

Strategy

Expect double-digit PAT growth in 1QFY26E

Despite all the noise globally and domestically, YTD CY25 and over the last 12 months, the Nifty50 has returned 7.5% and 5% respectively, highlighting investors' confidence in the India growth story. Further, both FIIs and DIIs have been net buyers in Indian equities over the last 4 months with positive flows of USD 5.6bn and USD 24.0bn respectively. For the JM Financial universe, we forecast PAT growth of 12.8% YoY in 1QFY26E. Ex-BFSI, this number stands at 18.2%. Further, as per JMFL estimates, 1QFY26E Nifty50 PAT is expected to grow 10.4% (14% ex-BFSI). Key contributors are: (1) Telecom, +198% YoY (2) Infra, +130% YoY, (3) Pharma, +14% YoY, (4) Cement, +61% YoY, and (5) Retail, +20% YoY.

- **Looking beyond near-term headwinds:** YTD CY25, Nifty50 has returned 7.5%, after seeing months of negative returns since Sept'24. Further, despite all the issues globally, over the last 12 months, the Nifty50 has posted a positive 5% return. This indicates that investors, both domestic and foreign, have chosen to see beyond near-term headwinds of geopolitical challenges, uncertain crude outlook and uncertainty on rate cuts by the Fed. Clearly, investors have retained the faith in the India growth story, and economic and relative political/policy stability that India offers.
- **Both domestic and foreign flows have been supportive over last 4 months:** FIIs were on a selling spree from Oct'24 to Feb'25 selling Indian equities to the tune of USD 25.6bn. Over the last 4 months, FIIs have been net buyers for successive months buying to the tune of USD 5.6bn. In the same period DIIs have been net buyers to the tune of USD 24.0bn.
- **JM Financial universe 1QFY26E PAT growth of 12.8% YoY:** For the JM Financial universe, we forecast PAT growth of 12.8% YoY in 1QFY26E. Sectors driving this rise: (1) Oil and Gas (18% weight in earnings) expected to rise 43% YoY, and (2) Pharmaceuticals (4% weight in earnings), expected to rise 30% YoY. Ex-BFSI, the JM Financial universe is expected to register 18.2% YoY growth in 1QFY26 PAT. Ex BFSI and Oil & Gas, this should rise 11% YoY. Sectors with lesser earnings weight but those with the highest PAT growth: Infrastructure (+95% YoY), Sugar (+48% YoY), Cement (+40% YoY), Media (+32% YoY), EMS (+27%) and Healthcare (+22%).
- **1QFY26E Nifty50 PAT set to rise 10.4% YoY:** We expect Nifty 1Q PAT to rise 10.4% YoY, led by strong performance in Oil & Gas (EPS growth of 13% YoY and 10% weight in Nifty earnings). Ex BFSI, 1Q Nifty PAT is yet expected to rise at 14%. The weak BFSI performance can be attributed to moderating loan growth, NIM compression of 30bps YoY, weak fee income growth and elevated credit costs. Besides Oil & Gas, key contributors to the growth are (1) Telecom, where PAT should rise 198% YoY and has 5% weight in Nifty earnings, and (2) Infrastructure, where PAT is expected to rise 130% YoY and has 4.6% weight. Sectors that should show decent growth include: (1) Pharmaceuticals (+14% YoY, 3% Nifty Weight), (2) Cement (+61% YoY, 1% Nifty weight) and (3) Consumer Retail (+20% YoY, 1% Nifty weight).



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Nifty Valuation table (JMFL Estimates)

Particulars	FY25	FY26E	FY27E
Nifty Index	25,523	25,523	25,523
EPS (INR)	1,044	1,124	1,287
YoY (%)	2.7	11.1	14.4
BPS (INR)	6,865	7,476	8,176
YoY (%)	5.5	9.0	9.5
PE (x)	24.4	22.7	19.8
PB (x)	3.7	3.4	3.1
ROE (%)	15.1	15.7	16.4

Source: Company, JM Financial

Nifty Valuation table (Bloomberg Estimates)

Particulars	FY25	FY26E	FY27E
Nifty Index	25,523	25,523	25,523
EPS (INR)	1,044	1,155	1,330
YoY (%)	2.7	10.6	15.2
PE (x)	24.4	22.1	19.2
ROE (%)	15.1	15.4	15.5

Source: Company, JM Financial

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. 1QFY26E performance of the Nifty50 sectors

	Net Sales (%)		EBITDA (%)		Net Income (%)		EBITDA Margin (%)			Net Income Margin (%)			Earnings
Sector	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq	Q1FY26E	yoy (bps)	qoq (bps)	Q1FY26E	yoy (bps)	qoq (bps)	Weights (%)
Automobiles	0.1	-9.9	-20.3	-24.9	-14.5	-30.8	11.8	-304	-237	6.73	-116	-204	6.12
Consumer	5.4	4.7	-0.1	4.4	1.6	4.1	26.0	-144	-6	19.45	-74	-11	4.80
Consumer Retail	16.4	6.8	29.4	13.7	20.3	20.2	12.9	129	78	7.63	25	85	0.60
Cement	23.8	-3.4	38.9	-1.3	61.2	23.2	14.2	154	29	7.46	173	161	0.84
Industrials	16.1	-46.6	4.0	-63.4	12.1	-58.7	20.0	-231	-916	17.85	-63	-523	0.36
Infrastructure	13.7	-15.7	66.0	13.7	129.8	27.4	14.9	469	385	10.21	516	346	4.55
Internet	57.3	13.4	-5.2	133.0	-69.0	101.3	2.5	-167	130	1.19	-483	52	0.05
IT Services	5.4	1.2	6.9	1.1	6.6	-1.6	22.8	32	-3	15.80	19	-44	10.72
Metals and Mining	4.0	-1.0	1.1	6.7	-2.1	-7.1	16.6	-48	120	6.88	-43	-45	5.14
Oil and Gas	6.7	-5.3	9.4	-1.0	13.2	-0.0	20.8	51	89	8.85	51	46	9.75
Pharmaceuticals	12.5	6.6	12.4	13.9	14.3	9.9	24.9	-1	161	17.40	29	53	3.17
Ports and Logistics	20.5	-1.2	2.6	-0.6	-7.7	-4.7	59.3	-1035	36	34.26	-1048	-125	0.82
Telecom	27.6	2.5	41.5	3.3	198.2	9.3	57.3	566	45	24.01	1374	148	4.67
Utilities	-2.8	-6.9	4.2	-1.4	-4.6	-2.7	42.5	288	234	16.29	-30	69	3.84
													Earnings
	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq							Weights (%)
BFSI													
BFSI excl. Insurance	26.0	19.9	10.9	3.4	5.8	3.6							44.12
NBFC	163.2	129.4	17.9	7.1	93.0	76.2							6.49
Private Sector Banks	11.9	7.6	11.3	6.5	-1.8	-1.8							31.64
SOE Banks	3.4	-0.5	4.4	-11.7	-2.0	-10.4							5.99
													Earnings
	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq							Weights (%)
Insurance	9.5	-33.4	11.8	-38.0	15.0	-9.6							0.45
	Net Sales (%)		EBITDA (%)		Net Income (%)		EBITDA Margin (%)			Net Income Margin (%)			Earnings
	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq	Q1FY26E	yoy (bps)	qoq (bps)	Q1FY26E	yoy (bps)	qoq (bps)	Weights (%)
Nifty 50	9.7	-0.9	9.2	0.4	10.4	-0.3							100.00
excl. BFSI	6.6	-4.7	8.1	-1.5	14.2	-3.2	20.9	30	68	11.05	74	17	55.43
excl. Oil & Gas	10.4	0.1	9.2	0.6	10.1	-0.3							90.25
excl. BFSI & O & G	6.6	-4.5	7.8	-1.6	14.5	-3.8	20.9	24	62	11.67	81	9	45.67

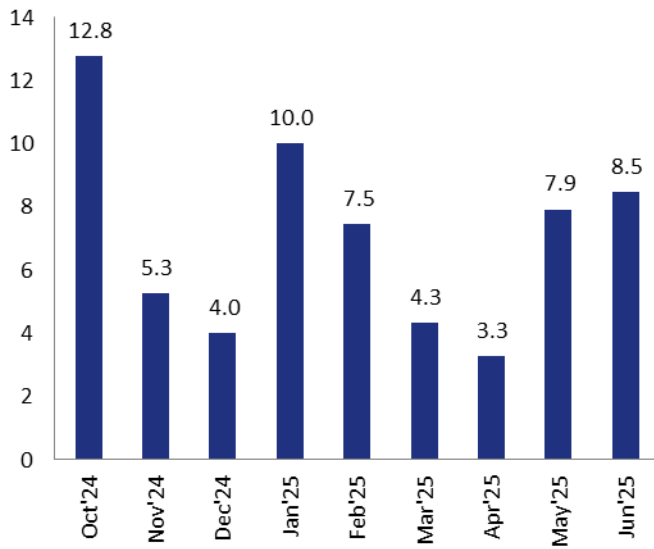
Source: Company, JM Financial

Exhibit 2. 1QFY26E performance of the JM Financial coverage universe

Sector	Net Sales (%)		EBITDA (%)		Net Income (%)		EBITDA Margin (%)			Net Income Margin (%)			Earnings Weights (%)
	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq	Q1FY2 6E	yoy (bps)	qoq (bps)	Q1FY2 6E	yoy (bps)	qoq (bps)	
Auto Ancillaries	7.2	4.8	0.7	4.6	1.3	1.4	11.33	-74	-3	4.89	-29	-17	0.85
Automobiles	-0.0	-10.4	-18.5	-25.2	-13.1	-30.9	11.82	-268	-233	6.99	-105	-207	5.68
Aviation	7.0	-5.4	5.1	-11.0	-7.9	-18.1	25.88	-49	-161	12.00	-195	-185	0.88
Building Materials	3.8	-11.8	3.1	-15.8	-2.5	-11.6	11.56	-8	-55	5.15	-34	1	0.09
Cement	14.9	-5.4	38.2	-6.0	40.0	-13.2	19.67	332	-13	8.98	161	-80	1.72
Chemicals	9.5	-5.9	7.4	-12.1	9.4	-14.7	16.95	-34	-120	9.17	-1	-94	0.52
Consumer	5.1	7.1	-0.7	8.3	-0.0	9.3	23.18	-136	26	16.57	-86	33	4.80
Consumer Durables	-3.5	-3.2	-16.7	-0.3	-19.9	0.0	8.31	-132	24	5.50	-112	18	0.41
Consumer Retail	14.4	7.5	16.2	16.0	13.9	22.2	11.83	18	87	6.21	-3	75	0.82
Depository	-8.1	5.3	-22.6	9.2	-22.9	3.1	50.53	-947	180	43.75	-839	-94	0.04
Diversified Services	0.0	-3.2	0.0	-6.0	0.0	-7.0	25.40	0	-78	15.14	0	-62	0.03
Electronic Manufacturing Services	47.4	2.3	41.5	-20.4	27.2	-45.6	5.59	-23	-160	2.57	-41	-226	0.18
Healthcare	15.3	4.8	19.3	2.6	22.4	-8.2	19.63	67	-41	10.23	60	-145	0.54
Hotels	14.8	-24.2	17.5	-36.4	-9.8	-61.0	33.04	77	-635	11.25	-307	-1063	0.11
Industrials	17.6	-27.5	20.5	-51.9	28.3	-49.7	12.67	30	-642	10.74	90	-473	0.69
Infrastructure	12.6	-15.9	50.1	5.4	94.9	12.4	13.40	335	270	8.77	370	220	2.72
Internet	34.4	7.3	Nm	19.3	NM	nm	1.53	NM	15	NM	NM	NM	(0.05)
IT Services	6.2	0.9	6.4	0.1	5.0	-1.9	22.23	6	-16	15.41	-17	-44	11.02
Media	0.2	4.9	10.5	40.2	31.6	59.5	22.80	213	574	15.36	367	525	0.26
Metals and Mining	6.2	-1.3	11.5	6.5	5.8	8.0	16.29	77	120	6.59	-3	57	4.70
Oil and Gas	-1.7	-5.3	28.0	9.7	43.3	15.8	14.80	343	203	7.22	227	132	18.47
Pharmaceuticals	13.0	5.1	19.6	11.6	29.7	15.5	27.30	150	158	17.62	227	158	4.05
Real Estate	19.5	-18.7	24.4	-9.0	9.1	-18.6	39.63	158	421	24.21	-231	3	1.15
Sugar	5.6	-0.2	25.1	-43.1	48.0	-56.5	13.84	216	-1044	6.37	183	-826	0.03
Telecom	20.2	2.5	29.1	2.5	2327.7	1.6	51.57	358	-1	9.23	877	-8	2.51
Textile	1.9	-11.9	-9.6	-21.7	-30.1	-40.2	8.08	-104	-101	2.69	-123	-127	0.08
Utilities	-0.1	-1.8	1.9	8.3	-4.3	-6.6	36.58	71	341	15.96	-71	-81	7.67
	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq							Earnings Weights (%)
BFSI													
BFSI excl. Insurance	4.9	1.6	11.5	4.0	1.4	2.6							25.38
NBFC	17.2	4.2	17.8	4.8	13.7	2.8							4.65
NBFC - MFI	-17.7	2.2	-41.0	0.1	-1000.0	NM							(0.13)
Private Sector Banks	2.3	2.2	6.4	8.5	-11.5	3.8							8.62
Small Finance Banks	5.4	1.9	8.7	1.7	-22.6	2.1							0.23
SOE Banks	1.8	-0.3	14.8	0.4	12.2	-1.1							11.34
	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq							Earnings Weights (%)
AMC	19.7	6.3	19.3	6.0	14.5	23.6							0.67
	% yoy	% qoq	% yoy	% qoq	% yoy	% qoq							Earnings Weights (%)
Insurance	4.5	-70.5	6.9	-45.3	6.0	-40.1							4.36
General Insurance Cos	10.9	-1.4	NM	NM	-2.1	72.5							0.31
													-
JMF	4.1	-3.6	12.9	2.2	12.8	-3.1							100.00
JMF excl. BFSI	4.1	-4.0	13.3	1.6	18.2	-1.5	18.70	153	104	9.34	112	24	69.95
JMF excl. O & G	7.1	-2.8	9.5	0.4	7.6	-6.6							81.53
JMF excl. BFSI & O & G	7.3	-3.3	8.7	-1.1	11.1	-6.2	20.73	26	46	10.51	36	-33	51.79

