Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	76,755	-0.9	-9.9
Nifty-50	23,996	-0.8	-8.2
Nifty-M 100	62,301	-1.1	3.0
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,499	-0.1	9.5
Nasdaq	25,691	-0.6	10.5
FTSE 100	10,717	1.2	7.9
DAX	25,155	0.6	2.7
Hang Seng	8,251	-1.3	-7.4
Nikkei 225	66,116	-0.2	31.3
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	94	2.6	50.8
Gold ($/OZ)	4,130	1.3	-4.4
Cu (US$/MT)	13,813	-0.6	10.9
Almn (US$/MT)	3,208	1.2	8.1
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	96.6	0.3	7.5
USD/EUR	1.1	0.1	-2.8
USD/JPY	163.2	0.0	4.1
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.8	0.01	0.2
Flows (USD b)	**22-Jul**	**MTD**	**CYTD**
FIIs	-0.08	1.91	-27.0
DIIs	-0.04	2.23	52.3
Volumes (INRb)	**22-Jul**	**MTD***	**YTD***
Cash	1,205	1371	1365
F&O	82,476	2,53,120	2,67,177

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Eternal: Meets growth expectations despite intense competition

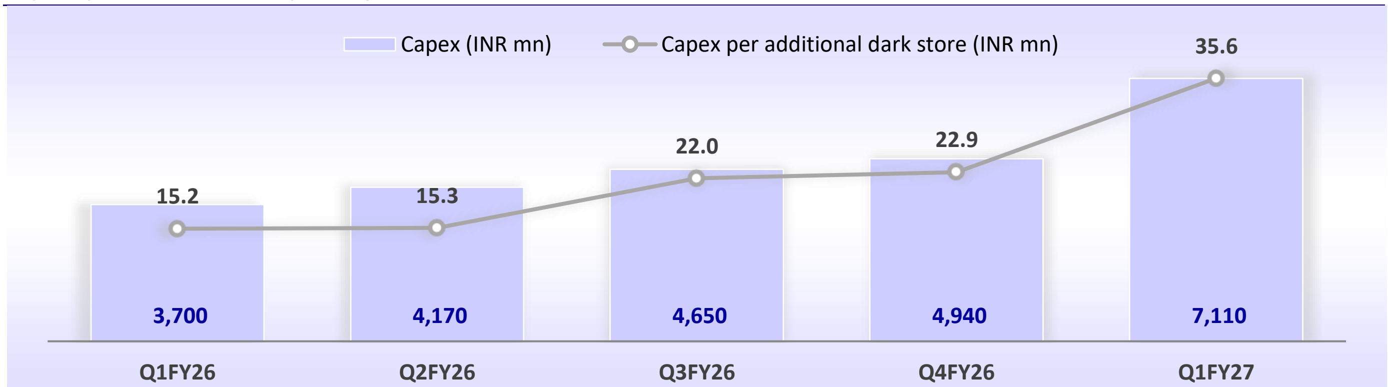
- Eternal reported 1QFY27 net revenue of INR202b (up 16.9% QoQ/182% YoY), above our estimate of 8.5% QoQ/161.8% YoY.
- Food Delivery NOV came in at INR108b, in line with our estimate of INR107.3b. Blinkit NOV came in at INR171b (up 86% YoY) vs. our estimate of INR170b. For Food Delivery, adjusted EBITDA as % of NOV margin increased 10bp QoQ at 5.6%, vs our estimate of 6.1%. Blinkit reported contribution margin of 5.3% (5.4% in 4QFY26). Adj. EBITDA margin was at 0.6%, in line with our expectation of 0.6%.
- We continue to factor in management's long-term growth trajectory of 60%+ NOV growth and USD1b EBITDA by FY29, led by gradual margin expansion through store maturity and operating leverage. Our TP of INR400 implies a 41% upside from the current price. We reiterate our BUY rating.

Research covered

Cos/Sector	Key Highlights
Eternal	Meets growth expectations despite intense competition
Nestlé India	Another robust quarter; valuation remains expensive
Other Updates	JSW Energy - Downgrade to Neutral | Dr Reddy's Labs | IndusInd Bank | Nippon Life Ind. | Tata Comm. | Gabriel India | IIFL Fin. | Anant Raj | Atlanta Electric | Arvind Fashions | Suntech Realty | BPCL | United Spirits | SRF | HPCL | Sona BLW Precision| CIE Automotive | UTI AMC | Shoppers Stop | Aviation Monthly

Chart of the Day: Eternal (Meets growth expectations despite intense competition)

Blinkit's capex for the quarter came in at INR7.1b, materially higher than the average for previous quarters; warehousing capacity addition was the primary driver



Source: MOFSL, Company

Research Team

In the news today

Kindly click on textbox for the detailed news link

1

Trump's 200% generic drug tariff threat puts $9.7 billion Indian pharma exports at risk

US President Trump's proposed tariffs on imported generic drugs will not immediately affect Indian drugmakers. Indian companies export significant generic medicines to the United States market.

2

Accenture eyes $350 million majority stake in ANSR at $1 billion valuation

Global IT services and consulting giant Accenture is in talks to raise its minority stake to majority in Bengaluru-based ANSR, a GCC platform and service company, according to multiple people aware of the development.

3

Sona Comstar to form 2 JVs with Japanese Denso Corp for electric, hybrid powertrain systems

Sona Comstar and DENSO Corporation are forming two joint ventures for electric and hybrid powertrain systems. These partnerships will focus on solutions for four-wheelers and larger vehicle applications. Another venture will develop systems for electric and hybrid two- and three-wheelers.

4

Bistro sees limited impact from Swiggy's Toing, Rapido's Ownly: Deepinder Goyal

On the impact of the competition from Toing and Ownly, Deepinder Goyal said, “The impact has been limited. These platforms are offering the same restaurants, similar or longer delivery times, and lower prices funded by lower commissions and delivery fees

5

Borrowing costs in bond market may rise as upside risks to India's 10-year bond yield persist

Expect an uptick in borrowing costs within India's bond market as uncertainties loom large. The 10-year government bond yield remains under pressure from upside risks. Non-Banking Financial Companies are facing steepest borrowing premiums, outpacing corporate borrowers, who are themselves grappling with increased spreads over public sector counterparts.

6

Reliance launches AJIO Beauty to capture India's booming market

Reliance Retail has launched AJIO Beauty, expanding its beauty business. This move integrates cosmetics and personal care onto its fashion platform. The strategy aims to build an integrated fashion, beauty, and lifestyle ecosystem.

7

Top retailers raise Rs 4,000 crore as store expansion hits four-year high

India's largest retailers are significantly increasing offline store launches this fiscal year. Companies like Reliance Retail and Trent are raising substantial funds for expansion. This growth marks the fastest pace seen since the Covid-19 pandemic period.

Eternal

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	ETERNAL IN
Equity Shares (m)	9650
M.Cap.(INRb)/(USDb)	2748.6 / 28.5
52-Week Range (INR)	368 / 213
1, 6, 12 Rel. Per (%)	8/8/-1
12M Avg Val (INR M)	12474

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
GOV	461.6	553.2	667.6
Net Sales	543.6	937.0	1391.9
Change (%)	168.6	72.4	48.6
EBITDA	12.1	36.8	71.6
EBITDA margin (%)	2.2	3.9	5.1
Adj. PAT	3.7	20.7	41.4
PAT margin (%)	0.7	2.2	3.0
RoE (%)	1.19	6.47	11.80
RoCE (%)	-0.69	3.29	7.42
EPS	0.40	2.27	4.54
EV/ Sales	4.8	2.8	1.8
Price/ Book	8.4	7.8	7.0

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	39.3	36.0	26.5
FII	33.7	37.3	48.3
Others	27.0	26.7	25.2

FII Includes depository receipts

CMP: INR284 TP: INR400 (+41%) Buy

Meets growth expectations despite intense competition

Fortifies long-term margin guidance for Blinkit, though capex elevated

- Eternal reported 1QFY27 net revenue of INR202b (up 16.9% QoQ/182% YoY), above our estimate of 8.5% QoQ/161.8% YoY.
- Food Delivery NOV came in at INR108b, in line with our estimate of INR107.3b. Blinkit NOV came in at INR171b (up 86% YoY) vs. our estimate of INR170b. For Food Delivery, adjusted EBITDA as % of NOV margin increased 10bp QoQ at 5.6%, vs our estimate of 6.1%.
- Blinkit reported contribution margin of 5.3% (5.4% in 4QFY26). Adj. EBITDA margin was at 0.6%, in line with our expectation of 0.6%. 1QFY27 PAT stood at INR920m, rising 268% YoY (est. INR4,066m). Our TP of INR400 implies a 41% upside from the current price. We reiterate our BUY rating.

Our view: Peak competition, but execution remains on track

- **Competitive intensity the highest, but strategies diverging:** Competitive intensity in quick commerce remains high. Management indicated that 1Q experienced 'peak intensity' to date, although competition has now become predictable. We believe divergent strategies among established players are emerging, with various players adopting either one or a combination of expansion, assortment, or pricing as the differentiating factor.
- **Straight coupon-based discounting appears unsustainable. Even as the market remains crowded, newer players looking to scale from scratch could continue to keep the market irrational for slightly longer**. The next stage of competition may weed out some players, as competition emerges beyond coupon discounting into assortment intelligence as well as supply chain efficiency.
- **Adjusted EBITDA in quick commerce improves; long-term guidance raised:** Management has guided to achieve the higher end of its long-term margin range: reported EBIT margin of ~4% and adjusted EBITDA margin of ~6% (guidance range of 5-6%). This was despite the near-term increase in take rates not yet translating into CM gains. Management attributed this to minimum wage increases across several states and the opening of larger stores, which led to a slight lag on CM gains.
- However, **with the business model now established and competition being more 'predictable',** management expects structurally higher margins going forward. While continued elevated competition may lead to near term gains being pruned, this guidance upgrade is a positive. **Management's long-term target of 60% and NOV growth, coupled with an EBITDA target of USD1b by FY29, appears increasingly achievable.** Our estimates continue to factor in this long-term trajectory**.**

- **Capex higher than expected, leading to higher cash burn:** While EBITDA margin came in at 0.6% of NOV (INR1.02b), Blinkit's capex for the quarter stood at INR7.1b, materially higher than the average for previous quarters. Warehousing capacity addition was the primary driver. This pushed cash burn in the quick commerce business to INR7.7b (refer to Exhibits 1 and 2).
- Part of the capex is warehouse-linked and lumpy by nature. Even so, the scale-up of stores in frontier cities, alongside new warehouse openings, remains critical. This scale-up is what will ultimately determine RoCE on the incremental capex being deployed**.**
- **Food delivery recovery remains steady despite new competition:** Food delivery NOV grew 20% YoY, marking the fourth consecutive quarter of acceleration, driven by both new customer additions and higher order frequency. Adjusted EBITDA margin expanded to 5.6% of NOV, near the upper end of the long-term 5–6% guidance.
- **Despite the emergence of discount-led players such as Toing and Ownly, management believes aggressive price-led customer acquisition is unlikely to be sustainable**. We believe improving customer cohorts, higher engagement, and stable unit economics should support healthy growth even as competitive intensity remains elevated.

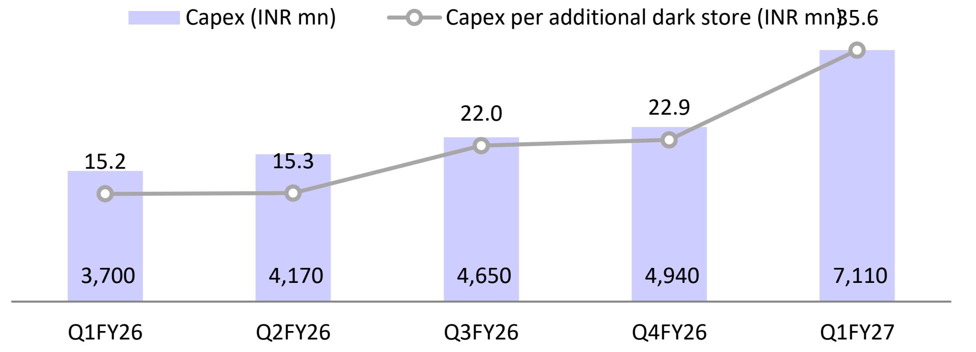
Valuation and changes to our estimates

- Eternal's food delivery business remains stable, while Blinkit continues to offer a long runway to participate in the structural shift in retail, grocery, and e-commerce. We trim our FY27E EPS estimate by 7% largely driven by a higher-than-expected tax in 1Q, while keeping our FY28E estimates unchanged. While competitive intensity remains elevated, competition is becoming more predictable, and the business model appears established, with a clearer path to structurally higher margins.
- We continue to factor in management's long-term growth trajectory of 60%+ NOV growth and USD1b EBITDA by FY29, led by gradual margin expansion through store maturity and operating leverage. We expect Eternal to report PAT margins of 2.2%/3.0% in FY27/28E. Our **TP of INR400** implies a 41% upside from the current price. We reiterate our **BUY rating.**

FD/QC NOV and QC adj. EBITDA in line with our estimates; miss on FD margins

- Eternal reported 1QFY27 net revenue of INR202b (up 16.9% QoQ/182% YoY), above our estimate of 8.5% QoQ/161.8% YoY.
- Food Delivery NOV came in at INR108b, in line with our estimate of INR107.3b. Blinkit NOV came in at INR171b (up 86% YoY) vs. our estimate of INR170b.
- For Food Delivery, adjusted EBITDA as % of NOV margin rose 10bp QoQ to 5.6%, vs our estimate of 6.1%.
- Blinkit reported a contribution margin of 5.3% (5.4% in 4QFY26). Adj. EBITDA margin was at 0.6%, in line with our expectation of 0.6%.
- Consol. reported EBITDA came in at INR5,940m (2.9% reported EBITDA margin vs 3.7% in 1Q).
- Food Delivery revenue increased 13% QoQ/33% YoY (est. 24.5% YoY). FD contribution margin as a % of NOV remained flat QoQ at 10.2%.
- QC revenue grew 18.4% QoQ (est. 10.3% QoQ growth). QC contribution margin as a % of NOV decreased to 5.3% (5.4% in 4QFY26).
- PAT stood at INR920m, rising 268% YoY (est. INR4,066m).

Exhibit 1: Blinkit's capex for the quarter came in at INR7.1b, materially higher than the average for previous quarters; warehousing capacity addition was the primary driver



Source: Company, MOFSL

Exhibit 2: QC cash burn trend

(INR mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
QC EBITDA	(1,620)	(1,560)	40	370	1,020
(-)Working capital	1,110	4,820	6,900	550	1,700
(-)Capex	3,700	4,170	4,650	4,940)	7,110
= FCF	(6,430)	(10,508)	(11,550)	(3,958)	(7,782)
FCF/Order	(36)	(47)	(47)	(14)	(24)
Capex per additional dark store	15	15	22	23	36

Source: Company, MOFSL

Key highlights from the management commentary

- FD: NOV growth of over 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 INR0.7m) — implying a pre-tax RoCE of ~41.7% at a 4% EBIT margin.
- Consolidated B2C NOV grew 54% YoY to INR311b, 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.

Consolidated - Quarterly Earning Model (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QFY27	(%/bp)
Revenue (net of delivery)	**71,670**	**1,35,900**	**1,63,150**	**1,72,920**	**2,02,110**	**2,18,659**	**2,52,423**	**2,63,790**	**5,43,640**	**9,36,982**	**1,87,664**	**7.7**
YoY Change (%)	70.4	183.2	201.9	196.5	182.0	60.9	54.7	52.6	168.6	72.4	161.8	2020bp
Inventory of traded goods	22,840	77,420	98,010	1,03,400	1,20,310	1,42,782	1,68,661	1,78,106	3,01,670	6,09,860	1,18,200	1.8
Employee Expenses	8,300	8,650	9,140	9,270	10,680	11,748	12,923	14,215	35,360	49,566	10,197	4.7
Delivery expenses	18,690	22,130	23,760	26,070	31,500	29,935	32,083	33,594	90,650	1,27,112	26,216	20.2
Gross Profit	**21,840**	**27,700**	**32,240**	**34,180**	**39,620**	**34,194**	**38,756**	**37,874**	**1,15,960**	**1,50,445**	**33,051**	**19.9**
Margins (%)	30.5	20.4	19.8	19.8	19.6	15.6	15.4	14.4	21.3	16.1	18	200bp
Advertisement and sales promotion	6,710	8,060	9,370	9,360	9,450	9,106	9,345	9,413	33,500	37,314	9,187	2.9
Others	13,980	17,250	19,190	19,960	24,230	16,827	17,746	17,497	70,380	76,300	17,002	42.5
EBITDA	**1,150**	**2,390**	**3,680**	**4,860**	**5,940**	**8,262**	**11,665**	**10,964**	**12,080**	**36,831**	**6,862**	**-13.4**
Margins (%)	1.6	1.8	2.3	2.8	2.9	3.8	4.6	4.2	2.2	3.9	3.7	-70bp
Depreciation	3,140	3,760	4,390	4,680	5,460	4,592	5,301	5,540	15,970	20,892	2,815	94.0
Interest	670	860	1,070	1,320	1,510	900	1,000	1,000	3,920	4,410	900	67.8
Other Income	3,540	3,520	3,480	3,420	3,750	4,500	4,000	4,000	13,960	16,250	2,000	87.5
PBT before EO expense	**880**	**1,290**	**1,700**	**2,280**	**2,720**	**7,270**	**9,364**	**8,424**	**6,150**	**27,778**	**5,147**	**-47.2**
PBT	**880**	**1,290**	**1,700**	**2,280**	**2,720**	**7,270**	**9,364**	**8,424**	**6,150**	**27,778**	**5,147**	**-47.2**
Tax	630	640	680	540	1,800	1,527	1,966	1,769	2,490	7,062	1,081	66.5
Rate (%)	71.6	49.6	40.0	23.7	66.2	21.0	21.0	21.0	NA	NA	21.0	4520bp
Reported PAT	**250**	**650**	**1,020**	**1,740**	**920**	**5,743**	**7,398**	**6,655**	**3,660**	**20,716**	**4,066**	**-77.4**
Adj PAT	**250**	**650**	**1,020**	**1,740**	**920**	**5,743**	**7,398**	**6,655**	**3,660**	**20,716**	**4,066**	**-77.4**
YoY Change (%)	-90.1	-63.1	72.9	346.2	268.0	783.6	625.3	282.5	-30.6	466.0	1,526.5	NA
Margins (%)	0.3	0.5	0.6	1.0	0.5	2.6	2.9	2.5	0.7	2.2	2.2	NA

Nestlé India

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	NEST IN
Equity Shares (m)	1928
M.Cap.(INRb)/(USDb)	2880.1 / 29.8
52-Week Range (INR)	1510 / 1083
1, 6, 12 Rel. Per (%)	7/19/26
12M Avg Val (INR M)	2021

Financials & Valuations (INR b)

Y/E Dec	FY26	FY27E	FY28E
Sales	231.5	271.9	301.5
Sales Gr. (%)	14.6	17.4	10.9
EBITDA	53.7	66.1	73.4
Margin (%)	23.2	24.3	24.4
Adj. PAT	33.2	42.2	47.9
Adj. EPS (INR)	17.2	21.9	24.9
EPS Gr. (%)	8.1	27.3	13.5
BV/Sh.(INR)	27.5	33.0	39.2
Ratios			
RoE (%)	71.2	72.4	68.9
RoCE (%)	69.2	75.2	70.9
Payout (%)	69.8	75.0	75.0
Valuations			
P/E (x)	86.7	68.1	60.0
P/BV (x)	54.2	45.2	38.1
EV/EBITDA (x)	53.2	43.0	38.5
Div. Yield (%)	0.8	1.1	1.2

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	62.8	62.8	62.8
DII	12.4	12.1	11.3
FII	9.7	9.8	10.0
Others	15.1	15.3	15.9

FII includes depository receipts

CMP: INR1,494 TP: INR1,525 (+2%) Neutral

Another robust quarter; valuation remains expensive

- Nestlé India (Nestle) reported strong performance in 1QFY27, with revenue growing 25% YoY (beat; 13% three-year CAGR) on a base of 6%. Domestic revenue grew 25% YoY (vs est. 19%), primarily driven by volume growth. GST-driven benefits continue to support volume growth (more sensitive for LUPs and serve-for-one products). All four product groups delivered strong double-digit, volume-driven growth. The growth was equally balanced with high double-digit expansion across channels. Export revenue increased 36% YoY.
- GM expanded 205bp YoY and 155bp QoQ to 57.2% (beat), given the stable RM prices. EBITDA margin expanded 250bp YoY to 24.1% (beat), driven by cost savings and operating leverage. EBITDA rose by robust 40% YoY to INR15.4b (beat), driven by a favorable base of -2%.
- Post GST 2.0, we have consistently highlighted food companies as the biggest beneficiaries. Nestle has emerged as an outlier with exceptional volume-driven performance (ITC FMCG growth at 14% in 2HFY26), delivering 25% of revenue growth, a rare sight in FMCG (unseen across companies in the last multiple years). We expect operating margin expansion to sustain in FY27 and build in >100bp EBITDA margin expansion.
- We model revenue/EBITDA/APAT CAGR of 14%/17%/20% over FY26-28E. The stock is trading at 68x/60x FY27/FY28 EPS. **Given its expensive valuation, we reiterate our Neutral rating with a revised TP of INR1,525 (based on 60x P/E Mar'28E).**

Volume-driven growth; beat on all fronts

- **Revenue growth at 25%:** Nestle's net sales rose by a strong 25% YoY (beat) to INR60.7b (est. INR57.6b) in 1QFY27. Domestic sales registered 25% YoY growth (15% two-year CAGR, 13% three-year CAGR) to INR61b, while exports rose 36% YoY (to INR2.9b). All four product groups delivered strong double-digit, volume-driven growth, supported by high double-digit expansion across channels. Nestle has sustained strong double-digit revenue growth momentum since 2QFY26, supported by continued investments in brands, distribution expansion, and capacity augmentation.
- **Volume-led, double-digit growth across all segments:** Nestle's 25% revenue growth was primarily driven by volume growth, as price hikes were limited. Confectionery continued to witness robust transaction-led growth, aided by premiumization, e-commerce, and market share gains in KITKAT. Prepared Dishes & Cooking Aids registered another quarter of strong growth, supported by urban demand, rural expansion, and innovation-led gains in market share and penetration. Powdered & Liquid Beverages delivered its 20th consecutive quarter of double-digit growth, driven by higher coffee penetration, premiumization, and expanding distribution, while Milk Products & Nutrition reported broad-based growth, backed by underlying volume growth, digital activation, and portfolio refinement.

