Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	73,034	1.5	-14.3
Nifty-50	22,722	1.6	-13.0
Nifty-M 100	59,459	1.1	-1.7
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,805	0.0	14.0
Nasdaq	27,204	-0.2	17.0
FTSE 100	10,650	-0.1	7.2
DAX	25,260	-0.1	3.1
Hang Seng	8,175	0.1	-8.3
Nikkei 225	67,778	-1.8	34.6
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	130	-3.1	108.2
Gold ($/OZ)	4,161	-0.3	-3.7
Cu (US$/MT)	14,694	-0.7	18.0
Almn (US$/MT)	3,039	-0.5	2.4
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	95.3	-0.5	6.0
USD/EUR	1.1	0.4	-4.7
USD/JPY	158.3	-0.2	1.0
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.4	-0.02	0.8
Flows (USD b)	**13-Oct**	**MTD**	**CYTD**
FIIs	-0.14	-3.89	-32.0
DIIs	0.26	5.01	72.5
Volumes (INRb)	**13-Oct**	**MTD***	**YTD***
Cash	1,157	1233	1339
F&O	6,35,909	2,75,768	2,52,580

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Jubilant Foodworks: Steady performer; attractive valuation

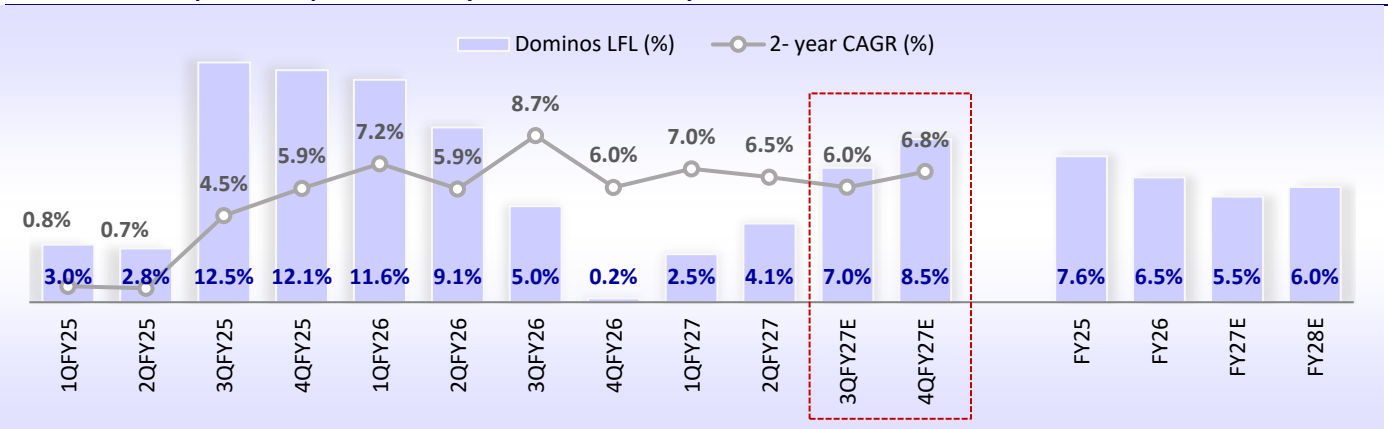
- We have recently upgraded JUBI to BUY in our QSR thematic in Aug'26, as we believe the company is best positioned among listed QSR players to benefit from a recovery in discretionary consumption. Domino's Pizza has demonstrated relatively resilient growth, delivering like-for-like (LFL) growth of 6.5% in FY26. LFL has improved significantly in recent quarters, from 0.2% in 4QFY26 to 2.5% in 1QFY27 and 4.1% in 2QFY27.
- Moreover, Popeyes is emerging as an incremental growth engine, with 97% revenue growth in 1Q and average daily sales (ADS) close to KFC. Besides, its reinvestment in supply chain in the last two-three years is sufficient for ~5000 store network in India; hence, the company would focus on productivity. It will lead to better capital efficiency and operating leverage, which should support margin in an inflationary scenario. Following the recent stock correction, we believe risk-reward is attractive (at 15x FY28E EV/EBITDA) and maintain our BUY rating with a TP of INR625.

Research covered

Cos/Sector	Key Highlights
Jubilant Foodworks	Steady performer; attractive valuation
Fund Folio	Equity AUM dips to a four-month low; inflows remain strong
ICICI Prudential Life	Product mix shift drives 100bp YoY margin expansion
Aditya Infotech	Scale, R&D and supply chain: Lead widening, runway extending
JK Cement	Capacity expansion and market share gains underpin growth
Tata Elxsi	Margins to recover gradually
Other Updates	Technology | Expert Speak (a. Consumer; b. Consumer Durables)

Chart of the Day: Jubilant Foodworks (Steady performer; attractive valuation)

Domino's saw sequential improvement; 2-year LFL CAGR steady at 6-7%



Source: Company, MOFSL

In the news today

Kindly click on textbox for the detailed news link

1

Hyundai Motor to plug $15.5 billion in India's automotive sector

Hyundai Motor Group intends to invest $15.5 billion in India between 2026 and 2032. This investment aims to position India as a key market for the company's growth and expansion.

2

Spinny delivers 1,370 used cars on Navratri day 1, sets new record: Founder and CEO Niraj Singh

Spinny said it recorded its highest-ever single-day car deliveries on the first day of Navratri.

3

'Whisky shortage, cheaper imports to weigh on Amrut's sales through 2030

Amrut Distilleries is facing an inventory shortage as whisky demand continues to exceed production capabilities.

4

NTPC in talks with Japan, South Korea, Germany for green fuel exports

NTPC is currently engaged in discussions with potential buyers from Japan, South Korea, and Germany.

5

Shree Cement commissions 3 MTPA cement grinding facility in UAE

Shree Cement Ltd has successfully commissioned a 3 million tonnes per annum cement grinding facility in Ras Al Khaimah.

6

Freshworks to acquire Torii to expand AI spend management capabilities

The acquisition will help Freshworks provide businesses with greater visibility into their software applications, licences, user identities and AI-related expenditure, as companies grapple with rising costs and security risks from the growing use of SaaS and AI tools.

7

AI services may account for almost half of Infosys' work in 2-3 years: CEO Salil Parekh

Parekh said the business, which includes building AI agents, coding work and modernising old technology for clients, is small relative to the company's size but growing so fast that it could account for 20-30% of Infosys' work within a few quarters if the current pace continues.

Jubilant Foodworks

BSE SENSEX	S&P CNX
73,034	22,722

CMP: INR425 TP: INR625 (+47%) Buy

Steady performer; attractive valuation

We have recently upgraded JUBI to BUY in our QSR thematic in Aug'26, as we believe the company is best positioned among listed QSR players to benefit from a recovery in discretionary consumption. Domino's Pizza has demonstrated relatively resilient growth, delivering like-for-like (LFL) growth of 6.5% in FY26. LFL has improved significantly in recent quarters, from 0.2% in 4QFY26 to 2.5% in 1QFY27 and 4.1% in 2QFY27. Moreover, Popeyes is emerging as an incremental growth engine, with 97% revenue growth in 1Q and average daily sales (ADS) close to KFC. Besides, its reinvestment in supply chain in the last two-three years is sufficient for ~5000 store network in India; hence, the company would focus on productivity. It will lead to better capital efficiency and operating leverage, which should support margin in an inflationary scenario. Following the recent stock correction, we believe risk-reward is attractive (at 15x FY28E EV/EBITDA) and maintain our BUY rating with a TP of INR625.

- **Domino's Pizza growth recovery gaining traction:** LFL growth improved from 0.2% in 4QFY26 to 2.5% in 1QFY27 and 4.1% in 2QFY27. A favorable base in 2HFY27, consistent delivery growth and a recovery in DITA (Dine-in and takeaways) should support the growth trajectory. The company has guided for LFL of 5-7% in FY27, implying high-single digit LFL in 2HFY27. Delivery now contributes ~76% of sales, supported by strong brand positioning, higher customer engagement and digital initiatives. Management's renewed focus on DITA through value offers, store upgrades and dedicated teams provides an additional growth lever.
- **Popeyes emerging as the second growth engine:** Popeyes revenue grew 97% YoY to INR700m in 1QFY27, with LFL growth of >40% for the third consecutive quarter. The store network increased from 42 in FY24 to 88 in 1QFY27, while ADS reached to INR96k (equal to KFC), with seven cities exceeding INR100k. Management targets 250 stores and INR10b in revenue over the next 3-4 years. While upfront marketing and scale-related costs continue to weigh on overall profitability, improving store productivity and operating leverage should support margin expansion as the business scales up.
- **Menu innovation and digital initiatives to drive frequency and ticket size:** Domino's Pizza is expanding its menu across value, premium, group-sharing and adjacent categories to drive up consumption across occasions and price points. At Domino's, value offerings support traffic, while products such as Big Big Pizza, Sourdough and Cheese Lava target higher ticket sizes; chicken, beverages and desserts offer opportunities to increase add-on sales. At Popeyes, differentiated chicken products, sauces and flavor-led launches are strengthening brand appeal. The company's Domino's Pizza app accounts for ~70% of online orders, enabling targeted offers, customized combos and loyalty-led engagement and reducing dependence on aggregators.

