INDIA ASCENDING THE NEXT LEAP

AUGUST 12-14 2025
Trident BKC, Mumbai

Emkay Confluence 2025

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Emkay Confluence: India Ascending – The Next Leap

Refer to important disclosures at the end of this report

August 13, 2025

Nifty: 24,619

Sensex: 80,540

Day 2 Highlights

On Day 2 of our annual conference, we hosted 81 companies and an additional five main track speaker sessions. The overall tone remains optimistic, with continued expectations of a demand recovery in H2FY26. Central government capex seems to be reviving and players operating in that space are optimistic, though corporate capex remains muted. On commodity prices, the managements are not building in significant benefits in the medium term.

Key summary

- Central government capex seems to be recovering, according to some of the companies we spoke to. Roads, Power, Defence, and Infra projects are seeing the most traction. Corporate capex remains muted, and there are no visible signs of recovery.
- MFI asset quality remains stressed and the pressures may persist for the next 2-3 quarters. However, the sector should start bouncing back after that. Greater diversification by NBFC-MFIs should help them withstand asset quality cycles better, in coming years.
- The Chief Economic Adviser reiterated that the government does have contingency plans in place, to counter the impact of a negative tariff outcome; he did elaborate on the specifics. Longer term, he emphasized that India needs to grow manufacturing, and provide protection to the domestic sector if needed. He also emphasized the positive externalities of health and education.
- Our panelist on data centers emphasized the strong growth opportunity for the sector, led by both—AI and cloud. On AI, regional language training remains a significant factor. The success of this segment needs active cooperation between data centers, tech companies, infra players, and the government.
- The HPCL Chairman and Managing Director emphasized that fossil fuel investments are still necessary. Green energy is yet to completely supplant fossil fuels, so a balanced approach is likely for India for the medium term.

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The 2nd day of our annual flagship conference saw a line-up of 81 companies from across India

MainTrack events and companies hosted on Day-2

MainTracks
- Chief Economic Advisor
- Schneider Electric
- HPCL
- MFI Panel
- Zetwerk & Bhagwati Products (Micromax)

Auto and Auto Ancillaries
- Escorts Kubota
- Menon Bearings
- Motherson Sumi Wiring
- Nelcast
- Pricol
- Shriram Pistons and Rings
- SJS Enterprises
- Sterling Tools
- Suprajit Engineering
- Talbros Automotive Components
- Uniparts India

Banking
- Axis Bank
- Bandhan Bank
- CreditAccess Grameen
- Federal Bank
- Fino Payments Bank
- Indian Bank
- Jammu & Kashmir Bank
- Jana Small Finance Bank
- RBL Bank
- Union Bank of India

Capital Markets
- Anand Rathi Wealth
- CAMS

Consumer Durables
- Blue Star
- Eureka Forbes
- TTK Prestige

Consumer Goods
- Godrej Consumer Products
- Gopal Snacks
- Manorama Industries

Engineering & Capital Goods
- Genus Power Infra
- Hind Rectifiers
- Larsen and Toubro

Insurance
- Max Financial
- Star Health

IT
- Happiest Minds
- Infobeans
- Mphasis
- Quess
- Tech Mahindra
- Updater

Logistics
- JSW Infrastructure
- Zinka Logistics

Metals & Mining
- Hindustan Zinc
- Sarda Energy
- Shyam Metalics
- Tinna Rubber
- Welspun Corp

Oil & Gas
- Hindustan Petroleum Corporation
- Petronet LNG

Pharma
- Aarti Drugs
- Granules
- Indoco Remedies

Real Estate
- Anant Raj
- Arvind SmartSpaces
- Keystone Realtors
- Lodha Developers
- Sunteck Realty

Retail
- Barbeque-Nation Hospitality
- Metro Brands

Specialty Chemicals
- Aarti Industries
- Acutaas Chemicals
- JG Chemicals
- Navin Fluorine
- PCBL Chemical

Others
- Acme Solar Holdings
- GMR Power & Urban Infra
- HDB Financial Services
- Krsnaa Diagnostics
- One97 Communications (Paytm)
- PDS
- Saregama

Chief Economic Advisor – Main Track Session

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Tariff outcome uncertain, though likely to be resolved sooner rather than later

We hosted Dr V Anantha Nageswaran (Chief Economic Advisor)

- The CEA is of the opinion that while the current tariff scenario remains extremely uncertain, it is likely to be resolved within a quarter or two. At the same time, the government has taken cognizance of the situation, and one can expect support measures sooner rather than later for the affected sectors
- He mentioned that developed economies also maintained high tariffs on their development journey, until they developed enough domestic capability in international markets – and thus, singling out India for high tariffs seems disingenuous
- The global scenario of low tariffs and healthy export growth is being disrupted – possibly permanently. In such a scenario, it is important for India to gain market share of the shrinking pie
- Some key priority areas to focus on going ahead: energy affordability, security and transition; employment generation in the context of AI, education, skilling, mental and physical health of a young population, food security and agri productivity, and private sector capital formation
- He mentioned the need to not remain import dependent in the new renewable energy era (on rare earths, critical minerals), which is controlled by one country – in comparison to the current import dependence on crude oil
- On growth slowdown, the CEA asserted that it was more due to tight liquidity and credit conditions, which have now been eased, along with the government's income tax in this year's budget. The story behind the slowing urban consumption may be one of changing patterns (consumption shifting to unlisted firms, surge in online gaming, etc) not being captured

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Schneider Electric – Main Track Session

Driving electrification and AI-ready infrastructure in India

We hosted Swaminathan Venkatraman (VP and Country General Manager India, and SAARC, Secure Power Division)

- Schneider Electric is a global, industrial technology leader, that brings world-leading expertise in electrification, automation, and digitization to smart industries, resilient infrastructure, future-proof data centers, intelligent buildings, and intuitive homes. Anchored by its deep domain expertise, it provides integrated end-to-end lifecycle AI-enabled industrial IoT solutions, with connected products, automation, software, and services; it thus delivers digital twins to enable profitable growth for its customers. Schneider Electric's addressable market in data center capex is around 16-17%.
- India is witnessing a significant surge in its data center market, fueled by a large population, high internet, and smartphone penetration, and a rapidly expanding digital economy. This growth is attracting substantial investments and leading to the development of new data center facilities across the country. On an average, 500MW of annual capacity addition is envisaged, which is likely to take India's total DC capacity to 3GW by CY30.
- India offers low-cost benefit for setting up a data center, aided by relatively cheaper land and labor costs. The capex cost for setting up a data center in the country is roughly 30% lower vis-à-vis the world average.
- The internet user penetration in India is the lowest, whereas mobile data consumption is the highest compared to China, USA, and EU. Data center capacity per million internet users in India stood at only 1MW as against 4MW per million users in China, and significantly lower than the US and EU.
- Data is collected from people across different regions, communities, and backgrounds, to reflect India's true language diversity and avoid bias. It includes real-life dialects and spoken variations, capturing the richness of India's linguistic landscape. This offers significant potential for AI training data.
- Artificial intelligence (AI) has the potential to transform the energy sector in the coming decade, driving a surge in electricity demand from data centers around the world, while also unlocking significant opportunities to cut costs, enhance competitiveness, and reduce emissions.
- Chatbot perception is indeed improving with advancements in AI, particularly in areas like natural language processing, machine learning, and emotional intelligence. This leads to chatbots that are more adept at understanding user intent, engaging in more natural conversations, and providing personalized and efficient support.
- With increasing adoption of AI and multi-fold rise in data, 200/400/600GBPS would be required to minimize latency and handle large volume of data.

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HPCL – Main Track Session

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Consolidating for the future

We hosted Vikas Kaushal (Chairman and MD at HPCL)

- The government pursues various approaches to meet its social objectives, one of which is imposing Universal Social Obligations not only on PSUs but also on private players—as seen in sectors like telecom and aviation—particularly where PSUs alone cannot fulfil these obligations. Consequently, private companies also share the responsibility of meeting such social goals. PSUs typically trade at relatively lower valuations, although this can be changed by unlocking untapped potential, scaling up operations, and consequently driving a re-rating.
- OMCs have the freedom to decide their capital allocation, though some social obligations require consultation with the government, which maintains fairness by balancing these obligations with profitability. Not only PSUs but also private sector companies may at times be required to deploy capital for social obligations, with non-compliance potentially attracting penalties. Operational decisions rest with the PSU.
- In evaluating PSUs, the government adopts a balanced scorecard approach that weighs profitability and social responsibility. While private players may also be engaged for such objectives, the government generally seeks to make optimal use of its own assets first.
- HPCL is nearing the end of its capex cycle, though spending will remain significant over the next 12 months, largely on Vizag and Barmer. FY26 capex is pegged at ~Rs10–12bn (higher incl Barmer), with the focus shifting from predominantly refinery projects to 30–35% allocation toward new energy, including gas, captive RE, CBG, and green hydrogen, etc, driving greater investment into greener businesses.
- HPCL is operating efficiently, with refinery utilization above 100%, and is seeking improvements. It has initiated silent transformative programs to enhance efficiency and address operational inefficiencies. Launched in May-25, *Project Samriddhi* targets Rs10–15bn in savings by Mar-26, besides efforts to increase throughput per pump. HPCL has plans for de-bottlenecking at Vizag and Barmer, fine-tuning operations, and implementing efficiency upgrades. Barmer, especially, offers significant scope for scalability and performance gains. The impact of these to be visible ahead.
- Globally, oil prices can slowly dip from current levels though it is very difficult to predict. India is likely to be among the last countries where oil demand peaks—expected in about 15 years at least. While energy transition is inevitable, adapting to the changing environment will be crucial, with capital allocation being key. No new greenfield refineries are likely; scope remains for further capacity expansion, de-bottlenecking of existing base.

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MFI Panel – Main Track Session

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Building a resilient and future-ready MFI sector

We hosted Dr Alok Misra (CEO and Director - MFIN) and Ganesh Narayanan (MD and CEO – CreditAccess Grameen)

Key Meeting-Takeaways

- The panelists believe that the sector has faced multiple challenges in the past; however, it continues to bounce back. The current asset quality stress too shall pass in 2-3 quarters; the hope is for much more disciplined growth in the future with MFIN guardrails in place.
- MFIN's CEO believes that the guardrails will remain intact in the medium term and would be evaluated at an appropriate time. He believes that there is no separate plan to implement guardrails for individual lending as the current JLG guidelines shall be applicable to these loans as well.
- The RBI has recently reduced the minimum share of qualifying micro finance assets for NBFC-MFIs from 75% to 60%, which should further push portfolio diversification. However, CREDAG indicated that it plans to diversify its portfolio with an aim to ensure limited margin/RoA impact. CREDAG started with the gold loan portfolio; however, the portfolio being operationally heavy, it is incrementally focusing on mortgages. Separately, most players are conscious of the need to invest in people, process, and risk management, as they venture into the non-MFI portfolio.
- The panelists believe that there is no requirement to build a counter cyclical provisioning buffer, as the current ECL model is robust enough. That said, MFIs maintain higher capital buffers, while the current MFIN guardrails should ensure better portfolio quality and also fewer shocks.
- Most NBFC-MFIs will have a far more diversified credit portfolio over the next decade, while having work in the interim to arrest higher attrition and reduce overall operational cost. The players also need to diversify their funding source and thus address liquidity issues, particularly during times of stress. KYC is another issue, which needs to be resolved, given multiple documents (Aadhaar, PAN, and so on) being accepted as KYC for now.
- The panelists do not see major competitive risk from any tech-based player over the next few years, as the MFI segment operates on a touch model. On the other hand, the panelists believe that MFIs are gradually adopting technology and AI models to analyze their existing portfolio, including credit underwriting, early stress signals and so on. That said, a future-ready MFI will have to extensively use technology and build business resiliency via portfolio/geographical diversification.

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Zetwerk & Bhagwati Products (Micromax) – Main Track

India poised to become a global hub for electronics manufacturing; key catalysts in place

We hosted Josh Foulger (President Electronics – Zetwerk) and Vikas Jain (Co-founder - Micromax and Bhagwati Products) for a panel discussion, to delve into the potential of the Indian EMS industry and key catalysts that make India a global hub for electronics production

Key Meeting-Takeaways

- A decade ago, most categories were heavily import-dependent; over the past 5 years, significant strides in backward integration have set India on a strong path toward component self-reliance. The ambition extends beyond India to an 'India Plus' strategy – targeting the US, EU, Middle East, and Africa.
- As Indian players strengthen capabilities across engineering, design, and manufacturing, focus will be on leveraging the scale of operations to drive more business into India and position the country as a true global manufacturing hub.
- India is poised to become a full-stack player—designing, manufacturing, and managing supply chains end-to-end owing the capability to design, develop, test, and market products domestically—and then extend beyond this, to its 'India Plus' strategy while achieving the USD500bn production led by catalysts/moats, which are:
  - **Large and Diverse Demand Base** – Spanning multiple segments: a) Upper premium markets. b) Growing premiumization trends. c) Expanding consumption at the bottom of the pyramid; no competitor matches this breadth of demand.
  - **China+1 Advantage** – India is uniquely positioned to truly deliver on the China+1 strategy as it continues to develop several tiers/layers of supply chain ecosystem to become self sufficient, while also manufacturing for the global market.
  - **Comprehensive Skills and Scale** – Backed by a full spectrum of capabilities, including highly skilled technicians. While challenges exist, success lies in effectively managing them and moving forward decisively.
- The panelists likened the growth trajectory of the Indian electronics ecosystem with the India auto industry, though they opine that the electronics industry would ramp up significantly faster and believe that the component ecosystem in India would lay down the foundation for long-term success of designing an ecosystem in India.
- Bhagwati began manufacturing in CY12, when the absence of import duties made local production costlier than imports. The decision to manufacture in India was driven by a need to de-risk from China. In Jul-25, the company shipped 2.5mn mobiles, with plans to scale up to 3-3.5mn units per month.
- Components remain a key focus area for Bhagwati, with plans to expand into cameras, mechanicals, and displays over the next 12M through strategic partnerships; Bhagwati is bullish on IT hardware manufacturing, including laptops, data centers, and servers. The auto component ecosystem is another attractive area of interest.
- Zetwerk entered the US after tariffs were levied on China in CY18, progressing from partnerships to M&A and setting up a factory over the last three years. It focuses on less labor intensive, higher-value products locally, while sourcing low-value modules from India to balance cost and customer comfort. Zetwerk's moat lies in the ability to execute both, the India growth story and the India Plus strategy, competing effectively across diverse categories.

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Escorts Kubota

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Gearing up for growth with product refresh and capacity expansion

CMP	MCap (Rs bn)	TP & Rating
Rs3,381	378	Rs3,800 | BUY

We hosted Prateek Singhal (Head IR) of Escorts Kubota

Key Meeting-Takeaways

- Escorts expects a mid-to-high single-digit growth for the domestic tractor industry in FY26, driven by favorable agri macros, expectation of above-normal monsoons, and good water reservoir levels, while it targets performing in line with or marginally better than the industry.
- Performance at EKL would be driven by strategic product actions (recently introduced *Promaxx* series in *Farmtrac*, with launch of *Wetland* series focused on paddy/South in *Powertrac* by Sep-end, and mid-segment launch in Kubota in Q2FY25); full impact of this is expected largely from FY27, along with filling of distribution white spaces across the 3 brands (dealer count of 1.6k expected to rise steadily).
- Escorts targets ~15-16% revenue share from exports (5-6% now) amid rise in exports to Kubota's global network, component sourcing opportunities (aims for Rs2.5bn revenue in FY26 vs Rs1bn in FY25), as well as targeted product launches for other markets; exports volumes have started improving, and the management targets 25-30% growth in FY26.
- Kubota brand tractors continue to face margin pressure due to low localization, particularly in engine components.
- EKL's dealer inventory levels are ~4-5 weeks vs the industry's 10-11 weeks. Land acquisition for a greenfield plant in UP is likely to be completed by end-FY26; construction to commence from FY27.
- The TMA remains in talks with the MoRTH, to advocate against changes in emission norms for 25-50HP tractors; clarity on this is expected in a few months.
- CE segment's Q1 margins and revenue were hit by lower absorption of overheads due to lower production and challenges related to liquidation of older inventory; margins seen rebounding in coming quarters. The company's planned capex for FY26 is Rs3.5-4bn, excluding land acquisition costs for its greenfield project.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	97,307	101,870	112,572	128,524	146,224
EBITDA	11,330	11,778	14,142	17,045	19,685
EBITDA Margin (%)	11.6	11.6	12.6	13.3	13.5
APAT	9,480	11,371	12,612	14,937	16,994
EPS (Rs)	84.7	101.6	112.7	133.5	151.9
EPS (% chg)	58.8	19.9	10.9	18.4	13.8
ROE (%)	10.6	11.5	11.6	12.6	13.0
P/E (x)	39.9	33.3	30.0	25.3	22.3

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	2.4	-3.4	11.9	-8.7
Rel to Nifty	4.7	-3.6	4.7	-10.5

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Menon Bearings (Not Rated)

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Strong order visibility positions Menon for sustained growth

CMP	MCap (Rs bn)	TP & Rating
Rs129	7.2	NA | NR

We hosted Aditya Menon and Anshul Menon (Promoters) of Menon Bearings

Key Meeting-Takeaways

- Menon Bearings saw a strong start to FY26 with stable performance, supported by healthy demand from OEM and Taiwan customers. Commodity volatility managed effectively via better inventory planning and operational efficiency. **Capacity utilization:** Averaged at ~78% during Q1.
- **FY26 revenue target:** Rs3bn; EBITDA margin: 22%. FY27 revenue target: Rs3.5bn, driven by Alkop growth, railway/OEM approvals, and export orders.
- **Strategic Initiatives and Growth Opportunities:** Feasibility study ongoing for EV recharge components or complete charging systems. Project passed initial evaluation; capital allocation to depend on project scope and return profile. Moreover, export share increased to ~30% in Q1 (vs 28% prior); expected to reach 35% by FY26-end.US order (~Rs300mnpa) to drive near-term export growth.
- **Menon Alkop (Aluminum Die Casting) Growth Outlook:** Order visibility: 63 new parts developed over the last 2 years under the China+1 and Europe+1 opportunities. FY26 revenue expected at Rs850–900mn; FY27 target at Rs1,200mn, as new orders ramp up.
- **Operational priorities:** Customer diversification, automation, and cost optimization. Railway and OEM approvals (near-term triggers); Railway order approval pending delivery of Rs30mn dynamometer (expected by Sep-end), followed by inspection and supplier certification. Similar approval awaited from a key OEM; significant revenue potential post-certification. Bimetal business: US export orders worth ~Rs300mnpa approved; production to commence next month.
- **Premium Realization and Margin Outlook:** Average realization: Rs750/kg vs industry average of Rs200/kg, sustained due to high-value, critical products with limited manufacturing capability elsewhere. Realization expected to remain in the Rs700–800/kg range.
- **Braking Systems:** ABS and disc brake regulations in 2Ws not a threat due to strong aftermarket potential.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,509	1,980	2,199	2,099	1,679
EBITDA	329	401	504	415	419
EBITDA Margin (%)	21.8	20.2	22.9	19.7	25.0
APAT	188	245	326	244	249
EPS (Rs)	3.4	4.4	5.8	4.4	4.5
EPS (% chg)	30.4	30.7	32.9	-25.3	2.3
ROE (%)	20.1	23.3	26.6	17.5	16.4
P/E (x)	38.5	29.4	22.1	29.6	29.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.4	21.7	22.4	0.5
Rel to Nifty	5.7	21.5	14.5	-1.4

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Motherson Sumi Wiring

Sustained outperformance aided by content gains and capacity readiness

CMP	MCap (Rs bn)	TP & Rating
Rs38	250	Rs40 | ADD

We hosted Anurag Gahlot (COO and ED) of Motherson Sumi, India's largest automotive wiring harness manufacturer, supplying critical electrical distribution systems to leading OEMs across passenger vehicles, commercial vehicles, and two-wheelers

Key Meeting-Takeaways

- The management highlighted that Q1 growth was flat (seasonally subdued), with growth expected in Q2 and Q3 supported by festive demand. MSUMI is already engaged with OEMs on upcoming new model launches. Also, it mentioned sustained outperformance vs the underlying industry (revenue up 14% YoY vs PV industry production growth at 3%), led by a combination of favorable volume, content mix, and increasing content/vehicle along with presence across majority of the new launches by OEMs. Clearer volume trajectory for the 2W and CV segments will emerge in H2FY26.
- Employee costs rose sharply in Q1 due to greenfields, as major hiring was undertaken for training and upskilling to ensure readiness ahead of SOPs.
- As new programs are commissioned and volumes ramp up, employee costs could rise further. Combined manpower across the three greenfield plants is estimated at 7-7.5k, once volumes reach projected levels. Currently, volumes are below that threshold, and headcount is somewhere in between.
- SOPs for EVs at the Pune/Gujarat plant commenced in Q4FY25/Q1FY26; volume ramp-up is expected from Q2FY26. SOPs for certain models (ICE+EV) at the Gujarat plant have been deferred to Q4FY26 (vs earlier expectation of Q2FY26) due to delays in model launches by the OEM. The Kharkhauda (Haryana) plant is on track to commence from Q2FY26.
- Per the management, the content/vehicle in E-PVs is 1.5-1.7x higher vs ICE PVs.
- MSUMI is collaborating with 2W/CV OEMs and anticipates breakthrough in upcoming models across both categories.
- FY26 capex guidance at Rs2bn is basis volume projections of the OEMs.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	83,283	93,203	109,047	122,630	138,045
EBITDA	10,132	9,971	12,108	14,107	16,225
EBITDA Margin (%)	12.2	10.7	11.1	11.5	11.8
APAT	6,383	6,059	7,476	8,824	10,275
EPS (Rs)	1.0	0.9	1.1	1.3	1.5
EPS (% chg)	31.1	-5.1	23.4	18.0	16.5
ROE (%)	42.5	35.9	38.9	39.5	42.4
P/E (x)	39.1	41.2	33.4	28.3	24.3

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-10.9	-0.4	9.9	-19.2
Rel to Nifty	-9.0	-0.6	2.9	-20.8

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Nelcast (Not Rated)

Sustained volume growth coupled with robust margin levers

CMP	MCap (Rs bn)	TP & Rating
Rs168	14.7	NA | NR

We hosted P Deepak (Managing Director) and SK Sivakumar (CFO) of Nelcast, one of India's largest producers of ductile and grey iron castings, and catering to leading OEMs in the automotive, tractor, and industrial segments. With strong export presence and diversified product portfolio, Nelcast plays a key role in both, domestic and global supply chains

Key Meeting-Takeaways

- **Industry and Growth Outlook:** The management expects tractor segment growth at ~7.5–8% in FY26, and targets 100kt production volume for the year. FY27 growth is guided at ≥15%, though with some uncertainty.
- **Revenue Targets**: FY26 revenue projected at ~Rs15bn, based on average realization of Rs150/kg. Export share expected to remain at ~36% of revenue in FY26.
- **New Business Wins:** Annualized new orders now expected at ~USD60mn vs earlier guidance of USD20mn, thus reflecting strong order inflow momentum.
- **Margins**: Q1FY26 EBITDA/kg improved 24% YoY to Rs14.7/kg, closing in on the Rs15/kg target; the management sees potential to move to Rs18–20/kg over time via product mix improvement and higher-value complex castings (eg 500kg product family).
- **Exports:** The US accounts for 80% of exports, with ~60% of US sales to Class 6–8 trucks. Tariff concerns are not expected to materially impact the share, given limited local manufacturing; tariff costs are likely to be passed on to customers.
- **Capacity and Capex:** Maintenance capex to sustain at ~Rs300mnpa. Furnace additions at existing plants could add 40kt capacity at ≤Rs500mn capex. No major greenfield/brownfield expansions planned in the next two years.
- **Tariffs and Pricing:** Tariff-related costs expected to have minimal lasting margin impact, though there could be a short lag in passing on costs. US marketing is focusing on early order pull-through, ahead of tariff-led price increases.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	6,199	9,367	12,801	12,990	12,726
EBITDA	464	581	794	923	885
EBITDA Margin (%)	7.5	6.2	6.2	7.1	7.0
APAT	90	142	297	403	344
EPS (Rs)	1.0	1.6	3.4	6.3	4.3
EPS (% chg)	-74.9	57.7	108.5	82.7	-31.4
ROE (%)	2.1	3.2	6.5	8.1	6.4
P/E (x)	161.8	102.6	49.2	26.9	39.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.4	21.7	22.4	0.5
Rel to Nifty	5.7	21.5	14.5	-1.4

