

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	75,315	0.1	-11.6
Nifty-50	23,650	0.0	-9.5
Nifty-M 100	60,474	-0.2	0.0
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,403	-0.1	8.1
Nasdaq	26,091	-0.5	12.3
FTSE 100	10,324	1.3	4.0
DAX	24,308	1.5	-0.7
Hang Seng	8,598	-1.1	-3.5
Nikkei 225	60,816	-1.0	20.8
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	115	2.7	84.4
Gold (\$/OZ)	4,567	0.6	5.7
Cu (US\$/MT)	13,532	0.2	8.7
Almn (US\$/MT)	3,628	0.0	22.2
Currency	Close	Chg .%	CYTD.%
USD/INR	96.4	0.4	7.2
USD/EUR	1.2	0.3	-0.8
USD/JPY	158.8	0.1	1.3
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.1	0.07	0.5
10 Yrs AAA Corp	7.5	0.00	0.2
Flows (USD b)	18-May	MTD	CYTD
FII	0.29	-1.47	-22.8
DII	0.28	4.75	37.2
Volumes (INRb)	18-May	MTD*	YTD*
Cash	1,322	1512	1347
F&O	2,65,770	2,53,886	2,73,536

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Zyduz Wellness: Soft seasonal demand; new initiatives doing well

- ❖ Zyduz Wellness (Zyduz)'s consol. sales grew 63% YoY to INR14.8b in 4QFY26. Domestic business revenue grew 2% YoY in 4QFY26 (est. 8%; 2% in FY26), impacted by delayed summer and unseasonal rainfall in North and East India. Glucon-D and Nycil revenues declined 10% YoY in 4QFY26 (-19% in FY26). Management expects an improvement in seasonal product demand from May onwards; a harsh summer can lead to high double-digit growth.
- ❖ The non-seasonal portfolio remained healthy, with Everyuth revenue rising 40% YoY (22% in FY26) and the Food & Nutrition revenue rising 9% YoY (15% in FY26). Within the Food & Nutrition segment, Nutralite continued to report double-digit growth, Complian recorded near double-digit growth, while Sugar Free delivered low- to mid-single-digit revenue growth. RiteBite Max Protein continued to deliver healthy volume and value growth. International business revenue (including Comfort Click) rose 31% YoY in 4Q.
- ❖ Based on SoTP, we value India at 27x FY28E EV/EBITDA and International (Comfort Click) at 18x FY28E EV/EBITDA to arrive at our TP of INR600 (implied consolidated 23x EV/EBITDA and 30x P/E at FY28). **Reiterate BUY.**



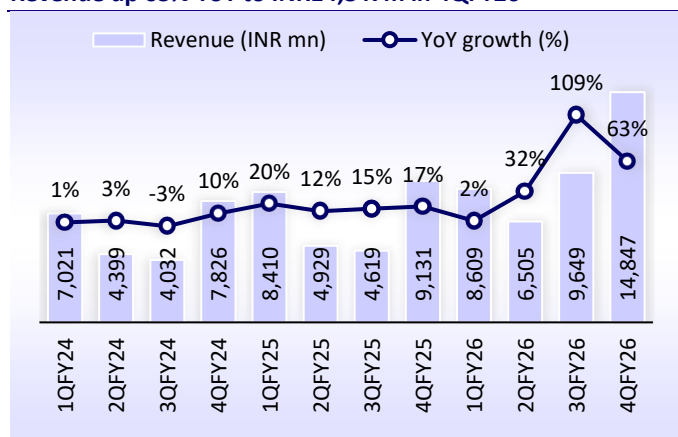
Research covered

Cos/Sector	Key Highlights
Zyduz Wellness	Soft seasonal demand; new initiatives doing well
Power Grid Corporation of India	FY27/28 guidance maintained
Other Updates	Vodafone Idea Amber Enterprises Deepak Nitrite Granules India Jain resources Zyduz Wellness Canara HSBC Life Insurance KEC International Fusion Finance Expert Speak - Consumer IOCL GE Vernova T&D India Astral IGL Triveni Turbine VRL Logistics



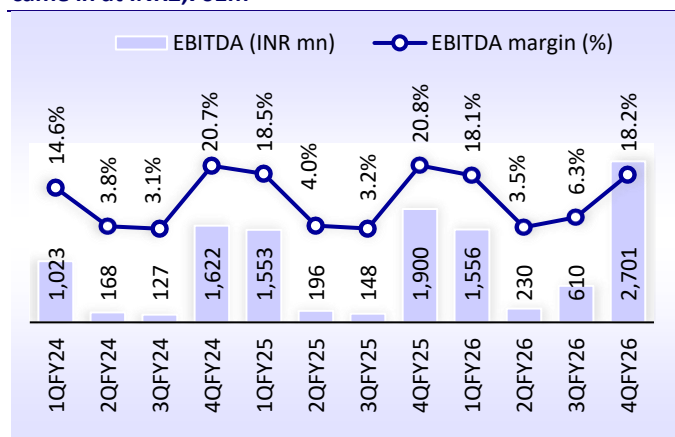
Chart of the Day: Zyduz Wellness (Soft seasonal demand; new initiatives doing well)

Revenue up 63% YoY to INR14,847m in 4QFY26



Source: Company, MOFSL

EBITDA margin contracted 260bp to 18.2% YoY, while EBITDA came in at INR2,701m



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, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

Vi pins hope on cashflow growth, loans, tax refunds to meet Rs 1 lakh cr cash requirement

Vodafone Idea plans to raise over Rs 1 lakh crore in the next three years. This will fund network upgrades and debt payments. The company expects to triple its cash flow. New loans, tax refunds, and promoter investments will also contribute.

2

Royal Enfield plans to set up manufacturing facility in Andhra

Royal Enfield is investing Rs 2,500 crore to build a new manufacturing plant in Andhra Pradesh. This expansion will boost production capacity. The company already has significant operations in Tamil Nadu.

3

Adani Enterprises resolves US Treasury sanctions case with \$275 mln settlement after 'proactive' disclosure, cooperation

Adani Enterprises has agreed to a \$275 million settlement with the US Treasury. This resolves potential civil liability for 32 apparent violations of US sanctions on Iran. The company bought liquefied petroleum gas from a Dubai trader.

4

Adequate availability of petrol & diesel across the state of Assam: IOCL

Fuel supplies in Assam are stable. IndianOil, BPCL, and HPCL confirm adequate stocks of Petrol, Diesel, and LPG. The entire supply chain operates efficiently. Domestic LPG consumers are prioritized. The Oil Industry coordinates logistics and stock movement.

5

Handloom, handicraft sector key employer but faces challenges

India's vital handloom and handicraft sector, employing millions, grapples with low wages and limited market reach. A recent study highlights that worker earnings fall below minimum wage standards. Many units lack e-commerce presence and export connections.

6

Rising input costs, export slump take a toll on drug companies' health




India's drug makers are facing a double blow. A weaker rupee makes imported raw materials more expensive. Global economic worries are also slowing down demand for Indian medicines abroad. This is squeezing profits for manufacturers.

7

Credit card profit pool shrinks as revolvers evolve

The decline in the level of profitability has impacted revolvers. ICICI Bank group CFO Anindya Banerjee said, adding that the business remained profitable and retained multiple levers-including cost management and rewards optimisation-to sustain returns.

Zydu Wellness

Estimate change 
 TP change 
 Rating change 

CMP: INR496 **TP: INR600 (+21%)** **Buy**

Soft seasonal demand; new initiatives doing well

Bloomberg	ZYWL IN
Equity Shares (m)	318
M.Cap.(INRb)/(USDb)	157.7 / 1.6
52-Week Range (INR)	552 / 358
1, 6, 12 Rel. Per (%)	2/18/41
12M Avg Val (INR M)	491

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	39.6	55.2	63.2
Sales Gr. (%)	46	39	14
EBITDA	5.1	8.0	9.5
Margins (%)	12.9	14.4	15.1
Adj. PAT	3.6	5.1	6.3
Adj. EPS (INR)	11.2	16.1	19.8
EPS Gr. (%)	2	44	23
BV/Sh. (INR)	183.2	192.7	205.7

Ratios

RoE (%)	6.2	8.6	9.9
RoCE (%)	5.6	6.4	7.4
Payout (%)	15.2	13.7	12.4

Valuation

P/E (x)	44.3	30.8	25.1
P/BV (x)	2.7	2.6	2.4
EV/EBITDA (x)	36.9	23.3	18.9

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	69.6	69.6	69.6
DII	18.9	18.6	19.8
FII	3.2	3.3	3.3
Others	8.3	8.5	7.3

FII includes depository receipts

- Zydu Wellness (Zydu)'s consol. sales grew 63% YoY to INR14.8b in 4QFY26. Domestic business revenue grew 2% YoY in 4QFY26 (est. 8%; 2% in FY26), impacted by delayed summer and unseasonal rainfall in North and East India. Glucon-D and Nycil revenues declined 10% YoY in 4QFY26 (-19% in FY26). Management expects an improvement in seasonal product demand from May onwards; a harsh summer can lead to high double-digit growth.
- The non-seasonal portfolio remained healthy, with Everyuth revenue rising 40% YoY (22% in FY26) and the Food & Nutrition revenue rising 9% YoY (15% in FY26). Within the Food & Nutrition segment, Nutralite continued to report double-digit growth, Complian recorded near double-digit growth, while Sugar Free delivered low- to mid-single-digit revenue growth. RiteBite Max Protein continued to deliver healthy volume and value growth. International business revenue (including Comfort Click) rose 31% YoY in 4Q.
- EBITDA margin dipped 260bp YoY to 18.2% (est. 19.3%) due to weak seasonal portfolio performance (high-GM business). RiteBite's EBITDA margin improved to double digits (from breakeven at acquisition). CC margins remain in line with company expectations. We model the domestic EBITDA margin of 14.5% for FY27 and 15.5% for FY28. International business's EBITDA margin is likely to remain at 14-15%; we model a similar margin.
- The stock is at 23x FY27 and 18x FY28 EV/EBITDA. We model ~11% domestic revenue CAGR and ~20% EBITDA CAGR over FY26-28E. On a consolidated basis, we model ~26% revenue CAGR and 37% EBITDA CAGR. Zydu's recent initiatives around RiteBite and CC are trending at an exciting pace, both in revenue and operating margin.
- Based on SoTP, we value India at 27x FY28E EV/EBITDA and International (Comfort Click) at 18x FY28E EV/EBITDA to arrive at our TP of INR600 (implied consolidated 23x EV/EBITDA and 30x P/E at FY28). **Reiterate BUY.**

Operationally in line; domestic revenue below est. due to soft seasonal demand

- Domestic revenue up 2%, weak seasonal demand:** Consol. sales grew 63% YoY to INR14.8b (est. INR14.3b). Domestic business revenue rose 2% in 4Q (est. 8%), hit by weak traction for seasonal products. Glucon D and Nycil's revenue dipped 10%. The rest of the domestic portfolio sustained strong growth, with Everyuth's revenue rising 40% and Food & Nutrition revenue rising 9% in 4Q. International business revenue grew 31% YoY in 4Q.
- The seasonal portfolio hits margin; the rest of the portfolio saw margin expansion:** Gross margin improved from 54.9% to 65.0% (est. 65.4%). This sharp GP expansion was due to the newly acquired brands. EBITDA margin contracted 260bp YoY to 18.2% (est. 19.3%).
- High acquisition costs hurt profitability:** Employee expenses grew 43% YoY, and other expenses mounted 168% YoY, largely because of the acquisition. EBITDA grew 42% YoY to INR2.7b in 4QFY26 (est. INR2.8b). Adj. PAT (ex-amortization impact) increased 21% YoY to INR2.1b (est. INR2.2b).

- In FY26, consol. sales, EBITDA, and APAT grew 46%, 34%, and 2%, respectively. Domestic revenue was up 2% YoY, and international business was up 30% YoY (including LFL for CC) in FY26.

Highlights from the management commentary

- The company stated that geopolitical disruptions had a limited impact on operations due to proactive mitigation measures.
- Seasonal brands such as Glucon-D were impacted by delayed summer conditions and unseasonal rains, particularly in North and East India. Management highlighted that last year had an early summer, whereas this year witnessed a delayed summer onset.
- The consolidated tax rate for FY27 and FY28 is expected to remain around 25%.
- Management reiterated the long-term EBITDA margin aspiration of 17–18% under normal seasonal conditions.
- The company expects Comfort Click to become EPS accretive in FY27.

Valuation and view

- We broadly maintain our EBITDA estimates for FY27 and FY28.
- The valuation multiple is currently low given its low earnings delivery in the past decade (10-year CAGR of 7-8%). With stability in the core business (took the initial period to stabilize a sizable acquisition) and exciting new growth engines, we expect Zydus to deliver superior earnings growth vs. the past.
- The stock is at 23x FY27 and 18x FY28 EV/EBITDA. We model ~11% domestic revenue CAGR and ~20% EBITDA CAGR over FY26-28E. On a consolidated basis, we model ~26% revenue CAGR and 37% EBITDA CAGR. Zydus' recent initiatives around RiteBite and CC are trending at an exciting pace, both in terms of revenue and operating margin.
- Based on SoTP, we value the India business at 27x FY28E EV/EBITDA and the International one (Comfort Click) at 18x FY28E EV/EBITDA to arrive at our TP of INR600 (implied consol. 23x EV/EBITDA and 30x P/E at FY28). **Reiterate BUY.**

Quarterly Performance (Consolidated)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
Total revenues	8,410	4,929	4,619	9,131	8,609	6,505	9,649	14,847	27,089	39,610	14,314	3.7%
YoY change (%)	19.8	12.0	14.6	16.7	2.4	32.0	108.9	62.6	16.4	46.2	56.8	
Gross Profit	4,677	2,354	2,263	5,014	4,731	3,442	6,118	9,650	14,308	23,941	9,355	3.2%
Margin (%)	55.6	47.8	49.0	54.9	55.0	52.9	63.4	65.0	52.8	60.4	65.4	
EBITDA	1,553	196	148	1,900	1,556	230	610	2,701	3,798	5,097	2,757	-2.0%
Margins (%)	18.5	4.0	3.2	20.8	18.1	3.5	6.3	18.2	14.0	12.9	19.3	
EBITDA growth (%)	51.8	16.7	16.5	17.1	0.2	17.3	312.2	42.2	23.2	34.2	45.1	
Depreciation	51	49	52	132	108	24	75	86	284	293	126	
Amortisation								467		1,174	458	
Interest	36	9	33	42	25	157	412	387	120	981	410	
Other income	50	40	38	8	30	14	8	12	136	64	3	
PBT	1,516	178	101	1,734	1,453	-164	-349	1,773	3,530	2,713	1,766	0.4%
Tax	39	28	37	15	174	22	-16	153	119	333	56	
Rate (%)	2.6	15.7	36.6	0.9	12.0	-13.4	4.6	8.6	3.4	12.3	3.1	
Adj. PAT	1,477	150	64	1,783	1,279	41	147	2,087	3,474	3,554	2,234	-6.6%
YoY change (%)	18.5	154.2	2,033.3	18.6	-13.4	-72.7	129.7	17.0	23.4	2.3	30.0	
Extraordinary inc/(Exp)	0	-59	0	64	0	569	546	467	-57	1,582	458	
Reported PAT	1,477	209	64	1,655	1,279	-528	-399	1,620	3,470	1,972	1,776	-8.8%

E: MOFSL Estimate

Power Grid Corporation of India

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR297 **TP: INR305 (+3%)** **Neutral**

FY27/28 guidance maintained

Bloomberg	PWGR IN
Equity Shares (m)	9301
M.Cap.(INRb)/(USDb)	2758.1 / 28.6
52-Week Range (INR)	325 / 250
1, 6, 12 Rel. Per (%)	-4/17/4
12M Avg Val (INR M)	3837

Financials & Valuations (INRb)

Y/E March	FY26	FY27E	FY28E
Sales	439.6	537.8	571.6
EBITDA	352.0	439.3	461.1
Adj. PAT	159.3	172.8	181.3
Adj. EPS (INR)	17.1	18.6	19.5
EPS Gr. (%)	2.6	8.5	4.9
BV/Sh.(INR)	108.1	116.6	126.2

Ratios

Net D:E	1.5	1.5	1.5
RoE (%)	16.5	16.5	16.1
RoCE (%)	10.0	9.3	8.8
Payout (%)	52.6	53.8	51.3

Valuations

P/E (x)	17.3	16.0	15.2
P/BV (x)	2.7	2.5	2.3
EV/EBITDA (x)	11.8	9.6	9.5
Div. Yield (%)	3.0	3.4	3.4
FCF Yield (%)	1.3	4.8	0.8

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	51.3	51.3	51.3
DII	20.1	20.3	18.4
FII	25.0	24.7	26.8
Others	3.5	3.7	3.5

FII Includes depository receipts

- **Weak 4QFY26:** Power Grid Corporation (PWGR) reported a standalone revenue of INR99.7b, 19% below our estimate. Reported PAT was in line with our estimate at INR45.5b (boosted by a deferred tax asset of INR52.8b, while there was a negative movement in the regulatory deferral balance amounting to INR38b). APAT was significantly below our estimate at INR32.7b. Standalone FY26 Revenue/EBITDA stood at INR409/330b (-1.2/6.3% YoY), while Consol. Revenue/EBITDA stood at INR439/352b (-5/11% YoY).
- **Key things we liked about the result:** 1) FY26 capex/capitalization stood at INR399/282b, surpassing guidance of INR350b/250b, 2) Management reiterated FY27/28 capex guidance of INR370/450b and capitalization of INR300/350b, while indicating potential upward revisions ahead, 3) 22 HVDC projects are at various stages of bidding and planning (HVDC capacity of ~127GW), and 4) the company highlighted a long-term opportunity pipeline of ~INR15t across renewable energy evacuation, the Brahmaputra hydro corridor, and OSOWOG interconnections (India–Sri Lanka, India–Singapore, etc.).
- **Key monitorables:** 1) PWGR won 9 out of 28 TBCB projects awarded during the year, implying a market share of 32%, below its historical share of 50-60%, 2) EBITDA declined YoY in FY26 as several regulated tariff mechanism (RTM) projects crossed the 12-year mark, 3) Bid wins in the annual expected bid pipeline of INR800-1,000b; incremental transmission demand arising from emerging load centers such as data centers and green hydrogen projects.
- **Valuation and view:** We reiterate our Neutral rating and derive our TP of INR305 based on Dec'27 BVPS and a P/B multiple of 2.5x.