Stock Info

Bloomberg	JUBI IN
Equity Shares (m)	660
M.Cap.(INRb)/(USDb)	280.4 / 2.9
52-Week Range (INR)	623 / 409
1, 6, 12 Rel. Per (%)	-7/2/-19
12M Avg Val (INR M)	1376
Free float (%)	59.7

Financials Snapshot (INR b)

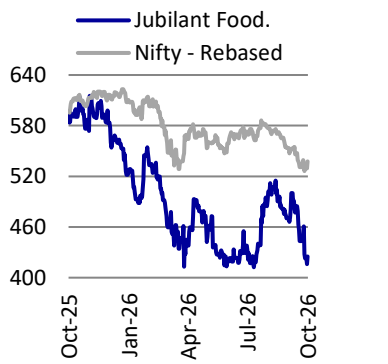
Y/E Mar	2026	2027E	2028E
Sales	95.1	106.4	120.7
Sales Gr. (%)	17.4	11.9	13.4
EBITDA	18.9	21.4	24.7
Margins (%)	19.8	20.1	20.5
Adj. PAT	4.1	4.9	6.2
Adj. EPS (INR)	6.2	7.5	9.4
EPS Gr. (%)	66.2	20.3	25.5
BV/Sh.(INR)	34.7	32.8	34.2
Ratios			
RoE (%)	17.9	22.8	27.5
RoCE (%)	10.1	11.4	13.1
Valuations			
P/E (x)	68.4	56.8	45.3
P/BV (x)	12.2	12.9	12.4
Pre Ind-AS EV/EBITDA (x)	21.2	18.4	15.6
EV/Sales (x)	3.1	2.7	2.3

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	40.3	40.3	40.3
DII	39.6	36.6	32.5
FII	13.7	17.6	21.4
Others	6.5	5.5	5.8

FII Includes depository receipts

Stock's performance (one-year)



- **Supply-chain capex largely behind; capital allocation shifting toward growth:** JUBI has commissioned its Bengaluru food park in Nov'23 and Mumbai food factory in Mar'26. The company now has eight commissaries that can support a network of ~5,000 stores, providing enough capacity for the next few years of expansion. The company guided for capex of INR7.5-9.0b in FY27, broadly similar to FY26, primarily for new Domino's and Popeyes stores, store upgrades and technology. We believe better store productivity should support RoCE and FCF improvement over the medium term.
- **Margin recovery likely to expand in medium term:** Management aims for a ~200bp gain in standalone EBITDA margin pre-Ind AS over FY24-FY28, although margins have remained broadly flat at ~12.5% over FY24-26. FY27 is likely to be a transition year, with productivity gains largely offsetting input cost inflation. We model EBITDA margin improvement to become more visible in FY28, driven by better sales growth, operating leverage and supply-chain efficiencies. We remain conservative and build in flat margins in FY27 at 12.6% and a modest 40bp expansion in FY28 to 13%, leaving scope for upside if operational efficiencies materialize faster than expected.
- **International operations provide earnings and cash-flow support; underlying demand remains weak:** DP Eurasia (26% of consol. revenue) reported 28% YoY revenue growth to INR6.7b in 1QFY27. The business has started to pay dividends to JUBI. However, inflation-adjusted negative LFL growth at Domino's Turkey and continued pressure at COFFY indicate subdued underlying demand. Hyperinflation, accounting and currency movements also create volatility in reported performance, limiting the business as a near-term growth driver.
- **Valuation and view:** We expect standalone revenue/EBITDA/PAT to grow at a CAGR of 13%/15%/21% over FY26-28E, with pre-Ind AS EBITDA margins improving to 12.5-13.0%. The stock is trading at an attractive valuation of 15x FY28 EV/EBITDA (pre-IND AS). We maintain our BUY rating on the stock with a TP of INR625, valuing the India business at 27x and international operations at 15x EV/EBITDA (pre-Ind AS) on Sep'28E.

Fund Folio

Indian Mutual Fund Tracker

Equity AUM dips to a four-month low; inflows remain strong

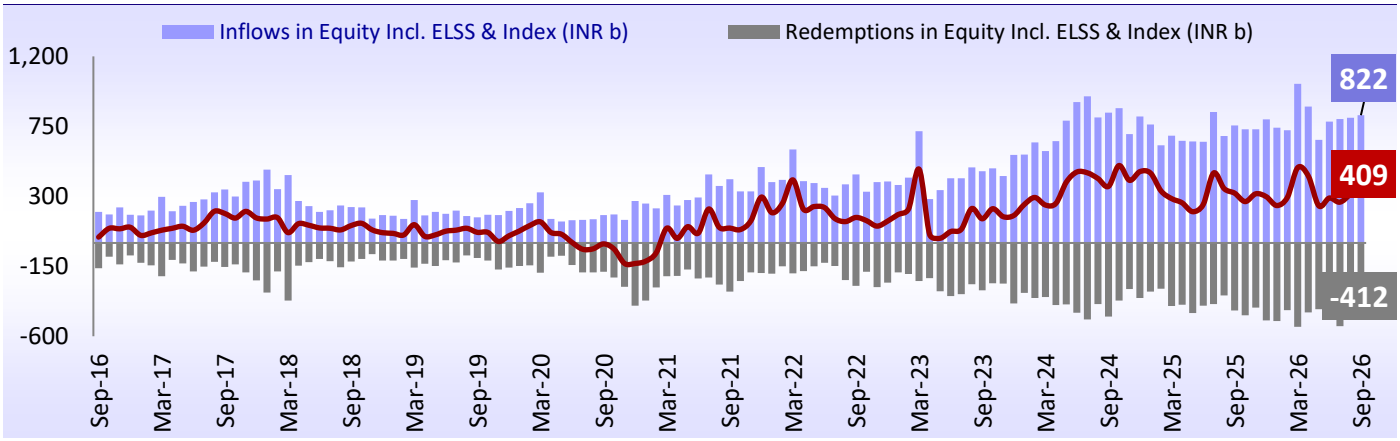
Key observations

- The Nifty slid 6.1% MoM in Sep'26, marking its second consecutive monthly decline amid geopolitical headwinds. The index fluctuated within a 1,574- point range before closing 1,460 points (or 6.1% MoM) lower at 22,620, marking its second-steepest monthly decline since Oct'24. In Sep'26, FIIs recorded outflows of USD4.1b after two consecutive months of inflows. DII inflows remained strong in Sep'26 at USD8b.
- After scaling a new high of INR87.1t in Aug'26, the MF industry's total AUM moderated to INR82.6t (-5.1% MoM) in Sep'26, primarily due to MoM declines in the AUM of equity (INR1,785b), liquid (INR1,414b), income (INR438b), other ETFs (INR420b), and balanced (INR291b) funds.
- Equity AUM of domestic MFs (including ELSS and index funds) decreased 4.3% MoM to INR40t in Sep'26, reaching a four-month low owing to a decline in market indices (Nifty down 6.1% MoM). Notably, sales of equity schemes rose 2.1% MoM to INR822b, while redemptions slowed to INR412b (down 15.5% MoM). Consequently, net inflows increased to INR409b in Sep'26 from INR317b in Aug'26.
- Investors continued to park their money in mutual funds. Notably, inflows and contributions to systematic investment plans (SIPs) reached a new high of INR324.9b in Sep'26 (up 0.6% MoM and 10.7% YoY).

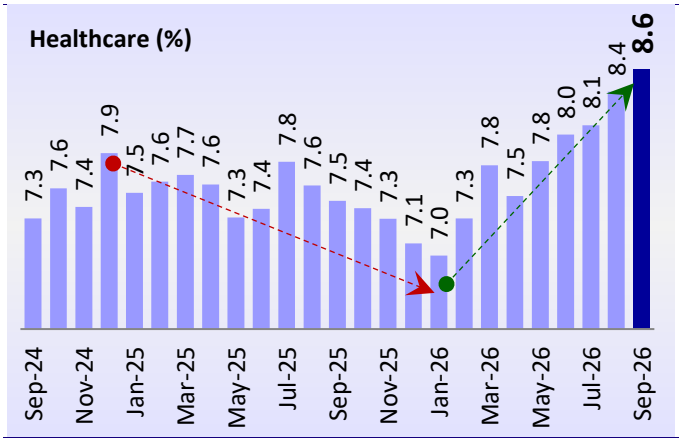
A few interesting facts

- The month witnessed **noteworthy changes in the sectoral and stock allocations of funds**. On an MoM basis, the weights of Healthcare, Metals, Private Banks, Consumer, E-Commerce, Utilities, NBFC-Non Lending, Consumer Durables, and Logistics increased, while those of Technology, Automobiles, PSU Banks, NBFC-Lending, and Retail moderated.
- **Healthcare's weight climbed for the fifth consecutive month to ~10-year high** in Sep'26 to 8.6% (+20bp MoM; +110bp YoY).
- **Metals' weight experienced a rise for the third consecutive month to a 62-month high** in Sep'26 to 3.8% (+20bp MoM; +50bp YoY).
- **Technology's weight moderated** to 6.0% in Sep'26 (-60bp MoM; -170bp YoY).
- **Automobiles' weight witnessed a moderation** in Sep'26 to 8.6% (-30bp MoM and -20bp YoY).
- **PSU Banks' weight declined to a one-year low** in Sep'26 to 3.2% (-20bp MoM and -10bp YoY).
- **The top sectors where MF ownership vs. the BSE 200 was at least 1% higher were** Healthcare (16 funds over-owned), NBFC–Non-Lending (16 funds over-owned), E-Commerce (10 funds over-owned), Capital Goods (9 funds over-owned), and Chemicals (8 funds over-owned).
- **The top sectors where MF ownership vs. the BSE 200 was at least 1% lower were** Oil & Gas (19 funds under-owned), Private Banks (15 funds under-owned), Technology (12 funds under-owned), PSU Banks (12 funds under-owned), and Consumer (12 funds under-owned).
- **In terms of value change MoM, divergent interests were visible within sectors:** The top 10 stocks that recorded the maximum increases in value were BSE, HDFC Bank, Coal India, Meesho, Gland Pharma, Tata Steel, Lenskart Solutions, Dr Reddys Labs, Aditya Infotech, and ITC. Conversely, the stocks that witnessed the maximum MoM declines in value were ICICI Bank, SBI, Infosys, PB Fintech, L&T, Axis Bank, TCS, Reliance Industries, Maruti Suzuki, and M&M.

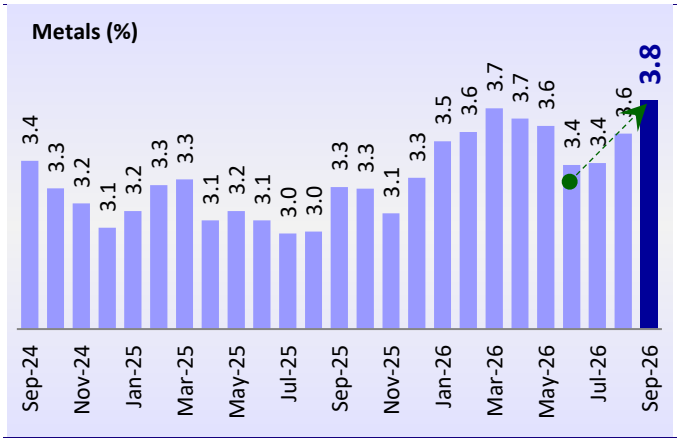
Monthly trends in sales, redemptions, and net amount raised by MFs (equity)



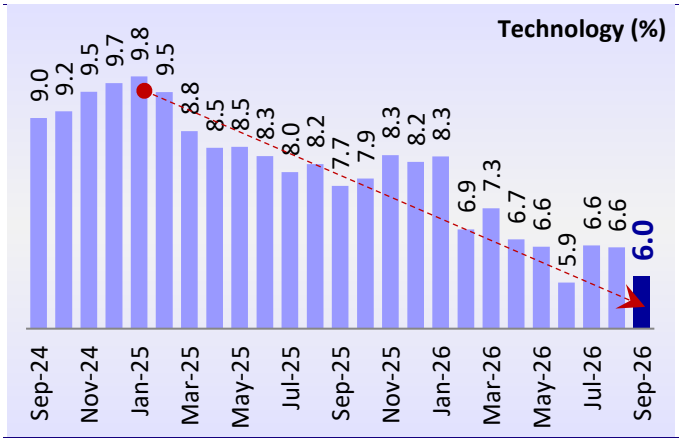
Healthcare's weight climbed for the fifth consecutive month to ~10-year high in Sep'26 to 8.6% (+20bp MoM; +110bp YoY)