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Pricol

Premiumization and product pipeline offset REE challenges

CMP	MCap (Rs bn)	TP & Rating
Rs422	51	Rs575 | BUY

We hosted Siddharth Manoharan (Director – Strategy) and Priyadarsi Bastia (CFO) of Pricol, a leading 2W automotive components supplier, specializing in driver information systems, sensors, and braking solutions, with a growing premium product pipeline

Key Meeting-Takeaways

- **Sustained Outperformance vs Industry:** Q1FY26 core revenue growth outpaced 2W industry production by 11% (vs 3%/2% in Q3/Q4FY25), driven by new product launches and premiumization-led content gains, with value growth exceeding volume growth despite rare earth element (REE) supply constraints.
- **Short-Term Headwinds, Medium-Term Stability**: Industry volumes in Q1 were muted due to REE shortages; the management expects these headwinds to persist in Q2, before stabilizing from Q3. Multiple mitigation initiatives are under way.
- **Disc Brake and ABS Opportunity**: Limited-supply disc brakes in Q2 will scale to mass production for a key strategic 2W OEM from Jan-26; upcoming ABS regulations should further accelerate demand in this segment.
- **Strategic Technology Tie-Up**: Licensing agreement with Domino (Italy) for handlebar aggregates (switches, throttles, levers), with revenue contribution expected in 12-15 months, catering to India and SE Asia.
- **P3L Performance and Growth Drivers:** P3L clocked Rs2.05bn revenue, with ~7% EBITDAM in Q1FY26 (vs Rs1.7bn, 5% in Q1FY25), aided by margin-accretive initiatives such as engineered/precision plastics, cost optimization, and leveraging Pricol's OEM network; backward integration into display manufacturing targeted over the next 4 quarters.
- **Capex and Capacity Leverage**: Rs5bn capex over the next 3 years, with Rs2.5–3bn for P3L; existing capacities can deliver an additional ~20–22% revenue without further expansion.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	22,718	26,919	37,499	42,296	48,099
EBITDA	2,731	3,129	4,376	5,126	5,926
EBITDA Margin (%)	12.0	11.6	11.7	12.1	12.3
APAT	1,406	1,670	2,360	2,812	3,330
EPS (Rs)	11.5	13.7	19.4	23.1	27.3
EPS (% chg)	22.3	18.8	41.3	19.2	18.4
ROE (%)	18.1	17.9	20.8	20.2	19.6
P/E (x)	36.6	30.8	21.8	18.3	15.5

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-8.0	-6.4	-14.7	-17.1
Rel to Nifty	-6.0	-6.5	-20.2	-18.8

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Shriram Pistons and Rings

Ahead of industry performance and visibility around ICE powertrain to sustain

CMP	MCap (Rs bn)	TP & Rating
Rs2,446	107.7	Rs3,050 | BUY

We hosted Krishnakumar Srinivasan (CEO), Prem Rathi (ED and CFO), and Pankaj Gupta (Head-Legal and Company Secretary) of Shriram Pistons and Rings, the market leader in manufacturing of pistons, piston pins, piston rings, and engine valves for various automotive companies in the domestic and exports

Key Meeting-Takeaways

- SPRL has strengthened its dominant franchise in core products (pistons, piston rings, engine valves) in the last 5Y (50/62% industry FY25 revenue/EBITDA market share vs 45/53% in FY20), with a diversified revenue stream (no vehicle segment/client accounts for over 20/10% of revenue) and fast-rising scale (among the top quartile in auto ancillaries based on EBITDA).
- SPRL guides to sustained outperformance vs underlying industry production, in line with the historical trend owing to its the inherent moats of a diverse presence across the end-user segment; powertrains will help sustain outperformance.
- It now has even better prowess in emerging 'greener' ICE powertrains (+90% market share in CNG, key supplier in hybrid powertrains); this, along with focus on exports (aided by China+1) and the aftermarket, and traction in non-autos (marine, rail, snowmobiles), would aid further outperformance
- The management believes all powertrains will continue to coexist amid enhanced focus on cleaner/alternative fuel technologies like hydrogen, biofuel, etc; SPRL will benefit from this, owing to its diversified presence and offerings across powertrains.
- It has onboarded new customers for EV motors and controllers and is addressing the rare earth element (REE) shortages via alternate solutions. Production at the Coimbatore plant is likely to start by Sep-end. As one of the top-3 motor manufacturers and the only player offering both, motors and controllers, SPRL is well-placed to emerge as a leading player here.
- The management highlighted ongoing investments in subsidiaries (EMFi, Takahata, and TGPEL) for above-industry capacity expansion, aimed at boosting output and meeting client needs.
- SPRL is not witnessing headwinds in exports, given its presence in 45 countries (a hedge against country-specific risks) and strong customer support (has won new orders).
- SPRL is exploring synergistic M&A opportunities (domestic and international) within its existing business domains, to enable synergistic inorganic growth as well.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	30,893	35,498	40,683	45,949	51,967
EBITDA	6,420	7,243	8,362	9,467	10,759
EBITDA Margin (%)	21	20	21	21	21
APAT	4,425	5,067	5,870	6,677	7,620
EPS (Rs)	100.5	115.0	133.3	151.6	173.0
EPS (% chg)	50.8	14.5	15.9	13.7	14.1
ROE (%)	25.6	23.5	22.2	21.0	20.1
P/E (x)	24.3	21.3	18.4	16.1	14.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.6	3.6	22.1	28.7
Rel to Nifty	3.8	3.4	14.2	26.2

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SJS Enterprises (Not Rated)

Emkay
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Competitive moats to ensure sustained 2x outperformance vs underlying industry

CMP	MCap (Rs bn)	TP & Rating
Rs1,201	37.7	NA | NR

We hosted Sanjay Thapar (CEO and ED), Mahendra Naredi (CFO), and Devanshi Dhruva (Head - Investor Relations) of SJS Enterprises, a leading automotive aesthetics and decorative components supplier, offering products across multiple vehicle segments with strong design, technology, and manufacturing capabilities

Key Meeting-Takeaways

- **Strong Outperformance:** The management expects to sustain >2x outperformance vs the underlying industry growth going forward, and targets exports to form ~14-15% of revenue by FY28 (vs current levels), supported by new customer wins and higher penetration in global OEM programs.
- **Margin Guidance:** Guides for sustainable ~25% EBITDA margin (vs 27.6% achieved this quarter); maintains >20% RoCE threshold for any new investments.
- **Exotech Performance:** Chrome plating subsidiary margins have improved, from 12% during acquisition to ~18-19% now, with further upside from export-led growth; new facility expected to deliver 3-4x asset turnover.
- **Competitive Moats:** Strong entry barriers via complex, high-aesthetic products that are difficult to replicate; leadership in display/cover glass backed by aesthetic expertise and entrenched customer relationships.
- **New Technology Initiatives:** SJS is expanding beyond cover glass into complete display assemblies; developing prototypes and engaging with customers for broader capability. In display assembly, Visteon is seen as the primary competitor with limited alternative players.
- **EV Opportunity:** Won business for Mahindra's 'Born Electric' range; aims to capture significant share with Hero MotoCorp (TAM: Rs2.5bn) and is actively exploring technology partnerships to strengthen display assembly capabilities.
- **Inorganic Growth:** Acquisitions remain a core pillar; the company will accumulate cash in FY26 and target deals in FY27. Acquisitions typically take ~12 months from evaluation to completion; strong cash flows allow growth to be funded largely through internal accruals with minimal debt.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	2,552	2,713	3,047	3,704	4,101
EBITDA	762	944	1,066	1,522	1,954
EBITDA Margin (%)	30	35	35	41	48
APAT	478	550	673	848	1,178
EPS (Rs)	15.7	18.1	22.1	27.5	37.8
EPS (% chg)	15.7	15.2	22.2	24.2	37.8
ROE (%)	16.1	16.3	17.0	17.1	18.8
P/E (x)	76.5	66.4	54.3	43.7	31.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.2	11.3	32.2	22.7
Rel to Nifty	1.0	11.1	23.7	20.3

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Sterling Tools (Not Rated)

Your success is our success

Pivoting to high-value EV components for sustained growth

CMP	MCap (Rs bn)	TP & Rating
Rs310	11	NA | NR

We hosted Jaideep Wadhwa (Director) and Pankaj Gupta (CFO) of Sterling Tools, which manufactures cold forged, hi-tensile fasteners and supplies to all major auto OEMs across the PV, CV, 2W, Construction, and Farm Equipment segments.

Key Meeting-Takeaways

- **Revenue Outlook and Capex Plans:** STML (Sterling Tech Mobility) targets ~Rs1.5–2bn revenue in 5 years; Power electronics business expected to cross ~Rs1bn in 3Y. Potential revenue from non-fastener businesses estimated at ~Rs5–10bn over the next 3 years, supported by ~Rs1.5–2bn planned investments.
- **FY26 capex:** Rs500mn for STML, ~Rs200–250mn for Sterling E-Mobility (SGEM); FY27 plans are still under finalization.
- **EV and Power Electronics Focus:** SGEM engaged with 28 customer programs across the 2W, 3W, LCV, and HCV segments for various MCU models. STML is actively working with EV OEMs and Tier-1s across multiple vehicle categories. Rare earth magnet-free motor project in advanced OEM negotiations; production targeted for FY27 post-validation. Investment for this project pegged at Rs350–400mn (assembly lines + tooling).
- **New Product Developments:** Manufacturing set-up for high-voltage DC contactors and commissioning by Sep-25, trials in Oct, full production by Nov-25. Sterling is expanding its portfolio to integrated motors and MCUs, magnet-free motors, on-board chargers, and DC/DC converters.
- **Technology and Supply Chain Initiatives:** Magnet-free motors are being developed under a technology licensing agreement with Advanced Electric Machines (AEM), UK. Established supply chain capability demonstrated via exports of components to AEM. Strategic sourcing initiatives are under way to optimize EV supply chain.
- **Macro Challenges:** There are challenges around rare earth magnet supply and restrictions from China affecting the automotive sector. STML is actively working with various EV manufacturers and their Tier 1s across multiple vehicle segments.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	3,585	5,126	7,783	9,389	10,380
EBITDA	613	659	975	1,072	1,096
EBITDA Margin (%)	17.1	12.9	12.5	11.4	10.6
APAT	235	255	453	551	583
EPS (Rs)	6.5	7.1	13.3	15.4	16.2
EPS (% chg)	-22.9	8.6	87.4	15.7	5.2
ROE (%)	7.4	7.4	12.0	13.0	12.3
P/E (x)	47.5	43.7	23.3	20.2	19.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-12.9	4.5	-23.1	-24.1
Rel to Nifty	-11.0	4.3	-28.0	-25.5

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Suprajit Engineering

Strong margin performance in global business to sustain; guides to double-digit growth at SCD in FY26

CMP	MCap (Rs bn)	TP & Rating
Rs430	60.8	Rs550 | BUY

We hosted Ajith Rai (Executive Chairman) of Suprajit Engineering, which is among the leading global manufacturers of automotive cables, serving top OEMs and aftermarket customers across the globe. With a diversified manufacturing footprint and strategic M&A, SEL is scaling as a trusted partner in mobility solutions worldwide

Key Meeting-Takeaways

- The management highlighted continued outperformance vs the industry in terms of operational metrics and operational efficiencies, and expects double-digit growth in the SCD business in FY26.
- Increase in consol margins is being driven by improvement in SCD margins (double-digit EBITDAM trajectory to continue); Wescon also continues to clock double-digit EBITDAM despite headwinds.
- Believes that the tariff offers a good opportunity in the medium-to-long term versus many competitors, as 70% of SPRL's supplies to USA are USMCA compliant; ~60% of the balance 30% clients have agreed to take price hikes and is still in talks with some non-compliant ones.
- The management aims to position SEL as the most robust cable supplier, while leveraging its on-shoring, offshoring, and near-shoring capabilities, which will be best for customers whether tariff-related or otherwise.
- Aftermarket growth for the Domestic Cables division remains robust and continues to gain traction in the industry, beyond the cables initiative . The management expects a delay in ABS notification - Industry not ready for the ramp up needed; however, SEL is ideally placed as it is on track to productionize ABS by Jan-26.
- Guides to ~USD30-35mn revenue at SCS (~USD40-45mn annual run rate upon stabilization of operations), while targeting turning EBITDA positive by Q4 in FY26. FY26 to be a year of turn around and stabilization for the recently acquired SCS, and is currently not on the look out for further M&A.
- SCS's Morocco location operates at a favorable 10% tariff, the lowest since inception, offering strong potential to serve US customers, with a transit time of only seven days. SCS Canada, being part of the USMCA, provides the most efficient and advantageous route for supplying products into the US market.
- Group capex guidance for FY26 stands at Rs1.5-1.6bn

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	28,959	32,770	36,599	39,676	42,674
EBITDA	3,230	3,334	4,353	5,216	5,859
EBITDA Margin (%)	11	10	12	13	14
APAT	1,673	993	2,172	2,788	3,241
EPS (Rs)	12.1	7.2	15.8	20.3	23.6
EPS (% chg)	9.9	-40.1	118.8	28.3	16.3
ROE (%)	12.9	7.5	16.0	18.2	18.6
P/E (x)	36.7	61.2	28.0	21.8	18.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.0	9.1	6.0	-15.1
Rel to Nifty	1.1	8.9	-0.8	-16.8

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Talbros Automotive Components (Not Rated)

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Guides to double-digit revenue growth in FY26; margins to sustain despite certain headwinds

CMP	MCap (Rs bn)	TP & Rating
Rs249	15.4	NA | NR

We hosted Anuj Talwar (Joint MD) and Navin Juneja (CFO) of Talbros Automotive Components, the leading Indian manufacturer of gaskets, forgings, chassis components, and other auto parts, and serving OEMs, the aftermarket, and export markets

Key Meeting-Takeaways

- Talbros's broad geographic reach and balanced revenue mix across OEMs, aftermarket, and exports act as a natural hedge against region-specific risks, including recent US–India tariff developments.
- The company secured Rs5.8bn in orders during the quarter across varied products and geographies, underscoring strong customer confidence, and guides to a double-digit revenue growth in FY26.
- Segment momentum was driven by rising consumer acceptance, wider product range, and better charging infrastructure, though growth moderated as subsidy cuts impacted price competitiveness and affordability.
- Regardless of the headwinds to growth, the company remains focused on enhancing operational efficiencies and leveraging economies of scale for sustaining healthy margins.
- Talbros remains cautiously optimistic about the industry outlook despite near-term challenges, supported by expectations of a strong festive season and above-normal monsoons, which could revive rural demand. Based on interactions with OEMs in both, domestic and export markets, the company believes Q2 will be better than Q1, with Q3 growth expected to outperform previous quarters'.
- While market demand fluctuations persist, Talbros is shifting from an acquisition-driven approach to execution excellence, aiming to convert its robust order pipeline into sustained revenue growth.
- Looking ahead, Talbros remains committed to its long-term strategy, focusing on strengthening partnerships with existing OEMs while engaging with new ones to secure additional business.
- The company also aims to expand its EV component portfolio and further increase its export footprint.
- Exposure to US remains limited at ~350-380mn (4% of FY25 revenue) and additional business on the exports front is being received in Europe; guides to 35% exports revenue share vs 28% now.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	4,768	5,928	6,653	8,495	8,625
EBITDA	557	755	873	1,147	1,296
EBITDA Margin (%)	11.7	12.7	13.1	13.5	15.0
APAT	257	449	556	782	944
EPS (Rs)	6.3	7.3	9.0	17.8	15.3
EPS (% chg)	220.2	14.7	23.8	98.0	-14.1
ROE (%)	11.5	17.4	17.5	17.3	16.1
P/E (x)	39.3	34.3	27.7	14.0	16.3

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-14.9	-7.9	-1.0	-27.9
Rel to Nifty	-13.1	-8.0	-7.4	-29.3

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Uniparts India (Not Rated)

Emkay
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Mid-teen growth intact; the >Rs20bn long-term ambition aided by new product lines

CMP	MCap (Rs bn)	TP & Rating
Rs393	18	NA | NR

We hosted Tanushree Shyam Bagrodia (Group COO), Rohit Maheshwari (CFO), and Himanshu Sharma (IR) of Uniparts India, a leading supplier of critical components and solutions primarily for the off-highway vehicle (OHV), agriculture, and construction sectors

Key Meeting-Takeaways

- The company maintains its guidance of mid-teen revenue growth for FY26 and has set a long-term revenue target of >Rs20bn. This will be achieved through deeper penetration with existing OEM customers, expansion into fabrication (via the new Ludhiana unit), and entry into new product platforms such as hydraulics and power take-off units.
- The off-highway equipment industry remains volatile due to ongoing US tariff uncertainties, particularly in the Americas, although lower interest rates and stable equipment pricing could encourage deferred purchases. In Europe, the small agriculture segment is showing early signs of recovery, while the US large agriculture market is expected to see a sharp decline of ~25–30%.
- In the small agriculture segment, India is projected to grow ~4–7% in FY26 on the back of a favorable monsoon and steady farmer demand. While Asia-Pacific markets are expanding, Europe is likely to be flat, and the Americas are expected to see a decline of ~5%.
- Uniparts's mid-teen growth outlook is being supported by inventory replenishment and strong new business traction. The large agriculture market in the US remains under pressure, although growth is being cushioned by inventory build-ups and new business wins, particularly in Europe, which is expected to aid overall performance in FY26. The aftermarket segment delivered 20% growth in FY25, and addition of a major North American retail customer is expected to sustain mid-teens growth in FY26. Uniparts's US manufacturing presence, combined with the upcoming Mexico warehouse (operational by Oct-2025), allows for flexible sourcing from India, the US, or Mexico, helping minimize the cost impact of tariffs for customers.
- The US facility is capable of both, full end-to-end manufacturing and partial assembly using components supplied from India. It has sufficient capacity headroom to deliver roughly 50% more output than current levels, without requiring significant additional capital expenditure.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	9,477	12,310	13,822	11,489	9,849
EBITDA	1,194	2,680	2,970	2,014	1,456
EBITDA Margin (%)	12.6	21.8	21.5	17.5	14.8
APAT	932	1,688	2,049	1,247	880
EPS (Rs)	21.1	38.2	46.3	28.1	19.5
EPS (% chg)	48.7	80.7	21.4	-39.3	-30.7
ROE (%)	18.2	27.1	27.0	14.7	10.0
P/E (x)	18.6	10.3	8.5	14.0	20.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.0	18.1	19.9	-17.4
Rel to Nifty	1.1	17.9	12.2	-19.0

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Axis Bank

Focus remains on risk-calibrated growth

CMP	MCap (Rs bn)	TP & Rating
Rs1,066	3,309	Rs1,400 | BUY

We hosted Subrat Mohanty (ED) and Puneet Sharma (CFO)

Key Meeting-Takeaways

- Given still elevated risk in the retail segment, the bank has slowed down growth in select segments. The management did not share growth guidance for FY26 due to macro uncertainties; however, it retained its medium-term growth guidance of 300–400bps above the system.
- NTB deposits have grown ~20% over the past year, with the momentum expected to improve further. ETB growth trails peers; however, it is expected to improve as customer engagement increases via cross selling other products.
- Full-quarter impact of the 75bps repo rate cut is expected to be reflected in margins during Q2FY26; however, the bank expects a ‘C’ shaped recovery in margins over 15-18 months as deposits reprice. Thus, the bank expects NIM to settle at ~3.8% in 2Q or 3QFY27.
- The credit card portfolio saw visible improvement in stress levels, while the PL segment also showed early signs of stabilization, with all key indicators (including bounce rates, early delinquency, and collection efficiencies) showing an improving trend.
- The bank recently moved from DPD-based NPA recognition to qualitative judgement-based recognition. Separately, with regard to OTS, the bank does not upgrade an account till the last installment is received in full. The management indicated that 1Q saw the impact of this change in policy on the stock plus flows, and so slippages during 9MFY26 should be relatively moderate (albeit elevated), as also the credit cost.
- We have a BUY on Axis, with a TP of Rs1,400, implying the standalone bank’s valuation on 1.6x Jun-27E ABV and subsidiary’s at Rs125/sh.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	723,365	796,048	842,986	939,446	1,076,683
Net profit	248,614	263,734	261,813	309,094	369,677
EPS (Rs)	80.5	85.1	84.4	99.7	119.2
ABV (Rs)	462.6	551.8	631.5	726.3	839.7
RoA (%)	1.8	1.7	1.6	1.7	1.7
RoE (%)	18.0	15.9	13.6	14.0	14.6
P/E (x)	12.2	11.4	11.4	9.4	7.8
P/ABV (x)	2.1	1.7	1.5	1.3	1.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(9.2)	(10.7)	6.3	(8.1)
Rel to Nifty	(7.2)	(10.8)	4.6	(9.9)

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Refer to important disclosures at the end of this report

Bandhan Bank

Growth to improve; stress to ease from 2H

CMP	MCap (Rs bn)	TP & Rating
Rs166	267	Rs190 | ADD

We hosted Rajeev Mantri (CFO) of Bandhan Bank

Key Meeting-Takeaways

- The bank targets overall credit growth of 15-17% in FY26, with the EEB portfolio expected to grow 5-8%. The management indicated that the EEB book is expected to decline further in Q2, before resuming growth from Q3.
- The management remains vigilant about expanding its book, particularly in stressed states like KA, TN, UP, and GJ, owing to the new MFIN guardrails, ordinance, and political issues. However, the bank maintains focus on diversifying its portfolio and accelerating growth in the secured retail and MSME segments.
- The bank is focused on building a stable, granular, retail-led deposit base, with its main priority being improving the CASA ratio to enhance funding stability, lowering CoF, and supporting the margin resilience.
- NIMs may moderate further, though the impact is cushioned by the 52% fixed-rate loans. While CoF fell by ~19bps in Q1 (due to lower SA rates), the upcoming TD repricing should provide more relief going ahead. recovery will be supported by lower slippages and reduced interest reversals too.
- The EEB portfolio stress is expected to persist till Q2FY26, after which normalization is likely; the bank remains cautiously optimistic in this segment.
- The 3+ lender portfolio would decline to less than 3% and the CE would improve in 2H, although 2Q is likely to remain stressed. Further, caution is warranted in the individual loan segment, as there are currently no regulatory guardrails in place here; this could potentially lead to further tightening.
- Credit costs are expected to decline further over the course of the year, with the bank maintaining an overall credit cost guidance of 2.5% for FY26.
- We have an ADD on the stock with TP of Rs190, implying 1x Jun-27E ABV.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	124,903	144,572	146,315	167,293	193,678
Net profit	22,296	27,453	27,839	38,766	48,988
EPS (Rs)	13.8	17.0	17.3	24.1	30.4
ABV (Rs)	127.9	144.9	158.3	178.4	204.4
RoA (%)	1.3	1.5	1.4	1.6	1.8
RoE (%)	10.8	11.9	10.8	13.6	15.2
P/E (x)	12.0	9.7	9.6	6.9	5.4
P/ABV (x)	1.3	1.1	1.0	0.9	0.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(5.6)	2.0	16.3	(14.0)
Rel to Nifty	(3.6)	1.9	14.4	(15.6)

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CreditAccess Grameen

MFI recovery story to playout in 2H

CMP	MCap (Rs bn)	TP & Rating
Rs1,293	207	Rs1,350 | BUY

We hosted Ganesh Narayanan (MD & CEO) and Nilesh Dalvi (CFO) of CreditAccess Grameen

