Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	81,425	0.4	4.2
Nifty-50	24,973	0.4	5.6
Nifty-M 100	58,000	0.9	1.4
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	6,532	0.3	11.1
Nasdaq	21,886	0.0	13.3
FTSE 100	9,225	-0.2	12.9
DAX	23,633	-0.4	18.7
Hang Seng	9,328	0.9	28.0
Nikkei 225	43,838	0.9	9.9
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	67	0.7	-9.6
Gold ($/OZ)	3,641	0.4	38.7
Cu (US$/MT)	9,956	1.2	15.1
Almn (US$/MT)	2,628	0.1	4.0
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	88.1	0.0	2.9
USD/EUR	1.2	-0.1	13.0
USD/JPY	147.5	0.0	-6.2
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.5	-0.01	-0.3
10 Yrs AAA Corp	7.1	-0.03	-0.1
Flows (USD b)	**10-Sep**	**MTD**	**CYTD**
FIIs	0.0	-0.34	-15.3
DIIs	0.57	3.01	59.4
Volumes (INRb)	**10-Sep**	**MTD***	**YTD***
Cash	1,101	979	1064
F&O	1,07,501	2,84,894	2,19,593

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Bajaj Housing Finance | Initiating Coverage: Beyond brick and mortar: Playing the major league

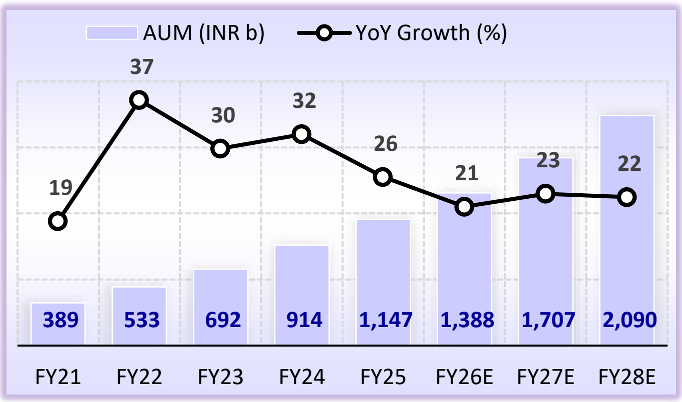
- Bajaj Housing Finance (BHFL) is the fastest-growing and the second-largest HFC in India, with a five-year AUM CAGR of ~29% over FY20-FY25. It had an AUM of INR1.2t as of Jun'25. BHFL is the strongest franchise in the HFC sector, backed by: 1) robust AUM growth trajectory, 2) strong parentage of the Bajaj Group, 3) a focused, granular, and low-risk business model, 4) a relatively diversified AUM mix with high-yield growth engines, and 5) a tech-driven,scalable distribution.
- RoE is expected to remain moderate in the medium term, at ~13-14%, due to intense competition and relatively low yields in the prime home loan segment.
- BHFL trades at 3.6x P/BV and 29x FY27E P/E. We model AUM/PAT CAGR of ~22% each over FY25-28E, with an RoA/RoE of 2.3%/14.2% in FY28E. Initiate coverage on BHFL with a Neutral rating and a TP of INR120 (premised on 3.6x Sep'27E P/BV).

Research covered

Cos/Sector	Key Highlights
Bajaj Housing Finance	Initiating Coverage: Beyond brick and mortar: Playing the major league
Coal India	Modest volume growth; long-term thermal power dominance to remain intact
Cummins India	Multiple growth levers in place

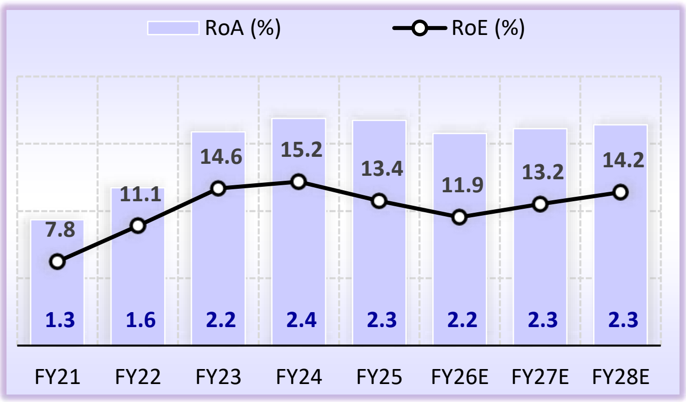
Chart of the Day: Bajaj Housing Finance | Initiating Coverage (Beyond brick and mortar: Playing the major league)

AUM CAGR of ~22% over FY25-FY28E



Source: MOFSL, Company

RoA/RoE of 2.3%/14% in FY28E



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Dr. Reddy's $50.5 million acquisition marks company's anti-vertigo foray

Co has entered into a definitive agreement with Janssen Pharmaceutica NV (JPNV), an affiliate of Johnson & Johnson, to acquire Stugeron and its locally recognised brands Stugeron Forte and Stugeron Plus, for $50.5 million.

