

**Market snapshot**


Equities - India	Close	Chg .%	CYTD.%
Sensex	78,516	-1.0	-7.9
Nifty-50	24,378	-0.8	-6.7
Nifty-M 100	60,202	0.2	-0.5
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	7,138	1.0	4.3
Nasdaq	24,658	1.6	6.1
FTSE 100	10,476	-0.2	5.5
DAX	24,195	-0.3	-1.2
Hang Seng	8,802	-1.6	-1.3
Nikkei 225	59,586	0.4	18.4
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	112	3.8	79.0
Gold (\$/OZ)	4,740	0.4	9.7
Cu (US\$/MT)	13,374	1.6	7.4
Almn (US\$/MT)	3,671	1.8	23.7
Currency	Close	Chg .%	CYTD.%
USD/INR	93.8	0.3	4.4
USD/EUR	1.2	-0.3	-0.3
USD/JPY	159.5	0.1	1.8
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.9	0.03	0.3
10 Yrs AAA Corp	7.5	0.00	0.2
Flows (USD b)	22-Apr	MTD	CYTD
FII	-0.22	-2.42	-18.0
DII	-0.11	3.51	30.9
Volumes (INRb)	22-Apr	MTD*	YTD*
Cash	1,470	1433	1314
F&O	71,074	2,14,803	2,80,650

Note: Flows, MTD includes provisional numbers.

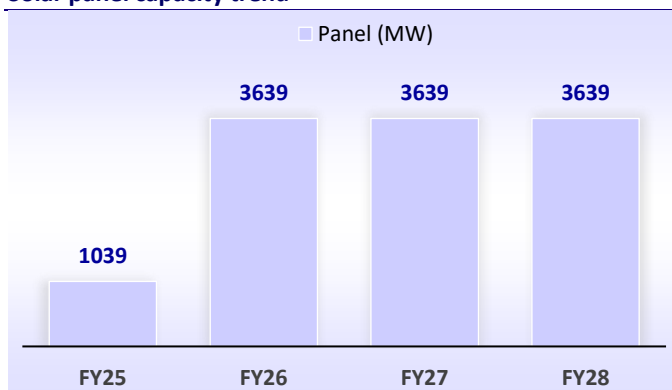
\*Average


**Today's top research idea**
**Fujiyama Power Systems | Initiating coverage: An integrated B2C play on India's rooftop solar boom**

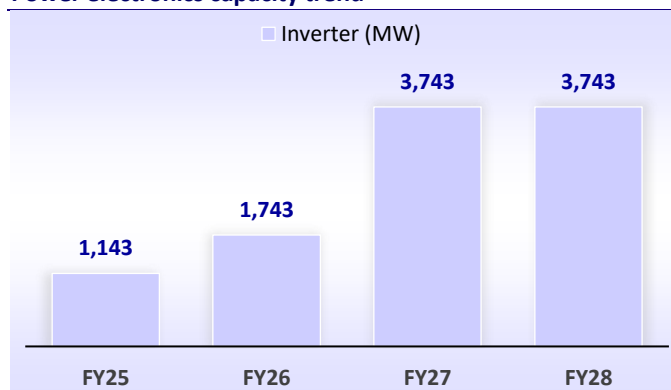
- ❖ UTLSOLAR is expanding capacity to tap India's ~100GW rooftop solar opportunity by FY30. It plans an INR3b capex for panels, inverters, and batteries at Ratlam, taking the capacity to 3.7GW/3.7GW/3.8GWh. Moreover, the company has backward-integrated into solar panels by setting up a 1GW domestic content requirement cell (DCR) capacity in Jan'26 (51% gross margins).
- ❖ The PM Surya Ghar Muft Bijli Yojana (PMSGMBY) scheme targets 10m installations of residential rooftop systems by FY27. So far, 2.9m households (~10.4GW, ~3.6kW per home) have been covered, leaving ~7.1m installations (~26GW potential) untapped. Eligibility requires DCR-compliant materials, driving UTLSOLAR's in-house cell plant at Dadri and, thus, supporting growth potential.
- ❖ We expect UTLSOLAR to deliver strong growth (56%/65%/65% CAGR in revenue/EBITDA/PAT over FY25-28), driven by PMSGMBY-led demand and capacity expansion. We value it at 15x FY28E EPS with a TP of INR340 and a BUY rating.


**Research covered**

Cos/Sector	Key Highlights
<b>Fujiyama Power Systems   Initiating coverage</b>	<b>An integrated B2C play on India's rooftop solar boom</b>
<b>SBI Life Insurance</b>	<b>In-line performance; VNB margin within guided range</b>
<b>Trent</b>	<b>Superlative performance on all fronts</b>
<b>Other Updates</b>	<b>Tech Mahindra   Havells India   Tata Communications   L&amp;T Technology   Sunteck Realty   Automobiles   Consumer - Liquor   EcoScope - MPC minutes</b>


**Chart of the Day: Fujiyama Power Systems (An integrated B2C play on India's rooftop solar boom)**
**Solar panel capacity trend**


Source: Company, MOFSL

**Power electronics capacity trend**


Source: MOFSL

**Research Team (Gautam.Duggad@MotilalOswal.com)**
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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



Kindly click on textbox for the detailed news link

1

**Jio Financial Services, Allianz Group ink 50:50 general, health insurance JV**

Jio Financial Services and Allianz Group from Germany are joining forces in an exciting new insurance initiative. This equal partnership will concentrate on providing general and health insurance products uniquely designed for Indian consumers.

2

**Godrej charts out new growth plan; eyes Rs 5 lakh crore market capitalisation by 2031**

Godrej Industries Group aims for a ₹5 lakh crore market capitalization by 2031. The group plans to grow from three to five listed companies. Godrej Capital and its chemicals business are potential listing candidates.

3

**Inox Clean Energy eyes \$750M Boviet Solar buy to enter US market**

Indian renewable energy firm Inox Clean Energy plans to acquire US-based Boviet Solar. This strategic move aims to expand Inox's footprint in the American solar market. The deal values Boviet Solar at approximately \$750 million.

4

**Domestic capital drives India's real estate boom as inflows jump 72% to \$5.1 billion in Q1**

India's real estate sector attracted \$5.1 billion in institutional capital during the March quarter, a 72% year-on-year surge. Domestic investors dominated, accounting for 96% of inflows, with developers and REITs leading deployment.

5

**Govt eyes ethanol blend beyond 20%, pushes flex-fuel vehicles**

India is exploring higher ethanol blending in petrol and flex-fuel vehicles. This move aims to reduce reliance on imported oil. Discussions are underway with industry stakeholders. The government is preparing for increased biofuel use in transportation.

6

**Medical device makers push 'fair pricing' model amid MRP concerns**

Medical device makers have urged a shift to a fair pricing model amid concerns over inflated MRPs, even as stakeholders remain divided on pricing practices in healthcare

7

**Kashmir tourism struggles a year after Pahalgam attack as occupancies remain below 50%**

Kashmir's tourism sector is struggling to recover a year after a terror attack, with hotel occupancies significantly lower than previous years. While booking queries are increasing, industry leaders are urging government support and a focus on safety to rebuild traveler...

# Fujiyama Power Systems

BSE SENSEX  
78,516

S&P CNX  
24,378

CMP: INR260

TP: INR340 (+31%)

Buy



## Stock Info

	UTLSOLAR IN
Bloomberg	UTLSOLAR IN
Equity Shares (m)	306
M.Cap.(INRb)/(USD\$b)	79.6 / 0.8
52-Week Range (INR)	270 / 171
1,6,12 Rel. Per (%)	23/-/-
12M Avg Val (INR M)	174

## Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Sales	26.0	42.0	58.5
EBITDA	4.9	8.1	11.2
PAT	3.0	4.9	7.0
EBITDA %	18.9	19.2	19.2
EPS (INR)	9.8	16.1	22.8
EPS Gr. (%)	91.3	65.3	41.6
BV/Sh.(INR)	42.3	58.4	81.2

## Ratios

Net D:E	0.0	0.2	0.0
RoE (%)	35.3	32.0	32.7
RoCE (%)	28.0	25.9	27.9

## Valuations

P/E (x)	26.5	16.1	11.3
P/BV (x)	6.1	4.4	3.2
EV/EBITDA (x)	16.2	10.3	7.1
FCF per share	(8.6)	(8.6)	12.5

## Shareholding pattern (%)

As On	Dec-25
Promoter	86.8
DII	4.7
FII	2.5
Others	6.0

FII Includes depository receipts

## An integrated B2C play on India's rooftop solar boom

UTLSOLAR is an integrated B2C rooftop solar solutions provider offering a wide range of products, including inverters, solar panels, batteries, chargers, and solar management systems. As of Dec'25, the company has scaled the capacity of solar panels, batteries, and power electronics to over 1.5GW each.

- UTLSOLAR is expanding capacity to tap India's ~100GW rooftop solar opportunity by FY30. It plans an INR3b capex for panels, inverters, and batteries at Ratlam, taking the capacity to 3.7GW/3.7GW/3.8GWh. Moreover, the company has backward-integrated into solar panels by setting up a 1GW domestic content requirement cell (DCR) capacity in Jan'26 (51% gross margins).
- The PM Surya Ghar Muft Bijli Yojana (PMSGMBY) scheme targets 10m installations of residential rooftop systems by FY27. So far, 2.9m households (~10.4GW, ~3.6kW per home) have been covered, leaving ~7.1m installations (~26GW potential) untapped. Eligibility requires DCR-compliant materials, driving UTLSOLAR's in-house cell plant at Dadri and, thus, supporting growth potential.
- India is shifting from tubular to Li-ion batteries due to their longer life, lower maintenance, and better long-term efficiency. As such, UTLSOLAR plans to expand its Li-ion capacity from 45MWh to 2.5GWh (from FY25) by 1QFY27. Further, growth in rooftop solar solutions is driving a planned 2GW greenfield inverter facility at Ratlam (total capacity of 3.7GW).
- The company is largely a B2C player (~90%), with a rapidly expanding pan-India distribution network of ~900 distributors, ~6.3k+ dealers, and ~1.1k+ franchise-led UTLSOLAR shoppes. Network scaling has been driven by its twin-brand strategy, deeper geographic penetration, and expansion into underpenetrated southern and eastern states.
- We expect UTLSOLAR to deliver strong growth (56%/65%/65% CAGR in revenue/EBITDA/PAT over FY25–28), driven by PMSGMBY-led demand and capacity expansion. We value it at 15x FY28E EPS with a TP of INR340 and a BUY rating.

## Robust manufacturing footprint led by backward integration

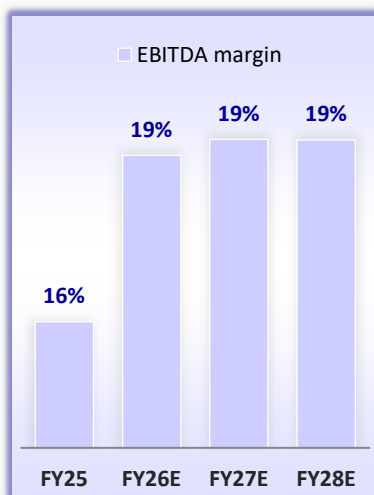
- UTLSOLAR runs four well-placed manufacturing units across Himachal Pradesh, Uttar Pradesh, and Haryana, and plans to add a new greenfield facility in Ratlam by 1QFY27 to enhance market access and efficiency.
- India's rooftop solar market is projected to scale to ~100GW by FY30, driven by policy support, subsidies, declining battery costs, rising power tariffs, ESG commitments, and tech advancements.
- To capitalize on this demand, UTLSOLAR plans a major capacity expansion of 2GW each in solar panels/inverters/lithium-ion batteries at Ratlam (INR3b capex), taking total capacity to 3.6GW/3.7GW/3.8GWh in each.
- Further, to tap rooftop solar opportunity and comply with the DCR cells policy, the company has commissioned 1GW of backward-integrated solar cell capacity (~50% of panel cost). We expect the company to add 2GW capacity to achieve full backward integration in solar panels.

### Capex excluding solar cells



Source: Company, MOFSL

### Margins to strengthen due to backward integration



Source: Company, MOFSL

- Our scenario analysis indicates that in-house DCR solar cell manufacturing is the most value-accretive, potentially lifting gross margins to ~51% vs ~27%/~23% for outsourcing. Although realizations may fall from INR25/W to INR18/W in the medium term, margins are expected to moderate to ~32% but remain superior to outsourced DCR levels.
- **This has resulted in the expansion of solar cell manufacturing for the industry from 30MW in CY22 to ~23GW in Dec'25.** Further, capacity is expected to expand from 23GW to 110GW by FY27/FY28 (up 5x), according to data provided by various companies, led by superior economics and increasing demand for solar cells (dependent on margin viability and demand parity in the industry).
- **Overall, the superior economics of DCR solar cells have driven rapid capacity build-up and wider industry participation, underscoring a structural shift toward backward integration and a more robust domestic solar manufacturing ecosystem in India.**

### Leveraging lithium-ion momentum with power electronics expertise

- India is shifting from tubular batteries to Li-ion batteries. Despite higher upfront costs, Li-ion batteries offer longer life, lower maintenance, and superior long-term cost efficiency, driving their growing adoption.
- As such, UTLSolar plans a significant capacity expansion from 45MWh in FY25 to 2.5GWh by 1QFY27. While capacity will be added upfront, utilization will ramp up in stages based on demand.
- The company has developed strong expertise in power electronics and technology. It has achieved key milestones, such as launching single-card online UPS, combo UPS, and patented rMPPT (Maximum Power Point Tracking) technology.
- The growth in rooftop solar solutions is also driving growth for solar inverters. **Supported by growth in solar inverters, UTLSolar plans to expand capacity by adding a 2GW greenfield solar inverter facility in Ratlam by 1QFY27.**
- **Overall, the company is well-placed to benefit from rising lithium-ion battery demand and growth in integrated solar-storage solutions, supporting sustained growth and a stronger competitive position.**

### Rooftop solar opportunity backed by policy support

- The PMSGMBY scheme targets to install 10m solar rooftops in the residential sector by FY27, benefiting residential households, group housing societies, and residential welfare associations. Installations were expected to exceed 4m by Mar'26 (~2.9m installed as of 15<sup>th</sup> April), with the remaining 6m installations expected by Mar'27.
- Eligibility requires Indian citizenship, home ownership with a suitable rooftop, and a valid electricity connection. Further, applicants must not have availed prior solar subsidies and must use DCR-compliant materials. Benefits offered under the scheme are discussed in Exhibit 22.
- **Despite strong policy support, execution is still at an early stage. Only ~56% of the target market has been applied for and ~29% of households are covered, leaving ~7.1m installations as a large untapped opportunity.**

**UTLSOLAR and Fujiyama Solar have enabled the appointment of two distributors within the same city, enhancing market penetration, brand visibility, and channel reach.**

**We expect the company to post a CAGR of 56%/65%/65% in revenue/EBITDA/adj. PAT over FY25-28. It currently trades at 27x/16x/11x FY26E/FY27E/FY28E EPS with an RoE/RoCE of 33%/28% in FY28E.**

- As of 15<sup>th</sup> Apr, '26, ~10.4GW capacity has been installed across 2.9m households. With an average of ~3.6KW per household, the remaining ~7.1m installations imply ~26GW of additional capacity potential.
- The company previously relied on non-DCR cells for off-grid solar panel manufacturing. **To tap this opportunity, it is sourcing from DCR-compliant vendors and has commissioned an in-house DCR cell plant at Dadri in Jan'26.**
- **With its established track record and integrated product portfolio, UTLSOLAR is well-positioned to capitalize on the accelerating adoption of rooftop solar and translate policy support into sustained growth going forward.**

