

## Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	75,399	1.1	-11.5
Nifty-50	23,690	1.2	-9.3
Nifty-M 100	60,840	1.1	0.6
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,501	0.8	9.6
Nasdaq	26,635	0.9	14.6
FTSE 100	10,373	0.5	4.4
DAX	24,456	1.3	-0.1
Hang Seng	8,859	-0.2	-0.6
Nikkei 225	62,654	-1.0	24.5
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	110	-1.1	75.4
Gold (\$/OZ)	4,652	-0.8	7.7
Cu (US\$/MT)	13,895	-1.5	11.6
Almn (US\$/MT)	3,741	0.3	26.1
Currency	Close	Chg .%	CYTD.%
USD/INR	95.8	0.1	6.6
USD/EUR	1.2	-0.4	-0.7
USD/JPY	158.4	0.3	1.1
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.0	-0.03	0.4
10 Yrs AAA Corp	7.5	0.00	0.2
Flows (USD b)	14-May	MTD	CYTD
FII	0.02	-2.09	-23.1
DII	0.07	4.40	37.0
Volumes (INRb)	14-May	MTD*	YTD*
Cash	1,554	1540	1347
F&O	90,880	2,62,704	2,74,869

Note: Flows, MTD includes provisional numbers.

\*Average



## Today's top research idea

### Bharti Airtel: Muted 4Q; robust FCF generation aids significant deleveraging in FY26

- ❖ Bharti Airtel (Bharti) reported a muted performance in 4QFY26, with consolidated EBITDA rising 2.3% QoQ. The India performance (EBITDA +1.2% QoQ) was broadly in line, while Airtel Africa (AAF, +8% QoQ, 6% ahead) continued its strong display, benefitting from higher margins in Nigeria and favorable currency movements.
- ❖ India wireless revenue and EBITDA grew less than 1% QoQ, due to two fewer days QoQ, while Homes continued on a high growth path.
- ❖ FY26 capex for India (excl. Indus) at INR310b was marginally higher than FY25 (INR303b, vs. management's guidance of YoY moderation). Management expects FY27 capex in India to remain in the same ballpark as FY26 capex.
- ❖ Driven by robust FCF generation (INR542b) and recent rights issue (INR157b), Bharti's consolidated net debt (ex-lease) declined ~INR475b YoY to INR910b.
- ❖ We model a CAGR of ~15% in Bharti's consol. revenue/EBITDA over FY26-28E. Reiterate Buy with revised TP of INR2,180.



## Research covered

Cos/Sector	Key Highlights
Bharti Airtel	Muted 4Q; robust FCF generation aids significant deleveraging in FY26
JSW Steel	Earning beat; outlook remains bright
Other Updates	DLF   Muthoot Finance   Tata Motors Passenger Vehicles   Bharti Hexacom   Voltas   Dalmia Bharat   LIC Housing Finance   Inventurus Knowledge Solutions   Kirloskar Oil Engines   Kaynes Technologies   Signatureglobal (India)   Clean Science & Technology   Lemon Tree   EPL   Utilities   Hindustan Aeronautics   Siemens Energy India   United Spirits   Vishal Mega Mart   Endurance Technologies   Global Health   Apollo Tyres   Data Patterns   Kalpataru Projects   LT Foods   P N Gadgil Jewellers   Fujiyama Power Systems   Galaxy Surfactants   Restaurant Brands Asia



## Chart of the Day: Bharti Airtel (Muted 4Q; robust FCF generation aids significant deleveraging in FY26)

### Summary of Bharti's India wireless business valuations and upside/downside skew, FY2026-36E

	Base	Bear	Bull
<b>Bharti - India Wireless</b>			
10-year subscriber CAGR (%)	1.4	1.2	1.2
<b>10-year ARPU CAGR (%)</b>	<b>5.8</b>	<b>4.5</b>	<b>7.0</b>
Rs 300 ARPU achieved by	FY2028	FY2029	FY2028
10-yr revenue CAGR (%)	7.3	5.9	8.4
<b>10-yr EBITDA CAGR (%)</b>	<b>8.2</b>	<b>6.6</b>	<b>9.5</b>
<b>Enterprise value (INR b)</b>	<b>9,766</b>	<b>7,779</b>	<b>12,261</b>
Exit EV/EBITDA (X)	10.6	8.9	13.0
Implied FY28E EBITDA (X)	11.7	9.9	13.9
<b>India wireless Enterprise value (INR/share)</b>	<b>1,650</b>	<b>1,303</b>	<b>2,087</b>
<b>Bharti SoTP-based TP (INR/share)</b>	<b>2,180</b>	<b>1,705</b>	<b>2,740</b>
Upside/downside to CMP (%)	16	-9	46

Source: Company, MOFSL

## Research Team

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

**India's EV battery demand to grow 10 times to 200 GWh by 2032: IESA**

India's electric vehicle battery demand will surge tenfold by 2032. This growth presents significant opportunities in component localization and supply chain development. The market is transforming with advancements in batteries, motors, and manufacturing.

2

**Bajaj group enters healthcare sector with ₹2,500 crore Pune project**

The Bajaj group will diversify into the healthcare business next and plans to invest over ₹2,000 crore in Pune over the next three years. The business will not use the usual metrics of calculating scale, like the number of beds or the average revenue per operating bed

3

**JSW Steel board approves raising ₹14,000 cr; amalgamation of BMM Ispat**

JSW Steel on Thursday said its board has approved raising up to ₹14,000 crore through the issuance of non-convertible debentures and equity shares. The board has also approved the scheme of amalgamation of BMM Ispat with JSW Steel at an enterprise value of ₹6,400 crore, the company said in a regulatory filing.

4

**Inox Clean buys assets of US' Boviet Solar for \$750 million**

Inox Clean Energy has secured Boviet Solar's US solar manufacturing assets for \$750 million. This strategic acquisition includes solar module and cell manufacturing units in North Carolina. The deal provides Inox Clean Energy a significant presence in the growing US market.

5

**Alembic Pharma gets USFDA tentative nod for generic prostate cancer drug**

Alembic Pharmaceuticals has secured tentative approval from the USFDA for its generic version of Darolutamide tablets, targeting prostate cancer treatment. The approval is for the 300 mg strength. The drug is a generic version of Nubeqa Tablets.

6

**SEPC JV wins ₹521 crore road project order in Uttar Pradesh from Shalimar Corp**

SEPC Limited has announced that its joint venture has received a Letter of Award (LoA) valued at ₹521.5 Cr from Shalimar Corp for engineering, procurement and construction (EPC) work.

7

**New Era Cleantech advances ₹20,000 crore coal-to-chemicals project**

Mumbai-based New Era Cleantech is hopeful of achieving financial closure and placing engineering, procurement, and construction (EPC) orders for the first phase of its mega ₹20,000 crore coal gasification project at Bhadravati in Chandrapur, Maharashtra, by December

# Bharti Airtel

Estimate change	↔
TP change	↓
Rating change	↔

**CMP: INR1,884 TP: INR2,180 (+16%) Buy**

## Muted 4Q; robust FCF generation aids significant deleveraging in FY26

Bloomberg	BHARTI IN
Equity Shares (m)	6094
M.Cap.(INRb)/(USD)	11476.7 / 119.8
52-Week Range (INR)	2175 / 1741
1, 6, 12 Rel. Per (%)	1/-2/7
12M Avg Val (INR M)	15674

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Net Sales	2,110	2,453	2,774
EBITDA	1,197	1,396	1,584
Adj. PAT	293	400	519
EBITDA Margin (%)	56.7	56.9	57.1
Adj. EPS (INR)	44.2	64.0	83.2
EPS Gr. (%)	46	45	30
BV/Sh. (INR)	267	311	364

### Ratios

Net D:E	1.2	0.6	0.2
RoE (%)	22.3	24.7	27.5
RoCE (%)	15.6	17.3	20.3
Div. Payout (%)	54.8	54.7	54.1

### Valuations

EV/EBITDA (x)	11.0	9.3	7.8
P/E (x)	39.2	29.4	22.7
P/BV (x)	7.1	6.1	5.2
Div. Yield (%)	1.3	1.9	2.4

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	48.9	48.9	52.4
DII	20.7	19.7	19.3
FII	27.8	28.8	25.5
Others	2.6	2.7	2.8

FII includes depository receipts

- Bharti Airtel (Bharti) reported a muted performance in 4QFY26, with consolidated EBITDA rising 2.3% QoQ. The India performance (EBITDA +1.2% QoQ) was broadly in line, while Airtel Africa (AAF, +8% QoQ, 6% ahead) continued its strong display, benefitting from higher margins in Nigeria and favorable currency movements.
- India wireless revenue and EBITDA grew less than 1% QoQ, due to two fewer days QoQ, while Homes continued on a high growth path.
- Consolidated capex surged ~36% QoQ to INR161b (~12% YoY), with India capex (excl. Indus) rising ~54% QoQ to INR112b. FY26 capex for India (excl. Indus) at INR310b was marginally higher than FY25 (INR303b, vs. management's guidance of YoY moderation). Management expects FY27 capex in India to remain in the same ballpark as FY26 capex.
- 4Q consolidated FCF moderated to INR84b (vs. ~INR169b in 3Q), due to seasonal working capital build-up and AGR payments. However, FY26 FCF (after leases and interest) improved sharply to INR542b (vs. INR389b YoY).
- Driven by robust FCF generation and a recent rights issue (INR157b), Bharti's consolidated net debt (ex-lease) declined ~INR214b QoQ to INR910b (down ~INR475b YoY), with leverage moderating to 0.84x (vs. ~1.5x YoY).
- The Board approved issuance of ~147m shares (at ~INR1,923/share) to the promoter, ICIL (part of Bharti Enterprises), in lieu of its ~16.3% stake in AAF (at GBP3.67/share). The transaction avoids ~INR282b cash outgo, but will lead to ~2.4% equity dilution (the deal is EPS accretive on FY26 earnings).
- The most pertinent investor concern about Bharti has been its capital allocation plans. However, we believe the concerns are overdone. We view the AAF stake purchase from promoters as positive and expect the NBFC foray to be calibrated. We believe any further international acquisition (except AAF) could be the most concerning aspect of Bharti's capital allocation policy.
- We tweak our estimates for FY26 actuals and build in ~2.4% equity dilution to account for ~16.3% AAF stake purchase.
- We model a CAGR of ~15% in Bharti's consol. revenue/EBITDA over FY26-28E, driven by 1) flow-through of the ~15% tariff hike in India wireless from 2QFY27, 2) continued acceleration in Home broadband net adds, 3) strong double-digit CC growth in Africa, and 4) steady growth in Enterprise offerings.
- **We reiterate our BUY rating on the stock with an SoTP-based revised TP of INR2,180.** The India wireless and home businesses are valued at a DCF-implied ~12x FY28 EV/EBITDA. Risk-reward remains favorable (bull case: INR2,645; bear case: INR1,715).

## Muted 4Q; wireless growth moderates in the absence of tariff hikes

- Bharti's consolidated revenue grew 2.6% QoQ (+16% YoY) to INR554b, led by robust growth in AAF (~7% QoQ) and the Homes business (~9.5% QoQ).
- The India wireless revenue growth was muted at ~0.6% QoQ, as ARPU moderated to INR257 (-0.6% QoQ, +5% YoY) due to two fewer days QoQ.

- Consolidated EBITDA rose 2.3% QoQ to INR315b (up 17% YoY, in line), driven by robust performance in Airtel Africa (+8% QoQ, 6% above), and Home Broadband (+9.6% QoQ).
- Consolidated EBITDAaL grew 3.4% QoQ to INR286.5b, with India EBITDAaL rising 1.2% QoQ to INR222b (margin up ~60bp QoQ).
- India wireless EBITDA inched up ~0.9% QoQ (in line; vs. ~2.1% QoQ growth reported by RJio in 4Q), despite a robust ~84% incremental margin.
- Homes continue to benefit from acceleration in subscriber additions (~1.13m net adds drive ~10% QoQ revenue growth). Enterprise (B2B) revenue grew 2.6% QoQ, while EBITDA margin expanded ~100bp QoQ to 42.9%
- Africa continued to deliver robust double-digit YoY CC revenue and EBITDA growth, driven by the higher margin in Nigeria and favorable FX movements.
- Reported PBT (before share of JVs) at INR131b (+5% QoQ, +36% YoY) was 5% below our estimate due to higher net finance costs (-4% QoQ, but 19% above).
- Adjusted for exceptionals, attributable PAT at INR72.5b grew ~5% QoQ (+39% YoY), though came in ~5% below our estimate due to higher net finance cost.
- For FY26, Bharti delivered INR542b in FCF (after interest and leases), which, along with the rights issue contribution (INR157b), led to ~INR475b YoY reduction in consolidated net debt. Bharti's India business is now debt-free (excluding the leases and payouts to GoI for spectrum and AGR dues).
- We continue to build in ~15% smartphone tariff hike from 2QFY27, which should drive Bharti's ARPU closer to the INR300 mark and enable ~15% consolidated revenue and EBITDA CAGR over FY26-28E.

### Key highlights from the earnings webinar

- **AAF stake purchase:** Given the multi-decadal opportunity for growth in Africa, Bharti has decided to purchase ~16.3% stake in AAF through the issuance of ~2.4% equity to its Indian promoter. The transaction is worth ~INR282b and cash accretive, based on FY26 earnings. Management intends to further raise its stake in AAF to ~90% (maximum promoter holding) over the medium term through a combination of buyback (by AAF) and purchasing any investor blocks.
- **Promoter shareholding:** Bharti's Chairman reiterated his ambition of owning ~50%+ stake in the company (vs. ~40.5% currently) through Bharti Telecom (BTL, a 50.5%-49.5% JV with Singtel), over the longer term by using cash inflow from dividends and non-tendering of shares in potential buybacks (by Bharti).
- **Stake equalization:** Post-completion of the AAF stake purchase, the shareholding gap between Singtel and the Indian promoter would narrow to 3.6% (from ~6.1% currently). Management expects Singtel's residual stake to be divested in a phased manner over the next three years.
- **Shareholder returns:** The Chairman expects a step-up in dividends and potential buybacks, given strong FCF generation. However, the company would not like to go down the route of traditional Indian IT companies (focusing just on dividends/buybacks) and would continue to invest in growth opportunities.
- **International foray:** The company is not looking for any other foreign assets currently, as it believes the goal of reaching ~800m customers can be achieved through its current footprint (500m in India, 300m in Africa) across wireless, homes, enterprise, financial services, and digital offerings.

- **Capex and capital allocation:** FY26 capex ended up slightly higher than FY25 (vs. guidance of YoY moderation) due to step-up investments in 5G, Homes, and B2B adjacencies. Management expects FY27 capex to be in the same ballpark as FY26. The investments in core business across India, Indus, and Africa remain the first port of call for the company, followed by seeding strategic growth opportunities in data centers, cloud, financial services, and deleveraging. The dividend payout is expected to be progressively stepped up (up ~50% YoY to INR24/share in FY26).

### Valuation and view

- The most pertinent investor concern about Bharti has been its capital allocation plans. However, we believe the concerns are overdone. We view the AAF stake purchase from promoters as a positive, given the long-term growth opportunity. Further, the outlay on the NBFC foray would be measured and less than Bharti's one-quarter FCF to be invested over 5-7 years. However, any further international acquisition (except AAF) could be the most concerning development.
- We continue to like Bharti in the telecom space, given robust FCF generation and an improving return ratio. With a potential tariff hike and range-bound core capex, Bharti could deliver ~INR1.3t+ FCF over FY26-28, with the company turning net cash by FY29 and return ratios climbing to ~25% by FY28.
- We model a CAGR of ~15% in Bharti's consolidated revenue/EBITDA over FY26-28E, driven by 1) flow-through of the ~15% tariff hike in India wireless from 2QFY27, 2) continued acceleration in Home broadband net adds, 3) strong double-digit CC growth in Africa, and 4) steady growth in Enterprise offerings.
- We **reiterate our BUY rating with an SoTP-based revised TP of INR2,180 (earlier INR2,205, albeit on a higher share count)**. We value the India wireless and homes business on DCF (implies ~12x Mar'28E EV/EBITDA), DTH/Enterprise at 5x/10x Mar'28E EBITDA, and Bharti's stake in Indus Towers and Airtel Africa at a 25% discount to our TP/CMP.
- Impending tariff hikes and the upcoming JPL IPO remain the key near-term triggers. The long-term risk-reward remains attractive (bull case: INR2,645; bear case: INR1,715).

### Consolidated - Quarterly Earnings Summary

Y/E March	(INR b)											
	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Revenue</b>	<b>385</b>	<b>415</b>	<b>451</b>	<b>479</b>	<b>495</b>	<b>521</b>	<b>540</b>	<b>554</b>	<b>1,730</b>	<b>2,110</b>	<b>549</b>	<b>1.0</b>
YoY Change (%)	2.8	12.0	19.1	27.3	28.5	25.7	19.6	15.7	15.3	22.0		
Total Expenditure	188	196	205	209	216	226	232	239	798	913	236	1.1
<b>EBITDA</b>	<b>197</b>	<b>218</b>	<b>246</b>	<b>270</b>	<b>278</b>	<b>296</b>	<b>308</b>	<b>315</b>	<b>932</b>	<b>1,197</b>	<b>312</b>	<b>0.8</b>
YoY Change (%)	0.6	12.0	24.1	39.5	41.3	35.3	25.2	16.6	19.0	28.5		
Depreciation	105	110	117	123	125	132	134	136	456	527	134	1.7
Net Finance cost	52	54	57	55	55	49	56	56	218	216	48	17.5
Other Income and JV share	13	13	21	5	6	8	8	10	53	32	9	10.2
<b>PBT before EO expense</b>	<b>53</b>	<b>68</b>	<b>93</b>	<b>97</b>	<b>105</b>	<b>123</b>	<b>126</b>	<b>132</b>	<b>311</b>	<b>486</b>	<b>139</b>	<b>-5.2</b>
Extra-Ord expense	-7	9	-75	1	0	0	3	32	-73	34	0	
<b>PBT</b>	<b>60</b>	<b>59</b>	<b>169</b>	<b>96</b>	<b>105</b>	<b>123</b>	<b>123</b>	<b>100</b>	<b>384</b>	<b>452</b>	<b>139</b>	<b>-27.9</b>
Tax	13	17	8	-29	31	37	38	8	9	113	42	
Rate (%)	21.7	29.6	4.5	-30.2	29.3	29.8	30.9	7.9	2.4	25.1	30.3	
Minority Interest	6	6	14	15	15	19	19	19	39	71	20	
<b>Reported PAT</b>	<b>42</b>	<b>36</b>	<b>148</b>	<b>110</b>	<b>59</b>	<b>68</b>	<b>66</b>	<b>73</b>	<b>336</b>	<b>267</b>	<b>76</b>	<b>-4.2</b>
<b>Adj PAT</b>	<b>29</b>	<b>39</b>	<b>55</b>	<b>52</b>	<b>59</b>	<b>68</b>	<b>69</b>	<b>72</b>	<b>176</b>	<b>269</b>	<b>76</b>	<b>-5.3</b>
YoY Change (%)	0.8	32.2	121.3	76.9	103.3	73.6	25.5	38.7	55.4	53.1		

E: MOFSL Estimates

# JSW Steel

Estimate changes	↔
TP change	↑
Rating change	↔

Bloomberg	JSTL IN
Equity Shares (m)	2445
M.Cap.(INRb)/(USDb)	3171.5 / 33.1
52-Week Range (INR)	1307 / 962
1, 6, 12 Rel. Per (%)	8/20/35
12M Avg Val (INR M)	2022

## Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	1,855	1,924	2,130
EBITDA	321	374	454
Adj.PAT	91	151	214
EPS (Gr %)	137.3	66.0	41.9
BV/Sh (INR)	410	468	553

## Ratios

Net D:E	0.5	0.3	0.2
ROE (%)	10.1	14.1	17.2
RoCE (%)	10.4	9.8	12.1
Payout (%)	7.8	5.7	4.0

## Valuations

P/E (X)	11.1	20.9	14.8
P/BV (X)	2.8	2.8	2.3
EV/EBITDA (X)	10.6	9.5	7.6
Div Yield (%)	0.6	0.3	0.3

## Shareholding pattern (%)

As Of	Mar-26	Dec-25	Mar-25
Promoter	45.3	45.3	44.8
DII	11.7	11.6	11.0
FII	25.6	25.6	26.0
Others	17.5	17.6	18.2

FII includes depository receipts

**CMP: INR1,296 TP: INR1,520 (+17%)**

**Buy**

## Earning beat; outlook remains bright

### Consolidated performance

- JSW Steel (JSTL) posted in-line consolidated revenue of INR512b (+14% YoY and +11% QoQ) in 4QFY26, supported by healthy sales volume and NSR growth.
- Adj. EBITDA came in at INR97b, up 50% YoY and 47% QoQ, driven by higher sales realization, partly offset by higher coking coal prices. Adj. EBITDA/t stood at INR12,187, up 41% YoY and QoQ (vs. our est. of INR10,750/t).
- The company realized an exceptional gain of INR178.9b, which included INR181b related to the slump sale of BPSL steel undertaking and INR1.63b in exceptional charges on employee obligations arising from the implementation of the new labor code in 4Q, in addition to the charge taken in 3Q.
- APAT stood at INR34.7b (+117% YoY and +192% QoQ) against our est. of INR28.3b, mainly driven by better-than-expected operating performance.
- In FY26, revenue grew 10% YoY to INR1,855b, adj. EBITDA rose 40% YoY to INR321b, and APAT jumped 137% YoY to INR91b.
- Consol. crude steel production was down 2% YoY and flat QoQ at 7.5mt in 4QFY26 due to the shutdown of BF-3 in Vijayanagar for expansion. Steel sales volumes came in at 7.97mt (+6% YoY and +4% QoQ).
- ASP for the quarter stood at INR64,200/t (+7% YoY and QoQ), driven by steel price recovery on account of safeguard duty.
- In FY26, consol. production stood at 30.1mt (+8% YoY) and sales volume grew by 12% YoY to 29.6mt, while NSR declined 2% YoY to INR62,500/t on account of muted steel prices in 1H in the absence of safeguard duty.
- Net debt-to-EBITDA ratio stood at 1.81x in 4QFY26 vs. 2.91x in 3QFY26. Net debt as of Mar'26 stood at INR538.7b, down by INR264.8b QoQ, due to deleveraging from the slump sale of the BPSL steel business, healthy cash generation and the release of working capital.

### India business performance – strong volume drives earnings

- Indian operation production for the quarter was 7.34mt, flat QoQ and down 1% YoY, due to Vijayanagar BF-3 shutdown for capacity upgrade since Sep'25, which impacted crude steel production and capacity utilization at the company's Indian operations during FY26.
- Steel sales for the quarter were at 7.84mt, up 6% QoQ and 8% YoY. Capacity utilization for the combined Indian operations for the year stood at ~92% ex-BF3 capacity (87% incl. BF-3 capacity).
- Indian operations registered revenue of INR487.7b (+14% YoY and +12% QoQ) and adj. EBITDA of INR95.7b (+47% YoY and QoQ), with an EBITDA margin of 19.6% during the quarter.

### Highlights from the management commentary

- Management guided for 29.75mt of consol. steel production and sales volume of 28.6mt for FY27 (ex-volume from BPSL-JFE JV).
- Management indicated that only part of the recent price increase was reflected in 4Q earnings, and the balance benefit is expected to flow into 1QFY27 due to contractual and lag effects.
- The company stated that flat steel prices were increased by ~INR2,000/t in Apr'26 and another INR1,000/t in May'26, which, combined with quarterly automotive contract resets, should support stronger realizations in 1QFY27.
- Management acknowledged near-term cost pressures from coking coal, freight, LNG, and geopolitical disruptions, but indicated that recent steel price increases should offset much of the inflationary impact.
- The company expects coking coal costs to rise another USD12–15/t in 1QFY27, while overall steel conversion costs may increase by roughly INR3,000/t QoQ.
- The company guided for capex of INR220-240b for FY27, while cumulative approved growth capex currently stands at INR1.26t to be spent over the next 4-5 years.
- Total long-term capex, including mining, downstream, and JV equity commitments, could eventually reach INR2.25t by FY33.

### Valuation and view

- JSTL reported a strong performance in 4QFY26, supported by NSR improvement and sales volume growth. We believe JSTL is well-placed with new capacities coming on-stream, strong domestic demand, and a rising share of value-added proportion in the sales mix. Its focus on increasing the captive share of iron ore and improving coal linkages will support earnings.
- Going forward, we estimate double-digit revenue growth over FY27-FY28, driven by the ramp-up of new capacity and price recovery led by safeguard duty. Despite input cost volatility, we believe EBITDA/t will rebound to ~INR14,000/t by FY28E on account of domestic steel price recovery, led by safeguard duty.
- As BPSL was transferred to JFE JV via a slump sale, we have remodeled our FY27/28 earnings estimates excl. BPSL, which results in a decline in revenue and EBITDA by 9% in FY27. Our earnings estimates for FY28 decline by 3-4% to account for the BPSL business moving into a JV with 50% holding. **At CMP, JSTL trades at 7.6x FY28E EV/EBITDA, and we reiterate our BUY rating on the stock with a TP of INR1,520, valued on SoTP.**

**Consolidated financial performance (INR b)**

Y/E March	FY25				FY26				FY25	FY26	FY26	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Sales (kt)</b>	<b>6,120</b>	<b>6,130</b>	<b>6,710</b>	<b>7,490</b>	<b>6,690</b>	<b>7,340</b>	<b>7,640</b>	<b>7,970</b>	<b>26,450</b>	<b>29,640</b>		
Change (YoY %)	7.2	(3.3)	11.8	11.3	9.3	19.7	13.9	6.4	6.7	12.1		
Change (QoQ %)	(9.1)	0.2	9.5	11.6	(10.7)	9.7	4.1	4.3	-	-		
<b>Net Realization/t</b>	<b>70,168</b>	<b>64,737</b>	<b>61,666</b>	<b>59,838</b>	<b>64,495</b>	<b>61,515</b>	<b>60,198</b>	<b>64,216</b>	<b>63,828</b>	<b>62,574</b>		
<b>Net Sales</b>	<b>429.4</b>	<b>396.8</b>	<b>413.8</b>	<b>448.2</b>	<b>431.5</b>	<b>451.5</b>	<b>459.9</b>	<b>511.8</b>	<b>1,688.2</b>	<b>1,854.7</b>	<b>503.8</b>	<b>2%</b>
Change (YoY %)	1.7	(11.0)	(1.3)	(3.1)	0.5	13.8	11.1	14.2	(3.5)	9.9		
Change (QoQ %)	(7.2)	(7.6)	4.3	8.3	(3.7)	4.6	1.9	11.3				
<b>EBITDA</b>	<b>54.2</b>	<b>56.4</b>	<b>54.1</b>	<b>64.9</b>	<b>78.9</b>	<b>78.5</b>	<b>66.2</b>	<b>97.1</b>	<b>229.6</b>	<b>320.7</b>	<b>83.2</b>	<b>17%</b>
Change (YoY %)	(23.1)	(28.4)	(24.6)	5.9	45.5	39.1	22.3	49.7	(18.7)	39.6		
Change (QoQ %)	(11.5)	4.2	(4.1)	19.8	21.6	(0.5)	(15.7)	46.7				
<b>EBITDA (INR per ton)</b>	<b>8,855</b>	<b>9,207</b>	<b>8,069</b>	<b>8,661</b>	<b>11,788</b>	<b>10,693</b>	<b>8,665</b>	<b>12,187</b>	<b>8,682</b>	<b>10,819</b>	<b>10,727</b>	<b>14%</b>
Interest	20.7	21.3	21.2	20.9	22.2	24.1	23.0	21.7	84.1	91.0		
Depreciation	22.1	22.7	23.4	25.0	25.4	25.5	23.6	21.5	93.1	96.0		
Other Income	1.6	1.5	1.5	2.3	3.5	2.8	2.7	3.4	6.9	12.5		
<b>PBT (before EO Item)</b>	<b>13.0</b>	<b>14.0</b>	<b>11.1</b>	<b>21.3</b>	<b>34.8</b>	<b>31.7</b>	<b>22.3</b>	<b>57.4</b>	<b>59.4</b>	<b>146.1</b>	<b>38.1</b>	<b>51%</b>
Share of P/(L) of Asso.	(0.1)	(0.6)	0.1	(2.4)	(1.0)	(0.9)	(1.2)	(1.7)	(3.1)	(4.8)		
EO Items	(0.9)	5.5	(0.6)	1.5	3.1	7.3	(7.9)	(168.1)	5.5	(165.5)		
<b>PBT (after EO Item)</b>	<b>13.8</b>	<b>7.9</b>	<b>11.8</b>	<b>17.3</b>	<b>30.7</b>	<b>23.4</b>	<b>29.0</b>	<b>223.8</b>	<b>50.8</b>	<b>306.9</b>		
Total Tax	5.1	3.9	4.6	2.3	8.6	7.0	4.9	31.3	15.9	51.8		
% Tax	37.2	48.8	39.0	13.2	28.1	29.8	16.8	14.0	31.2	16.9		
<b>PAT before MI and Asso.</b>	<b>8.7</b>	<b>4.0</b>	<b>7.2</b>	<b>15.0</b>	<b>22.1</b>	<b>16.5</b>	<b>24.1</b>	<b>192.4</b>	<b>34.9</b>	<b>255.1</b>		
MI (Profit)/Loss	0.2	(0.4)	0.0	(0.0)	0.3	0.2	2.7	28.7	(0.1)	31.9		
<b>Reported PAT after MI/Asso.</b>	<b>8.4</b>	<b>4.4</b>	<b>7.2</b>	<b>15.0</b>	<b>21.8</b>	<b>16.2</b>	<b>21.4</b>	<b>163.7</b>	<b>35.0</b>	<b>223.2</b>		
<b>Adj. PAT after MI and Asso.</b>	<b>7.9</b>	<b>7.7</b>	<b>6.8</b>	<b>15.9</b>	<b>23.7</b>	<b>20.6</b>	<b>11.9</b>	<b>34.7</b>	<b>38.3</b>	<b>91.0</b>	<b>28.3</b>	<b>23%</b>
Change (YoY %)	(66.2)	(74.9)	(70.2)	22.8	199.8	168.5	75.0	117.9	(57.3)	137.3		
Change (QoQ %)	(39.2)	(2.8)	(11.5)	134.6	48.6	(12.9)	(42.3)	192.1				

Source: MOFSL, Company

Estimate change 

TP change

Rating change 

Bloomberg	DLFU IN
Equity Shares (m)	2475
M.Cap.(INRb)/(USDb)	1443.7 / 15.1
52-Week Range (INR)	888 / 489
1, 6, 12 Rel. Per (%)	3/-15/-11
12M Avg Val (INR M)	2446

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	81.9	103.0	122.9
EBITDA	14.5	30.1	37.8
EBITDA (%)	17.7	29.2	30.8
PAT	42.1	54.6	64.1
EPS (INR)	17.0	22.1	25.9
EPS Gr. (%)	-9.8	29.7	17.4
BV/Sh. (INR)	183.7	194.8	207.7

### Ratios

Net D/E	-0.2	-0.2	-0.2
RoE (%)	9.6	11.7	12.9
RoCE (%)	5.7	7.2	8.3
Payout (%)	44.9	49.8	50.2

### Valuations

P/E (x)	34.3	26.4	22.5
P/BV (x)	3.2	3.0	2.8
EV/EBITDA (x)	94.3	45.4	36.0
Div Yield (%)	1.4	1.9	2.2

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	74.1	74.1	74.1
DII	6.9	5.8	4.7
FII	13.5	14.8	16.3
Others	5.4	5.3	4.9

**CMP: INR583**

**TP: INR775 (+33%)**

**Buy**

## Rental portfolio scaling up well

### Pre-sales expected to remain rangebound

DLF Ltd's (DLFU) 4QFY26 bookings grew 95% YoY to INR39.7b, whereas FY26 pre-sales declined 5% YoY to INR201.4b. During the year, it witnessed strong responses in three key projects - DLF Privana North recorded > INR110b in bookings, The Dahlias recorded INR48b, and Westpark, Mumbai recorded INR23b (almost fully sold out). It has a launch pipeline of INR200b for FY27, comprising major launches in DLF City (~INR80-90b potential), Arbour Senior Living, Westpark P-2 (0.8msf), and the Goa project, apart from continued inventory sales in The Dahlias. We expect pre-sales growth to be muted at 5% CAGR to INR222b in FY26-28E.

### Strong growth in the annuity portfolio

- DCCDL's rental income in 4QFY26 increased 17% YoY to INR14.3b, driven by steady growth across the portfolio. Overall occupancy in the operational office portfolio was at 95% (98% non-SEZ/89% - SEZ), while occupancy at retail assets stood at 97%. In FY26, DCCDL's rental income increased 16% YoY to INR55.3b. Atrium Place JV with Hines is now fully leased, with occupancy certificates received for three towers and the final tower OC expected in 2QFY27.
- Execution at the following retail developments is progressing well - Midtown Plaza (97% leased; operational), Summit Plaza (~97% leased; opening expected by Jul-26), and Promenade Goa (~50% pre-leased; mall completion targeted by Aug-26). DLFU expects existing assets to deliver ~10-11% rental growth in FY27, excluding incremental contribution from new assets. The current operational portfolio of 49.6msf is expected to ramp up to ~76msf in the coming years, with rental income expected to reach INR100b over the medium term. We build in INR66b/INR78b rental income in FY27/28E, respectively.

### Strong cash generation; balance sheet remains sturdy

Residential collections declined 3% YoY to INR31.6b in 4QFY26, although they grew by 15% YoY to INR131b in FY26. Moreover, the company generated surplus cash worth INR77.5b (+25% YoY), which led to an improvement in its net cash position to INR142b in FY26. In the DCCDL portfolio, net debt increased to INR182b from INR170b in 3QFY26, with a net debt-to-GAV ratio of 0.19x. Cost of debt marginally declined to 7.1% in the quarter from 7.2% in 3QFY26.

### Financials

- In 4QFY26, DLFU's revenue came in at INR18.1b, down 42% YoY. EBITDA fell 58% YoY to INR4.1b. EBITDA margin stood at 22.6%. Adj. PAT was flat YoY at INR12.4b.
- In FY26, DLFU's revenue came in at INR81.9b, up 3% YoY. EBITDA declined 31% YoY to INR14.5b. EBITDA margin stood at 18%. Adj. PAT stood at INR42b, down 10% YoY, with margin at 51%..

