New-age Tech: Q1FY27 Quarterly Results Review

Structural Growth Intact; AI Monetisation Drives Differentiation

Sector View: Positive

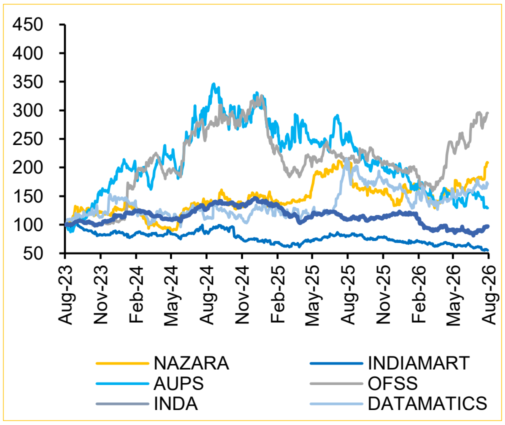
Recommendation			
Company (Ticker)	**CMP (INR)**	**TP (INR)**	**Rated**
NAZARA	353	400	ADD
MEESHO	192	220	BUY
INMART	1,770	2,060	BUY
AUPS	719	1,100	BUY
OFSS	11,697	11,750	ADD
INDA	706	1,050	BUY
FRACTAL	821	1,080	BUY
DATAMATICS	854	920	ADD

**CMP as on Aug 12, 2026*
Rating has been revised as per CMP

Relative Performance (%)			
YTD	**3Y**	**2Y**	**1Y**
BSE IT	(2.6)	(24.1)	(11.3)
NAZARA	105.9	55.6	1.6
MEESHO	-	-	-
INMART	(44.7)	(36.2)	(31.5)
AUPS	29.0	(55.2)	(49.3)
OFSS	196.7	16.8	36.8
INDA	3.1	(23.6)	(23.9)
FRACTAL	-	-	-
DATAMATICS	(2.6)	(24.1)	(11.3)

Note: MEESHO & FRACTAL are recent listings;
Source: Company, Choice Institutional Equities

Relative Performance



Source: Company, Choice Institutional Equities

Kunal Bajaj
Email: kunal.bajaj@choiceindia.com
Ph.: +91 22 6707 9901
Avi Jhaveri
Email: avi.jhaveri@choiceindia.com
Ph.: +91 22 6707 9901
Rushil Katiyar
Email: rushil.katiyar@choiceindia.com
Ph.: +91 22 6707 9901

Key Takeaways – Q1FY27 Management Commentary
Financial Snapshot
Preferred Investment Ideas

Q1FY27 results reinforce our **positive view on New-age Tech and Software,** with the sector witnessing a **healthy underlying demand, a strong deal momentum and increasing adoption of AI-led platforms.** Although quarterly performance remained mixed across companies, particularly due to project execution delays and seasonality, **the medium-term growth outlook remains intact**, supported by expanding addressable markets, platformisation and improving monetisation. **AI is emerging as the key structural growth driver**, with companies increasingly moving from traditional software and systems of record towards AI-native platforms and systems of intelligence. **Overall, we believe the sector is entering a phase where AI adoption, platformisation and monetisation are increasingly translating into scalable revenue growth and improving profitability.** We therefore favour companies with visible growth pipelines, differentiated AI capabilities, strong platform/IP-led offerings and scope for margin expansion. **Our top investment ideas remain Meesho, Fractal & Aurionpro Solutions.**

1. Nazara Technologies (NAZARA) | Rating: ADD | TP: INR 400 | Upside: 13.4%

NAZARA reported Q1FY27 revenue of INR 4.29 Bn (-14.0% YoY; +7.8% QoQ), impacted by the deconsolidation of Nodwin; however, comparable revenue (excluding Nodwin) increased ~9% YoY, reflecting a healthy underlying demand. Gaming remained the key growth engine, with revenue rising 14% YoY to INR 2.75 Bn, supported by a strong performance from Kiddopia, Fusebox and Animal Jam, while all gaming businesses remained EBITDA-positive. EBITDA margin stood at 10.8%, reflecting elevated user acquisition spending and softer profitability in AdTech. **We expect growth to accelerate from H2FY27, supported by Bluetile & BestPlay consolidation, expanding global gaming franchises and continued execution across the gaming portfolio.** While acquisition funding and integration remain key monitorables, we believe NAZARA is well-positioned to deliver long-term value through disciplined capital allocation, expanding global gaming IPs and improving operating leverage. We value the company using the **SOTP method** and arrive at a **TP of INR 400 (maintained), thus assigning 'ADD' rating.**

