CONNECT

Q4 in line, Geopolitical Impact yet to reflect in the Economy

Jan-Mar'26 Results

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June 11, 2026

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Quick Pointers

- **PL Universe in 4QFY26 reported Sales, EBIDTA, PAT growth of 10.3%, 7.5%, and 13.5% YoY respectively.**
- **PL Coverage universe posted 0.4% lower sales growth than estimates for 4Q26. EBIDTA/PAT beat estimates by 1.4% and 5.6%.**

- PL Universe in 4QFY26 reported Sales, EBIDTA, PAT growth of 10.3%, 7.5%, and 13.5% YoY respectively. Ex-BFSI EBIDTA increased 8.7% while PBT increased by 8.9% YoY. Ex-O&G EBIDTA increased 6.3% while PBT increased 7.1% YoY.

- PL Coverage universe posted 0.4% lower sales growth than estimates for 4Q26. EBIDTA/PAT beat estimates by 1.4% and 5.6%. Ex-BFSI EBIDTA and PAT beat was 2.0/4.5%. Ex- Oil & Gas PAT beat 4.9%.

- Auto, Building Materials, Consumer, Education, EMS, Financial Services, Healthcare, Logistics, Metals & Mining, Ports, Real Estate, Renewables & Telecom reported more than 15% YoY sales growth. Capital Goods, Cement, Consumer Durables & Information Technology reported between 10-15% YoY sales growth.

- Auto, Building Material, EMS, Financial Services, Healthcare Logistics, Metals & Mining, Ports, Real Estate and Renewables reported more than 20% YoY EBIDTA growth. Of these, Building Materials, Logistics, Metals & Mining, Real Estate and Renewables had more than 30% YoY EBIDTA growth.

- PL Universe in 4QFY26 reported sales, EBIDTA, PAT growth of 10.3%, 7.5%, and 13.5% YoY, respectively. Coverage universe posted lower sales of 0.4% and higher EBITDA/PAT of 1.4/5.6% than estimates. Ex-BFSI EBIDTA increased 8.7%, while PBT increased by 8.9% YoY.

- Consumer Durables has shown a sharp 2-digit YoY PAT decline, while Media have shown exceptionally high PAT growth of 249.3% YoY

- Capital Goods, Chemical, Consumer, Logistics, Ports, Real Estate and Renewable Equipment sectors reported sales ahead of estimates by 2.1%–23.2%, while Banks, Building Materials, EMS, Financial Services, Infrastructure, Oil & Gas and Travel & Tourism lagged, missing estimates by 1.6%–5.4%.

- Most of the sectors delivered EBITDA beat versus estimates, led by Chemicals with a 21.1% increase and Logistics with a 14.6% increase. However, Banks posted a marginal miss of 0.6%, while Infrastructure, Power, Travel & Tourism and Media recorded double-digit EBITDA miss.

- Building Materials, Cement, Chemicals, Logistics, Power and Real Estate posted double-digit PAT beats versus estimates, while Consumer Durables, EMS, Infrastructure and Travel & Tourism reported double-digit miss.

Note: Sectoral/stock growth and its variation with estimates are as per PL coverage universe.

Auto reported a 28.0% YoY increase in revenue in Q4FY26, while EBITDA and PAT grew by 25.7% YoY and 21.0% YoY, respectively. Revenue and EBITDA beat estimates by 0.6%, 4.4% and miss PAT by 0.1% (inline), respectively.

Banks reported a 5.9% YoY increase in revenue, while EBITDA and PAT grew by 1.6% YoY and 11.4% YoY, respectively. Revenue and EBITDA missed estimates by 2.3% and 0.6%, while PAT exceeded estimates by 8.8%.

Building Materials reported a 17.1% YoY increase in revenue, while EBITDA and PAT grew by 47.9% YoY and 42.8% YoY, respectively. Revenue missed estimates by 2.6%, while EBITDA and PAT exceeded estimates by 13.7% and 12.1%.

Capital Goods reported a 12.6% YoY increase in revenue, while EBITDA and PAT grew by 8.2% YoY and 13.4% YoY, respectively. Revenue, EBITDA and PAT exceeded estimates by 2.1%, 2.8% and 7.6%, respectively.

Cement reported a 10.3% YoY increase in revenue, while EBITDA grew by 3.2% YoY and PAT by 18.8% YoY. Revenue and EBITDA exceeded estimates by 1.9% and 5.5%, while PAT exceeded sharply by 37.9%.

Chemicals reported a 5.7% YoY increase in revenue, while EBITDA grew by 5.9% YoY and PAT declined by 2.1% YoY. Revenue, EBITDA and PAT exceeded estimates by 6.9%, 21.1% and 17.1%, respectively.

Consumer Durables reported a 12.5% YoY increase in revenue, while EBITDA declined by 0.4% YoY and PAT declined by 29.7% YoY. Revenue was inline, while EBITDA and PAT missed estimates by 2.9% and 31.7% respectively.

Consumer reported a 17.7% YoY increase in revenue, while EBITDA and PAT grew by 13.2% YoY each. Revenue, EBITDA and PAT exceeded estimates by 3.3%, 2.8% and 4.6%, respectively.

Education reported a 14.9% YoY increase in revenue, while EBITDA and PAT grew by 17.5% YoY and 16.7% YoY, respectively. Revenue, EBITDA and PAT largely remained inline, with modest beats of 0.2%, 3.5% and 7.9%, respectively.

EMS reported a 19.8% YoY increase in revenue, while EBITDA and PAT grew by 23.5% YoY and 10.9% YoY, respectively. Revenue missed estimates by 5.4%, EBITDA exceeded by 2.5%, while PAT missed by 12.6%.

Financial Services reported a 20.0% YoY increase in revenue, while EBITDA and PAT grew by 22.1% YoY and 26.9% YoY, respectively. Revenue missed estimates by -1.6%, while EBITDA and PAT exceeded by 0.5% and 4.4%, respectively.

Healthcare reported a 23.3% YoY increase in revenue, while EBITDA and PAT grew by 21.8% YoY and 18.7% YoY, respectively. Revenue, EBITDA and PAT exceeded estimates by 1.7%, 3.2% and 6.3%, respectively.

Infrastructure reported a 4.0% YoY decline in revenue, while EBITDA and PAT declined by 20.5% YoY and 24.0% YoY, respectively. Revenue, EBITDA and PAT missed sharply estimates by 4.7%, 20.6% and 22.1% respectively.

Information Technology reported an 11.6% YoY increase in revenue, while EBITDA and PAT grew by 15.3% YoY and 15.5% YoY, respectively. Revenue, EBITDA and PAT largely remained inline, with variations of 0.5%, 1.2% and 2.7%, respectively.

Logistics reported a 22.1% YoY increase in revenue, while EBITDA and PAT grew by 60.6% YoY and 53.9% YoY, respectively. Revenue, EBITDA and PAT exceeded estimates by 2.5%, 14.6% and 24.1%, respectively.

Media reported a 0.8% YoY increase in revenue, while EBITDA declined by 56.3% YoY and PAT grew by 249.3% YoY. Revenue missed estimates by 1.1%, EBITDA missed sharply by 61.3%, while PAT exceeded strongly by 241.6%.

Metals & Mining reported a 16.0% YoY increase in revenue, while EBITDA and PAT grew by 31.4% YoY and 58.5% YoY, respectively. Revenue and EBITDA exceeded estimates by 0.4% and 6.5%, while PAT missed by -3.2%.

Oil & Gas reported a 6.9% YoY increase in revenue, while EBITDA and PAT grew by 12.3% YoY and 10.7% YoY, respectively. Revenue missed estimates by 2.2%, while EBITDA and PAT exceeded by 10.8% and 9.0%, respectively.

Pharma reported a 9.7% YoY increase in revenue, while EBITDA and PAT declined by 4.1% YoY and 2.3% YoY, respectively. Revenue exceeded estimates by 1.7%, while EBITDA and PAT missed by 5.2% and 2.6%, respectively.

Ports reported a 25.5% YoY increase in revenue, while EBITDA and PAT grew by 20.2% YoY and 9.3% YoY, respectively. Revenue and EBITDA exceeded estimates by 11.4% and 6.3%, while PAT was largely inline (+1.5%).

Power reported a 6.3% YoY decline in revenue, while EBITDA declined by 20.0% YoY and PAT grew by 11.4% YoY. Revenue and EBITDA missed sharply estimates by 0.9% and 18.5% while PAT exceeded by 14.2%.

Real Estate reported a 75.4% YoY increase in revenue, while EBITDA and PAT grew by 50.1% YoY and 53.9% YoY, respectively. Revenue, EBITDA and PAT exceeded estimates by 23.2%, 10.2% and 12.5%, respectively.

Renewable Equipments reported a 78.4% YoY increase in revenue, while EBITDA and PAT grew by 48.4% YoY and 64.3% YoY, respectively. Revenue exceeded estimates by 11.9%, while EBITDA and PAT missed slightly (3.1% and 1.2%).

Travel & Tourism reported a 2.2% YoY increase in revenue, while EBITDA and PAT declined by 67.7% YoY and 29.5% YoY, respectively. Revenue, EBITDA and PAT missed estimates by 3.2%, 31.1% and 13.5%, respectively.

Telecom reported a 15.7% YoY increase in revenue, while EBITDA grew by 16.6% YoY and PAT declined by 6.1% YoY. Revenue and EBITDA were inline/slightly missed (0.1%, 0.3%), while PAT missed estimates by 5.6%.

Exhibit 1 : 4Q FY26 Results and Variation in Numbers

	Revenue					EBITDA					PBT					PAT				
	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.
Auto																				
Bajaj Auto	1,60,197	1,60,057	-0.1%	1,21,480	31.8%	33,197	33,227	0.1%	24,506	35.6%	35,756	36,251	1.4%	27,034	34.1%	26,967	27,180	0.8%	20,493	32.6%
Eicher Motors	59,507	60,801	2.2%	52,411	16.0%	14,802	15,137	2.3%	12,577	20.4%	16,990	16,140	-5.0%	14,212	13.6%	15,428	15,200	-1.5%	13,622	11.6%
Hero Motocorp	1,26,750	1,27,965	1.0%	99,387	28.8%	18,510	18,556	0.2%	14,156	31.1%	19,014	18,548	-2.5%	14,425	28.6%	14,320	14,011	-2.2%	10,809	29.6%
Mahindra & Mahindra	4,00,564	3,95,541	-1.3%	3,13,534	26.2%	57,682	55,644	-3.5%	46,825	18.8%	47,611	48,812	2.5%	33,450	45.9%	35,584	37,373	5.0%	24,371	53.3%
Maruti Suzuki	5,11,993	5,24,493	2.4%	4,09,096	28.2%	51,684	61,569	19.1%	48,426	27.1%	48,212	48,360	0.3%	48,618	-0.5%	37,056	35,905	-3.1%	38,573	-6.9%
TVS Motor Company	1,29,552	1,28,076	-1.1%	95,504	34.1%	16,638	16,795	0.9%	13,306	26.2%	14,045	13,584	-3.3%	10,096	34.6%	10,425	9,977	-4.3%	7,499	33.0%
Total	**13,88,562**	**13,96,933**	**0.6%**	**10,91,412**	**28.0%**	**1,92,513**	**2,00,927**	**4.4%**	**1,59,796**	**25.7%**	**1,81,629**	**1,81,696**	**0.0%**	**1,47,834**	**22.9%**	**1,39,780**	**1,39,645**	**-0.1%**	**1,15,367**	**21.0%**
Banks																				
Axis Bank	1,48,459	1,44,572	-2.6%	1,38,105	4.7%	1,13,272	1,00,134	-11.6%	1,07,524	-6.9%	91,341	64,912	-28.9%	93,930	-30.9%	68,506	70,713	3.2%	71,175	-0.6%
Bank of Baroda	1,16,499	1,15,437	-0.9%	1,10,197	4.8%	63,760	90,694	42.2%	81,321	11.5%	51,908	59,190	14.0%	65,806	-10.1%	37,893	56,157	48.2%	50,477	11.3%
Canara Bank	95,211	98,080	3.0%	94,419	3.9%	68,926	67,574	-2.0%	82,837	-18.4%	47,490	57,656	21.4%	64,520	-10.6%	35,618	45,056	26.5%	50,027	-9.9%
City Union Bank	7,800	7,858	0.7%	6,003	30.9%	5,263	5,796	10.1%	4,410	31.4%	4,538	4,596	1.3%	3,630	26.6%	3,585	3,596	0.3%	2,880	24.9%
DCB Bank	6,498	6,552	0.8%	5,580	17.4%	3,237	3,421	5.7%	3,054	12.0%	2,490	2,490	0.0%	2,382	4.5%	1,850	2,057	11.2%	1,771	16.2%
Federal Bank	27,137	27,166	0.1%	23,774	14.3%	17,424	22,764	30.6%	14,654	55.3%	14,280	15,354	7.5%	13,273	15.7%	6,816	12,591	84.7%	10,302	22.2%
HDFC Bank	3,44,021	3,30,816	-3.8%	3,13,658	5.5%	2,95,131	2,78,029	-5.8%	2,58,367	7.6%	2,65,686	2,51,934	-5.2%	2,26,437	11.3%	2,01,921	1,92,211	-4.8%	1,69,161	13.6%
ICICI Bank	2,27,818	2,26,891	-0.4%	2,10,789	7.6%	1,79,843	1,81,991	1.2%	1,76,643	3.0%	1,63,878	1,81,030	10.5%	1,67,736	7.9%	1,22,908	1,37,017	11.5%	1,26,296	8.5%
IndusInd bank	45,242	43,715	-3.4%	30,483	43.4%	22,594	22,153	-2.0%	(4,725)	-568.8%	3,110	7,309	135.0%	(28,891)	-125.3%	2,332	5,327	128.4%	(22,360)	-123.8%
Kotak Mahindra Bank	79,099	78,755	-0.4%	72,836	8.1%	57,629	58,552	1.6%	54,722	7.0%	49,998	53,388	6.8%	45,628	17.0%	37,499	40,266	7.4%	35,517	13.4%
State Bank of India	4,63,130	4,43,800	-4.2%	4,26,178	4.1%	2,96,248	2,77,042	-6.5%	3,12,860	-11.4%	2,49,167	2,48,320	-0.3%	2,48,444	0.0%	1,84,384	1,96,838	6.8%	1,86,426	5.6%
Union Bank Of India	95,647	94,060	-1.7%	95,140	-1.1%	71,120	79,553	11.9%	77,001	3.3%	60,659	69,003	13.8%	61,562	12.1%	45,494	53,158	16.8%	49,849	6.6%
Total	**16,56,560**	**16,17,700**	**-2.3%**	**15,27,164**	**5.9%**	**11,94,447**	**11,87,703**	**-0.6%**	**11,68,668**	**1.6%**	**10,04,544**	**10,15,180**	**1.1%**	**9,64,455**	**5.3%**	**7,48,806**	**8,14,984**	**8.8%**	**7,31,521**	**11.4%**
Building Materials																				
Astral Ltd.	21,745	20,885	-4.0%	16,814	24.2%	3,970	3,989	0.5%	3,019	32.1%	3,354	3,187	-5.0%	2,363	34.9%	2,591	2,351	-9.2%	1,781	32.0%
Century Plyboard	13,618	14,922	9.6%	11,983	24.5%	1,635	1,990	21.7%	1,346	47.9%	890	1,279	43.7%	817	56.6%	666	794	19.3%	532	49.4%
Cera Sanitaryware	6,249	6,438	3.0%	5,780	11.4%	781	979	25.4%	1,056	-7.3%	876	929	5.9%	1,096	-15.3%	684	773	13.1%	856	-9.6%
Finolex Industries	15,153	13,139	-13.3%	11,718	12.1%	2,214	3,320	50.0%	1,713	93.9%	2,444	3,345	36.9%	2,028	65.0%	1,869	2,613	39.8%	1,646	58.7%
Greenpanael Inds	3,912	3,989	2.0%	3,745	6.5%	432	314	-27.2%	480	-34.4%	178	72	-59.6%	297	-75.7%	133	14	-89.7%	294	-95.3%
Kajaria Ceramics	13,417	13,734	2.4%	12,219	12.4%	2,294	2,635	14.8%	1,384	90.4%	1,946	2,279	17.1%	1,014	124.8%	1,472	1,557	5.8%	663	134.8%
Supreme Industries	37,185	35,277	-5.1%	30,271	16.5%	5,784	6,231	7.7%	4,163	49.7%	4,646	5,013	7.9%	3,344	49.9%	3,681	4,336	17.8%	2,939	47.5%
Total	**1,11,279**	**1,08,383**	**-2.6%**	**92,529**	**17.1%**	**17,110**	**19,459**	**13.7%**	**13,159**	**47.9%**	**14,334**	**16,103**	**12.3%**	**10,958**	**47.0%**	**11,095**	**12,437**	**12.1%**	**8,711**	**42.8%**
Capital Goods																				
ABB India	35,245	31,841	-9.7%	30,101	5.8%	5,498	4,084	-25.7%	5,596	-27.0%	5,968	4,619	-22.6%	6,137	-24.7%	4,464	3,419	-23.4%	4,573	-25.2%
Apar Inds Ltd	63,442	66,028	4.1%	52,098	26.7%	4,884	5,194	6.3%	4,582	13.3%	4,173	3,598	-13.8%	3,401	5.8%	3,182	2,780	-12.7%	2,500	11.2%
BEML	19,437	17,942	-7.7%	16,525	8.6%	4,852	4,429	-8.7%	4,225	4.8%	4,558	4,163	-8.7%	3,948	5.5%	3,436	3,056	-11.1%	2,876	6.3%
Bharat Electronics	1,00,191	1,01,772	1.6%	91,197	11.6%	27,993	29,624	5.8%	27,890	6.2%	29,087	29,038	-0.2%	28,476	2.0%	22,146	22,032	-0.5%	21,048	4.7%
BHEL	1,13,585	1,23,104	8.4%	89,934	36.9%	11,852	17,531	47.9%	8,317	110.8%	11,251	17,198	52.9%	7,040	144.3%	7,972	12,827	60.9%	5,040	154.5%
Carborundum Universal	12,959	13,984	7.9%	12,171	14.9%	1,606	1,442	-10.2%	1,463	-1.4%	1,113	961	-13.6%	934	3.0%	661	1,170	77.0%	291	301.4%
Elgi Equipments	11,017	11,126	1.0%	9,929	12.1%	1,762	1,742	-1.2%	1,499	16.2%	1,635	1,653	1.1%	1,392	18.8%	1,163	1,280	10.1%	1,020	25.5%
Grindwell Norton	7,725	8,422	9.0%	7,095	18.7%	1,392	1,642	18.0%	1,273	29.0%	1,289	1,578	22.4%	1,227	28.7%	951	1,187	24.8%	925	28.3%
Cummins India	27,028	30,112	11.4%	24,569	22.6%	5,737	6,422	11.9%	5,197	23.6%	7,313	8,202	12.2%	6,807	20.5%	5,572	6,255	12.2%	5,214	20.0%
Engineers India	11,382	9,263	-18.6%	10,102	-8.3%	2,186	1,518	-30.5%	2,184	-30.5%	2,457	2,033	-17.3%	2,436	-16.5%	2,595	1,955	-24.7%	2,185	-10.5%
GE T&D India	17,592	16,371	-6.9%	11,525	42.0%	4,605	4,449	-3.4%	2,671	66.6%	4,634	4,630	-0.1%	2,711	70.8%	3,436	3,475	1.1%	1,974	76.0%
Harsha Engineering	4,107	4,739	15.4%	3,730	27.1%	413	734	77.7%	352	108.8%	454	654	44.1%	349	87.5%	329	472	43.3%	253	86.8%
Hindustan Aeronautics	1,31,037	1,39,424	6.4%	1,36,999	1.8%	47,380	50,586	6.8%	52,949	-4.5%	45,421	55,706	22.6%	52,015	7.1%	34,062	41,960	23.2%	39,767	5.5%
Hitachi Energy India	24,944	27,541	10.4%	18,837	46.2%	4,141	4,478	8.1%	2,380	88.2%	4,721	4,749	0.6%	2,267	109.4%	3,549	3,539	-0.3%	1,640	115.9%
Ingersoll Rand India	4,060	2,996	-26.2%	3,223	-7.0%	976	690	-29.3%	835	-17.3%	1,031	731	-29.1%	902	-18.9%	778	539	-30.7%	677	-20.3%
Kalpataru Power Transmission	70,502	69,640	-1.2%	62,042	12.2%	5,465	6,719	22.9%	5,232	28.4%	3,470	5,157	48.6%	3,641	41.6%	2,561	3,629	41.7%	2,657	36.6%
KEC International	70,102	63,898	-8.9%	68,721	-7.0%	4,783	4,481	-6.3%	5,388	-16.8%	2,783	2,577	-7.4%	3,422	-24.7%	2,147	1,928	-10.2%	2,682	-28.1%
Kirloskar Pneumatic Co	7,238	7,118	-1.7%	5,916	20.3%	1,508	1,860	23.4%	1,097	69.6%	1,447	1,834	26.7%	1,080	69.8%	1,077	1,405	30.4%	839	67.4%
Larsen & Toubro	8,08,694	8,27,622	2.3%	7,43,923	11.3%	88,180	86,103	-2.4%	82,025	5.0%	75,399	83,416	10.6%	75,392	10.6%	54,352	56,430	3.8%	51,339	9.9%
Praj Industries	8,863	8,446	-4.7%	8,597	-1.8%	490	233	-52.5%	753	-69.1%	393	155	-60.7%	583	-73.4%	367	35	-90.3%	398	-91.1%
Siemens	45,191	46,175	2.2%	40,292	14.6%	5,739	4,491	-21.8%	5,075	-11.5%	6,730	4,615	-31.4%	5,908	-21.9%	5,134	3,592	-30.0%	4,555	-21.1%
Siemens Energy India	23,469	23,941	2.0%	18,795	27.4%	5,280	5,094	-3.5%	4,078	24.9%	5,180	5,133	-0.9%	3,946	30.1%	3,859	3,857	-0.1%	2,954	30.6%
Thermax	33,961	34,157	0.6%	30,849	10.7%	3,531	3,620	2.5%	2,997	20.8%	3,211	3,193	-0.6%	2,999	6.5%	2,205	2,338	6.0%	2,057	13.6%
Triveni Turbine	6,498	6,796	4.6%	5,380	26.3%	1,372	1,280	-6.7%	1,204	6.3%	1,502	1,347	-10.3%	1,321	2.0%	1,071	1,019	-4.9%	939	8.5%
Voltamp Transformers	5,828	6,172	5.9%	6,248	-1.2%	981	917	-6.5%	1,164	-21.2%	1,216	774	-36.3%	1,293	-40.1%	906	553	-39.0%	968	-42.9%
Total	**16,64,097**	**16,98,626**	**2.1%**	**15,08,797**	**12.6%**	**2,42,607**	**2,49,361**	**2.8%**	**2,30,426**	**8.2%**	**2,26,435**	**2,47,715**	**9.4%**	**2,19,626**	**12.8%**	**1,67,978**	**1,80,733**	**7.6%**	**1,59,371**	**13.4%**

	Revenue					EBITDA					PBT					PAT				
	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.
Cement																				
ACC	66,797	71,462	7.0%	61,146	16.9%	7,488	6,265	-16.3%	8,302	-24.5%	4,725	3,723	-21.2%	7,456	-50.1%	3,519	2,411	-31.5%	6,364	-62.1%
Ambuja Cement	1,06,752	1,09,155	2.3%	99,806	9.4%	15,708	14,639	-6.8%	18,676	-21.6%	6,012	6,243	3.8%	17,327	-64.0%	2,858	18,302	540.3%	10,255	78.5%
Dalmia Bharat	43,981	42,450	-3.5%	40,910	3.8%	8,514	9,020	5.9%	7,930	13.7%	4,534	4,500	-0.8%	4,670	-3.6%	3,391	3,880	14.4%	4,350	-10.8%
JK Cement	40,494	38,875	-4.0%	35,812	8.6%	6,936	6,825	-1.6%	7,649	-10.8%	4,546	4,436	-2.4%	5,350	-17.1%	3,060	3,329	8.8%	3,604	-7.6%
JK Lakshmi Cement	19,202	19,015	-1.0%	18,976	0.2%	2,858	2,861	0.1%	3,512	-18.5%	1,648	1,875	13.7%	2,461	-23.8%	1,318	1,241	-5.9%	1,750	-29.1%
JSW Cement	18,683	18,950	1.4%	17,094	10.9%	3,323	3,651	9.9%	2,402	52.0%	1,964	2,133	8.6%	689	209.4%	1,473	3,789	157.2%	342	1007.2%
Nuvoco Vistas Corporation	32,281	33,068	2.4%	30,423	8.7%	5,069	5,876	15.9%	5,516	6.5%	1,652	2,813	70.3%	2,238	25.7%	1,617	1,407	-13.0%	1,463	-3.8%
Shree Cement	54,774	56,430	3.0%	52,402	7.7%	12,287	12,503	1.8%	13,813	-9.5%	7,409	6,701	-9.6%	7,428	-9.8%	5,928	5,320	-10.2%	5,560	-4.3%
Ultratech Cement	2,52,194	2,57,995	2.3%	2,30,633	11.9%	49,327	56,003	13.5%	46,184	21.3%	33,823	39,929	18.0%	31,210	27.9%	27,255	29,828	9.4%	24,820	20.2%
Total	**6,35,157**	**6,47,399**	**1.9%**	**5,87,200**	**10.3%**	**1,11,510**	**1,17,643**	**5.5%**	**1,13,983**	**3.2%**	**66,315**	**72,352**	**9.1%**	**78,828**	**-8.2%**	**50,418**	**69,506**	**37.9%**	**58,508**	**18.8%**
Chemicals																				
Aarti Industries	23,495	22,050	-6.1%	19,490	13.1%	3,130	3,410	9.0%	2,630	29.7%	1,135	1,090	-3.9%	890	22.5%	1,174	1,350	15.0%	960	40.6%
Clean Science	2,229	2,493	11.8%	2,637	-5.5%	710	958	34.8%	1,048	-8.6%	592	777	31.3%	996	-22.0%	432	583	34.9%	741	-21.4%
Deepak Nitreite	20,198	21,203	5.0%	21,797	-2.7%	2,205	3,760	70.5%	3,165	18.8%	1,636	3,014	84.2%	2,787	8.1%	1,182	2,198	86.0%	2,025	8.6%
Fine Organic Inds	5,366	6,253	16.5%	6,068	3.1%	922	1,298	40.8%	1,196	8.6%	1,023	1,437	40.4%	1,298	10.7%	743	1,175	58.2%	971	21.0%
Gujarat Fluorochemicals	11,599	13,690	18.0%	12,250	11.8%	2,733	3,080	12.7%	3,060	0.7%	1,608	1,750	8.8%	2,170	-19.4%	1,167	1,120	-4.0%	1,910	-41.4%
Jubilant Ingrevia	11,546	11,787	2.1%	10,513	12.1%	1,518	1,626	7.1%	1,467	10.8%	1,012	1,117	10.4%	1,018	9.8%	745	865	16.1%	740	16.8%
Laxmi Organic Inds	7,032	7,353	4.6%	7,097	3.6%	328	536	63.3%	590	-9.1%	84	325	285.2%	132	145.3%	82	216	162.0%	218	-1.0%
Navin Fluorine	7,629	9,377	22.9%	7,009	33.8%	2,302	3,212	39.5%	1,787	79.7%	1,832	2,686	46.6%	1,271	111.4%	1,397	2,126	52.2%	950	123.7%
Nocil Ltd	3,371	3,304	-2.0%	3,397	-2.7%	320	211	-34.3%	342	-38.5%	245	210	-14.4%	260	-19.3%	278	151	-45.8%	208	-27.6%
Paradeep Phosphates	45,913	47,020	2.4%	41,940	12.1%	3,134	4,424	41.2%	3,834	15.4%	1,070	2,003	87.1%	2,385	-16.0%	838	1,556	85.8%	1,722	-9.6%
PCBL Chemicals	19,505	20,661	5.9%	20,875	-1.0%	2,377	2,431	2.3%	2,977	-18.3%	488	566	15.9%	1,261	-55.1%	382	402	5.2%	1,002	-59.9%
PI Inds Ltd	15,589	15,652	0.4%	17,871	-12.4%	3,664	3,369	-8.1%	4,556	-26.1%	3,221	3,021	-6.2%	4,309	-29.9%	2,550	2,002	-21.5%	3,305	-39.4%
SRF	39,322	46,152	17.4%	43,133	7.0%	8,406	10,257	22.0%	9,574	7.1%	5,798	7,688	32.6%	7,074	8.7%	5,862	5,820	-0.7%	5,261	10.6%
Vinati Organics	5,273	6,039	14.5%	6,485	-6.9%	1,498	1,703	13.7%	1,804	-5.6%	1,264	1,602	26.8%	1,639	-2.3%	935	1,239	32.5%	1,230	0.7%
Total	**2,18,068**	**2,33,032**	**6.9%**	**2,20,561**	**5.7%**	**33,247**	**40,274**	**21.1%**	**38,030**	**5.9%**	**21,008**	**27,284**	**29.9%**	**27,489**	**-0.7%**	**17,766**	**20,802**	**17.1%**	**21,243**	**-2.1%**
Consumer Durables																				
Bajaj Electicals	11,378	12,395	8.9%	12,655	-2.1%	576	432	-25.1%	930	-53.6%	192	69	-64.4%	499	-86.3%	109	(119)	N	590	-120.2%
Cello World	6,061	6,536	7.8%	5,888	11.0%	1,304	1,289	-1.1%	1,352	-4.6%	1,252	1,165	-6.9%	1,299	-10.3%	901	901	0.0%	882	2.2%
Crompton Greaves Consumer Ele	21,972	22,833	3.9%	20,606	10.8%	2,295	2,707	18.0%	2,644	2.4%	1,914	2,324	21.4%	2,308	0.7%	1,446	(5,339)	N	1,695	-415.0%
Havells India	73,419	67,052	-8.7%	65,436	2.5%	7,368	7,263	-1.4%	7,571	-4.1%	6,771	6,511	-3.8%	7,009	-7.1%	5,206	4,701	-9.7%	5,170	-9.1%
KEI Inds	34,947	34,764	-0.5%	29,148	19.3%	3,456	3,816	10.4%	3,013	26.6%	3,380	3,772	11.6%	3,052	23.6%	2,554	2,843	11.3%	2,266	25.5%
LG Electronics India	81,188	80,536	-0.8%	74,484	8.1%	10,970	9,454	-13.8%	10,547	-10.4%	10,757	9,310	-13.5%	10,102	-7.8%	8,279	6,927	-16.3%	7,545	-8.2%
Polycab India	84,318	88,645	5.1%	69,858	26.9%	11,347	11,613	2.3%	10,254	13.3%	10,252	10,493	2.3%	9,606	9.2%	7,870	7,728	-1.8%	7,267	6.3%
RR Kabel	26,517	29,641	11.8%	22,178	33.7%	1,946	2,617	34.5%	1,944	34.6%	1,678	2,234	33.1%	1,718	30.1%	1,311	1,680	28.1%	1,291	30.1%
Voltas	51,918	48,878	-5.9%	47,676	2.5%	3,391	2,207	-34.9%	3,328	-33.7%	3,700	2,205	-40.4%	3,751	-41.2%	2,300	1,162	-49.5%	2,410	-51.8%
Total	**3,91,718**	**3,91,280**	**-0.1%**	**3,47,929**	**12.5%**	**42,653**	**41,397**	**-2.9%**	**41,583**	**-0.4%**	**39,897**	**38,083**	**-4.5%**	**39,344**	**-3.2%**	**29,977**	**20,483**	**-31.7%**	**29,117**	**-29.7%**
Consumer																				
Asian Paints	88,002	92,467	5.1%	83,589	10.6%	15,977	17,866	11.8%	14,362	24.4%	13,262	15,889	19.8%	11,822	34.4%	10,101	11,685	15.7%	8,774	33.2%
Avenue Supermarts	1,76,145	1,76,839	0.4%	1,48,719	18.9%	11,685	12,105	3.6%	9,551	26.7%	8,557	9,042	5.7%	7,203	25.5%	6,227	6,564	5.4%	5,508	19.2%
Britannia Industries	49,382	47,189	-4.4%	44,322	6.5%	9,156	8,529	-6.8%	8,052	5.9%	8,702	8,044	-7.6%	7,566	6.3%	6,527	6,990	7.1%	5,638	24.0%
Colgate Palmolive	15,360	15,954	3.9%	14,625	9.1%	5,178	5,096	-1.6%	4,980	2.3%	4,935	4,906	-0.6%	4,776	2.7%	3,595	3,658	1.7%	3,550	3.0%
Dabur India	29,964	30,380	1.4%	28,301	7.3%	4,642	4,618	-0.5%	4,269	8.2%	4,478	4,747	6.0%	4,119	15.2%	3,326	3,620	8.9%	3,127	15.8%
Emami	9,723	9,251	-4.9%	9,631	-3.9%	2,169	1,867	-13.9%	2,194	-14.9%	1,885	1,645	-12.8%	1,943	-15.3%	1,597	1,432	-10.3%	1,622	-11.7%
Hindustan Unilever	1,59,233	1,57,330	-1.2%	1,52,140	3.4%	36,784	37,250	1.3%	34,660	7.5%	35,138	36,100	2.7%	33,770	6.9%	25,996	26,690	2.7%	24,970	6.9%
ITC	1,86,115	1,60,505	-13.8%	1,72,482	-6.9%	62,120	64,260	3.4%	59,864	7.3%	66,308	66,919	0.9%	64,169	4.3%	49,355	51,113	3.6%	48,747	4.9%
Jubilant FoodWorks	16,860	16,797	-0.4%	15,872	5.8%	3,149	3,444	9.4%	3,056	12.7%	344	693	101.6%	677	2.3%	252	537	113.6%	495	8.7%
Kansai Nerolac Paints	18,504	18,734	1.2%	17,404	7.6%	2,072	2,151	3.8%	1,778	21.0%	1,819	1,847	1.6%	1,638	12.8%	1,352	1,328	-1.8%	1,235	7.6%
Marico	33,590	33,330	-0.8%	27,300	22.1%	5,693	5,210	-8.5%	4,580	13.8%	5,381	5,040	-6.3%	4,410	14.3%	4,092	4,080	-0.3%	3,450	18.3%
Metro Brands	7,454	7,730	3.7%	6,428	20.3%	2,236	2,379	6.4%	1,972	20.6%	1,463	1,564	6.9%	1,258	24.3%	1,046	1,166	11.6%	947	23.1%
Mold Tech Packaging	2,102	2,379	13.1%	2,026	17.4%	431	479	11.0%	383	25.0%	230	278	20.8%	222	25.2%	169	206	21.9%	163	26.9%
Nestle India	63,312	67,477	6.6%	55,039	22.6%	14,885	17,715	19.0%	13,890	27.5%	12,922	15,487	19.9%	12,046	28.6%	9,557	11,412	19.4%	8,854	28.9%
Pidilite Industries	35,594	35,834	0.7%	31,411	14.1%	7,342	8,329	13.4%	6,326	31.7%	7,165	7,867	9.8%	6,019	30.7%	5,406	5,921	9.5%	4,524	30.9%
Restaurant Brands Asia	5,761	5,735	-0.5%	4,898	17.1%	926	982	6.1%	749	31.1%	(152)	(3)	P	(254)	-98.7%	(152)	(3)	P	(254)	-98.7%
Titan Company	1,84,772	2,39,340	29.5%	1,34,770	77.6%	19,196	17,150	-10.7%	14,380	19.3%	16,450	14,370	-12.6%	12,070	19.1%	12,293	10,873	-11.6%	8,700	25.0%
Westlife Development	6,438	6,554	1.8%	6,031	8.7%	887	869	-2.1%	770	12.8%	(23)	(10)	P	13	-171.2%	58	24	-59.2%	15	56.0%
Total	**10,88,312**	**11,23,823**	**3.3%**	**9,54,988**	**17.7%**	**2,04,529**	**2,10,299**	**2.8%**	**1,85,816**	**13.2%**	**1,88,864**	**1,94,424**	**2.9%**	**1,73,466**	**12.1%**	**1,40,796**	**1,47,296**	**4.6%**	**1,30,065**	**13.2%**

	Revenue					EBITDA					PBT					PAT				
	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.
Educatin																				
Doms Inds	5,951	6,040	1.5%	5,087	18.7%	968	1,009	4.3%	883	14.4%	761	789	3.7%	686	14.9%	525	567	8.0%	484	17.1%
Flair Writing Industries	3,297	3,230	-2.1%	2,980	8.4%	565	577	2.1%	468	23.3%	459	486	5.8%	414	17.3%	333	358	7.6%	308	16.1%
Total	**9,248**	**9,269**	**0.2%**	**8,068**	**14.9%**	**1,533**	**1,587**	**3.5%**	**1,351**	**17.5%**	**1,220**	**1,275**	**4.5%**	**1,101**	**15.8%**	**858**	**926**	**7.9%**	**793**	**16.7%**
EMS																				
Amber Enterprises India	44,570	41,475	-6.9%	37,537	10.5%	3,281	3,582	9.2%	2,948	21.5%	1,948	2,143	10.0%	2,013	6.5%	1,253	1,339	6.8%	1,161	15.3%
Avalon Technologies	4,158	4,799	15.4%	3,428	40.0%	478	569	18.9%	414	37.5%	432	563	30.4%	326	72.7%	323	412	27.2%	243	69.5%
Cyient DLM	4,283	3,691	-13.8%	4,281	-13.8%	407	431	5.9%	574	-25.0%	296	317	6.9%	417	-24.0%	222	239	7.9%	310	-23.0%
Kaynes Technology India	15,708	12,426	-20.9%	9,845	26.2%	2,488	1,937	-22.1%	1,679	15.4%	2,043	1,403	-31.3%	1,419	-1.2%	1,525	912	-40.2%	1,162	-21.5%
Syrma SGS Technology	12,735	14,650	15.0%	9,244	58.5%	1,407	1,741	23.7%	1,075	62.0%	1,208	1,516	25.5%	934	62.3%	1,155	1,012	-12.4%	654	54.7%
Total	**81,454**	**77,041**	**-5.4%**	**64,334**	**19.8%**	**8,062**	**8,260**	**2.5%**	**6,689**	**23.5%**	**5,926**	**5,941**	**0.2%**	**5,108**	**16.3%**	**4,478**	**3,914**	**-12.6%**	**3,530**	**10.9%**
Financial Services																				
Aavas Financiers	3,590	3,199	-10.9%	2,705	18.3%	2,401	2,374	-1.1%	2,009	18.2%	2,270	2,308	1.7%	1,932	19.4%	1,759	1,817	3.3%	1,537	18.2%
Bajaj Finance	1,20,432	1,17,806	-2.2%	98,072	20.1%	98,123	94,174	-4.0%	78,137	20.5%	73,883	74,098	0.3%	56,467	31.2%	55,412	55,533	0.2%	45,449	22.2%
Can Fin Homes	4,133	4,223	2.2%	3,485	21.2%	3,536	3,535	0.0%	2,946	20.0%	3,373	3,530	4.6%	2,792	26.4%	2,524	3,457	36.9%	2,339	47.8%
Cholamandalam Investment and Fi	38,303	38,551	0.6%	30,557	26.2%	28,261	29,838	5.6%	23,315	28.0%	19,447	21,374	9.9%	17,062	25.3%	14,585	16,407	12.5%	12,667	29.5%
Home First Finance Company India	2,418	2,364	-2.2%	1,726	37.0%	1,957	2,110	7.8%	1,456	44.9%	1,824	1,952	7.0%	1,379	41.5%	1,404	1,494	6.4%	1,047	42.7%
LIC Housing Finance	23,409	22,218	-5.1%	21,653	2.6%	20,979	20,084	-4.3%	18,725	7.3%	19,521	19,343	-0.9%	17,696	9.3%	15,226	14,975	-1.6%	13,680	9.5%
M&M Financial Services	24,358	23,913	-1.8%	19,276	24.1%	17,150	17,216	0.4%	12,128	42.0%	12,307	11,613	-5.6%	7,557	53.7%	9,230	8,730	-5.4%	5,631	55.0%
Shriram Finance	68,007	67,514	-0.7%	55,655	21.3%	50,627	53,250	5.2%	43,353	22.8%	37,343	39,153	4.8%	27,720	41.2%	27,820	30,136	8.3%	21,394	40.9%
Sundaram Finance	7,705	7,847	1.9%	6,652	18.0%	7,057	8,582	21.6%	7,258	18.2%	6,094	7,772	27.5%	7,269	6.9%	4,815	6,084	26.4%	5,459	11.5%
Total	**2,92,354**	**2,87,636**	**-1.6%**	**2,39,782**	**20.0%**	**2,30,091**	**2,31,164**	**0.5%**	**1,89,326**	**22.1%**	**1,73,791**	**1,78,835**	**2.9%**	**1,37,941**	**29.6%**	**1,32,776**	**1,38,632**	**4.4%**	**1,09,203**	**26.9%**
Healthcare																				
Apollo Hospitals Enterprise	64,514	66,055	2.4%	55,922	18.1%	9,675	10,110	4.5%	7,697	31.3%	6,808	7,114	4.5%	5,050	40.9%	4,909	5,293	7.8%	3,896	35.9%
Aster DM Healthcare	11,578	11,824	2.1%	10,003	18.2%	2,091	2,344	12.1%	1,854	26.4%	1,418	1,734	22.3%	1,205	43.9%	913	1,400	53.3%	784	78.4%
Fortis Healthcare	23,116	23,647	2.3%	20,072	17.8%	5,151	5,323	3.3%	4,355	22.2%	3,272	3,305	1.0%	2,855	15.8%	2,306	2,783	20.7%	2,375	17.2%
Global Health	11,414	11,590	1.5%	9,313	24.5%	2,296	2,438	6.2%	2,247	8.5%	1,686	1,873	11.1%	1,833	2.2%	1,264	1,440	13.9%	1,014	42.0%
HealthCare Global Enterprises	6,741	6,523	-3.2%	5,852	11.5%	1,284	1,251	-2.6%	1,057	18.3%	287	326	13.7%	137	138.1%	205	341	66.3%	74	363.0%
Jupiter Life Line	3,783	3,878	2.5%	3,370	15.1%	870	892	2.5%	795	12.2%	640	660	3.1%	633	4.3%	473	501	6.1%	451	11.1%
Krishna Institute of Medical Scienc	10,567	10,746	1.7%	7,969	34.8%	2,129	2,065	-3.0%	1,980	4.3%	775	631	-18.6%	1,232	-48.8%	567	534	-5.8%	910	-41.3%
Max Healthcare Institute	25,661	25,410	-1.0%	23,260	9.2%	6,915	6,820	-1.4%	6,320	7.9%	5,273	4,990	-5.4%	4,820	3.5%	4,193	3,710	-11.5%	3,950	-6.1%
Narayana Hrudayalaya	25,328	25,938	2.4%	14,754	75.8%	4,786	5,100	6.6%	3,577	42.6%	3,095	2,942	-4.9%	2,614	12.5%	2,454	2,281	-7.1%	2,046	11.5%
Rainbow Medicare	4,375	4,599	5.1%	3,701	24.3%	1,419	1,447	1.9%	1,147	26.1%	906	883	-2.5%	770	14.8%	654	786	20.1%	563	39.5%
Total	**1,87,078**	**1,90,210**	**1.7%**	**1,54,216**	**23.3%**	**36,616**	**37,789**	**3.2%**	**31,029**	**21.8%**	**24,159**	**24,457**	**1.2%**	**21,148**	**15.6%**	**17,939**	**19,069**	**6.3%**	**16,063**	**18.7%**
Infrastructure																				
Ashoka Buildcon	19,946	17,719	-11.2%	19,748	-10.3%	1,695	1,215	-28.3%	1,432	-15.2%	909	753	-17.2%	786	-4.2%	682	488	-28.4%	596	-18.1%
Dilip Buildcon	21,203	18,602	-12.3%	23,148	-19.6%	2,279	1,995	-12.5%	2,093	-4.7%	479	864	80.1%	406	112.8%	345	658	91.1%	332	98.2%
H.G. Infra Engineering	19,525	13,539	-30.7%	19,730	-31.4%	2,880	1,269	-56.0%	2,829	-55.2%	1,879	488	-74.0%	2,108	-76.9%	1,409	995	-29.4%	1,669	-40.4%
IRCON International	31,246	29,978	-4.1%	32,435	-7.6%	1,500	1,314	-12.4%	1,383	-5.0%	2,492	2,457	-1.4%	2,580	-4.8%	1,730	1,920	11.0%	2,182	-12.0%
KNR Constructions	4,697	5,353	14.0%	8,512	-37.1%	430	283	-34.2%	1,175	-75.9%	414	403	-2.6%	1,099	-63.4%	303	192	-36.6%	752	-74.4%
NCC	51,425	53,157	3.4%	53,761	-1.1%	4,327	4,488	3.7%	4,953	-9.4%	2,607	2,801	7.4%	3,373	-17.0%	1,943	2,029	4.4%	2,144	-5.4%
PNC Infratech	16,975	14,576	-14.1%	14,146	3.0%	2,037	1,752	-14.0%	1,758	-0.4%	1,900	1,382	-27.3%	1,558	-11.3%	1,481	1,004	-32.2%	1,210	-17.0%
PSP Projects	10,886	10,118	-7.1%	6,551	54.4%	958	550	-42.5%	304	80.8%	661	265	-59.9%	61	336.9%	501	212	-57.8%	50	327.3%
RITES	6,990	7,683	9.9%	6,154	24.8%	1,608	1,682	4.6%	1,856	-9.4%	1,678	1,817	8.3%	1,911	-4.9%	1,276	1,394	9.2%	1,413	-1.4%
Rail Vikas Nigam	66,586	66,959	0.6%	63,451	5.5%	3,995	2,685	-32.8%	3,897	-31.1%	5,292	2,463	-53.5%	4,572	-46.1%	4,079	1,817	-55.5%	3,733	-51.3%
Total	**2,49,478**	**2,37,684**	**-4.7%**	**2,47,635**	**-4.0%**	**21,710**	**17,231**	**-20.6%**	**21,680**	**-20.5%**	**18,311**	**13,691**	**-25.2%**	**18,454**	**-25.8%**	**13,748**	**10,709**	**-22.1%**	**14,082**	**-24.0%**
Information Technology																				
Coforge	44.4	44.5	0.2%	34.2	30.0%	6.5	7.4	13.4%	4.6	59.6%	6.3	7	7.7%	4	55.8%	4.5	6.7	48.0%	3.0	120.5%
Cyient	20.5	19	-5.9%	19.1	1.1%	2.3	1.8	-21.7%	2.4	-23.4%	2.3	2	2.1%	3	-8.6%	1.7	1.2	-28.8%	1.7	-29.7%
Fractal Analytics	9.3	9	-4.2%	7.6	17.0%	1.3	1.4	10.4%	1	52.6%	1.1	1	32.4%	1	81.0%	0.8	1.2	51.5%	0.5	141.1%
HCL Technologies	340.3	340	-0.1%	302.5	12.3%	60.6	60.3	-0.4%	54.4	10.9%	62.7	61	-2.4%	57	6.7%	48.3	53.2	10.1%	43.1	23.5%
Infosys	464.0	464	0.0%	409.3	13.4%	97.2	97.4	0.2%	85.8	13.6%	106.5	108	1.4%	97	11.7%	75.7	85.2	12.5%	70.4	20.9%
KPIT Technologies	16.8	17	1.8%	15.3	12.0%	2.6	2.7	4.3%	2.7	2.4%	2.4	2	-4.3%	3	-17.5%	1.7	1.6	-6.4%	2.4	-33.4%
LTM	111.6	113	1.2%	97.7	15.6%	16.7	17.1	2.4%	13.5	27.1%	19.2	18	-5.3%	15	18.9%	14.2	13.3	-6.3%	11.3	17.9%
Latent View	2.9	3	0.3%	2.3	24.3%	0.6	0.6	-1.6%	0.5	23.9%	0.8	1	-9.6%	1	13.5%	0.6	0.5	-6.0%	0.5	7.6%
L&T Technology Services	29.4	29	-2.8%	29.8	-4.2%	4.2	4.4	3.6%	3.9	10.4%	4.7	5	0.0%	4	10.8%	3.4	3.3	-2.2%	3.1	6.8%
Mphasis	41.9	42	1.4%	37.1	14.4%	6.3	6.5	3.6%	5.7	15.0%	6.6	7	2.9%	6	15.3%	5.0	5.1	1.3%	4.5	14.1%
Persistent Systems	40.2	41	0.9%	32.4	25.1%	6.6	6.6	-0.1%	5.1	30.5%	7.0	7	-3.7%	5	33.4%	5.3	5.3	0.0%	4.0	33.7%
Tata Consultancy Services	694.9	707	1.7%	644.8	9.6%	175.6	178.7	1.8%	156.0	14.5%	188.1	184	-2.4%	164	11.9%	139.6	137.2	-1.7%	122.2	12.2%
Tata Technologies	15.0	16	4.6%	12.9	22.3%	2.0	2.1	2.7%	2.0	1.6%	2.5	2	-11.7%	3	-13.3%	1.9	2.0	5.6%	1.9	8.1%
Tech Mahindra	147.8	151	2.0%	133.8	12.6%	20.0	20.8	4.2%	14.1	48.3%	21.5	18	-16.7%	15	22.3%	15.8	13.5	-14.3%	11.7	16.0%
Tata Elxsi	9.8	10	1.4%	9.1	9.4%	2.1	2.2	5.4%	1.8	20.9%	2.3	3	16.4%	2	20.9%	1.8	2.2	22.4%	1.7	27.8%
Wipro	246.0	242	-1.5%	225.0	7.7%	42.5	42.2	-0.6%	39.1	8.1%	48.7	47	-3.6%	47	-1.0%	36.8	35.3	-4.1%	35.7	-1.1%
Total	**22,34,767**	**22,46,739**	**0.5%**	**20,12,879**	**11.6%**	**4,47,100**	**4,52,288**	**1.2%**	**3,92,326**	**15.3%**	**4,82,792**	**4,72,626**	**-2.1%**	**4,26,541**	**10.8%**	**3,57,165**	**3,66,868**	**2.7%**	**3,17,713**	**15.5%**

	Revenue					EBITDA					PBT					PAT				
	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.
Logistics																				
Delhivery	27,394	28,500	4.0%	21,916	30.0%	1,845	2,142	16.1%	1,191	79.9%	448	563	25.6%	548	2.8%	758	929	22.5%	726	28.0%
Mahindra Logistics	17,841	17,914	0.4%	15,695	14.1%	948	1,124	18.5%	777	44.6%	152	320	110.9%	9	3580.5%	75	202	169.3%	(68)	-396.5%
TCI Express	3,232	3,281	1.5%	3,073	6.8%	330	315	-4.5%	263	20.0%	293	248	-15.4%	260	-4.7%	223	179	-19.5%	194	-7.5%
Total	**48,468**	**49,695**	**2.5%**	**40,684**	**22.1%**	**3,124**	**3,581**	**14.6%**	**2,230**	**60.6%**	**893**	**1,131**	**26.7%**	**817**	**38.5%**	**1,056**	**1,310**	**24.1%**	**851**	**53.9%**
Media																				
Imagicaa World	938	919	-2.1%	944	-2.7%	403	303	-24.8%	405	-25.1%	147	22	-84.8%	157	-85.7%	142	0	-99.9%	151	-100.0%
Nazara Technologies	3,921	3,978	1.4%	5,202	-23.5%	676	776	14.8%	510	52.1%	313	730	133.3%	112	552.2%	12	505	3974.0%	323	56.4%
PVR	14,906	15,473	3.8%	12,299	25.8%	4,219	4,518	7.1%	2,894	56.1%	(552)	249	P	(1,630)	-115.3%	(414)	194	P	(1,203)	-116.1%
Zee Entertainment	21,301	20,248	-4.9%	21,841	-7.3%	2,219	(2,686)	N	2,852	-194.2%	1,796	(2,407)	N	2,619	-191.9%	1,316	2,907	120.9%	1,761	65.1%
Total	**41,067**	**40,617**	**-1.1%**	**40,286**	**0.8%**	**7,517**	**2,911**	**-61.3%**	**6,661**	**-56.3%**	**1,704**	**(1,406)**	**-182.5%**	**1,257**	**-211.8%**	**1,056**	**3,606**	**241.6%**	**1,033**	**249.3%**
Metals & Mining																				
Hindalco Industries	776	781	0.7%	649	20.4%	98	100	1.8%	88	13.4%	74	76	2.7%	65	16.5%	88	109	24.4%	53	107.6%
Jindal Stainless	114	113	-0.3%	102	11.2%	14	15	5.2%	11	37.1%	11	11	2.4%	8	46.5%	8	8	3.6%	6	42.7%
Jindal Steel & Power	148	159	7.5%	132	20.8%	23	26	15.9%	23	16.6%	11	16	48.5%	13	22.8%	9	10	15.6%	(3)	-407.8%
JSW Steel	517	512	-1.0%	448	14.2%	86	97	13.5%	64	52.3%	41	57	39.6%	20	184.5%	33	(3)	N	16	-116.3%
National Aluminium Co.	49	50	2.3%	53	-4.8%	22	23	5.5%	28	-14.7%	22	23	6.8%	28	-16.2%	16	17	5.7%	21	-17.4%
NMDC	92	113	23.7%	70	61.9%	26	26	0.4%	21	28.9%	29	29	-1.2%	23	22.9%	21	20	-3.6%	15	36.0%
Steel Authority of India	318	308	-3.2%	287	7.4%	40	44	9.3%	29	54.3%	23	27	14.3%	10	174.0%	17	17	-2.3%	12	42.6%
Tata Steel	646	633	-2.0%	562	12.5%	95	98	3.6%	66	49.8%	46	50	8.3%	25	99.7%	26	31	20.5%	15	107.9%
Total	**2659371.4**	**26,70,157**	**0.4%**	**23,02,721**	**16.0%**	**404360.96**	**4,30,606**	**6.5%**	**3,27,655**	**31.4%**	**2,57,396**	**2,89,464**	**12.5%**	**1,92,126**	**50.7%**	**2,18,215**	**2,11,248**	**-3.2%**	**1,33,258**	**58.5%**
Oil & Gas																				
Bharat Petroleum Corporation	1,229	1,186	-3.5%	1,112	6.7%	61	101	63.9%	78	29.6%	42	86	105.5%	60	42.6%	31	32	1.8%	32	-0.7%
GAIL (India)	323	348	7.8%	357	-2.5%	21	12	-44.2%	32	-64.2%	14	16	14.8%	27	-41.6%	10	18	81.0%	20	-12.1%
Gujarat Gas	32	58	82.8%	64	-9.5%	4	8	117.0%	6	33.6%	3	8	194.4%	7	19.9%	2	6	189.6%	6	-3.3%
Gujarat State Petronet	2	2	0.0%	2	-13.8%	1	1	0.0%	1	-2.4%	1	1	0.0%	1	17.2%	1	1	0.0%	1	28.2%
Hindustan Petroleum Corporation	1,370	1,148	-16.2%	1,095	4.9%	44	90	105.6%	58	54.7%	27	65	145.4%	43	52.2%	20	49	145.4%	34	46.1%
Indian Oil Corporation	2,198	2,079	-5.4%	1,950	6.6%	161	226	40.1%	137	64.9%	116	172	49.0%	89	92.9%	86	133	53.5%	74	79.3%
Indraprastha Gas	39	42	7.6%	39	5.5%	4	4	-2.5%	5	-14.2%	4	4	-10.0%	5	-17.1%	3	3	-13.3%	3	-20.4%
Mahanagar Gas	19	21	8.7%	20	4.5%	3	3	-16.3%	4	-34.1%	2	2	-21.0%	3	-47.1%	2	1	-22.1%	2	-45.6%
Mangalore Refinery	302	240	-20.7%	246	-2.6%	32	18	-43.6%	11	57.8%	26	12	-51.8%	6	111.4%	17	1	-92.8%	4	-67.1%
Oil & Natural Gas Corporation	345	359	4.1%	350	2.7%	201	178	-11.8%	190	-6.5%	137	85	-37.8%	88	-2.8%	103	66	-35.2%	64	3.1%
Oil India	63	60	-5.4%	55	8.0%	22	18	-15.7%	20	-8.2%	20	21	1.3%	20	1.8%	16	18	8.5%	16	12.5%
Petronet LNG	108	94	-12.3%	123	-23.3%	11	19	74.3%	15	23.1%	10	18	73.6%	14	24.1%	8	13	73.0%	11	25.0%
Reliance Industries	2,743	2,941	7.2%	2,614	12.5%	444	441	-0.5%	438	0.7%	273	272	-0.4%	291	-6.6%	170	170	-0.1%	194	-12.6%
Total	**8772223.2**	**85,76,695**	**-2.2%**	**80,26,314**	**6.9%**	**1008423.1**	**11,17,688**	**10.8%**	**9,95,624**	**12.3%**	**6,74,785**	**762302.79**	**13.0%**	**6,54,516**	**16.5%**	**468853.05**	**5,11,147**	**9.0%**	**461628.94**	**10.7%**
Pharma																				
Aurobindo Pharma	87,892	88,533	0.7%	83,821	5.6%	18,158	18,009	-0.8%	17,919	0.5%	14,190	12,930	-8.9%	13,441	-3.8%	10,291	9,213	-10.5%	9,035	2.0%
Anthem Biosciences	5,876	6,109	4.0%	4,832	26.4%	2,309	2,672	15.7%	1,952	36.9%	2,290	2,769	20.9%	1,783	55.3%	1,691	1,888	11.6%	826	128.5%
Ajanta Pharma	13,075	14,216	8.7%	11,704	21.5%	3,232	3,751	16.1%	2,972	26.2%	2,916	3,471	19.0%	2,694	28.8%	2,160	2,667	23.5%	2,253	18.4%
Cipla	67,903	65,412	-3.7%	67,297	-2.8%	10,226	9,550	-6.6%	15,376	-37.9%	9,962	7,071	-29.0%	15,043	-53.0%	6,731	5,546	-17.6%	12,218	-54.6%
Divis Lab	28,486	28,310	-0.6%	25,850	9.5%	10,125	9,340	-7.8%	8,860	5.4%	9,737	9,630	-1.1%	8,640	11.5%	7,135	7,510	5.3%	6,620	13.4%
Dr. Reddy's Laboratories	83,966	75,162	-10.5%	85,060	-11.6%	17,636	6,042	-65.7%	20,505	-70.5%	14,249	4,531	-68.2%	20,767	-78.2%	11,297	2,205	-80.5%	15,873	-86.1%
Eris Lifesciences	8,264	7,566	-8.4%	7,053	7.3%	3,025	2,736	-9.6%	2,524	8.4%	1,769	1,606	-9.2%	1,288	24.7%	1,279	2,828	121.1%	938	201.6%
IPCA Labs	23,226	23,885	2.8%	22,467	6.3%	4,580	4,902	7.0%	4,098	19.6%	3,543	4,503	27.1%	3,331	35.2%	2,138	3,449	61.3%	2,729	26.4%
JB Chem & Pharma	10,380	9,042	-12.9%	9,495	-4.8%	2,686	2,011	-25.1%	2,265	-11.2%	2,393	1,619	-32.3%	1,930	-16.1%	1,793	1,557	-13.1%	1,457	6.9%
Lupin	70,038	74,747	6.7%	56,671	31.9%	19,248	21,711	12.8%	12,921	68.0%	15,943	20,593	29.2%	8,958	129.9%	12,645	14,603	15.5%	7,725	89.0%
Sun Pharmaceutical Industries	1,44,491	1,46,118	1.1%	1,29,588	12.8%	37,609	35,275	-6.2%	34,249	3.0%	34,835	31,246	-10.3%	33,248	-6.0%	25,520	27,140	6.4%	21,499	26.2%
Torrent Pharma	33,735	41,970	24.4%	29,590	41.8%	11,311	13,560	19.9%	9,640	40.7%	8,940	5,950	-33.4%	6,890	-13.6%	6,806	4,300	-36.8%	4,980	-13.7%
Zydus Lifesciences	68,880	75,870	10.1%	65,279	16.2%	16,674	19,095	14.5%	21,649	-11.8%	12,794	20,572	60.8%	18,916	8.8%	8,733	12,725	45.7%	11,709	8.7%
Total	**6,46,211**	**6,56,940**	**1.7%**	**5,98,708**	**9.7%**	**1,56,821**	**1,48,653**	**-5.2%**	**1,54,928**	**-4.1%**	**1,33,561**	**1,26,491**	**-5.3%**	**1,36,929**	**-7.6%**	**98,220**	**95,632**	**-2.6%**	**97,862**	**-2.3%**
Ports																				
Adani Port & SEZ	96,475	1,07,376	11.3%	84,884	26.5%	57,061	60,198	5.5%	50,060	20.3%	38,889	35,518	-8.7%	33,875	4.8%	34,017	33,837	-0.5%	30,349	11.5%
JSW Infra	13,610	15,223	11.9%	12,832	18.6%	6,778	7,692	13.5%	6,409	20.0%	5,184	5,703	10.0%	5,814	-1.9%	4,142	4,908	18.5%	5,094	-3.6%
Total	**1,10,085**	**1,22,599**	**11.4%**	**97,716**	**25.5%**	**63,839**	**67,890**	**6.3%**	**56,469**	**20.2%**	**44,074**	**41,221**	**-6.5%**	**39,689**	**3.9%**	**38,159**	**38,744**	**1.5%**	**35,443**	**9.3%**
Power																				
Adani Energy Solutions	70,393	74,433	5.7%	63,746	16.8%	23,768	21,450	-9.8%	22,508	-4.7%	9,742	8,277	-15.0%	11,848	-30.1%	5,880	7,230	23.0%	6,865	5.3%
CESC	42,083	45,310	7.7%	40,170	12.8%	10,833	11,780	8.7%	9,520	23.7%	5,243	6,530	24.6%	4,660	40.1%	4,194	4,415	5.3%	3,850	14.7%
Coal India	3,69,318	4,64,900	25.9%	4,39,616	5.8%	1,19,993	1,26,732	5.6%	1,19,321	6.2%	1,16,206	1,45,107	24.9%	1,29,017	12.5%	90,979	1,09,078	19.9%	97,402	12.0%
Indian Energy Exchange	1,746	1,722	-1.4%	1,413	21.9%	1,509	1,476	-2.2%	1,220	21.0%	1,786	1,629	-8.8%	1,471	10.8%	1,359	1,240	-8.8%	1,120	10.7%
NTPC	4,42,357	3,64,160	-17.7%	4,59,678	-20.8%	1,20,641	58,094	-51.8%	1,33,191	-56.4%	71,141	100	-99.9%	80,984	-99.9%	53,000	59,450	12.2%	50,010	18.9%
Power Grid Corporation of India	1,22,052	1,16,656	-4.4%	1,22,754	-5.0%	1,05,814	90,656	-14.3%	1,02,236	-11.3%	52,914	39,013	-26.3%	50,409	-22.6%	42,866	44,556	3.9%	41,976	6.1%
Tata Power Company	1,79,326	1,49,002	-16.9%	1,70,959	-12.8%	29,680	25,992	-12.4%	32,456	-19.9%	8,538	5,790	-32.2%	12,672	-54.3%	8,323	9,960	19.7%	10,499	-5.1%
Total	**12,27,274**	**12,16,184**	**-0.9%**	**12,98,334**	**-6.3%**	**4,12,239**	**3,36,179**	**-18.5%**	**4,20,452**	**-20.0%**	**2,55,828**	**1,98,169**	**-22.5%**	**2,79,212**	**-29.0%**	**2,06,602**	**2,35,929**	**14.2%**	**2,11,722**	**11.4%**

	Revenue					EBITDA					PBT					PAT				
	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.	Q4FY26E	Q4FY26A	% Var.	Q4FY25	YoY gr.
Real Estate																				
Brigade Enterprises	15,935	14,576	-8.5%	14,604	-0.2%	4,458	3,647	-18.2%	4,160	-12.3%	3,117	2,384	-23.5%	3,057	-22.0%	2,345	1,455	-38.0%	2,468	-41.1%
Oberoi Realty	15,671	17,498	11.7%	11,501	52.1%	8,152	9,603	17.8%	6,181	55.4%	7,951	9,740	22.5%	5,769	68.8%	5,777	7,033	21.7%	4,332	62.4%
Prestige Estates Projects	25,859	40,738	57.5%	15,284	166.5%	8,491	10,455	23.1%	5,411	93.2%	2,605	4,478	71.9%	992	351.4%	1,272	2,501	96.7%	250	900.4%
Sunteck Realty	4,403	3,390	-23.0%	2,060	64.5%	1,277	967	-24.3%	687	40.7%	1,159	826	-28.7%	658	25.6%	944	638	-32.5%	504	26.5%
Total	**61,868**	**76,203**	**23.2%**	**43,450**	**75.4%**	**22,378**	**24,671**	**10.2%**	**16,438**	**50.1%**	**14,832**	**17,427**	**17.5%**	**10,476**	**66.4%**	**10,338**	**11,626**	**12.5%**	**7,554**	**53.9%**
Renewable Equipments																				
Premier Energies	22,071	22,303	1.1%	16,208	37.6%	6,441	6,748	4.8%	5,285	27.7%	5,406	5,928	9.7%	3,682	61.0%	3,936	4,568	16.1%	2,778	64.4%
Vikram Solar	13,236	14,528	9.8%	11,935	21.7%	2,343	2,345	0.1%	2,237	4.8%	1,726	1,390	-19.4%	1,409	-1.3%	1,237	1,104	-10.7%	906	21.9%
Waaree Energies	73,345	84,803	15.6%	40,039	111.8%	16,882	15,768	-6.6%	9,226	70.9%	15,373	14,080	-8.4%	8,495	65.7%	11,307	10,611	-6.2%	6,229	70.3%
Total	**1,08,653**	**1,21,634**	**11.9%**	**68,183**	**78.4%**	**25,666**	**24,861**	**-3.1%**	**16,748**	**48.4%**	**22,505**	**21,398**	**-4.9%**	**13,586**	**57.5%**	**16,480**	**16,283**	**-1.2%**	**9,913**	**64.3%**
Travel & Tourism																				
Apeejay Surrendra Park Hotels	1,922	1,837	-4.4%	1,773	3.6%	676	530	-21.6%	611	-13.3%	401	258	-35.7%	392	-34.2%	264	135	-49.0%	266	-49.3%
Chalet Hotels	5,151	5,582	8.4%	5,220	6.9%	2,316	2,658	14.7%	2,414	10.1%	1,381	1,779	28.8%	1,588	12.0%	1,036	1,630	57.4%	1,238	31.6%
IRCTC Ltd	13,828	14,597	5.6%	12,685	15.1%	4,580	3,989	-12.9%	3,855	3.5%	4,986	4,466	-10.4%	4,266	4.7%	3,729	3,263	-12.5%	3,125	4.4%
Interglobe Aviation	2,34,515	2,24,384	-4.3%	2,21,519	1.3%	26,856	15,729	-41.4%	69,535	-77.4%	(13,299)	(21,018)	N	31,694	-166.3%	23,167	19,206	-17.1%	29,309	-34.5%
Lemon Tree Hotels	4,043	4,164	3.0%	3,785	10.0%	2,028	2,152	6.1%	2,041	5.5%	1,265	1,441	14.0%	1,229	17.3%	666	934	40.3%	846	10.4%
Safari Industries (India)	4,574	4,733	3.5%	4,211	12.4%	388	618	59.3%	609	1.6%	277	491	77.3%	494	-0.7%	218	375	72.1%	376	-0.3%
Samhi Hotels	3,467	3,449	-0.5%	3,188	8.2%	1,295	1,116	-13.8%	1,233	-9.5%	605	447	-26.0%	452	-0.9%	370	82	-77.9%	420	-80.5%
VIP Inds	4,245	4,362	2.8%	4,942	-11.7%	(445)	(822)	N	65	-1364.6%	(900)	(1,293)	N	(369)	250.7%	(701)	(757)	N	(316)	139.6%
Total	**2,71,746**	**2,63,108**	**-3.2%**	**2,57,323**	**2.2%**	**37,694**	**25,970**	**-31.1%**	**80,363**	**-67.7%**	**(5,686)**	**(13,688)**	**140.7%**	**39,354**	**-134.8%**	**28,748**	**24,867**	**-13.5%**	**35,265**	**-29.5%**
Telecom																				
Bharti Airtel	5,53,363	5,53,832	0.1%	4,78,762	15.7%	3,15,970	3,14,916	-0.3%	2,70,088	16.6%	1,26,934	1,31,210	3.4%	96,663	35.7%	1,11,038	1,04,858	-5.6%	1,11,619	-6.1%
Total	**5,53,363**	**5,53,832**	**0.1%**	**4,78,762**	**15.7%**	**3,15,970**	**3,14,916**	**-0.3%**	**2,70,088**	**16.6%**	**1,26,934**	**1,31,210**	**3.4%**	**96,663**	**35.7%**	**1,11,038**	**1,04,858**	**-5.6%**	**1,11,619**	**-6.1%**
Aggregate (INR bn)	**24,708**	**24,613**	**-0.4%**	**22,310**	**10.3%**	**5,242**	**5,313**	**1.4%**	**4,942**	**7.5%**	**3,976**	**4,063**	**2.2%**	**3,737**	**8.7%**	**3,032**	**3,201**	**5.6%**	**2,821**	**13.5%**

Source: Company, PL

Aarti Industries (ARTO IN)

RATING ACCUMULATE | **CMP** INR 488 | **TP** INR 529

- Key RM prices like Benzene, Sulphur, Toluene, Methanol increased by 60% due to geopolitical issue.
- Over the next 4–6 months, raw material price hikes will be passed on to end customer.
- Freight cost has increased significantly leading to higher other expenses.
- Exports to West Asia have declined significantly since March 2026.
- The energy business contributes 40% of total revenue.
- Lower exports to the Middle East led to a QoQ decline in volumes, with a few shipments being rerouted.
- Gasoline Naptha spreads vary from region to region, they have remained very volatile.
- In the non-energy business, agrochemical volumes remained stable, though pricing continued to face pressure, while demand across dyes, pigments, pharma, and paints remain stable.
- MPDA volumes declined due to intense competition from China.
- Anti-involution in China to support volume and margin in NCB Chain.
- Demand destruction in dyes and pigments in global market will be offset by domestic demand.
- Management guided Net debt to decline in FY27.
- Tax rate expected to be 9%-15.
- Capex for FY26 was Rs11.25bn, for FY27 is expected to be Rs7000-8000mn.
- In Zone IV, MPP and PEDA plants are under trial and nearing commercialization; delays of 3–4 months occurred due to labour migration, while the calcium chloride plant has been commissioned and will ramp up soon.