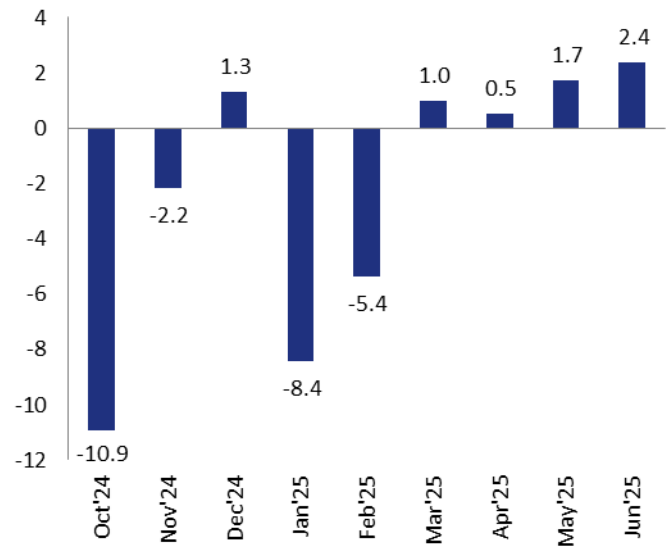
Source: Company, JM Financial

Exhibit 3. Monthly DII net flows over Oct'24-Jun'25 (USD bn)



Source: NSDL, BSE, Industry, JM Financial

Exhibit 4. Monthly FII net flows over Oct'24-Jun'25 (USD bn)



Source: NSDL, BSE, Industry, JM Financial

Exhibit 5. JM Financial top large cap picks

Sector	Stock	Market Cap (USD bn)
Oil and Gas	RIL	243.2
Telecom	Bharti	142.3
Banks	ICICI Bank	119.5
Banks	SBI	84.0
IT Services	Infosys	78.8
NBFC	Bajaj Finance	67.0
Pharmaceuticals	Sun Pharma	46.4
Banks	Axis Bank	42.5
Cement	Ultratech	42.4
Utilities and Power Equipment	NTPC	38.4
Consumer Discretionary	Titan	38.0
Oil and Gas	ONGC	35.4
Internet	Eternal	29.5
Real Estate	DLF	23.8
Insurance	HDFC Life	19.8
Metals & Mining	Hindalco	18.1
Consumer Staples	Britannia	16.5
Auto and Auto Ancillaries	TVS Motors	15.6
Consumer Staples	GCPL	15.1
NBFC	SHFL	14.7
Healthcare	Apollo	12.7
Auto and Auto Ancillaries	Samvardhana Motherson	12.6
Pharmaceuticals	Dr Reddy's	12.4
Metals & Mining	Jindal Steel & Power	11.3
Chemicals	SRF	11.2
Insurance	ICICI Prudential Life	11.2

Source: JM Financial

Exhibit 6. JM Financial top mid cap picks

Sector	Stock	Market Cap (USD bn)
Consumer Staples	Marico	11.0
Electronic Manufacturing Services	Dixon	10.8
NBFC	Aditya Birla Capital	8.4
Pharmaceuticals	Aurobindo	7.8
IT Services	Coforge	7.6
Auto and Auto Ancillaries	Bharat Forge	7.2
Internet	Nykaa	6.8
Asset and Wealth Management	Nippon Life AMC	5.8
Cement	JK Cement	5.6
Real Estate	Embassy REIT	4.3
Oil and Gas	Gujarat Gas	3.9
Healthcare	Medanta	3.8
Consumer Discretionary	Metro Brands	3.7

Source: JM Financial

Exhibit 7. JM Financial top small cap picks

Sector	Stock	Market Cap (USD bn)
Internet	Delhivery	3.5
NBFC	PNB HF	3.3
Healthcare	KIMS	3.2
IT Services	Sagility	2.3
Hotels	Chalet	2.2
Utilities and Power Equipment	IEX	2.1
Banks	City Union Bank	1.9
Real Estate	Sobha	1.9
Others	Balrampur Chini	1.4
Industrials	Tega Industries	1.3
Hotels	Lemon Tree	1.3
Electronic Manufacturing Services	Syrma SGS	1.3
Consumer Discretionary	Sapphire Foods	1.3
Healthcare	Metropolis	1.1
Media	PVR-Inox	1.1
Chemicals	Acutaas	1.1
Real Estate	Keystone	0.9
Infrastructure	PNC Infratech	0.9
Textiles	Gokaldas Exports	0.8
Hotels	Juniper	0.8
Infrastructure	Ahluwalia Contracts	0.7
Banks	DCB	0.5
Auto and Auto Ancillaries	SJS Enterprises	0.5

Source: JM Financial

Auto and Auto Ancillaries

- We expect revenue for automotive OEMs under our coverage (ex-Tata Motors) to grow by 8.7% YoY in 1QFY26, led by 1) higher exports, 2) higher ASP, partially offset by elevated discounts, and 3) low single-digit YoY increase in 2W/PV volumes. On the margins front, we expect EBITDA margin to contract by ~70bps YoY owing to higher discounts, adverse product mix, tariff-related expenses, and a modest uptick in commodity linked cost. TVS Motor remains our top pick in the OEM space.
- In the auto-ancillary sector, we expect revenue for companies under our coverage to grow by 7.2% YoY led by expanding product/customer portfolio, partially offset by subdued global demand due to uncertain tariff environment. On the margins front, we expect EBITDA margin to contract by ~70bps YoY owing to adverse commodity movement and unfavourable geographical mix. Samvardhana Motherson, Bharat Forge, and SJS Enterprises remain our preferred pick among auto ancillaries.

Exhibit 8. Auto – 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Ashok Leyland	86,443	1,19,067	85,985	0.5	-27.4	9,509	17,910	9,109	4.4	-46.9	5,692	12,595	5,256	8.3	-54.8
Bajaj Auto	1,23,006	1,21,480	1,19,280	3.1	1.3	24,355	24,506	24,153	0.8	-0.6	20,260	20,493	19,883	1.9	-1.1
Eicher Motors	49,944	52,411	43,931	13.7	-4.7	12,037	12,577	11,654	3.3	-4.3	12,221	13,622	11,015	10.9	-10.3
Hero MotoCorp	99,401	99,387	1,01,437	-2.0	0.0	14,015	14,156	14,598	-4.0	-1.0	10,879	10,809	11,227	-3.1	0.6
Hyundai Motor	1,69,523	1,79,403	1,73,442	-2.3	-5.5	20,851	25,327	23,403	-10.9	-17.7	12,880	16,143	14,897	-13.5	-20.2
Mahindra & Mahindra	3,50,739	3,13,534	2,70,388	29.7	11.9	52,962	46,825	40,222	31.7	13.1	33,258	24,371	26,126	27.3	36.5
Maruti Suzuki	3,61,441	4,06,738	3,55,314	1.7	-11.1	36,867	42,647	45,023	-18.1	-13.6	31,307	37,111	36,499	-14.2	-15.6
Tata Motors	9,72,047	11,95,030	10,80,480	-10.0	-18.7	90,014	1,68,180	1,57,850	-43.0	-46.5	27,133	90,360	55,230	-50.9	-70.0
TVS Motor	1,00,345	95,504	83,756	19.8	5.1	12,844	13,326	9,602	33.8	-3.6	8,014	8,521	5,773	38.8	-6.0

Source: Company, JM Financial

Exhibit 9. Auto Ancillaries - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Apollo Tyres	65,973	64,236	63,349	4.1	2.7	8,711	8,374	9,093	-4.2	4.0	3,275	3,032	3,424	-4.3	8.0
ASK Automotive	9,398	8,497	8,622	9.0	10.6	1,212	1,038	1,006	20.4	16.7	716	576	568	26.0	24.3
Bharat Forge	22,368	21,630	23,381	-4.3	3.4	6,286	6,167	6,515	-3.5	1.9	3,714	3,659	4,151	-10.5	1.5
Ceat Ltd	34,916	34,206	31,928	9.4	2.1	3,963	3,881	3,829	3.5	2.1	1,438	1,365	1,467	-2.0	5.3
Happy Forgings	3,556	3,520	3,415	4.1	1.0	1,024	1,023	976	4.9	0.1	660	676	638	3.5	-2.4
Motherson Sumi Wiring	25,848	25,095	21,848	18.3	3.0	2,817	2,712	2,388	18.0	3.9	1,754	1,649	1,489	17.8	6.3
Samvardhana Motherson	3,10,837	2,93,168	2,88,680	7.7	6.0	28,286	26,429	27,753	1.9	7.0	10,460	10,505	9,942	5.2	-0.4
SJS Enterprises	2,125	2,005	1,886	12.7	6.0	543	510	491	10.4	6.4	350	337	282	24.0	3.8
Sona BLW Precision	8,641	8,684	8,930	-3.2	-0.5	2,082	2,350	2,512	-17.1	-11.4	1,357	1,663	1,417	-4.2	-18.4
Suprajit Engineering	8,915	8,769	7,349	21.3	1.7	883	870	864	2.2	1.4	347	272	381	-9.1	27.3

Source: Company, JM Financial

Banking and Financial Services (BFSI)

Banks

- We expect 1QFY26 to be another quarter of weak earnings with 8% YoY PAT decline for our coverage banks, on the back of a 6% YoY decline in 4Q25. This would be driven by moderating loan growth, NIM compression of 30bps YoY, weak fee income growth, and elevated credit costs partially offset by strong trading gains. Mirroring sector level trends, we expect banks under coverage to report ~10.8% loan growth in 1QFY26 (vs. 12.3% in 4QFY25). Further, with 100bps of rate cut in this cycle, quick repricing of EBLR-linked loans suggests a ~30bps YoY compression in NIM. Lower loan growth along with NIM compression means that NII growth should remain under pressure (2% YoY for covered banks). On asset quality, while slippages apart from secured loans should be largely stable, we expect credit costs to remain elevated, especially for mid-sized banks.
- With the RBI front-ending rate cuts and changing its stance to neutral, banks' guidance on impact on quarterly NIM trajectory would be closely tracked. Commentary on asset quality outlook in unsecured loans - personal loans, credit cards, MFI will also be in focus, especially for mid-sized and smaller banks. In such an environment, we prefer large banks over mid-sized banks at this time.

