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August 15, 2025

Nifty: 24,631

Sensex: 80,598

Emkay Confluence: India Ascending – The Next Leap

Refer to important disclosures at the end of this report

Day 3 Highlights

On Day 3 of our annual conference, we hosted 50 companies – Over the three days, we hosted 198 companies and ten main track speaker sessions. Investor response was overwhelming, and we saw strong interest across sectors and market cap buckets.

Key summary

- Investors remain cautious for the near term. The weak earnings season and lack of valuation comfort have led to low conviction for many clients. Those whose mandates permit are holding back deployment and prefer to sit on cash in the short term. The rest are playing it cautions and staying close to benchmarks.
- Investors, though, remain optimistic from a medium-term perspective. The RBI's aggressive, multi-prong easing does give hope of a consumption revival later in FY26. However, many investors would rather wait for evidence of the recovery before jumping in, preferring to sacrifice the first part of the up-move in exchange for caution.
- Companies, largely, remain optimistic. Expectations are built in for a demand revival over the festival season, which commences next month. Managements are planning under the assumption that growth will bounce back, and ancillaries are also preparing accordingly.
- The lending sector outlook remains weak. Managements expect a weak loan growth recovery in 2HFY26 (which is a risk to the consumption recovery expectations) with a more full-throated bounce-back in FY27. There are further downsides to margins. Worryingly, credit quality remains stressed, and a recovery is now expected in FY27, with warnings that risks remain in SME and CV.

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INDIA ASCENDING THE NEXT LEAP

AUGUST 12-14 2025

Trident BKC, Mumbai

Emkay Confluence 2025

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August 15, 2025

Nifty: 24,631

Sensex: 80,598

The 3rd day of our annual flagship conference saw a line-up of 50 companies from across India

Companies hosted on Day-3

Auto and Auto Ancillaries
- Alicon Castalloy
- CEAT
- CIE Automotive
- Divgi Torqtransfer Systems
- Lumax Auto Technologies
- Mahindra & Mahindra
- Maruti Suzuki
- Samvardhana Motherson

Banking
- IndusInd Bank
- Punjab National Bank
- Ujjivan Small Finance Bank

Consumer Durables
- KEI Industries
- Stovekraft
- V-Marc India

Consumer Goods
- Allied Blenders & Distillers
- Dodla Dairy

IT
- Birlasoft
- Ceinsys Tech
- TCS

NBFC
- Capri Global
- L&T Finance
- Piramal Enterprises
- Shriram Finance

Oil & Gas
- Castrol India
- Gulf Oil Lubricants India
- Oil India

Pharma
- Akums Drugs and Pharmaceuticals
- Fredun Pharmaceuticals
- IOL Chemicals & Pharmaceuticals
- Lincoln Pharmaceuticals

Real Estate
- Mahindra Lifespace Developers
- Marathon Nextgen Realty
- Max Estates

Retail
- Aditya Vision
- Senco Gold
- Westlife Foodworld

Specialty Chemicals
- Anupam Rasayan
- Godavari Biorefineries
- Laxmi Organics Industries
- Tanfac Industries

Others
- AGI Greenpac
- CARE Ratings
- Concord Enviro Systems
- Dilip Buildcon
- Elecon Engineering
- Grasim Industries
- JSW Energy
- Kaynes Technology
- Metropolis Healthcare
- Suzlon Energy

Alicon Castalloy (Not Rated)

Growth intent and margin guidance sustained, despite global headwinds

CMP	MCap (Rs bn)	TP & Rating
Rs818	13.4	NA | NR

We hosted Vimal Gupta (CFO) of Allicon Castalloy, which is a leading Indian manufacturer of aluminium castings catering primarily to the automotive industry, with customers across domestic and global markets

Key Meeting-Takeaways

- **Guidance and Outlook:** The management guided to Rs1.9bn revenue in FY26, with ~13-13.5% EBITDA margin; however, it also highlighted the possibility of revision in guidance owing to certain headwinds. The management expects growth in Q2/Q3, though domestic demand growth projections have been scaled down (eg 2W growth at 0.7% vs 7-8% earlier).
- **Market share dynamics**: The company sees significant market-share potential in Defense, aerospace, and railways, mirroring its strong track record in automotive. In cylinder heads, it describes itself as being in a "dominant position", supplying to multiple OEMs across vehicle segments.
- **EV segment faces supply challenges:** Chain disruption from China's restrictions on rare earth materials/magnets is severely impacting EV production lines (some halted through to September). OEMs exploring low rare-earth alternatives for 2Ws, although validation cycles will delay adoption. EV business projections have been reduced; order book adjusted accordingly.
- **FY26 capex target:** Rs1.65-1.70bn maintained amid challenges, reflecting long-term growth focus. Capex is strategic for capacity building/long-term positioning, despite near-term market softness.
- **Order wins and new business:** Seven new parts won from 5 customers (including 2 new logos): 5 structural parts, 1 ICE part, 1 non-auto part. Five parts for international business, 2 for domestic. Secured 2 structural parts orders from a premium European sports car OEM.
- **Financial performance:** Gross margin at 45.9% in Q1FY26 were impacted by aluminum price increases and weaker export mix. EBITDA margin improved to 11.9% in Q1FY26 (vs 11.2% in Q4FY25) – logging a second consecutive quarter of improvement.
- **Operational updates:** Cylinder head ramp-up for a Japanese OEM's 2nd model delayed, albeit resolved. Manpower issues for a European OEM's India operations resolved; production seen rising to 600 sets/week by Jan-26.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	8,514	10,814	14,047	15,632	17,238
EBITDA	832	1,125	1,534	1,953	1,945
EBITDA Margin (%)	9.8	10.4	10.9	12.5	11.3
APAT	-19	242	514	613	461
EPS (Rs)	-1.4	15.7	31.9	38.0	28.4
EPS (% chg)	-	-	103.6	19.2	-25.4
ROE (%)	-0.6	6.3	11.0	11.7	8.0
P/E (x)	-588.7	52.2	25.6	21.5	28.9

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-15.0	11.4	0.0	-35.9
Rel to Nifty	-13.4	11.6	-6.9	-37.2

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CEAT

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Premiumization and export recovery to aid revenue; strong market share gains in key categories

CMP	MCap (Rs bn)	TP & Rating
Rs3,159	128	Rs4,600 | BUY

We hosted, Kumar Subbiah (Executive Director and CFO) of CEAT

Key Meeting-Takeaways

- The management guided to sustained double-digit revenue growth in FY26, led by OEM (growing wallet/market shares; mid-20s growth in Q1) and replacement verticals (MHCVs/2Ws/PCR to grow in mid-single/high-single/low-single digit); in OEMs, 2Ws (especially motorcycles) are seeing a slowdown, while scooters continue to grow at a steady single digit; CEAT is seeing strong wallet share gains in larger cars/SUVs, driven by OEM approvals (for larger rim size tyres).
- In replacement, CEAT is gaining market shares across 2Ws (scooters, +150cc bikes) and PVs (led by higher rim size, +17inch tyres), as the mix is gradually shifting toward larger tyre sizes in PCR and 2Ws.
- In the international business, Agri Radial and OTR are showing improvement in OEMs. Following moderate PCR demand in EU in Q1, the management expects an uptick led by a seasonally strong order book in Q2. EU volumes would ramp up (contingent on the tariff situation), and channel destocking could stabilize, thereby aiding demand.
- The management expects margin benefit in Q2, led by sustained pricing discipline and a potential 1-2% QoQ decline in RM costs.
- Reciprocal tariff for Sri Lanka is 30% (44% earlier); a further reduction is expected. Camso to be consolidated from Sep-25; historically, Camso logged mid-teen margins, and the existing revenue run rate is USD150mnpa.
- FY26 capex for CEAT is Rs10bn (including Rs4.5bn for PCR capacity expansion in Chennai over 18-24 months), with additional ~Rs500mn for Camso; Rs1.5–2bn capex is planned for Camso over the next 2Y, to build upstream capacity. CEAT aims to generate free cash flows, while maintaining healthy leverage ratios.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,19,435	1,32,179	1,47,498	1,64,724	1,84,020
EBITDA	16,523	14,741	18,942	22,472	25,656
EBITDA Margin (%)	13.8	11.2	12.8	13.6	13.9
APAT	7,009	5,023	7,492	9,270	10,680
EPS (Rs)	173.3	124.2	185.2	229.2	264.0
EPS (% chg)	219.2	-28.3	49.2	23.7	15.2
ROE (%)	18.7	11.9	16.0	17.3	17.3
P/E (x)	18.2	25.4	17.1	13.8	12.0

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-15.2	-16.2	19.8	20.7
Rel to Nifty	-13.3	-16.4	12.1	18.4

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CIE Automotive (Not Rated)

India Equity Research | Auto and Auto Ancillaries
August 15, 2025
Conference Note

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Guides to a stronger H2, led by positive macros; 'local to local' strategy to help de-risk revenue

CMP	MCap (Rs bn)	TP & Rating
Rs395	150	NA | NR

We hosted Vikas Sinha (Senior VP - Strategy and Chief IR) and Swapnil Soudagar (Deputy Head of Strategy, IR) of CIE Automotive, which is a manufacturer of a broad range of automotive components, including forgings, castings, precision machined parts, etc, serving leading PV and CV OEMs

Key Meeting-Takeaways

- **Visibility for the Indian market:** The Indian market remains cautiously optimistic led by positive macros; however, certain uncertainties loom over the business due to tariff-related challenges.
- **Revenue and margin outlook**: The management expects H2CY25 to be better for Indian operations led by upcoming festive and positive sentiment owing to favorable monsoons. For its European operations, H2CY25 is seen as seasonally weak, also impacted by softer market conditions. EBITDA margin guidance for Indian/European operations stands at 17.5-18%/14.5-15%, respectively.
- **Electrification trends**: CIE earns healthy margins on EV gears, which require higher precision and different size specifications than ICE gears. Metacastello has made a significant investment in a EV program that has been delayed, with no progress expected for the next 2-3Y. Four-wheeler EV orders for aluminium components in India remain muted.
- **Pricing pressure:** The company continues to face pricing pressure in its existing product categories; it is seeing competition in pricing from Chinese counterparts as well.
- **New product development:** CIE has developed several new complex products at CIE Hosur, including two-wheeler crankshafts for Royal Enfield, common rail components, and complex inner races for a large OEM. For EVs, it has developed specialized gears with different precision requirements and sizes, which are proving profitable.
- **Supply chain capabilities and risk**: The company has a 'local to local' supply strategy that aims to manufacture products in regions where they are consumed; CIE also noted potential supply chain risks from US tariffs and China's restrictions on rare earth magnets.
- **Exports:** In castings, CIE is benefiting from a technology that is not being developed in US or Europe, and is not yet a fully evaluated business. The company has started exporting to American customers and expects significant growth in casting exports commencing early next year. CIE sees this as a strong opportunity to expand exports, particularly to the US.
- **Capex guidance:** H1CY25 capex stood at Rs0.7bn, and the management guides to capex of 5% of revenue in CY25.

Financial Snapshot (Consolidated)

(Rs mn)	CY20	CY21	CY22	CY23	CY24
Revenue	61,050	68,132	88,514	96,899	91,136
EBITDA	5,014	9,260	3,245	14,234	13,506
EBITDA Margin (%)	8.2	13.6	3.7	14.7	14.8
APAT	1,064	4,034	6,639	7,976	8,203
EPS (Rs)	2.8	10.4	-3.6	29.7	21.8
EPS (% chg)	-85.0	270.0	-	-	-26.5
ROE (%)	2.2	8.0	12.9	14.4	13.1
P/E (x)	141.2	38.2	-110.1	13.3	18.1

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-7.8	-9.5	-5.8	-24.5
Rel to Nifty	-6.1	-9.4	-12.3	-26.0

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Divgi Torqtransfer Systems (Not Rated)

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Adoption of next-gen tech and strong revenue diversification to aid sustained growth

CMP	MCap (Rs bn)	TP & Rating
Rs642	19.7	NA | NR

We hosted Hirendra B Divgi (Executive Director) of Divgi Torqtransfer Systems, which is a leading Indian manufacturer of drivetrain and transmission systems for passenger and commercial vehicles

Key Meeting-Takeaways

- **Market position and core business:** Divgi is India's largest 4WD transfer case manufacturer with 100% domestic market share, deriving ~51% of revenue from forward transfer cases. Growth is anchored by its strong Mahindra relationship, supported by demand for the 5-door *Thar*, new *Scorpio*, and the upcoming global pickup launch.
- **Market size and growth levers:** The domestic transfer case market (~Rs1.2bn) is set to double in five years, although global volumes—measured in millions versus India's 50–60k units—offer far greater potential with ~29% margins. Mahindra's global foray and export programs enhance this opportunity.
- **Global expansion plans:** Divgi plans to establish a US plant by year-end, for capturing export demand and mitigating tariffs. Talks with Japanese and Korean OEMs for 30–40k units are in the advanced stage, with announcements expected within 3-4 months.
- **Technology shift and partnerships:** With BorgWarner (2% royalty) phasing out current tech, Divgi is developing three EV transmission products and next-gen transfer cases. Broadening its OEM base is a priority; in Mahindra's BEV lineup, it currently supplies as Tier-2 via TACO; the management believes that no single OEM can navigate rapid technology shifts alone, making the addition of multiple OEM customers a strategic priority.
- **Operational discipline and capacity:** Assembly utilization at 63% provides growth headroom without major near-term capex. Divgi maintains 100% on-time delivery, zero export defects, and robust margins through sourcing and process efficiencies.
- **Industry trends and growth outlook**: India's 4WD segment has grown over 20% annually in the past 3-4 years. With global expansion, advanced technology, and new OEM tie-ups, Divgi is positioned for sustained growth.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,950	2,419	2,787	2,730	2,401
EBITDA	519	656	745	531	374
EBITDA Margin (%)	26.6	27.1	26.7	19.4	15.6
APAT	380	462	512	397	244
EPS (Rs)	13.8	16.8	18.5	13.0	8.0
EPS (% chg)	18.7	21.3	10.1	-29.6	-38.6
ROE (%)	15.1	14.5	11.5	7.0	4.1
P/E (x)	46.5	38.3	34.8	49.5	80.5

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	2.3	22.9	36.2	-1.1
Rel to Nifty	4.2	23.1	26.8	-3.1

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Lumax Auto Technologies (Not Rated)

Leveraging OEM relationships and emerging mobility trends to deliver sustained +20% CAGR

CMP	MCap (Rs bn)	TP & Rating
Rs1,012	69	NA | NR

We hosted Sanjay Mehta (CFO) of Lumax Auto Technologies, which is engaged in manufacturing and supplying Automotive Lamps, Plastic Moulded Parts, and Frame Chassis to 2W, 3W, and PV segments

Key Meeting-Takeaways

- **Sustained double-digit growth despite volatility**: The management expects to maintain ~20% revenue growth in the near term, led by mechatronics, product launches, and aftermarket expansion, even as the broader auto industry remains subdued.
- **Mechatronics as a core growth lever**: 4 JV-based subsidiaries in the mechatronics segment remain a key focus area. A confirmed Maruti Suzuki order is set to commence by year-end; to boost FY26 revenues.
- **Aftermarket to double**: Lumax targets over 2x growth in aftermarket sales through portfolio expansion and stronger distribution, thus improving revenue stability and the margin profile.
- **Healthy customer mix with M&M as the anchor**: M&M leads in revenue contribution (26%), followed by Bajaj (16%), and HMCL; the strong outlook for M&M is expected to directly benefit Lumax.
- **Premiumization in the product mix**: LED lighting now forms 61% of revenue, indicating strong penetration into higher-value, technology-led products.
- **Strategic expansion and efficiency**: Plans include merging a key subsidiary for operational synergies, expanding into green mobility (40% of LATL order book), and enhancing technical capabilities via a new Bengaluru tech center and China's benchmarking process.
- **Robust financial and margin outlook**: FY26 EBITDA margin target of ~14–15% and ~20% revenue CAGR guidance supported by annual capex of Rs2–2.5bn (funded via internal accruals and debt).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	11,261	15,207	18,713	28,667	36,877
EBITDA	973	1,489	1,915	3,681	4,648
EBITDA Margin (%)	8.6	9.8	10.2	12.8	12.6
APAT	476	707	996	1,302	1,778
EPS (Rs)	6.9	10.2	13.6	19.1	26.1
EPS (% chg)	-18.8	47.3	33.9	40.1	36.5
ROE (%)	9.0	12.0	13.7	14.0	15.4
P/E (x)	146.5	99.4	74.2	53.0	38.8

