Management believes the regulatory changes implemented from Apr'26, are structurally positive for the gold loan industry as they enhance transparency and accelerate formalization, benefiting established players such as Muthoot Finance.
- The primary gold loan business continues to remain the key growth driver, while the microfinance, housing finance and business loan portfolios continue to contribute steadily to the overall asset base.



- Muthoot believes its diversified product offerings, omnichannel capabilities and strong franchise position it well to benefit from India's long-term financial inclusion opportunity.
- During the initial phase of the quarter, management focused on rolling out the new gold loan products and training employees, following which business momentum improved meaningfully.

Gold Loan Business

- Standalone gold loan AUM increased ~6% QoQ and ~44% YoY to ~INR1.63t, while consolidated AUM grew ~5% QoQ and ~43% YoY to ~INR1.92t.
- Gold loan disbursements to new customers rose ~41% YoY to INR89.4b in 1QFY27, reflecting strong customer acquisition while maintaining healthy customer retention.
- Branch productivity improved significantly, with average gold loan AUM per branch increasing ~40% YoY to INR324.7m.
- The company continues to witness healthy traction from both existing and new customers, although gold tonnage growth remains influenced by fluctuations in gold prices.
- Management highlighted that customers typically borrow based on their repayment capacity rather than the maximum eligible loan amount despite higher gold prices. The company continues to offer a wide bouquet of gold loan products with multiple repayment options, including monthly, quarterly, semi-annual and annual interest payment schemes, allowing customers greater flexibility.
- LTV varies across products depending on the repayment structure, with lower LTVs applicable for longer-tenure bullet repayment schemes after factoring in accrued interest.

Yields and Pricing

- Gold loan yields moderated during the quarter due to product mix changes, lower lending rates on select products and a higher proportion of lower-yield loans. Also, before the new regulatory guidelines became effective from Apr'26, the company reached out to customers to roll-over their gold loans, which (because of the rebate structure) are now at lower rates.
- Management highlighted that recoveries, renewals and interest collections were exceptionally strong during 3QFY26 and 4QFY26, making the current quarter's yields relatively lower on a sequential basis.
- Incremental yields continue to be repriced frequently given the short-tenure nature of gold loans, providing flexibility to maintain yields within the guided range of ~18-18.5%.
- While competitive intensity could result in some yield compression across the industry, management believes its strong legacy customer base and pricing flexibility provide a competitive advantage.

Branch Expansion and Geographic Strategy

- The group added 86 branches during the quarter, taking the total branch network to 7,654.
- Muthoot continues to see significant growth opportunities across both South and North India and will expand its branch network wherever business potential remains attractive.

- South India continues to account for the majority of the gold loan market given its longer operating history, while North, East and West India offer significant long-term penetration opportunities through greater customer awareness and expansion.

Competition

- Management believes customer service, faster TAT and the company's strong brand continue to differentiate Muthoot Finance despite increasing competition from banks and NBFCs.
- The company expects competition to remain elevated but believes specialized gold loan players with deep operational expertise are better positioned to sustain profitability over the long term than newer entrants.

Microfinance Business

- Belstar's AUM grew ~2% YoY and opened 45 new gold loan branches in 1Q to diversify its product base.
- The company continues to adopt a calibrated approach towards microfinance, focusing on lower-risk lending and better-quality borrowers rather than pursuing aggressive growth.
- Management reiterated its preference for secured lending and expects the microfinance portfolio to remain conservatively underwritten given the cyclical nature of the business.

Other highlights

- Capital adequacy remained comfortable at 20.3%, well above the regulatory threshold.
- Management does not expect any meaningful reduction in borrowing costs in the near term, with future movements largely dependent on RBI policy actions.
- Loans above INR300k accounted for ~69% of the portfolio as of Jun'26 compared with ~51% as of Mar'26, while the INR100k-300k segment moderated to ~22% from ~30%, reflecting a continued shift towards higher-ticket loans.
- Gold auctions during the quarter were insignificant at ~INR5.4m.

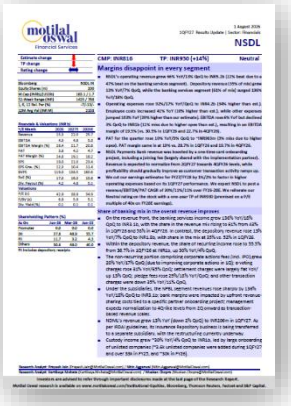
NSDL — Neutral

Current Price INR 802

Business:

- The Youth Plan and Women's Demat Plan contributed ~18–20% of incremental demat additions in 1QFY27, driving first-time investor participation.
- Incremental market share in net demat additions improved to 17.6% in 1QFY27 (vs ~14% in 4QFY26 and 15.5% in 1QFY26), driven by better customer experience, new DPs, higher API adoption and customer acquisition initiatives.
- Fintech contribution to new account additions increased sharply to ~20% from ~2%, reflecting initiatives undertaken over the last 4–5 quarters.
- Although KYC pricing declined following regulatory fee cuts, revenue impact remained limited as NDML's diversified business model (KYC, e-insurance repository and other data management services) helped offset the decline through growth in other businesses.
- NSDL's market share in issuer companies remained above 70%, while e-voting market shar e improved to 64% (vs 61% in 1QFY26).
- Total Depository Participants increased to 317, with 6 new DPs added in 1QFY27 (vs 21 during FY26).

Click below for Detailed Concall Transcript & Results Update



- NSDL now serves investors through 57,000+ service centers and branches across 2,000+ cities and towns.
- NSDL's issuer base crossed 115,000.
- Number of e-voting events increased to 900 in 1QFY27 (vs 794 in 1QFY26).
- In line with IRDAI guidance, NSDL is transferring its Insurance Repository business into a separate subsidiary; the restructuring is underway.
- NSDL launched a single-window onboarding framework for eligible FPIs and FCIs to simplify onboarding, reduce compliance requirements and provide 10-year registration validity.
- Conducted 157 investor awareness programmes across online, offline and hybrid formats, reaching 8,000+ participants.
- Continued driving adoption of 40+ APIs for DPs to improve customer experience, operational efficiency and support further market share gains.
- Technology investments remain focused on resilience, customer experience, automation and operational efficiency, beyond regulatory compliance.
- Ranked among the top 3–4 UPI remitter banks and 6th among PSP banks as of Jun'26; retail customer base grew 1.7x YoY to ~5m.
- ~3.6k unlisted companies were added during 1QFY27.
- Folio count increased to ~140m from ~119m at FY26-end.
- Pledge transaction count grew ~15% YoY.

Financials:

- NSDL standalone business contributed ~91% of consolidated PAT.
- Standalone margins moderated due to front-loaded investments in technology and manpower; management expects operating leverage to support margin normalization over the medium term.
- On a standalone basis, NSDL capitalized INR70–80m towards technology investments in 1QFY27 (vs INR1.1b in FY26).
- Revenue grew 65.6% YoY and 12.7% QoQ, primarily driven by the Payments Bank.
- Payments Bank revenue benefited from a large card onboarding project with a one-time joining fee, largely shared with the implementation partner. Revenue is expected to normalize from 2Q, while profitability should improve as customer transactions increase.
- Banking margins were temporarily impacted by upfront onboarding revenue-sharing costs; profitability is expected to improve with higher customer activity and cross-selling.
- IPO activity remained subdued in 1Q, though management expects stronger issuance over the rest of CY26, supported by the current pipeline.
- Custody income grew ~30% YoY, driven by strong onboarding of unlisted companies over the last two years (~33k in FY25 and ~30k in FY26).
- Pledge income grew strongly, supported by higher MTF activity and robust participation from traditional and fintech brokers.
- Joining fee contribution during 1Q was ~INR50–60m.
- Employee cost increased due to 98 net hires in FY26, with the full impact flowing into FY27. Hiring is largely complete, though costs will continue to normalize over the next few quarters.

- Most hiring was in technology and cybersecurity to strengthen NSDL's critical market infrastructure capabilities.

Others:

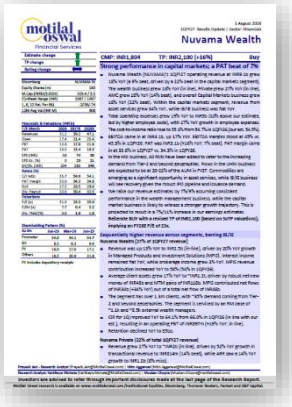
- The Board approved an investment in an associate entity at GIFT City, where NSDL holds a 20% stake.
- Mr. Subhash Kelkar joined NSDL as Executive Director.
- Under the Database segment, Mr. Rajeev Gupta was appointed MD & CEO, succeeding the previous CEO upon completion of his tenure.

Nuvama Wealth — Buy

Current Price INR 1,732

Click below for Detailed Concall Transcript & Results Update




Nuvama Wealth

Company performance

- Client assets crossed the INR5t milestone, while quarterly revenue exceeded INR9b and PAT crossed INR3b, marking another record quarter for the company.
- Operating expenses included INR100-120m of seasonal business promotion costs during the quarter.
- The company is also evaluating a new office location as its existing lease approaches expiry, which might impact costs in the future.

Nuvama Wealth

- Net new money exceeded INR30b, making it one of the strongest quarters for the wealth franchise, while assets under management grew 32% YoY.
- Tier-2 and smaller cities continue to gain importance, now contributing over 35% of MPIS assets, with growth outpacing larger markets.
- Management continues to invest in the talent ecosystem to support expansion across these regions, adding 40 RMs during the quarter and remains focused on strengthening distribution capacity.
- Reported retention moderated sequentially due to the seasonally higher contribution of insurance income in 4Q compared with 1Q, along with mark-to-market movements in AUM.

Nuvama Private

- Competitive intensity in the UHNI wealth segment remains elevated.
- RM strength increased 11% over the last 12 months, including the addition of 6-8 RMs dur ing the quarter.
- Management continues to target 15-16% annual RM additions, although hiring has remained calibrated given the competitive environment.
- Medium-term cost-to-income ratio guidance remains at 60-62%.
- Net new money into managed accounts remained healthy. However, recurring revenue assets were relatively subdued as the company exited certain legacy low-yield mandates.
- The company continues to target 20-22% of opening AUM as net inflows in FY27.
- Offshore wealth operations continue to scale well. Dubai has already achieved breakeven, while Singapore is expected to breakeven by the end of FY27, with offshore operations targeted to contribute 5-7% of overall revenues over time.

Asset management

- Management is evaluating the launch of a REIT platform over the next 12-18 months.

- The private equity platform has been strengthened with a new leadership team and is expected to launch additional funds going forward.
- Public market strategies witnessed volatility during the quarter, partly due to the launch of SIFs, which led to some investor redemptions. The company awaits its own SIF license.
- Profitability is currently being weighed down by investments in new verticals and mutual fund platform build-out, both of which are expected to have a 1-2 year gestation period.

Asset services

- Average client assets have recovered to 1QFY26 levels.
- Management expects revenue growth to moderate sequentially but remain healthy at 20-25% for FY27.
- Commodity collateral is emerging as an important opportunity. Onboarding commodities should improve utilization across the full week and not just Tuesday/ Thursday.
- The company is progressing towards a strategic partnership with a global custodian lacking India market access. Nuvama would provide India market access for their long-only institutional clients.

Capital markets

- ECM activity remained largely similar compared to 4QFY26, with 8 IPOs in 1QFY27 versus 15 in 4QFY26. Activity is now improving, supported by a strong pipeline and significant pent-up issuance demand.
- Secondary market activity remained stable, with cash market volumes improving while derivatives activity remained broadly flat.
- Management does not expect any material impact from recent regulatory changes.
- Fixed income remained the key growth driver for the investment banking business, supported by exceptionally strong activity during the quarter.
- Significant FPI participation was witnessed in the fixed income activity, with foreign investors initially remaining net sellers before turning net buyers towards the end of the quarter.

PB Fintech — Neutral

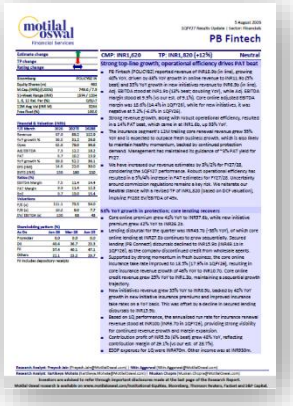
Current Price INR 1,780

Policy Bazaar

- Renewal revenue grew 55% YoY and is expected to outpace fresh business growth over the next 12 months, supported by the strong new business written over the past year.
- Market share expansion is expected to be driven by continued customer acquisition spends, customized product offerings, and differentiated claims support.
- Policy porting enquiries remain strong.
- 82% of business comes from first-time insurance buyers, while POLICYBZ's monthly premium payment option continues to improve affordability and widen penetration.
- Claims support remains a key differentiator, with 17,000 health claims assisted during the quarter. First- and second-year renewal rates also reached all-time highs.

Click below for Detailed Concall Transcript & Results Update




PB Fintech

- Motor insurance remained robust, with direct motor growing 30% YoY and POSP motor 50% YoY, resulting in continued market share gains.
- Higher TP premiums, if implemented, could further benefit ticket sizes of fresh business. The benefit to PB could be greater if enforcement is strict.
- Savings insurance grew 20% YoY, moderated by a high base and volatile equity markets.
- The GIFT City business has scaled well, with POLICYBZ emerging as the leading retail insurance platform for NRIs, offering USD-denominated protection products.
- AI is improving sales productivity and customer experience, although management remains focused on accelerating growth rather than reducing headcount.

Paisa Bazaar

- Contribution margin remained healthy at 41%.
- Daily SIPs will be launched from 26th Aug'26 to improve customer engagement, although meaningful revenue contribution is unlikely over the next two years.
- The company has exited the wholesale business under PB Connect, resulting in lower quarterly revenue of INR120m.
- New savings products, including bonds, are scheduled for launch by the end of August.

PB partners

- GWP grew 46% YoY to INR16.4b, with 78% of premiums originating from Tier-2/3 markets, highlighting continued strength beyond metro cities.
- Registered partners increased to 500,000, while active partners grew 55% YoY to 113,000.
- Revenue reached INR5.6b. The top 100 partners contributed 16% of premiums, with management aiming to further diversify the partner base.
- UAE and Corporate
- UAE premium grew 31% YoY to ~INR5b, while the corporate insurance business also reported ~INR5b of premium during the quarter.

PB Health

- The second hospital has received billing approval and has commenced operations.
- Quarterly loss stood at INR70m, while preventive healthcare initiatives continue to expand.
- Management targets an annualized revenue run-rate of INR5b and breakeven by Mar'27.

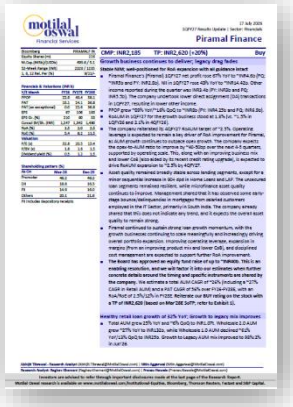
Piramal Finance — Buy

Current Price INR 2,055

Guidance

- Piramal remains confident of achieving ~25% AUM growth in FY27, supported by sustained business momentum.
- The company has guided for growth business RoAUM to improve to ~2.5% by 4QFY27, driven by operating leverage and continued improvement in operating efficiency.
- Management expects opex to AUM ratio to improve further by ~40-50bp over the next 4-5 quarters as loan growth continues to outpace cost expansion.

Click below for Detailed Concall Transcript & Results Update



- Gold loans remain a strategic priority, with plans to expand the branch network from ~67 currently to ~200 branches by end-FY27.
- The company expects to achieve 100% branch penetration for salaried personal loans over the next 2-3 quarters through gradual branch staffing.
- The company remains open to inorganic opportunities. However, the proposed ~INR40b capital raise is primarily aimed at supporting future organic growth and will be executed at an appropriate time, subject to shareholder approval.

Financial Performance

- FY27 started on a strong note, with healthy disbursement momentum supporting continued retail AUM growth. The Growth business delivered 32% YoY AUM growth, remaining aligned with the company's long-term growth aspirations. Growth business RoAUM improved to 1.9% in 1QFY27 (from 1.5% in 1QFY26), driven by improvement in operating efficiency.
- NIM remained stable QoQ at ~6.5% and expanded 47bp YoY, while cost of borrowings remained stable at ~8.8%.
- Cost-to-income ratio improved significantly to ~52.5% (from ~65.6% in 1QFY26), reflecting continued operating leverage.

Retail Business

- Cross-sell contributed ~28-29% of business volumes and remains a key strategic focus area for the company.
- Management highlighted that cross-sell customers demonstrate lower credit risk and require lower operating costs compared with new-to-company customers. The company expects cross-sell contribution to improve further as the customer franchise expands.
- Unsecured loans continued to gain momentum, with portfolio quality remaining at its strongest level over the past two years.

Mortgage Business

- LAP growth continued to remain stronger than housing loans, while the company continues to monitor the portfolio closely.
- Competitive intensity in the mortgage market remains stable, with no meaningful aggression from any new entrants.
- Affordable housing demand remains subdued due to slower growth in small-ticket housing loans, while aggressive pricing by certain players has created pressure in select segments.

Asset Quality

- Asset quality remained stable and healthy across businesses, with the company not witnessing the typical seasonal weakness during 1Q.
- Portfolio performance remained resilient across the unsecured product segments, supported by disciplined underwriting.
- Microfinance portfolio quality continued to improve significantly, with steady recovery in performance.
- The company witnessed some early-stage bounce/delinquencies in mortgage segments among salaried IT customers, primarily in Southern India and within secured lending products.
- The stress remains limited to higher bounce rates and has not translated into deeper delinquencies. The company has proactively tightened underwriting standards for this segment.
- LAP delinquencies increased marginally during the quarter; however, management indicated that the portfolio has shown signs of improvement in July.

Wholesale Business

- Wholesale AUM increased 27% YoY, with the portfolio mix comprising ~70% real estate and 30% mid-market lending.
- The legacy wholesale book has reduced to ~2% of total AUM, reflecting continued portfolio clean-up.
- Repayments remained elevated and continue to act as a near-term growth headwind.
- Strong prepayments were driven by refinancing activity, improved capital market access and stronger-than-expected borrower cash flows. The company continues to incentivize borrowers for early repayments as part of its portfolio management strategy.

Operating Efficiency & Profitability

- Retail operating expense-to-AUM ratio continued to decline, extending the improvement trend seen over the last three years.
- During the quarter, AUM grew 25% YoY, while operating expenses increased only around 10%, demonstrating strong operating leverage.
- Management expects profitability improvement to be driven by scale benefits and higher leverage, provided incremental growth generates positive margins without proportionate cost increases.
- Lower Direct Assignments during the quarter had a marginal impact on the total income.

Technology & AI

- Technology and AI remain key pillars of the company's long-term growth strategy.
- AI adoption continued to increase during the quarter, with higher token usage while maintaining cost control.
- The company is launching an AI-powered investor relations assistant, PIA, to improve investor engagement and information accessibility.

Partnership & co-lending Business

- Over 80% of partnership volumes are covered under FLDG, resulting in limited credit risk exposure.
- Under the co-lending structure, delinquent amounts are recovered from partners after 90 days, while accounts crossing 150 days are fully provided for. The company will recalibrate partnership volumes (under digital lending and/or co-lending) if risk conditions deteriorate.

Product Yields & Pricing

- Disbursement yields remain higher than portfolio yields due to a greater mix of short-tenure and higher-yielding products in incremental originations. Portfolio yields will improve gradually as newer disbursements replace the existing loan book.
- The company kept its Prime Lending Rate (PLR) unchanged during the current interest rate down cycle.

Others

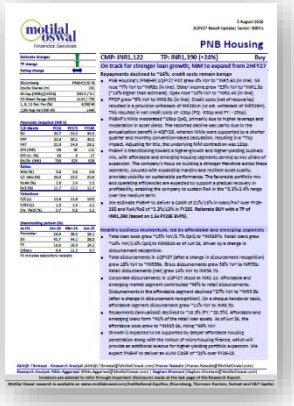
- The company believes the broader small business environment remains healthy, with no visible impact from West Asia geopolitical developments.
- Branch expansion remains focused on Gold Loans and Micro Lending businesses.
- Piramal Finance continues to focus on building a diversified financial services franchise across semi-urban India, supported by technology, AI capabilities, an AA+ rating, and a scaled business model (currently serving ~6m customers).

PNB Housing Finance — Buy

Current Price INR 1,176

Click below for Detailed Concall Transcript & Results Update





Guidance

- PNBHF maintained its FY27 guidance of ~18-20% growth in the overall loan book and ~50-60% growth in the affordable loan book.
- Affordable and emerging markets are expected to remain the key growth drivers, with their contribution to the retail portfolio targeted to increase from ~41% currently to ~45% by FY27-end and ~50% over the next two years.
- Management expects disbursement growth to accelerate from 2QFY27 onwards following the one-time change in disbursement recognition and anticipates a strong growth trajectory thereafter.
- NIM, yields, and cost of borrowings (CoB) are expected to have largely bottomed out, with a gradual improvement anticipated from 2HFY27, supported by a better business mix, improving asset yields, and lower funding costs.
- PNBHF expects credit costs to remain negative in FY27, aided by continued recoveries.
- Management aims to sustain RoA between 2.3% and 2.35% over the medium term and ~2.4% in FY27.

Opening remarks

- India entered FY27 from a position of relative macroeconomic strength, with resilient domestic demand supported by government infrastructure spending, healthy banking system liquidity, and steady services activity despite heightened geopolitical risks, crude oil volatility, and monsoon-related uncertainties.
- The housing finance sector continues to benefit from structural tailwinds, including rising urbanization, increasing home ownership aspirations, favorable demographics, and sustained government focus on affordable housing.
- Housing demand remained resilient during the quarter, particularly across affordable and emerging markets, despite a relatively cautious macroeconomic environment.

Business growth and disbursements

- Effective this quarter, disbursements are being recognized based on cheque realization instead of cheque handover. On a comparable cheque handover basis, disbursements grew ~56% YoY, reflecting healthy underlying business momentum.
- PNBHF witnessed strong business traction during the quarter, supported by higher productivity through technology, distribution expansion, and continued strengthening of teams, particularly in the affordable and emerging market segments. Business momentum further improved in July, with affordable loan growth exceeding June levels.
- Run-off rates moderated to ~17% from ~19-20% witnessed over the previous few quarters, supporting incremental portfolio growth.
- 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.

Affordable and emerging markets

- The affordable and emerging market portfolio grew ~27% YoY and contributed ~41% of the retail portfolio, reaffirming its position as the primary growth engine.
- The company has started originating affordable loans through select prime and emerging market branches, with early results from the co-located branch model remaining encouraging.
- Productivity across affordable branches continues to improve, while select prime and emerging branches have also begun contributing meaningfully to affordable loan growth.
- During the quarter, the company disbursed ~INR710m under its newly launched Emerging Developer Finance Programme to further strengthen its higher-yielding portfolio.

Margins, yields, and cost of funds

- NIM moderated ~19bp QoQ, of which nearly ~12bp was attributable to higher leverage and lower asset yields, while the remaining ~7bp resulted from the normalization of 4Q's annualization methodology.
- Management highlighted that the 4Q margin benefited from a shorter quarter and favorable annualization, making the sequential comparison optically weaker. Adjusting for this accounting impact, the underlying NIM moderation was ~12bp.
- Incremental yields improved across all business segments during the quarter, including affordable, emerging, and prime segments, supporting management's confidence that yields will improve from hereon.
- The mix within the prime portfolio has shifted from salaried borrowers to self-employed customers and from home loans to non-home loans, helping improve portfolio yields despite intense competition in the salaried mortgage segment. Management highlighted that without this mix shift, prime segment yields would have declined in line with the broader industry
- Affordable portfolio yields improved ~50bp during the quarter, while incremental yields also increased across the prime portfolio despite intense competition.
- The company expects the improving mix towards affordable, emerging, and construction finance businesses to support gradual margin expansion from 2HFY27.

Asset quality

- Gross NPA remained below 1% (stood at ~0.95%), with the marginal increase considered cyclical and expected to reverse during 2HFY27.
- A legacy account was classified as fraud during the quarter; however, the exposure had already been fully provided for and, therefore, had no incremental financial impact.
- Asset quality trends remained healthy across the prime and emerging portfolios, supported by experienced underwriting teams, disciplined portfolio monitoring, and effective collection strategies.

Digital initiatives and distribution

- PNBHF continues to accelerate its digital transformation agenda by redesigning customer journeys and core operations with a digital-first approach.

- Investments in conversational AI and document intelligence are helping simplify processes, enhance customer service, improve responsiveness, and strengthen operational efficiency.
- More than 70% of the business is now sourced through the company's in-house onboarding application.
- The branch network expanded by 12 branches during the quarter to 404 branches.
- Rather than pursuing aggressive branch expansion, the company plans to leverage its existing network to drive affordable business growth while containing operating expenses, with productivity benefits expected to become more visible from 2HFY27.

Profitability and balance sheet

- Leverage (calculated based on daily average) increased to 3.75x from 3.6x in the previous quarter.
- Management expects to maintain RoA in the range of ~2.3-2.4%, supported by expanding margins, disciplined growth, and stable credit costs.

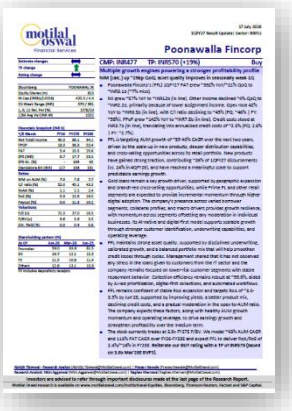
Other updates

- Under the revised regulatory framework, interest income can now be recognized only after funds are debited from the company's account, which led to the change in disbursement recognition methodology.
- Management intends to restrict the construction finance portfolio to ~3% of the overall loan book while increasing the share of affordable and emerging businesses.
- The revised disbursement recognition policy will not impact fee income, as fees continue to be recognized based on committed disbursements. Management expects fee income growth to broadly track disbursement growth going forward.

POONAWALLA FINCORP

Click below for Detailed Concall Transcript & Results Update




Poonawalla Fincorp

Poonawalla Fincorp — Buy

Current Price INR 493

Guidance

- PFL targets to grow its AUM at a CAGR of ~35-40% over the next two years.
- The company remains focused on expanding RoA to ~3.0-3.5% by Jun'28, supported by higher NIMs, improving disbursement yields, structurally lower credit costs and better operating leverage.
- Credit costs are expected to remain on a structural downtrend (over the next few quarters), aided by a calibrated product mix, disciplined underwriting and strengthening collections.
- The company will continue to prioritize customer segments with lower risk and more stable repayment behavior while remaining disciplined on growth across individual products. Management indicated that growth will remain quality-led, with the flexibility to moderate growth in any product where risk calibration warrants a cautious approach.
- The company plans to expand its gold loan franchise by adding ~400 branches in FY27, largely across Tier-II and Tier-III cities.

Business updates and opening remarks

- Growth in the retail loan exposure at the industry level was driven primarily by gold loans, unsecured personal loans and consumer durable financing.

- Despite global uncertainties and concerns around crude oil supply, cumulative GST collections for 1QFY27 increased 8.4% YoY, reflecting resilient formal economic activity, stable consumer demand and healthy business momentum.
- Management believes long-term growth is driven not merely by higher volumes but also by improving profitability per unit through a better product mix and operating efficiency. The company has built a diversified portfolio where each product is exposed to distinct borrower segments, collateral profiles and macro drivers, helping smoothen credit losses across economic cycles.

Growth and business momentum

- AUM grew ~11% QoQ, supported by continued momentum across retail lending products.
- Newly launched products contributed 26% of disbursements in 1QFY27 (compared with 24% in 4QFY26), and have achieved sufficient scale to deliver predictable earnings going forward.
- Investments in new businesses continue to translate into healthy traction, while improving disbursement yields reinforce the strength of the company's business model.

Product updates

- Gold loan operations are now live across 460 branches. PFL plans to expand its gold loan franchise into Uttar Pradesh, Andhra Pradesh, Telangana and Madhya Pradesh while strengthening its presence in existing markets.
- Gold loan branches are increasingly evolving into multi-product hubs, enabling cross-selling opportunities across the retail franchise.
- Consumer durable financing continues to scale up efficiently with a network of over 17,300 dealer points across 339 locations as of Jun'26. Consumer durable financing continues to add nearly 50,000 customers every month, while productivity across the gold loan branch network continues to improve.
- CV business continues to scale up well despite volatility in fuel prices, supported by the onboarding of over 1,100 channel partners across key markets.

Asset quality and risk management

- Credit cost declined ~11bp QoQ to ~2.4%, and management expects the structural improvement to continue.
- The 6-MOB 30+ dpd continues to improve gradually and currently stands at 0.64%.
- Collection efficiency remains healthy at ~99.6%, with no emerging stress trends observed across the portfolio.
- Management indicated that the loans given to salaried customers in the IT sector remain stable with no signs of incremental stress or higher bounce rates.
- PFL remains focused on strengthening internal risk systems, cohort monitoring and product design to ensure resilience across economic cycles.
- Portfolio-level PCR continues to reflect the evolving product mix, with higher contribution from lower-risk businesses. As the proportion of gold loans and education loans in the loan mix increase, the overall PCR will reduce.
- Gold loans continue to be originated at an LTV of 75%.

Profitability and operating efficiency

- Disbursement yields improved ~50bp QoQ, primarily driven by a favorable product mix.

- Opex-to-AUM ratio continued to decline, supported by increasing digital penetration, embedded AI capabilities and operating leverage.
- Management highlighted that quarterly opex may fluctuate depending on investment plans and the timing of branch additions.
- The company expects higher NIMs, rising disbursement yields, structurally lower credit costs and branch optimization to remain the key drivers of RoA expansion.

Technology and AI

- PFL has built all its businesses as digital-first and AI-native platforms, with AI embedded across sales, collections and servicing from inception.
- Management believes proprietary AI-led data capabilities enable identification of new customer cohorts that can be underwritten confidently, resulting in improving unit economics as the business scales up.
- Continued investments in AI, Generative AI and intelligent automation have transformed collection operations through AI-led customer prioritization, digital-first collections and automated workflows.
- AI-enabled preview collections have reduced collection costs by 15%, while post-NPA collection transformation has delivered 27% cost efficiencies through improved workforce productivity and automation.
- The GenAI-powered Pay Easy Bot engages customers immediately after payment failures and has achieved a 42% recovery rate, significantly reducing manual effort and field visit dependency.

Liabilities and Funding

- PFL continues to focus on long-term borrowings. NCD in the liability mix stood at ~32% as of Jun'26
- Liabilities remain well diversified, although management remains watchful of a modest increase in borrowing costs.
- The company raised equity capital of ~INR25b in Apr'26 and remains comfortably funded for the next 4-5 quarters.
- Management highlighted that digital loans remain appropriately priced, with customers willing to pay for the convenience of a 24x7 digital borrowing experience, thereby supporting structural profitability.

Prudent
— Money through wisdom —

Prudent Corporate Advisory — Neutral

Current Price INR 3,394

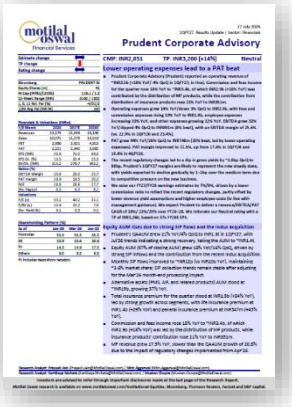
Click below for Detailed Concall Transcript & Results Update



Business Highlights

Mutual funds

- Equity AUM grew 18% YoY, largely driven by fresh money through strong SIP inflows and the Indus acquisition.
- Despite weak markets, equity AUM generated 2.9% positive MTM gains, outperforming benchmark indices, supported by consistent SIP flows and superior fund and portfolio selection by distributors.
- Monthly SIP book increased to ~INR12.4b in Jul'26 from INR12b in Jun'26, indicating continued healthy SIP momentum.
- SIP collection trends remain stable after adjusting for the Mar'26 month-end processing impact.


Prudent Corporate Advisory

- Quarterly average AUM grew 20.8% YoY, while mutual fund revenue increased 17.9% YoY; the slower growth in revenue reflects the impact of regulatory changes implemented from Apr'26.
- The regulatory changes reduced gross yield by 2.8bp QoQ, taking it to 88bp. 1Q margins should be considered the new steady-state, as regulatory changes have been fully implemented by both AMCs and the company in distributor pay-outs.
- Over the medium to long term, yields may gradually decline by 1–2 bps, primarily because of commercial pressure on new business.
- Yields on new business remain higher than the existing book and expects the 88bp gross yield to sustain going forward.
- SIF AUM has crossed INR5b with ~1,326 certified SIF distributors. Expects SIF adoption to accelerate following the simplified certification process and removal of the currency-related syllabus from the examination.
- Monthly SIF business is increasing steadily (faster than MF business), reflecting higher distributor participation and stronger internal focus on the product.
- ~60% of AUM is now mobilized through GST-registered partners.
- ~90% of AUM comes from partner distributors. The remaining 10% comprises direct/B2C business, IFAs and legacy channels.

Insurance

- Insurance revenue grew 20.6% YoY, led by strong performance across life and health insurance.
- Fresh life insurance premiums increased 73.4% YoY, driven by 100% growth in participating products and 82% growth in ULIPs.
- Health insurance premiums continued to perform well, growing 36.8% YoY.
- Insurance payout ratios appear lower mainly because ~10% of insurance business is B2C, where no distributor payout is made. Excluding this, payout ratios between mutual funds and insurance are broadly similar.

Other businesses

- Revenue from other financial and non-financial products grew 28.4% YoY, led by strong growth in PMS and bond distribution.
- Alternative assets (PMS, AIF and related products) AUM stands at ~19b, growing 37% YoY.
- Revenue from bond distribution more than doubled compared to last year.
- The company added around 600 partners per month during Q1, compared to an average of 413 partners per month in FY26.
- The company has a treasury book of INR6.5b and continues to evaluate value-accretive acquisition opportunities to strengthen its distribution platform.

Financials

- Other income increased due to gains from the treasury portfolio.
- Commission expenses grew only 9.8% YoY, primarily due to GST-related regulatory changes and the removal of the 5bp exit load from TER.
- The current commission-to-revenue ratio is broadly to be considered as guidance, subject to changes in product mix.
- The impact on commission expenses is a one-time reset, with the current gross margin representing the normalized economics under the revised regulatory framework.

- Employee costs increased 19% QoQ, mainly due to annual salary revisions, branch expansion, higher headcount, and increased variable pay provisions. Employee cost growth, including ESOP expenses, is expected to remain in the 22–24% range for FY27.
- Other expenses are inherently volatile as they are largely driven by insurance-related marketing and business development activities.
- The company plans to add 30 new branches during FY27, with over 12 branches already operationalized in 1Q.

Others

- Views the proposed Mutual Fund-only PMS framework (INR2.5m minimum ticket size) as an attractive opportunity. The company is evaluating either acquiring a PMS business or applying for its own PMS license, once regulations are finalized.
- This new framework can expand services for affluent retail investors without changing its distribution-focused strategy.

Repco Home Finance — Neutral

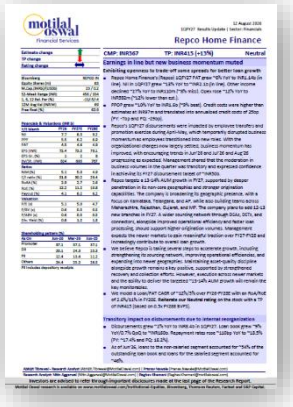
Current Price INR 361

Guidance

- Repco reiterated its FY27 guidance of INR50b in disbursements, 13-14% AUM growth and a INR400m reduction in NPAs. For 2QFY27, the company is targeting disbursements of INR12b-12.5b.
- The company targets GNPA of less than ~2% by Mar'27, supported by strengthened recovery efforts and tighter monitoring.
- Management expects disbursements to accelerate going forward, while maintaining asset quality discipline and improving operating efficiency.
- The company does not plan to diversify into other lines of business and will remain focused on the home finance segment.

Click below for Detailed Concall Transcript & Results Update





Business updates and opening remarks

- Sanctions stood at INR9.4b, while disbursements grew ~2% YoY to INR8.4b in 1QFY27; the loan book grew ~9% YoY and 0.7% QoQ to ~INR160b.
- Disbursements in 1QFY27 were impacted by employee transfers and promotions undertaken in April and May; with employees now settled into their new roles, disbursement momentum has improved, with June and July tracking well and August progressing as expected, keeping the company on track to achieve its FY27 disbursement target.
- The company has not seen any significant shift in the mix between salaried and non-salaried customers. As of Jun'26, non-salaried customers accounted for ~54% of the loan book, while salaried customers contributed ~46%; housing loans formed ~71% and Home Equity ~29% of the portfolio.

Yields, spreads and cost of funds

- Reported yields declined ~30bp QoQ to ~11.7%, while cost of borrowings declined 10bp QoQ to ~8.3%, resulting in spreads contracting ~20bp QoQ to ~3.4%.
- Reported NIM contracted ~10bp QoQ to 5.4% in 1QFY27.
- The company does not expect any significant increase in cost of funds and expects it to remain broadly stable, supported by available NHB funding.

- The average cost of funds is ~8.3-8.35%, limiting the scope to price loans at PSU bank rates, given the company's customer profile, which is largely concentrated in the informal and unorganized sectors. Customer lending rates range from 8.75%, with the average lending rate at ~10.5%; pricing is determined based on customer income, CIBIL score, risk profile, and the prevailing cost of funds.
- Maintaining the current spread level could be challenging, and spreads may decline modestly as the company prioritizes disbursement growth and retention of quality customers.

Funding

- Repco received ~INR6b of financial support from NHB, of which INR1.06b has been utilized; the remaining amount will be drawn as and when required.
- The company plans to further diversify its funding sources going forward.

Asset Quality

- Repco continues to maintain a strong focus on asset quality, with GNPA at ~2.7% as of Jun'26. Asset quality has improved significantly YoY, with absolute NPAs declining and a substantial reduction in the NPA balance compared with the previous year.
- Stage 2 increased ~20bp QoQ to ~7.2%, although the new loan book continues to exhibit strong asset quality.
- Recoveries are taking place across Stage 2 and Stage 3 accounts, including penal interest and other charges; however, the quantum of recoveries remains insufficient in some cases for accounts to upgrade to the standard category.
- The marginal increase in GNPA was partly attributable to the employee transfer and promotion exercise, which has since been resolved; management noted that June performance was better and the sequential increase was also seen in the corresponding period last year.
- Recovery agencies have been strengthened through revised timelines and payout structures, while legal action and SARFAESI proceedings are also being pursued to accelerate recoveries. Systematic follow-ups and continued recovery efforts are expected to support a reduction in NPAs going forward.

Branch expansion and geographic growth

- Repco currently operates 242 branches and did not add any branches during 1QFY27.
- Management plans to add 12-13 branches across Andhra Pradesh, Karnataka, and Telangana during FY27.
- The company has strengthened its presence beyond Tamil Nadu, with a focus on Karnataka, Telangana, and Andhra Pradesh, while also building teams across Maharashtra, Rajasthan, Gujarat, and Madhya Pradesh.
- Management expects meaningful traction from these non-Tamil Nadu markets over FY27 and FY28, while continuing to grow in Tamil Nadu as well.

Operational Transformation

- The company has completed its operational transformation in two phases, including the rollout of applications that have improved turnaround time for loan sanctions and enabled integration with platforms such as CIBIL.
- The sourcing network has also been broadened through DSAs, DSTs and connectors, supporting the recent improvement in disbursement momentum.

- Following the initial verticalization exercise last year, the company now sees greater consistency across operations and has moved into a more aggressive growth mode.
- The company has undertaken various measures to reduce costs sequentially and YoY, with the cost-to-income ratio at 26%.

Portfolio strategy and pricing

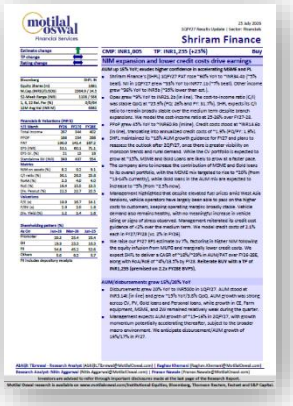
- Repco remains focused on home finance and intends to be more aggressive in the housing finance business.
- Management expects a substantial improvement in disbursement momentum, with recent trends indicating a recovery in business volumes.
- The company has shifted to a handover-date approach, with interest calculated from the date of handover and disbursements recognized after encashment; this practice has been followed for the past 3-4 quarters.
- The company has not made any major changes to its credit policy or organizational structure, while only marginally realigning sourcing channels.

Shriram Finance — Buy

Current Price INR 1,105

Click below for Detailed Concall Transcript & Results Update




Shriram Finance

Guidance

- SHFL maintained its AUM growth guidance of ~18% for FY27 and plans to reassess the outlook after 2QFY27, once there is greater clarity on monsoon trends and Rural demand.
- Management expects AUM growth of 15-16% YoY in 2QFY27, with potential for stronger growth thereafter depending on the macro environment.
- CV growth is expected at ~15%, while MSME and gold loans are expected to grow faster than the total AUM growth.
- New vehicle financing is expected to increase to 20-25% of total disbursements (currently at ~16-17%) and to ~30% over the medium-term.
- Gold loan portfolio is expected to double over the next three years, increasing its share in the AUM mix from ~2.5% to ~5%.
- MSME in the AUM mix is expected to increase to ~20% (from 13-14% now) over the medium-term.
- Credit costs are expected to remain at ~2% in the near term.
- The company expects NIM to remain stable over the next two quarters, with medium-term organic margins expected to settle at ~8.5%.
- The cost-to-income ratio is expected to remain stable despite the expected addition of ~150 branches in FY27.
- SHFL remains comfortable with its growth guidance but will monitor the impact of El Niño, monsoon trends and rural incomes before reassessing the medium-term growth trajectory.

Macro environment

- RBI maintained the repo rate at 5.25% with a neutral policy stance, while raising its inflation forecast to 5.1% from 4.6%.
- The company highlighted geopolitical tensions and uneven southwest monsoon as the key challenges for the Indian economy.
- IMD has lowered its rainfall forecast, with the El Niño phenomenon strengthening. Southwest monsoon rainfall was 24% below normal between June 4 and July 16.

- It remains watchful of the evolving monsoon trajectory, given potential risks to agriculture, inflation and rural spending.
- Rural income remains a key uncertainty, with management awaiting greater clarity on monsoon trends and crop cycles before assessing the impact on growth.
- The company expects broadly stable rice production, while oilseeds and pulses could see some moderation due to lower rainfall in Central India.

Business updates

- Disbursements grew 19.5% YoY to ~INR500b in 1QFY27, while AUM grew 15.3% YoY and 3.8% QoQ.
- Expects growth to remain healthy, with CV growth projected at ~15% and MSME and gold loans expected to grow at a faster pace.
- The company is gradually increasing new vehicle disbursements by focusing on existing customers and reaching out to its earlier customer base for vehicle upgrades.
- New vehicle financing currently accounts for ~16% of disbursements and is expected to increase to 20–25% over the medium term.
- The company expects the CE segment to recover, with positive sales growth in 1QFY27 after four consecutive quarters of decline. Management expects the CE book to start growing from 2QFY27.

Vehicle finance

- Gradual recovery in new vehicle demand, and is increasingly targeting existing customers for vehicle upgrades and new vehicle financing.
- Some customers had shifted to competitors in the past as the company was unable to match market rates; however, with the decline in cost of funds, the company is now able to offer more competitive pricing and, in some cases, serve customers better.
- Management expects new vehicle disbursements to increase to 20–25% of total disbursements, with the new vehicle portfolio expected to account for ~30%+ of the overall book over the medium term.

Gold Loans

- Management remains positive on the long-term gold loan opportunity, supported by India's large and growing gold holdings and increasing customer preference for gold-backed borrowing over higher-cost alternatives.
- The shift from traditional pawnbrokers towards organized NBFCs is expected to further expand the addressable market and support industry growth.
- Around 2,200 branches have been enabled to offer gold loans, providing significant headroom for portfolio expansion.
- Management expects the gold loan portfolio to double over the next three years, increasing its contribution from ~2.5% currently to ~5% of overall AUM.
- The company sees significant growth opportunities in gold and MSME lending, supported by its pan-India branch network.

MSME

- Management expects the MSME portfolio to grow faster than the overall business, with its contribution expected to increase to ~20% of AUM.

- The company sees significant headroom to scale MSME lending beyond its traditional South India presence, with expansion underway in West India and plans to deepen its presence across North and East India.
- MSME growth was relatively cautious over the past year amid US tariff uncertainty and inconsistent policies affecting export-oriented businesses. However, management is now more confident as MSMEs are increasingly finding new markets and expanding within India. The company is strengthening its specialized manpower and building experienced teams in newer regions to support MSME growth.
- MSME sourcing is largely undertaken through the branch network, while processing is centralized through select hubs under a hub-and-spoke model, with greater focus on industrial clusters and manufacturing-oriented MSME markets.
- Management is now more confident about MSME asset quality after maintaining a cautious approach over the past year.

Personal Loans

- Personal loans are expected to continue growing, with the company primarily targeting existing gold loan and MSME customers.
- Management intends to keep personal lending focused on its known customer base to maintain underwriting discipline and manage asset quality.

Asset Quality and credit costs

- GS3 stood at 4.64% and NS3 at 2.33% in 1QFY27.
- Expects credit costs to remain at ~2% in the near term.
- The company has not witnessed any asset-quality concerns in the gold loan portfolio.
- Management remains confident about MSME asset quality after taking a cautious approach over the past year.
- No concerns were highlighted in the CE portfolio, with improving demand expected to support growth in the segment.
- Despite higher fuel prices amid West Asia tensions, vehicle operators have been able to pass on the increase to end customers, with operating margins remaining broadly stable.

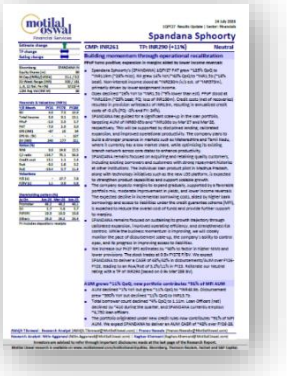
Margins and liquidity

- NIM stood at 9.04% in 1QFY27, up from 8.61% in 4QFY26. Management expects current NIMs to remain broadly stable over the next two quarters.
- The company expects to manage medium-term organic margins at ~8.5%, despite the change in product mix in favor of new vehicles, supported by lower borrowing costs.
- Management expects to pass on the benefit of lower cost of funds through competitive pricing in new vehicle financing while maintaining overall margins.
- The company did not borrow from banks during the quarter, and overall liabilities declined, partly due to repayment of higher-cost borrowings.
- Cost of liabilities declined to 8.56% from 8.59%, while incremental borrowing costs are currently at ~7.7-7.8%.
- SHFL expects incremental borrowing costs to remain below the current average cost of liabilities, supporting further reduction in overall funding costs.

- Borrowings and securitization remained subdued during the quarter due to the company's higher liquidity position.
- Fresh borrowing is expected to resume from the end of the quarter, with securitization likely to form part of the funding mix.
- The company has achieved its targeted liability repayments and plans to maintain liquidity of INR17-18b, equivalent to around three months of liability payments.
- Excess liquidity (from equity infusion) is expected to be utilized for growth rather than being utilized for liability repayments.

SPANDANA

Click below for Detailed Concall Transcript & Results Update



Spandana Sphoorty — Neutral

Current Price INR 239

Guidance

- SPANDANA targets an AUM of INR60-65b by end-FY27 and ~INR100b by end-FY28.
- The company expects RoA to improve meaningfully through FY27 (towards ~1%), with an RoA target of ~3.5% in FY28.
- Collection efficiency is expected to remain ~99.5%. Management maintained its FY27 gross credit cost guidance of 2.5-3%.
- Yield is expected to improve moderately before stabilizing, aided by lower interest income reversals.
- Cost of funds is expected to decline as incremental borrowing costs improve, supported by higher bank borrowings and competitive funding under the credit guarantee scheme.
- The company expects recoveries of ~INR2b from the legacy 90+ pool in FY27.
- Opex is expected to remain ~INR6.75b in FY27 and increase by ~10% in FY28, with automation initiatives expected to improve execution efficiency.
- Sanctions under the CGFMU credit guarantee scheme are expected to increase further.

Business updates

- SPANDANA delivered a strong quarter across multiple operating parameters, supported by healthy business momentum, improving collections, and better funding access.
- AUM grew ~11% QoQ to ~INR48.9b, while business performance also supported an improvement in borrowing conditions.
- Management remains focused on improving productivity, accelerating disbursements, and maintaining disciplined growth supported by robust risk controls.
- Liquidity remains strong at INR13b as of Jun'26 and will be deployed progressively to support business growth while optimizing liquidity levels.

Asset quality and collections

- Net Collection Efficiency (CE) on the new book remained strong at ~99.4% in 1QFY27, while X-bucket Collection Efficiency continued to remain above ~99.5%, in line with expectations.
- GNPA and NNPA improved to ~3.6% and ~0.7%, respectively, at the end of Jun'26 (compared to 3.8% and 0.7% at the end of Mar'26).

- Management continues to focus on improving collections across the 1-90 DPD bucket while maximizing recoveries from the large legacy 90+ DPD pool. The company is also strengthening provisioning coverage in the 1-30 DPD bucket while continuing to maintain prudent provisioning levels.
- Management indicated that most recoveries from the older 90+ pool are expected to conclude over the course of this financial year.
- No adverse portfolio trends were observed in July, although the company continues to proactively monitor potentially vulnerable customer segments through tighter follow-ups, repayment discipline and center-level monitoring.

Borrowings and liquidity

- Marginal cost of borrowings improved sequentially to ~11.3% in 1QFY27 from 12.0% in 4QFY26. The incremental borrowing costs continue to decline and are expected to reduce the overall cost of funds over the coming quarters.
- The share of bank borrowings has increased, while participation from PSU banks is expected to provide further funding support.
- Around ~91% of the current MFI book has been originated under new credit rules, which is expected to increase to ~95% by next quarter.
- The company has secured INR5b under CGS and has already drawn INR2-2.5b.
- Lending institutions continue to remain supportive, with new banking relationships being added alongside existing lenders, supported by the company's brand and promoter confidence.
- The company expects to receive the balance proceeds of ~INR2b from the previous rights issue (comprising INR1b from the promoter and INR1b from other participating investors) before the end of the current quarter.

Growth strategy and expansion

- Growth will continue to be driven by disciplined lending, calibrated expansion, and robust operating controls rather than aggressive disbursement targets.
- The company remains focused on acquiring and retaining high-quality customers, including existing borrowers as well as customers with strong repayment histories from other institutions.
- Maharashtra and Tamil Nadu remain key expansion markets. Maharashtra currently has an AUM of INR2.9b (~1.1% market share), while Tamil Nadu has an AUM of INR150m, with management aiming to significantly scale both markets.

Products and technology

- The company is set to pilot its individual loan product across eight branches in Madhya Pradesh over the next three months. The new product will initially target existing customers and will subsequently be extended to customers with strong credit histories from other institutions. The product will incorporate stronger underwriting and an eNACH repayment facility.
- Development of the new LOS is progressing well and is expected to reach the UAT stage by the end of the quarter.
- Migration of around 150 branches onto the new LOS platform is expected to provide valuable customer acquisition insights.
- Automation initiatives remain a key focus, with productivity gains expected to be reinvested into improving execution capabilities.

Branch network and operations

- The company identified around ~100 branches with operational improvement potential and successfully revived them instead of closures.

- Management does not expect any further branch consolidation going forward.
- Future branch additions are likely to be concentrated in Maharashtra and Tamil Nadu, while existing branches will continue to be optimized for higher productivity.

Risk management and industry outlook

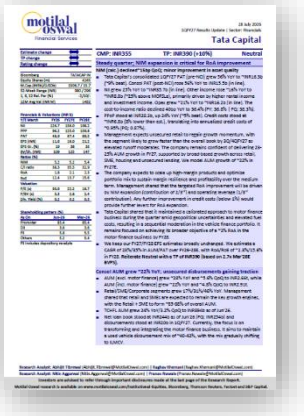
- Management does not foresee any constraint on growth but reiterated that expansion will remain aligned with strong systems, disciplined underwriting, and prudent risk management. It intends to maintain lending discipline in line with broader industry trends rather than pursuing market share through aggressive pricing or underwriting.
- The company continues to adhere to prescribed guardrails, with Spandana+3 currently at 3.7%.
- Additional collection initiatives, including enhanced tele-calling, improved customer retention and targeted engagement of long-tenured borrowers, are expected to further strengthen portfolio quality.
- Reducing employee attrition remains one of the company's strategic priorities as it continues to strengthen its workforce to support the next phase of growth.

Tata Capital — Neutral

Current Price INR 365

Click below for Detailed Concall Transcript & Results Update





Guidance

- Tata Capital remains confident of delivering 23-25% AUM growth in FY27, supported by broad-based growth across retail, SME, housing and unsecured segments.
- Unsecured retail is expected to regain growth momentum and the segment could start growing faster than the overall book by 3Q/4QFY27 as elevated runoff moderates.
- Expects credit costs to remain below 1% for FY27, supported by continued improvement in portfolio quality and benign slippages.
- Cost of funds is expected to increase by ~8-10bp in FY27, with company focusing on mitigating the impact on NIM through better pricing and portfolio mix.
- Management is targeting ~10bp improvement in NIM in FY27, driven by higher contribution from high-yielding products, favorable portfolio mix and improved pricing across existing businesses.
- Opex-to-assets ratio is expected to decline by 3-4bp YoY in FY27.
- The company expects to improve RoA to the guided levels, with 2/3rd of the improvement expected to come from NIM expansion and the remaining 1/3rd from operating leverage. Any improvement in credit costs would provide additional room for RoA expansion.
- Aims to achieving ~2% RoA by FY28 in motor finance business, supported by stable margin expansion and operating leverage.
- Retail and SME are expected to remain the key growth engines, with the Retail + SME at 85-88% of overall AUM.
- Affordable and micro-housing are expected to grow ~30% in FY27, with micro-housing AUM targeted to grow ~100% in FY27 (on a smaller base) and 50-60% in FY28.

- The company plans to scale up its gold loan franchise to >INR40b over the next 2.5-3 years, supported by branch expansion. The company aims to add 500 gold loan branches over the period.

Portfolio growth and business mix

- The corporate portfolio is likely to have largely peaked as a proportion of overall AUM, implying a gradual shift toward retail and SME segments.
- Aims to maintain the retail + SME mix at 85-88% of the overall portfolio, with incremental growth increasingly led by these segments, including housing finance.
- The focus on scaling high-margin products and optimizing portfolio mix is expected to support margin resilience and profitability over the medium term.
- The company had adopted a conservative stance on personal loans and other unsecured businesses ~2.5 years ago amid macroeconomic and asset quality concerns, resulting in moderated portfolio growth.
- Following sustained efforts over the past two years, asset quality started improving from 1QFY26, allowing the company to gradually scale up unsecured businesses.
- Unsecured retail disbursements grew 38% YoY in 1QFY27, while book growth was ~10%, with elevated runoff continuing to offset higher origination.

Financial highlights

- High-margin product disbursements grew 38% YoY in 1QFY27, with the company continuing to focus on improving portfolio mix and overall margins.
- Expects disbursement growth to continue outpacing AUM growth in the near term in the unsecured portfolio, with the gap expected to narrow over the next 2-3 quarters as higher origination momentum translates into portfolio growth.

Asset quality and credit costs

- Asset quality remained resilient despite geopolitical uncertainties, supported by disciplined underwriting and a strong collections infrastructure.
- Slippages remained benign across the portfolio, including in unsecured retail.
- Credit costs charged to the P&L declined 26% YoY, primarily driven by continued improvement in the unsecured retail portfolio.
- Confident of keeping credit costs below 1% on a full-year basis, supported by improving portfolio quality.
- The company has not witnessed any material stress across its CV and MSME portfolios despite ongoing geopolitical uncertainties.
- The company remains confident in its calibrated risk management framework and expects asset quality to remain resilient in the coming quarters.

NIM and Cost of funds

- Cost of funds increased to 7.28% in 1QFY27 from 7.15% in 4QFY26, reflecting a modest increase in funding costs. Incremental borrowing costs have seen a slight uptick amid recent global developments.
- Despite the near-term increase in funding costs, company remains confident of maintaining overall CoF stability over the medium term.
- The company is focused on improving margins through a combination of higher-yielding products, better pricing on incremental originations and mix optimization.

- Expects to improve margins by ~10bp in FY27. Margin expansion is expected to come from both a higher share of high-margin products and improving margins within existing SME, corporate and prime housing businesses.

Opex and Productivity

- Opex grew 2% QoQ and 21% YoY, with the YoY increase impacted by a change in the annual appraisal cycle.
- Adjusting for the appraisal-related impact, opex growth would have been ~16-17% YoY.
- Opex-to-assets is expected to decline by 3-4bp in FY27.
- Headcount additions remain calibrated to business requirements, with incremental hiring focused primarily on frontline sales and collections.
- Investments made over the past few years across technology, data, infrastructure and distribution are now translating into structural improvements in efficiency, productivity and scalability.
- Over the medium term, distribution expansion is expected to support growth across retail, SME, housing and gold lending.

AI and technology initiatives

- AI-led transformation continues to scale across onboarding, underwriting, servicing, collections and portfolio monitoring, delivering measurable efficiency and productivity gains.
- ~98% of customers are now onboarded digitally, while ~90% of welcome calls are AI-driven.
- AI agents contribute ~15% of call-center-led personal loan sourcing, while AI-generated multilingual creatives account for 85–90% of marketing output.
- ~70% of retail applications are now processed through AI-led workflows, driving ~40% productivity gains, ~40% faster processing TAT and >25% reduction in operating manpower.

Housing Finance

- Housing finance AUM grew 24% YoY to INR894b, while PAT increased 29% YoY to INR5.32b.
- Growth continues to be driven by a focus on affordable housing loans, LAP and prime LAP, enabling margin expansion, portfolio diversification and scale-up.
- Asset quality remains a key strength, with credit costs at just 0.05% and net NPA at 0.3%, placing the business among the better-performing players in the housing finance sector.

Motor Finance

- The company maintained a measured approach to motor finance amid geopolitical uncertainties and elevated fuel costs, resulting in a sequential moderation in the portfolio.
- Motor finance AUM stood at INR244b as of June 2026.
- The legacy portfolio transition remains on track, with net AUM depletion declining sharply from INR31b in Jun'25 to INR9.4b in Jun'26, indicating a significant moderation in runoff.
- Asset quality trends remained broadly aligned with expectations, while the business remained profitable in both 4QFY26 and 1QFY27.
- Aims to maintain a used vehicle mix of ~40–42%, with the mix gradually shifting toward ILM CV and away from HCV.

- Margin improvement is expected from both favorable product mix and higher yields across individual CV segments.

Gold loan acquisition and business strategy

- Tata Capital has proposed to acquire an ~88.6% stake in Yogi Loans through a combination of primary capital infusion and purchase of shares from existing shareholders.
- Yogi Loans had an AUM of INR7.08b as of Mar'26 and brings established expertise in the gold loan segment. The transaction remains subject to regulatory approvals and customary closing conditions, with RBI approval expected by end-CY26 following the company's application.
- The company sees key competitive advantages in the gold loan business through Tata Capital's trusted brand, lower cost of funds, technology capabilities and operational expertise.
- The acquired business brings an experienced team, which will be integrated with Tata Capital's existing plans to build the gold loan franchise organically.
- Management intends to first establish a robust operating model and validate business economics before accelerating growth.
- New branches will be added selectively in high-growth markets with healthy credit quality.
- Over the next 2.5-3 years, management targets adding ~500 branches and building the gold loan portfolio to >INR40b.

Capital adequacy

- Aims to maintain capital adequacy ratios at least 200-250bp above regulatory minimum.
- Consolidated debt-to-equity currently stands at 5.3x, targeting ~6.2-6.3x on a steady-state basis.
- Housing finance is expected to operate at ~7.2x-7.3x debt-to-equity, while NBFC entities are targeted at ~5.5-5.6x.
- Based on the current capital position and guided growth trajectory, the company remains well-capitalized to support growth till Sep'27.

UTI Mutual Fund

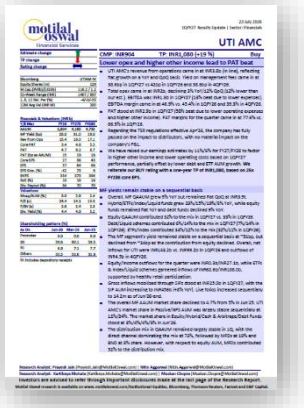
Click below for Detailed Concall Transcript & Results Update

UTI AMC — Buy

Current Price INR 893

Business Overview

- Equity-oriented assets (active + passive) constituted ~70% of MF AUM, well above the industry's ~60% equity mix.
- Fixed income franchise remained resilient with no credit rating downgrades, while the Liquid Fund reached a record AUM.
- PMS AUM declined by INR3.2t QoQ due to the revised EPFO mandate and related asset transfers, with no material earnings impact expected going forward.
- Large-cap funds continued to witness redemption pressure, while Large & Mid Cap funds recorded healthy net inflows and Flexi Cap continued to witness healthy SIP inflows.
- Recent market share loss was primarily driven by redemptions in flagship equity strategies despite healthy gross sales.
- Product pipeline remains robust across active, passive, and international offerings, with GIFT City outbound funds and SIF launches planned in 2HFY27.



- The company added 0.4m folios and 0.3m new investors during the quarter.

Yields

- Yields stood at ~72–73bp for Equity & Hybrid, ~20bp for Fixed Income, ~12bp for Cash & Arbitrage, and ~8bp for ETFs & Index Funds.
- TBR/exit-load related regulatory changes had no impact on margins, with the impact fully passed on to distribution partners.

SIP

- SIP registrations from the 18–25 age group increased 18.6% QoQ, while the 26–40 age group recorded 6.8% growth.
- Customer acquisition continues to focus on first-time mutual fund investors and young working professionals.

Non-Mutual Fund Businesses

Passives

- Passive platform continues to expand through a strong ETF and index fund pipeline, supported by healthy retail participation.

Alternatives

- The company continued to strengthen alternative capabilities across private credit, private equity, and multi-strategy funds, with total commitments rising to INR38.4b.
- Structured Debt Opportunities Fund IV garnered ~INR9b of commitments, while Multi Opportunities Fund II remains in the fundraising phase.

International

- International flows remained weak due to subdued sentiment toward India, though management views the weakness as cyclical.
- International strategy remains on track with emerging market products and GIFT City outbound offerings.

Pension

- Pension business continues to prioritize distribution expansion, supported by partnerships across MSMEs, cooperative banks, and rural institutions.
- The company maintained a leading 24.16% share of the industry NPS AUM.

Product & Distribution

- Distribution expanded across 699 districts, with continued focus on banks, MFDs, wealth partners, and B30 markets.
- Digital purchase transactions increased 24% YoY to 6.1m, while AI-powered initiatives continue to improve customer service efficiency.

Financial Performance

- Headcount growth was driven by subsidiaries, while standalone employee costs remained broadly stable.
- Management reiterated its FY27 guidance of 8-10% YoY growth for other operating expenses.
- Most large technology investments have been completed, with incremental spending largely focused on AI.
- Dividend payout is expected to remain above 95% of profits, while no share buyback is under consideration.

Others

- Management reiterated its Mission 2031 target of doubling AUM.
- Strategic priorities remain centered on AUM growth, distribution expansion, digital transformation, and improving equity flow market share.

INSURANCE

- **Management views remained mixed in life insurance, with private players reporting varied APE growth and VNB performance. LIC continued to witness strong VNB margin expansion, driven by a rising contribution from non-par products and improving product-level margins.**
- **In general insurance, the industry maintained strong momentum in 1QFY27, with health growing ~20% and motor recording 10%+ growth. Sustained demand, particularly in health insurance following GST exemption, is supporting growth, while insurers are focusing on profitable opportunities across motor and fire segments.**
- **PB Fintech continued to deliver volume growth above its 30% guidance, supported by strong momentum in protection, higher renewals, and improved productivity, resulting in robust profitability growth.**

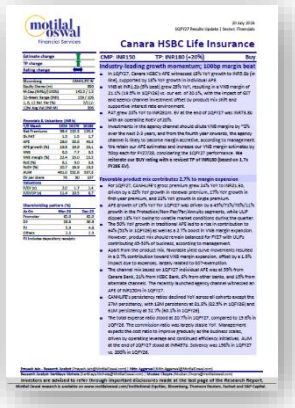
KEY HIGHLIGHTS FROM CONFERENCE CALL

	Outlook for FY27	1QFY27 Highlights
SBI LIFE	▪ With improving product mix, VNB margins are expected to remain in the 26-28% range. ▪ APE growth expected to sustain at 14-15% with volatility of large group transactions to reduce. ▪ GST impact to largely normalize by 3QFY27.	▪ Excluding GST impact, VNB margin at 27.4% - at the upper end of 26-28% guided range. ▪ 45–50% of total policies now being sold with riders resulting in higher sum assured and better product profitability. ▪ SBI channel productivity improved 7% YoY to INR4.5m/ branch. Agency productivity at INR200,000.
CANARA HSBC	▪ Investments in the agency channel should dilute VNB margins by ~2% over the next 2–3 years. ▪ The protection portfolio is expected to deliver double-digit growth in FY27. ▪ Balanced product mix expected over FY27, with ULIPs contributing around 45–50% of overall sales.	▪ Branch activation within the Canara Bank network currently stands at 44%. ▪ Credit Life growth supported by healthy disbursement trends across home loans and education loans. ▪ The company added 1,000 agents during the 1Q, with agency channel generating ~INR150m of APE.
ICICI LOMBARD	▪ Pricing environment in fire has begun to stabilize and early signs of recovery being witnessed. ▪ Prudent motor TP reserves to ensure long-term balance sheet strength and sustainable profitability.	▪ The CoR was hit by reserving of INR1.65b due to recent motor TP ruling and large fire-loss claims of INR0.6b. ▪ contribution of long-term health policies increased to 53.4% compared to 31.8% in the corresponding period last year.
STAR HEALTH	▪ Long-term objective of delivering mid-to-high teen RoE. ▪ Reinsurance costs are expected to decline further with gradual runoff of a large reinsurance treaty ▪ Investments in technology and automation to drive a further 30–40bp improvement in the expense ratio.	▪ Fresh retail health continued to be the key growth driver, with GWP increasing 37% YoY. ▪ Improvement in overall loss ratios has primarily been driven by the retail health portfolio, and reduced contribution from the relatively higher-loss group health business.
BAJAJ FINSERV	▪ BGen is monitoring future developments before revisiting reserving methodology in motor TP. ▪ BLife's product mix sustainable at 22-25% par, 22-25% non-par, 45% ULIPs, and remaining in protection. ▪ Capital infusion into BHEAL will continue over next six quarters, with planned investments of ~INR2-3b.	▪ BGEN's combined ratio continues to outperform the industry. ▪ Demand for annuity products continues to strengthen. ▪ BHEAL continues to invest aggressively in technology capabilities and network expansion.
PB FINTECH	▪ Management targets an annualized revenue run-rate of INR5b and breakeven by Mar'27 in PB Health. ▪ Renewal revenue is expected to outpace fresh business growth over the next 12 months. ▪ For Paisa Bazaar, new savings products, including bonds, are scheduled for launch by the end of August.	▪ 82% of business comes from first-time insurance buyers. ▪ Claims support remains a key differentiator, with 17,000 health claims assisted during the quarter. ▪ GIFT City business has scaled well, with POLICYBZ emerging as the leading retail insurance platform for NRIs.

Canara HSBC LIFE INSURANCE

Click below for Detailed Concall Transcript & Results Update




Canara HSBC Life Insurance

Canara HSBC Life — Buy

Current Price INR 152

Performance

- The company continued to outpace industry growth during the quarter, maintaining market shares of 1.8% in the overall industry and 2.8% among private life insurers.
- Management remains confident of sustaining a similar growth trajectory through FY27, supported by healthy momentum across key products and distribution channels.
- The expense ratio would have remained broadly flat YoY excluding the impact of GST changes. Going forward, management expects the cost ratio to improve gradually as the business scales, driven by operating leverage and continued efficiency initiatives.

VNB

- Despite the impact of GST changes and continued investments in building the agency franchise, VNB margin expanded 160 bps YoY over 1QFY26, supported by a favorable product mix shift towards protection products and a supportive interest rate environment.
- Management indicated that investments in the agency channel should dilute VNB margins by ~2% over the next 2–3 years.
- From the fourth year onwards, the agency channel is expected to become margin accretive as productivity improves and operating leverage kicks in.

Product mix

- Credit Life continued to be a key growth driver, delivering ~40% YoY growth, supported by healthy disbursement trends across home loans and education loans.
- Individual protection also maintained strong momentum, aided by rising customer awareness and continued demand following the GST exemption on pure protection products.
- The company remains focused on expanding its deferred annuity portfolio, given its ability to provide greater earnings visibility and improve the long-term sustainability of the business.
- Management adopted a measured approach towards ULIPs amid volatile equity markets, resulting in a 13% YoY decline in ULIP contribution during the quarter. Underlying demand is expected to improve during 2HFY27 as market conditions stabilize.
- Demand for traditional savings products improved during the quarter, supported by both volatile market conditions and the company's strategic focus on increasing the contribution of traditional products.
- While the current product mix remains skewed towards traditional products, management expects a more balanced mix over FY27, with ULIPs contributing around 45–50% of overall sales.
- Group Credit Life is expected to maintain 35–40% growth, while Individual Protection is also expected to witness robust expansion driven by GST-related demand tailwinds. Overall, the protection portfolio is expected to deliver double-digit growth during FY27.
- The PMJJBY scheme contributed around 6% of overall protection APE, with total protection accounting for 13% of APE during the quarter.

Distribution

- The company added 1,000 agents during the quarter, with the agency channel generating approximately INR150mn of APE.
- Management continues to invest in building the proprietary distribution network and expects the agency channel to contribute around 5% of overall business volumes over the medium term.
- The Alternate currently contributes around 10% of business. Management expects this share to increase to 15–20% over the next few years supported by rising contribution from agency channel.
- Within the Canara Bank channel, there has been a conscious shift towards traditional products, resulting in a lower average ticket size.
- Business through Canara Bank remained largely flat sequentially, reflecting the higher traditional product mix as well as weaker NRI business amid geopolitical uncertainties.
- The HSBC channel delivered nearly 40% growth, while other distribution channels also reported healthy momentum.
- The bancassurance partnership with Canara Bank and HSBC continues to dominate the distribution mix, collectively contributing around 80% of total business.
- Management believes that as the agency channel scales up, acquisition costs will reduce while the product mix gradually shifts towards traditional products, thereby lowering new business strain and improving profitability over time.
- Growth in the HSBC channel has been supported by an expanding branch network and a higher number of relationship managers.
- Branch activation within the Canara Bank network currently stands at 44%. Activation levels are significantly higher in metro (79%) and semi-metro (62%) branches, providing a sizeable opportunity to improve penetration across the broader branch network.
- Management expects both activation levels and bancassurance productivity within Canara Bank to improve steadily over the coming years.

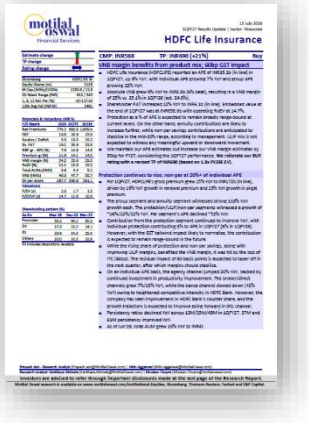
HDFC Life — Buy

Current Price INR 539

Click below for Detailed Concall Transcript & Results Update

Product mix

- Retail protection continues to outperform the overall business, remaining the key growth driver.
- Protection APE grew 40% YoY, with retail protection mix increasing from 6% to 8%. Credit Protect also witnessed a recovery, supported by improving trends in the MFI segment.
- Management does not expect a meaningful increase in ULIP contribution, while non-par savings are expected to continue gaining share as customer demand improves.
- Term protection growth is expected to normalize as the benefit from recent tailwinds moderates.
- Protection as a percentage of APE is expected to remain broadly range-bound at current levels.


HDFC Life Insurance

- Annuity should continue to gain share, while non-par savings are expected to stabilize in the mid-20% range of APE.
- ULIP mix is not expected to witness any meaningful upward or downward movement.
- Management has increased its focus on non-par products, resulting in contribution improving from the mid-teens to over 20%. Customers are increasingly incorporating guaranteed products as part of their investment portfolios, aided by a supportive interest rate environment.
- While traditional annuity products offer guaranteed returns, recently launched variable annuity products provide customers with participation in long-term market upside. Management believes there remains significant scope for further product innovation in this category.
- The company aims to grow approximately 100 bps faster than the industry, with industry APE growth expected at 14–15%.

VNB

- Improved product mix largely offset the ~60 bps GST impact on VNB margins during the quarter. The residual GST impact of ~60 bps is expected to normalize over the coming quarters.
- Excluding GST, VNB margin stood at 25.6%, reflecting YoY improvement.
- Management expects reported VNB margins to remain broadly range-bound around current levels, while underlying margins should gradually improve with favorable product mix and operating leverage.
- VNB growth is expected to broadly track APE growth, while VNB margins are likely to remain around current levels. Management remains focused on maximizing VNB growth rather than pursuing margin expansion at the expense of growth.

Distribution

- Channels excluding HDFC Bank grew 17% YoY in 1QFY27, led by strong performance in the agency channel and healthy traction across non-bank partnerships.
- Business through HDFC Bank remained subdued, reflecting softer volumes at the bank level.
- Counter share within HDFC Bank improved sequentially and is gradually approaching last year's levels. Management expects the banca channel to progressively contribute more meaningfully to growth going forward.
- The agency channel continued to witness healthy traction in protection and annuity products.
- Retail protection through non-bank alliances grew ~60% YoY, while market share across key partners remained stable.
- Excluding HDFC Bank, growth was broad-based across distribution channels, particularly agency and proprietary channels. Within HDFC Bank, competitive pricing pressure had impacted business earlier; however, with competitors facing profitability challenges, management expects market share to gradually recover.
- Agency branches opened over the past 24 months contributed 16% of agency APE, with expansion largely focused on Tier-2 and Tier-3 markets.

Solvency

- The company retains the flexibility to raise INR 500 crore of subordinated debt whenever required.
- Management expects the transition to the Risk-Based Capital (RBC) framework to happen in the near term.
- Given the current growth trajectory in protection and non-par products, capital requirements are expected to remain comfortably within regulatory solvency thresholds.

ICICI Lombard — Neutral

Current Price INR 1,616

Industry

- The commercial lines segment remained under pressure during 1QFY27, primarily driven by continued pricing competition in the fire insurance market.
- The Apr'26 renewal cycle witnessed aggressive pricing behavior across the industry, resulting in significant pressure on premiums and profitability, particularly within the fire segment.
- The motor insurance industry continued to benefit from favorable operating conditions that have been in place since Sep'25.
- Improved vehicle sales, healthy new vehicle registrations, and sustained momentum across passenger vehicle and two-wheeler segments have supported growth for the industry despite ongoing pricing pressure in certain pockets.
- Health insurance remains the fastest-growing segment within the non-life industry, supported by increasing awareness of healthcare protection needs, rising medical inflation, higher penetration of retail health products, and continuous product innovation across insurers.
- The structural growth outlook for the health segment remains strong, with retail health continuing to outpace group health growth.

Performance

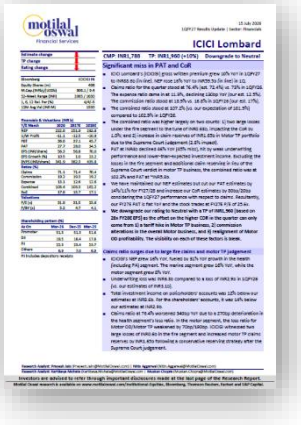
- The quarter was impacted by two significant one-off factors: 1) The company increased the reserve by INR1.65b due to the impact of a recent motor third-party (TP) judicial ruling; 2) Large fire-loss claims resulted in an additional impact of INR0.6b during the quarter.
- Excluding these exceptional items, operating performance remained resilient, with the combined ratio at 102.3%, PAT at ~INR 5.75bn, and RoE at 13.6%.
- Management reiterated its focus on underwriting discipline and profitability rather than pursuing market share in segments witnessing irrational pricing behavior.

Commercial Lines

- The company maintained a disciplined underwriting approach in commercial lines despite heightened competitive intensity across the industry resulting in a decline in commercial lines growth.
- The SME portfolio continued to gain prominence, contributing over 33% of commercial lines business in 1QFY27.
- ICICIGI continued to cede market share in the fire segment where pricing remained irrational. The company emphasized that preserving profitability and underwriting quality remains a higher priority than defending market share.

Click below for Detailed Concall Transcript & Results Update





- Management indicated that the pricing environment has begun to stabilize and the company is now witnessing early signs of recovery, with growth momentum gradually returning in a more profitable manner.
- Recent trends suggest that industry participants are becoming increasingly cognizant of underwriting economics after an extended period of aggressive competition.
- Two large fire losses adversely impacted quarterly performance. However, management highlighted that historically the fire portfolio has not exhibited structurally elevated loss ratios.

Health

- The health insurance business delivered another quarter of strong growth, significantly outpacing industry growth rates.
- Retail health market share improved meaningfully to 4.5% from 3.5% a year ago, supported by investments in product innovation, distribution expansion, and customer engagement initiatives.
- The portfolio quality also improved, with the contribution of long-term policies increasing to 53.4% compared to 31.8% in the corresponding period last year.
- The IL TakeCare ecosystem continues to gain traction, with app downloads crossing 22.1m.
- The health segment has witnessed elevated claims incidences over the last two quarters, reflecting broader industry trends.

Motor

- Management reiterated its conservative reserving philosophy in motor third-party insurance, given the evolving judicial landscape and periodic changes in claim settlement assumptions arising from court judgments.
- During the quarter, the company strengthened reserves by ~INR1.65b after the latest motor TP judgment. The reserve strengthening covers both the existing claims portfolio and future obligations arising from business already underwritten.
- While such judicial developments can create short-term earnings volatility, management believes maintaining prudent reserves is critical to ensuring long-term balance sheet strength and sustainable profitability.
- The company remains comfortable with the underlying profitability of its motor portfolio and expects favorable industry growth conditions to support business momentum going forward.

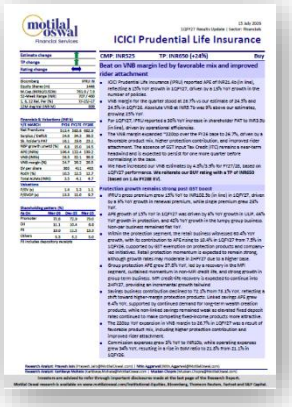
ICICI Prudential Life — Buy

Current Price INR 501

Click below for Detailed Concall Transcript & Results Update

Product Mix

- Retail Protection APE grew 60.4% YoY (third consecutive quarter of >40% growth), with contribution rising to 10.5% of APE from 7.5% a year ago, supported by GST exemption on protection products and company-led initiatives. Retail protection momentum is expected to remain strong, although growth rates may moderate in 2HFY27 due to a higher base.
- No industry-wide or company-wide repricing of protection products has been undertaken following the GST exemption. Pricing revisions continue only for select customer cohorts based on experience and profitability as part of regular business practice.


ICICI Prudential Life Insurance

- Protection Sum Assured issued increased 31.8% YoY, led by 45.7% growth in protection business, while Retail Protection Sum Assured increased 45.9% YoY.
- Group Protection APE grew 37.8% YoY, led by a recovery in the MFI segment, sustained momentum in non-MFI credit life, and strong growth in group term business. The company expects MFI credit-life recovery to continue into 2HFY27, providing an incremental growth tailwind.
- Savings business contribution declined to 72.1% from 78.1% YoY, reflecting a shift toward higher-margin protection products.
- Linked savings APE grew 6.4% YoY, supported by continued demand for long-term wealth creation products. Non-linked savings remained weak as elevated fixed deposit rates continued to make competing fixed-income products more attractive.
- Within non-linked products, participating products continue to outperform non-participating products, with the participating: non-participating mix at ~2:1.
- Annuity growth was led by regular premium deferred annuity products, reversing the previous trend of single-premium dominance.

Distribution

- Agency APE grew 2% YoY, while direct channel APE increased 8.3% YoY, together contributing ~45.5% of retail APE.
- Agency growth has turned positive after multiple weak quarters, with the agency growth to gradually converge toward overall company growth.
- The company continues to invest in micro-market agency strategy, digital capabilities, analytics, and GIFT City-led NRI offerings to improve productivity and diversify distribution.
- Bancassurance APE grew 5.6% YoY, contributing 27.4% of APE, with growth impacted by ongoing recalibration at select partner banks.
- Partnership distribution APE increased 29.5% YoY, contributing 14.6% of APE, supported by deeper engagement with existing partners and new relationships.
- Partnership distribution growth remains highly diversified, with ICICI Bank contributing ~15% of the business while no other partner contributes more than 5%, reducing concentration risk.
- Web aggregators also contributed to the strong protection growth within partnership distribution.
- Long-standing partnership with Standard Chartered remains strategically important, supported by deep integration across technology, products, processes and customer servicing.
- Group business APE increased 38.8% YoY, contributing 22.9% of total APE.

Financials

- VNB increased 24.9% YoY, with VNB margin at 26.7%, representing a 200bp expansion over FY26 margins (24.7%), supported by favorable product mix, higher protection contribution, longer policy tenures, higher sum assured multiples, and increased rider attachment.
- VNB margins continue to be impacted by the absence of Input Tax Credit (ITC) following GST changes; the headwind is expected to persist for one more quarter before normalizing in the base.
- New Business Premium (NBP) grew 21.3% YoY, driven by 13.2% growth in policy count, reflecting continued customer acquisition.

- Savings cost-to-premium ratio improved 50bp YoY to 13.6%, despite the absence of ITC, reflecting operating leverage.
- Overall cost-to-premium ratio increased to 21.8% from 21.2%, primarily due to the higher share of protection products, which carry higher acquisition costs.
- AI/ML deployment across lead generation, underwriting, renewals, servicing, and claims continues to improve productivity and operating efficiency.
- Claims settlement ratio remained strong at 99.3%, with an average turnaround time of one day. Early claims ratio stood at 22% (among the best in the industry), reflecting high-quality underwriting.
- 13th-month persistency remained broadly stable (~84%), while the decline in 25th-month persistency reflects surrender behavior already observed in earlier cohorts and is consistent with actuarial assumptions.
- Renewal collections grew ~9% YoY, indicating healthy customer retention despite the stable persistency profile.
- The company maintains its track record of zero NPAs in the investment portfolio since inception.

Others

- The Board approved the proposal to rename the company ICICI Life Insurance Ltd., subject to regulatory approvals, following Prudential's proposed reclassification from promoter to investor status. The proposed name change will have no impact on business strategy, governance, or day-to-day operations.
- The company's proposed promoter-to-investor reclassification does not require stake dilution, as its current shareholding (~22%) remains below the 24.99% regulatory threshold for investors.
- IRDAI's initiatives linking management compensation with customer-centric outcomes and enhancing intermediary disclosures are viewed positively for improving governance and strengthening long-term industry growth.

Life Insurance Corp — Buy

Current Price INR 413

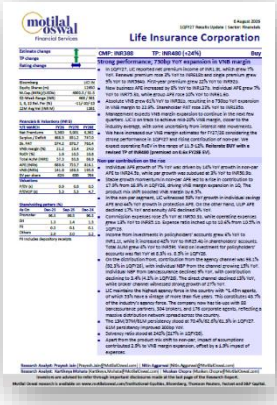
Product mix

- ULIP sales remained weak due to volatile equity markets, while the company continued to prioritize higher-margin segments such as non-par savings and protection.
- Management expects non-par momentum to sustain even if ULIPs recover in 2QFY27, with limited risk of product cannibalization.
- Protection is expected to maintain its growth trajectory in the coming quarters.
- LIC aims to continue growing its par business while outpacing the market in non-par, supported by new product launches and product enhancements.

VNB margin

- VNB margin expansion was driven by favorable interest rate movements, persistency experience and improving product mix, with all product segments witnessing margin improvement.
- Margin expansion was partly offset by the loss of ITC and higher operating expenses, with the GST impact expected to largely normalize after 2QFY27.
- Management expects further VNB margin improvement over the next few quarters and remains on track to achieve the industry average of mid-20% VNB margin, subject to interest rate movements.

Click below for Results Update


Life Insurance Corporation

- Group business contributed 29.4% of VNB, while non-par contributed 49.3% of VNB and par contributed 19.4%.

Distribution

- The reduction in the urban agency force was primarily due to the exit of non-serious agents recruited under the Bima Sakhi program.

Capital

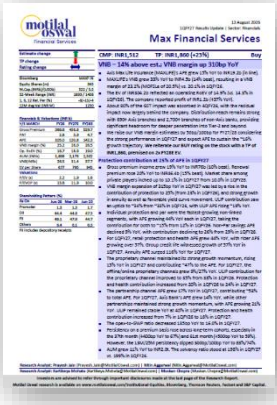
- The proposed IDBI Bank stake sale remains awaited, with the investment continuing to be held in the policyholder fund.
- Solvency is expected to moderate to 2.32x after the dividend payout. Management will evaluate capital augmentation depending on future regulatory and business requirements.

Max Financials — Buy

Current Price INR 1,553

Click below for Detailed Concall Transcript & Results Update




Max Financial Services

Performance

- Individual new business sum assured grew 32% YoY.
- Axis Bank infused INR3.8b during the quarter, taking solvency to 198%.
- QIP approval remains valid till May'27 and provides additional headroom for growth, although there is no immediate requirement for capital.
- Persistency was impacted by a specific product variant that did not perform as expected post launch. The product was discontinued in Mar'26.

Product mix

- Growth in traditional savings normalized during the quarter, while non-par contribution was hit by a high base.
- ULIP growth was supported by the launch of a new product.
- Annuity surged 116% YoY, with the retirement portfolio expanding further following the launch of a new product. Management remains focused on building the annuity opportunity.
- The product mix remains supportive of margins, with protection and annuity gaining traction.

VNB margin

- About 30% of the margin improvement was driven by product mix and operating leverage, while ~70% came from favorable yield curve movements, which also helped offset the GST impact.
- Around 80% of the GST impact was absorbed in 4QFY26, with the residual impact now largely behind the company.

Distribution

- APE grew 14% YoY through Axis Bank and 21% YoY across other banca partners.
- New credit-life partnerships onboarded during the quarter should provide an additional growth leg.
- Axis remained a key franchise with 65-70% counter-share, while Max is the No.1 player at Yes Bank.
- Across the seven recently acquired bank relationships, Max has >25% counter-share in each and is No.1 in four, highlighting strong traction across newer banca relationships.
- Offline proprietary business was impacted by one-offs from cancellation of certain policies.

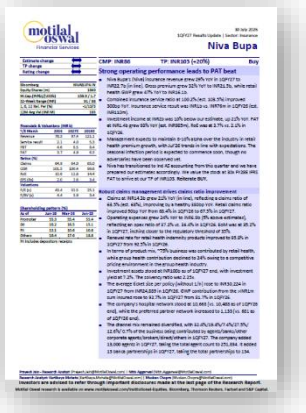
- Online proprietary continues to gain traction beyond the large aggregators through D2C and new aggregators.
- D2C is seeing healthy contribution from Tier-2/Tier-3 markets, supporting deeper penetration.
- Overall, 65% of customers are from Tier-2+ markets, giving Max a strong presence beyond the top cities.
- Distribution reach remains strong through ~3,200 cities, including 692 Axis branches and 2,700+ branches of non-Axis banks, providing significant headroom for deeper penetration.
- Axis has expressed interest in increasing its stake to 30%, with internal discussions ongoing.

Niva Bupa — Buy

Current Price INR 84

Click below for Detailed Concall Transcript & Results Update





Performance

- Retail health market share improved further to 11.1% in 1QFY27, reflecting continued market share gains and consistent outperformance vs. the industry.
- The group health business witnessed subdued growth during the quarter owing to a highly competitive pricing environment and the insurer's focus on profitable growth.
- The company continues to advance its automation and GenAI initiatives, with multiple use cases already deployed across in-house as well as third-party platforms to enhance operational efficiency and customer experience.
- The expense ratio increased marginally during the quarter, primarily due to a higher contribution from the retail health business, which carries relatively higher acquisition costs.
- There has been no structural change in the reinsurance arrangement and quarterly fluctuations are largely timing-related with respect to reinsurance commission.
- The impact of the loss of input tax credit has already been passed on to distributors. Other operating expenses are expected to normalize from 3QFY27 onwards.
- The company aims to maintain 8-10% growth alpha in retail health vs. the industry, supported by a diversified multi-channel distribution model, Tier-2/Tier-3 penetration and product innovation.
- Overall retail health premium grew 46.5% YoY, with fresh retail business increasing 41% YoY during the quarter.
- Jul'26 trends remain strong, reinforcing confidence in continuing to outgrow the market.
- The target is to achieve a mid-to-high teen RoE by FY29, compared with the trailing four-quarter RoE of 11.8%.

Loss ratio

- Jul'26 claims trends remain in line with internal expectations. While the seasonal infection period is expected to commence over the coming months, no abnormal claims trends have been observed yet.
- The improvement in loss ratios has been driven by a conscious shift away from large corporate group accounts toward affinity groups and SME business,

alongside continued improvement in the retail health portfolio supported by strong fresh business growth.

- PPN is able to reduce claim severity by 15-20% by directing customers toward an efficient network of hospitals and minimize fraudulent claims.
- The renewal retail health loss ratio currently stands at ~75%.
- Annual price increases in the high single-digit range are implemented to maintain loss ratios within the desired range, while operating expenses remain below 20%.

Investment

- The Board's Debt Committee has approved a resolution to raise up to INR5b through debt instruments.
- The proposed fund raise is primarily intended to refinance the INR2.5b NCD, for which the call option is due this year. The additional capital will also support the company's continued growth plans.
- There has been no change in the overall investment allocation strategy. The company has exposure to performing credit Alternative Investment Funds (AIFs), which account for around 4% of the investment portfolio, while selectively evaluating opportunities in special situations and other attractive credit strategies.
- Management is also gradually increasing allocation towards Nifty ETFs, which currently constitute around 3.5% of the investment portfolio, reflecting improving confidence in market conditions.
- At present, there are no discussions around investing directly in listed equities.

SBI Life Insurance — Buy

Current Price INR 1,786

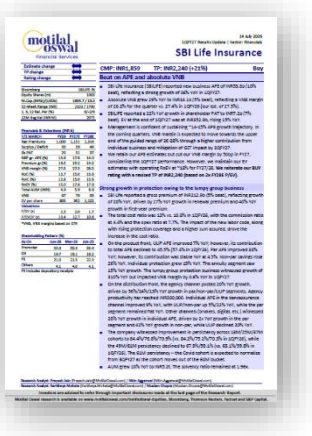
Performance:

- The insurer reported a GST-related impact of INR2.3bn during the quarter, which weighed on profitability.
- The operating expense ratio increased to 7.7%, while the total cost ratio rose to 12.0% compared with 10.8% in 1QFY26.
- Higher employee expenses were primarily driven by the implementation of the Labour Code, while other operating expenses increased in line with higher sum assured and expanding protection coverage.
- Decline in 61M persistency is largely attributable to the COVID-era cohorts. As these cohorts move beyond the 61M bucket by the end of 3QFY27, persistency metrics are expected to normalize.

Product mix:

- The Group business accounted for a relatively higher share of business during 1QFY27, which weighed on VNB margins. However, its contribution has moderated compared to the previous year.
- Management continues to focus on reducing the volatility associated with large group transactions and remains confident of delivering 14–15% APE growth, while maintaining VNB margins towards the upper end of the guided range through a higher contribution from individual business.
- Rider attachment in the ULIP portfolio has improved significantly, with 45–50% of total policies now being sold with riders, resulting in higher sum assured and improved product profitability.

Click below for Detailed Concall Transcript & Results Update



- Within the individual protection portfolio, Return of Premium (RoP) products contributed 68% of business, while Non-RoP products accounted for 32%, compared to 73% RoP in the previous year.
- The increasing share of Non-RoP products has resulted in a lower average ticket size, leading to relatively slower protection growth compared to the industry.
- Pure Protection APE grew 41% YoY, reflecting continued strong customer demand.
- Credit Protect segment is expected to witness a gradual recovery over the coming quarters.
- Demand for Non-Par savings products has remained healthy amid favorable interest rate dynamics, as customers increasingly prefer products offering assured returns. The company continues to reprice products in line with movements in the yield curve to maintain product competitiveness and profitability.

VNB margin

- VNB growth during the quarter was driven by healthy volume growth alongside a favorable shift in product mix.
- Excluding the GST impact, the VNB margin would have been 27.4%, remaining comfortably within the company's long-term profitability expectations. VNB margins are expected to remain within the guided 26–28% range.
- GST changes resulted in a 110 bps drag on VNB margin during the quarter. Management expects this impact to be mitigated primarily through favorable product mix changes rather than cost optimization initiatives, with the GST impact expected to largely normalize by 3QFY27.

Distribution

- The SBI channel contributed 47% of total APE during 1QFY27.
- Productivity within the SBI channel continued to improve, with individual APE per branch reaching INR4.5mn, reflecting 7% YoY growth.
- The agency channel also continued to strengthen, with agent productivity at approximately INR200,000. Higher rider attachment and an improving product mix drove a 63% YoY increase in agency individual sum assured.
- During the quarter, the company added 34,000 gross agents and expanded its proprietary network by opening 11 new branches, reinforcing its long-term focus on strengthening the agency franchise.
- Among bancassurance partners, banks other than SBI delivered 19% YoY growth in total APE, while the SBI channel grew 10% YoY.
- The company has also entered into a new corporate agency partnership, with business expected to commence towards the end of 2QFY27.

Star Health — Buy

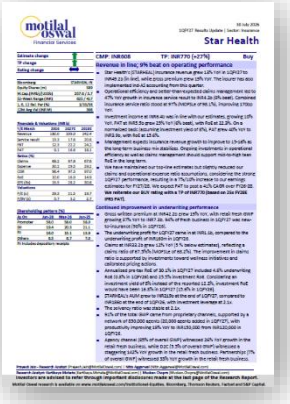
Current Price INR 584

Performance

- GWP grew 19% YoY on both the 1/n as well as n accounting basis, reflecting sustained growth momentum across the portfolio.
- Fresh retail health continued to be the key growth driver, with GWP increasing 37% YoY to INR7.3b. This elevated growth is expected to gradually normalize over the coming quarters as the base effect catches up.

Click below for Detailed Concall Transcript & Results Update





- Insurance revenue increased 13.4% YoY, lower than GWP growth, primarily due to the accounting treatment of long-term policies. As the business mix stabilizes, management expects insurance revenue growth to improve to the 15–16% range over the medium term.
- The company reiterated its long-term objective of delivering mid-to-high teen RoE, with ongoing operating improvements expected to support a gradual progression towards this target.
- Reinsurance costs are expected to decline further, driven by the gradual runoff of a large reinsurance treaty undertaken in 2023 for the long-term business. In addition, continued discussions with GIC Re are expected to help optimize treaty economics, providing further benefit to profitability.
- Employee expenses are linked to three core functions—claims servicing, sales, and support operations—and are allocated across the respective line items in the P&L rather than being reflected under a single expense head.
- Continued investments in technology and process automation are expected to drive a further 30–40bp improvement in the expense ratio over time.
- Several strategic initiatives implemented over the past few quarters are now beginning to deliver results, with the focus firmly on building a sustainable, profitable, and scalable retail health insurance franchise.

Loss Ratio

- The continued improvement in loss ratios has been driven by a combination of better portfolio quality, calibrated pricing actions, and enhanced claims management initiatives.
- Teleconsultation usage increased significantly to 50,000 consultations during the quarter, compared to 9,000 in the corresponding period last year, reflecting strong customer adoption of the company's wellness ecosystem.
- Investments in wellness programs and teleconsultation services have helped contain claims incidence and severity, enabling the company to remain broadly in line with its claims expectations despite the seasonal increase in disease incidence.
- Historically, 2Q has been the seasonally weakest quarter from a claims perspective, and management expects a similar trend this year.
- Pricing actions continue to follow a structured annual calendar, with revisions typically implemented during 4Q, the benefits of which are realized progressively over the subsequent year.
- The improvement in overall loss ratios has primarily been driven by the retail health portfolio, while the reduced contribution from the relatively higher-loss group health business has also supported profitability.

Distribution

- The company's distribution model remains a key competitive advantage, with approximately 90% of business sourced through its proprietary distribution network, which provides greater resilience against any potential regulatory changes affecting distribution economics.

HEALTHCARE



- **Domestic formulations: Management teams remained constructive on the domestic formulations outlook for FY27, supported by continued recovery in acute therapies, sustained growth in chronic segments, new product launches, and ongoing investments in field-force productivity and doctor engagement. Management sees significant potential in obesity/diabetes, with GLP-1s likely to emerge as a structural growth driver for IPM over the medium term.**
- **US business: The US market outlook remains mixed, with several companies confident of sustained growth supported by strong launch pipelines across respiratory, complex generics, injectables, and specialty products, while others remain cautious amid continued base-business price erosion and product-specific competition. SUNP expects innovative medicines to drive growth and partly offset generic pressure, while Aurobindo expects sustained growth from its base business and Lannett-led launches/synergies. DRRD expects double-digit underlying growth excluding Lenalidomide, while Zydus expects single-digit growth despite a rising branded/specialty mix.**
- **CDMO: The CDMO outlook is optimistic, bolstered by improving US biopharma funding, healthy RFP activity, stronger customer engagement, and increasing demand for differentiated capabilities such as ADCs. Growth is expected to be driven by new customer wins, deeper relationships with existing customers, higher utilization of overseas facilities, and integrated global manufacturing networks, alongside continued investments in differentiated offerings.**
- **Hospitals: The hospital sector outlook is broadly positive, reinforced by strong underlying healthcare demand, healthy occupancy levels, and continued expansion opportunities across select micro-markets and existing clusters. While operating momentum is expected to remain strong, near-term profitability could face some pressure from the ramp-up of newly commissioned facilities and geopolitical disruptions impacting international patient flows. The sector continues to focus on adding doctors, strengthening existing specialties, and investing in advanced technologies such as robotic surgery, LINACs, radiation oncology, CT/MRI, and other high-end procedural capabilities.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

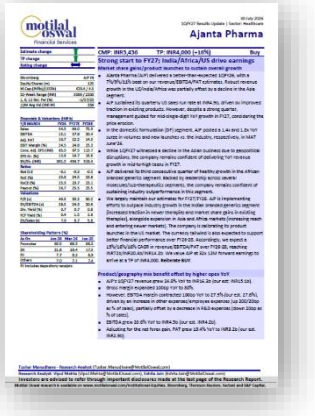
	Outlook for FY27	Other key Updates
Aurobindo Pharma	▪ ARBP guided for 21%+ EBITDA margin in FY27 with EBITDA reaching ~INR80b. ▪ ARBP plans R&D expenses of INR14-15b.	▪ Advair launch through Lannett remains on track for Aug'26, new respiratory launches are driving incremental growth. ▪ Eugia is expected to deliver revenue of over USD500m in FY27.
Cipla	▪ CIPLA maintained its EBITDA guidance at 18.5-20% for FY27. ▪ Management expects USD1b annualized FY27- exit run rate in US sales.	▪ CIPLA has filled respiratory products from US facility and Goa site. ▪ It is focused on achieving above market growth in India, NA through new launches, outperformance in SA and accelerating EMU growth.
DRRD	▪ DRRD expects R&D expenses at 7-8% of sales for FY27. ▪ Company remains on track to sell 6-7m pens in FY27 after resolving API related issue.	▪ DRRD expects ETR to be maintained in the range of 24-25% for FY27. ▪ Management remains on track to launch Abatacept by Dec'26.
Gland Pharma	▪ GLAND has guided for 15-16% YoY revenue growth in FY27 (CC basis). ▪ It has guided for capex of INR5.5 in FY27.	▪ Cenexi revenue guidance stood at ~EUR200m with high-single-digit EBITDA margin in FY27. ▪ Management believes GLP-1 opportunity to pan out meaningfully from FY30 onwards.
Sun Pharma	▪ SUNP has guided for high-single-digit revenue growth in FY27. ▪ Management highlighted that Organon acquisition was recently approved by Organon shareholders; the overall process is expected to be completed by 4QFY27.	▪ SUNP received approvals for generic semaglutide injection for Type-2 diabetes in South Africa/ Brazil.
Divi's Lab	▪ DIVI targets double-digit YoY revenue growth in FY27. ▪ The company expects GM to be comparable/ slightly higher than FY26; while EBITDA margin to remain similar to FY26.	▪ Three major capex programs are nearing completion, with ~70% (~INR20b) of the planned investment.
Rubicon Research	▪ Management revised FY27 EBITDA margin guidance upward to ~23%. ▪ Management reiterated its INR5b R&D investment plan over FY26-FY27 and 1QFY28.	▪ Management maintained its net working capital guidance at 125-130 days for FY27. ▪ Management indicated that the US pricing environment remains stable.