- **Commodity prices to remain mixed**: The company's gross margin expanded 205bp YoY and 155bp QoQ to 57.2% (est. 55.5%), given the broadly stable RM prices. Going forward, Nestle expects commodity trends to remain mixed. Coffee is expected to remain well supplied despite near-term weather-led volatility, while cocoa, sugar, and protein inputs continue to face inflationary pressures, driven by supply constraints and robust demand. Edible oil prices remain elevated but stable, whereas wheat and milk are expected to remain broadly range-bound.
- **Beat on profitability**: Nestle further accelerated its operational cost-saving initiatives during the quarter while continuing to step up investments in its brands, with advertising spends increasing over 40% YoY. Employee expenses grew 10.5% YoY, and other expenses grew 29% YoY. EBITDA margin expanded 250bp YoY to 24.1% (est. 22.5%, 21.6% in 1QFY26). EBITDA grew by a robust 40% YoY to INR15.4b (est. INR 13.6b) on a favorable base of -2%. PBT grew 48% YoY (on 11% decline in base) to INR13.3b (est. INR11.4b), while adj. PAT grew 49% YoY (on a 12% decline in the base) to INR9.6b (est. INR8.4b).

Valuation and view

- We raise our EPS estimates by 4-6% for FY27 and FY28.
- Nestle has sustained its strong double-digit revenue growth momentum since 2QFY26, supported by continued investments in brands, distribution expansion, and capacity augmentation. In our view, 1Q growth was further supported by calibrated price hikes, stable RM prices, and GST 2.0-led tailwinds.
- With the weak base gradually getting anniversaried, we expect the growth rate to moderate (on a double-digit base) from 3QFY27 onwards. That said, general trade is expected to continue delivering strong double-digit growth with continued rural distribution expansion, while alternate channels are likely to maintain robust growth momentum. Moreover, commodity trends remain mixed, with persistent inflation in cocoa, sugar, and protein inputs offset by stable trends in coffee, edible oils, wheat, and milk.
- We model revenue/EBITDA/APAT CAGR of 14%/17%/20% over FY26-28E. The stock is trading at 68x/60x FY27/FY28 EPS. **Given its expensive valuation, we reiterate our Neutral rating with a revised TP of INR1,525 (based on 60x P/E Mar'28E).**

Quarterly performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Net Sales	**50,962**	**56,436**	**56,670**	**67,478**	**63,782**	**69,566**	**64,703**	**73,830**	**2,31,546**	**2,71,881**	**60,360**	**5.7%**
YoY Change (%)	5.9	10.6	18.6	22.6	25.2	23.3	14.2	9.4	14.6	17.4	18.4	
COGS	22,835	25,769	25,088	29,899	27,270	30,261	27,952	31,970	1,03,413	1,17,453	26,860	
Gross Profit	**28,127**	**30,667**	**31,582**	**37,579**	**36,512**	**39,305**	**36,751**	**41,860**	**1,28,133**	**1,54,428**	**33,500**	**9.0%**
Margin (%)	55.2	54.3	55.7	55.7	57.2	56.5	56.8	56.7	55.3	56.8	55.5	
Operating Exp	17,126	18,116	19,271	19,863	21,131	22,330	22,357	22,505	74,430	88,323	19,911	
EBITDA	**11,001**	**12,550**	**12,311**	**17,716**	**15,381**	**16,974**	**14,394**	**19,356**	**53,704**	**66,106**	**13,588**	**13.2%**
Margins (%)	21.6	22.2	21.7	26.3	24.1	24.4	22.2	26.2	23.2	24.3	22.5	
YoY Growth (%)	-2.1	5.3	9.7	25.4	39.8	35.3	16.9	9.3	10.7	23.1	21.5	
Depreciation	1,569	1,634	1,744	2,045	1,878	1,900	2,000	2,159	6,992	7,937	2,000	
Interest	469	464	283	368	422	425	450	445	1,583	1,741	376	
Other income	42	16	117	185	225	200	200	89	404	713	200	
PBT	**9,005**	**10,469**	**10,401**	**15,488**	**13,306**	**14,849**	**12,144**	**16,841**	**45,532**	**57,141**	**11,412**	**16.6%**
Tax	2,412	2,753	2,597	3,985	3,493	3,814	3,111	3,830	11,748	14,248	2,827	
Rate (%)	26.8	26.3	25.0	25.7	26.2	25.7	25.6	22.7	25.8	24.9	24.8	
Adjusted PAT	**6,466**	**7,443**	**7,721**	**11,378**	**9,633**	**10,855**	**8,853**	**12,899**	**33,176**	**42,240**	**8,436**	**14.2%**
YoY Change (%)	-13.4	-4.5	12.2	30.3	49.0	45.8	14.7	13.4	8.1	27.3	30.5	

JSW Energy

Estimate change	↓
TP change	↓
Rating change	↓

Bloomberg	JSW IN
Equity Shares (m)	1748
M.Cap.(INRb)/(US	1029.9 / 10.7
52-Week Range	617 / 428
1, 6, 12 Rel. Per	-3/19/10
12M Avg Val (INR	1738

Financials & Valuations (INRb)

Y/E March	FY26	FY27E	FY28E
Sales	189.0	224.7	266.7
EBITDA	100.6	120.4	156.0
Adj. PAT	15.6	19.6	29.3
Adj. EPS (INR)	8.9	10.7	16.0
EPS Gr.%	-16.7	20.5	49.2
BV/Sh. (INR)	175.1	202.3	218.7
Ratios			
Net D:E	2.2	1.9	1.9
RoE (%)	5.4	5.8	7.6
RoCE (%)	11.3	6.1	7.0
Payout (%)	22.5	23.4	15.6
Valuation			
P/E (x)	63.2	52.5	35.2
P/B (x)	3.2	2.8	2.6
EV/EBITDA (x)	16.4	14.3	11.6
Div. yield (%)	0.4	0.4	0.4

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	66.5	69.4	69.3
DII	16.2	14.3	11.4
FII	11.5	9.8	12.5
Others	5.8	6.4	6.8

FII includes depository receipts

CMP: INR562 TP: INR550 (-2%) Downgrade to Neutral

Robust 2Q outlook; commissioning on track

- JSW Energy (JSWE)'s 1QFY27 revenue was in line at INR52b, while EBITDA of INR28.7b exceeded our estimate by 13%. APAT was INR4.7b, 89% above our est.
- **We downgrade the stock to Neutral** as: 1) the stock price has rallied 17% in the last four months, and valuation comfort has reduced as it is trading at 12x FY28E EV/EBITDA, and 2) we cut our FY28E EBITDA by 9%, primarily reflecting a slower renewable commissioning pace (~4GW) in FY28 than previously assumed. We continue to view JSWE positively due to its robust earnings growth trajectory, strong capacity expansion plan (from 14.5GW currently to 30GW by 2030), and superior execution capabilities compared to peers. However, our revised TP of INR550 implies a 2% downside, prompting us to downgrade the stock to Neutral. While the company's long-term growth outlook remains compelling, we believe the current valuation adequately reflects these strengths.
- **Key things we liked:** 1) Power demand rebounded strongly, with 1QFY27 growth of 8.5% YoY, 2) Renewable capacity additions remained on track, with 1.1GW commissioned in FY27YTD, supporting management's 3GW FY27 addition guidance, 3) Despite lower PLFs of 40%/71% for hydro/thermal (vs. 66%/76% in 1QFY26) due to weaker hydrology, a 17-day transmission evacuation outage at KSK, and a planned outage at the Ratnagiri plant, operational performance remained resilient, and 4) successfully executed INR101.5b of fund-raising initiatives (INR30b preferential allotment, INR31.5b via a partial stake sale, and INR40b raised via a QIP), which helped strengthen the balance sheet and brought leverage under control.
- **Key monitorables:** 1) the pace of RE commissioning and availability of firm transmission connectivity; 2) the progress on the 600MW Unit 4 at KSK Mahanadi, targeted for commissioning in FY28; and 3) the potential impact of the renewable curtailment, as ~12–14% of the company's solar capacity experienced curtailment during the quarter.

Revenue in line, APAT above our estimate

Financial Performance

- JSWE's 1QFY27 revenue came in line with our estimates at INR52.1b (+1% YoY, +16% QoQ) in 1QFY27.
- Consolidated EBITDA was reported at INR28.7b (+3% YoY, +28% QoQ), beating our estimate by 13%, as EBITDA margin came in at 55% (vs. our estimate of 50%).
- APAT stood at INR4.7b (-37% YoY), beating our estimates by 89%.

Operational Performance

- Net generation volumes for the quarter stood at 12.9 BUs (-5% YoY, +10% QoQ) on account of weaker hydrology and a one-off in Mahanadi, respectively.
- PLF for 1QFY27 for thermal/hydro/solar/wind capacities was 71%/40%/21%/27% vs. 76%/66%/21%/30% in 1QFY26.

- JSWE added ~1.1GW of capacity during FY27YTD (Solar 0.4GW, Wind 0.1GW, Hybrid 0.4, Hydro 0.2GW), taking total installed capacity to 14.5GW.
- The company has guided a total capacity addition of 3GW during FY27.
- JSWE commissioned its Halol wind blade manufacturing facility in Jun'26, having an annual capacity of 450 blades (600MW).

Highlights of the 1QFY27 performance

- JSWE's 3GW RE commissioning is aimed at FY27 along with a capex of INR200b.
- Net generation declined 5% YoY to 12.9BUs in 1QFY27, due to lower output from Mahanadi and hydro assets amid weak hydrology. Management expects generation to normalize and meet FY27 targets.
- Raised INR101.5b through a preferential allotment (INR30b), stake sale (INR31.5b), and QIP (INR40b), strengthening the balance sheet.
- Gross debt/cash stood at ~INR740b/~INR129b. Management reiterated its target to reduce net leverage below 5x by 2030.
- The company has exercised its call option on the remaining 26% stake in Mahanadi, which should materially reduce minority interest outflows on completion.
- Commissioning of Unit-4 (600MW) at KSK Mahanadi remains targeted for FY28, with capital cost expected to be 25 to 30% lower than a comparable greenfield thermal project.
- Signed an agreement to acquire the 300MW MCCPL thermal plant in Chhattisgarh, which carries a 195MW long-term PPA with Rajasthan DISCOMs with a residual tenure of 14 years.
- Raised its stake in the JSW Power Systems and Toshiba joint venture to 10.7% from 2.4% to de-risk equipment supply and lower thermal project capital costs.

Valuation and view

- Our valuation of JSWE is based on SoTP:
- Thermal is valued at 9.5x FY28 EBITDA, and renewable energy at 12.5x FY28E EBITDA.
- Hydro is at 2x FY28E book value, and green hydrogen equity is at 2x.
- Additionally, the company's stake in JSW Steel is valued at a 25% discount to the current market price, acknowledging the strategic significance of this holding while incorporating a conservative valuation approach.
- By aggregating the values from these different components, the total equity value of JSWE was determined, leading to a TP of INR550.

Consolidated performance (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%	(%)	(%)
Net Sales	**51.4**	**51.8**	**40.8**	**45.0**	**52.1**	**64.8**	**52.8**	**55.1**	**189.0**	**224.7**	**51.2**	**2%**	**1%**	**16%**
YoY Change (%)	*78.6*	*59.9*	*67.4*	*41.0*	*1.2*	*25.1*	*29.3*	*22.5*	*60.9*	*18.9*	*-0.5*			
EBITDA	**27.9**	**30.0**	**20.3**	**22.5**	**28.7**	**36.0**	**28.0**	**27.7**	**100.6**	**120.4**	**25.5**	**13%**	**3%**	**28%**
Margin (%)	*54.2*	*57.9*	*49.7*	*50.0*	*55.2*	*55.5*	*53.1*	*50.3*	*53.2*	*53.6*	*49.8*			
Depreciation	7.4	8.1	8.3	8.1	8.9	9.0	9.0	9.2	31.9	36.2	8.7	**3%**	**20%**	**10%**
Interest	13.1	14.2	14.8	16.1	15.2	15.3	16.0	17.4	58.2	63.9	16.0	**-5%**	**16%**	**-6%**
Other Income	2.7	1.8	1.7	3.5	2.3	2.6	2.1	3.5	9.8	10.5	3.6	**-36%**	**-14%**	**-35%**
PBT before EO expense	**10.1**	**9.5**	**-1.1**	**1.8**	**6.9**	**14.2**	**5.1**	**4.6**	**20.4**	**30.9**	**4.4**	**57%**	**-31%**	**276%**
Extra-Ord income/(exp.)	0.0	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	-0.7	0.0	0.0			
PBT	**10.1**	**9.5**	**-1.8**	**1.8**	**6.9**	**14.2**	**5.1**	**4.6**	**19.7**	**30.9**	**4.4**	**57%**	**-31%**	**276%**
Tax	1.8	1.3	-7.0	-3.9	1.6	3.3	1.2	1.0	-7.8	7.1	0.9			
Rate (%)	*17.7*	*13.8*	*397.7*	*-209.0*	*23.5*	*23.0*	*23.0*	*22.2*	*-39.3*	*23.0*	*20.0*			
Minority Interest	0.9	1.2	1.1	2.0	0.6	1.2	1.2	1.2	5.2	4.3	*1.1*			
Share of JV & associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0			
Reported PAT	**7.4**	**7.0**	**4.2**	**3.7**	**4.7**	**9.7**	**2.8**	**2.4**	**22.4**	**19.6**	**2.5**	**89%**	**-37%**	**27%**
Adj PAT	**7.4**	**7.0**	**-2.6**	**-1.1**	**4.7**	**9.7**	**2.8**	**2.4**	**10.8**	**19.6**	**2.5**	**89%**	**-37%**	**LP**
YoY Change (%)	*42.4*	*-17.4*	*-254.6*	*-137.4*	*-36.6*	*38.0*	*-206.4*	*-321.3*	*-41.2*	*81.9*	*-66.5*			
Margin (%)	*14.4*	*13.6*	*-6.4*	*-2.4*	*9.0*	*15.0*	*5.2*	*4.4*	*5.7*	*8.7*	*4.9*			

JSWE's SoTP valuation

Particulars	Units	Metric	Metric type	Valuation multiple	Amount
Thermal	INR m	57,535	EBITDA – FY28	9.5	548,304
Hydro	INR m	63,486	BV – FY28	2.0	129,512
Renewables	INR m	84,730	EBITDA - FY28	12.5	1,059,549
Green Hydrogen	INR m	1,438	Equity	2.0	2,933
EV	**INR m**				**1,740,297**
Less: Net Debt	INR m		FY28		774,494
Market cap	**INR m**				**965,803**
JSW Steel stake*	INR m				41,413
Total Equity value	**INR m**				**1,007,216**
Target price	**INR/Share**				**550**
CMP	INR/share				562
Upside/(Downside)					*-2%*

**at a 25% discount*

Dr Reddy's Labs

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	DRRD IN
Equity Shares (m)	835
M.Cap.(INRb)/(USDb)	987.3 / 10.2
52-Week Range (INR)	1415 / 1148
1, 6, 12 Rel. Per (%)	-8/2/0
12M Avg Val (INR M)	2590

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	340.5	346.5	388.1
EBITDA	74.7	55.6	83.9
Adj. PAT	49.3	31.1	50.1
EBITDA Margin (%)	21.9	16.0	21.6
Adj. EPS (INR)	59.1	37.2	60.0
EPS Gr. (%)	-12.2	-37.0	61.3
BV/Sh. (INR)	456	480	533
Ratios			
Net D:E	-0.1	-0.4	-0.5
RoE (%)	13.8	8.0	11.9
RoCE (%)	10.4	4.8	8.5
Payout (%)	9.8	17.7	12.2
Valuations			
P/E (x)	20.0	31.8	19.7
EV/EBITDA (x)	12.9	16.3	10.3
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	2.0	6.9	4.3
EV/Sales (x)	2.8	2.6	2.2

Shareholding Pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	26.6	26.6	26.6
DII	30.7	30.4	25.6
FII	33.3	33.5	37.6
Others	9.3	9.5	10.2

FII includes depository receipts

CMP: INR1,183 TP: INR1,125 (-5%) Neutral

Operational miss; FY27 expected to be a transition year

Semaglutide production revival and b-Abatacept approval are near-term key monitorables

- DRRD delivered in-line revenue in 1QFY27; however, EBITDA came in 15% below our estimate, adjusting for the Semaglutide-related impact. The Middle East conflict partly impacted the operational profitability of DRRD.
- DRRD made provisions of INR2.4b related to inventory and other associated costs, as it found certain batches of Semaglutide to be out of specification due to issues associated with API.
- 1QFY27 was the second consecutive quarter of subdued quarterly North America (NA) sales run rate (USD236m). DRRD continues to put efforts into its complex product pipeline to revive NA sales going forward.
- DRRD showcased robust growth momentum in India segment, backed by new launches, acquired brands, and a scale-up in its innovation franchise.
- DRRD changed the operating model of NRT business temporarily, which impacted sales in 1QFY27.
- We reduce our earnings estimates by 2%/3%, factoring in increased opex due to the Middle East conflict and moderate growth in PSAI segment. We value DRRD at 20x 12-month forward earnings to arrive at a TP of INR1,125.
- Given work-in-progress for resolving the Semaglutide-related regulatory issue, commercial benefits from b-abatacept expected in 4QFY27 onward and high FY26 base, we expect earnings to decline in FY27 and then revive from FY28 onward. Considering earnings trajectory and current valuations, **we maintain our Neutral stance on the stock.**

Revenue, EBITDA, PAT decline YoY in 1QFY27

- Adj. for Semaglutide-related impact, DRRD's 1QFY27 revenue declined 5.4% YoY to INR80.9b (vs. our estimate of INR82.3b).
- Gross margin contracted 750bp YoY to 49.4%, primarily due to reduced Lenalidomide sales/price erosion in the NA and EU generics businesses and elevated solvent costs on account of the Middle East crisis.
- EBITDA margin contracted 1170bp YoY to 13.5% (vs. our estimate of 15.5%).
- EBITDA declined 49% YoY to INR10.9b (vs. our estimate of INR12.7b).
- Adjusted PAT declined 54% YoY to INR6.5b (vs. our estimate of INR6.7b).

NA sales decline outweighs healthy show in EU, India and EM

- NA sales fell 35% YoY to INR22b (27% of sales) amid low Lenalidomide sales.
- EU sales grew 14% YoY to INR14.4b (18% of sales), led by product launches and favorable forex movements, partially offset by pricing pressure in generics. NRT sales declined 2% YoY to INR6.6b.
- India sales grew 17% YoY to INR17.2b (21% of sales), driven by innovative product launches, price hikes, higher volumes, and contributions from recently acquired portfolios.
- Emerging markets sales grew 31% YoY to INR18.3b (23% of sales).
- PSAI segment revenue grew 4% YoY to INR8.5b (11% of sales).

Highlights from the management commentary

- 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.

Quarterly performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	Estimates	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	% Var
Sales	85,452	88,051	87,268	79,692	80,870	84,647	88,509	92,506	340,463	346,532	82,306	-1.7
YoY Change (%)	11.4	9.8	6.0	-6.3	-5.4	-3.9	1.4	16.1	5.0	1.8	-3.7	
EBITDA	21,501	21,253	20,124	11,772	10,896	12,020	14,693	17,946	74,650	55,555	12,757	-14.6
YoY Change (%)	1.1	-3.5	-7.4	-42.6	-49.3	-43.4	-27.0	52.4	-12.7	-25.6	-40.7	
Margins (%)	25.2	24.1	23.1	14.8	13.5	14.2	16.6	19.4	21.9	16.0	15.5	
Amortization	4,765	5,051	5,215	5,576	5,372	5,248	5,576	5,920	20,607	22,117	5,350	
EBIT	16,736	16,202	14,909	6,196	5,524	6,772	9,116	12,026	54,043	33,438	7,408	
YoY Change (%)	-4.1	-10.3	-12.4	-61.2	-67.0	-58.2	-38.9	94.1	-21.1	-38.1	-55.7	
Margins (%)	19.6	18.4	17.1	7.8	6.8	8.0	10.3	13.0	15.9	9.6	9.0	
Other Income	2,311	3,510	1,961	2,221	2,587	1,371	1,521	1,566	10,003	7,045	1,371	
PBT before EO expenses	19,047	19,712	16,870	8,417	8,111	8,143	10,637	13,592	64,046	40,483	8,779	
One-off income/(expense)	0	-1,362	-1,441	-6,426	-2,580	0	0	0	-9,229	-2,580	0	
Profit before Tax	19,047	18,350	15,429	1,991	5,531	8,143	10,637	13,592	54,817	37,903	8,779	
Rate (%)	26.0	22.2	22.9	-10.7	21.3	24.0	24.0	24.0	22.5	23.6	24.0	
PAT	14,096	14,268	11,896	2,205	4,353	6,189	8,084	10,330	42,465	28,956	6,672	
Minority Interest	-82	-104	-202	4	-87	0	0	0	-384	-87	0	
Reported Profit	14,178	14,372	12,098	2,201	4,440	6,189	8,084	10,330	42,849	29,043	6,672	
Adjusted PAT	14,178	15,431	13,209	6,519	6,471	6,189	8,084	10,330	49,337	31,073	6,672	-3.0
YoY Change (%)	1.8	13.5	0.2	-57.6	-54.4	-59.9	-38.8	58.4	-12.0	-37.0	-52.9	
Margins (%)	16.6	17.5	15.1	8.2	8.0	7.3	9.1	11.2	14.5	9.0	8.1	

IndusInd Bank

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	IIB IN
Equity Shares (m)	779
M.Cap.(INRb)/(USDb)	833.1 / 8.6
52-Week Range (INR)	1078 / 711
1, 6, 12 Rel. Per (%)	17/24/31
12M Avg Val (INR M)	3271

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
NII	179.8	186.5	223.8
OP	91.8	103.1	132.4
NP	8.9	38.2	64.5
NIM (%)	3.3	3.3	3.5
EPS (INR)	11.4	49.1	82.8
EPS Gr. (%)	-65.5	330.1	68.7
BV/Sh. (INR)	842	871	943
ABV/Sh. (INR)	813	840	909
Ratios			
RoA (%)	0.2	0.7	1.0
RoE (%)	1.4	5.7	9.2
Valuations			
P/E (X)	94.1	21.9	13.0
P/BV (X)	1.3	1.2	1.1
P/ABV (X)	1.3	1.3	1.2

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	15.1	15.1	15.1
DII	40.3	38.6	32.0
FII	32.5	31.9	36.8
Others	12.2	14.4	16.2

FII includes depository receipts

CMP: INR1,069 TP: INR1,125 (+5%) Neutral

Operating performance gaining traction; reiterates 1% FY27E exit RoA

Adj. NIMs contract 4bp QoQ

- IndusInd Bank (IIB) reported a 1QFY27 PAT of INR10.4b (MOFSLe PAT: INR6.7b), attributed to healthy operating performance and one-off income of interest on IT refund of INR2.84b.
- NII grew 7% QoQ (1% YoY) to INR46.8b (6% beat). NIM expanded 18bp QoQ to 3.57%. However, adj. NIM contracted 4bp QoQ to 3.35%.
- Other income grew 4% QoQ (6% beat), while opex declined 2% QoQ/13% YoY to INR37.0b (5% lower than MOFSLe).
- Net advances rose 3.3% QoQ (down 2.2% YoY), led by strong momentum in the corporate book, while growth in VF and MFI remained muted. Deposits rose 3.7% QoQ (up 4.4% YoY), while CASA ratio dipped by 181bp QoQ to 29.4%.
- Fresh slippages declined 9% QoQ to INR16.6b. The GNPA ratio improved 18bp QoQ to 3.25%, while the NNPA ratio declined 5bp QoQ to 0.95%. PCR stood flat at 71.4%.
- **We raise our earnings by 18%-19% in FY27/FY28E and project IIB's RoA at 0.7%/1.0% for FY27E/FY28E. Reiterate Neutral with a revised TP of INR1,125 (based on 1.2x Mar'28E ABV).**

Credit growth to track system growth in FY27E

- IIB reported 1QFY27 PAT of ~INR10.4b (vs. MOFSLe of INR6.7b), led by healthy operating performance and one-off interest on IT refund of INR2.84b.
- NII grew 7% QoQ (1% YoY) to INR46.8b (6% beat). NIM expanded 18bp QoQ to 3.57%, although adj. NIM contracted 4bp QoQ to 3.35%.
- Other income grew 4% QoQ (down 17% YoY, 6% beat), led by a pickup in business momentum. Opex declined 13% YoY/2% QoQ to INR37b on the back of lower statutory costs and improving operating leverage. C/I ratio, thus, declined to 57.1% vs. 62.3% in 4QFY26. PPoP growth stood at 8% QoQ at INR27.7b (24% beat).
- Provisions stood at INR13.8b (down 7% QoQ and 21% YoY, 4% miss), as slippages increased for VF owing to seasonality.
- The loan book rose 3.3% QoQ (down 2.2% YoY) to INR3.26t, led by growth in the corporate book (up 11% QoQ), while retail growth was flat QoQ. Within retail, VF growth was flat QoQ, and consumer banking rose 2% QoQ.
- The deposit book grew 3.7% QoQ (up 4.4% YoY) amid the bank's focus on de-bulking large bulk deposits. CASA book declined 2.3% QoQ, leading to a 29.4% dip in CASA ratio. Retail deposit share stood at 49.5%.
- Fresh slippages declined 9% QoQ, led by improvement across segments, except for CV and MFI, owing to 1Q seasonality. Provisions, thus, declined 7% QoQ to INR13.8b. Asset quality ratios improved, with GNPA/NNPA declining 18bp/5bp QoQ to 3.25%/0.95%. PCR was flat QoQ at 71.4%.