Exhibit 10. Banks – 1QFY26E results preview

Company	NII (INR mn)					PPP (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
AXIS Bank	138727	138105	134482	3.2	0.5	110447	107524	101062	9.3	2.7	63855	71175	60346	5.8	-10.3
Bandhan Bank	27764	27559	30050	-7.6	0.7	16036	15713	19409	-17.4	2.1	3820	3179	10635	-64.1	20.2
City Union Bank	6046	6003	5452	10.9	0.7	4296	4410	3735	15.0	-2.6	2987	2880	2645	12.9	3.7
DCB Bank	5525	5580	4966	11.3	-1.0	2670	3054	2054	30.0	-12.6	1409	1771	1314	7.2	-20.4
Federal Bank	23169	23774	22920	1.1	-2.5	14512	14654	15009	-3.3	-1.0	8890	10302	10095	-11.9	-13.7
ICICI Bank	209024	211929	195529	6.9	-1.4	172551	176643	150728	14.5	-2.3	115298	126296	102715	12.2	-8.7
IndusInd Bank	43909	30483	54076	-18.8	44.0	29878	-4725	39267	-23.9	NM	8928	-22360	21522	-58.5	NM
Kotak Mahindra Bank	74215	72836	68424	8.5	1.9	56468	54722	52541	7.5	3.2	34301	35517	62498	-45.1	-3.4
Yes Bank	22582	22764	22440	0.6	-0.8	11122	13144	8853	25.6	-15.4	5610	7381	5024	11.7	-24.0
AU Small Finance Bank	21683	20939	19206	12.9	3.6	12117	12923	9881	22.6	-6.2	4748	5037	5026	-5.5	-5.7
Equitas Small Finance Bank	8347	8294	8015	4.1	0.6	3814	3113	3404	12.1	22.5	448	421	258	73.9	6.4
Ujjivan Small Finance Bank	8565	8643	9415	-9.0	-0.9	4039	3598	5095	-20.7	12.3	1225	834	3011	-59.3	47.0
Bank of Baroda	111221	110196	116001	-4.1	0.9	154132	124794	111753	37.9	23.5	120323	93950	84721	42.0	28.1
Punjab National Bank	106983	107570	104763	2.1	-0.5	77139	67757	65812	17.2	13.8	35296	45670	32515	8.6	-22.7
State Bank of India	425394	427746	411255	3.4	-0.5	276144	312860	264486	4.4	-11.7	166944	186426	170352	-2.0	-10.4

Source: Company, JM Financial

NBFCs

- For our coverage universe of 22 NBFCs, we expect AUM growth to be steady in 1QFY26 at ~17% YoY (~17%/20% YoY in 4QFY25/1QFY25) with stable RoEs of ~13% in 1QFY26 (~14% in 1QFY25). There should be a moderation in disbursement growth especially for MFI/Vehicle financiers while Diversified/HFCs are likely to report strong disbursals. Margin performance is likely to be mixed across sub segments with VFs likely to report a slight increase in margins while HFCs could report a decline on account of transmission lag. Credit costs should exhibit flat to marginal decline for most players. In terms of sub-segments, Diversified financials is expected to deliver relatively strong numbers followed by HFC/MSMEs, VF and then MFI.
- For MFI players, 1QFY26 is again going to be a difficult quarter with higher credit costs, while MFIN guardrails and seasonally weak quarter will result in lower growth. For VF players, we expect disbursement/AUM growth moderation in line with Industry auto volume/value growth moderation while credit costs are expected to be largely steady on account of higher stress in non-VF book for CIFC and SHFL. MMFS also has reported ~10bps increase in its stage-2/3 sequentially. For HFC/MSME lenders, we expect stable credit costs (barring Fedfina due to evident stress in STLAP book). For Diversified NBFCs, we expect performance to be better than other sub-segments with strong growth and moderating credit costs.

Exhibit 11. NBFCs - 1QFY26E results preview

Company	NII (INR mn)					PPP (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4 FY25A	Q1 FY25A	% yoy	% qoq	Q1FY26E	Q4 FY25A	Q1 FY25A	% yoy	% qoq	Q1 FY26E	Q4 FY25A	Q1 FY25A	% yoy	% qoq
Aadhar Housing Finance	4212	4077	3574	17.9	3.3	3317	3223	2759	20.2	2.9	2389	2448	2001	19.4	-2.4
Aavas Financiers	3397	3357	2751	23.5	1.2	2115	2009	1695	24.8	5.3	1593	1537	1261	26.3	3.6
Aditya Birla Capital	15912	15317	14891	6.9	3.9	12814	12311	12007	6.7	4.1	6538	6536	6208	5.3	0.0
Aptus Value Housing Finance	3154	3002	2611	20.8	5.1	2765	2789	2253	22.7	-0.9	2065	2070	1717	20.3	-0.2
Bajaj Finance	103341	98072	83653	23.5	5.4	83610	79763	69500	20.3	4.8	45291	43582	39553	14.5	3.9
Cholamandam Investment and Finance Co.	32396	30557	25738	25.9	6.0	24106	23315	18499	30.3	3.4	12661	12667	9422	34.4	-0.0
Fedbank Financial Services	2933	2833	2496	17.5	3.5	1394	1312	1288	8.2	6.3	656	717	702	-6.6	-8.5
Five-Star Business Finance	5815	5594	4829	20.4	4.0	3806	3964	3547	7.3	-4.0	2629	2791	2516	4.5	-5.8
Home First Finance	1862	1726	1464	27.2	7.9	1564	1456	1191	31.3	7.4	1100	1047	878	25.3	5.1
L&T Finance Holdings	20159	19350	20200	-0.2	4.2	15228	14080	14370	6.0	8.2	6743	6360	6850	-1.6	6.0
LIC Housing Finance	21217	21664	19891	6.7	-2.1	19978	18790	17715	12.8	6.3	13475	13680	13002	3.6	-1.5
M&M Financial	22248	21512	18936	17.5	3.4	13478	12128	11345	18.8	11.1	5242	5631	5130	2.2	-6.9
Piramal Enterprises	9387	9640	8060	16.5	-2.6	4823	5580	2697	78.8	-13.6	2428	1030	-883	NM	135.7
PNB Housing Finance	7489	7279	6421	16.6	2.9	6486	6464	5422	19.6	0.3	5218	5504	4328	20.6	-5.2
Poonawalla Fincorp	6980	6101	5761	21.2	14.4	3456	2371	4341	-20.4	45.8	1294	623	2916	-55.6	107.7
SBFC Finance	2194	2114	1764	24.4	3.8	1562	1467	1199	30.3	6.5	987	944	787	25.4	4.6
Shriram Finance	61388	58961	53377	15.0	4.1	45054	43353	38541	16.9	3.9	21831	21394	19806	10.2	2.0
CreditAccess Grameen	9608	9289	10017	-4.1	3.4	6626	6340	7093	-6.6	4.5	722	472	3977	-81.8	53.0
Fusion Micro Finance	2554	2693	4400	-42.0	-5.2	388	901	2978	-87.0	-56.9	-501	-1646	-356	NM	NM
Muthoot Microfin	3301	3053	3376	-2.2	8.1	1630	1303	2226	-26.8	25.1	-1060	-4012	1132	NM	NM
Satin Creditcare Network	4237	3560	3684	15.0	19.0	1858	1280	2118	-12.3	45.2	430	219	1053	-59.2	96.3
Spandana Sphoorty Financial	1385	2030	4145	-66.6	-31.8	-400	272	2710	NM	NM	-3257	-4102	513	NM	NM

Source: Company, JM Financial

Asset and Wealth Management

- 1QFY26 has been a strong quarter for equity markets with Nifty returning 8.6% and mid and small cap indices outperforming the Nifty. Resultantly, we expect the asset and wealth managers to report strong numbers. For AMCs, this also means a compression in revenue yields. We expect AMCs under our coverage to report core revenue, operating PBT and PAT growth of 20%/23%/15% on YoY basis and 6%/5%/29% on QoQ basis. For wealth managers, we expect revenue/PAT growth of 20%/18% on YoY basis and 7%/7% on QoQ basis. Stocks have done well over the quarter with strong market sentiment, despite weak net inflows and range-bound SIP inflows. With continued market share gains in the equity segment, we continue to prefer Nippon Life AMC.

Exhibit 12. Asset and Wealth Management - 1QFY26E results preview

Companies	Revenue from operations					Core PBT					PAT				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
HDFC AMC	9553	9012	7752	23.2	6.0	7342	7116	5794	26.7	3.2	7001	6387	6040	15.9	9.6
Nippon Life India AMC	6119	5665	5050	21.2	8.0	3742	3548	3080	21.5	5.5	3880	2980	3320	16.9	30.2
UTI AMC	3705	3602	3368	10.0	2.9	1623	1480	1444	12.4	9.7	2797	1020	2743	2.0	174.2
360 ONE WAM	7161	6520	6010	19.2	9.8	3621	3180	3360	7.8	13.9	2865	2498	2434	17.7	14.7
Nuvama Wealth	8007	7712	6675	20.0	3.8	3488	3363	2934	18.9	3.7	2634	2634	2208	19.3	0.0

Source: Company, JM Financial

Insurance

- Insurance companies are expected to report <10% YoY growth in 1Q26. With 13%/9% Net Earned Premiums growth, COR of ~102% for both and normalising investment income, we expect muted PAT growth of 3%/-12% YoY for ICICI/Star Health. For life insurers, we expect margins to improve in FY26 with a mix shift away from ULIPs, higher product-level margins with a steepening yield curve and retail credit recovery in 2HFY26. At CMP, we prefer private life insurers over general insurers - we like HDFC Life for the steady VNB growth (expect 13% YoY VNB growth in 1Q), prefer IPRU Life for improving margins (15% lower ticket size and 25%+ Sum Assured growth despite YoY contraction in premiums), with expectation of improving YoY growth trajectory.

Exhibit 13. Life Insurance - 1QFY26E results preview

Companies	Total APE					VNB					PAT				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
HDFC Life Insurance	32125	51860	28660	12.1	-38.1	8127	13760	7180	13.2	-40.9	5497	4740	4780	15.0	16.0
ICICI Prudential Life	18558	35020	19630	-5.5	-47.0	4454	7950	4720	-5.6	-44.0	2520	3860	2250	12.0	-34.7
Life Insurance Corporation	119639	568280	115600	3.5	-78.9	16989	35340	16100	5.5	-51.9	109841	190137	104610	5.0	-42.2
SBI Life Insurance	39018	54500	36400	7.2	-28.4	10730	16600	9700	10.6	-35.4	5980	8100	5200	15.0	-26.2

Source: Company, JM Financial

Exhibit 14. General Insurance - 1QFY26E results preview

Companies	Net earned premiums					Underwriting result					PAT				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
ICICI Lombard	50754	52256	45039	12.7	-2.9	-1628	-2097	-3466	NM	NM	6000	5096	5804	3.4	17.7
Star Health and Allied Insurance	38203	37983	35203	8.5	0.6	773	-2752	1404	-44.9	NM	2800	5	3189	-12.2	53750.9

Source: Company, JM Financial

Building Materials

- The building materials sector witnessed subdued demand in 1QFY26. While demand remained moderate in Apr'25 and May'25, it slowed down in Jun'25 owing to the early monsoon. We estimate that our coverage companies' aggregate revenue/ EBITDA will grow by 4%/ 3% YoY; however, PAT may decline by ~3% YoY.
- We expect the tiles industry to have witnessed subdued demand in both domestic as well as exports front. Additionally, oversupply challenges in the Morbi cluster persisted, weighing further on overall sector performance.
- The wood panel segment continues to face margin pressures due to elevated timber prices and oversupply in MDF segment. However, a slight easing in timber costs over the past few months offers some relief.

Exhibit 15. Building Materials - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Century Plyboards	10,800	11,983	10,054	7.4	-9.9	1,208	1,346	1,112	8.7	-10.2	503	532	341	47.5	-5.4
Cera Sanitaryware	4,259	5,780	3,980	7.0	-26.3	617	1,056	561	9.9	-41.6	518	871	470	10.3	-40.5
Greenlam Industries	6,179	6,818	6,047	2.2	-9.4	588	640	640	-8.1	-8.1	55	21	203	-72.9	164.4
Greenpanel Industries	3,370	3,745	3,650	-7.7	-10.0	423	898	360	17.4	-52.9	169	294	157	7.5	-42.5
Greenply Industries	6,232	6,488	5,839	6.7	-3.9	666	681	579	15.0	-2.2	269	166	332	-19.0	62.0
Kajaria Ceramics	11,291	12,219	11,137	1.4	-7.6	1,576	1,384	1,671	-5.7	13.9	890	740	923	-3.6	20.3
Somany Ceramics	6,144	7,690	5,786	6.2	-20.1	504	625	490	2.9	-19.3	80	187	123	-34.7	-57.2

Source: Company, JM Financial

Cement

- We estimate the average EBITDA/tn of cement companies under our coverage to see a moderate sequential recovery in 1QFY26 supported by ~3% QoQ improvement in realisations along with modest demand growth. With sharp price hikes, the South is likely to witness significant improvement in profitability followed by the East.
- EBITDA/tn of our coverage companies is likely to rise by ~5% QoQ (+INR 56/tn)/ ~30% YoY. Our coverage companies' aggregate EBITDA should increase ~44% YoY but decline ~3% QoQ. While we estimate industry volume to have grown in the low single digits YoY in 1Q, our coverage companies' volume growth are expected to have outpace aided by acquisitions led by UltraTech and Adani group. Ramco Cements and Dalmia Bharat are likely to register the highest improvement in unitary EBITDA.

