

RESEARCH**JK CEMENT | TARGET: Rs 5,652 | -12% | SELL**

Valuations pricey well ahead of earnings, downgrade to SELL

KAJARIA CERAMICS | TARGET: Rs 1,200 | -3% | HOLD

Beats Q1 on cost optimisation; D/G to HOLD on rich valuations

BOB ECONOMICS RESEARCH | MONSOON UPDATE

Monsoon and Sowing progress

ULTRATECH CEMENT | TARGET: Rs 14,556 | +16% | BUY

Cost savings remains key focus beyond growth; maintain BUY

DIXON TECHNOLOGIES | TARGET: Rs 21,900 | +36% | BUY

Strong execution; growth triggers ahead

JSW INFRA | TARGET: Rs 340 | +7% | HOLD

Weak start in Q1, guidance intact on strong 2H seasonality

ZENSAR TECHNOLOGIES | TARGET: Rs 599 | -26% | SELL

Uncertainty impacts order inflow. Hopes FY26>FY25

EMS | NOT RATED

Leveraging full lifecycle expertise to ride industry tailwinds

SUMMARY**JK CEMENT**

- Grey cement volumes at 4.98mt (ex-clinker volumes) rose by ~15% YoY, driven by new regions growth in the East and Central India
- EBITDA gains by ~41% YoY on a weak base to ~Rs 6.7bn; EBITDA margin at 21% vs 18% YoY on realisations, cost may inflate in near term
- FY26E/FY27E earnings retained, introduce FY28 earnings, value JKCE at 15x 1YF EV/EBITDA and revise TP to Rs 5,652. Downgrade to SELL

[Click here](#) for the full report.

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KAJARIA CERAMICS

- Weak tiles sales volume in Q1 on a tepid demand environment, but sharp EBITDA beat on the benefit of cost rationalisation projects
- Management expects demand conditions to improve post Q2FY26; full benefit of cost optimisation is expected to flow in the coming quarters
- Downgrade from BUY to HOLD on rich valuation; TP raise by 30% to Rs 1,200 per share

[Click here](#) for the full report.

INDIA ECONOMICS: MONSOON UPDATE

South West monsoon advanced resulting in above normal rainfall at 6% above LPA till 21 Jul 2025. This has pushed sown area of kharif crops higher compared with last year. Pulses, rice and coarse cereals have registered higher acreage. Out of 36, 25 sub-divisions (68% of the country) have received normal to excess rainfall during this period, while 9 states are in the deficient zone. Region-wise, a broad based deviation has been noted across all the regions. East and North eastern India reported deficient rainfall (-23%), followed by Southern Peninsula (-5%) while central (22%) and North Western regions (29%) have reported above normal rainfall. Favorable monsoon supported by strong kharif sowing and higher reservoir storage will continue to aid food inflation in the near term.

[Click here](#) for the full report.

ULTRATECH CEMENT

- Healthy YoY volume growth aids double digit 12% revenue growth despite dent in realisations; capacity utilisation robust at ~79%
- Operating cost per tonne fell to 7% YoY, offsetting weak realisations. EBITDA/t rebound to ~Rs 1,208 despite early monsoon scenario
- Maintain earnings, introduce FY28 earnings with 12% EBITDA growth. Value UTCEM at 18x EV/EBITDA and revise TP to Rs 14,556, retain BUY rating

[Click here](#) for the full report.

DIXON TECHNOLOGIES

- Growth momentum sustains in Q1 as revenue grew 95% YoY /25% QoQ. Mobile division revenue grew 125% YoY/28% QoQ
- Forms multiple JVs to enhance capabilities; confident of offsetting absence of mobile PLI in FY27 through backward integration benefits
- Ascribe 70x to June 27E EPS to arrive at June'26 TP of Rs 21,900; Maintain BUY

[Click here](#) for the full report.

JSW INFRA

- Q1 revenue up 21% YoY, ports revenue grew 8% YoY, led by volume/realisation growth of 6%/2% YoY
- Volume growth led by higher coal at Paradip/Ennore; offset by iron-ore decline; interim ops supported
- Guides 10% volume growth; we cut FY26–27E by 4–7%, introduce FY28E; TP revised to Rs 340 (vs Rs 330).

[Click here](#) for the full report.