2. Meesho (MEESHO) | Rating: BUY | TP: INR 220 | Upside: 15.0%

Meesho reported a strong Q1FY27 operating performance, with Annual Transacting Users (ATU) scaling-up to **274 Mn (+28.5% YoY)** and Annual Transacting sellers to **1.04 Mn (81% YoY),** reinforcing its position as India's largest E-commerce platform by user base. Order volumes grew **29.0% YoY**, while order frequency improved to **10.3x** during the quarter, indicating rising user engagement. NMV increased by **~34% YoY** to **INR 116.1 Bn,** supported by an improvement in the GMV-to-NMV conversion ratio to **61.0% (vs. 57.3% last year)**. Through the Kirana Club acquisition and the development of local supply chains, Meesho is positioning itself to capture the massive grocery and staples market. **Over the long term, we believe this initiative could enable the company to replicate its asset-light, low-cost logistics model (similar to Valmo) in grocery delivery, significantly expanding its TAM, particularly in value-conscious and underserved regions.** Contribution margin improved to **4.6% of NMV in Q1FY27 (vs. 4.0% in Q4FY26)**, driven by continued logistics efficiencies through Valmo, Meesho's in-house logistics network and also through third-party logistics partners. Accordingly, we **raise our FY28 revenue estimate** to reflect the stronger growth outlook and upgrade the stock to '**BUY'** with a target price of **INR 220**, based on **4.0x FY28E EV/Revenue**

Peer Comparison

Company	CMP (INR)	TP (INR)	Revenue CAGR (FY26-29E)	EPS CAGR (FY26-29E)	EBITDAM (%)				EPS (INR)				PE (x)			
					FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
NAZARA	353	400	49.7%	61.1%	13.9	12.3	14.5	15.1	2.2	1.5	5.4	9.2	70.9	55.1	46.2	36.3
MEESHO	192	220	37.7%	NA	-11.8	-3.0	0.6	3.9	-3.1	-0.5	1.4	4.0	NA	NA	130.9	46.6
INMART	1,770	2,060	11.0%	13.8%	33.8	33.3	33.5	33.7	78.8	91.6	102.9	116.2	22.4	19.5	17.3	15.3
AURIONPRO	719	1,100	24.9%	25.8%	20.0	18.1	19.2	21.0	34.7	38.9	45.2	54.6	20.7	18.5	15.9	13.2
OFSS	11,697	11,750	12.6%	18.1%	45.3	52.9	49.7	51.1	303.5	439.0	419.7	499.5	25.4	26.6	22.3	19.8
INTELLECT	706	1,050	14.4%	33.0%	19.1	20.3	23.7	24.9	25.0	35.8	48.6	58.5	28.3	19.7	14.5	12.1
FRACTAL	821	1,080	18.4%	16.7%	10.7	13.4	14.6	13.2	18.2	20.3	27.0	28.9	45.1	40.5	30.4	28.4
DATAMATICS	854	920	9.6%	19.8%	14.5	14.4	14.4	15.0	32.9	46.9	49.7	56.5	26.0	18.2	17.2	15.1

Source: Company, Choice Institutional Equities

3. Indiamart Intermesh (INMART) | Rating: BUY | TP: INR 2,060 | Upside: 31.3%

INMART reported a steady revenue growth of 11% YoY, primarily driven by improved realisation from paying suppliers despite continued weakness in subscriber addition. The company continues to focus on improving product-market fit, enquiry quality and retention economics, avoiding low-quality customer acquisition which could increase CAC and reduce LTV. INMART is enhancing its marketplace through trust infrastructure, AI-based matching, payment protection, pricing initiatives and diversified buyer acquisition. **Overall, we expect the company to focus on improving marketplace quality before reigniting subscriber growth, with churn stabilisation, higher buyer activity and supplier recovery driving growth re-acceleration.** We retain our **'ADD'** rating but lower our multiple to **20x (earlier 22x)** to arrive at a TP to **INR 2,060**, as a meaningful re-rating is contingent on sustained improvement in subscriber addition, buyer traffic and marketplace activity.