AAVAS Financiers (AAVAS IN)

RATING ACCUMULATE | **CMP** INR 1,446 | **TP** INR 1,585

Growth

- Distribution expansion continued, with 31 branches added in Q4FY26 across Tamil Nadu, Uttar Pradesh and Gujarat, aimed at deepening direct sourcing capabilities.
- Management highlighted greater focus on branch-led sourcing, while maintaining channel partner relationships, indicating a calibrated mix shift rather than channel substitution.
- Management aspires for 20%+ growth, supported by sharper execution, branch ramp-up benefits in FY27, and healthy traction in emerging/vintage markets.
- Benefits of recent branch expansion are expected to accrue meaningfully in FY27.

- Management reiterated no foray into riskier customer segments and no change in ticket sizes, implying growth will remain within the existing underwriting framework.

Operating profitability

- Sequential NIM expansion was driven by risk-adjusted pricing, while management provided for 5%+ spread guidance.
- Cost of borrowing improved due to faster liability repricing, with ~72% of borrowings linked to floating rates, though management expects CoB to settle around current levels.
- Company reduced PLR by 15bps effective 1 March, leading to yields compression.
- Opex/AUM remained elevated in FY26, led by manpower additions, branch expansion and ESOP-related costs; however, guidance targets sub-3% steady-state operating cost ratio over the medium-term.
- With major tech/digital investments largely complete, incremental capex intensity should moderate, supporting operating leverage going forward.
- Management is targeting high-teen ROE, supported by scale benefits, margin discipline and operating leverage from branch additions.

Asset quality

- Credit cost guidance remains below 25bps on a sustainable basis, indicating confidence in portfolio quality and underwriting resilience.
- Management noted healthy asset quality trends in emerging markets and vintage regions, alleviating concerns around seasoning risk from newer geographies.
- Higher yields have not translated into elevated portfolio risk, suggesting pricing actions have remained within prudent underwriting limits.
- No stress indicators visible in bounce rates or collections.
- Balance transfer (BT) outflows stood at 5.5% for FY26 and remain manageable.

Ahluwalia Contracts (India) (AHLU IN)

RATING BUY | CMP INR 764 | TP INR 929

- Order Book: Net order book stands at INR 210 bn, executable over the next 24–30 months. FY26 order inflows came in at INR 102.57 bn (Q4 alone: ~INR 43 bn), with an additional L1 pipeline of INR 16.21 bn across two projects — RML Hospital (Delhi) and a university project in Bhubaneswar. Management cautioned these L1 awards are not yet confirmed and can be rebid or cancelled.
- The long-running disconnect between a doubled order book and ~9% revenue CAGR was the most-pressed question on the call. Management's explanation: several large orders — most notably CSMT — were slow-moving in early phases due to design changes, delayed approvals, and political disruptions in Assam, Bengal, and Bihar. With stable governments now in place and a strong central mandate, these projects are accelerating. Fast-track wins like Varanasi airport, Darbhanga, Kota, and Central Vista are expected to drive the catch-up in execution.
- FY27 Guidance: Management guided to 15–20% revenue growth, double-digit EBITDA margins, and order inflows of ~INR 80 bn with a matching bid pipeline. Q1 FY27 will be exceptionally weak (elections, labour migration) with execution ramping meaningfully from Q2 onwards.

- FY27 execution targets for key projects: Central Vista ~INR 10 bn, CSMT ~INR 6 bn, Dalias ~INR 4 bn, IGPM/India Jewellery Park ~INR 1 bn (still in design phase, kept conservative).

- Central Vista - Marquee Near-Term Driver: Central Vista (~INR 30 bn, awarded January 14, 2026; housing Finance and Defense ministries) is the standout project for FY27. Nirman Bhavan has been demolished, excavation and concrete work has commenced, and the project carries an NGT exemption — removing one of the key execution risks for NCR-based work. Management guided to INR 1–1.50 bn of monthly turnover from this project, implying ~INR 10 bn of contribution in FY27.

- Margins — Structural Headwinds but Positive Bias: Management frames the entire industry as being at an inflection point — buildings are getting larger and more complex with compressed timelines, driving heavy mechanisation investment even as labour quality deteriorates and shortages worsen. This is the structural reason industry-wide margins have compressed from the historical 13–14% range.

- Capex & Mechanisation: FY26 CapEx came in at ~INR 2.74 bn vs. an original ~INR 5 bn guide, with better-than-expected equipment efficiency limiting spend. FY27 CapEx is guided at ~INR 3 bn, with depreciation scaling proportionately. Management expects mechanisation to enhance project IRR by 7–10% as hiring costs fall, with equipment payback of ~4–5 years (shuttering life ~4 years; other assets ~7–8 years). Benefits accrue gradually over 4–5 years as the industry matures and standardises rather than showing up as a clean, immediate EBITDA uplift.

- Key Risks: Labour shortage is structural and management was candid about it. The last three months were particularly challenging — ~70% of the skilled workforce was unavailable due to a prolonged Eid absence compounded by state elections meant workers didn't return for an extended period. Mechanisation, upskilling, and standardisation are the long-term responses, but relief is gradual.

- Supply chain disruptions have worsened materially. Electrical panels and switchgear that previously had ~2-month lead times now take 4+ months, directly hurting overheads and interest during construction. A large portion of finished MEP goods (chillers, transformers) are imported, raising further disruption risk.

- War-related uncertainty hit on three fronts: LPG price spikes drove labour back to native places (LPG is the primary cooking fuel on construction sites); higher fuel prices fed through to broad input cost inflation; and supply chain timelines stretched across the board.

- NGT pollution shutdowns in NCR remain a recurring risk, though mitigation has improved — developers now compensate idle labour to retain them on site so work can resume faster, and on-site mist sprayers are now standard. Central Vista's NGT exemption cushions the NCR book meaningfully.

- Balance Sheet & Working Capital: The company remains debt-free with cash and bank balances of INR 8.17 bn. Working capital days are stable at ~104 (vs. 103 prior quarter) and expected to remain at similar levels. Other key balance sheet items: mobilisation advances of INR 802 cr (37% interest-bearing), retention money of INR 450 cr, unbilled revenue of INR 688 cr (the primary driver of the rise in other current assets), and margin money of ~INR 200 cr.

- Order Book Mix & Strategy: Over 60% of the order book is now private clients. Management is targeting a roughly 50:50 government/private split going forward. Residential is not a strategic focus in NCR; selective residential work in the south and west will be taken only with financially strong counterparties. Precast and pre-engineered buildings are under internal discussion and in active client conversations but are unlikely to feature in the next ~1.5 years — more a 2–3-year horizon.

- Competitive Landscape: The credible competitive field at scale is narrow — L&T (BNF), Nagarjuna, Shapoorji, Kalpataru, and Tata Projects (re-entering buildings). Bidding intensity has stabilised at a "status quo" after being elevated earlier; the war and slower private launches have everyone cautious. Management believes its scale, balance sheet, and mechanisation depth give it a meaningful edge in navigating supply chain constraints, and the high qualification bar limits competition to four or five serious players.

ABB India (ABB IN)

RATING HOLD | **CMP** INR 7,013 | **TP** INR 6,523

- **Guidance:** Management guided for PAT margins of ~12–15% going forward, with near-term pressure from elevated copper/aluminium prices, forex volatility and competitive intensity. Material cost pressures are likely to persist over the next two quarters due to higher-cost imported inventory and lagged price pass-through. Revenue growth is expected to remain in double digits, supported by healthy backlog execution and strong demand momentum across key sectors, subject to project finalization timelines

- **Order Book:** Order inflow remained strong with ~25% YoY growth, driven by healthy traction across data centers, railways, renewables, utilities, buildings & infrastructure, and process industries. Order backlog stayed robust at ~INR110bn+, providing healthy medium-term revenue visibility. Large order wins during the quarter were led by data center and railway projects, with execution timelines extending into CY27–CY28, especially for data center orders. Management highlighted a balanced order mix between short-cycle base orders and long-cycle projects, with improving enquiry activity and conversion in base orders, while large order conversion continues to face elongated decision-making cycles.

- **Base Order:** Base business demand improved meaningfully across electrification, motion, and industrial segments, supported by private capex recovery, infrastructure investments, railways, industrial demand, and renewable energy-related opportunities. Management noted that enquiry pipelines remain healthy and conversion trends have improved versus CY25 levels.

- **Large Orders:** Large project ordering continued to face elongated decision cycles, particularly in automation and industrial capex-linked projects. However, management highlighted a strong pipeline across data centers, railways, power transmission & generation, energy industries, renewables, BESS, process industries, and buildings & infrastructure, with expectations of gradual improvement in large order conversion as private capex visibility strengthens.

- **Electrification:** Electrification reported strong order inflows driven by smart power, utilities, railways, infrastructure, distribution solutions, and large data center projects. Revenue growth remained healthy on the back of broad-based execution and improving export contribution. Margins declined YoY due to elevated copper/aluminium prices, QCO-related cost pressures, forex volatility, competitive intensity, and unfavorable project mix. Management highlighted significant opportunities across medium-voltage switchgear, low-voltage distribution systems, substations, UPS systems, and power management solutions catering to the rapidly growing data center ecosystem.

- **Motion:** Motion business reported strong order inflows driven by propulsion systems for Indian Railways, drives, large motors, renewables, and industrial applications. Revenue growth remained healthy supported by strong execution momentum across divisions. Margins were impacted by elevated raw material costs, forex volatility, and competitive pricing intensity. Management remains optimistic on demand visibility across railways, industrial automation, renewables, and service-led opportunities.

- **Process Automation:** Order inflow remained subdued due to delayed project finalization despite a healthy enquiry pipeline. Revenue growth was supported by energy industries and measurement & analytics, partly offset by weakness in select process verticals. Margins improved sequentially but remained impacted by adverse mix, elevated material costs, and delay in high-value project conversion. Management highlighted healthy pipelines across energy, chemicals, oil & gas, metals, and process industries.

- **Data centers – Key structural growth driver:** Management highlighted that ~10–12% of the current order backlog is linked to data center projects, reflecting the segment's rising importance in ABB India's growth strategy. Demand remains strong from hyperscalers, colocation operators, and enterprise developers. ABB continues to benefit from its broad portfolio across MV/LV systems, UPS, cooling, substations, drives & motors, and automation solutions. Several project deliveries extend into CY27–CY28, providing healthy long-term visibility.

- **Capex & Localization:** ABB announced a ~$75mn capex plan focused on manufacturing and R&D expansion. Investments will primarily target capacity expansion, localization initiatives, smart power products, drives & motion products, export-oriented manufacturing, service capabilities, and R&D enhancement. Management highlighted that the investment is aimed at addressing growing domestic and export opportunities, particularly in electrification and data center-related solutions.

- **Export opportunities:** Management highlighted that India continues to strengthen its strategic role within ABB's global manufacturing network. Export demand remains healthy for selected electrification and data center-linked products, supported by localization initiatives and improving global supply-chain diversification trends.

Adani Port & SEZ (ADSEZ IN)

RATING BUY | **CMP** INR 1,657 | **TP** INR 1,879

Volumes & Outlook:

- The company is targeting ~1bn capacity by 2030 and ~850mmt domestic volumes.
- Volumes are expected to grow at 1.5x India GDP, with upside to 1.7–1.8x.
- Coal recovery is expected to support near-term volumes.
- Container recovery depends on freight normalisation.
- Morbi shutdown and weak scrap/paper volumes remain key headwinds.

Margins / Domestic Ports:

- Margin decline was largely mix-driven due to higher dry cargo and lower imported coal.
- Weakness at Gangavaram, Hazira, Dhamra and KP ports has led to operational resets.
- Margins are expected to improve as cargo mix stabilizes and efficiencies improve.

Logistics:

- Logistics ROCE improved to 10%, driven by higher share of asset-light and asset-zero businesses.
- Asset-zero (freight forwarding) acts as a volume generator for asset-heavy infrastructure.
- Focus remains on improving utilisation through technology and efficiency.
- Logistics ROCE is targeted to reach ~20% by FY31.

International Ports:

- International operations are ramping up strongly, led by CWIT and NQXT.
- Governance has been centralised in Ahmedabad under the Adani operating model.

- Focus is shifting towards market share gains and higher EXIM cargo share.
- Q4 volumes were led by NQXT (~11mmt), Tanzania (~3mmt), Haifa (~2.5–2.6mmt) and Colombo.

Marine:

- Marine margins remain volatile due to contract renewals and maintenance cycles.
- Annual margins of ~50%+ are considered sustainable.
- Presence in international waters (Europe / ME) is increasing.

Adani Energy Solutions (ADANIENS IN)

RATING HOLD | **CMP** INR 1,412 | **TP** INR 1,452

- For FY27, total capital expenditure is Rs 220 bn, comprising Rs 155 bn for transmission, Rs 23.5 bn for distribution, and Rs 39 bn for smart metering. FY28 capital expenditure is estimated at Rs 230 bn, with Rs 200 bn for transmission, Rs 20 bn for distribution, and Rs 15 bn for smart metering.
- Capitalization for FY27 is expected to be around Rs 210–220 bn, while FY28 capitalization is projected at Rs 130 bn, with improvement from FY29 as HVDC projects commission.
- FY27 smart meter installation target is 10 million meters, with order book increasing to 25 million meters (vs 23 million in the previous quarter), driven by repeat orders from existing states. Additional smart meter opportunity of 90–100 million meters identified across Tamil Nadu, Karnataka, Telangana, Andhra Pradesh, Gujarat, and Madhya Pradesh.
- Consolidated EBITDA is expected to reach around Rs 115 bn next year, with a long-term projection of tripling the current EBITDA trajectory within three to four years once all existing transmission projects are completed.
- Under-construction transmission pipeline of Rs 720 bn, expected to add Rs 100 bn in additional tariff, and the distribution business's EBITDA growing from Rs 25 bn to Rs 30–32 bn. The smart meter business is also projected to generate Rs 24–30 bn in EBITDA once the entire smart meter portfolio is operational.
- C&I segment has contracted approximately 5,000 megawatts of renewable capacity. Out of this, 1.5 gigawatt has customer tie-up; margins are currently in excess of Rs 0.50 per unit, though operating on a merchant market means conditions vary, and certainty will increase with long-term contracts.
- District cooling is an incubating segment, with a concession secured for a cluster development in Chennai, and the company is actively engaging with various state governments for future opportunities.
- Holds ~29% market share in transmission bids invited, with a strong opportunity pipeline of ~Rs 1.5 tn. Construction has commenced on the Bhadla–Fatehpur HVDC project, while land acquisition is complete for Khavada and pending for Olpad under the Khavada–Olpad HVDC project.
- Net debt stands at Rs 392 bn, with leverage expected to be maintained at 4.5–4.7x EV/EBITDA.

Ajanta Pharma (AJP IN)

RATING BUY | **CMP** INR 2,898 | **TP** INR 3,400

- India: Contributes 30% of the overall revenues. Growth drivers: Balanced mix of volume (3.6%), price (4.8%), new launches (4.7%). Therapy mix: Cardio (36%), Opthal (31%), Derma (23%), Pain (10%). Chronic portfolio contributed 65% of the revenues. Trade generic contributed INR 490Mn flat YoY. 11% of the portfolio is covered under NLEM. Launched 26 new products in FY26 with 5 first to market product. Gynecology is scaling up well, expected to become meaningful contributor. Slow ramp up in Nephrology. Added 300 MRs in FY26 taking total strength to 3,750. PCPM INR 0.37mn as on date, steady target of INR 0.4-0.45Mn in FY27E. Management confident about achieving mid-teens India growth.

- Branded Africa: Contributes 13% of the overall revenues. It delivered growth of 37% YoY in Q4FY26 driven by product launches and deeper market penetration. Expect FY27E to be better supported by strong order flow. Guided for double digit growth in FY27E.

- Asia: Branded Asia contributes 21% of the revenues. Q4FY26 remained weak due to Middle east related logistics disruption. The same has led to longer transit time. AJP launched 15 products in FY26 (chronic focus). Strong rebound expected with high double digit growth guidance.

- US generics: It consists 29% of the overall sales. Q4FY26 was exceptional driven by seasonal flu product supported by 8 launches done in past 15months. 4-5launched planned, mostly in H2FY27E. Expects mid-single digit growth in FY27E in CC.

- GLP-1: Filing to start in Q1FY27E for export markets. Approval to take 15-18months. India also remains a focus market; pick up not seen yet.

- Other highlights: Freight and RM cost to rise due to geopolitical issues. Costs is largely absorbed with near term margin pressure. Receivable days increased due to ongoing middle east conflict. GMs to remain stable at 77-78% whereas EBITDA in the range 26-28% in FY27E. R&D spend guided for 5% levels in FY27E. Guided capex of INR 4bn in FY27E (INR 1.5bn maintenance and INR 2.5bn capacity expansion). ETR of ~26.5% for FY27E.

Amber Enterprises India (AMBER IN)

RATING BUY | **CMP** INR 7,154 | **TP** INR 8,396

- **Consumer Durable Division (CD):** Management expects the RAC industry to grow ~13–14% in FY27, with Amber likely to grow in line with the industry. Q1FY27 RAC demand has improved significantly after a weak start to April, supported by rising temperatures across North, West and South India, with industry growth expected at ~20% YoY on a weak base.

- AMBER has taken a cumulative RAC price hike of ~14% YoY due to commodity inflation and regulatory changes, however margin may appear lower due to higher product prices, absolute per-unit margins remain intact as raw material cost increases are passed on to customers with a quarterly lag.

- Management indicated that India has adequate RAC compressor capacity supported by expansions from players such as LG, Daikin, Mitsubishi, GMCC and Highly. The government has also allowed limited compressor imports to address temporary supply gaps, with no major shortages expected in FY27.

- **Electronics Division:** AMBER expects electronics revenue growth of ~40% in FY27, with EBITDA margins expected at ~9.5–10% and gradual improvement toward double-digit margins over the medium term.

- AMBER received ECMS investment approvals of over INR45bn for HDI PCB and multilayer PCB expansion projects across Noida, Hosur and Pune. Management indicated that Ascent, Shogini and Ascent-K together are strategically positioned to become one of India's largest integrated PCB manufacturing platforms spanning single-layer to advanced HDI PCBs.

- Ascent-K's HDI PCB facility construction is expected to commence by Jun'26 with mass production targeted from Q3/Q4FY28, while the Hosur multilayer PCB project is expected to begin trial production by Q3FY27 and commercial production by Feb'27 despite a 1.5–2-month approval-related delay.

- Management highlighted that PCB and HDI businesses are asset-heavy with asset turns of ~0.8–1x; however, they remain strategically important for import substitution and long-term ROCE improvement. The company also expects significant incentives under ECMS and state subsidy schemes for these projects.

- PCB margins currently remain under pressure at ~12–13% versus normalized levels of ~16–17%, impacted by sharp increases in CCL prices, gold prices and currency depreciation. CCL and gold prices have risen by over 60% YoY; however, partial price hikes have already been secured from customers, with further normalization expected over the next two quarters.

- The anti-dumping duties (ADD) on imported PCBs have helped protect domestic demand despite rising global PCB prices.

- Amber increased its stake in Unitronics Israel to 50.4%, strengthening its industrial automation presence. Separately, the strategic cooperation agreement with Sumitronics is expected to support Amber's entry into automotive PCBA through improved customer access and global manufacturing expertise.

- **Railways & Defence division:** Management expects the railway business to deliver ~30–35% growth across FY27–FY28, with EBITDA margins likely to remain in the range of ~16–17% supported by steady execution across railway and metro projects.

- Sidwal's new greenfield railway HVAC facility at Faridabad has commenced trial production, with commercial production expected from the current quarter. Backed by an order book exceeding INR26bn.

- YUJIN railway component facility is progressing as planned and is currently undergoing RDSO approvals. The company has already secured an order book of ~INR1.8bn for railway couplers and also received initial orders for pantographs and braking systems.

- **Other Highlights:** The company received ~INR 495mn under the PLI scheme in Apr'26 for FY25 and expects ~INR 780mn incentive receipt for FY26.

- FY26 gross capex stood at ~INR10.7bn, of which ~INR5.5bn was capitalized while the balance remains under CWIP and is expected to become operational during FY27. Management expects FY27 capex at ~INR18–20bn, including investments toward Ascent; however, actual cash outflow is likely to remain lower at ~INR11–12bn due to favorable supplier payment terms and incentives. For FY28, management expects capex cash outflow to increase to ~INR14–15bn, with overall capex estimated at ~INR12–13bn driven by the ramp-up of the Ascent-K project.

Ambuja Cement (ACEM IN)

RATING BUY | **CMP** INR 445 | **TP** INR 524

Pricing & Costs

- Cement prices increased by ~INR10/bag in April, with select pockets seeing INR15–20/bag hikes; however, demand remains weak with April trends sluggish.
- Total cost for FY26 stood at ~INR4,400/t vs earlier expectation of ~INR4,000/t; Q4FY26 costs were elevated at ~INR4,500/t (including ~INR250/t impact from external factors). Normalised exit cost stood at ~INR4,100/t.
- Cost pressures were driven by higher packaging (PP bags), elevated fuel costs (higher heat consumption), increased freight (higher lead distance, plant shutdowns), higher branding spends and repairs & maintenance (notably in acquired assets).
- Management indicated Q4 costs represent a peak, with Q1FY27 expected to remain ~INR4,500/t before reduction trajectory kicks in.
- Cost reduction roadmap: ~INR250/t reduction targeted in FY27 (to ~INR4,250/t) and further ~INR250/t in FY28, implying ~INR500/t cumulative savings over two years.
- Key cost levers include RM optimisation (fly ash), green energy, logistics efficiency and operational improvements, with ~INR150–200/t savings expected from RM and energy initiatives alone.

Volumes

- Q4 volumes were muted due to operational disruptions and packaging issues; improvement expected going forward.
- Consolidated volumes expected to grow ~8% YoY to ~80mt in FY27, driven by stabilisation of acquired assets and ongoing capacity additions.
- Industry demand outlook remains subdued at ~5% growth in FY27, with near-term trends remaining weak.

Subsidiaries / Acquired Assets

- Acquired assets (Sanghi, Penna) continue to operate at sub-optimal utilisation, impacting profitability and costs. Management targets ~5-10% improvement ahead.
- Orient operating at full utilisation; legacy ACC/ACEM assets at ~75-80%, implying consolidated utilisation of ~70-75%.
- Operational issues (breakdowns, maintenance shutdowns) in acquired assets led to higher R&M costs and weaker performance.

Operational

- Trade share improved to ~74% (vs ~68% QoQ), while premium cement share remained strong at ~36%.
- Management acknowledged underperformance and initiated a reset, with sharper focus on execution, cost control and operational stabilisation.
- Key KPIs: plant-to-market optimisation, trade mix improvement, RM & energy efficiency, channel network expansion and cost discipline.

Capacity Additions & Capex

- Total cement capacity stood at ~109mtpa in FY26, supported by commissioning of ~10.7mtpa grinding capacity and ~7mtpa clinker capacity during the year.
- Capacity expected to increase to ~119mtpa by H1FY27 with ongoing commissioning of grinding units and clinker expansions.
- Clinker capacity at ~73; additional ~4mtpa to be added in FY27 (Maratha, Penna-Marwar).
- New clinker projects planned at Mundra (2mtpa) and Assam (2mtpa), with ~24-28 month timelines.
- FY26 capex stood at ~INR75bn; FY27 capex guided at ~INR60-65bn, focused on ongoing projects, debottlenecking and maintenance.
- Capacity expansion roadmap recalibrated, with 140mt target likely shifting from FY28 to FY30; focus remains on utilisation and disciplined capital allocation.
- Execution challenges in past projects (contractor selection, engineering readiness, team build-up) led to delays; focus now on correcting these issues.
- Strategic focus on organic growth, greenfield expansion and network optimisation (shifting grinding units closer to markets to reduce logistics costs).

Anthem Biosciences (ANTHEM IN)

RATING BUY | CMP INR 781 | TP INR 850

CRDMO:

- Commercial molecules contribute ~60% of revenues; development/manufacturing batches for early/late-stage molecules contribute ~15%; R&D contributes ~8-9%; specialty ingredients contribute ~17%.
- 4 commercialized molecules launched in FY26 currently contribute ~8-9% of revenues despite being in early launch phase, implying meaningful headroom ahead.
- Destocking pressures seen across customers in FY26 are largely behind; management expects restocking to support both topline and profitability going ahead.
- Current Phase-3 pipeline stands at 10 molecules while company is working on 100+ early-stage programs.
- Phase-3 basket is diversified across ADCs, peptides, oligos and biotransformation projects; all projects currently belong to emerging biotech clients.
- Anthem added 2 direct large pharma relationships in FY26 and these relationships are scaling up positively.

Specialty ingredients:

- Segment remained weak in first three quarters of FY26 but growth recovered in Q4FY26 with 8% YoY growth
- Management aspires to grow specialty ingredients business also at ~20% trajectory over long term.

Peptides/GLP 1/New modalities:

- Company stated it is strongly positioned in GLP-1 peptides with highly competitive cost structures comparable even to Chinese players

- Company is working on 10-12+ peptide programs with varied synthesis strategies including convergent synthesis, fermentation and biosynthesis routes.
- New order inflow is coming across both chemical entities and biologics, including peptides and RNAi-related opportunities

Biologics:

- Biotech funding environment has improved materially with funding up ~50% YoY till April; company is witnessing increased early-stage project inquiries.

Other highlights:

- Management indicated no material impact from US tariff discussions so far.
- Capacity is not currently a constraint after Unit II expansion and Unit III commissioning.
- Unit III is fully operational, and management expects it to turn profitable in FY27E
- Unit IV Phase-1 will involve investment of ~INR 12bn over FY27E/FY28E.
- FY27 Capex expected at ~INR 6-7bn including maintenance and residual Capex; FY28 Capex expected at ~INR 5bn.
- Unit IV at Harohalli near Bengaluru, a ~INR10bn capex project focused on high-value peptides and APIs, is likely to be commissioned in phases by FY28E/29E, which will meaningfully expand its manufacturing footprint.
- Net cash position as of Mar'26 stood at INR 13.7bn.

Apeejay Surrendra Park Hotels (PARKHOTE IN)

RATING BUY | CMP INR 116 | TP INR 168

- The mixed-use project at EM Bypass, Kolkata consists of two buildings. One of the buildings has been launched and 29 apartments have been sold out of 34. Second building is expected to be launched this year in Oct-Nov'26.
- The Park, Mumbai (Juhu), will feature 78 rooms. Project is expected to commence in June'26 with completion targeted by Mar'27.
- Timeline to open additional rooms at Park, Vizag has been pushed to FY30E as there were delays in getting environmental clearance.
- Management plans to add 30 outlets of Flurys over next 10 months. The long-term target is to add 40-50 outlets each year over a span of 4-5 years. Expansion will largely be via café format.
- In FY26, Ran Baas Palace, Patiala clocked an ARR of ~INR31,000 with an occupancy of ~20% while Lotus palace, Chettinad clocked an ARR of ~INR12,000 with an occupancy of 30%.
- T-RevPAR of Park, Kolkata is at ~INR24,000 which is amongst the highest in that vicinity.
- Current borrowing cost is ~8.35%
- Management expects to incur a capex of ~INR15bn over the next five years and majority of it will be funded via internal accruals.

- The acquisition of Malabar House is currently in its final stages. The agreement was signed in Dec'25. The process took longer than expected as the transaction involved external payment, requiring approval from the bank. The remaining documentation is underway and is expected to be completed by June'26.

Apar Industries (APR IN)

RATING HOLD | **CMP** INR 13,426 | **TP** INR 13,309

- **Guidance:** Company maintained medium-term conductor EBITDA guidance of Rs35,000–36,000/MT while reiterating ~10% conductor volume growth and ~25% cables growth aspirations. Apar has also front-loaded capex plans (~Rs15bn for FY27) reflecting strong confidence in the multi-year energy infrastructure opportunity across India and the US. Management highlighted near-term softness in ordering activity due to elevated metal prices, higher freight costs and Middle East-related disruptions; however, structural demand outlook remains robust led by renewables, transmission expansion, data centers and grid modernization

- **Conductors:** Performance driven by riven by higher volumes, improved product mix and elevated commodity prices. Domestic revenues grew 34.8% YoY while exports increased 14.6% YoY with strong sequential recovery in US business. Management highlighted strong medium-term demand visibility driven by renewable evacuation, reconductoring opportunities, grid modernization and upcoming HVDC projects, with execution likely to continue through FY27/FY28. Premium products now account for over 50% of the order book, reflecting rising utility preference for high-efficiency conductors. US business witnessed strong recovery during Q4FY26 supported by improved tariff visibility and rising investments in data centers and transmission infrastructure. Despite near-term challenges from elevated metal prices, higher freight costs and delayed project execution, management maintained medium-to-long term EBITDA guidance of Rs35,000–36,000/MT plus treasury income while targeting ~10% annual volume growth.

- **Specialty oils business** faced significant operational challenges during Q4FY26 due to Middle East disruptions, impacting supply chains, freight availability and customer ordering activity. Management highlighted that exports were severely affected during March-April as major refineries curtailed production while freight, packing and insurance costs increased sharply. The company temporarily stopped fresh order booking in March and focused on execution of pending orders amid uncertainty in pricing and supply availability. Supplies from key refineries reportedly declined by ~50% during April, though conditions have gradually started normalizing from May onwards at higher pricing levels. Management indicated that near-term margins and volumes could remain impacted by elevated logistics costs and supply-side constraints, though long-term demand outlook remains healthy driven by strong transformer demand, renewable integration and transmission infrastructure expansion.

- **Cables business:** Cables business delivered healthy performance driven by robust domestic demand and recovery in export execution. Domestic and export revenues both grew 33.6% YoY while US revenues increased 52.2% YoY aided by improved tariff visibility and normalization in customer ordering activity. Margins remained healthy supported by favorable product mix and higher contribution from specialty and medium voltage cables. Management highlighted strong demand traction across renewable energy, utilities, railways, defence, industrial capex and data centers, with Apar already supplying to three major US data center projects. The company continues to see strong opportunities from AI-led hyperscaler investments and grid modernization in the US, supporting long-term demand visibility for medium voltage and specialty cables. To capitalize on the opportunity, Apar is expanding medium voltage rubber and XLPE cable capacities as part of its aggressive FY27 capex plans while reiterating ~25% growth aspiration for the cables business.

- **Capex & Capacity Expansion:** Apar increased its FY27 capex guidance to ~Rs15bn versus ~Rs7.4bn incurred in FY26, reflecting strong confidence in long-term demand visibility across transmission, renewables, data centers and specialty cables. Segment-wise capex allocation includes ~Rs8.5bn for cables, ~Rs4bn for conductors and ~Rs2bn for specialty oils. The company is expanding medium voltage rubber and XLPE cable capacities along with renewable, railway, defence and specialty cable capacities, while conductor capex is focused on premium products and export opportunities. Management highlighted that capex has been front-loaded considering longer equipment delivery cycles and strong multi-year growth opportunity across India and the US.

- **US Market:** Management highlighted strong long-term growth opportunity in the US driven by data center expansion, grid modernization, renewable energy investments and transmission infrastructure upgrades. US business witnessed recovery during Q4FY26 aided by improved tariff visibility and normalization in customer ordering activity post Section 232 tariff rationalization. Apar has already supplied to three major US data center projects and continues to see strong traction from AI-led hyperscaler investments. Management expects meaningful growth in US revenues across both cables and conductors over FY27/FY28 despite near-term headwinds from elevated freight costs and higher commodity prices.

- **Supply Chain & Logistics:** Management highlighted significant supply chain disruptions during Q4FY26 due to Middle East conflict, resulting in elevated freight costs, higher insurance premiums, container shortages and delays in shipment execution. Specialty polymer availability for cables remained impacted while transformer oil exports witnessed disruption amid refinery curtailments and lower product availability. Customers across segments also delayed ordering and delivery schedules due to volatile metal prices and logistics uncertainty. While supply conditions have gradually started normalizing from May onwards, management expects near-term pressure on volumes and margins due to elevated logistics and raw material costs.

Apollo Hospitals Enterprise (APHS IN)

RATING BUY | CMP INR 8,309 | TP INR 9,350

- Bed expansion plan: APHS has operationalized 185 beds from its ongoing 855 beds expansion pipeline across NCR, Pune, Hyderabad, and Kolkata, with the remaining 670 beds slated for commissioning over the next 12 months. Additionally, two new hospitals, Sarjapur (Bangalore) in Q1FY27 and Gurgaon by end-Q2FY27 are expected to add ~550 beds. Cumulatively, this translates into a planned addition of ~1,400 beds, focused entirely on key metro markets, implying an overall capacity expansion of ~25%. Management targets operational capacity of ~5,600 beds by mid-FY27, with the complete ramp-up of the 1,400-bed addition expected by FY28 end.

- Capex: Management guided for recurring hospital maintenance capex of ~INR5.5bn annually and FY27 growth capex of ~INR19.8bn for ~1,000 bed additions. The hospital business is expected to generate ~INR15.5bn of operating cash flow (post dividends, recurring capex, and taxes), fully available for growth capex deployment. Further, IFC buyout at AHLL worth ~INR12.5bn in Q4FY26 temporarily shifted the balance sheet from a net cash to net debt position.

- New units' losses & breakeven: Reiterated FY27 loss guidance at ~INR1.5bn for the new unit portfolio. Quarterly losses could temporarily rise above Q4 levels, likely peaking in Q2FY27 with the commissioning of the Gurgaon facility, before moderating thereafter. The new hospital cluster is expected to achieve break-even at ~50–55% occupancy, with overall cluster breakeven targeted by FY28. Insurance empanelment of new hospitals is well-covered with Athena (6 insurers), Kolkata (6), Hyderabad (4+), Bangalore (3 of top 8).

- Hospitals: Established hospitals delivered EBITDA margins of 25.5% in Q4FY26, with management guiding for at least 100bps expansion in FY27 driven by better utilization and cost efficiencies, with further ~INR1–1.25bn margin improvement potential identified. Bangladesh volumes partially recovered; new markets in Africa and Asia supplementing.

- Apollo HealthCo (Pharmacy & Digital): Offline Pharmacy EBITDA rose 20% YoY to INR1.95bn, aided by a higher private label mix, with management reiterating steady-state margin potential of 8–9%. Apollo 24/7 reduced cash losses sharply to INR160mn from INR800mn YoY, while platform GMV grew 20% YoY to INR5.28bn and digital revenues increased 29% YoY (like-for-like). Management expects digital break-even by Q1FY27 excluding ESOP costs and by Q3FY27 including FY27 ESOP expenses of ~INR500mn (~INR220–230mn in Q1). Management reiterated Apollo HealthCo to achieve a pro-forma revenue run-rate of INR250bn by Q4FY27 with EBITDA margins of 6.5–7% versus ~4.3% at the FY26 exit level, driven by private label expansion, elimination of digital losses, and operating leverage. Customer acquisition remains healthy at ~2.0–2.2 lakh/month, with 90% same-day delivery coverage and declining CAC.

- AHLL: Diagnostics growth is being driven by structural volume gains via higher lab utilization and rising B2B contribution alongside B2C demand, with Apollo now among the top four diagnostics players in India. Strategically, Apollo Cradle & Fertility has been merged with Cloudnine to form India's largest integrated maternity and fertility platform. The deal is valued at ~INR15bn (~35x EBITDA), with AHLL becoming the largest financial shareholder with board representation. Cradle contributed INR4.5bn in revenue and INR450mn in IGAAP EBITDA in FY26. CCI approval is expected in ~2 months, with consolidation into AHLL likely from Q2FY27. Proceeds will be redeployed into scaling primary care clinics and diagnostics across metro and non-metro markets.

- NCLT shareholder meeting called for June 2026; demerger and listing of Apollo HealthTech expected by end-Q4FY27.

Ashoka Buildcon (ASBL IN)

RATING BUY | **CMP** INR 123 | **TP** INR 152

- Management highlighted FY26 as a transition year impacted by delays in clearances, land acquisition issues, and macro headwinds. Execution across projects slowed due to industry-wide challenges, including inflationary pressures and supply chain disruptions.

- The company is targeting ~20% revenue growth in FY27, driven by improved execution across existing projects and normalization of project timelines. Growth is expected to be largely execution-led rather than dependent on new order wins.

- EBITDA margins are guided in the range of ~9.5–10.5% for FY27, with management confident of achieving double-digit margins. Guidance factors in commodity pressures and ECL provisions, indicating a conservative outlook.

- Management has guided for fresh order inflows of ~INR 80–100 Bn in FY27, across domestic and international markets. Key segments include roads, power T&D, railways, water, and buildings, reflecting diversification.

- The company has a strong bid pipeline of ~INR 400 Bn across ~85 projects, with additional opportunities in the building segment (>INR 1,000 Bn). This underpins confidence in achieving order inflow targets.

- Ashoka is expanding its international footprint with projects in Saudi Arabia, Angola, and Liberia. These projects enhance geographic diversification and open up new EPC opportunities in global infrastructure markets.

- The order book remains diversified with ~66% from roads and railways, ~20% from power T&D, and the balance from buildings and other segments. This mix reduces reliance on a single sector.
- The company is progressing on monetisation of six HAM assets, targeting four closures by June 2026 and the remaining by December 2026. Expected inflows of ~INR 1,150+ Mn will strengthen liquidity.
- Asset monetisation is expected to significantly reduce project debt (~INR 13 Bn) and improve balance sheet strength. This will support funding of future growth without incremental leverage.
- Working capital cycle, which stretched in FY26 due to receivables build-up (especially in power segment), is expected to normalize to ~110–120 days by H1FY27, improving cash flow efficiency.
- Capex guidance remains moderate at ~INR 1 Bn for FY27, including investments in international projects. HAM equity investments are planned in a phased manner, supported by internal accruals.
- Management remains positive on infrastructure outlook, supported by strong government capex, increased focus on expressways, and rising opportunities in railways and power transmission linked to energy transition

Asian Paints (APNT IN)

RATING HOLD | **CMP** INR 2,672 | **TP** INR 2,626

- Management guided high single digit (8-10%) volume growth for FY27 observing early green shoots in April and May and anticipating a longer festive season. APNT maintained margin guidance of 18-20% for FY27
- The company took price hikes of 10-11% in April and May which cover partial costs and expects more price hikes in near term
- APNT has guided volume and value gap to be maintained between 3-4%
- The VAM-VAE backward integration phase I project is expected to be commissioned in the first half of the year, with benefits on gross margins realized over a period.
- While January and Feb had double digit volume growth, march had 3-4% impact of inventory stocking ahead of price hikes
- Competitive intensity is expected to remain high due to consolidated players, new entrants, and existing players.
- Demand conditions improved across all three months of Q4, with good growth in both rural and urban centers, with rural slightly ahead of urban growth.
- New products contributed a substantial 17% to overall revenues

Aster DM Healthcare (ASTERDM IN)

RATING BUY | **CMP** INR 701 | **TP** INR 800

Bed expansion and capex: ASTERDM added ~290 beds YoY, taking India capacity to 5,449 beds across 20 hospitals as of Q4; including newly added Kasargod unit in Q3FY26. Overall, ~2,728 bed expansion plan (of which ASTERDM commercialised brownfield 234 beds in Q1FY27) 454 greenfield beds in FY27E, 760 greenfield beds in FY28E, 480 brownfield beds in FY29E & 800 beds 30E & beyond), taking total capacity to ~8,177 beds over next 4-5 years, through a mix of brownfield expansions and select greenfield projects. ASTERDM incurred capex of INR 5.5bn in FY26.

New unit expansion timeline: Recently commercialised 75 beds at Ramesh Ongole and 159 beds at Whitefield in Q1FY27 which are EBITDA accretive due to brownfield expansion. Trivandrum is slated to commence operations in October 2026; with QCIL already having an established presence in the market, management has guided for overall EBITDA margin expansion in FY27E, with no margin dilution despite Trivandrum being greenfield in nature.

QCIL expansion: Reiterated capex plan of ~INR 20bn to add ~1,700 beds over 3–4 years, of which ~1,500 beds are brownfield with 200 greenfield beds will be added at Indore. New beds will be added at Bhubaneswar and Raipur in FY27E, Banjara in FY28E. Additionally 100 beds will be added at Nagarcoil and Nampally, Chattogram.

Kerala Cluster: MVT revenues grew 51% YoY, driven by strong patient inflows from the Maldives, Middle East, and Africa, which offset the drag from Oman and UAE. The Kerala nurse strike had an impact of ~INR 50–60 mn at EBITDA, which management indicated has been resolved following negotiations in April. The Kasaragod unit reported an EBITDA loss of ~INR 80 mn, improving from ~INR 130 mn loss in Q3. Operating EBITDA margins improved by ~125 bps to 23.5% led by cost efficiencies and operating leverage in manpower and overhead costs.

Karnataka and Maharashtra Cluster: Whitefield unit grew +15% YoY on strong IP growth of 3% with doctor hiring supporting outlook; Maharashtra (Aadhar) grew 14% on ARPP improvement post scheme rationalisation. EBITDA margins improved 290 bps YoY to 24.6%. Whitefield Block A+B+C occupancy stands at ~60%, with margins currently in the high teens and guided to improve to the mid-20s over time. Block D was commissioned in April 2026 (Q1FY27), and occupancy guided to ramp toward ~70%. Management also highlighted strong headroom with occupancy at ~60% (CMI), ~69% (RV), and ~55% (Whitefield, post ~150-bed addition), with Sarjapur unit to further support growth.

AP & Telangana Cluster: EBITDA margins improved sharply by 730 bps YoY to 18.5%. ARPP IP remained healthy with 13% YoY growth aided by 200 bps improvement in CONGO Mix. Narayanadri is seeing improvement with added clinicians and a richer case mix in an underserved market, along with conversion of general rooms to private, supporting ARPOB uplift. Ramesh units continue to be key growth drivers, with management guiding sustained strong performance for both.

ASTERDM's Matured units operating margins improved by 330 bps YoY to 26.2% in Q4. A key growth driver for mature centres is the under-penetration of oncology services, which is expected to drive a significant increase in oncology volumes over the next two years.

QCIL performance and guidance: Revenue increased by ~18.5% YoY to Rs 11.8bn; post-Ind AS EBITDA improved ~23% YoY to Rs 2.7bn, margin expanded by ~100 bps YoY to ~23.1%. QCIL realized synergies of ~INR 800–850mn through the integration of its three companies (Evercare Group, CARE Hospitals, and KIMS) in QCIL, primarily driven by procurement efficiencies. Incremental capacity additions are expected to be margin-neutral to accretive, supported by increasing CONGO contribution from ~55% to ~60-65% in high-ROCE markets and continued build-out of oncology infrastructure (including LINACs).

QCIL's mature units (~59% of revenue) posted ~14% YoY growth with ~200 bps EBITDA margin expansion to ~33%. Focus units (~29%) also grew ~14%, with margins improving to ~15.4% (+~420 bps) on scale and better cost absorption. Emerging units (~7%) delivered strong ~70% YoY growth with margins at ~17.9%, reflecting operating leverage. Nagercoil contributed ~INR 300mn to EBITDA, with margins at ~28.5% in FY26. Mgmt highlighted merger synergies from the CARE–Evercare–KIMS integration is already reflecting in QCIL's performance.

QCIL merger update: All key approvals (SEBI, exchanges, CCI) are in place; closure now awaits final compliance, including the NCLT order, with completion expected in Q1FY27. Management guided that Aster DM–QCIL synergies are yet to reflect in reported numbers and will be driven by procurement efficiencies, corporate overhead rationalisation, and sharing of clinical best practices. Blended minority share will be in the range of 10-15%.

Ancillary biz: Aster Labs turnaround sustained, with EBITDA margins at ~12.8% for FY26. While low margin pharmacy business reported positive 1% of EBITDA margins for FY26.

Aurobindo Pharma (ARBP IN)

RATING HOLD | CMP INR 1,464 | TP INR 1,400

- **US:** Revenues declined due to high gRevlimid base, base business remained stable. Management targets US business to reach USD 2bn in revenues in FY27 including Lannett contribution which is likely to get consolidated from Q3FY27. Focus areas include topicals, respiratory, transdermal and business development/relicensing opportunities. Management expects double-digit growth in specialty injectables business going forward. Eczema drug launch targeted in Q2FY27; dedicated dermatology sales infrastructure being built.

- **Eugia/injectables:** Eugia specialty injectables revenue stood at USD 513mn in FY26 with 13% YoY growth excluding Revlimid impact. Base injectables business revenue estimated at USD 480mn with management expecting continued double-digit growth ahead. Eugia business mix currently ~70% US and 30% ex-US; management expects mix to move towards 60:40 over time. Eugia Unit 1 and Unit 3 inspections completed; awaiting EIRs.

- **Europe:** Guided for double digit growth in Europe on CC terms in FY27E. Europe EBITDA margin currently above 20% with further improvement expected. More than 10 products from China already contributing through launches and tech transfers.

- **Growth markets: b**Bevacizumab already approved in Health Canada and MHRA; EMA review ongoing and US filing planned.

- **Pen-G** and 6APA plants achieved positive EBITDA contribution in Q4 with yield improvements. External sales already started; over INR 1bn sales achieved in Q4 from Pen G and 6APA. Management expects stronger offtake ahead as imported inventory normalizes. Pen G production expected to exceed 10,000 MT with utilization 80%. Higher power and fuel costs due to Pen G ramp-up offset by lower raw material costs from captive usage.

- **Vizag:** China/Vizag related plant expected to turn EBITDA positive in FY27E after losses in FY26. Management targeting low double-digit EBITDA margin from China operations in FY27E. China OSD facility scaling steadily with increasing approvals and European supplies.

- **Biosimilars and Vaccines:** Biosimilar supplies initiated in Europe, LATAM and tenders being serviced in growth markets. bOmalizumab and bDenosumab filings planned with EMA, Health Canada and USFDA in FY27E. Total investment in biosimilars business stands at EUR 450mn till date. Biologics CDMO Unit-1 commissioning expected by end-2026; commercial revenues from FY28. Second biologics CDMO facility expected to start revenues from FY31. 3 biologics product schedules signed with MSD; 2 products already commercialized globally. Biosimilar gross margins guided at 65-70% with likely improvement towards 75% levels. Management expects biosimilar business to have 7-8 products across Europe and growth markets by FY30E.

- Other highlights: EBITDA margin targeted at upper end of 21% for FY27E. R&D spend at INR 15.9bn (~5% of revenues in FY26). Net cash improved to USD 317mn.

Avalon Technologies (AVALON IN)

RATING HOLD | **CMP** INR 1,256 | **TP** INR 1,233

- Management guided a revenue growth of 24–27%, with gross margins expected to remain in the range of 33–35% for FY27. The company maintained a conservative outlook despite healthy order inflows and expanding opportunities across geographies and business verticals.

- The company achieved its earlier target of doubling revenues from FY24 to FY27 nearly one year ahead of schedule and has set a target to further double revenues between FY26 and FY29.

- US operations contributed 23% of revenue, while losses in US manufacturing narrowed from ~Rs90mn in Q2FY26 to ~Rs 50mn in Q4FY26. Management expects the business to achieve breakeven in FY27.

- Management highlighted strong progress across new business programs built over the last 2–3 years, including ramp-up in energy storage systems, aerospace sub-assemblies moving toward volume production, commencement of locomotive engine assemblies, and Kavach systems nearing commercial production.

- AVALON has completed the project readiness phase in semiconductor equipment manufacturing with a global partner and expects volume production from FY27. Further, satellite communication control unit prototypes have been completed with volume orders expected from FY27, while new opportunities across aerospace, industrial, defence, Southeast Asia, and Europe continue to expand the company's growth pipeline.

- Company reiterated its focus on high-end complex box-build manufacturing and stated that it currently has no plans to enter component manufacturing such as PCB fabrication, preferring to remain focused on its core competencies.

- Client concentration remained healthy, with the top 10 customers contributing 61% of total revenue in FY26.

- Capex stood at Rs 580mn in FY25 and Rs 560mn in FY26, with management indicating a similar annual capex trend of ~Rs550–600mn in FY27 and no major expansion-related additions planned.

Axis Bank (AXSB IN)

RATING BUY | **CMP** INR 1,366 | **TP** INR 1,600

Balance sheet

- Bank continues to drive high-quality, diversified growth across wholesale, SME and retail segments through an ecosystem-led model, data-driven credit decisions and disciplined risk management. Growth remains quality led and sustainable with risk pricing filters and RAROC discipline maintained.
- ~91% of corporate book is rated A- and above with 86% of incremental sanctions in Q4FY26 being to corporates rated A- and above.
- The Bank is building an AI-led, customer-centric model to transform customer journeys, employee productivity and core processes through digitization and simplified interactions. Focus remains on responsible and secure AI adoption to enhance experience, outcomes and support sustainable growth.
- Axis Bank continues to deliver faster than the industry growth in medium to long term deposits. NTB franchise continues to scale with a sustained improvement in quality.
- The board approved raising of funds upto INR 350bn through issuance of debt securities and INR 200bn through issuance of equity shares. Management confirmed that the capital raise resolution is an enabling one and bank does not need equity capital at present. Bank may opportunistically evaluate issuing Tier-2 and A-1 instruments based on market conditions.
- Average LCR during Q4FY26 was ~ 117%

Profit & loss

- The Bank maintained its NIM guidance at 3.8% that is expected to materialise 15–18 months following the last rate cut; 25 bps repo rate cut has been fully transmitted which constitutes around 61% of entire loan book; bank does not expect any further rate cuts in the upcoming period.
- Target is to have a retail-wholesale mix of 70:30, with near-term NII optimization via wholesale growth and medium-term rebalancing toward retail.
- Retail banking fee which constitutes 74% of total fees grew by 11% QoQ. The Bank expects fee income to grow in line with business growth; earnings volatility led to lower trading income during Q4FY26.
- Employee cost increase of 12% QoQ led by rate movement driven provisioning and one-time reversal in accruals no longer required totalling to INR 2.82bn; workforce declined by 3% YoY driven by technology-led efficiency gains.
- Other operating expenses were up 7% QoQ largely driven by volume-linked expenses partially offset by PSLC cost reduction; technology expense constituted 5% of total opex.
- Tax expense declined by INR 21.9bn in Q4 FY26, driven by the allowance of tax depreciation on intangibles related to the Citi India consumer business acquisition following conclusion of tax assessments.

Asset quality

- During Q4 FY26, Bank voluntarily strengthened its std. asset provisioning by creating a one-time prudent provision of INR 20bn on identified pool of loans across customer segments, reflecting a conservative assessment of heightened macroeconomic and geopolitical risks, with no deterioration in asset quality
- Utilisation of buffer provisions would be governed by Board-approved stress-testing framework

Bajaj Auto (BJAUT IN)

RATING HOLD | **CMP** INR 10,596 | **TP** INR 10,400

- Supply chain disruptions, unavailability of manpower, fuel shortage at vendor side and related impact on sentiments resulted in 10-15% of unserviceable demand in Mar-Apr'26.
- Net cost inflation in Q4 was 40bps. RM cost inflation was 50-60bps, half of which was offset via pricing actions.
- Customers with larger wallet share (150cc+ segment, which is BJAUT's focus segment) aren't yet much impacted by fuel costs. New launches planned are into EVs and 125/150cc bikes.
- Container availability issue was mitigated by the proactive logistics team, resulting in no export sales being lost. It lost sales only in the Middle East – 5-6k units/month – due to the direct impact of the West Asia conflict.
- Pro-biking: KTM and Triumph delivered record domestic performance in Q4 (~43k units sold). Tax friendly 350cc variants were introduced by both brands.
- Chetak: Q4 market share was up at ~23% (+170bps QoQ). BJAUT has started exporting Chetak to Sri Lanka, the Philippines and Nepal. The company hasn't been able to meet Chetak demand; hence, it is planning to max out the ~50k units/month capacity and then expand. At the industry level, the e-Scooter segment grew by 40% in Q4, and 60%+ in Apr'26, outpacing the ICE segment.
- EV portfolio's (2W + 3W) EBITDA margin was in double digits, with e2Ws EBITDA neutral. PLI for the quarter was ~INR9bn.
- Currency isn't hedged; hence, it is being realized at market rates. Spares revenue was steady, at INR17bn+.
- BACL: Customer base stands at ~1.8mn, and AUM at ~INR190bn (~2x YoY). Total income for FY26 was INR30bn, PAT stood at INR6.65bn, disbursements at ~INR150bn, and capital adequacy ratio at 19.5%, with industry leading RoE of 23%.
- BJAUT announced a buyback at INR12,000 via tender offer where promoters won't be participating. Expected payout date is 2nd week of Jul'26.

Bajaj Electricals (BJE IN)

RATING ACCUMULATE | **CMP** INR 343 | **TP** INR 384

- Market share in the fans segment declined, primarily due to weaker-than-expected performance in BLDC fans amid intense competition.
- The company witnessed robust market response in wires, while induction cooktops and mixer grinders delivered double-digit growth.
- The company guided for capex over the next two years to reduce to less than half of the levels seen in previous years, with spending largely directed towards mould replacement and product innovation.
- Kitchen appliances reported ~30.0% YoY growth in Q4FY26, while water heaters witnessed modest growth; fans and coolers continued to decline.
- Inventory levels have largely normalized across categories; however, channel inventory for air coolers continues to remain elevated.

- The company undertook price hikes across products in the range of 3-10% during Q4FY26, with similar increases implemented in Apr'26.

Bajaj Finance (BAF IN)

RATING BUY | **CMP** INR 930 | **TP** INR 1,100

Growth

- Management highlighted AUM growth in FY26 was moderated due to winding of 2W/3W business and proactively slowing down of MSME vertical.
- Gold loan portfolio is expected to cross 5% of total AUM mix by FY27 while tractor finance is expected to ramp-up in FY27.
- Commentary indicated MSME stress to normalize and expect book to grow in double digit by H2FY27.
- AUM growth guidance at 22-24% for FY27 aided by new business launches and increasing customer addition.
- Company remains confident of adding 15-17mn customers in FY27.
- In Q4, the Company added 46 new locations and 1.6K distribution points. Geographic presence stood at 4,098 locations and active distribution points were over 242K as of 31 March 2026.
- Company added 138 Gold Loan and 2 MFI branches with now totalling to 1,507 Gold loan and 447 MFI branches.

Operating profitability

- Company expects marginal moderation in NIM as CoF increases due to hardening of bond yields.
- Reported cost of funds was 7.41% improving 4 bps over Q3FY26
- Opex increased sequentially due to the cascading impact of the New Labour Codes and accelerated Gold Loan branch expansion.
- Opex to NTI is expected to improve by 25-40bps from current level driven by efficiency improvements through FINAI.
- The Company revised its presentation of recoveries against written off loans from 'Other Operating Income' to 'Loan Losses and Provisions' across all periods. This presentation change led to a reduction in net total income, loan losses and provisions, with no impact on profit before and after tax.
- Company has guided RoA of 4.4%-4.6% and RoE of 19-20% in FY27.

Asset quality

- During the quarter, the company recorded an additional ECL provision of INR 1.4bn towards management and macro-economic overlay.
- Captive auto is expected to be less than INR 15bn by Q2FY27 which should lead to further improvement in credit cost.
- Company expects GNPA/NNPA to be below 1.4%/0.5% over a medium term.

- Company estimates credit cost in the corridor of 1.45%-1.60%

Other highlights

- The Board has recommended a final dividend of INR 6 per share for FY26.
- Capital adequacy remained strong at 21.55% as of 31 March 2026. Tier-1 capital was 20.67%.
- The company announced that Mr. Rajiv Bajaj will step down from the position of Non-Executive Director upon completion of his current term.

Bank of Baroda (BOB IN)

RATING ACCUMULATE | **CMP** INR 264 | **TP** INR 290

Balance sheet

- Bank raised FY27 loan growth guidance to 12-14% (vs 11-13% earlier) and deposit growth guidance to 10-12% (vs 9-11%), supported by strong Q4FY26 business momentum.
- Bulk deposits increased during the quarter due to liquidity tightness amid geopolitical uncertainty; however, management reiterated its long-term strategy of replacing bulk deposits with granular low-cost liabilities. Bulk deposits currently constitute ~19% of domestic deposits versus ~23-24% earlier.
- Bank maintained that domestic CD ratio gap of ~2.5-3% between loan and deposit growth is sustainable given access to alternate funding sources and excess SLR holdings.
- Domestic excess SLR currently stands at ~4.5%, with management comfortable operating at ~3-3.5% excess SLR levels to maintain liquidity buffers and LCR stability.
- Bank reiterated enabling approvals to raise INR 145bn capital till FY28, including INR 85bn equity capital and INR 60bn via AT1/Tier II instruments.

Profit & loss

- FY27 NIM guidance was maintained at 2.75-2.95%, with management expecting near-term pressure due to sticky deposit costs and gradual asset repricing benefits.
- Management stated that cost of deposits has largely been repriced and is expected to remain sticky in Q1FY27 due to prevailing liquidity conditions.
- Interest income from income tax refunds continued during Q4FY26 and contributed positively to margins, although bank refrained from quantifying the exact impact and guided conservatively considering volatility.
- Around INR 14bn of recovery from TWO was recognized during Q4FY26, of which nearly INR 1bn flowed to the interest income line item.
- Bank absorbed a one-time actuarial impact of INR 5.2bn during Q4'26 due to migration to updated mortality tables under AS-15. It clarified that recurring impact going ahead may be negligible. Performance-linked incentive (PLI) provision of ~INR 5bn was created during Q4FY26 and booked under staff costs.

Asset quality

- Management clarified that the INR15bn floating provision created during Q4FY26 was a prudential buffer to strengthen the balance sheet amid global uncertainties and was not earmarked specifically toward ECL transition requirements.

- Management highlighted that SMA-1 and SMA-2 accounts (>INR 50mn exposure) declined sharply from ~0.36% to ~0.18%, indicating improving early stress indicators.
- Management indicated that the final ECL framework is broadly in-line with earlier draft estimates, with no material deviation expected from previously guided impact levels.
- Middle East exposure stands at ~INR 500-600bn and is diversified across multiple countries and large corporates, with management highlighting that most counterparties maintain strong balance sheets and many jurisdictions have already announced supportive regulatory measures.
- Retail asset quality remain comfortable despite strong growth in auto loans, highlighting that underwriting remains cash-flow based and portfolio reviews are conducted quarterly to monitor emerging risks.
- Guidance on TWO recovery was maintained at INR 7.5-8bn annually despite elevated recoveries in Q4FY26, which were driven by multiple mid-sized resolutions rather than any single chunky account.

Bharat Electronics (BHE IN)

RATING ACCUMULATE | **CMP** INR 413 | **TP** INR 453

- Guidance: Management retained its FY27 guidance of 15%+ revenue growth with EBITDA margins expected to sustain above 28%. Order inflow guidance stands at over Rs550bn (including QRSAM), with R&D investment and capex guided at ~Rs22bn and ~Rs12bn respectively. The defence and non-defence mix is expected to remain broadly stable at 90% and 10% respectively for FY27
- Order book remains robust: BEL's opening order book for FY27 stood at ~Rs738.8bn, underpinned by major programmes including electronic fuses (~Rs43bn, seven-year execution visibility), LRSAM (~Rs35bn), LCA LRUs (~Rs32bn) and BMP-2 upgrades (~Rs28bn+), with most orders executable over the next 2–3 years.
- Strong big-ticket opportunity pipeline: Management highlighted several large opportunities for FY27 and beyond, including NGC systems, Shatrughat, Samaghaat EW systems, P75I submarine electronics, Hammer programme, Shakti Phase-IV and MFRX naval radars. BEL noted that periodic large-ticket orders every 3–4 years meaningfully enhance growth trajectory alongside a steady base of annual order inflows.
- QRSAM: The QRSAM order is expected by June-end FY27, with only a 5-10% probability of slippage into July'27. All technical evaluations are complete with ministry approvals pending. Margins are expected to remain broadly in line with existing business, with the first production model due within 18 months of contract signing.
- Submarine and naval electronics opportunity: BEL expects to supply 50-60% of the electronics content for the P75I submarine programme across six major subsystems, including communication, navigation, combat weapon control and torpedo and missile fire control systems. Discussions with foreign partners are at advanced stages.
- Indigenisation and semiconductor exposure: Management expects indigenisation levels to improve from 80%+ to 80–85% over 2–3 years, supporting margin expansion. Semiconductors (~17–19% of production value), sourced primarily from Europe, the US and Taiwan, remain the key localisation bottleneck, though management sees minimal impact from semiconductor inflation or Middle East-related supply disruptions.
- Data centre and cyber-security opportunities: BEL is expanding its non-defence vertical through end-to-end data centre and cyber-security solutions, with discussions underway with government entities and CDAC for opportunities worth ~Rs20–100bn. Non-defence revenues (~8–10% currently) are targeted to scale to 15–20% over the medium term.

- Export pipeline remains healthy: BEL's export order book stands at ~US$96mn with execution spread over 2–3 years. Enquiry traction is increasing across communication equipment, SDRs, satellite communication systems and C4I solutions. Exports (~4–5% of revenues) are targeted to exceed 10% over the next 4–5 years, though near-term improvement is expected to remain modest at 1–2%.

- Capex cycle and technology investments: FY26 capex of ~Rs9bn is set to step up to ~Rs12bn+ in FY27, directed towards facility upgrades across Bala Samudram, Chitrakut, Vellore, Ghaziabad and Bengaluru. BEL has invested over Rs1bn in AI-focused CPU/GPU infrastructure over the past two years, with a further Rs1–2bn under approval to support next-gen defence electronics, drones and quantum communication.

- AMCA and DEW programmes progressing steadily: The AMCA RFP is expected within 15 to 45 days. BEL is concurrently working with DRDO on Directed Energy Weapon (DEW) programmes encompassing laser- and microwave-based systems, alongside development of quantum-safe communication technologies

Bharti Airtel (BHARTI IN)

RATING BUY | **CMP** INR 1,884 | **TP** INR 2,226

- **Increase in holding of BTL above 50% -** Executive Chairman of the Board wants promoter ownership consolidated under one entity (BTL) and plans to gradually increase BTL's stake back above 50% over the next decade.

- **New Growth bets -** Management highlighted multiple new growth drivers, including data centers with plans to build ~1GW capacity over the next few years and expansion in financial services. Airtel Money received an RBI-approved NBFC license and has built a strong foundation, with monthly disbursements reaching a run-rate of INR5.5bn. Airtel Payments Bank continues to scale, with monthly active users at 120mn at Q4Fy26 end, annualized revenue of INR34bn (+23% YoY) and deposits of INR46bn (+27% YoY). In cloud services, telco-grade sovereign cloud offering is seeing encouraging traction. The company secured 24 deals during the quarter, with additional deal wins expected in April'26.

- **Airtel Africa provides long term growth opportunity -** Board approved a share swap transaction with ICIL to acquire an additional 16.3% in Airtel Africa based on rationale that Africa has a low tele density at about 45% on unique SIMs, smartphone penetrations of only about 52%, very low data consumption per customer, and overall demographic – young demographic profile of the market.

- **ARPU growth remains in focus -** Management reiterated an enhanced focus on driving ARPU growth. Key growth levers include higher data consumption driven by 5G adoption, improved international roaming offerings, postpaid upgrades, premiumization through bundled services and continued rural network expansion. Management also highlighted that India's telecom pricing architecture remains structurally underpriced relative to global markets, with unlimited data plans priced at ~USD60-vs70 in the US and ~EUR35 in Europe vs only INR300–350 in India, implying further scope for tariff normalization.

- **Capital allocation framework –** BHARTI will continue to prioritize capital allocation toward its core businesses across India, Africa and Indus Towers, while deleveraging remains the second priority. The third capital allocation priority is focused on adjacencies including data center, financial services and cloud businesses. In data center, the company currently holds ~10–12% market share and targets scaling capacity to 1GW over the next few years, with Mumbai contributing ~50–60% of industry demand. BHARTI also highlighted its recently announced NBFC initiative, citing low financial services penetration. On cloud, it has signed ~25 small deals so far and sees a growing opportunity cloud services. Within the core business, India radio capex have moderated, while Africa capex continues to grow. In addition, BHARTI is building 56 world-class edge data center over the next 18-24 months, while continuing investments across home broadband, cloud infrastructure and financial services. Overall, FY27 Capex is expected to remain broadly in line with FY26 levels.

Bharat Petroleum Corporation (BPCL IN)

RATING ACCUMULATE | **CMP** INR 294 | **TP** INR 325

- Operational performance - Product supply remains adequate; management ensuring uninterrupted availability. Q1FY27 expected to remain weak due to full impact of geopolitical disruptions. In Marketing, Q4 throughput per outlet: 143kl/month. BPCL added 1,691 outlets in FY26; total network reached 25,323 outlets. CNG network expanded to 2,650 stations. Apr'26 retail market share: MS: 30.0%, HSD: 29.6%., aiming 32% share over a period of time. LPG: LPG under-recovery at ~INR650/cyl.

- Capex Guidance - FY26 capex: INR204bn; FY27 guidance: INR250bn.

- Project update - Bina Refinery and Petchem:- Progress at 23% vs planned 32% due to geographic political developments and associated supply chain challenges. INR47bn spent; INR254bn committed. Middle East conflict impacted pricing and timelines. Total project cost - INR498bn of which foreign-component is INR65bn crores. AP refinery = 9mmtpa project progressing as planned. Technical studies completed; detailed engineering and financial appraisal underway.. Upstream: Mozambique: Work has been resumed; first LNG cargo expected by mid-2028. ~42% of the project is completed. Brazil – Capex size if USD6.4bn, with BPCL share of 40% or USD2.8bn. Future commitment for capex at USD1.2bn over next 3-4 years. FPSO tender finalized. First oil delayed to FY31–32 (vs earlier FY29), resulting in impairment. Production expected at ~88kbpd; further development opportunities possible.

- Crude sourcing diversified across multiple regions/grades; supply secured till Jul'26. Russian crude share increased to >40% as of May'26 (Q3: 25%, Q4-31%); 8 new crude grades introduced across 4 regions. Shift in sourcing mix: BPCL is currently receiving only ~45–46% of term crude requirements vs planned 55%, with the ~10% shortfall being met through spot purchases. As a result, spot sourcing has increased to ~55% (vs planned ~45%). BPCL maintains crude inventory of ~20-25days. Venezuela crude is being processed through blending with other grades. LPG - freight costs remain elevated. Saudi CP spot cargoes carry USD200–300/t premium. US sourcing faces significantly higher freight costs.

- Balance Sheet stress - Long-term consolidated D/E expected to remain below 1x and decline post major project completion. No balance sheet stress as of March'26 If war continues for longer time, then it will become stressed unless price hikes taken. Fx currency loans are minimal, taking steps to arrange funds at most competitive rates

- Other insights - No broad credit tightening for dealers; restrictions only in select default cases. Fuel and loss – Q4 – Kochi – 6.48%, Mumbai – 5.61%, Bina – 9.01%. Current (Today) crude premium – USD10–12/bbl, Pre war – USD5/bbl

Brigade Enterprises (BRGD IN)

RATING BUY | **CMP** INR 758 | **TP** INR 1,045

- **Business development investments:** BRGD added INR150bn of GDV across 13msf of new residential projects in FY26, with 60% in Bengaluru and 30% in Hyderabad, reinforcing its core market focus. The management is focused on deepening its presence in Bengaluru and Hyderabad, with moderate additions in Chennai. A significant new JDA of 39 acres, likely Cornerstone Utopia 2, North Bengaluru, has been recently signed.