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-11.8	69.5	82.2	87.8
Rel to Nifty	-9.9	69.2	70.5	84.1

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Mahindra & Mahindra

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M&M sustains double-digit SUV growth momentum with EV ramp-up and export gains

CMP	MCap (Rs bn)	TP & Rating
Rs3,282	4,082	Rs3,200 | ADD

We hosted the management of Mahindra & Mahindra

Key Meeting-Takeaways

- **Guidance:** M&M has retained its mid-to-high teen SUV volume growth guidance for FY26, underpinned by the full-year ramp-up of XUV 3XO, with the newly launched RevX variant seeing encouraging early bookings, and the Thar Roxx. Further support will come from a pipeline of BEV launches and multiple facelifts/upgrades across the portfolio.
- **Demand environment and rural sentiment:** The management noted that rural sentiment continues to outpace urban, aided by steady farm incomes and improving macro conditions. The company is optimistic about the upcoming festive season (coupled with potential interest rate and tax cuts), which could provide a further boost to demand from late August.
- **Supply chain and raw material costs:** On the supply side, M&M remains well covered on rare earth element (REE) sourcing for Q2 and Q3, and possibly Q4, supported by strategic measures such as substitution with 'light earths' to reduce dependency on high-cost imports. While commodity prices, particularly steel (up ~5–6% recently) and precious metals, are being closely monitored, the company expects to offset some of the inflation through its premium product mix and operating leverage.
- **EV ramp-up and capacity:** Electric SUV volumes are expected to rise from the current ~4,000 units/month to ~5,000–6,000 units/month from the festive season, with further acceleration anticipated in early CY26. Installed ICE capacity stands at ~55,000 units/month, with utilization at ~80%, giving headroom for incremental growth without any immediate large capex.
- **Export momentum:** Exports are gaining traction, particularly in South Africa, where M&M now ranks among the top-10 OEMs. Shipments of 3XO to Australia have recently commenced, with an eventual target of ~1,000 units/month. The company continues to assess other high-potential export markets, to diversify its geographic exposure.
- **PLI scheme and margins:** No PLI (Production Linked Incentive) benefits have been booked yet. The XUV 9E is expected to receive PLI certification in Q2/Q3, while the BE6 application is likely to be filed in Q4. Upon certification, benefits will accrue retroactively from the respective model launch dates. Even without PLI inflows, margins are being supported by a richer product mix and scale efficiencies, with the management expecting unit margins for ICE and BEVs to be broadly similar over the medium term.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	10,13,358	11,86,245	14,04,831	15,44,161	16,86,037
EBITDA	1,51,302	1,84,155	2,03,984	2,28,942	2,52,833
EBITDA Margin (%)	14.9	15.5	14.5	14.8	15.0
APAT	1,06,423	1,18,550	1,36,253	1,42,316	1,55,235
EPS (Rs)	85.6	95.4	109.6	114.5	124.9
EPS (% chg)	33.4	11.4	14.9	4.4	9.1
ROE (%)	22.3	20.8	20.5	18.5	17.7
P/E (x)	38.3	34.4	29.9	28.7	26.3

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	6.8	7.5	10.2	20.8
Rel to Nifty	9.1	7.3	3.1	18.4

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Maruti Suzuki

Guides to sustained growth amid improving demand; targets domestic E-PV manufacturing leadership

CMP	MCap (Rs bn)	TP & Rating
Rs12,891	4,054	Rs13,500 | BUY

We hosted Nikhil Vyas (Senior VP – Strategy and Chief IR) of Maruti Suzuki

Key Meeting-Takeaways

- **Domestic outlook**: Domestic demand is subdued; however, MSIL is hopeful of this improving in Q2, led by monsoons, festive tailwinds, and rural demand. It remains optimistic about its own performance in coming quarters, given two upcoming launches in FY26 (*E-Vitara* and *ICE* SUV).
- **Strong uptick in exports**: Rising export traction is due to preparatory groundwork over several years across network, products, market learnings, and support from parent Suzuki. MSIL's exports grew 37% in Q1 (Japan is the second-largest market) vs a 2% decline for rest of the industry.
- **Demand trends**: Rural demand continues to outperform urban, remaining in the positive territory. Ahead, per MSIL, it is difficult to quantify the benefit of the Pay Commission on demand.
- **Targets domestic EV manufacturing leadership**: The upcoming commencement of *E-Vitara* exports is seen as the next big trigger for further momentum, as MSIL aims to become the #1 EV manufacturer within one year. MSIL targets covering 100 markets by FY26-end. No discounting pressure is being observed, with export margins healthy.
- **REE shortages and mitigation measures**: Efforts are ongoing toward mitigating rare earth magnet availability. MSIL views supply chain resilience as a key monitorable amid shifting dynamics related to powertrains and emission targets.
- **Volumes mix**: CNG contribution-to-domestic volume stood at 33% in Q1; discounts were flat vs Q4, on absolute basis; export revenue at Rs65bn; spares revenue up 13% YoY.
- **Capacity ramp up and margin impact**: Commercial production at the Kharkhoda Phase-I Greenfield plant (capacity: 250k units pa) commenced in Q4FY25. As a new facility, production will ramp up gradually; however, overheads and depreciation are already reflected in the P&L, and the negative impact on margins should taper off as capacity utilization improves.
- **Capex guidance**: FY26 capex guidance is Rs100bn, with Q1 spends in line with the overall outlook (SMG capex to be over and above Rs100bn).

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,409,326	1,519,001	1,724,393	1,934,226	2,069,096
EBITDA	163,601	176,539	206,951	234,507	250,756
EBITDA Margin (%)	11.6	11.6	12.0	12.1	12.1
APAT	132,094	139,552	160,727	176,781	185,059
EPS (Rs)	420.1	443.9	511.2	562.3	588.6
EPS (% chg)	57.6	5.6	15.2	10.0	4.7
ROE (%)	18.3	15.7	16.1	15.9	14.9
P/E (x)	30.8	29.1	25.3	23.0	22.0

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.4	2.1	2.0	6.0
Rel to Nifty	5.3	2.2	-5.0	3.9

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Refer to important disclosures at the end of this report

Samvardhana Motherson

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Sustained resilient performance despite global uncertainty; consumer electronics a new growth driver

CMP	MCap (Rs bn)	TP & Rating
Rs93	982	Rs120 | BUY

We hosted Kunal Malani (CFO) of Samvardhana Motherson (SAMIL)

Key Meeting-Takeaways

- **Sustained outperformance**: The company delivered a resilient performance despite persistent headwinds, geopolitical challenges, and tariff-induced uncertainty. In volatile times, uncertainty can create opportunity, backed by the company's strong balance sheet and disciplined financial management. SAMIL is well positioned to capture emerging growth prospects. Amid a 4% decline in the Light Vehicles Industry in NA and EU and a 29% decline in CVs in NA, SAMIL's revenue grew 5% YoY in Q1, led by continued growth in emerging markets like India and China.
- **Consumer electronics business**: The consumer electronics business remains unaffected by US tariffs, with demand tracking customer requirements. The larger facility will come on stream mid-next year; customers have shown no signs of a slowdown, with requirements continuing to grow. SAMIL's larger greenfield facility for this business is slated to come on stream from Q2FY27.
- **US tariff impact**: SAMIL's 'globally local' strategy ensures that most of the production is in the country of consumption, with US sales largely being USMCA-compliant. With India's exports to the US being under USD10mn in Q1, the tariffs being levied on India by the US are not expected to have a material impact. SAMIL is engaged in discussions with clients to pass on the impact of tariffs.
- **Outlook for recent JVs**: The recent JV with Macauto (Taiwan) for roof and window sunshade systems is a high-potential, premium product, catering to global OEMs in the luxury segment, with significant insourcing opportunities under Yachiyo, particularly in sunroofs. The JV will serve internal requirements as well, starting small to understand the business before ramping up quickly. Capex is minimal, leveraging existing injection molding capabilities, making it a high-RoCE business. Orders are already in hand.
- **Impact on working capital**: Higher working capital is being driven by tariff-related uncertainty, geopolitical disruptions (Iran–Israel-Gaza, UK–Russia) affecting freight and goods movement, elevated freight costs, and changes in regulatory payment terms in some regions. These factors are seen as transitory; with tariff clarity, working capital is expected to reduce ahead.
- **Capex guidance and leverage:** FY26 capex guidance stands at Rs60bn (+/- 10% with work progressing on 11 new greenfield plants). This capex is split between growth and maintenance at 50:50.

Financial Snapshot (Consolidated)

(Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	787,881	986,917	1,136,626	1,247,096	1,341,552
EBITDA	62,952	92,866	105,519	118,308	129,633
EBITDA Margin (%)	8.0	9.4	9.3	9.5	9.7
APAT	15,951	29,661	38,030	45,905	55,945
EPS (Rs)	2.4	4.4	5.4	6.5	8.0
EPS (% chg)	96.7	86.0	23.5	20.7	21.9
ROE (%)	7.5	12.3	12.5	12.5	13.7
P/E (x)	39.6	21.3	17.2	14.3	11.7

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-8.3	-1.0	10.6	-24.3
Rel to Nifty	-6.6	-0.9	3.0	-25.8

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IndusInd Bank

Positive leadership change; awaiting strategic clarity

CMP	MCap (Rs bn)	TP & Rating
Rs770	600	Rs700 | REDUCE

We hosted Indrajit Yadav (Head - Strategy) of IndusInd Bank

Key Meeting-Takeaways

- Corporate book growth should resume this quarter, with steady vehicle finance growth in Q2 and healthy momentum during Q3–Q4. Retail lending will grow steadily while MFI will decline this quarter, before returning to growth from Q3. Overall, 3-4 segments will expand sequentially.
- Post Q4 results, concerns about deposit stability have subsided. Deposit growth is now stable, supported by the return of retail deposits and normalization in customer acquisition. While deposit volumes are healthy, value growth is expected to take more time. On the wholesale front, the bank had earlier mobilized large deposits to strengthen liquidity, although these are no longer required. Most of the bulk CDs raised during that period will mature by December.
- Excluding MFI, asset quality across major businesses is stable, with controlled slippages. In vehicle finance, tractors and two-wheelers have higher slippages, while corporate slippages of Rs 4-5bn are manageable. MFI asset quality should improve over last year, with normalized slippages and lower credit costs from the earlier 4-5% levels.
- The bank implemented rate cuts of up to 200bps on SA and 100bps on TDs in select slabs, though the full impact on the CoD is yet to reflect. A further 40-50bps reduction in SA cost is anticipated. Corporate loan yields declined by ~20bps due to EBLR, with a sharper impact expected in Q2. Margins are supported by slower corporate growth, liquidity deployment, and the lagged benefit of SA rate cuts; however, they are facing pressure from repo rate transmission and subdued growth in MFI and Cards.
- MD and CEO Rajiv Anand (former DMD of Axis Bank) will be joining from 25-Aug-2025 for three years. Currently, key vacancies include ED, CFO, CHRO, and internal auditor positions, with some retirements due within 12 months. Over coming three months, the bank is expected to announce developments on these fronts, once the new CEO takes charge.
- We believe the appointment of Rajiv Anand—a pedigreed and sagacious banker—is a positive development, although it would be prudent to wait for the new MD & CEO to allay any risk of further kitchen-sinking as well as to understand his long-term strategy. Thus, we have a REDUCE on the stock, with TP of Rs700, implying 0.9x Jun-27E ABV.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	300,117	267,218	277,912	304,532	357,447
Net profit	89,770	25,754	36,140	50,583	77,496
EPS (Rs)	115.3	33.1	46.4	64.9	99.5
ABV (Rs)	696.7	673.1	702.2	750.3	823.8
RoA (%)	1.8	0.5	0.6	0.8	1.2
RoE (%)	15.3	4.0	5.5	7.3	10.3
P/E (x)	6.7	23.3	16.6	11.9	7.7
P/ABV (X)	1.1	1.1	1.1	1.0	0.9

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(9.9)	0.4	(0.7)	(42.7)
Rel to Nifty	(8.0)	0.3	(4.1)	(43.9)

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Punjab National Bank

India Equity Research | BFSI - Banks
August 15, 2025
Conference Note

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Lower tax rate and improving core fees to support returns

CMP	MCap (Rs bn)	TP & Rating
Rs106	1,221	Rs130 | BUY

We hosted Ashok Chandra (MD and CEO) of Punjab National Bank

Key Meeting-Takeaways

- PNB aims to achieve FY26 loan growth of 11-12% and deposit growth of 9-10%, targeting CD ratio of 73% (vs 69% now), driven by continued momentum in RAM segments and strong potential in housing, vehicle financing, and lease rent discounting; this would be buoyed by MoUs with Maruti and other OEMs, a Rs20bn VF pipeline, and plans to scale up supply chain financing in the next 2-3Y.
- Leveraging its strong brand equity, the bank has plans to scale up its credit card business, targeting corporate directors, salaried employees with a CIBIL score above 750, and existing customers. The new credit card offering is expected to ramp up gradually, complementing growth from other retail lending products. Further, the bank has built a cash management services (CMS) portfolio targeting NBFCs, with Rs5bn revenue expected from CMS. This should boost fee income.
- NIMs are expected to improve from Q3, supported by deposit repricing (~100bps reduction in bulk TD rates, from 7.85-7.9% to 6.85-6.9%) and benefit from the CRR cut. Accordingly, the bank has given guidance for FY26 NIM (global) at 2.7-2.8%.
- The management does not see any stress in the MSME segment, as exposures are secured either by collaterals or covered under CGFMU, while incremental slippages in MSME remain at 2.5–3.0%. The management has given guidance for overall slippages below 1% and recoveries of Rs160bn, with Rs60bn recoveries from written-off accounts; recoveries from the written-off pool are expected to remain strong over the next two years. Ahead, the bank expects asset quality to trend well which should keep credit cost lower.
- The bank has allocated an IT budget of Rs35bn for FY26 (including both, capex and revenue expenditure), with a strategic focus on digitization. It aims to improve disbursement turnaround time through digital initiatives and, going forward, all loans (barring corporate credit) will be disbursed digitally.
- Factoring in a reasonable RoA/RoE of ~0.9-1%/~14% and cheap valuations at 0.8x Jun-27E ABV (adjusted for subsidiary/investment value of Rs10/sh), we have a BUY on PNB, with TP of Rs130.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	534,666	590,915	628,725	665,732	733,223
Net profit	82,446	166,302	173,049	204,501	218,049
EPS (Rs)	7.5	14.8	15.1	17.8	18.9
ABV (Rs)	83.4	100.8	114.7	128.0	140.8
RoA (%)	0.5	1.0	0.9	1.0	0.9
RoE (%)	8.7	15.3	13.6	14.2	13.5
P/E (x)	12.8	6.5	6.4	5.4	5.1
P/ABV (x)	1.2	1.0	0.8	0.8	0.7

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(4.1)	8.5	11.4	(6.5)
Rel to Nifty	(2.3)	8.7	10.2	(8.3)

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Ujjivan Small Finance Bank

Well-positioned for early MFI rebound; 'Universal Banking License' to be another rating catalyst

CMP	MCap (Rs bn)	TP & Rating
Rs42	81	Rs60 | BUY

We hosted CCO Ashish Goel and Gaurav Sah (IR) of Ujjivan Small Finance Bank

Key Meeting-Takeaways

- Advances are expected to grow ~20% in FY26, led by ~35% growth in the secured book (46% of the overall book), while deposits are projected to rise ~18%, maintaining a CD ratio of ~88%. Within retail, the bank has been aggressively growing its home loan portfolio, leading to softer yields.
- The bank is carrying excess liquidity buffer of Rs11bn to meet the huge liabilities (maturities) in Q2 which will be absorbed in this quarter, leading to liquidity stabilization. Bulk TD yield at ~7.69% has an average tenure of one year. Retail TD yield (average) is ~8.09%, though rates are gradually trending down. Retail TD rates are around 7.6%. On the lending front, Ujjivan continues to maintain competitive pricing; the sanction-to-disbursement ratio stands at 90%, higher than the industry average.
- NIMs compressed in Q1FY26 by 56bps QoQ to 7.7%, mainly led by a change in the asset mix (25bps), excess liquidity (17bps), and refund of prepayment interest (14bps). Though the one-off impact will wane off, structural portfolio shifts toward secured loans and the rate-cut cycle could keep NIMs range-bound at 7.8-7.9% during FY26.
- The management indicated that MFI slippages have peaked in nine of the top-ten states in Q4FY25, while those in Karnataka peaked in Q1FY26. The PAR pool rose to 4.8% (vs 4.5% QoQ), though the pace of accretion has moderated in the past two quarters. The management indicated that credit costs may remain elevated in Q2FY26, albeit gradually taper down in H2FY26.
- At 1.1x FY27E ABV, valuations remain attractive. We expect RoA to improve to 1.7–2.2% over FY27–28E, driven by MFI recovery and secured book traction. Additionally, the bank is a potential candidate for a Universal Banking License, which should be both, capital- and RoA-positive. We have a BUY on the stock with TP of Rs60 (1.5x Jun-27E ABV).