### Valuation and view

- We value DLFU at its NAV and currently do not assign a growth premium to this since the potential of its sizable landbank is already getting captured in our estimates. Further, delta to valuations would be via new project additions in MMR and/or other markets. Hence, we believe the company's valuation at 0% NAV premium is justified. We value the commercial portfolio at 7.5% cap rate.
- **We have a BUY rating with a TP of INR775.**

### Quarterly performance

Y/E March	(INR m)									
	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Gross Sales</b>	<b>13,624</b>	<b>19,750</b>	<b>15,287</b>	<b>31,276</b>	<b>27,167</b>	<b>16,430</b>	<b>20,202</b>	<b>18,141</b>	<b>79,937</b>	<b>81,940</b>
YoY Change (%)	-4.3	46.5	0.5	46.5	99.4	-16.8	32.2	-42.0	24.4	2.5
Total Expenditure	11,337	14,730	11,287	21,496	23,525	13,595	16,304	14,033	58,850	67,457
<b>EBITDA</b>	<b>2,286</b>	<b>5,020</b>	<b>4,000</b>	<b>9,780</b>	<b>3,642</b>	<b>2,836</b>	<b>3,899</b>	<b>4,108</b>	<b>21,086</b>	<b>14,483</b>
Margins (%)	16.8	25.4	26.2	31.3	13.4	17.3	19.3	22.6	26.4	17.7
Depreciation	373	377	387	369	345	295	302	483	1,507	1,424
Interest	1,012	935	939	1,086	786	631	363	211	3,972	1,991
Other Income	3,675	2,058	2,088	2,202	2,642	6,188	4,593	2,798	10,022	16,220
<b>PBT before EO expense</b>	<b>4,576</b>	<b>5,766</b>	<b>4,761</b>	<b>10,527</b>	<b>5,153</b>	<b>8,097</b>	<b>7,828</b>	<b>6,212</b>	<b>25,630</b>	<b>27,289</b>
Extra-Ord expense	0	0	3,024	0	0	-2,352	602	-279	3,024	-2,029
<b>PBT</b>	<b>4,576</b>	<b>5,766</b>	<b>1,737</b>	<b>10,527</b>	<b>5,153</b>	<b>10,449</b>	<b>7,226</b>	<b>6,491</b>	<b>22,606</b>	<b>29,318</b>
Tax	1,183	-4,668	-2,667	1,813	1,332	2,763	-74	-921	-4,339	3,100
Rate (%)	25.9	-81.0	-153.5	17.2	25.8	26.4	-1.0	-14.2	-45.2	18.0
MI & Profit/Loss of Asso. Cos.	3,063	3,377	6,183	4,108	3,806	4,116	4,733	5,274	16,731	17,928
<b>Reported PAT</b>	<b>6,456</b>	<b>13,811</b>	<b>10,587</b>	<b>12,822</b>	<b>7,627</b>	<b>11,801</b>	<b>12,034</b>	<b>12,686</b>	<b>43,676</b>	<b>44,147</b>
<b>Adj PAT</b>	<b>6,456</b>	<b>13,811</b>	<b>13,611</b>	<b>12,822</b>	<b>7,627</b>	<b>9,449</b>	<b>12,635</b>	<b>12,407</b>	<b>46,700</b>	<b>42,117</b>
YoY Change (%)	22.5	121.8	107.3	39.3	18.1	-31.6	-7.2	-3.2	71.2	-9.8
Margins (%)	47.4	69.9	89.0	41.0	28.1	57.5	62.5	68.4	58.4	51.4

### Operational Metrics

#### Residential (INR b)

Pre-sales	64	7	121	20	114	43	4	40	212	201
Collections	29	23	30	33	27	25	47	32	114	131

Source: Company, MOFSL

# Muthoot Finance

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR3,531    TP: INR3,720 (+5%)    Neutral**

## Earnings beat; gold tonnage and loan accounts decline QoQ

Bloomberg	MUTH IN
Equity Shares (m)	401
M.Cap.(INRb)/(USDb)	1417.6 / 14.8
52-Week Range (INR)	4150 / 2027
1, 6, 12 Rel. Per (%)	0/3/60
12M Avg Val (INR M)	2407

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	171.3	202.0	233.9
PPP	141.2	163.2	186.7
PAT	101.3	116.6	134.3
EPS (INR)	252.4	290.3	334.6
EPS Gr. (%)	94.9	15.0	15.2
BV/Sh.(INR)	940	1,189	1,476

### Ratios

NIM (%)	12.6	11.2	11.0
C/I ratio (%)	20.1	21.0	21.8
RoA (%)	6.7	5.8	5.6
RoE (%)	30.6	27.3	25.1
Payout (%)	11.9	14.1	14.2

### Valuations

P/E (x)	14.0	12.2	10.5
P/BV (x)	3.8	3.0	2.4
Div. Yld. (%)	0.9	1.2	1.3

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	73.4	73.4	73.4
DII	10.4	11.1	11.7
FII	12.3	11.8	11.0
Others	3.9	3.8	3.9

FII includes depository receipts

- **Asset quality deteriorates, driven by RBI-directed borrower-level classification**
- Muthoot Finance's (MUTH) operating performance in 4QFY26 was driven by: 1) strong gold loan growth of ~50% YoY to ~INR1.54t, 2) spread expansion of ~60bp QoQ to 12.5% as yields rose, aided by an increase in lending rates across select schemes, and 3) asset quality deterioration with ~75bp QoQ increase in GS3 to 2.4%, mainly driven by a shift from loan-level NPA classification to borrower-level classification. This also led to higher provisioning and consequent credit costs in the quarter.
- 4QFY26 PAT grew 105% YoY and 16% QoQ to ~INR30.9b (~9% beat). This included one-off interest income of ~INR850m from ARC recoveries and auction-related proceeds. Yield improvement in the quarter was also driven by an increase in lending rates across select schemes. FY26 PAT grew 95% YoY to INR101.3b. Reported RoA/RoE remained strong at 7.95%/34%.
- Net total income grew 78% YoY to ~INR53.3b (~6% beat). Opex grew ~7% YoY to INR9.25b (inline), resulting in a cost-to-income ratio of ~17.4% (PY: 28.8% and PQ: 20.1%). PPOP grew 107% YoY to ~INR44b (~9% beat).
- Credit costs stood at ~INR2.4b (vs. MOFSLe of ~INR1.6b) and translated into annualized credit costs of ~62bp in 4QFY26 [PY: ~29bp and PQ: ~44bp].
- Gold tonnage declined ~4% QoQ to 196 tons. The customer base declined ~2% QoQ to ~6.41m. Gold loan LTV rose ~270bp QoQ to ~58.5%.
- MUTH guided for ~15% gold loan growth in FY27 and shared that the growth outlook would be reassessed in 2Q/3QFY27, depending on the business momentum. We model gold loan growth of ~25% in FY27.
- We raise our FY27E/FY28E EPS by ~3%/5% to factor in higher loan growth and higher blended yields. We model a standalone AUM/PAT CAGR of ~20%/15% over FY26-28E. We model RoA/RoE of 5.6%/25% by FY28E.
- MUTH now trades at 3x FY27E P/BV and 12x P/E and, in our view, has benefited from the tailwinds of: 1) a sharp rise in gold prices, and 2) an improvement in gold loan demand due to the earlier poor availability of unsecured credit. With its ability to deliver industry-leading gold loan growth and best-in-class profitability, MUTH is one of the best franchises for gold loans in the country. However, we see risks of market share losses for MUTH given the high competitive intensity and aggressive foray of multiple deep-pocketed AAA (or AA+ rated) NBFC franchises into gold loans. **Reiterate our Neutral rating with a revised TP of INR3,720 (based on 2.5x Mar'28E P/BV).**

### Belstar: AUM rises 4% QoQ; GNPA rises ~60bp QoQ

- MUTH's MFI subsidiary (Belstar) AUM grew 3% YoY and ~4% QoQ to ~INR82b. It reported PAT of ~INR1.3b during the quarter (vs. a PAT of INR509m in 3QFY26).
- GS3 in Belstar rose ~60bp QoQ to ~5.55% (PQ: 4.95%). The company opened 81 new gold loan branches in FY26 to diversify its loan mix.

### Highlights from the management commentary

- Apart from gold loans, the company has an unsecured portfolio of INR40b comprising salaried personal loans and unsecured lending products. Management shared that these non-gold loan products are largely cross-sell products targeted toward the existing gold loan customer base.
- Management highlighted that the company lost nearly 500k customers in the sub-INR10k ticket-size segment and another 800k customers in the INR10k-30k ticket size segment during the year. However, this was largely offset by strong customer additions in higher ticket-size segments, with nearly 1m customers added in the INR50k-200k ticket size segment.

### Valuation and view

- MUTH reported a mixed performance during the quarter. While gold loan growth was strong, there was a QoQ decline in gold tonnage and active loan accounts. NIM expanded during the quarter, supported by higher yields, lower cost of funds, and lending rate hikes in select schemes. However, asset quality weakened due to the RBI-directed shift from loan-level to borrower-level classification, which led to higher provisions and consequent credit costs during the quarter.
- Given the increase in the customs duty on Gold (from 6% to 15%) and with further steps taken by the government to tighten gold imports, we expect gold prices to remain high. With a favorable demand outlook for gold loans, driven by still somewhat constrained availability of unsecured credit, the company is well-positioned to maintain its healthy loan growth momentum. However, we see risks of market share losses for MUTH given the high competitive intensity and aggressive foray of multiple deep-pocketed AAA (or AA+ rated) NBFCs into gold loans. **Reiterate our Neutral rating with a revised TP of INR3,720 (based on 2.5x Mar'28E BVPS).**

**Quarterly Performance**
**(INR M)**

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	36,560	40,685	43,690	47,836	55,923	63,044	71,138	80,560	1,68,770	2,70,665	78,718	2
Other operating income	478	489	545	708	1,110	1,279	1,290	1,239	2,221	4,918	1,385	-11
<b>Total Operating income</b>	<b>37,038</b>	<b>41,174</b>	<b>44,235</b>	<b>48,544</b>	<b>57,033</b>	<b>64,322</b>	<b>72,428</b>	<b>81,799</b>	<b>1,70,991</b>	<b>2,75,582</b>	<b>80,103</b>	<b>2</b>
YoY Growth (%)	23.5	34.6	39.6	42.4	54.0	56.2	63.7	68.5	35.3	61.2	65.0	
Other income	63	88	77	197	167	286	105	140	360	416	6	2,443
<b>Total Income</b>	<b>37,101</b>	<b>41,262</b>	<b>44,312</b>	<b>48,741</b>	<b>57,200</b>	<b>64,608</b>	<b>72,533</b>	<b>81,939</b>	<b>1,71,351</b>	<b>2,75,999</b>	<b>80,108</b>	<b>2</b>
YoY Growth (%)	22.6	34.2	39.5	42.6	54.2	56.6	63.7	68.1	35.0	61.1	63.9	
Interest Expenses	13,511	15,505	16,476	18,797	21,191	23,126	26,467	28,626	64,288	99,410	30,048	-5
<b>Net Income</b>	<b>23,590</b>	<b>25,758</b>	<b>27,836</b>	<b>29,944</b>	<b>36,009</b>	<b>41,482</b>	<b>46,066</b>	<b>53,314</b>	<b>1,07,063</b>	<b>1,76,589</b>	<b>50,060</b>	<b>6</b>
Operating Expenses	6,437	6,608	7,243	8,610	8,121	8,827	9,237	9,250	28,690	35,435	9,668	-4
<b>Operating Profit</b>	<b>17,153</b>	<b>19,150</b>	<b>20,593</b>	<b>21,334</b>	<b>27,887</b>	<b>32,655</b>	<b>36,829</b>	<b>44,064</b>	<b>78,373</b>	<b>1,41,153</b>	<b>40,392</b>	<b>9</b>
YoY Growth (%)	22.5	42.7	47.7	41.3	62.6	70.5	78.8	106.5	38.8	80.1	88.1	
Provisions	2,236	2,070	2,088	1,130	433	1,141	1,012	2,395	7,667	4,698	1,589	51
<b>Profit before Tax</b>	<b>14,917</b>	<b>17,080</b>	<b>18,505</b>	<b>20,204</b>	<b>27,455</b>	<b>31,514</b>	<b>35,817</b>	<b>41,669</b>	<b>70,706</b>	<b>1,36,455</b>	<b>38,804</b>	<b>7</b>
Tax Provisions	4,130	4,568	4,874	5,126	6,992	8,063	9,252	10,807	18,698	35,114	10,426	4
<b>Net Profit</b>	<b>10,787</b>	<b>12,511</b>	<b>13,631</b>	<b>15,078</b>	<b>20,463</b>	<b>23,452</b>	<b>26,564</b>	<b>30,862</b>	<b>52,008</b>	<b>1,01,341</b>	<b>28,377</b>	<b>9</b>
YoY Growth (%)	10.6	26.3	32.7	42.7	89.7	87.4	94.9	104.7	28.4	94.9	88.2	
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	18.50	18.87	18.85	18.84	19.95	20.39	20.70	21.08				
Cost of funds (Cal)	8.7	9.0	8.7	8.9	8.8	8.6	8.8	8.6				
Spreads (Cal)	9.84	9.91	10.13	9.92	11.18	11.80	11.86	12.47				
NIMs (Cal)	11.8	11.8	11.9	11.62	12.6	13.2	13.2	13.74				
Credit Cost	1.12	0.95	0.89	0.44	0.15	0.36	0.29	0.62				
Cost to Income Ratio	27.3	25.7	26.0	28.8	22.6	21.3	20.1	17.4				
Tax Rate	27.7	26.7	26.3	25.4	25.5	25.6	25.8	25.9				
<b>Balance Sheet Parameters</b>												
<b>AUM (INR b)</b>	843	902	975	1,086	1,200	1,323	1,476	1,628				
Change YoY (%)	24.7	30.7	37.0	43.3	42.3	46.7	51.4	49.9				
<b>Gold loans (INR b)</b>	<b>809</b>	<b>862</b>	<b>930</b>	<b>1,030</b>	<b>1,132</b>	<b>1,249</b>	<b>1,397</b>	<b>1,541</b>				
Change YoY (%)	22.54	27.62	34.30	41.3	39.88	44.98	50.23	49.7				
Gold Stock Holding (In tonnes)	194	199	202	208	209	209	205	196				
Avg gold loans per branch (INR m)	167	177	192	212	232	252	281	310				
<b>Borrowings (INR b)</b>	659	724	787	899	1,033	1,120	1,274	1,385				
Change YoY (%)	28.7	30.8	35.6	52.9	56.7	54.7	61.9	54.1				
<b>Borrowings Mix (%)</b>												
Listed secured NCDs	28.0	27.2	26.0	26.2	30.3	28.7	29.5	26.0				
Term loans	55.0	57.2	55.7	53.0	50.5	49.7	48.9	48.9				
Commercial Paper	7.2	5.9	4.9	6.9	6.3	5.0	5.4	5.3				
Others	1.6	1.0	0.9	0.6	1.3	0.8	1.0	0.9				
Debt/Equity (x)	2.6	2.7	2.8	3.0	3.2	3.3	3.4	3.5				
<b>Asset Quality Parameters (%)</b>												
GS 3 (INR m)	33,532	38,807	41,179	37,004	30,945	29,774	23,248	38,239				
Gross Stage 3 (% on Assets)	4.0	4.3	4.2	3.4	2.6	2.3	1.6	2.4				
Total Provisions (INR m)	14,413	16,327	18,165	18,685	18,601	18,940	19,224	20,936				
<b>Return Ratios (%)</b>												
RoAUM (Rep)	5.4	5.7	5.8	5.9	7.2	7.4	7.6	8.0				
RoE (Rep)	17.7	20.0	20.7	21.7	27.7	30.0	32.0	34.2				

E: MOFSL estimates

# Tata Motors Passenger Vehicles

Estimate change 

TP change 

Rating change 

**CMP: INR339**

**TP: INR303 (-11%)**

**Sell**

## Healthy performance revival across segments

### Multiple headwinds ahead

- Tata Motors Passenger Vehicles' (TMPV) 4Q PAT at INR58.8b was well above our estimate due to better-than-expected performance at both the Indian business and JLR. While Indian margins expanded 90bp YoY to 8.7% (vs our estimate of 7%), JLR EBIT margins sharply expanded from -6.8% in 3Q to 9.2% in 4Q due to improved volumes, higher product capitalization, reduced depreciation, and benefit from forex gains (not quantified), even as gross margins declined QoQ.
- 4Q performance has certainly been ahead of estimates, both in India and at JLR. While the Indian PV demand outlook remains positive, it is expected to see margin pressure in the near term, given the material surge in input costs. Further, JLR continues to face multiple headwinds, both on the demand and cost front. While JLR has embarked on a major cost reduction initiative, it is likely to only help partially offset the current headwinds. Given the significant challenges at JLR and the continued geopolitical uncertainty, we reiterate our Sell rating on the stock with a SoTP-based TP of INR303 per share (based on FY28E). We value both JLR and India PV business at 2x and 13x EV/EBITDA, respectively.

### Healthy performance revival both in India and at JLR

- TMPV reported a profit of INR58.8b in 4Q, well ahead of our estimate of INR22.3b due to better-than-expected performance at both the Indian business and JLR.
- Standalone Indian business saw a strong 50% YoY increase in revenues to INR192b, in line with our estimates. However, margins expanded 90bp YoY to 8.7% (vs our estimate of 7%). As a result, PBT beat our expectations, almost tripling YoY to INR11b.
- JLR volumes had recovered significantly in 4Q as production returned to normal levels, though still posting a 14.4% YoY decline. EBIT margins sharply improved from -6.8% in 3Q to 9.2% in 4Q due to improved volumes, higher product capitalization, reduced depreciation, and benefit from forex gains in other expenses (not quantified), even as gross margins declined QoQ. PBT beat our estimates, coming in at GBP458m, having fallen ~48% YoY.
- RoCE for the 12-month rolling period stood at 1.2%.
- The Indian business's FY26 Revenue/EBITDA/PBT rose 22%/20%/33% YoY to INR597b/40.5b/14.4b, respectively.
- JLR, on the other hand, saw a full-year Revenue/EBITDA decline of 21%/63% to GBP22.9b/GBP1.5b. However, its PBT sharply declined to GBP14m from GBP2.5b YoY.
- JLR has delivered a negative FCF of GBP2.2b in FY26.
- Net consolidated automotive debt stood at INR307b, with a large portion attributed to JLR (INR327b), while the Indian business continues to be net cash.

Bloomberg	TMPV IN
Equity Shares (m)	3682
M.Cap.(INRb)/(USDb)	1247.4 / 13
52-Week Range (INR)	450 / 294
1, 6, 12 Rel. Per (%)	-1/-5/-16
12M Avg Val (INR M)	6331

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Net Sales	3,392	3,892	4,430
EBITDA	228.2	304.6	390.4
Adj. PAT	21.2	58.7	112.0
Adj. EPS (INR)	5.8	15.9	30.4
EPS Gr. (%)	-89	179	91
BV/Sh. (INR)	304.1	314.0	334.4

### Ratios

Net D/E (x)	0.4	0.4	0.4
RoE (%)	1.9	5.2	9.4
RoCE (%)	2.2	4.5	7.0
Payout (%)	52.1	37.7	32.9

### Valuations

P/E (x)	58.8	21.3	11.1
P/BV (x)	1.1	1.1	1.0
EV/EBITDA (x)	7.1	5.2	3.8
Div. Yield (%)	0.9	1.8	3.0

### Highlights from the management commentary

- Management expects the domestic PV industry to grow by around 10% in FY27, with stronger growth anticipated in 1H, followed by moderation in 2H over a higher base. TMPV expects to outperform industry growth, with supply constraints likely to be a bigger challenge than demand in FY27.
- The company plans to launch two new nameplates in FY27, along with four facelifts each across ICE and EV portfolios.
- Export business is expected to sustain momentum, with management targeting about 70-100% growth in exports in FY27.
- Input costs have surged to the extent of around 5-6% of revenue. Of this, about 2% is already reflected in 4Q and the balance is likely to be visible in 1Q. Management has been able to implement cost savings initiatives, thereby driving 2% savings in 4Q. It has also taken about 0.5% price hike in April to offset cost pressures, with further calibrated hikes expected over the coming months.
- JLR dispatches to the Middle East, which contributes to 6% of its mix. It is likely to be impacted in 1Q, given the ongoing geopolitical headwinds in the region.
- Input costs are expected to inch up in the coming quarters for JLR, with all key commodities seeing sizeable increase in the recent past.
- To offset the cost headwinds, management is targeting GBP1.7b worth of cost savings over the next two years, which would drive a reduction in its break-even volumes to 300k units.
- JLR reiterated its commitment to planned investments of GBP18b over FY24-FY28.

### Valuation and view

4Q performance has certainly been ahead of estimates, both in India and JLR. While the Indian PV demand outlook remains positive, the company is expected to see margin pressure in the near term, given the material surge in input costs. Further, JLR continues to face multiple headwinds, both on the demand and cost front. While the company has embarked on a major cost reduction initiative, it is likely to only help partially offset the current headwinds. Given significant challenges at JLR and the continued geopolitical uncertainty, we reiterate our Sell rating on the stock with an SoTP-based TP of INR 303 per share (based on FY28E). We value both JLR and the Indian PV business at 2x and 13x EV/EBITDA, respectively.

### Quarterly Performance (Standalone)

Y/E March	FY25				FY26				FY25	FY26	4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Total Volumes (nos)</b>	<b>138,800</b>	<b>130,500</b>	<b>139,829</b>	<b>147,004</b>	<b>124,809</b>	<b>144,397</b>	<b>171,013</b>	<b>2,01,368</b>	<b>556,268</b>	<b>641,592</b>	<b>201,368</b>	
Change (%)	-1.1	-6.1	0.9	-5.5	-10.1	10.6	22.3	37.0	-3.0	15.3	37.0	
<b>Avg Realization (INR)</b>	<b>856,772</b>	<b>903,065</b>	<b>902,245</b>	<b>870,384</b>	<b>881,587</b>	<b>951,266</b>	<b>919,462</b>	<b>9,52,882</b>	<b>882,470</b>	<b>931,137</b>	<b>937,253</b>	<b>1.7</b>
Change (%)	-7.1	2.5	-3.8	-6.6	2.9	5.3	1.9	9.5	-3.9	5.5	7.7	
<b>Net Operating income</b>	<b>118,920</b>	<b>117,850</b>	<b>126,160</b>	<b>127,950</b>	<b>110,030</b>	<b>137,360</b>	<b>157,240</b>	<b>1,91,880</b>	<b>490,890</b>	<b>597,410</b>	<b>188,733</b>	<b>1.7</b>
Change (%)	-7.4	-3.2	-2.3	-100.0	-7.5	16.6	24.6	50.0	-6.8	21.7	47.5	
<b>EBITDA</b>	<b>6,860</b>	<b>7,250</b>	<b>9,590</b>	<b>9,930</b>	<b>4,350</b>	<b>7,860</b>	<b>10,580</b>	<b>16,750</b>	<b>33,630</b>	<b>40,500</b>	<b>13,194</b>	<b>26.9</b>
EBITDA Margins (%)	5.8	6.2	7.6	7.8	4.0	5.7	6.7	8.7	6.9	6.8	7.0	
Non-Operating Income	1,640	1,640	1,700	1,720	1,640	1,370	1,210	1,070	6,710	5,290	1,416	
Interest	450	-220	400	40	270	360	340	-1,380	670	-410	360	
Depreciation & Amort.	6,510	7,050	7,550	7,880	7,380	7,600	8,790	8,870	28,990	32,630	8,960	
<b>PBT before EO Exp</b>	<b>1,730</b>	<b>2,290</b>	<b>2,900</b>	<b>3,890</b>	<b>-1,290</b>	<b>1,550</b>	<b>3,010</b>	<b>11,030</b>	<b>10,830</b>	<b>14,360</b>	<b>5,291</b>	<b>108.5</b>

E: MOFSL Estimates

<b>JLR</b>												<b>(GBP m)</b>	
Y/E March	FY25				FY26				FY25	FY26			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE		
<b>Total Volumes (nos)</b>	<b>109,563</b>	<b>97,223</b>	<b>111,237</b>	<b>116,392</b>	<b>92,886</b>	<b>74,365</b>	<b>66,349</b>	<b>103,475</b>	<b>434,415</b>	<b>337,075</b>	<b>103,475</b>		
Change (%)	3.1	-10.9	-2.4	-3.5	-15.2	-23.5	-40.4	-11.1	-3.5	-22.4	-11.1		
<b>Avg Realization (GBP)</b>	<b>74,400</b>	<b>74,167</b>	<b>71,686</b>	<b>69,355</b>	<b>75,659</b>	<b>74,057</b>	<b>76,721</b>	<b>72,077</b>	<b>72,240</b>	<b>74,407</b>	<b>77,203</b>		
Change (%)	0.5	4.7	-1.8	-2.8	1.7	-0.1	7.0	3.9	0.0	3.0	11.3		
<b>Net Sales</b>	<b>7,273</b>	<b>6,475</b>	<b>7,486</b>	<b>7,727</b>	<b>6,604</b>	<b>4,900</b>	<b>4,538</b>	<b>6,870</b>	<b>28,961</b>	<b>22,911</b>	<b>7,359</b>		
Change (%)	5.4	-5.6	1.5	-1.7	-9.2	-24.3	-39.4	-11.1	-0.1	-20.9	-4.8		
RM Cost (% of Sales)	58	58	58	59	62	64	58	60	58	61	62		
Staff Costs (% of sales)	12	13	11	12	13	16	18	12	12	14	12		
Other Exp (% of sales)	20.6	24.0	22.8	20.2	22.5	28.5	31.2	20.4	21.8	24.9	24.0		
<b>Total Cost</b>	<b>6,124</b>	<b>5,716</b>	<b>6,426</b>	<b>6,544</b>	<b>5,988</b>	<b>4,978</b>	<b>4,505</b>	<b>5,910</b>	<b>24,810</b>	<b>21,381</b>	<b>6,793</b>		
<b>EBITDA</b>	<b>1,149</b>	<b>759</b>	<b>1,060</b>	<b>1,183</b>	<b>616</b>	<b>-78</b>	<b>33</b>	<b>960</b>	<b>4,151</b>	<b>1,530</b>	<b>565</b>		
EBITDA Margins (%)	15.8	11.7	14.2	15.3	9.3	-1.6	0.7	14.0	14.3	6.7	7.7		
Interest	43	45	33	30	10	23	24	21	151	79	26		
Depreciation & Amort.	510	434	377	356	356	345	344	329	1,677	1,374	350		
Product Dev. Expenses	449	435	459	449	443	346	387	481	1,792	1,657	448		
<b>PBT before EO Exp</b>	<b>693</b>	<b>398</b>	<b>523</b>	<b>875</b>	<b>351</b>	<b>-485</b>	<b>-310</b>	<b>458</b>	<b>2,489</b>	<b>14</b>	<b>191</b>		
EO Exp/(Inc)	-8	0	0	23	4	238	74	6	15	322	0		
<b>PBT after EO Exp</b>	<b>701</b>	<b>398</b>	<b>523</b>	<b>852</b>	<b>347</b>	<b>-723</b>	<b>-384</b>	<b>452</b>	<b>2,474</b>	<b>-308</b>	<b>191</b>		

E: MOFSL Estimates

<b>Quarterly Performance (Consolidated)</b>											<b>(INR m)</b>	
Y/E March	FY25			FY26				FY26				
	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)	
<b>Net Operating income</b>	<b>844,410</b>	<b>953,020</b>	<b>991,530</b>	<b>883,760</b>	<b>731,870</b>	<b>711,030</b>	<b>10,64,280</b>	<b>3,391,850</b>	<b>1,103,386</b>	<b>-3.5</b>		
Change (%)				0	-13	-25						
RM Cost (% of Sales)	60	60	60	63	66	62	63	63	64.8			
Staff Costs (% of sales)	12	11	11	12	15	16	11	13	11.4			
Other Exp (% of sales)	14	14	12	13	15	16	11	13	11.7			
<b>Total Cost</b>	<b>751,730</b>	<b>828,980</b>	<b>848,630</b>	<b>807,610</b>	<b>732,580</b>	<b>696,150</b>	<b>9,28,500</b>	<b>3,163,690</b>	<b>1,019,599</b>			
<b>EBITDA</b>	<b>92,680</b>	<b>124,040</b>	<b>142,900</b>	<b>76,150</b>	<b>-710</b>	<b>14,880</b>	<b>1,35,780</b>	<b>228,160</b>	<b>83,787</b>	<b>62.1</b>		
EBITDA Margins (%)	11.0	13.0	14.4	8.6	-0.1	2.1	12.8	6.7	7.6	520bp		
Change (%)	0.0	0.0	0.0	0.0	0.0	-88.0	0.0	0.0	0.0			
Non-Operating Income	6,420	5,020	5,640	6,330	6,600	6,410	6,980	26,310	5,149			
Interest	10,300	8,430	8,080	6,920	6,920	6,820	5,830	26,490	7,542			
Depreciation & Amort.	54,670	48,630	47,170	48,510	48,710	49,690	50,920	197,840	52,273			
<b>PBT before EO Exp</b>	<b>34,130</b>	<b>72,000</b>	<b>93,290</b>	<b>27,050</b>	<b>-49,740</b>	<b>-35,220</b>	<b>86,010</b>	<b>30,140</b>	<b>29,122</b>			
EO Exp/(Inc)	<b>13,650</b>	<b>-10,940</b>	<b>8,660</b>	<b>11,920</b>	<b>-30,960</b>	<b>-12,110</b>	<b>-13,240</b>	<b>-46,370</b>	<b>0</b>			
<b>PBT after EO Exp</b>	<b>47,780</b>	<b>61,060</b>	<b>101,950</b>	<b>38,970</b>	<b>-80,700</b>	<b>-47,330</b>	<b>72,770</b>	<b>-16,230</b>	<b>29,122</b>	<b>149.9</b>		
Tax	17,520	19,420	19,420	13,060	-17,020	-12,500	13,990	-2,460	6,870			
Effective Tax Rate (%)	36.7	31.8	19.0	33.5	NM	-26.4	19.2	15.2	23.6			
<b>PAT</b>	<b>30,260</b>	<b>41,640</b>	<b>82,530</b>	<b>25,910</b>	<b>-63,680</b>	<b>-34,830</b>	<b>58,780</b>	<b>-13,770</b>	<b>22,252</b>	<b>164.2</b>		
<b>Adj PAT</b>	<b>30,260</b>	<b>50,867</b>	<b>74,419</b>	<b>16,970</b>	<b>-40,460</b>	<b>-25,748</b>	<b>69,385</b>	<b>21,008</b>	<b>22,252</b>	<b>211.8</b>		

E: MOFSL Estimates

# Bharti Hexacom

Estimate change	↑
TP change	↔
Rating change	↑

**CMP: INR1,510 TP: INR1,860 (+23%) Buy**

## Muted 4Q in mobility; growth accelerates in Homes

Bloomberg	BHARTIHE IN
Equity Shares (m)	500
M.Cap.(INRb)/(USDb)	754.8 / 7.9
52-Week Range (INR)	2053 / 1439
1, 6, 12 Rel. Per (%)	0/-6/-7
12M Avg Val (INR M)	443

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Net Sales	93.5	106.5	120.8
EBITDA	48.9	58.8	69.7
Adj. PAT	17.1	24.5	32.2
Adj. EPS (INR)	34.2	48.9	64.4
EPS Gr. (%)	43.8%	43.1%	31.6%
BV/Sh. (INR)	143.3	174.2	208.7

### Ratios

RoE (%)	26.1	30.8	33.6
RoCE (%)	15.8	21.2	27.2

### Valuations

P/E (x)	44.1	30.9	23.4
P/BV (x)	10.5	8.7	7.2
EV/EBITDA (x)	16.7	13.6	11.2
Div. Yield (%)	1.2	1.8	2.4

### Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	70.0	70.0	70.0
DII	10.6	10.3	10.0
FII	3.7	4.0	4.3
Others	15.7	15.7	15.7

FII includes depository receipts

- Bharti Hexacom (BHL) reported a steady 4Q, with ~1% QoQ growth in customer wireless revenue (vs. 0.6% QoQ for Bharti-India wireless) and ~2% QoQ wireless EBITDA growth due to two fewer days QoQ.
- Growth accelerated in Homes and offices with ~21%/21%/28% QoQ growth in subscriber base/revenue/EBITDA driven by ramp-up in home broadband (HBB) and launch of IPTV.
- Similar to Bharti, capex surged ~72% QoQ to INR5.9b, leading to a modest ~3% YoY growth in FY26 capex to INR15.2b.
- FCF generation was modest in 4QFY26 due to seasonally higher working capital requirements and AGR payouts. However, FY26 FCF remained robust at INR21.3b (vs. INR20.3b YoY), which led to ~INR16.5b YoY reduction in net debt (excl. leases) to INR20.3b (leverage down to 0.46x).
- BHL announced a dividend of INR18/share (vs. INR10/share YoY), and in the absence of investments in adjacencies (compared to Bharti), we expect dividend payouts to take precedence.
- BHL provides a pure-play exposure to BHARTI's fast-growing wireless and HBB segments in circles with lower data and HBB penetration.
- Further, there are lower capital misallocation concerns with BHL (vs. BHARTI), which, along with a better return ratio, drives BHL to trade at an implied premium (~17% currently) to BHARTI's India business, in our view.
- We ascribe a DCF-based FY28E EV/EBITDA of 13.5x to BHL (which is at ~15% premium to our multiple for Bharti's India wireless business). **We reiterate our BUY rating with a revised TP of INR 1,860 (vs. INR1,910).**

## Reported capex surges; FCF moderates QoQ due to seasonal working capital build-up

- Overall 4Q revenue at INR24.1b (+5% YoY) grew 2.3% QoQ, with customer revenue rising ~1.8% QoQ to INR22.8b.
- The growth in wireless business remained muted due to two fewer days QoQ, with ARPU moderating to INR252 (+4% YoY, in line).
- The launch of IPTV and acceleration in HBB net adds (+21% QoQ) drove robust ~21%/~28% QoQ growth in Homes & Offices revenue/EBITDA.
- Reported EBITDA grew ~1% QoQ to INR12.7b (+9.5% YoY, in line), while reported EBITDAaL grew 2.7% QoQ to INR11.6b, with pre-IND AS EBITDA margin rising ~25bp QoQ to 47.9%. Incremental pre-IND AS EBITDA margin stood at ~58% (vs. ~62% in 3Q).
- PAT at INR4.7b declined 3% QoQ (down 1% YoY) due primarily to a lower tax rate in the base quarter.
- Overall, 4Q capex surged 72% QoQ to INR5.9b (up 38% YoY), with FY26 capex broadly stable YoY at INR15.2b.
- Free cash flow (after leases and interest payments) moderated QoQ to INR1.5b (vs. INR6.6b QoQ), driven by seasonal working capital build-up (INR5.1b change QoQ) and higher interest payments (~INR1.3b higher QoQ) likely due to AGR dues repayment.

- FY26 FCF, however, remained robust at INR21.3b (vs. INR20.3b YoY).
- Net debt (ex-leases) declined ~INR1.3b QoQ (sharp INR16.5b YoY), with leverage declining further to 0.46x (vs. 0.98x YoY).

### Wireless: Muted quarter in the absence of tariff hikes

- Wireless ARPU moderated 0.4% QoQ (vs. -0.6% QoQ for Airtel) to INR252 (+4% YoY, in line) due to two fewer days QoQ.
- The paying subscriber base was stable QoQ at ~370k (vs. our est. of +345k).
- Reported wireless revenue grew 1.6% QoQ to INR23.1b (+4% YoY, vs. our est. INR22.9b). Underlying customer revenue inched up ~1% QoQ (+7% YoY, vs. ~3/0.6% QoQ for Rjio/Bharti).
- Wireless EBITDA at INR12.7b (+6% YoY, 1% above) was up ~1.8% QoQ (vs. ~3% QoQ R-Jio, including FTTH/Airtel), but better than 0.9% QoQ growth for Airtel's India wireless business.
- Wireless EBITDA margin improved ~5bp QoQ to 55% (+115bp YoY), but was weaker than the ~15p QoQ uptick for Airtel's India wireless business (60.6%).
- Incremental wireless EBITDA margins stood at ~59% for BHL (vs. ~59%/84% for Rjio/Bharti).