2

Tega Industries-Apollo Funds consortium to acquire Molycop at value of $1.5bn

Tega Industries, in consortium with funds managed by affiliates of Apollo, on September 10 entered into a term sheet to acquire Molycop, a leading global supplier in grinding media for the mining industry, from an affiliate of AIP at an enterprise value of $1.5 billion.

3

RVNL emerges lowest bidder for ₹169.5-crore West Central Railway project

The contract, valued at ₹169.49 crore including applicable taxes, covers the design, modification, supply, erection, testing and commissioning of a 220/132kV/2x25 kV Scott-connected traction substation and switching posts with AT, along with SCADA integration between the BINA and RTA sections of the Bhopal division.

4

Jupiter Wagons bags ₹113 crore FIAT axle order from railways ministry

Jupiter Tatravagonka Railwheel Factory Pvt. Ltd., has received a Letter of Acceptance from the Ministry of Railways for the supply of 9,000 FIAT axles used in LHB coaches.

5

Inox Clean likely to acquire 650 MW of Evergreen's Projects

IPO-bound company eyes five hybrid wind-solar assets worth Rs4,000 crore: Inox Clean Energy, preparing for its IPO, is reportedly in talks to acquire 650 MW of under-construction green energy projects from Evergreen Renewables for an undisclosed amount.

6

Jaguar Land Rover hit by cyber incident, warns of data impact

Jaguar Land Rover (JLR) has confirmed a cyber incident impacting its global systems, potentially compromising data.

7

Torrent Pharma to acquire 26% stake in arm for Gujarat hybrid power project

Torrent Pharma will acquire a 26 per cent equity stake in Torrent Urja 27 Private Ltd., a special purpose vehicle set up for a captive hybrid power project in Gujarat.

Bajaj Housing Finance

BSE Sensex	S&P CNX
81,101	24,869

Stock Info

Bloomberg	BAJAJHFL IN
Equity Shares (m)	8332
M.Cap.(INRb)/(USDb)	931.9 / 10.6
52-Week Range (INR)	189 / 103
1, 6, 12 Rel. Per (%)	-3/-14/-
12M Avg Val (INR M)	2752
Free float (%)	11.3

Financial Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	30.1	36.8	44.9
PPP	28.5	34.3	42.8
PAT	21.6	25.3	31.7
EPS (INR)	2.6	3.0	3.8
EPS Gr. (%)	0.7	17	25
BV/Sh. (INR)	24	27	31
Ratios (%)			
NIM	3.3	3.3	3.3
C/I ratio	20.8	19.6	17.9
RoA	2.3	2.2	2.3
RoE	13.4	11.9	13.2
Valuation			
P/E (x)	43.1	36.9	29.5
P/BV (x)	4.7	4.1	3.6

Shareholding pattern (%)