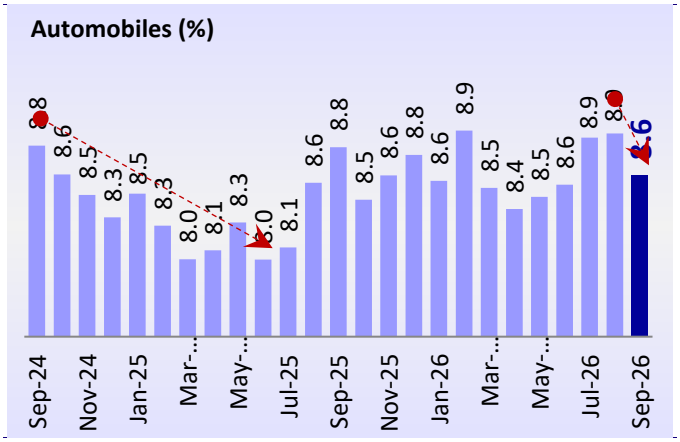
Metals' weight experienced a rise for the third consecutive month to a 62-month high in Sep'26 to 3.8% (+20bp MoM; +50bp YoY)



Technology's weight moderated to 6.0% in Sep'26 (-60bp MoM; -170bp YoY)



Automobiles' weight witnessed a moderation in Sep'26 to 8.6% (-30bp MoM and -20bp YoY)



ICICI Prudential Life Insurance

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	IPRU IN
Equity Shares (m)	1451
M.Cap.(INRb)/(USDb)	648.7 / 6.8
52-Week Range (INR)	707 / 442
1, 6, 12 Rel. Per (%)	-2/-14/-15
12M Avg Val (INR M)	951

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Premiums	513.4	592.2	679.1
Surplus / Deficit	24.6	33.2	36.1
Sh. holder's PAT	16.1	19.0	21.7
NBP growth unwtd (%)	6.8	19.6	17.9
APE (INRb)	106.4	119.3	136.8
VNB (INRb)	26.3	31.0	36.2
VNB margin (%)	24.7	26.0	26.5
EV per share	365	410	462
RoEV (%)	10.5	12.3	12.6
Total AUMs (INRt)	3.5	3.9	4.5
Valuations			
P/EV (x)	1.2	1.1	1.0
P/EVOP (x)	11.3	9.5	8.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	72.7	72.8	73.0
DII	11.8	11.1	8.9
FII	10.2	10.9	13.1
Others	5.2	5.3	5.1

FII Includes depository receipts

CMP: INR447 TP: INR540 (+21%) Buy

Product mix shift drives 100bp YoY margin expansion

- ICICI Prudential Life Insurance (IPRU) reported APE of INR28b (in line), reflecting growth of 16% YoY. For 1HFY27, APE grew 15% YoY, supported by strong 40% YoY growth in the protection business.
- VNB margin for the quarter stood at 25.4% vs our estimate of 25.5% and 24.5% in 2QFY26. For 1HFY27, VNB grew 22% YoY and VNB margin expanded 150bp YoY to 26%, backed by the product mix shift.
- For 2QFY27, IPRU's shareholder PAT grew 27% YoY to INR3.7b. EV at the end of 1HFY27 was at INR566.7b, growing 12% YoY.
- Cost-to-premium ratio (ex-GST) declined to 18.3% in 1HFY27, reflecting disciplined cost management and readiness to navigate possible regulatory recalibrations.
- We have maintained our estimates following the 2QFY27 performance, with operating RoEV projected at 12-13%. Key monitorables include regulatory implementations across distribution, IFRS, and risk-based solvency, as well as the impact of a rising interest rate environment. **We reiterate our BUY rating with a revised TP of INR540 (based on 1.2x FY28E EV).**

Protection contribution at over 20% of APE

- IPRU's gross premium grew 16% YoY to INR142.5b (in line) in 2QFY27, driven by 6% YoY growth in renewal premium, while single premium grew 39% YoY.
- APE growth of 16% YoY in 2QFY27 was driven by 34% growth in protection and 52% growth in the lumpy group savings business, while ULIP grew 7% YoY and non-linked savings grew 11% YoY. Within non-linked savings, contribution of non-par improved to 40%, while par contributed 60%. The rising interest rate environment can likely be favorable for non-par and annuity demand.
- Within the protection segment, the retail business witnessed 36% YoY growth, with its contribution to APE rising to 8.3% in 2QFY27 from 7.0% in 2QFY26. Credit life growth was largely aligned with overall protection growth, supported by a diversified partner network as well as the parent bank.
- Savings business contribution declined to 80.0% in 2QFY27 from 82.7% in 2QFY26, largely owing to the impact of weak equity markets on ULIPs.
- The 100bp YoY expansion in VNB margin to 25.4% in 2QFY27 was a result of a favorable product mix, especially higher protection contribution.
- Commission expenses grew 8% YoY to INR13.8b, while operating expenses grew 45% YoY, resulting in a rise in EoM ratio to 18.6% from 17.5% in 2QFY26. However, cost/total premium, excluding GST, improved 30bp YoY to 18.3% in 1HFY27, while for savings, the ratio improved 90bp to 11.6%, reflecting disciplined cost management.
- On the distribution front, agency (grew 6% YoY)/direct channels (grew 9% YoY) together contributed ~46.5% of retail APE. IPRU is investing in enhancing its tech and analytics capabilities to improve agent productivity, while also adopting a micro-market approach.

- Bancassurance APE grew 4% YoY, contributing 27.5% of APE, with growth coming largely from non-ICICI banks, while ICICI bank has been stable.
- Partnership distribution APE increased 38% YoY, contributing 15% of APE, supported by deeper engagement with existing partners and new relationships.
- On a premium basis, persistency improved in 2QFY27, with 13th month persistency at 83.9% (81.4% in 2QFY26). The 61st month persistency improved to 62.3% (59.5% in 2QFY26) and the 37th month persistency declined to 72.9% in 2QFY27 from 74.4% in 2QFY26.
- AUM grew 2% YoY to INR3.3t, while solvency improved to 229.9% (213.2% in 2QFY26).

Highlights from the management commentary

- The proposed commission cuts are likely to have a substantial impact on credit life insurance. However, the regulator is expected to consider the product's importance, given the large number of lives covered.
- Opex (ex-GST) has declined at an 8% CAGR over the past three years, positioning IPRU to navigate distribution-related regulatory recalibrations.
- The company has repriced non-par products in line with prevailing yields, with competitive IRRs potentially attracting younger customers. Sustained higher interest rates could increase the contribution of non-par and annuity products.

Valuation and view

- IPRU's continued efforts toward the product mix shift and increasing retail protection contribution have resulted in continued YoY expansion in VNB margin. In the long term, the company's profitability will be supported by sustainable growth momentum and increased traction of non-linked products.
- We have maintained our estimates following the 2QFY27 performance, with operating RoEV projected at 12-13%. Key monitorables include regulatory implementations across distribution, IFRS, and risk-based solvency, as well as the impact of the rising interest rate environment. **We reiterate our BUY rating with a revised TP of INR540 (based on 1.2x FY28E EV).**

Quarterly performance **(INR b)**

Policy holder's A/c	FY26				FY27				FY26	FY27E	FY27E 2QE	A v/s E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
First year premium	14.5	19.8	20.8	29.3	17.1	21.5	24.2	34.2	84.3	97.0	21.8	-2%
Growth (%)	-5.0%	-4.1%	8.9%	8.2%	18.4%	8.6%	16.5%	16.5%	3.9%	15.0%	10.5%	
Renewal premium	49.4	68.5	65.9	99.3	53.8	73.0	74.3	115.0	283.2	316.1	77.2	-5%
Growth (%)	14.0%	-1.9%	6.0%	7.8%	8.9%	6.5%	12.6%	15.8%	10.1%	11.6%	12.6%	
Single premium	25.7	34.7	35.5	67.9	31.6	48.1	46.0	74.2	163.8	199.8	41.4	16%
Growth (%)	5.8%	14.5%	-21.6%	38.2%	22.9%	38.7%	29.4%	9.2%	8.3%	22.0%	19.4%	
Gross premium income	**89.5**	**123.0**	**122.3**	**196.5**	**102.5**	**142.5**	**144.5**	**223.3**	**531.2**	**612.8**	**140.4**	**2%**
Growth (%)	8.1%	1.8%	-3.4%	16.7%	14.5%	15.9%	18.2%	13.7%	8.5%	15.4%	14.2%	
PAT	**3.0**	**3.0**	**3.9**	**6.1**	**3.9**	**3.7**	**4.6**	**6.7**	**15.9**	**19.0**	**3.3**	**12%**
Growth (%)	34.0%	17.5%	19.1%	58.0%	27.8%	26.5%	20.0%	10.3%	34.4%	19.0%	12.7%	
Key metrics												
New Business APE	18.6	24.2	25.3	38.3	21.4	28.0	28.4	41.5	106.4	119.3	26.9	4%
Growth (%)	-5.0%	-3.3%	3.6%	9.4%	14.6%	15.6%	12.4%	8.5%	2.2%	12.1%	11%	
VNB	4.6	5.9	6.2	9.7	5.7	7.1	7.2	10.9	26.3	31.0	6.9	4%
Growth (%)	-3.2%	1.0%	19.0%	21.4%	24.9%	20.3%	17.7%	13.4%	10.9%	18.0%	16%	
AUM	3,245	3,210	3,307	3,136	3,340	3,290	3,619	3,949	3,136	3,949	3,440	-4%
Growth (%)	5.1%	0.2%	6.5%	1.4%	2.9%	2.5%	9.4%	25.9%	1.4%	25.9%	7%	
Key Ratios (%)												
VNB Margins (%)	24.5	24.4	24.4	25.2	26.7	25.4	25.5	26.3	24.7	26.0	25.5	0.1

Aditya Infotech

BSE SENSEX	S&P CNX
73,034	22,722

CMP: INR4,377 TP: INR5,390 (+23%) Buy

Scale, R&D and supply chain: Lead widening, runway extending

Aditya Infotech (AIL) holds **~43.3% market share** in India's structurally underpenetrated surveillance market. The ongoing supply chain challenges have further crippled the competition, which has placed CP PLUS in a strong position to gain further share. Incrementally, AIL is strategically expanding its current TAM by adding new adjacent products and exploring expansion in overseas markets. Consequently, the company should continue to deliver a robust performance in the coming years.

