

# High Conviction Mid Cap Model Portfolio (FY27)



## Basket Snapshot

| Sr No | Stock                      | Rating | Weightage | CMP *<br>(9-June) | Market Cap *<br>(Rs. Cr) (9-June) | Return on Equity<br>(FY26 ROE%) | Price to Earnings Ratio*<br>(PER) (9-June) |
|-------|----------------------------|--------|-----------|-------------------|-----------------------------------|---------------------------------|--|
| 1     | Tata Technologies          | BUY    | 20%       | 745               | 30,251                            | 14.60%                          | 55.19                                      |
| 2     | Aurionpro Solutions        | BUY    | 20%       | 766               | 4,238                             | 13.10%                          | 19.70                                      |
| 3     | Bank of India              | BUY    | 20%       | 148               | 67,213                            | 14.90%                          | 6.52                                       |
| 4     | Dixon Technologies (India) | BUY    | 20%       | 11,611            | 70,943                            | 37.10%                          | 49.07                                      |
| 5     | IndusInd Bank Ltd          | BUY    | 20%       | 923               | 71,886                            | 3.64%                           | 80.95                                      |

\*CMP, Mcap & PER are as of closing price on 9<sup>th</sup> June, 2026

1. **Rationale:** The model portfolio consists of 5 mid-cap stocks. Each constituent has been selected based on fundamental analysis, with a documented investment rationale covering business model, financial performance, valuation metrics, and recent developments.
2. **Methodology:**
  - The constituent securities of this model portfolio are selected from the basket of stocks whose market capitalization lies in the range of Rs. 10,000 crores to Rs. 1,50,000 crores.
  - The selection process is based solely on fundamental research. Key evaluation parameters include an assessment of the company's business model and product offerings, analysis of historical financial statements, financial and valuation ratios, and recent business developments over the last 4 to 12 quarters.
3. **Launch Date: 10th June, 2026**
4. **Update Date:** The model portfolio is rebalanced quarterly, following the conclusion of each earnings season. Rebalancing occurs four times in a financial year, as outlined below:
  - Q1 (April–June): Rebalanced by end–August, post earnings season (July to mid–August)
  - Q2 (July–September): Rebalanced by end–November, post earnings season (October to mid–November)
  - Q3 (October–December): Rebalanced by end–February, post earnings season (January to mid–February)
  - Q4 (January–March): Rebalanced by end–May, post earnings season (April to end–May)
  - Rebalancing dates are aligned with the earnings disclosure timelines of listed companies to reflect the most recent financial and business developments.
5. **Type of model portfolio:** This is an equity-only, mid-cap model portfolio comprising stocks selected exclusively from the Nifty Midcap 150 index.
6. **Weightage:** The model portfolio consists of 5 stocks; each assigned an equal weight of 20%.
7. **Investment Horizon:** 1 year
8. **Frequency:** The model portfolio is updated at predefined quarterly intervals, aligned with the conclusion of each corporate earnings season.
9. **Risk Disclosures:** Investments in equity securities are subject to market risks, including price volatility, economic and political uncertainties, interest rate fluctuations, and sector-specific developments. Past performance is not indicative of future results. There is no assurance of returns or capital protection. Investors are advised to consider their risk tolerance and investment objectives before acting on this model portfolio.
10. **Benchmarking:** The performance of this model portfolio will be benchmarked against the Nifty Midcap 150 index.

# Tata Technologies Ltd

## Investment Rationale

- Tata Technologies exited FY26 on a strong note with automotive segment showing renewed momentum. Following a subdued first half impacted by tariff-related uncertainties, delayed client decision-making and postponement of large vehicle programs, management highlighted a meaningful improvement in customer spending patterns and deal conversion during H2FY26.
- Management has guided for double-digit organic revenue growth, excluding contributions from ES-Tec, indicating a healthy underlying demand environment and execution strength in the core business. On the profitability front, the guided recovery in operating margins to ~18% by FY27. Importantly, the firm has demonstrated a consistent track record of sustaining 18%+ margins since FY22, with FY26 expected to be a one off.
- The company closed two large deals while indicating another two are expected to be closed in H1FY27, providing multi-year, multi-domain programs, extending 18 to 36 months.
- Aerospace segment continues to be one of the fastest-growing segments within Tata Tech's portfolio and a key diversification pillar beyond automotive. The company has successfully expanded its presence across aerostructures, propulsion systems, manufacturing engineering, MRO, digital industrialization and factory digitization. Management expects aerospace to remain a sustained double-digit growth driver over the medium term.



## Investment Rationale

- Further, within the aerospace segment, The company has secured engagements with leading North American aerospace propulsion manufacturers and continues to benefit from increasing aerospace manufacturing activity within the Tata Group ecosystem.
- The Industrial Heavy Machinery segment continues to demonstrate healthy growth supported by demand across predictive maintenance, digital transformation, PLM, manufacturing engineering and MRO engagements.
- A key strategic development during FY26 was the acquisition of ES-Tec for Euro 75 million, which significantly strengthens Tata Technologies' capabilities in embedded software, ADAS, connected vehicle technologies and software-defined vehicle engineering. The acquisition provides access to Volkswagen as a strategic customer, expands the company's engineering footprint in Germany and improves its positioning in higher-value software-led engineering programs. Management expects ES-Tec to enhance customer diversification, deepen relationships with European OEMs and create meaningful cross-selling opportunities across the combined customer base.
- The BMW joint venture continues to scale ahead of expectations and has evolved into a strategically important growth platform. The venture surpassed 1,500 engineers during FY26 and has already enabled Tata Technologies to secure direct framework agreements with BMW in Europe. The JV enhances the company's capabilities in premium automotive engineering, software-defined vehicle development and next-generation mobility programs, while strengthening its credibility with global OEMs.
- Tata Technologies is also increasingly embedding artificial intelligence across workflows through its proprietary Chromosome AI platform. The company is leveraging generative and agentic AI technologies to compress product development timelines, improve quality and create a differentiated value proposition for global OEMs seeking China-like speed and cost competitiveness while maintaining global engineering standards.
- We believe Tata Technologies is well positioned to benefit from the ongoing recovery in global automotive R&D spending, increasing adoption of software-defined vehicles, growing aerospace outsourcing opportunities and rising demand for digital engineering solutions. Supported by a stronger order book, improving customer diversification, growing embedded software capabilities and expanding presence in aerospace, we believe the company is entering a new phase of sustainable growth and margin expansion.
- Key catalysts include: ramp-up of recently won full-vehicle engineering programs, successful integration of ES-Tec continued scaling of the BMW joint venture, sustained aerospace growth, expansion of embedded software and SDV engineering services, and recovery in global automotive product development.

## About the company



- Tata Technologies Ltd., established in 1994, is a leading global engineering research and development (ER&D) services company focused on product engineering and digital transformation for the mobility and manufacturing sectors. A part of the Tata Group, the company provides outsourced engineering services and technology-led solutions to global original equipment manufacturers (OEMs) and Tier-1 suppliers across automotive, aerospace, and industrial machinery domains.
- The company operates through a hybrid onshore-offshore delivery model with over 12,500 professionals across 20 global delivery centers, including facilities in North America, Europe, and Asia-Pacific. Offshore hubs in India and Romania enable cost-effective execution, while client-facing teams in the US, UK, Germany, and France ensure high customer proximity and responsiveness. Anchor clients include Tata Motors and Jaguar Land Rover, which together contributed ~50% of FY24 revenue, with the balance from diversified global OEMs such as Airbus, Honda, Ford, and McLaren.
- Tata Technologies offers end-to-end ER&D capabilities, including concept design, simulation, validation, manufacturing engineering, embedded systems, and aftersales solutions. The company also provides technology solutions through the resale and implementation of third-party software (PLM, MES, ERP) and operates a digital education platform (iGetIT) that supports skilling and curriculum modernization for government industrial training institutes (ITIs) and enterprises.
- Tata Technologies is uniquely positioned as the only Indian ER&D firm capable of delivering full-vehicle development, including both mechanical systems and embedded software integration. Its global competitiveness is further enhanced by proprietary platforms such as eVMP (Electric Vehicle Modular Platform), FactoryMagix, and AMP.IOT, and by strategic partnerships with leading technology firms such as Intel, Arm, AWS, and NXP.
- As of FY26, the company continues to expand its footprint in embedded systems and digital engineering, with a fast-scaling joint venture with BMW Group (BMW TechWorks India Pvt. Ltd.) and strategic collaborations in battery development and smart manufacturing. Further, the acquisition of ES-Tec for € 75 million significantly strengthens the company's capabilities in embedded software, ADAS, connected vehicles technologies. Tata Technologies combines deep industry expertise, scalable delivery, and cost-efficient innovation to support the evolving digital and electrification needs of the global manufacturing sector.

## Business Segment

Tata Technologies Ltd. operates as a global engineering research and development (ER&D) services provider with a diversified service portfolio addressing the automotive, aerospace, and industrial machinery sectors. Its business is structured into two primary verticals: Services and Technology Solutions, with the Services segment being the core revenue driver.

**1) Services (77% of FY26 Revenue):** This segment encompasses comprehensive ER&D solutions offered across the entire product development lifecycle—from concept design and engineering to validation, manufacturing integration, and post-sales support. The services vertical is delivered through 20 global delivery centers across North America, Europe, and Asia Pacific, with a balanced onshore-offshore model enhancing speed, scalability, and cost competitiveness.

- **Automotive:**

- Tata Technologies' automotive capabilities span mechanical, electrical, and embedded domains, supporting OEMs & Tier-suppliers across:
- Product Engineering: Full vehicle development, chassis, body, and powertrain design from concept to production.
- Value Engineering: Cost benchmarking, design optimization, and component localization.
- Digital & Lean Manufacturing: Integration of PLM, ERP, MES, and IoT systems to enable Industry 4.0 adoption.
- Software & Embedded Systems: Development of infotainment platforms, telematics, ePowertrain solutions, BMS, autonomous features, and digital cockpit systems.
- Turnkey Solutions: End-to-end execution for model facelifts and new vehicle programs, including digital twins and virtual validation.

- **Aerospace:**

- A growing vertical contributing 3% of revenues in FY24, with expectations of significant scale-up. Offerings include:
- Structural Design: Wings, fuselage, empennage, and landing gear systems.
- Manufacturing Engineering: Tooling, MRO (maintenance, repair, overhaul), interiors, and virtual validation.
- Digital Transformation: PLM upgrades, automated manufacturing systems, and supply chain modernization.
- Tata Technologies is empaneled as an EMES3 strategic supplier for Airbus, supporting programs in North America and Europe.

- **Transportation & Construction Heavy Machinery (TCHM):**

- The company partners with manufacturers of off-highway and industrial machinery—such as mining equipment, agricultural vehicles, and construction machines—offering services in:
- Product Design: Styling, vehicle architecture, and machine localization.
- Systems Integration: Powertrain and hydraulic systems, electrical integration, and emission compliance.
- Manufacturing Support: Support for localization, prototyping, and plant-level process improvements.