Key Meeting-Takeaways

- The industry's AUM has been on a declining trend, with Q2 also expected to contract, while a recovery is anticipated in H2. Performance through Q2 to Q4 will largely depend on how effectively other lenders manage the current challenges. Most geographies have recovered, except Karnataka (KTK).
- AUM is expected to be stable in Q2 due to accelerated write-offs, and would grow in line with disbursements in H2. Thus, the management targets AUM growth of 14-18% in FY26, with the MFI book expected to grow 8-12%. Retail finance is expected to be a key growth driver going forward. The management has rundown the gold loan portfolio to zero from Rs100mn without any loss or opex.
- The company is adopting a calibrated approach to scaling up its retail finance operations. Currently, the portfolio is heavily skewed toward unsecured business loans (~75%), as the mortgage business takes longer to scale up. Over the medium term, as both segments mature, the management expects the mix to gradually shift toward a balanced 50:50 ratio.
- The cost of funds is expected to improve over time. As most borrowings are linked to MCLR with annual reset cycles, the impact of the 100bps repo rate cut will take about two quarters to reflect fully. A benefit of 8bps is already being seen in Q1, with the larger positive impact expected by Q4FY26 and Q1FY27.
- The management expects the new PAR accretion in Karnataka to decline further by Q2-end, with Q3 providing clarity on where it stabilizes. Further, in TN, the management is seeing slightly higher accretion across the industry. Also, credit costs are likely to remain elevated in H1FY26 (3.0-3.5%) as the industry navigates residual asset quality issues and aligns with the MFIN 2.0 guardrails. A moderation is expected in H2FY26.
- We have an ADD on the stock with TP of Rs1,350, implying 2.2x Jun-27E ABV (at a premium to peers, including SFBs), given CREDAG's credible track record to ride the MFI recovery story.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	34,402	38,085	39,682	46,644	56,151
Net profit	14,459	5,314	8,626	14,509	20,153
EPS (Rs)	90.9	33.3	54.0	90.8	126.2
ABV (Rs)	407.3	409.7	484.7	592.4	733.0
RoA (%)	5.7	1.9	2.9	4.2	4.8
RoE (%)	24.8	7.9	11.5	16.4	18.6
P/E (x)	14.2	38.8	23.9	14.2	10.2
P/ABV (x)	3.2	3.2	2.7	2.2	1.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(0.7)	9.2	31.0	7.8
Rel to Nifty	1.4	9.0	28.7	5.7

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Federal Bank

Emkay
Your success is our success

Transformation push at full throttle

CMP	MCap (Rs bn)	TP & Rating
Rs196	482	Rs240 | BUY

We hosted Souvik Roy (Head Strategy) of Federal bank

Key Meeting-Takeaways

- The bank asserts that its transformation journey is progressing at a strong pace, with a strategic shift in asset mix toward high-yielding segments like retail and SME, alongside a structurally stronger CASA profile as seen in Q1 — both of which are expected to support improved margins and RoA over time. The management now guides for loan growth at 1.2x nominal GDP (revised from 1.2-1.5x earlier), reflecting a sharper focus on balancing risk and margin outcomes. Following the recent favorable PSL guidelines, the bank expects gold loan growth to accelerate, which should support its risk-calibrated growth strategy and PSLC fees.
- Separate verticals have been created for secured businesses like LAP, HL, and auto loans. A new Retail Head will be joining soon. Retail restructuring is nearly complete and is expected to support growth in H2, especially with the imminent festive season. In business banking, the bank is taking a cautious approach; commercial lending is seeing faster growth and targets the upper end of the MSME spectrum. The bank has made internal adjustments to credit underwriting decisions within the SME business.
- Despite trimming the SA rate to 2.5%, the bank sustained the CASA ratio at 30%, unlike peers. NIMs to contract further by 5-10bps, albeit to improve thereon as deposit repricing benefits kick-in.
- The management expects MFI slippages to moderate in Q2; however, it does not see any meaningful stress in the retail portfolio to raise alarm. That said, it prefers to remain watchful. The bank guided for 55bps credit cost in FY26 vs 30bps in FY25.
- We have a BUY on the stock with TP of Rs240 (based on 1.3x Jun-27E ABV and subsidiary's valuation at Rs12/sh), considering the healthy improvement in RoA to 1.2-1.3% over FY27-28E, credible management among SMID banks, and reasonable valuations.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	113,728	132,692	141,177	164,760	196,933
Net profit	37,206	40,518	38,057	47,968	60,092
EPS (Rs)	15.3	16.5	15.5	19.5	24.5
ABV (Rs)	114.4	132.9	147.2	164.6	186.6
RoA (%)	1.3	1.2	1.0	1.2	1.3
RoE (%)	14.9	13.0	10.8	12.2	13.6
P/E (x)	12.0	11.1	11.9	9.4	7.5
P/ABV (x)	1.6	1.4	1.2	1.1	1.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(5.4)	(1.1)	6.5	(3.0)
Rel to Nifty	(3.4)	(1.1)	5.5	(4.9)

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Fino Payments Bank

Your success is our success

Poised to emerge as a distinctive payments-cum-lending SFB

CMP	MCap (Rs bn)	TP & Rating
Rs255	21	Rs300 | BUY

We hosted Ketan Merchant (CFO) and Anup Agarwal (IR) of Fino Payments Bank

Key Meeting-Takeaways

- New CASA additions slowed down recently due to rising mule accounts, leading to cautious merchant onboarding and a drop of 5-8% QoQ in active CASA merchants. However, the bank expects a sustained CASA momentum in FY26, as account additions shall pick up from Q2 (with the strategic focus now shifting toward improving average balances rather than expanding only the customer base), with lending liquidity comfort (at relatively lower CoF) ahead of the SFB transition.
- DPS throughput has recently declined due to stricter merchant onboarding norms amid heightened fraud and money laundering risks, potentially moderating growth and raising compliance costs. In response, the bank is enhancing partnerships with TPAPs and merchants and engaging with select payment aggregators to launch new digital products in H2FY26.
- With the SFB license expected soon, Fino has started scaling-up its loan distribution platform, disbursing Rs2bn (ML/GL). It has also had high-level internal discussions on potential products, geographies, etc.
- The remittance (DMT) business saw a significant decline, following regulatory changes introduced in Nov-24. This, along with growing preference for digital channels and competition from non-banking-led channels led to cannibalization. The bank believes that unless regulatory parity is achieved between bank-led channels and non-regulated entities (eg PPIs), the DMT business is unlikely to revive meaningfully.
- Core banking system (CBS) migration is expected to conclude by end-CY25. Current technology investments pertain only to existing operations and exclude any future SFB-related infrastructure costs.
- Notwithstanding near-term challenges in traditional business, we believe Fino offers a unique long-term play on the payments-cum-lending business, delivering sustainably higher RoA/RoE; hence, we have a BUY with a TP of Rs300, implying FY27E P/B and P/E of 2.5x and 19x, respectively.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	3,987	4,910	5,638	6,634	8,613
Net profit	863	926	942	1,205	1,737
EPS (Rs)	10.4	11.1	11.3	14.5	20.9
ABV (Rs)	77.3	89.7	101.1	115.6	136.4
RoA (%)	3.0	2.4	2.0	2.0	2.2
RoE (%)	14.4	13.3	11.9	13.4	16.6
P/E (x)	24.7	23.0	22.6	17.7	12.3
P/ABV (x)	3.3	2.9	2.5	2.2	1.9

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(14.0)	3.8	1.3	(25.0)
Rel to Nifty	(12.1)	3.6	1.0	(26.5)

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Indian Bank

A class apart

CMP	MCap (Rs bn)	TP & Rating
Rs671	903	Rs750 | BUY

We hosted Binod Kumar (MD and CEO) and Shashank Jain (GM - Treasury) of Indian bank

Key Meeting-Takeaways

- The bank aims to grow its loan book at 10-12% during FY26, with continued focus on the RAM segment. Within retail, the bank has been growing its VF and gold loan portfolio, while gradually shrinking its smaller PL book. Further, the bank targets achieving deposit growth of 8-10% with CASA ratio of 40%. With the government increasingly shifting to a Just-in-Time (JIT) payment system, CASA balances are likely to remain under pressure, making it challenging to sustain a 40% CASA ratio.
- The bank's recent reduction by 5bps in its 1Y MCLR (bringing it down to 9%) shall cause a further dip in margin in Q2FY26. Bulk TD rates have declined by ~100bps and select cuts have been made in retail TD rates; however, the benefits of such reductions will begin reflecting from Q2FY26. Around Rs860bn of deposits are due for repricing over the next 3-6M which should help support margins. Accordingly, NIMs are expected to contract further in Q2FY26, before they start improving from H2FY26; hence the management guides for NIMs to settle in the range of 3.15-3.3% for FY26.
- The bank endeavors to maintain GNPA ratio below 3% and NNPA at ~0.2%, during FY26. Slippage ratio is expected to be below 1%. Accordingly, the bank guides for credit cost of <1%, likely settling at 50-70bps for FY26. INBK carries industry-high specific PCR at 94%; this, along with additional buffers against restructured/standard loans, should limit the impact of ECL norms, if introduced.
- The management believes the recent guideline by the RBI—to allow voluntary acceptance of gold as collateral against agri loans of under Rs0.2mn—should provide some relief and thus boost PSLC fees. This coupled with higher treasury gains and lower LLP (owing to resilient asset quality) shall aid the bank in sustaining its superior RoA at 1.2-1.3% over FY26-28E.
- Indian Bank remains our preferred pick among PSBs; we have a BUY on the stock with TP of Rs750, valuing the bank at 1.2x Jun-27E ABV.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	311,400	343,999	357,878	384,100	424,770
Net profit	80,631	109,183	119,967	124,459	133,496
EPS (Rs)	62.2	81.1	89.1	92.4	99.1
ABV (Rs)	394.1	455.7	528.4	601.5	680.2
RoA (%)	1.1	1.3	1.3	1.2	1.2
RoE (%)	17.1	19.1	17.9	16.1	15.2
P/E (x)	10.8	8.3	7.5	7.3	6.8
P/ABV (x)	1.7	1.5	1.3	1.1	1.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	6.2	15.5	28.7	21.9
Rel to Nifty	8.5	15.3	30.3	19.5

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Jammu & Kashmir Bank (Not Rated)

Building Bank for long haul

CMP	MCap (Rs bn)	TP & Rating
Rs104	114	NA | NR

We hosted Amitava Chatterjee (MD and CEO) of Jammu & Kashmir Bank

Key Meeting-Takeaways

- The bank has a corporate sanction pipeline of Rs50-60bn; however, it is prioritizing sustainable retail growth, both in J&K and selectively across India, to build a strong base, while pursuing corporate opportunities where margins are viable. The bank expects credit growth of 12% in FY26. Additionally, the bank plans to digitize the entire credit process across retail, MSME and large corporate segments.
- Strong foothold in J&K and Ladakh remains the core driver; the bank is also expanding selectively in other geographies to diversify risk and grow its loan book. Further, the bank aims to shift its business mix from the current 70:30 ratio between J&K and other regions to 50:50 in the medium to long term. The recent terrorist attack impacted tourism business, which is now gradually reviving with the recent Amarnath Yatra footfall being strong.
- In the short to medium term, the bank will focus on improving efficiency and customer service. Cluster heads now have direct command over 20–30 branches each which is expected to improve oversight and make 50–60% of branches operationally efficient and profitable.
- Some margin moderation is possible due to industry-wide rate cuts; however, the impact is expected to be lower for J&K Bank, given its low-cost deposit advantage. The bank expects NIM to be 3.65-3.70% in FY26.
- The bank has seen negative credit cost for the past 2Y and may witness some pick-up in FY26 as write-offs inch up. The bank expects GNPA below 3%.
- Overall credit cost is still likely to be lower which, along with treasury gains, should support the bank’s RoA. The bank expects RoA to be maintained at around FY'24-25 levels, and ROE at 16-17%.
- Currently, the stock is Not Rated.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Net income	44,898	46,552	55,021	60,291	69,306
Net profit	4,321	5,016	11,925	17,672	20,825
EPS (Rs)	6.1	6.1	12.1	16.6	18.9
ABV (Rs)	63.9	64.6	75.7	95.2	113.6
RoA (%)	0.4	0.4	0.9	1.2	1.3
RoE (%)	7.1	7.2	14.1	17.1	16.7
P/E (x)	17.2	17.1	8.6	6.3	5.5
P/ABV (x)	1.6	1.6	1.4	1.1	0.9

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(4.7)	2.0	4.0	(5.5)
Rel to Nifty	(2.6)	1.9	2.4	(7.4)

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Jana Small Finance Bank (Not Rated)

Emkay
Your success is our success

Sharpened focus on secured lending; aims for Universal Bank license

CMP	MCap (Rs bn)	TP & Rating
Rs463	49	NA | NR

We hosted Ajay Kanwal (MD an CEO) and Gautam Gupta (Head - Planning) of Jana Small Finance Bank

Key Meeting-Takeaways

- Jana's FY26 guidance envisages 20% growth in AUM and deposits, an increase in the secured book to 72–73% by H1 (with a long-term target of ~80%), a 25% rise in CASA with double-digit growth anticipated by H1, and a reduction in the cost of deposits from Q2, following a 50bps TD rate cut.
- Loan yield remains steady at 16.5%, with NIMs expected to improve from Q2 and surpass 7% as deposit costs decline, the unsecured book (especially MFI) stabilizes, and high-yield growth resumes. Only 6% of the portfolio is EBLR (T-bill) linked, with the remainder 94% comprising the fixed rate book.
- GNPA is expected to remain below 3% and NNPA below 1%, supported by continued accelerated provisioning (likely to taper from Q3 as slippages ease), with the unsecured portfolio under the CGMFU program projected to reach 45–50% by Q2, and a sharp NPA reduction anticipated in Q3 on improved collections and recoveries.
- The bank maintains a conservative stance on MFI with stringent onboarding criteria and BC growth caps, while MFI collections on the outstanding bucket have improved (98.8% in Jun-25 vs 96.4% in Apr-25); significant stress resolution and NPA reduction in MFI portfolio is anticipated from Q3FY26.
- The bank is pursuing aggressive secured growth in affordable housing, gold, two-wheeler, and MSME segments; it filed its Universal Bank application in Jun-25 with expectations of enhanced CASA momentum and brand visibility upon approval, Also, it is launching digital products such as iVanii (soundbox-on-mobile) and segment-specific deposit products (solitaire for women, legend for senior citizens, premium banking, NR services) to drive low-cost acquisition and cross-selling.
- We believe Jana offers a diversified and relatively more secured play in the SFB space. The stock is Not Rated.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Net income	27,210	30,620	37,000	46,840	31,690
Net profit	723	175	2,560	6,700	5,014
EPS (Rs)	14.3	3.4	47.5	64.0	47.9
ABV (Rs)	193.0	204.0	274.0	330.0	350.6
RoA (%)	0.5	0.1	1.1	2.3	1.5
RoE (%)	6.5	1.5	16.8	23.0	19.4
P/E (x)	32.4	136.2	9.7	7.2	9.7
P/ABV (x)	2.4	2.3	1.7	1.4	1.3

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(5.7)	(8.9)	10.3	(21.7)
Rel to Nifty	(3.2)	(10.7)	8.6	(23.2)

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RBL Bank

Set to exit 1% RoA

CMP	MCap (Rs bn)	TP & Rating
Rs254	155	Rs300 | BUY

We hosted Ramesh Ramanathan (Head of Strategy) of RBL Bank

Key Meeting-Takeaways

- The management believes that the cards portfolio has shown meaningful stabilization and shall pursue qualitative growth (mid-single digit). However, the bank would also continue to focus on growing its secured portfolio and thus deliver better RaRoC. Although it expects the MFI portfolio to grow in FY26, the portfolio is still expected to remain lower than FY24 levels. On the other hand, it expects the card portfolio to grow moderately by 8-10% and then accelerate as organic sourcing picks up.
- The management has guided for overall loan growth of 15–17%, which looks like an uphill task given the 1Q run rate, in our view. Growth in the unsecured segment is likely to be in the high single digits to early teens, while the secured portfolio is projected to expand by over 20%.
- NIM was impacted in Q1 due to loan repricing from rate cuts and lower yields in cards and JLG, with most of the repricing completed in the quarter and some residual impact expected in Q2; however, with SA and TD rate cuts already implemented—leading to a 60bps and 100bps reduction in their respective costs—NIMs are expected to gradually improve to 4.8% by Q4FY26.
- The bank cleaned up its unsecured retail portfolio, including MFI and credit cards, in FY25 and aims to make it profitable in FY26 as credit costs and sourcing expenses decline. It has resumed building a 1% buffer on JLG MFI loans and expects credit costs to remain around Q1 levels in Q2, mainly due to cards and MFI stress. With improving asset quality, the bank targets an exit RoA of ~1% by Q4FY26.
- Operating costs rose due to higher card collection expenses from in-house migration; however, as the year progresses, the bank expects costs to moderate in absolute terms. Multiple initiatives are underway to reduce collection costs across the bank, with the impact of these measures likely to become visible from Q3.
- We have a BUY with a TP of Rs300, valuing the bank at 1x Jun-27E ABV.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	90,857	102,692	107,699	126,441	149,639
Net profit	11,679	6,953	11,462	17,805	24,954
EPS (Rs)	19.4	11.5	18.8	29.2	41.0
ABV (Rs)	238	254	267	292	327
RoA (%)	0.9	0.5	0.7	1.0	1.2
RoE (%)	8.2	4.6	7.1	10.2	12.9
P/E (x)	13.1	22.1	13.5	8.7	6.2
P/ABV (x)	1.1	1.0	1.0	0.9	0.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(3.9)	22.2	58.2	18.5
Rel to Nifty	(1.9)	22.0	56.6	16.1

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Union Bank of India

Emkay
Your success is our success

Loan growth to lag industry growth; NIM to remain soft in FY26

CMP	MCap (Rs bn)	TP & Rating
Rs136	1,036	Rs130 | REDUCE

We hosted Sanjay Rudra (ED) and other management team

Key Meeting-Takeaways

- The management expects loan growth to be below industry levels in FY26, as its focus remains on profitability (RoA and RoE). The bank is focusing on domestic demand-driven sectors such as power, healthcare, capital goods, and defense.
- Retail loan growth is expected to remain healthy, while the bank maintains a cautious approach toward the MSME micro segment. It has minimal exposure to gems and jewelry and moderate exposure to textiles, where large players are diversifying and slowing production. Given the highly competitive interest rates, the bank is balancing margin and growth. Once rate cuts are absorbed and deposit costs decline, it plans to re-enter the corporate credit market to drive strong growth.
- Treasury income is expected to moderate for the rest of the year after a strong Q1, while FX income is likely to remain stable at current levels. PSLC income is projected to improve after the recent PSL guidelines.
- The bank has reduced MCLR by 25bps so far, with a further 25–35bps cut possible over the next 6 months depending on market conditions. The management expects a full-year NIM decline of 20–25bps vs Mar-25 levels, with a sequential drop of 10–12bps in Q2 before a gradual recovery in H2, supported by the RBI’s 100bps CRR cut. Further, NIM to be around 2.6-2.65% in Q2.
- The credit cost target for FY26 is set at below 0.75%, with higher provisioning expected in Q2 and Q3 due to standard asset provisions for MTNL and other PSU accounts. Microloans in the MSME segment are backed by the CGFMU guarantee.
- We have a REDUCE with a TP of Rs130, valuing the bank at 0.8x Jun-27E ABV.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	526,506	578,378	580,050	608,973	646,595
Net profit	1,36,484	1,87,983	1,77,083	1,64,919	1,61,694
EPS (Rs)	18.9	24.6	23.2	21.6	21.2
ABV (Rs)	111.9	135.8	154.0	170.7	186.4
RoA (%)	1.0	1.3	1.1	1.0	0.9
RoE (%)	16.7	18.9	15.4	12.9	11.5
P/E (x)	7.2	5.5	5.8	6.3	6.4
P/ABV (x)	1.2	1.0	0.9	0.8	0.7

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(5.6)	3.8	17.8	13.7
Rel to Nifty	(3.6)	3.6	16.5	11.5

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Anand Rathi Wealth (Not Rated)

Focused client strategy to drive sustainable growth

CMP	MCap (Rs bn)	TP & Rating
Rs2,768	230	NA | NR

We hosted Chetan Shenoy (ED - Head Products Research and Strategy) and Vishal Sanghvi (Investor Relations)

Key Meeting-Takeaways

- Anand Rathi Wealth is focusing on clients in the Rs50-500mn segment and will not actively pursue prospective clients with portfolios above Rs500mn. Anand Rathi Wealth serves about 180 UHNI families (above Rs500mn), many of whom started as HNIs with the firm, thus showcasing its focus on long-term commitment and consistent strategy in a single area.
- When onboarding a client, the company first prepares the client's balance sheet and recommends what is needed, aiming for a strategy that delivers ~14-15% returns on the entire portfolio.
- The company focuses on long-term wealth preservation through family trusts, ensuring zero leakage in wealth transmission. The management mentioned that ~70% of the newly acquired clients already have a wealth manager, such as a bank, PMS, or brokerage house.
- The management mentioned that client onboarding ranges from initial allocations of 5-10% of wealth to Rs500mn investments, with 9 out of 10 clients sharing their balance sheet on day-one. Around 65% of the new client acquisitions are through reference and word-of-mouth publicity.
- The four growth drivers of growth: 10-12% growth in existing AUM, increasing client AUM share from 60% to 80-90%, acquiring new clients (raising RM productivity to 50 families from 32), and adding new RMs without hiring from the industry.
- The management highlighted that the company's strong employee culture has contributed to the exceptionally low RM attrition. Further, rather than recruiting new RMs from the industry, the company intends to develop talent internally by training AMs to assume the RM role.