### Expanding distribution network with twin-brand presence

- The company is largely a B2C player (~90%), supported by a pan-India distribution network. This includes ~900 distributors, 6.3k+ dealers, and ~1.1k+ exclusive shoppe franchisees (by FY26E), with distributors also serving large industrial orders.
- The distributor base grew ~65% from ~482 in Sept'24 to ~800 in Sept'25. Total channel partners more than doubled from ~3.7k in FY23 to ~8.2k by Dec'25, while untapped states reduced from over 13 in FY22 to 10 in FY25, indicating deeper penetration.
- **This expansion is supported by a twin-brand strategy—UTLSOLAR and Fujiyama Solar. It allows two distributors in the same city, improving market penetration, brand visibility, and channel reach.**
- Further, the company has increased its distributor presence in states including Tamil Nadu, Telangana, Karnataka, Kerala, Andhra Pradesh, and Odisha, and aims to increase distributors in these regions to 104 by FY26E from 42 in FY23.
- **The company follows a franchise-led retail model (shoppe), offering end-to-end rooftop solar solutions. Its separate project sales division enables the execution of large-scale projects and partnerships without channel conflict.**
- **Overall, the company's twin-brand strategy, expanding network, and focused sales structure create a scalable go-to-market model. This strengthens market reach and execution across both retail and project segments.**

### Valuation and view: Initiate coverage with BUY and a TP of INR340

- UTLSOLAR's growth is driven by the PMSGMBY scheme and its in-house DCR plant, supporting demand capture. Backward integration boosts margins, while expansion into Li-ion and inverters and a growing distribution network strengthen its market reach.
- In the absence of a direct listed peer, the company is valued using an equal-weighted mix of consumer durables, solar, and battery peers. Factoring in company's relatively modest scale, we apply a ~37% discount to the ~24x FY28 average P/E, the company is valued at 15x FY28E EPS.
- UTLSOLAR delivered strong growth with a CAGR of 45%/78%/76% in revenue/EBITDA/Adj PAT over FY22–25. It is expected to post a CAGR of 56%/65%/65% over FY25–28 and currently trades at 27x/16x/11x FY26E/FY27E/FY28E EPS, with RoE/RoCE of 33%/28% in FY28E.
- **We value the company at 15x FY28E EPS with a TP of INR340 and a BUY rating.**

# SBI Life Insurance




**CMP: INR1,885      TP: INR2,350 (+25%)      Buy**

## In-line performance; VNB margin within guided range

- SBI Life Insurance (SBILIFE) reported 6% YoY growth in new business APE to INR57.5b (in line). For FY26, APE grew 13% YoY to INR242.7b.
- Absolute VNB declined 2% YoY to INR16.3b (in line), reflecting VNB margin of 28.3% for the quarter vs. 30.5% in 4QFY25 (vs. our est. of 28.4%). For FY26, VNB grew 12% YoY to INR66.7b with VNB margin of 27.5%, which was at the upper end of guidance of 26-28%.
- EV at the end of FY26 was at INR807.9b, up 15% YoY, with operating RoEV at 19.7%. SBILIFE reported 1% YoY decline in shareholder PAT to INR8b (in line). For FY26, PAT grew 2% YoY to INR24.7b. Excluding the GST and labor code impact, FY26 PAT stood at INR 31.2b, up 29% YoY.
- Management is confident of sustaining ~14% APE growth trajectory. With an improving product mix and GST impact largely baked in, VNB margins are expected to be in the 27-28% range.
- We have slightly cut our APE estimates and expect ~14% CAGR over FY26-28E, resulting in a 2% decline in VNB/EV estimates for both FY27/FY28. Operating RoEV is expected to remain stable at 18%. **We reiterate our BUY rating with a revised TP of INR2,350 (based on 2.1x FY28E P/EV).**

## Continued shift toward non-ULIP products

- SBI LIFE reported gross premium of INR279.4b (in line), up 16% YoY, driven by 14% YoY growth in renewal premium and 37% YoY growth in single premium.
- Total cost ratio was 9% vs. 8.4% in 4QFY25, with the commission ratio at 3.1% and opex ratio at 6%. For FY26, opex ratio was above 6% vs. 5.3% in FY25, with the rise driven by GST impact, branch expansion, IT investments, and agent training. Management expects better cost efficiency going forward with no incremental spends planned apart from tech capabilities.
- On the product front, ULIP APE was flat YoY, contributing 52% to total APE (54.3% in 4QFY25). Low base and new product launches resulted in ~3x YoY growth in par APE, raising its contribution to 9% (3% in 4QFY25). Non-par savings declined 9% YoY. Individual protection maintained the strong growth trajectory (+30% YoY), with contribution at 7% of APE (5.5% in 4QFY25). The annuity segment saw 33% YoY growth.
- On the distribution front, the agency channel posted 28% YoY growth, driven by 140%/5%/30% YoY growth in par/non-par/ULIP segments. Management expects the growth trajectory to remain robust with continued investments in agent hiring and productivity improvement. Individual APE in the bancassurance channel declined 5% YoY, with ULIP/non-par down 12%/8% YoY, which was offset by ~4x YoY growth in the par segment. Other channels (brokers, digital, etc.) witnessed 28% YoY growth in individual APE, driven by 2.5x YoY growth in the par segment and 32% YoY growth in non-par, while ULIP was flat YoY.
- The company witnessed improvement across all persistency cohorts, except for 61M, which declined to 56.7% from 61.5% in 4QFY25. 13M persistency was at 87.9% (86.6% in 4QFY25), and 37M persistency increased to 71.7% (70.7% in 4QFY25).

Estimate change	
TP change	
Rating change	

Bloomberg	SBILIFE IN
Equity Shares (m)	1003
M.Cap.(INRb)/(USDb)	1890.6 / 20.2
52-Week Range (INR)	2133 / 1601
1, 6, 12 Rel. Per (%)	-6/8/16
12M Avg Val (INR M)	2048

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Premiums	1,000	1,141	1,302
Surplus / Deficit	33	37	41
Sh.PAT	25	29	35
NBP gr- APE (%)	13.9	13.9	13.8
Premium gr (%)	19.2	14.1	14.1
VNB margin (%)	27.5	28.0	28.5
RoE (%)	13.7	14.2	14.8
RoIC (%)	13.8	14.2	14.8
RoEV (%)	15.0	17.6	17.5
Total AUM (INRt)	4.9	5.9	6.9
VNB	67	77	90
EV per share	805	950	1,117

### Valuations

P/EV (x)	2.3	2.0	1.7
P/EVOP (x)	13.6	13.0	11.2

\*VNB, VNB margins based on ETR

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	55.3	55.3	55.4
DII	19.1	18.7	18.7
FII	21.5	21.9	21.9
Others	4.0	4.1	4.1

FII includes depository receipts

- AUM grew 9% YoY to INR4.9t. Solvency ratio remained stable at 1.9x.
- EV as of FY26 end stood at INR807.9b and included a positive operating variance of INR12.8b, largely driven by persistency and mortality assumptions. This was offset by an adverse impact of GST and labor code (INR5.1b) and economic assumption changes owing to corrections in equity markets (INR25.7b).

### Highlights from the management commentary

- Increase in cost ratio in FY26 was driven by GST impact, branch expansion, IT investments, and agent training. Going forward, incremental costs are expected to be limited, apart from continued IT investments.
- Agency channel has strengthened over the past two years, with increasing contribution. The company continues to invest in agency expansion (branch additions, agent hiring, productivity improvement), along with emerging and direct channels.
- Positive operating variance was driven by conservative assumptions and better-than-expected business quality, with contributions primarily coming from mortality and persistency (and to a lesser extent expenses).

### Valuation and view

- SBILIFE's 4Q VNB margin was impacted by GST changes, which was offset, to some extent, by a strong traction in protection products, rising rider attachment rates, and a shift in the product mix toward non-ULIP products. Going forward, steady traction in non-linked products is expected to drive VNB margin expansion.
- Continued investments in agency and digital channels are expected to drive overall growth, supported by a gradual growth recovery in the bancassurance channel.
- We have slightly cut our APE estimates and expect ~14% CAGR over FY26-28E, resulting in 2% decline in VNB/EV estimates for both FY27/FY28. Operating RoEV is expected to remain stable at 18%. **We reiterate our BUY rating with a revised TP of INR2,350 (based on 2.1x FY28E P/EV).**

### Quarterly Performance

Policy holder's A/c (INRb)	FY25				FY26				FY25	FY26	FY26E 4QE	V/s est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
First year premium	31.5	49.2	64.5	48.6	35.4	52.9	79.2	50.9	193.7	218.4	54.3	(6.2)
Growth (%)	19%	6%	14%	7%	12%	8%	23%	5%	11%	13%	12%	
Renewal premium	85.4	117.2	144.7	146.8	105.5	140.0	174.7	167.1	494.1	587.3	162.7	2.7
Growth (%)	16%	16%	14%	13%	24%	19%	21%	14%	14%	19%	11%	
Single premium	38.9	37.8	40.8	44.6	37.3	57.9	50.6	61.3	162.1	207.1	52.0	18.0
Growth (%)	9%	-30%	0%	-42%	-4%	53%	24%	37%	-22%	28%	16%	
<b>Gross premium income</b>	<b>155.7</b>	<b>204.1</b>	<b>250.0</b>	<b>240.0</b>	<b>178.1</b>	<b>250.8</b>	<b>304.5</b>	<b>279.4</b>	<b>849.8</b>	<b>1,012.9</b>	<b>269.0</b>	<b>3.9</b>
Growth (%)	15%	1%	11%	-5%	14%	23%	22%	16%	4%	19%	12%	
<b>PAT</b>	<b>5.2</b>	<b>5.3</b>	<b>5.5</b>	<b>8.1</b>	<b>5.9</b>	<b>4.9</b>	<b>5.8</b>	<b>8.0</b>	<b>24.1</b>	<b>24.7</b>	<b>7.9</b>	<b>2.0</b>
Growth (%)	36%	39%	71%	0%	14%	-7%	5%	-1%	27%	2%	-3%	
<b>Key metrics (INRb)</b>												
New Business APE	36.4	53.9	69.4	54.5	39.7	59.5	86.0	57.5	214.2	242.7	58.8	(2.1)
Growth (%)	20%	3%	13%	2%	9%	10%	24%	6%	8%	13%	8%	
VNB	9.7	14.5	18.7	16.6	10.9	16.6	22.9	16.3	59.5	66.7	16.7	(2.3)
Growth (%)	11%	-3%	11%	10%	12%	14%	22%	-2%	7%	12%	1%	
AUM	4,148	4,390	4,417	4,480	4,758	4,815	5,117	4,872	4,480	4,872	5,239	(7.0)
Growth (%)	26%	27%	19%	15%	15%	10%	16%	9%	15%	9%	17%	
<b>Key Ratios (%)</b>												
VNB margin (%)	26.8	26.9	26.9	30.5	27.4	27.9	26.6	28.3	27.8	27.5	28.4	(5)

Estimate change 

 TP change 

 Rating change 

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1576.4 / 16.8
52-Week Range (INR)	6261 / 3276
1, 6, 12 Rel. Per (%)	19/-1/-18
12M Avg Val (INR M)	5361

### Financials & Valuations Consol (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	200.7	242.5	292.4
EBITDA	36.7	44.6	54.1
NP	17.4	20.0	23.7
EBITDA Margin (%)	18.3	18.4	18.5
Adj. EPS (INR)	49.0	56.3	66.6
EPS Gr. (%)	13.5	14.9	18.3
BV/Sh. (INR)	210.2	262.9	326.0

### Ratios

Net D:E	0.1	0.0	-0.1
RoE (%)	28.0	25.5	24.2
RoCE (%)	20.5	19.6	19.6
Payout (%)	12.4	12.4	11.4

### Valuations

P/E (x)	90.5	78.8	66.6
EV/EBITDA (x)	43.2	35.3	28.9
EV/Sales (x)	8.0	6.6	5.4
Div. Yield (%)	0.1	0.2	0.2

### Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	37.0	37.0	37.0
DII	22.4	21.5	17.2
FII	15.6	15.6	19.7
Others	25.0	25.9	26.1

FII includes depository receipts

**CMP: INR4,435**
**TP: INR5,250 (+18%)**
**Buy**

### Superlative performance on all fronts

- After several quarters of deceleration in growth rate, Trent's revenue grew ~20% in 4QFY26 as LFL recovered to low single digit (from mildly negative in 3Q). Trent added 198/52/6 net Zudio/Westside/Star stores in FY26.
- Trent's gross margin expanded ~170bp YoY, likely driven by a favorable mix (with pick-up in Westside store additions). Further, the company continues to surprise us and the street with robust cost controls as 4QFY26 pre-IND AS EBITDA rose 43% YoY, driven by ~215bp YoY margin expansion.
- For FY26, despite a moderation in revenue growth to ~18% (vs. ~40% YoY in FY25), Trent's pre-IND AS EBITDA/adj. PAT grew ~27%/24% YoY, driven by cost efficiency measures.
- Capex surged 80%+ YoY to INR14.9b, reflecting a shift toward company-operated stores, leading to stable YoY FCF generation at INR1.9b.
- Trent's board has approved raising up to INR25b in equity to accelerate investments in upgrading existing stores, incubating new brands/categories, automating the supply chain, and supporting a faster rollout of Star through selective investments in real estate development.
- We raise our FY27-28E Pre-IND AS EBITDA/PAT by ~4-6%, driven primarily by higher margins and partly offset by lower other income. We build in a CAGR of 21%/22%/11% in standalone revenue/pre-IND AS EBITDA/adj. PAT over FY26-28E.
- **We reiterate BUY on Trent with a revised TP of INR5,250**, premised on 45x FY28E EV/pre-IND AS EBITDA for the standalone (Westside and Zudio) business, 2.5x EV/sales for Star JV, and ~2x EV/EBITDA for Zara JV.
- The stock currently trades at ~62x FY28 standalone P/E, excluding contribution from Star and Zara JV, and we do not believe there is a scope of significant multiple re-rating, unless the company continues to surprise positively on growth as well as margins.

### Revenue growth picks-up; 4QFY26 pre-INDAS EBITDA up 43% YoY

- 4Q standalone revenue at INR49.4b grew **20% YoY** (disclosed earlier), driven by ~32% YoY net area additions as revenue per sq.ft. dipped ~11% YoY.
- Trent's LFL growth for the fashion portfolio recovered to low single digit in 4QFY26 (vs. marginally negative in 3Q).
- Gross profit grew **25% YoY** to INR21.9b (7% beat) as gross margin expanded ~170bp YoY to 44.3% (~195bp ahead).
- Despite ~32% YoY net area additions, employee cost grew modest ~11% YoY, while SG&A and other costs rose ~18% YoY.
- Trent's occupancy cost (rentals above EBITDA) grew ~15% YoY, while lease rentals (below EBITDA) **rose ~33% YoY**, resulting in overall rental growth of ~21% YoY (broadly in line with revenue growth rather than area growth).

- As a result, reported EBITDA grew 40% YoY to INR9.2b, sharply above our and consensus estimate of INR7.4b/8.0b, with reported EBITDA margins expanding ~265bp YoY to 18.6% (~330bp beat).
- According to the company, 4QFY26 standalone pre-INDAS EBITDA grew 43% YoY to INR6.7b, with pre-INDAS EBITDA margin of 13.5% (up ~215bp YoY), while standalone Pre-Ind AS EBIT margin stood at 11.5% (up ~180bp YoY).
- Depreciation (+38% YoY) and interest costs (+12% YoY) jumped sharply, while other income declined 37% YoY, resulting in ~30% YoY growth in PAT to INR4.5b. The sharp beat on our estimate was driven by higher EBITDA and lower tax rate.