4. Aurionpro Solutions (AUPS) | Rating: BUY | TP: INR 1,100 | Upside: 53.1%

AUPS reported a weaker-than-expected Q1FY27 performance, with **revenue conversion** impacted by seasonality, higher input cost, project execution delays and geopolitical disruption in the Middle East. The **Banking & Fintech segment** reported revenue of **INR 2,010 Mn (+4.7% YoY**), while the **Technology Innovation Group (TIG) segment** grew **8.3% YoY to INR 1,570 Mn**. Despite the execution-led softness, deal momentum remained robust, with the company securing multiple marquee wins, including its largest-ever US contract **(USD 33+ Mn).** The order book remained healthy at **INR 19.5 Bn** at the end of Q1FY27 **(+8.3% QoQ, +33.6% YoY)**, implying a healthy **1.4x** LTM book-to-bill ratio. **Additionally, the data center business is expected to witness a meaningful ramp-up from Q2, with a projected stronger execution in H2FY27 supported by capacity expansion, a robust project pipeline and large deployments.** We lower our **FY27E/FY28E** earnings estimate to factor in delayed project ramp-ups and continued investments in Software 2.0. However, we retain our '**BUY' rating** and **22x FY28E** EPS multiple, as the current valuation remains compelling **(PEG <1x).**

5. Oracle Financial Services Software (OFSS) | Rating: ADD | TP: INR 11,750 | Upside: (0.4%)

OFSS reported a strong Q1FY27, with revenues rising 60.0% YoY & 51.3% QoQ, driven by the recognition of a landmark perpetual license deal valued at about USD 100 Mn with a US-headquartered global bank. Beyond this one-off, underlying execution remained healthy, supported by multiple product wins, a robust pipeline and 16.0% YoY growth in Remaining Performance Obligations (RPO), strengthening medium-term revenue visibility. **We expect growth to normalise over the next few quarters as the large license deal annualises, while sustained deal momentum and a healthy pipeline should continue to support medium-term growth.** We remain constructive on OFSS' long-term fundamentals, supported by its leadership in banking software, expanding AI capabilities and strong cash generation. Healthy RPO growth (+16% YoY) and a robust product pipeline provide confidence in medium-term revenue visibility. Following the recent stock outperformance, we see limited scope for a meaningful near-term re-rating and therefore revise our rating, **from 'BUY' to 'ADD'**. **Our FY26–29E Revenue/EBITDA/PAT CAGR estimate stands at 12.6%/17.1%/18.1%, with a revised TP of INR 11,750, on the basis of 28x FY28E EPS (maintained).**

6. Intellect Design Arena (INDA) | Rating: BUY | TP: INR 1,050 | Upside: 44.1%

Intellect reported a strong growth in License-linked revenues, which grew by **17.5% YoY**, primarily driven by a good increase in License revenues, up **28.7% YoY**. Overall deal momentum remained steady, with **19** new deals signed, including **7** Destiny deals. The deal pipeline remained robust, growing **15% YoY to INR 130.1 Bn**, while the company crossed **100+ Destiny deals**, reinforcing confidence in sustaining medium-term growth. **We expect License-linked Revenues, currently accounting for 54% of revenue, to gradually scale up to 60% as the company sharpens its focus on expanding Subscription revenue through Purple Fabric.** The company plans to invest **INR 1.8–2.0 Bn in R&D in FY27, primarily focussed on AI and Purple Fabric.** Factoring in the ongoing investment phase and a gradual margin recovery, we reduce our target multiple to **22x (from 24x),** while maintaining our '**BUY' rating** with a revised Target Price of **INR 1,050** on the basis of **FY28E EPS**, supported by a healthy deal momentum and long-term platform-led growth visibility.

Q1FY27 Quarterly Results Review

7. Fractal Analytics (FRACTAL) | Rating: BUY | TP: INR 1,080 | Upside: 31.8%

FRACTAL delivered a resilient Q1FY27 despite a sharp **slowdown in the TMT vertical**, with underlying business fundamentals remaining robust. Strong client mining **(117% NRR)**, healthy growth in platform businesses led by Fractal Alpha and Qure.ai and early commercial traction for Cogentiq validate the company's platform-led AI strategy and strengthen confidence in sustainable growth. AI spending is increasingly shifting from experimentation to enterprise-wide transformation, positioning FRACTAL well to capture higher-value, recurring opportunities across AI platforms and business transformation.

While continued investments in R&D, leadership and AI capabilities projected to keep near-term margin under pressure, we view these as essential to strengthening FRACTAL's competitive moat and long-term earnings trajectory. **We remain constructive on the medium-term outlook, supported by improving execution, an anticipated stronger H2FY27 revenue outlook and accelerating enterprise AI adoption.** We value the company using a SOTP methodology and, for sanity check, we have also performed DCF; to arrive at a target price of **INR 1,080**, while maintaining our **'BUY'** rating.

