August 12, 2025

Nifty: 24,487

Sensex: 80,236

Emkay Confluence: India Ascending – The Next Leap

Refer to important disclosures at the end of this report

Day 1 Highlights

Our annual conference—Emkay Confluence: *India Ascending – The Next Leap*—kicked off today. We hosted 67 companies and five main track speaker sessions. The overall tone is optimistic, with many corporates hopeful that India and the US would find a way to a negotiated settlement in tariffs. Meanwhile, expectations are building up for consumer demand recovery in H2FY26. The conference continues on 13-14 August, and we shall be back with daily updates.

Key summary

- The managements that are affected expect the final tariff outcome for US imports from India to settle at a lower rate. The 21-day off-ramp window should yield a negotiated settlement between India and US. Plan B in many cases is to relocate production to other geographies which would take time.
- Lenders expect government support in case final tariffs do end up at 50%. There would be an impact on asset quality from export-exposed sectors like textiles and MSMEs; however, we expect the government to come out with a credit guarantee scheme, to mitigate the damage.
- Demand outlook for the festive season and H2FY26 remains positive. Many of the company managements are seeing signs of demand recovery and are positioning themselves accordingly. This sentiment was echoed across multiple categories, in both—discretionary and staples.
- Lenders supported this by painting an optimistic outlook for loan growth later in FY26. They see no broader issue in demand and expect a large part of the incremental liquidity to flow to the retail segment. However, corporate lending may remain subdued due to sustained disintermediation pressures from the bond market.
- The main track speakers reinforced their long-term optimism on India. The Adani Group reiterated its commitment to continued investments in hard assets and believes that core profitability remains robust. Dixon laid out its long-term plans of sustained growth and intent to move up the value chain. Adil Zainulbhai gave a fascinating insight into the work of the Capacity Building Commission (CBC) and its impact on government/PSU productivity.

Seshadri Sen, CFA
Head of Research and Strategist
seshadri.sen@emkayglobal.com
+91 22 6612 1226

INDIA ASCENDING THE NEXT LEAP

AUGUST 12-14 2025

Trident BKC, Mumbai

Emkay Confluence 2025

Emkay®
Your success is our success

August 12, 2025

Nifty: 24,487

Sensex: 80,236

Emkay Confluence: India Ascending – The Next Leap

Refer to important disclosures at the end of this report

The first day of our annual flagship conference saw a line-up of 67 companies from across India

MainTrack events and companies hosted on Day-1

MainTracks
- Adani Group
- Paytm
- Adil Zainulbhai
- Dixon

Auto and Auto Ancillaries
- ASK Automotive
- Bajaj Auto
- Hyundai Motor India (HMIL)
- Sandhar Technologies

Banking
- Bank of Baroda
- Bank of India
- ICICI Bank
- IDFC First Bank
- State Bank of India
- Yes Bank

Capital Markets
- HDFC AMC
- KFin Technologies
- Motilal Oswal

Consumer Durables
- EPACK Durable
- Polycab India

Consumer Goods
- Bikaji Foods
- Heritage Foods
- Jeena Sikho Lifecare

Engineering & Capital Goods
- Kalpataru Projects International
- KEC International
- Kilburn Engineering
- TD Power Systems

Healthcare
- KIMS
- Vijaya Diagnostic

Insurance
- GO Digit General Insurance
- HDFC Life Insurance
- ICICI Lombard General Insurance
- ICICI Prudential Life Insurance
- LIC

IT
- eClerx Services
- Hexaware Technologies
- LTIMindtree
- Persistent Systems
- TeamLease

NBFC
- AB Capital
- Fedbank Financial Services
- Northern ARC Capital

Oil & Gas
- GAIL (India)
- Mahanagar Gas

Pharma
- Neuland Laboratories
- Senores Pharma
- Strides Pharma Science
- Sun Pharmaceutical Industries
- Zota Healthcare (Dava India)

Power
- Adani Energy Solutions
- Adani Green Energy
- Adani Power
- CESC
- Tata Power

Retail
- Electronics Mart India
- Raymond Lifestyle

Telecommunications
- HFCL
- Tata Communications

Others
- Epigral
- Godawari Power and Ispat (GPIL)
- Interglobe Aviation
- Nuvoco Vistas Corporation
- Paras Defence and Space Technologies
- Puravankara
- Sanathan Textiles

Adani Group – Main Track Session

Strong capex pipeline to hyperscalize businesses

We hosted Sagar Adani (Executive Director - Adani Green Energy) and Jugeshinder (Robbie) Singh (Group CFO - Adani Portfolio)

- The Adani Group is moving ahead with its capex plans. The infrastructure sector in India is maintaining its share in the growing total GDP, at ~20%. Adani Group being a dominant force in the infrastructure sector is seeing its gross asset share in the infrastructure sector growing continuously.
- The group's business is independent of global or regional headwinds, being more of a domestic infrastructure and non-commodity energy play. Despite multiple global disruptions like Covid-19, supply chain issues, the Russia-Ukraine war, the Middle East conflict, and election cycles, the Adani portfolio as a whole saw 23.9% EBITDA CAGR, 31.7% FFO CAGR, and 48.5% PAT CAGR in the last 5 years.
- Credit metrics of the group improved, given its robust risk response framework, with net debt-to-EBITDA metrics coming in higher than guidance. Also, cost of debt has declined in the last 4 years, despite challenging events. Return on Assets (RoA) has also been steady for the Group, even after growing the asset base 4x in the last 6 years.
- Going ahead, the Group has an even more ambitious capex plan, which should hyperscalize the business; major marquee projects like renewable energy parks, airports, data centers, etc would also expand sizably.
- India's energy demand is fairly high; as against only ~500GW of installed power capacity, 1,500GW is required to attain the goal set in the *Vikshit Bharat* scheme. Hence, demand for power will only keep improving and renewable energy share would increase, given the cost economics and the company's aspiration for a better environment. Adani Green is well positioned to capture this, given its strong project pipeline.
- Adani Green would pursue pump storage hydro projects (PSP) as well as battery energy storage systems (BESS), as both are promising. It targets setting up BESS much higher than any competitor, and aims to continue growing exponentially. In PSP, it targets setting up 10GW capacity. The Green Hydrogen ecosystem is also developing and is expected to see traction over coming years.

Sabri Hazarika
Sabri.hazarika@emkayglobal.com
+91 22 66121282

Arya Patel
Arya.patel@emkayglobal.com
+91 22 66121285

One97 Communications (Paytm) – Main Track Session

India Equity Research | Internet
August 12, 2025
Conference Note

Emkay
Your success is our success

Full-stack merchant acquiring and merchant credit – A replicable India stack powered by AI efficiency

CMP	MCap (Rs bn)	TP & Rating
Rs1,120	715	BUY | Rs1,350

We hosted Vijay Shekhar Sharma (CEO), Madhur Deora (CFO), and Anuj Mittal (SVP), of Paytm

Key Meeting-Takeaways

- Paytm has been strong on the merchant payments front, with a full stack of offerings. The company offers all types of payment models for merchants, including QR Code, Soundbox, Card machines, and the payment gateway. The company sees a long growth runway, considering that digital payments penetration will move from cash to UPI to credit cards. India has mobile first architecture and hence cost advantages and scalability potential.
- The merchant credit product, where Paytm distributes loans from NBFCs, has been a game changer as the company's technology enables daily repayment of a loan that matches the cash flow of merchants. While various players globally have made attempts to follow this model, most have not been able to scale-up, largely due to their technology limitation.
- India's payment technology on the merchant acquiring front and the merchant loans distribution model seems highly replicable, and the company is making attempts to foray into some countries including UAE, France, Mauritius, Singapore, Bhutan, and Nepal. Still in the incubation phase, the actual results will take 3-5 years to become meaningful.
- Paytm has started leveraging AI, which takes care of some decision making at the lower level. This is freeing up considerable bandwidth and reducing costs. As AI becomes more sophisticated, lower-level decision making can be outsourced to AI, which will save costs and bring in more efficiencies..

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	99,780	69,000	86,163	107,347	131,910
EBITDA	-9,080	-15,060	4,686	12,074	21,026
EBITDA Margin (%)	-9.1	-21.8	5.4	11.2	15.9
APAT	-11,210	-14,710	8,126	16,066	24,759
EPS (Rs)	-17.6	-23.1	12.7	25.0	38.4
EPS (% chg)	-	-	-	96.9	53.5
ROE (%)	-8.5	-11.3	6.2	11.0	14.6
P/E (x)	-63.5	-48.6	88.3	44.8	29.2

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	17.8	29.3	50.3	117.6
Rel to Nifty	20.9	31.6	41.4	116.4

Pranav Kshatriya
pranav.kshatriya@emkayglobal.com
+91 22 6612 1350

Aryan Tripathi
aryan.tripathi@emkayglobal.com
+91 22 6612 1337

Refer to important disclosures at the end of this report

Adil Zainulbhai – Main Track Session

Former Chairman, Capacity Building Commission, Government of India

Government aims to drive civil service efficiencies

- The Capacity Building Commission (CBC) was set up in CY21, by Hon'ble PM Narendra Modi, to encompass the entire civil servant universe—from ground level staff to senior bureaucrats. The flagship *Mission Karmayogi* program was launched to upgrade skills of government employees across the board, to motivate as well to help them become more effective.
- There are 22mn government employees, from the grassroots to the senior echelons. Lower-level personnel are not highly motivated by mundane work; such staff have been given highly motivational training which has resulted in them serving the society more efficiently.
- CBC conducted a workshop on PSU leadership and communication skills, to hone the financial knowledge of the senior managements of PSUs who are in regular touch with investors and other stakeholders. The talent pool in PSUs is strong technically, though it may require some upgradation in softer skills; the workshops have been highly successful on this front. The management gave multiple iterations of an elevator pitch to a panel comprising seasoned analysts, communication experts, and peer sets, and they showed a marked improvement.
- The government's infrastructure goal under *Viksit Bharat* is still short by 70-80%, which would be added in future; hence, there is a huge capex requirement. The scenario has improved over the last 10 years, and government efficiency has also improved. Going ahead, this would also require development of technological skills of civil servants that oversee project management.
- Training programs are being designed across the board, with key courses being technical like AI, MS Office, etc, albeit some also behavioral like yoga and stress management. Government employees are showing keen interest in such programs, which are seeing good demand.

Sabri Hazarika
Sabri.hazarika@emkayglobal.com
+91 22 66121282

Arya Patel
Arya.patel@emkayglobal.com
+91 22 66121285

Dixon Technologies – Main Track Session

Emkay
Your success is our success

Writing the next chapter of the India EMS story; aspires to be global top-5 EMS player in 5 years

CMP	MCap (Rs bn)	TP & Rating
Rs15,824	957.3	Rs18,900 | BUY

We hosted Sunil Vachani (Founder and Executive Chairman) of Dixon Technologies

Dixon is turning into an electronics engineering powerhouse with increasing shift toward Dixon-powered design/IP solutions across consumer electronics and appliances, while achieving global scale and competitiveness.

Key Meeting-Takeaways

- The global ICT market stands at ~USD3trn, while India accounts for only USD100–120bn, underscoring the vast potential for India to emerge a global manufacturing hub. Dixon aims to be among the top-10 EMS players globally in the near term, and firmly in the top-5 within the next five years.
- Dixon recognizes that "*what brought it here will not take it to where it aspires to be*". The company has outlined **4 strategic pillars** to drive this transformation for itself, the industry, and the nation:
  - **Establishing Scale** – To compete globally, large-scale manufacturing is essential. Dixon is setting up mega facilities, including a 1mn sqft mobile manufacturing plant in Noida and an even larger site on the Yamuna Expressway, enabling world-class, high-volume production.
  - **Deepening Supply Chain** – Dixon targets increasing the mere 18-20% value addition in mobiles to 40% in coming years, on par with countries like Vietnam and Thailand. The company is localizing critical components like displays (JV with HKC), Camera modules (acquisition of Qtech, a global top-5 ODM), and precision components (JV with Chongqing).
  - **Skill building** – Dixon is building a strong talent pipeline across senior and mid-management to operate the factories of tomorrow, which will be increasingly automated, technology-led, and globally competitive.
  - **Developing design capability** – The company is advancing from prescribed manufacturing to ODM, committing investments in design technology, and forging global partnerships to strengthen innovation...***(contd)...***

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	176,909	388,601	533,698	753,837	831,298
EBITDA	6,976	15,076	21,056	32,322	42,293
EBITDA Margin (%)	3.9	3.9	3.9	4.3	5.1
APAT	3,677	6,356	10,737	17,460	23,535
EPS (Rs)	61.5	105.5	178.2	289.8	390.6
EPS (% chg)	43.2	71.5	68.9	62.6	34.8
ROE (%)	24.7	27.0	30.5	35.9	34.5
P/E (x)	257.4	150.0	88.8	54.6	40.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	0.3	-1.5	7.2	35.7
Rel to Nifty	3.0	0.2	0.9	34.9

Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Marazbaan Dastur
nandan.pradhan@emkayglobal.com
+91 22 6612 1281

Refer to important disclosures at the end of this report

Dixon Technologies – Main Track Session

Emkay
Your success is our success

Writing the next chapter of the India EMS story; aspires to be global top-5 EMS player in 5 years

CMP	MCap (Rs bn)	TP & Rating
Rs15,824	957.3	Rs18,900 | BUY

…(contd)…

- Sunil Vachani highlighted the **key growth drivers that will fuel the next leg of growth for Dixon**, following the major spurt in revenue in the past 4-5 years, driven by smartphones.
  - **IT Hardware** – Dixon has forayed into manufacturing of IT hardware products for leading global brands and has tied up with global ODM Inventec to tap into a USD15bn import substitution opportunity in India.
  - **Component Manufacturing** – Developing in-house components for mobiles, laptops, TVs, smartwatches, etc. The display module venture (via HKC JV) has also attracted strong interest from the automotive sector, offering diversification beyond current portfolio centered around consumer electronics. Dixon targets increasing its value addition from 18% to nearly 40% in a couple of years.
  - **Strategic JVs/Partnerships** – Tie-ups with global majors like HKC (display modules manufacturing), Inventec (IT hardware), Vivo (Android smartphones), Signify (lighting), and Chongqing (mechanicals), for enhancing capabilities and expanding into global markets.
  - **ODM Expansion** – Moving beyond prescriptive manufacturing into design-led manufacturing, starting with refrigerators; here, the capacity has doubled within a year, with diversification into new cooling products under way. Leveraging Dixon's footprint, clientele, and scale, global majors too would get access to and assured business from the Indian market.
  - **Exports** – Dixon is confident that current challenges are temporary and believes that India's tariff arbitrage vs China will unlock India's potential as a global manufacturing hub in the years to come. Dixon targets a fourfold jump in exports with US being a key market.

PLI scheme laying the foundation for self sufficiency; global majors making India a global product hub

- The management highlighted that the PLI scheme has laid the foundation of a large scale, aided deepening of manufacturing, and brought the global supply chain to India.
- Vachani believes that the large domestic market in India is enabling establishing a huge scale, and that India is poised to become globally competitive in the next 5 years led by the ever-growing scale and the component ecosystem coming on-stream.
- This is evident in Android majors like Vivo and Motorola making India a global hub for exports, beginning with setting up of core manufacturing operations in partnership with players like Dixon (2/3rd of Vivo's total volumes to be manufactured by Dixon; nearly 85% share in Motorola's India and exports volume).
- Global majors like Apple are also increasing investments toward developing a holistic supply chain in India.
- Hence, Dixon believes that it would be self sufficient in the next 5 years even without the PLI scheme, led by the strategic initiatives undertaken by the company (component manufacturing, forward-looking tie-ups with global ODM players and brands).

Refer to important disclosures at the end of this report

ASK Automotive

Long-term growth engine in 2W braking systems with sustained leadership

CMP	MCap (Rs bn)	TP & Rating
Rs471	92.9	NA | NR

We hosted Kuldeep Singh Rathee (Chairman and MD) of ASK Automotive, the largest manufacturer of 2W Advanced Braking Systems, commanding ~50% share of the Indian 2-W market for Advanced Braking Systems, including, brake shoes, disc brake pads and brake panel assemblies with >18 manufacturing facilities

Key Meeting-Takeaways

- The domestic 2W industry's Q1FY26 production was largely flat at 5.9mn units (up 0.7% YoY). Despite such muted industry growth, the company delivered positive growth across all three segments, reaffirming its ability to outperform the broader market. Market leadership (50%) in the Advanced Braking Systems segment sustained.
- **Revenue mix and customer concentration:** The business remains well-diversified across key OEMs, with HMSI contributing ~35% of revenue, TVS Motor ~21%, and Hero MotoCorp ~15%. This diversified exposure to top players in the 2W space supports volume stability even in a flattish industry environment.
- **Record profitability:** Q1FY26 EBITDA margin expanded by 183bps YoY to a record 13.8%, and the company targets achieving ~13.7% EBITDA margin in FY26, supported by a combination of operational and strategic factors: 1) Better economies of scale on higher volumes despite industry softness. 2) Improved capacity utilization at the Karoli facility. 3) Ramp-up of the new Bengaluru facility. 4) Ongoing cost optimization programs. 5) Strategic exit from the low-margin wheel assembly business, contributing ~80bps to margin expansion.
- **Bengaluru facility:** Delivered positive EBITDA in Q1FY26; expected to reach ~60% utilization and turn cash positive in Q2FY26 itself. **Karoli plant:** Already cash positive, with further margin benefits expected from higher utilization.
- **Strategic outlook:** The management remains confident of achieving mid-teens revenue growth in FY26, even though the 2W industry's growth is now pegged at ~3-4% (vs 6% expectation earlier). This outperformance will be driven by market share gains, improved plant utilization, and product leadership in high-value braking systems.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	15,678	20,248	25,704	29,502	32,542
EBITDA	1,863	1,658	2,305	3,006	4,319
EBITDA Margin (%)	11.9	8.2	9.0	10.2	13.3
APAT	1,106	827	1,230	1,738	2,476
EPS (Rs)	5.4	4.1	6.2	8.8	12.6
EPS (% chg)	-	-24.8	51.1	42.6	42.6
ROE (%)	-	12.9	19.3	23.8	26.6
P/E (x)	86.7	115.3	76.3	53.5	37.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-13.1	8.0	10.6	15.2
Rel to Nifty	-10.7	9.9	4.1	14.6

Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Marazbaan Dastur
nandan.pradhan@emkayglobal.com
+91 22 6612 1281

Refer to important disclosures at the end of this report

Bajaj Auto

Gearing up for sustained growth in ICE and EV mobility

CMP	MCap (Rs bn)	TP & Rating
Rs8,197	2,289	Rs8,900 | ADD

We hosted the management of Bajaj Auto

Key Meeting-Takeaways

- BJAUT guides to 5-6% growth in FY26, in the domestic motorcycle segment, and is focused on the 125cc+ segment via targeted product/pricing interventions (launched 5-6 *Pulsar* variants in Q4FY25), driving market share improvement in the 125cc segment; BJAUT has lost share in the entry-level (less profitable) segment.
- Urban demand has softened recently, due to inflationary pressures (eg higher rents), early monsoons, and purchase deferrals to the festive season. 25 of the top-30 emerging markets continue to grow strongly, with BJAUT outpacing them. While growth is strong in LatAm and Asia, Nigeria is seeing volatile growth due to currency-led inflation. Capacity expansion in Brazil to 50k units pa is on track. Revival of KTM exports (targets Rs72bn investments) to support export momentum.
- Rare earth shortages led to production cuts in Jun; shortfall of ~50% in *Chetak*/25-30% in E-autos likely in Q2; production expected to improve MoM in Aug-25. BJAUT aims to fully de-risk the REE supply chain in 6-9M; expects a ~12-24M lead time to fully align its supply chain with upcoming ABS norms. Spares business clocks Rs16bn revenue aided by portfolio and distribution enhancements.
- *Chetak* portfolio expansion and wider distribution have improved BJAUT's E-2W market share. The affordable *Chetak* variant (with floorboard battery) offers better unit economics, and the new platform now accounts for 85% of the E-2W portfolio. The 7012 variant in E-autos has improved ASPs, profitability, and market share (35% in Q1FY26; #1).
- BJAUT has a strong CNG foothold (Bajaj: 80% share in CNG 3Ws; Industry: 65%) with EV 3W strategy aimed at replicating ICE leadership (~35% share). Domestic and export 3W margins expected to be similar; spares remain highest-margin business.
- E-rickshaw launch in Aug-25 to enable BJAUT to enter the 40k units/month market. Total EV portfolio (E-2Ws + E-3Ws) is approaching double-digit EBITDA margin.
- FY26 capex guidance at Rs6-7bn. BJAUT to counter inflationary pressures via pricing actions and cost reduction initiatives.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	446,852	500,103	558,605	616,236	670,356
EBITDA	88,229	100,988	112,184	125,450	136,929
EBITDA Margin (%)	19.7	20.2	20.1	20.4	20.4
APAT	74,788	81,514	92,466	102,978	111,962
EPS (Rs)	271.8	291.9	331.1	368.8	400.9
EPS (% chg)	36.7	7.4	13.4	11.4	8.7
ROE (%)	29.7	28.6	27.7	28.5	28.8
P/E (x)	30.2	28.1	24.8	22.2	20.4

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.6	2.0	-5.9	-15.6
Rel to Nifty	4.4	3.8	-11.5	-16.1

Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Marazbaan Dastur
nandan.pradhan@emkayglobal.com
+91 22 6612 1281

Refer to important disclosures at the end of this report

Hyundai Motor India (HMIL)

SUV premiumization story continues; new product launches key to watch for investors