#### **FY26 performance: Growth moderates but margin expands significantly**

- For FY26, Trent's revenue grew 18% YoY to INR197b, driven by ~32% YoY net retail area addition, though offset by a 13% YoY decline in SPSF.
- Reported EBITDA grew 32% YoY to INR36.4b as EBITDA margin expanded ~200bp YoY to 18.5%. Pre-IND AS EBITDA rose ~27% YoY to INR26.9b as margin expanded ~100bp YoY to 13.65%.
- Reported FY26 PAT grew ~24% YoY to INR19.7b (~25% YoY adjusted for labor code impact).
- Working capital days improved to 33 (vs. 37 YoY) as inventory days moderated to 42 (from 44 YoY).
- OCF (after interest and leases) surged 67% YoY to INR16.8b, driven by a 27% YoY increase in pre-IND AS EBITDA and favorable WC movements.
- However, Trent's net capex jumped sharply to INR14.8b (vs. INR8.2b in FY25), which resulted in stable YoY FCF of INR1.9b.
- Trent's net cash stood at ~INR2.9b in FY26 (vs ~INR3.4b at end-FY25).

#### **Store adds accelerate; 80% of Zudio expansion driven by entry to new cities**

- The pace of store additions accelerated with 122 net store additions, bringing the total fashion format store count to 1,286 (up 23% YoY).
- Westside recorded yet another highest quarterly net store additions of 22 stores (52 in FY26), taking the overall store count to 300 (+21% YoY).
- Zudio witnessed 109 net store openings in 4QFY26 (198 in FY26 vs. 220 in FY25), reaching 963 stores (+26% YoY).
- Trent's other fashion format store count declined by 9 QoQ to 23 (-23% YoY).
- Notably, a large part of store additions in Zudio in FY26 has been driven by its entry into new cities (78 new cities), which could lead to a slower initial ramp-up but should not have a cannibalization impact on existing stores.

#### **Star business: Muted performance continues; focusing on retail real estate to drive growth**

- Revenue (ex-GST) grew 6% YoY (vs. 1% YoY in 3Q).
- Star added 5 net stores in 4QFY26 to reach 84 stores (opened 6 net stores in FY26, 12 opened, 6 closures).
- Calc. annualized revenue per sq.ft. declined ~5% YoY to INR24.3k and annualized revenue per store declined ~1% YoY to INR417m.
- The share of own brand offerings now contributes ~73% to Star's revenue (+100bp YoY).

### Consolidated performance summary

- Consolidated revenue grew 19% YoY to INR50.2b.
- Reported EBITDA grew 42% YoY to INR9.3b, with ~300bp YoY margin expansion to 18.4%. Operating (pre-IND AS) EBITDA grew ~44% YoY to INR6.5b, with margin expanding ~220bp YoY to 13%.
- Adjusted PAT stood at INR4.1b (up ~33% YoY), as higher EBITDA was partly offset by higher D&A (up 38% YoY) and finance costs (+17% YoY).

### Highlights from the management commentary

- **Demand and macro events impact on costs:** Consumer sentiment remained stable in 4Q, but discretionary spend remained cautious due to macro uncertainty and cost pressures. Geopolitical disruptions impacted select input costs and labor availability; India-led sourcing offers partial insulation.
- **LFL growth** was in low single digits in 4QFY26 and FY26. Management is pursuing micro-market revenue growth rather than store-level LFL.
- **New city additions:** Zudio entered 78 new cities in FY26, with 80%+ of additions coming in Tier II/III and peripheral markets. Cluster densification is improving revenue density and profitability. New markets to take 2-3 years to reach maturity stage.
- **Competitive positioning:** Intensity remains high. Own-brand and direct-to-consumer model enable pricing control and differentiation. The company's focus is on gradual premiumization and brand moat expansion.
- **Capital allocation:** The Board approved INR25b fundraise for store upgrades, new categories/brands, warehouse automation, digital/AI, and commitment in acquiring real estate to drive growth in Star.

### Valuation and view

- Trent's revenue growth decelerated to ~18% YoY in FY26 due to cannibalization of sales in existing stores, weak consumer sentiment, and entry into newer cities, which start at lower initial productivity.
- However, our channel checks indicate that sales decline in cannibalized stores have now eased off. Further, we note Trent's recent store additions in Zudio are primarily focused on entry into new cities, which could have lower initial productivity, but it would not further cannibalize sales in existing stores.
- Despite relatively weaker growth, Trent continues to display strong cost controls to report healthy profitability in FY26. Going ahead, we believe the margin expansion would largely be dependent on recovery in LFL growth.
- We continue to like Trent for its strong footprint additions, retail formats with robust store economics, long runway for growth in Star (presence in just 12 cities), and potential scale-up of emerging categories (Beauty, Innerwear and Footwear). However, sustained revenue growth acceleration led earnings upgrades remain key to further re-rating.
- We raise our FY27-28E Pre-IND AS EBITDA/PAT by ~5-6%, driven primarily by higher margins and partly offset by lower other income. We build in a CAGR of 21%/22%/11% in standalone revenue/pre-IND AS EBITDA/adj. PAT over FY26-28E.
- **Reiterate BUY on Trent with a revised TP of INR5,250**, premised on 45x FY28E EV/pre-IND AS EBITDA for the standalone (Westside and Zudio) business, 2.5x EV/sales for Star JV, and ~2x EV/EBITDA for Zara JV. The stock currently trades at ~62x FY28 standalone P/E, excluding contribution from Star and Zara JV.

**Standalone - Quarterly Earning Model**
**(INR m)**

Y/E March	FY25				FY26				FY25	FY26	FY26E	Est. Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue</b>	<b>39,917</b>	<b>40,356</b>	<b>45,347</b>	<b>41,061</b>	<b>47,813</b>	<b>47,241</b>	<b>52,595</b>	<b>49,366</b>	<b>166,681</b>	<b>197,014</b>	<b>48,476</b>	<b>1.8</b>
YoY Change (%)	57.4	39.6	36.9	28.8	19.8	17.1	16.0	20.2	39.8	18.2		
Total Expenditure	33,805	33,922	36,917	34,497	39,435	39,108	41,861	40,177	139,141	160,581	41,044	-2.1
<b>EBITDA</b>	<b>6,112</b>	<b>6,434</b>	<b>8,430</b>	<b>6,564</b>	<b>8,377</b>	<b>8,132</b>	<b>10,734</b>	<b>9,190</b>	<b>27,540</b>	<b>36,433</b>	<b>7,431</b>	<b>23.7</b>
EBITDA Margin (%)	15.3	15.9	18.6	16.0	17.5	17.2	20.4	18.6	16.5	18.5	15.3	21.4
Depreciation	1,759	1,915	2,393	2,631	2,839	3,153	3,545	3,621	8,699	13,157	3,699	-2.1
Interest	312	324	363	371	395	413	424	415	1,369	1,647	446	-7.0
Other Income	455	1,360	509	970	409	1,192	1,533	611	3,294	3,745	736	-17.0
<b>PBT before EO expense</b>	<b>4,496</b>	<b>5,554</b>	<b>6,184</b>	<b>4,533</b>	<b>5,552</b>	<b>5,759</b>	<b>8,298</b>	<b>5,765</b>	<b>20,766</b>	<b>25,373</b>	<b>4,022</b>	<b>43.3</b>
Extra-Ord expense	-	-	-	-	-	-	(257.90)	-	-	(257.90)	-	
<b>PBT</b>	<b>4,496</b>	<b>5,554</b>	<b>6,184</b>	<b>4,533</b>	<b>5,552</b>	<b>5,759</b>	<b>8,040</b>	<b>5,765</b>	<b>20,766</b>	<b>25,115</b>	<b>4,022</b>	<b>43.3</b>
Tax	1,074	1,320	1,490	1,033	1,326	1,251	1,643	1,217	4,918	5,437	1,004	21.2
Rate (%)	23.9	23.8	24.1	22.8	23.9	21.7	20.4	21.1	23.7	21.6	25.0	-15.4
<b>Reported PAT</b>	<b>3,422</b>	<b>4,234</b>	<b>4,693</b>	<b>3,499</b>	<b>4,226</b>	<b>4,508</b>	<b>6,397</b>	<b>4,548</b>	<b>15,848</b>	<b>19,678</b>	<b>3,019</b>	<b>50.7</b>
<b>Adj PAT</b>	<b>3,422</b>	<b>4,234</b>	<b>4,693</b>	<b>3,499</b>	<b>4,226</b>	<b>4,508</b>	<b>6,602</b>	<b>4,548</b>	<b>15,848</b>	<b>19,883</b>	<b>3,019</b>	<b>50.7</b>
YoY Change (%)	130.8	46.2	36.6	41.3	23.5	6.5	40.7	30.0	54.0	25.5		

E: MOSL Estimates

**Valuation based on SoTP as of FY28E**

Particulars	Financial metric	Multiple	EBITDA/Sales	Enterprise Value	per share
Westside and Zudio	pre-IND AS EBITDA	45.0	40	1,788	5,029
Star JV (50% stake)	Sales	2.5	22	56	156
Zara	EBITDA	2.0	1	2	7
<b>Total Enterprise Value</b>				<b>1,846</b>	<b>5,192</b>
Net Debt				-20	-58
<b>Equity Value</b>				<b>1,866</b>	<b>5,250</b>
Shares (m)				356	
<b>Target Price</b>				<b>5,250</b>	
CMP				4,435	
Upside				18%	

Source: MOFSL, Company

# Tech Mahindra

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,463**      **TP: INR1,750 (+20%)**      **Buy**

## On a firm footing

### FY27 margins on track

Bloomberg	TECHM IN
Equity Shares (m)	980
M.Cap.(INRb)/(USD\$b)	1433.1 / 15.3
52-Week Range (INR)	1854 / 1304
1, 6, 12 Rel. Per (%)	0/7/5
12M Avg Val (INR M)	3186

- Tech Mahindra (TECHM) reported 4QFY26 revenue of USD1.6b, up 0.6% QoQ in CC, in line with our estimate of 0.5% CC growth. BFSI/Technology rose 8.0%/2.5% QoQ, whereas Retail declined 5.3% QoQ (in USD terms). EBIT margin was up 70bp QoQ at 13.8%, beating our estimate of 13.6%.
- Adj. PAT stood at INR14b (up 2.2% QoQ/16% YoY), below our estimate of INR15b. NN deal TCv of USD1,073m was down 2.1% QoQ/up 34.5% YoY.
- In INR terms, revenue/EBIT/adj. PAT grew 7.2%/39.2%/17.9% YoY in FY26. In 1QFY27, we expect revenue/EBIT/adj. PAT to grow by 14.9%/48.6%/51.9% YoY. Free cash flow stood at 115% of net profit in FY26. FY26 RoE came in at 17.6% (vs. 15.7%/13.3%/18.5% in FY25/FY24/FY23). **We reiterate BUY on TECHM with a TP of INR1,750 (implying 20% upside), based on 20x FY28E EPS.**

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	568	625	666
EBIT Margin (%)	12.6	14.8	14.8
Adj. PAT	50.1	73.0	79.0
Adj. EPS (INR)	56.5	82.2	88.9
PAT	48.1	73.0	79.0
EPS (INR)	54.2	82.2	88.9
EPS Gr. (%)	13.1	51.6	8.2
BV/Sh. (INR)	334.2	346.3	359.5

### Ratios

RoE (%)	17.6	24.2	25.3
RoCE (%)	21.4	26.0	26.7
Payout (%)	90.3	85.0	85.0

### Valuations

P/E (x)	28.0	20.4	18.4
P/BV (x)	5.3	5.1	4.9
EV/EBITDA (x)	16.1	13.2	11.9
Div Yield (%)	3.0	4.2	4.6

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	35.0	35.0	35.0
DII	38.0	34.8	30.9
FII	17.9	20.6	24.2
Others	9.1	9.6	9.9

FII Includes depository receipts

### Our view: Large deal wins provide growth visibility

- **Telecom stable despite potential client-specific issues:** Telecom growth has held up better than expected, up ~5.6% YoY/1.8% QoQ in 4Q and ~2.6% YoY in FY26, supported by Comviva and improving stability in the largest client. **TechM's telecom portfolio is more diversified and mature across IT, BPS, network services and products**, working with 100+ operators globally, which reduces dependence on any single client or service line. **We believe the Communications vertical is likely to stay resilient vs. prior quarters**, supported by a large Europe deal won in 3QFY26.
- **Margin story intact:** EBIT margin improved to 13.8% in 4Q (+70bp QoQ) and 12.6% in FY26 (+290bp YoY). **Management reiterated its FY27 margin target of ~15%** and indicated that expansion is 'not too dependent on growth'. Most of the improvement is expected from gross margin, delivery efficiencies and pricing. Fixed-price contracts carry ~8% higher margins than T&M and remain a key lever.
- With most cost actions in place, we expect TechM to move closer to ~15% margins, **though we keep some buffer given the uncertain demand environment. We build in 14.8% EBIT margin for FY27.**
- **Risks from client budget cuts loom, but higher-than-peers FY27 growth looks achievable:** Management indicated higher confidence in better YoY growth in FY27, with part of the revenue already locked in from strong deal wins (USD3.79b TCv in FY26, +42% YoY). **The company closed two large deals in consecutive quarters, including a USD500mn+ telecom deal and a five-year global partnership with Orange Business.**
- That said, some budget cuts and client-specific uncertainties persist across verticals. With industry growth seen at ~2-5%, TechM aims to outperform. **We believe FY27 growth of ~4.5% YoY cc is achievable**, though deal conversion and client budget stability remain key monitorables.

- **Vertical mix improving gradually:** BFSI showed strong traction (+8% QoQ in 4Q) with continued client additions, though ramp-ups were gradual. Manufacturing remained steady, led by aerospace and industrials, while auto is stabilizing. Retail continued to perform well, supported by logistics and e-commerce deals. Hi-tech and healthcare remained soft, though both saw some stabilization in 2H. Overall, growth drivers are becoming more broad-based, but the shift will take time.
- **Management reiterated FY27 growth and margin targets:** Management reiterated its FY27 targets of above-peer growth and ~15% EBIT margin. The setup is supported by healthy deal wins, stable telecom and margin visibility. **While margin delivery looks largely in control, growth recovery will depend on execution in an uncertain environment,** especially deal ramp-ups.

### Valuation and change in estimates

- We keep our estimates unchanged, reflecting steady directional progress. We estimate FY27 EBIT margins at 14.8%, which would result in a 25% CAGR in INR PAT over FY26-28. Early signs of a turnaround in Communications vertical, supported by a large Europe deal, improve confidence in the medium-term growth outlook.
- The ongoing restructuring under the new leadership is tracking well and this quarter was another step in the right direction. We continue to like TECHM's bottom-up turnaround story. **We value TECHM at 20x FY28E EPS with a TP of INR1,750 (20% upside). We reiterate our BUY rating on the stock.**

### Revenue in line with our estimate and beat on margins; healthy deal TCV growth

- Revenue stood at USD1.6b, up 0.6% QoQ CC (up 0.9% QoQ in USD terms), in line with our estimate of 0.5% QoQ CC growth. For FY26, revenue stood at USD6.4b, up 0.6% YoY CC.
- IT service/BPO were up 1%/0.5% QoQ. The Americas declined 0.8%, whereas Europe grew 2.7% QoQ.
- BFSI/Technology rose 8.0%/2.5% QoQ. Retail declined 5.3% QoQ (in USD terms).
- EBIT margin was up 70bp QoQ at 13.8%, beating our estimate of 13.6%. For full year, margins stood at 12.6%, up 330bp YoY.
- Net employee reduction of 2,713 (down 1.8% QoQ). Utilization (ex. trainees) was down 50bp QoQ at 86.1%. LTM attrition was down by 20bp at 12.1%.
- New deal TCV was USD1073m, down 2.1% QoQ/up 34.5% YoY.
- Adj. PAT stood at INR14b (up 2.2% QoQ/16% YoY), below our estimate of INR15b. For full year, adj. PAT stood at INR50b, up 2% YoY.
- FCF conversion to PAT stood at 68% vs. 131% in 3QFY26.
- The board of directors approved the final dividend of INR36/share.