8. Datamatics (DATA) | Rating: ADD | TP: INR 920 | Upside: 7.8%

Digital Operations remained the key growth engine, with revenue up 16.1% YoY, supported by the TNQTech integration and a healthy 12–14% growth in Digital Content. Digital Technologies grew a more modest 6.1% YoY, with profitability constrained by **INR 40–50 Cr** of annual AI/R&D investments, while Digital Experiences declined 5.3% YoY, albeit with early sign of recovery from recent deal wins. **With ~60% of FY27 wins AI-led, DATAMATICS is increasingly transitioning from traditional BPM towards higher-value, AI-enabled offering**. The management remains confident of high-single-digit FY27 growth and **~20% EBITDA margin**; however, sustained acceleration will depend on faster monetisation of AI investments and recovery in Digital Experiences, with in-house automation and GCC adoption remaining key structural risks. **We remain constructive on the AI-led repositioning, while Digital Experiences recovery, AI monetisation and rising in-house/GCC competition remain key monitorables. We maintain our TP of INR 920 and 'ADD' rating, valuing Datamatics at 19x FY28E EPS.**

Key Takeaways from Management Commentary in Q1FY27

Coverage Companies	Q1FY27 Concall Highlights
NAZARA	▪ **New CEO Appointment:** Raymond Stauffer, founder and CEO of Bluetile, has been appointed as the new CEO of Nazara Technologies, effective September 26, 2026. He brings expertise in AI-enabled development, operating discipline and capital-efficient growth ▪ **Role of Founder:** Nitish Mittersain will continue as Founder and MD, focusing on long-term strategy, portfolio direction and key relationships. He will transition from day-to-day operations to a role more involved in M&A and establishing the brand globally ▪ **Bluetile & BestPlay Acquisition:** Nazara accelerated the acquisition of 100% ownership of Bluetile and BestPlay for a fixed all-cash consideration of USD 303 Mn ▪ **New Deal Structure:** The new deal structure provides immediate operating integration and access to cash generated by the business. Payments are staggered, with USD 89 Mn at closing and the remaining USD 214 Mn due in tranches by April 1, 2027 ▪ **Funding Strategy:** The company is considering multiple funding options for this acquisition, including internal cash flows, debt, equity and potential stake sales ▪ **Gaming Growth vs. Margin:** Gaming revenue grew 14% YoY, with all gaming businesses remaining EBITDA-positive. Management noted that while EBITDAM saw some near-term moderation due to increased user acquisition (UA) spend, this was a purposeful move to scale up profitably on the basis of improving unit economics and 24-month LTV/CAC trends ▪ **Kiddopia Turnaround:** A long-standing concern regarding stagnation has been addressed, with Kiddopia revenues growing 19% YoY as UA scaled on the back of better economics
MEESHO	▪ **Logistics Cost Reduction:** The management remains focused on driving logistics efficiencies, which helped offset the impact of recent fuel price hikes and statutory wage increases. Cost per delivered order declined by ~INR 1 sequentially. ▪ **Valmo Network:** Valmo maintained a steady ~50% share of shipment volumes during the quarter, consistent with the previous quarter. ▪ **Structural Reorganization:** Meesho has transferred its middle-mile and last-mile logistics operations to Valmo Transportation Pvt. Ltd. (VTPL), a GST-compliant goods transport agency. ▪ **Kirana Club Acquisition:** Meesho acquired Kirana Club to strengthen its value proposition for retailers in small towns and rural markets, leveraging synergies across technology and its Valmo logistics network. ▪ **Local Logistics and Grocery:** The company is testing a low-cost logistics model for perishables and low-ticket FMCG products to unlock growth opportunities in the grocery market. ▪ **Seller Monetization:** Approximately two-thirds of GMV-contributing sellers now advertise on the platform. For more than 50% of sellers, Meesho serves as their primary source of income. ▪ **User Engagement:** Annual frequency grew by 9% year-on-year, even as the Annual Transacting User (ATU) base grew by 29%. Growth is being driven by both older cohorts and newer users entering at higher frequencies. ▪ **Scalable Growth Trajectory:** The company has provided a long-term growth guidance of a 25% CAGR for Net Merchandise Value (NMV) over the next five years ▪ **Seasonality and Spending:** Management warned of higher sales and marketing expenses in Q2 due to focus on new-user acquisitions.
INMART	▪ **Cash Reserves:** The company maintains a robust cash and treasury balance of INR 35.5 Bn ▪ **Supplier Base Dynamics:** Total paying suppliers declined by 1,850 to 218,000, primarily due to an elevated 7% monthly churn in the silver subscription tier. Conversely, platinum and gold subscribers continue to show good retention and upsell rates ▪ **Financial Services:** The board approved IndiaMART Finance, a new subsidiary designed to facilitate short-term transaction financing for MSMEs. This will operate via partnerships with lenders rather than using INMART's balance sheet for large-scale lending ▪ **Busy InfoTech:** Busy reported a 47% revenue growth (INR 360 Mn) and is transitioning from a licensing model to a subscription-based model. Management targets a 15–20% license growth rate in the near term ▪ **Cloud Strategy:** Busy is developing a new product accessible across desktop, cloud and mobile to enhance ARPU realisations ▪ **Verification Standards:** The company is moving towards 100% OTP verification for buyers and aims for 80–90% GST verification and 50%+ bank account verification for sellers ▪ **Buyer Protection:** A new Buyer Payment Protection program was introduced for eligible purchases with TrustSEAL verified suppliers to enhance transaction confidence ▪ **Conviction-based Stakes:** INMART continues follow-on investments in its portfolio (e.g., Fleetx, SuperProcure) based on strategic merit. Management emphasised it does not intend to be a venture investing firm but focus on mutually beneficial strategic interests