- **FY27E pre-sales and new launches guidance:** The management has guided at least 20% YoY, targeting INR90bn of pre-sales for FY27E, aided by a residential launch pipeline of ~11.6msf with GDV of INR119bn. The pipeline includes 4.5msf in Bengaluru (Q2–Q3FY27 launches), 3msf in Chennai (Morgan Heights full relaunch in Q1 + two phased launches in H2), and 3msf in Hyderabad (2msf Kokapet/Neopolis in Q3; 1msf

North Hyderabad in Q4). The management expects average realization for FY27E launches at ~INR10,000psf, reflecting a deliberate product mix shift toward mid and upper-mid segment, and away from ultra-luxury.

- **Q4FY26 new launches:** During Q4, BRGD executed 4msf of new launches, including Brigade Lumina (nearly sold out at launch), Brigade Belvedere Phase 1 (Bengaluru), Brigade Stellaris (Chennai), and Brigade Manor & Enclave (Hyderabad). New launches contributed to 43% of full-year pre-sales and 55% of Q4 pre-sales, despite being heavily back-ended. Sustenance sales contribution was at 57% of FY26 pre-sales.

- **Commercial leasing guidance & outlook:** BRGD has a pipeline of ~10msf to be launched over FY27–28, with 4.5msf in FY27E and the balance in FY28E. In the near term, ~3msf will be leased out by FY28E. The management expects annualized rental income of ~INR8bn once ongoing and near-term completions (comprising ~7.5msf) become operational; guidance for the remaining 5.5msf will be provided in due course. The office market outlook remains constructive, supported by continued GCC expansion, flexible workspace growth, and rising institutional participation.

- **WTC Bengaluru:** Amazon vacated ~400,000 sqft at WTC Bengaluru, contributing to the decline in area under lease. The management has already re-leased ~100,000 sqft and expects to fill remaining space over the next two quarters through multiple floor-wise transactions, rather than a single large deal. The management expects re-leasing to yield MTM increase of 10–15%, with select floors achieving up to 20% uplift.

- **Commercial portfolio:** GCCs account for 58% of the leased portfolio, traditional IT/ITES 26%, and the balance spread across BFSI, consulting, engineering, healthcare, and flex operators. Tenant concentration is well-managed, with large anchor tenants (>1 lakh sqft) accounting for 65% of the portfolio at ~3 lakh sqft average, providing strong revenue visibility.

- **Bain Capital JV (2msf office + 250-key hotel in Whitefield, Bengaluru):** Its a 50:50 JV for a 10.8-acre commercial development, exactly opposite of ITPL in Whitefield, Bengaluru, with a strong location advantage. The project entails development of ~2msf of Grade A office space and a 250-key five-star hotel. The project is expected to be completed within ~40 months post-approval.

- **Retail & hospitality:** The three Orion Malls collectively reported 7% YoY footfall growth and 25% YoY retail sales growth in Q4FY26, driven by ~0.15msf of leasable area churn and new tenant onboarding. Hospitality occupancy was steady at 78%, despite foreign tourist disruption due to geopolitical tensions and MICE cancellations; revenue and RevPAR were up 8% and 13% QoQ, respectively. The management expects FY27 hospitality demand to remain steady with gradual recovery in international arrivals.

- **Net debt guidance:** 88% of total debt is backed by commercial lease rentals. The management has guided residential capex to remain largely self-funded through construction-linked collections, while commercial capex will be funded through a mix of incremental debt and lease rental cash flows, with the debt-equity ratio expected to remain well below 1x, even with INR60bn commercial capex planned.

Britannia Industries (BRIT IN)

RATING BUY | **CMP** INR 5,520 | **TP** INR 6,441

- BRIT has initiated price hikes of ~4% in 1Q27.
- The company witnessed dual pricing issue by competitors during the quarter however expects volumes to return as pricing stabilizes by 1QFY27
- BRIT increased marketing spends sequentially and continues to invest in advertising & media to increase brand salience
- The company witnessed mixed raw material trends during the quarter; however, it is covered for next ~5-6 months for RPO and wheat
- True GST benefits are visible in higher priced packs where price drops are noticeable rather than in Rs. 5/10 packs which have seen cut in grammage
- International business was impacted in 4QFY27 due to unavailability of vessels, with increased freight/ fuel rates and production disruption at Oman and Dubai units
- Management has guided that despite initial LPG concerns in March; Indian manufacturing facilities experienced no material disruption.
- Ecom/Qc share in sales has increased from 4% to 6% despite that Rs5/10 packs are not pushed on these platforms (60-65% of volumes). Sales of adjacencies is 2.7x of the sales of biscuits in QC/Ecom.
- Sales mix also remains superior on QC/Ecom as segments like Cake, Fudge, Wafers and rusk are growing at much faster pace.

Canara Bank (CBK IN)

RATING ACCUMULATE | **CMP** INR 129 | **TP** INR 150

Balance sheet

- Overall advances grew 3.8% QoQ/ 15.3% YoY, led by RAM credit which grew by 19.7% YoY; Management guided for credit growth of ~11-12% for FY27, which management expects to exceed.
- Targeted RAM/corporate mix at 60:40; Undisbursed corporate pipeline stands at ~INR 200bn; Focus remains on expanding RAM credit, while deliberately steering away from low yielding advances.
- Management expects ~200bn growth in MSME led by ECLGS scheme announced.
- Gold loan portfolio stands at INR 2.45trn, of which INR 1.54trn is agri gold loans; Management expects double digit growth to continue in gold loans, driven by high branch presence in South India.
- Current account balances declined 20% YoY, primarily driven by the runoff of four large-ticket accounts; Savings deposit grew 8.7% YoY; Deposit growth guided at 9-10% for FY27; CASA aimed at 30-32%.
- Average LCR for Q4FY26 stands at 118%.
- The bank does not foresee any further dilutions of its stakes in Canara HSBC or Canara Robeco

Profit & loss

- NIM improved by 9bps QoQ led by (1) avoiding low yielding advances, (2) conscious pricing of bulk deposits and (3) attracting RTDs through rate increased around Jan 2026 thereby reducing overall CoF; 25bps repo rate cut impacted overall yield on advances by 5bps.
- NIM for FY27 guided to be 2.5%-2.6%; ROA / ROE for FY27 to be ~1.05%/ 16.5%
- Other income declined 39% QoQ driven by (1) MTM losses of INR 8bn amid equity market correction, (2) absence of stake sale gains and (3) lower recoveries during the quarter (elevated in the Q3 due to resolution of a few high-ticket accounts).
- Management expects quarterly recoveries to hover around INR 15-16bn, with interest income from such recoveries to be INR 3.5-4bn quarterly; PSLC income for FY27 to be in line with FY26 at INR 25-30bn.
- Provisions for Q4FY26 declined to INR 9 bn (vs. INR 24 bn in Q3), driven by releases under the large borrower framework and release of buffer provisions on three high-ticket loans due to decrease in balances.

Asset quality

- Q4FY26 slippages increased to INR 28 bn due to March MoCs, with management indicating no emerging portfolio stress; Management expects slippages to be 0.8% for FY27
- Buffer provisions of INR 18bn created during Q4FY6, earmarked against 3 high ticket exposures.
- GNPA/NNPA guided at 1.5%/0.4% for FY27. Credit cost is expected to remain stable at 0.75% despite ECL implementation.
- Management estimates a one-time ECL provision of ~INR 100bn primarily towards stage 2 and non-funded exposure. Bank expects to comfortably absorb the impact given current profitability levels of ~INR 190bn; however, this may lead CET-1 to decline by 120bps.

Can Fin Homes (CANF IN)

RATING BUY | CMP INR 915 | TP INR 1,075

Growth

- Disbursements in line with guidance, with management maintaining FY27 disbursement target at Rs13,000cr, implying net AUM addition of ~Rs6,000cr (after ~Rs7,000cr run-down), translating into ~14% AUM growth guidance.
- Karnataka recovery underway post E-khata disruption; approvals at gram panchayat level remain somewhat delayed, but management is targeting ~15% growth in Karnataka (current run-rate ~Rs290cr/month).
- Telangana business stabilized, with Rs1bn per month run-rate and management expecting positive growth from 1QFY27 after a flat FY26.
- Incremental branch additions remain a key lever as 28 new branches are planned in H1FY27, while branch expansion in Karnataka/Telangana is targeted to support recovery in core markets.
- Other geographies continue to outperform: North/West/AP growing ~40%, while Tamil Nadu is delivering 30%+ growth, helping diversify growth away from Karnataka dependence.

- Management has materially strengthened the sales force (30-35 to 80-85 employees; further 60 additions planned), which should support incremental sourcing momentum.

- Affordable housing segment seeing moderation (mid-single digit industry growth), though management indicates no meaningful demand weakness in its operating ticket size.

- LAP mix increased temporarily (particularly in Karnataka amid HL approval delays), but strategic focus remains firmly on housing loans.

Operating profitability

- Yields expected to moderate, as 50bps lending rate cut has been passed on, with portfolio yield guided at ~9.8%; however, incremental yields are also holding at similar levels, aided by higher LAP / self-employed mix.

- Despite rate transmission, management expects spread to remain resilient at ~2.75% and NIM at ~3.75%, supported by lower funding cost and asset repricing dynamics.

- Funding cost outlook remains favorable: 1) Benefit from pending NHB drawdowns yet to fully flow through. 2) Increased reliance on bank borrowings at <7%, below market debt cost. 3) CP mix reduced to 3% (vs 6-7%), providing room for tactical optimisation. 4) Fresh NCD issuance, if undertaken at current rates, should further reduce CoF versus legacy book (existing NCD cost ~7.67%).

- Repo-linked mismatch remains manageable: 62% liabilities reprice immediately, while 85% of loans are on quarterly reset, implying maximum one-quarter lag in transmission.

- Cost ratios likely elevated in FY27, driven by 1) ~Rs40cr technology/IT implementation spend (Rs6cr absorbed in 4QFY26), 2) 10-11% increase in employee cost due to hiring, 3) Other operating expenses guided at Rs175-180cr.

- Despite near-term opex drag, management is guiding for healthy profitability metrics (RoA ~2.4%, RoE 18%+), indicating confidence in operating leverage.

Asset quality

- Delinquencies improved sequentially, with management indicating no visible stress from geopolitical/macro developments and credit trends remaining benign.

- Credit cost remains tightly guided at ~15bps for FY27, though management is confident of delivering below guidance, given current portfolio behavior.

- PCR improved to 56%, strengthening balance sheet buffers and reducing the need for any management overlay provisions.

- FY26 credit cost stood at ~10bps despite higher provisioning coverage, highlighting continued underwriting discipline.

- Elevated run-down remains behavioral rather than stress-led 1) Of ~Rs1,730cr quarterly run-down, ~Rs400cr is balance transfer out, 2) ~Rs350cr from loan closure/property sale, 3) balance amortization/part prepayments (~Rs970cr).

- BT-out rates increased marginally in 4Q, largely due to competitive intensity (LIC Housing, Bajaj Housing, regional banks), though management believes this is near peak and has already repriced where required.

- Overall, management commentary suggests asset quality remains benign, provisioning adequate, and competitive churn—not credit stress is the larger portfolio monitorable

Carborundum Universal (CU IN)

RATING REDUCE | **CMP** INR 1,102 | **TP** INR 986

- **Guidance:** Management expects consolidated revenue growth of ~4-4.5% YoY in FY27. However, excluding the impact of closure/wind-down of Foskor Zirconia and Awuko (combined FY26 revenue contribution of ~Rs343cr), underlying comparable growth is expected at ~11-12% YoY. Consolidated Abrasives growth is guided at 5.5-6% YoY (11-12% adjusted growth excluding Awuko), Ceramics at 15-15.5% YoY and Electrominerals are expected to decline by 6.5-7% YoY due to Foskor Zirconia closure, while adjusted underlying Electrominerals growth is expected at 8-9% YoY. Consolidated Abrasives margin is expected at 9.5-10% versus adjusted FY26 margin of 7.9%, Ceramics margin at 20.5-21% and Electrominerals margin at 9-9.5% versus adjusted FY26 margin of 9.1%. Management has guided for capex of ~Rs4.0bn in FY27.

- **Consolidated Abrasives:** FY26 consolidated Abrasives revenue grew by 5.1% YoY to Rs2,271cr driven by strong standalone performance and support from Rhodius, while profitability was impacted by higher losses at Awuko and Rhodius. Consolidated Abrasives PBIT margin declined sharply to 4.3% versus 7.0% in FY25 primarily due to overseas subsidiary losses. Management expects consolidated Abrasives revenue to grow by 5.5-6% YoY in FY27 while margins are expected to improve significantly to 9.5-10% aided by normalization at Rhodius and closure of Awuko operations.

- **Standalone Abrasives:** Standalone Abrasives revenue grew by 6.2% YoY to Rs1,270cr in FY26. H1FY26 remained weak due to dealer inventory correction, monsoon-related slowdown and temporary softness in northern markets, while H2FY26 witnessed strong recovery led by dealer additions, market expansion, product launches and festive demand recovery. Standalone Abrasives PBIT margin declined to 15.3% from 16.1% due to weak operating leverage and adverse product mix in H1FY26. Management expects standalone Abrasives growth to remain healthy in FY27 supported by retail, industrial and OEM demand.

- **RHODIUS:** Rhodius revenue declined by 8.8% YoY to Euro61mn in FY26 versus Euro67mn in FY25 primarily due to disruption arising from transition to a new third-party logistics partner, which resulted in temporary loss of sales. Rhodius reported PAT loss of Euro0.26mn in FY26 versus loss of Euro0.2mn in FY25. Management indicated operations have normalized and expects Rhodius to deliver ~5% revenue growth in FY27 with significantly lower losses.

- **AWUKO:** Awuko revenue remained largely flat at Euro10.5mn in FY26 versus Euro10.1mn in FY25. Loss before tax widened to Euro7.7mn versus Euro6.6mn in FY25 due to continued weak business conditions and operational challenges. Considering sustained losses and weak turnaround visibility, management has initiated voluntary winding-up of Awuko Germany with exceptional impact of ~Rs119cr recorded in FY26.

- **Consolidated Ceramics:** FY26 consolidated Ceramics revenue grew by 9.3% YoY to Rs1,268cr driven primarily by strong standalone business performance. Q4FY26 Ceramics revenue grew by 18.6% YoY. Management expects consolidated Ceramics growth of 15-15.5% YoY in FY27 led by Industrial Ceramics, wear ceramics, engineered ceramics and semiconductor-related applications. Consolidated Ceramics margin is expected at 20.5-21% in FY27.

- **Standalone Ceramics:** Standalone Ceramics revenue grew by 6.5% YoY to Rs1,000cr in FY26. Industrial Ceramics grew by 7.8% YoY driven by strong performance in engineered ceramics and metallized ceramics. Engineered Ceramics witnessed robust growth of ~30% led by semiconductor and AI/data-center linked demand. Metallized cylinder business grew by 9%, impacted by temporary production-related challenges in H1FY26 which normalized by Q4FY26. Refractories business benefited from recovery in deferred projects, particularly in glass segment, while anti-corrosive products and structural composites remained healthy. Standalone Ceramics PBIT declined 8% YoY due to lower subsidiary profitability and operational challenges during H1FY26.

- **Electrominerals:** FY26 consolidated Electrominerals revenue grew by 3.7% YoY to Rs1,632cr. Growth was impacted by lower sales from VAW Russia amid sanctions, partially offset by strong standalone performance. Consolidated Electrominerals PBIT declined materially due to lower profitability at VAW and higher losses at Foskor Zirconia. Management expects reported Electrominerals revenue to decline by 6.5-7% YoY in FY27 due to Foskor Zirconia closure; however, adjusted underlying business is expected to grow by 8-9% YoY. Electrominerals margins are guided at 9-9.5% in FY27.

- **Standalone Electrominerals:** Standalone Electrominerals revenue grew strongly by 11.1% YoY to Rs906cr in FY26 led by robust export growth, treated grains and improved realization. Export contribution increased sharply to 33% of sales in FY26 versus 11% in FY25 aided by anti-dumping duties on Chinese grains in Europe and strong OEM relationships. Standalone Electrominerals PBIT grew 31.1% YoY to Rs82cr.

- **VAW:** VAW Russia continued to witness sharp impact from sanctions with ruble revenue declining 35.3% YoY in FY26. Abrasives-related sales declined by 14% while Ceramics-related sales fell by 31%. Profitability weakened materially due to lower volumes and restricted export opportunities, although management highlighted that operations remain profitable at current levels.

- **Foskor Zirconia (FZL):** Foskor Zirconia revenue grew by 12.2% YoY in rand terms during FY26. However, losses widened materially due to zircon sand price volatility, weak zirconia prices, higher electricity/input costs and adverse currency movements. Management concluded that operations are commercially unviable and has initiated closure/wind-down process with asset write-down impact of ~Rs16cr recorded in FY26.

- **Capex & Expansion Initiatives:** FY26 consolidated capex stood at Rs309cr while FY27 capex guidance is ~Rs400cr. Key upcoming capex projects include expansion in advanced ceramics for power electronics and semiconductors, aluminum nitride capacities, thermal spray powders, zirconia facilities, integrated furnace upgrades and clean room infrastructure. The company is also commissioning a thin-wheel facility using SLS technology acquired from Rhodius/Gronco with peak revenue potential of ~Rs120cr. Furnace upgrades and treated grain expansions in Electrominerals are expected to add meaningful capacity and export opportunities over the medium term.

Cello World (CELLO IN)

RATING BUY | **CMP** INR 368 | **TP** INR 489

- CELLO has guided for 10-12% revenue growth and 200-250bps EBITDA margin expansion for FY27.

- The company has commissioned 2 steel bottle manufacturing lines in Q4FY26 and additional 4 lines in Q1FY27; 2 more lines are expected to be commissioned.

- Glassware plant utilization remains low at ~60%, impacted by continued dumping of imported glass products from China.

- The management aims to achieve INR 5.0bn+ revenue from the Writing Instruments segment in FY27, supported by the addition of the Cello stationery brand, export growth and premium product launches.

- Steelware revenue declined ~25.0% in FY26, while Q4FY26 sales remained at ~30.0%.

- The management has guided for FY27 capex of ~INR1.0 bn, primarily toward maintenance requirements, including ~INR0.3bn earmarked for steelware.

- Opalware capacity utilization stood at ~85%, with the management targeting full utilization of the existing facility over the next year.
- The company implemented MRP hikes of 12.0%-20.0% across product categories to offset elevated raw material and production costs.
- The management has indicated peak revenue potential of ~INR3.0bn each from the current steelware capacity and the glassware facility at optimal utilization levels.

Century Plyboard (I) (CPBI IN)

RATING ACCUMULATE | **CMP** INR 778 | **TP** INR 862

- Management refrained from providing FY27 guidance due to geopolitical uncertainties and volatile raw material conditions, particularly rising phenol, melamine and imported chemical costs amid ongoing supply chain disruptions.
- Plywood plants are operating at near full utilization (~99%), prompting the company to undertake both brownfield and greenfield expansions. The company plans ~30% plywood capacity expansion in FY27, with ~20% coming from brownfield expansion across existing plants and the balance from the Hoshiarpur plant, which is expected to commence operations by Oct'26.
- Chennai plywood expansion is expected to be completed by Jul'26, adding ~25,000–30,000 CBM capacity. Meanwhile, the UP-plywood project has been delayed due to land acquisition issues and is now expected to be operational by Q1FY29. The company has also initiated land procurement in Odisha for future plywood and panel expansion opportunities.
- Management highlighted its strategy to gradually reduce outsourced plywood production, particularly Sainik MR, and increase in-house manufacturing to maintain quality consistency.
- Despite recent price hikes, plywood demand remained healthy with strong secondary sales trends. The company implemented ~7% price hikes in Apr'26 to offset higher timber freight and imported chemical costs, while timber prices remained broadly stable during FY26.
- MDF utilization currently stands at ~80–85% of rated capacity, with management indicating that effective utilization can increase to ~85–90% depending on product mix. The company is undertaking debottlenecking/brownfield expansion at the South MDF plant, which is expected to add ~60,000–70,000 CBM annual capacity by end-Q1FY27.
- Management highlighted that MDF growth during the quarter was supported by year-end channel stocking, continued expansion of the distribution network in South India, and deeper penetration among carpenters and retailers.
- On margins, MDF witnessed slight QoQ pressure due to chemical supply disruptions, elevated input costs and one-time advertising and branding spends. To offset rising chemical and freight costs, the company implemented ~15% price hikes, though management indicated that current hikes barely cover the increase in raw material inflation and it remains too early to assess sustainability.
- The laminates segment witnessed a turnaround during FY26 after remaining subdued over the past 1–2 years. Margin recovery was driven by better capacity utilization, improved product mix, operational efficiencies and corrections in go-to-market (GTM) strategy.
- The company also undertook leadership changes and product strategy improvements during the year to strengthen execution. Export laminates business improved with the addition of larger press capacities aligned with global product requirements, while domestic demand benefited from sharper pricing and better distribution strategy execution. Laminates capacity utilization currently stands at ~84%.

- The older multi-daylight technology particle board plant has been shut and is likely to be scrapped permanently. Going ahead, any future particle board expansions will be undertaken through modern greenfield continuous press line facilities.

- Century Ports commenced commercial operations at Kidderpore Docks during Q4FY26; management expects the port business to become cash positive from Q1FY27.

Cera Sanitaryware (CRS IN)

RATING BUY | **CMP** INR 5,782 | **TP** INR 7,429

- Management guided for FY27 revenue growth of ~18–20%, supported by ~12% growth in the Sanitaryware segment (~7–8% volume growth and ~5–6% price-led growth) and ~18% growth in Faucetware (~10–12% volume growth and ~8% price impact). In addition, newly launched brands Senator and Polypluz are expected to contribute INR700–800mn to revenues, while the Tiles segment is projected to contribute INR2.5bn to the topline in FY27. Management expects overall EBITDA margins to remain in the range of ~14–15% for FY27.

- **Sanitaryware & Faucetware segment:** Management highlighted sharp inflation in brass prices, which increased ~30% YoY, along with higher gas and clay costs impacting gross margins. To offset cost pressures, CERA implemented cumulative price hikes of ~12% in Sanitaryware and ~16% in Faucetware over the last two months, while also targeting tighter discount control as retail demand improves.

  - Faucetware demand remained strong during the quarter, with capacity utilisation at 106% and Mar'26 production reaching 0.43mn pieces. CRS is expanding faucetware capacity to 0.5mn pieces per month with a minimal capex outlay of INR50mn, expected to become operational from Q4FY27 onwards.

  - Capacity utilization during the quarter stood at 70% for Sanitaryware and 106% for Faucetware.

- **Senator and Polypluz:** CERA continued to invest aggressively in its emerging growth brands, Senator and Polypluz, during FY26. Senator expanded its retail footprint to 40 flagship stores, with plans to scale up to 60 stores in FY27, while Polypluz strengthened its distribution network with 102 distributors and ~1,000 dealers, targeting expansion to 200 distributors and 2,000 dealers by FY27-end.

  - Revenue contribution from Senator and Polypluz stood at INR190mn in FY26 (Senator: INR105mn; Polypluz: INR85mn). Management expects the combined revenue contribution to increase significantly to INR700–800mn in FY27, with Senator contributing INR400–450mn and Polypluz contributing INR300–350mn.

  - While these brands are currently in an investment and scale-up phase, management indicated that operating breakeven is expected next year, with profitability likely to remain marginal after excluding publicity and brand-building expenses.

Chalet Hotels (CHALET IN)

RATING BUY | **CMP** INR 785 | **TP** INR 994

- Leisure assets significantly outperformed business hotels during 4QFY26, with ATHIVA, Khandala sustaining ARR above INR15,000.
- CHALET IN completed the acquisition of a 144-key resort in Udaipur for INR1,710mn. However, project timelines, incremental capex plans and branding details are yet to be disclosed.
- CHALET IN added a 330-key ultra-luxury Ritz-Carlton hotel in Hyderabad near Mindspace, Madhapur, to its pipeline (including 36,000 sq. ft. of commercial space). The project entails ~INR5,610mn of fit-out capex (excluding lease deposits and taxes). The ARR's are expected to be ~INR25,000 supported by strong luxury demand in Hyderabad's financial district.
- 70 rooms are targeted to be launched at Taj, Delhi by 4QFY27E, with the remaining inventory expected to be launched subsequently in FY28E.
- Monthly rental run-rate of commercial real estate is expected to increase to ~INR300mn in FY27E from ~INR280mn in Mar'26.
- Capex of ~INR30bn has been planned over FY27E–FY29E, with majority of it expected to be funded through internal accruals.
- Nearly ~9,000 room nights were lost in Mar'26 due to a sharp decline in foreign tourist arrivals amid geopolitical disruptions.
- Four Points Sheraton, Navi Mumbai, which is being rebranded as ATHIVA, is expected to witness significant upside driven by the new airport-led demand growth in the market and CHALET IN's INR1,000mn refurbishment investment.
- Leisure portfolio is expected to contribute at least 20% to the revenue in the long term.
- Occupancy at West In, Powai remained under short-term pressure due to ongoing construction at CIGNUS II, impacting airline crew demand because of noise disruptions and affecting MICE/social events due to temporary banquet access constraints.
- CHALET IN handed over 152 units in Phase I of its residential project, with only 1 unit pending handover, while Phase II comprising 168 units remains under construction with handover expected in FY27E.

Cholamandalam Investment and Finance Company (CIFC IN)

RATING BUY | **CMP** INR 1,640 | **TP** INR 1,950

Growth

- The management highlighted that vehicle finance showed better YoY performance in Apr'26, despite the ongoing geopolitical disruptions.
- Home loans recorded slower growth in Q4 on account of delay in documentation and lien-marking procedures in southern states due to elections. However, Q1FY27 is expected to be better, and the segment is likely to see disbursement growth of 12-15% and AUM growth of 25% in FY27.
- The company follows a granular customer acquisition strategy for gold loans to onboard more retail customers. The average ticket size of gold loans stood at INR0.2mn in FY26.

- The company has guided for AUM growth of ~20% in the CSEL portfolio with RoA of 3%+.
- The management has guided for disbursement growth of 15-20% in the VF portfolio and AUM growth of 18% in FY27.
- The company expects SME and SBPL segments to grow ~30% YoY in FY27.
- The management has guided for overall AUM growth of 20-23% in FY27.

Operating profitability

- Reported yield improved by 30bps to 15%, while CoF improved by 10bps to 6.6% in Q4FY26.
- The company expects NIM to be maintained at similar levels, and higher incremental yield to compensate for a rise in CoF.
- The company expects conversion of remaining CCDs by H1FY27, amounting to INR6.3bn.
- The credit rating of CIFC is expected to be AA+ in the near term.
- Opex was elevated due to payment made toward Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme amounting INR380mn and Gold Loan branch expansion. Expect 3-3.1% Opex to AUM in FY27.
- The company aims to add 300+ gold loan branches in FY27 and ~100 VF branches by H1FY27.

Asset quality

- During the quarter, the company recorded an additional overlay of INR2bn toward macroeconomic disruptions.
- The company Is focusing on improving its underwriting tools using GenAI to keep credit cost across segments under control.
- The company estimates credit cost to be at 1.5% in FY27.

Other highlights

- The Board has recommended a final dividend of INR0.7 per share for FY26 in addition to INR1.3 per share of interim dividend declared in Jan'26.

Cipla (CIPLA IN)

RATING ACCUMULATE | CMP INR 1,328 | TP INR 1,400

- **Domestic formulation:** Growth led by chronic therapies (Anti diabetic 17%, Cardiac 12%, Respiratory and Urology 11%). Chronic mix share at 60%. Key launches across therapies: Voltido Trio Ciphaler, Huena, Zemdri and Empacip during the year. Trade generics business delivered double-digit growth aided by distribution expansion, new launches and tech-enabled operations. Acute portfolio weakness seen in FY26 expected to normalize; chronic portfolio diversification reducing seasonality dependence. Launched 16 new products under trade generics in FY26.
- **Consumer health:** Consumer health business maintained strong growth trajectory with Nicotex, Omnigel and Cipladine retaining leadership positions. Operating profitability in consumer health improved, reflecting scalability of the business. 17 new launches planned in consumer health segment for FY27E.

- **US business:** Respiratory pipeline includes 5 filed assets; additional 4 respiratory assets to be filed over next 24 months. 2 respiratory assets using green propellants planned for filing over next 24 months. Albuterol market share improved to 19.6% as per IQVIA MAT Mar'26; management indicated scope for higher share with better supply availability. Received approval for first AB-rated generic Ventolin; launch expected in coming months with 6-month exclusivity benefit. Ventolin ramp-up expected largely in H2FY27E; management sees no capacity constraints. 4 respiratory assets planned for commercialization in FY27E; Goa and US facilities ready to support launches. Peptides and complex generics pipeline progressing; 8 assets already filed with launches expected in FY27-28E.

- **EMs:** Growth driven by deeper penetration in core markets along with stable margins and pipeline execution. Company evaluating inorganic opportunities in emerging markets where both business scale and capabilities can be added.

- **One Africa:** Delivered strong secondary growth of 6.6% YoY. FY27E focus to improve private market mix while reducing tender contribution dependence.

- **GLP-1 portfolio:** Partnered with Eli Lilly for Yurpeak, marking entry into obesity segment.

- **Other highlights:** Biosimilar strategy being accelerated; two in-house assets under development with plans to build 6-8 asset pipeline over 5-8 years. Net cash stood at INR 105bn as of FY26.

City Union Bank (CUBK IN)

RATING BUY | CMP INR 276 | TP INR 310

Balance sheet

- Bank reported strong balance-sheet expansion, with total business growing ~24% YoY, led by synchronized credit and deposit growth.

- Bank to continue focus on MSME, Gold loan and secured retail with targeted loan growth of around mid-teen to high teen and 2-3% above system credit growth

- MSME share will continue to dominate with 55-60%, followed by jewel loans with 30-35%; remaining would be secured retail; MSME growth to be driven by WC demand, balance transfers, and expansion-led capex

- Branch-led growth will be a key strategic focus, leveraging the expanded footprint of ~1,000 branches.

- Product strategy includes launching segment-specific offerings for women and senior citizens, alongside enhanced propositions for CASA customers.

- The Bank reiterated its conservative gold loan strategy, with LTVs maintained meaningfully below peak gold prices, providing a strong buffer; providing cushion to withstand 10-15% correction in gold prices.

- Regulatory changes around LCR provided incremental balance-sheet flexibility, which may free up liquidity of INR 35-40bn that may provide leeway to increase LDR, which should support NIM amid external macro volatility. targeted LDR at 85-87 levels.

- Mr. Kamakodi to chair the Bank's CSR foundation and possibly become a Non-Executive Director of the Bank, subject to regulatory approvals.

Profit & loss

- NIM is expected to remain stable over FY27, with a potential movement of ~5–10 bps either way

- Incremental INR 50bn of floating rate disbursements in 2H were booked at higher yields, helping the bank sustain overall margins despite broader rate dynamics; sequential increase of 3bps in cost of funds reflected selective rate fine tuning to support faster credit growth and routine CASA mix movements.
- Opex growth is expected to increase to 15%-18% in FY27 led by branch expansion; C/I at 47.9% well within the guidance of 48.5%
- Fee income / total income to be in the range of 55-60%; ROA expected to go up by ~10bps in FY27

Asset quality

- The bank has not yet seen an impact on asset quality from the US-Iran conflict, with its portfolio showing continuous improvement.
- Credit filters have been designed to be business cycle agnostic, with focus on lending to borrowers capable of withstanding multiple economic cycles, while applying caution during periods of rising macro stress.
- Improved underwriting based on AI is expected to result in at least a 50% reduction in the average credit cost over the next 15 years.
- Guidelines around ECL to allow banks to adjust provisions in the opening balance of reserves, which may reduce future P&L impact.

Clean Science and Technology (CLEAN IN)

RATING HOLD | CMP INR 818 | TP INR 846

- Domestic and Export mix: 50% 50%.
- Revenue mix: Performance: 72%, Pharma & Argo: 19%, FMCG: 9% for full year.
- MEHQ business continues to face pricing pressure from Chinese Hydroquinone capacities.
- HALS business witnessed strong export-driven growth after completion of customer validation cycles
- Hals Export mix improved from ~20% earlier to ~50% currently.
- HALS sales volume crossed 1,000mt during the quarter.
- Higher-grade HALS products are gaining traction, improving product mix and realizations.
- Hals Blended realization improved to Rs460/kg versus Rs420-430/kg in previous quarter.
- Hydroquinone-Catechol plant commissioned in Dec'25 is under stabilization phase.
- Capex for FY27 Rs80-100cr.

Coforge (COFORGE IN)

RATING BUY | **CMP** INR 1,169 | **TP** INR 2,020

- Management highlighted a resilient and improving demand environment, with no broad-based slowdown despite macro uncertainties, driven by AI-led transformation, modernization programs, and large deal opportunities, particularly in regulated verticals; clients are increasingly moving from pilots to scaled AI deployments, creating larger multi-year opportunities.

- Company remains confident of delivering industry-leading growth in FY27, supported by a strong order book, additional framework agreements, and healthy deal conversion, with growth expected to remain broad-based and led by top accounts, while BFS is likely to recover after a softer FY26. Q1 is expected to be flattish due to portfolio rationalization, followed by a strong acceleration from Q2 onwards, reinforcing sustained growth momentum.

- Management highlighted that AI-led demand is real, accelerating, and becoming a core driver of client spending, with enterprises moving beyond pilots to production-scale deployments. Demand is emerging across AI-led modernization, agentic AI workflows, and data/AI infrastructure, with a strong need for AI-ready data pipelines, agent lifecycle management, and governance-led managed services. Management emphasized that while AI reduces the cost of code creation, it significantly expands downstream services demand, particularly in integration, monitoring, and maintenance, thereby creating new high-margin, recurring revenue pools for IT services players.

- Management highlighted that Coforge is positioning itself as an AI-native services player, leveraging domain-led AI, proprietary platforms, and hybrid human–AI delivery models to drive opportunities in modernization, agentic AI, and managed services. AI is also being embedded internally to deliver productivity gains and margin expansion, making it both a growth and profitability lever.

- Deal momentum remained healthy, with Q4 TCV of USD 648 mn (+9.3% QoQ) supported by five large deal wins (Americas share at 67.5%), taking FY26 TCV to USD 2.3 bn. The next 12-month executable order book increased to USD 1.75 bn (+2% QoQ), improving near-term visibility, while additional framework agreements (not included in the order book) provide incremental upside and strengthen growth visibility into FY27.

- Management indicated that the Encora integration is now complete, positioning it as a key growth and capability accelerator. The acquisition strengthens Coforge's product engineering and high-tech capabilities, expands its addressable market, and enables cross-sell opportunities across clients. It is also expected to deliver 20–25% G&A synergies and support AI-led engineering and modernization capabilities, making it central to Coforge's next phase of growth and margin expansion.

- Management highlighted that the acquisition of minority stake in Cigniti is underway, with share allotment expected shortly, which will reduce minority interest going forward. While this will increase reported PAT attributable to shareholders, it will also lead to equity dilution.

- Management guided for a structural margin reset, with FY27 EBITDA at 20.5–21% and EBIT ~15.5%, driven by AI-led efficiencies, G&A optimization, Encora synergies, and portfolio rationalization, with further improvement expected in FY28.

- Management raised its FCF conversion aspiration to ~100% FCF/PAT from FY27 onwards (vs earlier 70–80%), driven by stronger profitability, tighter working capital discipline, and improved collections.

Canara Robeco Asset Management Company (CRAMC IN)

RATING HOLD | **CMP** INR 268 | **TP** INR 280

Industry

- Industry QAAUM stood at ~INR 81.5trn for Q4 FY26, reflecting 21% YoY growth, though sequential growth remained muted at 0.7% due to macro uncertainties.
- Monthly SIP inflows crossed INR 320bn in March 2026, which is an all-time high, SIP AUM crossed INR15.1trn as of March 2026 contributing approximately 20% of the Total MF Assets.
- Despite MTM pressures, industry continues to benefit from strong retail participation and structural flows.

Financial Performance

- Segment wise yield - Equity – 37bps, Debt – 30bps, Liquid – 3bps, Overall – 35bps
- Mix Equity/Debt (including liquid) – 91%/9%, comprising of Individual – 86% and institutional investors – 14%.
- Management highlighted that management fees contribute more than 90% of operating revenue.
- Revenue yields rose 2.9bps QoQ to 38.8bps, driven by the replacement of high-cost assets with lower-cost ones.
- Management highlighted a lower emphasis on yield, with focus instead on PAT growth; it expects yields to remain within a sustainable band of ~32-40bps.
- Management is still evaluating the TER impact, at worst the impact could be neutral or the company may also see a positive impact.
- Employee benefit expense - Management views the Q4 run-rate of ~INR 238mn as the current base. However, this is expected to scale with income growth, employee additions and regulatory-driven branch expansion. Overall cost discipline will continue to be guided by a target cost-to-income ratio of 40–50%.
- Other expenses were elevated due to one-off NFO related costs (advertising, marketing, regulatory and risk). These were booked in Q4'26 and management expects a slight reduction in coming quarters.
- SIP flows (which are 1/3rd of AUM) have softened over the last few quarters, partly due to industry-wide pressure on ELSS SIPs post tax changes. Management is setting up dedicated SIP sales teams across five locations and expects a directional improvement in the SIP book over the next six months.
- The company remains focused on active management and is therefore not looking to launch passive products such as ETFs or index funds. It is also prioritizing its MF business and has no plans to expand into PMS/AIF for now.
- Management indicated that 28% of AUM comes through the direct digital channel.
- The company expects to launch another NFO in the next 4-5 months. Management typically targets two NFOs per year, 1 already launched during the year.

Crompton Greaves Consumer Electricals (CROMPTON IN)

RATING ACCUMULATE | **CMP** INR 285 | **TP** INR 320

- Fans performance improved sequentially in Q4FY26, aided by robust BLDC traction with highest-ever volumes in Mar'26; BLDC portfolio continues to deliver 30%+ growth.
- SDA remained a key growth driver with early-20's growth in FY26 and ~30% growth in Q4FY26, supported by new product launches.
- Company highlighted market share gains across all ECD categories, with pumps delivering strong growth across residential, agri and solar segments.
- Company implemented price hikes two times in ECD during FY26, including ~7-8% cumulative increase in fans, to offset commodity inflation.
- Crompton launched a new premium product platform, 'Crompton Rion', focused on super-premium and innovation-led offerings.
- Management reiterated strong growth ambitions in solar portfolio with target to build a ~INR 15-20bn revenue over the next 3-4 years.
- Lighting B2B mix continued to improve with share of government projects reducing by ~500bps, while B2C lighting growth was primarily driven by street/flood lights, battens and accessories.
- LDA segment remained impacted by adverse weather conditions during FY26, though company continued to gain market share with water heaters standing as a #3 player in GT.
- Entered wires segment in South India with phased expansion planned across the country.

Cummins India (KKC IN)

RATING REDUCE | **CMP** INR 5,881 | **TP** INR 5,133

- **Guidance & Outlook:** Management highlighted stable domestic demand with moderate growth expected across segments in FY27 despite macro uncertainty. Demand remains healthy across power generation, railways and manufacturing segments, while construction demand remains stable. Export visibility continues to remain uncertain amid geopolitical disruptions, while commodity inflation, forex volatility and supply-chain constraints remain key near-term headwinds.
- **Data Center Opportunity (~30–35% of Powergen revenue):** Management highlighted strong momentum in the data-center segment, which contributed ~30–35% of domestic Powergen revenue in FY26 and ~35% in Q4FY26. Inquiry activity has strengthened materially since Oct'25, driven by both hyperscalers and colocation players. Cummins continues to differentiate through localized products, integrated power solutions and aftermarket support focused on ensuring 99.99% uptime. Orders are typically received 6–12 months ahead of site readiness, while Cummins Inc.'s planned USD450mn investment to add 20GW of global capacity is expected to improve supply availability and reduce lead times over time.
- **Power Generation :** Powergen (ex-data center) business also witnessed healthy double-digit growth during the year, supported by robust demand across railways, real estate, solar-cell manufacturing, quick-commerce infrastructure and pharma sectors. Management noted that inquiries and order inflows across these segments continue to remain healthy, though it remains watchful of inflation, commodity price increases and supply-chain constraints that could impact near-term demand. Higher commodity prices and inflation could make demand for lower-range products (CPCB IV+) more elastic, potentially reducing order

velocity. Demand for high horsepower projects is largely inelastic to commodity price changes because these are long-term, project-based plans.

- **Industrial:** Railways and Mining are expected to be key growth drivers in FY27, supported by a healthy order book, strong tender activity and sustained demand visibility. Railways delivered a strong Q4FY26 performance, with robust order inflows across both Industrial and Distribution businesses. Mining demand is showing early recovery after a subdued period, with tender activity picking up over the past six months and order books gradually improving. Construction demand remains moderate, with road infrastructure activity continuing but at a slower pace compared to elevated levels seen a few years ago. The Compressor segment is entering a cyclical downcycle after a strong growth phase over the past few years, which may limit near-term growth.

- **Exports (17% of total revenue):** Export markets in Europe and Asia continue to witness moderate growth, while Middle East demand remains uncertain amid ongoing geopolitical tensions. Management highlighted that supply-chain disruptions, labour shortages and logistics delays continue to impact movement of goods and near-term export visibility.

- **Commodity Inflation & Supply Chain:** Commodity inflation remains a key challenge, as price increases are difficult to pass through on previously booked orders. Lead times for imported high-horsepower engines such as QSK78 and QSK95 remain elevated due to strong global data center demand, while QSK60 platforms are largely localized. Management highlighted that localization levels across CPCB IV+ and data center products remain high, limiting margin impact from imported content.

- **BESS & Energy Storage:** Management remains positive on the long-term battery energy storage system (BESS) opportunity, which is increasingly becoming part of integrated customer power solutions. While the current opportunity pipeline remains nascent, management expects BESS to emerge as a meaningful long-term growth driver as adoption scales up.

- **Capex & Capacity Expansion:** Cummins has invested over Rs10bn over the last five years toward plant modernization and capacity expansion initiatives. Management highlighted that overall capacity utilization currently stands at ~70%, with continued investments underway to improve manufacturing efficiency and increase output over time. Ongoing investments remain focused on supporting future demand growth across data centers, power generation and industrial segments.

Cyient DLM (CYIENTDL IN)

RATING HOLD | **CMP** INR 358 | **TP** INR 370

- The company has refrained from providing specific revenue growth guidance for FY27; however, management expects the book-to-bill ratio to remain above 1x, along with sustaining double-digit margins. This confidence is underpinned by a strong order book, healthy pipeline, and continued order momentum, which together provide robust revenue visibility for FY27.

- In Q4FY26 revenue performance was impacted due to geopolitical disruptions in West Asia, delays in material supplies, and pending customer approvals; however, a part of the missed revenues is expected to shift into FY27.

- Despite revenue headwinds, the company delivered strong margin performance, with EBITDA margins sustaining at ~10%+, driven by favourable business mix, cost discipline, and improved operating efficiency.

- CYIENTDL continues to see strong traction in high-value and complex programs, leading to better revenue predictability, longer program life cycles, and improved profitability.

- The company highlighted a robust pipeline, supported by increasing opportunities across aerospace, defence, industrial, and emerging segments like semiconductor and AI infrastructure.
- B2S (Build-to-Specification) segment continues to scale up, with management indicating strong future contribution and margin accretion potential, with meaningful ramp-up expected from FY27 onwards.
- The company continues to invest in strengthening its sales organisation, adding leadership across geographies to enhance customer engagement and improve conversion of pipeline into orders.
- CYIENTDL is witnessing a structural shift towards higher-value engagements, with customers increasingly involving the company earlier in the design and product lifecycle, enhancing its positioning as a strategic partner.
- Supply chain challenges, including memory component shortages and logistics disruptions, impacted execution timelines in Q4FY26, though the company has taken proactive steps such as advance procurement of critical components to mitigate future risks.

Dabur India (DABUR IN)

RATING HOLD | **CMP** INR 470 | **TP** INR 491

- Management increased guidance from high single digit to low double digit in anticipation of growth from pricing and volume.
- Dabur guides to maintain margins in domestic business however international business may face pressure if geopolitical issue persists
- Dabur has taken price hikes of 4% to mitigate the inflationary pressures in larger pack sizes and reduced grammage in smaller packs
- Dabur anticipates double-digit growth in HPC category, while the F&B segment is also projected to achieve double-digit growth, subject to favorable weather conditions.
- Marketing spends could reduce as margins would be given more priority over ad spends
- Oral care delivered a soft quarter with 6-7% growth however management expects the segment to grow double digits in FY27
- Rural markets grew by 11.4% which continues to outperform urban markets which grew by 8% during the quarter
- GST rate cuts have been accretive for particularly HPC segment like hair oils, shampoos and oral care driven by narrowing gap with unorganized players
- Supply chain disruptions have impacted middle east significantly which accounts for 30-35% of international business
- Quick commerce experienced 50% growth now representing 70–75% of total E-comm, with beverages, food, and personal and home care emerging as the most prominent categories.

Dalmia Bharat (DALBHARA IN)

RATING BUY | **CMP** INR 1,919 | **TP** INR 2,287

Demand and Prices

- Industry capacity addition is expected at ~160-170mt over FY26-FY28, with ~41mt commissioned in FY26 and balance ~110-120mt over the next two years; utilisation is likely to remain at ~60-70%.
- Management expects cement demand to grow at ~7-8% CAGR over the medium term, supported by infrastructure and housing, and expects DALBHARA to outpace industry growth in FY27.
- Cement prices have improved in April across key markets, with hikes largely offsetting cost increases and further recovery expected.

Costs

- The company is undertaking multiple initiatives, including fuel mix optimisation and operational efficiencies, to mitigate cost pressures.
- DALBHARA delivered its lowest quarterly cost/t in the last five years, reflecting strong cost control.
- Cost savings of ~INR183/t have been achieved since Q1FY25, with FY26 adjusted cost lower by ~INR100/t YoY; management targets ~INR50-100/t annual savings going forward (~INR125-130/t on Q4-to-Q4 basis).
- Cost inflation of ~INR125-150/t is expected from Q4FY26 to Q1FY27, largely driven by packing (~INR80-90/t) and balance from logistics and power & fuel.
- Every 5% increase in diesel prices leads to ~INR15/t increase in freight costs.

Capex

- The company is progressing towards its 75mtpa capacity target, with total capacity expected to reach 61.5mtpa over the next ~18-20 months. Few new projects details will be announced soon.
- Ongoing expansions at Belgaum, Kadapa and Pune remain on track, with Belgaum ahead of schedule and Kadapa slightly delayed.
- FY27 capex is guided at ~INR32-34bn, including ~INR22bn towards expansion and balance towards maintenance, efficiency and renewable energy.
- Annual capex is expected to remain at ~INR30-35bn beyond FY27 (excluding new announcements).
- The company reiterated to reach near ~75mtpa by end FY28, with long-term target of 110-130mtpa unchanged.
- Commissioning of new capacity in the North-East and upcoming expansions are expected to support volume growth; a grinding unit in the North-East remains a possibility.

Others

- The company continues to focus on premiumization, including launch of "Weather 365", supported by stronger channel engagement.
- Incentives accrued during Q4FY26 stood at ~INR0.45bn, with receipts of ~INR0.14bn and outstanding incentives at ~INR8.39bn; FY27 accrual is expected at ~INR2bn.
- The company plans to monetise its remaining stake in IEX at an appropriate time.

Deepak Nitrite (DN IN)

RATING REDUCE | **CMP** INR 1,749 | **TP** INR 1,495

- Domestic demand continues remain stable.
- In the Phenolics segment, growth was driven by higher spreads and steady volumes.
- Q1FY27 productivity and efficiency is expected to be the same without any hindrance.
- The company preponed the maintenance schedule to first 10 days of April, when there was some shortage of RM.
- In Advance Intermediate Segment growth was driven by steady volumes and favourable pricing.
- The nitric acid plant did not operate consistently during the quarter due to technical issues, resulting in ~45% utilization. The management expects this to provide a total EBITDA benefit of Rs900–1000mn once operations stabilize.
- Nitration and hydrogenation projects were commissioned in FY26 will lead to margin improvement going ahead.
- Polycarbonate plant expected to be commissioned by June'28.
- MIBK and MIBC to commission by end of Q1FY27 or early Q2FY27.
- Management guided that Q1FY27 numbers are expected to be better than Q4FY26.

Delhivery (DELHIVER IN)

RATING BUY | **CMP** INR 476 | **TP** INR 534

- Capex intensity declined to 4.7% of revenue in FY26 as against 5.2% in FY25. Long-term capex intensity guidance stands at ~4.0% of revenue.
- Net working capital days reduced significantly to 11 days in Mar'26 from 22 days/28 days in Mar'25/Mar'24 respectively, aided by faster billing cycles, tighter customer selection and improved payment arrangements.
- Transport RoIC improved materially to 16.0% in FY26 from 5.2% in FY25, driven by profitability expansion and enhanced capital efficiency.
- DELHIVER IN commenced SCS operations for 2 large clients in the consumer durables and engineering goods segments during FY26, alongside multiple wins in lifestyle and e-commerce categories.
- DELHIVER IN has built an annual business pipeline of ~INR18,000mn across Auto & Industrial, FMCG, Consumer and E-commerce industries within the SCS segment.
- Delhivery Local, the on-demand intra-city logistics service is currently operational in 6 cities.
- Delhivery International, the economy air parcel service launched in Dec'25, is currently live across 4 destinations — US, UK, Canada and Australia, offering integrated and cost-efficient solutions to both SMEs and enterprise customers, with target to expand to 10 destinations by 2QFY27E.
- Adjusted EBITDA margin in the transportation business (B2C + PTL) is expected to expand to 10.0%+ over the next 8-10 quarters, supported by scale benefits and continued cost optimization.

- Express parcel volumes grew sharply by 72.5% YoY to 306mn shipments in 4QFY26.
- Competitive threat of Amazon's entry into 3PL market appears limited due to inherent cost disadvantage of captive networks. Further, challenges to meet outside volumes during festive rush (priority will be captive volumes) could inhibit potential clients.
- PTL business has fuel pass through clauses in place.

Divi's Laboratories (DIVI IN)

RATING ACCUMULATE | **CMP** INR 6,887 | **TP** INR 6,900

Generic business:

- The business reported steady volume growth in Q4FY26/FY26 despite ongoing pricing pressure.
- Demand remained stable across regions with no major volume or supply disruption.
- Growth was driven by existing portfolio; new off-patent opportunities yet to meaningfully contribute.
- New generic opportunities expected to contribute from FY27E with customer launches commencing.
- Business continues to benefit from strong customer stickiness and long-term supply contracts.
- Price variability clauses in most contracts help offset raw material inflation impact.
- Spot business continued in South America, Eastern Europe and Asia at negotiated pricing.

Custom synthesis:

- Iodine-based contrast media business has already been commercialized with leading innovator companies under long-term contracts.
- Gadolinium-based contrast media projects are currently in Phase III/customer qualification stages.
- Commercial revenues from gadolinium projects are yet to start and depend on customer approvals.
- Overall pipeline spans early R&D, Phase II/III, validations, qualifications and lifecycle management.
- 3 dedicated CS projects are progressing through qualification and regulatory filing stages.
- Commercialization timelines depend on customer regulatory approvals and may vary from 6 months to 3 years.
- Management expects commercialization of certain dedicated projects around CY27, subject to approvals.

Peptides:

- Company continues expanding peptide capabilities across solid-phase and liquid-phase synthesis technologies.
- Multiple peptide fragments were validated in Q4FY26 with additional fragments under pipeline.
- Strong SPS infrastructure with multiple 3,000-liter reactors provides global-scale capability advantage.

Kakinada unit:

- Unit 3 is aiding backward integration and transfer of select activities from Units 1 & 2.
- Product transfers to Kakinada are freeing GMP capacities at older facilities for future growth.
- Transfers are aligned with customer qualification cycles and rising volume requirements.
- Kakinada expansion plan remains ~INR 15bn, with ~INR 6bn crore already capitalized.

Other highlights:

- Company faced sourcing challenges in solvents, methanol and ammonia-linked raw materials.
- Management highlighted no production stoppages or logistics-led revenue loss in Q4FY26.
- Inventory levels may increase further in Q1FY27E to ensure uninterrupted operations.
- Freight inflation impacted both ocean and air transportation during the quarter.
- Cash and cash equivalents stood at INR 34bn

Dilip Buildcon (DBL IN)

RATING ACCUMULATE | CMP INR 472 | TP INR 520

- **Order Book and order inflows:** FY26 order Inflows are at Rs185.5bn (highest-ever, ahead of guidance); current order book at ~Rs280bn with a bid pipeline of Rs800bn+. FY27 new order inflow guidance of Rs100–120bn. Sector awarding was sluggish in FY26 due to elections and administrative delays but management remains constructive on medium-term outlook.
- **Mining / MDO:** FY26 consolidated coal production at 28.72mn MT (Siarmal 22.35mn MT, Pachhwara 6.37mn MT), meeting full-year targets. Ramp-up targets: ~35mn MT in FY27, ~40mn MT in FY28, ~57mn MT by FY29. MDO revenue expected to scale from ~Rs16bn in FY26 to ~Rs40bn by FY29 at blended margins of 24–25%. Q4 margins were temporarily compressed due to ~6mn MT of unsold stock at Siarmal from delayed government evacuation — flagged as transient.
- **InvIT & Asset Monetisation:** Current InvIT holdings at ~Rs16bn (Rs14bn Anantam + Rs2bn Shrem). 11 remaining HAM assets to be transferred by Q1FY28 with incremental investment of only ~Rs1.69bn, generating ~Rs18bn of InvIT units — implying net equity value creation of Rs15–16bn. post-transfer, total InvIT unit value on balance sheet expected at Rs32–35bn.
- **Debt & Finance cost:** Standalone debt at ~Rs18bn (Mar-26); effectively ~Rs3bn net if InvIT holdings were liquidated, though management is retaining units for long-term distributions. FY27 debt reduction guidance of Rs6–8bn with interest outgo expected at Rs3.75–4bn. Target remains near net-debt-free at standalone level by FY28, supported by EPC cash flows, mining EBITDA, and InvIT distributions. Cost of debt ~9%.
- **Renewables & Transmission:** DBL is entering solar (~Rs12bn project equity) and transmission (~Rs4bn project equity) with only 15% equity commitment from its own balance sheet, raising the remaining 85% from external investors directly into SPVs. IRR guided at high teens; transmission EBITDA margin >24%. Strategy is to build, earn EPC margin, and divest early — consistent with near-term deleveraging priorities. SPVs formed, lender approvals in place, commissioning in ~2 years.

- **Key Risks:** Input cost inflation (HSD, bitumen) from geopolitical conflict is not fully passed through under WPI/CPI-linked government contracts — an industry-wide margin headwind. ~Rs4bn of JJM receivables (final 10% retention) pending hydro-testing clearance, expected to be collected in Q1–Q2FY27.

DOMS Industries (DOMS IN)

RATING BUY | CMP INR 2,330 | TP INR 2,883

- Capex for FY27E is pegged at INR2,500-2,750mn.
- Against an RM cost inflation of ~15-20%, DOMS IN has taken a price hike of ~4-5% by rationalizing channel margins and reducing schemes & discounts.
- Margins in 1QFY27E are likely to be under pressure due to RM inflation.
- ~40%/~30% of RM cost has direct/indirect crude linkage.
- EBITDA margins in the hygiene business declined due to higher selling & distribution expenses in the e-comm channel.
- Topline in the hygiene business is expected to register a growth of 20% in FY27E, while EBITDA margins are expected to improve to ~10% over long-term.
- The current production capacity is spread across ~2mn sq. ft. of built-up area. Upon completion of the expansion on entire 45-acre land parcel, an additional ~2mn sq. ft. of area will get added.
- DOMS IN's current retail touchpoints are at ~145,000. However, addressable target market stands at ~225,000, indicating significant growth potential.
- Total capex for 45-acre expansion project is estimated at ~INR8,5bn-10bn.
- SKIDO's quarterly revenue grew ~60% YoY to ~INR45mn.
- Out of INR3,770mn worth of inventory on the BS, ~INR1,400mn pertains RM & packing material, ~INR550mn pertains to WIP and balance pertains to FG.
- Additional 13-acres of land parcel has been acquired for future expansion

Dr. Reddy's Laboratories (DRRD IN)

RATING ACCUMULATE | CMP INR 1,270 | TP INR 1,400

- US business: Management highlighted no major loss of market share in base US portfolio despite price erosion. Launched 25 products in FY26. Targets 27launches in FY27E. Key FY27 launches include Sugammadex, Bosutinib, Ustekinumab, Sitagliptin and Brimonidine. Guided for double digit growth ex Revlimid and ex Sema in FY27. USFDA accepted Abatacept IV BLA for review; possible launch targeted around early CY27/FY28.
- **Semaglutide:** FY27E semaglutide target maintained at ~12mn units despite Brazil delay; some sales shifted into early FY28E. Expected run-rate of 6-7mn units by end-CY26. Canada expected to remain a limited-player market for several months. Management sees pricing floor around USD 25-30/unit while some markets could be materially higher. FY28E capacity can scale materially higher with additional cartridge supplier qualification.

- **India**: Launched 10 brands in Q4 and 28brands during FY26. Oral semaglutide approved in India; launch planned soon.

- **Biosimilars:** bDenosumab awaiting US approval; dependent on partner response to CRL. bAbatacept IV filing accepted by USFDA; inspection pending at Bachupally facility. Biosimilar business expected to breakeven post bAbatacept launch. Global biologics sales are currently at USD 100mn. FY29E biosimilar revenue aspiration around USD 500-700mn. R&D spend reducing as major Abatacept Phase-3 investments completed. Future biologics pipeline likely to be more partnership-led, lowering internal R&D burden. CAR-T program deprioritized; INR 1.35bn impairment booked.

- **EU:** Growth driven by NRT acquisition and new launches. Guided for sustainable high single digit to low double digit growth. bDenosumab launch planned in EU.

- **EM's and Russia:** Semaglutide launch plans include Latin America, Southeast Asia, Turkey and other smaller markets.

- **Other highlights:** Net cash position of INR 32.7bn. FCF of INR 20bn. R&D investments to range between 7-8% of sales. FY27E capex guidance of INR 20bn. Gross margins expected to improve back above 50% driven by launches, product mix and cost efficiencies

Eicher Motors (EIM IN)

RATING ACCUMULATE | CMP INR 6,982 | TP INR 7,580

Outlook

- While there was no specific guidance given, the management expects premium motorcycle segment demand to be strong as supply chain improves. RE saw ~23% YoY growth in enquiries in Apr'26.

- VECV's growth will be driven by India's macroeconomy, infra investments, fleet modernization, growing e-commerce and quick commerce, and move towards cleaner mobility.

Royal Enfield

- Inventory is low at 7-8 days due to manpower shortage primarily due to elections, LPG and commodity availability, power issues, etc. The situation is improving with deliveries back on track.

- No large whitespace has been identified yet, as the new launches as displayed during EICMA will be gradual and driven by incremental tweaks. RE is exploring to scale up the e-motorcycle Flying Flea with a city by city roll out. Bullet 650 dispatch has started.

- First-time buyers has gone up with 1/3rd of customers below the age of 25 years. Replacement cycle is yet to kick-in.

- International business has been strong with Brazil (+71% YoY in FY26) being the fastest growing market outside India (RE ranks #2 in Brazil in mid-weight segment), deepening footprint in LatAm, and Nepal outperforming in SAARC region with new launches. RE continues to maintain market share in a de-growing EU market which it expects to stabilize along with US market (3% of its total market).

- Spares revenue in FY26 grew by +18% YoY.

Capacity

- Cheyyar plant brownfield expansion to take the capacity to ~2mn units p.a. by Q2FY28.

- RE to further add capacity via a greenfield unit in Andhra Pradesh with an investment of up to INR25bn via internal accruals. This will be to support long term growth and be future ready, with land acquisition and plant set-up to take 24-30 months.

VECV

- VECV is preparing for electric buses across 9m, 12m, and 13.5m segments with strong orderbook.
- Spare parts in FY26 grew by +13.9% to INR30.5bn.

Others

- The Board has recommended a final dividend of INR82 per share for FY26.
- EIM Board approved an investment of up to INR7.5bn to subscribe to a 50% equity stake in Volvo Financial Services (VFS) India, with the proposed JV to act as captive vehicle financing arm for EML, VECV, and Volvo group products in India.

Elgi Equipments (ELEQ IN)

RATING ACCUMULATE | CMP INR 573 | TP INR 637

- Guidance: Management guided for Q1FY27 revenue growth to remain similar or slightly better than FY26 growth trends, with profitability broadly sustaining current levels. While commodity inflation remains a key monitorable, Elgi has already implemented ~2.5-3% price hikes and remains committed to protecting margins through timely pricing actions.
- Domestic Market: Management highlighted healthy demand across industrial segments with strong enquiry levels across sectors. While order conversion timelines have elongated due to uncertainty around the Middle East situation and commodity prices, demand remains broad-based with continued traction from manufacturing, engineering, foundry, forging and industrial capex. GTM undertaken over the last 2.5years is largely completed and will focus on execution.
- US Market: North America continues to perform well with strong growth across industrial compressors, distribution and medical businesses. Management remains optimistic on the region and is undertaking selective GTM initiatives to further accelerate growth. Tariff uncertainty has moderated ~25% rate (vs 50% earlier) with clarity emerging around the revised tariff structure.
- Europe: Management indicated that the Europe restructuring and cost realignment program has largely been completed. Europe achieved breakeven in Q4FY26 and is expected to deliver at least breakeven to marginal profitability in FY27, while remaining a strategic market for future market share gains.
- New Products: The company plans to launch its new low-cost compressor range in Sep'26 to address increasing competition from Chinese players in the entry-level segment. In addition, Elgi continues to invest in vacuum technology through its partnership with DVP and is developing next-generation proprietary motor platforms expected to be launched over the next 12-18 months.
- Competition: Industry structure remains largely stable globally; however, management highlighted increasing competitive intensity from low-cost Chinese compressor manufacturers across India, Europe and the US. Elgi's response strategy, including the upcoming low-cost product platform, has been completed and commercial launch is scheduled for September.
- Capex: Management guided for FY27 capex of ~Rs2bn, including ~Rs1.2-1.3bn towards factory relocation and capacity consolidation projects, with the balance allocated towards regular maintenance and balancing capex requirements.

- Pricing: EBITDA was impacted by higher employee costs due to organizational restructuring, shared services transition and investments in digital initiatives. Management has already taken ~2.5-3% price increases to offset commodity inflation and remains focused on maintaining profitability through disciplined pricing actions. Commodity inflation and metal price volatility remain key monitorables over the near term.

- Digital & IT Initiatives: Elgi continues to invest in digital transformation, process automation and IT infrastructure to strengthen global processes, compliance and control systems. Key investments include PLM and forecasting tools, inventory optimization initiatives and digital process upgrades, with the transformation journey expected to continue over the next 3–4 years. Management believes these investments will improve operational efficiency, forecasting accuracy and scalability across global operations.

Emami (HMN IN)

RATING HOLD | CMP INR 416 | TP INR 469

- 4Q was decline in revenue due to unseasonal rainfall and weak summer, summer portfolio was a decline of 22% with Talcum powder down 40%

- Navratna & Dermicool to achieve double digit growth in 1HFY27

- International business anticipates double digit growth from 2QFY27 with single digit growth in 1QFY27

- The rising costs in hair oils made unorganized trade unviable which led to increased in organized hair oil business

- Extreme weather in Noth and East India is driving double digit growth for Navratna & Dermicool for 1QFY27

- April month's supply chain disruption normalised with 2% growth and expectation of double-digit growth from 2QFY27

- The company implemented a price increase of ~3% in last 1-2 months

- Introduction of larger packs of 7 oils in one, Kesh king, Skin creams in MT and E-comm

Engineers India (ENGR IN)

RATING BUY | CMP INR 216 | TP INR 271

- **Guidance:** Management highlighted **FY27 order inflow guidance of ~Rs80bn** broadly in line with FY26 order inflow due to temporary geopolitical disruptions in the Middle East. Management expects consultancy **revenue growth of ~15-20% YoY** in the medium term supported by strong execution of recently secured projects. Consultancy segment margins are expected to remain at **~22–25%, while turnkey/LSTK margins are guided at ~5–7%.**

- **Order book remain strong at Rs151bn:** Order book remains healthy with **72% contribution from Consultancy** and **28% from Turnkey**. Management highlighted that large consultancy orders secured during FY25 and FY26 are expected to enter peak execution over the next 2–3 years, supporting strong revenue visibility

- **Middle East Operations**: Management highlighted a temporary **slowdown in Middle East greenfield** hydrocarbon project awards due to geopolitical tensions, though projects remain deferred rather than cancelled. Around **~30% of FY26 overseas business secured (order inflow)** came from the Middle East, while current **order book exposure stands at ~10–15%.** EIL has established a Saudi office and signed an **"In-**

Kingdom Services" agreement with Saudi Aramco, with an "Out-of-Kingdom Services" agreement expected shortly, enabling access to recurring bidding opportunities. Management expects Middle East and Africa to emerge as key growth drivers from FY28/FY29 as investments gradually normalize.

- **Domestic consultancy:** Management highlighted a **robust domestic hydrocarbon** consultancy pipeline with no major project cancellations or delays despite global uncertainties. Key opportunities include IOCL Paradip Phase-2 (expected in FY27) and BPCL Andhra refinery (expected in FY27), both progressing through approval and feasibility stages. In addition, **coal gasification projects** are gaining traction following enhanced government VGF support, with consultancy opportunities estimated at **~Rs3–4bn per project** depending on scope and execution model.

- **Overseas consultancy:** Overseas business continues to remain entirely consultancy-led, focused on high-margin hydrocarbon, refinery, petrochemical and offshore oil & gas projects. Management is strengthening its presence across Africa and other international markets, leveraging EIL's execution track record in complex refinery projects. Africa is emerging as a key growth region, supported by rising hydrocarbon investments. EIL has secured a large consultancy contract from Dangote Group, comprising refinery and fertilizer projects with combined order value exceeding ~**USD430mn and execution timeline of ~4 years**.

- **Infrastructure:** Infrastructure contributed **~25% of FY26 order inflows**, reflecting increasing diversification beyond hydrocarbons. EIL continues to focus on engineering-intensive niche infrastructure opportunities including ONGC convention centres, NTPC townships, government institutional infrastructure, IIT/IIM hostel projects and data centres.

- **Coal Gasification & Energy Transition**: Management sees coal gasification as a significant emerging opportunity following enhanced government support and increasing private sector participation. Typical project sizes could range from ~Rs100bn to ~Rs400bn depending on scale and number of units. EIL is already bidding for several coal gasification projects and expects execution momentum to improve over the next 12–18 months. Additionally, the company is pursuing opportunities in biofuels and energy transition, including sustainable aviation fuel (SAF) projects and development of a CBG plant in Maharashtra.

Eris Lifesciences (ERIS IN)

RATING BUY | CMP INR 1,458 | TP INR 1,750

Domestic branded formulation:

- Ex insulin business drag largely came from OAD segment which grew only ~2-4%.
- gSystema (Liraglutide weight-loss SKU) delayed due to regulatory approvals.
- Aspart & Esaxerenone launches deferred to FY27E due to regulatory delays.
- Overall led to miss opportunity of INR 550-600mn.
- Insulin + GLP portfolio together posted ~35% growth in April as per IQVIA
- Guided for 1.3x covered market growth in FY27E.

Insulin:

- Market share in RHI cartridges increased from 13% to 24% in FY26.
- Overall insulin market share (RHI + analogues) increased from 12% to 15%

- Delay in Bhopal commercial manufacturing led to insulin revenue loss of INR 500mn.

GLP-1:

- Witnessing strong initial traction. Launched both vial and pen versions
- Current semaglutide prescription mix stands at 60% vials and 40% pen.
- Share increased in terms of both value and unit.
- Manufacturing insourcing for semaglutide pens expected from Q2FY27E with Phase-I capacity of 5mn units annually.

Exports:

- INR 300mn of shipment got delayed due to supply chain disruption.
- Geographical mix at 30% Africa, 30% Asia whereas LATAM 25%.
- Guided for 18-20% revenue growth.
- Margins maintained at similar levels.