Exhibit 16. Cement - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
ACC	58,577	59,917	50,689	15.6	-2.2	8,967	8,302	6,791	32.0	8.0	5,108	4,888	3,597	42.0	4.5
Ambuja Cements	1,00,775	98,025	82,115	22.7	2.8	19,528	18,676	12,798	52.6	4.6	8,113	8,215	6,399	26.8	-1.2
Birla Corporation	25,022	28,149	21,904	14.2	-11.1	4,104	5,338	2,583	58.9	-23.1	1,472	2,950	326	351.1	-50.1
Dalmia Bharat	36,762	40,910	36,210	1.5	-10.1	8,099	7,930	6,690	21.1	2.1	3,536	4,350	2,540	39.2	-18.7
JK Cement	29,819	32,250	25,550	16.7	-7.5	6,467	7,364	4,790	35.0	-12.2	3,340	3,629	2,027	64.8	-8.0
Shree Cement	51,240	55,320	51,240	0.0	-7.4	9,272	14,592	9,272	0.0	-36.5	2,786	6,050	2,786	0.0	-53.9
Star Cement	9,021	10,521	7,510	20.1	-14.3	2,073	2,627	1,161	78.5	-21.1	1,223	1,232	310	293.9	-0.7
The Ramco Cements	20,428	23,920	20,884	-2.2	-14.6	3,891	3,209	3,194	21.8	21.3	1,043	202	355	193.7	417.3
UltraTech Cement	2,13,953	2,27,880	1,78,790	19.7	-6.1	44,922	46,184	30,392	47.8	-2.7	22,359	24,914	16,640	34.4	-10.3

Source: Company, JM Financial

Chemicals

- In 1QFY26, most chemical companies under our coverage are likely to witness YoY EBITDA growth except Deepak Nitrite, Fine Organic and PCBL. SRF could see a sharp uptick in ref gas sales along with robust growth in specialty chemicals sales given likely pick-up in existing products. Further, improved packaging films performance will result in strong overall growth for SRF. PI's CSM sales are likely to rise YoY owing to some pick-up in Pyroxasulfone sales. For Deepak Nitrite, we expect sequential EBITDA dip owing to absence of government incentives despite uptick in advanced intermediates business and higher volumes. Pick-up in bromine realisation along with ramp-up of bromine derivatives bodes well for Archeon.
- On YoY basis, Clean Science will see volume pick-up of HALS along with other new products while Acutaas will benefit from ramp-up of CDMO sales. PCBL's carbon black volumes are likely to decline sequentially. However, higher EBIT contribution from Aquapharm will partly offset this negative impact. Fine's per kg EBITDA moderation will result in YoY EBITDA decline while Galaxy's per kg EBITDA profitability is likely to see an uptick on YoY basis. On the agrochemicals front, generic agrochemicals are likely to see robust uptick. Paradeep will benefit from higher manufactured volumes in a rather lean quarter due to better economics compared to traded volumes. We see the possibility of upgrades post 1QFY26.

Exhibit 17. Chemicals - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Ami Organics	1,900	3,085	1,767	7.5	-38.4	362	850	295	22.7	-57.4	244	627	147	66.0	-61.1
Anupam Rasayan	4,000	5,002	2,542	57.4	-20.0	960	1,445	532	80.5	-33.6	133	446	39	241.0	-70.2
Archeon Chemical	3,200	3,456	2,127	50.4	-7.4	1,068	883	712	50.0	21.0	700	537	448	56.3	30.4
Clean Science	2,515	2,637	2,240	12.3	-4.6	1,002	1,048	947	5.8	-4.4	715	741	659	8.5	-3.5
Deepak Nitrite	21,793	21,797	21,668	0.6	-0.0	2,627	3,165	3,092	-15.0	-17.0	1,661	2,025	2,025	-18.0	-18.0
Fine Organic Industries	5,455	5,762	5,083	7.3	-5.3	1,053	1,082	1,218	-13.5	-2.7	861	885	990	-13.0	-2.7
Galaxy Surfactants	11,756	11,449	9,741	20.7	2.7	1,311	1,269	1,241	5.6	3.3	846	759	797	6.1	11.5
Paradeep Phosphates	27,340	34,940	23,774	15.0	-21.8	1,665	3,471	1,471	13.2	-52.0	266	1,600	63	322.2	-83.4
PCBL	20,739	20,875	21,436	-3.3	-0.7	2,947	2,977	3,583	-17.8	-1.0	928	1,002	1,179	-21.3	-7.4
PI Industries	21,992	17,871	20,689	6.3	23.1	6,026	4,556	5,832	3.3	32.3	4,406	3,305	4,488	-1.8	33.3
SRF	38,101	42,152	34,022	12.0	-9.6	7,958	10,025	6,207	28.2	-20.6	3,862	5,261	2,522	53.1	-26.6
Tatva Chintan Pharma	1,270	1,079	1,055	20.4	17.7	144	90	126	14.3	60.0	50	10	52	-3.8	400.0

Source: Company, JM Financial

Consumer Staples

- Demand trends may remain largely similar to 4Q for Staples players with no clear signs of broad-based recovery. Benefit of price hikes undertaken over the past 6-9 months will continue to drive healthy value growth in select names (Marico, Britannia, TCPL-Tea, GCPL). For our HPC coverage universe (ex-ITC), sales growth is expected to be 5.6% in 1QFY26E (vs. c.4% in 4QFY25). However, for the Foods universe, growth is expected to moderate led by weaker performance in VBL.
- On the profitability front, we expect YoY compression in gross margin (due to absorption of high cost RM inventory) and EBITDA margin (due to scale deleverage) for all the Staples players. EBITDA growth for Staples (ex-ITC/VBL) is expected to remain flattish YoY in 1QFY26E, with margin compression of c.130bps YoY. GCPL and Britannia are the preferred picks in the space.
- Margin pressures should abate with RM pressure easing, lower GM coming in the base and YoY EBITDA growth should start to look better from 2QFY26E. Hence, pace of volume recovery (which still remains modest) will be the key monitorable from hereon – a lot of hopes are pinned again on 2H (with festive starting from latter part of 2QFY26E).

Exhibit 18. Consumer Staples - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Asian Paints	90,430	83,296	89,432	1.1	8.6	17,582	14,362	16,938	3.8	22.4	11,792	8,751	11,700	0.8	34.8
Bikaji Foods	6,244	5,969	5,551	12.5	4.6	926	743	916	1.1	24.6	559	443	586	-4.6	26.2
Britannia Industries	45,016	43,756	41,299	9.0	2.9	7,996	8,052	7,537	6.1	-0.7	5,529	5,600	5,241	5.5	-1.3
Colgate-Palmolive India	14,415	14,520	14,858	-3.0	-0.7	4,680	4,980	5,083	-7.9	-6.0	3,342	3,534	3,640	-8.2	-5.4
Dabur	34,134	28,198	33,401	2.2	21.1	6,598	4,269	6,550	0.7	54.6	5,023	3,201	5,001	0.4	56.9
DOMS Industries	5,561	5,087	4,450	25.0	9.3	962	883	864	11.4	9.0	541	484	518	4.4	11.8
Electronics Mart	18,067	17,190	19,749	-8.5	5.1	1,174	1,139	1,538	-23.7	3.1	415	315	725	-42.7	32.0
Eureka Forbes	6,143	6,127	5,534	11.0	0.3	739	771	563	31.2	-4.2	463	486	322	44.0	-4.7
Godrej Consumer Products	36,490	35,778	33,108	10.2	2.0	7,444	7,592	7,244	2.8	-1.9	4,929	4,354	4,700	4.9	13.2
Hindustan Unilever	1,57,039	1,50,000	1,51,660	3.5	4.7	35,622	34,660	36,060	-1.2	2.8	25,109	25,103	25,720	-2.4	0.0
Honasa Consumer	5,900	5,336	5,541	6.5	10.6	313	270	461	-32.2	15.9	252	250	403	-37.4	0.9
ITC	1,92,598	1,82,662	1,80,772	6.5	5.4	62,756	59,864	62,955	-0.3	4.8	50,312	48,747	49,205	2.3	3.2
Jyothy Labs	7,643	6,670	7,418	3.0	14.6	1,261	1,119	1,335	-5.5	12.7	959	861	1,017	-5.7	11.4
Marico Ltd.	32,118	27,300	26,430	21.5	17.6	6,424	4,580	6,260	2.6	40.3	4,804	3,430	4,640	3.5	40.1
Nestle India	50,407	54,476	47,930	5.2	-7.5	11,565	13,890	11,143	3.8	-16.7	7,429	8,854	7,466	-0.5	-16.1
Tata Consumer Products	48,171	46,082	43,521	10.7	4.5	6,373	6,210	6,674	-4.5	2.6	3,434	3,109	3,031	13.3	10.5
Varun Beverages	72,487	55,669	71,969	0.7	30.2	18,305	12,640	19,912	-8.1	44.8	11,490	7,265	12,526	-8.3	58.2

Source: Company, JM Financial

Consumer Discretionary

- Consumer discretionary segment is expected to witness weak demand in 1Q, and growth will largely be expansion-led. Growth will be led by (i) Titan, led by a sharp 32% YoY increase in gold prices, (ii) healthy store addition in Avenue Supermarts, and (iii) double-digit growth in the apparel segment due to a low base.
- Footwear segment is expected to see demand pressure despite a low revenue base. SSSG/ADS continue to be tepid for QSR players. Revenue growth of value fashion players is expected to remain impacted in 1Q due to shift of Eid to 4Q. 1Q is expected to trend lower vs. our initial expectations on account of (1) sustained pressure in consumer demand, (2) shift of Eid to 4Q, and (3) early monsoon disrupting demand for certain categories.

Exhibit 19. Consumer Discretionary - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Avenue Supermarts	1,59,321	1,44,624	1,37,119	16.2	10.2	13,489	9,814	12,210	10.5	37.4	8,691	6,197	8,125	7.0	40.2
Baazar Style Retail	3,777	3,454	2,758	36.9	9.4	524	399	420	24.8	31.3	3	(64)	76	-96.1	NM
Bata India	9,650	7,878	9,446	2.2	22.5	2,029	1,759	1,852	9.5	15.3	595	436	605	-1.7	36.6
Campus Activewear	3,596	4,057	3,392	6.0	-11.4	570	715	517	10.1	-20.3	254	350	254	0.2	-27.4
Devyani International	13,963	12,126	12,219	14.3	15.2	2,338	1,873	2,234	4.6	24.8	143	(147)	301	-52.4	NM
Go Fashion	2,384	2,048	2,201	8.3	16.4	750	624	721	4.0	20.2	277	199	287	-3.4	39.2
Metro Brands	14,198	10,981	12,775	11.1	29.3	2,859	2,352	2,433	17.5	21.5	1,961	1,640	1,652	18.7	19.6
Page Industries	6,628	6,428	5,761	15.1	3.1	2,134	1,972	1,804	18.3	8.2	1,083	863	917	18.1	25.5
Restaurant Brands Asia	5,507	4,898	4,905	12.3	12.4	795	749	625	27.1	6.1	(245)	(254)	(269)	NM	NM
Sapphire Foods India	8,305	7,113	7,183	15.6	16.8	1,289	1,062	1,242	3.8	21.3	10	49	82	-87.3	-79.0
Titan Company	1,37,187	1,34,770	1,20,530	13.8	1.8	15,362	14,380	12,110	26.9	6.8	9,748	8,700	7,700	26.6	12.0
Vedant Fashions	2,800	3,674	2,398	16.8	-23.8	1,254	1,657	1,127	11.2	-24.4	687	1,011	625	10.0	-32.0
Westlife Foodworld	6,689	5,949	6,136	9.0	12.4	860	791	797	7.9	8.7	30	37	45	-34.5	-20.2

Source: Company, JM Financial

Consumer Durables

- Amongst consumer durables, AC players are expected to witness a weak 1Q, owing to delayed onset of summer and early monsoon disrupting AC sales through peak summer. Industry leaders such as Bluestar and Voltas have indicated that the AC industry (including them) registered YoY contraction of 20-25% in 1Q, moving hopes onto the upcoming festive season as far as the full year is concerned. Similarly, fan sales also are likely to be impacted, albeit lower than AC sales.
- Vis-à-vis the AC players, wires and cables companies are expected to be better placed with cable demand being strong across the quarter, and wires demand too picking up in the second half. Hence, we prefer C&W companies amongst our coverage, going into the quarter.