CMP	MCap (Rs bn)	TP & Rating
R2,205	1,792	Rs2,200 | ADD

We hosted the management of Hyundai Motor India

Key Meeting-Takeaways

- The domestic industry environment remains challenging, with the expected gradual recovery to be driven by the upcoming festive season (spread over Q2/Q3 this year vs only Q3 last year), falling interest rates and the imminent Pay Commission benefits possibly aiding sentiment ahead. Domestic growth guidance will be in line with overall industry growth, per SIAM, ie at ~1%.
- HMIL maintained its FY26 exports growth expectation of ~7-8% (despite a stronger Q1) due to seasonality (H1 typically stronger).
- Rural contribution was 22.6% in Q1 (vs 19.9% YoY; 20.9% in FY25), backed by improving road infra, higher MSPs, and targeted initiatives on distribution/marketing; rural customers now favor aspiration over functionality (SUV penetration within rural at ~69%, matching industry-wide Hyundai penetration); for HMIL, 70% of the incremental network addition would be in rural.
- Buyers in the Rs0.6-0.8mn price bracket have shifted to entry SUVs at the cost of hatchbacks; shift to the over-Rs1mn bracket has stabilized in the past 6 quarters.
- CNG contribution stood at 15.6% (highest-ever), led by Aura (89%), Exter (30%), Nios (18%); this along with introduction of Creta EV has helped HMIL meet the CAFE norms threshold in Q1. Creta EV already selling >1k units/month.
- Premiumization trends are resilient; sunroof penetration rose to 54% (vs 51% YoY), ADAS penetration reached 12% within 2.5Y of launch.
- Engine production started at the Pune plant in mid-Jun, with vehicle production on track for Q3. Current utilization at ~90–95%; strong export share of 20–21%, target s reaching ~30% by FY30.
- 26 new products (including facelifts) planned by FY30; more clarity expected during the October investor presentation. Of the 26 new products, 20 would be ICE and 6 EVs; these would be inclusive of new products as well product refreshes.
- Localization levels stand at 82% now vs 78% in FY24; discounts have increased to ~3.4% vs 2.8% earlier, albeit still below the industry standard of ~4-5%.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	698,290	691,929	724,219	810,977	909,540
EBITDA	91,326	89,538	95,893	111,436	127,708
EBITDA Margin (%)	13.1	12.9	13.2	13.7	14.0
APAT	60,600	56,402	58,290	67,155	77,196
EPS (Rs)	74.6	69.4	71.7	82.6	95.0
EPS (% chg)	28.7	-6.9	3.3	15.2	15.0
ROE (%)	39.5	41.8	32.1	30.4	28.9
P/E (x)	-	29.6	31.8	30.7	26.7

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	4.8	25.6	22.2	NA
Rel to Nifty	7.7	27.8	15.0	NA

Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Marazbaan Dastur
nandan.pradhan@emkayglobal.com
+91 22 6612 1281

Refer to important disclosures at the end of this report

Sandhar Technologies

Diversified offerings with strong competitive moats in place; margin guidance intact despite Q1 weakness

CMP	MCap (Rs bn)	TP & Rating
Rs417	25	NA | NR

We hosted Gurvinder Jeet Singh (Sr Advisor and COO - Automotive business) and Yashpal Singh (CFO) of Sandhar Technologies, a locks & mirrors supplier to a diversified auto-component player with 4 business units—automotive, castings & machining, cabins & fabrication, and overseas PV/aluminium die casting operations

Key Meeting-Takeaways

- **FY26 guidance:** Revenue growth target maintained at ~14-15% despite Q1 supply issues, with >65% of revenue from 2Ws (TVS is ~40% of 2W sales, up from ~12% a few years ago), balance from PVs, CVs, and off-highway. Consol EBITDA margin is ~9.2% in Q1FY26 vs ~9.9% in Q1FY25, impacted by several exceptional items (forex losses, commodity price impacts, power costs). Q1 margin for the newly acquired Sundaram Clayton business is ~4%, below the company average, although expected to improve to ~6-6.5% by FY26. The management maintains guidance for ~0.5% margin improvement in FY26, despite challenges in Q1.
- **Capex guidance:** FY26 capex guidance is Rs2.5bn (growth + maintenance), along with ~Rs2bn for acquisitions/expansion. Q1 spend: Rs1.bn (Rs0.5bn for the Sundaram Clayton acquisition).
- **Acquisitions and Funding:** The management targets post-tax ROCE of >18% within 2-3 years of acquisition. Also, plans are in place to raise up to Rs5bn via QIP, mainly for acquisitions and scaling up recent buys. Debt levels to be maintained at ~Rs8.5–9bn.
- **EV and New Products:** Sandhar has invested Rs210mn in EV product development (battery chargers, motor controllers, DC-DC converters). Commercial EV component production has started; Rs20mn revenue in Q1. Growth contingent on EV adoption; targets legacy OEMs as well as new-age players.
- Q1 margins impacted by HMCL plant shutdown, negative cabin/fabrication margin (~Rs45mn), and overseas translation losses, with the management expecting ~50bps margin improvement in FY26, normalization of Q1 disruptions, turnaround in overseas operations, and scale benefits from higher plant utilization.
- **Debt repayment plans:** Debt at ~Rs8.5bn; repayments in progress, although overall levels to be stable due to ongoing investments.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	18,743	23,307	29,214	35,358	39,131
EBITDA	1,772	1,922	2,452	3,406	3,833
EBITDA Margin (%)	9.5	8.2	8.4	9.6	9.8
APAT	578	565	737	1,098	1,400
EPS (Rs)	9.6	9.3	12.2	18.3	23.5
EPS (% chg)	1.5	-3.3	31.5	49.9	28.4
ROE (%)	7.3	6.8	8.2	11.3	13.0
P/E (x)	43.4	44.9	34.1	22.8	17.7

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-17.8	7.4	2.6	-37.2
Rel to Nifty	-15.6	9.4	-3.4	-37.5

Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Marazbaan Dastur
nandan.pradhan@emkayglobal.com
+91 22 6612 1281

Refer to important disclosures at the end of this report

Bank of Baroda

A healthy PSB available at compelling valuation

CMP	MCap (Rs bn)	TP & Rating
Rs243	1,257	Rs280 | BUY

We hosted Inumella VL Sridhar (CFO)

Key Meeting-Takeaways

- Personal loans segment growth remains subdued, while corporate credit growth is broadly in line with industry trends, driven by corporates with strong cash flows choosing to deleverage and others tapping into the bond market for cheaper funding and repayments. Additionally, the bank does not anticipate any further repayments from corporates which should support growth.
- The bank remains focused on expanding its mid-corporate and RAM portfolios (expects RAM share at 65% over 2-3Y). Further, it expects overall credit growth of 11–12% in FY26, driven by retail at 18%, Agri at 14%, and corporate credit at 9–10%.
- In the MSME segment, slippages remain contained and within acceptable levels. The bank's exposure to unsecured MSMEs is minimal and largely covered under the CGTMSE scheme. It operates 300 specialized MSME branches, and the turnaround time has improved significantly—reduced to 2–3 days from the earlier 2 weeks. With loan-to-value ratio at 50–60%, the bank expects MSME growth of 15–16% in FY26.
- Margins would remain pressured in Q2FY26 which will be partly offset by deposit repricing (15–17bps reduction in CoD on a stock basis). Further, 70–80% of the deposit base is expected to be repriced by Q3 which should help ease funding costs ahead and thus help manage margins around 2.8-2.9% in FY26E.
- Recoveries from written-off accounts are averaging ~Rs9.0bn per quarter, excluding one-off cases. Q2 is expected to see improved recoveries. The bank has set a recovery target of Rs100bn from technical write-offs. It does not anticipate significant slippages in Q2 and projects credit costs to remain at 0.7% for FY26.
- We have a BUY on the stock, with a TP of Rs280, valuing the standalone bank at 0.9x Jun-27E ABV and subsidiaries/investments at Rs15/sh. We remain positive on PSBs in general and hence also on BoB, given its healthy return ratios, capital buffer, stable management, and reasonable valuations.

Financial Snapshot (Standalone / Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	592,169	623,060	651,330	702,197	769,170
Net profit	177,888	195,812	201,560	211,654	223,798
EPS (Rs)	34.4	37.8	38.9	40.9	43.2
ABV (Rs)	206.3	254.3	280.7	312.4	345.1
RoA (%)	1.2	1.2	1.1	1.0	1.0
RoE (%)	16.9	15.7	14.0	13.3	12.7
P/E (x)	6.6	6.0	5.9	5.6	5.3
P/ABV (x)	1.1	0.9	0.8	0.7	0.7

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	2.4	7.2	14.2	(0.7)
Rel to Nifty	5.1	9.1	15.4	(1.3)

Anand Dama
anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Kunaal N
kunaal.n@emkayglobal.com
+91-22-66121275

Refer to important disclosures at the end of this report

Bank of India

Emkay
Your success is our success

Focus on balanced growth and margin protection

CMP	MCap (Rs bn)	TP & Rating
Rs113	516	NA | NR

We hosted Subrat Kumar (ED) and B Kumar (CFO), of Bank of India

Key Meeting-Takeaways

- For FY26, the management has given guidance for global advances growth of ~12-13% and deposits growth of ~10-11%, with year-end CASA target of ~40%, supported by a robust disbursement pipeline of Rs800bn (Rs100bn in RAM, and remainder in corporate/international), largely expected to materialize in H2FY26. The bank has limited exposure to export-oriented MSMEs, thus constraining any direct impact from trade tariffs; however, some second-order impact is expected.
- Global NIMs bottomed out at 2.55% in Q1FY26 and are expected to improve and settle at the ~2.5–2.6% range for total FY26, aided by deposit repricing benefits from Q3FY26; RAM yields are likely to stay above 9%, while a focus on higher-yielding advances and emerging corporate lending is expected to support margin improvement.
- The bank has an MTNL exposure of Rs10bn with Rs6bn already provisioned, as it expects resolution by Q3/Q4FY26. Slippage ratio for FY26 is expected to be ~1.2%, with minimal incremental credit cost expected even if ECL is implemented (the probability of which is minimal). The bank observed some stress in the micro (<Rs1mn) MSME segment.
- The bank plans an aggressive digital expansion with >20 RAM and 6 liability products, a Rs20bn FY26 IT/cybersecurity budget (to enhance efficiency), and 201 new branches (aimed at driving CASA, retail term deposits, and RAM growth). Further, the Board-approved fundraise of up to Rs200bn infra bonds in FY26 would be issued in tranches over Q2-Q4; the additional Rs50bn Tier I & Tier II bond program is approved; maintains focus on low-cost deposit mobilization and balanced growth–profitability trade-off.
- The bank targets 0.9% RoA and 15% RoE for FY26, aided by healthy treasury gains and contained credit cost. We do not have a rating on the stock.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Net income	217,113	222,931	273,748	291,480	333,880
Net profit	20,810	34,870	38,390	63,180	92,190
EPS (Rs)	6.4	8.5	9.4	14.4	20.3
ABV (Rs)	104.3	117.6	124.1	136.2	160.9
RoA (%)	0.4	0.5	0.5	0.7	0.9
RoE (%)	6.9	8.3	7.1	9.9	12.5
P/E (x)	17.8	13.3	12.1	7.9	5.6
P/ABV (x)	1.1	1.0	0.9	0.8	0.7

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(0.8)	(1.3)	12.1	(4.4)
Rel to Nifty	1.5	(4.3)	2.1	(8.7)

Anand Dama
anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Kunaal N
kunaal.n@emkayglobal.com
+91-22-66121275

Refer to important disclosures at the end of this report

ICICI Bank

Emkay
Your success is our success

Unwavering focus on profitability to continue

CMP	MCap (Rs bn)	TP & Rating
Rs1,422	10,153	Rs1,600 | BUY

We hosted Abhinek Bhargava (Head Strategy) of ICICI Bank

Key Meeting-Takeaways

- While the bank witnessed credit moderation due to slower momentum in the retail segment, it expects some pick-up ahead during the festive season, mainly in the secured loan segment (incl mortgages). Further, it shall maintain focus on accelerating growth in the better-yielding SME/BB segments. Mortgage market share has declined over the last 15 months, amid intensified competition from Axis Bank and HDFC Bank; July showed a slight improvement.
- The bank has increased the minimum balance requirement for new SA (excl salary, pension, and student accounts) opened from 1-Aug-25 on to Rs50k, with the aim to sharpen focus on the affluent and mass affluent segments while phasing out low-value, unprofitable customers. While this could cause some short-term disruption, the bank expects this move to find acceptance over time, much like the now widely adopted lower SA interest rates.
- The management indicated that full impact of the 50bps repo rate cut in Jun-25 is likely to be seen on margins in Q2FY26, partially offset by the ongoing repricing of TDs and benefit from the recent SA rate cuts. However, margins should trend well in H2FY26, as benefits of the CRR cut and the lag effect from TD rate cut sink in.
- The bank believes the stress in unsecured loans is easing gradually and should thus lead to steady improvement in overall asset quality, keeping the overall credit cost in check. On the Business banking front, overall asset quality remains strong, and credit behavior is currently benign.
- Notwithstanding the expected near-term margin pressure across the sector (including for ICICIB), we believe the bank is well positioned to deliver ~2.1-2.3% RoA over FY26-28E, aided by better cost management, improving fees, and contained LLP. Thus, we recommend BUY with TP of Rs1,600, implying 2.6x Jun-27E ABV and subsidiaries' value at Rs260/sh.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	972,636	1,096,712	1,221,815	1,371,077	1,581,773
Net profit	408,883	472,271	520,572	559,878	619,358
EPS (Rs)	58.4	66.8	73.0	78.5	86.8
ABV (Rs)	317.9	388.5	443.8	505.7	574.8
RoA (%)	2.4	2.4	2.3	2.2	2.1
RoE (%)	18.9	18.0	16.8	15.9	15.5
P/E (x)	19.9	17.4	15.9	14.8	13.4
P/ABV (x)	3.7	3.0	2.6	2.3	2.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(0.3)	(1.8)	(0.3)	21.2
Rel to Nifty	2.7	(0.1)	12.5	20.6

Anand Dama
anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Kunaal N
kunaal.n@emkayglobal.com
+91-22-66121275

IDFC First Bank

Emkay
Your success is our success

RoA recovery to pick up pace in H2FY26 as stress eases

CMP	MCap (Rs bn)	TP & Rating
Rs69	507	Rs80 | ADD

We hosted Sudhanshu Jain (CFO) and Saptarshi Bapari (IR)

Key Meeting-Takeaways

- The bank has guided for 20-21% credit growth and deposit growth of 23% for FY26, with LDR expected to moderate to ~90% by Q4FY26, from ~92% currently. The wholesale book has an average ticket size of Rs700–740mn, yields of 9–9.5% (ROA above 2%), and currently accounts for 21% of the overall book; the bank intends to scale up this portfolio. The bank believes that additional capital is required to support growth; another capital raise is planned by FY27, if Tier 1 ratio falls below 12.5% (12.8% as of Jun-25).
- NIM is expected to dip slightly in Q2FY26 due to the lagged impact of the recent repo rate cuts; NIM shall improve from H2FY26 and is expected to reach 5.8% by Q4FY26, aided by deposit repricing (especially sharp TD rate cuts) and higher liquidity from capital infusion.
- The bank expects the cost-income ratio to improve to ~65%, from ~69% over next 2-3Y, supported by margin recovery and better RoA in the card business. Fixed costs are expected to grow at 9–10% in the medium term, with the current cost structure comprising 57% fixed and 43% variable costs.
- Excluding MFI, some stress was observed in the retail and SME segments in Q1FY26, with Q2 expected to remain stable. The MFI SMA pool eased to 2.6% (vs 5.1% in Q4FY25) and is expected to improve further. The MFI portfolio is expected to resume growth from Q4FY26, with its share targeted at 4–5% of the total loan book vs 8% earlier. Non-MFI credit cost is projected at 1.8% for FY26, while overall credit cost (including MFI) is expected to be at 2.0–2.05%.
- Factoring in margin pressure and elevated LLP, partly offset by lower opex, we expect RoA to improve to ~0.7–1.3% over FY26-28E, from 0.5% in FY25. We have ADD on the stock with a TP of Rs80 (1.2x Jun-27E ABV).

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	224,528	263,136	299,398	358,166	441,413
Net profit	29,565	15,248	25,642	46,758	71,183
EPS (Rs)	4.2	2.1	3.0	5.5	8.4
ABV (Rs)	44.3	50.7	55.4	60.1	68.1
RoA (%)	1.1	0.5	0.7	1.0	1.3
RoE (%)	10.2	4.3	6.0	9.3	12.8
P/E (x)	16.5	33.2	22.8	12.5	8.2
P/ABV (x)	1.6	1.4	1.2	1.1	1.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(8.2)	0.1	12.1	(3.8)
Rel to Nifty	(5.7)	1.8	2.1	(4.4)

Anand Dama
anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Kunaal N
kunaal.n@emkayglobal.com
+91-22-66121275

State Bank of India

Your success is our success

Delivering market share gains; RoA above 1%

CMP	MCap (Rs bn)	TP & Rating
Rs821	7,574	Rs975 | BUY

We hosted Saloni Narayan (DMD - CFO)

Key Meeting-Takeaways

- The corporate book is seeing moderation from higher pre-payments and a shift toward market instruments; however, a robust Rs7.2trn pipeline in project financing supports the management's 10–11% corporate growth guidance. Overall, the management guides for a pick-up in growth from H2 and expects credit growth of ~11-13% (with an upward bias).
- In Xpress Credit, the bank adopted a slow growth approach. With improved NMI-EMI profiles, these segments are being reactivated, and growth should resume with better profiles and underwriting filters.
- The management indicated that some rate cuts on fixed deposits will start benefiting costs in the next quarter, with full impact in 8-10 months. Further, it expects the NIM trajectory to be U-shaped, moderating in Q1 and Q2, and improving from Q3, benefiting from deposit rate/CRR cut and the recent capital raise; overall, it expects margin of 3% in FY26.
- The management remains watchful of any potential impact of ongoing trade disruption on its corporate/SME portfolio, although it does not expect any blow out scenario. Similarly, the stress in Xpress Credit has largely peaked and the bank should resume lending in this segment, while in MSME, underwriting quality remains strong with no visible concerns.
- The wage revision is due in Nov-27, and the bank expects to receive prior intimation, allowing sufficient time for provisioning and avoiding any sudden one-off impact in a single quarter.
- We remain positive on PSBs in general (including SBI) due to their improving growth trajectory, margin resiliency, and better treasury gains/NPA recoveries, which should support their decadal-best RoAs. Hence, we have BUY on the stock, with TP at Rs975 (valuing the SA bank at 1.2x Jun-27E ABV/subs at Rs270/sh).

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	2,115,580	2,286,481	2,355,982	2,576,292	2,869,800
Net profit	610,766	709,006	757,480	819,151	890,764
EPS (Rs)	68.4	79.4	82.1	88.7	96.5
ABV (Rs)	352.7	411.6	507.0	578.9	653.1
RoA (%)	1.0	1.1	1.1	1.0	1.0
RoE (%)	18.8	18.6	16.5	15.3	14.7
P/E (x)	8.0	6.9	6.7	6.2	5.7
P/ABV (x)	1.6	1.3	1.1	1.0	0.8

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.5	2.4	2.7	1.0
Rel to Nifty	4.2	4.2	5.7	0.4

Anand Dama
anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Kunaal N
kunaal.n@emkayglobal.com
+91-22-66121275

Yes Bank

All eyes on management transition

CMP	MCap (Rs bn)	TP & Rating
Rs19	587	Rs17 | SELL

We hosted Sunil Parnami (Head of Strategy)

Key Meeting-Takeaways

- Yes Bank's retail portfolio continues to exhibit stress, with slippage ratio of 2.5% in Q1FY26. However, the management highlighted that the unsecured portfolio (PL/CC) is showing some signs of improvement.
- Earlier, on the retail side, the bank put efforts to increase the share of higher-yielding assets; however, the results have not yet materialized. Some high-yielding corporate loans were retired, offsetting these gains. The bank is working on improving the share of higher RoA–accretive assets.
- The peak impact of the rate cuts on loan yields is expected in Q2 (September), with some moderation by Q3 (December) and recovery by Q4 (March), aided by repricing of corporate deposits, CRR benefits, and lower RIDF balance. The bank has reduced RIDF share from 11% in FY24 to 8% of loans in Jun-25 and expects to bring it down to 5% by FY27, thereby supporting margins.
- Recently, SMBC agreed to acquire 20% stake from SBI (13.19% of the 24% sold) and other banks (6.81% of the total 9.7% stake sold) at a sale price of Rs21.5/sh (implying 1.3x FY27E ABV). However, the transaction is still pending RBI's approval (expected by Sep-end) and so the bank has halted its search for a new CEO.
- In FY26, the bank expects recoveries of Rs12bn from security receipts (SRs) and Rs20bn from written-off assets or the NPA pool. This should support the bank's RoA.
- With CET 1 ratio of 14%, the bank is well-capitalized to support credit growth.
- Given sub-par growth/return ratios and rich valuations, we have a SELL on the stock with a TP of Rs17, implying 1.2x FY27E ABV.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	132,089	148,012	167,196	186,047	212,700
Net profit	12,511	24,059	31,768	38,054	44,835
EPS (Rs)	0.4	0.8	1.0	1.2	1.4
ABV (Rs)	14.3	15.7	16.0	16.9	17.9
RoA (%)	0.3	0.6	0.7	0.8	0.9
RoE (%)	3.0	5.4	6.4	7.2	8.0
P/E (x)	43.0	23.4	18.5	15.4	13.1
P/ABV (x)	1.3	1.2	1.2	1.1	1.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(4.8)	(8.3)	3.7	(23.3)
Rel to Nifty	(2.2)	(6.6)	8.6	(23.8)

Anand Dama
anand.dama@emkayglobal.com
+91-22-66242480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Kunaal N
kunaal.n@emkayglobal.com
+91-22-66121275

Refer to important disclosures at the end of this report

HDFC AMC (Not Rated)

Emkay
Your success is our success

Steady growth outlook

CMP	MCap (Rs bn)	TP & Rating
Rs5,466	1,169	NA | NR

We hosted Kartik Parikh (Joint Vice President – Investor Relations)

Key Meeting-Takeaways

- The management noted a negative correlation between market movements and inflows—AUM growth at market highs is driven by MTM gains, while at market lows, 'buy-the-dip' inflows fuel AUM expansion.
- The company believes Jio BlackRock's entry is unlikely to trigger significant pricing disruption in the passive segment, with the management anticipating its ETF yield to be around 2.5bps, whereas active AUM growth will be dependent on fund performance.
- Commission rates were rationalized for the book post-2019, impacting margins by 20–22bps, a part of which was passed on; the management sees no further need for additional rationalization.
- For HDFC AMC, the existing arrangement with the RTA is expected to remain stable in the near term, with no immediate concerns on service or cost.
- The management does not anticipate any further reduction in distributor commissions.
- The management remains constructive on growth prospects across asset classes, supported by strong industry liquidity, steady SIP inflows, and healthy net flow trends across distribution channels. Cost discipline remains a priority despite ongoing investments in talent, branch expansion, digital capabilities, and new verticals.
- Equity flows are expected to sustain, aided by HDFC AMC's diversified product bouquet, leadership in multiple categories, and deep distribution reach. The company sees continued opportunities in active and passive segments, with a focus on scaling up leadership across product categories.