## Business Segment

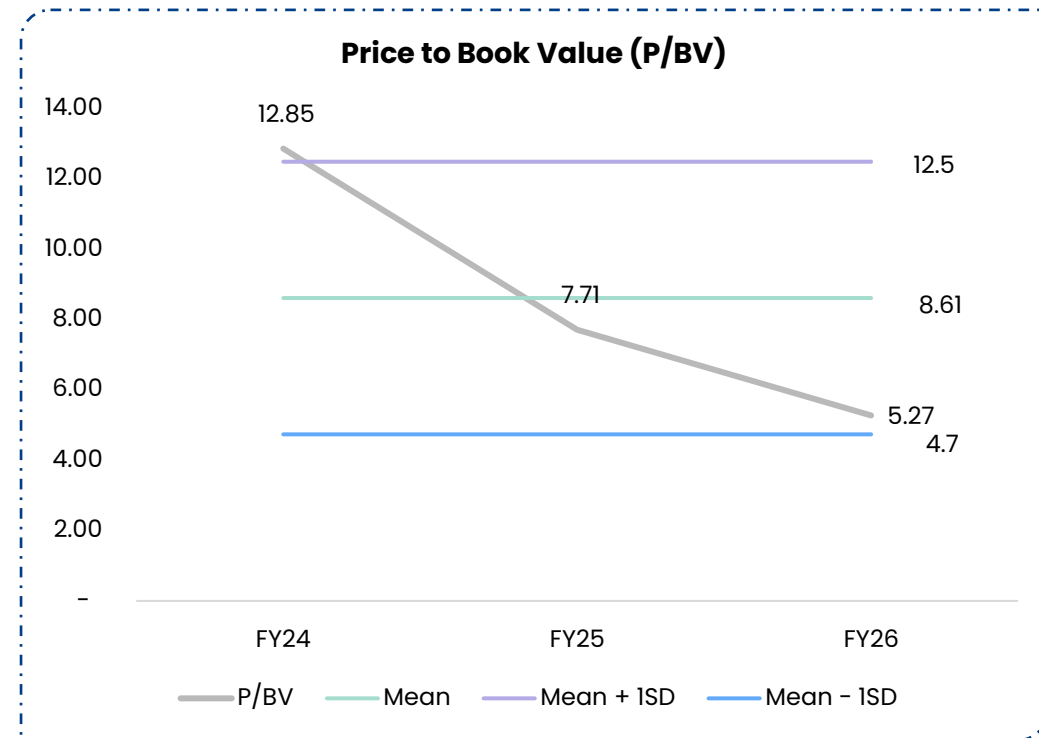
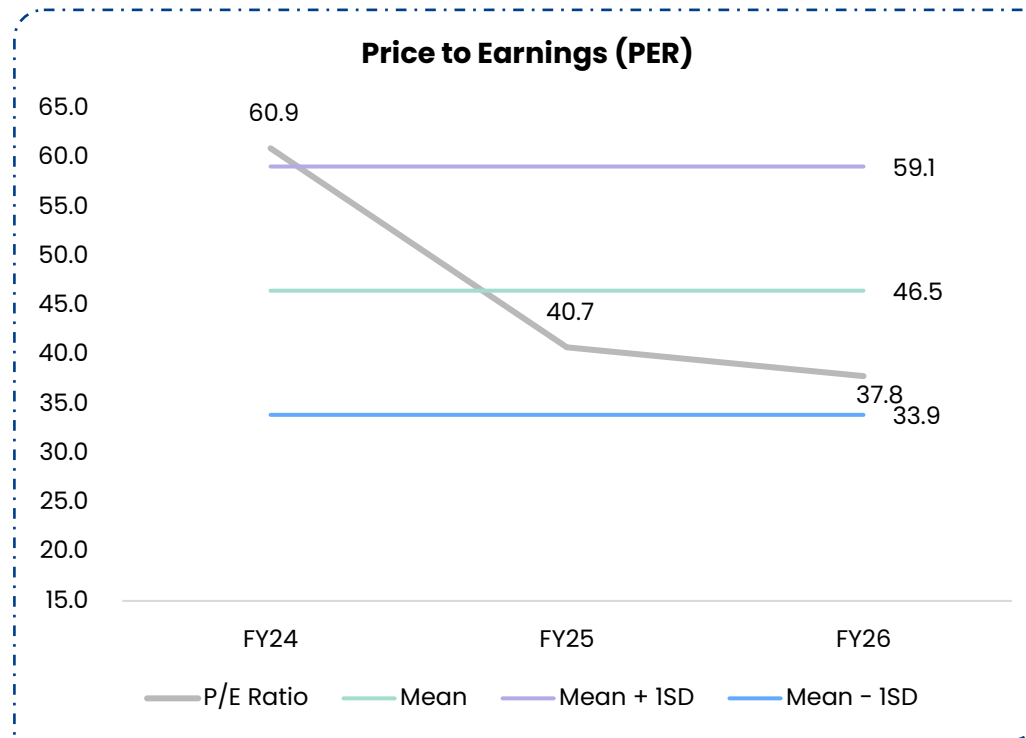
### 2) Technology Solutions (23% of FY26 Revenue):

This segment complements core engineering services by offering software product sales and education-based solutions, enhancing client stickiness and value delivery.

- **Product Reselling and System Integration:** Tata Technologies partners with global software providers such as Dassault Systèmes, Siemens, SAP, and PTC to resell and integrate solutions in: Product Lifecycle Management (PLM), Manufacturing Execution Systems (MES), and Enterprise Resource Planning (ERP). The company provides end-to-end implementation, training, and post-deployment support for these platforms.
- **Education and Skilling Services:** Through its proprietary iGetIT platform, Tata Technologies delivers technical upskilling programs for both enterprise and academic institutions. The platform offers 2,000+ self-paced modules across: MCAD, PLM, and advanced engineering tools and Next-gen skills in AI, simulation, SDVs, and digital manufacturing. Tata Technologies has formal partnerships with six Indian state governments to modernize 286+ Industrial Training Institutes (ITIs), converting them into Centers of Excellence. These programs focus on bridging the talent gap for Industry 4.0 and smart manufacturing.



## Story in Charts



## Ratio Analysis

| Ratios                          | FY22  | FY23  | FY24  | FY25  | FY26  |
|---------------------------------|-------|-------|-------|-------|-------|
| EPS                             | 10.77 | 15.38 | 16.75 | 16.69 | 13.47 |
| P/E                             | -     | -     | 60.94 | 40.74 | 37.80 |
| P/BV                            | -     | -     | 12.85 | 7.71  | 5.27  |
| Du Pont Analysis                |       |       |       |       |       |
| (a) Net Profit / Sales          | 0.12  | 0.14  | 0.13  | 0.13  | 0.10  |
| (b) Sales / Total Assets        | 0.91  | 0.94  | 0.95  | 0.84  | 0.71  |
| (c) Total Assets / Total Equity | 1.76  | 1.79  | 1.74  | 1.80  | 2.18  |
| Return on Equity                | 19.7% | 23.7% | 21.9% | 19.9% | 14.6% |
| Return on Capital Employed      | 22.8% | 25.3% | 25.0% | 21.9% | 15.5% |

## Historical Financials

| Income Statement (Rs. Crores)                             | FY24         | FY25         | FY26         |
|---|--------------|--------------|--------------|
| Revenue from Operations                                   | 5,117        | 5,168        | 5,506        |
| Other Income  | 116          | 124          | 175          |
| <b>Total Income</b>                                       | <b>5,233</b> | <b>5,293</b> | <b>5,680</b> |
| Less: Expenses  | 4,176        | 4,234        | 4,653        |
| <b>EBITDA</b>   | <b>941</b>   | <b>934</b>   | <b>853</b>   |
| EBITDA Margin (%)   | 18.4%        | 18.1%        | 15.5%        |
| Less: Depreciation  | 106          | 121          | 145          |
| EBIT  | 835          | 813          | 708          |
| Less: Finance Cost  | 19           | 20           | 34           |
| EBT   | 817          | 793          | 674          |
| Share of Profit / (Loss) of Associates and Joint Ventures | -            | 4            | 24           |
| Exceptional Item  | -            | -            | -108         |
| <b>PBT</b>  | <b>932</b>   | <b>921</b>   | <b>765</b>   |
| Less: Tax   | 253          | 244          | 218          |
| <b>PAT</b>  | <b>679</b>   | <b>677</b>   | <b>547</b>   |
| <b>EPS</b>  | <b>16.8</b>  | <b>16.7</b>  | <b>13.5</b>  |

| Balance Sheet (Rs. Crores)          | FY24         | FY25         | FY26         |
|-------------------------------------|--------------|--------------|--------------|
| <b>Equity and Liabilities</b>       |              |              |              |
| Equity Capital                      | 81           | 81           | 81           |
| Reserves                            | 3,140        | 3,498        | 3,842        |
| Borrowings                          | 286          | 258          | 1,122        |
| Other Liabilities                   | 2,071        | 2,827        | 3,909        |
| <b>Total Equity and Liabilities</b> | <b>5,578</b> | <b>6,664</b> | <b>8,953</b> |
| <b>Assets</b>                       |              |              |              |
| Fixed Assets                        | 1,151        | 1,130        | 2,055        |
| CWIP                                | -            | -            | 15           |
| Investments                         | 150          | 616          | 823          |
| Cash and Cash Equivalents           | 913          | 903          | 715          |
| Other Assets                        | 3,364        | 4,016        | 5,345        |
| <b>Total Assets</b>                 | <b>5,578</b> | <b>6,664</b> | <b>8,953</b> |

# Aurionpro Solutions Ltd

## Investment Rationale

- Aurionpro's management is reshaping the company since 2020, from a diversified IT player into an IP-led enterprise software vendor concentrated on transaction banking, lending, data-centre design, embedded AI and open-loop transit. A deliberate strategy to build durable IP-based moats.
- Data Centre – 'The next BIG opportunity'. Data centre is an exploding multi billion dollar opportunity. The country presently has around 1.7 GW of data centre capacity while the ongoing demand for data centres is expected to drive capacity to ~8.20 GW. Everyone is vying to have a pie of Data Centre opportunity from IT companies like TCS to Reliance Industries, Adani Enterprises and Realty companies.
- Aurionpro is an interesting play in the data centre value chain. It does comprehensive architecture stack of designing and program management of Data-centres, which notably is an asset-light business model that avoids ownership risk and focuses on project consulting. Management sounded clear on the strategy of being a service provider for data centre set-up rather than a hyperscale operator. So far, have done data centre projects for the RBI (Tier IV project), Iron Mountain India and certain State and private projects in India and Middle East.



## Investment Rationale

- From FY23 to FY25, the company consistently delivered robust growth, with revenue and profitability expanding at over 30% YoY, driven by its product-led strategy. While in FY26, amid a challenging IT sector backdrop, it maintained a resilient 20% YoY growth. We expect the company to continue with growth paced in the range of 20–25% per year over foreseeable future.
- Another feather Aurionpro's cap has been the acquisition of Arya.ai, which enabled embedding of an AI engine to their product portfolio across banking and fintech platforms. The purchase of Fenixys expanded the company's reach into the capital markets ecosystem, particularly in services and support for complex platforms such as Murex, thereby broadening its client coverage in trading and risk management.
- The current portfolio mix of ~53% Banking & Fintech and ~47% TIG provides diversification.
- Within Banking & Fintech, Aurionpro's products sit alongside banks' core systems and address corporate/wholesale workflows. The iCashPro transaction-banking suite spans payments, receivables, liquidity, trade finance and financial supply chain, and has been deployed at major Indian institutions including State Bank of India (SBI). Aurionpro successfully went live with its iCashpro cash management platform at Commercial Bank of Ceylon, Sri Lanka strengthening its international footprint in transaction banking while the recent order wins in East Africa further strengthens its international footing.
- Aurionpro is strengthening its IP-led fintech strategy through Orion MSP, an LLM designed specifically for structured enterprise data, and AurionAI, designed for banking-specific AI use cases. Crucially, these solutions are being embedded into its existing platforms, enhancing functionalities across lending, risk, and transaction banking.
- The Technology Innovation Group (TIG) spans Transit & Smart Mobility, Data Centre & Hybrid Cloud and selected smart-governance projects. In transit, Aurionpro offers an integrated open-loop ticketing stack that combines proprietary hardware (validators, readers, gates) with software, clearing and ITMS (Intelligent Traffic Management System), supported by in-house design, system-integration capability and a contract-manufacturing network in Malaysia as well as manufacturing in India.
- In transit, Aurionpro has been empaneled as one of three vendors in California's open-loop transition programme, providing a highly visible reference in the largest and most advanced transit payments market globally.
- AurionPro's revenues, although anchored by its Indian operations which account for 64% of revenues, is reasonably diversified with APAC (other than India) accounting for 21%, US and Europe contributing about 12% to FY26 revenue while Middle East & Rest of the World account for a meagre 3% which augurs well in light of present developments.
- In Europe, the company has initiated engagements in the UK and continental financial institutions, where early proof-of-concept pilots are underway. Management acknowledges that sales cycles in developed markets are long, typically 8–12 months for banking and multi-year for transit while early bids may be lost while the company builds credibility and references.