As On	Jun-25	Mar-25
Promoter	88.7	88.8
DII	0.6	0.7
FII	1.1	1.1
Others	9.6	9.4

CMP: INR112 TP: INR120 (+7%) Neutral

Beyond brick and mortar: Playing the major league

Well-positioned to drive market-leading growth with pristine asset quality

- Bajaj Housing Finance (BHFL) is the fastest-growing and the second-largest HFC in India, with a five-year AUM CAGR of ~29% over FY20-FY25. It had an AUM of INR1.2t as of Jun'25. BHFL is the most diversified HFC in the country, offering a comprehensive suite of mortgage products that cater to a broad spectrum of customers, ranging from individual homebuyers to large-scale developers. To further strengthen its presence, BHFL has also introduced an affordable housing segment, positioning itself to serve the entire housing finance ecosystem.
- BHFL maintains one of the strongest asset quality profiles among its peers, driven by its strategic focus on large, prime-ticket loans, coupled with stringent underwriting standards and prudent risk management practices. GNPA and NNPA have remained consistently benign, ranging between 0.30-0.35% and 0.1-0.2%, respectively, over the past five years, highlighting the resilience and stability of its loan portfolio.
- BHFL enjoys a credit rating of AAA/stable credit rating from CRISIL and India Ratings for its long-term debt, highlighting its strong financial position.
- BHFL is the strongest franchise in the HFC sector, backed by: 1) robust AUM growth trajectory, 2) strong parentage of the Bajaj Group, 3) a focused, granular, and low-risk business model, 4) a relatively diversified AUM mix with high-yield growth engines, and 5) a tech-driven, scalable distribution.
- We expect BHFL's AUM growth to moderate over the medium term due to a larger balance sheet size and stronger competition from banks. In the near term, however, levers (such as increasing the share of construction finance in the AUM mix and gradually scaling up the affordable business) could help mitigate NIM contraction in a declining interest rate cycle. Eventually, though, BHFL is likely to settle at a lower blended spread/NIM profile.
- RoE is expected to remain moderate in the near-term, at ~12-14%, due to intense competition and relatively low yields in the prime home loan segment. While Bajaj Group's strong execution capabilities add credibility, the current premium valuations, when weighed against the modest RoE profile, may result in subpar stock returns going forward.
- BHFL trades at 3.6x P/BV and ~29x FY27E P/E, which is a ~60% premium to its IPO price. We model AUM/PAT CAGR of ~22% each over FY25-28E, with an RoA/RoE of 2.3%/14% in FY28E. We initiate coverage on BHFL with a Neutral rating and a TP of INR120 (premised on 3.6x Sep'27E P/BV).

Granular and low-risk business model

- BHFL has carved out a unique niche in the mortgages segment by focusing on affluent salaried borrowers with high credit scores (~77% of customers have CIBIL scores above 750 in home loans), and ~84% of its home loans are extended to salaried individuals, leading to a more predictable, low-risk loan book.

- The company maintains a low-risk, sustainable balance sheet, with its loans against property (LAP), lease rental discounting (LRD), and Construction Finance books also being granular (relative to the industry). A significant margin of safety is ensured through conservative LTV at origination. With guided gross NPAs of 0.6-0.8% and minimal credit costs, BHFL is positioned as a high-quality, low-volatility player in an otherwise competitive mortgage sector.

Best-in-class sourcing, underwriting, and collection framework

- BHFL has established a best-in-class framework for sourcing, underwriting, and collections, enabling it to maintain superior asset quality while driving robust AUM growth.
- The company has adopted an omnichannel sourcing strategy to maximize customer reach. It sources a reasonable portion (~ 7-10%) of its home loans from Bajaj Finserv's digital channels, which helps reduce costs (lower expense ratio) and enhance risk-adjusted spreads. BHFL has transitioned to in-house originations, resulting in lower customer acquisition costs, increased retention, and improved credit quality.
- The company has a well-defined credit evaluation and underwriting process that ensures risk performance across all product segments remains well within defined thresholds. It implements separate, dedicated underwriting structures for salaried and self-employed retail loans, along with specialized structures for commercial loans (LRD/CF).
- BHFL also has a robust four-tier collections framework comprising tele-calling, field collections, legal recovery, and settlements. This structure ensures effective loan recoveries, with an in-house debt management team handling retail loan collections and leveraging SARFAESI, where required, for efficient legal resolution.

Declining rate cycle to weigh on NTI despite stable spreads

- BHFL operates in a highly competitive market, facing strong competition from banks and other large HFCs. This competitive intensity is expected to exert pressure on yields as the company seeks to sustain its loan growth momentum. This may lead to a transitory contraction in NII over the very near term.
- Despite a growing share of non-housing loans (which rose from ~38% in FY22 to ~44% in FY25), BHFL's spreads have contracted ~90bp over the past three years due to rising borrowing costs, since the company has been unable to pass these costs to customers amid intense competition.
- We expect BHFL to maintain stable NIMs and spreads in FY26, as the impact of lower lending yields from rate cuts is likely to be offset by a commensurate reduction in the cost of borrowings. We expect its NIM to remain broadly stable at ~3.3% over FY26-27.
- While NIM and spreads are likely to stay broadly stable, non-interest operating income is likely to soften this year. This moderation will be led by 1) a lower investment income: FY25 investment income was boosted by surplus capital from the fundraise and higher reinvestment yields, whereas FY26 will have a relatively smaller investable surplus at lower rates, and 2) muted assignment income, as heightened competition is expected to limit loan growth, resulting in fewer assignments during the year. Collectively, these factors are likely to weigh on overall operating income, even as core spreads remain steady.