Financial Snapshot

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Total Revenue	22,017	24,332	24,826	31,625	40,582
PAT	13,258	13,931	14,239	19,458	24,609
PAT Margin (%)	60.2	57.3	57.4	61.5	60.6
AUM (Rs bn)	3,955	4,076	4,367	6,097	7,545
EPS (Rs)	62.3	65.4	66.8	91.0	115.2
Net Worth	47,762	55,300	61,084	70,790	81,341
ROE (%)	27.8	27.0	24.5	29.5	32.4
P/E (x)	87.8	83.6	81.9	60.1	47.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	6.8	20.7	47.6	29.9
Rel to Nifty	9.7	22.8	38.9	29.1

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

KFin Technologies

Diversified growth with expanding global footprint

CMP	MCap (Rs bn)	TP & Rating
Rs1,086	187	Rs1,400 | BUY

We hosted Vivek Mathur (CFO), Amit Murarka (Senior VP - Finance), and Ram Gattani (Assistant VP - Investor Relations)

Key Meeting-Takeaways

- The MF RTA segment accounts for roughly 70% of the overall revenue mix, with ~65% derived from core fees and the remaining ~5% from value-added services. In recent years, the segment has delivered robust growth, and the management remains confident of sustaining a healthy ~15–16% growth trajectory going forward.
- The international business has delivered strong client acquisitions and continues to offer significant revenue growth potential, supported by minimal pricing pressure. Recent large client wins further strengthen the growth pipeline, and the management remains positive about sustaining ~30% CAGR over coming few years.
- During the recent quarter, MF RTA yields declined ~4–5% due to volume-based discounts extended to a few large AMC clients. For remaining-FY26, the management expects yields to be stable.
- In Issuer Solutions, market share gains and a healthy IPO pipeline—including large mandates such as IPru AMC and Meesho—are expected to drive revenue through to Q2–Q4, which are seasonally stronger quarters. Record-high client additions further enhance growth prospects.
- Younger businesses—Alternatives (AIF), Pensions (NPS), and Wealth Platforms—are scaling rapidly, each growing more than 30% YoY, with NPS now profitable and positioned for faster expansion. The recently launched KRA platform adds to the product pipeline, enhancing client stickiness and ecosystem reach.
- The management expects the recent Ascent Fund Services acquisition to be EPS accretive, while maintaining confidence on sustaining EBITDA margin in the ~40–45% range.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	8,375	10,908	13,142	16,299	18,925
EBITDA	3,666	4,790	5,461	6,882	8,280
Adj PAT	2,484	3,326	3,813	4,773	5,874
Adj EPS (Rs)	14.3	19.3	22.0	27.0	32.9
EBITDA margin (%)	43.8	43.9	41.6	42.2	43.8
RoE (%)	24.5	26.1	24.8	25.6	26.1
P/E (x)	75.8	56.4	49.3	40.3	33.1
P/B (x)	16.3	13.3	11.3	9.4	8.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-14.7	-2.8	8.9	6.4
Rel to Nifty	-12.4	-1.1	2.4	5.8

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

Refer to important disclosures at the end of this report

Motilal Oswal

Firing on all cylinders

CMP	MCap (Rs bn)	TP & Rating
Rs911	546	Rs1,050 | BUY

We hosted Manish Kayal (Corporate Planning and Investor Relations) and Pankaj Rawal (AVP – Investor Relations)

Key Meeting-Takeaways

- The Asset Management business has seen continued momentum with healthy market share gains and remains a strong driver of profit growth. The management remains confident of strong inflows, led by the robust performance of funds and ranking.
- Motilal Oswal has transformed into a dedicated Private Wealth Management platform, targeting ultra-HNIs and family offices by rapidly scaling up penetration, AUM, and RM strength, while leveraging differentiated offerings, leadership hires, and institutional relationships.
- The management mentioned that Private Wealth Management is the focus area; ahead, it targets to be among the top 3 players in the space.
- Retail Wealth Management (comprising retail broking, mutual fund distribution, and a lending book) continues to gain market share and expand its reach by serving as a steady growth driver, a client acquisition funnel for PWM, and a key contributor to the brand, reach, and cross-selling. The management continues to focus on improving the cross-sell ratio, which currently remains low.
- Institutional Equities and Investment Banking also scaled up sharply under the strengthened leadership, with a coverage target of 500 stocks. Motilal Oswal has attained the No 1 position in QIPs; the robust mandate book provides healthy visibility, while targeting a larger share of big-ticket IPOs.
- Private Credit is a newly launched, early-stage offering with a long build-up horizon of 5–10 years to reach full scale. Leveraging promoter and institutional networks, the business is positioned to secure a first-mover advantage in the alternative space.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	71,047	83,391	88,332	103,380	114,844
Reported PAT	24,411	25,016	25,370	30,350	32,823
Operating PAT	15,424	20,159	22,650	27,169	29,379
Adj EPS (Rs)	26.0	33.7	37.8	45.3	49.0
Net worth	87,318	110,794	134,401	162,019	191,509
Operating RoE (%)	21.8	20.4	17.5	17.1	16.6
P/E (x)	22.1	21.8	21.5	18.0	16.6
Adj P/E (x)	35.0	27.0	24.1	20.1	18.6

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-2.5	23.8	39.1	51.6
Rel to Nifty	0.2	26.0	30.9	50.7

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

EPACK Durable

Your success is our success

Unseasonal rains hit Q1; strategic diversification to fuel additional growth momentum

CMP	MCap (Rs bn)	TP & Rating
Rs375	36	NA | NR

We hosted Narayan Lodha (ED and Group CFO) of EPACK Durable, the second-largest ODM of RACs in India. Product specifications range from 0.75tonne to 2tonne RACs, covering various energy ratings and refrigerant types. Additionally, EPACK manufactures various small domestic appliances, components, etc

Key Meeting-Takeaways

- EPACK Durable reported a subdued near-term performance in Q1, impacted by unseasonal rains and surplus finished goods inventory carried over from Q4FY25. However, the management indicated that inventory levels are now near normal, and should start building up again from Sep-Oct, ahead of the upcoming season and the new BEE energy efficiency norms.
- In a key diversification move, the company entered the energy meter sector by supplying critical components, marking its first foray beyond the consumer durables space. This initiative is aimed at reducing concentration risk and securing a presence in adjacent, high-growth industries.
- Capex for Q1 stood at ~Rs500mn, directed toward capacity expansion and equipment installations for the washing machine line and the components segment at the Sri City facility. EPACK is also developing a new greenfield plant at Bhiwadi for its EPAVO JV, which will have a capacity of 3mn BLDC motors, equivalent to ~10% of India’s total market demand. The total capex guidance for the next 12–18 months stands at Rs4.5–5bn, with Rs500mn already spent in Q1.
- The company continues to invest in broadening its product pipeline. In the components business, the order pipeline for PCBs, copper parts, and plastic molded components remains strong. In small domestic appliances, trials and mass production of air fryers have commenced, with Phase 1 capacity set at 1mn units, alongside development of in-house ODM models. In large domestic appliances, trials have been completed for 8–9kg fully automatic top-load washing machines for four key clients, with mass production under way; EPACK plans adding twin-tub semi-automatic models.
- For FY26, the management targets EBITDA margin of >7.5%, with medium-term ambition of 8%. The improvement in margins in recent quarters has been driven by a shift in product mix, particularly growth of the higher-margin small domestic appliances, large domestic appliances, and the components segments.
- Revenue mix guidance for FY26: ACs (60–65%), small domestic appliances (10–15%), components (20–25%), and large domestic appliances (up to 10%).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	7,397	9,273	15,403	14,285	21,919
EBITDA	420	688	1,002	1,147	1,547
EBITDA Margin (%)	5.7	7.4	6.5	8.0	7.1
APAT	78	174	331	354	551
EPS (Rs)	1.6	3.5	4.7	4.4	5.8
EPS (% chg)	-	114.2	35.7	-7.6	32.2
ROE (%)	-	18.3	15.2	5.9	6.0
P/E (x)	231.5	108.1	79.6	86.2	65.2

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	2.1	10.3	1.4	50.3
Rel to Nifty	4.9	12.3	-4.6	49.5

Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Marazbaan Dastur
nandan.pradhan@emkayglobal.com
+91 22 6612 1281

Refer to important disclosures at the end of this report

Polycab India

Your success is our success

Building for the next decade with sustained W&C leadership and emerging FMEG growth

CMP	MCap (Rs bn)	TP & Rating
Rs6,804	1,024	NA | NR

We hosted the management of Polycab India, India's largest wires and cables player with ~26-27% market share and a growing FMEG presence, leveraging strong brand equity, expansive distribution, and capacity investments

Key Meeting-Takeaways

- Polycab's **Wires & Cables (W&C)** business saw 25% volume growth and 32% domestic revenue growth in Q1FY26, led by cables; market share gains continue (FY25 organized share is ~26-27%).
- **EBITDA margin** expanded to 14.5% in Q1, driven by pricing discipline, mix improvement (premium wires like Suprima/Maxima contributing >20% revenue to wire sales), and operational efficiency; long-term margin guidance of ~11–13% looks conservative, though the management believes investing, in terms of capacity expansion coupled with higher A&P spends for its wires business (B2C), will have an impact in operating margins in the near-to-mid term.
- Polycab continues to invest ahead of the market, leveraging its broad SKU portfolio, strong distribution reach, and investments across key end-use sectors.
- **FMEG** is showing strong growth led by solar products (Solar invertors), improved premiumization (the premium lighting and fans mix steadily increasing), and higher focus on profitability; targets ~8–10% EBITDA margin by FY30 (vs 2% in Q1FY26), with aspiration to be a top-3 FMEG player (currently ~2-3% market share in the FMEG category).
- The ~Rs120bn order book (BharatNet + RDSS) provides ~3–4 years of revenue visibility; EPC division is margin neutral (margin of ~12-14% for BharatNet and a high single digit margin for RDSS) in the early phases, and revenue contribution will be <10% going ahead.
- **Exports** grew 25% YoY (now ~5.2% of revenue); US (1/3rd of exports) offers structural tailwinds due to China+1 and tariff advantages (India at 10% vs China at 55%); more clarity on tariff awaited.
- Moreover, although global giants like Prysmian and Nexon focus on EHV and HV cables, Polycab primarily exports LV and MV cables to the US. Therefore, competition from global HV/EHV-focused players is limited (except China).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	89,562	123,657	142,411	182,603	226,159
EBITDA	11,112	12,626	18,429	24,918	29,602
EBITDA Margin (%)	12.4	10.2	12.9	13.6	13.1
APAT	8,821	8,365	12,708	17,841	20,200
EPS (Rs)	59.2	60.9	84.9	118.9	134.3
EPS (% chg)	15.7	2.8	39.5	40.0	13.0
ROE (%)	20.5	16.2	20.8	23.9	22.3
P/E (x)	114.9	111.8	80.1	57.2	50.6

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.5	13.5	20.6	3.3
Rel to Nifty	4.2	15.6	13.5	2.7

Chirag Jain
chirag.jain@emkayglobal.com
+91 22 6624 2428

Jaimin Desai
jaimin.desai@emkayglobal.com
+91 22 6612 1334

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91 22 6612 1238

Marazbaan Dastur
nandan.pradhan@emkayglobal.com
+91 22 6612 1281

Refer to important disclosures at the end of this report

Bikaji Foods

A structural long-term play; focus on fortifying the growth outlook

CMP	MCap (Rs bn)	TP & Rating
Rs721	181	Rs900 | BUY

We hosted Manoj Verma (Chief Operating Officer) and Rishab Jain (Chief Financial Officer) to gain insight into the company/industry

Key Meeting-Takeaways

- **Enabling the long-term growth outlook:** In the last couple of years, the company has added revenue streams, which enhance the long-term outlook: a) Its own Bikaji retail network (backend in place, will gain shape from FY27E); b) The Hazelnut Factory (40% stake), aiding the premium QSR play; c) Ariba (55% stake), aiding frozen snack exports and its retail backend opportunity; d) addition of bakery capacity in the South, and e) a 50:50 joint venture planned with CG Group in Nepal.
- **Nepal JV to aid international footprint**: The company is looking to enter a joint venture with CG Foods of Nepal. This endeavor is focused on setting up manufacturing in Nepal and leveraging the distribution might of CG Foods. At present, imports from India attract a 55% customs duty, which makes products pricier. The management sees revenue expanding to Rs500mn in the next couple of years, from Rs200mn now. The management noted that the arrangement (forged by peers in the country) is crucial for the business.
- **Growth outlook enhanced by festivities**: After a muted topline show in 1HCY25, the company is optimistic about growth acceleration ahead. August marks the start of festivities, and sweet sales are likely to accelerate. The management is also observing growth recovery in Western snacks. The company has seen steady recovery in business, after a weak April.
- **Retail aspirations gaining shape:** Bikaji's retail operations (now 4 stores – 3 in Maharashtra and 1 in Rajasthan) would gain shape in FY27. In FY26, the company is looking to expand its network by 7-8 stores. The Hazelnut Factory is likely to see 10-11 store additions during the year and close FY26 with an ARR of Rs1bn, per the management.
- **Bakery initiative in South India**: Bikaji Bakes, a wholly-owned subsidiary, was created to address the bakery segment. The company is in the process of installing capacity, which will address bakery segment supplies like biscuits, buns, bread, croissants, muffins, cakes, etc. Here, the initial thrust would be on e-commerce, leveraging Bikaji's brand equity.
- **Gross margin recovery sustainable**: The company has reported a 34% gross margin (ex-PLI), where recovery is attributed to price hikes and easing in raw material prices. An additional benefit is from inorganics, where gross margin is relatively better (though dilutive for the EBITDA margin). For standalone operations, the management believes 32% gross margin is sustainable.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	23,293	26,219	30,582	35,514	40,522
EBITDA	3,913	3,282	4,382	5,265	6,005
EBITDA Margin (%)	16.8	12.5	14.3	14.8	14.8
APAT	2,657	2,008	2,744	3,517	4,125
EPS (Rs)	10.6	8.0	11.0	14.1	16.5
EPS (% chg)	109.2	-24.4	36.6	28.2	17.3
ROE (%)	24.5	15.4	18.4	20.1	20.2
P/E (x)	68.4	90.5	66.3	51.7	44.1

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-0.9	2.5	20.1	-16.3
Rel to Nifty	1.7	4.3	13.0	-16.8

Nitin Gupta
nitin.gupta@emkayglobal.com
+91 22 6612 1257

Heritage Foods (Not Rated)

Actions aligned to generate sustainable double-digit growth

CMP	MCap (Rs bn)	TP & Rating
Rs470	44	NA | NR

We hosted Srideep Kesavan (CEO) to gain some insight into the company/industry

Key Meeting-Takeaways

- **Vision 2030 progress:** Vision 2030, which is anchored on four strategic pillars of premiumization, digitalization, sustainability, and people-first governance, involves key initiatives such as deploying digital-first delivery systems, enhancing last-mile logistics, and building traceable, farmer-first supply chains to ensure resilience, transparency, and long-term value creation.
- **Geographic and brand expansion** efforts are being accelerated through 360° brand campaigns in core states—Andhra Pradesh, Telangana, Tamil Nadu, and Karnataka—aimed at deepening consumer engagement and expanding market share. These campaigns are supported by increased procurement and distribution capabilities to drive growth in existing and new markets.
- **Strategic focus and outlook:** Ahead, in FY26, the company is targeting mid-teen revenue growth and ~20% growth in Value-Added Products (VAP). Margin improvement is expected through refined pricing strategies and an optimized product mix, while operational and distribution synergies from the Novandie acquisition are set to enhance efficiency and expand market reach.
- **Aligning evolving consumer needs with mergers and acquisitions**
  - **Inorganic foray into Yogurt and desserts category intervention:** The company has undertaken significant strategic expansion, with the acquisition of an additional 44.4% stake in Heritage Novandie Foods Pvt Ltd, increasing its ownership to 94.4%. This move provides strategic control over the Yogurt supply chain, unlocking operational synergies and positioning the company for stronger market leadership.
  - **Organic thrust on milk-based beverages and desserts:** The company launched the "Heritage Livo" platform, offering fortified flavored Milk and high-protein Yogurt (targeting health-conscious consumers). Also, it introduced GlucoShakti, a whey-based drink designed for hydration and energy, and expanded into the sweets category with millet-based ladoos under the 'Truly Good' brand, alongside traditional Indian desserts such as Gulab Jamun, Rasgulla, and Doodhpeda.
  - A new greenfield ice cream facility is also underway and is expected to be operational by end-CY25.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	24,812	26,926	32,527	38,059	41,625
EBITDA	2,592	1,752	1,297	2,030	3,154
EBITDA Margin (%)	10.4	6.5	4.0	5.3	7.6
APAT	1,500	1,037	580	1,066	1,946
EPS (Rs)	16.4	10.6	6.3	11.5	20.3
EPS (% chg)	-	-35.6	-40.0	81.4	76.7
ROE (%)	28.3	16.5	8.4	13.9	21.9
P/E (x)	28.7	44.6	74.3	40.9	23.2

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.3	15.5	16.5	-14.6
Rel to Nifty	1.3	17.6	9.6	-15.1

Nitin Gupta
nitin.gupta@emkayglobal.com
+91 22 6612 1257

Refer to important disclosures at the end of this report

Jeena Sikho Lifecare (Not Rated)

Emkay
Your success is our success

Leveraging Homeopathy, Naturopathy, and Ayurveda for cures

CMP	MCap (Rs bn)	TP & Rating
Rs540	67	NA | NR

We hosted Dr Ish Sharma (Head of Clinical Services) and Vishal Agarwal (Head of Mumbai division) to gain insight into the company/industry

Key Meeting-Takeaways

- **Jeena Sikho is a premium Ayurveda healthcare service provider**. The company had 55 hospitals, and 61 operational clinics and daycare centers pan-India as of Q1FY26. It has presence in 100+ cities and towns, with ~2,500 beds operational. In FY25, the company saw Rs2.15bn in revenue from medicine sales, and Rs2.54bn from Ayurveda healthcare services (where revenue from government employees was Rs1.18bn). Its topline saw a 47% CAGR over FY22-25.
- **Expansion of healthcare infrastructure:** The company is aggressively expanding its hospital network. Plans are underway to cross 3,000 beds by Mar-26, with further growth targeted through partnerships with Ayurvedic colleges.
- **Innovative partnership model:** It has adopted a capital-light model by collaborating with Ayurvedic colleges to operate their hospitals. These partnerships allow the company to leverage existing infrastructure without incurring significant capital expenditure, while colleges provide the infrastructure and support.
- **100-bed facility's economics**: For a facility with 100 beds, the company incurs Rs25-35mn as capex, with furniture and fittings comprising Rs4.5-5mn and medical equipment at Rs6-6.5mn. The implied per-bed costs are Rs300-400k; here, per-bed per-day realization is Rs8,200 (including medicines), which on 100% occupancy implies annual revenue of Rs300k per bed. The company needs 35% occupancy to breakeven.
- **Product development and diversification:** The company launched the INJK Water device, which has seen strong traction. A pipeline of 10–15 new wellness products is under development, indicating its focus on expanding the product portfolio to strengthen recurring revenue and brand positioning.
- **Operational efficiency and margin strategy:** Temporary margin pressures are due to rapid expansion and increased staffing costs. The company expects margins to improve as new centers ramp up and reach optimal occupancy. Strategic price increases across hospitals are aimed at offsetting rising costs and enhancing profitability.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,369	1,479	2,062	3,309	4,755
EBITDA	169	181	456	930	1,249
EBITDA Margin (%)	12.3	12.2	22.1	28.1	26.3
APAT	103	112	338	692	907
EPS (Rs)	0.1	6.2	2.8	5.6	7.3
EPS (% chg)	-98.3	10183.3	-55.3	101.8	31.1
ROE (%)	54.6	37.2	41.6	43.5	39.0
P/E (x)	8991.7	87.4	195.5	96.9	73.9

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-2.7	18.1	48.6	122.0
Rel to Nifty	0.0	20.2	39.9	120.7

