motilal oswal
Financial Services

1QFY27 REVIEW

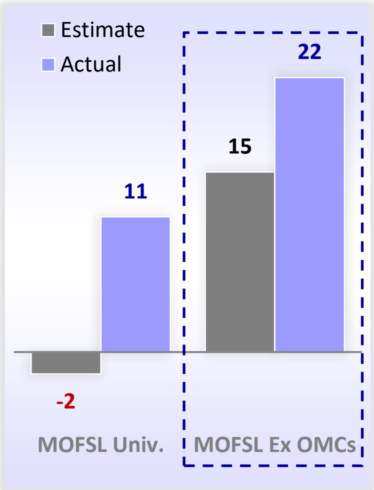
August 2026

India Strategy

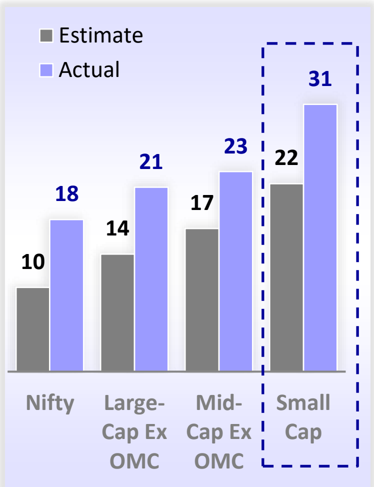
BSE Sensex: 78,009 | **Nifty-50: 24,366**

Earnings review 1QFY27: A picture-perfect quarter of broad-based performance with an earnings upgrade!

MOFSL Universe performance vs. estimates in 1QFY27 (PAT, YoY %)



Broad-based beat: Small-cap outperforms (PAT, YoY %)



- **Corporate earnings 1QFY27 – a broad-based beat, with 19 sectors exceeding our expectations:** The 1QFY27 corporate earnings season concluded on a strong note, demonstrating widespread outperformance across all key aggregates. The earnings growth and beat were led by Financials, Metals, Oil & Gas (ex-OMCs), and Automobiles as well as sectors such as Chemicals, Textiles, and Real Estate. OMCs expectedly dragged the overall aggregates.
- **MOFSL Universe (ex-OMCs) reports better-than-expected earnings growth:** For the MOFSL Universe (ex-OMCs), sales/EBITDA/PAT grew 18%/15%/22% YoY (vs. our est. of +15%/+10%/+15%). This growth was fueled by BFSI, Metals, O&G (ex-OMCs), Technology, and Telecom. In contrast, the primary drags on earnings were OMCs (a loss of INR181b vs. a profit of INR162b), Cement, and InterGlobe Aviation (a loss of INR3.8b vs. a profit of INR21.6b).
- **Nifty-50 – PAT growth hits a 10-quarter high:** The Nifty delivered an 18% YoY PAT growth (vs. our est. of +10%), led by ONGC, Hindalco, Reliance Industries, JSW Steel, and Bharti Airtel. These five companies contributed 60% to the incremental YoY accretion in earnings. Conversely, InterGlobe Aviation, ITC, Dr Reddy's Labs, Tata Motors PV, and Cipla dragged Nifty earnings lower.
- **Analyzing the caps (ex-OMCs):** All categories delivered higher-than-estimated earnings growth. Within our MOFSL Universe, **Large-caps (89 companies)** posted earnings growth of 21% YoY (in line with the overall universe, vs. our est. of +14% YoY). Our **Mid-cap Universe (101 companies)** also delivered a healthy performance, with earnings rising 23% YoY (vs. our est. of 17%) – marking an 11-quarter high. **Small-caps (186 companies)** outperformed significantly, delivering strong earnings growth of 31% YoY (vs. our est. of +22%), supported by a favorable base (vs. a 1% YoY rise in 1QFY26) and driven primarily by Financials and Oil & Gas.
- **Beat-miss dynamics:** The beat-miss ratio for the MOFSL Universe was favorable, with 48% of the companies exceeding our estimates, while 25% reported a miss at the PAT level. Within the large-cap universe, the ratio was even better, with 57% of the companies exceeding our estimates. Among mid-caps and small-caps, 39% and 48% of the coverage universe respectively beat our estimates.
- **Upgrade-to-downgrade ratio stands at 1.5x:** A total of 130/89 companies within the MOFSL Coverage Universe have reported an upgrade/downgrade of more than 3% each, leading to a favorable upgrade-to-downgrade ratio for FY27E.
- **Nifty EPS sees a modest upgrade:** The Nifty EPS estimate for FY27 was raised by 0.6% to INR1,232, largely owing to Reliance Industries, Hindalco, ONGC, ICICI Bank, and SBI. The FY28E EPS was also raised by 0.3% to INR1,425 (from INR1,422) due to upgrades in SBI, ICICI Bank, Hindalco, Bajaj Finserv, and Bajaj Auto.
- **Top ideas: 1) Nifty-50 –** Bharti Airtel, ICICI Bank, SBI, Titan Company, M&M, Bharat Electronics, Eternal, Hindalco, Shriram Finance, Interglobe Aviation, and Apollo Hospitals. . **2) Non-Nifty-50 –** TVS Motor, BSE, GE Vernova T&D, HDFC AMC, Lenskart Solutions, Indian Hotels, Meesho, Dixon Tech, Coforge, Radico Khaitan, Delhivery, Kirloskar Oil Engines, RBL Bank, TBO Tek, and Arvind.

Sector Review Compendium Highlights … (Page 12 onwards)

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Insightful trends

Exhibit 1: MOFSL Universe (ex-OMCs) – PAT growth hit a 10-quarter high

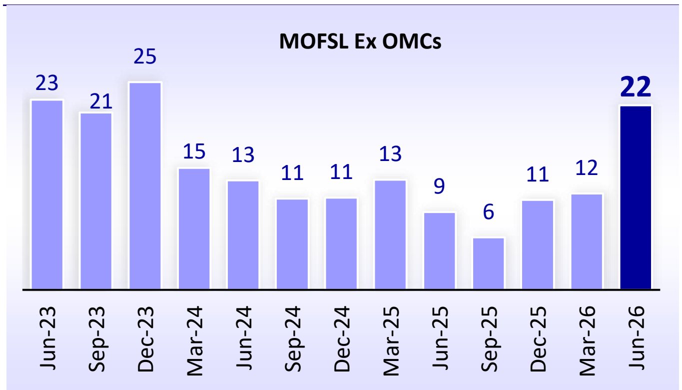


Exhibit 2: Overall MOFSL Universe – PAT growth was modest, led by BFSI and Metals

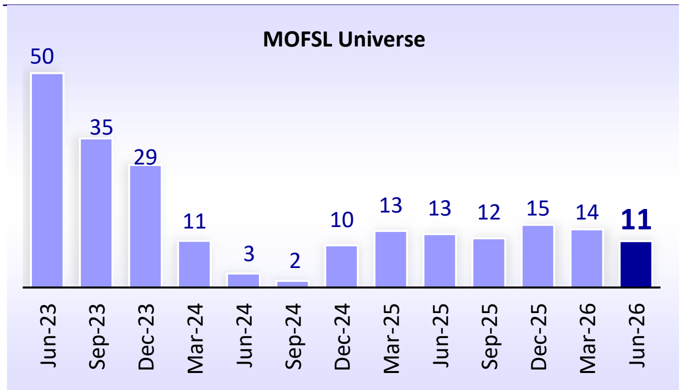


Exhibit 3: Incremental PAT contributors (ex-OMCs) – performance was driven by Oil & Gas, Metals, and BFSI for 1QFY27

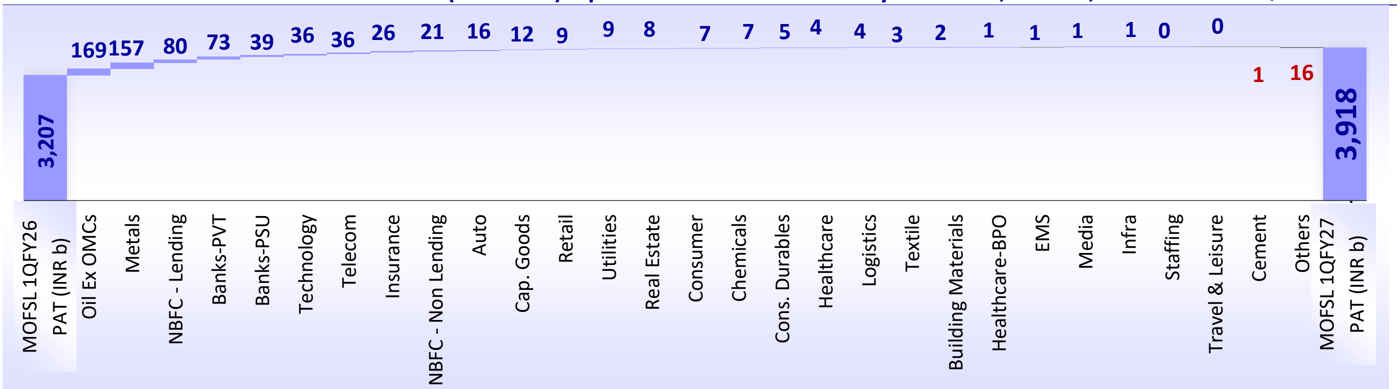


Exhibit 4: The upgrade-to-downgrade ratio trend for the MOFSL Universe turned favorable in 1Q – the highest in 22 quarters

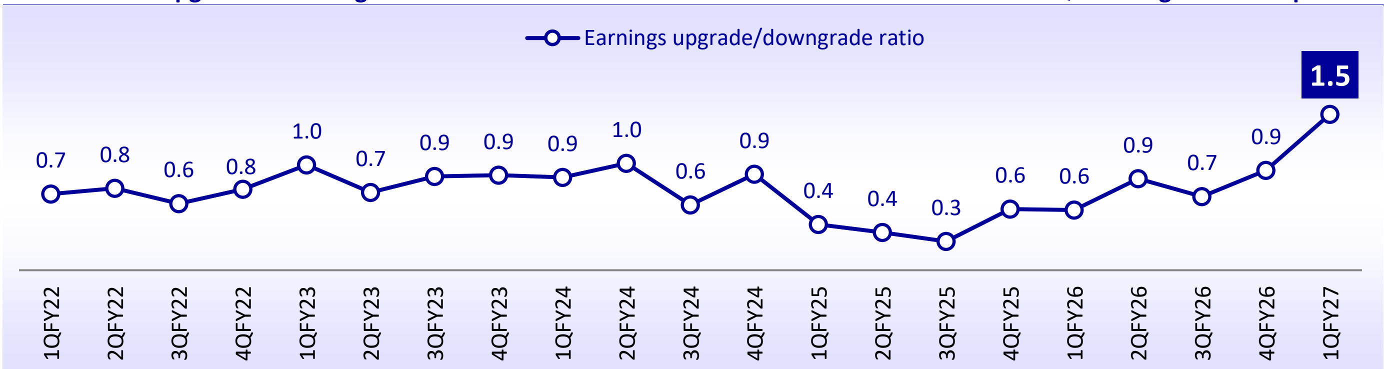


Exhibit 5: Sectoral surprise/miss ratio in 1QFY27 was the highest in 24 quarters at 9.5x for the MOFSL Universe

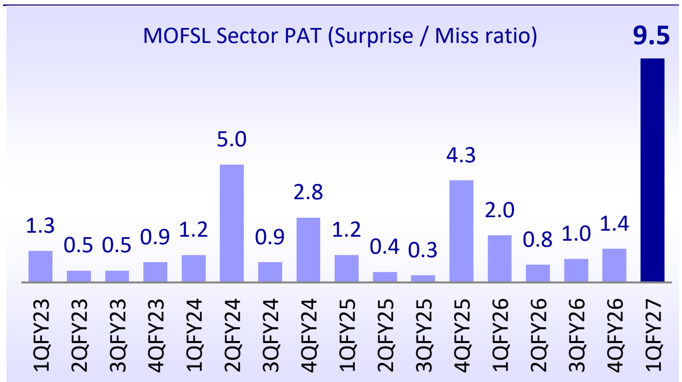
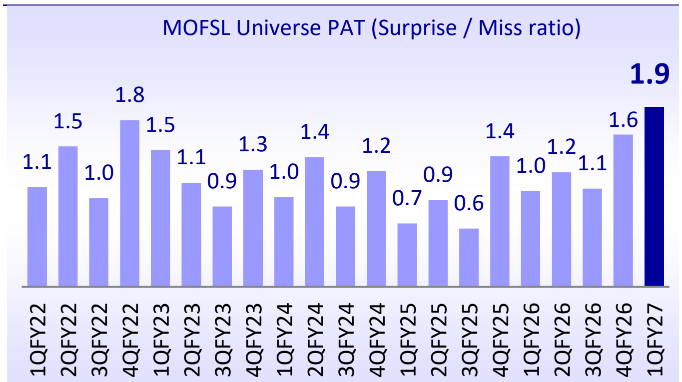


Exhibit 6: Surprise/miss ratio for the MOFSL Universe was 1.9x in 1QFY27 – the highest in 22 quarters



Insightful trends

Metals and Private Financials lead from the front

- Over the past four quarters, Metals and NBFC-Lending have driven incremental PAT significantly. The top-5 sectors now contribute 73% of the MOFSL Universe's PAT delta in 1QFY27.
- The Metals sector, which was among the bottom 10 contributors a year ago, has now emerged as a top contributor.
- O&G (ex-OMCs), continued to witness significant volatility, driving earnings fluctuations. Notably, the sector (ex-OMCs) was a top contributor in 1QFY27 vs. a negative contributor in 4QFY26.

Exhibit 7: Trend in incremental PAT contributors (INRb, YoY); Metals emerged as a top contributor now from the bottom

Sector	1QFY26	Sector	2QFY26	Sector	3QFY26	Sector	4QFY26	Sector	1QFY27
NBFC-Lending	**33**	Telecom	50	Banks-PSU	66	**Metals**	**92**	**Oil Ex OMCs**	**169**
Telecom	33	**NBFC-Lending**	**44**	**NBFC-Lending**	**62**	**NBFC-Lending**	**81**	**Metals**	**157**
Autos	27	**Metals**	**39**	**Metals**	**41**	Banks-PVT	72	**NBFC-Lending**	**80**
Banks-PSU	25	Insurance	26	Technology	31	Insurance	46	Banks-PVT	73
NBFC-Non Lend.	20	Technology	23	Insurance	23	Telecom	37	Banks-PSU	39
Technology	19	Cement	19	Telecom	20	Autos	37	Technology	36
Cement	18	Cap. Goods	17	Cap. Goods	20	Technology	35	Telecom	36
Healthcare	16	NBFC-Non Lend.	12	Healthcare	17	Banks-PSU	22	Insurance	26
Cap. Goods	15	Logistics	10	Consumer	17	Consumer	18	NBFC-Non Lend.	21
Utilities	14	Utilities	7	Retail	16	NBFC-Non Lend.	16	Autos	16
Insurance	10	Real Estate	6	NBFC-Non Lend.	13	Retail	12	Cap. Goods	12
Logistics	9	Healthcare	5	Banks-PVT	9	Cap. Goods	8	Retail	9
Oil Ex OMCs	8	Consumer	4	Cement	9	Real Estate	7	Utilities	9
Retail	7	Retail	3	Logistics	6	Cement	5	Real Estate	8
Real Estate	4	Healthcare-BPO	2	Oil Ex OMCs	6	Logistics	5	Consumer	7
Others	4	Chemicals	1	Utilities	4	Building Mat.	3	Chemicals	7
Banks-PVT	3	Cons. Durables	1	Real Estate	3	Healthcare-BPO	1	Cons. Durables	5
Chemicals	3	EMS	1	Chemicals	3	Staffing	0	Healthcare	4
Consumer	2	Building Mat.	0	Cons. Durables	2	Travel	0	Logistics	4
EMS	2	Staffing	0	EMS	1	EMS	0	Textile	3
Metals	**2**	Travel	0	Healthcare-BPO	1	Infra	0	Building Mat.	2
Healthcare-BPO	1	Infra	-1	Building Mat.	1	Cons. Durables	0	Healthcare-BPO	1
Media	1	Media	-1	Staffing	0	Textile	-1	EMS	1
Infra	1	Textile	-2	Infra	0	Media	-3	Media	1
Staffing	0	Others	-3	Travel	0	Utilities	-3	Infra	1
Travel	0	Banks-PSU	-8	Media	0	Chemicals	-5	Staffing	0
Textile	-1	Oil Ex OMCs	-12	Textile	-2	Healthcare	-5	Travel	0
Building Mat.	-1	Banks-PVT	-20	Others	-3	**Oil Ex OMCs**	**-31**	Cement	-1
Cons. Durables	-2	Autos	-39	Autos	-30	Others	-49	Others	-16
MOFSL ex-OMC	**274**	**MOFSL ex-OMC**	**187**	**MOFSL ex-OMC**	**335**	**MOFSL ex-OMC**	**402**	**MOFSL ex-OMC**	**711**
Top-5 sector (%)	**51**	**Top-5 sector (%)**	**98**	**Top-5 sector (%)**	**67**	**Top-5 sector (%)**	**82**	**Top-5 sector (%)**	**73**

Exhibit 8: The best Large-\Mid-\Small-cap results within the MOFSL coverage

Best Large-caps Company	PAT (INR b) Jun-26	Chg. % YoY	Best Mid-caps Company	PAT (INR b) Jun-26	Chg. % YoY	Best Small-caps Company	PAT (INR b) Jun-26	Chg. % YoY
Jio Financial	8.3	180	Lenskart Solutions	2.2	156	United Foodbrands	0.02	LP
Vedanta	52.9	152	IDFC First Bank	10.7	132	Ventive Hospitality	0.81	200
GAIL	43.1	128	Laurus Labs	3.7	129	Fujiyama Power	1.65	145
Hindalco	87.4	118	Lodha Developers	13.7	103	Galaxy Surfactants	1.66	109
ONGC	170.3	112	SRF	8.4	96	Navin Fluorine	2.43	108
JSW Steel	46.4	96	Ipca Labs.	4.0	72	Craftsman Auto	1.51	99
Divis Labs	9.0	75	IndusInd Bank	10.4	72	Atul	2.54	92
Nestle	9.6	49	Siemens Energy	4.4	68	Welspun Living	1.58	81
Asian Paints	15.4	40	Premier Energies	4.6	50	Indo Count Inds	0.63	62
Union Bank	53.3	30	Federal Bank	11.8	37	VRL Logistics	0.81	61

Key result highlights: Strong performance, anchored by BFSI

- The 1QFY27 corporate earnings season concluded on a strong note, demonstrating widespread outperformance across all key aggregates. Overall earnings were primarily weighed down by OMCs, which suffered the brunt of elevated crude oil prices. In contrast, Financials, Metals, and Oil & Gas (ex-OMCs) remained strong contributors to overall earnings.
- For the MOFSL Universe (ex-OMCs), sales/EBITDA/PAT grew 18%/15%/22% YoY (vs. our est. of +15%/+10%/+15%). This growth was fueled by BFSI, Metals, O&G (ex-OMCs), Technology, and Telecom. In contrast, the primary drags on earnings were OMCs (a loss of INR181b vs. a profit of INR162b), Cement, and InterGlobe Aviation (a loss of INR3.8b vs. a profit of INR21.6b).

Exhibit 9: Sector-wise 1QFY27 performance of the MOFSL Universe companies (INR b)

Sector (no of companies)	Sales			EBIDTA			PAT		
	Jun-26	Chg. % YoY	Var. over Exp. (%)	Jun-26	Chg. % YoY	Var. over Exp. (%)	Jun-26	Chg. % YoY	Var. over Exp. (%)
Automobiles (28)	3,848	20	3	413	8	7	238	7	14
Building Materials (6)	83	14	-3	12	33	-1	7	47	8
Capital Goods (19)	1,168	11	6	137	5	-1	102	13	3
Cement (12)	750	11	1	119	1	1	50	-2	13
Chemicals (13)	212	23	10	46	36	22	26	35	25
Consumer (26)	1,090	10	-2	235	4	-2	166	4	-2
Consumer Durables (8)	386	24	0	39	26	-3	26	25	-2
EMS (7)	229	23	-1	12	18	-6	6	19	-8
Financials (73)	5,212	13	1	2,316	8	4	1,513	19	5
Banks-Private (12)	1,031	10	0	780	-5	3	503	17	6
Banks-PSU (6)	980	12	0	714	8	8	411	10	1
Insurance (9)	1,989	10	0	65	37	23	164	19	8
NBFC - Lending (27)	643	20	0	511	21	-2	337	31	3
NBFC - Non Lending (19)	569	22	6	246	24	4	97	28	10
Healthcare (29)	1,111	16	2	258	12	5	148	3	6
Healthcare - BPO (3)	39	29	3	9	23	0	6	24	6
Infrastructure (3)	50	13	7	15	19	6	5	19	6
Logistics (9)	235	17	1	84	18	4	47	9	7
Media (3)	50	9	2	10	9	15	7	14	18
Metals (12)	3,428	20	7	730	37	5	431	57	15
Oil & Gas (13)	9,832	30	4	741	-26	63	303	-36	686
Ex OMCs (10)	4,290	25	1	924	30	8	485	54	21
Real Estate (15)	178	19	-2	49	38	8	42	25	15
Retail (26)	870	24	0	100	25	1	41	30	2
Staffing (4)	126	17	4	4	25	3	2	24	13
Technology (16)	2,358	15	0	518	16	2	356	11	-2
Telecom (5)	878	14	1	454	16	2	52	221	-2
Textile (8)	156	18	7	21	30	22	12	38	28
Travel & Leisure (3)	15	42	6	2	43	14	1	20	13
Utilities (10)	939	9	2	314	11	6	123	8	7
Others (28)	1,026	36	4	119	-4	-14	26	-39	-46
MOFSL Universe (379)	**34,268**	**20**	**3**	**6,757**	**6**	**8**	**3,737**	**11**	**13**
MOFSL Ex OMCs (376)	**28,726**	**18**	**2**	**6,940**	**15**	**4**	**3,918**	**22**	**7**
Nifty (50)	**16,707**	**19**	**2**	**4,290**	**11**	**4**	**2,338**	**18**	**7**
Sensex (30)	**11,726**	**19**	**2**	**3,298**	**7**	**3**	**1,750**	**10**	**4**

Note: LP: Loss to Profit; PL: Profit to Loss

Large-caps (ex-OMCs) deliver earnings growth in line with the overall universe

- Within our MOFSL Universe, Large-caps (89 companies) posted earnings growth of 21% YoY, in line with the overall universe (vs. our est. of +14% YoY).
- Multiple large-cap sectors clocked impressive growth, with 19 of the 20 sectors under our coverage delivering PAT growth.
- Within the large-cap universe, 84% of the companies exceeded/met our estimates.

Exhibit 10: Incremental PAT contributors to the MOFSL Large-cap universe (ex-OMCs) – performance driven by O&G, Metals

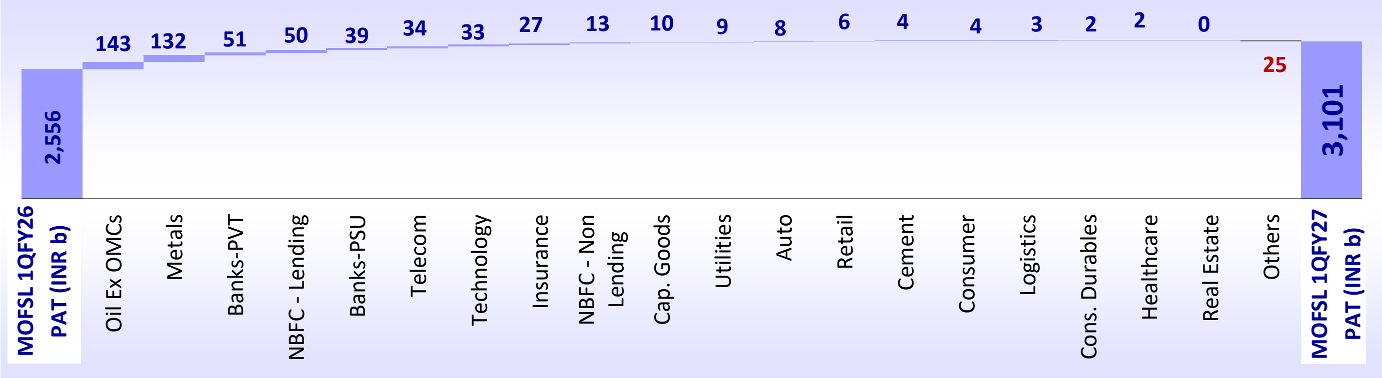
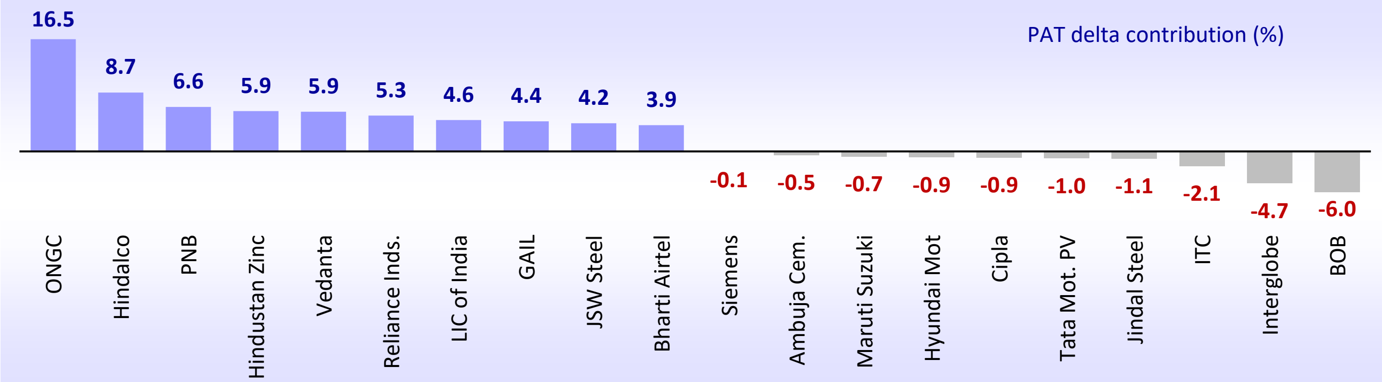


Exhibit 11: Incremental PAT contributors, leaders, and laggards within the MOFSL Large-cap Universe for 1QFY27



Mid-caps (ex-OMCs) record their highest PAT growth in 11 quarters

- Our Mid-cap Universe (101 companies) also delivered a healthy performance, with earnings rising 23% YoY (vs. our est. of 17%) – marking an 11-quarter high.
- Within the mid-cap universe, 68% of the companies exceeded/met our estimates.
- Eleven sectors in the universe exceeded our expectations, while only four fell short of our estimates.