- Supply-chain resilience is becoming a competitive advantage for AIL. Supply of critical components (SoCs, image sensors and memory) remains tight. CP PLUS has an edge here due to a diversified base of non-Chinese SoCs and sensor suppliers (Qualcomm, Ambarella, Augentix, Innofusion, Realtek SOC, Sony and others), ~10-15x the scale of domestic peers, with a balance sheet that can carry inventory (unlike peers).
- **The company is working on s**everal new growth levers beyond the core business. Recently, the company mentioned about the new product categories (machine vision, industrial AMRs (Autonomous Mobile Robots), smart home security, i.e., smart locks, video doorbells, door phones) and drone cameras, which are under various stages of development. These products can add over ~USD1b of addressable market today, growing at mid-to-high teens. AIL is also actively looking at expanding into international markets, which will open up a huge growth potential for the company and enable it to sustain the high growth trajectory.
- Tech advancement is further strengthening AIL's market positioning. The company is shifting from being a hardware assembler to a technology-led solution platform. AIL has R&D centers in Noida, Ahmedabad and Taiwan, and is now expanding in Bengaluru, developing new-age & AI-enabled products. Partnerships with Qualcomm and L&T Semiconductor add AI, embedded-software and silicon capability. AIL is way ahead of its peers in domestic markets and is now competing with global leaders in terms of quality and product efficiency.
- AIL's competitive moat is therefore increasingly led by the ecosystem, combining product breadth, manufacturing scale, distribution reach and technology capabilities to create a full-spectrum surveillance platform rather than a single-product security business.
- We estimate revenue/EBITDA/PAT CAGR of 37%/47%/50% over FY26-29. We reiterate our BUY rating on the stock with a TP of INR4,850.

Bloomberg	CPPLUS IN
Equity Shares (m)	118
M.Cap.(INRb)/(USDb)	536.7 / 5.6
52-Week Range (INR)	4444 / 1301
1, 6, 12 Rel. Per (%)	17/129/231
12M Avg Val (INR M)	815
Free float (%)	28.2

Financials & Valuations (INR b)

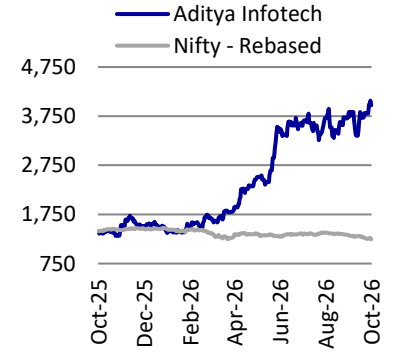
INR b	FY26	FY27E	FY28E
Sales	66.4	87.6	108.8
EBITDA	10.0	14.1	18.1
Adj. PAT	6.9	9.9	12.7
EPS (INR)	58.2	83.9	107.7
Growth (%)	86.3	44.2	28.4
BV/Sh (INR)	217.4	301.3	409.0
Ratios			
Net D:E	-0.0	-0.1	-0.3
RoE (%)	30.9	32.3	30.3
RoCE (%)	29.8	31.5	29.7
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	74.7	51.8	40.4
EV/EBITDA (x)	51.4	36.0	27.7
FCF Yield (%)	-0.1	0.8	1.4

Shareholding pattern (%)

As On	Jun-26	Mar-26
Promoter	74.7	74.7
DII	13.6	14.8
FII	6.4	5.7
Others	5.3	4.8

FII includes depository receipts

Stock Performance (1-year)



JK Cement

BSE SENSEX	S&P CNX
73,034	22,722

Bloomberg	JKCE IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	377.6 / 4
52-Week Range (INR)	6765 / 4670
1, 6, 12 Rel. Per (%)	4/-6/-16
12M Avg Val (INR M)	515

Financials & Valuations (INR b)

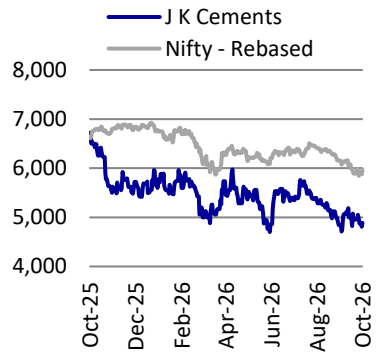
Y/E MARCH	FY26	FY27E	FY28E
Sales	137.2	163.4	188.8
EBITDA	23.7	24.8	31.0
Adj. PAT	10.3	9.8	11.6
EBITDA Margin (%)	17.3	15.2	16.4
Adj. EPS (INR)	132.1	126.7	149.8
EPS Gr. (%)	27.6	(4.0)	18.2
BV/Sh. (INR)	911	1,018	1,149
Ratios			
Net D:E	0.8	0.9	0.9
RoE (%)	15.6	13.2	13.9
RoCE (%)	10.4	9.0	9.7
Payout (%)	15.6	15.8	13.3
Valuations			
P/E (x)	36.9	38.5	32.5
P/BV (x)	5.4	4.8	4.2
EV/EBITDA(x)	17.6	17.2	14.2
EV/ton (USD)	126	129	110
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	(1.0)	(3.0)	(0.1)

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	45.7	45.7	45.7
DII	23.8	23.8	23.1
FII	16.8	16.8	17.5
Others	13.8	13.7	13.7

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR4,888 TP: INR5,960 (+22%) BUY

Capacity expansion and market share gains underpin growth

Strong volume momentum; cost pressures remain a monitorable

- JK Cement (JKCE) is expanding grey cement capacity to 40mtpa/50mtpa by FY28/FY30 vs. 32.3mtpa currently, with ongoing 7.0mtpa North expansion scheduled for commissioning in 1HFY28. It commissioned a 0.6mtpa wall putty plant in Rajasthan in 2QFY27, taking its overall white cement and wall putty capacity to 3.65mtpa. It plans to invest INR35-40b in FY27 and INR20-25b in FY28 toward capacity expansion, maintenance capex, and coal block-related investments.
- JKCE delivered robust volume growth of ~15% YoY in FY26, outperforming industry demand growth of ~7-8%. The growth was supported by capacity expansion, timely ramp-up of new plants, and market share gains across key central Indian markets, while maintaining its presence in the North and South. With demand expected to remain supportive, it is targeting double-digit volume growth in FY27.
- Its opex/t is estimated to increase ~4% YoY/QoQ in 2QFY27, led by higher variable and freight costs. However, it continues to focus on structural cost optimization through higher green power and alternative fuel usage, clinker optimization, and operating leverage. We estimate JKCE's consolidated revenue/EBITDA/PAT CAGR at 17%/14%/7% over FY26-28. We anticipate the company's consolidated volumes to post ~16% CAGR over FY26-28, and OPM at ~15-16% over FY27-28 (vs. ~17% in FY26).
- Given persistently elevated fuel prices, we recently lowered our FY27/FY28 EBITDA estimates by ~7%/6%, respectively, in our 2QFY27 quarterly preview. However, any price hikes to pass on the cost pressure in the near-term pose upside risks to our earnings estimate. We value JKCE at 17x FY28E EV/EBITDA to arrive at our TP of INR5,960. **Reiterate BUY.**

JKCE's aggressive capacity build-out targets 50mtpa by FY30

- JKCE remains on track with its aggressive capacity expansion plan, targeting grey cement capacity of 40mtpa/50mtpa by FY28/FY30 vs. current capacity of 32.3mtpa. The ongoing 7.0mtpa Northern expansion is progressing as scheduled, comprising a 4.0mtpa clinker/3.0mtpa grinding integrated plant at Jaisalmer, Rajasthan, and 2.0mtpa split grinding units each at Bikaner, Rajasthan and Punjab, targeted for commissioning in 1HFY28.
- The additional 10.0mtpa grinding capacity addition is under the planning stage. For its medium-term expansions, the company has planned Muddapur line 2, along with 1 or 2 split location grinding units in Maharashtra, to strengthen its market share in the region. Thereafter, the company plans to commission Panna line III, along with 2 split location grinding units. The 3.0mtpa Buxar grinding unit strengthens the company's access to Bihar and adjoining eastern markets. Further, the acquisition (60% stake) in Saifco (0.42mtpa) expands its reach in the Jammu & Kashmir region.

- The company commissioned a 0.6mtpa wall putty plant in 2QFY27 in Rajasthan, taking the overall white cement and wall putty capacity to 3.65mtpa. It plans to invest INR35-40b in FY27 and INR20-25b in FY28, including expenditure on capacity expansion, sustaining capex, and coal block-related investments. These investments are expected to enhance capacity, secure coal availability at competitive costs, and expand renewable power sourcing, thereby supporting earnings growth.

Robust volume growth driven by market share gain and expansion

- The Indian cement industry witnessed a strong demand rebound in FY26, with consumption growing ~7%–8% YoY to 499mt, led by housing and infrastructure. Housing accounted for ~57% of demand, with rural housing (~32%–34% of total demand) growing ~7% YoY, supported by rural liquidity, PMAY-Gramin, and government agricultural schemes. Infrastructure, accounting for ~30% of demand, remained a key demand anchor, supported by public capex across highways, freight corridors, and urban transit, while industrial and commercial demand (~13%) was supported by private capex, data centers, warehousing, and commercial real estate.
- Demand remained the strongest across North and Central regions, while Southern and Western markets saw relatively stable trends. JKCE outperformed industry growth, with grey cement volume increasing ~15% YoY to 20.66mt in FY26. Its capacity utilization stood at ~79% vs. ~74% for the industry. Volume growth was supported by capacity expansion and timely ramp-up. Further, the company is gaining market share across most Central Indian markets while maintaining its position in the North and South regions.
- Management expects demand to remain supportive and is targeting double-digit volume growth in FY27. Based on the strong volume growth in grey cement in 2HFY27 (up ~20% YoY), we estimate overall grey cement volume growth of ~16% in FY27, implying ~12% volume growth in 2HFY27 on a high base. Its plants in North and South regions are operating at optimum utilization. Hence, growth should be driven by market share gain and capacity utilization ramp-up of newly commissioned plants.