Nitin Gupta
nitin.gupta@emkayglobal.com
+91 22 6612 1257

Kalpataru Projects International

Focus on execution; upped revenue growth guidance

CMP	MCap (Rs bn)	TP & Rating
Rs1,228	210	Rs1,525 | BUY

We hosted Ram Patodia, Chief Financial Officer

Key Meeting-Takeaways

- **Guidance upped for FY26:** The company expects 22-25% revenue growth for FY26 at both—the standalone and consolidated levels, with performance likely to log closer to 25%. All segments, except water and railways, are expected to grow 20-25%. The current order book has better margin visibility compared to the past two years which will lead to margin improvement. The management expects PBT margin for FY26 to clock in the 5-5.5% range at the standalone level. The company targets total order inflows of Rs260-280bn for FY26. FY27 revenue growth could be rangebound at 18-20%.
- **Targets RoCE of 21% by FY28:** The management targets RoCE of 21% by FY28 from 17% in FY25, mainly led by improvement in profitability and exiting of non-core assets – ie Shree Shubham Logistics, road assets, and Indore real estate.
- **LMG's IPO planned ahead:** LMG reported revenue of Rs7.74bn in Q1FY26 (up 72% YoY). It has received orders worth ~Rs8.5bn in FY26-to-date and has an order backlog of ~Rs35bn. KPIL is evaluating various strategic options, including a potential IPO, and has appointed merchant bankers and advisors to assist with this evaluation.
- **Labor challenges:** Labor availability is one of the company's biggest challenges, particularly for domestic projects. The company faces fewer labor challenges internationally vs domestically, because it can source workers from multiple (neighboring) countries. The company is addressing labor challenges through increased automation and mechanization across their projects.
- The company has planned capex of ~Rs6bn in FY26 and of Rs5bn in FY27. This is in line with continuation of owning assets rather than following the lease model. This ensures complete control on execution and the supply chain.
- **Commodity price risk:** 65% of the order book is under fixed price contracts, with remaining 35% with variable pricing components. For commodity price risk, the company is significantly hedged on aluminium, copper, and zinc prices, though the substantial rise in steel prices (ie doubling) could impact margins.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	167,600	188,879	233,771	266,497	297,873
EBITDA	13,660	15,870	20,066	24,647	27,744
EBITDA Margin (%)	8.2	8.4	8.6	9.2	9.3
APAT	5,680	6,809	9,498	12,368	14,255
EPS (Rs)	33.3	39.9	55.6	72.4	83.5
EPS (% chg)	19.1	19.9	39.5	30.2	15.3
ROE (%)	10.3	10.5	12.5	14.6	14.8
P/E (x)	36.9	30.8	22.1	17.0	14.7

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.1	25.4	27.3	-0.8
Rel to Nifty	5.9	27.7	19.8	-1.4

Ashwani Sharma
ashwani.sharma@emkayglobal.com
+91 22 66121377

Abhishek Taparia
abhishek.taparia@emkayglobal.com
+91 22 66121302

Refer to important disclosures at the end of this report

KEC International

Emkay
Your success is our success

Growth outlook intact

CMP	MCap (Rs bn)	TP & Rating
Rs797	212	Rs950 | ADD

We hosted Rajeev Aggarwal (CFO) and Abhishek Sen (IR)

Key Meeting-Takeaways

- **Strong pipeline of tenders increases order inflow prospects:** The management indicated a substantial tender pipeline of Rs1.8trn, which ensures healthy order intake for KEC in the foreseeable future. Of the Rs1.8trn bid pipeline, Rs300bn is from domestic T&D, Rs600bn from international T&D, and balance from non-T&D. For FY26, KEC targets achieving Rs300bn in order inflow, Rs55.2bn of which has already been achieved, thus maintaining its growth momentum. The management has reaffirmed guidance of ~15% revenue growth with EBITDA margin at 8-8.5% in FY26.
- **The SAE business** achieved revenue of Rs3.6bn (up 4% YoY) in Q1FY26. In Brazil, there is significant traction in hardware orders. The company has also enhanced its operational capabilities with the installation of new equipment which will boost hardware production capacity and improve efficiency. In Mexico, the business has secured a major tower supply order, reflecting a positive momentum in the North American T&D market. Overall, the business continues to benefit from a steady profitable order inflow with a robust order book and L1 position of >Rs23bn. The company is unaffected by the increase in tariffs by USA.
- **Cable business:** Following commissioning of the aluminum conductor plant at its Vadodara facility, KEC has now initiated doubling capacity; this will significantly enhance its ability to meet growing market demand. In parallel, the capital investment in E-Beam and elastomeric cables is progressing as planned, and the management expects commercial production to commence by end-FY26.
- **HVDC and STATCOM:** KEC is currently executing four major HVDC projects, comprising one HVDC converter station project spread across multiple locations and three HVDC transmission line projects. The company has also submitted bids for additional HVDC lines and converter station tenders, which are expected to be of larger scale. In line with the growing demand for renewable energy, the management anticipates STATCOM orders to be floated in upcoming quarters, presenting further growth opportunities in the power transmission space.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	199,142	218,467	250,805	290,862	329,419
EBITDA	12,146	15,039	20,059	25,346	29,493
EBITDA Margin (%)	6.1	6.9	8.0	8.7	9.0
APAT	3,468	5,707	9,377	13,104	16,234
EPS (Rs)	13.0	21.4	35.2	49.2	61.0
EPS (% chg)	97.0	64.6	64.3	39.8	23.9
ROE (%)	8.8	12.1	16.3	19.6	20.3
P/E (x)	63.2	38.4	23.4	16.7	13.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-7.8	9.1	3.4	-3.7
Rel to Nifty	-5.3	11.1	-2.7	-4.2

Ashwani Sharma
ashwani.sharma@emkayglobal.com
+91 22 66121377

Abhishek Taparia
abhishek.taparia@emkayglobal.com
+91 22 66121302

Kilburn Engineering

Enquiry pipeline soars; capacity expansion to support growth

CMP	MCap (Rs bn)	TP & Rating
Rs540	26	NA | NR

We hosted Ranjit Lala (MD), Amritanshu Khaitan (Non-Executive Director), and Sachin Vijaykar (CFO)

Key Meeting-Takeaways

- **Strong jump in enquiry pipeline:** Kilburn has received enquiries worth >Rs 40bn at a consolidated level, for FY26. The management expects converting 20-25% of such enquiries into order inflows (worth Rs6-7bn). The order backlog at the end of Q1FY26 stood at Rs4.5bn and, with the expected inflows, the company is on track to achieve its consolidated revenue guidance of 50% in FY26.
- The company has started receiving enquiries for replacement of dryers from Oil and Gas companies (earlier supplied by the company). Moreover, it has received an order worth Rs490mn in the nuclear power sector; with traction in the nuclear industry, more orders are expected. The management is fairly optimistic about the company's future over the coming decade.
- **Capacity expansion to cope with growing demand:** Kilburn also acquired a plant in Ambernath which is now operational with 100% capacity; the plant will generate incremental revenue of Rs1bn. Further, Kilburn has planned capex of Rs300mn with proposed capacity addition of ~15-20% by Mar-26.
- **The ME Energy acquisition:** Kilburn completed the acquisition of subsidiary ME Energy in Q4FY24. This subsidiary is based in Pune and is a leading waste heat recovery and waste heat reutilization systems provider, designed to deliver energy saving solutions. The acquisition acts as a backward integration. After the acquisition, the management announced expanding its capacity – Phase 1 (already completed), and Phase 2 (expected to be completed by Sep-25).
- **Monga Strayfield:** Kilburn also acquired 100% of Monga Strayfield (MS) in Jan-25; MS specializes in Radio Frequency Heating and Drying solutions. The acquisition has broadened Kilburn's reach to industries such as packaged foods, basalt fiber, and textiles, among others. MS already has a strong customer base in the US and Europe, thus expanding Kilburn's international presence.
- In FY27 and beyond, Kilburn anticipates consolidated revenue CAGR of 25–30%, grounded in the growing inquiry pipeline and sustained demand across sectors. The company's optimism is fueled by its existing order book, strong customer relationships, and visibility in both—the domestic and international markets.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	979	1,244	2,362	3,331	4,276
EBITDA	-1,200	130	347	764	1,010
EBITDA Margin (%)	-122.5	10.4	14.7	22.9	23.6
APAT	352	16	301	505	624
EPS (Rs)	-68.8	0.5	8.7	13.3	13.9
EPS (% chg)	-	-	1503.7	53.9	4.6
ROE (%)	46.6	2.6	33.7	28.1	17.2
P/E (x)	-7.9	1000.6	62.4	40.5	38.8

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	12.1	30.0	36.2	26.5
Rel to Nifty	15.1	32.3	28.1	25.7

Ashwani Sharma
ashwani.sharma@emkayglobal.com
+91 22 66121377

Abhishek Taparia
abhishek.taparia@emkayglobal.com
+91 22 66121302

TD Power Systems

Strong growth outlook; strategic expansion

CMP	MCap (Rs bn)	TP & Rating
Rs494	77	NA | NR

We hosted MN Varalakshmi (CFO) and Ramya Ramesh (Global Head - Supply Chain)

Key Meeting-Takeaways

- **FY26 revenue growth to see upward revision backed by a healthy order book and tender pipeline:** The management highlighted the company's strong enquiry pipeline from India as well as the overseas market. The management has maintained its revenue guidance of Rs15bn for FY26, with expected upward revision potential post 1HFY26 results. Motors are likely to be the new growth driver, along with generators. Margins are expected to remain in the ~18-18.5% range.
- **New capacity coming in:** TDPS is set to complete its third factory at capex of Rs1.4bn in FY26. The management expects revenue to reach Rs18bn in the near term, and Rs22bn with marginal line optimizations.
- **Moving production to Turkey:** Given higher tariff announced by USA, TDPS plans shifting some production to Turkey from India. This would involve shipping components to Turkey for assembly, and then shipping finished products from Turkey to the US. The company maintains a ~25% cost advantage before tariffs, over European/Japanese competitors; including tariffs, it maintains a ~20% cost advantage despite routing through Turkey. US customers are willing to accept 15-25% higher costs for power generation products due to tariffs, as it represents only 1-1.5% of the total data center investment costs.
- **Data Center opportunity:** India's data center sector is currently dominated by smaller diesel-powered backup systems (5-15MW), though the emergence of AI-driven server farms (like in the US) would need 50-100MW power capacity; demand will shift to larger gas engines or turbines, thus opening new opportunities for the company once AI infrastructure scales up in India.
- **Standing on its own:** The company is now independently developing a new line of large generators (50-150MW) at its UK design center, moving away from previous licensed partnerships. While still in the early design stages, the company is building a foundation so that operations commercialize from CY28 on. With an established market presence, TDPS anticipates faster adoption of such new units compared to past product launches.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	6,101	8,217	8,934	10,167	13,024
EBITDA	660	919	1,302	1,674	2,308
EBITDA Margin (%)	10.8	11.2	14.6	16.5	17.7
APAT	395	648	959	1,184	1,746
EPS (Rs)	0.6	4.6	6.2	7.6	11.2
EPS (% chg)	51.3	678.0	35.7	21.7	47.5
ROE (%)	8.8	13.0	16.9	18.1	22.3
P/E (x)	837.4	107.6	79.3	65.2	44.2

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.3	16.7	42.6	20.6
Rel to Nifty	4.0	18.8	34.2	19.9

Ashwani Sharma
ashwani.sharma@emkayglobal.com
+91 22 66121377

Abhishek Taparia
abhishek.taparia@emkayglobal.com
+91 22 66121302

Emkay
Your success is our success

KIMS

Revenue momentum to sustain on new hospital additions

CMP	MCap (Rs bn)	TP & Rating
Rs736	294	Rs800 | BUY

We hosted Sachin Salvi (Group CFO)

Key Meeting-Takeaways

- The management projects ARPOB growth of 4–5% annually for mature clusters. It is targeting group-level ARPOB of Rs50,000 after the ramp-up of its new facilities in Thane and Bengaluru.
- FY26 EBITDA margin is expected to be 22–25%, reflecting near-term drag from new hospitals.
- The two new Bengaluru units (800 beds in total) are set to be commissioned in Q2FY26. The hospital is expected to cause an initial EBITDA drag of Rs100–150mn in September; the company targets to achieve breakeven within 12 months, operating at ~30–40% occupancy. KIMS has completed phase 1 of talent hiring for these hospitals.
- Performance and outlook on new hospitals: Thane is performing ahead of the company's expectations, with EBITDA-neutral position to be achieved by Q3FY26. KIMS is aspiring to double revenue at Thane hospital, with healthy EBITDA margin in FY27 led by addition of oncology and insurance empanelment (usually takes 9-12 months); Nashik unit's performance is impacted by delay in insurance empanelment; to breakeven by Q2FY26 once corporate and insurance tie-ups (expected in 3M) materialize. Kannur has turned EBITDA-positive, while the Kollam unit is expected to turn EBITDA-neutral in Q2FY26.
- The management does not see single-speciality hospitals as direct competitors. It continues with its strategy of opening hospitals in untapped markets, using its template of affordable healthcare and leveraging local talent.
- The company is focused on stabilizing the recently commissioned greenfield projects before committing to further large-scale expansions, though new opportunities are being explored in Karnataka, Kerala, Maharashtra, and AP.
- The Kerala hospitals are working on an O&M model, as KIMS assigned thresholds for Debt/EBITDA at 2.5x and Debt/Equity at 1x. It is also scouting for such projects in Kochi and Kozhikode.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	24,981	30,350	38,544	48,528	57,973
EBITDA	6,404	7,827	8,850	12,419	15,167
EBITDA Margin (%)	25.6	25.8	23.0	25.6	26.2
APAT	3,101	3,737	4,011	6,553	8,122
EPS (Rs)	7.7	9.3	10.0	16.4	20.3
EPS (% chg)	-3.6	20.5	7.3	63.4	23.9
ROE (%)	17.7	18.8	17.1	22.5	22.0
P/E (x)	94.9	78.8	73.4	44.9	36.3

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.7	12.9	21.3	63.8
Rel to Nifty	6.5	15.0	14.2	62.9

Anshul Agrawal
anshul.agrawal@emkayglobal.com
+91 22 6612 1228

Kevin Shah
kevin.shah@emkayglobal.com
+91 22 6612 1340

Refer to important disclosures at the end of this report

Vijaya Diagnostic

India Equity Research | Healthcare
August 12, 2025
Conference Note

Emkay
Your success is our success

Organic growth, network addition augur well for revenue trajectory

CMP	MCap (Rs bn)	TP & Rating
Rs1,058	109	Rs1,225 | BUY

We hosted Suprita Reddy (MD and CEO), Sivaramaraju Vagesna (COO), and Dhiren Gala (AGM - Strategy and IR)

Key Meeting-Takeaways

- The management maintains its guidance of ~15% revenue growth for FY26, driven primarily by ~13% volume growth and the balance from realizations; it expects 9-10% of the growth to come from existing centers.
- Vijaya plans to open 10 hubs during the year, with five (two each in Kolkata and Bengaluru, and one in Pune) already operational in Q1, three more slated for Q2, and the remaining two in West Bengal in H2. This ongoing expansion is expected to drag EBITDA margin in FY26, although it would inch back up to normal levels of ~40% in FY27.
- The management mentioned that its Nizamabad hub has reached break-even within just two quarters of commencing operations; also, one Bengaluru hub is ahead of schedule for breakeven. For the other new hubs, it remains optimistic about achieving breakeven within 12 months, higher than the breakeven period of 6-9 months seen for core geographies.
- A new hub takes 4-5 years to mature (attaining 1x asset turnover) on average, after which the growth trajectory slows down.
- Wellness business's contribution is expected to remain at the higher-end (14-15% of revenue) for the year, driven by greater patient awareness and enhanced package offerings.
- The company implemented selective price increases for key tests in targeted geographies during Q1. Additionally, radiology's contribution is rising with new hubs and advanced equipment, leading to gross margin improvement and average revenue per patient/test.
- Per the management, independent diagnostic centers are preferred over hospitals due to better pricing (eg: Rs10,000 differential in radiology testing), faster reporting time, and better quality.
- Capex for new centers planned in FY26 is expected at ~Rs1.5bn and maintenance capex at 2-3% of revenue.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	5,478	6,814	7,990	9,507	11,271
EBITDA	2,209	2,732	3,129	3,877	4,700
EBITDA Margin (%)	40.3	40.1	39.2	40.8	41.7
APAT	1,209	1,476	1,704	2,271	2,910
EPS (Rs)	11.8	14.4	16.6	22.1	28.4
EPS (% chg)	43.0	21.8	15.4	33.3	28.1
ROE (%)	20.1	20.3	19.4	21.3	22.1
P/E (x)	89.6	73.6	63.7	47.8	37.3

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.7	6.9	3.1	28.3
Rel to Nifty	6.5	8.8	-3.0	27.5

Anshul Agrawal
anshul.agrawal@emkayglobal.com
+91 22 6612 1228

Kevin Shah
kevin.shah@emkayglobal.com
+91 22 6612 1340

Refer to important disclosures at the end of this report

GO Digit General Insurance

Emkay
Your success is our success

Navigating through a challenging external environment

CMP	MCap (Rs bn)	TP & Rating
Rs361	334	Rs290 | SELL

We hosted Ravi Khetan (CFO)

Key Meeting-Takeaways

- The company maintains its #2 spot in the two-wheeler segment. According to the management, the 5Y upfront Motor TP premium on new two-wheelers ensures predictable cash flows and a robust float. However, this comes with the trade-off of upfront claim provisioning, which pressures the short-term P&L but strengthens the investment portfolio.
- While the competitive intensity in terms of pricing and distributor payouts is high in the Motor segment, the festival season is expected to drive growth in Q2 while rural recovery remains a tailwind. The management continues to avoid aggressive acquisition commissions despite the competitive environment, and remains focused on segments with higher lifetime value such as school buses.
- The management has intentionally slowed growth in the Retail Health Insurance segment due to unfavorable pricing dynamics and elevated claims inflation. In the corporate portfolio, aggressive pricing prevails, and the management has opted to exit unprofitable business.
- For health claims, 60% are currently processed in-house, with a target to increase this to 78%. The in-house model is viewed as superior in terms of leakage control, service quality, and negotiating power with hospitals. While TPA processing costs ~3% of premiums, the in-house approach incurs a lower cost of around 1.5%.
- Commercial lines are viewed as a scale enabler, helping spread fixed costs, although they are not considered a significant contributor to underwriting profits.
- The key monitorables include pricing pressure in corporate health and motor TP, potential regulatory reforms in hospital pricing, and rising acquisition costs amid competition.
- Growth could be constrained by the deliberate avoidance of unprofitable retail health, while TP rate hikes offer modest profitability gains.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
GDPI	90,156	102,821	117,934	135,998	156,180
NEP	70,964	80,460	89,497	105,336	122,169
Operating result	4,842	6,146	5,537	7,142	9,260
Profit after tax	1,817	4,249	6,438	7,192	9,113
Combined ratio (%)	108.7	109.3	106.6	105.5	104.4
RoE (%)	7.4	12.7	14.7	14.5	16.1
EPS (Rs)	2.1	4.6	7.0	7.8	9.9
P/E (x)	173.7	77.9	51.8	46.4	36.6

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	5.6	22.9	21.0	2.4
Rel to Nifty	8.5	25.1	13.9	1.9

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

Refer to important disclosures at the end of this report

Emkay
Your success is our success

HDFC Life Insurance

Driving growth with a balanced product mix

CMP	MCap (Rs bn)	TP & Rating
Rs766	1,652	Rs850 | BUY

We hosted Manish Chheda (VP –IR)

Key Meeting-Takeaways

- The company's ULIP mix, historically around 20% and lower than peers, has risen in recent years, with the momentum sustained despite no major product design changes; meanwhile, future designs will continue to evolve based on customer feedback.
- The company is undertaking transformation in its agency channels—driven by technology adoption, on-the-ground enhancements, and training-led productivity gains—which has already lifted agency market share, with the management expecting the growth momentum to continue.
- The company maintains strong partnerships with all banks, sustaining steady market share, and has completed physical integrations with HDFC Bank to improve the product mix. Enhanced product profiles, extensive digital integration boosting term plan share, cohort-based branch tracking, and a targeted push for protection products across banks have all contributed to performance gains.
- In certain lower ticket-size cohorts, the company has revised product designs, resulting in a deliberate slowdown in number of policies.
- The management expects growth to remain ahead of the industry, supported by steady demand for traditional products and resilience in ULIPs, even as the latter's share stays range-bound.
- Retail protection is anticipated to be a key growth driver, aided by deeper penetration across Tier 1, 2, and 3 markets, with a continued focus on customer acquisition—especially first-time buyers.
- HDFC Life aims to maintain market leadership within the top three private players and deliver sustainable double-digit growth in VNB.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
APE	132,910	154,790	178,391	206,410	238,885
VNB	35,010	39,620	46,142	53,949	62,300
VNB Margin (%)	26.3	25.6	25.9	26.1	26.1
EV	474,690	554,310	644,020	745,208	860,156
Op RoEV (%)	17.5	16.7	16.6	16.4	16.2
EVPS (Rs)	220.7	257.5	299.1	346.1	399.5
EPS (Rs)	7.4	8.5	9.7	11.0	12.8
P/EV (x)	3.5	3.0	2.6	2.2	1.9

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	0.9	4.3	21.8	9.1
Rel to Nifty	3.7	6.2	14.6	8.4

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

Refer to important disclosures at the end of this report

ICICI Lombard General Insurance

Focus remains on sustained profitable growth

CMP	MCap (Rs bn)	TP & Rating
Rs1,902	945	Rs2,100 | ADD

We hosted Poornima Subramanian (Deputy CFO) and Delzad Jivaasha (Deputy VP – Risk Management)

Key Meeting-Takeaways

- Growth in the Motor OD segment has been subdued owing to aggressive pricing and higher distributor payouts. The management remains focused on growing profitably in the segment.
- Industry representations have already been made for a potential price increase in Motor TP premiums, which, if implemented, is expected to drive both—growth and profitability. Rising court awards and persistent claims inflation further reinforce the need for such an adjustment.
- Retail Health is expected to remain a growth driver, supported by product innovation and strengthened distribution. Growth in the group health segment is expected to be subdued owing to softer credit disbursements and impact of 1/n accounting. The company's focus will remain on profitability and retention, rather than aggressive volume growth.
- The pricing environment in commercial lines has shown improvement compared to prior year's aggressive discounting, especially in the fire segment. The company maintains leadership in the Engineering and Marine lines of business, while focus will remain on prudent risk selection and distribution-led growth rather than chasing market share at the cost of profitability.
- Regarding EoM regulations, the management noted that several industry participants have exceeded the prescribed guideline limits. Companies that adopted aggressive strategies in recent years are now experiencing higher combined ratios and a moderation in growth.
- In the Health segment, following the implementation of the 1/n regulation, commissions have been standardized on 1/n basis. The management noted that within the Health segment, the industry has largely aligned its commission payout structure, and the Retail Health business has returned to a state of normalcy.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
GDPI	255,942	282,577	300,036	339,249	384,849
NEP	168,665	198,002	207,091	239,069	271,777
Operating result	19,059	22,669	26,811	28,931	34,240
Profit after tax	19,186	25,083	27,605	29,703	34,346
Combined ratio (%)	103.3	102.8	102.4	101.3	100.2
RoE (%)	17.2	19.1	18.0	17.2	17.7
EPS (Rs)	39.0	50.7	55.7	59.9	69.3
P/E (x)	48.8	37.6	34.2	31.7	27.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-5.5	3.5	7.8	-2.5
Rel to Nifty	-2.9	5.4	1.4	-3.1