ZENSAR TECHNOLOGIES

- 1QFY26 revenue in line, margin a tad disappointing. Right shifting of demand leads to TCV being lower after three consecutive > US\$200mn
- Mid-single digit revenue CC growth in FY26 likely with stable EBIT margins. The latter is commendable despite the salary hike in 2Q.
- Slower revenue growth among tier-2 makes us retain the Target PE multiple at – 17x, 20% discount to that of TCS and reiterate our SELL

[Click here](#) for the full report.

EMS

- Broad expertise across water infra value chain, enabling EMS to execute full-lifecycle projects
- India's water infrastructure poised to benefit from structural tailwinds and long-term policy support
- EMS's execution track record and qualification edge enable access to high-value, performance-linked infrastructure contracts.

[Click here](#) for the full report.

SELL

TP: Rs 5,652 | ▼ 12%

JK CEMENT

| Cement

| 22 July 2025

Valuations pricey well ahead of earnings, downgrade to SELL

- Grey cement volumes at 4.98mt (ex-clinker volumes) rose by ~15% YoY, driven by new regions growth in the East and Central India
- EBITDA gains by ~41% YoY on a weak base to ~Rs 6.7bn; EBITDA margin at 21% vs 18% YoY on realisations, cost may inflate in near term
- FY26E/FY27E earnings retained, introduce FY28 earnings, value JKCE at 15x 1YF EV/EBITDA and revise TP to Rs 5,652. Downgrade to SELL

Milind Raginwar

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Performance push by healthy cement volume growth: JKCE's revenue grew by a healthy ~19% YoY (-5.8% QoQ) at Rs31.5bn, underpinned by 6% YoY gain in realisations and strong grey cement volume growth of ~15% YoY (realisations flat QoQ despite fall in volume) of 4.98mnt. Volume growth was supported by healthy growth in newer regions like eastern India and lower base. Clinker sales also added to revenue performance. Overall revenue included incentives of Rs 800mn and Rs 741mn from the paints business.

Cost remains flat but may reverse in medium term: Total costs remained flat YoY/QoQ at Rs 4,584/t, with energy costs (adjusted for raw material) softened 10%/2% YoY /QoQ to Rs 1,714/t, due to lower fuel prices (Rs 1.53/kcal vs Rs 1.62/kcal YoY). Logistics costs rose 6% YoY to Rs 1,325/t on increased lead distance (+21km YoY to 436km); traded goods costs surged ~90% YoY due to paints sales. Other operating expenses were controlled under Rs ~4.6bn, driven by better operating leverage and lower marketing costs.

EBITDA/margins gain YoY, down QoQ: EBITDA rose ~41% YoY to ~Rs 6.7bn (down ~9% QoQ), with EBITDA margin gaining to 21% from 18% YoY (flat QoQ). EBITDA/t rose to Rs 1,247/t (+23%/-4% YoY/QoQ), helped by realisations gain YoY.

No change in expansion plans: Clinker line capacity at Panna has been increased from 3.3mt to 4mt, due to cooler capacity. The expansion plan at Jaisalmer is ready, however, orders for equipment are yet to be finalised while discussions for limestone lease in Orissa are ongoing.

Downgrade to SELL on steep valuations: We maintain EBITDA estimates for FY26/FY27, owing to a healthy recovery in performance by JKCE. We also introduce FY28 earnings with 12% growth. Our Revenue/EBITDA/PAT CAGR continues to be at 17%/26%/27% over FY25-28E. We believe JKCE's overall performance stays intact, though the valuations run-up is far ahead of earnings. We continue to value JKCE at 15x 1YF EV/EBITDA to arrive at a revised TP of Rs 5,652 (from Rs 5,208). We downgrade JKCE to SELL from HOLD on steep valuations.

Key changes

Target	Rating
▲	▼

Ticker/Price	JKCE IN/Rs 6,416
Market cap	US\$ 5.7bn
Free float	54%
3M ADV	US\$ 8.7mn
52wk high/low	Rs 6,666/Rs 3,891
Promoter/FPI/DII	46%/16%/22%