Ajanta Pharma — Buy

Current Price INR 3,704

Click below for Detailed Concall Transcript & Results Update





- Management has guided for high-teen YoY revenue growth in FY27. Specifically, the Indian segment is expected to grow to mid-teens during the year.
- While 1QFY27 sales were impacted by political issues, AJP remains confident of delivering mid-to-high teens YoY growth in FY27.
- Considering price erosion and new launches, management has guided for mid-single-digit YoY growth in the US segment in FY27.
- In addition, management has guided for high-double-digit growth in the African branded segment in FY27.
- The company has guided for GM to reach 78% (+/-100bp) in FY27.
- It has maintained FY27 EBITDA margin growth guidance at 27% (+-1%), excluding the forex impact (+/-100bp).
- It has guided for capex of ~INR4b in FY27, of which INR3b will be utilized to expand the Pithampur plant, while the remaining INR1b will be used for maintenance capex.
- AJP has guided for R&D to account for 5% of revenue in FY27. ETR is expected to be 26% for FY27.
- AJP expects 5-7 ANDA filings in FY27. Most new launches are expected in 4QFY27, subject to FDA approvals.
- 1QFY27 witnessed the addition of ~50 international MRs.
- Considering its strong brand franchise in the Asia and Africa regions in diabetes therapy, AJP remains confident of scaling up its Semaglutide business across these markets following regulatory approvals.

Alembic Pharma — Neutral

Current Price INR 817

Click below for Detailed Concall Transcript & Results Update





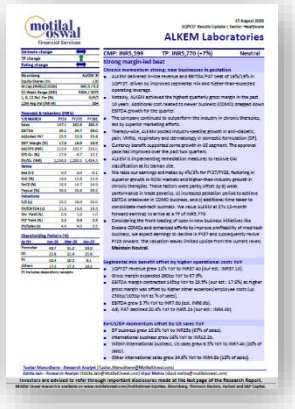
- On a constant-currency basis, US business grew ~37-38% YoY in 1QFY27. Excluding g-Bosutinib, the US revenue grew 20-25% YoY.
- ALPM raised its FY27 revenue growth guidance to a mid-to-high-teens rate for the US segment. ALPM now expects mid-teens YoY growth in revenue on an overall basis.
- ALPM reiterated an EBITDA margin dilution of ~150 bps for FY27.
- The US branded-specialty business is likely to reach breakeven by the end of FY27.
- The India human health business growth is expected to pick up over the next 1-2 quarters following the leadership change.
- Higher depreciation in 1QFY27 was largely attributable to the amortization of intangible assets acquired for the US branded business, with nearly 70-75% of the increase linked to such amortization.
- Expect API segment to grow 10% YoY for FY27.
- The US branded specialty business witnessed an encouraging initial response following the soft launch of Pivya, with physician feedback and product messaging remaining positive.
- The India business is expected to grow broadly in line with the IPM during FY27.

- Gross debt at ~INR16b. This is due to higher receivables arising from strong sales growth, with management expecting working capital normalization and debt reduction over the coming quarters.

Alkem Labs — Neutral

Current Price INR 5,381

Click below for Results Update



- India segment growth was impacted by weakness in trade generics, broadly flat in 1Q, due to heightened competition, tighter DSO discipline and price increases following higher API costs. Management expects primary sales to recover as channel inventories normalize, with India segment growth expected to reach ~12% YoY for FY27.
- US segment growth guidance stands at mid- to high-single digit for FY27.
- US CDMO business incurred capex of ~INR600m in 1QFY27. Annualized sales of USD25-30m should reach breakeven.
- The denosumab biosimilar approval in US has been delayed by few months.
- In Europe, the Prolia biosimilar will be commercialized via partner Theramex. Management expects a gradual ramp-up given the highly competitive market and does not anticipate a significant contribution in the near term.
- The Xgeva biosimilar launch in Europe is expected in three months.
- ETR is expected to be 30-32% at consolidated level for FY27.
- Branded generics grew 12% YoY. Excl. trade generics, India growth was driven by 6% price growth, 2% volume growth and 3% contribution from new launches.
- Biosimilars launched in India have scaled up well, with seven products generating ~INR1.5b in annual revenue. Backward integration supported margin improvement for these products.
- ALKEM does not currently intend to pursue further acquisitions in orthopedics/medtech and will focus on ramping up the existing businesses.

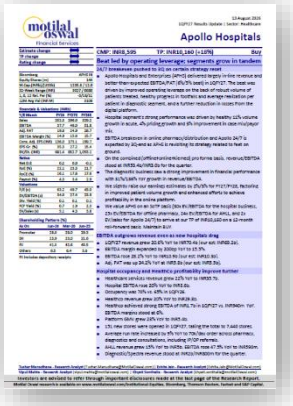
Apollo Hospitals — Buy

Current Price INR 8,799

Click below for Detailed Concall Transcript & Results Update



- Management guided for ~20% hospital revenue growth in FY27 and expects to sustain this trajectory over the next 24 months, with 13-14% growth from established hospitals (including ~7-8% volume growth) and ~7% contribution from new hospitals.
- Established hospital EBITDA margins (~26%) are expected to sustain over the next 24 months, supported by operating leverage and maturing assets.
- Gurugram hospital remains on track for a soft launch in Sep'26 and full operations in Oct'26, with revenue contribution expected from 3QFY27.
- Management reiterated FY27 loss guidance of ~INR1.5b for new hospitals.
- Quarterly losses are expected to moderate as hospitals ramp up, with the Hyderabad Financial District hospital expected to break even next quarter and the overall new hospital portfolio targeted to break even by 3Q/4QFY28.
- The insurance business is expected to break even by end-3QFY27 as the agency distribution model is optimized.
- Diagnostics is targeted to sustain 20%+ revenue growth, with EBITDA margins expected to improve from 14% currently to ~20% over the next 6-8 quarters.



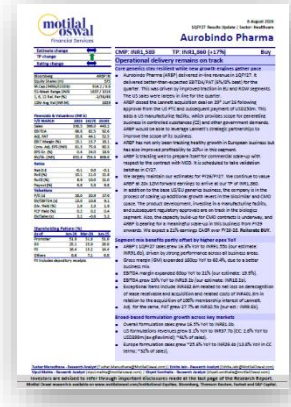
- Primary care is expected to sustain ~12% growth, supported by the addition of new clinics over the next 2-3 quarters.
- CONGO volumes increased 15%, while revenue grew 24% YoY for the quarter.
- Capacity expansion remains on track to reach ~14,100 census beds by FY31, funded largely through internal accruals.
- Established hospitals reported 18% YoY revenue growth to INR34.8b, while 380 newly operationalized beds contributed INR0.9b in revenue during the quarter.
- Revenue growth for established units was driven by 11% volume growth, 4% pricing, and 3% improvement in clinical case mix.
- Established hospitals reported an EBITDA margin of 25.9%, while new hospitals reported an EBITDA loss of INR0.4b, reflecting initial ramp-up costs.
- Management indicated that ~80% of patients incur treatment costs below INR2.2m, and the company typically implements an annual ~5% price increase across services.
- Management highlighted that India requires ~2.4m additional high-quality hospital beds, supporting long-term demand for hospital capacity expansion.

Aurobindo Pharma — Buy

Current Price INR 1,615

Click below for Detailed Concall Transcript & Results Update





- Management reiterated FY27 guidance of double-digit revenue growth, EBITDA margin above 21%, and absolute EBITDA above INR80b.
- ARBP guided FY27 R&D expenditure of INR14-15b, broadly in line with the current quarterly run rate (INR3.5b; ~4% of revenue), while development costs are likely to moderate as multiple clinical programs advance into later stages.
- Management highlighted that ANVISA GMP certification has been received for both drug substance and drug product facilities, while commercial supplies of three oncology biosimilars have commenced in Mexico.
- Management guided for double-digit revenue growth in Europe in FY27 while indicating the business has already achieved an EBITDA margin above 20%.
- The Advair launch through Lannett remains on track for Aug'26, with incremental growth primarily driven by new respiratory product launches.
- Management expects Lannett synergies through SG&A rationalization, procurement savings, and manufacturing transfers, with benefits likely over the next 9-12 months.
- Eugia is expected to deliver over USD500m in revenue in FY27, with single-digit growth.
- TheraNym Unit-1 is expected to begin qualification by Nov'26, with validation batches scheduled for CY27 and commercial revenue expected from CY28. Unit-2 remains on track for commissioning by end-CY29, with commercial revenue expected from CY31.
- Management reiterated its biosimilars roadmap, with the first three US biosimilar filings expected imminently, supporting its target of at least three commercial biosimilars in the US by 2030.
- The company reiterated its target of a 7-8 product biosimilar portfolio across Europe, the UK and Canada by FY29, backed by four approvals already received.
- Omalizumab remains on track for EMA filing in 3QCY26, while Denosumab (Prolia/Xgeva biosimilars) has been filed with the EMA/CHMP.

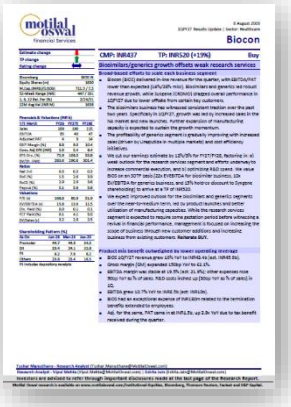
- The company expects Pen-G operations to achieve cost competitiveness by FY27-end, while MIP status is targeted by year-end. PLI incentives are expected in Sep'26 or Mar'27.
- The China OSD facility has manufacturing capacity of over 2bn tablets, with revenue targeted to increase to over INR2b annually by FY27-end/mid-FY28 from over INR500m in FY26.
- Lannett's capacity utilization currently stands at ~40%, with the company targeting higher utilization over the next 12 months without disclosing a target.
- Production at the China OSD facility has doubled over the past 12 months, aiding higher supplies to Europe and the commencement of supplies to the US.
- ETR is expected to normalize to 28-29% by the end of FY27.

Biocon — Buy

Current Price INR 414

Click below for
Detailed Concall Transcript &
Results Update





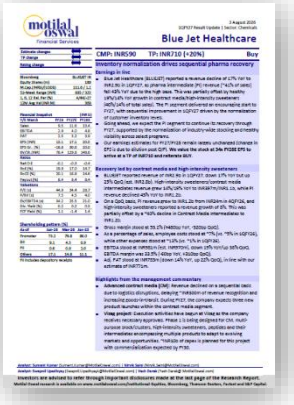
- BIOS reiterated FY27 consolidated EBITDA margin guidance of ~24-25% (mid-20s).
- Revenue growth in the Biosimilars segment is expected to accelerate in 2HFY27, led by Aflibercept/Denosumab/Ustekinumab/Bevacizumab and insulins across key markets.
- The second product line's approval at the Malaysian facility is expected to alleviate manufacturing capacity constraints and support future biosimilar scale-up.
- EBITDA margin in the generics segment is expected to expand in FY27, supported by new launches.
- Syngene is expected to report a single-digit revenue decline (INR terms) in FY27.
- Net debt increased this quarter due to higher working capital requirements, primarily inventory rather than incremental term debt.
- Inventory build-up reflects preparation for 2HFY27 biosimilar launches, with management expecting working capital to normalize by year-end.
- BIOS reiterated its strategy of prioritizing profitable growth over aggressive market share gains.
- BIOS is evaluating local partnerships in the US to support commercialization while not planning incremental manufacturing capex in the US.
- Legacy biosimilars (Fulphila/Trastuzumab/Insulin Glargine/Adalimumab) continue to deliver durable market share and margins.
- BIOS reiterated its plan to launch at least one new biosimilar annually in the US/Europe.

Bluejet Healthcare — Buy

Current Price INR 592

Click below for
Detailed Concall Transcript &
Results Update





Operational performance

- Revenue growth QoQ was driven by higher sales in PI and API categories.
- Operating leverage boosted margins.
- RM costs significantly increased (from Mar'26), impacting 1Q partially. RM pricing will be uncertain in the coming months. In CDMO, pass-throughs are not immediate and require few quarters.
- No major price increase was experienced in 1Q; price increase is offset by INR depreciation and the company will evaluate pass-through on a case-by-case basis after raw material prices stabilize.
- Gross margins declined QoQ due to the product mix and RM costs.

Capex and expansion strategy

- The R&D center at its Hyderabad facility is on track and expected to be operational by Aug'26. The first-phase talent pool is on-boarded. R&D will target many products, including GLP-1 and peptides.
- Mahad backward integration project is progressing well, with commercialization expected by 2HFY27 for CM intermediates. Currently it is slightly ahead of schedule. Most vertical integration players are helping to secure supply/quality. INR2.1b capex already incurred and more INR400m expected in coming months to complete phase 1. Select upstream products to select customers creating revenue opportunities over time.
- INR4b capex guided for FY27.

PI and advanced PI

- PI and API businesses showed good traction during 1QFY27. Customer inventory has normalized so re-supply has started now.
- Performance can be sustained for FY27.
- Production is happening consistently and order book visibility is strong.
- The company is qualified for international supply.
- Four products in Chronic therapy (Oncology, CNS) are in the pilot phase.

Advanced Contrast Media (CM)

- The company received three candidates for CM and HIS.
- Two high-conviction opportunities are expected to fructify with initial small validation or clinical-type quantities.
- CM revenue declined QoQ due to logistics disruption. However, goods-in-transit are higher (higher by INR300m than closing, which will be recognized in 2Q).
- Plant is operating at ~70% utilization.
- Commercial batches by 2Q end or 3Q beginning
- Customer orders are placed providing good visibility

High Intensity Sweeteners (HIS)

- Pilot activities for some HIS are going on in the existing facility.
- Scale-up of HIS will happen in Vizag facility.

CDMO pipeline

- Peptide fragments will be targeted for the first phase and then forward integration might be done for large CDMO players.
- The company is taking a cautious and selective approach to peptides due to the price-erosion risk.

Vizag project

- Vizag project execution activities have commenced with onboarding of technical consultants, and the company received approval for Consent to Establish.
- Statutory approvals are in place
- Phase 1 will be for CM, multi-purpose block/clusters, flexible capacities for lateral entries, new capacity for HIS, peptides and their intermediates.
- Facility will encompass multiple products to adapt to evolving market and opportunities. It is expected to be commercialized by FY30, with a ramp-up expected by FY31/32.
- Estimated capex of ~INR10b over the next three years with INR2.5b in FY27.

Others

- The company has a 51-commercialized portfolio as of date.
- Dividend for FY26 at INR1.2/share.
- QIP completed; accelerate for long-term strategy.
- Aims to be reliant CDMO manufacturer.
- 70% energy requirement from renewable sources.
- Ecovadis award received.
- Other operating income was driven by byproduct sales (more byproducts from PI & API) and export incentives (will depend on exports %).
- Other income increased due to forex gains/interest income (high investments).
- Asset T/O is currently higher due to high CWIP and depreciating assets.
- The company is tracking 20+ RFPs, which, if materialized, can diversify the portfolio in coming years.

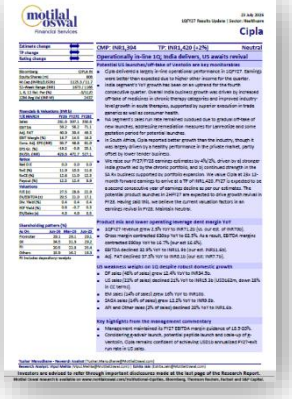
Cipla — Neutral

Current Price INR 1,416

- Management maintained its FY27 EBITDA margin guidance of 18.5-20%.
- Considering g-advair launch, potential peptide launch and scale-up of g-Ventolin, Cipla remains confident of achieving USD1b annualized FY27-exit run rate in US sales.
- Respiratory products are filed from US facility and another respiratory filing is from Goa site.
- Cipla is witnessing progressive growth in Yurpeak despite Semaglutide generics in the India market
- On the current MR base of 12k, Cipla does not intend to add MRs in FY27.
- Cipla added two brands in the INR1b+ annual sales category in 1QFY27.
- Cipla's partner is working on remediation measures to resolve regulatory issues with respect to lanreotide. Cipla is also working on an alternate site for manufacturing Lanreotide.
- The overall cost impact of the Middle East issue is 1-2% of revenue.
- Anchor and transitioned brands continue to grow bigger in the consumer health segment.
- Management highlighted that its anti-obesity portfolio continues to witness strong traction, with the business reaching ~INR800m in 1QFY27 and growing MoM. The company stated that it has become the No. 2 player in the category (after Mounjaro, as per IQVIA).

Click below for Detailed Concall Transcript & Results Update





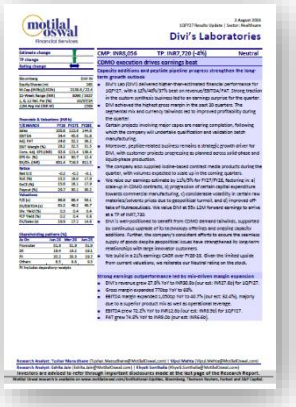
- Management clarified that the accounting change reduced reported revenue growth by ~200bp. Adjusted for the change, revenue growth would have been ~4% vs. the reported 2%, with the impact largely attributable to South Africa.
- Management attributed the South Africa decline primarily to lower tender sales following the loss of a tender last year, with the impact expected to continue over the coming quarters. The private market continued to outperform, delivering 6.5% secondary sales growth vs. 5.7% for the overall market, although reported growth was affected by currency movements and hedging.
- The company indicated focus on sustaining above-market growth in India, driving North America through new launches, outperforming the South African private market, and accelerating EMU growth while maintaining margins.
- R&D expenditure stood at INR4.9b (6.8% of revenue) during the quarter, primarily related to product filings and key development programs.

Divi's Lab — Neutral

Current Price INR 8,525

Click below for Detailed Concall Transcript & Results Update




Divi's Laboratories

- The generics: CS ratio in 1QFY27 revenue was 40:60. This implies 45% YoY growth in CS revenue and 6% YoY growth in generics revenue in 1QFY27. Divi garnered INR3b revenue in the nutraceutical business (+19% YoY).
- 1QFY27 CS revenue was driven by supplying validation batches for certain projects.
- DIVI has initiated supplies to one customer for-iodine based products (Contrast media), while supply to another customer is expected to begin in a few months.
- Three major capex programs are nearing completion, with ~70% (~INR20b) of the planned investment incurred to date.
- DIVI indicated a considerable increase in freight costs (both sea and air). In addition, the availability of containers requires careful planning and coordination to avoid delays.
- Accordingly, DIVI is building a strategic inventory buffer to ensure material availability. It is also continuously engaging with customers to evaluate commercially appropriate steps to address the increased costs.
- Management reiterated its guidance of double-digit revenue growth for FY27 but stated that quarterly performance could remain lumpy depending on the timing of customer validations, regulatory approvals, and the custom synthesis/generics mix.
- Management indicated that the FY27 gross margin is expected to be comparable to or slightly higher than FY26, while EBITDA margin is likely to remain similar to last year. This is subject to raw material cost fluctuations, currency tailwinds, and the segment mix.
- The Kakinada facility is currently being used for backward integration and pre-chemistry work to support innovator and generic projects. Management plans to obtain regulatory approvals for the facility over time, following which it will manufacture regulated products. Regulatory approvals are expected to take 1-2 years after project validation.
- Qualification and validation activities for several peptide fragments are expected over the coming quarters, alongside capacity expansion in solid-phase and liquid-phase peptide synthesis.

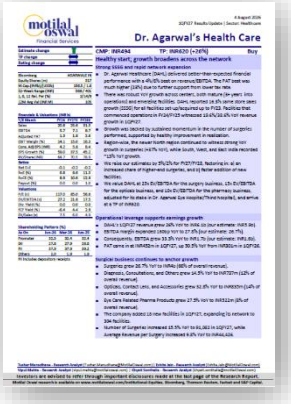
- The company has filed four peptide DMFs.
- Capacity utilization across the three manufacturing units stood at ~85%.
- Exports constituted ~90% of standalone revenue, with Europe and North America contributing 75% of exports.
- Assets worth INR4.5b were capitalized during the quarter, while capital work-in-progress stood at INR20.3b as of Jun'26.
- Inventory increased ~INR5b QoQ to INR44b.

Dr Agarwal's Health — Buy

Current Price INR 500

Click below for Detailed Concall Transcript & Results Update





- The 16% SSSG was equally driven by volume and value growth. Premiumization was the primary driver of higher realizations, while volume growth was driven by higher patient footfalls/OPD (6%) and by conversion to surgeries (2%).
- 18 new facilities included 1 tertiary facility in Thane and 15 secondary facilities (four in Maharashtra, two each in TN, Delhi, and Kerala, one each in Punjab, Rajasthan, Telangana, Andhra Pradesh, and Uttar Pradesh). DAHL launched primary facilities in J&K and Tamil Nadu.
- High-end surgeries formed 29% of total cataract surgeries for the quarter. The merger with Dr. Agarwal Eye Hospital is expected to be completed by mid-November.
- Leadership changes in Gujarat led to considerable revenue growth in Gujarat.
- There has been a strong recovery in revenue from the Punjab/Haryana facilities, which were impacted by floods in the previous year.
- DAHL remains on track to add 42 facilities during the remainder of FY27, with around 30 LOIs already signed.
- Management indicated healthy visibility on doctor additions for upcoming facilities, with recruitment and agreements already underway.
- DAHL expects volume growth to remain healthy in the near term, while value growth is likely to be driven by premiumization, adoption of newer technologies (including SINTA cataract), and increasing insurance penetration.
- Management expects gross margins to expand over time, supported by a richer procedure mix and higher adoption of advanced technologies.
- Facilities acquired up to FY23 (116 facilities) generated revenue of INR4.6b in 1QFY27, registering 16.3% YoY growth.
- The payor mix comprised 68% cash and 28% insurance, with the remaining coming from government schemes.

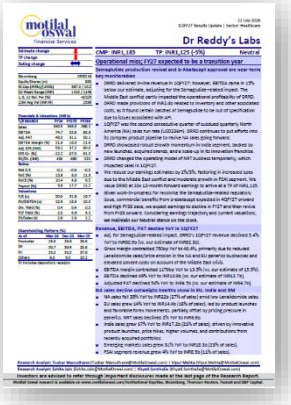
Dr Reddy's Labs — Neutral

Current Price INR 1,171

Click below for Detailed Concall Transcript & Results Update



- With respect to the Intravenous (IV) version of b-Abatacept, DRRD awaits plant inspection at Bacchupally. DRRD continues to work on the subcutaneous version.
- DRRD sold 180,000 Semaglutide pens before it stopped commercial production to address the issue related to API. It remains on track to resolve the issue and sell 6-7m pens in FY27.
- DRRD has sent all the relevant information related to Abatacept to USFDA. There is no further query from USFDA. The Goal date remains intact in mid-Dec'26.

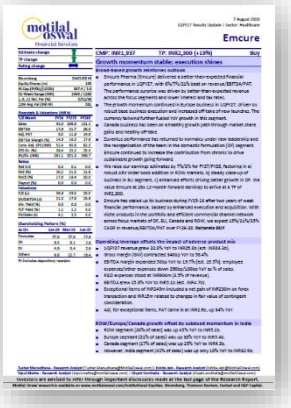


- While new product launches (including high-value and smaller products) have provided upside to US generics sales, which helped to offset price erosion in the ongoing base business.
- Considering the cash available, DRRD continues to evaluate deals to benefit in focus geographies, innovation and biosimilar.
- Excl. Semaglutide, overall gross margin was 49.4% in 1QFY27, with 53.8% in global generics and 12.9% in PSAI.
- Bosutinib had less than a month of supply in 1QFY27. DRRD has exclusivity on 400mg dosage.
- 25-30% of the manufacturing is from CMOs in US.
- 43 new products introduced across countries in 1QFY27.
- India business witnessed growth due to innovation franchise, new launches, acquired brands, pricing and volume growth. DRRD launched seven new brands in India.
- EBITDA margin impacted by 1% due to the Middle East conflict.
- ETR guidance at 24-25% for FY27.
- R&D guidance at 7-8% of sales for FY27, with investments focused on peptides,

Emcure®

Click below for Detailed Concall Transcript & Results Update





Emcure — Buy

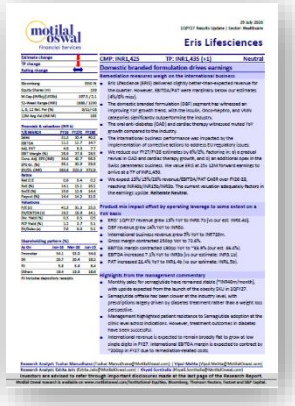
Current Price INR 1,895

- For FY27, Emcure has reiterated its low-to-mid teen revenue growth guidance and EBITDA margin expansion guidance of 70-100bp.
- Gross margin is expected to remain at ~59% for FY27 due to higher contribution from international markets.
- R&D spending is guided at 4-5% of revenue in FY27.
- More than 30-35% of revenue is now generated from products developed via Emcure's own R&D pipeline.
- Semaglutide Canada filing is expected in 2QFY27.
- Current, ARV contribution is two-thirds of ROW segment; it is expected to normalize to 50-55% for FY27.
- Organic India segment grew 6-7% YoY in 1QFY27.
- In-licensed portfolio continues to grow broadly in line with industry growth for 1QFY27.
- India segment growth was led by price (+4-5%) and new launches (1-2%) and the rest by volume.
- The currency benefit for international segment stood at 12-13% for 1QFY27.
- Currently, net debt stood at ~INR11b. Management targets complete debt repayment by FY28.
- Net debt is expected to increase to INR14.5b by 2QFY27 due to Mantra and Gennova-related payouts.
- Mr. Berjis Desai will retire as Chairman following his appointment to the National Commission for Minorities. Mr. Satish Mehta will assume the role of Chairman in addition to continuing as MD & CEO.
- Mr. Samit Mehta has been appointed as COO of Emcure.
- In Jul'26, Emcure acquired the remaining 12.05% stake in Gennova, making it a WOS. Mr. Samit has been appointed as the CEO of Gennova.

Eris Life Science — Neutral

Current Price INR 1,348

Click below for Detailed Concall Transcript & Results Update

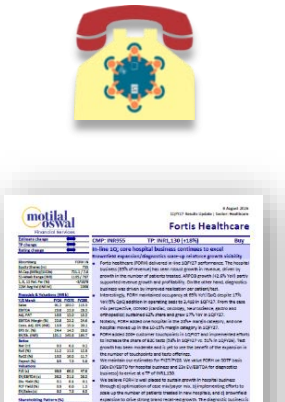


- Monthly sales for semaglutide have remained stable (~INR40m/month), with upside expected from the launch of the obesity SKU in 2QFY27.
- Semaglutide offtake has been slower at the industry level, with prescriptions largely driven by diabetes treatment rather than a weight loss perspective.
- Management highlighted patient resistance to Semaglutide adoption at the clinic level across indications. However, treatment outcomes in diabetes have been successful.
- International revenue is expected to remain broadly flat to grow at low single digits in FY27. International EBITDA margin is expected to contract by ~200bp in FY27 due to remediation-related costs.
- GM contraction was largely driven by the product mix, while solvent price fluctuations had a limited impact on gross margin.
- ERIS completed three engineering batches at its Bhopal biologics facility: Insulin Degludec/Degludec combination/Recombinant Semaglutide. Regulatory filings for these products are expected in 2QFY27.
- ERIS' total MR count currently stands at 4,000 and plans to increase it in 2HFY27.
- The company intends to file Insulin Aspart in 4QFY27.
- It witnessed OAD therapy YoY growth of 6% vs IPM YoY growth of 11%. Regulatory ban on Glimisave MV has impacted growth of this therapy. ERIS is implementing efforts through new launches and scaling up existing products to reach industry-level growth over the medium term.
- Management expects Cardiac therapy growth to converge with IPM growth over the next two quarters.

Fortis Healthcare — Buy

Current Price INR 911

Click below for Detailed Concall Transcript & Results Update



- EBITDA margins at Gleneagles continue to improve. Excluding the Mumbai hospitals, the company currently manages only five hospitals. The acquired operations are still in the stabilization phase, with management expecting at least one year for optimal utilization.
- Currently FMRI operates at EBITDA margin of ~25%.
- Provision for doubtful debts increased due to delay in collection from Govt/TPA.
- ESOP charges of INR400m/INR300m/INR250m per quarter in FY27/28/29.
- FORH highlighted elevated industry-wide employee attrition in competitive micro-markets such as Noida, driven by the entry of new hospitals and increased demand for healthcare professionals.
- FORH will continue to expand within existing geographic clusters to leverage operating synergies.

Other operational highlights

Hospital segment (85% of sales)

- Hospital EBITDA grew 16% YoY to INR4.7b for 1QFY27.
- Occupancy for 1QFY27 is 69%.
- ARPOB grew 2.7% YoY to INR27.1m in 1QFY27.
- ALOS increased to 4.19 days in 1QFY27.

Diagnostic segment (15% of sales)

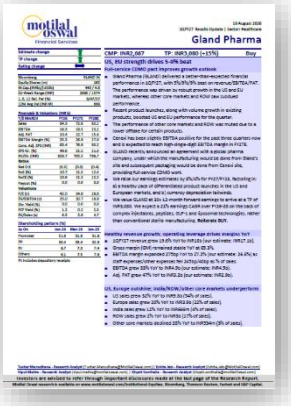
- Diagnostic EBITDA grew 14% YoY to INR970m for 1QFY27.
- During 1QFY27, Agilus conducted 10.46m tests vs. 10.13m in 1QFY26.
- ARPT grew 7% YoY to INR387 per test.
- ARPP grew 8% YoY to INR952 per patient in 1QFY27.
- Agilus added 200+ customer touchpoints to its network in 1QFY27.
- Agilus B2C: B2B revenue mix stood at 53:47 vs. 51:49 in 1QFY26.

Gland Pharma — Buy

Current Price INR 2,843

Click below for Detailed Concall Transcript & Results Update




Gland Pharma

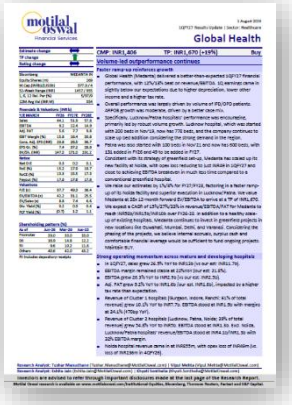
- GLAND guided for revenue growth of 15-16% YoY in FY27 in CC terms and aspires to achieve a 20% CAGR from FY28 onward over next four years.
- Revenue growth would be driven by the scale-up of recently signed contracts and a higher off-take of base products, supported by better capacity utilization.
- Base business (Ex-Cenexi) grew by 24% YoY. ~5% YoY growth in revenue was driven by favorable currency movements.
- While Gland already had an agreement in place with Neuland, the recent agreement adds 5-6 products and would require an additional manufacturing suite.
- Cenexi revenue/EBITDA stood at EUR48m (flat YoY)/EUR2m in 1QFY27.
- Technology transfer with respect to a recent strategic manufacturing agreement with a global MNC should begin from Sep'26, with the initial product basket to be transferred over 24 months.
- For the strategic agreement, ~60% of products are US-focused, 30-35% Europe and the balance RoW. Cenexi will support warehousing, packaging and the final release for select European products, enabling Gland to offer an end-to-end global supply solution.
- Gland plan to discontinue older ampoule lines at Fontenay and replace it with a new high-capacity line, expected to enter production in early 2027 and add annual capacity of ~30m.
- Capex during the quarter stood at INR1.1b.
- Reiterated Cenexi revenue guidance of ~EUR200m and high-single-digit EBITDA margin for FY27.
- Gland plans to spend capex of INR5.5b in FY27. Capex of ~INR1.6b is allocated for an isolated line in the oncology plant. Gland is adding a PFS line and an ophthalmology line at the Pashamylaram site to cater to increased volume demand.
- GLP-1 opportunity can pan out meaningfully from FY30 onward for Gland in the US and EU markets. Canada market could be an interesting opportunity next year onward.

Global Health — Buy

Current Price INR 1,419

Click below for Detailed Concall Transcript & Results Update





- During the quarter, 70+ doctors, including 50+ senior clinicians, were onboarded across specialties to strengthen clinical capabilities.
- Attrition at senior clinical levels was negligible.
- Volume of treated patients at Noida hospital was robust. Bed additions led to steady improvement in occupancy to 35-40%. The ex-Noida occupancy in Cluster 2 was strong at 66% for the quarter.
- The Guwahati project has been expanded to a 650-bed super-specialty hospital with a revised project cost of ~INR9.7b, aimed at improving access to tertiary and quaternary care across Northeast India.
- While there is a limitation on increasing the number of beds at Gurgaon, Medanta has increased the number of operating beds and cathlabs, thereby driving better growth prospects.
- Overall, Medanta is expected to add 490 beds in FY27 (72 added in 1QFY27).
- Construction is underway at the South Delhi hospital, while design, statutory approvals, and planning activities are progressing for the remaining expansion projects.
- Retail pharmacy and diagnostics remain a strategic extension of the Medanta ecosystem, with expansion focused on markets where the company already operates hospitals, particularly Uttar Pradesh and Bihar. Till date, Medanta has opened 13 retail pharmacy outside its network hospitals. Medanta intends to scale up its retail pharmacy network in UP/Bihar in the near to medium term.
- Medanta Lucknow has performed 1,000+ robotic-assisted joint replacement surgeries, highlighting the increasing adoption of advanced surgical technologies.
- Noida has already commissioned nearly all major specialties and high-end equipment, including robotic surgery, LINAC, ECMO, transplants (except liver), and advanced diagnostic infrastructure, with no significant incremental capex required for these services.

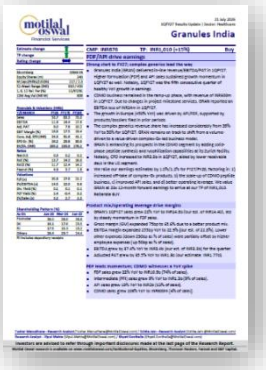
Granules India — Buy

Current Price INR 838

Click below for Detailed Concall Transcript & Results Update



- Management expects to sustain overall EBITDA margin at ~22-23%.
- GRAN plans 1-2 more controlled-substance launches over the next ~1.5-2 years.
- CDMO performance is expected to be stronger in 2HFY27 vs. 1HFY27. In 1Q, GRAN initiated three new customer projects and re-engaged with customers on two discontinued products, with one potentially being reactivated in FY27.
- CDMO business is expected to be PAT positive in FY27, with revenue targeted to reach ~USD50m by FY30.
- Higher opening inventory in the US insulated the 1QFY27 performance from geopolitical pressure.
- FY27 capex guidance remains at ~INR6b; INR890m was incurred in 1QFY27. Capex was relatively moderate as major investments at Genome Valley have largely been completed.

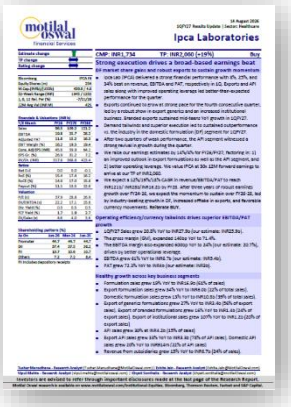

Granules India

- US facility is running at 70% utilization. While the mix is tilting toward high-value products, GRAN is expanding capacity to meet its production requirement for FY28.
- CFO increased to INR3.8b in 1QFY27, reducing receivable days and lowering incremental working capital needs.
- R&D spending is expected at ~5.5-6% of sales.
- GRAN has 50 dossiers awaiting approval across various geographies, with 26 being complex generics. Specifically, it filed five dossiers in 1QFY27.

IPCA Labs — Buy

Current Price INR 1,904

Click below for Detailed Concall Transcript & Results Update

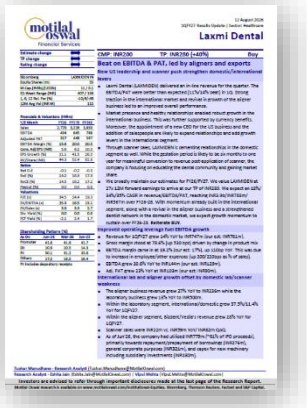

Ipca Laboratories

- Management upgraded its FY27 overall revenue growth guidance to 14–16% (vs. 12–13%), driven by stronger-than-expected performance in the Indian generics and API businesses.
- Management raised FY27 consolidated EBITDA margin guidance to ~23% (vs. ~22%).
- Management reiterated FY27 domestic business growth guidance of 12–13%.
- Management maintained Unichem's FY27 guidance of 10% revenue growth and 13% EBITDA margin, despite strong 1Q
- Management expects the US business to deliver sustainable growth of ~15–17% over the next few years, supported by the new launches and the regaining of market share in existing products.
- Management expects 7–8 US product launches and 4–5 ANDA filings annually, with these launches evenly split between IPCA and Unichem.
- India field force stands at ~7,000 medical representatives, with plans to add ~200 representatives during FY27 to support new divisions.
- Management does not expect margin pressure in the coming quarters despite anticipated API price increases, as material costs as a percentage of sales are expected to decline.
- Management plans to invest an additional ~INR1b in FY27 to expand biotech pilot facilities and strengthen R&D capabilities, with further capacity expansion likely over the next 1–2 years.
- Domestic business grew ~13%, led by urology (+25%), CNS (+19%), cardiovascular & anti-diabetes (+17%), dermatology (+17%), ophthalmology (+17%), and pain management (+13%).
- Chronic portfolio grew 17.2%, while acute portfolio increased 8.9% YoY; overall domestic growth was driven by ~5% volume growth, ~5% price growth, and ~2% contribution from new product launches.
- Institutional business growth benefited from ~INR400m of shipments deferred from Mar'26 to Apr'26.
- Unichem's US business grew 27% YoY, with its own portfolio growing 9% and the marketed portfolio delivering strong growth.

Laxmi Dental — Buy

Current Price INR 196

Click below for Detailed Concall Transcript & Results Update

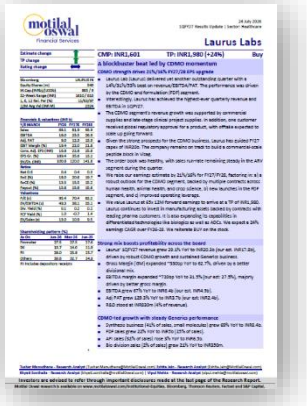


- LAXMIDEN reiterated 15-20% YoY revenue growth and 18-20% EBITDA margin for FY27.
- Management guided 800-1,000 scanner deployment in FY27.
- The company currently operates two domestic facilities, resulting in an annual rental expense ~INR20m. It has acquired a land parcel to eliminate rental costs over time and create capacity for future scale-up.
- The company plans to transition from the existing facilities to the new facilities in a phased manner, with management expecting minimal disruption and no material impact on revenue or productivity during the transition.
- The current aligner/lab average capacity utilization is 70%/90-95%.
- Education, training, and several other initiatives will not only offset competitive pressures but also drive superior growth in this segment.
- Current EBITDA margin of scanners: 15-20%
- Digital penetration at 75-80% in domestic business.
- No exclusive tie-ups with dentists, with trust being a key factor in dentists' choice of dental prosthesis; its global quality standards, robust processes, advanced technology and superior product quality serve as key differentiators.
- The company expects the domestic business to grow at a faster pace in the coming quarters, partly on the back of satellite labs being added to reduce the turnaround time.

Laurus Labs — Buy

Current Price INR 1,807

Click below for Detailed Concall Transcript & Results Update



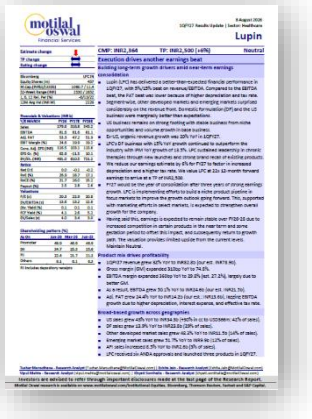
- Management raised its FY27 capex guidance to ~INR20b (vs. the initial guidance of ~INR15b), driven by incremental capacity investments to meet rising customer demand.
- The additional investments are earmarked for multiple human health and animal health programs, directed toward API/intermediate manufacturing capacity.
- Commercial-scale fermentation capacity (400+ KL) and downstream processing expansion remain on track for commissioning by end-CY26, with management expecting the precision fermentation business to witness a meaningful ramp-up over the next 12-18 months as multiple customer programs are commercialized.
- Management expects most of the non-commercial CDMO business (45% of revenue), currently driven by Phase III supplies, to transition into commercial manufacturing following regulatory approvals. One of the products has received global regulatory approval, driving the commercial scale-up of the contract.
- The oncology injectable facility under the Krka JV is expected to be operational by early CY27, followed by the oral solids facility in 2HCY27. The JV has invested ~INR4b to date and requires another ~INR4b, with a significant portion expected to be funded through partner loans.
- Laurus sign ed a development and commercialization agreement with Aarvik Therapeutics for two clinical-stage ADC molecules for the Indian market.

- The company onboarded a major global pharmaceutical client, creating a meaningful long-term growth opportunity.
- The final handover of the 500+ acre land parcel from the Andhra Pradesh government is in the final stages, supporting future capacity expansion.
- ARV revenue stood at INR6.7b in 1QFY27 (API: INR4.2b; FDF: INR2.5b).
- Laurus invested INR3.9b in capex during 1QFY27, largely funded through internal cash flows.
- Customer advances remained broadly unchanged versus FY26.

Lupin — Neutral

Current Price INR 2,220

Click below for Detailed Concall Transcript & Results Update



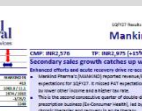
- LPC reiterated FY27 guidance of high-single-digit revenue growth with ~25% EBITDA margin.
- Management guided FY27 R&D spend at ~8% of sales and the effective tax rate at 27–28%.
- Management expects 10-20% growth in Europe, led by its product pipeline. South Africa is expected to grow at a relatively slower pace; double-digit growth is expected to continue across the RoW markets.
- Management guided FY27 US business revenue at USD1.1-1.2b.
- LPC expects quarterly US revenue of USD250-280m in the next few quarters, reflecting pricing and market share pressure in Tolvaptan and Mirabegron.
- Management indicated Tolvaptan competition will increase from 2Q, with Apotex and Teva entering the market and a potential fourth entrant by Sep'26, resulting in pricing pressure and market share redistribution, although the market may expand with ~40% generic conversion currently.
- Management expects the US business to return to its growth trajectory from FY28, aided by exclusive first-to-file opportunities, biosimilars and 505(b)(2) products.
- Management expects FDA approval for Apixaban 505(b)(2) in Sep'26 and commercial launch in summer CY27, with an expected 10–12-month exclusivity period before generic entrants in FY29.
- LPC plans to launch 50+ products in the US over the next three years, including 10 first-to-file opportunities, five biosimilars and 2-3 505(b)(2) products; 15+ filings are planned in FY27, including at least seven respiratory products, while Raltegravir is expected to be an exclusive launch in FY27.
- Management remains focused on increasing the contribution of complex products in the US, led by respiratory, complex injectables and biosimilars.
- Management highlighted stable pricing across the European portfolio and expects biosimilar growth to be supported by favorable regulatory developments in Germany and France.
- Management expects India formulations to outperform IPM by 1.2-1.3x, supported by a ~11,300-member prescription sales force and 80+ product launches over the next three years.
- Management indicated that only 3-4 of the 80+ planned launches over the next three years will be innovative products, while 60-70 innovative product launches are planned over the next 10 years.

- LPC targets chronic therapies to contribute 70% of the India portfolio over the next five years (vs. 67% currently) and novel proprietary products to contribute one-third of India revenue over the next 10 years.
- In-licensed products contributed ~6% of India business revenue in 1QFY27.
- India core prescription business grew 15.1% YoY (1.1x IPM) with 6.1% volume growth in 1QFY27.
- Management expects continued healthy growth in the India diabetes portfolio, supported by vial and oral semaglutide launches in 2HFY27, following the second consecutive quarter of 20%+ growth driven by human insulin and semaglutide injection.
- LPC delivered 20%+ organic growth in the ex-US business during 1QFY27.

Mankind Pharma — Buy

Current Price INR 2,391

Click below for Detailed Concall Transcript & Results Update



Mankind Pharma

- MANKIND reiterated its guidance of healthy double-digit YoY growth in the prescription segment for FY27.
- MANKIND indicated high-teen YoY growth in the BSV portfolio in FY27, supported by strategic measures.
- Given the softness in markets, the consumer health segment is expected to grow at high single digit to low double digits in FY27.
- MANKIND's covered market share has increased from 56% to 74% in anti-diabetes therapy.
- The company has maintained its GM guidance of 71% and EBITDA margin guidance of 25.5-26.5% for FY27.
- It witnessed 15.8% YoY growth in chronic therapies and 10.9% YoY growth in acute therapies in 1QFY27.
- The company intends to increase chronic share to 50% over the medium term.
- Finance cost reduced to INR1.1b in 1QFY27 from INR1.4b QoQ, largely driven by debt repayment (INR12.5b).
- The CFO-to-EBITDA ratio was lower at 77% due to elevated effective tax rate and higher working capital requirement on account of inventory.
- GM was up 230bp YoY, led by price increase, better sales mix towards chronic therapies, and favorable base effect of last year.
- MANKIND is working on increasing penetration in existing markets and new launches to drive the international market business of BSV.
- Net debt - INR34b, down INR5b QoQ.
- A couple of launches and currency tailwind supported exports (Ex-BSV) in 1QFY27.

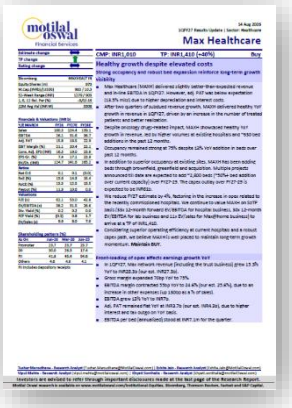
Max Healthcare — Buy

Current Price INR 996

Click below for Detailed Concall Transcript & Results Update

- Max Smart's commissioned beds are operating at ~80% occupancy, with EBITDA ramp-up expected to follow revenue growth over the next few quarters.
- Management expects insurance tariff negotiations/renewals in Sep'26/Oct'26 to provide a ~6% automatic price revision, as agreed in the previous negotiation.




Max Healthcare

- The recent rise in indirect costs was due to newly commissioned capacities at Mohali, Nanavati, Max Smart, and Bhubaneswar.
- Kalinga turnaround will focus on infrastructure renovation, technology upgrades and strengthening clinical programs over the next 12 months.
- MAXH expects to commission 100/400 beds in Nagpur/Mohali by FY28, 200/400 beds in Pitampura/Patparganj by FY29, and 260/270/450 beds in Dwarka/Nanavati/Pune by FY30.
- Oncology revenue is expected to start normalizing from 4QFY27, following the discontinuation of chemotherapy drugs.
- Max witnessed a sharper oncology impact due to its largest institutional business exposure. Management is consciously reducing its dependence on this structurally loss-making business.
- For the hospital business, ARPOB stood at INR81.9k (+5% YoY).
- Occupancy came in at 75% (vs 76%/75% in 1QFY26/4QFY26), with occupied bed days up by 10% YoY.
- IP volume grew 10% YoY and OP consults grew 12% YoY.
- The payor mix changed as: the self-pay revenue share decreased 130bp YoY to 32.5%. The insurance revenue share increased 200bp YoY to 37.8%.
- The international revenue share increased 20bp YoY to 8.8%.
- The institutional revenue share decreased 90bp YoY to 20.9%.
- Max Lab's revenue was INR580m (+20% YoY).
- Max Home's gross revenue was INR780m (+32% YoY).
- International patient revenue was INR2.5b (up by +18% YoY).
- Free cash from operations was INR4b vs. INR3.9b in 1QFY26 and INR5.8b in 4QFY26.

Other conference call highlights

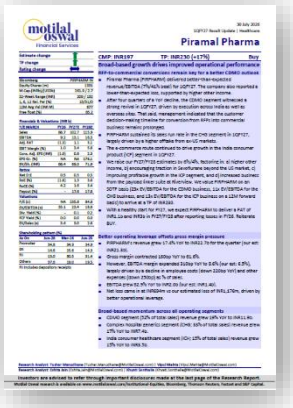
- Management expects working-capital intensity to normalize as collections from CGHS start improving.
- Max Institute of medical education trains over 12k healthcare professionals annually across 180 programs. It has planned a capex of ~INR3b for a 150-seat medical college.
- Existing land parcels across Delhi/Lucknow/Bhubaneswar provide scope to scale up the medical education business without building entirely new campuses.
- The company intends to fund its medical education expansion via internal accruals. It plans to introduce postgraduate medical courses alongside MBBS programs, with commercial operations expected to begin over the next few years.
- Management highlighted that the company's expansion strategy remains unchanged despite the Parliamentary Committee report.
- Net debt may increase marginally through FY27 as ongoing capex is funded through internal accruals and some incremental borrowing. Management guided 2.5x net debt/EBITDA.

Piramal Pharma — Buy

Current Price INR 210

Click below for Detailed Concall Transcript & Results Update



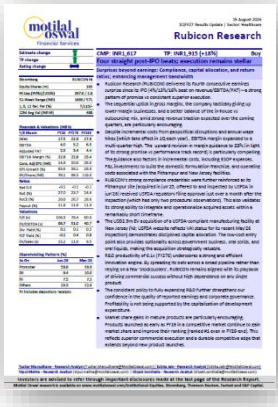


- Management maintained its guidance for the CDMO segment. It attributed the strong start to a higher opening order book and expects the business to remain 2H-weighted, while indicating that it may revisit the guidance after 2QFY27 results.
- Management also maintained its guidance for the Complex Hospital Generics segment. While competition from Chinese players persists, the company indicated that actions taken over the past year have started yielding results, particularly in RoW markets, supporting confidence in achieving its full-year guidance.
- Management reiterated its FY27 guidance of early-to-mid teens YoY revenue growth despite a robust 1QFY27 performance.
- The Riverview payload-linker expansion is now available for commercial use, with customer projects already underway. Management indicated a revenue potential of single-to-low-double-digit USD million over time.
- The CDMO revenue mix is geographically balanced, with ~48% generated from outside India and the balance from India.
- The company reiterated its FY27 capex guidance of USD120-135m. It had incurred ~USD21m of capex in 1QFY27.
- Capex is expected to accelerate through the year, in line with project timelines.
- The Lexington expansion remains on track for completion by end-CY27, with spending progressing as planned.
- The CHG business remains predominantly outside India, with only a small share reflected in the standalone entity.
- PIRPHARM commissioned a commercial-scale payload-linker manufacturing facility at Riverview, with advanced containment, automation, and analytical capabilities.
- The company indicated that the availability of overseas facilities alone is not enough to secure business in the CDMO segment. It is the combination of technology, capabilities, and consistent reach to customers that would drive business to PIRPHARM from large innovator customers.
- One of the potential large customer orders is not expected to revive in FY27. PIRPHARM is in continuous engagement with the customer to better understand the business outlook for the specific product.
- PIRPHARM has raised pricing in the ICP segment to combat input price inflation. It is also looking at measures to increase pricing in the CDMO space.
- Sterile injectable capacity expansion at the Lexington facility remains on track.
- Riverview and Lexington expansions are part of the USD90m capex program focused on expanding ADC manufacturing capabilities.
- The company entered a strategic collaboration with Ajinomoto Bio-Pharma Services to integrate site-specific conjugation technology with ADC manufacturing capabilities.
- The company signed a manufacturing and supply agreement with Botanix for development and commercial supply.

Rubicon Research — Buy

Current Price INR 1,798

Click below for Results Update



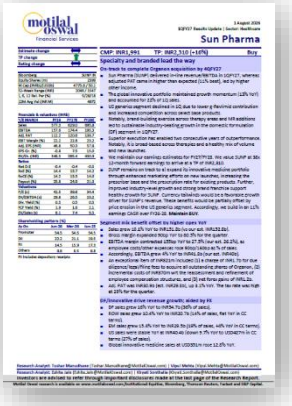
- Management revised FY27 EBITDA margin guidance upward to ~23% (vs. earlier 22-23%), despite incremental costs from ESOPs, commercial investments, and pre-revenue expenses for the NJ and Pitampura facilities.
- Management reiterated its INR5b R&D investment plan over FY26-FY27 and 1QFY28. The company has spent INR2.5b over the first five quarters and remains on track to achieve the targeted spend by 1QFY28.
- Arinna acquisition contributed ~INR120m of revenue in 1QFY27 with no material EBITDA impact, marking the first full quarter following the acquisition completed in Apr'26.
- Management indicated that the US manufacturing facility provides the ability to: a) cater to demand from US government departments, b) maintain close proximity to customers, and c) focus on specialty, high-value products.
- The portfolio approach drives the need for manufacturing capacity/capabilities, with capex likely to lag sales growth. Accordingly, the company may initially require outsourcing, which would be followed by in-house manufacturing.
- Rohit Saraogi has joined RUBICON as CFO, bringing strong experience and a proven track record in companies like Marico, Rickett Benckiser, United Beverages, SH Kelkar, and Vini cosmetics. Nitin Jajodia will transition from CFO to CCO upon the successful transition of the CFO role to Rohit Saraogi.
- Considering the acquisitions of the R&D lab (Canada) and manufacturing facilities at Satara and NJ, the M&A philosophy remains intact, with a clear focus on creating long-term value for the overall business.
- Net working capital stood at 114 days as of Jun'26 (vs. 126 days as of Mar'26); management maintained its FY27 guidance of 125-130 days.
- Management indicated that the US pricing environment remains stable, supported by its focus on specialty and differentiated products.
- Management indicated that both R&D and manufacturing investments will remain portfolio-led, with a diversified product pipeline, expansion into niche dosage forms, capacity additions, and multi-site manufacturing to enhance risk diversification and business continuity.

Sun Pharma — Buy

Current Price INR 1,898

Click below for Detailed Concall Transcript & Results Update

- SUNP reiterated high-single-digit revenue growth guidance for FY27.
- With respect to Unloxcyt, SUNP has implemented efforts to add the product in the majority of hospital formularies. Having said this, the key influencers are oncologists and dermatologists and SUNP is putting efforts to increase its prescriber and prescription bases.
- The Organon acquisition has been recently approved by Organon shareholders. The overall process is expected to be completed by 4QFY27.
- The global innovative portfolio's performance was driven by healthy traction in the US and non-US markets.
- US sales growth was impacted by reduced business of g-Revlimid and increased competition in certain base products.



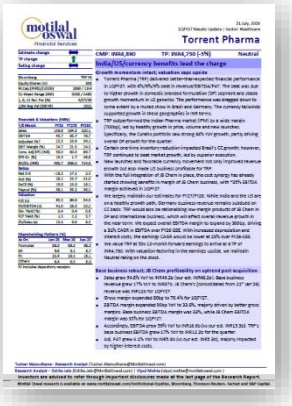
- For DF segment, new prescriptions, enhanced brand-building exercise across therapy areas and MR additions have led to sustainable industry-beating growth in 1QFY27 as well.
- Innovative medicines accounted for ~30% of 1Q R&D spend, while the remaining ~70% was directed to generics and India-related product development.
- ETR for FY27 is expected to be in the similar range as in 1QFY27.
- The intent to out-license MM-II is because of its likely prescriptions by Ortho and rheumatologists. SUNP does not have marketing presence in these therapies currently.
- SUNP has received approvals for a generic semaglutide injection for Type-2 diabetes in South Africa/Brazil. The product has already been commercialized in South Africa, while Brazil launch via partner is expected shortly.
- SUNP delivered 5.4% volume growth vs. ~2% for IPM during the quarter.
- Higher employee expenses reflect annual increments, incremental US field-force investments for LEQSELVI/ Unloxcyt and field-force additions in select ex-US markets.

Torrent Pharma — Neutral

Current Price INR 5,013

Click below for Detailed Concall Transcript & Results Update





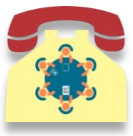
- Management reiterated double-digit revenue growth for the combined India (JB) business in FY27, while the international business of JB Chem is expected to recover after integration-related changes.
- Cost synergies from JB Chem acquisition are tracking ahead of plan, with management indicating FY27 synergy realization to exceed the initial INR900m target and surpass INR1.0b.
- The JB CDMO business remains unaffected by the integration and is expected to deliver high single-digit to low double-digit CC growth in FY27.
- Management expects minor, temporary revenue disruption over the next 2-3 quarters due to JB Chem brand consolidation in India and portfolio rationalization in select international markets. Sales are expected to normalize and revive after the integration.
- The combined India field force stood at ~9,400 representatives (TRP: ~7,200; JB: ~2,200) as of 1QFY27 end. Restructuring MRs would be the key activity in FY27.
- JB's field force attrition declined to ~16% in Jun'26 from ~30% pre-acquisition.
- US business reported USD44m revenue (+23% YoY CC) in 1QFY27, driven by successful new launches and select one-time opportunities.
- Germany business reported EUR29m revenue (-9% YoY CC), impacted by third-party supply disruptions and lower tender uptake during the quarter.
- Brazil business was impacted by channel inventory correction; excluding this, management indicated the business would have delivered 15-18% CC growth in 1QFY27. Growth is expected to normalize to the mid-teens from 2QFY27 as channel inventory normalizes.
- TRP's Semaglutide franchise captured a 36% market share in India during 1QFY27 across oral and injectable formulations.
- Injectable Semaglutide faced a temporary supply disruption due to a manufacturing partner issue. Management has secured an alternate supply source and expects all SKUs to be back in the market by end-Aug'26. While sales will be impacted in Jul-Aug'26, management expects a rapid market share recovery supported by strong brand equity.

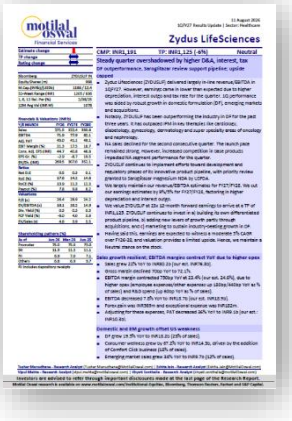
- The supply issue does not affect oral Semaglutide or reusable pen SKUs, which generated ~INR500m sales in 1QFY27 and were on track to achieve the INR2.5b FY27 sales target prior to the disruption.
- Semaglutide filing in Brazil remains under regulatory review. Management noted that the regulator is expediting Semaglutide approvals for multiple filers.

Zydus Lifesciences — Neutral

Current Price INR 1,105

Click below for Detailed Concall Transcript & Results Update




Zydus LifeSciences

- ZYDUSLIF reiterated FY27 guidance of strong double-digit revenue growth with an EBITDA margin of ~24%.
- Management expects the India business to deliver mid-teen growth, outperforming the IPM by 300-500bp, while international markets are expected to sustain double-digit growth and the US business to maintain single-digit growth.
- Comfort Click business is expected to deliver strong double-digit growth in FY27, while the consumer business is guided to report double-digit growth.
- Quarterly other expenses (ex-R&D) are expected to remain at INR19-20b, with higher 2HFY27 spending driven by acquisition-related investments. It maintains the EBITDA margin guidance.
- The chronic and sub-chronic portfolio accounted for 54.2% of DF sales, expanding 360bp over the last four years.
- Branded products contributed over 55% of consolidated revenue in 1QFY27 and are expected to exceed two-thirds of total revenue in the medium term.
- ZYDUSLIF plans to launch 30-40 products in the US during FY27, with 11 launched in 1QFY27.
- The branded portfolio contributed 10% of US revenue in 1QFY27 (excluding the recently acquired Assertio portfolio) and the contribution is expected to increase to ~15% as Assertio is consolidated.
- The rare disease portfolio is generating an annual revenue run rate of ~USD60m, while the remaining branded US revenue is contributed by a portfolio of five products.
- Rolvedon is tracking in line with expectations and is expected to achieve a quarterly revenue run rate of USD15-20m from 2QFY27.
- Management targets an Apr'27 launch for Saroglitazar in PBC, with the first 2-3 years focused on commercial investments and market building. Management expects limited revenue contributions in the first year, with a stronger ramp-up in the second and third years, and reiterates a conservative peak sales potential of USD200-300m, with upside potential of USD400m+.
- Management expects the US biosimilars business to scale up meaningfully from CY29.
- Management indicated higher depreciation and amortization would be primarily driven by acquisitions and Mirabegron settlement-related licensing amortization, with the latter expected to continue until 1QFY28 and conclude in 2QFY28.
- FY27 capex guidance was maintained at INR15-16b.

LOGISTICS



- **The logistics sector maintained healthy volume momentum in 1QFY27, supported by general price hikes and higher fuel-cost pass-throughs. The full impact of fuel price hikes is expected from 2QFY27, with companies indicating confidence in sustaining volumes as these are largely pass-through costs. Rail logistics remained subdued in volumes and realizations, although the completion of DFC connectivity is expected to drive a revival through double-stack container movement and support growth from FY27, with companies prioritizing profitability over low-margin volumes. In ports, Adani Ports witnessed muted domestic volumes due to the West Asia crisis and temporary disruptions at select ports, but expects recovery in the coming quarters. JSW Infrastructure saw volumes impacted by lower Fujairah terminal volumes, partly offset by higher anchor cargo, and now expects FY27 volumes to remain muted at ~127mt, while retaining its revenue and EBITDA guidance.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	FY27 outlook	1QFY27 highlights
Adani Ports & SEZ Ltd	▪ Management has maintained its revenue and EBITDA guidance of INR430-450b and INR250-260b, respectively, for FY27.	▪ APSEZ reported revenue growth of ~19% YoY to INR108b in 1QFY27. Cargo volumes grew 15% YoY to 138.1mmt, driven by international volume. ▪ EBITDA margin came in at 60.4% vs. our estimate of 57.8% (+20bp YoY, +430bp QoQ). EBITDA grew ~19% YoY to INR65b, while APAT increased ~10% YoY to INR37b. ▪ Its all-India cargo market share stood at 27.6% in 1QFY27 (vs. 27.8% in 1QFY26). Its container segment market share stood at 44.8% (vs 45.2% in 1QFY26).
JSW Infrastructure	▪ Management has provided the cargo volume outlook of ~127mt for FY27 after factoring in lower Fujairah volumes. ▪ Management maintained its FY27 guidance of achieving revenue of INR68.5b and EBITDA of INR30b. It expects acceleration in both revenue and EBITDA in FY28, driven by the operationalization of newly expanded capacities. ▪ In FY28, JSWINFRA expects Ports/Logistics revenue of INR80b/INR28 and EBITDA of INR43b/INR7b.	▪ JSW Infrastructure's (JSWINFRA) consolidated revenue grew 18% YoY to INR14.4b. During 1QFY27, the company handled cargo volumes of 31 MMT in 1QFY27, up 6% YoY. Volume growth was hit by lower throughput at the Fujairah terminal due to the ongoing Middle East crisis. ▪ EBITDA grew 16% YoY to INR6.7b. EBITDA margin stood at 46.6% (vs. our estimate of 45.9%). The margin contracted ~90bp YoY and~390bp QoQ. ▪ APAT declined ~2% YoY to INR3.5b.
Delhivery	▪ Management expects to sustain the strong trend in the express business going forward. Revenue growth is likely to be driven by Express Parcel and PTL, with SCS and new services to contribute in subsequent quarters. ▪ The company expects ~20-30% growth in Express volumes and ~18-22% growth in PTL volumes in FY27. Over the medium term, management expects Express volumes to grow ~15-20% annually, while PTL volumes are expected to grow ~20% annually.	▪ Delhivery reported a 28% YoY increase in revenue to INR29.3b in 1QFY27. ▪ EBITDA declined 4.5% YoY to ~INR1.4b, while EBITDA margins stood at 4.9%, down 160bp YoY and 260bp QoQ. ▪ EBITDA margin was impacted by higher labor costs following minimum wage and higher fuel costs due to a one-month lag in the fuel cost pass-through mechanism. ▪ APAT stood at INR319m vs. INR911m in 1QFY26.
Container Corporation	▪ For FY27, CCRI has revised its guidance upwards to 18% growth in total volume (15%/25% growth in EXIM/domestic volumes). ▪ Management has guided for strong revenue growth, targeting ~INR150b in FY29, driven by robust traction in EXIM and domestic segments. EXIM revenue is expected to post 15% CAGR through FY29, aided by WDFC commissioning, ramp-up in double-stack volumes from Ahmedabad and Jodhpur, and throughput from new terminals at Mandalgarh, Jajpur, and Kadakola. Domestic revenue is guided to clock ~20% CAGR through FY29, led by incremental volumes from cement tank container contracts with UltraTech, JK Cement, and Adani Cement.	▪ CCRI's revenue stood flat YoY at INR21.5b during 1QFY27. Total volumes grew 9% YoY to 1.4m TEUs, with EXIM/domestic volumes at 0.107m/0.33m TEUs, (+10%/ +6% YoY). Blended realization fell by ~8% YoY to INR15,333/TEU. EXIM/domestic realization stood at INR13,409/INR21,460 per TEU (-7%/-9% YoY). ▪ EBITDA margin came in at 20.2%. EBITDA rose by 2% YoY to INR4.3b. APAT rose by 8% YoY to INR2.7b, in line with soft operating performance ▪ Land license fee for 1QFY27 stood at INR1.12b. The Board has declared a dividend of INR1.6 per equity share, amounting to INR1.2b.
Transport Corporation	▪ TRPC maintains its consolidated revenue and profit growth guidance in the range of 10-12% for FY27. ▪ In FY26, the company reported capex of ~INR3.7b and plans to invest ~INR6b in FY27, with ~INR2.4b to be used for ships.	▪ Revenue grew ~10% YoY to ~INR12.5b in 1QFY27 ▪ EBITDA margin came in at 10.8% in 1QFY27 (+20bp YoY and flat QoQ). ▪ EBITDA grew ~12% YoY at INR1.35b, while APAT was flat YoY at ~INR1.05b. ▪ EBIT margins for the Freight, Supply Chain, and Seaways divisions stood at 2.2%, 5.5%, and 34.7%, respectively, in 1QFY27. EBIT margins for the Seaways, Freight, and

		Supply Chain businesses contracted 220bp, 20bp, and 10bp YoY, respectively
Blue Dart Exp	■ Management has not given a specific future growth number. However, it indicated that as the industry grows, BDE expects to play a bigger role, especially in the e-commerce and SME-driven B2C segments. ■ BDE expects margins to expand as a result of yield improvement and network efficiencies rather than operating leverage. ■ Growth in the B2C ground express segment may fluctuate based on economic and demand conditions, but BDE is leveraging India's improving ground infrastructure, such as better roads, to command stronger pricing in this segment.	■ BDE's revenue grew ~15% YoY to INR16.5b in 1QFY27. ■ EBITDA margin came in at 10.3% in 1QFY27 (up 340bp YoY and 220bp QoQ). EBITDA jumped ~70% YoY on account of a low base to INR1.7b. ■ APAT was INR867m vs. INR469m in 1QFY26. ■ 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
Mahindra Logistics	■ MLL guided for continued focus on profitable growth, driven by pricing discipline and cost control. ■ Last-mile delivery is on a path to recovery and is expected to improve gradually going forward, as all pruning actions have been completed in FY26, positioning the business for a return to growth.	■ MLL's revenue grew ~23% YoY to ~INR20b in 1QFY27. ■ EBITDA margin was in line and stood at 5.8% (up 110bp YoY/down 50bp QoQ). ■ EBITDA grew ~51% YoY to INR1154m. ■ Adjusted profit stood at INR254m vs. adjusted net loss of INR108m in 1QFY26.
TCI Express	■ For FY27, management has guided for 11-12% volume growth, with revenue growth of 13-15% YoY. ■ Management expects 100-150bp improvement in EBITDA margin in FY27, driven by cost optimization, higher automation benefits, and price hikes. ■ Multimodal revenue share is targeted to rise from 17-18% currently to 20-22% in the next 2-3 years.	■ TCIE's 1QFY27 revenue grew 9% YoY to INR3.1b (in-line). ■ EBITDA stood at INR336m (+12% YoY), 5% above our estimate. EBITDA margin came in at 10.8% in 1QFY27 vs. our estimate of 10.4%. ■ APAT rose ~7% YoY to INR224m vs our estimate of INR218m. ■ In 1QFY27, volumes grew 7% YoY to 0.25m tons.
VRL Logistics	■ Management expects FY27 volume growth of ~8%, driven by higher tonnage from existing customers and the onboarding of new clients, while realizations are expected to remain stable at ~INR8,600/ton.	■ VRL's 1QFY27 revenue grew 18% YoY to INR8.8b. ■ EBITDA rose 23% YoY to INR1.87b. ■ EBITDA margin stood at 21.2% (+80bp YoY and +40bp QoQ). ■ APAT increased to INR805m from INR500m in 1QFY26. ■ 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

adani | Ports and Logistics

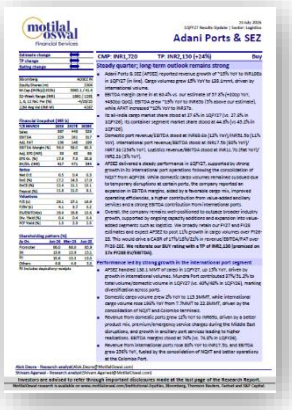
Adani Ports & SEZ — Buy

Current Price INR 1,680

Operational highlights

- APSEZ handled 138.1 MMT of cargo in 1QFY27, up 15% YoY, driven by growth in international volumes. Mundra Port contributed 37%/51.2% to total volume/domestic volume in 1QFY27 (vs. 40%/48% in 1QFY26), marking diversification across ports.
- Its all-India cargo market share stood at 27.6% (vs 27.8% in 1QFY26). Its container segment market share stood at 44.8% (vs 45.2% in 1QFY26).
- Domestic cargo volume grew 2% YoY to 115.3MMT, while international cargo volume rose 196% YoY from 7.7MMT to 22.8MMT, driven by the consolidation of NQXT and Colombo terminals.
- Net debt-to-EBITDA ratio was 1.9x as of Jun'26. The average debt was 5.1 years.
- Cash and equivalents stood at INR124b, with gross debt of INR567b as of Jun'26.

Click below for Results Update



Ports

- Revenue from domestic ports grew 12% YoY to INR69b, driven by a better product mix, premium/emergency service charges during the Middle East disruptions, and growth in ancillary port services leading to higher realizations. EBITDA margins stood at 74% (vs. 74.8% in 1QFY26).
- Krishnapatnam volumes were impacted by the temporary shutdown of a key customer plant, leading to a loss of around 2-2.5 MMT during the quarter. Management expects recovery after the plant resumes operations.
- Mundra registered 7% volume growth after recovery in imported coal volumes as a major customer power plant resumed operations.
- Middle East disruptions significantly affected container operations in April-May.
- APSEZ and Mediterranean Shipping (MSC) group's terminal arm, Terminal Investment (TiL), announced a definitive agreement, under which TiL will invest for 49% interest in Adani Vizhinjam Port (AVPPL). TiL will invest USD1.397b, equivalent to its proportionate 49% share of USD 2.85bn. The partnership enhances volume visibility and accelerates ramp-up at Vizhinjam port, supported by incremental cargo volumes.
- APSEZ has secured a 10-year marine services contract for Argentina's first LNG export to India.
- APSEZ has entered into a share purchase agreement with Jaiprakash Associates (JAL) to acquire a 100% stake in Jaypee Fertilizers & Industries to gain control of approximately 243 acres of land in Kanpur, which it plans to develop into logistics parks and warehousing facilities, strengthening its inland logistics presence in North India.
- Dhamra has completed the mechanization of BB-4 Phase-1 and successfully commissioned it in Jun'26.
- APSEZ commenced Phase 2 construction at Vizhinjam port, scheduled for completion by Dec'28. The construction will expand Vizhinjam port's capacity to 5.7m TEUs from the current 1.6m TEUs. Total capex is estimated to be ~INR160b.
- International ports: Revenue rose 80% YoY to INR17.5b, and EBITDA grew 256% YoY, fueled by the consolidation of NQXT and better operations at the Colombo Port. EBITDA margins rose to 41.8% in 1QFY27 vs. 21.1% in 1QFY26, driven by higher margins in NQXT and Colombo.
- Israel remains the swing factor for international margins due to the ongoing geopolitical situation.

Logistics business

- Logistics revenue was flat YoY at INR11.7b, impacted by lower rail volume by 19% due to the ongoing Middle East crisis, while asset-light trucking and international freight network service revenue rose 26% YoY and 28% QoQ (representing 53% of 1QFY27 logistics revenue vs. 50% in Q1 FY26). RoCE rose 10% in FY26 vs. 6% in FY25.
- APSEZ handled 0.14m TEUs of container rail volume (-19% YoY) and ~5.3 MMT GPWIS volume (-7% YoY).
- Rail logistics service was impacted by weak Morbi tile exports and cargo shifting from containers to breakbulk because of higher freight costs.

- Trucking revenue stood at INR4.2b vs. INR.4b in 1QFY26, while EBITDA stood at INR250m vs. INR160m in 1QFY26, and margin stood at 5.9% vs. 4.8% in 1QFY26.
- During the quarter, APSEZ strengthened its integrated logistics platform by launching domestic dwarf containers, commencing its first dedicated reefer train from ICD Virochannagar to Mundra, expanding its agri-silo network to 37 facilities (~1.88 MMT capacity), and enhancing marine capabilities through an agreement to build four ASD tugboats.

Marine

- Marine business revenue grew by 67% YoY to INR9b, while EBITDA grew by 6% YoY to INR4b, driven by an increase in vessel count from 118 (Jun'24) to 135 (Jun'26). The ramp-up reflects APSEZ's aggressive expansion and consolidation in marine services.
- Historically, marine EBITDA margins have been around 55%; management expects margins to gradually return toward those levels as conditions normalize.
- Marine business RoCE stood at 13% in FY26.
- Expanded geographical presence to West Africa via en bloc purchase of four platform supply vessels (PSVs) and one workboat.
- APSEZ also focuses on expanding its marine operations globally, with projects in various regions contributing to both revenue and operational efficiency.

Guidance

- Management has maintained its revenue and EBITDA guidance of INR430-450b and INR250-260b, respectively, for FY27.

Capex guidance

- The company has planned FY27 capex of INR120–140b to support ongoing expansion across Vizhinjam, Mundra, CWIT Colombo, Dhamra, Ennore, and Kattupalli ports, while the investment will also be directed toward agri-silos and warehousing capacity expansion, and augmentation of the marine and trucking fleet.

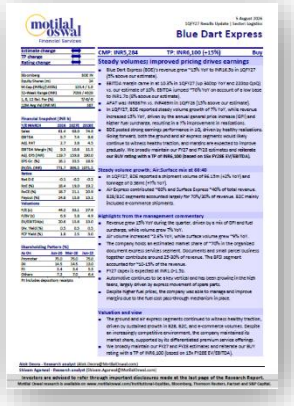
Blue Dart Express — Buy

Current Price INR 5,065

Volume and other highlights

- In 1QFY27, BDE handled shipment volumes of 96.15m parcels and tonnage of 0.36mt.
- Revenue grew 15% YoY during the quarter, driven by a mix of GPI and fuel surcharge, while volume grew 7% YoY.
- EBITDA margin stood at 10.3% and rose 340bp YoY on a low base.
- The company's revenue mix remained stable, with Air Express contributing ~60% and Surface Express ~40% of total revenue, while the B2B/B2C segments accounted largely for 70%/30%.
- Volume mix between air and surface is 25:75 due to heavy tonnage movement in surface.
- 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. BFSI segment accounted for ~10-15% of the revenue.
- Air volume increased ~2.6% YoY, while surface volume grew ~9% YoY.

Click below for Results Update


Blue Dart Express

- 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.

Operations

- Aircraft utilization remained steady at ~85%. The company continues to optimize cargo movement through a mix of owned and commercial aircraft, with 30%-40% of cargo currently transported via commercial planes.
- FY27 standalone capex is expected at INR 1b to 1.5b.
- BDE's service quality continues to be a key differentiator, particularly in the document segment, which contributes around 25-30% of revenue through high-volume document handling. Meanwhile, B2B parcel volumes continue to show steady growth with minimal volatility.

Guidance

- Management has refrained from assigning a specific future growth number. However, it indicated that as the industry grows, the company expects to play a bigger role, especially in the e-commerce and SME-driven B2C segments.
- The company expects margins to expand as a result of yield improvement, cost rationalization, product mix optimization, and network efficiencies.
- Growth in the B2C ground express segment may fluctuate based on economic and demand conditions, but BDE is leveraging India's improving ground infrastructure, such as better roads, to command stronger pricing in this segment.

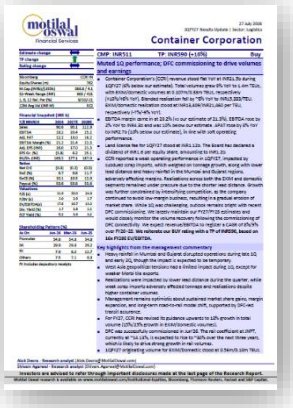
Container Corp — Buy

Current Price INR 514

Operational highlights

- In 1QFY27, CCRI reported 9% YoY growth in total volumes to 1.4m TEUs, led by 10%/6% growth in EXIM/domestic volumes to 0.107m/0.33m TEUs, respectively. However, revenue was flat YoY at INR21.5b due to an 8% YoY dip in blended realization to INR15,333/TEU. This was attributed to a continuous decline in domestic and EXIM realizations, which were the lowest since FY12.
- Realizations were impacted by lower lead distance during the quarter, while weak scrap imports adversely affected tonnage and realizations despite higher container volumes.
- Heavy rainfall in Mumbai and Gujarat disrupted operations during late 1Q and early 2Q, though the impact is expected to be temporary.
- West Asia geopolitical tensions had limited impact during 1Q, except for weaker Morbi tile exports.
- Management remains optimistic about sustained market share gains, margin expansion, and long-term road-to-rail modal shift, supported by DFC-led transit assurance.
- DFC was successfully commissioned in Jun'26. The rail coefficient at JNPT, currently at ~14.13%, is expected to rise to ~30% over the next three years, which is likely to drive strong growth in rail volumes.
- Management clarified that it continues to avoid low-margin business, prioritizing profitability over volume growth.
- CCRI's land license fee (LLF) stood at INR1.12b in 1QFY27.

Click below for Results Update


Container Corporation

- The company targets 100 terminals and 70,000 containers by 2028.

Volumes

- EXIM volumes stood at 0.107m TEUs (+10% YoY) and domestic at 0.33m TEUs (+6% YoY). EXIM realization fell 7% YoY to INR13,409/TEU, while domestic realization fell 9% YoY to INR21,460/TEU.
- The originating volume for EXIM/domestic stood at 0.56m/0.10m TEUs.
- Rail freight margin stood at 27.81%.
- Plans to launch assured transit services between JNPT and North India from October 2026 are expected to accelerate road-to-rail cargo conversion.
- In 1QFY27, the company reported a market share of 54.0% in EXIM (up 90bp YoY) and 58.7% in the domestic segment (up 370bp YoY), taking the overall market share to 55.2%. While market share improved during the quarter, it has witnessed a marginal decline over the longer term due to the company's conscious strategy of avoiding low-margin business. Nevertheless, the gradual erosion also reflects intensifying competition from private players across the industry.
- Management sees a significant opportunity in cement container transport, as only ~10% of cement is currently transported by rail, with the balance moving by road. The company has signed MoUs with Ultratech and Adani Cement to transport 100,000 tons of cement per month, with each of them to tap this opportunity.

Other highlights

- Nepal volumes rose 61% YoY in 1QFY27, supported by an increase in train movements from 69 to 111. The company also commenced services to Biratnagar (via Jogbani), alongside the existing Birgunj route, further expanding its cross-border logistics network.
- CCRI had signed an MOU for developing and managing Common Rail handling operations at Vadhavn port, which is expected to get commissioned by 2030. Total project investment amounts to ~INR5b.
- The company's capex guidance for FY27 stands at INR9.45b.
- Market share as of June'26: JNPT – 62.6%, Mundra – 34%, Pipavav – 48.2%. The market share in Mundra declined due to increased competition.

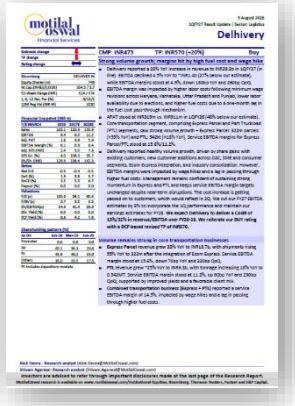
Guidance

- For FY27, CCRI has revised its guidance upwards to 18% growth in total volume (15%/25% growth in EXIM/domestic volumes).
- Management has guided for strong revenue growth, targeting ~INR150b in FY29, driven by robust traction in both EXIM and domestic segments. EXIM revenue is expected to expand at ~15% CAGR through FY29, supported by WDFC commissioning, ramp-up in double-stack volumes from Ahmedabad and Jodhpur, and throughput from new terminals at Mandalgarh, Jajpur, and Kadakola. Domestic revenue is guided to expand at ~20% CAGR through FY29, aided by incremental volumes from cement tank container contracts with UltraTech, JK Cement, and Adani Cement.
- DFC was successfully commissioned in Jun'26. This is expected to significantly enhance volumes, particularly by shifting light cargo from road to rail.

DELHIVERY

Click below for
Detailed Concall Transcript &
Results Update





Delhivery — Buy

Current Price INR 448

Operational highlights

- In 1QFY27, volume growth was strong, though EBITDA margins took a hit. EBITDA margin was impacted by higher labor costs following minimum wage revisions across Haryana, Karnataka, Uttar Pradesh and Punjab, lower labor availability due to elections, and higher fuel costs due to a one-month lag in the fuel cost pass-through mechanism.
- Wage inflation had a larger margin impact than fuel as there is no automatic contractual cost pass-through mechanism. Management expects wage-related price revisions to be implemented with customers, with no significant delay, as statutory wage increases are industry-wide.
- Normalized EBITDA, before wage hike and fuel price, would have been INR350-400m higher.
- Management expects to sustain the strong momentum in express business going forward with 20-30% growth in FY27. PTL business is expected to sustain 18-22% growth in FY27.
- The company closed the quarter with 54,096 active customers, supported by the integration of Ecom Express.
- Management indicated that Delhivery is gaining share not only from other 3PL players but also from customers' in-house logistics operations. Strong service levels during a challenging operating environment have helped drive a "flight to quality," supporting volume share gains.
- The company expects to stabilize the corporate overhead expense to 6-7% of revenue in the medium term.
- In 1QFY27, the company incurred an integration cost of INR170m related to Ecom Express. Management indicated that the integration is largely complete and no significant integration costs are expected going forward.
- Capex intensity has eased, with major investments in mega-gateways and high-capacity trucking already completed. Ecom acquisition brings in automation assets and infrastructure, further lowering future capex needs. On a steady-state basis, management expects capex at ~4% of revenue in the next eight quarters.
- New services: Delhivery Direct (on-demand intra-city logistics) is currently operational in six cities, including Mumbai, Hyderabad, Ahmedabad, Delhi NCR, and Bengaluru. The company plans to expand to 1-2 more cities each quarter for the next eight quarters. Rapid operates 23 dark stores in four cities, targeting sub-three-hour fulfillment for D2C brands.
- The company expects rapid commerce to contribute ~INR1b in the medium term.

Express Parcel business:

- Express Parcel revenue grew 33% YoY to INR18.7b, with shipments growing 55% YoY to 322m, post integration of Ecom Express. Service EBITDA margin stood at 15.6% vs. 18.8 in 4QFY26, impacted primarily by the wage hike.
- Delhivery gained market share with existing customers as well as new customer additions across D2C, SME and consumer segment.
- The company expects service EBITDA margins to be in the range of 16-18%.

- The company expects ecommerce volume growth at ~15-20% annually over the medium term.
- Ecom Express volumes have been seamlessly integrated into Delhivery's network, with management expecting no further integration costs going forward.

PTL business:

- PTL revenue grew ~25% YoY to INR6.3b, with tonnage increasing 18% YoY to 0.542MT. Service EBITDA margin stood at 11.2%, up 60bp YoY and down 230bp YoY, impacted by wage hike and fuel cost revision.
- Despite the decline in service EBITDA margins, management expects margins to remain in the range of 15-15.5% in FY27, with steady-state EBITDA margins of 16-18% targeted over the next two years.
- The company has expanded its sales team footprint outside metro cities to acquire new customers.

SCS:

- SCS revenue declined ~3% YoY to INR2b due to the exit from unprofitable contracts. Service EBITDA margin declined 80bp YoY and 430bp QoQ, impacted by wage hikes, higher fuel costs, and ramp-up costs for two large contracts. Margins are expected to improve sharply over 45-60 days as volumes ramp up.
- The company has built a strong pipeline of over INR18b across consumer durables, auto, FMCG, lifestyle, chemicals and e-commerce clients. The typical conversion timeline for large-scale SCS mandates ranges around 2-3 quarters from the solution development to contracting stage, with an additional quarter for a full-scale rollout as technology integration and physical integration processes are executed.
- The company targets service EBITDA margin of 12%+ and RoCE of 20%+ in the medium term.
- Key focus areas include tech stack enhancement (WMS, OMS, TMS), deeper client pipeline, and expansion of white-labelled "Prime" service for D2C and SME e-commerce.
- Revenue guidance is maintained for the segment at INR18-20b over the next three years.

Truckload (TL) Freight and Cross-border Services:

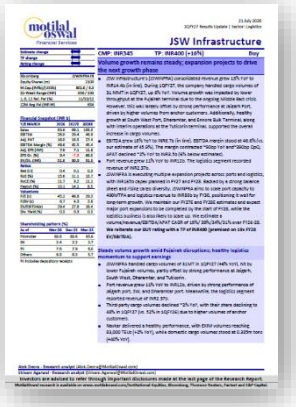
- TL and cross-border revenue declined 12% YoY to INR1.97b.
- The company also launched Delhivery International, an economy air parcel service on Dec'25, which is currently live in four destination countries, including the US, the UK, Canada and Australia. By 2QFY27, the company plans to launch 10 new destinations.
- Orion and Axle platforms, alongside TransportOne, are expected to contribute to long-term scalability.

Guidance

- Management expects to sustain the strong momentum in the express business going forward. Revenue growth is likely to be driven by Express Parcel and PTL, with SCS and new services contributing in subsequent quarters.
- The company expects ~20-30% growth in Express volumes and ~18-22% growth in PTL volumes in FY27. Over the medium term, management expects Express volumes to grow ~15-20% annually, while PTL volumes are expected to grow ~20% annually.

Click below for
Detailed Concall Transcript &
Results Update





JSW Infra — Buy

Current Price INR 330

Operational highlights

- JSWINFRA handled cargo volumes of 31 MMT in 1QFY27, rising 6% YoY. Volume growth was impacted by lower throughput at the Fujairah terminal due to the ongoing Middle East crisis. However, this was largely offset by strong performance at Jaigarh Port, driven by higher volumes from anchor customers. Additionally, healthy growth at South West Port, Dharamtar, and Ennore Bulk Terminal, along with interim operations at the Tuticorin terminal, supported the overall increase in cargo volumes.
- The company expects operations at the Fujairah terminal to normalize by Aug'26. Eight storage tanks are expected to resume operations by end-July/early August, with three additional tanks by September to October.
- Port revenue grew 11% YoY to INR12b, driven by strong performance of Jaigarh port, SW, and Dharamtar port. Meanwhile, the logistics segment reported revenue of INR2.37b.
- Third-party cargo volumes fell ~2% YoY, with their share declining to 48% in 1QFY27 (vs. 52% in 1QFY26) due to higher volumes of anchor customers.
- The company reported a strong balance sheet with gross debt of INR70.9b and cash and bank balances of INR98.6b.
- Navkar delivered a healthy performance, with EXIM volumes reaching 83,000 TEUs (+2% YoY), while domestic cargo volumes stood at 0.385m tons (+40% YoY).

Logistics business roadmap

- JSWINFRA remains focused on scaling its logistics business, leveraging synergies from the Navkar acquisition. It aims to build a pan-India multimodal network, targeting INR80b revenue with a 25% EBITDA margin by FY30.
- The company secured environmental clearance and approval for rail connectivity to the DFC for Murbe Port in Maharashtra.
- It also commenced commercial operations at the Arakkonam GCT.
- In 4QFY26, JSWINFRA acquired JSW Rail Infra Logistics Private Limited, JSW Minerals Rail Logistics Private Limited, and JSW (South) Rail Logistics Private Limited from JSW Shipping & Logistics Private Limited (Promoter entity) at an enterprise value of INR12.1b. The acquired entities are expected to generate an EBITDA of INR1.5b in FY27. Rail fleet is likely to expand from 25 rakes to 80 rakes by FY27, targeting 110 rakes by FY30. Additionally, it is targeting 140 container rakes in the medium term.
- Management expects the group volume to contribute ~35-40% of the total logistics segment's revenue by FY30.

Port updates

- Group cargo volumes rose 14% YoY, which was driven by strong performance in Jaigarh, Southwest, and Dharamtar ports.
- The volume growth was muted due to lower volumes at Fujairah, attributed to the ongoing Middle East crisis. However, according to management, the situation is showing some signs of improvement from Aug'26 onwards, and it expects volumes to improve from hereon.
- Management indicated that, under normal operations, port EBITDA would have been higher by INR650–700m during the quarter.
- JSWINFRA completed the expansion of South West Port from 11 MTPA to 12 MTPA and Mangalore Container Terminal capacity from 4.2 MTPA to 6.0 MTPA.
- It also commenced interim operations at the Kolkata Container Terminal and secured another PPP project at Syama Prasad Mookerjee Port with a capacity of

0.9 million TEUs, increasing total container handling capacity at Kolkata to 1.4 million TEUs.

- Management remains committed to the Oman project, highlighting its strategic location outside the Strait of Hormuz, which has become increasingly important amid regional geopolitical uncertainties. The tendering process has started, and management expects the concession agreement to be executed over the next 1-2 months.

Key project updates

- JSWINFRA continues to make significant progress across multiple port and logistics development projects. It has entered a transformative partnership with Minerals Development Oman (MDO) by acquiring a 51% stake in a newly incorporated Port SPV. The SPV will develop and operate a 27mtpa greenfield bulk port to support the industrial minerals projects in the Dhofar region of Oman. With a total project capex of USD419m and a construction timeline of 36 months, the port is expected to commence commercial operations in 1QFY30. The port is designed to handle industrial minerals sourced from MDO's extensive concessions.
- At V.O. Chidambaranar Port in Tuticorin, the company signed the concession agreement in July 2024 for the construction of a 7 MTPA dry bulk cargo berth with an estimated capex of INR6b. Civil work pertaining to conveyor has been completed, while the building civil work is under progress. It handled 1.39MMT of cargo under interim operations during 1QFY27. Project completion is targeted for 4QFY27.
- At the Kolkata Container Terminal, JSWINFRA signed a concession agreement on Sep'25 for the reconstruction of Berth No. 8 and the mechanization of Berth No. 7, with a capacity of 6.3 MTPA and an estimated capex of INR 7.4b. The company has received permission to operate Berth No. 7 and the backup area. Project completion is targeted for 3QFY28.
- At South West Port (Goa), JSWINFRA is expanding terminal capacity from 8.5MTPA to 15MTPA through the construction of a covered shed. With the Consent to Operate (CTO) now in place, total capacity has increased to 12 MTPA, while approvals for the remaining 3 MTPA are currently in process.
- In Jaigarh, a new LPG terminal with a capacity of 2MTPA is being developed, requiring an estimated capex of INR 9b. Completion is targeted by FY27.

Guidance

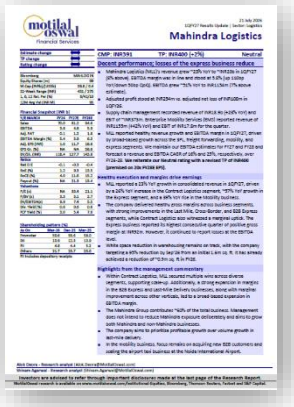
- Management has provided the cargo volume outlook of ~127mt for FY27 after factoring in lower Fujairah volumes.
- Management maintained its FY27 guidance of achieving revenue of INR68.5b and EBITDA of INR30b. Further, it expects a sharp acceleration in both revenue and EBITDA in FY28, driven by the operationalization of newly expanded capacities.
- During FY28, JSWINFRA expects Ports and Logistics revenues of INR80b and INR28b, respectively, with EBITDA for both to reach INR43b and INR7b, respectively, in FY28.
- JSWINFRA aims to expand port capacity to 400 MTPA by FY30, scale its logistics business to INR80b in revenue with a 25% EBITDA margin through value-accretive inorganic opportunities.
- JSWINFRA's capex plan stands at INR165b for FY27 and FY28, with INR130b earmarked for ports, while INR35b is earmarked for logistics.

Mahindra Logistics — Neutral

Current Price INR 406

Click below for
Detailed Concall Transcript &
Results Update





Business update:

- MLL reported healthy consolidated revenue growth, driven by strong performance across the 3PL, Freight Forwarding, Mobility, and Express segments. Within Contract Logistics, the company secured multiple wins across diverse segments, supporting scale-up. Additionally, a strong expansion in margins in the B2B Express and Last-Mile Delivery businesses, along with marginal improvement across other verticals, led to a broad-based expansion in margins.
- The Mahindra Group contributes ~60% of the total business. Management does not intend to reduce Mahindra exposure deliberately and aims to grow both Mahindra and non-Mahindra businesses.
- The company aims to prioritize profitable growth over volume growth in last-mile delivery.
- In the mobility business, focus remains on acquiring new B2B customers and scaling the airport taxi business at Noida International Airport.
- The company indicated its intent to step up investments in technology in FY27, highlighting that such investments had been largely deferred over the past two years.
- White space reduction in warehousing remains on track, with the company targeting a 95% reduction by Sep'26 from an initial 1.6m sq. ft. It has already achieved a reduction of ~0.9m sq. ft in FY26.
- The express logistics industry is transitioning from aggressive capacity expansion to consolidation and utilization-led growth, favoring players with execution strength and network efficiency.
- Management indicated that the B2B express business is approaching EBITDA breakeven, supported by improving yields, lane utilization, and cost discipline, and expects it to be positive in FY27.

Segment-wise performance and overview:

- The Contract Logistics division reported YoY revenue growth of 26% to INR16.2b. Gross profit expanded ~21% YoY. M&M continues to remain a strong anchor client, with growth in its volumes positively supporting the company's overall performance. The company is likely to remain focused on deepening its presence in existing segments while selectively entering new segments to drive incremental growth.
- The B2B Express segment delivered revenue of ~INR1.5b, up 58% YoY. The Express business delivered positive gross margins of INR92m, the highest since the acquisition. MLL continues to acquire new profitable customers, improve lane utilization, enhance route efficiency, lower per-unit linehaul and handling costs, and improve revenue per parcel, supporting margin expansion. The company also plans to enter new segments such as volumetric logistics to unlock additional growth opportunities and remain focused on turning profitable with rapid scale-up.
- The Cross-border Services segment posted revenue of ~INR453m, down 39% YoY. Gross profit stood at INR46m, falling 34% YoY. The company is witnessing headwinds in this business segment impacting demand and the operating environment. MLL maintained its continued strategic focus on regaining
- momentum and on key corridors such as the US, Europe, Middle East, and South East Asia.
- In Last Mile Delivery, revenue stood at ~INR712m, down 16% YoY. Gross profit stood at INR63m, rising 58% YoY despite ~16% revenue decline due to strong

expansion in margins. The segment faced significant industry-wide pricing pressure and exited low-margin activities while continuing to focus on building a strong presence in high-potential areas. Management highlighted that all pruning actions have been completed in FY26, marking the closure of this phase, and expects the business to return to a growth trajectory going forward, supported by a leaner cost structure and enhanced operating efficiency.

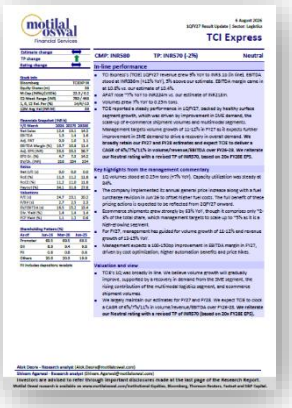
- The Enterprise Mobility segment recorded strong revenue of INR1.1b, rising 39% YoY. Gross margins stood at INR89m. The company rebranded its B2C business as Alyte. Growth was driven by its focus on acquiring new customers in the B2B segment, while improving utilization levels in the B2C segment and successfully launching Alyte Prive, a premium B2C mobility service from airport to city and intercity travel.

Guidance:

- MLL guided for continued focus on profitable growth, driven by pricing discipline and cost control. Last-mile delivery is on a path to recovery and is expected to improve gradually going forward, as management is committed to remaining focused on profitability over volume growth.
- MLL reiterated its commitment to improving profitability, while remaining positive on gross margin expansion of 150-200bps over the medium term. The company remains focused on driving long-term shareholder value through cost optimization, operating leverage, and improved segmental profitability.

TCI EXPRESS
LEADER IN EXPRESS

Click below for Results Update


motilal oswal Financial Services
TCI Express

TCI Express — Neutral

Current Price INR 547

Operational highlights

- Volumes in 1QFY27 stood at 0.25m tons (+7% YoY). Capacity utilization during 1QFY27 remained steady at 84%.
- TCIE reported a steady quarter with broad-based growth across segments. Surface continued to be the largest contributor, growing ~9%, supported by higher volumes from existing customers, new account additions and steady demand across key industrial sectors.
- The company implemented its annual general price increase along with a fuel surcharge revision in Jun'26 to offset higher fuel costs. The full benefit of these pricing actions is expected to be reflected from 2QFY27 onward.
- Ecommerce shipments grew strongly by 63% YoY, though it comprises only ~2-3% of the total share; management wants to scale it up to ~5% as it is a high-growing segment.
- Capex plan for FY27 stands at ~INR1.1b for the expansion of its branch network, construction of sorting centers, and the ramp-up of its IT infrastructure.
- It continues to focus on automation, with upcoming facilities in Kolkata and Ahmedabad to replicate technologies deployed at Gurugram and Pune.
- The company continues to maintain very low customer concentration, balancing SME and large institutional clients while prioritizing profitable growth over pure volume-led growth.
- The top three sectors (Automobile, Pharma, Textile) together contribute ~55% of revenue.
- Multimodal Express capabilities remain a strategic focus, with the contribution targeted to reach 20-22% of the total revenue over the next 2-3 years.

Segment performance

- **Surface Express:** Surface Express recorded steady growth of ~9% in 1QFY27. It remained the largest revenue contributor of the business and was supported by incremental traction from new customer additions, higher business from key

accounts, and increased contribution from Automotive, SME, and Pharma segments.

- **Rail Express:** Rail Express continued to scale up, driven by corridor expansion initiatives and scaling of rail-network operations. It also strengthened its
- operational footprint through the addition of 10 new branches, improving pickup density and multimodal connectivity
- **Domestic Air Express:** Domestic Air Express recorded 29% YoY growth, driven by customer additions, expansion of enterprise accounts, expanded direct airport delivery coverage and automation of key operational processes.
- **International Air Express:** International Air Express delivered 27% YoY growth, driven by new customer additions, customer win-backs and expanded partnerships with global carriers. This segment was affected in 4QFY26 by the West Asia crisis.
- **C2C segment and E-commerce Express:** The C2C segment saw healthy growth, driven by new customer acquisition, regional expansion, multimodal integration, and adoption of customized delivery solutions. E-commerce express grew strongly by 63% YoY, driven by higher shipment volumes from ecommerce platforms and direct-to-consumer (D2C) brands.

Guidance

- For FY27, management has guided for 11-12% volume growth, with revenue growth of 13-15% YoY.
- Management expects 100-150bp improvement in EBITDA margin in FY27, driven by cost optimization, higher automation benefits, and price hikes.
- Multimodal revenue share is targeted to rise from 17-18% currently to 20-22% by 2030, aided by separate service networks for air, rail, international, and C2C segments.
- The revised capex plan stands at INR4b for FY23-FY27, with INR2.9b spent to date. The company expect not more than INR1.1b capex till FY27, which is below the initially planned capex of INR5b, primarily for automated sorting centers in Kolkata and Ahmedabad, and network expansion.

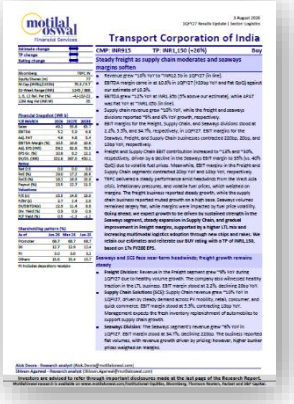
Transport Corporation of India — Buy

Current Price INR 914

Freight Segment

- Revenue in the Freight segment grew ~9% YoY due to healthy volume growth. The company also witnessed healthy traction in the LTL business.
- Higher diesel and bunker fuel prices weighed on margins during the quarter. However, the impact was largely mitigated by contractual pass-through mechanisms embedded in most freight contracts, which automatically adjust pricing in line with fuel cost changes. While there was a short-term lag in passing on the higher costs, margins remained largely protected.
- Management expects demand to strengthen as the festive season approaches, supported by improving market momentum and seasonal consumption trends.
- The company continued to expand its LTL network, opening 10 new branches during the quarter, with plans to add another 30 branches.
- The current LTL:FTL mix stands at 63:37, with the company targeting a 60:40 mix by FY27.
- Management highlighted that broader inflationary pressures could weigh on demand across segments.

Click below for Detailed Concall Transcript & Results Update



- Broader economic activity picked up post the GST rate cut, especially in finished goods and inventory rebalancing. The company maintained its strategic focus on expanding its LTL network to capture growth in the fragmented freight market.
- The company is facing margin pressure in this segment due to continuously elevated operating costs.

Supply Chain Segment

- The supply chain segment's revenue rose by ~10% YoY in 1QFY27; however, it moderated from 24% in FY26, supported by steady demand in automobiles, retail, consumer, and e-commerce/quick commerce segments. Management expects revenue to grow at 10-15%.
- The Automotive sector contributes to around 80% of the supply chain business.
- Management highlighted that the automobile inventory has been cleared following the GST rate cut, with fresh inventory replenishment expected to support supply Chain growth. While seasonal fluctuations in automobile demand may continue, the overall outlook for the Supply Chain segment remains healthy.
- Margins and RoCE remained subdued due to continued investments in warehouses and trucks. However, the company remains focused on increasing its capacity in warehousing and fleet.
- The company witnessed strong traction in warehousing and multimodal services, particularly within the automotive sector post the GST rate cut, where it continued to strengthen its hub-and-spoke distribution model.
- The company already operates three rail rakes and is in line with its green logistics strategy. TRPC has ordered two additional rail rakes, which are expected to be commissioned in the next 12-15 months. The newly ordered ones are specially designed to carry two levels of SUVs. With the Indian passenger vehicle market increasingly shifting toward SUVs, the new rakes are expected to enhance efficiency and competitiveness in automobile logistics.