### Key highlights from the management commentary

- Geopolitical backdrop remains challenging but management is encouraged by how client trust and engagement have deepened over the past two years.
- Closed two mega deals in consecutive quarters: 3Q – European telco deal (USD500m+ TCV over five years); 4Q – global partnership with Orange Business (five-year collaboration) focused on AI, automation, cloud, cybersecurity, and digital platforms.
- USD50m+ clients increased by four YoY to 29; USD20m+ clients expanded by seven YoY to 66 in Europe.

- FY27 is expected to show more visible contribution from seeds already planted across BFS, manufacturing, healthcare, retail/CPG, and energy and utilities.
- Management plans to unveil a new three-year FY30 vision once FY27 targets are met. Commitment is that the new plan will be 'attractive and credible' in equal measure.
- BFSI has longer buying and ramp-up cycles. Strategy is to deepen relationships in the Americas and APJ by winning new clients and scaling them over time.

### Valuation and view

We remain positive about the restructuring at TECHM under the new leadership. But we expect the impact from these steps to be visible gradually. With the continued strength in BFSI, early signs of a turnaround in the communications and improving operational efficiency, we see room for continued margin improvement ahead. We value TECHM at 20x FY28E EPS with a TP of INR1,750 (20% upside). We reiterate our BUY rating on the stock.

### Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26	Est. 4QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	1,559	1,589	1,567	1,549	1,564	1,586	1,610	1,625	6,264	6,385	1,626	-0.1
QoQ (%)	0.7	1.9	-1.4	-1.1	1.0	1.4	1.5	0.9	-0.2	1.9	1.0	-9bp
Revenue (INR b)	130	133	133	134	134	140	144	151	530	568	148	1.6
YoY (%)	-1.2	3.5	1.4	4.0	2.7	5.1	8.3	12.6	1.9	7.2	10.9	179bp
GPM (%)	26.5	27.9	28.8	29.2	28.7	29.1	30.3	31.0	28.1	29.8	30.5	50bp
SGA (%)	14.5	14.8	15.2	15.2	14.2	13.7	13.9	14.0	14.9	13.9	13.6	39bp
EBITDA	16	18	18	19	19	22	24	26	70	90	25	2.3
EBITDA Margin (%)	12.0	13.1	13.6	14.0	14.5	15.5	16.4	17.0	13.2	15.9	16.9	12bp
EBIT	11	13	14	14	15	17	19	21	51	72	20	3.3
EBIT Margin (%)	8.5	9.6	10.2	10.5	11.1	12.1	13.1	13.8	9.7	12.6	13.6	22bp
Other income	1	4	-1	1	1	0	-1	-3	5	-3	1	-495.6
ETR (%)	26.7	26.6	23.9	22.0	30.2	27.5	25.3	24.2	24.8	26.7	28.0	-375bp
Adj. PAT	9	13	10	12	11	12	13	14	43	50	15	-10.5
QoQ (%)	-12.2	46.8	-21.4	18.7	-2.2	4.7	10.9	2.2			14.2	-1196bp
YoY (%)	-10.9	27.8	36.8	20.3	34.0	-4.4	34.7	16.0	17.4	17.9	29.6	-1358bp
Extra-Ordinary Item	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	2.0	0.0	
Reported PAT	9	13	10	12	11	12	11	14	43	48	15	-10.5
EPS (INR)	9.6	14.1	11.1	13.2	12.9	13.5	14.9	15.2	47.9	56.5	17.0	-10.6

E: MOFSL Estimates

### Key Performance Indicators

Y/E March	FY25				FY26				FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Revenue (QoQ CC %)	0.7	0.7	1.2	-1.5	-1.4	1.6	1.7	0.6	
<b>Margins (%)</b>									
Gross Margin	26.5	27.9	28.8	29.2	28.7	29.1	30.3	31.0	28.1
EBITDA margin	12.0	13.1	13.6	14.0	14.5	15.5	16.4	17.0	13.2
EBIT Margin	8.5	9.6	10.2	10.5	11.1	12.1	13.1	13.8	9.7
Net Margin	6.5	9.4	7.4	8.7	8.5	8.5	9.2	9.0	8.0
<b>Operating Metrics</b>									
Headcount (k)	148	154	150	149	149	153	150	148	149
Util excl. trainees (%)	86.0	86.0	86.0	86.0	85.0	84.4	86.6	86.1	86.0
Attrition (%)	10.0	10.6	11.2	11.8	12.6	12.8	12.3	12.1	11.8
Deal TCV (USD m)	534	603	745	798	809	816	1096	1073	2,680
<b>Key Verticals (QoQ %)</b>									
Communication	-2.0	2.8	-4.0	1.0	2.8	-1.9	2.8	1.8	-6.5
Enterprise	2.1	1.4	0.0	-2.2	0.1	3.1	1.1	0.3	3.2
<b>Key Geographies (QoQ%)</b>									
North America	3.9	-0.6	-1.9	-5.8	2.6	2.6	3.1	-0.9	-2.5
Europe	-2.6	4.5	-3.0	6.4	3.4	-0.9	2.3	2.5	0.0

# Havells India

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,349      TP: INR1,340 (-1%)      Neutral**

## Strong C&W momentum; ECD and Lloyd remain subdued Recovery expected with the pick-up in summer demand

Bloomberg	HAVL IN
Equity Shares (m)	627
M.Cap.(INRb)/(USDb)	846 / 9
52-Week Range (INR)	1674 / 1143
1, 6, 12 Rel. Per (%)	0/-3/-20
12M Avg Val (INR M)	1362
Free float (%)	40.6

### Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	225.3	255.8	292.3
EBITDA	22.0	25.3	31.0
Adj. PAT	15.2	16.9	21.1
EBITDA Margin (%)	9.8	9.9	10.6
Cons. Adj. EPS (INR)	24.3	27.0	33.6
EPS Gr. (%)	3.6	11.1	24.5
BV/Sh. (INR)	150.7	168.3	190.1

### Ratios

Net D:E	(0.2)	(0.3)	(0.3)
RoE (%)	16.1	16.0	17.7
RoCE (%)	14.9	15.7	17.3
Payout (%)	41.1	35.0	35.0

### Valuations

P/E (x)	55.6	50.0	40.2
P/BV (x)	9.0	8.0	7.1
EV/EBITDA (x)	37.4	32.4	26.1
Div Yield (%)	0.7	0.7	0.9
FCF Yield (%)	0.2	1.0	1.4

### Shareholding pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	59.4	59.4	59.4
DII	17.7	16.7	12.8
FII	16.9	18.0	22.3
Others	6.0	6.0	5.5

FII includes depository receipts

- Havells India's (HAVL) 4QFY26 earnings were above our estimate due to higher margins in the cable & wire (C&W) and lighting segments. Consol. EBITDA declined ~4% YoY to INR7.3b (+26% vs. our estimate). OPM dipped 70bp YoY to 10.9% (+2.9pp vs. our estimate). PAT (adjusted for INR2.5b recognized under other income for gains recognized in Goldi Solar and INR297.8m under the group's share of profit from investments) rose ~2% YoY to INR5.3b (+39% vs. our estimate).
- Management indicated that inventory gains along with year-end adjustments supported strong margin recovery in the C&W and Lighting segments. Momentum in industrial and infrastructure-linked segments remain strong, while consumer-facing categories remained relatively subdued due to persistent cost pressures. Demand for colling products have recently picked up, and remains optimistic towards revival of summer demand. However it refrained from giving any growth guidance due to evolving macro conditions. Focus would remain on improving efficiency, brand building, innovation and distribution expansion.
- We retain our EPS estimates for FY27/FY28. HAVL trades at 50x/40x FY27E/FY28E EPS. **We reiterate our Neutral rating** with a TP of INR1,340 (based on 40x FY28E EPS).

### C&W margin up 2.3pp YoY to ~14%, ECD margin down 2.2pp to 10.9%

- HAVL's consolidated revenue/EBITDA/PAT stood at INR67.1b/INR7.3b/INR5.2b (+2%/-4%/+2% YoY and -7%/+26%/+39% vs. our estimate). Gross margin stood at ~31% (-70bp YoY). OPM declined 70bp YoY to 10.9%. OPM (ex-Lloyd) stood at 14.3% (up 36bp YoY; 2.2pp above our estimate). Ad spending stood at 2.6% of revenue vs. 2.2%/2.8% in 4QFY25/3QFY26.
- Segmental highlights: 1) HAVL's revenue (excl. Lloyd) increased ~12% YoY to INR51.8b. **C&W's** revenue grew ~14% YoY to INR24.7b, and EBIT margin increased 2.3pp YoY to ~14%. The **Switchgear** revenue grew ~6% YoY to INR7.4b, while EBIT margin declined 2.5pp YoY to ~23%. The **Lighting** revenue increased ~2% YoY to INR4.5b, while the EBIT margin increased 4.9pp YoY to ~21%. The **ECD** revenue declined ~2% YoY to INR9.8b, and EBIT margin declined 2.2pp YoY to ~10%. 2) **Lloyd's** revenue declined ~19% YoY to INR15.2b. Operating loss was INR272m vs. an EBIT of INR1.1b in 4QFY25.
- For FY26, its revenue/EBITDA/PAT stood at INR225.3b/INR22.0b/ INR15.2b (+3%/+3%/+4% YoY). OPM remained flat YoY at 9.8%. OCF stood at INR15.7b v/s INR15.2b, while capex stood at INR14.2b v/s INR7.5b in FY25. FCF stood at INR1.6b v/s INR7.7b in FY25.

### Key highlights from the management commentary

- Demand for the industrial segment was very strong, which offset the decline in domestic wires. Overall volume growth was ~6% YoY. It has been operating at a high capacity utilization in the cable segment.

- Within cooling products, the price increase initially happened due to BEE rating changes. Demand was subdued in the first half of Apr'26, and hence, inventory was higher. However, there has been an improvement in summer intensity in most of the regions, which has led to a pick-up in demand.
- Most of the growth in the 'other' segment has been driven by the solar business. The company is expanding its capacities in both the solar sector and industrial cables. There are ample opportunities for growth in this segment, and it is actively broadening its product portfolio.

### Valuation and view

- HAVL's 4QFY26 performance was above our estimates, primarily due to better-than-estimated performance in C&W and lighting segments. In contrast, Lloyd and ECD remained weak. Cooling products have seen demand pick up in the past few days due to rising summer intensity, but this will be closely monitored. Further, higher competitive intensity and inflated prices could affect demand.
- We expect HAVL to report a revenue/EBITDA/PAT CAGR of ~14%/19%/18% over FY26-28E. We estimate a CAGR of ~15-20% in C&W/ECD/Lloyd (each) and ~10% in others (mainly driven by the solar business) and ~6-8% in switchgear and lighting segments. We estimate its OPM to expand to 10.6% in FY28 from 9.8% in FY26. The company's RoIC is expected to improve to ~24% by FY28 from ~20% in FY26. Its RoE is likely to be ~18% in FY28 vs. ~16% in FY26E.
- HAVL trades fairly at 50x/40x FY27E/FY28E EPS. We **reiterate our Neutral rating** with a TP of INR1,340, based on 40x FY28E EPS.

### Quarterly performance

Y/E March	FY25				FY26				FY25	FY26E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		
Sales	58,062	45,393	48,890	65,436	54,554	47,793	55,879	67,052	2,17,781	2,25,278	72,463	-7%
Change (%)	20.1	16.4	10.8	20.2	-6.0	5.3	14.3	2.5	17.1	3.4	10.7	
Adj. EBITDA	5,722	3,751	4,265	7,570	5,157	4,384	5,161	7,294	21,309	21,997	5,778	26%
Change (%)	42.4	0.5	-1.4	19.3	-9.9	16.9	21.0	-3.6	15.6	3.2	-23.7	
Adj. EBITDA margin (%)	9.9	8.3	8.7	11.6	9.5	9.2	9.2	10.9	9.8	9.8	8.0	290
Depreciation	920	946	1,041	1,097	1,057	1,058	1,086	1,118	4,004	4,319	1,161	-4%
Interest	86	101	94	152	94	91	89	99	432	373	115	-14%
Other Income	773	929	643	687	692	911	541	271	3,033	2,414	721	-62%
PBT	5,490	3,633	3,773	7,009	4,698	4,146	4,527	6,349	19,905	19,719	5,223	22%
Extraordinary items	-	-	-	-	-	-	(450)	2,827	-	2,377	0	
Tax	1,415	955	994	1,839	1,222	963	1,076	1,942	5,203	5,203	1,490	
Effective Tax Rate (%)	25.8	26.3	26.3	26.2	26.0	23.2	23.8	30.6	26.1	26.4	28.5	
Reported PAT	4,075	2,678	2,780	5,170	3,475	3,183	3,001	7,234	14,702	16,893	3,771	92%
Change (%)	42.0	7.5	(3.5)	15.7	(14.7)	18.9	7.9	39.9	15.7	14.9	-27.1	
Adj. PAT	4,075	2,678	2,780	5,170	3,475	3,183	3,341	5,249	14,702	15,247	3,771	39%
Change (%)	42.0	7.5	(3.5)	15.7	(14.7)	18.9	20.2	1.5	15.7	3.7	-27.1	

# Tata Communications

**CMP: INR1,525    TP: INR1,720 (+13%)    Neutral**

## Largely in-line results; digital revenue growth accelerates

- Tata Communications (TCOM) delivered steady 4Q, with 11.5% YoY (~6% QoQ) data revenue growth driven by acceleration in Digital portfolio growth (+19% YoY, vs. ~15% YoY in 3Q) and ~4.5% YoY core-connectivity growth. However, adjusted for FX, consol. revenue growth was muted at ~3.7% YoY.
- TCOM's consol. EBITDA grew ~14% YoY (4.5% QoQ) to INR12.8b, as margin expanded ~85bp YoY to 19.8% (though 25bp down QoQ, ~25bp miss).
- The order book remains strong, with healthy double-digit growth YoY, driven by large deal wins in international markets. The funnel remains robust with digital portfolio contribution at ~70%.
- The new leadership team refrained from providing any forward guidance, but indicated the continuation of existing strategy, with focus sharpening on driving absolute EBITDA growth through digital portfolio mix optimization.
- We build in ~9% data revenue CAGR over FY26-28E, with data revenue reaching INR255b by FY28. Acceleration in data revenue growth to mid-teens remains the key trigger for the stock.
- We raise our FY27-28E revenue and EBITDA by 2-3% each, driven by slightly higher data revenue growth. We build in ~13% EBITDA CAGR over FY26-28, with margin expanding to ~21% by FY28 (vs. 19.4% in FY26).
- We value TCOM's data business at 9x FY28E EV/EBITDA and the voice and other businesses at 4x EV/EBITDA to arrive at our revised **TP of INR1,720**. **We reiterate our Neutral rating.** Acceleration in data revenue growth, along with margin expansion, remains key for re-rating.

## Digital revenue growth accelerates, margins broadly steady in FY26

- Consolidated gross revenue grew ~9.4% YoY (~6% QoQ) to INR65.5b (vs. our estimate of INR63.9b). However, adjusted for FX benefits, the growth was relatively modest at ~3.7% YoY (+3.8% QoQ).
- Data revenue at INR56.8b (in line) grew 11.5% YoY (+6% QoQ), driven by ~19.2% YoY (~9% QoQ, 5% above) growth in the digital portfolio and ~4.5% YoY (+2.8% QoQ) growth in core-connectivity revenue.
- Consolidated net revenue (proxy for gross margin) at INR36.2b grew ~8.7% YoY (+4% QoQ), driven by higher growth in core-connectivity (+8% YoY).
- Consolidated adjusted EBITDA grew 4.5% QoQ (+14% YoY) to INR 12.8b (largely in line with our estimate).
- Consolidated adjusted EBITDA margin contracted 25bp QoQ (though up ~85bp YoY) to 19.6% (~25bp miss), driven by ~45bp QoQ decline in data EBITDA margin to 18.4% (though up ~95bp YoY).
- FY26 consol. revenue grew ~8% YoY to INR248b, with data revenue rising ~9.5% YoY to INR233b (core connectivity: ~3% YoY, DPS: ~17.5% YoY).
- FY26 reported EBITDA grew ~8% YoY to INR48.2b, with ~5bp margin contraction to 19.4%. However, pre-IND AS EBITDA grew relatively modest at ~5% YoY to INR42.5b, with margin contracting ~50bp YoY to 17.1%.