Financial Snapshot

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Total Revenue	2,793	4,256	5,589	7,520	9,807
PAT	451	1,266	1,686	2,258	3,008
PAT Margin (%)	16.0	29.8	30.2	30.0	30.7
AUM (Rs bn)	267	329	390	594	771
EPS (Rs)	5.4	15.3	20.2	27.1	36.2
Networth	2,532	3,554	4,682	6,487	6,443
ROE (%)	20.5	41.6	40.9	40.4	46.5
P/E (x)	508.8	181.5	136.8	102.3	76.5

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	25.1	57.3	52.8	55.4
Rel to Nifty	27.8	57.0	42.9	52.3

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CAMS

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Yield dilution largely behind

CMP	MCap (Rs bn)	TP & Rating
Rs3,821	189	Rs4,600 | BUY

We hosted Ram Charan Seshraman (CFO) and Girish Sankar (CSO and Business Head)

Key Meeting-Takeaways

- The management indicated that contract renegotiations and discounts are an ongoing feature of the business, and no major repricing is expected for the top 10 clients in the near term. The management mentioned that for a few AMCs, repricing applies to only incremental AUM.
- Annual yield dilution is expected to remain at 3–3.5%, with potential reduction in yield dilution being driven by equity asset growth and new client contribution. The management also mentioned that few contracts are also rolled over with broadly unchanged pricing.
- Newly setup AMCs generally take ~7-8 years to scale up AUM to ~Rs500bn. However, revenue contribution from these AMCs is not meaningful.
- The new architecture platform is set for a carefully paced launch in 2028, while AI adoption—trained on in-house data—is being integrated into core operations. AI capabilities are being mapped across processes with quarterly product launches planned, including an upcoming tool to support companies in media engagement and compliance.
- CAMS PAY has partnered with insurance companies as a payment gateway to collect insurance premiums. The management expects strong revenue growth in the coming quarter and targets revenue of ~Rs700mn in FY26.
- The management aims for non-mutual fund revenue to reach 20% of total revenue over the medium term and is pursuing inorganic growth through acquisition of products or platforms (along with their teams).
- Citing sustained domestic demand, the management is focused on the domestic market, with no plans for international expansion.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	11,365	14,225	15,203	17,448	19,802
EBITDA	5,049	6,522	6,797	8,145	9,390
Adj PAT	3,510	4,647	4,773	5,714	6,627
Adj EPS (Rs)	71.7	95.0	97.3	116.3	134.8
EBITDA margin (%)	44.4	45.9	44.7	46.7	47.4
RoE (%)	41.7	46.3	40.5	42.8	43.7
P/E (x)	53.0	40.0	39.1	32.7	28.2
P/B (x)	20.5	16.8	14.9	13.2	11.6

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-6.1	5.4	12.1	-7.1
Rel to Nifty	-4.1	5.2	4.8	-8.9

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Blue Star

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B2B strength, seasonal tailwinds to offset RAC weakness; festive season to be the next trigger

CMP	MCap (Rs bn)	TP & Rating
Rs1,756	361	Rs1,950 | BUY

We hosted Nikhil Sohoni (CFO) of Blue Star, an Indian RAC brand and a market leader in cooling solutions which manufacturers air coolers, water purifiers, cold storage, and other products. BLSTR also offers turnkey solutions in MEP (Mechanical, Electrical, Plumbing, and Fire-fighting) projects

Key Meeting-Takeaways

- **Unitary Cooling Products**: FY26 began on a soft note, impacted by unseasonal rains that dampened the peak summer season. Industry is still expected to deliver ~10-15% FY26 growth, if festive demand revives; however, no explicit revenue guidance was given. UP margin guidance was revised to ~7-8% in FY26, from ~8-8.5% earlier.
- Operating leverage is expected to return as volumes pick up in Q3/Q4, especially with BEE–led pre-buying. July remained weak (YoY de-growth), hence some margin softness may continue into early Q2, though Q3 margin should normalize.
- **EMP and CAC:** B2B business is at an all-time high, continuing to grow in double digits. CAC (ducted systems, VRF, and chillers) saw strong demand, led by manufacturing, education, and infra expansion, while government/retail sectors were muted on low capex. **Guidance:** Topline growth at ~15%, with anticipated segment margins of ~7–7.5% in FY26.
- BLSTR's international footprint is small but growing. Strategy is OEM-based (manufacturing for others), not a brand-led entry. Added three new clients in the US and Europe.
- Inventory levels are slightly elevated, with ~30 days of excess stock (over ~45 days normal pipeline) due to weak monsoon demand. However, the management emphasized that inventory is not a concern and will be sold in the upcoming festive season. While summer demand was weak, pent-up demand remains; consumers are deferring not cancelling purchases.
- BLSTR sees no need for price cuts or abnormal promotions, given reasonably comfortable inventory levels. Recently, BLSTR is working on liquid cooling technology for data centers and will continue to invest ~1.5% of revenue in R&D for developing new products. Project order book stands at Rs68bn, as of Q1FY26.
- BLSTR management was cautiously optimistic about the RAC industry, although it acknowledges volatility in consumer sentiment could hurt near-term growth.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	96,854	119,677	131,979	154,184	178,464
EBITDA	6,649	8,759	9,230	11,586	13,717
EBITDA Margin (%)	6.9	7.3	7.0	7.5	7.7
APAT	4,149	5,787	5,935	7,509	8,880
EPS (Rs)	20.2	28.1	28.9	36.5	43.2
EPS (% chg)	80.7	39.5	2.6	26.5	18.3
ROE (%)	21.1	20.4	18.2	20.2	20.7
P/E (x)	87.0	62.4	60.8	48.1	40.7

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-2.4	11.0	-12.0	2.5
Rel to Nifty	-0.3	10.9	-17.7	0.5

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Eureka Forbes (Not Rated)

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Resilient performance and margin discipline despite soft macro; structural growth story intact

CMP	MCap (Rs bn)	TP & Rating
Rs556	108	NA | NR

We hosted Gaurav Khandelwal (CFO) of Eureka Forbes, India's leading health and hygiene brand. With a history spanning four decades, it is today a multi-product and omni-channel organization

Key Meeting-Takeaways

- Revenue grew 9.9% YoY to Rs6.1bn, marking the 7th consecutive quarter of double-digit growth in the product portfolio (both, volume and value) despite subdued consumer sentiment and summer category weakness. **Water Purifiers:** Strong growth across both—economy and premium segments; rollout of 2-year filter life models aimed at reducing lifecycle ownership cost and driving penetration among non-users. **Vacuum Cleaners:** 52% YoY growth in Robotics sub-segment, validating early investment in the category and strengthening future growth visibility.
- **Service Business Turnaround:** Double-digit growth in service bookings driven by expanded filter GTM network, technician loyalty program, and improved ASPs. Service now positioned as a key growth driver alongside products.
- **Profitability and Margins:** Adj EBITDA margin at 11.0% (vs 11.5% in Q1FY25) despite higher growth investments; 183bps YoY benefit from operating leverage supported by higher service charges and scale efficiencies.
- R&D spends doubled in 2 years to Rs200mn in FY25 (vs Rs100mn pre-transformation); continued investment in new categories like advanced robotics cleaning solutions. Marketing spends have grown ~25% YoY over the last 2 years, toward building category awareness and strengthening the brand positioning.
- The management reiterates its long-term structural growth potential, with water purifiers (~6% penetration) and vacuum cleaners (~1%) still at the nascent stage; confident of sustained, profitable growth. **Transformation Agenda Entering Year-3:** Early wins from transformation plan visible in product innovation, service turnaround, and improved profitability. The management remains focused on leveraging distribution, innovation, and brand investments for consistent double-digit growth ahead.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	79	3,841	20,947	21,980	24,557
EBITDA	-13	183	1,050	1,835	2,656
EBITDA Margin (%)	-16.7	4.8	5.0	8.3	10.8
APAT	-16	26	458	1,060	1,613
EPS (Rs)	-3.4	0.7	1.4	4.9	8.5
EPS (% chg)	-	-	90.3	260.6	71.3
ROE (%)	-	0.1	1.1	2.5	3.7
P/E (x)	-164.6	772.6	406.1	112.6	65.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-3.0	7.9	9.2	20.9
Rel to Nifty	-0.9	7.7	2.2	18.5

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TTK Prestige (Not Rated)

Your success is our success

TTK Prestige eyes >13% margins amid competitive pressures

CMP	MCap (Rs bn)	TP & Rating
Rs635	87	NA | NR

We hosted Shankaran K (Advisor to the Board) and Saranyan R (Whole Time Director and CFO) of TTK Prestige

Key Meeting-Takeaways

- **Margins and Strategic Investments:** EBITDA margins expected to revert to historical levels of >13%, post completion of ongoing strategic investments over the next few quarters. Planned capex of ~Rs2bn over the next 3 years toward strategic initiatives, with the company following a two-pronged pricing strategy: using pricing selectively to drive volume in specific markets, while maintaining competitive pricing elsewhere.
- **Gross Margins and Pricing:** Gross margins to sustain near current levels of ~44%; pricing actions to be taken selectively to protect margins, if needed. Commodity prices were stable in Q1FY26; some pressure is anticipated ahead, to be mitigated through internal efficiencies.
- **Competitive Landscape:** Regional players have intensified marketing and distributor engagement, especially via distributor incentives, impacting market share of listed players. The management believes such aggressive tactics are unsustainable in the long run. Response strategy includes expanding distribution reach, maintaining counter share, offering complete product portfolios, and driving category premiumization.
- **Supply Chain Issues:** Global supply chain disruptions were occurring due to macro conflicts across geographies, with TTK facing challenges of container shortages that affected exports as well as raw material imports • Supply chain disruptions were impacting order fulfillment for exports. The company faces pricing pressure from new competitors entering at the lower end of the market.
- **Pricing Approach:** TTK follows a two-pronged strategy targeted at pricing for driving volumes in select markets, while maintaining competitive pricing elsewhere.
- **Product Launches:** Introduced 38 new SKUs in Q1FY26 (vs he planned 118), across cookware, cookers, small domestic appliances. Launch deferments were intentional, to avoid market saturation.
- Current focus is on scaling and consolidating recent launches rather than aggressive new product development.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	22,348	27,575	28,228	27,534	27,895
EBITDA	3,212	4,259	3,585	3,037	1,863
EBITDA Margin (%)	14.4	15.4	12.7	11.0	6.7
APAT	2,278	3,048	2,542	2,285	1,549
EPS (Rs)	17.1	22.0	18.3	16.5	8.2
EPS (% chg)	28.3	28.7	-16.6	-10.1	-50.4
ROE (%)	16.2	19.0	14.0	11.3	7.8
P/E (x)	37.2	28.9	34.6	38.5	77.7

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	0.8	0.3	-6.2	-37.4
Rel to Nifty	3.0	0.2	-12.2	-38.6

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Godrej Consumer Products

Structural execution to aid outlook; macro setting key to watch

CMP	MCap (Rs bn)	TP & Rating
Rs1,199	1,226	Rs1,400 | BUY

We hosted Vishal Kedia (Global Head – Strategy, FP&A, and Investor Relations) to gain insight into the company/industry

Key Meeting-Takeaways

- **India volume growth to see acceleration:** GCPL's Q1 revenue in India grew 8%, with 5% volume growth. Amid high single-digit realization growth in soaps, the company saw a sharp volume decline in Q1, affected by weak season in the North (60-70% of soap revenue) and a short summer. Adjusted for soaps, volumes in India grew in double digits. GCPL cut prices in select SKUs in hair color and household insecticides. Household insecticides volume grew in high single digits and is sustainable. Hair color volume grew in double digits. The rest of the segments saw healthy double-digit growth in Q1. The management is optimistic about clocking high single-digit volume in 2HFY26. In 2HFY26, its realization will see a moderate decline vs ~3% growth now.
- **Focus on evolving consumer needs**: The management's actions in recent years have been aligning with evolving consumer needs. Ahead, it will continue to explore Group company capabilities to better address needs. The company is piloting a few initiatives in South India which, if successful, will enhance its growth profile.
- **India margin to see a gradual recovery**: GCPL's India EBIT margin at 22.8%, contracted by 350bps YoY, was affected by palm oil inflation and selective price cuts. The company is looking at normative margin in 2HFY26, based on the current crude trend. There will be an additional 150-200bps savings from reduced A&P spends.
- **Africa cluster to sustain healthy earnings**: GCPL saw accelerated earnings growth in FY25, despite topline rationalization. In FY26, the mgmt endeavors to accelerate growth, with a focus on new category incubations. In Q1, GCPL saw margin contraction, owing to ahead-of-time investments in air fresheners. Ahead, the mgmt sees double-digit revenue growth sustaining, while margin will recover to mid-teen levels.
- **Indonesia's weak macro, competition to hurt near-term growth**: In select segments (household insecticides, air fresheners), amid a slowdown, competition turned aggressive in Indonesia, with price discounting. GCPL is defending its market share; sees easing ahead. Product pricing has reduced in high single digits to counter competition. The mgmt sees margin pressure easing from Q3.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	140,961	143,643	156,575	173,398	188,450
EBITDA	29,435	30,031	32,875	39,739	44,549
EBITDA Margin (%)	20.9	20.9	21.0	22.9	23.6
APAT	20,169	19,604	22,564	27,667	31,407
EPS (Rs)	19.7	19.2	22.1	27.0	30.7
EPS (% chg)	14.8	-2.8	15.1	22.6	13.5
ROE (%)	15.3	15.9	18.6	22.4	24.6
P/E (x)	60.8	62.6	54.4	44.3	39.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-6.7	-5.3	13.9	-13.7
Rel to Nifty	-4.7	-5.5	6.5	-15.3

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Gopal Snacks

Aspires to attain 20% revenue CAGR; Modasa capacity commissioning expected in Sep-25

CMP	MCap (Rs bn)	TP & Rating
Rs367	46	Rs500 | BUY

We hosted Naveen Gupta (Chief Business Officer) and Rigan Raithatha (Chief Financial Officer) to gain insight into the company/industry

Key Meeting-Takeaways

- **Revenue guidance of Rs17.5bn for FY26**: Despite hiccups in restoring business amid supply-chain issues, the management noted that its path to full business recovery is firm. In 1H, the mgmt expects revenue of Rs750mn, which, with commissioning of the Modasa facility in Sep-25, will pave the way for Rs1bn revenue in 2HFY26. From next year, it looks to grow revenue at a 20% CAGR.
- **Supply-chain issues affected Q1 show**: After the fire incident (affecting 70% of its supplies), the company has been focusing on recouping sales. Revenue was impacted by 8-10% in Q4FY25 and Q1FY26. In Q1, Gopal shifted production in-house; however, lack of storage infrastructure hurt supplies to trade partners. The management noted redressal of issues and expects sales recovery from Q2FY26.
- **Bi-weekly service to retail in progress**: The management mentioned (with Q4 results) its intent to service retails bi-weekly, with increased sales personnel at distributors. In April, it had 7% outlets getting serviced twice a week which expanded to 14% in July. This is lower than the management's expectations, given issues of full truck load supplies.
- **Gross margin recovery on easing RM costs:** In Q1FY26, the company saw gross margin recovery by 600bps to 26%, on easing in prices of palm oil (200bps impact), potato (100bps), *channa* (100bps), and packaging material (100bps). As the company shifted from 3P to 1P production in Q1, it saw net savings of ~100bps. Ahead, the management expects margin expansion from mix improvement and efficiency benefits (commissioning of the Modasa facility to further aid margin).
- **Production plans ahead**: The company is likely to continue with its capacities in Modasa and Nagpur. For its Rajkot plant's capacity replacement, it is shifting 60% of the capacity to Modasa, where a new building is expected to be commissioned in Sep-25. The remaining 40% of Rajkot capacity will be reinstated in the existing plant, which is expected to come on stream by year-end. As the new capacities ramp-up, Gondal will wind up capacity in FY27.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	14,026	14,680	16,255	19,148	22,255
EBITDA	1,685	1,052	1,442	2,223	2,879
EBITDA Margin (%)	12.0	7.2	8.9	11.6	12.9
APAT	997	558	786	1,407	2,005
EPS (Rs)	8.0	4.5	6.3	11.3	16.1
EPS (% chg)	-11.3	-44.0	40.9	78.9	42.5
ROE (%)	29.3	14.0	18.1	27.4	31.7
P/E (x)	45.9	82.1	58.2	32.6	22.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	4.6	26.0	22.1	8.0
Rel to Nifty	6.8	25.8	14.2	5.9

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Manorama Industries (Not Rated)

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Driving scalable growth with global sustainability

CMP	MCap (Rs bn)	TP & Rating
Rs1,354	81	NA | NR

We hosted Ashok Jain (CFO) to gain some insight into the company/industry

Key Meeting-Takeaways

- **Background:** Manorama has 2 decades of expertise in specialty fats, butter, and exotic products. It holds the No 1 position in sal-based and mango-based specialty fats and butters. The company has a fractionation capacity of 40ktpa and added 25ktpa in FY25. In the last five years, its revenue expanded at ~40% CAGR to Rs7.71bn in FY25.
- **Strategic capacity expansion:** Commercialization of a new 25,000-ton fractionation facility has boosted production capability. A further 30% capacity expansion is planned for H2FY26. A new seed storage facility is being considered on the recently acquired land, to support long-term growth. The fractionate capacity is expected to increase to 80ktpa by 2028.
- **Integrated global supply chain:** Strategic subsidiaries have been established in West Africa, the UAE, and Brazil. Seamless procurement of Shea seeds from West Africa via Manorama Africa ensures supply-chain efficiency. Raipur plant's proximity to Visakhapatnam port enables efficient logistics and global distribution.
- **Focus on sustainable and ethical practices:** Manorama is focused on producing ecofriendly and ethically sourced specialty fats and butters.
- **Manufacturing excellence and certifications:** The company's facilities are certified with FSSC 22000, ISO standards, RSPO, HALAL, KOSHER, and more. High compliance standards enable partnerships with leading global brands, including Fortune 500 companies.
- **Strategic capex and integration plans:** The company is actively planning forward and backward integration projects to support long-term scalability. These initiatives are in advanced stages of design and will be shared with stakeholders upon the Board's approval.
- **Industry tailwind, an enabler**: There is huge industry demand for Cocoa Butter Equivalent (CBE) and Exotic Speciality Fats and Butter as they enhance product shelf-life. FSSAI allowed 5% usage of CBE in chocolates from 1-Jan-18. India is yet to achieve 5% usage (huge potential) despite the Government's relaxation for CBE.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	2,088	2,874	3,569	4,702	7,894
EBITDA	347	389	565	735	1,864
EBITDA Margin (%)	16.6	13.6	15.8	15.6	23.6
APAT	146	242	298	401	1,098
EPS (Rs)	2.6	4.2	5.0	6.7	18.4
EPS (% chg)	-35.3	58.4	20.5	34.6	173.7
ROE (%)	10.7	11.7	10.5	12.6	27.6
P/E (x)	516.7	326.2	270.7	201.1	73.5

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-7.7	-2.5	23.1	74.7
Rel to Nifty	-5.7	-2.6	15.1	71.3

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Genus Power Infra

Your success is our success

New order wins a near-term positive

CMP	MCap (Rs bn)	TP & Rating
Rs360	110	Rs510 | BUY

We hosted Jitendra Agarwal (Joint Managing Director) and Kunal (Head concessions - AMISP)

Key Meeting-Takeaways

- Genus Power remains one of the largest players of the smart meter installation drive under the Rs3trn revamped distribution sector scheme (RDSS). The company's fully integrated manufacturing facilities allow for an exhaustive range of products and solutions focused on smart metering, smart grids, and related infrastructure.
- **Tendering Status:** According to the National Smart Grid Mission, 224mn smart meters have been sanctioned to date (as of 31-Jul-2025). Of these, 143mn have been awarded and only 37mn have been installed. The current order book stands at Rs290bn. However, the company has not won any order in the recent past due to slowdown in tendering activities. The management highlighted the strong tender pipeline worth Rs270-280bn to be awarded over the next six months in regions such as Tamil Nadu, Delhi, and Pondicherry. For Tamil Nadu, the company has already submitted bids, and awarding will happen within 3-4 months.
- The management gave guidance for gradually improvement in the NWC day-count, and achieving 'Operation Go-Live' across several projects. It has already achieved the 'Go-Live' status for several projects in Assam and Chhattisgarh. It indicated that a similar achievement in other states would lead to lower working capital in due course. Of the total AMISP contracts received, GPIL has so far installed 4.5mn smart meters, of which it has achieved 'go live' status for 2.1mn (ie payment has been received for these installations).
- **Investment in GIC Platform:** The company's total outlay for its 26% stake in the GIC Platform is expected to be ~USD200mn over the next 3-4 years. The outlay in FY26 is expected to be ~USD25-30mn. It has infused less than Rs1.8-1.9bn in the Platform till Q1FY26.
- **Opportunities in Water Meters:** Water meters have a high potential in the export market. The company has seen a strong momentum over the last 3 years in the international market for water meters. With the *Jal Jeevan Mission*, smart water meters have good scope in domestic markets too. However, the management expects significant revenue from these projects after 2-3 years.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	12,006	24,420	39,540	53,940	61,860
EBITDA	1,353	4,699	7,628	10,700	12,303
EBITDA Margin (%)	11.3	19.2	19.3	19.8	19.9
APAT	681	2,930	4,791	7,037	8,280
EPS (Rs)	2.2	9.6	15.8	23.2	27.2
EPS (% chg)	65.0	330.1	63.5	46.9	17.7
ROE (%)	5.3	17.2	23.2	26.8	24.7
P/E (x)	160.8	37.4	22.9	15.6	13.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-0.5	18.3	25.2	-8.2
Rel to Nifty	1.6	18.1	17.1	-10.0

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Hind Rectifiers (Not Rated)

Emkay
Your success is our success

Strong growth visibility ahead

CMP	MCap (Rs bn)	TP & Rating
Rs1,906	33	NA | NR

We hosted Anil Kumar Nemani (Chief Financial Officer)

Key Meeting-Takeaways

- **Diversified product portfolio:** The company's product portfolio is classified into three broad verticals. First is **Traction Transformers.** It is the market leader in this division at Indian Railways, with a market share of ~40-45%. These are essential components in electric locomotives. Second is the **Power Electronics division,** which includes IGBT propulsion systems, hotel load converters, battery chargers, vehicle control units, driver display units, and a variety of other power electronic equipment. Third is electromechanical systems, which include panels, traction motors, and HVAC systems. The company also supplies electrostatic precipitators, industrial rectifiers, and power supply solutions to cement, steel, mining, thermal power, etc.
- **Customer Concentration:** Indian Railways remains its core customer, which contributes ~90% of revenue. The company supplies directly and through OEMs (Alstom, Siemens, BHEL). International presence is nascent, albeit growing.
- Hind Rectifiers's current order book stands at Rs10.2bn, driven by large wins from Indian Railways including Rs1.3bn and Rs1bn worth locomotive orders. The backlog comprises ~75–80% for its existing product and 20–25% for new/developed products, with an execution cycle of 12–18 months. The management expects to sustain or exceed this order book level by year-end, supported by strong tender visibility and sector tailwinds.
- The company aspires to become a Tier 1 supplier from being a Tier 2 supplier. It has already received approval for traction motors, traction transformers, and propulsion systems, thus making it eligible to bid for *Vande Bharat* trains directly. It has developed rail products that are compliant with international standards, enabling itself to export to Germany and USA, and increasing the company's credibility in domestic as well as international markets.
- The management has given guidance for a minimum 30% revenue growth for FY26, with a similar trajectory (25-30%) expected in coming years. It also targets achieving mid-teen EBITDA margins over time.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	3,055	3,724	3,594	5,182	6,569
EBITDA	195	222	43	373	703
EBITDA Margin (%)	6.4	6.0	1.2	7.2	10.7
APAT	53	78	44	175	371
EPS (Rs)	3.2	4.7	2.7	7.3	21.6
EPS (% chg)	-71.1	46.3	-43.5	174.4	196.4
ROE (%)	5.5	7.5	4.0	14.8	26.1
P/E (x)	592.0	404.7	716.6	261.1	88.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	42.9	85.5	84.0	136.0
Rel to Nifty	45.9	85.2	72.1	131.4

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Larsen and Toubro

Expanding horizon for growth

CMP	MCap (Rs bn)	TP & Rating
Rs3,694	5,081	Rs4,000 | BUY

We hosted L&T's Harish Barai, Vivek Laha, and Shalmali Dange (IR team)

Key Meeting-Takeaways

- **Order inflow guidance likely to be revised post 1H results:** L&T has guided for order inflow growth of 10% YoY for FY26, despite the 58% YoY jump in the prospective pipeline to Rs19trn. Q1FY26 P&M order inflow stood at Rs766bn, up 41% YoY, mainly led by Energy and BTG packages. The management indicated higher probability of revising order inflow guidance after 1HFY26 results. Domestic market offers opportunities in Thermal Power (BTG), Renewable, Railways (RRTs), and HSRs. Has already completed 80% of the civil work in the ongoing HSR project. There are four new HSR projects that are (per studies) likely to be developed by CY35.
- **International opportunities continues to shine:** Over the years, the domestic prospect pipeline was subdued at ~Rs6-7trn, mainly because of reduction exposure to a number of segments such as roads, Thermal EPC, Hydro, and other low RoE generating projects. However, the international prospect pipeline has grown 4x from Rs3trn pre-Covid to Rs12trn for FY26. This is mainly led by strong opportunities in the Middle East in: Hydrocarbon (Gas Production & Processing), Renewable, Metros, Airports, and Other Infrastructure. The management indicated zero working capital in most international projects. With international orders already forming 46% of the total order book, the management is comfortable with the share increasing to as high as 60%.
- **Labor challenges:** The main labor challenge is high turnover every 3 months among the ~400,000 workers at Indian project sites; this requires constant retraining of new workers. To address labor challenges, the company is using more pre-engineered structures (moving work from construction sites to factories) and implementing better construction methods.
- **Nuclear Power:** Nuclear power is seeing global revival driven by rising demand from data centers, urbanization, industrialization, and electrification. India targets 100GW of capacity by CY47, with Rs200bn allocated to develop at least five indigenously designed SMRs by CY33. L&T, among only three Indian firms chosen for SMR technology transfer by the US Department of Technology, is well-positioned to lead nuclear commercialization in the country.
- **Commercial shipbuilding:** Globally, commercial shipbuilding is dominated by China, Japan, and Korea. India's commercial shipbuilding industry is seeing significant growth, with a projected market value of USD8.12bn by CY33, driven by government support, strategic location, and competitive labor costs. Per L&T management, it is yet to see meaningful progress on ground.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,211,129	2,557,345	2,879,528	3,278,120	3,642,229
EBITDA	234,937	264,347	301,808	347,836	389,974
EBITDA Margin (%)	10.6	10.3	10.5	10.6	10.7
APAT	129,655	145,624	171,769	209,523	239,987
EPS (Rs)	94.3	105.9	125.0	152.4	174.6
EPS (% chg)	21.1	12.3	18.0	22.0	14.5
ROE (%)	14.8	15.8	16.6	17.9	18.0
P/E (x)	39.2	34.9	29.6	24.2	21.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	4.3	3.6	13.2	4.0
Rel to Nifty	6.6	3.4	5.9	2.0