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

Refer to important disclosures at the end of this report

ICICI Prudential Life Insurance

Emkay
Your success is our success

Diversified product and distribution strategy

CMP	MCap (Rs bn)	TP & Rating
Rs618	894	Rs675 | ADD

We hosted Dhiren Salian (CFO), Sweta Sharma (Associate VP), and Vivek N (Head – Credit Life Business)

Key Meeting-Takeaways

- The company's strategy is to target younger customers (30-45 years) with protection products and older customers (40-60 years) with savings. For this, it would leverage its long-term strengths in protection and annuities, to capture growth from India's youthful, affluent population. This would drive protection demand, with its aging segment fueling annuity demand.
- ICICI Pru Life operates with ~25 bank partners across private, PSU, and small finance banks, typically ranking among the top 3-4 and gaining share over time. The company has maintained its strong performance even without the preferred status of its parent bank and ensured diversification with no single non-parent partner contributing over 5% of business.
- The management expects realistic medium-term growth of ~15%, with potential upside in favorable conditions. It anticipates acceleration in H2, driven by savings products growing in line with the nominal GDP and protection products offering a higher CAGR potential.
- With the industry's insured lives count being stagnant, growth will depend on increasing the number of insured customers rather than merely upselling to existing ones.
- Retirement planning, particularly via annuities, involves allocating a part of the retirement corpus for stable daily expenses, while investing the rest flexibly; however, recent annuity launches have faced persistency and pricing challenges, which are now being addressed.
- Commission structures are market-driven and shaped by product uniqueness, with large peers benefiting from exclusive, high-volume bank partnerships that are hard to replicate. This allows for terms to be dictated only when the company offers a unique, exclusive product.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
APE	90,460	104,070	111,407	126,716	143,396
VNB	22,270	23,700	26,501	30,436	34,735
VNB Margin (%)	24.6	22.8	23.8	24.0	24.2
EV	423,370	479,510	538,989	605,536	679,625
Op RoEV (%)	14.1	13.1	13.5	13.5	13.4
EVPS (Rs)	294.6	331.8	372.9	419.0	470.2
EPS (Rs)	5.9	8.2	9.5	10.7	12.3
P/EV (x)	2.1	1.9	1.7	1.5	1.3

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-6.4	2.4	6.6	-15.2
Rel to Nifty	-3.9	4.2	0.3	-15.7

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

Refer to important disclosures at the end of this report

LIC

Your success is our success

Focus remains on Non-Par products

CMP	MCap (Rs bn)	TP & Rating
Rs917	5,797	Rs1,100 | ADD

We hosted Sunil Agrawal (CFO), R Anuradha (Deputy CFO), N Kalpana (Reporting Actuary), and Sanjay Bajaj (Head – IR)

Key Meeting-Takeaways

- The corporation has implemented several measures to enhance margins, including increasing the share of higher-margin Non-Par products. Product designs were revised following the new surrender regulations, with changes tailored to customer needs which also aided in increasing margins.
- The corporation's broader focus is on offering the full spectrum of products, with premium growth driven by customer demand. While ULIPs remain a key offering, the corporation will also renew emphasis on the Par segment.
- Customer preference has increasingly shifted toward Non-Par guaranteed products, prompting the corporation to launch several offerings in this segment which have gained strong traction. LIC has also focused on underwriting high-margin products, while increasing the average ticket size.
- While agency productivity, measured by the number of policies, has declined, productivity based on average ticket size has risen accompanied by an increase in the sum assured. The management remains confident that policy-based productivity will improve, supported by a strategic focus on recruiting millennial agents and prioritizing candidates who view agency as a full-time career.
- Though the strategy of focusing on Non-Par products has resulted in higher margins, the management remains focused on growing the absolute VNB, while balancing APE growth and VNB margins.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
APE	569,700	568,280	617,281	675,220	736,626
VNB	95,830	100,110	113,509	127,556	142,857
VNB Margin (%)	16.8	17.6	18.4	18.9	19.4
EV	7,273,440	7,768,750	8,627,649	9,560,130	10,571,367
Op RoEV (%)	11.5	11.4	11.2	11.1	11.0
EVPS (Rs)	1,150.0	1,228.3	1,364.1	1,511.5	1,671.4
EPS (Rs)	64.3	76.1	79.9	88.5	97.3
P/EV (x)	0.8	0.7	0.7	0.6	0.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-0.6	12.4	17.1	-14.7
Rel to Nifty	2.0	14.4	10.2	-15.2

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahek Shah
mahek.shah@emkayglobal.com
+91 22 6612 1218

Refer to important disclosures at the end of this report

eClerx Services

Consistent performance to drive rerating

CMP	MCap (Rs bn)	TP & Rating
Rs4,094	195	Rs3,950 | ADD

We hosted Srinivasan Nadadhur (CFO)

Key Meeting-Takeaways

- The management is hopeful of H2 being stronger than H1 and is reasonably confident of sequential growth in Q2. In the near term, headcount growth is a good indicator of revenue growth.
- The company expects the deal momentum to sustain in FY26, with full-year ACV better than FY25. The management has maintained adjusted EBITDA margin guidance of 24-28%.
- The management remains cautiously optimistic, given the macro backdrop. Clients are focused on cost control and operational efficiencies in the current environment.
- In BFSI, there are broad opportunities across large and small clients (both new and existing) driven by KYC opportunities and a mix of tech, data, and operations work. Within BFSI, the split of KYC and non-KYC is broadly equal. Fashion and Luxury segment remains under pressure due to the US market's underperformance and weakness in China. CMT showed good traction in new logo wins and cross-sell of services. High-tech and M&D grew strongly in Q1 and holds a positive outlook ahead.
- New deal ACV grew 20.4% YoY to USD32.3mn in Q1 (TTM ACV grew 43% YoY), and the pipeline remains healthy across geographies and verticals.
- The company plans to leverage new delivery centers to grow its footprint with both existing and new clients. It launched Lima operations in Q1, with Cairo operations set to go live in Q2.
- The company is leveraging GenAI across multiple products and services, including KYC/compliance, customer care, etc. It leverages the Roboworx platform with integrated Agentic AI framework to build upon its existing ecosystem. By combining deep domain expertise, technology, and process knowledge, the company views Agentic AI as a significant opportunity to enhance its service delivery. Together, GenAI and these technological strengths are fueling revenue growth and margin expansion.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	29,255	33,659	39,552	44,986	50,624
EBITDA	7,750	8,209	9,806	11,241	12,677
EBITDA Margin (%)	26.5	24.4	24.8	25.0	25.0
APAT	5,133	5,411	6,225	7,227	8,387
EPS (Rs)	104.7	113.6	134.3	160.4	186.1
EPS (% chg)	5.0	8.5	18.3	19.4	16.0
ROE (%)	25.9	23.8	25.7	27.0	25.9
P/E (x)	39.1	36.1	30.5	25.5	22.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	17.6	58.0	32.4	60.2
Rel to Nifty	20.8	60.8	24.6	59.3

Dipesh Mehta
dipeshkumar.mehta@emkayglobal.com
+91 22 6612 1253

Jimit Gandhi
jimit.gandhi@emkayglobal.com
+91 22 6612 1314

Shivang Bagla
shivang.bagla@emkayglobal.com
+91 22 6612 1491

Refer to important disclosures at the end of this report

Hexaware Technologies (Not Rated)

Emkay
Your success is our success

Macro environment inflicted slowdown; GCC strategy at play

CMP	MCap (Rs bn)	TP & Rating
Rs707	430	NA | NR

We hosted Niraj Khemka (IR)

Key Meeting-Takeaways

- The management has revised its CY25 revenue growth expectations downward to reflect the ongoing delays in deal closures. However, it has reiterated its guidance for reported EBITDA margin at 17.1-17.4% for CY25 (targets to reach 19% by CY28/29, which is ~50bps expansion each year). In addition, it has maintained its long-term revenue target of USD3bn by CY29 (at 17.5% CAGR; 2-2.5% inorganic contribution) despite near-term challenges. Priority remains on revenue growth acceleration over margin expansion.
- The company attributes the present slowdown primarily to cyclical macroeconomic factors, including tariffs and geopolitical volatility rather than structural industry shifts or AI-driven disruption.
- While small and mid-sized deals are progressing well, decision-making for larger consolidation deals is still ongoing and slower than expected.
- In terms of verticals, Financial Services (FS) and Travel and Transportation (T&T) are expected to drive growth, while Banking is set to grow in line with the company average. Healthcare and Insurance (H&I) and Hi-tech and Professional Services (HTPS) are projected to grow slightly below average; M&C continues to face weakness due to macro factors.
- It has scaled up the RapidX platform for legacy modernization, with two customers progressing from pilots to paid, production-scale engagements.
- Hexaware acquired SMC Squared recently (established more than 30 GCCs), which is in line with its strategy to scale up GCC offerings. It aims to capitalize on the growing GCC market, enhance services with AI-driven solutions, and expand into international markets, with the acquisition being EPS accretive.
- Geographically, Hexaware is intensifying its focus on the US, UK, India, and the Middle East, with Asia Pacific positioned for a growth revival following the acquisition of SMC and ongoing investments.

Financial Snapshot (Consolidated)

(Rs mn)	CY20	CY21	CY22	CY23	CY24
Revenue	-	-	-	103,891	120,493
EBITDA	-	-	-	15,811	18,302
EBITDA Margin (%)	-	-	-	15.2	15.2
APAT	-	-	-	9,976	11,764
EPS (Rs)	-	-	-	16.5	19.4
EPS (% chg)	-	-	-	52.9	17.8
ROE (%)	-	-	-	27.0	23.6
P/E (x)	-	-	-	43.0	36.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M
Absolute Returns	-17.7	-5.6
Rel to Nifty	-15.5	-4.0

Dipesh Mehta
dipeshkumar.mehta@emkayglobal.com
+91 22 6612 1253

Jimit Gandhi
jimit.gandhi@emkayglobal.com
+91 22 6612 1314

Shivang Bagla
shivang.bagla@emkayglobal.com
+91 22 6612 1491

LTIMindtree

Deal wins to unleash growth

CMP	MCap (Rs bn)	TP & Rating
Rs5,107	1,514	Rs5,400 | ADD

We hosted Vikas Jadhav (Head IR) and Nikita Raja (IR)

Key Meeting-Takeaways

- The management continues to see demand opportunities in cost-saving initiatives, vendor consolidation, and tech modernization, amid the uncertain macro environment.
- The management aims to achieve revenue of USD10bn over 5–6 years, implying a CAGR of ~13%. At this scale, the aspirational operating margin is 17%.
- It is confident of the revenue growth momentum ahead on ramp-up of deals and the robust pipeline. It expects margin improvement, aided by anticipated revenue growth momentum and benefits accruing from Fit4Future program.
- BFS clients are still cautious in terms of spends due to the uncertain macro environment. In TMT, customers are pivoting their business models toward AI, with spending increasingly aligned to support this shift.
- Deal wins remained strong, with TCV of USD1.6bn (book-to-bill: ~1.4x) in Q1, marking the third consecutive quarter with order inflow exceeding USD1.5bn. There has been increased momentum on large deals, and the company hopes to close a few more in Q2FY26 to build a healthy orderbook on a full-year basis.
- NextEra, the company's JV in Saudi Arabia with Aramco Digital, became fully operational in Q1. While it is partnering with Aramco and other clients in the region, the JV is expected to operate at margins below the company's average.
- LTIM launched BlueVerse, an Agentic AI ecosystem, which includes AI Advisory for accelerating innovation, AI Foundry for building solutions, and a marketplace with over 300 industry and function-specific AI agents.
- LTIM has also launched GCC-as-a-service, an AI-powered industry offering that provides modular, unit-based framework for clients to establish, optimize, and scale their capability centers effectively.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	355,170	380,081	408,275	447,637	486,207
EBITDA	63,874	64,949	70,932	82,803	90,525
EBITDA Margin (%)	18.0	17.1	17.4	18.5	18.6
APAT	45,821	45,987	50,976	59,761	66,357
EPS (Rs)	154.8	155.2	172.1	201.7	224.0
EPS (% chg)	3.9	0.2	10.8	17.2	11.0
ROE (%)	25.0	21.5	21.1	21.8	21.3
P/E (x)	33.0	32.9	29.7	25.3	22.8

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.9	3.4	-10.5	-5.4
Rel to Nifty	0.8	5.2	-15.8	-6.0

Dipesh Mehta
dipeshkumar.mehta@emkayglobal.com
+91 22 6612 1253

Jimit Gandhi
jimit.gandhi@emkayglobal.com
+91 22 6612 1314

Shivang Bagla
shivang.bagla@emkayglobal.com
+91 22 6612 1491

Refer to important disclosures at the end of this report

Persistent Systems

Your success is our success

Medium-term outlook intact

CMP	MCap (Rs bn)	TP & Rating
Rs5,232	818	Rs6,000 | REDUCE

We hosted Alankrita Lall (IR)

Key Meeting Takeaways

- In FY26, the company expects growth across verticals, with BFSI leading the pack, followed by Hi-tech and Healthcare. The management reaffirmed its revenue run-rate aspiration of USD2bn by FY27-end, with margin expansion of 200-300bps and revenue run-rate of USD5bn by FY31. Pricing, utilization, offshore shift, likely moderation in ESOP costs as a % of revenue, SG&A leverage, anticipated increase in platform-based services revenue share, and operating efficiencies remain key margin levers.
- The management remains confident about the medium-term growth momentum, although elevated macro and geopolitical uncertainty may cause a near-term blip, as clients adopt a more cautious stance. It believes that any improvement in the broader market landscape could prove to be positive for the business.
- It will focus on small, capability-driven, tuck-in acquisitions in the US, and a larger and scaled acquisition in Europe to drive revenue share to 15% of revenue.
- Persistent has high exposure to three verticals: BFSI, Hi-tech, and Healthcare, of which the latter two face some sort of demand pressure. Hi-tech faces some pressure due to client-specific issues. HLS spending is impacted by the DOGE program, with the pressure on federal spending impacting research funding to universities.
- The management continues its strong focus on AI strategy, particularly through investments in its proprietary platform SASVA and complementary platforms like iAURA. It has also developed industry-specific AI agents, such as an underwriter agent for loan origination and Symmetra Agent for scientific discovery in healthcare. It is pursuing an AI-led strategy focused on two areas: 'AI for technology' to enhance engineering productivity, and 'AI for business' to help enterprises become AI-ready and adopt agentic AI.
- The company has postponed annual wage hikes by one quarter due to prevailing macro uncertainty.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	98,216	119,387	142,232	168,074	196,071
EBITDA	16,757	20,582	25,678	31,036	36,990
EBITDA Margin (%)	17.1	17.2	18.1	18.5	18.9
APAT	10,935	14,046	17,737	21,691	26,285
EPS (Rs)	71.0	90.1	113.8	139.2	168.7
EPS (% chg)	-42.9	27.0	26.3	22.3	21.2
ROE (%)	24.5	24.9	25.8	26.9	27.6
P/E (x)	73.7	58.1	46.0	37.6	31.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-6.2	-11.0	-8.3	11.9
Rel to Nifty	-3.7	-9.4	-13.7	11.3

Dipesh Mehta
dipeshkumar.mehta@emkayglobal.com
+91 22 6612 1253

Jimit Gandhi
jimit.gandhi@emkayglobal.com
+91 22 6612 1314

Shivang Bagla
shivang.bagla@emkayglobal.com
+91 22 6612 1491

Refer to important disclosures at the end of this report

TeamLease

Consistent delivery on guidance to drive upside

CMP	MCap (Rs bn)	TP & Rating
Rs1,716	29	Rs2,050 | ADD

We hosted Ramani Dathi (CFO and COO) and Kunal Tharad (IR)

Key Meeting-Takeaways

- The management expects FMCG, Telecom, and BFSI to accelerate in the coming quarters, driving a 30% YoY EBITDA growth in FY26, coupled with other growth levers.
- The company faced headwinds in Q1 from sectoral slowdowns in BFSI and IT, seasonal softness in EdTech, annual wage increases for core employees, lower metro hiring, and margin dilution from the contract mix.
- General Staffing's growth strategy is anchored on three key levers: deepening wallet share with existing clients, benefits accruing from continuing formalization, and capitalizing on sectoral rebounds.
- Within Specialized Staffing, the company serves 75 GCC clients with increased momentum in BFSI, Healthcare, Hi Tech, and Engineering. IT hiring remained sluggish in Q1 due to continued weakness in the traditional IT services sector; however, there is positive momentum in Tier-2 companies and digital-first organizations.
- The company expects other HR services segment to sustain revenue growth of 25-30%, at least for the next couple of years, targeting EBITDA margin of 6–8% in EdTech and HR Tech (HR Tech is expected to turn positive by mid-FY27). Degree Apprenticeship continues to gain momentum, with broader sectoral adoption and deeper client integration.
- The company plans to have a formal payout policy this year. It had earlier planned for larger M&As and thus preferred to retain cash on its balance sheet; however, considering the change in growth strategy and risks involved in large M&As, it has decided to pursue tuck-in capability-driven M&As with consideration under Rs1bn. Focus areas for M&A remain on employee and employment-related services, and scaling up of HRtech and Regtech businesses.
- The management expects ETR (consol) to be ~6-7% in FY26 and gradually increase to ~10% ahead, with growing profit contribution from professional services and other HR services segments.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	93,215	111,559	129,001	155,518	186,179
EBITDA	1,308	1,381	1,689	2,242	2,718
EBITDA Margin (%)	1.4	1.2	1.3	1.4	1.5
APAT	1,086	1,088	1,365	1,837	2,305
EPS (Rs)	64.6	64.9	81.4	109.5	137.4
EPS (% chg)	-2.9	0.4	25.5	34.6	25.4
ROE (%)	13.5	12.8	14.0	16.2	17.2
P/E (x)	26.6	26.5	21.1	15.7	12.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-11.9	-11.7	-19.1	-44.5
Rel to Nifty	-9.6	-10.1	-23.9	-44.9

Dipesh Mehta
dipeshkumar.mehta@emkayglobal.com
+91 22 6612 1253

Jimit Gandhi
jimit.gandhi@emkayglobal.com
+91 22 6612 1314

Shivang Bagla
shivang.bagla@emkayglobal.com
+91 22 6612 1491

AB Capital

Scaling up, with control and focus on quality

CMP	MCap (Rs bn)	TP & Rating
Rs268	700	Rs320 | BUY

We hosted Mayank Bathwal (CEO - ABHI), Pramod Bohra (VP - Corporate Finance & IR), and Aashwij Mallya (AVP - IR)

Key Meeting-Takeaways

- The management reiterated its medium-term ambition of 20-25% consolidated loan book CAGR, driven by scaling up the retail and SME franchise, while continuing to deepen insurance and asset management penetration.
- The company's NBFC arm is expected to grow its granular, secured retail and SME loan book, while maintaining GNPA below 2% and credit costs contained at current levels. Affordable housing finance will see aggressive scale-up, with rural and semi-urban markets contributing a bigger share. Consumer finance growth will be digitally led for improving speed and cost efficiency. The company also highlighted that >80% of the lending book is retail and SME, with small ticket sizes and secured collateral, thus limiting concentration risk and reducing volatility in credit costs.
- In the Housing Finance portfolio, the management noted that the quality of affordable housing remains strong, with GNPA well under the industry average. Continued focus on the salaried borrower segment and lower loan-to-value ratios keeps early delinquency risk low.
- In terms of asset quality, the management reiterated that GNPA will be held below 2% and NNPA below 1% across the lending portfolio, even as the loan book grows in double digits.
- The company intends to expand RoE toward the high-teens over the next 2-3 years through operating leverage, cross-sell synergies across the group, and improved cost-to-income.
- 53% of the Stage 3 unsecured business loan portfolio is backed by the government's guarantee schemes. This coverage significantly reduces potential LGD (loss given default) on such stressed accounts, helping contain credit costs and support recovery efforts.
- Aditya Birla Health Insurance (ABHI) is expected to outpace industry premium growth, with the management targeting a sustained high double-digit increases in gross written premium (GWP) by expanding in underpenetrated tier 2/3 markets and enhancing digital acquisition channels.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	61,767	65,433	85,414	105,608	126,105
Net profit	21,366	29,572	32,258	41,495	50,277
EPS (Rs)	11.5	11.4	12.4	15.9	19.3
ABV (Rs)	84.7	96.6	107.9	123.8	143.1
RoA (%)	3.0	2.1	2.2	2.3	2.3
RoE (%)	17.5	12.5	12.1	13.7	14.5
P/E (x)	23.3	23.6	21.6	16.8	13.9
P/ABV (x)	3.2	2.8	2.5	2.2	1.9

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-0.5	30.4	69.0	26.1
Rel to Nifty	2.2	32.7	59.1	25.4

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Kishan Rungta
kishan.rungta@emkayglobal.com
+91 22 6624 2490

Fedbank Financial Services

Focusing on strong growth without compromising on asset quality

CMP	MCap (Rs bn)	TP & Rating
Rs130	49	NA| NR

We hosted Parvez Mulla (MD and CEO) and CV Ganesh (CFO)