Seaways Segment

- The Seaways segment's revenue grew ~6% YoY in 1QFY27. EBIT margin stood at 34.7%.
- The business reported flat volumes, with revenue growth driven by pricing; however, higher bunker prices weighed on margins.
- Management expects seaways EBITDA margins to remain in the range of 38-40%.
- The bunker fuel prices remained highly volatile for the past few months, and the company largely passes on the higher costs to customers. While demand in 1Q and 2Q is expected to moderate due to seasonality, management does not expect a significant demand disruption from price hikes.
- One vessel is expected to dry dock in Mar'27.
- The government's ambition to double the share of waterways in India's modal mix from 6% to 12% by 2030, supported by over USD120b in planned investments, bodes well for long-term demand. Policy initiatives such as the Sagarmala program and the Coastal Shipping Bill, 2024, are further expected to improve infrastructure and cost efficiencies for domestic coastal shipping.

Joint Ventures

- The company's joint ventures posted steady revenue growth in 1QFY27.

- The TCI- Concor JV revenue rose 8% YoY.
- The company handled 38k TEUs in 1QFY27 vs 40k in 1QFY26.
- The Transystem JV with Mitsui continued to deliver steady performance, with 11.5% YoY growth in 1QFY27.
- Cold Chain JV reported ~49% growth in 1QFY27, supported by customer additions in the quick commerce and retail verticals. Capital employed in the cold chain segment has now crossed INR1.1b.

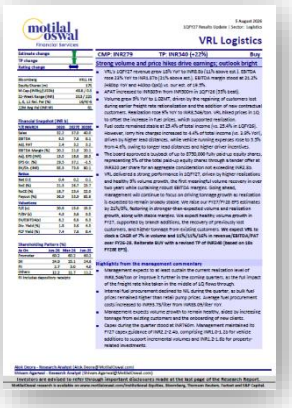
Guidance

- TRPC maintains its consolidated revenue and profit growth guidance in the range of 10-12% for FY27.
- In FY26, the company reported capex of ~INR3.7b and plans to invest ~INR6b in FY27, with ~INR2.4b to be used for ships.

VRL LOGISTICS LIMITED

Click below for Detailed Concall Transcript & Results Update





VRL Logistics — Buy

Current Price INR 295

Operational highlights

- Revenue grew 18% YoY with volume and realization rising 9% YoY. EBITDA margin remained healthy, driven by higher realizations.
- Management expects to at least sustain the current realization level of around INR8,546/ton or improve further over the coming quarters, as the full impact of the freight rate hike taken in the middle of 1QFY27 flows through. This is assuming diesel prices remain stable.
- Internal fuel procurement declined to nil during the quarter, as bulk fuel prices remained higher than retail pump prices. Consequently, the company did not procure fuel directly from oil marketing companies. Average fuel procurement cost increased to INR93.73/liter from INR83.09/liter YoY.
- South remains the largest region, contributing ~42% of volumes. Western region recorded ~15% volume growth. Northern region grew ~10%. Eastern and North-Eastern regions grew 22-25%, aided by aggressive branch expansion.
- Management expects the expansion into Eastern India to gradually increase the average lead distance, which should drive up realizations in the medium term.
- LTL continued to be the key business segment in 1QFY27. In FY26, LTL contributed 89.5% of total revenue, while FTL accounted for 8.7%.
- Net debt as of Jun'26 stood at INR3.9b vs. INR4.4b in Mar'26.
- Employee costs declined to 17.4% of total income from 18.0% in 1QFY26, driven by operating leverage from higher volumes and improved freight realizations.
- 1Q capex stood at INR760m. Management maintained its FY27 capex guidance of INR2.2-2.4b, comprising INR1.0-1.2b for vehicle additions and INR1.2-1.6b for property-related investments.
- Fleet size increased to 5,981 vehicles in 1QFY27 from 5,949 a year ago, with a net addition of 32 vehicles in line with volume growth. Of the total fleet, 13% is fully depreciated, while 79% is debt-free, reflecting a healthy asset profile.
- VRL maintains the lowest attrition rate in the industry and continues to deliver high service levels with strong human capital and operational systems.

Operational efficiency and network expansion

- For FY27, management has guided for a total capex of ~INR2-2.2b, largely for vehicle procurement and expansion of owned logistics infrastructure.

- VRL sustained 100% hub-to-hub efficiency across its network, enabling a reduced turnaround time and improved vehicle loading.
- Investments in proprietary in-house digital infrastructure, including GPS tracking, real-time route optimization, OTP-based vehicle unlocking, consignment barcoding, and CCTV-based security systems, have contributed to better claim ratios and cost savings.
- Total branches stood at 1,302 as of Jun'26.
- VRL aims to augment its existing branch and franchise network to drive tonnage growth while exploring expansion opportunities in the eastern and northeastern regions.

Guidance

- Management expects FY27 volume growth of ~8%, driven by higher tonnage from existing customers and the onboarding of new clients, while realizations are expected to remain stable at ~INR8,600/ton.

METALS



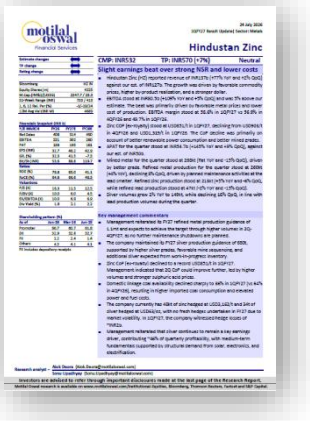
- **In Metals, management indicated that NSRs in the ferrous segment are likely to moderate in 2QFY27 amid seasonal weakness, while coking coal costs are expected to increase by USD5-15/t. Margin resilience, however, is expected to be bolstered by improving volumes as maintenance shutdowns are largely complete and new capacities ramp up. In the non-ferrous segment, management expects the cost of production to remain stable, while favorable pricing trends should drive margin expansion over the coming quarters.**
- **Overall, management attributed the 1QFY27 earnings outperformance primarily to the strong pricing environment and expects this momentum to sustain broadly in 2QFY27, supported by better volumes and favorable pricing, which should partly offset elevated cost structures. While global uncertainties could weigh on international metal and raw-material prices, companies remain relatively confident about domestic operations, supported by safeguard duties in ferrous metals and favorable pricing dynamics in the non-ferrous segment.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Outlook for FY27	Drivers
Tata Steel	▪ Europe's combined EBITDA continues to hover near its breakeven due to operational challenges and muted demand. ▪ EBITDA improvement is expected for European operations in the coming quarters due to improving prices along with regulatory measures (CABM/reduction in import quotas) and improving operating efficiency. ▪ Though there are near-term uncertainties related to price volatility and emission challenges in Europe, the long-term outlook remains strong.	▪ Management expects the UK steel prices to continue improving as safeguard measures tighten imports, supporting the company's objective of achieving EBITDA breakeven during 2HFY27, although the timeline could shift modestly depending on market conditions. ▪ Management expects the Netherlands' profitability to improve sequentially in 2QFY27 as production normalizes following Direct Strip plant restart, although earnings are likely to remain below normalized levels.
JSW Steel	▪ Management remains constructive on the company's medium-term outlook, underpinned by the commissioning and ramp-up of new capacities, robust domestic steel demand, and rising share of VAP. ▪ In addition, enhancing captive iron ore availability and improving coal security is expected to strengthen cost competitiveness and support margin expansion. ▪ With the transferred of BPSL to JFE JV via a slump sale, the company's consolidated debt have declined significantly, strengthening the JSTL balance sheet, unlocking the path for future capex.	▪ Steel volumes is expected to improve in 2QFY27, driven by the ramp-up of the Vijayanagar BF3 expansion and higher volume from Ohio operations. ▪ Management indicated that HRC prices declined by INR1,000/t during 1QFY27. In contrast, Rebar prices corrected sharply by INR7,000-8,000/t during 1QFY27 and remained stable in Jul'26, management believes the bulk of the correction has already played out. ▪ Coking coal costs to increase by USD12-15/t in 2QFY27, while the recent moderation in coking coal prices should benefit costs from 3QFY27 onwards.
Jindal Stainless	▪ Expect earnings to remain strong in FY27/28, mainly on account of incremental volumes from newly added capacity and healthy SS prices offsetting the inflation-led rise in nickel prices. While there would be near-term challenges related to cost inflation, the medium- to long-term outlook remains robust. ▪ At the industry level, SS demand is set for strong growth and is projected to reach +7mt by FY31, driven by domestic SS consumption. As the dominant player in SS space, we believe JDSL is well-placed to capitalize on this robust demand outlook, with higher VAP supporting margins.	▪ Management retained its FY27 guidance and stood confident of achieving 8-10% volume growth and EBITDA/t guidance of INR18,000-20,000 for 1HFY27, despite a weak start to the year. ▪ The production has now returned to pre-crisis levels and expects a gradual recovery in volumes over the coming quarters with normalizing gas supplies. ▪ Gas prices have moderated from peak levels and the company has reduced dependence on imported LPG/propane by commissioning pipeline natural gas (PNG) at the Jajpur plant, with similar projects underway at Hisar.
Hindalco	▪ Going forward, we believe the earnings outlook for the India operation to stay strong and Novelis' to start recovering from Oswego led volume disruption result in additional cost to service customer. ▪ We expect 2H earnings to remain softened for both India operation as well as Novelis on account of recent aluminum price reversal to USD3,200/t from peak USD3,850/t during middle-east crisis. However, the strong volume outlook in 2H will support the earning against price moderation..	▪ Aluminum prices are expected to remain supported in the near term, while elevated prices to moderate with supply improvement through European smelter restarts and capacity ramp-ups in Indonesia and Southeast Asia. ▪ Alumina prices have recovered modestly to USD340/t and will remain at current levels until Middle East smelters resume operations. ▪ Global copper concentrate availability remains extremely tight, with negative TC/RCs. This tightness to persist through the year, while elevated sulfuric acid prices continue to support smelter economics.

Hindustan Zinc Limited

Click below for
Detailed Concall Transcript &
Results Update



Hindustan Zinc — Neutral

Current Price INR 554

Performance guidance

- Management reiterated its FY27 refined metal production guidance of 1.1mt and expects to achieve the target through higher volume in 2Q-4QFY27, as no further maintenance shutdowns are planned.
- The company has maintained its FY27 silver production guidance of 680t, supported by higher silver grades, favorable mine sequencing, and additional silver expected from work-in-progress inventory.
- Zinc CoP (ex-royalty) declined to a record USD851/t in 1QFY27. Management indicated that 2Q CoP could improve further, aided by higher volumes and stronger sulphuric acid NSR, subject to input commodity price movements.
- Domestic linkage coal availability declined sharply to 36% in 1QFY27 (vs 64% in 4QFY26), resulting in higher imported coal consumption and elevated power & fuel costs, despite higher renewable energy usage (~22% of the power mix).
- The company currently has 48kt of zinc hedged at USD3,162/t and 34t of silver hedged at USD63/oz, with no fresh hedges undertaken in FY27 due to market volatility. In 1QFY27, the company saw hedge losses of ~INR2b.
- Management reiterated that silver continues to remain a key earnings driver, contributing ~46% of quarterly profitability, with medium-term fundamentals supported by structural demand from solar, electronics, and electrification.

Capacity update/capital allocation

- The 250ktpa integrated zinc smelter at Debari, with mine development activities underway. The project remains on track for commissioning over a 36-month execution period.
- Construction has commenced for the Rampura Agucha tailings reprocessing plant, with infrastructure mobilization completed. The plant is expected to produce 30-35ktpa of zinc, with commissioning targeted over the next 24 months followed by a 6-8 month ramp-up.
- The Hot Acid Leaching (HAL) plant at Dariba remains on track for commissioning in 2QFY27, enhancing recovery of lead and silver from smelting residues.
- The phosphoric acid plant at Chanderiya is expected to be commissioned in 2QFY27, while the downstream DAP fertilizer plant is now targeted for commissioning in 1QFY28, pending regulatory approvals. Around INR5b has been invested in the project to date.
- Management expects to seek Board approval in 3QFY27 for the next phase of expansion, comprising ~650kt of zinc and lead capacity, with an estimated capex of INR240-250b (including mine development) and a construction timeline of 36 months post-approval.
- Management maintained its FY27 growth capex guidance of USD500-600m, with INR8b incurred during 1QFY27, primarily directed toward smelter expansion, tailings reprocessing, and downstream projects.

Other highlights

- The company monetized 10kt of legacy lead concentrate inventory, generating INR3.15b of revenue (equivalent to ~9t of silver and 6kt of lead metal), while reiterating that concentrate sales are not a strategic change and remain a one-off inventory optimization exercise.

- HZ secured a Rare Earth Elements & Yttrium mining block in Karnataka, with exploration expected over the next 2-3 years and commercial production likely to start by FY32, marking its entry into critical minerals.
- Management reiterated that the dividend policy remains unchanged following the Vedanta demerger, with a commitment to distribute a minimum of 30% of PAT or 5% of net worth, subject to Board approval.
- The company ended 1QFY27 with a net cash position of INR55.7b, while generating free cash flow of INR52.5b (pre-growth capex), providing ample flexibility to fund expansion projects and shareholder returns.

Hindalco Inds — Buy

Current Price INR 1,036

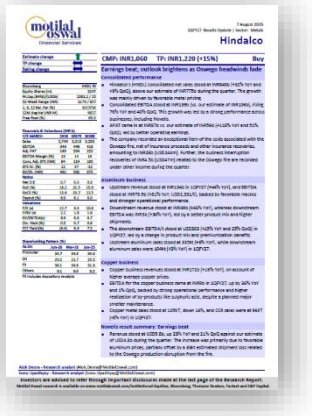
Guidance and Market outlook:

- Management indicated USD250/t is a more sustainable downstream EBITDA in the near term, although long-term guidance remains above USD300/t as new capacities ramp up.
- 2QFY27 copper EBITDA to remain broadly in line with 1QFY27, supported by elevated sulphuric acid prices despite continued negative TC/RCs.
- Global copper concentrate availability remains extremely tight, with negative TC/RCs. Management expects this tightness to persist through the year, while elevated sulphuric acid prices continue to support smelter economics.
- Aluminum prices remained highly volatile during the quarter, peaking near USD3,850/t before settling at USD3,200/t following the Middle East ceasefire.
- Aluminum prices are expected to remain supported in the near term, although elevated prices could eventually incentivize supply additions through European smelter restarts and capacity ramp-ups in Indonesia and Southeast Asia.
- MJP (Mid-Japan Premium) is expected to remain elevated as long as Middle East aluminum supply disruptions persist and could moderate once regional smelters normalize.
- Alumina prices have recovered modestly to USD330-340/t and are expected to remain at current levels until Middle East smelters resume operations.
- Aluminum production costs increased ~4% QoQ in 1Q largely due to higher coal costs. Management expects a further 5-6% QoQ increase in aluminum production cost during 2QFY27, primarily driven by seasonal coal price inflation.
- Hindalco has hedged 29% of FY27 aluminum volumes at USD3,004/t and 18% of currency exposure at INR91.63/USD. FY28 aluminum hedging currently stands at 21% at USD3,160/t, with management targeting USD3,200/t levels.

Capex and capacity update:

- India is entering a high capex phase, implying leverage is expected to remain broadly stable over FY27.
- In India, Aditya alumina refinery and smelter expansions remain on schedule, supporting Hindalco's strategy of doubling upstream capacity.
- Aditya Alumina Refinery expansion is progressing as planned, with ~95% of purchase orders already placed. The first 180kt phase is expected to be commissioned around Dec-2027 (FY28) alongside the refinery, while the second 180kt phase is targeted around Dec-2028 (FY29).

Click below for Detailed Concall Transcript & Results Update



- Aditya FRP plant is ramping up well and has already started contributing to production. Battery foil (Aditya) and AC fin (Taloja) facilities were commissioned in the previous quarter and are currently undergoing customer qualification.
- Specialty alumina (precipitated hydrate) project is progressing through customer approvals and moving towards commercialization.
- Copper smelter expansion remains on schedule and management sound positive, backed by India's strong long-term copper demand, despite weak global TC/RCs.
- Copper scrap recycling project is expected to be commissioned in FY27, and the project will offer high-teens IRRs.

Other Highlights:

- Management expects the global aluminum market deficit to widen to ~1mt in CY26, versus earlier expectations of ~0.3mt, supporting prices.
- Hindalco continues evaluating domestic copper exploration opportunities but sees no immediate concentrate security concerns, with 85% of concentrate requirements already contracted.
- Hindalco and Novelis will begin paying 0.25% of revenue (capped at INR2.25b annually each) as brand royalty to Birla Group Holdings.
- Management emphasized that the royalty is well below materiality thresholds and will not affect capital allocation or dividend policy.

Jindal Steel — Buy

Current Price INR 1,113

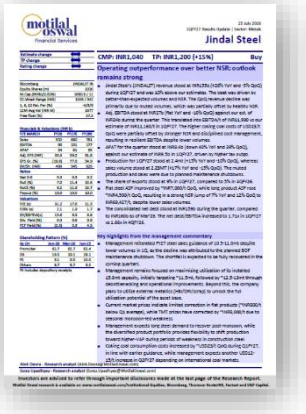
Volume guidance and outlook

- Management reiterated FY27 steel sales guidance of 10.5-11.0mt, despite lower volumes in 1Q over planned BOF maintenance shutdown. The shortfall is expected to be fully recovered in the coming quarters.
- Management remains focused on maximizing utilization of its installed 15.6mt capacity, with an initial target of ~11.5mt, followed by ~12.5-13mt through debottlenecking and operational improvements before utilizing external metallics (HBI/DRI/scrap) to unlock the full potential of the asset base.
- Blast Furnace-I at Angul is currently operating at ~11ktpd above the rated capacity of ~10ktpd. Angul Blast Furnace-II has already achieved ~11ktpd hot metal production, with management targeting 12ktpd after the monsoon and full design capacity of 13ktpd by Dec'26. This will take the total Angul hot metal production to ~24ktpd by end-CY26.
- The company reiterated its strategic shift toward value-added steel rather than commodity volumes, with future capacity additions focused on specialty and engineered products instead of conventional HRC or rebar capacity.

Pricing and cost guidance and outlook

- Value-added products accounted for 66% of sales in 1QFY27 (vs. 61% in Q4FY26), aided by downstream ramp-up, and management expects the mix to improve further as recently commissioned facilities stabilize.
- Current market prices indicate limited correction in flat products (~INR800/t below Q1 average), while TMT prices have corrected by ~INR8,000/t due to seasonal monsoon weakness.

Click below for Detailed Concall Transcript & Results Update



- Management expects long steel demand to recover post-monsoon, while the diversified product portfolio provides flexibility to shift production toward higher-value products during periods of weakness in construction steel.
- Coking coal consumption costs increased by ~USD23/t QoQ during 1QFY27, in line with the earlier guidance, while management expects another USD12-15/t increase in 2QFY27, depending on international coal markets.
- Iron ore costs increased by ~INR500/t during 1Q, while geopolitical disruptions in the Middle East also adversely impacted raw material costs by USD12-13/t.
- 1Q witnessed lower operating leverage due to a planned maintenance shutdown, which have increased costs by ~INR2,000/t. Management expects cost reduction from 2QFY27 onwards, driven by higher operating leverage and commissioning of the slurry pipeline.
- The company targets structural operating cost reduction of ~INR1,000/t over the medium term through productivity improvements, yield enhancement, lower power consumption, optimized coal blending, and operational efficiencies.
- Captive coal utilization currently stands at ~50%, with further improvement expected through the ramp-up of Utkal B1 and commissioning of Utkal B2.
- Captive iron ore usage increased to ~28% in 1QFY27 (vs. ~16% in Q4FY26), with management targeting ~40% backward integration by FY27 exit.

Capex and capacity update

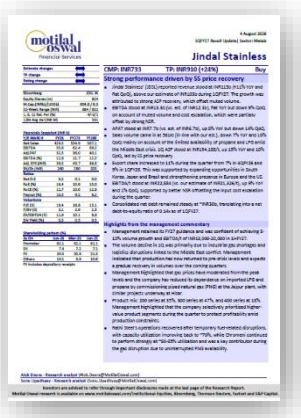
- The Angul slurry pipeline is fully installed and currently undergoing commissioning trials, with commercial commissioning expected during 2QFY27, subject to weather conditions.
- The slurry pipeline is expected to generate logistics savings of ~INR700/t once fully ramped up. The 18mtpa slurry pipeline has been designed to support both current and future expansion projects, with utilization expected to increase alongside pellet and sinter capacity additions.
- FY27 capex guidance of ~INR85b remains unchanged, with ~INR19.6b invested during 1QFY27 and the balance to be deployed primarily toward ongoing expansion and value-added downstream projects.
- Cumulative spending under the existing expansion program has reached INR37.5b out of the announced INR47b, with major projects largely completed.
- Management emphasized that the future expansion will largely be funded through internal cash generation rather than incremental leverage.
- Moreover, management ruled out aggressive greenfield commodity expansion, indicating that future investments will be driven by returns and product differentiation rather than capacity leadership.
- Future annual capex is expected to remain in the INR80-100b range, primarily focused on value-added steel, downstream processing, and specialty product development rather than commodity capacity expansion.
- The proposed Jharkhand steel project remains conditional upon securing iron ore resources, with no final investment decision taken until raw material linkage is established.
- Net debt/EBITDA stood at 1.71x, and management remains confident of reducing leverage below 1.5x during 2QFY27 through stronger CFO.

Jindal Stainless — Buy

Current Price INR 724

Click below for Detailed Concall Transcript & Results Update





Guidance:

- Management retained its FY27 guidance and was confident of achieving 8-10% volume growth and EBITDA/t of INR18,000-20,000 for 1HFY27.
- The volumes decline in 1Q was primarily due to industrial gas shortages and logistics disruptions linked to the Middle East conflict. Management indicated that production has now returned to pre-crisis levels and expects a gradual recovery in volumes over the coming quarters.
- Management highlighted that gas prices have moderated from peak levels and the company has reduced its dependence on imported LPG/propane by commissioning PNG at the Jajpur plant, with similar projects underway at Hisar.
- Green hydrogen investments continue to progress, with the 600 Nm^3/hour plant at Jajpur expected to be commissioned in Aug'26, while Hisar's capacity will increase from 90 Nm^3/hour to 290 Nm^3/hour over the next two quarters. Jajpur's capacity is planned to expand further to 1,200 Nm^3/hour next year.
- 1Q product mix: 200 series at 35%, 300 series at 47%, and 400 series at 18%. Management highlighted that the company selectively prioritized higher-value product segments during the quarter to protect profitability amid production constraints.
- Rathi Steel's operations recovered after temporary fuel-related disruptions, with capacity utilization improving back to ~70%, while Chromeni continued to perform strongly at ~80-85% utilization and was a key contributor during the gas disruption due to uninterrupted PNG availability.

Capex update:

- The recently commissioned 1.2mtpa stainless steel melt shop (SMS) in Indonesia has started ramping up, following the completion of local approvals and certifications. Management expects gradual volume contribution in FY27 and expects it to achieve 70-80% utilization in its first year of operations.
- Downstream expansion projects at Jajpur, Hisar and Kharagpur remain on schedule, with commissioning expected in phases over the next year. The 1.1mtpa HRP line is expected to be operational in 3QFY27, while cold rolling capacity is targeted to increase to 2.67mtpa by FY28, supporting the 3.5mt sales target by FY29.
- FY27 capex of ~INR28b remains on track, with investments focused on downstream value-added products.
- Management indicated to provide clarity on the proposed Maharashtra project in the next 1-2 quarters, as land acquisition progresses.

Other Highlights:

- Management reiterated that demand was not a constraint during the quarter and guided that production will be fully absorbed in the domestic market. It intends to maintain export volumes and prioritize the domestic market. It will continue to expand into higher-margin geographies, including Japan, South Korea, Brazil and Colombia.
- Europe and the US account for nearly 60% of exports, with Europe contributing around 30-40%. Management indicated that EU quota restrictions, rather than

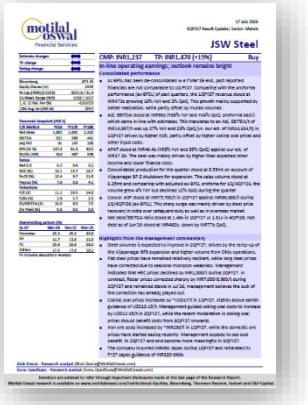
- CBAM implementation, are expected to be the primary headwind for exports to Europe going forward.
- JSL has completed all CBAM-related preparations, including engaging internationally accredited verifiers, and remains well positioned due to its scrap-based production, RE initiatives and green hydrogen investments. The company is awaiting appointment of EU verifiers before the full implementation.
- Management remains engaged with the government on anti-dumping duty (ADD), with the investigation progressing positively. Verifiers are being appointed and the public hearing is scheduled for 9th Sep'26.
- On the quality control order (QCO), management expects the current suspension to continue until Mar'27 but remains optimistic that it will not be extended further. The company continues to advocate for reinstatement of QCO to prevent inflow of substandard imports.

JSW Steel — Buy

Current Price INR 1,281

Click below for Detailed Concall Transcript & Results Update





Guidance and Outlook:

- Management expects 7-9% domestic steel demand growth in FY27 led by public capex, improving private manufacturing investments, healthy automotive demand and broadening rural consumption.
- Steel volumes is expected to improve in 2QFY27, driven by the ramp-up of the Vijayanagar BF3 expansion and higher volume from Ohio operations.
- Flat steel prices have remained relatively resilient, while long steel prices have corrected due to seasonal monsoon weakness. Management indicated that HRC prices declined by INR1,000/t during 2QFY27. In contrast, Rebar prices corrected sharply by INR7,000-8,000/t during 2QFY27 and remained stable in Jul'26, management believes the bulk of the correction has already played out.
- Coking coal prices increased by ~USD17/t in 1QFY27, slightly above earlier guidance of USD12-15/t. Management expects coking coal costs to increase by USD12-15/t in 2QFY27, while the recent moderation in coking coal prices should benefit costs from 3QFY27 onwards.
- Iron ore costs increased by ~INR230/t in 1QFY27, while the domestic ore prices have started easing recently. Management expects to see cost benefit in 2QFY27 end and become more meaningful in 3QFY27.
- The Middle East conflict increased overall steel production costs by roughly USD20/t, driven by higher LNG, flux, marine fuel, freight and container costs.

Capex:

- The company incurred INR49bn capex during Q1FY27 and reiterated its FY27 capex guidance of INR220–240bn.
- JSTL comissioned Vijayanagar BF3 expansion (3mtpa to 4.5mtpa) in late Jun'26 and currently operating at ~80% utilization. Incremental production is expected from 2QFY27.
- The Dolvi Phase III expansion from 10mtpa to 15mtpa remains on track for completion by Sep'27 and the 30mtpa slurry pipeline project remain on schedule. Management commenced construction of the 1mtpa EAF and structural mill project at Kadapa, with commissioning targeted for FY29.

- The company announced incremental downstream investments, adding 0.44mtpa of VAP capacity across Vijayanagar, Khopoli and Rajpura, including expanded high-strength coated steel capabilities and rail production facilities.
- Management clarified that the current approved growth capex pipeline of INR1.3t includes steelmaking, mining, downstream and cost optimization projects, while future projects such as Odisha Phase-II/III, additional downstream investments and JV expansions will be added upon board approval.

Raw material security (Iron ore/Coal mines):

- Management reiterated its strategy of increasing captive raw material integration, with 25 iron ore mines under its portfolio, of which 13 are operational (contributing ~30% of total requirements), while the remaining mines are being progressively developed.
- The recently acquired Goa iron ore mine will further strengthen captive iron ore availability and reduce logistics costs through regional optimization.
- JSW Steel completed the acquisition of the Dugda coking coal washery from BCCL, which will be modernised to process coal from domestic linkages and captive mines. Management expects the washery to become fully operational over the next two years.
- Mozambique coking coal production to commence by mid-CY28, with an initial target of 7mtpa over time.
- Domestic coking coal initiatives are expected to contribute ~3mtpa over the next three years, while Illawarra (Australia) currently provides around 2mtpa.
- Management reiterated its long-term objective of achieving ~50% captive coking coal availability, comprising ~20% from Mozambique, 20% from domestic sources and 10% from Illawarra Australia.
- The 30mtpa slurry pipeline is expected to transport around 20mtpa of iron ore initially, generating logistics savings of approximately INR1,000/t.

Other Highlights:

- Management highlighted that India became a net steel importer during Q1FY27, with imports increasing 22% QoQ and exports declining 16% QoQ, primarily due to higher imports from China, Japan and Russia.
- The company noted that anti-dumping investigations initiated by the Government of India are progressing independently of the existing safeguard duty framework.
- US operations (Ohio and Texas) together generated a positive USD16mn EBITDA during the quarter, while the Italian rail mill reported EUR7mn EBITDA despite annual maintenance shutdowns.
- Management remains constructive on the medium-term outlook, citing India's structural steel demand growth, continued infrastructure investments and the company's ongoing capacity expansion pipeline.

MIDWEST

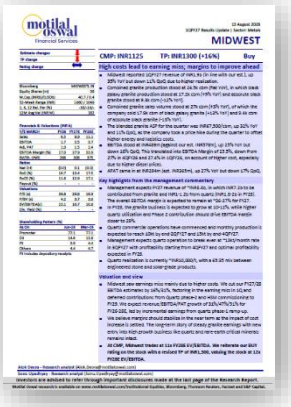
Click below for Results Update

Midwest — Buy

Current Price INR 1,154

Guidance

- Management expects FY27 revenue of ~INR8.4b, in which INR7.2b to be contributed from granite and INR1-1.2b from quartz (INR1.8-2b in FY28). The overall EBITDA margin is expected to remain at ~26-27% for FY27.


MIDWEST

- In FY28, the granite business is expected to grow at 10-12%, while higher quartz utilization and Phase 2 contribution should drive EBITDA margin closer to 29%.
- Quartz commercial operations have commenced and monthly production is expected to reach 10kt by end-2QFY27 and 15kt by end-4QFY27.
- Management expects quartz operation breakeven at ~10kt/month rate in 3QFY27, profitability to start in 4QFY27 and optimal profitability expected in FY28.
- Quartz realization is currently ~INR10,000/t, with a 65:35 mix between engineered stone and solar-grade products.

Capex and capital allocation

- Capex of INR1.25b is planned for Quartz Phase 2 and INR1.2b for the Sri Lanka RE project over FY27-28. The company plans to spend INR600-650m on Quartz Phase 2 over the next two quarters.
- Quartz Phase 2 is expected to be completed over the next 10-12 months, with machinery orders already placed. The plant is expected to undergo 2-3 months of stabilization, with commercialization targeted in 4QFY27.
- Kerala RE project remains delayed due to administrative changes following the change in government. KMML is expected to appoint a new MD & CEO, after which project activity should accelerate. The company will initially to undertake a pilot plant requiring limited capex, with ~INR3b capex to be committed upon successful commercialization.

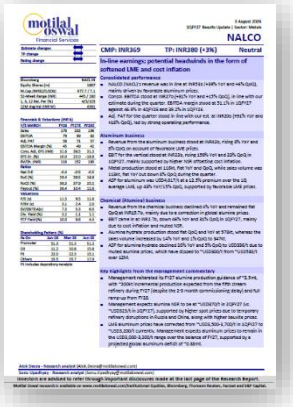
Sri Lanka Project

- Sri Lanka heavy metal sands (HMS) project has been moving slow due to policy changes following the change in government. Policies are now streamlined, with the company presenting the final project report.
- The plant construction is expected to take 12-15 months, post which cash flows from HMS will commence (expected in FY29).
- The Indonesia rare earth project is being developed through an MOU with Indonesian government-owned Perminas, with the MOU expected to be finalized in the current quarter and JV formation targeted by 3QFY27. Both partners will contribute capital, while Midwest will manage operations.

Indonesia JV with “Perminas” (Government-owned company)

- MOU will be finalized by this quarter, JV with Perminas will be formed by 3QFY27, and both the partners will be contributing capital, while Midwest will be managing the operations.
- Indonesia offers access to heavy rare earths, which are 4-5x more expensive than light rare earths. The project is strategically important, though capex is expected to be higher than the Kerala RE project, with the company currently working on the project report.
- The Indonesia project will have two phases, with Midwest Ltd undertaking mine/ore-to-oxide operations and Midwest Energy pursuing oxide-to-magnet manufacturing. The first phase is expected to require relatively lower capex compared to magnet manufacturing.
- The plant commissioning and cash flow commencement would begin within 15-18 months of JV formation.

Click below for Results Update



NALCO — Neutral

Current Price INR 384

Capex and capacity update/timeline

- NACL's fifth stream alumina refinery (1mtpa) is progressing through the commissioning phase. Mechanical completion of all packages is targeted by Sep'26, followed by integrated trials and water runs.
- Commercial production from the fifth stream alumina refinery is likely to commence in Nov-Dec'26, with stabilization in the next 3-4 months. The refinery is expected to operate at full capacity from FY28, taking total alumina production to 3.2mtpa from 2.2mtpa, while rated capacity increases to 3.1mtpa.
- The 0.5mt aluminium smelter project is progressing as planned. Technology provider (EGA) has been finalized, with the technology license expected to be signed in Aug'26. DPR preparation is underway and targeted for Oct-Nov'26, followed by package ordering in 2HFY28 and construction beginning thereafter. Management targets commissioning of both the smelter and captive power plant by the end of Dec'30/FY31.
- The associated 1,080MW captive power plant will be developed through a 50:50 JV with NLC India, with total project cost of ~INR120b, of which NACL's share will be ~INR60b. The JV structure reduces NACL's equity requirement, with the project expected to be financed through a 30:70 equity-debt mix.
- Total smelter and power expansion capex is estimated at INR240-250b, of which INR170-180b is for the smelter and ~INR60b towards the power JV.
- Major capex will commence from FY28, peaking during FY29-31, while FY27 will witness only limited spending related to technology licensing.
- Capex guidance remains at INR15-18b for FY27 (INR3.5b already incurred in 1QFY27), increasing to ~INR25b in FY28, before rising further to INR40-70b annually during the peak expansion phase.

Volume and demand guidance

- Management reiterated FY27 alumina production guidance of ~2.5mt, with ~200kt incremental production expected from the fifth stream refinery during FY27 (despite the 2-3 month commissioning delay) and full ramp-up from FY28.
- Alumina sales are targeted at ~1.6mt in FY27, compared with ~1.4mt in FY26, driven by incremental production from the new refinery.
- Following full commissioning of the fifth stream, the surplus alumina for external sale is expected to increase materially, as NACL's smelter consumes only ~1.85-1.9mtpa of alumina.

Pricing and cost guidance

- Management expects alumina NSR to be at ~USD370/t in 2QFY27 (vs. ~USD323/t in 1QFY27), supported by higher spot prices due to temporary refinery disruptions in Russia and China, along with higher bauxite prices.
- Management indicated that higher alumina prices would largely offset the raw material cost inflation.
- LME aluminium prices have corrected from ~USD3,500-3,700/t in 1QFY27 to ~USD3,200/t currently. Management expects aluminium prices to remain in the USD3,000-3,200/t range over the balance of FY27, supported by a projected global aluminium deficit of ~0.88mt.

- Domestic aluminium premiums have reached ~USD110/t (vs. ~USD60/t earlier), driven by Middle East supply disruptions. Management expects premiums to stabilize or soften as geopolitical conditions normalize.
- Aluminium cost of production (CoP) increased to ~INR170,000/t in 1QFY27, vs. ~INR157,000/t in FY26, primarily due to higher caustic soda, CPP coal, HFO and aluminium fluoride costs. Management expects 2QFY27 CoP to remain broadly in line with ~INR170,000-172,000/t.
- The caustic soda prices were up from ~INR42,000/t in FY26 to ~INR49,000/t in 2QFY27, CPP coal increasing from ~INR44,000/t to INR66,000-70,000/t, and HFO prices rising from ~INR46,000/t to ~INR75,000/t.
- Alumina cost of production is expected to remain between ~INR21,000-22,000/t despite cost inflation, aided by higher alumina NSR during 2QFY27.
- The new fifth stream refinery is expected to lower caustic soda consumption from ~103-105kg/t to ~85-90kg/t, reducing operating costs by ~INR1,000-1,500/t. However, depreciation charges are expected to offset part of these savings, resulting in an overall CoP similar to existing operations.

Mining Update and Outlook

- NACL reiterated its target of 4.8mt captive coal production in FY27 (vs. 4mt in FY26), where 1QFY27 production stood at ~1.1mt. Environmental clearance for mine expansion is expected within the next 2-3 months.
- Coal requirement for the smelter is likely to be sourced 60-70% from captive mines. However, the coal inventories remain low at 2-3 days, due to railway rake constraints, which management expects to ease after the monsoon period.
- Captive coal costs remain ~INR1,600/t, compared with ~INR1,600-1,700/t for linkage coal and ~INR3,500-3,600/t for e-auction coal.
- Development of the Potangi bauxite mine is expected to commence following completion of an access road and local clearances, with production targeted to begin in Sep-Oct'26.
- Management indicated that better bauxite quality from newly opened mining blocks, along with the pressure digestion technology in the fifth stream refinery, should improve bauxite consumption efficiency over time.
- NACL's existing Panchpatmali bauxite mine has ~110mt of reserves, while the newly acquired block contains another ~110-120mt, providing an estimated mine life of 15-20 years at current production levels.

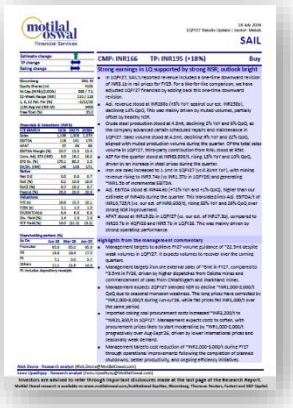
Other highlights

- NACL remains a net cash company with cash INR105b as of 30 Jun'26.
- Management expects annual internal cash generation to remain strong, with PAT projected at +INR60b, enabling annual cash accretion of ~INR35b post-dividends and capex, while funding expansion largely through internal accruals.
- Employee costs declined due to the retirement of higher-paid employees, induction of lower-cost recruits, lower retirement benefit provisions and normalization of ERP-related provisioning.
- Management expects employee costs to remain broadly stable during 2QFY27 and 3QFY27, before increasing in 4QFY27 due to the scheduled pay revision effective Jan'27, which is expected to increase employee costs by ~15%.

Steel Authority of India — Buy

Current Price INR 173

Click below for Results Update



Volume Guidance and Outlook:

- Management targets to achieve FY27 volume guidance of ~22.5mt, despite a weak volume during 1QFY27. It expects volumes to recover in the coming quarters.
- Finished steel inventory increased by ~0.2mt during the quarter. Management expects no more inventory build-up and plans to liquidate some inventory during 2HFY27.
- Management targets iron ore external sales of ~8mt in FY27, compared with ~3.5mt in FY26, driven by higher dispatches from Odisha mines and commencement of sales from Chhattisgarh and Jharkhand mines.
- SAIL plans to auction ~3mt of sub-grade iron ore fines during FY27 from its accumulated inventory of ~32mt, monetizing the large stockpile as planned.

Pricing & Cost - Guidance and Outlook:

- Blended NSR increased sharply by ~INR5,000/t QoQ to INR57,100/t (flat ~INR57,200/t and long ~INR57,100/t) in 1QFY27, driven by stronger domestic steel prices.
- Management expects 2QFY27 blended NSR to decline by ~INR1,000-2,000/t QoQ due to seasonal monsoon weakness. The long prices have corrected by ~INR2,000-3,000/t during Jun-Jul'26, while flat prices fell INR1,000/t over the same period.
- Imported coking coal procurement cost increased by ~INR3,200/t to ~INR21,300/t in 1QFY27. Management expects imported coking coal costs to soften. It expects procurement prices to start moderating by ~INR1,000-2,000/t progressively over Aug-Sept'26 driven by lower international prices and seasonally weak demand.
- Imported coal currently accounts for ~85% of total coal consumption, while indigenous coal contributes ~15% (including ~5% from captive mines). Indigenous coal costs stood at INR13,100/t against imported coal at ~INR21,200/t, while coal from SAIL's own captive Tasra mine is expected to cost only ~INR5,000-6,000/t.
- Management targets cost reduction of ~INR2,000-3,000/t during FY27 through operational improvements following completion of planned shutdowns, better productivity, and ongoing efficiency initiatives.
- Over the medium term (FY29 onwards), new expansion facilities are expected to reduce variable costs by ~INR3,000-4,000/t, primarily through lower coke rate and fuel consumption. After accounting for higher fixed costs from new capacities, net cost savings are expected at ~INR2,000/t.

Capex and Capacity Update:

- FY27 capex guidance was maintained at INR150b, with 1QFY27 capex of INR25.8b, ahead of the internal quarterly target.
- Management reiterated that annual capex is expected to rise above INR200b over the next few years as major brownfield expansion projects accelerate.
- Durgapur TMT bar mill (~0.9mtpa) remains on track for commissioning in 2HFY28 (Sep-Dec'27), which will further reduce semi-finished steel sales.

- Finished steel share increased to ~89% (vs ~86% last year), while semi-finished steel production reduced to ~12.5%. The company continues to convert semis into finished products through third-party processing arrangements.

Other Highlights:

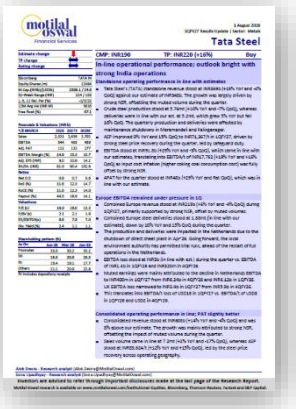
- Geopolitical tensions in the Middle East increased freight, fuel, and raw material costs globally, although SAIL's integrated operations and captive gas generation limited the impact relative to peers.
- The existing 11.5% safeguard duty continues to support the domestic steel market, while management expects the ongoing anti-dumping investigation to potentially provide additional protection against unfair imports.
- Management believes domestic steel fundamentals remain supportive, aided by ~8% CAGR domestic demand growth, safeguard duty protection, lower imports, and ongoing anti-dumping investigations.
- Net debt remained largely unchanged at ~INR217b despite inventory build-up, reflecting stronger cash generation and treasury management.
- Gross debt has subsequently declined to ~INR320b, while the average borrowing cost reduced to 6.24% from 6.8% YoY.

Tata Steel — Buy

Current Price INR 184

Click below for Detailed Concall Transcript & Results Update





Management guidance

- Domestic steel NSR is expected to decline by ~INR1,500/t QoQ during 2QFY27, primarily due to seasonal weakness in long products during the monsoon.
- Management guided coking coal consumption costs to increase by USD5/t QoQ in India and ~USD10/t QoQ in the Netherlands during 2QFY27.
- Management guided to charge an additional depreciation of ~INR1.2b annually (~INR300m per quarter) to accelerate amortization of mining assets ahead of scheduled mine auctions in 2030.
- UK realization is expected to improve further by GBP70-80/t in 2QFY27, although part of the benefit will be offset by higher substrate costs.
- UK steel prices will continue to improve as safeguard measures tighten imports, supporting the company's objective of achieving EBITDA breakeven in 2HFY27, although the timeline could shift modestly depending on market conditions.
- Netherlands profitability will improve sequentially in 2QFY27 as production normalizes following the Direct Strip plant's restart, although earnings are likely to remain below normalized levels.
- Management expects European steel prices to strengthen gradually over the coming quarters as import quotas tighten and CBAM implementation progress, although demand recovery is likely to remain gradual due to high inventories.

TATA – European operations

- Management reiterated that while market conditions in Europe are improving through CBAM, safeguard measures and reduced imports, future investments in the Netherlands will remain contingent upon adequate regulatory clarity, government support and acceptable investment returns.
- A fire at Port Talbot pickle line in Jun'26 resulted in ~10kt of production loss and nearly GBP5m of EBITDA impact. Management expects operations to normalize by 3Q/4QFY27 following insurance recovery and restarting alternate facilities.

- Management appreciates the recent safeguard revisions that reduced tariff-free import quotas and increased tariffs on imports exceeding quota limits. However, the company believes quotas remain excessive in several value-added product categories and continues discussions with UK authorities.
- Construction of the 3mtpa EAF at Port Talbot remains largely on schedule, although delays in National Grid's high-voltage connection continue to pose commissioning risks.
- Management reiterated that UK EAF transition will reduce the operating costs by ~GBP100-250/t over time through lower fixed costs, local scrap sourcing and improved power economics.
- Management stated that Direct Strip Plant shutdown led to elevated chromium emissions detected during internal monitoring. The company voluntarily disclosed the issue to regulators, replaced the affected rollers and expects operations to restart from Aug'26 under a four-week trial before full approval.
- Discussions continue with Dutch regulators and the government regarding environmental compliance, transition investments and long-term regulatory certainty before proceeding with any major decarbonization investments.

India operation update

- Capex during 1QFY27 stood at INR35.8b, primarily directed toward ongoing expansion projects in India.
- The Board approved the first phase of NINL expansion, increasing capacity by 4.8mt to 6.2mt with an investment of INR338.7b. The project is expected to be commissioned within 48 months and will develop further to 10mtpa.
- Management stated that NINL should be viewed as a greenfield project rather than an extension project, resulting in higher capital intensity as compared to Kalinganagar Phase-II due to new infrastructure, utilities and enabling facilities.
- The company also plans to expand iron ore production at NINL-linked mines by nearly 15mtpa in phases, while the merger of NINL with Tata Steel remains on track for completion by FY27-end.
- The recently commissioned 0.75mt scrap-based EAF at Ludhiana is ramping up as planned. It is designed around a localized scrap procurement and steel sales model within a 300km radius, reducing logistics costs and carbon emissions.
- The company is evaluating similar scrap-based EAF projects in western and southern India due to its lower capital intensity, shorter construction timelines and favorable carbon footprint.
- The company plans to expand tube capacity from ~1.5mt toward nearly 4mt over time, while the wires business is expected to increase capacity from ~0.6mt to nearly 1mt. Management guided the ongoing downstream projects (0.3mt tinplate and 0.74mt HR-pickling and galvanizing line) to be commissioned within the next 30 months.
- The proposed Maharashtra greenfield project has been recalibrated to 5mt blast furnace modules configuration with long-term expansion potential of 15mt.

Other highlights

- Tata Steel received multiple approvals in the domestic shipbuilding segment and expects shipbuilding steel sales to reach around 0.1mt initially, with long-term potential to scale up volumes toward 0.5mt as customer approvals expand.

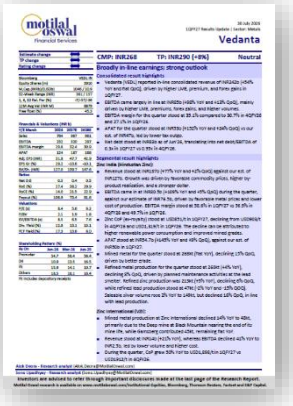
- Management identified data centers as an emerging growth opportunity and is focusing on supplying both structural steel and value-added storage solutions across India and Europe.
- Management cautioned that increasing auction premiums for iron ore mines could structurally raise raw material costs across the Indian steel industry. Consequently, it intends to maintain a balance between captive and merchant ore procurement based on economics rather than 100% captive sourcing.

Vedanta — Neutral

Current Price INR 262

Click below for Detailed Concall Transcript & Results Update




Vedanta

Guidance and outlook

- Management reiterated its target to become a USD5b EBITDA business by FY30, supported by multiple brownfield expansions across zinc, copper, and ferroalloys.
- Growth investments, deleveraging, and shareholder distributions will continue simultaneously, supported by robust free cash flow generation, with investors broadly able to model a 4-5% dividend yield across the demerged entities over time, subject to Board approval.

Capex and expansion

- Gamsberg Phase-II is expected to commence production in Aug'26, increasing concentrator capacity to 450ktpa, while Manganese mining operations are expected to commence in 2HFY27 following Stage-I forest clearance.
- Copper India completed Phase-I debottlenecking, increasing the installed capacity to 222ktpa, with further expansion to 229ktpa underway. In Saudi
- Arabia, an exploration partner has been finalized for the Jabal exploration block, with the initial exploration program expected to span 24 months. ·

  Management maintained FY27 growth capex guidance of ~INR7b, comprising INR5b for Zinc India and INR2b across Zinc International, Copper, and other businesses, along with ~INR4bn maintenance capex, of which nearly 70% will be incurred in Zinc India.
- The company invested INR1.15b toward growth capex during the quarter, while reducing net debt by over INR2.2b, resulting in a net debt/EBITDA ratio of 0.3x and cash & cash equivalents of ~INR19.9b.

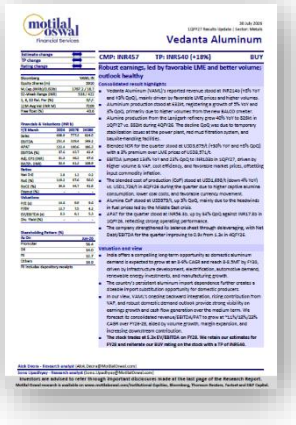
Other Highlights

- Vedanta Resources reduced group debt by USD1.1b during the quarter and completed USD3.95b of refinancing, reducing the overall borrowing cost to less than 8.5% p.a.
- Management reiterated its target to reduce Vedanta Resources' debt from USD5b to USD3b over the next two years through dividends, brand fees and strategic monetization.
- The company clarified that no inter-corporate loans are planned among the demerged listed entities, with all transactions to remain at arm's length and within related-party governance norms.

vedanta aluminium

Click below for
Detailed Concall Transcript &
Results Update





Vedanta Aluminium — Buy

Current Price INR 436

Guidance / Outlook

- Management reiterated its FY27 hot metal CoP guidance of USD1,650-1,700/t, while 2QFY27 costs are expected to increase marginally due to planned power plant shutdowns during the monsoon.
- FY27 Lanjigarh alumina production guidance of 4mt maintained. Management expects production to improve materially during 2HFY27 as seasonal disruptions and operational stabilization issues ease.
- Hot metal CoP to decline by USD175-200/t over the next 3-4 quarters, driven primarily by high er captive alumina integration, commencement of the Sijimali bauxite mine and captive coal availability.
- Domestic bauxite currently supports 46-50% of alumina production, with Sijimali mine this share expected to increase significantly.
- Management expects BALCO's remaining potline capacity to be commissioned during FY27, with incremental production of 260-270kt in FY27 and the balance (~190kt) in FY28.
- VAML has hedged 28% of aluminium volumes at an average price of USD3,062/t for the remaining FY27. During 1QFY27, the company had hedged ~293kt of aluminium at an average strike price of USD2,813/t. For 2QFY27, ~270kt of aluminium has been hedged at an average strike price of USD2,830/t.

Raw Materials / Backward Integration

- Sijimali bauxite mine received the mining lease and mine opening permission, while the final Consent to Operate (CTO) is expected during 2QFY27. Mining is planned to commence immediately after the monsoon.
- Company expects ~2mt of bauxite production in FY27, increasing to ~8mt in FY28, materially improving captive alumina integration and lowering aluminium production costs.
- Management indicated that the Sijimali mine could reduce aluminium CoP by ~USD40-50/t once production ramps up.
- The Kolhar captive coal mine has also received mining approvals, with production expected to commence during 2QFY27.

Capacity Update / Capital Allocation

- Growth capex stands at INR7-8b, primarily towards the Lanjigarh expansion, BALCO expansion and captive coal and bauxite mine development.
- Management maintained its FY27 capex guidance of ~INR5b growth capex, along with ~INR2b maintenance capex.
- FY28 capex is expected at ~INR3.5-4b, excluding the proposed 3mtpa greenfield aluminium project.
- The proposed 3mtpa aluminium project remains at the planning stage, with land acquisition, technology partner selection and engineering work currently underway. Management expects to provide detailed project timelines and funding plans over the coming quarters.

Balance Sheet / Capital Allocation

- The Board approved the company's first post-demerger interim dividend of INR8/share.
- Management highlighted that BALCO has effectively become net cash, providing significant flexibility to fund future growth projects and enhance shareholder returns.
- Management reiterated that the proposed 3mtpa expansion is not constrained by funding, supported by robust internal cash generation, low leverage and a strong balance sheet.

OIL & GAS

- **Overall, management across Oil & Gas companies remains constructive on the medium-term outlook, with CGDs expecting strong CNG volume growth, supported by robust CNG vehicle sales and expanding infrastructure, although input gas costs are likely to remain elevated in the near term. Among OMCs, IOCL's Panipat/Gujarat/Barauni refinery expansions are targeted for commissioning by Dec'26/Nov'26/Dec'26, while HPCL's capex cycle is tapering off and BPCL plans to incur INR250b capex in FY27. Upstream production growth remains back-ended, with ONGC targeting modest gas growth in FY27 and OIL's more meaningful ramp-up expected from 2HFY28, supported by NRL and pipeline commissioning. Gas utilities are focused on expansion, with GAIL's FY27 capex directed towards pipeline expansion and downstream integration, while PLNG enters a higher capex phase driven by Kochi connectivity and its petrochemical complex.**

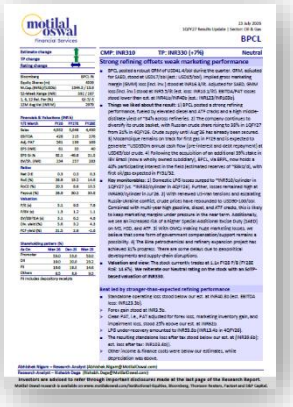
KEY HIGHLIGHTS FROM CONFERENCE CALL

	Outlook	Quarterly snapshot
Gas Utilities	▪ **GAIL:** Management has guided FY27 capex at INR115b. KKBPL Phase II, Gurdaspur–Jammu and C2/C3 pipelines are on track for completion in FY27; Vijaipur–Bina pipeline augmentation is targeted for FY28.The 1.25mmtpa PTA plant at GMPL is in the advanced stage of commissioning, expected to commence production shortly, while the 500 ktpa PDH/PP project to commission in FY28. **PLNG:** FY27 capex shall be ~INR90.6b. Mechanical completion of the Kochi terminal pipeline connectivity is expected by end-2QFY27. FY28 capex shall be similar. Petchem complex has achieved 40% completion.	▪ **GAIL's** 1QFY27 EBITDA came in 86% above our est. at INR63.8b, driven by strong gas marketing and LPG/liquid HC performance. Natural gas transmission/marketing volumes were 4%/12% above estimates at 122/94mmscmd, while petchem sales were 83% below our est. at 37tmt. **PLNG's** EBITDA came in 18% above our est. at INR15.3b (+32% YoY), with EBITDA adjusted for UoP provisioning/waivers 25% above our est. Reported PAT was 28% above our est. at INR11.3b (+33% YoY), while total volumes were 7% below our est. at 207tbtu.
Upstream	▪ **ONGC:** Oil production is expected to be flat YoY by the end of FY27, while gas production is expected to be up by 1bcm YoY. Capex p.a. ~INR350b-400b with possible upside as Samudra Manthan has been announced. **OINL:** 2QFY27 oil production guidance: 1mmt. Gas production is expected to remain relatively flattish/slower in FY27 and 1HFY28, with a sharper ramp-up likely from 2HFY28. 1.5mmscmd shall increase gradually over 2HFY27-1HFY28 as NRL ramps up. Another 2.5mmscmd is expected to be added once all pipeline projects are up and working. Once the ~200m DNPL feeder line pipeline stretch is complete (expected to take ~2-3 months), gas offtake will increase.	▪ **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. Reported oil realization was USD99.5/bbl. Crude oil/gas production declined 6%/2% YoY. EBITDAX/APAT came 5%/16% above our est. at INR295b/INR170b. ▪ **OINL's** 1QFY27 revenue came in 9% above our est. at INR79.6b. Oil production increased 11% YoY to 0.95mmt and gas production declined 8% YoY to 0.76bcm. Oil realization was USD98.7/bbl (4% above our est. of USD95.2/bbl). EBITDAX/adjusted PAT came 6%/12% above our est. at INR43.4b/28.7b.
CGDs	▪ **IGL:** FY27 core capex guidance: INR12-15b. LT margin guidance: INR7/scm maintained. **MAHGL:** The company expects 8-9% YoY volume growth over the long term and has guided for capex of INR15-18b. 1.5mmscmd of contracted HH linked gas shall not be fully available due to force majeure. **GUJENERG:** The company plans to add 75+ new CNG stations and upgrade 70+ stations in FY27. Management expects INR11-12b annual EBIT from gas trading segment. CNG volume growth is expected to remain robust at 12%+ YoY in the medium term.	▪ **GUJENERG's/MAHGL's/IGL's** volumes were broadly in line at 12.3/4.8/9.7mmscmd. MAHGL's EBITDA beat by 42% on stronger EBITDA/scm of INR7.9/scm, while GUJENERG benefited from a 3x YoY jump in gas-trading EBIT. IGL's EBITDA was in line, though PAT missed by 5% because of a higher tax rate.
OMCs	▪ **BPCL:** FY27 capex guidance: INR250b. First LNG cargo from Mozambique project is expected in FY29, while first oil/gas from major EPC contracts is targeted by FY31/FY32. **IOCL:** Key projects, such as the Panipat/Gujarat/Barauni refinery expansions, are scheduled for commissioning by Dec'26/ Nov'26/Dec'26, while PX-PTA plant and polybutadiene rubber plant are expected by Aug'26/Dec'26. Refinery throughput guidance for FY27/FY28/FY29: ~77/85/90mmtpa. **HPCL:** FY27 capex guidance: INR97b. HRRL targeted to operate at 50%/80-85%/near-full utilization in 2Q/3Q/4QFY27, respectively.	▪ IOCL and BPCL beat our estimates, while HPCL missed on weaker marketing margins. IOCL posted positive EBITDA of INR19.5b vs. estimated loss of INR161b. BPCL's operating loss narrowed to INR40.8b vs. est. loss of INR123.3b, while HPCL's EBITDA loss widened to INR161.3b vs. est. loss of INR117b. LPG under-recoveries for IOCL/BPCL/HPCL stood at INR102b/53.8b/56b.

BPCL — Neutral

Current Price INR 309

Click below for Results Update



Crude & LPG sourcing – 1QFY27:

- Increased spot crude purchases to 69% of total sourcing (vs 44% in 1QFY26) due to disruption in term supplies.
- Russian crude share increased to 38% of procurement (no discounts); sourced two new crude grades from Venezuela and Angola.
- BPCL's refineries can process Venezuelan crude (through blending), but purchases remain opportunistic rather than under long-term contracts.
- Aug'26 crude volumes fully secured; sourcing for Sep'26 underway.
- Differential in BPCL's landed crude cost vs benchmark is USD13-15/bbl post-war (vs USD4-5/bbl pre-war).
- Diversified LPG imports and maximized refinery LPG production to ensure uninterrupted domestic supplies.
- Bulk CNG/PNG customers supplied through spot LNG procurement despite disruptions under four cargoes across two long-term LNG contracts.

Refining:

- Refinery throughput stood at **10.15mmt**.

GRM: USD41.4/bbl (before SAED impact).

- GRMs adjusted for SAED: USD17/bbl
- Flexible crude sourcing enabled stable refinery operations despite supply disruptions.
- Strong 1QFY27 GRMs were driven by elevated diesel (HSD) and ATF cracks and a high middle-distillate yield of ~84% across refineries.
- Bina refinery outperformed, with ~87% middle-distillate yield and GRM of ~USD57/bbl (before export duty/cess), supported by its ability to process higher-sulphur, lower-cost crude.
- Mumbai refinery GRM: USD34/bbl; Kochi refinery GRM: USD39/bbl.
- Crude inventories 1QFY27: Opening: 3.07mmt, Closing: 2.72mmt

Upstream:

- Mozambique LNG: First gas expected in FY29; BPCL's entitlement in Phase I is ~1.3mmtpa. At USD65/bbl crude, the project is expected to generate ~USD350m annual cash flow (before interest and debt repayment).
- Brazil upstream: BPCL acquired the remaining 39.14% stake in IBV Brasil, making it a wholly owned subsidiary of BPRL, with all regulatory approvals in place.
- Major EPC contracts have been awarded; first oil expected in FY31 and gas in FY32, creating a new long-term earnings stream.
- Expected reserve size is around 88kb/d out of which BPR will have a 40% stake.
- BPCL announced 40% investment (INR850m) in a value-added bitumen JV with Tiki Tar and Shell India.

Marketing:

- BPCL met ~80% of petrol and diesel sales through own refining/JV production, while 10-15% was sourced from third parties (varies month-to-month based on operational requirements).
- Domestic sales volume stood at 13.62mmt.
- Retail network productivity remained industry-leading at 157 KL/outlet/month.
- Retail outlets increased to 25,485.

- CNG network expanded to 2,700 stations.
- Speed 97 premium fuel conversion reached 3.88%.
- Speed 100 available at 53 retail outlets.
- BeCafe network expanded to 220 outlets, including first standalone outlet at Srinagar Airport.
- Launched Bharat Gas Lite (10kg composite LPG cylinder) in Mumbai; rollout planned across 100 cities in 24 states by 15-Aug-2026.

Gas & petrochemicals:

- Bulk gas sales increased 3% YoY.
- CGD gas sales increased 60% YoY to 85 TMT.
- Launched BEPOLY brand for polypropylene products

Renewables:

- Won 100MW wind project in Madhya Pradesh.
- Estimated capex: INR8.6b

Capex & project updates:

- FY27 capex guidance maintained at INR250b.
- 1QFY27 capex: INR44b.

Bina Refinery Expansion & Petrochemical Project

- Overall progress: 30.7%.
- Capex incurred: INR59b.
- Commitments placed: INR300b.
- Geopolitical issues impacted procurement/execution, but no material impact on the critical path; major long-lead equipment already ordered.

Other projects:

- Mumbai PRFCC: 7% complete; commissioning targeted Sep'29.
- Kochi Polypropylene: 40% complete; commissioning targeted May'28.
- POL & LOBS installation at Asanur progressing as planned.

Andhra refinery:

- Land registration completed for 3,082 acres.
- Environmental clearance expected in 2QFY27.
- Final approval expected shortly

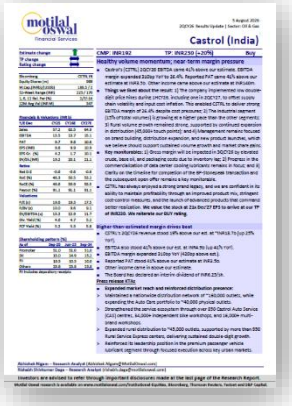
ATF:

- Domestic ATF: BPCL intends to pass through higher costs, but could not do so in 1QFY27.
- International ATF: Full cost recovery continues, with 55-60% of total ATF sales linked to international customers. Land registration completed for **3,082 acres**.

LPG:

- Volumes: Domestic LPG volumes declined 14-15% YoY in 1QFY27; management expects some decline to continue in 2QFY27, partly due to efforts to increase PNG penetration.
- Under-recovery: LPG under-recovery stood at INR510/cylinder in 1QFY27.

Click below for Results Update



Castrol India — Buy

Current Price INR 189

Open offer timeline:

- Transaction with Stonepeak is progressing as planned, with the investor obtaining the required regulatory approvals, licenses, and operational clearances across multiple jurisdictions.
- Management indicated that the transaction timeline reflects the complexity of a cross-border deal and that the company will notify SEBI and shareholders once the transaction is formally closed.

Margins and cost outlook:

- Crude oil rise impact on margins: Gross margin will be impacted in 3QCY26 by elevated crude, base oil, and packaging costs due to inventory lag.
- Price hike: The company implemented low double-digit price hikes in 1HCY26, including one in 2QCY26, to offset supply chain volatility and input cost inflation.

Silvassa plant:

- The Silvassa plant was temporarily shut due to heavy rainfall in early Jul'26 as a precautionary safety measure. Operations have since fully resumed, with the business continuity plan ensuring no lasting operational impact, and the plant is currently operating at peak levels.

Data centers:

- Early-stage trials are underway for data center liquid cooling solutions in India. Contribution remains negligible in the near term, with no formal revenue guidance yet.
- Management remains technology-agnostic in data center cooling, with solutions available for both immersion cooling and direct-to-chip cooling. The eventual dominant technology in India will depend on OEM preferences and is still too early to determine.
- Some previously discussed trial projects have converted into commercial business, although several trials remain long-term in nature. Management expects meaningful demand to materialize only as announced data center projects become operational.

Dividend:

- The company declared one interim dividend and one final dividend (historically: ~5% dividend yield).

Volume and segment performance

- 2QCY26 volumes were not disclosed on the call. However, the company aims to grow volumes at 7-8% YoY (2x the industry average of 3-4%).
- The industrial segment is 15% of total volumes, which is growing at a higher pace than the rest of the segments.

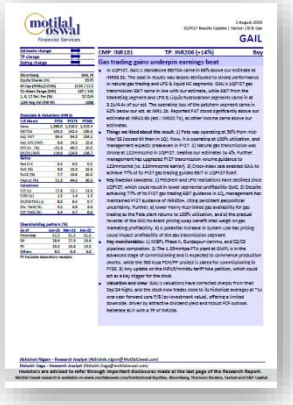
Capex:

- The company continues to guide for an annual capex of ~INR1b, with roughly equal allocation toward manufacturing and market investments (dealer and workshop visibility).
- Management indicated that strategic investment opportunities are evaluated on an ongoing basis but has no new investments to announce at present.

GAIL — Buy

Current Price INR 172

Click below for Results Update



Gas marketing segment:

- Qatar force majeure and disruption of seven additional cargoes impacted LNG supplies; GAIL procured eight spot cargoes to bridge the shortfall.
- Gas marketing volumes stood at 93.8mmscmd (including 8.8mmscmd international sales).
- Marketing spreads remained strong, driven by favorable gas price movements and pricing gains on Henry Hub (5.8mmtpa (21mmscmd) contract, 50% is tied on back-to-back basis and 20% was for own consumption, rest 30% is available for cross-index sale) and GCC-linked (2.4mmtpa contract; pricing: purchase at 9m average Brent price with a lag of 2 months, sale at 3m average Brent price) LNG sourcing. Management expects the benefit from favorable gas index movements to normalize as pricing averages converge over time.
- FY27 gas marketing guidance maintained: Due to continued volatility, GAIL retained its FY27 gas marketing PBT guidance of INR45b.
- Gas transmission segment:
- 1QFY27 transmission volumes stood at 122.4mmscmd.
- FY27 transmission volume guidance: ~123mmscmd (assuming the current geopolitical situation persists) (previous guidance: 119mmscmd).
- Demand outlook beyond FY27:
- As per PNGRB, India's gas demand shall be 297mmscmd by CY30 (current: 200mmscmd) driven by CGD > Fertilizer (10-12mmscmd incremental volumes by CY30) > Power (9-10mmscmd incremental volumes by CY30).
- Gas sourcing:
- Current: 16.5mmtpa portfolio; 7-8mmtpa additional by CY30, out of which 2.5mmtpa has been fixed.
- System uses gas: GAIL uses HP-HT gas. Going forward, PNGRB has come up with a regulation to fix a three-plus-year contract for SUG.

Petrochemicals (Polymers)

- At Pata complex, average landed gas cost was USD10.54/mmbtu in 1QFY27.
- At a selling price of 1.3lakh/ton and gas landed cost of USD13-14/mmbtu, there shall be no profit – no loss.
- Polymer production stood at 51tmt in 1QFY27, impacted by diversion of natural gas to priority sectors.
- In 1QFY27, the segment reported an INR1.3b loss.
- Pata was operating at 50% from mid-May'26 (closed till then in 1Q). Now, it is currently operating at 100% utilization, and management expects breakeven in FY27.
- Per unit profitability could be lower in 2QFY27 as prices have come off QoQ.
- GAIL is pursuing a shift from natural gas to ethane feedstock to improve long-term profitability.

LPG & Liquid Hydrocarbon (LHC)

- LPG transmission volumes declined 3% QoQ to 1,077tmt, impacted by disruptions in LPG imports due to the West Asia crisis.
- 1QFY27 price: INR90,796/ton (this is crude linked, not Saudi CP), Current NG feedstock: 0.6mmscmd + 1.32mmscmd (1.12mmscmd APM gas, rest NW gas)

- Production shall be similar QoQ in 2QFY27.
- LPG prices have dropped in 2QFY27 QoQ, which shall result in a decrease in the segment profitability in 2Q.

Capex and project timelines:

- Pipeline projects: KKBPL Phase II, Gurdaspur–Jammu and C2/C3 pipelines are on track for completion in FY27; Vijaipur–Bina pipeline augmentation is targeted for FY28.
- Mumbai Nagpur Jharsuguda Pipeline became operational on 30th May'26.
- Current volumes: 0.5mmscmd. Both fertilizer plants (after 3-4years) shall also help in ramp-up over the long term.
- Petrochemicals: The 1.25mmtpa PTA plant at GMPL is in the advanced stage of commissioning and is expected to commence production shortly, while the 500 ktpa PDH/PP project is slated for commissioning in FY28.
- Capex: GAIL incurred INR61.7b of capex in 1QFY27 and maintained its FY27 capex guidance of ~INR115b.
- Depreciation and interest:
- Depreciation: INR32b p.a. run-rate expected
- Depreciation for the Petchem complex is estimated at 4% (PDH-PP plant shall add INR3.1b post-commissioning).
- Finance cost: INR12-13b p.a. run-rate expected

Others:

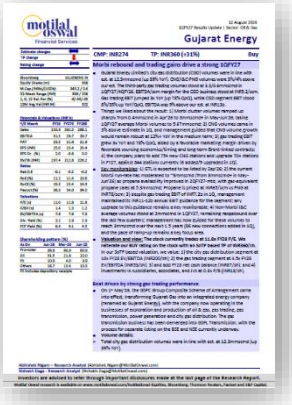
- During the quarter, Konkan LNG Ltd (Dabhol) became a wholly-owned subsidiary of GAIL.
- Ambient heating system shall be completed by Jun'27.
- PNGRB approved three LPG pipeline projects (total ~1,800 km) on 14 Jul'26, involving a combined capex of INR67b to be executed over the next three years.

Gujarat Energy — Buy

Current Price INR 266

GUJARAT ENERGY

Click below for Results Update


Gujarat Energy

Merger timelines:

- Merger received final approval on 17 Apr'26 and was completed effective 1 May'26.
- Company renamed from GUJGA to Gujarat Energy Limited on 14 Mar'26, while appointed date for merger remained 1 Apr'24. GTL demerger is effective from 1 Apr'25, implies FY25 included gas transmission business.
- Share issuance process progressed with shares issued on 12 May'26 and allotment completed on 16 Jun'26.
- Additional shares expected to be listed on BSE/NSE within 6-7 days, followed by commencement of trading of these shares.
- GTL listing targeted by Sep'26 after completion of share allotment and exchange listing formalities.

Operational performance:

- GEL now has 844 stations. In 1Q, 6 new stations were added and 9 were upgraded
- The company plans to add 75+ new CNG stations and upgrade 70+ stations in FY27
- CNG is 46%/25% cheaper vs Petrol/Diesel (based on current prices)

- GEL added 59k D-PNG in 1QFY27 (total 2.5m)

I&C volumes:

- In 1QFY27, Morbi cluster average volumes stood at 5.67mmscmd; Non-Morbi avg. volumes stood at 2.04mmscmd
- Morbi cluster volumes increased from 0.4mmscmd in Apr'26 to ~8mmscmd+ in May-Jun'26.
- Current Morbi run-rate: ~3mmscmd (Propane availability has improved in 2QFY27-mtd. Current gas equivalent Propane sales is 5.3mmscmd).
- Pricing: PNG at INR78/scm vs Propane INR65/scm
- Company expected non-Morbi volumes to reach 3mmscmd in the next 1.5 years. Company added 86 new connections in these areas in 1Q.
- Gas trading: 8.9mmscmd volumes out of 12.22mmscmd were allocated to CGD segment.
- Third-party gas trading volumes have dropped to 3.3mmscmd (vs. 4.6mmscmd in 4QFY26). Decline is attributable to high spot LNG prices, difficulty in availability of gas and lower power demand.
- Third party volume split: Fertilizer 1.6mmscmd, chemicals 0.24mmscmd, steel and power 0.4, other CGDs 0.5mmscmd
- Term contracts with fertilizer and CGD customers are largely linked to Brent with a 3-month pricing basis, while most power customers are on spot contracts.
- Gas sourcing is a mix of Brent- and Henry Hub-linked supplies; CGD also has access to APM gas.
- Domestic/PSC gas and fertilizer contracts carry a fixed marketing margin of ~USD0.2/mmbtu, while margins in industrial and other segments are market-linked.
- High marketing margin in 1QFY27 was driven by favorable sourcing economics/timing and long-term Brent-linked contracts, with a mismatch between dated Brent-linked supply and the pricing of gas sold to customers providing an advantage.

CNG:

- CNG volume growth is expected to remain robust at 12%+ YoY in the medium term.

Propane import facility:

- Company plans to set up its own propane import and storage facilities near Morbi markets. A few sites in Gujarat have been shortlisted, with feasibility studies underway; further details are expected shortly.

Capex guidance:

- No capex for trading business. In FY27, capex of INR10b/1b is expected towards CGD/E&P business.

Gas sourcing split – company level:

- Long-term/domestic/spot: 20%/12.5%/rest is spot
- Out of long term contracts, ~20% is Henry Hub linked

CGD business:

- 14% APM, 6% NWG, 2% pooled gas, 9% long-term, 69% spot/inter-segment
- Management plans to increase long-term contracted volumes from ~2mmt in FY28 to ~4mmt in FY30.

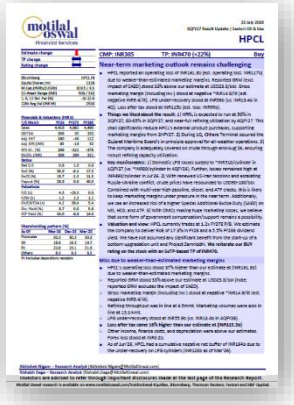
Others:

- 1QFY26 EBITDA split: gas trading INR2,360m, CGD 5,440m, E&P 70m, renewables 140m
- 4QFY26 EBITDA split: gas trading INR4,090m, CGD 4,650m, E&P 140m, renewables 50m
- INR72b cash on books (INR10b capex for CGD business).

Hindustan Petroleum — Buy

Current Price INR 365

Click below for Results Update



1QFY27 operational performance:

- HPCL could not refine the most optimal crude during the quarter.
- No concerns on crude/LPG availability; pricing remains the key risk: The company is adequately covered on crude through end-Aug'26 and sees no supply constraints, with greater flexibility to process heavier crudes as refinery upgrades stabilize.
- LPG sourcing has also become more resilient through diversified imports beyond the Middle East.
- While the geopolitical situation remains fluid, management is not concerned about the physical availability of crude or LPG, but acknowledges price volatility as the key risk.
- HPCL carried more than usual inventory at quarter-end (30 Jun'26). There were inventory losses.
- Bottom upgradation unit faced some technical issues.

Self-sufficiency in fuels by FY27-end:

- As refinery operations stabilize over the next three quarters, the company expects to significantly reduce third-party fuel purchases.
- Including output from its own refineries and JVs, it should be largely self-sufficient (with surplus in some products) by end-FY27, supporting marketing margins.

HRRL:

- Scheduled commercial operations commenced on 22nd Jun'26. CDU is currently running at 60% utilization.
- By the end of 3QFY27, the refinery is expected to run at full capacity.
- Petchem shall ramp up by FY27-end.
- Management expects Rajasthan refinery utilization at ~50% in 2QFY27, 80-85% in 3QFY27, and near-full refining utilization by 4QFY27 (petchem to ramp up more gradually). This should significantly improve fuel self-sufficiency - illustrated by HSD sourcing, where third-party purchases are expected to decline from ~24% in 1QFY27 to only balancing volumes in FY28, with own refinery share increasing from 50% to 56% and JV share from 27% to 40%. The shift is expected to structurally improve marketing earnings over the next 2-3 quarters.

Focus on lowering financing costs and debt:

- Management aims to reduce HRRL's interest cost by refinancing expensive rupee loans through fully hedged ECBs (potentially lowering borrowing costs by ~150 bps) and repricing loans with banks after operational stabilization.
- For HPCL, the priority is reducing overall debt, with deleveraging expected to lower finance costs and support profitability.

- Debt-equity ratio rose from 0.8x at the end of last year to 1.5x currently, with debt at approximately INR720b, having added about INR19b per week over the last 13 weeks; management aims to bring this down faster than the previous crisis recovery (which took about 3 years from 2.33x to 0.8x).
- Capex:
- 1QFY27 Capex: INR17.3b capex was incurred to strengthen refining and marketing infrastructure, as well as to invest in subsidiaries and JVs to add new capacities, develop new business lines, and enhance operating efficiencies.
- FY27 capex guidance: Target: INR97b. Would be lower due to the ongoing crisis.

Samriddhi 2.0:

- Following Samriddhi 1.0's success in FY26, which generated accruals of INR16.9b, HPCL has launched Samriddhi 2.0, an enterprise-wide EBITDA improvement program targeting INR15b in gains, with INR10b earmarked as FY27 accrual.

Retail outlet revamp showing encouraging early results:

- After limited success with the initial upgrade of 4,500 outlets, the company launched Retail 2.0 across 4,900 outlets three months ago. On a like-for-like basis, upgraded outlets are delivering 100-150 bps higher volume growth than the market, indicating improved execution and customer traction.
- LPG loss per cylinder stood at ~INR680/cyl in Jun'26 and dropped to ~INR490/cyl in Jul'26 (~INR510/cyl in 1QFY27 vs ~INR80/cyl in 4QFY26).
- Saudi CP price is down by USD200/mt QoQ. The company has also diversified crude sourcing — LPG under-recovery: INR52b in FY26; INR13.5b in 4Q.

New Initiatives:

- Samriddhi 2.0: Following Samriddhi 1.0's success in FY26, which generated accruals of INR16.9b, HPCL has launched Samriddhi 2.0, an enterprise-wide EBITDA improvement programme targeting INR15b in gains, with INR10b earmarked as FY27 accrual.
- As of 30 Jun'26, the HP Green R&D Centre (HPGRDC) had filed 787 patents in total, of which 320 have been granted.

Non-Fuel Business:

- HPCL entered strategic partnerships with Burger King, Travel Food Services, Devyani International, FoodMojo, Chai Fast, Araku Coffee, SARAS, and Safal to expand its non-fuel business portfolio.
- In partnership with Petromin, HPCL is building a network of world-class Quick Vehicle Care Centers at its retail outlets to improve customer convenience, with plans for 1,000 centers nationwide over the next 3 years and 100 centers targeted for commissioning in FY27.
- Project Abhyuday 2.0 has been launched to drive volume growth and market leadership at 4,928 select retail outlets, through outlet-level initiatives combined with modernization and infrastructure upgrades.
- HPCL is rolling out its next-generation enterprise-wide Digital Transformation programme, leveraging AI, Agentic AI, Advanced Analytics, Digital Twins, Industrial IoT, Cloud Platforms, Computer Vision, Robotics & Drones, and Intelligent Process Automation to transform refining, supply chain, marketing, and corporate operations.
- Sustainability and Energy Transition:

- Retail Energy Transition (as on 30 Jun'26):
- CNG Outlets: 2,289
- Solarized Retail Outlets: 23,928 (95% of outlets powered by renewables)
- EV Charging Stations: 5,806
- During the quarter, HPCL commissioned solar projects at Jalgaon (10.4 MWp) and Jhansi (6.5 MWp).

Indian Oil — Neutral

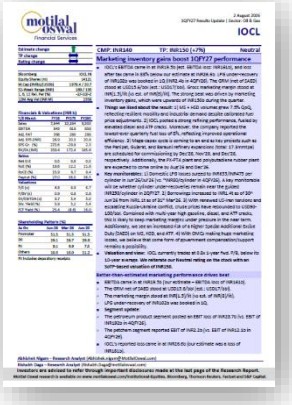
Current Price INR 137

Operational performance:

Crude sourcing:

- Spot crude imports for the quarter were about ~84%, up from 50-51% in the prior year, reflecting diversification of sourcing, including Russia, Venezuela, Brazil, and African countries, amid geopolitical volatility.
- Landed cost split (including shipping and insurance cost): Pre-war: Brent less USD1-2/bbl; peak war: Brent plus USD10/bbl; the situation is highly dynamic and the premium keeps changing.

Click below for Results Update


IOCL

Product demand:

- MS + HSD volumes grew 7.5% QoQ, reflecting resilient mobility and industrial demand despite calibrated fuel price adjustments.
- 10-15% of total HSD sales volumes are bulk LPG volumes.
- ATF volumes declined ~5% QoQ, impacted by suspended international routes following airspace closures and weaker air travel due to higher airfares.
- No airline availed the government's fixed-price ATF supply scheme, as international ATF prices corrected before the mechanism became operational.
- International ATF costs were fully passed through to airlines, while domestic ATF continues to be sold under negotiated pricing arrangements.
- LPG volumes fell ~20% QoQ, primarily due to tighter regulatory norms on commercial supply and government demand optimization measures.
- Operational highlights include refinery crude throughput of 19.2mmt at 109.4% capacity utilization (lowest-ever quarterly fuel loss of 8.04%), pipeline throughput of highest-ever 28.5mmt at 79.9% utilization, and total marketing sales volume of 26.2mmt.
- GRM inclusive of SAED would be USD36/bbl (excl. SAED: USD15.6/bbl).
- Inventory loss on refining: USD3-4/bbl.
- Marketing inventory gains in 1QFY27: INR150b
- Borrowings increased to INR1,414.5b as of 30th Jun'26 from INR1,106.7b as of 31st Mar'26, mainly due to higher working capital requirements; gross debt-equity ratio stood at 0.71 (net debt-equity at 0.51).

LPG losses per cylinder:

- Jun'26: INR665
- Jul'26: INR475
- Expected LPG losses in 2QFY27: INR250 (as Saudi CP is much lower in Aug'26).
- Capital expenditure for 1QFY27 stood at INR64.6b, with a full-year planned capex target of INR327b, supporting refining, petrochemical, renewable energy, and biofuel expansion projects.

- Capex shall be in the range of INR300-400b p.a. over the next few years as IOCL plans to increase petchem intensity to 15% from 6.5% (INR1000b capex shall be required over the next five years for this).

1QFY27 segment-wise capex breakup (total: INR64.6b):

- Refinery: INR39.5b
- Marketing: INR14.2b
- Petchem: INR5.7b
- Pipelines: INR3.2b
- Gas: INR0.6b
- R&D: INR0.3b
- E&P: INR0.4b
- Others: INR0.9b

Projects update:

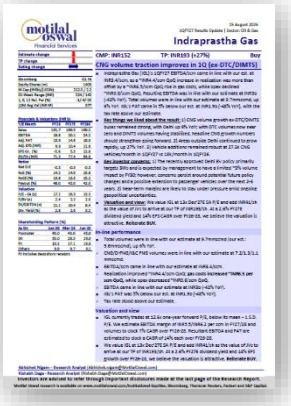
Major projects are at advanced stages:

- Panipat refinery expansion (15mmtpa to 25mmtpa): Gross approved cost of INR 382b; Physical progress at 94%; Expected commissioning date: Dec'26
- Gujarat refinery expansion(13.7mmtpa to 18mmtpa): Gross approved cost of INR 189b; Physical progress at 89.2%; Expected commissioning date: Nov'26
- Barauni refinery expansion(6mmtpa to 9mmtpa): Gross approved cost of INR 181b; Physical progress at 91.6%; Expected commissioning date: Dec'26
- PX-PTA complex (Paradip refinery): Gross approved cost of INR 138b; Physical progress at 94.6%; Expected commissioning date: Aug'26
- New Mundra Panipat crude oil pipeline: Gross approved cost of INR 90b; Physical progress at 94.1%; Under commissioning (Mechanically completed in Jul'26)
- New R&D Campus-II (Faridabad, Haryana): Gross approved cost of INR 32b; Physical progress at 65.3%; Expected commissioning date: Oct'26
- Poly Butadiene rubber plant (Panipat, Haryana): Gross approved cost of INR 29b; Physical progress at 88.7%; Expected commissioning date: Dec'26
- Management guided for refinery throughput of ~77mmtpa in FY27, increasing to ~85mmtpa in FY28 and ~90mmtpa in FY29.
- Yields should improve as the company shall be able to process higher value-added products.

Sprint Initiatives:

- Sprint delivered INR20b of savings in FY26, and Sprint 2 is expected to generate an additional INR20-25b of savings.
- The initiative focuses beyond cost reduction, targeting efficiency improvements, market share gains, logistics optimization, and opex savings, supported by tighter capex and opex monitoring.

Click below for Results Update



Indraprastha Gas — Buy

Current Price INR 153

1QFY27 sourcing mix:

- 48% APM + NWG + HPHT: APM 2.6mmscmd, NWG 1.26mmscmd and HPHT 0.7mmscmd. NWG allocation has increased relative to APM and is expected to remain high going forward; HPHT allocation is also expected to increase.

52% RLNG (LT + spot):

- LT: 3.9-4.0mmscmd
- Pooled gas: 0.6-0.7mmscmd
- Spot: 0.25-0.3mmscmd (USD17-21/bbl)

CNG vehicle additions:

- 27.3k CNG vehicles were added per month in 1QFY27, vs 18k per month in 1QFY26.
- HPHT:
- IGL plans to increase the share of HPHT going forward.

Margin outlook:

LT guidance: INR7/scm maintained.

- However, the near-term margin outlook remains soft amid geopolitical uncertainties.

Volumes:

- DTC: Almost zero currently vs 1.5 lakh kg/day in 1QFY26.
- DIMTS: 1.5 lakh kg/day, broadly similar QoQ.
- **Total CNG volumes:** 5.31 lakh kg/day in 1QFY27.

Overall CNG volume growth: 6% YoY.

- Excluding DTC/DIMTS: Delhi +9% YoY, IGL +11% YoY and outside Delhi +27% YoY.
- 4.6 lakh PVs were added in Jul'26. Maruti indicated that 42% of vehicles sold were CNG.
- Delhi EV policy: Effective 2027, no new CNG 3Ws; only EVs. IGL is engaging with regulators.
- IGL does not expect a significant impact: <1% in CY27 and <3% by CY30. Overall vehicle mix impact is estimated at 2-3% by CY30, as per management.

MNGL and CUGL:

- MNGL: CNG volumes grew 8% YoY to 0.25mmscmd, while PNG volumes remained stable at 0.12mmscmd.
- CUGL: Overall volumes grew 18% YoY to 2.19mmscmd.

Hedging:

- IGL is evaluating hedging options.

CNG vehicle volume split:

- Buses: 12%
- CVs: 19%
- 3Ws: 7-8% (70-80% are in Delhi)
- Taxis: 14%
- PVs: 48-50%

Gurgaon and Faridabad:

- Litigation is ongoing. The company has conditionally accepted the regulator's response and will start developing these areas partly.

Capex:

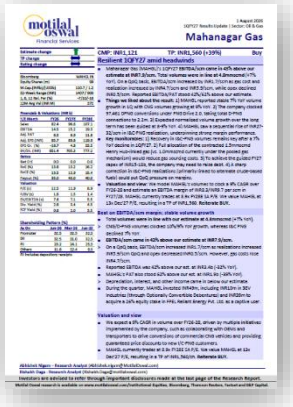
- 1QFY27 capex: INR3.3b.

- FY27 core capex guidance: INR12-15b.
- Overall capex could be as high as INR18-20b.

Mahanagar Gas — Buy

Current Price INR 1,129

Click below for Results Update



Operational performance:

- Operational infrastructure expanded with 97,461 new domestic PNG conversions (cumulative 2.17m), 156.57 km of new pipeline (cumulative 8477km), one new CNG station (total 519), 291 new industrial/commercial customers (total 6198), and 26,007 new CNG vehicles registered (total over 1.31m).
- Expected normalized volume growth over the long term: 8-9% YoY

Volumes details:

- Total volume: 4.766mmscmd in 1QFY27 (vs 4.456mmsmcd in 1QFY26)
- CNG – 3.496mmsmcd in 1QFY27 (vs 3.185mmscmd in 1QFY26)
- DPNG – 0.623mmscmd in 1QFY27 (vs 0.571mmscmd in 1QFY26)
- I&C PNG – 0.648mmscmd in 1QFY27 (0.698mmscmd in 1QFY26)

Gas sourcing split: Mar'26:

- APM gas: 30%
- NWG and pooled gas: 22%
- Pooled gas price: USD12.5-13/mmbtu. Discontinued from 4 Jul'26.
- HP-HT: 15%
- HH linked: 21%
- 1.5mmscmd of contracted HH linked gas shall not be fully available due to force majeure.
- Rest: Brent-linked (very minimal), IGX and spot
- Brent-linked price: USD15/mmbtu
- Spot went as high as USD20/mmbtu

Sales realization:

- I&C pricing is linked to alternate fuels. Company saw a QoQ increase of INR27-32/scm in realization.
- Industrial/commercial pricing is linked to bulk LPG (some discount)/FO, LSHS and LDO.

UEPL:

- Volume: 0.322mmscmd out of total 4.766mmscmd (0.224mmscmd in 1QFY26).

Bus segment & EV impact:

- BEST: 90k kg/day, MSRTC: 35k kg/d, others: 3.5-4k kg/d

Capex:

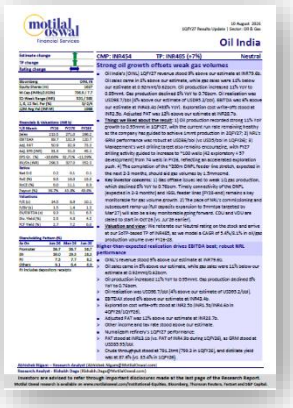
- PNG drive will lead to an increase in capex.
- 1QFY27 capex: INR3.5b (strong D-PNG connection additions)
- FY27 guidance: INR15-18b
- There could be some increase in debt during the year

GA-wise volumes:

- GA2 - 2.1mmscmd (1.9mmscmd in 1QFY26)
- Unison - 0.3mmscmd (0.224mmscmd in 1QFY26)
- GA1 - 1.95msmcd
- Raigad - 0.4mmscmd (0.3mmscmd in 1QFY26).

ऑयल इंडिया लिमिटेड
Oil India Limited

Click below for Results Update



Oil India — Neutral

Current Price INR 475

Standalone operational performance:

- 1QFY27 oil & gas production: 1.71mmtoe
- Highest-ever daily oil production of 10.9k tpd was achieved on 27 Jun'26, reflecting robust oil production.
- 2QFY27 oil production guidance: 1mmt

NRL operational performance 1QFY27:

- 105% capacity utilization
- Highest ever distillate yield: 87.6%
- GRM: USD36/bbl (vs USD5/bbl in 1QFY26) (USD3/bbl inventory gain)
- Excise duty benefit is not included in the reported number. However, reported number is net of SAED.

Increase in gas offtake:

- Gas production is expected to remain relatively flattish/slower in FY27 and 1HFY28, with a sharper ramp-up likely from 2HFY28.
- 1.5mmscmd shall increase gradually over 2HFY27-1HFY28 as NRL ramps up. Another 2.5mmscmd is expected to be added once all pipeline projects are up and working.
- Once the ~200m DNPL feeder line pipeline stretch is complete (expected to take ~2-3 months), gas offtake will increase.

Drilling plan and deep-water exploration

- Drilling activity is on track to increase from 74 wells in FY26 to ~100 wells in FY27, covering both onshore and offshore; management aims for at least ~10% annual growth in well count thereafter.
- FY27 drilling target: 42 exploratory + 57 development wells, vs 22 + 52 wells in FY26.
- ~55% of the acreage is offshore, with a significant portion in deep-water/ultra-deep-water, creating a large medium-term exploration opportunity.
- Management has already identified deep-water/ultra-deep-water drilling prospects for the next few years and has tendered rigs.
- First deep-water rig is expected by Jun-Jul'27, with the second rig by Mar'28, marking the start of the deep-water exploration campaign.
- ~4,200 km of 2D and ~5,300 sq km of 3D seismic data have already been acquired; processing and interpretation of ~40,000 sq km across Mahanadi and KG basins is expected to be completed by Jan'27.
- One Mahanadi well is planned for FY28, with ~INR8b of government funding support.
- Deepwater prospects being de-risked through independent reviews by consultants, Total Energies and Petrobras.

Andaman drilling activities:

- 3 wells drilled so far: Vijayapuram-1 tight sand, Vijayapuram-2 intermittent gas flow and Vijayapuram-3 continuous gas flow; latter two constitute a technical discovery.
- Vijayapuram-1 testing underway using hydrofracturing; results expected in ~1 month.
- 4th exploratory well planned by Dec'26 in northern Andaman; assessment expected by Mar'27.

- Additional 600 sq km of 3D seismic acquired around Vijayapuram-2/3; processing to complete by Oct'26 and interpretation by Jan'27.
- Appraisal drilling around Vijayapuram-2/3 to be finalized by Feb'27 based on 3D interpretation; expected to help delineate reserves and production potential.

Capex:

- 1QFY27 capex stood at ~INR30.5b, with ~INR4.5b on surveys and ~INR12.3b on exploratory drilling.
- Full-year FY27 capex budget stands at ~INR86b vs INR130b spent in FY26.
- Group level debt: INR372b.

NRL's capacity expansion:

- The ongoing capacity expansion from 3mmtpa to 9mmtpa will be commissioned (full capacity) by Mar'27.
- CDU and VDU is complete mechanically and is ready for start-up. Commissioning by Oct'26 (delayed).
- The company expects to reach 75% exit-capacity utilization by FY28-end.
- Capex: INR300b has been incurred till now (debt: INR190b) (refinery portion shall take INR340b, another INR73b for petchem part).
- Opex: As the refinery ramps up, opex shall decrease from USD4.5-5/bbl to USD3.5/bbl.

Pipeline capacity expansion:

- IGGL feeder-line project (3.5mmscmd) received PNGRB approval in Feb'26; expected to unlock ~40% higher gas offtake, with completion targeted by FY28.
- DNPL gas pipeline expansion mechanically completed (Nov'25); capacity increased from 1.2mmscmd to 2.5mmscmd, supporting higher gas supply to NRL.
- Additional 1.5mmscmd gas allocation to NRL under New Well Gas premium mechanism improves utilization visibility.
- Numaligarh-Siliguri product pipeline (NSPL) augmentation mechanically completed (Oct'25); capacity expanded from 1.72mmtpa to 5.5mmtpa to support NRL's 9mmtpa refinery expansion.

Production volume guidance:

- FY26: crude oil/natural gas production stood at 3.45mmt/3.19bcm.
- FY27 guidance: crude oil/natural gas production guidance at 3.9mmt/3.8bcm.
- However, in 15-18 months, gas production should increase to 5bcm.

ONGC — Buy

Current Price INR 238

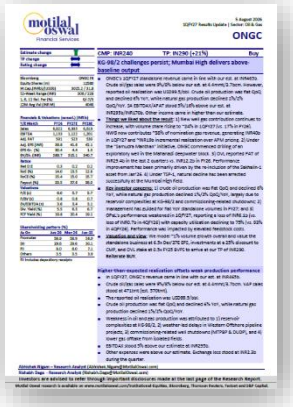
Western offshore:

- ONGC was able to maintain nomination field production in 1QFY27
- The Mumbai High field (TSP 1) has achieved 107% of baseline production
- Absolute increase in oil/gas production (net of 6-7% natural decline) is 1%/5-6%.
- Oil production is expected to be flat YoY by the end of FY27, while gas production is expected to be up by 1bcm YoY.

KG 98/2:

- Some challenges were faced in 1Q. Current production is 21kb/d oil and 1.5-1.7mmscmd gas.

Click below for Results Update



- Oil reservoir-related complexity has come up. Each well rework cost is around INR5b.
- At KG 98/2, all oil wells are open. Out of 7 gas wells, 3 are open.
- With the opening of all gas wells by Oct'26, ONGC expects 3mmscmd+ gas production in 4QFY27.

Peak production:

- After commissioning of CPP, peak production of 6-7mmscmd shall be reached gradually by 4QFY28.

Standalone oil + gas production guidance (excl. JVs):

- 38.87mmtoe in FY26 to 39mmtoe/40mmtoe in FY27/28 (50% oil and 50% gas in FY28)
- DUPD: current production 1mmscmd shall increase to 3mmscmd by 3QFY27
- East coast: 1.3mmscmd gas increase, 0.5mmscmd increase from others
- Further upside from TSP 1 and 2
- ONGC shall be playing a major role in Samudra Manthan.
- ONGC expect oil prices to settle at USD75/bbl in the long run. That will help ONGC to undertake exploration activities (including deep water exploration) which were not viable financially at USD60-65/bbl.
- With INR840b fund (phase 1 valid till FY31) from the government, the opportunity seems very lucrative to ONGC.
- Each deep water will cost around INR10b. Support will be coming from the government, but the quantum and timelines are still not disclosed.
- Some global players might come.

New well gas:

- Volume share of NWG increased from 17% in FY26 to ~24% in 1QFY27.

Capex:

- Capex p.a.: INR350b-400b; Possible upside as Samudra Manthan has been announced

Overseas portfolio - OVL

- OVL's performance has improved significantly in the last few quarters, **primarily driven by the Sakhalin-1 asset.**
- Sakhalin asset accounting in OVL books restarted from Jan'26.
- Mozambique LNG project is progressing rapidly with large-scale execution underway; management expects LNG production to commence around CY28/start-FY29, providing a major long-term gas growth trigger.
- Management expects Venezuela production to improve materially over the coming years, aided by potential easing of US sanctions and expected regulatory approvals/licenses.
- ONGC has received a license; hence, the sanction risks are not there now.
- From Brazil's BM Seal field, ONGC should get 1.3mmtpa additional production by CY30.

Survey expenses slated to increase in 2HFY27:

- Survey expenditure remained low in the pre-monsoon quarter (1QFY27) due to delays in finalizing survey contracts, as initial tender rates were deemed unviable.

- Management indicated that major survey contracts have now been awarded, with activity set to resume from Oct'26 onward. Survey spending is expected to more than catch up in 2HFY27, supported by a large exploration program.

Higher oil realization vs Brent:

- No specific reason - driven by volatility.

OPAL turnaround:

- 1QFY27 was challenging due to geopolitical tensions.
- Dual feed cracker: Naphtha prices shot up, and natural gas was not available.
- ONGC has decided to exit the SEZ for C2-C3 as well. This shall add INR10b to the EBITDA.

Petronet LNG — Buy

Current Price INR 288

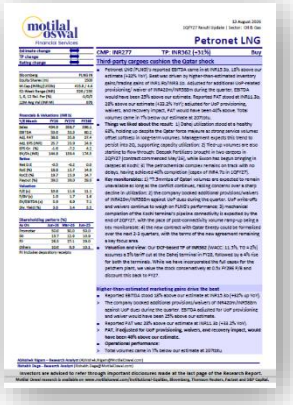
Volume mix remains skewed toward third-party volumes:

- The shift seen in 1QFY27 – a sharp decline in contracted volumes offset by higher third-party volumes - has continued into 2QFY27 so far. Management indicated this trend is likely to persist for now.
- Current capacity utilization is similar to largely 1QFY27.
- Deepak Fertilizer has started bringing in tied-up volumes (2 cargoes in 2QFY27 – contract started in May'26). Exxon has also started bringing in cargoes at Kochi terminal. In 1QFY27, inventory gains stood at INR1.9b, and trading gains stood at INR3.1b. Regas revenue stood at INR1.2b.

Petchem complex:

- The project is on track - no delays observed.
- Kochi pipeline connectivity: Mechanical completion of the Kochi terminal pipeline connectivity is expected by end-2QFY27.
- Tolling cargoes can accelerate user-pay recovery: Incremental tolling cargoes can be used to offset past-year user-pay commitments, but only after fulfilling the current-year commitment. GAIL's long-term cargoes are treated separately and do not qualify for user-pay offset. Hence, if the current trend of higher tolling cargoes continues, user-pay recovery could accelerate.
- Qatar LNG supply remains contingent on Strait of Hormuz reopening: Petronet remains in close touch with Qatar Energy and expects Qatar LNG volumes to resume on an FOB basis once the Strait of Hormuz reopens; Qatar is reportedly ramping up production.
- New contract with Qatar energy could be formalized in the next 2-3 quarters.
- Alternate sourcing via capacity holders: Rather than directly sourcing incremental LNG and reselling it, Petronet has enabled capacity holders (GAIL/BPCL) to bring in additional cargoes, as direct imports by offtakers are more tax-efficient and commercially competitive.
- Qatar capacity remains largely protected through replacement volumes: With Qatar declaring force majeure month-on-month, Petronet expects replacement cargoes to continue flowing through its terminal as long as the disruption persists. Offtakers are tying up replacement volumes on a monthly basis based on requirements; hence, limited visibility exists beyond the near term.
- About 1-week visibility on freed-up capacity: Qatar Energy typically declares force majeure at least a week before month-end, giving Petronet visibility on

Click below for Results Update

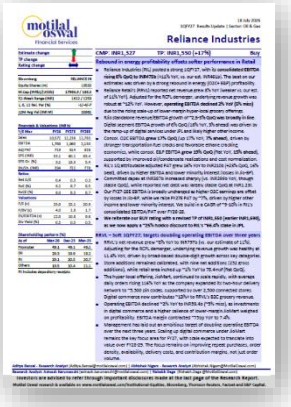

Petronet LNG

the capacity that will be freed up for the following month and allowing it to coordinate replacement volumes with offtakers.