Near-term cost pressures continue; structural cost efficiency offsets partly

- The company's opex/t is estimated to increase sharply by ~4% YoY/QoQ (each) in 2QFY27E due to higher variable costs (up ~8%/5% YoY) and freight costs (up ~7%/1% YoY/QoQ). The impact is estimated to be partly offset by moderation in packaging costs and lower maintenance cost following advance maintenance undertaken in 1QFY27. Further, structural cost optimization initiatives such as higher green power/alternative fuels share, clinker optimization, and positive operating leverage help in partly offsetting higher fuel cost impact.
- Green energy remains a key lever for reducing power costs, with green power share in total energy requirements rising to ~54% in Jun'26 from ~52% in FY26. Green power capacity stood at 291MW in FY26, comprising 119MW of WHRS and 171MW of contracted solar and wind capacity. It targets green power share of ~75% by FY30, with an expected annual increase of 4-5pp annually.
- Additionally, it aims to increase its thermal substitution rate (TSR) from ~12% in FY26 to ~35% by FY30 through greater use of alternative fuels. Blended cement accounted for ~66% of the production mix in FY26, keeping the clinker factor at 65.4%, while split grinding units closer to consumption centers support freight

cost optimization. Energy conservation initiatives provide an additional avenue for savings. In FY26, INR650m of energy conservation capex generated INR480m of sustainable savings through electrical and thermal efficiency improvement. In FY27, the company planned energy-efficiency capex of INR480m, which is expected to deliver annual savings of INR260m.

Scaling adjacent businesses to strengthen the building solutions portfolio

- The paints business reported revenue of INR1.25b in 1QFY27 and achieved EBITDA breakeven. JKCE targets FY27 revenue of INR5–5.5b and EBITDA margin of ~5–7% in FY28. The business strengthens dealer relationships and supports putty sales by leveraging the existing distribution network. Investment in paints has been capped at INR6b, with future expansion expected to be largely funded through internal accruals. White cement and putty volumes also benefited from lower UAE imports amid geopolitical disruptions, although this benefit may moderate as imports resume.
- The company entered the RMC business in FY26, launching operations across five cities (Noida, Jabalpur, Udaipur, Bhopal, and Indore). It is scaling its RMC business to strengthen project sales and downstream integration. It currently operates 17 RMC plants and targets over 50 plants by FY27-end and over 100 by FY28. In 1QFY27, RMC revenue stood at INR350m–400m, with FY27 revenue targeted at INR2.5b–3.0b. It views this as a strategic offering rather than a high-margin business, with profitability expected to improve gradually as new plants stabilize.
- It also has presence in construction chemicals, tile adhesives, and grouts as a value-added building material product. Its UAE operations are extending beyond white cement into dry-mix solutions and construction chemicals, reinforcing its overseas building materials strategy. This products-to-solutions movement enables deeper customer engagement, offers channel partners a wider and more valuable basket, and builds resilience across multiple product categories.

View and valuation

- JKCE has targeted to reach 40mtpa/50mtpa grey cement capacity by FY28/FY30-31. The company's strong execution strategy is estimated to support double-digit volume growth over the medium term. However, elevated fuel prices are likely to exert near-term cost pressures (estimates a sequential decline in profitability by INR150/t in 2QFY27). Any price hikes to pass on the cost pressure may drive earnings upgrade. We anticipate the company's consolidated volumes to post ~16% CAGR over FY26-28. We estimate OPM in the range of ~15-16% over FY27-28 due to cost pressure vs. average at ~17% over FY24-26. We estimate its EBITDA/t at INR924/INR990 in FY27/FY28 vs. INR1,017 in FY26.
- We estimate JKCE to generate a cumulative OCF of INR50.1b during FY27-28, with cumulative capex estimated at INR62.0b over the same period. Given the heavy capex cycle, its net debt is estimated to surge to INR81.9b by FY28 vs. INR55.7b in FY26. The company's net debt-to-EBITDA ratio is estimated to increase to 2.6x by FY28 vs. 2.3x in FY26. We anticipate its RoE/RoCE (post tax) to remain largely stable at ~14%/10% by FY28.
- At CMP, the stock is currently trading at 17x/15x FY27/FY28E EV/EBITDA. We value JKCE at 17x FY28E EV/EBITDA to arrive at our TP of INR5,960. We reiterate our BUY rating on the stock.

Tata Elxsi

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	TELX IN
Equity Shares (m)	62
M.Cap.(INRb)/(USDb)	213.5 / 2.2
52-Week Range (INR)	5950 / 2996
1, 6, 12 Rel. Per (%)	4/-18/-26
12M Avg Val (INR M)	1532
Free float (%)	56.1

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	37.6	42.5	46.2
EBIT Margin (%)	20.0	21.1	22.5
PAT	6.3	8.0	9.2
EPS (INR)	100.9	127.9	148.3
EPS Gr. (%)	(19.9)	26.8	15.9
BV/Sh. (INR)	488.3	541.2	614.5
Ratios			
RoE (%)	21.3	24.9	25.7
RoCE (%)	15.5	16.8	17.8
Payout (%)	74.3	58.6	50.6
Valuations			
P/E (x)	34.0	26.8	23.1
P/BV (x)	7.0	6.3	5.6
EV/EBITDA (x)	23.3	19.8	17.0
Div Yield (%)	2.2	2.2	2.2

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	43.9	43.9	43.9
DII	11.0	11.4	9.8
FII	9.9	11.1	12.7
Others	35.2	33.6	33.6

FII Includes depository receipts

CMP: INR3,427 TP: INR2,970 (-13%) Sell

Margins to recover gradually

Growth momentum improves, but Europe remains a key constraint

- Tata Elxsi (TELX) reported revenue of USD110m in 2QFY27, up 2.3% QoQ in CC terms, above our estimate of 1.7% QoQ CC. Growth was led by HLS /Media and Communication/Transportation, up 3.5%/3.4%/2.0% QoQ CC, whereas Others declined 10.2% QoQ CC. EBIT margin was 19.7% (up 70bp QoQ), above our estimate of 19.2%. Adj. PAT declined 0.2% QoQ and rose 10% YoY to INR1,703m (below our est. of INR1,862m).
- For 1HFY27, revenue/EBIT/adj. PAT grew 14.7%/20.8%/13.9% YoY in INR terms. We expect revenue/EBIT/adj. PAT to grow 11.6%/17.8%/14.2% YoY in 2HFY27. We value TELX at 20x FY28E EPS, resulting in a revised TP of INR2,970. We reiterate our Sell rating.

Our view: 2H revenue growth to be better than 1H

- **Revenue grew 2.3% QoQ CC in 2QFY27, with growth across all three major verticals (~98% of revenue). The 2HFY27 growth outlook is expected to be better than 1HFY27 on a YoY basis. However, a sustained acceleration will depend on the conversion of deal wins into revenue, as new engagements typically take 2-3 quarters to ramp up. Accordingly, a larger contribution from recently closed deals is expected to be reflected in FY28, where we build in 8.2% YoY CC growth.**
- **European automotive demand is likely to remain a key growth constraint: Demand across Europe remains subdued, with automotive engineering spending and deal closures affected by cautious customer spending and delayed decision-making. The US and India are expected to remain relatively supportive, while growth across other verticals and geographies should partly offset continued weakness in Europe.**
- **EBITDA margin expanded by 70bp QoQ to 21.9% in 2QFY27. However, the benefit from cross-currency movements was estimated at 60-70bp, suggesting limited underlying sequential expansion. Company-wide wage hikes in 2Q were largely mitigated by reversal in one-offs, while continued investments in capabilities and delivery are expected to constrain near-term margin improvement. We build in a gradual improvement in margin and expect 23.3%/24.7% EBITDA margin in FY27/FY28.**
- **Deal pipeline provides visibility, but conversion and ramp-up remain key monitorable: Multi-year engagements and a pipeline of opportunities across existing and emerging verticals provide revenue visibility. Aerospace and defense opportunities are progressing, although their near-term revenue contribution is likely to remain modest.**
- **Demand remains selective, with growth dependent on execution across verticals rather than a broad-based spending recovery: Healthcare is expected to improve in 2HFY27, while Media & Communications continues to benefit from project ramp-ups. We expect growth to remain uneven across verticals, with the strength of project ramp-ups and a recovery in Transportation determining the extent of any acceleration.**

Valuations and changes to our estimates

- We lowered our FY27/FY28 EPS estimates by ~3%/~1%, reflecting a gradual margin recovery amid continued investments and an uneven demand environment, particularly continued softness in European automotive. We believe meaningful margin expansion is likely to depend on revenue growth, utilization gains and employee-pyramid correction.
- In addition, revenue conversion remains a key monitorable, as new engagements typically take 2-3 quarters to ramp up, limiting the near-term contribution from recently closed deals. We continue to model USD revenue CAGR of ~6.3% over FY26-28E. We value TELX at 20x FY28E EPS, resulting in a revised TP of INR2,970, and reiterate our Sell rating.

Beat on revenue and margins; broad-based growth across all verticals

- USD revenue came in at USD110m, up 2.3% QoQ in CC terms, above our estimate of 1.7% QoQ CC growth.
- Growth was led by HLS/media and communication/Transportation, up 3.5%/3.4%/2.0% QoQ CC, whereas Others declined 10.2% QoQ CC.
- In terms of geographies, America/India grew 7.3%/3.7% QoQ in USD terms, while Europe was down 1.2%.
- EBIT margin was 19.7% (up 70bp QoQ), above our estimate of 19.2%.
- Adj. PAT was down 0.2% QoQ and up 10% YoY at INR1,703m (below our est. of INR1,862m).
- The net headcount decreased by 187 employees to 11,149 (down 1.6% QoQ) in 2QFY27. Attrition (LTM) decreased by 10bp QoQ to 15.9%.

Key highlights from the management commentary

- Global environment remains uncertain, but client priorities around innovation, digital engineering, AI and product modernization offer steady opportunities.
- European OEM issues are systemic (cost base, electrification), so Chinese vehicle import curbs are unlikely to change near-term spending.
- Demand is broad-based across verticals, with Europe auto being the only soft spot.
- Management expects H2 to be better than H1.
- Enterprise AI budgets continue, but are now more ROI-focused after early overspend, a slight qualitative improvement.
- Multi-year deal from a leading auto OEM for next-gen cloud-based telematics and connected vehicle ecosystem, only just started.