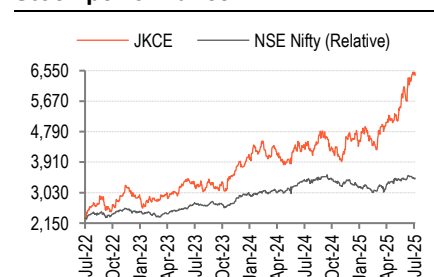
Source: NSE | Price as of 21 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	1,07,079	1,37,737	1,57,880
EBITDA (Rs mn)	15,924	23,889	29,791
Adj. net profit (Rs mn)	8,156	11,542	13,929
Adj. EPS (Rs)	105.6	149.4	180.3
Consensus EPS (Rs)	105.6	142.0	180.0
Adj. ROAE (%)	15.4	18.8	18.2
Adj. P/E (x)	60.8	43.0	35.6
EV/EBITDA (x)	33.7	19.0	15.3
Adj. EPS growth (%)	(2.5)	41.5	20.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



HOLD**TP: Rs 1,200 | ▼ 3%****KAJARIA CERAMICS**

Building Materials

22 July 2025

Beats Q1 on cost optimisation; D/G to HOLD on rich valuations

- Weak tiles sales volume in Q1 on a tepid demand environment, but sharp EBITDA beat on the benefit of cost rationalisation projects
- Management expects demand conditions to improve post Q2FY26; full benefit of cost optimisation is expected to flow in the coming quarters
- Downgrade from BUY to HOLD on rich valuation; TP raise by 30% to Rs 1,200 per share

Utkarsh Nopany

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Mixed Q1: KJC tiles sales volume came below our estimates (+0.7% YoY vs +4.8% estimated) on a muted demand environment; still beats EBITDA estimate by 23.9% given the sharp improvement in operating margin (+134bps YoY to 16.9% vs 13.2% estimated) on the back of an unexpected improvement in gross margin (+75bps YoY) and lower other expense (-61bps YoY due to cost rationalisation). Overall, KJC revenue/EBITDA/APAT grew by 0.6%/9.3%/23.8% YoY in Q1FY26.

Highlights: Tiles sales volume grew by 0.7% YoY in Q1FY26, mainly driven by higher volumes. Despite lower tiles realisation (-1.1% YoY), segment margin improved by 115bps YoY to 13.7% due to a better mix (on account of discontinuation of economy products) and cost rationalisation (promoter voluntarily forgoes salary, sales force integration, lower brand spend). Bathware revenue grew by 0.5% YoY, but EBIT margin improved by 190bps YoY to 4.7%. Nepal JV plant operated at 69% in Q1FY26 (vs 50% rate in Q4FY25), but JV profit has gone down to Rs 9mn (vs Rs 70mn in Q4FY25).

Outlook: KJC guides that domestic demand remains soft due to weak real estate activity, but is expected to improve post Q2FY26. Management believes that the tiles exports scenario is expected to pick up in the coming months. The company has not shared tiles volume and margin guidance for FY26 but expects to see the full benefit of cost rationalisation in the coming quarters. Bathware/adhesive revenue is targeted to grow at 24%/56% YoY in FY26.

Downgrade from BUY to HOLD; TP raise by 30% to Rs 1,200: We expect KJC's EPS to grow at a strong 20.1% CAGR over FY25-FY28E. However, we downgrade our rating from BUY to HOLD, as the positive earnings trigger is already factored in the current rich valuation (trades at 40.0x on 1YF P/E vs pre-Covid 5Y average of 35.0x). We have raised our TP to Rs 1,200 per share (Rs 925 earlier), due to earnings upgrade (+18.7%/+8.6% for FY26E/ FY27E) mainly to factor the benefit of cost savings projects as well as the increase in our target P/E multiple (from 30x to 35x) on Jun'27 estimates (Mar'27 earlier).

Key changes

Target	Rating
▲	▼

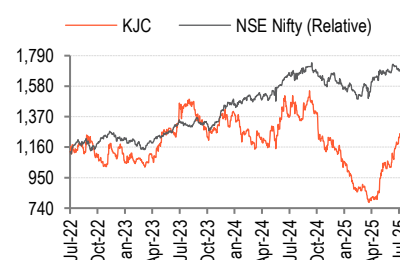
Ticker/Price	KJC IN/Rs 1,242
Market cap	US\$ 2.3bn
Free float	53%
3M ADV	US\$ 7.0mn
52wk high/low	Rs 1,579/Rs 759
Promoter/FPI/DII	47%/13%/27%