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## Investment Rationale

- Aurionpro has pursued a disciplined bolt-on acquisition strategy to strengthen product breadth and accelerate capability. The acquisition of Arya.ai added to their portfolio an AI engine that is now being embedded across banking and fintech platforms. The purchase of Fenixys expanded the company's reach into the capital markets ecosystem, particularly in services and support for complex platforms such as Murex, thereby broadening its client coverage in trading and risk management.
- Earlier, acquisitions of Integro, Infrarisk, and OnePay deepened Aurionpro's franchise in lending by extending coverage from Tier-1 banks in Southeast Asia to SME, NBFC, and captive finance segments.
- Aurionpro has built credibility through successful deliveries such as SBI and Delhi Metro, but it remains in an aspiration stage relative to its Vision 2030, which aims to make the company a top-three global contender in each of its chosen verticals.
- Aurionpro's order book at the end of FY26 was Rs 1,800 crores with management indicating 68%-72% as executable in FY27.
- Going forward we believe, Data Centres project management stack, AI enabled Banking and Fintech product suites and smart mobility (Open – loop transits) will be the three key high growth verticals.
- Management has articulated a long-term ambition to expand EBITDA margins from the current 20–22% to 40–50%, positioning Aurionpro alongside global enterprise software peers. Current margins are supported by 60–65% recurring revenues from licenses, AMCs, and upgrades.
- Stock prices have corrected ~53% from its 52 week high, providing decent investment opportunity.

## About the company



Incorporated in 1997 and headquartered in Mumbai, Aurionpro Solutions Limited (“Aurionpro” / “the company”) has evolved into a diversified global enterprise-technology organisation that operates at the intersection of financial-services software, smart-mobility systems, and digital-infrastructure engineering. Listed on both the NSE and BSE, the company today employs over 3,100 professionals across its delivery hubs in Mumbai, Pune, Singapore, Kuala Lumpur, Dubai, and Istanbul, serving more than 350 enterprise clients in over 30 countries. Over the past five years, Aurionpro has delivered a steep growth trajectory, with consolidated revenue from operations expanding from Rs. 374 crore in FY21 to Rs. 1,173 crore in FY25. The company has reported 30%+ YoY growth consistently during the period. As of end-FY26, the company reported an order book of ~Rs. 1,800 crore while maintaining an EBITDA margin of ~20%, reflecting the structural operating leverage of its IP-led model despite revenue growth moderating to 20% in FY26.

Aurionpro’s business structure is anchored in two synergistic divisions – the Banking & Fintech segment, which accounted for roughly 53% of FY26 revenues, and the Technology Innovation Group (TIG), contributing the remaining 47%. Together these segments position Aurionpro as a unique hybrid of software-IP monetisation and infrastructure-technology execution, bridging the enterprise and public-sector digital-transformation spectrum.

The Banking & Fintech division represents the company’s intellectual-property core and delivers mission-critical platforms to global banks and financial institutions across transaction banking, lending, treasury, digital-engagement, and payments-aggregation domains. Its flagship solutions include iCashPro, a comprehensive cash- and liquidity-management platform that covers corporate internet banking, payables, receivables, trade finance, and virtual-account management, and is deployed at major institutions such as State Bank of India (SBI), UOB, OCBC, and Bank of Ayudhya (BAY). The SmartLender / Integro Suite provides end-to-end automation of the credit-lifecycle process across corporate, retail, and SME lending, integrating modules for origination, risk assessment, documentation, disbursement, and monitoring; this suite is strengthened through the integration of Arya.ai’s Explainable-AI (XAI) engine for model transparency and regulatory auditability. The Fenixys treasury and capital-markets suite offers mid-tier banks integrated risk, trading, and regulatory-reporting tools, while AuroDigi powers omnichannel digital-banking interfaces across web, mobile, and kiosk channels. Complementing these is Auropay and Auropay Biz, Aurionpro’s payment- and aggregation-gateway ecosystem that enables digital collections, payouts, and reconciliation for banks, fintechs, and enterprises. The Banking & Fintech segment’s revenue base is predominantly annuity-driven, supported by multi-year term licences, renewals, and mandatory upgrades that underpin recurring cash flows.

Parallely, the Technology Innovation Group (TIG) extends Aurionpro’s domain expertise into infrastructure-grade digital systems, comprising three verticals – Transit & Smart Mobility, Data Centre & Hybrid Cloud, and Government & Smart City. In Transit & Smart Mobility, Aurionpro provides a fully integrated open-loop fare-collection and mobility-management suite, incorporating automated gates, Validators, and ticket vending. These platforms handle contactless payments (EMV Contact / Contactless / NCMC / QR), multi-operator clearing, mobile ticketing, and fleet-management analytics. Projects executed include the Delhi, Chennai, and Mumbai Metro networks in India, as well as Cairo Metro (Egypt), the Maldives Integrated Transport Network, and vendor empanelment in the California open-loop programme in the U.S. Manufacturing of gates, validators, and AFC hardware is carried out through subsidiary Aurionpro Toshi Automatic Systems Ltd, with production bases in India and Malaysia, while dedicated R&D hubs in Istanbul, Singapore, and London drive certification and product innovation.

## Business Segment

- **BANKING AND FINTECH:** Aurionpro's Banking & Fintech division contributes ~54% of consolidated FY26 revenue and comprises an integrated suite of enterprise platforms spanning Transaction Banking, Lending Platforms, Treasury & Capital Markets, Digital Engagement, and Payments & Aggregation. The portfolio is built around proprietary IP and modular, API-first architectures that integrate with incumbent cores, & is deployed across Tier-1 PSU banks in India, leading Southeast Asian institutions, and selected customers in the Middle East & Africa.
- **Transaction Banking**
  - Aurionpro's iCashpro is the flagship transaction-banking suite powering cash- and liquidity-management across multi-entity, multi-currency, multi-geography footprints. The platform covers the full corporate-banking stack, including Corporate Internet Banking, Liquidity Management, Receivables Management, Payables Management, Financial Supply Chain, Collections, Trade Finance, Payments, and Forex Services. It is designed for open-API/host-to-host and SWIFT connectivity, with elastic scalability (benchmarked at ~5 million transactions per hour, 24x7 availability and high concurrency) to support very large banks and real-time corporate flows. Within the cash & trade layer, Aurionpro also offers Fintra, a trade-finance platform purpose-built to digitise end-to-end trade workflows and eliminate legacy process frictions through configurable rules, document handling, and integrated compliance.
  - Aurionpro is strengthening its IP-led fintech strategy through Orion MSP, an LLM designed specifically for structured enterprise data, and AurionAI, designed for banking-specific AI use cases. Crucially, these solutions are being embedded into its existing platforms, enhancing functionalities across lending, risk, and transaction banking.
  - The suite serves as the transaction backbone for major clients, led by State Bank of India (SBI)—a Rs. 100+ Cr enterprise deployment following a BCG-run global evaluation—and regional banks such as UOB, OCBC, and Bank of Ayudhya (BAY). iCashpro's module library (e.g., virtual accounts, pooling, real-time reconciliation, host-to-host AR/AP automation) enables progressive roll-outs and wallet expansion across corporate and SME segments. Demand is driven by corporate-banking digitisation, mandatory liquidity and reporting standards, and migration to virtual-account architectures across India, ASEAN, and the Middle East.
- **Lending Platforms**
  - The SmartLender / Integro Lending Suite spans the complete lending lifecycle—loan origination, credit assessment, documentation, disbursement, servicing, monitoring, collections, and GL/Fixed Asset integration—with pre-configured suites by segment. The Corporate Lending Suite enumerates modules such as Loan Origination System, Financial Analytics, Risk Analytics, ESG, Digital Form/Smart Capture, Data Connect/Intelligence, and credit-rules orchestration. The Retail Lending Suite lists Customer Onboarding, Credit Processing, Loan Servicing, Debt Management, Admin, GL & Fixed Assets, and omnichannel interfaces. Product coverage cuts across retail (asset finance, mortgages, LAP, personal loans, consumer-durable loans, gold loans, credit cards), SME (asset finance, working capital, supply-chain finance), commercial (term loan, working capital, project finance, real-estate lending, agri credit, commercial mortgage-backed), and large corporate/financial institutions (syndicated and leveraged loans, bill discounting, letters of credit, private credit, Islamic finance).

## Business Segment

- The portfolio is reinforced by Infrarisk (recently acquired; Melbourne-based software for lending) and is integrated with Arya.ai/AryaXAI capabilities for explainable-AI scoring, model monitoring, and audit.
- FY25 deployments and upgrades were executed across UOB, OCBC, BAY and Indian NBFCs/small-finance banks, with localisation for RBI/MAS/IFRS9/Basel requirements and open-API ecosystems. The suite is architected to shorten implementation timelines via domain templates and to scale across geographies through partner-led delivery in the Middle East and Europe.
- **Treasury & Capital Markets**
- Aurionpro's capital-markets stack combines proprietary and partner-led offerings. The firm provides Murex Managed Services and Murex Advisory Solutions that deliver full lifecycle support—implementation, upgrades, release management, regression testing, bespoke configuration, and risk/treasury transformation advisory—targeting banks seeking predictable operations and accelerated roadmap velocity. Aurionpro also references Fenixsys, described as a next-gen core technology platform for modern capital markets in the materials, complementing the advisory/managed layer with product-adjacent engineering depth. On the treasury front, FXConnect bridges FX Treasury with core banking, with distinct Retail Services (real-time FX rates, notes/DD/TT/TC issuance, re-issuance and transfers) and Corporate Services (FCY cash-management, cross-border funds transfer, enterprise FX workflows).
- This vertical is delivered primarily in Southeast Asia and India, often as a cross-sell into SmartLender or iCashpro clients in need of integrated front-to-back treasury and regulatory reporting. Enhancements noted in FY25 include expanded market-data interfaces and algorithmic pricing modules for real-time exposure tracking and valuation.

## Business Segment

- **Digital Engagement**

- The Digital Banking Engagement layer is centred on AuroDigi, a one-stop platform for unified digital experiences spanning web, mobile, kiosk, and chatbot interfaces. It is positioned for multi-entity, multi-currency banks, supports advanced analytics, and is cloud-native with open-banking support, enabling rapid channel rollout without core replacement. Aurionpro's Interactive Communications suite expands front-end capabilities through:
  - InteractCX (interactive content management for customers, dealers, and partners; omnidevice content display),
  - Interact AV (personalised audio-video messaging for onboarding, tutorials, reminders, recommendations),
  - InteractDM (digital-marketing solutions including WhatsApp integrations, URL-shortening, campaign workflows), and
  - InteractDX (customer-communication management—template management, secured print streams, secured PDFs for portals).
- Channel-adjacent products enhance in-branch and self-service CX, including OptiQ (queue-management system), Insight (customer-feedback/voice-of-customer platform), self-service kiosks tailored for banking/telecom/airport/healthcare/government use-cases, and Experia (digital signage and menu-board orchestration with centralised screen layout and content control). FY25 deployments include PSU/co-operative bank front-end modernisation and selected private-bank channel upgrades, with rising attach to the core iCashpro/SmartLender estates.