- Trading business monetizes market inefficiencies: Petronet leverages system efficiencies to either serve customers from available spot volumes or procure spot cargoes when opportunities arise. When spot LNG prices are high vs long-term prices and terminal throughput is lower, Petronet can selectively undertake spot trading to protect/augment profitability. Management highlighted this as an established business model operating for the past 5-6 years.
- Monthly cargo visibility: Capacity holders are declaring additional volumes on an MOM basis, with the current declaration extending through the end of Aug.
- Capex guidance: FY27 capex shall be ~INR90.6b. FY28 capex shall be similar.
- Petchem complex has achieved 40% completion. Petchem capex stood at INR4.7b in 1QFY27.

Reliance Industries Limited

Click below for Results Update



Reliance Industries — Buy

Current Price INR 1,308

RJio: Key takeaways from the management commentary

5G adoption and digital services momentum remain strong

- RJio's subscriber base expanded to 533.3m in 1QFY27, with 5G subscriber base rising to ~285m (~53% of overall base), reinforcing its leadership in 5G.
- 5G data traffic is now ~1.5x of 4G data traffic, with blended per data consumption rising to 43.7GB/subscriber/month, driven by rising 5G adoption, IPL, and HBB scale-up.
- ARPU improved to INR215.6/month (+0.7% QoQ), driven largely by one extra day QoQ. Management noted that ARPU increased by ~INR7 on a YoY basis, driven by rising 5G and HBB adoption. However, it indicated that due to promotional offers, the ARPU contribution from HBB is not significantly higher than mobility at the moment.
- Digital Services revenue grew 20% YoY, outpacing connectivity revenue growth, led by continued traction in Content, Cloud Compute, IoT, and Managed Services.

HBB leadership continues to strengthen

- RJio's fixed broadband subscriber base increased to 28.6m in 1QFY27, with 8.6m net additions over the last 12 months. However, the pace of net adds moderated for the second successive quarter, likely due to a sharp increase in CPE prices, in our view.
- JioAirFiber reached 14m homes in 1QFY27, adding 6.6m subscribers over the last 12 months, with nearly 50% of the fixed broadband base now on AirFiber.
- RJio continues to strengthen its global leadership in Fixed Wireless Access (FWA), supported by its proprietary technology stack, enabling over 78% FWA market share in India.
- Management highlighted that JioHome continues to strengthen market leadership through unmatched coverage, bundled 'One Jio' offerings, JioTeleOS, JioPC, and JioGames, while expanding high-speed connectivity across FTTH and Fixed Wireless technologies.

- JioHome accounted for more than 65% of incremental industry home broadband net additions over the last 12 months.

Enterprise business continues to scale

- RJio continues to strengthen its enterprise proposition through an outcome-led managed services approach, offering integrated connectivity, security, Wi-Fi, ERP, analytics, surveillance, and IoT solutions through a unified platform.
- Management continues to focus on providing location-specific observability with a single dashboard and unified billing, moving beyond traditional service-specific deployments.

Mobility strategy focused on customer acquisition and engagement

- Management continues to focus on migrating 2G users to 4G through JioBharat devices and affordable 4G/5G smartphones developed with partner OEMs.
- Superior standalone 5G architecture, differentiated use cases, and ultra-low latency offerings continue to support customer acquisition, engagement, and market share gains, while enabling greater adoption of digital services such as OTT video, cloud gaming, cloud storage, and productivity tools.

RRVL: Key takeaways from the management commentary

- **Ambition:** RRVL has laid out its ambition to double operating EBITDA over the next three years. Scaling its online presence through JioMart remains the key focus area for FY27, with conversion of scale into value envisaged over FY28-29.
- **JioMart:** Grocery digital commerce continued to scale rapidly, with average daily orders up 116% YoY and its revenue scaling up to ~13.4% of Grocery B2C revenue (+610bp YoY). Two-hour delivery now covers ~5,500 pin codes, while the redesigned app and 26% YoY growth in active sellers strengthen marketplace depth and improve customer experience.
- **JioMart Unit Economics:** The operating focus has shifted from maximizing order volume to driving repeat customers, order density, reliable availability, delivery costs, and contribution margins. This suggests that JioMart is entering the next phase of scaling, with investments focused on building infrastructure across micro-markets and achieving the right unit economics over the medium term.
- **Growth:** Adjusted for the RCPL merger (from Dec'25), underlying demand remained healthy, with adjusted revenue growth of 11.6% YoY, led by double-digit underlying growth across key categories. Customer engagement remained strong with 9% YoY growth in unique customers and 46% YoY growth in transactions, reflecting increasing shopping frequency and digital adoption.
- **Store additions:** Store expansion remained measured with modest nine net store additions (252 gross additions), taking the total store count to 20,169, with area rising by modest 0.1m sqft QoQ to 78.4m sqft.
- **Margins:** Operational EBITDA margins moderated to 7.4% (down 75bp YoY), due to continued investments in digital commerce and the increasing mix of online sales. Management indicated that the current investment cycle is focused on building hyperlocal capabilities and omnichannel scale, with near-term margin pressure expected to support long-term value creation.

- **Grocery:** It delivered 7% LFL growth, supported by broad-based growth across Staples, Dairy and Frozen, and Bakery. Omni-channel customers spent 2.7x more than offline-only shoppers, highlighting the increasing importance of the integrated online-offline ecosystem in driving wallet share.
- **Fashion & Lifestyle:** It delivered 4% LFL growth, driven by merchandise freshness, store refresh, premiumization, and stronger digital adoption. Own brands' contribution increased 380bp YoY, while digital penetration in Apparel & Footwear reached 27.3% (+490bp YoY). AJIO Rush continued to scale rapidly, SHEIN crossed 30m app installs, and AJIO Luxe expanded to 1,000+ brands, strengthening the company's premium fashion ecosystem.
- **Consumer Electronics** was one of the strongest-performing categories with 16% LFL growth, led by ACs, mobiles, laptops, and small appliances. Strong brand partnerships supported product availability. ResQ revenue grew 27% YoY, highlighting the growing strength of RRVL's service-led ecosystem.

REAL ESTATE

- **Management teams at several real estate companies indicated that the overall real estate sector witnessed a ~30% YoY decline in bookings in 1QFY27 to INR 313Bn, largely due to the lack of meaningful project launches during the quarter. Average price realizations also declined by ~6% YoY. With regulatory approval processes gradually improving, companies expect a much stronger project launch pipeline for the remainder of FY27. Additionally, companies continue to actively pursue land acquisitions to strengthen their future development pipelines and support long-term growth.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

	Quarterly Snapshot	Near-term outlook/launch pipeline
DLF	■ In 1QFY27, DLF reported bookings of INR6.6b, down 94% YoY due to the impact of deferred launches. Collections in 1Q were down 11% YoY to INR24.1b. With its zero gross debt and surplus cash flow, the net cash went up to INR152b; revenue was down 53% YoY to INR12.8b, with EBITDA at INR1.5b (11.7% margin), while PAT increased 4% YoY to INR12.4b.	■ The company targets INR200b in pre-sales driven by a robust FY27 launch pipeline covering major projects in Hamilton, Arbour senior living, Privana and the next phase of west park in Mumbai. Rental activity saw an interim impact due to the Middle East crisis but it has picked up and is expected to be stronger over FY27. The Goa mall has received OC and is currently ~64% leased with the management targeting 85-90% leasing by the end of 2Q. The company expects Midtown Plaza and Summit Plaza to stabilize by 4Q and Goa by Jun'27, while Atrium Place and Data Centre 3 in Noida are expected to provide incremental rental income during FY27.
Godrej Prop.	■ In 1QFY27, Godrej Properties reported presales of INR86.5b, up 22% YoY, with realizations at INR13,953/sqft; the company launched projects worth INR48b during the quarter, and saw strong contributions from Bengaluru, MMR and NCR. In 1Q, the company added three new projects with a combined GDV of INR95b. Collections rose 18% YoY to INR43.5b, and net debt rose to INR76b; revenue stood at INR5.1b with an operating loss of INR2.8b, while reported PAT came in at INR3.5b.	■ In FY27, the company expects to reach INR390b in presales, supported by strong launch pipeline of INR480b GDV, which includes key launches across Bandra and Golf course extension road (on track for 2Q and 3Q launches). The company has a robust ~INR200b business development pipeline, following its annual record BD additions of INR421b, that provides multi-year launch visibility across key markets. The management expects to generate ~INR90b of OCF during FY27. The company is targeting to achieve an FCF breakeven in FY27, followed by strong positive FCF generation from FY28 onwards.
Lodha	■ In 1QFY27, LODHA reported presales of INR46.3b, flat YoY, despite the absence of any significant launches. The company recorded a land transaction with Digital Edge in 1Q at ~INR425m/acre resulting in INR12b of land sales. Collections rose 46% YoY to INR42.1b; the net debt reduced to INR49.3b, supported by cash inflows from Palava land monetization. Revenue grew 43% YoY to INR50b with EBITDA of INR19.2b (38.5% margin), and reported PAT doubled YoY to INR13.7b.	■ The company reiterated its FY27 pre-sales guidance at INR240b, implying 17% YoY growth. At its 660-acre integrated DC park, LODHA sold 132 acres as of 1QFY27. It plans to monetize an additional 143 acres over the next three years, which is expected to generate INR90b (at INR600m/acre). This would fund the development of a 1GW power shell data center on 90 acres on a built-to-suit basis, with an annual rental potential of INR20b by FY32, which would enable the monetization of the Palava land as well as generate steady annuity income. LODHA reiterated its plan of 10x growth in overall annuity income over the next six years.
Oberoi Realty	■ In 1QFY27, OBER reported presales of INR10.5b (0.23msf; 161 units), down 36% YoY, driven mainly by sustenance sales. The company commenced bookings at its Carter Road project – Oceanic (INR1.5b bookings). Collections declined 8% YoY to INR9.2b. Revenue from rent grew 18% YoY to INR3.3b and hospitality revenue stood at INR469m, up 10% YoY. Revenue stood at INR13b, up 32% YoY, with EBITDA at INR7.3b (56.4% margin), while PAT came in at INR5.4b.	■ In Jul'26, OBER witnessed bumper INR81b pre-sales at its maiden project in the NCR (360 North), which would bolster FY27 pre-sales. The phase 2 of the project is planned for FY28. Other projects in the FY27-28 launch pipeline include the Fairview (Malabar Hill), Aadarsh Nagar and Peddar Road redevelopment, Alibaug, Tardeo, Mulund, and new phase each at Forestville, OGC Thane and NCR. The Ritz Carlton hotel, Worli is expected to commence operations by the end of FY27. Around 80-90% of the interior work has been completed, with only the final phase of execution remaining.
Mahindra Lifespace	■ In 1QFY27, Mahindra Lifespace Developers reported bookings of INR9.2b, up 106% YoY, driven mainly by the successful launch of Rainforest project, Bhandup (50% presales contribution). BeaconHill (Mahalaxmi) and Citadel P-3 (Pune) were also launched in 1Q; these projects will contribute to pre-sales from 2Q. The company added K2 project in Kandivali (INR56b GDV). Collections remained steady at INR5.3b; IC&IC revenue declined 66% YoY to INR408m due to slower deal momentum. Revenue came in at	■ MLDL is targeting to launch five more projects are in FY27, and it has reiterated its FY27 pre-sales guidance of INR45-50b. Further, the company targets BD worth INR100-200b during FY27 as it intends to leverage the prevailing macro scenario to acquire additional land. Management expects the residential market to remain healthy over the next two years, albeit with moderate growth, supported primarily by end-user demand while investor demand is likely to consolidate.

	INR9.6b, up 29x YoY, driven by revenue recognition at Eden Ph.2 and Luminaire, leading to an EBITDA profit of INR945m and positive PAT of INR855m.	
Brigade Entp	■ In 1QFY27, BRGD reported presales of INR10.6b (0.7msf), down 5% YoY, with collections at INR18.6b. Leasing revenue grew 9% YoY to INR3.3b, while EBITDA stood at INR2.3b with a margin of 70%. Portfolio occupancy stood at 89%. The company launched five commercial projects during the quarter with a combined area of ~4msf in Bengaluru and Hyderabad. Net debt stood at INR22.2b (0.3x D/E) with cost of debt at 7.61%. Hospitality revenue grew 3% YoY to INR1.4b; nine hotels totaling 1,700 keys are in the planning stage, including six tied up with Marriott International.	■ BRGD reiterated its 20% growth guidance for FY27 bookings to reach INR90b, supported by a strong launch pipeline of 12.4msf TDA over the next one year with an INR130b GDV and sustenance sales of its existing inventory. Commercial development pipeline remains healthy, with upcoming launch pipeline at ~4.03msf, which includes ~2.6msf in Bengaluru, ~1.2msf in Chennai, and ~0.2msf in Kochi. The five recently launched commercial projects are expected to take 2-3 years to be constructed.
Sobha	■ In 1QFY27, SOBHA reported 76% YoY pre-sales growth to INR36.6b; Bengaluru and NCR remained the key contributors. The company launched three projects in 1Q, maintained a ~35.7msf pipeline, and saw collections rising 10% YoY to INR17.6b. SOBHA ended the quarter with net cash of INR6.6b (0.17x equity). Revenue stood at INR12.8b, with EBITDA of INR777m, while PAT came in at INR508m.	■ The company has a forthcoming launch pipeline of 20.8msf (INR296b GDV) across 17 projects, ~8.2msf (GDV of ~INR120b) across nine projects is expected to be launched during 2Q-4QFY27. These comprise four projects in Bengaluru (3msf), two projects in NCR (2msf, including P-2 Crescent and a Greater Noida project), one project in Hyderabad (1.7msf), and two projects in Kerala (1.5msf). The company expects healthy revenue growth going forward, with EBITDA margins likely to expand as project completions pick up during 2Q–4QFY27.
Prestige Estates	■ In 1QFY27, Prestige reported 46% YoY decline in presales to INR66b. The company launched four projects with a combined developable area of 20.2msf, of which 17.2msf were in the residential and plotted segments. It added three new projects in Mumbai with GDV of ~INR178b. Collections rose 6% YoY to INR48b and net debt increased to INR119b (0.69x D/E). Revenue stood at INR26.8b, up 16% YoY with EBITDA of INR8.6b (32.1% margin) and PAT of INR2.4b.	■ The company reiterated its guidance of a 15-20% growth in bookings despite a strong FY26. The FY27 sales will be supported primarily by the strong pending launch pipeline of ~INR450b. BD spend guidance remains ~INR40-45b in FY27. During the quarter, the company expanded its MMR footprint and also indicated potential BD additions in Bengaluru and Gurgaon. The entire development at Signature Towers, Bangalore, has been pre-leased to a leading banking institution.
Phoenix Mills	■ In 1QFY27, Phoenix Mills reported revenue of INR10.7b, up 13% YoY and EBITDA of INR6.4b (59.7% margin). Retail consumption grew 32% YoY to INR47.3b in 1Q, led by Phoenix Mall of Asia (Bengaluru) and Phoenix Mall of the Millennium, Pune, while rental income stood at INR5.9b. Income from commercial offices stood at INR750m, up 44% YoY, and EBITDA came in at INR420m, up 31% YoY. Operating free cash flow stood at INR6.0b. Consolidated net debt stood at INR36.6b.	■ The company is targeting a retail portfolio of ~18msf and office portfolio of 9msf by FY30, while the hospitality portfolio is expected to expand from the current 588 keys to 2,188 keys. Phoenix Grand Victoria, Kolkata, is approaching 90% leasing, while Phoenix Surat, Phoenix Palladium, and Phoenix Marketcity, Bengaluru (Phase II), have all crossed 50% leasing. Management highlighted that ~50% of the retail portfolio will come up for lease renewals over the next three years, creating a significant mark-to-market opportunity.
Anant Raj	■ Anant Raj (ARCP) has received RERA clearance for Group Housing 2 (The Estate One), offering ~0.90msf of saleable area (~INR20-22b GDV). It is expected to launch the project in 2QFY27. The Board has approved a composite scheme of arrangement to demerge its DC and cloud businesses into Ashok Cloud Pvt Ltd (ACPL). The company posted 1QFY27 revenue of INR6.3b (+7% YoY) and EBITDA of INR1.8b (+22% YoY; 29% margin). Adj. PAT came in at INR1.5b (+19% YoY).	■ The company is likely to launch Group Housing 3 in Sector 63A, Gurugram, with a GDV of INR29b. Overall, projects offering INR50-55b GDV could be launched in FY27. Data center revenue is expected to surge 3.0–3.5x in the coming years. It has maintained its target to scale this to 357MW IT load by FY32, with 117 MW expected to be operational by FY28. FY27–28 data center capex is planned at INR30b, of which INR10b is already available with the company; the remaining INR20b is expected to be funded through internal accruals generated in the next two years.
Sri Lotus	■ Sri Lotus reported 1QFY27 presales of INR4.1b (+567% YoY). The company launched Lotus Trident (Andheri West) and Lotus Aquaria (Prabhadevi), with a combined GDV of INR13.5b. Collections for the quarter doubled YoY to INR1.5b. Revenue came in at INR1.3b, up 116% YoY while EBITDA stood at INR0.5b (36.4% margin), and PAT at INR0.5b.	■ The company is targeting to reach INR18-20b in bookings by FY27. Four residential projects are planned for launch over the remaining of FY27, across MMR's premium micro markets, taking the remaining FY27 residential launch pipeline to ~INR35-40b GDV. A commercial redevelopment project in Juhu with an estimated GDV of ~INR16b has recently been added, taking the overall development pipeline to ~INR180b GDV.

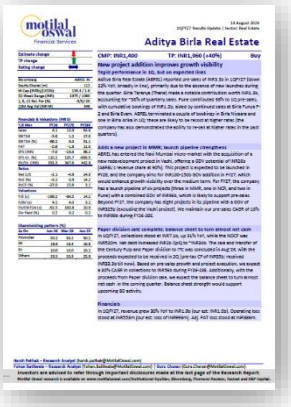
Aditya Birla Real Estate

- ABREL reported 1QFY27 presales of INR3.3b (-22% YoY). Collections were up 31% YoY to INR7.1b in 1Q. The sale and transfer of the Century Pulp and Paper division to ITC was concluded in Aug-26 and hence proceeds are expected in 2Q. Net debt increased to INR34b. Revenue grew 30% YoY to INR1.9b in 1Q. EBITDA loss stood at INR553m, while PAT loss stood at INR386m.
- The company remains confident of its three-year presales target of INR150b, supported by a strong BD pipeline and upcoming launches. FY27 launch pipeline stands at ~INR96b, with most launches scheduled for 3Q and 4Q. The company signed a redevelopment project in Vashi, Navi Mumbai, with potential GDV of around INR26b, of which ABREL has a 90% economic interest. Additionally, the upcoming business development pipeline remains strong at over INR600b across advanced discussions and term sheets.

ADITYA BIRLA
REAL ESTATE

Click below for Detailed Concall Transcript & Results Update





Aditya Birla Real Estate — Buy

Current Price INR 1,396

- **Demand:** Premium housing demand remained stable and resilient, particularly across high potential micro-markets in MMR, NCR, Bengaluru, and Pune. Mumbai continues to see strong premium housing demand with healthy growth in both volumes and pricing.
- **Birla Niyaara:** At Birla Niyaara, cancellations were largely due to customers not meeting payment schedules, with replacement sales being achieved at significantly higher prices. Tower B currently commands a ticket size of around INR400m per apartment. Currently, 118 units in the Niyaara project have been sold (netting cancellations).
- **Pre-sales guidance:** The company remains confident of its three-year pre-sales target of INR150b, supported by a strong BD pipeline and upcoming launches.
- FY27 launch pipeline stands at around INR96b, with most launches scheduled for 3Q and 4Q. Approvals are largely on track. Birla Niyaara phase 3 is targeted for launch in early-to-mid 3QFY27, subject to RERA approval by end-2QFY27.
- **Business development:** The company signed a redevelopment project in Vashi, Navi Mumbai, with potential GDV of around INR26b, of which ABREL has a 90% economic interest. The project has around 1msf of saleable area, with typically four towers planned and average apartment carpet area of around 2,500sqft. Launch is expected in 2QFY28, with project margins targeted at ~25%.
- **Upcoming business development** pipeline remains strong at over INR600b across advanced discussions and term sheets, with strong proposals across MMR, NCR, Pune, and Bengaluru focused on premium housing. The company is targeting INR100-150b of BD additions annually and expects new projects, including redevelopment opportunities, to generate margins of around 25-30%.
- **ITC transaction concluded:** The sale of the Century Pulp & Paper business to ITC has strengthened the balance sheet, with INR33.25b, or around 95% of the consideration, received so far. The balance is subject to working capital adjustments and other conditions. Net debt is now nearly zero following completion of the transaction in August.
- **Land and capex:** Land, approval, capital expenditure, and deposits totaled INR2.82b during the quarter, which includes land payments for the Thane project (INR1.25b), deposits paid for the Noida land auction, a project in Khar, and another project.
- **Construction and related outflow:** Construction and related outflow stood at INR4.37b in 1QFY27, which includes INR2.26b of construction costs, with the balance comprising approval and design-related expenses. Overall, construction cost for FY27 is expected at around INR12-13b.

- **Deliveries:** Deliveries are expected in Birla Tisya and Navya over FY27, while Birla Niyaara Tower A is scheduled for possession in FY28.
- **Commercial:** Birla Aurora and Birla Centurion currently generate around INR1.4-1.5b of annual rental income and are not being considered for redevelopment, with Centurion being a relatively new project. Century Bhavan remains a potential redevelopment opportunity. Beyond redevelopment, the company is also evaluating new commercial development opportunities across its existing target markets.
- **Commercial development** of 1.3 msf is planned at Birla Niyaara, which is currently in the planning stage. The company expects to commence construction before the end of FY27, with the project expected to take around four years to reach the leasing stage and generate annual leasing revenue of around INR8b once fully stabilized.

Anant Raj — Buy

Current Price INR 631

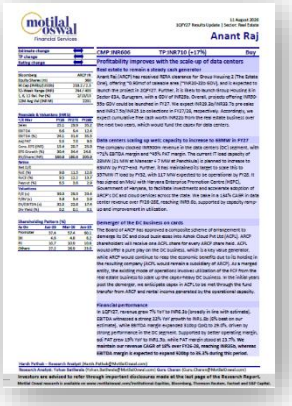
Data Centers

- Data center and cloud operations will be demerged into a separate entity – ACPL; ARCP will focus on real estate and infrastructure.
- Data center revenue is expected to grow 3–3.5x in the coming years, supported by incremental capacity getting operationalized.
- Cloud services will be the key growth and value driver, with ~25% of the planned 357MW capacity earmarked for cloud services and the balance for co-location.
- Data center EBITDA margin stood at ~71.1% and PAT margin at ~45%; cloud services offer a significantly higher return profile, with ~one-year payback versus ~three years for co-location.
- 1MW of co-location capacity requires ~INR260m capex, while taking the same capacity to cloud services requires an additional ~INR1b investment; cloud services generate ~INR1.5b annual revenue per MW with 70%+ EBITDA margins, implying a ~one-year payback.
- AI is expected to be a meaningful demand driver, with the company already launching AI services and placing orders for its first lot of GPUs; a second GPU order is expected shortly.
- ARCP's buildings are ready for 157MW of capacity, including 63MW of strengthened capacity, providing a sizeable base for company's future data centre capacity ramp-up.
- The company expects the data center business to become self-sustaining over a period of 2–3 years post demerger, with no equity and debt raise planned to fund its expansion.
- FY27–28 data center capex is planned at INR30b, of which INR10b is already available with the company; the remaining INR20b is expected to be funded through internal accruals generated in the next two years.
- Government and data-localization requirements remain key structural demand drivers.

Real Estate

- Estate One, spread across 5.09 acres with ~0.9msf area, is expected to be launched in 2QFY27, with GDV of ~INR20-22b and targeted realization of INR22,000–24,000/sqft.

Click below for Results Update


Anant Raj

- Another ~1.2msf project (Ashok Estate 2.0) is being planned across ~6 acres with a GDV of ~INR25b.
- Overall, it has a launch pipeline of ~INR55b for FY27.
- Commercial rental income currently stands at ~INR950m and is expected to increase by an additional ~INR1.5b following the development of Ashok Tower and the Bel-La Monde hotel, with annual rentals expected to reach INR2.5-3b post FY28.
- Once the DC and cloud business becomes self-sustaining post the demerger, the FCF in the real estate segment would be utilized toward scaling up the real estate business meaningfully.

Brigade Enterprises — Buy

Current Price INR 586

Click below for Detailed Concall Transcript & Results Update




Brigade Enterprises

- Presales guidance maintained at INR90b for FY27. BRGD has refunded customers of Morgan Heights, with the project contributing ~INR6.5b to the overall unsold inventory of ~INR89.5b.
- Launch pipeline: ~12.36msf / INR130b GDV is planned over the next four quarters. For the remainder of FY27, ~9.36msf / INR100b GDV is planned for launch, with ~2.36msf in 2Q and the remaining ~7msf in 2HFY27.
- Brigade Cornerstone Utopia, Banglaore, is expected to launch in 1QFY28 and is not included in the 3msf launch pipeline for 1QFY28. Kengeri, Mysuru, is unlikely to be launched in the near term due to ongoing litigation related to the existing land.
- Commercial development pipeline remains healthy, with upcoming launch pipeline at ~4.03msf, which includes ~2.6msf in Bengaluru, ~1.2msf in Chennai and ~0.2msf in Kochi.
- The five recently launched commercial projects are expected to take 2-3 years to be constructed.
- Commercial leasing has been impacted by the Middle East conflict, especially WTC Bengaluru, which has delayed larger tenant transactions. The company is currently focusing on smaller deals and aims to substantially complete leasing over the next 3-4 quarters.
- Hospitality performance: BHVL rebranded the Sheraton Infopark Hotel, Kochi, as Courtyard by Marriott Infopark, Kochi. The rebranding caused a temporary occupancy dip, but occupancy has since recovered to earlier levels, with 15-20% improvement in ADR expected going forward. The company plans to launch a Courtyard by Marriot hotel (~45 keys) in Chennai in FY27.
- Hospitality revenue grew 9%, although business was impacted by the Middle East crisis, resulting in ~10% loss of business from foreign travelers, which was replaced partially by domestic travelers. 2Q trends are encouraging, with stronger recovery expected from 3Q.
- The difference in revenue reported by BHVL and BEL is primarily due to certain clubs operating as subsidiaries of BEL. The EO impact is a reclassification of an investment in a subsidiary.
- Management expects profitability improvement to be sustained throughout FY27 as higher-margin projects are expected to be recognized in the current year.

Click below for
Detailed Concall Transcript &
Results Update



DLF — Buy

Current Price INR 667

Residential

- 1QFY27 pre-sales at INR6.6b were low and impacted by the deferment of the senior living launch, pending approvals. The company expects approvals over the next few weeks and launch would follow.
- Management remains confident of achieving its FY27 booking guidance of INR200b. Hamilton and Arbour 2 (senior living) are targeted for 2HFY27, while the launch of the next phase of Privana is planned for early CY27 (or 4QFY27). The upcoming phase is expected to be a more premium development.
- Dahlias: The Dahlias continues to witness strong demand, with ~65% of inventory sold. Realization exceeded INR100,000/sqft, reaching INR125,000/sqft for higher floors. Ticket sizes now range between INR1.0b and INR1.7b. Priority would be price appreciation over sales velocity; an experience center is expected to open after Diwali, which could drive another leg of demand. Around 25-30% of buyers are from outside the NCR, including NRIs.
- Goa: The residential project has received most of the approvals, but the launch would depend on the clarity of pending PIL litigation. The project is expected to contribute ~INR20b to presales in FY27.
- DLF continues to pursue strategic land acquisitions, with ~INR5.5b deployed toward land advances over the past two quarters, including strategic parcels in Gurugram and deposits for an NCR land auction. The transactions are expected to fructify over the next 1-2 quarters.
- Mumbai remains an important long-term growth market. The next phase of Westpark is expected to be launched in FY27. The development has the potential to exceed 5msf over time, while management continues to selectively evaluate additional business development opportunities across the city.

Commercial/Retail

- Office rentals increased ~8.5-9.0% YoY during the quarter.
- Office leasing activity, which had an interim impact due to the geopolitical uncertainty, has again started picking up with improvement in enquiry levels over the past month, particularly from large GCCs and multinational occupiers. It expects leasing momentum to strengthen in the coming quarters.
- Domestic occupier demand and expansion from existing tenants remained resilient.
- Atrium Place, Downtown Gurugram Phase I and Downtown Chennai Phase I are nearly fully leased.
- New leases in Downtown Gurugram Phase II are being signed at ~INR200psfpm, compared with INR150-155psfpm in existing Downtown assets and INR140-150 psfpm in Cyber City, highlighting healthy rental reversion.
- The next office developments, including Hyderabad and Cyber City 2, are expected to be taken up during CY27 after meaningful leasing of the current pipeline.
- Midtown Plaza is operational with ~96-97% leasing and ~85% stores open, while Summit Plaza has commenced soft operations with ~90% leasing and is expected to become fully operational over the next 2-2.5 months.

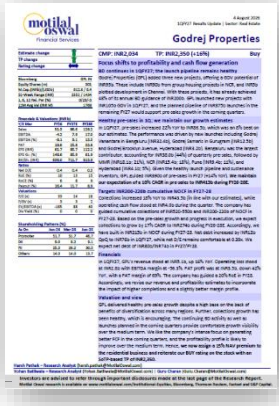
- The Goa mall has received its Occupancy Certificate and is currently ~64% leased, with management targeting 85-90% leasing over the next 6-8 weeks. Anchor fit-outs are expected to commence this month, with the mall targeted to open by CY26 end or early CY27. Average rentals are expected at around INR170-175psfpm.
- The company expects Midtown Plaza and Summit Plaza to stabilize by 4QFY27 and Goa by May-Jun'27, while Atrium Place and Data Centre 3 in Noida will provide incremental rental income during FY27.
- FY27-exit rentals are guided at INR73-75b.
- The recent increase in minimum wages is expected to increase CAM costs by only ~2-2.5%, with the impact being fully passed on to tenants.
- The company reiterated that it will participate in the data centre opportunity only as a real estate developer by constructing facilities for operators and does not intend to own or operate data centers.

Godrej Properties — Buy

Current Price INR 1,995

Click below for Detailed Concall Transcript & Results Update



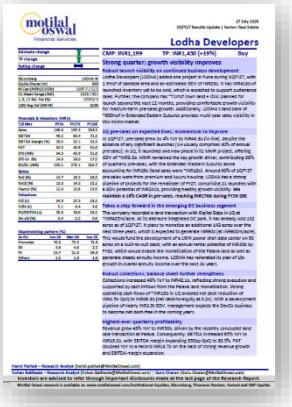

Godrej Properties

- Key launches, including the Bandra project and the Golf Course Extension Road project, remain on track and are expected to be launched during 2QFY27 and 3QFY27.
- Management indicated a minimum quarterly launch target of ~INR70b, ensuring a steady pipeline of new launches.
- Reiterated its FY27 collections guidance of INR240b. The company expects 30-40% of FY27 collections to be deployed towards project-related cash outflows.
- Absorption across key markets has increased by 10-25%, while Pune has also shown improving demand compared to the past two years.
- Residential demand remains healthy across most markets. Bengaluru, Noida and Hyderabad continue to witness robust demand. Within MMR, core Mumbai, Western Suburbs and South Mumbai remain strong demand generators. Gurugram was the only region showing relatively weak trends during the quarter for Godrej Properties.
- NRI buyers contribute ~10% of pre-sales, with management noting that investor interest has gradually shifted from the Middle East real estate market towards India.
- Construction costs were hit by the Middle East geopolitical crisis until May-end. Since June, cost pressures have started easing, with steel prices declining by ~12% from their February peak.
- Management expects to generate ~INR90b of OCF during FY27. The company is targeting to achieve FCF breakeven in FY27, followed by strong positive FCF generation from FY28 onwards.
- The company believes there is a reasonable possibility of becoming free cash flow (FCF) positive by the end of FY27. Stronger-than-expected business development, significant project delays or substantial construction cost overruns remain the key risks to achieving sustainable positive FCF.
- From FY28 onwards, management expects operating cash flows to be sufficient to fund annual business development (BD) investments.
- The company expects ~20% RoE in FY28.

LODHA

Click below for
Detailed Concall Transcript &
Results Update





Lodha Developers — Buy

Current Price INR 1,206

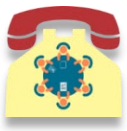
Residential

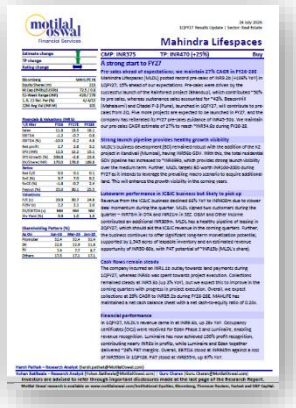
- Management reiterated FY27 pre-sales guidance of INR240b (+17% YoY), with 1HFY27 expected to contribute ~40% of annual sales.
- Around 60% of LODHA's pre-sales in 1QFY27 were from premium and luxury housing. Embedded residential margins (excluding land sales) remained in the low-30% range, in line with FY27 guidance of 32-34%.
- Demand in MMR has normalized, with luxury housing sales closures returning to normal levels. Bengaluru continues to perform strongly, while the company's maiden NCR launch remains on track for 2HFY27.
- Some launches were deferred during the quarter due to geopolitical uncertainty; however, the FY27 launch pipeline remains intact at 21 projects/phases with GDV of ~INR250b across MMR, NCR, Bengaluru, and Pune.
- Management expects the residential market to remain healthy, led by end-user demand. Branded developers are expected to increase their share of the MMR market.
- Demand remained resilient despite the Middle East conflict, with Middle East NRIs accounting for only 4-5% of sales. Management expects a portion of capital previously flowing into Dubai real estate (INR350b) to be invested in India.
- Sustained elevated energy prices could increase construction costs by 1-1.5%, implying a project-level EBITDA margin impact of 35-75bp.

Data centers

- Land sales, including data center and other land transactions, contributed ~INR12b of pre-sales during the quarter, with ~85-90% revenue recognition and ~INR6b PAT contribution.
- The latest transaction was concluded with Digital Edge India at ~INR420m per acre versus ~INR210m per acre in CY25.
- Land values at the Pallava data center park have appreciated over 15x during the last five years, while the company believes serviced land values could approach ~INR600m per acre over the next 18 months.
- The entire ~660-acre data center park is covered under the Maharashtra Green Integrated Data Center Park approval and has access to ~3GW of power capacity. Current power density stands at ~11-15MW per acre.
- Leasing discussions for the first power shell asset are underway, with the first leasing transaction expected during FY27 and construction expected to commence during CY26.
- Infrastructure investment for the broader data center ecosystem is estimated at ~INR5-7b. The company remains focused on land monetization and power shell development rather than the capital-intensive rack and server infrastructure business.

Click below for
Detailed Concall Transcript &
Results Update





Mahindra Lifespaces — Buy

Current Price INR 374

Residential

- Management expects the residential market to remain healthy over the next two years, albeit with moderate growth, supported primarily by end-user demand while investor demand is likely to consolidate. During 1QFY27, the company's pre-sales were impacted by weaker footfalls in April due to the Middle East conflict, but demand recovered in May and June, resulting in a back-ended quarter.
- The company reiterated its FY27 pre-sales guidance of INR45-50b.
- The residential launch pipeline remains robust, with five projects planned for the remainder of FY27, with most launches expected during the festive season in 2HFY27.
- The recently acquired K2 project is targeted for launch over the next 12-15 months, while the Origins projects in Pune and Ahmedabad continue to progress.
- Rainforest recorded ~INR6b of pre-sales within the first five days of launch, despite the impact of war-related sentiment. BeaconHill has also witnessed a healthy initial response.
- Management to target business development (BD) additions of INR100-200b during FY27. The company intends to leverage the current slower market environment to acquire additional land.
- Collections and operating cash flows are expected to improve meaningfully from 2QFY27 onwards, driven primarily by collections from the Rainforest project.
- Occupancy certificates (OCs) were received for Eden Phase 2 and Luminaire, enabling income recognition to pick up from 2QFY27. Luminaire has now achieved 100% profit recognition, contributing nearly INR6b in profits, while Luminaire and Eden together delivered ~26% PBT margins.
- Project execution remained healthy across key developments. At Lakewoods, Towers A-E are delivered, while Towers H and I are fully sold and in construction. Further, towers F and G are yet to be launched. At Alcove, five towers have received OCs and revenue has been recognized, while OCs for the remaining two towers are awaited to recognize the company's share. Palghar Phase 2 has also been completed, albeit at broadly breakeven margins.
- In the Thane project, approximately 20-25% of the FSI is earmarked for commercial development and the remaining 70-75% for residential use. The project currently has an estimated GDV of ~INR75b, with additional development potential still available. Management expects infrastructure developments, particularly the Thane-Borivali tunnel, to significantly enhance the project's value over time.
- Inventory levels remain healthy across its key markets, with MMR at around 16-16.5 months, Pune and Bengaluru at 8-10 months.
- Luxury housing to remain a key growth driver, with key contributions from upcoming projects such as Mahalaxmi, Lokhandwala, and Santacruz projects.

IC&IC

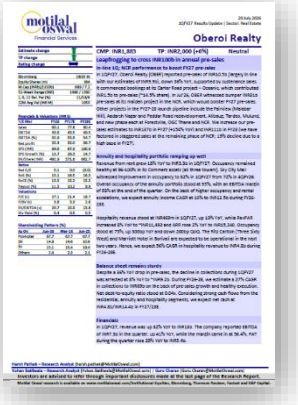
- IC&IC income remained muted during 1QFY27, although the company indicated a healthy pipeline of leasing in 2QFY27, which should support IC&IC earnings going forward.
- The Ahmedabad Origins land parcel could witness enhanced long-term value creation, supported by the state's recently announced data center policy, which is expected to improve the attractiveness of the micro-market.

Oberoi Realty — Neutral

Current Price INR 1,859

Click below for Detailed Concall Transcript & Results Update





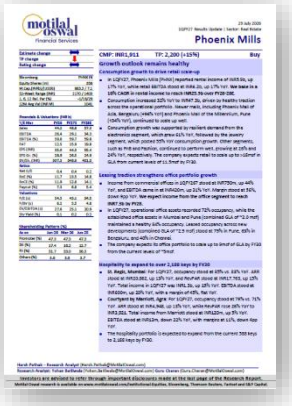
- Phase 1 of 360 North in NCR (1.4msf; GDV of INR81b) received a strong response and pre-sales would be recognized in 2QFY27. Phase 2 is planned for launch in FY28. The stated GDV pertains only to OBER's share and excludes IREO customers.
- The company has begun actively evaluating business development opportunities in NCR, particularly in Noida and Gurugram, and expects to expand its presence in the region over time.
- On the litigation related to 360 North, management highlighted that customers have preferred to wait rather than seek refunds, reflecting confidence in the brand and the project.
- The FY27 launch pipeline includes Adarsh Nagar (3QFY27), along with Peddar Road, Pokhran Road, Kolshet and Alibaug projects slated for launch during the year.
- The Mulund Nirmal Lifestyle project also has a strong possibility of being launched in FY27. Project designs are ready and approvals are currently underway.
- Resale transactions in Borivali and Goregaon are being concluded at higher prices, indicating continued price appreciation across these markets. Management highlighted that pricing increases have been gradual and well planned.
- Of the INR7.9b cash outflow paid for upcoming development properties, INR2.0b pertained to the NCR project.
- The lower margin reported in 1QFY27 was attributable to the mix of projects recognized during the quarter, which carry margins in the range of 40-65%. Management indicated that this is purely an accounting mix issue and is not a cause for concern.
- Management remains confident of sustaining premium margins going forward and does not expect any material impact on profitability.
- Annuity assets: The operational annuity portfolio is nearing full occupancy at the Commerz assets. The Sky City Mall has reached 82% occupancy as of 4QFY26 and is expected to reach 100% by the end of FY27.
- Hospitality: The Ritz Carlton hotel in Worli is expected to commence operations by the end of FY27. Around 80-90% of the interior work has been completed, with only the final phase of execution remaining.

Phoenix Mills — Buy

Current Price INR 1,915

Click below for Detailed Concall Transcript & Results Update




Phoenix Mills

Retail

- Leasing momentum across upcoming malls remains strong. Phoenix Grand Victoria, Kolkata, is approaching 90% leasing, while Phoenix Surat, Phoenix Palladium, and Phoenix Marketcity, Bengaluru (Phase II), have all crossed 50% leasing. Upcoming projects in Thane, Chandigarh, and Coimbatore are also witnessing healthy retailer interest.
- Jewellery and electronics occupy only ~5% of trading area but contribute ~28% of consumption and ~7.5% of rental income, supporting overall mall productivity and customer footfalls.
- Management highlighted that ~50% of the retail portfolio will come up for lease renewals over the next three years, creating a significant mark-to-market opportunity. Historically, lease renewals and tenant remixing have enabled rental uplifts of 20-30% while simultaneously improving tenant quality and customer experience.
- Upcoming lease expiries are being used strategically to introduce newer high-performing brands, create additional experiential zones, and expand F&B offerings rather than solely maximize rents.
- F&B remains a key focus area, with management targeting 15-16% of mall area toward F&B across select assets and replicating the Gourmet Village concept at additional malls.
- Phoenix Mall of Asia, Bengaluru, has achieved trading densities of ~INR3,000/sq.ft/month within three years of operations, significantly ahead of initial expectations and providing a blueprint for other assets.
- July 2026 consumption trends remained strong, with portfolio consumption growth expected to exceed 20%.
- Phoenix Marketcity, Bengaluru, expansion (~0.17msf) will be largely F&B focused, with more than 30 restaurants planned as part of the new floor addition.
- Occupancy at Pune and Bengaluru malls has recovered to ~89%, with further upside expected as leased stores become operational.
- Phoenix Palladium, Mumbai, expansion (~0.45msf) is targeted for opening in FY28, of which ~50% of the space has already been leased.

Office

- 'Project Rise' offices in Lower Parel, Mumbai, are witnessing strong occupier interest even before completion, with pre-leasing already underway.
- Management expects office rentals at 'Project Rise' to be in the range of INR350-400/sq.ft on a leasable area basis.
- Project Rise office tower and the adjacent office development together will add ~1.5-1.6msf of office space in Lower Parel, Mumbai.
- Rent-paying occupancy across the office portfolio is expected to gradually converge with leased occupancy by FY27-end, supporting earnings growth.
- Additional development planning for the Lower Parel land bank and recently acquired FSI is progressing, with approvals being secured in phases.

Hospitality

- The company is evaluating additional hospitality opportunities within future mixed-use developments, including Chandigarh and other large campuses.
- ~400-key Grand Hyatt at the Whitefield, Bengaluru, campus remains on track as part of the Bengaluru mixed-use development.

Residential

- Bengaluru residential developments continue to witness strong demand, with recent sales being achieved at ~INR36,000/sq.ft, ~50% higher than FY24 levels and nearly double FY22 levels.
- Upcoming Bengaluru and Kolkata projects will be positioned as premium gated communities, replicating the success of One Bangalore West and Kessaku.
- Kolkata residential development is expected to comprise ~1.2msf of saleable area. Management indicated launch pricing for the Kolkata project could be around INR30,000/sq ft, subject to final market conditions and approvals.
- The timing of Bengaluru and Kolkata launches is largely dependent on approval timelines rather than demand considerations, with launches targeted by end CY26 or early CY27.

Capital Allocation/Development Pipeline

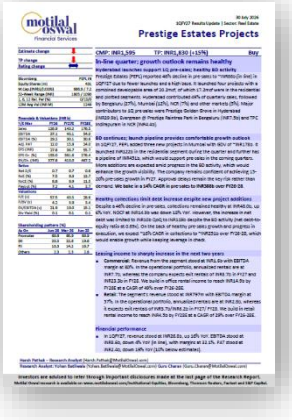
- Lucknow is being evaluated for incremental retail expansion along with a hotel development on top of the existing mall.
- Thane's overall development potential exceeds 4msf; Phase I currently includes a ~1.3msf retail mall, ~1.2msf office component, and a ~400 key hotel, with scope for an additional office tower in future.
- Chandigarh Phase I currently envisages a ~1.5-1.7msf retail development, with future optionality for additional towers and complementary uses. Exploration work has commenced at the Chandigarh site following completion of the final land payment.
- Management reiterated visibility towards expanding the overall platform to ~18msf by 2030 through a combination of new developments, expansions, and densification projects.
- Capital expenditure during the quarter stood at INR10.9b, comprising INR3.1b towards construction and INR7.7b towards land acquisition and development rights, including the final INR7.2b payment for the Chandigarh land parcel.
- The company remains actively engaged in evaluating new land acquisition opportunities and indicated that potential transactions could materialize over the coming quarters.
- Management highlighted that densification of existing assets currently offers highly attractive returns as land costs are already embedded within existing developments.

Prestige Estates — Buy

Current Price INR 1,575

Click below for Detailed Concall Transcript & Results Update





Residential

- Demand remains healthy across key markets, with no meaningful impact of geopolitical concerns or AI-related disruption. The company remains confident of achieving 15-20% pre-sales growth in FY27, supported by a strong launch pipeline. Approval delays remain the key risk rather than demand.
- Hyderabad contributed 49% of 1QFY27 pre-sales, led by Prestige Golden Grove. The project has already sold ~60% of inventory, indicating strong sales traction and expecting further inventory absorption over the next few quarters.
- Prestige Forest Hills Phase II (Mumbai) was launched toward the end of the quarter and contributed only marginally to 1QFY27 sales; a stronger contribution is expected over the coming quarters.
- PEPL reiterated confidence in its pending launch pipeline of ~INR450b GDV.
- In 2QFY27, the company expects to launch Garden Breez @ TPC Bengaluru (INR10.5b GDV), Prestige Avon (INR5.5b GDV), Prestige Springwood (INR2.9b GDV), Prestige Battersea (INR19.8b GDV), and Prestige Palm Court, Chennai (INR12.2b GDV). In 3QFY27, launches are expected to include Prestige Park Street, Chennai (INR15.0b GDV), Prestige Meadows, NCR (INR42.0b GDV), Prestige Bougainvillea Gardens, NCR (INR38.4b GDV), Prestige Chambers 51, Mumbai (INR77.0b GDV) and Prestige Falcon City, Chennai (INR50.0b GDV). In 4QFY27, the company plans to launch Prestige Cloverdale, Chennai (INR50.0b GDV), and other projects across key markets. The company remains confident of bringing its ~INR450b launch pipeline to market during FY27, subject to approvals.
- The Prestige Place (earlier Prestige Imperial Park) in Hyderabad is being repositioned as a mixed-use development comprising luxury residences, branded residences, office, hotel and premium retail. Launch is targeted over the next one to two quarters, subject to approvals.
- Chennai is expected to contribute ~INR130-140b of launches over the next three quarters through Palm Court, Park Street, Falcon City and Cloverdale.
- The company remains positive on NCR and is progressing multiple projects, including Prestige Meadows and another Falcon City project, while evaluating additional opportunities in the region.
- Business development spend guidance remains ~INR40-45b in FY27. During the quarter, the company expanded its Mumbai footprint through projects in Thane, Borivali and Versova. The company also indicated potential business development additions in Bengaluru and Gurgaon in the remainder of FY27.
- Labor shortages during elections in Assam and West Bengal led to construction disruptions for nearly two months and could delay certain project handovers marginally by around one month.

Commercial

- The entire development at Signature Towers, Bangalore, has been pre-leased to a leading banking institution, highlighting strong occupier demand for premium office developments.

- Rental income projections for FY27-FY28 have been marginally lowered due to a 2-3-month delay in the completion of Tech Zone and Signature Tower projects, with completion timelines shifting from 4QFY27 to 1QFY28.
- Leasing interest remains strong across the Mumbai office portfolio, particularly at BKC and Mahalaxmi developments, with rental expectations remaining robust.

Hospitality

- The hospitality portfolio continued to witness healthy operating performance, supported by higher occupancies and strong room rates. Hospitality revenue stood at INR3.5b during the quarter. EBITDA margin was ~40%, while PAT stood at INR419m.
- Multiple monetization options for the hospitality business remain under evaluation, including the previously proposed IPO route as well as potential strategic transactions. Discussions are ongoing and no final decision has been taken.

Financials/cash flow/balance sheet

- Residential collections are guided at INR210-220b for FY27, while total gross collections across businesses are expected to be ~INR250b.
- FY27 free cash flow is expected at INR85-90b, which the company believes will largely fund capex and business development requirements.
- Construction and approval-related payments were elevated in 1QFY27 due to certification of contractor bills and advance spending for upcoming launches. Expense run rates are expected to remain broadly similar in the near term.
- Free cash flow generation is expected to improve meaningfully as major launches scheduled in 2QFY27 and 3QFY27 begin contributing to collections.
- Reported margins were impacted by lower residential revenue recognition due to limited project completions during the quarter. The company indicated that project-level margins remain intact with no material pressure on underlying profitability.

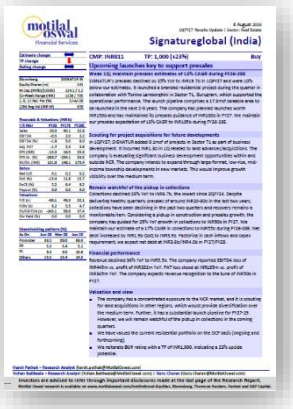
SignatureGlobal — Buy

Current Price INR 786

- The company launched its first branded residential project in partnership with Tonino Lamborghini at Sector 71, Gurugram (12+ acres; >2msf; GDV >INR44b), achieving its highest-ever launch price of over INR22,000/sqft. More than 300 units were sold in Phase I, reflecting healthy demand.
- Reiterated FY27 launch guidance of INR150b, with launches planned during 3QFY27 (around Diwali) and 4QFY27. A significant portion of the pipeline is planned in Sector 71 (SPR), while additional launches could also be undertaken across other Gurugram micro markets.
- Upcoming branded residential projects will be differentiated through product positioning, unit configurations, amenities and brand partnerships. Around 50% of inventory is expected to be monetized within 3-6 months of launch, with the balance released gradually to benefit from construction-linked price appreciation.
- Reiterated FY27 presales guidance of INR100b, with 1QFY27 contributing ~20% of the annual target and stronger momentum expected in 2HFY27.

Signature Global

Click below for Results Update

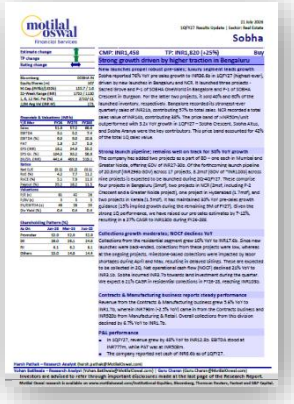

Signatureglobal (India)

- Average sales realization increased to over INR17,000/sqft in 1QFY27 vs. ~INR15,000/sqft in FY26, driven by premium launches and continued price appreciation.
- Collections stood at INR6.7b during the quarter due to the timing of construction milestones and are expected to improve in the coming quarters. The company expects to complete projects and recognize revenue of over INR50b during FY27, while affordable housing completions will largely conclude over the next couple of quarters, increasing the contribution from mid and premium projects.
- 9msf is under execution and is expected to be largely completed over the next 2-5 quarters.
- The current development pipeline comprises ~12msf of residential and ~6msf of commercial developments through the RMZ partnership, providing strong medium-term growth visibility.
- Evaluating significant business development opportunities within NCR and outside NCR. The company intends to expand through large-format, low-rise, mid-income township developments in new markets.
- Net debt stood at INR3.9b, which could inch up in FY27 owing to planned land acquisitions.
- Construction cost inflation remains under control, with no abnormal increase in key raw material prices during the quarter. The company continues to budget for annual construction cost escalation of 7-8%.

Sobha — Buy

Current Price INR 1,274

Click below for Results Update

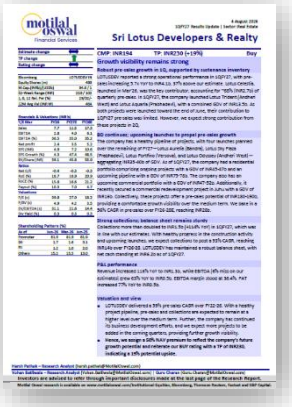


- Sobha One contributed 45% of total pre-sales in 1QFY27. The company has reiterated its FY27 pre-sales growth guidance of 30% YoY.
- The company plans to complete 6–6.5msf of projects in FY27, implying ~20% growth over the previous year.
- The forthcoming launch pipeline stands at 20.8msf with a GDV of INR296b across 17 projects. Of this, 8.2msf (GDV of ~INR120b) across nine projects is expected to be launched in FY27. The FY27 launch pipeline comprises four projects in Bengaluru (3msf), two projects in NCR (2msf, including Phase 2 of Crescent and a Greater Noida project), one project in Hyderabad (1.7msf), and two projects in Kerala (1.5msf). In 2QFY27, the company plans to launch three projects, comprising one project in Kerala, one plotted development project in Bengaluru, and a small Bengaluru project (~0.4msf), with the balance launches expected in 3QFY27 and 4QFY27.
- Apart from the upcoming launch pipeline, the company has unsold inventory of 14.9msf with a GDV of INR192b.
- Revenue yet to be recognized from sold inventory stands at INR206b. The company expects healthy revenue growth going forward, with EBITDA margins likely to expand as project completions pick up during 2Q–4QFY27.
- Collections from new sales were largely received towards the end of the quarter. Milestone collections were impacted by labor shortages during April and May, resulting in delayed billings that are expected to be collected in the current quarter. The company has reiterated its FY27 operating cash flow guidance of INR20b.

Sri Lotus Developers — Buy

Current Price INR 164

Click below for Results Update



Residential segment

- 1QFY27 launches included Lotus Trident (Andheri) and Aquaria Prabhadevi, with a combined GDV of ~INR13.5b.
- 1QFY27 pre-sales were largely driven by sustenance sales, with ~INR3.5b contributed by existing projects launched in FY26 and earlier, while new launches contributed only ~INR250m.
- Lotus Trident has received a strong initial response, achieving ~INR1.5b of pre-sales within one month of launch (July onwards).
- The company reiterated its FY27 pre-sales guidance of INR18-20b, along with 55-60% YoY growth in revenue and PAT. EBITDA margin is guided at 35-40%, while PAT margin is expected at 25-30%.
- Four residential projects are planned for launch over the remaining of FY27, including Aurelia (Nepean Sea Road; INR10-15b GDV) and Sky Plaza (Oshiwara; INR15b GDV) in 3QFY27, followed by Portofino (INR5b GDV) and Odyssey (INR10b GDV) in 4QFY27, taking the remaining FY27 residential launch pipeline to ~INR35-40b GDV. Launch timelines remain subject to approvals.
- The residential portfolio has a development pipeline of ~INR175-185b GDV, with 17 out of 18 projects being redevelopment projects.
- Lotus Aquaria in Prabhadevi was launched at an initial pricing of ~INR85,000/sq ft.
- The mixed use development at GIFT City is progressing well, with all key approvals expected by the end of FY27.
- Versova continues to witness strong redevelopment momentum. The company already has three seafront projects in the micro market and is evaluating additional redevelopment opportunities.
- India's luxury housing segment continues to witness healthy demand, with the luxury market growing by over 11%. While redevelopment-led supply is increasing in MMR, demand for premium seafront and green facing developments remains robust.
- Branding and marketing initiatives have been stepped up following the expansion into new micro markets. Marketing spend is expected to remain at ~1% of pre-sales, with the incremental cost largely offset by lower brokerage expenses through higher direct sales.

Commercial segment

- A commercial redevelopment project in Juhu with an estimated GDV of ~INR16b has recently been added, taking the overall development pipeline to ~INR180b GDV.
- The Juhu asset is currently a shopping center and will be redeveloped into a commercial project, with construction expected to take 3-4 years (expected to be launched in FY28).
- The Juhu commercial redevelopment is expected to benefit from the increasing 'walk to work' trend, with a similar customer profile across nearby residential and commercial developments.

RETAIL

- **Retail: Management comments indicated that demand remained broadly resilient in 1QFY27, with trends largely in line with 4QFY26. Occasion-led categories witnessed some moderation due to fewer wedding dates and Adhik Maas, while a delayed summer season weighed on demand during Apr-May. Demand momentum improved from mid-Jun'26, supported by higher footfalls, better merchandising, and improving productivity, with several retailers reporting healthy SSSG across formats and channels. Premiumization, higher ASPs, and improved product relevance continued to support growth, while new customer additions and higher purchase frequency aided consumption. Footwear players witnessed healthy secondary demand, with record dealer orders and limited demand disruption. Retailers remain optimistic about 2HFY27, supported by festive demand, store expansion, and increasing premiumization, although elevated input-cost inflation, household budget pressures, geopolitical uncertainties, and a deficient monsoon remain key near-term monitorables.**
- **Jewelry: Management commentary from listed jewelry companies indicated that demand remained resilient despite about three-week disruption in May due to customs duty changes and the wedding calendar, with most deferred demand recovering in June. Despite elevated gold prices in 1QFY27 (~60% YoY and ~1% QoQ), consumer demand remained healthy, supporting robust SSSG. Strong traction in old-gold exchange programs continued, contributing ~50% of revenues for some players. Demand remained strong for lightweight jewelry, lower-karat products, and affordable formats, with companies continuing to focus on maintaining affordability amid elevated gold prices.**
- **QSR: Management commentary across listed QSR companies indicated that the SSSG recovery seen since 2HFY26 continued into 1QFY27, with July trends remaining encouraging despite a volatile demand environment. Companies are taking calibrated price hikes to offset RM inflation while focusing on cost control to limit margin pressure. Affordability remains a key focus, with value offerings and targeted promotions supporting traffic and order frequency. Management teams remain focused on improving store productivity and execution, while maintaining their store addition guidance for FY27.**

KEY HIGHLIGHTS FROM DEPARTMENTAL RETAIL CONFERENCE CALL

	Salient takeaways from 1QFY27's performance	Outlook
Aditya Birla Fashions	■ Demand remained broadly stable during 1Q, though it softened in June ahead of the EOSS. Fewer wedding dates and Adhikmaas weighed on occasion-led demand	■ The company plans to open ~20 new stores of Pantaloons in FY27, with select closures and target high-single digit LTL for FY27.
Aditya Birla Lifestyle	■ Demand trends remained broadly consistent with 4Q, with consumer traction remaining healthy across categories and channels. Occasion wear saw slight moderation, primarily due to Adhikmaas, which temporarily impacted demand during the peak wedding period.	■ Closures remained elevated in 1Q (68 gross, 16 net store openings). However, management expects the pace of store additions to pick-up in 2H, with target of adding ~150-200 net stores in FY27. It expects ~5-6% area growth and ~7-8% steady-state LTL to aid early double-digit revenue growth for ABLBL.
Campus	■ Campus implemented ~8% price hike from Apr'26. While reported ASP was diluted by the online accounting change and stronger school shoe sales during 1Q, the price hike has been well absorbed with resilient secondary demand, record dealer orders and no meaningful demand disruption.	■ The company reiterated its target for mid-teens revenue growth, with largely equal contribution from volume growth and ASP hikes. Further, it aims to improve EBITDA margins to 17–19% over the medium term.
Go Fashions	■ Demand showed early signs of recovery, with SSSG turning positive (+0.6%) for the first time in several quarters, supported by broad-based improvement across stores and stronger productivity in larger-format outlets	■ The company still targets 8–10% area growth in FY27 through larger-format stores, with closure intensity expected to moderate.
Metro Brands	■ Apr-May'26 saw weak demand due to the impact of geopolitical uncertainties on consumer sentiment and lack of weddings due to Adhikmaas. However, demand rebounded strongly from mid-Jun'26.	■ 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.
Raymond Life	■ Garmenting remained the key growth engine, with revenue up 50% YoY driven by the US tariff normalization and new UK/European customer additions	■ A company-wide transformation program is targeting procurement, manufacturing, logistics, media spending, manpower productivity and working capital to unlock structural cost savings, improve asset utilization and enhance cash generation.

Lenskart	■ India's growth runway remains strong, with 18.3% SSSG and 24% same-PIN-code growth despite rising store density. With 6,100+ unserved PIN codes and ~3,000+ stores densification opportunities, the key constraint is improving access, ramping up eye-testing capacity, and not demand.	■ The addressable market is expanding at both ends, with premium products at 20% of sales and significant whitespace in premium lenses, while the INR500 proposition is now economically viable.
Vedant Fashions	■ Management indicated that pricing and volume contributed equally toward ~3.8% domestic EBO SSSG during 1QFY27, with Mohey and Twamev outperforming the company-level SSSG	■ For FY27, VFL targets healthy high-single-digit SSSG, driven by rising salience of premium products, ASP increases and higher focus on repeat purchases.
Vishal Mega Mart	■ Demand remained resilient despite elevated inflation, with management expecting pressures to ease in the coming quarters. **SSSG** stood at ~10%, driven by ~7% growth in new customer additions and ~3% higher purchases by existing customers	■ Management anticipates a long-term opportunity for small-format stores, which are likely to scale to ~3,000.
Relaxo	■ The company is actively expanding into the fashion-forward footwear segment, which requires specialized production lines and more complex manufacturing processes. The transition involves modifications to conventional assembly layouts and workflows, resulting in lower daily output.	■ Total manufacturing capacity has been reassessed at 910,000 pairs/day vs. 1.05m pairs/day earlier, following the ongoing reconstruction and renovation of the RFL-I and RFL-II plants.
Arvind Fashions	■ Demand remained healthy despite a volatile macro backdrop, with retail LTL growth of 11.6% and online B2C growth of 38%. AFL highlighted continued market share gains across retail, department stores and MBOs, supported by improving product relevance, stronger retail execution and lower discounting.	■ AFL expects to sustain mid-double-digit revenue growth and 30–40bp EBITDA margin expansion, supported by D2C scaling, brand premiumization, retail expansion and improving execution, while remaining watchful of geopolitical developments, input-cost inflation and forex volatility.
V-Mart	■ Demand remained healthy despite a delayed summer season, shorter wedding period and Adhikmaas. Growth was driven by higher footfalls, improved merchandising and ~2-3% higher ASP largely driven by mix	■ The company expects demand to recover during the festive quarter, while inflationary pressures on household budget and deficient monsoon (so far) remain key near-term monitorables. VMART has reiterated its guidance of 90 gross store openings and mid- to high-single-digit SSSG.

KEY HIGHLIGHTS FROM QSR- CONFERENCE CALL

	Highlights from 1QFY27 commentary	Outlook for FY27
Jubilant Food Works	■ Management expects 2QFY27 to be better than 1Q ■ The company did new innovation during the quarter; e.g., Chicken Maxxx targets the higher-protein/ indulgent segment, while Cold Coffee at INR99 and Mousse at INR49 aim to increase add-on purchases. ■ JUBI took a net 1.5-2.0% price hike during the quarter.	■ Management is maintaining a medium-term annual SSSG guidance of 5% to 7%. ■ The company plans to add 35–40 Popeyes stores annually and has already identified locations for the next 200 stores. ■ The company maintained its FY27 capex guidance at INR7.5-9.0b.
Devyani International	■ DEVYANI has taken slight price hikes in KFC and PH to mitigate the cost impact. ■ LPG prices have significantly gone up in the last few months. However, Devyani has effectively managed the availability of LPG during this period. ■ DEVYANI has seen food commodity inflation along with the hike in minimum wages and annual increments.	■ Management maintained its earlier guidance of 200–225 net new store additions in FY27. ■ KFC is expected to add 100–110 stores in FY27. Remaining expansion will be driven by Costa Coffee, Biryani By Kilo, and the international business. ■ The merger process with Sapphire Foods continues to progress along expected timelines. They received approvals from both the NSE and the BSE in June. The timelines are broadly on track with their target of completion by the end of FY27.

United Food	■ The reported revenue growth was entirely driven by increased volumes rather than price hikes. The company has deliberately avoided price increases since 2QFY26 to prioritize customer acquisition and transaction growth. ■ Pre-Ind AS adjusted operating EBITDA margin expanded to 8.1%, up from 5.5% in the previous quarter, largely due to operating leverage, as fixed costs were spread over much higher revenue. ■ The company had 266 restaurants in 1QFY27. It added five new restaurants in and closed one during the quarter.	■ The company guided a total FY27 capex of INR1.4b, with INR1.2b for new store expansion and INR0.2b for maintenance and refurbishments ■ Management cautioned that reported SSSG will likely neutralize or moderate as the year progresses. This will be more of a mathematical consequence of lapping the very strong performance benchmarks set in the latter half of the previous year, rather than a contraction in actual demand. ■ There are 15 restaurants currently under construction, which are scheduled to operationalize during 2Q and 3Q of FY27.
Sapphire Foods	■ April-May was good, June was subdued, and July was healthy for the company. ■ The company has been reducing discounts (~50bp) since Oct'25, which coupled with some price increases taken in 1QFY27, supported gross margin and profit in 1Q.. ■ In 1QFY27, Sapphire opened 22 net new stores, including 16 KFC restaurants, five Pizza Hut stores in India and one Pizza Hut store in Sri Lanka. Sapphire's total restaurant count was 1,074 as of Jun'26.	■ The company plans to open 60-80 KFC stores in FY27; however, it remains cautious about PH store expansion. ■ Gross margins of both KFC & PH improved, backed by lower discounts YoY and a 2% price increase during the quarter.
Westlife Food	■ SSSG stood at 4.3%, remaining positive across all three months, with May and June witnessing stronger mid-single-digit SSSG. Management indicated that this healthy momentum has continued in July. ■ Growth was broad-based across channels, with dine-in revenue increasing 12% YoY and off-premise revenue growing 11% YoY. ■ The company opened five restaurants during the quarter, taking the network to 482 restaurants across 79 cities. Lower openings during 1Q were due to temporary fryer inventory constraints following LPG equipment conversion and are not indicative of any slowdown in expansion.	■ The company continues to target 100-150bp annual improvement in pre-Ind AS EBITDA margins, subject to operating performance. ■ Management reiterated its guidance of opening more than 60 restaurants in FY27 and remains on track to achieve 580-630 restaurants by Dec'27. ■ The company has not implemented any price hikes in FY27 so far and intends to continue following a disciplined pricing strategy.

KEY HIGHLIGHTS FROM Jewel- CONFERENCE CALL

	Highlights from 1QFY27 commentary	Outlook for FY27
Titan	■ Toward the end of July, the company observed some softness in plain gold jewellery, as customers temporarily stopped purchases amid uncertainty around the direction of gold prices; however, management noted signs of improvement over the subsequent days. ■ TTAN has also rolled out 'Cash for Gold' across all stores from June, allowing customers to convert their gold into cash; while traction has been limited so far, management views the initiative primarily as a customer solution, with potential to serve as an avenue for new customer acquisition. ■ Exchange remains a key customer acquisition and growth lever for TTAN, with exchange-led sales accounting for >50% of sales when including both old gold bought elsewhere and gold previously purchased from Tanishq.	■ Management continues to target healthy double-digit value growth in jewellery, with buyer growth expected to become a more important growth driver if gold-price inflation moderates or turns flat. ■ Excluding these one-offs, management indicated that the normalized jewellery EBIT margin was around 10.9%, and reiterated its confidence in maintaining margins around the ~11% level over the medium term.
Kalyan Jewellers	■ Management indicated that strong wedding demand and healthy festive purchases supported growth during the quarter. ■ Following the spike in international gold prices and forex volatility, Kalyan launched its 'Shine with India' Gold Recirculation campaign to increase the share of recycled gold and reduce dependence on imported gold. The initiative received a strong customer response, with recycled gold contributing over 46% of revenue during 1QFY27 and exceeding 55% in June. Management intends to maintain recycled gold contribution in the 55-60% range going forward. ■ There is a one-time gain due to an increase in customs duty of INR410m in 1QFY27 and INR600m expected to be incurred in 2QFY27.	■ Management expects the margin impact to remain temporary and reiterated that FY27 PBT margins should remain broadly in line with FY26 levels, even on a conservative basis. ■ The company reiterated its guidance to open 84 Kalyan showrooms and 50 Candere stores during FY27, with store additions expected to be weighted towards the second half of the year. ■ Kalyan remains on track to become debt-free (excluding gold metal loans) by the end of Sep'26.

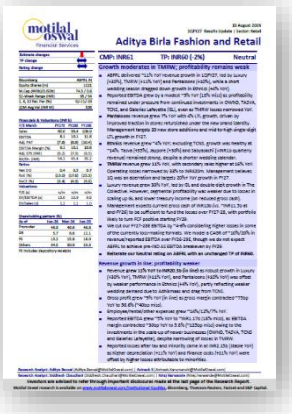
Senco	■ Inventory gain from customs duty hike is expected to be INR120-150m in 1Q (for 45 days). ■ The company maintained a hedging ratio of around 50% to manage gold price volatility, liquidity risks and margin-related uncertainties during the quarter. Management expects to sustain this ratio in the near term.	■ The company guided for ~20% revenue growth in FY27 while maintaining EBITDA margin guidance of 7.5-7.8%. ■ PAT margin guidance was maintained at 4-4.5%. ■ Senco plans to add ~18-20 stores during FY27 with higher focus on franchise-led expansion, lightweight jewelry, inventory optimization and cost-control initiatives. ■
P N Gadgil	■ Newly opened stores in Uttar Pradesh and Central India are already reporting studded jewellery ratios of 15-18%, materially higher than the mature Maharashtra network. ■ LiteStyle by PNG reported a studded jewellery ratio of 32.9% during the quarter. ■ Akshaya Tritiya sales jumped 80% YoY to INR510m, outperforming industry expectations despite higher gold prices. ■	■ The company expects retail gross margins to remain within 12.5-13.5% under the existing merchandise mix. ■ EBITDA margin guidance was maintained at 7.0-7.5%. ■ Excluding any inventory or hedging-related gains, management expects underlying PAT margin of around 4.1-4.25% during FY27 through tighter cost control and operating leverage.

Aditya Birla Fashion — Neutral

Current Price INR 54

Click below for Detailed Concall Transcript & Results Update




motilal oswal Financial Services

Aditya Birla Fashion and Retail

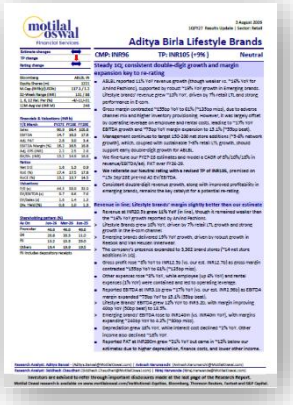
- **Demand** remained broadly stable during 1Q, though it softened in June ahead of EOSS. Fewer wedding dates and Adhik Maas weighed on occasion-led demand.
- **Pantaloons:** LTL moderated to 4% in 1QFY27 vs 7% over Nov'25-Mar'26. Apr started off softer with some pick-up in May, though Jun was weak and led to ~4% LTL. The company plans to open ~20 new stores in FY27, with select closures and targets high-single digit LTL for FY27. The refurbished stores are witnessing improved productivity and the company plans to refurbish ~150 of 400 stores (that account for 50%+ of revenue) over the medium term.
- **RM inflation:** Management indicated ~4% RM inflation for Pantaloons and OWND, with the company passing on around half of it as price hikes and absorbing the remaining half to improve its value proposition and drive higher sale-through, which should limit incremental discounting and protect gross margins.
- **Cash outflow:** Standalone cash declined to INR10b (vs. INR11.5b at end-4QFY26) and is expected to further dip to ~INR5b by FY27-end. However, management believes that portfolio will turn FCF positive starting FY29 and no incremental fund raise would be required to fund losses over FY27-28.
- **TCNS** overall revenue fell YoY and dragged down Ethnics' performance. However, with a lower drag from old inventory liquidation, management indicated that losses have reduced YoY.
- **OWND** growth remains expansion-led, contributing 2–2.5% to segment's ~10% YoY growth. With ~90 stores, FY27 expansion is capped at 25-30 stores as the new team prioritizes store-level economics before scaling up further.
- **Ethnics:** Besides TCNS, the growth in designer-led portfolio was also hit by lower international weddings/travel due to the West Asia conflict. However, management expects the overall ethnic portfolio to deliver 20% YoY growth, despite a drag from TCNS, with significant skew toward 2H.
- **Tasva** delivered 35% YoY growth with double-digit LTL for the eighth consecutive quarter. Management expects the growth to be largely driven by the addition of ~25-30 stores in FY27. Further, it expects Tasva to achieve profitability at a scale of ~INR4-5b (roughly 2x from current levels).

- **Luxury:** The Collective and mono-brand portfolio delivered double-digit growth, supported by healthy LTL and e-commerce momentum. Expansion remains selective, with focus on sustaining growth across established brands.
- **Galeries Lafayette** remains in early ramp-up and is currently operationally loss-making, with scale yet to absorb fixed costs. Improving brand awareness and consumer traction should support break-even for the combined Collective and Galeries Lafayette portfolio in 2HFY27.
- **TMRW** secondary sales grew ~16% YoY (vs. 11% primary sales), indicating healthy underlying demand. Management remains confident of sustaining 20% growth trajectory for FY27 despite seeing a slower momentum in 1Q. Two of six brands are already profitable, with better corporate overhead absorption with scale as the key driver for driving overall profitability by FY29-30.

Aditya Birla Lifestyle — Neutral

Current Price INR 87

Click below for Results Update


Aditya Birla Lifestyle Brands

- **Demand trends** remained broadly consistent with 4Q, with consumer traction remaining healthy across categories and channels. Occasion wear saw slight moderation, primarily due to Adhikmaas, which temporarily impacted demand during the peak wedding period. Management remains cautious about inflationary pressures on household budgets but has not seen any meaningful shift in the demand momentum so far.
- **RM Inflation** had minimal impact during 1QFY27, and the ~155bp gross margin contraction was largely due to adverse channel mix and slightly higher inventory provisioning. Management expects a 3-4% cost increase in 2HCY26, driven by raw material prices, higher logistics costs, and an increase in minimum wages in some states. The company expects to address a large part of the increase through calibrated price hikes, productivity gains, and cost rationalization.
- **Outlook:** Closures remained elevated in 1Q (68 gross, 16 net store openings). However, management expects the pace of store additions to pick up in 2H, with a target of adding ~300 gross and ~150-200 net stores in FY27. Management expects ~5-6% network additions and ~7-8% steady-state LTL to aid early double-digit revenue growth for ABLBL.
- **Reebok:** The growth remains robust with doubling of revenue over the last 3-3.5 years, since the acquisition. Management expects the revenue to potentially further double in the coming 3-3.5 years, driven by expansion in retail network (~200 stores currently), wholesale channel and small town foray through a differentiated proposition. The share of apparel has risen from ~26-27% at the time of acquisition to ~33% currently, while women-wear presents a significant growth opportunity.
- **Small town growth and opportunity:** Management noted that small town stores grew faster than the overall network and attributed the strength to improved execution and better demand trends. It indicated that compared to ~500-550 stores, small towns currently contribute ~16% to overall revenue, which it expects to improve to 20%+ over the next three years. The company is tailoring retail formats, price propositions, and merchandise assortments to address different customer segments across these markets.

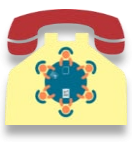
- **Retail Channel growth drivers:** Management believes that the company has been growing slightly ahead of the industry, supported by consistent high-single-digit LTL growth over the last several quarters. It highlighted continuous merchandise contemporization, improved store experience, and premiumization as the key growth drivers. Over the longer term, management indicated that around half of the growth could come through premiumization, with the remainder coming from other factors such as footfalls and price increases.
- **E-commerce:** After letting go of low-quality e-com growth for the past few years to focus on profitable growth, management now believes that e-com profitability is now very close to retail profitability and hence has accelerated the growth in e-com, without pursuing margin-dilutive growth on the back of heavy discounting.
- **Wholesale:** Primary sales were impacted by a slight delay in the festive period (~10–15 days). Management expects this to even out across 1Q and 2Q, as secondary sales remain strong.
- **Channel Mix:** Retail accounts for ~65% of sales mix for Lifestyle brands, while the Emerging Business portfolio has a slightly lower retail contribution. Wholesale and e-commerce have a relatively higher share in Emerging Brands, primarily due to Van Heusen Innerwear's large wholesale business and Reebok's meaningful e-commerce presence.
- **Marketing Investment:** Marketing spends stood at around 3.5% of sales during 1QFY27 (slightly lower vs. 1QFY26, which had large spends on IPL). The company has shifted its marketing primarily towards digital advertising now.
- **BIS:** It continues to remain a challenge, as factories require approval on an ongoing and annual basis. Reebok continues to operate with a couple of factories outside India, while simultaneously building a stronger domestic sourcing base. The company is also creating substitute Indian sourcing and vendors for international imports, while its current overseas factories remain BIS-certified.

ARVIND FASHIONS

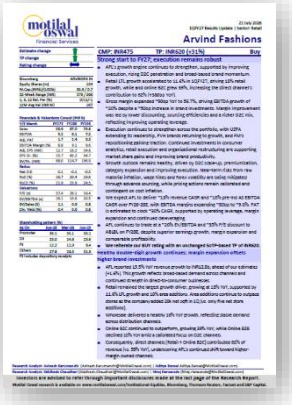
Arvind Fashions — Buy

Current Price INR 429

Click below for
Detailed Concall Transcript &
Results Update



- **Demand** remained healthy despite a volatile macro backdrop, with retail LTL growth of 11.6% and online B2C growth of 38%. AFL highlighted continued market share gains across retail, department stores and MBOs, supported by improving product relevance, stronger retail execution and lower discounting.
- **US Polo** continues to widen its leadership within the portfolio, with higher inventory availability translating into stronger sell-through and market share gains. Growth runway remains significant, supported by store upsizing, category expansion and rising online penetration while maintaining healthy productivity.
- **Flying Machine's** turnaround is gaining traction following its strategic repositioning. The brand has sharpened its focus on Gen-Z, denim and unisex fashion, expanded across major digital platforms and will launch its own D2C platform in 2HFY27. Store expansion will remain selective, targeting youth-centric catchments before accelerating brand investments.


Arvind Fashions

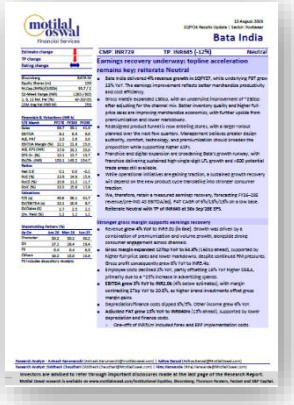
- **PVH** has returned to growth after last year's GST-led disruption. Arrow's transformation is progressing steadily, with the focus shifting toward improving channel economics.
- **Store expansion** is becoming increasingly brand-specific. US Polo will prioritize larger stores and network densification, FM will focus on high-potential youth catchments, Arrow will continue selective expansion with larger formats, and PVH brands remain concentrated in Grade-A malls. It targets ~150k sqft net additions in FY27 while pruning ~5% of the network annually to improve fleet productivity.
- **Inventory build is strategic,** reflecting incremental stocking at US Polo to support growth, early PVH sourcing to mitigate geopolitical risks, footwear restocking and the ongoing shift toward D2C. Inventory turns are expected to improve from ~3.5x to 3.7-3.8x over the next 18-24 months as these factors normalize.
- **Retail execution** continues to improve across the portfolio, driven by better consumer analytics, localized assortments, sharper pricing architecture, improved inventory freshness and enhanced in-store execution. These initiatives are translating into stronger conversions, lower markdowns and continued market share gains.
- **Organizational restructuring** is strengthening execution across brands. Brand heads now own end-to-end P&Ls, while marketing, digital, data and AI capabilities have been centralized, improving accountability, pricing decisions, merchandising and cross-brand execution. Early benefits are already visible through better pricing optimization and lower discounting.
- **Margin expansion (up 90bp)** remains quality-led, supported by lower discounting, sourcing efficiencies and a richer D2C mix despite higher brand investments (up by 50bp). Pricing remains a key near-term monitor, with potential selective price hikes if elevated input costs persist in FY27. Other income has normalized to a steady ~INR70-80m quarterly run-rate.
- **AFL** expects to sustain mid-double-digit revenue growth and 30-40bp EBITDA margin expansion, supported by D2C scale-up, brand premiumization, retail expansion and improving execution, while remaining watchful of geopolitical developments, input-cost inflation and forex volatility.

Bata — Buy

Current Price INR 721

Click below for Detailed Concall Transcript & Results Update

- Revenue rose 3.9% YoY and volume increased 2.3%, while underlying PBT grew 22%. Lower markdowns, better inventory quality, employee-cost efficiencies, and a favorable channel mix are allowing profitability to outpace revenue growth.
- Premium products continued to outperform with higher ASPs, while lower price points remained resilient but relatively moderate. Hush Puppies, Floatz, and Bata led brand performance, while North Star remained a drag amid line rationalization.
- Redesigned product funnel is now entering stores, with a larger rollout planned over the next few quarters. Greater design authority, comfort, technology, and



premiumization should broaden the proposition while supporting higher ASPs and gross margins.

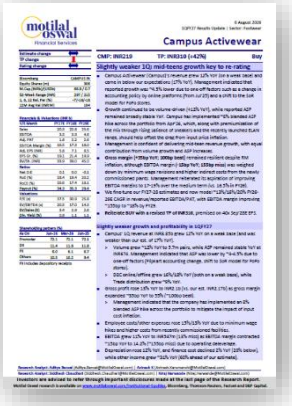
- Pricing actions are broadly offsetting RM inflation (~5–6%). Given the ~150-day inventory cycle, the benefit of revised pricing will become more visible as higher-cost inventory flows through from September.
- Gross margin expansion is gaining structural quality, with ~230bp underlying improvement after adjusting for the channel mix. Better inventory and ~89% full-price sales are reducing markdown, providing a further uplift. Faster
- franchise/ecommerce growth remain a drag on reported GM but accretive for EBITDA.
- ZBM is driving measurable productivity gains, with 775 stores now covering ~80% of retail revenue and delivering mid-single-digit higher growth than the rest of the network. Project Elevate/ZBM 2.0 should extend these gains as rollout nears completion.
- Franchise continues to scale well with 750 stores, sustained high-single-digit LFL growth, and partner RoI of ~18–24%. With more than 600 potential trade areas identified, the format provides significant expansion headroom while remaining more EBIT-accretive than COCO.
- Inventory quality continues to drive productivity gains, with availability up ~12% and store lines reduced to 68% of the level two years ago. Further assortment rationalization toward ~60% should support lower markdowns and better full-price sell-through.
- Manufacturing consolidation has reduced the vendor base to ~70 from 100– 120 partners, and targets to reach ~30 over the next 3–5 years. Lower kits, mould, and material complexity should support procurement and manufacturing efficiencies, with ~200bp of savings targeted over the journey.
- VRS and technology-led organization redesign over the past 24 months are improving employee-cost efficiency, while manpower redeployment toward franchise and distribution channels should support growth without a proportional increase in employee costs.
- Marketing spends increased 25% YoY in 1QFY27, following double-digit growth over the previous three quarters. Spend is now ~3–3.5% of sales vs ~2.5% earlier and is expected to remain elevated over the next few quarters to support the new product range.

Campus Activewear — Buy

Current Price INR 223

Click below for Detailed Concall Transcript & Results Update

- **One-off impacts on revenue:** Reported revenue growth was impacted by ~4.5% due to temporary online accounting changes (~2.5%) and the transition to SOR for franchise stores (~2–2.5%), implying a stronger underlying growth.
- **Price hikes:** Campus implemented ~8% price hike from Apr'26. While reported ASP was diluted by the online accounting change and stronger school shoe sales during 1Q, the price hike has been well absorbed with resilient secondary demand, record dealer orders, and no meaningful demand disruption.
- **Gross margin** remained resilient despite raw material inflation. Further, the company does not intend to roll back prices even if input costs soften, supporting future margin expansion.


Campus Activewear

- **Network Expansion:** Campus opened 18 stores (highest in 7–8 quarters) and remains on track to add ~90–100 stores in FY27, expanding across tiers with increasing focus on underpenetrated markets such as Kerala, Tamil Nadu and the North-East, while Rajasthan, Maharashtra, MP and Chhattisgarh continue to deliver strong traction.
- **Guidance:** The company reiterated its target for mid-teens revenue growth, with largely equal contribution from volume growth and ASP hikes. Further, it aims to improve EBITDA margins to 17–19% over the medium term.
- **School shoes** contributed 40% to 1QFY27 sales and acted as a drag on ASP and should normalize in coming quarters. The recently launched ELAN premium range has seen encouraging early traction, supporting premiumization.
- **Sneakers** continue to be a key premiumization lever, contributing 12–13% of sales. The company is targeting ~30% growth in the category, supported by new product launches and investments in manufacturing capacity.
- **Industry-wide** price hikes and supply constraints among smaller/unorganized players are expected to improve the competitive landscape and support market share gains.
- **EBITDA** was hit by minimum wage revisions and higher indirect costs from the newly commissioned plants. Incremental quarterly costs included ~INR50m from wage revisions and INR25m each from distributor meet and related A&P expenses and indirect costs from newly commissioned facilities.
- **Capacity** rationalization was due to closure of 4–5m pairs of legacy DIP capacity, reducing annual capacity to 31m pairs (from 36m earlier) and shifting production towards higher-ASP, higher-margin categories.
- **Inventory:** Built inventory ahead of the festive season and franchise transition, with the highest-ever 1Q production ensuring adequate product availability across channels to meet the festive demand.
- **Franchisee stores** (158 stores) have moved from outright sales to an SoR model, which gives the company more control over inventory, pricing and merchandising. However, it reduced reported revenue growth by ~2.0–2.5%.

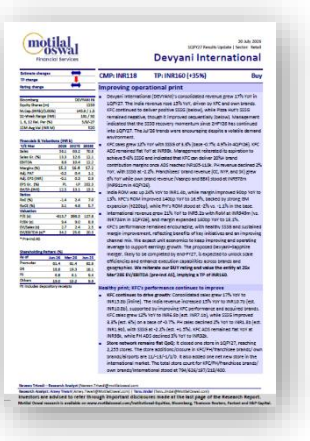
Devyani International — Buy

Current Price INR 143

Business and Environment

- The operating environment has remained volatile, along with the usual seasonal complexities. The company has seen a positive trend in July; however, the onset of Shravan can weigh on demand, given it was not in the base quarter.
- The company indicated that the momentum built through 2HFY26, anchored by KFC's strong same-store sales performance, has continued into 1QFY27.
- Most brands delivered positive SSSG in 1Q. KFC continued to post double-digit sales growth and delivered SSSG of 3.3%. Other brands like Biryani by Kilo, Costa, and Vaango maintained a 7%+ SSSG growth trajectory. Pizza Hut also delivered sequentially better SSSG.
- Devyani has seen food commodity inflation along with the hike in minimum wages and annual increments.
- LPG prices have significantly gone up in the last few months. However, Devyani has effectively managed the availability of LPG during this period.

Click below for Detailed Concall Transcript & Results Update


Devyani International

- DEVYANI has taken slight price hikes in KFC and PH to mitigate the cost impact.
- Marketing spends at KFC have been deliberately rebalanced towards driving dine-in visits rather than deep online discounting. At Pizza Hut, marketing activity remained measured and purposeful. Biryani by Kilo (BBK), marketing was centre on occasion-led demand. The brand saw strong traction around the festive and celebration occasions during the quarter.
- Costa Coffee entered the peak summer season with its cold beverage and Frappé Range, which drove footfalls and trials through April-June. While the brand continued to expand its presence in high-visibility travel and transit locations.
- The BBK express format is a small box, lower Capex format, and DEVYANI has seen an initial good response by opening these formats in food courts.
- Revenue improvement in Dine-in & Takeaway channels for both KFC & PH. Devyani stated that the Dine-in exclusive offers and campaigns are delivering desired results.
- DIL 2.0 transformation focused on strengthening leadership, leveraging digital capabilities, improving operational agility, and driving cross-brand synergies to accelerate scalable long-term growth.
- The company has completed the leadership restructuring, with the entire leadership team in place now, and it is settling in well.
- The merger process with Sapphire Foods continues to progress along expected timelines. They received approvals from both the NSE and the BSE in June. The timelines are broadly on track with their target of completion by the end of FY27.

KFC

- When DEVYANI crosses the threshold of INR105-110k ADS, they will be able to surpass 20% brand contribution margins in KFC. In a stable operating environment, this can be achieved in 1.5-2.0 years.
- KFC SSSG improved 3.3% in 1Q. The company aspires for 5-6% SSSG going ahead.
- KFC has taken three initiatives globally. One is on beverages, with their sub-brand called KWENCH, and Devyani is planning to launch the same in India. The second initiative is around sauces, and the third one is around the boneless piece. All these initiatives will also be launched in India gradually.
- Company recalibrated promotional strategy to focus more on dine-in customers vs online delivery channels.
- Increased dine-in focused offers and pricing interventions helped improve store footfalls and support positive SSSG.

Pizza Hut

- Pizza Hut SSSG stood at -2.2%; however, performance improved sequentially.
- ADS remained stable at INR 32,000. The management alluded that PH ADS remains very low vs competition.
- Brand contribution remained marginally negative due to lower operating leverage from weak SSSG.
- Management indicated Pizza Hut revival strategy is currently focused on “back-to-basics” execution. Under this, the company is working on the product and ingredients, as well as on some innovative ideas.

- Pizza Hut store count stood at 626 stores with 13 net store closures in 1QFY27.
- The company appointed a new CMO Sandeep Anand for leading the Pizza Hut transformation initiatives.

Biryani by Kilo

- The brand contribution is now positive from a negative trajectory earlier when acquired.
- They are also testing BBK in a dine-in format through food courts, and initial response has been good.
- They are also planning to test a vegetarian portfolio.
- Devyani aspires to make BBK an INR10b brand in the coming years.
- The company sees further profitability improvement potential for the brand going forward.

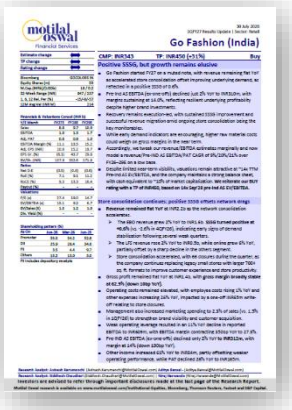
Store expansion

- DEVYANI ended 1QFY27 with a total system store count of 2,255 stores. Net store closure during 1QFY27 stood at 1 store.
- Management maintained its earlier guidance of 200–225 net new store additions in FY27.
- KFC is expected to contribute 100–110 stores in FY27 additions. Remaining expansion to be driven by Costa Coffee, Biryani By Kilo, and international business.

GO COLORS!

Click below for Detailed Concall Transcript & Results Update





Go Fashions — Buy

Current Price INR 334

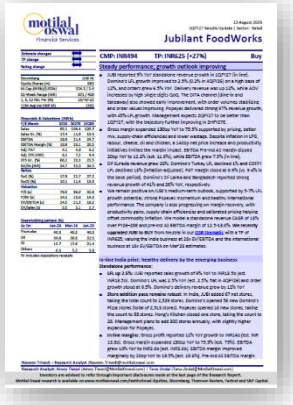
- Underlying demand continued to improve, with SSSG turning positive (+0.6%) for the first time in several quarters. Growth was broad-based across store vintages, while 700+ sq. ft. stores delivered 2.5–3.0% SSSG, reinforcing the benefits of larger-format stores.
- Store network optimization remains the top priority. The company continues to replace legacy small-format stores with larger stores, resulting in a 7K sq. ft. reduction in retail area during the quarter. Expects retail area to increase 8–10% over FY27, while store additions will remain calibrated and closure intensity should moderate from recent quarters.
- Product innovation remains a key growth lever, with plans to launch 10–12 new product categories during FY27, targeting younger consumers and expanding purchase occasions beyond the core bottom wear portfolio.
- Daily Wear format is scaling as planned, with 15 stores currently operational and a target of 25–30 stores by FY27-end. Early unit economics remain encouraging, with ~INR1,000 monthly sales/sq. ft., healthy inventory turns and most stores already generating double-digit EBITDA margins.
- Gross margins could face near-term pressure as fabric costs have increased 7–10%, although the company is not contemplating price hikes currently, expecting input costs to normalize over the coming quarters.
- Working capital continues to improve, with inventory days reducing to ~100 and expected to remain within the 90–100 day range by FY27-end despite investments in the Daily Wear format.

Jubilant Foodworks — Buy

Current Price INR 496

Click below for
Detailed Concall Transcript &
Results Update





Business Environment and Outlook

- Domino's India delivered 2.5% LFL growth in 1QFY27, improving from 0.2% in the previous quarter despite a high base of 12% in 1QFY26. Orders grew 6.5% YoY, indicating better underlying demand.
- Dominos delivery revenue rose 12% YoY. AOV also improved by high single digits QoQ, while Domino's gained 80bp delivery market share among the top 25 QSR brands.
- Growth was supported by value offerings, new product launches, digital engagement and new consumption occasions, along with better execution at stores.
- Management expects 2QFY27 to be better than 1Q and remains confident of building a business capable of delivering 5-7% medium-term LFL growth.
- DITA has been made a dedicated turnaround program to focus specifically on the dine-in and takeaway business. Around 400 stores being upgraded to improve customer experience, service and throughput. Offers such as My Meal at INR119 and Best Deal Wednesdays have helped stabilize order volumes and improve order value.
- Management does not expect an immediate DITA recovery and will focus on building a stronger base in FY27 before returning to sustainable growth.
- Product innovation is now focused on expanding consumption occasions, rather than just launching new products. Chicken Maxxx targets the higher-protein/ indulgent segment, while Cold Coffee at INR99 and Mousse at INR49 aim to increase add-on purchases.
- Company maintained guidance of opening 1,000 stores across brands in India between FY25–28.
- JUBI's own apps reached 19.5mn MAUs and 5.8mn MTUs, up 20.6% and 13.8% YoY, respectively.
- The lower minimum order value has helped maintain the competitiveness of Domino's app and encourage repeat orders, but it is a near-term margin headwind because the company incurs delivery costs on lower-value orders.
- The company maintained its FY27 capex guidance at INR7.5-9b, broadly in line with the previous two years.

Popeyes

- Popeyes delivered over 40% LFL growth for the third consecutive quarter, with ADS crossing INR95,000. Management sees Popeyes becoming a second growth engine for JFL.
- The growth was led by better product quality, differentiated product innovation and improved store execution over the last three to four quarters.
- Popeyes has already achieved ADS above INR100,000 in several cities, and management's next target is to increase ADS materially further rather than simply focus on store expansion.
- The company is seeing restaurant-level profitability across multiple Popeyes stores, although higher marketing and brand-building costs are currently limiting EBITDA profitability.

- Management sees strong long-term potential in India's large and growing fried chicken market, supported by Popeyes' differentiated product and global brand.
- JFL aims to build Popeyes into a INR10bn brand over the next 3–4 years, while maintaining healthy store-level economics.
- The company plans to add 35–40 Popeyes stores annually and has already identified locations for the next 200 stores, with expansion to remain disciplined.

Cost and Margins

- JUBI had initially estimated around 200bp of cost headwind to margins in FY27, but managed to restrict the impact to around 20bp in 1QFY27 through pricing and operational efficiencies.
- The company took a 140bp net price increase in 1QFY27 and also reduced wastage, optimized supply routes, lowered bad orders and increased localization sourcing of ingredients.
- The key cost pressures continue to come from LPG, labour, cheese, oil and chicken, with commodity prices still remaining volatile.
- Management does not want to rely heavily on pricing for margin improvement, with productivity, supply-chain efficiency, mix and operational improvements being the key levers going forward.
- PAT declined despite 10% YoY EBITDA growth, mainly due to higher depreciation following the commissioning of the new Mumbai Supply Chain Centre.
- Major supply-chain investments are now largely complete, and management expects better operating leverage and returns as network scale increases.
- Management continues to target around 200bp EBITDA margin improvement, with roughly half expected from Domino's **and half from the emerging brands.**

International Business

- DP Eurasia revenue grew 28% YoY, while reported EBITDA and PAT declined due to lower monetary gain benefit under hyperinflation accounting.
- Excluding MGL, EBITDA grew 29% YoY and EBITDA margin improved by 15bp, showing strong underlying performance.
- PAT was also affected by a higher tax rate, including dividend distribution tax on remittances from Turkey.
- Management expects DP Eurasia to maintain 7-9% PAT margin for FY27, with underlying business performance remaining healthy.

Kalyan Jewellers — Buy

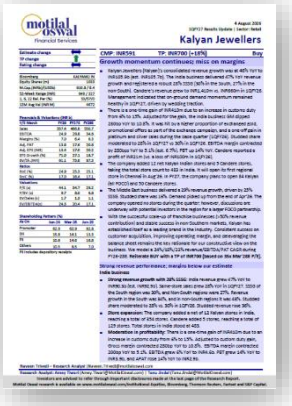
Current Price INR 595

KALYAN JEWELLERS

Click below for Detailed Concall Transcript & Results Update

Demand environment and outlook

- Company highlighted that demand on the ground continues to remain healthy, with July witnessing strong traction similar to the trend seen during 1QFY27.
- While volatility in gold prices can temporarily delay discretionary purchases, management believes such pauses generally last only two to three weeks as wedding-related demand cannot be postponed for long.
- Consumers typically purchase jewellery based on their budget rather than the quantity of gold. Therefore, lower gold prices automatically translate into higher gold volumes purchased without materially impacting customer demand.
- In March, the company saw a temporary slowdown in wedding demand in certain markets.



- There is a one-time gain due to an increase in customs duty of INR410m in 1QFY27 and INR600m expected to be incurred in 2QFY27.

Cost and margin

- Reported PBT margins were impacted during the quarter due to the company's strategic focus on promoting old gold exchange under its gold recirculation initiative.
- The margin dilution was primarily driven by three factors: (1) incentives offered to customers using the one-time customs duty benefit, (2) old gold exchange transactions being around 20-30bps margin dilutive as exchanged gold is purchased at board rates, and (3) the absence of one-time gains from platinum and silver seen last year.
- Employee costs also increased during the quarter following higher-than-normal salary revisions undertaken to retain and motivate employees, which impacted margins by around 20-30bps.
- Management expects the margin impact to remain temporary and reiterated that FY27 PBT margins should remain broadly in line with FY26 levels, even on a conservative basis.

Gold recirculation & Cash for gold initiative

- Following the sharp rise in international gold prices and forex volatility, Kalyan launched its 'Shine with India' Gold Recirculation campaign to increase the share of recycled gold and reduce dependence on imported gold.
- The initiative received a strong customer response, with recycled gold contributing over 46% of revenue during 1QFY27 and exceeding 55% in June. Management intends to maintain recycled gold contribution in the 55-60% range going forward.
- Alongside jewellery exchange, the company has started actively promoting its Cash-for-Gold offering, allowing customers to sell old gold for cash.
- Management highlighted that Cash-for-Gold transactions are margin accretive as gold is purchased below prevailing spot prices, unlike exchange transactions where gold is bought at board rates. As Cash-for-Gold gains scale, it is expected to offset the margin dilution arising from exchange transactions.
- The Cash-for-Gold business has already increased from a single-digit share in June to double digits and is witnessing encouraging customer acceptance.

New regional brand

- Kalyan unveiled its first regional jewelry brand, Akshaya Thangam, designed exclusively for the Tamil Nadu market.
- The brand will offer region-specific jewellery designs, weight profiles and price points tailored to local consumer preferences, enabling it to compete directly with established regional jewelers and unorganized players.
- The first ATM showroom will open in Chennai on 21 August 2026, followed by four additional stores over the next few months.
- Management indicated that the long-term expansion strategy for ATM will also follow an asset-light franchise-led model but will decide the pace of expansion after evaluating the initial stores.

Store expansion

- The company reiterated its guidance to open 84 Kalyan showrooms and 50 Candere stores during FY27, with store additions expected to be weighted towards the second half of the year.

- Management indicated that the franchise-led expansion model continues to deliver attractive economics, with franchise partners expected to generate returns of around 14%.

Balance sheet & debt

- Kalyan remains on track to become debt-free (excluding gold metal loans) by the end of Sep'26.
- The company has signed agreements to sell two non-core real estate assets for an aggregate consideration of around INR1020m and expects to complete the transactions during the current quarter.
- Following debt repayment, management plans to initiate the release of the second tranche of real estate collateral.

Candere

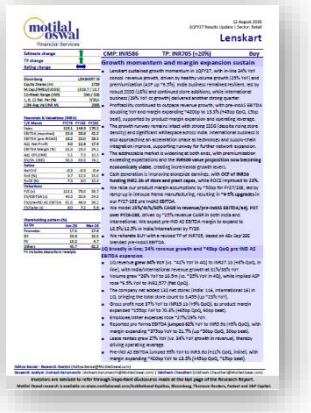
- Candere reported revenue of INR1410m compared to INR660m in 1QFY26.
- The business reported a profit of INR21m versus a loss of INR100m in 1QFY26, with profitability expected to continue through FY27.
- Management's immediate focus is to improve throughput by increasing inventory across existing stores while continuing with the planned addition of around 50 stores during FY27.