Miss on EBITDA and PAT estimate

Standalone (SA) Performance:

- PWGR reported SA revenue of INR99.7b (-9% YoY & QoQ), missing our estimate by 19%.
- SA EBITDA came at INR75b (down 19% YoY/20% QoQ), 31% below our estimate, mainly due to revenue coming in below our estimate and elevated other expenses.
- SA's reported PAT came in line with our estimate at INR45.5b (+5% YoY, +9% QoQ), boosted by a deferred tax asset of INR52.8b.
- Deferred tax balances have been re-measured at the new applicable tax rates, following the company's expected transition to the new tax regime under the Income Tax Act, 2025.
- There was a net negative movement in the regulatory deferral balance amounting to INR38b.
- APAT stood at INR32.7b, significantly below our estimate.

Consolidated Performance:

- PWGR's consolidated revenue for 4QFY26 came in at INR116.7b (-5% YoY), while reported PAT grew ~10% YoY to INR45.5b.

Other Matters:

- The Board of Directors approved the payment of final dividend of INR1.25/share, translating into a full-year dividend of INR9/share.

Highlights of the 4QFY26 performance

- FY26 capex stood at INR399b and capitalization at INR282b, both exceeding guidance.
- Management guided FY27 capex/capitalization at INR370/300b, with FY28 targets of INR450b/INR350b.
- 4,765 circuit kilometers, 72 GVA of transformation capacity, and 9 substations were added in FY26. System availability was 99.84%, with full incentive earned, and the annual tripping rate improved to 0.26 from 0.27 in FY25.
- Billing of INR402b was accompanied by a 101.2% realization rate.
- EBITDA declined YoY in FY26 as several RTM projects crossed the 12-year mark.
- The company's works-in-hand stood at INR1.7t (81% TBCB). It secured 9 out of the 28 TBCB projects awarded, including one intrastate project.
- The first BESS purchase agreement was signed for the Kalikiri project (150MW/300MWh), with an annual tariff of INR0.29b.
- RoW acquisition, supply chain constraints (transformers, skilled labor), and project execution timelines remain the key operational risks to monitor.

Valuation and view

We derive our TP of INR305 for PWGR based on Dec'27 BVPS and a P/B multiple of 2.5x.

Standalone Quarterly Performance

Y/E March	(INRb)													
	FY25				FY26				FY25	FY26	FY26	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%	%	%
Sales	100.7	102.6	101.2	109.8	99.3	100.0	110.1	99.7	414.3	409.0	122.7	-19%	-9%	-9%
YoY Change (%)	-1.7	5.3	-5.2	-0.6	-1.4	-2.5	8.7	-9.2	-0.9	-1.3	11.7			
EBITDA	87.4	87.9	85.2	92.2	81.2	80.1	94.2	75.0	352.8	330.5	108.5	-31%	-19%	-20%
YoY Change (%)	-2.9	3.0	-9.3	0.9	-7.2	-8.8	10.5	-18.7	-2.5	-6.3	17.7			
As of % Sales	86.8	85.6	84.2	84.0	81.8	80.1	85.6	75.2	85.1	80.8	88.5			
Depreciation	30.7	31.6	30.7	30.4	29.7	30.6	32.1	31.0	123.5	123.3	31.6	-2%	2%	-3%
Interest	21.6	26.0	21.3	25.9	23.0	25.6	25.7	26.1	94.8	100.5	25.6	2%	1%	2%
Other Income	7.8	11.2	14.9	15.0	13.3	13.5	14.3	19.8	48.9	60.9	12.6	58%	32%	39%
Regulatory/Extraordinary items	-0.6	2.5	0.4	0.5	2.1	5.2	2.6	14.7	2.8	24.6	0.0			
PBT	42.3	43.9	48.5	51.4	43.9	42.6	53.3	52.4	186.2	192.2	63.8	-18%	2%	-2%
Tax	8.2	6.8	9.6	8.1	7.3	7.1	11.7	6.9	32.7	33.0	18.4	-63%	-15%	-41%
Effective Tax Rate (%)	19.4	15.5	19.8	15.7	16.7	16.6	21.9	13.1	17.5	17.2	28.9			
Reported PAT	34.1	37.1	38.9	43.4	36.5	35.5	41.6	45.5	153.5	159.2	45.4	0%	5%	9%
YoY Change (%)	-3.7	-3.2	-1.9	5.0	7.1	-4.2	6.8	5.0	-0.8	3.7	4.7			
Adjusted PAT	34.6	35.0	38.6	42.9	34.7	31.2	39.6	32.8	151.2	138.3	45.4	-28%	-24%	-17%
YoY Change (%)	-8.7	4.8	-0.4	0.5	0.4	-10.9	2.5	-23.6	-1.1	-8.5	5.7			

Our valuation for PWGR

BVPS- Dec'27	INR	124
P/B multiple	(x)	2.5
Target Price	INR	305
CMP	INR	297
Upside / (Downside)	%	3%

Vodafone Idea

Estimate changes

TP change

Rating change


CMP: INR13
TP: INR10 (-22%)
Neutral

Bloomberg	IDEA IN
Equity Shares (m)	108343
M.Cap.(INRb)/(USDb)	1393.3 / 14.5
52-Week Range (INR)	13 / 6
1, 6, 12 Rel. Per (%)	37/28/80
12M Avg Val (INR M)	7459

Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
Net Sales	449	477	515
EBITDA	190	203	226
Adj. PAT	-241	-220	-196
EBITDA Margin (%)	42.3	42.6	43.8
Adj. EPS (INR)	-2.2	-2.0	-1.8
BV/Sh. (INR)	-11.1	-18.0	-24.1

Ratios

Net D:E	-5.1	-3.5	-2.8
RoE (%)	NM	NM	NM
RoCE (%)	NM	NM	1.5

Valuations

EV/EBITDA (x)	12.9	13.0	12.4
P/E (x)	NM	NM	NM
P/B (x)	NM	NM	NM

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	25.6	25.6	38.8
DII	55.2	54.6	27.5
FII	5.6	6.0	10.1
Others	13.6	13.8	23.6

FII includes depository receipts

Everything must go right for the long-term revival

- Vodafone Idea's (Vi) 4QFY26 pre-IND AS EBITDA rose ~3% QoQ (+5% YoY) to INR24.3b (vs. our est. INR23.7b), driven by subscriber mix improvement (customer ARPU up ~2% QoQ to INR190), stabilization of the subscriber base (incl. M2M subs), and robust cost control (+65bp QoQ, 60bp beat).
- Wireless revenue grew ~3% YoY in FY26, driven by ~8% YoY growth in wireless ARPU to INR170, as paying subs base declined ~5.4m YoY (8.7m YoY decline in consumer SIMs excl. M2M).
- FY26 pre-IND AS EBITDA remained broadly stable YoY at INR92.2b, as margins contracted ~55bp YoY to 20.5%, due to network rollouts.
- Management reiterated its guidance of increasing pre-IND AS EBITDA by 3x to ~INR270b by FY29, driven by its capex plans of ~INR450b over FY26-29.
- Further, management believes the company's internal cash generation (INR600b cumulatively over FY26-29), bank funding (INR250b funded and INR100b letter of credits or LCs), settlement agreement with Vodafone Plc, potential income tax refunds, and promoter infusion from Aditya Birla Group (ABG; ~INR100b put together) should be sufficient to meet the ~INR1.05t cash requirement over FY26-29 toward capex (INR450b), Gol payments (~INR500b), and servicing interest on bank loans (~INR100b).
- Compared to management's aggressive estimate of ~INR600b cumulative cash EBITDA over FY26-29 (vs. INR92b annual run rate), we build in lower ~INR345b cumulative cash EBITDA over the same period, which necessitates the need for an expedited and larger fund raise to support the company's capex plans.
- Further, we believe Vi's revival hinges on: 1) sustained tariff hikes or a change in tariff construct, 2) stabilization in consumer wireless subs trends, 3) more rational competition on subscriber acquisition, and 4) continuation of a benign regulatory regime, with further relief on spectrum payments.
- We note that not all of these variables are within management's control. Moreover, if Vi begins to emerge as a competitive third player, we would expect peers with superior FCF generation, network, and product offerings to respond with heightened competitive intensity.
- Our FY27 estimates remain largely unchanged, while we raise FY28E revenue /pre-IND AS EBITDA by 3-6%, driven by ~2.5% higher ARPU (subscriber mix improvements) and stabilization of the overall subs base.
- We reiterate our Neutral rating on Vi with a revised TP of INR10, based on DCF implied ~14.5x FY28E EV/EBITDA, implying ~24x+ FY28 pre-IND AS EBITDA, which is at a significant premium to Vi's larger peers.

4Q operationally in line; debt lower due to one-time AGR dues reset

- Reported subscriber base (incl. M2M) was stable QoQ at 192.8m; however, consumer SIMs/data subs (excl. M2M base) declined ~0.9-1.1m QoQ.
- Despite two fewer days QoQ, wireless ARPU rose 1% QoQ at INR174 (+6% YoY vs. flat to -1% QoQ for Rjio and Bharti), with customer ARPU rising ~2.1% QoQ to INR190, driven by subscriber mix improvements.

- Monthly churn moderated QoQ to 3.9% (vs. 4.4% QoQ, still higher vs. 2.4%/1.7% for Bharti/RJio), likely due to seasonality, and remains a key monitorable.
- Wireless revenue was flat QoQ at INR100.7b (+3% YoY, in line, vs. 0.6%-1.9% QoQ for peers) as subscriber mix improvements offset two fewer days QoQ.
- Pre-Ind-AS 116 EBITDA at INR24.6b rose ~3% QoQ (+5% YoY), as EBITDA margin expanded ~65bp QoQ to 21.5% (+40bp YoY, ~60bp above our estimate).
- Reported EBITDA at INR48.9b (+1.5% QoQ, +5% YoY, vs. ~0.9%/2.1% QoQ for Bharti/RJio) was broadly in line with our estimate.
- Adjusted losses stood at INR55.2b (vs. INR63.6b QoQ) but were higher than our estimate of INR49b loss, primarily due to lower reduction in interest cost to INR48.9b (vs. INR56.4b QoQ, ~16% higher than our est. INR42.2b).
- Vi reported a net exceptional gain of ~INR575b (pertaining to the accounting treatment of the one-time reset of AGR dues on an NPV basis).
- Net debt (excluding leases but including interest accrued) declined ~INR500b QoQ to INR1.53t, primarily due to the accounting treatment of the AGR reset. Vi still owes ~INR1.27t/INR249b to GoI for the deferred spectrum and AGR dues on an NPV basis. External/banking debt stood at ~INR41.3b (vs. INR44b QoQ).
- 4Q capex rose ~2% QoQ to INR22.9b, leading to an INR87.5b capex for FY26 (lower vs. INR95.6b YoY).
- FY26 pre-IND AS EBITDA was broadly stable YoY at INR92.2b, as margin contracted ~55bp YoY to 20.5%, due to network rollouts. Management is aiming to expand pre-IND AS EBITDA margins to 35%+ by FY29 (our estimate is ~23%).

Key highlights from the management meet

- **Leadership change and promoter infusion:** Mr. Kumar Mangalam Birla has taken over as the Non-Executive Chairman, reaffirming ABG's commitment to Vi. In addition, ABG has also committed to infuse INR47.3b (~USD500m) in the form of convertible warrants (at INR11/warrant).
- **Debt raise:** The company remains engaged with the SBI-led consortium of lenders for raising INR250b in funded limits and INR100b of rolling LCs.
- **ARPU growth drivers:** Stabilization of subscriber trends, rising penetration of unlimited data users (driven by non-stop hero unlimited data proposition), and steady postpaid additions are among the key drivers for 8% YoY growth in Vi's customer ARPU in FY26. Management noted that non-data subs still account for ~33% of Vi's subscriber base, which provides further headroom for mix improvement-led ARPU growth over the medium term, while a change in the tariff construct remains imperative for the long-term ARPU growth story.
- **Guidance:** Management expects to generate INR600b cumulative cash EBITDA over FY26-29 (with exit EBITDA at ~INR270b and ~35%+ margins). This, along with a debt raise (INR250b funded and INR100b LC), promoter infusion, and IT refunds (INR100b put together), should be sufficient to meet the company's: 1) INR450b capex requirements, 2) ~INR500b GoI repayments, and 3) INR100b interest payments over FY26-29. Stabilization of the subscriber base, continued premiumization of the mix, and network rollout remain the key drivers for improved operational and financial metrics.
- **Subscriber trends:** Management indicated that subscriber additions have turned positive in Feb'26 and remained in the positive territory in Mar'26. The key levers for improving subscriber trends are: 1) a reduction in churn by ~50-60bp, 2) increased population coverage (~125m in the last six quarters and potentially another 120m over the next 12-18 months), 3) improvement in the company's market share in the Mobile Number Portability market from ~20% currently, and

4) an improvement in the quality of customer acquisition following network rollouts.

Valuation and view

- Management's ambitions of double-digit revenue growth and increasing cash EBITDA 3x over FY26-29 remain a tall ask and would require several things such as 1) closure of the debt raise, 2) sustained tariff hikes or a change in tariff construct, 3) stabilization in subscriber trends, 4) more rational competition in subscriber acquisition, and 5) continuation of a benign regulatory regime, including likely relief on spectrum repayments.
- We note that not all of these variables are in management's control. Moreover, if Vi were to emerge as a competitive third player, we would expect peers with superior FCF, network, and product offerings to raise competitive intensity.
- Our FY27 estimates remain largely unchanged, while we raise FY28E revenue/pre-IND AS EBITDA by 3-6%, driven by ~2.5% higher ARPU (subscriber mix improvements) and stabilization of the overall subs base.
- We **reiterate our Neutral rating on Vi with a revised TP of INR10** (earlier INR9.5), based on DCF-implied ~14.5x FY28E EV/EBITDA, implying ~24x+ FY28 pre-IND AS EBITDA, which is at a significant premium to Vi's larger peers (~10.5x implied FY28 pre-IND AS EBITDA for Bharti's India operations at CMP).