Exhibit 20. Consumer Durables - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Bajaj Electricals	11,549	12,655	12,258	-5.8	-8.7	754	930	905	-16.7	-18.9	281	591	346	-18.8	-52.4
Bluestar	28,074	40,190	28,654	-2.0	-30.1	2,094	2,794	2,378	-12.0	-25.1	1,332	1,944	1,687	-21.0	-31.5
Crompton Greaves Consumer	22,661	21,377	20,606	10.0	6.0	2,418	2,324	2,644	-8.5	4.1	1,545	1,524	1,717	-10.0	1.4
Havells India	58,476	48,825	65,322	-10.5	19.8	5,597	4,317	7,607	-26.4	29.7	3,804	2,828	5,223	-27.2	34.5
R R Kabel	20,606	22,178	18,081	14.0	-7.1	1,315	1,944	949	38.5	-32.3	837	1,291	644	30.0	-35.2
Stove Kraft	3,145	3,138	3,333	-5.7	0.2	317	303	337	-5.9	4.6	82	14	72	13.2	466.4
TTK Prestige	5,513	6,038	5,702	-3.3	-8.7	597	555	522	14.5	7.7	469	39	399	17.4	1089.1
V-Guard Industries	16,818	15,381	14,771	13.9	9.3	1,542	1,431	1,558	-1.0	7.8	980	911	990	-1.0	7.5
Voltas	43,306	47,280	49,039	-11.7	-8.4	2,836	2,933	4,067	-30.3	-3.3	2,224	2,410	3,342	-33.5	-7.7

Source: Company, JM Financial

Electronic Manufacturing Services

- We expect strong EBITDA growth momentum to continue for our EMS coverage, as execution of orderbook ramps up for B2B EMS players. This is expected to be coupled with EBITDA margin expansion for all B2B EMS players (Syrma SGS, Kaynes, Avalon) except Cyient DLM that at this point in time is struggling with its order book, which is driving negative operating leverage.
- For B2C EMS players, Dixon is expected to post strong growth driven predominantly by its mobiles business with flattish YoY margins. However, performance of AC players is expected to be muted given a macro weakness in AC sales this quarter.

Exhibit 21. Electronic Manufacturing Services - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Amber Enterprises	27,580	37,537	24,013	14.9	-26.5	2,060	2,948	1,962	5.0	-30.1	756	1,160	724	4.4	-34.9
Avalon Technologies	2,593	3,428	1,995	30.0	-24.4	239	414	44	447.6	-42.1	123	243	(23)	NM	-49.3
Cyient DLM	2,824	4,281	4,442	-36.4	-34.0	181	476	361	-49.8	-61.9	25	237	169	-85.5	-89.6
Dixon Technogies	1,24,000	1,02,925	65,798	88.5	20.5	4,580	4,428	2,479	84.8	3.4	1,979	4,009	1,337	48.0	-50.6
EPACK Durable	8,124	6,432	7,737	5.0	26.3	692	721	517	33.8	-4.0	335	377	234	42.9	-11.2
Kaynes Technology	7,207	9,845	5,040	43.0	-26.8	1,116	1,679	669	66.8	-33.5	676	1,162	508	33.1	-41.8
PG Electroplast	15,452	19,099	13,207	17.0	-19.1	1,399	2,119	1,306	7.1	-34.0	842	1,452	837	0.6	-42.0
Syrma SGS Technology	9,500	9,244	11,599	-18.1	2.8	760	1,075	453	67.7	-29.3	324	654	193	68.0	-50.4

Source: Company, JM Financial

Healthcare

- **Healthcare:** Although it is typically a soft quarter for the hospital sector, we could see a decent >15% revenue growth and >20% EBITDA growth for the coverage universe. This will be led by organic bed additions as well as single-digit growth in ARPOBs, additionally supported by new hospital additions, particularly for Max and KIMS. However, sequentially there is limited bed addition for most of the hospitals we cover. Hospitals that are likely to report the highest EBITDA growth are KIMS, Max, and Fortis. Year-on-year margin expansion is likely to be visible only in Fortis and Aster. Overall, among hospitals, we continue to have a preference for Apollo in large cap due to value unlocking through demerger, and KIMS and Medanta among smaller peers. We do like Fortis and Aster, but upside is limited at present.
- **Diagnostics:** The diagnostics companies are expected to be on a recovery path, with growth returning to mid-teen levels. This quarter, Dr Lal PathLabs and Metropolis are likely to report 12–13% organic revenue growth, while Vijaya is expected to return to a revenue growth trajectory of over 16%. Margins may see slight pressure for Dr Lal and Vijaya due to their ongoing expansion efforts, while Metropolis could face margin impact from recent acquisitions and employee cost increments. Overall, among diagnostic players, we prefer Metropolis given its attractive valuation and a well-balanced approach to both organic and inorganic growth.

Exhibit 22. Hospitals and Diagnostics - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Apollo Hospitals	57,500	55,922	50,856	13.1	2.8	8,100	7,697	6,751	20.0	5.2	3,893	4,236	3,028	28.6	-8.1
Aster DM Healthcare	10,500	10,003	10,019	4.8	5.0	1,900	1,921	1,635	16.2	-1.1	732	1,040	735	-0.4	-29.6
Dr Lal Pathlabs	6,725	6,026	6,019	11.7	11.6	1,825	1,690	1,700	7.4	8.0	1,202	1,548	1,064	13.0	-22.4
Fortis Healthcare	21,070	20,072	18,589	13.3	5.0	4,270	4,355	3,425	24.7	-1.9	2,117	2,262	1,659	27.6	-6.4
Global Health	9,700	9,312	8,611	12.6	4.2	2,200	2,247	1,863	18.1	-2.1	1,305	1,393	1,063	22.8	-6.3
GPT Healthcare	1,070	1,014	978	9.4	5.5	190	207	180	5.7	-8.2	114	129	100	14.6	-11.4
Jupiter Life Line Hospitals	3,200	3,267	2,871	11.4	-2.1	730	783	639	14.3	-6.7	440	449	446	-1.4	-1.9
Krishna Institute of Medical	8,750	7,969	6,884	27.1	9.8	2,160	1,980	1,794	20.4	9.1	932	932	866	7.7	0.0
Krsnaa Diagnostics	2,043	1,861	1,702	20.0	9.8	558	530	427	30.7	5.3	237	207	179	32.4	14.7
Max Healthcare Institute	24,300	23,020	19,310	25.8	5.6	6,050	6,070	4,940	22.5	-0.3	3,670	3,940	2,750	33.5	-6.9
Metropolis Healthcare	3,800	3,453	3,134	21.3	10.1	850	623	788	7.8	36.4	411	291	379	8.3	40.9
Vijaya Diagnostics	1,820	1,732	1,562	16.5	5.1	704	689	612	15.0	2.2	349	354	313	11.2	-1.5

Source: Company, JM Financial

Pharmaceuticals

- 1QFY26 is likely to be driven primarily by the India business, except for companies like Lupin, Dr. Reddy's, and Zydus, which are expected to see a strong ramp-up in the U.S. market due to select product launches. Overall, we project that pharmaceutical companies in our coverage universe will deliver 13% revenue growth and 20% EBITDA growth for the quarter. Companies that could positively surprise the street include Lupin and Zydus; however, since the performance is likely to be driven by one-off opportunities, it may not translate into sustained share price returns.
- Overall, we continue to prefer Sun Pharma, Aurobindo, and Dr Reddy's, where valuations remain relatively attractive and investor expectations are modest, which could result in higher returns compared to peers. Among CDMOs, Piramal and One Source are likely to report the weakest quarter, as Q4 is typically stronger for both companies, while Innova is expected to benefit from commissioning of its J&K facility.

Exhibit 23. Pharmaceuticals - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Innova Cptab	3,664	3,147	2,943	24.5	16.4	509	477	422	20.6	6.7	346	296	295	17.3	16.9
OneSource Specialty Pharma	3,340	4,260	2,923	14.3	-21.6	2,272	1,825	540	320.9	24.5	(14)	1,473	(68)	NM	NM
Piramal Pharma	20,721	27,541	19,511	6.2	-24.8	1,512	5,610	2,045	-26.1	-73.1	(1,308)	1,535	(886)	NM	NM
Aurobindo Pharma	80,925	83,821	75,670	6.9	-3.5	16,520	17,919	16,196	2.0	-7.8	8,370	9,035	9,192	-8.9	-7.4
Biocon	37,450	44,170	34,329	9.1	-15.2	7,530	10,782	6,204	21.4	-30.2	980	3,253	(4,296)	NM	-69.9
Cipla	70,495	65,977	66,249	6.4	6.8	18,345	15,376	17,158	6.9	19.3	13,805	12,218	11,776	17.2	13.0
Dr Reddy's Labs	92,646	85,060	76,727	20.7	8.9	25,146	20,505	21,270	18.2	22.6	16,462	16,515	13,924	18.2	-0.3
Ipca Laboratories	22,697	22,372	20,835	8.9	1.5	4,391	4,289	3,927	11.8	2.4	2,641	2,729	1,922	37.4	-3.2
J B Chemicals & Pharma	11,244	9,495	10,044	11.9	18.4	3,094	2,264	2,804	10.3	36.6	2,066	1,457	1,768	16.8	41.8
Lupin	78,403	55,622	55,143	42.2	41.0	28,303	12,921	12,410	128.1	119.0	20,960	7,516	8,013	161.6	178.9
Sun Pharma	1,36,242	1,28,156	1,25,245	8.8	6.3	39,192	37,161	36,076	8.6	5.5	30,342	24,537	28,356	7.0	23.7
Torrent Pharma	30,899	29,090	28,150	9.8	6.2	10,220	9,460	9,280	10.1	8.0	5,768	5,220	4,570	26.2	10.5
Zydus Lifesciences	64,738	62,902	60,465	7.1	2.9	21,338	21,255	20,840	2.4	0.4	14,707	13,905	14,199	3.6	5.8

Source: Company, JM Financial

Hotels

- According to HVS Anarock, the ARR grew by 7% YoY in May'25 with 200bps in occupancy on the back of a temporary blip in a few markets due to geopolitical concerns. Demand has picked up again from early June and we expect the industry to clock ~8% RevPAR growth in 1QFY26. We prefer companies having a strong development pipeline, which can enable them to deliver mid-teens EBITDA growth over the medium term. Chalet, Juniper and Lemon Tree remain our top picks.

Exhibit 24. Hotels - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Chalet Hotels	4,039	5,220	3,610	11.9	-22.6	1,616	2,414	1,402	15.2	-33.1	467	1,238	607	-23.1	-62.3
Indian Hotels	18,004	24,251	15,502	16.1	-25.8	5,221	8,568	4,496	16.1	-39.1	1,880	5,249	2,484	-24.3	-64.2
Juniper Hotels	2,194	2,776	1,997	9.9	-21.0	834	1,167	627	32.9	-28.6	307	550	117	162.9	-44.2
Lemon Tree	3,066	3,785	2,680	14.4	-19.0	1,349	2,041	1,151	17.2	-33.9	417	846	198	110.5	-50.7

Source: Company, JM Financial

Industrials

- We expect the Industrial sector to report healthy revenue growth driven by strong opening order book and demand scenario. Defence companies will see healthy execution driven by strong opening order book. Within mining consumable space we expect AIAE to report volume growth driving revenue, while Tega's growth could be aided by revenue booking from 4QFY25 revenue spill-over in consumable segment.
- We expect the revenue of diesel genset companies to be driven by the industrial and aftermarket segment, while the power genset segment demand recovery is expected to continue. We expect EBITDA margins of most of our universe to improve marginally YoY, except for AIAE & IdeaForge, where we expect it to decline.