Source: NSE | Price as of 22 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	46,351	49,397	53,998
EBITDA (Rs mn)	6,262	7,791	8,637
Adj. net profit (Rs mn)	3,426	4,739	5,336
Adj. EPS (Rs)	21.5	29.7	33.5
Consensus EPS (Rs)	18.5	27.0	33.2
Adj. ROAE (%)	12.5	16.2	16.8
Adj. P/E (x)	57.7	41.7	37.1
EV/EBITDA (x)	31.9	25.8	23.4
Adj. EPS growth (%)	(21.0)	38.3	12.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



MONSOON UPDATE

22 July 2025

Monsoon and Sowing progress

South West monsoon advanced resulting in above normal rainfall at 6% above LPA till 21 Jul 2025. This has pushed sown area of kharif crops higher compared with last year. Pulses, rice and coarse cereals have registered higher acreage. Out of 36, 25 sub-divisions (68% of the country) have received normal to excess rainfall during this period, while 9 states are in the deficient zone. Region-wise, a broad based deviation has been noted across all the regions. East and North eastern India reported deficient rainfall (-23%), followed by Southern Peninsula (-5%) while central (22%) and North Western regions (29%) have reported above normal rainfall. Favorable monsoon supported by strong kharif sowing and higher reservoir storage will continue to aid food inflation in the near term.

Jahnvi Prabhakar
Economist

Where does Kharif sowing stand?

As of 18th Jul 2025, overall sown area has improved by 4.1% compared with last year. Total sown area of coarse cereals and rice have registered a robust growth of 13.6% and 12.4% respectively. Higher acreage has also been noted for pulses, with double digit growth noted in moong. In contrast, lower sown area has been noted for oilseeds owing to soybean. Additionally, lower acreage has also been noted for both cotton and jute and mesta which has declined by (-) 3.4% and (-) 2.1% respectively for the same period.

Table 1: Kharif Sowing

	Area sown in 2024-25 (lakh ha)	Area sown in 2025- 26 (Lakh ha)	Growth (YoY %)
Coarse Cereals	117.66	133.65	13.6
Rice	157.21	176.68	12.4
Pulses	80.13	81.98	2.3
Oilseeds	162.8	156.76	(3.7)
Cotton	102.05	98.55	(3.4)
Sugarcane	54.88	55.16	0.5
Jute and Mesta	5.65	5.53	(2.1)
All Crops	680.38	708.31	4.1

Source: CEIC, Bank of Baroda | Data as of 18 Jul 2025

Monsoon:

For the period 1 Jun 2025 to 21 Jul 2025, South West Monsoon is 6% above LPA compared with last year.

- Major part of the Northern and Central region such as Madhya Pradesh, Haryana, Uttar Pradesh and Rajasthan have been witnessing heavy rainfall during this period.



BUY**TP: Rs 14,556 | ▲ 16%****ULTRATECH CEMENT**

Cement

22 July 2025

Cost savings remains key focus beyond growth; maintain BUY

- **Healthy YoY volume growth aids double digit 12% revenue growth despite dent in realisations; capacity utilisation robust at ~79%**
- **Operating cost per tonne fell to 7% YoY, offsetting weak realisations. EBITDA/t rebound to ~Rs 1,208 despite early monsoon scenario**
- **Maintain earnings, introduce FY28 earnings with 12% EBITDA growth. Value UTCES at 18x EV/EBITDA and revise TP to Rs 14,556, retain BUY**

Milind Raginwar

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Growth maintained: UTCES reported a 12% YoY revenue growth (-7% QoQ) at ~Rs 196.3bn in Q1FY26, driven by healthy volume growth (including India Cements contribution). Volumes (ex-white cement of 0.47mn mnt) were 34.8mn mnt, reflecting a robust ~14.0% YoY growth (-5% QoQ), driven by pan-India presence and contributions from Kesoram (1.58 mnt) and India Cements (2.18 mnt). Grey cement realisation fell ~3% YoY (+3% QoQ) to Rs 4,878/t, given UTCES's regional mix, with price hikes concentrated in the southern and eastern regions. Capacity utilisation remained strong at ~79%, despite early monsoons.