### Key takeaways from the management interaction

- **Weaker growth in FY26 vs. Airtel:** The under-penetration in BHL's circles has played out well, with the ARPU gap closing (vs. Airtel). However, management noted limited postpaid and international roaming penetration in these circles as a structural disadvantage (vs. pan-India telcos). However, the performance of BHL has been competitive vs. its peers in its operational circles.
- **Macro headwinds:** The increase in entry-level smartphone prices could delay the 2G to 4G upgrades in BHL circles, while the unlimited data at very low tariffs also leads to lower ARPU translation as 5G adoption picks up.
- **HBB strategy:** While Bharti has pivoted its focus to fiber first (over FWA), laying a fiber network in BHL's circles is challenging, and the cost per connection is also higher given the difficult terrains. The company would continue to utilize FWA in BHL circles to accelerate the pace of HBB net adds.

### Valuation and view

- BHL provides a pure-play exposure to BHARTI's fast-growing wireless and HBB segments in circles with lower data and HBB penetration.
- Further, there are lower capital misallocation concerns with BHL (vs. BHARTI), which, along with a better return ratio, drives BHL to trade at an implied premium (~17% on our estimates) to BHARTI's India business, in our view.
- Our FY27E EBITDA and EPS are broadly unchanged, while we raise our FY28E estimates by 5% each, driven by acceleration in Home broadband subscriber additions. We model a ~14%/19% CAGR in BHL's overall revenue/EBITDA over FY26-28E, driven by ~15% tariff hike in 2QFY27, ramp-up of FWA offerings, and continued market share gains.
- We ascribe a DCF-based FY28E EV/EBITDA of 13x to BHL (which is at ~10% premium to our multiple for Bharti's India wireless business). We reiterate our Buy rating on BHL, **with a revised TP of INR1,860** (earlier INR1,910). The LT risk-reward remains favorable (bull case: INR2,325; bear case: INR1,420).

**Consolidated - Quarterly earnings summary**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue</b>	<b>19,106</b>	<b>20,976</b>	<b>22,507</b>	<b>22,890</b>	<b>22,630</b>	<b>23,173</b>	<b>23,598</b>	<b>24,137</b>	<b>85,479</b>	<b>93,538</b>	<b>23,922</b>	<b>0.9</b>
YoY Change (%)	13.6%	20.7%	25.0%	22.5%	18.4%	10.5%	4.8%	5.4%	20.6%	9.4%		
Total Expenditure	10,348	10,957	10,990	11,212	11,023	11,092	11,054	11,465	43,507	44,634	11,216	2.2
<b>EBITDA</b>	<b>8,758</b>	<b>10,019</b>	<b>11,517</b>	<b>11,678</b>	<b>11,607</b>	<b>12,081</b>	<b>12,544</b>	<b>12,672</b>	<b>41,972</b>	<b>48,904</b>	<b>12,707</b>	<b>-0.3</b>
YoY Change (%)	5.5%	21.3%	39.2%	33.0%	32.5%	20.6%	8.9%	8.5%	49.1	52.3		
Depreciation	4,957	5,361	5,315	5,312	5,273	5,543	5,668	5,648	20,945	22,132	5,663	-0.3
Net Finance cost	1,615	1,754	1,802	1,712	1,541	1,509	1,470	1,492	6,883	6,012	1,428	4.5
Other Income	399	491	450	478	475	612	375	776	1,818	2,238	388	
<b>PBT before EO expense</b>	<b>2,585</b>	<b>3,395</b>	<b>4,850</b>	<b>5,132</b>	<b>5,268</b>	<b>5,641</b>	<b>5,781</b>	<b>6,308</b>	<b>15,962</b>	<b>22,998</b>	<b>6,003</b>	<b>5.1</b>
Extra-Ord expense	-3,183	0	1,057	0	0	0	91	246	-2,126	337	0	
<b>PBT</b>	<b>5,768</b>	<b>3,395</b>	<b>3,793</b>	<b>5,132</b>	<b>5,268</b>	<b>5,641</b>	<b>5,690</b>	<b>6,062</b>	<b>18,088</b>	<b>22,661</b>	<b>6,003</b>	<b>1.0</b>
Tax	656.0	864.0	1,184.0	448.0	1,352.0	1,429.0	953.0	1,595.0	3,152.0	5,329.0	1,464.5	8.9
Rate (%)	11.4%	25.4%	31.2%	8.7%	25.7%	25.3%	16.7%	26.3%	17.4%	23.5%		
<b>Reported PAT</b>	<b>5,112</b>	<b>2,531</b>	<b>2,609</b>	<b>4,684</b>	<b>3,916</b>	<b>4,212</b>	<b>4,737</b>	<b>4,467</b>	<b>14,936</b>	<b>17,332</b>	<b>4,539</b>	<b>-1.6</b>
<b>Adj PAT</b>	<b>1,929</b>	<b>2,531</b>	<b>3,666</b>	<b>3,802</b>	<b>3,916</b>	<b>4,212</b>	<b>4,805</b>	<b>4,658</b>	<b>11,896</b>	<b>17,104</b>	<b>4,539</b>	<b>2.6</b>
YoY Change (%)	-23.8%	112.8%	72.4%	70.8%	103.0%	66.4%	31.1%	22.5%	30.5%	43.8%		

E: MOFSL Estimates

**We ascribe a TP of INR1,860 to BHL**

	Valuation base (INR b)	Multiple (X)		Valuation	
	Mar'28E EBITDA	EBITDA	Other	(INR b)	(INR/sh)
<b>BHL</b>					
<b>Mobility</b>	<b>66</b>	<b>13.0</b>	<b>DCF implied</b>	<b>863</b>	<b>1,726</b>
Homes and offices	6	13.0		81	161
<b>BHL EV</b>	<b>70</b>	<b>13.5</b>		<b>944</b>	<b>1,887</b>
Net debt (including leases)				36	72
Dividends				23	45
<b>BHL equity value</b>				<b>930</b>	<b>1,860</b>

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR1,294      TP: INR1,250 (-3%)      Neutral**

## Weak earnings; margin pressure continues in UCP

### Price hikes offset cost partially; channel inventory declined

- Voltas (VOLT)'s 4QFY26 earnings were significantly below our estimates due to lower revenue and margin in UCP segment vs. our estimates. Revenue was up marginally ~3% YoY to INR48.9b (in line), while EBITDA declined ~34% YoY to INR2.2b (~41% miss). OPM contracted 2.5pp YoY to ~4.5% (est. 7.7%). Adj PAT declined ~52% YoY to INR1.2b (~50% miss).
- Management indicated significant margin pressure due to commodity inflation, INR depreciation and West Asia crises. Price hikes of ~5-10% were taken for the BEE rating changes and ~2% for commodity inflation so far. Further price increases may be necessary as inflation remains high across key raw materials. It guided for a gradual improvement in margin, backed by demand improvement and cost-optimization initiatives like localization, value engineering, sourcing efficiencies and manufacturing automation. Channel inventory has declined and is currently closer to 30 days.
- We cut our EPS estimates by ~19%/11% for FY27/FY28 due to persistent margin pressure in UCP segment. We arrive at a revised TP of INR1,250 based on SoTP (45x FY28E EPS for the UCP segment, 20x FY28E EPS for the PES and EMPS each, and INR20/sh for Voltbek). Reiterate Neutral.

Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USD\$b)	428 / 4.5
52-Week Range (INR)	1583 / 1187
1, 6, 12 Rel. Per (%)	-4/4/8
12M Avg Val (INR M)	1563
Free float (%)	69.7

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	142.4	165.2	187.6
EBITDA	6.5	10.5	14.1
Adj. PAT	4.0	7.6	10.5
EBITA Margin (%)	4.5	6.4	7.5
Cons. Adj. EPS (INR)	12.0	22.8	31.7
EPS Gr. (%)	(52.8)	89.9	38.9
BV/Sh. (INR)	192.8	212.6	238.6

### Ratios

Net D:E	0.0	(0.0)	(0.1)
RoE (%)	6.2	10.7	13.3
RoCE (%)	8.1	11.2	13.2
Payout (%)	25.0	25.0	25.0

### Valuations

P/E (x)	107.7	56.7	40.8
P/BV (x)	6.7	6.1	5.4
EV/EBITDA (x)	66.5	40.6	30.1
Div Yield (%)	0.2	0.4	0.6
FCF Yield (%)	0.4	1.4	1.7

### Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	30.3	30.3	30.3
DII	38.4	37.9	33.2
FII	18.5	18.4	22.0
Others	12.9	13.4	14.5

FII includes depository receipts

### UCP revenue rises ~1% YoY; UCP margin dips 5pp to 5.0%

- Consol. revenue/EBITDA/adj. PAT stood at INR48.9b/INR2.2b/INR1.2b (+3%/-34%/-52% YoY and in line/-41%/-50% vs. our est.) in 4QFY26. Depreciation increased ~47% YoY, while interest cost declined ~5%. Other income declined ~47%.
- Segmental highlights: **1) UCP** – Revenue increased ~1% YoY to INR34.9b, EBIT declined ~50% YoY to INR1.7b, while EBIT margin contracted 5pp YoY to 5.0%. **2) EMPS** – Revenue grew 5% YoY to INR11.9b, EBIT stood at INR756m vs. loss of INR17m in 4QFY25, and EBIT margin surged 6.5pp YoY to 6.4%. **3) PES** – Revenue rose 27% YoY to INR1.6b, EBIT increased ~10% YoY to INR376m, and EBIT margin contracted 3.5pp YoY to 22.3%.
- In FY26, consol. revenue/EBITDA/adj. PAT stood at INR142.5b/INR6.5b/INR4.0b (-8%/-42%/-53% YoY). UCP/EMPS/PES segment revenue stood at INR95.0b/INR40.5b/INR6.0b (-10%/-3%/+5% YoY). UCP EBIT declined ~66% YoY to INR3.1b, and EBIT margin contracted 5.2pp YoY to 3.2%. CFO stood at INR710m vs. cash outflow of INR2.2b in FY25. Capex stood at INR1.3b vs. INR2.1b in FY25. Net cash outflow stood at INR617.8m vs. INR4.3b in FY25.

### Key highlights from the management commentary

- RAC industry witnessed ~10-12% decline in FY26, with primary sales at 14.3m units. The company sold 2.25m units. It maintained market leadership with a 5.1% gap over the next nearest four brands' cluster.
- During 4Q, ~5% price increase was implemented in 3-star RACs and ~10% in 5-star RACs, for the BEE rating changes, followed by another ~2% increase due to commodity inflation
- MEP consolidated order book stood at INR62b as of Mar'26, including INR45b from domestic projects.

## Valuation and view

- VOLT's 4QFY26 performance was significantly below our estimates, due to persistent margin pressure in the UCP segment and lower revenue. RAC business is estimated to face challenges due to input cost pressure and high dependence on weather conditions. Variability in summer intensity and seasonal patterns may significantly impact sales momentum and operating leverage, while ongoing commodity inflation and pricing competition further constrain margin recovery.
- We estimate VOLT's revenue/EBITDA/PAT CAGR at ~15%/47%/62% over FY26-28, albeit on a low base (CAGR at ~7%/8%/8% over FY25-28). Estimate UCP revenue CAGR at ~18% over FY26-FY28 (~8% over FY25-28), with UCP margin at 5.5%/7.0% in FY27E/FY28E (3.2% in FY26) vs. average of 8.4% over FY23-25. The stock is trading at 57x/41x FY27E/FY28E EPS. **We reiterate our Neutral rating on the stock with a revised TP of INR1,250, based on 45x FY28E EPS for the UCP segment, 20x FY28E EPS for the PES and EMPS (each), and INR20/sh for Voltbek.**

## Quarterly Performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26	MOSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
<b>Sales</b>	<b>49,210</b>	<b>26,191</b>	<b>31,051</b>	<b>47,676</b>	<b>39,386</b>	<b>23,473</b>	<b>30,708</b>	<b>48,878</b>	<b>1,54,128</b>	<b>1,42,445</b>	<b>48,979</b>	<b>(0)</b>
Change (%)	46.5	14.2	18.3	13.4	(20.0)	(10.4)	(1.1)	2.5	23.5	(7.6)	2.7	
<b>EBITDA</b>	<b>4,238</b>	<b>1,622</b>	<b>1,974</b>	<b>3,328</b>	<b>1,785</b>	<b>704</b>	<b>1,773</b>	<b>2,207</b>	<b>11,162</b>	<b>6,469</b>	<b>3,756</b>	<b>(41)</b>
Change (%)	128.6	130.8	594.5	74.6	(57.9)	(56.6)	(10.2)	(33.7)	135.2	(42.0)	12.9	
As of % Sales	8.6	6.2	6.4	7.0	4.5	3.0	5.8	4.5	7.2	4.5	7.7	(315)
Depreciation	134	164	179	141	185	244	206	206	618	841	245	(16)
Interest	98	136	155	233	135	200	311	222	621	868	304	(27)
Other Income	803	1,055	591	797	821	646	488	426	3,245	2,382	647	(34)
<b>PBT</b>	<b>4,809</b>	<b>2,377</b>	<b>2,231</b>	<b>3,751</b>	<b>2,286</b>	<b>906</b>	<b>1,744</b>	<b>2,205</b>	<b>13,168</b>	<b>7,142</b>	<b>3,854</b>	<b>(43)</b>
Tax	1,165	726	599	1,075	621	226	313	711	3,565	1,871	1,213	(41)
Effective Tax Rate (%)	24.2	30.5	26.8	28.7	27.2	25.0	15.6	32.2	27.1	25.3	31.5	
Extra-ordinary Items	0	0	0	-	-	-	(265)	-	0	-265	-	
Share of profit of associates/JV's	(294)	(323)	(324)	(320)	(259)	(365)	(322)	(360)	(1,260)	(1,306)	(334)	NA
<b>Reported PAT</b>	<b>3,350</b>	<b>1,328</b>	<b>1,308</b>	<b>2,357</b>	<b>1,406</b>	<b>315</b>	<b>845</b>	<b>1,134</b>	<b>8,343</b>	<b>3,700</b>	<b>2,307</b>	<b>(51)</b>
Change (%)	159.1	262.1	NA	102.4	(58.0)	(76.3)	(35.4)	(51.9)	231.1	-55.7	(2.1)	
Minority Interest	8	(12)	(14)	(53)	2	(28)	(5)	(28)	(71)	(59)	(40)	
<b>Adj PAT</b>	<b>3,342</b>	<b>1,340</b>	<b>1,321</b>	<b>2,410</b>	<b>1,405</b>	<b>343</b>	<b>1,077</b>	<b>1,162</b>	<b>8,414</b>	<b>3,986</b>	<b>2,346</b>	<b>(50)</b>
Change (%)	158.5	265.3	NM	132.2	(58.0)	(74.4)	(18.5)	(51.8)	251.5	-52.6	(3)	

## Segmental revenue (INR m)

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26	4QE	Var. (%)
EMP & Services	9,491	8,799	11,902	11,375	9,218	9,662	9,742	11,903	41,568	40,525	10,488	13
Engineering products and services	1,608	1,467	1,297	1,321	1,354	1,391	1,566	1,684	5,693	5,994	1,439	17
Unitary cooling business	38,022	15,822	17,711	34,584	28,679	12,151	19,242	34,934	1,06,139	95,006	36,850	(5)
Others	89	103	141	395	135	270	158	357	728	919	202	76
<b>Total</b>	<b>49,210</b>	<b>26,191</b>	<b>31,051</b>	<b>47,676</b>	<b>39,386</b>	<b>23,473</b>	<b>30,708</b>	<b>48,878</b>	<b>1,54,128</b>	<b>1,42,445</b>	<b>48,979</b>	<b>(0)</b>
<b>Segment PBIT</b>												
EMP & Services	675	462	567	(17)	492	920	817	756	1,686	2,986	703	8
Engineering products and services	448	396	368	341	401	439	368	376	1,553	1,584	373	1
Unitary cooling business	3,270	1,162	1,043	3,448	1,044	(458)	726	1,741	8,923	3,052	2,372	(27)
<b>Total PBIT</b>	<b>4,394</b>	<b>2,020</b>	<b>1,978</b>	<b>3,771</b>	<b>1,937</b>	<b>902</b>	<b>1,911</b>	<b>2,873</b>	<b>12,163</b>	<b>7,623</b>	<b>3,448</b>	<b>(17)</b>
<b>Segment PBIT (%)</b>												
EMP & Services (%)	7.1	5.2	4.8	(0.2)	5.3	9.5	8.4	6.4	4.1	7.4	6.7	(35)
Engineering products and services (%)	27.9	27.0	28.4	25.8	29.6	31.6	23.5	22.3	27.3	26.4	25.9	(358)
Unitary cooling business (%)	8.6	7.3	5.9	10.0	3.6	(3.8)	3.8	5.0	8.4	3.2	6.4	(145)
<b>Total PBIT (%)</b>	<b>8.9</b>	<b>7.7</b>	<b>6.4</b>	<b>7.9</b>	<b>4.9</b>	<b>3.8</b>	<b>6.2</b>	<b>5.9</b>	<b>7.9</b>	<b>5.4</b>	<b>7.0</b>	<b>(116)</b>

# Dalmia Bharat

BSE SENSEX 75,399 S&P CNX 23,690

**CMP: INR1,766 TP: INR2,230 (+26%) BUY**



## Stock Info

Bloomberg	DALBHARA IN
Equity Shares (m)	188
M.Cap.(INRb)/(USD)	332.4 / 3.5
52-Week Range (INR)	2496 / 1717
1, 6, 12 Rel. Per (%)	-8/-4/-10
12M Avg Val (INR M)	737
Free float (%)	44.2

## Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	147.7	160.8	177.0
EBITDA	30.5	31.7	37.7
Adj. PAT	10.5	9.3	11.5
EBITDA Margin (%)	20.6	19.7	21.3
Adj. EPS (INR)	56.2	49.7	61.4
EPS Gr. (%)	51.5	-11.5	23.6
BV/Sh. (INR)	959	997	1,043

## Ratios

Net D:E	0.1	0.2	0.2
RoE (%)	6.0	5.1	6.0
RoCE (%)	6.0	5.5	6.2
Payout (%)	16.0	24.1	24.4

## Valuations

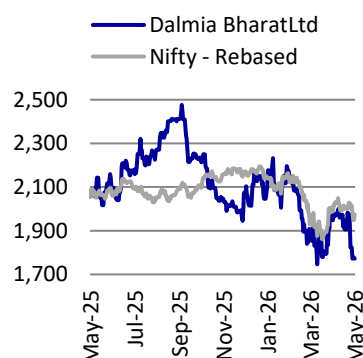
P/E (x)	31.4	35.5	28.7
P/BV (x)	1.8	1.8	1.7
EV/EBITDA(x)	10.5	10.2	9.3
EV/ton (USD)	68	64	62
Div. Yield (%)	0.5	0.7	0.8
FCF Yield (%)	0.7	-3.3	1.8

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	55.8	55.8	55.8
DII	20.4	19.1	16.6
FII	7.2	7.9	8.3
Others	16.6	17.1	19.3

FII Includes depository receipts

## Stock performance (one-year)



## Strong growth setup; valuations compelling

### Underappreciated cost advantage, re-rating at the cusp of cycle turn

- The recent sharp correction in DALBHARA stock was triggered by the news that the MCA has directed investigation authorities to reinvestigate the 2019 mutual fund unit fraud case. However, the company has categorically denied allegations and stated that it has not received any such communications. Barring this news-related overhang and the near-term profitability pressure across the industry, we believe DALBHARA's underlying business fundamentals and operational performance remain steady.
- DALBHARA continues to strengthen its cost leadership position, with FY26 opex/t remaining the lowest among the top-four cement players and ~13% below that of our coverage universe. The company has benefited from its East-centric footprint, proximity to domestic coal sources, higher renewable energy usage, flexible fuel mix, and ongoing logistics optimization initiatives.
- Renewable energy contribution increased to 47% in 4QFY26 from ~39% a year ago, while freight costs remained lower despite sharp fuel inflation, aided by reduced lead distance and higher direct dispatches. Additionally, improved clinker factor and blending ratios have helped lower raw material costs. It is targeting cumulative savings of INR50-100/t over the next 15-18 months through continued efficiency measures.
- Over the past two years, the company's capacity additions have lagged its historical trend (~5% CAGR over FY24-26 vs. ~11% CAGR over FY22-24), which also constrained volume growth. However, the company accelerated its expansion plans, initially within its core market – South, where it has strong brand and distribution network, which enables a faster ramp-up of capacity utilization and drives better volume growth.
- As the cycle turns, DALBHARA appears well positioned for a swift re-rating backed by strong presence in the east and south regions, low-cost producers and potential for capacity utilization improvement. We value the stock at 12x FY28E EV/EBITDA to arrive at our TP of INR2,230. **Reiterate BUY.**

### Structural cost leadership continues through operational efficiency

- DALBHARA has been delivering meaningful progress across multiple operating cost parameters. The company's opex/t is the lowest among the top-four players and ~13% lower vs. our coverage universe in FY26. This superior cost position is driven by its East-centric operational footprint with proximity to domestic coal sources, flexible fuel mix, higher renewable energy usage, and continued logistics optimization initiatives.
- On the power and fuel costs, the company expanded its renewable power capacity to 449MW, resulting in renewable energy contribution increasing to 47% in 4QFY26 vs. ~39% in 4QFY25. Further, flexibility to switch between petcoke and domestic coal supported by its plant presence near eastern coal belts provides cushion against high imported fuel prices.

- On the logistics, the company's freight cost/t fell ~3% in FY26 compared to FY20, despite ~26-27% surge in petrol/diesel prices over the same period. The improvement was driven by increasing direct dispatch and reducing lead distance (~280kms vs. 300Kms+ in FY20). Further optimization initiatives such as route rationalization, enhanced rail utilization, and commissioning of a new bulk terminal in Chennai are underway to reduce freight cost/t.
- Further, the company's raw material cost/t declined ~2% YoY in FY26, despite levy of additional mineral-bearing land tax by the Tamil Nadu government. Improving clinker factor and blending ratios has helped the company to reduce raw material cost. It is targeting a cumulative savings of INR50-100/t, driven by these cost measures over the next 15-18 months.

### Strategic capex pipeline to drive next lag of growth

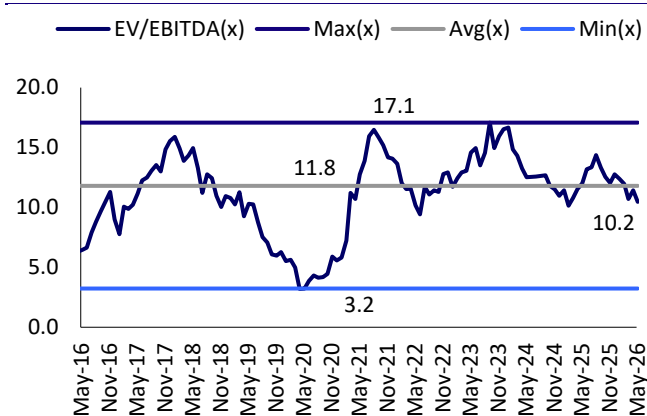
- In Feb'25, the company announced a strategic investment of INR35.2b to set up 3.6mtpa clinker and 3.0mtpa grinding capacity at its existing plant in Belgaum, Karnataka, along with 3mtpa greenfield split grinding unit in Pune, Maharashtra. Civil construction at Belgaum is progressing well and major equipment orders have already been placed, with commissioning expected in CY26. These expansions will strengthen the company's presence in Karnataka and South/West Maharashtra. The company has sufficient limestone reserves at Belgaum plant with an estimated life of 45+ years on expanded capacity, ensuring long-term raw material security and cost competitiveness.
- Further accelerating its southern expansion, it approved another major capex of INR32.9b in 1QFY26 for 3.6mtpa clinker and 6.0mtpa grinding capacity at Kadapa, Andhra Pradesh, along with a bulk terminal at Chennai, Tamil Nadu. Although the timeline for Kadapa project completion is delayed by a quarter to 3QFY28. These projects will strengthen the company's presence across southern states, while the Chennai bulk terminal will improve coastal distribution efficiency.
- After completion of these expansions, the company's clinker/grinding capacity will surge to 34.3mtpa/61.5mtpa by FY28 vs. 27.1mtpa/49.5mtpa currently (registering grinding capacity CAGR of ~12%). Looking ahead, the company is planning a large greenfield project at Jaisalmer, Rajasthan, which will mark its strategic entry into the northern region. Land acquisition and statutory approvals are underway, while the company has already secured a limestone block at an auction premium of ~22%. Management indicated that a final constructive decision is likely in the coming quarters, making Jaisalmer a key long-term growth driver in the company's pan-India expansion roadmap.

### Valuation and view

- We estimate a CAGR of 9%/11% in revenue/EBITDA over FY26-28, and PAT CAGR of only ~3%, mainly due to an increase in depreciation and interest cost amid aggressive capex plans. We estimate a volume CAGR of ~8% over FY26-28 (vs. ~2% over FY24-26). EBITDA/t is estimated to decline to INR993/t (due to cost pressure) vs. INR1,015 in FY26, but may improve to INR1,081 in FY28, led by cost-saving measures and an expected decline in fuel prices.

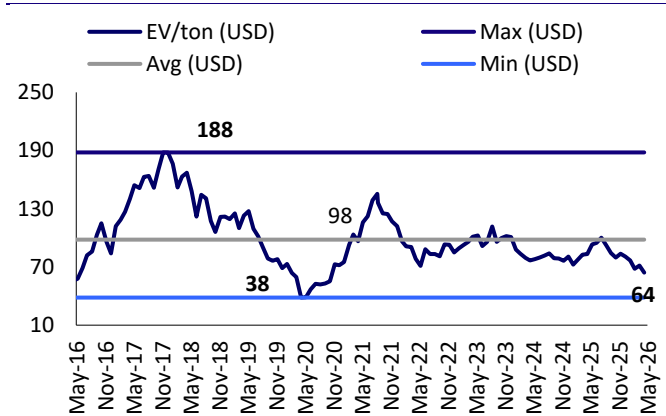
- We estimate the company’s cumulative OCF to increase to INR57.1b over FY27-28 vs. INR43.9b over FY25-26. However, we estimate cumulative net cash outflow of INR4.9b over FY27-28 vs. net cash outflow of INR2.7b over FY25-26, due to aggressive capex. The company’s net debt is estimated to rise to INR32.6b by FY28 from INR14.2b in FY26. Its net debt-to-EBITDA ratio is estimated at 1.2x vs. 0.9x in FY26E.
- The stock is currently trading at 10x/9x FY27E/FY28E EV/EBITDA vs. its historical one-year forward average EV/EBITDA multiple of 12x. We believe key catalysts for the stock performance will be a combination of – 1) softening of fuel prices; 2) a strong price action in its core markets (east and south); 3) timely execution of ongoing capacity expansion projects, and 4) a gradual improvement in capacity utilizations. We value the stock at 12x FY28E EV/EBITDA to arrive at our TP of INR2,230. **Reiterate BUY.**

**One-year forward EV/EBITDA**



Source: MOFSL, Company

**One-year forward EV/t**



Source: MOFSL, Company

# LIC Housing Finance

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR560      TP: INR630 (+12%)      Neutral**

## High repayments weigh on loan growth; credit costs benign

### Making efforts to accelerate disbursements and stem BT-OUTs

- LIC Housing Finance's (LICHF) 4QFY26 PAT grew ~9% YoY to ~INR15b (~10% beat). FY26 PAT rose 3% YoY to ~INR56b. 4Q NII grew ~3% YoY to ~INR22.2b (~6% beat). Fee and other income grew 12% YoY to INR1.9b.
- Opex declined ~12% YoY to INR4b (~13% above est.) and cost-income ratio declined ~3pp YoY to ~16.6% (PY: ~19.4% and PQ: ~15.5%). PPOp grew ~7% YoY to ~INR20b (~6% beat).
- Credit costs stood at ~INR740m (vs. est. INR1.4b), translating into annualized credit costs of ~9bp (PY: 14bp and PQ: 20bp).
- LICHF's growth is expected to be driven by a calibrated expansion strategy, supported by improvement of non-housing in the loan mix, deeper distribution reach, and improved operational efficiency. Management guided for loan growth of ~10-12% in FY27, supported by stronger disbursement momentum and improved sourcing through co-lending, DA structures, and partnerships with business aggregators.
- The introduction of a dedicated affordable housing vertical, along with a strong focus on LAP and LRD products, is expected to improve product mix and yield profile. Further support is likely to come from higher customer retention initiatives, and technology-led straight-through processing (STP).
- LICHF guided for FY27 NIM of 2.5-2.7%. Over the medium term, margin support is expected from a gradual portfolio shift toward higher-yielding LAP and LRD segments (mix improving from ~12% in FY25 to ~15% in FY26), which are being steadily scaled up and are likely to contribute to yield expansion.
- LICHF reported a healthy sequential acceleration in disbursements, though overall loan growth remained muted (up ~4% YoY) due to high repayments. Management remains optimistic about FY27, expecting seasonally stronger trends, supported by a recovery in disbursement momentum. NIMs are likely to remain stable, as the company continues to prioritize margin protection over aggressive growth. Asset quality remains steady and is expected to improve further, aided by recoveries, ARC sales, and continued resolution of stressed wholesale loans.
- We estimate a CAGR of ~8%/6% in advances/PAT over FY26-28E and RoA/RoE of 1.7%/13% by FY28E. With no near-term catalyst, **we reiterate our Neutral rating on the stock with a TP of INR630 (based on 0.7x FY28E P/BV).**

Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USD\$)	308.2 / 3.2
52-Week Range (INR)	647 / 459
1, 6, 12 Rel. Per (%)	8/7/-5
12M Avg Val (INR M)	970

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	84.2	86.8	95.2
PPP	76.3	78.7	86.5
PAT	56.0	57.0	62.7
EPS (INR)	101.7	103.6	114.0
EPS Gr. (%)	3.1	1.9	10.0
BV/Sh (INR)	751	834	926

### Ratios

NIM (%)	2.7	2.7	2.7
C/I ratio (%)	15.1	15.7	15.5
RoAA (%)	1.8	1.7	1.7
RoE (%)	14.4	13.1	12.9
Payout (%)	9.8	10.1	9.7

### Valuations

P/E (x)	5.5	5.4	4.9
P/BV (x)	0.7	0.7	0.6
Div. Yield (%)	1.8	1.9	2.0

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	45.2	45.2	45.2
DII	20.9	21.8	21.3
FII	21.4	20.4	21.6
Others	12.5	12.6	11.9

FII Includes depository receipts

## Higher repayments limit loan growth; disbursements gain momentum

- Loan disbursements in individual home loans grew ~8% YoY, while non-housing individual disbursements rose 25% YoY. Non-housing commercial disbursements declined ~32% YoY. Builder/project loan disbursements declined ~3% YoY.

- Total disbursements grew ~10% YoY/30% QoQ to ~INR210b. Repayments were elevated at 18.6% (PY: 14% and PQ: 17.5%).
- Overall loan book grew ~4% YoY to INR3.2t. Home loans grew ~4% YoY, while non-housing individual book grew ~14% YoY. We expect LICHF to deliver a loan CAGR of ~8% over FY26-28.

### NIM expands as focus remains on margins over growth

- 4Q NIM improved ~10bp QoQ to ~2.8%. Reported yields as of FY26 stood at ~9.2% (9MFY26: 9.3%), while CoB as of Mar'26 was broadly stable at ~7.3% (9MFY26: ~7.3%). This resulted in spreads declining ~10bp QoQ to ~1.94%.
- Given that the company has prioritized NIM protection over growth, we expect LICHF to sustain NIMs of ~2.7% each for FY27E/FY28E.

### Asset quality improves further; credit costs benign

- GS3 declined ~30bp QoQ to ~2.2%, while NS3 remained largely stable QoQ at ~1.1%. Stage 3 PCR declined ~5pp QoQ to ~50% (PQ: ~54.5%) and Stage 2 PCR improved ~190bp QoQ to ~5% (PQ: 3.2%).
- LICHF has not witnessed any major fresh stress settlements recently, while resolution activity in large legacy accounts is progressing, with one significant corporate exposure already resolved and its impact is expected to reflect after the regulatory cooling period.
- We estimate LICHF to deliver a steady improvement in asset quality, with GNPA/NNPA ratios declining to 1.7%/0.9% by Mar'28.

### Highlights from the management commentary

- LICHF has historically focused on organic sourcing of housing loans; however, it has now finalized its co-lending and direct assignment policies, which will support incremental growth. The company is also engaging with large business aggregators such as Andromeda to strengthen sourcing capabilities and expects this channel to contribute meaningfully to incremental volumes (~INR40-50b worth of business expected in the first year).
- A dedicated affordable housing vertical will be established with exclusive sourcing, underwriting, collections and recovery teams.