Highlights from the management commentary

- The bank aims to align credit growth broadly with industry levels in FY27.
- FY27 exit RoA guidance of 1% remains intact, driven by improving business momentum, lower credit costs, and operating leverage.
- The increasing share of retail deposits is driving cost of deposits lower, with further scope for improvement.
- The ECL transition is expected to result in a 1-1.5% impact on loans. Management does not expect a material increase in steady-state credit costs.

Valuation and view

IIB reported a healthy quarter, supported by healthy operating performance and one-off income. Consequently, RoA improved to 0.78% (0.63% adj. for one-off) from 0.45% in 4QFY26, with the bank maintaining the target of an exit RoA of ~1% by the end of FY27. Other income improved QoQ on the back of improving business momentum, while opex declined with lower statutory costs. NIM expanded 18bp QoQ to 3.57% (adjusted for one-off, NIM contracted 4bp QoQ to 3.35%). Business momentum picked up QoQ, led by strong growth in the corporate segment, while retail book growth remains muted. Deposit growth was driven by higher retail deposits, taking the retail deposit share to 49.5% of total deposits. The reduction in slippages was broad-based; however, slippages in the VF and MFI segments inched up due to seasonality, leading to a partial miss on our provision estimates for 1Q. The bank expects loan growth to broadly track industry growth in FY27, with potential to outpace the industry in FY28. **We raise our earnings by 18-19% in FY27/FY28E and project IIB's RoA at 0.7%/1.0% for FY27/FY28E. Reiterate Neutral with a revised TP of INR1,125 (based on 1.2x Mar'28E ABV).**

Quarterly Performance (INR b)

	FY26				FY27E				FY26	FY27E	FY27E	V/S our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	**46.4**	**44.1**	**45.6**	**43.7**	**46.8**	**45.5**	**47.8**	**50.8**	**179.8**	**186.5**	**44.4**	**6%**
% Change (YoY)	-14.2	-17.5	-12.7	43.4	1.0	3.2	4.7	16.1	-5.5	3.7	-4.3	
Other Income	21.6	16.5	17.1	17.1	17.9	18.4	19.4	20.2	72.3	75.9	16.9	6%
Total Income	**68.0**	**60.6**	**62.7**	**60.9**	**64.7**	**64.0**	**67.1**	**71.0**	**252.1**	**262.4**	**61.3**	**6%**
Operating Expenses	42.3	40.1	40.0	37.9	37.0	39.2	40.8	42.4	160.3	159.3	39.0	-5%
Operating Profit	**25.7**	**20.5**	**22.7**	**23.0**	**27.7**	**24.8**	**26.3**	**28.6**	**91.8**	**103.1**	**22.3**	**24%**
% Change (YoY)	-35.0	-43.1	-37.0	-567.6	8.0	21.0	16.0	24.8	-13.9	12.4	-13.1	
Provisions	17.6	26.3	21.0	14.8	13.8	13.1	12.9	12.2	79.7	52.1	13.3	4%
Profit before Tax	**8.1**	**-5.8**	**1.7**	**8.1**	**13.9**	**11.6**	**13.4**	**16.5**	**12.1**	**51.1**	**9.0**	**55%**
Tax	2.0	-1.5	0.5	2.2	3.5	2.9	3.4	3.0	3.2	12.8	2.3	56%
Net Profit	**6.0**	**-4.4**	**1.3**	**5.9**	**10.4**	**8.7**	**10.0**	**13.5**	**8.9**	**38.2**	**6.7**	**55%**
% Change (YoY)	-72.2	NA	-90.9	NA	71.7	NA	684.2	126.7	-65.5	330.2	11.1	
Operating Parameters												
Deposit (INR b)	3,971	3,896	3,938	3,999	4,148	4,126	4,254	4,423	3,999	4,423	4,021	
Loan (INR b)	3,337	3,259	3,175	3,159	3,263	3,308	3,436	3,585	3,159	3,585	3,198	
Deposit Growth (%)	-0.3	-5.5	-3.8	-2.7	4.4	5.9	8.0	10.6	-2.7	10.6	1.2	
Loan Growth (%)	-4.1	-8.8	-13.5	-8.4	-2.2	1.5	8.2	13.5	-8.4	13.5	-4.2	
Asset Quality												
Gross NPA (%)	3.6	3.6	3.6	3.4	3.3	3.3	3.2	3.3	3.4	3.3	3.5	
Net NPA (%)	1.1	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.0	1.0	
PCR (%)	70.2	71.8	71.5	71.4	71.4	71.6	71.7	71.8	71.5	71.8	71.4	

E: MOFSL Estimates

Nippon Life India AMC

Estimate change	↑
TP change	⟷
Rating change	⟷

Bloomberg	NAM IN
Equity Shares (m)	637
M.Cap.(INRb)/(USDb)	733.8 / 7.6
52-Week Range (INR)	1234 / 756
1, 6, 12 Rel. Per (%)	-3/41/38
12M Avg Val (INR M)	945

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
AAUM	6,738	8,052	9,662
MF Yield (bp)	39.8	39.9	38.7
Rev from Ops	27.1	32.5	37.8
Core PAT	13.5	15.9	18.6
PAT	15.3	18.8	21.6
PAT (bp as AAUM)	22.7	23.4	22.4
Core EPS	21.5	25.2	29.5
EPS	24.3	29.9	34.3
EPS Grw. (%)	19	23	15
BVPS	74	78	82
RoE (%)	34	39	43
Div. Payout (%)	90	88	88
Valuations			
Mcap/AUM (%)	10.7	9.0	7.5
P/E (x)	47.3	38.4	33.5
P/BV (x)	15.5	14.8	14.1
Div. Yield (%)	1.9	2.3	2.6

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	71.9	72.1	72.3
DII	14.8	13.8	12.8
FII	7.3	7.9	8.3
Others	5.9	6.2	6.5

FII Includes depository receipts

CMP: INR1,148 TP: INR1,380 (+20%) Buy

Revenue, EBITDA in line; PAT beat led by higher other income

- Nippon Life India AMC's (NAM) 1QFY27 operating revenue came in at INR7.7b (in line), up 26% YoY/4% QoQ. Yield stood at 40.8bp vs. 39.6bp in 1QFY26 and 40.8bp in 4QFY26.
- Total opex came in at INR2.6b (in line), growing 19% YoY/12% QoQ. EBITDA came in at INR5.1b (in line), up 31% YoY/flat QoQ. EBIDTA margins were at 66.2% vs. 64% in 1QFY26 and 68.6% in 4QFY26.
- PAT stood at ~INR5b (14% beat due to high other income), up 27% YoY/31% QoQ. PAT margins stood at 65.6% vs. 65.2% in 1QFY26 and 52% in 4QFY26.
- Following the transition to the BER framework effective Apr'26, changes in expense ratios have largely been passed on to distributor commissions, resulting in a minimal earnings impact. Management continues to guide for a 1-2bp annual decline in blended yields as AUM scales up.
- **We have increased our earnings estimates to factor in higher Equity and ETF AUM growth partially offset by lower growth in debt funds. We reiterate our BUY rating on the stock with a TP of INR1,380, based on 47x FY28E core EPS.**

Market share across categories continues to expand

- Overall MF QAAUM grew 23% YoY/4% QoQ to INR7.5t. Equity/Hybrid/ETFs/Index/Liquid funds saw YoY growth of 20%/35%/40%/22%/3%, while debt funds remained flat YoY.
- The share of Equity/ETF/Debt/Liquid in the overall QAUM stood at ~46.7%/32.4%/7.6%/10.1% in 1QFY27 vs. 47.0%/28.4%/9.2%/12.0% in 1QFY26.
- NAM's market share for QAAUM rose 54bp YoY/15bp QoQ to ~9.0%, with equity market share rising 34bp/22bp YoY/QoQ to ~7.4%.
- ETF market share was up 159bp YoY/flat QoQ at 21.4%, with NAM maintaining a dominant position in this space at 46% of overall industry folios and 49% of ETF trading volumes on NSE/BSE.
- Gold & Silver ETF average daily volumes remained 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.
- SIP flows improved sequentially to INR110.3b in 1Q from INR108.7b in 4Q, despite market volatility, driven by fintech platforms, B-30 expansion, digital investments and brand-building initiatives, reflecting monthly SIP inflows of INR36.8b (+13% YoY). The SIP book grew to INR1.8t (+20% YoY).
- Total opex came in at INR2.6b (in line), rising 19% YoY/12% QoQ. As a bp of QAAUM, the cost stood at 13.8bp in 1QFY27 vs. 14.3bp in 1QFY26 and 12.8bp in 4QFY26. 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.
- Overall operating expenses are guided to grow 18-20% YoY (excl. ESOP) over the next 1-2 years, reflecting continued strategic investments.

- Employee costs rose 13% YoY/10% QoQ to INR1.4b due to annual salary revisions, though they are expected to remain broadly stable from the current levels. ESOP expense is expected to remain broadly stable at ~INR600m in FY27.
- Other income stood at INR1.7b (vs. our est. of INR1b and INR1.5b in 1QFY26), led by MTM gains on equity investments (particularly mid/small caps).
- Under the investor mix, the retail share stood at 49% in 1QFY27 (vs. 50% in 1QFY26), while HNI/corporate share stood at 37%/14%.
- Cumulative AIF commitments stood at INR95.8b (+18% YoY). During 1QFY27, INR2.5b was raised. 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. The DWS partnership is expected to materially strengthen European institutional fundraising capabilities.
- Under the advisory segment, AUM declined to INR17b from INR21b in 1QFY26.
- On the GIFT City front, two feeder funds are operational, with combined AUM growing to USD48m. Future product pipeline includes Digital Innovation Fund 2B: Fund of Funds, which shall invest in India-focused venture capital funds.
- Digital purchase transactions contributed 78% of total new purchase transactions. The company recorded 4.5m digital transactions in 1QFY27.
- NAM has 24.1m unique investors (among the largest), with a market share of 39.0%. It added 0.8m folios QoQ, taking the total to 40.2m.

Key takeaways from the management commentary

- NAM is ready to launch SIF products upon regulatory approvals and is led by four personnel.
- 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 continues to rank among the top three AMCs across fintech platforms and expects to maintain this position going forward.

Valuation and view

- NAM AMC remains well positioned to deliver healthy long-term growth, supported by its strong retail franchise, resilient SIP momentum, expanding digital ecosystem and continued market share gains in equity assets and flows. The company continues to invest aggressively in technology, distribution and branding while broadening its product offerings across mutual funds, ETFs, SIFs and alternative assets.
- We have increased our earnings estimates to factor in higher Equity and ETF AUM growth partially offset by lower growth in debt funds. **We reiterate our BUY rating on the stock with a TP of INR1,380, based on 47x FY28E Core EPS.**

Quarterly Performance (INR m)

Y/E March	FY26				FY27							Act v/s		
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY26	FY27E	1QFY27E	Est. (%)	YoY	QoQ
Revenue from Operations	6,066	6,581	7,053	7,387	7,669	7,969	8,280	8,561	27,087	32,479	7,562	1.4	26.4	3.8
Change YoY (%)	20.1	15.2	20	30.4	26.4	21.1	17.4	15.9	21.4	19.9	25			
Fees & Commission	186	198	196	203	203	216	222	244	783	886	210	-3.2	9.1	0
Employee Expenses	1,226	1,233	1,335	1,259	1,388	1,418	1,468	1,456	5,053	5,730	1,398.10	-0.7	13.2	10.2
Other expenses	772	855	821	854	999	1,009	1,026	1,060	3,302	4,094	911.1	9.7	29.4	17
Total Operating Expenses	2,185	2,286	2,352	2,316	2,591	2,643	2,716	2,760	9,138	10,710	2,519	2.8	18.6	11.9
Change YoY (%)	16	16	16	15	19	16	16	19	15.8	17.2	15			
EBITDA	3,881	4,295	4,701	5,071	5,078	5,326	5,564	5,801	17,949	21,769	5,043	0.7	30.8	0.1
EBITDA Margin	64	65.3	66.7	68.6	66.2	66.8	67.2	67.8	66.3	67	66.7	47 bps	224bps	-243bps
Other Income	1,460	366	753	-335	1,702	750	750	751	2,243	3,953	1,000	70.2	16.6	-607.6
Depreciation	84	88	109	122	120	135	140	158	403	552	130	-8	41.7	-1.7
Finance Cost	18	18	18	16	16	18	18	18	70	70	17	-7.6	-12.8	-3.7
PBT	**5,239**	**4,555**	**5,328**	**4,598**	**6,645**	**5,923**	**6,156**	**6,376**	**19,720**	**25,100**	**5,896**	**12.7**	26.8	44.5
Tax Provisions	1,282	1,113	1,291	753	1,614	1,481	1,539	1,641	4,438	6,275	1,474	9.5		
Net Profit	**3,957**	**3,443**	**4,037**	**3,845**	**5,031**	**4,442**	**4,617**	**4,735**	**15,281**	**18,825**	**4,422**	**13.8**	27.1	30.8
Change YoY (%)	19.1	-4.4	36.7	28.9	27.1	29	14.4	23.1	18.9	23.2	11.7			
Core PAT	2,854	3,166	3,467	4,125	3,742	3,880	4,054	4,177	13,543	15,860	3,672	1.9	31.1	-9.3
Change YoY (%)	22.4	17	22.2	47.3	31.1	22.5	16.9	1.3	27	17	28.6			
Key Operating Parameters (%)														
Revenue / AUM (bps)	39.6	40.1	40.2	40.8	40.8	40.5	40.2	39.9	40.2	40.3	40.2	66 bps	122bps	6bps
Opex / AUM (bps)	14.3	13.9	13.4	12.8	13.8	13.4	13.2	12.8	13.6	13.3	13.4	41 bps	-47bps	101bps
PAT / AUM (bps)	25.8	21	23	21.2	26.8	22.6	22.4	22	22.7	23.4	23.5	329 bps	95bps	556bps
Cost to Operating Income Ratio	36	34.7	33.3	31.4	33.8	33.2	32.8	32.2	33.7	33	33.3	47 bps	-224bps	243bps
EBITDA Margin	64	65.3	66.7	68.6	66.2	66.8	67.2	67.8	66.3	67	66.7	-47 bps	224bps	-243bps
Tax Rate	24.5	24.4	24.2	16.4	24.3	25	25	25.7	22.5	25	25	-71 bps	-18bps	791bps
PAT Margin	65.2	52.3	57.2	52	65.6	55.7	55.8	55.3	56.4	58	58.5	713 bps	37bps	1356bps
Core PAT Margin	47.1	48.1	49.2	55.8	48.8	48.7	49	48.8	50	48.8	48.6	24 bps	175bps	-704bps
Opex Mix (%)														
Fees & Commission	8.5	8.7	8.3	8.8	7.8	8.2	8.2	8.9	8.6	8.3	8.3	-49 bps	-68bps	-93bps
Employee Expenses	56.1	53.9	56.8	54.4	53.6	53.6	54	52.7	55.3	53.5	55.5	-192 bps	-255bps	-79bps
Others	35.3	37.4	34.9	36.9	38.6	38.2	37.8	38.4	36.1	38.2	36.2	240 bps	323bps	171bps
Key Parameters														
QAUM (INR b)	6,127	6,565	7,009	7,250	7,515	7,867	8,236	8,592	6,738	8,052	7,532	-0.2	22.7	3.7

Financials & Valuation (INR b)	New estimates		Old estimates		Change in estimates	
Y/E March	2027E	2028E	2027E	2028E	2027E	2028E
AAUM (INRb)	8,052	9,662	7,974	9,558	1.0%	1.1%
MF Yield (bps)	39.9	38.7	38.7	37.9	1bps	1bps
Rev from Ops	32.5	37.8	31.2	36.7	3.9%	3.0%
Core PAT	15.9	18.6	15.2	18.2	4.5%	2.4%
PAT	18.8	21.6	17.6	20.7	6.9%	4.3%
PAT margin(bp as AAUM)	23.4	22.4	22.1	21.7	13bps	7bps
Core EPS	25.2	29.5	24.1	28.8	4.5%	2.4%
EPS	29.9	34.3	27.9	32.9	6.9%	4.3%
EPS Grw. (%)	23	15	15	18		
BVPS	78	82	77	81		
RoE (%)	39	43	37	41		
Div. Payout (%)	88	88	88	88		

Tata Communications

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	TCOM IN
Equity Shares (m)	285
M.Cap.(INRb)/(USDb)	502 / 5.2
52-Week Range (INR)	2110 / 1323
1, 6, 12 Rel. Per (%)	-14/19/6
12M Avg Val (INR M)	1065

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Net Sales	274	301	330
EBITDA	54.3	61.9	69.2
Adj. PAT	14.3	20.1	26.0
EBITDA Margin (%)	19.8	20.5	21.0
Adj. EPS (INR)	50.2	70.4	91.4
EPS Gr. (%)	30.1	40.2	29.8
BV/Sh. (INR)	149.2	196.8	257.4
Ratios			
Net D:E	2.2	1.3	0.7
RoE (%)	37.2	40.7	40.2
RoCE (%)	12.4	16.3	19.2
Payout (%)	43.7	42.5	40.4
Valuations			
EV/EBITDA (x)	11.2	9.5	8.1
P/E (x)	35.8	25.5	19.7
P/BV (x)	12.0	9.1	7.0
Div. Yield (%)	1.2	1.7	2.1
FCF Yield (%)	2.7	3.7	4.7

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	58.9	58.9	58.9
DII	19.1	18.5	14.5
FII	14.4	14.5	17.0
Others	7.6	8.2	9.6

FII includes depository receipts

CMP: INR1,761 TP: INR2,000 (+14%) Neutral

Weak 1Q; aspires for double-digit EBITDA growth in FY27

- Tata Communications (TCOM) delivered a subdued 1QFY27 with reported EBITDA rising 8% YoY (8% miss) as margin contracted ~90bp QoQ. Adjusted for prior period provisions, EBITDA grew ~13% YoY (flat QoQ, ~5% miss).
- Data revenue grew 11% YoY (flat QoQ), driven by 17% YoY growth in digital portfolio (+1% QoQ), especially Interaction (+32% YoY) and Next-Gen Connectivity (+31% YoY). Core connectivity grew ~6% YoY (flat QoQ). However, adjusted for FX benefits, data revenue inched up ~4% YoY.
- TCOM aspires to deliver double-digit reported EBITDA growth in FY27, driven by acceleration in network growth and reduction in digital losses by optimizing the portfolio mix and aligning sales incentives to contribution margin rather than just revenue growth.
- We cut our FY27/28 EBITDA by 3%/1% due to weaker 1QFY27 and a gradual ramp-up in EBITDA margins. We model ~10%/13% revenue/EBITDA CAGR over FY26-29, with margin expanding to ~21% by FY29 (vs. 19.4% in FY26).
- We believe the new management has hit all the right notes so far by shifting its focus towards profitable growth, rather than just revenue growth. However, we await more clarity on the management's strategy and improvement in execution before we turn more constructive on TCOM.
- **We reiterate our Neutral rating on TCOM with a revised TP of INR2,000.**

Data revenue up 11% YoY (flat QoQ); profitability remains weak

- Gross revenue at INR65.8b grew 10.5% YoY (flat QoQ, our est. INR66.7b). However, adjusted for FX, consol. revenue growth was muted at ~2.8% YoY.
- Data revenue at INR57.1b grew 11.3% YoY (flat QoQ), driven by ~17% YoY (~1% QoQ) growth in the digital portfolio and ~5.7% YoY (flat QoQ) growth in core-connectivity revenue. Adjusted for FX, growth was weak at ~4% YoY.
- Net revenue (a proxy for gross margin) at INR36b grew ~9% YoY (-1% QoQ) due to weaker digital margins (-2% YoY vs. 17% YoY growth in gross revenue).
- Consolidated Reported EBITDA at INR12.3b grew 8% YoY (-4% QoQ, 8% miss) as margin contracted ~90bp QoQ (-40bp YoY) to 18.7% (145bp miss).
- Adjusted for the prior-period provision of INR0.5b, normalized EBITDA at INR12.8b rose ~13% YoY (flat QoQ, 5% miss) as margin contracted ~15bp QoQ to 19.5% (+40bp YoY, 65bp miss).
- Reported PAT at INR1.3b declined 29% YoY (49% QoQ, ~64% miss).
- Adjusted for INR1.1b exceptional items, PAT came in at INR2.4b (+14% YoY, flat QoQ, 35% miss), due to weaker EBITDA, lower other income (-24% YoY, 68% miss), and higher interest costs (+5% YoY, 9% higher vs. our estimates).
- Net debt rose INR8b QoQ to INR104b, with net debt-to-EBITDA inching up to ~2.1x (vs. 2x QoQ).
- Committed capex stood at ~INR6.6b in 1QFY27 (vs. INR5.4b in 4QFY26), while cash capex grew relatively lower at ~9% YoY to INR6.9b (down ~4% QoQ).
- Reported FCF outflow of INR4.4b (vs. INR8.3b QoQ and INR6.2b outflow YoY).
- Reported RoCE (annualized) moderated to 14.7% from 14.9% in 4QFY26.