Lenskart — Buy

Current Price INR 639

Click below for Detailed Concall Transcript & Results Update





- India growth remains broad-based, with eye tests up 43%, eyewear volumes up 23% and SSSG at 18.3%. SPSG grew 24%. This was despite store density rising to 1.6x (vs. 1.5x) in existing pincodes, indicating continued headroom for store additions without meaningful cannibalization.
- India store opportunity remains sizeable, with 6,100+ unserved PIN codes and another ~3,000+ stores possible through densification in existing pincodes. Execution, rather than demand, is becoming the key constraint. The next leg of growth depends on improving eye-test capacity (remote optometry/self – AI led Eye test), reducing wait times, shortening the purchase journey and making product discovery easier through technology, and having an integrated air/train/bus logistics network that enables deeper Tier-2 penetration.
- Eye-test expansion is a key volume driver and market-creation tool. A majority of customers who undergo first-time eye test, eventually end up purchasing eyewear, although conversion can take longer for first-time users. The company is ramping up eye-testing capability through remote optometry and has recently piloted self-eye tests.
- Premiumization continues to exceed expectations, with premium product contributing 20% (vs. 18% earlier). Owndays' premium prescription business exceeds INR15b. Significant whitespace lies in the INR3.5k-10k lens segment, while INR30k+ progressive lenses are already generating INR2.5b annual run rate, supported by tie-ups with leading global lens brands.
- Value segment: INR500 price point is now economically viable, enabled by Indian manufacturing, logistics optimization and omnichannel customer acquisition. Lower price points can be more margin-accretive (while premium products generate higher absolute profit). House-of-brands approach and differentiated customer journeys are being used to limit cannibalization as the proposition scales.

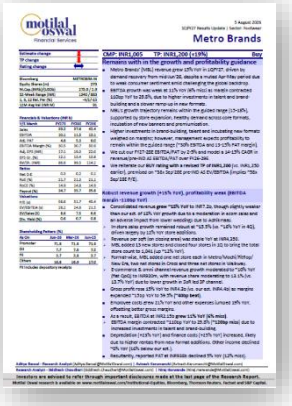
- International growth remains largely same-store led, with eyewear volumes up ~38% and transacting customers growing 28%, despite only 16 net store additions. This provides confidence to accelerate the store network as underlying productivity improves and technology/supply-chain integration becomes more scalable.
- Technology and supply-chain integration are the key prerequisites for faster international expansion. Markets such as Thailand are nearing the point where store additions can accelerate, while GeoIQ is being deployed to replicate India's data-led store selection across international markets.
- Singapore has validated the dual-brand model, with Lenskart and Owndays together exceeding 25% volume market share. Thailand is following a similar strategy, while Japan currently remains Owndays-led.
- Mature markets such as Japan and Singapore have better economics, while Thailand and the Middle East are still at an earlier stage and resemble India's initial build-out. Japan is seeing continued SSSG as consumers shift from traditional opticians to D2C brands, despite already high eyewear penetration.
- International margins are benefiting from product-margin expansion and operating leverage, with pre-IndAS EBITDA margin reaching 10.5% (vs 4.4% YoY). 1Q is seasonally stronger due to higher salience of sunglasses, which carry
- higher net margins. Nevertheless, YoY margin improvement is expected to continue for FY27.
- Product-margin expanded in India despite currency headwinds. Manufacturing localization, deeper supply-chain integration and vendor scale benefits should provide further margin support as currency depreciation hit wanes off.
- Customer experience remains a key monitor as the network scales. NPS has recovered after a temporary decline linked to policy-communication issues, while RFID and digital initiatives are being deployed to improve store productivity and reduce customer friction.
- Talent and organizational scalability remain the key execution risks as Lenskart expands, with maintaining speed, culture and engineering capabilities becoming increasingly important to support the next phase of store, AI and technology-led growth.
- Brand building is increasingly being driven by product-led authenticity, with Meller gaining organic visibility through users such as Virat Kohli, Tanmay Bhat and Blackpink despite its affordable price points, highlighting the potential to build brand equity without relying heavily on traditional advertising.
- Lenskart is also expanding its branded-lens manufacturing capability, acting as both manufacturing and licensing partner for brands such as Rodenstock. The model, initially developed in India, is now being extended to international markets, potentially improving supply-chain integration and product margins.

Metro Brands — Buy

Current Price INR 924

Click below for Detailed Concall Transcript & Results Update





- **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 remain influenced by the timing of festivals and weddings, the long-term growth trajectory 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. After several quarters of exceptionally strong growth, e-commerce growth is expected to normalize to a healthier 20-30% annual rate. The focus remains on profitable growth and brand building rather than pursuing aggressive discount-led sales.
- **Store expansion:** Store additions are expected to remain healthy, with the company reiterating confidence in achieving its usual triple-digit annual store additions. Expansion will continue to be guided by return thresholds and store economics rather than fixed opening targets, leading to some QoQ volatility.
- **Same-store sales growth (SSSG):** Improving customer traffic, conversion rates and bill counts continue to support SSSG. Marketing investments are increasingly driving new customer acquisition, while higher basket sizes through cross-selling and premiumization remain important levers for sustaining comparable sales growth.
- **Clarks:** Early response has been encouraging, with both men's and women's ranges attracting incremental customers and exhibiting limited cannibalization impact on existing brands. Local manufacturing has materially improved confidence in scaling up the business, with plans to expand distribution to ~700 MBOs, launch EBOs from 3QFY27, and build a potential 100-150 store network over time.
- **Walkway:** Management reiterated that the format is likely to be dilutive to overall SPSF and margins. However, MBL expects Walkway to deliver ~25-30% RoCE over the long term (better than mid-to-high single-digit returns on treasury).
- **Sports portfolio:** Long-term sports opportunity extends beyond FootLocker and MetroActiv. Increasing sports penetration across the existing Metro and Mochi network is expected to be an important growth driver, while FILA, FootLocker and MetroActiv together represent a potential 300-500 store opportunity over the next 5-7 years. BIS remains the key near-term constraint.

- **FILA:** The turnaround remains a work in progress. Newly opened stores are witnessing an encouraging initial response, while investments continue to focus
- on rebuilding the brand through improved assortment, pricing and controlled expansion rather than maximizing near-term sales.
- **Capital allocation:** Investment decisions across formats and acquiring new brand continue to be guided by incremental returns and consumer opportunity rather than growth for its own sake. Despite having sufficient capital, expansion remains disciplined, with investments allocated only to formats offering the strongest long-term return potential.

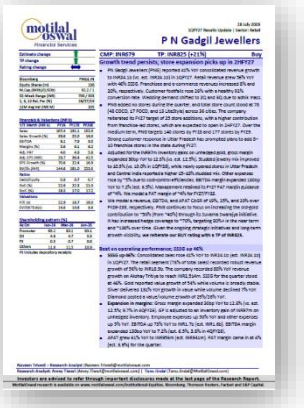
PN Gadgil — Buy

Current Price INR 604

Business highlights

- Consumer demand remained resilient despite record gold prices. Wedding demand and Akshaya Tritiya remained key growth drivers, while customers increasingly preferred lightweight jewellery, studded products and old-gold exchange transactions, benefiting organized players with trusted brands.
- Retail contribution increased to ~78% of total revenue, while bullion-related sales normalized after the unusually high contribution seen in the previous quarter.
- Akshaya Tritiya sales grew 80% YoY to INR510m, outperforming industry expectations despite higher gold prices.
- Management indicated that Adhik Maas had only a limited impact on business during the quarter. Unlike previous years, silver demand remained muted due to elevated silver prices. However, weddings postponed because of Adhik Maas are expected to benefit 2Q2 and 3Q.
- The company increased hedge coverage to ~70%. Management targets 80%+ coverage in the near term and near-full inventory hedging (~100%) over time to enhance earnings stability.
- Franchise revenue growth remained modest because company revenue is recognized based on inventory supplied to franchisees (B2B sales) rather than the franchisees' retail sales. The timing differences between franchise inventory replenishment, customer sales, and payments can create quarterly volatility in reported franchise revenue.
- Management has now implemented systems to monitor franchise-level B2C sales more closely, which should improve visibility and enable better operational support for franchise partners.
- Newly opened stores in Uttar Pradesh and Central India are already reporting studded jewellery ratios of 15-18%, materially higher than the mature Maharashtra network.
- Retail studded jewellery ratio improved to 10.9% from 9.9% in the previous quarter.
- LiteStyle by PNG reported a studded jewellery ratio of 32.9% during the quarter.
- LiteStyle currently delivers gross margins of around 18-20%, but management believes these will improve materially as studded inventory increases.
- The average ticket size for gold bars and coins remained below 5 grams, indicating strong traction among investment-oriented retail customers.

Click below for Detailed Concall Transcript & Results Update



Margins and Profitability

- The company expects retail gross margins to remain within 12.5-13.5% under the existing merchandise mix.
- Newer markets such as Uttar Pradesh and Central India are witnessing significantly higher studded sales; their revenue contribution currently remains
- small (around 3% of retail sales). Hence, the benefits of superior product mix are yet to materially reflect in consolidated gross margins. • Other expenses have been up by 5% due to disciplined cost-control measures.
- Management deliberately adopted a conservative spending approach during the quarter because of uncertainty around industry demand. Marketing spends were rationalized substantially, with nearly 250-300 advertising hoardings removed, while discretionary spending and travel remained limited due to the absence of new store launches.
- For FY27, management expects other operating expenses to normalize as store expansion accelerates in 2H, but still remain ~3% of sales.
- FY26 included several one-off marketing investments, including the Uttar Pradesh launch campaign, celebrity endorsements, Foundation Day campaigns, and INR100b revenue celebrations, all of which will not recur in FY27. This will boost profitability.

Store expansion

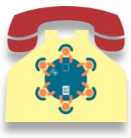
- The company ended 1Q with 78 stores and plans to open around 25 stores during FY27, taking the network to ~103 stores by year-end.
- Most store openings are planned during 3Q and 4Q, with the first half primarily focused on site identification, franchise onboarding, and execution planning.
- Expansion will remain largely franchise-led across both PNG Legacy and LiteStyle formats and strengthening presence in Maharashtra and expanding across Uttar Pradesh, Bihar, NCR and Central India.
- Management outlined a medium-term expansion roadmap targeting 140 stores by FY28 and 177 stores by FY29, with 113 Legacy stores and 64 LiteStyle stores by FY29.
- Store additions during FY27 will be skewed toward the franchise model, while subsequent years will witness a balanced mix of company-owned and franchise stores.
- Strong customer acceptance in UP stores has encouraged the company to accelerate franchise expansion in the state, with around 8-10 franchise stores planned during FY27.

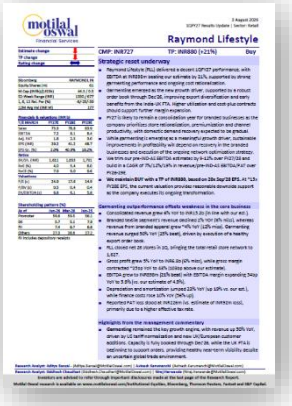
Guidance

- EBITDA margin guidance was maintained at 7.0-7.5%.
- Excluding any inventory or hedging-related gains, management expects underlying PAT margin of around 4.1-4.25% during FY27 through tighter cost control and operating leverage.

RAYMOND LIFESTYLE LIMITED

Click below for
Detailed Concall Transcript &
Results Update





Raymond Lifestyle — Buy

Current Price INR 727

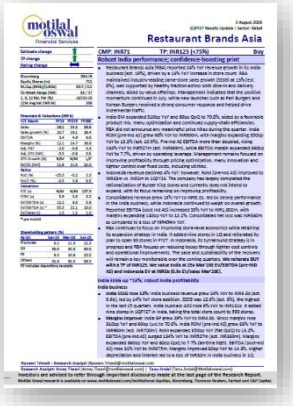
- **Garmenting:** Revenue grew 50% YoY, driven by US tariff normalization and new UK/European customer additions. Capacity is fully booked through Dec'26, with bookings now open for Jan'27 onward, providing strong revenue visibility. Higher utilization and cost-plus contracts should support margins, although the pace of recovery will depend on export demand and the mix between higher-margin suits and lower-margin shirts.
- **Exports:** Geographic diversification continues, with the US mix recovering to ~60% (from ~55% during tariffs), while the UK (~12%) and Europe (~7-8%) gain share. UK orders have started benefiting from the FTA, whereas Europe remains at the enquiry/sampling stage, with meaningful order conversion expected over the next 6-9 months.
- **Apparel:** Segment growth remained subdued (+4% YoY) due to store closures, an unfavorable wedding calendar and weaker formalwear demand. RLL continues to rationalize unprofitable stores. FY27 is expected to see net store closures as consolidation continues, while LFS and e-commerce are increasingly driving apparel sales.
- **Ethnic wear:** The business is shifting premium sherwanis (>INR75k) to a made-to-measure model while expanding entry-level products through TRS stores, marketplaces and D2C. The strategy aims to improve inventory productivity, expand distribution at low capital intensity and enhance customer customization.
- **Margin:** Gross margin declined 35bp due to an adverse mix, as lower-margin garment exports outpaced domestic suiting, while EBITDA margin expanded 40bp. The company absorbed raw material inflation in 1QFY27 through forward bookings and expects calibrated price hikes from 2QFY27, alongside ongoing cost optimization, to protect margins.
- **Cost inflation:** Wool (+100% YoY), cotton/flax (+20%) and chemicals (+30%) remain elevated. Raymond expects to broadly protect textile margins through vendor diversification, higher domestic sourcing, freight consolidation, company-wide cost transformation and calibrated price hikes (5-6% apparel; 7-9% fabrics), with minimal impact on demand.
- **Cost transformation:** A company-wide transformation program is targeting procurement, manufacturing, logistics, media spending, manpower productivity and working capital to unlock structural cost savings, improve asset utilization and enhance cash generation.
- **RLL** targets to at least double its revenue over the next five years and grow EBITDA at a faster pace, supported by mix improvement, structural cost savings and productivity gains.

Restaurant Brands Asia — Buy

Current Price INR 101

Click below for
Detailed Concall Transcript &
Results Update




Restaurant Brands Asia

Business environment

- Management noted that the broader QSR industry has witnessed a meaningful recovery, with demand improving across the sector after several quarters of muted SSSG or a decline.
- In 1QFY27, the India business achieved ADS of INR131,000 backed by 12.6% SSSG (highest in last 15 quarter), which was led by both dine-in traffic growth and delivery channel.
- Its value leadership strategy continued to drive customer acquisition, with the 2-for offers and value meal platform helping attract new customers while maintaining strong traffic momentum.
- Alongside value offerings, management strengthened its core and premium burger portfolio, which improved product mix and supported higher spending per customer, contributing to the strong SSSG.
- The launch of Peri-Peri burgers, Korean burgers in July and the continued success of premium burger offerings generated healthy consumer response and incremental traffic.
- The Burger King Café business continued to expand and is now present in almost all restaurants. BK Café is gaining traction through menu expansion, product trials, and social media engagement.
- Newly launched co-branded desserts and shakes also witnessed encouraging traction and contributed to overall sales growth during the quarter.
- Average daily sales (ADS) increased to INR131k, reflecting stronger customer demand and improved sales productivity across stores.
- Profitability was supported by menu optimization, supply chain initiatives and cost-efficiency measures, including lower utility costs through the use of solar energy and new broiler equipment.
- Digital remained a key competitive strength, with around 90% of orders being placed through digital channels, including self-ordering kiosks and the Burger King app.
- The company did not take any meaningful price hike during the quarter.
- Management indicated that the strong demand momentum has continued in 2QFY27, with the company witnessing a healthy start to the quarter and expecting to sustain traffic-led growth.
- India continued to expand its restaurant network in line with its long-term strategy, ending the quarter with 590 restaurants, while reiterating its target of opening around 80 restaurants annually.
- Delivery mix remained broadly stable at 44% of sales, indicating balanced growth across both dine-in and delivery channels.
- Management reiterated that Burger King and the promoter group's food businesses will continue to operate independently, with no plans for co-located stores or operational integration across brand.

Indonesia business

- Indonesia revenue declined by 4% YoY to INR1,397m.
- Management stated that the turnaround strategy in Indonesia continues to

- progress, with meaningful reductions in losses driven by operational improvements and tighter cost control.
- Profitability initiatives remained in focus, with management reducing corporate overheads by over 25%, rationalizing 42 underperforming stores, and improving delivery profitability through discount optimization.
- The chicken portfolio remains an important growth driver, with bone-in chicken now contributing around 50% of Burger King Indonesia's sales vs. 30% at the time of acquisition.
- Newly installed self-ordering kiosks in Indonesia have already increased average bill value by around 4–5%, with further benefits expected as adoption improves.
- On Popeyes Indonesia, management acknowledged that the business remains challenging and confirmed that it is evaluating all strategic options together with the new promoters.
- While no decision has been finalized regarding Popeyes, management emphasized that improving operational efficiency and moving both Burger King and Popeyes towards profitability remain the immediate priority.

Cost and margins

- Gross margin expanded to 70.8%, improving 310bp YoY and 60bp QoQ, driven by a better product mix, menu optimization and continued supply-chain efficiencies rather than price increases alone.
- Restaurant-level EBITDA increased 68% YoY to INR900m, reflecting strong operating leverage from higher sales and better restaurant profitability.
- The company continued to improve procurement efficiency by onboarding new suppliers and leveraging its cluster-based sourcing strategy.
- Management highlighted continued focus on lowering utility costs through installation of energy-efficient broilers, which consume nearly half the electricity of older equipment.
- Management noted that restaurant-level EBITDA expansion was partly offset by higher marketing investments, with advertising expenses at around 6.6% of sales during the seasonally heavy first quarter.
- The company indicated that marketing spends are front-loaded in the first quarter and are expected to normalize to 5.0-5.5% over the remaining year, which should support further EBITDA margin improvement.
- Management reiterated its long-term target of achieving a 72% gross margin in India over the next two to three years.

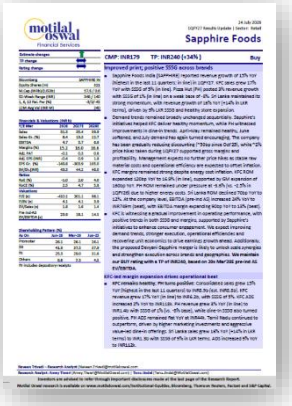
Capital allocation strategy

- Management reiterated that the company is still evaluating its long-term capital allocation strategy with the new promoters and will provide a detailed roadmap.
- The company indicated that the cash generated by the business will continue to be reinvested into its existing operations and growth initiatives, rather than being used for purposes outside the business.
- The company has no plans to pay dividends to support the acquisition financing undertaken by the promoters, reaffirming that operating cash flows will remain focused on business expansion.
- Potential capital deployment opportunities being evaluated include backward integration, investments in operational efficiencies such as solar power, and other initiatives that enhance long-term profitability, though no decisions have yet been finalized.

Sapphire Foods — Buy

Current Price INR 234

Click below for Results Update



KFC Performance – SSSG 5%; margin expansion

- Sales grew 17% YoY to INR6.2b (in line), with SSSG of 5%.
- GP grew 20% YoY to INR4.2b and margins expanded 160bp YoY to 68.7%.
- ROM was up 26% YoY at INR1b and margins expanded 120bp YoY to 16.9% (est. 16.5%), despite high energy cost inflation (majorly gas costs).
- ADS rose 2% YoY to INR118k.
- Added 16 stores for KFC, taking the total store count to 591.

Pizza Hut Performance – Improving trends albeit weak base

- Sales grew by 3% YoY (est. +3%) to INR1.4b, with same store sale growing 1% on a base of -8%. Dine-in SSSG was also positive.
- Sapphire's exclusive territory, Tamil Nadu, continues to do well thanks to additional marketing investments and aggressive value dine-in offers to drive transaction growth.
- GP was up 4% YoY at INR1b and margin expanded 80bp YoY to 75.4%.
- ROM was -3.6% vs. -2.5% in 1QFY26 as ROM was impacted significantly by higher energy costs (majorly gas costs).
- ADS was flat YoY at INR44k.
- Opened five stores for PH, takin the total count to 346.

Sri Lanka Performance – Strong growth trajectory

- Sales grew 16% YoY (+14% in LKR term) to INR1.3b, with SSSG at 9% in LKR terms.
- GP grew 20% YoY to INR851m and margins rose 220bp YoY to 63.1%
- ROM grew 10% YoY to INR162m. ROM declined 70bp YoY to 12%.
- Operating leverage out of positive SSSG has been impacted by minimum wage revisions and high energy & food cost inflation amid the geopolitical conflict.
- ADS grew 9% YoY to INR112k.
- Added one store, reaching the total store count in Sri Lanka to 137.

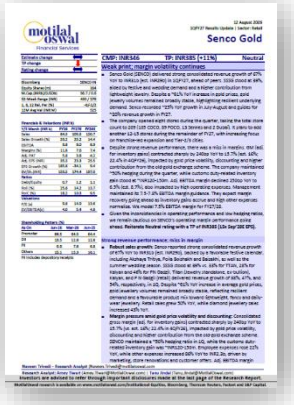
Senco Gold — Neutral

Current Price INR 332

Click below for Detailed Concall Transcript & Results Update

Operational performance

- Despite Adhik Maas and a ~61% YoY jump in average gold prices, demand was supported by festivals (Akshaya Tritiya, Poila Boishakh, Baisakhi, Bihu) and the summer wedding season as well as a larger range in lower-cartage and lower-weight category and fresh design launches.
- SSSG remained strong at ~39%.
- Management expects 2Q to be seasonally lower in sales but notes July and August are showing 25% YoY growth amid improved consumer sentiment.
- Customer preference continued toward lightweight, fancy, daily wear, gifting and design-led jewelry.
- Gold jewellery volumes remained broadly stable despite price rise and customs duty impact.
- Studded jewellery ratio stood at 11% for 1QFY27.
- Diamond jewelry sales grew by 43% YoY and 18% in volume terms, supported by wider demand in sub-50k range in Everlite collection.
- Retail sales grew by 50% YoY, with broad-based growth across all channels.


Senco Gold

- Inventory gain from customs duty hike is expected to be INR120-150m in 1Q (for 45 days).
- The '0% deduction' old-gold exchange campaign led to old gold exchange contributing 43% of total sales. This partly impacted the gross margin.
- The company maintained a hedging ratio of around 50% to manage gold price volatility, liquidity risks and margin-related uncertainties during the quarter. Management expects to sustain this ratio in the near term.
- The company continued to expand its 9K and 14K jewellery portfolio, targeting younger and value-conscious consumers in 1Q.
- Senco is the first in the industry to have launched titanium jewelry with pricing range of INR20k-100k.
- SFL is still in the growth phase and incurred losses, while Dubai entity (SGJTL) incurred losses due to an extraordinary market situation amid geopolitical uncertainty and war. SGAPL reported profit.

Store expansion

- During 1Q, Senco launched net eight showrooms in West Bengal, Bihar, Odisha, and Uttar Pradesh.
- Senco expanded its showroom network to 209 stores (from 201 stores in 4QFY26), comprising 105 company-owned stores, 89 franchise stores, 13 Sennes stores and 2 Dubai stores.
- The company remains on track to open another 12-15 showrooms during the remainder of FY27, with an increasing focus on franchise-led expansion, Tier-2 and Tier-3 cities, and strengthening presence in both East and non-East markets in a balanced manner.

Margins and profitability

- 1Q margin contraction of ~300bp was due to discounting and gold price fall (partly offset by customs duty increase), while product mix continued to improve.
- Due to gold price volatility and GML unavailability, Senco's blended borrowing cost was high.
- Other expenses significantly increased to INR2.3b in 1QFY27 from a typical INR 1.2b, due to marketing, store renovations, and customer offers, but this higher run rate is not expected to continue in subsequent quarters.

Sennes

- The brand focuses on lab-grown diamonds, fashion jewellery and lifestyle products.
- The company currently operates around 13 Sennes stores and is gradually building consumer awareness around lab-grown diamonds. Apart from jewellery, the brand also offers perfumes, leather bags and fashion accessories.

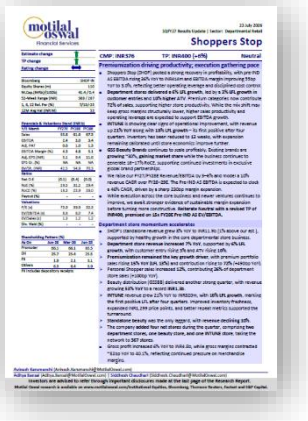
Guidance

- The company guided for ~20% revenue growth in FY27 while maintaining EBITDA margin guidance of 7.5-7.8%.
- PAT margin guidance was maintained at 4-4.5%.
- Senco plans to add ~18-20 stores during FY27 with higher focus on franchise-led expansion, lightweight jewelry, inventory optimization and cost-control initiatives.

Shoppers Stop — Neutral

Current Price INR 417

Click below for Detailed Concall Transcript & Results Update



- Department store demand continues to strengthen, with 6% LFL growth (vs. 4.7% in FY26) driven by 3% higher footfalls and 10% ATV growth. Management indicated momentum has sustained into July, providing confidence ahead of the festive season.
- Premiumization is increasingly becoming a productivity strategy. Management is reallocating space from lower-productivity private labels and HomeStop to premium national brands, expecting these initiatives to structurally add 3-4% incremental LFL over the next year.
- Private label strategy has shifted from maximizing penetration to maximizing returns. Focus is on premiumization, lower discounting and inventory rationalization rather than scale, with private label inventory down 11% YoY and new premium collections (Frattini Girl, Bandeya) delivering encouraging traction.
- Standalone beauty is in a transition phase. After rationalizing ~14 underperforming stores in FY26, the remaining portfolio has returned to ~4% LFL growth, while department store beauty continues to grow ~10%, suggesting the drag is now largely behind the business.
- GSS Beauty Brands' growth is becoming increasingly durable. Beyond new brand onboarding, existing brands are still growing ~30% (vs. ~20% industry growth), reflecting improving brand productivity and market share gains. Management plans to invest INR400m in FY27, supported by long-term exclusive partnerships with global beauty brands targeting India as a key growth market.
- INTUNE turnaround is gaining traction, reporting its first positive LFL (+10%) after four quarters of decline. Inventory has been optimized to 13 weeks of cover, while mall stores have already reached the INR10K SPSF productivity threshold. Expansion will remain calibrated until stores deliver 20-25% higher productivity and sustainable unit economics.
- Store productivity remains the key earnings lever beyond demand recovery. Alongside premiumization, management is optimizing floor space, increasing revenue-share leases for new stores and using AI-driven merchandising and CRM tools to improve conversions, providing multiple levers for operating leverage over the next 12-18 months.
- Margins: Shop remains focused on improving store productivity over gross margin expansion. While premium brands carry relatively lower merchandise margins, higher sales throughput is expected to more than offset the mix impact, supporting ~6% LFL for FY27 and stronger EBITDA growth.
- Capital allocation remains disciplined despite multiple growth investments. Expansion plans remain unchanged at 9-10 department stores annually, while INTUNE rollout will stay measured until profitability improves. Management expects internal accruals to fully fund expansion, avoiding incremental leverage.
- Balance sheet quality continues to improve. Inventory reduced by INR800m YoY, debt declined materially, and management reiterated its target of becoming debt-free by FY27, reflecting stronger cash conversion and disciplined working capital management.

Click below for
Detailed Concall Transcript &
Results Update





Titan — Buy

Current Price INR 5,064

Performance and Outlook

- Jewelry demand remained resilient during the quarter despite a temporary disruption in May, driven by the PM's announcement on May 10 to postpone jewelry purchases, customs duty changes on May 13, and the wedding period calendar. These factors together impacted consumer sentiment for around three weeks.
- The company saw a clear recovery from early June, with management indicating that most of the demand deferred from May was recovered in June, and, therefore, does not expect any meaningful demand to carry forward into 2QFY27.
- Jewelry buyer growth stood at 5% in 1QFY27.
- Management continues to target healthy double-digit value growth in jewelry, with buyer growth expected to become a more important growth driver if gold-price inflation moderates or turns flat.
- Toward the end of July, the company observed some softness in plain gold jewelry, as customers temporarily stopped purchases amid uncertainty around the direction of gold prices; however, management noted signs of improvement over the subsequent few days.
- Management remains confident of delivering the double-digit growth ambition outlined at the Investor Day, and indicated that it could potentially outperform its FY27 expectations given the strong start to the year.
- Studded jewellery continued to perform strongly, with the resurgence seen in 4QFY26 sustained into 1QFY27, apart from a temporary lull during May.
- Exchange remains a key customer acquisition and growth lever for TTAN, with exchange-led sales accounting for >50% of sales when including both old gold bought elsewhere and gold previously purchased from Tanishq.
- Exchange activity increased sharply for around three weeks in May as TTAN and other jewelers stepped up communication around exchange, but subsequently normalized to sustainable levels.
- TTAN has also rolled out 'Cash for Gold' across all stores from June, allowing customers to convert their gold into cash; while traction has been limited so far, management views the initiative primarily as a customer solution, with potential to serve as an avenue for new customer acquisition.
- Management indicated that the economics of Cash for Gold are designed to remain broadly margin-neutral, with the deduction on gold conversion helping offset the associated economics.
- CaratLane delivered an EBIT margin of around 9.6%, and management reiterated its expectation that the business should gradually move towards a double-digit EBIT margin.
- Management continues to prioritize top-line growth at CaratLane, given the significant long-term growth opportunity, and therefore does not intend to maximize margins at the expense of growth.
- Natural diamond prices have stabilized at both the solitaire and smaller-stone levels, with retail pricing also remaining relatively stable.

Margin Guidance

- The reported jewelry margin benefited from a INR4,070m customs duty-related gain, of which INR3,860m was related to the India jewelry portfolio and INR210m to CaratLane.
- In addition, the jewelry division recorded an MTM benefit of around 75–80bp, arising from the divergence between international and domestic gold prices following the customs duty change; management expects this benefit to reverse as the underlying inventory is sold over the next 2–3 quarters.
- Excluding these one-offs, management indicated that the normalized jewelry EBIT margin was around 10.9%, and reiterated its confidence in maintaining margins around the ~11% level over the medium term.
- Margin expansion in 2HFY27 is expected to be supported by higher studded mix, lower contribution from gold coins, increased adoption of lower-carat jewelry, sourcing initiatives, and various gross margin improvement programs.

International Jewelry business

- TTAN's international jewelry portfolio, excluding the Dubai-based DAMAS business, continues to operate profitably at around 5–6% EBIT margins.
- The DAMAS business was impacted materially by the ongoing geopolitical situation, with footfalls and ticket sizes declining sharply, resulting in losses during 1QFY27 despite the core business being profitable at the time of acquisition.
- Management expects the broader international portfolio to remain EBIT-positive, while DAMAS profitability should recover relatively quickly once the geopolitical situation normalizes.

Other segment performance

Watches & Wearables Segment

- Domestic Watches delivered healthy ~22% YoY growth, led by continued premiumization in the analog segment, which grew mid-20s YoY on the back of both volume growth and higher ASPs.
- TTAN and Fastrack sustained strong double-digit growth.
- Helios grew broadly in line with the analog segment, supported by increasing consumer preference for premium international and in-house brands.
- Smartwatches declined in single digits YoY amid category recalibration, with the focus shifting toward sustainable unit economics, reflected in low-double-digit ASP growth.
- Adjusting for one-time inventory revaluation gains, Watches EBIT grew ~16% YoY.

EyeCare (Domestic)

- EyeCare's domestic business delivered strong ~22% YoY growth, supported by broad-based momentum across both owned and international brands.
- Growth was aided by calibrated marketing investments and multi-pair, multi-category propositions, with lenses leading the portfolio, while sunglasses and frames also registered healthy growth.
- International brands sustained strong double-digit growth, driven by increasing consumer preference for premium eyewear, while premiumization remained evident, resulting in double-digit YoY growth in average selling prices.

Emerging Businesses

- Women's Bags delivered strong double-digit YoY growth, supported by continued network expansion, rising e-commerce penetration, and sustained brand investments. The brand added two stores during the quarter.
- Fragrances grew in mid-teens YoY, driven by healthy volume growth across SKINN and Fastrack perfumes, while maintaining consistent profitability; 1 store was added during the quarter.
- Taneira reported flattish YoY growth despite healthy underlying consumer demand, as the brand remains focused on improving same-store performance before accelerating network expansion.

United Foobrands — Neutral

Current Price INR 779

Demand environment and performance

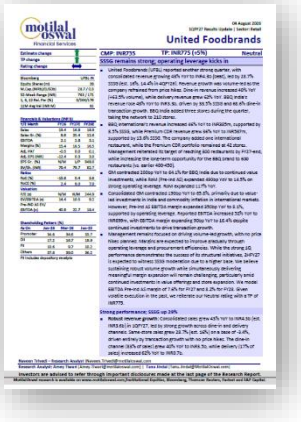
- Management emphasized that the current momentum is not an isolated spike but a result of structural improvements across every business segment, channel (dining and delivery), and geography.
- Consolidated same-store sales growth (SSSG) stood at 28.7% in 1QFY27, which was layered on top of the 14.4% growth seen in the previous quarter, indicating a compounding effect of their strategic initiatives.
- The reported revenue growth was entirely driven by increased volumes rather than price hikes. The company has deliberately avoided price increases since 2QFY26 to prioritize customer acquisition and transaction growth.
- Consolidated dine-in transaction volumes rose 63.5% YoY, with revenue growth of 40.3% YoY, while delivery business grew ~62% YoY.
- India dine-in volumes grew 68.6%, international dine-in volumes rose 45.2%, while premium dine-in volumes increased 39.6%.
- Delivery revenue posted 62% YoY growth, which was entirely led by transaction growth.
- Structural initiatives undertaken in FY26 accelerated growth in 1QFY27, leading to the highest-ever walk-ins.
- A critical feature of its demand architecture is that 90% of dining volumes come through 'captive' channels, i.e. the company's own app, website, call center, and walk-ins. This reduces dependence on third-party aggregators for dining traffic.
- Guest engagement, repeat visit frequency, and new customer acquisitions continued to improve during the quarter.
- The company reiterated that its transition into a multi-brand food services platform is now visibly reflecting in performance.
- The digital platform now has 1.4m monthly active users (a 60% YoY increase). These captive digital assets now contribute to 65% of all Barbeque Nation India transactions, allowing the company to better target specific day-parts (like weekday lunches) with value offers.

BBQ India

- Barbeque Nation India reported SSSG of 33.5% in 1QFY27, driven by robust transaction growth.
- Dine-in transaction volumes grew 68.6% YoY.
- The company witnessed strong traction in both new customer additions and repeat transactions.

Click below for Detailed Concall Transcript & Results Update




United Foodbrands

- Over 65% BBQ India dine-in transaction is routed through own digital channels (vs 60.1% in Q4FY26).
- Monthly active users across the company's app and website crossed 1.4m, growing 59.6% YoY.

International business

- International revenue grew 46.6% YoY during the quarter.
- Same-store sales growth for the international business stood at 8.5%.
- International restaurant operating margins (ROM) were slightly softer at 18.7% due to extreme food inflation, with some commodity prices rising by 30-40%.
- Despite these temporary margin headwinds, the international business continues to maintain the strongest unit economics in the entire UFBL portfolio.
- Management emphasized that its primary focus remains on driving volume growth in the international segment, believing that the resulting scale will eventually offset inflationary impacts.
- The company added one international restaurant in 1QFY27.

Premium dining segment (CDR)

- Premium segment revenue grew 36.2% YoY in 1QFY27.
- Same-store sales growth stood at 13.6%, driven by transaction growth.
- Matured restaurants continue to deliver stronger Pre-IND AS restaurant operating margin of 20%
- The company added one premium restaurant in 1QFY27 while also closing one premium restaurant.
- Management stated that new CDR outlets in competitive territories like Mumbai and Delhi typically take 18 to 24 months to reach full maturity, compared to faster maturation in South Indian markets.

Store expansion

- The company had 266 restaurants in 1QFY27.
- It added 5 new restaurants in 1QFY27 and closed 1 restaurant during 1Q.
- There are 15 restaurants currently under construction, which are scheduled to operationalize during 2Q and 3Q of FY27.
- The company remains on track to cross 300 restaurants by FY27.
- Management increased its long-term outlook for the Barbeque Nation India brand specifically, estimating a potential for 600 restaurants (up from previous guidance of 450) due to the success of the 'Big Buffet' format in smaller markets.
- The expansion trajectory remains disciplined and continues to be funded largely through internal accruals.

Cost and margins

- Gross margin contracted 190bp YoY to 65.8%.
- In India, gross margin expanded 130bp QoQ. This recovery is attributed to procurement efficiencies and scale benefits that are beginning to offset the initial costs of value-focused investments made to drive volume.
- Management expects its GM to expand directionally from its current levels over time.
- Pre-Ind AS adjusted operating EBITDA margin expanded to 8.1%, up from 5.5% in the previous quarter, largely due to operating leverage, as fixed costs were spread over much higher revenue.

- As the business scales, backend costs (culinary, marketing, and tech teams) as a percentage of sales reduced from 7.1% to 6.5% sequentially, demonstrating efficient corporate overhead management.

Guidance

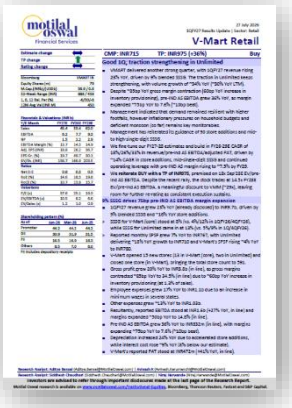
- Management cautioned that reported SSSG will likely neutralize or moderate as the year progresses. This will be more of a mathematical consequence of lapping the very strong performance benchmarks set in the latter half of the previous year, rather than a dip in actual demand.
- The company guided for a total FY27 capex of INR1.4b, with INR1.2b for new store expansion and INR0.2b for maintenance and refurbishments.
- Growth is expected to remain volume-led rather than pricing-led.
- The company believes the customer acquisition engine built during 2HFY26 will continue to support growth in FY27.

V-Mart Retail — Buy

Current Price INR 808

Click below for Detailed Concall Transcript & Results Update





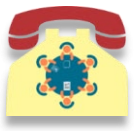
- **Demand trends:** Demand remained healthy despite a delayed summer season, shorter wedding period and Adhik Maas. Growth was driven by higher footfalls, improved merchandising and ~2-3% higher ASP largely driven by mix.
- Outlook: 2QFY27 is likely to be a muted quarter due to the timing shift of Durga Puja to 3QFY27. The company expects demand to recover during the festive quarter, while inflationary pressures on household budget and deficient monsoon (so far) remain key near-term monitorables. VMART has reiterated its guidance of 90 gross store openings and mid- to high-single-digit SSSG.
- **Raw material** inflation remains manageable (up 10% YoY), with higher raw material costs and minimum wages largely offset through sourcing efficiencies, product engineering, vendor negotiations and selective price increases.
- **Inventory productivity improved**, with inventory days declining 8% YoY to 86 and inventory per store reducing 5% YoY (to INR1.5m), driven by fresher assortments, faster replenishment and improved full-price sell-through.
- **Footfalls grew 39% YoY**, while bill count increased 18% YoY despite lower conversion, reflecting higher cross-channel browsing before purchase. LFL growth of 9% was driven by 2-3% ASP growth and the balance from volume growth, indicating healthy underlying demand.
- **Customer preference** shifted to higher-value categories such as coordinated sets and combo products, lifting ASP by ~2-3%. While these categories diluted gross margin on percentage basis, they improved absolute gross profit per transaction.
- **Gross margin** declined 80bp YoY to 34.5%, primarily due to shift in product mix, higher promotional activity and higher provisioning on aged inventory (+60bp YoY). V-Mart maintained its inventory provisioning discipline despite improving inventory health, which could lead to lower provisioning over the coming quarters.
- **Store expansion:** Added 15 stores (net +14) during the quarter and retained its 90+ gross store addition target for FY27. Expansion continues to be driven by discipline over store productivity, rentals and profitability.

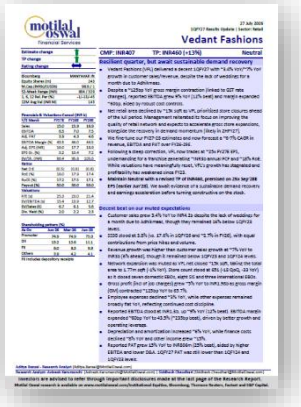
- Unlimited continued to outperform, delivering 13% SSSG (vs. 8% for V-Mart core), supported by strong traction in South India and encouraging throughput from new stores. The company plans to accelerate store additions in the region while maintaining profitability discipline, reflecting growing confidence in the format's scalability. Management reiterated that rising share of new Unlimited stores in its mix (vs. legacy stores) is likely to lead to better SPSF as well as profitability for the overall chain.
- **LimeRoad** losses continued to narrow, while AI, analytics and tighter online-offline integration are improving merchandising, sourcing and inventory management across the network.

Vedant Fashions — Neutral

Current Price INR 543

Click below for Detailed Concall Transcript & Results Update





- **Strategic priorities:** Management's focus remains on improving the quality of retail network and not just store expansion. It expect LFL growth to meaningfully pick up in 2HFY27 and would then follow up with the acceleration in store openings, provided the rentals remain reasonable. Overall, management expects net positive retail area addition in FY27 despite potential 3-4% store closures.
- **SSSG:** Management indicated that pricing and volume contributed equally toward ~3.8% domestic EBO SSSG during 1QFY27, with Mohey and Twamev outperforming the company-level SSSG. For FY27, VFL targets healthy high-single-digit SSSG, driven by rising salience of premium products, ASP increases and higher focus on repeat purchases.
- **Reasons for store closures:** With the expectations of a weak 2Q (delayed festive and wedding season), the store closures were strategically undertaken in 1Q. The key reasons for store closures have been the shift in demand to a new market within the city, opening up of a larger store in a nearby larger city and wrong store selection from the outset. Competitive intensity has not been a prominent reason for store closures so far.
- **Franchisee economics:** Management stated that franchisee economics was great earlier and still remains attractive. It indicated that sales productivity required for a franchise to make good returns remains in the range of INR7k/sqft in Tier 3 city, ~INR8.5k/sqft for Tier 2 and INR10-10.5k/sqft in Tier 1 cities. The capex ranges around ~INR 2,100-2,500/sqft depending on the markets. Strong franchisee ROI has ensured that partner availability is not a constraint for store expansion.
- **Gross margin:** Gross margin improved sequentially to 65.7% in 1Q but remained lower YoY, affected by GST-related changes implemented during Sep'25. Management expects margin comparisons to normalize once the GST impact is fully reflected in the base.
- **Branding and marketing:** Management continues to strengthen brand equity through celebrity-led campaigns, influencer collaborations, and targeted digital marketing across its portfolio. The flagship "Made for Each Other" campaign generated over one billion views, significantly improving brand recall and visibility. Management expects the benefits of such campaigns to accrue over the next 5-6 years rather than immediately. Going forward, marketing spend will

shift toward conversion-led campaigns aimed at driving store footfalls and product engagement.

- **SIS and international:** The company has created a dedicated leadership team for its SIS/MBO (5% revenue contribution) to drive focused execution. Management expects a strong 2Q for the SIS segment, while international operations should recover as geopolitical and tariff-related headwinds ease. UAE and North America remain the key overseas growth markets.
- **Customer retention:** Customer retention and repeat purchase metrics continued to improve during 1Q. The company has established a dedicated task force focused exclusively on increasing repeat business.
- **Inventory:** Inventory management remained efficient, with inventory days at just 34 at the end of 1QFY27.
- **Mohey:** Mohey continued to outperform the overall business, supported by a strong focus on non-bridal categories such as sarees, stich suits and lehengas. Management plans to further expand these categories and increase digital marketing efforts.
- **Divas:** Management remains optimistic about the Divas brand following encouraging dealer feedback and strong 2Q bookings. The company has strengthened its online presence through partnerships with Myntra, Amazon, Blinkit and Zepto. Better supply chain planning and inventory readiness should support growth during the festive season.
- **Competitive intensity:** Management believes competitive intensity is easing as store closures by 2-3-year-old players now exceed new openings in several key markets. Internal research across major states (eight states) indicates a net decline in competing stores. Management noted that celebration wear remains a tough industry to operate in due to significant pressure of dead-stock, though VFL has an edge with just ~3% dead-stock and superior margins.
- **Wedding calendar:** Management expects the overall wedding calendar in FY27 to be slightly more favorable than FY26. September and October may remain softer due to the delayed festive and thereby weddings, but November to March should witness strong demand (vs. no wedding dates in Jan during FY26).

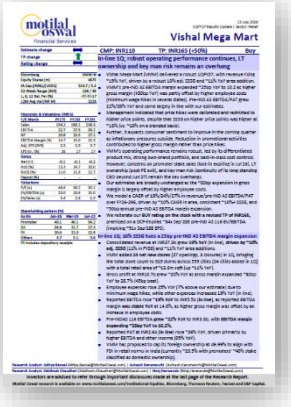
Vishal Mega Mart — Buy

Current Price INR 103

Click below for
Detailed Concall Transcript &
Results Update



- Demand remained resilient despite elevated inflation, with management expecting pressures to ease in the coming quarters. VMM believes its value-led proposition and private-label portfolio continue to support market-share gains even in a challenging consumption environment.
- SSSG stood at ~10%, driven by ~7% growth in new customer additions and ~3% higher purchases by existing customers, indicating that growth continues to be led by market-share gains and improving customer engagement rather than price hikes. Higher price point continued to outperform, delivering ~13.9% SSSG despite taking calibrated price hikes.
- Small-format strategy has moved beyond the pilot phase, with unit economics comparable to larger stores in terms of revenue productivity and RoCE. Expansion will initially remain focused on UP and Haryana, where the scope of adding large-format stores is approaching saturation levels. Overall,


Vishal Mega Mart

management sees a long-term opportunity for small-format stores to scale to ~3,000 stores.

- Gross margin expanded ~30bp YoY, primarily due to lower promotional intensity. Pricing actions remained selective and were restricted to higher price points, while entry and mid-price products were largely protected to preserve the company's value positioning. VMM expects margins to remain broadly sustainable under the current cost environment.
- Employee costs are likely to remain elevated, similar to 1Q, reflecting structural minimum wage revisions across several states.
- Private labels remain central to VMM's value proposition (100% in apparel, ~75% in GM and ~60% by volume in FMCG), enabling the company to absorb input-cost inflation while maintaining (and where possible widening) its pricing discount vs national brands.
- Quick commerce is scaling ahead of expectations, contributing 2-9% of store revenue, with most mature stores hitting 5% contribution (vs. an internal target of 5% initially). Management noted that ~20% of customers are incremental to the VMM's ecosystem. VMM's private-label penetration is slightly higher than offline, with ABVs largely similar at ~INR800.
- RFID rollout has commenced in Delhi NCR and will be rolled out across the network over the next year. Management expects meaningful benefits through faster inventory audit, better inventory visibility, lower shrinkage and richer merchandise analytics, which should improve operating efficiencies over time.
- A new retail format is close to launch, with a target to open a few pilot stores to evaluate the customer response. The format's unit economics will be fine-tuned before pursuing a wider rollout, maintaining a disciplined approach.
- Foreign ownership cap <50%: VMM has proactively capped foreign shareholding at 49.99% to retain its Indian-owned and controlled status, a requirement linked to its multi-brand retail operations conducted through its wholly owned subsidiary, Air Plaza.

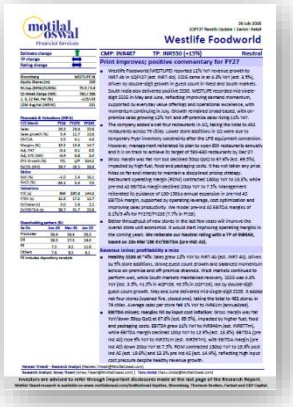
Westlife Foodworld — Neutral

Current Price INR 575

Click below for Detailed Concall Transcript & Results Update

Demand Environment and operating performance

- SSSG stood at 4.3%, remaining positive across all three months, with May and June witnessing stronger mid-single-digit SSSG. Management indicated that the momentum has continued in July.
- Growth was led by robust double-digit guest count expansion, reflecting higher customer acquisition and improved repeat visits.
- Management believes the demand recovery is structural, supported by the value-led strategy introduced over the past year.
- The Everyday Value platform continues to witness strong traction and remains the key driver of consumer recruitment and footfall growth.
- Consumers are increasingly responding to McDonald's trusted value proposition, improving brand relevance across everyday consumption occasions.
- Management expects to sustain the current momentum and remains confident of achieving the Vision 2027 growth trajectory.



- Growth was broad-based across channels, with dine-in revenue increasing 12% YoY and off-premise revenue growing 11% YoY.
- McDelivery remained a key growth engine within the off-premise business.
- The West region continued to deliver strong performance, while the South reported positive SSSG with meaningful improvement in guest count trends.
- Digital sales contribution increased 150bp YoY to 74%, supported by stronger customer engagement across digital platforms.
- Cumulative app downloads crossed 55m, with ~3.7m monthly active users, strengthening the company's personalization and loyalty capabilities.

Cost and margins

- Operating EBITDA margin remained broadly stable despite elevated inflation across food, packaging, fuel, utilities and labour costs.
- The company absorbed over 200bp of inflationary impact through disciplined cost governance, supply-chain efficiencies and operating leverage.
- Gross margin remained stable at 67.6%, reflecting effective management of input cost pressure.
- Inflationary pressures were primarily driven by higher vegetable oil, packaging, fuel, distribution, utility and wage costs.
- Management expects inflationary pressure to moderate going forward and believes 1Q likely represented the peak of cost inflation.
- The company has not implemented any price hikes in FY27 so far and intends to continue following a disciplined pricing strategy.
- Management reiterated that product mix optimization, cost engineering, operating leverage, pricing and improving underperforming restaurants remain key levers for future margin expansion.
- The company continues to target 100-150bp annual improvement in pre-Ind AS EBITDA margins, subject to operating performance.

Store network

- The company opened five restaurants during the quarter, taking the network to 482 restaurants across 79 cities.
- Management reiterated its guidance of opening more than 60 restaurants in FY27 and remains on track to achieve 580-630 restaurants by Dec'27.
- Expansion continues to follow a profitability-led approach with focus on site quality, payback period and long-term unit economics.
- Lower openings during 1Q were due to temporary fryer inventory constraints following LPG equipment conversion and are not indicative of any slowdown in expansion.
- Management expects store additions to accelerate over the remaining quarters of FY27.

South India

- South India delivered positive SSSG during the quarter, reflecting a meaningful turnaround vs. last year.
- The recovery has been driven by improved value perception, localized marketing, stronger execution and greater operational focus.
- Management believes the initiatives implemented over the last six to eight months are now translating into tangible business outcomes.
- The company expects South India to receive a higher share of future store additions as business momentum and unit economics continue to improve.

Others

- Management is restructuring its operating model from three divisions to five divisions to improve execution speed and bring decision-making closer to customers.
- The new organizational structure is expected to enhance regional responsiveness and strengthen operational execution.
- The "Let's Family at McD" brand campaign was launched during the quarter to strengthen brand affinity as McDonald's completed 30 years in India.
- Management reiterated that volume-led growth remains its core strategy, with profitability expected to improve through operating leverage rather than aggressive price increases.
- The Board approved an interim dividend of INR0.40 per share during the quarter.

TECHNOLOGY

- **Key takeaways from IT management commentary remained mixed, with clients continuing to prioritize AI-led modernization, cloud migration, and cost optimization, while discretionary spending remained subdued amid macroeconomic and geopolitical uncertainties. TCS and LTIMindtree indicated signs of improving demand and expect growth to pick up from 2QFY27, whereas Infosys adopted a more cautious stance and lowered its FY27 revenue growth guidance. Tech Mahindra maintained its above-peer growth outlook, while HCLTech reiterated its FY27 guidance, supported by healthy deal wins and increased account mining.**
- **Across verticals, commentary remained broadly unchanged. Companies highlighted that AI-led productivity gains are increasingly being shared with clients, although management continues to see incremental opportunities from AI emerging gradually. BFSI remained the strongest vertical across most companies, supported by modernization and AI-led investments. In contrast, Manufacturing, Consumer/Retail, and Healthcare continued to face pressure from tariff uncertainties, subdued discretionary spending, and client-specific challenges.**

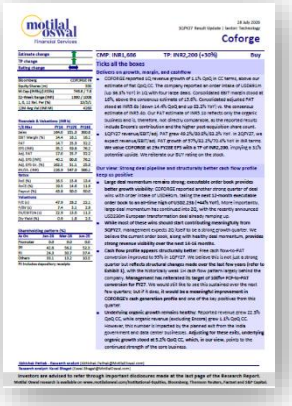
KEY HIGHLIGHTS FROM CONFERENCE CALL

	Revenue outlook for FY27	Margin (%)
HCLT	▪ HCLT retained its FY27 revenue growth guidance of 1–4% YoY CC and services growth guidance of 1.5–4.5% YoY CC, implying ~1% CQGR at the midpoint. ▪ BFSI remains the strongest vertical, supported by AI-led wallet share gains and healthy demand for data and analytics. Technology and telecom remain impacted by discretionary spending cuts at two large US telecom clients, weighing on ER&D growth.	▪ FY27 margin guidance was retained at 17.5–18.5%, inclusive of an estimated 40 50bps restructuring cost impact; guidance excludes Jaspersoft and other pending acquisitions.
Infosys	▪ FY27 guidance has been reduced at the upper end by 50bp to 1.5-3.0% YoY cc. INFO has cut its organic CC growth guidance from ~1.25-3.25% earlier to (-0.2%) to 1.3% now. ▪ The lower end of the guidance assumes further macro deterioration, while the upper end factors in a milder improvement than assumed in Apr'26.	▪ INFO maintained its 20-22% EBIT margin guidance, despite factoring in wage hikes, AI investments, productivity pass-through, and a 50bp acquisition-related headwind. ▪ Management expects these factors to be offset by Project Maximus, currency tailwinds, and a 75-100bp reduction in onsite mix.
TCS	▪ Management expects demand to improve in 2Q, supported by a pent-up technology backlog and stronger client conversations. ▪ BFSI continues to hold up well, while management expects Manufacturing and Life Sciences to recover in 2Q on the back of improving conversations and recent deal wins. Technology & Services vertical also remains healthy.	▪ Management guided to a progressive margin recovery through the year, with the wage hike headwind front-loaded in 1Q, targeting an exit rate above 25%, achieved sooner rather than later.
Tech Mahindra	▪ Growth was broad-based, with all verticals delivering a positive YoY growth; management guided the sustenance of above-peer-average growth for FY27.	▪ Management reiterated confidence in achieving above-peer-average growth and a 15% operating margin for FY27, the final year of its three-year transformation plan. ▪ Management guided to resume hiring (fresh + lateral mix) for the remainder of FY27 given the healthy revenue growth trajectory.
LTIM	▪ Management's confidence that FY27 growth will be "better than FY26" is encouraging, and if delivered, it would put LTM among the fastest-growing names in the top six IT services peers. ▪ The PAN card deal ramp-up remains on track to resume in 2Q, contingent on hardware/memory chip shipment timelines normalizing over the next month or two.	▪ Management expects organic margins to keep expanding, with the Randstad integration seen as broadly margin-neutral to positive over the 1-2-quarter consolidation period, with synergies to follow. ▪ SG&A is expected to stay near the current levels rather than revert to the earlier-guided sales range of 11–11.5%.
Wipro	▪ 2QFY27 revenue guidance was -1.5% to 0.5% in CC terms. (midpoint -0.5%). ▪ While management highlighted improving traction in BFSI, Technology, and Europe, some large deal closures and ramp-ups have slipped into 2Q.	▪ Management reiterated its 17–17.5% target band but declined to commit to a timeline, citing continued investment in the AI-native business, talent, and infrastructure; recovery levers include automation, bench utilization, pyramid restructuring, and agent-led delivery.

Coforge

Click below for
Detailed Concall Transcript &
Results Update





Coforge — Buy

Current Price INR 1,815

Demand outlook

- Management believes the AI-driven disruption will create select but outsized winners, with the industry pivoting from a scale of people to a scale of intelligence.
- Differentiation is expected to come from applying AI within business context, process, and risk, not from model ownership, given ubiquitous access to models, cloud, and agents.
- Delivery model is evolving around Neuron + forward-deployed engineers + 'Mod Squads' (hybrid agent-human pods), shifting from effort-based to outcome-based engagement models.
- The enterprise conversation has shifted from AI adoption to operationalization, governance, and measurable outcomes, a shift management refers to as enterprise autonomy.
- Over the last nine years, COFORGE has delivered a 21.9% revenue CAGR, 24.6% EBIT CAGR, and 24.1% PAT CAGR, reflecting sustained, profitable growth.
- Coforge Neuron, the company's AI operationalization platform, integrates enterprise knowledge, workflows, governance, and agents to help enterprises move from AI pilots to production.
- ~USD58m was invested in AI innovation in FY26; ~30% of active engagements already leverage AI within delivery workflows.
- Consolidated revenue stood at USD592.2m (INR 55,277m), including only two months of the Encora contribution (from May 1, not the April 24 close).
- AI-led engineering, data, and cloud together contributed 86% of revenue, ahead of the 80% guided at deal announcement — engineering at 50%, data at 21%, cloud at 15%.
- The client mix broadened post-Encora: 1 client >USD 100m, 3 clients in the USD 50–100m band, 14 in USD 20–50m, and 29 in USD 10–20m; top 5/top 10 clients contributed 18%/26.1% of revenue.
- The next-12-month executable order book rose to an all-time high of USD2.23b, up 44.2% YoY from USD 1.55b, underpinning strong revenue visibility.
- Management expects 2Q no. of large-deal signings to approach full-year FY24 levels, with most large deals closed in 2Q impacting revenue from 3Q onward.
- A USD230m+, five-year AI-led transformation deal was signed with a European client (announced post quarter-end, to reflect in 2Q); ramp-up has already begun, adding 20–30 delivery teams.
- Outcome-based/subscription contracts currently form 6–7% of global revenue on a run-rate basis.
- **BFS:** Growth trajectory remains steady, with management flagging BFSI-linked large deals (e.g., a leading global financial institution's AI platform/agent ecosystem build-out targeting 50%+ productivity gains) as evidence of continued momentum.
- **Insurance:** Delivery wins included a large-scale core platform transformation for an Australian medical indemnity insurer (~40,000 healthcare professionals served) and a Code Insight AI-led Azure migration for a specialty insurer, cutting technical debt by 92%, with 99.93% field-level accuracy and 65% productivity gains.

- **Travel, Transportation, and Hospitality (TTH):** The Mod Squad delivery model drove 30% productivity gains and a 22% reduction in manual effort for a global travel technology client. The company's cargo platform went live for one of India's largest aviation hubs, extending its footprint to 20 airports globally, a proof point for scalability within the vertical.
- **Healthcare & Hi-Tech:** In life sciences, a genetic audit platform for a biopharma client identified USD4m in savings opportunities at 95% accuracy; in manufacturing, Code Insight AI reduced documentation effort by 70%, modernization cycles by 50%, and operating costs by 35% for a global automotive client. Growth was aided by Encora's healthcare exposure, which management noted nearly doubles COFORGE's healthcare business and adds hi-tech as a new vertical, both tick-marks against the original acquisition thesis.
- **Government (overseas):** India government revenue (~USD 50m prior-year run-rate) saw a USD 15m step-down in 1Q, already reflected in the base, with no incremental drag expected going forward. Contributed 6% of revenue; management described UK public sector momentum as strong ('on steroids'), distinct from the India government business being wound down.
- Wage hikes were effected only for a select group in 1Q; broader organization-wide hikes are not expected before 4QFY27, if at all.
- Within the AI-led engineering/data/cloud core, engineering rose to 50% of revenue (up ~5 pts), partly a classification effect as Encora's revenue is almost entirely engineering-led with negligible cloud contribution; cloud revenue itself still grew ~4% QoQ on a standalone basis.
- Delivery milestones cited across clients include productivity gains of 30–50% via AI-led Mod Squads, an AI-native advisor platform driving 30%+ productivity gains, and a Code Insight AI-led modernization program cutting technical debt by 92%.
- Enterprises are increasingly avoiding lock-in to single model/cloud providers, pursuing 'enterprise sovereign AI'. Management noted no active client adoption of Chinese LLMs in North America, UK, or Europe.
- A USD550m term loan (3-year tenor, ~2.99% post-tax cost) was fully drawn as of June 30; repayment schedule: USD 59m in FY27, USD 209m in FY28, USD 258m in FY29, and a final USD 75m tranche in Q1 FY30.

Margin performance and other comments

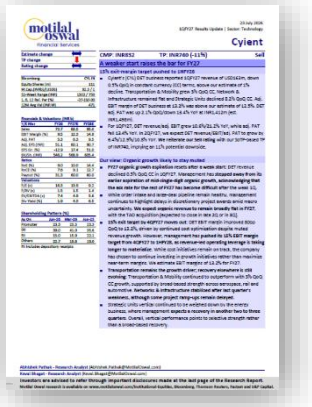
- Consolidated EBIT margin came in at 16% in 1Q itself, already ahead of the 15.5% full-year FY27 guidance; standalone COFORGE EBIT margin was 16.7%.
- Encora delivered EBITDA margin of 20.3% and EBIT margin of 19.1% in its first quarter under COFORGE, aided by rapid integration synergies.
- Combined G&A improved to 6.6% of revenue (COFORGE standalone at 6.7%, Encora at 10% pre-acquisition), implying a ~40% reduction in Encora's G&A cost base; further improvement expected in 2Q.
- Acquisition/integration costs of USD 6.5m were incurred in 1Q (vs. a USD 15m full budget), with marginal costs expected in 2Q and none from 3Q.
- Free cash flow stood at USD 52.9m, translating into 95.3% FCF/PAT conversion, a sharp improvement from (56.5)% in 1Q FY26; FY27 FCF/PAT guidance of 100%+ was reiterated.
- FY27 guidance reaffirmed: EBITDA margin of 20.5–21% and EBIT margin of 15.5%+ on a consolidated basis (16.5–17% standalone), with management now targeting to exceed these levels.

- Reported EPS was INR 13.30 (ex-exceptional items) vs. INR 13.80 prior quarter, impacted by a 25% increase in equity base and incremental acquisition-related interest costs. The company remains on track to be EPS-accretive in FY27.

CYIENT

Click below for
Detailed Concall Transcript &
Results Update




motilal oswal

Cyient

Cyient — Sell

Current Price INR 895

Commentary on verticals

- **Transportation:** Delivered a standout quarter, up 3% QoQ and 14.8% YoY in cc — its fifth consecutive quarter of growth.
- Growth was broad-based, with double-digit YoY growth across aerospace, rail and automotive, not driven by any single project.
- **Networks & Infrastructure:** Rebounded as expected, up 0.3% QoQ and 2.5% YoY in cc after the 4Q setback.
- Growth was capped by delayed ramp-ups on already-won programs; underlying demand for higher bandwidth and smarter systems remains strong.
- Telecom fibre buildout capex visibility stays healthy, with diversification into connectivity offerings contributing to funnel growth.
- **Strategic Units:** Declined 8.2% QoQ, led primarily by continued weakness in the energy vertical (unit also includes mining & minerals and healthcare).
- Weakness attributed to the completed ramp-down of a large legacy project, not market-share loss; management is rebuilding go-to-market teams, broadening the service portfolio, and cross-selling energy capabilities into North America.
- Nuclear engineering flagged as an emerging opportunity, with meaningful deal wins expected in 4-5 quarters; overall energy recovery expected to show comparable growth in 2-3 quarters.
- **Semiconductors:** Services business continues to scale up, including a fab-upgrade deal with the Semiconductor Complex of India (Mohali); pipeline remains strong.
- Custom ASIC pipeline now exceeds USD100m, building rapidly on new design wins and a deepening blue-chip client base.
- Launched seven new GaN power chips (leveraging Navitas technology) targeting AI data centers, telecom, fast-charging, industrial and e-mobility applications.
- Kinetic Technologies fully consolidated in 1Q (first full quarter); combined semiconductor revenue at USD17.9m; organic semiconductor revenue grew 5% QoQ to USD6.45m — the fifth consecutive quarter of >5% organic growth.
- High-power ASSP business remains in cash-consuming development phase (R&D complete, development underway), weighing on near-term profitability; ~USD3m/quarter amortization drag from the Kinetic deal.
- Closed a USD30m financing round (debt + equity) with EAAA at a post-money valuation of USD500m, strengthening balance sheet for growth.
- Segment breakeven now pushed to FY28 due to continued high-power ASSP investment, despite healthy gross margins and strong underlying growth.

Demand and outlook

- Demand environment stayed cautious, with customers deferring discretionary project awards amid West Asia war-related supply chain disruption and geopolitical uncertainty.
- Management clarified the slowdown reflects timing/customer caution, not any structural or market-share issue; existing business fundamentals remain intact.

- Order intake grew 5.3% YoY; net-new business surged 64% YoY and 49% QoQ, reflecting improving large-deal traction.
- Five large deals won over the last two quarters (4QFY26-1QFY27); nine additional large deals qualified in 1Q, adding over USD300m to the large-deal pipeline.
- DLM (BLM) order book hit an all-time high, supported by a book-to-bill ratio above 1.5x.
- Won a multi-year digitalization deal with a large energy OEM, broadening the service portfolio beyond planning-led work in the energy vertical.

Revenue and margin

- DET segment revenue at USD162.5m, down 0.5% QoQ and 0.9% YoY in cc; in INR terms, revenue grew 2.7% QoQ and 10.6% YoY to INR15.4b, with the gap driven by currency tailwinds.
- Group revenue came in at USD219m, up 4.5% QoQ and 9.1% YoY in cc; INR revenue was INR20.76b, up 7.7% QoQ and 21.3% YoY, aided by first-quarter consolidation of Kinetic Technologies (USD10.4m contribution).
- DET gross margin at 32.7%, down 13bp QoQ but up 127bp YoY, following a presentation-only reclassification of project-linked costs (no EBIT impact; prior periods restated).
- DET EBIT margin (normalized) at 13.2%, up 79bp QoQ and 114bp YoY, led by cost optimization and favorable USD/INR movement.
- Group EBIT margin (normalized) improved to 9.7%, up 16bp QoQ and 19bp YoY, partly offset by continued semiconductor investments.
- DET normalized PAT at INR1.41b, up 2.1% QoQ but down 13.5% YoY, as the year-ago quarter benefited from a one-off forex reinstatement gain.
- Effective tax rate at 29.2% (broadly flat QoQ, up 350bps YoY); full-year ETR guided at 27–28%.
- DET free cash flow conversion at 80.5% of normalized PAT, down 49% QoQ on 4Q provision-linked payments, though broadly flat YoY; capex elevated on IT system refresh and US project ramp-up.
- Group normalized PAT at INR1.14b (EPS INR10.32); reported PAT at INR1.04b (EPS INR9.42).

Other highlights

- Cross-selling of energy capabilities into North America has begun, though meaningful contribution is not expected before the next quarter.
- Announced the acquisition of Tao Digital Solutions, adding data/software engineering, cloud-native platforms and AI-ops capabilities; expected to close by Aug'26.
- Tao's annualized revenue contribution guided at USD40-50m, subject to timeline; USD1.4m in transaction costs expensed and normalized in 1Q.
- Tao Digital Solutions acquisition adds cloud-native data/software engineering and AI-ops capabilities, positioned to scale up AI adoption across Cyient's domain-heavy customer base.
- Tao Digital Solutions' talent base spans North America, India, Taiwan and parts of Europe, expected to broaden Cyient's geographic delivery footprint post-close.

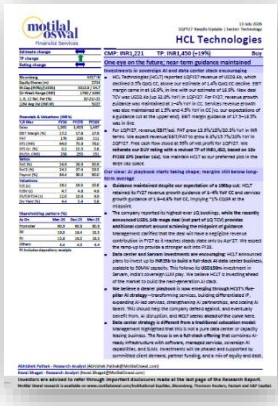
- Launched an AI-driven MRO platform at the Farnborough Air Show, integrating engineering, supply chain and shop-floor data into a single AI operations platform for aerospace customers; early customer engagement encouraging.
- DLM completed its buyback, extinguishing 6.4m shares at INR1,125/share, aggregating to INR7.2b (~5.76% of paid-up capital); promoter group did not participate, signalling confidence in long-term value.

HCL Technologies — Buy

Current Price INR 1,323

Click below for
Detailed Concall Transcript &
Results Update




HCL Technologies

Demand and industry outlook

- 1Q is a seasonally weaker quarter due to planned productivity commitments in large managed services contracts; despite this, the company delivered a broad-based performance.
- Management flagged a clear divergence in the AI landscape: AI-native and AI-amplified services continue to see strong, sustained growth, while AI-disrupted (traditional/commoditized) services remain under pricing and volume pressure from automation.
- The company signed a marquee deal with a Fortune 250 semiconductor equipment OEM for SAP-enabled design-to-manufacturing transformation, integrating SAP with PLM/MES to build an AI-led digital supply chain backbone.
- Moreover, it announced its entry into the AI data center business, with a planned investment of up to INR35b, scalable to 50MW capacity. It is positioned as a full-stack play (data center plus software plus managed services) rather than a pure colocation business, to be funded via partner arrangements, committed client capacity, and a mix of equity and debt.
- Management has retained FY27 revenue growth guidance of 1-4% (organic, CC), excluding acquisitions such as Jaspersoft.
- The company has added 1 client in the USD100m+ bucket, 6 in the USD50m+ bucket, 11 in the USD20m+ bucket, and 31 in the USD10m+ bucket on a YoY basis, reflecting continued account mining.
- Enterprise demand is shifting toward sovereign AI architectures built on a zero-trust, tiered model (private on-prem/VPC -hosted SLMs plus a policy-enforcing gateway for frontier model access), rather than simply renting large models.
- The recently announced mega deal is expected to begin transition in a couple of months, reaching steady state only by April 2027; hence negligible revenue impact is expected in FY27.
- **BFSI:** BFSI has sustained strong momentum with YoY growth among the highest in the industry, driven by an AI-native approach to large clients and higher wallet share within top BFSI accounts.
- Broad-based traction was also seen in data & analytics, viewed by management as preparatory work as clients build out their enterprise AI stack — a meaningful tailwind in recent quarters.
- **Life Sciences & Healthcare:** The vertical has seen a gradual decline over roughly the past 8 to 9 quarters. Growth was earlier supported by regulatory-related engineering work for medical device clients, a key driver ~3 years ago - which has since rolled off without adequate refill.

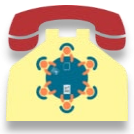
- **Technology:** Near-term softness stemmed from discretionary spend cuts at two large US telecom clients, an impact management expects to continue weighing on related engineering work in subsequent quarters, as previously flagged.
- Products and Platforms (HCLSoftware): The company completed the acquisition of Jaspersoft, adding a visualization layer to the data management portfolio. The deal is expected to fully close within the quarter and contribute USD10–15m per quarter in revenue from 2Q onward, outside FY27 guidance.
- It made a strategic USD150m investment in Sarvam, India's sovereign full-stack AI company, to build differentiated SLM capabilities for the Indian sovereign AI and enterprise market.
- AI Force is now deployed across 92 client accounts. The 2.2 release has added VS Code IDE plugin support, multimodal AI, long-term memory, configurable governance guardrails and AWS-native integration.

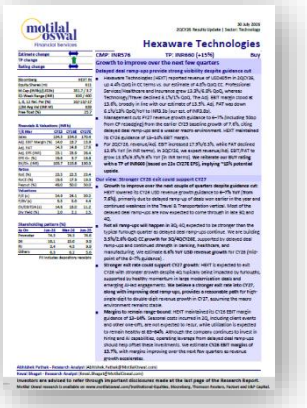
Margin performance

- EBIT margin came in at 16.9% of revenue, up ~39bp QoQ and ~56bp YoY; adjusted for restructuring costs (~62bps), margin stood at ~17.5% versus 17.7% in the prior quarter.
- Margin wall: Lower restructuring costs added ~70bp and period-end items added ~20bp, offset by a ~110bp headwind from seasonality (annual productivity resets and INR depreciation); forex added a further ~60bp benefit.
- FY27 margin guidance was retained at 17.5–18.5%, inclusive of an estimated 40–50bps restructuring cost impact; guidance excludes Jaspersoft and other pending acquisitions.
- Management deferred commentary on a return to the erstwhile 18–19% margin band, indicating FY28 guidance will address the medium-term trajectory.
- Revenue per employee rose ~3.3% YoY, improving for the fifth consecutive quarter, reflecting productivity gains from the AI-led strategy.

HEXAWARE

Click below for Detailed Concall Transcript & Results Update




motilal oswal
Financial Services

Hexaware Technologies

CMP: INR576 TP: INR660 (+15%) Buy

Growth to improve over the next few quarters

Delayed deal ramp-ups provide strong visibility despite guidance cut

- Hexaware Technologies (HEXT) reported revenue of USD485m in 2QCY26, up 4.4% QoQ in CC terms vs. our estimate of 4.8% QoQ CC. Professional Services/Healthcare and Insurance grew 13.3%/8.8% QoQ, whereas Technology/Travel declined 6.1%/9.1% QoQ. The HEXT margin stood at 16.9%, broadly in line with our estimate of 16.7%. As, PAT was down 6.1% QoQ/YoY to INR3.2b (our est. of INR3.8b).
- Management cuts FY27 revenue growth guidance to 6–7% (including ~50bp benefit from CPE rebadging deal) from 7–8% (excl. baseline growth of 1.4%, citing delayed deal ramp-ups and a weaker macro. The HEXT maintained its CY26 guidance of 10–14% EBIT margin.
- For 2QCY26, revenue/adj. EBIT increased 17.3%/9.3%, while PAT declined 13.8% YoY (in INR terms). In 2QCY26, we expect revenue/adj. EBIT/PAT to grow 15.6%/4.4%/4.4% YoY (in INR terms). We reiterate our BUY rating within TP of INR660 (based on 22x CY27E EPS), implying ~15% potential upside.

Our view: Stronger CY26 exit could support CY27

- Growth to improve over the next couple of quarters despite guidance cut: HEXT lowered its CY26 USD revenue growth guidance to 6–7% YoY (from 7.6%), primarily due to delayed ramp-up of deals won earlier in the year and continued weakness in the Travel & Transportation vertical. Most of the delayed deal ramp-ups are now expected to come through in 4Q and 4Q.
- Ramp-ups will happen in 3Q, 4Q; expected to be stronger than the typical furlough quarter to delayed deal ramp-ups continue. We are building 3.5%/5.8% QoQ CC growth for 3Q/4QCY26E, supported by delayed deal ramp-ups and continued strength in banking, healthcare, and manufacturing. We estimate a 6% YoY USD revenue growth for CY26 (mid-point of the 6–7% guidance).
- Stronger exit rate could support CY27 growth: HEXT is expected to exit CY26 with stronger growth despite 4Q typically being impacted by furloughs, supported by healthy momentum in large modernization deals and emerging AI-led engagements. We believe a stronger exit rate into CY27, along with delayed deal ramp-ups, provides a reasonable path for high-single-digit to double-digit revenue growth in CY27, assuming the macro environment remains stable.
- Margins to remain range-bound: HEXT maintained its CY26 EBIT margin guidance of 10–14%. Seasonal costs incurred in 2Q, including client events and other one-off's, are not expected to recur, while utilization is expected to remain healthy at 83–84%. Although the company continues to invest in hiring and in capabilities, operating leverage from delayed deal ramp-ups should help offset these investments. We estimate CY26 EBIT margins of 13.7%, with margins improving over the next few quarters as revenue growth accelerates.

Analyst Partner - Research Analyst (Abhishek.Pathak@MotilalOswal.com)
Sonal Bhagat - Research Analyst (Sonal.Bhagat@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and Capital...

Hexaware Technologies — Buy

Current Price INR 553

Performance and demand outlook:

- Management indicated AI adoption in IT is settling down, with worst-case disruption scenarios unlikely to materialize.
- It cited contrasting client examples: one enterprise rebuilt five to six applications into a portal in under three months, while another slowed its rollout despite faster delivery, reflecting that the adoption pace is constrained by business readiness rather than technology alone.
- 13 of the top 20 clients have gone through vendor consolidation over the last five quarters (~4-5x the historical run-rate), largely AI-driven. The business is now in a stability phase post-consolidation, with growth optionality building.
- Volume growth was supported by the full-quarter impact of prior hiring and improved utilization.
- FY26 revenue growth guidance narrowed to 6-7% (from ~7.6% earlier), including ~50bp from the CPE rebadging deal; midpoint implies a ~2.7% QoQ CAGR from current levels.
- The narrowing guidance was driven by: (i) delayed ramp-up of deals won earlier in the year, now expected late 3Q into 4Q, and (ii) a worsening macro environment in Travel & Transportation, particularly the Middle East.

- Key wins included a German biotech vendor-consolidation program transitioning into an agentic clinical-data platform, a capital markets firm replacing a legacy PDF-output system under the "zero license" model, and an AI-led middle-office transformation in cash and settlements for another capital markets client.
- The company won a >USD 10m modernization deal exiting a legacy outsourced system for a royalty-management client, plus a double-digit million CRM transformation deal.
- It signed three new outsourcing deals: a London university (tech/BPO plus a shared-services model for the higher-ed sector), an ANZ financial services digital IPO engagement, and an APAC fintech payments transformation.
- A new deal archetype is emerging—clients running quick-turnaround RFPs to select a strategic AI partner. The company has already won two such mandates.
- Increasing traction was observed in >USD 10m legacy modernization deals. The company won a consolidation mandate at a top-15 client, reducing its vendor base to three strategic partners.
- Healthcare & Insurance: H&I Vertical posted strong sequential and YoY growth, led by large deal ramp-ups and broad-based momentum across Europe. Management reiterated this segment will continue to outgrow the company average.
- Manufacturing and Consumer: MNC deal wins are converting into revenue from both existing accounts and new logos, recovering from tariff-led headwinds seen in early FY26. The segment has been delivering YoY growth since 2H of last year and is expected to become a full-year growth contributor.
- Hi-Tech and Professional Services: The sequential trend reflected seasonality tied to the largest client's July-June fiscal cycle, with year-end budget utilization driving a revenue tailwind.
- Travel and Transportation: The vertical remained pressured by Middle East macro headwinds, with a key demand proxy down ~18% YoY. It is expected to lag materially for the rest of the year.
- The company added new delivery centers in Cardiff (UK) and Bogota (Colombia).
- Net headcount addition stood at 708 for the quarter (~180 in IT, ~530 in DPS/BPO), marking the 12th consecutive quarter of IT headcount growth ahead of anticipated 2H seasonal demand.
- The company is committed to launching one new AI service per month with a target of 100 customers within 90 days of each launch. It is on track to achieve the first metric and is nearing the second one.
- The company formed AI ‘champion squads’ (30-75 members per business unit) to drive proactive AI execution across accounts.
- The zero license platform is gaining strong traction — first deals closed, pipeline building, and integration now spans 65 SaaS platform partners (growing weekly).
- AI/token economics (‘Tokenomics’) has become central to client IT budget conversations, with clients now weighing labor spend versus token spend. The company is piloting input, output, and outcome-based pricing models.
- The company built a token-optimization harness with Anthropic, offering nine ways to reduce token consumption, aimed at improving both client value and company profitability over time.
- Moreover, it has outlined a three-layer AI partnership strategy — a commoditizing foundational LLM layer, domain-specific SLMs/fine-tuned

models, and client-specific process context — delivered via platforms including AnzaI, RapidX, and the newly launched Agent Verse.

- The company completed transition to a new ERP system after a ~three-year implementation, with this being the first full quarter of financial reporting on the new platform.
- DSO was elevated due to an ERP transition-related invoicing blackout, but is expected to normalize to 70-75 days by year-end. LTM OCF/PAT remained strong at ~125%.
- The client base broadened, with 34 clients now contributing >USD 10m in annual revenue, up by three YoY.

Margin performance and outlook

- EBIT margin came in at 13.6%, up ~60bp QoQ, aided by ~160bp of FX/calendar tailwind and ~30bp of utilization-led operational improvement, partly offset by ~70bp of seasonal/event costs and ~50bp of hiring-related investments.
- FY26 EBITDA margin guidance is reiterated at 13-14%.
- EPS growth was muted despite margin expansion due to ~USD8m of hedge/translation losses. This is expected to unwind by ~USD5m in 3Q and ~USD3m in 4Q.
- Effective tax rate stood at 25.1%, in line with the full-year guided range of 25-26%.

Infosys — Buy

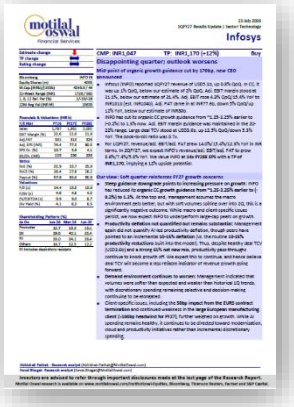
Current Price INR 1,117

Performance in 1QFY27 and demand outlook

- 1Q volumes were softer than expected and weaker vs. historical Q1 trends, reflecting a dynamic and evolving business environment.
- Client spend continues to prioritize AI modernization, cloud and productivity initiatives, while discretionary spend remains selective.
- Geopolitical instability and tariff-related uncertainty are keeping budgets tightly controlled, particularly in Manufacturing and Retail/CPG.
- Macro environment remains volatile and uncertain, with clients continuing to exercise caution on discretionary spending across verticals.
- FY27 revenue guidance was lowered to 1.5-3% YoY CC growth (from 1.5-3.5% earlier), implying a ~25bp cut at the guidance midpoint.
- The lower end of guidance assumes further macro deterioration, while the upper end factors in a milder improvement than assumed in Apr'26.
- Vendor consolidation wins carried healthy margins vs. the overall large deal portfolio; management reiterated it will walk away from deals with uneconomic productivity asks.
- Sequential growth was further impacted by a conscious shift toward higher offshoring to de-risk the business model.
- Growth was impacted by a 50bp one-off hit from the termination of a program by an ERS client, which was not factored into earlier guidance.
- Revision reflects ~1.7% contribution from the Optimum Healthcare and Stratus acquisitions, >1% drag from a large European manufacturing client, and a further 75-100bp impact from a continued offshore shift.
- Of the 22 large deals signed, three were valued at USD400m each; vendor consolidation deals accounted for ~20% of total large deal value.

Click below for Detailed Concall Transcript & Results Update





- Region-wise deal activity was led by North America (11 deals), followed by Europe (8) and Rest of World (3), with wins spread across Financial Services, Manufacturing, Retail, Communications, ERS, Life Sciences and Hi-Tech.
- **Financial Services:** Geopolitical instability is driving cautious client spending, with priorities cantered on efficiency, productivity and modernization. Momentum continues across banking, payments, capital markets and wealth management; AI adoption remains incremental and additive. Large deal net new TCV in the vertical was ~USD1b this quarter; GCC engagements continue to expand alongside client partnerships.
- **Manufacturing:** Growth remained impacted by lower revenue from a large client, with cautious discretionary spend and elongated decision-making, especially in European auto. Better pricing was seen on AI-related skills and consulting engagements. Tariffs, geopolitical uncertainty and elevated energy costs are keeping budgets tightly controlled, even as AI adoption opens new opportunity areas.
- **Energy, Utilities, Resources & Services (EURS):** GenAI is emerging as a key growth catalyst, driving process reimagination and productivity-led initiatives, supported by hyperscaler and AI-native partnerships. Clients continue to prioritize cost optimization, operational resilience, productivity and regulatory compliance amid macro uncertainty. Demand is shifting toward AI-led modernization and productivity programs, funded through operational efficiency and cost optimization.
- **Communication:** Telecom is undergoing significant transformation, marked by consolidation, M&A and increased OEM investments. Operating environment remains challenging, with clients maintaining discipline on discretionary spending and closely scrutinizing investment decisions. AI is reshaping spending patterns, with enterprises prioritizing initiatives that deliver near-term gains.
- **North America:** Demand environment and pipeline remain constructive as the region leads in deal activity, with 11 large deals signed in the quarter.
- **Europe:** Signed eight large deals during the quarter; growth continues to be weighed down by softness in European manufacturing and auto.
- Plans to recruit 20,000 college graduates in FY27 (vs. 2,000 for full-year FY26); over 4,000 already onboarded in 1Q.
- Salary hikes will be rolled out in two tranches, effective October for most employees and January for the remainder.
- AI-led productivity pass-through remains an acknowledged headwind on the existing portfolio, though management does not disclose the extent of repricing/compression externally.
- Management views hyperscaler entry into enterprise AI services (e.g., AWS, Microsoft) as validating rather than threatening, citing INFO's scale (300,000+ employees) and deep client context as differentiators.
- Plans to build a team of 6,000 frontier engineers over the next few years, sourced via internal upskilling, campus hiring and select lateral recruitment.
- Growth strategy is anchored to a "hexagon" of six value pools, spanning agents for process, data for AI, AI strategy/engineering, modernization and coding tools.

Margin performance

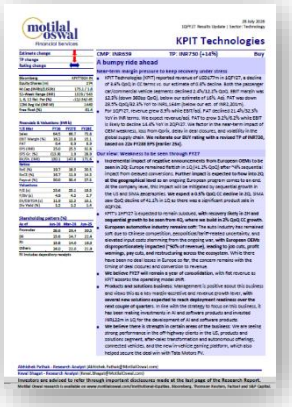
- Operating margin improved 20bp QoQ to 21.1%, aided by 60bp QoQ gross margin expansion.
- Key tailwinds: 70bp from INR depreciation, 20bp from Project Maximus, and a 20bp net benefit from normalization of 4Q intangible amortization costs.
- Key headwinds: 50bp from AI sales & marketing investments, 40bp one-off impact from the program termination, and 20bp from higher other expenses, partly offset by a 30bp one-time cost benefit.
- FY27 margin guidance is maintained at 20-22%, factoring in wage hike costs and productivity pass-through, along with a 50bp drag from the Optimum Healthcare and Stratus acquisitions, to be offset by Project Maximus and currency tailwinds.
- Free cash flow was strong at USD955m, or 116.5% of net profit; DSO improved four days QoQ to 63 days (76 days including unbilled net of unearned, vs. 78 in 4Q).
- EPS came in at INR19.19, up ~15% YoY; effective tax rate guided at 29-30% for the year.
- Cash and investments stood at USD3.9b, after returning over USD1b to shareholders via dividends during the quarter.

KPIT Technologies — Buy

Current Price INR 591

Click below for Detailed Concall Transcript & Results Update




KPIT Technologies

A bumpy ride ahead

1QFY27 performance and demand outlook

- The global automotive industry continued to face pressure from intense Chinese competition, geopolitical/tariff-related uncertainty, and elevated input costs stemming from the ongoing war, with European OEMs disproportionately impacted, leading to job cuts, profit warnings, pay cuts and restructuring across the ecosystem.
- Management reiterated that 2H will be stronger than 1H, with a return to meaningful growth expected by 4QFY27, as revenue recovery drives the primary lever for margin normalization.
- The commercial vehicle (CV) segment saw the sharper QoQ decline due to a high base from a one-time large license deal in the prior quarter, while the passenger vehicle (PV) segment was largely flat, with expected growth not materializing due to a last-minute European program setback.
- The European pipeline remains strong despite near-term revenue softness; management clarified the issue is one of conversion timing rather than deal loss, with recent European wins expected to ramp with a higher India delivery mix.
- AI adoption is central to the company's fixed-price delivery model transition, though full-scale AI-based delivery is progressing gradually due to client infrastructure constraints and the need for client buy-in.
- Management emphasized that European OEM pressure is viewed as structural rather than transient, with client conversations increasingly cantered on cost reduction and speed-to-market rather than incremental pricing.
- European revenue saw a ~4% QoQ impact from delayed conversions; management flagged further impact to flow into Q2 as an ongoing European program winds down and a separate Japan vehicle program was cancelled outright. US delivered broad-based growth across OEM and off-highway clients,

while the newly formed SIMA (Southeast Asia/India/Middle East/Africa) geography also contributed positively, partly offsetting European weakness.

- Vendor consolidation is playing out at the OEM level, with clients increasingly gravitating toward best-in-class solutions and AI-led partners, a trend management believes favours KPIT.
- Won a marquee Tata Motors deal for India's first in-vehicle gaming platform on a per-vehicle licensing model, reinforcing the company's ability to win share even where OEMs have captive/in-house R&D arms.
- **Passenger Cars:** PV revenue was largely flat QoQ, with anticipated growth not coming through due to a last-minute European setback late in the quarter. New passenger car OEM engagements were initiated across Korea, Europe, the US and Japan, forming part of the broader diversification push.
- **Commercial Vehicles:** CV revenue declined sharply QoQ, driven by a high base from a one-time license deal recognized in the prior quarter rather than any underlying demand weakness. Management guided to a CV growth recovery from Q2/Q3, supported by seven new off-highway OEM and four new truck/bus OEM engagements added over recent quarters.
- **US:** Growth was broad-based across OEM and off-highway clients, with strong momentum in both new commercial vehicle relationships and long-standing passenger vehicle accounts; management expects this trend to sustain over coming quarters.
- **JKC:** A Japan vehicle program was cancelled at the client's end, contributing to the quarter's CV/PV softness; this and a separate European program are both expected to be fully reflected in the base by 2Q, with stabilization expected in Q3. China strategy remains intact, with engagement across two OEMs (one nearing a meaningful contract) and early traction for products & solutions; scale-up will take time given industry-wide EV volume pressure in China.
- **Europe:** Revenue saw a ~4% QoQ hit, with further spill over expected in Q2 as one legacy program nears natural completion. European OEMs are increasingly engaging KPIT on structural cost-reduction conversations, targeting 30–40% reduction in product cost and a parallel reduction in production cost, as they respond to Chinese EV competition; European cost take-out for KPIT will take longer than other geographies.
- The Beacon automotive intelligence platform now underpins the company's integrated offering stack, including Technica (validation), iDart (after-sales), Cymotive (cybersecurity), and autonomous driving foundation models; a global go-to-market partnership with Microsoft was announced to scale this ecosystem.
- Products & solutions revenue is viewed as a key margin-accretive growth lever, with several new solutions expected to reach deployment readiness over the next 1–2 quarters.
- Wage hikes have been deferred this year for the first time in several years, to be rolled out in a staggered manner, with junior grades prioritized first and senior-grade increments linked to performance and growth recovery.
- Beacon, KPIT's AI-led platform, operates on a dual subscription/platform and delivery-embedded model, positioned as a key differentiator in client conversations around cost and speed-to-market.

- The company continues to view mobility as a large and expanding opportunity set, prioritizing broad-based, balanced growth across clients, practices, and geographies over concentration in any single account or region.

Margin performance

- EBITDA margin came in at 17.2% and EBIT margin at 12.3%, with PAT at INR 1.17b, further impacted by forex losses and share of loss from Qorix (INR 140m), partly linked to deferred European revenue.
- Other expenses rose on account of forex impact, acquisition-related provisions, and European subcontracting costs; management characterized these as operational rather than one-off in nature.
- Margin recovery is expected to be incremental until revenue growth resumes, as European cost take-out takes longer relative to other geographies; forex/associate-linked drag is expected to persist for another 1–2 quarters.
- Management reaffirmed the medium-term aspiration of 22–24% EBITDA margin by FY29, underpinned by a rising mix of margin-accretive products & solutions revenue and a gradual shift toward outcome-based commercial models.

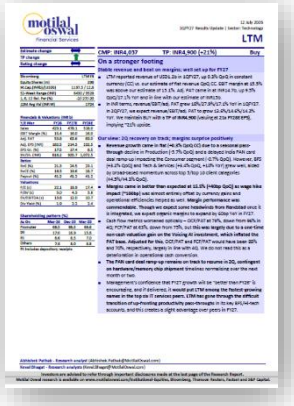
LTM — Buy

Current Price INR 4,535

LTM

Click below for
Detailed Concall Transcript &
Results Update





Demand and industry outlook

- Discretionary spend by clients remains constrained; management expects normalization over time as macro/geopolitical situations ease, unlocking pent-up project backlog.
- Management flagged geopolitical uncertainty (Middle East) and hardware/ memory chip supply constraints as external swing factors, though both seen as transient.
- Productivity/AI-deflation-linked pricing pressure in large accounts is now largely behind the company; impact was concentrated in top clients and did not materially affect smaller accounts.
- BlueVerse Voicing SLM added two new wins this quarter, taking cumulative implementations to 17 over the trailing 12 months; engagements are structured on an outcome-based commercial model.
- The acquisition of Randstad Technology and Consulting Services (Europe/ Australia) remains on track, with regulatory filings submitted. The deal comprises IT services takeover, talent-sourcing outsourcing, and digital business transition. Ramp-up has already begun, with contribution expected from 2Q; no investment banking costs as it was a direct transaction.
- The company added one client in the USD50m+ bucket (total 15) and one in the USD20m+ bucket (total 52), reflecting broad-based account mining.
- Demand momentum broadened across client categories, with top 5 and top 10 clients growing 4.5% and 4.3% QoQ, respectively.
- Management guided for growth to accelerate through 2Q and 2H, with FY27 organic growth expected to better the ~6% delivered in FY26.
- Subcontractor costs rose ~130bp QoQ and ~320bp YoY, attributed to vendor consolidation deals where tail-vendor work is transitioned in before being absorbed into the company's delivery model; management does not see this as a sustained trend.

- **BFSI:** Financial Services returned to growth, up 3.2% QoQ CC (still down 2.5% YoY), with margin improvement driven by revenue recovery and better utilization.
- **Technology:** Technology & Services grew by a strong 3.4% QoQ and 10% YoY CC, led by North America-centric demand; management expects this momentum to sustain.
- **Manufacturing:** Production segment declined 5.7% QoQ CC on seasonal pass-through fall-off, but delivered strong 5.3% YoY CC growth.
- **Consumer:** Consumer segment dipped 0.7% QoQ CC but grew by a robust 18.2% YoY CC; the sequential dip was linked to delayed ramp-ups tied to an India tax-related project and Middle East supply chain/hardware delays, expected to reverse from 2Q.
- **India:** Related project delays (tax department client, hardware/memory chip shortages) weighed on Consumer segment in 1Q; ramp-up expected to resume in 2Q.
- **Europe:** Identified as a key white-space growth market; the Randstad deal is expected to accelerate the European growth trajectory from 3Q onward.
- **North America:** Growth was broad-based, led by Technology & Services and financial services demand traction; management is confident of stable momentum.
- **The Middle East** contributes less than 3% of revenue; the geopolitical situation remains a watch item, though management does not see it derailing overall growth.
- Utilization (ex-trainees) improved to 86.4% from 85.7% in 4Q, within management's targeted 86-87% band.
- Talent pyramid is expected to gradually shift toward a more diamond-shaped structure as AI-native skilling initiatives (including the AI1000 program) scale up.
- Headcount stood at 87,886 at quarter-end, with fresher additions of ~1,100-1,300 in 1Q; similar quarterly fresher intake is expected through FY27.
- Combined AI revenue (Business AI, Creative AI, Industrial AI) reached ~USD150m on a quarterly run-rate basis; Enterprise AI (delivered via iRun/iTransform) is not separately disclosed as AI is now embedded across core delivery.
- Strategic investment made in Uniphore to strengthen SLM/agentic AI capabilities; partnership with OVH-cloud signed to support sovereign AI cloud deployment in Europe.
- Management believes the industry has now moved from the "AI creation" phase to the "AI deployment" phase, where enterprise-scale implementation and adoption become the primary growth opportunity.

Margin performance

- EBIT margin expanded 40bp QoQ to 15.5%, driven by operational efficiencies under the New Horizons program; forex tailwinds broadly offset wage hike costs (~1% impact).
- EBIT margin improved by 120bp from 14.3% in 1QFY26, reflecting consistent efficiency gains from the earlier Fit-for-Future program and its successor, New Horizons.
- PAT margin improved to 12.7% from 11.9% QoQ, aided by a one-time gain on revaluation of the Voicing AI investment, partly offset by cash flow hedge-related investment income losses.

- Effective tax rate eased to 25% from 26.3% in 4Q.
- Management expects organic margins to keep expanding, with the Randstad integration seen as broadly margin-neutral to positive over the 1-2-quarter consolidation period, with synergies to follow.
- SG&A is expected to stay near the current levels rather than revert to the earlier-guided sales range of 11–11.5%, as efficiency gains are viewed as sustainable. Sales investment continues even as support function costs are optimized via AI adoption.

L&T Technology — Neutral

Current Price INR 3,539

Demand and industry outlook

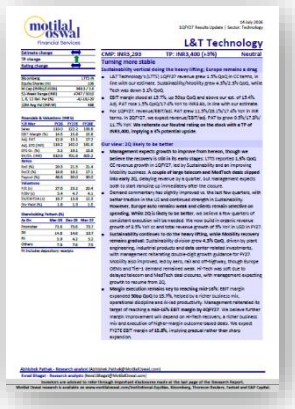
- Demand held up broadly across Mobility and Sustainability, while Europe auto/ tier-1 demand stayed soft; US, India and RoW markets continued to grow QoQ.
- Client conversations increasingly center on whether AI will be net positive or negative for their business, along with vendor consolidation and engineering-outsourcing opportunities.
- Middle East geopolitical volatility has had limited direct impact on client budgets so far, though management flagged some execution delays in that region.
- Crude price volatility has not dented R&D/capex budgets in the plant engineering client base; management would have grown faster in Sustainability but for talent availability.
- A significant telecom deal in Hi-Tech is at an advanced stage and should close in early 2Q, alongside a couple of opportunities in the profitable MedTech space.
- Signed a strategic partnership with Anthropic (Claude models) and deepened collaboration with Databricks to embed AI/agentic capabilities across the delivery stack.
- Management reiterated confidence in sequential revenue growth in 2Q and through FY27, but continues to avoid giving specific annual guidance.

Vertical-specific demand commentary

- Mobility: Grew 2.3% QoQ, led by broad-based traction in aero, rail and off-highway in North America; US auto also contributed positively. Segment margin dipped slightly to 15.6% due to onsite ramp-up costs of new programs; expected to improve as engagements mature. Continued investment in EV, hybrid and SDV capabilities driving large deal wins, including an aerospace connectivity platform and an EV OEM expansion; company no longer discloses an auto vs aero/rail/off-highway split. Europe OEM demand remains a drag due to weaker China/Asia exposure and consolidation; management sees India-based engineering as well placed to benefit from vendor consolidation.
- Sustainability: Remained the fastest-growing, most profitable segment, up 4.3% QoQ/11.3% YoY, driven by ramp-up of previously won deals in plant engineering and industrial products. Segment margin improved 40bp QoQ to 29.1%; demand from upstream oil & gas, LNG and chemicals capex remains resilient despite crude volatility. Management reaffirmed double-digit growth guidance for FY27 for this vertical.
- Hi-Tech: Revenue mix eased to 30.6% of revenue vs. 34.4% a year ago (ex-SWC), reflecting slower relative growth rather than a deliberate strategic de-emphasis. Segment margin was soft at 11.5% on low revenue; management expects return

Click below for Detailed Concall Transcript & Results Update





to growth from 2Q as won deals move into execution. Smart World business divestiture (announced in March end) expected to conclude in 2Q, pending conditions precedent. Segment saw softness as a large telecom deal and a MedTech program shifted to early 2Q; underlying pipeline remains healthy.

- Announced a strategic partnership with Anthropic to integrate Claude models across engineering processes and platforms such as Agentic IQ and Plex AI; also deepened ties with Databricks.
- Management believes AI will expand rather than shrink engineering services demand, citing hyperscalers/model providers entering services as validation; productivity gains to be partly shared with clients, offset by market-share gains.
- AI patent filings rose to 244 in the period, taking cumulative patents to 757.
- Developed an AI Readiness Index with MIT Media Labs to help clients assess AI maturity; rolled out a finance-function AI tool via software/platform business.
- Reiterated 5-year target of 13-15% revenue CAGR with 16-17% EBIT margins.
- Built a team of ~100 forward-deployed engineers as part of the shift toward outcome-based, AI-embedded delivery models.

Margin performance and outlook

- EBIT margin expanded 50bp QoQ and 200bp YoY to 15.7%, helped by mix shift toward higher-margin Sustainability and productivity gains from AI-led delivery.
- Effective tax rate improved 60bp QoQ to 26%; guided at 26.2-26.7% ahead.
- Net income grew 1.5% QoQ/17.4% YoY to INR352cr (~12% of revenue); annualized EPS at INR132.68 vs. FY26 reported EPS of INR115.89, up ~15%.
- Other income declined QoQ, largely on forex/hedge losses; management expects similar levels to persist over the next few quarters.
- Guided to continued sequential margin expansion through FY27, targeting a mid-16% EBIT margin by Q4FY27, and reaffirmed the 5-year aspiration of 13–15% revenue CAGR with 16–17% EBIT margins.
- Combined DSO improved to 77 days (from 83 days in Q4); billed DSO improved to 57 days; guided to a steady-state 80–85 days band.
- Free cash flow was strong at INR5.4b (~153% of net income) on disciplined working capital management; guided to a more sustainable 90–95% FCF/PAT conversion going forward.



Click below for
Detailed Concall Transcript &
Results Update

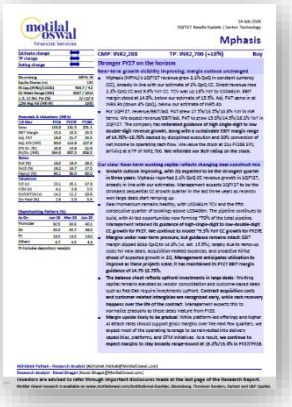


Mphasis — Buy

Current Price INR 2,420

Demand and industry outlook

- Management flagged a complex and uncertain macro backdrop, with the interest rate cycle reversing and the upcoming Fed meeting adding to unpredictability.
- Client caution was described as industry-wide rather than company-specific, driven by macro uncertainty, geopolitics, and AI disruption fears.
- Large infrastructure capex spend is expected to open up over the next 2–3 Management guided 2QFY27 to deliver the strongest sequential CC growth in three years, aided by ramping deal wins and the Red Oak vendor-consolidation deal.
- Pipeline has grown 2.8x since the launch of mphasis.ai and hit an all-time high in 1Q; AI-related deals now form ~70% of pipeline, up from 12% previously, and appear to be stabilizing at this level.