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Max Financial

Focus remains on proprietary channels

CMP	MCap (Rs bn)	TP & Rating
Rs1,588	548	Rs1,800 | ADD

We hosted Amrit Singh (CFO – Axis Max Life) and Ankur Gupta (Investor Relations)

Key Meeting-Takeaways

- Proprietary channels, comprising Agency, E-commerce, and Direct have delivered strong performances with 26–27% CAGR over FY22–25, and their share of business increased significantly to 48%. All three channels have VNB margins above the company average, with Agency growth driven by branch additions, E-commerce growth fueled by a consumer shift toward DIY, and Direct growth supported by up-sell opportunities.
- Among the banca partners, Axis Bank contributes to ~47% of APE, although growth was subdued due to slowdown at the overall bank level. Yes Bank contributes to ~6% of APE, while other small banks contribute to ~1% of APE. Axis Bank's channel growth is expected to remain at 11–12%, with its ULIP mix reducing from 60% in FY25 to 52% in Q1. Newer banks are focused on traditional (non-par/par) products, and competition in this space is aggressive.
- In terms of products, Axis Max Life is now the No 1 player in the E-commerce channel for Savings and Protection, with a market share of 20–25%. Direct Sales Force channel comprises ~50% of ULIPs, while the Agency channel accounts for 15–20% of ULIP contribution.
- The company's key focus areas are Protection and Annuity, while other product categories are dependent on market cycles. High sum-assured ULIPs contribute ~12–14% of ULIP sales and generate significantly higher margins.
- The management expects to sustain 25% VNB margin and anticipates that FY26 will see higher VNB growth than APE growth. Topline growth will be prioritized, while margins remain steady.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
APE	74,330	87,770	102,407	117,768	135,484
VNB	19,730	21,074	25,612	29,808	34,698
VNB Margin (%)	26.5	24.0	25.0	25.3	25.6
EV	194,940	251,918	298,036	351,488	412,005
Op RoEV (%)	20.2	19.1	18.3	17.9	17.6
EVPS (Rs)	452.0	584.1	691.0	814.9	955.2
EPS (Rs)	9.9	9.5	9.8	12.3	14.9
P/EV (x)	3.5	2.7	2.3	1.9	1.7

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	1.3	23.1	47.1	50.9
Rel to Nifty	3.5	22.9	37.6	47.9

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Refer to important disclosures at the end of this report

Star Health

India Equity Research | Insurance
August 13, 2025
Conference Note

Your success is our success

On track toward improving claims ratio

CMP	MCap (Rs bn)	TP & Rating
Rs445	261	Rs500 | BUY

We hosted Amitabh Jain (COO), Aditya Biyani (CSO – IR), and Reshma Chopde (VP – IR)

Key Meeting-Takeaways

- Retail Health contributes about 95% of the business mix, with a strong focus on the 'Phygital' model that combines branch-led physical presence and digital enablement, to build trust and support agents. The company is growing selectively with leading ecommerce channels in targeted age brackets and is strengthening banca partnerships, particularly with PSU banks, while expanding private bank relationships. In the banca channel, the focus is shifting from indemnity products to benefit products.
- Loss ratios have been elevated, owing to higher claims severity and frequency, prompting the company to reprice 65% of its portfolio in phases. The group employer-employee business, which makes up 4–5% of the portfolio and adds about 1.5ppt to the loss ratio, is being reduced. The company hikes prices by 8–12% annually, with higher pricing for claimants and lower pricing for non-claimants, while keeping claims inflation in single digits.
- Over the past 3–4 quarters, the company made multiple corrections and is focusing on growing its fresh book, to improve loss ratios.
- Growth is concentrated in preferred geographies and sum-assured markets, where performances have been significantly stronger. Operationally, the company has invested in technology upgrades to improve efficiency, customer experience, and claims control. Teleconsultations are reducing small-claim frequency, and hospital-specific protocols are helping manage claim cost.
- The claim rejection ratio is around 10%, largely due to terms and condition discrepancies; still, retention remains the best in the industry, demonstrating strong claims settlement capability.
- The company has introduced the 'Star Flexi' product, which offers discounts for excluding certain network hospitals.

Financial Snapshot

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
GDPI	152,508	167,814	192,236	224,873	263,051
NEP	129,383	148,222	168,807	197,987	228,499
Operating result	7,309	3,933	5,511	8,634	10,752
Profit after tax	8,451	6,459	7,933	10,461	12,424
Combined ratio (%)	96.7	101.1	100.0	98.6	97.7
RoE (%)	14.4	9.7	10.8	13.0	14.2
EPS (Rs)	14.5	11.0	13.5	17.8	21.1
P/E (x)	30.7	40.4	32.9	25.0	21.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	4.7	14.2	12.0	-23.2
Rel to Nifty	7.0	14.0	4.8	-24.7

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Happiest Minds (Not Rated)

Strategic bets to pay off amid macro uncertainty

CMP	MCap (Rs bn)	TP & Rating
Rs.579	88	NA | NR

We hosted Anand Balakrishnan (CFO) and Priyanka Sharma (Head IR)

Key Meeting-Takeaways

- Despite heightened industry caution and pockets of demand-pause, the management reiterated its double-digit (constant currency) growth guidance for FY26 and EBITDA margin to click in the 20-22% range. It also expects H2FY26 to be stronger than H1 (excluding Q3 seasonality/holidays), supporting the growth guidance.
- Margin improvement is expected to be driven by higher utilization, improving GenAI business profitability, productivity gains from reusable solutions, and cost discipline across support functions.
- The company's strategic restructuring into six vertically structured business units, completed in late FY25, has fueled faster sectoral expansion, specifically accelerating momentum within Travel, Media & Entertainment, Manufacturing, and BFSI.
- It views BFSI and Healthcare as medium-term growth engines, underpinned by proprietary platforms, sectoral depth from recent acquisitions, and differentiated offerings such as Arttha (a unified banking platform) and Insurance-in-a-Box (low-code, unified insurance solution).
- The Hi-tech vertical faces softness due to client-specific issues like project terminations, though a new pipeline in networking, GenAI, and ad-tech is being built for upcoming quarters.
- APAC momentum, particularly in BFSI, is expected to continue, with anchor clients from the PureSoftware acquisition contributing meaningfully.
- GenAI is increasingly being embedded not only into new solutions but also into ongoing infrastructure management (L1/L2 support) and industry-specific transformation initiatives.
- Focused investments in the GenAI business unit (under Sridhar Mantha) and the Net New sales engine (under Maninder Singh) are driving current and future growth.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	7,977	11,308	14,504	17,241	21,622
EBITDA	1,910	2,516	3,525	3,359	3,423
EBITDA Margin (%)	23.9	22.2	24.3	19.5	15.8
APAT	1,625	1,857	2,356	2,384	1,928
EPS (Rs)	11.8	12.8	16.1	16.7	12.3
EPS (% chg)	66.9	9.3	25.6	3.7	-26.7
ROE (%)	40.0	30.6	31.3	20.6	12.6
P/E (x)	49.3	45.1	35.9	34.6	47.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-7.9	-2.4	-16.8	-23.2
Rel to Nifty	-5.9	-2.5	-22.1	-24.7

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InfoBeans (Not Rated)

Emkay
Your success is our success

Transforming into an AI-led data engineering company

CMP	MCap (Rs bn)	TP & Rating
Rs.640	16	NA | NR

We hosted Avinash Sethi (Co-founder)

Key Meeting-Takeaways

- InfoBeans has anchored its corporate strategy around a transition from digital transformation company to becoming an AI-led data engineering player. The company has advanced its proprietary AI product portfolio with solutions such as Now Assist, an AI-powered add-on for ServiceNow, and Expona (formerly Kilo), which act as an AI accelerator. It is currently prototyping with 8 clients, while enabling them to utilize AI with Expona.
- It is focusing on two business verticals, a) BFSI - AI-powered solutions for banking, insurance, and risk designed for compliance and enhanced CX, and b) Storage & Virtualization - AI-optimized storage across NAS, SAN, DAS, and cloud platforms, and three service lines through AI-led engineering, Salesforce, and ServiceNow solutions.
- The company's strategy of strengthening partnerships gained further momentum with formalized alliances with agineo, Materna, and Whatfix. Together, these generated revenue of over USD1.5mn in FY25. Such collaborations serve as key go-to-market extensions in Europe and North America, providing greater credibility and positioning in client conversations.
- The management aspires to operate at ~24% EBITDA margin and 14-15% PAT margin which are healthy levels at the current scale of business. It emphasized that AI-driven efficiency gains are aimed at clients' operational costs, not IT spend, and should lead to greater tech adoption, supporting InfoBeans's revenue growth.
- While the company remains cautious of macroeconomic headwinds, particularly in the US, it expects resilient performance on the back of growing presence in Europe and the Middle East. The contribution from Europe has increased to 28% from ~8-10% two years ago.
- The company has four offices in India (Indore, Pune, Chennai, Bengaluru), Europe (Frankfurt, Czech Republic), Middle East (Dubai), and US (Silicon Valley – SF, New York).
- InfoBeans has a cash balance of Rs2.3bn, a substantial portion of which is earmarked for future acquisitions and provides it with strategic flexibility for future investments and contingencies.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,963	2,890	3,988	3,838	4,095
EBITDA	385	657	710	508	671
EBITDA Margin (%)	19.6	22.7	17.8	13.2	16.4
APAT	374	550	360	228	388
EPS (Rs)	15.3	22.8	14.8	9.3	15.6
EPS (% chg)	74.1	48.3	-34.8	-37.6	68.5
ROE (%)	23.0	26.6	14.3	8.0	12.4
P/E (x)	41.7	28.1	43.1	69.2	41.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	71.6	81.9	87.5	55.5
Rel to Nifty	75.3	81.5	75.4	52.5

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Refer to important disclosures at the end of this report

Mphasis

Deal wins light the path ahead

CMP	MCap (Rs bn)	TP & Rating
Rs.2,695	513	Rs2,950 | ADD

We hosted Vinay Kalingara (Head IR)

Key Meeting-Takeaways

- The management expects to grow at ~2x the industry growth rate in FY26, based on its Q1 performance, robust deal intake and pipeline, and steady conversion of TCV to revenue. It aims to keep EBITM within its targeted 14.75-15.75%, operating closer to the mid-point, while prioritizing growth and keeping margins intact.
- Clients are re-prioritizing spending to focus on must-have capabilities, efficiencies, and cost-saving programs with a clear and measurable RoI.
- The company expects BFS, Insurance, and TMT to act as the key growth drivers. BFS revenue growth was driven by wallet-share gains, growth in new accounts, and a ramp-up in new deals. Insurance has turned into a growth engine and is expected to maintain its momentum, backed by strong TCV and pipeline. TMT growth is driven by continued wins and conversion from the recent large deal wins to revenue.
- Logistics and Transportation remains impacted by client-specific investment, though this is largely behind; Mphasis expects this vertical to gradually recover in FY26, with significant new deals in the pipeline.
- Easing supply side pressures and a growing share of fixed-priced contracts enable higher productivity and ability to drive revenue with a lower headcount, leading to a divergence between headcount and revenue growth. The revenue contribution from FPP has grown significantly, rising from ~30% in Q1FY24 to ~43% now.
- The company signed 4 large deals (three in USD100mn+ bucket and one deal in the USD50mn+ range), and recorded its highest-ever TCV of USD760mn in Q1; 82% of the deal wins were in new-gen services and 68% AI-led.
- Mphasis made a strategic minority investment of USD4mn for a 26% stake in Aokah Inc, a GCC advisory firm that aims to help shape deals as clients consider GCC alternatives.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	132,785	142,301	154,998	171,421	187,955
EBITDA	24,220	26,472	29,151	32,227	35,336
EBITDA Margin (%)	18.2	18.6	18.8	18.8	18.8
APAT	15,548	17,021	18,418	20,839	23,105
EPS (Rs)	82.3	89.5	96.9	109.6	121.6
EPS (% chg)	-5.4	8.8	8.2	13.1	10.9
ROE (%)	18.6	18.5	18.5	19.7	20.5
P/E (x)	32.8	30.1	27.8	24.6	22.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-5.1	8.2	3.6	-0.1
Rel to Nifty	-3.0	8.0	-3.1	-2.0

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Refer to important disclosures at the end of this report

Quess

Growth set to rebound

CMP	MCap (Rs bn)	TP & Rating
Rs268	40	Rs360 | BUY

We hosted Sushanth Pai (CFO) and Kushal Maheshwari (Head IR)

Key Meeting-Takeaways

- The management expects a high single digit revenue growth in FY26, with exit EBITDAM of 2%. The company plans to distribute up to 75% of its free cash flow as payouts, and anticipates its OCF/EBITDA to be ~70%.
- General Staffing growth was led by Manufacturing and BFSI, while CRT (Consumer, Retail, and Telecom) reported a marginal decline. The headwinds seem to have bottomed out with June witnessing positive net headcount addition. It has an open headcount mandate of ~42k, considering the upcoming festive season.
- Quess has launched GCC-as-a-service offering 'Origint', to leverage India's GCC opportunity by providing end-to-end solutions for global enterprises, covering everything – from compliance to operations and AI-driven hiring.
- GCCs contributed 73% of its revenue in Q1, driven by demand from digital, hi-tech, telecom, media, and the tech sector. It works with 157 GCC clients. The company has an open mandate of over 1,200, primarily in niche and high-value roles, 68% of which are GCC-led.
- Quess expects to sustain double-digit EBITDAM in Professional Staffing, driven by the value-accretive nature of GCC mandates and a growing roster of high-paying, niche-skills contracts.
- Overseas Staffing revenue was muted QoQ due to persistent regulatory headwinds in Singapore, partly negated by growth in the Middle East, Malaysia, and Philippines.
- It expects the ELI scheme to incentivize formalization of informal labor, aiding retention and workforce growth, although the financial impact (especially margin improvement) will materialize in subsequent quarters, subject to further clarity.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	136,951	149,672	157,410	181,545	209,225
EBITDA	2,343	2,623	3,024	3,514	4,084
EBITDA Margin (%)	1.7	1.8	1.9	1.9	2.0
APAT	1,338	2,101	2,287	2,747	3,261
EPS (Rs)	8.8	13.7	15.0	18.0	21.3
EPS (% chg)	-24.2	57.0	8.8	20.1	18.7
ROE (%)	5.0	10.8	20.1	21.9	23.3
P/E (x)	30.6	19.5	17.9	14.9	12.6

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-13.8	-26.3	-10.3	-20.5
Rel to Nifty	-11.9	-26.4	-16.1	-22.0

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Refer to important disclosures at the end of this report

Tech Mahindra

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Progress under way; margin roll-up continues in succession

CMP	MCap (Rs bn)	TP & Rating
Rs1,506	1,475	Rs1,600| REDUCE

We hosted Gaurav Sethi (Head IR)

Key Meeting-Takeaways

- Revenue growth was impacted by a challenging macro environment, right-sizing field service business, reduced spending in Auto, and certain client run-offs leading to a slower start in FY26. However, the management expects growth to improve Q2 onward, and certainly from H2, backed by deal wins and pipeline. It also aspires to grow at a rate higher than the industry average.
- The management reiterated its 15% EBITM target for FY27, albeit suggesting risk from the prolonged period of an uncertain and tough macro environment. It expects to drive margin via i) reduced subcontracting costs, ii) greater shift to offshore delivery, iii) integration-driven performance improvement in portfolio companies, and iv) increased productivity in FPP.
- The company aspires to return ~85% of the FCF generated, to the shareholders.
- BFSI remains one of the fastest growing verticals, with the company continuing to be optimistic about the vertical's long-term potential across all geographies.
- Hi-Tech was impacted by the ongoing restructuring in the semiconductor industry, including steep budget cuts and workforce rationalization at a key client; gradual recovery is expected in H2FY26.
- Communications is showing signs of stability, particularly in the APJ region, while India, the Middle East, and Africa have faced some volatility; however, new leadership has been appointed to drive improved performance in these markets.
- The company focuses on three areas for driving tangible outcomes: i) scaling large clients through a 'Turbocharge program' – targeting large accounts growing faster than the company average; ii) adding must-have accounts; and iii) zeroing in on profitable large deals.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	519,956	529,883	549,416	588,478	627,315
EBITDA	49,645	69,911	86,465	105,067	114,961
EBITDA Margin (%)	9.5	13.2	15.7	17.9	18.3
APAT	28,160	42,788	53,481	68,374	75,574
EPS (Rs)	31.9	48.4	60.4	77.3	85.4
EPS (% chg)	-44.6	51.6	25.0	27.8	10.5
ROE (%)	10.3	15.8	19.1	23.3	24.3
P/E (x)	47.2	31.1	24.9	19.5	17.6

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-6.0	-4.2	-10.1	0.2
Rel to Nifty	-4.0	-4.4	-15.9	-1.8

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Updater (Not Rated)

Diversified play; margins to hold ground

CMP	MCap (Rs bn)	TP & Rating
Rs241	16	NA | NR

We hosted Raghunandana Tangirala (CMD), Radha Ramanujan (CFO), Jigyasa Sharma (ED), and Snehashish Bhattacharjee (CEO - BSS segment)

Key Meeting-Takeaways

- The management expects 13-15% growth in revenue and profit for FY26 on consolidated basis, driven by continued momentum in the IFM business and gradual recovery in the BSS business.
- The company aims for 13-15% revenue growth in the IFM segment in FY26, on the back of increased GCC investments and demand for global standard IFM, manufacturing growth under 'Make in India', and surge in e-com, logistics, and warehouse needs. Profit is expected to grow at a faster pace, supported by improvement in operating margins. The management reiterated its aspiration of maintaining IFM growth at 2-3x of GDP growth.
- The Sales enablement business faced some near-term challenges, although the medium-term outlook remains intact. Global uncertainties have led to more cautious corporate spending, particularly in demand generation services, with large global companies scaling back their marketing investments. It has seen moderation in the international delivery, driven by automation-led efficiency and heightened RoI expectations from clients. Denave launched 'IntelliBank' in partnership with a leading US tech giant, hence giving rise to new growth opportunities with marquee clients.
- Global uncertainties led to cautious hiring and spending by large MNCs and IT companies, resulting in a muted BSS performance in Q1. Around 15% of the total revenue is exposed to global/IT/BFSI-specific slowdowns or client insourcing, while 85% of the business is viewed as stable or growing.
- The IFM and BSS segments contributed 66% and 34% of revenue, in Q1. EBITDAM for the segments stood at 5.2% and 7%, respectively, in Q1. The BSS segment growth is expected to be flattish in the near term, with potential for improvement in later quarters.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	10,037	10,845	13,371	14,814	16,393
EBITDA	702	865	926	1,342	1,665
EBITDA Margin (%)	7.0	8.0	6.9	9.1	10.2
APAT	450	553	358	680	1,188
EPS (Rs)	8.5	10.5	6.8	11.4	17.7
EPS (% chg)	38.5	22.7	-35.3	67.8	56.2
ROE (%)	17.2	17.3	9.8	11.0	13.1
P/E (x)	28.2	23.0	35.6	21.2	13.6

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-15.7	-19.7	-24.7	-23.1
Rel to Nifty	-13.8	-19.8	-29.5	-24.6

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JSW Infrastructure (Not Rated)

Steady progress toward achieving long-term targets

CMP	MCap (Rs bn)	TP & Rating
Rs300	629	NA | NR

We hosted Lalit Singhvi (CFO), Nagarajan J (Deputy CFO), and Vishesh Pachnanda (Head - Investor Relations)

Key Meeting-Takeaways

- The management has retained its FY26 volume growth guidance of 10%, despite a modest ~5% growth in Q1, expressing confidence that a stronger H2 will offset the shortfall.
- The management has given guidance for achieving ~Rs8bn revenue and Rs1bn EBITDA in the Logistics business, in FY26. It has also given FY30 revenue guidance of Rs80bn at 25% EBITDA margin in Logistics (including Navkar Corporation).
- Upcoming projects:
  - JNPA Liquid Terminal is on track to be completed in Q2FY26.
  - The Tuticorin terminal project timeline has been pushed back by one quarter, due to delayed receipt of the final LOA in Mar-2025. Key orders for piling, machinery, and conveyors have been placed, and work has begun.
  - The company has secured a competitive price for the Kolkata terminal (commissioning by Q2FY28) and is confident about its competitive position due to the sticky nature of cargo in that region.
  - Progress at Keni Port for the iron ore slurry pipeline project is on track for completion by Mar-2027, with significant progress already made on pipeline construction and an upcoming public hearing in August.
- The management has plans to create a network of ICDs, to focus on rail logistics which should compliment its ports business.
- The company has strategized to maintain a mix of minor ports with higher terminals at major ports, to balance the return profile which aids in overall profitability improvement.
- Muted volume growth in Q1 was due to static capacities at Jaigarh and Dharamtar ports. Growth from the JSW group will be lumpy in nature. Volumes at Jaigarh port declined on reduced contribution from third party. Given the improving traction in July and higher imports of iron ore, the management is confident of registering marginal growth in FY26 to over ~46MMT in these 2 ports combined.
- JSW Steel/third party mix stood at 48%/52%, and is likely to change each quarter, while the management aims at maintaining it equally in the long term.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	16,783	23,787	33,729	40,323	48,291
EBITDA	8,164	11,094	16,202	19,646	22,622
EBITDA Margin (%)	48.6	46.6	48.0	48.7	46.8
APAT	2,914	3,184	7,398	11,559	15,031
EPS (Rs)	1.6	1.8	4.1	6.0	7.3
EPS (% chg)	52.8	9.3	132.8	45.9	21.0
ROE (%)	10.0	9.7	19.6	18.8	16.1
P/E (x)	185.1	169.4	72.8	49.9	41.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-5.4	1.8	24.6	-4.7
Rel to Nifty	-3.4	1.6	16.6	-6.6

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Zinka Logistics (Not Rated)

India Equity Research | Logistics
August 13, 2025
Conference Note

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Network effect in play

CMP	MCap (Rs bn)	TP & Rating
Rs553	99	NA | NR

We hosted Satyakam Naik (CFO) and Abhilash Aswal (Head - Investor Relations)

Key Meeting-Takeaways

- The management sees recurring revenue contribution (currently at over 85%) as a key stabilizing factor for predictable growth. It expects to continue growing at strong double-digit rates, leveraging increasing digitization in trucking payments, improved telematics penetration, and robust customer retention. It is seeing value-added services as an additional growth lever.
- The business is transitioning from classified load listings to a transaction-based super load model which is expected to drive significant growth. The super load business operates at the gross revenue level, and is currently live in four hubs, primarily focusing on two major cities to finalize the playbook. It is likely to take 3-4 quarters for the super load business to achieve exponential growth.
- The management reiterated its goal of sustaining over mid-30% adjusted EBITDA margins in the medium term, even while investing in growth businesses.
- Operating leverage is expected to remain a significant driver of EBITDA margin expansion, supported by high contribution margins, asset-light platform model with scalable technology infrastructure, and strong retention and repeat usage (daily app usage: ~44 minutes).
- The company is focused on empowering small fleet owners (below 5 trucks, and who own 75% of trucks in India) by solving financing gaps, reducing cash leakages, and improving operational visibility.
- The company aims to maintain leadership in this shift via presence across >80% of Indian districts and leveraging >10k physical touchpoints, to bridge the digital-physical divide for small operators.
- The Indian trucking industry is projected to see 8–9% CAGR, with significant formalization and digitization opportunities.
- The company has secured a strong supply-side presence among truckers, with market share ranging from 15% to 70% in various markets, strengthening its bargaining power and capacity control.
- The company obtained a Prepaid Payment Instrument (PPI) license in July, which is expected to facilitate margin expansion by improving payment efficiencies, although banking partners continue to be part of the ecosystem.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	NA	1,193	1,760	3,165	5,177
EBITDA	NA	-1,977	-2,131	-1,853	-3,062
EBITDA Margin (%)	-	-165.7	-121.1	-58.6	-59.2
APAT	NA	-2,846	-2,905	-1,670	3,326
EPS (Rs)	NA	NA	NM	NM	-0.5
EPS (% chg)	-	-	-	-	-
ROE (%)	NA	NM	NM	NM	43.0
P/E (x)	NA	NM	NM	NM	NM

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	26.7	25.0	17.7	na
Rel to Nifty	29.4	24.8	10.1	na

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Hindustan Zinc (Not Rated)

Growth plus value

CMP	MCap (Rs bn)	TP & Rating
Rs430	1,820	NA | NR

We hosted Sandeep Modi (CFO), Raksha Jain (Head IR), and Rahul Challa (IR)

Key Meeting-Takeaways

- The Lok Sabha passed the MMDRA Bill, allowing up to 10% adjustment in lease areas for continuous ore bodies, similar to provisions in the O&G sector. From this, HZL's reserves could rise from 30mt to 31–32mt, with 1.5mt likely from the SK mine, enabling ~2 years of extra production.
- Mine leases expire in 2030; HZL holds the first right of refusal, while new entrants would take 3–4 years to begin production.
- Per the management, India's silver demand is ~6,000t; HZL is among the global top 5 producers, and targets top 3 with expansions amid minimal global growth and Chinese cutbacks. Silver R&R is at 25kt; 80% resource-to-reserve conversion; 95–98% recovery rates.
- The management mentioned that Q1FY27 expansion of 250kt has been awarded to L&T; expected EBITDA of Rs3.5–4.bn with capex of Rs18bn. FY26 capex at USD200–250mn; total with new projects at USD500–550mn.
- The management expects Zinc price to hover around USD2,800–3,000/t; silver around USD40/oz, supported by strong industrial demand, especially from solar (~35% of silver use).
- The management noted that proven silver reserves stand at 10,000t, with ~70% of R&R located in the SK mine. Additionally, on Fumer, the management highlighted that it produces lead and silver-bearing cake, contributing to higher-value metal recovery.
- The management noted that the SK mine contributes about 40% of HZL's EBITDA, with margins near 50%, which could decline to around 35–36% if royalty rates were to double.
- The management stated that the company will adhere to its dividend payout policy, and added that, unlike in the past, the government currently has no disinvestment target.

Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	244,480	306,560	354,800	300,370	349,650
EBITDA	116,720	160,910	175,060	136,560	173,050
EBITDA Margin (%)	47.7	52.5	49.3	45.5	49.5
APAT	79,800	97,205	105,110	77,590	104,162
EPS (Rs)	18.9	22.8	24.9	18.4	24.5
EPS (% chg)	17.3	20.6	9.2	-26.2	33.4
ROE (%)	22.0	29.2	44.5	55.2	73.0
P/E (x)	22.4	18.6	17.0	23.1	17.3

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-0.3	-2.6	0.7	-31.1
Rel to Nifty	2.4	-0.9	-5.2	-31.5

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Sarda Energy (Not Rated)

Diversification into minerals and energy with a focused growth strategy

CMP	MCap (Rs bn)	TP & Rating
Rs558	20	NA | NR

We hosted Nilay Joshi (Director), Sarda Energy

Key Meeting-Takeaways

- The company, which began as a long steel plant, has progressively integrated operations with energy and iron ore. Over the past decade, it has transitioned into a diversified minerals and energy business.
- Its mineral operations currently focus on iron ore and thermal coal. The management expects EBITDA from energy and minerals to increase, while the steel segment's share will decline over time.
- Operational mineral capacity is 1.6mt and is expected to rise to 1.8mt in the near term. SKS's acquisition has been completed.
- Around 100MW of power is under a medium-term PPA at Rs5.5/kWh or higher. The balance power generated is sold under short-term PPAs.
- The company's annual coal requirement stands at 3.2mt, with FSA costs comparable to captive costs. Coal capacity expansion from 1.8mt to 5.2mt is planned in two phases, with commissioning targeted within two years.
- Thermal assets below 200MW are not a strategic focus area. SKS's 800MW power project is 50% complete, with full commissioning expected over the next four years.
- The management identifies minerals as the next growth driver, with potential to double EBITDA within 5 years. Growth in the minerals segment is expected to be linear, while growth in power will come in step-changes.
- The SKS acquisition has provided benefits worth Rs6bn against an effective cost of Rs12bn. The company operates coal mining assets in Indonesia and sees further opportunities in the Indian market
- Planned capital expenditure of Rs5–10bn over the next three years will be directed toward mines, hydro power projects, and thermal power projects.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	24,415	36,086	40,854	32,228	43,794
EBITDA	4,367	6,829	6,431	2,829	5,956
EBITDA Margin (%)	17.9	18.9	15.7	8.8	13.6
APAT	2,292	3,493	3,420	319	3,044
EPS (Rs)	25.4	38.7	37.9	3.5	33.7
EPS (% chg)	39.2	52.4	-2.1	-90.7	855.8
ROE (%)	15.2	19.8	16.5	1.4	12.8
P/E (x)	38.6	25.3	25.8	277.5	29.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	18.3	75.0	71.3	66.1
Rel to Nifty	21.5	78.1	61.2	65.2

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Shyam Metalics (Not Rated)

Strategic shift to stainless steel wagons

CMP	MCap (Rs bn)	TP & Rating
Rs969	267	NA | NR

We hosted Pankaj Harlalka (IR), Shyam Metalics

Key Meeting-Takeaways

- Per the management, exports contribute about 10% of the company's revenue now, mainly from aluminum (40% of export revenue) and ferro alloys, with aluminum primarily going to the US.
- Per the management, the long-term strategy is to produce stainless steel wagons, which are expected to offer a higher profit margin, with visibility on this project anticipated within 1.5-2 years. The company is also exploring aluminum wagons, as there is a separate allocation for them, and they are being promoted for faster trains, leveraging the company's existing expertise in aluminum.
- The company noted that a significant challenge in the current wagon manufacturing is the shortage of wheel sets, primarily sourced from RWF (Indian Railways' own company) or SAIL in India, though this issue is expected to be resolved within three to four months.
- The company has a strong financial position with Rs20bn in treasury, and the ability to raise an additional Rs40-50bn from banks (if required) for significant investments. For new large-scale projects, the company targets a 20% Return on Investment (ROI).
- The company aims for a 15% EBITDA margin and 15% Return on Equity (ROE), noting that its lowest EBITDA margin in the worst year was 8% and the highest was 22%. The company is also currently net-cash positive with approximately Rs15bn in cash.
- The management noted that key upcoming capacity expansions include an additional 150kt of color-coated sheets by September, 350kt of blast furnace capacity at Ramsarup, 130MW of power plants, and 1mt of sponge iron capacity.
- Future geographical expansion may include Andhra Pradesh and Maharashtra, where the company holds 49% stake in an iron ore mine in Gadchiroli with 65% iron content, with clarity on the permanent lease expected in about 1.5 years.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	63,211	104,541	127,627	133,543	153,683
EBITDA	13,938	25,998	14,994	15,700	18,655
EBITDA Margin (%)	22.0	24.9	11.7	11.8	12.1
APAT	8,434	17,245	8,527	10,348	9,081
EPS (Rs)	36.1	68.9	33.1	36.5	32.7
EPS (% chg)	147.9	90.9	-52.0	10.5	-10.5
ROE (%)	26.1	36.4	12.6	11.5	8.4
P/E (x)	26.3	13.8	28.7	26.0	29.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	11.6	6.4	30.1	27.8
Rel to Nifty	14.6	8.3	22.4	27.1

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Tinna Rubber (Not Rated)

Manufacturing footprint and expansion plans

CMP	MCap (Rs bn)	TP & Rating
Rs839	15	NA | NR

We hosted Subodh Sharma (Director) and Ravi Chhabra (CFO), Tinna Rubber

Key Meeting-Takeaways

- The company was incorporated in 1970 and entered tyre manufacturing with backward integration in 2012, under the leadership of the third generation of promoters. It operates in four key segments: Infrastructure (15% – roads/highways), Industrials (25%), Consumer, and Steel Mixing. Its industrial client portfolio includes GR, Adani, IRB, Tata, Nelcast, and Mahindra.
- The company operates five facilities in India and one in Oman, with an additional plant in Saudi Arabia expected to commence operations in the next 2–3 quarters.
- The management mentioned that on a global scale, the average recycled rubber usage is 3–4%, with major companies targeting 10% by 2030; Michelin has set a target of 30% by 2040. In Oman, the company's products cater to gyms, sports facilities, and consumer applications.
- The company raised Rs780mn through a QIP in the previous year, allocating Rs230mn for debt reduction, Rs230mn for the Saudi plant, and Rs110mn for solar power initiatives.
- The management targets a total capex of Rs1,000mn, which is planned over the next two years, with 70% of the investment expected to be completed in the current year.
- The management noted that raw material sourcing comprises 70% imported tyres and 20–30% domestic supply, with certain geographies providing raw materials free of charge. There is currently no incentive to restrict imports, and no Extended Producer Responsibility (EPR) is applied on imported tyres; only surplus EPR is sold.
- India generates approximately 2mt of tyre waste annually, of which only 600-800kt are recycled; the company's global competitors include GRP, Genan (Denmark), and Liberty (US).
- The management noted that the key competitive advantage lies in its captive mines with 185mt of reserves (lease valid till CY58), enabling premium-quality pellet production and cost leadership.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,318	2,327	3,021	3,665	5,142
EBITDA	161	369	368	626	750
EBITDA Margin (%)	12.3	15.9	12.2	17.1	14.6
APAT	-1	169	218	403	493
EPS (Rs)	-0.0	9.8	12.7	23.5	28.2
EPS (% chg)	-	-	29.6	84.8	20.0
ROE (%)	-0.2	23.4	25.1	36.0	32.2
P/E (x)	-21225.0	86.5	66.7	36.1	30.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-6.9	-11.8	-13.7	-52.1
Rel to Nifty	-4.4	-10.2	-18.7	-52.4

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Welspun Corp (Not Rated)

OPVC focus; strong US O&G orderbook; demand recovery in focus

CMP	MCap (Rs bn)	TP & Rating
Rs883	232	NA | NR

We hosted Percy Birdy (CFO), Goutam Chakraborty (Head IR), and Salil Bawa (Group Head IR), Welspun Corp

Key Meeting-Takeaways

- The management focused on its OPVC segment, which is a new, high-tech product in India, positioned to gain market share and partly cannibalize DI pipes; OPVC offers advantages in transportation and storage due to its lightweight nature, while matching steel pipes in strength. Welspun holds a strong quality and brand reputation, with OPVC capacity expected to boost revenue and margins**.**
- The management mentioned that Syntex products are sold on cash basis as part of the premiumization approach, with market share rising from 8% to 10%.
- Current order book (OB) stands at Rs190bn, with the US contributing a 2-year OB; the management has planned USD225mn capex in the US for LSAW and other segments. Capacity utilization is around 65-70%, generally not exceeding this level, with most capacity in India and the US being sunk costs (15+ years old).
- US operations are fully O&G-focused, margins in India are Rs10,000/t on 700kt, while the US yields USD250–300/t EBITDA (>USD100mn). Saudi operations deliver ~USD200/t EBITDA.
- The management noted that the US market offers significant opportunities, with Welspun holding a 30–35% share in high-spec products where Berg is the only competitor; no exports from India to the US.
- The US business remains entirely O&G-focused, with no exports from India in the past 6–7 years, ensuring distinct supply chains. However, rising OPVC capacities could put pressure on domestic DI pipe margins over time.
- Domestic O&G demand is picking up in FY26; exports of 50–60kt to Saudi and Europe are expected, with margins of Rs10,000–12,000/t (likely settling at Rs10,000/t as capacities rise).
- The US order book is entirely O&G-driven, indicating concentrated exposure to the sector's cycles. There is a clear separation of domestic and US supply chains

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	77,819	70,563	101,533	178,439	152,420
EBITDA	7,840	4,660	4,846	15,614	16,682
EBITDA Margin (%)	10.1	6.6	4.8	8.8	10.9
APAT	6,796	4,388	2,067	11,104	15,165
EPS (Rs)	29.4	16.8	7.9	42.5	72.8
EPS (% chg)	22.0	-42.8	-53.0	436.7	71.5
ROE (%)	18.3	10.0	4.4	21.0	22.5
P/E (x)	29.8	52.1	110.8	20.7	12.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-3.8	15.3	12.7	25.8
Rel to Nifty	-1.2	17.4	6.1	25.1

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Hindustan Petroleum Corporation

Steady outlook with strategic tailwinds

CMP	MCap (Rs bn)	TP & Rating
Rs411	875	Rs500 | BUY

We hosted the senior management of HPCL

Key Meeting-Takeaways

- HPCL is actively diversifying its crude basket and exploring innovative sourcing strategies. The share of Russian crude fell to 13.2% in Q1FY26, driven by economic considerations rather than geopolitical factors, with no government directives influencing sourcing. Given lower discounts, this reduction is not expected to have a significant impact. The company increased sourcing from West Africa, due to better product realizations and favorable landed costs at its Mumbai refinery.
- Pre-commissioning activities for the Vizag Resid Upgrade Project are underway, with OISD and PESO inspections completed. The unit is slated for completion by end-Q2FY26 or early Q3, and once stabilized (expected by Oct/Nov-25), it will enable HPCL to process a broader range of crude, boosting distillate yield by ~4% to ~83%.
- The Barmer refinery project is ~88% complete, with the refinery section now over 95% finished. 12 of 28 packages have already been commissioned, and safety and regulatory approvals are underway. HPCL aims for crude-in within the next few months, prioritizing refinery operations ahead of petchem. The petchem unit is 73% complete. The refinery is designed for high energy efficiency and cost-effective integration, ensuring low production costs and offering scope to optimize crude intake costs. The refinery will have a higher petchem intensity of 26%.
- To enhance operational efficiency, HPCL launched Project Samriddhi in May-25 — an EBITDA improvement program targeting Rs10–15bn in savings by Mar-26, equivalent to ~USD0.6/bbl. The company is confident of surpassing Rs10bn, while striving for the aspirational Rs15bn target. In Q1FY26 alone, Rs2.5bn in savings—16% of the target—was achieved, largely through operational improvements. Additionally, HPCL rolled out Project Abhyuday to increase throughput per retail outlet. Covering 4,500 outlets so far, the initiative has delivered low single-digit KL gains, with further improvement expected.
- The government has approved a Rs300bn LPG subsidy for OMCs, with HPCL likely to receive ~27% in line with its LPG sales share. LPG under-recoveries are expected to ease, aided by a decline in Saudi CP, with further moderation anticipated.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	4,335,249	4,337,281	4,394,193	4,521,409	4,635,434
EBITDA	250,967	170,557	226,687	239,490	248,813
EBITDA Margin (%)	5.8	3.9	5.2	5.3	5.4
APAT	146,938	73,649	107,082	114,766	122,886
EPS (Rs)	69.0	34.6	50.3	53.9	57.7
EPS (% chg)	NM	-49.9	45.4	7.2	7.1
ROE (%)	42.7	16.9	32.6	19.0	18.1
P/E (x)	6.0	11.9	8.2	7.6	7.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-5.7	5.7	28.4	10.7
Rel to Nifty	-3.7	5.5	20.1	8.5

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Petronet LNG

Well positioned to leverage LNG demand growth potential

CMP	MCap (Rs bn)	TP & Rating
Rs275	412	Rs390 | BUY

We hosted the management of PLNG

Key Meeting-Takeaways

- Over the next 3-4 years, ~180mmtpa of global LNG capacity is expected to come online, with India and China emerging as key demand centers. This influx is likely to make gas prices more affordable, potentially enabling India's LNG consumption to double by CY30, with gas demand projected to grow 6–7% annually. Additionally, the expansion of pipeline infrastructure will open up new demand centers nationwide, supporting higher LNG terminal utilization. As a result, PLNG does not foresee significant competitive disruption.
- PLNG saw sequential improvement in demand driven by stable LNG prices, efficient operations, and higher utilization levels. On a YoY basis, however, volumes declined due to subdued demand from the power and fertilizer sectors. That said, demand has picked up in the current quarter, with throughput remaining firm.
- Dahej terminal's capacity expansion has been slightly delayed due to monsoon-related disruptions and heightened security concerns amid geopolitical tensions (Indo-Pak war). Completion is now targeted by CY25-end, with stable expanded capacity available from Q1CY26. The petchem project is progressing well and tenders are floated for ~11 LLIs and 13 work packages, with only few pending due to timing considerations. Some LLIs have already been awarded. The unit is expected to generate annual savings of Rs1bn by harnessing cold energy, enhancing its cost competitiveness.
- The Board has granted in-principle approval for a 5mmtpa land-based LNG terminal at Gopalpur, with a capex of Rs63.5bn. The project is expected to be completed within three years of receiving EC, anticipated in the next couple of months, targeting commissioning by CY28–29. Operations are planned to start at ~20% utilization, with a gradual ramp-up to ~80–90% over time. Discussions are ongoing with potential offtakers, with GAIL, IOCL, and BPCL expected to be key buyers. The terminal's location (~35km from the Srikakulam–Angul trunk pipeline), ensures strong connectivity once the spur pipeline is laid, minimizing offtake risks. With access to the national gas grid, the facility will be able to serve eastern and northern states, while the upcoming North-East gas grid will extend reach to the Northeast. In the South, the terminal will be positioned to supply major industrial consumers, including refineries, and large steel and aluminum plants.
- The company has outlined a capex plan of Rs300bn, with the bulk allocated to the petchem project. FY26 capex is pegged at Rs50bn, with FY27 expected to be higher.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	521,184	508,623	529,463	564,227	598,715
EBITDA	48,602	57,017	56,304	61,378	67,564
EBITDA Margin (%)	9.3	11.2	10.6	10.9	11.3
APAT	32,788	40,585	40,341	43,188	48,309
EPS (Rs)	21.9	27.1	26.9	28.8	32.2
EPS (% chg)	25.7	23.8	-0.6	7.1	11.9
ROE (%)	22.2	21.6	19.6	18.7	18.7
P/E (x)	12.6	10.2	10.2	9.5	8.5

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-8.3	-12.0	-7.4	-25.3
Rel to Nifty	-6.3	-12.2	-13.4	-26.8

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Aarti Drugs (Not Rated)

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CMP	MCap (Rs bn)	TP & Rating
Rs 488	45	NA | NR

We hosted Adhish Patil (Promoter, CFO, and COO)

Key Meeting-Takeaways

- The Sayakha greenfield plant has started trial production. It will support backward integration for anti-diabetic APIs, improve margins, and derisk the supply chain.
- EBITDA margins are expected to reach 15-16% by FY27, driven by better capacity utilization, regulated market penetration, and favourable API pricing.
- Regulatory approvals from the USFDA and UK MHRA for oncology and oral solid dosage (OSD) facilities are set to drive formulation business growth in regulated markets FY27 onward.
- New oncology dossiers are being developed and registered globally, with commercial benefits expected to accrue from FY27.
- Three ANDA products are in the launch pipeline in the US, following the clearance of import alert.
- A capex of Rs1.5-2bn is planned for FY26, with approximately half allocated to formulations (primarily oncology) and the remainder to brownfield API expansion.
- Metformin manufacturing capacity will be expanded by 350tonne per month, and the launch of Gliptins will cement the company's leadership in the anti-diabetic segment.
- The revenue contribution from formulations and specialty chemicals is expected to increase, with the formulation segment sales projected to double over the next three years. The formulation business is projected to reach Rs5.5-6bn within three years.
- Gross margins are expected to improve 1–2%, driven by better pricing of intermediates and growing sales in regulated markets.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	21,595	25,000	27,182	25,326	24,034
EBITDA	4,371	3,294	3,056	3,165	2,871
EBITDA Margin (%)	20.2	13.2	11.2	12.5	11.9
APAT	2,803	2,050	1,663	1,714	1,682
EPS (Rs)	30.1	22.1	18.0	18.6	18.4
EPS (% chg)	98.7	-26.5	-18.8	3.3	-1.1
ROE (%)	35.8	21.0	14.9	13.9	12.7
P/E (x)	16.2	22.1	27.2	26.3	26.6

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.1	7.6	27.5	-2.0
Rel to Nifty	5.3	7.4	19.2	-3.9

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Granules (Not Rated)

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CMP	MCap (Rs bn)	TP & Rating
Rs 460	112	NA | NR

We hosted Mukesh Surana (CFO) and Sanjay Kumar (Chief Strategy Officer)

Key Meeting-Takeaways

- The Gagillapur facility is in the final stages of remediation, with the company expected to approach the USFDA by Sep-25; a re-inspection is likely by Dec-25 which could potentially result in a regulatory clearance by Mar-26.
- The GLS facility, having successfully cleared its first FDA inspection, adds a 10bn capacity source for finished dosages to the US from India, on top of the existing 27bn dose capacity at Gagillapur.
- The company's peptide strategy will be focused on expanding CDMO partnerships, building amino acid derivatives and peptide fragments out of India, and a dual site Switzerland-India manufacturing network for high-value peptide APIs.
- A peptide R&D facility at IIT Hyderabad will be operational by Oct-25 and a commercial scale peptide manufacturing facility in India will come on stream in FY27.
- The company expects to incur ~Rs1.3bn of capex in the peptides segment in FY26 (Rs1bn in Switzerland and Rs0.3bn in India).
- The share of the Europe business is expected to increase to 15-20% of total revenue, led by new product launches. The company expects to receive 10 product approvals over the next 2 years, with six of these products likely to be launched upon approval.
- R&D spending (at around Rs3bn annually) is primarily focused on the ADHD (controlled substances) and oncology segments, with an emphasis on first-to-file and 505(b)(2) filings in the US market.
- GLS facility utilization ramp up is under way, with a large volume molecule expected to utilize 35-40% of the capacity following a site transfer. Full utilization is expected by 1QFY27.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	32,644	37,825	45,257	45,108	45,253
EBITDA	8,552	7,222	9,138	8,560	9,452
EBITDA Margin (%)	26.2	19.1	20.2	19.0	20.9
APAT	5,495	4,128	5,166	4,053	4,793
EPS (Rs)	22.1	16.7	21.1	16.7	20.7
EPS (% chg)	67.2	-24.4	26.4	-20.5	23.7
ROE (%)	27.4	17.3	19.1	13.4	13.8
P/E (x)	20.9	27.6	21.9	27.5	22.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.9	-3.7	-15.2	-32.0
Rel to Nifty	0.2	-3.9	-20.6	-33.3

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Refer to important disclosures at the end of this report

Indoco Remedies (Not Rated)

CMP	MCap (Rs bn)	TP & Rating
Rs 294	27	NA | NR

We hosted Aditi Kare Panandikar (MD) and Pramod Ghorpade (CFO)