Vertical-wise performance (QoQ, %)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Transportation	6.4	3.1	9.8	4.8	8.4	-3.3	-9.3	5.2	-2.0	5.7	1.1	-3.0	2.5
Media and Communications	-0.4	0.8	-11.7	1.1	-1.9	-0.2	-6.6	-3.7	4.5	-2.0	6.9	0.9	3.1
Healthcare and Life Sciences	3.2	4.4	-10.8	-4.5	-10.5	0.5	2.9	-5.5	-4.1	-5.7	-12.5	-2.3	3.6

Source: Company, MOFSL

Region-wise performance (QoQ, %)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Europe	10.2	4.0	-1.4	7.0	3.9	-7.7	-11.3	3.9	-1.7	10.7	4.1	-3.1	-1.2
Americas	1.5	-3.0	-4.6	-4.3	-7.7	-0.5	-6.3	-2.0	5.4	3.1	-8.1	8.6	7.3
India	-6.0	8.7	4.5	4.0	9.7	0.7	9.2	-11.9	-3.7	-10.5	2.3	-3.4	3.7
RoW	-4.7	19.5	9.5	5.5	31.1	9.3	-7.5	15.0	2.3	-11.5	21.4	-13.5	0.3

Source: Company, MOFSL

Quarterly Performance

(INR M)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var. (% /
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY27	bp)
Revenue (USD m)	**105**	**105**	**107**	**109**	**108**	**110**	**113**	**115**	**426**	**446**	**109**	**1.3**
QoQ (%)	-0.3	0.4	1.8	1.7	-1.0	2.4	2.0	1.9			1.1	130bp
Revenue (INR m)	**8,921**	**9,181**	**9,535**	**9,938**	**10,211**	**10,557**	**10,768**	**10,972**	**37,575**	**42,508**	**10,423**	**1.3**
YoY (%)	-3.7	-3.9	1.5	9.4	14.5	15.0	12.9	10.4	0.8	13.1	13.5	146bp
GPM (%)	**20.9**	**21.1**	**23.3**	**24.6**	**21.2**	**21.9**	**24.5**	**25.5**	**22.5**	**23.3**	**21.4**	**52bp**
SGA (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0bp
EBITDA	**1,867**	**1,933**	**2,222**	**2,446**	**2,160**	**2,314**	**2,638**	**2,798**	**8,469**	**9,910**	**2,230**	**3.7**
EBITDA Margin (%)	**20.9**	**21.1**	**23.3**	**24.6**	**21.2**	**21.9**	**24.5**	**25.5**	**22.5**	**23.3**	**21.4**	**52bp**
EBIT	**1,625**	**1,699**	**1,994**	**2,213**	**1,937**	**2,078**	**2,401**	**2,557**	**7,531**	**8,972**	**2,003**	**3.7**
EBIT Margin (%)	**18.2**	**18.5**	**20.9**	**22.3**	**19.0**	**19.7**	**22.3**	**23.3**	**20.0**	**21.1**	**19.2**	**46bp**
Other income	339	448	425	465	387	313	517	527	1,677	1,744	479	-34.6
ETR (%)	26.5	27.9	26.0	17.7	26.6	28.8	24.0	24.0	24.1	25.6	25.0	377bp
Adj PAT	**1,444**	**1,548**	**1,791**	**2,204**	**1,706**	**1,703**	**2,218**	**2,343**	**6,987**	**7,970**	**1,862**	**-8.5**
Exceptional items	0.0	0.0	702	0.0	0.0	0.0	0	0.0	702	0	0.0	
PAT	**1,444**	**1,548**	**1,089**	**2,204**	**1,706**	**1,703**	**2,218**	**2,343**	**6,285**	**7,970**	**1,862**	**-8.5**
QoQ (%)	-16.3	7.2	-29.7	102.4	-22.6	-0.2	30.2	5.7			9.1	
YoY (%)	-21.6	-32.5	-45.3	27.8	18.2	10.0	103.6	6.3	-11.0	14.1	20.3	
EPS (INR)	23.2	24.9	17.5	35.4	27.4	27.3	35.6	37.6	100.9	127.9	29.9	-8.5

Key Performance Indicators

Y/E March	FY26				FY27		FY26
	1Q	2Q	3Q	4Q	1Q	2Q	
Revenue (QoQ CC %)	-3.9	1.0	3.2	0.9	1.3	2.3	
Margins (%)							
Gross Margin	20.9	21.1	23.3	24.6	21.2	21.9	22.5
EBIT Margin	18.2	18.5	20.9	22.3	19.0	19.7	20.0
Net Margin	16.2	16.9	18.8	22.2	16.7	16.1	18.6
Operating metrics							
Headcount	12,127	11,951	11,594	11,590	11,336	11,149	12,127
Attrition (%)	15.0	15.4	15.6	15.8	16.0	15.9	15.0
Key Geographies (YoY %)							
Europe	-11.7	-16.4	0.4	17.8	9.9	10.4	-3.4
USA	-15.7	-3.8	-0.3	-2.2	8.4	10.3	-5.8

Technology


Internet

Eternal & Swiggy: Steady on food; QC back in gear

Food delivery: Growth holds; margins inch up

QC: Growth returns; the pie is expanding

Consumer AI agents: Our views on Instinct and Muse

Platforms control access, while new ad monetization models could emerge

Two personal AI agents have been in the limelight over the past month – **Muse and Instinct**. **Meta launched Muse in the US on 8th Sep'26** (Canada has since been added) on its own app, the web and WhatsApp. **Instinct is an invite-only agent** that users can interact with via text on iMessage or WhatsApp. Instinct is reportedly in talks to raise USD1b at a USD10b valuation. **The market's primary read appears to be a threat to intermediaries.** Expedia/Airbnb/Booking/Ixigo/MMT are down 2.2%/ 6.3%/12.1%/16.2%/17.7% since the launch, and in India, Eternal (Zomato) is volatile and Swiggy is down 15.5%.

Key questions: (1) what are these agents and what can they do so far? (2) who controls access to them? and (3) where does monetization sit if ordering and discovery move to agents? **To answer these questions, we tried Instinct on Indian apps and sites across a variety of tasks, such as ordering groceries, booking restaurants and movie tickets, and comparing flights and hotels.** Exhibit 2 shows our experience task by task.

Our findings: (1) **Instinct handled most of the everyday tasks on open platforms** – ordering on Blinkit, Zepto and Swiggy, booking District tables and movie tickets, and shopping on a D2C site; OTPs and app-only wallets were the main friction. (2) The power to grant access rests with platforms: **Amazon, Goibibo and MakeMyTrip blocked the agent.** Where the platform controls the service, i.e., food delivery and quick commerce, the agent has little choice. In travel, it can simply route around a blocking OTA (online travel agency) to another. (3) Where platforms hold this power, **we expect them to either launch their own agents or tie up with Muse, Instinct and others for access**. (4) This should give rise to a **new ad monetization model** within chat, though it is too early to say how it plays out.

Muse and Instinct: What are the agents and what can they do, for now?

- Meta launched Muse on 8th Sep'26 in the US (Canada since added) on its own app, the web and WhatsApp – mostly free to use with paid plans for heavy users. **Meta says it books travel, sends emails, fills out forms and negotiates on the user's behalf**, and keeps working after the app is closed, checking back before it pays or sends anything.
- **Meta's own examples are household errands (Exhibit 1):** selling a car for more, lowering a bill, turning a saved Instagram recipe reel into a grocery list, and planning a dinner-party menu around friends' dietary needs. Its design team showed Muse handling a child's back-to-school prep, from tracking school emails and loading a supplies cart to booking a celebration dinner.
- **Instinct is invite-only. Users can text or call the agent, and it uses a phone and a computer the way a person would.** Its website lists five examples: disputing a wrong bill, sending birthday gifts, ordering groceries, booking doctor's appointments and planning a weekend getaway. **Its sign-up form accepted Indian numbers as of 6th Oct'26.**
- We believe both agents **target high-frequency household errands**, which is the core order flow of Indian food delivery, quick commerce and travel platforms.

Our experiments: Open platforms work, blocks are visible, payments are the choke point

- **We ran 14 tasks on Instinct against Indian apps and sites (Exhibit 2):** nine worked, one worked partly, three were blocked, and one failed.
- **Worked:** Blinkit through its website, orders on Zepto and Swiggy, a District table booking in one tap, movie tickets (shows listed, seat screenshots, paid with a saved card), a Bombay Shirt Company order taken to the cart, a hotel search for three nights in Delhi within a budget, and an email search for a specific item.
- **Blocked:** Amazon, MakeMyTrip and Goibibo (the hotel price comparison was also far slower than expected) and airline web check-in. We see check-in as an easy feature for airlines to open up in future.
- Payments were the main hurdle where access was open. For 1 liter of olive oil on Blinkit, there was no 1-liter pack, so Instinct asked about two 500ml bottles and we chose one. Blinkit's wallet works only in the app; **wallet, card and UPI payments all failed on the website, and the order finally went through as cash on delivery.** A credit card also worked, but the one-time password (OTP) has to be entered by hand. **Repeat grocery orders take one tap once card details are saved.**
- The BEST electricity bill was found and the bill number confirmed, but the BEST website did not work**.**
- Where platforms allow access to the agent, the agent already works; **payment authentication is the main hurdle.**

Who controls access? Partnership is the route around blocking

- **Muse rolled out in two steps.** At launch (8th Sep), it worked on any website, much like a human user. After Amazon blocked it on 20th Sep, Meta announced on 23rd Sep an 'official fast lane' **of direct tie-ups with Walmart, Gap, Sephora, Expedia, Wayfair and Best Buy** (not all live yet). **Meta has said it will charge transaction fees, and partners such as Expedia remain the seller of record.**
- **Instinct's partners are payment and technology providers:** Stripe (payments), 1Password (logins), Shopify's merchant network, and from 7th Oct, Sierra and Decagon, whose customer-service bots Instinct can deal with directly. We found no announced retail or travel tie-ups.
- Platforms with must-have supply and an ad business block (Amazon, Resy), those with commoditized inventory join (Expedia), and DoorDash built its own chat-based ordering on iMessage, live with 20,000 users (Exhibit 3). **Our tests show the same split in India: Amazon, MakeMyTrip and Goibibo blocked Instinct, while District, Blinkit and a D2C site did not.**
- We believe agent rollout in India will follow a similar pattern, with platforms blocking or allowing agents selectively depending on the business case. Where the platform delivers the service, as in food delivery and quick commerce, **it decides who gets access and on what terms, so we expect access to come through official partnerships.**

India: Agents get in through platform websites, and platforms can close the door

- Zomato and Swiggy have **built official connections that let assistants such as ChatGPT and Claude place orders**. In practice these are set up through developer settings and are hard for an ordinary user to find, so we do not count them as a consumer channel today.
- Today, agents get in through the platforms' own websites, as our tests on Blinkit, Zepto, Swiggy and District showed. **Platforms can shut this door at any time, as Amazon, MakeMyTrip and Goibibo already have.**
- **Agents are getting in without official integrations**. Our tests worked on District reservations and movie tickets, which have none.