Key takeaways from the management interaction

- **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).**

Valuation and view

- TCOM aspires to deliver double-digit EBITDA growth in FY27, driven by a focus on acceleration in network growth, reduction in digital losses through portfolio mix optimization, and aligning sales incentives towards profitable growth.
- We believe the new management has hit all the right notes so far by shifting its focus towards profitable growth, rather than just revenue growth. However, we await more clarity on the management’s strategy and improvement in execution before we turn more constructive on TCOM.
- We cut our FY27/28 EBITDA by 3%/1% due to weaker 1QFY27 and a gradual ramp-up in EBITDA margins. We model ~10%/13% revenue/EBITDA CAGR over FY26-29, with margin expanding to ~21% by FY29 (vs. 19.4% in FY26).
- We value TCOM’s data business at 9x Sep’28E EV/EBITDA (earlier Jun’28) and the voice and other businesses at 4x EV/EBITDA. Further, we ascribe INR80b (INR281/share) value to TCOM’s 26% stake in STT Datacenter (implying ~USD3.2b equity value) to arrive at our revised **TP of INR2,000** (earlier INR1,950). **We reiterate our Neutral rating.**

Consol. Quarterly earnings summary (INR b)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Revenue	**59.6**	**61.0**	**61.9**	**65.5**	**65.8**	**66.3**	**68.8**	**72.8**	**248.0**	**273.8**	**66.7**	-1
YoY Change (%)	6.6	8.1	7.3	9.4	10.5	8.7	11.2	11.0	7.9	10.4		
Total Expenditure	48.2	49.3	49.6	52.7	53.5	52.9	54.8	58.2	199.8	219.5	53.3	0
EBITDA	**11.4**	**11.7**	**12.3**	**12.8**	**12.3**	**13.4**	**14.0**	**14.6**	**48.2**	**54.3**	**13.4**	-8
YoY Change (%)	0.0	12.5	6.6	14.4	8.2	14.1	14.4	13.4	8.3	12.6		
EBITDA Margin (%)	19.1	19.2	19.8	19.6	18.7	20.2	20.4	20.0	19.4	19.8	20.1	
Depreciation	6.7	6.8	7.5	7.3	7.4	7.5	7.6	7.7	28.3	30.3	7.4	0
Interest	1.8	2.0	2.0	1.8	1.9	1.8	1.7	1.7	7.6	7.0	1.7	9
Other Income	0.2	-0.2	2.6	0.4	0.1	0.4	0.4	0.4	3.0	1.3	0.4	-68
PBT Before EO Expense	**3.1**	**2.8**	**5.3**	**4.1**	**3.2**	**4.5**	**5.1**	**5.5**	**15.4**	**18.4**	**4.7**	-33
Exceptional (gain)/loss	0.2	0.2	0.8	-0.2	1.1	0.0	0.0	0.0	1.0	1.1	0.0	
PBT	**2.9**	**2.5**	**4.6**	**4.3**	**2.1**	**4.5**	**5.1**	**5.5**	**14.4**	**17.3**	**4.7**	-55
Tax	0.7	0.8	1.0	1.8	0.9	1.0	1.2	1.2	4.3	4.3	1.1	
Rate (%)	22.5	32.3	22.0	42.2	40.7	22.5	22.5	22.5	30.0	24.7	22.5	
MI & P/L of Asso. Cos.	0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	-0.2	-0.1	
Reported PAT	**1.9**	**1.8**	**3.7**	**2.6**	**1.3**	**3.6**	**4.0**	**4.4**	**10.0**	**13.2**	**3.7**	-64
Adj PAT	**2.1**	**2.0**	**4.4**	**2.4**	**2.4**	**3.6**	**4.0**	**4.4**	**11.0**	**14.4**	**3.7**	-35
YoY Change (%)	-14.9	108.5	98.8	-47.5	14.3	74.7	-8.9	79.1	6.8	30.5		

E: MOFSL Estimates

Gabriel India

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	GABR IN
Equity Shares (m)	144
M.Cap.(INRb)/(USDb)	252.5 / 2.6
52-Week Range (INR)	1520 / 796
1, 6, 12 Rel. Per (%)	15/60/49
12M Avg Val (INR M)	571

Financials & valuations (INR m)

Y/E March	FY26	FY27E	FY28E
Sales	52,452	60,322	68,614
EBITDA	5,021	5,550	6,930
Adj. PAT	4,442	4,327	7,972
EPS (Rs)	30.9	24.4	41.6
EPS Growth (%)	80.9	-21.1	70.4
BV/Share (Rs)	96.9	110.2	178.0
Ratios			
RoE (%)	34.5	25.9	29.7
RoCE (%)	23.1	15.8	12.5
Payout (%)	16.2	24.6	21.6
Valuations			
P/E (x)	46.1	58.4	34.3
P/BV (x)	14.7	12.9	8.0
EV / EBITDA (x)	40.3	45.1	40.3
Div. Yield (%)	0.4	0.4	0.6

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	55.0	55.0	55.0
DII	16.3	16.2	14.7
FII	6.6	6.5	5.2
Others	22.1	22.3	25.1

FII includes depository receipts

CMP: INR1,425 TP: INR1,664 (+17%) BUY

Beat in operational performance; acquisitions to drive growth and diversification

- Gabriel India (GABR) reported 1QFY27 revenue of INR14.2b, up 15.5% YoY (broadly in line with estimates). Revenue growth was led by strong demand from 2W and PV segments. Note: Revenue includes Anchemco and Myutec from this quarter onward.
- EBITDA stood at INR1.2b (up 5% YoY), beating our estimates by 15%. EBITDA margin stood at 8.7% vs. 9.6% in 1QFY26 due to a surge in input costs on account of the West Asia crisis. We believe this will be gradually passed on to customers with some lag effect.
- Adjusted PAT, including the restructured entities (Dana, Henkel, Anchemco and Myutec) stood at INR1.0b (up 2% YoY), beating our estimates by 6%.
- The demand outlook remains healthy across all key segments in India, with sequential improvements in margins expected on account of the pass-through of input costs to customers gradually. We upgrade our FY28 EPS estimates by 15% (after considering dilution due to preferential issue) primarily on account of acquisitions. We reiterate our BUY rating on the stock with a revised TP of INR1,664 (based on ~40x FY28E EPS).

Incremental updates

Acquisition of stake in HL Mando Anand India (HMAI):

- GABR has agreed to acquire 48.1m fully paid-up equity shares of HL Mando ANAND India (HMAI), representing 28.99% of HMAI's total voting share capital on a fully diluted basis, from its promoter and holding company, Asia Investments, at INR463.50/share.
- **The aggregate consideration of INR22.3b will be paid through INR3.5b in cash and INR18.8b through the issuance of shares at INR1,305.89/shares (the transaction will increase GABR's number of shares from 177m to 191m, causing an 8% dilution).**
- HMAI is a leading automotive component company engaged in the manufacturing and sales of steering systems, braking systems and suspension systems (shock absorbers) for passenger vehicles.
- **HMAI's FY26 revenue stood at INR58.8b, with EBITDA margin of 10.9% and PAT of INR3.6b.**
- The transaction is a strategic step to position GABR as the ANAND Group's growth vehicle and business consolidation platform for the automotive components sector, enabling greater business consolidation and enhancing long-term stakeholder value.

Acquisition of stake in HL Klemove India Pvt Ltd:

- GABR proposes to acquire 37.84m shares (29% stake) in HL Klemove India from HL Klemove Corporation, South Korea, for USD98.44m (75% payment upfront and 25% deferred), strengthening its presence in ADAS/ autonomous driving and automotive electronics, including radar, cameras, lidar, ADCU/APCU, ADAS software, brake/steering ECUs, chassis control and sensors.
- Its FY25 revenue stood at INR7.9b, with EBITDA margin of 7.6% and PAT of INR135m. Revenue has now increased to INR10.4b in FY26, with EBITDA margin of 12.3%.
- Governance: The post-acquisition board will comprise 10 directors, with six nominated by HL Klemove and four by GABR. Thus, despite acquiring a 29% economic stake, GABR will have minority Board representation, with HL Klemove retaining majority Board nomination rights.
- **HL Klemove operates in a segment that is among the highest-growth segments within the entire auto component industry. Given the product portfolio, we remain optimistic on the growth opportunities that the entity brings into GABR's product portfolio. While the current PAT contribution is relatively small, we see significant long-term value creation potential as the business scales up.**

Change in KMP:

- Mr. Mahendra K. Goyal has been appointed as Executive Director of GABR (has been re-designated from non-executive, non-independent director to executive director of the company) and Group CEO & MD for a five-year term from 21st Jul’26 to 20th Jul’31. He has been associated with the ANAND Group since Jul’95 and currently serves as the Group CEO. He is a Director on the boards of several ANAND companies, serving either as a Board Member or Chairman. He is also a member of the ANAND Executive Board and chairs the ANAND Management Forum.
- Mr. Atul Jaggi has been re-designated as Managing Director (Ride Control) (earlier MD of GABR), effective 21st Jul’26, with his existing tenure continuing until 17th Oct’29.

CONFERENCE CALL

Highlights from the management commentary

- **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.
- **2030 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.

Valuation and view

- For nearly six decades, GABR has operated as a single-product suspension player, which inherently constrained its scalability. The company is now undergoing a structural transformation into a diversified mobility platform with a significantly larger growth runway. Over the past two years, management has adopted a more aggressive stance (the group aspires to scale revenue to INR500b by 2030), with plans to launch at least one new product annually and expand into adjacencies such as sunroofs, solar dampers, and e-mobility. While the Anand Group has historically diversified across multiple verticals through global partnerships, much of this value remained outside GABR. This is now changing, with the latter being positioned as the primary growth vehicle for the group, as evidenced by recent restructuring initiatives (integration of Dana and Henkel) and JVs (Enmove, Jinhap) being routed through the listed entity, with the proposed acquisition of stakes in HL Mando ANAND and HL Klemove further strengthening GABR’s portfolio across braking, steering, suspension and ADAS, and accelerating its transition into a diversified mobility platform. This should help consolidate the Group’s automotive component businesses under GABR and drive long-term shareholder wealth creation.
- The demand outlook remains healthy across all key segments in India, with sequential improvements in margins expected on account of the pass-through of input costs to customers gradually. We upgrade our FY28 EPS estimates by 15% (after considering dilution due to preferential issue) primarily on account of acquisitions and estimate an EPS CAGR of 16% for FY26-FY28E (FY26 nos are restated due to restructuring). Further group consolidation and selective inorganic opportunities could provide additional upside to earnings over the medium term. We reiterate our BUY rating on the stock with a revised TP of INR1,664 (based on ~40x FY28E EPS).

Consolidated - Quarterly Earnings

(INR M)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	%
Net operating income	**12,344**	**11,803**	**11,787**	**13,808**	**14,257**	**15,573**	**14,058**	**17,360**	**46,669**	**61,643**	**14,651**	**-3**
Change (%)	30.4	14.9	15.9	28.7	15.5	31.9	19.3	25.7	14.9	32.1	18.7	
RM/Sales (%)	72.8	73.8	73.9	74.1	74.3	74.0	73.0	73.1	73.9	74.0	76.0	(170 bps)
Staff Cost (%)	6.6	6.5	6.1	5.7	6.0	5.9	7.0	5.9	6.2	6.2	6.1	-
Other Exp. (%)	11.0	10.2	10.9	10.6	11.0	10.5	10.5	10.9	10.5	10.6	10.5	50 bps
EBITDA	**1,182**	**1,128**	**1,069**	**1,332**	**1,242**	**1,495**	**1,336**	**1,756**	**4,379**	**5,671**	**1,084**	**15**
EBITDA Margins (%)	9.6	9.6	9.1	9.6	8.7	9.6	9.5	10.1	9.4	9.2	7.4	
Change (%)	30.3	14.3	16.8	22.5	5.0	32.5	25.0	31.8	12.4	29.5	-8.3	
Non-Operating Income	45	61	70	104	46	70	70	70	263	280	70	-34
Interest	50	28	32	84	60	25	25	24	142	99	25	139
Depreciation	307	251	255	306	323	280	290	308	1001	1158	280	15
EO Exp	0	0	-133	-11	0	0	0	0	-138	0	0	
Minority Int/Share of Profit	-2	0	0	-8	420	-10	-10	-10	-1	1628	364	15
PBT after EO items	**869**	**910**	**852**	**1,038**	**897**	**1,235**	**1,066**	**1,469**	**0**	**0**	**824**	**9**
Tax	203	220	173	284	251	302	262	359	840	1127	204	
Eff. Tax Rate (%)	23.3	24.2	20.2	27.1	27.8	24.0	24.0	24.0	24.0	24.0	24.0	
Rep. PAT	**1,053**	**690**	**547**	**1,183**	**1,074**	**1,322**	**1,149**	**1,716**	**2,523**	**4,099**	**1,009**	**6**
Change (%)	82.8	9.7	-9.0	83.7	2.0	91.4	110.2	45.1	2.7	106.0	-4.1	
Adj. PAT	**1,053**	**690**	**680**	**1,193**	**1,074**	**1,322**	**1,149**	**1,716**	**2,660**	**5,196**	**1,009**	**6**
Change (%)	82.8	9.7	13.1	85.4	2.0	91.4	69.1	43.8	8.3	95.3	-4.1	

IIFL Finance

Estimate changes	↑
TP change	↑
Rating change	↔

Bloomberg	IIFL IN
Equity Shares (m)	425
M.Cap.(INRb)/(USDb)	242.6 / 2.5
52-Week Range (INR)	675 / 409
1, 6, 12 Rel. Per (%)	6/11/12
12M Avg Val (INR M)	1160

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	60.4	86.0	103.1
Total Income	76.6	96.7	114.3
PPoP	41.5	52.4	61.5
PAT (pre-NCI)	18.2	29.5	36.4
PAT (post-NCI)	16.6	27.7	34.4
EPS (INR)	39.1	65.1	80.9
EPS Gr. (%)	338	67	24
BV (INR)	327	388	463
Ratios (%)			
NIM	6.5	7.1	7.0
C/I ratio	45.8	45.8	46.2
Credit cost	2.8	1.7	1.6
RoA	2.3	3.0	3.1
RoE	12.6	18.2	19.0
Valuations			
P/E (x)	14.5	8.7	7.0
P/BV (x)	1.7	1.5	1.2

Shareholding pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	24.9	24.9	24.9
DII	7.5	7.1	8.1
FII	23.9	28.2	26.6
Others	43.8	39.9	40.4

FII includes depository receipts

CMP: INR570 TP: INR700 (+23%) Buy

NIM expansion and credit cost decline drive earnings beat

Poised well for healthy growth in AUM and profitability in FY27

- IIFL Finance's 1QFY27 NII grew 55% YoY and ~16% QoQ to ~INR20b (~9% beat). Other income stood at ~INR2b (~52% miss) compared to INR3.7b in 4QFY26. This included assignment income of ~INR749m (PQ: INR2.1b).
- Net total income grew ~32% YoY to ~INR22b (in line). Opex rose ~22% YoY to INR9.8b (in line), with the cost-income ratio remaining broadly stable QoQ at ~44.5% (PQ: 44.6% and PY: ~48%).
- PPoP stood at INR12.2b, up ~41% YoY (in line). PAT (post-NCI) stood at INR6.7b (~14% beat).
- Calculated NIMs expanded ~50bp QoQ to 7.2%. Credit costs stood at INR2.9b (~16% lower than MOFSLe). This translated into annualized credit costs of ~1.6% (PQ: ~1.9% and PY: ~3.7%).
- IIFL has set out targets for FY27 and the FY27-29 period. Management guides for 25% YoY consolidated AUM growth in FY27, credit costs of 1.5-1.7%, RoA of 3.1-3.3% and RoE of 16-20% (a potential equity raise might impact leverage and RoE). Off-book loan assets are expected to account for 35-40% of the portfolio. Over FY27-29, management targets 20% AUM CAGR, credit costs of 1.0-1.2%, RoA of 3.6-3.8% and RoE of 18-20%, with off-book loan assets expected to increase to ~40%.
- **Management acknowledged that capital adequacy at the parent level remains relatively tight and is evaluating multiple options to strengthen capital, including a QIP, strategic/secondary stake sale and/or additional Tier 2 perpetual debt issuance, and improving momentum in co-lending.**
- We raise our FY27E EPS by ~9% to factor in slightly higher AUM growth, expansion in NIM and lower credit costs. **Reiterate our BUY rating on the stock with a TP of INR700 (based on Mar'28E SoTP).**

Consol. AUM rises ~38% YoY; healthy ~11% QoQ growth in gold loans

- Consol. AUM grew 38% YoY and ~7% QoQ to INR1.15t. On-book loans grew ~31% YoY. Off-book formed ~35% of the AUM mix.
- Sequential growth in AUM was primarily driven by gold loans (up 11% QoQ to INR584b) and MFI (up ~4% QoQ). Home loans grew ~3% QoQ.
- Despite increasing competition, IIFL remains focused on small-ticket gold loans, where it believes pricing remains attractive and margins are relatively resilient. Management expects gold loan margins to remain stable going forward.
- Management guided for ~17-18% AUM growth and ~30% disbursement growth in home finance for FY27, with business momentum expected to pick up from 2QFY27 onward. We estimate gold loans/consolidated AUM to grow ~31%/~24% YoY in FY27 and a consolidated AUM CAGR of ~22% over FY26-28E.

GS3 up ~10bp QoQ; sequential moderation in credit costs

- GS3/NS3 rose 10bp QoQ each to 1.55%/0.8%. PCR declined 3pp QoQ to 47.3%.
- Management shared that gold loan asset quality remains comfortable, supported by strong collateral coverage and low LTV. It expects GNPA to remain manageable despite potential gold price volatility, given the portfolio's historically low LGD. We model credit costs of 1.7%/1.6% for FY27/FY28 (vs. 2.8% in FY26).

Highlights from the management commentary

- Unsecured MSME and business lending are being discontinued, with the remaining portfolio being run down and recoveries continuing.
- 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.

Valuation and view

- IIFL reported a healthy quarter, driven by strong momentum in the gold loan segment, supported by healthy tonnage growth and elevated gold prices. The MFI business also continued to recover, with improving growth momentum and asset quality. While asset quality witnessed a marginal seasonal deterioration, credit costs continued to decline as the company winds down its unsecured portfolio and increases the share of secured lending.
- IIFL is undergoing a meaningful structural improvement as a franchise, with a clear shift towards secured lending and a gradual run-down of unsecured businesses (apart from MFI). The improving portfolio mix, normalizing credit costs and operating leverage are expected to drive a meaningful improvement in return metrics over the coming quarters. We believe sustained execution on its growth and profitability targets, alongside improving asset quality, will support a re-rating of the stock over the medium term.
- We raise our FY27E EPS by ~9% to factor in slightly higher AUM growth, margin expansion and lower credit costs. The stock trades at 1.5x FY27E P/BV and ~9x P/E for estimated RoA/RoE of 3.1%/19% in FY28. **Reiterate our BUY rating on the stock with a TP of INR700 (based on SoTP valuation; refer to the table below).**

IIFL: SoTP – Mar'28

Particulars	Stake	Value (INR b)	Value (USD b)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	171	1.8	402	57	1.6	PBV
IIFL Home Finance (HFC)	80	98	1.0	230	33	1.5	PBV
IIFL Samasta Finance (MFI)	100	29	0.3	67	10	1.0	PBV
Target Value		**298**	**3.1**	**700**	**100**		

Quarterly Performance – Consolidated (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	1Q	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY27E	
Interest Income	25,835	28,209	30,193	33,300	37,234	38,537	40,078	42,953	1,17,537	1,58,802	35,798	4
Interest Expenses	12,888	13,819	14,370	16,096	17,195	17,882	18,598	19,088	57,174	72,763	17,384	-1
Net Interest Income	**12,947**	**14,390**	**15,822**	**17,204**	**20,039**	**20,654**	**21,481**	**23,866**	**60,364**	**86,040**	**18,414**	**9**
YoY Growth (%)	*-10.0*	*7.4*	*28.1*	*30.9*	*54.8*	*43.5*	*35.8*	*38.7*	*13.2*	*42.5*	*42.2*	
Other Income	3,758	4,882	4,135	3,696	1,985	2,214	2,699	3,807	16,201	10,706	4,139	-52
Total Income	**16,705**	**19,272**	**19,958**	**20,900**	**22,024**	**22,869**	**24,180**	**27,673**	**76,565**	**96,746**	**22,553**	**-2**
YoY Growth (%)	*17*	*22*	*49*	*50*	*32*	*19*	*21*	*32*	*33.0*	*26.4*	*35.0*	
Operating Expenses	8,017	8,702	9,332	9,317	9,796	10,580	11,596	12,359	35,097	44,330	9,825	0
Operating Profit	**8,688**	**10,570**	**10,626**	**11,584**	**12,228**	**12,988**	**13,966**	**13,234**	**41,468**	**52,415**	**11,840**	**3**
YoY Growth (%)	*26.3*	*23.9*	*79.3*	*76.0*	*40.8*	*22.9*	*31.4*	*14.2*	*48.5*	*26.4*	*36.3*	
Provisions & Loan Losses	5,125	5,003	3,997	3,257	2,942	3,354	4,192	3,156	17,382	13,644	3,518	-16
Profit before Tax	**3,563**	**5,567**	**6,629**	**8,327**	**9,286**	**9,634**	**9,773**	**10,078**	**24,086**	**38,772**	**8,323**	**12**
Exceptional items		**0**				**0**						
Tax Provisions	821	1,388	1,616	2,094	2,155	2,312	2,346	2,489	5,919	9,302	1,997	8
PAT (Pre NCI)	**2,742**	**4,179**	**5,014**	**6,233**	**7,131**	**7,322**	**7,428**	**7,589**	**18,167**	**29,470**	**6,325**	**13**
NCI	408	416	371	364	381	407	436	576	1,559	1,800	390	-2
PAT (Post NCI)	**2,334**	**3,763**	**4,643**	**5,868**	**6,751**	**6,914**	**6,992**	**7,012**	**16,608**	**27,670**	**5,936**	*14*
YoY Growth (%)	*-19*	*-339*	*1,038*	*183*	*189*	*84*	*51*	*19*	*338*	*67*	*154*	
Key Parameters (%)												
Yield on AUM	12.7	13.0	12.8	12.9	13.3	13.1	13.0	13.2				
Cost of funds	9.8	9.9	9.7	10.0	9.8	9.5	9.2	9.3				
Spread	3.0	3.1	3.1	2.9	3.6	3.6	3.8	4.0				
NIM (on AUM)	6.4	6.6	6.7	6.7	7.2	7.2	7.4	6.7				
Credit cost	3.7	3.42	2.59	1.95	1.6	1.75	2.10	1.50				
Cost to Income Ratio (%)	48.0	45.2	46.8	44.6	44.5	44.9	45.4	48.3				
Tax Rate (%)	23.1	24.9	24.4	25.1	23.2	24.0	24.0	24.7				
Balance Sheet Parameters												
Consol. AUM (INR B)	**839**	**901**	**983**	**1,082**	**1,155**	**1,204**	**1,262**	**1,337**				
Change YoY (%)	21	35	38	38	38	34	28	24				
Disbursements - Core (INR B)	**191**	**235**	**308**	**321**	**254**	**291**	**317**	**360**				
Change YoY (%)	345	223	75	63	33	24	3	12				
Borrowings (INR B)	**545**	**574**	**606**	**680**	**730**	**782**	**833**	**818**				
Change YoY (%)	32	47	34	33	34	36	37	20				
Borrowings/AUM (%)	65.0	63.7	61.7	62.9	63.2	65.0	66.0	61.2				
Debt/Equity (x)	4.3	4.5	4.6	5.0	5.1	4.5	4.5	4.4				
Asset Quality (%)												
GS 3 (INR M)	**13,170**	**12,534**	**10,206**	**10,514**	**11,999**							
G3 %	2.34	2.14	1.60	1.45	1.55							
NS 3 (INR M)	**6,295**	**5,916**	**4,776**	**5,225**	**6,323**							
NS3 %	1.13	1.0	0.8	0.7	0.82							
PCR (%)	**52.3**	**52.8**	**53.2**	**50.3**	**47.3**							
ECL (%)	2.1	1.9	1.5	1.4	1.5							
Return Ratios - YTD (%)												
ROA (Rep)	1.6	1.9	2.1	2.4	3.1							
ROE (Rep)	7.6	9.8	11.3	13.1	19.5							