Key Meeting-Takeaways

- Remediation efforts at Goa Plant-2 are nearing completion; two out of four lines at the plant have been cleared by the USFDA for production.
- Goa Plant-2 has received EU GMP approval for sterile products, enabling near-term supply to the EU market and triggering broader commercial opportunities.
- Launches of complex sterile ophthalmic products like Brinzolamide are contingent on USFDA clearance; potential commercialization from 4QFY26.
- Master Manufacturing Plan rollout (Phase 1) is under way, with three of the four plants now operational. All plants are expected to be operational by 3QFY26.
- Capex guidance for FY26 is around Rs0.5bn, limited to ongoing projects at Goa Plant-2 and Warren's API facility.
- The company is focusing on semi-regulated markets via a brand-building model across regions like French West Africa, LatAm, and Asia, targeting sustained double-digit growth.
- Indoco aims to bring down consolidated debt (Rs9.5bn) by ~Rs0.7bn in remainder-FY26.
- Warren Remedies (OTC and API unit) will receive capital infusion to address its negative net worth, with break-even expected in ~2 years.
- Several oral solid products with tentative USFDA approvals are expected to be commercialized as they go off-patent over FY26–28.
- *Sensodent-K* range will be expanded beyond the chemist channel into groceries, modern trade, and e-commerce.
- R&D spend will be maintained at ~5% of sales, with a selective approach to new products, given an existing filing pipeline.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	12,447	15,431	16,710	18,387	16,714
EBITDA	2,243	3,273	2,861	2,443	993
EBITDA Margin (%)	18.0	21.2	17.1	13.3	5.9
APAT	931	1,548	1,423	902	-747
EPS (Rs)	10.1	16.8	15.4	10.5	-
EPS (% chg)	285.5	66.3	-8.1	-31.8	-
ROE (%)	12.8	18.5	14.7	8.4	-
P/E (x)	29.1	17.5	19.0	27.9	-

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-10.0	17.0	17.3	-10.4
Rel to Nifty	-8.1	16.8	9.7	-12.2

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Anant Raj

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Exponential growth pegged on Data Center business success

CMP	MCap (Rs bn)	TP & Rating
Rs537	184	Rs800 | BUY

We hosted Manoj Goyal (Chief Business Officer), Pankaj Gupta (CFO), and Gaurav Sharma (IR)

Key Meeting-Takeaways

- In the real estate business, with requisite approvals in place, the company is likely to launch 2.8msf/3-3.5msf in FY26/27 (0.4msf of *The Estate Apartments* launched; GDV potential: Rs7.5bn). It is likely to add more land in this micro-market in 2-3Y. Additionally, the signing of a JDA for 5-7msf in the NCR is likely to conclude soon; this will further enhance growth visibility. Accordingly, these would generate cumulative net cash flow of ~Rs20bn over the next two years which would fund DC capex.
- The company's DC operational capacity is 6MW (including 0.5MW of cloud capacity). Its 22MW addition (Manesar: 15MW; Panchkula: 7MW) witnessed delays, caused by pollution control regulations in the NCR. The company has now announced the commissioning of both capacities in August which will take the total capacity to 28MW. However, onboarding of clients is likely to take a few months.
- **Long-term DC capacity addition remains intact:** The company targets increasing its data center capacity to 63MW by Oct-26. Its long-term target of 307MW DC capacity would be achieved by FY31/32. The management expects DC business revenue of Rs12bn by FY27 and of Rs90bn by FY32, at full occupancy. We have factored in the gradual improvement in occupancy and, hence, expect DC business revenue to increase to Rs7bn in FY27E from Rs455mn in FY25.
- Of the 307MW capacity, Cloud capacity would be 25%. However, the investment in Cloud would be back-ended, given the capex-intensive nature of assets. Margins in Colo and Cloud would be similar; however, realizations are far higher in loud.
- Anant Raj has onboarded the best vendors, such as Schneider Electric, Cisco, Mitsubishi Electric, and Johnson Controls, as well as Cloud partners like Orange for setting up and running the services.
- The management highlighted the latest draft policy on data center outlines faster single-window clearances, incentives for domestic hardware manufacturing, and four dedicated Data Centre Economic Zones (DCEZs). The aim is to spread capacity beyond Mumbai, Chennai, and Delhi-NCR, which together account for 80% of India's current 1,263MW capacity.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	14,833	20,600	23,707	30,489	38,582
EBITDA	3,338	4,917	6,967	11,177	16,804
EBITDA Margin (%)	22.5	23.9	29.4	36.7	43.6
APAT	2,609	4,255	5,198	8,087	11,793
EPS (Rs)	7.6	12.4	15.1	23.6	34.4
EPS (% chg)	72.7	63.1	22.1	55.6	45.8
ROE (%)	8.1	10.9	11.8	16.0	19.6
P/E (x)	70.6	43.3	35.5	22.8	15.6

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-4.3	16.7	-10.1	5.8
Rel to Nifty	-2.3	16.5	-15.9	3.7

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Refer to important disclosures at the end of this report

Arvind SmartSpaces (Not Rated)

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Scaling up with increased focus on MMR

CMP	MCap (Rs bn)	TP & Rating
Rs596	27	NA | NR

We hosted Vikram Rajput (Head - Business Development MMR and Investor Relations), at our Emkay Confluence 2025

Key Meeting-Takeaways

- Remains focused on achieving 30–35% pre-sales growth in FY26, aided by a strong launch pipeline of Rs30-40bn. Has planned launches worth Rs20bn in Bengaluru, and worth Rs10bn each in Ahmedabad and MMR, with most of these likely in H2FY26.
- Pre-sales growth was lower at 15% YoY in FY25, mainly due to approval-related challenges in Bengaluru.
- Slippage of any individual project in FY26 is less likely to impact the pre-sales growth targeted by the company in FY26.
- Remains on track to add new projects offering a topline potential of Rs50bn across Ahmedabad, Bengaluru, and MMR.
- With focus increasing on project additions in MMR, this region would eventually be sizable in the portfolio mix over the medium term. In the short term, the quantum of investment toward new project acquisitions would be 40% each toward Bengaluru and Ahmedabad/Gujarat and 20% toward MMR. The quantum would gradually increase for the MMR market over the medium term.
- The business model would remain largely asset-light, with preference for JD/JVs as well as redevelopment (mainly MMR), with selective outright opportunities. Would likely invest Rs9-10bn toward project additions over the next three quarters.
- Regional trends include strong mid-income demand in Bengaluru (temporary regulatory delays), stable brand-driven demand in Ahmedabad, and MMR as the largest long-term opportunity focusing on redevelopment.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	1,512	2,644	2,633	3,509	7,361
EBITDA	406	484	489	1,115	1,682
EBITDA Margin (%)	26.9	18.3	18.6	31.8	22.8
APAT	88	251	256	416	1,105
EPS (Rs)	2.5	6.5	5.8	9.2	24.3
EPS (% chg)	-77.8	163.0	-9.9	57.3	164.8
ROE (%)	2.7	6.1	5.3	7.4	15.4
P/E (x)	242.2	92.1	102.2	65.0	24.5

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-9.9	-11.8	-13.8	-15.0
Rel to Nifty	-8.0	-11.9	-19.3	-16.6

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Keystone Realtors (Not Rated)

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Focus on disciplined growth to continue

CMP	MCap (Rs bn)	TP & Rating
Rs622	78	NA | NR

We hosted Sajal Gupta (Group Chief Financial Officer and Head Corporate Strategy) and Kamal Mittal (Head - Fund Raising and Investor Relations) at our Emkay Confluence 2025

Key Meeting-Takeaways

- The company has maintained its full-year presales guidance of Rs40bn, as sales momentum remains strong on continuing demand and more launches planned.
- It has already achieved 57% of its full-year launch guidance in Q1FY26 through a mix of strategic premium redevelopment projects; confidence in the upcoming launches remains strong.
- It has already exceeded its business development guidance for FY26 by 25%, with additions worth Rs77bn in Q1FY26, largely through cluster redevelopment. This reflects the company's focus on asset-light growth in MMR. The company continues to evaluate more BD opportunities in MMR.
- There are 19,000 societies that need redevelopment in MMR. In case opportunities dwindle in Mumbai, the company would revisit its strategy, with the next large opportunity in Pune.
- New projects in redevelopment and cluster development remain key strategies for continuing growth, with the company expanding in new and existing micro-markets (Sion, Lokhandwala, Malad). The emphasis would be on maintaining better profitability and scale through cluster-focused execution.
- Demand for mid/mass and aspirational segments in MMR remains healthy, supported by infrastructure development, improving connectivity, government initiatives, and robust commercial activity. The company expects strong absorption in these segments to continue ahead.
- ~Rs8bn cash would be deployed toward project acquisition in the rest of FY26, with flexibility to increase in response to additional lucrative opportunities.
- Focus on cash flow generation and financial discipline would continue which would provide growth capital (capital-efficient; keeps leverage in check).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	5,894	9,261	4,109	11,491	7,558
EBITDA	1,019	1,772	1,038	1,095	2,044
EBITDA Margin (%)	17.3	19.1	25.3	9.5	27.0
APAT	3,105	1,396	820	1,122	1,720
EPS (Rs)	31.0	14.0	7.7	9.9	13.9
EPS (% chg)	727.7	-55.0	-45.1	28.4	40.6
ROE (%)	45.2	15.6	6.2	6.4	7.5
P/E (x)	20.0	44.6	81.1	63.1	44.9

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-5.9	20.8	20.8	-13.7
Rel to Nifty	-3.9	20.6	13.0	-15.4

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Refer to important disclosures at the end of this report

Lodha Developers (Not Rated)

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Remains well on track toward sustainable medium-term growth

CMP	MCap (Rs bn)	TP & Rating
Rs1,226	1,224	NA | NR

We hosted Aayush Raghuvanshi (Co-Head - Investor Relations) and Chintan Parikh (Co-Head - Investor Relations), of Lodha Developers at our Emkay Confluence 2025

Key Meeting-Takeaways

- The company remains confident of achieving its FY26 pre-sales guidance of ~Rs210bn, supported by a Rs250bn GDV launch pipeline for the year. The management expects H2 to be stronger than H1, aided by major launches, pickup in mid-income demand from interest rate cuts, and recent clarity on the NGT issue in Maharashtra.
- With Rs227 bn GDV added in Q1FY26 across Mumbai, Pune, and Bengaluru, it has achieved >90% of FY26 BD (business development) guidance. The Bengaluru additions (GDV: ~Rs84bn) exceeded the FY25 BD. The company remains on track to add a new project in Delhi-NCR in FY26, preferably via the asset-light route (pilot phase with moderate investment).
- Broad-based growth is expected across Mumbai, Pune, and Bengaluru, supported by premium and township demand as well as by the upcoming infra upgrades (airport, metro, bullet train). Bengaluru is expected to see rapid scale-up in premium/luxury housing across high-growth corridors.
- Embedded EBITDA margin of ~33% is in line with the long-term range; there is scope for gradual improvement from premiumization (eg Palava) and operational efficiencies. Annual pricing growth is likely to be 5-6%, below wage growth, to maintain affordability.
- The company's growth would be broad-based, with lower dependence on a single project/micro-market. Premiumization at Palava would lead to improving share of premium products, from 20% in FY25 to ~50% by CY30; the company targets Rs80bn annual sales in Palava with ~50% EBITDA margin by CY30.
- Net debt-to-equity guidance remains at <0.5x; growth would be largely funded by the strong operating cash flows and expanding annuity income (Rs15bn target by FY31).

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	57,717	95,263	96,112	1,04,695	1,41,698
EBITDA	9,092	21,786	8,836	25,579	39,866
EBITDA Margin (%)	15.8	22.9	9.2	24.4	28.1
APAT	-9,232	12,024	13,800	16,295	27,643
EPS (Rs)	0.3	13.1	5.1	16.0	27.8
EPS (% chg)	-97.2	5156.0	-61.6	217.4	73.2
ROE (%)	-18.1	13.9	11.1	10.8	14.6
P/E (x)	4903.2	93.3	242.7	76.5	44.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-12.4	-3.8	4.5	-6.4
Rel to Nifty	-10.6	-3.9	-2.3	-8.2

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Refer to important disclosures at the end of this report

Sunteck Realty (Not Rated)

Focus on improving growth

CMP	MCap (Rs bn)	TP & Rating
Rs379	56	NA | NR

We hosted Prashant Choubey (Chief Financial Officer), Archit Jain (Sr GM – Corporate Finance), and Akashi Modi (Investor Relations) at our Emkay Confluence 2025

Key Meeting-Takeaways

- The management remains focused on achieving better presales growth in FY26, driven by strong launches ahead. Focus will be on uber-luxury and premium-luxury segments, which would lead to further improvement in blended margins for the company.
- The company has added a 2.5-acre redevelopment project in Andheri (Mumbai; Rs11bn GDV) as well as in Mira Road. It remains confident of increasing the portfolio GDV above Rs500bn (~Rs400bn as of Q1FY26), as it has accelerated its BD activity (already invested over Rs3bn in Q1FY26).
- The company's target is to launch new projects worth Rs110bn GDV in the next three quarters of FY26. These would include ODC 5th Avenue (over Rs15bn), Bandra Bandstand (over Rs10bn), Andheri WEH (~Rs11bn), one new tower in Mira Road (Rs10bn), two new towers at Sunteck Beach Residences (Rs5-6bn), a new phase in Naigaon (Rs5bn), and the Nepean Sea Road project.
- It would continue to add more projects ahead, along with stepping up its launch activity by remaining financially conservative; also, by committing to asset-light growth levers (redevelopment/JVs), along with selective lucrative outright purchases.
- Demand strength continues in Mumbai's western suburbs (BKC, Nepean Sea Road, Bandra Bandstand, Andheri, ODC) and extended suburban markets (Mira Road, Vasai, Naigaon). The company remains focused on premium and uber-luxury segments, along with select mid-income products in suburban locations.
- Collection growth is expected to pick up over the medium term, with progress in construction of new launches.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	6,312	5,352	3,979	6,204	9,045
EBITDA	1,311	953	642	1,173	1,858
EBITDA Margin (%)	20.8	17.8	16.1	18.9	20.5
APAT	463	251	14	709	1,503
EPS (Rs)	3.0	1.8	0.1	5.0	10.3
EPS (% chg)	-43.5	-39.9	-94.4	4890.0	105.6
ROE (%)	1.7	0.9	0.1	2.4	4.7
P/E (x)	127.2	211.8	3790.5	76.0	36.9

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-13.6	-6.5	-14.1	-34.1
Rel to Nifty	-11.8	-6.6	-19.6	-35.4

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Barbeque-Nation Hospitality (Not Rated)

Targeting SSG revival in H2, with focused initiatives and macro tailwinds

CMP	MCap (Rs bn)	TP & Rating
Rs 260	10	NA | NR

We hosted Amit Betala (CFO) and Bijay Sharma (Head - Investor Relations)

Key Meeting-Takeaways

- Barbeque Nation (BBQ) is targeting double-digit growth in FY27, supported by ~10% netwrok expansion and ~3% SSG. Margin expansion will be led by procurement efficiency, negotiations, and opening new stores of smaller size (3,000-3,500sqft), which will also help gain operational efficiency. To capture higher consumer wallet share, BBQ has a portfolio of scaled brands (Salt/Tuscano/Premium CDR) vs only BBQ. Store opening will be inclined toward Metro/Tier-1 cities, as throughputs/profitability is higher vs Tier2/3 cities.
- In line with industry peers, the current demand environment is challenging, albeit SSG decline is reducing MoM. BBQ is hopeful of a SSG turnaround by Q3, with a likely consolidation in the industry, moderation in rentals, and normalization of travel/hotel spends, although consumer discretionary wallets are still limited.
- BBQ remains focused on funding its growth via internal accruals, in India as well as international regions, individually. The international business is currently at a scale of Rs1bn, with relatively better unit metrics (vs India business), and BBQ plans adding 5-6 new international stores in FY26. New Indian formats (Salt/Toscano) are scaling up per expectations and will grow based on internal accruals.
- SSG has softened due to external factors such as macro slowdown, reduced group dining from WFH trends, and rising competition, although the management expects a turnaround by festive season (Q3) through enhanced service, food festivals, and increased marketing; it targets a 1-2% margin lift alongside recovery. Immediate target is to improve margins to double-digits with medium-term target of reaching pre-Covid levels of 13-14% vs the current 7%.
- *Dum Safar* (Biryani) is gaining good traction, and has already become a >Rs350mn brand with focus to grow topline through a marketing push. With strong traction and scale in Bengaluru/Chennai, *Tuscano* is currently at a scale of Rs1bn, and is likely to see expansion in cities where it has newly launched – ie Mumbai, Delhi, and Hyderabad.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	5,552	8,873	12,456	12,721	12,490
EBITDA	464	1,337	2,306	2,122	2,113
EBITDA Margin (%)	8.4	15.1	18.5	16.7	16.9
APAT	-925	-261	142	-134	-278
EPS (Rs)	-31.1	-10.4	4.4	-3.4	-7.1
EPS (% chg)	-	-	-	-	-
ROE (%)	-71.5	-8.1	3.5	-3.3	-7.2
P/E (x)	-8.4	-25.2	59.7	-75.8	-36.7

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-14.8	-22.2	-11.4	-53.9
Rel to Nifty	-13.0	-22.3	-17.1	-54.8

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Metro Brands

Driving growth across price segments with multi-format expansion and brand portfolio diversification

CMP	MCap (Rs bn)	TP & Rating
Rs1,130	308	Rs1,300 | BUY

We hosted Kaushal Parekh (CFO)

Key Meeting-Takeaways

- Metro reiterated its long-term guidance of delivering ~15–18% revenue CAGR, supported by a mid-to-high single-digit SSG, disciplined new-store expansion, and selective introduction of synergistic premium brands. Profitability focus remains unchanged, with EBITDA margins expected to stay above ~30% and PAT margins in the mid-teens.
- Q1 revenue per square foot was impacted by calendar shifts (*Eid* preponement to Q1), unseasonal rains dampening demand in key regions, and the annualization effect of ~100 new stores added over the last 12-15 months. The management emphasised that this is a temporary impact, as new stores typically take time to reach maturity, and focus in the near term is on building market share even if it means accepting short-term dilution in same-store metrics.
- *Foot Locker* expansion is back on track, following resolution of BIS-related supply challenges, with three new stores targeted before the CY26 festive season. In the value segment, *Walkway* is being scaled aggressively, with 4 new stores opened in Q1 alone versus 4 in the whole of FY25. While *Walkway* stores are margin-dilutive compared to the *Metro*/*Mochi* formats, mature-store RoCE is expected at ~30%, offering attractive returns in a high-volume segment that makes up ~80% of India's footwear market.
- Losses in the *FILA* business had narrowed by ~40% in FY25 and are expected to reduce by a similar quantum in FY26. Break-even is targeted for FY27, aided by the build-out of local supply chains to reduce reliance on imports and avoid regulatory delays. Following earlier rollout postponements due to BIS compliance requirements, the management now plans to resume expansion in H2.
- The management is actively calibrating store rollouts across its core brands, premium partnerships, and value formats, to capture a wide spectrum of price points and customer segments. The deliberate clustering of stores even in close proximity is seen as a strategic play toward dominating the key markets. With deepening presence across both, metros and Tier II/III cities, and the ability to flex between premium and value offerings, *Metro* is positioning itself as a dominant, multi-format footwear retailer with sustainable long-term growth prospects.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	23,567	25,074	27,821	32,647	37,818
EBITDA	6,996	7,574	8,383	10,014	11,718
EBITDA Margin (%)	29.7	30.2	30.1	30.7	31.0
APAT	3,814	4,167	4,675	5,673	6,601
EPS (Rs)	14.0	15.3	17.2	20.8	24.2
EPS (% chg)	1.0	9.0	12.2	21.4	16.4
ROE (%)	22.4	23.3	25.2	25.9	25.5
P/E (x)	80.4	73.8	65.8	54.2	46.6

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-3.6	-0.9	-0.2	-9.9
Rel to Nifty	-1.5	-1.0	-6.7	-11.6

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Aarti Industries

Committed to growth, while near term challenges persist

CMP	MCap (Rs bn)	TP & Rating
Rs383	139	Rs450 | BUY

We hosted Chetan Gandhi (CFO)

Key Meeting-Takeaways

- The management maintained its FY28 EBITDA guidance of Rs18-22bn on the back of its long-term growth focus areas of MPP and Zone 4 commercialization; it also guided for incremental EBITDA of Rs3-4.5bn, volume ramp-up benefit for existing plants of Rs3.5-5.5bn, and savings of Rs1.5-2bn owing to cost optimization measures. Capex to be around Rs10bn in FY26.
- Execution of the growth capex is progressing per plan and is expected to commission gradually from H2FY26. Phase 1 of Zone 4 includes commissioning of a MPP and calcium chloride unit by Dec-25, followed by 5 additional blocks during Jan-May '26. The MPP will be able to manufacture 35-40 different products, with 4-5 prioritized products in Phase 1, based on demand and profitability. The new products will primarily target the advanced polymers, pharmaceuticals, and agrochemicals end-markets.
- Unstable/uncertain macros played a considerable role in Q1FY26 which impacted overall operations of the company (logistical issues led to deferment of export demand). A decline in prices of key raw material like benzene and aniline (~15-20%) due to weaker crude caused inventory devaluation. The Israel-Iran war impacted availability of raw materials which also led to postponement of shipments to Jul-25. Further, Kutch operations were hit by i) proximity of the plant during the India-Pakistan conflict; and ii) shutdown for completing MMA catalyst replacement/capacity expansion.
- US accounts for 15-20% of the revenue. US tariffs have seen a bigger impact on the company more than the benefits accruing from PDA volumes. As a strategic step, MMA was being sold to US-based blenders for the past 6-9 months; now, export volume for MMA to the US has been curtailed due to a) tariffs and b) competition, leading to lower pricing. DCB volumes declined due to demand concerns in the automotive sector. Aarti competes mainly with EU companies in this product, and is expecting increased competition due to preferential tariffs for Europe over India.
- The management expects volume to recover for certain select products, though prices remain pressured due to Chinese competition (capacity overhang) and isomer imbalances in select products.
- The company is actively evaluating strategic alliances and leveraging R&D strength to provide CDMO services to key clients.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	63,720	72,710	84,137	100,454	119,606
EBITDA	9,760	10,010	10,888	15,158	18,427
EBITDA Margin (%)	15.3	13.8	12.9	15.1	15.4
APAT	4,160	3,290	3,296	6,022	8,307
EPS (Rs)	11.5	9.1	9.1	16.6	22.9
EPS (% chg)	-23.7	-20.9	0.2	82.7	37.9
ROE (%)	8.1	6.0	5.7	9.8	12.2
P/E (x)	33.3	42.1	42.0	23.0	16.7

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-13.2	-18.0	-11.5	-38.4
Rel to Nifty	-11.3	-18.1	-17.2	-39.6

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Acutaas Chemicals (Not Rated)

Your success is our success

Pharma remains at the forefront; growing in battery and semiconductors

CMP	MCap (Rs bn)	TP & Rating
Rs1,317	108	NA | NR

We hosted Abhishek Patel (VP - Strategy)

Key Meeting-Takeaways

- The management expects revenue growth of 25% in FY26, with improved margins led by a) CDMO product (darolutamide) receiving expanded label approval in Europe, US, and Japan, and b) rising customer engagements in battery chemicals (new act, restricting participation of a set of prohibited foreign entities) and semiconductors (customers diversifying their supply chain closer to their manufacturing base). Gross margins should be steady in the 48-50% range.
- The company's unit 2 at Ankleshwar successfully completed a virtual audit by Japan's PMDA and was declared GMP. Thus, as of now, both its facilities are GMP compliant. For one of the CDMO projects, one product has already been supplied validation quantities and is awaiting regulatory approval before commercialization (expected by Q4FY26).
- The company expects three new CDMO projects to be commercialized by the end of FY26, each with potential revenue of Rs0.5-1bn.
- The company has a strong R&D pipeline for pharmaceutical intermediates extending beyond CY40. For the new semiconductor products in Korea, R&D work will be conducted at the Korean partner's facility. The company is investing KRW30bn for 75% stake in the South Korean venture. The capex is expected to be completed by H2FY26.
- Total planned capex for FY26 is Rs2.5bn, with sufficient cash on hand. Major capex includes Rs1.8bn for electrolyte additives, Rs0.3bn for the pilot plant, and Rs0.4bn for maintenance and infrastructure. Q1 capex was around Rs690mn, mainly for electrolyte additive projects at Jhagadia.
- Raw material prices are expected to be stable in the pharmaceutical segment. The company has made advanced payments to vendors to achieve better pricing. Thus, it is competitive before launching products.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	3,406	5,201	6,167	7,175	10,069
EBITDA	802	1,052	1,226	964	2,321
EBITDA Margin (%)	23.5	20.2	19.9	13.4	23.0
APAT	540	720	833	619	1,587
EPS (Rs)	8.6	10.5	11.4	5.8	19.4
EPS (% chg)	491.0	22.8	8.7	-48.9	239.4
ROE (%)	38.7	20.9	14.9	9.7	15.8
P/E (x)	153.7	125.2	115.2	225.5	66.4