Tech-driven distribution and room for improvement in operational efficiency

- BHFL operates a fully digital loan lifecycle—from onboarding to servicing—which enhances customer experience while keeping operating costs under control. The company leverages e-agreements, Aadhaar-based KYC, and data analytics to underwrite efficiently and personalize offerings.
- With ~216 branches and a growing semi-urban and rural presence through the hub-and-spoke model, BHFL is expanding its distribution reach while keeping operating expenses in check. As BHFL scales further, operating leverage is expected to drive improvement in cost ratios. We estimate BHFL's cost-to-income ratio to decline from ~21% in FY25 to ~16.5% by FY28.

Asset quality resilient; expect benign credit costs of ~15bp over FY26-28

- BHFL **has demonstrated robust asset quality performance over the years, which** is attributed to: 1) a focus on low-risk salaried and mass affluent segment, wherein ~85% of its customers were salaried as of FY25, 2) centralized underwriting processes augmented by digitized credit processes and collection teams, 3) tight commercial underwriting and a focus on low-risk LRD within the wholesale segment, and 4) close tracking of early warning signals (EWS) and portfolio monitoring. This has translated into significantly lower credit costs. Over the past three years, the company's GS3 remained in the range of ~0.2%-0.3%, outperforming peers whose GNPA ranged between ~1.5% and 8.2% during the same period.
- While the share of non-housing loans in the loan mix has risen, the majority of these loans continue to be low-risk. Given the evolving risk profile of the company's loan book, it guides for normalized credit costs of ~20-22bp and GNPA in the range of ~40-60bp over the medium term. We estimate credit costs of ~15-16bp over FY26-FY28.

Valuation and view

- BHFL has posted strong AUM growth, delivering ~29% AUM CAGR over FY20-FY25, supported by a diversified product suite and robust asset quality. However, we expect a gradual moderation in its AUM growth, given BHFL's increasing scale and rising competition from banks.
- BHFL trades at 3.6x FY27 P/BV, and we model AUM/PAT CAGR of ~22% each over FY25-FY28E, with steady-state RoA/RoE of ~2.3%/14.2% in FY28E. We initiate coverage on BHFL with a Neutral rating and a TP of INR120 (premised on 3.6x Sep'27E P/BV). **Key downside risks** include: 1) higher competition in the prime home loan segment, 2) increasing exposure to non-housing loans, 3) NIM pressure from sustained high competitive intensity in the sector, and 4) any slowdown in the real estate or economy.

10 September 2025

Update | Sector: Metals

Coal India

BSE SENSEX	S&P CNX
81,425	24,973

CMP: INR392 TP:INR450 (+15%) Buy

Modest volume growth; long-term thermal power dominance to remain intact

India's total installed power capacity reached ~490GW as of Jul'25, grew at 7.8% CAGR over the past 15 years. Renewable energy (~237 GW, 49% share) has surpassed thermal capacity (~220 GW, 44% share), where RE and thermal grew at 10.9% and 6.5% CAGR, respectively, over the past 15 years. Despite decarbonization efforts, coal remains a critical source for India's power demand, contributing ~65-75% of power generation. Therefore, with rising industrial/household activity, coal demand is expected to remain firm. Coal India (COAL) accounts for over ~70% of the total coal production in India (including captives/others), of which over 80% is supplied to the power sector, positioning it as a dominant player in the coal mining space.

- **COAL's earnings are expected to remain under pressure in FY26, driven by a lack of volume growth amid muted power demand as well as the rising share of captive/merchant mining during Apr-Jul'25. Moreover, subdued global coal prices will continue to cap COAL's e-auction prices/demand.**
- **We trim our FY26/27E revenue and EBITDA (ex-OBR) by 2/6% and 5/9%, respectively, factoring in the lower volume and rising coal production from captive miners. We expect COAL to post a 2-4% volume CAGR for FY26/27E, while the higher share of e-auction volumes, with a modest premium of ~70% over FY26/27E, will support overall NSR and margins.**
- **At CMP, the stock is trading at 4x on FY27E EV/EBITDA at its 10-year historical average. We reiterate our BUY rating with a TP of INR450/share, valuing the stock at 4.5x FY27E EV/EBITDA.**

Modest volume growth for COAL

Coal dominates India's energy mix, with over 70% of coal production (including captives/others) supplying >80% to the power sector. COAL is expected to witness modest volume growth (2-4% over FY26-27E) due to the rising share of captive/merchant mines (197mt in FY25, +29% YoY), high inventories (both at mine/power plant level), and operational challenges like erratic rainfall and approvals/clearance delays. Moreover, thermal coal imports dropped 10% YoY to 170mt in FY25, reflecting an increased domestic output. Despite near-term weakness, COAL's long-term demand outlook remains healthy, with demand projected to reach 1.3-1.5bt by 2030, driven by a projected peak power demand of 363GW by FY30 and over 40GW of new coal-based plants.