E: MOFSL Estimates

22 July 2026
Company Update | Sector: Real Estate

Anant Raj

BSE Sensex	S&P CNX
77,470	23,996

ANANT RAJ LIMITED

Bloomberg	ARCP IN
Equity Shares (m)	360
M.Cap.(INRb)/(USDb)	221.8 / 2.3
52-Week Range (INR)	744 / 403
1, 6, 12 Rel. Per (%)	16/20/12
12M Avg Val (INR M)	2224

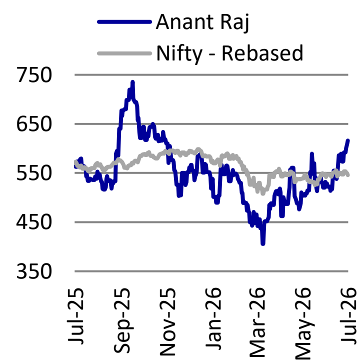
Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	25.1	29.9	35.2
EBITDA	6.6	9.4	12.4
EBITDA (%)	26.1	31.6	35.3
Adj PAT	5.5	7.5	9.3
Cons. EPS (INR)	15.4	20.7	25.9
EPS Growth (%)	30.4	34.4	24.8
BV/Share (INR)	160.8	180.8	205.9
Ratios			
Net D/E	(0.1)	(0.1)	(0.0)
RoE (%)	9.6	11.5	12.6
RoCE (%)	9.5	12.2	13.7
Payout (%)	6.5	3.6	2.9
Valuations			
P/E (x)	40.0	29.7	23.8
P/BV (x)	3.8	3.4	3.0
EV/EBITDA (x)	33.1	22.9	17.7
Div Yield (%)	0.2	0.1	0.1

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	57.4	57.4	60.1
DII	4.6	4.8	6.2
FII	10.7	10.9	10.6
Others	27.3	26.9	23.1

Stock's performance



CMP: INR616 | TP: INR710 (+15%) | Buy

Plans to demerge the data center business

The Board of Anant Raj (ARL) has approved a composite scheme arrangement to demerge its data center (DC) and cloud businesses into Ashok Cloud Pvt Ltd (ACPL). ARL shareholders will receive one ACPL share for every ARL share held. ACPL would offer a pure play on the DC business, which is a key value generator, while ARL would continue to reap the economic benefits due to its holding in the resulting company. Post-demerger, the shareholding of the promoter group in ACPL would be 79.14%; this could likely trigger a stake dilution to bring down this shareholding to 75% or below. Proceeds could be utilized to fund the growth capex of the DC business.

As a merged entity, the existing mode of operations involves utilization of the free cash flow from the real estate business to scale up the capex-heavy DC business. With the demerger being planned, we anticipate future capex in ACPL to be met through the rental income generated by the operational capacity (28MW as of FY26) and fund transfer from ARL (earmarked for the DC business). A likely fundraising from the promoter stake dilution in ACPL post-demerger could be an additional avenue to fund the DC growth capex. Management's roadmap on the demerger process, utilization of free cash from the real estate business in ARL after the demerger, and capex funding plans for the DC business in ACPL remain some of the key monitorables. We reiterate our BUY rating with a revised SoTP-based TP of INR710.

The Board approves the demerger of the DC business

Under the approved Composite Scheme of Arrangement, Anant Raj Cloud Pvt Ltd (ARCPL), a wholly owned subsidiary of ARL, will first be merged into ARL and consequently cease to exist, resulting in the consolidation of the entire DC and Cloud business within ARL. Subsequently, the consolidated DC and cloud business will be demerged into ACPL; this will remain a subsidiary of ARL and will be listed separately. As part of the demerger, ARL shareholders will receive one ACPL share for every ARL share held. This demerger is subject to necessary approvals of relevant stakeholders.

Promoters to retain effective control of the DC business

Since ACPL will be the subsidiary of ARL after the demerger, 51% of ACPL's shareholding will be held by ARL. The remaining 49% in ACPL will be held by the shareholders of ARL proportionate to their stake in ARL. Currently, the promoters hold a 57.43% stake in ARL. Consequently, as per the arrangement, the promoter's stake in ACPL after the demerger will be 79.14% (51% + 28.14%). This would likely trigger stake dilution by the Promoter Group to bring down the shareholding to 75% or below (regulatory norms); the proceeds could be utilized to fund the growth capex of the DC business. The proposed ownership structure preserves strategic control of the DC and cloud platform while enabling the business to operate as a separately listed entity.

Valuation and view

- We have discounted the residential business cash flow at a 12.4% WACC, while assigning a 25% premium to capture the growth potential, since the company is aggregating land in Sector 63A, Gurugram.
- The commercial business cash flow is discounted at a capitalization rate of 8.0%, while delivering a 4% terminal growth rate.
- The data center business is valued on a DCF basis.
- **We reiterate our BUY rating on the stock with a revised TP of INR710, based on our SoTP valuation**.

Atlanta Electricals

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ATLANTAE IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	124.1 / 1.3
52-Week Range (INR)	2200 / 708
1, 6, 12 Rel. Per (%)	-16/122/-
12M Avg Val (INR M)	330

Financials Snapshot (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Sales	24.9	34.1	41.6
EBITDA	4.7	6.8	8.3
EBITDA Margin (%)	19.0	20.0	20.0
PAT	2.8	4.3	5.5
EPS (INR)	36.9	56.0	71.7
EPS Growth (%)	39.7	51.8	28.0
BV/Share (INR)	157.7	213.7	285.4
Ratios			
Net D/E	-0.0	-0.1	-0.3
RoE (%)	23.4	26.2	25.1
RoCE (%)	23.2	26.8	25.2
Valuations			
P/E (x)	43.6	28.7	22.4
P/BV (x)	10.2	7.5	5.6
EV/EBITDA (x)	26.1	17.8	14.2

Shareholding pattern (%)

As Of	Mar-26	Dec-25
Promoter	87.3	87.3
DII	4.3	4.2
FII	2.4	2.4
Others	6.0	6.2

FII includes depository receipts

CMP: INR1,614 TP: INR1,950 (+21%) Buy

A strong start to the year

Atlanta Electricals (ATLANTAE)'s 1QFY27 revenue and profit were ahead of our estimates. Margin expanded 100bp YoY, while it dipped sequentially due to a time lag in the pass-through of higher RM prices. Revenue grew 48% YoY, driven by a healthy volume growth of 26% YoY and a price hike of 22% YoY. Order inflows also remained strong at INR9.7b, taking the total order book to INR31.2b. Going forward, we would monitor 1) short circuit test clearance for 400kV transformers, 2) technology tie-up for 765kV transformers, and 3) margin trajectory. We maintain our estimates and reiterate our BUY rating on the stock with an unchanged TP of INR1,950 (based on 32x two-year forward earnings).

Beat across all parameters

ATLANTAE's results were above our estimates across all metrics. Revenue increased 48% YoY to INR4.7b, beating our estimates by 14%. The growth was driven by healthy execution across domestic orders, higher capacity utilization, and continued demand from the transmission & distribution and renewable energy sectors. Gross margin expanded 130bp YoY to 27.3% vs. our estimate of 26.5%. Absolute EBITDA increased 58% YoY to INR771m, 14% above our estimate. However, the EBITDA margin expanded 100bp YoY to 16.5%, in line with our estimate. ATLANTAE's PAT increased 50% YoY to INR468m, 34% ahead of our estimate, mainly due to better-than-expected execution and lower-than-expected non-operating expenses. Order inflow during the quarter stood at INR9.7b, taking the order book as of Jun'26 to INR31.2b (+97% YoY/+25% QoQ). Over 55% of the order book comprises 220 kV transformers, while 400 kV transformers and reactors contribute nearly INR3b.

Order momentum remains healthy

Order inflow during 1Q stood at INR9.7b, taking the order book as of Jun'26 to INR31.2b (+97% YoY/+25% QoQ), implying healthy revenue visibility over the next 12-18 months. 1Q inflows are tracking well, with ~30% of our FY27E inflows (INR33b) already achieved. Key order wins include an INR2.9b order from Rajasthan Rajya Vidyut Prasaran Nigam Ltd. for the supply of 160MVA, 80MVA, and 31.5MVA power transformers and an INR2.8b order from Punjab State Transmission Corporation for 23 units of 160MVA, 45/66kV transformers. The order mix continues to improve, with 220kV and above transformers accounting for over 55% of the order book, including nearly INR3b of 400kV transformer orders, reflecting the company's increasing participation in the EHV segment. Of the total order book of INR31.2b, nearly INR24b (~77%) is expected to be executed during FY27. Further, despite multiple industry players commissioning new capacities over the next 3-4 months, the company did not experience any moderation in ordering activity or pricing. This suggested that industry demand continues to comfortably absorb incremental capacity. We expect order inflows to clock a CAGR of 21% over FY26-29.

Status of 400kV and 765kV transformers

On the 400kV platform, manufacturing of the first transformer is likely to commence over the next 2-3 months, with the mandatory short-circuit test scheduled by early 3QFY27. Subject to successful testing, management expects to execute the existing INR3b 400kV order within FY27 itself, while meaningful order inflow and revenue contribution from the 400 kV class are anticipated from FY28 onwards. On the 765kV platform, management expects to finalize its technology tie-up during 2Q-3QFY27, following which prototype manufacturing and Power Grid re-validation will commence. Commercial bidding for 765kV transformers, ICTs, and reactors is expected to open by 4QFY27. While industry peers are adding significant 400kV capacity, meaningful commercialization remains constrained by qualification processes, customer approvals, and testing requirements. Further, the dedicated inverter-duty transformer (IDT) facility remains on track for commissioning by the end of CY26. This will add nearly 5,000MVA of annual manufacturing capacity to cater to renewable energy, BESS, and EV charging applications.

Focus on backward integration and margin improvement

We see the growth drivers to emerge for margin improvement for the company coming from 1) improved revenue mix and improved pricing from the current order book, 2) backward integration for tank and radiator manufacturing, which caters to nearly 4-5% of transformer cost, with the company already having incurred INR150-200m of the planned INR1.8b capex, 3) improving share of exports over the medium term to ~10-15% of sales, with a focus on Europe, Africa, and the US regions, and 4) current decline in commodity prices to start reflecting in lower RM costs from 3QFY27 onwards. Further, the ongoing DGTR investigation on CRGO steel imports and any potential anti-dumping duty are not expected to disrupt near-term raw material availability, supported by adequate inventories and easing import licensing. The company reiterated its medium-term 17-18% EBITDA margin aspiration, broadly in line with our estimates.

Financial outlook

We maintain our estimates and expect a revenue/EBITDA/PAT CAGR of ~31%/34%/40% over FY26-29E, with an EBITDA margin of 19%/20%/20% for FY27/FY28/FY29. We project inflows to ramp up from INR27b in FY26 to INR33b/INR44b/INR48b for FY27/FY28/FY29E, supported by inflows for the higher kV category.

Valuation and view

The stock currently trades at 43.6x/28.7x/22.4x P/E on FY27/28/29E EPS. **We reiterate our BUY rating with an unchanged TP of INR1,950 based on 32x two-year forward earnings.**

Key risks and concerns

Key risks include: 1) a slowdown in the tendering of orders, 2) customers' nonacceptance of higher kV transformers, 3) supply chain-related issues, and 4) a spike in commodity prices.

Consolidated - Quarterly Snapshot (INR m)

Income Statement	FY26				FY27E				FY26	FY27E	FY27E	Est
Y/E March	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2QE**	**3QE**	**4QE**			**1QE**	**Var %**
Net Sales	**3,151**	**3,170**	**4,718**	**7,476**	**4,663**	**4,773**	**6,339**	**9,083**	**18,515**	**24,858**	**4,102**	**14**
Change (%)	5.1	17.3	79.7	81.7	48.0	50.6	34.3	21.5	48.8	34.3	30.2	
Expenses	2,663	2,622	3,805	5,981	3,892	3,938	5,134	7,171	15,071	20,135	3,425	14
EBITDA	**488**	**548**	**913**	**1,496**	**771**	**835**	**1,204**	**1,912**	**3,444**	**4,723**	**677**	**14**
Change (%)	17.8	30.5	119.6	117.9	58.1	52.4	31.9	27.9	77.9	37.1	38.8	
As of % Sales	15.5	17.3	19.4	20.0	16.5	17.5	19.0	21.1	18.6	19.0	16.5	
Depreciation	24	55	90	93	101	138	141	185	261	566	135	(25)
Interest	69	132	205	160	57	85	90	126	566	358	83	(31)
Other Income	24	16	41	76	23	19	19	16	157	77	18	26
PBT pre EO items	**420**	**377**	**659**	**1,319**	**636**	**631**	**993**	**1,617**	**2,774**	**3,876**	**477**	**33**
Extraordinary Items	-	-	(11)	(1)	-	-	-	-	(12)	-	-	
PBT	**420**	**377**	**648**	**1,318**	**636**	**631**	**993**	**1,617**	**2,762**	**3,876**	**477**	**33**
Tax	108	126	214	296	167	169	266	437	744	1,040	128	31
Effective Tax Rate (%)	25.8	33.4	33.1	22.4	26.3	26.8	26.8	27.0	26.9	26.8	26.8	
MI & P/L Share of JV	-	-	-	-	-	-	-	-	-	-	-	
Reported PAT	**311**	**251**	**433**	**1,022**	**468**	**462**	**726**	**1,180**	**2,018**	**2,836**	**349**	**34**
Adj PAT	**311**	**251**	**445**	**1,023**	**468**	**462**	**726**	**1,180**	**2,030**	**2,836**	**349**	**34**
Change (%)	25.3	(6.6)	99.7	129.1	50.4	83.9	63.3	15.4	71.1	39.7	12.1	
Margin (%)	9.9	7.9	9.4	13.7	10.0	9.7	11.5	13.0	11.0	11.4	8.5	

Arvind Fashions

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ARVINDFA IN
Equity Shares (m)	134
M.Cap.(INRb)/(USDb)	63.6 / 0.7
52-Week Range (INR)	579 / 366
1, 6, 12 Rel. Per (%)	0/11/-1
12M Avg Val (INR M)	167

Financials & Valuations Consol (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	59.9	67.0	74.8
EBITDA	5.2	6.1	7.2
Adj. PAT	1.7	2.4	3.3
EBITDA Margin (%)	8.8	9.1	9.6
Adj. EPS (INR)	12.7	18.2	24.6
EPS Gr. (%)	15.7	43.2	34.7
BV/Sh. (INR)	98.0	114.7	136.9
Ratios			
Net D:E	0.1	-0.1	-0.5
RoE (%)	16.7	20.4	19.6
RoCE (%)	21.9	23.8	24.5
Valuations			
P/E (x)	37.4	26.1	19.4
EV/EBITDA (x)	16.1	13.6	10.5
EV/Sales (X)	1.1	0.9	0.8
Div. Yield (%)	0.4	0.6	0.8

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	35.1	35.1	35.1
DII	25.0	24.6	23.6
FII	12.2	12.0	9.4
Others	27.8	28.3	31.9

FII includes depository receipts

CMP: INR475 TP: INR620 (+31%) Buy

Strong start to FY27; execution remains robust

- AFL's growth engine continues to strengthen, supported by improving execution, rising D2C penetration and broad-based brand momentum.
- Retail LTL growth accelerated to 11.6% in 1QFY27, driving 18% retail growth, while and online B2C grew 39%, increasing the direct channel's contribution to 62% (+380bp YoY).
- Gross margin expanded ~90bp YoY to 56.7%, driving EBITDA growth of ~20% despite a ~50bp increase in brand investments. Margin improvement was led by lower discounting, sourcing efficiencies and a richer D2C mix, reflecting improving operating leverage.
- Execution continues to strengthen across the portfolio, with USPA extending its leadership, PVH brands returning to growth, and FM's repositioning gaining traction. Continued investments in consumer analytics, retail execution and organizational restructuring are supporting market share gains and improving brand productivity.
- **Growth outlook remains healthy**, driven by D2C scale-up, premiumization, category expansion and improving execution. Near-term risks from raw material inflation, wage hikes and forex volatility are being mitigated through advance sourcing, while pricing actions remain calibrated and contingent on cost inflation.
- We expect AFL to deliver ~13% revenue CAGR and ~18% pre-Ind AS EBITDA CAGR over FY26-28E, with EBITDA margins expanding ~80bp to ~9.0%. PAT is estimated to clock ~30% CAGR, supported by operating leverage, margin expansion and continued deleveraging.
- AFL continues to trade at a ~20% EV/EBITDA and ~35% P/E discount to ABLBL on FY28E, despite superior earnings growth, margin expansion and comparable profitability.
- **We reiterate our BUY rating with an unchanged SoTP-based TP of INR620.**

Healthy double-digit growth continues; margin expansion offsets higher brand investments

- AFL reported 15.5% YoY revenue growth to INR12.8b, ahead of our estimates (+1.6%). This growth reflects broad-based demand across channels and continued strength in direct-to-consumer businesses.
- Retail remained the largest growth driver, growing at 18% YoY, supported by 11.6% LFL growth and 10% area additions. Area additions continue to outpace stores as the company added 20k net sqft in 1Q (vs. only five net store additions).
- Wholesale delivered a healthy 16% YoY growth, reflecting stable demand across distribution channels.
- Online B2C continued to outperform, growing 39% YoY, while Online B2B declined 10% YoY amid a calibrated focus on D2C channels.
- Consequently, direct channels (Retail + Online B2C) contributed 62% of revenue (vs. 59% YoY), underscoring AFL's continued shift toward higher-margin owned channels.

Margin expansion driven by gross margin

- Gross margins expanded 87bp YoY to 56.7%, ahead of our estimate by 37bp, driven by higher full-price sell-through, lower discounting, and an improving channel mix.
- Employee costs increased 15% YoY, broadly in line with revenue growth, while other operating expenses rose 17% YoY, reflecting higher brand investments and continued expansion of direct channels.
- EBITDA increased 19.6% YoY to INR1.6b, ahead of our estimate by 2.5%, while EBITDA margin expanded 43bp YoY to 12.5% despite elevated marketing spends.
- EBIT grew 24.5% YoY, with EBIT margin improving 46bp YoY to 6.3%, supported by healthy operating leverage.
- Finance costs rose 18% YoY, while other income fell 52% YoY to INR70m.
- Adjusted PAT increased 11.5% YoY to INR280m, substantially ahead of our estimate (+32%). However, attributable PAT declined 26% YoY to INR96m, reflecting lower other income and a higher effective tax rate.

Balance sheet remains healthy

- Net working capital remained stable at 65 days despite higher marketing investments and strong revenue growth.
- Inventory freshness reached an all-time high, reflecting tighter inventory management and supporting higher full-price sell-through.
- Management maintained a positive outlook, highlighting resilient demand despite macro headwinds, including geopolitical tensions, higher crude prices, forex pressures, and wage inflation. The company will continue to prioritize profitable growth through higher brand investments and retail and online B2C expansion while maintaining inventory discipline and stable working capital.

Highlights from the management commentary

- **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.
- **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.
- 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.