### Valuation and view

- LICHF will have to navigate a competitive and uncertain macro environment with measured steps rather than sharp acceleration. While growth recovery, margin stability, and asset quality improvement are gradually building, external pressures and structural competition from banks may continue to weigh on near-term performance, leading to a more gradual earnings trajectory.
- LICHF's valuation of ~0.7x FY27E P/BV reflects the inability of the franchise to deliver a respectable double-digit loan growth. We estimate a CAGR of ~8%/6% in advances/PAT over FY26-28E and RoA/RoE of 1.7%/13% by FY28E. **With no near-term catalysts, we reiterate our Neutral rating on the stock with a TP of INR630 (based on 0.7x FY28E P/BV).**

**Quarterly Performance**
**(INR M)**

Y/E March	FY25				FY26				FY25	FY26	4QFY26E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	67,391	68,534	69,516	71,173	71,131	70,335	70,439	70,093	2,76,615	2,81,997	70,632	-1
Interest Expenses	47,501	48,796	49,515	49,508	50,473	49,951	49,421	47,875	1,95,320	1,97,752	49,680	-4
<b>Net Interest Income</b>	<b>19,891</b>	<b>19,739</b>	<b>20,001</b>	<b>21,664</b>	<b>20,658</b>	<b>20,385</b>	<b>21,017</b>	<b>22,218</b>	<b>81,295</b>	<b>84,245</b>	<b>20,952</b>	6
YoY Growth (%)	-10.0	-6.3	-4.6	-3.2	3.9	3.3	5.1	2.6	-6.0	3.6	-3.3	
Fees and other income	446	784	1,057	1,661	1,201	1,362	1,431	1,853	3,948	5,720	1,534	21
<b>Net Income</b>	<b>20,337</b>	<b>20,522</b>	<b>21,059</b>	<b>23,326</b>	<b>21,859</b>	<b>21,747</b>	<b>22,449</b>	<b>24,070</b>	<b>85,243</b>	<b>89,965</b>	<b>22,487</b>	7
YoY Growth (%)	-9.7	-4.9	-1.9	2.0	7.5	6.0	6.6	3.2	-3.6	5.5	-3.6	
Operating Expenses	2,621	3,105	3,564	4,536	2,938	3,018	3,488	3,987	13,826	13,618	3,535	13
<b>Operating Profit</b>	<b>17,715</b>	<b>17,417</b>	<b>17,495</b>	<b>18,790</b>	<b>18,920</b>	<b>18,729</b>	<b>18,961</b>	<b>20,084</b>	<b>71,416</b>	<b>76,347</b>	<b>18,951</b>	6
YoY Growth (%)	-11.9	-8.3	-7.2	-1.3	6.8	7.5	8.4	6.9	-7.2	6.9	0.9	
Provisions and Cont.	1,431	773	-440	1,094	1,929	1,682	1,536	741	2,858	5,540	1,350	-45
<b>Profit before Tax</b>	<b>16,285</b>	<b>16,644</b>	<b>17,934</b>	<b>17,696</b>	<b>16,992</b>	<b>17,047</b>	<b>17,425</b>	<b>19,342</b>	<b>68,558</b>	<b>70,806</b>	<b>17,601</b>	10
Tax Provisions	3,282	3,355	3,615	4,016	3,392	3,508	3,586	4,368	14,268	14,855	4,017	9
<b>Net Profit</b>	<b>13,002</b>	<b>13,289</b>	<b>14,320</b>	<b>13,680</b>	<b>13,599</b>	<b>13,539</b>	<b>13,840</b>	<b>14,974</b>	<b>54,290</b>	<b>55,952</b>	<b>13,584</b>	10
YoY Growth (%)	-2	12	23	25	5	2	-3	9	14	3	-1	
<b>Key Operating Parameters (%)</b>												
Yield on loans (Cal)	9.37	9.40	9.37	9.38	9.22	9.06	9.00	8.83	9.5	9.1		
Cost of funds (Cal)	7.50	7.64	7.62	7.43	7.46	7.35	7.26	6.97	7.5	7.2		
Spreads (Cal)	1.87	1.76	1.75	1.95	1.76	1.70	1.74	1.86	2.0	1.9		
Margins (Cal)	2.76	2.71	2.69	2.86	2.68	2.62	2.69	2.80	2.7	2.7		
Credit Cost (Cal)	0.20	0.11	-0.06	0.14	0.25	0.22	0.20	0.09	0.1	0.2		
Cost to Income Ratio	12.9	15.1	16.9	19.4	13.4	13.9	15.5	16.6	16.2	15.1		
Tax Rate	20.2	20.2	20.2	22.7	20.0	20.6	20.6	22.6	20.8	21.0		
<b>Balance Sheet Parameters</b>												
Loans (INR B)	2,887	2,946	2,991	3,077	3,096	3,118	3,143	3,207	3028	3162		
Change YoY (%)	4.4	6.0	6.4	7.3	7.2	5.8	5.1	4.2	7.9	4.4		
Indiv. Disb. (INR B)	124	151	145	183	130	159	155	202	602	646		
Change YoY (%)	16.9	6.0	-2.1	9.3	4.6	5.7	7.0	10.3	6.9	7.2		
Borrowings (INR B)	2,537	2,574	2,626	2,706	2,709	2,725	2,721	2,775	2706	2774		
Change YoY (%)	5.1	5.7	7.1	7.0	6.8	5.8	3.6	2.5	7.2	2.5		
Loans/Borrowings (%)	113.8	114.4	113.9	113.7	114.3	114.4	115.5	115.6	111.9	114.0		
<b>Asset Quality Parameters</b>												
GS 3 (INR B)	95.3	90.1	82.3	76.0	81.1	78.3	77.0	69.3	76.0	69.3		
Gross Stage 3 (% on Assets)	3.30	3.06	2.75	2.47	2.62	2.51	2.45	2.16	2.5	2.2		
NS 3 (INR B)	48.0	45.7	43.2	37.1	39.9	36.7	35.0	34.6	37.1	34.6		
Net Stage 3 (% on Assets)	1.69	1.58	1.47	1.22	1.31	1.20	1.13	1.10	1.2	1.1		
PCR (%)	49.6	49.3	47.5	51.2	50.8	53.1	54.5	50.0	51.2	50.0		
ECL (%)	1.96	1.85	1.66	1.59	1.63	1.63	1.62	1.42				
<b>Loan Mix (%)</b>												
Home loans	85.3	85.2	85.1	85.0	84.8	84.7	84.6	84.5				
LAP	12.7	12.9	13.2	13.3	13.6	13.7	13.8	14.2				
Non Individual loans	2.0	1.9	1.7	1.7	1.6	1.6	1.6	1.3				
<b>Borrowing Mix (%)</b>												
Banks	34.0	34.0	33.0	32.0	31.0	35.0	38.0	39.0				
NCD	54.0	54.0	54.0	55.0	55.0	53.0	50.0	46.0				
Sub Debt	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0				
Deposits	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0				
NHB	4.0	4.0	5.0	4.0	5.0	4.0	5.0	7.0				
CP	4.0	4.0	4.0	5.0	5.0	4.0	3.0	4.0				

E: MOFSL Estimates

# Inventurus Knowledge Solutions

Estimate changes



TP change



Rating change



**CMP: INR1,673**

**TP: INR1,953 (+17%)**

**Buy**

## Revenue in line; beat on profitability

Inventurus Knowledge Solutions' (IKS) 4QFY26 USD revenue rose 12.6% YoY to USD364m, led by strong performance from top clients and healthy contribution from new deals and partnerships. INR revenue grew 18.5% YoY to INR8.6 (estimate INR8.5b), while EBITDA rose 41.8% YoY to INR3.0b (estimate INR2.9b) and margin stood at 35.0% (528bp YoY, 40bp QoQ). PAT grew 12.3% QoQ and 39.3% YoY to INR2.1b, (estimate INR1.9b). We expect its revenue/EBITDA/PAT to grow at 17%/20%/24% CAGR over FY26-28. We value the stock at 30x FY28E EPS to arrive at our TP of INR1,953. We reiterate our **BUY** rating on the stock.

Bloomberg	IKS IN
Equity Shares (m)	172
M.Cap.(INRb)/(USDb)	287 / 3
52-Week Range (INR)	1876 / 1262
1, 6, 12 Rel. Per (%)	11/13/6
12M Avg Val (INR M)	541

### Financials Snapshot (INR m)

Y/E MARCH	FY26	FY27E	FY28E
Sales	31,938	37,599	43,887
Sales Gr. (%)	19.9	17.7	16.7
EBITDA	10,913	12,941	15,799
EBITDA Margin (%)	34.2	34.4	36.0
Reported PAT	7,216	8,858	11,112
EPS (Rs)	42.3	51.9	65.1
EPS Gr. (%)	47.7	22.8	25.5
BV/Share	164	216	281

### Ratios

RoE	31.4	27.3	26.2
RoCE	29.3	28.0	27.7
RoIC	26.7	30.2	39.0

### Valuations

EV/Sales	9.1	7.8	6.6
EV/EBITDA	26.7	22.5	18.5
P/E (X)	39.8	32.4	25.8
P/BV (X)	9.7	7.4	5.7

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	63.7	63.7	63.7
FII	6.4	6.1	4.0
DII	10.5	9.9	8.0
Others	19.4	20.3	24.3

FII Includes depository receipts

### Our View: US healthcare cost pressure remains a structural tailwind

- The US healthcare delegated-task TAM is estimated at >USD260b, while the currently outsourced TAM stands at ~USD35b and is growing at ~12%. Management indicated that sustaining growth above 12% would imply continued market share gains.
- Total clients: FY26: 600 /FY25: 500/FY24: 850 (**client rationalization is progressing well**).
- The company has revised its GTM strategy: a) mid-sized health systems with full-platform offerings, b) large health systems approached through a 'land-and-expand' strategy, initially focused on point solutions such as RCM, coding, and patient access.
- With headcount growing just 5% YoY amid 15.4% USD revenue growth, the **business model reveals clear non-linearity** in revenue generation, indicating efficiency gains and scalable operations.
- Key AI focus areas include: autonomous clinical documentation, ambient AI scribing, autonomous coding, prior authorization, patient onboarding, scheduling optimization, eligibility verification, patient engagement, and revenue cycle management.
- IKS believes that hybrid AI-plus-human workflows may drive superior physician adoption and greater burden reduction compared with purely autonomous competitors.

### IKS Business Highlights

- The company partnered with Certilytics to integrate payer rules and provider workflows through a combination of agentic AI and human oversight.
- It also signed a multi-year partnership with Holyoke Medical Center to drive AI-led clinical and administrative transformation.
- Additionally, IKS expanded its engagement with Mission Community Hospital to deliver advanced in-hospital AI capabilities aimed at improving operational efficiency.
- **On the RCM and VBC front, the company** broadened its partnership with a top-five US health system to expand services across additional regions and states.

### Valuation and view

We believe IKS is uniquely positioned to benefit from long-term structural tailwinds in the US healthcare technology, supported by its strong financial profile, differentiated tech-first platform, and expanding market opportunity. **We reiterate a BUY rating on IKS with a TP of INR1,953**, valuing it at 30x FY28E EPS (~24% EPS CAGR over FY26-28E).

#### IKS - Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26	4QE	(INR Mn)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				Var. (% / bp)
Revenue (USD m)	77.0	76.9	78.2	84.0	86.7	90.2	92.5	95.0	316	364	94	1.1
QoQ (%)	3.2	-0.1	1.7	7.4	3.2	4.0	2.5	2.7	45.5	15.4	1.8	
Revenue (INR m)	6,401	6,428	6,572	7,240	7,401	7,811	8,150	8,577	26,640	31,938	8,475	1.2
YoY (%)			15.9	16.8	15.6	21.5	24.0	18.5	46.5	19.9	17.1	
GPM (%)	43.6	43.4	41.7	46.6	46.5	47.9	50.2	51.2	43.9	49.0	50.0	
SGA (%)	16.6	14.0	14.0	15.4	14.4	13.1	15.6	16.2	15.0	14.9	15.6	
EBITDA	1,730	1,891	1,815	2,262	2,378	2,718	2,816	3,002	7,697	10,913	2,915	3.0
EBITDA Margin (%)	27.0	29.4	27.6	31.2	32.1	34.8	34.6	35.0	28.9	34.2	34.4	+50bps
EBIT	1,447	1,608	1,537	1,979	2,098	2,416	2,496	2,662	6,571	9,672	2,585	3.0
EBIT Margin (%)	22.6	25.0	23.4	27.3	28.4	30.9	30.6	31.0	24.7	30.3	30.5	+50bps
Finance cost	260	222	205	210	181	161	233	127	898	819	212	
Other Income	36	52	270	33	31	37	56	49	390	385	42	
ETR (%)	22.0	21.4	19.0	17.9	22.2	20.6	20.1	18.6	19.8	20.3	21.5	
PAT	955	1,130	1,297	1,478	1,515	1,807	1,833	2,060	4,860	7,216	1,896	8.6
QoQ (%)	50.2	18.3	14.8	14.0	2.5	19.3	1.4	12.3			3.4	
YoY (%)			27.7	132.5	58.7	59.9	41.4	39.3			28.3	
EPS (INR)	5.7	6.7	7.6	8.7	8.9	10.6	10.7	12.1	28.6	42.5	11.1	8.6

#### Our Revised Estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
USD:INR	90	90	90	90	0.3%	0.3%
Revenue (USD m)	416	486	413	482	0.8%	0.9%
Revenue (INR m)	37,599	43,887	37,153	43,367	1.2%	1.2%
EBIT (INR m)	11,724	14,651	11,578	14,207	1.3%	3.1%
EBIT margin(%)	31.2	33.4	31.2	32.8	0bps	60bp
PAT (INR m)	8,858	11,112	8,451	10,773	4.8%	3.1%
EPS (INR)	51.9	65.1	49.8	63.4	4.2%	2.6%

#### KPI metrics

Particular	(INR m)	
	FY25	FY26
Annualised EBITDA per employee	0.63	0.88
Revenue from Top 10 customers	9,230	11,811
Contribution from Top 10 customers	34.60%	37.00%
Revenue from Top 5 customers	5,858	6,856
Contribution from Top 5 customers	21.90%	21.50%
Ageing of Top 10 clients (number of years)	9.20	5.94
Ageing of Top 5 clients (number of years)	8.57	5.82

# Kirloskar Oil Engines

Estimate changes



TP change



Rating change



Bloomberg	KOEL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	232.1 / 2.4
52-Week Range (INR)	1765 / 713
1, 6, 12 Rel. Per (%)	8/55/121
12M Avg Val (INR M)	702

## Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	56.5	67.7	82.1
EBITDA	7.4	9.5	11.9
PAT	4.6	6.2	7.8
EPS (INR)	31.9	42.6	53.9
GR. (%)	23.9	33.5	26.5
BV/Sh (INR)	230.8	264.8	307.8

## Ratios

ROE (%)	14.6	17.2	18.8
RoCE (%)	14.4	16.9	18.6

## Valuations

P/E (X)	50.0	37.5	29.6
P/BV (X)	6.9	6.0	5.2
EV/EBITDA (X)	30.8	24.0	19.0
Div Yield (%)	0.4	0.5	0.7

## Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	41.1	41.1	41.2
DII	26.7	28.2	26.6
FII	10.8	8.5	9.1
Others	21.5	22.3	23.1

FII includes depository receipts

CMP: INR1,597

TP: INR1,900 (+19%)

Buy

## Continued outperformance on revenue

Kirloskar Oil Engines (KOEL)'s 4QFY26 revenue outperformed once again with sharp growth in the powergen and industrial segments. KOEL has gained market share during FY26, with overall powergen market volumes growing 18% YoY. The company's volume jumped 41% YoY in FY26. It has also gained near-double-digit market share in the HHP segment. The company has also announced an incremental capex of INR14b for expanding the capacity of engines. Going ahead, we expect KOEL to benefit from 1) incremental gains in both non-HHP and HHP powergen markets, 2) operating leverage benefits that can start playing out from FY27, 3) warranty renewal in the distribution segment, and 4) growth in the industrial segment. We expect exports to remain a bit patchy in the near term due to KOEL's exposure to the Middle East. We revise our estimates by 5%/6% for FY27/28 and roll forward to Jun'28 estimates. We reiterate our BUY rating with a revised SoTP-based TP of INR1,900 (vs. INR1,600), valuing the core business at a slightly higher multiple of 30x to factor in strong growth across segments.

## Strong performance was in line with our expectations

The company completed the transfer of its B2C segment to its wholly owned subsidiary through a slump sale. As a result, YoY growth rates are not comparable. On restated financials, revenue grew 24% YoY to INR15.3b, 10% above our estimate. Gross margin was broadly flat YoY at ~34.5% vs. our estimate of 35.5%. Absolute EBITDA increased 27% YoY to INR1.9b, in-line with our estimate, while margins expanded 30bp YoY to 12.6%. The margin was lower than our estimate, mainly due to higher-than-expected other expenses. Adj PAT increased 29% YoY to INR1.2b, broadly in line with our estimate. For FY26, revenue/EBITDA/PAT on revised financials increased 25%/24%/24% YoY, while EBITDA margin was flat at 13.1%. OCF increased 5% YoY to INR5b due to a better working capital position, while FCF declined 21% YoY to INR2b due to higher capex incurred in FY26.

## Powergen segment to continue to benefit from strong demand and higher HHP penetration

KOEL's powergen revenues grew by 30%/32% YoY for 4QFY26/FY26, indicating strong demand across key categories of powergen. The company achieved volumes of more than 50,000 units in FY26, whereas the industry achieved nearly 1,79,000 units. KOEL had gained market share across categories, especially HHP, too, with a near double-digit market share in HHP in FY26. The company has also announced a capex of INR14b for expanding engine capacity by 20,000 engines to 1,55,000 engines per annum, which will be completed by FY28. This capex is targeted to cater to demand coming from HHP and Optiprime, as well as from exports. This capex can potentially give incremental revenue worth INR50-56b at peak utilization (by around FY30) at an asset turnover of nearly 4x vs. the current powergen revenue of INR26b in FY26. This implies a powergen revenue CAGR of 30% over the next 4-5 years. We currently bake in powergen revenue CAGR of 22% over FY26-29. Our growth assumptions take into account volume as well as pricing for the industry and the company, as rising RM prices will warrant price hikes across the industry. Downside risk to

our growth assumptions can come from a demand slowdown, and upside risk to our growth comes from much faster growth in the HHP segment, where KOEL is currently scaling up across Edge, co-location, and also with hyperscalers in the data center segment.

### **Industrial segment benefiting from broad-based demand**

The industrial segment's revenue grew 24% YoY to INR3.7b in 4Q, in line with our estimate. Throughout the year, the segment witnessed strong demand across construction, mining, and railways, with construction growing 44% YoY, following the change in emission norms. The company is expanding into advanced systems integration opportunities through the newly incorporated Kirloskar Advanced Systems subsidiary, with focus areas including defense and other critical sectors. Ongoing execution of large nuclear power-related orders and increasing participation in mission-critical infrastructure indicate a gradual shift toward higher-specification industrial applications, which could improve product mix and long-term competitiveness. We expect growth drivers within the industrial sector to remain diversified across multiple subsegments, which supports sustainability across cycles. We factor in the industrial segment's revenue to clock a CAGR of 25% over FY26-28.

### **Distribution & aftermarket segment building a stronger ecosystem**

The distribution segment grew 20% YoY to INR2.8b in 4QFY26. The segment is gradually evolving into a wider lifecycle management platform with increasing focus on annual maintenance contracts, allied products, and installed-base monetization. Rising penetration of HHP gensets is also increasing the need for service capability and technical support. Investments in channel expansion and technical capabilities over the last few years support better penetration while also improving customer stickiness and earnings stability across cycles. We expect the segment's revenue to post a CAGR of 15% over FY26-28.

### **Exports supported by a deeper market presence**

The export segment revenue rose 10% YoY to INR1.6b in 4QFY26. At the consolidated level, international business crossed INR10b in sales during FY26 (+37% YoY) supported by traction in both powergen and fluid dynamics businesses. The company is shifting from a conventional export model toward building a deeper international presence through local teams, channels, service infrastructure, and potentially local assembly capabilities over time. The Middle East remains a key market where the company has already established its presence and expects to benefit from infrastructure rebuilding opportunities. We expect the company's increasing traction in the HHP segment to improve global acceptance over time. We expect export revenue to clock a 17% revenue CAGR over FY26-28.

### **Arka Finance (AFHPL) building a more stable retail franchise**

AFHPL continued to focus on building a more granular and secure retail franchise, with branch expansion increasing sharply from 34 branches to 137 branches during FY26. Revenue increased 8% YoY to INR2.2b, and AUM grew ~10% YoY to INR80b, while asset quality remained stable with GNPA at 1.2% and NNPA at 0.3%. The company also maintained stable profitability while continuing to invest in retail infrastructure and operating capabilities, creating a scalable long-term lending platform.

### Capex plans focused on high-value applications

The company announced a major capex program of ~INR14b at the Kagal facility over the next two years, focused on the HHP segment and export-oriented opportunities. This follows the earlier INR7b investment announced for adding 50,000 engine capacity, which is expected to come online by Apr'28. Unlike the earlier brownfield line expansion, the latest investment includes new buildings, fresh manufacturing lines, and infrastructure for larger and more sophisticated engines. The latest capex is targeted toward adding around 20,000 engines and reflects a strategic shift toward premium applications such as data centers, exports, nuclear, and critical infrastructure. Expected asset turnover of around 4x-5x indicates healthy utilization expectations and confidence in medium-term demand.

### Financial outlook

We raise our estimates by 5%/6% for FY27/FY28 and thus expect a revenue CAGR of 21% over FY26-28, driven by 22%/25%/15%/17% CAGR in powergen/industrial/distribution/exports. Over FY26-28E, we bake in a 140bp improvement in margins to build in better product mix and operating leverage benefits. We expect an EBITDA/PAT CAGR of 27%/30% over the same period.

### Valuation and recommendation

The stock is currently trading at 37.5x/29.6x P/E on FY27/28E earnings. Adjusted for subsidiary valuation, KOEL is trading at 33.6x/26.6x P/E on FY27/FY28E earnings, which is still at a significant discount to the market leader. **We reiterate our BUY rating with a revised SoTP-based TP of INR1,900** (vs. INR1,600), valuing the core business at a slightly higher multiple of 30x to factor in strong growth across segments.

#### Standalone - Quarterly Earnings Model

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Net Sales</b>	<b>13,429</b>	<b>11,944</b>	<b>11,636</b>	<b>14,125</b>	<b>12,720</b>	<b>14,595</b>	<b>13,806</b>	<b>15,347</b>	<b>51,133</b>	<b>56,468</b>	<b>13,960</b>	<b>10</b>
YoY Change (%)	6.2	12.8	2.5	1.5	(5.3)	22.2	18.6	8.7	5.4	24.9	(1.2)	
Gross profit	4,566	4,399	4,046	4,755	4,452	5,163	4,822	5,290	17,765	19,728	4,960	
Total Expenditure	11,452	10,294	10,466	12,384	11,004	12,555	12,118	13,419	44,596	49,096	12,035	
<b>EBITDA</b>	<b>1,977</b>	<b>1,650</b>	<b>1,170</b>	<b>1,741</b>	<b>1,716</b>	<b>2,040</b>	<b>1,688</b>	<b>1,928</b>	<b>6,537</b>	<b>7,373</b>	<b>1,925</b>	<b>0</b>
YoY Change (%)	28.0	67.3	(12.0)	(2.3)	(13.2)	23.7	44.3	10.8	15.9	24.2	10.6	
Margins (%)	14.7	13.8	10.1	12.3	13.5	14.0	12.2	12.6	12.8	13.1	13.8	
Depreciation	247	266	320	337	332	348	361	392	1,170	1,433	349	12
Interest	27	26	31	37	31	28	22	31	121	110	14	113
Other Income	108	118	68	52	121	116	80	89	344	407	92	(3)
<b>PBT before EO expense</b>	<b>1,810</b>	<b>1,476</b>	<b>887</b>	<b>1,419</b>	<b>1,476</b>	<b>1,780</b>	<b>1,385</b>	<b>1,595</b>	<b>5,590</b>	<b>6,236</b>	<b>1,654</b>	<b>(4)</b>
Extra-Ord expense				(209)	-	-	201	96	(209)	297	-	
<b>PBT</b>	<b>1,810</b>	<b>1,476</b>	<b>887</b>	<b>1,628</b>	<b>1,476</b>	<b>1,780</b>	<b>1,184</b>	<b>1,499</b>	<b>5,799</b>	<b>5,939</b>	<b>1,654</b>	<b>(9)</b>
Tax	462	365	236	416	380	445	311	388	1,480	1,524	420	
Rate (%)	25.5	24.7	26.7	25.6	25.8	25.0	26.2	25.9	25.5	25.7	25.4	
<b>Reported PAT</b>	<b>1,347</b>	<b>1,111</b>	<b>650</b>	<b>1,211</b>	<b>1,095</b>	<b>1,335</b>	<b>874</b>	<b>1,111</b>	<b>4,319</b>	<b>4,415</b>	<b>1,234</b>	<b>(10)</b>
<b>Adj PAT</b>	<b>1,347</b>	<b>1,111</b>	<b>650</b>	<b>1,056</b>	<b>1,095</b>	<b>1,335</b>	<b>1,022</b>	<b>1,183</b>	<b>4,164</b>	<b>4,636</b>	<b>1,236</b>	<b>(4)</b>
YoY Change (%)	30.5	89.6	(20.9)	(10.2)	(18.7)	20.2	57.1	12.1	15.1	23.9	17.1	
Margins (%)	10.0	9.3	5.6	7.5	8.6	9.1	7.4	7.7	8.1	8.2	8.9	

Please note that FY26 (quarterly and full year) figures are restated post B2C adjustment, while FY25 includes B2C, making YoY performance not comparable.

# Kaynes Technologies

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR3,339 TP: INR4,000 (+20%) Buy**

## Slower execution and sales deferrals lead to muted performance

Bloomberg	KAYNES IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	223.8 / 2.3
52-Week Range (INR)	7705 / 3295
1, 6, 12 Rel. Per (%)	-13/-39/-43
12M Avg Val (INR M)	6165

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	36.3	51.1	72.8
EBITDA	5.7	8.0	11.8
Adj. PAT	3.7	5.7	8.8
EBITDA Margin (%)	15.8	15.6	16.2
Cons. Adj. EPS (INR)	54.6	85.6	131.9
EPS Gr. (%)	24.7	56.6	54.2
BV/Sh. (INR)	709.2	794.7	926.7

### Ratios

Net D:E	0.0	-0.3	-0.4
RoE (%)	9.6	11.4	15.3
RoCE (%)	9.6	11.1	14.9

### Valuations

P/E (x)	61	39	25
EV/EBITDA (x)	39	26	17

### Shareholding pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	53.5	53.5	57.8
DII	15.1	16.7	17.0
FII	7.3	8.9	11.2
Others	24.1	20.9	14.1

Note: FII includes depository receipts

### Big miss on operating performance

- Kaynes Technologies (KAYNES) reported a lower-than-expected operating performance in 4QFY26, with EBITDA growth of 15% YoY (est. 49%). This was largely led by geopolitical disruptions, deferment of customer orders, delays in government projects, and a decline in revenue from a key EV customer.
- However, management emphasized that underlying industry demand, order book quality, and long-term growth prospects remain intact, with some revenue recognition shifting to future periods. Accordingly, management has guided for FY27 growth at nearly twice the industry growth rate (implying ~30% growth in FY27).
- While cash flow generation has been underwater due to higher receivables from the smart metering business, management has guided for faster installation in smart meters, shifting to a meter supply-only model and selling only to EPC/SPV partners.
- Factoring in lower-than-estimated earnings in 4Q and slower OSAT & PCB ramp up, we reduce our FY27/FY28 earnings estimate by 24%/17% and **reiterate our BUY rating on the stock with a TP of INR4,000 (premised on 30x FY28E EPS).**

### Weak 4QFY26 performance; working capital elevated

- Consolidated revenue grew 26% YoY to INR12.4b (est. INR15.5b) in 4QFY26, while EBITDA grew 15% YoY to INR1.9b (est. INR2.5b). EBITDA margin contracted 150bp YoY to 15.6% (est. 16%), led by a contraction in gross margin (down 40bp YoY) and an increase in employee expenses (up 260bp YoY), which was partly offset by other expenses (down 150bp YoY). Adj. PAT declined 22% YoY to INR913m (est. INR1.8b).
- Order inflows declined 65% YoY to INR5.3b in 4Q, with the order book growing 27% YoY. However, it declined 8% QoQ to INR84b
- Automotive/Industrials/Aerospace/Medical/ IT grew 46%/7%/4.4x/2%/81% YoY to INR3.3b/INR5.8b/INR439m/INR201m/INR2.1b, while Railways declined 22% YoY to INR507m.
- For FY26, Revenue/EBITDA/Adj PAT grew 33%/40%/24% to INR36b/INR5.7b/INR3.7b.
- For FY26, net working capital days increased to 125 from 87 days in FY25. Receivable days rose 50 days YoY, which was partially offset by payable days rising 18 days YoY. Net debt stood at ~INR2.1b vs. INR5.8b as of Mar'25.
- Gross debt stood at INR8.7b vs INR8.7b as of Mar'25. The company reported a cash outflow of INR6b vs INR823m as of Mar'25.

### Highlights from the management commentary

- **Smart metering:** The metering business contributes ~20–25% of total revenue, with the subsidiary reporting ~INR9.7b revenue. Receivables stood at ~INR13.7b due to delays in rural installations, though execution improved in the last quarter and completion is expected over the next three quarters. The company has initiated securitization of receivables and plans to focus only on the new business model going forward. FY27 business is expected to be evenly split between existing and new models (shifting to meter supply-only model and selling only to EPC/SPV partners).
- **OSAT business:** OSAT Unit 1 is fully operational, while Unit 2 is expected to be commercialized in 2Q, with revenue visibility of nearly INR25b over the next five years. The OSAT business is expected to generate FY27 revenue of ~INR2.5–3b, with a large share likely to come from exports.
- **Working capital:** The standalone EMS business remained cash flow positive, with working capital days improving from 64 to 54 days and CFO increasing to over INR2b. However, the metering business reported cash outflow of ~INR6b due to delays in government-linked execution and payments. The company has formulated a mitigation strategy and is actively working with multiple organizations to improve the operating and financing structure of the business model.



### Valuation and view

- KAYNES' growth momentum slowed down in 4QFY26 due to geopolitical disruptions, deferment of customer orders, delays in government projects, and a decline in revenue from a key EV customer. However, with a healthy order book of ~INR84b as of Mar'26, the company is well positioned to recover and improve revenue growth momentum going forward.
- CFO remained under pressure (operating cash outflow of INR6b) due to elevated receivables in the smart metering business. However, it is likely to improve with faster meter installations and the transition of the smart metering business to a meter supply-only model, with focus on supplying to EPC/SPV partners.
- We estimate a revenue/EBITDA/adj. PAT CAGR of 42%/44%/55% over FY26-FY28. **Reiterate BUY with a TP of INR4,000 (premised on 30x FY28E EPS).**

### Consolidated - Quarterly Earning Model

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
<b>Gross Sales</b>	<b>5,040</b>	<b>5,721</b>	<b>6,612</b>	<b>9,845</b>	<b>6,735</b>	<b>9,062</b>	<b>8,040</b>	<b>12,426</b>	<b>27,218</b>	<b>36,264</b>	<b>15,555</b>	<b>-20%</b>
YoY Change (%)	69.6	58.5	29.8	54.5	33.6	58.4	21.6	26.2	50.8	33.2	58.0	
Total Expenditure	4,371	4,900	5,671	8,166	5,604	7,582	6,847	10,489	23,108	30,523	13,059	
<b>EBITDA</b>	<b>669</b>	<b>821</b>	<b>940</b>	<b>1,679</b>	<b>1,130</b>	<b>1,480</b>	<b>1,193</b>	<b>1,937</b>	<b>4,109</b>	<b>5,741</b>	<b>2,495</b>	<b>-22%</b>
Margins (%)	13.3	14.4	14.2	17.1	16.8	16.3	14.8	15.6	15.1	15.8	16.0	
Depreciation	84	86	108	169	156	166	204	544	447	1,071	230	
Interest	227	221	270	295	284	228	249	409	1,013	1,169	280	
Other Income	283	336	246	205	271	431	448	419	1,070	1,568	450	
<b>PBT before EO expense</b>	<b>641</b>	<b>849</b>	<b>808</b>	<b>1,419</b>	<b>961</b>	<b>1,517</b>	<b>1,189</b>	<b>1,403</b>	<b>3,718</b>	<b>5,069</b>	<b>2,435</b>	
Extra-Ord expense	0	0	0	0	0	0	25	0	0	26	0	
<b>PBT</b>	<b>641</b>	<b>849</b>	<b>808</b>	<b>1,419</b>	<b>961</b>	<b>1,517</b>	<b>1,163</b>	<b>1,402</b>	<b>3,718</b>	<b>5,043</b>	<b>2,435</b>	
Tax	133	247	144	257	215	303	397	490	782	1,404	612	
Rate (%)	20.8	29.1	17.8	18.1	22.3	20.0	34.1	34.9	21.0	27.8	25.1	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>508</b>	<b>602</b>	<b>665</b>	<b>1,162</b>	<b>746</b>	<b>1,214</b>	<b>766</b>	<b>912</b>	<b>2,936</b>	<b>3,639</b>	<b>1,824</b>	
<b>Adj PAT</b>	<b>508</b>	<b>602</b>	<b>665</b>	<b>1,162</b>	<b>746</b>	<b>1,214</b>	<b>785</b>	<b>913</b>	<b>2,936</b>	<b>3,658</b>	<b>1,824</b>	<b>-50%</b>
YoY Change (%)	106.0	86.4	47.1	43.0	46.9	101.7	18.2	-21.5	60.1	24.6	56.9	
Margins (%)	10.1	10.5	10.1	11.8	11.1	13.4	9.8	7.3	10.8	10.1	11.7	

# Signatureglobal (India)

Estimate change   
 TP change  
 Rating change 

**CMP: INR866**

**TP: 1,030 (+19%)**

**Buy**

## Upcoming launches key to support presales

### Presales to clock 13% CAGR during FY26-28E

SIGNATUR's presales slightly declined by 3% YoY to INR15.7b in 4QFY26, but came in line with our estimate. Overall, FY26 presales declined by 20% YoY to INR83b, lower than its revised guidance. Two premium projects were launched in FY26 – Cloverdale in 1QFY26 and Sarvam in 3QFY26, which supported the operational performance. The forthcoming projects comprise a 19.8msf saleable area to be launched in the next 2-3 years. The company has planned launches worth INR150b and has guided for presales of INR100b in FY27. We expect 13% CAGR in pre-sales to INR105b during FY26-28E.

### Project additions progressing well; enters JV for commercial development

In FY27, SIGNATUR added 2.3msf of projects in Sohna region as part of business development. Further, it entered into a license agreement with Tonino Lamborghini for the development of 812 branded residences in its premium residential project in Sector 71, Gurugram. The company has formed a strategic 50:50 JV with the RMZ Group, enabling its entry into the build-to-lease model over ~5.6msf leasable/saleable area. This would include a mix of office (4-4.5msf) and retail + hotels, which would generate annuity income once operational. It has envisaged a capex of INR35-40b for the annuity portfolio.

### Proceeds from JV transaction led to significant deleveraging

Collections declined 22% YoY to INR9.1b in 4QFY26 and fell 8% YoY to INR40b in FY26. Considering a pickup in construction and presales growth, the company has guided for 25% YoY growth in collections to INR50b in FY27. We expect a 17% CAGR in collections to INR55b during FY26-28E. Net debt declined from INR10b in 3QFY26 to INR2b in 4QFY26 ( INR9b in FY25). This was mainly aided by proceeds of INR11.6b from the JV transaction with the RMZ Group. Factoring in cash inflows and capex requirement for the annuity portfolio, we expect net debt at INR3.6b/INR4.0b in FY27/FY28.

### Financial performance

- In 4QFY26, revenue grew by 113% YoY to INR11b. EBITDA rose 29% YoY to INR564m with EBITDA margin at 5.1%. Reported PAT jumped ~18x YoY to INR11.5b on account of exceptional gains worth INR12.7b. PBT increased by 63% YoY to INR1.2b.
- In FY26, revenue grew by 4% YoY to INR26b. EBITDA loss stood at INR479m. Reported PAT surged ~10x YoY to ~INR11b on account of exceptional gains worth INR12.7b. PBT declined by 59% YoY to INR430m.

### Valuation and view

- SIGNATUR missed its revised FY26 presales guidance of INR100b. While the company has a concentrated exposure to the NCR market, it has a substantial launch pipeline during FY27-29. However, we will remain watchful of the pickup in operational performance in the coming quarters.
- We have valued the current residential portfolio on the DCF basis for the current portfolio (ongoing and forthcoming).
- We reiterate **BUY** rating with a TP of INR1,030, indicating a 17% upside potential.