- **Payments & Aggregation**

- Aurionpro's payments-infrastructure layer centres on Auropay and Auropay Biz. Auropay is a technology-driven platform for secure payment acceptance and orchestration with modules for payouts/collections, settlement & reconciliation, dashboards, reporting, notifications, and fraud & risk management. Auropay Biz is a cloud-based accounts-payable platform that streamlines invoice-to-pay workflows, supports automatic reconciliation, and features automatic sync with accounting systems for auditability. The portfolio also reference Business Payments – Auropaybiz for future-proofing AP processes and creating efficiency across the enterprise payables lifecycle.
- The payments layer is implemented for banks, enterprises, and public-sector undertakings, including use-cases where payment gateways interoperate with transit/toll systems and smart-city infrastructure. Partnerships with global card networks and processors extend multi-rail coverage, while API-first integration allows payments modules to be embedded alongside iCashpro and Digital Engagement components in bank and enterprise estates.

## Business Segment

- **Technology Innovation Group (TIG):** Aurionpro's Technology Innovation Group (TIG) accounted for ~47% of FY26 revenue, reflecting the company's parallel expansion beyond financial software into infrastructure-technology, mobility, and data-centre solutions. TIG integrates proprietary hardware, middleware, and engineering services through three focused business lines – Transit & Smart Mobility, Data Centre & Hybrid Cloud, and Government & Smart City – supported by manufacturing and R&D bases in Malaysia, India, Istanbul, Singapore, and London.
- **Transit & Smart Mobility**
  - The Transit & Smart Mobility vertical is the largest contributor within TIG, forming roughly 40% of TIG revenues in FY25 (~19% of overall FY25 revenue). It delivers an end-to-end open-loop, EMV-certified fare-collection and transit-automation stack that combines proprietary hardware, embedded software, clearing systems, and mobility analytics.
  - The product suite includes:
    - Automatic Fare Collection: Their automated solutions streamline fare collection are platformed on open-loop and closed-loop EMV ticketing architecture. These are aligned as per global payment compliances, and in India, as per the NCMC norms.
    - Intelligent Transport Management System: Provide better visibility and advanced fleet tracking from any location 24/7, supported with depot management and optimized route planning.
    - Hardware Device Automatic Gates: Hardware Components for AFC Validators, Ticket Readers, Ticket Vending Machines, Ticket Office Machines, EMV/Rupay Card Readers, Automatic Gates Turnstile.
    - Ticket Vending Machines: AuroToshi Ticket Vending Machines are cashless dispensers that integrate multiple functions, including cash collection, coin module, token ticket dispensing, bankcard acceptance, module monitoring, and ticket and voucher printer.
    - Transit Gates – AuroToshi Transit Gates are essentially Flap Barriers that undergo design alteration to make them suitable for automatic fare collection at BRTS and Metro Stations. They integrate multiple identification access control functions, including Quick Pass, mobile phone QR code, bus cards, and tokens.
    - Transit Payment Solutions Transit Card Issuance and Acquiring Services. Mobile Wallet.
  - Aurionpro's transit platforms are deployed in Delhi Metro, Chennai Metro, and Mumbai Metro and have been rolled out internationally for Egypt's Cairo Metro, Maldives Integrated Transport Network, and vendor-empanelment in the California open-loop programme (U.S.). Hardware manufacturing and integration are executed through Aurionpro Toshi Automatic Systems Ltd, the company's Indian manufacturing arm specialising in gates, validators, and automatic-fare-collection components. R&D hubs in Istanbul, Singapore, and London focus on certification and protocol interoperability, while factories in Malaysia and India manage supply-chain control.
  - This vertical benefits from strong structural demand for open-loop mobility ecosystems, driven by government directives for interoperable transit payments, rapid urbanisation, and public-transport digitalisation. FY25 saw multiple new wins in Asia and the Middle East alongside renewals for metro expansions in India.

## Business Segment

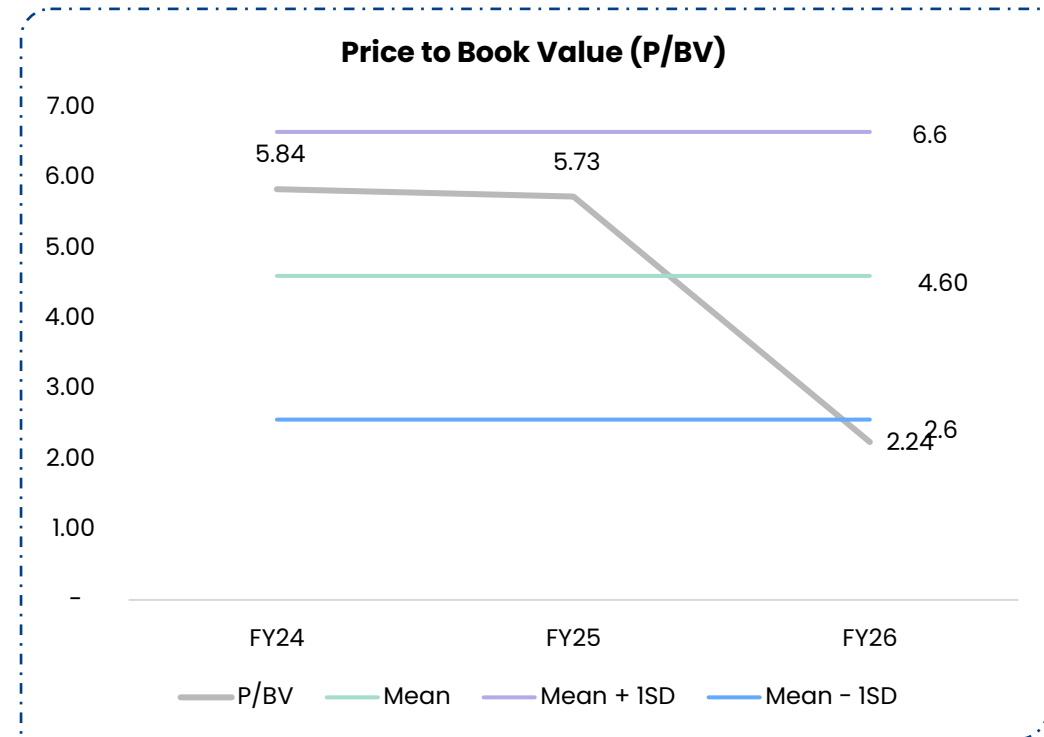
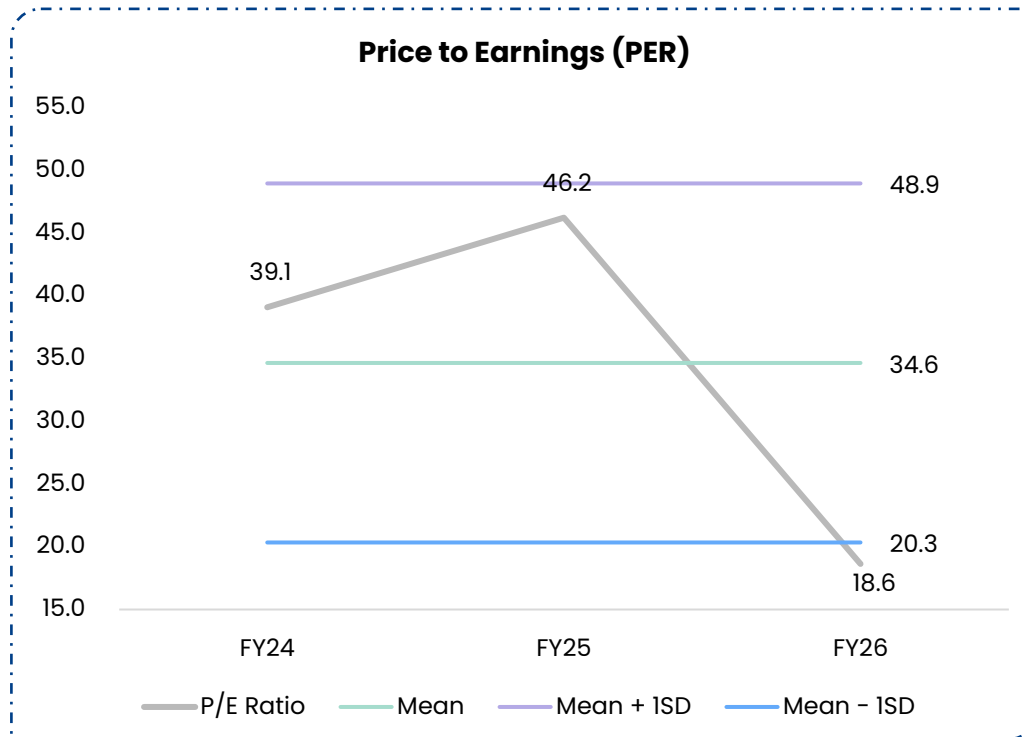
- **Data Centre & Hybrid Cloud**

- The Data Centre & Hybrid Cloud vertical operates on an asset-light engineering and programme-management model. Aurionpro provides turnkey services covering consulting, design, construction supervision, testing & commissioning, and programme management for Tier III and Tier IV data-centre facilities. Its portfolio also includes data-centre automation frameworks, energy-efficiency optimisation, and AI-driven monitoring and control systems.
- Flagship engagements include programme management for the Reserve Bank of India's Tier IV data centre, multi-megawatt facilities for Iron Mountain India, and various projects for state and private-sector clients across India and the Middle East. Aurionpro's IP layer integrates design templates, predictive-maintenance algorithms, and digital-twin visualisation to enhance project efficiency. The vertical leverages partnerships with global data-centre operators and colocation providers, focusing on sustainability, uptime certification, and cybersecurity compliance.
- The global trend toward hybrid-cloud adoption, regulatory localisation of financial data, and the rising need for energy-efficient hyperscale builds underpin the division's sustained visibility.

- **Government & Smart City**

- The Government & Smart City vertical delivers integrated command-and-control and urban-automation systems that unify surveillance, traffic, energy, and citizen-service layers on a single digital platform. Aurionpro's proprietary Command & Control Suite integrates modules for video analytics, incident response, intelligent lighting, environmental monitoring, and transport coordination. Complementary solutions include integrated access and perimeter-security management and smart-meter and energy-analytics platform.
- The company has implemented state-level command-centres and urban-governance projects under India's Smart Cities Mission and extended modules to markets in Southeast Asia and the Middle East. Government & Smart City leverages cross-domain IP from Transit & Payments to deliver interoperable public-service infrastructures—for example, integrated payment modules for parking and toll systems, or shared analytics dashboards linking citizen-service applications with transport-command centres. The business plays a strategic role in establishing public-sector credibility and generating references for larger urban-digitisation mandates.