Valuation and view

- AFL continues to strengthen its competitive positioning through sharper brand architecture, D2C scale-up, category expansion and disciplined retail execution, reinforcing confidence in its medium-term growth trajectory.
- We expect AFL to deliver ~13% revenue CAGR and ~18% pre-Ind AS EBITDA CAGR over FY26-28E, with EBITDA margins expanding ~80bp to ~9.0% and PAT growing at ~30% CAGR.
- We view AFL's ~20% EV/EBITDA and ~35% P/E discount to ABLBL as unwarranted, given its comparable profitability and superior earnings growth, margin expansion and capital efficiency.
- ***We reiterate our BUY rating with an unchanged SoTP-based TP of INR620.***

Quarterly performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
Revenue	**11,073**	**14,175**	**13,766**	**13,648**	**12,785**	**16,203**	**15,680**	**15,188**	**52,662**	**59,856**	**12,580**	**2**
YoY Change (%)	16.0	11.3	14.5	14.8	15.5	14.3	13.9	11.3	14.0	13.7		
Total Expenditure	9,740	12,302	11,818	11,757	11,190	13,951	13,345	13,029	45,616	51,515	11,024	2
EBITDA	**1,334**	**1,873**	**1,948**	**1,891**	**1,595**	**2,252**	**2,336**	**2,159**	**7,046**	**8,342**	**1,556**	**3**
EBITDA Margin (%)	12.0	13.2	14.2	13.9	12.5	13.9	14.9	14.2	13.4	13.9	12.4	
Depreciation	685	713	748	751	788	825	855	891	2,897	3,359	810	-3
Interest	406	416	434	449	477	481	465	459	1,705	1,881	505	-6
Other Income	146	130	59	73	70	94	91	92	408	346	43	61
PBT before EO expense	**388**	**874**	**825**	**764**	**400**	**1,039**	**1,107**	**901**	**2,852**	**3,448**	**284**	**41**
PBT	**388**	**874**	**1,116**	**707**	**404**	**1,039**	**1,107**	**901**	**3,085**	**3,448**	**284**	**42**
Tax	137	308	172	154	120	262	279	227	770	888	72	
Rate (%)	35.3	35.2	15.4	21.7	29.7	25.2	25.2	25.2	25.0	25.8	25.2	
Reported PAT	**251**	**566**	**364**	**667**	**276**	**777**	**828**	**674**	**1,849**	**2,560**	**213**	**30**
Attributable PAT	**128**	**377**	**548**	**417**	**100**	**561**	**612**	**423**	**1,471**	**1,695**	**24**	**NM**
YoY Change (%)	994.0	26.9	-7.0	306.5	-25.5	48.8	136.8	-10.8	112.7	15.3	-90.6	

SoTP-based TP of INR640

Valuation	FY25-27 CAGR		FY26	FY27	FY28	EV/	FY28E
	Revenue	EBITDA	Pre-IND AS EBITDA			EBITDA	EV
Revenues							
Standalone (arrow Wholesale)	13	NA	(54)	284	386	10	3,857
Lifestyle (USPA+Arrow)	13	17	1,952	2,361	2,681	20	54,025
Flying Machine	13	NA	(69)	(53)	177	10	1,770
PVH (Tommy+CK)	12	13	2,006	2,247	2,565	18	23,088
CONSOL	**13**	**18**	**4,383**	**5,240**	**6,099**		**82,740**
Net Debt							-168
Equity Value							**82,908**
Per Share							620
Implied P/E (after minority)							**34.0**

Source: MOFSL, Company

Valuation after adjusting PVH's stake

Valuation	FY25	FY26	FY27	FY28
EBITDA	4,857	5,633	6,881	7,989
Pre-IND AS EBITDA	2,610	3,043	4,224	4,962
PAT	692	1,238	1,702	2,437
EV/EBITDA	15.2	13.7	11.1	9.3
Pre-IND AS EV/EBITDA	25.4	22.6	15.7	12.8
P/E (after minority)	**92.0**	**51.4**	**37.4**	**26.1**

Source: MOFSL, Company

22 July 2026

1QFY27 Results Update | Sector: Real Estate

Sunteck Realty

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	SRIN IN
Equity Shares (m)	146
M.Cap.(INRb)/(USDb)	42.7 / 0.4
52-Week Range (INR)	473 / 270
1, 6, 12 Rel. Per (%)	-10/-20/-30
12M Avg Val (INR M)	179

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	11.2	13.2	15.7
EBITDA	3.0	3.8	4.8
EBITDA (%)	27.1	29.0	30.4
PAT	2.0	2.5	3.3
EPS (INR)	14.0	17.4	22.6
EPS Gr. (%)	36.0	24.8	29.7
BV/Sh. (INR)	246.5	262.4	283.5
Ratios			
Net D/E	0.2	0.2	0.2
RoE (%)	5.9	6.8	8.3
RoCE (%)	6.3	6.7	7.8
Payout (%)	10.8	8.6	6.7
Valuations			
P/E (x)	20.8	16.7	12.9
P/BV (x)	1.2	1.1	1.0
EV/EBITDA (x)	16.2	13.2	10.2
Div Yield (%)	0.5	0.5	0.5

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	63.2	63.2	63.3
DII	5.3	5.6	7.5
FII	18.1	20.6	19.4
Others	13.4	10.7	9.8

CMP: INR291 TP: INR490 (+69%) Buy

Healthy growth; momentum to continue

Pre-sales grow 20% YoY in 1Q; a 25% CAGR likely over FY26-28E

Sunteck Realty (SRIN)'s pre-sales grew 20% YoY to INR7.9b in 1QFY27, which was in line with our estimates. This was fueled by the premium luxury segment, which comprised 50% of the quarterly pre-sales, followed by a 29% share of uber-luxury and a 21% share of aspirational luxury segments. SRIN's strong launch pipeline worth INR71b, including projects at Andheri WEH, Mira Road, and additional towers in ODC, Vasai, and Naigaon, would boost pre-sales in FY27. Management expects a 25-30% pre-sales growth in the current year. The Dubai project launch (not factored in our estimates) could provide a growth delta. We model a 25% CAGR in pre-sales to reach INR49b over FY26-28E.

Launch pipeline provides comfortable growth visibility

SRIN launched two towers at Sunteck Beach Residences in Vasai in 1Q and has a pipeline of INR71b to be launched during the remainder of FY27. Additionally, INR90b at the Dubai project remains launch-ready; however, the timeline is currently uncertain due to the macroeconomic environment in the region. Beyond this, it has projects with a GDV of INR182b upcoming for launch, which provides medium-term growth visibility. Further, a total investment of INR1.7b in 1QFY27 was mainly towards redevelopment projects and payments towards Napean Sea Road and Mira Road projects. In FY27, the company envisages more investments exceeding the total outlay of INR8b in FY26 towards BD, which would enhance the growth visibility.

Balance sheet continues to remain sturdy on healthy NOCF generation

SRIN's collections grew 17% YoY to INR4.1b in 1QFY27, and they are expected to improve going forward. Further, it generated a net operating cash flow (NOCF) surplus of INR1.9b in 1QFY27 (up 79% YoY), which translated to an NOCF-to-collections ratio of 47%. This ratio is among the best reported by the company. Despite the sequential rise in net debt by INR290m, SRIN's net debt-to-equity remained low at 0.07x (excluding loans to JDA partners) due to the continued BD activity. On the back of continued pre-sales growth and healthy project execution, we expect collections to record a 23% CAGR to INR22b over FY26-28.

Annuity portfolio ramping up

SRIN currently has two annuity assets, which reported INR760m revenue as of FY26. These are fully occupied currently. It expects a third asset in the 5th Avenue – ODC to be operational by FY29 – which would lead to an increase in annuity revenue to INR4.5b (at full occupancy).

P&L highlights

In 1QFY27, SRIN's revenue was up 2% YoY to INR1.9b. The company reported an EBITDA of INR670m, up 40% YoY. Its EBITDA margin expanded 962bp YoY to 35%. Adj. PAT stood at INR423m, up 26% YoY. PAT margin came in at 22%.

Valuation and view

- Given the strong performance in 1QFY27 and a healthy launch pipeline ahead, we expect SRIN to deliver a 25% presales CAGR over FY26-28. The recent project acquisitions and forthcoming BD would support growth over the medium term. Growth in collections and healthy cash flows would support business development vis-à-vis keeping leverage at healthy levels in the coming years.
- We value its residential segment at its NAV; however, although the Dubai project is launch-ready, we are currently not factoring its contribution of INR5.1b in the NAV given the uncertainty of launch in the region.
- Further, we value the commercial segment at an 8.5% cap rate.
- **The stock is trading at a 45% discount to NAV (ex-Dubai project), which looks very attractive. We reiterate our BUY rating on the stock with a revised TP of INR490, implying a 69% upside potential. Inclusion of the Dubai project's NAV, apart from the growth premium, can provide further upside.**

Quarterly performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27	FY27 1Q Est.	1QE Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	**1,883**	**2,524**	**3,441**	**3,390**	**1,916**	**3,003**	**3,695**	**4,576**	**11,238**	**13,190**	**2,259**	**-15**
YoY Change (%)	-40.5	49.3	112.7	64.5	1.7	19.0	7.4	35.0	31.7	17.4	20.0	
Total Expenditure	1,406	1,745	2,626	2,424	1,246	2,229	2,674	3,214	8,190	9,362	1,647	
EBITDA	**477**	**778**	**815**	**967**	**670**	**774**	**1,021**	**1,362**	**3,048**	**3,828**	**612**	**9**
Margins (%)	25.4	30.8	23.7	28.5	35.0	25.8	27.6	29.8	27.1	29.0	27.1	788.7
Depreciation	34	36	37	38	39	44	49	76	145	208	42	
Interest	149	194	117	202	216	157	193	124	673	691	204	
Other Income	132	98	119	98	105	107	132	127	448	470	81	
PBT before EO expense	**426**	**646**	**780**	**826**	**520**	**680**	**911**	**1,289**	**2,678**	**3,400**	**447**	**16**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**426**	**646**	**780**	**826**	**520**	**680**	**911**	**1,289**	**2,678**	**3,400**	**447**	**16**
Tax	92	159	212	197	105	170	228	395	659	850	112	
Rate (%)	21.6	24.5	27.1	23.9	20.2	25.0	25.0	30.6	24.6	25.0	25.0	
MI & P/L of Asso. Cos.	0	-2	-13	-9	-8	0	0	8	-25	0	0	
Reported PAT	**334**	**490**	**582**	**638**	**423**	**510**	**683**	**886**	**2,044**	**2,550**	**335**	**26**
Adj PAT	**334**	**490**	**582**	**638**	**423**	**510**	**683**	**886**	**2,044**	**2,550**	**335**	**26**
YoY Change (%)	46.7	41.4	36.9	26.5	26.5	4.2	17.4	39.0	36.0	24.8	0.2	
Margins (%)	17.8	19.4	16.9	18.8	22.1	17.0	18.5	19.4	18.2	19.3	14.8	

Source: Company, MOFSL

Aviation

** AIX Connect merged with Air India Express.*
*** Air India data include Air India Express.*
**** Vistara's data were only up to 11th Nov'24. Effective 12th Nov, Vistara merged with Air India.*

Air traffic remains flat YoY in Jun'26; IndiGo gains market share

- **Domestic air passenger (PAX) traffic remained flat YoY in Jun'26 at 13.5m (-13% MoM). PAX growth improved for IndiGo (+2%), Akasa (+19%) and SpiceJet (+1%) on a YoY basis, while PAX for Air India (AI) declined by 13% YoY in Jun'26.**
- **Adjusted average domestic load factor (PLF; average of IndiGo, AI, SpiceJet and Akasa) improved ~180bp YoY to 87.7% in Jun'26. PLF improved MoM for the AI group/ SpiceJet by 200bp/40bp but declined for IndiGo/Akasa by 130bp/30bp. Domestic airline on-time performance (OTP) stood at 73.2%, with IndiGo leading at 89.4%**
- **IndiGo gained market share by ~180bp YoY (~130bp MoM) to 66.2% in Jun'26. In contrast, the market share of the AI group/SpiceJet was down ~320bp/flat YoY (~160bp/50bp MoM) at 23.9%/2%. Akasa's share increased ~110bp YoY to 6.4%.**

India's domestic air PAX and market share

- India's domestic air PAX remained flat YoY (-13% MoM) at 13.5m in Jun'26. Domestic PAX stood at 8.9m for IndiGo (up 2% YoY/down 11% MoM), 3.2m for the AI group (down 13% YoY/18% MoM), 0.9m for Akasa (up 19% YoY/down 3% MoM), and 0.3m for SpiceJet (up 1% YoY/down 32% MoM).
- IndiGo's domestic market share expanded by ~180bp YoY/130bp MoM to 66.2%. Domestic market share for i) AI group – 23.9% (down 320bp YoY/160bp MoM), ii) Akasa – 6.4% (up 110bp YoY/60bp MoM), and iii) SpiceJet – 2% (flat YoY/down 60bp MoM).

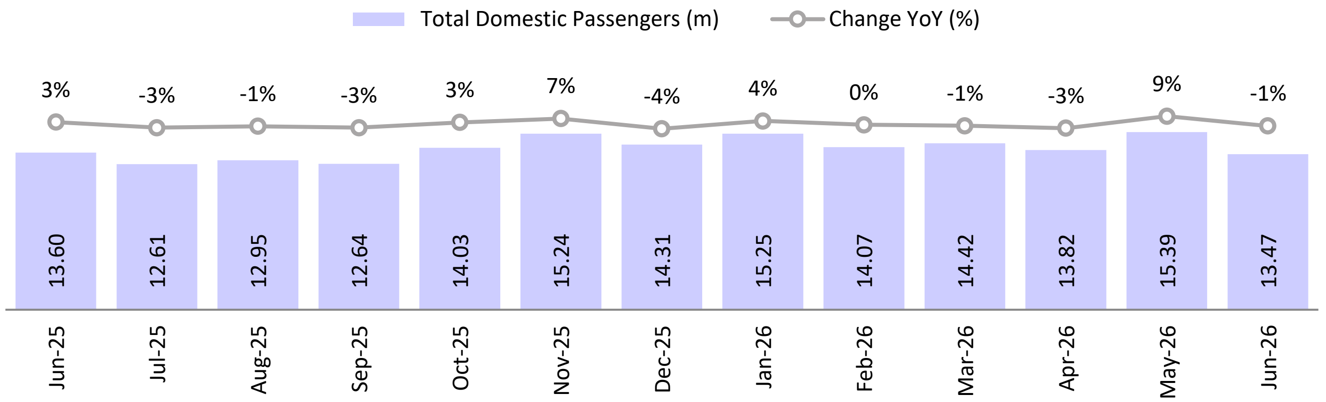
Domestic industry's PLF and OTP

- Adj. domestic PLF stood at 87.7% in Jun'26 (87.5% in May'26 and 85.9% in Jun'25). PLF was 85.1% for IndiGo (down 130bp MoM), 85.5% for the AI group (up 200bp MoM), 92.2% for Akasa (down 30bp MoM), and 87.8% for SpiceJet (up 40bp MoM).
- The average OTP for domestic airlines across the top 10 airports stood at 73.2%. OTP stood at 89.4% for IndiGo, 85.9% for the AI group, 82.7% for Akasa, and 33.5% for SpiceJet. According to the DGCA report, 69% of the delays were termed as "reactionary", i.e., a delay caused by the late arrival of aircraft or crew.

Other highlights

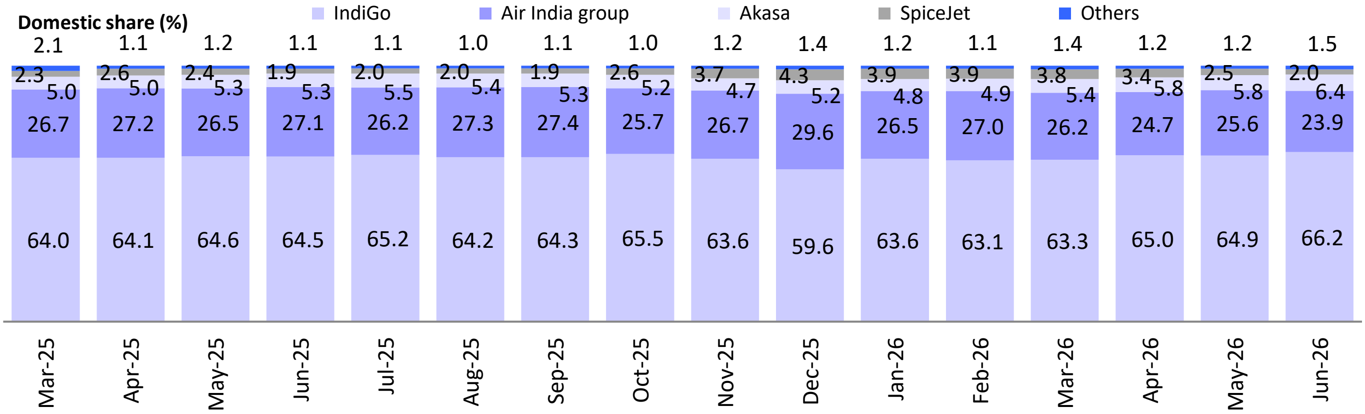
- Brent crude averaged USD88.4/bbl in Jun'26 vs. USD103.7/bbl in May'26. Prices dropped primarily due to easing geopolitical tensions in West Asia and partial recovery in Hormuz vessel transits.

Domestic PAX flat YoY



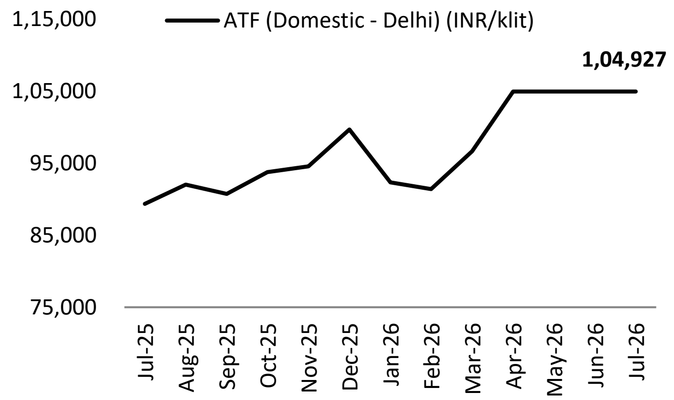
Source: DGCA, MOFSL

Domestic market share trend



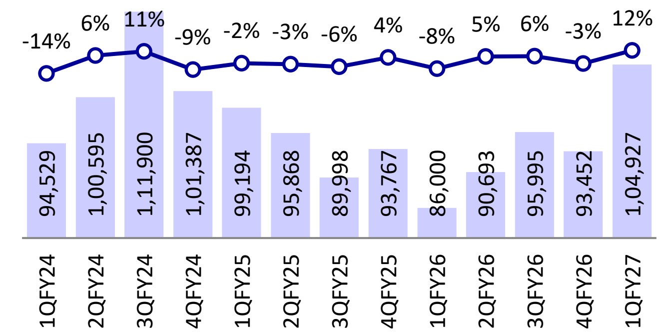
Source: DGCA, MOFSL

ATF prices show surge from Mar'26...



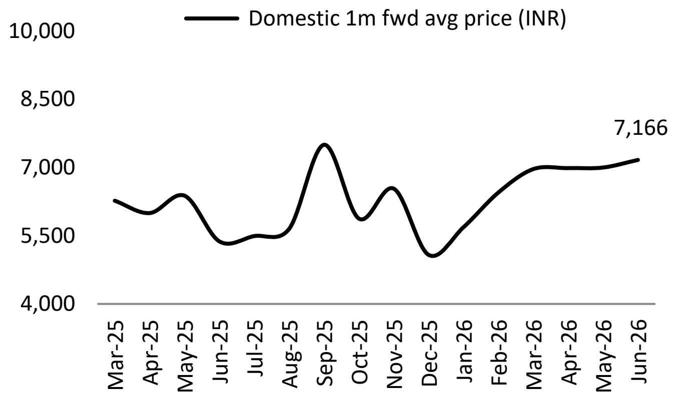
Source: HPCL, IOCL, MOFSL

...with the same incresing 12% QoQ in 1QFY27



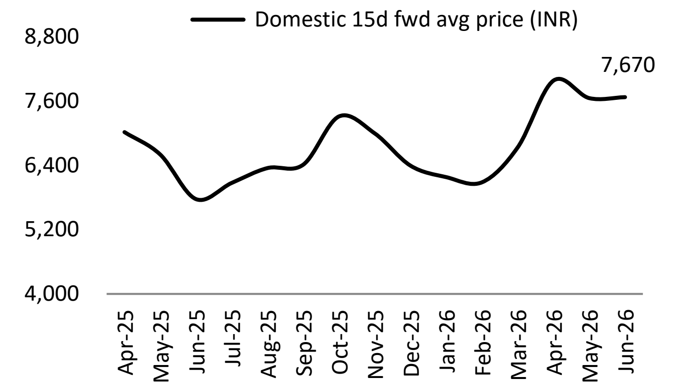
Source: HPCL, IOCL, MOFSL

Domestic fares on a one-month forward basis



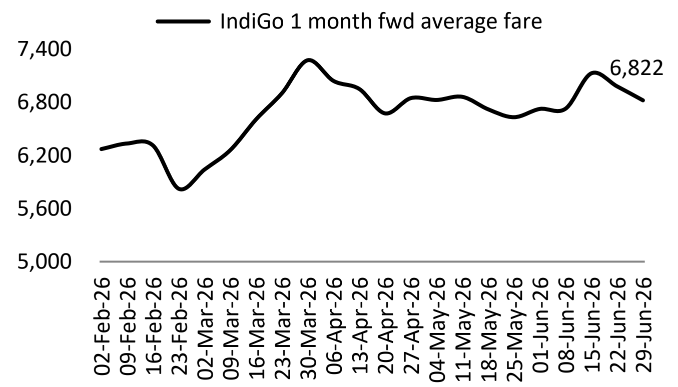
Source: MakeMyTrip, MOFSL

Domestic fares on a 15-day forward basis



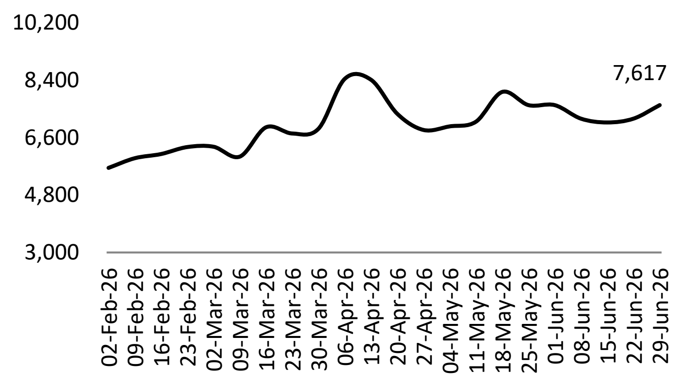
Source: MakeMyTrip, MOFSL

IndiGo's fares on a one-month forward basis



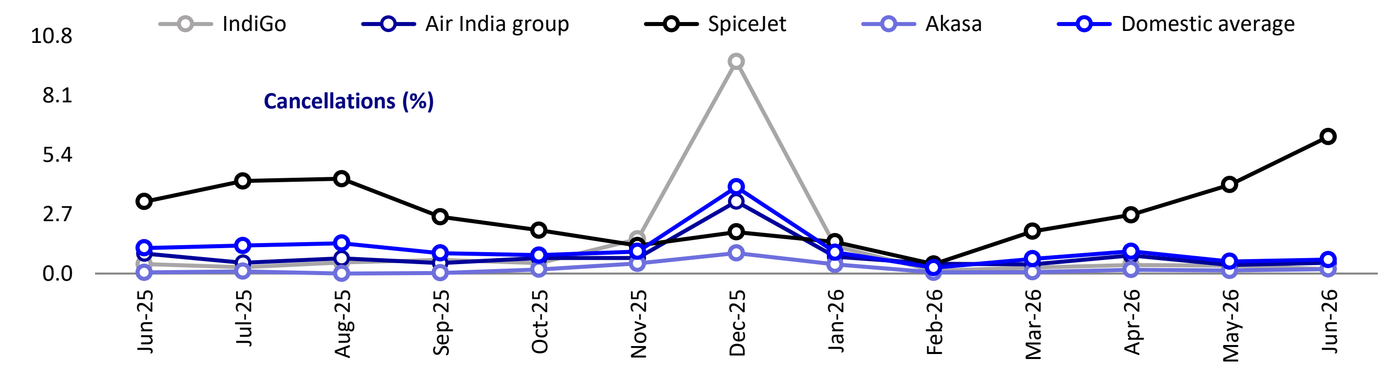
Source: MakeMyTrip, MOFSL

IndiGo's fares on a 15-day forward basis



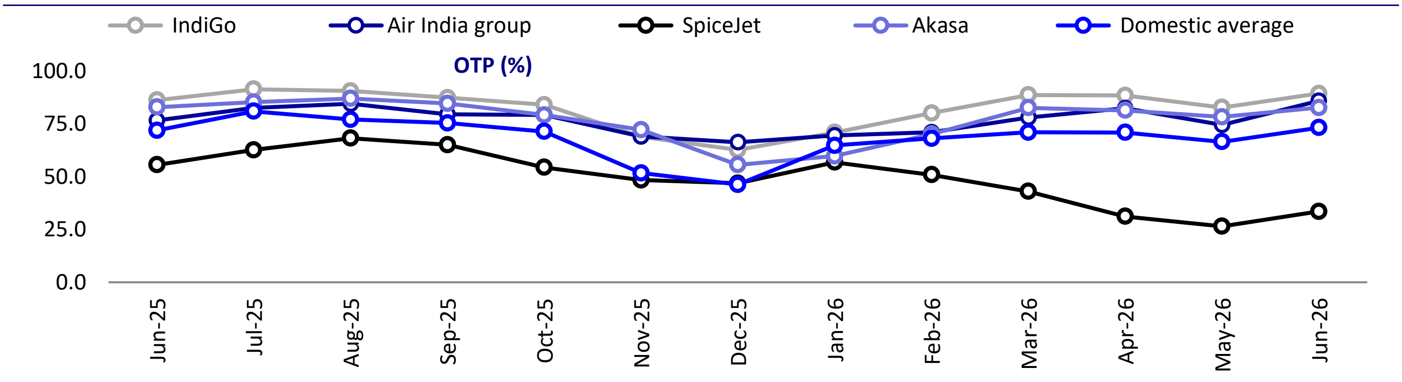
Source: MakeMyTrip, MOFSL

The cancellation rate decreased ~10bp MoM to 0.6% in Jun'26



Source: DGCA, MOFSL

OTP trend of domestic airlines



Source: DGCA, MOFSL

BPCL

BSE SENSEX	S&P CNX
76,755	23,996

Conference Call Details

Date: 23 Jul'26
Time: 1200 hours IST
Dial-in details:
+91 22 6280 1342
+91 22 7115 8243

CMP: INR314 Neutral

Beat led by stronger-than-expected refining performance

- Standalone EBITDA loss stood above our est. at INR40.8b (est. EBITDA loss: INR123.3b).
  - Forex gain stood at INR3.5b.
  - Clean PAT, i.e., PAT adjusted for forex loss, marketing inventory gain, and impairment loss, stood 25% above our est. at INR62b.
  - LPG under-recovery amounted to INR53.8b (INR13.4b in 4QFY26).
- The resulting standalone loss after tax stood above our est. at (INR39.6b); est. loss after tax: INR103.4b)).
  - Other income & finance costs were below our estimates, while depreciation was above.
- The MoP&NG, through letters dated 3/24 Oct'25, approved a compensation of INR75.9b to the Company for under-recoveries on the sale of domestic LPG up to 31st Mar'25, and those expected up to 31st Mar'26. The amount would be released in 12 equal monthly installments, with accruals recognized on a monthly basis starting Nov'25. Accordingly, three equal monthly installments totaling INR19b have been recognized during the quarter.
- **Operational details:**
  - Refining throughput was in line at 10.2mmt.
  - Marketing volumes, excluding exports, stood 4% below our estimate at 13.6mmt.
  - As of Jun'26, BPCL had a cumulative negative net buffer of INR158b due to the under-recovery on LPG cylinders (INR123.2b as of Mar'26).