Mphasis

- The Red Oak vendor-consolidation deal is already factored into guidance; consummation expected around end-August/early-September, with only partial quarter impact in 2Q. Typical consideration on such deals runs at 1.0–1.2x revenue.
- Management framed the current AI cycle around closing the agency gap: the space between enterprise AI capability and the ability to govern and monetize it at scale.
- Enterprises are moving past the first innings of AI (model/tool adoption) into a phase demanding measurable ROI and governance, which management termed the agency gap.
- Growth was described as broad-based, supported by strong deal conversion and expanding platform momentum.
- Company closed three large deals in Q1, including one above USD100m.
- Tria platform saw early traction, with multiple opportunities moving from conversation to closure within seven weeks of launch — a faster-than-normal sales cycle.
- Total pipeline grew 8% QoQ and 28% YoY; non-FS pipeline was up 18% QoQ, and large deals (>USD20m) pipeline rose 10% QoQ. FS pipeline has doubled YoY.
- Client pyramid metrics showed continued wallet-share expansion: 5 new clients added in the USD20m+ band (TTM), 2 in the USD5m+ band (YoY), and 1 in the USD10m+ band (QoQ); top 1–10 accounts grew 11.1% YoY and 11–30 accounts grew 21%, reflecting continued account graduation.
- BFS: BFS grew 9.4% YoY and 0.8% QoQ in CC, extending a CQGR of over 3.5% across the past eight quarters, the strongest among peers, reflecting deep domain expertise.
- Insurance: Segment margin pressure tied to ramp-up on a transformation program is expected to normalize over the next two quarters; insurance remains a key growth driver for FY27.
- TMT: Returned to strong growth, up 16.4% QoQ and 13.6% YoY in CC, as recent deal wins ramped.
- Logistics & Transportation: Logistics faced headwinds from geopolitical disruption; as a smaller revenue base, percentage swings are more pronounced, though management flagged further work needed here.
- The Tria platform (alongside Modernize and Optimize) is positioned as a repeatable motion converting one-time transformation engagements into recurring, expanding platform revenue.
- FY27 guidance was reiterated at high-single-digit to low-double-digit CC revenue growth, with margins held within the stated band despite macro uncertainty.
- Other Current Liabilities: Declined sequentially, mainly due to (i) payment of ~USD14m in previously accrued contract acquisition costs on large deals, and (ii) payout of FY26 annual variable pay, which typically settles in Q1 — a seasonal pattern also seen last year.
- Free Cash Flow (FCF) to EBITDA: Currently tracking at roughly half the industry norm, reflecting upfront capital investment in large managed-services/outcome-based deals (invested over 12–18 months). Management expects this ratio to normalize from FY28, as older large deals begin generating incremental cash from recovery of upfront investment, offsetting the drag from new deal signings.

- Hedge Losses (OCI): Cumulative hedge losses on designated cash flows (per OCI) declined by ~₹50 crore between March and June. Management expects hedge losses to trend down further if the rupee stays near current/closing levels (~95), though full normalization in operating margin will take a couple of quarters.

Margin performance

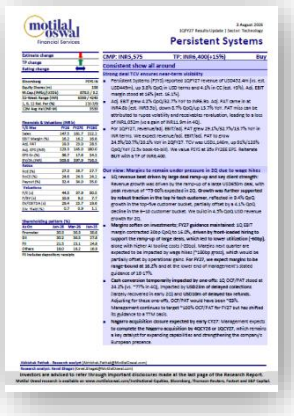
- EBIT margin dipped ~60bp QoQ in 1QFY27, hurt by ramp-up costs tied to new deal wins and Tria/DAP acquisition-related costs (acquisition impact estimated at ~35bp).
- Utilization dropped due to proactive hiring ahead of expected 2Q growth; management expects this to normalize as ramp-up completes.
- FY27 margin guidance was reiterated within the 14.75–15.75% EBIT band, with gross margin upside expected as platform/AI attach rates scale over the next 2–3 quarters.
- DSOs stood at 95 days, with management expecting steady improvement through the year.
- Full-year OCF/net income conversion guidance of ~80% was reiterated.

Persistent Systems — Buy

Current Price INR 5,510

Click below for Detailed Concall Transcript & Results Update





Growth and demand outlook

- Management reiterated a healthy demand environment, with the quarter's growth outperforming listed India IT peers by an estimated ~3.5% for the 16th consecutive quarter, reflecting continued market share gains.
- Demand momentum was driven by a mix of vendor consolidation wins against larger and mid-tier peers, as well as proactive outsourcing pitches, including the marquee USD650m+ deal signed in the quarter.
- Management indicated that growth is increasingly outcome-based, with clients favouring end-to-end deals, where PSYS owns delivery, tooling, and AI-led execution rather than staff augmentation.
- Client cohort growth was broad-based, with top five clients growing 21.2% YoY, top 10 at 19.1%, top 20 at 15.8%, top 50 at 17.1%, and top 100 at 17.4%.
- Cited measurable client outcomes: a kidney-care platform delivered ~30% lower readmissions, 20% higher patient engagement, and ~15% lower cost-of-care; engineering-led modernization work compressed cycles by up to 25% and lifted feature throughput by up to 40%; and an enterprise spend-intelligence platform for a travel management client delivered ~20% procurement savings and 10% operational improvement.
- **Nagarro combination:** An Open Offer document has been submitted to BaFin (Germany's securities regulator) for review, with publication expected in the coming week; RBI approval has been applied for, and FDI/merger control filings are progressing across jurisdictions. A bridge loan is committed, with long-term financing being arranged to replace it. The AGM was held on the results day, with voting outcomes expected by August 5. Deal closure is guided for 4QCY26 or 1QCY27 at the latest.
- Client count in the USD5m+ bucket rose to 60 from 56 YoY, while the USD10m+ bucket increased sharply to 32 from 22 a year ago, reflecting deepening account mining.

- The standout win was a 6.5-year, USD650m+ strategic services agreement with a US-headquartered global technology leader, covering product development, support, and cloud operations across multiple SaaS products.
- Management clarified this deal has already begun ramping, with ~75–80% of peak revenue expected to be realized in the current quarter and full peak run-rate visible from the following quarter; minimal incremental margin drag is expected as manpower has already been onboarded.
- Key sector-specific wins included a USD50m+ renewal-cum-expansion deal with a global insurance claims management provider (250+ application modernization), and an integration mandate with a US genomics and life sciences company following its proteomics acquisition.
- **BFSI:** BFSI grew 16.3% YoY, moderating from the low-20s pace seen in preceding quarters, though management does not read this as a structural slowdown, attributing QoQ bucket movements to a handful of client-level dynamics.
- **Hi-tech:** Software, Hi-Tech & Emerging Industries grew 15.7% YoY, reaccelerating sharply from 4QFY26 levels, led largely by the ramp-up of the new large technology-sector client.
- **Healthcare and Life Sciences:** Healthcare & Life Sciences led vertical growth at 16.4% YoY; management noted that the segment is moderating off a high base but the pipeline remains healthy across scientific instruments, medical devices, pharma/CRO and payer segments, while the provider sub-segment remains comparatively tepid. Full-year growth is still expected to be healthy.
- **North America** revenue grew 15.1% YoY in dollar terms; management expects it to strengthen further as the large tech deal ramps and the Nagarro integration broadens the US base over time.
- **Europe:** Europe grew 9.5% YoY; management expects a step-up post the Nagarro combination, given the meaningful European revenue base being inherited.
- **India:** India grew 15.8% YoY, its second consecutive quarter of strong growth; management clarified this partly reflects Global Capability Centre (GCC)-led procurement, where multinational clients increasingly route billing through India-based GCCs, described as a recurring but non-linear phenomenon tied to specific transformation/carve-out programs rather than a deliberate revenue shift.
- FY26 performance bonus was paid out at 103%, and the company rolled out its annual wage hike effective July 1, 2026, with an expected gross margin impact of ~180bp, partially offset by efficiency gains recouped largely within 2Q.
- Management framed its AI strategy around a 3C architecture — Core (trust, security, governance), Context (unifying enterprise knowledge and data), and Coordination (enabling people, applications and AI agents to collaborate), positioning "Enterprise Context" as the emerging differentiator versus foundation models alone.

Margin performance and outlook

- EBIT margin came in at 16.0%, up 50bp YoY but down ~30bp QoQ; EBIT grew 4.2% QoQ and 32.7% YoY to INR6,868.8m.
- PAT margin was 11.2%, down from 13.0% in 4QFY26, translating to an 8.7% QoQ decline but 13.7% YoY growth; the sequential dip was entirely attributable to a forex loss of INR1,052.7m, driven by rupee volatility and receivables revaluation.

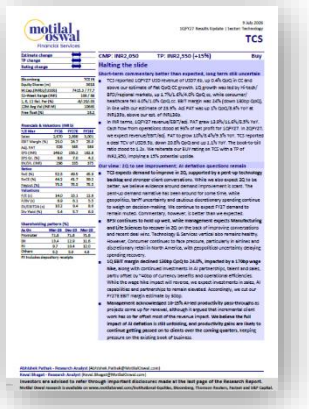
- QoQ EBIT bridge: lower utilization was a 60bp headwind (due to hiring ahead of large-deal ramp-ups), higher AI tooling/purchase costs were largely offset by
- personnel efficiencies (net 20bp headwind), while favourable currency movements (+30bp) and lower doubtful-debt provisions (+20bp) were tailwinds — netting to a 30bp QoQ margin decline.
- Effective tax rate rose to 22.5% from 21.5% in the prior quarter.
- Management guided to maintaining an operating margin band of 16–17% for the year, while declining to give more granular forward guidance.
- Return on Capital Employed (ex-cash) was 43.7%, largely stable versus 44.5% in 4QFY26.

Tata Consultancy Services — Buy

Current Price INR 2,287

Click below for Detailed Concall Transcript & Results Update





1QFY27 performance and demand outlook

- Demand momentum showed early signs of recovery, with management citing a pent-up technology backlog and indicating an optimistic outlook for 2Q.
- SG&A/investment spending rose ~16% YoY in USD terms, driven mainly by employee costs, partnership investments, and targeted M&A-related charges (following a reclassification that removed the earlier PAR/SG&A split).
- A cost-category refinement was undertaken this quarter to clarify previously elevated other expenses, with no impact on total expenses or margins; prior periods restated for comparability.
- Deal mix reflects only a marginal, not a significant, shift toward transformative net-new deals vs. renewals. Mega deal cadence has moderated to one in the current quarter vs. three in the prior quarter, though six mega deals have been signed over the last five quarters cutting across industries.
- Management guided to a progressive margin recovery through the year, with the wage hike headwind front-loaded in 1Q, targeting an exit rate above 25%, achieved sooner rather than later.
- Announced a global premier partnership with Anthropic, providing yearly access to the Claude model family, 50,000 licenses, a joint GTM campaign, co-created industry solutions, and TCS iON as a training/certification partner.
- On the "forward-deployed engineer" (FDE) trend, management drew a distinction from a product manager analogy, describing FDEs as deep, multi-skilled specialist engineers, building on TCS's existing rapid build engineer concept under its Innovate-Build-Scale with AI playbook.
- On AI-led productivity pass-through, management indicated gains of ~10-15%, achieved from day one of AI-led engagements but noted this is largely offset by additional client opportunities, so revenue impact remains limited. It explicitly pushed back on external estimates of a USD1t IT spend pool being reduced by ~USD300b, stating no such contraction is visible in TCS's own book of work.
- AI services revenue reached an annualized run rate of USD2.6b, up 13.6% YoY; however, incremental AI revenue addition moderated to ~USD75m in 1Q from ~USD125m in the Mar'26 quarter – management attributed this to the non-annuity, project-based (one-to-two quarter) nature of AI engagements rather than any structural slowdown, calling the trend inherently lumpy but consistently growing in client conversations.
- USD800m net-new mega deal with SKF – the sixth mega deal in the last five quarters, spanning infrastructure, applications, enterprise systems, and S/4HANA-led AI-native transformation (explicitly not an upgrade, but a full AI-

driven process mining and redesign), plus industry value-chain transformation, with global scope across SKF's operations.

- Multi-year strategic partnership with ServiceNow and a multi-million-dollar deal with a Europe-based Fortune Global 50 company.
- Client engagement models are evolving across outcome-based/output-commitment models, fixed-price/fixed-capacity ('AI lab') models, and traditional T&M, with a notable shift toward outcome-based commitments this quarter, particularly within autonomous GBS.
- **North America:** Airlines were called out specifically as under strain and stress.
- **India:** Salary structures for India-based associates were realigned with the new India Labour Code requirements, alongside the global annual increment cycle.
- **BFSI:** Delivered good growth across geographies; management remains quite optimistic on sustaining growth in the segment, including in the US.
- **Manufacturing:** Continued softness in select segments, notably auto, driven by tariff pressure, macro uncertainty, EV recalibration, and supply chain concerns. Outlook remains positive, anchored by the USD800m SKF deal; management expects manufacturing to turn around in 2Q.
- **Consumer:** Identified as the primary area of continued stress, with airlines (particularly North America) and non-essential retail most impacted by geopolitical uncertainty. Prior-year strong deal wins in retail/consumer have not yet fully converted to revenue, partly due to large legacy project run-off; recovery is contingent on better market sentiment on geopolitics.
- **Life Sciences & Healthcare:** Declined this quarter, though demand for core AI transformation, automation, and compliance remains intact; management flagged a stronger uptick in client conversations and expects a turnaround in 2Q.
- **On Gen AI:** Agentic AI deployment examples: 70 AI agents orchestrating IT operations for a large retailer across 60+ workflows, driving ~30% faster remediation and ~80% fewer incidents; seven AI agents (including medical and fraud-review specialists) deployed alongside human examiners for a global insurer, cutting claim settlement time by ~40%.
- Became the first Global System Integrator (GSI) partner for Mistral AI, targeting sovereign and custom enterprise AI models and a dedicated CoE across BFSI, healthcare, manufacturing, and public sector.
- On model architecture, management expects enterprises to adopt a hybrid multi-LLM/SLM approach (including potential use of open-source models), increasing the strategic role of system integrators in technology selection, integration, and AI FinOps.
- Launched a dedicated Global Value and Innovation Center business unit to support enterprises in building, operating, transforming, or divesting global capability centers; described as part of the broader 'HyperVault' initiative deepening 360-degree ecosystem partnerships, enabling two large net-new IT services deals this quarter.

Margin performance and outlook

- Operating margin at 24%, down ~130bp QoQ, driven primarily by a 170bp impact from annual wage hikes, partly offset by ~40bp of currency benefit and operational efficiencies.
- On the medium-term margin aspiration band, management indicated a balanced approach between growth investment and operating discipline, with intent to avoid inching back up toward FY25 levels even as reinvestment continues.
- Segmental margin contractions of ~250-300bp across manufacturing, communications, life sciences, and other segments were largely explained by

the common 170bp wage hike impact, with incremental segment-specific investment drag.

- ~14,000 campus graduates onboarded last quarter, with continued focus on AI-native and digital talent and active hiring across top universities.
- Management explicitly rejected the narrative of AI-driven white-collar job contraction, arguing that roles are shifting (toward prompt engineering, model training/testing, lifecycle management) rather than disappearing, and pointed to headcount growth this quarter as evidence; hiring strategy also reflects proactive top-talent acquisition ahead of demand.
- Associates logged 14.6 million learning hours and gained over 1.3 million competencies in the quarter.

Tata Elxsi — Sell

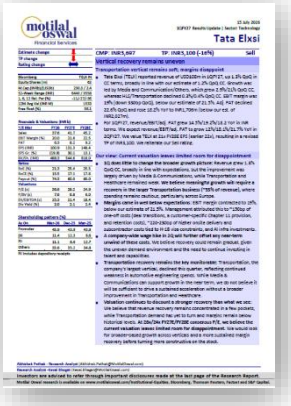
Current Price INR 3,637

1QFY27 performance and demand outlook

- Management flagged a challenging global environment, with continued softness in Germany/Continental Europe impacting the automotive vertical, while calling out visa-related cost pressures (H-1B) in the US as an industry-wide constraint.
- Demand trends were mixed across verticals - Transportation and Media & Communications saw healthy traction on the back of large deal ramp-ups, while Healthcare demand remained muted, with delayed deal closures from key clients.
- Large consolidation deals in Media & Telecom continued to ramp up, with the company benefiting as an incumbent vendor in client M&A transactions, gaining access to a wider project pool.
- Adoption remains measured and calibrated, particularly in mission-critical industries like automotive and healthcare, given large, complex, multi-year legacy codebases.
- Neuron platform helped a European telecom client (Sky) transition to zero-touch network operations, delivering 30-70% efficiency gains across parameters.
- Management retained its FY27 growth aspiration of high single digits, contingent on a recovery in the Healthcare vertical.
- Revenue was near flat, down 0.3% QoQ in CC, reflecting a muted global healthcare spending environment and staggered deal awards.
- Healthcare deal pipeline remains active, but paperwork/closure delays pushed expected wins beyond 1Q.
- The company won a strategic deal with a global medtech company for its AI-led material intelligence platform. It secured large automotive OEM, off-road and aerospace engagements in Transportation.
- Transportation: It contributes >55% of segment revenue. The segment grew 6.7% YoY in CC and 13.3% YoY in actual currency, led by large OEM engagements and strategic wins in off-road and aerospace.
- OEM mix now stands at 78% of automotive revenue, reflecting continued pivot toward OEM clients; Germany/Europe remain soft, but the US and APAC delivered strong recovery.
- Healthcare & Life Sciences: Revenue was near flat, down 0.3% QoQ in CC, reflecting a muted global healthcare spending environment and staggered deal awards. It contributes less than 10% of total revenue. The company continues to

Click below for Detailed Concall Transcript & Results Update





invest in platform capabilities and AI-enabled offerings, expecting the vertical to return to growth within FY27.

- Media & Communication: It delivered the strongest growth among verticals: +4.7% QoQ / +22.2% YoY in actual currency, and +2.9% QoQ / +11.5% YoY in CC. Management expects growth momentum to sustain over the next 2-3 quarters on the back of large pipeline deals in media/telecom consolidation.
- Americas: It outperformed across verticals, led by new deal wins and ramp-ups. Onshore delivery costs (forward teams, subcontractors) were elevated to support transition and mitigate visa-related delays.
- Europe: It continues to be the largest geography for Transportation (>40% of vertical revenue), but remains under pressure due to OEM softness, particularly in Germany.
- One customer's Chapter 11 filing led to a one-time higher provisioning during the quarter, factored into the margin bridge.
- Utilization stood at ~75%, providing headroom before aggressive fresher hiring resumes; fresher additions were modest (~100-150 in the quarter) versus the prior year.
- Attrition stands at ~16%; the company is prioritizing retention of niche/critical talent (AI, domain-specific skills) over broad-based lateral hiring.

Margin outlook

- EBITDA came in at INR2.16b, +15.7% YoY, with margin at 21.2%; EBIT margin contracted ~330bp QoQ, reflecting a mix of one-off costs and planned investments.
- Margin walk: ~40-50bp benefit from cross-currency gains, offset by ~150bp of one-off/transition-related costs (large deal transitions, select employee retention, a customer-specific Chapter 11 provision, and upfronting of annual costs) and ~220-230bp toward strategic investments (onsite delivery ramp-up, subcontractor costs due to US visa constraints, and specialized talent/AI infrastructure).
- Management expects the one-off cost bucket to largely unwind over the next 1-2 quarters, while investment-related costs should normalize gradually as ramp-ups stabilize and work shifts back offshore.
- A company-wide wage hike is planned in 2QFY27 (versus staggered hikes last year), which will partly offset the margin recovery from one-offs rolling off. A sequential margin improvement is expected through FY27 as revenue scales and hikes get absorbed.

TATA TECHNOLOGIES

Click below for
Detailed Concall Transcript &
Results Update

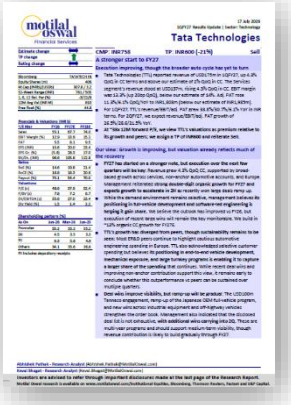


Tata Technologies — Sell

Current Price INR 810

Performance and demand outlook – 1QFY27

- The company noted a tapering of EV-specific investment over the past 18 months, replaced by a more balanced propulsion mix (ICE, hybrid, plug-in hybrid, full BEV); tariff-related uncertainty in the US is beginning to clear, unlocking fresh investment decisions.
- Customers remain selective on engineering budget allocation, particularly in the global auto value chain. This selectivity is increasingly favouring TTL as clients prioritize programs that accelerate launches, cut costs, and build software-defined capability.



- Guidance reiterated: strong double-digit organic revenue growth for FY27, with management indicating that growth should accelerate through 2H versus 1H, led by the ramp-up of recently closed large deals.
- Marquee win: USD100m multi-year strategic engagement with Tenneco, expanding beyond engineering into digital, AI-enabled processes, and operational transformation. Execution begins in 2Q, with ramp-up expected through FY27 and into FY28 (five-year deal, largely net-new business).
- Management views AI as a productivity force-multiplier rather than a deflationary/pricing risk, enabling faster product development cycles (full vehicle/top-hat development in 18-24 months versus 36-48 months for many Western OEMs) rather than a shrinking of addressable work.
- Management struck a confident tone entering FY27, calling it a breakout year versus FY26's transition phase, backed by strong order book visibility and large deal conversion momentum.
- Automotive non-anchor revenue rose to USD43.9m, up 6.7% QoQ / 56.3% YoY, reflecting continued reduction in customer concentration.
- Aerospace revenue grew to ~USD10.2m (+6.4% QoQ, +38.1% YoY), while rail revenue reached ~USD15m; both verticals are becoming meaningful diversification levers.
- Continued progress on the previously announced full-vehicle development program with a Japanese OEM and a new-logo win in a historically hard-to-penetrate customer segment are viewed as a strong validation of the company's capability.
- Management indicated the disclosed deal list is not exhaustive; additional wins have been secured and carried into 2Q, reinforcing confidence in FY27 guidance.
- Services Segment: Services grew 6.3% QoQ in INR/4.3% in CC, remaining the primary growth engine. Embedded & software revenue grew 8.5% QoQ, reflecting rising software content in vehicles and alignment with the software-defined mobility shift. Anchor account contribution to services revenue declined to 48.9% (down 150bp QoQ), signalling continued diversification; non-anchor contribution within total automotive stood at ~36%.
- Technology Solutions: Segment revenue grew 4.2% QoQ / 27.9% YoY CC to USD38.8m, led by the education business (+9.3% QoQ), while the product business declined 2.6% QoQ due to seasonality (stronger demand typically in the calendar Q4). Mixed change between education and product drove the 250bp margin contraction in this segment.
- AI-led efficiency was cited as a key lever supporting the medium-term margin expansion trajectory alongside scale and utilization gains.
- Management does not disclose stand-alone revenue contribution from the Stellantis Technology (S-tec) acquisition or specific customer-level splits (e.g., Tata Advanced Systems), but confirmed active cross-selling momentum at both BMW and VW/S-tec relationships.
- BMW TechWorks JV: crossed 2,000-engineer milestone; TTL's share of JV profit rose 43.5% QoQ to INR9.5cr, with total contribution (including deferred income of INR8.3cr) at INR17.8cr.
- Aerospace vertical targeted to scale toward a ~USD100m revenue ambition over the next 2–3 years, supported by Airbus supply chain positioning and Tata Group aerospace investments.

Margins:

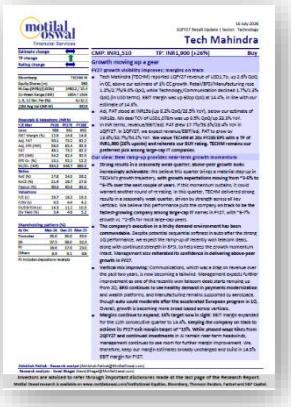
- EBITDA margin at 16.1%, up 10bps QoQ; EBITDA grew 6.1% QoQ to INR267cr.
- Services gross margin improved 120bps QoQ, partly offset by a 250bps decline in Technology Solutions margin due to an unfavourable mix (education outgrew product business).
- Margin performance was diluted by upfront investments tied to mobilization of large strategic/full-vehicle programs (talent ramp-up, capability building, transition costs) ahead of revenue reaching steady state.
- Additional near-term pressure flagged from Germany, where certain customers are undergoing restructuring, and from the 2Q annual wage hike; management guided to continued sequential margin improvement despite this.
- PBT for the quarter was INR252cr versus INR283cr in 4Q, though 4Q had benefited from a one-time Labour Code provision reversal; adjusting for this, underlying PBT rose 10.8% QoQ and PAT grew 11.3% QoQ to INR181cr.
- Operating profit (OB) rose 8.3% QoQ to INR239cr (likely typo in transcript, figure stated as 2,239cr).
- Management steered away from committing to a specific margin milestone (e.g., prior 18% EBITDA margin target by Q4), instead prioritizing growth capture alongside gradual margin expansion.
- The company delivered 9,000+ learning hours via Tech Varsity across GenAI, SDV and cybersecurity, upskilling 2,000+ employees; separately, it delivered 20,000+ training hours to 3,000+ employees, alongside 90+ Equality-focused programs across 40+ niche skill areas.

Tech Mahindra — Buy

Current Price INR 1,582

Click below for Detailed Concall Transcript & Results Update





1QFY27 performance and demand outlook

- Management termed the environment cautiously optimistic, citing intense but at times irrational competitive pricing (aggressive productivity commitments on long-tenure deals, fixed pricing despite rising chip/memory costs).
- Management reiterated confidence in achieving above-peer-average growth and a 15% operating margin for FY27, the final year of its three-year transformation plan.
- Management characterized the demand environment as stable at the core, though the mix is shifting – legacy application development is giving way to modernization and platform-led demand (ServiceNow, SAP, Salesforce).
- Management flagged large deals as binary and difficult to forecast beyond 1-2 quarters, though the pipeline remains healthy.
- No unusual signs of ramp-up delays or contract cancellations; occasional client queries on insourcing vs. outsourcing, but nothing outside historical norms.
- Communications grew 1.3% YoY, aided by stability in key accounts and ramp-up of prior large deals; QoQ growth was softer due to Comviva seasonality and a one-time cloud pass-through reversal from a client undergoing M&A (to normalize in 2Q). One of the two recently won large deals has not yet started ramping, implying further upside in coming quarters.
- Management remains positive on Comms for the rest of FY27, despite volatility at a large US telecom client.

- BFSI grew 8.1% YoY and 2.7% QoQ, led by payments modernization, wealth platforms, regulatory compliance and AI-led transformation. Announced the acquisition of Avanteus (Canada-based), strengthening payments and wealth capabilities – seen as a structurally high-growth segment growing faster than traditional IT services.
- Manufacturing delivered the strongest vertical growth at 17.2% YoY/9% QoQ, led by aerospace momentum and earlier-than-planned execution on a European automotive program (a ~130bp one-time tailwind, expected to reverse partially in 2Q). Auto demand remains mixed as cost/productivity pressure persists, but US auto weakness from last year is showing signs of recovery; auto-finance sub-segment showed resilience.
- Europe was a key growth driver this quarter, led by the accelerated automotive program delivery and an expanded multi-year AI-first private cloud partnership with Telefónica Germany.
- Growth was broad-based, with all verticals delivering positive YoY growth; management guided to sustaining above-peer-average growth for FY27.
- 1QFY27 revenue came in at USD1.66b, up 6.1% YoY (reported) and 6.6% YoY in CC – the strongest revenue growth since the start of the transformation journey.
- Key wins included: a US regional healthcare system (apps + infra managed services), an autonomous driving technology company (HD mapping/GIS), a global aerospace & defence major (database administration), and a global payments technology company (product engineering).
- Wins were broad-based across verticals/geographies, with the largest contributions from Manufacturing and BFSI.
- Management guided to resume hiring (fresh + lateral mix) for the remainder of FY27 given the healthy revenue growth trajectory.
- IT services headcount declined ~7% YoY, driven by AI-led productivity gains in the large fixed-price portfolio rather than demand weakness; surplus capacity was redeployed across engagements.
- 65%+ of associates certified under the AI belt program; 70% of eligible developers now enabled to code alongside AI tools; 100+ productivity benchmarks established across SDLC.
- Notable AI-led wins: a healthcare digital operations deal (targeting ~40% fewer tickets, 20% lower MTTR, 30-35% reduction in technical debt), a telecom managed-operations deal (targeting doubled release velocity, ~40% reduction in incident handling effort), and the largest BPS deal of the quarter - a marquee AI operations engagement with a large hi-tech client, where AI-related work formed the majority of BPS deal TCV.
- Partnered with Perplexity, deploying Perplexity Enterprise Pro across sales/client-facing teams.

Margin performance

- EBIT margin came in at 14.4%, up 60bp QoQ and 330bp YoY – the 11th consecutive quarter of margin expansion.
- Expansion driven by volume growth and Project Fortius savings, partly offset by seasonality (visa/travel costs) and business mix (dilutive impact from the accelerated European auto delivery).
- EBIT stood at USD238m/INR22b, up 53.3% YoY in INR terms.

- Management reiterated the FY27-exit target of 15% margin, calling out the upcoming wage hike (effective 2Q, phased) and AI-led productivity pressure as headwinds still to be absorbed.
- PAT was USD154m/INR14b, up 16.2% YoY, with PAT margin at 9.3%, up 80bp YoY; effective tax rate at 27.2%.
- Wage hikes to be effective in 2QFY27; rolled out in a phased manner.
- Free cash flow generation was USD167m, up 94% YoY; DSO improved to 84 days, down by 5 days QoQ (aided partly by one-off accelerated collections and FX, expected to normalize).

Wipro — Neutral

Current Price INR 180

1QFY27 performance and demand outlook

- Macro environment remains resilient but uncertainty continues to shape client decision-making, leading to longer decision cycles and more rigorous evaluation of tech spend.
- Management believes AI disruption is expanding the market, not shrinking it; clients continue to invest in AI, cloud modernization, cybersecurity, and productivity-led transformation, albeit with tighter linkage between investment and outcomes.
- Despite selective client spending, the pipeline remains healthy with strong engagement across markets and industries.
- Management flagged that some large-deal decisions slipped into 2Q, though the underlying pipeline remains healthy with no signs of vendor-consolidation deal loss.
- 2QFY27 guidance was pegged at -1.5% to +0.5% QoQ CC (USD2.574b–USD2.627b), reflecting continued macro and geopolitical uncertainty.
- Management highlighted ‘reimagined AI’ as the next growth vector, spanning AI advisory, data priming, agent orchestration, model ops, and sovereign AI, with token economics and RoI scrutiny increasingly shaping client conversations (CFOs weighing high-end LLMs vs. open-source models).
- The company completed an acquisition during the quarter (Mindsprint) and has transitioned from integration planning into execution. It is also deepening a partner relationship and exploring opportunities in the food & agriculture sector.
- IT service revenue came in at USD2.61b, rising 0.9% YoY but declining 1.2% QoQ in CC, within the guided range.
- Key wins included a global animal healthcare provider (operations modernization via Wipro Intelligence) and a European specialty chemicals company (application landscape transformation via the ‘wings’ platform, AI-powered digital command center).
- Order booking totaled USD3.4b, including USD1.6b of large deal TCV across 13 large deals.
- BFSI: BFSI grew 2.6% YoY but declined 1.2% QoQ in CC, with growth led by Europe (large-deal ramp-ups) and APMEA (ramp-ups plus new wins). Cost optimization and vendor consolidation remain key demand drivers, with savings increasingly reinvested into AI.

Click below for Detailed Concall Transcript & Results Update



- Healthcare: Healthcare declined 2.6% QoQ/3.0% YoY, pressured by structural and demographic headwinds in the US healthcare ecosystem and budget reallocation toward AI/compliance spend. Emerging opportunities are seen in claims processing, contact-center AI, and regulatory (HIPAA) compliance.
- Manufacturing: Consumer grew 1.9% YoY/0.7% QoQ; tech & communications was the standout segment, rising 10.8% YoY, led by strength in the Americas.
- EMR: EMR declined 3.6% QoQ/8.9% YoY, with softness concentrated in Europe and APMEA, though the recent chemicals-sector deal win is expected to support recovery; segment remained strong in the Americas, including LatAm.
- Headcount increase was driven entirely by the recent acquisition; excluding acquired headcount, organic headcount declined ~2,500 QoQ.
- The company launched an Applied AI Center of Excellence for Claude models, built in partnership with Anthropic, to strengthen frontier AI adoption with enterprise-grade governance.
- The AI-native Business & Platforms unit has moved from strategy to execution, building industry-specific AI platforms and forging ecosystem partnerships.
- Management cited multiple live client engagements, including a multi-agent healthcare system that reduced provider-enrolment processing time by up to 70% and manual effort by up to 90%; AI-led model safety/reasoning work for a global tech client; pharmacovigilance transformation for a life-sciences client; enterprise robotics roadmap for an energy client.

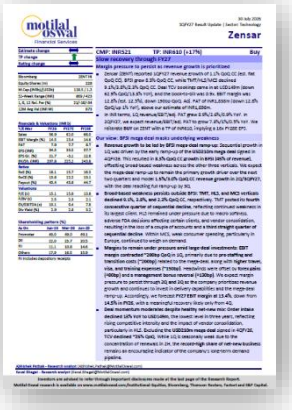
Margin outlook

- IT services margin stood at 16%, down 120bp YoY, driven by salary hike impact, large-deal ramp-up costs, AI investments, and acquisition integration expenses, partly offset by rupee depreciation and opex efficiencies.
- Management reiterated its 17–17.5% target band but declined to commit to a timeline, citing continued investment in the AI-native business, talent, and infrastructure; recovery levers include automation, bench utilization, pyramid restructuring, and agent-led delivery.
- On AI-driven deal economics, CFO noted that margin impact is deal-specific, not uniform — large traditional cost-optimization/vendor-consolidation deals carry near-term margin pressure as forward productivity gains get baked into pricing upfront, while newer “reimagined AI” engagements (data/AI advisory, smaller modernization pockets) are expected to be margin-accretive with premium rate realization.
- Management also flagged that rising competitive intensity in traditional IT/BPO work (as clients push to divert compressed budgets toward AI) is a source of margin pressure, whereas net-new AI programs carry better margin profiles than legacy cost-takeout deals. Management indicated it does not intend to trade margin for growth in the competitive segment.

zensar™

Click below for
Detailed Concall Transcript &
Results Update





Zensar Technologies — Buy

Current Price INR 478

Growth and outlook

- Demand environment remained mixed, with global macro uncertainty and geopolitical volatility continuing to weigh on client investment decisions.
- Management highlighted a structural shift as clients move beyond technology modernization toward AI-native transformation, reimagining operating models for productivity gains.
- Management remains confident of sustained revenue momentum, though near-term growth continues to be skewed by the large BFSI deal ramp-up.
- Book-to-bill guidance of 0.9x-1.1x of projected revenue was reiterated, with management noting that optics are skewed by the ~USD210m mega deal booked in the prior quarter (~one-third of company revenue).
- The company is actively evaluating inorganic opportunities, targeting scaled assets in the USD150-200m revenue range rather than tuck-in acquisitions, with 2-3 assets under active evaluation.
- Launched Zen.ai Agent Mesh, a universal enterprise platform for discovering, building, deploying and governing autonomous AI agents at scale.
- Scaled AI platform suite includes CI.QR (quality engineering agents), Agent Assurance/Agent Mesh (banking & risk agents), NCI. Guidewire (insurance delivery acceleration) and a content factory agent suite for marketing campaign execution.
- BFSI continued to be the key demand driver, while Healthcare & Life Sciences, MCS and TMT saw broad-based softness for the second consecutive quarter.
- Large deal pipeline (TCV >USD25m) remained steady at ~20% of the overall pipeline; no further mega deals are currently visible.
- **BFSI:** BFSI grew ~8.3% QoQ CC, aided by the ramp-up of the ~USD210m mega deal (execution commenced mid-Feb'26); management noted growth remained healthy even excluding deal contribution. Ramp-up is tracking ahead of initial expectations, with full revenue impact expected to be visible by 3Q.
- **TMT:** TMT declined ~9.1% QoQ, largely due to continued softness at the largest client; excluding this client, the vertical is reported to be performing well. Management noted ~75% recovery of the earlier revenue drop tied to client-side consolidation, with growth expected to continue in subsequent quarters.
- **HLS:** Revenue declined ~3.8% QoQ, marking the third consecutive quarter of weakness. Management attributed the decline primarily to portfolio/client-specific issues (consolidation at 1-2 clients) rather than broader macro softness, with some drag from adverse FDA decisions impacting biotech-focused clients.
- **MCS:** MCS revenue declined ~2.3% QoQ, with management flagging relatively weaker demand trends in Europe within this segment.
- USD10m+ client count increased by four YoY, which indicates reducing client concentration risk.
- Workforce expanded ~5.2% QoQ, with gross addition of 1,451 employees, up ~50% QoQ, largely aided by the large BFSI deal, though supplemented by broader hiring.

Margin performance and outlook

- EBIT margin contracted ~200bp QoQ, driven by pre-staffing/transition costs for the large deal (~2%) and higher travel, visa and training costs (~1.5%), partly offset by positive forex (~0.8%) and management bonus reversal (~1.3%).
- Gross margin declined ~300bp QoQ, primarily due to large deal ramp-up costs; management expects this to normalize as the deal stabilizes.
- PAT margin stood at ~12.2%, down ~220bp QoQ.
- Margins are expected to remain range-bound through 2Q/3QFY27 as investment priorities stay skewed toward capability building and large deal ramp-up, with margin recovery expected from 4Q onward.
- Diluted EPS for the quarter stood at INR8/share, up ~0.9% YoY.

TELECOM

- **Telecom players reported steady operational momentum in 1QFY27, supported by continued 5G adoption, premiumization-led ARPU growth, and sustained investments in network capacity. Home broadband remained a key growth driver, although net additions moderated amid tighter customer acquisition and FWA economics, with operators balancing fiber and FWA deployments. Enterprise and digital services continued to scale, driven by increasing demand for cloud, IoT, managed services, and data centers. Infrastructure demand remained healthy, with strong tower order books providing visibility despite temporary supply disruptions during the quarter. Operators remained focused on disciplined capital allocation, directing investments towards fiber, transport networks, 5G densification, and data centers.**

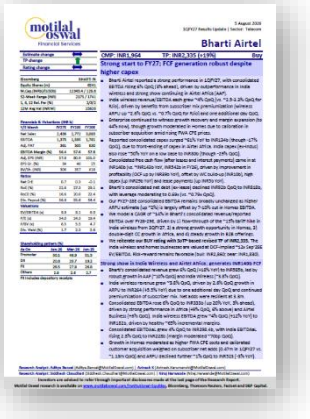
KEY HIGHLIGHTS FROM CONFERENCE CALL

	Outlook	Management guidance
Bharti Airtel	▪ Management indicated that though there is significant runway for premiumization-led ARPU growth, there is need to shift to consumption-linked plans. It believes fixing the pricing construct could drive ~4-5% annual ARPU growth over the long term, without frequent large tariff hikes or raising entry-level pricing.	▪ Management reiterated that radio capex has moderated, with investments now focused on transport backbone, fiber rollout, and data centers, while standalone 5G spending remains marginal. Data-center investments remain lumpy, with clear capacity and market-share targets, while capital allocation remains focused on disciplined growth..
Bharti Hexacom	▪ Management highlighted that 15-17 of the ~400 cities accounting for ~95% of the HBB market fall within BHL's circles. Given difficult terrain, it continues to use a mix of FWA and fiber, while reiterating strong HBB opportunity and growth expectations despite moderated 1Q net adds.	▪ Management highlighted that capex remains focused on 5G densification and scaling Homes, while continuing to invest as required for healthy, competitive and profitable growth, supported by a strengthening balance sheet.
Indus Towers	▪ Management indicated that the Africa expansion remains on track, with regulatory approvals and operating licenses received across Nigeria, Uganda and Zambia. Orders have been secured from the anchor customer, supplier orders have been placed, and partner onboarding has commenced, with rollouts expected to begin in the next quarter.	▪ Management indicated that the order book remains healthy with visibility for the next 3-4 quarters, comprising both network expansion and movement of existing tenancies.
Tata Com	▪ Order book momentum remained robust with several marquee deal wins across platform (ThreadSpan, Commotion) and enterprise segments. The focus is on acceleration of delivery engine to monetize the deal wins sooner	▪ Management aspires to deliver double-digit EBITDA growth in FY27, driven by higher-margin network growth, reduced digital portfolio losses through mix optimization, sales incentives aligned with contribution margins, ~50% reduction in lead-to-cash timelines, and disciplined capital allocation to improve cash generation.
Vodafone Idea	▪ Vi raised INR64b through partial proceeds from warrants (INR11.8b), funded and non-funded limits from external commercial borrowings, and Indian private sector banks. The company remains engaged with the SBI-led consortium of banks to close the larger fund raise.	▪ Management reiterated its three-year guidance of double-digit revenue growth and raising cash EBITDA by 3x to INR270b by FY29.
Reliance Jio	▪ RJio's subscriber base expanded to 533.3m in 1QFY27, with 5G subscriber base rising to ~285m (~53% of overall base), reinforcing its leadership in 5G. 5G Data Traffic is now 1.5x of 4G Data Traffic.	▪ Management continues to focus on migrating 2G users to 4G through JioBharat devices and affordable 4G/5G smartphones developed with partner OEMs.

Bharti Airtel — Buy

Current Price INR 1,925

Click below for
Detailed Concall Transcript &
Results Update



- **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. While there is a significant runway on 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 a ~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 1QFY27, 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. The offering enhances customer experience during congested network conditions while improving network efficiency and capacity.
- **Homes:** The company has deliberately tightened its customer acquisition in Homes after aggressive low-entry pricing resulted in weaker customer quality, higher churn and poor continuity across 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 fiber 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 toward building up stronger transport back-bone, fiber 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 in the next few years. Overall, priority for capital allocation is to drive disciplined growth.
- **Airtel Africa (AAF):** Management has reiterated its confidence in AAF as a key long-term growth opportunity, driven by low digital penetration, favorable demographics, headroom for financial inclusion and growth opportunities in Home Broadband, data center and Enterprise offerings. AAF has delivered 20%/24% CC revenue/EBITDA CAGR over the past five years, and management expects AAF's contribution in Bharti's overall mix to rise further given the significant headroom to drive penetration-led growth.
- **Financial services:** The group has commenced lending within nine months from the application of NBFC license and has repurposed its existing digital assets, CRM and channel platforms to build momentum. Loan disbursement (through NBFC and loan service provider agreements) has reached a monthly run rate of INR7.5b, with low delinquencies, lower customer acquisition and collection costs.
- **Nxtra:** Nxtra is entering a significant investment phase as Bharti seeks to scale up its data center capacity from ~120-130MW to 1GW over the next few years and increase its market share from current ~12%. The company has raised USD1b to accelerate investments, while additional debt funding may be raised

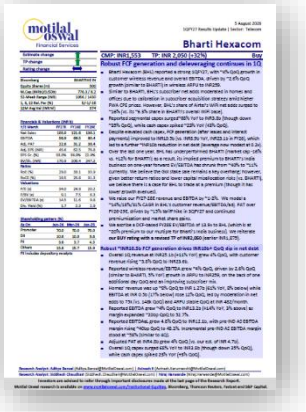
to fund the growth. Existing contracts, upcoming builds alongside Google in Vizag, and ongoing land acquisition in Mumbai provides confidence in the long-term expansion plan.

- **Airtel Cloud:** Airtel Cloud continued to witness healthy momentum with the addition of 11 customers in 1Q, taking the total customer count to 33. Management believes success in this business depends on four key factors – right talent, adequate capital, strong go-to-market capabilities and customer-relevant solutions, and intends to continue investing in these capabilities. Demand remains particularly strong for sovereign cloud solutions from regulated sectors and PSUs. The first phase of large investment is done and going ahead, it will likely be modular.
- **Enterprise:** Core-connectivity, wholesale and digital services are the key revenue streams within Airtel Business. Industry growth remains in low-single digits in core-connectivity; however, the company has seen some step-up in large deal wins, which boosted the underlying margins in 1Q. Wholesale continues to be affected by pricing pressure and shifts from SMS to OTT. The opportunity remains huge in digital businesses such as data center, IoT, cybersecurity and cloud, and the company is likely to witness acceleration with the step-up in investments, especially in data center and cloud offerings. Management expects margins to remain range-bound with a slight downward bias due to inherently lower margins in some of the digital services.
- **Indus' foray into Africa:** Tower companies in Africa operate at a higher capital and operating cost structure. Management expects Indus to replicate its low-cost architecture in Africa and drive meaningful savings on capital (construction, uptime) and operating costs (through lower IP and energy fees).

Bharti Hexacom — Buy

Current Price INR 1,599

Click below for Results Update


Bharti Hexacom

- **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

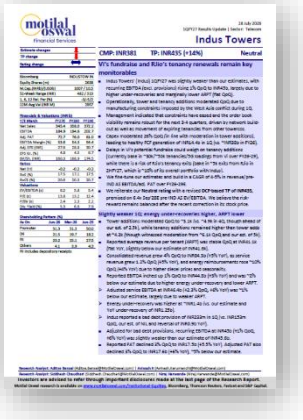
was available at sites. Consequently, the underlying sequential trend in energy costs remained stable, with partial impact from higher diesel prices likely in coming quarters.

Indus Towers — Neutral

Current Price INR 371

Click below for Detailed Concall Transcript & Results Update





- **Africa foray:** Management indicated that the Africa expansion remains on track, with regulatory approvals and operating licenses received across Nigeria, Uganda and Zambia. Orders have been secured from the anchor customer, supplier orders have been placed, and partner onboarding has commenced, with rollouts expected to begin in the next quarter. Management highlighted that Bharti's presence as the anchor tenant enables faster market entry and supports the business case, while engagement with other operators continues. Initial Africa capex is expected to be largely debt-funded.
- **Order book:** Management indicated that the order book remains healthy with visibility for the next 3-4 quarters, comprising both network expansion and movement of existing tenancies.
- **Moderation in tower additions during 1Q:** The initial part of 1QFY27 was impacted by supply disruptions arising from the West Asia conflict, which affected tower manufacturing. Management noted that suppliers have reconfigured manufacturing processes and constraints are now largely behind.
- **Energy under-recoveries:** Energy under-recoveries increased primarily due to seasonality and partly due to an adverse impact of past-period settlements. Over the longer term, increased solarization of sites, deployment of lithium-**ion** batteries and digital energy management should reduce diesel dependence and gradually reduce the energy under-recoveries.
- **Airtel Synergy:** Airtel provides significant strategic synergies to Indus, particularly in Africa, where it serves as an anchor tenant and gives the company greater confidence to deploy towers from day one. Airtel's established presence and market knowledge in Africa should also help Indus accelerate market entry and leverage existing operating experience. Management remains focused on maximizing these synergies to create value for both Indus and Airtel.
- **Dividend:** Management reiterated its commitment to distributing free cash flow to shareholders through dividends or other forms of cash distribution. Importantly, the Africa expansion is viewed as a separate long-term growth strategy and is not expected to materially affect the company's distribution framework. Initial Africa capex is expected to be moderate relative to India and is likely to be largely debt-funded. Consequently, management expects India free cash flow to be available for shareholder distributions, supporting a steady and progressive distribution policy.
- **Maintenance capex**: Management indicated that the increase in maintenance capex is primarily driven by the replacement of lead-acid batteries with lithium-ion batteries under the ongoing modernization program. While upfront capex remains higher during the transition phase, lithium-ion batteries have a longer useful life, which is expected to moderate maintenance capex and reduce overall lifecycle costs over time.

- **Product portfolio:** Management expanded its infrastructure offerings by introducing integrated IBS and built-to-suit hybrid solutions for residential and commercial complexes, metro and railway stations, highways, tunnels and government establishments. The company believes these offerings strengthen its leadership position and expand addressable connectivity opportunities beyond conventional tower deployments.

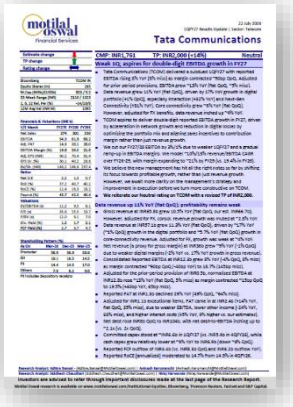
TATA COMMUNICATIONS

Tata Communications — Neutral

Current Price INR 1,661

Click below for Detailed Concall Transcript & Results Update




motilal oswal Financial Services

Tata Communications

- **Profitable growth agenda:** Management aspires to deliver double-digit EBITDA growth in FY27, driven by 1) focus on accelerating higher-margin network growth, 2) reducing losses in the digital portfolio by portfolio mix optimizations, and 3) aligning sales incentives on contribution margin rather than sales targets and improving execution by reducing lead-to-cash timelines by ~50%. Further, it targets improved cash generation through disciplined capital allocation.
- **Organization structure changes:** The company has reorganized its operating structure and onboarded several new leaders. The Customer Success group, headed by TCOM veteran Sumit Walia, will bring together sales, pre-sales, delivery, and assurance across geographies. Four product towers (Network, Infra, Interaction, and Services) have been created and will have separate leaders, supported by enabling functions. The objective is to convert TCOM's scale and capabilities into delivering profitable growth over the medium term.
- **CEO's initial thoughts and key focus areas:** The four key learnings from the CEO's discussions with 100+ global customers were i) rising preference for integrated end-to-end solutions, ii) partnering with global vendors capable of serving across multiple geographies, iii) emphasis on pure-play B2B providers focused solely on enterprise needs, and iv) focus on programmable infrastructure that can be consumed through APIs and AI agents. These insights have shaped the company's new customer-centric organizational structure and solution-led go-to-market strategy. His key priorities are maintaining an industry-leading net promoter score, improving employee engagement scores, and driving profitable growth.
- **Deal wins and order book:** Momentum remained robust with several marquee deal wins across platforms (ThreadSpan, Commotion) and enterprise segments. The focus is on accelerating the delivery engine to monetize the deal wins sooner.
- **Normalized revenue growth and margin:** Adjusted for INR depreciation, consolidated/data gross revenue growth was modest at ~2.8% YoY/4.1% YoY. Further, reported margins were hit by ~INR0.5b provision related to execution delays and complexity in a particular deal signed two years back. The normalized losses in the digital portfolio reduced to 6.9% (vs. 9.6% in FY25).
- **Deal Wins:** The quarter witnessed several marquee deal wins across platform and enterprise solutions. ThreadSpan secured contracts from a leading global card network and a large Indian conglomerate, while Commotion won enterprise Voice AI deployments for a major hospitality chain and a general insurance company. The company also secured an industrial connectivity deal with a large battery manufacturer involving managed LAN, Wi-Fi and IT-OT

integration, besides continuing to witness healthy traction from Global Capability Centre (GCC) customers.

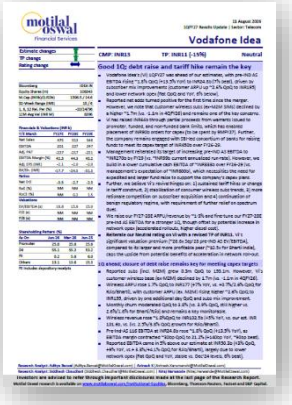
- **Core Connectivity:** Core connectivity revenue growth was highest in the last ten quarters, supported by strong demand for DC-to-DC connectivity and enterprise networking. Management believes AI-led growth in DC build-out and rising cloud adoption are creating a structural opportunity for its programmable network platforms. While pricing pressure remains, management believes TCOM's advantage lies in its differentiated network quality, low latency, resilience, service quality and platform capabilities.
- **Cloud:** Management believes its infra business has the most potential, while acknowledging that the growth in cloud business has been soft for the past few quarters, due to supply constraints in procuring new GPUs. Further, management is targeting a higher share of revenue from its own Vaayu Cloud offering (as opposed to reselling third-party cloud) to improve the profitability and RoCE in the business. A comprehensive cloud strategy, including capital allocation and growth roadmap, is expected to be presented during the upcoming Investor Day.
- **DC-to-DC Connectivity:** Management identified DC-to-DC connectivity as one of the company's largest structural growth opportunities. AI adoption is significantly increasing east-west traffic between data centers, creating demand for deterministic low-latency networks and programmable connectivity. With connectivity to over 100 carrier-neutral data centers, proprietary cable infrastructure and software-defined networking platforms, it believes the company has a strong competitive advantage and expects this business to remain a key growth driver over the coming years.
- **Media:** The growth was impacted by the cancellation of multiple sporting events due to the West Asia conflict. While management acknowledged near-term volatility, it indicated that media remains one of the portfolios requiring greater focus to improve profitability over time.
- **Capital Intensity:** Management reiterated that the current phase is focused on harvesting returns from the significant organic and inorganic investments made over the past few years, including network assets, digital platforms and acquisitions. While capital discipline will remain tighter going forward, the company will continue investing selectively in high-return opportunities such as subsea cable infrastructure and strategic network expansion.
- **STT:** The company's board will evaluate potential monetization of its 26% stake as and when STT decides to go for value unlocking through an IPO.

Vodafone Idea — Neutral

Current Price INR 14

Click below for Detailed Concall Transcript & Results Update

- **ARPU growth drivers:** Customer ARPU (ex-M2M) grew ~10% YoY to INR195 in 1QFY27 (+2.6% QoQ), driven by premiumization and higher data usage. Management noted significant headroom for subscriber mix improvement, given 2G subs still account for ~33% of customer wireless subs mix. Further, with improved 4G network capacity and selective 5G rollouts, the company is witnessing increased traction, with data subs upgrading to unlimited and non-


Vodafone Idea

stop hero plans, which provides further organic ARPU upsides in the absence of a tariff hike.

- **Subscriber trends**: Vi delivered its first quarter of positive reported net adds since the merger, largely driven by increased traction in M2M SIMs (for automatic meter reading, vehicle tracking, connected cars, and retail PoS machines). Management noted that the decline in VLR and customer wireless subs during 1Q was due to seasonality, and the underlying gross and net adds, as well as customer retention trends, remain healthy (as indicated by ~24bp QoQ dip in monthly churn).
- **Funding and debt raise:** Vi raised INR64b through partial proceeds from warrants (INR11.8b) and funded and non-funded limits from external commercial borrowings and the Indian private sector banks. The company remains engaged with SBI-led consortium of banks to close the larger fund raise.
- **Capex:** 1Q capex was adversely impacted by supply chain constraints, and management expects capex to spike over the coming quarters. With the closure of the initial fund raise, Vi has placed orders for capex worth INR90b (till 9MFY27) and reiterated its ambition of INR450b capex spends over FY26-29.
- **Network rollout:** Management expects to accelerate the pace of network rollout to 3-3.5k monthly site additions, with an aim to add 55-57k 4G sites over the next 18 months to achieve coverage parity with peers on 4G. Further, it targets to add ~86k 5G sites over FY26-29 (vs. currently ~16k sites on 5G).
- **Guidance:** Management reiterated its three-year guidance of achieving double-digit revenue growth and raising cash EBITDA by 3x to INR270b by FY29.
- **Network opex: Vi's network opex has remained broadly stable (vs. Dec'24 levels), despite significant network rollout, largely driven by internal efficiencies. However, management noted that inflationary pressures from higher diesel costs could be reflected in the coming quarters.**
- **Non-wireless revenue growth:** ~15% QoQ growth in non-wireless revenue and corresponding increase in access costs was attributed to opportunistic ramp-up in wholesale volume. Management indicated that while the business carries lower margin, it is cash accretive for the company.
- **External debt:** The company's external debt now stands at modest ~INR2.1b and it had earlier raised NCDs worth INR33b at one of the subsidiaries.
- **Product and market initiatives:** The company expanded its differentiated product portfolio, including a Spotify partnership for postpaid Vi Max users and a co-branded Non-Stop Hero proposition with PhysicsWallah across UP and Rajasthan. It also launched InstaData, providing eligible prepaid users with 1GB of additional data.
- **Enterprise business:** The Enterprise business witnessed strong demand across connectivity, cloud, IoT, business communication, mobility, and cybersecurity.
- Adoption remained strong across BFSI, manufacturing, utilities, logistics, and government sectors, supported by Vi's 5G infrastructure and growing technology partner ecosystem. The company also launched its latest MSME digital advisory platform and signed an MoU with Andhra Pradesh MSME Development Corporation to digitally empower 0.1m+ SMEs.

Utilities

- **Management teams remain optimistic about the FY27 power sector outlook, supported by strong demand growth amid prolonged summer conditions, delayed monsoons, higher cooling requirements, and improving industrial activity. Power demand grew 8.5% YoY in 1QFY27, with peak demand reaching 271GW in May and again in July. The medium-term outlook remains robust, with power demand expected to sustain a 5–6% CAGR and peak demand projected to reach ~388GW by FY32, driven by industrialization, urbanization, rising per-capita consumption, and increasing electrification. Policy support through PLI, ALMM, import duties, and schemes such as PM Surya Ghar and PM-KUSUM, coupled with growing demand from the US and Europe, is expected to strengthen domestic manufacturing capabilities and support a strong multi-year order pipeline.**

KEY HIGHLIGHTS FROM CONFERENCE CALL

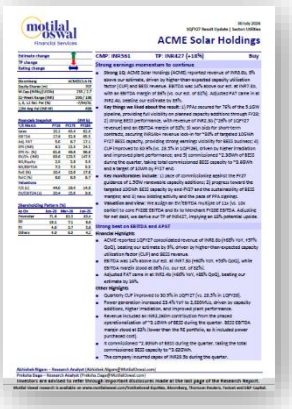
	Outlook	1QFY27 Highlights
ACME Solar	▪ It won short-term contract bids securing INR14b+ revenue lock-in for ~80% of targeted 10GWh FY27 BESS capacity ▪ BESS commissioning guidance was advanced with 10GWh+ now targeted by the end of FY27 (vs. CY27 earlier), alongside 1.5GW RE capacity commissioning during the year.	▪ Revenue was 9% above our estimate, driven by higher-than-expected CUF and BESS revenue. ▪ EBITDA was 14% above our estimate, with EBITDA margin at 86% (vs. our estimate of 82%). ▪ Adjusted PAT was 39% above our estimate.
JSW Energy	▪ 3GW of RE commissioning is targeted for FY27, alongside a capex of ~INR200b. ▪ Commissioning of Unit-4 (600MW) at KSK Mahanadi is targeted for FY28, with capital cost expected to be 25 to 30% lower than a comparable greenfield thermal project.	▪ Revenue of INR52.1b was in line. ▪ Consolidated EBITDA beat our estimate by 13%, as EBITDA margin came in at 55% (vs. our estimate of 50%). ▪ Net generation volumes for the quarter was down 5% YoY on account of weaker hydrology and a one-off in Mahanadi.
Power Grid	▪ FY27 capex/capitalization guidance of INR370b/ INR300b was maintained. ▪ TBCB is expected to remain the key growth driver, with bids for the Rajasthan Phase-IV HVDC project currently under evaluation. ▪ Bidding pipeline exceeds INR1.19t - ~INR738.8b under bidding (~80% interstate and ~20% intrastate projects), INR450b projects yet to be floated.	▪ SA revenue came in 8% below our estimate and EBITDA was 7% below our estimate. ▪ SA APAT was 3% below our estimate at INR35b, with other income coming in 29% above our estimate.
Tata Power	▪ Capex stood at INR53b in 1QFY27, with 40–45% allocated to renewables; FY27 capex guidance remains INR250b (~50% for renewables), while 2QFY27 capex is expected to exceed INR60b. ▪ Nuclear project preparatory work is underway, with execution plans to follow the government's regulatory framework. ▪ Rooftop solar- INR30b revenue target now expected by 2029 vs. 2030 earlier.	▪ Revenue/EBITDA beat our estimates by 4%/6%. ▪ Adjusted PAT beat our estimate by 9%. ▪ The strong results were driven by robust performance in the solar cell and module manufacturing business, along with the Indonesian coal mining business.
Suzlon Energy	▪ EBITDA margin for FY27 is likely to stand at 17-18%, with a +/- 1%-2% variation around this range. ▪ Capex of about INR7b in FY27 is guided to support growth and capacity expansion. ▪ Management is targeting 10GW of sales by FY31, with a 75:25 split between wind and solar, implying about 7.5GW of wind sales. ▪ Management is confident that the company should secure confirmed repowering orders before the end of FY27.	▪ Revenue came in 2% below our estimate, with WTG deliveries at 506MW vs. our est. of 532MW. ▪ EBITDA was 13% below our estimate as EBITDA margin contracted to 15.6%, mainly due to lower Wind Turbine Generator (WTG) contribution margin and higher-than-expected other expenses. ▪ Adjusted PAT came in 26% below our estimate.
IWL	▪ The order book stood at ~4.4GW (including the MOU with Inox Clean or its subsidiaries), providing 24–36 months of execution visibility. ▪ 4X wind turbine prototype installation remains on track for Aug'26, with commercial launch targeted by the end of FY26.	▪ Consolidated revenue came in 15% below our estimate at INR8.1b. ▪ EBITDA was 18% below our estimate with EBITDA margin at 19%, in line with our estimate. ▪ APAT missed our estimate by 48%.

	■ Inox Clean Energy is expected to add ~3GW of RE capacity annually, translating into a potential 0.75-0.9GW annual opportunity for INOX Wind (equipment), INOX Green (O&M), and IRSL (EPC).	
NTPC	■ Total FY27 capacity addition guidance stands at 9.5GW, with targets of 150GW/250GW by FY32/FY37 and the RE share rising to 40%/54% ■ The FY27 RE addition target remains unchanged at 8GW (0.7GW added in 1QFY27).	■ NTPC's standalone revenue came in 4% ahead of our estimate. ■ APAT beat our estimate by 17% as other expenses came in 20% below our estimate and 22% lower YoY.
PEL	■ The 7GW cell plant commissioning is on track, with trial production expected in Aug'26. ■ The management targets to achieve a CUF of 70% by 4QFY27. ■ EBITDA margin guidance of 29-30% was maintained.	■ Revenue came in 6% above our estimate. ■ EBITDA was 13% above our estimate, with margin at 29% vs. our estimate of 27%. ■ APAT beat our estimate by 25%, driven by lower-than-expected interest costs. ■ Module/cell production stood at 953/844MW, with CUF at 63%/92%.

Leading Through Innovation

Click below for Detailed Concall Transcript & Results Update





ACME Solar — Buy

Current Price INR 380

Operating and financial performance

- Revenue for the quarter stood at INR9.5b. Of this, INR2.3b came from BESS, of which 85% was from short-term contracts and the balance from merchant sales.
- CUF for the quarter was the highest ever at 30.9% vs. 28.5% in 1QFY26, and generation was up 23% YoY. Management attributed the improvement to continuous repowering of operating plants, which also lifts PLFs across the fleet.
- Blended EBITDA margin was 87%. EBITDA margin, excluding BESS, was 91%, and BESS margin was 82%.
- Curtailment reduced revenue by roughly 1%, entirely in state-based projects. ACME plans to add BESS capacity at these projects and route surplus solar into batteries (in line with the recent circular) to help eliminate curtailment.

Outlook and guidance

- BESS commissioning guidance has been advanced by three quarters to over 10GWh by the end of FY27 against CY27 end earlier.
- RE capacity commissioning target for FY27 is 1.5GW.
- Data center-related C&I projects look like a promising sector and the company has started building a team around it, with a concrete plan being evaluated.

BESS portfolio, contracts and economics

- ACME has 3.6GWh of BESS capacity (~40% of India's installed capacity), including 2.3GWh of COD during 1QFY27.
- The company has ordered 15GWh of batteries from CATL and others.
- Short-term BESS contracts secured so far lock in INR14b of revenue (representing ~80% of 10GWh of capacity).
- Realizations on short-term BESS contracts range from INR8-10 per unit, with bids placed on DEEP and the HP DAM market.
- Operating metrics for the BESS fleet: Round-trip efficiency (RTE) of 89%, depth of discharge of 93% and availability of over 99%, with the assets running one cycle a day on a typical four-hour configuration.
- Management reiterated that it does not intend to operate merchant capacity outside of a PPA framework. Around 10GWh of BESS will be kept available for merchant or short-term sales each year and then moved to PPA in the following year for the next 3-5 years.

- Battery is ordered for 90% of PPA-signed projects and management sees the current window as favorable given a 6% export tax in China, effective from Jan'27.
- Delivered BESS cost was locked in at a lower level earlier and could rise with lithium prices, though management capped the likely increase at 5% to 10% and pointed to savings on other components. Hedging gains are not being factored in, with USD300m of battery costs hedged at USD/INR of 89-92.
- Management indicated that 1Q is a seasonally slightly better quarter, and that BESS margins for the remainder of the year should be broadly similar, with a possible moderation of 2-5%.

PPAs and capital deployment

- Capex was INR30b during the quarter, and management guided to INR150-200b of capex across FY27. Financing of INR60b was secured during the quarter, and debt is tied up for 85% of the PPA-signed capacity.
- ACME Marigold is expected to be signed with one of the northeastern states shortly.
- Given high curtailment in Rajasthan, the company will keep plants, substations and evacuation infrastructure ready and operate the batteries in the interim rather than commissioning the project on T-GNA.

BESS Fire incident

- Technical analysis of the fire incident has been completed and the cause was traced to an electrical short circuit in the AC cabling of the transformer system, which led to an equipment shutdown.
- Management clarified that the fire did not originate in the BESS system and there was no damage to BESS equipment.
- Additional safety measures have since been deployed across sites, including flash sensors, AI-based video monitoring, fire barriers and cable protection, and long-term warranties remain in place.

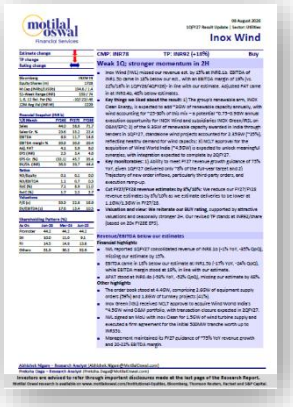
Sector demand, bidding activity and regulation

- Power demand was up 8.1% YoY in 1QFY27 on elevated cooling demand, with peak demand at 271GW during the quarter and 270GW again in Jul'26.
- Bidding activity has slowed as SECI, now effectively the only REIA, consolidates bids and will only come to market with firm demand. The quantum of bids is, therefore, lower but the bids are more serious, and the bid to PPA cycle time should compress.
- SECI-backed tendering is expected to pick up meaningfully in 6-9 months.
- Medium-term bidding from states is picking up as they resize and realign tenders against execution speed, and Gujarat and other states are coming out with FDRE-type structures.
- Bid volumes look lower on an MW basis, but each MW is RTC and therefore equivalent to 3-4 times plain solar capacity.

Inox Wind — Buy

Current Price INR 74

Click below for Results Update



Industry Outlook

- India's total installed wind capacity stood at 57.4GW as of June 2026.
- Management expects annual wind capacity additions of ~8–10GW over the next few years, supported by growth in RTC and hybrid renewable projects.
- Of the 9.3GW of renewable capacity awarded through tenders in 1QFY27, 2.35GW (~25%) comprised standalone wind projects, indicating healthy demand for wind capacity.

Order Book Highlights

- Order book stood at ~4.4GW, providing 24–36 months of execution visibility.
- Equipment supply accounted for ~59% of the order book, with the balance ~40% comprising turnkey orders. This excludes orders from INOX GFL Group entities and includes only orders received from third-party customers.
- INOX Wind signed an MoU for 1.5GW with INOX Clean Energy in June 2026, of which 500MW has been converted into firm orders so far.

Guidance & Working Capital

- INOX Wind reiterated its FY27 guidance of:
- ~75% YoY revenue growth
- 20–22% EBITDA margin
- The company has strategically pivoted towards equipment supply, which has lower working-capital intensity than turnkey EPC.
- Trade receivables declined in 1QFY27 and are expected to improve further as the share of EPC orders reduces.
- INOX Clean Energy is expected to add ~3GW of renewable capacity annually, and management expects ~25–30% of this capacity to comprise wind, providing a potential ~0.75–0.9GW annual opportunity for INOX Wind, INOX Green to handle entire O&M and IRSL to handle EPC.

4X Wind Turbine Model

- Execution of the 4X wind turbine model is progressing well, with foundation work completed and towers and other major components ready.
- The company remains on track to install the first prototype in August 2026, with commercial launch expected by FY26-end.

INOX Green

- INOX Green's portfolio stood at ~13.3GWp as of June 2026, comprising ~10.5GW of operating wind assets, with the balance comprising solar assets. The portfolio includes investments made to acquire ~6.5GW of operational wind assets.
- A significant portion of operating revenue is generated through value-added services such as turbine overhauls and life-extension activities. However, under current accounting treatment, these revenues are classified under other income, despite being operational in nature.
- INOX Green reported INR579mn of other income in 1QFY27, of which acquired assets and value-added services. The balance primarily comprised treasury income.
- NCLT Ahmedabad approval for the acquisition of Wind World India (~4.5GW) received
- Acquisition formalities are expected to be completed in 2QFY27.

- The acquired portfolio is expected to generate significant synergies following integration. The portfolio services customers including Tata Power Renewable Energy, Greenko and Hindustan Zinc, with assets spread across Karnataka, Maharashtra, Tamil Nadu, Rajasthan, Gujarat, Madhya Pradesh and Andhra Pradesh.
- The portfolio generated ~INR5.8bn revenue in FY26, with contracted annual price escalations of ~5%.
- Life-extension packages extend turbine operating life and improve output. Globally, turbine life is increasingly being extended from the conventional ~25 years to up to ~35 years, creating a substantial long-term opportunity.
- Management expects to offer life-extension services across a significant portion of the existing Wind World India fleet, providing an additional growth opportunity.

Demerger & Asset-Light Model

- The power evacuation infrastructure business has been demerged from INOX Green into INOX Renewable Solutions (IRSL), with August 1, 2026 as the record date.
- Following the demerger, INOX Green becomes a more asset-light business, which should support a significant improvement in ROE and ROI metrics.
- IRSL is expected to be automatically listed on the stock exchanges following receipt of the requisite regulatory approvals.

INOX Renewable Solutions (IRSL)

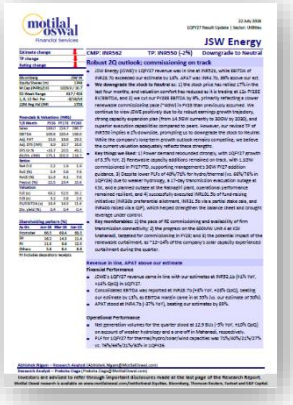
- IRSL will continue to undertake EPC projects, irrespective of whether the customer is INOX Clean Energy or another strategic customer, depending on market opportunities.
- The company is evaluating opportunities to expand its manufacturing capabilities, including transformers.
- Transformer manufacturing will not remain restricted to captive requirements from the wind and solar businesses; IRSL intends to move up the value chain and manufacture 100 MVA and higher-capacity transformers.
- IRSL is also evaluating manufacturing of high-value-added, high-margin power-electronics products, including inverters, Unit substations, and energy capacitor systems
- Management expects the expansion into higher-value manufacturing businesses to offset the impact of lower EPC volumes as the business becomes more diversified and asset-light.

JSW Energy — Neutral

Current Price INR 540

Click below for Detailed Concall Transcript & Results Update





Business Highlights

- Added 1.1GW of renewable energy (RE) capacity in FY27YTD, including 873MW commissioned in 1QFY27. Installed capacity increased to 14.6GW, with renewables accounting for 61% of the portfolio.
- Management remains on track to commission ~3GW of capacity in FY27.
- Planned capex of INR200b for FY27.
- At the Salboni thermal project, all key approvals have been received, 100% of the land has been acquired, major equipment orders have been placed, and site construction is progressing as planned.
- Increased stake in the JSW Power Systems–Toshiba joint venture to 10.7% from 2.4%, to de-risk the equipment supply chain and lower thermal project capital costs.
- Commissioned a wind blade manufacturing facility at Halol, Gujarat, on 8 June 2026.
- Signed an agreement to acquire the 300MW MCCPL thermal power plant in Chhattisgarh.
- The plant has a 195MW long-term PPA with Rajasthan DISCOMs, with a residual tenure of 14 years.
- Additionally, 5% of generation is supplied to the Chhattisgarh DISCOM at variable cost.
- Around 64MW is currently sold in the merchant market.
- Coal supply is secured through a long-term fuel supply agreement with CCL under the SHAKTI scheme.

1QFY27 Financial and Operational Performance

- Net generation declined 5% YoY to 12.9BUs, primarily due to lower generation from Mahanadi and hydro assets owing to weak hydrology. Management expects generation to normalize and meet full-year targets.
- Generation at Mahanadi was adversely impacted by a 17-day transmission evacuation outage caused by extreme wind conditions, resulting in a decline of 184MUs (7% YoY). The event is expected to qualify under force majeure provisions.

Balance Sheet and Funding

- Successfully executed INR101.5b of fund-raising initiatives, strengthening the balance sheet:
- INR30b preferential allotment, of which INR11.25b has already been received; the balance is expected by June 2027.
- INR31.5b raised through a partial stake sale.
- INR40b raised via a Qualified Institutional Placement (QIP).
- Gross debt stood at ~INR740b, with cash balances of ~INR129b.
- Management reiterated its long-term objective of reducing net leverage to below 5x by 2030.

KSK Mahanadi – Unit-4 (600MW)

- Unit commissioning remains targeted for FY28.
- Approximately 30% of construction work had already been completed before acquisition, with balance-of-plant (BoP), coal handling systems, ash handling systems, railway infrastructure, and transmission facilities already in place.

- Existing Chinese suppliers will continue to supply equipment for the remaining units.
- Management expects capital cost to be 25–30% lower than that of a comparable greenfield thermal project.

Battery Energy Storage System (BESS)

- The BESS facility is operational and ready to commence scheduled supply.
- Management expects the project to generate ~INR1.5b of annual EBITDA.

Renewable Energy Connectivity

- Of the 1.1GW commissioned in FY27YTD, 300MW is currently operating under Temporary General Network Access (TGNA) and is facing curtailment. This capacity is expected to transition to General Network Access (GNA) before 31st Aug'26, after which curtailment should cease.
- Additionally, 400MW from the O2 Power acquisition remains under TGNA, with GNA approval expected by September–October 2026.
- Of the 1.9GW additional commissioning during FY27, over 530MW comprises group captive projects, which are largely insulated from grid connectivity risks. Connectivity for the remaining capacity has also been fully secured.

Pumped Storage Projects (PSP)

- The Karnataka PSP project has received the required letter of intent, while remaining local approvals are at an advanced stage.
- The company has also identified an additional ~9GWh PSP site, which can be developed as future opportunities emerge.

Thermal Operations

- Lower PLFs during 1QFY27 were primarily attributable to planned maintenance outages:
- Utkal: Scheduled shutdown undertaken to ensure annual plant availability. Availability has recovered to over 91% in July.
- Ratnagiri: Planned outage had no material financial impact due to the two-part tariff structure, significant group captive offtake, and contracted capacity with MSEDCL. Lower demand during June also contributed to reduced generation.

Solar Operations

- Solar PLF stood at 21% during the quarter.
- Management noted that the second half is seasonally stronger for solar generation.
- Around 12–14% of solar capacity experienced curtailment during the quarter. PLFs are expected to improve once connectivity constraints are resolved and curtailment subsides.

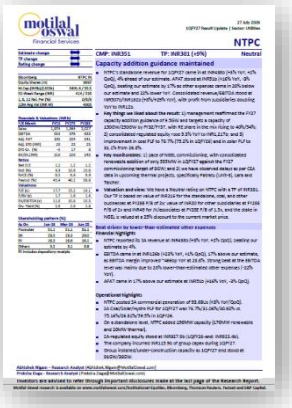
NTPC — Neutral

Current Price INR 335

Click below for Results Update

Demand environment and sector outlook

- Energy met has grown 9.3% in FY27 till date, while India coal-based generation is up 9% YoY. India peak demand has crossed 270GW and is estimated to exceed 450GW by FY36.
- As per NITI Aayog, India is targeting net zero by 2070, with non-fossil share in capacity rising from 53% in 2026 to 90% by 2050 and 98% by 2070, and non-fossil share in generation rising from 29% in 2026 to 78% by 2050 and 100% by 2070.



- India peak demand is projected to rise from 245GW in FY26 to 750GW by FY50, while electricity requirement increases from 1,708BUs in FY26 to 8,100BUs by FY50 and 13,000BUs by FY70.

NTPC positioning and generation performance

- NTPC accounts for 17% of India installed capacity and 24% of generation, with its share in electricity currently at 20% to 21% and rising, and management expects the company to maintain a 24% to 25% market share.
- NTPC generated 432BUs in FY26, which is about a fourth of total generation in the country, despite curtailment and backing down.
- NGEL generation doubled over the year to 15BUs from 7BUs.

Capacity addition and project pipeline

- Operational capacity stands at over 90GW, with 35.7GW under construction, and capacity at 1QFY27 end was 91GW, comprising 74GW thermal, 5GW hydro and 12GW RE.
- NTPC added 9.6GW in FY26, of which ~60% came from renewables, and the capacity addition target for FY27 remains unchanged from earlier guidance.
- The pipeline stands at 35.7GW under construction, along with a further 12GW under tendering, and management stated that the priority is to deliver projects on time.
- NTPC, along with MAHAGENCO acquired, the Sinnar thermal plant of 1,350MW, with COD of the first unit due in CY26 followed by progressive commissioning. Discussions are underway with state PSUs for acquisition of additional plants.
- THDC has commissioned 1GW Tehri PSP, and management is targeting 3-5GW of PSP capacity by FY33.
- The Tehri storage plant is progressing fast and is now expected to be commissioned in FY28, slightly delayed on account of certain guidelines.

Renewable energy and storage

- Operational RE capacity is 12GW, with targets of 28GW by FY28, 60GW by FY32 and 136GW by FY37, implying 76GW of addition between FY32 and FY37, and RE share in generation is expected to rise from 4% currently to 33% by FY37.
- RE capacity addition target for FY27 is 8GW, comprising a mix of solar, wind and BESS, against 0.7GW added in 1QFY27.
- The BESS portfolio stands at 38.9GWh, of which 6.6GWh is under construction and 32.3GWh is under planning.

Nuclear

- NTPC is targeting a contribution of 30GW toward the national nuclear target by FY47, through a combination of PHWR and PWR technologies.
- ASHVINI, the JV with NPCIL, has started construction of the 2.8GW Mahi Banswara PHWR project, and NTPC is working on PWR based projects as well.
- NTPC Parmanu has identified 30 plus sites across states, with site studies ongoing at 10 locations and one study already completed, and management indicated that more states are coming forward for nuclear projects.

Coal mining and fuel security

- All group mining assets now sit with NTPC Mining; captive mines met 18% of coal requirement; and management intends to take captive production to 25% of requirement over the next three to four years.

Thermal flexibility and grid balancing

- NTPC has worked with the regulator and GOI so that thermal energy can be stored and injected into the grid during high demand periods using BESS, with 5GWh placed on a similar regulated tariff basis.
- Management stated that where the requirement is only for one to two hours, curtailing RE is preferable to stopping thermal plants as it is beneficial overall, and added that plain vanilla solar will not disturb the grid.
- NTPC is advocating a uniform technical minimum PLF across states.

New business initiatives

- The GOI coal gasification incentive scheme is sized at INR370b, NTPC remains a serious contender in the bidding, and management is confident that coal gasification will be a serious opportunity.
- The green hydrogen hub is planned around 5GW of round-the-clock RE power and ~1,400 TPD of hydrogen, along with green chemicals comprising green ammonia of 4,300 TPD and green methanol of 1,500 TPD.

Long-term portfolio and generation mix targets

- Capacity is targeted at 150GW by 2032, comprising 84GW thermal, 6GW hydro, 1GW nuclear and 60GW RE, and at 250GW by 2037, comprising 97GW thermal, 11GW hydro, 6GW nuclear and 136GW RE.
- Generation was 432BUs in FY26 with 93% thermal, 3% hydro and 4% RE, and is projected at 673BUs by FY32 with 75% thermal, 3% hydro, 1% nuclear and 21% RE, and at 943BUs by FY37 with 58% thermal, 4% hydro, 5% nuclear and 33% RE.

Capex, borrowing and dividend

- Total planned capex is INR16,860b, comprising INR1,080b over 2025 to 2027, INR5,970b over 2027 to 2032, and INR9,810b over 2032 to 2037, with the last block weighted more toward nuclear.
- Weighted average borrowing rate was 5.98%.
- The board recommended a final dividend of INR3.5/share, which, along with the interim dividend of INR5.5/share, takes FY26 dividend to INR9/share, subject to approval. Management guided for a payout ratio of 36% to 40% going forward and indicated that the dividend will be maintained.

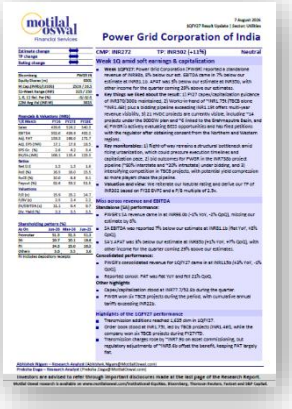
Power Grid Corporation — Neutral

Current Price INR 262

Operational & Financial Highlights

- 1QFY27 transmission additions: 1,635 ckm, equivalent to ~35% of FY26 additions.
- Capex: INR77.7b in 1QFY27 (FY27 guidance of INR370b).
- Capitalization: INR52.8b in 1QFY27 (FY27 guidance of INR300b).
- Key transmission lines commissioned during 1QFY27 included:
- 765kV Kurnool III–Maheshwaram Ckt 1 & 2
- 400kV New Navsari–Kala Ckt 1 & 2
- 765kV Dausa–Beawar Ckt 1 & 2
- 400kV Kadapa–Ananthapuram Ckt 1 & 2
- Post June 2026, major elements completed include:
- 765kV Raichur–Koppal II PS line
- 400kV Gadag II–Koppal II PS
- 400kV Bikaner II–Bikaner III

Click below for Results Update


Power Grid Corporation of India

- GFA/ CWIP stood at INR 3.25t/INR0.5t

Order Book & TBCB

- Works-in-hand stood at ~INR1.75t, including:
- TBCB: ~INR1.46t
- RTM: ~INR20b
- Smart metering, data centers, and other businesses: ~INR42b
- CWIP: ~INR50b
- PWGR won six TBCB projects during the period, with cumulative annual tariffs exceeding INR22b:
- Krishnagiri REZ Phase-I
- WR-ER Network Expansion (Part-A)
- Transmission System for GH2 in Kakinada Phase-I
- SynCon at Fatehgarh-II
- Augmentation at Bhadla-III, Ramgarh, and Kanpur
- Bidar, Karnataka (InSTS)
- PWGR has ~47% cumulative market share across all ISTS TBCB projects since inception.
- FY27 bidding activity: 19 projects have been bid till July 2026 across ISTS and InSTS, of which PWGR has won six.
- Bidding pipeline exceeds INR1.19t, comprising:
- ~INR738.8b under bidding, with ~80% interstate and ~20% intrastate projects
- ~INR450b projects yet to be floated

Transmission Investment Cycle

- Management remains positive on the structural transmission investment opportunity, supported by:
- National Electricity Plan and the proposed 900GW system by 2035-36, involving ~INR 7.9t of investment
- ~INR 6.4t of transmission opportunity linked to hydro potential in the Northeast/Brahmaputra Basin
- Rapid growth in data centres, with ~71GW of emerging demand
- Increasing focus on One Sun, One World, One Grid and cross-border grid integration
- Around 21 HVDC projects are currently visible, including ~14 projects under the 900GW plan and ~6 linked to the Brahmaputra Basin. International

BESS Opportunity

- Management highlighted BESS as an emerging opportunity for PWGR.
- CERC has recently amended the tariff regulations to provide for integrated storage systems, including batteries, potentially allowing transmission developers such as PWGR to develop BESS under the regulated framework.
- PWGR is actively evaluating BESS opportunities and has filed petitions with the regulator after obtaining consent from the Northern and Western regions.
- The scale of the opportunity will depend on the evolution of the power system and project economics.

Regulatory Revenue & 1QFY27 Profit

- Consolidated transmission charges increased 3% QoQ to INR109.1b, while total income increased to INR117.0b from INR114.4b.
- Consolidated PAT stood at INR36.0b vs INR36.3b in the previous quarter.

- Management highlighted that transmission charges increased ~INR7.9b due to the commissioning of new assets.
- However, profitability was impacted by the regulatory revenue trajectory:
- ~INR3.3b impact from depreciation-related regulatory adjustments
- ~INR2.3b impact from interest accrued due to the timing difference between PWGR's tariff petitions and CERC orders
- Total regulatory drag: ~INR5.6b
- Consequently, while the underlying PAT would have increased ~INR2.5b, reported PAT declined ~INR 0.3b.

Adjusted PAT

- The INR2.3b interest income relating to the differential between PWGR's tariff filings and CERC orders was significantly higher in 1QFY26 but is no longer materially available as the relevant regulatory orders have subsequently been issued.
- In addition, INR330m write-back recognized in the previous quarter was not repeated in 1QFY27.
- Accordingly, for a like-for-like adjusted PAT comparison, INR2.3b should be added to 1QFY27 PAT and INR330m deducted from the base period, subject to the exact treatment used in the financial model.
- Management clarified that there is no fundamental regulatory concern around tariff approvals; the timing difference primarily reflects the regulator's petition-processing cycle.
- During the intervening period, PWGR is entitled to interest at SBI MCLR + 100bps, which is subsequently recognized when the regulatory order is issued.

Regulatory Tariff Characteristics

- Under the regulated tariff framework, the tariff incorporates recovery of debt-related costs, including depreciation and interest.
- The debt component is effectively structured to be recovered over approximately 12 years, resulting in a natural decline in the tariff trajectory thereafter as the debt component reduces.
- Delays in CERC orders can result in additional interest income accruing to PWGR. This revenue is recognized when the relevant orders are issued, creating quarterly volatility.
- Management reiterated that PWGR's transmission revenue is not linked to power generation or power flow. Transmission tariffs are fixed on an annual INR basis rather than INR/MWh, providing relatively stable revenue visibility.

Profitability Despite High Capitalization

- Despite ~INR280b of capitalization in the previous year, reported profits remained broadly flat.
- Management attributed this primarily to:
- Lower availability of interest income arising from the differential between PWGR's tariff petitions and subsequent CERC orders
- Non-recurrence of certain write-backs recognized in earlier periods
- The normal regulatory lag between capitalization, depreciation recognition, and tariff determination
- Management reiterated that this does not indicate any structural deterioration in the business or regulatory framework.

- Transmission Execution & Supply Chain
- Transmission project execution timelines have evolved significantly. Earlier, timelines for transmission lines were typically 36–40 months.
- Following pressure for faster implementation, timelines were reduced substantially, with even 18 months being stipulated for certain 765kV double-circuit lines, which was challenging.
- The government has since revisited these timelines, with current execution timelines generally at 26–30 months or more.
- PWGR has increased the use of bulk procurement rather than project-specific procurement, providing greater visibility to equipment manufacturers.
- The recent relaxation allowing select Chinese companies to participate in bidding could further ease equipment shortages.

TBCB Returns & Equity Investment

- TBCB is expected to remain the dominant component of PWGR's growth pipeline, although competition for projects remains intense.
- The company remains comfortable with the risk-return profile and intends to ensure returns remain aligned with shareholder interests.

HVDC & Brahmaputra Basin

- Bids for the Rajasthan Phase-IV Barmer Complex HVDC project have been submitted and are currently under evaluation by the Bid Process Coordinator.
- One HVDC project related to the Brahmaputra Basin is already in the pipeline, with another expected to enter the pipeline by FY27.
- Management sees significant long-term potential for HVDC, but project award timing will depend on the evolution of generation and load centers, technology availability, and system economics.

Premier Energies — Buy

Current Price INR 1,008

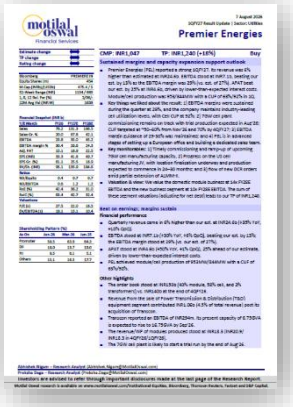
Cell and Module Capacity

- 5.1GW Seetharampur module plant is fully operational.
- 7GW cell plant revenue contribution should start from September, with trial production starting this month, 50-60% CUF from Nov'26 and 70% CUF targeted in 4QFY27.
- Have a healthy pipeline over the next 18 months for cell orders.
- Corporate Structure, Capital and Capex
- Capex in 1QFY27 was INR15b, of which INR2.5b was for Transcon and the rest on solar projects.
- The bulk of financing for the new cell and module capacity has been equity, and there has not been much increase in finance cost after commissioning of the same.
- No plan to raise primary capital in the near future.
- Post TOPCon, the company is looking at TOPCon Black Contact (TBC) and then possibly tandem cells.

Order Book and Sales Mix

- Won new orders of INR30.1b for cells and modules in 1QFY27, most of which were DCR orders.
- Of the INR150b order book, at least 40-45% will go into FY28.

Click below for Results Update



- Module orders in the orderbook are for FY27 and cell orders are for FY28-29, so the cell order share looks higher in the orderbook.
- Non-DCR module order inflow increased due to the ALMM-II partial extension, which was positive for PEL as module capacity is more than cell capacity.
- Non-DCR modules are not profitable, though there was a slight increase in margins in non-DCR modules during this quarter.
- As PEL moves forward, the DCR module share will go up in revenue versus only cells.
- Cell order pricing is variable based on silver, forex and other inputs, though prices are stable.

Industry Demand, PM Kusum and DC Overloading

- India added 12GW of solar in 1QFY27, and should do 20-24GW (DC) in the next nine months from PM Suryaghar and PM Kusum.
- DC overloading for PM Kusum runs across three components, A, B and C, with most installations happening in B and C. Solar pumps (B) have 1x overloading and ground-mounted (C) has 1.3x and 1.5x, so blended overloading is 1.2-1.25x.
- Mar'27 is the cut-off date for implementation of ongoing PM Kusum projects, so installations should be 6-8GW (AC) or higher in the next 9months. 10-12GW of PMSGY AC additions expected.
- PM Kusum and PM Suryaghar are getting over in Mar'26, so 2.0 versions may come in, and DCR demand may be significant from 4QFY27 onwards.
- New demand should come in the C&I segment from 1 Jan'27 onwards under ALMM-II, so demand should start coming in during 3QFY27 onwards.
- Realizations are ~24-25cents/Wp for PM Suryaghar and ~22 cents/Wp for PM Kusum, with C&I a little lower given larger scale.

Margins and Demand Outlook

- FY27 and FY28 demand is strong, and supply is constrained as new capacity and ramp-up are taking time. C&I clients are very selective and have started placing orders for FY28, blocking capacities from players with proven track records.
- The orderbook has similar margins to what is being delivered now at 29-30%, and the new cell line will give operational leverage as the DCR order mix increases.
- 29-30% EBITDA margin guidance will be maintained, backed by the new 7GW cell line, transformer capacity going up, and the ingot-wafer line also coming up in FY28.
- Not much movement in DCR spreads. Silver has dropped, but contracts are priced in dollars, so they are not much affected by the forex change. The company takes hedging positions for aluminum and silver.

Costs and Depreciation

- The jump in other expenses is due to hiring and training expenses for the new Naidupeta plant.
- Seetharampur module line has 40% lower employee cost/GW.
- Depreciation follows a 5-year schedule for all cell and module lines. The next two quarters will see depreciation increase as the Seetharampur module line has started, and once new cell capacity starts, the run-rate would be INR2.4-2.5b quarterly from 4Q onwards.

Transformers (Transcon) and BESS

- Margin guidance - higher than 15% EBITDA and 8-10% PAT.
- Exports are being looked at in North America, Europe and Africa. Revenue was INR4b for FY26, with INR12b+ expected by FY29.
- On BESS, land has been acquired, and construction has started for Phase 1. Partners for a containerized solution are being evaluated and should be finalized in 2-3 months, while regulatory clarity is awaited.
- Storage has become viable given cost and arbitrage of INR6-7, and 20GWh of storage capacity is expected this year.

International Expansion and Technology

US

- A JV is in place to set up cell manufacturing in the US, with the location being finalized now and concrete plans in place. With the Minimum Import Price proposal, it makes sense to manufacture in the US, and production can be expected to start in 24-30 months.

Europe

- PEL is in advanced stages of opening a European office and building a sales team there.
- Tenders have started to come out, and the market should open up substantially due to non-Chinese requirements, particularly Italy, France and Germany.
- Policy is still taking shape, and module imports from an FTA partner into the EU should receive the same treatment as domestic EU supply.
- Exports from India are the first preference, and at some point PEL may look at setting up a plant depending on demand growth and policies.

Saatvik Green Energy — Buy

Current Price INR 400

Capacity Expansion – Odisha

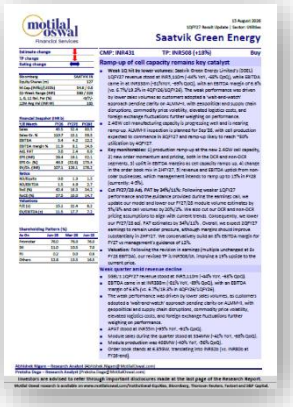
Phase 1:

- 2.4GW cell manufacturing capacity is progressing well and is nearing ramp-up. ALMM-II inspection is planned for Sep'26, with cell production expected to commence in 3QFY27 and ramp-up to reach ~80% utilization by 4QFY27.
- The 4GW module manufacturing facility is also approaching the production ramp-up stage.
- Co-locating cell and module manufacturing at the same facility is expected to provide integration and supply chain benefits.
- Phase 2: Addition of 3.6GW cell manufacturing capacity, taking total cell capacity to 6GW; completion targeted by FY28-end.
- Phase 3: 6GW ingot and wafer manufacturing capacity, with COD targeted by FY29.
- The broader strategy remains focused on strengthening the cell and module manufacturing ecosystem and subsequently integrating into ingot-wafer manufacturing.

1QFY27 Performance

- 1QFY27 performance was impacted by lower sales volumes as customers adopted a wait-and-watch approach, resulting in delays and deferral of procurement schedules.

Click below for Results Update


Saatvik Green Energy

- Geopolitical and supply chain disruptions, commodity price volatility, elevated logistics costs, and foreign exchange fluctuations further impacted operations and profitability.
- Module production stood at 408MW, while sales were 334MW.
- EBITDA margin was impacted by the absence of in-house cell manufacturing, intense competition in the non-DCR module market, higher input costs due to commodity and FX movements, and elevated logistics costs.
- Management maintained a selective order execution strategy, prioritizing profitable orders amid challenging market conditions.

FY27 Guidance

- Sales volume: 3.5-4GW
- Revenue: ~INR60b
- EBITDA margin: ~12%
- PAT margin: 6-7%

Order book & Business Mix

- Order book stood at ~6.35GW (equivalent to ~1.3x current module capacity), valued at ~INR82b.
- The order book is expected to be executed over the next 12-18 months.
- The order mix comprises ~30% DCR and ~70% non-DCR orders.
- The segment mix is ~70% utility and ~30% C&I/open access.
- DCR orders are expected to offer 18-20% margins. For DCR orders, the company plans to utilize in-house cells while also procuring externally, particularly for spot orders currently.
- The company has entered the B2C segment and is strengthening its distribution network and product portfolio.
- The non-solar module businesses currently contribute 4-5% of the business, with the target to increase this to 7-10% in FY27 and ~15% in FY28.

Margin Outlook & Cell Ramp-up

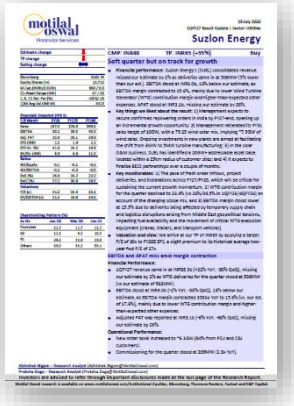
- Cell manufacturing ramp-up has been brought forward from the earlier target of 4QFY27.
- In-house cell manufacturing is expected to support a significant improvement in EBITDA margins.
- 2QFY27 volumes are expected to remain strong; however, margin expansion could remain limited due to ongoing geopolitical issues and the recent increase in cell and polysilicon prices.
- Encapsulant capacity is targeted to be increased to 5GW, which should provide greater control over the supply chain.

Financials & Capex

- Debt stood at ~INR12.5b, with D:E at 0.99x.
- Phase 1 cell and module capex is estimated at INR18.5b, while Phase 2 requires another INR16-17b. Of this, ~INR10b of capex has been incurred in FY27 YTD, with the balance under execution.

SUZLON
POWERING A GREENER TOMORROW

Click below for Results Update



Suzlon Energy — Buy

Current Price INR 47

Demand environment and sector outlook

- India wind installations are expected to cross 10GW in the near term and 15GW by FY31, and India is set to achieve the near target of 100GW by 2030.
- The ALMM SOPs create a level playing field for Indian players, and SUEL being fully compliant and well positioned vs. import dependent competitors. The SOP provides clear staged requirements for listing and inspection, along with a new import monitoring system.

Quarterly deliveries and execution

- SUEL delivered 506MW in 1QFY27 (its highest-ever first quarter deliveries) despite temporary supply chain and logistics disruptions arising from geopolitical tensions in West Asia.
- These disruptions deferred ~10%- 20% of deliveries, which are expected to be recovered in coming quarters.
- Installations grew to 269MW (117MW in 1QFY26), with more than 1,257MW of turbines erected but waiting for commissioning, which paves the way for an uptick in COD going forward.
- Management indicated that the usual seasonality of 35%-40% of deliveries in 1H and 60%-65% in 2H continues to hold.

Order book and DevCo model

- Order book stands at 6.1GW, with the order book mix at 84% from PSU and C&I (split 50:50 between PSU and C&I).
- DevCo has seen strong market acceptance reflected in 600MW+ of orders booked within four months, which translates into 60% of the business coming from the DevCo-led engine.
- Year three, four, and five DevCo orders, which are also part of the Suzlon 2.0 strategy, are yet to be similar to the current order pipeline and have been under development from the DevCo team for a while.
- For the DevCo model, the investment is capped at INR5b.

Margins and profitability

- 1QFY27 EBITDA and PAT were impacted by some deliveries being affected due to temporary supply chain and logistics disruptions arising from geopolitical tensions in the Middle East, which affected fuel availability and movement of critical equipment including cranes, trailers and transport vehicles required for WTG execution.
- EBITDA margin was lower as expenses were upfronted for the Suzlon 2.0 strategy, with the benefit expected to materialize over a period of time.
- EBITDA margins were 17% to 18% last year, and +/- 1% to 2% from there should be maintained in FY27 also.
- Margin impact of ~INR0.4b-0.5b was seen in 1QFY27 due to investments for Suzlon 2.0.
- EPC share was 22% in 1QFY26 and 32% this year, leading to a rise in material consumed costs and an increase in realization from INR56m/MW to INR63m/MW.
- OMS business margin in 1QFY27 was 43%, but the company tries to maintain about 38%-39%.

- The working capital cycle should not be negatively impacted by the increasing EPC share.

WTG portfolio, capacity, and capex

- SUEL successfully launched the S175 5MW turbine and secured the first customer order.
- The company is migrating to 5GW for the Indian market and 6.3MW for international markets. In international markets, it takes 18 to 24 months to start the first shipments.
- Other strategic investments are being made in new factories as part of the expansion, and all these investments should pan out over the next 12 to 18 months, with management hopeful that the payback for all of these is fairly short.
- Capex of about INR7b is directed toward growth and capacity expansion. Moreover, the 5MW series and others, as they come in, will require certain blade factories; hence, the company is now investing in these, alongside AI-enabled blade factories. It is investing into the future rather than simply focusing on the current 4.5GW capacity.

Repowering and international markets

- Export opportunities are under evaluation in Europe, Australia, Latin America, and Southeast Asia.
- Repowering has started gaining traction, with several opportunities ramping up in the next 2-3 years, with a potential of up to 25GW in India as a significant portion of the wind fleet was commissioned 10 to 20 years ago.
- By FY27-end, the company should have confirmed orders from repowering in India. Within international markets, Australia and Europe are also very promising.
- The company is also picking up markets where smaller turbines of the 2MW series for repowering are an opportunity in Europe and Australia.
- SUEL does not compete on price alone; it purely competes on the product and the delivery.

Horizontal expansion across solar, BESS, and foundry and forging

- On the solar side, SUEL has identified a 20GW+ serviceable solar asset base, leveraging its extensive field presence and infrastructure within a 25km radius of SUEL service locations.
- On BESS, the company should be able to close partnerships in the next couple of months, with a target of 3.1GW of capacity by FY31.
- In the foundry and forging business, the company is trying to increase the share of exports, with the strategy expected to pan out in the coming quarters.

TATA
TATA POWER

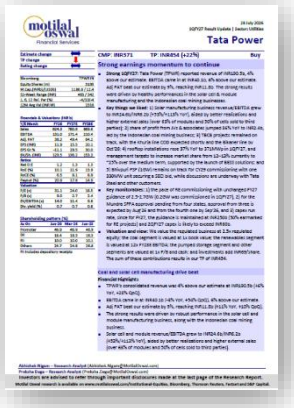
Click below for Results Update

Tata Power — Buy

Current Price INR 378

Renewable Energy (RE)

- Reiterated FY27 renewable commissioning target of 2.5–2.7GW.
- Commissioned ~200MW in 1QFY27, while ~500MW is expected to be commissioned over the next two weeks.
- Management highlighted significant progress in land acquisition and transmission connectivity, supporting a sharp ramp-up in commissioning from 2QFY27 onward.