## Story in Charts



## Ratio Analysis

| Ratios                          | FY22  | FY23  | FY24  | FY25  | FY26  |
|---------------------------------|-------|-------|-------|-------|-------|
| EPS                             | 15.50 | 21.35 | 28.11 | 34.72 | 38.90 |
| P/E                             | 11.01 | 7.22  | 39.07 | 46.20 | 18.63 |
| P/BV                            | 1.96  | 1.41  | 5.84  | 5.73  | 2.24  |
| Du Pont Analysis                |       |       |       |       |       |
| (a) Net Profit / Sales          | 0.15  | 0.15  | 0.16  | 0.16  | 0.15  |
| (b) Sales / Total Assets        | 0.80  | 0.88  | 0.79  | 0.70  | 0.66  |
| (c) Total Assets / Total Equity | 1.72  | 1.67  | 1.57  | 1.38  | 1.32  |
| Return on Equity                | 20.6% | 22.8% | 20.0% | 15.5% | 13.1% |
| Return on Capital Employed      | 22.7% | 25.5% | 22.2% | 16.5% | 14.4% |

## Historical Financials

| Income Statement (Rs. Cr)                      | FY24         | FY25         | FY26         |
|--|--------------|--------------|--------------|
| Revenue from operations                        | 887          | 1,173        | 1,411        |
| Other income                                   | 9            | 20           | 29           |
| <b>Total Income</b>                            | <b>897</b>   | <b>1,193</b> | <b>1,440</b> |
| Less: Expenses                                 | 694          | 931          | 1,129        |
| <b>EBITDA</b>                                  | <b>193</b>   | <b>242</b>   | <b>282</b>   |
| <i>EBITDA Margin</i>                           | <i>21.8%</i> | <i>20.6%</i> | <i>20.0%</i> |
| Less: D&A                                      | 21           | 30           | 39           |
| EBIT   | 173          | 212          | 243          |
| Less: Finance Cost                             | 13           | 7            | 10           |
| <b>Profit Before Tax and Exceptional items</b> | <b>160</b>   | <b>205</b>   | <b>233</b>   |
| Less: Exceptional items                        | -            | -            | -10          |
| <b>Profit Before Tax</b>                       | <b>169</b>   | <b>225</b>   | <b>252</b>   |
| Less: Tax Expense                              | 26           | 37           | 41           |
| <i>Tax Rate</i>                                | <i>15%</i>   | <i>16%</i>   | <i>16%</i>   |
| <b>PAT</b>                                     | <b>143</b>   | <b>188</b>   | <b>212</b>   |
| <i>PAT Margin</i>                              | <i>16%</i>   | <i>16%</i>   | <i>15%</i>   |
| Earnings Per Share (EPS)                       | 28.1         | 34.7         | 38.9         |

| Balance Sheet (Rs. Cr)                | FY24         | FY25         | FY26         |
|---------------------------------------|--------------|--------------|--------------|
| <b>EQUITY AND LIABILITIES</b>         |              |              |              |
| Share Capital                         | 25           | 54           | 54           |
| Reserves                              | 905          | 1,450        | 1,684        |
| Non Controlling Interest              | 16           | 5            | 7            |
| Borrowings                            | 214          | 153          | 293          |
| Other Liabilities                     | 238          | 289          | 297          |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>1,398</b> | <b>1,950</b> | <b>2,335</b> |
| <b>ASSETS</b>                         |              |              |              |
| Fixed Assets                          | 449          | 732          | 824          |
| Capital Work – in – progress          | 23           | 20           | 67           |
| Investments                           | 0            | -            | -            |
| Cash & Cash Equivalents               | 269          | 362          | 205          |
| Other Assets                          | 657          | 836          | 1,238        |
| <b>TOTAL ASSETS</b>                   | <b>1,398</b> | <b>1,950</b> | <b>2,335</b> |

# Bank of India

## Investment Rationale

- In FY26, the bank achieved a significant milestone in its journey, marked by resilient financial performance, strengthened asset quality, and robust business growth, while continuing its commitment to nation-building.
- Bank of India recorded healthy growth across key parameters such as deposits, advances, operating profit, and digital transactions.
- The bank's primary focus remains on calibrated credit growth, emphasis on quality underwriting, sectoral diversification, and responsible lending practices.
- For Q4 FY26, the bank reported global deposit growth of 13.5% YoY to Rs 9.27 lakh crore, global advance growth of 15.8% YoY to Rs 7.71 lakh crore, net interest income (NII) growth of 10.5% YoY, and profit after tax (PAT) growth of 15.2% YoY. For FY26, NII stood at Rs 25,474 crore, up 3.1% YoY, while PAT increased by 8% YoY.
- Domestic deposits grew by 14.3% YoY to Rs 8.0 lakh crore, while domestic advances increased by 16.1% YoY to Rs 6.54 lakh crore.
- Growth was broad-based across all segments during FY26, with retail at +21.2%, agriculture at +17.6%, MSME at +17.7%, resulting in RAM growth of +19.1%, and corporate growth at +12.1%. With this strong performance, the bank expects to continue delivering similar results in FY27.



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## Investment Rationale

- The aforesaid factors make us believe that the bank is well-positioned to capitalize on upcoming growth opportunities while maintaining strong asset quality.
- Management maintained a positive FY27 guidance of 15–16% global credit growth and 13–14% global deposit growth.
- The bank has reaffirmed its core objective of mobilizing low-cost deposits to protect its Net Interest Margin (NIM), while simultaneously working to enhance yields on advances to support sustainable growth.
- Margins remained stable in Q4FY26 compared to Q3FY26, as the full repricing of term deposits on the liability side had already occurred in Q3FY26.
- The Capital Adequacy Ratio at the end of FY26 stood at 18.01%.
- The bank is focused on improving asset quality and remains committed to enhancing operational efficiency and profitability, while upholding strict compliance and sound corporate governance practices to deliver long-term value to stakeholders.
- Automation and digital platforms have been deployed for personal, vehicle, and gold loans, while the bank has also leveraged its 5,500+ branch outlets to support loan distribution and customer acquisition.

## About the company



- Bank of India is an Indian public sector bank headquartered in Mumbai, founded in 1906. It was under private ownership and control until 1969, post which was nationalised along with 13 other banks. The bank provides various banking products and services in India and internationally. Presently it has an overseas presence in 15 foreign countries, spread over 5 continents at key banking and financial centres viz., Tokyo, Singapore, Hong Kong, London, Paris, New York, DIFC Dubai and International Banking Unit (IBU) at GIFT City Gandhinagar. It operates through Treasury, Wholesale Banking, and Retail Banking segments.
- Further, it also provides NRI services, including loans, money remittance and ancillary services, as well as agri products such as Kisan credit card, gold loan, self-help group, Atmanirbhar schemes, tractor/farm mechanization and food & agri loans.
- The Bank has an extensive network of 5,511 branches and 7,685 ATMs & CRA in India spread over all states/union territories including specialized branches. Around 36% of branches are located in Rural area and 19% are in metro cities. The Bank has 22 Overseas Branches, 1 Representative Office at Jakarta, 4 Subsidiaries, 1 Associate/Joint Venture, all spread across 15 countries in 5 Continents of all time zones.
- The contribution of foreign operations in Bank's global business mix has been 13% for FY26.

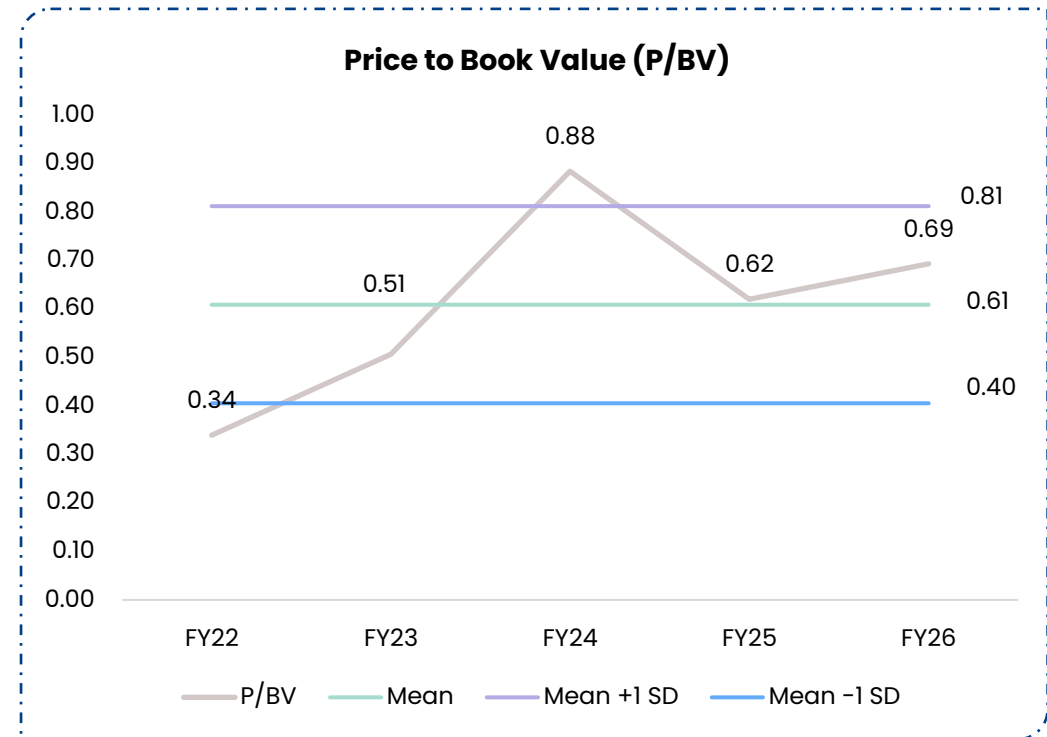
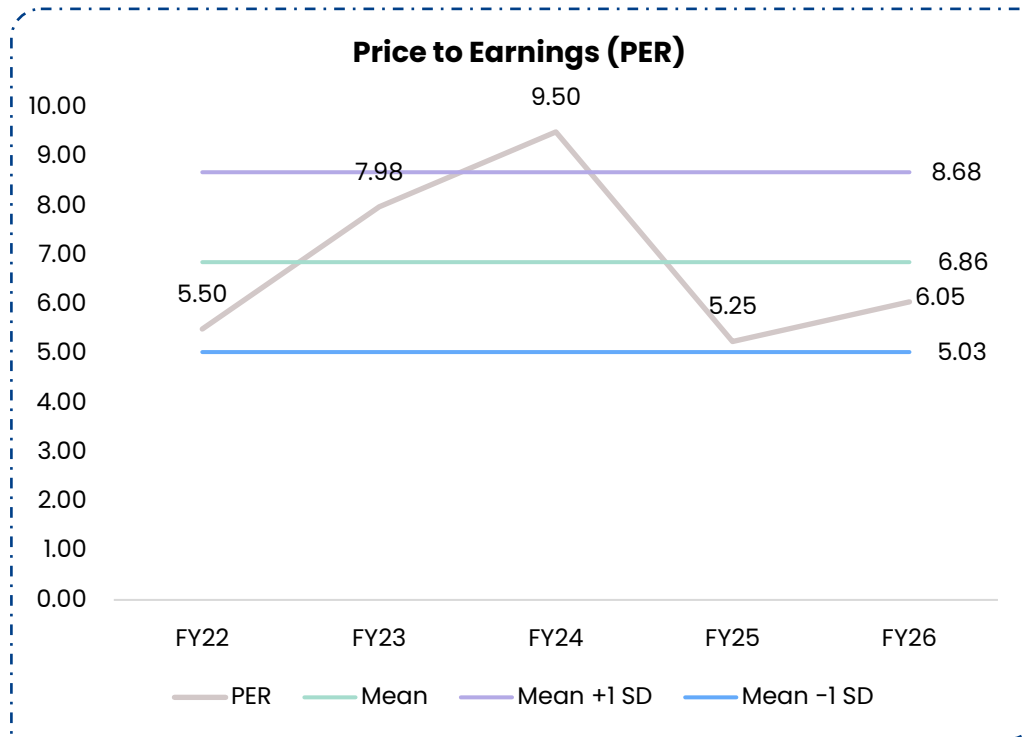
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## Business Segment

- **Treasury:** 'Treasury' segment includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations including Derivative contracts.
- **Wholesale Banking:** Wholesale Banking includes all lending activities which are not included under
- **Retail Banking:** Retail Banking segment comprises of Digital Banking and Other Retail Banking (Other Retail Banking includes all housing loan accounts and borrower accounts having exposure up to Rs 7.50 crore).