Higher e-auction volumes to expand margins

COAL's e-auction volumes stood at ~79mt in FY25 (~10% of total dispatches), at a 68% premium over FSA prices compared to ~99% (with volume of ~70mt; accounting for 9% of total volume) in FY24. Global coal prices have corrected (South African coal at ~USD100/t from USD440/t in Mar'22), stabilizing domestic e-auction prices at INR2,400-2,500/t. COAL aims for 15% of volumes through e-auctions, with premiums expected to remain at ~70% over muted global coal prices and higher production from captive/commercial coal blocks. Therefore, the higher share of e-auction volume, with a modest premium of ~70% over FY26/27E, will support overall NSR and margins.

Stock Info

Bloomberg	COAL IN
Equity Shares (m)	6163
M.Cap.(INRb)/(USDb)	2415.2 / 27.4
52-Week Range (INR)	518 / 349
1, 6, 12 Rel. Per (%)	1/-7/-20
12M Avg Val (INR M)	2947
Free float (%)	36.9

Financials Snapshot (INR b)

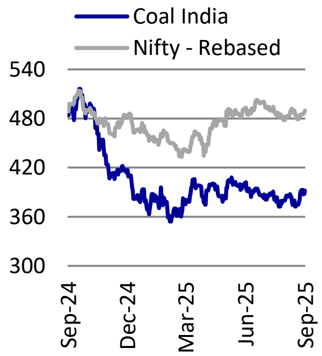
Y/E MARCH	2025	2026E	2027E
Sales	1,434	1,506	1,629
Adj. EBITDA	430	448	498
Adj. PAT	354	337	369
EBITDA Margin (%)	30.0	29.7	30.6
Cons. Adj. EPS (INR)	57.4	54.7	59.9
EPS Gr. (%)	(5.5)	(4.6)	9.4
BV/Sh. (INR)	160.8	187.5	216.6
Ratios			
Net D:E	(0.3)	(0.3)	(0.3)
RoE (%)	35.7	29.2	27.6
RoCE (%)	36.8	29.9	28.5
Payout (%)	46.2	50.0	50.0
Valuations			
P/E (x)	6.8	7.1	6.5
P/BV (x)	2.4	2.1	1.8
EV/EBITDA(x)	4.9	4.5	4.0
Div. Yield (%)	6.8	7.0	7.7
FCF Yield (%)	6.7	8.5	8.1

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	63.1	63.1	63.1
DII	22.8	23.5	23.3
FII	8.2	7.7	8.4
Others	5.9	5.7	5.2

FII Includes depository receipts

Stock Performance (1-year)

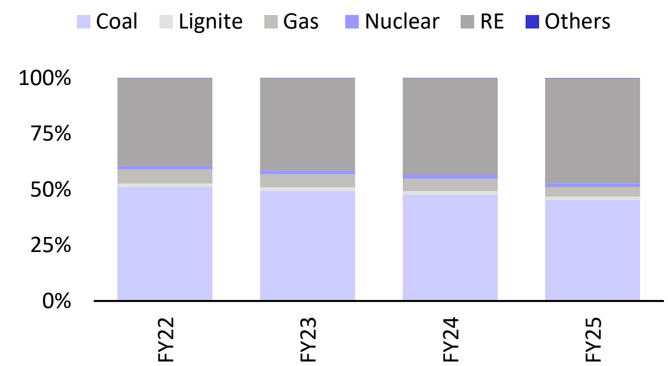


Capex to drive product diversification and portfolio mix

COAL plans INR150-200b capex each over 4-5 years, focusing on coal production, evacuation infrastructure, and diversification into critical minerals, coal gasification, thermal plants, and renewables. It targets 3GW of renewable capacity by FY28 (INR150b investment) and 6.5 GW by FY30 (additional INR100b). This aligns with the company's Net Zero goal and strengthens its portfolio mix.