Swiss Parental:

- EU-GMP inspection resulted in non-compliant observations at Swiss injectable facilities.
- No plant shutdowns or major remediation capex expected.
- Facilities continue to operate normally for non-EU markets.
- INR 1.2-1.4bn EU-CDMO revenue opportunity postponed

Other highlights:

- FY26 capex of INR 3bn mainly towards biologics and sterile injectables
- ETR at 21% for FY27E.
- Net debt reduced to INR 22.55bn (~2x EBITDA)
- RoCE/RoE to improve with ramp up in assets.
- Guided 18-20% revenue growth in FY27 with similar EBIDTA margin levels of FY26

Federal Bank (FB IN)

RATING ACCUMULATE | **CMP** INR 285 | **TP** INR 300

Balance sheet

- Management highlighted a deliberate shift towards granular and retail liabilities, with reduced reliance on high-value deposits, improving stability of the funding base.
- The bank continues to restructure its deposit profile, focusing on quality over quantum, with CASA and retail deposits becoming the core drivers of liability growth; management indicated that this shift is structural in nature.

- Deposit growth was lower than system growth due to decline in wholesale deposits; however, retail term deposits and CASA have increased, which are relatively lower-cost compared to wholesale deposits, and this is beneficial for the bank.
- Management clarified that balance sheet growth is not solely driven by NRE deposits, with resident CASA and term deposits growing faster, indicating better domestic franchise traction and improved granularity.
- Management highlighted that gold loan portfolio continues to see strong traction, supported by favourable environment and its secured nature.

Profit & loss

- NIM expansion during the quarter was supported by declining cost of funds, indicating benefits of improved liability mix and better pricing discipline. Management clarified that NIM performance is a combination of both rate and mix benefits.
- Deposit repricing benefits are still flowing through, and are expected to continue in H1FY27
- Management highlighted that both NIM and RoA have reverted to pre-rate cut levels
- Margins are expected to remain stable to mildly positive, supported by liability repricing and improved mix.
- Fee income continues to be a key earnings lever, with management highlighting diversified fee streams and improved quality of income, reducing dependence on interest income.
- Management highlighted that Q4'26 earnings include one-offs of INR 4.6bn (interest on tax refund) and INR 1.15bn (tax provision reversal) with the balance adjusted in the balance sheet, entire INR 15bn refund accounted for in Q4'26.
- Core earnings momentum was driven by strong operating execution, with management highlighting that performance is a result of structural balance sheet changes rather than cyclical tailwinds
- Cost discipline remains strong, with operating leverage kicking in, as reflected in improving cost ratios and scalable operating model.

Asset quality

- Management broadly maintained a through-cycle credit cost guidance of ~50–60 bps. On Expected Credit Loss (ECL), management indicated that current credit cost guidance may be reassessed
- Management reiterated that underwriting standards remain tight, and credit costs are expected to remain within a controlled and sustainable range.

Fine Organic Industries (FINEORG IN)

RATING BUY | **CMP** INR 4,607 | **TP** INR 5,353

- The company has acquired ~160 acres of land in the U.S. for its proposed manufacturing facility.
- The first phase is expected to be relatively small in USA, while the second phase is likely to be significantly larger. Overall, the project is planned to be developed in three phases.
- Till date, the company has invested Rs1.925bn in its SEZ subsidiary.
- The company focuses on being a strategic solutions provider rather than merely a supplier, which has resulted in higher customer stickiness.

- Raw material costs remained elevated in FY26 compared to FY25 and witnessed a further increase in Q4FY26 versus Q3FY26.
- All manufacturing facilities are operating at full capacity utilization, except for the Patalganga plant.
- The Patalganga facility is expected to achieve full utilization in FY27.
- The company is facing supply chain disruptions for customers in West Asia; however, customers have agreed to absorb the additional freight cost.
- The board of the company approved acquisition of up to 80% stake in Oleofine Organics, Malaysia, which operates in the food additives business
- Oleofine Organics reported CY25 revenue of ~Rs540mn, with products primarily manufactured using palm oil-based raw materials.
- In Q4FY26, the company infused Rs4.9mn in UAE subsidiary.

Finolex Industries (FNXP IN)

RATING ACCUMULATE | **CMP** INR 192 | **TP** INR 207

- Management guided for higher single-digit to low double-digit volume growth in the P&F segment for FY27, while targeting EBITDA margins at sub-15% levels amid continued volatility in PVC spreads and raw material prices, supported by infrastructure spending, housing demand, Jal Jeevan Mission projects and gradual recovery in agri demand.
- In Q4FY26 volumes remained broadly flat due to weak agri demand, as farmers delayed purchases amid PVC price volatility and expectations of further price corrections. With ~65-70% of revenue comes from agri segment, demand continued to remain dependent on monsoon trends and farmer sentiment. While April stayed weak and May saw marginal recovery ahead of monsoon.
- Management reiterated its strategy to reduce dependence on the agri segment and increase non-agri exposure, with the agri:non-agri mix improving to 63:37 in Q4FY26 from 67:33 in Q4FY25 (vs. 62:38 in Q3FY26), while targeting a balanced 50:50 mix over the next five years.
- Fittings contribution improved to ~11% of total volumes in FY26 from ~10% in FY25, while CPVC volume contribution stood at 7-8% of total volumes in Q4FY26 vs 6-7% in Q4FY25.
- Finolex Industries currently operates with installed pipe capacity of ~0.52mn tonnes, with FY26 utilization at ~67%, while management stated that capacity remains sufficient to support future growth.
- The PVC price stood at USD 793/MT vs USD 727/MT in Q4FY25, PVC-EDC spread stood at USD 521/MT vs USD 493/MT, PVC-VCM spread at USD 179/MT vs USD 160/MT.
- FNXP reported an inventory gain of INR 350-400mn in Q4FY26.
- The company plans annual maintenance and debottlenecking capex of ~INR1-2bn, focused on replacing lower-capacity extrusion lines with higher-capacity lines and improving operational efficiencies.
- The company increased its inventory position to 91 days (up 22 days YoY, calculated on sales) at the end of Mar'26 due to volatility in raw material prices and in anticipation of strong agri-pipe demand in Q1FY27.

Flair Writing Industries (FLAIR IN)

RATING BUY | **CMP** INR 295 | **TP** INR 411

- GM improved by 260 bps YoY to 51.2% in 4QFY26 driven by favourable product mix and improved pricing power.
- Domestic OEM sales declined 60.0% YoY to INR60mn in 4QFY26 as legacy OEM relationships were reduced to zero during the quarter.
- In 4QFY26, revenue from pen's segment declined 4.1% YoY to INR2,130mn on account fall in OEM business. However, own brands registered a growth of 9% during the quarter
- ~35% of the RM cost is crude linked
- FLAIR IN is currently facing RM inflation to the tune of ~13%
- In 1QFY27E, margins are likely to face a downward pressure to the extent of ~4% due to elevated RM prices.
- For FY27E, management has guided for 5%/40%/50% YoY growth in pens/bottles/creative segments respectively.
- FLAIR IN currently has an additional RM inventory cover for ~4-5 weeks.
- Export OEM revenue declined for the quarter on account of West Asia conflict. Export contribution to the Middle East countries is ~25%
- The new plant at Valsad is likely to begin operations from 1QFY27E and can generate an asset turnover of ~3x at optimal utilization

Fortis Healthcare (FORH IN)

RATING BUY | **CMP** INR 970 | **TP** INR 1,120

- **Bed expansion in FY26:** FORH added ~800 beds in FY26 (contributed INR720mn in Q4FY26) through a mix of brownfield expansion and acquisitions. Organic additions (~250 beds) came from Manesar, Noida, and Faridabad, while inorganic additions included Shrimann Super Specialty Hospital, Jalandhar (228 beds), People Tree Hospital, Bangalore (125 beds, expandable to 300+), and a 200-bed leased facility in Greater Noida. The company also launched Adayu, a 36-bed mental health facility in Gurugram under its Emerging Care segment.
- **Bed expansion plan:** Overall, FORH plans to add ~1,800 beds via brownfield expansion over the next four years. In FY27, management targets commissioning 400-500 beds, led by the FMRI Gurugram tower (expected to be operational within a week) and additions across Noida, Manesar, Amritsar and Kolkata. Further expansions are planned at Mohali, Shalimar Bagh, and Amritsar over the next 2–3 years. However, ~300 beds originally slated for FY28 have been deferred to FY29 due to approval delays at Shalimar Bagh.
- **Capex guidance:** Annual capex guided at ~INR 9bn (vs. INR 7bn in FY26), with ~60% allocated to maintenance and the remainder toward growth initiatives.
- **Gleneagles O&M Hospitals:** The facilities are currently operating at an estimated revenue run rate of ~INR 700mn per month. The integration timeline remains contingent on obtaining minority shareholder approval.
- **Unit wise update: FMRI (Gurugram)-** Operating near full capacity (85–95% occupancy on peak days). New tower with ~100 beds planned in Q1FY27 and scope for faster ramp-up. ARPOB growth was driven by international patients, advanced oncology tech (MR Linac, Gamma Knife), and strong daycare volumes.

FEHI (Faridabad)- EBITDA margins improved meaningfully due to clinical talent additions and efficiency gains, with further expansion potential ahead. **Jaipur:** Continues strong momentum, with FY27 revenue growth guided at 15%+ and EBITDA margins expected at 13–14%. **Manesar:** FY26 revenue reached INR 1.4bn, ahead of mgmt's expectations. Occupancy stood at ~48% due to phased bed additions. **BG Road (Bangalore):** Occupancy remains subdued at 55% amid competitive intensity and limited government business participation. Management is prioritizing occupancy improvement above 60% before operationalising already built ~100 additional beds. **People Tree (Bangalore):** Early-stage asset with sub-10% margins, positioned as a long-term strategic play in an underserved, high-growth micro-market and key to Fortis's Bangalore cluster strategy.

- **ARPOB growth drivers**: Hospital ARPOB grew 3.4% YoY to INR 25.1mn in FY26, led by sharp gains at FMRI and FEHI driven by international patient mix, premium technology additions, oncology growth, and improving clinical mix.
- CGHS/ECHS oncology drug price caps have created a near-term revenue headwind, especially in Punjab, though margin impact remains limited due to the low-margin nature of drug sales; higher procedure tariffs may partly offset the impact over time.
- **International business guidance:** Management highlighted a calibrated push on international patient revenues, with focused marketing efforts in newer geographies such as East Africa and Central Asia alongside expansion of direct outreach and information centres to drive inbound volumes.
- **Growth guidance:** Management guided for 15%+ organic hospital revenue growth in FY27 and reiterated its FY28 EBITDA margin target of 25%, supported by 150–200 bps annual margin expansion driven by occupancy ramp-up, brownfield scale benefits, acquisitions, and cost optimization.
- **Agilus business:** B2C:B2B mix stood at 53:47. Agilus conducted 10.06mn tests during the quarter; up by 5% YoY. Management guided for double-digit revenue growth and 23–24% EBITDA margins in FY27.

Fractal Analytics (FRACTAL IN)

RATING HOLD | CMP INR 1,034 | TP INR 1,040

- Management highlighted that despite geopolitical and macroeconomic uncertainty, enterprises are showing tremendous excitement around enterprise AI and increasing willingness to invest in transformation initiatives.
- Management highlighted that AI demand is shifting from point solutions towards full enterprise workflow reimagination, with enterprises increasingly asking Fractal to redesign entire business processes using AI.
- The company expects enterprise AI adoption to accelerate substantially over the next few years, while balancing aggressive growth with continued profitability expansion and operating leverage.
- Management stated that partnerships with hyperscalers, data platform providers and foundation model companies are becoming increasingly pivotal in enterprise AI transformation and are being strengthened through the company's go-to-market strategy.
- Management highlighted that the company is accelerating its shift towards output, outcome and license-based engagement revenues from ~40% currently to nearly 60% over the next 2-3 years, with output and outcome driven pricing carrying 5-7% higher gross margins and license revenues delivering 25-30% higher gross margins than traditional input-based models.
- Management indicated that Cogentiq platform revenue currently remains relatively small, with overall license revenue contributing only about 3% of Fractal's revenue, but management targets this to increase to 20% by 2030.

- Management indicated that the company remains focused on "must win clients" defined as companies with $10 bn revenue, $20 bn market cap or 30 mn customers, with the strategy aimed at building large and sustainable relationships generating $2 mn to $100 mn annually per client.
- Management highlighted that Asper and Analytics Vidhya, part of the Alpha portfolio, each serve over 15 clients, with Asper focused on CPG and FMCG customers including sub-$10 bn revenue enterprises, while Analytics Vidhya works with enterprise clients across healthcare, banking and other industries aligned with Fractal's "must win clients" strategy.

GAIL (India) (GAIL IN)

RATING BUY | **CMP** INR 161 | **TP** INR 190

- FY27 Outlook – Marketing segment - missed FY26 PBT guidance of Rs35bn. In FY27 - expect marketing PBT of Rs40bn under prolonged West Asia disruptions, rising to Rs45bn if normalization occurs by mid-Q2FY27. Transmission - FY27 guidance: ~119mmscmd under mid-July normalization scenario; ~115mmscmd if disruptions persist through the year. Petchem / Liquid Hydrocarbon / LPG - Polymer business remained under pressure amid weak pricing and elevated input costs until Feb'26. Company is planning to switch Pata complex feedstock to dual-feed capability (gas + ethane) to improve margin sustainability. LPG transmission volumes expected to remain stable in FY27.
- GAIL Gas Ltd - Targeting addition of 275 CNG stations and 400k PNG connections over next two years.
- Project Updates - JHBDPL, KKMBPL, Gurdaspur–Jammu and C2-C3 projects remain on track for completion in FY27. Vijaipur–Bina pipeline scheduled for FY27–28 completion. Petrochemical projects - GMPL project remains on track for commissioning in FY27. PDH-PP project commissioning has slipped to mid-FY28 due to NCLT approvals and execution-related issues; management indicated feedstock availability is not a concern. Jamnagar–Loni pipeline achieved record annual transmission of 3.27mmtpa; approval received to double capacity to 6.5mmtpa. Investment approvals received for key renewable energy projects.
- Capex outlook - FY26 capex stood at INR96bn: pipeline (INR29bn), petchem (INR3.0bncr), JV/subsidiaries (INR16bn), operating capex (INR25bn), with balance towards CGD, E&P and renewables. FY27 capex guidance at INR115bn.
- Pata Petrochemical / Ethane Transition - Current gas feedstock resulted in volatile profitability. Plant had faced shutdowns earlier and was restarted at partial load. Management aims to enable dual-feed capability (gas + ethane) to improve margin stability. Feasibility studies are underway to connect the ethane pipeline to the Pata complex Plant is currently operating at ~50% utilization; at current product and gas prices, management expects breakeven economics. Higher utilization could improve profitability meaningfully.
- Capital Allocation / Growth Initiatives - Evaluating bids for 3 LPG pipeline projects.
- Fertilizer Expansion - Company is evaluating participation in 2 fertilizer projects in Chhattisgarh and Maharashtra. Combined capex opportunity estimated at ~Rs200bn.

GE Vernova T&D India (GVTD IN)

RATING ACCUMULATE | **CMP** INR 4,385 | **TP** INR 4,650

- **Guidance:** Management expects EBITDA margins to remain in the mid-20s range supported by operating leverage, productivity improvements, and favorable mix. Revenue growth is expected to remain healthy, although execution contribution from long-cycle HVDC projects is likely to pick up meaningfully from FY28-29 onwards. Management also remains confident of achieving annual order inflow of ~Rs70-80bn backed by strong domestic transmission and HVDC opportunities.

- **Order backlog & Inflow:** Q4FY26 inflows rose ~188% YoY to ~Rs86.1bn, led by the Adani HVDC project and domestic transmission demand. FY26 inflows grew ~37% YoY to ~Rs147.8bn, with ~92% from domestic orders driven by strong TBCB and private sector traction. Exports stood at ~Rs12bn, with underlying base export growth of ~15–20% YoY. Management also flagged a robust domestic pipeline with ~33 projects under bidding, including ~21 in the 765kV segment.

- **HVDC:** Management highlighted a strong long-term HVDC opportunity pipeline in India driven by renewable integration and grid expansion, with ~10 HVDC projects expected in Rajasthan by 2035-36 along with additional opportunities from the Brahmaputra basin and private developers. The company is currently executing India's only VSC HVDC project along with an additional LCC HVDC project from Power Grid, while also seeing opportunities in both refurbishment of existing HVDC systems and migration from LCC to VSC technology.

- **Data Center Opportunity:** Management highlighted a long-term growth opportunity from the data centre sector, with India's current market (~1.5 GW) expected to scale meaningfully over the next 4–5 years, supporting structural power demand growth. As data centre capacities scale up, requirements are expected to shift from 220 kV towards higher voltage systems (400 kV and 765 kV), making the segment more relevant to future backlog. The company is already supplying high-voltage equipment for data centre projects, including a recent US order, with these projects also offering superior price realisation versus other end-use segments.

- **Exports:** Export markets remain a key structural growth driver, supported by global grid replacement and modernization across the US, Europe, Middle East and Australia. Near-term visibility is supported by multiple RPT-approved opportunities: the AGM-approved large order remains active but delayed with decision expected in H2FY27; a US-linked opportunity has received shareholder approval with closure expected this quarter; and a UK coalition-related procurement opportunity is also likely to be finalised in the current quarter. Over the longer term, emerging HVDC and high-voltage export opportunities across East Asia, including data centre-linked demand, provide a multi-year growth runway.

- **Capex:** The company is undertaking a self-funded ~INR 10bn phased capex programme (FY27–FY28) to support capacity expansion and HVDC localisation initiatives. An additional ~INR 550mn has been approved towards new capacity for disconnectors and drives at Vallam, Tamil Nadu, with select facilities positioned as global feeder factories.

Greenpanel Industries (GREENP IN)

RATING BUY | **CMP** INR 190 | **TP** INR 332

- India's MDF industry capacity currently stands at ~4.0–4.5mn CBM annually, with further capacity additions expected in H2FY27. Mgmt indicated that domestic MDF industry demand likely grew in the mid-teen to high-teen range during FY27, with the company expected to grow broadly in line with or ahead of industry growth.
- Mgmt refrained for revenue & margin guidance for FY27, due to geopolitical uncertainties and volatile raw material costs, it reiterated focus on driving volume growth, gaining market share and maintaining/improving margins over FY26 levels.
- The company implemented cumulative MDF price hikes of ~15% during FY27 to offset sharp increases in chemical and input costs. Management indicated that the hikes largely compensate for current inflation; however, realization gains may partly dilute due to competitive discounting in the market.
- Chemical costs increased ~40–45% YoY amid supply-chain disruptions and elevated freight costs linked to the Middle East conflict, while timber prices remained broadly stable. The company continues to optimize its raw material mix by reducing dependence on eucalyptus and increasing usage of alternative wood species to improve cost efficiency.
- Export business continues to remain impacted due to elevated freight costs and geopolitical uncertainties, affecting order execution and export volumes.
- EPCG benefits recognized during FY26 stood at ~INR250mn versus ~INR350mn in FY25, with the remaining benefits expected to be recognized over FY27/FY28 subject to recovery in export demand.
- GREENP operated at ~55–60% capacity utilization in Q4FY26, providing significant headroom for organic growth without major incremental capex.
- In FY27 Management does not expect any significant new capex in FY27 apart from maintenance spending of ~INR200–300mn, with focus shifting toward improving capacity utilization and strengthening the balance sheet. Future plywood expansion plans remain under evaluation and will depend on utilization improvement at existing facilities.
- The company launched the "Mitra 2.0" loyalty app during FY26, with active users increasing to over 18,000 channel partners and carpenters.
- GREENP engaged with over 21,000 carpenters, contractors and sub-dealers through channel engagement initiatives during FY26.

Gujarat Fluorochemicals (FLUOROCH IN)

RATING REDUCE | **CMP** INR 3,784 | **TP** INR 3,478

- In Fluoropolymers segment growth was driven by value added products and high volumes across core products.
- Management expect 15%-20% volume growth in Fluoropolymers.
- High-performance fluoropolymers such as PFA and FKM to grow at a faster pace.
- Existing capacities are nearing optimal utilization; new capex has been announced to meet rising demand.
- In Bulk Chemicals Segment demand outlook for caustic soda is expected to remain stable in FY27.
- Chloromethanes performance is likely to remain range bound.
- In Fluorochemicals segment demand for Ref gas to remain healthy.
- In Battery chemical segment initial capacity planned in phase I have been commissioned and contracted for anchor clients for all the products in place.
- The company is setting up natural graphite anode active material plant.
- The company has planned capex of Rs23bn in FY27 for GFL EV, taking total cumulative capex to Rs60bn.

Gujarat Gas (GUJGA IN)

RATING HOLD | **CMP** INR 397 | **TP** INR 380

- Gas Trading - FY26 gas trading volume - 10.2mmscmd, including 5.3mmscmd supplied to own CGD business; Net external trading volume was 4.9mmscmd. Long-term LNG portfolio includes ~3.0mtpa (~10.66 mmscmd gas equivalent), with plans to add more volumes of competitively priced long-term LNG into our sourcing portfolio. Company signed new LNG SPAs in FY26 for 2.1mtpa with QatarEnergy and Uniper, adding ~4.9 mmscmd of gas supply. Secured firm regasification capacity of 2.25 MTPA at Petronet LNG's Dahej terminal. stations. Current runrate of Gas trading volumes in Q1FY27 – Total – 14mmscmd, of which 5.5mmscmd is net volumes. Management expects ~INR11bn annual profitability on a sustainable basis
- CGD segment - Added ~43,000 domestic PNG customers in Q4; ~35,400 connections commissioned. Total domestic PNG connections reached 24.2 lakh. CNG sales hit a record 3.6mmscmd, up 12% YoY in Q4 (Gujarat +11%, ex-Gujarat +18%). CNG vehicle base increased to 17.7lakh from 15.1lakh a year ago (+15% YoY). Total CNG stations reached 839. Added over 16,000 commercial customers during the year.
- Morbi - Morbi gas consumption improved sharply. Gas-consuming units increased from 83 units (0.4mmscmd) in Ma'26 to 710 units (~8mmscmd) by the last week of May'26. Morbi volumes are anticipated to reach 8.8 to 8.9mmsmcd, indicating a remaining 10% growth potential from current levels, with propane supply impacts expected short to medium term. Average Morbi volume reached 2.02mmscmd in Q4FY26. Morbi volumes rose 21% QoQ in Q4, while ex-Morbi industrial volumes declined 3.5% QoQ. Management expects tighter propane availability to support further PNG adoption and industrial gas demand growth. Current peak volume trending at ~8mmscmd, with potential to reach 8.8-8.9mmscmd. Gas prices: Morbi: INR75/scm ,Non-Morbi: INR68/scm. Propane business - Discussions underway with Qatar and Saudi Aramco for propane imports and infrastructure development mainly for import jetty and storage tanks.

- Current gas sourcing mix for GEL: APM: ~2.0mmscmd , NWG: ~0.5mmscmd, Long-term LNG: ~3.5mmscmd (majority Brent-linked), Short-term LNG: ~3.5mmscmd

- Margins & Guidance - CGD EBITDA/scm: Rs6.16/scm in FY26. Management guides for Rs5-6/scm CGD EBITDA going forward.

- Capex Guidance - FY27 Capex: CGD: Rs10bn and E&P: Rs1bn.

- Tax loss carry-forwards - Company received tax loss carry-forwards of ~INR72bn crore upon the merger effective 1 April 2024. Of this, ~INR28bn crore was utilized in FY25 and ~₹25bn in FY26, leaving a balance of ~₹19bn crore. Management indicated that profits up to the remaining INR19bn can be offset against these losses, resulting in no cash tax liability until the tax shield is exhausted.

- E&P reserves: 2P reserves stand at 6.7mmboe.

- Mundra terminal utilization improved from ~17% in FY26 to 35-38% in May-Jun-Jul 2026.

- FY26 (Q4FY26) Operating Profit - CGD: Rs19bn (Rs4.5bn), Gas Trading: INR13bn (Rs4bn), Renewable Energy: Rs0.5bn (Rs0.1bn) E&P: Rs0.3bn (INR0.1bn)

- Long-term LNG sourcing secured through multiple contracts with QatarEnergy, Shell, TotalEnergies and Uniper. Existing Qatar and Shell contracts expire in 2028 and 2030, respectively. New Qatar contract starts in 2026 and runs for 17 years; TotalEnergies contract runs until 2035 and Uniper until 2037. On the demand side, the company has long-term gas supply agreements with fertilizer companies, CGD players and industrial customers. Fertilizer contracts are valid until 2028, with discussions underway for both volume expansion and contract extensions.

- LNG sourcing portfolio: QatarEnergy: 1 MTPA contract, with volumes ramping up from 2026 and reaching full capacity by 2030. Shell: 15 cargoes per year. TotalEnergies: 6 cargoes per year. Uniper: 6 cargoes per year, starting in 2028.Management acknowledged an impact from the West Asia conflict, with two LNG cargoes already lost in May and June 2026

- Other insights – Assigned McKinsey to drive business growth initiatives

Harsha Engineers International (HARSHA IN)

RATING HOLD | **CMP** INR 439 | **TP** INR 461

- Guidance: Management expects consolidated revenue to be in double-digit led by mid-teen growth in India engineering business for FY27. EBITDA margins expected to remian satble with improvement of 100-200bps in the next 2-3 years driven by better operating leverage, better product mix. Revenue growth is going to be largely supported by improving traction across bushings, stampings, and improve in capacity utlization of Advantek.

- India Engineering: The India engineering business continued to witness healthy momtum driven by better traction in automobile sector, increase in cages volume and Advantek in the domestic market and strong industrial demand in the export market (US & Europe). Management expects the segment to grow ~15% YoY on a normalized basis aided by increasing customer penetration and expanding wallet share across geographies.

- Advantek: Advantek delivered strong operational improvement during the quarter with rising utilization levels and positive EBITDA generation. While profitability remained impacted by elevated depreciation and interest costs, management expects earnings trajectory to improve meaningfully in FY27 as utilization scales further. Current installed capacity provides significant headroom for growth, with management expecting sales to grow ~3x in FY27 and current capacity supporting revenue potential of ~INR2.5–3.0bn, while Phase-II expansion is expected to commence during FY27.

- Bushings & Stampings: The bushings business reported FY26 revenue of ~INR1.3bn and continues to benefit from favourable demand trends across renewable-linked applications, particularly wind gearboxes, with management expecting the segment to sustain a strong ~25–30% growth trajectory going forward. The stampings business reported FY26 revenue of ~INR600mn and is expected to deliver healthy double-digit growth over the medium term, supported by demand across automotive, railways, and consumer appliance segments, along with ongoing capacity additions and product diversification.

- Bearings & Cages: The bearings and cages segment reported strong performance with revenue growing ~20% YoY to ~INR8.6bn in FY26, supported by outsourcing opportunities, manufacturing shifts toward India, and rising wallet share with global customers. Management expects mid-teen (15%-20%) growth in cages going forward, aided by increasing demand for large-size cages and stronger penetration across overseas and Japanese customers. The company is also focusing on increasing the share of cages in Romania from ~22% to ~33–35% to improve product mix and profitability.

- Solar EPC: The Solar EPC business continued to deliver strong growth in FY26, benefiting from favourable policy support, increasing renewable adoption, and rising private sector participation. Management expects the segment to sustain ~25%+ growth going forward with stable profitability trends.

- Capex and Expansion: The company incurred capex of ~INR200mn in Q4FY26 and ~INR1.2bn during FY26, reflecting continued investments toward expanding manufacturing capabilities across key growth areas, including the China brownfield expansion and the next phase of expansion at Advantek. FY27 capex is expected at ~INR700mn, followed by ~INR200mn in FY28, along with annual maintenance capex of ~INR300–400mn in India to support future growth and product expansion.

- Romania & China: Romania operations remained under pressure during FY26, reporting revenue of ~INR2.5bn with a net loss of ~INR140mn, although management expects gradual improvement supported by a higher contribution from cages and improving European demand conditions. In contrast, China, which contributes 10%+ of total sales, delivered healthy performance with revenue growth of ~9% YoY to ~INR1.2bn, EBITDA margin of ~11%, and PAT of ~INR50mn during FY26. The China brownfield expansion project has commenced and is expected to be fully operational by H2FY28, which should help expand the product portfolio and improve profitability further.

Havells India (HAVL IN)

RATING ACCUMULATE | **CMP** INR 1,349 | **TP** INR 1,505

- W&C volume grew 6%, with flat overall growth in wires, while industrial cables drove the overall W&C growth in Q4FY26.

- Fans segment volume declined in Q4FY26, as stocking at the end of Q3FY26 following changes in BEE norms impacted subsequent demand.

- The company has commissioned a new refrigerator plant at Ghiloth and launched a new refrigerator product line in Q4FY26.

- To offset RM cost inflation, the company plans to implement price hikes of ~8-15% in Lloyd, depending on internal assessment.

- Its B2C:B2B mix has remained around 75:25, and it expects growth across both segments over the next few years, with strong opportunities particularly in wires.

- Management indicated RAC demand remained subdued from Mar'26 through the first week of Apr'26. However, demand trends have since improved across South and West with North also witnessing recovery while channel inventories are expected to normalize by end of Apr'26.

- Company has planned INR8bn in capex toward cables & wires segment, with the remainder allocated to a new R&D centre in next 2-2.5 years

- The company has implemented price hikes across its product ranges between 5% to 20%.

- Management highlighted solar products as a high-growth segment for the company, with strategic focus on market share gains and capturing industry tailwinds. While margin visibility remains limited at this stage, profitability is expected to improve gradually, supported by operating leverage

HCL Technologies (HCLT IN)

RATING REDUCE | **CMP** INR 1,441 | **TP** INR 1,300

- Revenue declined 3.3% QoQ CC, below expectations, driven by sharp pullback in discretionary spending by two large US telecom clients and discontinuation of two SAP modernization programs, with the impact becoming visible late in the quarter and expected to persist into FY27.

- Demand environment remains subdued and uneven, with continued weakness in discretionary spending, particularly in telecom and parts of Europe, where clients are prioritizing cost optimization over transformation. Geopolitical uncertainties and macro volatility are leading to delays in decision-making and project ramp-ups, evident in Q4 deal deferrals and softer software closures. While North America remains relatively resilient, growth is impacted by client-specific issues and budget cuts, and overall visibility remains limited.

- Management highlighted that AI is structurally reshaping the industry, with ~40% of services (traditional areas) at risk of disruption and expected to decline 3–5% CAGR, while ~55% of services (data, cloud, cybersecurity) are AI-augmented and expected to grow at 10%+. AI-native segment (~5% currently) is growing at ~30% and could exceed 20% of mix over five years. For the company, this translates into a ~2–3% deflationary impact (vs. 3–5% industry), with growth increasingly dependent on scaling AI-native and AI-augmented offerings.

- Management indicated that FY27 revenue growth guidance of 1–4% CC (1.5–4.5% for Services) is prudently calibrated, factoring in continued weakness in discretionary spending, telecom-led cuts, and ~50 bps headwind from two client-specific issues, along with the early impact of AI-led deflation; the lower end assumes sustained softness and further client ramp-downs, while the upper end builds in a gradual recovery in discretionary spend and ramp-up of large deals, with no contribution from pending acquisitions.

- Management highlighted that software deal closures were impacted by delays in client decision-making, particularly in March, leading to deferrals with uncertain timing of conversion. While overall bookings remained healthy at the annual level, Q4 TCV moderated, partly reflecting a deflationary impact of AI on deal sizes. The company also emphasized greater selectivity in deal pursuits, walking away from low-margin opportunities while seeing strong traction in AI-led deals.

- Management indicated that deal conversion is becoming more effort-intensive and slower, with AI-led deflation reducing deal sizes, even as execution effort remains similar or higher. Additionally, client decision-making cycles have elongated, leading to delays in closures.

- Management guided to FY27 EBIT margin of 17.5–18.5%, indicating that continued investments in GenAI capabilities and sales, along with a soft discretionary demand environment, are likely to keep margins range-bound, with any currency tailwinds expected to be reinvested rather than driving margin expansion.
- Management indicated that closure of the announced acquisitions has been delayed due to pending regulatory approvals in the US, specifically linked to government department shutdowns.
- Management stated that the capital allocation policy has been extended for another five years, with a continued commitment to return at least 75% of net income to shareholders.

HDFC Asset Management Company (HDFCAMC IN)

RATING BUY | **CMP** INR 2,662 | **TP** INR 3,000

Industry

- Despite the volatility in Q4FY26, markets saw continued confidence of domestic households with a long-term mindset. Flows into equity-oriented funds amounted to INR 1,340bn in Q4'26 against INR 1,188 bn in Q3'26.
- Larger part of net flows in equity in the month of Mar'26 came from SIP, which is relatively stickier.
- Monthly SIP inflows in Mar'26 were all-time high at 321bn (+24% YoY), 40% of such flows came from B30 markets.
- Gold/Silver ETF flows were around INR 1trn in FY26. Fixed income flows were relatively muted (Debt/Liquid of INR 66bn/5bn)
- Industry growth in FY26 was strongly driven by steady addition of 7.2mn new investors, taking the total investor base to 61.4 mn.

Financial Performance

- At overall basis, net inflow market share exceeds the AUM market share.
- Asset class wise yield remains steady QoQ. Equity (incl. index) - 56bps; active equity was 60-61 bps; debt - 28 bps; liquid - 13 bps; Blended - 45 bps.
- Company aims to offset the 3 to 4 bps impact of TER through optimization of commission structure to ensure margins evolve in-line with expectations, along with prudent management of both the direct as well as indirect cost.
- 3.5mn Unique investors added during FY26 (against industry addition of 7.2mn) thereby reaching total investors to 16.7mn.
- Opex has grown at 13.0-13.5% CAGR in last 5 years that has seen a downward trend over the years, indicating improved overall efficiency despite investing in talent, building new capabilities and factoring long term investment initiatives like stock options. Management guided for controlled growth in opex.
- Operating expenses in Q4FY26 was affected by profit/revenue linked expenses like CSR, royalties, etc in addition to expenses towards increasing physical presence and technological advancement.
- Digital adoption remains very strong 97% of the transactions being digital in equity segment. Company continues to aim to build scalable, defensible digital and AI capabilities that enhance the investor outcome, improve operating leverage and create a durable long term competitive mode for HDFCAMC.

- The board has approved the appointment of Mr. Rajan Anandan as an invitee and external expert on the technology committee for a 3-yr term, with an aim to strengthen the focus on digital and AI led transformation.

- Company continues its focus on sharpening the performance of existing funds, whereas any NFOs to be backed by strong conviction from the investment team and a clear market opportunity.

HDFC BANK (HDFCB IN)

RATING BUY | **CMP** INR 800 | **TP** INR 1,100

Balance sheet

- System credit growth for FY26 stood at 13.5-13.9%, while the bank delivered 12% YoY loan growth, reflecting continued momentum vs 5.4% in FY25.

- Deposit growth remained strong at 14.4% YoY, continuing to outpace credit growth. Retail deposits continue to dominate at around ~80% of total deposits.

- Higher share of term deposits continues to keep funding costs elevated thus resulting in a decline in NIM. TD grew by 15.5% YoY while overall deposits grew by 14.4% YoY.

- Management reiterated that LDR is not a constraint, supported by five straight years of 30-50 bps market share gains in deposits. Focus remains on sustainable, granular liabilities.

- Post the HDFC Ltd merger, liability penetration in the home loan book has improved from 36% to 50%, with 60-65% of customers routing EMIs through HDFC Bank accounts, materially improving CASA accretion and customer stickiness.

- CASA balances from mortgage customers increased from INR 500bn to INR 860bn, with rising cross sell of credit cards (23% penetration), insurance and wealth products, supporting long term ROA stability.

- ROA remained stable at 1.9%. This was attributed to cost efficiencies, with the core cost-to-income ratio declining from 40.5% to 39.5%.

- LCR stood at 114%; bank aims to operate in the 110-120% band.

- Bank continues to acquire 6-8mn customers annually.

Profit & loss

- Fall in NIM was due to faster asset yield transmission. Management expects NIM to remain range-bound, emphasizing ROA as the primary performance metric.

- Third party distribution income was modest due to lower volumes, unfavourable product mix i.e. lower share of high margin products and shift in customer preferences.

- Treasury income growth was muted due to lower FX volumes and lower spreads amidst geopolitical risk. Investment yields declined due to maturity of older high-yield securities and book duration adjustments.

- Bank is transitioning to a technology first institution, with digital adoption reaching 97% of payment & service transactions and 92% of customer acquisition journeys, supporting scalability, cost efficiency and improved customer experience.

Asset quality

- Management reiterated no stress signals across segments. Mortgage portfolio remains particularly strong with industry lowest NPA levels.
- Bank continues to maintain a 125bps of provisioning buffer for future contingencies.

HDFC Life Insurance Company (HDFCLIFE IN)

RATING BUY | **CMP** INR 632 | **TP** INR 835

Growth

- Growth slowdown was driven by unabsorbed GST and deferment of demand due to uncertainties.
- NPAR demand was softer due to pricing discipline but is expected to improve gradually.
- NPAR is expected to gain share going forward along with protection and annuity.
- More than 72% of customers acquired were new to HDFCLIFE in FY26. 80% of protection customers new to HDFCLIFE post GST cut.
- Management targets to grow slightly faster than industry for FY27.
- Commentary highlighted demand to NPAR segment is inelastic to IRR unless the differential is very material.
- The growth in MFI segment has bounced back in Q4 at 13% YoY on a lower base from last year.
- Management does not intend to increase VNB at the cost of growth.

Margin

- GST impact stood at 110bps in FY26 and is expected to neutralize by H1FY27.
- Yield curve movement has supported NPAR products.
- VNB margin for FY26 excluding impact of GST and Surrender regulations would have been flat at 25.5%
- VNB margin for FY26 comprise negative impact of assumption change (-0.4%), expenses (-1.5%), surrender regulations (-0.2%) and GST impact (-1.1%)
- Drop in 13M persistency was the material change in operating assumptions.
- Persistency sensitivity has increased because (1) share of ULIP has gone up (2) also surrender value norms have changed now.
- Proportion of riders stood at 3% of Individual APE.

Distribution

- Company has opened 260 branches since FY24 contributing 13% to proprietary business.
- The company has made gross addition of ~97K agents reaching a total of ~270K agents
- The company has 500+ partners across Banks and Non-Bank alliances with more than 41K partner branches.

Other

- The company has declared final dividend of INR 2.10 per share for FY26.
- The company has taken board approval to raise funds by way of preferential issue to HDFC Bank amounting INR 10bn. This will add ~900bps to current solvency ratio of 177%.

Healthcare Global Enterprises (HCG IN)

RATING BUY | CMP INR 650 | TP INR 820

- **Bed expansion Plans:** HCG plans to add ~200 brownfield beds in FY27 across existing facilities, including Cuttack (+75 beds), Vizag (+50 beds), Ranchi (+30 beds), and Bhavnagar (+20 beds). In Bengaluru, the Whitefield unit is being shifted to a larger alternate location with a targeted capacity of 120–130 beds, as the current facility is considered sub-scale relative to the market opportunity. Management aims to add total 1,000 new beds by FY30, comprising 600 beds through brownfield expansion and 400 beds via greenfield projects. The company is currently evaluating greenfield opportunities across 10–12 cities, including Pune, Surat, Coimbatore, Nellore, Lucknow, and Jalandhar.
- **Capex guidance:** HCG expects to incur ~INR600mn of capex for the planned addition of ~200 brownfield beds, implying an average investment of ~INR3mn per bed.
- **Cluster-wise Performance for FY26:** South Cluster contributed ~39% of revenues, delivered ~13% growth, supported by strong momentum in Tier-2 cities. However, Q4 growth was moderated by lower MVT contribution and the company's decision to prune low-margin business segments. West cluster contributed ~45% of revenues remained the strongest-performing region with ~14% growth in FY26, driven by healthy traction in Gujarat and Maharashtra, along with a capacity ramp-up in Ahmedabad. East cluster contributed ~11% of revenues and reported ~11% growth, led by steady performance in Cuttack and Ranchi, while the Kolkata facility continued to scale up gradually. The Kenya business continued to see strong traction, with revenue growth of 71% YoY in FY26 and 39% growth in Q4, supported by a sharp ramp-up in radiation and PET services.
- **Milann divestment:** HCG announced exit from its fertility business through the divestment of Milann, in line with its strategy to sharpen focus on the core oncology platform. Milann has been sold to Inviga Healthcare Fund (controlled by Dr Ajay) at an enterprise value of INR630mn, with equity consideration of INR376mn, of which 75% will be received upfront and the balance over the next 18 months. Management indicated that Milann's network had reduced from nine centres to six and was operating near breakeven levels. HCG guided transaction to close in Q1FY27.
- **New North Bengaluru:** In Q1FY27, HCG has operationalised a 132-bed facility in North Bangalore (Hebbal), with a total capex investment of INR1bn incurred. The MR LINAC at the North Bengaluru facility is being operated under a pay-per-use arrangement, reflecting an asset-light approach. Management expects the new North Bengaluru facility to achieve ~20% ROCE over the next 4–5 years as utilization ramps up.
- **Net debt target:** Management reiterated its intention to maintain leverage within an internal ceiling of 2.5x.
- **MVT Business:** Medical value travel remained a key headwind in Q4, particularly across the West and South clusters, due to the impact of geopolitical tensions in the Middle East on IP volume. Expects MVT trends to normalize over the medium term. HCG has appointed Vinayak Nayak as Head of International Sales to accelerate recovery.

- **Overall guidance:** Plans to add 8–10-day care centers over the next 12 months. Reiterated revenue and EBITDA growth guidance of 15%+ & 20% respectively. Margins expansion will be seen largely in West and East clusters. South cluster is already a matured cluster generating 25%+ EBITDA margins. Overall margin expansion will be driven by scale benefits, a better payer mix, and continued pruning of low-margin business segments. CFO-to-EBITDA conversion at 75% in FY26, however, adjusting for ESOP-related impact, improved to 87% and management expects further improvement going forward.

Hero MotoCorp (HMCL IN)

RATING ACCUMULATE | **CMP** INR 5,322 | **TP** INR 6,066

- At industry level, HMCL expects scooters to outgrow motorcycles by ~200bps in FY27 and aims to outpace the industry in both segments. This will be driven by launches across VIDA, premium and high displacement bikes, and scooters.
- Scooter growth drivers are urbanization, rise of e-commerce and gig economy. HMCL expects further "scooter-ization" to continue.
- Q4 saw commodity cost increase of ~INR2.1k/unit, while corresponding vehicle price increased by INR2.0k/unit. This, along with a higher bill of materials for EVs, resulted in gross margin reduction.
- Price hike of ~2% taken across models since start of CY26 doesn't cover the commodities, labor and fuel cost inflation, which have grown in high-single digits of overall bill of materials so far.
- Advertising & promotion spends increased by 22% YoY, and HMCL will continue investing on brand-building in FY27.
- Capex of INR14-15bn is expected for FY27 (FY26a: INR9bn vs. guidance of INR10-11bn, FY25a/24a: INR9bn/INR8bn).
- HMCL is expanding scooters capacity to meet rising demand. Destini capacity has already been increased by 50%, and doubling of Xoom capacity is underway in Q1'27. EV capacity is likely to be expanded within a month to 25k units p.m. from 15k in Q4FY26, and further 2x by FY27-end. HMCL is also investing in other low-emission technologies like flex-fuel vehicles.
- HMCL has committed INR7bn investment in building its 2^{nd} global parts center in South India. As vehicle parc increases and its market share grows from current ~50%, PAM revenue could rise by ~2x going forward.
- PAM revenue in Q4 and FY26 was INR16.44bn (+6% YoY) and INR61.47bn (+5.5% YoY), respectively.
- R&D spending is increasing gradually and is ~2.5% of revenue.
- Cash flow from operations for FY26 was ~INR94bn (+80% YoY), driven by working capital improvements.
- Premia network stands at 130 stores, covering >50% of premium industry footprint.
- Board has recommended final dividend of INR75/share, implying total dividend of INR185/share for FY26 (70% payout maintained).

H.G. Infra Engineering (HGINFRA IN)

RATING ACCUMULATE | **CMP** INR 584 | **TP** INR 670

- Order Book: Order book stood at ~Rs101.5 bn as of Mar'26, which increased to ~Rs157.4 bn post receipt of ~Rs55.9 bn new orders after year-end, partially offset by removal of MSRDC NC-4 & NC-5 projects. Roads and railways continue to form the majority of the order book, while contribution from transmission, BESS and renewable projects is steadily increasing, supporting diversification beyond traditional road EPC/HAM projects and reducing dependence on NHAI ordering.

- FY27/FY28 Guidance: FY27 revenue guided at ~INR 65-70 bn with EBITDA margins at ~14% (Q1 will be subdued at 10-11%, recovery from Q2 as claim settlements come through and execution picks up on newly appointed projects). FY28 revenue guided at ~INR 80 bn with EBITDA margins at 13-14%. Order inflow guidance at INR 110-120 bn (70% from roads and railways, 30% from BESS, transmission and other new verticals) - If achieved, exit order book FY27 would be ~INR 160 bn,

- Current bid pipeline: It is at ~INR 700-800 bn (roads INR 300 bn + railways + transmission + BESS). Government has allocated INR 2.72 trn to roads and INR 2.78 trn to railways in FY27, indicating a strong macro tailwind. Company is targeting 70-80 bn of road sector order inflows vs current bid pipeline of INR 720 bn.

Hindalco Industries (HNDL IN)

RATING HOLD | **CMP** INR 1,109 | **TP** INR 1,126

- Alumina sales stood at 210kt in Q4FY26 and mgmt expects 170kt sales in Q1FY27.

- **Hedging for FY27**: 29% of metal exposure at $3,013/t and 14% of currency at INR90.13/$.

- **Q4FY26 hedge**: 64% of metal at $2,807/t and 26% of currency at INR88/$.

- Aluminium CoP to rise 5% QoQ in Q1FY27, driven by higher furnace oil prices, Calcine Pet Coke and CT Pitch inflation.

- Resilient demand in packaging, electrical and automotive segments globally and in India.

- Coal mix in Q4FY26 comprised 61% linkage coal, 37% e-auction and rest captive.

- Western smelters ops costs higher by $300-400/t vs HNDL smelter.

- Spot TcRc at negative $100/t amid mine supply disruptions at Grasberg and Cobre Panama.

- MJP premium has risen to $380/t due to supply tightness and higher freight costs, narrowing the gap between domestic and export realizations.

- Global aluminium inventories have declined sharply to 8mt (~40 days of demand), aided by West Asia-related supply disruptions.

- Sulphuric acid prices remain elevated due to ME disruptions and China export restrictions, supporting strong copper profitability in Q1FY27 too.

- Global AL market surplus of 0.5mt in Q4FY26, China production at 11mt and RoW capacity additions led by Indonesia and Spain.

Hindustan Aeronautics (HNAL IN)

RATING BUY | **CMP** INR 4,386 | **TP** INR 5,423

- **Guidance:** Management guided for **~10-12% revenue growth in FY27** driven by ramp-up in manufacturing revenues led by LCA Mk1A afnd HTT-40 deliveries. EBITDA margin is expected **to remain stable at ~30-31%** supported by escalation clauses and pre-procured inventory for key programs. HAL plans cumulative investments of ~Rs120bn by 2030 towards capacity expansion and infrastructure for LCA Mk2, GE F404/F414 engines, AMCA-related programs and indigenous aero-engine projects.

- **Order Prospects:** HAL expects order inflows of **~Rs900bn over the next two years** including ROH contracts. Key opportunities include: 1) 143 ALH helicopters for Army and Air Force, 2) Su-30 upgrade program, 3) additional Dornier orders, and 4) engine manufacturing contracts.

- **LCA Mk1A Program:** HAL has **received 6 GE F404 engines so far**, while GE is expected to supply **~15-20 additional engines during FY27** with accelerated deliveries from Aug'26 onwards. Management expects LCA Mk1A deliveries to commence by Aug/Sep'26 after completion of remaining testing and refinements. HAL is targeting **delivery of ~20 aircraft during FY27**. HAL currently operates three LCA production lines with installed capacity of 24 aircraft per annum. Around 20+ aircraft structures are already built and equipped while LCA-related inventory stands at ~Rs80bn.

- **LCA Mk2 Program:** Structural assembly for LCA Mk2 is currently underway jointly with ADA, with **prototype rollout expected by Q4FY27**. HAL indicated that engines for initial prototype activities are already available, reducing near-term execution risks.

- **LCH Prachand & HTT-40 :** LCH Prachand **execution remains on track** with all major procurement orders already placed. HTT-40 deliveries are expected to commence in FY27 with management targeting ~20+ aircraft deliveries during the year. Engine supply constraints have largely stabilised.

- **SU-30 & Engines Programs:** Su-30 deliveries under the current order will begin from FY28 with one aircraft delivery in FY27-28 and balance 11 aircraft to be completed in FY29. HAL continues execution of AL-31FP and RD-33 engine programs with targeted annual deliveries of ~30-35 engines per annum. Su-30 upgrade program is currently in design stage with CCS approval expected during FY27.

- **UAV & AMCA Programs:** HAL stated that the Rotary UAV prototype is currently undergoing ground testing, while the CATS Warrior UAV program has completed ground runs with flight testing expected next year. On the AMCA program, management clarified that the current RFI pertains only to prototype development and not production rights. HAL remains interested in participating in the program and plans to invest in AMCA-related manufacturing infrastructure over the long term.

- **Supply Chain & Capacity Expansion:** HAL indicated that global aerospace supply-chain conditions are improving gradually though some delays persist. The company is increasingly focusing on multi-vendor sourcing and outsourcing of structures to private players while retaining final integration internally to improve efficiency and execution visibility.

- **Revenue Breakup:** FY26 revenue from operations stood at Rs331bn, comprising ~28% manufacturing revenue (~Rs93bn), ~62% Repair & Overhaul (ROH) and spares revenue (~Rs205bn), while the balance ~10% came from development activities and others. Export revenue during the year stood at Rs501cr.

Hindustan Petroleum Corporation (HPCL IN)

RATING ACCUMULATE | **CMP** INR 390 | **TP** INR 427

- **LPG update** – loss/cyl Q4FY26 – INR84/cyl, April'26 – INR170/cyl and May'26-INR670/cyl. Some LPG supplies have now resumed from the Persian Gulf vs the initial phase of the conflict. LPG under-recoveries stood at INR52bn in FY26, including INR13.5bn in Q4FY26, against which HPCL received compensation totalling INR33bn.

- **Samriddhi program** delivered savings of INR16.9bn in FY26 (vs guidance of INR15bn), which included INR9.5bn one-time savings and INR7.4bn of recurring savings. As a result, HPCL claims that opex/turnover declined to 1.45% in FY26 vs 1.54% in FY25 and opex/mt declined to INR13.4 vs INR14.4 YoY. HPCL also tightened capex and borrowing management, reducing debt through prudent working capital management (INR85bn reduction), leading to lower interest costs aided by refinancing and lower forex exposure.

- **Projects Update: RUF** is progressing slower than planned, though the unit is back on stream and expected to ramp up gradually, with meaningful benefits likely by end-Q1FY27 or Q2FY27. At **HRRL**, operations were impacted by a residual leak in the CDU unit; however, MS and HSD production is expected to commence in the 2nd fortnight of May'26, with utilisation currently at ~60% and full ramp-up targeted by Q2FY27 Only 6 heat exchangers out of 600–800 were impacted. At **Chhara**, 90-95% of the breakwater construction is complete, with the terminal expected to operate at full capacity except during peak monsoon season.

- **Supply Update:** Under normal conditions, secures ~2 months of crude supply through a mix of ~50% term contracts and the roughly 50% spot; however, it is currently relying more on spot cargoes while maintaining the same 60-day inventory cycle, although at a premium (~45–50 days -Vizag refinery and ~30–35 days -Mumbai refinery). Crude requirements for May'26 and June'26 are fully covered, with supply secured until 15 July'26. Procurement has become more geographically diversified post-crisis. Meanwhile, LPG procurement challenges continue to persist.

- **Capex Outlook:** FY27 capex is expected to be slightly lower than FY26 levels, although spending could increase if the ongoing geopolitical situation normalizes sooner than expected. The company remains focused on completing HRRL, while discretionary capex is being curtailed.

- **Depreciation Update:** Higher D&A in Q4FY26 was driven by capitalization of the RUF unit, with the entire RUF project now capitalized, along with an impairment charge of ~INR4.5bn.

Hindustan Unilever (HUVR IN)

RATING ACCUMULATE | **CMP** INR 2,251 | **TP** INR 2,454

- Demand environment remains stable with both urban and rural seeing good traction led by favourable macro tailwinds

- Impact of the Middle East conflict on demand remains limited; however, HUL is seeing 8-10% rise in its overall RM basket, which may be passed through via calibrated price hikes.

- HUL did not witness any pre-buying by dealers or consumers amidst going geopolitical tensions

- Implemented calibrated price hikes of ~2–5% over the past year across portfolio, with a measured increase undertaken in Q1FY27 across the fabric wash and home care segments.

- Relaunched Horlicks in South with early signs seeing healthy traction with Boost continuing to perform well across markets

- Minimalist ARR at Rs8.5bn with healthy demand traction
- Dove and Pears witnessed double-digit growth, alongside ~400bps market share gains in body wash in Q4, led by a continued premiumization push.
- HUL is seeing strong momentum in premium skin care products with sharp market share gains, while mass skin care segment continues to remain subdued
- HUL is set to scale up investments in its newly launched protein portfolio under the Horlicks franchise, amid a rapidly expanding domestic nutrition market
- HUL has set up a dedicated quick commerce organization while continuing to strengthen GT and MT channels as well
- HUVR announced a Capex of Rs. 20bn for premium liquid products across Home, Beauty and Personal Care.

Hitachi Energy India (POWERIND IN)

RATING REDUCE | CMP INR 35,995 | TP INR 30,768

- **Strong order pipeline:** Management highlighted robust demand visibility across renewable transmission, transformers, HVDC, data centers and BESS, supported by accelerating electrification, renewable integration and grid expansion trends. Management highlighted order pipeline for HVDC remains strong, while data center demand is witnessing strong traction with India's capacity expected to rise from <2GW currently to ~13GW-18GW over the next 4-5 years. Additionally, management sees significant long-term opportunity in BESS with India expected to add ~80GW battery storage capacity over the next 5-6 years.
- **HVDC:** HVDC remains margin accretive for the company with ~15% revenue contribution in FY26. Management highlighted robust HVDC pipeline with 3-4 large projects expected over the next two years across both LCC and VSC technologies, while reiterating no capacity constraints for additional HVDC orders. Further, management stated that localization levels are already ahead of regulatory requirements and clarified that new capacity expansion (Rs20bn) is demand-driven rather than localization-led.
- **Exports (~25% of total ex-HVDC revenue):** Management highlighted a three-pronged export strategy comprising allocated export markets, India as a global manufacturing base for select products and feeder factory operations supplying components to global facilities. Export revenue contribution remained ~25% (ex-HVDC), with order inflow broadly similar (25%-30% of ex-HVDC order inflow). Key export markets include Indian subcontinent, Southeast Asia and Europe, while India continues to manufacture globally exclusive products such as 66kV high circuit breakers and combi-flex relays for worldwide exports. Management also highlighted growing feeder factory opportunities providing stable and low-risk export revenue streams.
- **Capex and Capacity:** Hitachi planned to invest Rs20bn towards a greenfield large power transformer facility in Gujarat, aimed at catering to strong demand across transmission, HVDC, renewable integration and emerging sectors such as data centers and BESS. Existing Rs20bn capex announced in Oct-2024 is already under implementation, while the new facility is targeted to commence transformer production by Q4CY28. The facility will manufacture large power transformers and HVDC converter transformers, while adding ~30-40GVA incremental capacity, effectively doubling existing transformer capacity.
- **Localization:** Management highlighted that localization levels are already significantly ahead of regulatory requirements and have consistently increased over time. Further, management clarified that the new capacity expansion is driven by strong demand outlook across renewable transmission, HVDC, data centers and electrification rather than localization mandates, while continuing to localize advanced technologies and products for emerging segments such as data centers and BESS.

- **Material Costs:** Management noted the company is navigating challenges from elevated inflation, metal prices, and transport charges, which are impacting operations due to geopolitical developments. Most of the portfolio includes commodity price pass through and price variation clauses in contracts.

Home First Finance Company India (HOMEFIRS IN)

RATING ACCUMULATE | **CMP** INR 1,215 | **TP** INR 1,350

Growth

- The management highlighted growth in H1FY26 was affected by higher delinquencies, tariff issues and employee-attrition challenges.
- The company has mitigated attrition issues and is pushing growth through improved value propositions to channels in terms of TAT, wider product offerings and increased connector base.
- The growth in Maharashtra (MH) is coming from pockets of North Mumbai (Kalyan, Palghar, etc) and Pune with developer-driven leads; Focusing on big cities like Bengaluru (BLR), Delhi (DEL) and Hyderabad (HYD) with the same strategy.
- The market share growth in Tamil Nadu (TN) was not strong in FY26 but growth is expected to pick-up. On the other hand, Karnataka (KN) has sustained market share as e-Khata issue eases.
- The company plans to add 30-40 branches in FY27 across new and existing geographies; aims to increase density in larger cities.
- The company aims to maintain HL/Non-HL split of 80/20 with differential in yields of 100-150bps
- Co-lending comprises ~4% of AUM and ~10% of disbursements and the company aims to increase it further in FY27.

Operating profitability

- The origination yield for the quarter stood at 13.0% and CoF at 7.6%
- The company did a PLR cut of 10bps with effect from 1st January 2026
- The management expects CoF in Q1FY27 to be in a similar range as of Q4FY26
- The management has guided to maintain spreads at 5-5.2% in FY27 with yields ranging between 12-14%
- The yields for co-lending ranges between 8-10% with spreads at 5-5.5%
- The company indicated that it is not operating in high LAP yield category (14-14.5%) to protect asset quality.
- The management expects opex to be range-bound between 2.6%- 2.7%
- Connector commission has seen a change of 10-15bps and varies across different geographies, TAT and product offerings.

Asset quality

- Delinquency trend in Apr'26 was better than Apr'25/24 and no significant impact of war has been observed yet.
- The company has guided for credit cost in the range of 30-40bps in FY27.

- The company reported total write-off of INR360mn during the quarter.

Other highlights

- The Board has recommended a final dividend of INR5.2 per share for FY26.

ICICI Prudential Asset Management Company (ICICIAMC IN)

RATING BUY | **CMP** INR 3,354 | **TP** INR 3,585

Industry

- Passive QAAUM grew by 34.2% YoY/ 7.4% QoQ to INR 14.52 trn, primarily driven by gold and silver ETFs.
- Industry vide unique customers grew by 13.2% YoY/ 4.2% QoQ.
- Corporate book closing in March 2026 has led to substantial redemption in arbitrage funds.

Financial Performance

- Revenue yields have declined by 1.5 bps from 47.5 to 46.1 due to mix change towards ETF/liquid. Gross/net yield for FY26 stood at 52bps/ 48.3bps.
- Revenue mix: mutual fund-90.65%, PMS/AIF 7.58% and advisory 1.77%
- Segment-wise yields: 67bps for equity, 32bps for debt, 12bps for liquid, 10bps for passives and 30bps for arbitrage.
- PMS and AIF business gross yield/ net yield was ~2%/~1%
- Management indicated a gross TER impact of 3-4 bps from 1st Apr'26, with mitigation measures underway and clarity on net impact expected shortly.
- Employee cost declined sequentially from INR 1.6bn to INR 1.3bn in Q4FY26, due to certain component of staff cost being replaced by ESOP charge. NRC has approved grant of ESOPs/ESUs with total estimated non-cash charge of INR 1.2–1.3 bn. Charge to P&L would be – for FY27: INR 640–680mn, FY28: INR 360–400mn and FY29: INR 180–220mn.
- Negative other income of INR 0.89 bn in Q4FY26 was due to MTM impact in investment book
- Tax rate increased to 26.5% from 24.8% as other income in previous quarters attracted capital gains at lower rate which led to lesser blended tax rate.
- Net inflow market share in equity schemes exceeds the AUM market share.
- Company has undergone BTA with ICICI Venture Funds, whereby investment management rights for certain AIFs would be transferred to ICICI AMC, in a view to enhance presence in alternates market and complement existing alternate product offering.
- The company is getting three strategies as part of this BTA namely private equity, early-stage private equity and affordable real estate. Fee-paying committed funds of INR 46.28bn have been received by company w.e.f. 1st Apr'26. Revenue yields for this portfolio would be in-line with industry.
- Company is planning to launch 1 to 2 NFO's in next month across SIF and MF, subject to regulatory approvals.

ICICI Bank (ICICIBC IN)

RATING BUY | **CMP** INR 1,347 | **TP** INR 1,825

Balance sheet

- Mortgages and personal loan portfolios grew sequentially by 4.7% and 5.2%, respectively, driven by benchmark stabilizing, pricing actions, and the Customer 360 approach.
- The rural loan portfolio grew 18% QoQ, led by higher demand for gold and machinery loans.
- Credit card book contraction was driven by lower spends and revolver balances.
- The bank remains focused on aligning the INR 200-250bn PSL non-compliant portfolio with regulatory norms while limiting opex impact.
- Of total domestic loans, ~56% are linked to the repo and other external benchmarks, 13% to MCLR and legacy benchmarks, while the remaining 31% are at fixed interest rates.
- The bank maintained a strong liquidity position, with an average LCR of ~126% during the quarter.

Profit & loss

- Margins during the quarter reflected the impact of repricing of external benchmark-linked loans, term deposits, and seasonally lower interest reversals in the KCC portfolio.
- The benefit from interest on tax refunds added ~5 bps in Q4FY26 versus ~1 bp in Q3 FY26.
- NIMs are expected to remain range-bound, similar to Q4FY26 levels.
- Fee income grew 7.5% YoY to INR 67.79bn, with retail, rural, and BuB contributing ~78% of total fees.
- Treasury reported a loss of INR 1.06bn reflecting market volatility and RBI-mandated FX position capping.
- Operating expense growth was driven by higher retiral benefit provisions due to market movements; technology expenses formed ~11% of total opex in FY26.
- Business growth is expected to outpace opex growth over the next year.

Asset quality

- The bank continues to hold additional standard asset provisions of INR 12.83bn, created in Q3FY26 for the agricultural PSL portfolio as per RBI directions.
- NPA provisions declined sharply to INR 962mn in Q4FY26 from INR 25.56bn in Q3FY26, driven by lower retail and unsecured slippages and higher corporate TWO recoveries.
- No material changes were made to credit underwriting standards due to the West Asia conflict; however, sectoral and client-level exposures continue to be closely monitored.

ICICI Prudential Life Insurance Company (IPRU IN)

RATING BUY | **CMP** INR 547 | **TP** INR 700

Growth

- West Asia war has impacted new business sales in March-26 across the board except protection and management remains cautious on near-term growth.
- The retail sum assured growth for the industry was 2.5x post the GST reform.
- MFI segment which faced challenges at the start of the year has seen recovery from Q3 onwards.
- Non-linked savings saw a moderation in Q4, attributed to normalization of high product-led base in Q4FY25 (GIFT Select) rather than underlying demand weakness.
- Split between PAR to NPAR was in the range of 2:1.
- Policy term on saving business increased from 26 years in FY25 to 29 years in FY26.
- 13M persistency fell by 4.6% YoY to 84.5% in Q4FY26 while the 61M persistency saw a decline of 2.5% YoY to 61.6%.
- The decline in 13M persistency was largely driven by annuity product while 61M persistency was due to change in regulatory definition.

Margin

- Margin expansion was led by improvements in new business profile and economic assumption changes
- EV calculation had certain operating assumption changes due to unavailability of input tax credit and changes in persistency.
- Economic assumption changes in EV were largely debt related in FY26.
- Industry has not yet made large price changes due to GST cut. Some of the cost efficiencies got negated due to GST-impact; however, no change in pricing made due to benefit from the yield curve.
- NPAR products are getting subdued to fixed deposits because insurance products are priced off G-sec.

Distribution

- Distribution mix by Total APE (Banca / Agency / Direct / Others) stood at 31.5% / 23.2% / 11.7% / 33.6% in Q4FY26.
- Agency and direct channel slowed down due to large base effect and the company is looking to adopt micro-market led branch strategy.
- The company has provided data to the regulator in respect of new commission regulations but no intimation has been received regarding the new norms.

Other

- Embedded value stood at INR 529.9bn which includes the negative impact of operating assumption, persistency and economic assumption amounting INR 2.56bn, INR 2.64bn and INR 7.78bn respectively
- Solvency ratio remains comfortable at 227.3% in Q4FY26

- The company will be taking a forbearance for a year from IND AS implementation.
- The company has declared final dividend of INR 1.65 per share subject to shareholders' approval.

Imagicaaworld Entertainment (IMAGICAA IN)

RATING BUY | **CMP** INR 42 | **TP** INR 64

- IMAGICAA IN plans to invest INR1,000mn in Shanku's water park for a 50% stake. Roughly INR500mn will be allocated towards future expansion which includes development of dry rides on the adjacent 10-acre land parcel near the operational water park.
- In FY26, Shanku's water park clocked annual footfalls of ~0.2mn, with ARPU at ~INR1,100. Consolidation is likely to happen from 2QFY27E.
- IMAGICAA IN will provide operations and management services at Shanku's water park and earn a 6-10% management fee.
- Given extreme heat conditions present in country, revenue from water parks in 1QFY27E is likely to improve on a YoY basis.
- IMAGICAA IN used to receive government incentives worth ~INR60-70mn annually for the Khopoli theme park, of which ~INR30mn worth of incentives have been discontinued.
- Completion timeline of Sabarmati Park is likely to be pushed by 6 months, as certain clearances and approvals are yet to be received from the government.

Indian Energy Exchange (IEX IN)

RATING HOLD | **CMP** INR 123 | **TP** INR 135

- IEX reported robust growth with Q4FY26 volumes up 24% YoY to 39.4 BU, the highest-ever quarterly volume. FY26 volumes grew 17% YoY to 141 BU, indicating sustained traction in exchange-based power trading. Growth was broad-based across segments, reflecting improving market depth.
- The Real-Time Market (RTM) continues to be a key growth driver, with volumes up ~41% YoY in FY26 and contributing ~39% of total volumes. Its flexibility and role in renewable integration are accelerating adoption, making it structurally important for future growth.
- Average prices declined YoY due to improved supply liquidity, with DAM at ~INR 3.89/unit (-12%) and RTM at ~INR 3.68/unit (-15%). Lower prices support higher exchange adoption as discoms replace costlier bilateral power, aiding volume growth despite pricing softness.
- IEX reported steady earnings growth with revenue, EBITDA, and PAT increasing YoY, supported by higher volumes. Margins remained resilient, reflecting the asset-light exchange model. Dividend payout remains strong, indicating healthy cash generation.
- Management expects IGX volumes to remain subdued in Q1FY27 but recover from Q2 as supply conditions normalize. The ongoing IPO process, with stake dilution deadline extended to Dec'26, is a key strategic milestone and could unlock value.
- IGX delivered strong FY26 performance (28% volume growth, 35% PAT growth), driven by demand from domestic gas, power, and CGD segments. However, Q4 volumes declined due to Middle East supply disruptions and high gas prices, impacting near-term outlook.

- Market coupling remains a key regulatory overhang, with draft regulations proposing Grid India as the operator. Timelines and implementation clarity are still evolving, and management believes the situation remains fluid with no immediate conclusion.

- IEX is awaiting regulatory approvals for new products such as longer-duration contracts (up to 11 months), green RTM, and peak DAM/RTM. These products aim to enhance market depth, improve price discovery, and support renewable integration.

- The proposed coal exchange (ICX) presents a large opportunity, with ~15% of coal already traded in spot markets (~80–90 MT). Increasing supply and a multi-buyer/seller ecosystem support exchange-based trading, though execution depends on final regulations.

- New mechanisms like VPPAs, carbon markets, battery storage arbitrage, and CFDs are gaining traction. These developments are expected to deepen exchange participation and create additional revenue streams over the medium to long term.

Indian Oil Corporation (IOCL IN)

RATING ACCUMULATE | CMP INR 135 | TP INR 145

- Project update - Panipat expansion (15 to 25mmtpa): Rs270bn spent out of total Rs380bn; completion expected by Dec'26. Gujarat expansion (13.7 to 18mmtpa): Rs135bn spent out of INR180bn; completion expected by Nov-Dec'26. Barauni expansion (6 to 9mmtpa): commissioning timeline remains similar, to be completed by Aug'26. Ramp-up assumptions: 60% utilization in Year 1, 80% in Year 2, and 100% in Year 3.

- Guidance - FY27 capex expected at INR327bn: ~50% allocated toward refining and pipelines, while Rs50bn is earmarked for renewables. Planned refinery shutdowns in FY27 are expected to limit throughput to ~75mmtpa.

- LPG under-recovery - LPG under-recoveries stood at INR100/cyl in Q4FY26, INR171/cyl in Apr'26, and increased sharply to INR617/cylinder in May'26. Current LPG buffer remained at INR232bn, while FY26 LPG under-recoveries stood at INR92.1bn.