## Story in Charts



## Ratio Analysis

| Particulars | FY22   | FY23   | FY24   | FY25   | FY26   |
|-------------|--------|--------|--------|--------|--------|
| EPS         | 8.51   | 9.35   | 14.42  | 20.97  | 22.64  |
| EPS Growth  |        | 9.9%   | 54.2%  | 45.4%  | 8.0%   |
| PER         | 5.50   | 7.98   | 9.50   | 5.25   | 6.05   |
| P/BV        | 0.34   | 0.51   | 0.88   | 0.62   | 0.69   |
| GNPA        | 9.98%  | 7.31%  | 4.98%  | 3.27%  | 1.98%  |
| NNPA        | 2.34%  | 1.66%  | 1.22%  | 0.82%  | 0.56%  |
| PCR         | 87.76% | 89.68% | 90.59% | 92.39% | 93.57% |
| ROA         | 0.43%  | 0.49%  | 0.70%  | 0.90%  | 0.93%  |
| ROE         | 10.55% | 10.31% | 13.13% | 15.27% | 14.90% |
| NIM         | 2.36%  | 3.01%  | 2.97%  | 2.82%  | 2.52%  |

## Historical Financials

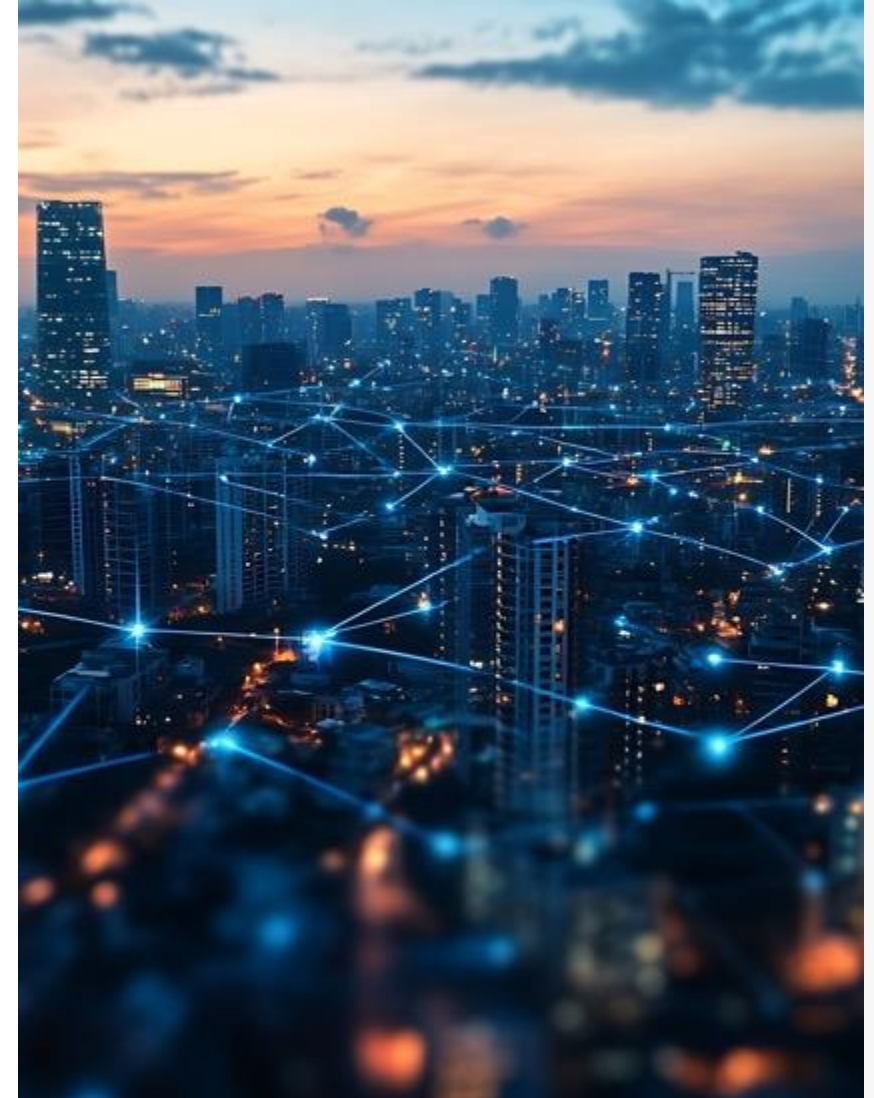
| Income Statement (Rs. Cr)                  | FY24          | FY25          | FY26          |
|--|---------------|---------------|---------------|
| <b>Interest earned</b>                     | <b>61,073</b> | <b>71,308</b> | <b>75,613</b> |
| a. Interest / discount on advances / bills | 43,126        | 50,337        | 53,793        |
| b. Income from investment                  | 14,246        | 17,384        | 18,193        |
| c. Interest on balances with RBI & others  | 2,886         | 3,206         | 2,766         |
| d. Others                                  | 815           | 381           | 862           |
| Other Income                               | 6,233         | 9,105         | 10,036        |
| <b>Total Income</b>                        | <b>67,306</b> | <b>80,412</b> | <b>85,650</b> |
| Interest expended                          | 37,757        | 46,594        | 50,139        |
| Operating Expenses                         | 15,306        | 17,210        | 18,251        |
| Employees Cost                             | 9,263         | 10,387        | 10,450        |
| Other Operating Expenses                   | 6,044         | 6,823         | 7,801         |
| <b>Total Expenditure</b>                   | <b>53,063</b> | <b>63,804</b> | <b>68,390</b> |
| <b>Operating</b>                           | <b>14,243</b> | <b>16,608</b> | <b>17,260</b> |
| Provision (other than tax) & Contingencies | 4,050         | 4,050         | 3,188         |
| Exceptional Items                          | -             | -             | 519           |
| Profit from Ordinary Activities before tax | <b>10,193</b> | <b>12,558</b> | <b>13,553</b> |
| Tax Expenses                               | 3,809         | 3,219         | 3,463         |
| <b>Net Profit for the Period</b>           | <b>6,385</b>  | <b>9,339</b>  | <b>10,089</b> |
| EPS (Earnings Per Share)                   | 14.42         | 20.97         | 22.64         |

| Balance Sheet (Rs. Cr)                                 | FY24            | FY25             | FY26             |
|--|-----------------|------------------|------------------|
| <b>Capital &amp; Liabilities</b>                       |                 |                  |                  |
| Capital  | 4,553           | 4,553            | 4,553            |
| Reserves & Surplus                                     | 66,028          | 76,172           | 85,405           |
| Minority Interest                                      | 161             | 162              | 178              |
| Deposits   | 7,40,611        | 8,19,806         | 9,30,973         |
| Borrowing  | 80,960          | 1,23,869         | 1,18,626         |
| Other Liabilities & Provision                          | 31,967          | 31,862           | 39,815           |
| <b>Total Capital &amp; Liabilities</b>                 | <b>9,24,280</b> | <b>10,56,425</b> | <b>11,79,552</b> |
| <b>Assets</b>  |                 |                  |                  |
| Cash and Balances with Reserve Bank of India           | 38,894          | 52,126           | 47,660           |
| Balances with Banks and Money at Call and Short Notice | 44,229          | 48,711           | 51,929           |
| Investments  | 2,34,592        | 2,68,002         | 2,79,084         |
| Advances   | 5,66,644        | 6,53,518         | 7,64,651         |
| Fixed Assets   | 10,328          | 12,047           | 11,877           |
| Other Assets   | 29,594          | 22,020           | 24,350           |
| <b>Total Assets</b>                                    | <b>9,24,280</b> | <b>10,56,425</b> | <b>11,79,552</b> |

# Dixon Technologies (India) Ltd

## Investment Rationale

- Dixon Technologies offers an attractive long-term investment opportunity as a primary beneficiary of India's manufacturing boom, underpinned by its leadership in the Electronics Manufacturing Services (EMS) sector and aggressive expansion into high-value components.
- The company's strategic evolution from a simple assembly unit to a design-led Original Design Manufacturer (ODM) is significantly enhancing its margin profile and strengthening its competitive position
- Over the past decade, Dixon has delivered a 42% revenue CAGR and a 52% PAT CAGR, underscoring its ability to scale profitably. In the last five years alone, growth has accelerated further, with 55% revenue CAGR and 45% PAT CAGR, reflecting strong execution and rising demand across verticals.
- Dixon maintains dominant market positions across multiple categories, including LED TVs (30–40% share), washing machines (30% share), and security surveillance (25% share). Its strong client base includes marquee global brands such as Samsung, Xiaomi, Motorola, and Google, ensuring consistent order inflows and long-term client stickiness.
- The mobile and EMS segment remains Dixon's largest growth engine, contributing nearly 92% of total revenue as of Q3 FY26. The company has ambitious plans to scale smartphone production from 40 million units in FY26 to 60–65 million units by FY27, supported by recent developments such as the integration of Ismartu and a 74:26 joint venture with Longcheer, which have further strengthened its manufacturing capacity and technological capabilities.



- At the same time, Dixon is actively diversifying into high-growth verticals such as IT hardware, wearables, and telecom networking products. A new Rs 1,000 crore facility near Chennai dedicated to laptop manufacturing for global brands like Acer and HP underscores its commitment to scaling in emerging categories and expanding its revenue base beyond mobile.
- To counter the low-margin nature of assembly operations, Dixon is pursuing strategic backward integration into precision components. Notable initiatives include a joint venture with HKC Corporation to manufacture display modules and plans to produce camera modules, which are expected to increase value addition from ~18% currently to nearly 40% in the coming years.
- **Near-Term Challenges**
- Smartphone pricing pressures: Memory prices have surged over 100% since late 2025, prompting brands to raise smartphone prices by up to 40%. While this may weigh on volume growth in FY27, especially in the mass segment, Dixon's scale and diversified client base provide resilience.
- Margin headwinds: Ongoing backward integration is expected to compress margins in FY27, with benefits likely to accrue from FY28 onwards.
- Regulatory risks: Potential delays in PN3 approvals for the Vivo JV could impact nearly 20% of FY28 earnings. Exposure to global memory chip shortages also remains a structural risk.
- Despite these near-term challenges, Dixon remains well positioned to benefit from India's EMS boom, policy support, and structural margin expansion from backward integration. Looking ahead, initiatives such as a proposed \$3 billion display fabrication unit in India and expansion into advanced home appliances (front-load washing machines, dishwashers, microwaves) could transform its revenue mix and strengthen its leadership in the domestic electronics ecosystem.
- In summary, while FY27 may present temporary headwinds, Dixon's structural strengths and aggressive expansion strategy make it a compelling long-term play on India's electronics manufacturing growth story.