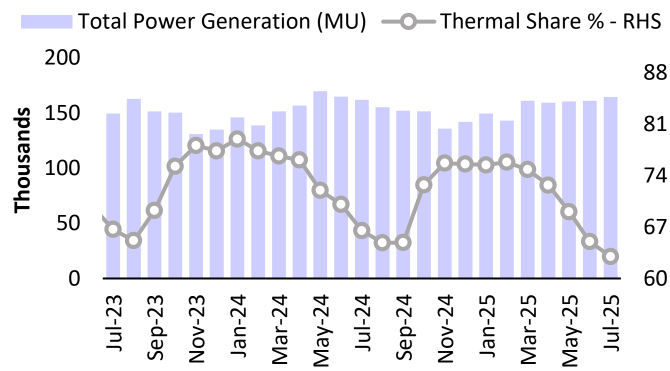
Story in Charts

Thermal power contributes 45% to India's total installed capacity…



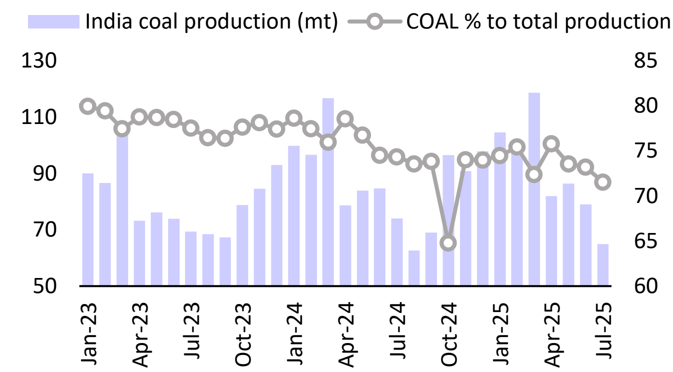
Source: MOFSL, Coal Ministry

…but ~65-75% of the total power is generated via thermal source



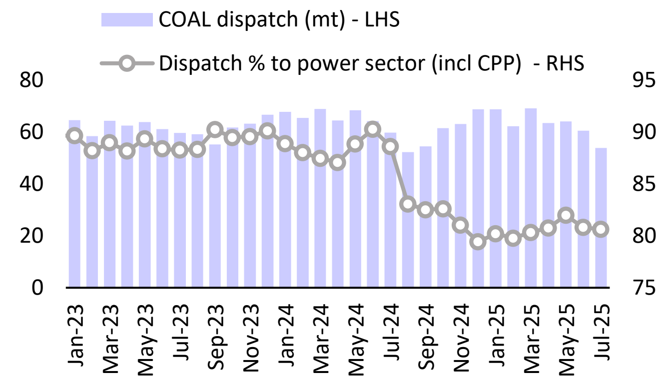
Source: MOFSL, Coal Ministry

COAL accounts for over ~70% of the total coal production in India (incl. captives/ others)…



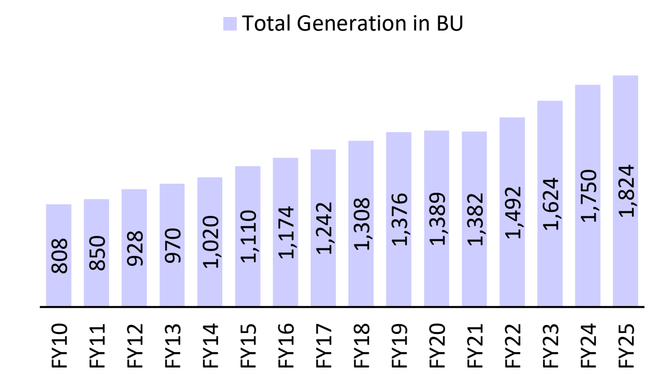
Source: MOFSL, Coal Ministry

…of which over 80% is supplied to the power sector (vs. average ~83% in FY25)