Bloomberg	SIGNATUR IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	121.7 / 1.3
52-Week Range (INR)	1310 / 705
1, 6, 12 Rel. Per (%)	9/-14/-22
12M Avg Val (INR M)	437

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	26.0	40.1	52.4
EBITDA	-0.5	2.0	3.1
EBITDA (%)	-1.8	5.0	6.0
Adj. PAT	-1.7	2.3	3.5
EPS (INR)	-12.3	16.5	25.2
EPS Gr. (%)	-269.7	-234.1	53.1
BV/Sh. (INR)	131.6	148.1	173.3

### Ratios

Net D/E	0.1	0.2	0.2
RoE (%)	-13.4	11.8	15.7
RoCE (%)	3.1	6.4	8.2
Payout (%)	0.0	0.0	0.0

### Valuations

P/E (x)	-71.6	53.4	34.9
P/BV (x)	6.7	5.9	5.1
EV/EBITDA (x)	-263.1	63.3	40.5
Div Yield (%)	0.0	0.0	0.0

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	69.6	69.6	69.6
DII	5.4	5.2	5.2
FII	9.5	10.1	10.4
Others	15.4	15.1	14.9

### Quarterly performance (INR m)

Y/E March	FY25				FY26				FY25	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Gross Sales</b>	<b>4,006</b>	<b>7,493</b>	<b>8,277</b>	<b>5,204</b>	<b>8,657</b>	<b>3,385</b>	<b>2,844</b>	<b>11,073</b>	<b>24,980</b>	<b>25,959</b>
YoY Change (%)	141.5	660.5	193.7	-25.0	116.1	-54.8	-65.6	112.8	101.4	3.9
Total Expenditure	4,019	7,609	8,142	4,766	8,324	4,128	3,477	10,509	24,535	26,437
<b>EBITDA</b>	<b>-13</b>	<b>-116</b>	<b>135</b>	<b>439</b>	<b>332</b>	<b>-743</b>	<b>-632</b>	<b>564</b>	<b>446</b>	<b>-479</b>
Margins (%)	-0.3	-1.5	1.6	8.4	3.8	-21.9	-22.2	5.1	1.8	-1.8
Depreciation	52	68	75	79	76	78	79	85	274	318
Interest	75	169	142	130	126	135	169	173	515	603
Other Income	274	281	345	500	327	340	283	880	1,400	1,830
<b>PBT before EO expense</b>	<b>135</b>	<b>-71</b>	<b>263</b>	<b>730</b>	<b>458</b>	<b>-615</b>	<b>-598</b>	<b>1,185</b>	<b>1,057</b>	<b>431</b>
Extra-Ord expense	2	0	0	3	1	1	0	-12,673	6	-12,671
<b>PBT</b>	<b>133</b>	<b>-72</b>	<b>263</b>	<b>727</b>	<b>457</b>	<b>-616</b>	<b>-598</b>	<b>13,858</b>	<b>1,051</b>	<b>13,102</b>
Tax	65	-113	-29	116	113	-147	-144	2,334	39	2,155
Rate (%)	48.8	157.9	-11.0	15.9	24.7	23.9	24.1	16.8	-3.9	-0.9
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	1	0
<b>Reported PAT</b>	<b>68</b>	<b>41</b>	<b>291</b>	<b>611</b>	<b>344</b>	<b>-469</b>	<b>-453</b>	<b>11,524</b>	<b>1,011</b>	<b>10,947</b>
<b>Adj PAT</b>	<b>70</b>	<b>41</b>	<b>291</b>	<b>614</b>	<b>345</b>	<b>-467</b>	<b>-453</b>	<b>-1,149</b>	<b>1,017</b>	<b>-1,725</b>
YoY Change (%)	-202.6	-121.5	1,195.7	47.1	393.5	-1,227.9	-255.7	-287.1	455.9	-269.7
Margins (%)	1.7	0.6	3.5	11.8	4.0	-13.8	-15.9	-10.4	4.1	-6.6

E: MOFSL Estimates

### Operational Performance

Presales (msf)	2.0	2.4	2.5	1.4	1.6	1.3	1.4	1.0	8.3	5.4
Booking Value (INRb)	31.2	27.8	27.7	16.2	26.5	20.1	20.2	15.7	102.9	82.5
Avg rate/sf (INR)	15,369	11,681	11,124	11,912	16,358	15,000	14,028	15,700	12457	15278
Collections (INRb)	12.1	9.2	10.8	11.7	9.3	9.4	12.3	9.1	43.8	40.1

# Clean Science & Technology

**CMP: INR818      TP: INR840 (+3%)      Neutral**

Estimate changes 

TP change 

Rating change 

Bloomberg	CLEAN IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	86.9 / 0.9
52-Week Range (INR)	1600 / 652
1, 6, 12 Rel. Per (%)	14/-3/-31
12M Avg Val (INR M)	755

## Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	9.6	12.1	14.0
EBITDA	3.6	4.5	5.2
PAT	2.3	3.1	3.6
EPS (INR)	21.7	29.0	33.8
EPS Gr. (%)	-12.9	33.7	16.5
BV/Sh. (INR)	149.0	173.4	201.7

## Ratios

Net D:E	-0.0	-0.1	-0.2
RoE (%)	15.4	18.0	18.0
RoCE (%)	15.0	17.7	17.8
Payout (%)	16.0	16.1	16.1

## Valuations

P/E (x)	37.8	28.3	24.3
P/BV (x)	5.5	4.7	4.1
EV/EBITDA (x)	24.4	18.8	15.9
Div. Yield (%)	0.4	0.6	0.7
FCF Yield (%)	0.8	2.5	2.7

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	51.3	51.0	75.0
DII	17.2	19.8	5.8
FII	13.4	10.0	6.1
Others	18.2	19.3	13.2

FII includes depository receipts

## Sequential recovery despite a challenging global environment Operating performance above our estimates

- Clean Science (CLEAN) reported an EBITDA of INR958m, down 9% YoY, while its gross margin dipped marginally to 63.5% (from 63.7% in 4QFY25). The EBITDA margin contracted to 38.4% (from ~39.7% in 4QFY25).
- FY26 was marked by a challenging global macro environment and geopolitical uncertainties, leading to subdued customer offtake and pricing pressure. We expect CLEAN's earnings trajectory to move up due to its continued focus on process efficiency, backward integration, scale up of Hindered Amine Light Stabilizers (HALs), and the ramp up of performance chemical 1, along with the commercialization of performance chemical 2 in Sep'26E.
- We raise our earnings estimates for FY27/FY28 by 6% each and value the stock at 25x FY28E EPS to arrive at our TP of INR840. **Reiterate Neutral.**

## Weak performance chemicals offset growth in pharma intermediates and FMCG

- The company reported a revenue of INR2.5b, down 5% YoY (est. INR2.3b), while revenue for Pharma & Agro Intermediates/FMCG Chemicals grew ~8%/~49% YoY to INR615m/INR366m. The revenue for performance chemicals (~61% of the revenue in 4Q) declined ~17% YoY to INR1.5b.
- Gross margin stood at 63.5% (compared to 63.7% in 4QFY25), while EBITDA margin stood at 38.4% (compared to 39.7% in 4QFY25)
- Employee exp as % sales stood at 2% (compared to 6% in 4QFY25) as the executive Directors voluntarily elected to forgo a substantial portion of their performance bonus entitlement for the FY25-FY26. Accordingly, the provision for performance bonus recognized in the earlier quarters has been reversed to that extent, resulting in lower employee benefits expense in 4Q.
- EBITDA declined 9% YoY to INR958m, above our estimate of INR734m. Based on the assumption of normalized employee costs (the average of the last three quarters), adj. EBITDA declined ~19% YoY to INR850m.
- Adj. PAT stood at INR583m (down 21% YoY) in 4QFY26 (est. INR423m).
- In FY26, revenue /EBITDA/Adj. PAT declined 1%/8%/13% to INR9.6b/INR3.6b/INR2.3b.

## Highlights from the management commentary

- **Macro environment:** The company operated in a challenging macroeconomic environment throughout FY26, hit by geopolitical uncertainties, subdued customer offtake, pricing pressure across select products and geographies, and ongoing tariff-related disruptions. Despite these headwinds, the company's performance in 4QFY26 was supported by improved operational execution, favorable product mix, and gradual recovery in customer demand across key segments.

- **New projects:** Key growth projects remain on track, with the Performance Chemicals-2 project slated for commercialization by Sep'26, followed by commercial scale-up from FY28. Meanwhile, the Hydroquinone-Catechol plant commissioned in Dec'25 is in the stabilization phase, with customer approvals already secured and operational efficiencies expected to improve over the next few quarters.
- **HALs:** The segment reported its highest-ever quarterly revenue in 4QFY26, driven by stronger customer engagement, higher export contribution (~50% vs. ~20% earlier), and improved sales of premium-grade HALS products. The company is undertaking debottlenecking initiatives and setting up a dedicated product line for a key intermediate for higher-grade HALS products, thereby enlarging its existing HALS product portfolio and enhancing its presence in value-added specialty chemicals.

### Valuation and view

- While the macro headwinds are expected to continue in the short term, 1) the ramp-up of the advanced grade HALs, 2) strengthening HALs' presence in value-added specialty chemistries, 3) the scale-up of performance chemical 1 along with the commercialization of performance chemical 2, and 4) backward integration initiatives are expected to be key growth drivers going forward.
- We raise our earnings estimates for FY27/FY28 by 6% each and expect a CAGR of 21%/21%/25% in revenue/EBITDA/ PAT over FY26-28. We value the stock at 25x FY28E EPS to arrive at our TP of INR840. **Reiterate Neutral.**

### Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	(%)	
<b>Gross Sales</b>	<b>2,240</b>	<b>2,381</b>	<b>2,408</b>	<b>2,637</b>	<b>2,429</b>	<b>2,446</b>	<b>2,197</b>	<b>2,493</b>	<b>9,666</b>	<b>9,564</b>	<b>2,294</b>	<b>9%</b>
YoY Change (%)	19.1	31.5	23.7	15.9	8.4	2.7	-8.8	-5.5	22.1	-1.1	-13.0	
Gross Margin (%)	65.4%	62.4%	63.5%	63.7%	65.5%	60.7%	60.7%	63.5%	63.7%	62.6%	60.5%	
<b>EBITDA</b>	<b>947</b>	<b>897</b>	<b>985</b>	<b>1,048</b>	<b>999</b>	<b>871</b>	<b>725</b>	<b>958</b>	<b>3,876</b>	<b>3,552</b>	<b>734</b>	<b>30%</b>
Margin (%)	42.3	37.7	40.9	39.7	41.1	35.6	33.0	38.4	40.1	37.1	32.0	
Depreciation	158	175	183	174	187	188	193	208	691	776	205	
Other Income	99	111	52	124	134	67	98	28	386	327	103	
<b>PBT before EO expense</b>	<b>887</b>	<b>832</b>	<b>853</b>	<b>996</b>	<b>946</b>	<b>749</b>	<b>628</b>	<b>777</b>	<b>3,567</b>	<b>3,099</b>	<b>631</b>	
<b>PBT</b>	<b>887</b>	<b>832</b>	<b>853</b>	<b>996</b>	<b>946</b>	<b>749</b>	<b>626</b>	<b>777</b>	<b>3,567</b>	<b>3,097</b>	<b>631</b>	
Tax	228	245	196	255	245	194	167	194	923	800	208	
Rate (%)	25.7	29.4	23.0	25.6	25.9	26.0	26.7	25.0	25.9	25.8	33.0	
<b>Reported PAT</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>741</b>	<b>701</b>	<b>554</b>	<b>459</b>	<b>583</b>	<b>2,644</b>	<b>2,297</b>	<b>423</b>	<b>38%</b>
<b>Adj. PAT</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>741</b>	<b>701</b>	<b>554</b>	<b>461</b>	<b>583</b>	<b>2,644</b>	<b>2,299</b>	<b>423</b>	<b>38%</b>
YoY Change (%)	11.9	12.6	4.8	5.4	6.3	-5.6	-29.8	-21.3	8.3	-13.1	-42.9	
Margin (%)	29.4	24.7	27.3	28.1	28.8	22.7	21.0	23.4	27.4	24.0	18.4	

# Lemon Tree

BSE SENSEX 75,399 S&P CNX 23,690

CMP: INR113 TP: INR160 (+42%) Buy



Bloomberg	LEMONTRE IN
Equity Shares (m)	792
M.Cap.(INRb)/(USD\$b)	89.1 / 0.9
52-Week Range (INR)	181 / 100
1, 6, 12 Rel. Per (%)	1/-20/-15
12M Avg Val (INR M)	600

## Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	14.4	16.6	17.9
EBITDA	6.9	8.1	9.1
PAT	2.55	3.17	3.93
EBITDA (%)	47.9	48.5	50.9
EPS (INR)	3.2	4.0	5.0
EPS Gr. (%)	29.8	24.4	23.8
BV/Sh. (INR)	17.6	21.6	26.6

## Ratios

Net D/E	1.0	0.6	0.3
RoE (%)	19.9	20.4	20.6
RoCE (%)	13.2	16.3	19.1

## Valuations

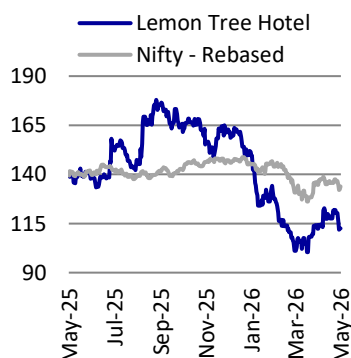
P/E (x)	34.9	28.1	22.7
EV/EBITDA (x)	15.9	13.2	11.4
FCF Yield (%)	5.5	6.8	7.3

## Shareholding pattern (%)

As on	Mar-26	Dec-25	Mar-25
Promoter	22.3	22.3	22.3
DII	15.7	19.5	19.7
FII	21.7	21.6	21.0
Others	40.4	36.7	37.0

Note: FII includes depository receipts

## Stock's performance (one-year)



## Renovation cycle nearing end; margins to expand

- Lemon Tree Hotels (LEMONTRE) stands at a rare inflection point where years of deliberate, front-loaded investment in renovation, technology, and expansions are about to converge into a sustained margin improvement story.
- The company has strategically invested ~INR3b over FY23-FY26 (and ~INR1.3b is expected in FY27) in a phased renovation cycle (major part) and technology transformation.
- These investments have temporarily compressed the EBITDA margin from its FY23 peak of ~52% to ~49% in FY24 and ~49.4% in FY25. As these investments are expected to largely be completed by the end of FY27, the stage is set for a significant margin re-rating in FY28 and beyond.
- Encouragingly, renovation is already delivering measurable on-the-ground results. Delhi RevPAR grew 11% YoY despite 100 rooms offline; Hyderabad RevPAR rose 19% despite 60 rooms under renovation.
- Beyond renovation, LEMONTRE is simultaneously building a focused Aurika-branded owned portfolio — Shimla (91 keys, 2QFY27 opening), Shillong (first hospitality PPP with the Meghalaya government; ~INR2b investment at an effective debt rate of ~2.5-3.0%), Varanasi heritage (47 keys on the ghats; ARR economics equivalent to a 150-room Aurika), and Nehru Place, Delhi (~550 rooms with construction commencing in 2-3 months). At peak potential, these properties are expected to contribute 25% of FY28 revenue and ~30% of FY28 EBITDA at superior margins.
- We expect LEMONTRE to report a CAGR of 11%/15%/24% in revenue/EBITDA/ PAT over FY26-28. We value the stock with our SOTP-based TP of INR160. Reiterate BUY.

## Heavy lifting on margins nearing the end

- Over the past two years, Lemon Tree Hotels has pursued a multi-dimensional investment strategy encompassing physical asset renovation, digital transformation, human capital build-up, and new property construction.
- These investments were deliberate and front-loaded and were aimed at repositioning the portfolio for a higher-margin, higher-ADR future. The combined effect has temporarily suppressed margins, but management has consistently guided that the payback window is two years due to operating investments.
- LEMONTRE has strategically invested ~INR3b over FY23-FY26 in a phased renovation cycle, technology transformation, and human capital expansion. These investments have temporarily compressed the EBITDA margin from its FY23 peak of ~52% to ~48% in FY26E.
- The company, as of FY26, has renovated ~3,000 rooms (translating into a per-room renovation cost of ~INR1m). Of the total renovation expense of ~INR3b, opex is ~INR1.4b, which directly affects its margins, while the balance is the capex portion. The company is expected to complete its last leg of renovation in FY27 with an expected outflow of ~INR1.3b (~40-45% will be opex) in FY27 for renovating the balance of ~1,200 rooms.

- Further, to align its operations with the new age, tech-savvy customers, the company has been investing in technology upgrades in consultation with BCG. Some key initiatives have been an AI-driven revenue management program, sales platform overhaul, loyalty program relaunch, cybersecurity, and operational tech upgrades. Over the last two years, the company has spent ~INR150m (i.e., ~0.5-0.6% of total revenue), and the expenditure is likely to continue in the coming years.
- **As the majority of these investments (largely renovation) are expected to be completed by FY27, the stage is set for a significant margin re-rating in FY28 and beyond.**

### Investments to reward

- The economics of renovation are already validating management's thesis. The renovated Keys Pune hotel reported a 47% year-on-year RevPAR increase post-renovation, significantly ahead of the portfolio average.
- **Management has guided that incremental EBITDA from renovated rooms should recover the full opex investment within approximately two years – a highly attractive payback for an asset-heavy company in an upcycle environment.**
- **Renovated properties command higher Average Room Rates (ARR) and improved occupancy.** Post-renovation, annual maintenance capex is expected to normalize to INR200-250m (from the peak of ~INR1b during the cycle).
- **Market-level renovation effects as of Dec'25:**
  - **Delhi:** ~100 rooms (out of ~500) were temporarily unavailable due to renovations; however, RevPAR still grew 11% YoY. Performance is expected to strengthen further as the Aerocity market completes its renovation cycle.
  - **Hyderabad:** Despite ~60 rooms (out of ~660) being out of inventory, RevPAR increased by 19% YoY, supported by effective repricing strategies.
  - **Bangalore:** Renovation impact has been materially higher due to building design constraints (smaller floor plates), necessitating the shutdown of multiple floors simultaneously. Management highlighted significant inventory loss, especially in Keys rooms, along with elevated guest disruption (noise and structural work), likely suppressed both occupancy and guest experience scores. Unlike Delhi/Hyderabad, recovery here will be more gradual, as normalization depends not only on inventory return but also on rebuilding customer perception and rate integrity in a highly competitive, supply-heavy micro-market.
- **Overall, once overall renovation cycles conclude, the portfolio should see a dual benefit of higher ARR (premiumization) and restored occupancy, leading to a sharper RevPAR and margin expansion trajectory.**

### Strengthening the owned asset pipeline under the Aurika brand

- Beyond renovation, LEMONTRE has also invested in a selective set of greenfield-/brownfield-owned properties under the Aurika brand, such as Aurika Shimla, Aurika Shillong, Aurika Heritage (Varanasi), and Aurika Nehru Place (New Delhi).
- **These expansions have the potential to contribute ~26% of FY28E revenue and ~30% of FY28E EBITDA at peak potential. Given that Aurika is a premium brand, these projects will command higher margins.**
- **Aurika, Nehru Place (Delhi):** Final designs have been completed, with the project now envisioned at ~550–560 rooms versus the earlier “500+” concept.

There is no change in project cost, as the built-up area remains ~370,000 sq. ft. The development will feature a large MICE offering, including a main banquet hall of ~14,000–15,000 sq. ft. Construction is expected to commence within the next 2–3 months, with completion targeted over four years.

- **Aurika, Shimla (91 keys):** The company plans to operationalize two out of three blocks by 2QFY27 to capitalize on peak summer demand, and the third block would be operationalized by the end of CY26. The company has spent ~INR660m as of Dec'25.
- **Aurika, Shillong:** The project represents a landmark in LEMONTRE's strategy as its first Public-Private Partnership (DBFOT mode); a partnership with the Meghalaya government for the redevelopment of the heritage Orchid Hotel at Polo Market (opposite the Chief Minister's Bungalow). The opening is targeted around mid-CY27 (3QCY27). The project entails an investment of ~INR2b (as of Dec'25, already spent ~INR150m) and benefits from strong state incentives, including access to ~70% debt funding at ~5% below the company's cost of debt (implying ~2.5%–3% rates), along with retention of the state's GST share for nine years.
- **Aurika Heritage, Varanasi (47 keys):** Signed under a license model, the property is strategically located on the ghats adjacent to the Ganges. Management expects premium positioning with significantly higher ARR, indicating that the asset's value could be comparable to a ~150-room Aurika property due to ~3x higher room rates.
- Apart from these, **management is actively evaluating opportunities comprising ~2,500 rooms and expects to add this inventory within the next year.**
- Key geographic focus areas include Mumbai, Pune, and Bangalore (particularly airport locations), along with select large operating assets under non-disclosure agreements.
- From a brand strategy perspective, any acquired assets or chains will be rebranded under existing brands, with no intent to introduce additional brands.
- Importantly, the Fleur Hotels demerger (carved out from LEMONTRE to hold all owned assets) and the associated INR9.6b Warburg Pincus investment into Fleur will de-risk future capex for large-scale projects, keeping LEMONTRE itself lean and focused on the asset-light management business.

#### Valuation and view

- LEMONTRE enters FY27 with its significant investment cycle nearing completion, a record managed hotel pipeline (~9,364 keys under management/franchise contracts), and premium Aurika assets coming online (~850 keys greenfield).
- With renovation opex normalizing, technology investments yielding results, and management fees compounding at a healthy rate, EBITDA margins are poised to expand meaningfully from FY26E's ~48% toward 50-51% by FY28, supporting a strong 24% PAT CAGR over FY26–28.
- **We expect LEMONTRE to report a CAGR of 11%/15%/24% in revenue/EBITDA/PAT over FY26-28. We value the stock using the SoTP approach to arrive at our TP of INR160. Reiterate BUY.**

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR229**      **TP: INR290 (+26%)**      **Buy**

## Growth across all regions

### In-line operating performance

Bloomberg	EPLL IN
Equity Shares (m)	320
M.Cap.(INRb)/(USD\$b)	73.5 / 0.8
52-Week Range (INR)	254 / 176
1, 6, 12 Rel. Per (%)	-2/23/4
12M Avg Val (INR M)	166

### Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	47.6	53.5	59.4
EBITDA	9.7	11.0	12.4
PAT	4.1	5.2	6.3
EBITDA (%)	20.3	20.5	20.9
EPS (INR)	12.8	16.1	19.8
EPS Gr. (%)	13.4	26.2	22.4
BV/Sh. (INR)	89.4	100.6	115.4

### Ratios

Net D/E	0.2	0.1	-0.1
RoE (%)	15.7	17.0	18.4
RoCE (%)	15.5	16.4	18.1
Payout (%)	41.2	31.0	25.3

### Valuations

P/E (x)	17.9	14.2	11.6
EV/EBITDA (x)	8.1	6.9	5.6
Div Yield (%)	2.2	2.2	2.2
FCF Yield (%)	3.4	6.7	9.2

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	26.4	26.4	51.3
DII	10.2	9.6	11.0
FII	17.2	17.6	16.5
Others	46.2	46.5	21.2

Note: FII includes depository receipts

- EPL reported revenue of INR13b (up 18% YoY) in 4QFY26, driven by revenue growth across all geographies. The EAP posted the highest growth of 25% YoY on the back of strong performance in China. Americas/EU/AMESA delivered 24%/15%/10% YoY growth, with strong growth of ~28% YoY in Beauty & Cosmetics (BNC) and healthy growth in oral care of 10% YoY.
- We believe EPL is well-positioned to sustain its double-digit revenue growth trajectory, driven by continued BNC scale-up, recovery in oral care, emerging market expansion, and market share gains, while we expect gradual margin expansion to continue, supported by improved pricing discipline, operating leverage, and a higher BNC mix (40% of revenue in FY26 vs. 37% in FY25).
- We maintain our estimates for FY27/28 and value the stock at 15x FY28E EPS to arrive at our TP of INR290. **Reiterate BUY.**

### Strong revenue growth; margins hurt by weakness in Europe

- Consolidated revenue grew 18% YoY to INR13b (est. in line). Gross margin stood at 59% (up ~100bp YoY). EBITDA margins contracted ~90bp YoY to 19.7% (est. 20.2%). EBITDA stood at INR2.6b (est. in line), up 13% YoY.
- Adj. PAT declined 2% YoY to INR1.2b (in line), led by lower other income than last year (adjusted for the impact of the proposed merger of INR156m)
- Revenue from AMESA/EAP/Americas/Europe grew 10%/25%/24%/15% YoY to INR3.9b/INR3b/INR3.8b/INR3.1b.
- EBITDA margins for EAP/Americas expanded 180bp/170bp to 21.4%/21.7%, whereas AMESA/Europe's EBITDA margins contracted 160bp/300bp to 17.4%/14.2%.
- EBITDA for AMESA/EAP/Americas grew 1%/37%/42% YoY to INR683m/INR647m/INR820m, whereas Europe EBITDA declined 5% to INR443m during the quarter.
- For FY26, EPL's revenue/EBITDA/adj PAT grew 13%/16%/15% YoY to INR47.6b/INR9.7b/INR4.2b.
- The CFO for the year declined 9% to INR7.2b. Net debt stood at INR5b vs. INR4.5b as of Mar'25.

### Highlights from the management commentary

- **EAP:** It posted the highest growth of 25% YoY, fueled primarily by strong performance in China. The Thailand plant, however, has not yet materially contributed, as it is still in the customer validation and certification stage. Management remains optimistic on Thailand as a long-term growth driver once commercialization ramps up.

- **BNC:** It continued to be the key growth engine with ~30% growth in FY26, supported by premiumization, innovation-led offerings, extrusion expansion, and market share gains across geographies. BNC now contributes ~40% of revenue, and management continues to aggressively invest in frontend innovation capabilities and backend manufacturing expansion.
- **Oral Care:** The segment recovered during the quarter with ~10% growth after facing headwinds last year. Management highlighted improving demand trends, particularly in India and AMESA, and expects FY27 to be a much better year for the oral segment.

### Valuation and view

- EPL continues to deliver a healthy operating performance across geographies (except Europe), supported by healthy demand, product innovations, an improving sustainable tube mix (38% of total volume in FY26 vs. 33% in FY25), and continued capacity expansion.
- With a focus on improving market share across geographies in the BNC segment and an expected recovery in Europe, we expect a CAGR of 8%/9%/16% in revenue/EBITDA/adjusted PAT over FY26-28. We value the stock at 15x FY28E EPS to arrive at our TP of INR290. **Reiterate BUY.**

### Consolidated - Quarterly Earnings

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
<b>Gross Sales</b>	<b>10,074</b>	<b>10,862</b>	<b>10,143</b>	<b>11,054</b>	<b>11,079</b>	<b>12,059</b>	<b>11,488</b>	<b>13,005</b>	<b>42,133</b>	<b>47,631</b>	<b>12,720</b>	<b>2</b>
YoY Change (%)	10.7	8.4	4.0	7.4	10.0	11.0	13.3	17.6	7.6	13.0	15.1	
Total Expenditure	8,216	8,657	8,127	8,774	8,811	9,543	9,180	10,441	33,774	37,975	10,145	
<b>EBITDA</b>	<b>1,858</b>	<b>2,205</b>	<b>2,016</b>	<b>2,280</b>	<b>2,268</b>	<b>2,516</b>	<b>2,308</b>	<b>2,564</b>	<b>8,359</b>	<b>9,656</b>	<b>2,575</b>	<b>0</b>
Margins (%)	18.4	20.3	19.9	20.6	20.5	20.9	20.1	19.7	19.8	20.3	20.2	
Depreciation	836	852	863	876	896	944	968	1,042	3,427	3,850	1,000	
Interest	290	291	274	284	281	285	288	293	1,139	1,147	270	
Other Income	65	140	127	104	80	119	145	90	436	434	150	
<b>PBT before EO expense</b>	<b>797</b>	<b>1,202</b>	<b>1,006</b>	<b>1,224</b>	<b>1,171</b>	<b>1,406</b>	<b>1,197</b>	<b>1,319</b>	<b>4,229</b>	<b>5,093</b>	<b>1,455</b>	
Extra-Ord expense	0	0	0	36	0	0	120	162	36	282	0	
<b>PBT</b>	<b>797</b>	<b>1,202</b>	<b>1,006</b>	<b>1,188</b>	<b>1,171</b>	<b>1,406</b>	<b>1,077</b>	<b>1,157</b>	<b>4,193</b>	<b>4,811</b>	<b>1,455</b>	
Tax	139	301	64	73	159	348	237	123	577	867	320	
Rate (%)	17.4	25.0	6.4	6.1	13.6	24.8	22.0	10.6	13.8	18.0	22.0	
MI & Profit/Loss of Asso. Cos.	-16	-31	-7	28	-12	-15	-23	-5	-26	-55	14	
<b>Reported PAT</b>	<b>642</b>	<b>870</b>	<b>935</b>	<b>1,143</b>	<b>1,000</b>	<b>1,043</b>	<b>817</b>	<b>1,029</b>	<b>3,590</b>	<b>3,889</b>	<b>1,149</b>	
<b>Adj PAT</b>	<b>642</b>	<b>870</b>	<b>935</b>	<b>1,170</b>	<b>1,000</b>	<b>1,043</b>	<b>907</b>	<b>1,151</b>	<b>3,617</b>	<b>4,101</b>	<b>1,149</b>	<b>0</b>
YoY Change (%)	18.2	72.3	8.6	72.9	55.8	19.9	-3.0	-1.7	39.9	13.4	-1.8	
Margins (%)	6.4	8.0	9.2	10.6	9.0	8.6	7.9	8.8	8.6	8.6	9.0	

# Utilities

## Our latest Utilities updates

## ACME and INOX still have significant room for growth

- Power demand grew ~2% YoY in 4QFY26, accelerating to ~4.5% YoY in Apr'26. This surge supported a 13-40% rally in power stocks over the past three months. Merchant tariffs also edged up in Apr'26 (+5% YoY, +30% MoM). While several stocks have re-rated sharply and valuations are no longer inexpensive, we highlight: 1) Acme Solar's earnings upside risk in 1QFY27, led by strong merchant prices post-COD of 2.3GWH of BESS capacity (we assume 4/5GWh operational merchant capacity in FY27/28 for half a year at a spread of INR3/kWh), 2) JSWE's INR2.5/kWh higher merchant realization lifts FY27 PAT by ~10% (stock has been flat over the last six months); and 3) NTPC (+21% in the last six months) has no meaningful earnings impact from higher merchant prices; there is downside risk to NTPC Green's 8GW FY27 commissioning (stock +10% in six months).
- The utilities sector is trading at a P/E of 20.2x (+51% vs. the 10-year avg of 13.4x). NTPC, Tata Power, and PowerGrid are trading near/above Mean +1SD (1-year fwd P/E), while wind players such as Suzlon/Inox Wind (despite strong earnings CAGR of 32/31% over FY25-28E) are trading near/below Mean -1SD (1-year fwd P/E).

## Improving demand outlook driving higher spot prices

- Peak power demand reached a new high of 256GW (vs. the previous high of 250GW in May'24). The Ministry of Power projects peak demand to rise further to ~271GW in FY27, supported by expectations of a harsh summer and elevated cooling demand.
- Average market-clearing price (MCP) in the Real Time Market (RTM) for Apr'26 increased 5% YoY/ 30% MoM to INR4.8/unit, in line with improving demand conditions. RTM cleared volumes also saw a sharp uptick, reflecting stronger short-term power procurement.
- Elevated merchant tariffs, driven by seasonal demand, are expected to support profitability for players with higher untied capacity (e.g., JSW Energy, Adani Power). At the same time, the impact on NTPC is likely to remain relatively muted given its regulated portfolio mix.

## Capacity growth strong, yet transmission bottlenecks pose risks

- India added ~57.5GW of generation capacity in FY26, with ~76%/11% contributed by solar/wind.
- Total installed capacity reached ~533GW, with renewable energy accounting for ~275GW (~52%), progressing steadily toward the 500GW RE target by 2030.
- Within the generation segment, timely project commissioning remains a key monitorable. Limited visibility in the resolution of transmission bottlenecks continues to pose risks to execution timelines.
- Investors are closely tracking the commissioning progress of key players. NTPC Green's ~8GW commissioning target for FY27 is perceived as ambitious amid sector-wide delays.

### Lagging transmission additions, but execution momentum picking up now

- Transmission additions in FY26 were below targets, with line and substation capacity additions lagging by ~21%/10%. However, execution momentum improved meaningfully in 4QFY26.
- Improved capitalization trends for Power Grid Corporation (PWGR) in 4QFY26 are encouraging, though sustainability remains a key monitorable. While FY26 capitalization guidance has been revised upward, limited visibility on FY27–28 guidance persists.
- Rising capex requirements could constrain dividend payouts going forward. Additionally, increasing competitive intensity—particularly in the HVDC segment—may impact PWGR’s ability to sustain its historical tendering market share of ~50–60%. The stock has already rallied ~24% over the past three months, suggesting that near-term positives are largely factored into valuations.

### Solar manufacturing: Strong volume outlook tempered by cost pressures

- While segments such as PM Kusum, rooftop solar, and C&I continue to witness strong momentum, they may not fully offset the slowdown in utility-scale tenders.
- Following a 29%/35% rally in Waaree and Premier, the valuation premium over smaller domestic players (trading at 5.6-10x 12m fwd EV/EBITDA) and global peers (trading at 9.2-9.8x 12m fwd EV/EBITDA) has risen sharply. Focus continues to remain on structural oversupply in modules, the pace of utilization ramp-up in cell manufacturing, timelines for ingot-wafer localization, and the potential for further backward integration into polysilicon.

### Renewed global interest in wind drives improving sector outlook

- The wind equipment segment has witnessed relatively moderate investor traction; however, renewed energy security concerns in Europe have revived interest in offshore wind.
- This trend could have positive implications for Indian wind turbine manufacturers. New product launches, targeting varied wind regimes, are expected to enhance export competitiveness.
- While Suzlon remains a bellwether play in the segment, other players such as Inox Wind are also witnessing improving investor interest, supported by relatively attractive valuations.

### IEX: Market coupling overhang continues

- For IEX, market coupling continues to act as a key overhang on sentiment, though valuations at ~21.7x FY28 P/E suggest limited downside risk.
- Investor concerns are primarily centered around the implementation timeline of market coupling in the Day-Ahead Market (DAM), with potential extension to RTM and other segments.
- Additionally, regulatory risks, including potential transaction fee revisions, remain key sensitivities for the stock.