## About the company



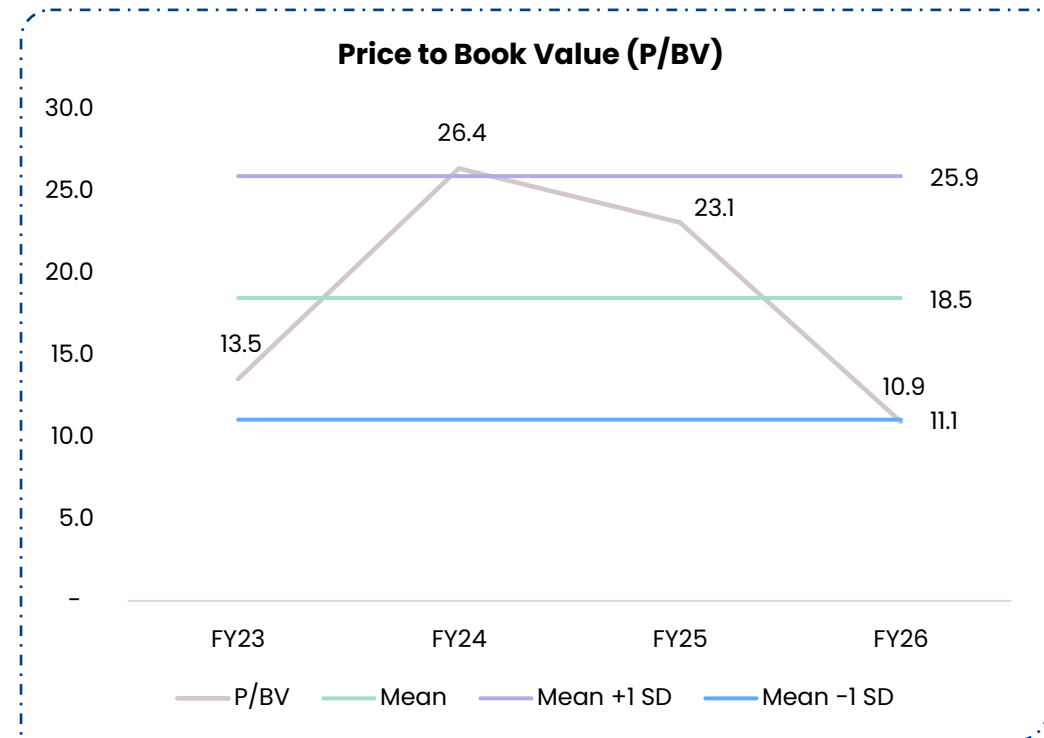
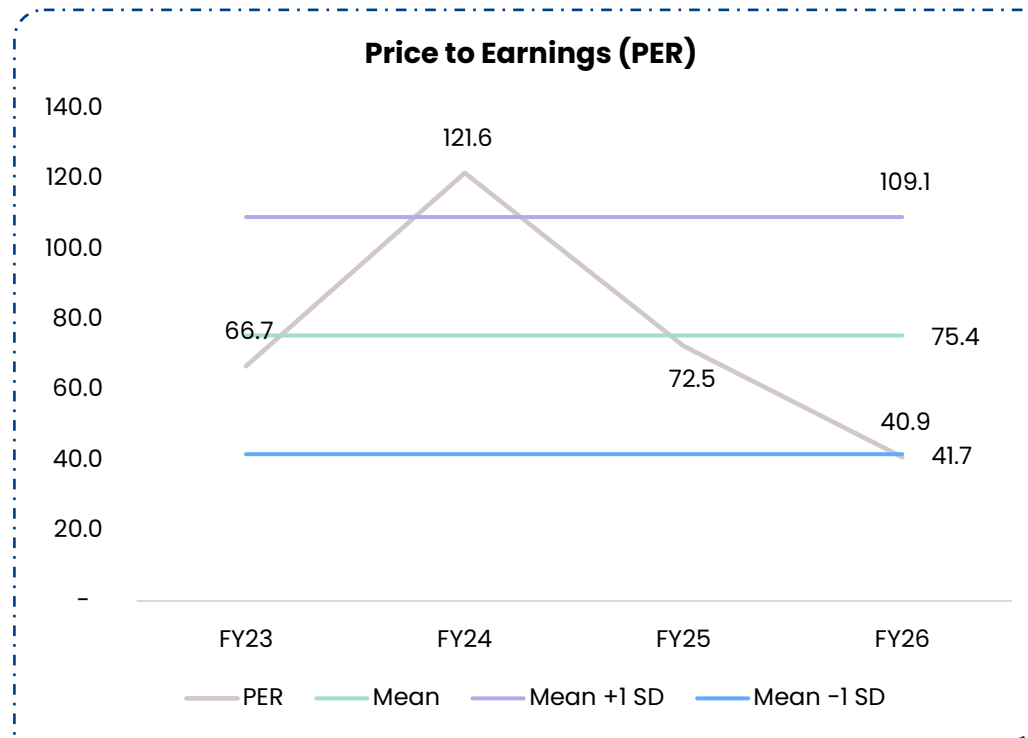
- Dixon Technologies (India) Limited, founded in 1993 and headquartered in Noida, is India's #1 ranked electronics manufacturing services (EMS) company and holds the #13 position globally. With a robust infrastructure of 30 state-of-the-art manufacturing facilities and 6 dedicated R&D centres, Dixon has emerged as a true powerhouse in consumer electronics and telecommunications.
- The company's diverse portfolio spans mobile phones, telecom and networking products, display solutions, washing machines, refrigerators, hearables, lighting solutions, and computing devices. Serving over 100 global and domestic brands, Dixon acts as the backbone of the electronics ecosystem, providing end-to-end services from design and prototyping to manufacturing, assembly, repair, refurbishment, and quality assurance.
- Backed by a dynamic workforce of more than 35,000 employees, Dixon acts as the backbone of the electronics ecosystem. Its commitment to technological excellence, sustainable practices, and customer-centric solutions has positioned it as a trusted partner in powering the future of electronics.
- With a strong export footprint and integrated capabilities, the company continues to play a pivotal role in advancing India's vision of becoming a global hub for electronics manufacturing. Dixon has also been recognized for its contribution to the "Make in India" initiative, strengthening India's position in global supply chains. Its focus on sustainability, energy-efficient products, and environmentally responsible practices further enhances its reputation as a forward-looking organization

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## Business Segment

- 1. Products:** The company offers a comprehensive range of products across multiple segments, making it one of the most diversified players in the electronics manufacturing services industry.
  - **Consumer Electronics:** Its consumer electronics portfolio includes LED and smart televisions, interactive flat panels, monitors, and digital signages, catering to both household and commercial applications.
  - **Home Appliances:** In the home appliances segment, Dixon manufactures semi-automatic and fully automatic washing machines and has also entered refrigerators, designed to meet the evolving needs of modern households. The company is a major producer of mobile devices, including 4G and 5G smartphones and feature phones, serving leading global and domestic brands. Foldable phones remain a niche but emerging category.
  - **Computing Devices:** The company has expanded into computing devices such as laptops, desktops, and notebooks, as well as wireless wearables and hearables, which are increasingly in demand in the digital lifestyle space.
  - **Telecom & Networking:** In this domain, Dixon provides advanced solutions like optical network terminals, 5G fixed wireless access devices, and IPTV set-top boxes, strengthening connectivity infrastructure.
  - **Lighting Solutions:** The company also has a strong presence in lighting solutions, offering a wide range of products from LED lamps, battens, bulbs, panels, and smart lights to professional-grade streetlights, floodlights, and industrial lighting systems, serving both domestic and international markets.
- 2. Services:** Beyond its extensive product portfolio, Dixon Technologies delivers a wide array of services that add significant value to its clients.
  - **Innovation Hub:** Through its Innovation Hub, the company drives digital transformation, advanced research and development, precision manufacturing, and design and prototyping, ensuring that products meet global standards and customer expectations.
  - Dixon also provides reverse logistics services, including repair and refurbishment of LED TV panels and mobile phones, which enhance product lifecycle management and sustainability. Its quality assurance and performance testing capabilities ensure that every product adheres to stringent international benchmarks.
  - By integrating manufacturing, assembly, R&D, repair, and quality services, Dixon positions itself not just as a manufacturer but as a complete solutions provider, enabling global brands to scale efficiently and sustainably.

## Story in Charts



## Ratio Analysis

| Ratios                          | FY24   | FY25   | FY26   |
|---------------------------------|--------|--------|--------|
| EPS                             | 61.50  | 181.87 | 236.60 |
| P/E                             | 121.61 | 72.47  | 40.88  |
| P/BV                            | 26.40  | 23.10  | 12.58  |
| Du Pont Analysis                |        |        |        |
| (a) Net Profit / Sales          | 0.02   | 0.03   | 0.03   |
| (b) Sales / Total Assets        | 3.03   | 3.27   | 2.72   |
| (c) Total Assets / Total Equity | 3.88   | 4.58   | 4.06   |
| Return on Equity                | 24.9%  | 47.5%  | 37.1%  |

## Historical Financials

| Income Statement (Rs. Crores) | FY24          | FY25          | FY26          |
|-------------------------------|---------------|---------------|---------------|
| Revenue from Operations       | 17,691        | 38,860        | 48,873        |
| Other Income                  | 23            | 20            | 713           |
| <b>Total Income</b>           | <b>17,713</b> | <b>38,880</b> | <b>49,586</b> |
| Less: Expenses                | 16,993        | 37,353        | 47,006        |
| <b>EBITDA</b>                 | <b>698</b>    | <b>1,507</b>  | <b>1,867</b>  |
| <i>EBITDA Margin (%)</i>      | 3.9%          | 3.9%          | 3.8%          |
| Less: Depreciation            | 162           | 281           | 393           |
| EBIT                          | 536           | 1,226         | 1,474         |
| Less: Finance Cost            | 75            | 154           | 138           |
| EBT                           | 461           | 1,072         | 1,336         |
| Exceptional Item (Net of Tax) | -             | 460           | -             |
| <b>PBT</b>                    | <b>494</b>    | <b>1,570</b>  | <b>2,071</b>  |
| Less: Tax                     | 119           | 337           | 426           |
| <b>PAT</b>                    | <b>375</b>    | <b>1,232</b>  | <b>1,644</b>  |
| EPS                           | 61.5          | 181.9         | 236.6         |

| Balance Sheet (Rs. Crores)          | FY24         | FY25          | FY26          |
|-------------------------------------|--------------|---------------|---------------|
| <b>Equity and Liabilities</b>       |              |               |               |
| Equity Capital                      | 12           | 12            | 12            |
| Other Equity & Reserves             | 1,710        | 3,457         | 5,375         |
| Non-Current Liabilities             | 489          | 671           | 994           |
| Other Liabilities                   | 4,780        | 12,627        | 12,781        |
| <b>Total Equity and Liabilities</b> | <b>6,991</b> | <b>16,767</b> | <b>19,162</b> |
| <b>Assets</b>                       |              |               |               |
| Fixed Assets                        | 1,996        | 2,774         | 4,172         |
| CWIP                                | 68           | 257           | 571           |
| Investments                         | 20           | 536           | 1,007         |
| Cash and Cash Equivalents           | 209          | 264           | 941           |
| Other Assets                        | 4,698        | 12,937        | 12,471        |
| <b>Total Assets</b>                 | <b>6,991</b> | <b>16,767</b> | <b>19,162</b> |

# IndusInd Bank Ltd.

## Investment Rationale

- The bank appears to be in a recovery phase, supported by improving asset quality, margin expansion, and strong capital buffers, which form the core of the investment thesis.
- While challenges persist in terms of fee income stability and CASA accretion, the strengthening operating metrics position the bank for a gradual recovery along with an improvement in return ratios.
- The Q4 FY26 performance reflects a steady and visible improvement in core operating fundamentals, thereby reinforcing the investment case for the stock.
- The bank reported a sharp decline in credit costs to 1.89%, down 73 bps QoQ and 97 bps YoY, indicating improving asset quality trends and a reduction in stress within the loan book.
- This improvement is further supported by a stable provision coverage ratio (PCR) of 71.45%, which provides comfort regarding the adequacy of buffers against potential slippages.
- Yield on assets improved to 8.53% compared to 7.85% in the corresponding period last year, while the cost of funds declined to 5.14% from 5.60%, resulting in a meaningful expansion in spreads.



## Investment Rationale

- The improvement in margin profile, coupled with resilient operating performance as reflected in a pre-provision operating profit (PPOP) of Rs. 2,295 crores, underscores strengthening earnings quality and provides a cushion against future credit costs.
- The bank continues to maintain a well-diversified loan portfolio, with retail loans contributing 52%, wholesale 34%, and SME 14%, wherein the rising share of retail loans supports yield stability and reduces concentration risks associated with wholesale lending.
- On the liability side, term deposits continue to dominate at 70% of the mix, while CASA deposits at 30% remain relatively modest, indicating scope for improvement going forward.
- However, fee income trends remain a key monitorable. While overall fee and other income increased significantly to Rs. 1,714 crores, core fee income declined YoY to Rs. 1,524 crores from Rs. 2,304 crores, indicating volatility in non-interest income streams.