Transmission

- Plans to invest INR100bn in the Mumbai transmission network over the next five years under the regulated model, with potential upside from operational efficiency and higher system availability.
- TBCB transmission projects remain on track:
- Khurja transmission line: COD expected within the next few days.
- Bikaner transmission line: Expected to be commissioned by Oct'26.

Rooftop Solar

- Reported 371MWp installation in 1QFY27 (+37% YoY). Management targets 60–70% growth in FY27.
- Order Book at Q1FY27 end stands at INR6.3b.
- Introduction of BESS solution for C&I rooftop customers is expected to enhance the overall value proposition.
- Management expects the guided INR30b revenue target by 2030 can be achieved ahead of schedule, potentially by 2029.
- Market share is targeted to increase from 12–13% currently to ~25% over the medium term.

Mundra UMPP

- For SPPA, out of the remaining four states, approvals from three additional states are expected by Aug'26, and the fourth state's approval is expected by Sep'26.
- Current supplementary PPAs are based on actual coal cost and operating parameters, making the arrangement largely a cost reimbursement mechanism.
- Mundra, Coal and shipping cluster EBITDA declined during the quarter; however, PAT increased due to a higher contribution from coal profits.
- Pumped Storage & Hydro
- The Bhivpuri PSP (1GW) project is expected to commission in CY29, with its three 330MW units commissioned at approximately two-month intervals.
- One 330MW unit has already won a SECI bid at an attractive tariff, while discussions are underway with Tata Steel and other customers for the remaining capacity.
- Construction of the 1,800MW PSP project is expected to commence in the latter part of CY26.
- Also tied up the PPA for 600MW of the Bhutan project and expects this plant to also become operational in CY30.
- Financial closure is progressing for the 1,125MW Dorjilung hydro project, supported by World Bank financing.
- The company is evaluating multiple additional PSP sites and expects to announce the next set of projects over the next 12 months.

Capex & Balance Sheet

- 1QFY27 capex: INR53bn, with 40–45% allocated to renewable energy.
- FY27 capex guidance: INR250bn, with around 50% earmarked for renewable projects.
- 2QFY27 capex is expected to exceed INR60bn, with nearly half allocated to renewables.
- Net debt metrics remain comfortable:
- Net debt / Underlying EBITDA: 3.41x

- Net debt / Equity: 1.25x

Nuclear

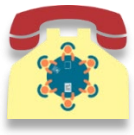
- Preliminary work, including land identification, geotechnical studies and water availability assessments, is underway.
- A detailed execution roadmap will be finalized once the government notifies the regulatory framework.

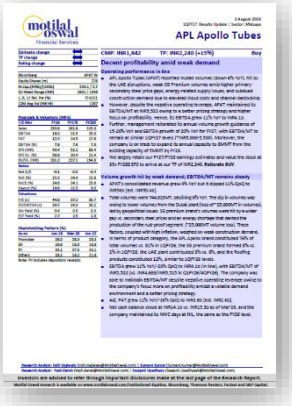
Others

APL Apollo Tubes — Buy

Current Price INR 2,116

Click below for Detailed Concall Transcript & Results Update





Operating performance

- The quarter was mixed, with volumes below expectations, while profitability exceeded expectations.
- Reasons for lower volumes: UAE operations were impacted by geopolitical disruptions, resulting in a QoQ volume loss of ~25kt. Volumes of the SG Premium brand declined due to increased competition from secondary steel materials, affecting products such as RustProof and Roofing. India's energy crisis impacted demand for certain products, reducing volumes by ~25-30kt.
- Inflationary pressures led to higher prices and concerns over a potential correction in commodity prices. Destocking by channel partners, while secondary demand from EPC contractors and real estate developers also weakened. The slowdown extended beyond structural steel pipes to other construction materials such as cement, tiles, plywood, plumbing pipes, cables & wires, electrical fittings and bath fittings. Monthly run-rate remained around 25kt during 1Q, with management prioritizing profitability amid an uncertain geopolitical environment.
- Gross profit per tonne improved QoQ, supported by better pricing
- Tata is adding ~4mt of pipe capacity (product-wise breakup not disclosed).
- Following the INR7-8k/tonne price increase in 4Q, channel destocking weighed on 1Q demand. Management does not expect prices to decline further and indicated that July performance was encouraging.
- EBITDA per tonne may moderate going forward as volumes recover.
- Increasing contribution from value-added products (VAP) is expected to improve EBITDA margins by ~100-200bp over time.
- EBITDA spreads are expected to remain in the INR5,000-5,500/tonne range during the year. EBITDA spreads improved after 4QFY25 following a price hike of ~INR500/tonne.
- Management is targeting EBITDA of INR6,000-7,000/tonne for APL and Roof products, while SG products are expected to generate ~INR500/tonne.
- A ramp-up in UAE operations could support EBITDA of INR6,000-7,000/tonne.
- Emp cost has increased due to annual increment and Low volumes (per ton)
- 15-20% of the portfolio – aggressive pricing may be done to gain market share
- General products 35% of total volumes in 1QFY27

PEB

- Steel pipes account for ~20% of the PEB industry requirements.
- Pipe sizes range from 150mm x 150mm to 1000mm x 1000mm.
- APL Apollo expects to cater to 60-70% of this demand.
- The company will continue to focus on serving this segment.
- Solar currently contributes a small share of volumes, but management expects this to increase to 4-5% over the next 2-3 years.

SG Premium

- Current pricing stands at ~INR58,000/tonne, around 6-7% lower than APL Apollo products.

- EBITDA spreads range between breakeven and INR1,000/tonne depending on micro-markets.
- The business remains viable when the price gap between primary and secondary steel is INR3-5/kg; however, at a gap of INR10-12/kg, the model becomes unattractive.

UAE

- The UAE business was impacted by geopolitical disruptions during 1QFY27, resulting in a ~25kt QoQ volume decline due to supply chain bottlenecks rather than weak demand.
- Operations have begun normalizing, with monthly volumes recovering to 10-12kt in July and expected to return to the historical run rate of 24-25kt by September.
- Management remains optimistic about demand and margins in the region once the raw material supply chain is fully restored.

Guidance and outlook

- Management continues to target over 20% growth in absolute EBITDA for FY27, while maintaining a 40% ROCE objective.
- Performance is expected to improve significantly in 2HFY27, supported by favourable macro conditions.
- Volume growth guidance of 15-20% has been maintained.
- The share of value-added products is expected to exceed 75% by 4QFY28.
- Monthly volumes are expected to reach ~335/350k MT during August/September.

Capacity and capex

- The company plans to expand its capacity from 5m MT currently to 8MT by FY28, with 2m MT of Greenfield and Brownfield capacity and 1m MT of Debottlenecking capacity.
- New capacities will start coming on stream from 2HFY27.
- Gorakhpur and Siliguri plants will strengthen the company's regional presence.
- The 1mt Malur plant will be entirely focused on value-added products.
- The facility is expected to support more stable volumes.
- Gorakhpur and Siliguri plants are expected to commence operations in 3Q.

ARVIND
FASHIONING POSSIBILITIES

Click below for Detailed Concall Transcript & Results Update



Arvind — Buy

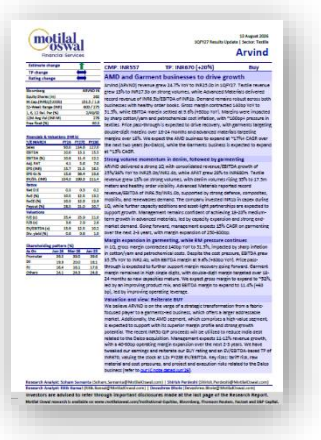
Current Price INR 518

Revenue & overall performance

- FY27 witnessed a strong start, with consolidated revenue growing 25% YoY to INR25b, while EBITDA grew 36% to INR2.4b; APAT increased 27.8% to INR680m.
- Textile revenue grew 13% to INR17.3b, supported by strong volumes across denim, wovens, and garments.
- Advanced Materials delivered record performance, with revenue/EBITDA reaching INR6.5b/INR1b, while EBITDA margin was maintained at 15%.
- Demand environment remained robust across textiles and advanced materials, with healthy order books and sustained customer engagement.

Textiles - strong volumes & demand

- Denim volumes hit a 16-quarter high, with fabric volumes rising 35% YoY to 17.5m metres, and demand visibility remaining strong through year-end.



- Wovens and garments volumes also grew, with woven volumes increasing 7% to 31.2m metres, while garment volumes rose 13% to >11m pieces.
- Growth is being driven by verticalization, product innovation, geographic diversification, and stronger customer proximity through global design hubs.
- Management remains confident on the textile order pipeline, with Bangladesh, India and Egypt providing a diversified sourcing proposition to global customers.

Margins & Cost Pressures

- Textile EBITDA margin stood at ~8%, impacted by a sharp rise in cotton/yarn and petrochemical-linked input costs; management indicated ~100bp+ pressure from war-related input inflation.
- Garment margin remained in high single digits, with management targeting double-digit EBITDA margin over the next 18-24 months as new capacities mature.
- Raw material inflation is being passed through with a lag, as orders are typically booked 3-4 months ahead and pricing is fixed.
- Advanced materials' margins were also temporarily impacted by higher petrochemical costs, but management expects margins to recover toward 16%+ as pricing catches up.

Advanced Materials - Growth & Opportunities

- India's Advanced Materials business witnessed strong growth, led by Human Protection and Composites; defence demand has normalized and the customer base has broadened across defence/paramilitary.
- Composites growth remains strong, driven by mobility, renewable energy, and infrastructure; normalized full-year revenue growth is expected at high teens to ~20%.
- Industrial growth was temporarily constrained by capacity/execution delays rather than weak demand; new capacity should support stronger growth from 4Q onwards.
- Management continues to target 18-20% medium-term growth, with additional opportunities in global defence, geotextiles, filtration, and high-value composite applications.

Capex, Capacity, and Asset-Light Expansion

- Around INR1b of capex was incurred during 1Q, focused on growth-oriented capacity expansion across businesses.
- In Advanced Materials, upgrades to two of seven Dalco lines are expected to come online over the next 3-4 months. Line 8 is also under evaluation and could add ~7-8% capacity.
- The company is pursuing an asset-light partnership/leased capacity model, requiring significantly lower capital while providing access to new geographies.
- Management sees potential for this partnership model to contribute ~20% of the overall business in the medium term, with higher RoCE despite slightly lower EBITDA margin.

Balance sheet & strategic outlook

- INR5b of QIP was successfully completed, with proceeds primarily earmarked for debt reduction and balance sheet strengthening.
- Post QIP, management expects debt levels to return broadly to historic levels, while Dalco's US cash flows should comfortably service its acquisition-related debt.

- UK/EU FTA opportunities are expected to provide incremental textile growth, although meaningful conversion of new European opportunities may take 18-20 months.
- Overall outlook remains positive, with strong demand, healthy order books, capacity additions, and diversified global sourcing positioning ARVND for sustained growth in FY27 and beyond.

Astral — Buy

Current Price INR 1,539

Click below for Results Update



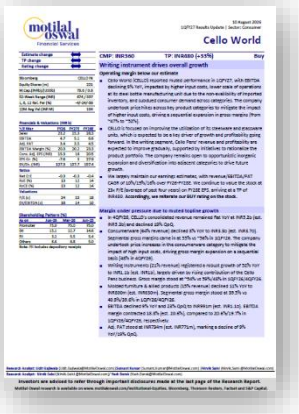
- Jul'26 witnessed a surge in pipe volume; maintains guidance of double-digit volume growth and 20%+ value growth in FY27.
- Channel restocking has started with a rise in polymer prices.
- ASTRA expects current high realization to sustain in the coming quarter also due to the upward reversal in PVC prices in 2Q and also the implementation of the MIP, which will protect the floor price of PVC.
- Strong growth in Adhesives and Paints are likely to sustain.
- Adhesives margin is likely to expand with full pass-through of RM cost inflation
- FY27 capex stands at ~INR3b.
- New plant for CPVC resin (40,000 tons) Phase-1 is progressing well for trial runs in 4QFY27 and will help in gaining market share and improve margins.
- Several new products (OPVC, PPR, etc.) are also scaling up fast.

Cello World — Buy

Current Price INR 358

Click below for Detailed Concall Transcript & Results Update





Guidance, Outlook, and Strategy

- CELLO has refrained from providing FY27 guidance; it remains watchful of 2Q performance amid macro headwinds.
- The company has a directionally positive outlook, supported by expected demand recovery and benefits from ongoing strategic initiatives.
- Focus areas: improvement of operating efficiency, distribution expansion, working capital management, and product portfolio enhancement.
- The company has made continued investments in adjacent categories and brand building, especially via e-commerce.
- It identifies steel-ware and glassware as key growth drivers; inorganic expansion opportunities are likely to be evaluated.

Operational Performance & Segmental Trends

- Consumerware was impacted by subdued demand and steel bottle stock-outs; the company has limited SKU availability (reduced from ~150 to ~20, expected to reach 50–55).
- Glassware revenue grew ~35% YoY, though utilization remains low at ~60% due to the impact of China dumping.
- Opalware reported a weak quarter; growth is expected to pick up in 2Q–3Q with festive demand.
- The margin of writing instruments segment was impacted by SKU rationalization; it is expected to stabilize going ahead.
- The moulded furniture segment is expected to remain stable with limited growth expectations.

Margins & Cost Pressures

- Gross margins: Consumerware ~55%, Writing ~54%, Moulded Furniture ~40%.
- Significant input cost inflation (polymer prices rose ~12–20%, high gas costs) impacted profitability.
- Price hikes of ~7–20% (consumer-ware) and ~10–14% (opalware) were implemented; demand will be impacted in the near term due to sharp price hikes.
- The company will experience limited pricing flexibility due to competitive pressure from Chinese imports; the pricing of imported products have not been hiked substantially.

Demand Trends & Channels

- Weak export demand and subdued domestic consumption can be attributed to inflationary pressures.
- The company witnessed strong traction in the e-commerce channel with healthy profitability. It remains a focus area for brand building.
- Channel mix: General trade 71%, Modern trade 5.3%, E-commerce 16%, Exports 7%.
- Channel inventory levels remain lower than average.

Capacity, Capex, and Expansion

- Utilization levels: Opalware ~80–85%, Glassware ~60%.
- New steel plant (8 lines) to drive incremental growth over the coming quarters.
- Peak revenue potential: Glassware INR2–2.5b; Steel-ware ~INR3b.
- Capex largely limited to maintenance and selective additions in the steel segment.

Other Highlights

- The Cello pens segment is ramping up. It is expected to contribute meaningfully to growth and margins.
- Kitchen appliances - present in niche categories but profitable growth.
- Branding & marketing spend is maintained at ~2.5–3% of sales.
- The Wimplast merger is nearing completion, with share allotment expected soon.
- Cash reserves have been maintained for potential inorganic opportunities.

Century Plyboards — Buy

Current Price INR 747

CENTURYPLY®

Click below for Detailed Concall Transcript & Results Update



- A significant increase in RM prices pushed CPBI to increase product prices across segments by 7-12% in Apr'26, along with other industry players. This led to channel stocking in March and drove strong volume growth across segments. However, the company had to roll back price hikes during the quarter in some cases to boost volumes.
- Plywood - Capacity utilization is near the optimal level. CPBI aims to improve its Plywood market share from ~10% currently to 15% in the next 3-5 years by delivering a CAGR of 12-15% in segment volume.
- Laminate segment is expected to revive strongly, aided by the launch pipeline of refreshed products and realignment of distribution channel.
- MDF segment reported a QoQ decline in revenue due to a planned shutdown at one of the two plants for capacity expansion. The company is adding capacities



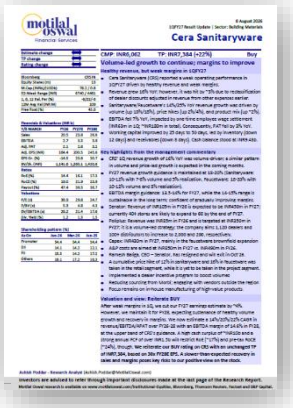
at its existing plants as well as new plants. High discounts prevail in the market despite hefty price hikes.

- Particle Board margin is expected to increase with better plant utilization.
- CFS is not a core business and CPBI is looking for a strategic partner.
- Capex: CPBI is expanding plywood capacities at multiple locations. A 25k cbm capacity at Chennai is expected by Jul'26, followed by an addition at Hoshiarpur in Oct'26. Major capex programs beyond FY28 are not finalized yet. Land is acquired in Uttar Pradesh for Plywood manufacturing, and MDF is still in process. The plans to set up a facility in Odisha for Plywood and Particle Board are still in early stages and will start after two years.

CERA

Click below for Detailed Concall Transcript & Results Update





Cera Sanitaryware — Buy

Current Price INR 5,692

Guidance & outlook

- 1Q revenue growth of 16% YoY was volume-led. A similar pattern in volume- and price-led growth is expected for the coming months
- FY27 revenue growth guidance is maintained at 18-20% (Sanitaryware: 10-12% with 7-8% volume and 5% realization, Faucet-ware: 18-20% with 10-12% volume and 8% realization).
- EBITDA margin guidance: 13.5-14% for FY27 while 14-15% range is sustainable in the long term
- Confident of progressively improving profitability over the course of the year
- Senator: Revenue INR105m in FY26 expected to be INR450m in FY27; currently 40+ stores expected to expand to 60 by the end of FY27.
- Polipluz: Revenue of INR85m in FY26 is targeted at INR350m in FY27; volume-led strategy; aims 1,120 dealers and 100+ distributors to increase to 2,000 and 200
- Capex of INR430m is planned in FY27, mainly in the faucet-ware brownfield expansion.
- Brand building & marketing cost is planned at INR850m in FY27 (FY26: INR490m)

Key business development

- 1Q revenue was hit by ~3% due to reclassification of dealer discounts to revenue itself from other expenses earlier
- A low EBITDA margin of 10.1% was mainly due to an INR63m one-time impact on account of employee wage settlement, which happens every 3-4 years
- 1Q sanitaryware revenue growth of 14% YoY was driven by volume (up 10%), price hike (up 2%) and product mix (up 2%)
- 1Q faucet-ware revenue growth of 25% YoY was driven by volume (up 18%), price hike (up 4%) and product mix (up 3%)
- Ramesh Baliga, CEO – Senator, has resigned and will exit Cera by 30th Oct'26.
- Cumulative price hike of 12% in sanitaryware and 16% in faucet-ware taken in retail segment while it is yet to be effected in project segment
- Elevated RM costs continue to impact gross margins, while price hikes were taken gradually only.
- Implemented a dealer incentive program to boost volumes
- Reducing dependence on sourcing from Morbi cluster via engaging vendors outside the region
- Focus remains on in-house manufacturing of high-value products

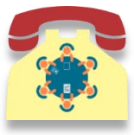
1QFY27 key financial highlights

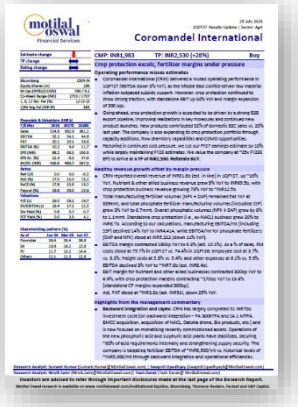
- Revenue grew 16% YoY, led by Faucet-ware (up 25%) and Sanitaryware (up 14%)
- EBITDA fell 7% YoY, impacted by a one-time employee wage settlement
- Consequently, PAT declined by 3% YoY
- Tier-wise revenue mix: Tier-1 38%, Tier-2 24%, Tier-3 38%
- Plants are operating at ~90% utilization levels
- Significant improvement in working capital cycle by 25 days to 50 days, aided by inventory (down 12 days) and receivables (down 8 days)
- Cash balance stands high at INR9.43b.

Coromandel Intl — Buy

Current Price INR 2,039

Click below for Detailed Concall Transcript & Results Update




Coromandel International

Fertilizer industry outlook

- The phosphatic fertilizer industry faced a challenging quarter due to a sharp rise in prices of phosphoric acid, ammonia and sulphur following geopolitical disruptions and supply-side constraints.
- Although the government increased NBS subsidy rates by ~10%, the revision was announced before the Middle East crisis and was insufficient to offset the subsequent spike in raw material costs.
- Industry-wide DAP and NPK production declined materially as current subsidy rates do not adequately compensate manufacturers for elevated input costs.
- Management emphasized that the key challenge is not demand but economics, as fertilizer availability remains adequate across the industry.
- Fertilizer manufacturers have already implemented price increases of roughly 25-30%; hence, further profitability recovery must come through subsidy revisions rather than additional MRP hikes.
- CRIN continues to engage with the government seeking the restoration of the six-month average pricing mechanism already provided under the NBS policy framework.
- Management indicated that the delay in subsidy revision is largely due to the government's rising fertilizer subsidy burden from higher urea gas costs and continued support for DAP.
- Industry participants have deliberately moderated production and procurement activity to avoid carrying high-cost inventories.
- Unless subsidy support improves, NPK production could remain constrained in the coming quarters as production economics remain unfavorable at current ammonia and sulphur prices.
- Management highlighted a major pricing distortion wherein DAP is available at significantly lower nutrient-adjusted prices than NPK fertilizers, though it does not currently see any major structural shift away from NPK consumption.
- CRIN remains optimistic that balanced nutrition policies, DAP availability constraints and crop-specific nutrient requirements will continue to support NPK demand.

Fertilizer business performance, backward integration and senegal mining

- Fertilizer production declined to 690k tons from 840k tons last year, as the company consciously moderated output amid raw material volatility and supply uncertainties.

- Capacity utilization stood at ~72%, with management prioritizing inventory optimization and prudent raw material management.
- Fertilizer sales volumes declined 9% YoY to 100k tons due to lower industry production and supply-side disruptions.
- Despite lower volumes, CRIN increased its primary fertilizer market share to 22% from 18% last year, reflecting continued competitive strength.
- Point-of-sale volumes increased 13% YoY to 790k tons, helping improve consumption market share to 16%.
- SSP volumes grew 19% YoY, supported by differentiated offerings such as Gromor Plus and Urea SSP.
- Premium and value-added products now account for more than 50% of SSP sales, demonstrating successful premiumization of the portfolio.
- Newly commissioned phosphoric acid and sulphuric acid plants have stabilized operations and achieved designed operating parameters.
- Sulphuric acid facilities have already reached rated capacity and are generating power as planned.
- Following the commissioning of these projects, nearly 60% of Coromandel's acid requirements are now internally secured, significantly reducing external dependence.
- Management reiterated its long-term objective of increasing fertilizer EBITDA from historical levels of ~INR5,000/t to around INR6,500/t once the integrated facilities achieve steady-state operations.
- The green ammonia project remains on track for commissioning in 4QFY27.
- The Senegal phosphate mining operation produced over 110k tons during the quarter and continues to progress as planned.
- Management emphasized that the Senegal asset should not be viewed merely as a mining business but as a strategic backward integration initiative providing long-term raw material security and value capture across the phosphate value chain.

Crop protection, NACL & CDMO strategy

- Crop protection delivered a record quarterly performance despite subdued domestic demand conditions, driven primarily by exports and B2B sales.
- Revenue increased 20%, while EBITDA grew 44% YoY due to favorable product mix and strong export demand.
- New products contributed 32% of domestic B2C sales compared with 20% in the previous year.
- Three new crop protection products were launched during the quarter.
- Capacity expansion for key active ingredients remains on track and is expected to be commissioned by September 2026.
- The company continues to build flow chemistry capabilities and dedicated launch facilities to accelerate commercialization of new products.
- Management indicated that key molecules are relatively insulated from Chinese competition, enabling better pricing and stronger profitability.
- Active ingredient pricing has improved meaningfully compared with the severe weakness witnessed a year ago.

- Coromandel is currently focused on expanding B2B exports but is simultaneously developing branded formulations and combination products to build a stronger B2C franchise over time.
- Management believes the first phase of NACL's turnaround has largely been completed, with margins improving from 3-4% at acquisition to double-digit levels currently.
- Further margin expansion will be driven through new product introductions, backward integration and higher-value intermediates.
- Coromandel and NACL are actively pursuing agrochemical intermediates and CDMO opportunities for global innovators.
- The company is adopting a phased and capital-disciplined CDMO strategy, initially focusing on chlorination-based intermediates before undertaking larger investments.
- Management views CDMO and intermediates as an important long-term growth avenue with significant scalability potential.

Specialty Nutrients, Biologicals, Nano Fertilizers & Agri-Tech

- Specialty nutrients and organic products delivered strong growth during the quarter, supported by increasing farmer adoption and favorable demand trends.
- The specialty nutrient business continues to generate EBITDA margins of approximately 20%, making it one of the most profitable segments within the portfolio.
- Coromandel launched three new products across water-soluble fertilizer and sulphur nutrition categories.
- The MAP project at Kakinada and seaweed granulation facilities are progressing as planned and will support expansion into differentiated crop nutrition products.
- Capacity expansion in bentonite sulphur and specialty nutrients has temporarily faced headwinds due to abnormally high sulphur prices, though management views this as a short-term issue.
- Seaweed granulation, gypsum granulation and specialty micronutrient granulation projects are expected to expand the company's differentiated portfolio and improve margin profile.
- Biologicals delivered steady growth across domestic and export markets.
- The company developed two new products in bio stimulants and microbial categories during the quarter.
- Coromandel is increasingly integrating biological manufacturing in-house, replacing outsourced white-label sourcing and improving value capture.
- Nano fertilizer volumes grew during the quarter, supported by strong demand for Nano DAP.
- The company continues to maintain nearly 60% market share in the nano fertilizer segment.

Retail expansion, distribution & farmer engagement

- Retail delivered exceptional performance with revenue increasing 85% YoY, supported by stronger farmer engagement and network expansion.
- Store profitability improved significantly, with 76% of stores profitable compared with 61% in the corresponding period last year.

- The company added 22 new stores during the quarter, taking the network to more than 1,200 outlets.
- Management intends to utilize the retail network as a key channel for monetizing recently commissioned fertilizer capacities.
- Approximately 50% of incremental fertilizer volumes are expected to be sold through Coromandel's own retail network.
- The company is strengthening its presence in Maharashtra, Tamil Nadu and Andhra Pradesh while also leveraging established markets such as Uttar Pradesh and Rajasthan.
- Coromandel continues to invest in digital commerce platforms and farmer engagement initiatives to improve customer acquisition, retention and cross-selling opportunities.
- Management does not foresee any significant challenge in absorbing incremental fertilizer volumes through its expanding distribution footprint.

Technology, policy reforms and innovation initiatives

- Management expressed strong optimism regarding the government's QR-code-enabled fertilizer traceability initiative and believes it could become one of the most important structural reforms for the sector.
- Under the pilot framework, fertilizer purchases are linked to farmer identity, landholding size, crop type and recommended nutrient requirements.
- The system has the potential to reduce excessive fertilizer usage, improve nutrient balance and minimize subsidy leakage.
- Management believes the successful implementation could eventually pave the way for the direct benefit transfer (DBT) in fertilizers.
- The pilot program is currently being tested across multiple states, with encouraging results observed in Telangana.
- CRIN received Responsible Care Certification during the quarter, reaffirming its commitment to health, safety and environmental standards.
- The company is establishing a Corporate Research Centre at IIT Madras Research Park focused on nano-technologies, biological solutions and advanced chemistry platforms.

Others

- Consolidated revenue increased 15% YoY, driven by stronger fertilizer realizations and robust growth in non-subsidy businesses.
- Consolidated EBITDA declined 3% YoY due to sharp raw material inflation and inadequate subsidy compensation.
- Subsidy-linked businesses contributed 77% of revenue but only 48% of EBITDA, highlighting pressure on fertilizer profitability.
- Subsidy receivables stood at INR32.54b at quarter-end, with an additional INR5.68b received subsequently.
- Management indicated that the company has invested nearly INR70b over the last five years across backward integration projects, acquisitions and crop protection expansion.
- The current focus is on monetizing these investments, improving asset utilization and enhancing return on capital rather than pursuing major greenfield capacity additions.
- Annual maintenance capex is expected to normalize at approximately INR3b.

- Crop protection investments are already generating attractive returns, with some projects expected to achieve payback within three years.
- Management remains confident that fertilizer profitability will improve materially once raw material markets normalize and recently commissioned integrated assets reach steady-state operations.

EPL — Buy

Current Price INR 250

Outlook & Guidance

- FY27 revenue growth guidance upgraded: EPL now expects high-teens revenue growth over the next few quarters, versus its earlier expectation of early double-digit growth.
- EBITDA margin guidance maintained at ~20%, despite operating in a high-inflationary environment.
- PAT expected to grow in double digits in FY27.
- The upgraded outlook is supported by strong performance in the B&C segment, continued momentum in Oral Care and ramp-up of Thailand operations.
- Management expects growth momentum to remain strong while continuing to focus on margin expansion and capital efficiency.
- Tax rate is expected at ~20–22% for FY27.
- Management's long-term vision is to build EPL into a broader consumer packaging leader in emerging markets, with four key priorities:
- Strengthen B&C and Oral Care, leveraging innovation, customer relationships and new technologies.
- Accelerate expansion in high-growth markets, with Thailand being an important near-term growth driver.
- Drive sustainable margin expansion through operating leverage, cost efficiency and disciplined capital allocation.
- Go beyond tubes by expanding into adjacent packaging formats and selectively pursuing acquisitions.

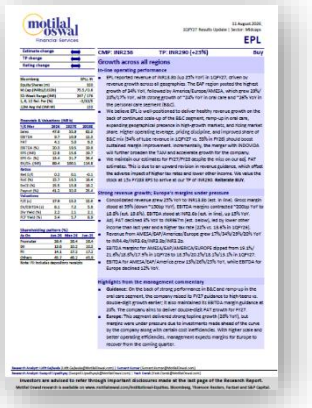
1QFY27 Performance & Growth Drivers

- Excluding the pass-through impact of raw-material prices, underlying revenue growth was ~20% YoY.
- EPL was able to fully pass through the increase in input costs, protecting underlying profitability.
- B&C revenue growth exceeded 20% YoY, supported by broad-based growth across key markets.
- Oral Care also grew >20% YoY, driven by strong customer engagement, service and product quality, resulting in market-share gains.
- Personal Care and Beyond now accounts for 54% of the portfolio, highlighting the continued diversification beyond traditional categories.
- Sustainable tubes accounted for 44% of total volumes, reflecting continued progress toward more sustainable packaging solutions.

Beauty & Cosmetics – Strong Growth Opportunity

- B&C remains a key growth engine, with 20%+ growth in 1QFY27.
- EPL sees significant long-term growth potential in B&C, supported by a strong customer pipeline, innovation and adoption of new technologies.
- B&C market share currently stands at only ~8%, providing significant headroom.

Click below for Detailed Concall Transcript & Results Update



- Management aims to double B&C market share to ~16% over the coming year.
- Growth remains broad-based, with all key B&C markets performing well. Thailand operations are ramping up well and are expected to become a significant contributor to B&C growth.

Oral Care

- Oral Care delivered 20%+ growth, supported by strong customer relationships, service levels and product quality.
- These factors have helped EPL expand its market share.
- Management remains confident of continued growth as the business ramps up further.

Europe – Margin Recovery Expected

- Europe delivered strong revenue growth, continuing the positive trajectory seen over the past few quarters.
- However, margins remained under pressure due to transitional/operational costs and identified cost inefficiencies.
- Management has identified the operational issues and initiated corrective measures.
- EPL expects operating leverage and cost efficiencies to support margin recovery over the coming quarters.
- The company continues to target mid-teens margins in Europe over the medium term.
- Europe is a large and diversified B&C market, and EPL has invested in additional capacity to support the strong customer pipeline.
- The expanding customer pipeline should gradually reduce dependence on select customers and support better scale economics.
- EPL's European manufacturing footprint comprises Poland and Germany, with certain operations having been centralized in Poland to improve efficiency.

INDOVIDA Merger

- EPL has received CCI approval for the Indovida transaction, and the merger is progressing within the expected timeline.
- Management considers the transaction to be strongly EPS accretive.
- Indovida recently reported strong operating performance:
- Volume growth: 11%
- Revenue growth: 25%
- EBITDA growth: 62%
- EBITDA margin: 27%, up ~600bps
- EBITDA: ~INR3.8bn
- Management is currently not disclosing detailed synergy estimates, as the merger process is still underway.

Strategic Rationale

- Expand the product portfolio beyond tubes into adjacent consumer packaging formats.
- Enter high-growth emerging markets, including markets where EPL currently has limited/no presence.
- Become a supplier as well as an innovation partner for customers.
- Increase the addressable market through new formats and geographies.

Capital Efficiency & Working Capital

- Working capital increased during the quarter, primarily due to:

- Higher inventory requirements following the increase in raw-material prices.
- Elevated safety-stock levels amid uncertain supply-chain conditions to avoid disruptions.
- Receivable days remain under control.
- Net debt increased as EPL made certain capex investments ahead of the curve to support future growth.
- Management remains focused on capital efficiency and sustainable margin expansion.

Pricing & Cost Inflation

- EPL has successfully passed through the entire increase in input costs.
- Currency and freight-related costs, along with raw-material inflation, have also been fully recovered through pricing.
- Management expects to continue operating in a high-inflationary environment over the coming quarters, while maintaining the ~20% EBITDA margin objective.

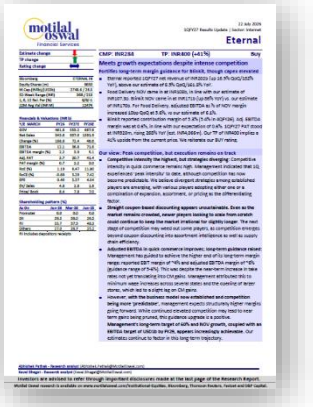
Eternal — Buy

Current Price INR 320

Demand and growth outlook

- **FD:** NOV growth of 20%+ YoY came from a combination of new customer additions (accelerating over the last 3-4 quarters) and higher order frequency among existing users.
- Food Delivery's adjusted EBITDA margin expanded to 5.6% of NOV, nearing the upper end of the 5-6% steady-state guidance range; management does not view margin and growth as a trade-off at this stage.
- **Blinkit:** Management refreshed its steady-state ROCE framework: capex per store at INR25m (vs INR10m earlier), NWC at 12 days of NOV (vs 18 days), and NOV per day per store at INR1.1m (vs INR 0.7m) — implying a pre-tax ROCE of ~41.7% at a 4% EBIT margin.
- Consolidated B2C NOV grew 54% YoY to INR 311b, led by broad-based acceleration across all three consumer businesses.
- Going-out (District) NOV grew 60% YoY (18% QoQ) to INR32b, well ahead of the company's earlier long-term guidance of 30%+; management attributed this to genuine platform strength (IPL was present in the base quarter too) rather than a seasonality artifact.
- Adjusted revenue surged 173% YoY (17% QoQ) to INR206b; like-for-like growth was a more moderate 66% YoY, with the gap reflecting the shift to the inventory-led (1P) model in quick commerce.
- Food delivery NOV grew 20% YoY, marking the fourth consecutive quarter of acceleration; management noted GOV growth was a few percentage points higher, though this metric is being discontinued going forward as NOV better reflects underlying performance.
- Consolidated adjusted EBITDA grew 223% YoY (29% QoQ) to INR5.5b, with all four core segments showing YoY margin expansion.
- Going-out losses narrowed to INR0.7b (-2.0% of NOV) from -2.7% last year, though management flagged the business remains structurally lumpy given the dependence on the events/movie calendar.
- Tax expenses have stepped up meaningfully this quarter as carried-forward losses at the standalone parent entity are set to be fully utilized in FY27; the

Click below for Detailed Concall Transcript & Results Update



housing quick commerce subsidiaries, Hyperpure and Going-out, continue to carry accumulated losses available for set-off.

- Consolidated cash balance rose INR3.2b QoQ to INR183b, aided by treasury income and a tax refund, partly offset by higher capex and working capital outflow.
- **FD:** Contribution margin held broadly stable at 10.2% of NOV, while adjusted EBITDA margin expanded to 5.6%, translating into an INR6b profit (+34% YoY).
- Management sees limited impact from newer discount-led entrants (Toing, Ownly), arguing that their price-driven traction lacks structural economics and is unlikely to be sustainable; the company's own response has been calibrated rather than aggressive.
- **Customer cohort economics remain healthy:** 4Q retention averages 46% (most recent cohort at 50%), improving further to 48-49% in the next 2-3 years; NOV retention compounds faster, with cohorts spending nearly 3x their initial quarter's value three years post-acquisition.
- **Blinkit (Quick Commerce):** 200 net new stores were added in the quarter, taking the total count to 2,443; NOV growth acceleration was largely seasonal and broadly in line with expectations.
- Long-term adjusted EBITDA margin guidance has been nudged toward the higher end of the 5-6% range, supported by rising capex per store, larger average store sizes, and improving warehouse efficiency.
- Inventory losses remain steady at ~1.8% of NOV, concentrated in perishables, and are already netted off within gross profit; management expects this ratio to stay largely range-bound going forward.
- AOV has declined for two consecutive quarters, reflecting seasonality and competitive price-matching; management does not expect structural AOV expansion, viewing wallet-share growth as coming from higher order frequency rather than larger basket sizes.
- On competitive intensity, management characterized 1Q as the peak of competitive intensity to date, but views the nature of competition (subsidy-led) as increasingly predictable; it believes discount-led growth traps rivals in unsustainable cash burn, whereas Eternal's infrastructure-led approach builds durable operating leverage.
- Trade payables rose ~INR17b QoQ, which management clarified is scale-driven rather than a reflection of extended credit terms from brand partners.
- **Hyperpure:** Revenue grew 27% YoY on a like-for-like basis (+6% QoQ) to INR10b; reported revenue declined 54.9% YoY due to the quick commerce business model transition, which reclassified certain sales away from Hyperpure.
- Adjusted EBITDA margin expanded to 0.6% (INR 60m profit) from -0.8% (INR 180m loss) a year ago, continuing a gradual profitability improvement trend.
- Going-out (District): Platform scale continues to expand, now covering 45,000+ restaurants, 5,000+ movie screens, 6,000+ retail stores, 7,500+ events and 2,000+ activity outlets.

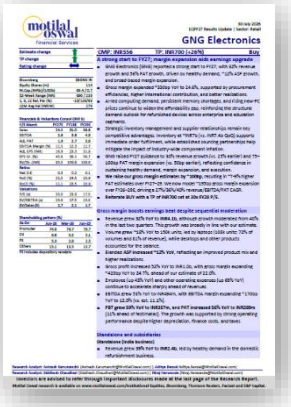
GNG Electricals

Buy

Current Price INR 589

Click below for
Detailed Concall Transcript &
Results Update




GNG Electronics

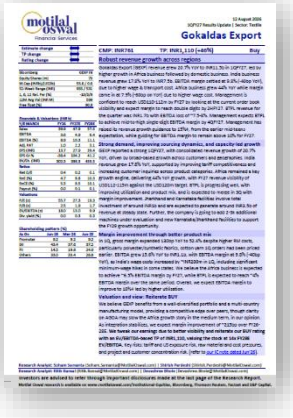
- Demand remained healthy, supported by AI-led computing demand and rising new-device prices. Memory prices increased another 5–10% QoQ, widening the affordability gap and accelerating adoption of premium refurbished devices. Demand is increasingly structural rather than driven solely by component inflation.
- Global PC market remains under pressure, with IDC projecting CY26 shipments to decline 11.3%, including a 20% YoY decline in 2H26, as higher component costs and new-device prices weigh on replacement demand. The widening affordability gap continues to favour refurbished PCs.
- Refurbished PC opportunity continues to broaden, driven by improving product quality, standardized warranties and increasing customer acceptance across both developing and developed markets.
- Channel expansion remained a key focus, with dealer meets conducted across major Indian cities alongside the launch of the EB Elite Program and Chai Pe Charcha initiatives. International distributor additions continued during the quarter, strengthening channel reach.
- Consolidated gross margin expanded 320bp YoY to 24.6%, supported by better procurement, stronger realizations and a favorable geographic mix. International operations generated ~30% GM (vs ~21% in India).
- Volumes grew ~18% YoY to 150k units, led by laptops (108k units; 72% of volumes and 81% of revenue). Blended ASP increased ~12% YoY, reflecting an improved product mix and higher realizations.
- Revenue mix continued to shift towards developed markets, with India contributing 36%, the US 24%, Europe 23%, Middle East 12%, and others 5%. The US and Europe together accounted for 47% of revenue.
- Working capital remained broadly stable sequentially despite the procurement-led business model. Inventory stood at ~INR7b (vs. ~INR7.4b at FY26-end), with 30–40 days of finished stock maintained to enable immediate order fulfilment and capitalize on attractive sourcing opportunities.
- Net debt increased to ~INR4b (vs. ~INR3b at FY26-end), reflecting strategic inventory investments, while overall capital employed declined marginally sequentially.
- Supplier relationships continue to provide a sourcing advantage, allowing procurement costs to remain broadly stable despite 12–13% market inflation in sourcing prices. Advance procurement and supplier diversification continue to mitigate sourcing risks.
- Operating expenses remained elevated, reflecting investments in technical talent, management, channel expansion, and higher sales incentives/marketing spends. Operating leverage is expected to improve as these investments are absorbed.
- FY27 guidance was upgraded, with revenue growth raised to 30% (from 25%) and PAT margin expansion to 75–100bp (from 50bp), reflecting a stronger-than-expected start to the year, healthy demand across geographies, favorable industry tailwinds and confidence in sustaining margin improvement.

Gokaldas Exports — Buy

Current Price INR 797

Click below for Detailed Concall Transcript & Results Update





Strong Growth & Order Book

- Consolidated income grew 21% YoY, with growth being broad-based across geographies and customers rather than driven by a single account.
- The India business grew 16% YoY, significantly outperforming the ~12% decline in overall Indian apparel exports.
- Management maintained 15%+ growth guidance for FY27 and indicated that growth could be in the mid-to-high teens / better than 15%.
- The 2Q order book is already largely booked; Q3/Q4 order placements are progressing well, providing good 2H visibility.
- Growth is likely to remain broad-based across product categories, with increasing inquiries for shirts, bottoms, denims and other traditionally Bangladesh-oriented products.

India - Tariff Tailwinds & Capacity Expansion

- India's tariff position has improved versus competing sourcing destinations, creating a structural advantage and improving customer confidence.
- Management is seeing increased inquiries from both European and the US customers, with customers rebalancing sourcing towards India.
- Existing capacities in Bhopal, Karnataka and Ranchi are ramping up, with Bhopal Phase 2 expected to approach full utilization by 4QFY27.
- Management plans to add ~3,000 machines, largely in low-cost regions; every 1,000 machines can potentially generate ~INR1.75-2.0b revenue at steady state.
- Two new facilities in Jharkhand and Karnataka entail INR1b total investment and could generate INR3.5b revenue at steady state, largely contributing from FY29.

Africa - Major Growth Lever, But AGOA Risk

- Africa business delivered 44% YoY growth, supported by the renewal/continuation of AGOA and benefits from the region's cost competitiveness.
- FY27 Africa revenue target of USD120m remains the aspiration, although current visibility is around USD112-115m.
- Existing African capacity can potentially support ~USD120m revenue; second-shift utilization provides additional upside without significant capex.
- Africa EBITDA margin remains below 8%, but management expects meaningful improvement in 2H, with mid-to-high single-digit margins targeted as the business scales.
- AGOA expiry remains the key risk; however, management believes extension is likely and notes that customers are already booking orders beyond December.

Margins - Multiple Offsetting Levers

- 1Q margins faced pressure from wage inflation, higher fuel/chemical costs, synthetic fabric prices and elevated freight/logistics costs.
- India wage costs increased by ~INR200m in 1Q, but management claims the impact has already been largely absorbed through efficiencies and operating leverage.
- Rupee depreciation is a margin tailwind, although ~70% of dollar exposure was hedged at ~INR89/USD in 1Q, delaying the full benefit.

- Product mix improvement, automation, higher utilization and shifting incremental capacity towards lower-cost regions are expected to support margins.
- Management expects FY27 ETR of ~20–22% and believes consolidated EBITDA margins should move above the ~10% level over time.

BTPL / Fabric Business - Turning Around

- BTPL is currently operating at roughly 50–53 lakh metres/month, with revenue of ~INR1.7b in the quarter.
- The business remains EBITDA loss-making at around 7.5–8%, mainly due to higher chemical, fuel and freight costs.
- Capacity utilization is expected to rise, supported by new customer nominations and fabric exports.
- Product mix is shifting towards higher-value fabrics such as linen, linen blends and bottom-weight fabrics, improving realization.
- Management expects EBITDA breakeven around 3Q and PBT profitability by 4Q, with the merger into Gokaldas expected in 3Q.

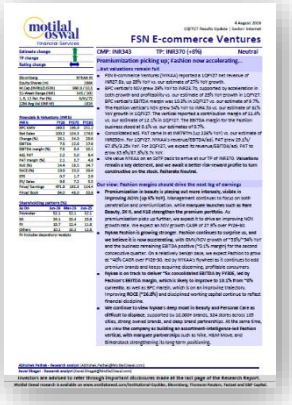
Structural outlook

- India's improved tariff competitiveness could drive a long-term shift in global apparel sourcing towards India, particularly as customers diversify away from China/Vietnam.
- Management sees significant opportunity in Europe, with the India-EU FTA potentially creating a major additional growth opportunity once implemented.
- Logistics remains a near-term headwind, with Red Sea/Hormuz disruptions, container shortages and shipping delays increasing freight costs and working capital.
- Overall strategy remains asset-led organic growth + productivity improvement + low-cost manufacturing, with no major acquisition currently being pursued.

NYKAA

Click below for Detailed Concall Transcript & Results Update




motilal oswal Financial Services

FSN E-commerce Ventures

CMP: INR343 TP: INR370 (+8%) Neutral

Premiumization picking up; Fashion now accelerating...

FSN E-Commerce — Neutral

Current Price INR 328

Demand and growth outlook

- GMV rose ~34% YoY to ~INR 55.9b, translating to an annualized GMV of ~USD 2.4b, broadly ~3x the level seen three years ago.
- Gross profit increased ~33% YoY to ~INR 12.76b, with gross margin expanding ~123 bps YoY to ~45.9%, supported by a rising share of House of Nykaa brands and higher marketing income.
- Beauty GMV grew ~28% YoY to ~INR 41.05b, with NSV up ~29% YoY to ~INR 23.71b; growth was aided by a successful Pink Summer Sale and continued network expansion in retail.
- EBITDA rose ~48% YoY to ~INR 2.44b, with margin expanding ~130 bps YoY to ~10.3%, driven by gross margin gains and operating leverage.
- Retail footprint expanded to 324 stores across 105 cities (11 stores/6 cities added in the quarter), with retail space up ~29% YoY to ~3.3 lakh sq. ft. and same-store sales growth in double digits; over 50% of stores are now in Tier-2 cities and beyond.
- Platform visits grew ~22% YoY to ~500m, annual unique transacting customers (AUTC) rose ~25% YoY to ~20.8m, and AOV improved ~5% YoY to ~INR 2,102, reflecting continued penetration and premiumization.

- The Nykaa Luxe flagship at Vasant Kunj (Delhi) - the brand's largest store at 5,000+ sq. ft. (~4x average luxe store size), houses 100+ premium brands and 12+ shop-in-shops, alongside expansion into exclusive brand outlets with Charlotte Tilbury and Kiehl's.
- Nykaa Now (quick commerce) scaled from 3 to 13 cities within a year, with 1,000+ marquee brands; plans to reach 25+ cities by FY27-end. Management does not see this as EBITDA-dilutive so far, citing rising purchase frequency and stable AOVs offsetting higher per-order fulfillment costs.
- Rare Beauty (Selena Gomez's brand) launched in June 2026 and quickly became a top-5 premium brand on the platform; other notable launches included SK-II, Anua, and K18, taking the total brand count to 10,275 (~5,300 onboarded over the last three years).
- Marquee sale events performed strongly: the Pink Summer Sale drew 35m+ unique visitors and 100m+ visits, while the Nykaa Birthday Sale delivered ~40% YoY GMV growth with 20m+ unique visitors.
- Fashion: GMV grew ~53% YoY to ~INR 14.71b, with NSV up ~54% YoY to ~INR 4.51b, a multi-quarter high-driven by richer brand assortment, strong customer acquisition and early Nike partnership traction.
- The segment turned EBITDA-positive (margin at ~0.1%, a ~627 bps YoY improvement), aided by a ~534 bps improvement in marketing/S&D efficiency (to ~22.9% of NSV) and a ~292 bps improvement in overhead costs (to ~11.3% of NSV).
- CAC has fallen ~30% over the last two years, with unique-visitor-to-order conversion improving ~70 bps YoY to ~4.0%.
- The Nike D2C partnership (nike.in and the Nike app, fully operated by Nykaa Fashion) crossed 1.5m+ app installs within six months of launch, while Nike is now a top-3 brand on the Nykaa Fashion marketplace itself, a dual engagement spanning both a standard marketplace listing and a deeper, fully-operated D2C channel.
- Nykaa announced the acquisition of a 51% stake in Aminu, a premium dermo cosmetic skincare brand, for a consideration of ~INR 320m; Aminu posted ~INR 190m of FY26 net revenue (~8x growth over three years) and brings 30+ proprietary formulations and a strong salon/clinic distribution base. The remaining 49% will be acquired over the coming years, with the deal expected to close in Q2FY27 subject to regulatory approvals; founders Prachi Bhandari and Aman Mohunta will continue to run the business. House of Nykaa GMV grew ~50% YoY to ~INR31.8b in FY26, serving 17m+ consumers and expanding offline distribution to 15,000 doors.
- Superstore (B2B distribution) NSV grew ~28% YoY, though GMV growth was more moderate at ~17% YoY (to ~INR 3.36b) due to a GST-led MRP impact, which management expects to normalize from Q3 onward.
- Management reiterated long-term guidance of 3–3.5x revenue growth over a 4–5 year period, with festive demand expected to skew toward Q3 FY27 this year given the shift in festival dates.
- EBITDA margin improved ~332 bps YoY, driven by a ~232 bps gain in S&D efficiency (on better field-force/BDE productivity) and a ~174 bps gain in

overheads (scale-led), partly offset by a ~10 bps rise in fulfillment costs linked to the new labor code's impact on warehouse off-roll employees.

On Margins

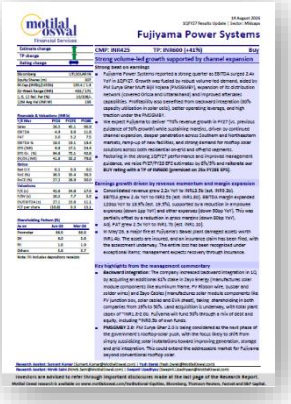
- EBITDA grew ~68% YoY to ~INR 2.36b, with margin expanding ~196 bps YoY to ~8.5%; contribution margin also improved ~123 bps YoY to ~21.2%.
- PAT surged ~226% YoY to ~INR 800m, taking PAT margin to ~2.9%; PBT margin improved ~261 bps YoY to ~4.6%.
- Fulfillment costs rose ~42 bps YoY (to ~9.9% of revenue) on continued infra investment, while marketing/S&D expense improved ~42 bps YoY (to ~14.8%) and employee/overhead costs improved ~72 bps YoY (to ~12.7%) — reflecting broad-based operating leverage.
- ROCE improved sharply to ~26.8% (annualized) versus ~21.2% in FY26, aided by fixed asset turnover improving to ~10.7x (vs ~9.9x in FY26) and working capital days rising slightly to ~29 (vs ~28 in FY26), still well below FY24 levels of ~42 days.

Fujiyama Power — Buy

Current Price INR 484

Click below for Detailed Concall Transcript & Results Update




Fujiyama Power Systems

Operations

- EBITDA margins improved during 1QFY27, supported by the higher scale of operations and increasing contribution from the company's backward-integrated manufacturing platform.
- During the quarter, the company added more than 80 distributors, over 1,000 dealers and more than 30 exclusive Shoppes. This took the total channel partner base to over 10,100 as of Jun'26, increasing proximity to customers.
- Odisha and Uttarakhand have been now covered under its distribution network.
- Higher volumes enabled better utilization, leading to operational leverage. The company passed on these benefits partially to customers, resulting in competitive pricing.
- Solar panels' utilization is ~70-80%, excluding the Ratlam facility.
- Fujiyama is following the same strategy of targeting distributors for expanding distribution. It has guided for more than 15,000 channel partners by FY28.

Capex

- By FY27 end, INR13b is expected to be the gross block, inclusive of solar cell (1.2 GW) and solar power plant (BESS).
- This capex is exclusive of Zayo investment.

Capacity expansion at Ratlam

- During 1QFY27, the company commissioned its 2GW solar panel manufacturing facility at Ratlam. This was followed by the commissioning of the 2GW power electronics manufacturing facility in Aug'26 for manufacturing of solar inverters. With these additions, the company's total solar panel and power electronics manufacturing capacities have increased to 3.5GW and 4.2GW, respectively.
- Initially only one shift (~40-50% utilization) is expected to start and a further ramp-up is expected as demand scales up.
- The 2GW lithium-ion battery manufacturing capacity at Ratlam is also on track for commissioning by 2QFY27. The company is looking at opportunities for BESS.
- One manufacturing location is integrating the company's product portfolio.

Backward Integration

- The company approved the acquisition of an additional 31% stake each in Zayo Energy and Zayo Cables, taking Fujiyama's shareholding in both companies from 19% to 50%.
- Zayo Energy is engaged in manufacturing solar module components like aluminum frame, PV Ribbon wire, busbar and solder wires, while Zayo Cables is engaged in manufacturing solar module components like PV junction box, solar cables and EVA sheet.
- These businesses are closely linked to Fujiyama's existing product portfolio.
- The investments are intended to increase backward integration, strengthen the value chain and provide greater control over components used across the company's solar power solutions business.
- Companies are in the stage of land acquisition and production is expected to start in FY28. Fujiyama expects INR4-5b of revenue from these companies.

Solar cells

- Solar cell plant is operating currently at 80% utilization.
- Fujiyama is expanding into DCR-compliant solar cell manufacturing to capture growing on-grid rooftop solar demand under PM Surya Ghar Yojna (PMSGY).
- The current solar cell capacity is 1GW and is being wholly captively consumed for DCR panels.

Fire incident at Bawal

- Fire incident at Bawal resulted in a net carrying value loss of INR1.4b, of which the company has created a provision. Fujiyama has lodged an insurance claim and the process is at an advanced stage. Insurance survey is completed and the finalization is expected by FY27 end.
- The entire net carrying value is expected to be recovered from claim.
- Ex. this exceptional loss, PAT margins were at 12.3% (+144bp YoY).
- Gross margins were impacted by this fire incident (< 0.5% impact).
- Facility restart will require some time. The company is currently in talks with taking a plant on lease.

Industry

- The demand environment for residential rooftop solar and power backup solutions remains favorable, supported by increasing solar adoption, policy initiatives and growing awareness across Tier 2 and Tier 3 markets.
- PMSGY continues to scale up residential solar adoption. With over 5m installations still untapped, this represents close to 15 GW of incremental opportunity. This scheme has a target of 10m households adoption, of which 50% has been achieved. Demand for on-grid and off-grid remains strong.
- Out of 300GW solar target, 90-100GW is expected to be fulfilled by rooftop solar by CY30. Currently ~30GW is set up as rooftop, out of which 15GW is in PMSGY.
- The current scale of adoption is ~1GW per month.
- PMSGY 2.0 has not been formally notified, but the proposed policy focuses on actual power generation. If implemented, it would help to extend addressable market and increase demand for solar products. The government is expected to implement this as demand is robust.
- There are total 350m households in India so the potential opportunity is huge.
- Currently there is a shortage of DCR cells and there is no major rejection spree in PMSGY.

Guidance

- Management has revised revenue guidance to 70% for FY27 (earlier 50%).
- Margins are expected to sustain and improve gradually as Fujiyama will partially pass on benefits of backward integration and operational leverage to customers
- Non-DCR margins are depleting but the company has inhouse DCR cells so the margin profile is expected to sustain.

Others

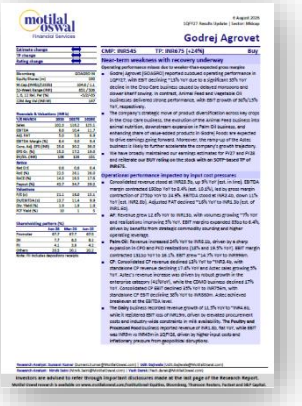
- Realization (incl. panel, inventory and battery) at ~INR26-30 per watt. 15/5/5 panel/inverter/battery.
- Focus is on B2C only (~90% of revenue from B2C).
- Management believes the company has ~10% of on-grid market share.
- The company's INR50k micro-inverter sales are good.
- The company believes that competitors, which thrive on subsidy, will eventually exit the market.
- Distribution loss is zero in the company's products.
- Of the 500 SKUs, 50% are in BIS category. During checking, 15 SKUs were identified as BIS but the company does not consider the same. However, eventually Fujiyama took BIS of the same. These items are <1% of the company's products
- Focusing on on-grid only as it is growing fast.

Godrej Agrovet — Buy

Current Price INR 574

Click below for Detailed Concall Transcript & Results Update





Animal nutrition (AF)

- Revenue grew ~13% YoY, led by 7% volume growth and improved realizations.
- Cattle feed volumes grew ~15% YoY and fish business grew ~20% YoY. Fish business contributes ~7%. Cattle mix stands at ~55-56%
- Margins expanded 80bps YoY to 6.4%, reflecting benefits of commodity sourcing, operating leverage, and cost discipline.
- 60-70% of input cost increase were passed on to customers.
- The Bangladesh business is recovery well, with double-digit volumes growth during 1QFY27.

Crop protection

- Demand was muted during the quarter amid delayed monsoon progress and slower kharif sowings following one of the driest June.
- Revenue declined due to lower volumes of in-house cotton herbicide, resulting in lower margins.
- The scale-up of Ashitaka (Maize Herbicide) and Takai (Paddy insecticide) helped partially mitigate the impact of adverse market conditions during the quarter, and these products are gaining strong traction.
- Ashitaka volumes scaled 3x YoY, reaching 30kL during the quarter. A new commercialization team has been set up to launch such patented solutions. In 3QFY27, there will be another opportunity in the Southern region for this product.
- Takai's label claims are approved for five additional crops. 13 kL sales in 1Q and scale up are in process. This crop has 5-6 months of saleable time per annum.
- Both the above new products constituted ~18-20% of total sales during 1Q.

- The company entered soyabean herbicide through 'Ghassnash' launched in May'26. 26kL sales were recorded in 1Q, with further ramp-up planned in 2Q.
- Erratic rainfall patterns continue to persist, but Jul'26 is turning out to be better YoY (soft base). By Sep'26-end, the company expects a better outlook for this segment.
- Chilli and grape businesses were affected in 3QFY26, and the company is not expecting such adverse weather conditions during 3QFY27.
- The margin profile of new products is lower.
- Management has guided for ~26-27% of EBIT margin.

Astec LifeSciences

- Revenue declined primarily due to a change in the product mix.
- Operational recovery has helped to narrow down losses.
- The business continued to achieve breakeven (v/s INR110m EBITDA loss YoY).
- More than 20% revenue growth guidance has been provided by the company. CDMO business orders are being shifted from 1HFY27 to 2HFY27.
- Enterprise margins were increased due to low-cost inventory; CDMO margins are intact.

Dairy

- The segment reported ~11% YoY growth, primarily driven by strong volume growth in value-added products. The VAP mix stood at 49% during the quarter (vs 42% YoY), reflecting the company's premiumization strategy.
- Volumes grew ~8% during the quarter.
- Margins were impacted by elevated milk procurement prices amid industry-wide constraints in milk availability, together with war-led inflation in certain other inputs. Packaging costs were shot up due to ME conflict. Packaging crisis might recover by Aug, and the company is undertaking initiatives to minimalize impact in 2HFY27.
- The business is undergoing an 18-month exercise of route-to-market transformation. The company targets to double down on VAP and increase premiumization.

Palm Oil

- Revenue grew ~29% YoY, led by improved realizations, higher sales volumes, and oil extraction efficiency (18.4% to 18.8%)
- Crude palm oil/Palm kernel oil realizations were up ~18%/20% YoY.
- Fresh-fruit bunch (FFB) volumes remained broadly flat despite a high-comparable base in 1QFY26, which had benefited from the early onset of the monsoon.
- Margins were impacted by formula-based pricing, and the company expects that such margin impact will not occur in the coming quarters.
- The company has guided for high-single to early double-digit growth over the next 4-5 years, driven by plantation expansion (17k hectares in FY27), geographic expansion, maturing plantations, and better operating efficiencies.

Godrej food limited (Poultry)

- Branded volume grew ~6% YoY in 1QFY27, offsetting the impact of deliberate reduction in live bird volumes.
- Yummiez grew ~22% YoY.

- Margins moderated due to higher input costs and inflationary pressure from geopolitical disruptions. While the company implemented calibrated pricing actions, the increase in costs could only be partially mitigated.
- Live birds will trail down in the coming 3-4 years and will eventually serve as backend supply for other segments. The business is expected to contribute marginal revenue of ~INR200-300m.
- The company is looking to scale up consumer business (Yummiez) and has grown ~28% in terms of volumes during the quarter. It aims to generate ~65-70% sales mix from this segment in the coming years, with investments already being undertaken to strengthen this business.
- Wet momos products will be rolled out in some months. The company is betting heavily on frozen chicken and has advantage in the supply chain.

Bangladesh JV

- The business made a strong comeback, delivering robust topline growth in the quarter, driven predominantly by broad-based double-digit volume expansion across categories.

Outlook

- Management is targeting double-digit growth but remains cautious.
- It has maintained a capex guidance of INR3-3.5b.
- EBITDA/t guidance is maintained at INR2,100-2,250 for Animal Feeds.
- The company is looking to synergize diary and animal feed segments.

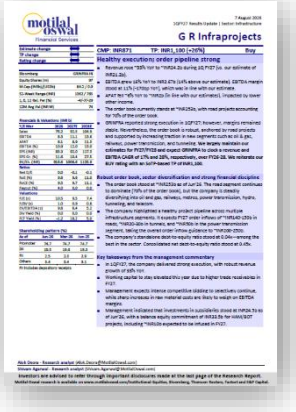
GR Infra — Buy

Current Price INR 884

Business updates

- In 1QFY27, the company delivered strong execution, driving robust revenue growth of 33% YoY.
- Management expects intense competitive bidding to selectively continue, while sharp increases in raw material costs are likely to weigh on EBITDA margins.
- Management indicated that the margin trajectory will depend on the pace of order inflows and stabilization in geopolitical tensions, as elevated crude oil prices could weigh on profitability, given that ~40% of raw material costs are linked to crude prices. However, higher project wins and improved execution scale are expected to support margin expansion.
- The company plans an equity investment of INR6b–7b in warehousing and logistics over the next three years. Near-term RoE is expected to be impacted by front-ended investments and long gestation nature of projects.
- Capex guidance for FY27 stands at INR3-3.5b.
- Working capital days increased to 148 (vs. 109 as of Jun'25), driven primarily by higher debtor days.
- The company's standalone and consolidated debt stood at INR3.6b and INR54.1b, respectively, as of Jun'26.
- The company's standalone debt-equity stood at 0.04x—among the best in the sector. Consolidated net debt-equity stood at 0.45x.
- Consolidated trade receivables are INR10.9b; consolidated unbilled revenue is INR5b.

Click below for Detailed Concall Transcript & Results Update



- Management indicated that investments in subsidiaries stood at INR24.5b as of Jun'26, with a balance equity commitment of INR33.5b for HAM/BOT projects, including ~INR10b expected to be infused in FY27.
- NHAI has also tightened the qualification and bidding criteria, which will ease the competition going forward.

Order book

- The order book stood at ~INR253b as of Jun'26.
- The company expects FY27 order inflows of ~INR140-150b in roads, ~INR20-30b in tunnels, and ~INR50b in the power transmission segment.
- Overall, FY27 order inflow guidance stands at ~INR200-250b, subject to materialization of the bid pipeline.

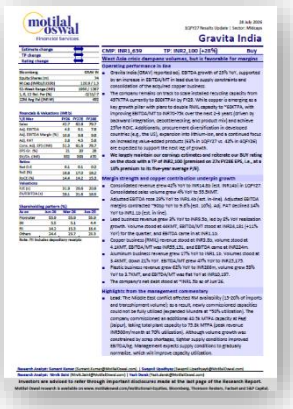
Guidance

- The company expects revenue growth of 15% to 20% in FY27, aided by execution of ~INR10-12b in the oil & gas segment, timely execution ramp-up, and fresh order inflows.
- GRINFRA continues to diversify beyond roads, with increasing opportunities in oil & gas and expanding presence across railways, metro, power transmission, hydro, tunneling, and telecom.

GRAVITA

Click below for Detailed Concall Transcript & Results Update





Gravita India — Buy

Current Price INR 1,793

Lead Business: Supply Chain Challenges & Capacity Ramp-up

- Lead volumes declined due to severe scrap shortages arising from the Middle East conflict.
- Around 15-20% of GRAV's scrap imports originate from Gulf countries, while additional imports transit through Gulf ports.
- Supply disruptions prevented full utilization of newly commissioned capacities.
- Mundra lead facility operated at ~50% utilization, including the recently added 80,300 TPA capacity.
- Fagi (Jaipur) lead expansion of 40,500 MTPA was commissioned during the quarter, taking total plant capacity to 75,819 MTPA.
- New lead capacities of 45kMT (yet to be commissioned) are capable of generating roughly INR500m monthly revenue at ~70% utilization.
- Management expects supply conditions to improve gradually, while alternative sourcing channels are being developed.
- Despite lower volumes, tighter scrap availability improved realizations and helped maintain healthy margins.

Copper: New Growth Engine

- Copper contributed INR3.76b revenue during the quarter and operated at approximately 50% utilization.
- Integration of RMIL is progressing smoothly, with procurement, logistics, manufacturing and sales synergies gradually emerging.
- Current copper EBITDA is around INR55,000/MT, which management considers sustainable. Copper EBITDA is expected to improve progressively from Current ~INR55,000/MT to ~INR60,000/MT by FY27-end. In 2-3 year target is ~INR70,000-75,000/MT.
- Key drivers of copper include debottlenecking initiatives, better product mix, higher utilization, procurement optimization, and backward integration.

- Copper utilization is expected to exceed 60% by FY27-end.
- Management plans to double copper capacity to ~60,000 TPA over the next three years.
- Copper ROIC is expected to gradually move towards 25%+ over the medium term.

Procurement Strategy & Supply Chain Diversification

- The Gulf conflict exposed concentration risks in scrap sourcing, prompting Gravita to accelerate procurement diversification.
- The company is establishing its own sourcing yards and procurement networks in developed economies, particularly the US.
- Historically, procurement yards were concentrated in developing countries and largely focused on lead, aluminum and plastic.
- Copper now provides sufficient scale to justify investment in developed-market scrap infrastructure.
- Management expects US procurement yards to become operational by the end of FY27.
- The strategy is to reduce dependence on Gulf sourcing, improve scrap security, Lower procurement costs, and enhance margins over time.
- Domestic sourcing contributed roughly 35% of procurement during the quarter.

Capacity Expansion, Capex & Future Recycling Verticals

- Gravita's total installed recycling capacity has reached 4.97 lakh TPA, and management remains confident of scaling it to over 8 lakh TPA by FY29 through a combination of brownfield expansions and new recycling verticals.
- The company has outlined a cumulative INR16.8b capex plan through FY29, with INR8.5b earmarked for expanding existing businesses, while the balance will be invested in building new recycling platforms.
- Gravita is setting up a 29,400 TPA copper recycling facility in Gujarat with an estimated investment of ~INR1.6b, and the project remains on track for commissioning within the next 12 months.
- The company is accelerating its copper strategy following the successful integration of RMIL, with copper expected to emerge as a key growth and profitability driver over the coming years.
- Management has temporarily put its rubber recycling expansion on hold, choosing instead to redeploy capital and resources toward higher-return opportunities in the copper segment.
- Beyond its core lead, aluminum and plastic businesses, Gravita is strategically expanding into copper, lithium-ion battery and steel recycling, broadening its addressable market and reducing dependence on any single recycling vertical.

Lithium-Ion Recycling, LME Accreditation & Long-Term Outlook

- Gravita is building a long-term presence in the lithium-ion battery recycling value chain, with a strategic focus on recovering high-value battery metals rather than remaining a conventional black mass processor.
- The company is undertaking R&D to develop in-house lithium refining capabilities and aims to have downstream processing infrastructure in place before large-scale EV battery waste generation ramps up in India.

- Management's objective is to move up the value chain by extracting valuable materials from spent batteries, thereby improving margins and creating a differentiated position in the emerging battery recycling ecosystem.
- Gravita achieved a significant milestone during the quarter with the LME approval of "Gravita-M" lead metal produced at its Mundra facility, placing it among a select group of globally recognized secondary lead producers.
- The LME accreditation is expected to strengthen Gravita's credibility with global OEMs, facilitate faster customer approvals, enhance international market acceptance, and improve liquidity for its lead products.
- Management clarified that the primary purpose of the LME listing is not to sell metal through LME warehouses, but to strengthen relationships with international OEM customers and support global business development efforts.

Others

- Net debt remained comfortable at approximately INR1.5b, reflecting Gravita's disciplined capital allocation approach and ability to fund growth initiatives while maintaining a healthy balance sheet.
- Working capital cycle increased to around 95 days during the quarter, primarily due to higher copper inventories, inventory-in-transit and logistics disruptions affecting scrap movement.
- Total inventory stood at approximately INR10.4b, broadly in line with Mar'26 levels despite the addition of the copper business and ongoing supply-chain challenges.
- Management indicated sustainable profitability levels of INR10-12/kg in plastics and INR15-17/kg in overseas aluminum operations, supported by favorable operating economics and procurement efficiencies.
- Aluminum margins could improve further to INR30-40/kg once Indian aluminum recycling operations commence, given the superior profitability profile of domestic operations.
- Gravita continues to maintain a fully hedged position across its copper and alloy businesses, with hedging undertaken on individual metal inputs and aligned with customer contracts, thereby minimizing commodity price volatility risks.
- Reflecting its improving financial profile, strong cash flow generation and prudent balance sheet management, the company's long-term credit rating was upgraded from AA- to AA, strengthening its financial flexibility for future expansion plans.

IHCL

Click below for Detailed Concall Transcript & Results Update

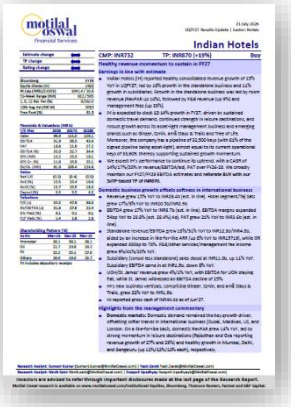


Indian Hotels — Buy

Current Price INR 724

Operating performance

- IH’s performance reflects its diversified brands and businesses, offsetting the impact of macro headwinds.
- RevPAR grew ~14% in 1QFY27 in domestic markets, with 22% revenue growth in growth businesses and 26% growth in management fee income and recent acquisitions, alongside the contribution of renovated assets in key markets of Goa, Delhi, and Bengaluru.
- Dubai, Sri Lanka, and Maldives are being affected as traffic moves through the Middle East.



- The quarter was impacted by the ramp-up of Taj Frankfurt and TajSATS Noida kitchen, which amounted to INR150m.
- Africa summit, which was scheduled in May, was cancelled, which had an impact on Delhi's F&B growth. Government MICE is experiencing a slowdown.
- Lake Palace at Rajasthan was under renovation.
- New 100 rooms were commissioned in Taj Ganges. PBT was positive in the first quarter of commissioning.

Outlook and guidance

- Management maintained guidance of double-digit revenue growth for FY27.
- It expects high-teens CAGR from management fees income in the coming quarters.
- Leisure destinations have benefited more as compared to business cities (double-digit growth in Goa and Rajasthan). For 2QFY27, July has been good till now. 1Q momentum is expected to spill over to 2Q.
- Taj Frankfurt is expected to start generating revenue from Sep'26. July and August do not appear favorable in that location for hospitality. Frankfurt has high air traffic.
- The company's strategy will be to predominantly adopt a capital-light model.
- Taj Bandstand's commissioning is expected in CY30, with INR10b in revenue and 450 keys (might be 425 if more space in apartments).
- INR5-6b of routine capex every year

TajSATS

- The Air & Institutional Catering business segment (TajSATS) clocked a revenue of INR3b, EBITDA of INR620m, with margins at 20.6%.
- Quarterly performance was impacted by weak air traffic (elevated fuel costs resulted in lower passenger traffic).
- TajSATS has grown to more than 50% market share, also entering into non-aviation related business. This is expected to grow fast and help navigate through headwinds in the airline business.
- Non- flight catering grew 20%, while flight catering may not get normalized this quarter as well.

Growth business

- Growth businesses (Ginger, Qmin, amã Stays & Trails and Tree of Life) reported an Enterprise revenue of INR3.5b, marking a 65% growth, and consolidated revenue of INR2b, marking a 22% growth.
- Enterprise revenue of Ginger stood at INR3b, marking ~68% growth, with an EBITDAR margin of 37%.
- Qmin has grown to over 100 outlets across multiple formats with an Enterprise revenue of INR600m, marking a 23% growth.
- Ama Stays & Trails and Tree of Life clocked Enterprise revenue growth of over 55% at INR180m and INR140m, respectively.

New acquisitions – BRIJ and ATMANTAN

- For 1QFY27, Brij reported revenue of INR110m (+42% YoY). Currently, 11 hotels are operational with 11 more in the pipeline. 4 hotels are expected to open in FY27.
- Atmantan recorded revenue of INR190m (+19% YoY). Currently, 2 hotels are operational, with a new wellness resort signed in Hyderabad (managed property), which is expected to open in CY29.

Portfolio

- IH clocked 20 signings in 1QFY27, bringing the portfolio to 645 hotels, alongside a pipeline of 263 hotels. The company has opened 11 hotels, including a Taj in Frankfurt, Kruger National Park, South Africa, SeleQtions in Ayodhya, and Mumbai.
- 17 out of the 20 signings were across Gateway, Ginger and Tree of Life, including new and emerging markets like Bharatpur, Trichy, Sindhudurg, Jawai, Wayanad and in Mumbai, Goa, Agra, and Kolkata.
- 'Taj' reached a milestone of 150 hotel portfolios, with 3 signings in Dharamshala, Barapani- Meghalaya, and Kusur valley-Maharashtra.
- The company migrated 15 hotels from the ANK Hotels and Pride Hospitality portfolio to IH's brandscape (GINGER). In the coming quarters, the company expects a higher number of migrations. It is also working to convert management contracts into revenue-sharing agreements.

International segment

- Total revenue is 80% of what it used to be. Leisure part is under pressure -Taj Exotica is not even 50% of what it used to be.
- GBP17m was spent in London on various services, which were initially delayed due to disruptions, but have now been completed.
- Pipe bursts in New York caused 49 rooms to be out of order, of which half will be available in the coming month and half will be renovated.
- Dubai's occupancy has restarted contributing to business; however, leisure is still under pressure. Traffic is low to the Maldives.
- London business is performing well. London's base was high YoY due to delegation from Africa.

Others

- Taj was rated among India's strongest for the fifth time consecutively. It gained 38% in brand value, reaching close to USD900m.

Renovations:

- Gross cash stood at INR44b. There are potential opportunities for hotel upgrades, asset management, and expansions.
- The company is investing in upgrades and renovations. ~INR3b capex is planned for 96 keys addition at Taj Lucknow, 75 keys renovation at Gateway Calicut, and 110 keys upgrade and brand migration at Blue Diamond, Pune.
- Employee expenses growth was lower due to reversals on account of the Labor Code.
- The domestic market accounts for 87% of the company's portfolio.
- The company's dependence on foreign tourists has declined.

Indo Count — Buy

Current Price INR 444

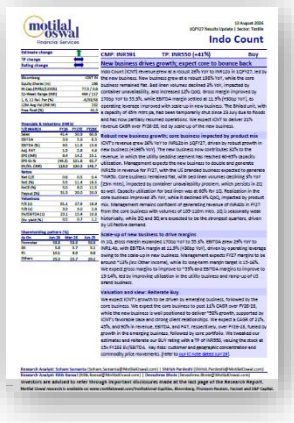
Industry and demand

- India remains a preferred global sourcing hub, supported by quality, innovation, execution and FTAs.
- UK contributes ~8–10% of revenue, with FTA benefits expected to materialize over the next 12–18 months.
- 1Q is seasonally weaker, while 2Q and 3Q remain the strongest quarters, driven by US festive demand.

INDO COUNT
Complete Comfort

Click below for Detailed Concall Transcript & Results Update




Indo Count

Operations

- No loss of customers or orders to Indo Count despite earlier tariff uncertainties.
- The Bhilad facility was impacted during the quarter but has partially resumed operations, with phased normalization expected.
- The facility is fully insured and ICNT is in the process of filing insurance claims.
- Customer deliveries continue through alternate manufacturing facilities, with no major disruption expected.
- Employee expenses increased following the commissioning of the new greenfield facility.

Core Business

- Core business was impacted during the quarter by US tariff-related uncertainty and container shortages arising from the West Asia crisis.
- Product mix was temporarily affected by tariffs, along with logistics challenges.
- Management remains confident of achieving FY27 volume guidance of 105-110m mtrs and INR40b in revenue despite current disruptions.

New Businesses

- New businesses continued to scale up rapidly, with revenue tripling over past year.
- Management reiterated its FY27 revenue target of INR15b from new businesses.
- US branded business is targeted to generate INR5b in revenue in FY27, with an aspiration to reach USD100m over the next three years.
- Products manufactured at the company's Indian facilities are recorded as core business volumes, while their branded sales are reported under the new business segment.
- Management continues to target ~15% EBITDA margins for utility bedding once the business matures, with current profitability affected by the gestation phase.

Raw materials and tariffs

- Raw material prices have increased following the recent geopolitical tensions, with price revisions being negotiated with customers on a case-by-case basis.
- Management expects realizations in INR terms to improve from 2Q onward.
- The company did not receive any tariff refunds during 1Q and does not expect any material financial benefits, as shipments are executed on an FOB basis with tariffs borne by importers.

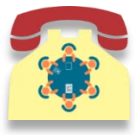
Management outlook

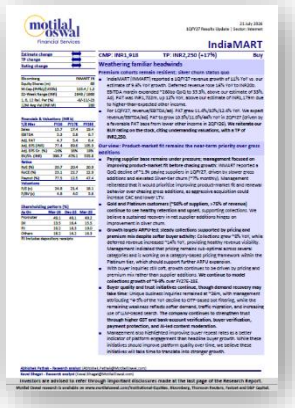
- Management aims to maintain ~13% consolidated EBITDA margin for FY27, although 2Q could witness temporary pressure due to the Bhilad disruption and ongoing supply-chain issues.
- Long-term EBITDA margin aspiration remains 15–16%, subject to market conditions.
- Margin targets remain ~15% for bed linen, ~15% for utility bedding and 100-200bp higher than utility bedding for the US branded business.
- FY27 interest cost is expected to be around INR1.2b, with borrowing cost of ~6-7%.
- Management remains confident of achieving FY27 guidance of 105-110m mtrs despite continued container shortages, based on customer offtake visibility.

IndiaMart Intermesh — Buy

Current Price INR 1,733

Click below for Detailed Concall Transcript & Results Update





Collections, paying suppliers, and customer additions

- Paying supplier base stood at ~218,000, a net decline of ~1,850 suppliers QoQ, driven by moderation in gross additions and elevated churn at the silver tier.
- Platinum and gold subscribers (~50% of customer base, >75% of revenue) continued to see healthy upsell and retention, cushioning overall churn. Management flagged several categories where pricing is still sub-optimal ("money left on the table") and is working on a category-based, three-tier pricing framework within platinum, linked to ROI, product value, and buyer volume per category.
- Silver-tier monthly churn held steady at ~7% QoQ, unchanged from last quarter. Churn remains concentrated in the first 12 months of a customer's lifecycle, with retention roughly doubling from year two onward.
- On the gross-adds-vs-churn/product-market-fit debate, management pushed back on the idea of aggressively re-accelerating gross additions to offset churn, noting that acquiring lower-quality customers at higher intensity would push CAC up and LTV down, making the economics unsustainable. The stated priority is to first nail product-market fit, i.e., confirm organic renewal behavior, before pressing the growth pedal again.
- The company is deepening trust infrastructure, moving toward 100% buyer OTP verification, GST/bank-account verification for sellers (currently ~50% GST-verified, targeting 80–90% over the next year and ~80%+ within two years; bank-account verification is a newly launched initiative), and a new buyer payment-protection program (cover up to INR500,000); on the buyer side, only ~10m of ~40m active buyers currently have GST/verified business-buyer status, flagged as an area still pending scale-up.

Demand

- Unique business inquiries stood at ~26–27m. Management flagged that ~4–5% of the YoY decline stems from OTP-based verification (bot filtering) rather than pure demand weakness, with the residual decline attributed to a mix of platform awareness, macro softness, and traffic migrating toward LLM-based search.
- Active buyer base declined ~5% YoY, partly a deliberate outcome of ad spend (~INR70-80m/quarter) being redirected to high-monetization categories, causing some cannibalization of organic Google traffic. Management noted that this is a conscious trade-off, prioritizing "monetizable" buyer growth over headline buyer count.
- 90-day buyer repeat rate improved to ~58–59%, up from ~50–51% over recent years — positioned as a cleaner engagement proxy than headline inquiry/buyer metrics, though management caveated that fulfillment/conversion data is survey-based (~2% response rate, ~40–45% claiming eventual purchase) and not something that can be reported as an audited quarterly number.
- Extended discussion on Google, LLMs, and chatbots: Management noted Google itself is coming under competitive pressure from ChatGPT and other LLM-based search tools, and described the content-monetization dynamic as a two-way sword, withholding content from LLMs risks omission from AI-generated

answers/links, while fully exposing content risks LLMs consuming data and returning minimal traffic in return (unlike the earlier Google give-and-take model).

- Management said this debate around AI/LLM traffic economics has intensified over the past six months industry-wide, and expects a hybrid outcome (a "Google-Gemini" type model) to eventually emerge, though the exact structure remains uncertain. It has declined to offer a personal view on potential regulatory guardrails in India around this shift, deferring the question.

Cost and margin

- Consolidated EBITDA stood at ~INR1.46b, margin ~35%, aided by lower customer acquisition cost and operating leverage.
- Other income was ~INR1.07b, largely from mark-to-market gains on the treasury portfolio.
- Consolidated net profit stood at ~INR1.72b.
- Cash from operations was ~INR1.63b; consolidated cash and treasury balance stood at ~INR35.53b as of June 30, 2026.

Acquisitions/Accounting Systems (Busy Infotech)

- Busy billings grew ~10% YoY to ~INR0.59b; revenue from operations rose ~47% YoY to ~INR0.36b, aided by a high base last year (~INR0.10b one-time impact) — normalized growth is closer to ~30%.
- Cash from operations for Busy was ~INR0.16b.
- The company sold ~12,000 new licenses, taking the cumulative base to ~454,000.
- The company launched "Busy Magic," a revamped UI/UX, positioned as the foundation for the next growth phase.
- Detailed ARPU/revenue-per-license discussion: Management attributed the ~28% three-year revenue CAGR (against only ~10% license growth) to four levers — new license sales, price increases, improving year-on-year renewal ratios, and rising attach rates of add-on products (e.g., the mobile app).
- Management has guided to accelerate license growth to ~15–20% over the next 1–2 years as Busy transitions from a one-time licensing model to a subscription model. Near-term revenue growth is guided at ~27–30%, with an aspirational 35–40% CAGR (framed as a multi-year ambition, not a firm near-term target).

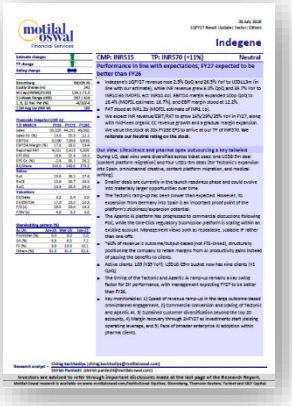
Other highlights

- The Board approved a new wholly-owned subsidiary, IndiaMART Finance Limited, to facilitate short-term transaction financing for MSMEs via lender partnerships. The company clarified no intent to lend off its own balance sheet, and product structure (e.g., invoice discounting) is still being finalized.
- The company is piloting a voluntary paid-buyer program and audience-based monetization via third-party ad retargeting; free buyer access remains unrestricted.
- It is making continued follow-on investments in portfolio companies (stakes raised to ~22–32% in select names such as Zetwerk-adjacent and Super Procure-type investees). Stake in M1 Exchange is capped at the regulatory ceiling of 10%.

indegene®

Click below for Detailed Concall Transcript & Results Update





Indegene — Neutral

Current Price INR 564

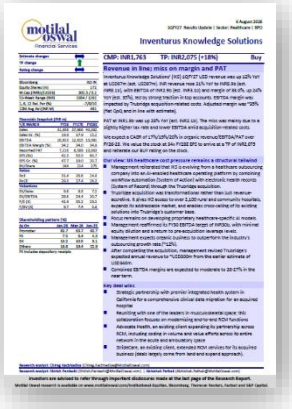
- In 1Q, USD revenue stood at USD113m, growing 26.5% YoY and 2.5% QoQ, while INR revenue increased INR10.6b, rising 39.7% YoY and 6.0% QoQ. Notably, growth was broad-based across clients, geographies, and service lines.
- Industry outlook remains positive as Top-20 global pharma companies continue to grow 10–12% YoY, led by oncology, immunology, and mental health, with management expecting mid-single-digit pharma growth through CY27.
- Deal momentum remained healthy, and deal wins were diversified across ticket sizes: one USD3-5m deal (content platform migration) and four USD1-3m deals (for Tectonic's expansion into Spain, omnichannel creative, content platform migration, and medical writing).
- The Tectonic platform expanded geographically from Germany to Spain, while Agentic AI and One-click Regulatory Submission solutions are witnessing strong customer traction and advanced commercial discussions.
- Management reiterated that AI is not a separate business, but is embedded across all service lines through proprietary data, Cortex platform, AI agents, and workflow automation.
- Revenue productivity improved, with trailing revenue per employee at ~USD77k, rising ~25% over the past two years.
- Enterprise commercial contributed 70.6% to revenue, while North America remained the largest geography at 75.1% of revenue.
- Cash and investments remained strong at INR14.6b, while DSO stood at 67 days, with negligible receivable risk given the blue-chip pharma client base.
- Management reaffirmed margin normalization to the historical 19–20% EBITDA range in 2HFY27, with the inflection expected from 3QFY27 as the large omnichannel deal starts contributing revenue.
- Workforce transformation, GenAI-led productivity initiatives, and already-incurred costs on strategic engagements are expected to drive meaningful operating leverage in 2H.
- Approximately 60% of revenue is already output/outcome-based, positioning the company to retain AI-driven productivity benefits.
- Since listing, revenue has grown 57%, active clients increased from 65 to 105, USD 5m+ clients rose from 36 to 54, and revenue outside Top-20 clients has increased 2.5x, reflecting a structurally stronger business.
- Management reiterated that FY27 organic growth will be better than FY26, with acceleration expected in 2H, driven by pipeline conversion, large client ramp-ups, omnichannel revenue recognition, and AI-led productivity improvements.
- Key monitorables: 1) Speed of revenue ramp-up in the large outcome-based omnichannel engagement, 2) Commercial conversion and scaling of Tectonic and Agentic AI, 3) Sustained customer diversification beyond the top 20 accounts, 4) Margin recovery through 2HFY27 as investments start yielding operating leverage, and 5) Pace of broader enterprise AI adoption within pharma clients.

Inventurus Knowledge Solutions — Buy

Current Price INR 1,809

Click below for Detailed Concall Transcript & Results Update





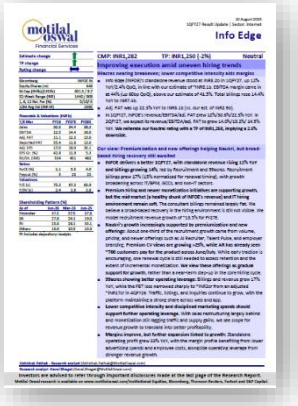
- IKS operates in a USD260b total addressable market (TAM), with the outsourced healthcare services market estimated at USD34b, growing at a healthy 12% CAGR (vs. 8% CAGR for the overall market) over CY23-28.
- IKS generates over 85% of its revenue from repeat customers, reflecting strong client stickiness, with its top 10 and top 5 customers having relationships exceeding five years on average.
- Excluding one-time Trubridge acquisition, adjusted EBITDA margin would have been around 35%, broadly in line with previous quarters.
- Management described Trubridge as the company's most strategic acquisition to date. The deal expands IKS reach from serving large physician groups to the rural and community hospital markets where Trubridge has ~30% market share across 2,100+ hospitals.
- The acquisition combines Trubridge's electronic health record with IKS's workflow automation platform, creating an integrated healthcare operating platform that management believes is unique in the industry.
- Management highlighted that while the overall healthcare services market is growing at around 8% annually, outsourced services continue to grow at ~12%, providing a strong structural growth opportunity.
- Focus remains on building proprietary healthcare AI capabilities. Through Trubridge, IKS now has access to more than 5 million patient records, which will be de-identified and used to train proprietary small language models (SLMs).
- Management believes owning healthcare-specific AI models will significantly reduce dependence on expensive commercial LLMs, lower inference costs, improve speed, and enhance margins over time.
- The company also emphasized "Explainable AI", enabled through its earlier acquisition of AR AI, which allows AI-generated recommendations to be transparent and auditable—a critical requirement in healthcare.
- Management differentiated between non-deterministic tasks (such as clinical documentation), where AI can achieve high levels of automation, and deterministic tasks (such as medical coding and billing), where AI will continue to operate alongside rules-based systems and human oversight.
- Over time, employees are expected to transition from performing repetitive work to supervising AI-generated outputs.
- IKS outlined three separate go-to-market strategies. The company will target rural hospitals with a fully integrated platform, continue selling comprehensive workflow solutions to independent physician groups, and follow a 'Land & Expand' strategy for large health systems by initially selling individual solutions before expanding relationships. Management stated that this strategy is already showing encouraging results.
- During the quarter, IKS secured several important customer wins, including a large California-based health system implementing Epic, a significant expansion with Advocate Health (one of the top five health systems in the US), a leading national musculoskeletal organization, StrideCare, and multiple specialty physician groups. Management stated that these wins validate the success of its revised sales strategy and strengthen long-term revenue visibility.

- After completing the acquisition, management revised Trubridge's expected annual revenue to ~USD300m from the earlier estimate of USD340m.
- The reduction primarily reflects more conservative revenue recognition, the planned exit from low-margin IT services, and rationalization of certain business lines. Importantly, annual EBITDA remains unchanged at ~USD68m, making the acquisition equally EPS-accretive despite the lower reported revenue.
- Following Trubridge consolidation, combined EBITDA margins are expected to moderate to 26-27% in the near term.
- However, management reiterated its confidence in restoring margins to the 30-36% range over the next few years through AI-led automation, offshore delivery, operational efficiencies, technology integration, and cost synergies.
- Management reaffirmed its FY30 "True North" EBITDA target of INR30b.
- IKS expects to achieve this target with minimal equity dilution while reducing leverage back to pre-Trubridge levels, supported by strong cash generation, operating leverage, AI-led productivity gains, and integration
- Management reiterated that future acquisitions will continue to be evaluated based on strategic fit and financial discipline. As healthcare technology offers significant consolidation opportunities, but the immediate focus remains on successfully integrating Trubridge and realizing the expected synergies before pursuing further large transactions.

infoedge

Click below for Detailed Concall Transcript & Results Update





Info Edge — Neutral

Current Price INR 1,368

Recruitment

- Billings grew over 17% and revenue 13% YoY; operating profit rose 25% at an operating margin of ~58%, with cash from operations up 36%.
- Adjusting for renewal timing (some clients renewing early/deferred), underlying billings growth is estimated at ~15%, a sequential improvement versus recent quarters.
- Segment mix: Tech/IT and BPM +15%, GCC billings +31% (normalized closer to 15–17% after adjusting for a favorable base; GCC now forms ~17–18% of billing mix), other sectors +12%, while recruitment consultants remained flattish at +1%, reflecting continued in-sourcing pressure in a soft IT-services hiring market.
- Growth was broad-based, supported by both volume and pricing gains; management estimates roughly one-third of growth came from renewal/volume improvement, one-third from pricing, and one-third from newer monetization levers (AI Recruiter/AR, Talent Pulse, employer branding).
- Naukri 360 (job-seeker business) continued to outperform, with billings up over 35%; paid-subscriber penetration of MAUs improved from 1.3% to 2.6% over the last six quarters, aided by AI tools (Neo agent, mock interviews, resume builder). PBT margin expanded sharply to ~63% (from ~35–40% historically) on growing self-serve mix.
- Naukri Gulf grew 12% YoY, below its earlier ~20% trajectory due to Middle East geopolitical disruptions, though management sees the long-term opportunity intact; margins here have scaled from breakeven to over 35%.

- Jobhai (value-hiring platform) doubled revenue YoY on a small base at similar investment levels; scaling from Delhi to a target of 18 cities, with FY27 revenue targeted to more than double from ~INR150m; annual cash burn of ~INR500m, expected to plateau or moderate as scale builds.
- Platform data moat remains a key differentiator: ~118m resumes, 25,000+ new profiles added daily, and 850,000 daily profile modifications.

Real Estate

- Billings and revenue both grew 17% YoY; operating PBT losses narrowed 89% QoQ, bringing the business close to breakeven (loss narrowed to INR20m this quarter from an adjusted INR 170m last quarter, after excluding a one-off accounting gain).
- Leadership metrics remain strong: 49% web time-share, 55% app time-share, and 69% iOS time-share per SimilarWeb; broker listings +30% YoY, new project listings +27% YoY, owner listings +23% YoY, and property enquiries +38% YoY.
- Growth was delivered alongside disciplined marketing spend, underscoring operating leverage as the business scales; management guided toward the business turning cash generative in FY27.
- Reduced competitive intensity (following a rival's ownership change) is likely to ease marketing cost pressure and support the path toward the 30% margin target.

Other highlights

- The matchmaking portfolio grew billings 20% YoY, with Jeevansathi +14% and its allied consumer brand +44%; the portfolio operated near breakeven.
- The business retains over 45% profile share in Hindi-speaking markets and leads on daily logged-in users; monetization continues to be driven by new paywalls and AI-led improvements to recommendation engines.
- Study-abroad demand softened in the US and Canada on shifting student preferences and macro factors; the business is reallocating focus toward the UK, UAE, and Continental Europe.
- Shiksha Billings declined 23%, and revenue declined 12% YoY, though operating profit remained broadly stable.
- AI is estimated to be driving 15–20% efficiency gains across internal functions (marketing, pricing, lead qualification, tele-calling, content creation).
- AI Recruiter (AR) was live across 4,000+ enterprise/recruitment-firm customers by June-end, with over 10% converted to paid (~400 customers in Q1, a further ~300 added in July); pricing is INR 3,500/mandate for companies and INR 2,500/mandate for consultants, with management awaiting a full renewal cycle before validating stickiness.
- Management does not view AI as a disintermediation risk for Recruitment, Real Estate, or Matchmaking, citing proprietary two-sided data and two decades of domain knowledge; Shiksha is viewed as structurally more exposed given its third-party traffic dependence.
- The company continues to hold a diversified AI/deep-tech/consumer-tech investment portfolio spanning 135+ companies with invested capital of ~INR 50b (via balance sheet and AIFs); several portfolio companies have listed publicly, and others have raised follow-on funding.

Margins

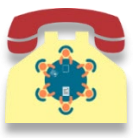
- Management reiterated that margin trajectory in Recruitment is directly tied to topline: sustained growth in the mid-to-high teens should allow margins to improve, while growth slipping to 8–10% would make further expansion difficult given continued AI-related investment.
- The company remains in investment mode on AI and does not intend to slow spending even as new offerings scale; margin upside from AI (AR, Talent Pulse, employer branding) is expected to show through only gradually as monetization matures and customers renew.
- Job-seeker business (Naukri 360) has seen the sharpest margin re-rating in the portfolio: EBITDA margin improved from ~35–40% historically to ~63% in 1Q, driven by a shift toward self-serve delivery and a growing mix of AI-powered offerings (Neo, mock interviews, resume builder) that carry inherently high incremental margins.
- On 99acres, operating PBT losses narrowed 89% QoQ, with the underlying loss trend improving from ~INR 170m (adjusted) last quarter to ~INR 20m this quarter; management attributed this to billings growth outpacing cost growth as marketing spend was kept disciplined.
- Reduced competitive intensity in real estate (following a rival's ownership change) is likely to ease pressure on marketing costs going forward, supporting management's stated medium-term ambition of ~30% margins for 99acres, though timing remains dependent on execution and competitor behavior.
- Jobhai continues to be run as a controlled cash burn (~INR 500m annually), viewed as an investment phase; management expects this burn to stabilize or moderate as revenue scales toward its multi-year target.
- Recruitment consultants (~25%+ of recruitment revenue) remained a drag on the growth/margin mix, with billings flat (+1%) as a soft IT-services hiring market pushed clients toward in-house/direct hiring via Naukri rather than paid consultants.

Interglobe Aviation — Buy

Current Price INR 5,175

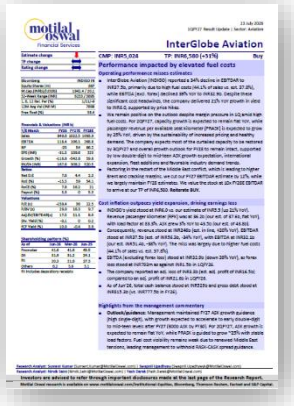
IndiGo
InterGlobe Aviation Limited

Click below for Detailed Concall Transcript & Results Update



Outlook, Guidance and Management Commentary

- IndiGo maintained its FY27 capacity growth guidance in the high single-digit range despite ongoing uncertainty.
- Management continues to expect early double-digit to mid-teen capacity growth beyond FY27.
- 2Q ASK growth is expected to remain broadly flat YoY.
- PRASK growth is expected to exceed 25% YoY during 2QFY27.
- Load factors are expected to remain broadly stable despite higher fares.
- Management initially expected fuel costs in 2Q to be lower than 1Q because fuel prices had corrected below the effective capped levels seen during 1Q.
- However, renewed Middle East tensions have reversed part of the fuel-price correction, reducing visibility on fuel costs.
- The company is unwilling to provide explicit guidance on RASK-CASK spreads given extraordinary volatility in fuel and currency markets.



- Management reiterated that fuel economics are increasingly driven by crack spreads rather than crude oil prices alone.
- Middle East operations have largely recovered to more than 90% of pre-crisis capacity levels in June.
- The company remains optimistic on long-term industry growth despite near-term volatility.
- On reports regarding airport operators potentially entering the airline business, management noted that such structures have little global precedent and could create conflicts of interest, though it is too early to assess regulatory outcomes.
- Mr. Willie Walsh is expected to join the company during the first week of August as planned.

Demand environment, pricing and revenue trends

- Despite geopolitical disruptions and a weaker seasonal environment, demand remained resilient, with INDIGO carrying 31.3mn passengers during the quarter.
- Total income grew 19% YoY to INR256b, supported primarily by strong fare increases and healthy demand.
- Yield increased 21.3% YoY to INR6.04, while passenger unit revenue (PRASK) rose 19% YoY to INR5.03.
- Load factor declined only 130bp YoY to 83%, indicating that fare hikes did not materially impact passenger demand.
- May was a record month for the airline, with domestic passenger traffic exceeding 10m passengers for the first time.
- Management highlighted that industry pricing discipline remains strong despite capacity rationalization.
- Current demand conditions continue to support higher fares, allowing airlines to offset a portion of elevated operating costs.
- For 2QFY27, INDIGO expects PRASK growth of more than 25% YoY as fare momentum remains strong.
- Management believes current fare levels are helping the industry recover not only from fuel inflation but also from broader structural cost inflation.

Profitability, cost pressures and fuel dynamics

- Fuel remained the largest drag on profitability during the quarter.
- Singapore jet fuel prices increased nearly 120% due to elevated crack spreads and Middle East tensions.
- Fuel expenses increased ~80% YoY despite government intervention and support from oil marketing companies.
- Management indicated that blended fuel costs during the quarter were approximately INR140/liter.
- Yield growth of 21% was insufficient to offset cost inflation, which exceeded 30%.
- CASK ex-fuel is now expected to remain at the higher end of single-digit growth and may move into low double-digit territory.
- Employee costs increased due to annual increments, higher headcount and increased gratuity provisions.
- Senior management increments have been deferred and will be reassessed after six months.

- Supplementary rentals increased because of currency depreciation and annual lease escalations.
- Management continues to prioritize fuel-efficient NEO aircraft while parking older CEO aircraft wherever feasible.
- Discretionary expenses have been tightened across the organization.

Capacity, fleet and network expansion

- Capacity deployment was impacted by Middle East airspace restrictions and geopolitical disruptions.
- The company selectively reduced capacity on affected international routes and redeployed aircraft to stronger markets.
- For 2QFY27, capacity growth is expected to remain broadly flat YoY due to seasonal weakness and disciplined capacity management.
- INDIGO inducted 13 aircraft during the quarter and ended with a fleet of 432 aircraft.
- Nine aircraft were returned while 13 damp-leased aircraft were redelivered.
- Most damp-leased aircraft have now been returned, though management may reconsider temporary leases if demand strengthens.
- The company launched operations to Jamnagar and became the first airline to commence services from Noida International Airport (Jewar).
- 3QFY27 is expected to witness restoration of most of the currently curtailed capacity as the festive season approaches.
- Long-term fleet expansion plans remain unchanged despite near-term moderation.