- Other insights - Management did not disclose Q4FY26 GRMs due to heightened market volatility. Indian basket crude realization increased ~30% QoQ. Refinery utilization remained strong at 107% in FY26. Product sales volume reached 105mmt in FY26, up 5% YoY. Exported LNG to Nepal for the first time during FY26.

Indian Railway Catering and Tourism Corporation (IRCTC IN)

RATING BUY | CMP INR 523 | TP INR 712

- E-booking penetration stands at 89.0%.

- ~134mn tickets were booked in 4QFY26.

- UPI share was at 51.7% in 4QFY26 as compared to 46.3% in 4QFY25.

- Convenience fee income stood at INR2,470mn, while non convenience income stood at INR1,432mn in 4QFY26.

- IRCTC IN plans to increase the capacity at Danapur plant from 2 lakh bottles to 3 lakh bottles per day. Further, capacity will be doubled at Ambernath plant from 1 lakh bottles to 2 lakh bottles per day. Additionally, for greenfield investment, land has been allotted at Mysore and Prayagraj, and negotiations are ongoing to acquire land at Bhagalpur and Ranchi.

- After adjusting for exceptional items, EBITDA margin for the quarter stood at ~31%.
- Revenue from election special trains stood at ~Rs24mn/~Rs68mn in 4QFY26/FY26. 8) Share of AC-tickets for the quarter stood at ~51.2%.
- To address the issue of shortage of commercial cylinders, IRCTC IN has allowed vendors/licensees to cook meals on train with the use of electricity. Also, IRCTC IN has tied up with HPCL, BPCL & IOCL to fill-in for any shortages faced by them.
- ~28% of total tickets are booked via channel partners and OTAs.
- Management is targeting to grow catering/tourism/internet ticketing segments by 15%/19-20%/7-10% respectively over next few years.

Indraprastha Gas (IGL IN)

RATING BUY | **CMP** INR 157 | **TP** INR 181

- CNG vehicle additions - Average monthly additions stood at ~23k vehicles across Delhi and other GAs. Monthly additions touched ~26k in H2FY26 following the reduction in GST.
- Guidance - IGL guided exit volume guidance of 10.6mmscmd for FY27. FY26 capex stood at INR11.7bn, while FY27 capex guidance is INR14-15bn.
- Gas sourcing / allocation - Domestic gas formed 55% of Q4 sourcing mix, comprising APM (37%), NWG (8%), CNG (1%), HPHT (4%), and IGX (3%). RLNG accounted for the balance, with short-term contracts at 7% and long-term contracts at 38%. Some LNG contracts expire in 2028, and management is in discussions for contracts beyond 2029.
- Pricing / Margins - IGL indicated that future price hikes will be considered if required. Input costs remain elevated at ~25% above pre-war levels. Q1FY27 is expected to remain challenging; FY27 EBITDA guidance remains at INR7-8/scm.
- DTC / DIMS update - DTC fleet conversion is largely complete, with only 25 buses (~1,000kg/day consumption) remaining. DIMS fleet stand at 1,790 buses, consuming ~1.3 lakh kg/day.
- CNG volume growth –GA wise - Delhi CNG volumes remained broadly flat (~1% growth) due to DTC-related volume loss. Noida and Ghaziabad recorded 6-8% growth, while other GAs delivered growth of 16-17%. Ex-DTC volumes, overall IGL CNG volume growth stood at ~9.8–10%.
- Industrial & commercial pricing - Spot LNG prices moderated to ~USD17-17.5/Mmbtu from ~USD21/Mmbtu at the start of the war. Higher sourcing costs were fully passed through to I/C customers on back-to-back basis, with prices increasing 35-40% over the last 2-3 months, while spot-linked pricing increasing 50-60%. Due to this, IGL indicated industrial margins remained broadly stable despite a modest reduction in spreads.
- Gas Pricing Structure - APM gas pricing stands at USD7.7/Mmbtu. NWG pricing stands at ~USD13/mmbtu. Pooled gas sourcing costs are at ~USD14–15/Mmbtu, while spot LNG currently stands at USD17–18/Mmbtu.
- Price Hike - Domestic PNG remains protected through APM allocations. APM price increases of ~INR1.7/scm have already been factored into pricing. Management expects pressure primarily in the CNG segment and remains watchful.

- Volumes in Haryana - Private vehicle users contribute ~48% of CNG volumes, while cab aggregators account for ~12-13%. Haryana volumes stood at 0.8mmscmd, comprising 0.7mmscmd CNG and 0.2mmscmd PNG.

IndusInd Bank (IIB IN)

RATING ACCUMULATE | **CMP** INR 848 | **TP** INR 960

Balance sheet

- Bank guided for FY27 credit growth to be in-line with system (13–14%), indicating a shift back to growth after a year of balance sheet consolidation. Growth would be driven by retail and mid-market/SME, while corporate book de-growth is largely complete; incremental focus would be towards granular segments.
- Within wholesale, the strategy is to reallocate exposure away from top-end corporates toward mid-market and SME, improving portfolio granularity without materially changing overall wholesale share.
- Deposit growth remains a key constraint to loan growth, with management highlighting that balance sheet expansion will be contingent on liability mobilization.
- IIB indicated multiple internal levers to drive deposit growth including organizational restructuring, incentive changes, digital improvements, and cross-sell from retail asset growth
- Capital position remains comfortable with no requirement to raise capital over the next year.
- LCR is expected to range between 115–120% with no meaningful benefit likely from revised norms.

Profit & loss

- NII/NIM for the quarter did not have any one-offs, suggesting reported margins have normalised.
- Liability-side repricing cycle is largely complete, though further improvement in cost of deposits is expected via better mix (higher retail/CASA share) rather than pricing cuts.
- Fee growth is expected to be supported by multiple levers like higher distribution of insurance, MF and investments, repricing of under-monetized services (e.g., locker fees), scaling up transaction banking and capital markets businesses, higher FX-related franchise income.
- Within operating levers, fee income and cost efficiencies are expected to be the key drivers, with relatively lower contribution from NIM expansion
- Cost optimization is expected through operating leverage as loan growth picks up, aiding profitability improvement over the medium term.
- Management highlighted a clear roadmap to improve RoA from ~0.45% to ~1%, driven equally by lower credit costs and improvement in operating profitability

Asset quality

- Improvement in asset quality was broad-based across microfinance, vehicle finance, and consumer segments, rather than being driven by a single portfolio. As per the bank credit costs have peaked, with improvement expected driven by lower slippages.
- Reduction in NNPA is likely to be gradual, with management emphasizing consistency in write-off policies rather than aggressive clean-up.

- A significant portion of existing NPA is concentrated in VF, where residual credit risk is relatively lower.
- As loan growth resumes, denominator effect (higher loan base) along with lower slippages is expected to drive down credit cost ratios further.

Infosys (INFO IN)

RATING BUY | **CMP** INR 1,241 | **TP** INR 1,570

- Demand environment remains cautious, with flat-to-negative budgets, lower discretionary spend and selective AI-led investments.
- Financial Services outperformed, growing above company average, driven by large deal ramp-ups, AI-led transformation, legacy modernization and vendor consolidation.
- Manufacturing remains weak, with management highlighting cautious client behavior amid softer demand, tariff-related uncertainty and geopolitical risks, leading to delayed decision-making and constrained discretionary spending.
- AI deal momentum accelerating, particularly in productivity automation, platform-led modernization, IT operations, software replacement and mainframe migration. AI opportunity expanding across six focus areas—AI strategy & engineering, data, process, legacy modernization, physical AI and trust—with differentiation anchored in the Topaz platform.
- AI engagements carry premium pricing, supporting margins, though partially offset by higher cost of specialized talent.
- Management highlighted that FY27 guidance includes a ~0.75–1% reduction due to ramp down from a large European manufacturing client driven by weak macro and decision to not pursue certain deals, and a further ~0.75–1% impact from continued reduction in onsite mix as part of delivery optimization.
- Management highlighted that onsite mix is expected to further reduce, with combination of environment, visa situations and initiative to deliver more from offshore impacting delivery mix.
- Management plans to add 20,000 freshers to the headcount in FY27

InterGlobe Aviation (INDIGO IN)

RATING HOLD | **CMP** INR 4,405 | **TP** INR 4,724

- Escalating geopolitical tensions in Middle East disrupted the operations during Mar'26, impacting ~18% of total capacity and ~160 daily flights
- Currently, AoG count is in ~40s, and is expected to decline to 30s by FY27E-end.
- INDIGO IN typically hedges FX exposure falling due in next 12 months up to USD1bn. The plan is to gradually increase the cover up to USD3bn on cash flows spread over 2-5 years.
- CASK (ex-fuel & ex-forex) is expected to witness mid-to-high single-digit inflation in 1QFY27E.
- For every unit of INR depreciation versus USD, the MTM FX impact has largely remained unchanged at ~INR9bn.
- Employee costs declined 1.3% QoQ to INR20.7bn due to reversal of provisions related to leadership payouts rather than structural cost reductions.

- ~2/3rd of the disrupted Middle East capacity has already been restored, with full restoration targeted by the end of Jun'26, subject to risk assessments.
- The BlueChip loyalty program has scaled rapidly to ~11mn members.
- INDIGO IN operated 97/45 domestic/international destinations destinations by the end of FY26, respectively.
- INDIGO IN currently owns 56 unencumbered aircrafts with BV exceeding INR95bn.
- INDIGO IN inducted India's first A321XLR during FY26 and has already deployed it on Athens and Istanbul routes. Further expansion is planned across select Asian and European destinations to support its long-haul international growth strategy.
- 73 aircrafts from original book, and 28 damp-lease aircrafts were redelivered during FY26.
- 53 aircrafts are owned through finance leases, reflecting INDIGO IN's strategy of increasing fleet ownership.
- INDIGO IN inducted 51 aircrafts from original order book and 21 aircrafts under damp leases during FY26, taking total gross inductions to 72 aircrafts.

Ipca Laboratories (IPCA IN)

RATING BUY | CMP INR 1,490 | TP INR 1,800

- Domestic: Key growth drivers include Pain, Cardiac, Dermatology. Price hike could be slightly higher in FY27E due to raw material inflation. 18-20 planned launches/line extensions in FY27E across divisions. Management expects 12% domestic branded growth in FY27E, with 1-2% contribution from new launches and balance from price/volume growth
- Unichem: Evaluating US institutional opportunities; 4-5 products undergoing technology transfer to third-party manufacturers. Now only 4-5% shipments are moving by air, with most shifted to sea freight. Increase in Unichem's other expenses during Q4 was primarily R&D-related. incurred INR 100-120 mn additional expenditure in Q4. Ireland manufacturing facility has been shut; production shifted back to India (closure benefits INR 400-500mn annually)
- US: IPCA currently markets 8 products in US and expects 6-8 commercialisations in FY27E. New US formulation facility under construction; commissioning targeted by Q4FY27E, with meaningful revenue contribution expected from FY28E. US API facility witnessing improved order inflow and expected operational improvement.
- Export formulations: Key growth drives include CIS markets, Franco African region. Strong generic performance was supported by Europe, Australia, NZ. Institutional business declined due to funding constraints faced by procurement agencies. Guidance of 12-13% growth YoY for export markets.
- API: Overall API margins have improved in FY26. Selling prices are being revised upward, enabling pass-through of most input cost inflation. Input costs currently running 10-12% higher than before.
- Other highlights: Onyx Scientific witnessing weaker demand environment but early signs of recovery. UK formulation subsidiary incurred losses due to weak pricing environment. Krebs bio-Nellore plant has become EBITDA positive. R&D spend at 3.7% of revenues in FY26. Freight costs increased ~25% in Q4FY26 and remain elevated. EBIDTA margin guidance of 22% in FY27E.

J.B. Chemicals & Pharmaceuticals (JBCP IN)

RATING BUY | **CMP** INR 2,135 | **TP** INR 2,400

- Domestic business grew 2% YoY in Q4FY26. The BGx business rose 8% despite the discontinuation of trade generics; for FY26, BGx grew 11% YoY. The chronic portfolio increased 19%. As part of the integration, the company optimized the distribution network and aligned sales practices. A return to double-digit branded growth is expected over the next few quarters. TRP's wider reach provides a strong opportunity to scale chronic and cardiac brands.

- CDMO business saw muted YoY growth in Q4FY26 due to a high base in Q4FY25; FY26 was flat YoY. Management expects growth to turn positive in FY27E. Priorities include faster execution of signed contracts, expanding product-development capacity, and increasing wallet share. Key drivers are new customer wins, geographic expansion with existing customers, and quicker commercialization. Existing customers include leading global OTC companies such as iNova, P&G, and Reckitt.

- International business: Performance remained weak in Q4FY26 due to shipment disruptions and inventory rationalisation. The Middle East and parts of Asia were affected by container constraints and geopolitical issues. Recovery is expected to be gradual, with normalization likely from Q2FY27E. Russia may see some rationalisation due to overlap with Torrent, while South Africa has minimal overlap.

- Integration & Synergies: Q1FY27E is likely to remain a transition quarter, with clearer normalization expected from Q2FY27E onwards. The merger is in its final stage and is expected to be completed within 1-2 months. The focus remains on improving the India branded mix and margin profile. Procurement synergies have been positive since April, while corporate overhead optimization and distribution integration should further support margins.

- Other highlights: One-offs, including ESOP charges, reduced Q4FY26 profit by INR 380mn. Net cash stood at INR 12bn. The field force is ~2,500 MRs.

Jindal Stainless (JDSL IN)

RATING ACCUMULATE | **CMP** INR 779 | **TP** INR 821

Guidance & Growth

- Sales volume growth for FY27 is guided at 7-9% YoY.

- EBITDA per ton for H1FY27 is guided at INR18,000-20,000, with a possible revision post H1.

- Sales volumes are targeted at 3.5mt by FY29, supported by ongoing expansions.

- Export share is expected at ~8-10% of total volumes in FY27.

- Indonesia melt shop utilisation is expected to reach 70-80% in FY27.

Margins & Cost Pressures

- EBITDA guidance reflects sharp increase in fuel and utility costs and high uncertainty.

- Industrial fuel costs (LPG, propane, gas, ammonia) have increased by ~2.5-3x. Cost pass-through remains partial due to import competition.

- RKEF (nickel) EBITDA stood at ~$3,000/t in Q4 vs through-cycle $500-1,500/t, highlighting volatility.

Capex & Expansion

- Capex for FY27 is guided at ~INR26bn.
- The company has commissioned a 1.2mtpa melt shop in Indonesia, taking total capacity to ~4.2mtpa.
- Strategy is to import slabs from Indonesia and process in India.
- Downstream expansions include: 1) 1.1mtpa HRAP line and 2) 0.17mtpa CRAP line
- Additional INR9bn capex planned for cold rolling expansion at Kharagpur.

Demand, Competition & Market Dynamics

- Domestic demand remains strong across auto, pipes, railways, metro, lifts and white goods.
- Metro-related demand is expected to grow 2–3x over the next 3–4 years.
- Export markets remain subdued due to global uncertainties.
- Suspension of QCO has led to increased inflow of substandard imports, impacting pricing.
- The company continues to maintain market share through cost competitiveness and product mix.

Strategy and Operations

- Indonesia investment strengthens nickel security and backward integration.
- Product mix for FY26: 200 series: ~37%, 300 series: ~46%, 400 series: ~18%, with gradual improvement expected
- Focus remains on EBITDA maximisation over volume/mix push.
- Fuel risk mitigation through: 1) Natural gas usage, 2) Coal gasification and 3) Green hydrogen adoption
- Renewable initiatives include a 315MW solar-wind hybrid project and 85%+ scrap usage.
- Expansion into defense and aerospace segments underway.

Jindal Steel (JINDALST IN)

RATING ACCUMULATE | CMP INR 1,223 | TP INR 1,289

Operational Highlights

- The company has guided for FY27 production volumes of 11.0-11.5mt and sales volumes of 10.5-11.0mt.
- Post commissioning of BF2, BOF2 and BOF3 at Angul, steelmaking capacity has increased to ~15.6mtpa, with ramp-up expected to complete by H1FY27, supporting volume growth.
- The company has guided for FY27 production volumes of 11.0–11.5mt and sales volumes of 10.5–11.0mt.
- The company continues to focus on capacity utilisation, with value-added mix expected to improve post ramp-up.
- Flat:long mix stood at ~52:48 in Q4FY26 (vs ~49:51 in FY26), with flat share expected to increase towards ~70% over time.

- Overseas operations: 1) Australia mine has been closed, with write-downs of INR8.34bn (consol.) and INR14.33bn (India); no further write-downs expected. 2) Mozambique remains EBITDA-positive, while South Africa is EBITDA-negative due to local issues.

Realisations & Costs

- Blended realizations increased by ~INR4,743/t QoQ in Q4FY26, driven by higher steel prices; current ASPs remain higher than Q4 levels.
- Coking coal prices increased by ~USD20/t in Q4FY26 and are expected to rise by USD20–25/t sequentially, while iron ore prices may increase by ~INR100–150/t at current levels.
- Start-up costs were ~INR1.25bn in Q4FY26 (vs ~INR15bn in Q3FY26), and are now largely behind, with no recurrence expected going forward.
- Realisations remain supported by a mix of spot and contract sales, with legacy contracts continuing in the near term.

Capex & Projects

- The company commissioned Sri Bhoomi Power Plant (2×525MW) and operationalized the coal pipe conveyor during the quarter.
- The slurry pipeline (Barbil–Angul; 192km, 18mtpa) is expected to be commissioned in Q1FY27, with expected cost savings of ~INR750–1,000/t, benefits to accrue gradually.
- FY26 capex stood at INR95.74bn out of total planned ~INR470bn, with ~INR114–115bn remaining.
- Going ahead, annual capex is guided at INR75–100bn, with focus shifting towards asset sweating.
- Jindal Paradip Port (25mtpa) is expected to be commissioned and ramped up in phases in FY27.
- The company has been declared the preferred bidder for the Thakurani A1 iron ore block, strengthening raw material security.
- Logistics improvements continue, with ~72/79 rakes procured, balance expected in next 2–3 months.

Other Highlights

- Consolidated net debt stood at INR160.19bn with Net Debt/EBITDA at 1.66x, with deleveraging expected from Q2FY27.
- Iron ore sourcing mix remained ~60% captive and 40% external, with prices largely stable.
- The company may sell excess power, though contribution to earnings is expected to be limited.

JK Cement (JKCE IN)

RATING ACCUMULATE | **CMP** INR 5,442 | **TP** INR 6,101

Demand, Volumes & Market Outlook

- Grey cement volumes are expected to grow in double digits in FY27, with mgmt. targeting at least ~2.5mt incremental volumes (possibly higher) vs industry demand growth guidance of ~6-8%.
- North India continues to operate at high utilisation levels, while utilisation for the expanded Central India capacity at ~65-70%.

- White cement volumes are expected to grow by ~8-10% in FY27 despite geopolitical disruptions in UAE operations.

Pricing, Costs & Operational Performance

- Cement prices were increased by ~INR10/bag during Apr-May'26, broadly offsetting recent input cost inflation.
- Fuel cost inflation for Q1FY27 is estimated at ~INR150-200/t due to higher imported fuel costs, while diesel price increases could further add ~INR50/t impact.
- Packaging cost pressures seen during Q4FY26 have largely moderated as supply-side constraints eased.
- Employee costs increased due to commissioning of new plants, reversal of salary capitalisation, annual increments, labour code-related provisions, and additional manpower hiring. Expects employee costs to increase ~12-14% YoY in FY27.
- Other expenses increased due to higher volumes, branding spends, packing costs and variable selling expenses. Additional branding spend of ~INR0.5–0.6bn is planned in FY27.
- Management expects another ~INR50/t cost savings in FY27, largely driven by higher green power share and increased AFR usage in North and South plants.
- Fuel mix during Q4FY26: Pet coke 50%, AFR 12%, balance domestic coal.
- Fuel cost stood at ~INR1.48/kcal during the quarter.
- Rail share stood at 8%, while blended cement ratio stood at 67%.
- Management expects lead distance to remain broadly stable despite expansion into newer markets.
- Green power share is expected to increase to ~55% in FY27 from 51% in FY26, supported by ~80MW projects under implementation.

Capex and Expansion

- FY27 capex guidance stands at ~INR35-40bn, while FY28 capex is guided at ~INR15-20bn (excluding future unapproved expansions).
- Management highlighted ~INR0.3bn savings in the Panna project cost versus the original estimate.
- JKCE remains committed to its long-term roadmap of reaching ~50mtpa capacity by FY30.
- Discarded certain old thermal power assets in grey and white cement operations, which are expected to be sold as scrap, as the focus shifts toward green power.

White Cement, Paints & Value-Added Products

- White cement and wall putty prices were increased to offset higher chemical/input costs.
- Management indicated that white cement profitability pressures from competition are unlikely to worsen materially going ahead.
- Paint business revenue stood at ~INR3.8bn in FY26 with EBITDA losses of ~INR0.4bn.

- Paint business revenue is expected to grow to ~INR5-5.5bn in FY27 with EBITDA breakeven targeted during the year.

Others

- Incentives accrued during Q4FY26 stood at ~INR0.29bn, while FY26 incentives stood at ~INR2.3bn.
- Expects incentives to increase to ~INR2.5–2.6bn in FY27, aided by upcoming approvals for Bihar and other grinding units. Outstanding incentive receivables stood at ~INR3bn as of Mar'26.
- Domestic white cement demand is currently being serviced through the Gotan plant, replacing supplies earlier routed from UAE for select southern markets.
- Recently acquired limestone resources in Telangana (~500mt reserves) could support the next phase of expansion beyond the current FY30 roadmap.
- No immediate expansion plans have been finalised for Odisha or Saifco.

JK Lakshmi Cement (JKLC IN)

RATING BUY | **CMP** INR 620 | **TP** INR 765

Industry Demand & Outlook

- Demand remained strong during Dec'25-Feb'26 (~8-10% growth), but moderated in March (~5%) due to weak sentiment amid Middle East conflict. Q4FY26 demand growth stood at ~6-6.5% YoY.
- **Industry added a record ~64mt capacity in FY26, taking effective installed capacity to ~712mt. Major additions were in East, North, South and Central India, while pan-India utilisation remained low at ~69%. FY27 capacity additions are expected at ~45-50mt.**
- Pet coke prices increased ~40% QoQ to ~USD160/t, while imported coal prices rose ~30% QoQ.
- Management expects FY27 cement demand growth at ~5.5-6.5% and expects to outperform industry growth.
- Energy costs are expected to increase by ~INR300/t and packaging costs by ~INR80-100/t over the coming quarters if geopolitical tensions persist.

Demand, Pricing & Costs

- April demand remained healthy, while May was initially sluggish due to labour migration during elections and geopolitical uncertainty. Demand improved from mid-May onwards.
- Trade and non-trade prices increased across regions, though hikes remain insufficient to fully offset cost inflation.
- JKLC's NSR improvement lagged peers due to weaker pricing in Gujarat and Chhattisgarh/East markets.
- Fuel cost stood at ~INR1.54/mcal in Q4FY26 and is expected to rise further despite fuel mix optimisation efforts.
- Management expects Q1FY27 cost inflation of ~INR120-130/t, while the full impact of higher energy and packaging costs could play out over the next 2 quarters.

- Petrol and diesel price hikes are expected to increase logistics costs (~INR15-16/t impact for every ~INR4/litre increase in diesel prices).
- The company is mitigating cost pressures through fuel mix optimisation, higher renewable energy usage and operational efficiencies.
- Renewable energy contribution reached ~46%; management expects the EBITDA gap with larger peers to narrow further through operational efficiencies, AI/ML deployment and logistics optimisation.

Capacity Expansion & Growth Plans

- Current operational cement capacity stands at ~18mt, with FY26 utilisation at ~73%.
- Management reiterated its target of reaching ~30mt capacity by 2030 and remains confident of growing faster than industry in FY27.
- Surat GU utilisation has crossed ~60% and is expected to ramp up further, while Udaipur and Cuttack also provide growth headroom.
- Durg clinker unit along with associated GUs is expected to commission by end-FY28. Northeast expansion is expected ~1 year later, followed by Kutch and then Nagaur.
- Kutch project may be prioritised ahead of Nagaur due to land acquisition and regulatory issues at Nagaur.
- Company secured 2 limestone mines in Northeast with reserves of ~250mt after cancellation of the earlier AMDC-linked arrangement.
- FY27 capex guidance stands at ~INR15-17bn, while FY28 capex is expected at ~INR20bn. No new cement capacity additions are planned in FY27.
- The company has already spent ~INR5bn on expansion projects including railway siding investments.
- Management expects debt to peak in FY27-FY28 before moderating with EBITDA contribution from upcoming expansions.

Operational

- FY26 clinker sales stood at 0.75mt, while Q4FY26 clinker production and sales was ~2.47mt and ~0.22mt.
- Management indicated sufficient clinker availability to support growth beyond ~14mt sales through higher blended cement mix (~65% vs ~62%), improved clinker utilisation (~97-98% vs ~94%) and lower clinker sales.
- Blended cement ratio stood at ~62% in Q4FY26 and FY26.
- Power cost stood at ~INR5.79/unit, while CC ratio stood at ~1.44x in Q4FY26.
- TSR Phase-1 at Sirohi has been completed, while Phase-2 remains pending due to limited alternative fuel availability.

Others

- Non-cement revenue stood at ~INR1.69bn in Q4FY26, of which RMC revenue was ~INR0.82bn. AAC block revenue stood at ~INR0.59bn, while non-cement EBITDA margin stood at ~4%.

- JKLC has started piloting adjacent building material products such as TMT steel through partnerships. Management clarified it is not entering manufacturing and is only leveraging distribution reach and brand strength.
- Strategy remains focused on expanding into adjacent building material categories over time.
- The company completed settlement of liabilities related to the earlier off-market acquisition. Total transaction consideration stood at ~INR0.19bn along with takeover of liabilities, of which ~INR0.125bn liabilities were settled in Mar'26. Out of the total consideration, ~INR0.015bn has been paid towards share acquisition, while ~INR0.035bn has been infused as capital. Remaining payment towards non-compete fees is expected upon closure of the transaction during the current quarter.

Jubilant FoodWorks (JUBI IN)

RATING BUY | **CMP** INR 473 | **TP** INR 576

- Management has guided 5-7% LFL growth for FY27 with 1QFY27 to be better than 4QFY26
- QTD in 1QFY27 delivery order volumes were strong with green shoots of sequential recovery.
- Specific geographies witnessed temporary LPG supply issues in March which led to 30-40bps impact on LFL growth for 4QFY26.
- LPG constraints are normalized from 1QFY27 to pre disruption levels
- The company has taken a price hike of 1.2% in 4QFY26 to offset energy cost inflation and converting LPG outlets to electric expense
- Management has guided annual capex of Rs. 7.5 – 9bn in coming years
- For FY27 the company has guided ~300 annual store openings with higher Popeyes store openings
- Short term margin pressure due to inflation in energy (100-120bps impact from LPG/PNG) and labour costs (minimum wage increases, labour code) with 200bps margin improvement guidance intact
- To gain market share, minimum order value has been reduced from Rs.149 to Rs.99, which led to decrease in average ticket size
- Gross margin saw an uptick in 4QFY26 due to calibrated price hike (Volcano Pizza), cost reduction and launch of premium products (Sourdough Pizza, Big 6-1 Pizza).

Jubilant Ingrevia (JUBLINGR IN)

RATING REDUCE | **CMP** INR 697 | **TP** INR 647

- Management expecting sequential growth in revenue and EBITDA in Q1FY27.
- Expect 20% growth in EBITDA YoY.
- FY27 capex guidance of Rs4-5bn.
- The company has secured 20+ confirmed molecules with a revenue potential of ~Rs15bn, while an additional 10+ advanced-stage molecules are expected to contribute ~Rs11bn at peak revenues.
- Management expect a robust opportunity pipeline comprising 100+ molecules with an estimated revenue potential of ~Rs34bn.

- In Specialty Chemicals Business Pharma segment continues to drive growth, Agrochem also witnessed strong growth in second half of Q4FY26.
- In Q4 Pyridine and derivatives showed strong volume growth.
- Prices for Pyridine hover between $2.5-3.5, currently pyridine prices are at rock bottom level.
- $300mn Agro CDMO project commissioned in March'26, in FY27 this segment is expected to be growth driver.
- In Nutrition and Health Business growth was led by Niacinamide.
- Exports of Choline to Europe increased during the quarter.
- In Chemical Intermediates Business rising acetic acid prices led to increase in prices for key products.
- Domestic volumes for chemical intermediate segment were driven by strong agrochemical and paracetamol demand.
- Construction of new MPP in Gajraula is on track will drive CDMO growth.
- Net debt reduced by 11% in FY26.

Jupiter Life Line Hospitals (JLHL IN)

RATING BUY | CMP INR 1,331 | TP INR 1,600

- **Bed expansion plan:** The company continues to be on track to achieve 2,900 bed capacity by adding ~1,700 beds across four greenfield hospitals Dombivli, Pune South, Mira Road, and BKC in western India over the next 4-5 years. Dombivli unit's phase-wise commissioning of the 500-bed facility is underway, with ~200 beds currently operational and fit-outs completed for an additional 100 beds. Pune South remains on track for CY28 commissioning, while Mira Road has completed architectural planning, with excavation expected by FY27 end.
- **Capex:** The company incurred ~INR5bn of capex in FY26, largely towards Dombivli construction, BKC land acquisition, and initial development spend for Pune South and Mira Road. Mgmt guided for entire announced expansion pipeline, including BKC, to be funded through a combination of internal accruals over the next 4–5 years and incremental debt within this threshold without equity dilution. For BKC, ~25% of the land consideration has already been paid, with the balance scheduled for FY27E.
- **Dombivli unit:** Management has guided for an EBITDA burn of ~INR 20–30mn per month through FY27, with EBITDA break-even targeted within ~2 years of operations (CY28/Q4 FY28). Insurance empanelment is expected over the next 6–12 months post NABH accreditation, while doctor hiring and team build-out will continue during the ramp-up phase, leading to incremental fixed-cost additions. We have factored in INR300mn EBIDTA loss in FY27 and positive EBITDA of INR120mn in FY28.
- **Thane unit:** This is operating at ~75% occupancy in FY26 and nearing full utilisation at current capacity levels. Management expects future growth to be largely inflation-led rather than volume-driven. Meanwhile, approvals for an additional floor are under process, with final clearances expected within FY27.
- **Pune Unit:** Pune is operating at ~65% occupancy. Management expects the unit's growth over the next two years to be driven by a combination of occupancy ramp-up and tariff increases.

- **Indore unit:** Indore is operating at ~45–50% occupancy post FY25 capacity addition. The next 111-bed addition will be after occupancy crosses ~60%. Over the next 2–3 years, growth will be driven by occupancy improvement, case mix enhancement, and tariff inflation. We believe Indore unit currently enjoys 14-15% OPM with scope of improvement as occupancy ramps up.

- Net cash: Gross debt stood at ~INR 5bn against cash on hand of ~INR 5.45bn, implying a net cash position of ~INR 450mn.

JSW Cement (JSWCEMEN IN)

RATING ACCUMULATE | CMP INR 127 | TP INR 142

Demand, Pricing & Volumes

- GGBS volumes were impacted during Jan-Feb'26 due to temporary slag availability issues at the Dolvi unit, leading to rerouting of supplies from Vijayanagar. Around 0.12mt volumes were impacted.

- Pollution-led closure of some RMC sites in West India impacted dispatches. Mgmt. indicated recovery started from Mar'26 and volumes improved further from mid-May onwards.

- Demand in Apr'26 remained soft due to inflationary pressures, labour shortages and elections in Tamil Nadu, Kerala and West Bengal. Mgmt. highlighted demand improved in May.

- Expects FY27 cement volume growth in mid-to-high teens excl. North India.

- Mgmt. targets GGBS volumes of ~6.5-7mt in FY27.

Costs & Margins

- Freight costs increased due to higher lead distance after GGBS dispatch realignment from Vijayanagar to West markets.

- Forex loss due to rupee depreciation stood at INR135mn during Q4FY26.

- Incurred ~INR230mn towards branding, manpower and market development expenses for North India operations, which were expensed out and not capitalised.

- Cost-saving initiatives remain on track with >50% of targeted savings already achieved. Mgmt. expects additional savings of ~INR100/t in FY27, driven by renewable energy, logistics and premiumisation initiatives, while the balance savings are expected in FY28.

- RE share is targeted to increase to ~63% from current ~25%.

Capex & Expansion

- Nagaur IU (3.3mtpa clinker + 2.5mtpa grinding) commenced commercial production in Mar'26. Mgmt. highlighted encouraging response from dealers and customers in Rajasthan and Haryana.

- Additional 1mtpa GU and WHRS at Nagaur are expected to be commissioned in the next few months. Further, the board approved another 2.5mtpa GU at Nagaur with capex of INR4.3bn, targeted for commissioning by Q4FY28.

- Delay in EC at Mansa, Punjab led the company to prioritise incremental grinding expansion at Nagaur. Mgmt. indicated Punjab timelines could get further delayed due to upcoming state elections.

- FY27/FY28 capex guidance stands at INR23bn/INR22bn respectively. Capex incurred during Q4FY26 and FY26 stood at INR5.06bn and INR19.62bn respectively.
- Rajasthan project capex incurred till date stands at ~INR24bn against total expected project cost of ~INR35bn, excl. recently approved INR4.3bn grinding expansion.
- Mgmt. reiterated broader capacity expansion guidance remains intact, with grinding capacity targeted at ~46mtpa over the long term.

Raw Material

- FY26 clinker production stood at 3.74mt, while the Fujairah JV produced 2.62mt clinker. Out of total 2.59mt clinker sold from the JV, ~2mt was sold in GCC markets while the balance was supplied to India operations.
- Mgmt. highlighted that current 6mt grinding capacity planned at Nagaur will fully utilise the existing 3.3mt clinker line. Once Punjab approvals are received, the company may evaluate setting up a second clinker line at Rajasthan.
- JSWCEMEN has >600mt limestone reserves with sufficient land and approvals for future clinker expansions.
- Slag pricing remains governed by long-term contracts and is not directly linked to steel prices.
- Mgmt. highlighted landed slag cost from China to UAE currently stands at ~$36-37/t, while freight costs remain elevated at ~$32-34/t.

Others

- Around 25% dealers in Rajasthan and Haryana are exclusive dealers, while the balance are multi-brand dealers. The company is yet to meaningfully leverage JSW Steel and JSW Paints dealer network in North India.
- Premium products contribution stood at 52% during the quarter.

JSW Energy (JSW IN)

RATING BUY | **CMP** INR 557 | **TP** INR 644

- India's power demand growth moderated to 0.9% in FY26 due to an extended monsoon season, marking the weakest growth in five years. However, recovery was visible in Q4 and has continued into FY27. Management expects long-term demand to grow at a 5–6% CAGR, supported by industrialization, urbanization, EV penetration, and data center expansion.
- The company delivered a significant scale-up in FY26, adding 2.6 GW of capacity and reaching a total installed base of 13.45 GW. This drove a 58% YoY increase in generation and resulted in a record EBITDA of INR 110.4 bn. The performance highlights strong execution of Strategy 3.0 and improving operating leverage.
- FY26 marked a structural shift in India's energy mix, with non-fossil sources exceeding 50% of installed capacity for the first time. Of the 64.9 GW added during the year, ~78% came from renewable energy. This reflects strong policy support and reinforces the long-term transition toward clean energy and energy security.

- Capacity additions were evenly split between acquisitions and greenfield projects, including the integration of the 4.7 GW O2 Power platform. The KSK Mahanadi asset also contributed meaningfully, with operational improvements and efficiency gains. This dual strategy enhances diversification and supports scalable growth across thermal and renewable segments.

- The company has ~14 GW of projects under construction, all tied up under long-term PPAs, providing strong earnings visibility. Additionally, a 4.6 GW pipeline with secured LOIs supports future growth. Total locked-in capacity stands at 32.1 GW, keeping the company on track to achieve its 30 GW target by 2030.

- Energy storage is a key strategic pillar, with 29.6 GWh of locked-in capacity, including both battery and pumped storage projects. The commissioning of a 5 GWh battery assembly facility strengthens vertical integration and positions the company to meet future domestic manufacturing requirements. This enhances grid stability capabilities and renewable integration.

- Q4 FY26 generation increased 48% YoY, supported by a 68% rise in renewable generation. Thermal assets also performed strongly, with PLFs above national averages, driven by improved fuel sourcing and operational efficiencies. These factors contributed to stronger margins and improved asset-level profitability.

- Power curtailment due to evacuation constraints resulted in a limited financial impact, with annual losses of ~INR 0.5 bn. A large portion of curtailed generation was compensated under contractual arrangements. Management expects these constraints to ease with new transmission infrastructure by mid-FY27, reducing future curtailment risks.

- Q4 revenue grew 39% YoY to ~INR 48.5 bn, while EBITDA increased 72% YoY to INR 26.0 bn. Net debt-to-EBITDA remains within guided levels at ~5.2x despite ongoing capex. The cost of debt declined to ~8.36%, and liquidity remains strong with cash balances exceeding INR 100 bn, supporting future expansion.

- FY27 is expected to be a year of strong earnings growth, driven by full-year contributions from recently commissioned assets. The company plans to add ~3 GW of capacity with capex of ~INR 200 bn. Improving power demand and peak load growth provide favorable tailwinds, supporting long-term targets of 30 GW capacity and 40 GWh storage by 2030.

JSW Infrastructure (JSWINFRA IN)

RATING BUY | **CMP** INR 284 | **TP** INR 342

Ports:

- Operating environment remained volatile amid geopolitical tensions, impacting Fujairah operations and cargo deferments due to lower vessel availability and higher freight costs. Operations improved from Apr'26 onwards.

- Ports realizations improved due to price hikes at South-West Port, Ennore terminals and Mangalore Container Terminal (effective Jan'26), along with higher ancillary income from storage and transportation services.

- H-Energy (energy arm of Hiranandani group) contributed ~INR0.75bn revenue in Q4FY26 under a take-or-pay agreement linked to LPG terminal usage at Jaigarh; this remains a recurring Q4 income stream.

- Management indicated EBITDA could have been higher by ~INR0.3-0.32bn without Fujairah disruptions and cargo deferments at Indian ports.

- Additional EBITDA support in Q4FY26 came from storage income and ~INR0.17bn forex gains.

- Dolvi steel expansion from 10mtpa to 15mtpa is expected to drive cargo growth at Dharamtar from ~24mmt to ~38mmt and at Jaigarh from ~21mmt to ~33-34mmt.
- Jatadhar cargo will initially remain captive-led, focused on iron ore and pellets, though ~25% third-party cargo handling is permitted subject to approvals.
- Fujairah operations are expected to partially recommence from Jun'26, with ~50% capacity likely to resume initially, excluding the three damaged tanks.
- Oman port concession agreement remains under discussion. Management highlighted strategic importance of ports outside the Strait of Hormuz, including Fujairah, Dibba and Oman.
- Management will continue to target ~25% CAGR growth beyond FY30, supported by steel capacity expansions, brownfield expansions and major port privatization opportunities.
- Greenfield projects target post-tax IRRs of ~16%, while brownfield projects target ~20-21%

Logistics:

- Navkar CU improved to 56% in FY26 from 44% in FY25, while Q4FY26 utilisation stood at 60%. Targeted to increase to ~75-80% over the next 2-3 years.
- Higher logistics EBITDA was driven by improved Navkar utilisation along with ~INR0.25bn EBITDA contribution from the rail rakes business, which operated for two months during Q4FY26.
- Acquisition of 25 rail rakes completed in Feb'26, providing immediate access to GPWIS and LSFTO schemes along with long-term operating licenses.
- Additional order placed for 40 rakes, while management targets expansion to ~250 rakes over the next 2-3 years.
- FY27 EBITDA guidance from the existing rail rakes stands at ~INR1.5bn. FY28 logistics EBITDA guidance of INR7bn is expected to be driven by Navkar, rail rakes business, Gati Shakti terminals and ICD assets.
- Gati Shakti Multimodal Cargo Terminal at Arakkonam, Chennai commissioned and commercial operations commenced from Apr'26. Logistics EBITDA margins are expected in the ~20-25% range over the medium term.
- Management indicated continued evaluation of acquisitions in the logistics space alongside greenfield, brownfield and M&A opportunities.

Guidance / Capex:

- Management maintained FY27 and FY28 EBITDA guidance despite Fujairah disruptions, supported by higher thermal coal demand under El Niño conditions, debottlenecking at Ennore, and ramp-up at Kolkata Container Terminal.
- Cons. EBITDA is expected to grow ~15% to INR30bn in FY27 and nearly double from FY26 base to ~INR50bn in FY28.
- Revenue and EBITDA CAGR between FY26-FY28 are expected at ~42% and ~39%, respectively.
- Cumulative capex outflow on ongoing projects and acquisitions stands at ~INR62bn. Additionally, INR53bn of capex commitments have already been placed towards machinery, long lead items and civil works across ports and logistics projects.

- Combined capex for FY27 and FY28 is guided at INR165bn (higher by INR30bn), with ~INR130bn for ports and ~INR35bn for logistics. ~40% of capex is expected in FY27 and ~60% in FY28.

Others:

- INR0.68bn provision created towards Fujairah damage; insurance claims have been filed and management remains positive on claim admissibility. Loss of profit insurance coverage is also available.
- Dollar denominated revenue stood at ~$84mn in FY26.
- ESOP expense stood at ~INR0.23bn in FY26 versus INR0.63bn in FY25; FY27 ESOP expense expected at ~INR0.05bn.
- Net debt stood at INR31bn with net debt/EBITDA at 1.2x, providing headroom for future growth and acquisitions.

JSW Steel (JSTL IN)

RATING ACCUMULATE | **CMP** INR 1,297 | **TP** INR 1,381

Demand and Outlook

- Domestic steel demand is expected to grow at 7-9% in FY27, translating into incremental demand of ~12-14mt.
- Mgmt. highlighted ~50% of incremental steel demand is expected to be HRC/flat steel.
- Infrastructure, construction, renewable energy, automotive and manufacturing sectors continue to remain key demand drivers.
- Automotive demand remained particularly strong during FY26 with healthy capacity additions by OEMs.
- Mgmt. expects domestic demand growth to continue outpacing capacity additions over medium term.
- FY27 consolidated steel production guidance stands at 29.75mt (13% YoY), while sales guidance stands at 28.6mt (10% YoY).

Pricing and Costs

- NSR increased by ~INR3,800/t QoQ in Q4FY26 due to steel price recovery. Remaining benefit is expected to flow through in Q1FY27.
- Flat steel prices were increased by INR2,000/t in Apr'26 and another INR1,000/t in May'26.
- Automotive contract prices are expected to reset higher in Q1FY27.
- Management expects coking coal costs to rise by $12-15/t in Q1FY27 after $16/t increase in Q4FY26.
- Iron ore costs remained broadly flattish in Q4FY26 but are expected to rise modestly in Q1FY27.
- Overall cost increase of ~INR3,000/t is expected in Q1FY27, though margins are expected to remain positive after price hikes.
- Iron ore consumption stands at ~1.8-1.9t per tonne of steel, while coking coal consumption stands at ~700kg/t of steel (~900-950kg including all coal variants).

- Iron ore and coking coal together account for ~60% of total raw material costs.
- Exposure to gas-linked production remains limited (~5-6% of production volumes), though higher LNG/LPG prices may impact costs.
- Sea freight, exchange rate movement and flux prices are also expected to increase costs in Q1FY27.

Expansion

- JSW Steel completed transfer of the BPSL business into a 50:50 JV with JFE Steel through JSW JFE Steel Ltd. 1st tranche of INR78.8bn was received in Mar'26, while 2nd tranche is expected by Jun'26. Transaction resulted in deleveraging of ~INR295bn, with further deleveraging of ~INR78.8bn expected post second tranche.
- Announced a 50:50 JV with POSCO to set up a 6mtpa integrated steel plant at Dhenkanal, Odisha.
- Increased India capacity target from 50mtpa by FY31 to 62mtpa by FY32 through existing sites. Including JFE and POSCO JVs, India capacity target stands at 78mtpa by FY32, while including Ohio operations total global capacity would be ~80mtpa.
- Announced 5mtpa brownfield expansion at Vijayanagar with capex of INR260bn, taking Vijayanagar capacity to ~25mtpa by FY30.
- Dolvi Phase-III expansion from 10mtpa to 15mtpa remains on track for Sep'27 commissioning.
- Kadapa 1mtpa EAF and structural mill project remains on track for FY29 commissioning; structural mill will manufacture beams/sections.
- JSW Utkal Phase-I 5mtpa steel plant remains on track for FY30 commissioning.
- At Odisha, two 8mtpa pellet plants are expected to be commissioned by FY28.
- 30mtpa slurry pipeline project in Odisha is progressing well and expected to be commissioned by FY27.
- Company is adding ~3mtpa downstream/value-added capacities across galvanised steel, electrical steel, tinplate, CR and structural products during FY28-FY29.
- Acquired BMM Ispat (~0.9mtpa long steel facility near Vijayanagar) with potential to expand capacity to ~1.8mtpa at low capital intensity. Company expects ~0.8mt sales from BMM in FY27.
- Management highlighted FY30 standalone JSW Steel capacity would be ~49mtpa, while including JVs and Ohio operations capacity would be ~55mtpa.
- Commissioned 1GW RE capacity during FY26, further board has approved total RE capacity of 2.5GW along with 320MW battery storage.
- Company commissioned India's first electric locomotive for captive logistics at Vijayanagar.

Capex and Balance Sheet

- Consolidated capex stood at INR46.1bn in Q4FY26 and INR156bn in FY26. FY27 capex guidance stands at INR220-240bn.
- Approved growth capex pipeline stands at INR1,260bn over next 4-5 years. Management indicated another ~INR1,000bn capex could be required till FY33 for additional expansions, mining and JV projects.

- Annual capex run-rate could rise to ~INR300-350bn over coming years.
- Future JV investments would largely be through equity contribution.
- Net debt reduced to INR538.7bn as of Mar'26, while leverage reduced to 1.81x post BPSL transaction.
- Mgmt. revised maximum leverage threshold from 3.75x to 3.0x and gearing threshold from 1.75x to 1.25x. Comfortable leverage level indicated below 2.5x.
- Mgmt. expects incremental EBITDA generation from Vijayanagar BF-3 ramp-up and Dolvi expansion to support future capex without significant balance sheet stress.
- Vijayanagar BF-3 expansion from 3mtpa to 4.5mtpa is under testing and commissioning; ramp-up expected from Q2FY27 onwards

Raw Material / Mining

- Completed acquisition of MDR high-grade coking coal mine in Mozambique.
- Increased effective stake in Illawarra coking coal mine from 20% to 30%.
- Operationalised one new iron ore mine in Goa and secured another mine recently. Two additional Goa mines are expected to commence operations by Q1FY28.
- Out of 25 iron ore mines, 13 mines are operational while remaining mines are under development/exploration.
- Total iron ore reserves stand at ~1.7bn tonnes.
- Company reiterated target of 50% captive iron ore and 50% captive coking coal by FY31. Earlier coking coal target was 25%, which has now increased post MDR acquisition.
- Mozambique mine has potential reserves of ~250mt usable high-grade coking coal. Phase-I is expected to produce ~5mtpa usable coking coal by CY28.
- Including Illawarra and Indian assets, company expects ~10mt captive coking coal availability by FY31.
- Netrabandha 2mtpa iron ore mine under JV structure is being commissioned.

Operational Highlights

- Downstream utilisation stood at 95% in Q4FY26. Branded sales constituted ~50% of total retail sales.
- Company reduced inventory by ~0.7mt during Q4FY26.
- Management highlighted Vijayanagar and Dolvi ramp-up together could generate incremental EBITDA of INR80-100bn over time.
- Value-added steel share is expected to remain above 50%.
- Mgmt. reiterated focus on low-carbon steel production through DRI, natural gas and renewable-energy-based projects.
- Scrap-based steelmaking capacity continues to increase; currently ~1/3rd of production is EAF-based.

- Company is also setting up scrap processing facilities across regions to improve scrap availability and recycling.

Subsidiaries / Overseas Operations

- Ohio operations were impacted in Q4FY26 due to shutdowns for caster upgrades and severe weather conditions.
- US operations turned EBITDA positive at $36mn in FY26 versus EBITDA loss of $35mn in FY25.
- Baytown upgrade is expected to be completed by Q2FY27.
- Management expects improved profitability in US operations due to higher-grade steel capability and improved utilisation.
- Italy operations reported EBITDA of EUR16.4mn in FY26 and are expected to improve further in FY27 due to better sales volumes and product mix.
- EBITDA at Plate & Pipe mill improved QoQ due to better plate realisations and higher pipe sales volumes.

Other Highlights

- Exceptional gain of INR178.9bn in Q4FY26 primarily related to BPSL slump sale transaction.
- Revenue acceptances stood at $2.1bn.
- BPSL transaction benefits from carry-forward losses, resulting in lower effective tax incidence.
- Management reiterated steel demand elasticity remains at ~1.3x GDP growth.
- Paradip facility, being port-based, is expected to naturally cater to export markets.

Kajaria Ceramics (KJC IN)

RATING ACCUMULATE | CMP INR 1,188 | TP INR 1,323

- Q4FY26 production declined by ~7% due to Morbi shutdowns, while revenue grew ~12%, leading to a drawdown in finished goods inventory.
- Fuel costs as a % of sales declined in Q4FY26 due to lower production and higher sales, although fuel cost per sq. meter increased
- The company implemented price hikes of ~12-13% in the North, while Morbi saw higher increases of ~16–17% due to elevated gas costs
- Gas prices in Q4FY26 stood at INR 55.5/SEM (North), INR 49.6 (South) and INR 46.6 (West), which have increased to INR 62.5, INR 81 and INR 79, respectively, in Apr'26.
- Morbi players are facing ~35-40% cost inflation due to higher gas prices, leading to product price increases from ~INR 20 to INR 27-28/sq ft, while Kajaria's hikes are relatively lower given its already higher base pricing.
- Outsourcing is expected to reach ~40mn square meters In FY27.
- Working capital cycle improved by 14 days to 51 days as on Mar'26 (vs 65 days in Dec'25), driven by lower inventory and receivables.

- The company plans to increase ad spends in FY27 by ~40-50% over the INR 0.9-1.0bn spent in FY26.

Kalpataru Projects International (KPIL IN)

RATING BUY | **CMP** INR 1,258 | **TP** INR 1,466

- **Guidance:** The company expects order inflows to exceed INR300bn in FY27, with contributions broadly split 1/3rd from T&D, 1/3rd from B&F, and remaining 1/3rd across Smart Infra, O&G, and international water businesses. It anticipates 15%+ revenue growth supported by strong profitability, alongside PBT margin expansion of ~75bps at the consolidated level and ~100bps in the standalone business, driven by improved segmental margins and savings from a leaner balance sheet.

- **Order inflow grew by 31.2% YoY to INR69.4bn** led by T&D and B&F. Management highlighted strong tendering momentum across T&D, B&F, Oil & Gas, and Urban Infra, with FY27 inflows of INR18.3bn to date and L1 projects of ~INR32bn, entirely driven by T&D and B&F. Management remains optimistic on T&D amid a INR1.0trn + tender pipeline, alongside strong opportunities in commercial real estate, airports, data centers, O&G in the Middle East, and metro projects. H1FY27 order inflows are expected to be led by T&D and B&F, while H2FY27 is likely to be driven by Smart Infra, O&G, and international water.

- **Standalone T&D revenue growth was lower during Q4 due to disruptions from west asia war.** The company indicated that supply chain disruptions continue to persist, while order finalization delays pushed certain large L1 positions into FY27. Management expects order intake of ~INR150bn, supported by a strategic focus on large-ticket, higher-margin projects such as design-build and solar orders. It anticipates sustaining double-digit margins and delivering 20%+ growth in FY27.

- **B&F** reported strong revenue growth driven by strong execution and an improved market position, supported by key order wins. With nearly 50% of the portfolio now shifted to higher-value design-build projects, the segment maintains a strong order book of INR182.9bn and continues to see traction across residential buildings, data centers, airports, and industrial facilities. Management expects double-digit margins to sustain and anticipates 20%+ growth in FY27.

- **Oil & Gas** revenue growth was driven by strong execution of the Saudi project, while management expects significant order tendering opportunities from the Middle East in FY27. The segment is expected to sustain double-digit margins and deliver 20%+ growth in FY27.

- **The Water business** reported muted revenue due to lower collections from JJM projects, although collections have started improving and are expected to strengthen further going ahead. Management remains cautious on the domestic market amid slow JJM 2.0 tendering, while international opportunities are gaining traction. The company has collected ~INR18bn against investments of ~INR25bn, including ~INR1bn from Uttar Pradesh in April, though Jharkhand collections remain slow. Outstanding receivables stand at ~INR16bn and are expected to be recovered in H1FY27.

- **Urban Infra** revenue growth was driven by strong execution of metro rail projects, while management highlighted robust opportunity traction across roads & highways, elevated and underground metro rail, tunnelling works, and flyovers.

- **Railways business** revenue was supported by a focused approach toward project closures, while management remains cautious and selective in pursuing new order inflows in the segment.

- During the quarter, **KPIL lost revenue between INR2.0-2.5bn due to supply chain disruptions and execution challenges** amid Middle East conflict.

- Going ahead, management believes that **managing the geopolitical uncertainty coupled with labour unavailability and supply chain disruptions** could be the biggest headwinds.

Kansai Nerolac Paints (KNPL IN)

RATING ACCUMULATE | **CMP** INR 202 | **TP** INR 248

- Demand remained resilient through Q4, KNPL expects momentum to sustain in the near term led by healthy auto demand and sustained recovery in decorative
- Overall volume grew by high-single digits in Q4, auto segment saw double-digit growth, while powder coatings grew mid-single digits
- Competitive intensity continues to remain high with price hike being taken by all the players including regional ones
- KNPL gained overall market share, driven by stronger performance in Tier-2 & Tier-3 markets
- KNPL may undertake further price hikes in case of sustained crude-led inflationary pressures
- Decorative segment continues to witness recovery with healthy demand traction
- Project business contribution stood at ~10% of total revenue
- 2 Wheelers, 3 Wheelers, Commercial Vehicle & Tractors witnessed strong double-digit growth in 4QFY26
- Company reiterated EBITDA margin guidance of 13–14% over near to medium term
- Industrial segment capacity utilization remains at ~70–75%
- KNPL implemented staggered price hikes (low-teens) in the decorative segment during Q4 with 2/ 5-6/5-6/5-6% in March/April/May respectively
- In the industrial segment, price increases have been granted in auto, with negotiations being slightly delayed but new prices for channel sales were effective mid-April.
- New pricing in the industrial segment became effective from mid-April

Kaynes Technology India (KAYNES IN)

RATING ACCUMULATE | **CMP** INR 3,337 | **TP** INR 3,506

- **Guidance & Outlook:** Management has refrained from providing absolute revenue guidance for FY27; however, it expects the company to grow at nearly 2x the EMS industry growth rate of ~15–16%, driven by deeper customer penetration, diversification across business verticals and new product additions.
- The FY26 guidance miss was primarily driven by delays in government projects, geopolitical disruptions, supply-chain challenges and weakness in a key EV customer account.
- Management indicated that the negative operating cash flow situation has likely peaked and expects ~70–80% normalization over the next three quarters.
- **Smart Metering Segment:** The smart metering subsidiary reported FY26 revenue of ~INR9.7bn (~24% of consolidated revenue), while receivables increased to ~INR13.7bn due to delays in installation and commissioning in rural government projects; additionally, receivables securitization remained slower than expected, with only ~INR0.4bn securitized during the quarter versus earlier expectations of ~INR2.5bn.

- KAYNES is currently executing ~3.5mn smart meter orders, with pending execution expected to be completed over the next 2–3 quarters. Going forward, the company plans to avoid large turnkey metering contracts and instead focus on supplying meters and EMS components, while execution activities will be handled by SPVs or project partners.

- Management is also accelerating installations and receivables securitization to improve collections and reduce working capital stress.

- **Aerospace & Defence:** Management indicated that the aerospace and defence business witnessed strong momentum during FY26 and is expected to sustain growth in FY27, supported by increasing penetration into high-value applications, new product introductions and higher-value assemblies.

- **Railways:** The Kavach railway products have received initial approvals and trial orders, while field surveys and execution activities are currently underway. Major approvals are expected to be completed in H1FY27, with larger-scale execution likely in H2FY27. The company is also developing additional railway products for global OEMs and expects the railway business to grow ~20–25% in FY27, with margins remaining above 30%.

- **OSAT & PCB:** The OSAT Unit-1 is fully operational, while OSAT Unit-2 is expected to be commercialized by Q2FY27. The OSAT business currently has revenue visibility of over INR 25bn over the next five years, while PCB demand visibility remains strong with customers already seeking additional capacity.

- For FY27, management expects PCB revenues of ~INR3–4bn and OSAT revenues of ~INR2.5–3bn. Initially, the OSAT business will largely cater to export and third-party customers, while both OSAT and PCB operations are expected to function as strategic integrated capabilities within KAYNES broader product ecosystem.

- **Other Highlights:** Intangible assets increased by ~INR3bn YoY primarily due to the acquisitions of Iskraemeco and August Electronics, with ~INR3.2bn of order book and customer-related intangible assets capitalized post acquisitions, resulting in a ~INR0.3bn amortization charge in Q4FY26.

- Other subsidiaries, including KMPL and North America/Canada EMS entities, collectively contributed ~INR3bn revenue during FY26.

KEC International (KECI IN)

RATING ACCUMULATE | CMP INR 488 | TP INR 558

- **Guidance:** Management guided for FY27 revenue growth of ~12–15%, although highlighted that the first two quarters may remain uncertain due to lingering geopolitical and execution challenges. FY27 order intake guidance stands at ~Rs300bn (T&D: ~Rs180bn; Civil: ~Rs80bn; Cables & Renewables: ~Rs40bn). Management also expects working capital days to normalize towards ~120 days by H1FY27 and further to ~110 days by year-end, while targeting debt reduction of Rs5bn by end of Q2FY27 and another Rs5bn by year-end.

- **West Aisa crisis:** Operations during Q4FY26 were impacted by the West Asia crisis, leading to logistics disruptions, dispatch delays, and higher freight costs. Revenue impact during Q4FY26 was estimated at ~Rs3.8–4.0bn due to slowdown in projects and inability to dispatch material from the Dubai factory. Shipping and supply chain conditions are gradually stabilizing, although management expects some residual impact to continue in Q1FY27. Middle East contributes ~27% of the order book and remains strategically important for future growth, especially across T&D, infrastructure rebuild, and data center opportunities.

- **T&D:** Company continues to witness a strong T&D opportunity across domestic and international markets with a pipeline of ~Rs700bn for the next 3 months. Management has guided for FY27 T&D order inflow of ~Rs170-180bn. KEC is currently executing five HVDC projects and expects two new HVDC lines to be awarded during FY27, including the advanced-stage Barmer project. Management highlighted strong positioning with private sector clients and expects meaningful order inflows from upcoming data center and transmission projects.

- **Civil:** Labour shortages, delayed project commencements, and execution disruptions impacted civil and infrastructure projects during the quarter. Civil business order book remains healthy with management expecting ~30–35% revenue growth in FY27 and targeting ~Rs80bn order inflows. Several delayed projects have resumed execution and management expects turnaround in the civil business from Q2FY27 onwards. The business also successfully completed three Metro projects, with the Delhi Metro projects already inaugurated and the Chennai Metro project expected to be inaugurated shortly.

- **Water:** The business continues to face delays in collections and execution, although management indicated that government audits have now been completed and payment releases are expected to improve going forward. KEC currently operates only in Odisha and MP under JJM, where collections have remained stable at ~Rs500–600mn per month over the last two years without any major improvement or deterioration. JJM order backlog stands at ~Rs14bn with receivables of ~Rs800mn.

- **Renewables:** Renewable EPC business continues to witness aggressive pricing pressure in the solar segment due to undercutting by smaller EPC players, particularly in government tenders, leading KEC to focus more on private sector solar and wind opportunities. During the year, the company entered the wind EPC segment with two 400MW wind projects in Southern India and expects further order inflows in both wind and private solar going forward.

- **Cables & Conductors:** Business continued to witness steady order inflows, while profitability improved driven by better product mix and cost optimization, achieving its highest-ever profitability during the year. The company commissioned its aluminium conductor plant in March and successfully supplied ACSR and AL-59 conductors across India. Elastomeric cable production is expected to commence in Q2FY27 followed by commissioning of the E-Beam plant. Management expects ~15% growth in the segment during FY27.

- **Supply Chain:** Margins were impacted by higher freight/logistics costs, supply chain disruptions, delayed projects, and commodity inflation, particularly in Middle East operations. While ~50% of the order book remains on a price variation basis with key commodity exposure partially hedged, fixed-price contracts continue to face pressure from steel, labour, and logistics cost escalation in select international projects.

KEI Industries (KEII IN)

RATING ACCUMULATE | **CMP** INR 5,018 | **TP** INR 5,660

Volume & Growth Outlook

- FY26 net volume growth stood at 6.2%, led by ~15% growth in copper cables, while aluminium cables remained flat.

- Management guided for 17-18% volume growth in FY27, driven by capacity ramp-up at Sanand (cables) and Chinchpada (wires).

- EHV segment is expected to deliver ~20% growth in FY27.

- Company guided revenue growth of ~20% for FY27 and EBITDA margin at 10.5%-11%

Capacity Expansion & Capex

- Final phase of the Sanand plant is expected to be commissioned by Q4FY27.
- Initial ramp-up at Sanand remains gradual with revenue contribution less than INR 1bn in Q4FY26.
- Company plans annual capex of INR 6-7bn over the next few years.

Exports and US Markets

- Exports to the US have commenced with current US order book stood at ~INR500-600mn as of Mar'26, with monthly sales ramp-up aimed to reach ~INR 400mn.
- Export contribution targeted at ~20% of revenue in FY27.
- Exports have picked up in Apr'26 despite elevated freight costs via Fujairah port, with some customers bearing ~50% of the differential and FOB customers absorbing the full freight cost.

Other KTA's

- Debtor days improved from 2.2 months in FY25 to 1.9 months in FY26, with further reduction expected to ~1.75 months.
- Dealer/distribution mix comprises ~55% wires and ~45%-50% cables.
- Pending order book stood at INR 35.8bn: EPC at INR 3.1bn, EHV at INR 6.2bn (Excluding L1 EHV order of INR 2.4bn), domestic cables at INR 21.5bn, and export cables at INR 4.9bn.

Kirloskar Pneumatic Company (KKPC IN)

RATING BUY | CMP INR 1,448 | TP INR 1,715

- **Guidance & Outlook:** Management remains confident of delivering 20%+ growth in both revenue and earnings in FY27, with EBITDA margins expected to normalize to a sustainable 18–20% range following the exceptional levels seen in FY26. The company's growth strategy is increasingly focused on short-cycle equipment and product businesses, while also targeting at least 10-15% growth contribution from new products.
- **Air Compressors:** In the air compressors segment, the Tezcatlipoca platform continues to scale effectively and gain market share, with 113 machines deployed in the field, of which 85 have already been commissioned. The newly launched Hydrino Oil-Free Compressor, a water-injected screw compressor, has begun receiving initial orders and is targeting key industries such as food processing and pharmaceuticals. Meanwhile, domestic demand momentum remains strong, and the company plans to expand into lower-capacity 800 CFM compressors to tap into a large, currently underserved market.
- **Refrigeration Compression:** This segment continues to deliver strong growth, with the Khione platform gaining increasing market acceptance, making it a key pillar of the business. The company is preparing to commercialize the Zephyros platform from Q1FY27, targeting smaller applications such as restaurants, banquet halls, and machine shops, with a focus on driving higher volumes even at slightly lower margins during the initial phase. To support this, backward integration initiatives are being planned for key components like heat exchangers, motors, and sheet metal, with INR600mn already incurred out of a total INR3.2bn investment, and the remaining to be deployed over the next two years.

- **Gas Compression & O&M:** The Gas Compression segment remained stable with a positive outlook, supported by renewed interest in alternate fuels and geopolitical uncertainties driving investments in India. While order finalization was initially slow, momentum has started to improve in Q4, and gas shortages led by geopolitical uncertainties have not yet impacted demand. The company is well-positioned to benefit from expanding CNG infrastructure, with rising activity in both mother and daughter stations, while its O&M business continues to grow steadily, managing around 1,000 stations and providing a stable, annuity-like revenue stream.

- **Precision Engineering:** The Precision Engineering segment, which includes forgings and castings at the Hadapsar plant and has witnessed strong growth and order inflows. Management has indicated uncertainty around sustaining elevated intake levels on a consistent basis, with the segment primarily being leveraged to bridge gaps during periods of weaker core demand rather than serving as a long-term primary growth driver for FY27.

- **Orderbook & order intake:** The total order book stands at approximately Rs18.6bn, including contributions from the Precision Engineering division, with around INR5bn executable beyond FY27 and the remaining largely scheduled for execution in FY27. FY26 witnessed record order inflows of INR20bn, though management remains cautious about sustaining such levels, particularly in precision engineering. The order book is increasingly skewed towards product orders, which is expected to support a more stable execution cycle in FY27.

- **Exports (6% of total revenues):** Domestic demand remains strong across most sectors, although the oil & gas segment continues to lag due to delays in order finalization. Export markets are facing near-term headwinds, particularly in the MENA region due to geopolitical challenges affecting both order inflows and execution, leading the company to shift focus toward Southeast Asia and North Africa

KNR Constructions (KNRC IN)

RATING HOLD | **CMP** INR 129 | **TP** INR 119

- **Sector Context:** NHAI awarded ~3,100 km of projects in FY26, down ~22% YoY, missing the 5,000 km target. The moderation was attributed to extended project appraisal/approval timelines, land acquisition challenges, and increased emphasis on project preparedness before award. Construction activity, however, remained healthy at ~5,300 km for the year. For FY27, industry estimates peg NHAI construction at 9,000–9,500 km. MoRTH also improved contractor cash flows by reducing the price escalation cycle from 3 months to 1 month, enabling faster pass-through of input cost fluctuations - a step that has been well-received by the sector.

- **Order Book & Recent Wins:** Standalone order book FY26 is at INR 86.73bn (excl. new HAM wins); including the two recently won HAM projects, total book stands at ~INR 119 bn. Segment mix: Roads 49%, Mining 30%, Irrigation 14%, Pipeline 7%. Current order book (ex-mining) is executable over 3–3.5 years. The two new HAM wins - ECR Elevated Corridor (Tamil Nadu, INR 21.63 bn) and NH-167 (Telangana, INR 17.34 bn) - add INR 38.97 bn to the book; financial closure on the Chennai ECR project is expected by June 2026, with revenue recognition likely from FY28.

- FY26 order inflow included the ECR flyover (~INR 21.50 bn), Mahabubnagar HAM (~INR 17.60 bn), and other smaller awards (~INR 14-15 bn). For FY27, management has ~INR 36 bn of bids already submitted and ~INR 40 bn under pipeline, targeting segments including NHAI HAM, Hyderabad Ring Road, railways (6–7 tenders already executed), flyovers, and solar EPC.

- **HAM Portfolio & Equity Investment:** Total equity invested across 8 HAM projects as of FY26: INR7,321 Mn against a total equity requirement of INR9,521 Mn; residual equity requirement is ~INR2,179 Mn (INR 1,700 Mn in FY27, INR 479 Mn in FY28). The two Mysore–Kushalnagara packages (Package IV & V, AD: April 2025) are early-stage with physical progress at 15.5% and 12.2% respectively. HAM execution contribution is expected at INR10–12 bn combined in FY28 as these ramp up.

- **FY27 Revenue & Margin Outlook:** Management refrained from providing a specific revenue target for FY27 given uncertainty around new order commencement timelines (EPC projects: 2–3 months; HAM: 6–7 months). Indicative revenue aspiration is "INR2,000 Cr+" on standalone basis. Competition has intensified meaningfully, and the management was candid that EBITDA margins are likely to be ~10–11% in FY27, well below the 18–19% seen at peak. FY28 margins may see partial recovery as HAM projects (which carry better margins of 18–20%) contribute more meaningfully alongside mining revenues. Management is also evaluating cost optimization to offset competitive pressure on EPC margins.

- **Working Capital:** Standalone net working capital days spiked to 97 days in Mar-26 vs. 78 days in Mar-25. The primary driver is a single large stuck receivable of ~INR 6.2–6.7 bn from one Telangana government irrigation project (Package 4). Excluding this, debtor days across all other projects have improved. Management expects these dues to be resolved within 1–2 quarter, with Telangana Finance Minister reportedly reviewing the matter following a recent meeting between KNR and Mega Engineering. Total Telangana government receivables stand at ~INR 14.50 bn.