Cost savings of 7% commendable: Operating costs/tonne fell ~7%/2% YoY/QoQ to Rs 4,439/t, off setting realisation drop. Energy costs (adjusted for raw material costs) fell 6%/2% YoY/QoQ to Rs 2,265/t, as fuel rate declined to Rs 1.78/kcal vs Rs 2.00/kcal YoY and a higher green energy share (38% vs 28% YoY). Logistics costs dropped 7%/5% YoY/QoQ to Rs 1,158/t, aided by a reduction in primary lead distance to 370 km from 386 km YoY. Other expenses savings were flat YoY. Effectively, this helped EBITDA margin to stay elevated at 21.4% vs 17% and EBITDA/tn at Rs1,208 vs Rs979 in Q1FY26.

Expansion on course: UTCES's capacity reached 186mt with 3.5mt commissioned in Q1FY26. An additional ~10 mt is slated for commissioning by Q4FY26, targeting 209mt by FY27. Kesoram integration is nearly complete, with financial consolidation in FY25. Brownfield expansion opportunities for India Cements are identified for Phase 4 and 5 capex plans.

Valuation outlook: We maintain our FY26/FY27 EBITDA and PAT, given UTCES's healthy performance. Our FY25-FY28E Revenue/EBITDA/PAT CAGR is baked in at 14%/28/28%. UTCES is well geared for short-term industry challenges and is focused on cost savings, which is the correct strategy. Recovery in FY27 will continue as we introduce our FY28 earnings with 12%/11% EBITDA/PAT growth. Given the effective cost management, healthy growth and a strong balance sheet, we assign UTCES 18x multiple (earlier 17x) 1YF EV/EBITDA to arrive at TP of Rs14,556 (from Rs 13,919) and maintain our BUY rating on the stock.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	UTCES IN/Rs 12,577
Market cap	US\$ 42.1bn
Free float	40%
3M ADV	US\$ 38.7mn
52wk high/low	Rs 12,714/Rs 10,048
Promoter/FPI/DII	60%/15%/17%

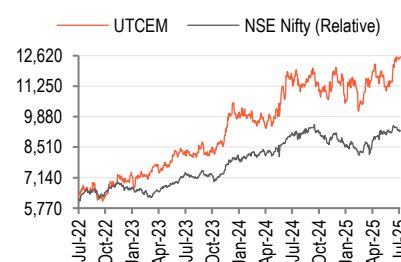
Source: NSE | Price as of 21 Jul 2025

Key financials

Y/E 31 Mar	FY25P	FY26E	FY27E
Total revenue (Rs mn)	7,18,950	8,51,131	9,69,109
EBITDA (Rs mn)	1,20,959	1,84,444	2,26,349
Adj. net profit (Rs mn)	62,267	92,020	1,17,715
Adj. EPS (Rs)	215.7	318.8	407.8
Consensus EPS (Rs)	215.7	309.9	400.1
Adj. ROAE (%)	9.7	12.6	14.6
Adj. P/E (x)	58.3	39.5	30.8
EV/EBITDA (x)	29.7	19.1	15.8
Adj. EPS growth (%)	(1.4)	47.8	27.9

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE



BUY

TP: Rs 21,900 | ▲ 36%

DIXON TECHNOLOGIES

Consumer Durables

23 July 2025

Strong execution; growth triggers ahead

- **Growth momentum sustains in Q1 as revenue grew 95% YoY /25% QoQ. Mobile division revenue grew 125% YoY/28% QoQ**
- **Forms multiple JVs to enhance capabilities; confident of offsetting absence of mobile PLI in FY27 through backward integration benefits**
- **Ascribe 70x to June 27E EPS to arrive at June'26 TP of Rs 21,900; Maintain BUY**

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Performance beat on all fronts: DIXON Q1 performance beat on all fronts. Revenue/EBITDA were 21%/23% ahead of our estimates. Revenue grew 95% YoY/25% QoQ, led by a strong 121% YoY growth in the Mobile & EMS division. The non mobile division saw a revenue decline of 15% YoY/25 QoQ. EBITDA margin was flat YoY (-50bps QoQ) to 3.8% (in line with estimates), absolute EBITDA grew 95% YoY/9% QoQ.

Mobile Phones & EMS sustains YoY growth trajectory: Mobile and EMS segment delivered 95% YoY/25% QoQ revenue growth. Growth was led by client additions, strong hearables/wearables revenue (Rs 1.8bn vs Rs 720mn YoY), and a sharp rise in telecom revenue to Rs 14.1bn (vs Rs 4.2bn YoY). Ismartu contributed Rs 20bn (vs Rs 11bn QoQ). Segment EBIT margin expanded 10bps YoY to 3.4% (-40bps QoQ). Q1FY25 mobile volumes stood at ~9.5mn units. Management maintains a guidance for Rs 40–43mn in FY26 and 60–65mn in FY27, aided by anchor clients and the Vivo JV starting Q4FY26.