Standalone - Quarterly Earning (INR b)

Y/E March	FY26				FY27E					Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	1QE	(%)	(%)	(%)
Net Sales	1,125.1	1,049.1	1,190.0	1,186.5	1,512.3	1,180.1	1,149.1	1,152.4	1,188.0	27%	34%	27%
YoY Change (%)	-0.5	2.1	5.2	6.7	34.4	12.5	-3.4	-2.9	5.6			
EBITDA	96.6	103.4	118.4	110.0	-40.8	100.1	81.8	76.0	-123.3	-67%	-142%	-137%
Forex loss	-0.2	5.6	1.7	9.4	-3.5	0.0	0.0	0.0	0.0			
Depreciation	18.8	19.5	19.7	20.4	20.7	20.6	20.6	20.6	20.6			
Interest	3.7	4.2	3.6	4.8	4.2	4.8	4.8	5.4	4.8			
Other Income	7.3	11.9	7.5	10.6	9.1	11.4	11.4	11.4	10.5			
PBT before EO expense	81.6	86.0	100.9	86.1	-53.1	86.0	67.7	61.3	-138.2	-62%	-165%	-162%
Extra-Ord expense	0.0	0.0	0.0	43.5	0.0	0.0	0.0	0.0	0.0			
PBT	81.6	86.0	100.9	42.6	-53.1	86.0	67.7	61.3	-138.2	-62%	-165%	-225%
Rate (%)	24.9	25.0	25.2	25.0	25.3	25.2	25.2	25.2	25.2			
Reported PAT	61.2	64.4	75.5	31.9	-39.6	64.4	50.7	45.9	-103.4	-62%	-165%	-224%
Adj PAT	61.2	64.4	75.5	64.5	-39.6	64.4	50.7	45.9	-103.4	-62%	-165%	-161%
YoY Change (%)	103.1	168.7	62.3	41.7	PL	-0.1	-32.8	-28.9	PL			
Margin (%)	5.4	6.1	6.3	2.7	-2.6	5.5	4.4	4.0	-8.7			
Key Assumptions												
Refining throughput (mmt)	10.4	9.8	10.5	10.4	10.2	10.4	10.4	10.4	10.2	-1%	-3%	-2%
Reported GRM (USD/bbl)	4.9	10.8	13.4	17.9	41.4	14.0	8.0	8.1	15.0	175%	749%	132%
Marketing sales volume excld exports (mmt)	13.6	12.7	14.1	13.9	13.6	13.2	14.6	14.4	14.1	-4%	0%	-2%
Marketing GM incld inv (INR/litre)	8.3	7.2	6.2	5.6	-16.3	4.1	5.3	4.9	-10.1	62%	-295%	-392%

United Spirits

BSE SENSEX	S&P CNX
76,755	23,996

Concall Details

Date: 23rd July 2026
Time: 4:00PM IST
Dial in:
+91 22 6280 1250 /
+91 22 7115 8151
Diamond Pass

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	124.5	137.2	149.8
Sales Gr. (%)	7.6	10.2	9.2
EBITDA	23.0	25.8	28.7
Margin (%)	18.4	18.8	19.1
PAT	16.9	18.6	20.9
EPS (INR)	23.4	25.6	28.7
EPS Gr. (%)	18.5	9.7	12.0
BV/Sh.(INR)	120.0	145.6	174.3
Ratios			
RoE (%)	19.4	17.6	16.5
RoCE (%)	21.7	20.8	19.2
Payout (%)	34.2	62.4	62.7
Valuations			
P/E (x)	60.1	54.8	48.9
P/BV (x)	11.7	9.6	8.1
EV/EBITDA (x)	42.9	37.6	33.4

CMP: INR1,404

In-line but muted quarter

- Standalone net sales grew 6% YoY to INR27.0b (est. INR26.6b) in 1QFY27.
- Further details are awaited. We model flat volume for P&A and ~18% decline for popular category due to a change in the Karnataka and Maharashtra excise policy.
- Gross margin expanded by 210bp YoY to 46.1% (est. 45.5%, 47.3% in 4Q). Headline pricing, product mix and benign RM inflation have been supporting margin expansion.
- A&P spends rose 31%, other expenses increased by 11%, and employee expenses fell marginally 2% YoY.
- EBITDA margin contracted by 30bp YoY to 16% (est. 16.3%, 19.4% in 4QFY26).
- EBITDA grew 4% YoY to INR4.3b (est. INR4.3b).
- Other income was INR2,220m. Since the press release is not yet out, we have assumed INR610m as recurring other income for PBT calculation.
- PBT grew by 9% YoY to INR3.9b (est. INR4.0b).
- APAT rose 12% YoY to INR3.4b (est. INR3.0b) due to a lower tax rate.

Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
(Standalone)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Volume growth %	**9.4**	**7.7**	**-3.2**	**-5.6**	**-3.7**	**4.1**	**7.9**	**11.4**	**1.5**	**5.1**	**-3.7**	
Total revenues	**25,490**	**31,700**	**36,830**	**30,460**	**27,030**	**34,554**	**41,497**	**34,069**	**1,24,480**	**1,37,151**	**26,638**	1.5%
YoY change (%)	8.4	11.5	7.3	3.4	6.0	9.0	12.7	11.8	7.6	10.2	4.5	
Gross Profit	**11,210**	**14,930**	**17,280**	**14,400**	**12,460**	**15,999**	**19,296**	**16,706**	**57,820**	**64,461**	12,120	2.8%
Margin (%)	*44.0*	*47.1*	*46.9*	*47.3*	*46.1*	*46.3*	*46.5*	*49.0*	*46.4*	*47.0*	*45.5*	
Total Exp	21,340	24,980	30,650	24,550	22,710	27,367	34,505	26,792	1,01,520	1,11,373	22,301	
EBITDA	**4,150**	**6,720**	**6,180**	**5,910**	**4,320**	**7,188**	**6,992**	**7,278**	**22,960**	**25,778**	**4,337**	-0.4%
Margins (%)	*16.3*	*21.2*	*16.8*	*19.4*	*16.0*	*20.8*	*16.9*	*21.4*	*18.4*	*18.8*	*16.3*	
EBITDA growth (%)	*-9.4*	*32.5*	*5.1*	*17.0*	*4.1*	*7.0*	*13.1*	*23.1*	*11.6*	*12.3*	*4.5*	
Depreciation	680	650	790	710	700	735	750	777	2,830	2,962	725	
Interest	490	210	190	250	300	275	300	275	1,140	1,150	275	
Other income	610	760	510	760	610	850	750	958	2,640	3,168	700	
PBT	**3,590**	**6,620**	**5,710**	**5,710**	**3,930**	**7,028**	**6,692**	**7,183**	**21,630**	**24,833**	**4,037**	-2.7%
Tax	900	1,600	1,250	1,350	820	1,757	1,707	1,967	4,980	6,251	1,009	
Rate (%)	25.1	24.2	21.9	23.6	20.9	25.0	25.5	27.4	23.0	25.2	25.0	
Adj. PAT	**2,963**	**4,945**	**4,668**	**4,360**	**3,310**	**5,271**	**4,986**	**5,216**	**16,935**	**18,583**	**3,028**	9.3%
YoY change (%)	-0.9	47.6	11.0	16.3	11.7	6.6	6.8	19.6	18.5	9.7	2.2	
Reported PAT	**2,580**	**4,720**	**5,290**	**5,710**	**3,910**	**5,271**	**4,986**	**5,216**	**18,420**	**18,583**	**3,028.0**	

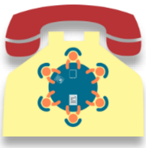
E: MOFSL Estimate

RESULTS FLASH

SRF

BSE SENSEX	S&P CNX
76,755	23,188

Conference Call Details



Date: 23rd July 2026
Time: 11:00am IST
Dial-in details:
Click Here

CMP: INR2,873 — Buy

Earnings beat our estimates

- SRF reported overall revenue of INR50.3b (est. INR44.7b) in 1QFY27, up ~32% YoY. Revenue for Chemical/Packaging Film/Technical Textile businesses grew 26%/42%/28% YoY to ~INR23.2b/INR20.2b/INR5.9b.
- EBITDA margin expanded 5pp YoY to 26.6% (est. of 22%). Gross margin stood at 51.2% in 1QFY27 vs. 50% in 1QFY26. Employee cost: 6.3% vs. 7.3%, power cost: 8.1% vs. 9.5%, and other expenses: 10.2% vs. 11.7%.
- EBITDA stood at INR13.4b (est. of INR10b), rising 63% YoY.
- EBIT margin for Chemical/Packaging Film/Technical Textile businesses expanded 30bp/8pp/10pp YoY to 27.6%/17.3%/18.1%.
- Adj. PAT grew 96% YoY to INR8.4b (est. of INR5.5b), adjusted for forex loss impact of INR1b in 1QFY27.
- The company plans to invest INR2.5b to set up a BOPET Thick Film Line in India, comprising a Bruckner-made production line and a Kampf primary slitter.
- The company is also undertaking a series of smaller capital expenditure projects within the Specialty Chemicals business to enhance capacity and operational efficiencies through debottlenecking initiatives, particularly in the Agrochemicals portfolio.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QF	%
Net Sales	**38,186**	**36,402**	**37,125**	**46,152**	**50,333**	**40,959**	**43,287**	**53,217**	**1,57,865**	**1,87,796**	**44,720**	**13**
YoY Change (%)	10.2	6.3	6.3	7.0	31.8	12.5	16.6	15.3	7.4	19.0	17.1	
Total Expenditure	29,975	28,354	28,924	34,633	36,946	31,617	33,234	39,607	1,21,885	1,41,404	34,678	
EBITDA	**8,212**	**8,048**	**8,202**	**11,519**	**13,387**	**9,343**	**10,052**	**13,609**	**35,980**	**46,392**	**10,043**	**33**
Margins (%)	21.5	22.1	22.1	25.0	26.6	22.8	23.2	25.6	22.8	24.7	22.5	
Depreciation	2,032	2,121	2,169	2,198	2,229	2,300	2,350	2,450	8,521	9,329	2,250	
Interest	799	707	655	620	686	740	730	723	2,780	2,879	750	
Other Income	291	257	273	249	339	300	300	330	1,071	1,269	300	
PBT before EO expense	**5,671**	**5,477**	**5,651**	**8,950**	**10,811**	**6,603**	**7,272**	**10,767**	**25,749**	**35,453**	**7,343**	
Extra-Ord expense & DO	-87	306	1,134	1,379	1,020	0	0	0	2,733	1,020	0	
PBT	**5,758**	**5,171**	**4,517**	**7,571**	**9,792**	**6,603**	**7,272**	**10,767**	**23,016**	**34,433**	**7,343**	
Tax	1,435	1,289	190	1,751	2,203	1,618	1,782	2,639	4,665	8,241	1,799	
Rate (%)	25.3	23.5	3.4	19.6	20.4	24.5	24.5	24.5	18.1	23.2	24.5	
Reported PAT	**4,323**	**3,882**	**4,327**	**5,820**	**7,589**	**4,985**	**5,491**	**8,128**	**18,352**	**26,192**	**5,544**	
Adj PAT	**4,258**	**4,112**	**5,177**	**6,855**	**8,354**	**4,985**	**5,491**	**8,128**	**21,085**	**27,212**	**5,544**	**51**
YoY Change (%)	58.0	83.5	69.6	20.0	96.2	21.2	6.1	18.6	53.9	29.1	31	
Margins (%)	11.2	11.3	13.9	14.9	16.6	12.2	12.7	15.3	13.4	14.5	12.4	

HPCL

BSE SENSEX	S&P CNX
76,755	23,996

CMP: INR395 — Buy

Miss due to weaker-than-estimated marketing margins

- HPCL's EBITDA loss stood 37% higher than our estimate at (INR161.3b) due to weaker-than-estimated marketing margins.
  - Reported GRM stood 33% above our estimate at USD23.8/bbl (note: reported GRM excludes the impact of SAED).
  - Gross marketing margin (including inv.) stood at negative ~INR14.9/lit (est. negative INR9.4/lit).
  - Refining throughput was in line at 6.5mmt. Marketing volumes were also in line at 13.1mmt.
  - LPG under-recovery stood at INR55.9b (vs. INR13.4b in 4QFY26).
- **Loss after tax came 16% higher than our estimate at (INR115.3b)**
  - Other income, finance costs, and depreciation were above our estimates. Forex loss stood at INR0.2b.
- As of Jun'26, HPCL had a cumulative negative net buffer of INR164b due to the under-recovery on LPG cylinders (INR128b as of Mar'26).
- The MoP&NG, through letters dated 3/24 Oct'25, approved a compensation of INR79.2b to the company for under-recoveries on the sale of domestic LPG up to 31 Mar'25, and those expected up to 31 Mar'26. The amount would be released in 12 equal monthly installments, with accruals recognized monthly starting Nov'25. Accordingly, three equal monthly installments aggregating to INR19.8b have been recognized.

Conference Call Details

Date: 23 Jul'26
Time: 10:00 a.m. IST
Dial-in details:
+91 22 6280 1342
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Standalone - Quarterly Performance (INR b)

Y/E March	FY26				FY27					Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	1QE	(%)	(%)	(%)
Net Sales	**1,107.7**	**1,007.8**	**1,150.5**	**1,148.5**	**1,404.9**	**1,136.8**	**1,097.1**	**1,105.6**	**1,241.1**	**13**	**27**	**22**
YoY Change (%)	*-2.7*	*0.9*	*4.1*	*4.9*	*26.8*	*12.8*	*-4.6*	*-3.7*	*12.0*			
EBITDA	**76.7**	**76.2**	**72.6**	**104.3**	**-161.3**	**68.0**	**66.0**	**60.0**	**-117.4**	**37**	**-310**	**-255**
Margin (%)	*6.9*	*7.6*	*6.3*	*9.1*	*-11.5*	*6.0*	*6.0*	*5.4*	*-9.5*			
Depreciation	15.5	15.6	16.2	24.0	18.2	15.9	15.9	13.5	15.9			
Forex loss	0.7	7.3	2.4	14.5	0.2	0.0	0.0	0.0	0.0			
Interest	7.5	7.6	6.7	9.6	7.7	6.5	6.5	5.3	6.5			
Other Income	5.2	5.5	6.9	9.4	12.8	7.1	7.1	1.4	7.1			
PBT	**58.3**	**51.2**	**54.1**	**65.5**	**-174.5**	**52.7**	**50.8**	**42.6**	**-132.7**	**31**	**-399**	**-366**
Rate (%)	*25.0*	*25.2*	*24.8*	*25.2*	*33.9*	*25.2*	*25.2*	*25.2*	*25.2*			
Reported PAT	**43.7**	**38.3**	**40.7**	**49.0**	**-115.3**	**39.5**	**38.0**	**31.8**	**-99.3**	**16**	**-364**	**-335**
YoY Change (%)	*1,128.5*	*506.9*	*34.7*	*46.1*	*PL*	*3.0*	*-6.7*	*-35.0*	*PL*			
Margin (%)	*3.9*	*3.8*	*3.5*	*4.3*	*-8.2*	*3.5*	*3.5*	*2.9*	*-8.0*			
Key Assumptions												
Refining throughput (mmt)	6.7	6.6	6.4	6.4	6.5	6.5	6.5	6.5	6.5	1	-2	1
Reported GRM (USD/bbl)	3.1	8.9	8.9	14.5	23.8	12.0	6.8	6.8	17.9	33	673	64
Marketing sales volume incl exports (mmt)	13.0	12.1	13.3	13.0	13.1	13.4	13.4	13.7	13.4	-2	1	1
Marketing GM incld inv (INR/litre)	7.0	5.8	5.4	6.2	-14.9	4.3	5.6	5.2	-9.4	59	-311	-339

Sona BLW Precision

BSE SENSEX	S&P CNX
76,755	23,996

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	44.8	54.3	61.6
EBITDA	24.7	24.2	24.8
Adj. PAT	6.7	8.0	9.6
EPS (Rs)	10.7	12.9	15.4
EPS Growth (%)	8.6	20.5	19.1
BV/Share (Rs)	98.6	107.3	117.7
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	11.3	12.6	13.7
RoCE (%)	10.8	11.8	12.9
Payout (%)	31.7	32.9	32.5
Valuations			
P/E (x)	67.7	56.1	47.2
P/BV (x)	7.4	6.8	6.2
EV / EBITDA (x)	40.4	33.8	28.9
Div. Yield (%)	0.5	0.6	0.7
FCF Yield (%)	0.4	1.1	1.0

CMP: INR726 — Neutral

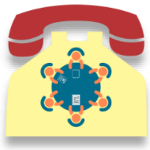
JV with Denso on EV powertrains appears lucrative

- Sona Comstar and Denso have signed definitive agreements to establish two JVs to develop, design, manufacture and market advanced electric and hybrid powertrain systems across multiple vehicle segments.
- One JV will focus on liquid-cooled traction inverters, traction motors and generators for electric and hybrid 4Ws and larger vehicle applications (JV2). The other JV will focus on air-cooled traction inverters, traction motors and generators, and e-Axles for electric and hybrid 2Ws and 3Ws (JV1).
- Under JV1, Sona Comstar will transfer its existing electric traction motor and controller business for two-wheelers and three-wheelers into its wholly owned subsidiary (Sona e-drive) through a slump sale. Subsequent to this transfer, DENSO, directly or through its affiliates, will acquire a 49% equity stake in Sona e-drive at an enterprise value of INR17.5b (estimated valuation stands at 45x PER on TTM basis adjusted for PLI and royalty payments), while Sona Comstar will retain the balance 51% and management control. This partnership aims to expand product offerings through accelerated innovation and create opportunities to serve a broader customer base. The transferred EV business reported FY26 turnover of INR3.9b and net worth of INR3.5b.
- Under JV2, Sona Comstar and DENSO will develop liquid-cooled traction inverters, traction motors and generators for electric and hybrid PVs, CVs and other high-voltage applications. To commercialize these products, the partners will establish JV2 to manufacture them in India. In this JV, DENSO will hold a 51% equity stake and assume management control, while Sona Comstar will hold the remaining 49% and contribute its engineering capabilities, manufacturing expertise and established supply chain ecosystem.
- Initial investment in JV2 would amount to INR535m, of which Sona Comstar would invest INR262m. The partners will jointly develop the products, and the agreement allocates rights over IP generated during development.
- Both Sona Comstar and DENSO are also expected to license technology and know-how to the JV that each controls, against royalty payments.
- The transaction is proposed to be completed on or before 31st Mar'27, subject to receipt of relevant regulatory approvals and customary closing conditions mutually agreed between the parties in the definitive agreements. However, both partners would continue product development in the interim.
- As per our understanding, JV2 is critical for Sona Comstar as it has been finding it difficult to enter the traction motor/invertor business in 4Ws given the high technology requirements. Further, in 2Ws and 3Ws, while Denso has always had strong technology, JV1 will work toward producing India-specific cost-effective solutions. They aim to target the Indian market initially, and may look to export as per the understanding between both partners.
- While we await further clarity on the scope of these JVs from management (after result call at 4.30pm on 23rd Jul'26), prima-facie, this strategic tie-up appears lucrative for long-term growth prospects of the company.