Exhibit 12: Incremental PAT contributors to the MOFSL Mid-cap universe (ex-OMCs) – performance driven by Metals, O&G

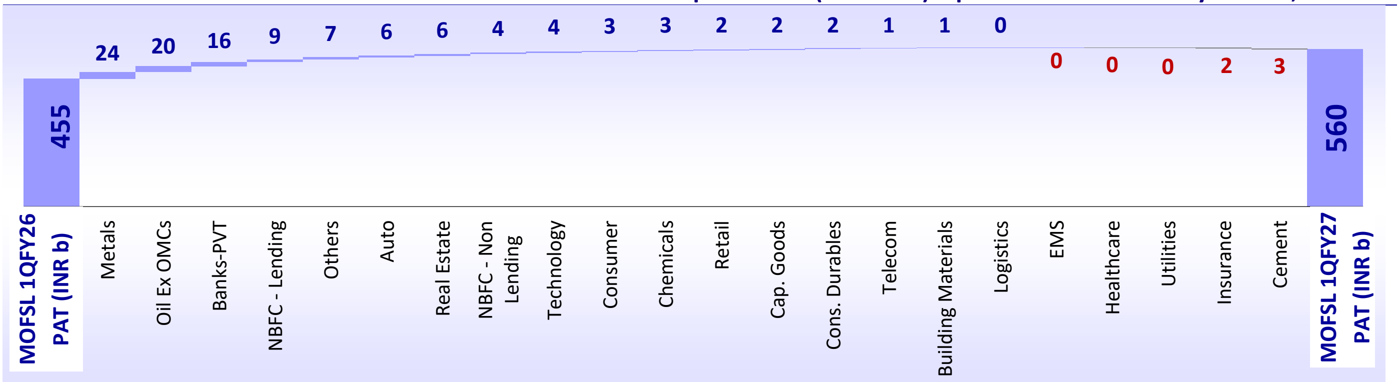
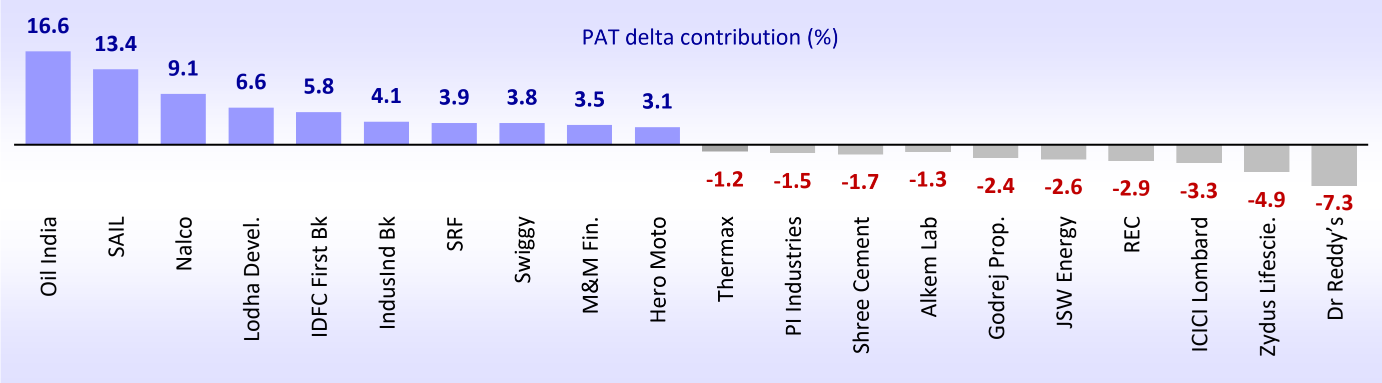


Exhibit 13: Incremental PAT contributors, leaders, and laggards within the MOFSL Mid-cap companies for 1QFY27



Small-caps deliver a healthy performance, driven by Financials

- Small-caps (186 companies) outperformed significantly, delivering strong earnings growth of 31% YoY (vs. our est. of +22%), supported by a favorable base (vs. a 1% YoY rise in 1QFY26) and led primarily by Financials and Oil & Gas.
- Multiple small-cap sectors, such as NBFC-Lending, Private Banks, Oil & Gas, NBFC-Non-Lending, and Chemicals, lifted the overall performance. These sectors contributed ~69% to the incremental YoY accretion in earnings.
- Within Small-caps, 75% of the coverage universe exceeded/met our estimates.

Exhibit 14: Incremental PAT contributors to the MOFSL Small-cap universe (ex-OMCs) – performance led by Private Financials

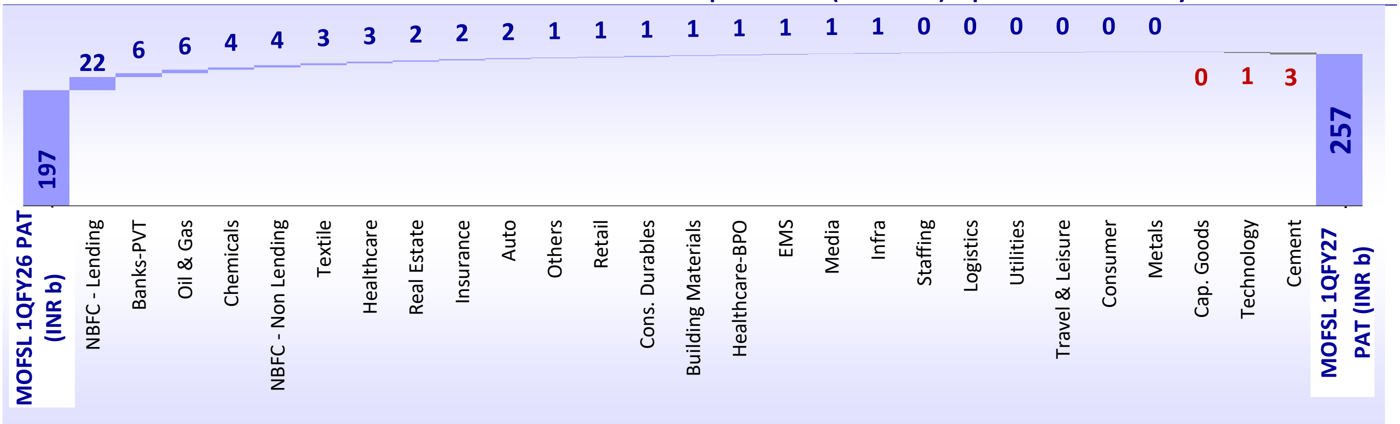
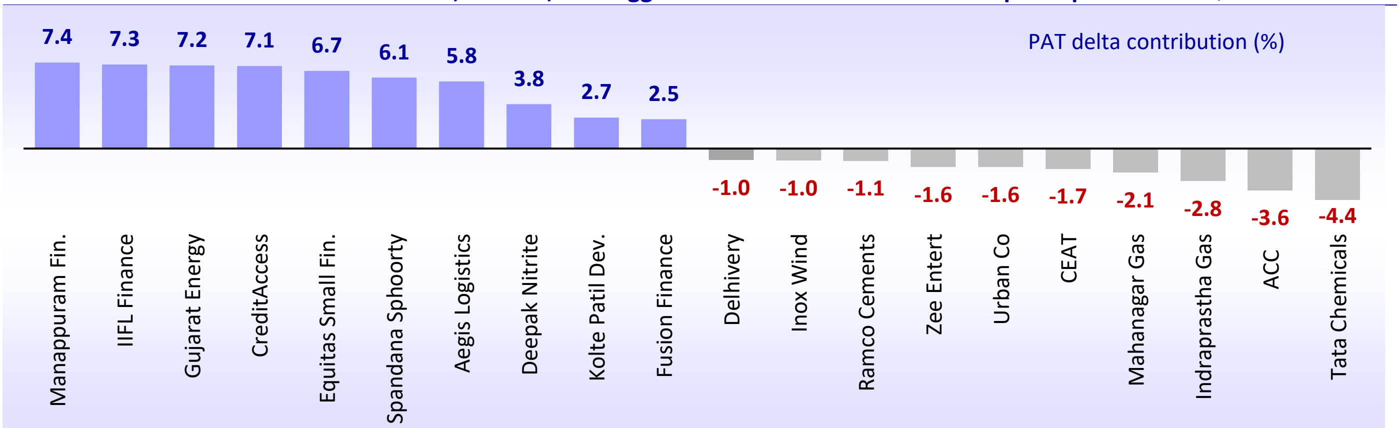


Exhibit 15: Incremental PAT contributors, leaders, and laggards within the MOFSL Small-cap companies for 1QFY27



Aggregate performance of the MOFSL Universe companies in 1QFY27

Of the 28 major sectors, 26 have experienced a YoY profit growth

Exhibit 16: Sectoral PAT growth for 1QFY27 (YoY %)

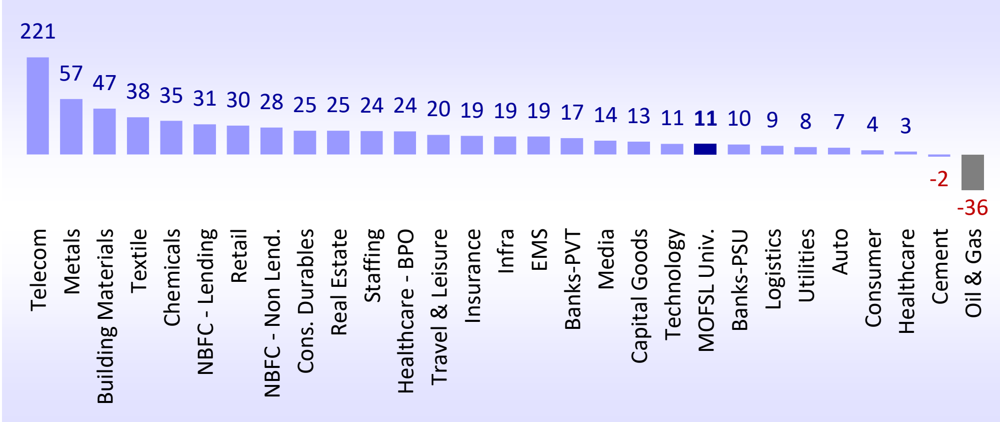


Exhibit 17: Sales grew in line at 20% YoY (vs. est. of +17% YoY)

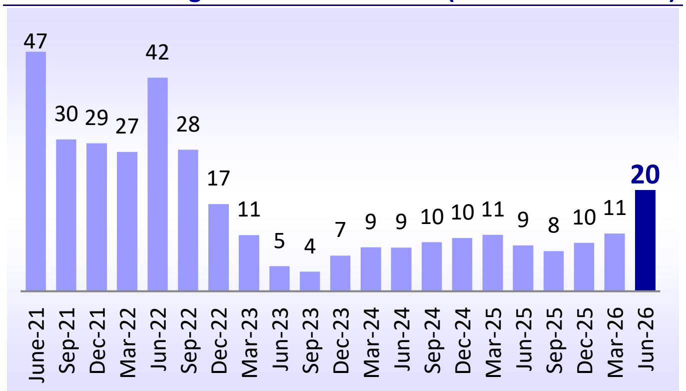


Exhibit 18: PAT grew 11% YoY (vs. est. of -2% YoY)

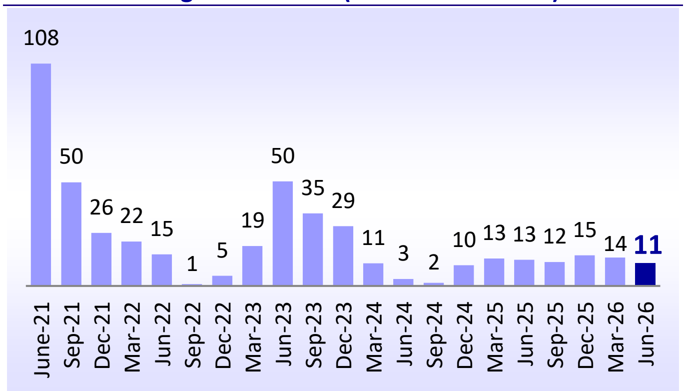


Exhibit 19: EBITDA was up 6% YoY (vs. est. of -1% YoY)

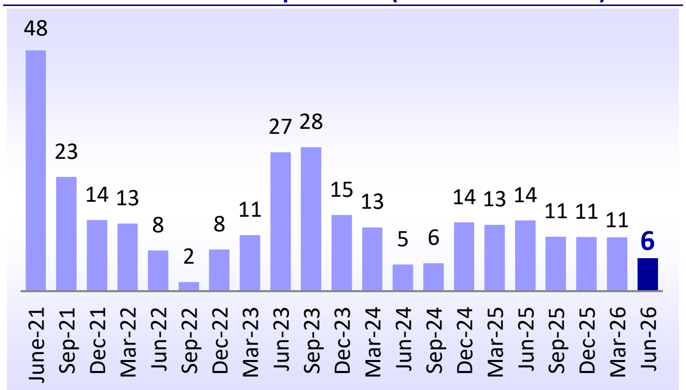


Exhibit 20: EBITDA margin (ex-Financials) contracted sharply by 220bp YoY to 15.3%, led by OMCs

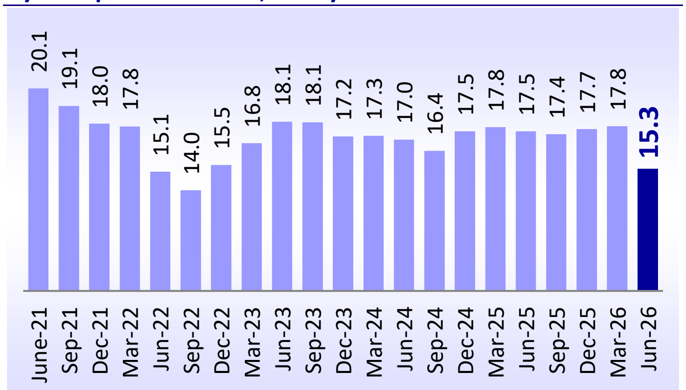
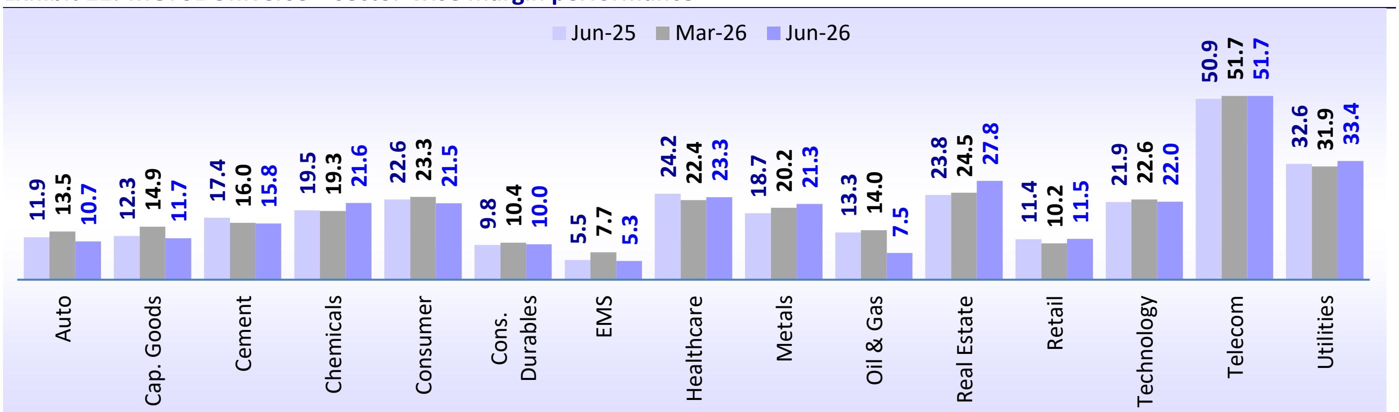


Exhibit 21: MOFSL Universe – sector-wise margin performance



Source: Company, MOFSL

Performance highlights of the Nifty constituents in 1QFY27

- The Nifty delivered an 18% YoY PAT growth (vs. our est. of +10%), led by ONGC, Hindalco, Reliance Industries, JSW Steel, and Bharti Airtel. These five companies accounted for 60% of the incremental YoY accretion in earnings.
- Conversely, InterGlobe Aviation, ITC, Dr Reddy's Labs, Tata Motors PV, and Cipla dragged Nifty earnings lower.
- Among these, 27/8 companies surpassed/missed our PAT estimates, by more than 5% each. On the EBITDA front, 19/8 companies exceeded/missed our estimates during the quarter.

Exhibit 22: Nifty sales up 19% YoY (vs. est. of +16% YoY)

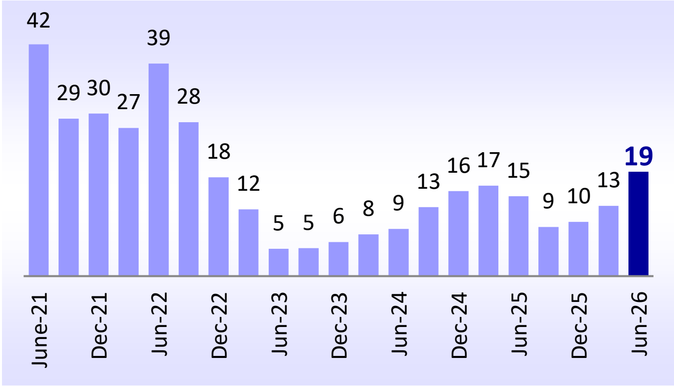


Exhibit 23: Nifty PAT up 18% YoY (vs. est. of +10% YoY)

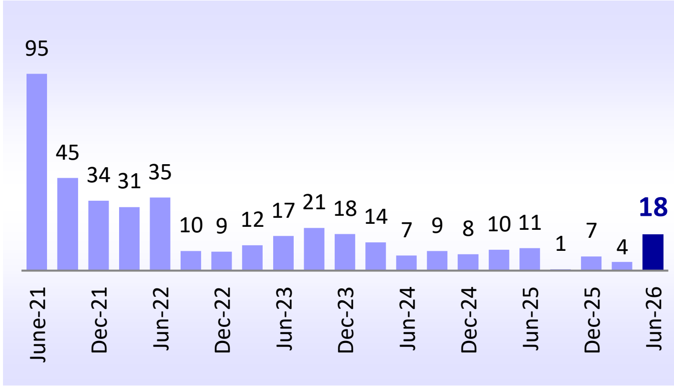


Exhibit 24: Nifty EBITDA up 11% YoY (vs. est. of +7% YoY)

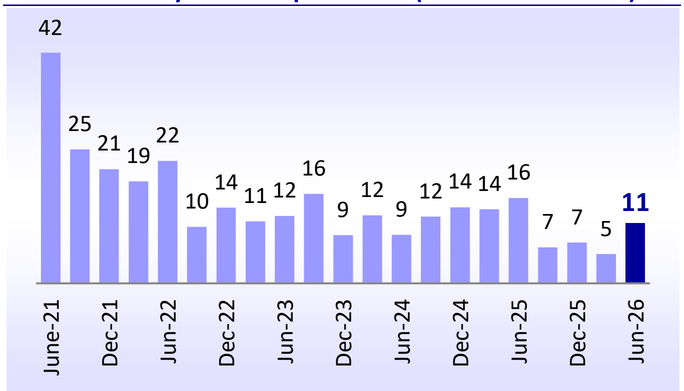


Exhibit 25: Nifty EBITDA margin (ex-Financials) contracted 90bp YoY to 20.3%

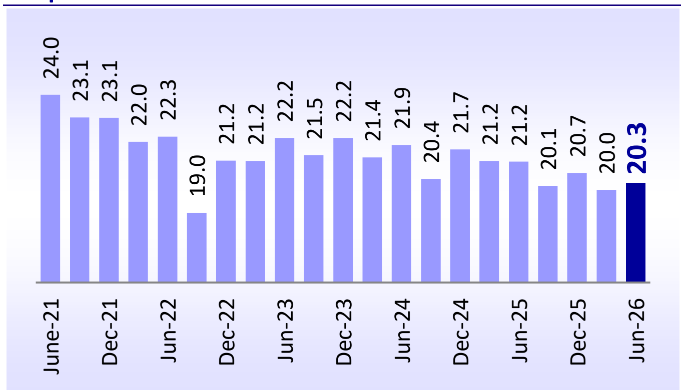


Exhibit 26: YoY change (%) in the PAT of Nifty companies – only six companies posted a YoY decline in PAT

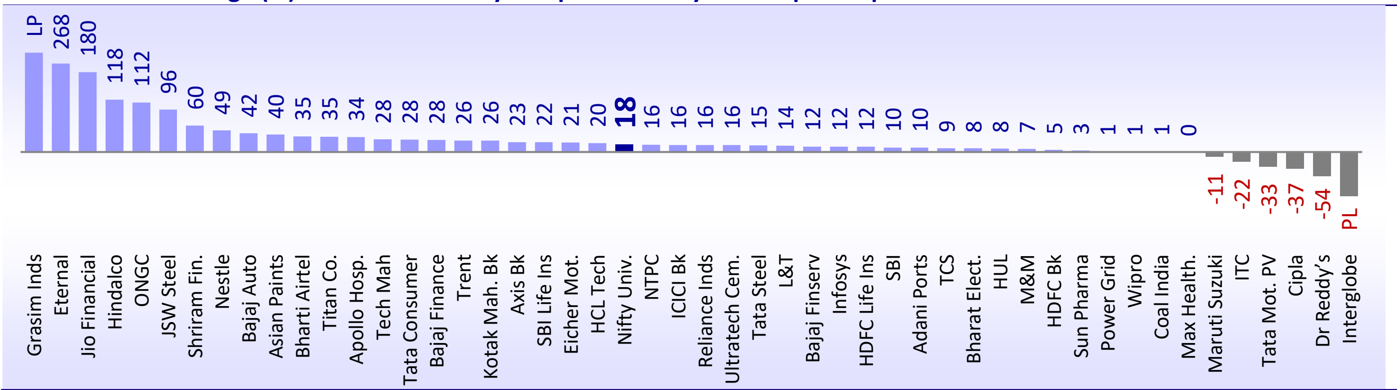


Exhibit 27: Nifty delivered an 18% YoY profit growth in 1QFY27 – the highest in 10 quarters (INR b)

Company	Sector	Sales			EBITDA			PAT		
		Jun-26	Chg. % YoY	Var. over Exp. (%)	Jun-26	Chg. % YoY	Var. over Exp. (%)	Jun-26	Chg. % YoY	Var. over Exp. (%)
Bajaj Auto	Automobiles	172	37	2	36	45	6	30	42	8
Eicher Motors	Automobiles	66	32	5	16	32	7	15	21	3
Mahindra & Mahindra	Automobiles	419	23	3	51	5	1	37	7	7
Maruti Suzuki	Automobiles	525	36	2	43	-7	-14	34	-11	2
Tata Motors PV	Automobiles	966	9	3	73	-4	38	11	-33	LP
Axis Bank	Banks-Private	146	8	-2	117	1	3	71	23	7
HDFC Bank	Banks-Private	335	7	-2	282	-21	-2	191	5	-1
ICICI Bank	Banks-Private	244	13	2	204	9	7	148	16	12
Kotak Mahindra Bank	Banks-Private	79	9	-1	61	10	4	41	26	5
State Bank	Banks-PSU	470	14	1	335	10	13	211	10	15
HDFC Life Insur.	Insurance	172	15	5	9	9	6	6	12	2
SBI Life Insurance	Insurance	213	20	5	14	29	20	7	22	7
Bajaj Finance	NBFC - Lending	126	23	1	101	19	1	61	28	4
Jio Financial	NBFC - Lending	5	106	37	10	177	146	8	180	148
Shriram Finance	NBFC - Lending	77	33	7	61	45	3	34	60	5
Bajaj Finserv	NBFC - Non Lending	420	19	7	171	20	6	31	12	14
Bharat Electronics	Capital Goods	55	25	8	14	12	-6	10	8	-7
Larsen & Toubro	Capital Goods	679	7	6	61	-3	-2	41	14	7
Grasim Industries	Cement	118	28	-2	9	147	20	2	LP	255
Ultratech Cement	Cement	246	16	2	50	14	1	26	16	5
Asian Paints	Consumer	105	18	1	22	33	13	15	40	20
Hind. Unilever	Consumer	173	10	1	39	8	-1	27	8	-2
ITC	Consumer	191	-11	-13	52	-24	-13	41	-22	-12
Nestle	Consumer	64	25	6	15	40	13	10	49	14
Tata Consumer	Consumer	53	12	0	7	19	1	4	28	7
Apollo Hospitals	Healthcare	70	21	2	11	28	6	6	34	5
Cipla	Healthcare	71	2	2	12	-33	3	8	-37	6
Dr Reddy' s Labs	Healthcare	81	-5	-2	11	-49	-15	6	-54	-3
Max Healthcare	Healthcare	28	15	3	7	13	-1	4	0	-14
Sun Pharma	Healthcare	152	10	-1	42	4	4	31	3	11
Adani Ports	Logistics	108	19	1	65	19	5	37	10	10
Coal India	Metals	463	8	5	102	-9	-13	89	1	-5
Hindalco	Metals	848	32	9	139	76	31	87	118	57
JSW Steel	Metals	474	10	10	94	19	1	46	96	24
Tata Steel	Metals	608	14	8	93	25	1	25	15	19
ONGC	Oil & Gas	465	45	1	295	58	5	170	112	16
Reliance Inds.	Oil & Gas	3,095	27	1	475	11	3	209	16	16
Titan Company	Retail	214	29	0	25	36	9	15	35	6
Trent	Retail	57	19	-3	11	33	6	5	26	6
HCL Technologies	Technology	346	14	1	69	15	-1	46	20	-2
Infosys	Technology	482	14	-1	115	14	-3	78	12	-3
TCS	Technology	723	14	1	188	12	10	139	9	3
Tech Mahindra	Technology	157	18	1	27	42	1	15	28	-16
Wipro	Technology	245	11	-2	47	10	-2	34	1	-1
Bharti Airtel	Telecom	585	18	2	333	20	3	81	35	-7
NTPC	Utilities	438	3	4	126	23	17	51	16	17
Power Grid Corp.	Utilities	98	-1	-8	81	0	-7	35	1	-3
Adani Enterprises-11	Others	329	50	NA	24	-28	NA	10	15	NA
Eternal	Others	202	182	8	6	417	-13	1	268	-77
Interglobe Aviation	Others	246	20	2	38	-34	-33	-4	PL	PL
Nifty Universe		**16,707**	**19**	**2**	**4,290**	**11**	**4**	**2,338**	**18**	**7**

Note: LP: Loss to Profit; PL: Profit to Loss

Nifty EPS experiences a modest upgrade

- The Nifty EPS estimate for FY27 was raised by 0.6% to INR1,232, largely owing to Reliance Industries, Hindalco, ONGC, ICICI Bank, and SBI. The FY28E EPS was also raised by 0.3% to INR1,425 (from INR1,422) due to upgrades in SBI, ICICI Bank, Hindalco, Bajaj Finserv, and Bajaj Auto.