CE and appliances continued to decline; hopeful for a recovery: Consumer Electronics (CE) segment reported a revenue decline of 21% YoY (-2% QoQ). We believe the decline was largely on account of market share (MS) loss in the LED TV segment and sustained structural challenges in the industry (demand deceleration globally). DIXON is working on various fronts to fix the market share loss such as an expanding product portfolio, backwardly integrating to offer better pricing and looking for large strategic relationships. Lighting products revenue declined 17% YoY to Rs 1.9bn, as the segment continues to witness pricing pressure. The company is optimistic on its 50:50JV with Signify and has received an export order from a large US retailer for strips and rope lights.

Revise estimates, maintain BUY: We raise our FY26/27E EPS by 8%/5% on sustained mobile growth and upcoming backward integration. Introduce FY28, roll forward to June-27 EPS; maintain 70x multiple to arrive at TP of Rs 21,900. Maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	DIXON IN/Rs 16,112
Market cap	US\$ 11.1bn
Free float	66%
3M ADV	US\$ 83.8mn
52wk high/low	Rs 19,149/Rs 10,620
Promoter/FPI/DII	34%/12%/24%

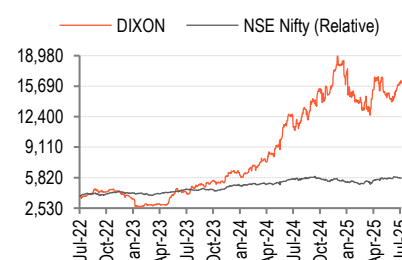
Source: NSE | Price as of 22 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	3,88,601	5,39,363	7,59,770
EBITDA (Rs mn)	15,076	20,679	31,353
Adj. net profit (Rs mn)	6,356	10,270	17,171
Adj. EPS (Rs)	106.7	172.5	288.4
Consensus EPS (Rs)	135.0	195.0	256.0
Adj. ROAE (%)	27.0	29.2	35.2
Adj. P/E (x)	151.0	93.4	55.9
EV/EBITDA (x)	63.6	46.4	30.6
Adj. EPS growth (%)	72.8	61.6	67.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



HOLD

TP: Rs 340 | ▲ 7%

JSW INFRA

| Logistics

| 23 July 2025

Weak start in Q1, guidance intact on strong 2H seasonality

- Q1 revenue up 21% YoY, ports revenue grew 8% YoY, led by volume/realisation growth of 6%/2% YoY
- Volume growth led by higher coal at Paradip/Ennore; offset by iron-ore decline; interim ops supported
- Guides 10% volume growth; we cut FY26–27E by 4–7%, introduce FY28E; TP revised to Rs 340 (vs Rs 330).

Vineet Shanker

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Weak volume growth at ports (+6% YoY): JSWINFRA reported a muted performance in Q1FY26, with revenue and EBITDA missing our estimates by 3% and 7%, respectively. Consolidated revenue rose 21% YoY to Rs 12.2bn, driven by the Navkar acquisition. Ex-Navkar, revenue grew 8% YoY, but declined 6% QoQ, supported by 6% YoY volume growth (-6% QoQ) and 2% YoY improvement in realisations (flat QoQ). EBITDA grew 13% YoY to Rs 5.8bn, though margins contracted 350bps YoY to 47.5% given the inclusion of the lower-margin Navkar business. Reported PAT stood at Rs 3.8bn, up 29% YoY. However, after adjusting for a Rs 363mn forex gain that reduced finance costs, underlying PAT growth stood at 19% YoY at Rs 3.5bn.

Q4 volume grew 6% YoY (-6% QoQ), ex-interim operations at Tuticorin & JNPT liquid volume grew 1% YoY (-7% QoQ): Q1FY26 volumes grew 6% YoY to 28.1mnt, driven by higher coal handling at Paradip and Ennore, along with volume improvement in incremental contribution from Tuticorin and JNPA liquid terminals (~1.3mn tons). Jaigarh reported a volume decline of 4% YoY, while Dharamtar volume grew 9% YoY. Combined volume reported muted volume growth of 2% YoY, indicating weak cargo movement from the anchor customer. Third-party cargo volumes grew 11% YoY to 15.3mn tons, with share rising to 52% from 50% last year, reflecting continued diversification.