Q1FY27 Quarterly Results Review

Key Takeaways from Management Commentary in Q1FY27

Coverage Companies	Q1FY27 Concall Highlights
AURIONPRO	▪ **Execution Recovery Expected in H2FY27** The management reiterated that demand remains healthy, with execution and not demand, being the key bottleneck. Revenue conversion improved sequentially from Q4 and the company expects project execution and revenue conversion to accelerate over H2FY27 • **AI-Native Shift:** The company is heavily investing in an AI-native **'Software 2.0'** stack through Aurion AI, Arya.ai and Lexsi Labs to transition from 'systems of record' to 'systems of intelligence' • **Data Centre Inflection Point:** The data centre business is expected to witness a significant pickup beginning Q2, with a much stronger ramp-up in H2FY27 as execution progresses on large projects. Management expects growth to exceed the historical 40–50% trajectory, supported by a strong pipeline and capacity expansion. • **The AI Infrastructure Opportunity:** The management views India's AI infrastructure build-out as a once-in-a-generation investment cycle and expects Aurionpro's full-stack data center capabilities to position it as a key beneficiary in the next few years. ▪ **R&D Investment:** Significant capacity and **10.5%–11%** of revenue are being deployed towards the AI-native stack build-out, which has temporarily impacted margin
INTELLECT	▪ **Deal Momentum:** Secured 19 strategic wins in this quarter, bringing the total to 61 wins in the past 12 months ▪ **Destiny Deals:** Destiny Deals (large-scale transformation projects) crossed the 100-mark, with seven converted in Q1FY27 ▪ **Global Wins:** Key successes included a large digital engagement platform win with a major bank in Mexico, six credit union wins in Canada, and significant traction in the Middle East following earlier war-related impacts ▪ **AI Efficiency:** Internal piloting of Purple Fabric technology has shown potential to reduce development efforts by up to 60%, potentially moving traditional software development life cycles (SDLC) to AI-driven cycles ▪ **R&D Commitment:** The company plans to invest **INR 1.8–2.0 Bn** in R&D during FY27, primarily focussed on AI and Purple Fabric ▪ Management remains confident of sustaining **15-20%** revenue growth, emphasizing consistent LTM execution rather than quarterly fluctuation. ▪ Pipeline remains robust, growing **15% YoY to INR 130 Bn**, with the company crossing 100+ Destiny deals, providing confidence in sustaining growth
FRACTAL	▪ **Record Deal:** FRACTAL secured one of the largest single programs in its history to build AI foundations and modernise the data estate for a major healthcare player ▪ **Public Sector Collaboration:** The company signed an MOU with Mumbai's Municipal Corporation (BMC) to pilot its healthcare AI platform across several public hospitals ▪ **Management Update:** CFO Ashwath Bhat will step down after 5 and half years for personal reasons, having led FRACTAL through key milestones including the IPO, acquisitions and fundraises. The company stated that the CEO succession process is at an advanced stage, with further details to be announced upon completion ▪ **Segment Restatement:** FRACTAL integrated its 'ikigai' and 'EdTech' teams into 'Analytics.Vidhya' (part of FRACTAL Alpha) to strengthen its AI for work, resulting in a restatement of FY26 segment numbers ▪ **R&D Investment:** FRACTAL invested INR 61 Cr in R&D (up 31% YoY), primarily for platforms like Quadrantic, aspx.ai and Analytics.Vidhya ▪ **Strategic Focus Areas:** FRACTAL is focusing on three pillars: 1) AI-led business transformation, 2) AI foundations (modernising data and context layers) and 3) AI workforce transformation. ▪ **Pricing Models:** The company is shifting towards outcome and output-based pricing, which now accounts for 42% of revenue
DATAMATICS	▪ **TNQTech integration:** The integration is now complete, strengthening DATAMATICS' position among the top three global digital content outsourcing players. TNQTech is delivering 12–14% growth, while the combined publishing businesses operate at a healthy 24–25% EBITDA margin, providing a uplift to Digital Operations. ▪ **AI-led Transformation:** DT remains central to DATAMATICS' AI strategy, with strong traction for KaiBRE, KaiSDLC and TruAI Underwriting ▪ **M&A Pipeline:** DATAMATICS is actively evaluating multiple acquisition opportunities as part of its target to reach INR 3,000 Cr revenue over the next three years. ▪ **Shift in Deal Structure:** DATAMATICS is seeing a shift from traditional 3–5 year annuity contracts toward shorter 3–6 month AI-led transformation engagements ▪ **Higher Deal Value:** Despite shorter contract tenures, deal sizes are increasing, indicating stronger monetisation of AI-led transformation capabilities and a potentially higher-value revenue mix.