Exhibit 28: Nifty Universe – 15 upgrades of more than 3% and 11 downgrades of over 3% for FY27E

Company	Preview-1QFY27 EPS		Current EPS (INR)		EPS Up-Downgrade (%)		EPS Growth (%)		
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY26	FY27E	FY28E
Hindalco	93.7	88.7	114.2	100.0	21.9	12.7	11.6	36.7	-12.5
Tata Motors PV	17.6	31.7	19.7	31.9	12.3	0.6	-88.5	245.8	61.7
SBI Life Insurance	28.0	34.6	30.7	36.9	9.5	6.6	2.4	24.1	20.3
ONGC	38.6	42.3	41.6	42.1	7.8	-0.4	30.4	4.4	1.3
Reliance Inds.	56.0	63.0	60.1	63.4	7.4	0.6	3.2	13.3	5.4
Bajaj Finserv	73.7	82.7	79.1	90.6	7.4	9.5	10.3	29.1	14.5
Shriram Finance	56.4	70.5	60.1	71.1	6.6	0.8	20.8	13.1	18.2
Nestle	20.7	23.8	21.9	24.9	5.9	4.4	8.1	27.3	13.5
ICICI Bank	79.9	92.8	83.7	96.6	4.7	4.1	5.2	19.2	15.3
Bajaj Auto	433.1	487.8	452.5	529.7	4.5	8.6	17.4	28.7	17.1
Ultratech Cement	317.5	388.8	331.7	400.5	4.5	3.0	35.2	18.2	20.8
Bajaj Finance	40.7	51.3	42.5	52.6	4.4	2.4	15.0	36.8	23.6
Titan Company	70.7	87.4	73.7	90.6	4.1	3.6	36.9	27.3	22.9
Asian Paints	54.4	61.7	56.4	63.4	3.5	2.7	11.2	20.6	12.4
Cipla	47.1	59.8	48.8	61.0	3.5	2.1	-19.2	-3.8	25.1
State Bank	94.5	107.4	97.2	110.4	2.9	2.8	5.6	6.0	13.6
Grasim Industries	124.3	116.0	127.7	115.2	2.7	-0.7	12.9	52.6	-9.8
Apollo Hospitals	168.9	194.5	173.1	199.7	2.5	2.7	35.3	27.2	15.4
Larsen & Toubro	144.5	179.1	147.9	179.4	2.3	0.2	15.9	19.6	21.3
Eicher Motors	225.1	258.0	229.8	262.9	2.1	1.9	17.3	13.4	14.4
Tata Consumer	19.1	22.2	19.4	22.5	1.6	1.6	17.9	26.6	16.4
Kotak Mahindra Bank	23.4	28.4	23.7	28.6	1.6	0.7	-12.9	22.5	20.6
JSW Steel	59.6	83.9	60.2	84.6	1.0	0.8	137.3	61.4	40.5
Trent	39.1	47.6	39.4	49.8	0.9	4.6	13.5	20.8	26.2
Power Grid Corp.	17.8	18.5	17.8	18.5	0.5	0.0	2.6	4.2	3.4
TCS	155.8	161.9	156.2	162.8	0.2	0.6	8.8	7.0	4.3
Coal India	56.5	57.7	56.6	57.5	0.2	-0.5	-7.5	6.2	1.5
HDFC Life Insur.	9.7	11.1	9.7	11.1	0.0	0.0	6.0	9.4	14.5
NTPC	23.1	25.2	23.1	24.9	-0.1	-1.4	-4.7	16.7	7.7
Tech Mahindra	82.6	88.6	82.4	92.5	-0.2	4.4	17.9	45.9	12.2
Bharat Electronics	9.6	11.3	9.6	11.2	-0.3	-1.0	14.4	15.8	16.6
Sun Pharma	50.6	58.2	50.3	57.8	-0.6	-0.7	-0.8	7.5	15.0
Hind. Unilever	49.2	54.3	48.9	54.2	-0.7	-0.1	-0.4	10.9	10.8
Axis Bank	98.6	123.3	97.1	120.5	-1.5	-2.3	-7.6	23.2	24.1
ITC	15.2	16.4	14.9	16.1	-1.9	-1.5	5.0	-9.7	8.2
HCL Technologies	75.3	79.2	73.9	78.0	-1.9	-1.5	0.2	15.5	5.6
Infosys	79.0	82.3	77.3	80.5	-2.2	-2.1	10.2	6.2	4.2
Mahindra & Mahindra	139.3	164.2	135.9	168.6	-2.4	2.7	32.4	4.0	24.1
Adani Ports	65.6	87.5	63.5	86.2	-3.2	-1.5	17.9	7.3	35.8
HDFC Bank	54.7	63.8	53.0	62.4	-3.2	-2.3	10.2	9.2	17.7
Bharti Airtel	60.1	83.1	57.8	80.9	-3.9	-2.7	45.7	30.9	40.0
Jio Financial	3.3	5.1	3.2	4.8	-3.9	-5.9	-5.0	32.8	48.9
Max Healthcare	19.8	23.2	19.0	23.6	-4.0	1.5	7.4	17.1	23.9
Eternal	2.4	4.6	2.3	4.5	-7.1	-1.9	-31.8	466.0	100.0
Maruti Suzuki	523.9	656.1	484.4	656.3	-7.5	0.0	1.0	5.4	35.5
Wipro	14.5	15.4	12.8	13.7	-11.8	-11.0	2.2	-0.1	7.2
Tata Steel	12.2	14.8	10.6	14.2	-13.4	-3.6	167.0	17.5	34.7
Dr Reddy' s Labs	45.9	62.9	37.2	60.0	-19.0	-4.5	-12.2	-37.0	61.3
Interglobe Aviation	207.7	214.7	139.6	223.0	-32.8	3.9	PL	LP	59.8
Nifty (50)	**1,225**	**1,422**	**1,232**	**1,425**	**0.6**	**0.3**	**5.0**	**15.9**	**15.6**

MOFSL coverage revisions from our preview stance

- **MOFSL Universe PAT experiences an upgrade for FY27E:** Earnings for the MOFSL Universe grew 2% for FY27, led by Oil & Gas, Insurance, Metals, NBFCs-Lending, Banks (Private and PSU), and Real Estate. Conversely, sectors that weighed on earnings were Technology, Healthcare, and Logistics.
- The MOFSL Large-cap and Small-cap Universes witnessed an upgrade of 2.5% and 1.1%, respectively, for FY27. In contrast, the mid-cap universe remained largely unchanged for FY27.

Exhibit 29: Earnings revisions of the MOFSL Universe from our preview stance (1QFY27)

	PAT (INR b) @ Preview		PAT (INR b) @ Review		% Revision	
Sector	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Automobiles	1,093	1,359	1,104	1,400	1.0	3.0
Banks-Private	2,175	2,628	2,188	2,642	0.6	0.5
Banks-PSU	1,835	2,070	1,849	2,111	0.8	2.0
Insurance	732	842	775	888	5.8	5.5
NBFC - Lending	1,384	1,654	1,401	1,642	1.2	-0.7
NBFC - Non Lending	386	449	396	465	2.5	3.5
Building Materials	32	40	35	41	9.7	4.5
Capital Goods	552	688	551	685	-0.2	-0.4
Cement	261	304	266	305	1.9	0.3
Chemicals	86	109	91	112	5.6	2.4
Consumer	672	756	672	760	0.1	0.5
Consumer Durables	111	137	111	137	-0.1	0.1
EMS	31	46	30	47	-1.9	1.1
Healthcare	623	747	616	750	-1.2	0.4
Healthcare - BPO	27	33	27	33	-1.7	-0.9
Infrastructure	22	33	22	33	-0.1	0.6
Logistics	200	269	193	264	-3.1	-1.7
Media	25	29	24	29	-3.5	0.7
Metals	1,368	1,475	1,397	1,496	2.1	1.4
Oil & Gas	1,763	2,246	1,995	2,246	13.2	0.0
Real Estate	209	274	220	288	5.2	5.0
Retail	183	226	188	233	2.7	3.3
Staffing	10	11	10	12	7.2	6.7
Technology	1,504	1,587	1,489	1,590	-1.0	0.2
Telecom	247	420	244	415	-1.2	-1.3
Textile	47	60	48	60	1.5	0.7
Travel & Leisure	5	8	5	8	12.8	4.0
Utilities	571	661	570	646	-0.1	-2.4
Others	280	384	252	387	-9.7	0.7
MOFSL Universe	**16,434**	**19,544**	**16,770**	**19,725**	**2.0**	**0.9**
Large Cap	**12,986**	**15,179**	**13,313**	**15,319**	**2.5**	**0.9**
Mid Cap	**2,366**	**2,981**	**2,363**	**3,005**	**-0.1**	**0.8**
Small Cap	**1,083**	**1,384**	**1,094**	**1,401**	**1.1**	**1.2**

Exhibit 30: Rating change from our preview stance

Company	Old Reco	New Reco	MCap (USDb)	CMP (INR)	TP (INR)	% Up/ downside	EPS (INR) FY26	EPS (INR) FY27E	EPS (INR) FY28E	EPS CAGR (%) FY26-28	PE (x) FY26	PE (x) FY27E	PE (x) FY28E
Bajaj Finance	Neutral	Buy	70.9	1,088	1,300	20	31.1	42.5	52.6	30	25.8	25.6	20.7
Bajaj Auto	Neutral	Buy	34.2	11,700	12,096	3	351.5	452.5	529.7	23	25.0	25.9	22.1
Bajaj Finserv	Neutral	Buy	34.0	2,030	2,490	23	61.3	79.1	90.6	22	26.6	25.6	22.4
Avenue Supermarts	Buy	Neutral	27.6	4,054	4,015	-1	45.6	53.2	61.6	16	87.0	76.2	65.8
JSW Energy	Buy	Neutral	10.2	558	550	-1	8.9	10.7	16.0	34	53.2	52.1	34.9
ICICI Lombard	Buy	Neutral	8.5	1,627	1,960	20	56.3	56.8	70.0	12	30.4	28.6	23.3
Supreme Inds.	Buy	Neutral	4.7	3,551	3,690	4	75.1	95.6	102.5	17	50.1	37.1	34.6
Anand Rathi Wealth	Neutral	Sell	3.8	2,174	1,700	-22	23.9	26.9	33.4	18	126.9	80.8	65.1
Jubilant Foodworks	Neutral	Buy	3.5	502	625	24	6.2	7.5	9.4	23	69.9	67.1	53.5
Bandhan Bank	Buy	Neutral	2.9	175	225	29	7.6	14.5	21.6	69	18.6	12.1	8.1
KFin Technologies	Neutral	Buy	1.7	941	1,150	22	20.9	25.3	29.3	18	41.9	37.2	32.1
Le Travenues	Buy	Neutral	0.8	174	215	24	1.7	2.7	3.3	38	101.5	63.8	53.2

SECTOR-WISE: Highlights/Surprise/Guidance

AUTOMOBILES: Margins managed well; outlook improves

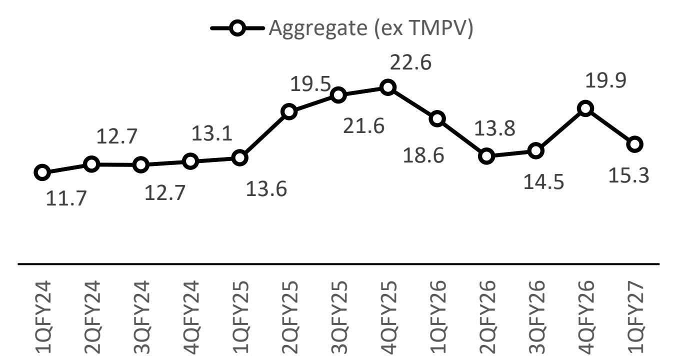
- **Demand outlook remains positive:** Demand outlook remained healthy across the segments on the back of robust retail performance, lean channel inventory and strong growth in exports. 2W OEMs have guided for strong double-digit growth in 2Q on a low base, with a high-single-digit outlook for FY27 in the domestic market. PV OEMs have guided for high-single-digit to low-double-digit growth for FY27 in the domestic market. Export outlook across both segments remains strong. In line with 4Q commentary, CV OEMs refrained from giving a full-year outlook while retaining the double-digit growth outlook for 2Q.
- **Margin beat despite commodity pressure:** Margins for our coverage universe were down 120bp YoY on account of steep cost inflation for commodities like steel, rubber, copper, etc., but still came in ahead of our estimates. Within OEMs, 2W OEMs have managed cost pressure well in 1Q, with players like BJAUT and TVSL seeing a minimal margin impact on a QoQ basis. PVs seemed to be the worst hit as they have been relative laggards in passing on the rising input cost pressure. Going ahead as well, we believe input cost pressure will persist in the near term and expect OEMs to manage the pressure well with price hikes, mix enhancement and cost-cutting initiatives. Our aggregate coverage universe has not seen major earnings revisions after 1Q.
- **Upgrades/Downgrades:** Upgraded BJAUT to BUY from Neutral
- **Surprises:** AMRJ, APTY, AL, BJAUT, BIL, BOS, CRAFTSMA, ESCORTS, EXIDE, GABRIEL, HMCL, HMIL, M&M, SAMIL, TMCV, TMPV
- **Misses:** BHFC, CEAT, ENDU

Guidance highlights:

Most of the management teams were confident about a strong FY27 performance.

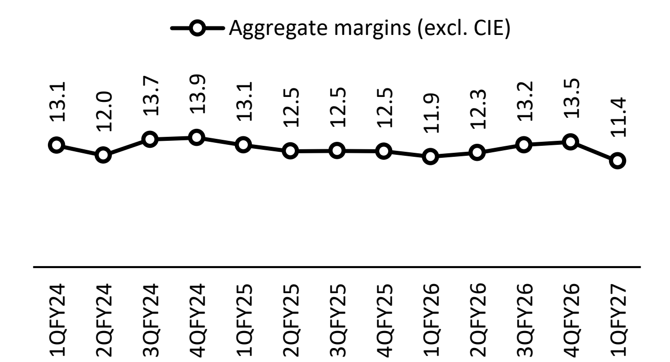
- **MSIL:** Management expects demand to remain strong and has maintained its guidance of 10% volume growth in the domestic market for FY27, which is likely to be constrained only by capacity. **HMIL:** Management remains confident of delivering 8-10% YoY domestic volume growth and 8-10% export growth in FY27, despite the weak 1QFY27 performance. **M&M:** Strong demand continues across urban and rural markets, supported by healthy enquiry levels and steady momentum across ICE SUVs, EVs and LCVs. **TMPV:** The company aims to grow India business at a high-double-digit pace and approximately twice the industry growth rate. **TVS:** Management expects the domestic 2W industry to deliver double-digit growth in 2QFY27, with momentum likely to remain similar to or slightly better than 1Q despite uncertainties around monsoon progression and food inflation. **HMCL:** For FY27, management expects 2W industry to post high-single-digit growth. **RE:** Despite a higher base in 2H, management expects volume momentum to continue in the coming quarters on the back of enquiry and booking growth, lean inventory, planned product interventions, renewed marketing activity, and the planned production ramp-up. **TMCV:** The company expects 2QFY27 to witness healthy double-digit YoY growth for the CV industry. However, growth trends from Sep'26 onward will need to be assessed against a higher base.

Exhibit 31: Aggregate OEM EBITDA margin (%)



Source: Company, MOFSL

Exhibit 32: Aggregate Ancs EBITDA margins trend (%)



Source: Company, MOFSL

BUILDING MATERIALS: Eyeing a broad-based volume recovery after soft 1QFY27 results

- **Plastic Pipes - weak volumes in 1Q, likely to revive from 2Q onward**: Overall demand in the plastic pipe industry was weak in 1Q, mainly due to volatility and a downward trend in polymer prices. Industry volumes are estimated to have declined 10% YoY in 1Q. **Astral (ASTRA)** reported flat volumes (best among peers) and continued to gain market share. On the other hand, **Supreme Industries (SI)** reported a volume decline of 15% YoY, followed by a 7% decline in **Prince Pipe (PRINCPIP).** Volumes in the agri segment were impacted by declining PVC prices in April, which led to channel inventories falling well below normal levels. Despite lower volumes, all companies reported revenue growth in the range of 0-10%, aided by better realizations amid rising polymer prices. EBITDA margins remained healthy due to a superior product mix skewed toward non-agri products and CPVC pipes.

Guidance: Following a blip in April due to a sharp correction in PVC prices and high channel inventory, all companies highlighted a healthy recovery from May onward, with stabilization in PVC prices supporting the normalization of channel inventory. After a weak 1Q, managements expect a strong revival from 2Q onward, driven by stable PVC prices, the removal of the customs duty exemption effective 16th July, and the implementation of MIP for suspension-grade PVC resin to protect the floor price. **SI** management maintained its FY27 volume growth guidance of 15%+ in the piping systems segment and 12%+ in the remaining segments. EBITDA margin is expected to remain at 14-14.5% (vs. 14.6% in 1Q). **ASTRA** maintained its guidance of double-digit volume growth and 20%+ value growth in FY27. The company expects current high realizations to sustain over the coming quarter, driven by an upward reversal in PVC prices in 2Q and MIP implementation. **PRINCPIP** has guided for 12-15% YoY volume growth in FY27. **We believe the volume growth guidance of 10-15%+ provided by companies is optimistic.**

- **Tiles & Bathware - healthy revenue growth aided by better realizations:** Tiles volume growth among leading players such as **Kajaria Ceramics (KJC)** and **Somany Ceramics (SOMC)** remained in the slow lane at 3-6% YoY in 1QFY27. **KJC** reported 6% YoY growth in tiles volumes. However, segment revenue surged ~18% YoY, driven by higher realizations (by ~11%) following the pass-through of elevated gas prices. EBITDA margin expanded 266bp YoY to a strong 19.6% (vs. 19.2% in 4QFY26) due to contained employee costs and other expenses.

Guidance: For FY27, **KJC** management aims to clock over 20% YoY growth in tiles revenue, driven equally by volume and value growth. While volume growth was subdued in 1Q, management anticipates healthy signs of recovery in 2H. EBITDA margin is expected to sustain in the 18-19% range. Revenue from the sanitaryware and faucetware segment is expected to rise 35-40% YoY in FY27, driven by 15-17% price-led growth. The company is also placing greater focus on the project segment, which has historically remained weak for KJC.

- **Wood panel - plywood segment continues to support CPBI's performance: Century Ply's (CPBI)** plywood segment continued to surprise positively, delivering robust revenue growth of 32% YoY and a strong EBIT margin of 16.5% (up 190bp YoY and 170bp QoQ). Revenue in the Laminate/MDF/Particle Board segments also grew by a healthy 15%/29%/ 157% YoY. However, segment margins remained tepid.

Guidance: CPBI aims to improve its plywood market share from ~10% currently to 15% over the next 3-5 years, supported by a CAGR of 12-15% in segment volumes. The laminate segment is expected to witness a strong revival, aided by the launch pipeline of refreshed products and realignment of the distribution channel. While plywood margin has sustained at elevated levels, management expects margins in other segments to revive with increasing capacity utilization.

- **Upgrades:** None
- **Downgrades:** SI to Neutral from BUY
- **Positive surprise:** KJC, CPBI
- **Negative surprise:** SI, CRS, ASTRA

CAPITAL GOODS: Ordering momentum remains subdued though prospects are strong

- **Subdued ordering momentum:** Order inflows remained mixed during the quarter, with overall inflows across the coverage universe increasing 3% YoY. Among covered EPC players, LT and KEC reported ~14% YoY inflow growth, while KPIL declined 23% YoY on a high base, with traction across domestic and export markets and rising private-sector ordering. Product players ABB and SIEM saw healthy ordering, led by data centers, metals, O&G and commercial real estate, despite a high base. T&D ordering remained healthy, though TBCB delays weighed on 1QFY27, with momentum expected to improve as tendering picked up from Jun-Jul'26. Defense ordering remained subdued, with recovery expected from 2QFY27. Private capex-led players TMX and TRIV saw subdued growth but highlighted healthy export inquiries, particularly from data centers.
- **Margins under pressure:** Overall margins missed our estimates at 11.7% (vs. estimated 12.4%). Margin pressure remained for most of the companies, with commodity cost volatility, higher freight costs, adverse product mix and elevated execution costs limiting near-term expansion. While scale benefits and operating leverage are expected to provide some support, margin recovery is likely to remain gradual, with companies focusing on cost optimization, localization, price pass-through and better execution to offset input cost pressure. Within EPC, LT and KECI saw margin contraction due to higher costs and delayed execution. All product companies reported a YoY contraction in margins, barring Hitachi, ENRIN, ATLANTA, HAL and BDL.
- **Surprises:** LT, POWERIND, ENRIN, GVTD, KPIL, ATLANTE and BDL
- **Misses:** BHE, KKC, SIEM, CGPOWER, TMX, KOEL, TRIV, ZEN, and ASTM

Guidance highlights:

Most of the management teams reiterated their guidance, supported by a strong prospect pipeline.

- **LT:** FY27 order inflow and revenue growth at 10-12%, with a prospect pipeline of INR5.1t for 9MFY27, core E&C margin of ~7.8%, and an NWC-to-revenue ratio of 10%. **BHE:** FY27 revenue growth of >15%, margin guidance of 28%, and order inflow guidance of INR550b+, including QRSAM, R&D guidance of INR22b, capex guidance of INR12b+, medium-term objective of maintaining a 90:10 defense-to-non-defense revenue mix. **GVTD:** Base ordering of ~INR70-90b in FY27, margins to be in mid-20s, and HVDC execution to be back-ended from FY29.

Exhibit 33: Aggregate revenue growth (%)

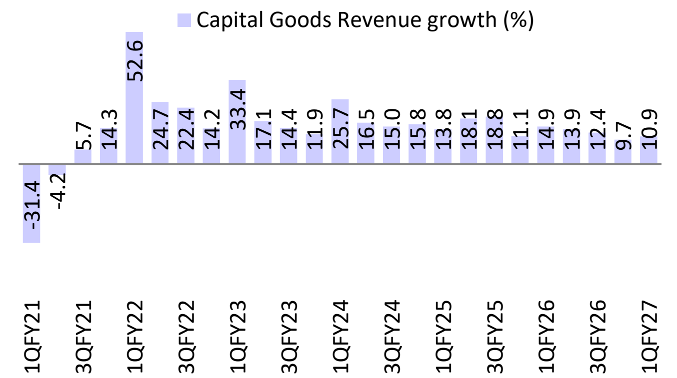


Exhibit 34: Aggregate EBITDA growth (%)

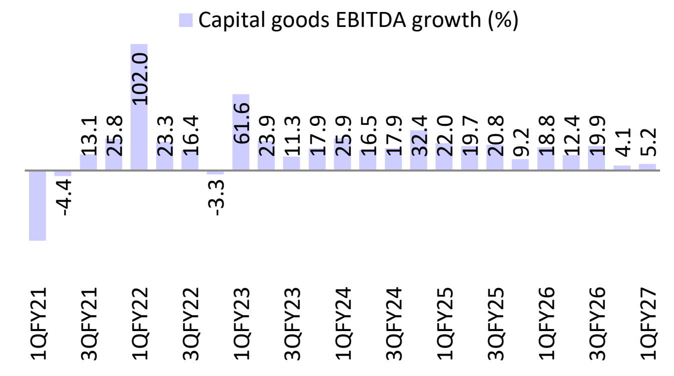
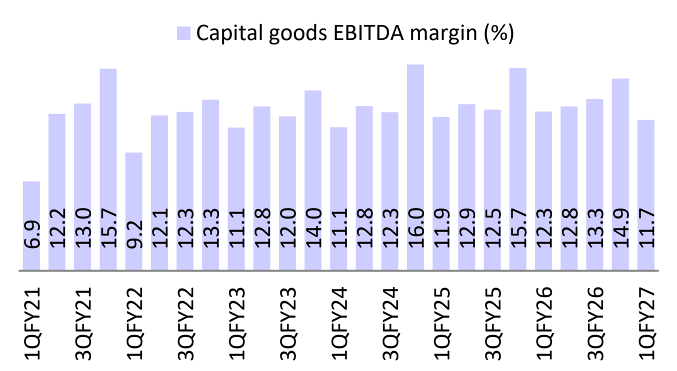
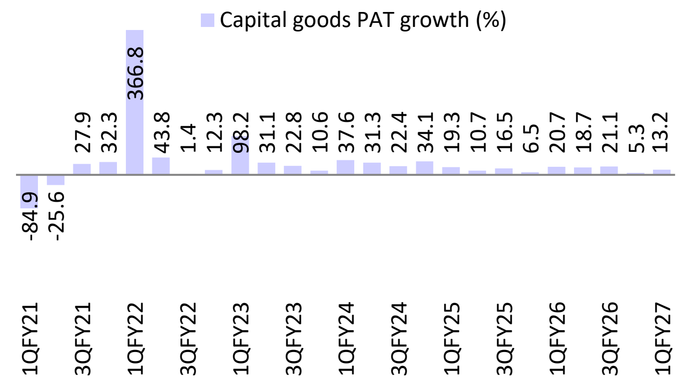


Exhibit 35: Aggregate EBITDA margin (%)



Source: Company, MOFSL

Exhibit 36: Aggregate PAT growth (%)



Source: Company, MOFSL

CEMENT: 1Q operating performance in line; cost pressure to peak out in 2Q

- **Healthy volume growth; stable pricing:** Cement demand remained strong in 1Q, led by government-led infrastructure projects, housing, and urban real estate. The industry added ~12mtpa of capacity in 1QFY27, with a further ~38-41mtpa expected to be added in 9MFY27. Industry average capacity utilization is estimated to remain stable YoY at ~71%. Aggregate volumes for our coverage universe grew ~7% YoY to 114mt (in line). Cement realizations increased ~1% YoY (up 3% QoQ) to INR5,567/t (+1% vs. estimates). Cement prices are likely to remain steady in the near term, with price hikes expected to be gradual. Aggregate revenue rose ~11% YoY to INR750b.
- **Gross margin for our cement coverage dipped 1.1pp YoY to ~59%**, as ~4% increase in variable cost/t outpaced the ~1% improvement in realizations. Total opex/t increased ~3% YoY to INR4,562 (~1% above our estimate), led by ~4%/9% increase in variable/other expenses, while freight/staff costs per ton declined ~2%/1% YoY. Aggregate EBITDA for our coverage companies increased ~1% YoY to INR118.8b (in line), while OPM contracted 1.6pp to ~16%. Average EBITDA/t declined ~11% YoY to INR963 (in line). Input costs are estimated to peak out in 2Q. Aggregate PAT declined ~2% YoY to INR49.7b (~9% beat, led by lower-than-estimated depreciation/interest).
- **Upgrades/downgrades:** No rating changes within our coverage universe
- **Surprises:** ICEM, DALBHARA, JKCE, JKLC, TRCL, and GRASIM
- **Misses:** ACC, BCORP, JSWC, and SRCM

Guidance highlights:

Most management teams have guided for a healthy cement demand outlook and expect profitability to improve in 2HFY27.