## About the company



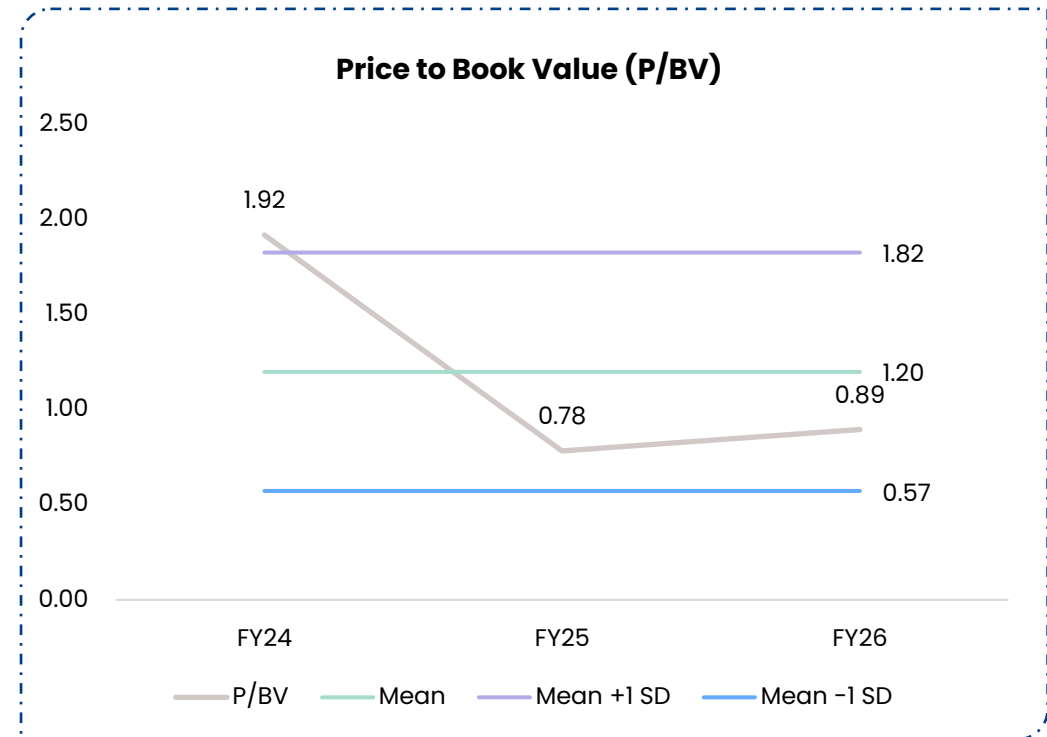
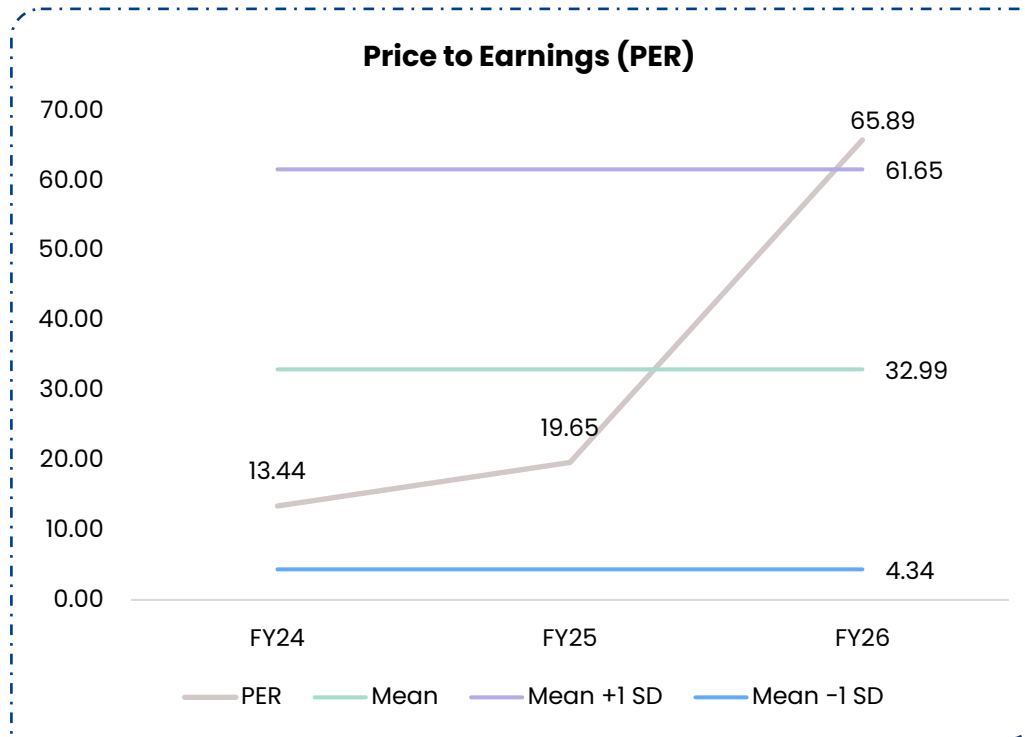
- IndusInd Bank Limited is a leading private sector bank in India, offering a comprehensive suite of banking products and financial services to individuals, corporates, government entities, and public sector undertakings. Incorporated in 1994 and headquartered in Mumbai, the bank operates across four key segments - Treasury, Corporate/Wholesale Banking, Retail Banking, and Other Banking Operations.
- The bank provides a wide range of deposit products, including savings, current, and term deposits, along with a diversified lending franchise spanning retail loans (such as vehicle, home, personal, and gold loans), SME and MSME financing, and corporate lending solutions, including working capital and trade finance. It also offers credit, debit, and prepaid cards, alongside wealth management products such as mutual funds and insurance.
- IndusInd Bank has established a strong presence in transaction banking, offering services such as cash management, supply chain finance, and trade finance, along with merchant solutions including POS terminals, payment gateways, and digital payment infrastructure. Its treasury and markets division provides foreign exchange services, derivatives, debt capital market solutions, and advisory services to clients. The bank has also made significant investments in digital capabilities, offering robust online banking platforms, remittance solutions, and digital-first financial services aimed at enhancing customer experience and expanding its reach.

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## Business Segment

- **Retail Banking Services:** The bank offers a comprehensive range of retail banking services, including savings and current accounts, term deposit products, and retail lending solutions such as home loans, vehicle loans, personal loans, gold loans, and loans against property, along with cards and wealth management offerings, including insurance and mutual funds.
- **Corporate Banking Services:** The bank provides a wide array of corporate banking solutions, including working capital finance, term loans, trade and export financing, cash management services, and investment banking capabilities such as debt syndication, fund-raising advisory, and mergers and acquisitions advisory.
- **SME and MSME Banking Services:** The bank caters to the financing needs of small and medium enterprises by offering business loans, working capital solutions, and equipment financing tailored to support business growth.
- **Treasury and Markets Division:** The bank's treasury and markets division provides foreign exchange services, derivatives trading, debt capital market solutions, and advisory services aimed at managing financial risks and optimizing returns for clients.

## Story in Charts



## Ratio Analysis

| Particulars | FY24   | FY25    | FY26   |
|-------------|--------|---------|--------|
| EPS         | 115.54 | 33.07   | 11.42  |
| EPS Growth  |        | 45.4%   | -65.5% |
| PER         | 13.44  | 19.65   | 65.89  |
| P/BV        | 1.92   | 0.78    | 0.89   |
| GNPA        | 1.92%  | 3.13%   | 3.43%  |
| NNPA        | 0.57%  | 0.95%   | 1.00%  |
| PCR         | 71.00% | 70.00%  | 71.00% |
| ROA         | 1.90%  | -1.74%  | 0.50%  |
| ROE         | 15.23% | -14.12% | 3.64%  |
| NIM         | 4.36%  | 2.25%   | 3.39%  |

## Historical Financials

| Income Statement (Rs. Cr)                         | FY24          | FY25          | FY26          |
|---|---------------|---------------|---------------|
| <b>Interest earned</b>                            | <b>45,748</b> | <b>48,668</b> | <b>46,251</b> |
| a. Interest / discount on advances / bills        | 38,119        | 39,591        | 36,380        |
| b. Income from investment                         | 6,202         | 7,663         | 7,910         |
| c. Interest on balances with RBI & others         | 1,157         | 1,207         | 1,365         |
| d. Others   | 270           | 207           | 595           |
| Other Income                                      | 9,396         | 7,690         | 7,229         |
| <b>Total Income</b>                               | <b>55,144</b> | <b>56,358</b> | <b>53,480</b> |
| Interest expended                                 | 25,132        | 29,636        | 28,268        |
| Operating Expenses                                | 14,148        | 16,060        | 16,032        |
| Employees Cost                                    | 5,374         | 6,633         | 7,091         |
| Other Operating Expenses                          | 8,774         | 9,427         | 8,941         |
| <b>Total Expenditure</b>                          | <b>39,280</b> | <b>45,697</b> | <b>44,300</b> |
| <b>Operating</b>                                  | <b>15,864</b> | <b>10,661</b> | <b>9,180</b>  |
| Provision (other than tax) & Contingencies        | 3,885         | 7,136         | 7,969         |
| Exceptional Items                                 |               |               |               |
| <b>Profit from Ordinary Activities before tax</b> | <b>11,979</b> | <b>3,526</b>  | <b>1,210</b>  |
| Tax Expenses                                      | 3,002         | 950           | 321           |
| <b>Net Profit for the Period</b>                  | <b>8,977</b>  | <b>2,575</b>  | <b>889</b>    |
| EPS (Earnings Per Share)                          | 115.54        | 33.07         | 11.42         |

| Balance Sheet (Rs. Cr)                                 | FY24            | FY25            | FY26            |
|--|-----------------|-----------------|-----------------|
| <b>Capital &amp; Liabilities</b>                       |                 |                 |                 |
| Capital  | 778             | 779             | 779             |
| Reserves & Surplus                                     | 104             | 143             | 151             |
| Minority Interest                                      | 62,326          | 63,914          | 64,809          |
| Deposits   | 3,84,586        | 4,10,862        | 3,99,931        |
| Borrowing  | 47,611          | 53,704          | 42,789          |
| Other Liabilities & Provision                          | 19,689          | 24,706          | 34,934          |
| <b>Total Capital &amp; Liabilities</b>                 | <b>5,15,094</b> | <b>5,54,107</b> | <b>5,43,394</b> |
| <b>Assets</b>  |                 |                 |                 |
| Cash and Balances with Reserve Bank of India           | 18,561          | 51,006          | 29,946          |
| Balances with Banks and Money at Call and Short Notice | 18,347          | 8,369           | 18,987          |
| Investments  | 1,06,486        | 1,14,457        | 1,25,007        |
| Advances   | 3,43,298        | 3,45,019        | 3,15,871        |
| Fixed Assets   | 2,324           | 2,496           | 2,546           |
| Other Assets   | 26,078          | 32,760          | 51,037          |
| <b>Total Assets</b>                                    | <b>5,15,094</b> | <b>5,54,107</b> | <b>5,43,394</b> |

**Cholamandalam Securities Limited Member: BSE, NSE, MSE, NSDL, CDSL**

**Regd. Office:** Chola Crest, C54 – 55 & Super B-4, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai – 600032.

**Website:** [www.cholasecurities.com](http://www.cholasecurities.com) | **Email id** – [csecsupport@chola.murugappa.com](mailto:csecsupport@chola.murugappa.com) | CIN U65993TN1994PLC028674

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| RESEARCH             |                         |                     |                                  |
|----------------------|-------------------------|---------------------|----------------------------------|
| <b>Dharmesh Kant</b> | Head of Equity Research | +91- 44 – 4004 7360 | dharmeshkt@chola.murugappa.com   |
| <b>Riddhi Asrani</b> | Research Analyst        | +91- 44 – 4004 7360 | riddhijai@chola.murugapp.com     |
| <b>Vishwanath B</b>  | Research Associate      | +91- 44 – 4004 7360 | vishwanathb@chola.murugapp.com   |
| <b>Balaji H</b>      | Compliance Officer      | 044 – 30007226      | balajih@chola.murugappa.com      |
| <b>Prem Kumar R</b>  | Customer service        | 1800 203 3460       | premkumarram@chola.murugappa.com |

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