Key Meeting-Takeaways

- The management indicated that mortgage loans (54.4% of AUM) and gold loans (40.3% of AUM) will remain the twin growth drivers. It plans using its gold loan branches (with separate operations) to offer small-ticket LAPs which should help improve operating efficiency and create more opportunities for tapping LAP customers from the existing gold loan footfall.
- In the medium term, the company targets achieving double-digit AUM growth, underpinned by secured lending (Mortgages and Gold). Unsecured business loans are currently only 2-3% of AUM and remain a non focus area for the company. Also, the management indicated that small ticket LAP remains the core focus area.
- The management aims to lift the RoA to ~3% and the RoE to 15% over the medium term, through strict operating cost control and steady yields, even while maintaining competitive gold loan pricing.
- In terms of asset quality, the management remains confident of maintaining robust asset quality, with GS3 of ~2% and NS3 of ~1.2%. The management also informed that >96% of the AUM is secured against property (mostly SORP) or gold, and most of its customers have a strong CIBIL score.
- With 668 branches in 18 states, the management identifies scope for selective growth, particularly in the underpenetrated northern and western India markets, for accelerating AUM growth. It plans adding another 100 branches and co-locating its small LAP segment which would result in opex moderation and improved disbursements.
- In terms of off-book/co-lending, the management highlighted that off-book assets are already ~26% of the total AUM, and additional co-lending and assignment transactions are likely to help accelerate fee income and enhance capital efficiency without ballooning the balance sheet.
- Credit costs are at 0.8%, and expected to remain low due to conservative underwriting, improving collection efficiency, and high collateral coverage.
- Borrowing costs have declined to 8.56%, and the management expects maintaining this advantage via a diversified funding base, with further improvement anticipated in coming quarters.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Net income	3,449	4,742	6,380	8,120	10,708
Net profit	617	1,035	1,801	2,447	2,252
EPS (Rs)	2.2	3.3	5.6	7.2	6.1
ABV (Rs)	28.8	35.9	42.1	61.2	68.3
RoA (%)	1.3	1.7	2.3	2.4	1.8
RoE (%)	8.1	10.4	14.4	13.5	9.4
P/E (x)	59.4	39.2	23.2	18.0	21.5
P/ABV (x)	4.5	3.6	3.1	2.1	1.9

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	13.2	52.1	41.5	7.7
Rel to Nifty	16.2	54.8	33.2	7.1

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Kishan Rungta
kishan.rungta@emkayglobal.com
+91 22 6624 2490

Northern ARC Capital

Shaping a stronger and more resilient retail engine for steady growth

CMP	MCap (Rs bn)	TP & Rating
Rs229	37	NA |NR

We hosted Ashish Mehrotra (MD and CEO), Atul Tibrewal (CFO), Jigar Seta (Strategy and IR), and Chetan Parmar (Head - IR)

Key Meeting-Takeaways

- The management targets ~25% AUM growth over the next three years, with Direct-to-Customer lending climbing to ~70% of the book by FY28, spearheaded by MSME, consumer, and rural finance.
- The management indicated that margins are expected to improve progressively. It attributed the Q1FY26 impact to a reduction in the rural book and a deliberate reshaping of the consumer portfolio; however, it anticipates steady gains as the retail mix increases each quarter. It further stated that Intermediate Retail Credit Solutions will continue to be an important contributor to fee income and diversification, while retail is expected to serve as the primary growth engine, supported by branches, partnerships, and digital sourcing.
- Operating expense ratio is expected to remain range-bound at 3.6–3.9%, supported by efficiency gains from digital platforms, enhanced data analytics, and a leaner, more productive branch network.
- The company targets 3.7-4% RoA/16-18% RoE in the medium term, as a result of the portfolio mix shift toward the higher-margin retail segments, margin improvement, leaner branch operations.
- In terms of credit cost, the management gave FY26 guidance of 2.7–2.9%, lower than Q1's high 3%.
- The management expects H2FY26 to benefit from the RBI’s rate cuts, improved liquidity, stronger consumption, and higher capex flowing to MSMEs, though it remains cautious for H1.
- Northern Arc’s fund management arm channels capital from domestic and global investors into its originated credit, thus generating steady fee income and ensuring a recurring funding source for its lending business. Also, the company earns recurring partnership fees from FLDG-backed loan originations, thereby adding stable revenue alongside interest income and showcasing the value of its scale, credit expertise, and tech platforms.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Net income	2,666	3,615	5,419	8,630	11,470
Net profit	734	1,821	2,444	3,170	3,010
EPS (Rs)	6.4	19.5	25.9	34.6	20.3
ABV (Rs)	190.3	206.1	232.2	259.6	213.0
RoA (%)	1.4	2.6	2.7	3.0	2.4
RoE (%)	4.4	10.4	12.5	14.5	10.0
P/E (x)	35.8	11.7	8.9	6.6	11.3
P/ABV (x)	1.2	1.1	1.0	0.9	1.1

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-7.3	11.9	26.3	NA
Rel to Nifty	-4.8	13.9	18.8	NA

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Kishan Rungta
kishan.rungta@emkayglobal.com
+91 22 6624 2490

GAIL (India)

Emkay
Your success is our success

Near-term blip; long-term growth intact

CMP	MCap (Rs bn)	TP & Rating
Rs174	1,146	Rs210 | BUY

We hosted the management of GAIL

Key Meeting-Takeaways

- Transmission volume guidance for FY26 has been revised down to 127-128mmscmd, from the initial 138-139mmscmd (was later cut to 132mmscmd, following a weak Q1FY26). The decline in Q1 was driven by a 3mmscmd drop in refinery offtake, a 1.6mmscmd fall in power offtake, multiple unscheduled shutdowns in the fertilizer sector, and slower-than-expected CGD growth. Current transmission volumes stand at ~124mmscmd and are expected to improve in Q2, supported by higher gas power demand amid an anticipated decline in hydropower generation, besides increased offtake as fertilizer plants return to normal operations. Ahead, volumes are expected to increase with power and fertilizer adding 1.5mmscmd each, while connectivity to eastern region is set to bring additional refineries and other customers. The management retains its marketing PBT guidance of Rs40-45bn.
- Despite a healthy offtake in India, the petchem outlook remains subdued, weighed down by softer polymer prices and rising gas costs. The management does not expect the petchem segment to turn profitable in FY26, although aims to minimise losses with expectation of a recovery in petchem spreads ahead. The PDH-PP is expected to deliver a project IRR of 13-14%, even at current commodity pricing.
- Majority of the ongoing pipeline projects are slated for phased commissioning in FY26, while the Gurdaspur-Jammu pipeline is expected in FY27. PATA and GMPL petchem projects are also on track for FY26 commissioning, while the PDH PP is delayed to FY27 due to civil contract-related delays. The Durgapur-Haldia section of JHBDPL was commissioned in Jul-25, connecting Bengal to the national gird. Additionally, PNGRB has approved the Jamnagar-Loni LPG pipeline capacity expansion from 3.25mmtpa to 6.5mmtpa, at a capex of Rs50bn and a 3-year execution timeline.
- FY27 capex target is Rs120bn, allocated as: Rs40bn for the pipeline, Rs2bn for CGD, Rs25bn for petchem, Rs5bn for E&P, Rs20 for net-zero/RE, Rs14bn for operations, Rs8.5/5bn for equity infusion/others.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,305,731	1,372,078	1,500,771	1,523,540	1,618,757
EBITDA	133,747	143,272	150,236	161,768	170,979
EBITDA Margin (%)	10.2	10.4	10.0	10.6	10.6
APAT	88,365	94,504	99,013	106,527	113,939
EPS (Rs)	13.4	14.4	15.1	16.2	17.3
EPS (% chg)	62.2	6.9	4.8	7.6	7.0
ROE (%)	14.7	13.2	13.6	13.6	13.6
P/E (x)	13.0	12.1	11.6	10.8	10.1

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-4.2	-7.2	9.1	-24.8
Rel to Nifty	-1.6	-5.5	2.7	-25.3

Sabri Hazarika
Sabri.hazarika@emkayglobal.com
+91 22 66121282

Arya Patel
Arya.patel@emkayglobal.com
+91 22 66121285

Refer to important disclosures at the end of this report

Mahanagar Gas

Emkay
Your success is our success

Growth levers intact amid margin cushion

CMP	MCap (Rs bn)	TP & Rating
Rs1,357	134	Rs1,700 | BUY

We hosted Ashu Shinghal (CEO) and Rajesh Patel (CFO)

Key Meeting-Takeaways

- MGL has maintained its double-digit volume growth in recent quarters. In FY26, the management expects overall volumes to grow in high single to low double digits, with Raigad GA expected to grow 15–20% in FY26 and FY27; meanwhile, UEPL is anticipated to deliver a strong ~30% annual growth ahead.
- CNG volume growth moderated in Q1FY26, primarily due to lower offtake by BEST and a slowdown in new vehicle additions. CNG conversion stood at 20,332, down from ~27,000 QoQ, as rise in vehicle costs weighed on sales. Early monsoons and school vacations likely added to the softness in CNG demand. However, Q2FY26 volumes are expected to be better. The decline in BEST volumes are expected to be partly offset by higher MSRTC volumes. MSRTC currently operates ~600 CNG buses and plans to expand its fleet to ~1,800 buses across Maharashtra.
- APM allocation for the CNG segment currently stands at ~37%, with NWG accounting for 16%. While no major adjustments in APM allocation are expected in the near term, MGL is well positioned to manage any further reduction by substituting the shortfall with NWG volumes, while additional HP-HT gas is expected to be available via auction. The management has guided for FY26 EBITDA/scm of Rs9-9.5; however, MGL continues to enjoy higher margins and offers CNG at lower prices than peers, providing pricing flexibility to safeguard margins.
- ~68-70% of MGL's volumes are under Z1 unified tariff, with the remaining 30-32% falling under Z2 and Z3, with HP-HT classified under Z3 tariff. Pipeline reforms announced by PNGRB could result in cost impact of Rs0.6-0.7/kg, though final tariffs are yet to be announced. However, MGL can leverage its competitive pricing advantage to pass on the additional cost to consumers, if required.
- Capex target for FY26-27 (including UEPL) is Rs11-13bn and the company plans to add 80 CNG stations in FY26 at an estimated capex of Rs3-3.5bn. To enhance throughput per station, it is setting up 3 CGS in GA3 with one scheduled to be operational by Aug-25 and the remaining 2 within 7-12 months. MGL currently operates 1 LNG station, with another nearing completion in Madhya Pradesh, and has 3-4 additional stations planned for FY26, taking the total to 6-7 LNG stations expected to be operational during FY26. The company is actively pursuing acquisition opportunities and may bid for GAs that PNGRB could re-auction if existing operators significantly underperform on their MWP targets.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	62,445	68,603	77,165	84,962	92,578
EBITDA	18,426	14,464	16,209	17,665	19,030
EBITDA Margin (%)	29.5	21.1	21.0	20.8	20.6
APAT	12,891	9,967	10,851	11,652	12,373
EPS (Rs)	130.5	100.9	109.9	118.0	125.3
EPS (% chg)	63.2	-22.7	8.9	7.4	6.2
ROE (%)	27.8	18.9	18.6	16.4	15.8
P/E (x)	10.4	13.4	12.4	11.5	10.8

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-8.7	-3.7	4.2	-25.7
Rel to Nifty	-6.2	-2.0	-1.9	-26.2

Sabri Hazarika
Sabri.hazarika@emkayglobal.com
+91 22 66121282

Arya Patel
Arya.patel@emkayglobal.com
+91 22 66121285

Neuland Laboratories

Emkay
Your success is our success

CMP	MCap (Rs bn)	TP & Rating
Rs 12,979	167	NA | NR

We hosted Sajeev Medikonda (AVP - Corporate Planning and Strategy)

Key Meeting-Takeaways

- New production block in Unit 3 has been capitalized and is expected to begin commercial production later in FY26.
- The company is pursuing a dual strategy of scaling up high-margin specialty APIs while growing volumes in its Prime API portfolio.
- The peptide pipeline includes multiple CMS molecules in early to late-stage development, with a new Phase 3 peptide molecule added recently. The company is expanding the peptide facility adjacent to Unit 1, to create an integrated site.
- Neuland is not pursuing Semaglutide or Liraglutide, but exploring Tirzepatide development under the GDS portfolio.
- Strong traction with biotech clients is expected to continue, particularly as global funding improves and more programs advance into clinical and commercial phases.
- Expect the recently added Phase 3 CMS molecule to begin contributing soon, with CMS business likely to account for 65-70% of revenue over time.
- Current growth is driven by 3–5 young molecules in both—CMS and GDS, many of which are in the early stages of their lifecycle. Two CMS molecules—one recently launched and another approved last year—are being scaled up, marking key execution milestones.
- Neuland is focused on chemical synthesis vs players in the Semaglutide space adopting a recombinant approach. The chemical synthesis route is considerably expensive. The company will need to import peptide fragments from China for making the API.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	9,530	9,532	12,010	15,711	15,738
EBITDA	1,468	1,426	2,718	4,626	3,233
EBITDA Margin (%)	15.4	15.0	22.6	29.4	20.5
APAT	806	638	1,635	3,001	2,027
EPS (Rs)	62.9	49.7	127.5	233.9	202.7
EPS (% chg)	397.6	-20.9	156.2	83.5	-13.3
ROE (%)	10.8	7.8	17.8	26.4	14.4
P/E (x)	206.5	260.9	101.8	55.5	64.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	5.5	3.3	-4.9	11.5
Rel to Nifty	8.4	5.1	-10.5	10.9

Shashank Krishnakumar
shashank.krishnakumar@emkayglobal.com
+91 22 66242466

Bhavya Gandhi
bhavya.gandhi@emkayglobal.com
+91 22 66242409

Mohd Suheb Alam
suheb.alam@emkayglobal.com
+91 22 66242413

Refer to important disclosures at the end of this report

Senores Pharma

CMP	MCap (Rs bn)	TP & Rating
Rs 673	31	NA | NR

We hosted Swapnil Shah (MD) and Deval Shah (CFO)

Key Meeting Takeaways

- The management reiterated its FY26 guidance of 50% YoY topline growth and 100% PAT growth over FY25, with a strong momentum expected in 2HFY26 and visibility for FY27. Regulated markets (mainly US) to remain 60–70% of revenue; emerging markets at 30–40% for at least the next two fiscal years.
- FY26 capex will be Rs1-1.5bn, lower than the earlier Rs2.5bn, allocated between US and India for plant expansion, API backward integration, and addition of sterile capacity. The expansion will be funded through internal accruals, some debt, and remaining IPO proceeds.
- Senores has >50 products in the US CDMO/CMO pipeline; regular ANDA launches and strong registration momentum in emerging markets further provide robust medium-term growth visibility.
- Newly commissioned Chhatral API facility, with an annual capacity of 100–150MT, is progressing as planned.
- Domestic branded generics business has nearly doubled its monthly run rate to ~Rs25mn in recent months and is expected to cross Rs500mn in revenue in FY26.
- US plant expansion is on track, with the third line expected to be operational by 3QFY26 and the fourth by year-end. This will increase total capacity, from 1.2billion to 2billion units annually. Following the completion of the fourth line, a sterile manufacturing setup will be initiated.
- The company has a portfolio of ~1,600 products, with >300 already approved and 500 filings expected in the next 6 months.
- Within the controlled substance business, some scheduled products are required to be manufactured only in the US. India is not a preferred source even for other products due to a 6-9M lag for regulatory approvals.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	81	146	390	2,173	4,175
EBITDA	10	20	127	416	897
EBITDA Margin (%)	12.7	13.3	32.5	19.1	21.5
APAT	8	10	84	315	586
EPS (Rs)	2.2	1.2	8.9	13.7	16.1
EPS (% chg)	-	-45.5	639.2	54.1	17.9
ROE (%)	-	4.3	20.5	22.7	11.2
P/E (x)	305.9	560.9	75.9	49.2	41.8

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	10.1	31.8	27.0	-
Rel to Nifty	13.0	34.2	19.5	-

Shashank Krishnakumar
shashank.krishnakumar@emkayglobal.com
+91 22 66242466

Bhavya Gandhi
bhavya.gandhi@emkayglobal.com
+91 22 66242409

Mohd Suheb Alam
suheb.alam@emkayglobal.com
+91 22 66242413

Refer to important disclosures at the end of this report

Strides Pharma Science

Emkay
Your success is our success

CMP	MCap (Rs bn)	TP & Rating
Rs 816	75	NA | NR

We hosted Badree Komandur (MD and CEO) and Saurabh Ambaselkar (IR)

Key Meeting Takeaways

- The management reiterated its USD400mn US sales target and the USD400mn sales aspiration for non-US markets by FY28.
- The company's commercialized portfolio in the US now stands at 70 products. Some low-margin products were discontinued last quarter, in line with the objective of maintaining margin discipline.
- The Chestnut Ridge plant now accounts for about one-third of all US revenue. It is currently operating a single shift, offering enough headroom to ramp up production, if required.
- No new borrowings will be undertaken for capex or R&D, with all growth initiatives funded through internal accruals. The company targets becoming net debt-free within 3-4 years.
- The company has a portfolio of >140 ANDAs, which are yet to be commercialized, with 20 new product launches expected in the US every year.
- Strategic investments in higher-value segments such as 505(b)(2) programs, nasal sprays, patches, and films will augment growth beyond the USD400mn target.
- The controlled substance strategy is progressing well, with capabilities centered at the Chestnut Ridge facility. The sales from controlled substances in the US are currently considerably low and are expected to increase to USD25-30mn in the near term.
- The UK, Nordics, South Africa, French Africa, and Australia are the key non-US markets; the Nordics will see rapid growth and are a market that offers high profitability.
- Access Markets sales remain largely subdued due to persistent challenges in donor funding, with significant cuts from key agencies like USAID impacting anti-retroviral and malaria programs. The company sees orders improving going ahead.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	34,246	32,022	37,973	39,794	78,787
EBITDA	5,370	-3,748	1,279	3,394	8,028
EBITDA Margin (%)	15.7	-11.7	3.4	8.5	10.2
APAT	2,301	-2,164	-2,042	365	3,510
EPS (Rs)	13.1	-	-	3.9	390.5
EPS (% chg)	637.6	-	-	-	-
ROE (%)	8.5	-	-	1.8	15.1
P/E (x)	62.2	-	-	-	NM

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-8.1	25.3	22.9	58.3
Rel to Nifty	-5.6	27.5	15.7	57.4

Shashank Krishnakumar
shashank.krishnakumar@emkayglobal.com
+91 22 66242466

Bhavya Gandhi
bhavya.gandhi@emkayglobal.com
+91 22 66242409

Mohd Suheb Alam
suheb.alam@emkayglobal.com
+91 22 66242413

Sun Pharmaceutical Industries

Emkay
Your success is our success

CMP	MCap (Rs bn)	TP & Rating
Rs1,622	3,882	Rs2,000 | BUY

We hosted Abhishek Sharma (Head - IR and Strategic Projects)

Key Meeting Takeaways

- Sun has not received any communication from the US authorities with respect to MFN; some products like Levulan are sold exclusively in the US.
- Large scale, high-volume pharma manufacturing facilities, like in India, cannot be set up in the US.
- Long-term data for Unloxcyt has been submitted for addition to the product's label in the US; launch expected in 2HFY26. The product will benefit from some overlap with Odomzo in terms of the prescriber base. Focus will be on highlighting its efficacy and safety profiles to doctors.
- The company expects to make a regulatory filing for Ilumya's Psoriatic Arthritis indication by the end of CY25; an approval is possible within 12 months of the filing. 30% of the Psoriasis patients also suffer from Psoriatic Arthritis.
- Payor coverage for Leqselvi is unlikely to be a challenge; the cosmetic condition that the product addresses is not cited as a factor by payors during negotiations. Focus during the first year will be on ensuring a smooth reimbursement experience for doctors and patients.
- R&D investments in biosimilars will not be in line with that of peers, although Sun could be open to acquiring companies with manufacturing capabilities in biosimilars, filings, and product pipeline in place.
- The company expects no impact of Stelara biosimilars on the growth of IL-23 inhibitors.
- Targeting specialists in the more affluent towns within tier 2/3 towns in the domestic market is now possible; MR productivity remaining flat is on account of a focus on growth and MR addition.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	484,968	525,784	571,184	632,475	701,545
EBITDA	130,231	152,717	160,217	185,631	212,217
EBITDA Margin (%)	26.9	29.0	28.1	29.4	30.3
APAT	100,706	119,844	113,968	133,930	155,018
EPS (Rs)	42.0	50.0	47.5	55.8	64.6
EPS (% chg)	16.5	19.0	-4.9	17.5	15.7
ROE (%)	16.8	17.6	15.1	16.1	16.9
P/E (x)	38.6	32.4	34.1	29.1	25.1

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-3.0	-3.8	-4.2	-6.4
Rel to Nifty	-0.4	-2.1	-9.9	-7.0

Shashank Krishnakumar
shashank.krishnakumar@emkayglobal.com
+91 22 66242466

Bhavya Gandhi
bhavya.gandhi@emkayglobal.com
+91 22 66242409

Mohd Suheb Alam
suheb.alam@emkayglobal.com
+91 22 66242413

Refer to important disclosures at the end of this report

Zota Healthcare (Dava India)

India Equity Research | Pharma
August 12, 2025
Conference Note

Emkay
Your success is our success

CMP	MCap (Rs bn)	TP & Rating
Rs 1333	39	NA | NR

We hosted Himanshu Zota and Moxesh Zota (Promoters)