UTCEM: It is targeting double-digit volume growth in grey cement in FY27. Near-term profitability is likely to be impacted by higher opex/t, while it has guided to maintain its net debt-to-EBITDA ratio at below 1.0x. **ACEM:** It is prioritizing profitable growth over volume and targeting volume growth of ~8% YoY in FY27. **SRCM:** It has maintained a constructive demand outlook, reiterating its FY27 volume guidance of ~40mt. It expects sequential improvement in cost/t over the coming quarters. **DALBHARA:** It expects organic volumes to grow in line with industry growth, with additional upside from the ramp-up of acquired assets/organic expansions. **GRASIM**: It remains focused on market share gains in the paints business. Margins are expected to decline in 2Q due to higher-cost raw material inventory and increased advertising expenses.

Exhibit 37: Sales volume grew ~7% YoY in 1QFY27

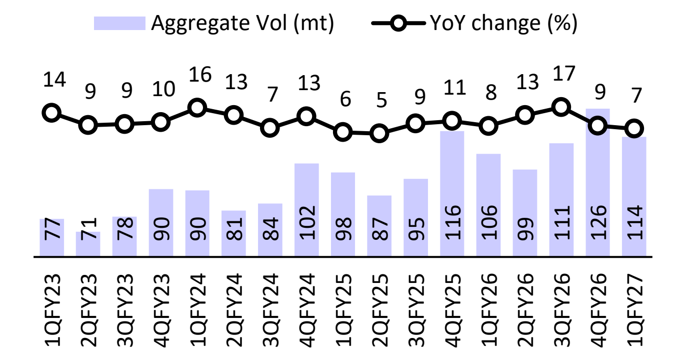


Exhibit 38: Blended realization rose ~1% YoY in 1QFY27

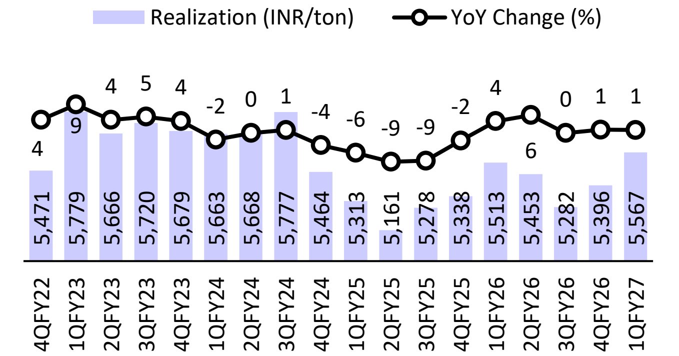


Exhibit 39: Aggregate EBITDA increased ~1% YoY in 1QFY27

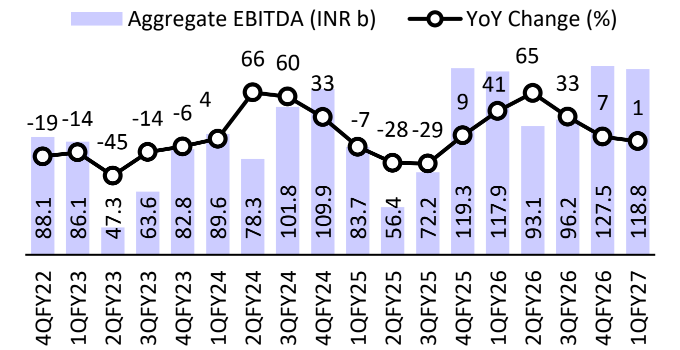
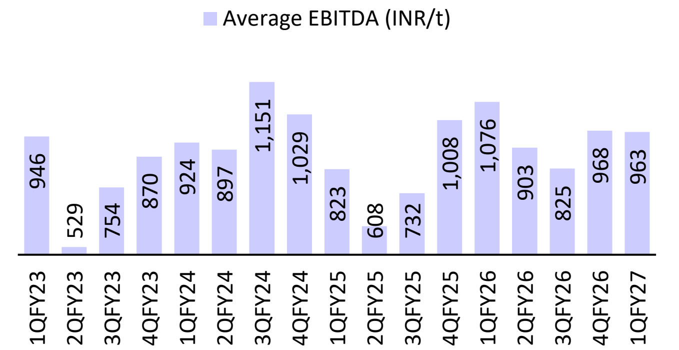


Exhibit 40: Average EBITDA/t declined ~11% YoY in 1QFY27



Source: Company, MOFSL

CHEMICALS: Strong growth, led by higher realizations

- **Overall performance:** Revenue came above our estimate in 1QFY27, with AACL, ATPL, DN, FINE, GALSUF, NFIL, SRF, TTCH, VO, and ELLEN beating our estimates. However, PI's revenue was below our expectations. EBITDA was also above our estimates, with a beat posted by AACL, ATPL, FINE, GALSUF, NFIL, SRF, TTCH, and ELLEN. In contrast, PI and PRIVI fell short of expectations. Further, Adj. PAT also came above our estimates, with AACL, ATPL, DN, FINE, GALSUF, NFIL, SRF, and ELLEN beating our estimates. PI, however, was below our estimates. Aggregate revenue grew 24% YoY to INR213.2b, EBITDA rose 39% YoY to INR46.9b, and adj. PAT grew 40% YoY to INR27.2b.
- Aggregate gross margin for our coverage universe remained flat YoY in 1Q. Aggregate EBITDA margin expanded 240bp YoY, led by margin expansion in AACL, ATPL, DN, FINE, GALSUF, NFIL, SRF, and ELLEN.
- **Upgrades/Downgrades:** None
- **Surprises:** AACL, ATPL, DN, FINE, GALSUF, NFIL, SRF, and ELLEN
- **Miss:** PI

Guidance highlights:

CLEAN: RM availability is improving though prices remain elevated on crude volatility; no China pressure is seen on MEHQ supply chain currently; demand is steady despite 1QFY27 RM/logistics disruptions. **DN**: Demand visibility is improving across categories on stronger domestic/export inquiries, capacity expansion, new product commercialization, and gradual downstream recovery; operating environment is seen as increasingly favorable for integrated, diversified players despite pricing volatility and geopolitical uncertainty. **ELLEN**: Kurnool and Uluberia-II merchant plant ramp-ups will be the key FY27 growth drivers, with utilization improving through the year; healthy demand outlook is led by manufacturing growth and steel-sector inquiries; EBITDA margin guidance is at 40%+. **NFIL**: EBITDA margin guidance has been reiterated at ~30% (±1-2%) for FY27. **Privi:** Long-term guidance is reiterated at INR50b revenue and INR10b EBITDA over next 3-4 years; ~20% revenue CAGR with the EBITDA margin sustained at similar levels. **SRF:** 2QFY27 would be lower QoQ (seasonality) but would improve YoY; refrigerant volumes may soften QoQ but would grow YoY. The Chemical business's growth guidance is maintained at ~15-20%; refrigerant gas volumes/prices to be favorable in FY27E. **TTCH**: Global soda ash oversupply (China-led) to keep global prices under pressure until supply rationalization; **VO:** FY27 EBITDA margin guidance is maintained at ~26-27%, volume growth guidance at ~15%. **GALSUF:** Management maintained its 6-8% volume growth guidance while raising its EBITDA/MT guidance to INR24-25k from the earlier INR19-21k.

Exhibit 41: Aggregate revenue trend

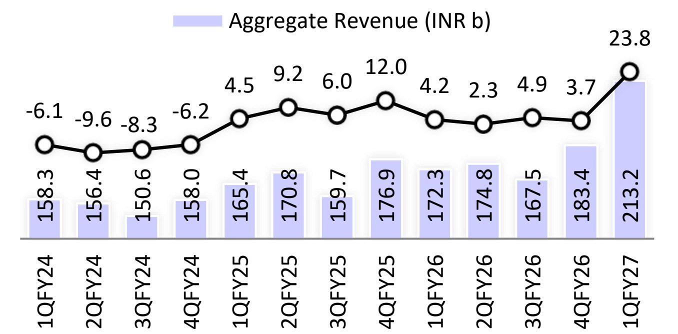


Exhibit 42: Aggregate gross margin (%)

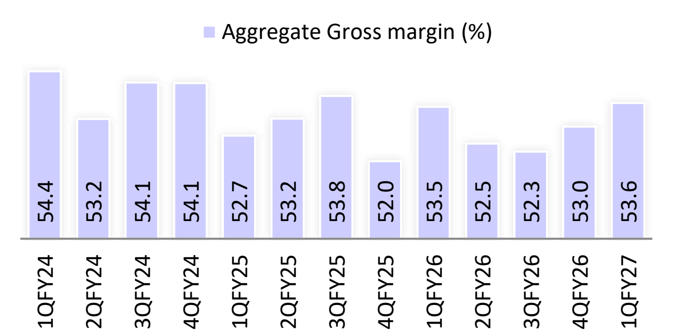


Exhibit 43: Aggregate EBITDAM (%)

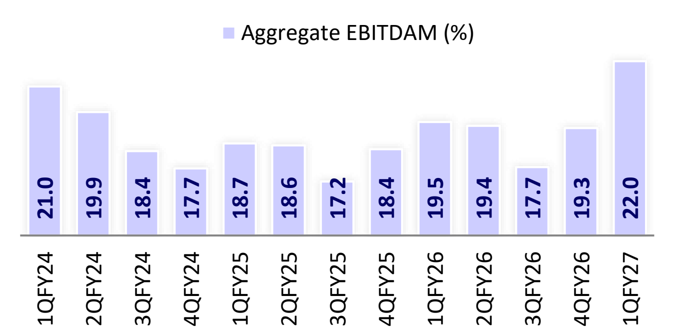
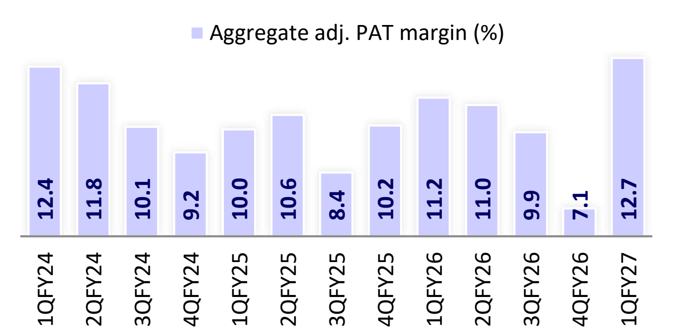


Exhibit 44: Aggregate Adj. PAT margin (%)



CONSUMER DURABLES: Strong demand momentum in C&Q; margin pressure in UCP segment

- **Strong revenue momentum:** The cable and wire (C&W) segment's revenue grew ~36% YoY to INR156.3b (+2% vs. our estimates). The segment delivered robust revenue growth, supported by strong investments in renewable energy, T&D sector, and semiconductors, among others. C&W demand remains structurally resilient given its broad-based end-market exposure. The UCP segment's revenue increased ~19% YoY to INR125.2b (~3% below our estimates). Other FMEG revenue grew ~15% YoY to INR51.9b (+3% vs. our estimates).Copper and aluminum prices corrected during Jun–Jul'26, impacting channel stocking. Commodity prices have declined by ~3–4% in the first fortnight, with the benefit expected to gradually translate into higher volumes as channel inventory normalizes.
- **C&W margins in line, UCP remained a drag:** Average EBIT margin in the C&W segment remained flat YoY to 12.3% (-15bp vs. our estimates), while EBIT margin in the UCP segment contracted 25bp YoY to 6.7% (-90bp vs. our estimates). The FMEG segment's margin also contracted 75bp YoY to 10.7% (-85bp vs. our estimates). Aggregate EBITDA for our coverage universe grew 26% YoY to INR38.5b (3% below estimates). EBITDA margin increased 15bp YoY to 10.0% (30bp below estimate). Aggregate PAT for our coverage universe increased ~25% YoY to INR26.5b (in line). RAC costs increased ~10–12%, driven by BEE norms, commodity inflation, rupee depreciation, freight, and plastics. BEE changes added ~7–8% to costs, while ~90% of the overall increase has been passed through, leaving only 1pp–2pp of inflation absorption.
- **Upgrades/Downgrades:** None
- **Surprises:** POLYCAB, RR KABEL
- **Misses:** VOLT, HAVL, BLSTR

Guidance highlights:

Most management teams were confident about a strong prospect pipeline, supported by an expected recovery in government and private capex across sectors.

- **POLYCAB**: W&C revenue grew ~39% YoY, led by ~43% domestic growth. Management remains positive on demand, with exports recovering from Middle East disruptions. **CROMPTON:** Demand remained healthy with ~80% of inflation covered through price hikes. The company plans INR3.5b of capex for a new manufacturing and warehousing facility. **LGEIL:** Management indicated **broad-based double-digit growth**, supported by **premiumization, price hikes, and operating leverage**, with healthy demand and **INR7.4b capex in 1QFY27.** **VOLT:** Management indicated a **gradual recovery in UCP demand** as channel inventory and pricing adjust to higher costs, while **EMPS order inflows remained healthy** across infrastructure, electronics manufacturing, metro & tunneling, and data centers.

Exhibit 45: Aggregate* UCP revenue and growth

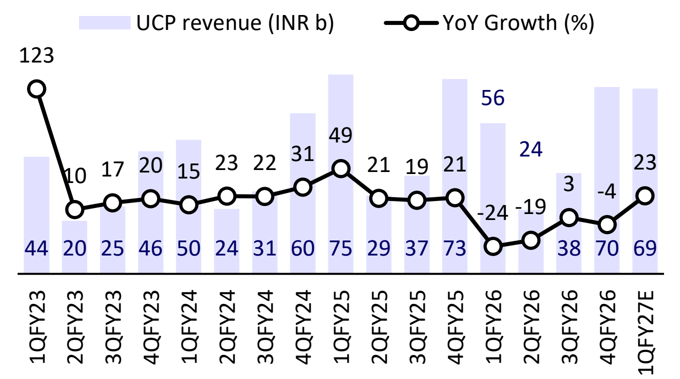
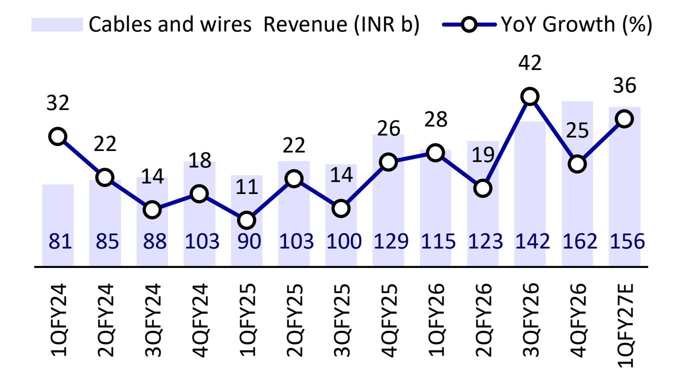


Exhibit 46: Aggregate* C&W revenue and growth



*In UCP, for revenue, we have considered VOLT, HAVL, and BLSTR. In C&W, for revenue, we have considered Polycab, KEII, HAVL, and RRKABEL

CONSUMER: Strong start to FY27; growth outlook improving

- **Staples: Steady consumption trends; calibrated pricing to offset inflation:** 1Q consumption trends remained steady, with limited impact from geopolitical uncertainties and inflation. Most categories delivered better YoY revenue growth than 4QFY26. The calibrated low-to-mid single-digit price hikes with better volume growth led to revenue growth acceleration. Several companies registered double-digit revenue growth after multiple quarters of single-digit growth. Erratic rains impacted some summer-centric categories, while both rural and urban markets remained healthy. Food continued to outperform BPC, with NEST, ITC, and MRCO delivering 15-20% YoY revenue growth and others posting low-double-digit growth. West Asia tensions impacted input costs and supply chain. Despite RM inflation, margins remained healthy, supported by premiumization, productivity, and cost management. The RM basket rose 8-10%, while companies took ~5% price hikes.
- **Liquor: Strong P&A momentum continues:** Within alcobev, spirits continued to outperform beer in 1Q, with premium portfolios driving growth across companies, while the beer category witnessed a healthy recovery with ~13% industry growth. RDCK continued its industry-leading performance and significantly outperformed expectations, reporting robust P&A volume/value growth of 36% each, driving 50% EBITDA growth with record 20.7% EBITDA margin. UNSP's revenue grew 6%, with EBITDA margin at 16%. UBBL's revenue/volumes grew 7%/9% (premium volumes up 7%), with operational performance in line. UBBL undertook 2.5- 3% pricing across 22 states. FTA benefits are expected to reduce imported portfolio prices by 7-9%.
- **Paints & adhesives: Healthy demand, but cost pressures persist:** The paint industry witnessed healthy demand in 1Q and according to companies, there was no meaningful inventory built-up as secondary demand was healthy as well. APNT delivered 18% YoY sales growth, while decorative volume growth at 9% was partly impacted by channel up-stocking ahead of price hikes. Despite 7-8% price hikes vs 25% RM inflation, EBITDA margin at 20.6% benefited from operating leverage. PIDI sustained double-digit volume growth. Phased price hikes of 2-12%, lower-cost inventory, and reduced trade schemes supported margins for PIDI.
- **Innerwear: Temporary logistics issues impact 1Q; normalcy to return 2Q onwards:** PAGE witnessed 8% revenue growth YoY (volume growth +6%). Underlying consumer demand remained healthy, but temporary logistics and manpower constraints impacted last-mile deliveries toward the end of June. Management stated that the last 7 days of billing remained undelivered (normally 3-4 days), implying that an additional ~3 days of billing was pushed to 2Q. PAGE absorbed part of the cost pressure through strategic sourcing and supply chain initiatives and implemented a calibrated ~2% price hike in May to partly offset RM inflation. The full benefit of the hike will flow through from 2Q. Management expects the lost sales to be recovered in 2Q and remains confident of sustaining double-digit volume growth in FY27.
- **Jewelry: Healthy revenue growth momentum sustains:** Jewelry demand remained resilient despite a ~3-week disruption in May from customs duty changes and the wedding calendar, with most deferred demand recovered in June. Demand remained healthy despite gold prices remaining elevated in 1Q, ~60% YoY and ~1% QoQ. Robust SSSG growth was supported by higher traction in old gold exchange programs (~50% mix for most companies). Demand for lightweight jewelry, lower-karat products, and affordable formats remained strong as companies focused on maintaining affordability. Titan (Jewelry standalone, ex-bullion), Kalyan, P N Gadgil (retail), and Senco delivered revenue growth of 38%, 47%, 54%, and 67% in 1Q. The SSSG of Titan, Kalyan, PN Gadgil, and Senco stood at 33%, 28%, 46%, and 39%, respectively, in 1Q. Most players indicated that current gold prices have now seen better consumer acceptance.
- **QSR: Demand recovery continues:** QSR companies highlighted that the SSSG recovery momentum witnessed since 2HFY26 has continued into 1QFY27. July trends remained encouraging despite a volatile demand environment. The recovery was backed by robust footfall growth and strong performance in the chicken and burger segments, while pizza continued to remain muted. The players prioritized driving affordability through their value platforms while maintaining strict execution discipline. While the delivery channel remained a strong pillar for players like JUBI, there was a meaningful improvement in dine-in footfalls. Companies aggressively utilized product innovations and digital enhancements to drive ordering frequency. Our coverage universe posted consolidated revenue growth of 16% YoY in 1QFY27 vs. 12% in 4QFY26 and 11% in 1QFY26. JUBI's LFL grew 2.5% YoY (on base of 12%), and UFBL recorded SSSG of 29% (on base of -3%). Meanwhile, RBA/Westlife SSSG grew 13%/4% YoY. SSSG for KFC Devyani/Sapphire rose 3%/5%, while PH SSSG Devyani/Sapphire registered same-store sales growth of -2%/1% YoY. During the quarter, most QSR companies undertook calibrated price increases in the range of 1-2%. EBITDA margins (Pre-Ind AS) witnessed an improvement YoY, supported by operating leverage.

- **Upgrades/Downgrades:** Upgraded JUBI from Neutral to BUY.
- **Surprises:** NEST, RDCK, TTAN, and APNT
- **Misses:** ITC, PAGE, Jyothy, Kalyan, and PGHH

Guidance highlights:

Most companies remain confident of resilient demand while continuing to monitor RM price movements. **HUVR** expects FY27 to be better than FY26, supported by stable demand, portfolio transformation, and channel expansion, while remaining watchful of global uncertainties. **APNT** expects healthy 2Q demand, supported by the festive season, and retained FY27 volume growth/EBITDA margin guidance of 8-10%/18-20%, aided by pricing, premiumization, and sourcing efficiencies. **RDCK** raised FY27 P&A volume growth guidance to >25% from 20% and upgraded EBITDA margin guidance to 20% from 18.5%, supported by strong premiumization. **PAGE** continues to target volume-led growth and expects double-digit volume momentum to sustain in FY27, with EBITDA margin expected in the range of 19-21%. **TTAN** remains confident in maintaining EBIT margin around the ~11% level over the medium term. **Kalyan** remains on track to become debt-free (excluding gold metal loans) by the end of Sep'26. **JUBI** maintained its guidance of opening 1,000 stores across brands in India over FY26-28 and continues to target around 200bp EBITDA margin expansion.

Exhibit 47: Revenue growth for our coverage universe in FY25, FY26, and 1QFY27 (%)

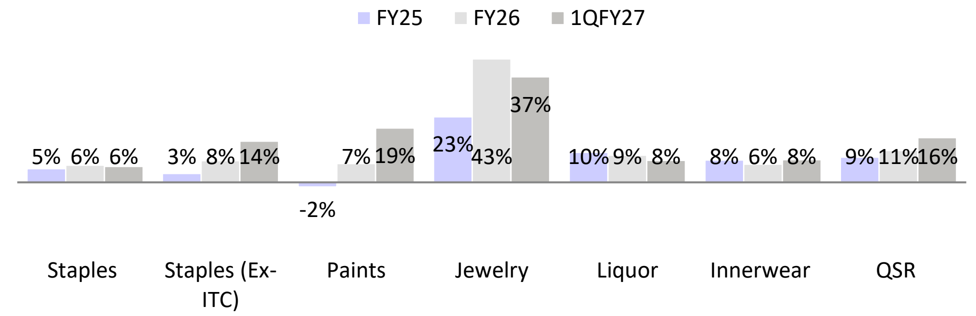


Exhibit 48: EBITDA growth for our coverage universe in FY25, FY26, and 1QFY27 (%)

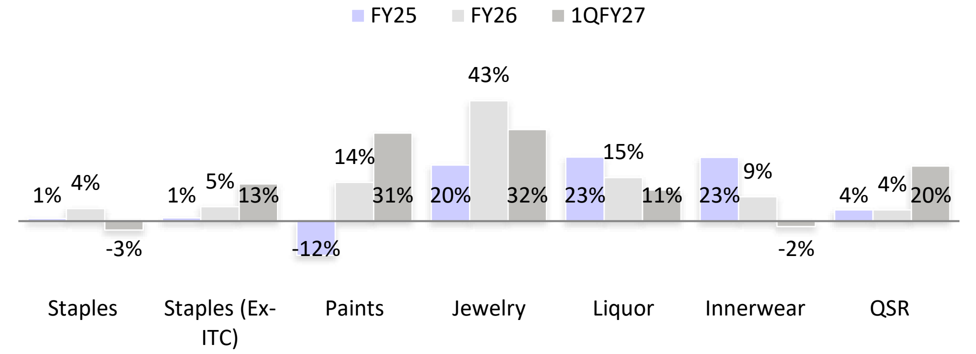
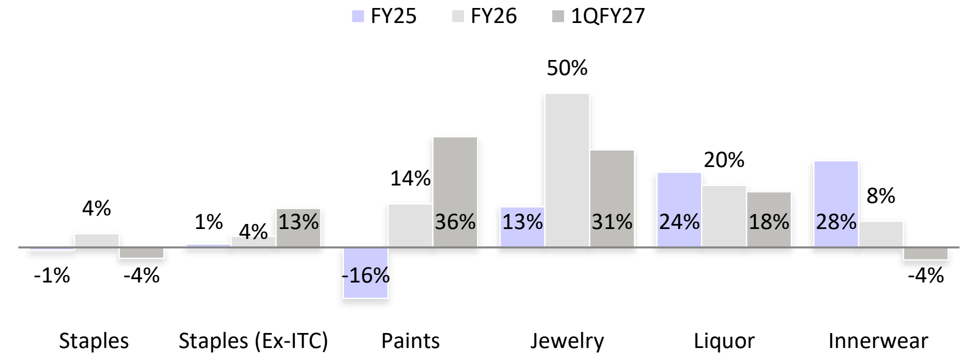


Exhibit 49: APAT growth for our coverage universe in FY25, FY26, and 1QFY27 (%)



Source: Company, MOFSL

EMS: Strong sector growth; FY27 outlook remains robust on healthy order backlogs

- **Continued revenue growth across EMS players:** The EMS sector maintained its growth trajectory in 1QFY27, with revenue increasing 23% YoY to INR229b. SYRMA led the growth pack, with revenue growth of 68% YoY, followed by AVALON (50%), KAYNES (40%), and CYIENTDL (34%). Further, DIXON/AMBER/DATAPATT also reported healthy growth of 21%/13%/17%.
- **Order book (ex-DIXON, AMBER) remains healthy, led by client additions and increasing wallet share with existing clients:** The sector continued to witness strong order inflows (~INR44.1b) in 1QFY27. All our coverage companies have reported growth in their order books, providing them with clear revenue visibility in the short to medium term. SYRMA/AVALON posted the highest order book growth of 23% YoY each, followed by CYIENTDL/ KAYNES/DATAPATT at ~22%/20%/14% YoY.
- **Margins resilient despite supply-chain disruptions:** The quarter remained challenging for EMS companies due to component shortages, inventory build-up, geopolitical disruptions, and delays in the ramp-up of PCB/OSAT projects, resulting in elevated working capital and pressure on operating efficiency. Nevertheless, margins across our coverage universe remained broadly stable at 12.5% (ex. DIXON and AMBER). **Going forward, margins are expected to expand further, driven by improving operating leverage, increasing contribution from high-margin segments, normalization of supply-chain constraints and commencement of PCB/OSAT revenue.**
- **Surprises**: AVALON, SYRMA | **In line**: CYIENTDL, DIXON, AMBER | **Misses:** KAYNES, DATAPATT

Guidance remains robust across the EMS universe

- **KAYNES** targets ~2x industry growth with INR4.5-5.0b revenue from PCB/OSAT. **AVALON** raises FY27 revenue growth guidance to 26-30% and expects US EBITDA breakeven by FY27-end. **SYRMA** reiterates 35%+ revenue growth and 10.5-11.0% EBITDA margin guidance. **CYIENTDL** expects stable growth, backed by a record order book and margin expansion toward 11-13% over FY27-29. **DATAPATT** maintains FY27 guidance of 25% revenue growth and 35-40% EBITDA margin. **DIXON** retains FY27 mobile volume guidance of ~30-33m units. **AMBER's** FY27 revenue guidance stands at 13-15% for Consumer Durable, 40% for Electronics and 30-35% for Railways.