Financial Snapshot

NAZARA – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	16,239	18,290	36,471	51,097	61,333
Gross profit	7,880	10,571	22,075	30,671	36,957
EBITDA	1,535	2,548	4,488	7,390	9,232
Depreciation	1,495	2,364	3,270	4,599	4,907
EBIT	40	184	1,218	2,791	4,325
Other income	915	12,436	404	797	834
Interest expense	99	225	615	888	671
Adjusted PAT	869	810	548	2,011	3,388
EPS	2.3	2.2	1.5	5.4	9.2

MEESHO – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	93,899	126,263	170,579	249,985	329,553
Gross Profit	85,417	117,142	158,605	232,583	307,384
EBITDA	-5,785	-14,871	-5,135	1,389	12,864
Depreciation	340	468	2,247	2,950	3,190
EBIT	-6,125	-15,340	-7,382	-1,561	9,674
Other Income	5,110	4,747	5,219	9,999	13,841
Interest Expense	-69	-90	-87	-88	-88
PAT	-39,417	-13,577	-2,233	6,245	17,524
EPS	-10.0	-3.1	-0.5	1.4	4.0

INMART – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	13,884	15,690	17,171	19,164	21,478
Gross Profit	7,874	8,762	9,581	10,713	12,028
EBITDA	5,228	5,300	5,718	6,420	7,238
Depreciation	329	284	343	383	430
EBIT	4,899	5,016	5,374	6,037	6,809
Other Income	2,724	2,041	2,404	2,683	3,007
Interest Expense	74	30	86	96	107
Exceptional Items	7,058	6,479	7,493	8,424	9,508
PAT	5,507	4,747	5,515	6,201	6,999
EPS	91.6	78.8	91.6	102.9	116.2

AUPS – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	11,730	14,111	16,932	21,165	27,515
Gross Profit	3,271	3,909	4,333	5,659	7,660
EBITDA	2,417	2,823	3,066	4,072	5,789
Depreciation	300	393	312	366	529
EBIT	2,117	2,431	2,754	3,706	5,260
Other Income	202	293	320	402	523
Interest Expense	66	102	94	94	94
PAT	1,862	2,130	2,472	2,988	4,244
EPS	34.7	38.9	45.2	54.6	77.5

Source: Company, Choice Institutional Equities

Financial Snapshot

OFSS – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	68,468	76,721	95,492	98,583	109,427
Gross Profit	36,421	42,383	57,665	58,939	66,604
EBITDA	30,763	34,774	50,519	49,028	55,898
Depreciation	691	654	661	788	766
EBIT	30,072	34,120	49,858	48,240	55,132
Other Income	3,042	2,706	2,382	2,465	4,377
Interest Expense	5	25	20	17	17
PAT	23,796	26,393	38,175	36,496	43,429
EPS	274.3	303.5	439.0	419.7	499.5