### Generation growth snapshot

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<b>Total generation growth (%)</b>	<b>5.4</b>	<b>5.2</b>	<b>0.7</b>	<b>-0.6</b>	<b>8.1</b>	<b>9.0</b>	<b>7.2</b>	<b>5.0</b>	<b>0.6</b>
Conv. Generation growth (%)	4.1	3.6	0.0	-1.6	7.1	7.7	6.7	4.0	-2.5
RE generation growth (%)	24.9	24.4	7.8	7.7	16.2	19.1	10.9	11.7	20.1

Source: CEA, NPP, MOFSL

### Capacity additions (GW)

Capacity addition (GW)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Thermal	5.4	3.4	4.3	4.1	1.4	1.2	5.9	3.7	2.3
Nuclear	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.6
Hydro	0.8	0.1	0.3	0.5	0.5	0.1	0.1	0.8	3.7
Solar	9.4	6.5	6.4	5.5	13.9	12.8	15.0	23.8	44.6
Wind	1.8	1.6	2.1	1.6	1.1	2.3	3.3	4.2	6.1
Other RE	0.6	0.5	0.9	0.4	0.4	0.2	0.2	0.7	0.2
<b>Total capacity addition</b>	<b>18.0</b>	<b>12.1</b>	<b>14.0</b>	<b>12.0</b>	<b>17.3</b>	<b>16.6</b>	<b>25.9</b>	<b>33.3</b>	<b>57.5</b>
<b>Total capacity (GW)</b>	<b>344.0</b>	<b>356.1</b>	<b>370.1</b>	<b>382.2</b>	<b>399.5</b>	<b>416.1</b>	<b>442.0</b>	<b>475.2</b>	<b>532.7</b>

Source: CEA, NPP, MOFSL

### All India installed capacity

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Thermal	222.9	226.3	230.6	234.7	236.1	237.3	243.2	246.9	249.3
Nuclear	6.8	6.8	6.8	6.8	6.8	6.8	8.2	8.2	8.8
Hydro	45.3	45.4	45.7	46.2	46.7	46.9	46.9	47.7	51.4
Solar	21.7	28.2	34.6	40.1	54.0	66.8	81.8	105.6	150.3
Wind	34.0	35.6	37.7	39.2	40.4	42.6	45.9	50.0	56.1
Other RE	13.3	13.8	14.7	15.1	15.5	15.7	15.9	16.7	16.9
<b>Total capacity (GW)</b>	<b>344.0</b>	<b>356.1</b>	<b>370.1</b>	<b>382.2</b>	<b>399.5</b>	<b>416.1</b>	<b>442.0</b>	<b>475.2</b>	<b>532.7</b>

Source: CEA, NPP, MOFSL

### Solar market demand-supply dynamics in India (GW)

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E
<b>Demand</b>										
<b>Installed Solar Capacity</b>	<b>40</b>	<b>54</b>	<b>67</b>	<b>82</b>	<b>106</b>	<b>141</b>	<b>177</b>	<b>214</b>	<b>251</b>	<b>288</b>
Total Incremental Solar Capacity (a+b+c+d)		14	13	15	24	35	36	37	37	37
(a) Competitively Bid Ground-Mounted						20	21	22	22	22
(b) Rooftop						6	6	6	6	6
(c) Open Access Ground-Mounted						6	6	6	6	6
(d) Solar Pumps						3	3	3	3	3
<b>Total Manufacturing Capacities</b>										
Module	12	21	38	53	74	155	165	175	180	185
Cell	3	3	7	9	25	35	60	90	110	115
Ingot-Wafer	-	-	-	-	2	8	20	30	50	80
Polysilicon	-	-	-	-	-	-	5	10	25	30

Source: CEA, NPP, MOFSL

# Hindustan Aeronautics

**BSE SENSEX** 75,399  
**S&P CNX** 23,667

**CMP: INR4,611**
**Buy**

## Conference Call Details


**Date:** 15<sup>th</sup> May 2026

**Time:** 04:00pm IST

**Dial-in details:**
[Diamond pass](#)

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	330.9	390.7	507.1
EBITDA	97.7	105.6	136.8
Adj. PAT	91.2	86.9	111.3
Adj. EPS (INR)	136.3	130.0	166.4
EPS Gr. (%)	9.1	14.5	28.0
BV/Sh. (INR)	613.7	681.5	802.9
<b>Ratios</b>			
RoE (%)	22.2	19.1	20.7
RoCE (%)	22.7	19.6	21.2
Payout (%)	36.7	34.6	27.0
<b>Valuations</b>			
P/E (x)	33.8	35.5	27.7
P/BV (x)	7.5	6.8	5.7
EV/EBITDA (x)	26.8	24.7	18.3
Div. Yield (%)	1.1	1.0	1.0

### Better-than-expected profitability

- Hindustan Aeronautics' (HAL) 4QFY26 results beat our estimates across all parameters.
- Revenue increased 2% YoY to INR139b, 6% above our estimate of INR131b.
- Gross margin contracted to 54.0% vs our estimate of 57.9%.
- However, lower-than-expected provision made during the quarter led to a 28% beat on absolute EBITDA of INR50.6b (-5% YoY), while EBITDA margin contracted 230bp YoY to 36.3% (vs our est. of 30.2%).
- Aided by higher-than-expected other income, PAT at INR42b increased 6% YoY, beating our estimates by 57%.
- For FY26, revenue/EBIDAT/PAT increased 7%/2%/9% YoY to INR331b/98b/91b, while EBITDA margin contracted 150bp YoY to 29.5%.
- The company reported an order book of INR2.5t in FY26 vs ~INR1.9t last year. The increase is mainly due to the signing of major orders with the MoD for the supply of 97 additional LCA Mk1A aircraft (INR624b), six ALH CG (INR27b), and eight Dornier CG (INR219b).
- For FY26, OCF/FCF declined 20%/25% YoY to INR109b/INR95b.

### Consolidated - Quarterly Snapshot

(INR b)

Income Statement	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Y/E March</b>												
<b>Net Sales</b>	<b>43.5</b>	<b>59.8</b>	<b>69.6</b>	<b>137.0</b>	<b>48.2</b>	<b>66.3</b>	<b>77.0</b>	<b>139.4</b>	<b>309.8</b>	<b>330.9</b>	<b>131.0</b>	<b>6</b>
Change (%)	11.0	6.0	14.8	(7.2)	10.8	10.9	10.7	1.8	3.9	6.8	(4.4)	
Expenses	33.6	43.4	52.7	84.0	35.4	50.7	58.3	88.8	213.7	233.2	91.5	(3)
<b>EBITDA</b>	<b>9.9</b>	<b>16.4</b>	<b>16.8</b>	<b>52.9</b>	<b>12.8</b>	<b>15.6</b>	<b>18.7</b>	<b>50.6</b>	<b>96.1</b>	<b>97.7</b>	<b>39.5</b>	<b>28</b>
Change (%)	13.0	7.4	17.2	(10.3)	29.4	(5.0)	11.2	(4.5)	17.8	1.7	(25.4)	
As of % Sales	22.8	27.4	24.2	38.6	26.6	23.5	24.3	36.3	31.0	29.5	30.2	
Depreciation	1.5	1.8	2.8	7.4	1.9	2.3	3.1	6.3	13.4	13.5	8.2	(22)
Interest	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	(41)
Other Income	7.4	5.4	6.3	6.5	7.5	8.9	9.1	11.5	25.6	37.0	4.3	166
<b>PBT pre EO items</b>	<b>15.8</b>	<b>20.0</b>	<b>20.4</b>	<b>52.0</b>	<b>18.4</b>	<b>22.2</b>	<b>24.7</b>	<b>55.7</b>	<b>108.2</b>	<b>121.1</b>	<b>35.6</b>	<b>57</b>
Extra-ordinary Items	-	0.1	-	-	-	-	-	-	0.1	-	-	
<b>PBT</b>	<b>15.8</b>	<b>20.1</b>	<b>20.4</b>	<b>52.0</b>	<b>18.4</b>	<b>22.2</b>	<b>24.7</b>	<b>55.7</b>	<b>108.3</b>	<b>121.1</b>	<b>35.6</b>	<b>57</b>
Tax	1.5	5.1	6.0	12.4	4.7	5.6	6.2	13.9	25.0	30.4	9.1	53
Effective Tax Rate (%)	9.3	25.5	29.6	23.9	25.5	25.1	25.1	24.9	23.1	25.1	25.5	
MI & P/L Share of JV	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.4	0.4	0.2	
<b>Reported PAT</b>	<b>14.4</b>	<b>15.1</b>	<b>14.4</b>	<b>39.8</b>	<b>13.8</b>	<b>16.7</b>	<b>18.7</b>	<b>42.0</b>	<b>83.6</b>	<b>91.2</b>	<b>26.7</b>	<b>57</b>
<b>Adj PAT</b>	<b>14.4</b>	<b>15.0</b>	<b>14.4</b>	<b>39.8</b>	<b>13.8</b>	<b>16.7</b>	<b>18.7</b>	<b>42.0</b>	<b>83.6</b>	<b>91.2</b>	<b>26.7</b>	<b>57</b>
Margin (%)	33.1	25.2	20.7	29.0	28.7	25.2	24.2	30.1	27.0	27.5	20.4	
Change (%)	76.5	21.7	14.1	(7.7)	(3.7)	10.9	29.6	5.5	38.4	9.1	(32.9)	

# Siemens Energy India

**BSE SENSEX**  
75,399

**S&P CNX**  
23,690

**CMP: INR3,105**
**Buy**

## Conference Call Details


**Date:** 15<sup>th</sup> May 2026

**Time:** 12:00pm IST

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	94.9	133.4	159.8
EBITDA	20.1	28.6	34.8
Adj. PAT	15.0	21.6	26.3
Adj. EPS (INR)	42.2	60.7	73.9
EPS Gr. (%)	36.4	43.9	21.9
BV/Sh. (INR)	163.8	224.4	298.4
<b>Ratios</b>			
RoE (%)	25.7	27.0	24.8
RoCE (%)	27.1	28.0	25.5
<b>Valuations</b>			
P/E (x)	73.7	51.2	42.0
P/BV (x)	19.0	13.8	10.4
EV/EBITDA (x)	52.8	36.4	29.2
Div. Yield (%)	1.1	1.4	1.8

## Revenue beat, profitability in line

- ENRIN reported a higher-than-estimated revenue, while profitability remained largely in line.
- Revenue for 2QFY26 stood at INR24b (+27% YoY), ahead of our estimates, driven by strong growth in the power transmission segment (+26% YoY, broadly in line with our estimates) and the power generation segment (+29% YoY), which beat our estimates by 22%.
- Gross margin contracted 210bp YoY to 40.5% vs. our expectation of 43%.
- Absolute EBITDA increased 39% YoY to INR5b, in line, while margin expanded 170bp YoY to 20.8%. Margin was below our estimate due to a lower gross margin and higher-than-expected other expenses.
- At the EBIT level, power transmission margins contracted 350bp YoY to 16.8%, below our estimate of 24%, while power generation margins expanded 750bp YoY to 22.4%, ahead of our estimate of 18.2%.
- Aided by a higher-than-expected other income and lower tax rate, PAT jumped 52% YoY to INR3.7b (broadly in line).
- Order backlog stood at INR184b (+22% YoY).
- For 1HFY26, revenue/EBITDA/PAT stood at INR43b/INR10b/INR7b, up 27%/38%/55%, while margins were up 190bp YoY at 22.3%.
- For 1HFY26, OCF declined 82% YoY to INR344m mainly due to higher working capital needs, while FCF stood at negative INR596m (vs. INR961m in 1HFY25).

### Quarterly performance (Consol)

Income Statement	FY25				FY26E				FY25	FY26E	FY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Y/E September</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>4Q</b>	<b>1Q</b>	<b>2Q</b>	<b>3QE</b>	<b>4QE</b>			<b>2QE</b>	
<b>Net Sales</b>	<b>15,169</b>	<b>18,795</b>	<b>17,846</b>	<b>26,457</b>	<b>19,109</b>	<b>23,941</b>	<b>22,787</b>	<b>29,110</b>	<b>78,267</b>	<b>94,947</b>	<b>21,838</b>	<b>10</b>
Change (%)	NA	NA	20.2	27.3	26.0	27.4	27.7	10.0	NA	21.3	16.2	
Expenses	11,816	15,210	14,443	21,664	14,501	18,958	18,266	23,168	63,133	74,893	16,859	12
<b>EBITDA</b>	<b>3,353</b>	<b>3,585</b>	<b>3,403</b>	<b>4,793</b>	<b>4,608</b>	<b>4,983</b>	<b>4,521</b>	<b>5,942</b>	<b>15,134</b>	<b>20,054</b>	<b>4,978</b>	<b>0</b>
Change (%)	NA	NA	59.5	24.5	37.4	39.0	32.9	24.0	NA	32.5	38.9	
As of % Sales	22.1	19.1	19.1	18.1	24.1	20.8	19.8	20.4	19.3	21.1	22.8	
Depreciation	207	243	266	314	323	347	228	250	1,030	1,148	266	30
Interest	44	33	142	63	74	73	72	63	282	282	69	6
Other Income	16	144	525	368	493	459	232	256	1,053	1,440	306	50
<b>PBT pre EO items</b>	<b>3,118</b>	<b>3,453</b>	<b>3,520</b>	<b>4,784</b>	<b>4,704</b>	<b>5,022</b>	<b>4,454</b>	<b>5,885</b>	<b>14,875</b>	<b>20,064</b>	<b>4,949</b>	<b>1</b>
Extra-ordinary Items	0	0	0	0	-519	0	0	0	0	-519	0	
<b>PBT</b>	<b>3,118</b>	<b>3,453</b>	<b>3,520</b>	<b>4,784</b>	<b>4,185</b>	<b>5,022</b>	<b>4,454</b>	<b>5,885</b>	<b>14,875</b>	<b>19,545</b>	<b>4,949</b>	<b>1</b>
Tax	801	992	893	1,188	1,056	1,276	1,140	1,584	3,874	5,056	1,267	1
Effective Tax Rate (%)	25.7	28.7	25.4	24.8	25.2	25.4	25.6	26.9	26.0	25.9	25.6	
<b>Reported PAT</b>	<b>2,317</b>	<b>2,461</b>	<b>2,627</b>	<b>3,596</b>	<b>3,129</b>	<b>3,746</b>	<b>3,313</b>	<b>4,301</b>	<b>11,001</b>	<b>14,489</b>	<b>3,682</b>	<b>2</b>
<b>Adj PAT</b>	<b>2,317</b>	<b>2,461</b>	<b>2,627</b>	<b>3,596</b>	<b>3,648</b>	<b>3,746</b>	<b>3,313</b>	<b>4,301</b>	<b>11,001</b>	<b>15,008</b>	<b>3,682</b>	<b>2</b>
Change (%)	NA	NA	80.2	31.4	57.4	52.2	26.1	19.6	NA	12.5	49.6	
Margin (%)	15.3	13.1	14.7	13.6	19.1	15.6	14.5	14.8	14.1	15.8	16.9	

Segmental split INR m	FY25				FY26E				FY25	FY26E	FY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
<b>Segmental revenue</b>												
Power Transmission	8,394	10,138	9,764	13,600	11,237	12,792	14,379	16,895	41,896	55,303	12,720	1
Power Generation	6,775	8,657	8,082	12,857	7,872	11,149	8,409	12,215	36,371	39,644	9,118	22
<b>Total revenue</b>	<b>15,169</b>	<b>18,795</b>	<b>17,846</b>	<b>26,457</b>	<b>19,109</b>	<b>23,941</b>	<b>22,787</b>	<b>29,110</b>	<b>78,267</b>	<b>94,947</b>	<b>21,838</b>	<b>10</b>
YoY%	NA	NA	20.2	27.3	26.0	27.4	27.7	10.0	NA	21.3	16.2	
<b>Segmental EBIT</b>												
Power Transmission	1,699	2,054	1,825	2,468	2,733	2,143	3,020	4,271	8,046	12,167	3,053	(30)
Margin %	20.2	20.3	18.7	18.1	24.3	16.8	21.0	25.3	19.2	22.0	24.0	
Power Generation	1,447	1,288	1,312	2,011	1,552	2,493	1,274	1,421	6,058	6,740	1,660	50
Margin %	21.4	14.9	16.2	15.6	19.7	22.4	15.2	11.6	16.7	17.0	18.2	
<b>Total EBIT</b>	<b>3,146</b>	<b>3,342</b>	<b>3,137</b>	<b>4,479</b>	<b>4,285</b>	<b>4,636</b>	<b>4,293</b>	<b>5,692</b>	<b>14,104</b>	<b>18,906</b>	<b>4,712</b>	<b>(2)</b>
Margin %	20.7	17.8	17.6	16.9	22.4	19.4	18.8	19.6	18.0	19.9	21.6	

# United Spirits

**BSE SENSEX** 75,399  
**S&P CNX** 23,690

## Concall Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 4:00PM IST

**Dial in:**

+91 22 6280 1250 / +91

22 7115 8151

[Diamond Pass](#)

## [Registration](#)

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	124.5	137.7	149.1
Sales Gr. (%)	7.6	10.6	8.3
EBITDA	23.0	25.8	28.2
Margin (%)	18.4	18.7	18.9
PAT	16.9	18.2	20.2
EPS (INR)	23.4	25.1	27.8
EPS Gr. (%)	18.5	7.5	10.8
BV/Sh.(INR)	133.8	158.9	186.7

### Ratios

RoE (%)	17.4	15.8	14.9
RoCE (%)	20.3	18.2	17.0
Payout (%)	51.4	63.7	64.7

### Valuations

P/E (x)	55.9	52.0	46.9
P/BV (x)	9.8	8.2	7.0
EV/EBITDA (x)	39.4	34.5	31.1

## CMP: INR1,270

### In-line quarter; sluggish revenue performance

- Standalone net sales grew 3% YoY to INR30.5b (est. INR30.7b) in 4QFY26.
- Total volume declined by 6% (est. -3% YoY, +1.5% in FY26). P&A volume fell 3% YoY (est. -1% YoY, +2.6% in FY26) to 13.1m cases.
- Popular volume contracted by 16% YoY (est. -13% YoY, -4% in FY26) to 2.6m cases, largely impacted by Maharashtra.
- P&A revenue (90% revenue mix) was up 5% YoY, while popular revenue was down 13% YoY.
- The quarter witnessed the adverse impact of Maharashtra Made Liquor (MML) on the popular and lower prestige segments in the state. A high base of last year in Andhra Pradesh impacted reported growth.
- Excl. Maharashtra and Andhra Pradesh, P&A and overall portfolio delivered 8.5% revenue growth.
- Gross margin expanded by 280bp YoY to 47.3% (est. 48.3%, 46.9% in 3Q). Headline pricing, product mix and benign RM inflation have been supporting margin expansion.
- Other expenses rose 17% and employee expenses inched up 2% YoY, whereas A&P spends fell 5%.
- EBITDA margin expanded by 230bp YoY to 19.4% (est. 19.6%, 16.8% in 3QFY26).
- EBITDA was up 17% YoY to INR5.9b (est. INR6.0b).
- Interest cost was INR690m, which included INR440m for one-off provision related to an old litigation matter. We considered normalized interest of INR250m for PBT calculation.
- Other income was INR2,950m, which included INR2,190m for interest on tax refund. We considered normalized other income of INR760m for PBT calculation.
- PBT grew by 17% YoY at INR5.7b (est. INR5.8b).
- APAT grew by 16% YoY to INR4.4b (est. INR4.3bn).
- In FY26, net sales, EBITDA and APAT grew by 8%, 12% and 19%.
- In FY26, excluding Maharashtra and Andhra Pradesh, sales grew by 10.9%, and P&A delivered 11.3% revenue growth.

### Highlights from press release

- Karnataka's progressive liquor policy expected to aid premiumization trends.
- Proposed UK-FTA seen as positive for industry growth outlook.
- Management reiterated confidence in delivering double-digit growth in the medium term.
- The board approved sale of 100% stake in RCSPL, subject to regulatory approvals. Divestment to enhance focus on core beverage alcohol business.

**Quarterly Performance**

(INR m)

Y/E March (Standalone)	FY25				FY26				FY25	FY26	FY26 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Volume growth %	3.5	-4.4	10.2	6.9	9.4	7.7	-3.2	-5.6	4.1	1.5	-3.3	
<b>Total revenues</b>	<b>23,520</b>	<b>28,430</b>	<b>34,320</b>	<b>29,460</b>	<b>25,490</b>	<b>31,700</b>	<b>36,830</b>	<b>30,460</b>	<b>1,15,730</b>	<b>1,24,480</b>	<b>30,676</b>	<b>-0.7%</b>
YoY change (%)	8.3	-0.8	14.8	10.5	8.4	11.5	7.3	3.4	8.2	7.6	4.1	
<b>Gross Profit</b>	<b>10,460</b>	<b>12,850</b>	<b>15,350</b>	<b>13,100</b>	<b>11,210</b>	<b>14,930</b>	<b>17,280</b>	<b>14,400</b>	<b>51,760</b>	<b>57,820</b>	<b>14,825</b>	<b>-2.9%</b>
Margin (%)	44.5	45.2	44.7	44.5	44.0	47.1	46.9	47.3	44.7	46.4	48.3	
Total Exp	18,940	23,360	28,440	24,410	21,340	24,980	30,650	24,550	95,150	1,01,520	24,649	
<b>EBITDA</b>	<b>4,580</b>	<b>5,070</b>	<b>5,880</b>	<b>5,050</b>	<b>4,150</b>	<b>6,720</b>	<b>6,180</b>	<b>5,910</b>	<b>20,580</b>	<b>22,960</b>	<b>6,026</b>	<b>-1.9%</b>
Margins (%)	19.5	17.8	17.1	17.1	16.3	21.2	16.8	19.4	17.8	18.4	19.6	
EBITDA growth (%)	18.9	7.8	19.7	39.5	-9.4	32.5	5.1	17.0	20.5	11.6	19.3	
Depreciation	650	690	720	680	680	650	790	710	2,740	2,830	815	
Interest	220	250	200	220	490	210	190	250	890	1,140	200	
Other income	320	340	720	750	610	760	510	760	2,130	2,640	770	
<b>PBT</b>	<b>4,030</b>	<b>4,470</b>	<b>5,680</b>	<b>4,900</b>	<b>3,590</b>	<b>6,620</b>	<b>5,710</b>	<b>5,710</b>	<b>19,080</b>	<b>21,630</b>	<b>5,781</b>	<b>-1.2%</b>
Tax	1,040	1,120	1,480	1,340	900	1,600	1,250	1,350	4,980	4,980	1,503	
Rate (%)	25.8	25.1	26.1	27.3	25.1	24.2	21.9	23.6	26.1	23.0	26.0	
<b>Adj. PAT</b>	<b>2,990</b>	<b>3,350</b>	<b>4,203</b>	<b>3,750</b>	<b>2,963</b>	<b>4,945</b>	<b>4,668</b>	<b>4,360</b>	<b>14,293</b>	<b>16,935</b>	<b>4,278</b>	<b>1.9%</b>
YoY change (%)	24.8	5.3	20.7	60.3	-0.9	47.6	11.0	16.3	25.4	18.5	14.1	
<b>Reported PAT</b>	<b>2,990</b>	<b>3,350</b>	<b>4,730</b>	<b>4,510</b>	<b>2,580</b>	<b>4,720</b>	<b>5,290</b>	<b>5,710</b>	<b>15,580</b>	<b>18,420</b>		

E: MOFSL Estimate

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
<b>Volumes (Mn Cases)</b>								
- P&A	11.5	12.9	14.9	13.6	12.6	13.9	14.6	13.1
- Popular	2.2	2.5	3.2	3.1	2.4	2.7	2.9	2.6
<b>Total volume</b>	<b>13.7</b>	<b>15.4</b>	<b>18.2</b>	<b>16.7</b>	<b>15.0</b>	<b>16.6</b>	<b>17.6</b>	<b>15.7</b>
Change YoY (%)								
- P&A	5%	-4%	11%	9%	9%	8%	-2%	-3%
- Popular	-5%	-8%	6%	-2%	12%	6%	-9%	-16%
<b>Total</b>	<b>3%</b>	<b>-4%</b>	<b>10%</b>	<b>7%</b>	<b>9%</b>	<b>8%</b>	<b>-3%</b>	<b>-6%</b>
<b>Segment Revenues (Rs Mn)</b>								
- P&A	20,660	25,270	30,630	26,160	22,510	28,400	33,160	27,450
- Popular	2,200	2,550	3,340	3,120	2,500	2,780	3,180	2,710
<b>Net Revenue</b>	<b>22,860</b>	<b>27,820</b>	<b>33,970</b>	<b>29,280</b>	<b>25,010</b>	<b>31,180</b>	<b>36,340</b>	<b>30,160</b>
Other operating rev (Rs Mn)	660	610	350	180	480	520	490	300
<b>Total Revenue</b>	<b>23,520</b>	<b>28,430</b>	<b>34,320</b>	<b>29,460</b>	<b>25,490</b>	<b>31,700</b>	<b>36,830</b>	<b>30,460</b>
Change YoY (%)								
- P&A	10%	0%	16%	13%	9%	12%	8%	5%
- Popular	-3%	-7%	10%	1%	14%	9%	-5%	-13%
<b>Net revenue (%)</b>	<b>9%</b>	<b>0%</b>	<b>15%</b>	<b>12%</b>	<b>9%</b>	<b>12%</b>	<b>7%</b>	<b>3%</b>
<b>Total revenue (%)</b>	<b>8%</b>	<b>-1%</b>	<b>15%</b>	<b>11%</b>	<b>8%</b>	<b>12%</b>	<b>7%</b>	<b>3%</b>

# Vishal Mega Mart

BSE SENSEX  
75,399

S&P CNX  
24,467

**CMP: INR118**

**Buy**

## Conference Call Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 12:00pm IST

### Valuation snapshot

Y/E March	FY26	FY27E	FY28E
Sales	128.6	152.8	179.9
EBITDA	19.1	22.9	27.2
Adj. PAT	8.6	10.5	12.9
EBITDA Margin (%)	14.8	15.0	15.1
Adj. EPS (INR)	1.8	2.3	2.8
EPS Gr. (%)	33.8	22.6	22.8
BV/Sh. (INR)	15.7	18.0	20.7
<b>Ratios</b>			
Net D:E	0.0	0.0	-0.1
RoE (%)	12.5	13.4	14.3
RoCE (%)	10.5	11.0	11.5
Payout (%)	0.0	0.0	0.0
<b>Valuations</b>			
P/E (x)	64.2	52.4	42.6
EV/EBITDA (x)	29.3	24.1	20.0
EV/Sales (X)	4.4	3.6	3.0

## Robust revenue growth, reported margins slightly weaker due to the reclassification of rentals to above EBITDA

- Consolidated revenue at INR31.1b grew **22% YoY** (vs. our est. 19% YoY), **driven by ~13.2% adj. SSSG** (~11% in FY26) and ~11% YoY area additions.
  - Among key categories, apparel grew 26% YoY, followed by GM at ~24% YoY, while FMCG growth remained relatively lower at ~15% YoY.
  - VMM's own brands contributed ~73% of revenue in 4QFY26.
  - Among key geographies, South witnessed ~200bp QoQ increase in revenue contribution as North contribution declined ~320bp QoQ.
- VMM added **24 net new stores** (25 openings, 1 closure) in 4Q, bringing the total store count to 795 across 535 cities (18/75 cities added in 4Q/FY26), with total retail area at ~13.45m sqft (up ~11% YoY).
  - The company's expansion was broad-based, with eight net store openings in South, followed by seven/five/four in North/East/West.
- Gross profit at INR8.7b grew ~20% YoY as gross margin contracted ~40bp YoY to 27.8% (50bp below est) due to higher promotional spends and inventory liquidation.
  - The share of relatively higher margin apparel category improved ~115bp YoY to 42.6%, while FMCG share declined ~170bp YoY to 27.8%.
- Employee expenses rose ~13% YoY, while other expenses jumped 30% YoY due to the reclassification of a part of rentals to variable rentals (above EBITDA).
  - As a result, reported EBITDA rose ~19% YoY to INR4.25b (~5% miss) as reported EBITDA margin **contracted ~40bp YoY** to 13.6%, driven by lower gross margins and higher opex (reclassification of rent from fixed to variable).
  - However, Pre-INDAS 116 EBITDA (post-ESOP charges) **grew by stellar ~39% YoY** to INR2.65b, with **EBITDA margin expanding ~100bp YoY to 8.5%**.
  - Reported PAT at INR1.68b (**10% miss**) rose ~46% YoY, driven primarily by higher EBITDA and other income (32% YoY).

## FY26 results: Healthy 20%/23% revenue/EBITDA growth with 11% SSSG

- Consolidated revenue at INR129b grew ~20% YoY, driven by ~11% adj. SSSG and ~11% store area additions.
  - Revenue from private labels grew 21% YoY, while third-party brands' revenue rose ~17% YoY.
  - Among key categories, GM/apparel grew 22%/21% YoY, followed by FMCG 17% YoY.
- VMM added 99 net new stores (105 opened, 6 closures) in FY26 to reach 795 stores. South India dominated expansions with ~47 net store adds, followed by 21/17/14 in North/West/East India.
- Gross profit at INR36.7b grew ~20% YoY as gross margin contracted 10bp YoY to 28.4%.
  - Share of apparel inched up ~35bp YoY to 44.2%, and GM rose ~30bp YoY to 28.5%, while FMCG contracted ~80bp YoY to ~27%.

- Revenue contribution from own brands increased ~100bp YoY to ~74.1% (up ~22% YoY).
- Reported EBITDA at INR18.8b was up ~23% YoY as margin expanded ~30bp YoY to 14.1%, driven by operating leverage.
- Pre-INDAS 116 EBITDA (post-ESOP charges) grew ~30% YoY to INR12.7b, with EBITDA margin expanding ~75bp YoY to 9.85%.
- Reported PAT at INR8.4b surged 33% YoY, driven by robust EBITDA growth and higher other income (up 48% YoY).

#### Balance sheet and cash flow:

- Core working days improved to 12 days (vs. 15 YoY), driven largely by a reduction in inventory days to 57 (vs. ~63 YoY). In absolute terms, WC stands at INR4.3b (-3% YoY).
- OCF (post leases and interest) grew ~20% YoY to INR10b (vs. INR8.3b YoY), led by better profitability and WC discipline.
- Despite ~23% YoY increase in capex to ~INR3.3b, FCF generation was robust at INR6.7b (vs. INR 5.7b YoY).

Consol P&L (INR m)	4QFY25	3QFY26	4QFY26	YoY%	QoQ%	4QFY26E	vs. est (%)
<b>Total Revenue</b>	<b>25,479</b>	<b>36,704</b>	<b>31,141</b>	<b>22.2%</b>	<b>-15.2%</b>	<b>30,630</b>	<b>1.7%</b>
Raw Material cost	18,277	26,039	22,469	22.9%	-13.7%	21,941	2.4%
<b>Gross Profit</b>	<b>7,201</b>	<b>10,665</b>	<b>8,672</b>	<b>20.4%</b>	<b>-18.7%</b>	<b>8,689</b>	<b>-0.2%</b>
<b>Gross margin (%)</b>	<b>28.3%</b>	<b>29.1%</b>	<b>27.8%</b>	<b>-42 bp</b>	<b>-121 bp</b>	<b>28.4%</b>	<b>-52 bp</b>
Employee Costs	1,673	1,921	1,890	12.9%	-1.6%	1,934	-2.3%
Other expenses	1,957	2,692	2,535	29.5%	-5.8%	2,258	12.3%
<b>EBITDA</b>	<b>3,571</b>	<b>6,051</b>	<b>4,248</b>	<b>18.9%</b>	<b>-29.8%</b>	<b>4,497</b>	<b>-5.5%</b>
<b>EBITDA margin (%)</b>	<b>14.0%</b>	<b>16.5%</b>	<b>13.6%</b>	<b>-38 bp</b>	<b>-285 bp</b>	<b>14.7%</b>	<b>-104 bp</b>
Depreciation and amortization	1,707	1,676	1,776	4.0%	5.9%	1,811	-2.0%
EBIT	1,864	4,375	2,472	32.6%	-43.5%	2,686	-8.0%
<b>EBIT margin (%)</b>	<b>7.3%</b>	<b>11.9%</b>	<b>7.9%</b>	<b>62</b>	<b>-398</b>	<b>8.8%</b>	<b>-83</b>
Finance Costs	493	427	464	-5.9%	8.7%	438	6.0%
Other income	186	246	245	31.6%	-0.3%	259	-5.3%
<b>Profit before Tax</b>	<b>1,557</b>	<b>4,194</b>	<b>2,253</b>	<b>44.7%</b>	<b>-46.3%</b>	<b>2,507</b>	<b>-10.1%</b>
Tax	406	1,065	574	41.2%	-46.1%	631	-9.0%
<b>Tax rate (%)</b>	<b>26.1%</b>	<b>25.4%</b>	<b>25.5%</b>			<b>25.2%</b>	
<b>Profit after Tax</b>	<b>1,151</b>	<b>3,129</b>	<b>1,679</b>	<b>45.9%</b>	<b>-46.3%</b>	<b>1,876</b>	<b>-10.5%</b>
<b>Adj Profit after Tax</b>	<b>1,151</b>	<b>3,129</b>	<b>1,679</b>	<b>45.9%</b>	<b>-46.3%</b>	<b>1,876</b>	<b>-10.5%</b>

#### Key Operating Metrics

	4QFY25	3QFY26	4QFY26	YoY%	QoQ
<b>SSSG (%)</b>	13.7	7.5	13.2		
Store Count	696	771	795	14.2%	3.1%
<b>Retail Space (mn sq ft)</b>	12.2	13.2	13.5	10.6%	2.3%
<b>Pre-IND AS EBITDA (INR m)</b>	1,905	4,542	2,646	38.9%	-41.8%
<b>% Margin</b>	7.5	12.4	8.5	102	-388
<b>Revenue (INR b)</b>	<b>4QFY25</b>	<b>3QFY26</b>	<b>4QFY26</b>	<b>YoY%</b>	<b>QoQ</b>
Apparel	10,566	16,367	13,270	25.6%	-18.9%
General Merchandise	7,332	10,476	9,074	23.8%	-13.4%
FMCG	7,507	9,739	8,647	15.2%	-11.2%
<b>Mix (%)</b>					
Apparel	41.5	44.6	42.6	114	-198
General Merchandise	29.5	26.5	27.8	-170	123
FMCG	28.8	28.5	29.1	36	60
<b>Revenue (INR b)</b>					
Own Brands	NA	27,222	22,726		-16.5%
Third-Party	NA	9,482	8,415		-11.3%
<b>Mix (%)</b>					
Own Brands	NA	74.2	73.0		-119
Third-Party	NA	25.8	27.0		119

# Endurance Technologies

BSE SENSEX  
75,399

S&P CNX  
23,690

**CMP: INR2,619**

**Buy**

## Conference Call Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 11.00am IST

**Dial-in details:**

<https://shorturl.at/whXRRH>

## Financials & Valuations (INR b)

INR Billion	FY26	FY27E	FY28E
Sales	146.0	160.3	178.8
EBITDA	19.7	20.5	23.9
Adj. PAT	9.7	10.1	12.3
EPS (INR)	68.8	72.1	87.2
EPS Growth (%)	17.0	4.9	5.4
BV/Share (INR)	462.6	518.4	588.6
<b>Ratios</b>			
Net Debt/Equity	-0.1	-0.1	-0.2
RoE (%)	15.8	14.7	15.8
RoCE (%)	14.4	13.7	14.8
Payout (%)	17.0	20.8	19.5
<b>Valuations</b>			
P/E (x)	38.1	36.3	30.0
P/BV (x)	5.7	5.1	4.4
Div. Yield (%)	19.1	18.3	15.6
FCF Yield (%)	0.4	0.6	0.6

## Earnings in line with estimates

- Consolidated revenue grew 38% YoY to INR41b (9% higher than estimates), led by 32% YoY growth in the Indian business and the Stoferle acquisition.
- European revenue (in INR terms) grew a strong 56.3% YoY to INR11.4b. In EUR terms, revenue grew 33.6% vs. industry growth of 4% due to the Stoferle acquisition.
- Consolidated margins were in line with estimates at 13.9%. As a result, EBITDA grew 35% YoY to INR5.6b (10% higher than estimates) due to strong revenue performance.
- Standalone margins declined 160bp YoY to 12% (est. of 12.5%) due to lower incentive recognition and higher metal prices. Europe margins improved 200bp YoY to 20.4%.
- New plant ramp-up led to higher depreciation expenses, up 49% YoY to INR2.1b.
- Consolidated PAT grew 17% YoY to INR2.8b (in line).
- The company proposed a dividend of INR11.5/share.
- FY26 performance**
- Consolidated revenue/EBITDA/PAT grew 26%/27%/17% to INR145.0b/INR19.6b/INR9.7b.
- OCF/FCF stood at INR18.5b/INR6.0b.