Exhibit 50: Key operating indicators for 1QFY27

	Revenue (INR m)					EBITDA margins (%)					Adj PAT (INR m)				
	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)
Kaynes	9,460	6,735	40	12,426	-24	15.6	16.8	-120	15.6	0	564	746	-24	913	-38
Avalon	4,844	3,233	50	4,799	1	12.0	9.2	270	11.8	10	349	142	145	412	-15
Cyient DLM	3,738	2,784	34	3,691	1	10.5	9.0	150	11.7	-120	163	75	118	224	-27
Syrma SGS	15,886	9,440	68	14,650	8	10.2	9.2	100	11.9	-170	1,001	497	101	1,021	-2
Data Patterns	1,160	993	17	3,449	-66	27.0	32.3	-530	55.9	-2890	221	255	-13	1,384	-84
Dixon	1,55,477	1,28,357	21	1,05,105	48	3.0	3.8	-80	3.9	-90	2,183	2,250	-3	1,945	12
Amber	38,877	34,491	13	41,475	-6	8.0	7.4	60	8.6	-60	1,449	1,039	NA	704	106
Agg.	**2,29,443**	**1,86,033**	23	**1,85,595**	24	**5.3**	**5.5**	**-20**	**7.7**	**-240**	**5,930**	**5,004**	**19**	**6,602**	**-10**
Agg. (ex. Dixon, Amber)	**35,089**	**23,185**	51	**39,015**	-10	**12.5**	**12.4**	**10**	**16.9**	**-450**	**2,297**	**1,715**	**34**	**3,954**	**-42**

Source: MOFSL, Company

Exhibit 51: Our revised EPS estimates (INR)

	New		Old		Change %	
	FY27	FY28	FY27	FY28	FY27	FY28
Dixon	156	259	163	257	-4	1
Amber	107	182	124	187	-14	-3
Kaynes	75	125	85	132	-11	-5
Avalon	27	43	27	41	0	4
Cyient DLM	13	20	13	19	5	7
Syrma SGS	25	35	23	33	6	9
Data Patterns	63	81	63	81	0	0

FINANCIALS - BANKS: Healthy growth outlook; NIM trends divergent; asset quality improves

- **Credit growth healthy:** Banking sector delivered a mixed quarter, as soft margin performance was offset by lower opex and lower-than-expected provisioning. Loan growth remained healthy across the sector, with systemic loan growth accelerating to 17.7% YoY compared with 10% in Jun'26. Deposit growth was muted, particularly for PSBs, lagging advances growth amid heightened competition for deposits and resulting in elevated CD ratios across banks. Secured lending continued to drive credit growth, supporting asset quality and keeping credit costs benign. We expect system loan growth of 14% in FY27E, with growth increasingly skewed toward secured retail. Private banks are likely to gain market share as PSBs have largely utilized their balance sheet liquidity.
- **NIM trends divergent:** NII growth across our coverage universe stood at 11.1% YoY, led by PSBs at 11.9% vs. 10.3% for private banks. All PSBs reported sequential NII growth, while Federal Bank and RBL Bank were the only private banks to post a QoQ decline of 7.1% and 1.0%, respectively. NIM trends remained divergent: ICICI was broadly stable, while KMB, AXSB and HDFCB saw 12-16bp QoQ compression. AU, Equitas and DCB faced pressure from lower loan yields and higher CoF, whereas Federal's adjusted NIM improved 13bp QoQ. Among PSBs, BoB and Canara Bank saw compression, while SBI, UNBK, PNB and INBK reported expansion, aided by lower funding costs. For FY27, we expect NIM expansion for RBL, Federal and SBI, while ICICI should remain stable as TD repricing is largely complete and funding conditions continue to improve.
- **Asset quality improves: Asset quality across banks continued to strengthen in 1QFY27**, with both private and PSU banks witnessing improvement, barring 1Q seasonality impact. Stress indicators moderated across unsecured and retail segments, while no material corporate stress emerged. Most lenders have not yet seen any meaningful impact on MSME and CV portfolios due to the West Asia conflict.
- **Our view:** Over FY26-28E, we expect private banks to materially outperform PSU banks, with earnings CAGR of 20.9% vs. 10.7% CAGR for PSU banks. For our banking coverage universe, we estimate an earnings CAGR of 15.7% over FY26-28E, ahead of consensus expectations of 14.2% CAGR over the same period. This growth is expected to be driven primarily by a ~15% CAGR in NII, with private banks and PSU banks likely to deliver 16.4% and 14.3% CAGR, respectively. We also expect PPoP growth to remain healthy at 15.7% CAGR over FY26-28E, led by 17.1% CAGR for private banks and 14.1% CAGR for PSU banks. Among private banks, we expect mid-sized players to outperform in earnings growth, supported by improving NIMs, better operating leverage, and easing stress in retail portfolios.
- **Our preferred picks** are ICICIBC, SBIN, HDFCB, AUBANK and RBL.
- **Upgrades/Downgrades: Downgraded Bandhan to Neutral**
- **Surprises: ICICI, SBI, IDFCB and RBL**
- **Misses: Bandhan and BoB**

Guidance highlights

- a) **HDFCB** expects loan growth to be driven by economic growth, with corporate/wholesale lending leading the momentum. It targets CASA at 38-40% and expects NIMs to improve gradually. b) **ICICIBC** expects NIMs to remain range-bound, while FCNR(B) deposits offer incremental loan growth at healthy spreads. c) **KMB's** 15% YoY loan growth was led by SME/corporate, with MFI and cards showing sequential improvement. NIM was steady at 4.53% and ECL impact is expected at <2% of net worth. d) **AXSB** reiterates through-cycle NIM guidance of ~3.8% and targets loan growth ~300bp above the industry, led by corporate lending and healthy deposit mobilization. e) **SBIN** retained credit growth guidance of 14-15% and domestic NIM guidance of 3% for FY27 while targeting RoA >1% and RoE ~15%. f) **BOB** guided for credit growth of 12-14%, deposit growth of 10-12% and NIM of 2.75-2.95%, with credit costs <0.6% and RoA >1%. ECL is expected to impact CRAR by ~110bp, with steady-state credit cost impact of 15-20bp. g) **AUBANK** expects 22-25% credit growth in FY27, at 2.2-2.5x nominal GDP growth, while targeting ~1.8% RoA through opex optimization and lower credit costs.

Exhibit 52: PAT for banking coverage universe grew 14% YoY/flat QoQ

	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
		Jun'26	YoY (%)	QoQ (%)	Jun'26	YoY (%)	QoQ (%)	Jun'26	YoY (%)	QoQ (%)
Financials										
AU Small Finance	Buy	26,955	31.8	4.4	14,355	9.4	6.2	7,960	37.0	-4.3
Axis Bank	Neutral	146,461	8.0	1.3	116,591	1.3	16.4	71,139	22.5	0.6
Bandhan Bank	Neutral	29,206	5.9	4.5	13,581	-18.6	-5.8	5,017	34.9	-6.1
DCB Bank	Buy	6,840	17.8	4.4	3,440	5.2	0.6	2,132	35.6	3.7
Equitas Small Finance	Buy	10,295	31.0	5.0	4,047	28.6	0.5	1,835	-182.0	-13.7
Federal Bank	Buy	29,459	26.1	-7.1	18,973	21.9	-16.7	11,769	36.6	-6.5
HDFC Bank	Buy	335,340	6.7	1.4	281,681	-21.2	1.3	190,597	5.0	-0.8
ICICI Bank	Buy	243,844	12.7	6.1	203,861	8.7	12.0	148,045	15.9	8.0
IDFC First Bank	Neutral	59,724	21.1	5.2	25,526	14.0	141.1	10,750	132.4	237.0
IndusInd Bank	Neutral	46,847	1.0	7.2	27,735	8.0	20.8	10,370	71.7	74.5
Kotak Mahindra Bank	Buy	79,284	9.2	0.7	61,314	10.2	4.7	41,230	25.6	2.4
RBL Bank	Buy	16,545	11.7	-1.0	9,228	31.3	-3.4	2,537	26.6	10.4
Banks - Private		**1,030,798**	**10.3**	**2.8**	**780,330**	**-5.1**	**8.4**	**503,381**	**17.0**	**4.4**
Bank of Baroda	Neutral	125,251	9.5	0.3	81,273	-1.3	-10.4	12,787	-71.8	-77.2
Canara Bank	Buy	102,153	13.4	4.2	86,359	1.0	27.8	48,558	2.2	7.8
Indian Bank	Buy	74,348	16.9	4.6	55,573	16.5	5.1	32,731	10.1	5.5
Punjab National Bank	Buy	107,984	2.1	4.0	75,192	6.2	0.3	52,533	213.6	0.5
State Bank of India	Buy	469,924	14.4	5.9	335,292	9.8	21.0	211,212	10.2	7.3
Union Bank	Neutral	100,372	10.1	6.7	80,026	15.8	0.6	53,323	29.6	0.3
Banks - PSU		**980,032**	**11.9**	**4.7**	**713,714**	**8.0**	**11.0**	**411,143**	**10.5**	**-5.4**
Total Banks		**2,010,830**	**11.1**	**3.7**	**1,494,044**	**0.7**	**9.6**	**914,524**	**14.0**	**-0.2**
SBI Cards	Neutral	16,761	-0.3	0.5	18,408	-12.3	-3.8	6,644	19.5	9.0
PAYTM	Neutral	24,480	27.7	8.1	2,030	182.7	53.8	2,200	79.6	20.2

Source: MOFSL, Company

Exhibit 53: Earnings have seen a marginal improvement, mostly lead by decline in credit cost

PAT (INR b)	Old estimates		Revised estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Private Banks						
AXSB	306.5	383.3	301.8	374.6	-1.5	-2.3
BANDHAN	27.2	37.2	23.3	34.9	-14.4	-6.3
DCBB	9.9	12.5	9.9	12.4	-0.6	-1.1
HDFCB	832.1	974.4	815.2	959.8	-2.0	-1.5
ICICIBC	572.3	664.4	599.4	691.4	4.7	4.1
IDFCFB	35.9	53.5	43.5	60.0	21.3	12.1
IIB	32.4	54.4	38.2	64.5	18.1	18.6
KMB	168.2	204	171.7	206.0	2.1	1.0
FB	50.2	64.3	52.6	65.5	4.6	1.8
RBK	22.1	36.1	22.5	35.5	1.7	-1.6
AUBANK	36.6	47.7	37.2	48.2	1.5	1.1
EQUITASB	7.1	10.0	7.7	10.6	9.8	6.7
Total Private Banks	**2,100.6**	**2,541.8**	**2,123.0**	**2,563.5**	**1.1**	**0.9**
YoY growth (%)	**19.7%**	**21.0%**	**21.1%**	**20.7%**		
PSU Banks						
BOB	223.5	243	181.2	230.3	-18.9	-5.2
CBK	197.7	226.7	200.6	230.6	1.4	1.7
INBK	137.6	154.8	138.6	157.0	0.7	1.4
PNB	202.9	235.9	220.1	245.4	8.5	4.0
SBIN	826.4	927.4	851.8	955.2	3.1	3.0
UNBK	201.3	217.6	211.1	228.5	4.9	5.0
Total PSU Bank	**1,789.4**	**2,005.4**	**1,803.3**	**2,047.2**	**0.8**	**2.1**
YoY growth (%)	**7.2%**	**12.1%**	**8.0%**	**13.5%**		
Total for Banks	**3,890.0**	**4,547.2**	**3,926.3**	**4,610.6**	**0.9**	**1.4**
YoY growth (%)	**13.6%**	**16.9%**	**14.7%**	**17.4%**		
Other Financials						
SBICARD	29.7	36.5	29.8	36.2	0.3	-0.8
PAYTM	9.9	18.1	10.2	19.2	2.9	5.8

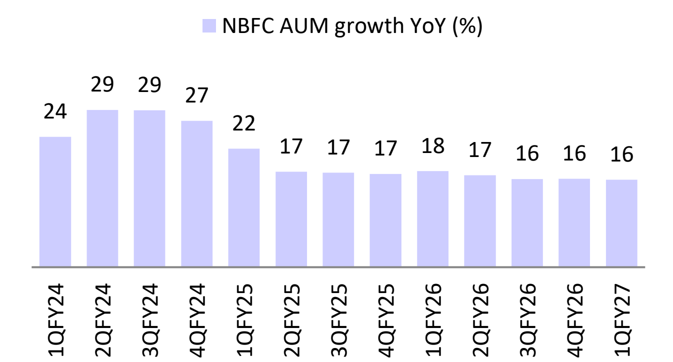
NBFCs: Strong quarter with healthy business momentum leads to earnings upgrade for the sector

- **Healthy quarter despite weak seasonality:** NBFCs delivered a strong performance in 1QFY27, driven by healthy disbursements and robust AUM growth. Despite the seasonally weak first quarter, demand remained resilient and broad-based across housing, vehicle finance, gold loans, consumer durables, and unsecured lending, with MFI disbursements also maintaining strong momentum. NBFCs (incl. HFCs) under our coverage reported AUM growth of ~16% YoY in 1QFY27. Vehicle financiers (VFs) clocked AUM growth of 17% YoY. Large HFCs (PNBHF, LICHF and BAJAJHFL) grew 11% YoY; affordable and small-ticket HFCs reported ~14% YoY growth; NBFC-MFIs' AUM grew ~11% YoY (up ~4% QoQ), and gold loan NBFCs' AUM rose ~55% YoY (driven by strong gold loan growth at both MUTH and MGFL). For the NBFCs under our coverage, NII/PPoP/PAT grew 21%/22%/32% YoY.
- **Asset quality remains stable with an improving bias:** Asset quality remained stable with an improving trend across most segments, including MFI and unsecured lending, driving lower credit costs. The broad-based improvement in portfolio quality and moderation in credit costs indicate a healthier credit cycle. While most NBFCs have not seen any material asset quality impact from the West Asia crisis so far, lenders remain watchful of potential risks arising from geopolitical uncertainties and monsoon trends (especially amid El Niño concerns).
- **Margin trends remain divergent:** Margin trends were mixed across the NBFC universe, although most lenders witnessed only modest pressure. HFCs reported margin contraction, driven by lower yields and a marginal increase in the CoF. Vehicle financiers also saw slight margin pressure (except SHFL), primarily due to higher incremental CoF driven by elevated bond yields. MUTH reported a significant margin contraction (down 300bp QoQ), while MGFL delivered margin expansion (up ~70bp QoQ), supported by higher yields. MFIs witnessed margin expansion on the back of improved yields and lower interest income reversals, whereas power financiers saw margin compression due to yield pressure. During the quarter, the incremental CoF increased for several NBFCs amid heightened geopolitical uncertainty and the West Asia conflict, resulting in modest pressure on overall CoFs and margins.
- **Upgrades/Downgrades:** BAF (Upgrade to BUY)
- **Surprises:** CIFC, SHFL, BAF, MMFS, IIFL Finance, CREDAG, and MGFL
- **Misses:** PFL and MUTH

Guidance highlights:

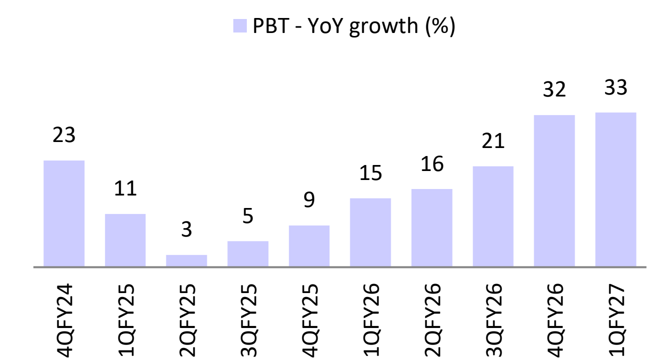
1) CIFC reiterated its AUM growth guidance of 22-23% for FY27; 2) SHFL maintained its AUM growth guidance of 18% for FY27 and expects credit costs to remain at ~2% in the near term; 3) MUTH guided a gold loan growth of 15% in FY27; 4) BAF guided for growth momentum to sustain through FY27 and expects asset quality to improve further; however, it will revisit the guidance for the full year post-2QFY27 results; 5) Tata Capital remains confident of delivering 23-25% AUM growth in FY27; 6) PNBHF guided retail loan growth of ~18-20%, with a clear strategic focus on affordable and emerging segments, and 7) NBFC-MFIs witnessed an improvement in collection efficiency and guided for a moderation in credit costs and a resumption of healthy AUM growth.

Exhibit 54: AUM grew 16% YoY for our NBFC coverage



Source: Company, MOFSL
MOFSL universe excl. Indostar and Tata Capital (as previous quarter data is not available for TATACAP)

Exhibit 55: PBT for our NBFC coverage grew ~33% YoY (%)



Source: Company, MOFSL
MOFSL universe excl. Indostar

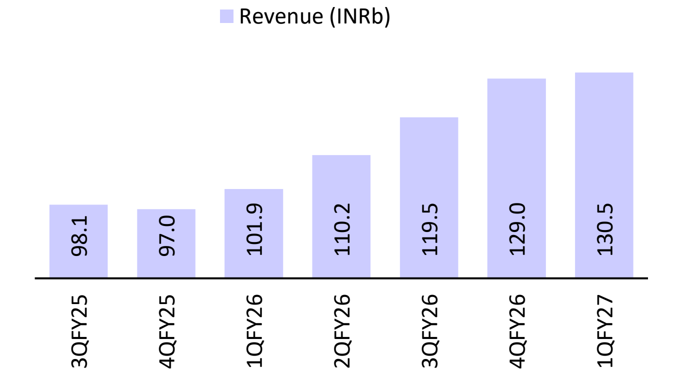
Capital market players witness mixed activity amid high treasury gains

- **Moderation in volumes; MTF book continues to expand:** In 1QFY27, cash ADTO rose 13% QoQ, while F&O ADTO and options premium ADTO declined 10%/11% QoQ. Monthly demat additions remained broadly stable at ~2.3m during the quarter (~2.6m in Jun'26). **Angel One** reported continued strength in cash volumes, although weaker F&O activity (in line with industry trends) weighed on broking revenues and profitability. The MTF book witnessed a sharp sequential recovery. Similarly, **Groww** witnessed a sequential moderation in order volumes, while its MTF book expanded. Commodities continued to scale new highs. **Among exchanges**, BSE benefited from continued increase in options ADTO, while MCX reported a weak QoQ performance, led by a sharp decline in volumes from a high 4Q base.
- **SIP inflows momentum support AUM resilience**; **treasury income recovers**: The **AMC** industry sustained monthly SIP inflows of >INR310b throughout the quarter, while industry yields improved marginally QoQ, aided by a richer product mix and the pass-through of recent regulatory changes. Treasury/other income also remained healthy due to favorable market conditions. Among wealth managers, **360 ONE** reported lower ARR yields despite healthy net inflows, although PAT growth remained in double digits, supported by higher treasury income. In the RTA space, **KFin Technologies** delivered a profitability beat despite a significant increase in low-margin international business (achieved breakeven). CAMS reported strong growth across its non-MF businesses. **Depository** revenues improved sequentially as market activity improved, while non-depository segments continued to scale.
- **Upgrades/Downgrades:** Upgraded KFIN to BUY from Neutral. Downgraded ANANDRATHI to Sell from Neutral.
- **Surprises:** GROWW, NUVAMA
- **Misses:** NSDL, MCX, 360 ONE

Guidance highlights:

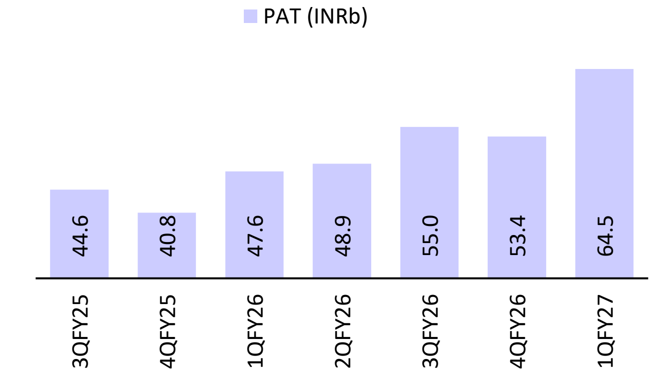
- **360ONE:** The consolidated CI ratio is expected to improve 100–150bp over the medium term. Wealth retention is likely to remain stable in the 70–75bp range. **GROWW:** The MTF book is expected to grow at a similar trajectory of INR6-7b every quarter, while RBI's tightening of bank guarantee norms will not impact retail participation. **ANGELONE:** Employee expenses are expected to remain broadly flat at around INR11b in FY27, while wealth management is expected to achieve breakeven in the next 3-4 years. **HDFCAMC:** The company aims to maintain net operating margins at 33-35bp of AUM while continuing to invest for future growth. Recent SEBI product categorization changes, including lifecycle funds, are expected to enhance the attractiveness of debt products. **IPRUAMC:** The product pipeline remains robust, with no earnings impact expected from the revised TER regulations as the reduction is being passed on to distributors. **NIPPON AMC:** As AUM scales up, blended yields are expected to decline by 1-2bp annually, while overall operating expenses are guided to grow 18-20% YoY (excl. ESOP). **KFIN:** Ascent targets a double-digit EBITDA margin by the end of FY27. MF fee revenue contribution is expected to reduce to <50% over the next three years.

Exhibit 56: Capital Markets aggregate revenue trends



Source: Company, MOFSL

Exhibit 57: Capital Markets aggregate PAT trends



Source: Company, MOFSL

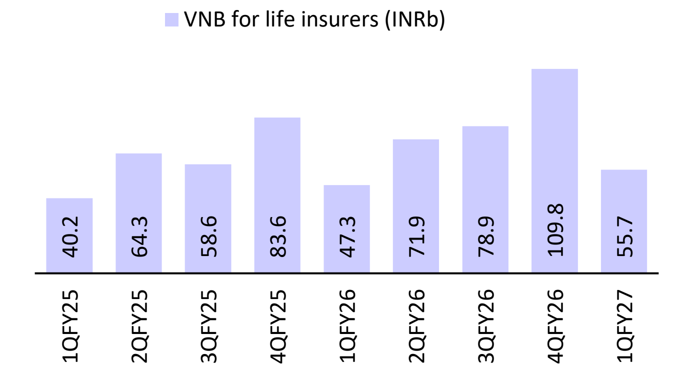
Health insurance segment grows over 20%; life insurers report a mixed quarter

- **Strong momentum in health insurance, while motor remains stable:** The **General Insurance** industry maintained its strong momentum in 1QFY27, with the health segment growing at ~20% and the motor segment growing over 10%. **ICICIGI** witnessed a recovery in the motor insurance business, along with continued market share gains in retail health. However, profitability was impacted by large losses in the fire segment and a prudent reserving approach in motor TP following the Supreme Court judgement. Both **STARHEAL** and **NIVABUPA** reported robust operating performance, supported by strong growth in the fresh retail business and an improved claims ratio, driven by calibrated pricing actions and wellness initiatives**. BGEN's** GWP grew 11%, with the motor segment growing 8% amid high competitive pressure, while the health segment continued its double-digit growth trajectory. Players are witnessing sustained demand momentum, especially in health insurance following the GST exemption, and are seeking to capitalize on profitable growth opportunities in the motor and fire segments.
- **Mixed quarter for life insurers; strong volume growth for PBFINTECH:** Private **life insurance** players witnessed mixed performance across APE growth as well as VNB margin. IPRULIFE/HDFCLIFE/CANHLIFE/SBILIFE/BLIFE /MAXLIFE reported APE growth of 15%/9%/19%/36%/30%/15%. VNB margins for IPRULIFE/CANHLIFE/BLIFE/MAXLIFE improved 220bp/160bp/480bp/310bp, while for HDFCLIFE/SBILIFE, the margins contracted 9bp/129bp YoY. **LIC** continues to report a sharp VNB margin expansion, led by the increasing contribution of the non-par business and improving product-level margins. **PBFINTECH** continues to deliver volume growth above its guidance of 30%. Strong momentum in the protection segment, along with stronger renewal growth and improved productivity, resulted in robust profitability.
- **Upgrades/Downgrades:** Upgraded BJFIN to BUY from Neutral. Downgraded ICICIGI to Neutral from BUY.
- **Surprises:** NIVABUPA, POLICYBZ, CANHLIFE
- **Misses:** ICICIGI

Guidance highlights:

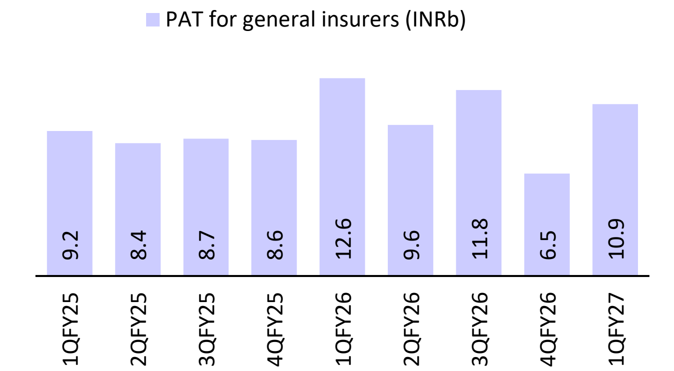
- **ICICIGI:** The structural growth outlook for the health segment remains strong, with retail health continuing to outpace group health growth. The company continues to follow a conservative reserving approach in motor third-party insurance, given the evolving judicial landscape and periodic changes in claim settlement assumptions. **STARHEALTH:** Reinsurance costs are expected to decline further, driven by the gradual runoff of a large reinsurance treaty undertaken in 2023. Continued investments in technology and process automation are expected to drive a further 30–40bp improvement in the expense ratio. **SBILIFE:** The company expects to deliver 14–15% APE growth while maintaining VNB margins toward the upper end of the guided range of 26-28%. **CANHSBC:** Investments in the agency channel should dilute VNB margins by ~2% over the next 2–3 years. The protection portfolio is expected to deliver double-digit growth during FY27. **PBFINTECH:** The company targets an annualized revenue run-rate of INR5b and breakeven by Mar'27 in PB Health. Renewal revenue is expected to outpace fresh business growth over the next 12 months.