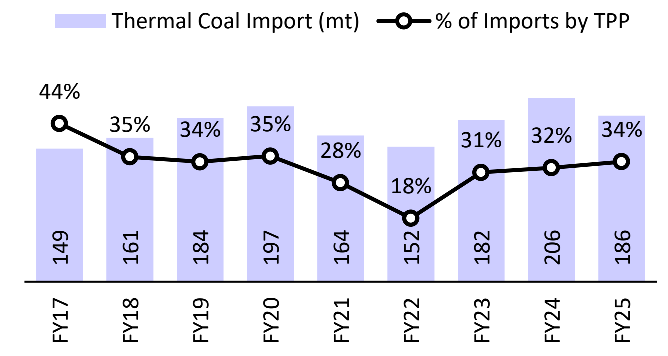
Source: MOFSL, Coal Ministry

Power generation increased ~2.3x in FY25 vs FY10



Source: MOFSL, Company, Central Electricity Authority

India's thermal coal imports declined by 10% YoY



Source: MOFSL, Central Electricity Authority

Cummins India

BSE SENSEX	S&P CNX
81,425	24,973

CMP: INR4,016 TP: INR4,500 (+12%) Buy

Multiple growth levers in place

Key takeaways from our interaction with the management

We hosted Cummins' management for our Annual Global Investor Conference and discussed the growth opportunities across its segments. The company has witnessed demand improvement across the powergen segment following lower industry volumes in 2HFY25. Cummins is also experiencing strong growth in select industrial segments and continues to expect a healthy growth potential in the distribution segment. Its export market presence is well diversified geographically, with limited exposure to the US. We retain our positive stance on the stock, as we expect Cummins to benefit from these positive levers and its diversified portfolio across segments. We reiterate our BUY rating with a TP of INR4,500 based on 42x Sep'27E earnings.

Powergen market witnessing a broad-based demand revival

Cummins' powergen segment has experienced a broad-based demand revival since the beginning of FY26. Demand is coming from the manufacturing, real estate, quick commerce, hospital, and hotel sectors. This resurgence has resulted in volumes reaching pre-emission levels. The powergen market has also witnessed price stabilization. Certain lower kVA nodes remain commoditized, while higher kVA nodes command better prices. On the HHP front, the company has seen a steady demand from data centers, hospitals, and other power-sensitive segments, and management expects this steady demand trend to continue. Though competition is catching up across nodes in the domestic powergen market, we believe that Cummins stands far ahead of competition in terms of its substantial market share in high-kVA nodes as well as a strong product portfolio and distribution network for low- and mid-kVA nodes. Over the last few quarters, our assessment of powergen revenue indicates that Cummins has gained market share. We retain our powergen revenue estimates and expect this segment to clock a 15% CAGR over FY25-28.

Industrial business to grow, led by demand revival and new products

Management indicated that industrial demand trends have remained mixed. Cummins' industrial segment has grown at a strong pace over the past two years, driven by a sharp growth in the railways, mining, and compressor segments. Within this, the company has experienced a steady demand in DETC and is also waiting for orders from HLC for railways. Mining is witnessing slower tendering, and the compressor market has also faced a notable growth moderation over the past two years. In the near term, the construction market activity is also likely to be low. However, over the medium to long term, the industrial segment growth drivers are likely to come from new products for railways and improved demand from the construction and mining segments. We expect the industrial segment to record an 18% CAGR over FY25-28.

Stock Info

Bloomberg	KKC IN
Equity Shares (m)	277
M.Cap.(INRb)/(USDb)	1113.2 / 12.6
52-Week Range (INR)	4095 / 2580
1, 6, 12 Rel. Per (%)	3/29/8
12M Avg Val (INR M)	1987

Financials Snapshot (INR b)

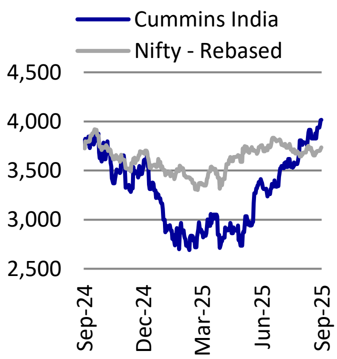
Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	120.9	141.5	163.0
EBITDA	23.8	27.9	32.4
PAT	23.1	27.3	31.7
EPS (INR)	83.5	98.4	114.3
GR. (%)	16.4	17.8	16.3
BV/Sh (INR)	287.3	325.8	370.9
Ratios			
ROE (%)	30.9	32.1	32.8
RoCE (%)	29.4	30.6	31.3
Valuations			
P/E (X)	48.2	40.9	35.2
P/BV (X)	14.0	12.3	10.8
EV/EBITDA (X)	45.6	38.8	33.3
Div Yield (%)	1.2	1.4	1.6

Shareholding pattern (%)

As of	Jun-25	Mar-25	Jun-24
Promoter	51.0	51.0	51.0
DII	22.6	22.9	22.4
FII	17.5	17.2	18.0
Others	8.9	8.9	8.7

FII includes depository receipts

Stock Performance (1-year)



Distribution segment poised to benefit from the other segments' growth

In distribution, management highlighted that Cummins' positioning as both a reliable product and service provider remains intact. With newer, more sophisticated gensets under CPCB IV+, integrated telematics is allowing better customer insights and aftermarket opportunities. Price hikes of 5-10% have been implemented in parts, while growth is likely to come from both powergen and industrial segments, with powergen likely to lead. We believe the combination of technology-led servicing, a strong asset base, and general product acceptance post norm change in the market positions distribution as a steady growth driver. Continued penetration in the aftermarket should also support margins even if equipment volumes remain cyclical. We expect distribution to clock a CAGR of 19% over FY25-28.