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	41,962	44,825	46,852	55,310	67,535
Net profit	12,815	7,261	7,039	10,725	16,030
EPS (Rs)	6.6	3.8	3.6	5.5	8.3
ABV (Rs)	28.8	30.8	33.9	38.9	46.5
RoA (%)	3.5	1.6	1.4	1.7	2.2
RoE (%)	26.6	12.4	11.0	14.8	18.9
P/E (x)	6.3	11.1	11.5	7.5	5.0
P/ABV (x)	1.4	1.4	1.2	1.1	0.9

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(15.5)	(7.3)	22.6	(0.7)
Rel to Nifty	(14.0)	(7.2)	21.5	(2.7)

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KEI Industries (Not Rated)

Strategic capex and demand tailwinds to help sustain over 20% revenue growth post FY27

CMP	MCap (Rs bn)	TP & Rating
Rs3,815	365	NA | NR

We hosted the management of KEI Industries

Key Meeting-Takeaways

- The management has guided for ~18–19% revenue growth in FY26, noting that this forecast is on the conservative side. Growth momentum is expected to strengthen to +20% from FY27 as the Sanand facility ramps up to full scale.
- The company maintains its EBITDA margin guidance at ~10.5–11% for FY26, likely trending toward the upper-end of the range, in line with its historical performance. This margin resilience is underpinned by operational efficiencies, supply-chain optimization, and rising export volumes from the recently tapped geographies such as the US and UK. However, the management remains watchful of US market conditions, given the prevailing tariff uncertainty.
- From FY28, margins could expand to ~11.5% as the export revenue share rises to ~18% (vs 13% currently), supported by the fact that exports enjoy ~50bps higher margins compared to domestic sales. On the domestic front, the cables and wires (C&W) segment continues to ride strong demand momentum across multiple sectors, including solar and renewable energy projects, data centers, transmission and distribution (T&D) by utilities, EV charging infrastructure, railway and metro systems, tunnel ventilation, and industrial manufacturing.
- The Sanand capex program, at ~Rs19–20bn, will add ~Rs55–60bn in incremental topline capacity, with full utilization anticipated by FY28. Its strategic location near the port will enhance export competitiveness, particularly for Extra High Voltage (EHV) cables, by significantly reducing logistics cost. This, coupled with economies of scale, is expected to provide a meaningful boost to margins during the ramp-up phase. Beyond Sanand's expansion, the management plans to sustain annual capex at ~Rs5–7bn to support ongoing capacity additions and technology upgrades.
- Key demand drivers remain robust:
  - Domestic: Solar and renewable projects, data centers, T&D by power utilities, EV charging infrastructure, railway and metro projects, tunnel ventilation systems, and the broader manufacturing sector.
  - Exports: Renewable energy, solar and wind farm projects, and oil and gas sector applications.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	42,017	57,416	69,400	81,531	98,077
EBITDA	4,555	5,888	7,020	8,539	9,910
EBITDA Margin (%)	10.8	10.3	10.1	10.5	10.1
APAT	2,696	3,760	4,774	5,810	6,964
EPS (Rs)	30.1	41.8	53.0	64.4	75.7
EPS (% chg)	-5.1	39.0	26.8	21.6	17.5
ROE (%)	16.4	19.2	20.2	20.3	15.6
P/E (x)	127.0	91.3	72.0	59.3	50.4

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	5.6	11.4	12.1	-12.1
Rel to Nifty	7.9	11.2	4.8	-13.8

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Stovekraft

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New categories, premiumization, and exports to fuel the next leg of growth

CMP	MCap (Rs bn)	TP & Rating
Rs601	20	Rs850 | BUY

We hosted Rajendra Gandhi (Promoter) and Hemant Kumar (VP – Investor Relations) of Stovekraft, which is a leading Indian kitchen solutions company offering a wide range of cookware and appliances

Key Meeting-Takeaways

- **Management outlook and growth drivers**: The management has guided for ~15% revenue growth in FY26, underpinned by strong traction across e-commerce, modern trade, retail, and exports. Margins are expected to expand meaningfully, with ~100bps EBITDAM improvement largely driven by a ~100bps gross margin increase. This improvement is supported by operating leverage benefits as the bulk of the recent capex cycle is now behind the company, and capacity ramp-ups are underway.
- **Exports strategy and IKEA tie-up**: Exports are expected to grow ~50% in FY26, aided by product portfolio expansion into high-demand categories such as outdoor cooking and bakeware. A significant growth trigger will be the commencement of supplies to IKEA from Dec-26, although a major revenue impact is only likely in FY27–28. Notably, SKL's exports operate on an FOB basis, ensuring freight and tariff costs are borne by the end-customer. The management emphasized that its global clients remain committed to sourcing from India despite external trade uncertainties.
- **Product innovation and premiumization:** The cast iron foundry, which is now operational, contributed ~Rs171mn revenue in Q1. Cast iron cookware commands superior realizations and margins, compared to traditional non-stick cookware, and SKL plans to leverage this capability further. The company is also exploring ceramic and tri-ply cookware manufacturing, aligning with premiumization trends in kitchenware.
- **Domestic expansion and new categories:** Domestically, SKL has started in-house manufacturing of chimneys, entering a high-potential (although underpenetrated) segment in India. Retail footprint expansion continues, with a particular focus on scaling up presence in northern and western markets.
- **Financial position and capex outlook:** Net debt stands at Rs2.2bn and is expected to decline steadily with operating cash flows. Capex for FY26 is guided at Rs500mn, with no major expansions planned in the near term. The current capacity is sufficient to support up to 1.5x revenue growth, providing headroom for demand-led scaling without immediate large investments.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	13,643	14,498	16,022	17,953	20,345
EBITDA	1,283	1,542	1,737	2,054	2,348
EBITDA Margin (%)	9.4	10.6	10.8	11.4	11.5
APAT	341	385	445	588	718
EPS (Rs)	10.3	11.6	13.5	17.8	21.7
EPS (% chg)	-4.7	12.9	15.7	32.0	22.0
ROE (%)	8.1	8.5	9.1	11.1	12.3
P/E (x)	58.3	51.6	44.6	33.8	27.7

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.2	-4.7	-20.7	-15.0
Rel to Nifty	5.4	-4.9	-25.9	-16.7

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V-Marc India (Not Rated)

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Aims for 50% revenue growth with sustained margins, coupled with major capacity expansion

CMP	MCap (Rs bn)	TP & Rating
Rs485	11.8	NA | NR

We hosted Vikas Garg (Promoter and MD) and Deepak Tikle (Executive Director) of V-Marc India, which is a growing wires and cables maker with presence across B2B, B2G, and B2C segments

Key Meeting-Takeaways

- **Indian Wires and Cables market**: The Indian cables & wires market was valued at ~Rs700bn in FY23, and is expected to see 12-14% CAGR over FY24-27 and reaching Rs1.2–1.3trn by FY27. This segment accounts for ~39% of the overall electrical industry and plays a pivotal role in infrastructure and construction.
- **FY26 outlook:** With strong order book visibility and focus on high-barrier, specialized products, V-Marc is well-positioned for sustained growth in segments, with limited competitive intrusion; it gave guidance of 40-50% revenue growth in FY26.
- **Strong margin focus:** The company aims to sustain EBITDA margins in the range of 11–12% over coming years, underpinned by sharpened focus on high-margin products, retail segment, deeper backward integration, ongoing operational efficiencies, and strategic R&D investments.
- **Strategic diversification:** V-Marc is expanding into automotive and solar harnesses, focusing on the E-beam cross-linked auto harness technology for delivering superior safety and durability.
- **Capacity leap:** The company is undertaking major capacity expansion, from 0.16mn-km to 0.7mn-km, aligned with its phased strategic growth roadmap. This expansion will strengthen the company's ability to meet growing demand, to diversify product offerings, and to deepen geographic penetration.
- **Balanced business mix:** Revenue is well-distributed across B2B (~35% via dealers in 23 states), B2G (~36%), and B2C (~27%), ensuring diversified market exposure.
- **Strong B2G moat:** In B2G, V-Marc operates on a cost-plus tendering model with stringent technical qualifications and a price variation clause, benefiting from long-standing relationships and a proven track record in a segment with high entry barriers.
- **B2C differentiation:** The company adopts tailored dealer strategies for wires, recognizing that distribution dynamics differ significantly from industries like cement.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,755	1,820	2,499	5,658	9,062
EBITDA	147	146	248	658	971
EBITDA Margin (%)	8.4	8.0	9.9	11.6	10.7
APAT	58	50	105	269	361
EPS (Rs)	3.5	2.2	4.6	11.8	14.8
EPS (% chg)	11.7	-36.5	109.1	157.4	25.4
ROE (%)	15.0	9.0	14.0	28.8	24.4
P/E (x)	140.6	221.4	105.9	41.1	32.8

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	19.9	49.9	53.1	39.0
Rel to Nifty	22.1	50.1	42.6	36.2

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Allied Blenders & Distillers (Not Rated)

Your success is our success

Premium push and portfolio expansion to drive growth

CMP	MCap (Rs bn)	TP & Rating
Rs492	138	NA | NR

We hosted Alok Gupta (MD) and J Mukund (Head – IR and Chief Risk Officer) at our conference to gain insight into the company/industry

Key Meeting-Takeaways

- **Aspiring for mid-teen revenue growth:** The company targets mid-teen revenue growth, where it endeavors to reach early double-digit volume growth, 2.5% growth from realizations, and an additional 2.5% from product launches.
- **Premiumization strategy gaining momentum:** Allied Blenders & Distillers's (ABD) prestige and above portfolio grew 47% YoY, contributing 46% of volumes and 56% of value in Q1FY26. This shift reflects strong consumer demand for premium offerings and a strategic focus on high-margin products. Growth was driven by expansion in new markets (eg: Andhra Pradesh, Delhi) and established ones in North India.
- ***ICONiQ White* emerged as a flagship growth driver:** *ICONiQ White* sold 2.3mn cases in Q1FY26, nearly half of its FY25 volume (5.7mn), indicating strong momentum. The brand is now present in seven international markets and ranks among the top 20 global whiskey brands. Its appeal to younger consumers and wide retail distribution are key reasons behind its rapid growth.
- **Strategic brand diversification beyond whiskey:** The company launched *Golden Mist* brandy and Russian Standard vodka which marked its entry into prestige and luxury non-whiskey segments. The segments offer double-digit growth and high margins, especially in South India. ABD is leveraging its distribution strength and consumer insight to build new millionaire brands in these niches.
- **Capex/backward integration to boost margins:** The capex plan of Rs5,250mn includes a PET facility (Telangana; Q2) and a single malt distillery (in Q4). The ENA distillery in Aurangabad is already operating at full capacity; capacity expansion approvals are underway. Backward initiatives are margin accretive and are expected to add 300bps to OPM by Q4FY27 through cost efficiencies.
- **Operational investments:** Employee costs rose due to the launch of ABD Maestro and the acquisition of a new distillery in Maharashtra. Increased promotional and distribution spends supported established and new premium brands.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	23,674	26,969	31,577	33,341	35,408
EBITDA	1,940	1,963	1,850	2,372	4,306
EBITDA Margin (%)	8.2	7.3	5.9	7.1	12.2
APAT	25	15	16	25	1,949
EPS (Rs)	0.1	0.1	0.1	0.1	7.2
EPS (% chg)	NM	-40.0	16.7	NM	NM
ROE (%)	-	0.4	0.4	0.6	19.8
P/E (x)	4917.0	8195.0	7024.3	7024.3	68.4

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.1	25.1	50.3	63.4
Rel to Nifty	2.9	25.3	40.0	60.1

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Refer to important disclosures at the end of this report

Dodla Dairy (Not Rated)

Emkay
Your success is our success

Scaling up procurement, expanding footprint, and driving margin resilience

CMP	MCap (Rs bn)	TP & Rating
Rs1,305	79	NA | NR

We hosted Dodla Reddy (MD) and Murali Raju (CFO) to gain some insight into the company

Key Meeting-Takeaways

- **Background:** Dodla Dairy is a pure dairy company with a procurement strength of 1.8mn liters per day. With the aspiration to serve pan-India, the company started establishing direct connections with farmers. It has connected with 140k farmers.
- **Strategic expansion in India:** The investment of Rs2,800mn in Maharashtra Greenfield project in Solapur is progressing well, with daily procurement at 0.26mn liters; the company is also planning a 1mn liter integrated facility. It acquired HR Food Processing Private, to expand its footprint in Bihar and Jharkhand with a premium brand. Also, it launched a new plant in Kenya to reduce reliance on milk imports from Uganda.
- **Procurement strategy and margin management:** The company follows a net-seller strategy by ramping up milk procurement (averaging at 1.87mn liters/day) which ensures consistent supply and avoids product withdrawal during seasonal volatility. With procurement prices softening in July (Rs36.90/liter vs Rs37.38 in Q1), margins are expected to improve in Q2FY26.
- **Orgafeed business momentum:** Orgafeed revenue grew 29.4% YoY, with EBITDA up 84.4% and margins at 17.6%. Currently, it serves only 35–40% of Dodla's farmer base which indicates a significant room for expansion. Stable raw material prices and efficient cost management drove margin improvement.
- **Inventory management amid price volatility:** The company proactively liquidated bulk inventories of SMP and butter to maintain balance sheet hygiene, in response to declining prices.
- **Growth guidance:** The management expects 10–15% topline growth and 15–20% EBITDA/PAT growth in FY26. Strong growth is anticipated in Telangana (11.7%), Tamil Nadu (10.3%), and Andhra Pradesh (11.0%), with Karnataka lagging slightly. Emphasis is on brand-led B2C growth, deeper market penetration, and maintaining pricing discipline over aggressive discounting.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	19,504	22,571	28,350	31,529	37,734
EBITDA	2,425	2,107	1,913	2,889	3,808
EBITDA Margin (%)	12.4	9.3	6.7	9.2	10.1
APAT	1,260	1,328	1,223	1,667	2,599
EPS (Rs)	22.5	22.4	20.6	28.0	43.3
EPS (% chg)	150.9	-0.2	-8.4	36.4	54.4
ROE (%)	23.1	17.7	13.5	15.8	20.4
P/E (x)	58.1	58.2	63.5	46.6	30.2

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-9.1	16.7	30.9	8.8
Rel to Nifty	-7.4	16.9	21.9	6.7

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Refer to important disclosures at the end of this report

Birlasoft

Navigating beyond near-term growth challenges

CMP	MCap (Rs bn)	TP & Rating
Rs371	103	Rs420 | ADD

We hosted Abhinandan Singh (Head - IR)

Key Meeting-Takeaways

- The management anticipates sequential revenue growth in Q2, aspires to sustain sequential revenue growth in FY26 (barring the seasonal furlough uncertainty in Q3), and deliver EBITDAM closer to FY25-levels of ~13%.
- The company is focused on i) building the pipeline and delivering a higher orderbook, ii) mining the existing top-40 accounts (entailing more than 90% of revenue) while adding new logos, iii) turning around the ERP business.
- In Q1, Manufacturing remained sluggish on account of some project closures and ramp downs. It is likely to stay pressured, on slower decision making, tariff-related uncertainties, and instances of client insourcing. Life Sciences, which largely constitutes Medical Devices (~80%), is showing signs of turnaround, and the company expects new deal wins in coming quarters.
- The company secured marquee AI-led deal wins, including engagements with a leading US energy firm and a global tech major, showcasing its growing capabilities in GenAI and agentic AI. These wins reinforce its position in AI-driven transformation, expanding its footprint across key clients.
- The management indicated right shifting of a deal that impacted the Q1 deal TCV, and expects deal wins to improve in Q2. There are 2-3 large deals in the active pipeline, each worth USD30-50mn, with one deal likely to be signed in H2FY26.
- Pipeline conversion remains tepid due to delayed decision-making and constrained discretionary spending.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	52,781	53,752	52,545	58,133	63,726
EBITDA	8,362	6,974	6,683	7,995	9,317
EBITDA Margin (%)	15.8	13.0	12.7	13.8	14.6
APAT	6,238	5,168	4,457	6,118	7,078
EPS (Rs)	22.1	18.5	15.8	21.7	25.1
EPS (% chg)	86.2	-16.5	-14.3	37.3	15.7
ROE (%)	22.7	15.8	12.3	15.5	16.2
P/E (x)	16.8	20.1	23.4	17.1	14.8