- **Asset Monetization:** SPAs signed with Indus Infra Trust for sale of 4 HAM SPVs (KPIPL, KRGIPL, KGIPL, KRIPL) for total consideration of INR15,432 Mn against equity invested of INR5,668 Mn (2.3–4.5x multiple). One project closure expected by June 2026; remaining two by September 2026. The Palani (Tamil Nadu) SPV monetization has already been partially completed — consideration of INR2,955 Cr received and INR90 Cr up streamed as dividend.

- **Emerging Verticals:** Management flagged early-stage interest in data center EPC in Hyderabad (MOU under discussion; "want to go big") and solar EPC (bidding in INR 8–10 bn range). Railways tendering is active with 6–7 tender submitted. These are not yet material to near-term financials but signal diversification intent.

- **Key Execution Risks:** Kushalnagara HAM packages (Package IV & V) have faced land acquisition issues that have recently been resolved; management expects provisional completion broadly on schedule but flagged risk of full completion delays. All other projects are running on schedule per management commentary.

KPIT Technologies (KPITTECH IN)

RATING BUY | **CMP** INR 723 | **TP** INR 880

- Management stated that they have not yet seen any impact from the ongoing macroeconomic environment headwind in client conversations, with OEMs currently focused on rationalizing costs and creating funds for future programs.

- Management highlighted that there was a 9% YoY growth within OEM clients, while Tier-1 revenues declined, with the company strengthening its China presence through two new engagements with Chinese OEMs as part of its long-term market expansion strategy.

- SDV adoption is accelerating across passenger vehicles, trucks and off-highway segments, with OEMs increasingly investing in centralized architectures, middleware, validation and AI-based development programs. KPIT is positioning itself as a strategic partner in software defined mobility through capabilities across vehicle architecture, integration, validation, simulation and AI infused solutions.

- Management guided for better FY27 outlook compared to FY26 driven by doubling India business, growing trucks and off-highway vertical, and 30% YoY growth for products and solutions vertical, with EBITDA margin in the range of ~20.5-21.2%.

- KPIT is transitioning from a pure engineering services model toward “solutions + products,” with these offerings already contributing ~21% of the pipeline. The company expects solutions/products to grow 30%+ annually, aided by proprietary AI platform “Beacon,” validation platforms, middleware, cybersecurity, and SDV accelerators.

- For the medium term, KPIT expects to sustain annualized double-digit growth, due to increased contribution from products and services business forming 60% of revenues and expects EBITDA margin to be ~22-24% driven by reusable assets, fixed-price models and internal AI-led efficiencies across SG&A and delivery.

- KPIT added 13 new clients during the year across three segments, including 4 truck OEMs and 6 off-highway OEMs across four countries, marking significantly higher client additions than prior years as the company expanded beyond its existing client base.

- Management indicated that its vehicle engineering capabilities were strengthened through the Caresoft acquisition, helping OEMs in cost reduction, manufacturing efficiency and software benchmarking, while enabling KPIT to address overall vehicle cost optimization beyond software.

- The company is shifting from time and material to fixed price and outcome-based contracts, with more than 80% of new contracts now fixed price in nature to enable AI infused solutions and better value creation for clients.

- Company reiterated that AI is not merely a productivity tool but a transformation driver for automotive software lifecycle management. KPIT believes AI will significantly accelerate code generation, but the real challenge will shift toward integration, validation, observability, and safety-critical testing — areas where KPIT sees strong differentiation.

Kotak Mahindra Bank (KMB IN)

RATING BUY | **CMP** INR 383 | **TP** INR 480

Balance sheet

- Corporate banking growth remained flat QoQ as the bank chose not to roll over low-margin short-term wholesale exposures amid elevated March rates. Growth continues to be driven by granular expansion in the mid-market vertical, supported by new customer acquisitions

- Within large corp., focus is on flow-led businesses and profitability through higher cross-sell and deeper transaction banking penetration; trade finance and transaction banking showed strong momentum.

- Secured retail advances led retail growth, driven by strong demand in mortgages, tractor loans, gold loans and LAP. Growth was supported by robust underlying demand, disciplined underwriting and superior credit evaluation, resulting in stable asset quality.

- Bank retained its market positioning of 2nd largest tractor financier with 10.9% market share for FY26

- Personal loans grew 3% QoQ, led by salaried customers and expanded digital origination, with disbursals largely to existing customers. Acquired StanC PL portfolio continues to run down.

- CC growth was muted in FY26 during embargo period; management indicated readiness to accelerate growth post product re-stacking
- Retail microcredit grew 8% QoQ in Q4, driven by new customer disbursals, with risk-based underwriting supporting continued improvement in portfolio quality.
- BuB saw healthy demand for WC across sectors; Agri grew by 15% YoY driven by cross-sell, fee-based income and a cluster-led acquisition strategy.
- CV benefited from strong industry demand, driven by GST reduction and pre-buying ahead of OEM price hikes in Ap'26. CE industry fell by 18% YoY in Q4'26 and 8% in FY26, impacted by slower infra execution, constrained state finance, muted project awards, monsoon disruption and geopolitical headwinds.

Profit and loss

- Management guided that FY27 NIM may see a slight but gradual decline, given longer wholesale TD tenors which would be offset by improving CASA mix.
- Fee growth could match balance sheet growth in FY27E that may result in higher acquisition related opex.
- Staff costs declined by ~INR 1.1mn QoQ due to higher discount rates on retirement benefits; management clarified this reduction is structural and permanent. Other opex rose 11% QoQ, driven by higher brand marketing spend and acquisition related costs; tech spend was ~13% of total opex for FY26.
- Cost/assets reduced by 25bps YoY in FY26, led by a focused operating segments, product verticals and sustained automation and digitization. Bank indicated that further cost optimization will be a key focus.

Asset quality

- Asset quality improved across all parameters in Q4, supported by lower slippages and stronger collection efficiencies in granular retail portfolios. Secured book continues to have negligible delinquencies
- On ECL transition, management indicated a one-time net worth impact of <2%, with no material ongoing profitability impact anticipated.
- Collection efficiency is expected to remain supportive into Q1'27, aided by harvest-linked rural cash flows.
- Management stated that stress in retail unsecured portfolios has eased, with recent vintages showing better performance.

Krishna Institute of Medical Sciences (KIMS IN)

RATING BUY | CMP INR 717 | TP INR 800

- **Bed expansion Plans:** The new 800-bed Kondapur unit is slated to commence operations in the first week of June, with Phase I operationalizing ~400–500 beds initially, backed by ~200 occupied beds from the existing unit. The remaining ~300 beds will be commissioned gradually in line with occupancy ramp-up to 60%+, while the old facility will be phased out after a 1–2 month parallel run. Additionally, management reiterated its 24–36-month expansion roadmap across Karnataka, Kerala, and Tamil Nadu through greenfield projects, alongside evaluating 1–2 bolt-on acquisitions (~400–500 beds combined) over the next two quarters.

- **Capex & QIP proceedings:** Management indicated that capex for Kondapur is largely completed, with only INR500–750mn pending for two additional floors, likely to be incurred in FY28/FY29 based on occupancy ramp-up. QIP proceeds of ~INR10bn will primarily fund debt reduction, with the balance ~INR5bn will be allocated for new unit losses and completion capex. Future greenfield expansions will be funded through internal accruals post deleveraging, with commissioning timelines 3–5 years away.

- **Matured units:** In Q4, matured units contributed ~INR8.62bn of revenues with 28–29% EBITDA margins.

- **New units & guidance:** New units (<1 year operational) contributed INR5.9bn in FY26, but incurred EBITDA losses of INR1.3bn for FY26. Mahadevapura posted INR490mn revenue with INR140mn EBITDA loss, Electronic City INR170mn revenue with INR250mn loss, Thane INR470mn revenue with INR50mn loss, while Nashik remained near breakeven (INR10mn EBITDA loss). Management indicated Thane has achieved EBITDA neutrality on a March/April exit basis, with Mahadevapura expected to turn EBITDA positive before October'26 and Electronic City by end-FY27.

- **Telangana:** Reported a modest ~2% YoY IP volume growth in Q4. Management expects growth to become increasingly volume-driven over the next 4–5 years. FY27 EBITDA growth guidance stands at 10–12%, slightly below historical trends due to Kondapur transition costs, while Secunderabad expansion is expected within the next 18 months.

- **AP:** KIMS Cuddles (mother & child) launched at Nellore and cancer block inaugurated at KIMS Ongole. Management guided normalized ARPOB run-rate should be considered at ~INR26–27k, in line with Q3/Q4 levels.

- **Maharashtra:** Maharashtra losses narrowed to INR6–7 crore in Q4FY26, reflecting improving performance. Thane empanelment is largely complete (GIPSA secured; Mediasys and Star nearly done), covering ~70% of insurance volumes, while Nashik awaits approvals.

- **Karnataka:** Mahadevapura (8–9 months old) is currently generating ~INR170mn /month, with management guiding a scale-up to INR250–300mn /month over the next 12 months. Electronic City remains in ramp-up, with insurance empanelment as the key bottleneck expected to stabilize in 3–4 months. In Bangalore, the normalized ARPOB base guided at ~INR75k (vs ~INR85k reported full year), with ALOS still normalizing. Bangalore occupancy is targeted to reach 35–40% on full bed capacity by end-FY27.

- **Kerala:** Palakkad (210 beds) is currently generating ~INR50–60mn /month revenues (negative 5% margins) and is expected to reach EBITDA break-even next month. Management guides revenue potential of INR120–150mn/month. The asset will be fully consolidated in the P&L, with additional greenfield expansion in Kerala forming part of the medium-term pipeline.

- **Insurance:** Empanelment timelines are impacted by the introduction of the GIC common framework, which has created initial process ambiguity and split accountability between GIC-led and direct insurer empanelments. Management aims to standardize empanelment completion within 6 months of commissioning, with no resistance to the IRDA-mandated framework. Overall, empanelment efficiency remains the key near-term driver of ramp-up in new units.

- **Net debt:** Consolidated net debt stood at ~Rs 30bn as of Q4FY26.

Karur Vysya Bank (KVB IN)

RATING BUY | **CMP** INR 314 | **TP** INR 345

Balance sheet

- Overall advances growth moderated in Q4FY26 (1.7%) due to management's conscious decision to avoid unwarranted risk amid geopolitical tensions. FY27 credit growth to be 1-2% above industry, with growth dynamically allocated between retail and agri, balancing PSL requirements and risk-return considerations.
- Commercial (MSME) growth was muted in Q4FY26, due to conscious exits from weaker or low-pricing accounts amid geopolitical tensions. RM led model to strengthen MSME growth in FY27, focusing on acquiring new relationships, albeit with some margin trade-offs.
- Retail advances grew 3% QoQ/25% YoY, driven by enhanced branch and open market collaborations for mortgages business; Bank aims to further expand the established partnerships for affordable housing.
- Gold loan growth remains strong at 6.4% QoQ/26.6% YoY aided by sustained focus on TAT and customer engagement despite competitive pressures. Gold portfolio would be capped at 35% (currently ~30%).
- LTV for agri gold is 55.6% indicating sufficient margin. Bank remains vigilant in maintaining higher margins amid increasing gold prices by reinforcing monitoring mechanism.
- The bank avoided the vehicle loan segment due to long tenor lock-ins, higher delinquencies in fixed-rate loans, and impact of upfront dealer commissions on risk-adjusted returns.
- Corporate portfolio grew 12% YoY, driven by selective exposure to CRE, capital markets, and EPC segments, while moderating growth in Q4FY26 due to external uncertainties; Targeted RAM-Corporate mix of 80:20.
- Unsecured book remains contained at 1.8% of total advances; The Bank aims to gradually optimize risk-return profile through deliberately increasing RWA to 65% from current 55-58%.
- Deposit growth moderated in Q4FY26, due to front-loading of retail deposits in Q1 and avoiding of bulk deposits amid elevated CD rates, with an aim to optimize funding cost aided by RTD repricing
- LCR expected to be in 115-120% levels, wi6th deposit growth to be mobilized in line with LCR requirements.
- Outlook for FY27 remains cautious amid West Asia impacting inflation and supply chains disruptions; bank plans to open 50 branches in FY27, largely front loaded in H1.

Profit & loss

- NIM for Q4FY26 at 4.25% (excluding 7bps of IT refund) was up +26 bps QoQ driven by 9 bps reduction in COF and 16bps increase in asset yields as increase in fixed rated loans in portfolio mix led to better yields. NIM for FY26 at 3.97% exceeded guidance of ~3.9%.
- Margins are expected to moderate, reflecting higher RTD rates and compression in advance yields amid competitive pricing and efforts to retain key customer relationships; ROA guided to be 1.7-1.8%
- Treasury yields to increase by 15-20 bps through strategic rebalancing of the HTM portfolio.
- Staff cost declined sequentially by ~6% aided by lower pension obligations due to higher discount rates; Other opex grew by 2% QoQ, driven by higher rents, RM & DSA commissions, and technology costs; bank aims to maintain C/I ratio below 50%.

Asset quality

- The Bank has made INR 1.63 bn of prudential provisions earmarked toward sectors potentially impacted by geopolitical tensions.
- Asset quality remains robust, with GNPA expected below 1.5% and NNPA below 1%, and slippages guided to remain below 1% of advances; Unsecured exposure remains tightly controlled.
- Slippages during the quarter were higher due to front-loaded recognition of few stressed accounts as NPA with an aim to improve recovery prospects.
- Management expects minimal transition impact due to ECL guidelines, supported by strong asset quality and prudential buffers built over the past three years.

Larsen & Toubro (LT IN)

RATING BUY | CMP INR 4,055 | TP INR 4,632

- **Cautiously optimistic about FY27 amid geopolitical tensions**: Management has provided conservative guidance for FY27, projecting **~10-12% growth in order intake** and **~10-12% revenue growth**, with a **PP&M margin of ~7.8%** (likely to remain flattish YoY. Revenue growth likely for H1FY27 likely to remain softer amid Middle east tension with execution to pickup in H2FY27. Additionally, the NWC-to-sales ratio is expected to normalize to ~10%, vs ~4% in FY26.
- **Order prospects for FY27 stand at INR17.8trn vs INR19.02trn YoY,** with domestic comprises of INR9.1trn and INR8.7trn international, primarily driven by Infrastructure, Hydrocarbon, CarbonLite, Green & Clean energy and manufacturing & products. Total order prospects comprise of Infrastructure (INR9.4trn vs INR8.1trn YoY), Energy Conventional (~INR5.4trn vs INR7.9trn YoY), Energy green (INR2.5trn) and Manufacturing and Products (~INR495bn vs INR294bn YoY)
- **Order book (OB) stands at Rs7.4trn** with domestic share of 48% (Rs3.6trn) and international share of 52% (Rs3.8trn). ~9% of the order book is funded by bilateral & multilateral agencies. Slow-moving orders constitute ~1.0% of the order book.
    - International OB comprises of **Middle East (78%) and RoW (22%).** International order book primarily consists of Power T&D, renewable energy and Hydrocarbon.
    - Domestic OB comprises of **Central Govt (9%), State Govts (22%), PSUs (30%) and private players (39%).**
- **Infrastructure Projects:** Subdued revenue growth in Q4FY26 was primarily due to weaker execution across domestic projects, impacted by delays in clearances, slower progress in the water & effluent segment, and spillover effects of the West Asia conflict during the peak execution period. Order inflow driven by a large international order, particularly from the Middle East. Orders were led by strong traction across B&F, Heavy Civil, Power T&D, and other core infrastructure segments, with increasing contribution from private sector capex. Order prospects for FY27 stand at INR9.4trn (domestic: INR6.8trn; international: INR2.5trn) vs INR8.1trn YoY, comprising **Transportation Infra – 23%, Heavy Civil Infra – 20%, Power T&D – 18%, B&F – 17%, Water & Effluent Treatment – 16%, and Minerals & Metals – 6%.** Management highlighted pending clearance has started coming through and improvement in collections in water segment likely to aid the execution
- **Energy Projects (Hydrocarbon & Carbon Lite solutions)**: Strong execution drove robust revenue growth in Q4FY26, while margins remained under pressure due to cost overruns and closure costs in legacy projects. Order inflow remains a balanced mix of domestic and international orders across hydrocarbon and carbon-lite solutions. The order book remains strong at INR2.58tn (hydrocarbon: INR1.95tn; carbon-lite: INR0.63tn),

largely driven by international markets, especially the Middle East, with no project cancellations and stable payment cycles despite geopolitical challenges. EBITDA margin declined to 6.5% (vs 8.2% YoY), with improvement expected over the next few quarters as legacy project impacts taper off. Under the Lakshya 31 framework, **the Energy business has been restructured** into two verticals: **Energy – Conventional (hydrocarbons and carbon-lite solutions) and Energy – Green (solar EPC, onshore and offshore wind).**

- **High-Tech Manufacturing**: The segment delivered strong performance in Q4FY26, led by robust execution in the Precision Engineering & Systems (PES) business. Revenue grew 45% YoY, driven by ramp-up in large programs, while order inflows were supported by nuclear equipment orders in the heavy engineering segment, partly offset by some deferment in PES ordering. The order book stood at INR353bn (PES: INR289bn; Heavy Engineering: INR64bn), providing healthy visibility. Strategically, the segment strengthened capabilities through **key partnerships and initiatives, including defence electronics, UAV manufacturing, and nuclear equipment solutions**. Margins remain dependent on job mix, with continued focus on high-value, complex engineering and defence-led opportunities.

- **Development Projects:** L&T is exiting legacy concession assets with divestment of Hyderabad Metro and Nabha Power, expected to close in Q1FY27, and both assets classified as held for sale. The segment reported losses **(INR1.79bn Vs INR0.07bn in Q4FY25)** in Q4FY26 due to absence of prior one-off gains. Going forward, the focus shifts to **selective investments** in **green hydrogen and green ammonia** under a BOO model, with a partnership-led and IRR-driven approach.

- **Exports:** Middle East operations remain stable with no project cancellations and a strong **~INR3trn order book**, while payments from government clients continue on schedule. Near-term execution may see some supply chain constraints, with cost pressures limited to logistics and insurance (under discussion with clients). Management expects strong order inflows driven by energy demand in Qatar and Kuwait, with no meaningful impact on execution cycles. L&T sees limited participation in the reconstruction opportunity, while growth traction is expected from Central Asia, offshore wind (Europe, Korea, Taiwan), and Southeast Asia renewables.

- **Lakshya 31 (FY27-FY31):** L&T targets **10–12% order inflow CAGR, 12–15% revenue CAGR, and 16–17% ROE**. The company plans to scale **manufacturing, defence, and industrial electronics (INR500bn)**, while investing selectively in **data centres (INR100bn), green hydrogen (INR150bn), and semiconductors (INR300bn)** through a partnership-led approach. Development projects are being repositioned towards **green assets**, and realty is being consolidated for scalable growth.

    - **Segment Restructuring:** L&T has reorganized its reporting into **Projects, Products & Manufacturing (PP&M)**, with the **Energy segment split into Conventional and Green**, consolidating all renewables under a single vertical. **Realty is carved out as a standalone segment**, while **Development Projects are repositioned towards green assets** (hydrogen/ammonia). Additionally, **Manufacturing & Products has been expanded** to include Heavy Engineering, PES, Electronics and others.

- **Data Centres:** L&T (Vyom) has ~30 MW capacity, including 12 MW operational and 6 MW nearing commissioning. The focus is on hyperscale and AI-driven demand, with **~INR100bn planned investment** under a partnership-led model.

- **Capex:** For FY27 management guided a capex plan of Rs25bn for P&M, ~INR10bn for Electronics (part of larger ~INR50bn plan over the next few years) and ~**INR20bn for data centers**

Latent View Analytics (LATENTVI IN)

RATING BUY | **CMP** INR 309 | **TP** INR 450

- Management indicated FY27 begins with 12–13% USD revenue visibility from existing order book and pipeline, while continued deal wins and investments in AI and Databricks are expected to support its 18–20% organic growth aspiration, in line with the company's historical trend of adding 8–10% incremental growth during the year.

- Management expects BFSI to lead FY27 growth with ~40% YoY growth, while Consumer and Technology verticals are expected to grow 18–22% and 5–8% YoY, respectively, supported by new logo additions and recovery in client spending.

- Management highlighted that Databricks ecosystem revenue grew from ~US$12mn in FY25 to ~US$17.5mn in FY26 and is expected to sustain ~60% growth going forward, driven by increasing traction with Databricks' professional services teams and rising enterprise demand for AI-led industry solutions built on top of migrated data platforms.

- Company stated that ~28% of FY26 revenue involved customer-facing AI implementations across traditional AI, Generative AI, and agentic AI, while another ~21% had AI embedded within workflows and decision-making processes, with the overall AI contribution expected to increase further in FY27.

- On the client budget front, management highlighted that enterprises are largely maintaining or increasing budgets despite AI-led productivity gains, with customers now able to execute 30%–40% more work within the same spending envelope through AI-enabled delivery and higher productivity.

- Management stated that despite OpenAI and Anthropic expanding into enterprise services, enterprises will continue to require significant support around orchestration, governance, observability, integration, and workflow transformation, sustaining a large long-term opportunity for 3rd party service providers.

- Management guided FY27 EBITDA margin at 21%–22% while excluding any benefit from favourable currency movement, factoring in continued investments in the AI CoE, Databricks partnerships, and senior leadership hiring, including potential CTO-level additions.

- Management highlighted that AI-led projects are delivering structurally higher gross margins of 55%–58%, compared with the company-wide gross margin of 50.8%, driven by the increasing mix of higher value-added AI engagements.

- DSO increased in FY26 due to the rising share of CPG revenues and the Decision Point business, where customer payment cycles typically range between 90–120 days; however, management indicated that a significant portion of receivables has already been collected post quarter-end.

- Management indicated that the company is evaluating inorganic acquisition opportunities, particularly firms with stronger Databricks professional services partnerships, to accelerate its positioning within the Databricks ecosystem. Additionally, the strategic investment in Healtheon provides access to AI-led healthcare revenue cycle management solutions and agentic AI capabilities that can be leveraged across broader healthcare clients.

L&T Technology Services (LTTS IN)

RATING HOLD | **CMP** INR 3,550 | **TP** INR 3,610

- Under the Lakshya 31 strategy, LTTS has identified six strategic technology bets (software-defined mobility, plant build-out and modernization, energy and industrial automation/digital manufacturing, next-gen compute and AI infrastructure, AI-led software platforms, and MedTech), with management indicating that >70% of revenues are expected to be derived from these areas over the next five years, versus <50% currently.
- Management guided to deliver 13–15% CAGR over the next five years, with EBIT margins in the range of 16–17%, with aspirations to achieve mid 16% EBIT margin levels by Q4 FY27 or prior, driven by segment mix, AI led delivery, and operational efficiencies.
- Management emphasized that its AI strategy is centered around Engineering Intelligence (EI), which embeds AI across products, processes, and next-generation manufacturing, enabling autonomous, production-grade systems powered by multimodal, agentic, and edge AI.
- Q4 Segment performance was led by Sustainability, which accounted for over 50% of large deal wins in Q4. Management attributed the momentum to strong execution of prior deal wins, industrial capex tailwinds, and increasing AI-led data center spending.
- Mobility segment remained steady, reflecting segment-specific demand conditions, with management indicating sustained momentum into CY26 driven by a strong pipeline and deal ramp-ups.
- Tech segment remained subdued, impacted by the conscious exit from non-strategic businesses and certain business restructuring. Management confirmed that portfolio restructuring and realignment are now complete, including the exit from certain geographies and low-margin businesses, with an ~US$19mn annualized revenue impact, and indicated that no further restructuring is expected.
- DSO is expected to normalize to ~85–90 days, excluding the impact of the SWC business.
- The company plans to add ~500 employees over Q2–Q3 FY27, aligned with ramp-up of existing deal wins and demand for new skill sets, particularly in AI-led engineering.

Laxmi Organic Industries (LXCHEM IN)

RATING REDUCE | **CMP** INR 152 | **TP** INR 143

- Printing and packaging and Pharma demand remained stable during Jan and Feb on a QoQ basis, with demand witnessing an uptick in March.
- Demand for industrial solutions remained stable during the quarter.
- Acetic Acid, a key raw material, increased to around $400/tn in Q3FY26 before moderating to nearly $350/tonne during Jan–Feb'26.
- Ethanol prices have remained largely firm throughout the period.
- Sharp spike in feedstock prices such as Methanol (raw material for Acetic Acid) following the steep increase in crude oil prices.
- Hitachi plant expected to commence in Q2FY27.
- Dahej capex total Rs7.1bn, it is more focused on Diketene derivatives and acetic anhydride.

- In Essentials business Ethyl Acetate spreads remained around $130/tn during Jan–Feb, increased to nearly $220/tn in March, and further rose to around $260/tn in April.
- In Specialty business phased out agrochemical intermediate contributed 10%.
- Replacement product for the phased-out agrochemical intermediate contributed small revenue in Q4FY26, it is expected to ramp up in FY26.

LG Electronics India (LGEL IN)

RATING ACCUMULATE | CMP INR 1,491 | TP INR 1,690

- Management guided for mid-teen revenue growth and early teen EBITDA margins for FY27.
- Q1FY27 growth will be driven by RACs, washing machines and premium refrigerators, while exports of essential series and large-screen NPDs will support growth and market leadership.
- RAC sales crossed 1mn units in Q4FY26, while premium products drove higher ASPs across categories.
- Company continued to maintain market leadership in OLED TV with YTD market share of ~60% as of Mar'26.
- RM localization stood at 55.2% in Q4FY26 vs 54.6% in Q3FY26.
- Compressor production at Sri City plant is planned to commence by Q3FY27, followed by RAC production by Q4FY27, followed by WM's and Refs in phased manner.
- CAPEX in FY26 stood at Rs5.5bn for existing facilities, while cumulative capex incurred for the Sri City facility reached Rs6.57bn till Mar'26. Management guided for annual CAPEX at ~2.0-2.5% of total revenue.
- In Q4FY26, Essential Series refrigerator sales reached ~0.1mn units, while for refrigerator sales stood at ~80,000 units. In RACs, the newly launched 0.8-ton AC recorded sales of ~20,000 units.
- 55-inch TV sales grew 47% YoY, while overall TV sales grew by 20%+ in Q4FY26.
- In French door refrigerator, the company entered the category in Dec'25 and scaled up rapidly, with management highlighting strong market share gains and aiming to become the market leader in the category.
- The company implemented RAC price hikes in two phases - first due to new star-rating norms and second to offset higher input costs and currency fluctuations.

Lemon Tree Hotels (LEMONTRE IN)

RATING BUY | CMP INR 114 | TP INR 138

- The combined impact of renovation, technology investments and GST-related costs is expected to decline from 5.8% of revenue in FY26 to 4.8%/3.7% in FY27E/FY28E respectively.
- Aurika/Keys portfolio delivered a 19.0%/20.0% RevPAR growth in FY26, respectively.
- ~85% of the heavy renovation programme across the targeted owned hotel portfolio has been completed, with remaining work expected to conclude during FY27E.

- Renovation expenditure is expected to decline materially from FY28E onwards, reverting towards the historical range of 1.0–1.3% of revenue. 5) One-off costs of INR250–300mn incurred in FY26 towards ex-gratia payments, property tax adjustments and labour code implementation are not expected to recur from FY27E onwards.

- Aurika, Shimla is expected to open 2 of its 3 blocks by 2QFY27E to capitalize on peak summer demand.

- Fleur has signed a 47-room heritage hotel in Varanasi, which is expected to have strong pricing potential due to its prime location on the Ganges riverfront.

- Fleur is planning to deploy up to INR30,000mn over the next 12-18 months for 2,500 new rooms, including ~INR7,000mn for the 572-room Aurika, Nehru Place.

- LEMONTRE IN's asset-light business is expected to achieve steady-state EBITDA margins above 70%.

- The demerger process has received CCI approval and is currently awaiting SEBI, shareholder, and NCLT approvals, which is expected to take ~12-15 months.

- Long-term management agreements between Lemon Tree Hotels and Fleur are expected to ensure recurring fee income for Lemon Tree while allowing Fleur the flexibility to remain brand agnostic wherever commercially beneficial.

- Management fee income from third-party hotels grew 23% YoY in FY26, supported by both same-store growth and new hotel additions, while fee income growth for Fleur remained subdued at 8% YoY due to renovation-led disruptions and GST-related pressure on hotel-level profitability.

- The decline in negotiated room-night mix during 4QFY26 was primarily driven by a temporary slowdown in corporate travel demand during March, which was partially offset by stronger retail demand.

- Target is to increase the share of direct retail business to ~65% of bookings over the long term to reduce dependence on concentrated corporate demand.

LIC Housing Finance (LICHF IN)

RATING HOLD | **CMP** INR 560 | **TP** INR 575

Growth

- Domestic mortgage demand has remained reasonably resilient amid global uncertainties. FY26 growth was muted due to intense competitive pressure. Management continues to prioritize margins over aggressive growth.

- FY27 AUM/book growth guidance at 10–12%.

- FY27 disbursement budget at ~Rs780bn, comprising Rs730bn retail and Rs45bn project finance, with project finance potentially increasing to Rs60-70bn. Retail segment targeted to grow ~15% in FY27. LAP/LRD portfolio expected to grow ~25% with an increase in overall mix share.

- April'26 disbursement growth remained strong at 20.8% YoY.

- Levers for AUM growth: i) Co-lending strategy to be expanded in retail segment and cautiously in project finance. Ii) Third-party sourcing/business aggregators to be added as a growth lever with Rs40-50bn sourcing aspiration in the first year. Iii) Separate affordable housing vertical to be established in FY27 with dedicated sourcing, underwriting and recovery teams; external experienced hires planned. Iv) Around 200 marketing/frontline employees to be added post Q1FY27 (~7–8% of employee base).

- No specific affordable housing book-size target has been set.
- Average housing loan ticket size remains ~Rs32 lakh; management continues to see resilient middle-class demand.
- Management flagged potential medium-term risks from AI-led layoffs in IT-heavy markets such as Bengaluru and Hyderabad.
- FY27 RoA guidance at 1.75–1.8%.

Operating profitability

- FY27 NIM guidance at 2.5–2.7%
- Shift in portfolio mix towards LAP/LRD expected to support margins.
- Segment-wise cumulative yields as of Mar'26: IHL: 9.03%, NHL: 10.05%, Project/Construction finance: 10.56%, Total book yield: ~9.21%
- LAP/LRD expected to be margin accretive with yields at ~9.3–9.75%.
- Construction finance portfolio expansion targeted due to higher yields (~10.5–11%).
- No PLR revision undertaken yet; management may reassess PLR hike after Q1FY27/around June depending on funding costs.
- FY26 BT-out at Rs128bn; Net BT-out around Rs70bn
- Monthly run-down around Rs10bn in FY26. Dedicated business retention department/team created to analyze and retain BT-out cases.

Asset quality

- Total Corporate NPA exposure stood at Rs28bn; Management has gone to NCLT for one of these big cases and the effect of resolution is expected to reflect in books in May'26.
- Segment-wise Stage 3 ratios: IHL: 1.03%, NHL: 3.51%, Project loans: 20.91%, Total Stage 3: ~2.15%
- Management has implemented an internal credit rating model and excluded BBB-rated developers in construction finance underwriting.

Other

- Successor appointment announced: Sandeep Kumar to take charge by 31 August 2026.
- Management indicated no discussion currently around increasing dividend payout.
- Management clarified there is no merger proposal between IDBI Bank and LIC Housing Finance as regulator approval is not available.

LTM (LTM IN)

RATING HOLD | CMP INR 4,532 | TP INR 4,560

- Management stated that overall demand environment remains cautious with clients prioritizing cost takeout, efficiency and vendor consolidation, while discretionary spending continues to be delayed.
- Management indicated that the sharp decline in the top BFSI client in Q4 driven by accelerated productivity passbacks (AI-led efficiencies) has largely bottomed out. While growth is expected to resume from Q1FY27, the recovery trajectory will be gradual and slower than the pace of decline.
- LTM highlighted its Laksha 31 program, under which it aims to double revenue over five years, pivoting to an AI-centric, domain-led model with focus on domain-tech convergence, reimagined service lines (Run/Transform/Business AI), and a stronger partner ecosystem.
- Management indicated its focus on doubling down on large verticals (BFSI, Tech) while scaling emerging verticals (Consumer, Healthcare, Manufacturing) and expanding in underpenetrated markets. Notably, LTM aims to grow Europe faster than the US, reflecting a push toward geographic diversification and white-space opportunity capture.
- Management indicated that AI continues to be a key focus area with increasing client conversations around generative AI, automation and productivity improvement initiatives, further highlighting that investments in AI capabilities, platforms and partnerships are ongoing to strengthen positioning in the evolving technology landscape.
- Management stated that AI led deals are gaining traction with use cases across application development, modernization and operational efficiency, though monetization remains at an early stage.
- Management informed the launch of a new program called New Horizons to govern strategy execution, comprising of 4 tracks, including New Horizons for growth, New Horizons for competency and capabilities, New Horizons to drive operational efficiency and to scale AI pivot.
- LTM announced final dividend of INR 53 per share taking total dividend for FY26 to INR 75 per share.

Lupin (LPC IN)

RATING ACCUMULATE | CMP INR 2,380 | TP INR 2,500

- **India business:** Chronic share increased to 66%; targets 70% over next 5 years. Share of in-licensed products reduced to ~6% from 12%, aiding profitability. Launched 15 products in FY26; plans ~20 launches in FY27E. Field force of ~12,000. Focus remains on chronic therapies with strong traction in cardio, respiratory and diabetes.
- **GLP-1:** Semaglutide launched in India under Semanext and Livarise brands. Achieved #2 position among generic semaglutide players. South Africa and Brazil launches planned in FY27E; Canada filing expected this year with launch next year. Oral semaglutide launch planned later in FY27E. Strong momentum in metabolic franchise through DAPA, empagliflozin and semaglutide portfolio expansion.
- **b** Base US portfolio continues to grow through volume expansion despite low-single digit price erosion. Strong traction in complex injectables including gRisperdal Consta, glucagon and liraglutide. gRisperdal Consta demand remains robust; supply ramp-up underway amid industry shortages. FY27E guidance factors in competition for gTolvaptan post September patent expiry and gMirabegron. Despite increased competition, US business expected to remain above USD1bn in FY27E. Revicti/GPB, Saxenda, bPegfilgrastim, Dalbavancin 505(b)(2) and 20+ launches are the potential opportunities in FY27E.

Respiratory remains a key focus area with 8-9 filings planned in FY27E. gSymbicort and gAdvair HFA remain under development. Company also working on green propellant MDIs for Albuterol. FY28E pipeline includes bPegfilgrastim ramp-up, bRanibizumab, gDulera and Apixaban 505(b)(2).

- **Biosimilars:** First US biosimilar launch expected in FY27E. bPegfilgrastim ramp-up expected from Q2/Q3 FY27E. bRanibizumab expected launch towards end of FY27E.

- **EMs:** Performance led by Brazil, Mexico, South Africa and Philippines. Brazil maintained strong momentum driven by Dapagliflozin commercialization.

- **R&D and pipeline:** FY26 R&D spend stood at 7.5% of sales; guided ~8% in FY27E. Near-term R&D focus on respiratory, biosimilars and complex injectables. Pipeline includes 50+ US launches over next 3 years: 10 exclusive FTFs, 4 biosimilars and 2-3 505(b)(2). Dulera in final stages with FDA response pending.

- **Other markets:** Europe crossed USD200mn sales milestone. VISUfarma acquisition expands presence into Italy and Spain. VISUfarma expected to contribute EUR50-60mn revenue with ~25% margins and to sustain double-digit growth. LPC plans to leverage VISUfarma infrastructure for respiratory, biosimilars and neurology expansion in Europe. Ophthalmology portfolio may also be expanded into LATAM and Southeast Asia. VISUfarma revenue expected to scale beyond USD100mn over next 2-3 years.

- **Other highlights:** Remediation efforts ongoing at Pithampur Unit 2. Lower contribution expected from PLI/export incentive schemes. ETR guided at 25-26% in FY27E due to phase-out of tax benefits at some domestic facilities. Net cash increased sharply to INR46bn. M&A focus areas include ophthalmology, pulmonology and rare neuro assets.

- **Guidance-** High single digit revenue growth in FY27. Decline in EBITDA margins to 25% in FY27 from current level of 29% on account of competition in certain products in US

Mahanagar Gas (MAHGL IN)

RATING ACCUMULATE | CMP INR 1,174 | TP INR 1,302

- Operational Update: PNG volumes received 100% APM gas, while CNG received major volumes from APM with the balance through pooled gas mechanism. I/C volumes saw partial curtailments due to supply disruptions. In Mar'26, disruption led to ~22% volume curtailments, with a similar impact expected in Apr'26. Commercial demand remains strong, with registrations increasing sharply from ~100 to ~1,000, although supply remains curtailed based on govt intervention. MAHGL is prioritizing uninterrupted supply to critical customers such as small restaurants, while larger industrial customers continue to face curtailments, though the severity has moderated recently.

- Souring Mix - Q4FY26 HH - 0.78mmscmd vs contracted 1.5mmscmd, while in Mar'26, HH-linked supplies stood at ~0.7mmscmd during 1st fortnight and declined to ~0.5mmscmd in the 2nd fortnight. HPHT – Q4: ~0.7mmscmd, Mar'26- ~0.9mmscmd. APM – Q4FY26 - >1.73mmscmd, Mar'26 - ~1.7mmscmd in 1st fortnight and ~1.56mmscmd in 2^{nd} fortnight. NWG – Q4FY26 and Mar'26: ~0.4mmscmd while the balance requirement was met through pooled gas volumes of ~0.73–0.75mmscmd. HH-linked LNG supplies were curtailed to ~50% of contracted volumes, with diverted gas allocated to the pooled mechanism. MAHGL signed few contracts in Jan'26 and Apr'26 in Apr'26 to diversify away from HH-linked sourcing, Gas availability for April-May 2026 will depend on supply from the Gulf region.

- Price hike – company hiked DPNG prices by INR1.5/scm to offset adverse FX impact. CNG prices were increased by INR1/kg. The increase in costs in CNG is not yet fully passed through, preferring to maintain price stability and absorb short-term volatility.

- Volume Guidance - For FY27, management remains hopeful of delivering double-digit (>10%) volume growth. MAHGL aims to add 4-5 lakh DPNG customers over a relatively short period.

- Margin guidance – Company aims to maintain EBITDA/scm of >INR8.0/scm in FY27, although the actual outcome will depend on the prevailing gas sourcing and pricing environment. MAHGL aims to prioritize volume growth and infrastructure creation, even if it comes at the expense of near-term margin compression.

- Capex – FY27 – INR12bn.

- Increase in other expenses YoY- Increase in operating expenses primarily to ~8% growth in CNG volumes YoY, resulting in higher variable costs such as power & fuel, transportation, and dispensing charges. Employee costs increased by ~INR30-35cr due to provisions for the new wage code (~INR14cr), annual increments (~INR11cr), and higher staff welfare expenses. Other opex rose on account of higher repair & maintenance and rentals for CNG sites and stores.

Mahindra & Mahindra (MM IN)

RATING BUY | **CMP** INR 3,371 | **TP** INR 3,900

Auto segment

- SUV growth in FY27 is expected to come mainly from debottlenecking and capacity ramp-up as strong demand persists across models. Most of its customer base is not much fuel price sensitive.

- FY27-31 is likely to see 10 new ICE models (1 mid-cycle enhancement and 9 new SUV nameplates), mainly from the NU-IQ platform, including upgraded rural products, and global products. There would be 3-4 core SUVs (core SUVs form 30% of the PV market). Most new products will come from Nagpur facility, while FY27 is not expected to see any all new nameplate. 10 new LCV launches are planned (7 ICEs, 3 EVs) during the period.

- SUV monthly capacity at FY26-end stood at 56.5k/8k units of ICEs/BEVs. MM plans to add 3.5k ICE capacity by H1FY27-end and another 10k/4k of ICE/BEV capacity by H2FY27-end for launches in FY28 (on NU_IQ platform at Chakan). So, it expects to exit FY27 at ~70k/12k of ICE/BEV capacity.

- Nagpur plant is on track to start in mid-2028; land acquisition is underway. The plant will add 500k SUV units p.a. once fully operational.

- Price hike of ~2.6% has been taken in recent months. Though there is headroom for more hikes, MM will be cautious as to not to impact demand once war and RM inflation subside.

- To meet CAFE targets, it will need 13-21% EV penetration over the expected 5 year block (FY28-32). BEV growth will be driven by lower operating cost, lower on-road price, better charging infra as more EV players come in the market, and higher fuel prices.

Farm segment

- Farm segment was dragged down by 3 international subsidiaries (INR14bn of impairment). MM has exited one business and is in the process of exiting the remaining two in FY27, which should improve profitability in next 2 years. US, Brazil and Turkey, strategic markets, are facing industry slowdown. Once downcycle is over, these markets should add to MM's volumes.

- 7 new launches and 12 new features are planned for FY27, including 2 major product upgrades – transmission upgrade in Swaraj tractors and a new tractor range on a new platform under Mahindra Tractors.

- Tractor growth is difficult to forecast with confidence as it is driven by sentiments and government interventions. H1FY26 grew on a low base (35-40% of annual volumes) and MM sees growth opportunity in H1FY27. Some states (~60% of the market) like UP didn't see good tractor growth in FY26 (<20% YoY) but have good reservoir and irrigation levels this time and therefor would be less affected by monsoons.
- Unlike earlier upcycles, this time there has seen less inventory build-up by OEMs.
- Rainfall deficit (~65% probability) and H2 base effect are risks to tractor growth in FY27.

Other highlights:

- Q4 PLI benefit accrued was INR5bn. All its EV variants are PLI compliant now, with most benefit for BE6 expected to accrue in Q1FY27.
- MM will announce the next capex cycle in Jul'26.
- FY26 RoE stood at 20.1%, with the management aiming at ~18% in the medium term.
- MM aspires to be amongst top aerostructure players in the world. LMM, which has the been a great value creator for the group, is expected to be listed in CY27.

Mahindra & Mahindra Financial Services (MMFS IN)

RATING ACCUMULATE | CMP INR 294 | TP INR 325

Growth

- Management remains constructive on FY27, indicating an AUM growth of mid-teens (~13-14%).
- SME franchise continues to anchor growth- expected growth of 30-40%.
- Mortgage segment has begun to see early momentum, with further scale-up contingent on finalisation of the operating model (expected by Q2).
- Vehicle finance strategy reflects a calibrated shift i) Increasing share of LCV within CV, alongside a pivot toward Small CV and used CV segments ii) Continued rationalisation of exposure to volatile HCV segment.
- Digital origination continues to scale, with ~50% of FY26 disbursements processed through the digital lending stack, supporting throughput and efficiency

Operating profitability

- NIM guidance maintained at ~7.1% (± few bps), supported by multiple structural levers i) Higher contribution from fee-based income ii) Reduction in cost of funds post Rights issue and iii) Favourable product mix (notably tractors).
- Operating leverage expected to play out in FY27, with opex growth moderating. Opex-to-assets likely to remain stable to marginally decline
- Fee-to-assets ratio seen sustaining at ~1.4–1.5% over the medium- term, with limited upside beyond this band.
- Management continues to focus on NIM expansion, opex discipline and credit cost normalisation, with a stated aspiration of ~15% ROE over the medium term

Asset quality

- Credit cost guidance of 1.3–1.7% reflects a normalized through-cycle range.

- Rs270cr management overlay created to buffer against geopolitical and monsoon-related uncertainties.
- PCR elevated to ~58% (vs. steady-state ~53–54%), providing incremental cushion
- Collections performance remains broadly stable, with no systemic deterioration observed except i) Localized disruptions in TN, West Bengal, and Assam ii) Some impact on remittances (particularly in western regions) due to geopolitical factors

Mahindra Logistics (MAHLOG IN)

RATING BUY | **CMP** INR 406 | **TP** INR 504

- Supply chain management/Mobility business contributed 94%/6% of total revenue.
- MAHLOG IN reduced whitespace by ~0.3mn sq ft in 4QFY26, with a target to substantially eliminate excess white space by Sept'26.
- The growth in B2B express segment was supported by mid-teens volume jump and higher realizations, driven by favourable client mix and selective yield corrections rather than blanket price hikes.
- MAHLOG IN plans incremental investments in technology in FY27E after a relatively lower investment phase over the past two years, to further strengthen operational capabilities.
- Freight forwarding segment is witnessing near-term headwinds due to geopolitical disruptions impacting global trade flows.
- Sequential GP improvement in the B2B express business was notable, with gross contribution increasing from Rs27mn in 3QFY26 to Rs66mn in 4QFY26, driven by better yields, higher volumes, improvement in client mix, and cost discipline.

Marico (MRCO IN)

RATING ACCUMULATE | **CMP** INR 807 | **TP** INR 875

- Demand remained stable, QoQ led by benign inflation with management expecting gradual improvement over coming quarters
- Company made price cuts in small packs of Parachute oil (up to 10%) to pass on the benefits of easing copra prices.
- VAHO gained 100bps marker share with management guiding double digit volume led growth over in FY27 led by innovation. & continued benefit from GST rationalization
- VAHO Q4 volume came at low twenties with price hike taken in the range of 6-7% amidst rising crude prices
- Premium Hair Nourishment, Male Grooming and Skin Care, closed the year at ~Rs3.5bn in revenues, while Digital first portfolio clocked an exit ARR of Rs11bn+
- International business witnessed healthy demand scenario, however gulf region remained impacted in March amidst ongoing geopolitical headwinds
- Revenue share of premium categories in the international business has gone up from ~20% in FY20 to ~30% in FY26 and is likely to increase to ~40% by FY30.
- Revenue share of Bangladesh in the overall international business has declined from ~50% in FY20 to ~45% in FY26 and is likely to be ~35% by FY30

- Management guided for high single-digit volume growth in India business for FY27. While they expect international business to grow at mid-teen CCG driven by broad-based performance across markets.
- MRCO expects India revenue share of the Foods and Premium Personal Care (incl. Digital-first) to increase to ~27% in FY27 (earlier ~25%) and ~33% by FY30.
- The company anticipates digital first brands to reach double-digit EBITDA margins by end of FY27 and expand to teens by FY30.
- The company expects revenues to cross Rs150bn in FY27 with double digit value growth and high-teen EBITDA growth, however macro headwinds remain key concern.

Maruti Suzuki (MSIL IN)

RATING ACCUMULATE | **CMP** INR 13,257 | **TP** INR 14,550

Demand and Capacity

- Capacity constraints resulted in order backlog of ~190k units at FY26-end, of which ~130k units were small cars (18% GST bracket). The 2nd plant at Kharkhoda facility commissioned in Apr'26, and the 4th production line at Hansalpur facility set to become operational within this FY, should each add steady state capacity of 250k units annually.
- INR140bn of capex is planned for FY27, mainly for the 2 new manufacturing lines.
- In Q4FY26, 1st time buyers accounted for 51% of total MSIL car buyers; repeat purchasers, 18%; and 31% were those who wanted additional car in the family. 1st time buyers proportion in Q3FY26 was ~48% and in H1FY26 was ~42%, indicating a clear boost from GST rationalization. This, along with 2W buyers upgrading to PVs, resulted in higher showroom traction in H2FY26. Rural market continued to perform well throughout the year, while urban market showed recovery and grew post GST2.0 roll-out.

Product Pipeline

- The management aims to launch 7 more SUVs by 2030, to increase market share.
- MSIL continues to follow a balanced multi-powertrain technology pathway with its PV models ~20% more efficient than its peer group. It has the tech for higher ethanol blend flexible fuel vehicles , but believes that volumes from these wouldn't be meaningful for a few years.

Other highlights

- MSIL has further headroom to grow ASP in upper segment models and EVs.
- Exports are diversified and robust. As of now, the company aims to sustain current volumes, amid increasing global uncertainties. Q4FY26 export revenue stood at USD1.24bn.
- Retail volume stood at 468.7k units in Q4FY26 vs. 415k units in Q4FY25 (+12.9% YoY).
- The Board has recommended final dividend of INR140/sh (FY25: INR135/sh) with record date as 7th Aug'26.

Max Healthcare Institute (MAXHEALT IN)

RATING BUY | **CMP** INR 1,023 | **TP** INR 1,175

- Bed expansion: Phased commissioning of more than 20% additional brownfield capacity across Mohali, Nanavati Mumbai, and Max Smart Delhi has taken place over the last 2 quarters, with full operationalisation expected over the next 2-3 months. Further, another ~10% capacity addition is expected after the commissioning of the 500-bed greenfield hospital in Gurgaon during the year. Brownfield expansions are already contributing positively to EBITDA, and the management expects significant operating leverage as these new capacities progressively ramp up. Investment of INR14bn announced for the construction of a 700-bed greenfield hospital in Shaheed Path, Lucknow. Management remains confident about the region's growth potential and expect this addition to be EBITDA accretive over time.

- Bhubaneshwar acquisition: The company completed the acquisition of a controlling stake in Kalinga Hospital (250 operating beds), marking entry into Eastern India and providing opportunities for future brownfield expansion. It will be consolidated in the company from Q1FY27 itself. The unit is already profitable and contributes ~INR10cr in annual EBITDA.

Project updates

- **Max lucknow-** Capacity currently at 426 beds and expected to increase to 570 beds over the next 2 quarters.

- **Sector-56 Gurgaon (500 beds)-** Expect now to get commercialize by FY27 end vs H1FY27 earlier. Interior and facade work have commenced, with commissioning targeted by the end of the year; No further delay expected; the company will follow a phased operationalisation strategy, with management targeting breakeven within FY28.

- **Max Nagpur (100 beds)-** Project work remains on track, with commissioning expected by FY28.

- **Mohali (400 beds)-** Structural work is ongoing and the hospital remains on track for commissioning in FY28.

- **Max Dwarka (260 beds)-** Building plan approval is underway, with project completion expected over the next 24 months.

- **Max Vaishali (200 beds)-** Awaiting building plan approvals, while all other clearances are in place; project completion is expected within 24 months post approvals.

- **Max Patparganj (400 beds)-** Construction work has commenced, with commissioning expected by FY29.

New facilities

- **Noida-** Occupancy improved at ~60–65% during the quarter; strong QoQ revenue growth was seen and continued doctor additions. The management expects the occupancy to reach at the network level of~75% with additional brownfield planned.

- **Lucknow-** Currently generating nearly 5x the EBITDA compared to the level at the time of acquisition. Focus remains on a multi-location cluster strategy in Lucknow; the management has planned phased development of a 700-bed Shaheed Path hospital over the next three years, with 200-300 bed expansion planned at Gomti Nagar over time. Management expects the Gomti Nagar alone to eventually scale beyond 2,000 beds over the long term.

- **Dwarka-** Operating at ~80–85% occupancy, with plan for a 200+ bed brownfield expansion. The oncology bunker and oncology centre are expected to commence operations from next month, which should support additional growth.

- **CGHS Rate revision:** The gross benefit stood at ~INR2bn while the net benefit post GST impact is INR1.4bn. The benefits have started flowing through from Q4FY26, with only super-speciality rate revisions pending; Remaining benefit of ~INR250–300mn is expected to be phased in over the next few months. Oncology contribution within CGHS business has reduced to ~40% from ~50% earlier due to discontinuation of chemo drugs.

- **Guidance:** The management guided that the key focus for FY27 would be on ramping up newly commissioned capacities, integrating Kalinga Hospital, and progressing expansion projects including the Sector-56 Gurgaon hospital. Management expects no delays in the near-term expansion pipeline and does not anticipate margin pressure from new hospital.

Global Health (MEDANTA IN)

RATING BUY | **CMP** INR 1,243 | **TP** INR 1,450

- **Bed expansion plan:** Medanta plans to add ~2,700 beds across five greenfield projects over the next 3–4 years. Most of these hospitals are expected to become operational around May 2029, with meaningful revenue contribution likely from FY30 onwards. Varanasi (400 beds): A build-to-suit lease model with capex requirement remains limited to MEP works, interiors, fit-outs, and medical equipment. Guwahati (400 beds): Land acquisition has been completed, and key regulatory approvals are already in place. Indore bolt-on acquisition (~80 beds): Located within 500 metres of the existing hospital and will address cancer patients, the facility is expected to be operational in Q2 FY27. South Delhi: Diaphragm wall construction at Site 1 has been completed, while the civil construction tender is expected to be floated by end-June 2026. Mumbai & Pitampura (Delhi): Both projects are currently at different stages of regulatory approvals.

- **Bed Additions in FY27E:** Plans to add ~500 beds across existing hospitals with minimal incremental capex.

- **Capex guidance:** Mgmt guided for FY27E capex of INR 8–9bn and FY28E capex of INR 6–7bn with construction-related cash outflows will be back-ended. Overall, capex guidance over the next five years is guided at ~INR 45bn and is expected to be funded through a mix of internal accruals and debt.

- **Matured Units:** EBITDA margin at 24.4% (down ~40 bps YoY), largely due to higher employee costs partially offset by material cost improvements. Gurgaon capacity additions: 4 new OTs to be added in Q1/Q2 FY27; additional cath lab capacity to be added. ~5–10 procedural rooms to be commissioned in FY27. Indore: Plans to add oncology. Ranchi: Ranchi facility also received CGHS and railways empanelment post the new wing commissioning. Management targets 20–30% growth (from current 15-16% growth) trajectory as oncology services and new empanelment scale up. Mgmt guided for potential margin expansion aided by better operating leverage.

- **Developing Units:** Occupancy for developing hospitals at ~61% in Q4; Patna running close to ~70% occupancy, ICU bed additions underway. Key ARPOB growth levers for Lucknow and Patna: potential tariff hikes (no price increase taken in Patna in 4.5 years of operation), addition of higher-complexity/higher-margin specialties such as liver transplant, robotic surgery expansion, thoracic surgery, lung transplant; and ALOS improvement especially in Patna.

- **Noida Unit:** The Noida unit is currently operating at INR 70k-80k ARPOB and ~30% occupancy, while management expects the facility to achieve breakeven at 40–45% occupancy levels. Management has guided for breakeven by H2FY27. Obstetrics and liver transplant not yet commenced, incremental revenue/margin accretion expected as these are guided to launch in FY27. CGHS empanelment received in

May'26; major insurance and TPA empanelment largely completed, occupancy acceleration expected in Q1FY27 given the large government employee population in the NCR/Western UP catchment.

- **CGHS benefit:** Full-year impact of CGHS and tariff revisions implemented in FY26 and expected to flow through in FY27E, providing a revenue/margin tailwind for mature hospitals.
- **International business:** Management sees further growth driven by Noida's international patient funnel and expansion into newer geographies such as Africa, Southeast Asian countries. Recovery in the Middle East and Bangladesh markets is also expected over the medium term.

Metro Brands (METROBRA IN)

RATING ACCUMULATE | CMP INR 1,108 | TP INR 1,187

- Q4FY26 performance remained strong, led by festive and wedding season demand along with GST reduction on footwear priced below Rs2,500.
- E-commerce/omni-channel revenue grew 53% YoY, contributing 12.2% to sales vs 9.5% in Q4FY25 and company expects the contribution to remain in 12-15% range in medium term
- The company is investing in a new 200k sqft distribution center to support growth.
- BIS-related supply chain disruptions for select external brands led management to continue remain cautious on Footlocker store expansion.
- Clarks is facing less disruption due to BIS issue as majority of its production is being done in India
- Fila repositioning strategy remains underway, supported by sharper merchandise assortment and pricing initiatives
- Overall input cost has increased by ~10% with some category seeing even more than that
- No immediate price hike are likely in near term with some inventory front-loaded in anticipation of future price rise
- Demand is expected to remain largely unaffected, as the target consumer base is premium in nature, resulting in relatively lower sensitivity to inflation.
- FILA to start adding significantly to topline in next 18 months
- Management is monitoring the gulf crisis for input cost impact and it expect to mitigate the cost in near term
- There is an opportunity to open at least 50 stores across FILA, Footlocker, Clarks and MetroActiv in FY27
- Management guided for 15% revenue growth in near to medium term

Mold-tek Packaging (MTEP IN)

RATING ACCUMULATE | **CMP** INR 585 | **TP** INR 662

- April demand trends remained healthy across FMCG and paints, led by strong traction in ice cream, curd and paint categories.
- Hyderabad facility consolidation from five plants to two plants has improved operational efficiency and streamlined manufacturing.
- Pharma segment reported strong growth of 37% YoY in Q4FY26, with management expecting healthy momentum to sustain in FY27.
- Management remains on track to achieve pharma revenue target of ~Rs50-55cr in FY27.
- Price hikes were implemented in the last two weeks of March, which may support strong value growth in Q1FY27
- MTEP plans to add ~1,500 tonnes of incremental pharma capacity in FY27, taking total pharma capacity to ~2,500 tonnes.
- Revenue mix stood at 75.5% IML and 24.5% non-IML during the quarter.
- Paints segment volumes grew ~26% YoY in Q4FY26, led by robust traction from ABG with ~60% growth, while APNT registered 17% growth during the quarter.
- Berger and Nerolac commenced operations from March, which is expected to further support paints segment growth.
- Overall capacity utilization stood at ~65%, with management expecting utilization levels to improve further in FY27.
- 4 additional thinwall machines will be commissioned in Jul'26, doubling thinwall capacity at Panipat.
- Total installed capacity stood at ~63,000 tonnes against utilization of ~43,000 tonnes.
- MTEP has guided for FY27 capex of ~Rs80-85cr, with majority of investments likely towards brownfield expansion.
- Post brownfield expansion, total capacity is expected to increase to ~68,000 tonnes by FY27-end.
- Key raw material prices remain volatile, fluctuating between Rs145-150/kg currently versus Rs150-160/kg at its peak.
- Company signed a couple of large clients in food and FMCG segments from north region led by expansion in Panipat plant
- Management does not expect any meaningful increase in debt levels despite ongoing capex plans.
- MTEP guided for 10bn+ revenue , EBITDA/kg of ~Rs42-43 & EBITDA growth of ~20% for FY27

Mphasis (MPHL IN)

RATING BUY | **CMP** INR 2,277 | **TP** INR 3,000

- Management stated that while macroeconomic uncertainty persists, the company's strategic direction remains focused on execution, accelerating tech-led differentiation, and scaling AI capabilities to deliver measurable outcomes for clients.
- In Q4, BFS and Insurance growth was driven by ramp-up of large deals and wallet share expansion in key accounts, while the TMT segment witnessed softness due to project completions and delayed decision cycles amid macro uncertainties.
- The Logistics business stabilized in H2FY26 following a large client restructuring, supported by new client additions; management expects a gradual recovery in the segment through FY27.
- Management stated that hedge losses will continue for the next four quarters with impact in first half of FY27 and tapering in second half.
- Management highlighted that since the launch of Mphasis.AI, the pipeline has expanded ~2.6x, with ~69% now being AI-led, reflecting a structural shift in demand. On AI-driven productivity, management indicated that while productivity gains are increasing, pass-through to clients is measured and structured; a portion of the gains is reinvested into additional AI layers, automation, and modernization, thereby limiting pure deflation and supporting both efficiency and growth within client accounts.
- Management stated that clients are increasingly seeking platforms that can orchestrate AI-led execution across the enterprise, moving beyond isolated deployments to coordinated, end-to-end transformation, with the NeoIP platform enabling this shift.
- Management indicated that its diversification strategy is centred on expanding across industry verticals and geographies by adding new clients and scaling existing accounts, supported by targeted investments in leadership and capabilities, along with a deliberate push into newer segments such as retail and CPG, including through recent acquisitions and solution-led expansion.
- Management guided high single digit to low double-digit growth for FY27, supported by disciplined execution and increasing demand for AI transformation with margin in the band of 14.75-15.75%
- Management highlighted that transition towards fixed price and outcome linked large transformation programs requires forward deployed capability at client location which is leading to higher onsite presence and evolving metrics.
- MPHL announced dividend of INR 62 per share.

Narayana Hrudayalaya (NARH IN)

RATING BUY | **CMP** INR 1,891 | **TP** INR 2,250

- **Bed expansion plan:** NARH is now entering a major expansion cycle, with greenfield projects across Rajarhat (Kolkata), HSR Layout (Bengaluru), Raipur, and a second Bengaluru facility, all expected to be commissioned by FY28. The Rajarhat project is strategically important as it will create an integrated quaternary care facility and address scalability constraints of the existing Kolkata campus, which currently operates only ~30% of Bengaluru's bone marrow transplant bed capacity.

- **Capex outlook and guidance for FY27:** FY26 greenfield capex stood at INR1.1bn (earlier guided at INR4.24bn), due to election-led labor shortages and approval delays. However, the management has guided that FY28 commissioning timelines remain intact, with execution expected to accelerate going forward. Total domestic capex is guided at ~INR30bn, alongside ~INR4.6bn for greenfield inorganic opportunities, with commissioning across FY28–29, implying annual spend of ~INR10bn during the period.

- **India hospitals:** Margins expansion was driven by payer mix optimization, higher contribution from complex quaternary care, and operational transformation initiatives. The Bengaluru cluster remains the key growth driver, with ARPP exceeding INR250k, supported by leadership in robotic cardiac surgeries, percutaneous aortic valve procedures, and pediatric bone marrow transplants. The slower 5%–6% growth in the Kolkata cluster in FY26 was attributed to reduced international patient contribution. The company continues to focus on ARPP over occupancy metrics, typically operating at 60%–65% occupancy. Meanwhile, Mumbai's SRCC Children's Hospital achieved EBITDA breakeven in Q4, while the proposed adult care expansion remains under advanced discussions and is guided to materially improve profitability. In the northern cluster, the management continues to focus on Dharamshila and Gurugram. The cluster's 5%–7% FY26 growth was attributed to structural market dynamics.

- **India hospitals' margin guidance:** Management believes margin gains are largely sustainable, though input cost inflation, macro volatility, and greenfield ramp-up losses from FY27 could create near-term pressure.

- **India clinics:** NARH operates 11 clinics in Bengaluru and plans to double the network, including entry into Kolkata in FY27, while maintaining disciplined expansion and cash burn control. From FY27, clinic financials will be merged into the core hospital P&L, reflecting shared medical resources and referral flows. NHIC & NHIL reported a combined FY26 loss of ~INR660mn, flat YoY, largely reflecting corporate overheads and the ramp-up costs of newer clinics, rather than underlying operating weakness.

- **Cayman business:** Quarterly revenue improved from <USD35mn in Q3FY25 to ~USD65mn in Q4FY26, driven by the Camana Bay ramp-up and the integrated One Health model enhancing insurance-led patient steerage. The management reiterated that hospital and insurance operations should be viewed as a single integrated ecosystem, rather than standalone entities.

- **Cayman guidance:** Growth is expected to moderate as the Cayman market is relatively small, though margins have remained stable through the transition to Camana Bay. Incremental upside is emerging from rising patient inflows from other Caribbean islands, which the management sees as the next major growth driver as domestic opportunity matures. CIHL reported ~USD5mn quarterly loss, expects sequential improvement over the next 3 quarters, supported by Jun'26 price increases across 30%–35% of accounts and renewal-led repricing/exits of underpriced risks, though 1–2 more quarters of similar losses are likely.

- **Practice Plus (UK clinics):** Reported EBITDA margin improved to ~10% in Q4 vs. 7%–8% at acquisition, though the management has cautioned that near-term trends are not directly comparable due to mid-quarter closing, integration and transition costs, incomplete IT separation, and expense reclassifications. NARH's focus is on deploying the Atma platform to drive efficiency in the fragmented UK system, increasing private/self-pay mix (~7% at entry), and replicating the Cayman integrated care model.

- On a normalized basis, margins are guided at ~22% (adjusted for UK subsidiary acquisition-related costs).

National Aluminium Co. (NACL IN)

RATING HOLD | **CMP** INR 399 | **TP** INR 413

- **Record operational performance across segments:** NALCO delivered best-ever year with bauxite mining up ~6% YoY and alumina production up ~11%. Aluminium production grew 2.6% and continues to operate above rated capacity. Captive coal production from Utkal mines increased sharply by ~42%.

- **Weak alumina cycle to persist; aluminum strong but likely to normalize:** Alumina realizations declined sharply from USD 580/t in FY25 to USD 370/t in FY26. This was offset by stronger aluminum realizations (USD 2,550/t to USD 2,700/t) along with efficiency gains (lower power and employee costs). The trend has continued into FY27, with alumina prices correcting further to USD 305-310/t currently, implying FY27E realizations of USD 300-310/t, while aluminum realizations remain elevated with Q1FY27E at USD 3,500/t and FY27E at USD 3,000-3,100/t.

- **Refinery ramp-up to drive alumina growth; metal volumes largely stable:** The new 1mtpa alumina refinery (commissioning from Jun'26, with 3-4 months for stabilization) is expected to contribute 0.2-0.3mt in FY27. Aluminium sales are guided to increase marginally from 0.471mt in FY26 to 0.473mt in FY27.

- **Alumina sales strategy shifting to spot market:** Current alumina dispatches are largely spot-linked, with 4 shipments per month (30kt each). Mix of contracted volumes has reduced due to weak pricing. No long-term contracts being entered at current price levels. Due to shutdowns of smelters in the Middle East, exports to the region has dropped from earlier levels of 45-50%.

- **Cost pressures rising but largely offset by structural efficiencies:** Input costs have increased (caustic soda INR 45,000/t, CP coke INR 55,000-56,000/t in H1FY27, aluminum fluoride INR 130,000/t), which may marginally increase CoP Alumina CoP INR 20,000-22,000/t, while aluminum CoP is under INR 1.6 lakh/t. 50% of caustic soda requirement currently being met through JV.

- **Captive coal ramp-up to drive further cost savings:** Annual coal requirement stands at 7.2mt, with captive sourcing expected to increase to 4.8mt in FY27 (4mt in FY26). Captive coal cost is INR 1,500/t, compared to INR 1,800/t for linkage and INR 2,100/t for e-auction. Higher captive coal share is expected to further reduce power costs going ahead.

- **Employee costs controlled; to increase post pay revision:** Employee costs declined ~2% YoY in FY26 due to superannuation-led savings. However, wage revision effective Jan'27 will increase employee costs by 10-15% YoY in FY27. ~250 employees on the higher end of the pay scale will be retiring in FY27 and a similar number would be recruited but at a relatively lower pay grade.

- **Capex cycle accelerating:** FY26 capex stood at INR 20bn (Vs INR 17bn guidance), FY27 guided at INR 18-20bn. INR 300bn expansion plan (smelter + power plant), with DPR expected by Aug-Sep'26, ordering by Apr-May'27 and commissioning targeted by Dec'30/early CY31. Capex intensity will ramp up to INR 40-50bn in FY28 and INR 80-100bn annually over FY29 & FY30.

- **Downstream and strategic initiatives:** New 60kt wire rod mill is being added to improve value-added mix, along with annealing and rolling capacity. The Midhani JV has been dropped due to negative IRR, while the NLC JV continues.

- **Critical minerals extraction from red mud at pilot stage:** Pilot projects for extracting rare earths and other critical minerals from red mud reserves initiated, with commercialization potential over the next 2-3 years. Gallium project is at advanced pilot stage, with a dedicated pilot plant under development and potential to move to plant-level extraction over the next 2-3 years, where NALCO would have first rights to extraction.

Navin Fluorine International (NFIL IN)

RATING ACCUMULATE | **CMP** INR 6,759 | **TP** INR 7,297

- In HPP segment Growth was led by improved realizations and higher volumes.
- 15,000mtpa of R32 equivalent to be commission by Q3FY27
- In China R32 prices are currently at $9/kg
- In Specialty Chemicals segment strong order visibility for FY27 Q4 and beyond.
- The Chemours project is on track for completion in Q1FY27, Navin is the only manufacture of the product.
- Project nector utilization to be around 70%-75% in FY27.
- Globally agrochemical pricing continues to remain under pressure while volumes are recovering.
- In CDMO segment cGMP -4 commenced, commercial supplies started to European players, strong revenue outlook for FY27 and beyond.
- Working on 50-55+ molecules for CDMO, 50%-50% mix of early and late-stage molecules.
- Solid growth momentum for the Fermion project.

Nazara Technologies (NAZARA IN)

RATING BUY | **CMP** INR 1,654 | **TP** INR 2,075

- NAZARA IN reported other income of Rs507mn (up 171% YoY) in 4QFY26, largely driven by a Rs310mn fair value gain on its investment in Rusk Media, along with some currency gains.
- Share of losses from associates stood at Rs305mn in 4QFY26. This was primarily driven by a goodwill write down of Rs500mn, relating to an earlier OML asset acquisition by Nodwin.
- As for SportsKeeda, focus remains on cost optimization with margins expected to improve in FY27E.
- Curve Games plans to launch at least 6 new titles in FY27E.
- NODWIN is targeting an independent fundraise of US$100-200mn through a mix of primary and secondary issuance while simultaneously preparing for an IPO.
- Depreciation and amortization expense declined 23.8% on QoQ basis to Rs455mn in 4QFY26. This was due to Nodwin's deconsolidation, and long amortization cycle of Curve Games' multi-year game development investments.
- Consolidation of BT Games is expected from 1QFY27E.
- Seasonality in Fusebox is expected to moderate gradually as the portfolio expands to multiple IPs and more frequent release cycles, including 3 seasons each of Love Island and Big Brother in FY27E along with the launch of Traitors.
- Kiddopia returned to subscriber growth in 3QFY26 and sustained momentum in 4QFY26, supported by its CoE, stronger IP integrations, better data visibility and enhanced decision-making capabilities.