Consolidated - Quarterly earnings summary

(INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26E 4QE	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	105	109	111	110	110	112	113	113	436	449	114	-0.2
YoY Change (%)	-1.4	2.0	4.2	3.8	4.9	2.4	1.9	2.9	2.2	3.0		
Total Expenditure	63	64	64	64	64	65	65	64	254	259	65	-0.9
EBITDA	42	45	47	47	46	47	48	49	181	190	49	0.7
YoY Change (%)	1.1	6.2	8.3	7.5	9.7	3.0	2.2	4.9	5.8	4.8		
Depreciation	54	54	56	56	55	56	56	55	220	221	55	-0.3
Net Finance Costs	53	63	57	63	58	47	56	49	235	210	42	15.8
PBT before EO expense	-64	-72	-66	-72	-66	-56	-64	-55	-274	-241	-49	-12.6
Extra-Ord expense	0	0	0	0	0	0	-11	-575	0	-586	0	
PBT	-64	-72	-66	-72	-66	-55	-53	520	-274	345	-49	
Tax	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.0		
Reported PAT	-64	-72	-66	-72	-66	-55	-53	520	-274	346	-49	
Adj PAT	-64	-72	-66	-72	-66	-56	-64	-55	-274	-241	-49	-13.6
YoY Change (%)	-18.0	-17.9	-14.6	-6.6	2.7	-22.5	-3.7	-23.0	-14.4	-12.2		

Amber Enterprises

Estimate changes

TP change

Rating change



Bloomberg	AMBER IN
Equity Shares (m)	35
M.Cap.(INRb)/(USD\$b)	251.9 / 2.6
52-Week Range (INR)	8974 / 5401
1, 6, 12 Rel. Per (%)	-7/6/17
12M Avg Val (INR M)	2551

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	121.9	155.7	186.0
EBITDA	9.5	12.3	16.1
EBITDA Margin (%)	7.8	7.9	8.7
PAT	2.2	4.4	6.6
EPS (INR)	61.7	124.2	187.1
EPS Growth (%)	-14.3	101.3	50.6
BV/Share (INR)	1,242	1,367	1,554

Ratios

Net D/E	0.4	0.1	0.2
RoE (%)	6.5	9.5	12.8
RoCE (%)	10.2	10.5	13.4

Valuations

P/E (x)	115.7	57.5	38.2
P/BV (x)	5.8	5.2	4.6
EV/EBITDA (x)	28.3	21.0	16.2

Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	38.2	38.2	39.7
DII	27.9	23.9	19.4
FII	24.0	27.0	27.1
Others	10.0	11.0	13.8

FII includes depository receipts

CMP: INR7,144

TP: INR8,450 (+18%)

Buy

Commodity headwinds amid strong demand

Amber Enterprises (AMBER)'s 4QFY26 result was ahead of our estimates, driven by a better-than-expected performance across all segments. RAC industry demand remained strong, and the company outperformed industry growth in FY26. The electronics segment has benefited from the recent acquisitions, and its margins remained in double digits. However, high commodity prices could weigh on FY27 margins. The company continues to invest in capex across segments, benefits of which will start yielding from FY27-28. We factor in improved demand and higher prices in RAC segment and lower margins across divisions amid commodity pressure. We cut our estimates by 6%/2% for FY27/FY28. Retain BUY with a revised DCF-based TP of INR8,450.

Strong set of results; beat across revenue, EBITDA and Rep. PAT

For 4QFY26, consolidated revenue grew 11% YoY to INR41.5b, 10% above our estimate. This was supported by growth seen across all the segments. Gross margin expanded 220bp YoY to 18.8% (vs. est of 17.4%). Absolute EBITDA increased 22% YoY to INR3.6b, beating our estimates by 22%, while margins expanded 70bp YoY to 8.6% (vs est of 7.8%) due to better-than-expected margins across all segments. Adj PAT declined 39% YoY to INR704m vs. our estimate of INR1.1b, mainly due to losses booked in a subsidiary's JV. Adjusting that, PAT increased 16% YoY to INR1.3b (~15% above our estimates). For FY26, revenue/EBITDA/PAT grew 22%/25% YoY, adj. PAT declined 11% YoY, and EBITDA margin expanded 10bp YoY. OCF declined 66% YoY to INR2.4b mainly due to higher working capital requirements, while the company reported a net FCF outflow of INR10b due to higher capex done during the year toward capacity expansion.

Outlook across segments remains strong

The company expects **RAC industry** growth to recover to ~12-13% YoY in FY27 (vs. flat trends in FY26), with 1QFY27 industry volumes likely up ~20% on a weak base, while Amber is expected to broadly grow in line with industry demand, supported by deeper ODM integration and higher finished goods contribution. **Electronics** division is targeted to deliver ~40% growth in FY27, driven by expansion across PCBA, PCB, industrial automation, automotive and power electronics. In **railways and defense**, the company expects revenue to grow ~30-35% YoY, backed by the INR26b+ order book, metro expansion, defense opportunities and the scale-up of higher-value products such as doors, gangways and data center cooling.

Compressor QCO impact remains limited

The recent compressor QCO notification was aimed at tightening localization and quality standards for RAC compressors, particularly below 2 tons, where the government is encouraging domestic manufacturing. While the move initially raised concerns around potential supply shortages for the RAC industry, the government subsequently allowed imports of up to 30% of prior-year imported volumes to bridge any near-term gaps. Current domestic RAC

compressor manufacturing capacity stands at ~7.5-8.0m units, while it stands at ~10m units including Highly's expansion. Alongside the government's allowance for imports of up to 30% of prior-year volumes (~4m units), the available supply ecosystem appears broadly sufficient to support the industry's expected ~12-13% growth trajectory. Domestic capacity addition announcements by GMCC, Highly, LG, Daikin and Mitsubishi will further improve India's compressor manufacturing ecosystem. Amber continues sourcing compressors through long-term agreements with GMCC, LG, alongside other suppliers, limiting direct operational impact.

Near-term margin headwinds from commodity inflation

Amber expects temporary consolidated margin pressure of ~50-100bp over the next 1-2 quarters due to commodity inflation, currency depreciation and labor cost increases. In **consumer durables**, minimum wages rose ~35% in Haryana and ~22% in UP, alongside higher commodity costs, though quarterly pass-through mechanisms and fixed per-unit margin structures should limit long-term impact. In **electronics**, PCB margins are facing pressure as copper-clad laminate and gold prices increased by over 60% YoY, while pricing pass-through typically happens with a 2-quarter lag due to the company's Tier-2 positioning. **Railways** margins are also impacted since Indian Railways contracts are largely fixed-price. However, metro, defense, telecom and data center cooling projects increasingly include pass-through clauses. We factor in EBITDA margin of 7.9%/8.7% for FY27/FY28E. Margins are expected to remain under pressure in 1HFY27 due to high input costs, with recovery likely from 2HFY27 onward as commodity prices gradually normalize.

Large-scale capex cycle continues

The company expects FY27 gross capex to be at ~INR18b-20b across Ascent, Ascent-K Circuit and other divisions. Although actual cash outflow is expected to remain lower at ~INR11-12b due to supplier credit terms and government incentives. The Ascent-K HDI PCB facility near Noida airport is expected to commence construction by Jun'26, with trial production targeted by 3QFY28, while the Hosur-based Ascent PCB expansion is expected to begin trial production by 3QFY27 and commercial operations by Feb'27. The Ascent-K project additionally benefits from ECMS approval and state subsidies. Additional capex is also being directed toward RAC expansion at Sri City, and the Faridabad railway facility for HVAC systems, pantry solutions, doors and gangways, where commercial production is expected from the current quarter itself.

Financial outlook and valuation

We cut our estimates by 6%/2% for FY26/28 to factor in slightly lower margins. We, thus, expect revenue/EBITDA CAGR of 24%/30% over FY26-28, with margin of 7.9%/8.7% in FY27/FY28, leading to PAT of INR4.4b/INR6.6b. The stock currently trades at 57.5x/38.2x P/E on FY27E/28E earnings. We maintain our BUY rating on the stock with a revised DCF-based TP of INR8,450, implying 45x two-year forward EPS.

Key risks and concerns

Key risks and concerns include lower-than-expected demand growth in the RAC industry; a change in BEE norms making products costlier; a change in the announced capex policy; and increased competition across the RAC, mobility, and electronics segments.

Consolidated - Quarterly Earning
(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	24,013	16,847	21,333	37,537	34,491	16,470	29,428	41,475	99,730	1,21,86	37,844	10
YoY Change (%)	41.1	81.7	64.8	33.8	43.6	-2.2	37.9	10.5	48.2	22.2	0.8	
Total Expenditure	22,051	15,710	19,746	34,590	31,924	15,557	26,967	37,893	92,096	1,12,34	34,901	9
EBITDA	1,962	1,137	1,587	2,947	2,567	913	2,461	3,582	7,634	9,523	2,943	22
YoY Change (%)	48.7	90.9	102.2	32.8	30.8	-19.7	55.0	21.5	55.2	24.7	-0.2	
Margins (%)	8.2	6.8	7.4	7.9	7.4	5.5	8.4	8.6	7.7	7.8	7.8	
Depreciation	549	566	588	580	618	702	912	993	2,283	3,226	906	10
Interest	518	486	537	546	634	769	794	647	2,087	2,844	596	9
Other Income	207	178	160	191	297	156	548	201	736	1,202	369	-46
PBT before EO expense	1,101	263	623	2,013	1,612	-403	1,303	2,143	3,999	4,655	1,810	18
Extra-Ord expense	0	0	0	0	0	0	-1,031	640	0	-391	0	
PBT	1,101	263	623	2,013	1,612	-403	272	2,783	3,999	4,265	1,810	54
Tax	298	26	162	702	484	-156	279	493	1,188	1,100	691	-29
Rate (%)	27.0	10.1	26.1	34.9	30.0	38.8	102.6	17.7	29.7	25.8	38.1	
MI & P/L of Asso. Cos.	79	44	102	151	90	82	265	946	376	1,383	-13	-7,300
Minority Interest	24	17	12	24	21	7	179	276	76	483	-68	-507
Profit of share of associates/JVs	-56	-27	-90	-127	-69	-75	-86	-670	-300	-900	-55	1,127
Reported PAT	724	192	359	1,160	1,039	-329	-272	1,344	2,436	1,781	1,133	19
Adj PAT	724	192	359	1,160	1,039	-329	759	704	2,436	2,172	1,133	-38
YoY Change (%)	58.6	NM	NM	22.6	43.5	NM	111.5	-39.4	83.3	-10.8	-2.4	
Margins (%)	3.0	1.1	1.7	3.1	3.0	-2.0	2.6	1.7	2.4	1.8	3.0	

Y/E March	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Segmental revenue												
Consumer Durables Division	19,180	10,690	15,550	27,870	25,600	8,730	19,710	29,790	73,290	83,830	27,261	9
Electronics Division	3,880	4,920	4,720	8,420	7,660	6,420	8,450	10,150	21,940	32,680	9,283	9
Railway Sub-systems &	950	1,240	1,064	1,250	1,230	1,320	1,272	1,530	4,500	5,350	1,297	18
Total Revenues	24,013	16,847	21,333	37,537	34,491	16,470	29,428	41,475	99,730	1,21,86	37,844	10
Operating EBITDA												
Consumer Durables Division	1,500	620	1,160	2,340	1,920	370	1,412	2,220	5,620	5,930	1,908	16
Margin (%)	7.8	5.8	7.5	8.4	7.5	4.2	7.2	7.5	7.7	7.1	7.0	
Electronics Division	300	370	340	500	490	390	884	1,100	1,510	2,870	845	30
Margin (%)	7.7	7.5	7.2	5.9	6.4	6.1	10.5	10.8	6.9	8.8	9.1	
Railway Sub-systems &	200	210	120	300	220	210	177	290	830	900	212	37
Margin (%)	21.1	16.9	11.2	24.0	17.9	15.9	13.9	19.0	18.4	16.8	16.3	
Total EBITDA (Pre ESOP and	2,000	1,200	1,619	3,140	2,630	970	2,473	3,610	7,960	9,700	2,965	22
Margin (%)	8.3	7.1	7.6	8.4	7.6	5.9	8.4	8.7	8.0	8.0	7.8	
ESOP/Other op exp	38	63	32	193	63	57	12	28	326	177	22	
Total EBITDA	1,962	1,137	1,587	2,947	2,567	913	2,461	3,582	7,634	9,523	2,943	22
Margin (%)	8.2	6.8	7.4	7.9	7.4	5.5	8.4	8.6	7.7	7.8	7.8	

Deepak Nitrite

Estimate change

TP change

Rating change


CMP: INR1,736
TP: INR1,450 (-16%)
Sell

Stable operating performance amid persistent macro headwinds

Operating performance beats estimate

- Deepak Nitrite (DN) reported a healthy operating performance, with EBIT growing 18% YoY to INR3.1b, led by 20% YoY EBIT growth in the Phenolic segment. This growth was driven by strong pricing gains and stable plant operations, while Advanced Intermediate's EBIT declined 25% YoY.
- While near-term performance may continue to see some pressure amid persistent industry-wide challenges and evolving geopolitical developments, the impact on overall performance is likely to remain limited, supported by continuous process refinements and cost optimization initiatives.
- Factoring in the better-than-expected margin in 4QFY26, we increase our FY27/FY29 estimates by 7%/9% and expect a CAGR of 11%/19%/23% in revenue/EBITDA/PAT over FY26-28. **We value the stock at 24x FY28E EPS to arrive at our TP of INR1,450. Reiterate Sell.**

The intermediate segment continues to face margin headwinds

- DN's 4Q revenue declined 3% YoY to INR21.2b (est. in line), primarily due to a 7% YoY decline in phenolics to INR14.3b, while advanced intermediates' revenue grew 8% YoY to INR7.1b.
- Gross margin came in at 34.9% (up 430bp YoY), while EBITDAM stood at 17.7% (up 320bp YoY). Employee costs as a % of sales stood at 5.2% (vs. 4.7% in 4QFY25), while other expenses stood at 12% (vs. 11.4% in 4QFY25).
- EBITDA grew 19% YoY to INR3.7b (our est. INR2.5b), and EBIT for Phenolics grew 20% YoY, while EBIT for advanced intermediates declined 25%.
- EBIT margin for advanced intermediates contracted 210bp, while EBIT margins for Phenolic expanded 440bp YoY to 20%.
- Adjusted PAT stood at INR2.2b (est. of INR1.5b), up 8% YoY.
- In FY26, DN's revenue/EBITDA/adj. PAT declined 5%/10%/20% to INR78.9b/INR9.8b/INR5.6b.
- CFO stood at INR5.4b as of Mar'26 compared to INR6.2b as of Mar'25.

Highlights from the management commentary

- **Advanced Intermediates:** The nitrogen and hydrogenation plants have already been commissioned and are operating at the desired productivity and efficiency levels. However, in 4Q, the company faced technical issues at its nitric acid plant, resulting in ~45% utilization, following which the company had to procure the balance of nitric acid requirements from the market to ensure uninterrupted production and meet customer demand.
- **Polycarbonate:** DN is making steady progress on its polycarbonate project, with rapid dismantling of its German plant at Stade. The shipment of equipment to India is already underway, alongside ongoing infrastructure development and contractor mobilization in India. Additionally, the company has signed a long-term agreement with Linde plc for a dedicated on-site HyCO (hydrogen and carbon monoxide) plant to ensure a reliable raw material supply, with commissioning targeted for Jun'28 in line with the project timeline.

Bloomberg	DN IN
Equity Shares (m)	136
M.Cap.(INRb)/(USDb)	236.8 / 2.5
52-Week Range (INR)	2174 / 1280
1, 6, 12 Rel. Per (%)	16/10/-12
12M Avg Val (INR M)	363

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	78.9	88.7	96.4
EBITDA	9.8	11.9	14.0
PAT	5.6	7.2	8.4
EPS (INR)	41.0	52.7	61.8
EPS Gr. (%)	-19.7	28.3	17.4
BV/Sh. (INR)	427.9	470.8	521.1

Ratios

Net D:E	0.2	0.5	0.9
RoE (%)	10.0	11.7	12.5
RoCE (%)	8.2	8.2	7.4
Payout (%)	18.6	18.6	18.6

Valuations

P/E (x)	42.6	33.2	28.3
P/BV (x)	4.1	3.7	3.4
EV/EBITDA (x)	25.6	22.7	21.7
Div. Yield (%)	0.4	0.6	0.7
FCF Yield (%)	-2.8	-7.5	-12.8

Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	49.3	49.3	49.3
DII	23.5	23.2	23.2
FII	6.2	6.1	6.7
Others	21.0	21.4	20.9

FII includes depository receipts

- **Product development:** The company has commenced commercial-scale validation batches for 6-7 new products, including fluorinated molecules, with initial customer feedback remaining positive. Management expects regular commercial production to begin from 3Q onwards, aligned with export customers' CY26 requirements, while commercialization of Methyl isobutyl ketone (MIBK) and Methyl Isobutyl Carbinol (MIBC) remains broadly on track.
- **Raw material:** At the end of Feb'26, inventory levels of critical feedstocks remained elevated due to opportunistic procurement of raw materials during periods of price correction. This strategy has served the company well, and management anticipates maintaining a reasonable inventory of feedstock at favorable prices through the end of 2QFY27.