INDA – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	25,000	30,382	35,534	40,275	45,584
Gross Profit	14,549	16,633	19,793	23,271	27,011
EBITDA	5,247	5,805	7,225	9,529	11,371
Depreciation	1,564	2,089	1,983	2,113	2,391
EBIT	3,683	3,716	5,243	7,416	8,980
Other Income	829	1,226	1,418	1,610	1,882
Interest Expense	42	63	42	40	40
PAT	3,328	3,454	4,982	6,755	8,133
EPS	24.3	25.0	35.8	48.6	58.5

FRACTAL – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD Mn)	327	374	408	477	558
Revenue (INR Mn)	27,654	32,997	38,415	45,748	54,729
Gross profit	12,690	15,448	18,237	21,925	26,499
EBITDA	4,821	5,811	7,541	9,133	10,865
Depreciation	1,023	1,358	1,570	1,830	2,299
EBIT	2,957	3,541	5,149	6,670	7,203
Other income	-508	-629	-883	-1,437	-895
Interest expense	577	474	551	687	800
PAT	2,206	2,868	3,391	4,427	4,738
EPS	14.5	18.2	20.3	27.0	28.9

DATAMATICS – Q1FY27 Result Update

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Revenue	17,234	19,872	21,628	23,681	26,191
Gross Profit	6,017	7,582	8,203	9,051	10,020
EBITDA	2,292	3,716	4,006	4,338	4,874
Depreciation	480	840	886	929	948
EBIT	1,812	2,876	3,120	3,409	3,927
Other Income	465	561	563	532	536
Interest Expense	99	187	187	201	210
PAT	2,055	1,950	2,768	2,936	3,339
EPS	34.7	32.9	46.9	49.7	56.5

Source: Company, Choice Institutional Equities

Long-term Investment Ideas

Key Financials					
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	27.7	33.0	38.4	45.7	54.7
YoY (%)	25.9	19.3	16.4	19.1	19.6
EBIT	3.0	3.5	5.1	6.7	7.2
EBIT%	10.7	10.7	13.4	14.6	13.2
Adj PAT	2.2	2.9	3.4	4.4	4.7
FDEPS	14.5	18.2	20.3	27.0	28.9
ROE %	14.1	9.4	9.4	11.2	10.7
ROCE %	13.8	11.4	9.9	11.3	10.8
PE(x)	60.6	45.1	40.5	30.4	28.4

Source: Company, Choice Institutional Equities

1. Fractal Analytics (FRACTAL) | Rating: BUY | TP: INR 1,080

AI-led Demand Accelerates; Platform-led Growth Gains Traction: FRACTAL's improving execution, stronger H2FY27 revenue outlook and accelerating enterprise AI adoption positions it well among peers. Its ability to secure the largest single program to build AI foundation and modernise the data estate for a major healthcare client is a demonstration of its strong client mining. FRACTAL maintains it R&D investments and aims to increase it meaningfully while maintaining the gross margin growth.

View & Valuation: We remain constructive on the medium-term outlook, supported by improving execution, a stronger H2FY27 revenue outlook and accelerating enterprise AI adoption. **We value the company using a SOTP methodology and, for sanity check, we have also performed DCF; to arrive at a target price of INR 1,080, while maintaining our 'BUY' rating.**

Key Financials					
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	93.9	126.3	170.6	250.0	329.6
YoY (%)	23.3	34.5	35.1	46.6	31.8
EBITDA	-5.8	-14.9	-5.1	1.4	12.9
EBITDAM %	-6.2	-11.8	-3.0	0.6	3.9
Adj PAT	-39.4	-13.6	-2.2	6.2	17.5
EPS (INR)	-10.0	-3.1	-0.5	1.4	4.0
ROE %	-	-	-	10.3	20.3
ROCE %	-	-	-	-1.9	8.1

Source: Company, Choice Institutional Equities

2. Meesho (MEESHO) | Rating: BUY | TP: INR 220

User-led Scale-up drives NMV Growth; Contribution Margin Improves: Meesho reported a strong Q1FY27 operating performance, with Annual Transacting Users (ATU) scaling up to **274 Mn (+28.5% YoY)** and Annual Transacting sellers to **1.04 Mn (81% YoY)** reinforcing its position as India's largest E-commerce platform by user base. Order volumes grew **29.0% YoY**, while order frequency improved to **10.3x** in this quarter, indicating rising user engagement. NMV increased by **~34% YoY** to **INR 116.1 Bn,** supported by an improvement in the GMV-to-NMV conversion ratio to **61.0% (vs. 57.3% last year)**. Contribution margin improved to **4.6% of NMV in Q1FY27 (vs. 4.0% in Q4FY26)**, driven by continued logistics efficiencies through 'Valmo', Meesho's in-house logistics network, and also through third-party logistics partners.