Exhibit 25. Industrials - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
AIA Engineering	10,887	11,570	10,200	6.7	-5.9	2,863	3,016	2,889	-0.9	-5.1	2,554	2,852	2,596	-1.6	-10.5
Bharat Electronics	48,731	91,197	41,988	16.1	-46.6	9,745	26,592	9,367	4.0	-63.4	8,700	21,048	7,761	12.1	-58.7
BHEL	69,000	89,934	54,849	25.8	-23.3	2,046	8,317	(1,694)	NM	-75.4	517	5,045	(2,114)	NM	-89.8
Cummins India	24,776	24,569	23,042	7.5	0.8	4,622	4,739	4,673	-1.1	-2.5	4,531	5,214	4,198	7.9	-13.1
Data Patterns	1,190	3,962	1,041	14.4	-70.0	389	1,456	372	4.7	-73.3	357	1,141	328	8.9	-68.7
Ideaforge Technology	136	203	862	-84.2	-33.0	(268)	(299)	25	NM	NM	(211)	(257)	12	NM	NM
INOX India	3,566	3,694	2,964	20.3	-3.5	818	817	702	16.5	0.2	614	655	526	16.6	-6.3
Kirloskar Oil Engines	14,350	14,125	13,429	6.9	1.6	1,562	1,370	1,736	-10.0	14.0	1,239	1,057	1,107	11.9	17.2
Techno Electric	6,659	8,119	4,137	60.9	-18.0	901	1,009	565	59.4	-10.7	906	1,328	556	62.9	-31.8
Tega Industries	4,001	5,361	3,400	17.7	-25.4	543	1,237	642	-15.5	-56.1	477	1,019	367	29.9	-53.2

Source: Company, JM Financial

Infrastructure

- Execution will be a mixed bag. We expect 1Q to be strong for diversified names like L&T, KEC, KPIL and Ahluwalia while being weak for highway players like KNR, GR Infra and Ashoka due to lower executable order backlogs. Order inflows for diversified names like KEC, KPIL, Ahluwalia have been strong while they were weak for highway players like GR Infra, Ceigall and PNC.
- Having said that, order backlogs are moderate to strong for most companies with backlog to bill ratio in range of 2x-4x. EBITDA margin is likely to be stable or improve for diversified companies while it is likely to decline for highway companies amid diversification. We expect strong PAT growth of 102%/97%/41% for Ahluwalia/KEC/PNC in 1Q26E. Our top picks are Ahluwalia and PNC Infratech.

Exhibit 26. Infrastructure - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Ahluwalia Contracts	10,500	12,158	9,193	14.2	-13.6	1,050	1,236	605	73.7	-15.1	617	832	306	101.7	-25.8
Ajax Engineering	5,394	7,558	4,690	15.0	-28.6	727	1,108	802	-9.4	-34.5	617	883	670	-7.9	-30.1
Ashoka Buildcon	20,084	19,748	18,771	7.0	1.7	1,918	1,432	1,214	58.0	34.0	859	596	408	110.4	44.1
Ceigall India	8,351	9,918	7,592	10.0	-15.8	1,003	1,092	1,023	-1.9	-8.1	586	696	587	-0.3	-15.9
GR Infraprojects	17,500	19,904	18,965	-7.7	-12.1	2,105	3,484	2,466	-14.6	-39.6	2,005	3,392	1,957	2.5	-40.9
HG Infra Engineering	16,565	19,730	15,059	10.0	-16.0	2,567	2,829	2,433	5.5	-9.3	1,397	2,124	1,395	0.1	-34.2
Kalpataru Projects	44,663	62,042	37,219	20.0	-28.0	3,752	5,232	3,135	19.7	-28.3	1,567	2,746	1,166	34.4	-42.9
KEC International	50,984	68,721	45,119	13.0	-25.8	3,568	5,388	2,704	32.0	-33.8	1,252	2,682	636	97.0	-53.3
KNR Constructions	6,500	8,512	8,193	-20.7	-23.6	911	1,175	1,356	-32.8	-22.5	621	752	1,339	-53.6	-17.4
Larsen & Toubro	6,26,822	7,43,923	5,51,198	13.7	-15.7	93,230	82,025	56,153	66.0	13.7	64,010	50,225	27,857	129.8	27.4
NCC	51,846	53,761	47,133	10.0	-3.6	4,775	4,953	4,396	8.6	-3.6	2,163	2,530	2,007	7.7	-14.5
PNC Infratech	15,056	14,146	13,092	15.0	6.4	1,888	1,758	1,583	19.3	7.4	1,327	1,210	954	39.0	9.7
PSP Projects	6,504	6,551	6,119	6.3	-0.7	518	304	734	-29.5	70.2	193	50	343	-43.7	290.1

Source: Company, JM Financial

Internet

- Across the internet space, we expect mixed performance trends. While Eternal and Swiggy's food delivery GOV growth is expected to broadly remain similar at around 9% QoQ due to seasonality benefits during summer, their quick commerce business GOV is likely to expand 20% QoQ aided by seasonality as well as aggressive store expansion done in the recent past. In terms of food delivery business margins, while Zomato could see marginal improvement Swiggy's margins are likely to come under pressure due to Bolt-related investments and fixed cost increase. In quick commerce, while profitability (in margin terms) is likely to improve for both Blinkit and Instamart, absolute Adj. EBITDA losses are likely to contract for the former and increase for the latter.
- Nykaa sustained its growth momentum in the BPC segment, while Fashion segment growth also improved over the previous quarters, suggesting a recovery trend in the segment. If the growth trend in Fashion continues, we can expect the segment to breakeven in FY26, as suggested by the management. FirstCry is likely to see a repeat of 4Q, both in terms of revenue growth and margin expansion in India multi-channel segment, while the company continue to lower losses in International segment.
- Info Edge reported muted billings growth in recruitment, whereas 99acres and others growth was broadly in line. Recruitment growth was affected by broad-based slowdown in renewals across IT as well as non-IT businesses due to macro challenges. Further, we expect recruitment segment profitability to come under pressure due to aggressive brand spends during IPL.
- In PB Fintech, we expect savings business to be relatively weaker, albeit recover slightly against the last quarter while the Health segment is unlikely to sustain the recent strength. New Initiatives YoY growth should also lower sequentially, as the company increases focus on profitability. Paisabazaar continues to struggle due to weakness in unsecured lending. Paytm's payments business is expected to grow mid-single digits sequentially (flat including INR 700mn UPI incentive in 4QFY25). Under Financial services business, while loan disbursal growth is likely to improve, revenue growth should be flat due to lower take-rate with reducing FLDG. With health contribution margin and operating leverage in indirect expenses, we expect the company to turn PAT profitable this quarter.
- Among classifieds companies, CarTrade is likely deliver strong YoY growth, driven by sustained momentum in New Auto along with strong growth in Remarketing (on a lower base). OLX, however, could be a dampener. Just Dial and IndiaMART seem attractive, owing to compelling valuations but growth challenges will continue. We expect both Indiamart and Just Dial to report high-single digits collections growth led by realisations whereas volume growth will continue to remain muted.
- In the travel tech space, TBO Tek GTV growth is expected to slightly improve to high-single digits from mid-single digit last quarter, aided by acceleration in Hotels segment. Margins on the other hand are likely to remain under pressure due to accelerated growth investments which in turn could lead to muted EBITDA growth. Ixigo, on the other hand, is expected to deliver a strong quarter across segments due to continued increase in market share. While EBITDA expansion will be strong, margin on a YoY basis could come down due to growth investments and ESOP cost increase.
- Amongst other companies, in Affle new logo additions in developed markets should drive topline growth, with EBITDA margin expanding due to operating leverage. In Delhivery, EPS shipment volumes are expected to grow strongly while realisation will largely be flat. PTL will maintain growth momentum, albeit lower than 4QFY25 due to seasonality. We can expect margin expansion, driven by volume growth. Blackbuck tolling and telematics business is expected to maintain growth momentum, while vehicle financing is expected to be weak due to slower disbursals; however, margin expansion story remains intact.

Exhibit 27. Internet - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Affle	6,183	6,023	5,195	19.0	2.7	1,348	1,340	1,045	29.0	0.6	1,022	1,031	866	18.1	-0.8
Brainbees Solutions	19,093	19,303	16,521	15.6	-1.1	326	159	492	-33.6	105.5	(968)	335	(199)	NM	NM
CarTrade Tech	1,659	1,695	1,412	17.5	-2.1	354	462	216	64.2	-23.2	353	418	223	58.6	-15.6
Delhivery	24,119	21,916	21,723	11.0	10.1	1,452	1,191	971	49.6	21.9	669	726	595	12.4	-7.8
Eternal	66,168	58,330	42,060	57.3	13.4	1,677	720	1,770	-5.2	133.0	785	390	2,530	-69.0	101.3
FSN E-Commerce	21,648	20,618	17,461	24.0	5.0	1,361	1,334	961	41.6	2.1	238	203	102	132.7	17.5
IndiaMART InterMESH	3,681	3,551	3,313	11.1	3.7	1,363	1,305	1,195	14.0	4.5	1,195	1,806	1,140	4.8	-33.8
Info Edge India	7,304	6,871	6,389	14.3	6.3	2,797	2,589	2,495	12.1	8.0	2,488	2,474	2,323	7.1	0.6
Just Dial	3,004	2,892	2,806	7.1	3.9	896	861	806	11.1	4.1	1,334	1,576	1,412	-5.6	-15.4
Le Travenues Technology	2,736	2,841	1,819	50.4	-3.7	205	248	168	22.0	-17.3	145	167	111	30.7	-13.3
One 97 Communications	19,109	19,115	15,010	27.3	-0.0	(689)	(885)	(7,922)	NM	NM	189	(221)	(8,383)	NM	NM
PB Fintech	13,555	15,079	10,105	34.1	-10.1	131	1,130	(393)	NM	-88.4	579	1,706	191	202.5	-66.1
Route Mobile	12,401	11,750	11,034	12.4	5.5	1,268	1,207	1,367	-7.2	5.1	782	793	795	-1.7	-1.4
Swiggy	50,215	44,100	32,222	55.8	13.9	(9,901)	(9,618)	(5,442)	NM	NM	(11,299)	(10,812)	(6,371)	NM	NM
TBO Tek	5,098	4,461	4,185	21.8	14.3	873	716	786	11.1	22.0	647	589	609	6.2	9.8
Yatra Online	2,436	2,190	1,008	141.6	11.2	141	171	46	207.6	-17.3	85	152	40	110.4	-44.1
Zinka Logistics Solutions	1,279	1,218	922	38.8	5.0	364	398	84	335.8	-8.6	394	2,850	580	-32.1	-86.2

Source: Company, JM Financial

IT Services

- We expect large-cap IT Services players (top-6) to report (2%)-1.8% cc QoQ growth. Depreciation of USD against a basket of major currencies mean USD growth will be 84-230bps higher. We expect TCS' international business revenue growth to improve sequentially, a positive given the uncertain backdrop. INFO should benefit from a weak base (-3.5% cc in 4Q) and typical seasonality (1H>2H). Conversely, HCL/TECHM will likely be impacted by seasonality – productivity pass-back for HCL and Comviva for TECHM.
- Next-4 should continue to outpace larger peers with 1.7- 7.4% cc QoQ growth. Coforge, with SABRE ramp (USD 120mn ACV) and inorganic contribution (2ppt impact; JMFe), should lead. PSYS, we believe, will continue its growth momentum, despite concerns around healthcare. Auto ER&D are likely to face the brunt of tariff-led pauses. We expect TATATECH/KPIT to decline 3.4/7.3% in cc QoQ.
- Deal pipeline has improved, as clients look to further consolidate vendors and lower TCO. That could lead to higher competitive intensity, and possibly pricing pressure. Deal wins for the quarter should be decent. TCS – Salling Group, Virgin Atlantic – had good wins. LTIM's USD 450mn win could push up its TCV to USD 2bn+. That said, TCV alone may not be a sufficient parameter to gauge growth, as vendor consolidation is a zero-sum game. Players' outlook, therefore, will likely reflect impact of losses/leakages in existing book. Moreover, the macro indicators still point to uncertainty – elevated inflation expectation, rising PMI prices etc. INFO could however raise lower end of its organic guidance (from 0-3% to 1-3%).