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	TCOM IN
Equity Shares (m)	285
M.Cap.(INRb)/(USD\$)	434.6 / 4.6
52-Week Range (INR)	2004 / 1323
1, 6, 12 Rel. Per (%)	2/-14/-5
12M Avg Val (INR M)	923

### Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Net Sales	248.0	269.7	292.6
EBITDA	48.2	55.3	61.6
Adj. PAT	11.0	14.8	19.6
EBITDA Margin (%)	19.4	20.5	21.0
Adj. EPS (INR)	38.6	52.0	68.6
EPS Gr. (%)	6.8	30.3	32.0
BV/Sh. (INR)	120.9	154.7	201.0

### Ratios

Net D:E	3.2	2.1	1.2
RoE (%)	34.0	37.7	38.6
RoCE (%)	10.3	13.1	16.3
Payout (%)	45.4	41.4	39.5

### Valuations

EV/EBITDA (x)	11.4	9.6	8.3
P/E (x)	39.5	29.3	22.2
P/BV (x)	12.6	9.9	7.6
Div. Yield (%)	1.1	1.4	1.8
FCF Yield (%)	2.1	3.3	4.4

### Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	58.9	58.9	58.9
DII	18.5	19.0	13.7
FII	14.5	13.6	17.8
Others	8.2	8.5	9.7

FII includes depository receipts

- 4QFY26 consolidated PAT stood at INR2.4b (-48% YoY, -45% QoQ, ~27% below our estimate), primarily due to higher tax outgo (partly related to prior periods).
- FY26 adjusted PAT grew ~7% YoY to INR11b.
- Net debt declined INR4.8b QoQ to INR96b, with net debt-to-EBITDA moderating to ~2x (vs. 2.1x in Mar'25).
- Committed capex stood at ~INR5.4b in 4Q (vs. INR8b in 3QFY26), while cash capex rose ~25% QoQ to INR7.2b (up ~1.6% YoY).
- Reported FCF declined to INR 8.3b (vs. INR10.5b QoQ, INR0.7b YoY).
- Reported RoCE (annualized) improved to 14.9% vs 14.4% in 3QFY26.

### Key takeaways from the management interaction

- **CEO designate's initial impressions:** Conversations with enterprises are shifting beyond pure connectivity toward outcome-led discussions, especially around AI use cases. Clients increasingly expect integrated solutions spanning network, cloud, and AI capabilities. While TCOM remains a preferred partner for most of its clients, there is a need to better communicate TCOM's integrated offerings to the clients.
- **Key focus areas:** The new leadership's immediate priority is to improve profitability and the quality of growth. The aim is to achieve digital breakeven quickly while maintaining growth momentum. The focus will remain on sustainable and durable absolute EBITDA growth. Products such as multi-cloud connect and employee interaction platforms are gaining traction and offer higher margins. Scaling these offerings remains a strategic priority, and the portfolio mix shift towards these products will be the key driver of profitability improvement.
- **Order book and funnel:** The funnel remains robust, with ~70% of the funnel comprising digital services (vs. ~51% revenue contribution). Order bookings showed healthy double-digit growth, particularly in international markets.
- **Normalized revenue growth:** Adjusted for INR depreciation, revenue growth was modest at ~3.8% YoY (+3.7% QoQ).
- **Near to medium term view:** The company has transitioned through two phases: first achieving balance sheet discipline, and then investing in digital capabilities both organically and inorganically. It is now entering a third phase focused on profitable growth and capital discipline. Management aims to improve execution while maintaining strategic continuity.

### Valuation and view

- We currently model ~15% CAGR in digital revenue over FY26-28 and expect digital to account for ~55% of TCOM's data revenue by FY28 (vs. ~51% currently). Acceleration in digital revenue remains key for re-rating.
- Overall, we build in ~9% data revenue CAGR over FY26-28E, with data revenue reaching INR255b by FY28 (significantly lower than INR280b ambition by FY28).
- We raise our FY27-28E revenue and EBITDA by 2-3% each, driven by slightly higher data revenue growth. We build in ~13% EBITDA CAGR over FY26-28, with margin expanding to ~21% by FY28 (vs. 19.4% in FY26).
- We value TCOM's data business at 9x FY28E EV/EBITDA and the voice and other businesses at 4x EV/EBITDA to arrive at our revised **TP of INR1,720. We reiterate our Neutral rating.** Acceleration in data revenue growth, along with margin expansion, remains key for re-rating.

**Cons. Quarterly earnings summary**

(INR b)


Y/E March	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Revenue</b>	<b>55.9</b>	<b>56.4</b>	<b>57.7</b>	<b>59.9</b>	<b>59.6</b>	<b>61.0</b>	<b>61.9</b>	<b>65.5</b>	<b>229.9</b>	<b>248.0</b>	<b>63.9</b>	<b>3</b>
YoY Change (%)	17.2	15.8	2.4	5.2	6.6	8.1	7.3	9.4	9.7	7.9		
Total Expenditure	44.6	46.0	46.2	48.7	48.2	49.3	49.6	52.7	185.4	199.8	51.2	3
<b>EBITDA</b>	<b>11.4</b>	<b>10.4</b>	<b>11.5</b>	<b>11.2</b>	<b>11.4</b>	<b>11.7</b>	<b>12.3</b>	<b>12.8</b>	<b>44.5</b>	<b>48.2</b>	<b>12.7</b>	<b>1</b>
YoY Change (%)	11.0	2.7	1.6	6.2	0.0	12.5	6.6	14.4	5.3	8.3		
<b>EBITDA Margin (%)</b>	<b>20.3</b>	<b>18.5</b>	<b>20.0</b>	<b>18.7</b>	<b>19.1</b>	<b>19.2</b>	<b>19.8</b>	<b>19.6</b>	<b>19.4</b>	<b>19.4</b>	<b>19.8</b>	
Depreciation	6.3	6.5	6.4	6.7	6.7	6.8	7.5	7.3	25.9	28.3	7.1	3
Interest	1.7	1.9	1.9	1.8	1.8	2.0	2.0	1.8	7.3	7.6	2.0	-9
Other Income	0.2	0.1	0.3	0.7	0.2	-0.2	2.6	0.4	1.3	3.0	0.7	-35
<b>PBT Before EO Expense</b>	<b>3.5</b>	<b>2.2</b>	<b>3.6</b>	<b>3.4</b>	<b>3.1</b>	<b>2.8</b>	<b>5.3</b>	<b>4.1</b>	<b>12.6</b>	<b>15.4</b>	<b>4.2</b>	<b>-2</b>
Exceptional (gain)/loss	-0.9	-1.3	-0.1	-5.8	0.2	0.2	0.8	-0.2	-8.1	-1.0	0.0	
<b>PBT</b>	<b>4.4</b>	<b>3.4</b>	<b>3.7</b>	<b>9.1</b>	<b>2.9</b>	<b>2.5</b>	<b>4.6</b>	<b>4.3</b>	<b>20.7</b>	<b>14.4</b>	<b>4.2</b>	<b>3</b>
Tax	0.9	1.0	1.3	1.8	0.7	0.8	1.0	1.8	4.9	4.3	0.9	
Rate (%)	19.7	28.3	34.0	19.2	22.5	32.3	22.0	42.2	23.5	30.0	22.5	
MI & P/L of Asso. Cos.	0.2	0.2	0.1	-3.0	0.4	-0.1	-0.1	-0.1	-2.5	0.0	-0.1	
<b>Reported PAT</b>	<b>3.3</b>	<b>2.3</b>	<b>2.4</b>	<b>10.4</b>	<b>1.9</b>	<b>1.8</b>	<b>3.7</b>	<b>2.6</b>	<b>18.4</b>	<b>10.0</b>	<b>3.3</b>	<b>-21</b>
<b>Adj PAT</b>	<b>2.5</b>	<b>1.0</b>	<b>2.2</b>	<b>4.6</b>	<b>2.1</b>	<b>2.0</b>	<b>4.4</b>	<b>2.4</b>	<b>10.3</b>	<b>11.0</b>	<b>3.3</b>	<b>-27</b>
YoY Change (%)	-34.9	-55.8	-3.5	23.9	-14.9	108.5	98.8	-47.5	-14.5	6.8		

E: MOFSL Estimates

# L&T Technology

Estimate change 

TP change

Rating change 

Bloomberg	LTTS IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	376.3 / 4
52-Week Range (INR)	4747 / 3010
1, 6, 12 Rel. Per (%)	4/-10/-20
12M Avg Val (INR M)	519

## Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	110.0	123.8	137.5
EBIT Margin (%)	14.5	15.2	15.8
Adj. PAT	12.8	15.0	17.1
Adj. EPS (INR)	118.4	126.6	144.5
EPS Gr. (%)	2.4	7.0	14.1
BV/Sh. (INR)	610.6	701.0	804.2

## Ratios

RoE (%)	20.3	21.5	21.4
RoCE (%)	16.8	17.6	17.5
Payout (%)	49.0	30.0	30.0

## Valuations

P/E (x)	30.0	28.0	24.6
P/BV (x)	5.8	5.1	4.4
EV/EBITDA (x)	18.2	17.3	14.8
Div Yield (%)	1.6	1.1	1.2

## Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	73.6	73.6	73.7
DII	14.6	14.6	13.7
FII	3.9	4.2	5.2
Others	7.9	7.6	7.5

FII includes depository receipts

**CMP: INR3,550**

**TP: INR3,400 (-4%)**

**Neutral**

**Reset underway**

**Portfolio exits and divestment weigh on growth**

- L&T Technology's (LTTS) 4QFY26 revenue declined 1.1% QoQ in CC terms. The company has divested its SWC business, which has been classified as a discontinued operation, effective 4QFY26. Accordingly, reported financials are not directly comparable with estimates. For FY26, revenue stood at USD1.2b, up 7.7% YoY CC. Sustainability segment grew 1.6% QoQ, while Tech declined 6.3% QoQ. Mobility was flat QoQ.
- EBIT margin stood at 15.2%, up 40bp QoQ. Adj. PAT was up 8.9% QoQ/1.4% YoY at INR3.5b. For FY26, adj. PAT stood at INR13b, up 7.4% YoY.
- For FY26, revenue/EBIT/adj. PAT grew 14.0%/6.9%/7.4% YoY in INR terms. In 1QFY27, we expect revenue/EBIT/adj. PAT to grow 1.9%/18.8%/13.4% YoY. Free cash flow stood at 100% of net profit in FY26 (vs. 109% in FY25). FY26 RoE came in at 20.3% (vs. 22.1%/25.3%/25.6% in FY25/FY24/FY23).  
**We reiterate our Neutral rating on the stock with a TP of INR3,400, implying a 4% potential downside.**

**Our view: Building blocks in place but consistency still evolving**

- **Soft exit; divestment of SWC impacts reported numbers:** Revenue declined 1.1% QoQ CC in 4Q to USD306m, while FY26 growth came in at 7.7% YoY CC. 4Q was impacted by portfolio exits and SWC divestment, leading to a weaker exit. With most of the cleanup behind, management expects a more stable base from 1QFY27. Given the relatively weak FY26 exit and still uneven revenue visibility, we now build in organic revenue growth of 2.0% and overall revenue growth of 7% YoY in USD in FY27.
- **Sustainability steady; Mobility improving; Hi-tech reset underway:** Sustainability grew 1.6% QoQ and continues to anchor performance. Mobility is showing early signs of recovery, supported by deal wins, though growth is yet to sustain. Tech declined 6.3% QoQ due to deliberate exits, but margin improvement indicates better quality of business. Management expects all segments to return to sequential growth from 1QFY27; we see improvement, but with some volatility in the near term.
- **Deal wins healthy; conversion remains the key monitorable:** Large deal momentum remains healthy, with ~USD200m TCV for the sixth straight quarter and FY26 TCV at USD855m (+40% YoY). This provides visibility on medium-term growth. That said, recent quarters indicate slower ramp-ups, and we would watch execution of large deals for a more consistent growth pickup.
- **Margins improving; trajectory to mid-16% guidance by 4QFY27 remains key to watch:** EBIT margin improved 40bp QoQ to 15.2% in 4Q4, with FY26 margin at 14.5%. Management has guided for 16-17% margins over the medium term. We believe margin expansion will be driven by better segment mix (higher Sustainability), benefits from portfolio rationalization, and AI-led efficiencies, though gains are likely to be incremental. We expect margin of 15.2%/15.8% in FY27/FY28.

- **The Lakshya 31 plan targets 13-15% growth with 16-17% margins over five years**, supported by themes like AI, data center capex, and re-industrialization. While the direction remains positive, near-term growth consistency is still evolving. We maintain a neutral stance, awaiting stronger deal conversion and more stable sequential growth before turning constructive.

#### Valuation and revisions to our estimates

- We build in a USD revenue CAGR of ~9.0% over FY26-28E, factoring in a weak FY26 exit and a gradual improvement thereafter. For FY27, we estimate ~7% YoY USD growth, as the impact of portfolio exits and SWC divestment fades and the base normalizes. Sustainability should continue to provide stability, while Mobility recovery is likely to be gradual and Tech may remain volatile in the near term.
- We expect EBIT margins to improve to ~15.8% by FY28E, led by better mix and execution. We maintain our Neutral rating with a TP of INR3,400, based on 23x FY28E EPS.

#### Lakshya plan targets 13-15% growth over next five years with 16-17% EBIT margins; deal TCV healthy

- USD revenue declined 1.1% QoQ CC to USD306m. For FY26, revenue stood at USD1.2b, up 7.7% YoY CC.
- The company has divested its SWC business, which has been classified as a discontinued operation, effective 4QFY26; accordingly, reported financials are not directly comparable with estimates.
- LTTS aims to deliver 13-15% CAGR over the next five years, with EBIT margins in the range of 16-17% under the five-year Lakshya 31 Plan.
- Sustainability grew 1.6% QoQ, while Tech was down 6.3% QoQ.
- EBIT margin stood at 15.2%, up 40bp QoQ. For FY26, adj. EBIT margin stood at 14.5% vs. 15.4% in FY25.
- Adj. PAT was up 8.9% QoQ/1.4% YoY at INR3.5b. For full year, adj. PAT stood at INR13b, up 7.4% YoY.
- The employee count was up 2.2% QoQ at 23,830. Attrition was down 10bp QoQ at 14.7%.
- Large deal momentum in 4Q – delivering an average TCV of USD200m for the sixth consecutive quarter.
- Deal signings: Large deal TCV touched a record high of USD855m, up 40% YoY. The board approved the final dividend of INR40/share.

#### Key highlights from the management commentary

- Management remains cautiously optimistic on the near-term demand environment; CY26 macro improvement is supporting the deal pipeline conversion across all three segments.
- Broad-based demand recovery visible: Mobility stabilizing, Sustainability maintaining double-digit momentum, and Tech segment bottoming out post-portfolio rationalization.
- Sequential revenue moderation in 4Q was partly attributable to USD19m in annualized revenue exit from low-margin geographies (Europe, Middle East, select US tech accounts) and the SWC divestment; management confirms the base is clean 1QFY27 onward.