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-11.5	-11.9	-26.7	-34.4
Rel to Nifty	-9.6	-12.0	-31.4	-35.7

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Ceinsys Tech (Not Rated)

Your success is our success

Focus on AI, acquisitions, and international growth

CMP	MCap (Rs bn)	TP & Rating
Rs1,681	30	NA | NR

We hosted Prashant Kamat (Vice Chairman and CEO) and Kaushik Khona (MD - India Operations)

Key Meeting-Takeaways

- The company has recently rebranded to CS Tech Ai (corporate name remains 'Ceinsys Tech Limited'), signaling a sharper focus on AI and tech-led solutions. It operates with two key segments: i) geospatial and engineering mobility, and ii) technology solutions.
- The company is venturing into software product development and emerging technologies through a new vertical focused on AI/ML and embedded electronics.
- Major government projects such as *Jal Jeevan Mission* faced temporary order delays due to government audits, although the management expects order inflow to resume shortly as audits conclude.
- The company has an orderbook of ~Rs12bn, with majority of the projects from the government. Mobility contributes ~25% to the total revenue.
- Ceinsys has mobilized the ~USD28mn earmarked for M&As, with a strategy to scale up in new technology and geospatial domains across international markets. The management indicated that two active acquisition targets are currently in the due diligence stage and both operate in the geospatial sector, serving clients in the US and Europe.
- Plans to shift mix toward non-government/international revenue target of achieving a 70:30 international/domestic split in 3 years.
- The management expects current margin levels to sustain, or even improve, as the project mix continues to favor digital and technology-driven contracts (higher margin of ~30%) over traditional engineering services (low-margin services).
- CEO designate Surej KP will assume full CEO responsibility from Jan-26, and is currently involved in day-to-day operations, strategy, and M&A execution for facilitating international scale-up.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,868	2,064	2,296	2,684	4,404
EBITDA	160	222	317	441	780
EBITDA Margin (%)	8.6	10.7	13.8	16.4	17.7
APAT	20	92	309	350	632
EPS (Rs)	1.8	8.1	20.0	22.5	37.4
EPS (% chg)	-91.0	353.6	146.6	12.5	65.9
ROE (%)	2.2	7.1	16.7	16.2	19.6
P/E (x)	938.9	207.0	83.9	74.6	45.0

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	14.6	5.7	-6.5	143.0
Rel to Nifty	17.1	5.5	-12.5	138.2

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TCS

Your success is our success

Macro uncertainty weighs on growth; resilience expected to persist

CMP	MCap (Rs bn)	TP & Rating
Rs3,036	10,985	Rs3,500 | ADD

We hosted Nehal Shah (Head – IR), TCS

Key Meeting-Takeaways

- Macro uncertainty is affecting decision-making, causing project deferrals and deal ramp-ups. Clients continue to focus on cost efficiency and vendor consolidation, though they remain cautious on discretionary spending.
- The management reiterated that international market revenue growth would be better in FY26 vs FY25 and highlighted that if macro improves with no further delays, Q2 could turn out better than Q1. In addition, near-term margin is expected to remain under pressure; however, the pyramid rebalancing exercise could act as a margin tailwind going forward.
- Enterprises in CMT are re-evaluating their priorities with key focus on AI, automation, cost optimization, and vendor consolidation. Manufacturing remains subdued due to challenges and reduced spending in Auto. Clients are focused on lowering tech debt and preparing infrastructure for future demand.
- Across industries, clients are increasingly shifting their focus, from the use-case-based approach to a RoI-led scaling of AI.
- TCS is expanding its AI platform (TCS WisdomNext) with agentic AI capabilities and strengthening partnerships with hyperscalers and native AI and data companies.
- Enterprises are moving beyond pilots to production-grade GenAI rollouts, focusing on AI-led business transformation, AI-enabled SDLC, and data platform modernization. The spend is clustered around three big themes: 1) AI-led business transformation, 2) AI-enabled SDLC/IT operations, and 3) data platform modernization that supports agentic AI.
- TCS has announced reduction of ~2% of its global workforce in FY26, in a bid to become more agile and future-ready amid AI disruptions and operating model changes.
- It plans to roll-out wage hikes for junior employees, which is ~80% of employee base, effective Sep-25.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,408,930	2,553,240	2,616,336	2,799,611	2,984,590
EBITDA	633,370	674,070	697,910	758,674	809,066
EBITDA Margin (%)	26.3	26.4	26.7	27.1	27.1
APAT	459,080	485,530	506,527	543,479	578,630
EPS (Rs)	126.9	134.2	140.0	150.2	159.9
EPS (% chg)	10.2	5.8	4.3	7.3	6.5
ROE (%)	49.6	51.2	51.0	52.3	53.1
P/E (x)	23.9	22.6	21.7	20.2	19.0

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-7.0	-13.6	-22.4	-26.5
Rel to Nifty	-5.0	-13.8	-27.4	-27.9

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Capri Global (Not Rated)

India Equity Research | NBFC
August 15, 2025
Conference Note

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Growth momentum backed by stable margins, asset quality, and diversified funding

CMP	MCap (Rs bn)	TP & Rating
Rs186	179	NA | NR

We hosted Rajesh Sharma (Promoter and MD), Kishore Lodha (CFO), Divya Sutar (Business Strategy), and Hardik Doshi (Head – Corporate Finance and IR)

Key Meeting-Takeaways

- The management reiterated its confidence in delivering ~30% annual AUM growth over the next three years, targeting Rs500bn by FY28, supported by balanced expansion across gold loans, affordable housing, MSME, and construction finance. The company expects ROA to remain at or above 3.5% and ROAE at 16–18%, aided by operating leverage and margin stability.
- In terms of asset quality, the management guided for GNPA to stay below 2% and net NPA below 1.2%, with FY26 credit costs contained within 70bps. The portfolio's secured nature, conservative LTVs, and strong recovery infrastructure are expected to protect asset quality despite selective MSME stress.
- The management indicated that the softening interest rate environment and MCLR resets should reduce cost of funds by 40–50bps by FY26-end. Funding diversification will continue through higher NCD issuance, commercial paper, and selective ECBs.
- With regard to geographical expansion, the management indicated that it will continue to focus on deepening presence in existing states and entering new southern markets for GL and MSME lending.
- The company expects margins to expand, supported by a 40–50bps reduction in cost of funds by FY26-end from MCLR resets and lower-cost incremental borrowings.
- Cost-to-income is expected to remain around 50% in FY26, even with the planned addition of 200–250 branches, as maturing branches and technology adoption drive efficiency.
- Around 737 of 821 branches are already above breakeven; network expansion and co-lending activation are expected to further accelerate gold loan growth.
- The ATS of its CF segment is ~Rs180mn and the business is mainly concentrated in the top 10 cities. The management also highlighted that it has a strong network of builders which support the company in containing risk in this segment; additionally, it has a strong monitoring team, which keeps track of all CF cases closely.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Net income	3,848	5,087	6,493.00	10,195	13,637
Net profit	1,770	2,050	2,047	2,794	4,785
EPS (Rs)	5.05	4.4	2.6	3.4	5.8
ABV (Rs)	48.9	54.8	86.5	45.7	51.1
RoA (%)	3.5	3.3	2.2	2.1	2.7
RoE (%)	10.9	11.3	7.5	7.6	11.8
P/E (x)	36.8	42.2	72.9	54.9	32.1
P/ABV (x)	3.8	3.4	2.1	4.1	3.6

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	5.0	10.0	14.9	-7.2
Rel to Nifty	7.0	10.2	6.9	-9.1

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L&T Finance

Emkay
Your success is our success

Leveraging data and technology for sustainable growth and asset quality

CMP	MCap (Rs bn)	TP & Rating
Rs202	505	Rs190 | REDUCE

We hosted Karthik Narayan (Head - Strategy and IR), Charmi Ashar (Chief Manager - IR), and Prateek Keshwani (Chief Manager – Strategy and IR)

Key Meeting-Takeaways

- The company remains focused on risk-calibrated growth and expects a pickup from H2FY26 as concerns around unsecured/microfinance dissipate, with continued traction in home loans, personal loans via large partnerships, SME, and gold loans; the gold network's expansion to 300+ branches by FY26 would add secured, high-yield growth.
- Project Cyclops is already fully rolled out in Two-Wheelers and is on track to go live in Farm by Q2FY26, SME by Q2FY26, and Personal Loans by Q3FY26. Early results show sharp drops in bounces and non-starters, pointing to lower forward loss rates and supporting the planned credit cost trend in H2.
- The management indicated that Q2 disbursements are seasonally slow; however, it expects strong acceleration in Q3, driven by the festive season, and further momentum in Q4. The bulk of FY26 growth will come in H2 as operating conditions in unsecured and microfinance segments normalize.
- In Q1FY26, the Board approved utilization of a Rs3bn macro-provision buffer to cover specific macroeconomic events. The management plans to minimize further drawdowns and rebuild the buffer over FY27 and FY28, supported by recoveries and resolutions from legacy wholesale and SR book exposures.
- Collection efficiency is improving steadily, especially in Karnataka (from lows in Q4FY25 to 98.48% in Jun-25), supported by extra manpower, lower accounts per collector, and borrower education programs. The management expects Karnataka to normalize by Oct-25 and the overall credit cost to trend toward ~2.3% by Q4FY26, aided by Cyclops-led portfolio quality improvements.
- LTF aims to make gold loans a key growth driver by FY26, expanding to 300+ branches and integrating them into multi-product outlets. LTF is positioned as a high-yield anchor for cross-sell across rural and urban segments. It plans to leverage its existing infrastructure and employee strength to accelerate disbursements and broaden the secured retail mix over the next 12–18 months.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	75,367	86,665	100,136	121,964	147,671
Net profit	23,171	26,434	30,097	39,657	50,655
EPS (Rs)	9.3	10.7	12.2	16.0	20.4
ABV (Rs)	94.2	102.5	110.8	122.0	137.6
RoA (%)	2.2	2.4	2.3	2.7	2.9
RoE (%)	10.3	10.9	11.4	13.7	15.7
P/E (x)	21.7	18.9	16.6	12.6	9.9
P/ABV (x)	2.1	2.0	1.8	1.7	1.5

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.7	15.3	47.5	25.9
Rel to Nifty	0.1	15.5	37.4	23.4

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Piramal Enterprises

Retail growth, cost discipline, and margin stability to lift ROA

CMP	MCap (Rs bn)	TP & Rating
Rs1,122	254	Rs1,350 | BUY

We hosted Sridharan (MD – Piramal Finance), Ravi Singh (Head - IR), and Ruchika Jain (AVP - IR)

Key Meeting-Takeaways

- The management expects overall AUM to register a 25% growth, with 30% growth in the Retail plus Wholesale 2.0 book. Retail remains the main growth driver, focusing on mid-ticket housing and LAP, salaried personal loans, and selective digital lending. Growth is being moderated in open-market MSME (unsecured) and used-car refinance, owing to some stress currently.
- Credit costs in the Growth business are projected to be contained, driven by tighter sourcing in higher-risk MSME (unsecured) and used-car refinance to self-employed borrowers; meanwhile, Piramal is scaling up digital lending with FLDG protection.
- Net interest margins are expected to stay resilient with easing funding costs, aided by a well-diversified borrowing profile (banks, mutual funds, securitization, and ECBs). The fixed–floating gap is largely neutralized, positioning the balance sheet to benefit from a softer rate environment.
- The management aims to reduce opex-to-AUM toward 3.5–4.0% in the medium term, supported by improving branch productivity, a temporary pause in network expansion, and a wider use of AI-driven automation across underwriting, operations, and collections.
- Piramal expects fee income ratio to normalize as the impact of processing fee amortization eases out and reaches normalcy. It also expects cross-sell to improve as branch productivity improves. Cross-sell accounted for 26% of unsecured disbursements and ~11% of total retail disbursements in Q1FY26.
- The management expects a multiplier of zero tax profit due to a tax shield and anticipates a reversal of the Q1FY26 tax.
- The management expects ROA to expand to around 2.5–3.0% in the medium term, driven mainly by lower operating expenses and an improved fee income ratio, supported by margin expansion.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	30,213	35,912	50,063	71,455	87,898
Net profit	-16,834	4,853	12,835	22,926	29,563
EPS (Rs)	-74.9	21.5	56.9	101.7	131.1
ABV (Rs)	1119.8	1128.5	1208.5	1297.4	1482.5
RoA (%)	-2.1	0.6	1.3	1.9	2.0
RoE (%)	-5.8	1.8	4.6	7.8	9.3
P/E (x)	-15.0	52.1	19.7	11.0	8.6
P/ABV (x)	1.0	1.0	0.9	0.9	0.8

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-13.3	4.6	21.1	27.1
Rel to Nifty	-11.7	4.8	12.7	24.6

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Shriram Finance

Growth outlook intact; margins and asset quality set to improve

CMP	MCap (Rs bn)	TP & Rating
Rs616	1,159	Rs700 | BUY

We hosted Sanjay K Mundra (Executive Director - Investor Relations)

Key Meeting-Takeaways

- Disbursement momentum is expected to pick up ahead, supported by festive and post-monsoon demand. The management remains confident of meeting its overall growth guidance, with around 22–23% growth in MSME, 10–12% in CV, and 19–20% in gold.
- The management remains cautious in certain geographies like Uttar Pradesh and Madhya Pradesh, where government payments are delayed. Growth has also slowed marginally in Karnataka, Tamil Nadu, and Andhra Pradesh. It also stated that the company will continue to focus on quality rather than chasing growth.
- Trucking activity remains healthy with stable-to-strong freight rates, high fleet utilization, and used-vehicle resale values holding firm, supporting demand and asset quality in the vehicle segment.
- In the MSME segment, the management attributes Q1 moderation to typical first-quarter seasonality and early monsoons; it reiterated confidence in the momentum recovering from Q2.
- The management indicated that challenges in gold loan disbursements, linked to regulatory adjustments and branch infrastructure upgrades, are largely behind. It intends to leverage its existing branch infrastructure to offer gold loan and MSME loans.
- The construction equipment segment saw a deliberate slowdown, as cash flows were impacted by lower and delayed government payouts.
- The management expects gradual improvement in NIMs through the year, supported by lower incremental borrowing costs, the recent 40bps deposit rate cuts, and planned rundown of excess liquidity over the next 3–4 months. NIM is targeted to reach around 8.5% by Q4FY26.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	187,935	218,531	255,766	303,626	354,806
Net profit	71,905	97,610	99,130	120,207	141,430
EPS (Rs)	38.3	44.0	52.7	63.9	75.2
ABV (Rs)	258.6	299.3	340.4	390.3	448.9
RoA (%)	3.3	3.5	3.2	3.4	3.5
RoE (%)	15.8	17.8	16.5	17.5	17.9
P/E (x)	16.1	14.0	11.7	9.6	8.2
P/ABV (x)	2.4	2.1	1.8	1.6	1.4

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-8.0	-5.4	14.3	6.5
Rel to Nifty	-6.3	-5.3	6.4	4.4

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Refer to important disclosures at the end of this report

Castrol India (Not Rated)

Emkay
Your success is our success

Strong industry position with diversified long-term opportunities

CMP	MCap (Rs bn)	TP & Rating
Rs205	203	NA | NR

We hosted Kedar Lele (Managing Director) and Mrinalini Srinivasan (Chief Financial Officer)

Key Meeting-Takeaways

- Historically, Castrol has prioritized profitability and margin expansion, often at the expense of volume growth. It has now shifted to a more balanced strategy, targeting volume growth, while margins are expected to be constant at ~21-25%. To drive volumes, Castrol has launched the *Essential* series in the CV oil segment.
- Castrol has delivered consistent growth for nine consecutive quarters, holding an overall market share of ~20% as of Q1FY26-end, up by ~40bps YTD. According to rating agencies, the automotive lube industry is growing 3.5-4.5%, while Castrol's growth has outpaced the industry's, enabling further market share gains. The company remains well positioned to continue expanding its share.
- The industrial segment is a key focus area for the company, with globally used metalworking fluids now introduced in the Indian market through local production, thus enabling faster delivery and superior value creation. The segment's gross margin is around half that of the automotive business, so a rising industrial share could weigh on EBITDA margin. Nonetheless, margins are expected to stay within the guided 21-25% range, supported by strong cost management and operational efficiency. Castrol continues to strengthen its product portfolio and distribution network while developing end-to-end solutions that integrate service delivery with product sales, underscoring its ability to execute growth strategies profitably. Castrol continues to focus on non-lube products.
- Chemical management services are gaining strong momentum and are now operational at multiple sites. This model extends beyond simply selling lubes and chemicals, with Castrol taking end to end responsibility for the entire chemical life cycle, ensuring efficiency and compliance as well as deliver value.
- Castrol undertakes strategic pricing and continues to command a premium for its superior quality and strong brand promise. The company sees significant potential in coolants for data centers and is actively collaborating with hyper scalers and data center operators to test such solutions. This segment is expected to grow substantially over the next decade, contributing meaningfully to profitability and opening a new frontier in Castrol's business transformation.
- Castrol has widened its distribution reach to over 160,000 outlets, including >32,000 bike points, more than 11,000 multi-brand car workshops, and a robust dealer network.