Exhibit 58: Aggregate VNB trends (LI)



Source: Company, MOFSL

Exhibit 59: Aggregate PAT trends (GI)



Note: PAT for STARHEAL & NIVABUPA has been accounted for under IFRS, while for others, it has been accounted for under IGAAP. Source: Company, MOFSL

Healthcare: Operationally in-line quarter; improving outlook across sub-segments

- For our pharma coverage universe, 1QFY27 operational performance was broadly in line with expectations; however, earnings came in ~7.6% above estimates. LAURUS, DIVIS and IPCA stood out with earnings outperformance of 53%, 37%, 33% respectively, driven by better-than-expected cost optimization and operating efficiencies and favorable currency movements. In contrast, BIOCON reported a significant earnings miss of 28%, largely due to lower offtake by certain key customers in CRDMO segment. In our healthcare services coverage (hospitals), revenue, EBITDA and PAT were broadly in line with estimates.
- Revenue for our pharma universe grew by a healthy 16%, while EBITDA grew at a lower rate of 11% YoY. PAT growth further declined to 2% YoY.
- Out of 29 companies under our coverage, 16 delivered higher-than-estimated performance, six posted lower-than-estimated earnings, and the remaining seven delivered largely in-line performance. Specifically, LAURUS, DIVIS, IPCA, AGARWALE and EMCURE were strong outperformers, whereas BIOCON, MAX, MANKIND and ZYDUS were underperformers.
- **Super-specialty hospitals** (APHS, FORH, MAXH, MEDANTA), on an aggregate basis, delivered healthy growth in 1Q, with revenue/EBITDA/PAT rising 19.4%/19.5%/14.3% YoY, driven by steady demand momentum, stable occupancy levels QoQ and mid-single-digit ARPOB growth, despite continued aggressive capacity expansion across networks.
- Among our coverage universe, US sales of DRRD/CIPLA/ZYDUS/SUN declined 41%/28%/12%/10%. Lower G-Revlimid contribution and increased competition continued to dent growth for DRRD/CIPLA/ZYDUS. Notably, ALEMBIC/LPC posted healthy YoY revenue growth of 35%/30%, driven by limited competition product launches. Rubicon delivered 31% YoY growth to USD55, driven by a steady ramp-up in existing products and partly by new launches.
- DF business grew 17% YoY, supported by a recovery in acute therapies and sustained healthy momentum in chronic therapies. Additionally, IPM growth in 1QFY27 was 13.7%.
- Among our coverage companies that have reported earnings so far, six recorded earnings upgrades, while four registered earnings downgrades. Upgrades in FY27/FY28 earnings were observed for LAURUS (20.5%/15.7%), IPCA (14.1%/4.1%), DIVIS (10.9%/4.8%), and RUBICON (7.6%/5%). Meanwhile, the maximum downgrades were seen in BIOCON (12.2%/3.3%) and ZYDUS (9.4%/4.8%).
- **Upgrades/Downgrades:** NA
- **Surprises:** LAURUS, DIVIS, IPCA
- **Misses:** BIOCON, MAX

Guidance highlights:

- **APHS** guided for ~20% revenue growth in FY27 (13-14% growth from established hospitals and EBITDA margins of ~26% in established hospital over next 24 months). **DIVI** aims to deliver double-digit YoY revenue growth in FY27, while EBITDA margin is expected to be similar as last year. **DAHL** remains on track to add 42 facilities in FY27. The merger of Dr. Agarwal Eye Hospital is expected to be completed by mid-Nov. **GLAND** guided FY27 CC revenue growth of 15-16% in FY27 and aims to achieve 20% CAGR from FY28 onward in the next four years. Cenexi revenue guidance stood at ~EUR200m with high-single-digit EBITDA margin in FY27. **MANKIND** guided for double-digit revenue growth in prescription segment, with high-teen growth in BSV portfolio in FY27. **MEDANTA** is expected to add 418 beds in FY27. Management maintained its capex guidance of INR6b in the next three years. **EMCURE** reiterated its low-to-mid-teen revenue growth guidance and EBITDA margin expansion target of 70-100bp. **SUNP** expects high-single-digit FY27 revenue growth. Management highlighted that Organon acquisition was recently approved by Organon shareholders; the overall process is expected to be completed by 4QFY27. **TRP** indicated double-digit revenue growth for combined India (JB) business in FY27. Management believes synergy realization to surpass the initial INR900m target in FY27. **ZYDUSLIF** expects double-digit revenue growth in FY27 with EBITDA margins of ~24%. Capex guidance remained at INR15-16b for FY27.

Exhibit 60: US aggregate sales down 7.2% YoY (CC terms)

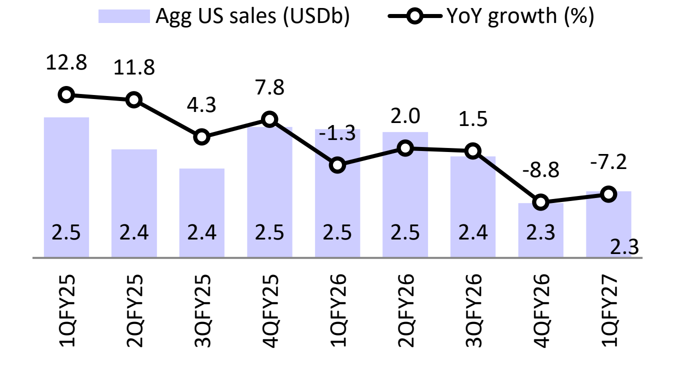


Exhibit 61: DF sales (ex-hospitals) YoY growth on uptrend at aggregate level

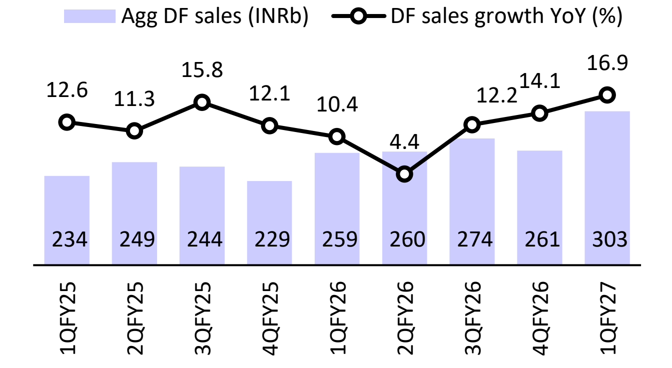
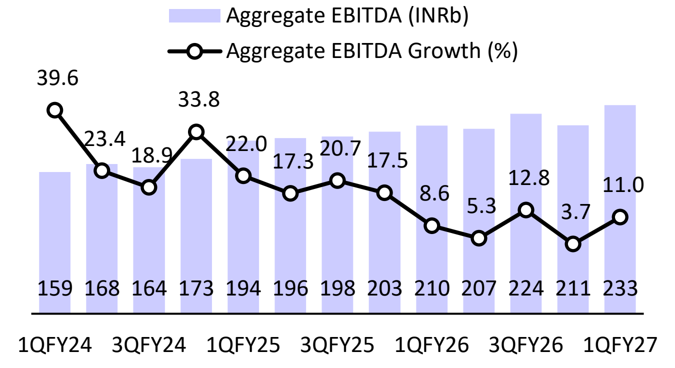
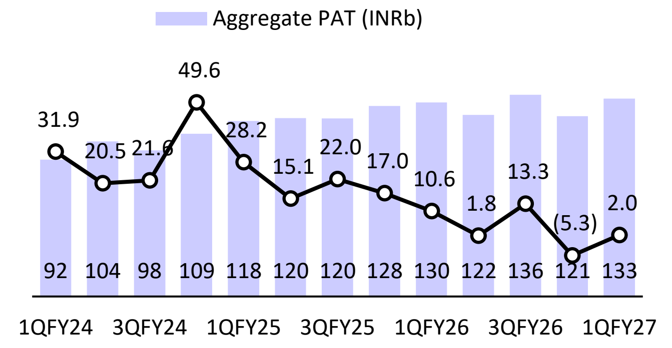


Exhibit 62: Aggregate EBITDA growth up 11% YoY for coverage pharma companies



Source: Company, MOFSL

Exhibit 63: Aggregate PAT up 2% YoY for pharma companies under coverage



Source: Company, MOFSL

Healthcare BPO: In-line performance with a constructive outlook

- **Strong growth outlook with FY27 normalization:** IKS, Sagility, and Indegene delivered a healthy 1QFY27 performance, on the back of sustained US healthcare outsourcing demand, client expansion, and AI adoption. Management remains constructive, with IKS expecting organic growth to outperform the ~12% industry growth rate, Sagility guiding a low-double-digit organic CC growth and 24–25% adjusted EBITDA margin, and Indegene expecting its FY27 performance to improve over FY26.
- **AI, acquisitions, and cross-selling remain key growth levers:** IKS highlighted Trubridge as a transformational acquisition, expanding its addressable market through access to over 2,100 hospitals and creating significant cross-selling opportunities. Sagility expects CareSeeds and BroadPath synergies to support growth, while Indegene sees strong potential from Tectonic, Agentic AI, and outcome-based engagements, as ~60% of revenue is linked to outcomes rather than FTEs.
- **Margins broadly resilient; near-term pressures manageable:** Sagility's EBITDA margin of 22.3% was broadly in line with estimates, while those of IKS (33.0%) and Indegene (16.4%) were marginally below our estimates. IKS' margins were hit by costs related to the Trubridge acquisition, while Sagility faces wage-hike pressure; however, productivity gains and lower-cost expansion should provide offsets during the year. Indegene expects margin recovery in 2HFY27 as earlier investments begin to yield results, with better volumes driving operating leverage. The US healthcare and pharmaceutical cost pressures remain a structural outsourcing tailwind, while AI adoption, acquisitions, and deeper client relationships should support medium-term growth.
- **We reiterate our BUY rating on IKS and Sagility and Neutral on Indegene.**

Guidance highlights:

Management commentary across IKS, Sagility, and Indegene remains constructive, with **IKS** expecting organic growth to outpace the ~12% industry growth rate and reaffirming its FY30 EBITDA target of INR30b, as Trubridge is expected to drive cross-selling and expand the addressable market**. Sagility** retained its FY27 guidance of low-double-digit organic CC growth and 24–25% adjusted EBITDA margin, while **Indegene** expects its FY27 to be better than FY26, led by Tectonic, Agentic AI, and new deal ramp-ups, with gradual margin improvement as operating leverage builds.

Exhibit 64: Aggregate revenue growth (%) — YoY

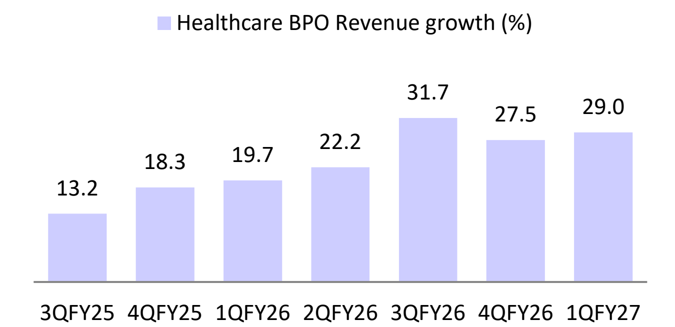


Exhibit 65: Aggregate EBITDA growth (%) — YoY

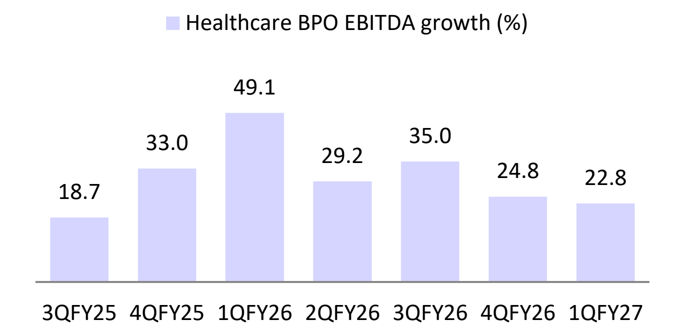
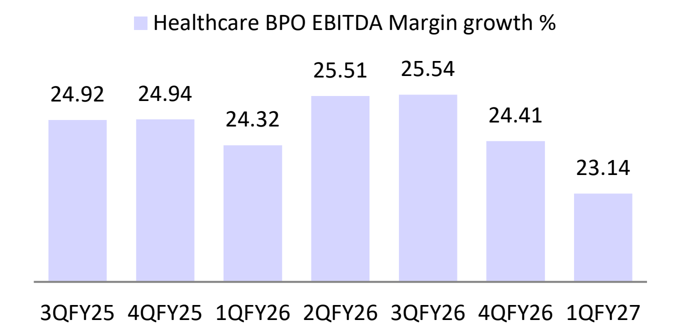
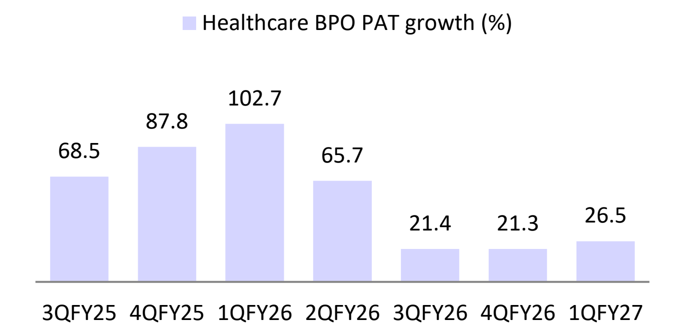


Exhibit 66: Aggregate EBITDA margin (%)



Source: Company, MOFSL

Exhibit 67: Aggregate PAT growth (%) — YoY



Source: Company, MOFSL

Infrastructure: Project awarding remains muted in 1QFY27; execution decent on a low base

- **Decent execution; subdued order inflow:** The pace of project awarding by NHAI has remained muted in 1QFY27, with only ~293km awarded against the annual target of 5,140km of projects amounting to INR4.1tn in FY27. The subdued awarding, coupled with delays in appointed dates, weighed on execution for road EPC players. Companies within our coverage universe (ex-IRB) reported a 24% YoY rise in revenue in 1QFY27, with KNR revenues declining 9% YoY and GRIL rising 33% YoY. KNR and GRIL are also actively pursuing diversification into non-road infrastructure segments such as oil and gas, power transmission, water projects, and solar EPC to broaden their order books. IRB's revenue grew 2% YoY.
- **Margins under pressure:** Our coverage universe companies (ex-IRB) experienced a 350bp YoY contraction in gross margin and a 110bp YoY dip in EBITDA margin for 1QFY27, due to elevated costs.
- **Focus on asset monetization:** For FY27, NHAI has set an asset monetization target of INR300-350b. The monetization to be routed through the toll-operate-transfer (ToT) model and infrastructure investment trusts (InvITs). NHAI has identified a pool of 17 assets spanning 1,693km for monetization in FY27. The proceeds will be deployed for highway development, debt repayment, and generating returns for investors. FASTag toll collections rose ~16% YoY in volume and ~7% YoY in value during Jul'26, while collections rise ~5% YTD in FY27.
- **Our view:** Overall, project awarding activity by NHAI remained muted in 1QFY27, and companies with healthy order backlogs, strong balance sheets, and diversified presence across infrastructure segments remain well positioned to benefit over the near-to-medium term.

Exhibit 68: Revenue rose ~24% YoY for our coverage universe

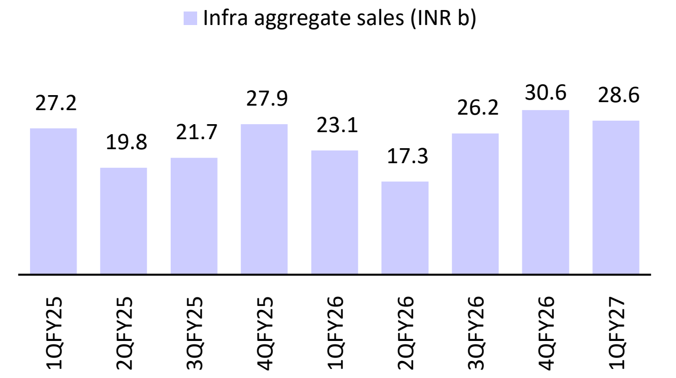


Exhibit 69: Gross margin contracted on a YoY basis

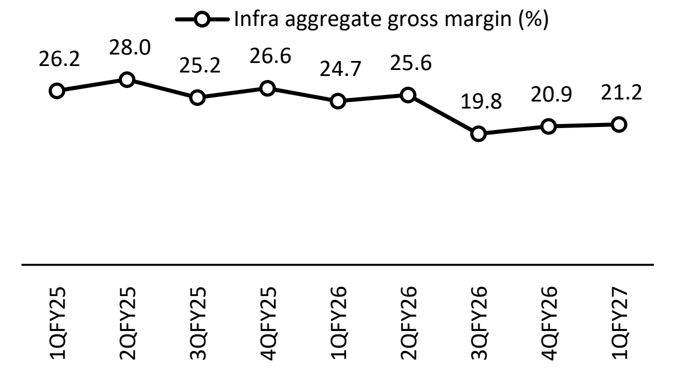


Exhibit 70: EBITDA margin dipped on a YoY basis

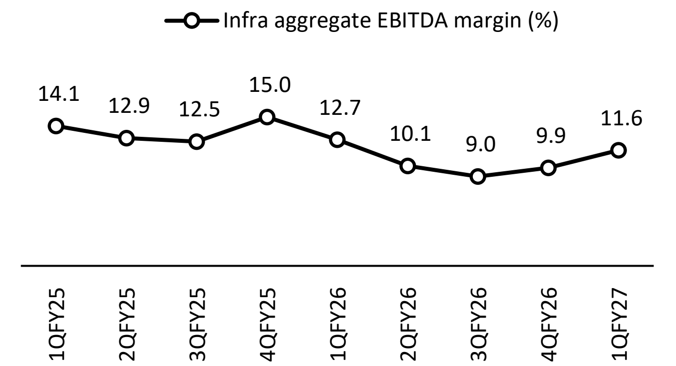
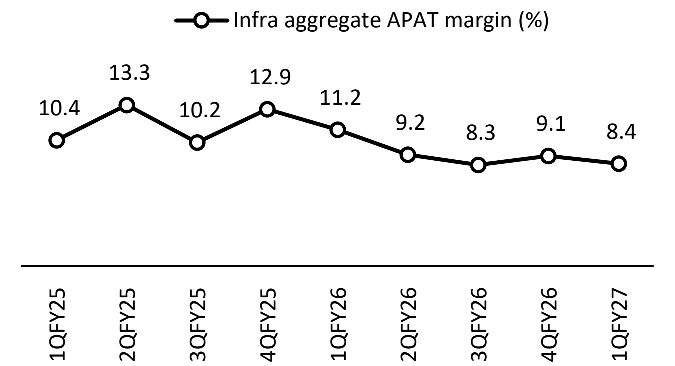


Exhibit 71: APAT margin contracted on a YoY basis



Note: Data in charts above is for our coverage universe excluding IRB

LOGISTICS: Healthy volume growth and price hikes support revenue growth; EBITDA margin flat YoY, hit by high fuel costs and wage hikes

- **Logistics sector posts healthy growth aided by price hikes:** Logistics companies (excluding APSEZ and JSWINFRA) reported a 15.5% YoY revenue growth in 1QFY27, driven by healthy volume growth and improved realizations. Revenue growth was supported by annual general price hikes and fuel price-related surcharges implemented by companies to offset the increase in fuel costs. Companies like VRL reported healthy volume growth of 9% YoY despite taking a price increase of 4-5% during the quarter. APSEZ and JSWINFRA reported 15% and 5% YoY growth in cargo volumes, respectively. The growth of APSEZ was due to growth in international volumes, while the domestic volume remained muted. JSWINFRA's volume growth was boosted by higher anchor cargo volume.
- **Margins stand flat YoY:** Gross margin for our coverage universe, barring APSEZ and JSWINFRA, stood at 28.8% in 1QFY27 (down 70bp YoY and QoQ). EBITDA margin was flat YoY while it fell 30bp QoQ. The margin was affected by a lag in passing through the entire fuel cost and wage hike. Nevertheless, healthy volume growth helped offset the margin pressure and supported overall EBITDA growth. APSEZ's margins stood at 60.4% (down 20bp YoY and up 430bp QoQ), and JSWINFRA's margins were 46.6% (down 90bp YoY/390bp QoQ).
- **Top picks**: Delhivery and JSWINFRA are our preferred picks in this space.

Guidance

- **APSEZ:** Management maintained its revenue and EBITDA guidance of INR430-450b and INR250-260b, respectively, for FY27. Management has not commented on media news related to the UK port acquisition.
- **JSWINFRA:** Management provided the cargo volume outlook of 127mt for FY27 after factoring in lower Fujairah volumes. Management maintained its FY27 guidance of achieving revenue of INR68.5b and EBITDA of INR30b.

- **Delhivery:** The company expects ~20-30% growth in Express volumes and ~18-22% growth in PTL volumes in FY27. Over the medium term, management expects Express volumes to grow ~15-20% annually, while PTL volumes are expected to grow ~20% annually.
- **VRLL:** Management expects FY27 volume growth of 8%, driven by higher tonnage from existing customers and the onboarding of new clients, while realizations are expected to remain stable at ~INR8,600/ton.
- **TRPC:** The company retained its consolidated revenue and profit growth guidance of 10-12% for FY27.
- **CCRI:** For FY27, CCRI revised its guidance upwards to 18% growth in total volume (15%/25% growth in EXIM/domestic volumes). Management targets revenue of ~INR150b by FY29, with EXIM and domestic segments expected to clock a ~15% and ~20% CAGR, respectively.
- **TCIE:** For FY27, management guided for 11-12% volume growth, with revenue growth of 13-15% YoY. Management expects a 100-150bp improvement in EBITDA margin for FY27.

Exhibit 72: Sales rose ~16% YoY for our coverage universe

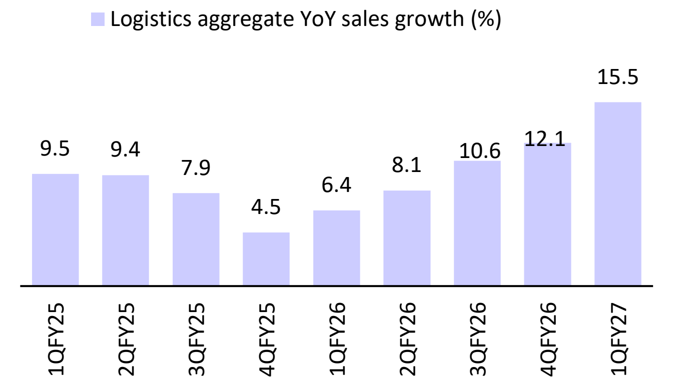
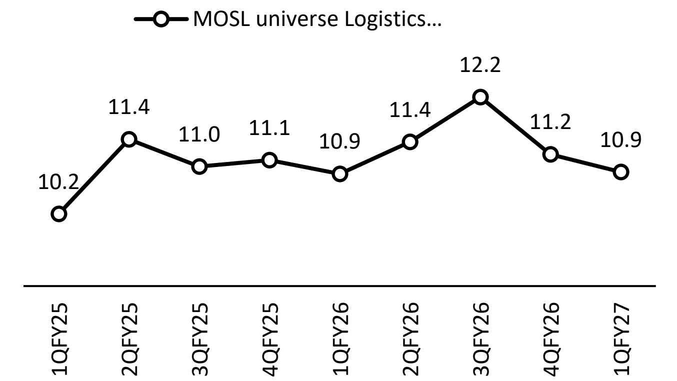


Exhibit 73: EBITDA margin was flat YoY



METALS: Favorable metal prices offset volume headwinds and drive outperformance in 1Q

- **Strong NSR offsets muted volumes:** Aggregate revenue for our coverage universe grew 20% YoY but declined 2% QoQ (+7% above our estimate), mainly driven by favorable metal prices, which largely offset muted sequential volumes during the quarter. Ferrous (JSTL/TATA/JINDALST/SAIL) revenue grew 12% YoY (-7% QoQ), driven by higher steel prices, while non-ferrous (HNDL/VEDL/HZ/NACL) revenue surged 40% YoY and 6% QoQ, supported by a sharp rise in aluminum and zinc prices. In contrast, mining companies (COAL/NMDC) reported strong volume-led revenue growth of 7% YoY, although revenue declined 3% QoQ during the quarter.
- **Margins beat despite cost inflation:** Aggregate EBITDA for our coverage universe grew 37% YoY and 3% QoQ (+5% above our estimate), despite input cost escalation. EBITDA/t for ferrous players improved INR2,000-2,500/t YoY and QoQ, as anticipated (against an NSR surge of INR6,000-10,000/t YoY and QoQ), during the quarter. However, earnings weakness in TATA UK and Netherlands limited consolidated EBITDA/t to INR12,750/t (+INR1,400/t QoQ, despite an NSR increase of INR11,000/t QoQ), while TATA India's EBITDA/t clocked INR17,800/t (+INR2,500/t QoQ) in 1QFY27. Non-ferrous margins rose to 25.9% (vs our estimates of 24.3%) in 1QFY27, compared to 22.7% in 4QFY26 and 19.1% in 1QFY26. The margin expansion was primarily driven by favorable metal prices (especially aluminum, copper, and zinc), along with a decline in the cost of production.
- **Surprises:** HNDL, SAIL, JINDALST, and HZ
- **Misses:** COAL and MIDWESTL

Guidance highlights:

Management across the coverage universe remains confident about strong demand and favorable prices, which should support earnings.