- First USD50m+ trailing-12-month account formally reported in the Sustainability segment; management views scaling account sizes as a key strategic priority under Lakshya 31.
- Management is confident that all three Tech sub-segments (MedTech, Media/Tech, Software & Platforms) will return to sequential growth from 1QFY27.
- Wage hikes for all employees globally administered in 4QFY26 (100bp impact on margins); fully baked into the margin guidance trajectory.
- AgenticIQ platform launched - an enterprise-ready agentic AI platform for orchestration and deployment of AI agents across engineering lifecycles; positions LTTS as a platform-led solution provider, not just a point-tool vendor.

### Quarterly Performance

Y/E March	FY25				FY26				FY25*	FY26*
	1Q	2Q	3Q	4Q*	1Q	2Q	3Q*	4Q*		
<b>Revenue (USD m)</b>	<b>295</b>	<b>307</b>	<b>312</b>	<b>305</b>	<b>335</b>	<b>337</b>	<b>311</b>	<b>306</b>	<b>1,138</b>	<b>1,233</b>
QoQ (%)	-3.2	3.9	1.7	-2.2	10.0	0.5	-7.7	-1.7	-2.2	8.3
<b>Revenue (INR m)</b>	<b>24,619</b>	<b>25,729</b>	<b>26,530</b>	<b>26,378</b>	<b>28,660</b>	<b>29,795</b>	<b>27,872</b>	<b>28,579</b>	<b>96,422</b>	<b>1,09,959</b>
YoY (%)	7.0	7.8	9.5	4.0	16.4	15.8	5.1	8.3	-0.1	14.0
<b>GPM (%)</b>	<b>29.3</b>	<b>29.3</b>	<b>29.0</b>	<b>29.5</b>	<b>28.0</b>	<b>28.0</b>	<b>30.7</b>	<b>32.2</b>	<b>30.5</b>	<b>30.5</b>
SGA (%)	10.8	11.2	10.3	13.1	11.9	11.5	12.8	13.9	12.0	12.9
<b>EBITDA</b>	<b>4,562</b>	<b>4,660</b>	<b>4,947</b>	<b>4,327</b>	<b>4,624</b>	<b>4,908</b>	<b>4,986</b>	<b>5,215</b>	<b>17,898</b>	<b>19,351</b>
<b>EBITDA Margin (%)</b>	<b>18.5</b>	<b>18.1</b>	<b>18.6</b>	<b>16.4</b>	<b>16.1</b>	<b>16.5</b>	<b>17.9</b>	<b>18.2</b>	<b>18.6</b>	<b>17.6</b>
<b>EBIT</b>	<b>3,836</b>	<b>3,877</b>	<b>4,219</b>	<b>3,518</b>	<b>3,813</b>	<b>3,982</b>	<b>4,125</b>	<b>4,350</b>	<b>14,867</b>	<b>15,899</b>
<b>EBIT Margin (%)</b>	<b>15.6</b>	<b>15.1</b>	<b>15.9</b>	<b>13.3</b>	<b>13.3</b>	<b>13.4</b>	<b>14.8</b>	<b>15.2</b>	<b>15.4</b>	<b>14.5</b>
Other income	491	531	180	332	512	498	184	383	1,534	1,571
ETR (%)	27.5	27.4	27.4	27.4	26.9	26.5	26.0	26.6	27.4	26.5
<b>Adj PAT</b>	<b>3,136</b>	<b>3,196</b>	<b>3,166</b>	<b>2,804</b>	<b>3,157</b>	<b>3,287</b>	<b>3,184</b>	<b>3,467</b>	<b>11,939</b>	<b>12,819</b>
Exceptional items	0.0	0.0	0.0	307.0	0.0	0.0	158	146.8	-728.0	27
<b>PAT</b>	<b>3,136</b>	<b>3,196</b>	<b>3,166</b>	<b>3,111</b>	<b>3,157</b>	<b>3,287</b>	<b>3,026</b>	<b>3,320</b>	<b>12,667</b>	<b>12,792</b>
QoQ (%)	-8.0	1.9	-0.9	-11.4	12.6	4.1	-3.1	8.9		
YoY (%)	0.8	1.3	-5.8	-17.7	0.7	2.8	0.6	23.6	-8.4	7.4
Adj. EPS (INR)	29.6	29.8	30.4	29.3	29.8	31.0	31.0	29.3	115.6	118.4

Note: 4QFY25, 3Q/4QFY25 and FY24&25 numbers have been restated to reflect continuing business.

### Key Performance Indicators

Y/E March	FY25				FY26				FY25*
	1Q	2Q	3Q	4Q*	1Q	2Q	3Q*	4Q*	
Revenue (QoQ CC %)	-3.1	3.4	3.1	10.5	-4.2	1.3	-2.8	-1.1	
<b>Margins (%)</b>									
Gross Margin	29.3	29.3	29.0	29.5	28.0	28.0	30.7	32.2	30.5
EBIT Margin	15.6	15.1	15.9	13.3	13.3	13.4	14.8	15.2	15.4
Net Margin	12.7	12.4	11.9	10.6	11.0	11.0	11.4	12.1	12.4
<b>Operating metrics</b>									
Headcount	23,577	23,698	23,465	24,258	23,626	23,698	23,308	23,830	23,577
Attrition (%)	14.8	14.3	14.4	14.3	14.8	14.8	14.8	14.7	14.8
<b>Key Geographies (YoY %)</b>									
North America	-1.3	1.1	1.2	9.2	16.2	14.5	15.4	3.2	2.6
Europe	23.9	24.0	17.6	18.3	7.3	3.3	0.8	-1.8	20.5

Note: 4QFY25, 3Q/4QFY25 and FY24&25 numbers have been restated to reflect continuing business

# Sunteck Realty

 Estimate change 

TP change

 Rating change 

Bloomberg	SRIN IN
Equity Shares (m)	146
M.Cap.(INRb)/(USDb)	52.5 / 0.6
52-Week Range (INR)	479 / 270
1, 6, 12 Rel. Per (%)	11/-13/-12
12M Avg Val (INR M)	144

## Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	11.2	13.2	15.7
EBITDA	3.0	3.8	4.8
EBITDA (%)	27.1	29.0	30.4
PAT	2.0	2.5	3.3
EPS (INR)	14.0	17.4	22.6
EPS Gr. (%)	36.0	24.8	29.7
BV/Sh. (INR)	246.5	262.4	283.5

## Ratios

Net D/E	0.2	0.2	0.2
RoE (%)	5.9	6.8	8.3
RoCE (%)	6.3	6.7	7.8
Payout (%)	10.8	8.6	6.7

## Valuations

P/E (x)	25.8	20.7	15.9
P/BV (x)	1.5	1.4	1.3
EV/EBITDA (x)	19.5	15.8	12.5
Div Yield (%)	0.4	0.4	0.4

## Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	63.3	63.3	63.2
DII	6.0	6.4	8.3
FII	19.7	19.4	19.8
Others	11.0	10.9	8.7

**CMP: INR358**
**TP: INR530 (+48%)**
**Buy**

## Pre-sales growth momentum to continue

### Stepped up the BD activity; healthy launch pipeline in FY27

In FY26, Sunteck Realty (SRIN) expanded its MMR portfolio by adding three new projects, offering a combined GDV potential of ~INR50b. The total cash outlay of INR8.1b towards business development in FY26 was notably higher than INR1.8b in FY25. These would offer additional avenues of growth over the medium term. The company has a launch pipeline of INR60-70b, including projects in Andheri, Mira Road, Vasai, and Naigaon. The Dubai project is launch-ready, and the timing would depend on the evolving dynamics in West Asia. The Dubai launch would provide an additional delta to its pre-sales growth.

### Pre-sales likely to clock a 23% CAGR over FY26-28E

SRIN reported pre-sales growth of 22% YoY to INR10.6b in 4QFY26 on the back of strong contribution from the uber-luxury segment (57% share) and healthy response at the Avenue 5 project. Consequently, FY26 pre-sales grew by 25% YoY to INR32b. The company's strong launch pipeline worth INR60-70b would aid its pre-sales in FY27. The management expects growth momentum (seen in FY26) to sustain in the current year. We bake in a 23% CAGR in pre-sales to reach INR48b over FY26-28E.

### Healthy cash flows; balance sheet remains sturdy

Collections grew by 14% YoY to INR14.3b in FY26, supported by a strong 39% YoY growth to INR4.3b in 4QFY26. SRIN expects better collections growth in FY27. Further, the net operating cash flow (NOCF) surplus at INR5.5b in FY26 (up 48% YoY) is the highest in the last 7 years. Consequently, NOCF-to-collections at 39% was among the best levels since FY21. Net debt-to-equity remained low at 0.06x (excluding loans to JDA partners) despite a robust ramp-up in the BD activity. Fueled by continued pre-sales growth and healthy project execution, we expect collections to record 22% CAGR to reach INR21b over FY26-28.

### P&L highlights

In 4QFY26, revenue was up 65% YoY to INR3.4b. The company reported EBITDA of INR967m, up 41% YoY. EBITDA margin contracted 482bp YoY to 28.5%. Adj. PAT stood at INR638m, up 27% YoY. PAT margin was at 19%. In FY26, revenue was up 32% YoY to INR11.2b. EBITDA was at INR3b, up 63% YoY. EBITDA margin stood at 27% vs 22% in FY25. Adj. PAT stood at INR2b, up 36% YoY.

### Key highlights from the management commentary

- Management aims to sustain the pre-sales growth rate of 25% YoY in FY27 too (similar to FY26).
- In 4QFY26, pre-sales contribution from the uber-luxury segment, i.e., the BKC and Nepean Sea Road projects, was INR6.1b (~57% of quarterly sales).
- Incurred INR8.1b towards business development in FY26 vs. INR1.8b in FY25. It plans to continue investing in BD in the coming quarters.

- **FY27 launches:** A redevelopment project on WEH in Andheri, an additional tower in Skypark (Mira Road), two towers in Beach Residences (Vasai), and a new phase in Sunteck World (Naigaon). The newly acquired project in Mira Road is expected to be launched in the next 12 months. Overall, it has planned for INR60-70b launch apart from the Nepean Sea Road formal launch in FY27.
- Recently acquired projects would have blended EBITDA margins of 30–35%.
- Sunteck One World in Naigaon is scheduled to be delivered in FY27.
- Construction for the first phase of the Nepean Sea Road project is expected to commence in FY27.
- There is a shortage of labor currently, likely due to the elections in West Bengal – this situation is expected to normalize post-Apr’26.
- The Dubai project is launch-ready, and the company plans to proceed once the Middle East situation stabilizes.
- The company had invested AED130m in the Dubai project.

### Valuation and view

- Given the favorable base and healthy launch pipeline, we expect SRIN to deliver 23% presales CAGR over FY26-28E. The recent project acquisitions would support growth over the medium term. Growth in collections and healthy cash flows would support business development vis-à-vis keeping leverage at healthy levels in the coming years.
- We value its residential segment at its NAV (implying a 5.2x embedded EV/EBITDA multiple on FY28E) and commercial segment at an 8.5% cap rate.
- **We have BUY rating on the stock with a TP of INR530, implying a 48% upside potential.**

### Quarterly performance

Y/E March	FY25				FY26E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26E
<b>Net Sales</b>	<b>3,163</b>	<b>1,690</b>	<b>1,618</b>	<b>2,060</b>	<b>1,883</b>	<b>2,524</b>	<b>3,441</b>	<b>3,390</b>	<b>8,531</b>	<b>11,238</b>
YoY Change (%)	348.2	577.9	281.1	-51.7	-40.5	49.3	112.7	64.5	51.0	31.7
Total Expenditure	2,849	1,317	1,134	1,374	1,406	1,745	2,626	2,424	6,673	8,190
<b>EBITDA</b>	<b>314</b>	<b>374</b>	<b>484</b>	<b>687</b>	<b>477</b>	<b>778</b>	<b>815</b>	<b>967</b>	<b>1,858</b>	<b>3,048</b>
Margins (%)	9.9	22.1	29.9	33.3	25.4	30.8	23.7	28.5	21.8	27.1
Depreciation	34	36	31	28	34	36	37	38	129	145
Interest	103	99	87	119	149	194	117	202	409	673
Other Income	117	130	130	118	132	98	119	98	495	448
<b>PBT before EO expense</b>	<b>295</b>	<b>368</b>	<b>495</b>	<b>658</b>	<b>426</b>	<b>646</b>	<b>780</b>	<b>826</b>	<b>1,816</b>	<b>2,678</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>295</b>	<b>368</b>	<b>495</b>	<b>658</b>	<b>426</b>	<b>646</b>	<b>780</b>	<b>826</b>	<b>1,816</b>	<b>2,678</b>
Tax	70	22	69	170	92	159	212	197	331	659
Rate (%)	23.9	5.9	13.9	25.9	21.6	24.5	27.1	23.9	18.2	24.6
MI & Profit/Loss of Asso. Cos.	-3	1	1	-17	0	-2	-13	-9	-18	-25
<b>Reported PAT</b>	<b>228</b>	<b>346</b>	<b>425</b>	<b>504</b>	<b>334</b>	<b>490</b>	<b>582</b>	<b>638</b>	<b>1,503</b>	<b>2,044</b>
<b>Adj PAT</b>	<b>228</b>	<b>346</b>	<b>425</b>	<b>504</b>	<b>334</b>	<b>490</b>	<b>582</b>	<b>638</b>	<b>1,503</b>	<b>2,044</b>
YoY Change (%)	-438.2	-348.3	-536.9	-50.3	46.7	41.4	36.9	26.5	111.6	36.0
Margins (%)	7.2	20.5	26.3	24.5	17.8	19.4	16.9	18.8	17.6	18.2
<b>Operational metrics</b>										
Presales	5,020	5,240	6,350	8,700	6,570	7,020	7,340	10,640	25,310	31,570
Collections	3,420	2,670	3,360	3,100	3,510	3,310	3,190	4,320	12,550	14,330

Source: Company, MOFSL

# Automobiles



## CVs cross previous peak in FY26, 2Ws still below

Healthy growth intact across segments; geopolitical tensions remain a key risk

- Domestic segmental growth rates for FY26 stood at: 10% for ICE 2Ws, 8% for PVs, and 13% for CVs.
- It is important to highlight that each of these segments has seen a marked revival in demand in 2H, led by GST rate cuts. For instance, ICE 2Ws saw a strong recovery in 2H with 21.5% YoY growth vs. less than 1% growth in 1H. Similarly, PVs posted 16.7% growth in 2H vs. a 1.4% decline in 1H, and CVs' growth rates stood at 3.9%/20.5% in 1H/2H.
- When compared to the previous peak of FY19, 2W ICE category is still below the previous peak in FY26, whereas the MHCV goods segment has just crossed the peak in FY26. The PV segment is well above the previous peak.
- In motorcycles, the notable factor is that the 125cc segment, which was the key growth driver in the past, is now underperforming other segments, especially after GST cuts, signaling a possible trend change worth monitoring.
- In the 2W ICE segment, among the top four players, TVS and EIM were able to post healthy double-digit growth of 19.4%/22.7% YoY in FY26.
- In PVs, MM (+20%), Toyota (+19%), TMPV (+14%) and Kia (+13%) outperformed in FY26.
- Within CVs, TMCV has lost 60bp share while other top peers have largely maintained their share in FY26.
- Retail demand has remained healthy so far, especially in PVs and 2Ws, while some initial cracks are visible in CV demand due to the geopolitical headwinds.
- Our top OEM picks are MSIL, TVSL and MM. Among auto ancillaries, our top picks are MSWIL, SAMIL and Endurance.