Key Meeting Takeaways

- The management plans adding 800 COCO stores in FY26, though a temporary pause or consolidation may occur after 1–2 more years of high growth. The company targets reaching a 5,000 store-count in 2-3 years.
- The company has a cash balance of Rs2bn (expected to reach Rs2.20–2.25bn, factoring in warrant conversion), sufficient to fund 800-1,000 new COCO stores over the next 12-18 months.
- Monthly expenses for operating a COCO store include Rs40k as rent, Rs75k salary for a pharmacist, Rs15k toward other expenses. A store needs a monthly GMV of 0.23-0.24mn to see break-even.
- EBITDA margin of a store operating for >36 months is 30% and for >24 months is 20%; a store operating for 9-12 months-old is on the verge of break-even. Expects PAT breakeven in 12-18M.
- New stores have a daily footfall of ~15 customers, with that for mature stores as many as 70-100 customers. Conversion rate for customers visiting a store is >90%, with 80% repeat customer rates.
- As of Jun-25, Davaindia operates 986 COCO and 736 FOFO stores, with COCO remaining the primary area of focus and FOFO enabling asset-light expansion. The company added 163 new stores in 1QFY26.
- Scale of operations is contributing to improving EBITDA margin, primarily driven by mature stores. The company expects to remain EBITDA positive in FY26.
- Davaindia plans to launch new diabetes therapies post-patent expiry, although it will avoid injectables; the management sees a large generic retail opportunity with only ~10,000 chain pharmacies versus ~900,000 in total.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,091	1,328	1,425	1,816	2,950
EBITDA	6	148	73	76	-57
EBITDA Margin (%)	0.6	11.1	5.2	4.2	-1.9
APAT	-12	89	-61	-144	-564
EPS (Rs)	-	3.6	-	-	-
EPS (% chg)	-	-	-	-	-
ROE (%)	-	11.4	-	-	-
P/E (x)	-	372.2	-	-	-

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	10.7	50.4	41.1	99.8
Rel to Nifty	13.7	53.1	32.8	98.7

Shashank Krishnakumar
shashank.krishnakumar@emkayglobal.com
+91 22 66242466

Bhavya Gandhi
bhavya.gandhi@emkayglobal.com
+91 22 66242409

Mohd Suheb Alam
suheb.alam@emkayglobal.com
+91 22 66242413

Refer to important disclosures at the end of this report

Adani Energy Solutions (Not Rated)

Emkay
Your success is our success

Strong project pipeline and steady RAB to aid EBITDA growth

CMP	MCap (Rs bn)	TP & Rating
Rs788	947	NA | NR

We hosted Vijil Jain, Head of Investor Relations

Key Meeting-Takeaways

- **Robust transmission project pipeline**: AESL currently has 13 under-construction projects worth Rs600bn; out of this, 12 projects would be commissioned by end-FY27. Further, the Rajasthan HVDC is expected to finish by FY29, thereby providing full EBITDA contribution by FY30. Per the management, a strong pipeline of annual bids of ~Rs1-1.2trn will lead to consistent capex ahead. The EBITDA margin guidance stays robust at ~92%.
- **Significant capex ahead**: The company expects ~Rs220bn (annual) capex in FY26 and ahead: ~Rs140bn in transmission, ~Rs65bn in smart meters, and ~Rs15bn in distribution.
- **Smart meter opportunity**: AESL plans to install 22.8mn smart meters by FY27, with revenue potential of ~Rs2,700bn and PAT of ~Rs1,400bn, which will be realized over 7.5 years. Staggered profit realization begins this year itself, with the full impact to be realized from next year. As of Q1FY26, the company had already billed for 5.1mn meters (Rs1.15bn).
- **Strong EBITDA growth and a steady regulated asset base (RAB)**: The management anticipates significant annual capex of ~Rs220bn in transmission which will lead to EBITDA expansion by 2.5x to Rs110bn. Current RAB stands at ~Rs95bn and is expected to grow by 8–9% annually. Incremental annual RAB growth of Rs14-16bn is likely for ongoing and new projects.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,10,417	1,25,439	1,48,760	1,72,183	2,44,466
EBITDA	39,504	42,062	45,176	57,112	55,605
EBITDA Margin (%)	35.8	33.5	30.4	33.2	22.7
APAT	12,240	12,046	12,563	11,373	23,710
EPS (Rs)	9.0	8.9	11.1	10.2	9.1
EPS (% chg)	206.8	-1.3	24.7	-8.1	-11.3
ROE (%)	12.5	11.5	10.5	8.6	12.9
P/E (x)	87.7	88.9	71.3	77.6	87.4

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-9.8	-12.8	2.3	-29.7
Rel to Nifty	-6.7	-13.6	-1.8	-31.4

Anit Suri
anit.suri@emkayglobal.com
+91 22 66121348

Mohit Ranga
mohit.ranga@emkayglobal.com
+91 22 66242478

Refer to important disclosures at the end of this report

Emkay
Your success is our success

Adani Green Energy

Powering the green energy transition

CMP	MCap (Rs bn)	TP & Rating
Rs931	1,475	Rs1,500 | BUY

We hosted the management of Adani Green Energy

Key Meeting-Takeaways

- AGEL's operational capacity stands at ~15.8GW, with another 20GW under construction. Of its ~36GW portfolio, ~31.5GW is secured under long-term PPAs, with the remainder allocated to merchant sales and PPAs with C&I customers. The company added 4.9GW YoY, driven by a strategic focus on resource-rich locations such as Khavda and Rajasthan. Khavda alone accounts for 5.6GW of operational capacity and benefits from some of the highest solar irradiation in the country, supporting superior CUFs. As its share increases, overall CUFs are expected to improve.
- Given the inherent nature of the transmission business, aligning RE capacity with transmission capacity often involves a lag of a few weeks or months. At present, Khavda faces minor evacuation constraints, impacting the EBITDA by a mere ~5%. The management does not foresee major issues, though slight delays of a few weeks to a month are possible. These challenges are expected to ease in Q2FY26, as higher wind generation from Khavda will help offset transmission constraints during solar hours. By FY26-end or earlier, adequate evacuation capacity should be in place.
- The management has guided for 5GW of capacity additions in FY26, with the company already achieving about one-third of this target in Q1FY26. While heavy monsoons hindered capacity additions at Khavda in FY25, AGEL is now better prepared to handle weather-related challenges.
- AGEL adopts a disciplined, selective bidding approach, targeting projects that meet its internal benchmarks and deliver returns above market averages, rather than pursuing tenders aggressively. Projects are executed efficiently to deliver targeted returns. The company expects minimal impact from abolition of ISTS waiver, as the phase-out has long been anticipated and is already factored in by most developers.
- AGEL is actively pursuing battery storage solutions with a well-defined strategy for BESS deployment. The company has evaluated multiple BESS technologies and believes it holds a stronger position than most peers in this emerging segment.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	92,200	112,120	150,020	186,719	233,925
EBITDA	73,180	88,770	128,315	165,354	211,473
EBITDA Margin (%)	79.4	79.2	85.5	88.6	90.4
APAT	12,290	16,530	31,355	42,772	58,210
EPS (Rs)	7.8	10.4	19.0	26.0	35.3
EPS (% chg)	16.9	34.5	82.4	36.4	36.1
ROE (%)	16.3	16.6	19.9	18.6	20.8
P/E (x)	120.0	89.2	48.9	35.8	26.3

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-6.5	-1.0	1.5	-48.2
Rel to Nifty	-3.9	0.7	-4.5	-48.5

Sabri Hazarika
Sabri.hazarika@emkayglobal.com
+91 22 66121282

Arya Patel
Arya.patel@emkayglobal.com
+91 22 66121285

Refer to important disclosures at the end of this report

Adani Power (Not Rated)

Growing portfolio and robust execution to provide virtually risk-free EBITDA growth

CMP	MCap (Rs bn)	TP & Rating
Rs596	2,299	NA | NR

We hosted Nishit Dave, Associate Vice President, Investor Relations

Key Meeting-Takeaways

- **Thermal – a necessity in the medium term:** Strong focus on RE over the past decade led to reduced emphasis on thermal additions. However, the intermittent nature of RE necessitates the need for thermal additions, to meet the base load and peak power demand. All-India capacity additions of ~80-100GW are expected by FY32, with ~8GW worth of bids already awarded and ~15GW of bids in the pipeline.
- **Robust capacity additions with secured power offtake:** The management expects an addition of ~12GW (largely brownfield) by FY30 (vs ~18GW currently) and capacity expansion to ~40GW by FY32. Further, PPAs have been secured for ~7GW of new capacity additions, while land availability has been fully secured for 12GW. Additionally, improved visibility on availability of coal under the new PPA structure has led to reduced fuel supply risks.
- **Strong EBITDA growth:** With PPAs incorporating a passthrough mechanism, the capacity charge from further additions will flow directly to EBITDA. The management guided toward doubling of EBITDA to ~Rs450bn by FY31. The strong EBITDA growth will aid in funding (largely through internal accruals) enhanced capex requirements.
- **Improved project execution:** APL has already placed advance orders for turbines and generators with BHEL. Additionally, the in-house EPC for these projects will enable faster execution by reducing external dependence.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	2,81,497	3,16,865	4,30,405	6,02,815	5,89,058
EBITDA	86,685	98,142	1,00,447	1,81,807	2,13,054
EBITDA Margin (%)	30.8	31.0	23.3	30.2	36.2
APAT	12,700	49,116	1,07,266	2,08,288	1,29,388
EPS (Rs)	3.3	9.6	24.6	51.6	32.3
EPS (% chg)	-	192.7	155.1	110.1	-37.4
ROE (%)	13.0	30.9	44.2	57.0	25.7
P/E (x)	173.7	59.3	23.3	11.1	17.7

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-2.2	6.6	13.5	-17.1
Rel to Nifty	1.1	5.6	8.9	-19.2

Anit Suri
anit.suri@emkayglobal.com
+91 22 66121348

Mohit Ranga
mohit.ranga@emkayglobal.com
+91 22 66242478

Refer to important disclosures at the end of this report

CESC

Your success is our success

Accelerated RE transition to support the growth momentum

CMP	MCap (Rs bn)	TP & Rating
Rs165	219	Rs225 | BUY

We hosted Pankaj Kedia (Executive Director – Investor Relations) and Anand Kumar (Group Head – Investor Relations)

Key Meeting-Takeaways

- **Aggressive ramp-up in RE capacity:** The company plans to expand RE capacity by 3.2GW (phase 1) by FY27 and 10GW (phase 2) by FY32. Captive PPAs have been signed for 1.2GW, while grid connectivity has been applied for ~6.5GW (across phase 1 and 2). Further, the management expects to tie up ~1GW additional capacity under captive PPA.
- **Cashflow boost to support increased capex:** The management provided a strong regulatory/RE capex guidance of Rs50-60bn/Rs230bn over the next 4-5 years. Potential fuel surcharge hikes (8.2% already taken) and transition to RE ahead will lead to reduced regulatory income and moderation in the regulatory asset base addition. This, coupled with strong operating cash flow, will enable the company to meet the equity portion of significant capex requirements through internal accruals.
- **Constructive focus on distribution:** Through the recent acquisition of Chandigarh Power, the company is looking to expand its pan-India presence. Rajasthan DF clocked an EBITDA of Rs1bn in FY25, while a strong vigilance drive is expected to help turnaround the Malegaon franchise over the next 3-4 years. Additionally, the company plans to bid for upcoming privatization licenses in the distribution space.
- **Valuation:** We have BUY on the stock, with a target price of Rs225, based on SOTP of the company's business segments.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,52,932	1,70,010	1,87,547	2,00,657	2,22,880
EBITDA	21,254	26,890	34,500	39,515	44,868
EBITDA Margin (%)	13.9	15.8	18.4	19.7	20.1
APAT	13,765	13,690	15,771	17,356	18,674
EPS (Rs)	10.3	10.3	11.8	13.0	14.0
EPS (% chg)	2.5	-0.5	15.2	10.0	7.6
ROE (%)	12.3	11.7	12.8	13.2	13.3
P/E (x)	15.7	15.8	13.7	12.5	11.6

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-9.1	-0.2	17.6	-6.7
Rel to Nifty	-5.9	-1.1	12.8	-9.0

Anit Suri
anit.suri@emkayglobal.com
+91 22 66121348

Mohit Ranga
mohit.ranga@emkayglobal.com
+91 22 66242478

Tata Power (Not Rated)

Your success is our success

Vertical integration aiding margin expansion

CMP	MCap (Rs bn)	TP & Rating
Rs384	1,227	NA | NR

We hosted Kasturi Soundararajan, Chief of Treasury and Investor Relations, and Rajesh Lachchani, Head of Investor Relations

Key Meeting-Takeaways

- **Anticipated reduction in regulatory assets:** Following the SC order on 1-Apr-24, Tata Power noticed a reduction in regulatory assets on account of realizations. The company expects a faster pace of realization in the upcoming years due to a strict timeline of 4 years provided by the SC. This will be driven by the management's expectation of a fall in coal prices even as tariffs remain unchanged.
- **Mundra resolution on the cards:** Mundra remains shut down currently on account of maintenance. However, the company anticipates an agreement in the near term to provide certainty. The management guided toward a probable future divestment of coal assets, if an agreement is reached upon.
- **Integration benefits in renewables:** With the cell and module plant stabilized, the management guided for ~2.5GW of renewable projects to be commissioned annually ahead. The pumped hydro storage plants are expected to be commissioned in FY28, with a tariff of ~Rs4.5-5/unit and an equity IRR of ~15%.
- **Rooftop on the rise:** The management expects the steadily rising solar rooftop segment to witness a significant margin expansion ahead.
- **UP DISCOMs' privatisation:** The management guided toward participation in bidding for privatization of UP DISCOMs and expects to benefit from the success achieved in Odisha DISCOMs.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	3,45,520	4,58,194	6,06,706	6,48,167	6,77,855
EBITDA	68,472	65,126	77,063	1,07,838	1,28,317
EBITDA Margin (%)	19.8	14.2	12.7	16.6	18.9
APAT	12,011	23,358	33,364	34,921	40,632
EPS (Rs)	3.2	5.4	10.4	11.6	12.4
EPS (% chg)	1.6	69.1	94.6	10.8	7.4
ROE (%)	5.1	9.1	11.1	9.6	10.0
P/E (x)	121.7	71.9	37.0	33.4	31.1

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-3.8	2.9	5.6	-11.7
Rel to Nifty	-0.5	1.9	1.3	-13.9

Anit Suri
anit.suri@emkayglobal.com
+91 22 66121348

Mohit Ranga
mohit.ranga@emkayglobal.com
+91 22 66242478

Refer to important disclosures at the end of this report

Electronics Mart India (Not Rated)

Growth to revive in the rest of FY26; no major inventory liquidation risk

CMP	MCap (Rs bn)	TP & Rating
Rs122	47	NA | NR

We hosted Karan Bajaj (Promoter and CEO), Premchand Devarakonda (CFO), and Vishal Pundir (Vice President- Strategy)

Key Meeting-Takeaways

- EMIL reiterated its confidence in achieving ~15% revenue growth in FY26, implying ~20% growth in the remaining three quarters. This optimism is backed by expectations of a strong festive season, the launch of marquee premium products such as iPhone 17, and strong traction in air-conditioners in Q2FYTD (impacted significantly in Q1).
- Jul-25 saw strong growth trends, and expectations for Aug-25 are also decent with the extended Independence-Day weekend. EMIL expects its AC inventory of ~Rs2.5bn (Q1-end) to be liquidated by Q3-end, without the need for additional discounting. Of the total ~Rs10bn inventory on books, only ~Rs0.4bn is over 12-month old, indicating healthy inventory quality.
- The company added 8 stores in Q1, taking the count to 208 (197 MBOs, 11 EBOs), with an expansion plan of 25–30 stores for FY26. As these new stores mature, the management expects them to deliver higher throughput, improve unit economics, and contribute meaningfully to sustainable revenue growth in the medium term.
- Despite expansion in new territories, the EBITDA margin is expected to remain stable at ~6%, helped by higher sales productivity, enhanced fixed cost absorption, and a richer product mix. Premiumization trends, along with category expansion into audio devices, built-in appliances, and flagship smartphones, are expected to further support profitability.
- The NCR cluster continues to deliver strong growth (+21% YoY in MBO sales), with margin improvement, benefiting from scaled store presence and better fixed cost absorption. The company is also deepening its presence in emerging clusters such as Western UP, which offer significant headroom for market share gains given low penetration of organized retail.
- The company is proactively preparing for upcoming peak demand cycles, aligning procurement and inventory planning with major brand launches and festive promotions to ensure minimal stockouts, faster sell-through across key categories, and strong customer experience during high-volume trading periods.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	32,074	43,531	54,568	62,955	67,405
EBITDA	2,039	2,919	3,361	4,495	4,511
EBITDA Margin (%)	6.4	6.7	6.2	7.1	6.7
APAT	586	1,039	1,228	1,840	1,605
EPS (Rs)	2.0	3.5	3.6	4.8	4.2
EPS (% chg)	-	77.4	4.9	31.7	-13.0
ROE (%)	-	19.1	13.8	14.4	11.1
P/E (x)	62.6	35.3	33.6	25.5	29.3

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-14.0	-4.8	-8.1	-46.7
Rel to Nifty	-11.7	-3.1	-13.5	-47.0

Devanshu Bansal
devanshu.bansal@emkayglobal.com
+91 22 66121385

Mohit Dodeja
mohit.dodeja@emkayglobal.com
+91 22 66242481

Refer to important disclosures at the end of this report

Raymond Lifestyle

Leveraging strong brand strength with focused investments

CMP	MCap (Rs bn)	TP & Rating
Rs 1,059	65	NA | NR

We hosted Amit Agrawal (Group CFO) and Sunny Desa (Head - Investor Relations)

Key Meeting-Takeaways

- Raymond Lifestyle (RL), the demerged entity of Raymond Limited, is targeting 7-8% revenue and 12-13% EBITDA CAGR over the next 5 years. Growth will be led by faster growth in its branded apparel/garmenting business, while the **branded textile business (~50% revenue mix)** is expected to see a low-to-mid single-digit growth, helped by a stronger branded 'shirting' business.
- Raymond expects the casualization of its branded portfolio, distribution expansion, launch of sleepwear/innerwear, and marketing spends to excite younger consumers and drive strong growth in the **branded apparel space (~25% revenue mix)**. For the new launch sleepwear, RL is currently working on expanding the product distribution in General trade.
- To leverage its high brand recognition for weddings, Raymond is investing toward building its brand extension—Ethnix, which is currently seeing sales worth Rs1.0-1.5bn from ~140 stores. The format enjoys relatively higher gross margin (no discounting) and a scale up should help in turnaround of the business.
- **Garmenting (~15% revenue mix)**: With investment of Rs2bn, RL is close to becoming the top-3 'suiting' player globally. The business shall also enjoy tailwinds from FTA with the UK which should level the playing field for Indian manufacturers vs other global outsourcers. US currently contributes ~Rs5bn to the 'garmenting' business, where RL is focusing on diversifying its manufacturing base in the wake of tariffs implemented by the US.
- RL expects gradual margin gains over the next 3-5 years, with return of profitability in the branded textile business. The gains will also be led by profitability focus on branded apparel/garmenting businesses.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25
Revenue	65,354	61,767
EBITDA	9,366	4,678
EBITDA Margin (%)	14.3	7.6
PAT (Cont. operation)	4,795	382
EPS (Rs)	79	6
EPS (% chg)		-92.4
ROE (%)	5.0	0.4
P/E (x)	13.4	176.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-16.6	10.8	-11.3	NA
Rel to Nifty	-13.9	8.8	-17.5	NA

Devanshu Bansal
devanshu.bansal@emkayglobal.com
+91 22 66121385

Mohit Dodeja
mohit.dodeja@emkayglobal.com
+91 22 66242481

Refer to important disclosures at the end of this report

HFCL

Order-book visibility and 'Project-company' to 'Product-company' pivot

CMP	MCap (Rs bn)	TP & Rating
Rs72	104	NA | NR

We hosted Amit Agarwal (HFCL - VP and Head - Investor Relations)

Key Meeting-Takeaways

- The order book rose to Rs104.8billion. The mix continues to pivot, from projects to products: product-led revenue reached 66% in Q1FY26 (vs 61% in FY25 and 42% in FY24), with project-led at volume 34%; the management's strategy is to phase out low-margin turnkey, to improve margins and ease working-capital intensity.
- The Board approved expanding the IBR capacity to ~19.01mn fkm from ~1.73mn fkm, taking total OFC capacity to ~42.36mn fkm from ~25.08mn fkm. The management expects OFC revenue to more than double in FY26 from FY25, with OFC margin at ~15%, as demand has firmed; optical fiber is at 100% utilization, and OFC utilization is seen approaching 100% by July. Demand from international geographies stays strong. Europe is seeing infrastructure upgradation, which is driving demand. OFC pricing has started firming up, backed by the favorable demand environment.
- In Telecom products, HFCL secured Rs6.5bn of MPLS router orders under BharatNet Phase-III, and received a Rs1.75bn repeat order in 5G gear; bulk router production at the Manesar (NCR) factory is scheduled to ramp from August.
- The BharatNet program is expected to contribute Rs8-10bn of revenue in FY26, as part of an order worth ~Rs50bn, with additional state orders anticipated.
- For FY26, the management reiterated ~25% YoY revenue growth, indicated to ~Rs30bn of the order book as executable this year (including Rs10-12bn from EPC within ~Rs64bn worth of EPC orders), and guided to ~Rs2.5bn capex (of which ~Rs1.3bn is for IBR capacity).
- Defense now forms 12% (Rs13bn) of the Rs104.8bn order book, with production capacity in place at Hosur; DRDO live tests for electronic fuzes are slated for August, following receipt of ammunition—unlocking the previously delayed ~Rs7bn fuze export opportunity—with initial defense revenues starting this quarter. The management gave guidance for the defense segment adding Rs10bn to the topline by FY28.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	44,577	47,702	47,905	45,666	41,226
EBITDA	5,455	6,437	6,186	5,815	4,490
EBITDA Margin (%)	12.2	13.5	12.9	12.7	10.9
APAT	2,420	3,178	3,010	3,298	1,774
EPS (Rs)	1.9	2.4	2.2	2.3	1.2
EPS (% chg)	5.1	28.0	-8.4	6.9	-47.2
ROE (%)	13.5	13.4	10.1	9.2	4.4
P/E (x)	39.4	30.8	33.7	31.5	59.6