Ad impressions at risk, platforms who control access can devise new monetization tools

- Ad income on Indian platforms depends on traffic on the app and on market share, **since brands pay to be seen where the most buyers are.**
- **Amazon's stated logic for blocking Muse is advertising:** an agent does not browse sponsored listings, and **Amazon reported ~USD70b of ad revenue last year**. Eternal's management argues habit (four Zomato orders a week, Blinkit every other day) will not reroute through a chat window.
- **We expect platforms to pull agentic ordering into owned chat surfaces and sell sponsored placement there**; in India, the channel is WhatsApp, which already takes JioMart orders and is owned by Meta. **We have found no working ad format in a chat agent yet**, so this is a hypothesis.
- **We see lost ad impressions as the key risk to monitor.**

Early read by platform

- For now, **we believe travel is the most exposed platform**. Supply is commoditized, and when MakeMyTrip and Goibibo blocked Instinct, hotel discovery still worked through other sources, **so an agent can route around a blocking OTA to another.**
- Swiggy and Eternal sit in the same bucket. **Food and grocery orders are currently allowed through agents, but both can choose to block them**, as they deliver the actual service. This may cost some ad revenue, but we believe they will find a way to monetize agent orders over time.
- **Urban Company is potentially exposed if an agent calls other listings and books service providers directly.** Its edge lies in vetted service quality and warranties on the work, which an agent cannot provide, so we see the risk as limited.

Expert Speak

Current dynamics and insights on Indian gold market

We hosted an expert session on the Indian gems and jewellery market with Mr. Surendra Mehta, National Secretary of IBJA, and Dr. Renisha Chainani, Chief Research Officer at Augmont Enterprises. The discussion covered global gold supply-demand trends, India's gold consumption and import outlook, changing consumer preferences, and the impact of elevated gold prices on jewellery demand. Key insights also included the outlook for organized jewellery retailers, import duty, and the evolving diamond market. Here are the key takeaways:

Global gold supply-demand trends

- In CY25, global mine production was ~3,900 tons annually, while recycled gold contributed ~1,400 tons, taking the total annual supply to ~5,300 tons.
- Global ETF purchases stood at ~420 tons and central banks bought around 780 tons during the year.
- As of CY25, global gold ETF holdings were at 4,250 tons and central bank gold reserves were estimated at 36,000-40,000 tons.

India's gold market

- India has limited domestic gold production and is heavily dependent on imports to meet its gold demand. India imports ~700-800 tons of gold annually, making it one of the world's largest gold-consuming markets after China.
- Indian households are estimated to hold around 30,000-35,000 tons of gold, potentially worth ~USD5t.
- Gold investment demand accounts for 30-35% of total gold demand, with jewelry accounting for the balance.
- Within jewelry demand, corporate and organized players hold 38-42% share and the remaining is held by smaller and unorganized retailers.
- Gold imports in 1HFY27 were below 200 tons, significantly lower than the annual import run rate of ~ 700 tons. Full-year FY27 imports are expected to be 520 tons, down from ~700 tons in FY26.
- **Key factors behind the decline in imports: 1) High domestic gold prices and reduced affordability, 2) household preference to preserve savings amid rising inflation, and 3) PM Modi's appeals to avoid non-essential gold purchases.**
- **The decline in gold consumption is likely to be less pronounced than the decline in imports, supported by increased old gold exchange.**
- **In 1HFY27, consumption was estimated at ~350 tons vs. ~420-430 tons in 1HFY26.**

Jewelry demand and changing consumer behavior

- Higher gold prices reduce jewelry volumes as consumers buy fewer grams under a fixed budget. However, spending has remained resilient, with festive and wedding demand potentially supporting 15-20% growth in value by year-end, as indicated by the experts.
- Stable gold prices could improve consumer sentiment and unlock deferred purchases during the festive and wedding seasons.
- Traditional 22K gold continues to dominate Indian jewelry preferences, while lightweight and contemporary jewelry is gaining traction as consumers seek affordable options for everyday use.
- Investment demand is shifting toward bars, coins, ETFs and digital gold. Experts note a fivefold increase in monthly digital-gold purchases over the last year.



Mr. Surendra Mehta

Mr. Mehta is National Secretary of the India Bullion and Jewellers Association (IBJA) and a member of the Precious Metal Advisory Committee at IFSCA, Government of India. He is a Chartered Accountant from the 1988 batch with extensive experience in the bullion and jewelry industry.



Dr. Renisha Chainani

Dr. Chennani is the Chief Research Officer at Augmont Enterprises, an integrated precious metals and gold/silver platform. She has been associated with Augmont for about five years. She has nearly two decades of experience in commodity and currency research.

Gold price outlook and import duty

- The long-term outlook for gold demand is positive amid geopolitical uncertainty, rising US government debt and continued buying by central banks.
- Domestic gold prices have increased due to INR depreciation and the increase in import duty from 6% to 15%, which has raised the landed cost of gold and affected consumer affordability.
- The reduction in import duty could become more feasible if oil prices decline, geopolitical tensions ease and pressure on INR moderates.
- Higher import duty may encourage smuggling, creating an uneven competitive environment for compliant jewelry retailers. Any duty change could affect domestic prices, consumer demand and inventory valuations.

Organized jewelry retail and gold market development

- Organized jewelry retailers are expected to continue gaining market share over the next five to seven years, supported by consumer preference for trusted brands, purity assurance, transparent pricing and hallmarking.
- Electronic gold receipts (EGRs) could improve transparency, liquidity and price discovery by enabling physical gold to be represented and traded electronically. However, GST-related issues around conversion and redemption need to be resolved to encourage wider adoption.

Others

- Hedging adoption is limited among jewelry players, partly because of the cost. The experts noted that hedging costs exceeding 4-4.5% can significantly affect the profitability of low-margin manufacturers and wholesalers.
- **Natural diamonds face challenges around resale value and consumer confidence in their investment potential, while lab-grown diamonds are gaining acceptance among consumers purchasing jewelry primarily for personal adornment. Experts highlighted that 54% of the global natural-diamond market has shifted toward lab-grown diamonds.**
- India could benefit from lab-grown diamond manufacturing and export opportunities. However, increasing competition among domestic manufacturers is putting pressure on margins.

Expert Speak

Premiumization drives growth as replacement demand remains weak

We hosted an expert session with Mr. Kanaiyalal Mulchandani, director of Snehaanjali Electronics, to understand consumer demand trends across key consumer durables and electronics categories during the ongoing festive season. The discussion covered category-wise sales trends, the impact of price increases, supply constraints, changing consumer preferences, competitive positioning of brands, retailer schemes and financing options, and the outlook for demand across air conditioners, televisions, smartphones, refrigerators, washing machines and other appliances.



Mr. Kanaiyalal Mulchandani

Mr. Kanaiyalal is a director of Snehaanjali Electronics. He is associated with the electronics retail business since 1974. Snehaanjali is a multi-brand retailer of consumer durables, with presence across Mumbai Thane, Raigad and Gujarat. Its product portfolio spans ACs, TVs, refrigerators, washing machines, kitchen appliances, audio products and other consumer electronics.

Festive demand picks up, but recovery remains uneven

- Festive season started slow as demand was weak during Ganesh Chaturthi/Pitru-Paksha Shraddh. However, demand improved meaningfully with the beginning of Navratri, with strong growth of 25-30% YoY. The recovery, however, remains uneven across categories, with room air conditioners (RACs) and television (TVs) driving growth and washing machine and refrigerator witnessing subdued demand.
- AC demand has accelerated over the past 15-20 days, with sales volumes growing by over ~60% YoY, primarily driven by higher temperatures in Mumbai. The recent improvement appears to be largely led weather rather than a broad-based recovery in underlying demand. While the category has benefited from the rise in temperatures, the sustainability of this momentum will depend on weather conditions and the continuation of replacement and discretionary purchases.
- Small appliances are performing well, while washing machines have remained sluggish over the past 3-4 months. Refrigerator demand was also subdued until recently. The festive season is expected to support overall market growth, given that Dussehra and Diwali fall across Oct-Nov'26, unlike previous year both festive fell in Oct'25.
- Price inflation is influencing buying decision/replacement demand as consumers are either deferring purchases or preferring repairing exiting appliances. The exchange ratio has declined to ~12% currently from ~30% last year.

RACs: Unseasonal heat boosts AC demand in last few weeks

- AC demand has improved significantly in the past 15-20 days, with volume growth of over 60% YoY, primarily driven by higher temperatures. Daikin, VOLT, Godrej, LGEIL and BLSTR are better-performing brands. LGEIL is facing stock-outs and remains focused on offline channel. Samsung focuses on the online channel. Daikin, VOLT and Godrej are gaining strong traction in the market.
- Godrej's five-year comprehensive warranty has emerged as a key selling point, supporting its sales momentum and strengthening its competitive positioning. VOLT and Daikin are also performing well, while Panasonic has witnessed some improvement but continues to lag the better-performing brands. Whirlpool and IFB have a relatively limited presence in the AC market. Although IFB is attempting to expand its presence, its relatively high pricing remains a constraint, while Whirlpool appears to be less focused on the category.
- AC manufacturers have started communicating price hikes of up to ~6%, although increases of ~2-4% have been implemented so far. Despite the price hikes, demand remains strong, supported by higher temperatures and the resulting increase in cooling requirements. However, the recent surge appears largely weather-driven, and the sustainability of the current growth momentum remains uncertain once high temperatures moderate.

TVs: Premiumization drives TV growth amid supply constraints

- TV demand remains strong, but panel shortages due to limited chip availability are constraining supply. The shortage is expected to persist until Diwali, with normalization thereafter. Supply constraints have driven TV prices up by ~22-25%. A 32-inch TV that earlier cost INR12,000 is now priced at INR17,000-19,000, while 43-inch models have risen from INR20,000-25,000 to as much as INR35,000. High prices weigh on affordability, impacting the replacement demand.
- Consumer preference is shifting toward larger-screen TVs, with 55/65/75-inch models witnessing stronger demand. Volumes in select large-screen categories have grown by ~60-100% YoY, albeit on a lower base, while demand for 32-inch models has weakened. Rising TV prices are also prompting consumers to repair existing units rather than replace them, alongside a decline in traditional festive-season exchange purchases.
- LGEIL has overtaken Samsung in the offline TV market to emerge as the leading brand, with market share of ~35-38%, compared with ~28-32% for Samsung. LGEIL's stronger positioning is attributed to better stock availability and a greater focus on the offline retail channel, enabling it to cater more effectively to in-store demand. Samsung's greater emphasis on online sales has reportedly resulted in relatively weaker product availability in offline stores. Samsung historically led the market, but differences in channel strategy and stock availability have recently shifted the advantage toward LG.