Valuation and view

- The global chemical industry continues to face a challenging operating environment characterized by persistent global challenges, uneven recovery in demand, and the West Asia crisis, leading to disruption in established supply chains, challenges to logistics, and volatility of crude oil prices.
- The company's focus on continuous process refinements and cost optimization initiatives is expected to drive operational performance and fortify its competitive positioning. Further commercialization of new products, along with the commercialization of MIBK/MIBC projects by early 2QFY26, is also expected to drive earnings growth.
- Factoring in the better-than-expected margin in 4QFY26, we raise our FY27/FY29 estimates by 7%/9% and expect a CAGR of 11%/19%/23% in revenue/EBITDA/PAT over FY26-28. **We value the stock at 24x FY28E EPS to arrive at our TP of INR1,450. Reiterate Sell.**

Consolidated - Quarterly Snapshot

Y/E March	FY25				FY26				FY25	FY26	FY26	(INR m)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	Var. (%)	
Gross Sales	21,668	20,320	19,034	21,797	18,899	19,019	19,750	21,203	82,819	78,871	21,518	-1%
YoY Change (%)	22.5	14.3	-5.3	2.5	-12.8	-6.4	3.8	-2.7	7.8	-4.8	-1.3	
Total Expenditure	18,577	17,345	17,349	18,631	17,003	16,976	17,641	17,443	71,901	69,064	19,045	
Gross Margin (%)	30.8%	32.0%	26.8%	30.6%	28.0%	27.6%	27.8%	34.9%	30.1%	29.7%	29.0%	
EBITDA	3,092	2,975	1,685	3,166	1,896	2,043	2,109	3,760	10,918	9,807	2,473	52%
Margin (%)	14.3	14.6	8.9	14.5	10.0	10.7	10.7	17.7	13.2	12.4	11.5	
Depreciation	475	485	482	513	513	533	576	626	1,954	2,246	590	
Interest	58	63	61	93	81	79	110	189	275	460	115	
Other Income	188	213	210	228	246	200	85	69	839	599	200	
PBT	2,748	2,640	1,352	2,788	1,547	1,630	1,380	3,014	9,528	7,571	1,968	
Tax	723	698	371	762	425	443	382	815	2,554	2,064	495	
Rate (%)	26.3	26.4	27.4	27.3	27.5	27.2	27.7	27.1	26.8	27.3	25.2	
Reported PAT	2,025	1,942	981	2,025	1,122	1,187	998	2,197	6,974	5,504	1,473	49%
Adj PAT	2,025	1,942	981	2,025	1,122	1,187	1,091	2,197	6,974	5,598	1,473	49%
YoY Change (%)	35.1	-5.3	-51.4	3.4	-44.6	-38.9	11.2	8.5	-7.3	-19.7	-27.3	
Margin (%)	9.3	9.6	5.2	9.3	5.9	6.2	5.5	10.4	8.4	7.1	6.8	

Granules India

BSE SENSEX 73,315 S&P CNX 23,650

CMP: INR731 TP: INR860 (+18%) Buy



Stock Info

Bloomberg	GRAN IN
Equity Shares (m)	243
M.Cap.(INRb)/(USDb)	181.3 / 1.9
52-Week Range (INR)	761 / 433
1, 6, 12 Rel. Per (%)	14/39/50
12M Avg Val (INR M)	691
Free float (%)	62.0

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	53.7	62.7	73.0
EBITDA	11.9	14.4	16.9
Adj. PAT	6.0	7.8	9.7
EBIT Margin (%)	16.6	17.6	18.3
Cons. Adj. EPS (INR)	24.3	31.5	39.0
EPS Gr. (%)	26.2	29.6	23.7
BV/Sh. (INR)	205.2	235.6	273.5

Ratios

Net D:E	0.3	0.2	0.2
RoE (%)	13.7	14.3	15.3
RoCE (%)	11.7	12.5	13.6
Payout (%)	4.9	3.7	3.0

Valuations

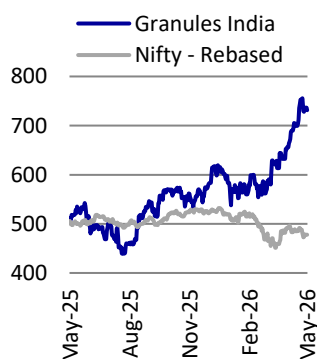
P/E (x)	30.0	23.2	18.7
EV/EBITDA (x)	14.5	12.0	10.1
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	2.4	-0.2	2.6
EV/Sales (x)	3.2	2.8	2.3

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	38.0	38.8	38.8
DII	17.0	17.5	22.4
FII	15.3	13.6	15.2
Others	29.7	30.2	23.6

FII Includes depository receipts

Stock Performance (1-year)



From scale to specialization – enters next growth phase

- Granules is evolving its operating model into a formulation- and R&D-led platform on the back of its strong API foundation, with increasing focus on complex generics and entry into peptide CDMO as incremental growth drivers.
- The company has delivered strong execution, with a continued shift toward finished dosages (~75%+), margin expansion (~60%+ gross margins), and rising contribution from complex, high-value products.
- This evolution is supported by consistent R&D investments (~5%+ of sales) and capex (~INR23b over FY22-26) for backward integration, complex capabilities, and differentiated technology platforms.
- With a growing complex generics pipeline, a higher share of pending approvals in complex segments, and early traction in peptide CDMO, Granules is well-positioned for stable growth and margin expansion.
- We believe its earnings momentum will be driven by the scale-up in complex generics and gradual CDMO contributions. Accordingly, we expect 27% earnings CAGR over FY26-28. We value the company at 21x 12-month forward earnings to arrive at a TP of INR860. Reiterate BUY.

Executing the shift toward high-value formulations

- The business mix has decisively shifted toward finished dosages over FY16-26 (from 33% to 74%), with APIs continuing to play a critical role in backward integration and supply chain control, supporting margin expansion.
- This transition is underpinned by a steady scale-up in R&D (~2.8x growth over FY21-26), with intensity increasing to ~5%+ of sales, signaling a strategic focus on differentiated products.
- Parallel investments in capacity, backward integration, and technology platforms are being executed with financial discipline, supported by strong cash generation (OCF consistently exceeding capex).
- Strong execution is visible in a robust pipeline (148 dossiers, 100+ DMFs) and high approval conversion, reinforcing the company's ability to translate investments into commercial outcomes.

Complex generics emerge as the core growth engine

- The portfolio is progressively expanding beyond traditional high-volume molecules toward complex generics and specialty segments, improving mix quality and pricing power while retaining API strengths.
- The company's pipeline is increasingly skewed toward complex generics, with filings rising ~8x over FY21-26 and majority of pending approvals now belonging to high-entry-barrier products, reflecting a structural shift in portfolio strategy.

- Complex generics emerged as the key growth driver in FY26, with revenue growing 61% YoY to INR17.2b, aided by limited competition, favorable supply dynamics and superior pricing resilience, particularly in controlled substances and ADHD therapies.
- In contrast, integrated generics revenue declined 4% YoY due to pricing pressure and constrained new approvals following the warning letter, although underlying demand trends remain stable.
- The focus is on high-entry-barrier areas such as controlled substances, oncology, MUPS, and IP-driven opportunities, including Day 1/Day 181 launches.
- Capabilities are expanding beyond oral solids into non-oral formats (liquids, nasal sprays), supported by advanced R&D infrastructure and an integrated manufacturing model.

Peptide CDMO entry opens a high-growth, innovation-led platform

- The acquisition of Senn Chemicals marks a strategic entry into peptide CDMO and therapeutics, complementing the existing small-molecule and API capabilities.
- The platform provides end-to-end CDMO capabilities with differentiated technologies (LPPS, SPPS) and strong innovator linkages, positioning the company in regulated, high-value markets.
- Peptides represent a large and rapidly expanding opportunity (~USD70-80b), driven by GLP-1 therapies, oncology, and personalized medicine, with strong outsourcing tailwinds.
- Peptide CDMO is transitioning from integration to execution, with 4QFY26 marking EBITDA breakeven and early commercialization; the business is poised for scale-up in FY27, supported by improving pipeline traction, demand-led capacity expansion, and a focus on achieving full-year profitability.

Valuation and view

- We expect Granules to deliver ~17% revenue CAGR over FY26-28, driven by the scale-up in finished dosages, increasing contribution from complex generics, and incremental growth from the peptide CDMO platform.
- EBITDA/PAT are expected to clock ~19%/27% CAGR over FY26-28, supported by operating leverage, richer product mix, and continued margin expansion.
- We value the company at ~21x 12-month forward earnings (vs. historical peak of ~34x), reflecting a balanced view on growth visibility and execution, to arrive at our TP of INR860. Maintain BUY.

Jain resources

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	JAINREC IN
Equity Shares (m)	345
M.Cap.(INRb)/(USDb)	159.9 / 1.7
52-Week Range (INR)	594 / 248
1, 6, 12 Rel. Per (%)	13/10/-
12M Avg Val (INR M)	1324

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	95.4	130.8	153.6
Adj. EBITDA	5.6	7.7	9.6
Adj. EBITDA Margin (%)	3.5	5.5	7.1
Adj. PAT	5.9	5.9	6.2
Cons. Adj. EPS (INR)	10.2	15.8	20.5
EPS Gr. (%)	58.8	54.8	30.0
BV/Sh. (INR)	45.2	61.0	81.6

Ratios

Net D:E	0.6	0.4	0.2
RoE (%)	30.8	29.7	28.8
RoCE (%)	18.9	20.3	21.5

Valuations

P/E (x)	45.4	29.3	22.5
EV/EBITDA (x)	30.4	22.1	17.5

Shareholding pattern (%)

As on	Mar-26	Dec-25
Promoter	73.6	73.6
DII	10.1	8.7
FII	3.0	3.7
Others	13.3	14.0

Note: FII includes depository receipts

CMP: INR463
TP: INR560(+21%)
Buy

Copper price volatility and West Asia crisis impact margins

Operating performance misses estimates

- Jain Resource Recycling (JAINREC) reported EBITDA growth of 18% YoY despite constrained scrap availability, volatile copper prices, and elevated logistics costs. Revenue grew 76% YoY to INR31.7b (blended volume/realization up 12%/57%), led by YoY growth in the copper and lead businesses of 2.5x and 26%, respectively.
- We believe the sharp margin contraction in 4QFY26 is temporary in nature, as it was primarily driven by exceptional copper volatility following the sharp spike in LME prices, along with geopolitical supply chain disruptions. With copper realization formulas transitioning toward longer-term 'green formula' contracts, which are showing signs of normalization in 1QFY27 negotiations, along with supplies increasingly being rerouted through alternative shipping routes, material availability is improving. Consequently, we expect a gradual recovery in profitability of the copper segment going forward.
- Factoring in lower-than-estimated earnings in 4Q, we reduce our FY27/FY28 earnings estimate by 15%/16% and **reiterate our BUY rating on the stock with a TP of INR560 (premised on 27x FY28E EPS).**

Healthy volume growth; EBITDA impacted by exceptional volatility

- Consolidated revenue grew 76% YoY to INR31.1b (est. INR28.7b) in 4QFY26.
- EBITDA rose 18% YoY to INR1.1b (est. INR2.1b). EBITDA margins contracted ~180bp YoY to 3.5% (est. 7.3%) due to gross margin contraction of 400bp YoY to 5%. The EBITDA impact of ~INR6,000/MT was due to shipping, fuel, and energy cost inflation, while ~INR18,000-18,500/MT impact was from the change in formula and copper volatility.
- Adj. PAT grew 22% YoY to INR660m (est. INR1.5b).
- Lead business revenue grew 26% YoY to INR10.5b, led by a 19% YoY realization growth. Volume stood at 45KMT in 4QFY26 (up 2% YoY). EBITDA/MT stood at INR17,614 (up 19% YoY) for the quarter.
- Copper business revenue grew 2.5x YoY to INR19.4b. Volumes stood at 16.8KMT, up 88% YoY, while EBITDA/MT declined 17% YoY to INR14,160.
- The aluminum business dipped 17% YoY to INR1.1b due to a YoY decline of 34% in volumes to 3.4KMT. EBITDA/MT grew 39% YoY to INR33,432.
- For FY26, revenue/Adj. EBITDA/Adj. PAT grew 48%/53%/59% to INR95b/INR5.6b/INR3.5b.
- CFO for the year stood at negative INR60b vs INR36m in FY25. Net debt stood at INR9b for the year vs INR6.4b in FY25.

Highlights from the management commentary

- **Guidance:** Management expects lead volumes to grow ~10-15%, while copper volumes are likely to grow 15%+ going forward. Copper utilization is expected to improve materially over the next 2-3 years, with lead operations remaining near peak utilization. Working capital days are targeted to reduce to below 60 days vs 66 days in FY26. Operating cash flow is expected to turn positive from 2QFY27 onward.
- **Forward integration:** Copper downstream expansion remains the company's key strategic focus. Copper anode production commenced in Mar'26 with 800 MT/month capacity, while another 800 MT/month furnace is expected in 1QFY27. Copper cathode Phase-1/2 commissioning is targeted in 2QFY27/3QFY27, taking the total capacity to 1,500 MT/month. Copper wire rod and busbar/profile projects are expected to be commissioned by Aug'26 and Sep'26, respectively. Management expects downstream copper products to improve EBITDA/kg by an additional INR20-45, while also enhancing product mix, customer stickiness, and earnings stability.
- **Copper business:** 4QFY26 margin pressure was driven by a sharp copper price volatility and geopolitical logistics disruptions. Copper prices rose ~40%, leading to a formula contraction after strong 3QFY26 tailwinds from Chinese demand. Management indicated that this formula-led margin contraction is temporary, and its shift toward longer-term 'green formula' contracts is likely to negate this phenomenon in the future. The copper business remains fully hedged, with normalized EBITDA expected at ~INR32,000-34,000/ton vs elevated ~INR42,000/ton in 3QFY26.

Valuation and view

- As a leading player in India's rapidly growing recycling industry, JAINREC is on a growth trajectory, aided by rising demand for recycled/green metals and a regulatory shift favoring organized players, along with the growth of demand for lead and copper in India outpacing the global demand growth.
- Further, to move up the value chain and capitalize on the strong long-term demand outlook for copper, driven by renewable energy, data centers, and EVs, JAINREC is focusing on higher-value copper products, which are expected to expand margins and improve earnings visibility.
- We expect a CAGR of 27%/31%/42% in revenue/EBITDA/PAT over FY26-28. **We value the stock at 27x FY28 EPS to arrive at our TP of INR560 and reiterate our BUY rating.**

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	14,965	13,921	17,808	17,600	15,493	21,137	27,752	31,050	64,294	95,431	28,735	8%
YoY Change (%)	NA	NA	NA	NA	3.5	51.8	55.8	76.4	45.2	48.4	63.3	
Gross Profit	1,469	1,366	1,478	1,537	1,561	2,344	2,822	1,462	5,850	8,190	2,860	
Total Expenditure	14,021	13,043	16,914	16,666	14,592	19,537	25,763	29,950	60,644	89,842	26,638	
EBITDA	944	878	894	934	901	1,600	1,989	1,100	3,650	5,589	2,097	-48%
Margins (%)	6.3	6.3	5.0	5.3	5.8	7.6	7.2	3.5	5.7	5.9	7.3	
Depreciation	33	30	40	39	30	33	38	44	142	145	46	
Interest	208	193	205	228	162	275	258	262	835	957	225	
Other Income	106	99	57	99	72	61	54	97	361	284	186	
PBT before EO expense	809	753	706	766	780	1,353	1,747	890	3,033	4,770	2,012	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	809	753	706	766	780	1,353	1,747	890	3,033	4,770	2,012	
Tax	209	194	187	223	203	359	449	227	813	1,239	472	
Rate (%)	25.8	25.8	26.5	29.1	26.0	26.6	25.7	25.5	26.8	26.0	23.4	
MI & Profit/Loss of Asso. Cos.	0	0	-1	-1	-2	-2	-3	-3	-2	-9	0	
Reported PAT	600	558	517	542	575	992	1,295	660	2,218	3,522	1,541	
Adj PAT	600	558	517	542	575	992	1,295	660	2,218	3,522	1,541	-57%
YoY Change (%)	NA	NA	NA	NA	-4.2	77.7	150.2	21.8	35.4	58.8	184.1	
Margins (%)	4.0	4.0	2.9	3.1	3.7	4.7	4.7	2.1	3.4	3.7	5.4	

Canara HSBC Life Insurance

BSE SENSEX 75,315 S&P CNX 23,650

CMP: INR135

TP: INR180 (+33%)

Buy



LIFE INSURANCE

Bloomberg	CANHLIFE IN
Equity Shares (m)	950
M.Cap.(INRb)/(USDb)	128.7 / 1.3
52-Week Range (INR)	159 / 106
1, 6, 12 Rel. Per (%)	-5/-/-
12M Avg Val (INR m)	330