Financial Snapshot (Consolidated)

(Rs mn)	CY20	CY21	CY22	CY23	CY24
Revenue	30,589	42,405	48,415	51,578	54,535
EBITDA	8,141	10,660	11,111	11,979	12,782
EBITDA Margin (%)	26.6	25.1	22.9	23.2	23.4
APAT	5,829	7,581	8,152	8,641	9,272
EPS (Rs)	5.9	7.7	8.2	8.7	9.4
EPS (% chg)	-29.5	30.1	7.6	6.1	7.2
ROE (%)	41.9	49.6	46.2	43.1	42.1
P/E (x)	34.9	26.8	24.9	23.5	21.9

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-7.9	-0.5	6.5	-14.7
Rel to Nifty	-6.2	-0.4	-0.9	-16.4

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Gulf Oil Lubricants India

Investing in brand, capacity, and new-age opportunities

CMP	MCap (Rs bn)	TP & Rating
Rs1,161	57	Rs1,800 | BUY

We hosted Ravi Chawla (Managing Director and CEO) and Manish Gangwal (CFO)

Key Meeting-Takeaways

- The management reiterated its volume growth guidance of 2–3x industry growth, with segments where Gulf Oil (GOLI) holds less than a 5% share expected to grow ~4–5x the industry rate. The industrial segment is expected to grow 2–3% above the overall rate, while AdBlue volumes are expected to rise 10–15%. The management remains confident of double-digit growth in the industrial segment and is exploring premiumization opportunities through more synthetic and eco-friendly products. Lube management accounts for a single-digit share of the industrial segment's revenue.
- Other expenses were higher in Q1FY26, largely owing to higher OEM royalties and increased advertising spends during the quarter due to IPL and a mega campaign. AdBlue volume growth had been impacted in the past 2–3 quarters due to pricing and consumption issues, as the company avoided selling below a certain price; however, volume growth has now normalized.
- GOLI is investing in its brand and targeting 10–15% growth in the distribution network, from the current ~320 distributors, 90,000 touchpoints, and 1,500 rural stockists.
- The management aims to grow Tirex's revenue by 60–70%, if not doubling it annually until it reaches Rs5bn. Tirex's EBITDA margins are similar to the lube business. With every four EV buses requiring one DC charger, and India's DC charger market currently at ~Rs1.4bn and poised for exponential growth, strong demand should support Tirex's expansion.
- Data center coolants have very low penetration and even at 100% adoption, volumes would be under 1% of total lube demand. Around 75% of the lube market is unlikely to be impacted by EVs; according to Kline, lube demand should continue to grow over the next decade. EVs require only ~15% of the lube used by ICE vehicles.
- The Board has approved Rs550mn capex to boost manufacturing capacity by 70% to 240mn liters. The investment will be spread over two years, with the Silvassa expansion targeted for completion in 15–18 months, while the Chennai plant is expected to be expanded earlier.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	32,841	35,544	38,346	41,292	44,449
EBITDA	4,194	4,701	5,196	5,782	6,443
EBITDA Margin (%)	12.8	13.2	13.6	14.0	14.5
APAT	3,081	3,533	4,023	4,560	5,147
EPS (Rs)	62.7	71.7	81.6	92.5	104.4
EPS (% chg)	32.2	14.4	13.9	13.4	12.9
ROE (%)	24.9	26.3	26.2	27.1	27.8
P/E (x)	18.5	16.2	14.2	12.6	11.1

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-5.4	-3.3	5.9	-12.7
Rel to Nifty	-3.7	-3.2	-1.4	-14.4

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Oil India

Your success is our success

Bracing for higher gas output

CMP	MCap (Rs bn)	TP & Rating
Rs401	652	Rs495 | BUY

We hosted the senior management of Oil India

Key Meeting-Takeaways

- DNPL's capacity is being augmented, from 1mmscmd to 2.5mmscmd, with mechanical completion targeted for Oct-25, followed by PNGRB clearance. Post-commissioning, PNGRB will conduct physical inspection and other approvals to designate DNPL as a common carrier, expected by Q4FY26. Once approved, gas can be supplied to the national grid via IGGL. NRL will offtake majority of the incremental volume and any surplus can be routed to the national grid or to other demand centers such as Namrup or Tripura (which remain underserved by ONGC) in the Northeast.
- Currently, ~14% of gas is authorized as NWG by the DGH, though realizations have not improved as allocations are yet to be made. The management expects NWG share to rise to 25% by FY27. Moreover, incremental gas supplied to units such as NRL and fertilizer plants via DNPL, IGGL, and feeder line will also be classified as NWG, supporting higher gas realization from FY27.
- IGGL is developing a feeder line parallel to DNPL which will connect to the national grid, enabling higher NWG allocation and eliminating evacuation constraints once operational. The project is expected to take 18 months post-MoPNG approval, with commissioning targeted for Mar-27. In FY26, 1.32mmscmd of incremental gas production is expected, along with 0.5mmscmd at the tap-off point; however, it is currently not being extracted due to evacuation bottlenecks. Infrastructure expansion and accelerated drilling are expected to drive production growth, with a sharp 1.5mmscmd jump in FY27 and FY28 exit rate of 4.6-4.7bcm.
- NRL currently supplies ~1.2mmt of HSD to Bangladesh through IBFP, and its expanded capacity will primarily target the domestic market (largely replacing import), with only ~0.5mmt supplied to Bangladesh. BPCL will be the largest offtaker, and the excise duty benefit is expected to continue. Commissioning will be phased, with the CDV/VDU unit by Dec-25 and other units (SRB and PFCC) by Sep-25, followed by pipeline connectivity in Q4FY26. Crude intake from the new capacity will start in Q1FY27, with output ramping to ~40% of expanded capacity by H2FY27 and to ~80% in FY28.
- In Q1FY26, Oil India exited 2 blocks in Bangladesh, with the related impairment provision booked under other expenses, which were also higher due to additional write-offs in Gabon and other assets.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	221,298	221,172	221,787	237,803	249,906
EBITDA	92,588	87,661	94,997	105,080	111,759
EBITDA Margin (%)	41.8	39.6	42.8	44.2	44.7
APAT	68,129	61,142	64,315	73,978	79,597
EPS (Rs)	62.8	37.6	39.5	45.5	48.9
EPS (% chg)	0.0	-40.2	5.2	15.0	7.6
ROE (%)	14.1	13.7	13.5	14.2	14.0
P/E (x)	6.4	10.7	10.1	8.8	8.2

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-10.1	-4.3	1.1	-39.2
Rel to Nifty	-8.5	-4.2	-5.9	-40.4

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Akums Drugs and Pharmaceuticals (Not Rated)

CMP	MCap (Rs bn)	TP & Rating
Rs472	74	NA | NR

We hosted Ankit Jain and Ankur Rana (IR)

Key Meeting-Takeaways

- Pricing power remains moderate, and future growth will be driven by portfolio expansion in chronic therapies (gynecology, cardiology, diabetology), enhanced field force productivity, and potential price hikes in 2H.
- Oncology product commercialization from the Baddi site is expected in 2HFY26.
- Jammu plant expansion is on track, with capex starting by end-FY26; operations expected to commence by Mar-27.
- The trade generics business is being systematically downsized; focusing on profitable units to eliminate losses.
- A major European CDMO contract has been signed with €100mn advance consideration received; expected to generate Rs3bn annual revenue starting Apr-027, generating margins similar to that of the Indian CDMO business.
- Top line guidance has been moderated, from mid-to-high single-digit to mid-single-digit growth for FY26, reflecting ongoing API pricing and industry volume challenges.
- The company has achieved a milestone of 1,000 cumulative DCGI approvals with 27 new approvals in 1QFY26 vs 31 in FY25.
- Akums has filed a dossier in Switzerland for a Dapagliflozin-combo; received ANVISA (Brazil) and Russia GMP approvals for injectables and hormone plants.
- The company is not actively targeting the Semaglutide opportunity.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	27,226	36,719	36,548	41,782	41,870
EBITDA	2,912	4,025	2,940	4,808	4,645
EBITDA Margin (%)	10.7	11.0	8.0	11.5	11.1
APAT	1,733	1,614	1,165	1,370	3,254
EPS (Rs)	11.0	10.3	7.4	8.7	22.6
EPS (% chg)	92.5	-6.9	-27.8	17.5	159.77
ROE (%)	20.5	27.5	14.4	22.9	17.2
P/E (x)	53.3	57.2	79.3	67.5	21.6

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-12.6	-5.0	-11.4	-47.9
Rel to Nifty	-10.7	-5.1	-17.1	-48.9

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Fredun Pharmaceuticals (Not Rated)

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CMP	MCap (Rs bn)	TP & Rating
Rs1,044	5	NA | NR

We hosted Fredun Medhora (MD and CFO)

Key Meeting-Takeaways

- The company has transitioned from a OEM manufacturer into a holistic healthcare entity, now offering branded generics, nutraceuticals, cosmetics, animal healthcare, and mobility aids.
- Order book stands at over Rs2bn, providing strong visibility for upcoming quarters.
- Fredun Generics is the flagship branded generics line; launched 2.5 years ago; targets Tier 2-4 cities and aims to reduce OEM dependency. Recorded Rs0.55-0.6bn revenue in FY25; targets achieving revenue of Rs0.85bn in FY26 and of Rs1.5bn in FY27. Aims for reaching Rs2.5-3bn revenue in 3 years.
- Generics accounted for about Rs3.5bn in sales out of Rs4.5bn in FY25 (new age businesses accounted for the rest). New age businesses reported gross margins above 50% and are expected to see 35-40% CAGR.
- The branded generics portfolio spans 15–20 therapeutic segments; includes over 350 products; target expanding the portfolio to >500 products shortly.
- By FY29, all revenue will be from the Fredun branded products and, by FY32, over 50% of the revenue will be from new age divisions.
- India's first 24x7 dedicated pet diagnosis center launched (CBCT, advanced ultrasound, anesthetist on staff), with plans for expansion. Each diagnostic center targets Rs0.15bn in annual revenue, with 20-25% net margin.
- The management targets revenue of Rs8bn and PAT of Rs0.9bn over 3-4 years. The expected PAT margin of 10-11% in the long term will be driven by scale and a high-margin product mix.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,353	2,261	2,765	3,491	4,563
EBITDA	94	154	296	389	549
EBITDA Margin (%)	6.9	6.8	10.7	11.1	12.0
APAT	27	63	108	156	197
EPS (Rs)	5.1	14.3	22.9	33.3	44.8
EPS (% chg)	5.9	183.0	60.5	45.3	34.5
ROE (%)	6.5	11.4	13.1	14.3	15.0
P/E (x)	206.6	73.0	45.5	31.3	23.3

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	21.3	54.8	42.7	30.3
Rel to Nifty	23.9	54.6	33.5	27.7

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IOL Chemicals & Pharmaceuticals (Not Rated)

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CMP	MCap (Rs bn)	TP & Rating
Rs92	27	NA | NR

We hosted Abhay Raj Singh (SVP and CS) and Rakesh Mahajan (Advisor - Finance and Strategy)

Key Meeting-Takeaways

- The newly commissioned 10,800MTPA plant for Paracetamol has commenced exports to Europe. The plant supports backward integration and is expected to reach optimal utilization by FY27.
- The management aims for a 50:50 revenue split between Ibuprofen and non-Ibuprofen APIs, with a growing emphasis on regulated markets to improve realizations (particularly in the non-Ibuprofen portfolio).
- Paracetamol demand remains intact (below the Covid highs albeit above pre-Covid levels), with 3-4% estimated growth. Pricing remains subdued at USD3-3.5 per kg (blended domestic and export).
- In the chemical segment, 75–80% of IBB (Iso Butyl Benzene) production is consumed internally for Ibuprofen manufacturing. Ethyl Acetate is sold entirely in the merchant market, while 40% of Acetic Anhydride is used in-house for MCA and Paracetamol production. As Paracetamol volumes ramp up, internal consumption of Acetic Anhydride is expected to increase further.
- Exports contribute ~25% of the revenue; the company targets increasing this to 40% over the next 2 years.
- EBITDA margin (including other income) is expected at 14-15% for the full year. EBITDA margin for the chemical business is seen at 5–6% for FY26. Overall revenue growth is projected at 10% for the year.
- Clopidogrel and Pantoprazole APIs are operating at 70–80% utilization. Paracetamol utilization for 1Q was 34%, expected to rise to 60% by 3QFY26.
- Acquired 100 acres of land for a multi-product facility, and the company is currently in the process of receiving regulatory approvals; expect the new facility to come on stream after 8 quarters.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	19,913	22,161	22,427	21,629	21,016
EBITDA	5,918	2,444	2,257	2,306	2,023
EBITDA Margin (%)	29.7	11.0	10.1	10.7	9.6
APAT	4,446	1,781	1,391	1,344	1,011
EPS (Rs)	15.2	5.7	4.7	4.6	3.4
EPS (% chg)	20.0	-62.5	-17.0	-3.4	-24.9
ROE (%)	42.9	13.4	9.6	8.6	6.1
P/E (x)	6.1	16.3	19.7	20.4	27.1

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	2.2	40.3	32.6	19.9
Rel to Nifty	4.5	40.1	24.0	17.6

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Lincoln Pharmaceuticals (Not Rated)

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CMP	MCap (Rs bn)	TP & Rating
Rs543	11	NA | NR

We hosted Munjal Patel (Promoter) and Darshit Shah (CFO)

Key Meeting-Takeaways

- The company targets revenue of Rs7.5bn in FY26 and of Rs10bn within the next three years, by expanding into high-value product categories and driving growth across its businesses; focus over the next 3 years will remain on ex-US markets.
- Target 15-18% annual growth rate, driven by cardiac, diabetic, dermatology, and ENT segments.
- Lincoln has completed the expansion of its Cephalosporin plant in Mehsana, Gujarat, and expects to generate around Rs1.5bn in sales from this facility over the next 2–3 years.
- Commercial production has started at the expanded Cephalosporin plant, with domestic sales already under way and plans to register the products for exports.
- The Mehsana Cephalosporin plant has also received WHO-GMP approval to manufacture tablets, capsules, and dry-powder suspensions.
- The company is building a strong product portfolio in lifestyle and chronic care areas, especially in women's health and dermatology, in addition to its acute care products.
- The company has begun exporting to Canada and expects to start exports to European countries soon, in line with its target of expanding its global footprint to over 90 countries from 60 now.
- The Khatraj plant has received regulatory approval from Australia's Therapeutic Goods Administration (TGA), allowing it to export to that market.
- The company aims to deliver healthy PAT growth while maintaining a net debt-free balance sheet.
- Aggressively looking for assets including assets in Africa (oral solid facilities); acquisitions will be funded via internal accruals.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	4,299	4,821	5,328	6,150	6,457
EBITDA	872	955	892	999	1,015
EBITDA Margin (%)	20.3	19.8	16.7	16.2	15.7
APAT	623	694	729	933	824
EPS (Rs)	31.1	34.6	36.4	46.6	41.1
EPS (% chg)	20.8	11.5	5.1	28.0	-11.7
ROE (%)	18.3	17.4	15.6	17.0	13.0
P/E (x)	17.5	15.7	15.0	11.7	13.2

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.0	-7.8	-15.1	-18.0
Rel to Nifty	1.2	-8.0	-20.6	-19.6