Smartphones/Mobile: Premiumization supports value growth despite weak volumes

- Smartphone volumes are estimated to have declined by ~10-15%, while average selling prices (ASPs) have reportedly increased by ~35-40%. Manufacturers have been implementing frequent price increases, with revisions occurring approximately every 10-15 days. In some cases, a smartphone previously priced at INR15,000 is now selling at INR25,000-27,000. The sharp rise in prices is affecting affordability, particularly in the entry-level and lower-priced segments, while higher-value smartphones are holding up relatively better.
- Apple is performing strongly in both volume and value terms, while Samsung is also witnessing healthy traction, including for its newer models, alongside premium models. Prices have generally increased across brands, with manufacturers showing limited inclination to reduce prices on older models. Premiumization is supporting value growth despite a decline in overall volumes, as consumers continue to purchase higher-priced devices even amid rising handset prices.
- Smartphone inventory remains relatively low, as retailers typically procure stock frequently rather than maintain large inventories, given rapid model launches and product changes. Procurement is generally aligned with daily sales or on a weekly basis, limiting inventory risks. Recent price increases have encouraged some retailers to build additional stock ahead of further revisions; however, overall inventory levels remain relatively low.

Refrigerators and washing machines: Weak replacement demand; LGEIL gaining share

- Refrigerator and washing machine demand remains subdued, largely due to weak replacement demand and pressure on middle-class purchasing power as incomes have not kept pace with inflation, resulting in deferred replacement purchases or leading consumers to repair existing appliances. The retailer's exchange ratio has fallen from ~30% last year to ~12% currently, indicating a significant decline in replacement-led purchases.
- Refrigerators have seen limited technological differentiation, reducing the incentive for consumers to upgrade. Premium refrigerator categories are still growing, but lower-priced segments are witnessing a decline. In terms of sales mix in refrigerators, side-by-side models account for 7-8% (up to ~10-12% in Mumbai), frost-free models make up ~40%, and direct-cool models represent ~50%. Side-by-side refrigerators continue to find buyers, indicating demand for premium formats among select consumers.
- Whirlpool faces challenges in the premium segment, partly due to weaker dealer incentives and product-pushing support vs. competitors. LG and Samsung remain better-positioned established brands.
- LGEIL is gaining share in washing machines, supported by aggressive pricing and dealer schemes, mainly in semi-automatic and top-loading models. Other manufacturers have also increased dealer schemes to counter LGEIL's aggressive pricing. LGEIL's Essential range is positioned to compete with Godrej, Whirlpool and Haier in the value segment.

- Semi-automatic washing machines account for ~45% of sales at the retailer's counters, with fully automatic models contributing the balance. In the front-loading segment, Bosch, IFB and LG are the key brands. IFB is viewed positively for its product quality and features, particularly in front-loading machines; however, weak advertising, limited brand visibility and a relatively low presence in key retail outlets constrain its performance. Concerns around after-sales service compared with LGEIL and Samsung also remain a challenge for the brand.
- Haier is performing well across refrigerators and washing machines, while Whirlpool's washing machine performance has weakened following LGEIL's price cuts. Whirlpool also faces challenges in premium appliances, with its bulky product designs perceived to have limited appeal among urban consumers that are increasingly seeking compact and aesthetically appealing products. They also face challenges in competing on pricing and dealer incentives.
- Voltas Beko is gaining some traction, supported by improvements in after-sales service over the past two years. However, its limited retail presence in Mumbai continues to constrain its reach, and the brand is yet to emerge among the leading players in the market. Further, after-sales service, dealer support and brand visibility influence purchase and stocking decisions.

Retail competition, financing and brand positioning

- Industry players are increasingly relying on financing schemes and cashback offers to sustain sales amid rising product prices and growing consumer price sensitivity. Samsung and LG are offering zero-cost EMI options for 10, 12 and up to 24 months on select products, compared with earlier schemes that required customers to pay EMIs upfront. Samsung has also offered cashback of ~15-20%, or up to INR10,000-15,000 on select products. Financing schemes and consumer offers have become more aggressive this festive season, helping improve affordability and support purchase decisions despite higher prices.
- Despite more aggressive consumer offers, dealer margins have remained broadly stable YoY, with manufacturers focusing on financing benefits and cashback rather than gifts or other promotional incentives. LGEIL has also increased dealer schemes in washing machines to support its competitive pricing and strengthen its market position. These measures are helping brands sustain sales momentum, although the extent to which demand can be maintained will depend on continued promotional support and consumer affordability.
- Bajaj Finance remains the leading consumer-financing provider at the retailers' counters, with an estimated share of over ~55%, followed by IDFC at ~35-40%. Bajaj Finance's competitive advantage lies in its pre-approved credit assessment capabilities, which allow it to identify prospective customers and communicate their credit eligibility to showroom staff. This enables retailers to offer financing options more efficiently and potentially improve conversion rates, particularly for higher-value purchases.
- Dealer stocking decisions are influenced by consumer demand, brand visibility, retailer schemes and volume-linked incentives. Larger retailers are better positioned to negotiate attractive purchase deals with manufacturers, while brands offering limited dealer incentives may struggle to secure adequate shelf space and inventory allocation. In-store brand representatives and advertising also play an important role in influencing customer awareness and purchase decisions. This is particularly relevant for brands such as IFB, where relatively strong product offerings are not fully translating into sales due to weaker visibility and limited presence at key retail outlets.
- Extended warranties can help differentiate brands and attract customers, but their effectiveness depends on the quality of after-sales service. Five-year comprehensive warranties can strengthen purchase consideration; however, delayed complaint resolution or inadequate service support, particularly during the peak AC season, can adversely affect brand credibility. Consistent service execution throughout the warranty period is, therefore, critical to customer satisfaction and repeat purchases. LGEIL and Samsung were viewed more favorably on after-sales service, highlighting the importance of service reliability, alongside pricing, product features and warranty coverage.

Kitchen appliances and fans: Chimneys, hobs and BLDC fans gaining traction

- Kitchen chimneys and hobs are witnessing strong growth, with the chimney market reportedly expanding by ~40-50%, supported by greater consumer awareness and adoption in modular kitchens. Demand is supported by ductless and automatic-cleaning models, which offer easier installation and maintenance, reducing installation-related constraints for consumers. New brands are also introducing products with differentiated features to attract customers. Chimney and hob manufacturers reportedly enjoy attractive margins, making these categories relatively favourable from a profitability perspective.
- Mixer-grinders and irons remain relatively mature categories, while competition in water purifiers is intensifying. Eureka Forbes continues to be an established player, although competitors are using longer comprehensive warranties to attract customers. Beyond the initial purchase price and warranty coverage, the cost of filter replacement and ongoing maintenance remains a key differentiator, as it significantly influences the total cost of ownership and repeat customer expenditure.
- BLDC fans are gaining popularity as consumers increasingly prioritize energy efficiency, better air delivery and lower operating noise. CROMPTON remains the market leader, while Atomberg is reportedly growing faster than peers, albeit from a smaller volume base. Orient's market share is stable, while HAVL and new entrants continue to compete for share. Premium fans are gaining traction, while exhaust fans and table fans are also witnessing healthy demand, supported by their applications across bathrooms, kitchens, offices and smaller commercial establishments.
- Fan manufacturers have implemented price increases less frequently than smartphone brands, despite ongoing raw-material cost pressure. Relatively healthy margins in fans, chimneys and hobs provide manufacturers with some cushion to absorb higher input costs without immediately passing them on to consumers. Atomberg is also expanding into adjacent categories, including water purifiers and chimneys, to diversify its product portfolio. However, these businesses remain relatively smaller than its core fan portfolio.

Valuation summary

Company	M-cap	CMP	TP	Rating	EPS (INR)			EPS CAGR	P/E (x)			RoE (%)			RoIC (%)		
	(INR b)	(INR)	(INR)		FY26	FY27E	FY28E	(FY26-28E)	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
POLYCAB	1,264	8,260	10,200	BUY	177	221	255	20%	47	37	32	22.2	22.8	21.7	33.7	31.8	30.6
LGEIL	1,176	1,759	2,075	BUY	25	36	43	30%	70	49	41	25.1	28.7	28.5	59.4	63.3	58.5
HAVL	659	1,080	1,170	Neutral	24	25	29	10%	44	44	37	16.1	14.7	15.7	19.5	19.2	21.0
KEI	444	4,645	5,670	BUY	97	117	142	21%	48	40	33	14.9	15.5	16.2	18.2	18.4	18.8
VOLT	338	1,037	1,070	Neutral	12	18	27	49%	86	57	39	6.2	8.8	11.6	11.0	15.2	19.1
Blue Star	322	1,592	1,330	Neutral	27	24	32	8%	58	67	50	16.4	13.1	15.7	17.8	14.1	17.2
RRKABEL	307	2,617	2,960	BUY	45	67	85	38%	58	39	31	21.4	26.1	25.9	19.2	21.9	24.1
Crompton	131	212	305	BUY	8	9	10	16%	28	24	21	14.3	15.0	15.7	22.7	21.4	26.0

Source: MOFSL, Company



RBL Bank: Falls Despite Jump In Q2 Profit | IRDAI Draft To Impact 60% Insurance Fee Income
R Subramaniakumar, MD & CEO

- IRDAI draft to impact 60% insurance fee income
- Karnataka & Maharashtra exposure very low, each around 1% or less of total book
- RoA to improve from 0.92% to 1.2-1.3% over the next 2-3 quarters

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WeWork India: Expansion Mode On! 25,000 Desks, Enterprise Demand & AI Boom
Karan Virwani, CEO & MD

- Adding ~2,500 desks in Kharadi with ₹44cr investment; another 2.8 lakh sq. ft. facility recently opened.
- Managed offices and WeWork-branded spaces to contribute ~50% each to future growth.
- ~22,000–23,000 desks opened in FY27, with 3,000–4,000 more planned.
- Strong demand from GCCs, domestic firms and AI companies supports expansion across eight metros.

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IRB Infrastructure: Next Growth Driver? Toll Collections, Acquisitions & Expansion Strategy
Anil Yadav, Group CFO

- Organic toll revenue is expected to grow 11–13%, driven by 5–6% traffic growth and 6–7% tariff hikes.
- ₹45,000cr order book supports 10–12% annual O&M growth, rising to ~20% with new asset additions; margins of 18–20% remain sustainable.
- Targets ₹12,000–15,000cr annual asset additions, reaching ₹1.4 lakh cr AUM by FY30, funded through asset monetisation.
- Mumbai–Pune and Ahmedabad–Vadodara debt is expected to be repaid by FY30, with cash RoE targeted to improve from 7–8% to ~14%.

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KP Green Engineering: Gets ₹800 Crore+ Fresh Orders: What's The FY27 Growth Plan
Moinul Karwa, Whole-Time Director

- FY26 closed at ₹1,861cr, with fresh orders exceeding ₹800cr to date; the latest ₹272cr order will be executed in 3–4 months.
- Solar structures and PEBs account for ~79% of the latest order value, with full revenue recognition expected in FY27.
- Capacity stands at 4 lakh tonnes annually, with 30% utilization in FY26; ramp-up remains a key focus.
- Integrated manufacturing, raw-material hedging and price-variation clauses support margins; external factors may cause a 1–2% impact.

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NOTES

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.

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