Exhibit 28. IT Services - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Black Box	14,573	15,446	14,234	2.4	-5.7	1,312	1,470	1,150	14.1	-10.7	504	605	371	35.8	-16.7
C.E. Info Systems	1,327	1,436	1,015	30.8	-7.6	554	580	428	29.6	-4.5	460	486	358	28.4	-5.3
Coforge	37,434	34,222	23,999	56.0	9.4	6,306	5,625	4,099	53.9	12.1	3,766	3,535	3,713	1.4	6.5
HCL Tech	3,02,518	3,02,460	2,80,570	7.8	0.0	61,606	64,820	57,940	6.3	-5.0	40,173	43,070	42,580	-5.7	-6.7
Hexaware Technologies	32,797	32,079	29,455	11.3	2.2	5,452	5,278	5,277	3.3	3.3	3,461	3,271	3,802	-9.0	5.8
Infosys	4,19,494	4,09,250	3,93,150	6.7	2.5	1,02,582	98,740	94,480	8.6	3.9	71,246	71,350	64,730	10.1	-0.1
Inventurus Knowledge Solutions	7,358	7,240	6,401	15.0	1.6	2,244	2,262	1,700	32.0	-0.8	1,455	1,478	956	52.2	-1.6
KPIT Technologies	15,076	15,283	13,646	10.5	-1.4	3,159	3,230	2,882	9.6	-2.2	1,820	2,165	2,042	-10.9	-15.9
LTIMindtree	98,490	97,717	91,426	7.7	0.8	16,594	15,962	16,061	3.3	4.0	12,356	11,958	12,062	2.4	3.3
Mphasis	37,709	37,175	34,208	10.2	1.4	7,218	7,100	6,168	17.0	1.7	4,539	4,466	4,045	12.2	1.6
Persistent Systems	33,452	32,421	27,372	22.2	3.2	6,208	5,844	4,552	36.4	6.2	4,364	3,958	3,064	42.4	10.3
Sagility	15,493	15,685	12,233	26.6	-1.2	3,370	3,730	1,939	73.8	-9.7	1,414	1,826	223	534.4	-22.5
Tata Consultancy	6,48,768	6,44,790	6,26,130	3.6	0.6	1,69,977	1,69,800	1,66,620	2.0	0.1	1,20,884	1,22,240	1,20,400	0.4	-1.1
Tata Technologies	12,015	12,857	12,690	-5.3	-6.5	2,027	2,334	2,311	-12.3	-13.1	1,511	1,853	1,621	-6.7	-18.4
Tech Mahindra	1,34,063	1,33,840	1,30,055	3.1	0.2	19,289	18,674	15,645	23.3	3.3	11,938	11,667	8,515	40.2	2.3
Wipro	2,23,582	2,25,042	2,19,628	1.8	-0.6	44,259	46,080	43,554	1.6	-4.0	33,504	35,696	30,022	11.6	-6.1

Source: Company, JM Financial

Media

- Operating environment for broadcasters remains challenging. A still soft, albeit sequentially better, volume growth for FMCG players – as expected by our consumer team – is negated by likely cuts to their A&P spend. Residual benefit of Lok Sabha elections on TV ad-spend in the base quarter makes YoY comp even more unfavourable. We therefore expect 5-15% YoY decline in Zee/Sun TV's TV ad-revenue. Subscription revenue could remain flattish too, as next phase of price hikes are being negotiated. An uneventful release calendar – for both Zee Studios and Sun Pictures – mean overall revenue for Zee/Sun TV could dip by 10%/2% YoY. This can limit any meaningful progress on Zee's margin expansion trajectory, we believe.
- PVR-Inox, however, could see some respite. Box office collections (BOC) picked up in May, and likely accelerated in June. Good performance by Bollywood (Houseful 5, Sitare Zameen Par) and Hollywood (Mission Impossible, Final Destinations Bloodlines) mean PVR-Inox's share should be higher too. We therefore expect 220bps YoY increase in occupancy, driving 11% YoY increase in admits. Quarter-end releases (F1, Maah) and strong pipeline promises Q2/Q3 to be even better. In the absence of any secular trend across players, Media remains a bottom-up sector.
- Zee – potential value unlocking, and PVR-Inox – improving content pipeline have visible triggers. Valuations are not demanding. These two are our preferred picks in the sector.

Exhibit 29. Media - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
PVR Inox	14,258	12,498	11,907	19.7	14.1	971	(105)	(378)	NM	NM	(341)	(1,250)	(1,787)	NM	NM
Saregama	2,240	2,408	2,053	9.1	-7.0	633	803	515	23.0	-21.2	444	502	369	20.3	-11.5
Sun TV	12,562	9,090	12,761	-1.6	38.2	6,792	4,269	7,064	-3.9	59.1	5,637	3,623	5,469	3.1	55.6
Zee Ent	19,039	21,841	21,305	-10.6	-12.8	2,570	2,852	2,727	-5.8	-9.9	1,650	1,759	1,564	5.5	-6.2

Source: Company, JM Financial

Metals and Mining

- Realisations for Indian steel players are expected to witness an uptrend in 1Q with the recently imposed 12% safeguard duty on flat products in April. Average domestic HRC prices came in at INR51.8k/t, an increase of ~INR3k/tn compared to 4Q. Longs prices increased to ~INR43.4k/tn, up ~INR0.6k/tn compared to 4Q. NMDC announced a price hike (INR440/tn) and a price cut (INR150/tn) in May'25 and Jun'25 respectively. Steel companies guided for a ~USD10-15/tn decline in coking coal consumption cost for 1Q. Consequently, Indian ferrous players are likely to witness an EBITDA/tn expansion to the tune of ~INR 2k/tn in 1Q given higher realisation and lower coking coal costs, partially offset by high iron ore prices and lower scale. Operating leverage is usually lower in 1Q compared to a seasonally strong 4Q.
- Non-ferrous players are expected to witness a subdued quarter with LME prices witnessing a downtrend compared to 4Q given macroeconomic uncertainty. Average LME Aluminium came in at USD2.46k/t, down by ~USD160/tn compared to 4Q. A slowdown in global demand might impact Novelis' margins in the near term but the long-term outlook for Hindalco remains buoyant.

Exhibit 30. Metals and Mining - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Hindalco Industries	2,30,623	2,51,160	2,21,550	4.1	-8.2	24,544	30,100	28,310	-13.3	-18.5	14,116	15,720	15,530	-9.1	-10.2
Hindustan Zinc	77,051	90,870	81,300	-5.2	-15.2	37,567	48,200	39,460	-4.8	-22.1	20,418	30,030	23,450	-12.9	-32.0
Jindal Stainless	1,04,288	1,01,983	94,298	10.6	2.3	11,305	10,609	12,117	-6.7	6.6	5,921	5,981	6,481	-8.6	-1.0
Jindal Steel & Power	1,22,822	1,31,831	1,36,178	-9.8	-6.8	24,325	22,708	28,394	-14.3	7.1	9,261	8,901	13,402	-30.9	4.1
JSW Steel	4,80,955	4,48,190	4,29,430	12.0	7.3	78,673	63,780	55,100	42.8	23.4	22,299	15,360	8,450	163.9	45.2
Kirloskar Ferrous Ind	17,497	17,370	15,537	12.6	0.7	1,887	2,013	1,866	1.1	-6.3	838	923	698	20.1	-9.3
Lloyds Metals and Energy	28,912	11,933	24,172	19.6	142.3	7,563	2,611	7,187	5.2	189.6	5,544	2,019	5,574	-0.5	174.7
NMDC	66,829	70,046	54,142	23.4	-4.6	24,590	20,511	23,399	5.1	19.9	19,166	14,834	19,636	-2.4	29.2
SAIL	2,73,439	2,93,161	2,39,978	13.9	-6.7	39,465	34,807	22,194	77.8	13.4	13,420	9,257	3,224	316.2	45.0
Shyam Metals and Energy	41,580	41,394	36,116	15.1	0.4	5,205	5,152	4,877	6.7	1.0	2,248	2,188	2,761	-18.6	2.7
Tata Steel	5,42,076	5,57,070	5,44,124	-0.4	-2.7	70,472	65,030	69,500	1.4	8.4	17,891	12,457	24,606	-27.3	43.6
Welspun Corp	41,212	39,250	31,372	31.4	5.0	4,694	4,602	3,740	25.5	2.0	2,516	6,054	2,479	1.5	-58.4

Source: Company, JM Financial

Oil and Gas

- In 1QFY26, we expect RIL's EBITDA to be up 2.4% QoQ, led by 3.5% QoQ growth in Digital EBITDA (robust subscriber gains and ARPU growth) and O2C EBITDA to be flattish QoQ, while Retail EBITDA could go up by a healthy 15% YoY. Oil India/ONGC's EBITDA may decline 8-14% QoQ on lower crude realisation and sales volume though it may be slightly offset by a tad higher gas realisation.
- However, BPCL/HPCL's 1QFY26 EBITDA may rise 52-69% QoQ on sharp jump in auto fuel marketing margin while IOCL's EBITDA may increase only 24% QoQ due to higher inventory loss. GAIL's EBITDA is likely to be flattish QoQ on muted growth in transmission volume and slightly lower trading margin; GSPL and PLNG's adjusted earnings may be muted on subdued volume growth. IGL's EBITDA could grow 8.3% QoQ on margin recovery post CNG price hikes while MGL's EBITDA may decline 2.1% QoQ on a high base (due to one-off income in 4QFY25); GGas' EBITDA is likely to be flattish QoQ.
- We maintain BUY on RIL as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU is expected to rise at ~13% CAGR over FY25-28. We reiterate BUY on ONGC/Oil India based on our Brent assumption of USD 70/bbl (while CMP is discounting USD 60-65/bbl of net crude realisation) and also given ~12%/25% production growth outlook in the next 1-3 years. We also maintain our BUY on GAIL and GGas.
- However, we maintain our cautious view on OMCs as we believe OMCs' risk-reward is not favourable given their aggressive capex plans and high valuation. We maintain our SELL on IGL and MGL due to structural decline in APM allocation; we maintain HOLD on PLNG due to capital misallocation concerns.

Exhibit 31. Oil and Gas - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Bharat Petroleum	10,28,919	11,11,790	11,30,960	-9.0	-7.5	1,18,214	77,649	56,505	109.2	52.2	72,835	32,141	30,148	141.6	126.6
GAIL	3,64,273	3,56,852	3,36,738	8.2	2.1	32,523	32,164	45,281	-28.2	1.1	19,016	20,490	27,240	-30.2	-7.2
Gujarat Gas	39,298	41,020	44,503	-11.7	-4.2	4,519	4,495	5,356	-15.6	0.5	2,811	2,872	3,298	-14.8	-2.1
Gujarat State Petronet	2,371	2,381	3,543	-33.1	-0.4	1,658	1,247	3,010	-44.9	33.0	1,080	707	2,120	-49.1	52.6
Hindustan Petroleum	10,50,274	10,94,924	11,38,045	-7.7	-4.1	98,242	58,038	21,076	366.1	69.3	59,956	33,550	3,558	1585.1	78.7
Indian Oil	18,37,483	19,49,670	19,32,355	-4.9	-5.8	1,68,324	1,35,725	86,347	94.9	24.0	84,392	72,649	26,432	219.3	16.2
Indraprastha Gas	39,372	39,506	35,206	11.8	-0.3	5,386	4,972	5,819	-7.4	8.3	3,730	3,492	4,015	-7.1	6.8
Mahanagar Gas	19,222	18,649	15,896	20.9	3.1	4,337	3,784	4,185	3.6	14.6	3,028	2,522	2,845	6.4	20.1
Oil India	50,150	55,189	58,397	-14.1	-9.1	17,936	19,842	24,660	-27.3	-9.6	10,237	15,915	14,668	-30.2	-35.7
ONGC	2,49,046	2,82,454	2,54,944	-2.3	-11.8	1,63,749	1,90,079	1,86,174	-12.0	-13.9	65,262	64,483	89,381	-27.0	1.2
Petronet LNG	1,09,984	1,23,158	1,34,151	-18.0	-10.7	13,330	15,129	15,630	-14.7	-11.9	9,425	10,702	11,416	-17.4	-11.9
Reliance Industries	24,87,821	26,13,880	23,17,840	7.3	-4.8	4,48,833	4,38,320	3,87,650	15.8	2.4	1,93,497	1,94,070	1,51,380	27.8	-0.3

Source: Company, JM Financial

Real Estate

- The listed real estate universe had a healthy start to the year despite moderation in demand as rising home prices have made affordability a growing concern for buyers, which has impacted the performance of broader industry. 1QFY26 witnessed broad based launches from all key players, with Delhi-NCR being the most active market. We expect our coverage universe to report pre-sales of INR 281bn, up 22% YoY. We maintain positive stance on the sector with DLF, Sobha and Keystone as our top picks.
- The leasing traction in office space has continued in 1QFY26 with gross leasing volume crossing 42msf in 1HCY25 (source: C&W). Net leasing for the quarter stood at 13.5msf, up 19% YoY. We expect the REITs to track the industry performance and report healthy leasing across their core markets. Embassy REIT is our top pick as it is well positioned to gain from the uptick in leasing demand given the strong development pipeline of 6msf over FY26-28E.