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Mahindra Lifespace Developers (Not Rated)

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Healthy launches planned ahead

CMP	MCap (Rs bn)	TP & Rating
Rs341	73	NA | NR

We hosted Avinash Bapat (Chief Financial Officer) and Sriram Kumar (Vice President – FP&A, Costing, and IR)

Key Meeting-Takeaways

- The company maintained its pre-sales target of Rs100bn by FY30, with aspiration to clock Rs45–50bn by FY27.
- Ahead, launches worth ~Rs70–80bn GDV (Hopefarm Alembic at Rs20bn, Bhandup Phase-1 at Rs30bn, Citadel Phase-3 at Rs30bn, and Mahalakshmi at Rs17bn) are being planned in one or more phases.
- The momentum is robust in BD, with marquee additions: Lokhandwala (Rs23–25bn GDV), Mulund (new micro-market), and Navrat 1 and 2 in Bengaluru (16.5–17acre contiguous land).
- The company has a portfolio with GDV potential of Rs410bn, which it plans to increase to ~Rs450bn as many new deals are under evaluation. The company would continue to focus on prioritizing financial discipline and IRR above 20%.
- The company plans to evaluate its entry into the NCR market next year; however, nothing is concrete currently as its focus is on strengthening presence in existing regions.
- Growth is expected across Mumbai (MMR), Pune, Bengaluru, and NCR. Premium and luxury segment demand is strong and pricing growth is healthy.
- MMR and Pune are seeing fewer launches and healthy pricing trends, whereas Bengaluru continues to witness healthy volumes as well as pricing. Inventory overhang across focus markets ranges at 9-16 months, which is considered healthy.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,999	5,953	8,455	4,586	6,498
EBITDA	-935	-895	-1,101	-1,711	-1,699
EBITDA Margin (%)	-46.8	-15.0	-13.0	-37.3	-26.1
APAT	-717	668	359	982	613
EPS (Rs)	-4.3	9.6	6.0	5.8	3.6
EPS (% chg)	-	-	-37.4	-3.3	-37.6
ROE (%)	-4.2	3.8	2.0	5.3	3.3
P/E (x)	-79.7	35.4	56.6	58.5	93.8

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-5.0	14.1	3.4	-36.9
Rel to Nifty	-3.2	14.2	-3.8	-38.2

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Marathon Nextgen Realty (Not Rated)

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Planning multiple avenues for growth

CMP	MCap (Rs bn)	TP & Rating
Rs633	43	NA | NR

We hosted Kaivalya Shah (Director) and Suyash Bhise (Chief Financial Officer)

Key Meeting-Takeaways

- The company targets launches of about 1.5msf carpet area over the next 2-3 quarters with an estimated GDV of ~Rs45bn ; this includes Monte South Commercial in Byculla (0.8msf; GDV: Rs35bn), Nexzone Phase 3 in Panvel (0.4msf; GDV: Rs5bn), and two NeoHomes projects in Bhandup (0.3msf; GDV: Rs5bn).
- Actively pursuing cluster redevelopment projects in South Mumbai and Bhandup (including slum rehabilitation formats); likely to announce development plans for the Bhandup cluster.
- Strategic plan to grow in core micro markets, and scouting opportunistic projects in South Mumbai.
- Demand outlook for premium office and retail space remains positive which would be beneficial for sales at Monte South Commercial.
- Post-merger land holdings total 418acres, with developable potential of 42msf, thus significantly enhancing the company's future project pipeline.
- Raised Rs9bn via QIP in Jun-25, which would be utilized toward Rs3.4bn for debt reduction, with Rs3bn earmarked for land development, an asset acquisition targeting South Mumbai, and Rs1.6bn for ongoing projects.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	2,232	3,442	7,589	7,458	6,764
EBITDA	637	744	2,393	2,329	1,730
EBITDA Margin (%)	28.6	21.6	31.5	31.2	25.6
APAT	152	385	1,210	1,665	1,866
EPS (Rs)	3.3	8.4	26.1	34.4	37.2
EPS (% chg)	-36.9	153.6	212.1	31.8	8.1
ROE (%)	2.5	6.1	16.7	18.4	16.8
P/E (x)	191.8	75.6	24.2	18.4	17.0

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-14.5	20.6	25.6	11.7
Rel to Nifty	-12.9	20.7	16.9	9.5

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Max Estates (Not Rated)

India Equity Research | Real Estate
August 15, 2025
Conference Note

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Scaling up

CMP	MCap (Rs bn)	TP & Rating
Rs449	72	NA | NR

We hosted Nitin Kansal (Chief Financial Officer) and Archit Goyal (Sr GM – Corporate Finance)

Key Meeting-Takeaways

- The current real estate portfolio stands at ~17msf, spanning residential and commercial projects, focused primarily on the Delhi NCR. The company aspires to add 3msf of projects in the near term, with planned BD outlay of Rs5-8bn in the current year.
- Launch pipeline with Rs90-95bn GDV remains on track (mainly in H2FY26), and pre-sales guidance of Rs60–65bn for FY26 is maintained.
- Key projects to be launched in H2FY26 include Estate 361 Phase-1, Gurugram (GDV: ~Rs45bn), Delhi One, Noida (GDV: ~RS20bn), and Sector 105, Noida (GDV: ~Rs30bn), with all expected to launch in FY26. Further, it targets cumulative pre-sales of Rs140-150bn during FY26 and FY27.
- The launch pipeline in FY26 is anchored by projects with staggered deliveries starting FY30, targeting EBITDA margin of 25-30% for outright projects and of 15-20% for joint development agreements (JDAs). The company expects collections of ~Rs25–26bn in FY26 and construction spend of Rs4.5–5bn, including Rs2bn spent on the Delhi One land acquisition and Rs1.5bn on construction in Q1.
- The company has four operational commercial assets (~1.3msf; considering Max House Phases 1 & 2 as separate) generating annualized rental income of ~Rs1.5bn, with four more commercial projects planned/under development in Gurugram and Noida which would increase the annuity income to Rs7.2bn at peak occupancy.
- Peak debt on full completion of commercial assets is expected at Rs15bn (Max Estates's share: Rs7.5bn). OC for the under-construction projects, ie Max Square Two and Max 65, is expected during FY28–29.

Financial Snapshot (Consolidated)

(Rs mn)	FY22	FY23	FY24	FY25
Revenue	739	1,313	1,203	2,497
EBITDA	307	317	-267	444
EBITDA Margin (%)	41.5	24.1	-22.2	17.8
APAT	50	190	-9	408
EPS (Rs)	1.3	1.3	-3.8	1.7
EPS (% chg)	-	-0.8	-	-
ROE (%)	-	2.0	-0.1	2.0
P/E (x)	345.5	348.2	-119.8	264.2

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-12.9	0.9	-3.0	-20.1
Rel to Nifty	-11.3	1.1	-9.7	-21.7

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Refer to important disclosures at the end of this report

Aditya Vision

Emerges unfazed from the unseasonal rains; recent correction unwarranted

CMP	MCap (Rs bn)	TP & Rating
Rs426	55	Rs550 | BUY

We hosted Yosham Vardhan (Director - Business Development and Investor Relations)

Key Meeting-Takeaways

- Guides to ~20% growth in FY26: The management remains confident of a sharp pick-up from Q2, supported by a bumper monsoon, Bihar's 125 free units scheme, and tax relief measures. This compares with only 6% growth in Q1.
- UP footprint gains momentum – 200-store vision intact: AVL's UP expansion continues to scale-up – 36 stores at present; 200 store-potential visible. Revenue share for UP has already surpassed that for Jharkhand (11% vs 8%), with focus expanding from East, to central and western UP.
- No distress discounting; confident about inventory health: AVL reiterated that its AC inventory is optimal and compliant with BEE norms. The company has avoided aggressive discounting and does not foresee any need for this, highlighting confidence in category sell-through over Q2-Q4. Inventory reduction to Rs5.5bn for ~180 stores (vs Rs7.0bn at FY25-end) is encouraging. Together with preferential proceeds, AVL is net debt free as of Q1FY25-end.
- SSG decline absorbed through cost discipline: While SSG declined 4% in Q1 due to a weak summer, AVL's margins were steady through tight control on non-critical opex (marketing, freight, etc) and variable-linked bonuses, thus underscoring its execution agility.
- Inventory playbook yields results; TP multiple restored to 40x: AVL defied expectations by reducing inventory by Rs1.5bn in Q1 despite the unseasonal rains, achieving ~Rs30mn/store – within its store-revenue guidance. Coupled with margin resilience (flat YoY at 9.5%), this led to sharp debt reduction (Rs1.15bn vs Rs2.8bn QoQ).

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	17,433	22,598	26,843	34,930	42,774
EBITDA	1,675	2,041	2,317	2,999	3,672
EBITDA Margin (%)	9.6	9.0	8.6	8.6	8.6
APAT	771	1,055	1,153	1,562	1,966
EPS (Rs)	6.0	8.2	9.0	12.2	15.3
EPS (% chg)	12.7	36.9	9.3	35.4	25.9
ROE (%)	24.8	19.7	18.2	20.8	21.8
P/E (x)	70.8	51.7	47.3	34.9	27.7

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	18.3	-1.6	5.3	-5.8
Rel to Nifty	20.5	-1.5	-2.0	-7.7

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Senco Gold

India Equity Research | Retail
August 15, 2025
Conference Note

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Focus on asset-light franchisee and expansion; inexpensive valuations offer attractive entry opportunity

CMP	MCap (Rs bn)	TP & Rating
Rs361	59	Rs500 | BUY

We hosted Sanjay Banka (CFO) and Dhaval Raja (Chief General Manager – Sales)

Key Meeting-Takeaways

- Store expansion with franchise focus: FY26 target of >20 store openings on track (10 already in Q1); increasing franchisee store-mix to 60–65% over time, to conserve liquidity and boost RoCE; network expansion is concentrated in East and North India, with selective entries into new states (Maharashtra, UP, Bihar); Senco plans to sustain ~20 annual openings in the near term.
- Leveraging lightweight and lower-karat jewelry: Continued push for 9karat/14karat as well as light-weight designs catering to younger, budget-conscious buyers; focus on modern/western, everyday wear and gifting segments; bridal jewelry to remain 22karat/18karat-heavy, despite gold price hikes.
- Inventory and Supply Chain optimization: Leveraging ERP, analytics, and consultant-driven planning, to match store-level stock with local demand; adapting to smaller weight purchases; moving to agile replenishment for better stock efficiency as the network grows.
- Customer engagement and old gold exchange: More than 11,000 new designs in Q1; targeted campaigns, loyalty programs, and seasonal collections; old gold exchange now ~40% of revenue (vs ~25% pre-Covid) as a structural driver to sustain demand despite high bullion prices.
- Governance and brand building: Strengthening corporate governance with independent board oversight, ERP-driven controls, and benchmark practices inspired by *Titan*; national marketing, celebrity endorsements, and collaborations (eg Melorra), to expand brand awareness among younger customers.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	52,414	63,281	75,086	88,642	104,610
EBITDA	3,755	3,676	5,050	6,309	7,888
EBITDA Margin (%)	7.2	5.8	6.7	7.1	7.5
APAT	1,810	1,593	2,402	3,121	4,119
EPS (Rs)	11.6	10.1	14.7	19.1	25.2
EPS (% chg)	1.6	-13.5	45.7	29.9	32.0
ROE (%)	15.7	9.6	11.5	13.3	15.3
P/E (x)	31.0	35.8	24.6	18.9	14.3

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	5.1	0.4	0.9	-34.3
Rel to Nifty	7.0	0.6	-6.1	-35.6

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Westlife Foodworld

Addressing growth challenges in the South; West continues to see better trends

CMP	MCap (Rs bn)	TP & Rating
Rs661	103	Rs775 | ADD

We hosted Chintan Jajal (Head - Investor Relations and Strategy)

Key Meeting-Takeaways

- Vision 2027 guidance retained, implying 17-22% topline CAGR and 150–200bps annual margin expansion over FY25–28. Strategic investments in product innovation, leadership hiring (especially in the South), and supply chain are expected to drive execution.
- Gross margin expanded to 71.6% – the highest ever in Q1FY26, aided by sustained supply chain efficiencies despite no pricing actions. The management sees this elevated level as structurally sustainable.
- SSSG came in at +0.5%, entirely led by volume. Growth was supported by the west, while the south remained weak. However, green shoots are visible in select southern regions, backed by renewed strategic focus and team revamp.
- Network expansion progressing steadily, with 9 stores opened in Q1 (net 6). Guidance, for 580-630 outlets in total by FY28, is intact. Airport and metro station formats are being piloted under the omni-channel expansion strategy.
- Focus on value platforms to drive frequency, with differentiated launches lined up across FY26 in core pillars—burgers, chicken, and coffee. The strategy has already proven successful in the west and is being scaled across markets.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	23,918	24,912	27,688	32,981	38,195
EBITDA	3,757	3,301	3,963	5,310	6,712
EBITDA Margin (%)	15.7	13.3	14.3	16.1	17.6
APAT	692	121	355	1,175	1,944
EPS (Rs)	4.4	0.8	2.3	7.5	12.5
EPS (% chg)	-38.0	-82.5	192.0	231.3	65.4
ROE (%)	12.0	2.0	5.8	17.8	25.8
P/E (x)	148.9	848.6	290.6	87.7	53.0

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-16.3	-5.1	-8.8	-16.9
Rel to Nifty	-14.8	-5.0	-15.1	-18.6

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Anupam Rasayan

Strong order visibility; WC days to reduce

CMP	MCap (Rs bn)	TP & Rating
Rs1,158	127	Rs900 | ADD

We hosted Vishal Thakkar (Deputy CFO)

Key Meeting-Takeaways

- The management reiterated its focus on reducing working capital (WC) to a targeted range of 200-220 days (new LOI WC at 150-180-day range). WC was elevated at ~600 days as of Mar-25. Debt will be reduced by Rs2bn, led by money received from preferential allotment of warrants. The management expects absolute WC requirement to remain at current levels, while releasing some cash for operations once it starts utilizing existing inventory for LOIs and ramp-up of the agricultural segment.
- The management expects FY26 revenue to grow by ~30%. The pharma/polymer segments contributed 22/13% to FY25 revenue (9% each in FY24). Ahead, the share of these segments is likely to reach 20-25% each, led by commercialization and ramp-up of new molecules.
- LOI-led revenue contribution was at 20% in FY25 (peak by FY27/28). The current order book stands at Rs146bn, of which Rs46bn has been commercialized. Most of the LOIs will be commercialized in FY26 and would ramp up over the next 2-3 years. Anupam saw traction in Q1FY26 from an LOI signed in Q4FY22 with an EU-based crop protection company.
- During the quarter, the company signed a couple of LOIs with 2 EU companies engaged in electrolyte solutions for energy storage and innovative lubricant solutions. It expects commercial deliveries of 1,500mt of $LiPF_6$ in early-FY27. It also plans to jointly develop the advanced electrolyte solvent with the R&D team of Elementium (a US-based battery electrolyte player) and expects Rs400-500mn revenue, with sampling starting in FY26. This LOI has immense growth potential.
- The management mentioned that it is premature to discuss US tariffs as a lot is volatile. Last year, revenue from the US was in lower single digits. The company has a fairly robust order book at agreed pricing and sees no immediate impact on the LOIs. It also mentioned that some of its products are in the exempt list.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	11,287	8,959	13,438	20,124	25,279
EBITDA	3,070	2,652	3,886	5,937	7,426
EBITDA Margin (%)	27.2	29.6	28.9	29.5	29.4
APAT	1,173	727	1,579	3,080	4,237
EPS (Rs)	10.7	6.6	14.4	28.0	38.5
EPS (% chg)	-31.9	-38.1	117.2	95.1	37.6
ROE (%)	4.6	2.6	5.5	10.2	12.7
P/E (x)	108.4	175.2	80.7	41.3	30.1

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.0	28.9	71.8	47.1
Rel to Nifty	2.8	29.1	60.0	44.2

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Godavari Biorefineries (Not Rated)

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Clear roadmap for growth with certain optionality

CMP	MCap (Rs bn)	TP & Rating
Rs263	13	NA | NR

We hosted Samir Somaiya (CMD), Dr Sangeeta Srivastava (ED), Naresh Khetan (CFO), and Ashish Sinha (AGM – IR and Finance)

Key Meeting-Takeaways

- The company's strategic focus is on strengthening its bio-based specialty chemical portfolio through continuous debottlenecking, process optimization, and development of high-value specialty chemicals. It is working with customers globally and in India to co-create solutions for their transition to greener alternatives, with a portfolio of chemicals at various stages (laboratory, pilot, semi-commercial, commercial) across diverse end-use applications like agrochemicals, fragrance, skincare, pharma intermediates, paints, and coatings.
- The company recently did a drug discovery for triple-negative breast cancer (promising preclinical efficacy in breast and prostate cancer). Godavari received validations for its European patent from multiple disciplinaries covering multiple EU member states. Safety trials for the same molecule have been concluded without any dose limiting toxicity (DLT). If preliminary efficacy is successfully demonstrated, the company will then explore out-licensing this molecule to pharmaceutical companies in India and overseas. This out-licensing process is anticipated to take 2-3 years.
- Additionally, the company has secured a Chinese patent for another promising anti-cancer compound that has shown strong inhibitory effects on cancer and cancer stem cells in vitro studies.
- The FY29 outlook has two main pivots for achieving 3x the EBITDA: a) increasing ethanol capacity with better utilization and b) increasing the quantity of bio-based specialty chemicals. In the long term, revenue contributions would see ethanol in the range of 40-45%, the chemical business in the range of 40-45%, with sugar and co-generation segments remaining relatively flat.
- To achieve these growth pivots, an estimated additional investment of Rs3.25bn (at current prices) would be needed, with about 70% allocated to bio-based specialty chemicals and 30% to increasing ethanol capacity. The company will explore various means of fundraising with its Board.