View & Valuation: Q1FY27 results reinforce our constructive medium-term view on Meesho, with user-led scale-up and continued expansion of the seller ecosystem driving a strong underlying growth. **Monetisation of advertising remains a key focus area, with over two-thirds of sellers (by GMV) now actively leveraging the platform, providing a strong base for scaling up ad revenues.** Accordingly, we **raise our FY28 revenue estimate** to reflect the stronger growth outlook and upgrade the stock to **'BUY'** with a target price of **INR 220** on the basis of on **4.0x FY28E EV/Revenue.**

Long Term Investment Ideas

Key Financials					
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	11.7	14.1	16.9	21.2	27.5
YoY (%)	32.2	20.3	20.0	25.0	30.0
EBITDA	2.4	2.8	3.1	4.1	5.8
EBITDAM %	20.6	20.0	18.1	19.2	21.0
PAT	1.9	2.1	2.5	3.0	4.2
EPS (INR)	34.7	38.9	45.2	54.6	77.5
ROE %	12.3	12.2	12.6	13.4	16.3
ROCE %	11.3	11.3	11.3	12.0	14.6
PE(x)	21.2	20.7	18.5	15.9	13.2

Source: Company, Choice Institutional Equities

3. Aurionpro Solutions (AUPS) | Rating: BUY | TP: INR 1,100

Execution Delays Pressure Near-term Growth; Data Center Business Poised for Strong Acceleration: AUPS reported a weaker-than-expected Q1FY27 performance, with **revenue conversion** impacted by seasonality, higher input cost, project execution delays and geopolitical disruption in the Middle East. Despite the execution-led softness, deal momentum remained robust, with the company securing multiple marquee wins, including its largest-ever US contract **(USD 33+ Mn).** The order book remained healthy at **INR 19.5 Bn** at the end of Q1FY27 **(+8.3% QoQ, +33.6% YoY)**, implying a healthy **1.4x** LTM book-to-bill ratio. **Additionally, the data center business is expected to witness a meaningful ramp-up from Q2, with a stronger execution in H2FY27 supported by capacity expansion, a robust project pipeline and large project deployments.** Management expects the business to grow well above its historical **40–50%** trajectory.

View & Valuation: AUPS delivered a weak Q1FY27, with execution delays and elevated investments weighing on revenue conversion and margin. **We believe the weakness is largely timing-led, while the healthy order book (~INR 19.5 Bn), robust pipeline across the Transit and Data Center businesses, expanding transaction banking opportunities underpin strong medium-term growth visibility**. We lower our **FY27E/FY28E** earnings estimate to factor in delayed project ramp-ups and continued investments in **Software 2.0.** However, we retain our ‘**BUY’ rating** and **22x FY28E EPS** multiple, as the current valuation remains compelling **(PEG <1x).**

Institutional Research Team			
Utsav Verma, CFA	Head of Institutional Research, India Equity Strategy and SMIDs	utsav.verma@choiceindia.com	+91 22 6707 9440
Purvi Mundhra	Economist	purvi.mundhra@choiceindia.com	+91 22 6707 9241
Ambrish Shah	Analyst - Power	ambrish.shah@choiceindia.com	+91 22 6707 9251
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	Bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmbhatt	Analyst – Realty & Building Materials	fenil.brahmbhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9867
Karan Kamdar	Analyst – Consumer Discretionary, SMIDs	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Vijiya Rao	Analyst – AMC & Insurance	vijiya.rao@choiceindia.com	+91 22 6707 9531
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

Choice Rating Distribution & Methodology	
Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH000000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email-Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

The Company uses artificial intelligence tools as part of its research process, including data analysis and content generation. Notwithstanding the foregoing, all analysis, views, and recommendations are independently formulated and duly reviewed by qualified research analysts prior to issuance.

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. www. https://choiceindia.com/research-listing

KUNAL BAJAJ

Digitally signed by KUNAL BAJAJ
Date: 2026.08.12 12:35:19 +05'30'