Exhibit 32. Real Estate - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Brookfield India	6,325	6,201	5,738	10.2	2.0	4,569	4,478	4,137	10.5	2.0	848	933	393	115.8	-9.1
DLF	24,164	31,276	13,624	77.4	-22.7	6,689	9,780	2,286	192.6	-31.6	9,786	12,822	6,456	51.6	-23.7
Embassy Office	11,096	10,858	9,342	18.8	2.2	8,676	8,311	7,152	21.3	4.4	2,101	2,766	1,788	17.6	-24.0
Godrej Properties	12,845	21,217	7,390	73.8	-39.5	1,254	1,100	(1,251)	NM	14.0	3,122	3,820	5,201	-40.0	-18.3
Keystone Realtors	4,057	5,849	4,222	-3.9	-30.6	555	505	432	28.4	9.9	701	648	258	171.5	8.2
Macrotech Developers	29,639	42,243	28,465	4.1	-29.8	8,048	12,207	7,568	6.3	-34.1	5,151	9,228	4,759	8.2	-44.2
Mindspace Business Parks	7,117	6,811	6,277	13.4	4.5	5,233	5,137	4,655	12.4	1.9	1,283	878	1,283	0.0	46.2
Nexus Select Trust	5,922	5,803	5,538	6.9	2.0	4,028	3,980	3,735	7.8	1.2	1,220	1,143	1,396	-12.6	6.8
Oberoi Realty	11,422	11,388	13,921	-18.0	0.3	6,449	6,181	8,151	-20.9	4.3	4,543	4,332	5,845	-22.3	4.9
Phoenix Mills	9,687	10,163	9,041	7.1	-4.7	5,522	5,597	5,310	4.0	-1.3	2,539	2,716	2,331	8.9	-6.5
Sobha Ltd	9,425	12,406	6,404	47.2	-24.0	1,608	941	559	187.6	71.0	771	409	61	1172.8	88.7
Sunteck Realty	3,472	2,060	3,163	9.8	68.5	942	687	314	200.1	37.1	658	504	228	189.0	30.7

Source: Company, JM Financial

Telecom

- Bharti is expected to register 2.6% QoQ and 3.1% QoQ growth in its India wireless revenue and EBITDA respectively, led by robust MBB subs gains (at ~5.5mn) and as ARPU is likely to improve 1.6% QoQ (to INR 249) due to ongoing healthy upgrades to smartphone/post-paid plans and 1 more day QoQ in 1QFY26 (while Jul'24 tariff hike has completely passed through its ARPU by end-3QFY25). Similarly, BHL is expected to register 2.8% QoQ and 3.9% QoQ growth in its revenue and EBITDA respectively due to healthy MBB subs gain (at 0.4mn) and 1.6% QoQ ARPU improvement (to INR 246).
- We expect Jio's ARPU to improve 1.8% QoQ to ~INR 210, aided by upgrades, 1 more day QoQ in 1QFY26 and residual pass-through of the Jul'24 tariff hike, while its subs gains will be robust at 7.2mn (vs. 6.1mn in 4QFY25). Hence, Jio's revenue and EBITDA is likely to grow by 2.7% and 3.5% QoQ. Separately, VIL's revenue, reported EBITDA and cash EBITDA are expected to grow by 1.1%, 1.8% and 3.5% QoQ respectively as ARPU is likely to improve 1.6% QoQ to INR 167 due to improved subs mix and 1 more day QoQ in 1QFY26, though it will be partly offset by net subs loss of ~0.9mn (though MBB subs likely to grow by ~1mn).
- We expect net tenancy additions to remain robust for Indus Towers, driven by VIL's network expansion and Bharti's rural rollouts; reported EBITDA could decline 2.7% QoQ while adjusted EBITDA may grow 2.5% QoQ, partly offset by seasonally higher power costs. Separately, we expect TCOM's revenue to grow 1.8% QoQ to ~INR 61bn while its EBITDA is likely to recover 3.4% QoQ to INR ~11.6bn in 1QFY26, on a low base of 4QFY25 which was adversely impacted by multiple one-offs.
- We reiterate BUY on Bharti (TP INR 2,250); we also maintain our BUY on BHL (TP INR 2,000) and our positive view on Jio. We maintain HOLD on VIL and Indus, and reiterate BUY on TCOM on expectation of improvement in profitability of the digital portfolio segment.

Exhibit 33. Telecom - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Bharti Airtel	4,95,839	4,83,620	3,88,699	27.6	2.5	2,84,100	2,74,946	2,00,711	41.5	3.3	1,19,042	1,08,945	39,916	198.2	9.3
Bharti Hexacom	23,537	22,890	19,106	23.2	2.8	12,633	12,156	9,157	38.0	3.9	4,138	4,684	5,112	-19.0	-11.6
Indus Towers	81,013	77,271	73,830	9.7	4.8	42,775	43,952	45,453	-5.9	-2.7	16,379	17,791	18,902	-13.3	-7.9
Tata Communications	60,982	59,904	56,334	8.3	1.8	11,608	11,221	11,242	3.3	3.4	3,201	10,403	3,328	-3.8	-69.2
Vodafone Idea	1,11,355	1,10,135	1,05,083	6.0	1.1	47,416	46,597	42,047	12.8	1.8	(71,450)	(71,661)	(64,321)	NM	NM

Source: Company, JM Financial

Textiles

- Given the ongoing tariff uncertainty, we expect near-term challenges for textile companies as higher tariffs may raise retail prices and dampen demand. However, this cost will eventually be passed on to the end-customers. We believe textile companies may witness margin decline to the tune of 2-2.5% in 1QFY26. However, despite these pressures, Indian players remain cautiously optimistic, characterising the current weakness as transitory - hinting towards mid-teens growth in FY26 reflecting confidence in a potential recovery in 2HFY26.

Exhibit 34. Textiles - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Gokaldas Exports	9,296	10,153	9,321	-0.3	-8.4	865	1,225	750	15.3	-29.4	269	529	272	-1.0	-49.1
PDS	30,142	35,258	26,211	15.0	-14.5	652	1,393	733	-11.1	-53.2	42	400	207	-79.6	-89.5
Trident Limited	17,711	18,643	17,347	2.1	-5.0	2,075	2,451	2,235	-7.2	-15.3	685	1,334	736	-7.0	-48.7
Welspun India	22,609	26,459	25,365	-10.9	-14.5	2,854	3,158	3,415	-16.4	-9.6	1,148	1,321	1,855	-38.1	-13.0

Source: Company, JM Financial

Utilities and Power Equipment

- Power demand remains subdued in 1QFY26 with energy requirement and peak demand at 447 BU (-1% YoY) and 242 GW (-3% YoY) due to early monsoon across country. But this has helped hydro generation, which has grown by 5% YoY. Similarly, solar / wind continue to grow by 18% / 31% respectively. Subdued demand moderated the PLF of thermal power plants which stood at 69.3% in 1QFY26 vs. 76.2% in 1QFY25. Merchant tariffs also moderated to INR 4.4/kWh (-16% YoY) during 1QFY26. Real time merchant prices dropped to zero during solar hours for the first time on 25 May'25.
- Hence, we anticipate utilities to report moderate quarter with flat topline and fall in profits due to increase in depreciation and finance cost on account of commissioning and acquisition of projects in 1QFY26. JSW Energy is expected to show incremental 50% YoY growth in generation due to the commissioning of the 350 MW Ind-Barath project and contribution from the acquisition of KSK Mahanadi and O2 Power. SJVN and NHPC are also likely to show good growth due to higher reservoir levels leading to better generation. BHEL, Suzlon and Inox Wind are expected to report good performance driven by higher dispatches, operating leverage and, low base.

Exhibit 35. Utilities and Power Equipment - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
ACME Solar Holdings	5,129	4,869	3,096	65.7	5.4	4,580	4,357	2,717	68.6	5.1	1,195	1,362	14	8499.7	-12.3
CESC	49,603	38,770	48,630	2.0	27.9	11,253	9,520	10,600	6.2	18.2	4,664	2,930	3,780	23.4	59.2
Coal India	3,57,681	3,78,245	3,64,646	-1.9	-5.4	1,27,574	1,17,902	1,43,385	-11.0	8.2	76,141	90,313	81,475	-6.5	-15.7
Indian Energy Exchange	1,464	1,422	1,236	18.5	2.9	1,176	1,213	993	18.4	-3.1	1,104	1,171	964	14.5	-5.7
Inox Wind	8,700	12,748	6,388	36.2	-31.8	1,714	2,543	1,361	25.9	-32.6	1,053	1,918	486	116.5	-45.1
JSW Energy	46,121	31,894	28,795	60.2	44.6	28,614	12,045	14,177	101.8	137.6	5,617	4,081	5,218	7.7	37.7
NHPC	29,809	23,470	26,942	10.6	27.0	17,103	10,902	16,095	6.3	56.9	10,751	9,196	11,085	-3.0	16.9
NTPC	4,64,961	4,98,337	4,85,206	-4.2	-6.7	1,47,285	1,47,541	1,40,165	5.1	-0.2	56,060	56,012	60,933	-8.0	0.1
Power Grid Corporation	1,13,408	1,22,754	1,10,062	3.0	-7.6	98,871	1,02,236	96,025	3.0	-3.3	38,225	40,925	37,862	1.0	-6.6
SJVN	9,378	5,044	8,704	7.7	85.9	7,105	2,409	6,675	6.4	195.0	3,852	(1,277)	3,571	7.9	NM
Suzlon Energy	32,444	37,899	20,216	60.5	-14.4	5,932	6,935	3,701	60.3	-14.5	4,695	5,815	3,023	55.3	-19.3
Tata Power	1,77,770	1,70,959	1,72,936	2.8	4.0	34,652	32,456	35,867	-3.4	6.8	8,589	10,249	9,709	-11.5	-16.2
Torrent Power	69,541	64,563	90,337	-23.0	7.7	13,804	11,305	18,579	-25.7	22.1	6,051	10,596	9,722	-37.8	-42.9

Source: Company, JM Financial

Others

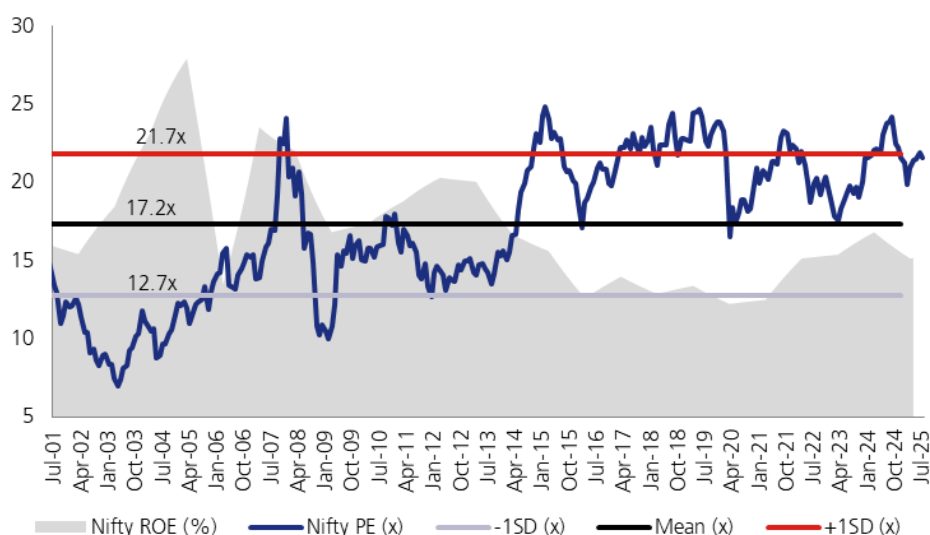
- **Aviation:** We expect a moderate quarter for Airlines with Indigo expected to witness lower PAX yields (-3% YoY) to be partially offset by higher ASK growth during 1Q (16% YoY) and lower ATF prices (down 9% sequentially to ~INR85k/KL). Other income is also expected to take a hit given lower P&W compensation amount in 1QFY26. We retain a constructive view on the Indian Aviation space amidst a HOLD rating on Indigo given its recent sharp run-up / rich valuations.
- **Sugar:** In 1QFY26, sugar volume is expected to be slightly higher YoY for Balrampur as the company has substantial inventory with overall sugar inventory position in the country remaining tight. Also, sugar prices are likely to remain robust with a slight improvement likely in 1QFY26 due to the tight inventory situation. Further, as the government has lifted its restriction on ethanol production, there would be healthy diversion of sugar volumes towards ethanol with the prices remaining flattish. As a result, in 1QFY26, we expect sales/EBITDA/PAT to improve by 6%/25%/48% YoY.

Exhibit 36. Others - 1QFY26E results preview

Company	Net Sales (INR mn)					EBITDA (INR mn)					Net Income (INR mn)				
	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq	Q1FY26E	Q4FY25A	Q1FY25A	% yoy	% qoq
Indigo	2,09,467	2,21,519	1,95,707	7.0	-5.4	54,201	60,894	51,592	5.1	-11.0	25,130	30,675	27,288	-7.9	-18.1
Central Depository Services	2,364	2,244	2,574	-8.1	5.3	1,195	1,094	1,544	-22.6	9.2	1,035	1,003	1,342	-22.9	3.1
CMS Info Systems	5,994	6,191	5,994	0.0	-3.2	1,523	1,621	1,523	0.0	-6.0	908	976	908	0.0	-7.0
Balrampur Chini	15,012	15,037	14,216	5.6	-0.2	2,078	3,652	1,661	25.1	-43.1	956	2,200	646	48.0	-56.5

Source: Company, JM Financial

Exhibit 37. Nifty50 – 1-yr forward P/E chart



Source: Bloomberg, JM Financial

APPENDIX I

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Rating	Meaning
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