- WildWorks will integrate Mattel's Monster High IP into Animal Jam and launch Animal Jam on Roblox in FY27E, alongside releasing a new hyper-casual game targeting kids and women in North America (in 2QFY27E). 11) Human Fall Flat crossed 58mn lifetime units sold globally.

Nippon Life India Asset Management (NAM IN)

RATING BUY | **CMP** INR 990 | **TP** INR 1,050

Industry

- Mutual fund industry QAAUM grew 20.9% YoY and remained largely flat QoQ in Q4FY26 to INR81.5trn.
- Equity flows remained strong with net inflows of ~INR 1.23trn in Q4'26, led by categories such as flexi-cap, multi asset and Mid cap. However fixed income witnessed net outflows of INR 1.78trn, while ETF had net inflows of INR709bn.
- Quarterly SIP contributions stood at INR 929 bn up 19% YoY and 3% QoQ. Monthly SIP flows hit a record INR 321 bn in March 2026. Contributing SIP folios dipped marginally by 0.7mn QoQ but increased by 16.1mn YoY (20%). Unique mutual fund investors rose to 61.4mn up 13% YoY.

Financial Performance

- Segment-wise yields stood at 53 bps for equity, 25bps for debt, 11-12bps for liquid and 25bps for ETFs. The blended yield for the portfolio stood at 15bps.
- Mutual fund business contributes ~91% of total revenue, with PMS/AIF and advisory forming a relatively small segment.
- The new TER is expected to have an impact of 3–4 bps. While the impact may be visible initially, company intends to minimize the P&L impact over time. The entire TER impact will be passed through to distributors via a distribution cut, implying no structural margin impact for the company.
- Q4'26 ESOP expense was INR 110mn and annual ESOP cost was INR 430mn, the annual charge for next year is expected to be around INR 350mn and a cumulative cost of INR 700–750mn over four years.
- Management maintained cost guidance at 15-16% YoY growth (excluding ESOPs), with the expectation that operating leverage will improve as AUM scales-up, helping reduce cost over the longer term.
- The lower tax rate in Q4 was driven by reversals following assessments, mark-to-market adjustments, and slightly lower applicable tax rates.
- The company continues to lead the market in ETF volumes and maintains higher net inflows, reinforcing its strong positioning.
- Management views SIF as a significant long-term growth opportunity. While no formal launch timeline or AUM guidance has been shared, a dedicated team led by an industry veteran is already working on product design and back-testing.
- Fintech SIP ticket sizes are steadily increasing and now stand at 60–70% of distributor-led SIPs,
- The recently announced JV (non-binding) is aimed at building capabilities in AIFs and attracting overseas capital, with potential benefits across ETFs, international funds and offshore businesses. The JV enhances global access particularly into Europe.

NCC (NJCC IN)

RATING BUY | **CMP** INR 161 | **TP** INR 195

- NCC reported a record order book of ~INR 830 bn, up ~16% YoY, providing strong multi-year revenue visibility with a book-to-bill of ~4x. The order book is well diversified across segments like buildings, transportation, water, electrical, and mining, supporting long-term growth stability.
- Management did not provide guidance for FY27 on revenue, EBITDA margins, or order inflows, citing high macro uncertainty. Factors like commodity prices, global developments, and client spending visibility led to a cautious stance, with possible guidance post Q1FY27
- Despite a strong order book, execution visibility remains uncertain due to external factors such as inflation, logistics issues, and evolving global conditions. Management emphasized that while execution is currently stable, future trends are difficult to predict.
- Working capital stood at ~28% of revenue (~97 days), with improvement in receivables days during the quarter. Net debt reduced sequentially, supported by better collections (especially in water projects), though overall leverage remains elevated vs last year.
- The company has guided for ~INR 5 bn capex in FY27, including ~INR 1–1.5 bn for mining equipment and ~INR 3.5–4 bn for routine equipment replacement. Capex will remain disciplined and aligned with execution needs and project pipeline.
- Management highlighted a robust bid pipeline of ~INR 2.5 tn (INR 2,500 bn), indicating strong opportunity flow in infrastructure. NCC plans to maintain a selective bidding strategy, focusing on profitable and well-structured projects.
- Water (JJM) execution slowdown impacted revenue during FY26, though collections improved significantly in Q4. Mining remains a key growth driver with new projects, while smart meter projects are progressing with investments already largely completed.
- The company has invested ~INR 4.6 bn in SPVs for smart meter projects, with no major additional equity requirement going forward. Debt has been tied up at competitive rates (~9.15%), and execution is progressing as planned.
- NCC maintains access to diversified funding sources including working capital limits, commercial paper, and bill discounting at competitive rates (~8–9%). Utilization remains comfortable, providing sufficient liquidity to support execution.
- The coal mining project has already achieved its rated capacity (~15 MTPA), and management expects stable performance going forward. Additionally, a new mining project (~INR 60 bn+) will contribute to standalone revenue from FY27 onwards.

NMDC (NMDC IN)

RATING ACCUMULATE | **CMP** INR 92 | **TP** INR 97

Operational Performance & Guidance

- FY27E contribution from new mines: Deposit-4 (1mt) and Deposit-13 (0.5mt).
- Incremental production will also come from existing mines including Deposit-14, NMZ, Kumaraswamy and Deposit-5 through debottlenecking and sweating of assets.
- FY27 production is already tracking well, with ~10mt produced in the first two months and May'26 production stood at ~5.3mt.
- Mgmt. reiterated confidence of achieving 100mt+ iron ore capacity by the end of the decade.
- NSL turned profitable; HR coil trading was temporary in Q4FY26, and no trading happened in Q1FY27.

Capacity Expansion & New Mines

- Deposit-4 has been opened, and infrastructure installation is underway, with commercial mining expected from Jul'26, with commercial mining expected from Jul'26. Production is expected to scale from 1mt in FY27E to 2mt in FY28E and eventually reach 7mt peak capacity.
- Deposit-13 is expected to start operations in Q2FY27 post monsoon, with production guidance of 0.5mt in FY27E and 2mt in FY28E. Initial peak rated capacity is 10mt+.
- Kirandul capacity to increase from 21mt to 30mt; Bacheli from 18-19mt to 35mt; Deposit-5 targeted to expand from 12mt to 20mt over time.
- Current EC capacity stands at 64.8mt while CTO is 55.4mt. NMDC has applied for CTO enhancement to 58.8mt.

Capex & Growth Investments

- FY26 capex stood at INR33bn while FY27E capex guidance is ~INR50-60bn. Annual capex is expected at INR70-100bn over the next few years as NMDC ramps up capacity towards 100mt.
- Major tenders worth INR150-200bn are expected to be awarded in FY27.
- Mgmt. indicated most capex would be funded through internal accruals and would explore the option of debt only in the case of large-scale global acquisition.

Coal & Critical Minerals

- NMDC has opened the Tokisud thermal coal mine in Jharkhand and expects coal extraction to begin in Q2FY27.
- FY27E production guidance is 0.75-1mt with peak capacity of 2.3mt. Initial coal sales will largely happen through auctions. Revenue potential from the same would be INR 5-6bn/mt with EBITDA margins of 30-40%.
- The Rohne coking coal mine is expected to commence by Q3FY27 end subject to regulatory approvals, with peak capacity of 8mt.

- NMDC is actively evaluating overseas critical mineral and rare earth assets, with some acquisitions likely to close in FY27. Mgmt. indicated an additional INR 20-30bn capex towards overseas acquisitions, largely funded through internal accruals.
- The company has also signed an MoU with GMDC for RRE opportunities.

Logistics, Pellet & Value-added Products

- The 15mt slurry pipeline from Bacheli to Nagarnar is mechanically complete and currently under pre-commissioning trials, with commissioning expected by June/July'26.
- NMDC is also developing a INR 30bn blending yard at Vizag to launch branded iron ore with consistent specifications. This differentiated offering should help gain premium pricing.
- At KIOCL, pellet production to increase from 2.4-2.6mt in FY26 to 3-3.3mt in FY27E. The company is also targeting DR-grade pellets with 67% Fe content, which could command $ 20-30/t premium.

NMDC Steel, Margins & Outlook

- For FY27E, mgmt. guided for EBITDA margins of 42-43% with iron ore and steel prices expected to remain largely range bound.
- CoP at Bailadila has already reduced from INR 1,000 - 800/t, with further efficiency improvements expected.
- NMDC intends to fund most capex through internal accruals; debt may only be considered for large overseas acquisitions.

NOCIL (NOCIL IN)

RATING HOLD | **CMP** INR 182 | **TP** INR 176

- Volumes increased by 12% in H2FY26 (7% QoQ in Q4FY26), in H1FY26 volumes declined by 5%, overall, in FY26 volumes increased by 3%.
- Domestic volumes witnessed high single-digit growth driven by improved demand due to GST 2.0.
- International volumes also increased by single digit, driven by the successful conversion of ongoing engagements.
- Cheap dumping competition continues to impact prices, remains a key concern.
- RM prices have increased sharply.
- Currently, ADD has been announced for Sulphenamides and TDQ, with nearly 40% of the company's revenue expected to be impacted by the implementation of these duties.
- DGTR has recommended a positive outcome for anti-dumping duties on Sulphenamides and TDQ, while the final decision from the Finance Ministry is awaited and expected by mid-June.
- In FY26, the company's volume mix stood at 70% domestic and 30% exports, while the value mix stood at 67% domestic and 33% exports.
- Capex for TDQ antioxidant portfolio completed.

- Announced another Rs1.3bn capex in March'26 to be completed by H1FY28, this capex is for setting up integrated facility for specialty chemicals.

NTPC (NTPC IN)

RATING BUY | **CMP** INR 389 | **TP** INR 450

- Management highlighted sustained growth in electricity demand driven by heatwaves, urbanization, and electrification across sectors. Peak demand has already touched record levels, and elevated temperatures could persist into FY27. This indicates a structurally strong demand cycle rather than a short-term spike.

- NTPC continues to maintain a diversified mix across thermal, renewables, hydro, storage, and nuclear. Management emphasized that current sector dynamics support this approach, as baseload thermal remains critical alongside renewable expansion. This reduces volatility and ensures grid stability.

- Despite renewable penetration, thermal plants continue to play a key role in meeting peak demand and ensuring reliability. Regulatory support for a 55% technical minimum provides operational flexibility and protects plant viability. NTPC's fleet continues to operate at superior efficiency levels.

- The company reiterated its commitment to aggressive renewable expansion, targeting significant scale-up over the next decade. Growth is being driven both organically and through JVs and acquisitions. Management also indicated openness to inorganic opportunities to accelerate capacity addition

- Renewable growth is currently facing challenges due to incomplete transmission connectivity. A portion of upcoming capacity still relies on temporary connectivity arrangements. However, management expects this issue to gradually ease as grid infrastructure expands.

- NTPC is actively investing in battery storage and pumped hydro projects to address intermittency challenges. Co-located battery systems at thermal plants and renewable projects are under execution. Storage is expected to play a central role in future grid balancing and peak management.

- The company has built a sizable pipeline of pumped storage projects across subsidiaries. These projects are expected to support long-duration storage needs and renewable integration. Execution timelines remain long, but NTPC sees this as a key strategic area.

- NTPC has initiated execution on its first nuclear project and is exploring multiple sites across states. While timelines are long, nuclear is being positioned as a stable, clean baseload source. This adds long-term optionality to the company's energy mix.

- The company is exploring green hydrogen, green methanol, and sustainable aviation fuel. Additionally, coal gasification projects are being piloted to enhance domestic resource utilization. These initiatives indicate a broader transition beyond conventional power generation.

- NTPC continues to strengthen its fuel security through captive coal mining and domestic sourcing. Increasing share of captive coal reduces dependence on external supply and price volatility. This provides operational stability amid global energy uncertainties

- Management highlighted favorable regulatory developments, including support for storage integration and compensation mechanisms for thermal operations. The cost-plus framework continues to ensure return visibility. This remains a key strength of NTPC's business model.

- The company maintains a large pipeline under execution, providing multi-year visibility. Management emphasized disciplined capital allocation and timely project execution. This supports steady growth while maintaining balance sheet strength.

Nuvoco Vistas Corporation (NUVOCO IN)

RATING BUY | **CMP** INR 305 | **TP** INR 474

Pricing

- The company implemented price hikes across all regions in April. In the East (Bihar, Jharkhand, West Bengal, Chhattisgarh, Odisha), price hikes were ~INR10/bag in trade and ~INR20/bag in non-trade, translating to effective realizations of ~INR7-10/bag (trade) and INR12-18/bag (non-trade).
- In the North and West (Rajasthan, Haryana, Gujarat, Western MP, Punjab and Western UP), price hikes were ~INR10/bag in trade, while non-trade hikes were ~INR15/bag in Gujarat and ~INR10/bag in other regions. On a blended basis, price hikes stood at ~INR8-10/bag in trade and ~INR10-12/bag in non-trade.
- Across markets price hike was in the range of INR8-12 in trade and INR10-15 in non-trade.
- Management indicated that the current price hikes largely offset the ongoing cost inflation, and further hikes may be required if cost pressures persist.

Demand

- Q4FY26 witnessed improvement in demand, supported by ~12% growth in Central and State government capex till February.
- Industry demand is expected to grow ~7-9% in FY27, and the company aims to grow broadly in line with the industry.
- Demand remains healthy in core eastern markets such as Bihar, West Bengal, Jharkhand and Chhattisgarh, supported by infrastructure spending and housing demand.

Cost

- Overall cost inflation is estimated at ~INR200/t, which the company aims to mitigate through price hikes, fuel mix optimisation and cost control initiatives.
- Blended fuel cost for Q4FY26 stood at INR1.44/mcal (INR1.43/mcal Q3FY26), with coal at INR1.27/mcal, pet coke at INR1.84/mcal and AFR at INR0.9/mcal.
- Fuel mix in Q4 comprised ~53% coal (31% linkage, 21% non-linkage), ~37% pet coke and ~10% AFR. Nuvoco aims to take AFR share to 13% in FY27 from 10% now.
- Blended fuel cost is expected to increase to INR1.51–1.55/mcal in Q1FY27, with further increase likely in Q2FY27 due to higher input costs.
- In the East, pet coke usage was ~23% and is being reduced further by ~300–500bps, while in the North, dependence is being brought down from ~50%+ to ~45%, supported by higher use of domestic coal and AFR.
- The company is witnessing significant cost pressure from fuel and packaging, with pet coke prices increasing and polypropylene (PP) bag prices rising sharply from ~INR99/kg to ~INR155/kg.
- Packaging cost impact was ~INR20/t in Q4 and could increase further if raw material constraints persist. Granule availability remains tight due to government prioritisation of LPG production, impacting polymer supply.

- Mineral gypsum costs have also increased (~INR20/t), with the company exploring substitution through FGD gypsum.
- Operational challenges included rake shortages in March, due to diversion toward the power sector, impacting clinker movement, along with bag shortages, which continued into April. Lead distance remained broadly stable at ~325km during the quarter.
- Cement-to-clinker ratio stood at ~1.72 at the company level, with ~2.0–2.1 in the East and lower levels in the North due to higher OPC share; focus remains on increasing blended cement to improve the ratio.
- Management reiterated focus on cost optimisation, premiumisation and geographic expansion, with pricing discipline remaining critical to offset cost inflation.

Capex

- The Vadraj project is progressing on track, with phased commissioning expected between Q3FY27 and Q1FY28.
- The Board approved a 1.5mtpa bulk cement terminal at Viramgam (Gujarat) with rail siding, aimed at strengthening western market distribution; commissioning is targeted by FY28.
- The ~4mtpa East expansion through debottlenecking across Jojobera, Panagarh, Jajpur and Arasmeta is progressing, albeit with minor delays due to pending approvals.
- Debottlenecking at Jojobera and Panagarh is completed, with commissioning expected over the next 2–3 months post approvals, while Jajpur and Arasmeta are expected to come online sequentially, with full commissioning by end-FY27.

Balance Sheet

- Management targeting to maintain Net Debt/EBITDA at ~2.0–2.5x.
- Capex for FY26 stood at ~INR7.12bn in FY26 and expected to be INR9bn and INR9.6bn in FY27 and FY28 respectively.

Oberoi Realty (OBER IN)

RATING ACCUMULATE | CMP INR 1,635 | TP INR 1,820

- **Business development investments:** OBER added ~4msf of development potential across MMR. Key additions include an 11-acre parcel in Bandra East (Aram Nagar/Versova) with ~2 msf of developable area, and multiple redevelopment agreements with co-operative housing societies across premium South Mumbai micro-markets such as Pedder Road, Malabar Hill, and Nepean Sea Road. Additionally, OBER receives NCLT-approval for resolution of Horizon Hotel Pvt. Ltd. (possession: 7 May 2026) for development of 1.4msf as the mixed-use project. Across acquisitions, payment structures are largely back-ended or revenue-linked (e.g., RLDA obligations extending to 2038)
- **FY27E launch pipeline:** Mgmt plans to launch 360 North (Gurugram), Carter Road (Oceanic), Malabar Hill (Fairview), and Thane (Forest Ville Tower D) all slated for H1FY27E. Thane (Jardin Tower A), Mulund (Ralli Wolf), and Pedder Road are expected to follow in Q2/Q3FY27E. At Adarsh Nagar, the IOD is anticipated within two weeks; CC application will follow (~3 months thereafter), after which RERA filing and marketing can commence; management guides a Q2/Q3FY27E launch. Alibaug is targeted for Q3FY27E, while the RLDA BKC Commercial project is expected to launch in Q4FY27E. The Borivali SRA free-sale component, on land adjacent to the existing project, is also guided to launch in Q3–Q4FY27E. Enigma commercial building to launch in Q3 (possibility of Strata Sale).

- **Other launches:** The non-SRA Bandra component is on track for an FY27E launch; Aram Nagar's free-sale inventory is likely FY28E or beyond, given the mandatory sequencing of rehab construction ahead of free-sale launch (management is exploring early relocation incentives to reduce the timeline). The Worli-Bandra Sea Link project targeted in FY27 end.

- **Hospitality launch pipeline:** The Ritz-Carlton (Worli/360 West) is targeted to open within FY27E, with the Marriott (Borivali) expected to follow in early FY28E (Q1/Q2).

- **Capex:** Management indicated that the overall land acquisition-related cash outflow is not material in the near term, as most deals are structured with deferred payments. Except INR 2.5bn payment made to RLDA in Q4FY26, which was treated as a working capital change and impacted operating cash flow (OCF), explaining why OCF appeared flattish despite strong collections growth in the quarter. On construction cost inflation, management cited the impact of ~ 2–3% price increase in the overall cost base because of geopolitical conflicts. Management is proactively factoring known cost escalation into pricing for new launches.

- **Sky City Mall (Borivali):** Management guided the mall to reach 100% occupancy by Q4FY27E end.

- **Tardeo project:** The rehabilitation tower at Tardeo is progressing toward OC, which management guided will be obtained within FY27 (Q3 or Q4). Post-OC clearance, existing residents will be asked to vacate, and free-sale launch can proceed.

- **360 West (Worli):** Pre-sales moderated in FY26, with 10 units sold vs 17 units in FY25. Mgmt cited 0.27msf of inventory at 360 west project to drive sales momentum in near term.

- The sharp rise in other current liabilities (from INR 18.6bn to INR 28.bn) largely reflects deferred revenue from both Thane projects (Jardin, Forest Ville) which are billed at 45–50% construction progress but recognising revenue at only ~11–12%.

Oil & Natural Gas Corporation (ONGC IN)

RATING ACCUMULATE | **CMP** INR 274 | **TP** INR 297

- Production & Growth Outlook - ONGC aims to restore production growth through: new partnerships/JVs, increased exploration activity, higher development spending, production enhancement initiatives across mature fields. Management refrained from providing formal production guidance but indicated growth ahead. ONGC plans to drill ~500 wells: ~100 exploratory wells, ~400 development wells.

- Gas strategy: transition toward a gas-led portfolio – ONGC highlighted that it is becoming more of gas weighted company than oil. New Well Gas (NWG) contribution contribution to total gas production expectation FY27: 25-30%, FY28: ~30%.

- Key Project Updates - DUDP commercial ramp-up underway 4 wells currently operational out of 15. More 6-7 wells expected during monsoon. Full commissioning expected by Sep-Oct'26, Material production of ~3mmscmd expected from Jan'27 onwards, Peak production of ~5mmscmd likely to begin ~2 years post commissioning. DSF contribution expected next year. KG-98/2 (Gas) - Platform installation completed; connection activity ongoing. Management expects production commencement by Jul-Aug'26. Current run rate in KG98/2: gas - 2.3mmscmd, oil - 24kbpd

- Western Offshore production mix: oil: ~60%, gas: ~40%. Mumbai High contributes ~38% of total Western Offshore production. Following encouraging results under BP-led TSP-1, management has now expanded the partnership through TSP-2, covering the remaining offshore portfolio (~62%).

- Capex guidance - FY27 capex guidance: E&P Capex: ~INR300-320bn. Management indicated capex may increase if attractive opportunities emerge.
- Deepwater Exploration - ONGC plans to drill ~15–16 deepwater wells over the next two years . Near-term drilling will be funded through internal resources. Meaningful government support expected beginning FY28. No significant government funding anticipated in FY27.
- Cost Optimization Initiatives - Targeted cost savings: INR50bn Achieved: ~INR40bn. Benefits were offset by: GST increase from 12% to 18% (~INR20bn) and INR depreciation Total offsetting impact: ~INR40bn. Management expects further optimization opportunities ahead

Paradeep Phosphates (PARADEEP IN)

RATING ACCUMULATE | CMP INR 126 | TP INR 141

- Sulphuric acid plant at Paradeep with capacity of 0.5mmtpa and 0.1mmtpa at Mangalore commissioned during FY26.
- Pho's acid capacity from 0.5mmtpa to 1mmtpa is on track, phos acid capacity at Paradeep to reach 0.7mmtpa from 0.5mmtpa in FY27.
- Capex for FY27 to be Rs6bn.
- Incremental volumes from the debottlenecking project at Paradeep are expected from H2FY27. (5) Sulphur prices continue to remain elevated; domestic sourcing is from MRPL, Mangalore and IOC, Paradeep.
- Raw material availability is comfortable for Q1, while Q2 visibility remains uncertain.
- Current gas cost stands at $18–19
- Existing capacity utilization was 100% during FY26, currently plants are working at 80%.
- Raw material inventory currently stands at 30 days.
- NPK-20 volumes stood at 1,450,000mt in FY26, while sulfuric acid volumes were 4,10,000mt in Q4FY26.

PCBL Chemical (PCBL IN)

RATING HOLD | CMP INR 291 | TP INR 296

- Mgmt guided double digit EBITDA growth in FY27.
- Aquapharm expected to have 20%-25% topline growth in FY27.
- Specialty CB capacity at Mundra expected to be commissioned in few weeks.
- Super specialty CB facility is ready for commissioning.
- In CB segment RM prices increased significantly due to increase in crude prices.
- In specialty black and performance black segment price hike taken.
- Domestic: Export - 60%:40%.
- Indian tyre industry is expected to grow by higher single digit growth in FY27.
- In Aquapharm segment yellow phosphorous as well as other RM cost escalated by almost 1.5x.

- Increased capacity from 130ktpa to 167ktpa in FY26.
- Volume growth expected in the green chelate's portfolio in FY27.
- The Nanovace pilot plant is ready, with qualification expected to be completed in FY27.
- West Asia conflict has increased RM cost, freight and other cost.
- 75% of raw materials are sourced from the USA.
- CB volumes expect to be high single digit growth.

Prestige Estates Projects (PEPL IN)

RATING BUY | CMP INR 1,402 | TP INR 1,800

- **Business development investments:** PEPL added over 31 msf with a GDV of ~INR270bn during FY26, which contributed ~60% of the company's presales for the year. Management has guided residential BD spend of ~INR90-100 bn going forward, of which the Mumbai pipeline forms a key part with projects across Worli, Borivali, Thane and a commercial development near the airport (~1 msf). The INR26bn spent during Q4FY26 included deferred payments from previous quarter land acquisitions, including ~INR6.5bn towards final instalment and registration of a land parcel.
- **FY27E Presales and new launches guidance:** The Management guided for 15-20% growth in both pre-sales and collections going forward aided by a strong upcoming launch pipelines across Bengaluru, Chennai, Mumbai, NCR and Hyderabad with a GDV of ~INR680bn. The FY27 pipeline includes Prestige Golden Grove in Hyderabad with GDV of INR95bn already launched in Q1FY27 (sold ~INR23bn), Gardenia Phase 2, Bengaluru (Q1FY27), Palm Courts, Chennai (Q1FY27), Falcon, Mumbai (Q1FY27), Prestige Bougainvillea, Noida (Q2FY27) subject to building plan approvals and Prestige Meadows, Gurgaon (FY27). The company recently acquired land parcels in Chennai and Hyderabad are under planning and approval stages, with approvals expected over the next 6-8 months.
- **Commercial Portfolio:** The occupancy remained healthy at 92%; The demand outlook remains strong supported sustained leasing demand from GCCs, technology companies and domestic corporates. The Prestige (Mahalakshmi) has already committed ~0.4 msf to marquee clients with the management deliberately pursuing a slower leasing strategy for this project given its premium positioning. Both the BKC and Mahalakshmi commercial assets are expected to be substantially leased and fully operational by FY29, driving meaningful rental income henceforth. Strong rentals in BKC (~INR360psf) and Bangalore CBD market (~INR 200psf) are expected to drive the company's leasing income growth going forward.
- **Hospitality & Retail:** The Hospitality vertical reported revenue of ~INR10.5bn with EBITDA of ~INR4.4bn for FY26, while the Retail portfolio occupancy remained near full at 99%, supported by healthy footfalls and strong consumption-led growth across assets. Construction of the Delhi hotel project (Marriott Marquis and St. Regis) is progressing well, with office block (Prestige Trade Centre) expected to be ready over the next 2 months. The integrated project is expected to commence operations after Diwali.
- **Cashflows and Capex:** Operating cash flows stood at ~INR71bn, up 58% YoY, reflecting the underlying strength of the business and collection profile. The management has guided OCF of ~INR85-90bn in FY27; driven by the expected 15-20% growth in business operations. The rise in debt during the Q4 was primarily due to four land acquisitions, with management expecting leverage to remain within the targeted debt-equity cap of 0.75x. The management has guided an annual capex of ~INR40-45bn for the coming year which is expected to remain well supported by strong cash flows.

- The management expects the EBITDA margins to remain ~25% in the near term due to lag in revenue recognition catch-up with pre-sales growth. The residential revenue recognition is expected to be in the range of INR120-130bn in FY27

Persistent Systems (PSYS IN)

RATING BUY | CMP INR 5,330 | TP INR 6,400

- Management indicated that the demand environment remains resilient but cautious, supported by steady deal momentum and continued traction in AI-led engagements. On the Middle East conflict, the company highlighted no direct exposure, but flagged potential second-order risks from elevated oil prices and inflation, which could impact global demand if sustained.

- Management highlighted that AI is expected to be structurally positive for the business, driving incremental demand across AI-led software engineering, data modernization, and enterprise transformation engagements. While there could be near-term compression in certain services due to productivity gains, this is likely to be offset by higher deal wins and market share gains. Also, AI-led efficiencies are expected to be margin neutral to accretive, with productivity benefits enabling improved delivery economics over time.

- Management articulated a platform-led AI strategy focused on scaling enterprise adoption, built around three core pillars: engineering hyper-productivity (AI across SDLC), business hyper-productivity (workflow automation and decisioning), and enterprise data readiness (AI-consumable data foundations).

- PSYS is leveraging its proprietary platforms along with hyperscalers partnerships to deliver end-to-end AI solutions at scale, with a clear focus on moving clients from pilot use cases to production-grade, repeatable deployments, thereby driving measurable business outcomes and strengthening its positioning in AI-led transformation engagements.

- Management highlighted that AI adoption remains uneven across segments, with tech clients leading deployment and scaling, while BFSI and Healthcare remain at pilot/early adoption stages due to regulatory and data constraints. They further mentioned that Enterprise-wide adoption is gradual outside the tech segment.

- Management indicated that the moderation in Q4 deal bookings was primarily due to seasonality, as the company typically sees peak renewals and higher bookings in the December quarter aligned with client fiscal year-ends, and hence the sequential decline does not reflect any underlying demand weakness.

- Management announced final dividend of INR 18/share, taking the total FY26 dividend to INR 40/share (vs INR 35 in FY25)

Petronet LNG (PLNG IN)

RATING ACCUMULATE | CMP INR 283 | TP INR 310

- **Operational Update:** PLNG reported Dahej utilization of 108% in Jan–Feb'26, declining to 53% in Mar'26. Kochi utilization remained slightly above 20% in Q4FY26. The company has commissioned a 5mmtpa expansion at Dahej, taking total capacity to 22.5mmtpa.

- **Supply sourcing** - Management expects normalization in cargo arrivals from June'26 onwards. During Q4FY26, supplies were diversified across the US, Oman, Mozambique, Nigeria, Congo, Mauritania, and Senegal, with similar diversification expected to continue in FY27. The company signed a new contract with ExxonMobil Asia Pacific Pte Ltd (starting Apr'26), in addition to its existing Exxon contract, and another contract with Equinor (via Deepak Fertilizers) commencing May'26 with combined volumes of ~1mmtpa.

- **Storage plans –**Board has approved construction of 2 LNG storage tanks at Gopalpur and 1 at Kochi. Over the long term, PLNG aims to build additional storage tanks at Dahej, subject to land availability.
- **Capex –** FY27 capex is guided at INR90bn, including INR75bn for petrochemicals, INR6bn for the 3rd jetty, INR 3-4bn for Gopalpur terminal, and ~INR0.7bn for a small-scale LNG plant at Kochi (land already acquired). FY28 capex is expected at similar levels (~INR 90bn ±10%).
- **Project Status:** The petchem project remains on track, with equipment sourcing diversified across Japan, Korea, and other regions, limiting dependency on Gulf imports. 6) Pricing – Spot cargoes in India typically linked to JKM or or a West India Marker, which is closely aligned to JKM and reflects pricing for Asian markets.
- **Other** - Regas revenue/Inventory gains stood at INR8.8/0.1bn, while trading gains stood at INR1.2bn in Q4FY26.

P I Industries (PI IN)

RATING HOLD | CMP INR 2,901 | TP INR 2,944

- The global agchem market continues to remain in down cycle.
- Tax rate for FY27 to be around 23%-24%.
- Gross margin is expected maintained.
- In CSM segment Volumes decline was 14% during FY26, due to slow demand in agrochem market.
- In CSM segment 5 new molecules were commercialized during FY26.
- Revenue share of newer products was 18% during FY26.
- For domestic agri, 4 new products were launched in FY26 (3 herbicides and 1 insecticide).
- The company's first home-grown NCE, Pioxaniliprole, is expected to be launched in FY27, and management is exploring strategic partnerships for the product.
- The Pharma segment grew by 40% due to lower base, in next 2-3 years plan is to take topline to Rs5-6.
- The Global Biologicals segment is expected to grow in double digit, driven by newer product launched.
- Capex for FY26 was ~Rs11bn, of which pharma capex was Rs917mn, rest capex was for agchem, R&D and fine chemicals

Pidilite Industries (PIDI IN)

RATING BUY | CMP INR 1,476 | TP INR 1,729

- Jan & Feb witnessed healthy demand momentum, with April sustaining the recovery seen in the earlier months of Q4
- B2B reported UVG of 21.5%, while export UVG declined 13.5% amid geopolitical headwinds.
- Urban growth picked up with gain in market share in Q4
- Project business continued to deliver healthy growth momentum; however, Industrial Products revenue remained impacted due to weak exports.

- Management remains constructive on the C&B segment outlook, while B2B could face near-term challenges amid external headwinds.
- Pidi undertook price hikes of 4–5% in April and 7–8% in May under fevicol segment, with the bulk of hikes now completed.
- Pidi remains confident of sustaining EBITDA margin in the 20–24% range despite macro headwinds
- Roff and Dr Fixit continued to outperform within the portfolio and maintained strong growth momentum.
- VAM prices currently stand at ~$1,800 versus ~$840 in previous quarter.
- Paint segment is doing good in Rurban but demand in small town remains subdued
- Fevicol delivered double digit growth in Q4, while Nina SBU declined 16% in Q4 due to environmental issues
- Pidi has secured its supply & RM in anticipation of further escalation of war in middle east
- CAPEX will remain at 4-5% of sales in medium term
- PIDI aiming at 100bps expansion in UVG over near to medium term
- VAM contribution to overall RM basket remains at ~10%

PNC Infratech (PNCL IN)

RATING BUY | **CMP** INR 209 | **TP** INR 253

- PNC has guided for a sharp recovery in execution, with revenue expected to grow 30% YoY to INR 60 Bn in FY27, followed by 25% growth in FY28. The guidance is largely backed by executable order book rather than new wins, improving visibility.
- EBITDA margins are guided at 12%, factoring in current commodity cost pressures. While near-term volatility may persist, management expects normalization in H2FY27, aided by cost pass-through mechanisms and easing input prices.
- The company targets INR 150 Bn order inflows in FY27, with a continued focus on highways (60–70%) while increasing participation in non-road sectors. A healthy bid pipeline (INR 140 Bn+) provides confidence in achieving this target.
- PNC's order book stands at INR 180 Bn, offering strong execution visibility over the next 3 years. The mix is gradually diversifying beyond roads into water, railways, and mining
- FY26 execution was impacted by delays in appointed dates and land acquisition issues. With most bottlenecks now resolved, management expects a meaningful ramp-up in execution from FY27 onwards.
- PNC has entered the BESS segment (INR 20 Bn opportunity) with a planned equity investment of INR 4 Bn. The project is backed by long-term PPA arrangements, providing stable revenue visibility alongside EPC income
- The company expects INR 6 Bn revenue contribution from BESS/solar in FY27, with a sharp ramp-up in FY28. This marks a strategic shift towards energy transition-linked opportunities.
- Coal mining is emerging as a meaningful contributor, with revenue expected at INR 4 Bn in FY27 and INR 6 Bn in FY28. The segment offers steady execution visibility over a multi-year horizon.

- Successful HAM asset monetisation has enabled deleveraging, moving PNC towards a near net debt-free position. This provides balance sheet flexibility to fund future growth without incremental leverage.

- PNC is actively diversifying into segments such as water, railways, renewables, and mining, targeting 30–35% of order inflows from non-road segments. This is expected to reduce cyclicality and support long-term growth.

Polycab India (POLYCAB IN)

RATING BUY | CMP INR 8,416 | TP INR 10,282

- W&C volume grew by low single digits in Q4FY26, while FY26 volume growth stood at ~18%; cables outpaced wires and institutional sales growth exceeded channel sales growth in Q4FY26.

- Fans segment delivered healthy growth driven by premiumization, with premium fans contributing ~25% of fan segment revenue in FY26.

- Solar products delivered ~2x YoY growth and emerged as the largest category within the FMEG portfolio.

- Company plans to incur INR 60-80bn capex over the next five years under Project Spring, with ~90% allocated towards W&C, ~5% towards backward integration, and the balance towards the FMEG segment.

- Company expanded its export footprint to 94 countries in FY26 from 84 countries in FY25, reflecting continued strengthening of its international distribution network.

- Middle East contributed ~15-16% of export revenue in FY26, though demand was temporarily impacted by geopolitical disruptions.

- Management reiterated its target of exports contributing >10% of total revenue by FY30.

- North America contributed ~40% of exports in FY26, followed by South America at ~20%, while Europe remained another key growth market.

- Company implemented cumulative price hikes of 18-19% between Jan'26 and Mar'26 to pass on the increase in commodity costs.

- Capacity utilization in the W&C segment stood at ~75-76% in FY26 with ongoing capacity additions.

- Management reiterated long-term EBITDA margin guidance of 11-13%, while near-term margins are expected to remain within 12-14%.

- EHV capacity expansion is expected to be commissioned by Q3FY27.

PSP Projects (PSPPL IN)

RATING BUY | CMP INR 787 | TP INR 956

Order Book & Inflow

- Outstanding order book stood at INR 134,470 Mn as of March 2026, up 85% YoY. Adani Group contributed 67% of the order book, while non-Adani projects contributed 33%. Government projects formed 25% of the order book vs 43% in FY25, indicating higher private sector mix.

- FY27 bid pipeline breakup: Adani-related opportunities at INR 50,000 Mn and non-Adani opportunities at INR 15,000 Mn.

Financials and Margin Guidance

- Q4FY26 other expenses increased due to ECL provision of INR 290 Mn related to the Kashi project. Adjusted Q4FY26 EBITDA margin stood at 8.3%.
- EBITDA margin guidance maintained at 7-8% for FY27 and FY28.

Capex Guidance & Balance Sheet

- Q4FY26 capex stood at INR 400 Mn; FY26 capex additions were INR 1,920 Mn. Gross block stood at INR 7,640 Mn and net block at INR 4,120Mn as of March 2026.
- Capex guidance remains at 3–4% of revenue; employee cost guidance at 2–4% of revenue.
- Company targets becoming net debt free by Mid-FY27.

Liquidity & Working Capital

- Total sanctioned credit facilities stood at INR 14,970 Mn: Non-funded utilization: INR 7,350 Mn, Fund-based utilization: INR 1,740 Mn. Available limits: INR 5,880 Mn
- Mobilization advance stood at INR 8,140 Mn and is entirely interest free, supporting PAT margins via lower finance costs. Unbilled revenue stood at INR 4,400 Mn.
- Current working capital cycle is ~90–100 days, with management targeting ~60 days in FY27. Increase in receivables was due to large order inflows received during Feb–Mar 2026 that are yet to be realized.

Overall Guidance & Outlookajan

- FY27 revenue guidance maintained at INR 45,000 Mn.
- Management expects gradual margin improvement going forward.
- No meaningful impact expected from ongoing geopolitical tensions, as most large Adani-linked projects are on pass-through cost structures.
- Commonwealth Games-related opportunity pipeline estimated at INR 70,000–80,000 Mn, with expected inflows beginning from the current quarter.

Praj Industries (PRJ IN)

RATING ACCUMULATE | CMP INR 352 | TP INR 389

1G Domestic

- 1G domestic business continues to face slowdown in Greenfield fuel ethanol projects as E20-related capacity additions have largely been completed; management expects revival post higher blending mandate announcements.
- Demand remains healthy for brownfield projects focused on capacity enhancement, operational efficiency improvement and value-added co-products such as Distillers Corn Oil (DCO); company secured multiple DCO orders during the quarter with a strong inquiry pipeline.
- Increasing traction in Greenfield ENA (Extra Neutral Alcohol) plants where Praj believes it has a strong technology advantage.

- Existing ethanol plants can be debottlenecked and upgraded to improve throughput if higher ethanol blending targets are announced, creating additional opportunities beyond Greenfield projects.

1G International

- Positive policy developments globally, particularly in the US where legislation permitting nationwide E15 gasoline sales has been passed, potentially creating opportunities in the Americas region.
- Several countries including Indonesia, Vietnam, Kenya, Panama, Argentina, Guatemala, Costa Rica and Bolivia are increasing biofuel adoption, providing a healthy opportunity pipeline.
- Praj is actively engaging customers in these markets and leveraging its track record of successfully executed international ethanol projects.
- Commercialization of Bio-Isobutanol (Bio-IBA) technology is expected to begin with the first order likely in FY27, opening opportunities in diesel blending where demand potential is significantly larger than petrol blending.

Praj GenX

- Data centers have emerged as a key growth vertical; company is in final discussions with a large international customer for modular cooling system solutions.
- Potential data center order size ranges between Rs50-150 crore depending on project scale, with management expecting positive developments in Q1FY27.
- GenX is also targeting LNG and conventional oil & gas sectors to improve capacity utilization and diversify revenue streams.
- Customer approvals for the Mangalore GenX facility increased to 12-13 from 9 in Q3FY26, improving order conversion prospects.
- Fixed overheads at GenX remain around Rs100mn per month; management aims to move towards breakeven over the next few quarters through higher order inflows.
- Semiconductor, battery and solar manufacturing sectors are emerging as new opportunities for GenX and BHS businesses, with one semiconductor order already secured in the current quarter.

Guidance / Outlook

- Management expects FY27 performance to improve driven by its technology leadership in bioenergy and increasing traction in advanced modular manufacturing solutions.
- Order inflows are expected to normalize towards the Rs8-9bn quarterly range based on the current pipeline.
- ~Rs3bn+ of inquiries were deliberately deferred due to raw material cost uncertainty and supply-chain disruptions; management expects these opportunities to be revisited in FY27
- Higher ethanol blending mandates (E25-E30) are expected within the next year, which could trigger fresh ethanol capacity additions and brownfield expansion opportunities.
- Focus in FY27 will be on operational excellence, execution discipline and margin recovery as project execution challenges ease.

Capex

- R&D expenditure in FY26 stood at ~Rs650-660mn, comprising ~Rs200mn of capital expenditure and ~Rs450-460mn of operating expenditure.
- Continued investments are being made in Praj GenX to build capabilities in modular manufacturing and emerging industrial segments.

CBG

- Capacity ramp-up is underway at CBG plants using Napier grass and rice straw mixed feedstock, validating the technology at commercial scale.
- Healthy inquiry pipeline exists for projects based on press mud and Napier grass, though order finalizations are witnessing delays.
- Company is exploring international CBG opportunities leveraging execution experience in India.
- Maharashtra's new CBG Policy 2026 with ₹500 crore outlay is expected to support waste-to-energy infrastructure and create long-term demand opportunities.
- Management remains positive on CBG given its role in reducing India's dependence on imported fuel and fertilizers through production of CBG, FOM and LFOM.

SAF (Sustainable Aviation Fuel)

- Draft SAF policy is ready and blending mandates are expected to be announced in 2027, creating a major future demand driver.
- Praj is currently executing a basic engineering order for an international ethanol-to-SAF project and is discussing the detailed engineering phase.
- Management sees ethanol-to-jet fuel as the next major inflection point for ethanol demand globally.
- The company believes 2G ethanol can play an important role in SAF production and remains well-positioned with its proprietary technology platform.
- While SAF investments have been slower than expected due to delayed blending mandates globally, management expects activity to accelerate once regulatory mandates are implemented.

Premier Energies (PREMIERE IN)

RATING ACCUMULATE | CMP INR 982 | TP INR 1,071

- 1.2GW TOPCon cell line commissioned in Jun'25 has stabilized and is currently operating at 90%+ utilization levels.
- Acquisition of Transcon has been completed; operational transformer capacity increased to 6.75GVA, with expansion to 16.75GVA targeted by Jul'26.
- Current transformer order book stands at INR2.3bn, with exports contributing 22%.
- Company plans INR51bn capex across cells, ingot-wafer, batteries, inverters and transformers during FY27.
- 7GW cell expansion project involves capex of ~INR30bn, while total three-year capex plan stands at ~INR120bn.

- Management aims to maintain debt-to-equity at ~1x and debt-to-EBITDA below 1.5x through the capex cycle.
- Company continues to evaluate US solar cell manufacturing opportunities and has re-initiated discussions for its proposed JV.
- Proposed KSolare acquisition was terminated due to inability to finalize definitive agreements on certain terms.
- More than two-thirds of the current INR140bn order book is likely to be executed during FY27.
- Inventory levels were increased strategically due to Middle East-related supply chain concerns and commissioning of new module lines.
- Cell expansion project remains on track, with 4.8GW targeted by Jun'26 and remaining 2.2GW by Sep'26.
- Company has started passing on higher silver costs to customers in new orders, limiting margin impact from commodity inflation

Power Grid Corporation of India (PWGR IN)

RATING BUY | CMP INR 297 | TP INR 346

- **EBITDA Moderation, Not Operational Weakness:** Management clarified that the Q4 transmission revenue/EBITDA decline was largely regulatory in nature, driven by assets crossing the ~12-year depreciation curve under the tariff framework. This reduces tariff recovery despite unchanged operating performance. Importantly, system availability remained best-in-class at 99.84%, reinforcing that the impact is accounting-led rather than execution-related.
- **Capex & Capitalisation Cycle Strengthening:** FY27/FY28 capex guidance: ~Rs370bn/ Rs400–450bn are likely conservative, given FY26 actual capex (~Rs 400bn) significantly exceeded the initial plan. Capitalisation guidance of Rs 300bn/ Rs 350bn for FY27/FY28 also carries upside potential as project execution accelerates.
- **RoW Reforms Emerging as Structural Positive:** Management highlighted improved RoW dynamics as a key driver behind better execution in FY26. The shift to market-linked compensation, independent valuation and defined timelines should materially reduce land acquisition friction across the sector. Higher compensation rates are expected to improve landowner participation and compress execution timelines over time.
- **BESS Opportunity Expanding Across Both Regulated & TBCB Models:** POWERGRID sees BESS evolving into a meaningful long-term opportunity under both Section 63 competitive bids and Section 62 regulated assets. Management appears strategically more positive on the regulated route given better ecosystem visibility and more stable returns. The company has already initiated regulatory filings for integrated storage projects and secured its maiden standalone BESS win in Andhra Pradesh.
- **Multi-Year Transmission Opportunity Remains Intact:** Management reiterated the > Rs 15 lakh crore transmission opportunity pipeline, supported by renewable integration, hydro evacuation, green hydrogen, data centres and interstate balancing requirements. Annual capex intensity could potentially scale from current ~ Rs 400bn levels toward Rs 500–700bn over time as India's electrification deepens.

- **HVDC Pipeline Becoming Increasingly Strategic:** Management indicated that 22 HVDC projects are currently under planning/bidding stages, with the opportunity set continuing to expand across renewable corridors, hydro evacuation and cross-border interconnections. While timelines remain planner-led, the company sees incremental opportunities emerging beyond the Bhadla corridor over the next 12–18 months.

- **Intra-State TBCB Opening New Addressable Market:** Recent regulatory amendments broadening the definition from "interstate transmission licensee" to "transmission licensee" improve POWERGRID's eligibility in intra-state TBCB projects. Management acknowledged payment security and state-level approvals remain key challenges, but policy momentum and state support are clearly improving.

- **TBCB Bid Discipline Remains Intact:** Despite inflation across conductors, transformers and financing costs, management maintained that equity IRRs of ~11–13% remain achievable through execution efficiencies and Change-in-Law protections. The commentary suggests the company is prioritising disciplined returns over aggressive market share expansion even as competition intensifies.

- **Supply Chain Constraints Still Elevated:** Transformer/reactor lead times remain stretched at ~26–30+ months versus ~18 months historically due to industry-wide demand pressure. Management indicated that advance procurement and bulk ordering strategies are helping secure execution visibility despite OEM capacity tightness.

- **Technology & Reliability Becoming Competitive Advantages:** Management highlighted increasing deployment of AI-based defect detection, drones, predictive maintenance systems and real-time project monitoring tools. The strategic focus is shifting toward reliability-centred maintenance and digital asset management, which should support lower outages, tighter execution control and improved lifecycle efficiency over time.

Prudent Corporate Advisory Services (PRUDENT IN)

RATING ACCUMULATE | CMP INR 2,830 | TP INR 2,875

Balance sheet

- Overall CLAuM stood at INR 1.19trn, lower than AAUM of INR1.21trn due to equity market correction in March 2026; AUM recovered to INR 1.33trn as of 05 May 2026.

- Equity AUM grew 15% YoY driven by net inflows, SIP flows, and the Indus acquisition; QoQ decline of 8% was driven by MTM losses, partially offset by positive net sales at INR 43bn;

- Indus AUM stood at INR 22.5bn and grew in line with overall AUM growth.

- SIF business at INR 900mn for Q4FY26, with monthly run rate of INR 250-300mn; ~1,000 out of 6,000 eligible SIF distributors associated with Prudent.

- Total investment book stood at INR 5.8bn, of which INR 2bn is invested in balanced advantage and hybrid funds.

- B2B2C channels contributed ~90% of overall AUM, with the balance coming from direct and Indus channels

Profit & loss

- Gross MF yields declined to 90bps, while net MF yields stable at 28bps; Management anticipates 2-3 bps impact on the existing book due to TER regulation changes, which management intends to pass on to distributor; New business yields are expected to remain neutral.

- TER regulation changes are expected to help attract non registered distributors to the Prudent platform as yields become comparable to those earned directly from AMCs.
- Commission expenses declined QoQ 1.7%, due to lower additional trail commission liability.
- Insurance revenue grew 18% YoY but trailed fresh premium growth due to shift in product mix toward T-ULIP and commission rationalisation post GST changes; TULIP to remain a key growth driver in FY27.
- Employee costs (ex ESOPs) up 21.2% YoY, driven by the Indus acquisition and labour code related costs. Staff cost declined QoQ by ~8%, driven by reduced variable pay provisioning;
- Monthly salary run-rate increased to INR 102mn from INR 89mn; ESOP expenses are expected to increase by 15-20% in FY27 led by additional grants.
- Treasury MTM losses led by market correction in Q4 resulted negative other income of INR 47mn; Management expects a strong recovery in other income by Q1FY27.

Others

- Prudent added 5,100 new distribution partners during FY26, reflecting healthy network expansion.
- Prudent launched AI-enabled platforms Prudent Edge for distributors and Funds Edge for retail investors, offering goal-based planning, analytics, marketing support, research, and client reporting tools.

PVR Inox (PVRINOX IN)

RATING BUY | **CMP** INR 1,026 | **TP** INR 1,309

- 120 new screens are expected to be opened in FY27E, with ~55-60% of additions expected under FOCO and asset-light formats.
- PVRINOX IN plans to launch "smart screens" targeting tier 2/3 cities, with 2 pilot properties expected to open by mid-Jul'26. The target is to add 28-30 smart screens in FY27E.
- Capex is pegged at Rs3,750-4,000mn for FY27E. This includes a sum of Rs2,200-2,500mn/Rs800-1,000mn towards new screens/renovations respectively, while the balance is earmarked to fund IT & maintenance capex.
- Management fee income stood at Rs100mn in FY26, and the current annualized rate stands at ~Rs130-140mn, with healthy growth momentum.
- Smart screen capex is ~30-40% lower than conventional multiplex formats, enabling affordable and cost-efficient expansion into smaller cities.
- Gross debt is expected to decline from Rs7,586mn in FY26 to ~Rs5,000mn levels in near term.
- Under the FOCO model, only management fees of ~10-14% of cinema's topline is recorded in PVR INOX IN's P&L.
- Under the asset-light model, developers fund 40-80% of the overall cinema capex. PVR INOX IN capitalizes only its share of investment and consolidates the entire P&L, with the developer payout structured as rental expense in the books.
- PVR INOX IN has a signed capital-light pipeline of 138 screens comprising 52 FOCO and 86 asset-light screens, expected to be executed over the next 18 months.

- Screen exits reduced sharply to 18 in FY26 from 72 in FY25, indicating that post-merger portfolio rationalization is largely complete.

Rainbow Children's Medicare (RAINBOW IN)

RATING BUY | **CMP** INR 1,350 | **TP** INR 1,615

- **Bed expansion plan:** RAINBOW's pipeline of 900+ beds under execution, expected to be commissioned over the next 2.5 years. Key projects include a 130-bed regional hub in Coimbatore (delayed; earlier slated for FY27 end commissioning) and a 125-bed hospital in Gurugram Sector 56 (both targeted for H2FY28), a 325-bed super-specialty hub in Gurugram Sector 44 (Q1FY29), a 150-bed greenfield hub in Pune, an 80-bed spoke hospital in Seegehalli, Bangalore, and a 100-bed built-to-suit hospital in central Indore.

- **In Indore,** Rainbow has also signed an MoU to operate paediatric and obstetric services within a 200-bed multi-specialty hospital developed by the same partner, while a dedicated 100-bed specialty hospital is being built adjacent to it. This phased approach enables Rainbow to establish an early patient base ahead of the specialty unit becoming operational in about two years.

- **Capex:** Going forward, maintenance capex is guided at ~INR 450mn annually across the 25 operational hospitals. Growth capex will be led by the Gurugram project, which alone is expected to require ~INR 4–5bn over the coming years due to full building construction on owned land. For other projects (Coimbatore, Pune, Seegehalli, and Indore), capex is estimated at ~INR 6.5–7mn per bed, translating to ~INR 3–3.5bn for ~450 beds. The Indore 100-bed leased facility will follow a lighter model focused on fit-outs and equipment, as the base infrastructure will be provided under a 20–30-year lease arrangement. Mgmt indicated the entire ~900-bed expansion pipeline will be funded through internal accruals without any borrowings.

- **Mature hospitals:** Mature hospitals saw occupancy pressure in H1 FY26 due to the absence of the usual seasonal respiratory cycle in Q2–Q3, impacting utilisation given their higher fixed cost base. However, performance improved in Q4, with occupancy recovering to ~52%. Management expects mature hospital occupancy to return to the historical 60–61% range in FY27, supporting blended group occupancy of ~56–57% (Q4 FY26 group occupancy: 45.3%).

- **Acquired units (Guwahati and Warangal)** contributed ~7–8% of revenue, with the remainder driven by organic growth. The company continues to focus on reducing seasonal variability through a more diversified service mix.

- **New hospitals:** The Bangalore cluster is gaining strong traction, with Rainbow positioning itself as a leading pediatric and perinatal care provider, supported by the onboarding of reputed consultants across key specialties including pediatrics, obstetrics, neonatology, and fertility. Chennai, though still early-stage relative to Hyderabad and Bangalore, is progressing steadily, including ~10 liver transplants in its first full year, with potential government collaborations under consideration to scale advanced care. Overall, emerging clusters are focused on replicating the Hyderabad hub model by gradually deepening super-specialty capabilities and surgical complexity.

- **IVF and Butterfly Business:** contributed INR 614mn in FY26 (4.1% in Q4). Management expects ~25% CAGR over the next three years, supported by strong doctor quality, ethical practice, and internal referral integration.

- **Revenue guidance:** Management has guided for ~20% revenue growth in FY27, building on a strong Q4 FY26 exit rate of 24% YoY growth. This outlook factors in ramp-up of new hospitals, recovery in mature hospital occupancy toward ~60%, normalization of seasonality, growing IVF contribution, and rising case complexity.

- **Margin guidance:** EBITDA margins are expected to be maintained at ~31–32%, with a focus on margin preservation. ARPP is projected to grow ~5–6% annually, supported by richer case mix and modest pricing gains. The IVF business is expected to continue its strong trajectory with ~25% CAGR over the next three years.

R R Kabel (RRKABEL IN)

RATING BUY | **CMP** INR 1,571 | **TP** INR 1,964

- RRKABEL delivered healthy ~10%/16% YoY volume growth in Q4FY26/FY26 and wires single digit and cables high teens in Q4FY26
- RRKABEL guided for 16-18% volume growth in FY27, with incremental growth largely led by the cables segment, supported by high utilization levels of ~90% across capacities
- RRKABEL remains on track to deliver ~300bps EBIT margin expansion in W&C, targeting ~9.5% in FY27 and ~10.5% by FY28
- RRKABEL's export volumes outpaced domestic in Q4FY26; near-term exports may remain impacted due to geopolitical tensions, though the long-term outlook stays strong
- Middle East contributed ~40% of FY26 exports and was impacted for ~30-40 days, while other geographies remained largely unaffected
- RRKABEL's INR 12bn capex plan remains on track (INR 3.5bn spent in FY26), with majority to be spend in FY27, this will enable expansion into 220kV cable manufacturing
- RRKABEL guided for ~20-25% value growth in the FMEG segment in FY27
- RRKABEL undertook price hikes in W&C segment in line with RM price movements, enabling effective margin pass-through
- Company plans to drive growth by scaling B2B presence and expanding cable capacity, leveraging its distribution network to outperform industry growth, with cables as a key growth driver
- RRKABEL's W&C mix stood at ~73% wires and ~27% cables in FY26, with cable contribution expected to rise to ~30% by FY27
- Company has declared a final dividend of INR 5.5 per share

Restaurant Brands Asia (RBA IN)

RATING ACCUMULATE | **CMP** INR 67 | **TP** INR 76

- 4Q SSSG remained healthy at 6.3%, driven by sustained traction in value offerings.
- Q1FY27 trends have continued the strong momentum witnessed in Q4, led by healthy SSTG.
- RBA witnessed limited impact from the West Asia conflict ang going forward it is swiftly transiting its stores from LPG to PNG connection across stores.
- Digital ecosystem remained robust with 91% of orders coming through digital channels, While MAU registered strong growth of 51% YoY in Q4.
- Gross margin expanded to a healthy 70.2%, supported by superior product mix and supply chain efficiencies with focus on cluster strategy

- RBA continued product innovation with the launch of Korean Spicy Fest, relaunch of King's Collection with premium brioche buns, and introduction of waffle cone in desserts.
- Company plans to add 60–80 stores annually, targeting ~800 stores by FY29. .
- Management indicated all stores will be equipped with new boilers over the next two quarters, which should reduce utility costs going forward. New electric boilers consume ~50% lower electricity compared to conventional boilers.
- RBA remains confident on Indonesia turnaround with continued rationalization; however, Popeyes continues to witness muted performance.
- Management targets long-term BK Café ADS of ~Rs25,000/store/day.
- RBA expects to turn free cash flow positive over the next two quarters.

Rail Vikas Nigam (RVNL IN)

RATING SELL | **CMP** INR 260 | **TP** INR 165

Order book remains robust at INR 993bn:

- Order book stands at nearly 4.9x FY26 standalone revenue, offering strong long-term visibility with a ~50:50 split between nomination and competitive bidding projects. Management reiterated disciplined bidding, targeting a minimum 5-10% margin threshold for new projects. Large nomination-led opportunities continue in railways, alongside emerging PMC mandates from PSUs such as NMDC and Krishnapatnam Port Trust.
- FY26 standalone order inflows rose 129% YoY to ₹5,875 Cr, with an additional INR 12 bn coming through JV wins. Management highlighted improving traction in competitive bidding while continuing to focus on nomination-led railway opportunities and PSU PMC mandates.

Margins reset sharply due to one-offs

- Standalone EBITDA margin declined sharply from 10.36% in Q3FY26 to 5.83% in Q4FY26, leading to a meaningful decline in EBITDA and PAT both sequentially and on a YoY basis. Management attributed the margin decline primarily to three exceptional items: an onerous contract provision of roughly INR 0.54 bn, JV reconciliation adjustments of approximately INR 0.35 bn, and municipal taxes linked to a building project.
- According to management, excluding these items, underlying margins would have remained broadly in line with the previous quarter and above the 10% level.

JV and subsidiary contribution remains meaningful

- JVs and subsidiaries contributed nearly INR 4 bn to consolidated revenue and over INR 0.64 bn to consolidated PAT. Dividend income from subsidiaries and JVs also remained healthy, contributing close to INR 48 bn during FY26. Krishnapatnam Railway Company (KRCL) remains an important monitorable. Outstanding receivables, including accrued interest, stood at INR 11 bn. RVNL recovered nearly INR 2.9 bn during FY26, and management expects KRCL to turn profitable within the next two years. KRCL also declared a dividend during the year, of which RVNL received approximately INR 0.25 bn.

Bharat Net execution accelerating

- Execution on the INR 132 bn Bharat Net project has picked up pace, with physical progress reaching 15.01%. Management expects the project to become a meaningful revenue and margin contributor during FY27. RVNL expects Bharat Net to become a significant contributor to both revenue and profitability over the coming quarters, making quarterly execution progress on this project an important monitorable for investors.

Vande Bharat sleeper project on track

- The INR 144 bn Vande Bharat sleeper train project remains on schedule, with the first prototype targeted for December 2026. The ₹14,400 Cr order includes a long-term 35-year maintenance component, creating a potentially attractive annuity-like revenue stream over time. Following prototype completion, the Ministry is expected to conduct 3–4 months of trials before commercial deliveries begin. Management indicated that 5 trainsets are expected to be delivered in the first year, with total deliveries of 120 trainsets planned over five years.

Working capital remains the key overhang

- Operating cash flow remained under pressure after INR 34 bn of Ministry of Railways receivables slipped into April FY27. While collections are expected in Q1FY27, receivable intensity continues to remain the key balance sheet risk for the business.

Safari Industries (India) (SII IN)

RATING BUY | CMP INR 1,427 | TP INR 1,953

- Volumes were up ~19% YoY in 4QFY26, led by higher contribution from cabin luggage and backpacks.
- E-comm share for the quarter stood ~37%.
- Share of uprights for the quarter stood at 5%.
- Backpacks contributed ~17-18% to the topline.
- A&P expense stood at ~7% of revenue in 4QFY26.
- Capacity utilization at Jaipur stood in the range of 85-90% for 4QFY26.
- Steps to increase capacity at Jaipur from 5mn units to 6.5mn units per month is expected to begin shortly.
- Urban Jungle and Safari Select contributed ~7-8% to the topline in 4QFY26.
- As of now, SII IN has no plans for any fundraise (enabling resolution is in place to raise INR5,000mn).
- Cash & cash equivalents (including current financial investments), stood at ~INR2,282mn.

Samhi Hotels (SAMHI IN)

RATING BUY | **CMP** INR 150 | **TP** INR 230

- There was an adverse impact of INR180mn on EBITDA in 2HFY26 arising from loss of ITC pursuant to reduction in GST rate from 12% to 5% on hotel rooms with ARRs of less than INR7,500
- Cumulative FCFF after interest is expected to exceed INR30,000mn over FY27E-FY31E.
- Long-term same-store revenue growth guidance is pegged at 9-11%
- QTD revenue growth is in double-digits
- RevPAR in NCR declined 9% YoY to INR4,391 in FY26 due to renovations at Hyatt Regency, Gurgaon. However, the NCR portfolio is expected to return to mid-teens growth in FY27E
- Interest expense for FY27E is expected to be at INR1,350-1,400mn (after factoring in a potential 15-25bps rise in interest rates)
- Capex for FY27E and FY28E is pegged at INR2,500-2,700mn each year
- Net-debt/EBITDA is expected to decline to ~2.5x in the next 12-18 months.
- Asset recycling remains a key strategic priority, with target of an additional INR2,000-2,500mn of asset sales over the next 2 years to redeploy capital into higher-growth opportunities.
- A 135 room Marriott branded hotel will be developed alongside existing Fairfield by Marriott in Sriperumbudur.
- EBITDA margin is likely to be at 38% in FY27E.

Shree Cement (SRCM IN)

RATING ACCUMULATE | **CMP** INR 24,975 | **TP** INR 27,907

Outlook / Strategy

- Management highlighted that India's macro environment remains supportive, backed by government spending on roads, railways and infrastructure.
- However, geopolitical tensions in the Middle East and moderate monsoon expectations remain near-term risks for the sector.
- Management highlighted that cement demand elasticity to GDP has moderated from ~1.3x earlier to ~1-1.1x currently due to implementation of new GDP series.
- SRCM reiterated that it remains focused on balancing profitability, pricing discipline and market share recovery.

Demand / Volumes / Pricing

- SRCM has taken ~INR25/bag price hikes across regions, which management believes should largely offset near-term cost pressures.
- Management highlighted that the pricing gap with the industry leader has narrowed from ~INR50/bag to ~INR15-20/bag over the past few quarters.

- Management guided for ~40mt cement volumes in FY27 and expects SRCM to grow ~1% ahead of industry growth. Cement industry demand growth is expected at ~7-7.2% in FY27, while SRCM is targeting ~8% growth.
- Cement realisation improved to INR4,725/t in Q4FY26 vs INR4,652/t in Q3FY26.
- Capacity utilisation improved sharply to 66% in Q4FY26 from 56% in Q3FY26. Regional utilisation stood at North 70%, East 60% and South 61%.
- Trade sales stood at 64%, while blended cement at 62%. Premium product share increased to 22% from ~15% two years ago.
- Management reiterated that profitability remains the key focus and the company will not aggressively chase volumes through price wars.

Costs / Fuel / Efficiency

- Landed fuel cost stood at ~INR1.6/kcal in Q4FY26 and is expected to increase to ~INR1.76-1.80/kcal in Q1FY27 due to inch up in pet coke prices.
- Total cost inflation of ~INR150-200/t is expected in Q1FY27, driven by fuel and packaging costs. Packaging costs alone are expected to increase by ~INR80-100/t.
- Total costs increased by only ~INR20-30/t in Q4FY26 (mainly PP bags) compared to Q3FY26.
- Fuel mix for Q4FY26 stood at 54% pet coke, 32% coal and 14% alternative fuels.
- Thermal efficiency improved, with heat consumption reducing to ~733kcal/kg from ~741kcal/kg QoQ.
- RE share increased to 61% in Q4FY26 vs 59% in Q4FY25. Total green power capacity stands at 666.5MW. All current and upcoming kilns will be linked with WHRS facilities.
- Management continues to focus on railway sidings, AFR, RE, WHRS and thermal efficiency to improve cost competitiveness.
- Lead distance increased by 12km QoQ to 457km in Q4FY26, impacting freight costs. Management expects lead distance to reduce to sub-440km over time.
- Clinker factor stood at 64.8% in Q4FY26 vs 63.9% in Q3FY26.
- Coal inventory remains above 90 days. Management also highlighted that fly ash is not the only cementitious material being explored for blended cement.

Capex / Expansion

- SRCM commissioned its 3.65mtpa clinker and 3.5mtpa cement capacity at Kodla, Karnataka, taking total cement capacity in India to 69.3mtpa.
- The 2.5mtpa GU at Union Cement (UAE) remains on track for commissioning by Sep'26. Union Cement's performance improved significantly during FY26 on the back of robust demand and better pricing.
- The company is setting up a 0.95mtpa clinker and 0.99mtpa cement plant in Meghalaya. SRCM has secured three limestone blocks under state's mine allocation policy, with the first block estimated to contain ~600mt limestone reserves.

- Meghalaya project capex is estimated at ~INR18bn, with significant infrastructure investments being front ended for future expansion. The company ultimately intends to scale the region to ~4-4.5mtpa capacity over time.
- FY27 capex guidance stands at ~INR15bn, largely towards RMC expansion, railway sidings and Meghalaya expansion.
- RMC network expanded from 26 plants at FY26-end to 36 plants currently after commissioning 10 new plants in Mar'26. Management expects RMC plants to increase to ~50-55 by FY27-end.
- RMC revenue stood at ~INR0.9bn in Q4FY26 and ~INR2.46bn in FY26.
- Management reiterated its long-term target of reaching 80mtpa capacity by FY29, although expansion pace has been moderated considering the current industry environment.

Shriram Finance (SHFL IN)

RATING BUY | CMP INR 1,011 | TP INR 1,200

Growth

- Disbursement for the quarter grew by 14.9% YoY to INR 509.5bn vs INR 443.4bn in Q4FY25.
- Management highlighted possible delay in monsoon may lead to slow growth in tractor segment, however used tractor to see continued growth.
- New vehicle financing saw a strong pick-up due to higher sale volumes on account of GST rationalization.
- Commentary indicated AUM to grow at 18% in FY27 supported by PV growth at 20%, Gold at 30% and MSME at 15%, however, management remains watchful of the geopolitical tensions.
- Disbursements in new vehicle finance grew by 15-20% and is expected to further go up by 5-10%.

Operating profitability

- Cost of liability improved for the company to 8.59% in Q4FY26 vs. 8.69% QoQ / 8.96% YoY.
- Incremental CoF came at 7.2% during the quarter, however, the quantum of borrowings was less in Q4.
- Funds through bond issues were raised at ~7.5% in Dec'25, compared to an estimated ~7.75% had they been executed in March; management aims for bond issuance after 4-5 months considering volatility in interest rate.
- Company expects lower CoF in FY27 due to credit rating upgrades and budgets NIM at 8.5% for FY27.
- Overall liquidity in Q4 stood at INR 130bn, sufficient for meeting 2 months of liabilities.
- The growth in headcount of the company was muted and stood at 76,000 contributing to lower employee cost but the company plans to increase it to ~80,000 in the coming quarters.
- An accounting change for 2Wheeler DSA payouts was made deferring expenses over the contract tenor instead of charging upfront, resulting in a dip in opex ~INR 500mn.
- Management guided opex ratio to be in the range of 26-27% in coming years.

Asset quality

- Asset quality is well controlled in the MSME segment with most loans secured against mortgage of properties.
- Credit cost will be monitored based on impact of war and rise in fuel prices.
- Product-wise gross stage 3 assets for CV/PV/CE/Farm equipment/MSME/2W/Gold/Personal loans stood at 4.7%/3.9%/6.9%/5.9%/5.1%/3.3%/2.3%/4.3% respectively.

Other highlights

- The Board of Directors recommended a final dividend of INR 6 per share in addition to the interim dividend of INR 4.8 declared in Oct'25.
- Management highlighted that the capital adequacy ratio post MUFG infusion will be 34%, up from 20.4% currently.
- The Board has approved continuation of Mr. Parag Sharma as MD & CEO for next 5 years.