CIE India Automotive

BSE SENSEX	S&P CNX
76,775	23,996

Conference Call Details



Date: 23 July 2026
Time: 12:30PM IST
Concall registration:
Diamond Pass Registration

Financials & Valuations (INR b)

INR b	CY25	CY26E	CY27E
Sales	94.1	103.6	109.7
EBITDA (%)	14.5	15.3	15.4
Adj. PAT	8.3	9.8	10.3
EPS (INR)	22.0	26.0	27.3
EPS Growth (%)	1.5	17.9	5.2
BV/Share (Rs)	197	215	234
Ratio			
RoE (%)	11.9	12.6	12.2
RoCE (%)	10.8	11.9	11.8
Payout (%)	32.3	31.8	31.9
Valuations			
P/E (x)	21.5	18.2	17.3
P/BV (x)	2.4	2.2	2.0
Div. Yield (%)	1.5	1.7	1.8
FCF Yield (%)	4.9	4.1	4.2

CMP: INR472 Buy

Steady performance, in line with estimates

- 2QCY26 consol. revenue grew 11% YoY to INR26.2b, coming in line with our estimate of INR26b. Revenue growth was led by ~12% growth in the India business and currency translation benefits in Europe business (13% benefit).
- EBITDA stood at ~INR3.9b (in line with estimates), up 15.7% YoY. EBITDA margins stood at 14.9% (est. 15.1%), up 70bp YoY/down 50bp QoQ.
- Adj. PAT grew 15.5% YoY to INR2.3b, slightly below our estimate of INR2.4b.
- **Indian business performance:** Revenue grew 12.4% YoY to ~INR17b (in line). India EBITDA margin stood at 15% (est. 15.5%), down 70bp YoY. Margins were slightly impacted by energy/gas/material cost inflation due to the conflict in West Asia.
- **EU business performance:** EU business revenue saw a healthy 7.4% YoY growth to INR9.2b, broadly in line with our estimates of INR8.9b. Entire revenue growth was driven by currency translation gains, while revenue in EUR terms declined 6% YoY. Margins expanded 300bp YoY to 14.6%, marginally above our estimate of 14.4%. Margin expansion was due to restructuring benefits of Legazpi and Metlascastello.
- For 1HCY26, consol. CFO was at ~INR6.2b, and the company is free cash positive at INR4.9b.
- The stock currently trades at ~18.2x/17.3x CY26E/CY27E consol. EPS.

Key highlights from the presentation:

- **India light-vehicle forecast**: IHS forecasts production growth of 10.8% for 3QCY26 and a decline of 2.8% YoY in 4QCY26.
- **India MHCV forecast:** SIAM forecasts similar growth trend as seen in 2QCY26, i.e., 6.3% YoY growth.
- **India tractor forecast:** TMA expects the strong growth to taper off from 3QCY26 onward, while 4QCY26 is expected to post a decline.
- **India 2W forecast:** SIAM expects 5-10% growth in 3Q and 4QCY26 vs. 22.9% growth in 2QCY26.
- **EU (w/o Russia) light-vehicles forecast**: IHS Global projects light-vehicle production to decrease in 3Q/4QCY26 by 0.8%/3.4% vs. a decline of 2.4% in 2QCY26.
- **EU (w/o Russia) MHCV forecast**: IHS Global projects MHCV production to decrease in 3QCY26 by 2.3%, while 4QCY26 volumes will remain flat vs. a 2.5% decline in 2QCY26.

Quarterly performance (Consol.)

(INR m)	CY25				CY26E				CY25	CY26E		Var.
Y/E December	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3QE**	**4QE**			**2QE**	**(%)**
Net Sales	**22,726**	**23,690**	**23,718**	**23,930**	**26,120**	**26,206**	**25,354**	**25,956**	**94,065**	**103,635**	**26,031**	0.7
YoY Change (%)	-6.4	3.3	11.1	13.4	14.9	10.6	6.9	8.5	4.9	10.2	9.9	
EBITDA	**3,355**	**3,368**	**3,557**	**3,469**	**4,019**	**3,896**	**3,900**	**4,130**	**13,625**	**15,871**	**3,942**	-1.2
Margins (%)	14.8	14.2	15.0	14.5	15.4	14.9	15.4	15.9	14.5	15.3	**15.1**	-30bp
YoY Change (%)	-7.0	-6.5	7.6	15.9	19.8	15.7	9.7	19.1	0.9	16.5	17.1	
Depreciation	864	871	890	955	943	971	952	953	3,581	3,744	944	2.8
Interest	126	16	36	87	92	102	74	53	265	326	83	22.6
Other Income	361	221	192	239	283	286	285	299	1,013	1,154	275	4.2
Share of profit from associates	5	7	2	9	11	10	9	11	23	40	10	
PBT after EO exp	**2,725**	**2,701**	**2,822**	**2,543**	**3,267**	**3,110**	**3,159**	**3,424**	**10,668**	**12,832**	**3,190**	-2.5
Tax Rate (%)	24.6	25.1	24.5	21.4	24.4	24.9	24.6	24.2	24.2	24.8	24.6	
Adj. PAT	**2,060**	**2,030**	**2,132**	**2,101**	**2,481**	**2,344**	**2,392**	**2,604**	**8,323**	**9,909**	**2,416**	-3.0
YoY Change (%)	-10.5	-6.2	9.5	17.4	20.4	15.5	12.2	24.0	1.5	19.1	19.0	
Margins (%)	9.1	8.6	9.0	8.8	9.5	8.9	9.4	10.0	8.8	9.6	9.3	
Revenues												
India	14,658	15,154	15,677	15,935	16,635	17,038	17,070	17,326	61,423	68,069	17,084	-0.3
Growth (%)	2.7	6.0	8.0	10.4	13.5	12.4	8.9	8.7	6.7	10.8	12.7	
EU	8,069	8,536	8,043	7,995	9,485	9,167	8,284	8,629	32,642	35,566	8,947	2.5
Growth (%)	(19.3)	(1.2)	17.8	19.9	17.5	7.4	3.0	7.9	12.2	9.0	4.8	
EBITDA Margins												
India	15.7	15.7	15.9	15.9	16.0	15.0	15.8	16.6	15.6	15.8	15.5	-50bp
EU	13.1	11.7	13.2	11.8	14.3	14.6	14.6	14.5	12.4	14.3	14.4	20bp

E: MOFSL Estimates; AEL merged w.e.f 2QCY19

UTI AMC

BSE Sensex	S&P CNX
76,755	23,996

Conference Call Details

Date: 23rd July 2026
Time: 4:00 PM IST
Link for the call

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
AAUM (INRb)	3,804	4,278	4,841
MF Yield (bps)	33.0	30.8	28.8
Rev from Ops	15.4	16.4	17.6
Core PAT	3.4	5.0	5.7
PAT	4.7	7.4	8.2
PAT (bp/AAUM)	15	17	17
Core EPS	27	40	45
EPS	37	58	64
EPS Grw. (%)	-42	56	11
BVPS	354	371	391
RoE (%)	10	16	17
Div. Payout (%)	94	70	70
Valuations			
Mcap/AUM	3.1	2.7	2.4
P/E (x)	24.5	15.7	14.1
P/BV (x)	2.6	2.5	2.3
Div. Yield (%)	4.4	4.4	4.9

CMP: INR910 | **BUY**

Lower operating expenses and higher other income lead to a beat on PAT

- Overall MF QAAUM grew 9% YoY but was flat QoQ at INR3.9t. Hybrid/ETFs/Index/Liquid funds grew 23%/15%/19%/8% YoY while equity funds remained flat YoY and debt funds declined 9% YoY.
- Revenue from operations came in at INR 3.8b (in line), reflecting flat growth on a YoY and QoQ basis.
- Yield on management fees came in at 38.6bp in 1QFY27 vs 42bp in 1QFY26 and 38.6bp in 4QFY26.
- Total opex came in at INR2b, declining 3% YoY/12% QoQ (12% lower than our est.). As bp of QAAUM, it came in at 20.5bp in 1QFY27 (vs. 22.9bp in 1QFY26 and 23.4bp in 4QFY26).
- EBITDA was INR1.8b in 1QFY27 (13% beat due to lower expenses). EBITDA margin came in at 46.9% vs. 45.4% in 1QFY26 and 39.3% in 4QFY26.
- Other income stood at INR2.1b (largely led by MTM impact) vs our est. at INR1b and INR1.7b in 1QFY26.
- PAT stood at INR2.9b in 1QFY27 (58% beat due to lower operating expenses and higher other income). PAT margins for the quarter came in at 77.6% vs. 66.9% in 1QFY26.
- The Board approved a final dividend of INR40 per equity share.

Valuation and view

- The core AMC operations of UTI AMC have seen consistent growth in AUM, aided by a diversified product mix, with a strong tilt toward equity, healthy SIP inflows, and robust retail traction. We expect UTI AMC to report a CAGR of 13%/7%/30% in AUM/revenue/core PAT over FY26-28.
- **We have a BUY rating with a TP of INR1,100, based on 24x FY28E core EPS.** We will revisit our estimates after the conference call scheduled for 23rd Jul'26.

Quarterly Performance **(INR m)**

Y/E March	FY26				FY27	FY26	FY27E	1QFY27E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q						
Revenue from Operations	3,793	3,900	3,947	3,749	3,787	15,389	16,437	3,861	-1.9	-0.1	1.0
Change YoY (%)	12.6	4.6	5.2	4.1	-0.1	6.5	6.8	1.8			
Fees & Commission	8	8	10	12	11	38	56	12	-5.8	46.8	-7.4
Employee Expenses	1,292	1,588	1,327	1,320	1,216	5,527	5,306	1,320	-7.8	-5.8	-7.8
Other expenses	770	817	811	944	782	3,342	3,830	950	-17.7	1.5	-17.2
Total Operating Expenses	2,069	2,413	2,148	2,276	2,009	8,907	9,191	2,282	-11.9	-2.9	-11.7
Change YoY (%)	16.2	26.9	16.3	10.1	-2.9	17.2	3.2	10.3			
EBITDA	**1,724**	**1,487**	**1,799**	**1,473**	**1,778**	**6,483**	**7,246**	**1,579**	**12.6**	3.2	20.7
EBITDA margin (%)	45.4	38.1	45.6	39.3	46.9	42.1	44.1	41	605 bp	150 bp	766 bp
Other Income	1,693	314	1,232	-1,476	2,065	1,763	3,006	1,000	106.5	22.0	-239.9
Depreciation	123	127	127	132	131	509	556	135	-3.2	6.5	-1.1
Finance Cost	34	33	33	32	33	132	139	33	-0.6	-3.0	2.8
PBT	**3,260**	**1,641**	**2,871**	**-167**	**3,679**	**7,605**	**9,557**	**2,411**	**52.6**	12.9	-2296.7
Exceptional item (VRS & Labor costs)	**0**	**0**	**1,089**			**1,089**	**0**				
Tax Provisions	722	319	405	346	741	1,792	2,198	554	33.6	2.7	113.9
Net Profit	**2,539**	**1,322**	**1,378**	**-514**	**2,939**	**4,725**	**7,359**	**1,856**	**58.3**	15.8	-671.8
Change YoY (%)	-7.5	-49.7	-20.6	-150.4	15.8	-41.9	55.8	-26.9			
Core PAT	**1,220**	**1,069**	**1,408**	**962**	**1,289**	**3,377**	**5,044**	**1,086**	**18.7**	5.7	34.0
Change YoY (%)	5.2	-19.1	1.9	5.1	5.7	-29.3	49.4	-11.0			
Key Operating Parameters (%)	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**						
Revenue / AUM (bps)	42.0	41.2	40.1	38.6	38.6	42.6	43.4	39	-4 bp	-346 bp	-2 bp
Opex / AUM (bps)	22.9	25.5	21.8	23.4	20.5	24.7	24.3	23	-236 bp	-247 bp	-297 bp
PAT / AUM (bps)	28.1	14.0	14.0	-5.3	29.9	13.1	19.4	19	1136 bp	179 bp	3522 bp
Cost to Operating Income Ratio	54.6	61.9	54.4	60.7	53.1	57.9	55.9	59.1	-605 bp	-150 bp	-766 bp
EBITDA Margin	45.4	38.1	45.6	39.3	46.9	42.1	44.1	40.9	605 bp	150 bp	766 bp
Tax Rate	22.1	19.4	14.1	-206.8	20.1	23.6	23.0	23.0	-287 bp	-200 bp	22694 bp
PAT Margin	66.9	33.9	34.9	-13.7	77.6	30.7	44.8	48.1	2951 bp	1066 bp	9130 bp
Core PAT Margin	32.2	27.4	35.7	25.7	34.0	21.9	30.7	28.1	591 bp	188 bp	837 bp
Opex Mix (%)											
Fees & Commission	0.4	0.3	0.5	0.5	0.6	0.4	0.6	0.5	4 bp	19 bp	3 bp
Employee Expenses	62.4	65.8	61.8	58.0	60.5	62.1	57.7	57.8	269 bp	-188 bp	254 bp
Others	37.2	33.9	37.7	41.5	38.9	37.5	41.7	41.6	-273 bp	169 bp	-257 bp
Key Parameters											
QAUM (INR b)	3,609	3,784	3,938	3,885	3,927	3,609	3,784	3,999	-1.8	8.8	1.1

Shoppers Stop

BSE SENSEX	S&P CNX
76,755	23,996

Conference Call Details

Date: 23rd July, 2026

Time: 11am IST

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	47.1	50.4	54.9
EBITDA	1.4	1.9	2.3
Adj. PAT	(0.7)	(0.1)	(0.1)
EBITDA Margin (%)	3.0	3.7	4.2
Adj. EPS (INR)	(5.9)	(0.9)	(1.0)
EPS Gr. (%)	NA	NA	NA
BV/Sh. (INR)	35.8	34.6	33.3
Ratios			
Net D:E	10.3	10.3	9.7
RoE (%)	(20.4)	(3.4)	(4.0)
RoCE (%)	4.6	5.9	6.4
Payout (%)	-	-	-
Valuations			
P/E (x)	-	-	-
EV/EBITDA (x)	10.0	8.8	7.5
EV/Sales (x)	1.5	1.4	1.2

CMP: INR376 Neutral

Department store momentum accelerates; balance sheet continues to improve

- Shoppers Stop's standalone revenue grew 8% YoY to INR11.9b (1% ahead of our estimate), supported by healthy growth in the core departmental store business.
  - **Department store revenue increased 7% YoY**, supported by **6% LFL growth**, with customer entry rising **3%** and ATV rising **10%**.
  - **Premiumization remained the key growth driver**, with premium portfolio sales growing **15% YoY (LFL 13%)** and contribution rising to **72%** (+490bp YoY).
  - Personal Shopper sales increased **12%**, contributing **26%** of department store sales (+100bp YoY).
  - Beauty distribution (GSSBB) delivered another strong quarter, with revenue growing **53% YoY** to a record **INR1.3b**.
  - **INTUNE** revenue grew 21% YoY to INR820m, with **10% LFL growth**, marking the first positive LFL after four quarters. Improved inventory freshness, expanded INR1,299 price points, and better repeat metrics supported the turnaround.
  - **Standalone beauty** remained the only laggard, with **revenue declining 10%**.
  - The company **added four net stores** during the quarter, comprising **2 department stores, 1 beauty store, and 1 INTUNE store**, taking the network to **367 stores**.
- Gross profit increased 6% YoY to INR4.8b, while gross margins contracted ~82bp YoY to 40.1%, reflecting continued pressure on merchandise margins.
- Employee costs rose 5% YoY, while other operating expenses increased 4% YoY.
- EBITDA grew 9% YoY to INR1.8b (1% ahead of our estimate), with EBITDA margins largely flat YoY at 15.2%, as operating leverage had offset part of the gross margin pressure.
  - **Pre-Ind AS core business EBITDA increased 17% YoY to INR480m**, with margins expanding 35bp to **3.6%**.
  - Meanwhile, **new ventures EBITDA loss narrowed to INR100m** (vs. INR140m in 1QFY26 and INR210m in 4QFY26), indicating improving unit economics.
  - Consol Pre-IND AS EBITDA grew 36% YoY to INR414m, with margin at 3%, rising 55bp YoY.
- EBIT increased 18% YoY to INR446m, with margins expanding ~29bp YoY to 3.8%.
- Finance costs remained broadly flat YoY, while other income declined 49% YoY, weighing on reported profitability.
- Reported PAT loss narrowed to INR167m (vs. loss of INR179m in 1QFY26), broadly in line with our estimate.

Balance sheet / cash flow

- **Inventory declined INR800m YoY** (INR360m QoQ), reflecting a continued focus on inventory discipline, improved freshness, and tighter working capital management. Inventory reduction was visible across both the core business and INTUNE.
- **Net debt reduced by INR930m YoY**, despite INR500m capital infusion into GSS Beauty Brands, highlighting healthy operating cash generation and disciplined capital allocation.
- The company invested **INR440m towards expansion**, opening eight new stores during the quarter, while continuing to strengthen its beauty distribution platform through incremental investments in GSSBB.

Management commentary:

- Management highlighted sustained demand momentum in 1QFY27, with department store LFL growth of 6% driven by 3% higher customer footfalls and 10% growth in ATV, reflecting continued success of its premiumization strategy. Premium brands now contribute 72% of sales, while loyalty engagement remained robust, with First Citizen contributing 85% of sales.
- **INTUNE sustained its turnaround momentum**, delivering its **first positive LFL growth (+10%) in four quarters**, supported by improved inventory freshness, expanded INR1,299 price-point assortment and better repeat customer metrics. Management remains focused on inventory discipline, operational rigor, and achieving a **debt-free balance sheet by FY27**.

Standalone P&L (INR m)	1QFY26	4QFY26	1QFY27	YoY%	QoQ%	1QFY27E	v/s Est (%)
Total Revenue	**10,942**	**11,173**	**11,854**	**8**	**6**	**11,712**	**1**
Raw Material cost	6,464	6,531	7,101	10	9	6,948	2
Gross Profit	**4,478**	**4,643**	**4,753**	**6**	**2**	**4,763**	**0**
Gross margin (%)	***40.9***	***41.6***	***40.1***	***-82bp***	***-145bp***	***40.7***	***-57bp***
Employee Costs	1,040	1,124	1,096	5	-3	1,091	0
SGA Expenses	1,776	1,739	1,854	4	7	1,887	-2
EBITDA	**1,662**	**1,780**	**1,804**	**9**	**1**	**1,785**	**1**
EBITDA margin (%)	***15.2***	***15.9***	***15.2***	***3bp***	***-72bp***	***15.2***	***-3bp***
Depreciation and amortization	1,282	1,425	1,357	6	-5	1,410	-4
EBIT	380	356	446	18	26	375	19
EBIT margin (%)	*3.5*	*3.2*	*3.8*	*29bp*	*58bp*	*3.2*	*57bp*
Finance Costs	718	705	720	0	2	709	2
Other income	100	86	51	-49	-40	105	-51
Exceptional item	0	-13	0	NM	NM	0	
Profit before Tax	**-238**	**-276**	**-223**	**-7**	**NM**	**-229**	**3**
Tax	-59	-94	-55	-7	NM	-58	4
Tax rate (%)	*24.9*	*NM*	*24.9*			*25.2*	
Profit After Tax	**-179**	**-183**	**-167**	**-7**	**-9**	**-171**	**2**
Adj Profit After Tax	**-179**	**-170**	**-167**	**-7**	**-2**	**-171**	**2**

Pre-IND AS P&L (INR m)	1QFY26	4QFY26	1QFY27	YoY%	QoQ%
Total Revenue	12,380	12,900	13,730	11	6
Gross Profit	**4,450**	**4,630**	**4,780**	**7**	**3**
Gross margin (%)	***35.9***	***35.9***	***34.8***	***-113bp***	***-108bp***
Lease rent	1,410	1,520	1,460	4	-4
Opex	2,735	2,787	2,907	6	4
EBITDA	**305**	**323**	**414**	**36**	**28**
EBITDA margin (%)	***2.5***	***2.5***	***3.0***	***55bp***	***51bp***
Depreciation and amortization	320	410	360	13	-12
EBIT	-15	-87	54	-459	-161
EBIT margin (%)	*-0.1*	*-0.7*	*0.4*	*51bp*	*107bp*
Finance Costs	40	30	50	25	67
Other income	230	260	280	22	8
Exceptional item	20	10	10	NM	NM
Profit before Tax	**-120**	**-120**	**10**	**-108**	**NM**
Tax	-60	-90	-50	-17	NM
Profit After Tax	**-70**	**-30**	**50**	**-171**	**-267**

	1QFY26	4QFY26	1QFY27	*YoY%*	*QoQ%*
SSSG (%)	**5.0%**	**5.0%**	**6.0%**		
Shoppers Stop stores	**112**	**113**	**115**	3	2
Net SS stores added	0	3	2	*NM*	*NM*
Intune stores	**75**	**84**	**85**	*13*	1
Net Intune stores added	4	3	1	*NM*	*NM*

Core Business	1QFY26	4QFY26	1QFY27	YoY%	QoQ%
Sales	12,660	12,820	13,440	6	5
Pre-IND AS EBITDA	410	500	480	17	-4
% Margin	3.2	3.9	3.6	33	-33

New Business	1QFY26	4QFY26	1QFY27	YoY%	QoQ%
Sales	700	720	820	17	14
Pre-IND AS EBITDA	-140	-210	-100	-29	-52
% Margin	-15.6	-29.2	-12.2	343	1,697

Bajaj Auto: Expect Export Monthly Run-Rate To Continue Above 2.5 Lakh Units: Company; Rakesh Sharma, Joint MD

- Exports: Expects 250k+ monthly exports from 2QFY27, supported by strong global demand.
- Growth: Positive outlook for exports, EVs and premium motorcycles despite macro uncertainty.
- EVs: Demand is largely shifting from ICE scooters; EV momentum remains strong.
- Capacity: Expanding capacity 25% to 9m+ units to support future growth.

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IHCL: MD Hints At FY27 Guidance Upgrade As Hotel Demand Surges Beyond Expectations; Puneet Chhatwal, MD

- Robust domestic travel continues to drive hotel performance, while airline catering is expected to recover as geopolitical disruptions ease.
- Guidance: Management indicated RevPAR guidance could be revised upward if strong demand trends persist.
- Growth strategy: Expansion remains focused on asset-light hotel additions alongside selective investments in flagship properties.
- Capital allocation: Strong cash reserves will fund strategic capex, acquisitions, and support the growing management fee business.

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Anthem Biosciences: Expect Revenue Split To Remain Unchanged Through 2026-End: Co; Ajay Bhardwaj, MD & CEO

- Growth: 1Q weakness was timing-related; management expects strong FY27 growth backed by a healthy order book.
- Pipeline: Four products commercialized, with 10 more in late-stage development.
- Tariffs: No material impact expected as Anthem has no generic drug exposure.
- Capex: Focus remains on capacity expansion, with M&A opportunities evaluated selectively.

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Granules India :Generic Pharma Tariffs | A 25-30% Cost Surge Likely If Generic Mfg Moves To Us; Priyanka Chigurupati, ED

- Tariffs: Proposed US generic tariffs are seen as difficult to implement; Granules' US presence provides flexibility.
- FY27 outlook: Management expects strong growth to continue despite near-term input cost volatility.
- Margins: Raw material inflation is being partly offset through price hikes and long-term customer contracts.
- Complex generics: Mix continues to improve, while the Gagillapur USFDA reinspection is expected soon

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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

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