Valuation summary

INRb	2026	2027E	2028E
Net Premiums	98.4	115.3	135.4
Surplus / Deficit	1.3	1.5	1.7
Sh.PAT	28.0	33.6	40.3
NBP gr- APE (%)	19.8	19.9	20.1
Premium gr (%)	6.3	7.6	9.3
VNB margin (%)	22.4	22.5	23.0
RoEV (%)	8.1	9.0	9.8
AUM (INRt)	20.7	18.6	19.1
VNB	461.0	532.8	597.6
EV per share	76	90	107

Valuations

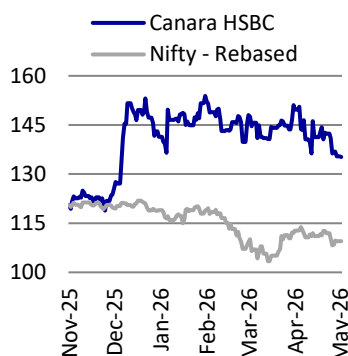
P/EV (x)	1.8	1.5	1.3
P/ EVOP (%)	10.2	9.5	7.9

Shareholding Pattern (%)

As On	Mar-26	Dec-25
Promoter	62.0	62.0
DII	29.8	30.9
FII	5.9	4.8
Others	2.3	2.3

FII includes depository receipts

Stock's performance (one-year)



Consistent outperformer with improving profitability

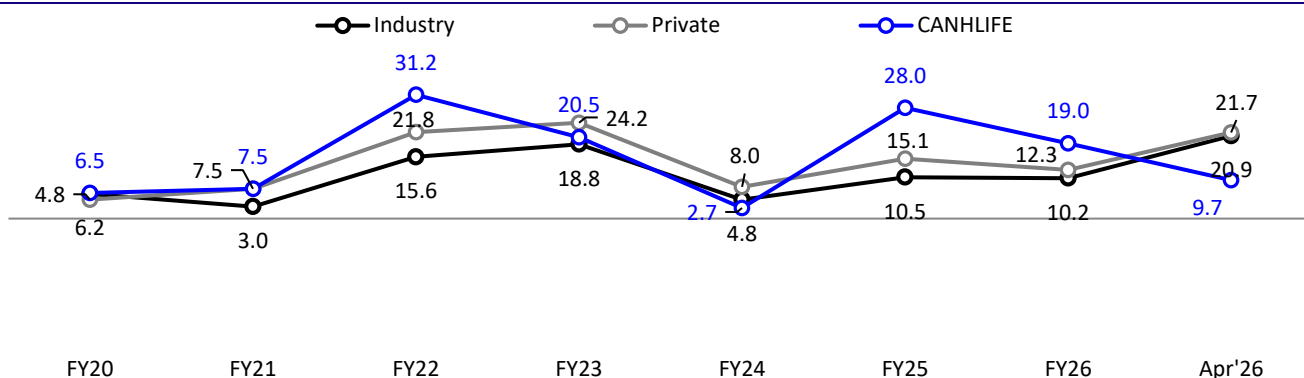
- We had **initiated coverage** on Canara HSBC Life Insurance (CANHLIFE) in Jan'26 as a multi-year compounding story, consistently outperforming industry growth over the past few years with an alpha of 700-800bp, resulting in a private market share of 2.6% in FY26 (vs. 2.2% in FY22).
- While near-term growth has moderated (Apr'26 APE growth of 11% YoY vs. 38% YoY growth for the industry) amid product mix recalibration and implementation of revised underwriting processes, we expect the insurer to maintain a 20% APE growth trajectory.
- The insurer benefits from the strong operational integration within the Canara Bank ecosystem (72% of APE in FY26) with multiple initiatives underway to improve the branch activation (54% in FY26) and harness the underpenetrated opportunity (<2% penetration within Canara Bank's ~85m customer base). Further, the exclusive relationship with the expanding HSBC network (14% of FY26 APE) and the gradual expansion of the agency provide a strong growth lever.
- The aggressive shift towards traditional products, robust operational efficiency, and rising rider attachments have led to a 320bp YoY expansion in FY26 VNB margin (to 22.4%), despite GST-related headwinds and investments toward agency scale-up. We expect the VNB margin to improve 10bp/50bp in FY27/ FY28, reaching 23% in FY28 with the impact from rising traditional contribution apart from agency channel scale-up.
- Given relatively disciplined payout structures (commission ratio of 6.4% in FY26 – second lowest in the industry) and strong operational positioning within banca ecosystems, the possible commission regulations could potentially improve competitive positioning and partnership accessibility over time rather than structurally impairing the franchise.
- With one of the most underpenetrated PSU-bank funnels and clear visibility on branch activation, product mix upgrades, and operating leverage, we expect the company to deliver high-teens operating RoEV going ahead despite near-term ITC and agency drag. We estimate a CAGR of 20%/22% in APE/VNB. Maintain BUY with a one-year TP of INR180 (based on 1.7x FY28E P/EV).

Poised for an industry-leading growth momentum

- CANHLIFE has grown better than the industry with an FY22-26 APE CAGR of 16% compared to 11% for the industry, resulting in market share gain from 2.4% in FY22 to 2.6% in FY26 among private players. Individual APE continues to outperform the industry with a five-year CAGR of 20%.
- The GST exemption (implemented from 22 Sep'25) further boosted the growth momentum for the insurer with total APE growth of ~26% for 2HFY26 compared to industry growth of ~20%.
- However, the insurer experienced a slowdown in momentum in Mar'26/ Apr'26, with APE declining 4% YoY/rising 11% YoY vs. the industry growth of 20%/38%. The slowdown was largely because of a strategic transition towards traditional products over ULIPs, as the focus has increased on balancing growth with long-term sustainability, predictability, and quality of earnings.

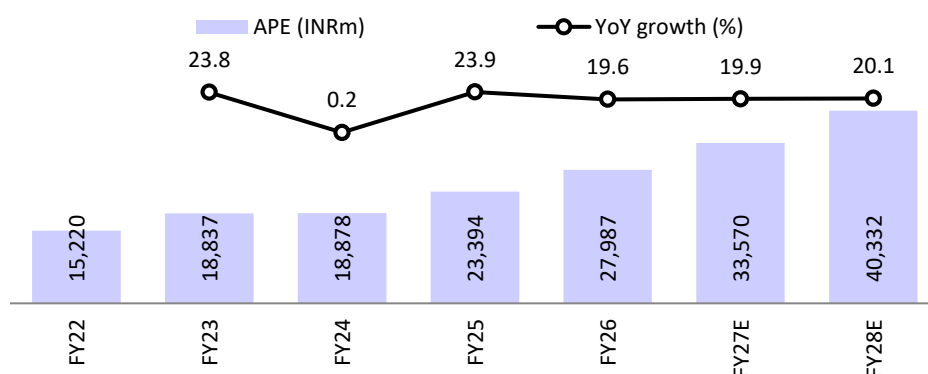
- Additionally, CANHLIFE implemented underwriting-related operational guidelines required by IRDAI from Apr'26, which possibly led to temporary policy issuance delays and business deferral.
- With customer preference robust for linked products through most of FY26, the focus on non-par, protection, and annuity products impacted near-term growth for the company. **We expect the moderation to subside and APE to grow at a FY26-28 CAGR of 20%, likely outperforming the industry by 400-500bp.**

CANHLIFE's growth trajectory outperforms the industry; strategic slowdown in Apr'26



Source: LI council, Company, MOFSL

CANHLIFE's APE expected to maintain ~20% YoY growth trajectory



Source: Company, MOFSL

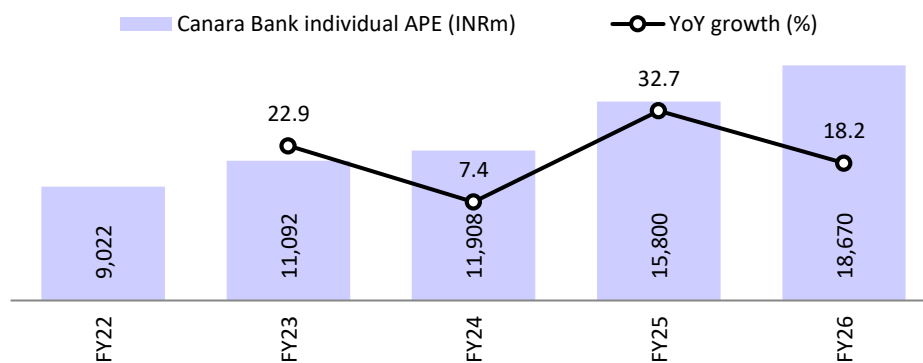
Playing on channel diversification and existing bancassurance strength

- CANHLIFE's distribution architecture remains one of the most important pillars supporting the company's long-term growth outlook. The insurer continues to increase penetration in existing channels and expand business opportunities through new distribution avenues.
- **Canara Bank channel** (72% of FY26 individual APE) serves as a distribution backbone with 9,800 branches, an addressable customer base of 80m, and a current penetration level of <2%, reflecting notable headroom for growth. Branch activation (defined as ≥ 10 policies sold with \sim INR50,000 ticket size) stands at \sim 54% in FY26, improving from \sim 50% last year.
- The Canara Bank channel functions through extensive integration of the insurer from field sales to branch to zone levels, ensuring continuity despite any changes in bank senior management. While bancassurance concentration

remains a risk, this showcases the depth and resilience of the relationship with the bank.

- A dedicated team has been set up to implement productivity improvement programs in most of the 9,800+ branches of Canara Bank, with a focus on increasing branch activation as well as deepening presence in Tier-3 cities. The insurer is also making progress on lead-based sales by activating the call centers. Growth in branch activation, along with an increase in productivity, can lead to sustained growth momentum for the Canara Bank channel at 17-18%.
- Despite LIC's presence within the Canara Bank ecosystem, CANHLIFE aims to sustain and gradually expand its market share within the bank. Private insurers are unlikely to scale within PSU-bank ecosystems in the near term, and CANHLIFE's long-standing operational integration with Canara Bank remains a key competitive advantage.

Canara Bank channel expected to maintain high-teens growth momentum



Source: Company, MOFSL

- Alongside the core banca franchise, an exclusive partnership with the **HSBC channel** (14% of FY26 individual APE) continues to deliver strong momentum, providing the insurer with access to affluent retail and NRI customers with needs of wealth-linked insurance, protection plans, and global mobility products.
- HSBC is expanding its network from its existing 26 branches to 40 potential branches, with eight new branches already opened. Apart from branch network expansion, the bank is also going aggressive on non-prime customers, initiating loans, credit cards, and private banking, which would help CANHLIFE to provide diversified offerings in this channel as well.
- The channel operates with a ULIP:traditional mix of 65:35 with higher sales of annuity and lower ULIP costs, resulting in better profitability compared to the Canara bank channel. Network expansion and new products like credit life, etc., will further provide a boost to margins in this channel.
- Activation of the additional HSBC branches, growing traction within affluent and UHNI segments, increasing mortgage-linked credit life opportunities, and the GIFT City initiative are expected to support future growth within the channel.
- **Other banks** (6% of FY26 individual APE) serve as a deeper penetration engine, with six regional rural banks enabling direct access to rural customers through 4,600+ branches. The focus through this channel is on first-time insurance buyers with the opportunity of bundled offerings and assisted sales.

KEC International

Estimate changes

TP change

Rating change



Bloomberg	KECI IN
Equity Shares (m)	266
M.Cap.(INRb)/(USDb)	129.8 / 1.3
52-Week Range (INR)	947 / 482
1, 6, 12 Rel. Per (%)	-13/-29/-34
12M Avg Val (INR M)	896

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	235.1	271.5	314.4
EBITDA	16.6	19.0	22.1
PAT	6.6	7.5	9.3
EPS (INR)	25.0	28.3	34.8
GR. (%)	14.0	15.8	23.0
BV/Sh (INR)	231.4	252.2	279.0

Ratios

ROE (%)	11.5	11.7	13.1
RoCE (%)	11.7	11.3	12.0

Valuations

P/E (X)	19.9	17.2	14.0
P/BV (X)	2.1	1.9	1.7
EV/EBITDA (X)	10.6	9.4	8.5
Div Yield (%)	1.1	1.5	1.6

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	50.1	50.1	50.1
DII	26.9	25.5	24.2
FII	9.8	11.8	15.4
Others	13.2	12.7	10.3

FII Includes depository receipts

CMP: INR488

TP: INR630 (+29%)

Buy

Performance impacted by disruptions

KECI posted weak results in 4QFY26, affected by disruptions in supplies and dispatches due to the West Asia crisis, coupled with higher freight costs and RM prices. Order inflow for FY26 stood almost flat YoY at INR252b due to weakness in domestic T&D inflows, particularly after the PGCIL ban. Going ahead, we expect KEC to continue to ramp up execution across T&D and civil projects, while margin performance in the near term may remain impacted by labor issues and higher RM prices. We thus reduce our margin estimates and cut our EPS estimates by 19%/21% for FY27/28. We maintain BUY with a revised TP of INR630, based on 18x P/E Mar'28E earnings.

Weak set of results

KECI reported weaker-than-expected 4QFY26 performance, with revenue/EBITDA/PAT coming in below our estimates. Revenue declined 7% YoY to INR64b, while gross margin contracted 200bp YoY to 20.2%. Absolute EBITDA declined 17% YoY to INR4b, with EBITDA margin at 7%. Due to lower-than-expected execution, adjusted PAT declined 29% YoY to INR2b. Order inflow stood at INR60b during the quarter, taking the closing order book to INR363b, while OB plus L1 position stood at INR400b. For FY26, revenue/EBITDA/PAT increased 8%/10%/14% to INR235b/INR17b/INR7b, with EBITDA margin expanding 10bp YoY to 7.1%. However, cash flows remained weak, with OCF outflow at INR4b (vs. INR4b in FY25) due to higher NWC and FCF outflow at INR7b (vs. INR3b in FY25) owing to elevated capex.

Overall performance was impacted by geopolitical disruptions

KECI's 4QFY26 performance remained impacted by geopolitical disruptions in the Middle East, freight inflation, labor shortages and supply chain disruptions, which are expected to continue affecting near-term execution and profitability. Net working capital remained high at 137 days, while net debt stood at INR67b due to delayed collections, higher inventory amid delayed dispatches in Dubai and strategic inventory build-up in cables, raw materials and steel due to volatile prices. Receivables were also impacted by slower collections in the water business and delays from certain large clients. While near-term challenges persist, recovery in execution and collections remains critical for improvement in margins and working capital going forward.

Strong T&D momentum continues

T&D business delivered strong performance in FY26, with revenue rising 24% YoY to INR159b, driven by strong domestic and international execution. The company secured T&D order inflows of ~INR177b, including its largest-ever India T&D order worth over INR10b from a private client. The company also strengthened its HVDC presence with three orders from Adani and PGCIL and is currently executing five HVDC projects. Management highlighted increasing privatization in India's transmission sector through the TBCB route with

private developers accounting for ~80% of TBCB awards during the year, helping KEC secure INR36b of orders from private players and SPVs. PGCIL's ban on KECI could be lifted by Aug'26/Sep'26 and order inflows are expected thereafter. Internationally, the company witnessed strong traction across the Middle East, Africa and CIS markets. The T&D order book and L1 position remained healthy at over INR250b, while the near-term T&D pipeline stood at ~INR700b over the next three months. On this base, we expect a CAGR of 12% in T&D order inflows and 15% in revenue over FY26-28E.

Weak execution continues in non-T&D businesses

Non-T&D revenue in FY26 declined 13% YoY to INR84b, impacted by slow execution across civil, railways, renewables and O&G, partly offset by strong growth in the cable business (+23% YoY to INR22b). The civil business secured over INR50b of orders, taking its order book and L1 position above INR100b, while management expects execution recovery in 2HFY27, supported by improving labor availability and ramp-up in delayed projects. Water execution remained calibrated due to delayed payments, although management expects collections to improve going forward. In railways, the company secured INR5.5b of orders in Kavach and railway siding projects and continues to focus on technology-led opportunities, while conventional railway EPC remains weak. KECI also entered the wind EPC segment with two 400MW projects, while the O&G business expanded into the GCC region amid rising energy security investments in West Asia. Overall, we expect non-T&D performance to remain subdued in the near term, with gradual recovery likely from 2HFY27 onward. We expect T&D/non-T&D mix to remain around 67%/33% by FY28.