Financial Snapshot (Consolidated)

(Rs mn)	FY23	FY24	FY25
Revenue	20,147	16,867	18,703
EBITDA	1,462	1,335	1,037
EBITDA Margin (%)	7.3	7.9	5.5
APAT	196	123	-234
EPS (Rs)	4.7	2.9	-5.1
EPS (% chg)	-	-37.4	-
ROE (%)	-	2.5	-3.7
P/E (x)	56.2	89.8	-51.5

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-9.7	38.9	37.0	NA
Rel to Nifty	-8.0	39.1	27.6	NA

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Laxmi Organics Industries (Not Rated)

India Equity Research | Specialty Chemicals
August 15, 2025
Conference Note

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Outlook expected to improve in H2

CMP	MCap (Rs bn)	TP & Rating
Rs183	51	NA | NR

We hosted Rajan Venkatesh (MD and CEO)

Key Meeting-Takeaways

- Laxmi has 40% market share in the domestic ethyl acetate market. There have been no significant changes in the competitive landscape globally. One competitor (Sipchem) in the Middle East has temporarily shut down a 100ktpa ethyl acetate capacity, with no plans to restart. Also, a Celanese plant in Singapore may shut down.
- Acetic acid prices have declined significantly from ~USD450/mt in FY24 to ~USD400/mt in FY25 to ~USD340/mt currently despite some temporary increases in methanol prices. Ethanol prices have also trended lower, from ~USD840/mt in FY24 to ~USD720/mt in FY25, and are now stable around USD690-700/mt. The decline in raw material prices, particularly acetic acid, has put pressure on spreads, which have fallen from a historical average of USD220-225/mt to around USD120/mt currently. The spreads are not expected to go negative.
- US tariffs have led to weak consumer sentiments in North America and Europe, leading to muted demand in areas like architectural coatings, with major FMCG companies lowering their forecasts. Demand trends vary by end-market: Printing/packaging and pharma demand remains stable; Agro demand remains weak to moderate with margin pressures.
- In terms of guidance, the management expects Q2 to be in line/better than Q1. For Specialty business, H2 is expected to be stronger than H1 due to deferred deliveries. For the fluoro-intermediates business, the management maintained its guidance of reaching 40-60% of peak revenue in FY26 (Rs0.8-1.2bn).
- The company has planned capex of Rs11bn, with Rs7.5bn (Rs6.8bn already allocated) in FY26 and Rs3.5bn over FY27-28. Most of the capex is going toward the Dahej project (Rs8bn), which is on track for mechanical completion and chemical charging in Q3/early-Q4. Laxmi is working with Hitachi Energy on developing an eco-efficient gas to replace SF6 in high-voltage switchgear. The company will be able to accommodate the Hitachi Energy capex within its previously announced budget.
- The company has transitioned to the new tax regime and has also shifted its depreciation method from written down value to straight line method.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	17,685	30,843	27,912	28,650	29,854
EBITDA	2,167	3,676	2,391	2,557	2,796
EBITDA Margin (%)	12.3	11.9	8.6	8.9	9.4
APAT	1,270	2,574	1,246	1,205	1,135
EPS (Rs)	5.6	9.7	4.7	4.5	4.1
EPS (% chg)	880.7	73.9	-51.6	-5.1	-8.1
ROE (%)	17.4	22.1	9.2	7.5	6.1
P/E (x)	32.7	18.8	38.9	41.0	44.6

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-4.8	-5.4	-7.6	-30.9
Rel to Nifty	-3.1	-5.3	-14.0	-32.3

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Tanfac Industries (Not Rated)

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Focused on forward integration

CMP	MCap (Rs bn)	TP & Rating
Rs4,650	46	NA | NR

We hosted Afzal Malkani (Non-ED) and Ravi Chandran (CFO)

Key Meeting-Takeaways

- Tanfac commenced its production in 1985 and is a leading manufacturer of fluorine-based chemicals from Cuddulore, Tamil Nadu. The company has a total manufacturing capacity of ~135ktpa (100kt of sulphuric acid, 30kt of hydrofluoric acid, and 5kt of other inorganic fluorides) spread over 60acres.
- The company specializes in handling anhydrous hydrofluoric acid and other fluorine compounds, undertaking complex chemical reactions. It caters to 12+ niche products consisting various special grades of HF acid and specialty fluids. It has strong technical capabilities in complex chemistries supported by an R&D team of 10+ professionals. Tanfac spends Rs40mn on R&D labs and pilot plants.
- The company commissioned a new state-of-the-art Hydrofluoric Acid (HF) unit (from ~15kt to ~30kt) in Oct-24, with brownfield capex of Rs1bn. Tanfac is running the HF plant at a 90% utilization rate. The company sells anhydrous HF (AHF) largely to refrigerant gas manufacturers and diluted HF (DHF) to steel manufacturers for de-scaling stainless steel strips. AHF currently sells at ~Rs200-210/kg, while DHF sells at Rs210-220/kg.
- The company successfully completed the first phase of Solar Grade DHF (10kt) in Jun-25 and expects to complete the second phase of 10kt tentatively in H2FY26. The product is certified by leading Indian solar wafer manufacturers after successful quality trials. The Solar grade HF sells for Rs230-240/kg, depending upon the purity levels required. The market size for solar grade HF will grow to 20-25kt ahead. Presently, India is importing ~10ktpa.
- Sulphuric acid is a raw material required to make HF from fluorspar. The company utilizes 65-70% of Sulphuric acid captively, and the balance is sold to nearby markets for various uses like fertilizers, dissolving rayon grade pulp, and sulphonation of LAB.
- The company has signed LOIs with various organizations globally to manufacture refrigerant gases (annual revenue potential of Rs7.5bn) at an investment of ~Rs4bn (project IRR ~30%).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,479	3,202	3,750	3,782	5,570
EBITDA	327	752	748	707	1,289
EBITDA Margin (%)	22.1	23.5	19.9	18.7	23.1
APAT	175	533	561	525	882
EPS (Rs)	17.5	53.4	56.3	52.6	88.4
EPS (% chg)	2.9	204.9	5.3	-6.5	68.0
ROE (%)	23.5	49.1	35.3	25.3	32.5
P/E (x)	265.4	87.0	82.6	88.4	52.6

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.5	41.6	37.6	119.2
Rel to Nifty	3.3	41.8	28.1	114.8

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AGI Greenpac (Not Rated)

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Capacity expansion and Specialty glass set to propel growth

CMP	MCap (Rs bn)	TP & Rating
Rs925	60	NA | NR

We hosted Sandeep Sikka (Group CFO) and Naveen Malik (CFO), AGI Greenpac

Key Meeting-Takeaways

- AGI is a packaging company, primarily focused on rigid and liquid packaging – specifically container glass for industries such as beer, food, and pharma. Formerly part of HSIL, AGI underwent a series of demergers and slum sales in CY22, separating its B2B packaging business from the B2C home innovation business, which now operates under Home Innovation. In CY22, AGI sold factory assets that were retained post-demerger for around Rs7bn, with the proceeds being paid out.
- The management mentioned that the current turnover is ~Rs26bn, with net debt of Rs2bn on its balance sheet.
- The management stated that it had made a bid of Rs22bn to acquire Hindustan National Glass (HNG), although this acquisition faced legal challenges, mainly regarding the timing of Competition Commission of India (CCI) approval. The Supreme Court ruled that CCI approval must be obtained before the Committee of Creditors (COC) approval, and that notices must be issued to all parties to the combination; this ruling impacted numerous past IBC acquisitions.
- The management mentioned that AGI is investing in two new greenfield projects: a 500-tonne glass plant in Gwalior (capex of Rs7bn, operational by Mar-27) and an aluminum can plant (Rs8.5bn for the first phase by Oct-27, with total investment of Rs10bn for 1.6bn cans).
- The management noted that these new investments are anticipated to help AGI double its turnover and EBITDA within five years; the aluminum can segment exhibits a significantly higher growth rate (16-18%) compared to conventional glass bottles (7-8%).
- For capital expenditure, AGI's financing philosophy involves taking long-term debt (typically 8-10 years), which, due to initial moratoriums, effectively functions as equity for a period.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	12,847	15,658	23,218	24,450	26,036
EBITDA	2,289	2,473	4,600	5,608	6,139
EBITDA Margin (%)	17.8	15.8	19.8	22.9	23.6
APAT	881	1,165	2,488	2,513	3,224
EPS (Rs)	17.7	29.9	40.4	38.9	49.8
EPS (% chg)	165.2	68.4	35.3	-3.9	28.3
ROE (%)	7.1	8.9	16.6	14.7	16.5
P/E (x)	50.3	29.9	22.1	23.0	17.9

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	12.7	7.7	26.4	11.6
Rel to Nifty	15.7	9.6	18.9	10.9

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

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CARE Ratings (Not Rated)

Stable market share, global expansion, and ESG growth potential

CMP	MCap (Rs bn)	TP & Rating
Rs1,628	49	NA | NR

We hosted Revati Kasture (ED) and Jinesh Shah (Group CFO) of CARE Ratings

Key Meeting-Takeaways

- The company is a credit rating agency for around 5,000 corporates and has consistently maintained 25-26% market share in the rating industry.
- Pricing is around ~10bps. CARE tracks fee per mandate which it aims to increase, especially on incremental debt, with contracts allowing for repricing. While some clients seek discounts, these are not significant enough to materially impact revenue. The overall industry revenue is ~Rs15bn.
- CARE is the second-largest rating agency, with high visibility and a strong track record—its default statistics are among the best, and ratings are generally stable. In the NBFC space, clients with AUM above Rs200bn usually engage two rating agencies. Similarly, in manufacturing, companies issuing commercial paper (CP) often require ratings from two agencies.
- CARE operates in three business segments: a) Corporate and Infrastructure; b) BFSI; c) Mid-corporate segment (companies with turnover below Rs5bn).
- The company collaborates with bankers to identify clients looking to raise debt, thus generating business leads. The choice of rating agency depends on its understanding of the client’s business, which makes the process smoother. Local presence in the client’s region also holds value.
- Lower interest rate cycles lead to more refinancing opportunities. Business growth is driven by credit growth, the capex cycle, and the interest rate cycle. When rates decline, more clients seek to raise debt. Additionally, acquisition activity—especially when leveraged—boosts demand.
- CARE is expanding globally by partnering with domestic rating agencies abroad. In India, CARE secured a ESG license and has also obtained a Rating Agency license in South Africa. The company plans to leverage its presence and capabilities in Mauritius, to expand in the South African regions.
- Currently, we do not have a rating on the stock.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	2,484	2,476	2,790	3,317	4,023
EBITDA	960	800	1,051	1,121	1,553
EBITDA Margin (%)	39	32	38	34	39
PAT	910	768	854	1,026	1,400
EPS (Rs)	30	25	28	34	46
EPS (% change)	9	-16	11	21	35
ROE (%)	15	12	12	14	17
P/E (X)	54	64	58	48	35

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(11.8)	7.0	35.7	66.5
Rel to Nifty	(6.2)	6.9	5.4	37.6

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Concord Enviro Systems (Not Rated)

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Your success is our success

Global water solutions backed by strong R&D and execution

CMP	MCap (Rs bn)	TP & Rating
Rs514	11	NA | NR

We hosted Prayas Goel (Chairman and MD), Prerak Goel (Director), and Anish Goel (Group CFO)

Key Meeting-Takeaways

- Concord Enviro is a global water and wastewater treatment leader with core expertise in Zero Liquid Discharge (ZLD) and energy-efficient solutions, backed by in-house R&D, manufacturing, and IoT-driven digital offerings. The company operates across three segments—Systems & Plants, Consumables & Spares, and O&M—and has recently added Compressed Biogas (CBG) plants to align with its clean energy goals. The company serves a strong base of clients across pharmaceuticals, chemicals, food and beverages, defense, automotive, energy, steel, and textiles, highlighting the cross-sector relevance of solutions.
- The company's R&D strength is a differentiator, with 9 patents granted in India, 21 pending, and a dedicated 31-member team creating proprietary membranes and process innovations for cost and energy savings.
- Q1FY26 saw stable revenue versus last year, with focus on preparing large H2 deliveries; the management maintains 18–20% growth guidance for FY26, driven by a strong order pipeline.
- The order book stands at Rs5,366mn, with 59% from ZLD, 15% from CBG, and 26% from O&M. The company's tender pipeline stands at Rs25bn.
- International expansion remains robust, with successful commissioning of the first Mexico project in Jul-25 and strong export order flow across multiple geographies.
- The company is building leadership capacity in project execution, supply chain, and strategic functions, to efficiently handle the next phase of growth.
- Third-party O&M services are scaling up, supported by acquisitions like Pathak Utility Private, adding to recurring revenue visibility and expanding long-term contracts.
- Strategic focus areas include green ZLD solutions, process separation applications, and integration of thermal technologies into broader industrial applications.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	38	3,384	3,509	5,117	5,992
EBITDA	-13	535	430	622	850
EBITDA Margin (%)	-33.1	15.8	12.3	12.2	14.2
APAT	-10	165	55	961	582
EPS (Rs)	-0.9	10.7	3.0	-7.3	23.7
EPS (% chg)	-	-	-72.0	-	-
ROE (%)	-	57.5	2.0	31.9	13.6
P/E (x)	-590.6	47.8	170.7	-70.7	21.6

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-11.0	-2.4	-1.6	NA
Rel to Nifty	-9.4	-2.3	-8.4	NA

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Dilip Buildcon (Not Rated)

Steady order inflow amid improved sectoral emphasis to guide H2 recovery

CMP	MCap (Rs bn)	TP & Rating
Rs479	70	NA | NR

We hosted* Rohan Suryavanshi (Head - Strategy and Planning) and Gautam Jain (Head - IR)

Key Meeting-Takeaways

- The company expects a significant revival in order inflows for FY26, with the government's increased emphasis on infrastructure-especially roads (NHAI/MoRTH pipeline: Rs3.4trn, 124 projects) and metro rail investments (Andhra Pradesh committing Rs200bn for the Vizag and Vijayawada metros). Qualification criteria for EPC and HAM road contracts have been tightened. Changes now require higher assessed net worth and experience thresholds, reducing risk from unrecognized players and supporting long-term sector quality and sustainability.
- Long-term focus on HAM and Mining ensures predictable cash flows and risk-balanced business; road order book now constitutes ~20% (vs historical 80-90%), showing diversification efforts across infrastructure segments.
- Standalone debt reduction target of Rs5bn by FY26 remains intact, with net debt-free status targeted for FY27. With 7 projects under construction and InvIT formation nearing completion, listing is anticipated in Sep-25, with DBL expected to hold ~70-74% share post-listing.
- The management reiterates confidence on achieving FY26 order inflow, margin, and debt reduction targets, with an improved bid environment and sector norms lending optimism for H2FY26 recovery.