Exports to benefit from global demand tailwinds

Exports continue to benefit from global demand, particularly in data centers and the LHP segment across multiple regions. Europe, Africa, and the Middle East are witnessing steady demand, while Cummins' exposure is limited to the US market. The company's QSK60 product is largely made for the domestic market, where it is largely made in India, and some components are sourced from CTIL. The US markets mostly use QSK95, which is currently not relevant for the domestic market and hence is not made in India. The European market mostly used QSK78. Thus, QSK60 is largely used in India. Exports offer both scale and margin benefits, with data center demand being a key structural tailwind. We project exports to post a 17% CAGR over FY25-28.

Will capitalize on BESS demand with its newly launched product

The company had already launched a product on BESS and expects to capitalize on demand coming from individual establishments in storing surplus renewable power. Though key components of BESS are currently not made in India, Cummins designs and assembles them here and has demand originating from various segments of the industry.

Financial outlook

We maintain our estimates and expect a revenue/EBITDA/PAT CAGR of 16%/16%/17% over FY25-28; we also model an EBITDA margin of 19.7%/19.7%/19.8% for FY26/FY27/FY28. Our estimates factor in a gross margin of 35% in FY26/FY27/FY28 vs. 36% in FY25.

Valuation and recommendation

The stock currently trades at 48.2x/40.9x/35.2x on FY26/FY27/FY28E EPS. **We reiterate our BUY rating on the stock with a TP of INR4,500 (based on 42x Sep'27E earnings).**

Key risks and concerns

Key risks to our recommendation would come from lower-than-expected demand for key segments, higher commodity prices, intensified competition, and lower-than-expected recovery in exports.

Inox Wind: Raised EBITDA Margin Guidance For FY26 To 18-19% From 17-18%; Devansh Jain, ED

- FY26 EBITDA margin guided at 18–19% vs earlier 17–18%; FY25 delivered ~21%.
- Aiming for ~1.2 GW in FY26 and ~2 GW in FY27 from 3.2 GW order book.
- Gujarat nacelle plant, in-house crane & transformer ops to boost execution and margins.
- 5% GST on renewables cuts project costs by 5–6%—margin-neutral, but accelerates volumes.
- ₹1,250 cr rights issue done; promoter support aided RPS redemption; ratings upgraded to AA-/A1, lowering financing costs.

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Gopal Snacks: Will See An Increase In Volume By 5-6% On Account Of GST Cuts; Rigan Raithatha, CFO

- GST cuts to lift volumes 5–6%; 70% sales from ₹5 SKUs with grammage gains & selective price cuts.
- FY26 revenue growth 18–20%, EBITDA growth 20–25%, gross margin 25–26%.
- New 3P plants in Karnataka & Uttarakhand to deepen reach, halve lead times.
- ₹700–800 cr facility replacing Rajkot output, resolving post-fire supply chain issues.

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Neogen Chemicals: Target 3-Digit Contribution From Battery Chemicals Segment; Harin Kanani, MD

- Revenue to reach three digits this year, scaling to four digits in 1–2 years with EV & storage demand.
- 6 Indian giga factories by FY27 to drive downstream chemical consumption.
- Building non-China supply chains; focus on US, Japan, Korea; Europe less attractive due to China capacity.
- ~₹1,200 cr capex largely done by FY26, minor spillover into FY27; execution on track.

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Goodluck India: Earlier We Were Expecting 20% Topline Growth, Now See 12% Due To Uncertainties; MC Garg, CMD

- FY26 revenue growth cut to ~12% (from 20%) on tariffs/geopolitics; margins to improve YoY.
- ~₹250 cr exports (~8% of sales); niche positioning helps limit tariff risk.
- Bullet shell plant to contribute ₹150–170 cr in FY26, scaling to ₹300–350 cr annually, with capacity doubling potential.
- Defense share to rise to 4–6%; railways steady at ~4–5%.
- Net debt ~₹800 cr; peak tolerance set near ₹1,000 cr.

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Explanation of Investment Rating	
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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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