## ICE 2Ws: TVSL's outperformance continues

- Domestic 2W ICE sales grew by ~18% YoY in Mar'26, a relatively slower growth compared to the last couple of months. For FY26, the segment posted a healthy growth of 9.5% YoY, albeit on a low base. FY26 volumes are still about 3% below the FY19 peak.
- During 4QFY26, growth was led by ICE scooters, up 33.4% YoY, continuing their outperformance over motorcycles, which posted 20.7% YoY growth. Mopeds also saw a strong 26.5% YoY growth.
- For FY26, ICE scooters outperformed motorcycles, posting 15.6% YoY growth vs. 6.6% growth for motorcycles. Mopeds saw a slight improvement in demand, with FY26 sales closing with 4.3% YoY growth.
- Among listed players, TVS and EIM were able to post healthy double-digit growth of 19.4%/22.7% YoY in FY26. On the other hand, HMCL/HMSI delivered 6.6%/8.0% YoY growth, while BJAUT volumes remained flat (+0.6%).
- Consequently, TVS gained ~160bp market share, closing the year at 18.8%.
- On the other hand, HMCL/HMSI lost ~80bp/~40bp to end the year at 28.7%/27.9%. BJAUT lost ~90bp to 9.9%.

## Segmental trends: Scooters continue to drive growth, up 15.6% in FY26

### Motorcycle segment:

- Domestic motorcycle sales grew 12.9% YoY in Mar'26. This segment has seen a turnaround after GST rate cuts, from a 2.1% YoY decline in 1HFY26 to 6.6% YoY growth for full year FY26 (implying 16.2% YoY growth in 2HFY26).
- On a full-year basis, RE (+22.7%) and TVS (+17.7%) are outperformers.
- After GST rate cuts, there was a shift in the segmental trend compared to what was observed previously. The key growth drivers for the industry are the 150-250cc (+16% in FY26 and 35% in Mar'26) and >250cc segments (+23% in FY26 and 20% in Mar'26). Even the 100cc segment is seeing a recovery, posting 4.5% YoY growth in FY26. On the other hand, the 125cc segment with flat volumes YoY in FY26 lagged industry growth.
- HMCL, HMSI and BJAUT have underperformed the industry in FY26: HMCL lost 60bp market share to 42%, HMSI lost 45bp to 19.8% and BJAUT lost ~90bp to 15.6%. For BJAUT, its motorcycle market share has fallen below 16% for the first time since FY18.
- On the other hand, RE saw a 110bp increase in market share YoY to 8.5% and TVSL saw a ~100bp increase to 11%.

HMCL outperforms the industry, while HMSI continues to decline

### 100cc segment:

- In 4QFY26, the 100cc segment posted a strong ~23% YoY growth vs. industry growth of 20.7%. After witnessing a 4.3% decline in volumes in 1H, the 100cc segment saw a strong rebound to 14.5% YoY growth in 2H, closing FY26 with 4.5% YoY growth.
- For FY26, the market leader, HMCL, has outperformed the industry with 7.9% YoY growth in this segment. Apart from HMCL, the only other player to have posted growth in this segment was TVSL (3% YoY). The worst hit were HMSI/BJAUT with volumes declining 17%/8% on a full-year basis.
- As a result, HMCL has further strengthened its leadership position in this segment, having gained 260bp share to 81.2%. This is HMCL's highest-ever market share in this segment. Alternatively, HMSI has lost 140bp share to 5.4% and BJAUT has lost ~110bp share to 7.8%.
- For HMCL, both the HF Deluxe and Splendor drove growth, now accounting for close to 95% of HMCL's 100cc portfolio. HF Deluxe saw 4.2% YoY growth, while Splendor posted a better 8.5% YoY growth in FY26. Passion Plus posted a healthy 15.5% YoY growth in FY26, but its contribution fell to just 5% of HMCL's 100cc segment mix.
- For HMSI, Shine 100cc has seen significant improvement in wholesales over the past few months and posted 78.3% YoY growth in 4Q. Just to highlight this point further, by 1H, Shine volumes were down 23% YoY; however, after the launch of a new facelift in Aug'25 and the GST cuts, sales surged 42.4% in 2H, ending FY26 with 6.1% YoY growth. The Livo series continued to see a YoY decline, down ~30% in FY26.

### 125cc segment:

- The segment posted 9.5% YoY growth in Mar'26; however, it underperformed in 2HFY26 with 6.9% YoY growth when all other segments posted strong double-digit growth. Consequently, volumes for this segment remained flat YoY in FY26. 4Q volumes improved marginally by 10.1% YoY, although well below the industry

growth of 20.7%. The segment's underperformance may be attributable to the shift in customer preference toward the 150cc segment after the GST rate cuts as consumers are now getting a much better product at a similar price point (pre-GST).

- In FY26, HMSI outperformed its peers with 9% YoY growth. Even TVSL saw volume growth of ~7% YoY. On the other hand, HMCL and BJAUT saw a volume decline of ~11% and 9% YoY, respectively.
- As a result, HMSI saw a sharp ~390bp increase in market share YoY to 49.2% in FY26. TVSL has gained about 70bp share to 11.8%. HMCL and BJAUT lost ~220bp and ~230bp to end the year at 17.1% and ~22%, respectively.
- For HMSI, Shine grew by ~5% YoY in FY26. The pickup in CB125 Hornet is slowing, with 4Q sales dropping to 22k units from 25k units last quarter.
- BJAUT Pulsar's 125cc sales were down ~3% YoY in FY26. The company sold ~18k units of its CNG model, Freedom, in FY26, marking a 76% plunge YoY.
- For HMCL, Super Splendor volumes declined ~20% YoY and Xtreme125R volumes were down ~26% YoY in FY26. Glamour sales, on the other hand, has rebounded after the launch of a new variant, with FY26 volumes growing ~24% YoY.
- TVS Raider posted 6.8% YoY growth in FY26, outperforming the industry.

#### 150-250cc segment:

- This segment has been one of the fastest-growing segments after GST rate cuts, recording 35% YoY growth in Mar'26. A strong pick-up in demand in 2HFY26 with ~36% YoY growth has reversed the ~2% decline seen in 1HFY26, closing FY26 with 15.6% YoY growth.
- For FY26, TVS significantly outperformed peers with ~36% YoY growth. While Apache posted a healthy ~28% YoY growth in volumes, TVS Ronin volumes surged 2.4x in FY26.
- As a result, TVS has gained ~430bp market share YoY to close the year at 28.8%.
- BJAUT has also been able to increase its share by 120bp to 31.4% in FY26. Its Pulsar range saw ~19% YoY growth in FY26. Demand for KTM has improved to 24.7k units in 4Q from 15k units YoY.
- Further, HMSI has lost 240bp share YoY to 19.2% and Yamaha has lost 250bp share to 17.1%.
- HMCL continues to underperform, with a marginal 1.7% growth in FY26. Consequently, market share fell 40bp to 2.6%

#### >250cc segment:

- The segment recorded robust growth of 22.9% YoY in FY26, well above industry growth. Unlike the other segments, the >350cc segment was at a disadvantage after the GST rate rejigs due to price hikes across models. Hence, 2HFY26 volume growth (21.5% YoY) for the >250cc segment was lower than 1HFY26 growth (24.5%), though better than the broader industry.
- RE and HMSI were the key growth drivers in this segment in FY26. RE posted a strong 22.7% YoY growth, while HMSI saw 31.9% YoY growth. Although TVSL saw a 2.3x surge in volume, it has a marginal share in this segment.
- RE has maintained its share at 87% in the >250cc segment in FY26. Excl. Bullet (up ~45% in FY26), RE posted 17.3% YoY growth in FY26.

TVSL significantly outperforms peers on a full year basis

Scooters posted strong growth; the market leader, HMSI, underperforms, while TVSL continues to gain.

UV sales continue to grow, while growth on passenger cars slows; MM, Toyota and Kia continue to outperform

Car volumes up 8.2% in Mar'26; FY26 volumes inch up by 1.9%

- Triumph, in partnership with BJAUT, posted ~33% YoY growth and averaged ~4k units per month in FY26. It clocked 15k unit sales in 4Q, growing by a strong 26.3% YoY.

#### ICE scooters

- The segment delivered a strong ~27% YoY growth in Mar'26, outperforming the motorcycle industry. Even on a full year basis, scooters posted a strong 15.6% YoY growth.
- Key outperformers in this segment in FY26 were TVSL (+25.7%) and HMCL (+27.5%). HMCL's new Destini 125 has seen a strong reception, growing 84% YoY in FY26. Xoom also saw a healthy 35% YoY growth in FY26. However, Pleasure's volumes have continued to decline, dipping 28% YoY in FY26.
- HMSI is seeing a strong revival in demand over the last few months, with volumes up ~41% YoY in Mar'26. However, given that it has underperformed the industry on full-year basis with 11.2% YoY growth, it has lost 180bp share to 44.9%. For HMSI, Activa sales rose 13% YoY in FY26, whereas Dio volumes fell 2.3% YoY.
- TVS gained a substantial 220bp share in scooters, reaching 27.5% as of FY26. The key growth driver was the upgrade of Jupiter 110, which is witnessing strong demand, with ~32% YoY growth in FY26. Ntorq sales have remained strong, with 52% YoY growth for 4Q, which led to a revival in full-year performance to ~9% YoY growth.
- Suzuki maintained its market share at 16.4% in FY26. Growth of its flagship model, Access, has been moderating, with just 12% YoY in FY26. Meanwhile, Burgman remains the key growth driver with 25.4% YoY growth.

#### PV update: UV mix now stands at ~67%

- PV volumes grew by a steady 16% YoY in Mar'26. While UVs posted strong ~20% growth YoY, cars grew slower at 8.2% YoY in Mar'26. For FY26, PV volumes rose ~8% YoY, led by UV growth of 11% and car growth of 2%. PV volumes saw a turnaround, from a 1.4% YoY decline in 1HFY26 to 16.7% YoY growth in 2HFY26.
- In 4QFY26, cars underperformed, remaining largely flat YoY, primarily due to ongoing supply constraints at the market leader MSIL (-5.2% YoY in 4Q). UVs, on the other hand, posted a strong 20% YoY growth. Both segments, however, benefited from the GST rate cuts, with cars/UVs posting 9.2%/21% YoY growth in 2HFY26 vs. -6%/0.7% in 1HFY26.
- In FY26, outperformers include MM (+20%), Toyota (+19%), Kia (+13%) and TMPV (14%).
- In contrast, Hyundai saw a volume decline of ~2% YoY, while MSIL posted a slower growth of ~4% YoY, largely on account of supply constraints.
- Overall, MM, TMPV and Toyota have gained 140bp, 80bp and 70bp share respectively in PVs in FY26.

#### Car segment:

- Car wholesales grew 8.2% YoY in Mar'26; however, excl. MSIL, industry volumes rose 14% YoY. It should be noted that MSIL continues to face supply constraints, which are restricting its volume upside potential in the near term. Thus, on-ground car demand continues to be much better than what we had seen pre-GST rate cuts.

MM, Kia, TMPV and Toyota  
outperform on full year  
basis

- Key outperformers in this segment on a full-year basis were TMPV (+13.3%) and Toyota (+8%). TMPV saw a 70bp increase in market share to 9.7%, while Toyota saw a marginal 20bp increase to 4%.
- Conversely, HMIL lost 50bp share to close the year at 13.4%. Hyundai saw a decline across models, with i20 and Verna facing the largest declines of ~9% and ~36% YoY, respectively. Aura, however, saw ~24% YoY growth in FY26, aided by Hyundai's launch of the Prime Taxi range.
- For MSIL, FY26 volume growth slowed to 1.9% YoY, underperforming the broader market for reasons highlighted above. It has still maintained its leadership position, occupying ~67% share in the car segment. Dzire was the primary driver for growth (+39%), while Swift and Baleno saw moderated growth of 3.2% YoY each. On the other hand, the worst hit models were Celerio (-46%), Ignis (-17%) and Spresso (-21%). As of 15<sup>th</sup> Apr'26, Ignis has been discontinued, and MSIL is subsequently winding down its production. Ignis will be replaced by a new micro-SUV.
- Toyota Glanza saw slower 7.6% YoY growth in volumes in FY26.

#### UV segment:

- The UV segment maintains its growth trajectory, posting a strong ~20% uptick in volumes in Mar'26. For FY26, volumes were up 11% YoY.
- Outperformers in FY26 were MM (+20%), Kia (+13%), Toyota (+21%) and TMPV (+15%).
- On the other hand, MSIL (+6%), and Hyundai (-3%) underperformed the segment for FY26. MSIL is currently facing supply issues across models, which impacted its wholesales growth in the last couple of months.
- While MM gained ~160bp share to reach ~21% in FY26, Toyota gained 80bp share to reach 10%. TMPV also gained 60bp to close FY26 at 16%.
- On the other hand, MSIL lost 120bp share to 24.5%, and Hyundai lost 180bp share to ~13%.
- Growth for MM was driven by Bolero (+16%), Scorpio (+9%) and Thar (+49%). Beyond this, FY26 saw EVs sales of ~52k units, averaging ~4.3k units per month. In fact, EV sales have now ramped up to 6.5k units in the last couple of months after the launch of XEV9S. On the other hand, XUV7X0 volumes declined 6% YoY in FY26 due to the phase-out of the old model. The new 7XO has seen a strong reception, with 4Q sales of 28.3k units.
- MSIL continues to face supply constraints, which impacted its wholesales growth. The new Victoris saw strong sales of 39k units in 4Q, with total sales crossing 75k units since the launch (Mar'26 sales stood at 11k units). Brezza, however, closed FY26 with a 4.8% volume decline YoY. Fronx volumes rose 4% YoY in FY26. While Ertiga volumes grew 4% YoY for FY26, they are seeing healthy pick-up after the GST rate cut (+15% in 4Q). Grand Vitara volumes fell 32.4% YoY for FY26, primarily due to supply constraints and part cannibalization from the Victoris (Mar'26 sales were low at 4.5k units). The newly launched e-Vitara sold 3.1k units since launch in domestic markets and clocked 2.2k units in Mar'26. However, exports continue to ramp up well, having sold 25.5k units since launch.
- HMIL volumes were up 1% YoY in Mar'26 but down 3% for FY26. On a full year basis, only Creta posted a growth (+3.6%). Venue saw a 1.2% YoY decline, while Exter was down 14% and Alcazar was down ~28%.

- Kia Seltos saw a strong recovery to 15% YoY growth in FY26, aided by positive reception for the new model launch. Carens continues to see good demand, with 23% YoY growth in FY26. Sonet continues to see growing demand, up 14% YoY in FY26. Syros sold just 59 units in Mar'26.
- For TMPV, Nexon is the largest-selling compact SUV, having sold 216k units in FY26 and delivered a robust 32% YoY growth. On the other hand, Punch sales are down 6% YoY. Sierra has sold 23.3k units over last 2.5 months. Harrier EV has been well received, with 74% YoY growth in FY26 (~33k units). Safari sales declined 2% YoY to 19.5k units.
- For Toyota, Innova Hycross continues to outsell Crysta, with the mix now at 67:33. Urban Cruiser continues to be the primary growth driver, showing a ~65% YoY uptick in FY26.
- The new model Gravite from Nissan sold 2,375 units in Mar'26. Skoda Kylaq sold 49k units in FY26.
- In the first month of its launch, Renault Duster sold 1400 units in Mar'26.

### CV update – Domestic CVs up 13% YoY for FY26

- Domestic CVs continued their recovery trajectory in 4Q, albeit at a slower pace, posting 19.3% YoY growth over a low base. Hence, despite a weak 1Q, full-year growth for domestic CVs stood at 12.7% YoY.
- For FY26, most of the segments posted double-digit growth: 16% for MHCV goods, 13% for LCV goods, and 12.4% for LCV passengers. MHCV passengers, however, underperformed, with flat volumes for the year. The combined impacts of a high base effect and delayed replacement cycles from STUs led to a decline in MHCV PC volumes in 4Q (-11.3%).
- Overall, in the CV segment, TMCV lost the most share this fiscal: down 60bp YoY to 35.2%, while the remaining major players have more or less maintained their market share.