- **TATA/JSTL/JINDALST/SAIL:** Volumes are expected to improve in 2Q, with scheduled maintenance already completed. Domestic ASPs are expected to decline ~INR1,000-1,500/t QoQ, while coking coal costs are likely to rise USD5-15/t QoQ in 2QFY27.
- **JDSL:** Management remains confident of achieving 8-10% volume growth and EBITDA/t of INR18,000-20,000 in 1HFY27 (revised guidance in 2Q).

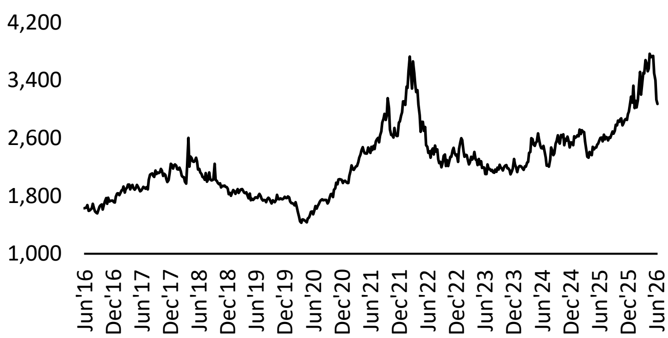
- **HNDL:** Management expects a 5-6% QoQ increase in aluminum production cost in 2QFY27, while Novelis' 2Q profitability is expected to improve QoQ, with a fully normalized quarter (pre-Oswego fire levels) expected by 4QFY27.
- **NACL:** Alumina NSR is expected to be ~USD370/t in 2QFY27 (vs. ~USD323/t in 1QFY27) due to temporary supply disruptions, while aluminum prices are expected to remain in the USD3,000-3,200/t range in FY27, driven by a global aluminum deficit of ~0.88mt.

Exhibit 74: Steel companies witnessed a strong EBITDA/t improvement in 1Q, supported by favorable NSR

EBITDA/t	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
JSW Steel	8,869	8,314	8,515	11,324	9,693	8,503	10,833	15,013
Tata Steel	7,343	9,268	7,874	10,432	11,247	9,987	11,271	12,743
SAIL	3,111	4,582	6,536	5,704	5,149	4,455	8,287	10,725
Jindal Steel	11,780	11,226	11,647	15,419	10,027	6,986	10,103	11,930
Jindal Stainless	21,000	20,536	16,499	20,915	21,416	21,665	22,670	22,884

Source: MOFSL, Company

Exhibit 75: Aluminum prices reversed to ~USD3,100/t



Source: MOFSL, Bloomberg

Exhibit 76: Zinc prices surged to ~USD3,500/t

Source: MOFSL, Bloomberg

Oil and Gas: Strong 1Q performance amid headwinds

- **RIL:** Reliance Industries (RIL) posted a strong 1QFY27, with its consol. EBITDA rising 8% QoQ to INR475b (+11% YoY, vs. our est. INR461b). The beat was driven by a strong rebound in energy (O2C+ E&P) profitability.
- **OMCs (BPCL, HPCL, IOCL):** Refining remained strong, with GRMs beating estimates on robust diesel/ATF cracks. Marketing was the key drag as LPG under-recoveries and auto fuel marketing losses surged sequentially. HPCL's loss was higher than estimated as marketing losses offset its refining beat, while BPCL's loss was narrower on stronger refining. IOCL posted positive EBITDA (a beat on estimates) aided by inventory gains.
- **Upstream (ONGC, OINL): ONGC's** production declined due to KG-98/2 reservoir issues. **OINL** saw strong oil production growth, while gas offtake was weak. Both beat EBITDA/PAT estimates, aided by stronger realizations. OVL saw a sharp turnaround, and NRL had a strong quarter.
- **CGDs (MAHGL, GUJENERG, IGL): MAHGL** and **GUJENERG** beat estimates on stronger EBITDA/scm and robust gas-trading earnings, respectively, while **IGL** was broadly in line. Total volumes for MAHGL/GUJENERG/IGL were in line at 4.8/ 12.3/9.7mmscmd.
- **Gas Utilities (GAIL, PLNG): GAIL** beat estimates on strong gas trading, LPG/liquid HC gains and higher transmission volumes, with petchem losses narrowed. **PLNG**'s beat was driven by inventory/trading gains despite lower volumes. Dahej utilization stood at 68% supported by third-party cargoes.
- **Surprises:** RIL, BPCL, IOCL, ONGC, OINL, MAHGL, GUJENERG, GAIL, and PLNG
- **Misses:** HPCL

Guidance highlights:

- **ONGC:** FY27/FY28 standalone oil & gas production at 39/40mmtoe. **OINL:** FY27 crude oil/gas production guided at 3.9 mmt/3.8 bcm vs. 3.45 mmt/3.19 bcm in FY26. **GAIL:** FY27 gas transmission volume guidance raised to 123 mmscmd from 119 mmscmd. **MAHGL:** Long-term normalized volume growth guided at 8-9% YoY.

Exhibit 77: Implied gross marketing margin (INR/lit)

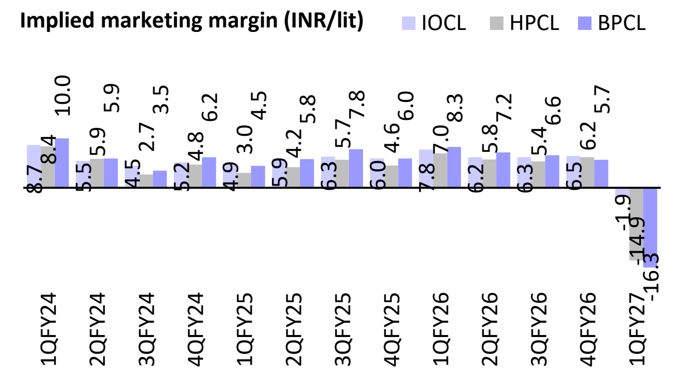


Exhibit 78: Reported refining margin (USD/bbl)

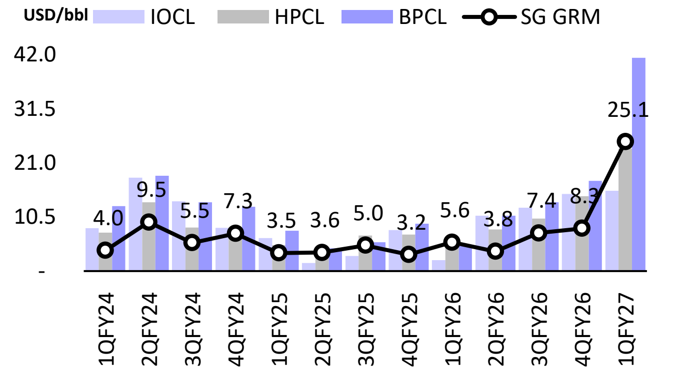
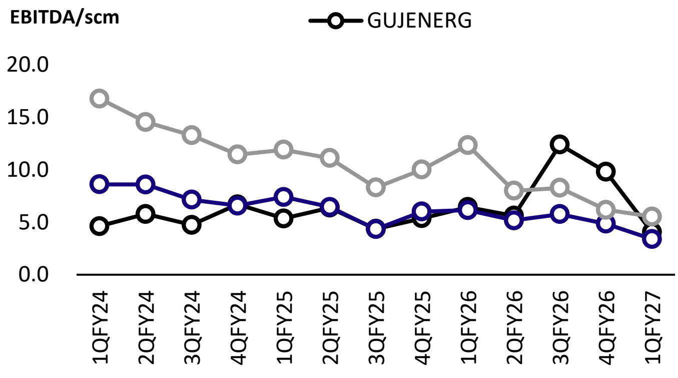


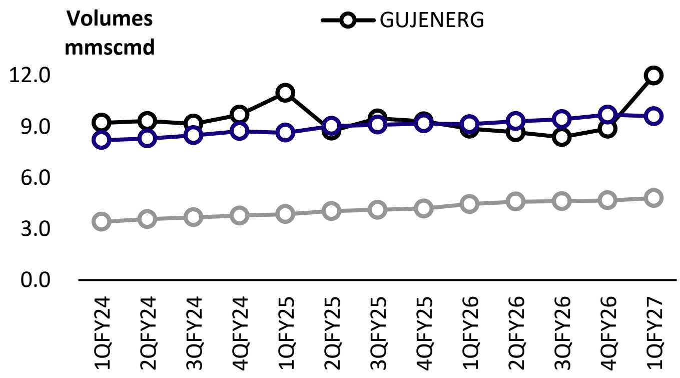
Exhibit 79: EBITDA/scm trend for CGDs (INR)



Source: Company, MOFSL

Note: Re-stated (merged entity) financial statements are not available for FY21-24

Exhibit 80: Sales volume of CGDs (mmscmd)



Source: Company, MOFSL

REAL ESTATE: Upcoming launches to propel FY27 pre-sales performance

- **1QFY27 pre-sales down 30% YoY:** In 1QFY27, pre-sales across our coverage universe declined 30% YoY to INR313b (broadly in line with our estimates). Excluding PEPL and DLF, pre-sales grew 13% YoY. The top four players (by MCap) contributed to 66% of the aggregate pre-sales. ABREL, DLFU and OBER reported a 22-95% decline in pre-sales due to a lack of material launches whereas PEPL was down 46% YoY due to a high base effect. OBER's reported pre-sales were impacted by the timing of its INR81b NCR launch, which was launched and fully sold out in 2Q. The top performers were GPL, MAHLIFE, SOBHA, SRIN and LOTUSDEV that delivered robust pre-sales growth of 20–567% YoY, supported by launches aggregating ~INR259b during the quarter.
- **Cash flows remain strong:** Our coverage universe reported total collections worth INR242b, translating into 12% YoY growth in 1QFY27, which was much higher than the pre-sales growth. Consequently, collection efficiency improved to 77% during the quarter from 71% in 4QFY26.
- **Robust launch pipeline to sustain momentum:** Project additions have continued across companies with PEPL adding INR178b, GPL adding INR95b while MAHLIFE, KPDL, and SRIN jointly added INR166b of GDV. LODHA executed business development (BD) worth INR23b in 1Q. Companies in our coverage universe have lined up a robust FY27 launch pipeline providing healthy visibility for future growth. Key planned launches include an INR375b GDV pipeline from GPL, ~INR241b from LODHA, ~INR200b from DLF, ~INR100b (9.3msf) from BRGD, and INR150b+ from SIGNATUR.
- **P&L performance:** In 1QFY27, the aggregate revenue for our coverage universe grew 19% YoY to INR178b. EBITDA stood at INR49b, rising 38% YoY, with an EBITDA margin of 28%. Adj PAT stood at INR42b, rising 25% YoY, with a PAT margin of 24%.
- **Our top picks are LODHA, ABREL and BRGD. Surprises:** MAHLIFE and KPDL. **Misses:** SIGNATUR and DLFU

Guidance highlights:

- **LODHA:** The company reiterated its FY27 residential pre-sales guidance of INR240b (+17% YoY), backed by a ~INR250b launch pipeline across 21 projects/phases, with ~40% of annual sales expected in 1H. The data center business is expected to drive >INR20b of annual rental income by FY32 through the planned ~1GW power shell portfolio.

- **DLFU:** DLF remains confident of achieving its FY27 booking guidance of INR200b, supported by Hamilton and Arbour 2 in 2HFY27, the next Privana phase in 4QFY27 and ~INR20b expected from the Goa launch. FY27 exit rentals are guided at INR73-75b, with Midtown Plaza and Summit Plaza expected to stabilize by 4QFY27 and Goa by May-Jun’27, while Atrium Place and Data Centre 3 provide incremental rental income.
- **BRGD:** The FY27 pre-sales guidance remains at INR90b, with a robust launch pipeline of ~12.36msf/INR130b GDV over the next four quarters, including ~9.36msf/INR100b in the remainder of FY27. The commercial development and leasing pipeline remain healthy, while hospitality trends are recovering with a stronger 3Q expected.
- **ABREL:** The company has maintained its three-year INR150b annual pre-sales target, supported by a launch pipeline of ~INR96b in FY27 and an INR325b GDV beyond this. Additionally the INR26b Vashi redevelopment enhances growth visibility in the coming quarters. After the ITC transaction, net debt is nearly zero, supporting growth.

Exhibit 81: Pre-sales declined 30% YoY in 1QFY27

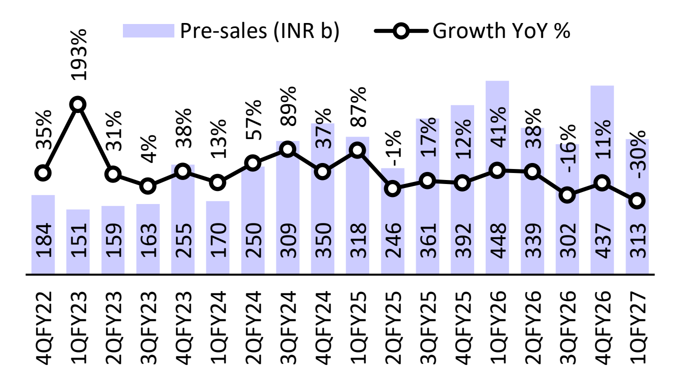
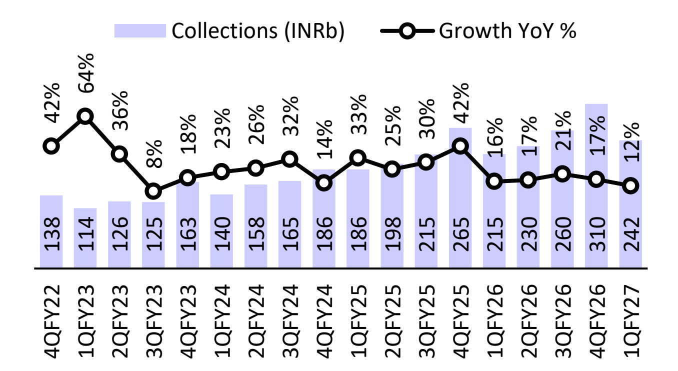


Exhibit 82: Collections improved 12% YoY in 1QFY27



Retail: Demand remains resilient; RM inflation and festive shift could hurt 2QFY27 performance

- **Demand remained resilient:** Despite macro-economic headwinds and lower occasion wear spending due to Adhikmaas, aggregate revenue for the 16 retailers under our coverage (excl. RRVL and Meesho) **grew ~16% YoY** to INR429b in 1QFY27, although there was a slight moderation from ~19% YoY growth reported in 4QFY26. Ten apparel retailers in our coverage posted aggregate revenue growth of ~15% YoY in 1QFY27 (vs. 17% YoY in 4Q), with value fashion retailers such as V-Mart, VMM and Trent sustaining outperformance. Lenskart remained the fastest-growing retailer in our coverage with 34% YoY growth, while growth moderated to ~15% YoY for DMart (vs. ~19% YoY in 4Q) due to elevated competitive intensity and pre-buying seen in Mar’26. Footwear retailers under our coverage (4) delivered ~9% YoY aggregate revenue growth in 1Q (vs. ~11% YoY in 4QFY26), partly due to the price hikes undertaken to offset the input cost inflation. While overall demand remains resilient, RM inflation and festive shift could hurt the reported financials in 2QFY27.
- **Profitability continued to outpace revenue growth:** Aggregate gross profit **grew 17% YoY** in 1QFY27 (vs. ~18% YoY in 4QFY26) as **aggregate gross margin expanded ~55bp YoY** (vs. 20bp contraction in 4QFY26), driven by strong margin expansion for Lenskart, Trent and DMart. **Aggregate EBITDA grew ~21% YoY** in 1Q (though moderated vs. ~26% YoY growth in 4QFY26) as **aggregate EBITDA margin expanded ~60bp YoY** (vs. +75bp YoY in 4QFY26), driven by operating leverage, selective price hikes and robust cost controls. Lenskart (+62%), Trent (+33%) and V-Mart (+27%) were the key outperformers, while Go Fashion, Bata and ABFRL were the key laggards. Aggregate PAT for our retail coverage grew 26% YoY in 1Q, led by Lenskart, V-Mart, Trent and VMM.
- **Upgrades/Downgrades:** Downgraded DMart to Neutral (from BUY).
- **Surprises:** Trent, Manyavar, Raymond,
- **Misses:** ABFRL, Campus, Go Fashion

Guidance highlights:

Overall, despite geopolitical concerns, demand environment remained stable. However, festive shifts and RM inflation could impact demand and margins in 2QFY27 and remain the key monitorables. Lenskart is witnessing increased traction on premiumization and expects significant runway to 10k stores (vs. ~2.7k currently). **V-Mart** targets mid-to-high-single-digit SSSG and ~90 store additions in FY27. **VMM** is scaling small-format stores and targets ~3,000 stores in the long term. **Metro Brands tar**gets 15-18% revenue growth with range-bound gross, EBITDA and PAT margins. **Campus** targets mid-teen revenue growth and 17-19% EBITDA margins over the medium term.

Exhibit 83: Aggregate revenue grew ~16% YoY in 1Q

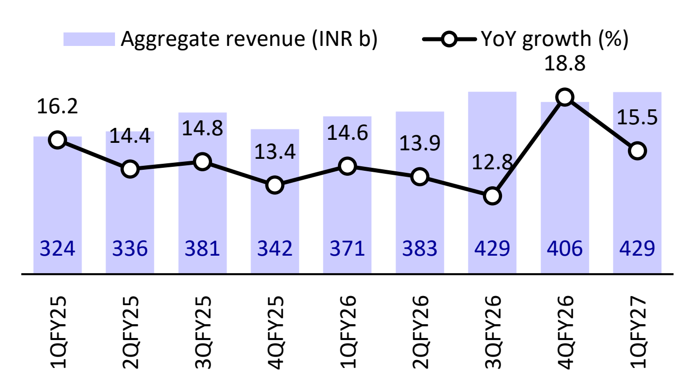


Exhibit 84: Aggregate gross margin expanded ~55bp YoY

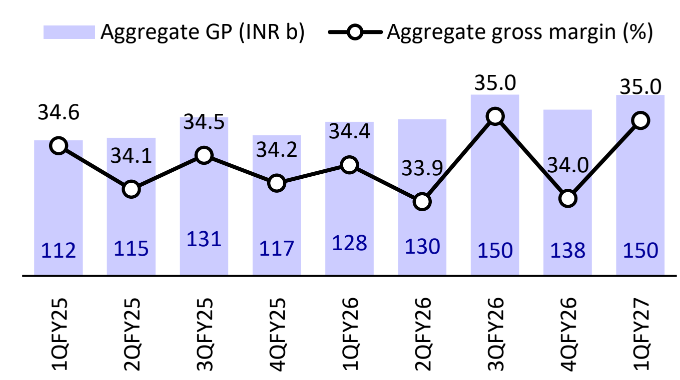
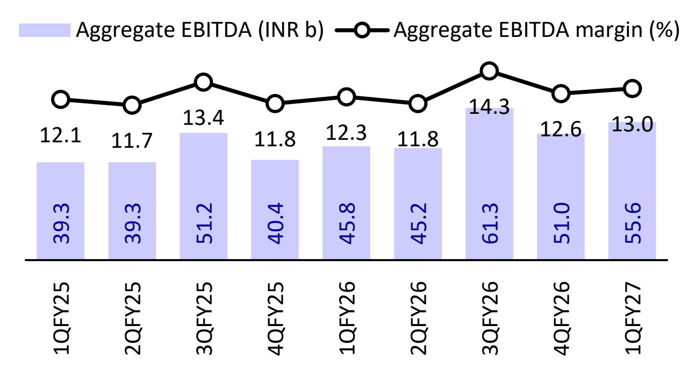
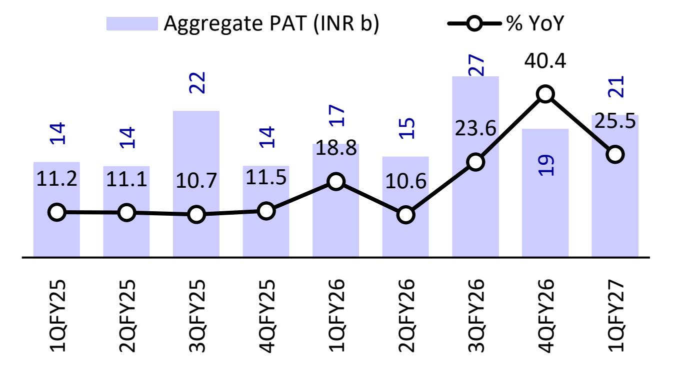


Exhibit 85: Aggregate EBITDA grew 21% YoY in 1Q



Source: Company, MOFSL

Exhibit 86: Aggregate PAT rose ~26% YoY in 1Q



Source: Company, MOFSL

TECHNOLOGY: Mixed growth, stable margins and increasing deal competition

- **Revenue growth led by Tier-2 pack:** IT services companies reported **median revenue growth of 1.2% QoQ CC** in 1QFY27 vs. +**0.8%/+1.6%/+1.5%/-1.1%** in 4QFY26/3QFY26/2QFY26/1QFY26. Tier-1 players grew **0.4% QoQ CC**, while Tier-2 players outperformed with **1.8% growth**. **Persistent (4.1%), Hexaware (4.4%), TechM (2.6%), Tata Tech (4.3%) and Mphasis (2.1%)** delivered relatively stronger growth, while **Coforge grew 22.3% QoQ CC, including 1.1% organic growth**. On the weaker end, **Wipro (-1.2%), HCLT (-0.5%), CYL (-0.5%) and KPIT (-3.6%)** declined QoQ CC. **The outperformance of Tier-2 players over larger peers and continued market share gains remained a key theme**, with TCS and LTM remaining broadly flat QoQ and Infosys underperforming with 1% QoQ CC growth despite 1Q being a seasonally strong quarter.
- **Margins remain range-bound amid continued investments: Tier-1 EBIT margins expanded 20bp YoY to 20.0%, while Tier-2 margins improved 10bp to 14.5%.** Margin management initiatives, higher utilization, increased offshoring, a leaner pyramid and, in some cases, currency tailwinds supported profitability. However, **continued investments in AI, large-deal ramp-ups, partnerships and lateral hiring** offset part of these gains. On wage hikes, **TCS implemented hikes in 1QFY27, while Tata Elxsi and Tata Tech are scheduled to implement them in 2QFY27**; other players are yet to announce their timelines.
- **Deal landscape sees increasing competition: Deal sizes and durations are gradually declining, leading to increasing competition between Tier-1 and Tier-2 players for the same opportunities.** This is resulting in a more divergent deal environment, with winners and losers across both segments and **TCV growth remaining uneven across players**. Among Tier-1 firms, **HCLT and TechM reported ~33% YoY growth in TCV**, while Wipro's TCV declined **~32% YoY**. Among Tier-2 players, **Persistent and Coforge delivered ~120% and 36% YoY TCV growth**, respectively, while **Mphasis and KPIT declined ~39% and ~13%**, respectively.

- **Upgrades/Downgrades:** Ratings remain unchanged across the coverage universe
- **Surprises:** HCLT, TechM, Persistent Systems and Coforge
- **Misses:** Infosys

Guidance highlights:

Guidance has been mixed in terms of revenue growth as some players expect strong FY27 growth, while we see a guidance cut from Infosys. Most of the managements expect margins to remain range-bound through FY27.