## From the investor presentation

### India

- FY26 order wins in India stood at INR15.9b (excl. Bajaj Auto), including INR3.0b for battery packs and INR560m for Maxwell.
- Cumulative EV orders (excl. battery packs) in India reached INR13.7b, including Bajaj Auto, with FY26 EV orders forming ~24% of total wins, vs. 49% in FY25 and 5% in FY24, highlighting a steady EV order pipeline.
- 4W and non-auto formed 60% of business wins in FY26, including first PV proprietary orders - foundation brakes and driveshaft.
- SOP of the new plant that is being constructed to meet growing aluminum forging production has been delayed from 1QFY27 to 2QFY27.
- SOP of the dual channel ABS order is expected from 1QFY27.

### Europe

- FY26 Europe order wins stood at EUR16m, taking the cumulative five-year order book to EUR245m.
- Of these, EUR95m of orders (39%) are for EV and EUR111m (45%) for hybrid applications.

**Valuation view:** The stock trades at ~36.3x/30x FY27E/28E consol. EPS.

**Consolidated - Quarterly**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26	4QE	Var (%)
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>28,255</b>	<b>29,127</b>	<b>28,592</b>	<b>29,635</b>	<b>33,189</b>	<b>35,828</b>	<b>36,082</b>	<b>40,860</b>	<b>1,15,608</b>	<b>1,45,959</b>	<b>37,513</b>	<b>8.9</b>
YoY Change (%)	15.3	14.4	11.6	11.2	17.5	23.0	26.2	37.9	12.9	26.3	26.6	
<b>EBITDA</b>	<b>3,741</b>	<b>3,820</b>	<b>3,725</b>	<b>4,225</b>	<b>4,439</b>	<b>4,768</b>	<b>4,771</b>	<b>5,678</b>	<b>15,511</b>	<b>19,656</b>	<b>5,156</b>	<b>10.1</b>
Margins (%)	13.2	13.1	13.0	14.3	13.4	13.3	13.2	13.9	13.4	13.5	13.7	
YoY Change (%)	16.4	20.0	24.6	14.4	18.7	24.8	28.1	34.4	16.8	26.7	22.0	
Depreciation	1,288	1,311	1,364	1,424	1,644	1,800	1,779	2,119	5,387	7,342	1,805	
Interest	112	116	115	125	135	137	150	152	468	574	156	
Other Income	339	265	219	346	356	210	374	300	1,170	1,240	376	
<b>PBT before EO expense</b>	<b>2,680</b>	<b>2,658</b>	<b>2,466</b>	<b>3,022</b>	<b>3,016</b>	<b>3,041</b>	<b>3,216</b>	<b>3,707</b>	<b>10,825</b>	<b>12,980</b>	<b>3,571</b>	
Exceptional Item	0	0	0	-122	0	0	210	0	-122	210	0	
<b>PBT after EO</b>	<b>2,680</b>	<b>2,658</b>	<b>2,466</b>	<b>3,144</b>	<b>3,016</b>	<b>3,041</b>	<b>3,007</b>	<b>3,707</b>	<b>10,947</b>	<b>12,771</b>	<b>3,571</b>	
Eff. Tax Rate (%)	23.9	23.6	25.2	22.0	24.9	25.3	26.3	25.4	23.6	25.5	24.0	
<b>Adj. PAT</b>	<b>2,039</b>	<b>2,030</b>	<b>1,844</b>	<b>2,358</b>	<b>2,264</b>	<b>2,273</b>	<b>2,373</b>	<b>2,765</b>	<b>8,270</b>	<b>9,673</b>	<b>2,714</b>	<b>1.8</b>
YoY Change (%)	24.7	31.3	21.1	21.0	11.0	12.0	28.7	17.2	20.7	17.0	15.1	

**Standalone Performance**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26	4QE	Var (%)
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>21,204</b>	<b>22,995</b>	<b>21,773</b>	<b>22,490</b>	<b>23,346</b>	<b>26,782</b>	<b>26,694</b>	<b>29,580</b>	<b>88,461</b>	<b>1,06,402</b>	<b>27,600</b>	<b>7.2</b>
YoY Change (%)	16.2	16.5	9.2	9.2	10.1	16.5	22.6	31.5	12.4	20.3	22.7	
RM Cost (% of sales)	64.6	65.2	65.0	64.3	65.2	66.0	65.5	67.3	64.8	66.1	66.0	
Staff Cost (% of sales)	5.1	4.7	5.0	5.0	5.2	4.9	4.9	4.1	4.9	4.7	4.8	
Other Expenses (% of sales)	17.4	17.2	17.5	17.2	17.1	17.2	17.2	16.6	17.3	17.0	16.7	
<b>EBITDA</b>	<b>2,742</b>	<b>2,984</b>	<b>2,729</b>	<b>3,055</b>	<b>2,895</b>	<b>3,219</b>	<b>3,302</b>	<b>3,538</b>	<b>11,510</b>	<b>12,953</b>	<b>3,442</b>	<b>2.8</b>
Margins (%)	12.9	13.0	12.5	13.6	12.4	12.0	12.4	12.0	13.0	12.2	12.5	
Depreciation	692	727	735	742	814	819	860	901	2,897	3,394	884	
Interest	7	5	7	7	15	23	31	31	26	101	33	
Other Income	142	176	144	204	161	140	90	167	666	558	175	
<b>PBT before EO expense</b>	<b>2,185</b>	<b>2,429</b>	<b>2,131</b>	<b>2,509</b>	<b>2,227</b>	<b>2,518</b>	<b>2,499</b>	<b>2,773</b>	<b>9,254</b>	<b>10,017</b>	<b>2,699</b>	
Extra-Ord expense	0	0	0	174	0	0	206	0	0	0	0	
Tax Rate (%)	25.5	23.9	26.4	25.5	25.5	25.5	25.6	24.4	24.8	24.7	25.5	
<b>Adj. PAT</b>	<b>1,629</b>	<b>1,848</b>	<b>1,569</b>	<b>1,871</b>	<b>1,658</b>	<b>1,876</b>	<b>1,862</b>	<b>2,098</b>	<b>6,960</b>	<b>7,545</b>	<b>2,010</b>	<b>4.4</b>
YoY Change (%)	24.8	29.7	18.5	11.9	1.8	1.5	18.7	12.1	17.4	8.4	7.4	

**Maxwell**

Y/E March	FY25				FY26				FY25	FY26	4QE	Var (%)
INR m	1Q	2Q	3Q	4Q	1Q	(%)	3Q	4Q				
<b>Net Sales</b>	<b>34</b>	<b>190</b>	<b>261</b>	<b>210</b>	<b>310</b>	<b>440</b>	<b>400</b>	<b>470</b>	<b>695</b>	<b>1,610</b>	<b>500</b>	<b>-6.0</b>
YoY Change (%)	-78.8	11.8	37.4	90.9	811.8	131.6	53.3	123.8	10.3	131.7	138.1	
<b>EBITDA</b>	<b>-42.0</b>	<b>-17.0</b>	<b>-9.0</b>	<b>1.0</b>	<b>10.0</b>	<b>19.0</b>	<b>23.0</b>	<b>-40.0</b>	<b>-67.0</b>	<b>10.0</b>	<b>30</b>	<b>-233.3</b>
Margins (%)	-123.5	-8.9	-3.4	0.5	3.2	4.3	5.8	-8.5	-9.6	0.6	6.0	

# Global Health

**BSE SENSEX** 75,399  
**S&P CNX** 23,690

**CMP: INR1,212**

## Conference Call Details



**Date:** 15th May 2026

**Time:** 2:00 pm IST

**Dial-in details:** [Link](#)

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	44.1	35.9	40.4
EBITDA	9.2	9.0	10.4
Adj. PAT	5.6	4.7	5.9
EBIT Margin (%)	20.8	25.2	25.8
Cons. Adj. EPS (INR)	20.8	17.5	22.1
EPS Gr. (%)	7.3	-15.6	26
BV/Sh. (INR)	147.5	161.9	180.1

### Ratios

Net D:E	0.3	0.2	0.2
RoE (%)	15.2	11.3	12.9
RoCE (%)	13.3	9.9	11.4
Payout (%)	17.6	17.6	17.6

### Valuations

P/E (x)	58.4	69.2	54.9
EV/EBITDA (x)	36.6	37.0	32.1
EV/Sales (x)	7.6	9.3	8.3
Div. Yield (%)	0.3	0.2	0.3
FCF Yield (%)	(0.8)	0.6	0.3

### In-line revenue; better-than-expected EBITDA/PAT for the quarter

- In 4QFY26, sales grew 24.5% YoY to INR11.6b (vs our est: INR11.3b).
- EBITDA margin contracted 310bp YoY to 21% YoY (our est: 19.7%), driven by increased opex (partly on account of the commencement of the Noida hospital). Employee expenses/other expenses rose 270bp/210bp YoY as a % of revenue). EBITDA (ex-Noida) grew 27% YoY to INR3.1b, with margins at 27.5% in 4QFY26.
- Medanta's EBITDA grew 8.5% YoY to INR2.4b (vs our est: INR2.2b).
- Adjusted PAT grew 3.4% YoY to INR1.4b (vs our est: INR1.36b).
- In 4QFY26, revenue/EBITDA/PAT exceeded Bloomberg estimates by ~3%/3%/19%.
- FY26 revenue/EBITDA/PAT grew 19%/3%/7% YoY.

### Key operating metrics

- Mature hospitals' revenue (63% of total revenue) grew 11% YoY to INR7.2b. EBITDA stood at INR1.9b for the quarter, and margins at 26.7% (+ 90bp YoY).
- Developing hospitals' revenue (37% of total revenue) grew 51% YoY to INR4.2b. EBITDA stood at INR971m for the quarter. Ex-Noida, developing hospitals revenue/EBITDA was INR3.7b/INR1.2b, with EBITDA margin at 32%.
- Noida hospital posted revenue of INR525m, with opex loss of INR236m in 4QFY26 (vs INR320m in 3QFY26).
- Overall, ARPOB grew 4.3% YoY to INR66,687 in 4QFY26.
- Both IPD/OPD volumes increased 23%/27.5% YoY for the quarter.
- Occupancy levels stood at 61% (vs. 61.2% in 4QFY25) and 59.1% in 3QFY26.
- ALOS stood at 3.06 days (vs. 3.19 in 4QFY25).
- OPD Pharmacy revenue increased 46.2% YoY to INR496m.
- International Patients' revenue increased 22% YoY to INR679m.
- Heart/cancer/digestive/neuro/urology contributed ~65.6% to revenue in FY26.

### Capex plans

- Medanta incurred INR9.4b of capex in FY26, of which INR4.1b was incurred toward the Noida hospital.
- Maintenance capex estimated at INR6b to be incurred over the next three years.
- Total project capex, estimated at INR45b for the next five years, will be funded through a combination of debt funding and internal accruals.
- Medanta has added 623 beds in FY26 and plans to add another 490 beds by the end of FY27.

**Quarterly Earning Model**
**(INRm)**

Y/E March	FY25				FY26				FY25	FY26	FY26E	vs Est
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%)
<b>Gross Sales</b>	<b>8,611</b>	<b>9,566</b>	<b>9,434</b>	<b>9,312</b>	<b>10,308</b>	<b>10,992</b>	<b>11,210</b>	<b>11,590</b>	<b>36,923</b>	<b>44,101</b>	<b>11,298</b>	<b>3%</b>
YoY Change (%)	11.4	13.3	12.8	15.2	19.7	14.9	18.8	24.5	12.7	19.4	21.3	
<b>EBITDA</b>	<b>1,912</b>	<b>2,344</b>	<b>2,412</b>	<b>2,247</b>	<b>2,270</b>	<b>2,309</b>	<b>2,173</b>	<b>2,438</b>	<b>8,915</b>	<b>9,190</b>	<b>2,226</b>	<b>10%</b>
YoY Change (%)	3.7	7.3	8.9	17.6	18.7	-1.5	-9.9	8.5	7.6	3.1	-0.9	
Margins (%)	22.2	24.5	25.6	24.1	22.0	21.0	19.4	21.0	24.1	20.8	19.7	
Depreciation	515	555	519	493	451	497	612	665	2,082	2,225	665	
Interest	180	160	163	150	138	171	215	267	653	791	189	
Other Income	219	182	160	229	205	197	218	367	791	987	342	
<b>PBT before EO expense</b>	<b>1,437</b>	<b>1,811</b>	<b>1,891</b>	<b>1,833</b>	<b>1,886</b>	<b>1,838</b>	<b>1,564</b>	<b>1,873</b>	<b>6,972</b>	<b>7,160</b>	<b>1,713</b>	
Extra-Ord expense/(Income)	0	0	0	-499	196	160	-366	0	-499	-10	0	
<b>PBT</b>	<b>1,437</b>	<b>1,811</b>	<b>1,891</b>	<b>1,334</b>	<b>2,081</b>	<b>1,998</b>	<b>1,198</b>	<b>1,873</b>	<b>6,473</b>	<b>7,150</b>	<b>1,713</b>	
Tax	374	503	462	321	492	414	248	456	1,659	1,609	351	
Rate (%)	26.0	27.8	24.4	24.0	23.6	20.7	20.7	24.4	25.6	22.5	20.5	
<b>Reported PAT</b>	<b>1,063</b>	<b>1,308</b>	<b>1,429</b>	<b>1,014</b>	<b>1,590</b>	<b>1,584</b>	<b>950</b>	<b>1,440</b>	<b>4,813</b>	<b>5,565</b>	<b>1,362</b>	
<b>Adj PAT</b>	<b>1,063</b>	<b>1,308</b>	<b>1,429</b>	<b>1,393</b>	<b>1,440</b>	<b>1,458</b>	<b>1,241</b>	<b>1,440</b>	<b>5,193</b>	<b>5,573</b>	<b>1,362</b>	<b>6%</b>
YoY Change (%)	4.2	4.5	15.6	9.4	35.6	11.4	-13.2	3.4	8.6	7.3	-2.3	
Margins (%)	12.3	13.7	15.1	15.0	14.0	13.3	11.1	12.4	14.1	12.6	12.1	

# Apollo Tyres

**BSE SENSEX**  
61,761

**S&P CNX**  
18,266

**CMP: INR404**

**Buy**

## Conference Call Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 4PM IST

**Dial-in details:**

<https://shorturl.at/K63cz>

## Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	284.7	308.2	329.3
EBITDA	41.4	41.3	48.4
Adj. PAT	24.6	16.2	20.2
EPS (Rs)	38.7	25.5	31.7
EPS Growth (%)	97.4	-34.0	26.4
BV/Share (Rs)	328.4	327.1	354.8
<b>Ratios</b>			
RoE (%)	15.6	10.1	11.6
RoCE (%)	13.8	13.1	14.7
Payout (%)	25.5	32.3	29.9
P/E (x)	10.5	16.0	12.9
P/BV (x)	1.2	1.3	1.2
Div. Yield (%)	1.4	2.0	2.3
FCF Yield (%)	9.0	0.6	1.6

## Strong operational performance

- APTY's consolidated revenue grew 14% YoY to INR 73.3b (in line) in 4QFY26, while standalone revenue rose 14% YoY to INR 52.4b (in line).
- Consolidated EBITDA margins expanded 150bp YoY to 14.6% (est. 13.9%) as EBITDA grew 28% YoY to INR10.7b (in line).
- **Segmental performance**
- APMEA revenue grew 15% YoY to INR53b and EBIT margins expanded 420bp YoY to 11.4%.
- EU revenue (in INR) grew 15% YoY to INR21.8b and EBIT margins expanded 100bp YoY to 6.6%.
- APTY reported an exceptional expense of INR4.5b as recognition of provisions relating to the estimated cost of restructuring of the Enschede plant.
- Further, as the company transitions to the concessional tax regime with a tax rate of 25.17% in FY27 vs. 34.9% earlier, it recognized a reversal of INR5.7b in the profit and loss statement on account of the remeasurement of deferred tax liabilities.
- Adjusting for all the above, PAT stood at INR4.4b (14% above est.).
- **FY26 performance**
- Revenue/EBITDA/PAT grew 12%/16%/37% YoY to INR284b/INR41b/INR17b, while OCF/FCF stood at INR38b/INR3b.
- RoE/RoCE stood at 15.6%/13.8%.
- **Valuation:** The stock trades at 16x/13x FY27E/FY28E consolidated EPS.

## Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E	VAR	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Revenues</b>	<b>63,349</b>	<b>64,370</b>	<b>69,280</b>	<b>64,236</b>	<b>65,608</b>	<b>68,311</b>	<b>77,431</b>	<b>73,357</b>	<b>2,61,234</b>	<b>2,84,706</b>	<b>74,818</b>	<b>-2</b>
YoY Change (%)	1.4	2.5	5.0	2.6	3.6	6.1	11.8	14.2	2.9	12.2	16.5	
<b>EBITDA</b>	<b>9,093</b>	<b>8,779</b>	<b>9,470</b>	<b>8,374</b>	<b>8,677</b>	<b>10,207</b>	<b>11,859</b>	<b>10,688</b>	<b>35,715</b>	<b>41,432</b>	<b>10,434</b>	<b>2</b>
Margins (%)	14.4	13.6	13.7	13.0	13.2	14.9	15.3	14.6	13.7	14.6	13.9	
YoY Change (%)	-13.5	-24.3	-21.6	-22.4	-4.6	16.3	25.2	27.6	-20.6	16.0	24.6	
Depreciation	3,695	3,759	3,759	3,771	3,776	3,834	3,853	3,967	14,984	15,430	3,910	
Interest	1,070	1,197	1,105	1,094	1,006	1,010	1,001	898	4,466	3,915	1,087	
Other Income	308	217	81	275	189	297	496	352	881	1,334	234	
<b>PBT before EO expense</b>	<b>4,636</b>	<b>4,040</b>	<b>4,686</b>	<b>3,785</b>	<b>4,085</b>	<b>5,660</b>	<b>7,501</b>	<b>6,175</b>	<b>17,146</b>	<b>23,421</b>	<b>5,671</b>	<b>9</b>
Extra-Ord expense	404	52	42	1,188	3,702	1,800	271	4,561	1,687	10,335	0	
<b>PBT</b>	<b>4,232</b>	<b>3,988</b>	<b>4,644</b>	<b>2,596</b>	<b>383</b>	<b>3,860</b>	<b>7,229</b>	<b>1,614</b>	<b>15,460</b>	<b>13,086</b>	<b>5,671</b>	
Tax Rate (%)	28.6	25.4	27.4	29.0	66.5	33.2	34.9	-290.8	27.5	-4.8	30.6	
Minority Interest & P/L of Asso. Cos.	0	-1	-2	-3	-1	-1	-2	-3	-7	0	-1	
<b>Reported PAT</b>	<b>3,020</b>	<b>2,975</b>	<b>3,372</b>	<b>1,846</b>	<b>129</b>	<b>2,580</b>	<b>4,705</b>	<b>6,310</b>	<b>11,213</b>	<b>13,718</b>	<b>3,936</b>	
<b>Adj PAT</b>	<b>3,313</b>	<b>3,012</b>	<b>3,403</b>	<b>2,708</b>	<b>2,961</b>	<b>4,103</b>	<b>5,437</b>	<b>4,476</b>	<b>12,436</b>	<b>16,978</b>	<b>3,936</b>	<b>14</b>
YoY Change (%)	-18.4	-37.6	-32.9	-41.8	-10.6	36.2	59.8	65.3	-33.2	36.5	45.4	
Margins (%)	5.2	4.7	4.9	4.2	4.5	6.0	7.0	6.1	4.8	6.0	5.3	

# Data Patterns

**BSE SENSEX** 75,399  
**S&P CNX** 23,690

**CMP: INR4009**

**Neutral**

## Conference Call Details



**Date:** 15<sup>th</sup> May, 2026

**Time:** 10:30am IST

**Dial-in details:**

[Click Here](#)

## Earnings in line; while operating performance beats estimates due to higher gross margin

- Consol. revenue declined 13% YoY to INR3.4b (est. INR4b).
- Gross margins expanded 25pp YoY to 73.4%.
- EBITDA increased 29% YoY to INR1.9b (est. INR1.8b).
- EBITDA margin expanded 18pp YoY to 56% (est. ~45%).
- Adj. PAT increased 21% YoY to INR1.4b (est. in line).
- For FY26, Revenue/EBITDA/Adj PAT grew 31%/36%/23% YoY to INR9.3b/INR3.7b/INR2.7b.
- CFO stood at INR802m, against the operating cash outflow of INR899m in Mar'25

### Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>1,041</b>	<b>910</b>	<b>1,170</b>	<b>3,962</b>	<b>993</b>	<b>3,075</b>	<b>1,731</b>	<b>3,449</b>	<b>7,084</b>	<b>9,248</b>	<b>4,002</b>	<b>-14</b>
YoY Change (%)	16.0	-16.0	-16.1	117.4	-4.6	237.8	47.9	-13.0	36.3	30.6	1.0	
Total Expenditure	669	567	630	2,467	673	2,390	925	1,520	4,334	5,508	2,201	
<b>EBITDA</b>	<b>372</b>	<b>343</b>	<b>540</b>	<b>1,495</b>	<b>321</b>	<b>685</b>	<b>806</b>	<b>1,928</b>	<b>2,750</b>	<b>3,740</b>	<b>1,801</b>	<b>7</b>
Margins (%)	35.7	37.7	46.2	37.7	32.3	22.3	46.5	55.9	38.8	40.4	45.0	
Depreciation	31	35	35	39	55	57	59	59	139	230	60	
Interest	30	28	32	31	32	24	22	47	121	125	18	
Other Income	123	120	114	106	106	59	58	57	463	280	170	
<b>PBT before EO expense</b>	<b>435</b>	<b>400</b>	<b>588</b>	<b>1,531</b>	<b>340</b>	<b>664</b>	<b>783</b>	<b>1,880</b>	<b>2,953</b>	<b>3,666</b>	<b>1,893</b>	
Extra-Ord expense	0	0	0	0	0	0	30	0	0	30	0	
<b>PBT</b>	<b>435</b>	<b>400</b>	<b>588</b>	<b>1,531</b>	<b>340</b>	<b>664</b>	<b>753</b>	<b>1,880</b>	<b>2,953</b>	<b>3,635</b>	<b>1,893</b>	
Tax	107	98	141	390	85	172	170	496	735	922	471	
Rate (%)	24.5	24.4	24.0	25.5	24.9	25.9	22.5	26.4	24.9	25.4	24.9	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>328</b>	<b>303</b>	<b>447</b>	<b>1,141</b>	<b>255</b>	<b>492</b>	<b>583</b>	<b>1,384</b>	<b>2,218</b>	<b>2,714</b>	<b>1,422</b>	
<b>Adj PAT</b>	<b>328</b>	<b>303</b>	<b>447</b>	<b>1,141</b>	<b>255</b>	<b>492</b>	<b>606</b>	<b>1,384</b>	<b>2,218</b>	<b>2,736</b>	<b>1,422</b>	<b>-3</b>
YoY Change (%)	26.9	-10.4	-12.4	60.5	-22.2	62.5	35.6	21.3	22.1	23.4	24.6	
Margins (%)	31.5	33.3	38.2	28.8	25.7	16.0	35.0	40.1	31.3	29.6	35.5	

# Kalpataru Projects

**BSE SENSEX** 75,399  
**S&P CNX** 23,690

**CMP: INR1,226**

**Buy**

## Conference Call Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 09:00am IST

**Dial-in details:**

[Diamond Pass](#)

## Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	232.1	268.5	311.7
EBITDA	20.3	23.1	27.1
Adj. PAT	10.0	11.3	13.9
Adj. EPS (INR)	58.6	66.3	81.4
EPS Gr. (%)	49.0	25.8	22.7
BV/Sh.(INR)	480.9	525.1	599.8
<b>Ratios</b>			
RoE (%)	13.0	13.4	14.5
RoCE (%)	11.7	12.1	13.1
<b>Valuations</b>			
P/E (x)	20.9	18.5	15.1
P/BV (x)	2.6	2.3	2.0
EV/EBITDA (x)	10.9	9.8	8.3
Div. Yield (%)	0.7	0.5	0.5

## In-line revenue, beat on profitability

- KPIL's 4QFY26 revenue at INR70b (+12% YoY) was in line with our estimate, driven by strong execution and healthy backlog in T&D, B&F, O&G, and urban infra businesses. T&D/B&F revenue rose 1%/24% YoY, while O&G/urban infra saw strong revenue growth of 48%/24% YoY. Water segment grew 6% YoY, indicating improved traction after YoY revenue decline in 9MFY26. Railways declined by 2% YoY.
- Gross margin expanded 260bp YoY to 23.9%, ahead of our est. of 22.6%.
- Absolute EBITDA grew 28% YoY to INR7b (beat), while EBITDA margin expanded 120bp YoY to 9.6% (est. 8.5%). The margin beat was driven by higher gross margins and lower-than-expected employee costs.
- Higher other income, a lower-than-expected tax rate, gain on sale of VEPL (INR2b), and one-time dividend income from VEPL (INR1b) were partly offset by impairment provision of INR5b in Fasttel Brazil, resulting in a net one-time expense of INR2b. Adj. PAT grew 38% YoY to INR4b, above our estimate of INR3b.
- FY26 order inflow at INR264b led to order book of INR655b (+1% YoY).
- NWC days stood at comfortable levels at 90 in 4QFY26 vs. 94 in 4QFY25.
- Net debt declined 32% YoY to INR7b in 4QFY26.
- For FY26, revenue/EBITDA/PAT stood at INR232b/INR20b/INR10b, up 23%/28%/49%, while margins were up 30bp YoY at 8.7%.
- For FY26, OCF/FCF declined 9%/79% to INR8b/INR1b.
- KPIL recommended a dividend of INR11 per equity share for FY26.

## Standalone - Quarterly Earning

Y/E March	FY25				FY26E				FY25	FY26	(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY26	Est
<b>Net Sales</b>	<b>37,219</b>	<b>41,361</b>	<b>48,257</b>	<b>62,042</b>	<b>50,397</b>	<b>54,188</b>	<b>57,876</b>	<b>69,640</b>	<b>1,88,879</b>	<b>2,32,101</b>	<b>66,381</b>	<b>5</b>
YoY Change (%)	2.8	7.6	16.4	20.5	35.4	31.0	19.9	12.2	12.7	22.9	7.0	
Total Expenditure	34,085	37,877	44,239	56,810	46,114	49,716	53,063	62,921	1,73,009	2,11,814	60,749	
<b>EBITDA</b>	<b>3,135</b>	<b>3,485</b>	<b>4,019</b>	<b>5,232</b>	<b>4,284</b>	<b>4,472</b>	<b>4,813</b>	<b>6,719</b>	<b>15,870</b>	<b>20,287</b>	<b>5,632</b>	<b>19</b>
YoY Change (%)	-0.2	13.1	16.8	30.8	36.7	28.3	19.8	28.4	16.2	27.8	7.6	
Margins (%)	8.4	8.4	8.3	8.4	8.5	8.3	8.3	9.6	8.4	8.7	8.5	
Depreciation	929	914	956	949	936	966	1,005	1,041	3,749	3,948	1,012	3
Interest	861	998	1,071	877	840	1,025	926	890	3,807	3,680	996	-11
Other Income	295	264	185	235	234	242	255	369	979	1,101	342	8
<b>PBT before EO expense</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,641</b>	<b>2,742</b>	<b>2,723</b>	<b>3,138</b>	<b>5,157</b>	<b>9,294</b>	<b>13,759</b>	<b>3,966</b>	<b>30</b>
Extra-Ord expense	-	-	-	330	-	-	295	2,033	330	2,328	-	
<b>PBT</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,311</b>	<b>2,742</b>	<b>2,723</b>	<b>2,843</b>	<b>3,124</b>	<b>8,964</b>	<b>11,431</b>	<b>3,966</b>	<b>-21</b>
Tax	474	513	604	894	734	724	730	926	2,485	3,114	1,298	
Rate (%)	28.9	27.9	27.7	27.0	26.8	26.6	25.7	29.6	27.7	27.2	32.7	
<b>Reported PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,416</b>	<b>2,008</b>	<b>1,999</b>	<b>2,112</b>	<b>2,198</b>	<b>6,479</b>	<b>8,317</b>	<b>2,668</b>	<b>-18</b>
<b>Adj PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,657</b>	<b>2,008</b>	<b>1,999</b>	<b>2,331</b>	<b>3,673</b>	<b>6,718</b>	<b>10,011</b>	<b>2,660</b>	<b>38</b>
YoY Change (%)	-7.4	17.1	9.3	51.8	72.1	51.1	48.2	38.2	20.3	49.0	0.1	
Margins (%)	3.1	3.2	3.3	4.3	4.0	3.7	4.0	5.3	3.6	4.3	4.0	

# LT Foods

**BSE SENSEX**  
75,399

**S&P CNX**  
23,690

**CMP: INR411**

**Buy**

## Conference Call Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 15:00 hrs IST

**Concall link:**

[Click here](#)

## Operating performance misses estimates due to lower-than-expected gross margins

- 4QFY26 revenue stood at INR29.1b, up 30% YoY/3% QoQ (est. in line).
- EBITDA was INR2.7b (+4% YoY, -14% QoQ) (est. INR3b).
- EBITDA margin contracted 230bp YoY/200bp QoQ to 9.3% (est. 10.8%) as gross margins declined 530bp YoY, partly offset by lower other expenses by 230bp YoY.
- Adj. PAT came in at INR1.4b (-15% YoY, -14% QoQ) (est. INR1.6b).
- For FY26, revenue/EBITDA/adj. PAT grew 26%/18%/3% YoY to INR109b/INR11.6b/INR6.3b.
- CFO for the year grew by 97% YoY to INR8b. Net debt stood at INR5.9b vs. INR3.6b as of Mar'25.

## Highlights from press release

- Basmati & Other Specialty Rice segment's revenue grew 29% YoY to INR97.4b (excluding US tariffs, normalized growth was 21%).
- Organic Foods segment's revenue grew 9% YoY to INR10b; it holds a 12% share in India's exports of organic food.
- Ready-to-Eat and Ready-to-Cook business has grown 2.5x over the last five years, reaching INR1.87b in FY26.
- Quick commerce and e-commerce channels grew by over 45%. Premium segment grew at 2x the pace of the overall consumer portfolio. Its market share in India stands at 23.7%.

## Consolidated - Quarterly Earning

Y/E March	(INRm)											
	FY25				FY26				FY25	FY26	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
<b>Gross Sales</b>	<b>20,705</b>	<b>21,078</b>	<b>22,748</b>	<b>22,284</b>	<b>24,639</b>	<b>27,657</b>	<b>28,092</b>	<b>29,067</b>	<b>86,815</b>	<b>1,09,456</b>	<b>28,065</b>	<b>4%</b>
YoY Change (%)	16.4	6.6	17.2	7.4	19.0	31.2	23.5	30.4	11.7	26.1	25.9	
Total Expenditure	18,296	18,785	20,250	19,701	21,985	24,563	24,949	26,372	77,032	97,869	25,039	
<b>EBITDA</b>	<b>2,409</b>	<b>2,293</b>	<b>2,498</b>	<b>2,583</b>	<b>2,654</b>	<b>3,094</b>	<b>3,143</b>	<b>2,695</b>	<b>9,783</b>	<b>11,587</b>	<b>3,026</b>	<b>-11%</b>
Margins (%)	11.6	10.9	11.0	11.6	10.8	11.2	11.2	9.3	11.3	10.6	10.8	
Depreciation	420	448	458	531	523	599	629	698	1,857	2,449	640	
Interest	187	196	236	257	280	280	349	399	877	1,309	320	
Other Income	175	263	134	313	371	67	28	309	885	775	100	
<b>PBT before EO expense</b>	<b>1,977</b>	<b>1,911</b>	<b>1,938</b>	<b>2,107</b>	<b>2,221</b>	<b>2,283</b>	<b>2,193</b>	<b>1,907</b>	<b>7,934</b>	<b>8,604</b>	<b>2,166</b>	
<b>PBT</b>	<b>1,977</b>	<b>1,911</b>	<b>1,938</b>	<b>2,107</b>	<b>2,221</b>	<b>2,283</b>	<b>2,193</b>	<b>1,907</b>	<b>7,934</b>	<b>8,604</b>	<b>2,166</b>	
Tax	530	494	525	554	598	653	630	529	2,102	2,410	563	
Rate (%)	26.8	25.8	27.1	26.3	26.9	28.6	28.7	27.7	26.5	28.0	26.0	
MI & Profit/Loss of Asso. Cos.	-84	-66	-19	-52	-62	-8	-11	22	-222	-59	0	
<b>Reported PAT</b>	<b>1,532</b>	<b>1,484</b>	<b>1,433</b>	<b>1,605</b>	<b>1,685</b>	<b>1,639</b>	<b>1,574</b>	<b>1,357</b>	<b>6,053</b>	<b>6,254</b>	<b>1,603</b>	
<b>Adj PAT</b>	<b>1,532</b>	<b>1,484</b>	<b>1,433</b>	<b>1,605</b>	<b>1,685</b>	<b>1,639</b>	<b>1,574</b>	<b>1,357</b>	<b>6,053</b>	<b>6,254</b>	<b>1,603</b>	<b>-15%</b>
YoY Change (%)	11.4	-7.2	-5.2	7.9	10.0	10.4	9.8	-15.5	1.3	3.3	-0.2	
Margins (%)	7.4	7.0	6.3	7.2	6.8	5.9	5.6	4.7	7.0	5.7	5.7	

# P N Gadgil Jewellers

**BSE SENSEX** 75,399      **S&P CNX** 23,690

## Conference Call Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 3:30 PM

**Dial-in details:**

+ 91 22 6280 1123/ +91

22 7115 8024

[Diamond Pass Registration](#)

### Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	107.4	122.2	139.2
Sales Growth (%)	39.6	13.8	13.9
EBITDA	6.2	7.3	8.1
EBITDA Margin (%)	5.7	6.0	5.8
Adj. PAT	4.1	4.3	4.8
EPS (INR)	30.4	31.4	35.1
EPS Gr. (%)	74.9	3.0	12.0
BV/Sh. (INR)	145.0	176.3	211.4
<b>Ratios</b>			
Debt/Equity	0.6	0.5	0.4
RoE (%)	23.5	19.5	18.1
RoIC (%)	21.8	20.3	19.7
<b>Valuations</b>			
P/E (x)	21.7	21.1	18.9
EV/EBITDA (x)	13.4	11.0	9.5

## CMP: INR641

### Robust revenue growth; big miss on margins

#### Revenue

- Consolidated sales jumped 123% YoY to INR35.4b (est. INR29.5b) in 4QFY26 (as reported in 4Q pre-quarter update).
- Retail segment (74% of total sales) recorded robust revenue growth of 102% to INR26.1b.
- Management stated that strong momentum in 4Q was driven by healthy festive and wedding-led demand.
- 4Q SSSG stood at 86%.
- PNG recorded sales of INR3.7b on foundation day and INR1.7b on Gudi Padwa (up 38% YoY).
- Gold reported value growth of 120% and volume growth of 27%.
- Silver delivered 246% growth in value and 37% growth in volume.
- Diamond posted healthy 84% YoY growth in value and 125%+ in volume.
- Studded ratio stood at 12.9% in 4QFY26 and 9.9% in FY26.
- E-commerce revenue grew 67% YoY to INR1.5b, contributing 4% to total revenue.
- Franchisee operations saw 132% YoY growth to INR4.3b, contributing 12% to total revenue.
- The transaction count grew by 9% and ATV stood at INR100.2k.
- Footfalls increased by 10%, along with a strong 93% conversion rate.
- PNG opened 12 stores during the quarter, taking the store count to 78.
- In FY26, net sales/EBITDA/APAT grew by 40%/74%/75%.