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-13.3	-3.9	-26.6	-40.7
Rel to Nifty	-10.3	-4.8	-29.6	-42.2

Pranav Kshatriya
pranav.kshatriya@emkayglobal.com
+91 22 6612 1350

Aryan Tripathi
aryan.tripathi@emkayglobal.com
+91 22 6612 1337

Refer to important disclosures at the end of this report

Tata Communications

Portfolio tilt, from Core Connectivity to Digital Services, under way

CMP	MCap (Rs bn)	TP & Rating
Rs1627	464	NA | NR

We hosted Rajiv Sharma (Head - Investor Relations) and Sudeshna Patnaik (Deputy General Manager - Investor Relations), at Tata Communications

Key Meeting-Takeaways

- Medium-term ambition remains intact: Data revenue of Rs280bn by FY28, with EBITDA margin of 23–25% and ROCE of >25% as digital profitability improves and operating leverage kicks in.
- The mix is already tilted to 'digital fabric': Data is ~84% of revenue (FY25), with core connectivity as the cash-generating base and digital platforms the growth engine. Core connectivity delivers ~43.6% EBITDA margin, while EBITDA margin for digital platforms is at -9.7% (FY25), defining the margin expansion opportunity.
- The management outlined a clear pathway: drive the digital portfolio to a trajectory of profitability driven by scale, a richer deal mix, and by enhancing delivery efficiencies.
- Growth vectors are aligned to 5 priority bets: Vayu Cloud, Unified Cloud Network, Kaleyra.ai, SASE, and the Digital Fabric Tool intended to lift digital mix and margins while protecting core economics.
- Expect core connectivity to grow at a low single digit structurally (~4% FY21-25 CAGR), while digital services compound at a much faster clip (~25% CAGR over the same period); this balance underpins the group's blended growth and cash profile.
- Leverage is being managed to investment-grade discipline: net debt-to-EBITDA was 2.2× in Q1, and the management reiterated a trajectory to sub-2× as earnings scale normalizes (consistent with the medium-term ≤2× guardrail discussed).
- Strategy trade-off is deliberate: core remains the margin 'cash cow' funding digital services—data EBITDA margin at 18.7% for FY25, with identified levers (deal qualification, cost synergies, lifecycle services, AI in delivery) to widen the spread as digital losses narrow.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	172,569	170,628	182,778	210,508	241,414
EBITDA	41,859	42,267	43,182	39,244	45,690
EBITDA Margin (%)	24.3	24.8	23.6	18.6	18.9
APAT	13,065	14,774	17,356	12,516	11,378
EPS (Rs)	43.9	52.0	63.0	34.0	64.4
EPS (% chg)	-	18.5	21.2	-46.1	89.6
ROE (%)	-231.2	268.7	138.6	75.0	47.3
P/E (x)	38.2	32.3	26.6	49.4	26.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-4.8	8.5	5.7	-8.9
Rel to Nifty	-1.5	7.5	1.4	-11.2

Pranav Kshatriya
pranav.kshatriya@emkayglobal.com
+91 22 6612 1350

Aryan Tripathi
aryan.tripathi@emkayglobal.com
+91 22 6612 1337

Refer to important disclosures at the end of this report

Epigral

H2 to be better than H1

CMP	MCap (Rs bn)	TP & Rating
Rs1,855	80	Rs2,600 | BUY

We hosted Maulik Patel - MD & CEO

Key Meeting-Takeaways

- The management re-iterated its goal of improving share of derivatives and specialty chemicals to 70% by FY28 (from ~50% now).
- Current ECH/CPVC capacity is 50/75ktpa, respectively. Epigral is in the process of doubling this within the coming year. The capex plan is progressing per schedule, and the capacity is expected to be commissioned within expected timelines. Cumulative capex for both is ~Rs7.8bn. FY26 capex guidance is Rs4.5bn, of which Rs1.2bn has been spent in Q1. FY27 capex is expected to be Rs4-4.5bn.
- The management is evaluating additional capex on existing land, as well as entering newer chemistries on its vacant land parcel (~100acres) near the existing plant. This shall be approved by the Board in a couple of quarters.
- CPVC saw slower ramp-up due to early monsoons and weaker demand from pipe manufacturers. The company expects demand to pick-up from end-Q2/start-Q3, around the festive season.
- The management expects its chloro toluene plant to start contributing sizably from Q4FY26, as it moves toward higher-value derivatives (plant commissioned in Mar-25). The company expects these products to follow the typical supply-chain approval cycle, wherein customers would need to approve samples before committing to commercial volumes. As of now, Epigral is the only player in the market of this product (others have made announcements, although not started production yet).
- The company also announced increase in wind solar hybrid power plant capacity to 38.14MwH (currently, 19.8MwH). Thus, any incremental demand for power required at the Dahej plant will come from a renewable source (avoiding coal-based power plants).

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	19,292	25,501	28,607	35,574	44,583
EBITDA	4,812	7,107	7,381	8,929	11,190
EBITDA Margin (%)	24.9	27.9	25.8	25.1	25.1
APAT	1,958	3,577	4,239	5,241	6,651
EPS (Rs)	47.1	82.9	98.3	121.5	154.2
EPS (% chg)	-44.6	76.0	18.5	23.7	26.9
ROE (%)	16.9	22.6	19.7	19.9	20.7
P/E (x)	39.4	22.4	18.9	15.3	12.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	6.5	0.8	1.8	-6.9
Rel to Nifty	9.4	2.6	-4.2	-7.5

Meet Vora
meet.vora@emkayglobal.com
+91 22-66242474

Meet Gada
meet.gada@emkayglobal.com
+91 22-66121235

Refer to important disclosures at the end of this report

Emkay
Your success is our success

Godawari Power and Ispat (GPIL)

Integrating backward as well as forward

CMP	MCap (Rs bn)	TP & Rating
Rs198	133	NA | NR

We hosted Abhishek Agrawal (Promoter) and Dinesh Gandhi (Director), GPIL

Key Meeting-Takeaways

- The company is a fully integrated iron and steel producer, supported by captive iron ore mines and captive power from solar, coal, and waste gas sources
- The management expects current capacities, which comprise 2.7mt of pellets (set to reach 4.7mt within a month), 3mt of iron ore mining (to rise to 6.7mt by next quarter), and 0.55mt of steel (0.5mt plus a 50kt addition in the current year). A larger steel expansion to 1.5mt is planned, with construction scheduled for FY27 and operations expected by late FY29 or FY30
- Per the management, the ferro alloy business is estimated at 0.1-0.3mt, with an annual EBITDA contribution of Rs800-900mn
- The management targets achieving EBITDA of ~Rs20bn by FY27; of this ~Rs16bn is expected from pellets and Rs3-4bn from steel and ferro alloys; revenue is projected to exceed Rs70bn
- With the commissioning of the BESS and CRM projects in FY28, revenue is expected to surpass Rs150bn, effectively tripling over three years
- An ongoing capex program of about Rs10bn covers pellet, mining, solar, and power facilities, funded through internal accruals and selective debt, with a plan to maintain a Rs3-4bn cash buffer
- The company has plans to increase the current 75MW solar capacity to 300MW by CY26, with 100% captive power for steel; solar power costs Rs2.9/unit compared to Rs7/unit from the grid
- The management noted that the key competitive advantage lies in its captive mines with 185mt of reserves (lease valid till CY58), enabling premium-quality pellet production and cost leadership
- The management highlighted that the principal risk is potential delays in mining capacity ramp-up due to land, forest clearance, and environmental approval processes; no issues are anticipated in demand or production capacity utilization

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	39,911	55,925	58,616	55,842	54,846
EBITDA	11,370	18,642	11,490	13,281	11,937
EBITDA Margin (%)	28.5	33.3	19.6	23.8	21.8
APAT	6,267	14,061	8,042	9,354	8,117
EPS (Rs)	9.1	22.3	12.2	15.0	13.2
EPS (% chg)	282.3	145.9	-45.1	22.8	-11.9
ROE (%)	34.7	50.7	21.8	22.0	17.1
P/E (x)	21.9	8.9	16.2	13.2	15.0

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	6.1	4.4	12.9	-6.1
Rel to Nifty	9.0	6.2	6.3	-6.7

Amit Lahoti
Amit.lahoti@emkayglobal.com
+91 22 66121284
Akhilesh Kumar
Akhilesh.kumar@emkayglobal.com
+91 22 66121262

Interglobe Aviation

Your success is our success

Resilient operations with growth visibility intact

CMP	MCap (Rs bn)	TP & Rating
Rs5,928	2,291	Rs6,500 | BUY

We hosted the management of Indigo

Key Meeting-Takeaways

- Q1FY26 was affected by multiple external headwinds, including geopolitical tensions, airport closures, reduced block hours, and elevated cancellations, resulting in lower yields alongside higher passenger and flight cancellations. However, Q2 has shown signs of stabilization, and the company expects a strong rebound with robust growth in Q3 and Q4.
- AOGs have remained steady in the 40s, and as they decline, Indigo plans to redeliver damp-leased narrowbody aircraft. However, savings from these redeliveries will be offset by the addition of new widebody aircraft on damp lease. While FY25 saw elevated rental costs from leased aircraft, these are expected to moderate in FY26, although inflation and cost escalations in other areas will offset part of the benefit. Indigo has secured key slots at the upcoming Jewar/Noida and Navi Mumbai airports, which will support further domestic and international expansion.
- The company maintains its double-digit YoY ASK growth guidance for FY26, though Q2FY26 growth is expected to be in the mid-to-high single digits due to seasonal softness in domestic demand. As a result, the airline has strategically suspended some underutilized routes and undertaken structural inspections and modifications of certain aircraft to prepare for a stronger Q3. The redelivery of damp-leased aircraft would also contribute to the slightly muted Q2 ASK growth. This planned moderation was already incorporated into the annual outlook, which remains unchanged.
- ASK growth is expected to rebound to double digits in Q3 and Q4. Robust orderbook offers Indigo ample operational flexibility to adjust its fleet and network. The airline expects no challenges in ramping up capacity in H2FY26. It also retains the option to add more damp-leased aircraft, while the PLFs provide additional headroom for growth.
- Indigo continues to sustain its robust growth on the international front and will scale up its overseas network from Sep-25, with new routes to London and Copenhagen in the pipeline. The planned induction of A321XLRs this year will further support international expansion through CY26. Positive customer feedback on its stretch service on the Delhi–Bangkok route has encouraged the airline to extend this offering to other select international routes, while its codeshare partnerships continue to expand.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	689,043	808,030	875,823	998,531	1,119,634
EBITDA	168,600	196,251	239,005	273,348	309,361
EBITDA Margin (%)	24.5	24.3	27.3	27.4	27.6
APAT	80,152	72,533	89,776	109,193	125,543
EPS (Rs)	207.7	187.7	232.3	282.6	324.9
EPS (% chg)	NM	-9.6	23.8	21.6	15.0
ROE (%)	NM	129.1	71.2	54.7	40.5
P/E (x)	28.5	31.6	25.5	21.0	18.2

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	0.2	8.2	36.7	39.4
Rel to Nifty	2.9	10.2	28.6	38.6

Sabri Hazarika
Sabri.hazarika@emkayglobal.com
+91 22 66121282

Arya Patel
Arya.patel@emkayglobal.com
+91 22 66121285

Refer to important disclosures at the end of this report

Nuvoco Vistas Corporation

Inorganic expansion and cost focus to drive margins

CMP	MCap (Rs bn)	TP & Rating
Rs450	1,606	NA | NR

We hosted Bishnu Sharma (Head - Investor Relations) of Nuvoco Vistas Corp – the 5th largest cement company (in terms of capacity) in India. Nuvoco has a consolidated cement/clinker capacity of 31/17mtpa following its acquisition of the cement assets of Vadraj Cement. With Vadraj under its ambit, Nuvoco's operations will now be spread in western India, besides the east and north.

Key Meeting-Takeaways

- The management expects industry growth at 7-10% in FY26, with demand pick-up expected post monsoons, supported by significant central and state government capex in housing and infrastructure; Q1FY26 demand grew at a moderate pace due to intense heat, geopolitical factors, and early onset of monsoons.
- Nuvoco's acquisition of Vadraj Cement raises its capacity to 31mtpa, with inspection and equipment ordering under way; trial runs are expected by H1FY27, and commercial operations by Q3FY27.
- The Vadraj acquisition involves a total investment of ~Rs36bn, including 1) ~Rs18bn toward the purchase of core assets, 2) Rs12bn toward the refurbishment and modernization of these assets for enhancing operational efficiency, 3) Rs4bn toward establishing GUs in Surat and Kutch, to strengthen regional production capacity, and 4) Rs2bn for setting up a captive power plant for cost-effective energy supply for operations.
- Pricing is broadly flat vs Q1FY26 exit levels in Nuvoco's core regions of operations.
- The company targets Rs50/t cost savings in FY26; it highlighted that the geopolitical developments may impact pet coke costs.
- The management aims to sustain EBITDA at Rs1,000/t in a stable pricing environment, with cost-saving initiatives, premiumization and trade-mix expected to support margins.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	74,888	93,180	105,862	107,329	103,567
EBITDA	14,605	14,967	12,104	16,237	13,798
EBITDA Margin (%)	19.5	16.1	11.4	15.1	13.3
APAT	(259)	321	4,217	1,348	196
EPS (Rs)	(0.8)	0.9	0.4	4.1	0.6
EPS (% chg)	-	-	(52.7)	838.6	(85.2)
ROE (%)	(0.4)	0.4	4.8	1.7	0.2
P/E (x)	(549.5)	484.5	1,024.1	109.1	738.7

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	25.0	32.3	37.1	34.3
Rel to Nifty	28.4	34.6	29.0	33.6

Harsh Mittal
Harsh.mittal@emkayglobal.com
+91 22 66242446

Omkar Rane
omkar.rane@emkayglobal.com
+91 22 66242414

Refer to important disclosures at the end of this report

Paras Defence and Space Technologies

Pioneering indigenous tech for India's defence and space frontiers

CMP	MCap (Rs bn)	TP & Rating
Rs656	53	NA | NR

We hosted Harsh Bhansali (CFO), and Amit Mahajan (Director – Technical)

Key Meeting-Takeaways

- **Paras Defence and Space Technologies** is engaged in developing and delivering cutting edge products and technologies for defence and space applications. Its flagship products are submarine periscopes, optical systems for armoured platform, camera systems for drones and UAVs, anti-drone systems, and EMP protection solutions, among others. It is developing futuristic technologies, such as high power LASERs for air defence applications and Quantum communication.
- Developed with the assistance of the DRDO, it is the only company in Asia to develop and manufacture submarine periscopes. The company has observed good acceptability from its customers and is expected to have high export opportunities.
- The company is actively indigenizing drone technology, producing optical systems for small and large UAVs, and developing crash-proof drones. It also manufactures anti-drone devices, including jammers, with an eye on both—domestic and export markets. It has also developed high resolution cameras for drones, being the first company in India to do so.
- **FY26 guidance:** The company's current backlog stands at Rs9.3bn, which is executable within 6-18 months; it expects order inflows of Rs10bn within 3-4 months. The management expects revenue of Rs4.5-4.7bn in FY26 compared to Rs3.6bn in FY25. The management indicated Rs140-150bn worth of opportunities over the next five years, in its current lines of business.
- Current gross block of Rs2.8bn is likely to result in peak revenue of Rs10bn. The company has given guidance for its ability to expand its capacities with minimal capex and via internal accruals.
- The company is likely to benefit from India's accelerating deployment of 52 dedicated military satellites as well as finalizing a comprehensive space warfare doctrine, amid growing regional security concerns and lessons from *Operation Sindoor*.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,446	1,855	2,307	2,618	3,726
EBITDA	434	519	566	510	972
EBITDA Margin (%)	30.0	27.9	24.5	19.5	26.1
APAT	157	270	361	321	635
EPS (Rs)	2.8	3.9	4.6	4.1	8.0
EPS (% chg)	-19.7	39.9	19.0	-11.2	94.9
ROE (%)	8.3	9.2	9.1	7.5	11.8
P/E (x)	236.1	168.7	141.8	159.7	81.9

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-19.3	-4.9	34.4	9.4
Rel to Nifty	-17.1	-3.2	26.5	8.8

Ashwani Sharma
ashwani.sharma@emkayglobal.com
+91 22 66121377

Abhishek Taparia
abhishek.taparia@emkayglobal.com
+91 22 66121302

Refer to important disclosures at the end of this report

Puravankara

Poised for a strong ramp-up, led by the western region

CMP	MCap (Rs bn)	TP & Rating
Rs275	65	Rs400 | BUY

We hosted Ashish Puravankara – Managing Director, Mallanna Sasalu – Chief Executive Officer (South), Rajat Rastogi – Chief Executive Officer (West and Commercial Assets), Deepak Rastogi – Group Chief Financial Officer, and Neeraj Gautam – Deputy Chief Financial Officer

Key Meeting-Takeaways

- In FY26, Puravankara plans to launch ~12.3msf, including 8.5msf of new projects and 3.1msf of new phases. On the back of such a strong launch pipeline for FY26 (largely in H2FY26; including the much-awaited launches in the West), pre-sales are expected to pick up strongly from Q3FY26.
- On the business development (BD) front, the company reported a strong momentum with a new project added in North Bengaluru (via a JV) during Q1FY26, offering a potential GDV of over Rs33bn; in Jul-25, it further added two projects (asset-light) with a combined GDV potential of Rs31bn in the MMR and East Bengaluru.
- Currently, the company has GDV of Rs210bn in the West; it would focus on more deal closures ahead which would provide even better geographic diversification and medium-term growth visibility.
- Approvals for new launches planned in the next 2-3 quarters in Bengaluru are in advanced stages which give comfort on pre-sales visibility. Also, with the clarity on the NGT issue in Maharashtra, visibility on launches for some of the projects in the MMR over the next 2-3 quarters has improved.
- The company's adjusted net debt has declined by Rs1.2bn QoQ. Recent BD via the asset-light route would keep the company on the growth track by keeping leverage under check. Further, on the back of strong collections, more launches, and monetization of commercial assets, net debt would decline over the medium term.
- In the commercial segment, the company has signed a LoI with IKEA for 80,000sqft of area at Rs150/sqft at Purva Zentech, with the building scheduled for completion by Jan-26. It is also on track to complete Aerocity Phase 1 (1.2msf) by Dec-25, followed by commencement of Phase 2 immediately thereafter, taking the total development to ~2.2msf.

Financial Snapshot (Consolidated)

(Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	12,358	21,853	20,136	32,866	36,313
EBITDA	2,297	4,628	2,909	7,476	8,496
EBITDA Margin (%)	18.6	21.2	14.4	22.7	23.4
APAT	665	423	-1,806	1,521	2,308
EPS (Rs)	2.8	1.8	-7.6	6.4	9.7
EPS (% chg)	-	-36.4	-	-	51.7
ROE (%)	3.3	2.2	-10.0	8.6	12.3
P/E (x)	-	154.3	-36.1	42.9	28.3

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-4.3	16.5	12.5	-41.6
Rel to Nifty	-1.8	18.6	5.9	-41.9

Harsh Pathak
harsh.pathak@emkayglobal.com
+91-22-66121344

Refer to important disclosures at the end of this report

Sanathan Textiles

Emkay
Your success is our success

From small acorns grow mighty oaks

CMP	MCap (Rs bn)	TP & Rating
Rs458	39	NA | NR

We hosted Paresh Dattani (Chairman and MD), Sammir Dattani (Executive Director), and Sanjay Shah (CFO) of Sanathan Textiles (STL). The company primarily manufactures and exports polyester yarn, cotton yarn, and yarn for technical textiles.

Key Meeting-Takeaways

- The management expects polyester and man-made fiber (MMF) demand in India to see 5-7% CAGR over the next 2-3 years, ahead of the global polyester growth forecast of 3-5%. The growth is expected to be driven by rising consumption, e-commerce penetration, evolving fashion trends, and a structural shift in India's fiber mix from cotton to MMF.
- STL targets 6-7% export volume growth in FY26 and aims for a turnover of Rs45bn, with ~Rs30bn expected from the Silvassa facility. The management expects EBITDA margins of 10-11%, supported by stable realization of ~Rs114-115/kg and softer raw material costs.
- The company's Punjab facility will add ~346ktpa in two phases, expanding polyester filament yarn capacity to 547ktpa from 200ktpa. The strategically located plant will cater to the North India textile market with reduced lead time and lower logistic costs. Currently, trial production is under way, with commercial production commencing on 27-Aug-2025, after a two-month delay due to the early onset of monsoons.
- STL plans doubling its technical textile capacity to 18ktpa from 9ktpa by FY27 and adding ~72k cotton yarn spindles by FY28, broadening its product offering and strengthening its market presence.
- Per the management, exports to US are skewed toward cotton vs polyester – hence the minimal direct exposure to tariffs for STL. Also, STL's indirect export exposure through customers is ~25%, of which majority exports are to non-US countries; this shields it from the recent tariff implications.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	19,184	31,853	33,292	29,575	29,986
EBITDA	3,279	5,376	2,595	2,266	2,628
EBITDA Margin (%)	17.1	16.9	7.8	7.7	8.8
APAT	1,856	3,554	1,527	1,339	1,605
EPS (Rs)	25.8	49.4	21.2	18.6	21.3
EPS (% chg)	303.1	91.5	(57.0)	(12.4)	14.5
ROE (%)	29.4	43.9	14.4	11.1	10.4
P/E (x)	17.8	9.3	21.6	24.6	21.5

Source: Company, Emkay Research (Based on closing share price as on 12-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(13.9)	4.5	33.1	NA
Rel to Nifty	(11.6)	6.3	25.2	NA

Harsh Mittal
Harsh.mittal@emkayglobal.com
+91 22 66242446

Omkar Rane
omkar.rane@emkayglobal.com
+91 22 66242414

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION
This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)
The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):
Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of August 12, 2025
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
   Disclosure of previous investment recommendation produced:
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of August 12, 2025
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the August 12, 2025
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2025.08.14 16:40:18 +05'30'