- Among large caps, TCS expects demand to improve in 2QFY27, though evidence of a broad-based recovery remains limited. **Infosys' FY27 organic guidance cut to (-0.2%) to 1.3% YoY CC (vs. 1.25% to 3.25% earlier)** reinforces the pressure from AI-led productivity pass-throughs despite healthy deal wins. HCL Tech retained its 1.5-4.5% YoY CC guidance, supported by record bookings and the recently announced USD1.14b mega deal, while Tech Mahindra continues to stand out with an expected ~6-7% growth in FY27 and its ~15% FY27-exit EBIT margin target. **Within Tier-2, Coforge continues to stand out with a record USD2.23b** executable order book (+44% YoY), and management guides for another strong quarter, providing the best growth visibility within our coverage. **Mphasis retained its high-single-digit to low-double-digit FY27 growth outlook**, with management expecting 2QFY27 to be the strongest sequential growth quarter in three years as large deals ramp up. **Coforge is the only player which has hinted at exceeding its earlier EBIT margin guidance of 15.5% for FY27.**

Exhibit 87: Aggregate Tier 1 revenue growth (%)

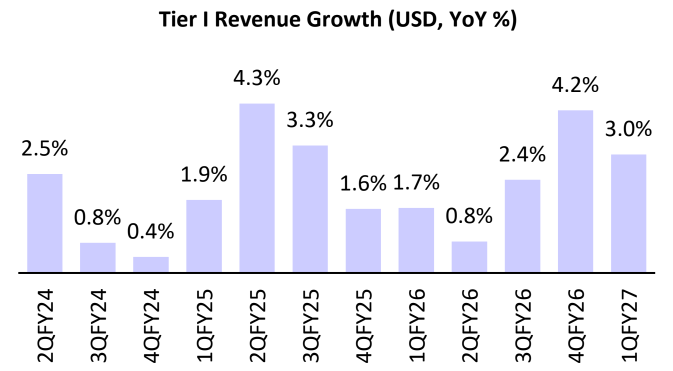
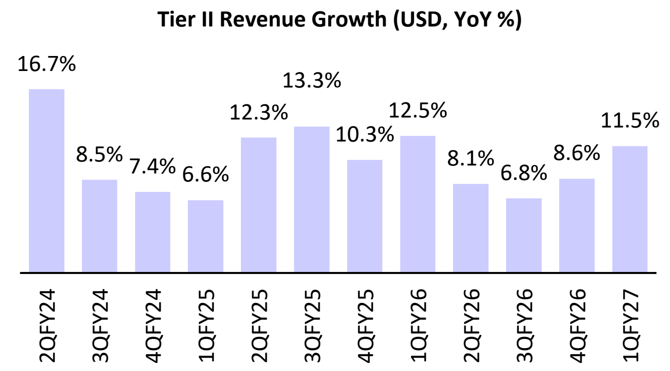


Exhibit 88: Aggregate Tier-2 revenue growth (%)



Telecom – Strong 1Q for telcos; slightly weaker for Indus and TCOM

- **Strong start to 1QFY27 for telcos, led by subscriber mix premiumization:** 1QFY27 marked a strong start for private telcos, with combined estimated wireless revenue rising 3% QoQ to INR708b (+8% YoY). The growth was driven by ~1.6% QoQ (+4.4% YoY) growth in blended ARPU (aided by one extra day QoQ and continued subscriber mix improvements) and ~11m QoQ net adds (vs. ~12m in 4QFY26). Bharti once again outperformed with ~4% QoQ wireless revenue growth, followed by ~2% QoQ for RJio and Vi. On our estimates, Bharti gained ~40bp QoQ (+50bp YoY) in revenue market share (RMS) among private telcos at the expense of RJio (-27bp QoQ, -4bp YoY) and Vi (-13bp QoQ, -46bp YoY). The combined estimated wireless EBITDA rose ~4% QoQ (+12% YoY) to INR419b, driven by resilient ~63% blended incremental margin (though lower vs. ~74% in 4QFY26), despite partial impact from the increase in diesel prices. Bharti led with ~4% QoQ growth in reported wireless EBITDA, while RJio and Vi both witnessed ~3% sequential reported EBITDA growth. Bharti Hexacom's (BHL) customer wireless revenue/overall EBITDA rose 4% QoQ, driven largely by ~2.6% QoQ ARPU growth (similar to Bharti).
- **Mixed trends on capex:** Bharti's consolidated capex rose 61% YoY (-17% QoQ) due to front-ended capex in Africa, while net debt (ex-lease) declined by INR92b QoQ to INR818b. Despite elevated cash capex, 1QFY27 FCF (post leases and interest) was resilient at INR140b. Similar to Bharti, despite a ~68% YoY increase in capex, BHL's FCF generation improved to INR10.5b (from INR8.999b YoY), leading to ~INR10.7b reduction in net debt. Conversely, VI's capex declined ~16% QoQ to INR19.3b (-21% YoY) as geopolitical uncertainties weighed on supply chains, with net debt (ex-lease) largely stable at INR1.53t. However, the company has tied up INR64b funding and placed orders worth INR90b to accelerate the capex to meet INR450b capex target over FY26-29.
- **Slightly weaker performance by Indus and TCOM:** Indus Tower (Indus) reported slightly weaker 1QFY27, with moderation in tower and tenancy additions and ~1% QoQ growth in recurring EBITDA amid higher under-recoveries and lower ARPT. TCOM also delivered a subdued 1Q, with consolidated EBITDA declining ~4% QoQ

(+8% YoY) as margins contracted ~90bp QoQ to 18.7%. Data revenue grew ~11% YoY, led by Digital portfolio growth, though adjusted for FX benefits, growth was modest at ~4% YoY.

- **Surprises:** AAF, VI, BHARTI, BHL
- **Misses:** TCOM

Guidance highlights:

Bharti: Medium-term ARPU growth would be driven by premiumization initiatives, but management reiterated the need for repair in the industry's pricing construct to consumption-linked plans to drive long-term sustainable ARPU growth. **RJio:** Rising 5G and home broadband adoption led to YoY ARPU increase by INR7; however, promotional spends and unlimited 5G offerings continued to weigh on data monetization. **BHL**: Management reiterated that HBB remains a large opportunity, and given the difficult terrain across Rajasthan and North East, BHL continues to adopt a combination of FWA and Fiber deployment. **VI:** Management reiterated its three-year guidance of achieving double-digit revenue growth and raising cash EBITDA by 3x to INR270b by FY29. **TCOM:** Management targets double-digit EBITDA growth in FY27, supported by higher-margin network growth, digital portfolio optimization and sales incentives aligned to contribution margin rather than revenue growth. **Indus**: Order-book visibility remains healthy for the next 3-4 quarters, spanning network expansion through market share gains and tenancy additions, while Africa expansion remains on track with rollouts expected to commence next quarter.

Exhibit 89: Industry subscriber net adds trends largely steady

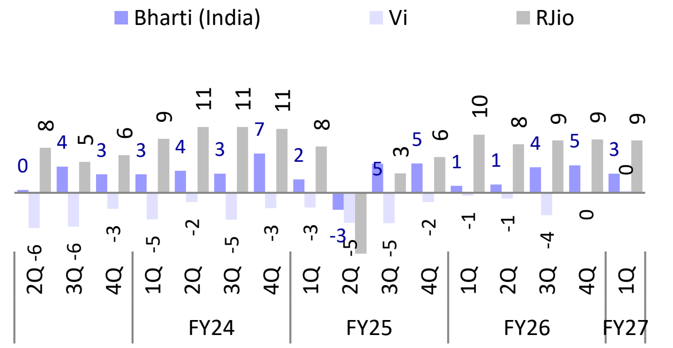
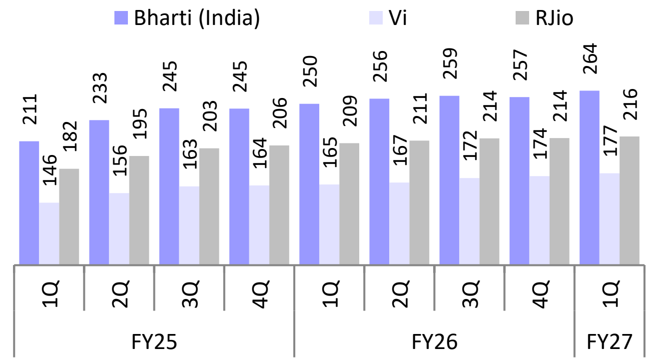


Exhibit 90: Bharti and Vi witnessed robust ARPU uptick in 1Q



Textile: Sector outperforms; strong outlook continues

- **Spinning:** Spinning companies delivered a resilient 1QFY27, with ~15-20% revenue growth, 98-100% capacity utilization, and improving cotton yarn spreads. Yarn demand remained healthy, particularly from China, supported by lower domestic cotton availability and Xinjiang-related sourcing concerns. Most spinning companies expect cotton prices to remain elevated, supported by lower cotton production going forward. Overall, spinning margins (~16-18%) are expected to remain healthy but moderate from 1Q peaks, with leading players indicating sustainable EBITDA margins of ~14-15%, depending on product mix and the level of integration.
- **Apparel:** The apparel industry delivered a strong 1QFY27 (+20% revenue growth), with demand and order visibility improving across major players despite elevated input, wage, and freight costs. Companies are accelerating capacity additions in low-cost regions such as India and Africa, alongside asset-light partnerships, to improve cost competitiveness and reduce capital intensity. Margins have expanded on a low base; however, wage inflation and higher freight and raw material costs remain key challenges going forward. Our coverage companies (KPR, Arvind, Pearl Global, and Gokaldas) delivered strong growth, with revenue/EBITDA/PAT increasing 20%/28%/22%, respectively, led by Pearl Global as the key outperformer.
- **Home Textiles:** Strong growth momentum was also evident in the home-textile segment, with India emerging as a key sourcing beneficiary as customers increasingly diversify away from Bangladesh, Vietnam, and Pakistan, supported by India's tariff competitiveness in the US and potential benefits from the UK/EU FTAs. Within our coverage, Welspun (+26%) outperformed sector growth in the home textile space, while Indo Count's growth momentum was driven by its new businesses (3x). Most companies reported ~70bp YoY margin expansion to ~11.5-12%, while maintaining a cautious margin outlook and mid-teens revenue growth guidance for FY27.
- **Reiterate BUY on GEXP, ARVND, PGIL, ICNT, and WELSPUNL and Neutral on KPR, VTEX, and TRID.**

Guidance highlights:

Apparel and home-textile commentary remains bullish, with apparel players Pearl Global and Gokaldas upgrading FY27 growth guidance to the high teens, while home textile players Welspun and Indo Count maintained their revenue guidance. Management expects gradual margin expansion, with cotton prices remaining a key monitorable. Arvind's AMD outperformed, while Garmenting delivered modest growth but retained its earlier guidance.

Exhibit 91: Aggregate revenue growth (%) - YoY

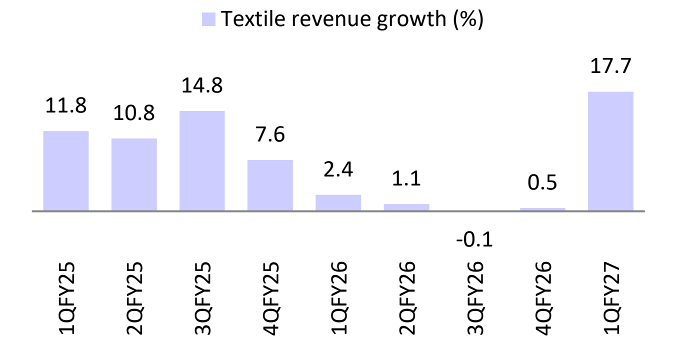


Exhibit 92: Aggregate EBITDA growth (%) - YoY

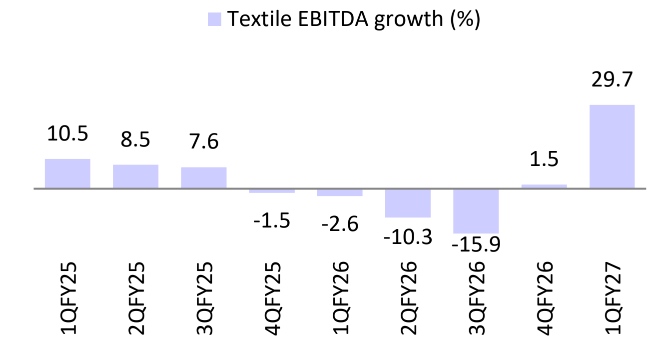
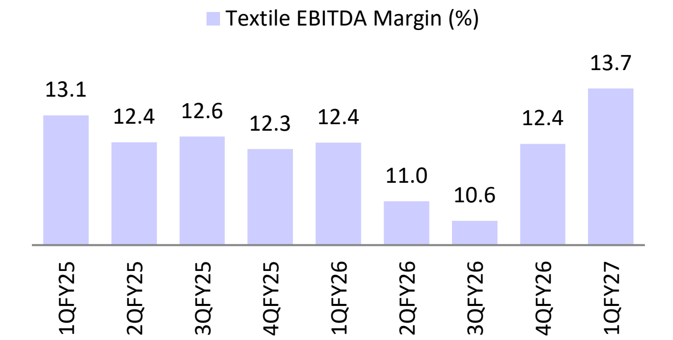
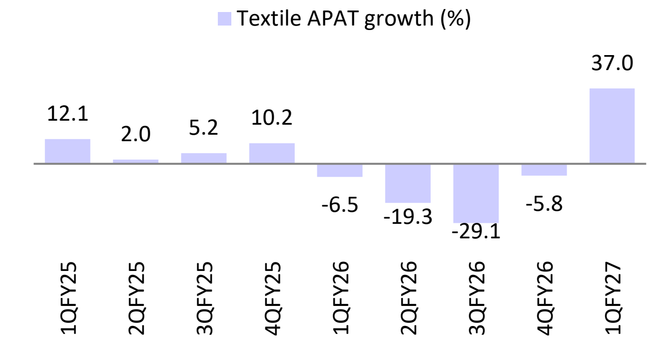


Exhibit 93: Aggregate EBITDA margin (%)



Source: Company, MOFSL

Exhibit 94: Aggregate PAT growth (%) - YoY



Source: Company, MOFSL

Travel & Leisure: In-line performance likely to continue; outlook remains constructive

- **Strong growth outlook with improving mix:** TBO Tek and Ixigo delivered healthy 1QFY27 performances, supported by strong GTV growth, rising travel demand, higher contribution from hotels and ancillary services, and continued expansion of their travel ecosystems. TBO Tek reported 81% YoY revenue growth, with organic revenue up 16%, while Ixigo's revenue grew 13% YoY and GTV increased 19%. TBO Tek is expected to benefit from increasing contribution from high-take-rate Hotels + Ancillary segments and Classic Vacations, while Ixigo's growth should be supported by Flights, Buses, Hotels and newer initiatives.
- **Acquisitions, AI, and ecosystem expansion remain key growth levers:** TBO Tek's Classic Vacations acquisition remains a major catalyst, expanding its North American presence and creating significant opportunities through inventory sharing and cross-selling following platform integration. Management expects revenue synergies to be the key long-term benefit. Ixigo continues to invest aggressively in AI, Hotels and B2B distribution, with TARA handling 57k+ customer interactions daily, while the Brevistay acquisition has expanded its direct hotel network to 10,000+ properties across nearly 700 towns. BusBiz, BUSGDS.AI, Metro ticketing and Bharat Darshan further expand Ixigo's addressable market.
- **We reiterate our BUY rating on TBO-Tek (beat across Revenue/EBITDA/PAT), while we downgraded Ixigo to NEUTRAL (in-line revenue, miss on earnings).**

Guidance highlights:

TBO Tek reported a strong 15.5% EBITDA margin, ahead of estimates, supported by operating leverage as gross profit growth outpaced SG&A growth. Ixigo's EBITDA margin of 6.8% was below estimates due to higher advertising and branding expenses, although mature businesses such as Trains, Flights and Buses are already generating operating leverage. Management is continuing to reinvest these gains into AI, Hotels and new growth initiatives, which could limit near-term margin expansion but support stronger medium-term growth. For TBO Tek, a favorable shift toward higher-take-rate Hotels + Ancillary segments should support further margin improvement.

Exhibit 95: Aggregate revenue growth (%) — YoY

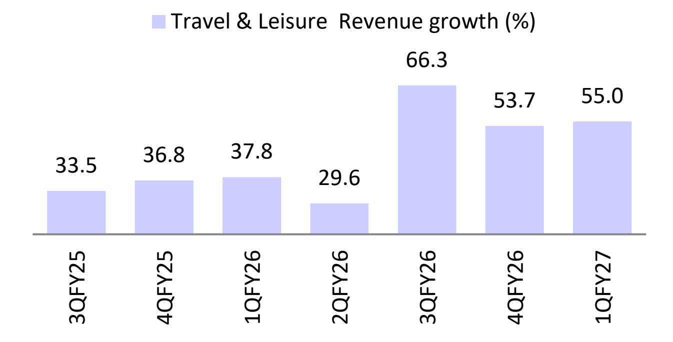


Exhibit 96: Aggregate EBITDA growth (%) — YoY

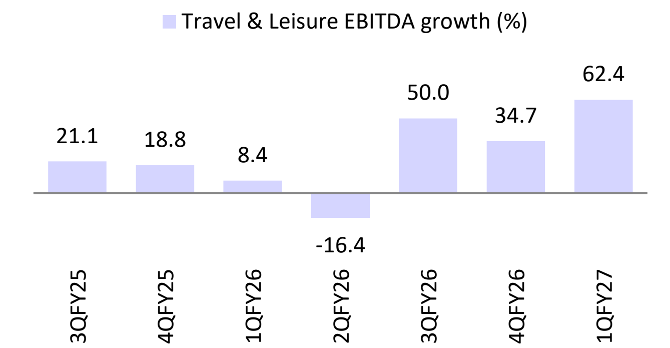
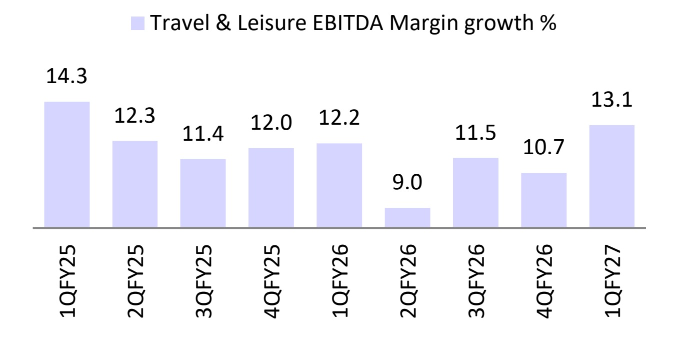
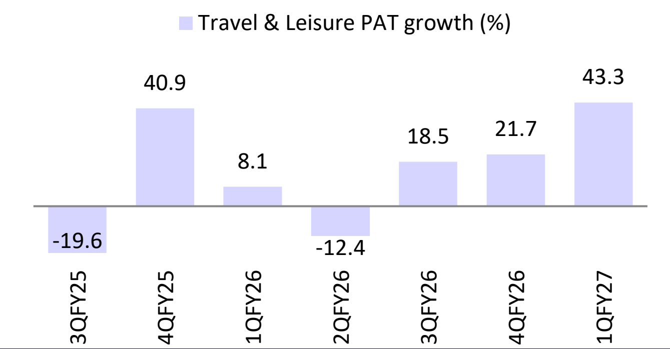


Exhibit 97: Aggregate EBITDA margin (%)



Source: Company, MOFSL

Exhibit 98: Aggregate PAT growth (%) — YoY



Source: Company, MOFSL

Utilities: Solar players deliver strong results amid summer demand

- **Broadly strong 1QFY27 performance:** For our coverage universe, revenue/EBITDA came in 2%/6% above estimates (+9%/+11% YoY), while APAT was 7% above estimates (+8% YoY). The strong performance was led by solar- and BESS-focused players, while wind OEMs faced margin pressure. ACME and PEL delivered standout beats driven by higher capacity utilization and favorable product mix, while JSWE, NTPC, and TPWR also exceeded estimates. However, PWGR, INOX Wind, and SUEL missed estimates, with wind OEMs facing margin and volume pressures and PWGR affected by weaker-than-expected revenue.
- **Mixed margin performance across the sector:** Margin performance remained divergent, with solar and integrated players benefiting from higher utilization, a favorable product mix, and operating leverage, while wind OEMs faced pressure. ACME's EBITDA margin stood at 86% (vs. est. 82%), while PEL sustained a healthy 29% margin (vs. est. 27%), supported by strong cell and module utilization and a favorable mix. In contrast, INOX Wind's EBITDA margin contracted to 19% (vs. 22% in 1QFY26/16% in 4QFY26), while SUEL's margin dipped to 15.6% due to lower WTG contribution margin and higher other expenses. TPWR delivered a 6% EBITDA beat, supported by strong performance in solar cell and module manufacturing and Indonesian coal mining.
- **Ratings and earnings revisions: JSWE –** we cut our FY28E EBITDA by 9%, primarily reflecting a slower renewable commissioning pace (~4GW) in FY28 than previously assumed. **IWL –** We cut our FY27/FY28 revenue estimates by 8%/10% as we estimate deliveries to be lower at 1.1GW/1.3GW in FY27/28.
- **Upgrades/Downgrades:** Downgraded JSWE to Neutral.
- **Surprises:** ACME, JSWE, and PEL.
- **Misses:** IWL, SUEL, and PWGR.

Guidance highlights:

- **ACME**: BESS commissioning guidance was advanced by three quarters, with 10GWh+ now targeted by the end of FY27 (vs. CY27 earlier), alongside 1.5GW RE capacity commissioning during the year. It won short-term contract bids securing INR14b+ revenue lock-in for ~80% of targeted 10GWh FY27 BESS capacity. **INOX Wind**: Reiterated its FY27 guidance of ~75% YoY revenue growth and 20-22% EBITDA margin. **JSWE**: Targets a 3GW RE addition in FY27 with a capex of INR200b; Unit-4 (600MW) commissioning at KSK Mahanadi remains targeted for FY28. **NTPC**: Total FY27 capacity addition guidance stands at 9.5GW, with targets of 150GW/250GW by FY32/FY37 and the RE share rising to 40%/54%; the FY27 RE addition target remains unchanged at 8GW (0.7GW added in 1QFY27). **PEL**: The 7GW cell plant commissioning on track, with trial production expected in Aug'26; CUF is targeted at 70% by 4QFY27; the EBITDA margin guidance of 29-30% was maintained. **PWGR**: FY27 capex/ capitalization guidance of INR370b/INR300b was maintained. **Suzlon**: FY27 EBITDA margin likely to be at 17-18% (+/-1-2%), with confidence in securing repowering orders before the end of FY27. **TPWR**: FY27 capex guidance was maintained at INR250b (~50% towards RE), with FY27 RE commissioning guidance of 2.5-2.7GW.

Exhibit 99: India's power sector snapshot

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	1QFY27
Total generation growth (%)	**5.2**	**0.7**	**-0.6**	**8.1**	**9.0**	**7.2**	**5.0**	**1.0**	**9.5**
Conv. Generation growth (%)	3.6	0.0	-1.6	7.1	7.7	6.7	4.0	-2.5	6.2
RE generation growth (%)	24.4	7.8	7.7	16.2	19.1	10.9	11.7	23.1	26.0
Peak Power demand (GW)	**177**	**184**	**190**	**203**	**216**	**243**	**250**	**245**	**271**
Capacity addition (GW)	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**1QFY27**
Thermal (Coal + Gas)	3.4	4.3	4.1	1.4	1.2	5.9	3.7	2.3	2.2
Nuclear	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.6	0.0
Hydro	0.1	0.3	0.5	0.5	0.1	0.1	0.8	3.7	0.7
Solar	6.5	6.4	5.5	13.9	12.8	15.0	23.8	44.6	11.9
Wind	1.6	2.1	1.6	1.1	2.3	3.3	4.2	6.1	1.3
Other RE	0.5	0.9	0.4	0.4	0.2	0.2	0.7	0.2	0.0
Total capacity addition	**12.1**	**14.0**	**12.0**	**17.3**	**16.6**	**25.9**	**33.3**	**57.5**	**16.1**
Total capacity (GW)	**356.1**	**370.1**	**382.2**	**399.5**	**416.1**	**442.0**	**475.2**	**532.7**	**548.9**

Source: NPP,CEA, MOFSL

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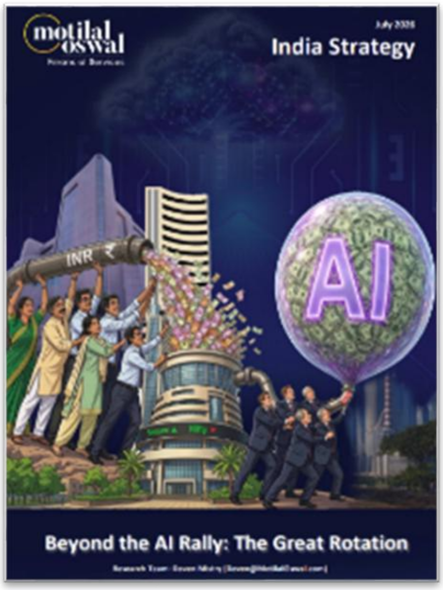

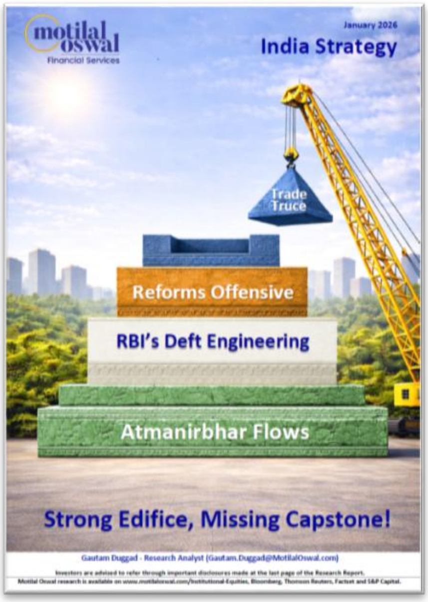

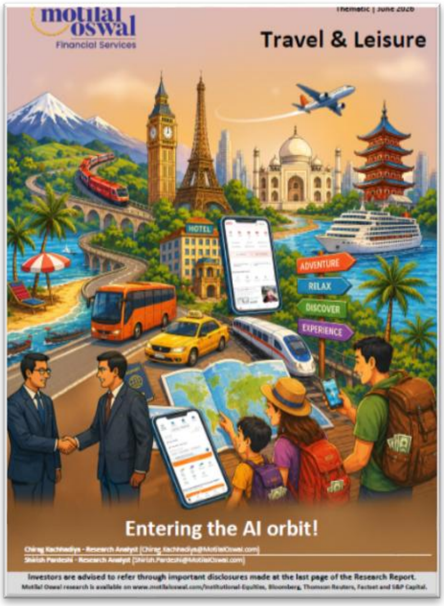

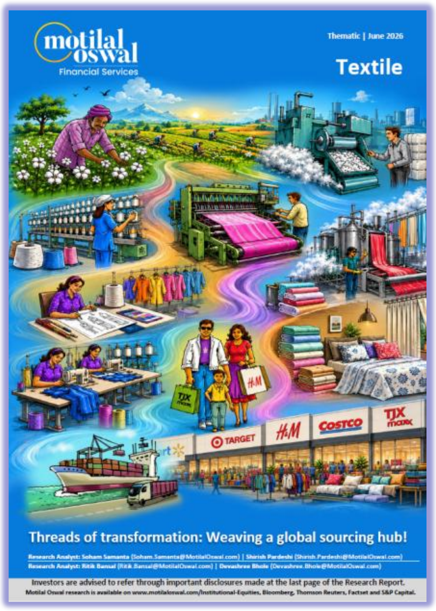

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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