#### Profitability

- Gross margin surprisingly contracted by 230bp YoY to 9.7% (est. 14.7%; 14.4% in 3QFY26 and 12.1% in FY26), marking a sharp miss after consecutive outperformance during 9MFY26. FY26 exit margins came in significantly below expectations.
- Employee expenses rose 32% YoY and other expenses grew 157% YoY.
- EBITDA was up 44% YoY at INR1.4b (est. INR2.1b).
- EBITDA margin contracted 210bp YoY to 3.8% (est. 7%, 7.4% in 3QFY26, 5.7% in FY26).
- APAT grew 46% YoY to INR903m (est. INR1.3b). PAT margin came in at 2.5% (est. 4.3%) vs. 5.3% in 3QFY26.

**Consol. Quarterly Performance**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26	FY26 4QE	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>16,682</b>	<b>20,013</b>	<b>24,358</b>	<b>15,882</b>	<b>17,146</b>	<b>21,776</b>	<b>33,026</b>	<b>35,443</b>	<b>76,935</b>	<b>1,07,391</b>	<b>29,476</b>	<b>20%</b>
YoY change (%)	32.7	45.9	23.5	5.0	2.8	8.8	35.6	123.2	25.9	39.6	85.6	
<b>Gross Profit</b>	<b>1,386</b>	<b>1,531</b>	<b>2,391</b>	<b>1,909</b>	<b>2,259</b>	<b>2,581</b>	<b>4,739</b>	<b>3,442</b>	<b>7,216</b>	<b>13,022</b>	<b>4,343</b>	<b>-21%</b>
Margins (%)	8.3	7.6	9.8	12.0	13.2	11.9	14.4	9.7	9.4	12.1	14.7	
<b>EBITDA</b>	<b>643</b>	<b>721</b>	<b>1,228</b>	<b>941</b>	<b>1,100</b>	<b>1,071</b>	<b>2,443</b>	<b>1,352</b>	<b>3,538</b>	<b>6,159</b>	<b>2,052</b>	<b>-34%</b>
Margins (%)	3.9	3.6	5.0	5.9	6.4	4.9	7.4	3.8	4.6	5.7	7.0	
YoY growth (%)	44.2	59.4	33.3	5.8	70.9	48.6	99.0	43.6	30.5	74.1	118.0	
Depreciation	63	72	84	130	112	139	152	169	348	572	158	
Finance Cost	123	129	63	115	189	198	251	276	430	916	263	
Other Income	19	118	70	149	129	358	274	311	351	881	89	
<b>PBT</b>	<b>477</b>	<b>638</b>	<b>1,150</b>	<b>846</b>	<b>927</b>	<b>1,092</b>	<b>2,315</b>	<b>1,219</b>	<b>3,111</b>	<b>5,553</b>	<b>1,720</b>	<b>-29%</b>
YoY growth (%)	57.3	110.2	48.6	15.2	94.4	71.0	101.3	44.2	48.6	78.5	103.4	
<b>APAT</b>	<b>353</b>	<b>529</b>	<b>860</b>	<b>620</b>	<b>693</b>	<b>793</b>	<b>1,743</b>	<b>903</b>	<b>2,363</b>	<b>4,132</b>	<b>1,280</b>	<b>-30%</b>
Margins (%)	2.1	2.6	3.5	3.9	4.0	3.6	5.3	2.5	3.1	3.8	4.3	
YoY change (%)	59.5	141.1	49.4	12.9	96.3	49.9	102.6	45.6	52.4	74.9	106.5	

E: MOFSL estimates

# Fujiyama Power Systems

BSE SENSEX  
75,399

S&P CNX  
23,690

**CMP: INR273**

**Buy**

## Conference Call Details



**Date:** 15<sup>th</sup> May, 2026

**Time:** 4:00pm IST

**Dial-in details:**

[Click Here](#)

## Operating performance in line; earnings beat our estimate due to higher other income

- Consol. revenue jumped 88% YoY to INR9b (est. INR8.5b)
- Gross margin expanded 200bp YoY to 28%
- EBITDA surged 2x YoY to INR1.7b (in line). EBITDA margin expanded 240bp YoY to 19% (est. 20%)
- Adj. PAT grew 2x YoY to INR1.1b (est. INR1b).
- For FY26, Revenue/EBITDA/Adj PAT grew 72%/98%/95% to INR27b/INR4.9b/INR3.0b
- Gross debt stood at INR4.6b vs. INR3.4b as of Mar'25. The company had an operating cash outflow of INR29m vs. a CFO of INR181m as of Mar'25.

### Consolidated - Quarterly Earnings Snapshot

Y/E March	FY25				FY26				(INR m)			Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26	FY26E 4QE	
<b>Gross Sales</b>	<b>3,927</b>	<b>3,291</b>	<b>3,386</b>	<b>4,803</b>	<b>5,973</b>	<b>5,679</b>	<b>5,885</b>	<b>9,008</b>	<b>15,407</b>	<b>26,545</b>	<b>8,463</b>	<b>6</b>
YoY Change (%)	NA	NA	NA	NA	52.1	72.6	73.8	87.5		72.29	76.2	
Total Expenditure	3,261	2,790	2,863	4,008	4,915	4,649	4,780	7,293	12,922	21,636	6,732	
<b>EBITDA</b>	<b>666</b>	<b>501</b>	<b>523</b>	<b>795</b>	<b>1,059</b>	<b>1,030</b>	<b>1,105</b>	<b>1,715</b>	<b>2,485</b>	<b>4,909</b>	<b>1,731</b>	<b>-1</b>
Margins (%)	17.0	15.2	15.5	16.6	17.7	18.1	18.8	19.0	16.1	18.5	20.4	
Depreciation	39	41	45	55	70	78	87	206	180	442	238	
Interest	42	59	77	91	94	124	122	96	268	436	127	
Other Income	3	20	2	68	4	19	4	28	94	55	3	
<b>PBT before EO expense</b>	<b>588</b>	<b>422</b>	<b>404</b>	<b>718</b>	<b>899</b>	<b>846</b>	<b>899</b>	<b>1,441</b>	<b>2,131</b>	<b>4,086</b>	<b>1,368</b>	
Extra-Ord expense	0	0	0	0	0	0	6	0	0	6	0	
<b>PBT</b>	<b>588</b>	<b>422</b>	<b>404</b>	<b>718</b>	<b>899</b>	<b>846</b>	<b>894</b>	<b>1,441</b>	<b>2,131</b>	<b>4,080</b>	<b>1,368</b>	
Tax	156	104	103	205	223	217	220	378	568	1,039	361	
Rate (%)	26.5	24.5	25.6	28.6	24.8	25.7	24.7	26.2	26.7	25.5	26	
<b>Reported PAT</b>	<b>432</b>	<b>319</b>	<b>300</b>	<b>512</b>	<b>676</b>	<b>629</b>	<b>673</b>	<b>1,063</b>	<b>1,563</b>	<b>3,041</b>	<b>1,008</b>	
<b>Adj PAT</b>	<b>432</b>	<b>319</b>	<b>300</b>	<b>512</b>	<b>676</b>	<b>629</b>	<b>678</b>	<b>1,063</b>	<b>1,563</b>	<b>3,479</b>	<b>1,008</b>	<b>6</b>
YoY Change (%)	NA	NA	NA	NA	56.4	97.4	125.7	107.6	NA	122.5	96.8	
Margins (%)	11.0	9.7	8.9	10.7	11.3	11.1	11.5	11.8	10.1	13.1	11.9	

# Galaxy Surfactants

**BSE SENSEX**  
75,399

**S&P CNX**  
23,690

**CMP: INR1,849**

**Buy**

## Conference Call Details



**Date:** 15<sup>th</sup> May 2026

**Time:** 1200hours IST

**Link:** [Click here](#)

## Earnings below our estimate

- Consol. revenue grew 15% YoY to INR13.1b (est. INR14.3b)
- Gross margin contracted 360bp YoY to 25.9%, while EBITDA margin stood at 9.3% (est. 9.5%), down 180bp YoY
- EBITDA declined 4% YoY to INR1.2b (est. INR1.4b)
- Adj. PAT declined 18% YoY to INR624m (est. INR755m)
- In FY26, while revenue grew 24% to INR52.5b, EBITDA/Adj. PAT declined 2%/9% YoY to INR4.8b/INR2.8b
- Net CFO stood at INR3.3b as of Mar'26 compared to INR4.2b in Mar'25.

## Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Gross Sales</b>	<b>9,741</b>	<b>10,630</b>	<b>10,417</b>	<b>11,449</b>	<b>12,779</b>	<b>13,262</b>	<b>13,295</b>	<b>13,147</b>	<b>42,237</b>	<b>52,483</b>	<b>14,312</b>	<b>-8%</b>
YoY Change (%)	3.4	8.1	10.8	23.2	31.2	24.8	27.6	14.8	11.3	24.3	25.0	
Total Expenditure	8,500	9,353	9,361	10,180	11,541	12,157	12,101	11,931	37,394	47,730	12,952	
Gross Margin (%)	33.6%	33.0%	31.1%	29.4%	26.2%	24.5%	24.9%	25.8%	31.7%	25.4%	25.7%	
<b>EBITDA</b>	<b>1,241</b>	<b>1,276</b>	<b>1,056</b>	<b>1,269</b>	<b>1,239</b>	<b>1,105</b>	<b>1,194</b>	<b>1,216</b>	<b>4,842</b>	<b>4,753</b>	<b>1,360</b>	<b>-11%</b>
Margin (%)	12.7	12.0	10.1	11.1	9.7	8.3	9.0	9.3	11.5	9.1	9.5	
Depreciation	266	278	277	283	293	298	307	332	1,103	1,230	320	
Interest	40	41	50	62	66	73	85	85	193	309	90	
Other Income	54	87	40	78	112	58	48	3	258	221	60	
<b>PBT before EO expense</b>	<b>989</b>	<b>1,045</b>	<b>769</b>	<b>1,001</b>	<b>992</b>	<b>792</b>	<b>849</b>	<b>802</b>	<b>3,804</b>	<b>3,435</b>	<b>1,010</b>	
Extra-Ord expense	0	0	0	0	0	0	119	0	0	119	0	
<b>PBT</b>	<b>989</b>	<b>1,045</b>	<b>769</b>	<b>1,001</b>	<b>992</b>	<b>792</b>	<b>730</b>	<b>802</b>	<b>3,804</b>	<b>3,316</b>	<b>1,010</b>	
Tax	192	198	123	243	197	127	141	178	755	643	254	
Rate (%)	19.4	18.9	16.0	24.2	19.9	16.0	19.3	22.1	19.8	19.4	25.2	
<b>Reported PAT</b>	<b>797</b>	<b>847</b>	<b>646</b>	<b>759</b>	<b>795</b>	<b>665</b>	<b>590</b>	<b>624</b>	<b>3,049</b>	<b>2,674</b>	<b>755</b>	
<b>Adj PAT</b>	<b>797</b>	<b>847</b>	<b>646</b>	<b>759</b>	<b>795</b>	<b>665</b>	<b>686</b>	<b>624</b>	<b>3,049</b>	<b>2,770</b>	<b>755</b>	<b>-17%</b>
YoY Change (%)	6.0	9.4	-9.5	-2.1	-0.3	-21.5	6.1	-17.7	1.1	-9.2	-0.4	
Margin (%)	8.2	8.0	6.2	6.6	6.2	5.0	5.2	4.7	7.2	5.3	5.3	



### **Quality Power Electrical : Expects To Grow At 20%+ In FY27; Bharanidharan Pandyan, Joint MD**

- FY26 revenue grew ~180%; margins remained above 25% despite accounting adjustments.
- Order book rose to ₹1,400 crore after ₹900 crore inflows in Q4.
- Management expects FY27 growth to exceed earlier 20% guidance.
- Battery storage and power converters emerging as key growth drivers.
- Sangli facility commissioning delayed to Jul-Aug FY27.

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### **Vinati Organics : Revenue From Subsidiary Should Start From October; Vinati Saraf Mutreja, MD**

- FY27 volume growth guided at ~15%, led by ATBS and antioxidants.
- ATBS demand improving post-April after temporary slowdown.
- Antioxidants business expected to grow ~15%.
- EBITDA margin guidance maintained at 26–27%.
- Subsidiary revenues expected from Oct'26 onward.

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### **Borosil Renewables : Will See A Shift Away From Gas To Induction Cookers; Pradeep Kumar Kheruka, Executive Chairman**

- FY27 expected to see marginal EBITDA growth with ~8% volume growth.
- FY28 seen as major growth year with 60% capacity expansion.
- Renewable power sourcing limiting energy cost pressures.
- New furnaces expected to start by Jan-Mar FY28.
- Industry demand outlook remains strong amid solar manufacturing push.

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### **Interarch Building : Expect Steel Prices To Cool Off During The Monsoon; Arvind Nanda, MD**

- FY27 revenue target raised to ~₹2,200 crore; FY28 guided at ₹2,500 crore.
- Gujarat and Andhra plants to commence operations by Q2FY27.
- Order book stands at ~₹1,700 crore with quarterly inflow target near ₹600 crore.
- EBITDA impacted by one-offs, exports and certification-related expenses.
- Signed 50:50 Canada JV targeting North American export opportunities.

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Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	<b>1.1</b>	<b>-1.9</b>	<b>-7.3</b>
<b>Nifty-50</b>	<b>1.2</b>	<b>-0.6</b>	<b>-4.0</b>
<b>Nifty Next 50</b>	<b>1.1</b>	<b>4.2</b>	<b>6.7</b>
<b>Nifty 100</b>	<b>1.2</b>	<b>0.2</b>	<b>-2.1</b>
<b>Nifty 200</b>	<b>1.2</b>	<b>1.3</b>	<b>-0.2</b>
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	<b>0.6</b>	<b>-0.1</b>	<b>11.5</b>
Amara Raja Ener.	-0.5	13.1	-17.5
Apollo Tyres	1.3	-7.1	-15.5
Ashok Leyland	0.7	-10.3	31.6
Bajaj Auto	1.8	6.5	29.0
Balkrishna Inds	4.1	-1.9	-20.0
Bharat Forge	0.2	8.2	56.4
Bosch	2.2	1.3	18.1
CEAT	2.2	-8.5	-16.0
CIE Automotive	-0.5	-5.8	4.4
Craftsman Auto	-0.2	15.8	60.6
Eicher Motors	1.0	-0.1	29.3
Endurance Tech.	3.6	9.5	19.4
Escorts Kubota	0.6	-4.3	-14.9
Exide Inds.	0.1	7.7	-8.7
Happy Forgings	-1.8	6.4	65.2
Hero Motocorp	1.6	-3.2	24.8
Hyundai Motor	-0.6	5.6	2.4
M & M	2.0	-1.4	2.3
Maruti Suzuki	-0.2	0.0	3.2
Motherson Sumi	-0.2	5.9	-10.6
Motherson Wiring	0.1	3.9	5.6
MRF	0.0	-5.9	-10.4
Sona BLW Precis.	-0.6	3.2	11.2
Tata Motors CV	-1.2	-11.7	
Tata Motors PV	0.6	-2.0	-19.9
Tube Investments	-4.8	3.1	-7.8
TVS Motor Co.	-1.9	-7.4	26.9
<b>Banks-Private</b>	<b>1.2</b>	<b>-2.0</b>	<b>-4.4</b>
AU Small Fin. Bank	1.0	2.6	45.5
Axis Bank	-0.1	-7.3	4.9
Bandhan Bank	2.1	19.4	19.2
DCB Bank	-0.5	-2.1	28.8
Equitas Sma. Fin	-0.4	8.8	6.8
Federal Bank	0.1	-2.8	41.4
HDFC Bank	2.7	-3.2	-19.4
ICICI Bank	0.9	-7.7	-12.6
IDFC First Bank	0.4	5.7	-1.3
IndusInd Bank	1.7	10.9	16.2
Kotak Mah. Bank	1.5	3.0	-8.4
RBL Bank	3.5	6.7	60.8
<b>Banks-PSU</b>	<b>1.4</b>	<b>-6.2</b>	<b>23.7</b>
BOB	2.4	-2.9	14.7
Canara Bank	1.2	-5.7	23.8
Indian Bank	2.2	-13.9	42.3
Punjab Natl.Bank	1.8	-5.5	6.9
St Bk of India	1.0	-7.9	22.4

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	<b>1.1</b>	<b>2.0</b>	<b>0.5</b>
<b>Nifty Midcap 100</b>	<b>1.1</b>	<b>5.8</b>	<b>8.4</b>
<b>Nifty Smallcap 100</b>	<b>0.0</b>	<b>7.3</b>	<b>4.9</b>
<b>Nifty Midcap 150</b>	<b>1.2</b>	<b>5.6</b>	<b>8.3</b>
<b>Nifty Smallcap 250</b>	<b>0.0</b>	<b>7.0</b>	<b>4.7</b>
Union Bank (I)	1.5	-10.7	22.2
<b>NBFCs</b>	<b>1.4</b>	<b>-2.2</b>	<b>-2.6</b>
AAVAS Financiers	-0.6	8.8	-23.4
Aditya Birla Capital Ltd	1.6	3.6	60.1
Bajaj Fin.	1.8	1.5	0.4
Bajaj Finserv	0.7	-2.7	-13.9
Bajaj Housing	-1.2	-1.0	-31.5
Can Fin Homes	1.9	0.1	13.7
Cholaman.Inv.&Fn	-0.5	4.0	-1.8
CreditAcc. Gram.	-0.6	8.7	11.5
Five-Star Bus.Fi	-0.2	10.7	-31.7
Fusion Microfin.	-2.0	34.6	10.2
HDB FINANC SER	0.2	10.1	
Home First Finan	-0.4	-0.3	-8.3
IIFL Finance	-0.8	2.5	11.3
Indostar Capital	-0.8	-8.0	-38.8
Jio Financial	1.2	-1.5	-12.5
L&T Finance	-0.2	2.6	60.6
LIC Housing Fin.	-4.3	7.7	-9.1
M & M Fin. Serv.	0.2	8.1	23.6
Manappuram Fin.	0.5	16.7	33.6
MAS Financial Serv.	0.0	6.0	19.1
Muthoot Finance	0.7	-0.9	56.3
Northern ARC	-0.2	22.7	33.2
Piramal Finance	-0.4	8.7	
PNB Housing	0.4	26.0	-1.4
Poonawalla Fin	0.4	2.9	7.8
Power Fin.Corpn.	1.2	4.1	11.3
REC Ltd	0.5	0.3	-10.6
Repco Home Fin	-2.0	1.2	-5.7
Shriram Finance	1.6	-6.9	43.4
Spandana Sphoort	-0.8	22.8	-6.9
<b>NBFC-Non Lending</b>			
360 One	2.3	9.2	11.5
Aditya AMC	3.3	5.7	56.5
Anand Rathi Wea.	0.7	-0.5	100.0
Angel One	1.9	8.3	19.2
Billionbrains	0.8	-2.5	
BSE	3.8	22.2	64.9
C D S L	1.1	-7.1	-10.3
Cams Services	0.1	11.4	7.7
HDFC AMC	1.5	5.7	17.8
ICICI AMC	-1.3	-3.6	
KFin Technolog.	-1.7	-8.9	-21.9
MCX	4.2	20.7	169.2
N S D L	-0.1	-7.8	
Nippon Life Ind.	3.1	19.3	55.6
Nuvama Wealth	-2.7	14.0	9.5



Company	1 Day (%)	1M (%)	12M (%)
PB Fintech	2.8	15.7	-4.2
Prudent Corp.	0.3	9.8	13.1
UTI AMC	0.6	1.4	-9.9
<b>Insurance</b>			
Canara HSBC	0.1	-5.5	
HDFC Life Insur.	1.6	-1.1	-17.4
ICICI Lombard	2.4	3.6	-0.2
ICICI Pru Life	-0.1	-0.9	-10.9
Life Insurance	2.3	0.2	-2.1
Max Financial	2.1	-0.9	21.9
Niva Bupa Health	-2.9	8.2	-4.9
SBI Life Insuran	1.6	-2.5	6.4
Star Health Insu	-0.5	7.2	25.1
<b>Chemicals</b>			
Alkyl Amines	6.9	26.6	1.4
Atul	-0.3	10.5	2.5
Clean Science	0.1	13.4	-35.2
Deepak Nitrite	-0.9	24.9	-7.1
Ellen.Indl.Gas	-1.9	17.8	
Fine Organic	3.1	3.9	4.8
Galaxy Surfact.	0.1	2.5	-16.8
Navin Fluor.Intl.	-0.3	10.5	61.1
P I Inds.	1.7	6.7	-15.0
Privi Speci.	-3.1	4.8	31.7
SRF	1.3	11.7	-5.3
Tata Chemicals	-1.4	5.5	-9.7
Vinati Organics	4.4	11.2	-22.2
<b>Capital Goods</b>	<b>0.7</b>	<b>7.9</b>	<b>15.9</b>
A B B	2.0	-5.9	14.1
Astra Microwave	0.1	9.1	21.1
Atlanta Electric	0.7	40.1	
Bharat Dynamics	-0.5	1.5	-23.4
Bharat Electron	0.1	-2.9	24.5
CG Power & Ind	0.1	18.5	26.0
Cummins India	3.0	7.5	86.9
GE Vernova T&D	-0.3	6.0	145.0
Hind.Aeronautics	-0.2	12.4	-3.4
Hitachi Energy	1.7	14.0	92.9
K E C Intl.	0.7	-1.4	-24.6
Kalpataru Proj.	0.0	5.0	20.6
Kirloskar Oil	-0.2	7.5	117.2
Larsen & Toubro	0.6	-0.4	10.3
Siemens	4.6	10.5	22.8
Siemens Ener	-0.3	9.0	
Thermax	1.1	18.8	35.0
Triveni Turbine	2.3	25.9	0.8
Zen Technologies	-1.6	2.3	-4.2
<b>Cement</b>			
ACC	0.9	-2.3	-25.9
Ambuja Cem.	1.3	0.7	-18.3
Birla Corp.	-1.0	8.8	-26.0
Dalmia Bharat	-0.3	-9.0	-13.8
Grasim Inds.	-0.2	8.3	7.4

Company	1 Day (%)	1M (%)	12M (%)
India Cem	-0.6	3.6	22.4
J K Cements	1.8	1.3	4.0
JK Lakshmi Cem.	0.6	7.4	-22.6
JSW Cement	-0.5	-3.1	
Shree Cement	0.1	3.0	-18.3
The Ramco Cement	0.4	-6.2	-6.1
UltraTech Cem.	1.0	1.7	0.2
<b>Consumer</b>	<b>0.3</b>	<b>6.7</b>	<b>-9.9</b>
Asian Paints	0.2	11.5	14.9
Bikaji Foods	0.3	1.9	-7.9
Britannia Inds.	0.7	-3.9	-2.0
Colgate-Palm.	0.6	12.0	-17.7
Dabur India	0.4	9.4	-0.9
Emami	-1.0	0.1	-33.6
Godrej Consumer	0.3	-2.5	-19.4
Gopal Snacks	0.4	12.8	1.7
Hind. Unilever	-0.8	5.7	-2.8
Indigo Paints	-0.8	21.1	-0.8
ITC	0.9	2.9	-28.4
Jyothy Lab.	-0.7	1.1	-35.2
L T Foods	-0.5	1.2	11.5
Marico	0.2	10.9	15.6
Mrs Bectors	-2.2	-4.5	-42.0
Nestle India	-0.6	19.0	23.2
P & G Hygiene	-0.2	-1.6	-30.9
Page Industries	2.3	0.8	-22.2
Pidilite Inds.	2.6	11.9	-4.5
Prataap Snacks	-0.2	5.1	-14.8
Radico Khaitan	0.3	23.3	34.5
Tata Consumer	-0.5	12.7	9.6
United Breweries	0.6	-5.0	-33.0
United Spirits	1.3	3.3	-17.1
Varun Beverages	3.3	17.3	-1.0
Zydus Wellness	-1.5	-2.0	41.0
<b>Consumer Durables</b>	<b>0.9</b>	<b>0.6</b>	<b>-0.7</b>
Blue Star	2.2	-3.6	6.9
Crompton Gr. Con	1.5	21.6	-12.8
Havells	1.0	-5.0	-24.2
KEI Industries	4.6	15.4	51.4
LG Electronics	2.6	4.3	
Polycab India	3.7	22.1	54.1
R R Kabel	4.1	48.7	55.8
Voltas	2.7	-5.0	3.6
<b>EMS</b>			
Amber Enterp.	-0.1	15.5	31.5
Avalon Tech	-1.8	21.5	51.6
Cyient DLM	-1.7	30.3	-11.0
Data Pattern	-4.4	20.0	58.0
Dixon Technolog.	-0.2	5.7	-31.1
Kaynes Tech	-20.1	-14.0	-47.2
Syrma SGS Tech.	-0.7	19.4	95.5
<b>Healthcare</b>	<b>2.7</b>	<b>11.1</b>	<b>14.3</b>
Ajanta Pharma	4.4	12.5	26.0



Company	1 Day (%)	1M (%)	12M (%)
Alembic Pharma	2.3	9.5	-13.4
Alkem Lab	2.1	4.0	8.8
Apollo Hospitals	1.4	8.0	17.4
Aurobindo	0.9	12.8	23.8
Biocon	0.3	21.4	23.9
Blue Jet Health	-1.6	8.9	-43.1
Cipla	8.2	18.6	-3.9
Divis Lab	1.8	14.0	11.4
Dr Agarwals Health	-0.7	2.7	15.3
Dr Reddy's	3.0	5.5	6.9
ERIS Lifescience	3.3	-1.2	-7.2
Fortis Health	1.4	14.2	40.3
Gland Pharma	2.9	10.1	29.9
Glenmark	2.8	6.7	62.2
Global Health	1.3	14.2	-2.5
Granules	1.0	16.3	49.2
GSK Pharma	0.2	0.1	-16.1
IPCA Labs	5.2	9.2	11.7
Laurus Labs	2.7	20.9	117.1
Laxmi Dental	-1.2	6.3	-49.4
Lupin	1.9	-2.5	9.0
Mankind Pharma	2.3	18.5	-3.6
Max Healthcare	2.3	10.3	-10.8
Piramal Pharma	-1.6	19.2	-20.3
Rubicon Research	1.2	17.1	
Sun Pharma	2.1	12.8	9.1
Torrent Pharma	2.5	5.3	35.7
Zydus Lifesci.	5.6	7.5	9.8
<b>Oil &amp; Gas</b>	<b>-0.1</b>	<b>3.7</b>	<b>1.3</b>
Aegis Logistics	0.2	5.8	-19.7
BPCL	-0.7	0.7	-5.6
Castrol India	0.1	1.8	-11.9
GAIL	-0.4	5.8	-12.5
Gujarat Gas	0.3	15.2	-24.0
Gujarat St. Pet.	0.0	13.2	-22.6
HPCL	-3.2	8.1	-4.8
IGL	-2.3	-4.0	-24.3
IOCL	-1.0	-0.6	-2.2
Mahanagar Gas	2.0	-0.3	-22.9
Oil India	2.1	8.5	23.6
ONGC	1.3	4.6	22.3
PLNG	0.1	2.7	-14.0
Reliance Ind.	0.2	3.6	-4.4
<b>Infrastructure</b>	<b>1.4</b>	<b>3.6</b>	<b>4.9</b>
G R Infraproject	0.6	12.2	-16.9
IRB Infra.Devl.	-0.2	-4.6	-17.3
KNR Construct.	-1.5	9.9	-42.4
<b>Logistics</b>			
Adani Ports	2.0	21.0	29.3
Blue Dart Exp.	-1.7	-0.8	-27.3
Container Corpn.	0.6	8.6	-4.9
Delhivery	1.1	1.1	45.2
JSW Infrast	-0.1	2.3	-10.1

Company	1 Day (%)	1M (%)	12M (%)
Mahindra Logis.	-1.6	-5.9	28.5
TCI Express	-0.4	-1.3	-27.6
Transport Corp.	1.7	-7.3	-20.6
VRL Logistics	-1.3	-8.3	-5.1
<b>Media</b>	<b>0.9</b>	<b>3.5</b>	<b>-14.0</b>
PVR Inox	-0.2	9.3	5.8
Sun TV	-1.8	-15.3	-16.0
Zee Ent.	2.5	13.4	-26.9
<b>Metals</b>	<b>2.0</b>	<b>10.0</b>	<b>49.8</b>
Hind. Zinc	0.3	19.0	52.5
Hindalco	2.8	12.8	69.6
Jindal Stainless	3.2	-2.2	14.6
JSPL	0.8	2.8	32.8
JSW Steel	1.7	7.7	31.1
Midwest	-0.3	1.2	
Nalco	2.0	-0.4	140.5
NMDC	2.3	8.6	33.1
SAIL	-1.1	18.6	62.3
Tata Steel	0.7	7.1	42.4
Vedanta	4.8	20.3	104.6
<b>Real Estate</b>	<b>0.8</b>	<b>1.7</b>	<b>-12.6</b>
A B Real Estate	0.2	-4.2	-35.5
Anant Raj	-0.7	1.9	7.6
Brigade Enterpr.	0.8	-6.0	-35.8
DLF	1.6	2.6	-15.3
Godrej Propert.	0.2	1.6	-18.2
Kolte Patil Dev.	0.7	9.5	0.9
Macrotech Devel.	-0.1	6.4	-33.7
Mahindra Life.	-0.5	-4.1	8.5
Oberoi Realty Ltd	1.2	-2.8	1.5
Phoenix Mills	0.9	0.3	13.9
Prestige Estates	0.5	5.0	-1.8
SignatureGlobal	-3.4	8.4	-26.1
Sobha	1.3	8.2	6.3
Sri Lotus	-1.3	0.5	
Sunteck Realty	1.5	-0.3	-22.7
<b>Retail</b>			
A B Lifestyle	1.4	-0.1	
Aditya Bir. Fas.	-0.2	2.5	-37.1
Arvind Fashions	-0.7	-11.0	-4.6
Avenue Super.	0.2	-2.4	7.2
Bata India	0.6	-3.8	-41.7
Campus Activewe.	0.0	1.0	-5.6
Devyani Intl.	-0.4	10.9	-32.2
Go Fashion (I)	-1.6	-5.7	-69.4
Jubilant Food	2.7	5.1	-33.6
Kalyan Jewellers	1.6	-18.3	-34.5
Lenskart Solut.	-0.5	-13.6	
Metro Brands	0.4	2.9	-8.1
P N Gadgil Jewe.	0.9	-0.9	12.6
Raymond Lifestyl	-1.0	0.3	-18.7
Relaxo Footwear	1.5	-1.3	-32.0
Restaurant Brand	0.5	7.1	-17.8



Company	1 Day (%)	1M (%)	12M (%)
Sapphire Foods	-1.5	0.0	-43.3
Senco Gold	3.1	3.8	-6.6
Shoppers St.	-2.5	9.8	-37.3
Titan Co.	1.1	-6.9	15.3
Trent	1.2	6.6	-22.9
United Foodbrands	3.7	23.9	6.2
Vedant Fashions	0.0	5.8	-39.6
Vishal Mega Mart	-1.4	2.8	-8.9
V-Mart Retail	0.1	6.2	-25.3
Westlife Food	-3.9	2.1	-32.9
<b>Technology</b>	<b>-2.0</b>	<b>-10.8</b>	<b>-27.7</b>
Coforge	-1.7	3.5	-24.7
Cyient	-1.7	-2.7	-32.3
HCL Tech.	-1.7	-21.4	-31.4
Hexaware Tech.	-1.0	2.0	-36.4
Infosys	-2.5	-14.2	-31.2
KPIT Technologi.	-0.2	-0.1	-47.5
L&T Technology	-0.9	3.3	-21.3
LTM	-4.1	-12.2	-22.1
Mphasis	-1.4	-8.7	-17.8
Persistent Sys	-4.5	-13.9	-19.6
Tata Elxsi	-0.2	-8.7	-34.0
Tata Technolog.	-0.5	11.2	-11.8
TCS	-1.2	-9.2	-36.7
Tech Mah	-2.3	-6.4	-16.2
Wipro	0.3	-7.2	-25.6
Zensar Tech	-1.6	-11.8	-38.1
<b>Telecom</b>	<b>2.9</b>	<b>12.8</b>	<b>15.8</b>
Bharti Airtel	5.3	0.7	2.7
Bharti Hexacom	1.4	-0.3	-11.1
Idea Cellular	1.1	40.2	85.8
Indus Towers	2.2	-3.7	6.7
Tata Comm	6.2	9.5	3.3
<b>Utilities</b>	<b>1.4</b>	<b>9.0</b>	<b>20.4</b>
ACME Solar Hold.	0.2	-0.4	19.0
Coal India	-1.8	4.4	12.6
Indian Energy Ex	0.7	-0.5	-34.9
Inox Wind	0.3	11.5	-43.2
JSW Energy	0.7	0.6	8.0
NTPC	1.5	2.6	17.1
Power Grid Corpn	0.1	0.5	2.0
Premier Energies	1.0	0.3	-4.2
Suzlon Energy	0.7	16.6	-10.8
Tata Power Co.	0.8	-0.4	2.7
Waaree Energies	-0.5	-8.0	9.3
<b>Others</b>			
APL Apollo Tubes	-0.1	-4.5	8.3
Astral	1.1	-3.9	17.7
Cello World	-0.2	-4.8	-31.6
Century Plyboard	-0.1	5.6	4.8
Cera Sanitary.	-2.1	9.0	-12.3
Coromandel Intl	0.0	-11.1	-22.6
EPL Ltd	-0.6	-3.1	0.5

Company	1 Day (%)	1M (%)	12M (%)
Eternal Ltd	3.4	4.1	3.8
FSN E-Commerce	2.7	6.2	38.3
Fujiyama Power	5.0	20.9	
Godrej Agrovet	0.2	-3.9	-22.3
Gravita India	-1.6	8.7	-11.1
Indegene	-1.1	6.7	-10.0
Indiamart Inter.	0.1	-6.4	-13.7
Indian Hotels	2.0	2.4	-15.6
Info Edge	1.1	-5.7	-35.5
Interglobe	0.6	-3.3	-21.5
Inventurus Knowl	-0.1	10.5	1.6
Jain Resource	-0.5	34.1	
Kajaria Ceramics	-0.7	-5.2	22.9
Lemon Tree Hotel	0.1	0.2	-19.3
MTAR Tech	12.2	72.6	398.6
One 97	2.0	3.4	34.5
Prince Pipes	-1.1	1.3	-12.5
Quess Corp	-0.4	8.6	-43.8
Safari Inds.	-2.3	-4.9	-34.3
Sagility	-0.4	2.3	-8.8
SBI Cards	-0.4	-5.9	-29.9
SIS	3.1	26.5	15.7
Supreme Inds.	-0.3	-7.6	-1.7
Swiggy	1.5	-2.8	-16.5
TBO Tek	-0.4	-0.3	-1.9
Team Lease Serv.	0.9	15.5	-31.7
Time Technoplast	3.4	-2.8	3.3
Updater Services	-0.5	14.6	-44.2
UPL	1.3	-0.8	0.2
Urban Company	-1.8	-8.4	
V I P Inds.	-0.3	-7.4	-13.5
Va Tech Wabag	0.9	2.6	0.3
Ventive Hospitality	0.1	11.2	-12.7

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SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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