Near-term margin pressure persists

FY26 EBITDA margin improved only 20bp YoY to 7.1%, impacted by lower margins in civil and urban infra but supported to some extent by T&D segment and improving profitability in cables. Management highlighted that ~50% of the order book has price variation clauses, while civil contracts largely have pass-through mechanisms for steel and cement costs. The company is also discussing freight cost reimbursements with clients, particularly in the Middle East, and indicated that the overall negative impact on margin is unlikely to exceed 100bp.

Considering the near-term execution and cost pressure, we estimate EBITDA margins to remain largely stable at ~7% over FY27-28E.

Financial outlook and valuation

We cut our estimates by 18%/21% for FY27/28 to factor in lower revenue and margins. We expect a CAGR of 16%/15%/19% in revenue/EBITDA/PAT over FY26-28. This will be driven by 1) order inflow growth of 21% on a strong prospect pipeline; 2) stable EBITDA margin at ~7% for FY27E/28E; and 3) stable NWC. KECI is currently trading at 17.2x/14x on FY27E/28E EPS. We maintain BUY with a revised TP of INR630 (from INR750 earlier) based on 18x P/E Mar'28E earnings.

Key risks and concerns

A slowdown in order inflows, higher commodity prices, an increase in receivables and working capital, and heightened competition are some of the key risks that could potentially affect our estimates.

Consolidated - Quarterly Earning Model
(INR m)

Y/E March - INR m	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	45,119	51,133	53,494	68,721	50,229	60,916	60,014	63,898	2,18,467	2,35,055	70,561	(9)
YoY Change (%)	6.3	13.7	6.8	11.5	11.3	19.1	12.2	(7.0)	9.7	7.6	2.7	
Total Expenditure	42,415	47,931	49,749	63,333	46,728	56,612	55,714	59,417	2,03,428	2,18,470	65,598	(9)
EBITDA	2,704	3,202	3,745	5,388	3,501	4,304	4,300	4,481	15,039	16,586	4,962	(10)
YoY Change (%)	10.6	16.7	21.6	38.9	29.5	34.4	14.8	(16.8)	23.8	10.3	(7.9)	
Margins (%)	6.0	6.3	7.0	7.8	7.0	7.1	7.2	7.0	6.9	7.1	7.0	
Depreciation	465	453	453	465	459	506	504	506	1,837	1,974	584	(13)
Interest	1,550	1,681	1,702	1,703	1,511	1,715	1,711	1,699	6,636	6,636	1,710	(1)
Other Income	431	66	9	202	54	46	102	301	709	503	203	48
PBT before EO expense	1,120	1,135	1,598	3,422	1,585	2,130	2,187	2,577	7,275	8,479	2,871	(10)
Extra-Ord expense							588	0		588	0	
PBT	1,120	1,135	1,598	3,422	1,585	2,130	1,599	2,577	7,275	7,891	2,871	(10)
Tax	245	281	303	740	339	522	325	649	1,568	1,836	788	
Rate (%)	21.8	24.7	18.9	21.6	21.4	24.5	20.3	25.2	21.5	23.3	27.4	
Reported PAT	876	854	1,296	2,682	1,246	1,608	1,275	1,928	5,707	6,056	2,084	(7)
Adj PAT	876	854	1,296	2,682	1,246	1,608	1,743	1,910	5,707	6,507	2,061	(7)
YoY Change (%)	106.9	53.1	33.7	76.7	42.3	88.2	34.5	(28.8)	64.6	14.0	(23.1)	
Margins (%)	1.9	1.7	2.4	3.9	2.5	2.6	2.9	3.0	2.6	2.8	2.9	

INR m	FY25				FY26				FY25	FY26	YoY (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Segmental revenue											
T&D (domestic + SAE)	24,990	28,310	31,750	43,280	31,570	40,800	41,610	44,850	1,28,330	1,58,830	3.6
Cables	3,630	4,410	4,060	5,940	3,830	5,240	5,560	7,540	18,040	22,170	26.9
Railways	4,710	5,030	4,560	6,810	4,710	4,250	3,490	3,090	21,110	15,540	(54.6)
Civil	12,580	14,250	14,160	16,020	11,360	12,100	11,220	11,290	57,010	45,970	(29.5)
Less intersegmental	(790)	(870)	(1,040)	(3,330)	(1,240)	(1,470)	(1,870)	(2,880)	(6,030)	(7,460)	(13.5)
Grand total	45,120	51,130	53,490	68,720	50,230	60,920	60,010	63,890	2,18,460	2,35,050	(7.0)

Fusion Finance

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR183 TP: INR235 (+28%) Buy

Broad-based improvement in CE; earnings to accelerate from 2H

Bloomberg	FUSION IN
Equity Shares (m)	162
M.Cap.(INRb)/(USD\$b)	29.8 / 0.3
52-Week Range (INR)	225 / 137
1, 6, 12 Rel. Per (%)	10/16/6
12M Avg Val (INR M)	107

FY27 AUM target of ~INR100b intact

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	11.9	13.2	16.8
PPP	3.6	4.5	7.4
PAT	0.1	3.3	3.9
EPS (INR)	0.86	20.3	24
EPS Gr. (%)	-	-	18
BV (INR)	152	172	196

Valuations

NIM (%)	14.1	14.3	15.2
C/I ratio (%)	69.7	65.9	55.9
RoAA (%)	0.2	3.7	3.8
RoE (%)	0.7	12.5	13.0

Valuations

P/E (x)	-	9.0	7.6
P/BV (x)	1.2	1.1	0.9

Shareholding Pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	54.2	54.9	57.7
DII	14.4	11.9	16.9
FII	5.0	5.1	2.1
Others	26.4	28.0	23.3

FII includes depository receipts

- Fusion Finance (FUSION) reported a net profit of ~INR1.1b in 4QFY26 (vs. est. of INR691m). Fusion recognized a DTA of INR768m in 4QFY26 – this led to tax write-backs in the quarter. FY26 PAT stood at ~INR139m (vs. a loss of ~INR12.2b in FY25). NII in 4QFY26 declined ~14% YoY to ~INR2.3b (in line). Opex was flat YoY at INR2.05b (in line). The cost-to-income ratio remained stable QoQ at ~69% (PQ: ~69% and PY: ~70%).
- PPOp rose ~3% YoY to ~INR931m (27% miss). FY26 PPOp declined ~51% YoY to ~INR3.6b. Net credit costs declined sequentially to ~INR556m (inline). Annualized credit costs in 4QFY26 declined ~150bp QoQ to ~3.6% (PQ: ~5.1%).
- Fusion has targeted an AUM of ~INR 100b by FY27, supported by a disciplined customer acquisition strategy and a continued focus on low-leveraged, stable borrower profiles. MSME is expected to be a key growth driver, led by deeper market penetration, increasing focus on the LAP segment, and expansion through new sourcing channels to strengthen origination and reach.
- The company's branch segmentation strategy, which classifies branches into A to D categories based on operating metrics and growth behavior, is enabling further calibrated expansion and better risk alignment at the branch level. Additionally, the ongoing platform migration is expected to materially enhance onboarding, servicing, and branch efficiency, thereby strengthening operational scalability and supporting sustainable, high-quality growth.
- NII in 4QFY26 remained subdued, primarily due to a broadly flat average AUM base along with higher liquidity buffers and lower DA income, which together temporarily weighed on income recognition. Going forward, NII is expected to grow in 1QFY27 and further accelerate from 2QFY27, thereby supporting PPOp growth. Asset quality remains strong and well-controlled, supported by robust CE of ~99.7%-99.8% across key markets, with GNPA/NNPA at ~3.2%/~0.5%, reflecting contained stress levels. Recoveries from written-off accounts remain healthy, with 90+ DPD recoveries exceeding ~INR350m, underscoring disciplined underwriting and tight portfolio monitoring.
- Fusion has demonstrated steady improvement across key operating parameters, reflecting stronger execution discipline and a refined risk framework. With a clear strategic direction and continued focus on quality-led growth, it is well positioned to scale its guided AUM to INR100b by FY27, implying ~35% growth over the base. This expansion is expected to be supported by improving asset quality trends and a strengthening MSME franchise. Backed by tighter customer selection and operational enhancements, the company is building a more resilient and sustainable growth model going forward.

- With recovery gaining traction, we expect Fusion to deliver an AUM CAGR of ~25% over FY26E-28E with a RoA/RoE of ~3.8%/ 13% by FY28E. **We reiterate our BUY rating with a revised TP of INR235 (based on 1.2x FY28E P/BV).**

Strong asset quality with improving CE and lower delinquencies

- GS3 declined ~120bp QoQ to ~3.2%, while NS3 declined ~12bp QoQ to 0.5%. Stage 3 PCR stood at 85% (PQ: 86.3%). Stage 2 dipped ~70bp QoQ to 1.0% and S2 PCR improved ~5pp QoQ to ~71.4%.
- The company has a management overlay of INR195m remaining after the release of INR100m in 4QFY26.
- Avg. CE (MFI) improved to 99.66% in 4Q (vs. 99.14% in 3Q). New book (MFI) is now at 87% of the portfolio with Avg. CE at 99.77% in 4Q. Net forward flow rate was < 0.1% in 4QFY26. Fusion's + >=3 borrowers declined to ~5% (PQ: 6.8%).
- We expect Fusion's credit costs to decline sharply from ~6% in FY26 to ~3.2%/ 3.1% in FY27E/FY28E.

NIM expands ~12bp QoQ; PSU borrowings dip ~4pp QoQ

- Reported NIM improved ~12bp QoQ to ~11.4%. Yields improved by ~10bp QoQ to 21.7%, while the CoB remained stable QoQ at ~10.3%, resulting in ~10bp QoQ improvement in spreads to ~11.4%.
- The share of public sector banks in the borrowing mix declined ~4pp QoQ to ~16% (PQ: 20%) as of Mar'26. Fusion has a liquidity of INR19b, supported by INR20b of fresh borrowings drawn in 4QFY26.
- With improved portfolio asset quality, lower interest income reversals, and gradual improvement in the funding access, we expect Fusion's NIM to expand from ~14.1% in FY26E to ~15.2% by FY28E.

Disbursement growth healthy at ~85% YoY; borrower base moderates

- Disbursements grew 85% YoY and 34% QoQ to ~INR21.4b. AUM declined ~18% YoY and grew 8% QoQ to ~INR74.1b.
- The borrower base declined to ~2.15m as on Mar'26 (down from ~2.32m as of Dec'25). We expect Fusion to deliver an AUM CAGR of ~25% over FY26-28E.

Highlights from the management commentary

- Fusion expects FY27 opex to increase by ~5-6% over FY26 levels despite business growth, supported by branch rationalization and operating efficiency initiatives. Management is also taking external expert support to further improve branch productivity and cost efficiency.
- Fusion had not recognized DTA over the past 4-5 quarters and has now resumed DTA recognition. Total DTA stood at ~INR3.9b, of which ~INR3.1b remains available for future utilization over the next 12-18 months.

Valuation and view

- Fusion reported a decent earnings performance in 4QFY26, supported by DTA recognition, tax write-backs, and further moderation in credit costs. Disbursement momentum continued to improve, with steady scale-up in the MFI book underpinned by prudent underwriting, as reflected in stronger collection efficiency and easing forward flow trends. Asset quality also remained resilient with continued improvement in key operating metrics, reinforcing the overall stability of the portfolio.
- Fusion currently trades at 1.1x FY27E P/B. With recovery gaining traction, we expect Fusion to deliver an AUM CAGR of ~25% over FY26E-28E with a RoA/RoE of ~3.8%/ 13% by FY28E. **We reiterate our BUY rating with a revised TP of INR235 (based on 1.2x FY28E P/BV).**

Fusion: Quarterly Performance
(INR M)

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	vs. Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	6,213	6,261	4,382	4,487	4,219	3,808	3,629	3,625	21,342	15,325	3,632	0
Interest Expenses	2,234	2,274	2,137	1,794	1,489	1,343	1,235	1,321	8,439	5,387	1,282	3
Net Interest Income	3,979	3,987	2,245	2,693	2,730	2,465	2,394	2,304	12,904	9,938	2,350	-2
YoY Growth (%)	34.6	30.4	-33.7	-25.4	-31.4	-38.2	6.6	-14.4	-0.8	-23.0	-12.7	
Other Income	854	776	443	273	237	519	612	677	2,347	2,000	947	-29
Total Income	4,833	4,764	2,688	2,966	2,967	2,984	3,006	2,980	15,250	11,938	3,296	-10
YoY Growth (%)	30.9	25.3	-34.7	-35.6	-38.6	-37.4	11.8	0.5	-6.0	-21.7	11	
Operating Expenses	1,855	1,925	2,041	2,065	2,101	2,094	2,071	2,050	7,886	8,315	2,028	1
Operating Profit	2,978	2,838	648	901	866	890	936	931	7,365	3,622	1,269	-27
YoY Growth (%)	26.5	17.4	-75.1	-69.0	-70.9	-68.6	44.5	3.3	-28.4	-50.8	40.8	
Provisions & Loan Losses	3,485	6,941	5,723	2,547	1,789	1,112	795	556	18,695	4,252	578	-4
Profit before Tax	-507	-4,102	-5,075	-1,646	-923	-221	141	374	-11,330	-629	691	-46
Tax Provisions	-151	-1,052	2,118	0	0	0	0	-768	915	-768	0	
Net Profit	-356	-3,050	-7,193	-1,646	-923	-221	141	1,142	-12,245	139	691	65
YoY Growth (%)	-130	-343	-669	-224	159	-93	-102	-169	-342	-101.1	-142	
Key Parameters (%)												
Yield on loans	21.7	21.5	19.1	19.1	20.6	21.2	21.6	21.7				
Cost of funds	10.1	10.1	10.3	10.5	10.3	10.4	10.3	10.3				
Spread	11.6	11.4	8.8	8.6	10.3	10.9	11.3	11.4				
NIM	11.6	11.5	8.9	8.6	10.3	10.9	11.3	11.4				
Credit cost	3.28	6.55	5.70	2.80	2.30	1.50	1.00	0.90				
Cost to Income Ratio (%)	38.4	40.4	75.9	69.6	70.8	70.2	68.9	68.8				
Tax Rate (%)	29.8	25.6	-41.7	0.0	0.0	0.0	0.0	-205.2				
Performance ratios (%)												
Avg o/s per borrower (INR '000)	30	29	27	26	25	25	27	31				
AUM/ RO (INR m)	1.2	1.1	1.1	0.9	0.8	0.8	0.9	1.0				
AUM/ Branch (INR m)	9	8	7	6	5	4	4	5				
Borrower/ Branch (INR m)	3,017	2,805	2,590	2,175	1,932	1,759	1,602	1,487				
Balance Sheet Parameters												
AUM (INR B)	121.9	115.7	106.0	89.8	76.9	70.4	68.8	74.1				
Change YoY (%)	25.5	15.4	-0.9	-21.8	-36.9	-39.2	-35.1	-17.5				
Disbursements (INR B)	29.9	16.6	11.7	11.6	9.5	13.0	15.9	21.4				
Change YoY (%)	30.7	-29.1	-56.9	-60.9	-68.2	-21.9	36.5	85.2				
Borrowings (INR B)	91.2	86.4	73.1	64.0	52.7	49.3	51.8	55.7				
Change YoY (%)	26.9	14.8	-8.9	-25.7	-42.3	-42.9	-29.2	-13.0				
Borrowings/Loans (%)	89.0	94.6	92.3	88.2	81.4	83.1	91.8	92.8				
Debt/Equity (x)	3.2	3.4	4.0	3.9	2.7	2.6	2.2	2.3				
Asset Quality (%)												
GS 3 (INR M)	5,952	9,672	11,920	6,457	3,830	2,940	2,620	2,010				
G3 %	5.5	9.4	12.6	7.9	5.4	4.6	4.4	3.2				
NS 3 (INR M)	1,301	2,302	1,450	224	130	230	360	310				
NS3 %	1.27	2.52	1.83	0.31	0.20	0.39	0.64	0.52				
PCR (%)	78.1	76.2	87.8	96.5	96.6	92.2	86.3	84.6				
ECL (%)	5.9	11.1	16.4	10.9	8.2	7.0	5.9	4.3				
Return Ratios - YTD (%)												
ROA (Rep)	-1.2	-10.3	-27.6	-7.4	-4.7	-1.2	0.8	5.7				
ROE (Rep)	-5.0	-45.7	-132.9	-38.2	-20.6	-4.6	2.6	19.1				

E: MOFSL Estimates

Expert Speak

Current dynamics and insights into Indian gold market

We hosted an expert interaction with Mr. Sachin Jain, Regional CEO – India, World Gold Council, to gain insights into the current trends shaping the gold and jewelry industry. The discussion focused on the evolving dynamics of the Indian gold market, regulatory developments, changing consumer behavior, and rapid formalization of the jewelry retail ecosystem. The discussion highlighted how India’s gold ecosystem is at an inflection point, driven by structural formalization, technological innovation, global macro shifts, and changing consumer preferences, even as near-term policy changes create risks for the industry.