#### MHCV goods:

- As highlighted above, this segment has posted a strong ~16% YoY growth in FY26. This segment has maintained strong quarterly sales momentum, with 4Q sales growing ~30% YoY. All three major players posted 28%+ YoY growth for the quarter.
- Market share has largely remained stable with TMCV gaining 40bp share to 50%, largely from AL.

#### LCV goods:

- This segment posted 13% YoY growth in FY26. Quarterly YoY growth continues to remain strong at 18.2% in 4Q, albeit at a slower pace vs. 3Q.
- While most players posted healthy double-digit growth in FY26 in this segment, only TMCV underperformed with 8% YoY growth.
- Among the top players, AL and MM continued to outperform with 13.4% and 14.7% YoY growth, respectively. VECV posted a strong 37.2% YoY growth but on a low base.
- As a result, while MM gained 30bp share to 49%, TMCV lost 130bp share to 28% in FY26. VECV still maintains a relatively small portion of market share.

#### Bus segment:

- In the passenger segment, the LCV segment posted 12% YoY growth in FY26, while the MHCV segment remained flat.

- In the LCV passenger segment, growth was primarily driven by Force Motors and TMCV, with both growing at 14%. While Force Motors gained 80bp share to 51%, TMCV gained 30bp share to 25% in FY26.
- In the MHCV passenger segment, all players posted a YoY decline in 4QFY26. As a result, 4Q volumes in this segment were down 11.3%. Full-year volume growth, as a result, was flat YoY. SML Mahindra posted 6% YoY growth for FY26 on a low base, while other major players were flat or posted a decline.
- As a result, there was a major dip in market share across the board for TMCV, AL and VECV. TMCV's market share fell 250bp YoY to 30%, AL's fell 20bp YoY to 32% and VECV's fell 210bp YoY to 23%.

### Valuation and view

- While demand momentum has remained healthy in 4Q, there are clear headwinds emerging for the sector given the ongoing geopolitical turmoil in West Asia. While most of the large companies (both OEMs and Ancs) are managing gas supplies at their end very well so far (as well as their supply chain), there is no certainty that they would continue to do so in the coming months if this situation persists. Beyond this, the most critical parameter to watch out for is the surge in input costs across all commodities in 4Q, which could materially impact earnings from 1Q onward. Further, the surge in crude oil prices remains a key risk to India's economic growth, which is likely to be detrimental for CV outlook. Even freight costs have increased for export-focused companies.
- In these circumstances, companies with strong fundamentals, a healthy launch pipeline and the ability to outperform peers and/or are attractively valued will remain preferred bets. Our top OEM picks are MSIL, TVSL and MM. Among auto ancillaries, our top picks are MSWIL, SAMIL and Endurance.

#### Domestic 2W volumes up ~10% YoY for FY26

Total domestic 2Ws ICE	Mar-26	YoY (%)	FY26	YoY (%)
HMCL	535,395	6.8	5,917,575	6.6
HMSI	511,995	28.2	5,748,961	8.0
BJAUT	186,181	20.4	2,043,316	0.6
TVSL	333,626	23.1	3,876,023	19.4
Others	286,863	15.6	3,033,324	13.1
<b>Total</b>	<b>1,854,060</b>	<b>17.7</b>	<b>20,619,199</b>	<b>9.5</b>

Source: SIAM, MOFSL

#### TVS outperforms competitors

Market Share (%)	Mar-26	YoY (bp)	FY26	YoY (bp)
HMCL	28.9	-297	28.7	-78
HMSI	27.6	226	27.9	-39
BJAUT	10.0	22	9.9	-87
TVSL	18.0	78	18.8	156
Others	15.5	-29	14.7	47

Source: SIAM, MOFSL

#### Motorcycle volumes up 6.6% YoY in FY26

Domestic Motorcycles	Mar-26	YoY (%)	FY26	YoY (%)
HMCL	495,699	5.6	5,493,178	5.3
BJAUT	186,181	20.4	2,043,316	0.6
TVSL	120,341	19.9	1,417,583	17.7
HMSI	221,145	14.7	2,589,985	4.3
RE	100,406	14.0	1,107,343	22.7
Others	44,742	48.9	413,384	0.0
<b>Total</b>	<b>1,168,514</b>	<b>12.9</b>	<b>13,064,789</b>	<b>6.6</b>

Source: SIAM, MOFSL

#### TVS/RE continue to outperform in motorcycle FY26

Market Share (%)	Mar-26	YoY (bp)	FY26	YoY (bp)
HMCL	42.4	-293	42.0	-55
BJAUT	15.9	100	15.6	-94
TVSL	10.3	60	10.9	102
HMSI	18.9	31	19.8	-44
RE	8.6	9	8.5	111
Others	3.8	93	3.2	-21

Source: SIAM, MOFSL

# Consumer - Liquor

Company	Target Price (INR)	Reco
UNSP	1,400	Neutral
RDCK	3,850	Buy
UBBL	1,650	Neutral

## Karnataka liquor policy: Positive for industry; slabs revision a tailwind for P&A brands

The Karnataka government announced its new excise policy on 6th March 2026 and has recently released the draft document. The revised excise framework marks several changes to Karnataka’s alcohol taxation, including the implementation of an Alcohol-in-Beverage (AIB) tax system. The policy introduces a standardized excise rate of INR1,000 per liter of pure alcohol for retail channels across IMFL and beer. Besides, for IMFL, the policy simplifies the duty structure by consolidating Additional Excise Duty (AED) slabs from 16 to 8 ([link](#)). For beer, the earlier single-layer AED (200% of declared price) has been replaced with a more calibrated three-slab structure ([link](#)), with slabs introduced across price points.

While the Karnataka market remains dominated by the regular portfolio (~94% of the mix), it is witnessing strong growth in the premium segment (+30% in FY26), with the regular segment (-5% in FY26) declining. The new policy for IMFL is likely to drive MRP reductions of 10-20% for P&A portfolios ([link](#)), while lower-priced brands could see price increases (10-20%) due to slab rationalization, thereby boosting premiumization in the state. For beer, mild beer is expected to witness price cuts (~10%), while strong beer could witness price hikes in the range of 5-15% ([link](#)).

Karnataka is a key market for IMFL, with its market size ranging between 65m and 70m cases (~15% of the IMFL industry). In terms of companies, the state contributes 7-8% for RDCK, UNSP, and Tilaknagar, while for UBBL, the state contributes ~12%.

**The new policy is positive for the industry, with the potential to drive a change toward premium portfolios. However, given the change in tax slabs, many brands (particularly regular) are seeing greater competition from entry-level premium brands due to a narrowing price gap. This may necessitate strategic repositioning for certain brands (content change, declared price, etc). Within beer, mild beer is a beneficiary compared to strong beer, which is impacted by price hikes. RDCK remains our preferred name in the liquor space.**

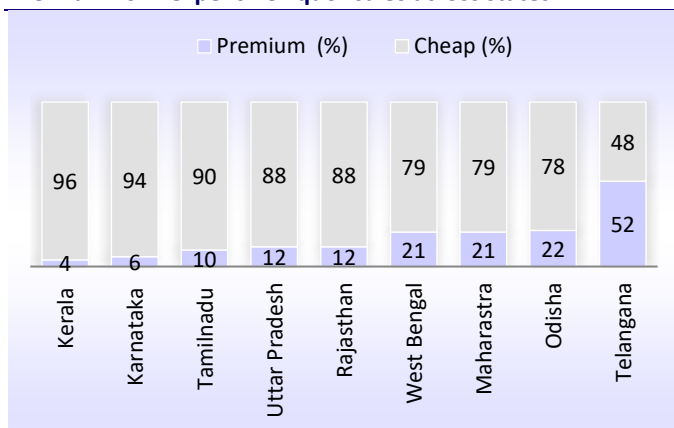
### Key highlights for domestic excise policy 2026

- **Introduction of AIB:** The policy introduces AIB, which measures the specific volume of alcohol in every liter of liquor, such as Brandy, Whisky, Gin, Rum, Beer, Wine, Fruit Wine, Fortified Wine, and Low Alcoholic Beverage. This is used to ensure that stronger drinks are taxed more accurately based on their potency.
- **Consolidation of price slabs for IMFL:** The AED is now divided into eight slabs (vs 16 earlier) based on how much a case of liquor costs.
- **Standardized tax rate:** For most liquor sold through regular distributors (like local shops), the government has set a standard excise duty (ED) of INR1,000 for every one liter of pure alcohol. This applies to spirits like Brandy, Whisky, and Gin, as well as Beer (bottled).

### Prima facie, read-through looks positive for alcobev companies

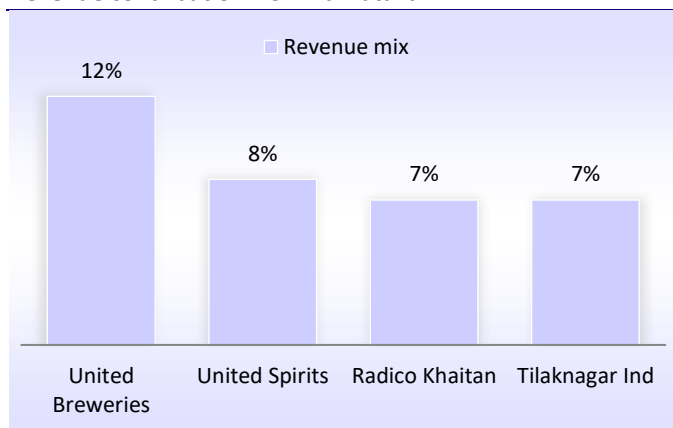
- Karnataka remains a larger market for the regular portfolio. However, the mix is changing gradually. We believe that the regular segment declined ~5% in Karnataka, while the premium segment grew ~30% in FY26.
- In IMFL, we expect MRP reduction in the range of 10-20% across P&A offerings in Karnataka.
- Lower-priced brands are expected to witness sharp price hikes due to the consolidation of slabs (10-20% price hikes). However, companies may opt to reduce alcohol content to maintain pricing and protect market share.
- The ED has shifted to a flat rate of INR1,000 per liter of pure alcohol. Previously, duty was calculated on bulk liters (9 liters per case for IMFL and 7.8 liters for beer).
- This shift means that brands with lower alcohol content (like flavored vodka) or those that strategically reduce their alcohol strength (from 42.8% to 40%) will face a lower duty burden.
- In case of beer, we believe that the revised policy marks a clear transition from a price-based taxation regime to a content-based (ABV-linked) framework, which is more aligned with global practices and is expected to improve rationality and long-term demand stability in the beer category. We expect mild beer to see price cuts (~10%), while strong beer may witness price hikes of 5-15%.

Premium vs. inexpensive liquor sales across states



Source: ISWAI, MOFSL

Revenue contribution from Karnataka



Source: Companies, MOFSL

### MPC minutes: Walking the tightrope between growth and inflation

- The broad signal from the MPC minutes is a clear shift into a cautious “wait-and-watch” mode, driven by heightened global uncertainty and the risk of policy missteps. Members explicitly acknowledge that both tightening pre-emptively (to counter inflation) and easing prematurely (to support growth) carry symmetric risks in the current environment.
- With domestic financial conditions already tightening, effectively acting as a passive rate hike, the argument for holding rates becomes stronger. The emphasis is on the difficulty of distinguishing between transitory and persistent shocks, especially in the context of geopolitical tensions, and the need to avoid reacting to noise rather than durable trends.
- At the same time, the minutes adopt a mildly dovish tone, particularly regarding growth concerns. The West Asia conflict is viewed as a supply-side shock that raises inflation risks while simultaneously dampening growth, with an estimated impact of 50-60bp. Importantly, members highlight that monetary policy has limited effectiveness against supply-driven inflation unless second-round effects emerge, which are currently absent due to anchored inflation expectations.
- This justifies “looking through” near-term inflation spikes and prioritizing growth support, especially for vulnerable segments like MSMEs facing cost pressures. The consensus, therefore, is a “dovish pause”—maintaining rates while staying vigilant, awaiting clearer signals on inflation persistence and the evolution of global shocks before taking any decisive policy action.

#### Highlights of the MPC minutes:

- **Growth outlook moderates amid external shocks; domestic resilience intact**

The MPC minutes indicate a clear moderation in the growth outlook relative to earlier optimism, largely reflecting the adverse impact of the West Asia conflict. While domestic growth engines, particularly private consumption, investment activity, and government capital expenditure, continue to exhibit resilience, external headwinds have weakened the near-term growth trajectory.

Members noted that high-frequency indicators still point to sustained momentum in domestic demand, supported by ongoing public capex and infrastructure spending, alongside stable services activity and consumption trends. However, these positive domestic dynamics are increasingly being offset by elevated crude oil prices, disruptions in global trade and logistics, and a weakening global growth environment.

As a result, real GDP growth for FY27 has been revised down to around 6.9% from approximately 7.6% in FY26, with risks tilted to the downside. The extent of this slowdown remains contingent on the duration and intensity of the ongoing geopolitical conflict.

- **Inflation outlook turns upward, but remains within the tolerance band**

The inflation outlook has shifted materially upward, although it remains within the tolerance band of the RBI. The rise in inflation is primarily attributed to supply-side factors, including a sharp increase in crude oil and energy prices, rising input and transportation costs, and potential weather-related risks such as an El Niño event affecting food prices.



### HCL Tech: Weak Q4, Soft Guidance & AI Deflation Spook Investors ; Vijay Kumar, CEO

- Missed expectations due to weak software business and delayed deals; margins fell ~200 bps.
- FY27 growth guided at ~1–4% (services ~1.5–4.5%), reflecting caution in discretionary spending and macro uncertainty.
- ~2–3% deflation expected from AI, but offset via fast-growing advanced AI services (25–30% growth outlook).
- North America stable, Europe soft; telecom, auto, and select clients weak, though management sees gradual recovery ahead.

[➔ Read More](#)

### Persistent Systems: A Tepid Q4, Tech Services Segment Witnessing Highest AI-Led Disruption; Sandeep Kalra, CEO

- Q4 growth at ~3.2% QoQ; FY growth ~17%, with long-term track record remaining strong.
- Targeting \$2bn revenue by FY27, largely via organic growth with selective capability-led acquisitions.
- Pricing pressure/deflation of ~2–5% due to AI, especially in tech segment; lower impact in regulated sectors.
- Margins at ~16–17% range; priority remains capability building and growth over margin expansion.

[➔ Read More](#)

### Transformers & Rectifiers: Reports Weak Q4 Earnings, Revenue At ₹3,250 Cr; Satyen Mamtara, MD

- Targeting ~₹3,250cr revenue (~35–40% growth) with ~15–16% margins, supported by strong execution.
- Current order book ~₹5,500cr; company being selective on orders to improve quality and utilization.
- Aiming ~95% capacity utilization; lower order inflows due to strategic selectivity, not demand weakness.
- Working capital elevated but expected to improve; ~₹600cr capex planned for capacity expansion and backward integration.

[➔ Read More](#)

### Greenpanel Industries : Higher Input & Chemicals Prices Led To A Price Hike; Himanshu Jindal, CFO

- ~15% cumulative increase (5% + 10%) to offset sharp rise in chemical costs (key raw material).
- Raw material inflation significant, but current hikes seen as adequate; margins largely stable for now.
- Domestic demand intact despite hikes; company focused on volume growth and market share gains.
- High Middle East exposure (~65–75% of exports); volumes impacted due to geopolitical issues, outlook remains uncertain.

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## NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
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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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; [www.motilaloswal.com](http://www.motilaloswal.com).

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.: 022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>
Mr. Neeraj Agarwal	022 40548085	<a href="mailto:na@motilaloswal.com">na@motilaloswal.com</a>
Mr. Siddhartha Khemka	022 50362452	<a href="mailto:po.research@motilaloswal.com">po.research@motilaloswal.com</a>

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