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	14.9	12.2	14.6	113.6
Rel to Nifty	17.3	12.0	7.2	109.4

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JG Chemicals (Not Rated)

Greenfield project commissioning to be a key trigger

CMP	MCap (Rs bn)	TP & Rating
Rs488	19	NA | NR

We hosted Anuj Jhunjhunwala (CFO)

Key Meeting-Takeaways

- JG Chemicals is India's largest manufacturer of zinc oxide and among the top-five globally, also recognized as the country's leading zinc recycling firm. The company's customer portfolio is robust, serving >200 domestic and >50 international clients; notably, it supplies nine of the ten top global tyre makers and all leading Indian tyre companies.
- The company has continued to witness strong demand across all end-user industries, resulting in volume and revenue growth. It is focusing on adding new customers across applications which has helped grow the overall customer base and sales. Zinc sulfate sales continue to do well; it expects healthy growth in coming quarters. The company is working with tyre customers to increase the content per tyre.
- The Board of JG Chemicals has approved Rs1bn capex for a new state-of-the art ~40ktpa project in Dahej for zinc chemicals (zinc oxides, zinc sulphates, and other high performance zinc chemicals); land for this has been acquired. The company expects asset turnover of 9x and the project to commission by H1FY27. The project is fully funded by internal accruals. The management provided its rationale for the project, like strengthening its presence in western India through closer proximity to customers, tapping-in agricultural demand, and driving margin expansion via the non-rubber segments. Non-rubber revenues are expected to increase, from 15% to 30%, over coming few years.
- The company might explore brownfield expansion in Naidupeta, as required, to augment capacity and increase efficiencies. Currently, spare capacities are available in the Naidupeta plant for meeting customer demand for this financial year, till the greenfield project is commissioned.
- The management maintains guidance of doubling revenue in 3-4 years and sustaining double-digit volume growth, leveraging opportunities from India's expanding tyre and ceramic industries, as well as growing non-rubber demand.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	4,353	6,128	7,846	6,677	8,479
EBITDA	435	562	755	435	861
EBITDA Margin (%)	10.0	9.2	9.6	6.5	10.2
APAT	234	400	549	322	640
EPS (Rs)	7.4	12.6	17.3	9.6	16.3
EPS (% chg)	81.9	70.4	37.0	-44.6	70.2
ROE (%)	22.4	29.0	29.7	10.4	14.5
P/E (x)	65.7	38.6	28.2	50.8	29.9

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-2.6	45.7	50.7	52.6
Rel to Nifty	-0.5	45.4	41.0	49.6

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Navin Fluorine

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Decent earnings growth visibility on a higher base

CMP	MCap (Rs bn)	TP & Rating
Rs4,919	252	Rs5,000 | REDUCE

We hosted Anish Ganatra (CFO)

Key Meeting-Takeaways

- The R32 plant is running at optimal utilization levels after commissioning in Mar-25 (capacity expected to double by next year). The incremental capacity is targeting export markets. The company revised up its capex guidance to Rs7-10bn vs Rs5-6bn previously (no firm plans on R32). The recent QIP shall aid in better availability of capital for funding new R32 capex once finalized.
- Specialty chemicals production running on optimal capacity utilization at both plants (Dahej and Surat). The strong FY26 order book provides comfort on continued growth in this vertical. The fluorospecialty capex commissioned in Dec-24 is now contributing to half of the peak potential in FY26. The company expects start of supplies of 3-4 new molecules in Q2FY26 (POs received).
- Navin had signed a strategic partnership agreement with Chemours for establishing initial capacities for a two-phase immersion cooling fluid (total project capex is Rs1.2bn, of which Chemours will contribute ~36%). Opteon is facing pricing pressure from China.
- The CDMO business vertical has strong revenue visibility, backed by a robust order book for FY26. The company stays on track to achieve its USD100mn guidance. Nubeqa has received approval in the US and EU for an expanded application base, thus providing ramp-up visibility of cGMP-4 once commissioned by Q3FY26-end. The company might launch phase-2 of cGMP4 once there is greater customer visibility. The company has received orders for supplying a late-stage molecule to an EU major in Q2FY26. It expects scale-up in ordering from another EU major in the current quarter. Commercial order delivery may start for the US major in FY26.
- AHF capex of Rs4.5bn at Dahej is expected to be commissioned by Q2FY26-end. NFIL has exclusively tied up with Buss Chemtech AG for manufacturing high-end solar and electronic grade HF.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	20,650	23,494	33,442	39,997	43,113
EBITDA	3,983	5,337	8,160	10,079	11,080
EBITDA Margin (%)	19.3	22.7	24.4	25.2	25.7
APAT	2,184	2,886	4,884	6,261	6,851
EPS (Rs)	44.1	58.2	95.4	122.3	133.8
EPS (% chg)	-41.8	32.0	63.9	28.2	9.4
ROE (%)	9.6	11.5	15.3	15.5	14.9
P/E (x)	111.6	84.5	51.6	40.2	36.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-3.0	13.6	19.7	50.1
Rel to Nifty	-1.0	13.4	12.0	47.2

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PCBL Chemical (Not Rated)

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Resilience and growth

CMP	MCap (Rs bn)	TP & Rating
Rs380	143	NA | NR

We hosted Raj Gupta (CFO)

Key Meeting-Takeaways

- PCBL is leader in the Indian carbon black market. The competitive landscape in India shows oversupply, with supply at 1.8mMT vs demand of 1.1-1.2mMT. Recent capacity addition has outpaced demand growth.
- In the international market, the company has significant room to grow as its market share is lower than that of domestic markets. The company's exports to US and Europe have grown, from 9ktpa to 85ktpa, over the last 3 years. A major competitor (Orion) announced closure of production lines in Europe and North America which has led to export growth. Europe is now 25% of overall exports.
- The management highlight that it is facing pricing pressure due to dumping from Russia (owing to the EU sanction) in the Indian market, though the intensity has moderated. In specialty carbon black, it has achieved 25-30% higher realization vs regular carbon black, while performance segment is seeing 7-10% higher realization.
- The company expects to spend Rs6bn in FY26 on capex across all business (Rs2-2.5bn in Nanovace, Rs1-1.25bn in Aquapharm, and balance in carbon black). The company is developing a new Nanovace facility for advanced battery solutions, with the pilot plant expected to be ready by end-CY25. PCBL received a US patent for nanomaterials designed for next-gen energy storage technology. The new specialty carbon black line will require Rs850-900mn in capex (20ktpa in Mundra and 1ktpa of superconductive grade capacity in Palej).
- The management maintained its EBITDA guidance of Rs3bn for Aquapharm, for FY26 despite the challenges in Q1.
- The management reaffirmed its long-term target of Rs4-5/kg EBITDA improvement over the next 4-5 years.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	26,595	44,464	57,741	64,198	84,043
EBITDA	5,180	6,530	7,312	10,373	13,370
EBITDA Margin (%)	19.5	14.7	12.7	16.2	15.9
APAT	3,136	4,260	4,418	4,909	4,350
EPS (Rs)	4.6	12.6	11.7	13.0	11.5
EPS (% chg)	9.1	177.8	-7.4	11.1	-11.5
ROE (%)	17.2	18.7	16.2	16.1	12.5
P/E (x)	83.5	30.1	32.5	29.2	33.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-10.1	1.6	-1.4	1.3
Rel to Nifty	-8.2	1.4	-7.7	-0.7

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Acme Solar Holdings (Not Rated)

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Forging an integrated renewable and storage ecosystem

CMP	MCap (Rs bn)	TP & Rating
Rs282	171	NA | NR

We hosted the management of Acme Solar

Key Meeting-Takeaways

- Acme Solar currently operates 2.89GW, with 4.08GW under construction. Of this, 2.2GW has seen signed PPAs and is at various stages of completion, while the remaining 1.8GW has secured LOAs with identified tariffs. The company aims to scale up capacity to 7GW by FY27 and ~10GW by FY30. For FY26, it had guided for 450MW of capacity additions, of which 350MW was already commissioned in Q1FY26 (including its first wind project), with the remaining 100MW of wind capacity expected within the year. Additionally, it entered standalone battery storage by signing a 550MWh PPA with NHPC, marking a significant diversification into BESS.
- The 2.2GW capacity with signed PPAs is expected to be commissioned by FY27. Acme has pre-secured connectivity across states like Rajasthan, AP, and Karnataka, mitigating grid delay risks. The entire 4.08GW under-construction portfolio already has grid connectivity in place. Currently, ~86% of the portfolio is backed by central PPAs—up from one-third in FY24 and two-thirds in FY25—ensuring stronger payment security and more efficient working capital management.
- The company has ordered 3.1GWh of batteries from Narada and Trina Energy—covering 50% of the ~6GWh BESS requirement for its 2.2GW contracted capacity, while the total BESS need for its under-construction portfolio stands at ~10GWh. It plans to bring battery units online ahead of the full FDRE component to capture higher merchant prices and explore arbitration opportunities. This approach faces no regulatory hurdles, as storage is not classified as a generation source under the PPA, and all necessary NOCs have been secured.
- The cost of debt for the operational portfolio is currently below 9%, with the company actively pursuing refinancing opportunities that typically yield a ~75–95bps reduction. Recently, it refinanced a 250MW project at a fixed rate of 8.5% for five years, achieving a 95bps interest cost savings. For FY26, the company has guided to a capex target of Rs120–140bn.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	NA	18,923	14,008	22,150	15,752
EBITDA	NA	12,403	11,726	10,892	12,145
EBITDA Margin (%)	NA	65.5	83.7	49.2	77.1
APAT	NA	620	-369	1,234	2,677
EPS (Rs)	NA	5.6	-0.3	62.8	4.6
EPS (% chg)	NA	NM	NM	NM	-92.7
ROE (%)	NA	NM	NM	5.5	7.5
P/E (x)	NA	50.6	NM	4.5	62.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-4.4	27.7	52.5	NA
Rel to Nifty	-2.4	27.5	42.6	NA

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GMR Power & Urban Infra

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Your success is our success

Stable cash generation and growth in core assets to aid balance sheet deleveraging

CMP	MCap (Rs bn)	TP & Rating
Rs118	85	Rs170 | BUY

We hosted Navneet Singh (Group CFO), Amit Jain (Head - Investor Relations), and Ankit Nandu (AGM – Investor Relations)

Key Meeting-Takeaways

- **Stable thermal cashflows:** The operating assets of Warora and Kamalanga (total 1,650MW) are expected to generate stable EBITDA of ~15-16bn annually. Strong PPA tie-ups and coal linkages, coupled with high PLFs of ~90-92%, provide clear visibility in cashflows, which will be sufficient for expected annual debt repayment of ~Rs5bn for these facilities.
- **Thermal expansion:** The management is planning for brownfield expansion of Kamalanga facility by 350MW, with total capex of ~Rs24bn. The commissioning of Kamalanga facility is expected in ~2-3 years.
- **Stable cashflows from smart meters:** The company has already installed 1.4mn smart meters out of its target of 7.5mn, while ~0.8mn smart meters have already been billed. The management guided toward participating in upcoming smart meter bids in Tamil Nadu and Karnataka as and when they open up.
- **Deleveraging in focus:** GPUIL divested its stake in Bajoli Holi and non-operational gas assets (partially) as part of a one-time settlement (OTS), to de-leverage its balance sheet. Additionally, the management expects existing debt reduction to be offset by smart meter debt ahead; however, it guided to significant improvement in net debt/LTM EBITDA.
- **Valuation:** We have BUY on the stock, with a target price of Rs170, based on SOTP of the company's business segments.

Financial Snapshot (Consolidated)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	44,886	63,440	50,796	50,289	48,440
EBITDA	10,915	16,832	21,250	20,306	17,356
EBITDA Margin (%)	24.3	26.5	41.8	40.4	35.8
APAT	-4,148	-4,440	7,181	8,231	7,127
EPS (Rs)	-6.9	-6.2	10.0	11.5	10.0
EPS (% chg)	-	-	-	14.6	-13.4
ROE (%)	15.0	38.1	74.7	46.7	27.8
P/E (x)	-17.2	-19.0	11.8	10.3	11.9

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	3.9	3.5	9.8	14.6
Rel to Nifty	6.2	3.4	2.7	12.3

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HDB Financial Services

Loan growth to accelerate with better margins, lower credit costs

CMP	MCap (Rs bn)	TP & Rating
Rs749	621	Rs900 | BUY

We hosted Jaykumar Shah (CFO), Karthik Srinivasan (CBO), and Vishal Patel (Head IR)

Key Meeting-Takeaways

- The management expects loan growth momentum to pick up from Q2, aided by a stable monsoon, improved rural demand, and the recent rate-cut impact. While Q1 disbursements were seasonally softer, especially in Commercial Vehicles (CVs) and certain consumer durables segments, these are seen as temporary drags. Medium-term growth will be driven by Consumer Finance and steady expansion in Enterprise Lending, with CV volumes recovering gradually.
- The management reiterated that the Q1 credit cost spike to 2.5% was expected, mainly driven by seasonal stress in the CV segment and earlier weakness in unsecured business loans. It expects stabilization in Q2 and gradual improvement thereafter, as macro conditions improve and collections normalize.
- The 30-bps sequential yield expansion in Q1 came from product mix optimization within each segment, and not from lending rate hikes. NIMs are expected to improve further in coming quarters, as maturing high-cost borrowings are replaced by lower-cost debt following the recent RBI rate cuts.
- The management highlighted that cost-to-income (lending business) improved by ~20bps QoQ to 42.7%. While further efficiency gains are expected with scale-up, the branch-heavy, granular retail model (average ticket size: ~Rs0.16mn) will inherently carry higher structural costs than some peers.
- Current reported RoA of 1.94% is depressed owing to idle IPO proceeds (~Rs90bn); adjusted RoA is ~2.02%. The management expects RoA to improve as credit costs ease and NIM benefits materialize, with RoE moving up from the current 13.16%.

Financial Snapshot (Standalone)

(Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net income	62,924	74,456	92,869	112,246	134,722
Net profit	24,608	21,760	27,485	36,613	45,554
EPS (Rs)	31.0	27.3	33.1	44.1	54.9
ABV (Rs)	173.3	198.8	254.0	298.1	353.0
RoA (%)	3.0	2.2	2.3	2.6	2.7
RoE (%)	19.5	14.7	14.4	16.0	16.9
P/E (x)	24.1	27.4	22.6	17.0	13.6
P/ABV (x)	4.3	3.8	2.9	2.5	2.1

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-11.4	NA	NA	NA
Rel to Nifty	-9.5	NA	NA	NA

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Krsnaa Diagnostics (Not Rated)

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Poised to meaningfully improve growth trajectory in FY27

CMP	MCap (Rs bn)	TP & Rating
Rs798	26	NA | NR

We hosted Pawan Daga (CFO) and Vivek Jain (Head, Investor Relations)

Key Meeting-Takeaways

- The management expects to achieve better than industry revenue growth in FY26 (over 15%), driven by new center operationalization and deeper penetration into tier 2/3 towns. Revenue growth is expected to be volume-led, with incremental contribution from the retail and B2B channels.
- The company's Rajasthan project is expected to meaningfully improve its revenue trajectory given the project scale. The management expects revenue additions of ~Rs3bn, with the company's network increasing to 7 reference labs, 41 mother labs, 249 satellite labs, and >5,000 collection centers, thus deepening its presence in pathology. Further, execution of ongoing projects will expand the company's network to >200 CT/MRI centers, thereby cementing its position as one of Asia's Largest Radiology Players.
- The company's strategy is to deepen penetration in existing geographies, scale new retail channels, and leverage cost leadership to capture a larger share of India's diagnostic market, while maintaining strong profitability.
- The company has set a target of expanding its retail network by reaching to 700 exclusive centers (300 now), with focused expansion in the four high-potential states of Maharashtra, Assam, Odisha, and Punjab. The company expects to end FY26 with retail contribution of around 5-8% (6% in Q1).
- In B2B, the company has plans to expand its collaborations, from >850 current partnerships to ~3,500 by FY27E.
- The company is adding pathology to its existing radiology footprint, and expanding its test offerings to >3,200, including advanced genomics and wellness packages. The pathology/radiology mix stood at 53%/47% in Q1 and is expected to remain similar in the near term with maximum limit of 55% for pathology.
- Net receivables days stayed high at ~120 in Q1 due to impact in 2 of its states; the mgmt is hopeful of reducing these to 100 days by year-end and then to the normal level of 75-90 days in FY27.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	6,615	4,698	4,835	6,068	7,074
EBITDA	938	1,315	1,223	1,442	1,901
EBITDA Margin (%)	14.2	28.0	25.3	23.8	26.9
APAT	267	684	621	568	776
EPS (Rs)	284.7	22.9	19.8	17.9	24.0
EPS (% chg)	-	-92.0	-13.6	-9.5	34.3
ROE (%)	153.1	14.9	8.7	7.3	9.2
P/E (x)	2.8	34.9	40.3	44.6	33.2

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-1.8	16.7	1.3	20.0
Rel to Nifty	0.3	16.5	-5.3	17.6

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One97 Communications (Paytm)

Full-stack payments and credit: Scaling up the merchant flywheel with material optionalities

CMP	MCap (Rs bn)	TP & Rating
Rs1,154	737	BUY | Rs1,350

We hosted Anuj Mittal (SVP-Investor Relations) and Anandita Jain (AGM Investor Relations)

Key Meeting-Takeaways

- Paytm's merchant payments flywheel continues to scale up, with subscription-paying device merchants at 13mn and quarterly GMV at Rs5.4tn. The payment-processing margin remained above the 3bps guidance. This industry-leading installed merchant base provides a funnel to cross-sell higher-margin financial services to merchants.
- Contribution margin was ~60% in Q1FY26, aided by low-cost DLG trail revenue that will roll off. The management guides for 56–57% as the DLG book (less than 50% of merchant loans now) winds down with new disbursals, largely non-DLG and over 50% to repeat borrowers with repeat credit disbursing partners.
- The management expects EBITDA to expand as high-margin financial services revenue scales up and indirect expenses grow well below revenue.
- AI is embedded end-to-end—covering onboarding quality checks, real-time fraud and risk engines, conversational support, sharper marketing cohorts, and collections prediction—driving both monetization and operating efficiency at scale.
- Monetization levers span device subscriptions, payment processing, and marketing services (ads, travel ticketing, and co-branded financial products), supported by a large and rising user base (~74mn MTUs in Q1).
- Select international pilots in the Middle East and Southeast Asia are underway to replicate the India merchant-acquiring plus credit-distribution stack, with contribution expected over a multi-year horizon rather than near-term prints.
- The management highlighted additional monetization levers, including higher-margin wallet and BNPL (subject to regulatory approval) and UPI MDR, especially for large-ticket and enterprise transactions. The case for UPI MDR is grounded in cost-recovery for operating and upgrading payment rails.

Financial Snapshot (Consolidated)

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

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

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

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PDS (Not Rated)

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Stronger margins ahead, through AI and sourcing shift

CMP	MCap (Rs bn)	TP & Rating
Rs322	45.5	NA | NR

We hosted Sanjay Jain (Group CEO) and Reenah Joseph (Deputy Group CFO) of PDSL, which primarily deals with trading of garments, investment holding, design, development, marketing, and sourcing and distribution of readymade garments of all kinds and other consumer products worldwide

Key Meeting-Takeaways

- The management expects mid-teen revenue growth for FY26, with improvement in gross margins from H2FY26 supported by sourcing and cost-saving initiatives.
- On the global front, PDSL is realigning near-sourcing from its hubs in Mexico, Egypt, and Turkey for US clients; for the UK clients, the FTA opens up avenues for India-based manufacturing products.
- Despite the short-term headwinds, the company’s order book grew 8% YoY to Rs52bn; it expects the growth momentum to continue for the entire year.
- The company is working with BCG to 1) develop an AI-based pricing model for optimizing costing for fabric and trims, and 2) adopt e-auction platforms with AI capabilities to predict supplier scorecard, financial health, and also account for regional/global prices to improve efficiency of procurement decisions.
- The management is focused on maintaining a strong balance sheet and cash discipline; PDSL’s working capital days improved to 10 in Q1FY26 vs 17 days in Q4FY25. It is also working on reducing deployed working capital by 25-30% vs FY25.
- The company has used ~Rs27.8bn/Rs240mn for debt repayment/Knit Gallery’s acquisition from its QIP proceeds, while utilizing the remainder for other growth opportunities.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	62,129	88,282	105,770	103,727	125,780
EBITDA	2,408	3,334	4,742	4,131	4,806
EBITDA Margin (%)	3.9	3.8	4.5	4.0	3.8
APAT	843	2,484	2,650	1,442	1,569
EPS (Rs)	6.5	19.1	20.2	10.9	11.1
EPS (% chg)	81.7	1,379.1	6.4	(45.9)	4.2
ROE (%)	12.7	30.1	25.9	12.2	10.6
P/E (x)	247.9	16.8	15.8	29.1	28.0

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	(17.7)	(25.7)	(31.5)	(41.4)
Rel to Nifty	(15.9)	(25.8)	(35.9)	(42.5)

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Saregama (Not Rated)

Long life of IP, disciplined payback, and multi-platform monetization

CMP	MCap (Rs bn)	TP & Rating
Rs480	92	NA | NR

We hosted Pankaj Chaturvedi (CFO), Pankaj Kedia (Executive Director – Investor Relations), and Anand Kumar (Executive Director – Investor Relations)

Key Meeting-Takeaways

- Saregama has one of the largest content platforms in the country, with an intellectual property (IP) portfolio of 175k+ songs, 70+ films, 55+ digital series, and 10k+ hours of television content.
- The company monetizes IP from various digital platforms, such as audio streaming platforms, YouTube, etc. With increasing penetration of paid subscribers on streaming platforms, the company is optimistic on the monetization of IP in the medium to long term. The proportion of paid subscribers in streaming services in India is very low and has a large growth runway.
- The company is planning to invest Rs10bn over 3 years for content acquisition. This will allow it to maintain the 25-30% market share in the country. The company has a 5-years breakeven framework for acquiring content. The content, which the company acquires has a long shelf life (up to 60 years); hence, content will continue to generate revenue long after it has been expensed out.
- The company depreciates the acquired content over 10 years, with 36% being depreciated in the first year and 12% in the second year. Most large IP owners globally (such as Universal, Warner Brothers, Sony, etc) follow a similar depreciation policy.
- Competitive intensity in India for IP acquisition is not very high.
- There is enough room in acquiring regional content. Regional content does have a quicker breakeven period; however, the long-term revenue potential is relatively lower. On the other hand, Hindi music has a longer breakeven period, with overall lifetime value also being higher.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	4,420	5,806	7,366	8,030	10,608
EBITDA	1,301	1,871	2,210	2,466	2,931
EBITDA Margin (%)	29.4	32.2	30.0	30.7	27.6
APAT	1,126	1,526	1,853	1,976	2,066
EPS (Rs)	6.5	7.9	9.6	10.2	10.7
EPS (% chg)	-	21.8	21.5	6.6	4.5
ROE (%)	44.5	16.2	13.6	14.1	13.5
P/E (x)	73.8	60.6	49.9	46.8	44.8

Source: Company, Emkay Research (Based on closing share price as on 13-Aug-2025)

Price Performance (%)

	1M	3M	6M	12M
Absolute Returns	-2.2	-11.9	-7.5	-3.3
Rel to Nifty	-0.1	-12.0	-13.5	-5.2

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

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