India policy changes and their implications on Indian jewelry sector

- The government has effectively raised the overall tax burden on gold imports to ~18%, comprising 10% basic customs duty, 5% cess, and 3% GST, vs. materially lower levels earlier.
- The sharp increase in import duties materially widens the arbitrage between formal and unofficial channels, increasing the risk of smuggling and the revival of the grey market ecosystem.
- The concern is particularly significant because the Indian jewelry sector has made substantial progress toward formalization over the last decade. Higher tax arbitrage could potentially create a “two-tier pricing system” between taxed and cash-based unofficial transactions, thereby undermining organized retail penetration, reducing transparency, and shifting wealth outside the formal balance sheets.
- In addition, silver imports have now been shifted to the restricted category, requiring licensing approval from the DGFT. This move is aimed at controlling precious metal imports and managing pressure on India’s foreign exchange reserves and current account deficit.

Demand environment remains resilient despite elevated prices

- Despite record-high gold prices, Indian gold demand remains strong. Indian consumers have historically been more sensitive to price stability than to the absolute price level itself. Typically, consumers defer purchases during periods of sharp volatility and return once prices stabilize, rather than waiting for prices to decline materially.
- Importantly, wedding-related purchases continue to anchor gold consumption in India and remain largely non-discretionary in nature.
- Wedding demand contributes nearly 58%-62% of total jewelry consumption, making a large part of Indian gold demand relatively inelastic.
- There is a visible shift in consumption patterns toward financial forms of gold. Demand for bars and coins witnessed robust growth during 1QCY26, as families increasingly prefer purchasing investment gold first and converting it into jewelry later based on the evolving design preferences of younger consumers. This trend reflects a gradual separation between gold’s investment utility and its ornamental use.
- While jewelry volumes declined amid high prices, the overall value of purchases increased sharply due to higher realizations, indicating that consumers continue to prioritize gold ownership despite affordability pressure.
- Gold also emerged as one of the best-performing asset classes globally during 2025, further strengthening its appeal as a savings and wealth preservation instrument.



Mr. Sachin Jain
Regional CEO, India,
World Gold Council

Mr. Jain leads the organization’s initiatives across the Indian gold market. With over two decades of experience in the luxury and consumer sectors, he has deep expertise in the Indian jewelry landscape, from strategy to execution. Prior to joining WGC, he spent over a decade at De Beers, where he led the Forevermark business across India and the Middle East. He has also held leadership roles at Lladro, Swatch Group, and Benetton.

Structural shift toward organized retail

- The Indian jewelry market remains highly fragmented, with nearly 350,000 jewelers operating across the country. However, the sector is witnessing a sharp structural migration toward organized retail.
- Over the last five years, the market share of organized retail jewelry has increased from ~9% to ~36%, driven by rising consumer preference for transparency, purity assurance, standardized pricing, and trusted branded offerings. Younger consumers, in particular, increasingly prefer formalized and transparent purchasing channels over traditional family jewelers.
- The smaller unorganized jewelers may face increasing pressure if they fail to adapt to rising transparency and compliance standards.
- While the overall industry has the potential to expand materially over the coming decade, market consolidation is expected to intensify, with larger organized players capturing a disproportionate share of incremental demand.

Global macro trends supporting gold demand

- The global central bank buying remains one of the strongest structural drivers for gold demand. Central banks globally continue to increase gold allocations amid rising concerns around sovereign debt, geopolitical fragmentation, and long-term currency stability.
- The ongoing de-dollarization trend is accelerating reserve diversification toward gold, with many central banks increasingly viewing gold as a strategic reserve asset rather than merely a commodity hedge.
- The sharp rise in global debt levels, now exceeding USD37t, alongside declining confidence in fiat currencies, has further reinforced gold's role as a strategic portfolio diversifier and long-term store of value.

Technology, tokenization and “gold as a service”

- There are technological transformations underway in the gold ecosystem. Over the next few years, gold is expected to evolve into a far more transparent, liquid, and digitally accessible asset class.
- Blockchain-based traceability solutions are increasingly being explored to improve source transparency across the supply chain, from mining to refining and retailing.
- In parallel, tokenization and digital infrastructure are expected to enhance fungibility, improve 24x7 accessibility, and increase trust in ownership verification.
- This transition can also lead to the emergence of “gold as a service,” where gold gradually evolves from a largely opaque physical asset into a digitally backed, highly liquid, collateralized financial instrument integrated within the broader financial ecosystem.

Swarn India 2047 – a strategic vision for the gold ecosystem: In alignment with India's broader ‘Viksit Bharat’ vision, the World Gold Council is developing the ‘Swarn India 2047’ roadmap, which is based on five key pillars:

1. **Domestic gold mining:** India currently relies heavily on imports for gold consumption. The long-term objective is to increase domestic sourcing and potentially meet 20%-30% of gold demand through local mining over the next 5-7 years by attracting greater foreign investment and improving mining economics.
2. **Gold monetization and electronic gold receipts (EGRs):** A major opportunity lies in mobilizing the estimated 32,000-40,000 tons of gold held by Indian households. The vision involves strengthening the gold monetization scheme (GMS) and integrating EGRs to convert idle household gold into productive financial assets that can support the industry through metal loans and reduce incremental import dependence.
3. **India's transition from price-taker to price-maker:** India currently functions largely as a global price-taker despite being among the world's largest gold consumers. The proposed strategic shift involves deepening market infrastructure and allowing wider participation by banks and financial institutions in gold trading and financing, which could eventually improve India's influence in global price discovery.
4. **Building a global gold export hub:** The roadmap also aims to position India as a leading global gold jewelry export hub, leveraging its strong craftsmanship capabilities and replicating the success achieved in the diamond processing industry.
5. **Gold tourism and cultural integration:** They also suggest monetizing India's deep cultural association with gold through tourism initiatives, museums, and temple-linked heritage ecosystems that can further strengthen gold's economic and cultural significance.

BSE SENSEX
75,315

S&P CNX
23,650

CMP: INR132

Neutral

Conference Call Details



Date: 19 May'26
Time: 3:00 pm IST
Dial-in details:
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+91 22 7115 8243

Beat likely led by inventory gains

- EBITDA came in 30% above our estimate at INR219.4b (up 62% YoY).
 - LPG under-recovery of INR2.4b was booked in 4Q (INR9.6b in 3Q)
 - Marketing and refining throughput came in line with our estimate.
 - The petchem segment posted an EBIT of INR12.1b (vs. EBIT loss of INR3.6b in 3Q).
- IOCL's reported PAT came in 27% above our estimate at INR113.8b. However, adj. PAT stood 47% above est. at INR131.8b.
 - The company has recognised impairment loss of INR24.3b in 4Q.
 - Other income stood above est., while interest and depreciation stood below est..
- **As of 31st Mar'26**, IOCL had a cumulative negative net buffer of INR231b due to the under-recovery on LPG cylinders (INR243.2b in Dec'25).
- The MoP&NG, through letters dated 3rd/24th Oct'25, approved a compensation of INR144.9b to the company for under-recoveries on the sale of domestic LPG up to 31st Mar'25, and those expected up to 31st Mar'26. The amount will be released in 12 equal monthly installments, with accruals recognized monthly starting Nov'25. Accordingly, three equal monthly instalments totaling INR36.2b have been recognized in 4Q.
- IOCL's standalone net debt as on 31 Mar'26 stood at **INR663b** (31 Mar'25: INR1,339b) (**positive**).
- IOCL generated cash flow from operations of **INR714b** in FY26 (FY25: INR333b).
- The Board has declared final dividend of INR1.25/sh (FV: INR10/sh).

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY25				FY26				FY25	FY26	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
Net Sales	1932.4	1738.5	1939.0	1949.7	1929.7	1788.8	2044.2	2078.8	7559.5	7841.6	2501.5	-17%
YoY Change (%)	-2.2	-3.3	-2.6	-1.5	-0.1	2.9	5.4	6.6	-2.4	3.7	28.3	
EBITDA	86.3	41.9	91.7	135.7	126.7	167.2	215.8	219.4	355.7	729.1	168.1	30%
Margin (%)	4.5	2.4	4.7	7.0	6.6	9.3	10.6	10.6	4.7	9.3	6.7	
Depreciation	37.6	37.2	39.0	39.1	38.4	38.7	40.8	39.6	152.8	157.5	41.7	
Forex loss	0.0	4.2	20.5	0.0	0.6	21.4	7.6	0.0	24.7	29.6	0.0	
Interest	19.6	24.1	23.1	20.5	19.7	21.7	19.8	18.5	87.3	79.7	20.1	
Other Income	5.3	13.7	18.8	11.7	6.1	15.2	12.2	16.3	49.6	49.9	13.4	
PBT	34.5	1.7	34.7	87.9	74.0	100.7	159.9	153.2	158.8	487.8	119.7	28%
Rate (%)	23.4	-4.2	17.2	17.3	23.2	24.4	24.2	25.7	18.4	24.6	25.2	
Reported PAT	26.4	1.8	28.7	72.6	56.9	76.1	121.3	113.8	129.6	368.0	89.6	27%
Adj PAT	26.4	-10.3	23.1	72.6	56.9	76.1	121.3	131.8	111.2	392.3	89.6	47%
YoY Change (%)	-80.8	-107.9	-71.3	50.2	115.2	-842.2	424.8	81.5	-71.9	252.7	23.3	
Margin (%)	1.4	-0.6	1.2	3.7	2.9	4.3	5.9	6.3	1.5	5.0	3.6	
Key Assumptions												
Refining throughput (mmt)	18.2	16.7	18.1	18.5	18.7	17.6	19.4	19.7	71.6	75.5	19.3	2%
Domestic sale of refined products (mmt)	24.1	21.9	24.8	24.6	25.0	22.9	26.0	26.1	95.4	99.9	25.6	2%
Marketing GM incld. inv. per litre (INR/litre)	4.9	5.9	6.3	6.0	7.8	6.2	6.3	10.0	5.8	7.6	2.0	394%

GE Vernova T&D India

BSE SENSEX
75,315

S&P CNX
23,650

CMP: INR4,431

Buy

Conference Call Details



Date: 19th May 2026

Time: 04:00pm IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	62.1	79.2	100.7
EBITDA	16.8	19.9	24.4
Adj. PAT	12.8	15.1	18.5
Adj. EPS (INR)	50.0	58.9	72.4
EPS Gr. (%)	110.5	27.4	22.9
BV/Sh.(INR)	105.1	150.2	207.4

Ratios

RoE (%)	57.4	46.4	40.5
RoCE (%)	57.9	46.8	40.8

Valuations

P/E (x)	88.6	75.2	61.2
P/BV (x)	42.2	29.5	21.4
EV/EBITDA (x)	66.5	55.7	45.1
Div. Yield (%)	0.2	0.3	0.3

In-line revenue, beat on profitability

- GE Vernova T&D reported in-line revenue, while EBITDA and PAT beat our estimates.
- Revenue came in line with our estimates at INR16.4b, up 42% YoY.
- Gross margin stood at 47.0%, up 470bp YoY. This, coupled with operating leverage benefits, led to an EBITDA growth of 77% YoY to INR4.4b (14% beat). The company's EBITDA margin expanded 530bp YoY to 27.2% vs. our estimate of 24.0%.
- Fueled by strong margins, higher-than-expected other income, and lower-than-expected tax rate, the company's PAT at INR3.5b (+86% YoY) beat our estimate by 33%.
- For FY26, order intake increased 37% YoY to INR147.8b.
- For FY26, revenue/EBITDA/PAT increased 45%/106%/111% YoY to INR62b/17b/13b, while margins expanded 800bp YoY to 27.1%.
- OCF/FCF increased 89%/86% to INR17b/15b.
- The company has declared a dividend of INR10 per share for FY26.

Other key announcements

- The company has announced capex of INR550m towards creating new capacity for disconnectors and drives for 362 kV Dead Tank Circuit Breakers. The capacity will be established at a new facility located in Vallam, Tamil Nadu.

Key order wins during FY26:

- Secured order from Adani Energy Solutions Ltd. to supply High-Voltage Direct Current (HVDC) VSC terminal station for the 2.5-gigawatt Khavda-South Olpad renewable power transmission corridor in India.
- Secured an order from Power Grid Corporation of India Ltd. (PGCIL) for the refurbishment of 2x500MW Chandrapur HVDC Back-to-Back Station.
- Secured order from PGCIL for 765 kV 500 MVA Interconnected Transformers (ICTs) and 765kV 110 MVAR reactors to evacuate power from the renewable energy zone.
- Secured orders of 765kV 500 MVA ICTs, 765 kV 110 MVAR reactors, and 800kV/420kV/245kV GIS from a private TBCB developer in the state of Gujarat.
- Secured orders of 765kV/400kV AIS equipment and Grid Automation packages from multiple EPC players in India.
- Secured multiple orders for export of AIS/GIS equipment to Europe, the Middle East, and Africa.

Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Cons
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net sales	9,583	11,078	10,737	11,525	13,301	15,385	17,006	16,371	42,923	62,063	16,192	1
YoY Change (%)	33.6	58.8	28.0	26.2	38.8	38.9	58.4	42.0	35.5	44.6	40.5	
EBITDA	1,822	2,047	1,797	2,521	3,876	3,965	4,546	4,449	8,187	16,836	3,890	14
YoY Change (%)	258.5	237.5	86.1	127.2	112.7	93.7	153.0	76.5	156.7	105.6	54.3	
Margins (%)	19.0	18.5	16.7	21.9	29.1	25.8	26.7	27.2	19.1	27.1	24.0	
Depreciation	121	121	117	115	111	116	116	121	473	464	139	-13
Interest	20	28	39	57	28	22	28	70	143	148	80	-12
Other Income	118	39	258	211	163	186	188	372	626	908	180	106
PBT before EO expense	1,799	1,938	1,899	2,561	3,900	4,013	4,590	4,630	8,197	17,133	3,851	20
Extra-Ord expense	0	0	0	0	0	0	693	-57	0	636	0	
PBT	1,799	1,938	1,899	2,561	3,900	4,013	3,897	4,687	8,197	16,497	3,851	22
Tax	454	491	472	696	988	1,018	989	1,170	2,113	4,165	1,222	
Rate (%)	25.2	25.4	24.9	27.2	25.3	25.4	25.4	25.0	25.8	25.2	31.7	
Reported PAT	1,345	1,446	1,427	1,865	2,912	2,995	2,908	3,518	6,083	12,333	2,630	34
Adj PAT	1,345	1,446	1,427	1,865	2,912	2,995	3,425	3,476	6,083	12,808	2,619	33
YoY Change (%)	376.4	289.1	189.1	181.3	116.4	107.1	140.1	86.4	236.0	110.5	40.4	
Margins (%)	14.0	13.1	13.3	16.2	21.9	19.5	20.1	21.2	14.2	20.6	16.2	

BSE SENSEX 75,315
S&P CNX 23,650

CMP: INR1,546

Buy

Analyst meet Details



Date: 20th Nov 25
Time: 3:30pm IST
Location:
Sofitel, BKC (Mumbai)

Strong operating performance with healthy cash flows; missed estimates due to lower-than-expected realization growth

- Consolidated revenue grew 24% YoY/35% QoQ to INR20.9b in 4QFY26 (est. INR23.8b)
- Consolidated EBITDA grew 27% YoY/61% QoQ to INR3.8b (est. INR4.6b), with EBITDA margin expanding 40bp YoY/290bp QoQ to 18.3% (est 19.2%), led by gross margin expansion of 150bp YoY and better operating leverage QoQ.
- Adj. PAT grew 21% YoY/81% QoQ to INR2.2b (est INR2.9b). This was adjusted for exceptional items of ~INR61m, pertaining to the impairment of one US subsidiary (~INR41m) and provision of expected credit loss of ~INR20m.
- For FY26, Volume/Revenue/EBITDA/Adj. PAT grew 16%/~13%/12%/6% YoY to 2,63,027MT/INR65.7b/INR10.6b/INR5.5b.
- Gross debt stood at INR1.5b as of FY26 vs INR1.4b in FY25. CFO grew 77% to INR11.2b in FY26, with CFO/EBITDA ratio of 105%.

Segment-wise performance

- **Plumbing:** Revenue: INR15.3b (+25% YoY, +43% QoQ), EBIT: INR2.9b (+46% YoY, +2.1x QoQ), EBIT margin: 19.1% (+280bp YoY, +610bp QoQ). Volume grew 24% YoY/ 36% QoQ to 84,041MT, while EBIT/kg grew 18% YoY/12% QoQ to INR34.8.
- **Adhesives and paints:** Revenue: INR5.5b (+22% YoY, +18% QoQ), EBIT: INR228m (-45% YoY, -23% QoQ), EBIT margin: 4.1% (-500bp YoY, -220bp QoQ).