**Company attendance on Day-2 of the Conference*

Financial Snapshot Consolidated

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,02,426	96,048	1,10,903	1,24,738	1,17,420
EBITDA	21,284	7,148	9,566	14,211	21,507
EBITDA Margin (%)	20.8	7.4	8.6	11.4	18.3
APAT	2,450	-4,918	-2,730	642	4,081
EPS (Rs)	31.9	-37.8	-0.1	13.8	57.4
EPS (% chg)	7.7	-	-	-	317.7
ROE (%)	6.9	-13.4	-7.2	1.5	8.5
P/E (x)	15.0	-12.7	-4791.5	34.8	8.3

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-2.2	1.2	21.8	-6.3
Rel to Nifty	-0.4	1.3	13.3	-8.2

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Elecon Engineering (Not Rated)

Scaling up manufacturing capabilities for the next growth cycle

CMP	MCap (Rs bn)	TP & Rating
Rs553	124	NA | NR

We hosted Dipak Dalwadi (CEO - Gear Division), Kaushik Patel (CEO - MHE Division), Narasimhan Raghunathan (CFO) and Ashish Jain (Manager - Finance and IR)

Key Meeting-Takeaways

- Elecon Engineering is the market leader in both, Industrial Gears and the Material Handling Equipment business. Industrial gear domestic organized market size is Rs40bn. The unorganized market has the same size, albeit mainly focuses on catering to the SME space. Elecon has 39% market share in the Gear industry, which has grown from 25-27% mainly led by continued improvement in solutions, stability in lead times, faster deliveries, technology access, and references by end-customers. Elecon is charging 15% more than the competition owing to better quality, after sales service, and faster delivery. Key competitors are Premier Gears, Feldners, and Shanti Gears.
- For Elecon, the Catalogue Product share is 46% now, and 54% for Engineered Product. This would become 50:50 by the end of year.
- The management is confident of achieving 20% revenue growth going ahead to Rs40bn within the next three years, and 24% EBITDA margin in FY26.
- The global Gear market size is over USD6.bn. Elecon's global footprint spans ~95 countries, supported by a robust distribution network and long-standing relationships with key industry players. In line with its strategic vision, it aim to increase the share of exports to 50% of total revenue by FY30. This would be mainly due to increased OEM business visibility after 4-5 years of groundwork by the management. With OEM, margins may not be lucrative, although the service business—which has higher margin —will start contributing soon.
- On the balance sheet front, the company has a strong net cash position of ~Rs5.5bn, which provides significant financial flexibility to pursue growth opportunities and maintain operational resilience.
- Elecon has also undertaken a 3-year capex of Rs3bn to enhance its manufacturing capabilities and to cater to the growing demand from both, domestic and international markets. It has further planned capex of Rs4bn, over the next three years. This would be excluding maintenance capex of Rs150-200mnpa.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	10,523	12,220	15,530	19,879	22,951
EBITDA	1,856	2,464	3,389	4,745	5,426
EBITDA Margin (%)	17.6	20.2	21.8	23.9	23.6
APAT	576	1,405	2,375	3,556	4,151
EPS (Rs)	2.6	6.3	10.6	15.9	18.5
EPS (% chg)	-35.6	143.6	69.2	49.7	16.7
ROE (%)	6.5	14.3	20.4	24.7	23.0
P/E (x)	215.0	88.3	52.2	34.9	29.9

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-11.9	-15.7	19.8	-7.3
Rel to Nifty	-10.3	-15.6	11.6	-9.2

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Grasim Industries (Not Rated)

Growth engine running on multiple cylinders

CMP	MCap (Rs bn)	TP & Rating
Rs2,764	1,880.9	NA | NR

We hosted Ankit Panchmatia (Head – IR) of Grasim Industries (GIL), a flagship company of the Aditya Birla Group. GIL's core businesses comprise viscose staple fiber (VSF), caustic soda, specialty chemicals, rayon-grade wood pulp (RGWP), and others like fertilizers, textiles, etc

Key Meeting-Takeaways

- In the 'Cellulosic Fiber' vertical, phase 1 of the Lyocell project of 55ktpa is progressing per plan, with the target to be commissioned by mid-27. Orders placed for long lead items, other orders, and contracts are under process. CFY realizations were impacted during the quarter due to weak demand from the textile value chain, coupled with low-priced imports from China.
- GIL's 'Chemicals' vertical maintains its market leadership in the Chlor-Alkali business, with a 1.5mtpa capacity. In the Chlorine derivatives division, the Lubrizol CPVC resin project (Phase 1 of 50ktpa out of 100ktpa) and Epichlorohydrin plant (50ktpa) are progressing per plans with mechanical completion expected by Q3FY26; after commissioning of these projects, Chlorine integration is expected to reach 70% vs 63% currently.
- In Grasim's 'Building Materials' vertical, 1) the cement division (Ultratech) is expected to reduce operating costs by over Rs300/t (from the base of FY24 unit EBITDA and on organic assets) by FY27, led by an improving CC ratio, reducing lead distance, increasing green power share, etc. 2) the paints division (Birla OPUS) targets to be the No 2 player in the decorative paint industry, with a growth rate of 10% for the next decade; additionally, the company targets to reach breakeven over the next 3 years. 3) B2B e-commerce (Birla Pivot) is on track to achieve revenue of Rs85bn by FY27.
- AB Capital's total lending book stood at Rs1.6trn; the management is focused on improving its mix toward retail/MSME and enhancing digital leverage; it has a continued cautious stance on small-ticket unsecured MSME.
- On the capex front, GIL plans to spend Rs22.6bn in FY26; out of this, ~Rs4.8bn was spent in Q1FY26 on the Lyocell project.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	764,043	957,011	1,176,271	1,309,785	1,484,779
EBITDA	197,658	220,797	253,220	279,786	297,792
EBITDA Margin (%)	25.9	23.1	21.5	21.4	20.1
APAT	45,434	74,211	68,319	58,924	36,533
EPS (Rs)	63.3	111.0	100.3	85.4	54.5
EPS (% chg)	(2.5)	(75.3)	(9.6)	(14.9)	(36.2)
ROE (%)	4.7	6.5	5.8	4.6	2.6
P/E (x)	43.7	24.9	27.5	32.4	43.7

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	0.9	4.9	17.9	(2.7)
Rel to Nifty	2.8	5.1	9.8	(4.6)

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JSW Energy (Not Rated)

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Capacity expansion on track; optimal capital allocation to drive better IRR

CMP	MCap (Rs bn)	TP & Rating
Rs529	925	NA | NR

We hosted Bikash Chowdhury (SVP - IR and Treasury), Nitin Narayanan (DGM - Corporate Finance), Anshul Verdia (DGM - Finance), and Raval Mistry (IR) of JSW Energy

Key Meeting-Takeaways

- **Capacity expansion:** The company targets achieving 30GW capacity by CY30, with two-third green and one-third thermal capacity mix. Currently, 13GW is in execution, fully PPA-tied, with 3-4GW to be added in FY26. Further, ~60% land availability has been secured for projects under construction.
- **Growth through acquisition:** The recent acquisition of O2 Power is expected to expand the company's capacity, from 1.8GW to 4.7GW by Jun-27; KSK efficiency improvements would boost earnings. Further, the management is confident about thermal growth, with the Salboni 1.6GW project and the KSK Mahanadi expansion progressing per schedule with assured domestic coal supply.
- **Storage projects:** The company's energy storage of ~29.4GWh is currently secured (PSP + BESS) with multi-year delivery PPAs; SECI BESS tariff resolution is awaited for full monetization. The company is looking to localize sourcing, by setting up a battery assembly plant (with 5GWh annual capacity) and two wind blade manufacturing units that are expected to be commissioned in FY26, for mitigating import risks and reducing logistics cost.
- **Capex guidance and debt cost:** The management gave guidance for capex spend of ~Rs150-180bn for FY26 (~Rs40bn already incurred) and ~Rs1.3trn till CY30. Further, the company expects the non-debt portion of capex requirements to be met via internal cash generation. Finance cost is expected to see compression owing to the AA rating and financing of the latest tranche at a lower debt cost vs existing levels.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	71,768	87,444	1,10,063	1,19,579	1,26,622
EBITDA	29,066	35,690	32,818	53,818	52,208
EBITDA Margin (%)	40.5	40.8	29.8	45.0	41.2
APAT	7,955	17,286	13,863	17,227	19,509
EPS (Rs)	4.8	10.5	9.0	10.5	11.2
EPS (% chg)	-27.8	117.4	-14.4	16.5	6.6
ROE (%)	6.1	10.8	7.7	8.7	7.8
P/E (x)	109.3	50.3	58.7	50.4	47.3

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-0.3	11.4	21.1	-18.1
Rel to Nifty	1.6	11.6	12.7	-19.7

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Kaynes Technology (Not Rated)

Diversified growth momentum with railways, EV, OSAT, and aerospace driving visibility

CMP	MCap (Rs bn)	TP & Rating
Rs6,060	406	NA | NR

We hosted Jairam Sampath (WTD and CFO) and Sumit Kumar Verma (Senior Manager – Investor Relations and Business) of Kaynes Technology, a leading end-to-end and IoT solutions-enabled integrated electronics manufacturing company

Key Meeting-Takeaways

- **FY26 outlook:** Revenue guidance is maintained at ~Rs45bn (Rs43bn from EMS, Rs1bn+ from OSAT, and Rs1.8bn from August Electronics's acquisition).
- **Strategic growth initiatives: OSAT (Semiconductor Assembly):** Prototype products were developed for AOS; commercial production is targeted by Dec-25. **HDI PCB Plant (Chennai):** Construction is in final stages; operations are expected in Jan-26. **Railways (Kavach):** Development is nearing the pilot phase; awaiting commercial operation clearances. **EV segment:** Evaluation completed with a major 2W OEM; work is underway for upcoming 4W model launches.
- **Segmental revenue guidance and capex plan:** Kaynes targets ~15% market share with business potential of Rs10–12bn pa. **OSAT capex:** Rs3.1bn spent; PCB plant capex: Rs1.1bn spent; government subsidies are applicable mainly to plant and machinery. Central government grants are linked to order placement; state support: ~6 months after the start of production.
- **Inorganic growth and investments**: Kaynes forayed into the North American manufacturing market and gained access to high-margin customers via acquisition of August Electronics (Canada).
- **EBITDA margin:** The management expects to exceed 15.6% guidance, following the strong Q1 performance; more clarity is likely post-H1. **Q2FY26 revenue** is expected to exceed Rs10bn, with sequential acceleration in following quarters.
- **Order book and demand drivers:** Strong traction from EVs, aerospace, industrial, and rail sectors. **Aerospace:** Multiple large new orders are seen, including initial orders of USD10mn from major clients. The management noted that QoQ inflow variations are timing-related; the moving-average trend remains strongly positive.
- The management aims to reduce working capital days to sub-70 levels by FY26-end (excluding extraordinary items).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	4,247	7,104	11,375	18,605	28,287
EBITDA	409	937	1,683	2,542	4,107
EBITDA Margin (%)	9.6	13.2	14.8	13.7	14.5
APAT	94	417	952	1,833	2,934
EPS (Rs)	2.2	10.0	19.8	30.6	45.8
EPS (% chg)	-12.1	359.0	99.2	54.4	49.6
ROE (%)	7.7	24.3	16.4	10.6	11.0
P/E (x)	2,792.6	608.4	305.4	197.8	132.3

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.0	-3.6	46.4	28.9
Rel to Nifty	3.2	-3.7	37.0	26.4

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Metropolis Healthcare

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Growth and margin levers firmly intact

CMP	MCap (Rs bn)	TP & Rating
Rs2,121	110	Rs2,200 | BUY

We hosted Ameera Shah (Promoter & Chairperson), Surendran Chemmenkotil (CEO), Sameer Patel (CFO), Mohan Menon (CMO), and Avadhut Joshi (Chief Business Development Officer)

Key Meeting-Takeaways

- The management maintained its guidance of 7–8% organic patient volume growth (healthy contribution from Tier 3 expansion) and 5% realization growth, in line with historical trends, translating into organic revenue growth of 12-13% in FY26. At the group level, including three acquisitions, volume growth is expected to reach 10-11%.
- Margins are expected to expand in FY26 compared to FY25, as lab utilizations improve, with the full potential of a 100bps margin expansion each anticipated in FY27 and FY28. Although Core will continue to weigh on margins, it turned EBITDA-positive during the quarter and is projected to finish FY26 with a high single-digit margin.
- The focus is on completing the integration of Core and improving its margins in the first year of operations by leveraging synergistic benefits. Core is expected to achieve company-level margins within 3-4 years, with the emphasis shifting to revenue acceleration in FY27.
- Following a phase of rapid expansion, the pace of lab additions will moderate in FY26 as the focus shifts to accelerating the expansion of collection centers. MHL added 80 centers and 12 labs (incl acquisitions) in Q1, and plans adding 400 across regions in FY26, with an emphasis on tier-2 and tier-3 towns—primarily through franchisees—to ensure greater accessibility and coverage in underserved areas. The company also has plans to expand its footprint to 1,000 towns from its current presence in 750 towns.
- The management indicated that health tech players are transitioning away from discount-led volume growth to a value-based approach, resulting in their revenue growth being in line with organized labs. It added that Metropolis's differentiating factor lies in its offerings of specialized tests, which are not provided by peers.
- The company indicated that multiple opportunities are available to scout for acquisition (targeting the Northeast region), though no announcements are expected in the next quarter.
- The digital business is now contributing 20% to revenue.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	12,077	13,312	16,712	18,594	20,859
EBITDA	2,826	3,030	4,112	4,733	5,414
EBITDA Margin (%)	23.4	22.8	24.6	25.5	26.0
APAT	1,278	1,450	2,105	2,480	2,939
EPS (Rs)	25.0	28.0	40.6	47.9	56.7
EPS (% chg)	-11.0	12.2	45.2	17.8	18.5
ROE (%)	12.3	11.9	14.9	15.5	16.1
P/E (x)	85.0	75.8	52.2	44.3	37.4

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	12.8	31.4	26.1	7.0
Rel to Nifty	14.9	31.6	17.4	4.9

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Suzlon Energy (Not Rated)

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Powering India's renewable future

CMP	MCap (Rs bn)	TP & Rating
Rs60	823	NA | NR

We hosted Siddharth Jhawar (Head IR) and Krishna Kumar (IR)

Key Meeting-Takeaways

- Suzlon is India's largest wind OEM, with over 21GW of global installations, a >30% domestic market share, and fully integrated manufacturing aligned with the government's 'Make in India' push. In India, Suzlon leads the market with over15GW installed across >100 wind farms, offering end-to-end solutions—from design and manufacturing to operations and maintenance. India targets 122GW of wind capacity by FY32, with the C&I sector alone requiring 78GW renewables by FY30. A strong 41GW national wind bidding pipeline supports multi-year demand visibility.
- Q1FY26 consolidated revenue from operations grew 55% YoY to Rs31.2bn, supported by its highest-ever Q1 deliveries of 444MW. Growth was driven by strong execution of the wind turbine order book and sustained demand from the C&I and PSU segments.
- The company's order book as at end Q1FY26 was the highest ever, at 5.7GW, including ~1GW of new orders in Q1. About 75% of the order book is from C&I and PSU customers, ensuring strong revenue visibility. The management expects winning an over 2GW order from NTPC in FY26.
- Suzlon's domestic manufacturing annual capacity stands at 4.5GW, with scalability to meet future demand. Facilities are strategically located across India to serve key wind energy states.
- Suzlon's O&M division manages over 15.2GW in India, providing stable annuity-type revenue and maintaining a high customer retention rate. It continues to grow in line with installations. Its Multi-brand O&M '*Renom*' has scaled up, to 3.2GW of assets, handling 15 different OEM technologies and strengthening its position in the growing service market. Renom has EBITDA margin of 20-22%.
- The company is also building capabilities for offshore wind and exploring component export opportunities, thus leveraging India's potential as a global wind manufacturing hub.
- The management has given guidance for 60% growth across all key parameters in FY26, including deliveries, revenue, EBITDA, and normalized PAT (ex-DTA).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	41,711	66,871	87,108	65,675	109,931
EBITDA	5,343	8,895	8,319	9,750	18,572
EBITDA Margin (%)	12.8	13.3	9.6	14.8	16.9
APAT	-6,967	-986	1,328	7,140	20,716
EPS (Rs)	0.1	-0.3	2.8	0.5	1.5
EPS (% chg)	-	-	-	-80.4	181.5
ROE (%)	9.6	2.8	-10.8	28.4	41.3
P/E (x)	462.0	-214.5	21.8	111.2	39.5

Source: Company, Emkay Research (Based on closing share price as on 14-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-8.2	0.2	17.4	-21.8
Rel to Nifty	-6.5	0.4	9.3	-23.3

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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