Guidance intact despite tepid volume growth, capacity expansion target (~400mnt by FY30) on track: Management has guided for ~10% volume growth in FY26, driven by the ramp-up at Paradip, capacity expansion at Southwest Port, Goa (from 8.5mnt to 11mnt in Q4), and interim operations at Tuticorin and JNPA liquid terminals. The plan to scale capacity from 177mnt (FY25) to 400mnt by FY30E remains on track, with key projects including Tuticorin (Q4FY26), JNPA liquid (Q2FY26), Jaigarh LPG (Q1FY27), and Dharamtar/Jaigarh expansions (Q4FY27).

Maintain HOLD: We cut FY26–27E estimates by 4–7% on lower group cargo volumes and introduce FY28. Rolling forward to June-27 EBITDA and valuing at 25x, we have revised our TP to Rs 340 (from Rs 330). Maintain HOLD.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	JSWINFRA IN/Rs 317
Market cap	US\$ 7.5bn
Free float	13%
3M ADV	US\$ 10.4mn
52wk high/low	Rs 355/Rs 218
Promoter/FPI/DII	86%/4%/3%

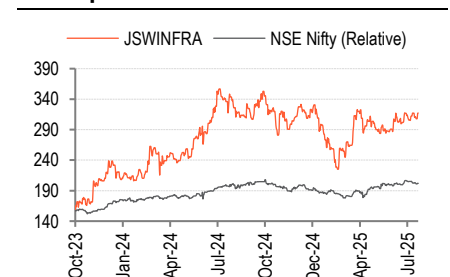
Source: NSE | Price as of 22 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	44,761	52,919	59,251
EBITDA (Rs mn)	22,622	25,401	28,477
Adj. net profit (Rs mn)	15,031	14,449	15,410
Adj. EPS (Rs)	7.3	7.0	7.5
Consensus EPS (Rs)	0.0	0.0	0.0
Adj. ROAE (%)	17.0	14.0	13.3
Adj. P/E (x)	43.6	45.4	42.6
EV/EBITDA (x)	30.4	27.1	24.5
Adj. EPS growth (%)	21.0	(3.9)	6.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



SELL

TP: Rs 599 | ▼ 26%

**ZENSAR
TECHNOLOGIES**

| IT Services

| 23 July 2025

Uncertainty impacts order inflow. Hopes FY26>FY25

- 1QFY26 revenue in line, margin a tad disappointing. Right shifting of demand leads to TCV being lower after three consecutive > US\$200mn
- Mid-single digit revenue CC growth in FY26 likely with stable EBIT margins. The latter is commendable despite the salary hike in 2Q.
- Slower revenue growth among tier-2 makes us retain the Target PE multiple at – 17x, 20% discount to that of TCS and reiterate our SELL

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Revenue in line: Revenue stood at US\$162mn reflecting a QoQ growth of 1.9% in CC terms and YoY growth of 3.8%. Vertical Performance - QoQ CC revenue growth: 5.5% in TMT; 2.9% in BFSI; 5.2% in HLS; -4.1% in MCS. Geographical Performance - QoQ CC revenue growth - USA: +4.3%; UK/ EU: -5.8%; South Africa 1.5%. EBIT margin came in lower than expected largely due to higher SGA costs QoQ.

Continued uncertainty impacts TCV: After delivering 3 consecutive quarters of >US\$200mn in TCV in order inflow, 1QFY26 came in at US\$174mn. ZENT says that continued uncertainty led to the right shifting of demand.

Choosing its large contracts carefully has helped it maintain margins despite a salary hike: The CEO stated that instead of fighting for RFP-based cost-take-out contracts which are very competitive in nature, ZENT has been proactively building solutions for its client and hence avoiding big margin pressure. That has led it to give a salary hike for its entire employee base starting 1 July 2025. Unlike many of its peers.