Consolidated - Quarterly Earning Model

Y/E March	(INR m)											
	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	%
Gross Sales	13,836	13,704	13,970	16,814	13,612	15,774	15,415	20,885	58,324	65,686	23,845	-12
YoY Change (%)	7.8	0.5	2.0	3.5	-1.6	15.1	10.3	24.2	3.4	12.6	41.8	
Total Expenditure	11,692	11,603	11,775	13,795	11,763	13,206	13,042	17,056	48,865	55,067	19,255	
EBITDA	2,144	2,101	2,195	3,019	1,849	2,568	2,373	3,829	9,459	10,619	4,590	-17
Margins (%)	15.5	15.3	15.7	18.0	13.6	16.3	15.4	18.3	16.2	16.2	19.2	
Depreciation	556	599	631	648	719	723	734	740	2,434	2,916	750	
Interest	76	102	139	96	123	160	126	235	413	644	105	
Other Income	119	88	118	88	91	114	95	173	413	473	100	
PBT before EO expense	1,631	1,488	1,543	2,363	1,098	1,799	1,608	3,027	7,025	7,532	3,835	
Extra-Ord expense	0	0	0	163	0	0	165	61	0	226	0	
PBT	1,631	1,488	1,543	2,200	1,098	1,799	1,443	2,966	7,025	7,306	3,835	
Tax	436	401	416	583	306	451	366	836	1,836	1,959	959	
Rate (%)	26.7	26.9	27.0	26.5	27.9	25.1	25.4	28.2	26.1	26.8	25.0	
MI & Profit/Loss of Asso. Cos.	-9	-13	-14	-13	-19	0	0	0	-49	-19	0	
Reported PAT	1,204	1,100	1,141	1,630	811	1,348	1,077	2,130	5,238	5,366	2,875	
Adj PAT	1,204	1,100	1,141	1,793	811	1,348	1,201	2,191	5,238	5,536	2,875	-24
YoY Change (%)	0.5	-16.2	0.5	-1.3	-32.6	22.5	5.2	22.2	-4.3	6	60	
Margins (%)	8.7	8.0	8.2	10.7	6.0	8.5	7.8	10.5	9.0	8.4	12.1	

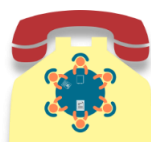
BSE SENSEX
75,315

S&P CNX
23,650

CMP: INR152

Buy

Conference Call Details



Date: 19 May'26
Time: 1500 hours IST
Dial-in details:
+91 22 7195 0000

Higher-than-estimated EBITDA/scm margin drives beat

- Total volumes were slightly above our estimate at 9.7mmscmd (our est.: 9.3mmscmd), up 5.6% YoY.
- CNG volumes came in line with our estimate, while D-PNG/I&C PNG volumes stood 19%/7% above est.
- EBITDA/scm beat our estimate by 44% at INR4.8 (est.: INR3.4/scm).
- Realization increased ~INR0.8/scm QoQ and **gas costs/opex increased ~INR1/0.8 per scm QoQ.**
- EBITDA was 51% above our estimate at INR4.2b (-15% YoY).
- IGL's PAT was 44% above our est. at INR2.8b (-21% YoY).
- Interest expense stood above our estimate.
- The Board has recommended a final dividend of INR1.5/sh (FV: INR2/sh).

Standalone Quarterly performance

Y/E March	FY25				FY26				FY25	FY26	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	35,206	36,973	37,591	39,506	39,139	40,233	40,672	41,626	1,49,276	1,61,670	39,316	6%
Change (%)	3.3	6.9	5.9	9.8	11.2	8.8	8.2	5.4	6.6	8.3	-0.5	
EBITDA	5,819	5,359	3,636	4,972	5,118	4,428	5,008	4,229	19,787	18,500	2,799	51%
EBITDA (INR/scm)	7.4	6.5	4.3	6.0	6.2	5.2	5.8	4.8	6.0	5.4	3.4	44%
Change (%)	-9.4	-18.4	-34.9	-4.8	-12.0	-17.4	37.7	-14.9	-16.4	-6.5	-43.7	
Depreciation	1,143	1,184	1,216	1,198	1,238	1,279	1,311	1,319	4,741	5,146	1,328	
Interest	22	23	21	26	22	22	21	74	92	139	24	
Other Income	727	1,493	1,288	908	901	1,626	1,301	1,012	4,416	4,840	1,118	
PBT before EO	5,380	5,645	3,687	4,656	4,758	4,754	4,978	3,849	19,369	18,056	2,565	50%
EO	0	0	0	0	0	0	-283	0	0	0	0	
PBT after EO	5,380	5,645	3,687	4,656	4,758	4,754	4,695	3,849	19,369	18,056	2,565	50%
Tax	1,366	1,334	829	1,164	1,199	1,029	1,109	1,078	4,693	4,415	646	
Rate (%)	25.4	23.6	22.5	25.0	25.2	21.6	23.6	28.0	24.2	24.4	25.2	
PAT	4,015	4,311	2,858	3,492	3,559	3,725	3,586	2,771	14,676	13,641	1,919	44%
PAT (INR/scm)	5.1	5.2	3.4	4.2	4.3	4.3	4.1	3.2	4.1	3.8	2.3	
Change (%)	-8.4	-19.4	-27.1	-8.8	-11.3	-13.6	25.5	-20.7	-16.0	-7.1	-45.1	
EPS (INR)	2.9	3.1	2.0	2.5	2.5	2.7	2.7	2.0	10.5	9.9	1.4	44%
Gas volumes (mmscmd)												
CNG	6.5	6.8	6.7	6.7	6.8	7.0	6.9	7.1	6.7	6.9	6.9	2%
PNG - Domestic	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.4	1.2	1.3	1.1	19%
PNG - I&C	1.0	1.1	1.2	1.2	1.1	1.2	1.2	1.3	1.1	1.2	1.2	7%
Total	8.6	9.0	9.1	9.2	9.1	9.3	9.4	9.7	9.0	9.4	9.3	5%

Triveni Turbine

BSE SENSEX
75,315

S&P CNX
23,264

CMP: INR595

Buy

Conference Call Details



Date: 19th May 2026

Time: 12:00pm IST

Dial-in details:

[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	21.8	24.0	28.3
EBITDA	4.5	5.1	6.1
Adj. PAT	3.7	4.3	5.0
Adj. EPS (INR)	11.5	13.5	15.8
EPS Gr. (%)	1.1	13.3	16.9
BV/Sh.(INR)	45.5	56.1	67.5
Ratios			
RoE (%)	27.1	26.3	25.5
RoCE (%)	27.3	26.4	25.6
Valuations			
P/E (x)	52.4	44.2	37.8
P/BV (x)	13.1	10.6	8.8
EV/EBITDA (x)	41.4	35.5	30.0
Div. Yield (%)	0.3	0.6	0.7

In-line revenue, miss on profitability

- Triveni Turbine reported in-line revenue, while EBITDA and PAT came in below our estimates.
- Revenue was in line with our estimates and increased 26% YoY to INR7b. Domestic sales were up 5% YoY to INR2.7b, while export sales increased 46% YoY to INR4.1b.
- Gross margin dipped 900bp YoY to 41.1%, resulting in an EBITDA margin contraction of 360bp YoY and 270bp QoQ to 18.8%, below our estimate of 21.4%.
- Absolute EBITDA increased 6% YoY to INR1.3b, missing our estimate by 11%.
- Lower margins and weaker-than-expected other income led to PAT missing our estimate. PAT increased 8% YoY to INR1b, 15% below our estimate.
- Order inflows increased 19% YoY to INR7.5b, supported by a favorable segment mix.
- Export order booking increased by 174% YoY to INR5.2b, driven by demand across key markets including Europe, Turkey, and Southeast Asia. Domestic order bookings declined 47% YoY to INR2.3b and contributed 31% of overall order bookings in 4Q.
- On the product side, order inflows declined 19% YoY to INR3.7b, whereas the aftermarket segment's order inflows rose 121% to INR3.8b.
- The total consolidated order book stood at INR21b as of Mar'26 (+8% YoY); of this, the domestic order book stood at INR10b (+22% YoY), and the export order book stood at INR10.5b (-3% YoY), contributing to 51% of the closing order book.
- On the product side, the consolidated order book dipped 8% YoY to INR15b, whereas the aftermarket segment's order book rose 107% to INR5.4b.
- For FY26, revenue/EBITDA/PAT increased 9%/3%/1% to INR22b/INR5b/INR4b, whereas EBITDA margin contracted 120bp YoY to 20.6%.
- For FY26, OCF/FCF declined 41%/73% YoY to INR1b/INR394m.
- The company recommended a dividend of INR2/equity share for FY26.

Consolidated - Quarterly Earning Model
(INR m)

Y/E March	FY25				FY26E				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	4,633	5,011	5,034	5,380	3,713	5,062	6,240	6,796	20,058	21,811	6,692	2
YoY Change (%)	23.1	29.2	16.6	17.5	-19.9	1.0	24.0	26.3	21.3	8.7	24.4	
Total Expenditure	3,677	3,897	3,941	4,176	2,977	3,916	4,899	5,516	15,691	17,308	5,259	
EBITDA	956	1,114	1,093	1,204	736	1,146	1,341	1,280	4,367	4,503	1,433	-11
YoY Change (%)	34.8	49.8	30.6	34.0	-23.0	2.9	22.7	6.3	37.0	3.1	19.0	
Margins (%)	20.6	22.2	21.7	22.4	19.8	22.6	21.5	18.8	21.8	20.6	21.4	
Depreciation	62	61	65	75	77	80	94	90	263	341	54	66
Interest	10	8	4	7	8	4	7	7	29	26	14	-48
Other Income	194	196	221	199	222	184	195	164	810	765	295	-44
PBT before EO expense	1,078	1,241	1,245	1,321	873	1,246	1,435	1,347	4,885	4,901	1,661	-19
Extra-Ord expense	0	0	0	0	0	0	157	0	0	157	0	
PBT	1,078	1,241	1,245	1,321	873	1,246	1,278	1,347	4,885	4,744	1,661	-19
Tax	274	331	320	375	228	332	352	325	1,300	1,237	475	
Rate (%)	25.4	26.7	25.7	28.4	26.1	26.6	27.5	24.1	26.6	26.1	28.6	
MI & P/L of Asso. Cos.	0	0	1	0	-1	0	-9	-3	1	-13	10	
Reported PAT	804	910	926	946	644	914	917	1,019	3,586	3,494	1,195	-15
Adj PAT	804	910	926	946	644	914	1,031	1,021	3,586	3,610	1,195	-15
YoY Change (%)	31.8	41.4	35.0	25.9	-19.9	0.4	11.3	8.0	33.3	0.7	26.3	
Margins (%)	17.4	18.2	18.4	17.6	17.3	18.1	16.5	15.0	17.9	16.6	17.9	

VRL Logistics

BSE SENSEX 75,315
S&P CNX 23,650

CMP: INR244

Buy

Conference Call Details



Date: 19th May 2026

Time: 10:30 am IST

Conference call details:

[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	32.2	35.8	39.0
EBITDA	6.5	7.2	7.9
Adj. PAT	2.4	2.7	3.1
EBITDA Margin (%)	20.2	20.1	20.2
Adj. EPS (INR)	13.5	15.6	17.7
EPS Gr. (%)	29.5	15.2	13.5
BV/Sh. (INR)	65.3	70.9	77.1
Ratios			
Net D:E	0.4	0.3	0.1
RoE (%)	21.3	22.9	23.9
RoCE (%)	18.7	20.8	22.5
Payout (%)	36.9	64.1	65.0
Valuations			
P/E (x)	18.0	15.6	13.8
P/BV (x)	3.7	3.4	3.2
EV/EBITDA(x)	7.2	6.4	5.6
Div. Yield (%)	2.0	4.1	4.7
FCF Yield (%)	8.4	8.3	8.1

Performance slightly above our estimates

- Revenue grew 5% YoY to INR8.5b, in line with our estimate.
- Volume grew 3% YoY to 1.04m tons, while realization also grew 3% YoY to INR 8,147/ton.
- EBITDA margins stood at 20.8% (-230bp YoY and +20bp QoQ) vs. our estimate of 19.6%. EBITDA margin continues to remain healthy, driven by higher realizations.
- EBITDA dipped ~5% YoY to INR 1.77b in 4QFY26 (vs. our estimate of INR1.66b).
- In line with the operating performance, APAT declined 3% YoY to INR 721m in 4Q FY26 (13% above our estimate).
- In FY26, revenue/EBITDA/APAT grew 2%/13%/29%.

Quarterly performance

Y/E March (INR m)	INR m											
	FY25				FY26				FY25	FY26	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	vs Est	
Net Sales	7,272	7,995	8,252	8,090	7,443	7,970	8,270	8,529	31,609	32,211	8,487	0
YoY Change (%)	7.9	12.7	12.0	5.3	2.4	-0.3	0.2	5.4	9.4	1.9	4.9	
EBITDA	869	1,331	1,664	1,866	1,516	1,511	1,700	1,775	5,730	6,502	1,661	7
Margins (%)	11.9	16.6	20.2	23.1	20.4	19.0	20.6	20.8	18.1	20.2	19.6	
YoY Change (%)	-14.7	44.9	76.3	77.1	74.5	13.6	2.1	-4.9	45.6	13.5	-11.0	
Depreciation	615	638	646	638	647	648	681	635	2,536	2,610	697	
Interest	226	224	241	258	262	242	219	227	948	950	196	
Other Income	148	25	57	25	65	70	38	64	255	237	87	
PBT before EO expense	176	493	835	996	672	691	838	977	2,500	3,179	855	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	176	493	835	996	672	691	838	977	2,500	3,179	855	
Tax	42	135	240	253	172	192	191	255	670	811	215	
Rate (%)	23.6	27.3	28.8	25.4	25.6	27.8	22.8	26.1	26.8	25.5	25.2	
Reported PAT	134	358	594	743	500	499	648	721	1,829	2,368	640	
Adj PAT	134	358	594	743	500	499	648	721	1,829	2,368	640	13
YoY Change (%)	-60.4	84.4	333.9	244.6	272.4	39.2	9.0	-2.8	106.5	29.5	-13.9	
Margins (%)	1.8	4.5	7.2	9.2	6.7	6.3	7.8	8.5	5.8	7.4	7.5	



Tata Steel: India EBITDA/Tonne Will Improve In Q1FY27 Vs Q4FY26; TV Narendran, CEO & MD

- Q1 FY27 domestic EBITDA will improve sequentially, backed by a ₹6,000/tonne price recovery
- Netherlands stays profitable; UK is cutting losses with policy support, eyeing profitability by Q2/Q3
- Net debt fell ₹2,500cr alongside ₹3,000cr in strategic acquisitions; net debt/EBITDA is under 2.3x
- Prioritizing high-margin segments (auto, retail) over raw volume expansion to hedge volatile costs

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Premier Energies: FY27 is expected to be a strong year for the company; Vinay Rustagi, CBO

- Robust revenue visibility with a current order book of ₹14,000 crore, the bulk of which is scheduled for execution within FY27
- Massively scaling up cell capacity from 3.6 GW to 10.6 GW within the next four months to match surging domestic solar demand
- Lined up a ₹5,000 crore capex program funded through debt and internal accruals, targeting backward integration into ingots/wafers and new battery storage lines
- High-margin cell and DCR module lines remain protected from broader commoditized module pricing pressure

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Texmaco Rail: Eye 20% EBITDA Improvement In The Near-Term; Sudipta Mukherjee, MD

- Aiming to double overall revenue in 3 to 5 years, with the core business guided to grow at least 20% in the current fiscal year
- Reducing cyclical government risk by diversifying its mix; by 2030, core operations will account for 50–55%, and new adjacencies (passenger mobility, mining) will drive the rest
- Committing an initial ₹200 crore toward high-margin, specialized defense product lines under the Atmanirbhar Bharat indigenization push
- Targeting a 20% near-term EBITDA improvement

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KIMS: Electronic City Hospital May Take 4 Quarters To Turn EBITDA Profitable; B Bhaskara Rao, CMD

- Consolidated EBITDA dipped below 20% on new hospital gestation costs, though mature units sustained strong 29–30% margins
- Electronic City (Bangalore) will take 3–4 quarters to breakeven; Mahadevapura is already profitable
- Guiding for historical 18–20% topline growth, with margins recovering to 24–25% as occupancy rises to 65–67%

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BUY	>=15%
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