Siemens (SIEM IN)

RATING HOLD | **CMP** INR 3,879 | **TP** INR 3,750

- **Demand Outlook:** Management highlighted continued strength in India's capex cycle despite geopolitical disruptions and forex volatility, with no visible slowdown across private or public capex. Demand remains healthy across semiconductors, batteries, data centers, railways and industrial sectors, while public-sector tendering activity continues to remain strong.
- **Financials & Margins:** Order inflow during the quarter grew strongly to ~Rs67.3bn in Q6FY26 while order backlog stood at a record ~Rs450bn. Margin decline was primarily due to sharp INR depreciation, higher commodity prices and supplier-led inflation, which could not be fully passed on to customers. Management implemented two rounds of price hikes across DI and SI businesses, with benefits expected over the next 3–4 months. Long-term mobility contracts include price-escalation clauses, while most DI/SI contracts remain short-cycle without escalation protection.
- **Digital Industries (DI):** DI orders were driven by metals & mining, cement and food & beverage sectors, while revenue growth was supported by factory automation execution on a strong backlog. Chemicals, fertilizers and automotive also continued to witness healthy demand. Management highlighted improving underlying profitability and sequential margin recovery, although reported profitability remained impacted by Euro appreciation and higher imports from Germany. Localization initiatives within DI have commenced and will continue to scale up.
- **Smart Infrastructure (SI):** SI order growth was led by power utilities, renewables and data centers, while revenue growth was driven by electrification, automation and electrical products. Commercial buildings including schools, hospitals, malls and stadiums continued to witness healthy traction. Margins were impacted by higher commodity-linked material costs, although management highlighted strong underlying demand and execution momentum. Data centers remain one of the fastest-growing opportunities within SI.
- **Mobility & Railways:** Growth was led by execution of the 9K HP locomotive programme and allocation-based supplies from the parent. Siemens has already dispatched 40 locomotives, with deliveries expected to ramp up to ~80 p.a. over the next 2 years, ~100 p.a. during FY28–30, and ~160 p.a. during FY30–35. This is further supported by a ~Rs18bn order for bogies, traction motors and gearboxes (FY29–39), which includes price-escalation protection. Beyond locomotives, management highlighted strong visibility across rolling stock, signalling and electrification.

- **Data Centers & Semiconductors:** Data centers are a fast-growing vertical driven by hyperscaler demand and India's capacity expansion (~1.5GW to ~9GW opportunity). Siemens is well positioned in electrification, power management and design, competing with Schneider and ABB. The company has also secured work in a major OSAT semiconductor facility in Gujarat, leveraging its automation, electrification, IT-OT and cybersecurity capabilities.
- **Working Capital & Capex:** Goa MV and vacuum-interrupter plant is close to commissioning, supporting localisation in DI and Mobility (signalling, rolling stock) to improve supply-chain resilience and meet rising demand. Working capital rose due to higher inventory, contract assets and receivables amid strong execution and precautionary stocking from West Asia disruptions, though receivables remain stable and cash flow is expected to improve.

Siemens Energy India (ENRIN IN)

RATING ACCUMULATE | CMP INR 3,086 | TP INR 3,274

- **Exports:** The company's export business remains routed through Siemens Energy global in markets outside Southeast Asia, with exports rising by ~500bps, primarily driven by transformers and switchgear in the Power Transmission segment. While strong data center investments in the US and Europe are supporting demand for electrical equipment, exports of steam turbines constitute a limited share. Management continues to prioritize the domestic market, while export growth through local manufacturing facilities remains dependent on the parent company's global strategy.
- **Static Synchronous Compensator (STATCOM):** The STATCOM market remained subdued in H1CY26 amid limited tender activity, with project finalizations still awaited. Management remains optimistic on growth prospects for ENRIN, supported by its leadership in grid stability solutions. Meanwhile, increasing renewable integration and upcoming LLC HVDC projects are expected to drive higher demand for SYNCONs and STATCOMs.
- **Synchronous Condensers (SYNCON):** The company expects its first SYNCON to be ready in this calendar year, although it currently lacks local manufacturing capabilities for the product. Management may consider localizing SYNCON production in India, subject to the scale of market opportunity and demand visibility.
- **Power Generation:** ENRIN continues to supply industrial steam turbines for combined-cycle gas power plants amid strong global demand for gas turbines, while also seeing growth opportunities in the nuclear segment through its steam turbine offerings. Management expects future growth to be increasingly driven by the services business, with exports of gas turbine and nuclear-related services routed through the parent company. The company manufactures steam turbines ranging from 1MW to 250MW, while EBIT margin expanded during the quarter, supported by operating leverage from execution ramp-up and a higher contribution from services.
- **Data Centers:** Management highlighted a large opportunity pipeline across both domestic and international markets, supported by growing data center investments, including a transformer order from the US. The company participates in data center projects through HV substations, grid stabilization solutions, and transformers, although it currently has limited exposure to power generation as Indian data centers are yet to meaningfully adopt captive power generation.
- **Capex and Capacity:** The location for the new transformer factory, involving an investment of ~INR20.6bn, is yet to be finalized, while the Kalwa factory expansion is expected to be operationalized by mid next year.
- **Services:** The company primarily offers services within the power generation segment across its installed base. Beyond servicing its domestic installed base of steam and gas turbines, it also caters to global markets under its local-for-global strategy.

SRF (SRF IN)

RATING REDUCE | **CMP** INR 2,720 | **TP** INR 2,579

- Capex for the new refrigerant project has been increased from INR11bn to INR22.85bn, with completion targeted by Feb'28.
- HFC capacity will increase to ~65,000mtpa after the debottlenecking project, expected to be completed in next 8 months with a total capex of INR880mn.
- 20,000mtpa HFO (4th-generation refrigerants) plant, with three HFO variants planned to be commissioned in parallel.
- 30,000mtpa AHF plant, with forward integration into VHF products.
- The chemical business is expected to grow 15%–20% in FY27, driven by refrigerant gases, fluoropolymers, and specialty chemicals, with pricing anticipated to improve.
- In Specialty Chemical Pricing pressure was seen across portfolio due to Chinese competition.
- The new pharma products showing traction volumes expected to ramp up going ahead.
- Pricing pressure in specialty chemicals has largely stabilized, with prices expected to improve going forward.
- In Fluorochemicals business Plant utilization remained optimal during the year.
- Middle east sales were impacted in Q4FY26, some impact in Q1FY27 expected.
- Strong demand in fluorochemicals from clients is expected in H2FY27, in line with the debottlenecking project.
- In Packaging Film Business BOPET and BOPP margins improved in Q4FY26, supported by pricing recovery driven by China's anti-involution measures.
- Aluminium foil plant ramping up well with more focus on exports as customers approvals are in place.
- BOPP plant with a capex of INR4.9bn at Indore deferred.
- In Technical Textile Business Belting Fabrics saw signs of recovery in Q4FY26, gradual recovery in margin expected.

State Bank of India (SBIN IN)

RATING BUY | **CMP** INR 1,019 | **TP** INR 1,200

Balance sheet

- Credit growth remained strong at 5.4% QoQ / 17.2% YoY, driven by strong corporate growth led by large corporates shifting from market borrowings to bank funding and healthy growth across RAM segments.
- Management guided for FY27 credit growth of 13–15%, with a focus on durable, capital-efficient and resilient growth; corporate credit growth is targeted at ~12–13%.
- Gold loan portfolio recorded ~100% YoY growth, with an average ticket size of ~INR 2.5 lakh and yields in the range of 8.5–9.0%; LTV stood at 52%

- Management expects stronger MSME loan demand following the reintroduction of ECLGS.
- Saving deposits grew by 10.6% YoY while 66% of new SA through YONO; RTD grew by 15% YoY; CA growth was muted due to lower government balances and reduced back-ended deposits.
- Overall deposit growth for FY27 to be lower than credit growth at 11-12%, with an aim to enhance its CASA mix while strategically reducing dependence on wholesale deposits.
- Average LCR stood at 124% for Q4; revised LCR guidelines could enhance LCR by 3–4%, although incremental credit growth in FY27 is expected to moderate LCR towards the targeted 115–120% range.

Profit & loss

- Moderation in Q4 NIM to 2.9% was a function of (1) 25bps repo rate cut and 5bps MCLR cut, (2) increase in composition of EBLR and T-bill linked advances to 49% and (3) increased composition of AAA rated corporate clients at lower yields; Management does not expect any further repo rate cuts or additional repricing pressure on the MCLR book.
- Domestic NIM for FY26 stood at 3.03%, in line with guidance to sustain NIMs above 3%; NIMs are expected to improve gradually, supported by portfolio mix optimisation, reduction in high-cost wholesale deposits, and a strategic shift of certain T-bill linked corporate loans to MCLR-based pricing. Management reiterated that NIM guidance of sustaining levels above 3% remains intact for FY27.
- Interest income included INR 10bn of IT refunds in Q4FY26 (INR 7.7bn in Q3'26).
- Other opex grew 21% sequentially due to seasonality and bunching up of payment-cycle
- Processing fee income rose sharply to INR 30 bn in Q4FY26 (INR 16.3bn in Q3), driven by fee recalibration and reduced concessions across corporate/MSME segments; corporate processing fees grew ~35% QoQ.

Asset quality

- Slippages were higher at INR 55.5bn for Q4FY26, primarily driven by stress in the agri portfolio and select stress in the SME segment. Management emphasised that Q4 slippages were seasonal in nature, with no indication of structural stress.
- MSME asset quality is supported by BRE-driven underwriting models and higher CGTMSE coverage
- Credit cost guidance of ~50 bps remains unchanged for FY27, reflecting confidence in portfolio quality and underwriting standards.
- While asset quality risks are being monitored in the Middle East portfolio, management highlighted that the majority of exposure is to sovereign entities and banks, limiting downside risk.
- Management expects the transition to the ECL framework to be smooth, with no material impact on capital ratios or the Bank's ability to grow credit; impact of revised ECL guidelines is under assessment.

SBI Life Insurance Company (SBILIFE IN)

RATING BUY | **CMP** INR 1,885 | **TP** INR 2,200

Growth

- PAR growth in FY26 has come on low base of FY25. Company introduced new par products in FY26. Management intends to focus on Non-ULIP products.
- As per management, growth in last 2 months of FY26 has been decent despite global uncertainties.
- Company does not have any high sum assured ULIP products as this time.
- Company aims to launch deferred annuity product by Q1FY27.
- Guidance of APE growth CAGR of ~14% over FY26-28E
- Increase in growth of NOP has been contributed by all products, especially protection.

Margin

- No significant changes were made in assumptions in FY26.
- Positive operating variance is coming from mortality and persistency changes and less from expenses.
- Economic assumption changes in EV were largely equity related in FY26
- Opex was elevated due to impact of GST and labour code. Opex ratio excluding these one-offs would have been 5.5% vs. 6.1% in FY26.
- GST impact likely to get absorbed by H1FY27.
- Drop in 61M persistency was on account of early business done in Covid.

Distribution

- Company has guided to maintain VNB margin in the similar range of 26-28%
- Company has not received any communication from the regulator regarding open architecture regime where banks are encouraged to tie up with multiple insurers. However, it remains confident to navigate all regulatory challenges with ease.
- SBI Life is targeting a higher share of agency channel in distribution mix.
- Company is also focusing on growing its direct channel of distribution
- State Bank of India share in protection stood at 4% and the number has remained flat over the last 2 years but the mix has changed favorably towards pure protection.
- Distribution mix by Total APE (Banca / Agency / Others) stood at 52.3% / 34.7% / 13.1% in Q4FY26.

Other

- Positive operating variance in EV is on account of better mortality and persistency
- Company sought for forbearance on IND AS for next year.
- Online business has grown in the range of 48-50%.

Steel Authority of India (SAIL IN)

RATING ACCUMULATE | **CMP** INR 192 | **TP** INR 209

Pricing & Outlook

- Mgmt. expects domestic steel prices to remain firm supported by improving international prices, rupee depreciation and safeguard duty on flat steel imports. However, demand is expected to remain seasonally muted in Q1/Q2FY27 amid destocking.
- FY27 sales volume guidance stood at 22mt (22.5mt including 0.6mt of RINL).
- Q4FY26 average NSR stood at INR53,400/t/ INR51,000/t for longs/flats, with blended NSR at ~INR52,000/t. March witnessed price hikes of ~INR1,500/t/INR1,400/t for longs/flats
- April NSR increased to INR57,600/t/INR56,700/t for longs/flats, while May NSR stood at INR57,800/t/INR56,000/t for longs/flats, implying ~INR4,000/t increase vs Q4FY26.

Costs

- Avg. imported coking coal cost increased from ~INR18,200/t in Q4FY26 to INR21,000/t in April and INR21,800/t in May. Mgmt indicated ~INR1,400-1,500/t CoP impact in Q1FY27.
- Coking coal inventory currently stands at ~30 days, partially offsetting immediate impact of higher procurement prices.
- Limestone/flux landed costs from Middle East increased to ~$35/t from ~$23-24/t earlier due to geopolitical disruptions; however, overall impact on steel costs is limited to ~INR100-200/t.
- Operational efficiencies offset RM inflation in Q4FY26, with better RM usage and process improvements leading to ~INR4.3bn benefit against ~INR2.7bn adverse RM impact.
- Coke rate improved through higher PCI injection and oxygen enrichment; Targets further ~20kg reduction in FY27.
- Employee count reduced to 49,752 as of Apr'26 from 53,159 at the start of FY26. Expects workforce reduction of ~3,000-3,500 employees annually over next two years, partly offset by ~200-300 fresh inductions each year.
- Wage revision impact effective Jan'27 would be provided for in Q4FY27 and would be over and above current employee cost guidance.

Capex & Expansion

- FY26 capex stood at ~INR91bn vs guidance of INR100bn. Guided FY27 capex at INR150bn, increasing to ~INR180-190bn in FY28 and potentially INR200-250bn annually thereafter as expansion projects gather pace.
- Expansion activities commenced at IISCO, Bokaro and Bhilai plants. Major packages at IISCO have already been tendered and groundwork is expected to start shortly.
- Plant-wise capex plans: 1) IISCO: ~INR350-360bn for 4.5mtpa expansion, 2) Bhilai: ~INR300bn for 3.5mtpa expansion 3) Bokaro: ~INR180bn for 3mtpa expansion
- Major expansion spending at IISCO is expected from FY28 onward, while Bokaro and Bhilai capex intensity would rise meaningfully from FY29.

- FY27 capex would be deployed towards debottlenecking, AMR activities and IISCO expansion.
- New expansion capacities are expected to start commissioning only from FY31 onward.

Operations

- Bokaro plant performance improved materially in FY26 after operational disruptions and breakdowns in FY25. Indicated H2FY26 performance improved aided by better SMS operations and stronger flat steel realizations.
- Smaller furnaces are being phased down while production is increasingly ramped up through larger and more efficient furnaces to improve BF productivity.
- Iron ore production target stands at 56mt for FY27 vs 38mt in FY26, with long-term target of ~80mt.

Other Points

- Net debt/equity improved to ~0.37x and Mgmt. expects debt levels to remain broadly stable in FY27 despite higher capex intensity.
- Highlighted that FY26 balance sheet was “fully clean” with no audit qualifications remaining after several years.
- NSL volumes stood at 1.12mt in FY26, while Q4FY26 volumes were limited to ~0.1mt as the company discontinued active NSL product selling.
- RINL sales volumes were ~48kt in Q4FY26 and Mgmt. expects ~0.6-0.7mt RINL sales in FY27.
- Salem Steel continues to report losses; Mgmt.is focusing on improving CR mill yields to ~90%, increasing mill utilisation and reducing fuel/power costs through PNG and cheaper power sourcing.
- BISL remains under the government’s disinvestment list and would take a call on speciality steel strategy post clarity from the government.

Sudeep Pharma (SUDEEPPH IN)

RATING REDUCE | **CMP** INR 673 | **TP** INR 627

- In Pharma, Food & Nutrition segment revenue increased 10% YoY, driven by strong demand from India and Europe.
- The company was able to pass on the increase in phosphoric acid and sulfuric acid prices to customers.
- Capacity utilization stood at 65–70%.
- In Specialty Ingredients segment revenue contribution in FY26 44%.
- Strong global traction across infant nutrition, medical nutrition and dietary supplements.
- Capacity utilization stood at 35–40%.
- In Specialty Ingredients segment received 51 new approvals during FY26.
- In Battery materials segment Phase-1 commissioning targeted by April’27.
- Commissioned 5,000–7,000mt battery-grade capacity at the existing facility, with 50% allocated for customer validation and the remaining 50% for commercial sales

Sun Pharmaceutical Industries (SUNP IN)

RATING BUY | **CMP** INR 1,845 | **TP** INR 2,070

Domestic formulation:

- Growth was volume-led and driven by new product launches. It reported 6% volume growth.
- Launched 11 new products during Q4FY26.
- Achieved market share of 8.4% in Indian pharma market vs 8.1% earlier; highest market share gain since the Ranbaxy acquisition.
- It launched semaglutide injection in India under brands Noveltreat and Sematrinity across all strengths during Q4FY26.
- Management indicated semaglutide response from doctors has been encouraging, with auto-injector and pen system being key differentiators.
- Oral semaglutide clinical studies have been completed; launch planned post approval.

US markets & Global specialty:

- Specialty sales crossed USD1bn in FY26 in US
- Innovative medicines growth offset weaker generics performance amid higher competition in select products.
- Growth driven by Winlevi, Ilumya, Cequa and Odomzo. Winlevi prescription trends remained strong post commercialization strategy change.
- US innovative medicines business surpassed generics business in size.
- Unloxcyt launched in the with strong physician response. Company seeing repeat Unloxcyt orders from cancer centers and healthy onboarding across institutions and infusion centers.
- Company remains committed to generics and is setting up a sterile greenfield facility in Madshya Pradesh for future global demand.
- USFDA accepted Ilumya BLA for psoriatic arthritis with action date set for Oct'26.
- The company is seeking a US partner for MM2 development; partnership strategy likely for larger markets requiring extensive field force.

Organon acquisition:

- Management described Organon portfolio as highly complementary with minimal product overlap.
- Combined innovative medicines contribution expected to rise to 26-27% post acquisition

EMs:

- Ilumya witnessed good traction across markets such as Romania, Brazil and China partner markets.
- Management sees semaglutide as a potential opportunity across EMs but refrained from giving guidance.

- RoW: Growth driven by innovative medicines, especially Ilumya and Odomzo, including non-alliance markets.

R&D:

- Innovative R&D accounted for 36.9% of total R&D spend. FY27E R&D spend guided at 6-7% of sales.
- Intangible assets increased due to commercialization of Leqselvi and Checkpoint-related molecules

Other

- Net cash stands at USD 3.2bn.
- Revenue guidance maintained in high single digit. ETR of 25% In FY27E

Sunteck Realty (SRIN IN)

RATING BUY | **CMP** INR 356 | **TP** INR 520

- Business development investments – SRIN deployed Rs 8.1bn in FY26 towards capex and BD, significantly higher than Rs in FY25 (Rs1.8bn), indicating strong pipeline build-up. Total GDV of three newly added projects (Andheri redevelopment, Mira Road-2, Andheri land) is estimated at ~Rs 50bn.
- New launches for FY27E – Management guides for total INR 60-70bn of GDV launches in FY27E, comprising a redevelopment project at Andheri, a new tower at Sky park in Mira road, two additional towers at SBR in Vasai, a new phase at Sunteck City alongside launches from a recent Mira Road acquisition and Nepean sea road project.
- Dubai Project – Project is launch ready and waiting for geopolitical stabilisation. Total capital deployed ~AED 130mn (AED 70mn initial + AED 60mn) in FY26 for launch prep.
- Nepean Sea Road - RERA approval and commencement of construction expected in 1HFY27.
- FY27E pre-sales guidance - The company pre-sales growth guidance remains at ~25% CAGR for FY27E, excluding Dubai project launch.
- Mgmt expects collections to improve in FY27/28E as under construction inventory converts to deliveries. Mgmt guided revenue recognition from Sunteck One World at Naigaon in FY27E.
- SRIN generated INR 5.5bn of net cash flow surplus in FY26 (up by 48% YoY)
- Net debt to equity stood at 0.06x in FY26.

Supreme Industries (SI IN)

RATING BUY | **CMP** INR 3,692 | **TP** INR 4,626

- Company plans for ~INR 10bn capex in FY27 across Pipe (Patna, Jammu, Gadegaon) and Industrial (Malanpur) segments, maintaining strict 25%+ RoCE thresholds for all projects.
- Pipe segment capacity to expand by ~110kMT in FY27, along with ~10kMT in material handling, with utilization ramp-up expected over ~2 years.
- Management targets long-term Pipe segment volumes of ~2mn MT, supported by ongoing brownfield and greenfield additions.

- FY27 volume growth guidance stands at ~12-13% overall and in Pipe segment of ~15-17% including Wavin integration.
- CPVC volumes delivered strong ~38% YoY growth in FY26, reflecting continued premiumization and healthy market penetration.
- Guided EBITDA margin of ~14-14.5% for FY27, indicating sustainable profitability despite raw material volatility.
- Q4FY26 included inventory gains of ~INR 700-800mn, though FY26 overall saw no net inventory gains.
- PVC resin prices declined sharply by ~INR 34/kg during 6th-21st Apr'26, driven by continued Chinese oversupply into India.
- Domestic PVC resin prices are currently ~INR 81/kg, with management expecting upward movement from current levels.
- Retail and distributor PVC inventory remains low, which may support near-term restocking demand.
- Wavin operations normalized from Feb'26, contributing ~10k MT in Q4FY26 and expected to deliver ~48–49k MT volumes in FY27.
- Window & doors business (10k MT capacity) focused on UP and NCR markets could generate ~INR 2-2.5bn annual revenues at full utilization, with margins exceeding core business levels.
- Agri demand is expected to improve from Q1FY27 for pipe segment with correction in PVC resin prices.
- Plastic pipe industry volumes declined ~9% in FY26; however, management expects industry growth to recover to ~8% in FY27.
- Jal Jeevan Mission demand remains weak with no meaningful state-led pickup so far, though some pending payments were recovered.
- FY26 publicity and brand-building spend stood elevated at ~INR 980mn

Syrma SGS Technology (SYRMA IN)

RATING HOLD | **CMP** INR 1,075 | **TP** INR 1,128

- **Guidance for FY27:** Management guided for ~35% revenue growth in FY27 with EBITDA margins of 10.5–11%, while expecting export revenue to reach ~INR15bn during the year.
- **Strong Orderbook across segments:** The company's order book stood at INR 66bn in Q4FY26, with contributions from auto (29%), consumer (30%), and industrial (24%), healthcare (5%) and IT & Railways (11%).
- **Capex Plans:** The company is undertaking a major multilayer PCB project involving a total planned CapEx of INR 8bn which will be executed in two phases over the next few years.
    - The initial phase involves INR4bn of investment, of which INR 0.5bn has already been spent till FY26. The company expects to incur an additional INR 2.5bn of PCB-related CapEx in FY27, while the remaining amount will likely be spread across FY28 and FY29. Apart from the PCB expansion, the company expects regular organic CapEx of INR 1-1.5bn annually for ongoing business operations.

- The capex for PCB will be funded through 50% debt and 50% equity, with 25% of the equity contribution provided by a partner, and the company expects a 50% subsidy from the government.

- **Other Highlights**
  - The company expects the PCB business to start contributing from FY28 onwards, which could further accelerate growth beyond the existing 30–35% organic growth guidance.
  - SYRMA has received ECMS approval for flexible PCB, copper clad laminate (CCL), and HDI/flex PCB projects, with a planned cumulative CapEx of ~INR8bn to be executed between FY28-30.
  - Management highlighted that the key drivers of superior margins are exports, ODM business, MedTech, and efficient working capital management. The company aims to sustain ODM contribution at ~16–17% of revenue going forward.
  - Despite expectations of better mix through exports and ODM, management maintained a conservative FY27 EBITDA margin guidance of 10.5%–11%, citing geopolitical volatility, commodity inflation, and supply chain disruptions, while reiterating confidence in delivering strong absolute EBITDA growth.
  - The proposed KSolare acquisition through the JV with Premier Energies was discontinued after the sellers failed to meet certain agreed conditions precedent within the stipulated timelines; however, the company reiterated its strong intent to enter the renewable energy and inverter segment through a greenfield approach instead of an inorganic acquisition.
  - Customer concentration remained healthy, with the top 5 customers contributing 34% of FY26 revenue, while the top 10 and top 20 customers accounted for 47% and 63% of total sales, respectively.
  - The company reported gross PLI benefits of ~INR 800mn for FY26, while net PLI benefits stood at ~INR380mn; Q4FY26 PLI benefits were ~INR100mn.
  - Smart metering revenue stood at ~INR 2.5–2.6bn in FY26 and carries elongated working capital cycles with moderate margins, while the Elcome-led defence business offers superior ODM-driven margins despite higher working capital intensity; Elcome contributes ~5% to the total order book.

Tata Consultancy Services (TCS IN)

RATING BUY | **CMP** INR 2,589 | **TP** INR 3,450

- Clients are not deferring IT spend due to AI model launches; instead, budgets are being reallocated toward AI, data, and platform-led initiatives, with continued caution on discretionary spending. Demand for new-age solutions remains strong, with increasing shift from PoCs to scaled, outcome-driven AI deployments, while the company is positioning for FY27 through capability build, partnerships, and AI-led offerings.

- Management highlighted that BFSI demand remained resilient, with continued investments in core modernization, cloud, data, and scaled AI deployments despite macro uncertainty. Spending is increasingly outcome-driven, with a strong focus on cost discipline, regulatory resilience, and vendor consolidation. In the Consumer segment, growth was led by retail (UK/EMEA), while CPG and North America lagged, reflecting uneven demand. Clients continue to prioritize cost efficiency, simplification, and selective AI adoption, with discretionary spending remaining constrained.

- In Healthcare & Lifescience, growth remained muted, with enterprises prioritizing cost control, compliance, and productivity improvements while Manufacturing delivered steady growth despite macro headwinds, with cautious client spending amid supply chain and capex uncertainties. Demand is driven by cost optimization, AI-led productivity (automation, predictive maintenance) and ERP/cloud modernization.

- In ERU, growth was driven by energy & resources, led by supply chain transformation programs while utilities remain under pressure, with increasing focus on cost optimization and efficiency-led initiatives. In Tech & Software, growth was moderate, with continued spend discipline and cost rationalization observed across clients.

- Management views AI as a structural growth driver, with enterprise adoption transitioning from experimentation to scaled, business-led deployments. The company is actively investing across the AI stack through capability building, ecosystem partnerships, and embedding AI into core offerings to industrialize solutions and enhance time-to-value for clients.

- Management indicated that HyperVault engagements are scaling from early exploration to structured execution, with progress across design alignment, security frameworks, and commercial structuring, and demand converging around large anchor AI workloads (100–200 MW per client).

- For FY26, adj. EBIT margin improved by 70 bps to 25.0%, driven by realizations (+100 bps), pyramid benefits (+80 bps), and currency tailwinds (+110 bps), partly offset by strategic interventions (-200 bps) and investments in AI ecosystem and GTM expansion (-100 bps).

- TCS implemented organization wide wage hike wef from April 1 and expects impact of 150-200 bps in Q1 margins

Tata Elxsi (TELX IN)

RATING HOLD | **CMP** INR 4,651 | **TP** INR 4,800

- Management indicated that the demand environment remains mixed and uncertain, impacted by ongoing geopolitical tensions and macro volatility, which are affecting client spending and decision-making. While there are deal wins and ramp-ups in certain segments, delays in deal closures and pushouts continue to persist, particularly in Healthcare.

- Media & Telecom remains under pressure with a cost-takeout–led demand environment, while Transportation demand is relatively stable but cautious, with growth dependent on ramp-up of recent wins. Overall, visibility has moderated, with expectations reset to high single-digit growth versus earlier double-digit aspirations.

- Management indicated that FY27 revenue growth is likely to be in the high single-digit range, moderating from earlier expectations of double-digit growth, reflecting geopolitical uncertainties, delayed deal closures, and cautious client spending; growth is expected to be driven by ramp-up of recent deal wins, with recovery contingent on improved execution and conversion across key verticals.

- Management highlighted that AI/GenAI is being actively embedded across delivery to drive productivity and efficiency, supported by internal platforms, toolchains, and large-scale upskilling. Client conversations are increasing, particularly in Media & Telecom, where AI is being used for efficiency and cost optimization, while adoption in Automotive and Healthcare remains early-stage due to regulatory and complexity constraints

- Management indicated that margins are on a gradual improvement trajectory, driven by operational efficiencies, higher utilization, increased share of fixed-price contracts, and AI-led productivity gains. While Q4 benefited from currency tailwinds, the company expects steady margin expansion going forward, with an aspiration to exit FY27 at ~27% PBT margin, contingent on revenue growth and continued execution improvements.

Tata Steel (TATA IN)

RATING ACCUMULATE | **CMP** INR 217 | **TP** INR 247

Outlook

- Realizations improved across geographies in April/May led by INR 6,000/t increase at TSI and GBP/EUR 80/t increase at TSUK/TSN respectively.
- Coking coal consumption costs at TSI to be USD 15/t higher QoQ and USD 10/t for TSN.
- Iron ore consumption costs at TSN to be higher USD 5/t at TSN.
- Benefits from revised auto contracts expected from Q1FY27, with larger gains likely in Q2FY27. Tata has also received 25 new grade approvals from OEMs.
- Long products market remains soft due to pressure from secondary producers, while flat products demand continues to remain resilient.
- Chinese steel prices improved by USD 20-25/t while exports moderated to below 10mt, supporting global and Indian steel spreads.

Cost Savings

- FY26 cost savings stood at INR 115bn with 95% achievement vs target.
- TSI delivered INR 39.3bn savings through procurement optimization, leaner coal mix and higher coastal waterway usage.
- TSUK achieved INR 19.6bn savings driven by focused cost optimization initiatives. TSN achieved INR 49.8bn savings led by coal optimization measures.
- FY27 target- INR 71.4bn

Tata Steel India (TSI)

- Temporary downstream disruption in tinplate and color-coated products due to propane shortages has normalized.
- FY27 steel volumes are expected to improve by 2mt YoY on the back of fully commissioned KPO and 0.5mt from EAF commissioned in March at Ludhiana.
- Coal production stood at 6mt during FY26, translating into 3mt of consumable coal post washery processing.
- Iron ore production stood at 45mt during FY26, of which 4mt was sold externally.
- Focus remains on high-value segments such as automotive and oil & gas rather than market share expansion.
- Online retail business crossed INR 50bn in revenue during FY26.

Tata Steel Netherlands (TSN)

- TSN continues to face environmental regulatory pressure related to emissions from legacy coke and gas plants. Due to this uncertainty, TSN's financial statements carry a material going concern uncertainty.

- Over EUR 20mn penalties were paid during FY26. Dutch authorities are evaluating permit revocation and accelerated shutdown timelines.
- TSN is expected to remain EBITDA positive even in the event of coke oven shutdowns, supported by stronger European steel prices.
- IJmuiden operations are expected to restart soon following recent disruptions.

Tata Steel UK (TSUK)

- UK safeguard measures are expected to support steel prices in H1FY27.
- TSUK is expected to turn EBITDA positive during FY27.
- Major demolition work at TSUK has been completed.
- Trial runs are underway ahead of full electrification (there is 6-8 months delay from local authorities) and TSUK is in talks with local grid supplier and government for approvals.

Capex & Expansion

- FY26 capex stood at INR 140bn, of which INR 36.6bn was incurred in Q4FY26.
- TSI capex pipeline for FY27 remains strong with over INR160bn planned investments.
- Board approval received for 4.8mtpa long products expansion at NINL.
- NINL project remains in advanced stages of capital allocation and regulatory approvals. FID expected in Jul-Sep'26 with commissioning targeted around FY29/FY30.
- Maharashtra greenfield expansion plans are progressing with land identified and approvals under discussion.

Balance Sheet & Debt

- Net debt declined by INR 22.9bn YoY to INR 801bn.
- Net debt-to-EBITDA improved to 2.3x from 3.3x.
- Debt reduction during FY26 stood at INR 91bn.
- By FY28, most overseas debt excluding working capital lines is expected to be repaid.
- Offshore debt currently stands at INR 170bn, while India FX debt exposure remains fully hedged.

Acquisition

- Tata Steel has raised its stake in TM International logistics limited from 51% to 74% for INR 3.35bn. This would help strengthen logistics integration capabilities.

Tata Technologies (TATATECH IN)

RATING HOLD | **CMP** INR 591 | **TP** INR 560

- Management highlighted a clear recovery in demand, with clients moving from a phase of paused or deferred decision-making (driven by tariffs and geopolitical uncertainty) to active execution. This transition is visible across automotive and industrial segments, supporting a more constructive demand outlook.
- The company delivered ~12% QoQ CC growth in Q4, with performance broad-based across services, clients, and geographies, indicating a clear inflection after a weak H1. Growth was not driven by any single client or program, reinforcing sustainability.
- Of the ~12% QoQ growth, ~8% was organic, driven by normalization in anchor clients, ramp-up of deal wins, and stronger traction in non-anchor accounts, highlighting improving growth quality beyond inorganic contribution from ES-Tec.
- The company closed multiple large, multi-year deals including full-vehicle programs in Q3/Q4, with additional wins in April and more expected near term. These programs act as strategic entry points, enabling expansion across engineering, embedded software, and lifecycle services.
- Automotive growth has rebounded with stronger contribution from non-anchor clients, while non-auto verticals such as aerospace (now ~USD 40mn annual run rate) and IHM continue to scale, improving portfolio mix and reducing dependence on anchor accounts.
- The company is seeing broad-based traction across geographies including Europe, North America, and Japan (entry via full-vehicle program), while trends such as increasing offshoring by German OEMs and progress in BMW JV/ES-Tec integration are strengthening long-term positioning.
- Management expects double-digit organic growth in FY27, supported by order book strength and a robust, conversion-led pipeline, with growth likely to be stronger in H2 due to deal ramp-ups, while maintaining consistency across quarters.
- Margins are expected to improve through operating leverage from volume growth, better offshore mix and pyramid, and increasing deployment of AI (including generative and agentic AI) to drive productivity, reduce cycle times, and enhance delivery efficiency.
- Management indicated that AI is increasingly embedded in core service delivery, particularly across engineering, embedded software, and full-vehicle programs, enhancing execution efficiency and scalability. AI-led capabilities are also strengthening its value proposition with OEMs, aiding deal wins and positioning the company for deeper participation across the product lifecycle.

TCI Express (TCIEXP IN)

RATING BUY | **CMP** INR 491 | **TP** INR 575

- Higher depreciation and interest costs were driven by capitalization of rentals as 2 sorting centers have shifted to long term lease. The depreciation run-rate is expected to be slightly higher at INR310–320mn annually, going forward.
- TCIEXP IN has upgraded an owned semi-automated sorting center in Nagpur (~70-75k sq ft). Given limited level of automation, only a 5-7% efficiency improvement is expected.
- Automated sorting centers under development in Ahmedabad and Kolkata are expected to be completed during FY27E, with automation ramp-up expected in FY28E.

- Multimodal logistics contributed ~18.5% of revenue in FY26. Target is to improve the contribution to 22-25% over the next 2-3 years.
- Volumes for 4QFY26/FY26 stood at 2.67 lakh tons/10.04 lakh tons, respectively.
- EBITDA margins are expected to improve by 100-150 bps in FY27E.
- Volume growth of ~10%+ is expected in FY27E.
- Revenue growth of ~15% is expected in FY27E.
- SME: Corporate customer mix stood at 48%:52% in 4QFY26.
- 70 branches were opened during FY26, primarily for rail and air businesses, along with 15-20 branches for the surface business. As for FY27E, target is to launch 100 branches, including 40 branches for surface express and 60 branches across rail, air and C2C operations.
- Truck utilization stood at 83.5% in 4QFY26.
- E-commerce business share is expected to improve from ~2.5% of revenue to 5% over time.
- Capex of INR670mn was incurred in FY26 primarily towards branch expansion, sorting centers, and IT infrastructure upgrades. Capex for FY27E is pegged at INR1,310mn

Tech Mahindra (TECHM IN)

RATING BUY | CMP INR 1,463 | TP INR 1,660

- Management stated that Communications growth was driven by stabilization and increased spending from large US clients, with added momentum from Comviva which saw double digit growth. Healthcare was impacted by regulatory pressures and weaker discretionary spending despite increasing AI-led engagements.
- Management indicated that Europe remains a strong growth region supported by traction in aerospace and manufacturing along with currency tailwinds, while the Americas continued to see mixed trends due to auto-specific softness.
- Management highlighted that while frontier AI models are being developed by ecosystem players, the company is focusing on leveraging its domain expertise to build and orchestrate interoperable AI agents, further reiterating that Orion was built not just to create an agent, but to orchestrate the agent workflow as well.
- Management articulated a platform-led AI strategy to progress as an AI first organization, structured around three strategic pillars: Industry and Sovereign AI platforms, ecosystem partnerships and stack orchestration, and applied AI across manufacturing, agriculture, education and inclusion.
- Management highlighted that despite rapid advancements in AI models, there has been no meaningful delay in deal closures. While some clients are taking a pragmatic view based on current productivity and efficiency, no significant pricing pressure or behavioral change has been witnessed.
- Management indicated that a strategic transformation is underway to be positioned as a strategic partner rather than a traditional outsourcing vendor, repositioning itself toward AI-led, consulting-driven and platform-enabled services.

- Management indicated that margins are improving through ongoing operational transformation initiatives including cost discipline, delivery simplification and capability optimization, enhancing overall efficiency.

- Management stated that gap in margins between TMM & fixed price projects is close to 8%, reiterating that it is the biggest opportunity.

- Management indicated that deal pipeline remains strong across geographies, with increasing share of large deals and multi-year engagements providing better revenue visibility over the next few quarters.

Thermax (TMX IN)

RATING REDUCE | CMP INR 4,678 | TP INR 3,969

- **Industrial Infra (+2.9% YoY):** Segment witnessed improved order booking and backlog during the quarter, led by stronger traction in TBWES and aided by a large INR16.3bn boiler package order for a 1x800 MW ultra-supercritical thermal power plant in Central India. Segment profitability also improved YoY, supported by better operational efficiency and lower losses across certain entities. Management expects opportunities in the thermal power space to remain healthy across both public and private sectors, while legacy Bio-CNG and FGD orders are now largely executed, reducing execution overhang. On coal gasification, the company highlighted that it has the required technology and solutions in place, with future opportunities contingent on supportive project economics, while maintaining a cautious stance on EPC margins.

- **Industrial Products (+16.2% YoY):** Segment reported improved order booking and backlog, driven by stronger performance in the Heating, Cooling and Water & Waste Solutions businesses. However, segment profitability declined due to an adverse product mix. Management highlighted healthy order prospects across pharma, chemicals and FMCG sectors, while noting that gas unavailability is impacting fabrication activities and rising raw material prices could weigh on Q1FY27 performance. Overall, management remains reasonably optimistic on the outlook, albeit with caution amid potential disruptions arising from the Middle East conflict.

- **Green Solutions (+34.2% YoY):** It reported higher order booking during the quarter, supported by improved business performance at TOESL and a revision in the company's order book reporting methodology, which increased the reported order book by INR138bn. However, segment margins were impacted by project cost overruns, primarily at FEPL, where the underperformance of a contractor on a project led to execution delays and losses during Q4. Management highlighted that around 250MW capacity is currently operational, with one project commissioned by March and two large projects expected to be commissioned over the next two quarters, positioning the company to close FY27 with a stronger operational capacity base. Meanwhile, TOESL continued to deliver stable performance during the quarter.

- **Chemicals (-8.1% YoY):** The Chemicals segment reported lower profitability during the quarter due to higher input costs and an adverse product mix. Management highlighted challenges related to raw material availability, with supply chain disruptions and rising prices in certain key inputs continuing to exert pressure on margins.

- Thermax to incur capex of INR2.5bn in FY27 bifurcated among INR1.0-1.5bn of maintenance capex while rest to be invested in capacity expansions across its boiler facility as well as cooling facility.

- Data center opportunities across cooling and heating solutions: Management highlighted emerging opportunities in cooling solutions as well as its heating solutions for data centers, with large boiler-related orders in this segment expected to be routed through TBWES. The company also sees opportunities in supplying steam turbine-based boiler solutions in international markets, which could materialize over the coming quarters. Incremental demand from data centers is expected to be supported through the capacity expansions currently underway.

- **Impact of Middle East conflict:** The company did not witness material impact from the middle east conflict on its operations as majority raw material procurement was done prior to the conflict. It has not witnessed any delays in execution and collections in Q4FY26. However, Q1FY27 may see some impact from supply chain disruptions. Management also hopes bid for the opportunities arising out of rebuilding in the Middle Eastern region.

Titan Company (TTAN IN)

RATING BUY | CMP INR 4,509 | TP INR 5,161

- TTAN states EBIT margins of 11-11.5% is difficult to maintain if gold price keep rising, although management aims for healthy EBIT growth potentially slightly lower than revenue growth
- Jewellery margin lost 10-20bps led by product mix however overhead costs helped offset the pressure
- Management expects a 15% to 20% growth rate over a three to five-year horizon, driven by industry formalization, inherent category interest, and India's economic growth, aiming to sustain this irrespective of gold price volatility
- Gold sourcing for 1Q27 is covered by the company, supported by gold exchange programs
- Buyer growth saw a resurgence of 8% in Q4, compared to flattish performance previously, driven by gold purchases, wedding advancements, and successful diamond campaigns.
- The Eye Care business experienced a one-off inventory recall of slow-moving stocks, contributing to suppressed EBIT margins, alongside increased marketing spends
- Management is positive about the integration and operational improvements for Damas over the next two to three quarters, with increased disclosure expected next year
- Increased ticket sizes (44% and 40% in the past two quarters) are attributed to consistent gold rate increases, with a significant jump around Dussehra, and this benefit is expected to continue for Q1 and Q2.
- A new natural gemstone jewellery collection, "Hughes," was launched to create a new growth engine with 200 styles, 50% of which is priced between INR 40,000 and INR 2.5 lakhs, aiming to address entry-level price points and promote wearable daily jewellery.
- Analogue contributes 90% towards overall watch sales, smart watches reported a steep decline in sales

Torrent Pharmaceuticals (TRP IN)

RATING BUY | CMP INR 4,573 | TP INR 5,000

- **India:** Growth drivers: Volume 3.8%, Price 6.7%, New products 3.5%. The company continued to outperform in chronic and sub-chronic therapies. Field force excluding JBCP stood at 7100 in FY26; target 7,500 by FY27E. Guided mid teen organic growth in FY27E.
- **Curatio:** Business grew by 27% YoY in FY26. Growth was driven by strong OTC demand, increasing advertising spend and expansion of the field force.
- **Semaglutide:** Launched Semalix and Sembolic in injectable and oral form. Achieved 38% market share. April sales stood at INR 170mn, with injectables contributing INR 110mn and Oral INR 60mn. Company reduced oral semaglutide pricing from INR 149/tablet to INR 109/tablet following API price decline and entry of competition. Injectable semaglutide is currently sourced through partners while oral formulation is developed and manufactured in-house.

- **Brazil:** Growth led by healthy volume expansion and mid-single-digit price increases. Launched an oncology product in Q4FY26. Management expects Brazil business to continue delivering double-digit growth (~10–15%) in FY27E/FY28E driven by launches. TRP expects to be among the first five generic entrants for gOzempic in Brazil. It has not yet filed Wegovy-equivalent product. Management highlighted market shift from Ozempic toward Wegovy due to tightening regulations on off-label usage.

- **Germany:** Supply disruption at third-party supplier which impacted sales; visibility remains unclear. Launched its first biosimilar. Guided for low double digit growth in CC terms.

- **US markets:** Growth supported by new launches and increased market share in existing products. Expects single digit growth in FY27E.

- JBCP integration & synergies: Reiterated synergies of INR 4-4.5bn in 3years. Cost synergies are progressing ahead of initial expectations while revenue synergies are expected to emerge gradually over 2–3 years. JBCP Pharma attrition has moderated significantly post-acquisition and moved below industry levels in April.

- **Other:** R&D spend to increase to ~5.5% levels in FY27E. Consolidated Net Debt/EBITDA at 2.3x in FY26 post JBCP acquisition.

Triveni Turbine (TRIV IN)

RATING HOLD | **CMP** INR 638 | **TP** INR 638

- **Guidance:** Management expects FY27 revenue recognition to remain back-ended similar to FY26 due to the execution profile of the order book, while remaining confident of growth in revenue, order booking, and profitability. Management highlighted that export contribution is expected to improve in FY27 supported by better conversion discussions and improving enquiry activity across key international markets.

- **Order Booking & Inquiry Pipeline:** Domestic demand remains strong across thermal power, steel, cement, process cogeneration, sugar, oil & gas, paper & pulp, and agro industries. Product inquiry pipeline nearly doubled to ~18GW, driven by strong traction in North America and India, with North America enquiries increasing ~1000% YoY and India inquiry book rising ~100% YoY to ~7GW. Management highlighted that the US now contributes more than ~15% of the total inquiry pipeline. Export enquiry activity remains healthy across Europe, Southeast Asia, and North America, although order conversions continue to face delays due to geopolitical uncertainties and elongated customer decision-making cycles.

- **Margins:** Margins remained broadly stable on a year-on-year basis despite quarterly volatility. Q4FY26 profitability was impacted by adverse product mix, lower aftermarket contribution, MTM losses (Rs85mn), and execution of the strategic NTPC CO2 project which carries a low PBT margin of ~3%. Management highlighted that exports and aftermarket businesses continue to support superior profitability versus base product execution.

- **USA Business:** The US market continues to witness strong enquiry traction across combined-cycle power plants for data centers, biomass, geothermal, API applications, pulp & paper, and small modular reactor-related opportunities. Management highlighted that data center power demand and capacity constraints at gas turbine OEMs are increasingly driving enquiries for combined-cycle applications. The US subsidiary turned profitable during Q4FY26 aided by improved execution.

- **Exports:** Export markets remained impacted by geopolitical disruptions and volatile global conditions, particularly in the Middle East and parts of Southeast Asia. Export orders contributed ~69% of Q4 order inflows, while exports formed ~51% of the closing order book. Africa continues to emerge as an important market for refurbishment and aftermarket opportunities, with the South African subsidiary expanding into the sub-Saharan region.

- **API Turbines & Aftermarket:** API turbines continue to remain an important growth and profitability driver for the business, with management highlighting improving demand trends supported by expansion in oil & gas and industrial capex. Management indicated that API turbines, which had seen a lower contribution during FY26 due to delay in large orders, are expected to revert to ~10%+ contribution levels going forward. Aftermarket order booking remained strong during the quarter and contributed ~50% of Q4 order booking, supported by refurbishment, spares, and servicing demand across the global installed base.

- **New Products:** The company continues to invest in newer technologies including geothermal turbines, organic Rankine cycle (ORC) turbines, MVR systems, and CO2-based energy storage solutions. Management highlighted that geothermal and CO2-based technologies are expected to become larger opportunities over the next few years, while MVR and heat pump markets are expected to remain smaller but profitable niche segments

TVS Motor Company (TVSL IN)

RATING ACCUMULATE | **CMP** INR 3,527 | **TP** INR 3,950

Outlook

- At the industry level, the management expects scooter penetration to increase to 40% from the current 38%. FY27 Industry growth to be driven by Scooters and EVs (TVS to outgrow industry), premium and super premium ranges. Economy category (TVS has a very small proportion) is expected to face more challenges due to price sensitive customer base impacted by current inflation.

- e2Ws have been growing faster than overall scooters industry and TVSL expects this momentum to sustain. e2Ws grew by 38% YoY in Q4 with overall penetration increasing to ~7.8%. For FY26, the penetration moved from 6.2% to 6.6%.

Investments

- Investment of ~INR24bn was made in FY26 mainly for overseas subsidiaries like Norton as few models will be made available in Q2FY27 while rest across FY27 (both in EU and India), ~INR2bn for TVS Credit Services, and ~INR3bn for Dubai office infra. FY27 investments would be ~INR18-19bn of which ~70% would be for some new investments.

- Capex planned for FY27 is ~INR35bn, including ~INR20bn for TVS Motor product development, ~INR10bn for capacity expansion, and some more for R&D.

Capacity

- Further capacity expansion is being considered for FY28 and FY29 beyond the planned 8.3mn units/year.

- EV production has now increased from an average of 30k-32k units/month in FY26 to ~40k/month, with plans to reach 50k units/month outperforming the industry.

International markets

- Demand pull has been very strong driven by key regions: LatAm (major focus now, TVS already gaining market share there), Africa (performed extremely well with further headroom there and in Middle East as well), Asia (Sri Lanka back on track, Nepal doing extremely well, and Bangladesh some changes were brought in and exports will start soon). TVS expects to outgrow the industry in FY27.

- e-scooters deliveries has already started in Asia and is soon entering few other markets.

- Exports revenue for Q4 was INR29.99bn.

Other highlights

- Channel stock has started improving after the supply disruptions in Apr'26. TVSL expects it reach the normalized level of 21-30 days by May-end or 1st week of June'26.
- TVS has started BaaS (Battery as a Service) across its EV portfolio.
- Its 3Ws have started showing improvement now while e3W Vahan market share is continuously improving and TVSL is confident of FY27 reaching a prominent place with overall EV passenger & cargo line-up.
- Q4 PLI was ~0.9% of revenue, and revenue from spares stood at INR11.22bn. FY26 EV was INR50bn.
- TVS Credit FY26: PBT of INR12.48bn (+22% YoY from INR10.27bn), Book size at INR306.31bn (+15% YoY from INR266.47bn). Total credit cost and GNPA reduced. Customer base at ~2.4Cr (vs. 2.3Cr in Q3FY26 and 2.13cr in Q2FY26). Q4 PBT of INR3.48bn (+15% YoY from INR3.02bn).
- Operating FCF of INR38.05bn was generated in FY26 vs INR25.86bn in FY25, implying 47% growth YoY.

Ultratech Cement (UTCEM IN)

RATING BUY | **CMP** INR 12,010 | **TP** INR 13,835

Demand & Outlook:

- India's structural demand outlook remains strong, led by government infrastructure push, housing (PMAY) and rural demand
- Industry demand growth stood at ~6-7% in Q4FY26; mgmt. expects ~7–8% growth in FY27, while UTCEM targets double-digit volume growth
- Near-term uncertainty from West Asia conflict may impact costs, but demand remains resilient
- UTCEM plans to add ~37mtpa capacity, taking total capacity to ~242.5mtpa by FY28
- Scale continues to drive cost efficiency, market reach and raw material security.

Pricing & Costs:

- Mgmt. indicated price hikes have been taken and should offset cost pressures.
- Cost pressures emerged during the quarter due to 1) Increase in bag costs (from INR9 to INR15/bag; ~INR0.9bn), 2) Forex MTM impact (~INR140cr / ~INR30/t) on outstanding foreign currency loan of USD950m.
- There is potential to rise in fuel costs to INR1.8/kcal in Q3FY27 from INR1.77/kcal currently.
- Clinker factor to improve to ~1.54x by FY28 from the current level of 1.44x.
- Cost savings of ~INR185/t achieved, with >INR300/t targeted by FY28.

Subsidiaries:

- 100% brand integration completed ahead of schedule (Mar'26).
- India Cements EBITDA/t improved to ~INR497 (vs ~INR399 in Q3); current run-rate ~INR670/t, targeting INR1,000/t by FY28.

- Kesoram already operating at ~INR1,000/t EBITDA in line with other Southern assets.
- Both assets contribute ~13% of volumes and are transitioning to earnings accretive.
- UAE operations remained stable with EBITDA at ~INR2.74bn in Q4FY26 (vs ~INR2.67bn in Q3FY26).
- Capacity utilisation is recovering from the fallen level of 80%.
- Wires & cables business expected to commence by Q3FY27.
- RMC remains a key long-term volume growth driver.

Balance Sheet and Capex:

- Net debt/EBITDA at ~0.92x (India); mgmt. aims to maintain ~1x leverage post growth capex.
- Annual capex guided at INR80-100bn, fully funded through internal accruals
- Strong cash flows expected to support growth capex and shareholder returns.

Union Bank of India (UNBK IN)

RATING ACCUMULATE | CMP INR 180 | TP INR 200

Balance sheet

- Credit growth guidance for FY27 stands at 13–14%, with management reiterating a strategy of "growth with quality" while maintaining regulatory comfort on CD ratio (>80%) and LCR (~114%)
- Management highlighted that the key balance-sheet strategy over the last six months has been active churn towards higher-quality and better-yielding assets, including the runoff of INR 350bn of IBPC exposure and INR 300bn of other low-yielding corporate advances.
- The bank continued to rebalance its balance sheet by shedding INR 70bn of bulk deposits and reallocating surplus liquidity from the treasury book INR 250bn towards loan growth.
- CASA and retail term deposits together now account for 79% of total deposits.
- CASA ratio improved by ~270bps YoY to 35.21% (from 32.51%), reflecting the bank's conscious shift away from bulk deposits toward granular liabilities.
- Under the revised LCR framework, management estimated a net positive impact of INR 70bn, translating to 2-3% LCR cushion, indicating no balance-sheet constraint under the new norms.

Profit & loss

- NIM declined QoQ to 2.64% (2.76% in Q3), largely due to the repo rate cut in Dec'25; however, the bank expects NIM to bottom out and remain stable at current levels, supported by higher CASA and better deployment of resources.
- Recovery income remained strong at INR 16bn in Q4'26 (INR 6.7bn in Q3'25), partly aided by the settlement of Sterling Biotech which accounted for INR 6.58bn.
- Employee cost declined due by 14.6% QoQ due to actuarial adjustments, as discounting rate for employee liabilities increased to 7.87% in FY26 (7.07% in Mar'25), lowering the final liability booked in Q4.

- Other operating expenses rose QoQ, which management highlighted as a normal Q4 trend, driven by year-end budget adjustments and provisioning gaps.

Asset quality

- Asset quality strengthened YoY, with GNPA declining by 78bps to 2.82% and NNPA reducing by 15bps to 0.48%, underscoring sustained improvement in the loan book.
- SMA-2 accounts moved into SMA-1 due to recoveries, which management views as a positive signal rather than early-stage stress.
- The bank created an additional INR 700bn standard asset provision as a prudential buffer (primarily for ECL transition), with no impact on reported profit or capital adequacy.
- The TWO pool remains elevated at INR 710bn, with INR 450-460bn under NCLT; recoveries in FY27 are expected to broadly sustain at FY26 levels.
- Credit cost for FY26 stood at 23bps, which management believes is sustainable given strong underwriting standards.

UTI Asset Management Company (UTIAM IN)

RATING HOLD | CMP INR 925 | TP INR 975

Industry

- Domestic demand continues to be strong and financialization of savings is clearly sustaining momentum.
- SIPs continue to be a key driver of inflows and reinforce investor discipline. Monthly SIP contributions stood at INR 32,087 crore in March 2026, while SIP AUM reached ~INR 15 lakh crore, accounting for ~19.9% of the overall mutual fund industry AUM.
- Equity mutual fund inflows for the industry were strong at INR 40,450 crore in March 2026, reflecting continued investor preference for equities despite intermittent market volatility.

Financial Performance

- Segment-wise yields stood at ~75 bps for equity, ~8 bps for ETFs and index funds, ~10 bps for cash and arbitrage, and ~18–19 bps for income products. The blended yield for the portfolio stood at ~32 bps.
- Management guided for a quarterly employee cost run rate of INR 125–130 crore, driven by capacity expansion across all three business lines.
- Other operating expenses increased ~15%, largely due to investments in IT upgrades (cloud infrastructure) and physical expansion. Management expects ~10% increase in other operating expenses, primarily led by geographic expansion in the pension fund business.
- Management indicated its intention to pass on the 5 bps TER impact to intermediaries.
- The company aims to scale the equity segment through a higher share of SIPs and SIP investors, while also focusing on cross-selling and up-selling opportunities via salesforce marketing automation.
- FY26 was a year of strong execution, marked by steady progress in strengthening retail flows, deepening distributor relationships, scaling the product franchise, and investing in technology to drive operating leverage.

- The company undertook multiple structural initiatives to strengthen its operating platform and selectively expand its geographic footprint, while maintaining net-zero incremental costs through efficient branch-level cost management.
- Digital initiatives delivered strong results, with a 2.34% increase in revenue, a 33% rise in transactions, and a 31% reduction in cost per transaction. Digital channels accounted for 76% of total SIP registrations.
- Management expects the momentum in the passive business to continue, supported by a healthy pipeline of new product launches planned for the year ahead.
- Multiple passive fund filings are underway, including UTI NIFTY 500 Index, UTI BSE Index Sector Leaders, UTI Nifty India New Age Consumption, and UTI Nifty India Internet, across both index and ETF variants.

Vikram Solar (VIKRAMSO IN)

RATING ACCUMULATE | **CMP** INR 215 | **TP** INR 226

- Management guided for FY27 module production of ~7.5-8GW and EBITDA of ~IRN 15-16bn, implying ~74% YoY growth.
- Gangaikondan 6GW module facility remains on track with first module rollout expected from Jun'26.
- 9GW TOPCon cell project remains on schedule with first cell production expected by Dec'26-Jan'27 and phased ramp-up through Mar'27.
- Management expects ~70% backward integration post commissioning of the 9GW cell facility
- Net working capital cycle improved to 44 days, with inventory maintained at ~60 days at vendor level and ~30 days at plant level.
- The 2GW cell sourcing agreement with Jupiter International will support DCR module demand from post Jun'26.
- Management revised 9GW cell capex upwards by ~10% to ~INR 54bn due to procurement changes.
- Initial 5GWh BESS assembly facility will see ~INR 1.5bn capex in FY27, while battery cell construction is expected to commence from Oct'26 and expected to complete within 24months.

Voltas (VOLT IN)

RATING HOLD | **CMP** INR 1,294 | **TP** INR 1,308

- VOLT achieved RAC sales volume of ~2.25mn units in FY26.
- Voltbek reported YTD market share of 8.6% in washing machines and 6.2% in refrigerators
- Channel inventory has reduced sharply to below ~45 days and is now closer to ~30 days.
- VOLT implemented ~5%/~10% price hikes in 3-star/5-star RACs due to BEE norm changes, along with additional ~2-3% hikes to offset higher RM costs.
- Management indicated that RAC industry volumes stood at ~14.3mn units in FY26, implying ~10-12% industry degrowth in FY26.
- Management expects RAC industry growth of ~15-20% in FY27 supported by favorable base, stronger summer demand and improved consumer sentiment.

- Management indicated that the commercial refrigeration industry witnessed ~5% degrowth in FY26.
- EMPS order book stood at ~INR62bn, comprising ~INR45bn domestic orders and ~INR17bn international orders.
- Chennai RAC capacity increased from ~1.0mn units to ~1.5mn units in FY26, with plans to scale up to ~2.0mn units with limited incremental capex depending on demand recovery.
- RAC portfolio mix comprises ~70% 3-star rated products and ~20% 5-star rated products, with the balance contributed by other categories.

Waaree Energies (WAAREEEN IN)

RATING BUY | **CMP** INR 3,119 | **TP** INR 3,713

- Management guided for FY27 EBITDA of ~INR 7-7.7bn, implying continued growth supported by capacity ramp-up and integration benefits.
- The company received ~USD 40mn in IRA benefits in FY26, based on ~USD 0.07/Wp for panels sold with ~87-88% of the eligible IRA.
- 90% of the company's overall overseas revenue is from US markets. While the company generated >1GW of revenue from US in the FY26, of which ~85-90% was fulfilled through local manufacturing.
- Q4FY26 margins declined due to higher silver and copper prices, elevated logistics costs amid Middle East disruptions, and reduced export mix.
- Working capital increased in Q4FY26 due to inventory build-up from delayed export shipments amid Middle East logistics disruptions, with normalization expected as shipments resume.
- Three cell lines have already been converted to G12R, with five M10R Topcon lines expected to transition by Q1/Q2FY27, which is likely to drive ~10-12% increase in production
- Utility realizations were ~INR 15-16/Wp, with retail commanding ~INR 1/Wp premium, while DCR realizations stood higher at ~INR 21-22/Wp
- Capex plan has been increased to ~INR 300bn to accelerate full backward integration across the value chain, including cells, ingot/wafers, PV glass, BESS and other adjacencies, aimed at enhancing cost efficiency, supply chain control and long-term margin visibility
- The company plans to raise up to ~INR 100bn via equity, debentures or other securities, including QIP, subject to approvals.
- Company has declared a dividend of INR 2 per share

Westlife Foodworld (WESTLIFE IN)

RATING ACCUMULATE | **CMP** INR 501 | **TP** INR 552

- SSSG came at 1.5% in 4Q led by mid-single digit guest count growth as everyday value platform continue to drive footfalls
- West market continued with healthy performance while South has started recovering with flat SSSG in Q4
- On premise sales grew 9% YoY driven by healthy footfall growth, while Off premise sales increased 6% YoY.
- WFL is aims to open 60+ restaurants in FY27.

- WFL launched monthly coffee subscription with a target to build McCafé as hotspot for coffee lovers in order to drive frequency
- Digital sales contribution stood at +76%, up 100 bps YoY, led by higher engagement through McDelivery platform, the McDonald's app, and SOKs
- LFL gross margin improved by ~60 bps sequentially. In the near term, margins are expected to remain in the +67% range.
- WFL is confident on reaching mid-single digit SSSG growth in medium term led by internal initiatives and improving broad consumer pattern
- Books have already been rolled out, while toys in Happy Meal takeaway packs are likely to take longer to resume amidst BIS led issue
- WFL has partnerships with HPCL, BPCL, and Jio-BP, which are intended to expand its footprint on highways

Wipro (WPRO IN)

RATING HOLD | **CMP** INR 210 | **TP** INR 200

- Management highlighted that IT spending is resilient despite the geopolitical uncertainties and policy disruptions with traction continuing in the areas of cloud, data and AI. They further highlighted that clients are increasingly focusing on outcome-based projects.
- Management indicated that the manufacturing segment (particularly auto and industrial) is facing pressure due to tariff-related disruptions and broader macro uncertainty, with clients adopting a cautious approach. However, spending is not being cut materially; instead, clients are focusing on supply chain resilience and cost optimization, creating opportunities for AI-led solutions.
- Wipro highlighted the launch of a dedicated AI-Native business and platforms unit to drive enterprise-scale agentic AI solutions, backed by focused investments and a distinct operating model, while simultaneously pivoting towards a "services-as-software" model that integrates AI-led platforms with core services to enable scalable, repeatable, and non-linear growth. Management indicated strong client traction but acknowledged that this transition will require sustained investments with benefits accruing over the medium term.
- Management highlighted improving traction in Europe, particularly in UK BFSI and strong deal momentum in Germany. APMEA remained a key growth driver with broad-based strength led by Southeast Asia and continued traction across BFSI, technology, and communications, indicating a relatively stronger regional outlook.
- Management indicated that client-specific issues within the BFSI segment in Americas 2 are expected to continue into Q1; however, they expressed confidence that these are temporary in nature, with the impact likely to largely conclude by the end of Q1, providing visibility of recovery from Q2 onwards.
- Management highlighted that Capco continues to perform well, delivering strong sequential and year-on-year growth. It remains a key strategic asset for Wipro in BFSI, driving consulting-led engagements and gaining traction in AI advisory to help clients navigate geopolitical, regulatory, and technology transitions.
- Management acknowledged the sharp QoQ decline in the top client but characterized it as temporary and not a structural concern, noting that the relationship remains strong and performance has been healthy over the longer term, with expectations of a recovery in the coming quarters.

- Management highlighted 3 key near-term margin headwinds: (1) the full-quarter impact of wage hikes (with two months incremental impact in Q1), (2) lower initial margins from large deal ramp-ups, and (3) continued investments in capabilities, including the AI platforms (Wipro Intelligence) and integration of low margin acquisitions.

- To offset the margin pressures, the company plans to drive operational efficiencies through productivity improvements, cost optimization, and leveraging AI-led delivery to enhance execution efficiency, while tightly managing overheads. Management indicated that despite near-term volatility, it aims to maintain margins within a narrow band over the medium term through these levers.

- Wipro added ~7,500 freshers in FY26 (including >3,000 in Q4), indicating continued investment in talent; however, it refrained from providing FY27 hiring targets as it accelerates its shift toward an AI-led operating model.

- Management indicated that the increase in unbilled revenue during the quarter is largely a one-off and not a structural concern.

Zee Entertainment Enterprises (Z IN)

RATING ACCUMULATE | CMP INR 83 | TP INR 91

- The 7-language strategy adopted in the digital business has led to improved revenue during the year.

- ZEE TV, Z IN's flagship Hindi GEC channel, reported a robust 40% growth in GRPs.

- Barring the disruptions in Mar'26, advertising segment would have witnessed a low single digit growth in 4QFY26.

- Z IN recently made three strategic investments. It invested ~INR200mn in Core Private Limited to strengthen its live business segment. It also invested ~INR1,160mn in Phantom Digital Effects Limited to support its production and studio business. Additionally, it invested ~INR1,000mn in ZBullet Enterprises Limited to expand it's presence in micro-drama segment.

- Major rationalization has been done on the manpower side during the year leading to 16.5%/9.1% decline in employee benefit expenses in 4QFY26/FY26 respectively.

- The movie amortization policy was revised during the quarter, resulting in higher amortization expense. Earlier, movies were amortized on a straight-line basis over five years. Under the revised policy, 50% of the cost will be amortized in the first two years, while the remaining 50% will be amortized over the next three years.

- Z IN's network share declined sequentially to ~17.4% due to T20 world cup and Bengal elections. 8) Bad debt to the tune of ~INR700mn has been provisioned for FY26 considering the age of the debtors.

Zydus Lifesciences (ZYDUSLIF IN)

RATING ACCUMULATE | CMP INR 1,019 | TP INR 1,080

India formulation:

- Key therapies including cardiology, respiratory, dermatology, oncology and nephrology outperformed market growth.

- Chronic portfolio contribution improved to 46.3%, up 620bps over last 3 years.

- Retained leadership position in oncology super-specialty segment.
- Launched world's first biosimilar bNivolumab in India. Launched Anyra, indigenously developed biosimilar of bAflibercept 2mg.
- Initiated Phase-3 trial for second biosimilar ADC in India.
- No immediate requirement for additional MR expansion.
- Management confident of sustaining strong double-digit India growth over next 2–3 years.

Medtech business:

- Expanded into nephrology and cardiovascular devices through Amplitude acquisition.
- Setting up high-end dialyzer membrane facility for nephrology business.
- Amplitude business currently operates at 20%+ EBITDA margin.

Consumer health:

- Comfort Click aided performance. EPS accretive in Q4FY26.

GLP – 1:

- Partnered with Lupin & Torrent for co-marketing Semaglyn, Mashema and Alterme semaglutide injections.
- Mgmt cited differentiated pen device and assured supply as key strength

US markets:

- Base US business continued healthy volume-led growth; Q4 benefited from normalisation post Q3 destocking.
- Higher gMirabegron market share gains aided QoQ performance with zero gRevlimid contribution in Q4.
- Filed 3 ANDAs and launched 6 new products in Q4FY26.
- Signed definitive agreement to acquire Assertio Holdings for USD166mn, strengthening US specialty and oncology supportive-care presence.
- Assertio acquisition to create high-margin US oncology specialty platform.
- Management expects Assertio acquisition to be EBITDA accretive.
- Rolvedon currently holds ~4% market share.
- Guided for single-digit US business growth in FY27E despite high base.

Specialty & 505b(2)

- Filed 2 new product dossiers through 505(b)(2) route in the US.
- Launched Zycubo (copper histidinate) for Menkes disease during the quarter.
- 505(b)(2) portfolio scaling up through sitagliptin franchise, oncology supportive care and Liqmeds portfolio.

- Ranibizumab launch expected by end-FY27E.
- Specialty business scale-up expected to accelerate meaningfully from FY28E onwards.
- Saroglitazar commercialization preparations underway including hiring and pre-launch activities.
- Company may explore Europe/ROW partnerships later for the same.

International markets:

- International business growth driven by both Emerging Markets and Europe.
- Continued strengthening portfolio breadth and market presence in Europe.
- Desidustat received approval in China for renal anemia, marking entry into the world's second-largest pharma market.
- China launch expected in Q2FY27E through partner China Medical Systems.
- Management expects strong momentum in international business to continue in FY27E.

Others:

- Q4FY26 capex stood at INR 3.6bn.
- Net debt stood at INR 43bn at FY26-end.
- Board approved buyback of up to INR 11bn at INR 1,150/share (16% premium to CMP)
- FY26 R&D mix: ~50% generics and remaining towards NCEs, biologics and vaccines.
- FY27E R&D spend guided at ~8% of revenue with indication of higher investment towards NCEs and biologics.
- Q4 depreciation was higher due to capitalisation of Mirabegron settlement.

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BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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