First order and second order impact of Tariffs: Tariff-related pressures are directly impacting the manufacturing and consumer sectors as a first-order effect. However, if consumer weakness deepens, second-order effects could spread to sectors like banking, financial services, credit cards, and mortgages

Unlikely to be in leader's quadrant by FY27: When the current CEO stepped in, he aspired for ZENT to move up one quadrant a year at a time from a revenue growth standpoint to the leaders quadrant in year 4(FY27). FY24 being the first year, it was at bottom most quadrant – on revenue growth- but focused on getting margins to peer matching levels. That happened rather quickly in FY24. Getting into the leader's quadrant by FY27 would require buildup of both sales and delivery muscle and significant capabilities in efficiency-based projects. ZENT is yet to generate confidence in us to get to the leader's quadrant in growth by FY27 and hence our 20% discount to the target PE of industry benchmark TCS and retention of the SELL rating. We have broadly maintained our estimates for FY27/FY28.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	ZENT IN/Rs 811
Market cap	US\$ 2.1bn
Free float	50%
3M ADV	US\$ 10.3mn
52wk high/low	Rs 985/Rs 536
Promoter/FPI/DII	49%/15%/21%

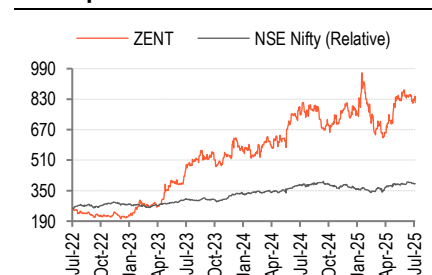
Source: NSE | Price as of 22 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	52,806	56,990	62,815
EBITDA (Rs mn)	8,166	8,865	9,832
Adj. net profit (Rs mn)	6,498	6,946	7,773
Adj. EPS (Rs)	28.4	30.5	34.2
Consensus EPS (Rs)	28.4	31.8	36.0
Adj. ROAE (%)	17.5	16.8	17.2
Adj. P/E (x)	28.6	26.6	23.7
EV/EBITDA (x)	21.7	20.0	18.0
Adj. EPS growth (%)	(2.5)	7.4	12.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



NOT RATED**EMS**

| Infrastructure

| 22 July 2025

Leveraging full lifecycle expertise to ride industry tailwinds

- **Broad expertise across water infra value chain, enabling EMS to execute full-lifecycle projects**
- **India's water infrastructure poised to benefit from structural tailwinds and long-term policy support**
- **EMS's execution track record and qualification edge enable access to high-value, performance-linked infrastructure contracts.**

Vineet Shanker
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Experience across water supply and sewerage infra development: EMS Ltd is an EPC company with integrated O&M capabilities, specialising in water and wastewater treatment, sewage networks, civil construction, and electrical T&D. It is among the few players in India with end-to-end capabilities in both sewage laying and STP execution, enabling it to bid for large, bundled infrastructure projects with long-term O&M components. Founded by Mr. Ramveer Singh, a former UP Jal Nigam official (1984–2006), EMS draws from his extensive public-sector experience in STP projects across Meerut, Gautam Budh Nagar, and Ghaziabad. Post voluntary retirement, he entered the private sector, initially executing government contracts as a subcontractor—paving the way for EMS Ltd.

India's water & sewerage infra sector is supported by strong structural tailwinds: India's rapid urbanisation has led to mounting water stress, driving a shift toward sustainable and energy-efficient water management. Despite rising sewage generation, only 17% is effectively treated (CPCB), leaving over 80% untreated. Indian policies are increasingly aligned with UN SDGs (SDG 6 & 13), promoting circular water use and efficient STPs. Policy initiatives like AMRUT 2.0 (total outlay of Rs 3 trn), Jal Jeevan (budgeted allocation of ~Rs 700 bn), and Namami Gange II (total outlay of Rs 225 bn) provide strong tailwinds and long-term funding visibility.

EMS well positioned in sewerage infra: India's water infrastructure sector is fragmented at the lower end, but presents high entry barriers in larger, integrated projects. While small municipal contracts (Rs 100–500 mn) are dominated by local players with limited qualification requirements, the Rs 1–5 bn segment and above (Rs 3–10bn) requires strong technical and financial credentials, especially for bundled EPC + O&M contracts. EMS Ltd operates in this mid-to-large project space, with demonstrated capabilities in integrated execution and lifecycle management. It has also executed design-based PPP-format projects involving advanced technologies. EMS's positioning in this high-barrier segment offers better project visibility, margin stability, and long-term growth potential, aligned with rising infrastructure investments in the water sector.



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SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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