International strategy, long-term growth and strategic initiatives

- Domestic operations remain the core of INDIGO's business model, but international expansion is increasingly becoming a major growth pillar.
- Management reiterated its target of increasing international ASK contribution to approximately 40% by 2030.
- International capacity had already reached nearly 33% of total capacity before recent disruptions.
- Upcoming A321XLR deliveries and future widebody aircraft inductions will support long-haul international expansion.
- International operations are expected to grow faster than domestic operations due to a lower base and a larger addressable market.
- The company signed an MoU with CFM International for more than 1,000 LEAP-1A engines. The agreement also includes long-term engine MRO development and material support infrastructure.
- Management views the engine agreement as a strategic move to secure long-term fleet growth and supply chain resilience.
- The airline launched a new "Light Fare" product aimed at passengers travelling without check-in baggage.
- Loyalty initiatives continue to strengthen via partnerships such as Accor ALL.
- Ancillary revenue remains an important focus area.

Balance sheet, liquidity and capital allocation

- Total cash balance stood at INR529b at the end of the quarter.
- Free cash amounted to INR390b, while restricted cash stood at INR139b.
- Total debt, including lease liabilities, stood at INR815b.

- Lease liabilities were INR538b against right-of-use assets of INR550b.
- During the quarter, capital was deployed toward engine acquisitions through the GIFT City platform.
- The company also made payments for the acquisition of land for its unified corporate campus.
- Management emphasized maintaining balance-sheet strength while continuing long-term investments.
- Strong liquidity continues to provide flexibility despite near-term earnings pressure.

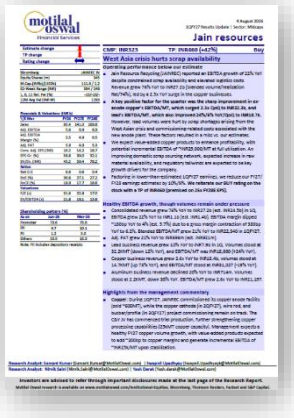
Jain Resources — Buy

Current Price INR 289

Copper, Value Addition Business, and Growth Strategy

- Copper remains the company's primary growth engine, with management focused on building a fully integrated copper recycling and value-added ecosystem.
- During 1QF Y27, the company successfully commissioned its copper anode facility, and approximately 600 MT of copper anodes have already been sold since commissioning.
- Both anode furnaces are operational, taking installed capacity to 1,600 MT/month, while production ramp-up is progressing as planned.
- The copper cathode project (1,500 MT/month) has completed civil construction and remains on track for commissioning in 2QFY27.
- The first phase of the cathode facility (750 MT) is expected to commence within the next month.
- The copper wire rod project (600 MT/month) and copper busbar & profile project (1,500 MT/month) are expected to be commissioned during 3QFY27.
- These projects are expected to significantly expand Jain Resource's downstream copper portfolio and strengthen its presence across multiple segments of the copper value chain.
- Management indicated that the value-added copper products business will largely cater to new customers, with customer qualification and approval processes already underway.
- Several customers have already provided in-principle approvals for procurement of the new products.
- The Ahmedabad JV facility has commenced trial production and is expected to stabilize during 2QFY27.
- The JV facility is designed to process approximately 72,000 MT of copper-bearing scrap annually and produce nearly 25,000 MT of copper products at full utilization.
- Management expects copper volume growth to continue in FY27, supported by both capacity additions and increasing contributions from value-added products.
- The company expects copper profitability to improve materially once cathode, busbar, profile and wire rod projects move beyond the commissioning phase and achieve stable utilization.

Click below for Results Update


Jain resources

- Management indicated that value-added copper products could add approximately 200bp to copper margins after stabilization.
- On an EBITDA-per-ton basis, management suggested an incremental profitability benefit of roughly INR25,000/MT from value-added copper products once fully ramped up.

Lead Business, Raw Material Sourcing, and Industry Dynamics

- Lead sales volume was hit during the quarter due to raw material shortages arising from disruptions in West Asia and higher procurement costs.
- The company has significantly expanded its domestic scrap sourcing network to reduce dependence on imports and improve raw material security.
- Management indicated that local sourcing has increased substantially over the last few quarters as a strategic response to supply disruptions.
- The company expects substantial scrap availability from Middle Eastern markets once geopolitical conditions normalize, as significant quantities of recyclable material have accumulated in the region over the last two years.

Project Execution, Capacity Expansion, and Capital Allocation

- The company continues to execute multiple projects aimed at increasing value addition, expanding product offerings and improving earnings quality.
- The antimony project remains on schedule for commissioning in 3QFY27.
- The facility will process approximately 1,000 MT of lead-antimony bullion and generate around 100 MT/month of antimony output.
- The project is expected to improve recovery rates and increase value addition within the lead recycling business.
- The dedicated plastic recycling facility has secured approximately six acres of land and is expected to become operational during 3QFY27.
- The project involves an investment of approximately INR150m and will help consolidate plastic recycling operations currently undertaken across different facilities.
- The company's strategic investment in Kuwait continues to progress, although machinery dispatch has been delayed due to geopolitical issues in West Asia.
- Management expects the Kuwait project to begin contributing from 3QFY27, subject to normalization of shipping conditions.
- The project remains strategically important from both raw-material security and regional sourcing perspectives.
- Total FY27 capex is expected to be around INR870m.
- Capital allocation remains focused on copper value-added projects, antimony facilities and plastic recycling infrastructure.
- Management reiterated its commitment to disciplined capital allocation and return-focused project execution.

Telecom Infrastructure Opportunity

- Shareholders recently approved an object-clause amendment enabling the company to participate in telecom infrastructure activities.
- The opportunity originates from the company's existing involvement in the removal of redundant underground copper cables.
- Telecom operators are increasingly replacing copper networks with optical fiber infrastructure, creating an adjacent business opportunity.

- Management views optical fiber deployment as a natural extension of its existing copper recycling operations.

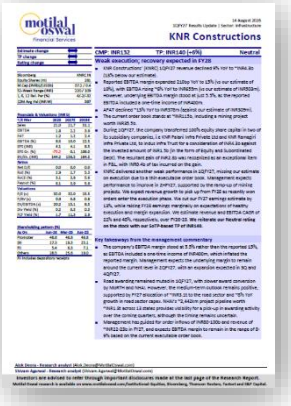
Regulatory Tailwinds and Industry Outlook

- Management highlighted recent amendments to the Hazardous Waste Management Rules, which are expected to become a significant long-term growth driver for the organized recycling industry.
- Under the revised framework, manufacturers in sectors such as cables, conductors, electrical assemblies and other non-ferrous applications will be
- required to incorporate at least 5% recycled content from FY28, with requirements increasing further thereafter.
- The regulations also mandate collection and recycling of end-of-life products through registered recyclers, which is expected to improve domestic scrap availability.
- Management expects these regulations to benefit both volumes and margins by increasing demand for recycled metals and improving scrap collection efficiency.
- The company believes organized recyclers such as JAINREC are likely to be key beneficiaries of these regulatory changes.
- Management acknowledged that competition in copper and lead recycling is likely to increase following regulatory changes.
- Despite this, the company believes its scale, sourcing capabilities, technology and value-added product portfolio provide competitive advantages.
- Management emphasized that recycling is a long-cycle business and quarterly earnings can be distorted by inventory movements, shipment timing and hedge accounting.
- Investors were advised to assess performance over multiple quarters rather than focusing on a single quarter's margins.
- The company indicated that additional expansion opportunities are being evaluated, although details cannot currently be disclosed.

Others

- EBITDA margin stood at 4.0% versus 5.8% in 1QFY26, primarily due to the changing product mix and initial ramp-up costs associated with newly commissioned value-added copper facilities.
- Inventory days stood at 55 days, debtor days at 19 days, resulting in a working capital cycle of around 60 days.
- The company continues to focus on maintaining working capital discipline despite ongoing capacity expansion and higher business scale.
- Material worth approximately INR200-300m remains stuck due to logistics disruptions linked to the West Asia conflict.
- The material remains on vessels and management does not expect any material loss, detention charges or damage.

Click below for Results Update



KNR Constructions — Neutral

Current Price INR 127

Industry opportunity

- The road infrastructure industry witnessed muted project awarding activity in 1QFY27, with both MORTH and NHAI showing slower award conversion.
- Despite the near-term softness, management remains positive on the medium-term road infrastructure outlook, supported by the government's continued focus on infrastructure spending. The Union Budget has allocated ~INR3.1t towards the Ministry of Road Transport and the road sector in FY27, with road sector capex increasing ~8% YoY after two relatively subdued years.
- NHAI has outlined a revised FY27 pipeline of ~54 highway and expressway projects covering ~2,442 km, with a combined project value of ~INR1.8t across 13 states. This provides visibility for a potential pick-up in awarding activity over the coming quarters, although the timing of tendering and awards remains uncertain.

Order book and bidding pipeline

- As of June'26, the order book stood at ~INR86.7b, including INR35.5b from the mining project and excluding the recently won HAM project worth INR65.6b. The composition includes 30% roads, 19% irrigation, 10% pipeline, and 41% mining projects. Client-wise, 84% were government projects (42% state govt, 42% central govt), 2% private sector, and 14% captive HAM projects.
- Of the revised INR8.5b equity requirement for HAM projects, INR6b has been infused to date additional liquidity requirement of ~INR2.1b is expected, with ~INR1.25b to be infused in FY27 and ~INR850m in FY28.
- Current L1 position is ~INR15b, although the company is awaiting LoIs/orders for some of these projects

Other highlights

- The company's EBITDA margin stood at 5.5%, rather than the reported 15%, as EBITDA included a one-time income of INR400m, which inflated the reported margin. Management expects the underlying margin to remain around the current level in 2QFY27, with an improvement expected in 3Q and 4QFY27.
- During 1QFY27, the company transferred 100% equity share capital in two of its subsidiary companies, i.e KNR Palani Infra Private Ltd and KNR Ramagiri Infra Private Ltd, to Indus Infra Trust for a consideration of INR4.3b against the invested amount of INR1.5b (in the form of Equity and Subordinated Debt). The resultant gain of INR2.8b was recognized as exceptional item in P&L and tax incurred was INR0.4b on this gain.
- Management remains cautious in BESS projects, given the competitive bidding, project-specific risks, and currency exposure, and has not factored any significant revenue contribution from the segment.
- Working capital days elevated to 133 in 1QFY27 from 78 as of Mar'26, as there is a sharp rise in debtors days to 196 days in 1QFY27 vs 152 days as of Mar'26.
- Irrigation receivables remain the biggest near-term balance sheet risk, with INR14b–14.5b outstanding and recovery dependent on government approvals.
- Mining project: Won in 1QFY26 through a JV with NCC (74:26), awarded the Vemardi coal mine in Jharkhand (INR48b excl. GST). Management expects the project to commence by 2HFY27, with revenue of INR3-4b when fully operational.

- KNR is planning to enter the metro, railway, BOT toll, and solar sectors, and is exploring JVs for capability expansion.
- Net debt-to-equity at 0.9x (Jun'26).

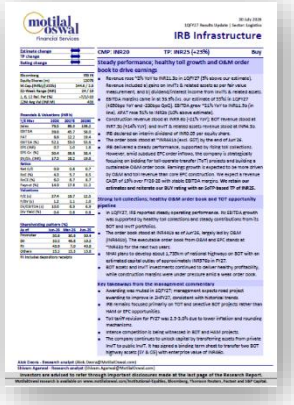
Guidance

- Management targets an order inflow of INR80-100b in FY27.
- Management expects INR22-23b in revenue in FY27.
- The company expects EBITDA margin of 8-9% based on the current executable order book.

IRB Infra — Buy

Current Price INR 19

Click below for Results Update



- Consolidated EBITDA stood at INR11.5b (+21% YoY) with a margin of 53.9% (+850bp); an increase in margin was led by high profitability in the BOT segment and gains from InvIT & related assets.
- BOT EBITDA stood at INR6.6b (margin 91%); InvITs & related assets EBITDA was INR4.1b (margin 94%); construction EBITDA was ~INR1.4b (margin 15% vs. 18% YoY).
- IRB Infrastructure Trust (Private InvIT) signed a binding term sheet to transfer two BOT highway assets (SY & CG) with an enterprise value of INR46.05b.
- Management has reiterated its target of becoming net debt free by FY30 through continued deleveraging.
- Awarding was muted in 1QFY27; management expects road project awarding to improve in 2HFY27, consistent with historical trends.
- IRB remains focused primarily on TOT and selective BOT projects rather than HAM or EPC opportunities.
- Toll tariff revision for FY27 was ~2.5-3.0% due to lower inflation and rounding mechanisms.
- Intense competition is being witnessed in BOT and HAM projects.
- Private InvIT per-day toll collection rose to INR133m in 1QFY27 (from INR136m in FY26); combined Private InvIT + IRB per-day toll collection stood at INR217m.
- Distribution of INR1.99b was declared by Private InvIT in 1QFY27, proportionately contributing to IRB's cash flows.
- Cumulative distribution from both InvITs stood at INR1.36b for 1QFY27.

Order book

- Order book by Jun'26 end: INR441b (excl. GST) – O&M: INR424b, EPC: INR17b.

Industry and bidding pipeline

- NHAI plans to monetize about 2,068km of operational highways via the TOT model.
- The highway and road sector has been pegged with an ambitious monetization potential of INR4.4t under the updated National Monetization Pipeline (NMP 2.0), extending from FY26 to FY30.
- NHAI plans to develop about 1,735km of national highways on BOT with an estimated capital outlay of ~INR576b in FY27.

Medium-term vision

- The company targets to scale up its road AUM from ~INR800b to ~INR1,400b over the next three years.

- Over the next five years, it aims to improve cash RoE from ~8% to ~14%+ and deliver a PAT CAGR of ~25%, supported by annuity-led asset base and resilient traffic growth.
- The company targets a net debt-free balance sheet by FY30, driven by disciplined capital allocation and calibrated asset monetization.

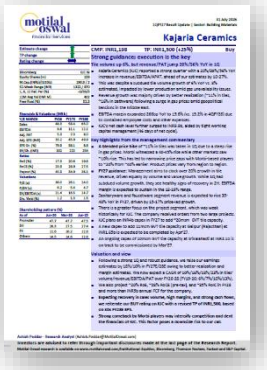
Guidance

- EPC order inflows remain subdued at present, and the company is strategically focusing on building a sustainable O&M order book, which provides long-term revenue visibility and stable income streams over the next 10-12 years.
- Management expects EPC margins in the range of 18-20% (including O&M), while BOT projects are likely to deliver margins of ~90%. The order book stands at INR441b, while the company is evaluating a bid pipeline of new TOT projects in the coming months.
- The contribution from O&M revenue is expected to rise, with O&M execution increasing to 50% of the order book in the future (from ~25-30% currently).
- The focus will remain on core road infrastructure, with no diversification into unrelated sectors.
- Proceeds from asset monetization are expected to be used for competitive bidding in upcoming BOT/TOT opportunities.

Kajaria

Click below for Detailed Concall Transcript & Results Update





Kajaria Ceramics — Buy

Current Price INR 1,212

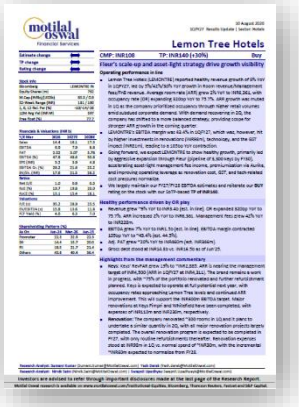
- A blended price hike of ~11% in tiles was taken in 1Q due to a steep rise in gas prices. Morbi witnessed a 40-45% rise while other markets saw ~10% rise. This has led to narrowing price gaps with Morbi-based players to ~20% from ~40% earlier. Product prices vary from region to region.
- FY27 guidance: Management aims to clock over 20% growth in tile revenue, driven equally by volume and value growth. While 1Q had subdued volume growth, they see healthy signs of recovery in 2H. EBITDA margin is expected to sustain in the 18-19% range.
- Sanitaryware and faucet-ware segment revenue is expected to rise 35- 40% YoY in FY27, driven by 15-17% price-led growth.
- There is a greater focus on the project segment, which was weak historically for KJC. The company received orders from two large projects.
- KJC plans an INR4b capex in FY27 to add ~20msm GVT tile capacity.
- A new capex to add 11msm GVT tile capacity at Gailpur (Rajasthan) at INR1.65b is expected to be completed by Apr'27.
- An ongoing capex of 10msm GVT tile capacity at Srikalahasti at INR2.1b is on track to be commissioned by Mar'27.

Lemon Tree Hotels — Buy

Current Price INR 108

Click below for Detailed Concall Transcript & Results Update





Operating performance

- 2Q is expected to be significantly better than 1Q, with July and August showing improved performance
- Retail rooms carry lower ARR but higher occupancy rates (OR). This is a temporary phenomenon, and the company adopted a more balanced approach in July
- The strategy has changed in 2Q, with a greater focus on balancing retail and negotiated rooms
- Upper-upscale brands will be used to penetrate dense-demand markets, while brands such as Keys and Lemon Tree Hotels (LTH) will enable deeper penetration across India
- Asset-light growth will be driven by signed hotels, which typically take 30–36 months from signing to opening
- Group-level debt stands at INR13b
- The company expects to deliver double-digit growth from 2Q onwards
- EBITDA margin is expected to exceed 47% in FY27. Margins are currently compressed due to one-off/temporary expenses; the GST impact is being mitigated by shifting room sales from the below-INR7,500 segment to rooms priced above INR7,500
- ARR is expected to improve by 5–6% in 2Q. During the winter season, a larger proportion of rooms is expected to be sold above INR7,500, thereby reducing the GST impact
- Renovation expenditure is expected to decline sharply from next year
- 2Q will continue to see elevated renovation expenditure
- The company is targeting a 50% EBITDA margin in FY28
- The India–UAE travel market has not been significantly impacted; however, Indian travelers are increasingly travelling to Thailand, Nepal and the Maldives
- Around 300 rooms were renovated in 1Q, with a similar number expected to be renovated in 2Q. All major renovation projects have been completed, with the remaining projects being smaller in nature
- Keys Cochin, Visakhapatnam and Trivandrum require smaller refurbishment investments of ~INR0.3m per key, which can be completed within one week to, at most, one month
- Full renovation program is expected to be completed in FY27
- From FY28 onwards, the company will continue with regular refurbishments, with no major renovation program planned
- INR98m was spent on renovations in 1Q, compared with the normal spend of ~INR30m. The incremental ~INR60m expenditure is expected to normalize from next year
- EBITDA margins are expected to be 2–2.5% higher next year compared with the current year
- The company expects a better mix of negotiated and non-negotiated rooms from 2Q onwards
- The GST impact will not be eliminated completely, but is expected to be substantially diluted

- The company does not plan to enter airline catering, as its business model remains primarily room-revenue driven, with F&B accounting for a smaller share of the business
- Mid-to-late 30% of bookings are dependent on OTAs. The company plans to increase the share of direct-channel bookings
- Warburg is investing in Fleur at a valuation of US$1b
- The demerger is expected to be completed by late 2H CY27

Expansion plans

- Aurika, Shimla: The company is developing a 90-room owned hotel, which is expected to open in FY27. Total capital deployed as of 30 June 2026 stood at INR1.1b.
- Aurika, Shillong: The 165-room leased hotel is expected to commence operations in FY28. The company has deployed INR330m towards the project as of 30 June 2026.
- Aurika, Varanasi: The 47-room leased hotel is expected to open in FY29. Capital expenditure incurred as of 30 June 2026 stood at INR40m.
- Aurika, Nehru Place, Delhi: The company is developing a 572-room leased hotel, with opening targeted for FY30. The expected capital deployment for the project is yet to be announced.
- From next year onwards, capex is expected to be limited to ~1% of revenue.

Fleur

- Around 300 rooms were renovated at a cost of INR100m, with a similar number expected to be renovated in the coming quarter.
- Fleur is focused on asset creation through both development and acquisitions.
- On the asset-light side, Fleur will pursue leases; when Fleur leases a hotel, it expects to deploy only 5–10% of the capital while capturing 50–60% of the EBITDA.
- Fleur aims to achieve ~15% ROCE once the renovation program is completed
- Keys
- RevPAR increased 19% YoY to INR2,885
- ARR is approaching the INR4,500 target
- Keys remains a work in progress, with several more rooms yet to be renovated
- Keys is expected to operate at full potential next year, with occupancy rates approaching those of Lemon Tree
- ARR is expected to continue improving.
- Hotels for full renovation: Keys Pimpri – INR110m spent, Keys Whitefield – INR230m spent, Keys Ludhiana renovation completed. Balance renovation expenditure expected at ~INR130–140m
- Debt/EBITDA is expected to remain around 2x
- Debt is currently around INR11–12b
- A significant growth spurt is expected, with ~2,500 rooms to be added to the portfolio.
- The company is building 850–900 rooms, which will result in total additions of ~3,300 rooms.
- Fleur is expected to increase its room count by ~50% by FY30, with a significantly higher increase in revenue as incremental rooms will largely come from Aurika.

City-wise performance

- Cities with lower levels of domestic travel witnessed subdued performance due to lower hiring and relocation activity
- Mumbai and Gurugram were particularly impacted by these trends
- The weakness was offset by retail demand in most markets
- In Delhi, Hyderabad and Bangalore, retail demand compensated for the weakness; however, this was not sufficient to offset the slowdown in Mumbai and Gurugram
- Around 2,000 new rooms have been added in the Mumbai micro-market, further contributing to subdued performance
- 1Q performance in Mumbai was an aberration, and 2Q is expected to be better
- The company will focus on improving ARR at Aurika, which should translate into RevPAR improvement going forward

Lemon Tree

- ROCE is expected to be significantly higher, supported by lower capital deployment
- Despite the overall slowdown, fee income grew 42% during the quarter
- The company targets an EBITDA margin of 75–80% over the next 3–4 years
- The company plans to open ~2,000 keys in FY27
- Management fees are significantly higher in metro cities; fee income is expected to accelerate over the next 8–10 quarters.
- Third-party business is growing rapidly, with the pace of signing significantly exceeding the pace of hotel openings.
- Management fees from Fleur are expected to reach double-digit growth as Fleur achieves double-digit growth.
- One 70-key contract has been terminated. Another hotel inherited from Keys, which generated no fees, has been taken to the NCLT. A total of ~200 keys have been removed from the portfolio, although the fee-income loss relates to only 70 keys.
- The company may terminate additional agreements where properties do not meet its brand standards.
- The company aims to maintain a room-revenue-to-other-revenue mix of ~75:25, with stronger contribution from MICE expected in 2H.

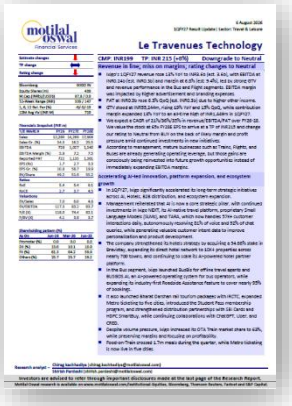
Le Travenues Technology — Neutral

Current Price INR 169

Click below for Detailed Concall Transcript & Results Update



- Management reiterated that trains, flights and buses are already generating operating leverage, but profits are being redeployed into new growth initiatives rather than maximizing EBITDA.
- Bus business remained the biggest growth driver, with GTV growing 39% YoY, revenue rising 34% YoY, and contribution margin expanding 28% YoY, becoming Ixigo's largest contribution margin business.
- Bus growth significantly outperformed the industry, with 17 states recording over 60% YoY growth, driven by supply expansion, improving highway infrastructure, and higher demand amid elevated airfares and train ticket shortages.



- Roadside Assistance is now available across 20 states, covering ~95% of bookings, providing replacement cabs during bus breakdowns, and improving customer trust and retention.
- The company launched BusBiz, enabling offline travel agents to sell bus inventory, creating a new B2B distribution channel.
- It introduced BUSGDS.AI, an AI-powered operating system for bus operators offering inventory management, AI-based pricing, route planning, and customer support.
- Flights continued to gain market share despite industry headwinds, with flight GTV increasing 27% YoY, while the passenger segment grew 4% YoY.
- Domestic and international airfares increased 22% YoY and 38% YoY, respectively, due to the Iran conflict, higher oil prices, and airline capacity cuts.
- Management expects aviation demand to remain weak during 2QFY27 due to capacity reductions in Air India and IndiGo, with recovery likely from the festive season onwards.
- Ixigo plans to gradually enter the SME and corporate travel segment, leveraging existing GST-based bookings from traders and small businesses.
- Trains continued facing industry-wide headwinds from Tatkal restrictions, lower waitlist inventory, and additional authentication requirements.
- Despite volume pressure, Ixigo increased its OTA train market share to 63%, while preserving margins and focusing on profitability.
- Management remains optimistic that OTP-based authentication could reduce booking friction, although no timeline has been assumed.
- Food-on-Train crossed 1.7m meals during the quarter, while Metro ticketing is now live in five cities.
- The company launched Bharat Darshan rail packages in partnership with IRCTC to expand adjacent monetization opportunities.
- Hotels emerged as Ixigo's fastest-growing business, with 0.5m heads on beds during Q1FY27.
- The company expanded direct hotel contracting to 10K+ hotels across nearly 700 towns, with several thousand new hotels being onboarded every quarter.
- Overall hotel inventory now exceeds 70K properties in India and 1m properties globally.
- It acquired a 54.66% stake in Brevistay, strengthening direct hotel supply, flexible-stay offerings and field sales capabilities; financial consolidation will begin from 2QFY27.
- Around 90% of hotel bookings originate from Ixigo's captive customer base, providing a structural customer acquisition advantage.
- Management targets becoming India's largest budget and mid-market hotel platform over the next 4–5 years.
- AI remains one of the company's highest strategic priorities, with continued investments in Ixigo NEXT, proprietary Small Language Models (SLMs), AI infrastructure, and engineering talent.
- Ixigo NEXT is being developed as an AI-native travel platform capable of understanding customer intent and delivering hyper-personalized travel experiences.

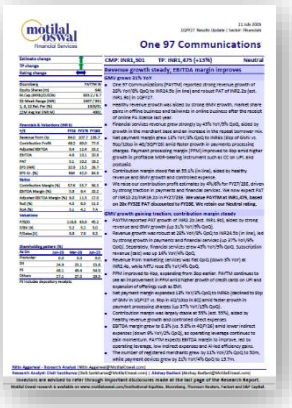
- TARA AI currently handles 57,000+ customer interactions daily, autonomously resolving 81% of voice queries and 92% of chat queries.
- Management believes conversational AI provides valuable customer intent data, which will improve personalization, product development, and conversion rates over time.
- Technology costs have increased due to AI investments but are expected to normalize over the next few quarters, with productivity gains expected to improve operating leverage.
- Marketing spend was elevated during the quarter due to the ConfirmTkt IPL campaign and AbhiBus branding initiatives in Southern India.
- Flights and bus partnerships with PhonePe were discontinued after contract completion, while the train partnership continues; management expects no material financial impact.

One 97 Communications — Neutral

Current Price INR 1,585

Click below for Detailed Concall Transcript & Results Update





Revenue

- Consumer payments continued to gain market share, with transaction growth outpacing the overall UPI industry. Higher customer engagement and daily active users have now surpassed the Jan'24 levels.
- The company remains focused on profitable growth, prioritizing monetization over aggressive customer or merchant acquisition, which should support further margin expansion.
- Three new independent directors have joined the board, strengthening governance and strategic oversight.
- Revenue growth is expected to accelerate, aided by slower growth in indirect expenses and improving operating leverage.
- PAYTM plans to step up both consumer and merchant acquisition while leveraging technology investments and its strengthened leadership team.
- Growth has been broad-based across small merchants, large merchants and consumer payments, with Postpaid also witnessing healthy traction.
- Payments revenue has gained momentum across all key segments, including large merchants, small offline merchants, online merchants and consumers, following the removal of earlier headwinds in the online business.
- Cash generation remains healthy, strengthening the balance sheet.
- The margin trading facility remains a relatively small business today but offers incremental growth opportunities.
- Management expects revenue streams to become increasingly diversified over time.

GMV

- Management believes the recent acceleration in GMV is sustainable, supported by continued offline merchant digitization, growth in online payments and an expanding consumer base.
- GMV growth remains broad-based across merchant and payment categories, reinforcing confidence in the sustainability of growth.

Costs

- Higher payment processing costs are largely a function of a richer payments mix, driven by higher credit card processing and credit line on UPI transactions.

- The increase in processing costs is accompanied by stronger monetization, with higher-yield payment products supporting payment margin expansion.

AI-related commentary

- AI is expected to emerge as a meaningful revenue contributor, with internally developed AI products already generating initial revenue and commercial scale-up planned over the next few quarters.
- The company has built its own AI stack by compressing a 200bn-parameter model into a 4bn-parameter Indian language model, deployed on its own infrastructure to reduce inference costs, improve latency and eliminate third-party AI and call-center costs.
- Following successful internal deployment, PAYTM plans to offer these AI solutions to merchants and enterprises, creating a new revenue stream beyond payments and financial services.

Postpaid/Wallet

- Postpaid is expected to become a meaningful contributor from FY28 onward.
- The product continues to gain traction, with the current ramp-up running at nearly twice the previous pace.

Merchant business

- The merchant business continues to contribute the bulk of profits, although the consumer business is also scaling up steadily. Around 80% of the revenue mix continues to come from merchants.
- Device rental discounts are selectively offered to merchants where cross-selling opportunities improve long-term monetization.
- Paytm is proactively expanding lower-APR offerings and is well positioned to compete aggressively while leveraging its multi-product merchant ecosystem.
- Management remains confident on merchant monetization and expects device deployment to continue, supported by improving payback periods and stronger profitability.

Consumer business

- The consumer business continues to gather momentum, aided by improving traction in financial services, particularly after the relaunch of Postpaid.
- The focus remains on increasing customer engagement and retention rather than customer acquisition, while P2P remains a revenue-generating business.
- Consumer engagement has improved meaningfully, with higher retention and transaction activity driving better monetization. Marketing services revenue, however, was temporarily affected by weaker travel demand.
- Monetization continues to improve across personal loans, postpaid, wealth products and P2P payments, resulting in customer lifetime value approaching that of the merchant business.

Lending business

- The company has onboarded a small finance bank and added two large banking partners.
- It now has a double-digit number of lending partners across both merchant loans and personal loans, providing a healthy growth runway.
- Personal loan disbursements are expected to remain strong as lending partners regain confidence in unsecured lending and continue sourcing through Paytm's asset-light distribution model.

Paytm Money and Wealth

- Wealth management is emerging as the next growth engine, with greater focus on equity broking and mutual fund distribution to deepen consumer monetization beyond lending.
- The wealth business, housed under the subsidiary, has reached a meaningful scale and continues to show steady improvement.

EBITDA margin

- EBITDA margin improved to 8% during the quarter, reflecting better profitability.
- Management expects margins to improve further towards 15-20% over the next 2-3 years, driven by higher penetration in financial services, operating leverage and lower indirect expenses, with AI also contributing to efficiency gains.

MDR

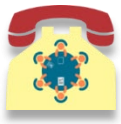
- The company does not yet have clarity on the ongoing MDR discussions and will continue to monitor developments.
- Regardless of the outcome, PAYTM does not expect any change to its business model and remains confident in its ability to monetize both small merchants and large enterprises.

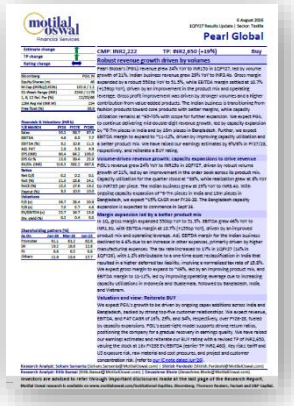
PEARL GLOBAL
Exceeding Expectations...Always

Pearl Global — Buy

Current Price INR 2,411

Click below for
Detailed Concall Transcript &
Results Update




Pearl Global

Tariffs and Global Trade

- Japan's imports from China have declined sharply, with China's share falling from ~65% to ~15%, while Vietnam's share has increased to ~17.5%; Bangladesh has also gained share.
- India is expected to benefit from the UK FTA and the upcoming EU FTA.
- The US provides subsidies when cotton is imported from the US and converted into garments, supporting sourcing from countries that use US cotton.

UK Business

- India's exports to the UK are currently ~USD1.3b and could potentially double over the next two years.
- Management expects the UK business to witness significant growth following the UK FTA, with the benefits largely accruing to the Indian business.
- PGIL offers products across seven categories, allowing customers to source ~70-75% of their requirements from the company. This broader product offering helps increase wallet share, particularly in the UK.

India Business

- Standalone India margins contracted due to higher wage costs across the four Haryana factories. Adjusting for the wage impact, EBITDA margin would have been ~9%.
- India business is currently operating at ~65-70% utilization, with the company targeting high-single-digit to double-digit EBITDA margins.
- The Indian business earlier had its focus on fashion products but is now shifting toward core products, which offer better margins.
- The construction of Bihar Phase 2 capacity has commenced. The woven facility is operational and, at full capacity, can ship ~0.4-0.5m pieces/month versus the current ~120-130k pieces/month.

Bangladesh

- Bangladesh capacity expansion is scheduled to start in September, with orders expected from 2HFY27. The expansion will add ~6-7m pieces, taking PGIL's total capacity to ~108m pieces.

Capacity and Capex

- Bihar Phase 2 construction has commenced, while land acquisition for the Vietnam facility has been completed.
- FY27 capex is planned at INR2-2.5b.
- Total capacity is targeted at 125-130m pieces by 2028.
- Overall capacity utilization currently stands at ~75-80%, while India utilization is ~65-70%.

Revenue Outlook

- Management is targeting high-teen growth in FY27, supported by volume growth, operational efficiency, and a better product mix.
- The company is targeting ~12-14% revenue CAGR and aims to reach INR60b revenue by FY28, subject to a supportive macro environment.

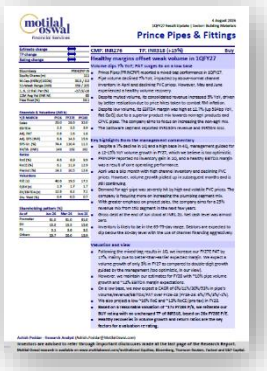
Margins and Product Mix

- Gross profit improved on higher volumes and a greater contribution from high-value-added products.
- Higher other expenses were due to greater production through partner factories and higher job-work costs.
- Management is targeting ~12% EBITDA margin over the longer term, supported by a better customer mix, product mix, and geographical contribution.
- Double-digit EBITDA margins are expected for the full year.

PRINCE PIPES

Click below for Detailed Concall Transcript & Results Update





Prince Pipes — Buy

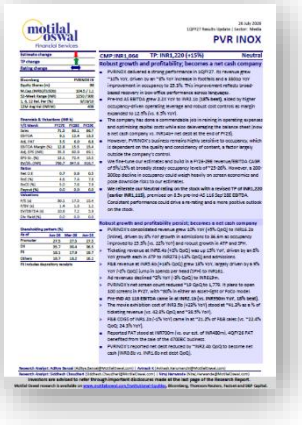
Current Price INR 283

- Despite a 7% decline in 1Q and a high base in 4Q, management guided for a 12-15% YoY volume growth in FY27, which we believe is too optimistic.
- PRINCPIP reported no inventory gain in 1Q, and a healthy EBITDA margin was a result of core operating performance.
- April was a blip month with high channel inventory and declining PVC prices. However, volume growth picked up in subsequent months and is still continuing.
- Demand for agri-pipe was severely hit by high and volatile PVC prices. The company is focusing more on increasing the plumbing segment mix.
- With greater emphasis on project sales, the company aims for a 25% revenue mix from this segment in the next few years.
- Gross debt at the end of Jun stood at INR1.2b. Net cash level was almost zero.
- Inventory is likely to be in the 65-75-day range. Debtors are expected to dip below the 30-day level with the use of channel financing aggressively.

PVR Inox — Neutral

Current Price INR 1,201

Click below for Detailed Concall Transcript & Results Update



- **Box-office trends:** India's total box office collections grew 20% YoY in 1QFY27, with growth broad-based across metros as well as Tier II and Tier III markets. Management highlighted that a wider mix of successful mid-scale films across multiple languages drove the strong box-office performance, indicating a broad-based recovery. Globally, theatrical exhibition also remained healthy, with the North American box office up 14% YoY at USD4.8b in 1HCY26, marking its second-best first-half performance since 2019. Management reiterated that the theatrical-first model continues to remain the preferred release strategy for filmmakers globally.
- **Content slate:** Management expressed confidence in the content pipeline for the remainder of FY27, with major Hindi releases including Ramayan Part 1, King and Love & War. The regional slate includes titles such as Toxic and Jailer 2, while Hollywood releases feature Avengers: Doomsday, Spider-Man: Brand New Day and Dune Part Three. Several of these films are expected to release in premium large-format screens. Management noted that the broad mix across languages, genres and budgets bodes well for PVRINOX, given its pan-India reach.
- **Balance sheet strength:** PVRINOX ended 1QFY27 with a net cash position, supported by three years of sustained free cash flow generation and disciplined capital allocation. Management stated that the stronger balance sheet provides strategic flexibility to fund future growth through internal cash flows while continuing its capital-light expansion strategy.
- **Screen additions:** Management reiterated its target of opening around ~100 new screens (gross) during FY27 through a combination of lease-based and asset-light models. While no screens were opened during 1QFY27 due to delays in obtaining regulatory approvals, the company expects a bunched-up opening schedule in 2Q and 3Q. Gross additions are expected at ~90-100 screens, translating into around 80 net screen additions after significant closures in 1Q.
- **Capital allocation:** Management reiterated that capital allocation remains focused on improving ROCE and ROE to pre-COVID levels. The company stated that investment decisions will continue to prioritize sustainable growth and long-term shareholder value creation. It indicated that capital will be deployed only towards opportunities that improve overall returns, while any material capital allocation decisions will be communicated after board approval.
- **Capex:** Management expects lower capex outgo of ~INR3.5b (vs. earlier ~INR3.7b) in FY27, reflecting the increased adoption of capital-light expansion models while allocating a relatively higher share towards renovating existing high-value properties. The guidance includes investments across all planned initiatives, including the food court joint venture, which management noted is relatively less capital intensive.
- **F&B COGS & film hire charges:** Management stated that film revenue-sharing agreements with producers remain unchanged. The decline in film hire costs during the quarter was mainly due to the content mix, including lower revenue-sharing rates from films in later weeks of their run and the absence of mega blockbusters. F&B cost of goods sold continued to improve through tighter cost

controls, lower wastage, technology adoption and broader product offerings, with management expecting FY27 F&B COGS to remain below FY26 levels.

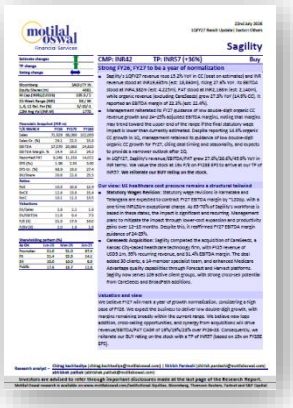
- **SPH growth drivers:** F&B spends per head increased ~9% YoY during 1QFY27. Management stated that the growth was driven by both higher pricing and higher consumption, with ~70% of the increase coming from value (pricing) and 30% from volume. Promotional campaigns to improve strike rates and selective price increases across certain products contributed to the improvement.
- **Advertisement:** Management stated that cinema advertising has recovered significantly from post-COVID lows, with revenue rebuilding from virtually zero to ~INR4.5b over the past four years. Advertising demand continues to be driven largely by anticipated blockbuster releases, with stronger inflows expected alongside major upcoming films during 2HFY27. The company is also shifting discussions with advertisers towards audience reach rather than individual film-based advertising, although management indicated this transition will take time.
- **South India expansion:** Management stated that nearly 600 of its screens are already located in South India, reflecting the region's strong cinema-going culture and relatively lower multiplex penetration. It noted that many opportunities are emerging as organized mall development increases across southern markets. Developers such as Lulu, Prestige and Brigade continue to expand their projects, creating opportunities for multiplex additions. Management emphasized that expansion remains opportunity-driven rather than region-specific.
- **New screen economics:** The new properties typically require 12-18 months to mature. Cinemas opened during FY24 and FY25 have now reached steady-state operations and are delivering margins above the company average. The company attributed this to careful site selection, disciplined rental negotiations and operating leverage.
- **FIFA screening/alternative content:** Management termed the FIFA World Cup final screening a successful initiative, with around 64,000 attendees despite the event taking place after midnight. Average ticket prices were around INR380–400, and the event also generated healthy food & beverage spending during a typical shutdown period (midnight). The company stated that such initiatives support profitability while expanding PVR INOX's positioning beyond movies. Management plans to continue hosting sporting events, concerts and stand-up comedy as part of its alternative content strategy.
- **ATP for alternative programming:** Management stated that ticket pricing and revenue-sharing arrangements for alternative programming vary depending on the artist, event format and commercial negotiations. Content costs can range from around 35% to as high as 65-70% of ticket revenues. Each event is therefore evaluated individually based on commercial terms.
- **Online penetration & convenience fee:** Online ticket bookings increased to ~68-69% from 63-64% earlier. Management attributed the growth to higher admissions, improved average ticket prices, and marketing initiatives across its own digital platforms as well as online aggregators. While online penetration is expected to continue increasing, management acknowledged that growth rates may moderate as penetration approaches 70%.

Sagility — Buy

Current Price INR 42

Click below for Detailed Concall Transcript & Results Update





- Sagility delivered a strong start to FY27, with revenue of INR19.6b (USD207.8m), up 27.6% YoY (15.2% CC), while organic revenue grew 27.3% YoY (14.9% CC).
- Although reported revenue declined sequentially due to the absence of seasonal US open enrollment volumes, the underlying business remained healthy, with steady-state organic revenue increasing 5.1% QoQ, and management expects seasonal volumes to return in 3Q and 4Q.
- The company maintained strong profitability, reporting a 24.0% adjusted EBITDA margin despite annual salary hikes and statutory minimum wage revisions in Karnataka and Telangana, which are expected to create a recurring ~120bp FY27 margin headwind.
- Management remains confident of sustaining its FY27 EBITDA margin guidance of 24–25% through operational efficiencies, productivity initiatives, expansion into lower-cost delivery centers, and favorable forex, with margins potentially trending toward the upper end if the final wage impact is lower than estimated.
- During the quarter, Sagility completed the acquisition of CareSeeds, adding 30 clients (26 new client relationships), a 95% recurring revenue business with a 31.4% EBITDA margin, and strengthening its Medicare Advantage quality management capabilities.
- Together with BroadPath, the acquisitions have added over 55 small and mid-market clients, creating a meaningful cross-selling opportunity across quality management, care management, chart abstraction, and population health solutions.
- The company now serves 109 active client groups, with CareSeeds expected to enhance its AI-enabled population health platform and improve end-to-end care-gap closure and Stars performance.
- Management reiterated FY27 guidance of low double-digit organic constant currency revenue growth, despite delivering 14.9% organic CC growth in 1Q, citing seasonality and deal timing, with a more refined outlook expected after Q2.
- Growth continues to be driven entirely by volumes rather than pricing, supported by deeper penetration within existing clients, increasing demand for higher-value clinical and care management services, and USD 35.3 m of ACV signed during the quarter.
- Management highlighted that execution capacity is not a constraint, with longer sales cycles for large managed-services contracts being the primary limiting factor. Seasonal open enrollment revenue is expected to remain broadly similar to FY26 at around 6% of annual revenue, supported by BroadPath and incremental seasonal clinical work.
- On demand, management indicated that it has not seen any broad-based slowdown despite cautious industry commentary, as health plans continue to prioritize cost optimization and operational efficiency.
- Sagility currently serves 7 of the top 10 US health insurers and aims to deepen relationships through specialized offerings such as clinical services, payment integrity, and outcome-based managed services, while continuing to win traditional FTE- and transaction-based contracts.

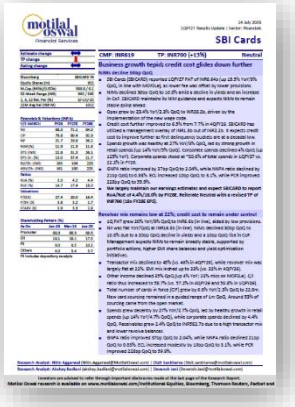
- Future acquisitions will remain capability-led, focusing on clinical services, provider operations, healthcare technology, quality management, and care management.
- Regarding AI, management acknowledged that industry-wide productivity benefits remain modest but views AI as a long-term opportunity to redesign end-to-end workflows using agentic AI and automation to deliver measurable cost savings while strengthening client relationships.
- Internally, AI is being deployed to improve recruitment, training and workforce productivity, including reducing employee training time from six weeks to around four weeks, rather than reducing headcount.
- Management also noted that structural revenue deflation of 100–250bp annually, driven by offshoring, automation and AI adoption, remains a normal feature of the business and could increase over time as AI adoption accelerates.

SBI Cards & Payment Services — Neutral

Current Price INR 626

Click below for Detailed Concall Transcript & Results Update




SBI Cards

Opening remarks

- RuPay credit cards on UPI continue to support industry growth, and management expects to sustain this trend over the medium term.
- The company remains focused on building the franchise through sustainable growth, with continued emphasis on strengthening the banca channel.
- SBICARD will continue to strengthen its market position through disciplined execution, customer-centric innovation, and sustained investments in digital capabilities.
- CIF increased 7% YoY. In line with its stated strategy and roadmap, the company added ~1m new cards during 1QFY27.
- Spend market share improved to 19.5% from 18.1% in FY26.
- Credit card spends increased 13% QoQ, led by categories such as department stores, groceries, utilities, fuel, restaurants and apparel, supported by higher RuPay and QR-based acceptance.
- CoF is expected to remain elevated, broadly in line with prevailing market rates.
- NIM for the quarter stood at 10.8%.
- The annual ECL model review has been completed, resulting in the utilization of INR1.8b out of the INR2.2b overlay created in the previous quarter.
- The company released provisions of INR650m during the quarter and continues to carry an overlay of INR700m.
- Gross credit cost is expected to remain around the current range.

Credit cost and ECL

- Credit costs are expected to moderate further, reflecting the benefits of portfolio and risk management initiatives implemented over the past 1-2 years.
- Entry rates into the first delinquency bucket are at near-decadal lows, indicating improved portfolio quality and healthier customer repayment behavior.
- Management remains comfortable with the existing ECL framework and considers the model to be robust. Any changes going forward are expected to arise from data refreshes rather than model relaxation, while annual reviews are likely to result only in incremental refinements.

- Portfolio analysis has not identified any signs of elevated stress across customer segments, including employees of Indian IT companies. The company, however, continues to monitor the segment closely.

Opex and other income

- The increase in employee expenses was primarily due to the implementation of the new wage code.
- Operating expenses are expected to remain slightly elevated as business activity picks up during the festive season.
- Decline in instance-based fee income was largely driven by lower late-fee collections. Management expects late-fee income to remain at current levels, while instance-based fee income should improve from 2HFY27, mainly due to a favorable base effect rather than any recovery in late-fee collections.

NIMs, cost and yields

- CoF is expected to remain broadly stable, although it will continue to depend on monetary policy actions and the interest rate environment.
- The company expects portfolio yields to remain within a broadly stable range through FY27.
- Management expects to sustain NIMs around the current levels, supported by portfolio actions, a higher share of EMI balances and ongoing yield optimization initiatives. The company also continues to actively optimize its funding mix to mitigate the impact of movements in treasury yields.

Spends; Loans and receivables

- Revolver balances are expected to remain broadly stable, although management acknowledged a marginal downside risk.
- With the festive season approaching, the share of EMI transactions is expected to increase.
- SBICARD continues to focus on converting customer spends into EMI loans, both at the point of sale and post-purchase, rather than driving standalone EMI products.
- Higher consumer durable prices have increased the average ticket sizes, resulting in a greater conversion of spends into EMI loans. Management expects this structural trend to continue supporting instalment lending growth.
- While some existing customers continue to carry personal loans linked to their credit cards, the company is not originating fresh personal loans at present.
- Management acknowledged that competitively priced personal loans may divert a part of borrowing demand. To address this, the company is improving the competitiveness of its EMI offerings, which has also contributed to a modest decline in revolver rates.
- Corporate spends are expected to account for around 20% of the overall spend mix. Since corporate cards do not offer lending, revenue is largely driven by interchange income. Consequently, profitability from this segment remains significantly lower than that in the retail card business.

Others

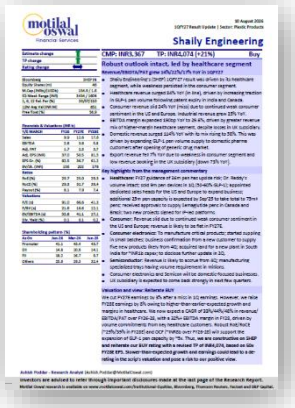
- SBI Bank has a customer base of around 530m. Of this, management estimates the addressable credit card opportunity at nearly 150-200m customers, providing significant headroom for future growth.

Shaily Engineering — Buy

Current Price INR 3,368

Click below for
Detailed Concall Transcript &
Results Update





Business development

- Shaily was able to mitigate challenges with calibrated price hikes and operational efficiency. Gross margin was impacted by a steep rise on RM prices, which will be fully passed on gradually.
- Domestic revenue surged 114% YoY, led by expanding GLP-1 pen volume supply to domestic pharma customers, which, in turn, are selling in global markets.
- Export revenue fell 7% YoY due to weakness in consumer segment and low revenue booking in the UK subsidiary (down 73% YoY).
- UK subsidiary business is expected to come back strongly in next few quarters.

Healthcare (revenue up 84% YoY, 51% mix)

- Sold 9m pen devices in 1Q (50-60% GLP-1, rest insulin and other therapies).
- 6 of 8 pens platforms are commercial now.
- Working to expand capacity by 30% by 2Q end via some line changing etc.
- Appointed dedicated sales heads for US and Europe to expand businesses
- Additional 25m pen capacity is expected by Sep'25 to take total to 75m+

FY27 guidance of 36m pens has upside risk; Dr. Reddy's volume is intact

- Received customer approvals to supply Semaglutide pens in Canada and Brazil
- Two new projects signed for IP-led platforms
- Reusable auto injectors are expected to be launched by FY27-end
- In advance discussion with a pharma innovator; expect to onboard this customer in next six quarters
- Pen business is not a cost-plus-contract but a market-driven price business.
- No.2 supplier in Canada; expect a similar status in Brazil.
- Abu Dhabi plant is planned to start production in FY28.

Consumer (revenue down 24% YoY, 41% mix)

- Revenue slid due to continued weak consumer sentiment in US and Europe.

Revenue is likely to be flat in FY27.

- Business confirmation received for global project from FMCG customer.
- Engaged for a new projects from customer in LED lights.

Industrial (revenue up 25% YoY, 8% mix)

- Business confirmation received for new projects from customers in Consumer Appliance, Consumer Electronics and Auto sectors.
- Consumer electronics and Semicon business will be more domestic focused.

Consumer Electronics

- Manufacturing high critical products; started commercial supply in small batches
- Confirmation from a new logo for five new products; supply likely from 4Q.
- Acquired land for a new plant in South India for ~INR1b capex; to disclose further update by next quarter.

Semiconductor

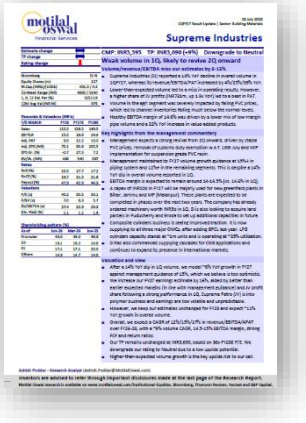
- Revenue is likely to accrue from 4Q.
- Manufacturing specialized trays having volume requirement in millions.

Supreme Inds — Neutral

Current Price INR 3,611

Click below for Detailed Concall Transcript & Results Update





FY27 guidance

- Despite a 14% dip in volumes in 1Q, the company maintained its FY27 volume growth guidance of 15%+ in piping system and 12%+ in the remaining segments.
- EBITDA margin to remain around 14-14.5% (vs. 14.6% in 1Q).
- Capex plan of INR10b in FY27; committed INR5b in 1Q

Other developments

- Plans new greenfield plants in Bihar, Jammu and MP (Malanpur); to be completed in the next two years in phases
- Also looking to acquire land in Puducherry and Erode for addition capacities in future
- LPG cylinders capacity at ~1m units, operating at ~35% utilization; added BPCL as a customer, now supplying to all three major OMCs
- Also commenced supplying cascades for CNG applications and continues to expand its presence in international markets

1QFY27 performance

- Volume/revenue/EBITDA missed our estimates by 6-15%
- Higher share of JV profits led to beat in PAT
- Volume down 14% YoY; revenue/EBITDA/PAT up 4%/25%/39% YoY
- Agri volume was severely impacted in 1Q
- Inventory levels much below normal in 1QFY27
- Expects strong revival in the coming quarters, starting 2Q, driven by stable PVC prices, removal of customs duty exemption wef 16th July and implementation of MIP for suspension Grade PVC Resin
- PVC prices saw a falling trend till end of 1Q; inventory loss was not shared
- VAP revenue grew 22% YoY in 1Q
- Healthy EBITDA margin of 14.6% was driven by lower mix of low-margin pipe volume
- Wavin CU stood similar to company level at 60%-70%.

Swiggy — Buy

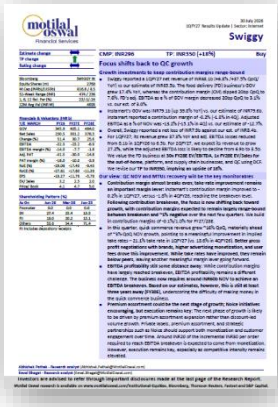
Current Price INR 272

Click below for Detailed Concall Transcript & Results Update



Demand and growth outlook

- Take-rate improvement was broad-based across brand take rate (better margins negotiated with brand partners), advertising monetization, and user-fee monetization, with management flagging this as sustainable and structural, not one-off.
- Of the incremental INR ~30/order required for quick commerce to reach EBITDA breakeven, roughly INR 20/order is expected from monetization (split ~evenly between product margins/mix and advertising), underscoring further monetization headroom.
- FD: Management maintains that food delivery remains structurally under-penetrated in India (~1 in 10 Indians have ever transacted on the category), supporting a long runway for growth.
- Any new entrants are expected to target value/affordability segments rather than the premium segment, which management views as structurally harder to disrupt.



- ~2 of every 3 users on the new vertical are new to the Swiggy ecosystem, with the remaining overlap showing either complementary usage or partial migration of use-cases — management does not see this as diluting the core platform.
- On rising competitive noise around zero-commission models, management pushed back, arguing true zero commission is commercially unsustainable and that cost recovery will eventually shift to either consumers or delivery partners.
- A new value-focused food delivery vertical (referenced through the quarter) is being positioned as differentiated rather than a scaled-down version of core Swiggy, with lower commissions for restaurant partners viewed as central to enabling affordability, albeit not zero. Management flagged that unit economics work differently here given a lower average order value base, rather than replicating the core platform's cost structure.
- The company has consciously stayed away from the micro-kitchen/dark-kitchen model (exited ~4-5 months ago), citing higher cost intensity and uncertain unit economics.
- Food delivery growth (adjusted for cancellations) came in at ~18%, broadly in line with the 18–20% guided growth band, with management citing continued low category penetration in India as a multi-year growth support.
- QC: Management is prioritizing growth over incremental margin gains going forward, backed by improving user cohort quality and retention (highest-ever monthly retention, cited at ~61% vs. ~55% a year ago).
- Store network utilization stands at ~40%, with several stores in select cities already hitting 2,500–3,000 orders/day and reaching capacity; guidance calls for more store additions this quarter than in the preceding four quarters combined, though confined to existing cities rather than new market entry.
- A recently observed dip in platform order frequency was attributed to the ongoing low-value user cleanup and quick commerce's inherently lower frequency versus food delivery, with management expecting normalization as the retained user base scales.
- Quick commerce revenue growth outpaced GOV growth (~13% QoQ revenue vs ~3% QoQ GOV), reflecting a meaningful uptick in implied take rate, led by monetization rather than volume.
- Quick commerce GOV momentum has re-accelerated recently; cumulative four-week growth stood at ~10%, sharply up from ~1% in the preceding four-week period, aided by improving retention and reduced churn from low-value user clean-up.
- Growth is expected to be driven primarily by transacting user base expansion and order frequency, rather than AOV-led growth.
- The company continues to build out its private label and strategic brand-partnership portfolio (anchored by owned brand Noice plus curated partnerships with incumbent and challenger/D2C brands), positioned around a quality-at-value proposition; private label economics are framed as experience-led rather than value-led, carrying structurally higher margins with limited cannibalization risk to third-party ad revenue.
- Management does not see any easing in competitive intensity, noting the category now has ~7-8 active players, each pursuing differentiated strategies;

Swiggy's stance is to focus on its own differentiated assortment and positioning rather than reactive competitive moves.

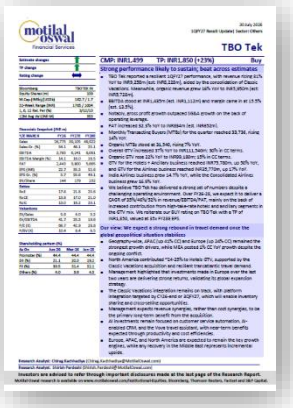
- Leadership transition at Instamart (new CEO) is expected to build on the existing retention and assortment-differentiation foundation, with a continued focus on merchandising strength and durable, profitable growth.

Margins

- Quick commerce contribution margin closed the quarter at -0.2%, with guidance widened to a -100bps to breakeven range, as management pivots from margin optimization toward growth after achieving breakeven over the trailing five quarters.
- Management is willingly trading back ~100bps of contribution margin to fund growth, citing that most competitors continue to operate at double-digit negative contribution margins, giving Swiggy relative flexibility.
- Margin flexibility will be deployed toward store network expansion (higher fixed cost absorption), service-level improvements (speed, serviceability amid seasonal rain impact), and selection/availability enhancements.
- Wage-related cost pressure was largely absorbed within guidance; annual salary revisions and select state-level minimum wage hikes were already factored in; last-mile cost inflation from West Bengal elections and seasonal heat was seasonal in nature.
- Food delivery margins stand at ~3% currently, with a medium-term target of ~5%, and management reiterated confidence in continued sequential improvement, aided by better labor-migration cost management (YoY drag reduced from ~40bps to ~20bps).
- Company reiterated no capitalization of employee costs, new-store operating costs, or cloud/token costs, unlike some unlisted peers, and confirmed no securitization/factoring arrangements on payables, addressing accounting-quality queries.

tbo.com
TRAVEL SIMPLIFIED

Click below for Results Update



TBO Tek — Buy

Current Price INR 1,661

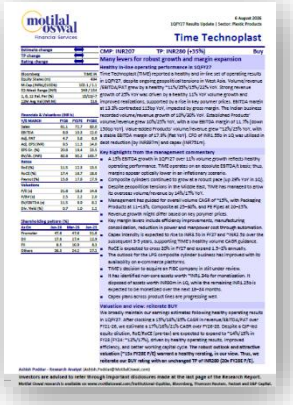
- Revenue increased 81% YoY to INR9.3b, aided by the Classic Vacations acquisition and organic revenue grew 16% YoY.
- Diversified geographic presence helped offset regional weakness, despite severe geopolitical disruptions in the Middle East.
- GTV rose 37% YoY to INR111.5b (30% CC), while organic GTV grew 22% YoY (15% CC).
- Hotels & Ancillary GTV grew 50% YoY (27% organic), while Airlines GTV increased 17% YoY. India Airlines business grew 14.7% YoY.
- EBITDA stood at INR1.4b with a 15.5% margin, beating estimate on the back of operating leverage.
- PAT increased 32% YoY to INR0.8b.
- Gross profit growth outpaced SG&A growth, leading to a key operating leverage inflection; organic Adj. EBITDA grew 25% YoY with margin expanding to 17.8%.
- SG&A expense growth continued to moderate over the past few quarters, indicating structural improvements across key cost components. In CC terms, organic SG&A increased by only 4% YoY during the quarter. Total headcount-

related costs remained broadly flat for multiple consecutive quarters, while hosting and bandwidth expenses declined by 13.7%, despite sustained growth in platform activity. It indicates continued focus on cost discipline and operational efficiency without compromising business expansion.

- Monthly Transacting Buyers (MTBs) increased 14% YoY to 34K, while organic MTBs grew 7% YoY.
- Geography-wise, APAC (up 41% CC) and Europe (up 24% CC) remained the strongest growth drivers. MEA still posted 1% CC YoY growth despite the conflict.
- North America contributed ~24–25% of Hotels GTV, supported by the Classic Vacations acquisition and resilient transatlantic travel demand.
- Management highlighted that Europe investments made over the last two years are delivering strong returns, validating its global expansion strategy.
- The Classic Vacations integration remains on track, with platform integration targeted by CY26-end or 3QFY27, which will enable inventory sharing and cross-selling opportunities.
- Management expects revenue synergies, rather than cost synergies, to be the primary long-term benefit from the acquisition.
- AI investments remain focused on customer service automation, AI-enabled CRM, and the Voya travel assistant, with near-term benefits expected through productivity and cost efficiencies.
- Cash & liquid investments stood at INR20b, driven by working capital release.
- Management expects 2Q to be seasonally stronger than 1Q.
- Europe, APAC, and North America are expected to remain the key growth engines, while any recovery in the Middle East represents incremental upside.
- The company continues to see substantial opportunities across market development, technology, supply, data and connected journeys.
- The company expects incremental gross profit to require lower operating expenditure, enabling continued investment in future growth while improving overall business profitability.

TIME

Click below for Results Update


Time Technoplast

Time Technoplast — Buy

Current Price INR 191

Guidance & outlook

- A 15% EBITDA growth in 1Q27 over 11% volume growth reflects healthy operating performance. TIME operates on an absolute EBITDA/t basis; thus, margin appears optically lower in an inflationary scenario.
- Composite cylinders continue to grow at a robust pace (up 29.3% YoY in 1Q).
- Despite geopolitical tensions in the Middle East, TIME has managed to grow its overseas volume/revenue by 14%/17% YoY.
- Management has guided for overall volume CAGR of 15%+, with Packaging Products at 11–13%, Composite at 25–30%, and PE Pipes at 20–25%.
- Revenue growth might differ based on key polymer prices.
- Capex intensity is expected to rise to INR3.5b in FY27 and remain at ~INR2.5b over the subsequent 3-5 years, supporting the company's healthy volume CAGR guidance.

- Key margin levers include efficiency improvements, manufacturing consolidation, manpower cost reduction through automation, and broader adoption of solar solutions.
- RoCE is expected to cross 20% in FY27 and expand 1.5–2% annually.
- The outlook for the LPG composite cylinder business has improved with its availability on e-commerce platforms.
- The company's decision to acquire an FIBC company in still under review.

Key business development

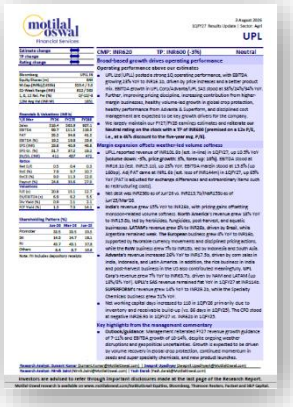
- Plants in India and overseas are operating at 80-85% utilization.
- The company has identified another set of non-core assets worth ~INR1.34b, of which it disposed of assets worth of INR90m in 1QFY27. The balance INR1.25b is expected to be monetized over the next 18–24 months.
- The company completed the acquisition of 76% stake in Systoverse Private Ltd for ~INR250m to strengthen the HDPE pipe business in Maharashtra.
- Out of INR8b QIP proceeds, INR4b was used to repay debt and INR3.43b is still unutilized.
- The CNG composite cylinder plant consolidation and the associated capex have been completed, expanding capacity from 480 to 1,080 cascades.
- Capex plans across product lines are progressing well in line with the planned timeline.
- Management sees a large addressable market opportunity in hydrogen and fire extinguisher composite cylinders.
- Solar power adoption at select plants delivered an annualized benefit of INR110m; incremental savings are expected from 3QFY27 onwards, as the rollout extends to other plants.
- TIME is in the process of obtaining approvals for higher-capacity CNG cascade variants of 250L and 350L, against the currently manufactured 156L cylinders.
- It is engaging with suppliers to bring fire extinguisher products to market, with oil refineries as the initial target segment.

1QFY27 results key highlights

- Volume/revenue/EBITDA/PAT recorded healthy growth of 11%/25%/15%/22% YoY.
- Operating performance was broadly in line. However, PAT missed our estimate by 8% due to higher-than-estimated depreciation and finance costs and lower other income.
- Strong revenue growth of 25% YoY was driven by a healthy 11% YoY volume growth and better realizations owing to a rise in key polymer prices.
- EBITDA margin at 13.3% contracted 115bp YoY, impacted by lower gross margin.
- Indian business recorded volume/revenue growth of 10%/30% YoY, aided by a surge in polymer prices.
- Established Products: Volume/revenue grew 10%/25% YoY, with a low 11.7% EBITDA margin (down 150bp YoY).
- Value-added Products: Volume/revenue grew ~12%/25% YoY, with a stable 17.9% EBITDA margin (flat YoY).
- Composite cylinders continued 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).

Click below for
Detailed Concall Transcript &
Results Update





UPL — Neutral

Current Price INR 569

Outlook and guidance

- Management reiterated FY27 revenue growth guidance of 7-11% and EBITDA growth guidance of 10-14% despite continued geopolitical and weather-related uncertainties.
- Guidance assumes constant currency rates for the remainder of FY27 and does not factor in any currency appreciation or depreciation.
- Management expects a strong volume-led 2QFY27 supported by seasonal demand and new product launches.
- Seeds business is expected to continue delivering strong growth throughout FY27.
- Super Specialty Chemicals business is expected to maintain strong growth momentum over the next several years.
- India Crop Protection performance remains dependent on monsoon progression; a normal rainfall season could support a strong 2Q and FY27.
- Even under uncertain weather conditions, management expects margins to improve through premium brands, innovation and better product mix.
- Management remains cautious on agrochemical demand due to the West Asia conflict, El Niño impact and volatile weather conditions across key markets.
- Global crop protection demand is expected to remain flat to slightly positive during FY27.
- UPL expects to continue gaining market share and outperform industry growth, supported by a diversified portfolio and geographic presence.
- Management remains on track to achieve approximately USD115m revenue from new product launches in FY27.
- Sustainable Solutions business remains on track to deliver approximately USD700m revenue during FY27.
- Management remains focused on profitable growth, earnings quality improvement and continued deleveraging.

Operating performance

- Consolidated volumes declined 3% due to weather disruptions across Europe and Latin America.
- Consolidated improvement was driven by lower finance costs, favorable forex movements and disciplined execution.
- North America revenue increased 18% YoY, led by herbicides, fungicides, post-harvest and aquatic businesses.
- India revenue grew 15% YoY, with pricing gains offsetting monsoon-related volume softness.
- Latin America revenue increased 8% YoY, driven by Brazil, while Argentina remained weak.
- Europe revenue grew 4% YoY, supported by favorable currency movements and disciplined pricing actions.
- Rest of World revenue increased 7% YoY, led by Indonesia and South Asia.

Regional Commentary

- LATAM revenue increased 5%, supported by Brazil, while Colombia and Argentina remained weak.

- Argentina weakness was partly intentional as UPL exited certain low-margin businesses.
- Management expects Colombia performance to improve during the remainder of FY27.
- Brazil order inflows and channel loading remain healthy ahead of the soybean season, supporting confidence in volume growth through Q2-Q4.
- North America revenue grew 11%, driven by S-Metolachlor, Mancozeb and Propanil.
- Europe grew 2% despite heatwave conditions, supported by pricing discipline and commercial execution.
- Africa and Asia-Pacific grew 8%, led by fungicide demand and strong performance in Indonesia and South Africa.
- Industry pricing remains firm, and management sees a low probability of price declines during FY27.

UPL SAS

- Revenue remained broadly stable as strong pricing offset lower volumes caused by delayed monsoons.
- Margin improvement was driven by a better product mix and increasing contribution from premium brands such as Centurion EZ, Canora EZ, Crucia, and Hermitry.
- Management clarified that part of the margin expansion is structural due to portfolio improvement, while a portion reflects timing benefits from pricing actions ahead of raw material cost increases.
- Around 8-10% of EBITDA growth benefit is expected to normalize over time.
- Business remains highly seasonal, with approximately 65% of annual revenue generated in 1H.
- Management expects FY27 India margins to remain materially higher than FY26 levels.

UPL Corp

- Improvement was driven by better product mix, regional mix, lower ECL provisions and favorable currency movements.
- Margin expansion was driven by better mix, strategic pricing, lower input costs and higher capacity utilization.
- UPL proactively increased prices to offset rising costs resulting from the Middle East conflict.

Product wise

- Herbicides: Performance was impacted by lower sugar beet acreage in Europe and adverse weather conditions, though key molecules such as S-Metolachlor and Propanil remained resilient, particularly in North America.
- Fungicides: Delivered stable growth despite weather-related demand weakness in Europe, supported by strong performance of Mancozeb in North America and Asia-Pacific and Tetraconazole in Europe.
- Insecticides: Continued strong momentum led by Feroce and Perito in Brazil's sucking pest segment, while recently launched Propose and Constel witnessed faster-than-expected market adoption.

Advanta

- Growth was driven by corn sales in India, Indonesia and Latin America.

- Rice business in India and post-harvest business in the US also contributed meaningfully.
- Performance was supported by disciplined commercial execution, diversified portfolio and early-season channel placements.
- Management indicated continued market share gains across strategic geographies despite challenging weather conditions.

Superform

- Revenue increased 14% YoY.
- Specialty Chemicals business grew 51% YoY. (17% volume and 34% pricing growth)
- Lubricants remained one of the key growth drivers.
- Super Specialty Chemicals contributed 29% of revenue versus 26% at FY26-end.
- Ag-related business contributed 71% of revenue.
- Management expects the mix to evolve towards 55% Ag and 45% Super Specialty over the next 3-4 years.
- Growth is being driven by investments in niche technology platforms and higher-value-added specialty products.
- Key end-use segments include lubricants, paints, flame retardants and other specialty applications.

Debt, Balance Sheet & Working Capital

- Gross debt reduced by more than USD100m, from USD3.1b to USD3.0b during the quarter.
- Debt reduction was achieved despite seasonal working capital build-up.
- Net debt remained broadly flat in USD terms due to planned capex and strategic investments.
- Net Debt/EBITDA improved to 2.4x from 2.6x YoY.
- Management remains committed to achieving below 1.5x Net Debt/EBITDA over the medium term.
- Net working capital increased to 110 days, primarily due to inventory and receivable build-up.
- Inventory days increased by 13 days due to lower volumes, seasonal inventory build-up, and higher replacement costs.
- Receivable days increased by 12 days due to lower crop protection sales in Europe and delayed seed sales in India.
- Raw materials account for approximately 45% of total inventory, while finished goods account for 55%.
- The company maintains approximately 90 days of raw material inventory cover.

Other

- UPL Corp.’s CEO, Mr. Mike, resigned due to personal reasons
- Invested approximately INR66.9b in Sinova, UPL's associate in Brazil.
- Management believes Russia-Ukraine-related disruptions have largely normalized and do not pose a major risk to the business.
- Current concerns remain centered around the Middle East conflict due to its impact on supply chains, energy costs, and raw material inflation.

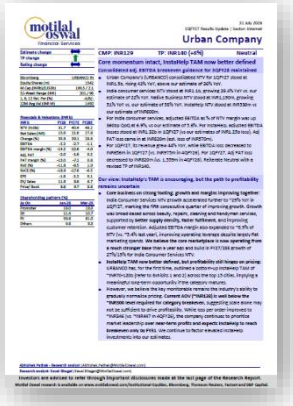
Urban Company — Neutral

Current Price INR 147

Demand and growth outlook

- Annual transacting users rose to 9.3m, with the core India business alone adding ~21% YoY growth in ATUs to ~8.2m, aided by ~24% YoY growth in first-time users to ~0.92m.
- ~1.2m new users were added, crossing the 1m mark in a single quarter for the first time; total orders reached 13.2m, up 79% YoY.
- India Consumer Business (ex-InstaHelp): Growth was driven by broad-based category performance (beauty, cleaning/pest control, repairs, handyman) rather than any single vertical, with NTV per annual transacting user up ~7% YoY to ~INR 1,293.
- Adjusted EBITDA rose to INR0.73b (6.9% of NTV, up 170bp YoY), aided equally by AI-led contribution margin expansion and operating leverage on fixed costs; contribution profit improved to INR 2.26b (21.4% of NTV, up from 20.5%).
- Tier-2 cities outpaced metros, growing ~36.2% YoY vs. 28.7% for the top 10 cities, emerging as a second growth engine as the company deepens supply coverage and category breadth beyond metros.
- Management flagged 1Q as seasonally the strongest quarter for margins given lower supply/marketing spend intensity versus topline strength; the medium-term margin target of 9–10% of NTV remains intact.
- Platform durability metrics remain strong: 83% of FY26 NTV came from retained customers (up from 72% in FY22), average partner earnings reached ~INR28,600/month on ~90 utilized hours (up from 59 hours in FY22), and average customer rating stood at 4.80/5.
- Native Business: NTV grew 51% YoY to INR 1.19b; net revenue grew 60% YoY to INR 0.95b, aided by continued growth in the online water-purifier channel even as prices were raised to offset cost inflation.
- Adjusted EBITDA loss narrowed to 7.3% of NTV from 11.4% YoY (~410bp improvement), continuing a broader deleveraging trend from ~25% loss margin in FY25 to ~9% in FY26; management expects the business to approach breakeven over the next few quarters.
- Filter replacement attach rate held at ~75% among eligible cohorts (~INR5,000 per replacement, with a renewed 2-year warranty), adding a recurring, high-margin revenue layer as the installed base matures.
- The company test-launched the Native M3 Pro (3-year, no-service water purifier) and the Lock Ultra smart lock (facial recognition, two-way video); management indicated it may enter at most one additional category over the next five years, prioritizing depth over category proliferation.
- One-off seasonality note: Diwali has shifted from Oct-20 (last year) to Nov-8 (this year), likely moving festive/e-commerce demand from the JAS to the OND quarter. Management flagged assessing Native's 2H growth across both quarters together.
- International: NTV grew 76% YoY to INR 2.37b (58% YoY in CC); net revenue grew 82% YoY to INR 0.65b (64% YoY CC), with both the UAE and Singapore delivering profitable growth.

Click below for Results Update



- KSA JV (Waed) NTV grew 135% YoY to INR 0.77b (113% CC), with adjusted EBITDA margin improving ~4,000bp to (12.3)% from (51.7)% YoY, narrowing absolute losses to INR 0.09b from INR 0.17b; JV breakeven is expected over the next few quarters.
- UAE demand saw temporary softness in April (Middle East conflict-related resident movement), with growth of 49% YoY in April recovering to 70% in May and 66% in June; new user acquisition remained healthy at +77% YoY for the quarter overall.
- Adjusted EBITDA margin came in at 1.1% of NTV, dampened by the April disruption; the ~2.0% margin seen in 4QFY26 is viewed as more representative of the underlying trajectory. Management expects International margins to reach India's 9–10% steady state, tracking ~2 years behind.
- Management explicitly ruled out entry into new international markets near term, citing management bandwidth and the scale of opportunity already present in India, UAE, Singapore and Saudi Arabia.
- InstaHelp: Adjusted EBITDA loss widened in absolute terms to INR1.32b on volume growth, but unit economics improved—loss per order narrowed to INR346 from INR 447 QoQ; average order value declined to INR138 from INR150, reflecting continued discount-led acquisition amid competitive intensity.
- Management refined its TAM estimate to INR70–120b of annual NTV across the top 15 cities—base case of 7–8m addressable households (INR70–80b) and bull case of 10–12m households (INR100–120b), assuming 30–40 transactions/household/year at a steady-state AOV of ~INR300.
- Category-level breakeven requires an AOV of ~INR300/hour equivalent (vs. current ~INR138), driven by the need to sustainably pay service professionals INR130–160/hour; management expects this normalization to take up to five years.
- Long-term margins are expected to remain structurally below the core business, owing to greater seasonality, higher supply churn, and lower AOVs; the company continues to prioritize market leadership over near-term profitability, targeting category breakeven by FY31.

Margin and Outlook

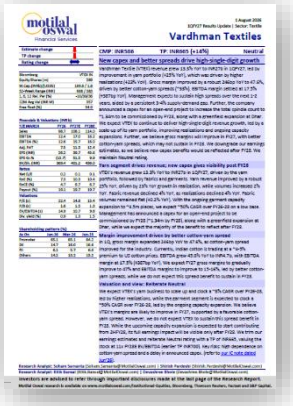
- Consolidated adjusted EBITDA loss stood at INR 0.65b, entirely attributable to the INR1.32b InstaHelp investment; ex-InstaHelp adjusted EBITDA was INR0.67b, more than double YoY — for context, the core business generated INR1.06b of adjusted EBITDA for the entirety of FY26.
- Consolidated contribution profit rose to INR2.38b (16.3% of NTV, though down slightly QoQ from 16.6%), while gross profit margin held steady at ~26.8% of NTV.
- Profit after tax swung to a loss of INR0.92b (vs a marginal profit a year ago), impacted by a ~INR0.05b one-time FCTR reclassification loss on closure of the UC KSA entity and a deferred tax charge of INR0.08b.
- Management reiterated its guidance for consolidated adjusted EBITDA
- breakeven by 3QFY28 and ~INR10b adjusted EBITDA by FY31.

Vardhman Textiles — Buy

Current Price INR 595

Click below for Detailed Concall Transcript & Results Update





Cotton Situation

- Global cotton availability is estimated to fall 4-5% as Brazil, Australia, and the US all see reduced crop this season. Cotton prices are unlikely to go down meaningfully given the demand-supply gap, with supply expected to lag consumption for 1-2 yrs.
- Indian cotton prices had risen sharply from INR55,000 to ~INR64,000/candy and are now broadly aligned with international prices for the first time in two years.
- India and Egypt remain the only regions adding meaningful new spindle capacity; China, Indonesia, Vietnam, Turkey, and Bangladesh are flat or declining.

Spinning Business

- Spinning utilization was full during the quarter, with margins aided by lower-cost inventory converting at improved yarn prices.
- Order book stands at the usual ~90-95 days for exports and ~45-50 days for domestic, implying most of the April-May price improvement flows through in 2Q.

China & Yarn Exports

- Chinese mills continue to import yarn rather than spin domestically.
- This is because the local cotton costs (above USD1 per pound) make yarn imports from India/Vietnam more economical.
- Chinese sourcing shift is viewed as structural, also helping mills sidestep Xinjiang-cotton compliance risk in export garments.

Fabric Business

- Fabric volumes were roughly comparable to 1QFY26 and 3-4% lower than 4QFY26, impacted by a missed US sampling season due to tariff disruption.
- US order flow has started recovering over the past month, with better business expected in the next two-three months.
- Yarn-to-fabric price pass-through lags typically; ~60-70% of the recent yarn cost increase has been passed on so far, with the balance expected as volumes recover.

Synthetic/Technical Textiles

- Synthetic fabric capacity is running at only 15-20% utilization, with two large brand approvals secured and 70-80% utilization targeted within six months.
- Currently focused on basic synthetic products, with value-added/technical textile opportunities expected as scale builds.
- Margins are expected to be better than existing product lines on a per-meter basis, though it is early given low utilization.

Garment Business

- Existing capacity (~7,000 shirts/day) is being doubled to reach a viable cost structure, not to build a standalone brand business.
- Full capacity is expected to yield peak revenue of ~INR3.0-3.5b, with full ramp-up ~8-12 months away.

Capex & Dhar Expansion

- Capex remains largely on track, with INR8-9b of capex expected to continue in 1QFY28 for the modernization and open-ended project.
- Open-end project (~55-60 tons/day) construction has begun and is expected to be completed in 10 months.

- Dhar land is expected to be given by the government by Dec'26, with power availability not expected before Jun'27, delaying firm construction commitments.

FY27 Outlook

- Management expects overall revenue growth to trend toward mid-teens.
- Spinning margins are expected to moderate from 1Q highs but stabilize in the 13- 14% range rather than reverting to the 10-11% seen in recent years.

Ventive Hospitality — Buy

Current Price INR 588

India business

- Strong demand from the MICE segment and premium leisure travel drove healthy operating performance.
- Margins expanded, supported by operating leverage.
- Pune continues to be India's fastest-growing GCC hub, while new hotel supply remains limited.
- Around 70% of the electricity consumed by the Pune property is sourced from green energy.
- The company has invested ~INR600m in captive solar plants, expected to be operational from 4QFY27, with a payback period of nearly three years. Green power contribution is expected to increase to ~85%.
- The company commands ~65% of Pune's luxury hotel inventory, with no meaningful new supply announced, supporting strong pricing power.
- Occupancy growth is expected to remain supported by office expansion, with nearly 45m sq. ft. of office space expected to be added in Pune.
- Around 15-20% of India's GCC market is located in Pune.
- Pune has among the highest per-unit electricity costs in India; the solar capex is expected to improve margins by ~4-5%, with full implementation targeted by 1QFY28.
- Occupancy increased by ~7% in 1Q and is expected to stabilize in the high-70% range.

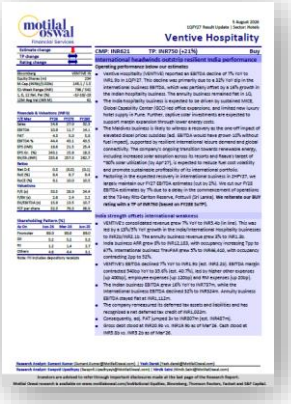
Goa

- The 104-key Goa project is witnessing encouraging demand trends.
- Commissioning and interior design work for nearly 50 rooms is being undertaken without disrupting existing operations.
- Planning is also underway for the 21-room Sol de Goa property.

Maldives

- The escalation of the West Asia conflict led to a sharp spike in diesel prices across the Maldives, significantly impacting resort operating costs. Diesel prices increased from July 2025 levels to a peak of US$1.5–1.7/liter during the conflict—more than 2x pre-war levels—before moderating by around 26% by July 2026.
- The surge in fuel prices resulted in an estimated INR200m increase in fuel and ancillary costs, with over 50% of the company's FY26 annual fuel expenditure incurred within a single quarter, highlighting the severity of the cost inflation.
- To reduce dependence on diesel and improve cost efficiency, the company is accelerating renewable energy adoption by adding 4.1MW of solar capacity across its Maldives properties. This is expected to reduce diesel consumption by

Click below for Results Update


Ventive Hospitality

approximately 1.6m liters annually, translating into USD1.5–2.0m of annual cost savings from FY28–29.

- The solar initiative is also expected to enhance profitability by contributing an estimated 2–3% improvement in EBITDA, while mitigating future volatility in fuel prices and strengthening the sustainability of resort operations.
- Management expects the diesel price impact to be a one-off event.

Ritz Carlton, Sahyadri

- The acquisition strengthens Ventive's presence in the luxury wellness hospitality segment, expanding its platform into a high-end experiential hospitality offering with long-term value creation potential.
- Strategically located 2–3 hours from Mumbai and Pune and around 45 minutes from Alibaug, the project is well positioned to cater to premium domestic and international leisure travelers.
- The development will be operated under the Ritz-Carlton Reserve brand, further strengthening Ventive's partnership with Marriott and enhancing the company's premium hospitality portfolio.
- The project comprises an 80+ key ultra-luxury wellness resort along with villas for sale, spread across more than 420 acres, providing multiple revenue streams through hospitality operations and residential villa sales.
- Civil construction has been completed, and the project has received its Occupancy Certificate (OC), with only interiors and fit-outs remaining before commissioning.
- Designed as a nature-centric wellness destination, the estate features three dams and five lakes, offering a differentiated luxury experience focused on wellness, sustainability, and immersive natural surroundings.
- The project is expected to be funded at an average cost of debt of ~7.8%.
- Construction will be financed through a combination of internal accruals and debt.

Others

- The development pipeline of ~1,700 keys remains on track.
- The pipeline is expected to be commissioned across FY28-FY30.
- Lowest leverage amongst asset owners with Net Debt/EBITDA at 1.2x.
- Adjusted EBITDA would have been INR2.3b (+5% YoY) after adjusting for diesel price hike in Maldives and one-time corporate costs. Q1FY26 EBITDA also adjusted for one-off electricity cost benefit in Aloft ORR.

Welspun LIVING

Click below for Detailed Concall Transcript & Results Update

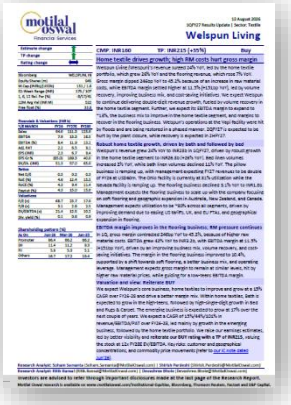


Welspun Living — Buy

Current Price INR 181

Industry & Demand

- Global home textile demand remains healthy, with consumer spending supported by occasions; the US retail sales grew ~5.2% YoY.
- India remains well-positioned in the US market as tariffs normalize, with the company seeing continued preference for Indian sourcing.
- UK home textile mark et is estimated at USD5-7b, with Pakistan holding ~50% share; the company is leveraging retailer relationships and FTAs to gain share in the UK and Europe.
- Textiles dispatches typically take 50–60 days, while strong freight-carrier relationships helped avoid any impact from container shortages.



Home Textiles

- Home textile growth was driven by a combination of volume recovery and value growth, with B2B and B2C businesses both delivering double-digit growth.
- B2B remains the anchor business, supported by a diversified global retailer base.
- US is expected to contribute ~50–51% of revenues.
- Management expects utilization across verticals to reach ~80% going forward.
- Pillow business remains on track to double revenue to USD60m, with Ohio at ~81% utilization and Nevada ramping up.

Flooring

- Flooring delivered 10.4% EBITDA margin in Q1, supported by a shift towards soft flooring, better business mix and operating leverage.
- Management expects ~10% margin to be sustainable, with margins viewed as sustainable due to focus on soft flooring and geographic diversification.
- Partnerships are being expanded across Australia, New Zealand and Canada, supporting further growth.

Domestic Business

- Domestic business grew 21.3%, with retail growth of ~20% and the business approaching breakeven.
- Management targets INR10b revenue from domestic retail over the medium term.

Tariffs & Raw Materials

- Tariff refunds have started to be received, while the ultimate tariff burden is being shared across the company, retailers and consumers.
- Higher raw material costs drove gross margin pressure and are expected to remain elevated over the next few months.
- Management intends to pass through raw material cost increases to customers rather than absorb them.

Margins & Outlook

- Long-term margin target is to gradually reach ~15%.
- Management remains confident of double-digit revenue growth and low-teens EBITDA margins in FY27.
- Q2 performance is expected to be impacted by plant closures due to floods, with recovery expected in Q3–Q4.

Capex & Operations

- FY27 capex is targeted at INR400–500cr, primarily towards modernization, debottlenecking and productivity improvements.
- An INR120cr project at the Anjar facility commenced in July, expected to add ~10–20 tonnes/month of incremental capacity.
- Management indicated that the broader capex program will remain focused on debottlenecking, with incremental towel capex to be considered if attractive opportunities emerge.

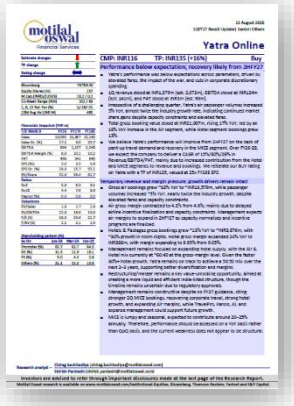
Click below for Detailed Concall Transcript & Results Update

Yatra Online — Buy

Current Price INR 114

- Gross air bookings grew ~18% YoY to ~INR16,579m, while passenger volumes increased ~5% YoY, nearly twice the industry growth, despite elevated fares and capacity constraints.
- Air gross margin contracted to 4.2% from 4.6%, mainly due to delayed airline incentive finalization and capacity constraints. Management expects air margins





to expand in 2HFY27 as capacity normalizes and incentive programs are finalized.

- Hotels & Packages gross bookings grew ~13% YoY to ~INR3,876m, and ~30% growth in room nights. Hotel gross margin increased 24% YoY to INR386m, with margin expanding to 9.95% from 9.05%.
- Management remains focused on expanding hotel supply, with the Air & Hotel mix currently at ~60:40 at the gross-margin level. Given the faster 30%+ hotel growth, Yatra remains on track to achieve a 50:50 mix over the next 2–3 years, supporting better diversification and margins.
- Yatra added 53–54 new corporate customers with ~INR2,200m annual billable potential, providing a healthy pipeline for incremental volumes as accounts ramp up. The company is also focused on increasing wallet share from existing clients.
- Corporate net retention remains >97%, highlighting strong customer stickiness. With India's managed corporate travel market still underpenetrated and continuing to shift from offline to online, management sees significant scope for sustained long-term growth.
- TravelPro customers generally sign annual contracts versus 2–3 years for larger enterprises. While still early to assess long-term stickiness, corporate net retention remains strong at ~97%, supporting TravelPro as an important incremental growth engine.
- TravelPro contributed 30+ of the 53 new corporate customers, representing ~INR800m annual billable potential. This provides strong initial validation and highlights significant headroom in the under-digitized SME travel market.
- The Kanoo partnership offers Yatra access to the Middle East corporate travel market, leveraging Kanoo's established customer relationships and local expertise, while Yatra contributes its technology platform and travel-management capabilities.
- Yatra invested ahead of revenue in technology, infrastructure, and employee hiring/training, impacting 1Q costs. Revenue contribution began in July, with the business expected to become contribution-positive from 2QFY27, supporting growth and profitability thereafter.
- 1Q margins were impacted by lower MICE contribution, weak air margins, and upfront Kanoo/growth investments, which management views as largely temporary.
- Recovery is expected from 2Q/2HFY27 as MICE rebounds, air margins normalize, and Kanoo starts contributing to revenue. Management targets over 20% margins, with a ~30% medium-term adjusted EBITDA margin aspiration.
- MICE has high operating leverage, with a 9–10% gross margin and relatively fixed costs, making it a key driver of quarterly profitability.
- MICE is lumpy and seasonal, expected to contribute around 20–25% annually; therefore, performance should be assessed YoY rather than QoQ, and the current weakness is not structural.
- International travel was hit by the West Asia conflict, with Yatra's international mix falling from ~40% to below 30% and fares rising 20–30% due to flight rerouting, impacting discretionary and incentive travel.

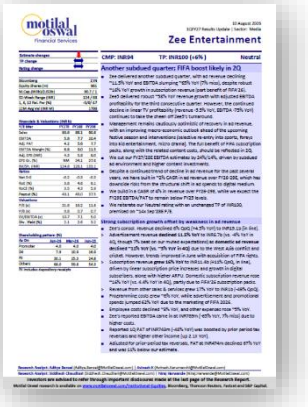
- Long-term outlook remains positive, supported by rising incomes, better connectivity, and easing visas; management expects pent-up demand to recover quickly as geopolitical conditions normalize.
- Domestic travel remained resilient, with India's air traffic up ~23% YoY and Yatra passenger volumes up ~5%, indicating market-share gains. Hotels are growing faster than air, supporting Yatra's plan to move toward a 50:50 Air-Hotel mix in 2–3 years.
- Working-capital initiatives around corporate cards and BTA/CTA solutions could improve cash efficiency by reducing transaction costs borne by Yatra.
- Restructuring/merger remains a key value-unlocking opportunity, aimed at creating a more liquid and efficient India-listed structure, though the timeline remains uncertain due to regulatory approvals.

Zee Entertainment — Neutral

Current Price INR 102

Click below for Detailed Concall Transcript & Results Update




Zee Entertainment

- **Ad revenue trends and outlook:** Ad revenue declined ~12% YoY due to the continuation of challenging macroeconomic environment in the wake of the West Asia conflict, which created inflationary pressures and impacted advertising budgets. Management noted that the environment showed a marginal recovery towards end-1QFY27 and remains cautiously optimistic about recovery in ad revenue going into the upcoming festive.
- **Fund raise:** The company has sought clarification from the regulator regarding the fundraising process and is awaiting the response. It has also approached the Securities Appellate Tribunal and filed an appeal. Management stated that it is hopeful of a resolution and the future course of action on fundraising will be determined based on the outcome of these efforts.
- **Subscription:** Subscription revenue growth was supported by higher ARPU and subscriber growth in the digital business, along with increased pricing in the linear business. Management stated that Zee5's subscription growth is not solely driven by FIFA (with large chunk of growth expected in 2Q). Language packs have also aided digital subscription growth. On linear TV, the company will evaluate price increases in the next NTO cycle, expected around February 2027.
- **Z Music:** The music business continued to deliver healthy performance. Management does not see any strategic rationale to demerge Z Music yet and would take any such action if an opportunity for strategic sale were to arise in the future. Management noted that the pricing of Z Music's catalogue for Z's own platforms is on an arm's length basis.
- **Sports:** Zee entered the sports business with the launch of four sports channels and secured rights for FIFA, Bundesliga, and Serie A. FIFA 2026 reached over 400m consumers across Zee's linear and digital platforms. Management stated that the company will remain prudent in selecting sports properties with an aim to scale up the sports business sustainably. FIFA rights have been secured until 2034, with further football content wins in the form of Bundesliga and Serie A, while the company is also working on beefing up its domestic sports calendar.
- **Zee5:** Zee5 continued its profitable growth trajectory for the third consecutive quarter, with revenue rising 58% YoY in 1Q. It released 38 shows and movies across seven languages and expanded its content slate across movies, originals,

live sports, AI-powered storytelling, animation, and kids entertainment. Management expects the growth momentum to continue, supported by strong content slate, including sports, and expansion into international markets.

- **Cost:** Operating costs increased primarily due to higher advertising and publicity spends across platforms related to FIFA and the launch of sports channels. Programming costs also increased due to the expanded content offering across platforms. The company additionally invested in new strategic initiatives, including micro dramas, which contributed to the higher cost base during the quarter.
- **EBITDA:** EBITDA was impacted by operating deleverage due to the weakness in advertising revenue. Further, higher operating costs from FIFA, sports channels launch, and expanded programming also impacted the quarter. The company did not provide full-year EBITDA margin guidance, citing the prevailing uncertainty in the market.
- **Zee5 B2C subscriptions:** Zee5's B2C subscriber base more than doubled during 1QFY27. Management indicated that while a large part of the additions may have been driven by FIFA, there were also new customers subscribing for non-sports content.
- **Star arbitration:** Hearings in the Star arbitration case were held in July 2026. Management stated that the final hearing has been completed and the company is required to make final submissions over the next month. The company expects a possible outcome in 3QFY27, while noting that further hearings cannot be ruled out as the matter remains sub judice.

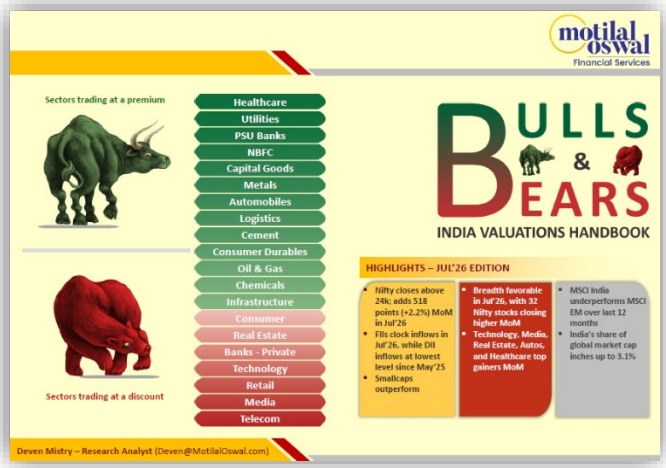
Investment in securities market are subject to market risks. Read all the related documents carefully before investing

GALLERY

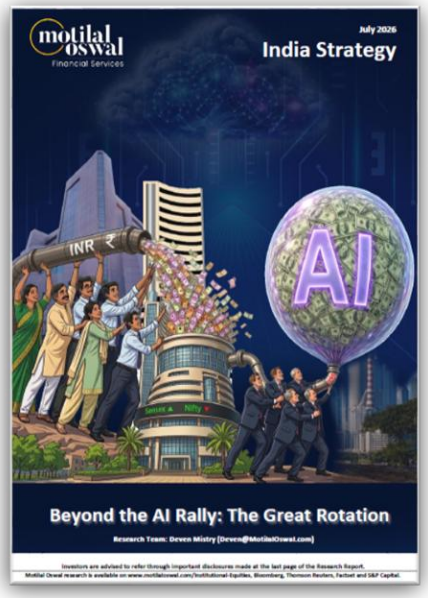

motilal oswal
Financial Services
4QFY26 | June 2026
VOICES
VOICES
India Inc on Call
VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results earnings calls attended by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research updates, and transcripts links of the respective conference calls.
This quarterly report contains
Key takeaways from the post results management commentary for 320 companies, with links to the full earnings call transcripts
Links to our Results Updates on each of the companies included
Research & Quant Team: Deven Mistry (Deven@motilaloswal.com)
Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.


motilal oswal
Financial Services
3QFY26 | February 2026
VOICES
VOICES
India Inc on Call
VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results earnings calls attended by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research updates, and transcripts links of the respective conference calls.
This quarterly report contains
Key takeaways from the post results management commentary for 305 companies, with links to the full earnings call transcripts
Links to our Results Updates on each of the companies included
Research & Quant Team: Gautam Duggad (Gautam.Duggad@motilaloswal.com) | Deven Mistry (Deven@motilaloswal.com)
Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

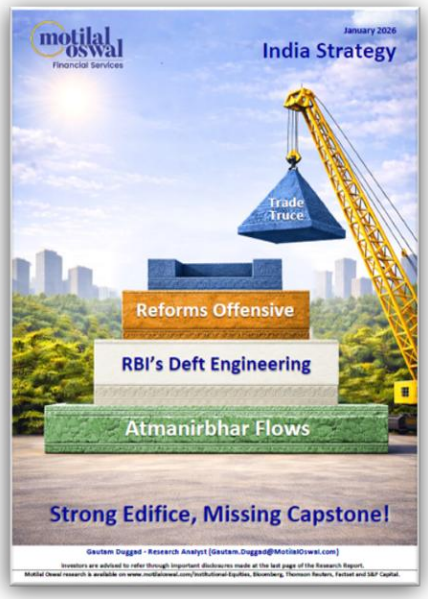

motilal oswal
Financial Services
2QFY26 | November 2025
VOICES
VOICES
India Inc on Call
VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results earnings calls attended by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research updates, and transcripts links of the respective conference calls.
This quarterly report contains
Key takeaways from the post results management commentary for 292 companies, with links to the full earnings call transcripts
Links to our Results Updates on each of the companies included
Research & Quant Team: Gautam Duggad (Gautam.Duggad@motilaloswal.com) | Deven Mistry (Deven@motilaloswal.com)
Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.


motilal oswal
Financial Services
Sectors trading at a premium
Sectors trading at a discount
Healthcare
Utilities
PSU Banks
NBFC
Capital Goods
Metals
Automobiles
Logistics
Cement
Consumer Durables
Oil & Gas
Chemicals
Infrastructure
Consumer
Real Estate
Banks - Private
Technology
Retail
Media
Telecom
BULLS & BEARS
INDIA VALUATIONS HANDBOOK
HIGHLIGHTS – JUL'26 EDITION
Nifty closes above 24k; adds 518 points (+2.2%) MoM in Jul'26
FIIs clock inflows in Jul'26, while DII inflows at lowest level since May'25
Smallcaps outperform
Breadth favorable in Jul'26, with 32 Nifty stocks closing higher MoM
Technology, Media, Real Estate, Autos, and Healthcare top gainers MoM
MSCI India underperforms MSCI EM over last 12 months
India's share of global market cap inches up to 3.1%
Deven Mistry – Research Analyst (Deven@MotilalOswal.com)


motilal oswal
Financial Services
Equity
Mid-Cap
FUND FOLIO
Indian Mutual Fund Tracker
INR262b
Equity inflows moderate in Jul'26 (down 9% MoM)
INR85.8t
MF industry's AUM up 4.3% MoM
Amount garnered through SIPs
INR319.6b
Deven Mistry – Research Analyst (Deven@MotilalOswal.com)
Investors are advised to refer to important disclosures made at the last page of the Research Report
August 2026


motilal oswal
Financial Services
July 2026
India Strategy
INR
AI
Beyond the AI Rally: The Great Rotation
Research Team: Deven Mistry (Deven@MotilalOswal.com)


motilal oswal
Financial Services
April 2026
India Strategy
EQUITIES
India Equities: Steering through the Strait
Gautam Duggad - Research Analyst (Gautam.Duggad@MotilalOswal.com)


motilal oswal
Financial Services
January 2026
India Strategy
Trade Truce
Reforms Offensive
RBI's Deft Engineering
Atmanirbhar Flows
Strong Edifice, Missing Capstone!
Gautam Duggad - Research Analyst (Gautam.Duggad@MotilalOswal.com)

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:
The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

MOFSL, it's associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:
a) received any compensation/other benefits from the subject company of this report
b) managed or co-managed public offering of securities from subject company of this research report,
c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and it's associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:
a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
(b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.
To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:
This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification
The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	**Companies where there is interest**
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)
This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:
This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore,
as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.
Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.